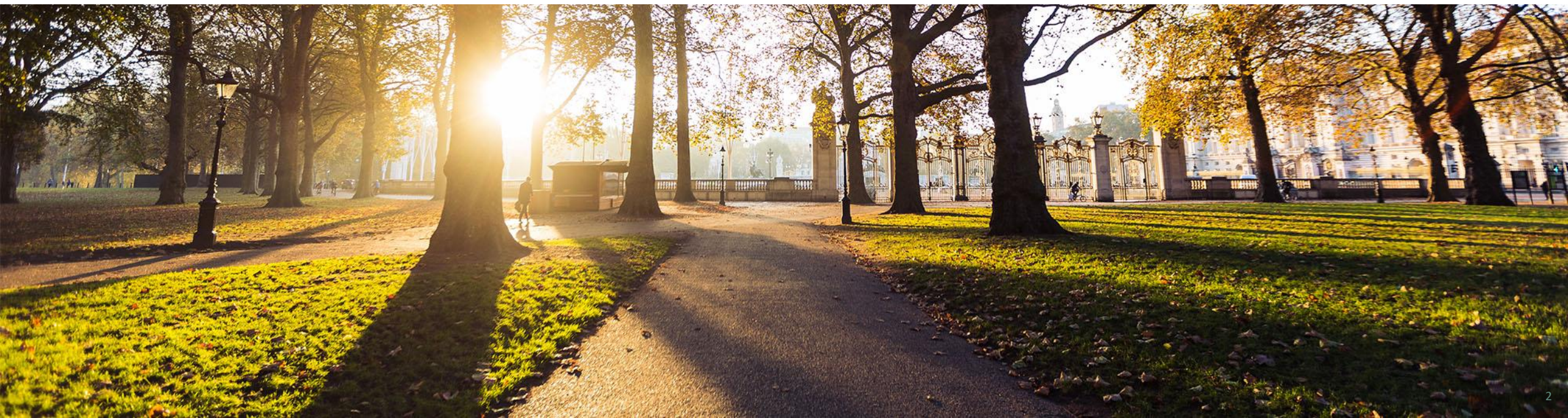




3rd quarter 2019 results announcement



HIGHLIGHTS FROM THE QUARTER



Highlights from the quarter

Revenues	• Revenues of 2,378 MNOK (2,247 MNOK in third quarter 2018) – up 6% Adjusted for currency, revenues were: - Up 2% for TOMRA Group - Up 5% in TOMRA Collection Solutions - Down 1% in TOMRA Sorting Solutions
Gross margin	• Gross margin 45%, up from 44% in third quarter 2018 - Slightly improved margins in both business areas
Operating expenses	• Operating expenses of 648 MNOK (587 MNOK in third quarter 2018) - Higher activity - Ramp-up in TOMRA Collection Solutions - Currencies
EBITA	• EBITA of 414 MNOK – up from 408 MNOK in third quarter 2018 - Positive effect from IFRS 16 of 7 MNOK
Order intake Tomra Sorting	• All time high order intake of 1,224 MNOK in Tomra Sorting, up from 1,105 in third quarter 2018, fueled by improved order intake in Food



Highlights Collection Solutions

Business drivers	Public pressure to reduce waste and littering, handling single-use plastics and deposit legislation being the solution		
P/L	• Revenues of 1,238 MNOK, up from 1,135 MNOK in third quarter 2018 - Revenues up 5% in local currencies due to higher activity in Australia • Gross margin was 43% in the period - Stable from third quarter 2018 • Operating expenses of 264 MNOK, up from 240 MNOK in third quarter 2018 - Ramp-up in new markets - Currencies • EBITA increased from 244 MNOK to 270 MNOK		
Europe	North America	Australia	
• Currency adjusted, revenues were up 2% in Europe - Slightly improved activity in Central Europe - Preparation for implementation of the Single use plastic directive in EU	• Currency adjusted, revenues were unchanged in North America - Overall stable machine sales as well as throughput volumes	• Strong growth in New South Wales - Ramp-up concluded in 2018 - Good volume development continues • Deposit introduced 1 November 2018 in Queensland - Operational with 10 Collection Refund Points since first quarter 2019	



Latest update on selected new container deposit markets

Western Australia	Scotland	Portugal	England	France
- September 2016, the government announced plans for a deposit return scheme - WARRRL selected as scheme coordinator in March 2019 - Ongoing application process to become refund point operators	- September 2017, First Minister Nicola Sturgeon announced a deposit return scheme - Minister of Environment presented a draft proposal and system design in May 2019 - Draft regulation submitted to Parliament in September 2019 pending approval	- December 2018, the Government published a law establishing a system for return and deposit of beverage containers - Decree for system design to be worked out during 2019 - Pilot projects implemented during 2019	- March 2018, UK Environment Secretary Michael Gove announced plans for a deposit return scheme - Government responses to the public consultation published in August 2019 - Circular economy bill presented in October 2019 that lays the basis for introduction of a deposit system	- June 2019, State Secretary of Environment opened for discussions on a deposit return scheme - A circular economy bill presented in July 2019 that provides for possibility to implement a deposit system - Ongoing political debates and voting
				
