SEB NORDIC SEMINAR

TOMRA

President and CEO, Stefan Ranstrand
8th of January 2017
Copenhagen, Denmark

THE DAWN OF THE RESOURCE REVOLUTION

THE CHALLENGE:

THE OPPORTUNITY:

3 billion more middle-class consumers expected to be in the global economy by 2030

$2.9 trillion of savings in 2030 from capturing the resource productivity potential

Up to **$1.1 trillion** spent annually on resource subsidies

Making A world worth living for our children!

At least $1 trillion more investment in the resource system needed each year to meet future resource demands

TOMRA

THE WORLD POPULATION AND STANDARD
OF LIVING IS INCREASING DRAMATICALLY

WORLD RESOURCES ARE UNDER
UNPRECEDENTED PRESSURE

RESOURCE PRODUCTIVITY MUST INCREASE
TO ENSURE SUSTAINABLE DEVELOPMENT

TOMRA creates sensor-based solutions for optimal resource productivity

Obtaining resources

Using resources

Reusing resources

LEADING THE RESOURCE REVOLUTION

FROM PURPOSE INTO PROFITS AND PROFITS INTO PROGRESS, TOMRA IS **TRANSFORMING** WHAT IT MEANS TO BE RESOURCEFUL.

- Our solutions, in use around the globe, helped keep ~**25 millions of tons of CO_2** from being released into the atmosphere in 2016

- **~35 bn used beverage containers are captured every year** through our reverse vending machines

- Our steam peelers process ~**15 million tons of potatoes per year with a 1% yield improvement** over other alternatives

- **~715,000 tons of metal are recovered** every year by our metal-recycling machines
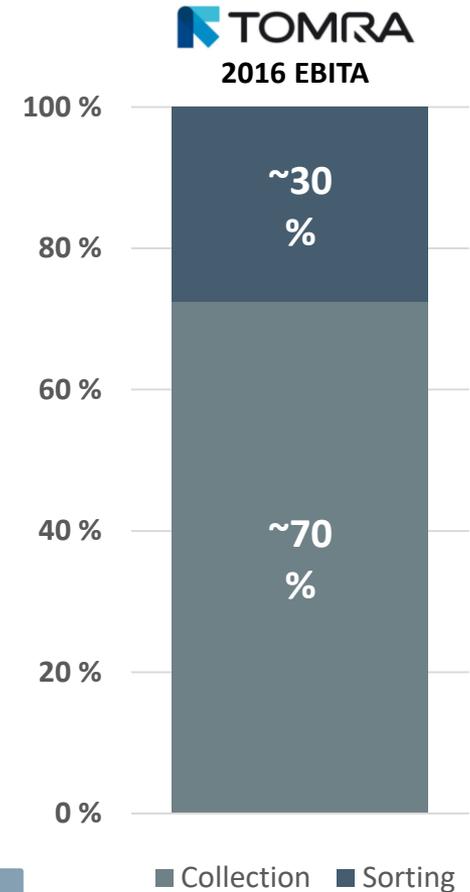
CREATING VALUE THROUGH TWO STRONG BUSINESS AREAS*

TOMRA
2016 Revenue

TOMRA
2016 EBITA

TOMRA SORTING SOLUTIONS
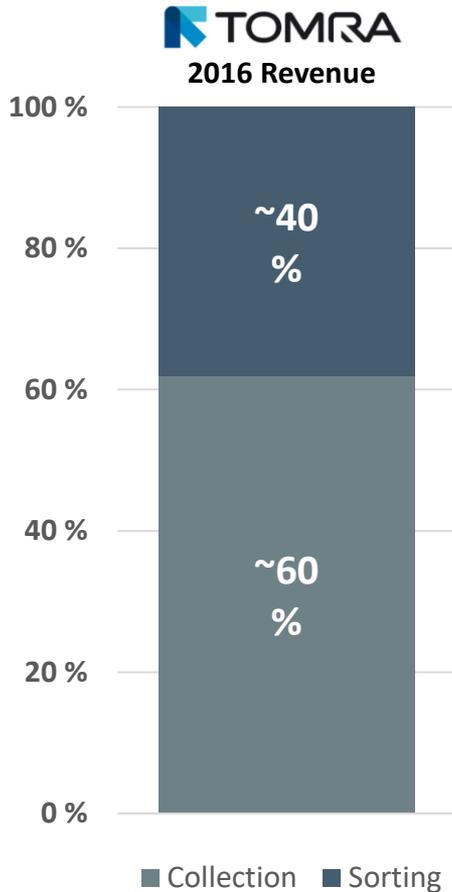
- High growth
- High margins
- Medium cyclicality

TOMRA COLLECTION SOLUTIONS

- Stable
- High margins
- Low cyclicality

2016 Revenue chart:
- Sorting: ~40%
- Collection: ~60%

2016 EBITA chart:
- Sorting: ~30%
- Collection: ~70%

Legend: ■ Collection ■ Sorting

High technology - sustainable business

* Not including Compac. Consolidation starts 1 February 2017

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TOMRA

TOMRA Collection Solutions

CURRENT DEPOSIT MARKETS*

Northwest Territories (2005)

Quebec (1984)

Yukon (1992)

Newfoundland (1997)

Ontario (2007)

British Columbia (1970)

Prince Edwardian Island (2008)

Nova Scotia (1996)

Alberta (1972)

New Brunswick (1992)

Saskatchewan (1988)

Manitoba (2008)

Norway (1999)

Sweden (1984)

Iceland (1989)

Finland (1996)

Denmark (2002)

Estonia (2005)

Netherlands (2005)

Lithuania (2016)

Germany (2006)

Croatia (2006/2015)

Vermont (1973)

Iowa (1979)

New York (1983/2010)

Maine (1978)

Michigan (1978)

Oregon (1972)

Massachusetts (1983)

Connecticut (1980/2010)

California (1987)

Northern Territory (2013)

New South Wales (Dec 2017)

South Australia (1977)

Hawaii (2005)

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* In addition, TOMRA has some activity in markets with refillable deposit systems like: Austria, Belgium, Chile, Czech Republic, France, Hungary, Poland and South Korea

TOMRA

ONLY 2% OF THE ANNUAL PLASTIC PRODUCTION IS REUSED FOR SAME/SIMILAR PURPOSE APPLICATION

8% CASCADED RECYCLING[2]

4% PROCESS LOSSES

14% COLLECTED FOR RECYCLING

2% CLOSED-LOOP RECYCLING[1]

