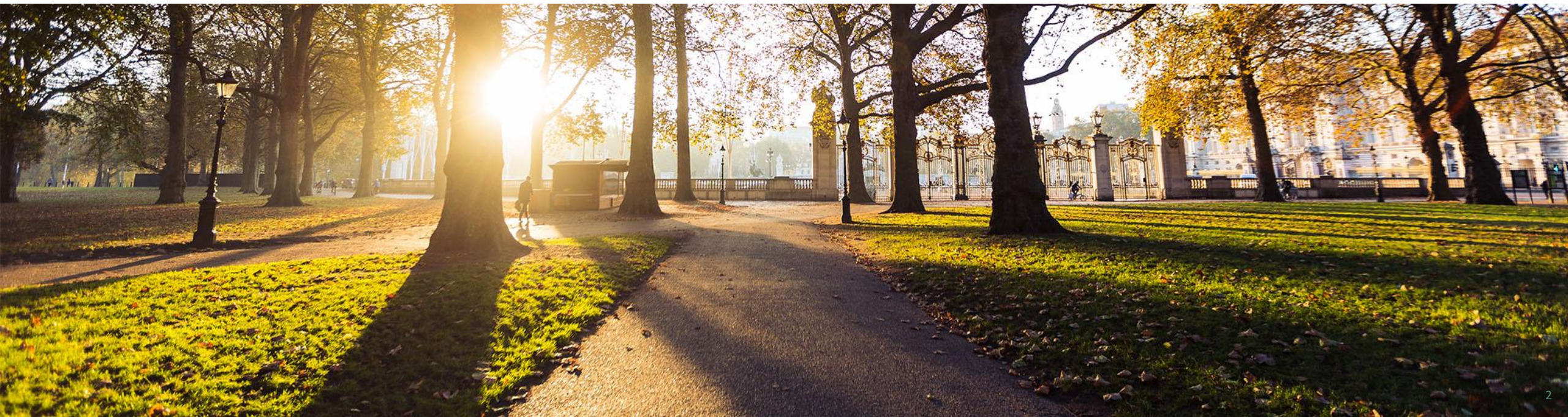


2nd quarter 2019 results announcement



HIGHLIGHTS FROM THE QUARTER



Highlights from the quarter

Revenues

- **Revenues of 2,318 MNOK** (2,128 MNOK in second quarter 2018) – up 9%
Adjusted for currency, revenues were:
 - Up 6% for TOMRA Group
 - Stable in TOMRA Collection Solutions
 - Up 11% in TOMRA Sorting Solutions

Gross margin

- **Gross margin 45%**, up from 43% in second quarter 2018
 - Improved margins in both business areas

Operating expenses

- **Operating expenses of 689 MNOK** (609 MNOK in second quarter 2018)
 - Higher activity
 - Ramp-up
 - Currencies

EBITA

- **EBITA of 352 MNOK** – up 15% from second quarter 2018
 - Positive effect from IFRS 16 of 9 MNOK








Highlights Collection Solutions


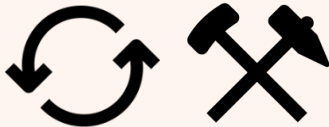
Business drivers	Public pressure to reduce waste and littering, handling single-use plastics and deposit legislation being the solution	
P/L	<ul style="list-style-type: none"> • Revenues of 1,088 MNOK, up from 1,055 MNOK in second quarter 2018 <ul style="list-style-type: none"> - Revenues stable in local currencies, higher activity in Australia offset by somewhat lower in Europe and North America • Gross margin was 43% in the period <ul style="list-style-type: none"> - Up from 42% in second quarter 2018 • Operating expenses of 288 MNOK, up from 259 MNOK in second quarter 2018 <ul style="list-style-type: none"> - Ramp-up - Currencies • EBITA increased from 182 MNOK to 183 MNOK 	
Europe <ul style="list-style-type: none"> • Currency adjusted, revenues were down 5% in Europe <ul style="list-style-type: none"> - Somewhat down in Central Europe, due to timing of orders • Single use plastic directive published 12 June 2019 in EU's official journal 	North America <ul style="list-style-type: none"> • Currency adjusted, revenues were down 2% in North America <ul style="list-style-type: none"> - Overall stable, machine sales slightly down partly offset by increased throughput volumes 	Australia <ul style="list-style-type: none"> • Strong growth in New South Wales <ul style="list-style-type: none"> - Ramp-up concluded in 2018 - Good volume development continues • Deposit introduced 1 November 2018 in Queensland <ul style="list-style-type: none"> - Operational with 10 Collection Refund Points since first quarter 2019