Estimated startup: 2 June 2020	Estimated startup: Early 2021	Estimated startup: Early 2022	Estimated startup: 2023	Estimated startup: to be decided

Highlights Sorting Solutions

P/L

- **Revenues** equaled **1,140 MNOK** in third quarter 2019, up 3% year-over-year
 - Adjusted for currency, revenues were down 1%
- **Gross margin 46%**
 - Unchanged from third quarter 2019
- **Operating expenses** up from 327 MNOK to **360 MNOK**
 - Higher activity in Recycling
 - Currency
- **EBITA of 168 MNOK** (184 MNOK in third quarter 2018)

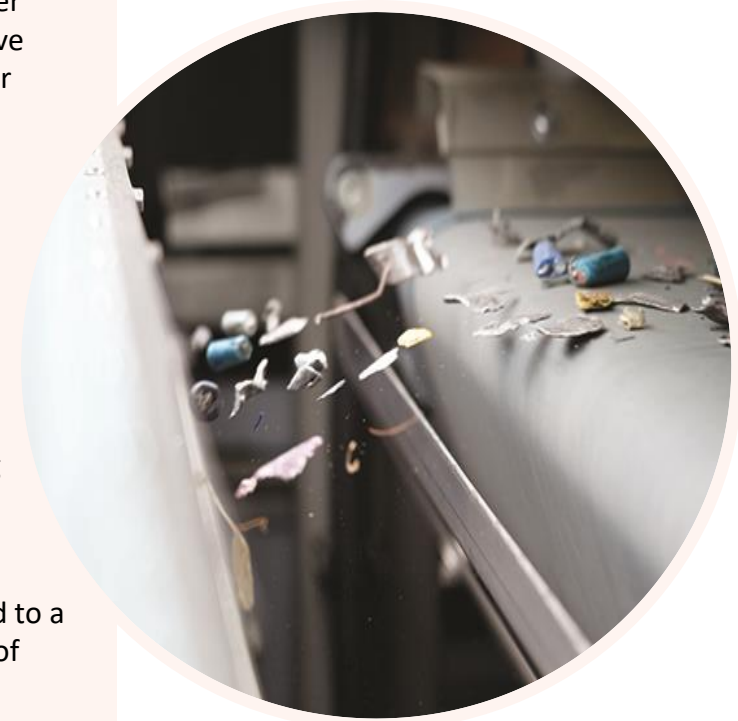
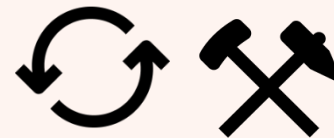
Food

- **Business drivers:** growing population and more demanding consumers, need to increase yield, productivity and food safety/quality with industry automation
- **Stable revenues and improved gross margin** compared to same period last year
- Despite continued macro uncertainty in US; **Improved order intake** compared to both 2Q19 and 3Q18
- Order backlog down from end of 3Q18, but up from end of 2Q19



Recycling & Mining

- **Business drivers:** Growth in waste volume combined with stronger consumer awareness, legislative push and market pull for better recycling
- **Stable revenues** and gross margin compared to same period last year
- **Order intake slightly down** in Recycling compared to same quarter last year due to timing of orders
- Order backlog down compared to a high order backlog in the end of 3Q18



Circular Economy Shaper – Alliance to End Plastic Waste

THE ALLIANCE TO END PLASTIC WASTE

OUR NUMBERS ARE STRONG.
OUR DETERMINATION IS STRONGER.