98% VIRGIN FEEDSTOCK

78 MILLION TONNES
(ANNUAL PRODUCTION)

14% INCINERATION AND/OR ENERGY RECOVERY

40% LANDFILLED

32% LEAKAGE

ELLEN MACARTHUR FOUNDATION
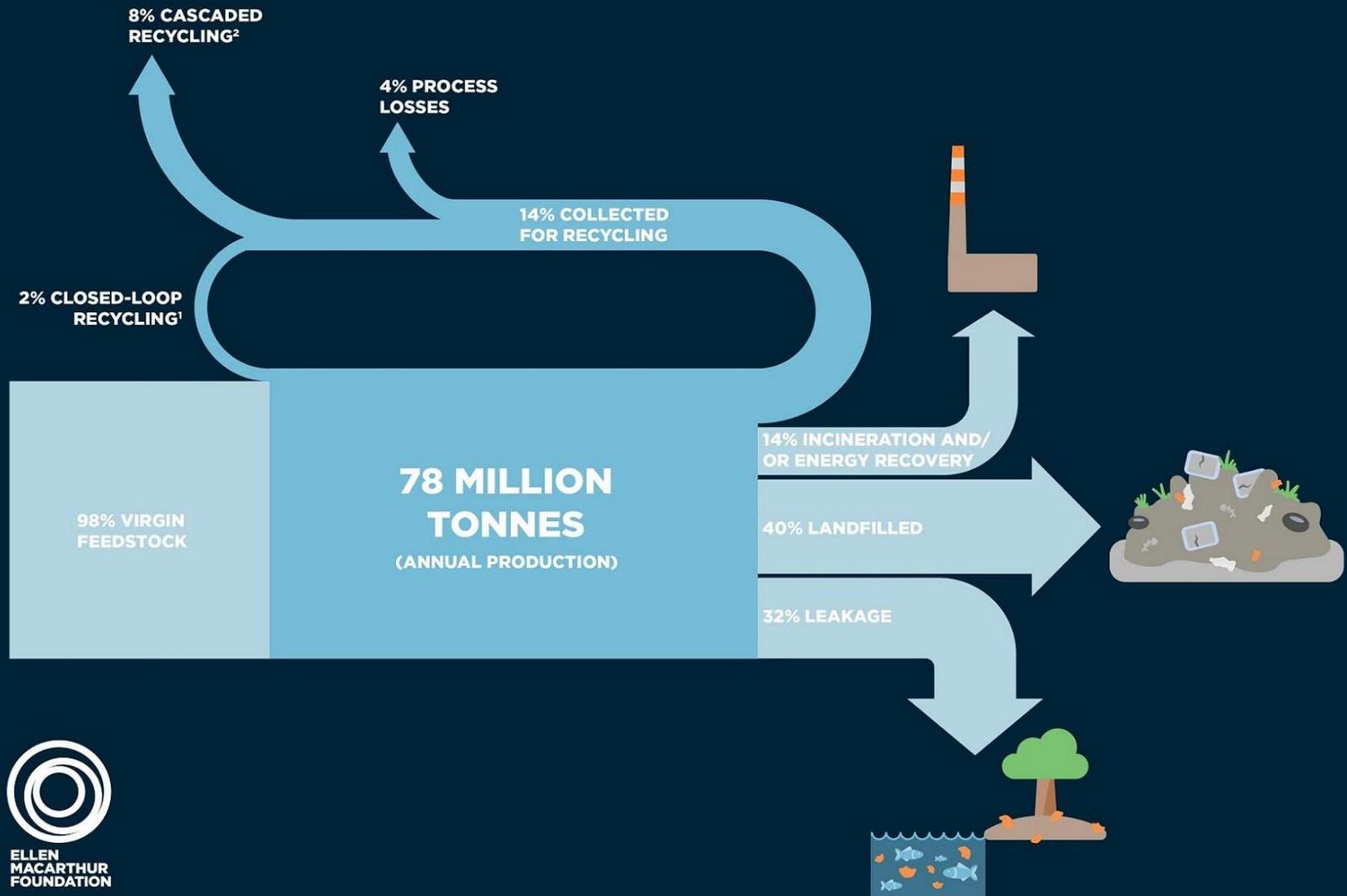
POTENTIAL NEW DEPOSIT MARKETS

Recently approved
Nearly approved
In progress

North America:
Possible expansion of deposit system in Quebec

Scotland:
Commitment to a Container Deposit Scheme announced in party program

Spain:
Regional initiatives ongoing

Australia:
NSW introduced deposit from December 2017.

QLD announced that they introduce deposit in 2018 and Western Australia might introduce in 2019

TOMRA

T-9: THE FIRST OF A NEW GENERATION OF MACHINES

- In fourth quarter 2013, TOMRA presented the first machine of the **new generation** of machines to come

- T-9 features the first **360 degree recognition** system applied in an RVM and a completely new industrial design

- The machine is **faster**, **cleaner** and **takes all** types of beverage containers

- **The launch was successful**

  — Large number of machines installed in core markets

  — Key product for replacement sale in e.g. Germany

- **2014** installations: ~1,200 machines
- **2015** installations: ~4,000 machines
- **2016** installations: ~4,600 machines

TOMRA is setting the standard for reverse vending for the next decade

TOMRA FLOW TECHNOLOGY™

The world's first 360-degree instant-recognition system in retail reverse vending raises the bar.

FASTER   CLEANER   TAKES ALL

T-9 THE FIRST OF A NEW GENERATION

COMPETITIVE LANDSCAPE

# of installed RVM (y-axis)

- >75,000
- 10,000-70,000
- 5,000-10,000
- 500-5,000
- <500

Number of RVM markets (x-axis): 1-10, 11-20, 22-30, 31-40, >40

DIEBOLD NIXDORF

Sielaff

envipco

troutwein sb technik
Innovative retail & reverse vending systems

RVM SYSTEMS

KANSMACKER
MAX COMPACTION
INCOM
RVM TECH
DIGI

Annual revenue from RVM sales

Source: TOMRA estimates and analysis

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TOMRA Sorting Solutions

HOW DOES SENSOR BASED SEPARATION WORK?

- High-tech sensors to **identify objects**

- **High speed processing** of information (material, shape, size, color, defect, damage and location of objects)

- **Precise sorting** by air jets or mechanical fingers

- Product **specific equipment design** often including multiple technologies to maximize sorting efficiency

High-tech sensors to identify objects

Feeding of unsorted material

High-speed processing of information (material, shape, size, color, defect, damage and location of objects)

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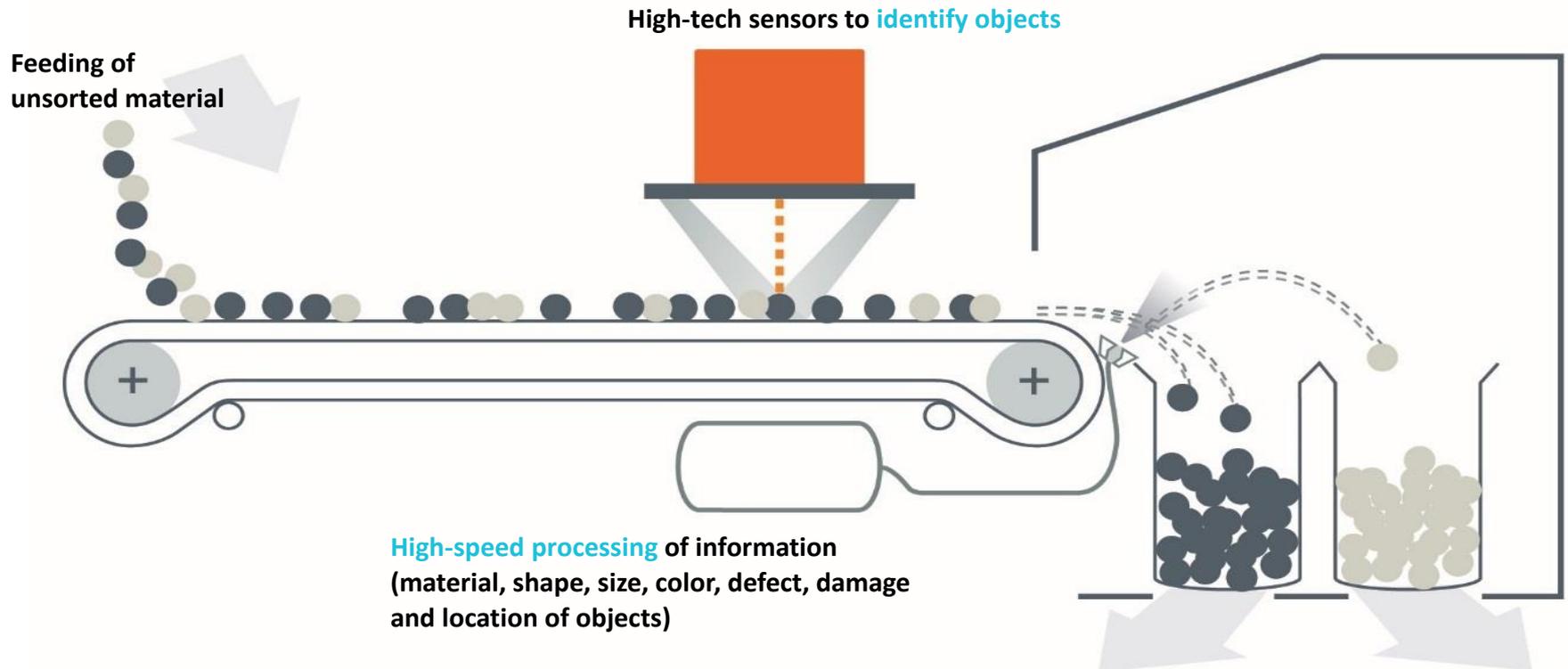
A COMMON SENSOR BASED TECHNOLOGY PORTFOLIO

