

# 4<sup>TH</sup> QUARTER 2013

## RESULTS ANNOUNCEMENT

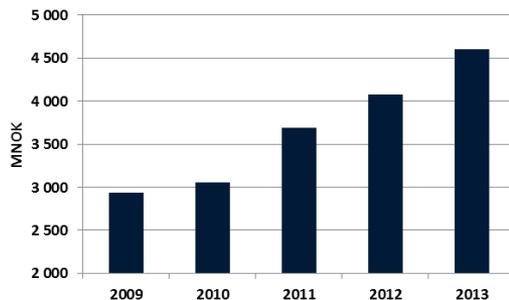
# HIGHLIGHTS FROM 2013

- **Revenues of 4,602 MNOK (2012: 4,073 MNOK)**
  - 13% Growth (1% Organic, currency adjusted)
- **Gross margin of 43.0% (2012: 45.9%)**
  - Product and market mix changes within both business areas
- **EBITA of 706 MNOK (2012: 739 MNOK)**
  - Reduced EBITA due to lower GM%
- **Operating cashflow of 567 MNOK (2012: 550 MNOK)**
- **TCS: Launch of T-9**
  - The first of a new generation RVMs
- **TSS: Several new products launched**
  - Cross-utilizing technologies developed within the different business streams

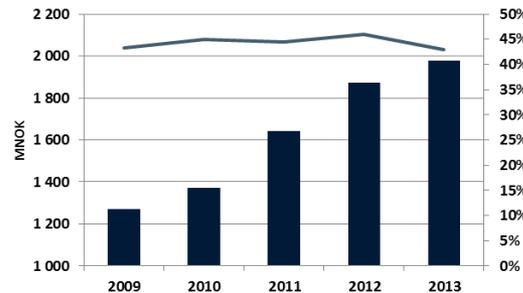
TOMRA share price



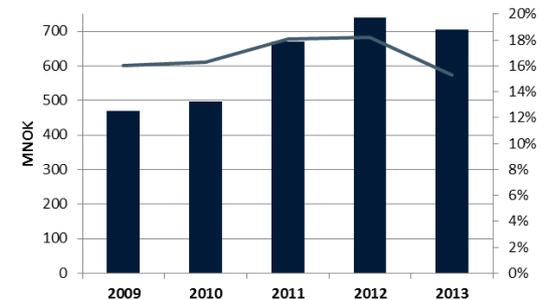
Revenues



Gross Contribution and margin



EBITA and margin



# HIGHLIGHTS FROM THE QUARTER INCLUDE

## Revenues

- **Revenues of 1,228 MNOK** (1,188 MNOK in fourth quarter 2012). Organic, currency adjusted revenues were:
  - Down 4% for TOMRA Group
  - Unchanged in TOMRA Collection
  - Down 11% in TOMRA Sorting

## Gross margin

- **Gross margin 44%**, down from 46% in fourth quarter 2012
  - Changes in product and market mix in both business areas

## Operating expenses

- **Operating expenses of 330 MNOK**
  - Down 3% currency adjusted

## EBITA

- **EBITA of 204 MNOK** (231 MNOK in fourth quarter 2012)
  - Down due to reduced gross margin in both business areas

## Cashflow from operations

- **Cashflow from operations of 234 MNOK** (235 MNOK in fourth quarter 2012)

## Orders TSS

- **All time high order intake of 509 MNOK** compared to 464 MNOK same period last year
- **Order backlog amounted to 475 MNOK** in TOMRA Sorting, up from 434 MNOK at the end of third quarter 2013

