SEB NORDIC SEMINAR

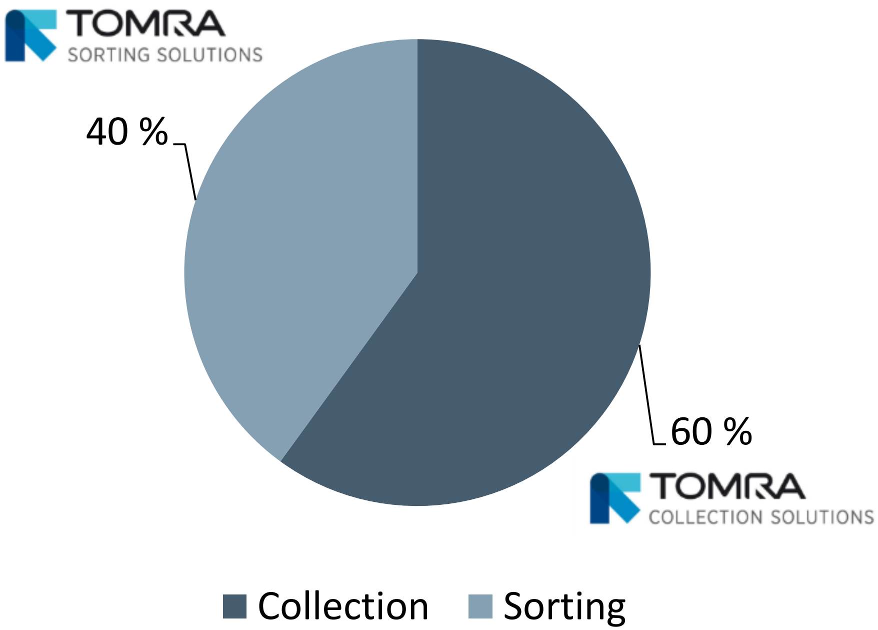
TOMRA

Stefan Ranstrand
6 Januar 2016

TOMRA creates sensor-based solutions for optimal resource productivity

LEADING THE RESOURCE REVOLUTION

CREATING VALUE THROUGH TWO STRONG BUSINESS AREAS



Two strong areas for value creation

TOMRA