[m]	Sensor/Technology	Material Property	Segment
Gamma-radiation 10^{-12}, 10^{-11}	RM (Radiometric)	Natural Gamma Radiation	Mining
X-ray 10^{-10}, 10^{-9}	XRT (X-ray transmission) Low Energy X-ray	Atomic Density	Recycling, Mining, Food
10^{-8}, 10^{-7}	XRF	X ray fluorescence (Elemental Spectroscopy)	Recycling, Mining
Ultraviolett (UV) **Visible light (VIS)** 10^{-6}, 10^{-5}	COLOR (CCD Color Camera)	Reflection, Absorption, Transmission	Recycling, Mining, Food
Near Infrared (NIR) **Infrared (IR)** 10^{-4}, 10^{-3}, 10^{-2}	Laser attenuation and PM (Photometric)	Monochromatic Reflection / Absorption of Laser Light Scattering analysis of Laser Light	Mining, Food
Microwaves 10^{-1}	NIR / MIR (Near/Medium Infrared Spectrometry)	Reflection, Absorption (Molecular Spectroscopy)	Recycling, Mining, Food
Radio waves 10^{1}, 10^{2}, 10^{3}	LIBS	Laser induced breakdown spectroscopy	Recycling, Mining
Alternating current (AC) 10^{4}	EM (Electro-Magnetic sensor)	Conductivity, permeability	Recycling, Mining, Food

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MARKET SIZE AND POTENTIAL

Total annual market size

EUR million
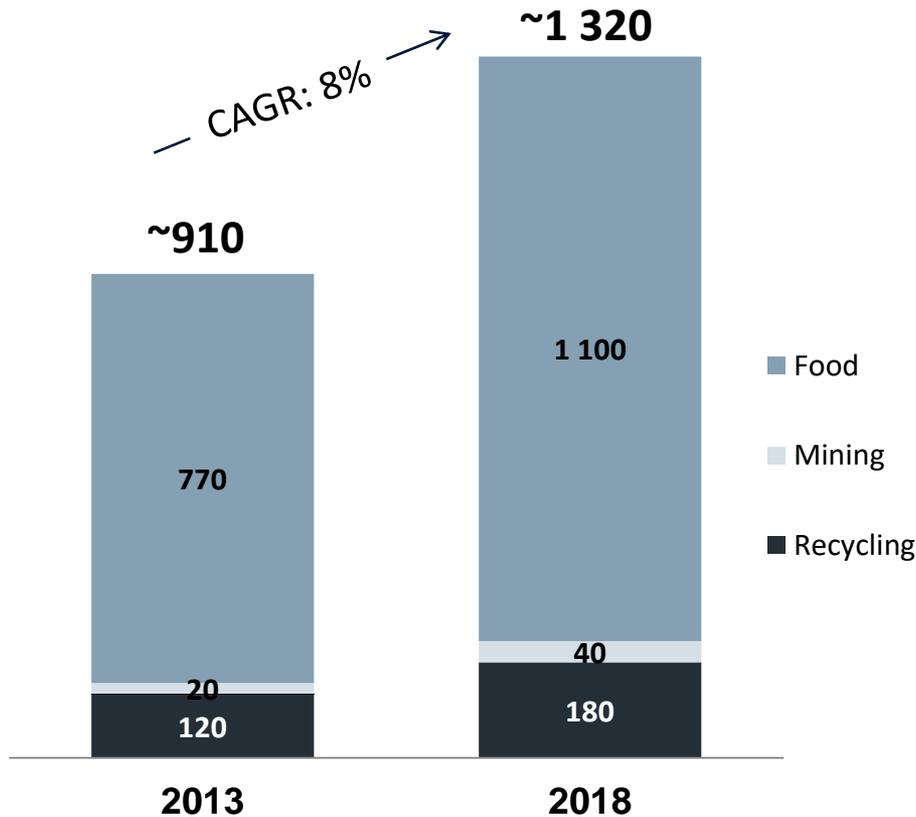
Market growth

- Market expected to grow at rate of around 7-9% per year

- A large part of growth from unlocking of dormant potential – only possible by developing new applications and technologies

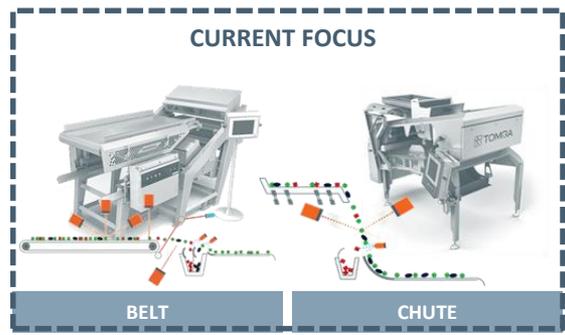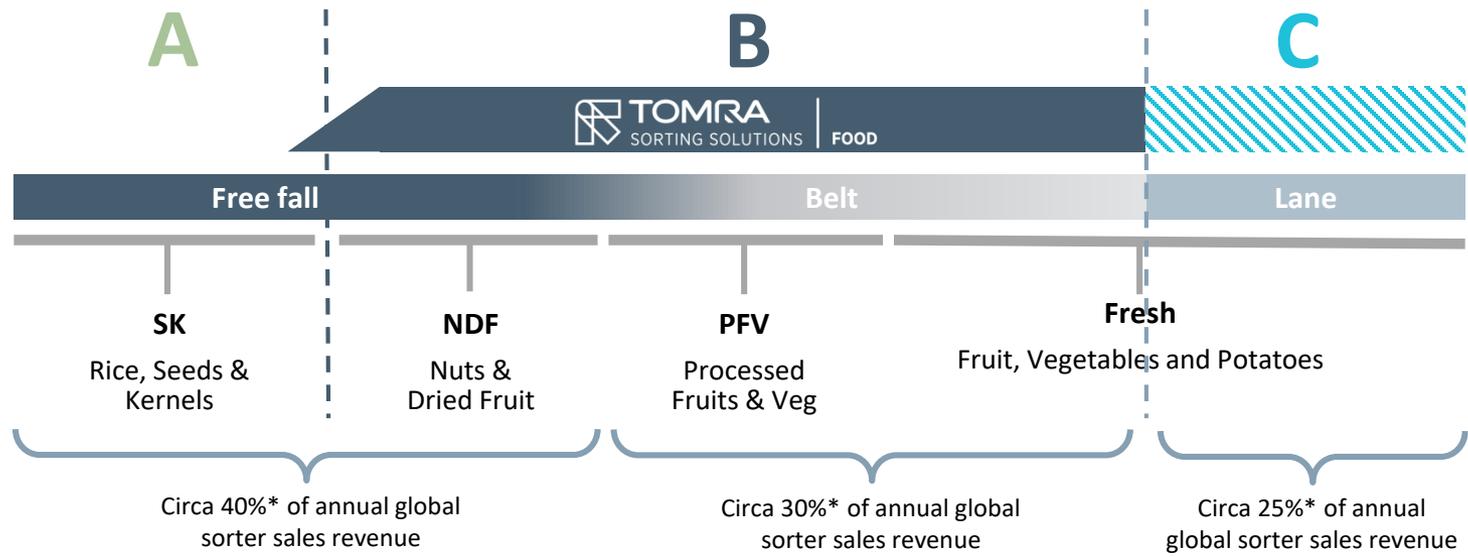- Some growth in "old world", but faster growth in "new world"

Source: TOMRA estimates and analysis

* Market size for food includes peeling, meat/process analytics, virgin materials and tobacco.

