

FOURTH QUARTER 2018

RESULTS ANNOUNCEMENT

Strong performance in both Collection and Sorting

Revenues in the fourth quarter 2018 ended at 2,467 MNOK, up 21% from 2,041 MNOK in fourth quarter last year. Organic, currency adjusted revenues were up 15% for the group, 14% for Tomra Collection Solutions and 17% for Tomra Sorting Solutions.

Gross margin was 43% in the quarter, unchanged compared to fourth quarter 2017, reflecting stable margins in both Tomra Collection Solutions and Tomra Sorting Solutions.

Operating expenses amounted to 653 MNOK in the quarter, an increase from 574 MNOK in fourth quarter last year. The increase was due to high business activity, ramp-up costs in new deposit markets and acquisition of BBC (BBC consolidated into group financials from 1 March 2018).

EBITA reached 396 MNOK in fourth quarter 2018, up 32% from same period last year.

Cash flow from operations in fourth quarter 2018 were 346 MNOK, compared to 356 MNOK in fourth quarter 2017.

Due to strong cashflow and a solid balance sheet, the Board proposes an ordinary dividend of NOK 2.50 plus an extraordinary dividend of NOK 2.00, in total NOK 4.50 per share for 2018, up from NOK 2.35 per share last year.

"There has been a major shift in public attitude to waste and recycling recently, and policymakers have been implementing ambitious targets and regulations all over the world. Circular Economy has been high on the agenda as nations and businesses seek to manage their resources more effectively and deliver a more sustainable model from production to consumption. TOMRA is committed to both reducing material waste and enhancing material value by making use of our knowledge in both Collection and Sorting and through collaboration with partners. We see good results of the work today, yet significant untapped potentials remains", says Stefan Ranstrand, TOMRA President and CEO.

Collection Solutions: High business activity in both new and existing markets

Revenues amounted to 1,141 MNOK in the fourth quarter 2018, up from 995 MNOK in fourth quarter last year. After adjustment for currency changes, revenues were up 14%.

Gross margin was 40%, unchanged from last year. Operating expenses amounted to 273 MNOK, up from 266 MNOK last year, mainly due to cost related to the preparation for new deposit markets. EBITA was 179 MNOK, an increase from 135 MNOK fourth quarter last year.

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In November 2018, the Queensland container deposit system went live, with all TOMRA's 10 Collection Refund Points operational, each equipped with approx. 10 RVMs.

On 19th of December, a joint agreement with the EU Parliament and EU Council was reached on the EU Single-use Plastics Directive, introducing amongst others separate collection targets on plastic bottles and requirements for recycled content in new plastic bottles.

Sorting Solutions: Good momentum across all business streams

Revenues equaled 1,326 MNOK in fourth quarter 2018, up 17% in local currencies, adjusted for acquisitions (BBC). Gross margin was 45%, unchanged from same period last year.

Operating expenses were up from 292 MNOK to 360 MNOK, due to higher activity, the acquisition of BBC and currency effects.

EBITA increased from 182 MNOK in fourth quarter 2017 to 237 MNOK in fourth quarter 2018, positively influenced by strong topline growth.

Despite all time high revenues in the quarter, continued strong order intake lead to a healthy order backlog of 1,399 MNOK at the end of fourth quarter 2018, up from 1,147 MNOK at the end of fourth quarter 2017.

Both revenues and order intake in the Food business stream improved year-over-year. Recycling had stable revenue and order intake compared to fourth quarter last year, while order backlog was significantly up. Mining also had improvement in revenue, order intake and backlog.

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Webcast link: <https://events.webcast.no/tomra/kvartalspresentasjoner/tomra-systems-asa-q4-presentation-2018>

There will be a Q&A after the presentation and the recorded webcast will be made available on TOMRA's webpage www.tomra.com.

TOMRA was founded on an innovation in 1972 that began with design, manufacturing and sale of reverse vending machines (RVMs) for automated collection of used beverage containers. Today, TOMRA has ~100,000 installations in over 80 markets worldwide and had total revenues of ~8.6 billion NOK in 2018. The Group employs ~4,000 globally and is publicly listed on the Oslo Stock Exchange. (OSE: TOM). The TOMRA Group continues to innovate and provide cutting-edge solutions for optimal resource productivity within two main business areas: Collection Solutions (reverse vending and material recovery) and Sorting Solutions (recycling, mining and food sorting). For further information about TOMRA, please see www.tomra.com

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