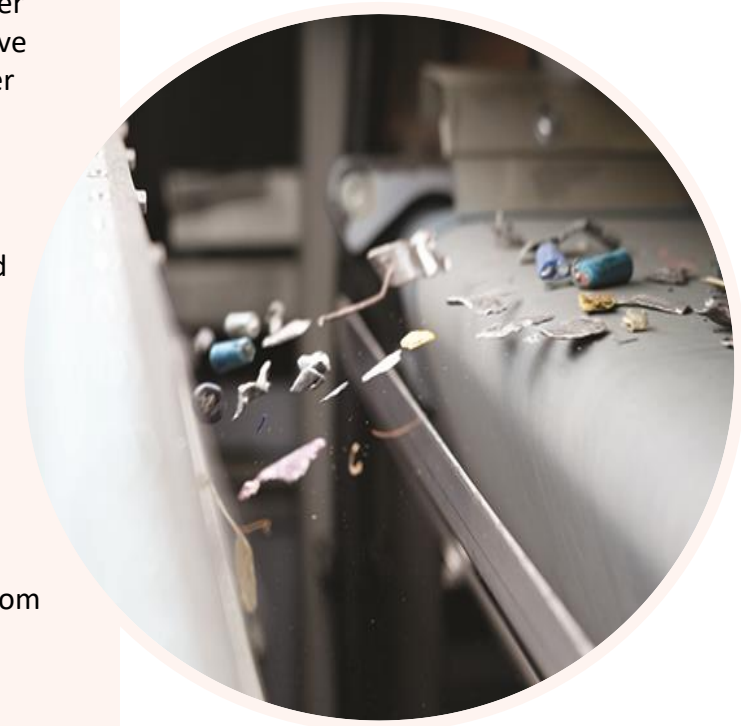


Initiatives on new container deposit markets

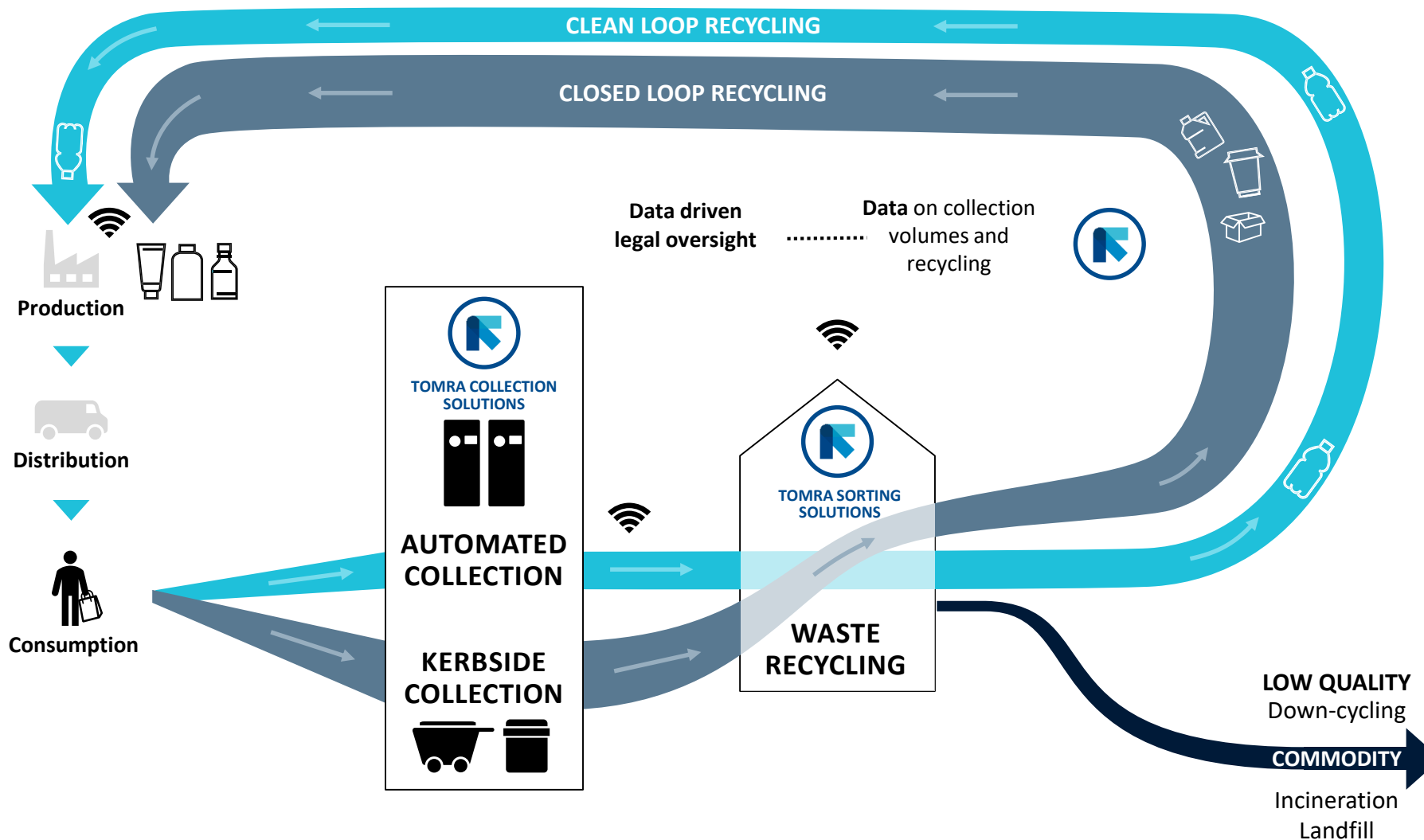
Western Australia	Scotland	Portugal	England	France
<ul style="list-style-type: none">September 2016, the government announced plans for a deposit return schemeScheme coordinator selected in March 2019Collection network tender to be launched followed by final regulatory approval	<ul style="list-style-type: none">September 2017, First Minister Nicola Sturgeon announced a deposit return schemeConsultation round ended 25th of September 2018Minister of Environment presented a draft proposal and system design in May 2019	<ul style="list-style-type: none">December 2018, the Government published a law establishing a system for return and deposit of beverage containersDecree for system design to be worked out during 2019Pilot projects implemented during 2019	<ul style="list-style-type: none">March 2018, UK Environment Secretary Michael Gove announced plans for a deposit return schemeDecember 2018, UK Waste and Resource Strategy was publishedConsultation round ended 13th of May 2019	<ul style="list-style-type: none">June 2019, State Secretary of Environment opened for discussions on a deposit return schemeDraft bill on circular economy presented to the Council in July 2019 that provides for possibility to implement a deposit system
				
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	Food	Recycling & Mining
<ul style="list-style-type: none">• Revenues equaled 1,230 MNOK in second quarter 2019, up 15% year-over-year<ul style="list-style-type: none">- Adjusted for currency, revenues were up 11%• Gross margin 46%<ul style="list-style-type: none">- Up from 44% in second quarter 2018• Operating expenses up from 330 MNOK to 377 MNOK<ul style="list-style-type: none">- Higher activity- Currency• EBITA of 193 MNOK (145 MNOK in second quarter 2018)<ul style="list-style-type: none">- Margin 16%, up from 14% in second quarter 2018	<ul style="list-style-type: none">• Business drivers: growing population and more demanding consumers, need to increase yield, productivity and food safety/quality with industry automation• Improvements in revenues and gross margin compared to same period last year• Somewhat slower order intake mainly due to macro uncertainty in US• Order backlog down from end of 2Q18 also due to more orders taken to P/L 	<ul style="list-style-type: none">• Business drivers: Growth in waste volume combined with stronger consumer awareness, legislative push and market pull for better recycling• Continued strong revenue growth in Recycling compared to 2Q18• Order intake slightly up in Recycling and down in Mining from same quarter last year• Order backlog slightly down from end of 2Q18 