YIELD INTO USAGE

TOMRA
SORTING SOLUTIONS | FOOD

TOMRA HAS THE BROADEST FOOTPRINT WITHIN THE FOOD SORTING UNIVERSE

A

B

C

TOMRA
SORTING SOLUTIONS | FOOD

| Free fall | Belt | Lane |

SK
Rice, Seeds & Kernels

NDF
Nuts & Dried Fruit

PFV
Processed Fruits & Veg

Fresh
Fruit, Vegetables and Potatoes

Circa 40%* of annual global sorter sales revenue

Circa 30%* of annual global sorter sales revenue

Circa 25%* of annual global sorter sales revenue

CURRENT FOCUS

M&A
compac

| BELT | CHUTE |

LANE/MULTI-DROP

BULK SORTING

SINGULATED SORTING

OUR BROAD COVERAGE AND TECHNOLOGY BASE IS SETTING US APART IN BULK SORTING

	DRIED FRUIT	NUTS	FRESH CUT	FRUIT	VEGETABLES	MEAT	POTATOES	SEAFOOD
FOOD	• Apricots • Craisins • Figs • Prunes • Raisins	• Almonds • Cashews • Hazelnuts • Macadamias • Peanuts • Pecans • Pistachios • Seeds • Walnuts	• Baby leaves • Iceberg lettuce • Spinach • Spring mix	• Apples • Blackberries • Blueberries • Cherries • Citrus • Cranberries • Peaches & pears • Raspberries • Strawberries • Tomatoes • Avocado • Kiwi	• Beans • Beet • Broccoli • Carrots • Corn • Cucumbers • IQF vegetables • Jalapenos/ Peppers • Onions • Peas • Pickles	• Bacon bits • Beef • IQF meat • Pork • Pork rind	• Washed • French fries • Unpeeled • Peeled • Potato chips • Specialty products • Sweet	• Mussels • Scallops • Shrimps
SENSOR TECHNOLOGY	LASER NIR VIS X-RAY	LASER CAMERA X-RAY	LASER CAMERA	LASER CAMERA NIR VIS	LASER CAMERA NIR VIS	LASER CAMERA NIR	LASER CAMERA NIR VIS	LASER CAMERA NIR VIS X-RAY

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FOOD COMPETITIVE LANDSCAPE

A

# of installed machines

>3,000

1,000-
3,000

0-1,000

MEYER
TAIHO 泰禾
SATAKE
DAEWON GSI
CIMBRIA
KEY Technology
ray rec VISION
CONCEPT ENGINEERS
GREEFA
REEMOON 绿萌
UNITEC We work for your results
BBC TECHNOLOGIES
BÜHLER SORTEX
MAF RODA
AWETA

B

C

| 10-25 markets | 25-50 markets | >50 markets |

Geographic presence

Revenue from sensor-
based sorting and
related peripherals
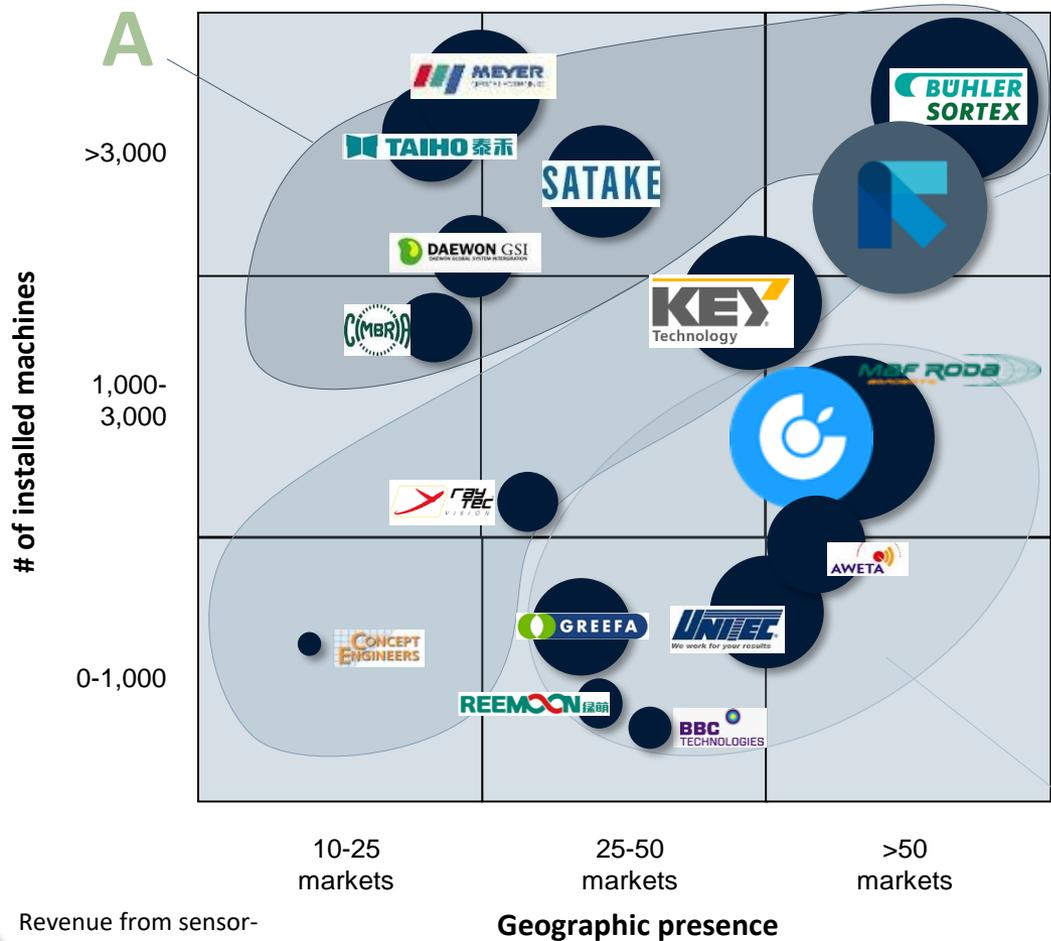
TOMRA competitive positioning

- Size (revenues)
- Widest range of applications (150+)
- Broadest technology base
- Geographic reach (~80 countries)
- Market share in targeted segments
- **Market share: 40-50%** in markets served*

Source: TOMRA estimates and analysis

* Total Food sorting (also including rice and lane sorting): 12-15%

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ONCE
INTO
AGAIN
AND AGAIN

TOMRA
SORTING SOLUTIONS | RECYCLING

ONLY A FRACTION OF THE WASTE VOLUME IS HANDLED BY SENSOR BASED SORTING

Sensor based sorting is competing with different technologies

Landfill

Incineration

Separate Collection

Scavengers

Hand Sorting

RECYCLING: APPLICATIONS AND SENSOR TECHNOLOGY

TOMRA
SORTING SOLUTIONS | RECYCLING

	HOUSEHOLD WASTE	PACKAGING	C & D	AUTOMOBILE SHREDDER	ELECTRONIC SCRAP
MATERIAL	• Hard plastics • Plastic film • Mixed paper • RDF • Metals • Organics/ Biomass	• Plastics • Plastic film • Cardboard • Mixed paper • Deinking paper • Metal	• Inert material • Plastic film • Metals • Wood • Paper & Cardboard • Plastics	• NF metal • Stainless steel • Copper cables • Copper • Brass • Aluminum • Meatball sorting	• Printed circuit boards • Non-ferrous metal concentrates • Cables • Copper • Brass • Stainless steel • Meatball sorting
SENSOR TECHNOLOGY	NIR EM VIS XRT	NIR VIS EM	NIR VIS XRT EM	NIR VIS XRT EM COLOR XRF	XRT EM NIR COLOR XRF