OUR COMMITMENT

\$1.5 Billion
over the next
five years

OUR ALLIANCE

40+
global companies
actively participating for
a better future

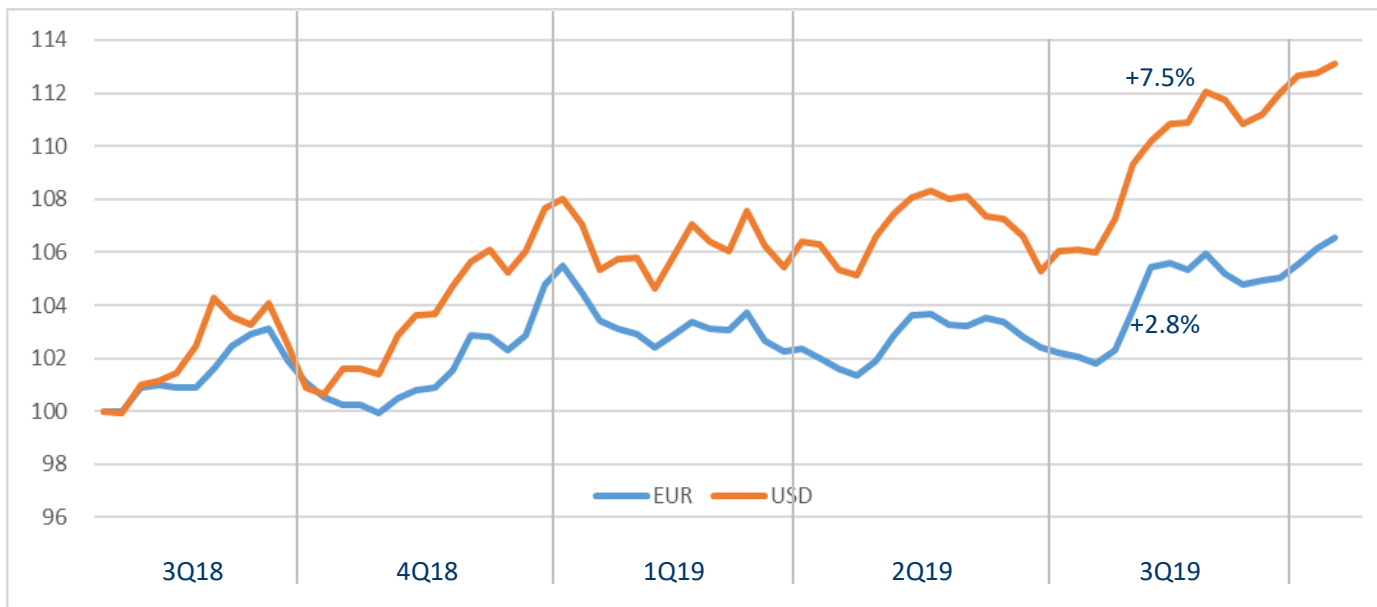
Officers	  				
	    				
	  				
Executive Committee	    				
Board of Directors	       				
	      				
	     				
	     				

• As of
9 Sept 2019

The background of the slide is an abstract composition of overlapping, semi-transparent geometric shapes in various shades of blue and white. These shapes, which include triangles, rectangles, and polygons, are arranged in a way that creates a sense of depth and movement. A solid white horizontal band runs across the center of the image, providing a clear space for the text.

FINANCIALS AND OUTLOOK

Currency risk and hedging policy



Revenues and expenses per currency:

*Average rate 3Q19 vs 3Q18

	EUR*	USD	NOK	OTHER**	TOTAL
Revenues	45 %	35 %	0 %	20 %	100 %
Expenses	40 %	25 %	5 %	30 %	100 %

Assets and liabilities per currency:

	EUR*	USD	NOK	OTHER**	TOTAL
Assets	50 %	15 %	15 %	20 %	100 %
Liabilities	60 %	10 %	20 %	10 %	100 %

* EUR includes DKK

** Most important: AUD, NZD, RMB, CAD, SEK, GBP and JPY

NOTE: Estimated and rounded figures

10% change in NOK towards other currencies will impact:

Positive impact from stronger USD vs EUR

	Revenues	Expenses	EBITA
EUR*	4.5%	4.0%	7.0%
USD	3.5%	2.5%	8.0%
OTHER**	2.0%	3.0%	-4.0%
ALL	10.0%	9.5%	11.0%

HEDGING POLICY

CASHFLOW AND P/L

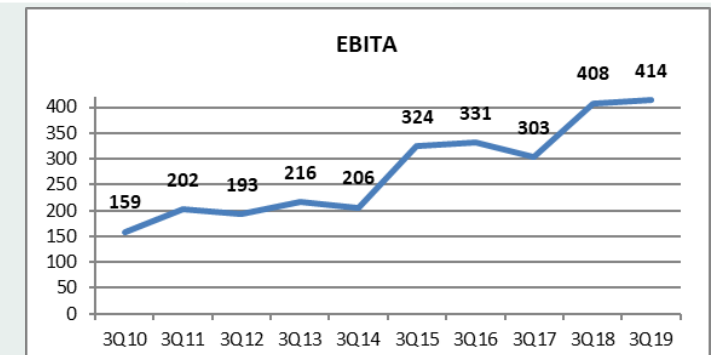
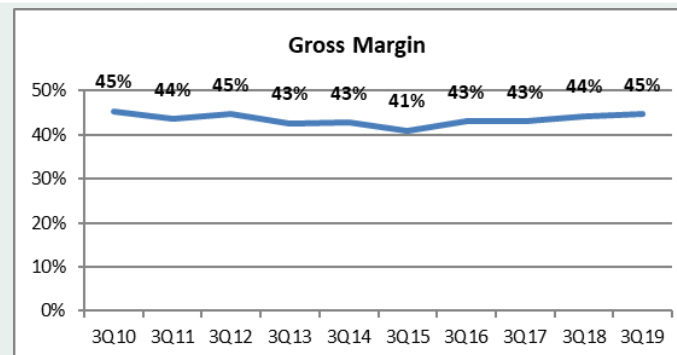
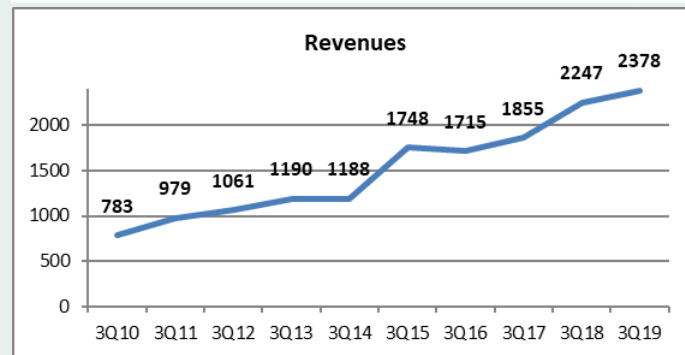
- TOMRA can hedge up to one year of future predicted cash flows. Gains and losses on these hedges are recorded at the finance line, not influencing EBITA