TOMRA COLLECTION SOLUTIONS

- Stable
- High margins
- Low cyclicality

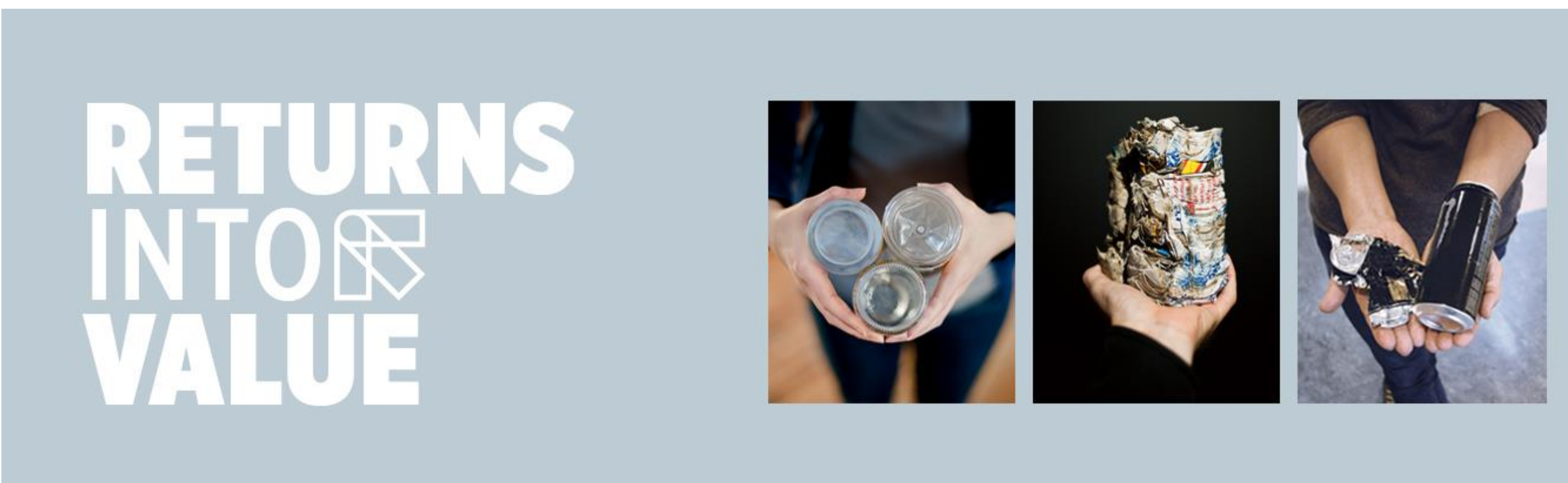
TOMRA SORTING SOLUTIONS

- High growth
- High margins
- Medium cyclicality

High technology - sustainable business

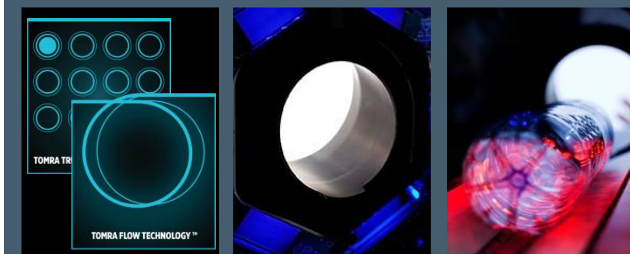
Source: 2014 Annual sales figures