| Mixed paper | PE/PP flakes | Cleaned wood | Copper Wire | Brass |

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RECYCLING COMPETITIVE LANDSCAPE
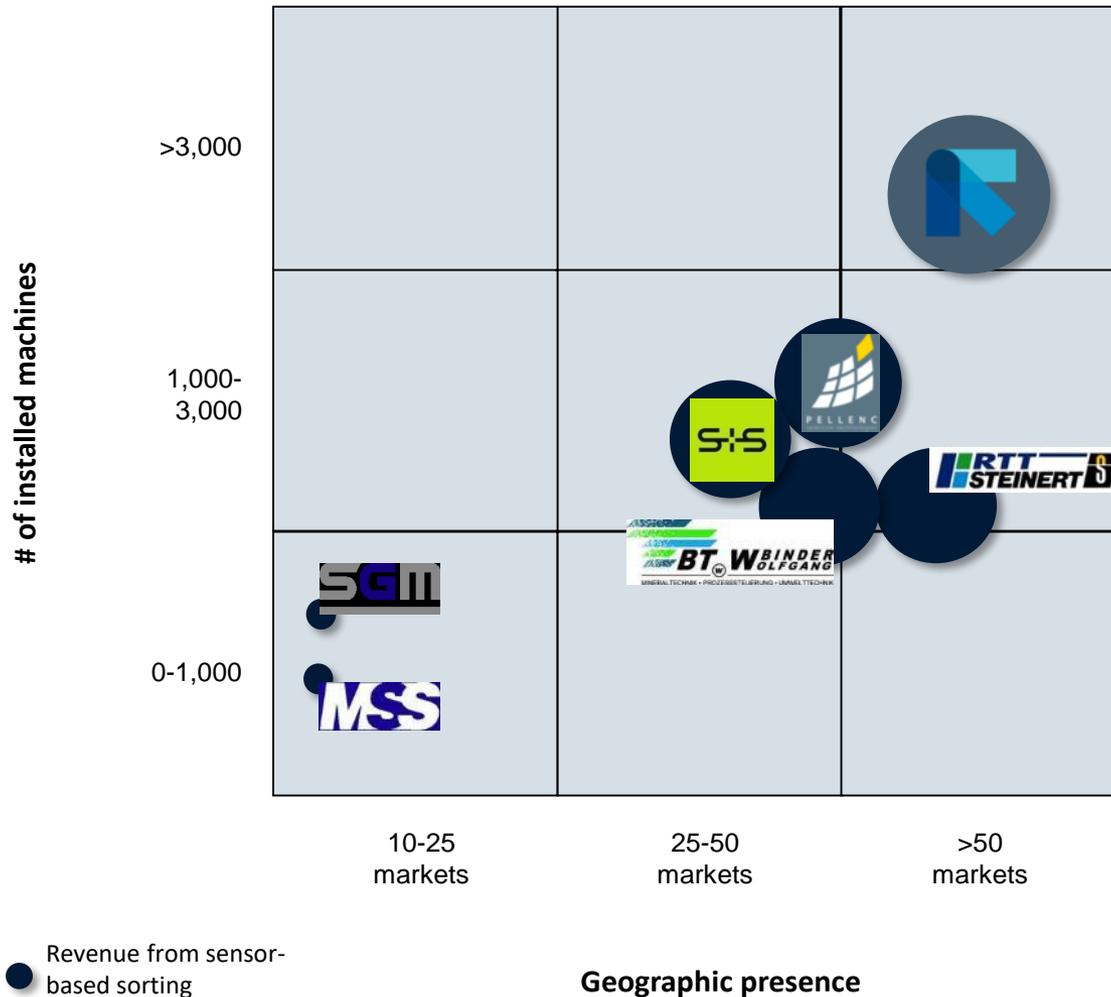
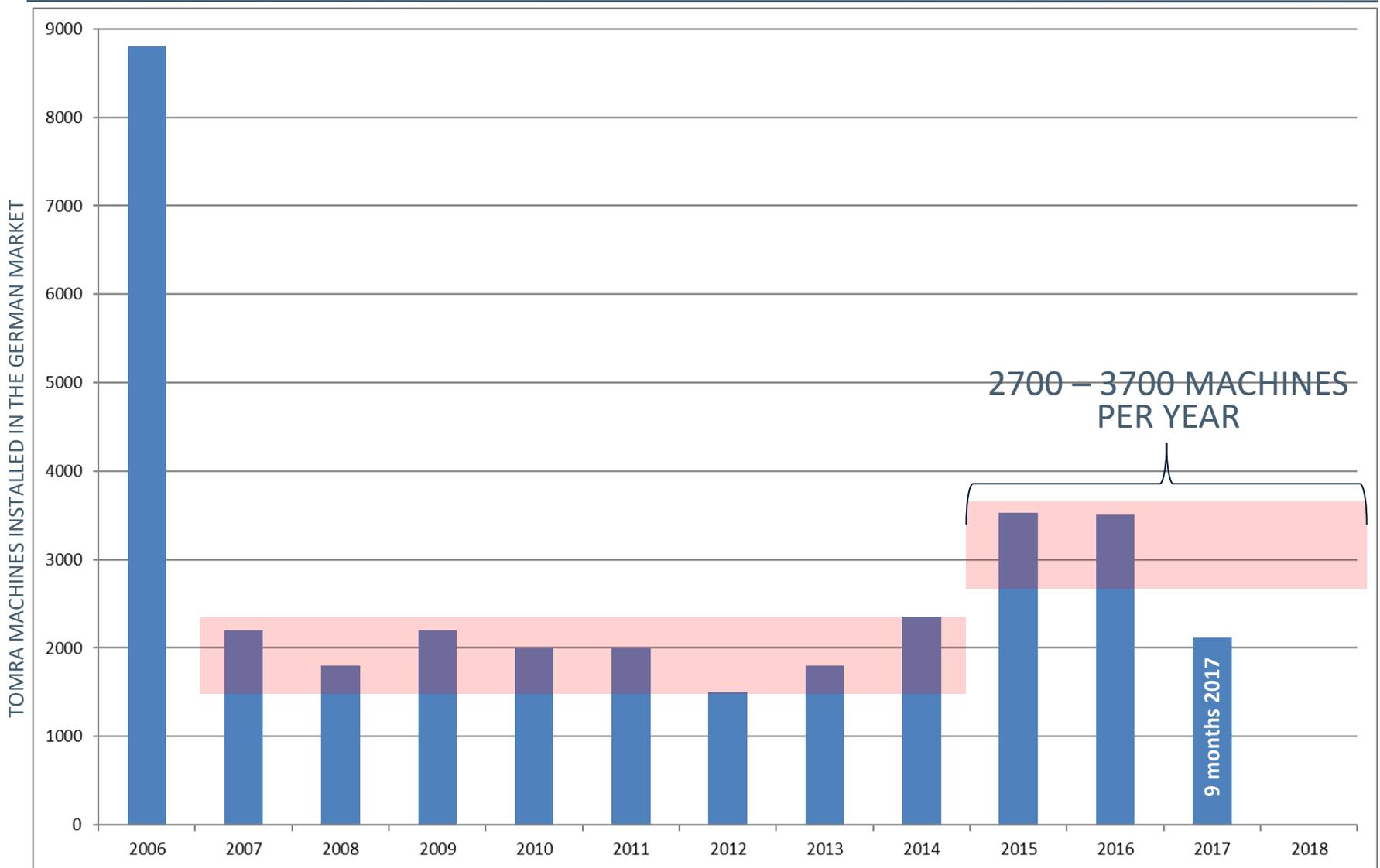
TOMRA competitive positioning

- Largest installed base
- Highest revenues
- Broadest technology platform
- Highest number of applications and markets served
- Leading brand
- **Market share: 55-65%**