Circular economy – redefining value creation



Business case for plastics

Value increase
2.5-7x

€1400 per ton
Clear PP/PE

€1000 per ton
Clear PET

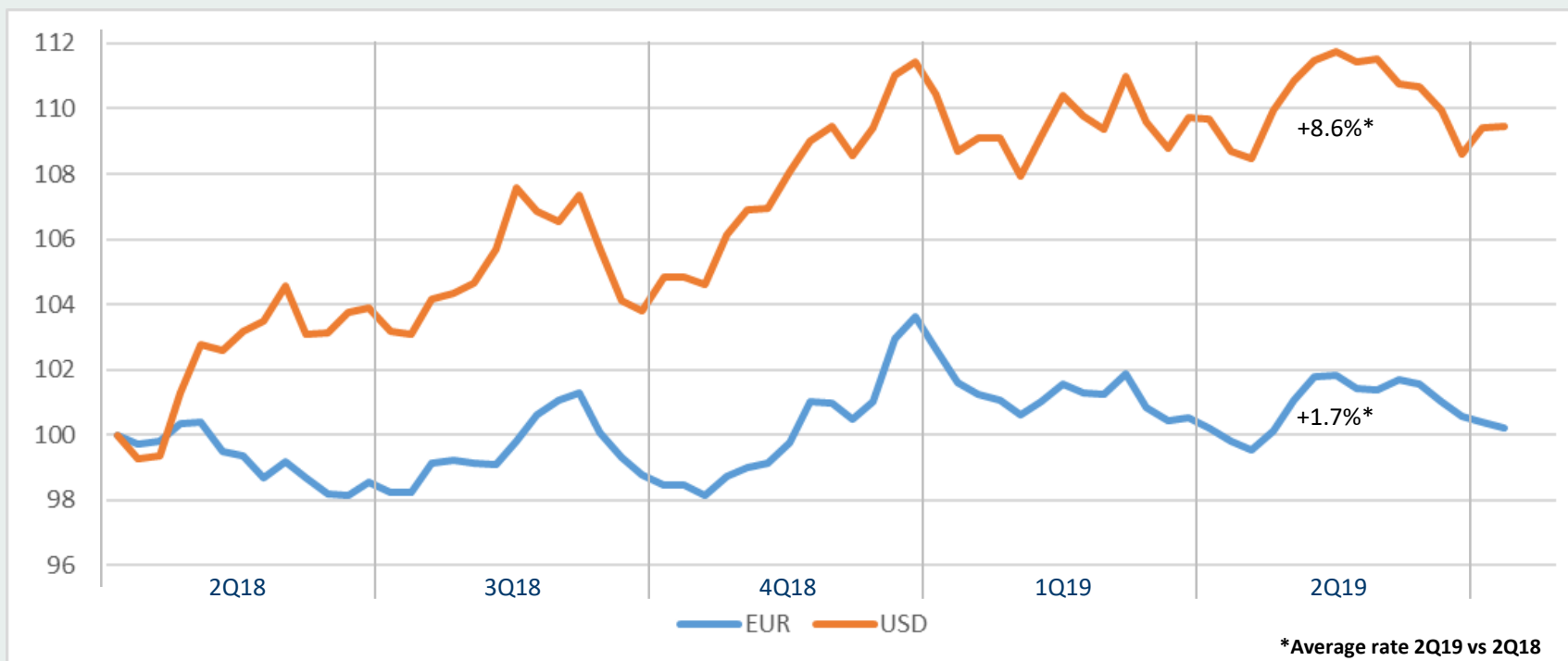
€500 per ton
Mixed PET

€200 per ton
Mixed Plastic

The background of the slide is a close-up, artistic photograph of a complex, perforated metal structure. The structure consists of numerous interconnected, angular metal pieces that form a lattice-like pattern. The lighting is dramatic, with strong highlights and deep shadows, creating a sense of depth and texture. The color palette is primarily blue and grey, with some metallic sheen. The overall aesthetic is industrial and modern.

FINANCIALS AND OUTLOOK

Currency



Positive impact from stronger USD vs EUR in TSS

Revenues and expenses per currency:

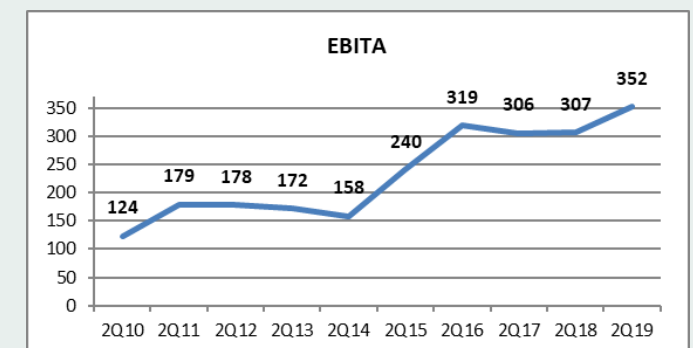
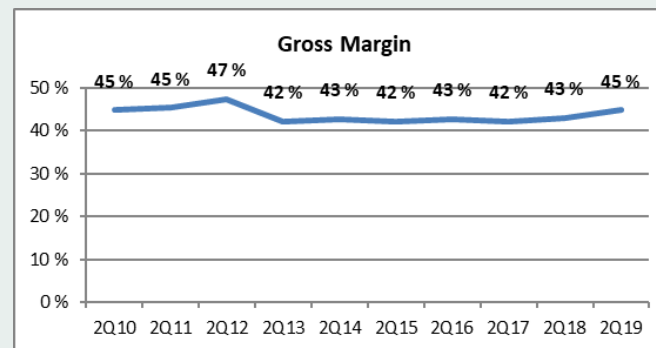
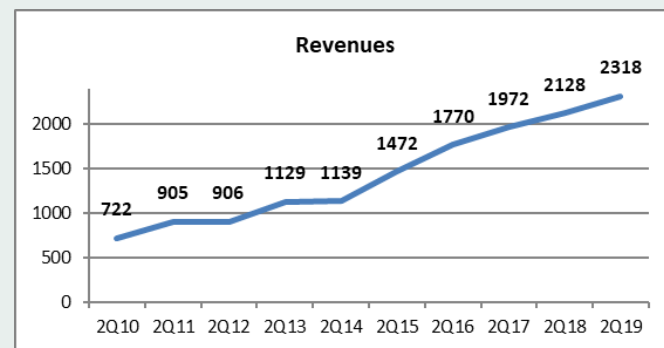
	EUR*	USD	NOK	NZD	OTHER	TOTAL
Revenues	45 %	45 %	0 %	0 %	10 %	100 %
Expenses	40 %	30 %	5 %	5 %	20 %	100 %
EBITA	50 %	100 %	- 20 %	- 20 %	-10 %	100 %

* EUR includes DKK

NOTE: Rounded figures

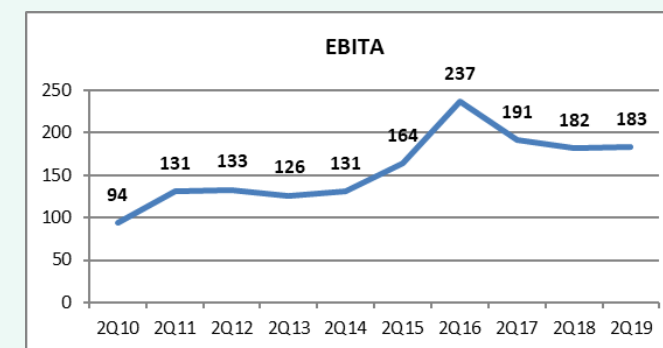
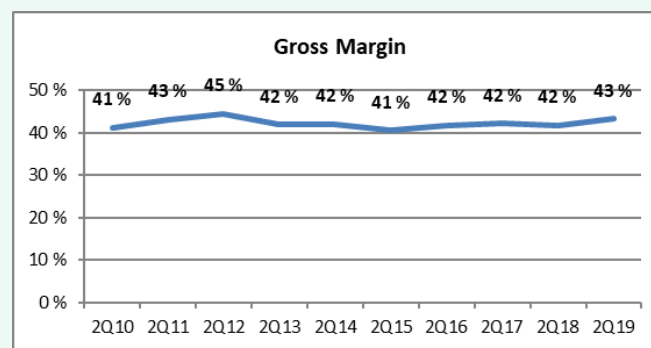
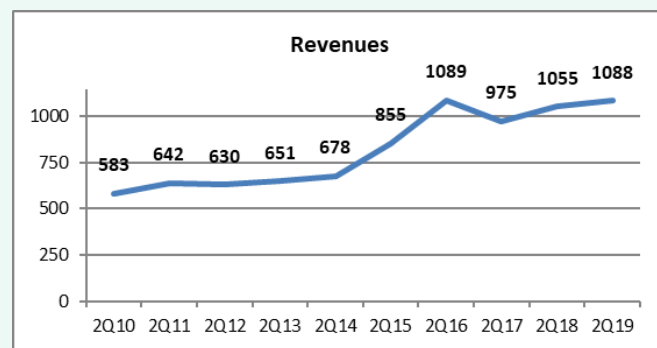
Financial highlights | P&L statement