B/S

- TOMRA only hedge B/S item where exchange rate fluctuations could have P/L impact. Gains and losses on B/S hedging is recorded in accordance with IAS 21 and will normally not have P/L impact

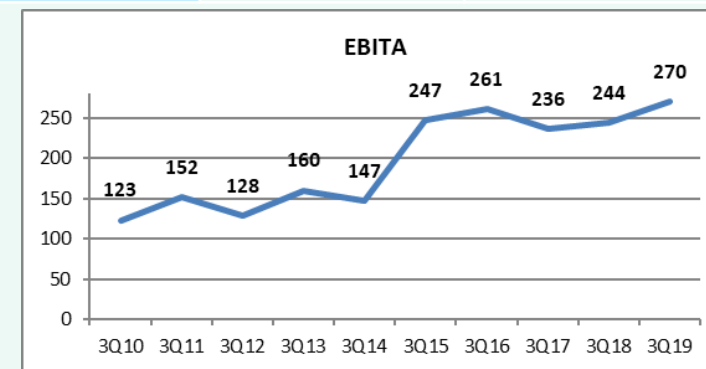
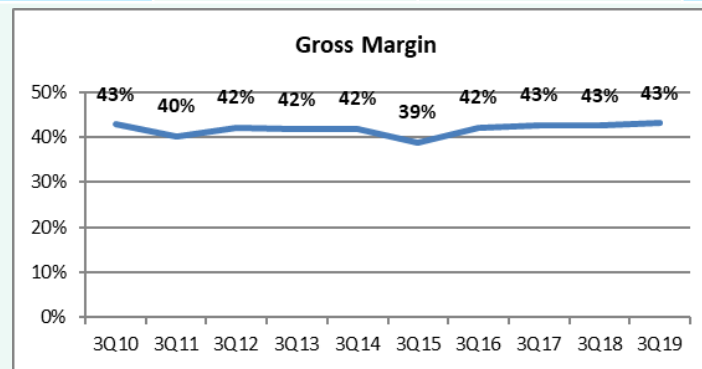
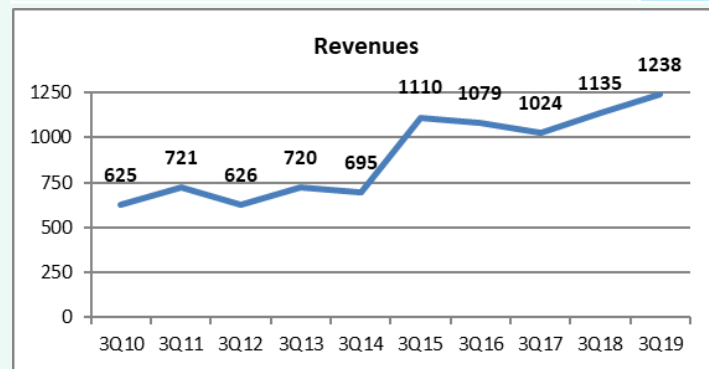
Financial highlights | P&L statement

	3rd quarter			YTD 9 months		
<i>Amounts in NOK million</i>	2019	2018	2018 Adj*	2019	2018	2018 Adj*
Revenues	2,378	2,247	2,332	6,777	6,129	6,346
Collection Solutions	1,238	1,135	1,178	3,368	3,124	3,228
Sorting Solutions	1,140	1,112	1,154	3,409	3,005	3,117
Gross contribution	1,062	995	1,033	2,977	2,633	2,734
<i>in %</i>	<i>45%</i>	<i>44%</i>	<i>44%</i>	<i>44%</i>	<i>43%</i>	<i>43%</i>
Operating expenses	648	587	612	2,004	1,776	1,831
EBITA	414	408	422	973	857	902
<i>in %</i>	<i>17%</i>	<i>18%</i>	<i>18%</i>	<i>14%</i>	<i>14%</i>	<i>14%</i>