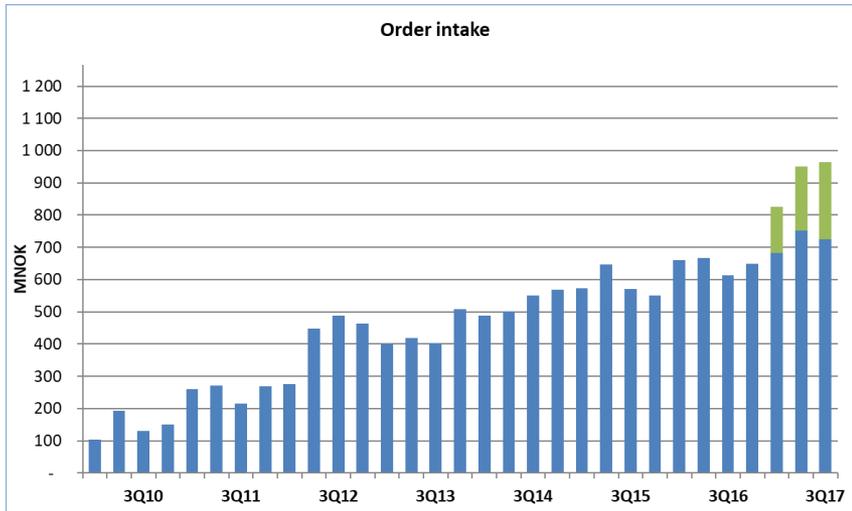Source: TOMRA estimates and analysis

Q&A

GERMANY REPLACEMENT UPDATE
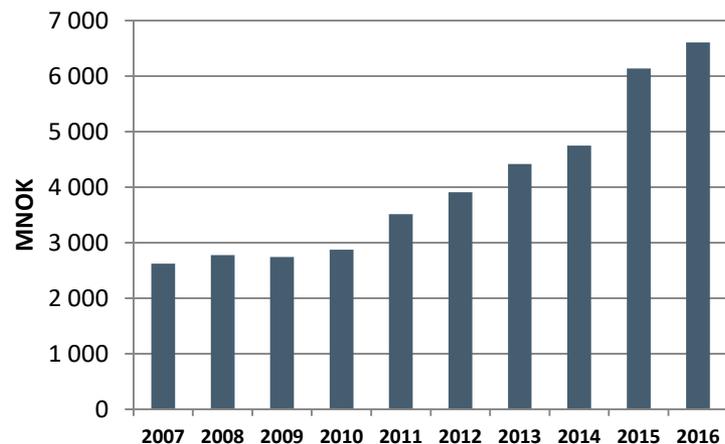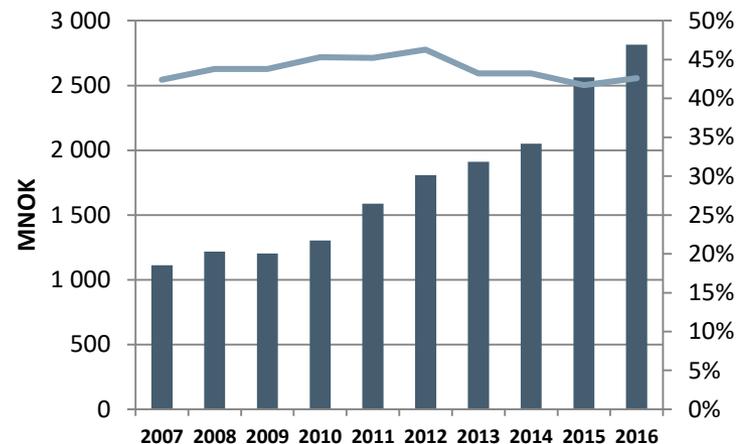
BACKLOG DEVELOPMENT AND MOMENTUM

Order intake

Order backlog

Revenues

■ TSS ex Compac ■ Compac

TOMRA Sorting Solutions (TSS) without Compac:

- Delivered order intake of 724 MNOK in the quarter, compared to 613 MNOK same quarter last year, up 22% currency adjusted

- Revenues came in at 673 MNOK (up from 636 MNOK in 3Q16)

- All time high order backlog of 924 MNOK, up from 793 MNOK at the end of September 2016

Compac
- Reported revenues of 158 MNOK in the quarter and finished the quarter with a backlog of 302 MNOK

- Estimated backlog conversion ratio in 4Q17, including Compac: 75%-80%*

* Based upon current production and delivery plans, the revenues in 4Q17 are estimated to be approximately 75%-80% of order backlog at the end of 3Q17

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OUR FOOD CUSTOMERS

KEY FINANCIALS DEVELOPMENT

Revenues

Gross Contribution and margin

EBITA and margin

Earnings per share


EPS from continued operations, excluding other items

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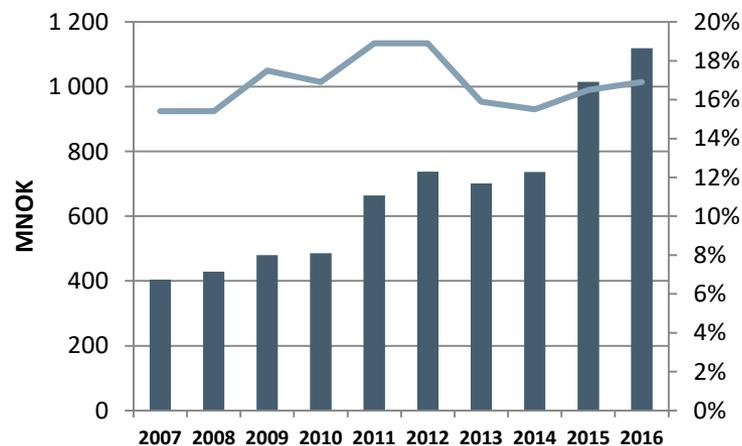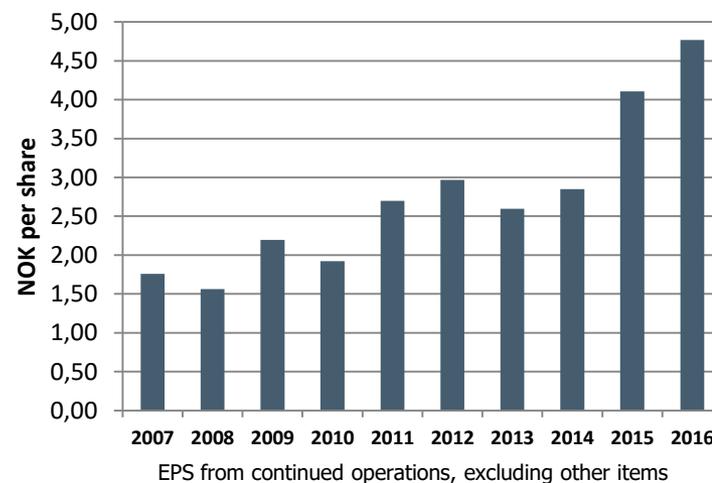
FINANCIAL HIGHLIGHTS
BALANCE SHEET, CASH FLOW AND CAPITAL STRUCTURE

| Amounts in NOK million	30 Sep 2017	30 Sep 2016	31 Dec 2016
ASSETS	**8,214**	**7,206**	**7,115**
• Intangible non-current assets	3,313	2,745	2,750
• Tangible non-current assets	849	755	801
• Financial non-current assets	307	322	342
• Inventory	1,204	1,235	1,127
• Receivables	2,067	1,815	1,696
• Cash and cash equivalents	474	334	399
LIABILITIES AND EQUITY	**8,214**	**7,206**	**7,115**
• Equity	4,326	3,925	4,192
• Minority interest	175	173	178
• Interest bearing liabilities	1,214	980	760
• Non-interest bearing liabilities	2,499	2,128	1,985