	2nd quarter			1st half		
<i>Amounts in NOK million</i>	2019	2018	2018 Adj*	2019	2018	2018 Adj*
Revenues	2,318	2,128	2,198	4,399	3,882	4,013
Collection Solutions	1,088	1,055	1,088	2,130	1,989	2,050
Sorting Solutions	1,230	1,073	1,110	2,269	1,893	1,963
Gross contribution	1,041	916	951	1,915	1,638	1,700
<i>in %</i>	<i>45%</i>	<i>43%</i>	<i>43%</i>	<i>44%</i>	<i>42%</i>	<i>42%</i>
Operating expenses	689	609	627	1,356	1,189	1,222
EBITA	352	307	324	559	449	478
<i>in %</i>	<i>15%</i>	<i>14%</i>	<i>15%</i>	<i>13%</i>	<i>12%</i>	<i>12%</i>



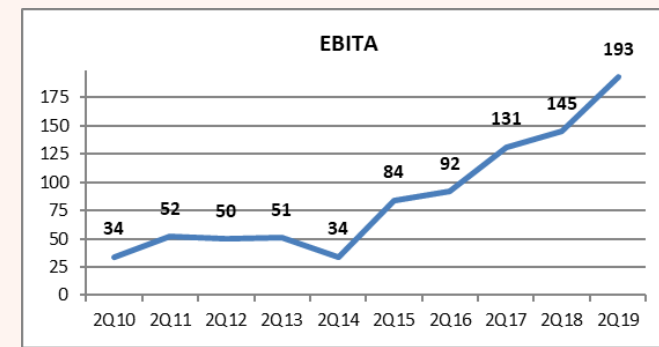
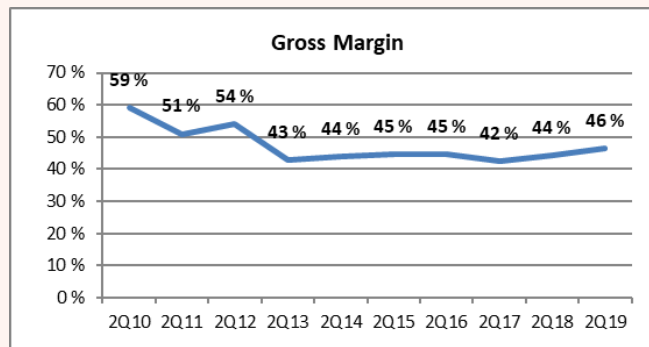
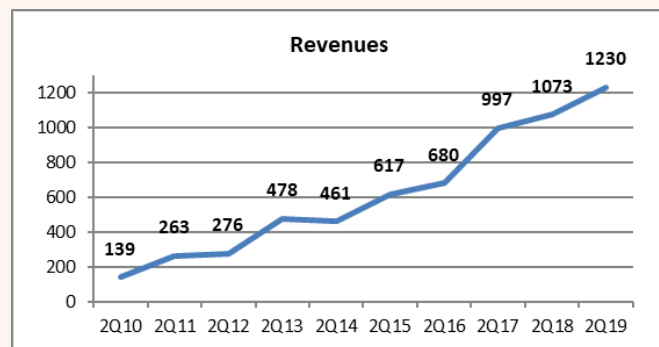
Collection Solutions financials

	2nd quarter			1st half		
<i>Amounts in NOK million</i>	2019	2018	2018 Adj*	2019	2018	2018 Adj*
Revenues	1,088	1,055	1,088	2,130	1,989	2,050
Northern Europe	153	162		305	310	
Europe (ex Northern)	370	403		761	812	
North America	435	413		788	735	
Rest of the world	130	77		276	132	
Gross contribution	471	441	454	888	815	835
<i>in %</i>	43%	42%	42%	42%	41%	41%
Operating expenses	288	259	268	566	512	528
EBITA	183	182	186	322	303	307
<i>in %</i>	17%	17%	15%	15%	15%	15%



