

## **FIRST QUARTER 2017**

# **RESULTS ANNOUNCEMENT**

### **Continued Good Performance**

Currency adjusted revenues was up 19% in the quarter compared to same period last year. Revenues amounted to 1,564 MNOK compared to 1,360 MNOK in first quarter last year. Organic, currency adjusted revenues were up 5% in TOMRA Collection Solutions and up 8% in TOMRA Sorting Solutions.

Gross margin was 40% in the quarter, down from 42% same period last year, with slightly lower margins in both business areas. The lower margin in Sorting Solutions is explained by inclusion of Compac.

Operating expenses increased from 421 MNOK in first quarter 2016 to 475 MNOK in first quarter 2017, including 4 MNOK in acquisition cost related to Compac (up 3% organic, currency adjusted).

EBITA was 158 MNOK in first quarter 2017 compared to 153 MNOK first quarter last year, representing a margin of 10%.

EPS increased to NOK 0.57 in first quarter 2017 from NOK 0.54 from first quarter 2016.

Cash flow from operations in first quarter 2017 equaled 122 MNOK, up from 118 MNOK in first quarter 2016.

All time high order intake of 682 MNOK in TOMRA Sorting Solutions (excl. Compac), up from 661 MNOK same period last year, currency adjusted this represented an increase of 7% in the quarter. The organic order backlog was 874 MNOK, up from 829 MNOK at the end of first quarter 2016. In addition, Compac contributed 265 MNOK, creating a total order backlog of 1,139 MNOK.

The acquisition of Compac was completed in the quarter and the company was consolidated into Group accounts from 1st of February 2017.

The Annual General Assembly approved a dividend of NOK 2.10 per share.

### **Collection Solutions: Good Performance in Core Markets**

Currency adjusted the business area reported a revenue increase of 5% in first quarter 2016, compared to same period last year.

Gross margin decreased from 41% to 40% due to product mix. Operating expenses were up 4%, currency adjusted. EBITA was 144 MNOK, up from 147 MNOK last year, currency adjusted this represents an increase of 4% The EBITA margin in the quarter was 16%.

*"US delivered a stronger than expected quarter with 6% y-o-y growth due to increased throughput volumes and RVM sales. At the same time the momentum in Germany is still good due to the ongoing replacement demand", says Stefan Ranstrand, TOMRA President and CEO.*

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## **Sorting Solutions: Improved Performance and Record High Order Backlog**

Revenues in the quarter increased by 40% compared to same quarter in 2016. Organic and currency adjusted revenues were up 8% in the quarter. Compac contributed revenues of 175 MNOK in the quarter.

Gross margin came down from 45% to 41% compared to same period last year. The reduction in gross margin is explained by inclusion of Compac. Organically, the gross margin declined by 1% compared to Q1 last year. Operating expenses increased in the same period from 252 MNOK to 282 MNOK. Organic and currency adjusted the operating expenses increased by 2%.

EBITA increased from 16 MNOK in first quarter 2016 to 30 MNOK in first quarter 2017. The margin was 4% in the quarter.

*"We have seen a strong order inflow in Food and an increased activity level in Recycling in the quarter, leaving us with a record high backlog at the end of this quarter. We expect the good momentum to continue in the short term", Ranstrand comments on the outlook for Sorting Solutions.*

Asker, 28 April 2017

TOMRA Systems ASA

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**Webcast link:** <http://webcast.seria.no/webcast/54401215>

There will be a Q&A after the presentation and the recorded webcast will be made available on TOMRA's webpage [www.tomra.com](http://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 ~90,000 installations in over 80 markets worldwide and had total revenues of ~6.6 billion NOK in 2016. The Group employs ~3,500 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](http://www.tomra.com)*

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