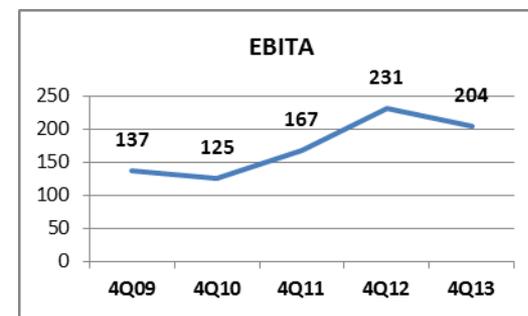
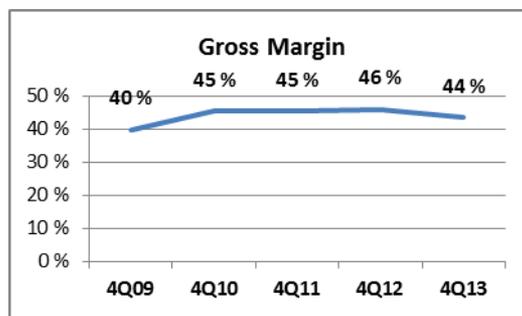
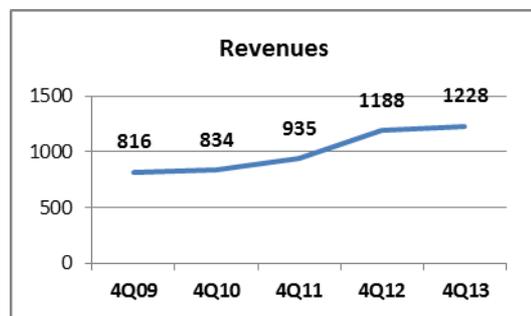
## Other

- Post merger integration and streamlining of TOMRA Sorting ongoing

# FINANCIAL HIGHLIGHTS

## P&L STATEMENT

	4 <sup>th</sup> Quarter			Full Year		
<i>Amounts in NOK million</i>	2013	2012	12 Adj*	2013	2012	12 Adj*
<b>Revenues</b>	<b>1,228</b>	<b>1,188</b>	<b>1,285</b>	<b>4,602</b>	<b>4,073</b>	<b>4,205</b>
• Collection Solutions	760	699	758	2,818	2,649	2,729
• Sorting Solutions	468	489	527	1,784	1,424	1,476
<b>Gross contribution</b>	<b>534</b>	<b>545</b>	<b>590</b>	<b>1,979</b>	<b>1,871</b>	<b>1,932</b>
<i>in %</i>	44%	46%	46%	43%	46%	46%
Operating expenses	330	314	340	1,273	1,132	1,166
<b>EBITA</b>	<b>204</b>	<b>231</b>	<b>250</b>	<b>706</b>	<b>739</b>	<b>766</b>
<i>in %</i>	17%	19%	19%	15%	18%	18%

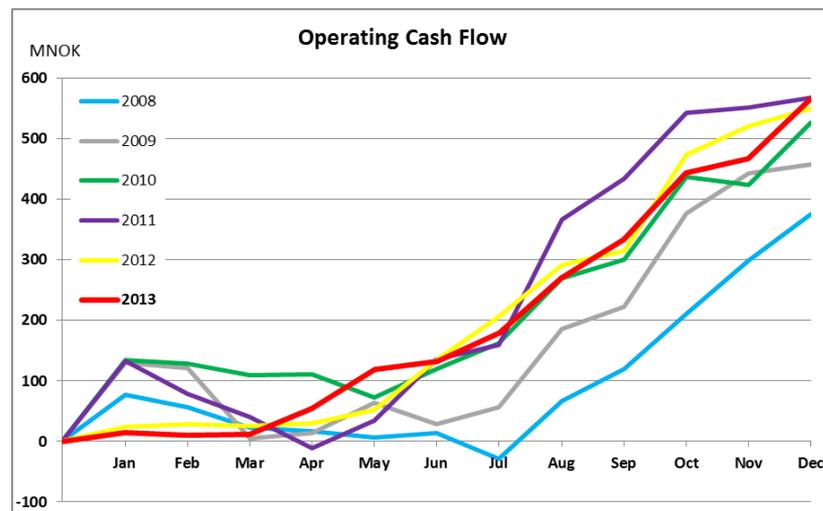


\*2012 actual restated at 2013 exchange rates, estimated

# FINANCIAL HIGHLIGHTS

## BALANCE SHEET, CASH FLOW AND CAPITAL STRUCTURE

<i>Amounts in NOK million</i>	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
<b>ASSETS</b>	<b>5,623</b>	<b>5,159</b>
• Intangible non-current assets	2,487	2,295
• Tangible non-current assets	608	563
• Financial non-current assets	267	257
• Inventory	874	789
• Receivables	1,224	1,078
• Cash and cash equivalents	164	177
<b>LIABILITIES AND EQUITY</b>	<b>5,623</b>	<b>5,159</b>
• Equity	2,741	2,283
• Minority interest	83	74
• Interest bearing liabilities	1,557	1,551
• Non-interest bearing liabilities	1,242	1,251