Operating cash flow
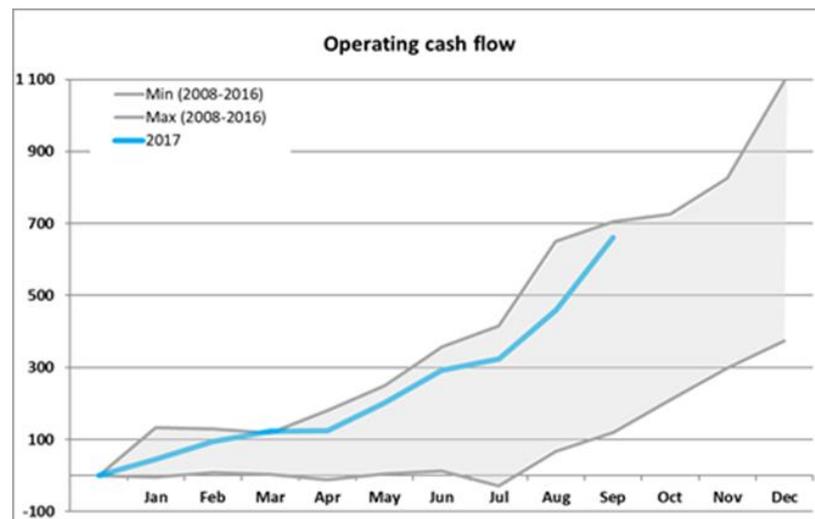
Ordinary cashflow from operations

- 375 MNOK (348 MNOK in 3Q 2016)

Solidity

- 53% equity

- NIBD/EBITDA = 0.6x (Rolling 12 months)

CURRENCY

+0.6%*

-4.3%*
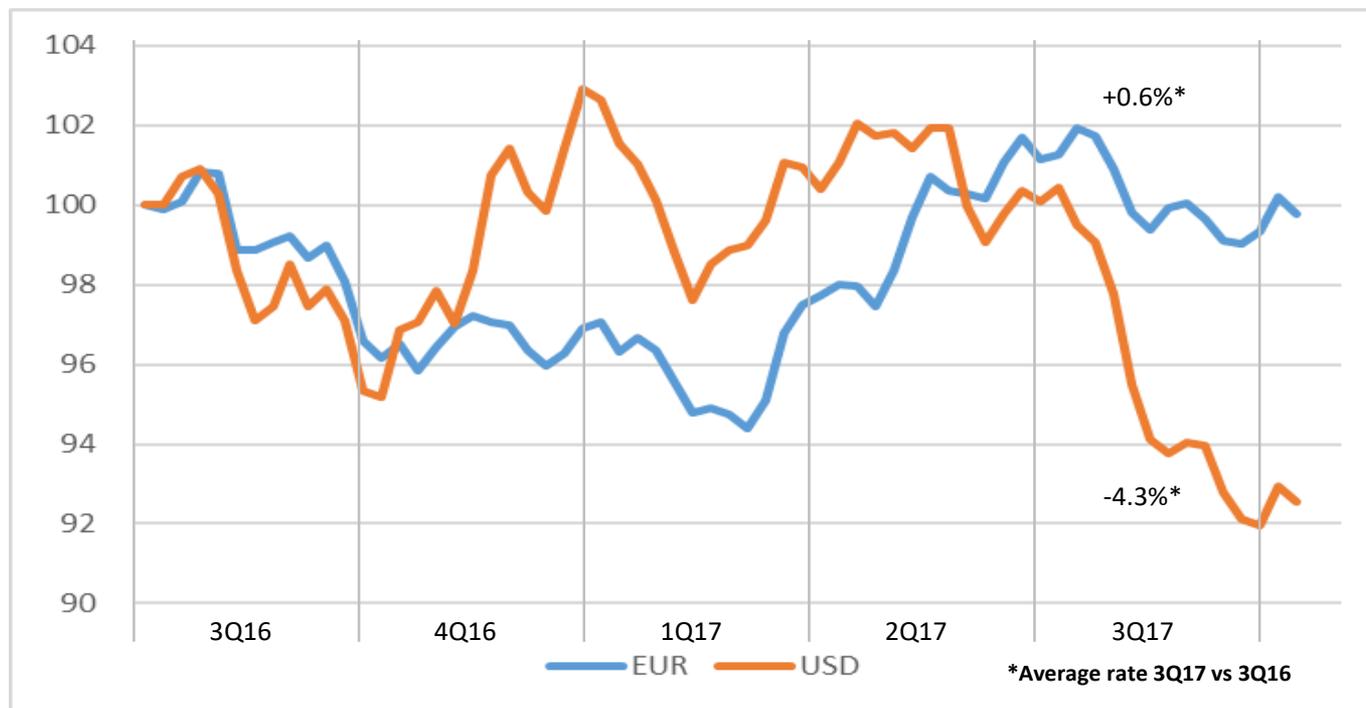
Negative impact from USD in 3Q17 vs 3Q16

*Average rate 3Q17 vs 3Q16

Revenues and expenses per currency;

NOTE: Rounded figures

	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

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CURRENCY EXPOSURE

Revenues and expenses per currency; NOTE: Rounded figures

	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

10% change in NOK towards other currencies will impact;

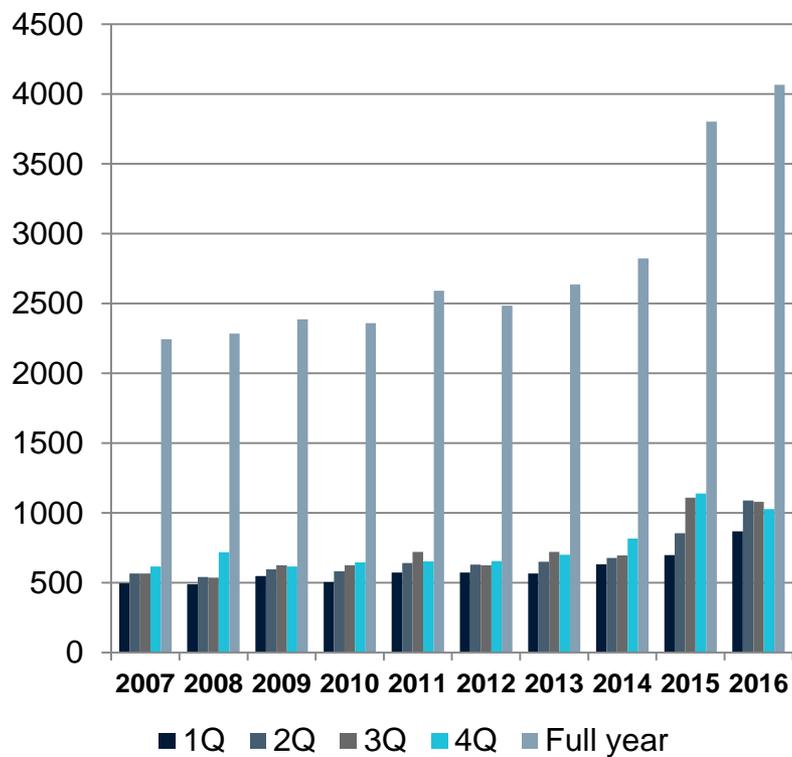|	Revenues	Expenses	EBITA
EUR*	4.5%	4.0%	5.0%
USD	4.5%	3.0%	10.0%
NZD	0.0%	0.5%	-2.0%
OTHER	1.0%	2.0%	-1.0%
ALL	**10.0%**	**9.5%**	**12.0%**