TOMRA Collection Solutions



ELEMENTS OF A MODERN REVERSE VENDING SYSTEM

User communication

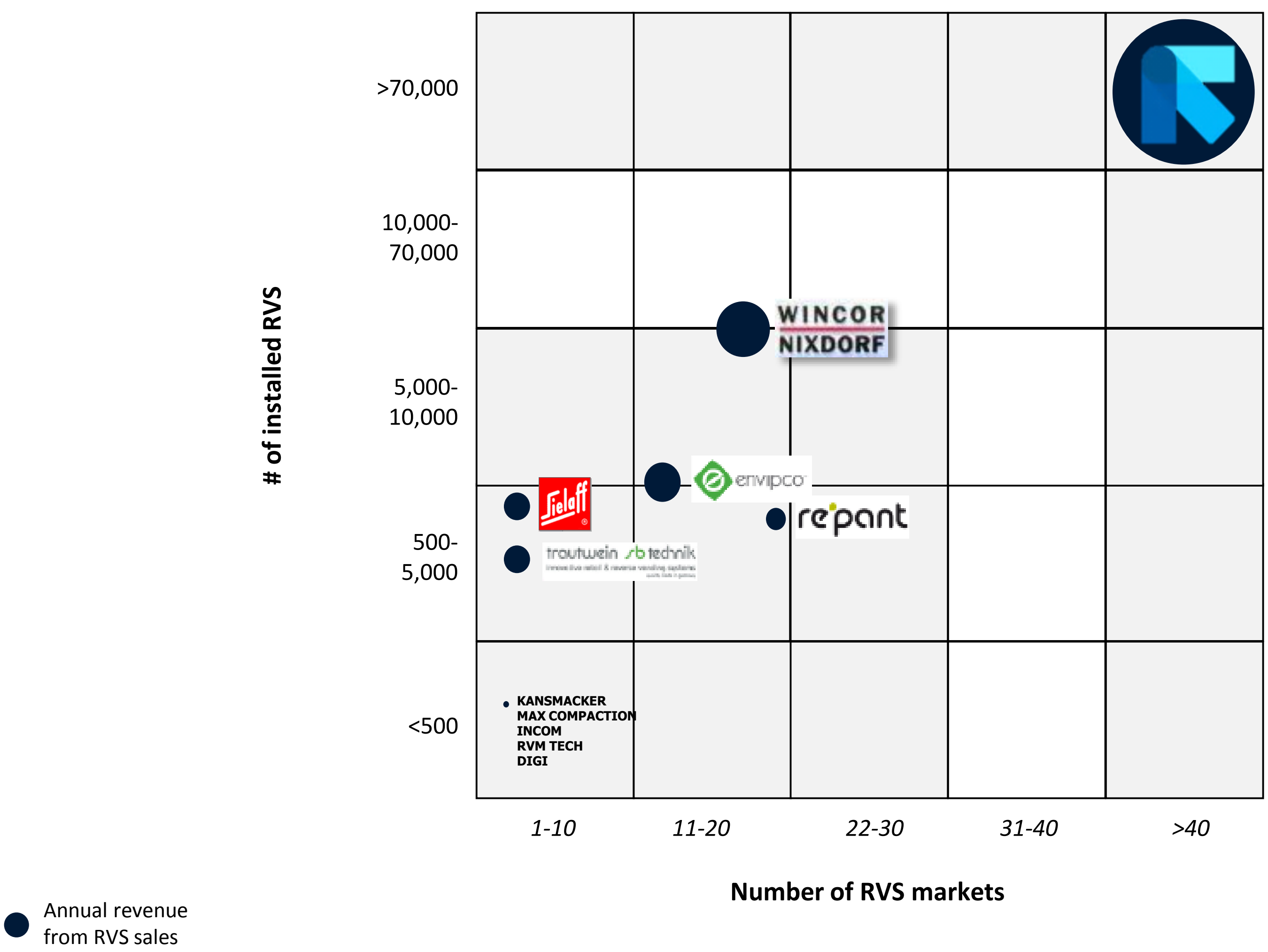


Recognition system

Sorting & processing

Data administration

COMPETITIVE LANDSCAPE*



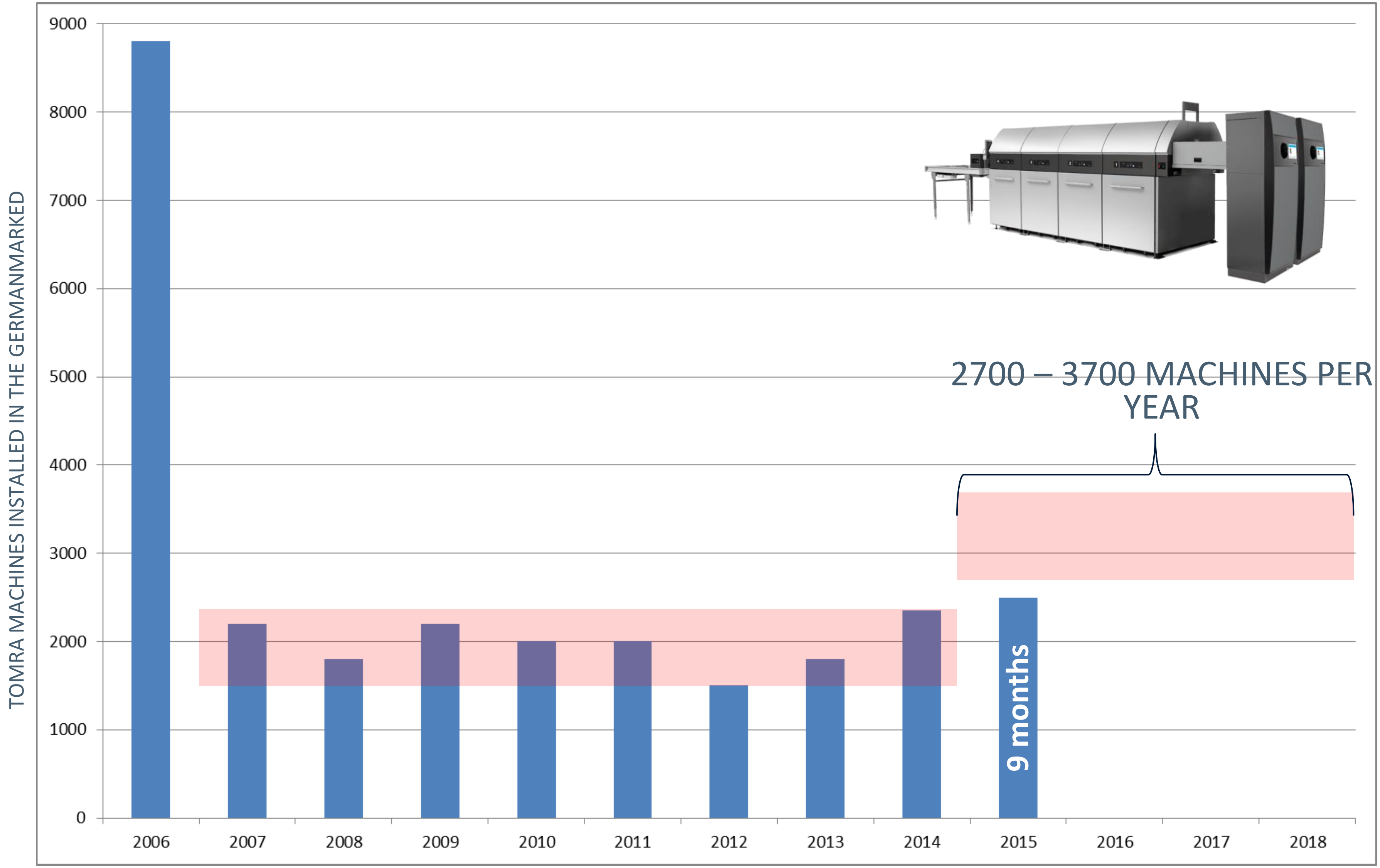
Source: TOMRA estimates and analysis * Estimates