### Ordinary cashflow from operations

- 234MNOK (235 MNOK in 4Q 2012)

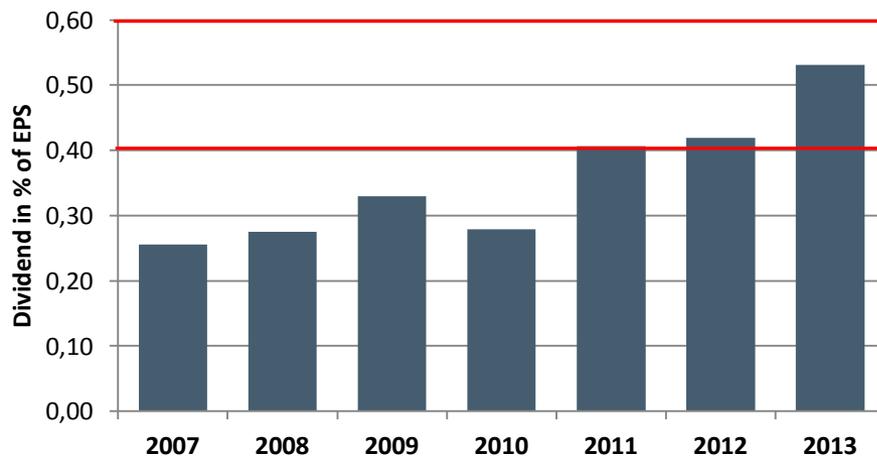
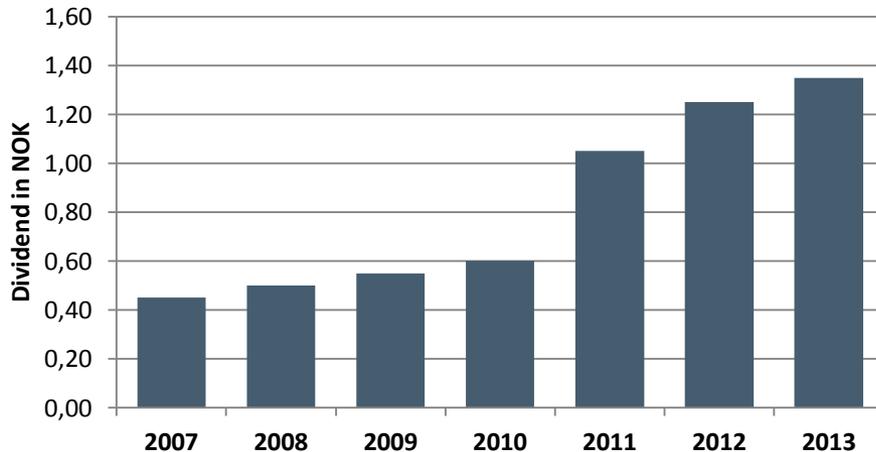
### Cashflow from investments

- 74 MNOK (65 MNOK 4Q 2012)

### Solidity

- 50% equity
- NIBD/EBITDA = 1.8 (Rolling 12 months)

# DIVIDEND



- Tomra aims to distribute 40% to 60% of its earnings per share. When deciding the annual dividend, the Board takes into consideration expected cashflow, capital expenditure plans, acquisitions, financing requirements and the need for appropriate financial flexibility
- Based on this, the Board will propose a dividend of 1.35 NOK per share (53% of EPS), up from 1.25 NOK per share last year

# TOMRA Collection Solutions

**RETURNS  
INTO  
VALUE**



# HIGHLIGHTS COLLECTION SOLUTIONS

## 4Q 2013

## FULL YEAR 2013

### Overall

- Revenues equaled 760 MNOK in fourth quarter 2013, up from 699 MNOK in fourth quarter 2012. Adjusted for currency, revenues were unchanged
- Gross margin was 42%, down from 44% in the same quarter last year, negatively influenced by market and product mix
- EBITA increased to 151 MNOK from 146 MNOK, as a consequence of higher volume (in NOK) and positive currency development

- Revenues equaled 2,818 MNOK in 2013, up from 2,649 MNOK in 2012. Adjusted for currency, revenues increased by 3%
- Gross margin was 42%, down from 43% last year, explained by change in market and product mix
- EBITA increased from 516 MNOK to 531 MNOK as a consequence of higher volumes and positive currency effects