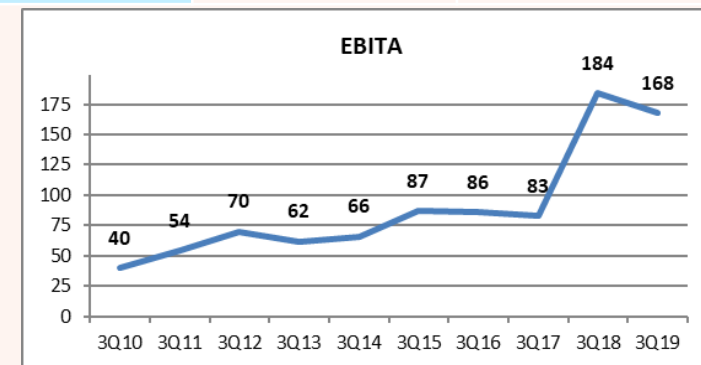
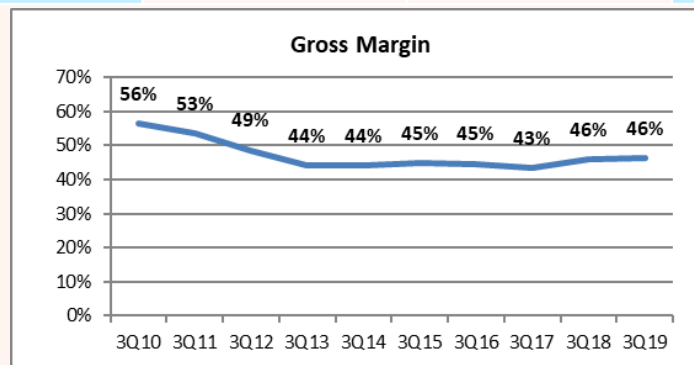
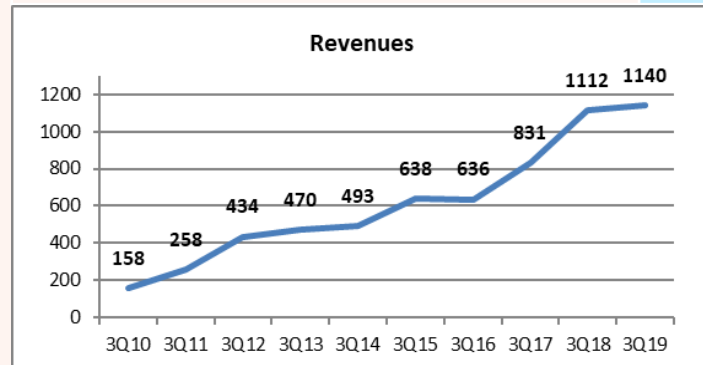
Collection Solutions financials

	3rd quarter			YTD 9 months		
<i>Amounts in NOK million</i>	2019	2018	2018 Adj*	2019	2018	2018 Adj*
Revenues	1,238	1,135	1,178	3,368	3,124	3,228
Northern Europe	153	147		458	457	
Europe (ex Northern)	449	433		1,210	1,245	
North America	502	467		1,290	1,202	
Rest of the world	134	88		410	220	
Gross contribution	534	484	501	1,422	1,299	1,335
<i>in %</i>	43%	43%	43%	42%	42%	41%
Operating expenses	264	240	251	830	752	777
EBITA	270	244	250	592	547	558
<i>in %</i>	22%	21%	21%	18%	18%	17%