* EUR includes DKK

HEDGING POLICY

- TOMRA hedges B/S items that will have P/L impact on currency fluctuations

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

TOMRA

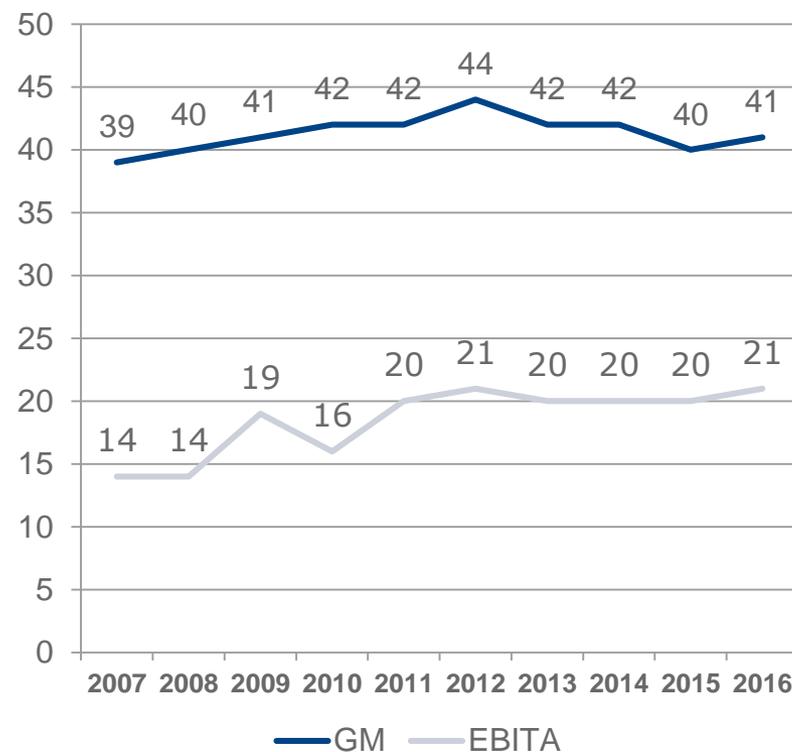# COLLECTION SOLUTIONS – SEGMENT FINANCIALS

Revenue development
NOK million

Legend: 1Q, 2Q, 3Q, 4Q, Full year

Gross and EBITA margin development
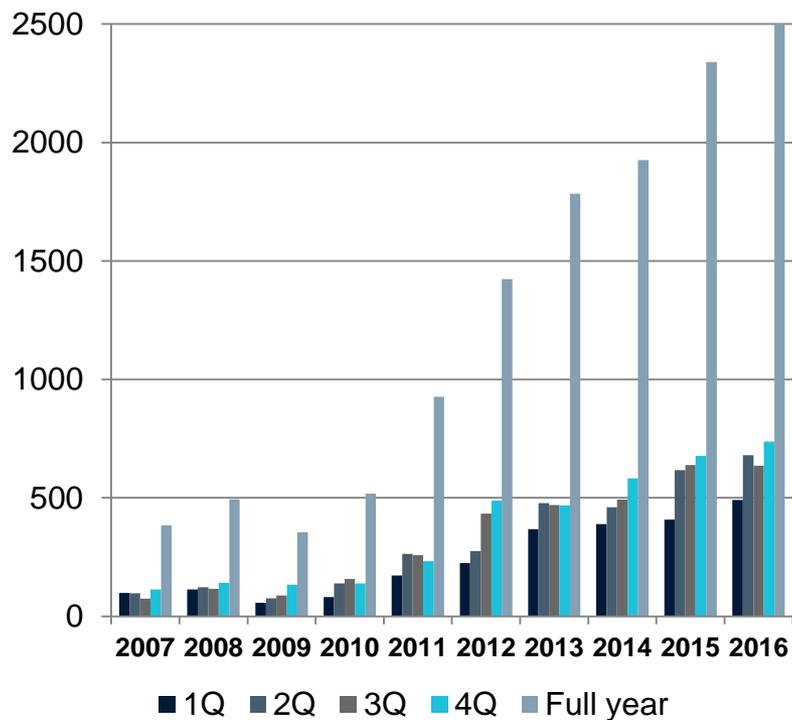Percent

Legend: GM, EBITA

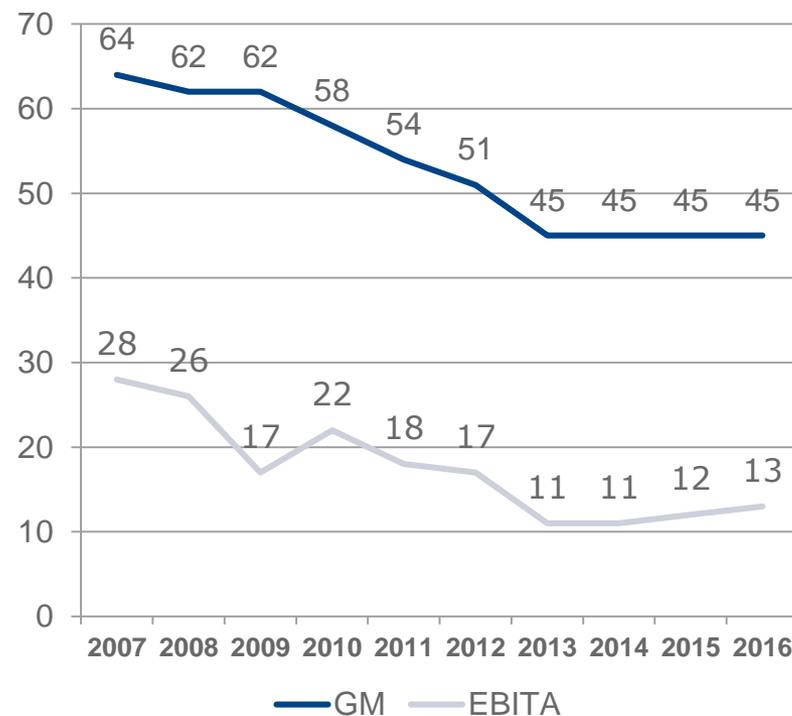# SORTING SOLUTIONS – SEGMENT FINANCIALS

Revenue development
NOK million

Gross and EBITA margin development
Percent

TOMRA SHAREHOLDER STRUCTURE
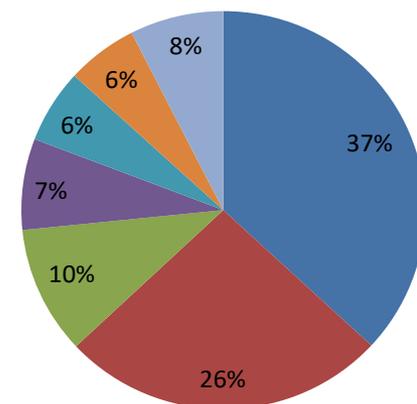
Top 10 shareholders as of 4th of October 2017

1	Investment AB Latour	39 000 000	26.3%	
2	Folketrygdfondet	8 679 393	5.9%	
3	The Bank of New York BNYM, Stichting Dep	7 845 000	5.3%	(NOM)
4	Skandinaviska Enskilda SEB AS, UCITS V	4 775 557	3.2%	(NOM)
5	Goldman Sachs & Co	4 247 510	2.9%	(NOM)
6	Clearstream Banking	2 969 622	2.0%	(NOM)
7	ODIN Norge	2 280 188	1.5%	
8	Danske invest Norske C/O Danske Capital A	2 190 530	1.6%	(NOM)
9	Nordea Nordic Small	2 149 276	1.5%	
10	SEB Sverigefond SMAB	2 042 250	1.4%	
	Sum Top 10	**76 179 346**	**51.5%**	
	Other shareholders	**71 840 732**	**48.5%**	
	TOTAL (5,781 shareholders)	**148 020 078**	**100.0%**	

Source: VPS

Shareholders by country

Pie chart: Sweden 37%, Norway 26%, USA 10%, Great Britain 7%, Netherlands 6%, Luxembourg 6%, Others 8%

Legend: ■ Sweden ■ Norway ■ USA ■ Great Britain ■ Netherlands ■ Luxembourg ■ Others

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