### Europe

- Sales are slightly down in the Nordic region and stable in Central Europe

- Sales are slightly down in the Nordic region, but up in Central Europe

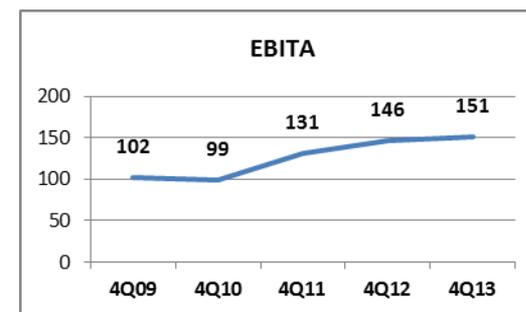
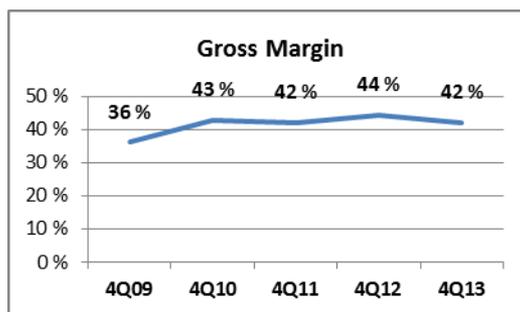
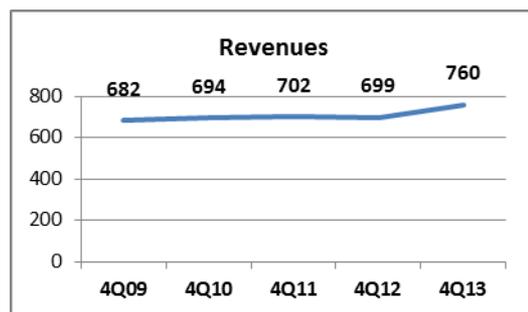
### US

- Increased sales in Material Recovery and somewhat lower sales within RVM

- Stable overall performance in US
- Increased activities within Material Handling offsets slower activities within RVM

# COLLECTION SOLUTIONS FINANCIALS

	4 <sup>th</sup> Quarter			Full Year		
Amounts in NOK million	2013	2012	12 Adj*	2013	2012	12 Adj*
<b>Revenues</b>	<b>760</b>	<b>699</b>	<b>758</b>	<b>2,818</b>	<b>2,649</b>	<b>2,729</b>
• Nordic	135	140		524	539	
• Central Europe & UK	369	322		1,225	1,059	
• Rest of Europe	3	3		12	11	
• US East/Canada	249	221		1,032	1,011	
• Rest of the world	4	13		25	29	
<b>Gross contribution</b>	<b>319</b>	<b>310</b>	<b>340</b>	<b>1,181</b>	<b>1,151</b>	<b>1,193</b>
<i>in %</i>	<i>42%</i>	<i>44%</i>	<i>45%</i>	<i>42%</i>	<i>43%</i>	<i>44%</i>
Operating expenses	168	164	176	650	635	649
<b>EBITA</b>	<b>151</b>	<b>146</b>	<b>164</b>	<b>531</b>	<b>516</b>	<b>544</b>
<i>in %</i>	<i>20%</i>	<i>21%</i>	<i>22%</i>	<i>19%</i>	<i>19%</i>	<i>20%</i>



\*2012 actual restated at 2013 exchange rates, estimated

# T-9: CUSTOMER ACCEPTANCE

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- 23<sup>rd</sup> September, TOMRA presented the first machine of the **new generation** of machines to come
- T-9 features the first ever **360 degree recognition** system applied inside an RVM
- The machine is **faster, cleaner** and able to **take all** types of beverage containers
- **The launch has been successful**
  - Several machines already installed in core markets

## CLIENT TESTIMONIAL:

<http://www.youtube.com/watch?v=ZSrWcpMYqgg&list=UUq-cVu43ebS4OtsFAuu8aWw&index=1>