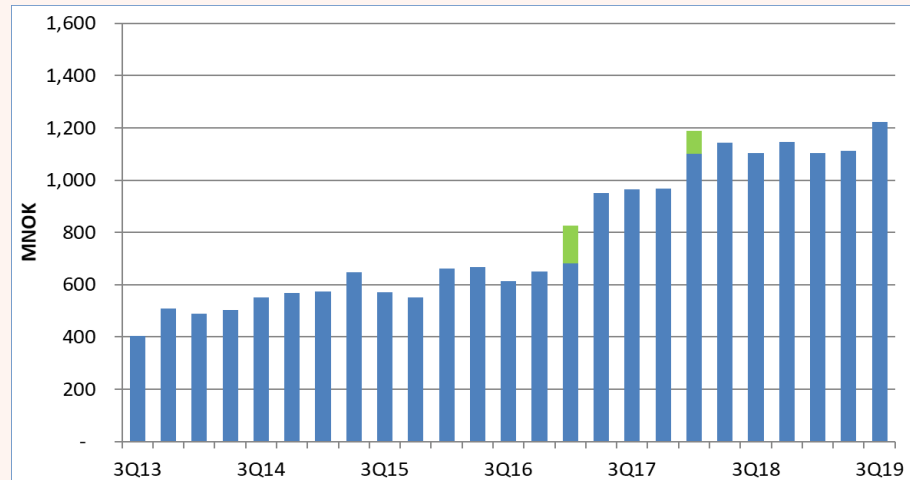
Sorting Solutions financials

	3rd quarter			YTD 9 months		
<i>Amounts in NOK million</i>	2019	2018	2018 Adj*	2019	2018	2018 Adj*
Revenues	1,140	1,112	1,154	3,409	3,005	3,117
Europe	459	423		1,344	1,107	
America	398	410		1,185	1,166	
Asia	118	136		411	339	
Rest of the world	165	143		469	393	
Gross contribution	528	511	533	1,555	1,334	1,398
<i>in %</i>	<i>46%</i>	<i>46%</i>	<i>46%</i>	<i>46%</i>	<i>44%</i>	<i>45%</i>
Operating expenses	360	327	340	1,102	964	994
EBITA	168	184	192	453	370	404
<i>in %</i>	<i>15%</i>	<i>17%</i>	<i>17%</i>	<i>13%</i>	<i>12%</i>	<i>13%</i>