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 has been successful**
  - Several machines already installed in core markets
  - Key product for replacement sale in e.g. Germany
- 2014 installations: 1,200 machines

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

GERMANY REPLACEMENT UPDATE



POTENTIAL NEW DEPOSIT MARKETS

COLLECTION SOLUTIONS – FINANCIAL DASHBOARD

	RVM	Material Recovery
Industry growth	0-10%	0-3%
Recurring revenue	~75%	90-100%
Profitability (ROCE)*	30-40%	~15%

	RVM	Material Recovery
Market share	75%	60%
Geographical diversity	20-30 markets	10 markets
Cyclicality	Low	Low

TARGETS 2013 -2018

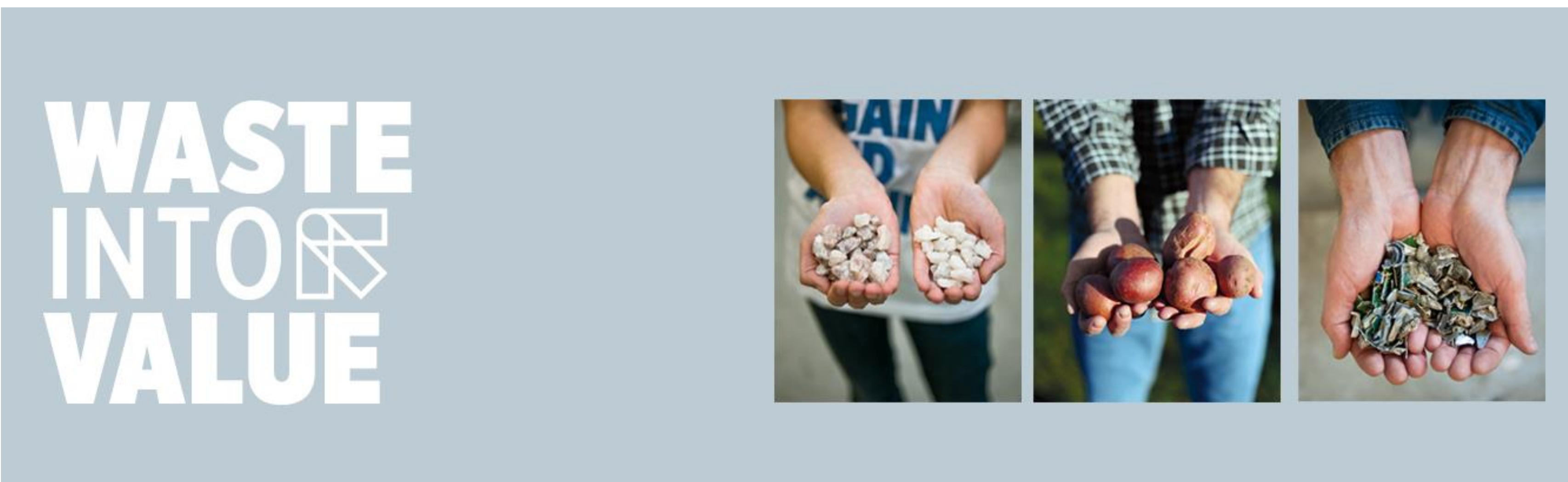
Yearly growth 4 – 8%

COGS cut program continues: 40% reduced COGS on new RVM machines from 2010 to 2015