# TOMRA Sorting Solutions

**WASTE  
INTO  
VALUE**

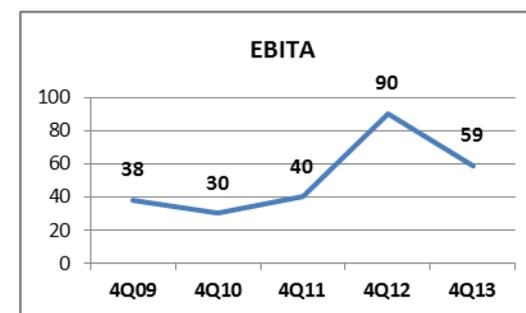
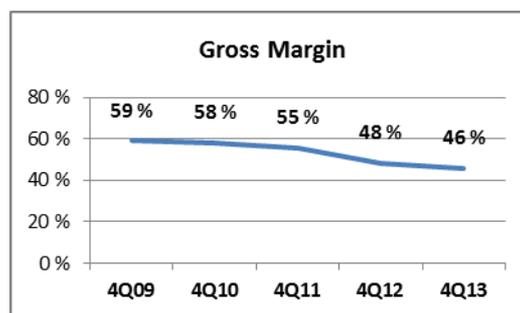
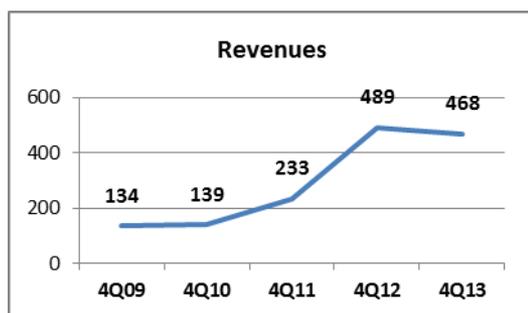


# HIGHLIGHTS SORTING SOLUTIONS

	4Q 2013	FULL YEAR 2013
Revenues	<ul style="list-style-type: none"><li>Revenues were down 4% Q-o-Q<ul style="list-style-type: none"><li>Adjusted for currency effects revenues decreased 11%</li></ul></li></ul>	<ul style="list-style-type: none"><li>Revenues up 25% Y-o-Y<ul style="list-style-type: none"><li>Adjusted for the BEST acquisition and currencies, revenues were down 4%</li></ul></li></ul>
Gross margin	<ul style="list-style-type: none"><li>Gross margin decreased from 48% in fourth quarter 2012 to 46% in fourth quarter 2013<ul style="list-style-type: none"><li>Change in market and product mix</li></ul></li></ul>	<ul style="list-style-type: none"><li>Gross margin decreased from 51% in 2012 to 45% in 2013<ul style="list-style-type: none"><li>Change in market and product mix</li></ul></li></ul>
EBITA	<ul style="list-style-type: none"><li>EBITA down from 90 MNOK in fourth quarter 2012 compared to 59 MNOK fourth quarter 2013<ul style="list-style-type: none"><li>Due to lower revenues and GM%</li></ul></li></ul>	<ul style="list-style-type: none"><li>EBITA down from 243 MNOK in 2012 from 199 MNOK in 2013<ul style="list-style-type: none"><li>Due to lower gross margin</li></ul></li></ul>
Orders	<ul style="list-style-type: none"><li>Strong order intake of 509 MNOK</li><li>Order backlog of 475 MNOK compared to NOK 434 MNOK at the end of third quarter 2013</li></ul>	<ul style="list-style-type: none"><li>Order backlog of 475 MNOK, down compared to NOK 525 MNOK at the end 2012</li></ul>
Other	<ul style="list-style-type: none"><li>Post merger integration and streamlining of the TOMRA Sorting organization ongoing in several locations</li></ul>	<ul style="list-style-type: none"><li>Several new products launched – cross utilizing the technologies from the different business streams</li></ul>

# SORTING SOLUTIONS FINANCIALS

	4 <sup>th</sup> Quarter			Full Year		
Amounts in NOK million	2013	2012	12 Adj*	2013	2012	12 Adj*
<b>Revenues</b>	<b>468</b>	<b>489</b>	<b>527</b>	<b>1,784</b>	<b>1,424</b>	<b>1,476</b>
• Nordic	13	1		33	22	
• Central Europe & UK	131	122		554	419	
• Rest of Europe	56	44		135	112	
• US East/Canada	122	164		577	493	
• Rest of the world	146	158		485	378	
<b>Gross contribution</b>	<b>215</b>	<b>235</b>	<b>250</b>	<b>798</b>	<b>720</b>	<b>739</b>
<i>in %</i>	<i>46%</i>	<i>48%</i>	<i>47%</i>	<i>45%</i>	<i>51%</i>	<i>50%</i>
<b>Operating expenses</b>	156	145	159	599	477	497
<b>EBITA</b>	<b>59</b>	<b>90</b>	<b>91</b>	<b>199</b>	<b>243</b>	<b>242</b>
<i>in %</i>	<i>13%</i>	<i>18%</i>	<i>17%</i>	<i>11%</i>	<i>17%</i>	<i>16%</i>