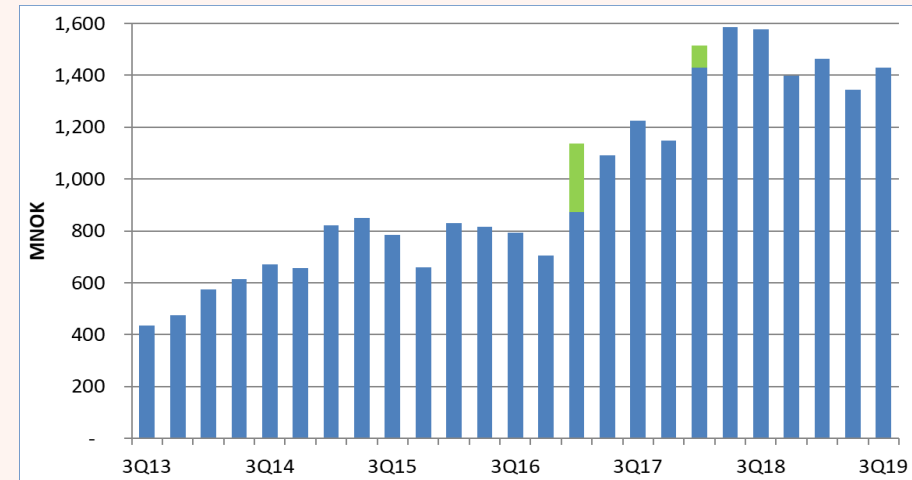


Development in order intake and order backlog

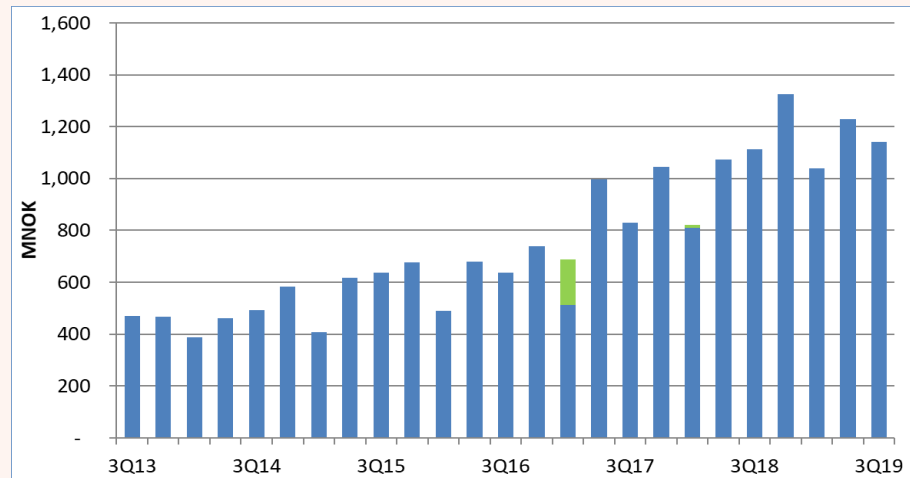
Order intake



Order backlog



Revenues



- **TOMRA Sorting Solutions (TSS):**

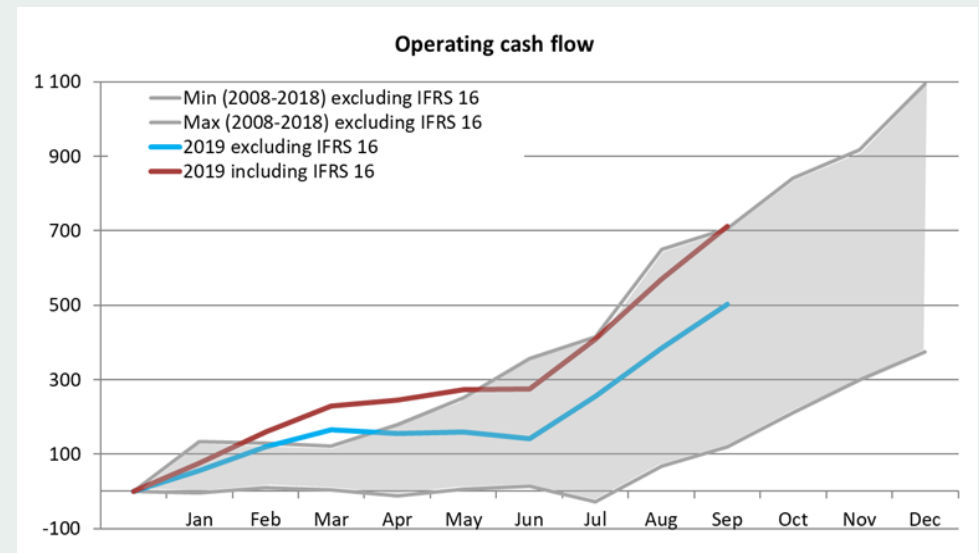
- Revenues of 1,140 MNOK, up from 1,112 MNOK last year
- Order intake of 1,224 MNOK in the quarter, compared to 1,105 MNOK last year
- Order backlog of 1,430 MNOK by the end of third quarter, compared to 1,579 MNOK by the end of third quarter 2018

- **Estimated backlog conversion ratio in 4Q19: 85-90%**

■ Organic ■ Inorganic

Financial highlights | Balance sheet and cash flow

	With IFRS 16	Without IFRS 16		
	30 Sept 2019	30 Sept 2019	30 Sept 2018	31 Dec 2018
<i>Amounts in NOK million</i>				
ASSETS	11,284	10,211	9,117	9,595
Intangible non-current assets	3,800	3,787	3,653	3,821
Tangible non-current assets	2,409	1,350	1,129	1,276
Financial non-current assets	367	367	327	340
Inventory	1,663	1,663	1,400	1,447
Receivables	2,676	2,676	2,322	2,314
Cash and cash equivalents	368	368	286	397
LIABILITIES AND EQUITY	11,284	10,211	9,117	9,595
Equity	4,973	5,015	4,577	5,077
Minority interest	174	174	156	159
Interest-bearing liabilities	3,123	2,008	1,487	1,524
Non interest-bearing liabilities	3,014	3,014	2,897	2,835