EBITA-margin 18%-23%

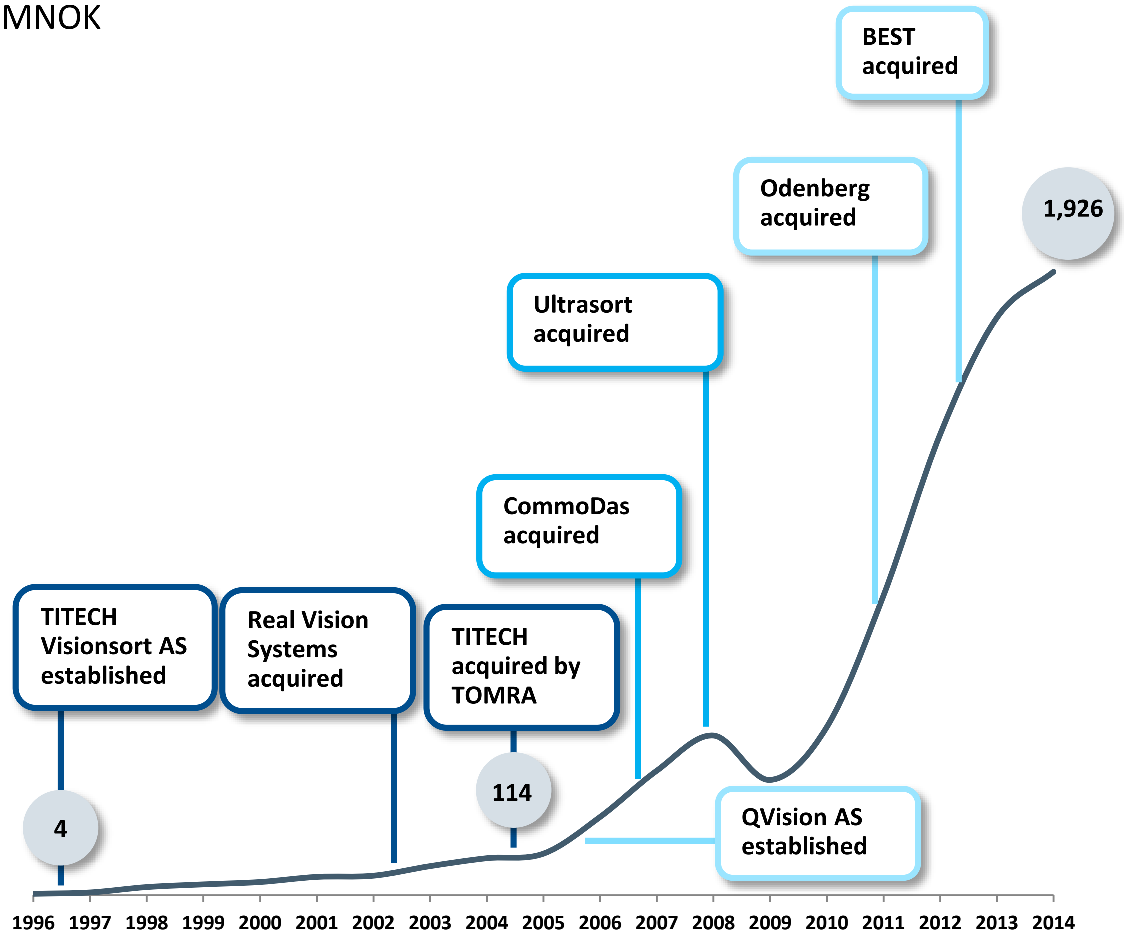
* Ex goodwill

TOMRA Sorting Solutions



STRONG REVENUE GROWTH SINCE INCEPTION IN 1996

Revenue development and key milestones
MNOK



- Total revenue growth (organic plus inorganic) CAGR of ~33% per year from 2004-2014
  - Average annual organic growth for the same period was ~17%
- Technology base and segment/application knowledge expanded both through acquisitions and in-house ventures

A COMMON SENSOR BASED TECHNOLOGY PORTFOLIO

Gamma-radiation
X-ray
Ultraviolett (UV)
Visible light (VIS)
Near Infrared (NIR)
Infrared (IR)
Microwaves
Radio waves
Alternating current (AC)

[m]