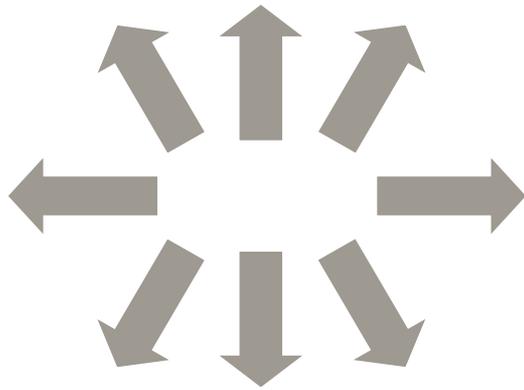


\* 2012 actual restated at 2013 exchange rates, estimated

# INTEGRATION PROCESS

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- Centralize Process Analytics business unit activities in Leuven
- Centralize R&D activities within Mining, moving it from Australia and Canada to Germany
- Intention to centralize the European production activities currently in Leuven to Pezinok
- Centralize Finance & Administration (F&A) Food activities currently in Dublin within Leuven
- Centralize Food Service Back-Office and Service parts storage for Belgium and the Netherlands in Leuven



# PRODUCT LAUNCH

## NIMBUS BIOMETRIC SIGNATURE IDENTIFICATION

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### BENEFITS

- +User friendly
- +Low maintenance
- +High capacity
- +Optimised sort
- +Increased uptime, quality, throughput and yield

### FEATURES

- +Pre- and reverse recycle sort
- +Unique signature identification
- +Huge contrast between good and bad
- +Easy to set & operate; one program fits all varieties

### APPLICATIONS

- Nuts:
- Almonds, cashews, hazelnuts
  - Peanuts, pecans, pistachios
  - Sunflower seeds
  - Walnuts, pine nuts, Brazil nuts

- Dried fruit:
- Raisins

And many many more ..

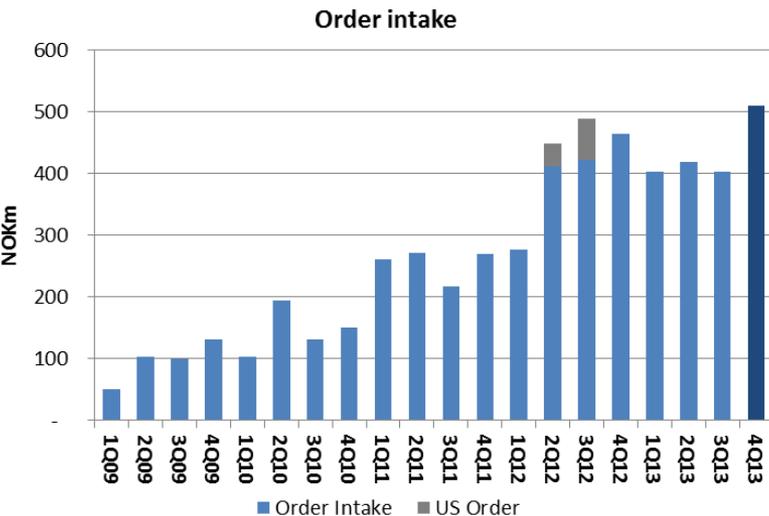
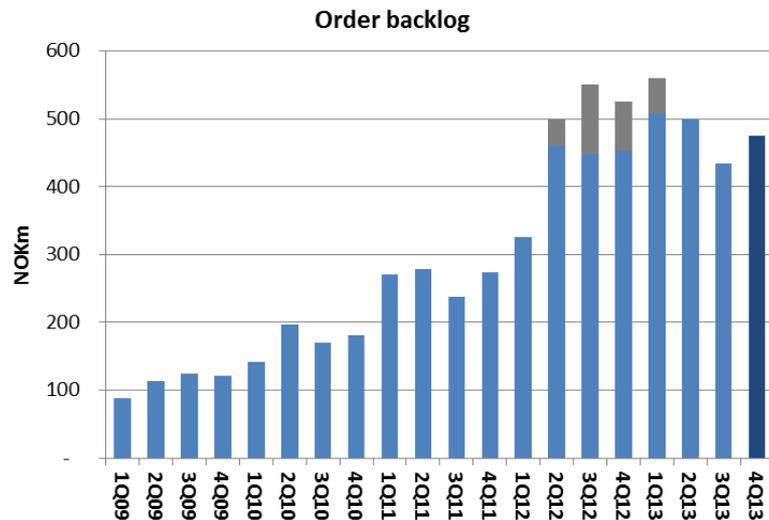
### TITECH NIR + BEST LASER