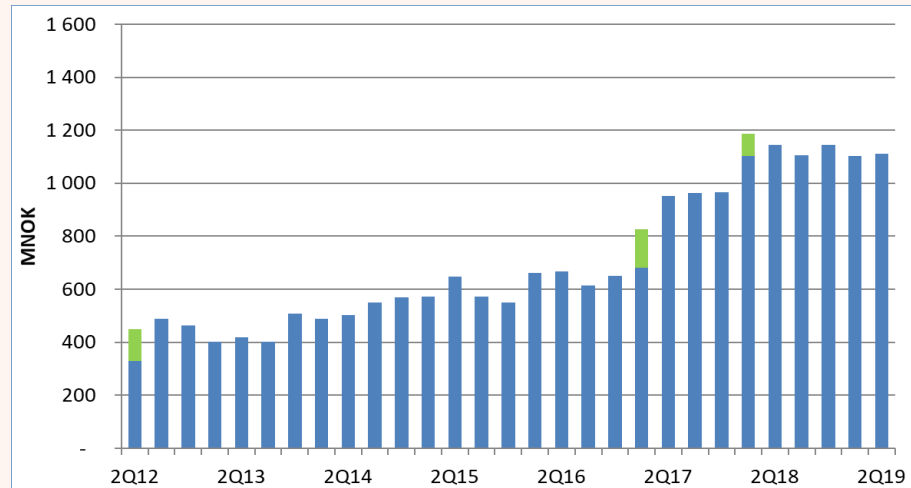
Sorting Solutions financials

	2nd quarter			1st half		
<i>Amounts in NOK million</i>	2019	2018	2018 Adj*	2019	2018	2018 Adj*
Revenues	1,230	1,073	1,110	2,269	1,893	1,963
Europe	482	428		885	684	
America	428	445		787	756	
Asia	144	88		293	203	
Rest of the world	176	112		304	250	
Gross contribution	570	475	498	1,027	823	866
<i>in %</i>	<i>46%</i>	<i>44%</i>	<i>45%</i>	<i>45%</i>	<i>43%</i>	<i>44%</i>
Operating expenses	377	330	340	742	637	655
EBITA	193	145	158	285	186	211
<i>in %</i>	<i>16%</i>	<i>14%</i>	<i>14%</i>	<i>13%</i>	<i>10%</i>	<i>11%</i>

