

SECOND QUARTER 2018

RESULTS ANNOUNCEMENT

Another solid quarter with continued good momentum in both Collection and Sorting

The second quarter 2018 was a robust quarter, reflecting high business activities for TOMRA Collection Solutions and strong growth in order intake for TOMRA Sorting Solutions.

Revenues in the second quarter 2018 amounted to 2,128 MNOK up from 1,972 MNOK in second quarter last year, representing a growth of 8%. Organic, currency adjusted revenues were up 7% for the group, 10% for TOMRA Collection Solutions and 4% for TOMRA Sorting Solutions.

Gross margin was 43% in the quarter, a slight increase from 42% in second quarter 2017, resulting from stable margins in TOMRA Collection Solutions and improved margins in TOMRA Sorting Solutions.

Operating expenses ended at 609 MNOK in second quarter, up from 528 MNOK in second quarter last year. The increase was related to higher general business activity, ramp-up costs in New South Wales (Australia) and acquisition of BBC (BBC consolidated into group financials from March 2018).

EBITA was 307 MNOK in second quarter 2018 versus 306 MNOK in second quarter 2017.

Cash flow from operations in second quarter 2018 equaled 127 MNOK, compared to 170 MNOK in second quarter 2017.

“The discussion around marine litter and plastic pollution in general has made its way onto the political agenda. This stimulates a search for local waste solutions. The global discussions are getting more concrete and we see that processes are accelerating. The political consensus to promote the transition towards a greener economy often considers preventive solutions like Container Deposit Schemes. China’s ban on imported waste also creates new business opportunities within recycling. We are therefore investing to cater for the growth and expects to see continued good momentum in both business segments”, says Stefan Ranstrand, TOMRA President and CEO.

Collection Solutions: Positive signals from Europe promoting deposit schemes

Revenues in the business area equaled 1,055 MNOK in the second quarter, up from 975 MNOK in second quarter last year. After adjustment for currency changes, revenues were up 10%.

Gross margin was 42%, unchanged from last year. Operating expenses amounted to 259 MNOK, up from 220 MNOK last year, mainly due to ramp-up in New South Wales and higher activity. EBITA was 182 MNOK, down from 191 MNOK second quarter last year.

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On 28 May 2018, the EU Commission released a draft for a directive on single use plastic products, which included a 90% recycling target on plastic bottles by 2025. This sends positive indications while the outcomes of the legislative processes are yet to be determined.

Sorting Solutions: Strong growth in order intake across all business streams

Order intake amounted to 1,144 MNOK, up 20% from the same period last year. This led to all time high order backlog of 1,585 MNOK, up from 1,093 MNOK at the end of second quarter 2017.

Revenues equaled 1,073 MNOK in second quarter 2018, up 4% in local currencies, adjusted for acquisitions (BBC). Gross margin was 44%, up from 42% same period last year due to improved margins in all business streams. Organic, currency adjusted operating expenses were up 8%.

EBITA increased from 131 MNOK in second quarter 2017 to 145 MNOK in second quarter 2018, influenced by higher volumes and positive contribution from BBC.

All business streams report improved performance compared to same period last year. Revenues in the Food business stream were stable while the order intake was up. Recycling enjoyed solid improvement in both revenues and order intake. Mining also had improved results, coming from a lower level.

Asker, 19 July 2018

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Webcast link: <https://events.webcast.no/tomra/kvartalspresentasjoner/tomra-q2-presentation-2018-1>

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

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 ~95,700 installations in over 80 markets worldwide and had total revenues of ~7.4 billion NOK in 2017. The Group employs ~3,550 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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