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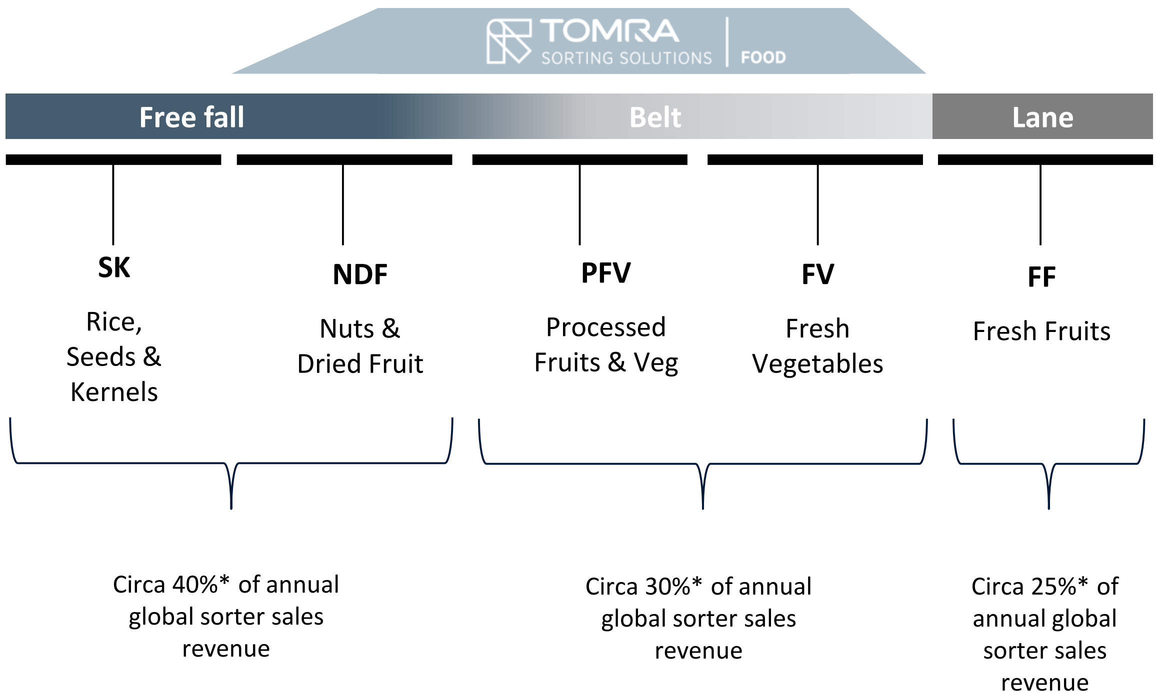
Sensor/ Technology	Material Property	Segment
RM (Radiometric)	Natural Gamma Radiation	Mining
XRT (X-ray transmission) Low Energy X-ray	Atomic Density	Recycling, Mining, Food
XRF	X ray fluorescence (Elemental Spectroscopy)	Recycling, Mining
COLOR (CCD Color Camera)	Reflection, Absorption, Transmission	Recycling, Mining, Food
Laser attenuation and PM (Photometric)	Monochromatic Reflection / Absorption of Laser Light Scattering analysis of Laser Light	Mining, Food
NIR / MIR (Near/Medium Infrared Spectrometry)	Reflection, Absorption (Molecular Spectroscopy)	Recycling, Mining, Food
LIBS	Laser induced breakdown spectroscopy	Recycling, Mining
EM (Electro-Magnetic sensor)	Conductivity, permeability	Recycling, Mining, Food