#### Nimbus BSI

- An NIR sensor has been added to the NIMBUS machine platform
- The new machine increases our competitiveness in the nuts segment

Several more projects with cross utilization of our technologies into new products in the pipeline

# BACKLOG DEVELOPMENT AND MOMENTUM



## Comments

- The order backlog has been declining Q1-Q3
  - Partly explained by large US order signed in 2012 and delivered in 2013
  - Leading to a lower level backlog end Q3
- Orders have picked up during Q4
  - All time high order intake, measured in NOK
  - Resulting in a higher level backlog end Q4
- Continued high order intake through first half 2014 important to increase revenues in 2014

# Business Outlook

**TODAY  
INTO   
TOMORROW**



# OUTLOOK

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## Collection Solutions:

- **No new markets** are expected to generate significant revenues in the coming quarters and activity is consequently assumed to be stable

## Sorting Solutions:

- Order intake improved in fourth quarter 2013, leading to a strengthened order backlog, but it is still below the order backlog at the end of 2012. To improve revenues in 2014 compared to 2013, order intake must continue to be strong in the coming quarters.
- Business stream “Food” has its weakest period revenue wise in the beginning of the year, when winter in the Northern Hemisphere means that harvesting and food producing activities are low.
- Integration cost of 25 MNOK to be taken in first and second quarter (combined). The initiatives are assumed to generate yearly savings of close to 30 MNOK per year, starting 2015.

## Currency:

- Reporting in NOK and with some NOK cost base, TOMRA will in general benefit from a weak NOK, measured particularly against EUR and USD. TOMRA will consequently continue to gain from a strong USD and EUR, provided current exchange rate levels are maintained.





# Q&A



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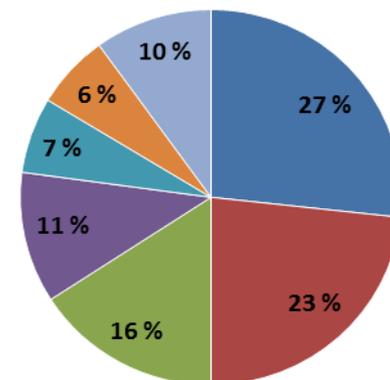
# TOMRA SHAREHOLDER STRUCTURE

## Top 10 shareholders as of 31<sup>st</sup> of Dec 2013

1	Investment AB Latour	31 320 000	21.2 %
2	Folketrygdfondet	16 137 053	10.9 %
3	Jupiter European Fund	9 355 330	6.3 %
4	Skandinaviska Enskilda A/C Clients account	6 757 554	4.6 % (NOM)
5	JP Morgan Chase Bank Nordea Treaty account	4 950 802	3.3 % (NOM)
6	Nordea Nordic Small	4 418 693	3.0 %
7	Skandinaviska Enskilda A/C Finnish Resident	2 900 065	2.0 % (NOM)
8	ODIN Norge	2 368 905	1.6 %
9	The Bank of New York BNY Mellon	2 235 162	1.5 % (NOM)
10	Clearstream Banking	1 911 442	1.3 % (NOM)
<b>Sum Top 10</b>		<b>82 355 066</b>	<b>55.6%</b>
<b>Other shareholders</b>		<b>65 665 072</b>	<b>44.4%</b>
<b>TOTAL (6,014 shareholders)</b>		<b>148 020 078</b>	<b>100%</b>

Source: VPS

## Shareholders by country



**Total shares held abroad: 76.7%**