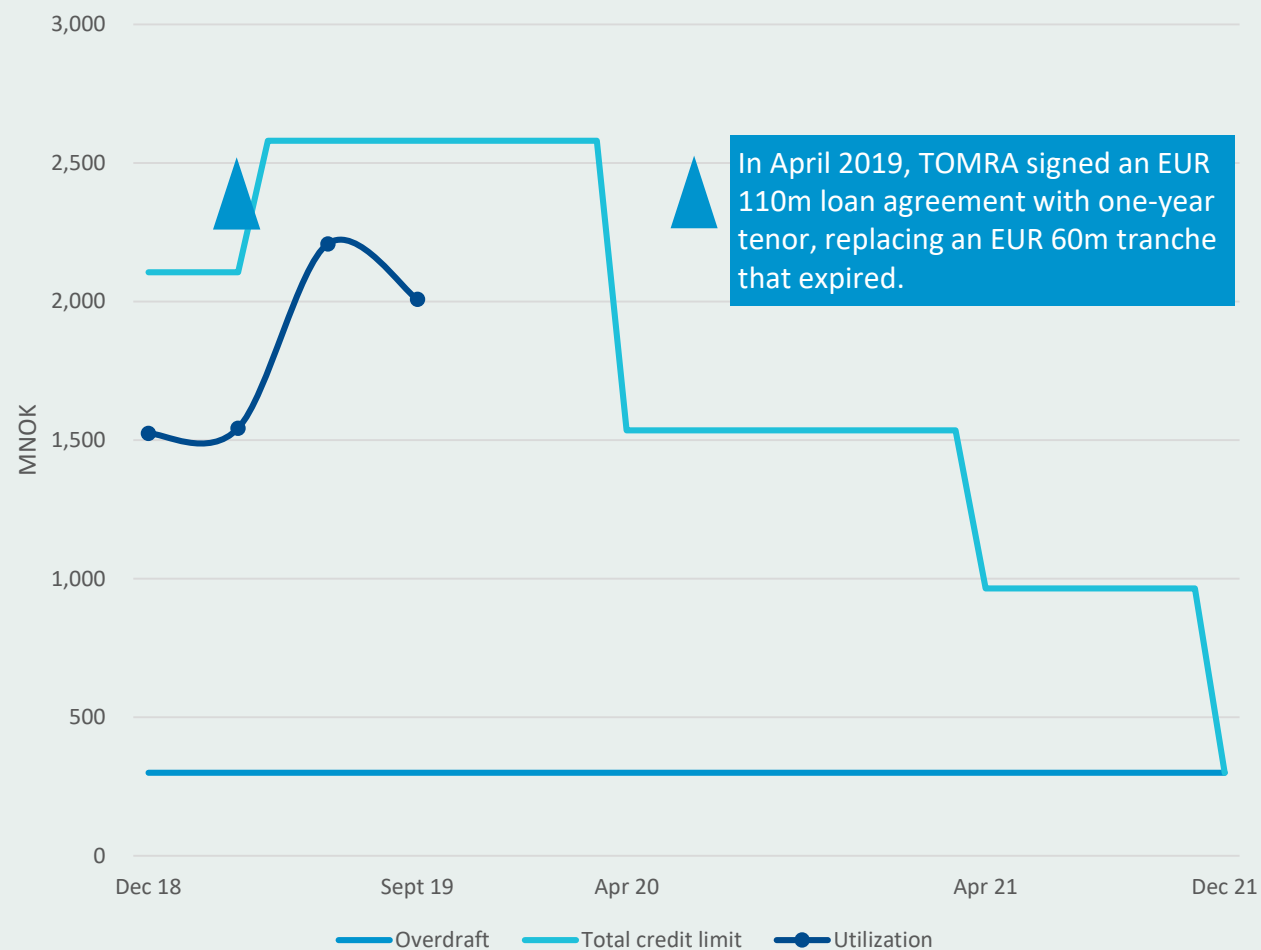
Ordinary cashflow from operations

- 438 MNOK in third quarter (433 MNOK in third quarter 2018)
 - Positive effect from IFRS 16 of 68 MNOK
- 712 MNOK YTD 9 months (679 MNOK YTD 9 months in 2018)
 - Positive effect from IFRS 16 of 200 MNOK

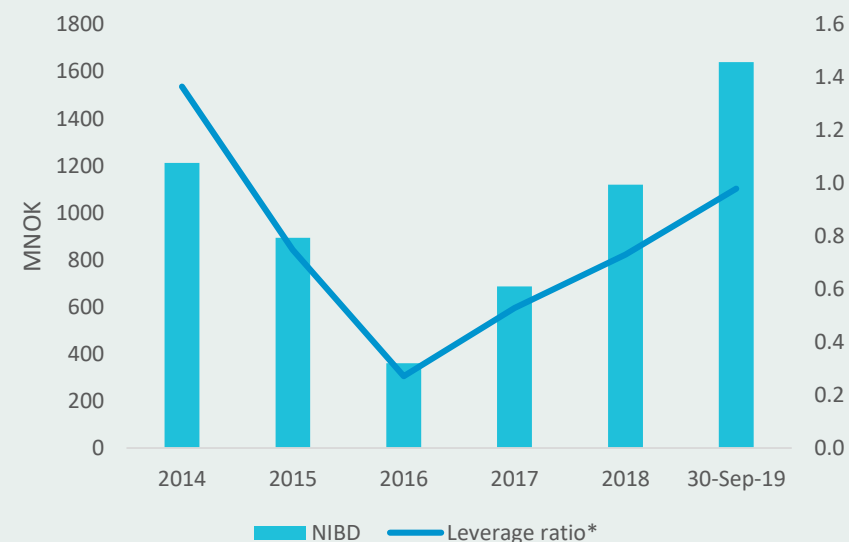
Solidity

- 46% equity (50% ex. IFRS 16)
- NIBD/EBITDA = 1.0x (Rolling 12 months), ex IFRS 16 effects

Bond issue to refinance existing debt



- Signed mandate letter with DNB Markets and SEB
- Execution during fourth quarter 2019
- Size and maturity dependent upon investor interest and markets conditions:
 - Up to 1,000MNOK
 - Up to 7 years
 - Swapped to EUR
- Roadshows in Oslo and Bergen scheduled for early November
- Debt capacity significantly higher than current leverage ratio:



Outlook

Collection Solutions

- Overall stable business
- Increased operating expenses due to ramping up in new markets

Sorting Solutions

- Good momentum within Recycling
- Slightly improved momentum in Food, but with regional differences

Currency

- Reporting in NOK and with some NOK cost base, TOMRA will in general benefit from a weak NOK, particularly measured against EUR
- With significant revenues in USD and costs in EUR, TOMRA Sorting Solutions is exposed to USD/EUR



Q&A



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