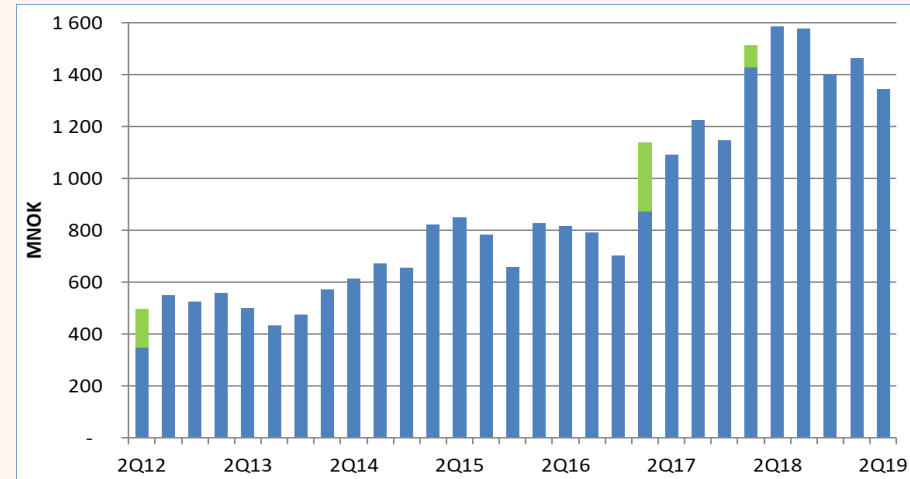


Development in order intake and order backlog

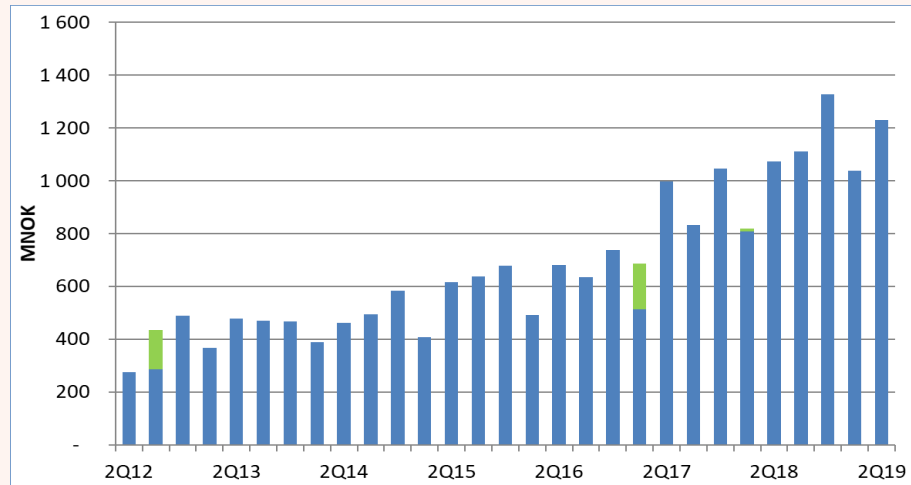
Order intake



Order backlog



Revenues



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

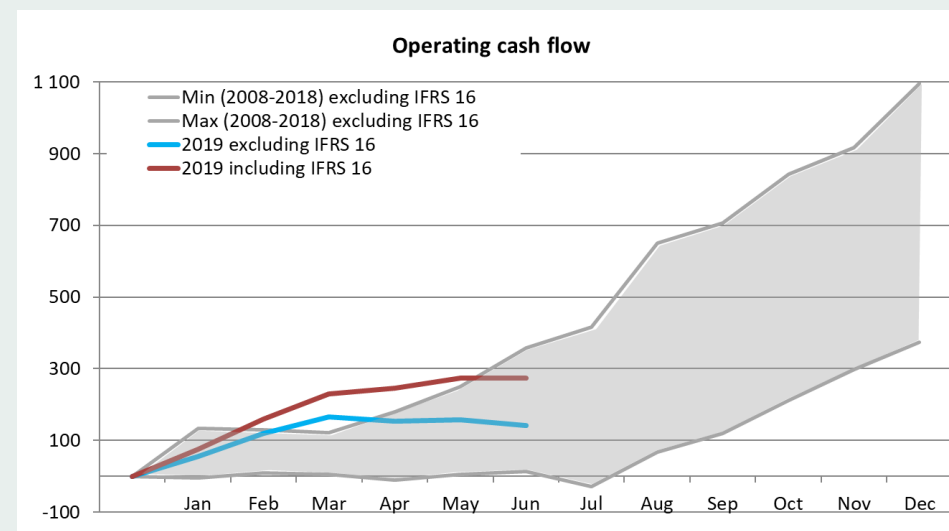
- Revenues of 1,230 MNOK, up from 1,073 MNOK last year
- Order intake of 1,111 MNOK in the quarter, compared to 1,144 MNOK last year
- Order backlog of 1,345 MNOK by the end of second quarter, compared to 1,585 MNOK by the end of second quarter 2018

- **Estimated backlog conversion ratio in 3Q19: 80-85%***

■ Organic ■ Inorganic

Financial highlights | Balance sheet, cash flow and capital structure

	With IFRS 16	Without IFRS 16		
Amounts in NOK million	30 June 2019	30 June 2019	30 June 2018	31 Dec 2018
ASSETS	10,760	9,696	8,849	9,595
Intangible non-current assets	3,752	3,741	3,662	3,821
Tangible non-current assets	2,321	1,268	1,066	1,276
Financial non-current assets	330	330	352	340
Inventory	1,619	1,619	1,290	1,447
Receivables	2,422	2,422	2,140	2,314
Cash and cash equivalents	316	316	339	397
LIABILITIES AND EQUITY	10,760	9,696	8,849	9,595
Equity	4,581	4,627	4,363	5,077
Minority interest	178	178	162	159
Interest bearing liabilities	3,318	2,208	1,845	1,524
Non interestbearing liabilities	2,683	2,683	2,479	2,835



Ordinary cashflow from operations 1st half

- 274 MNOK (247 MNOK in first half 2018)
 - Positive effect from IFRS 16 of 133 MNOK

Solidity

- 44% equity (49% ex. IFRS 16)
- NIBD/EBITDA = 1.1x (Rolling 12 months), ex IFRS 16 effects

Dividend: Dividend of NOK 2.50 (ordinary) + NOK 2.00 (extraordinary) paid out in May 2019

Outlook

Collection Solutions

- Overall stable business
- Increased operating expenses due to preparation for new markets

Sorting Solutions

- Continued high activity within Recycling
- Mixed picture in Food 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 and NZD, TOMRA Sorting is exposed to USD/EUR and USD/NZD.



Q&A



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