YIELD
INTO
USAGE
TOMRA
SORTING SOLUTIONS
FOOD

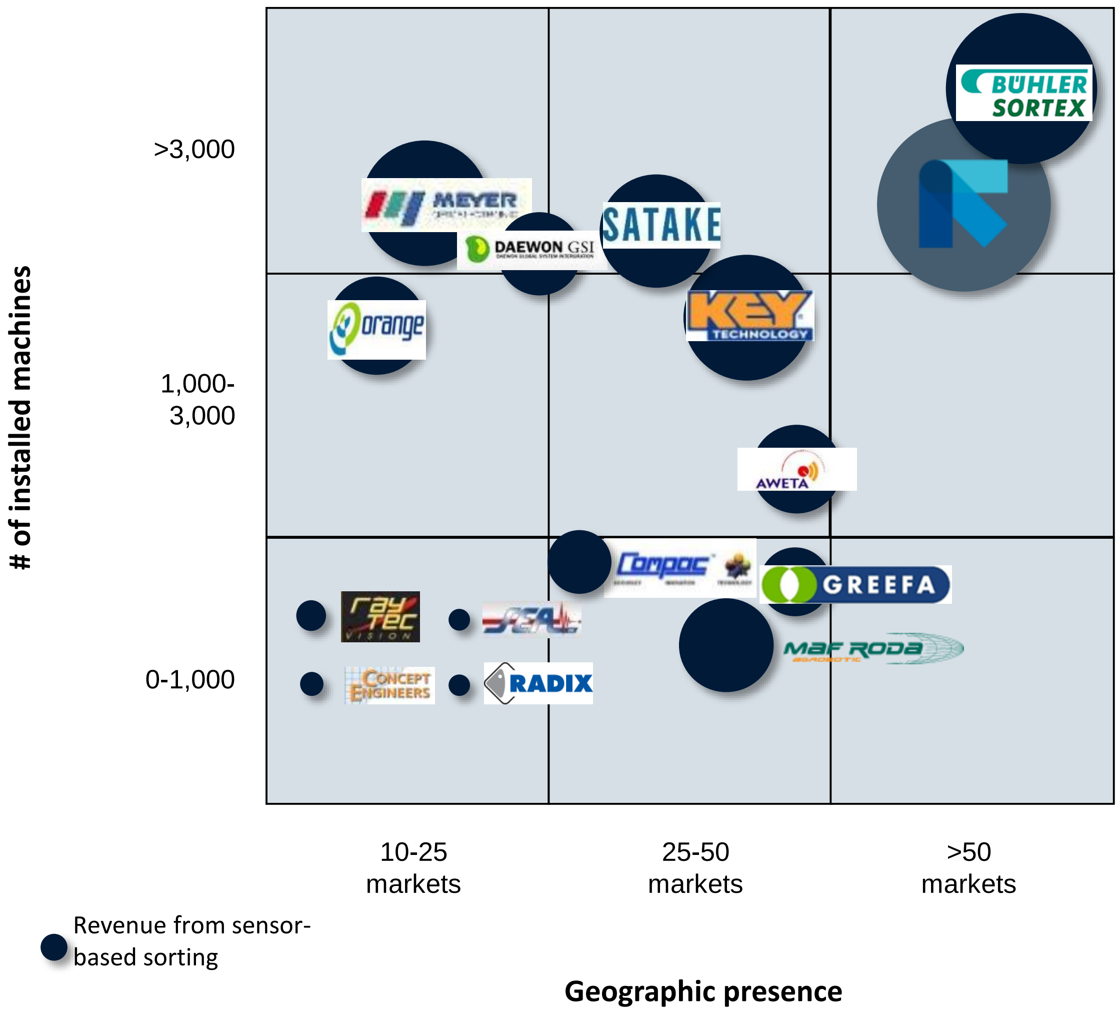
TOMRA HAS THE BROADEST FOOTPRINT WITHIN THE FOOD SORTING UNIVERSE



* TOMRA estimates

Circa 5% of annual global sorter sales revenue comes from other segments, like confectionary

FOOD COMPETITIVE LANDSCAPE



TOMRA competitive positioning

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

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

OUR BROAD COVERAGE AND TECHNOLOGY BASE IS SETTING US APART

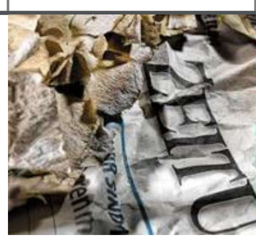
	DRIED FRUIT	NUTS	FRESH CUT	FRUIT	VEGETABLES	MEAT	POTATOES	SEAFOOD
FOOD	• Apricots • Craisins • Figs • Prunes • Raisins	• Almonds • Cashews • Hazelnuts • Macadamias • Peanuts • Pecans • Pistachios • Seeds • Walnuts	• Baby leaves • Iceberg lettuce • Spinach • Spring mix	• Apples • Blackberries • Blueberries • Cherries • Citrus • Cranberries • Peaches & pears • Raspberries • Strawberries • Tomatoes	• 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**


ONCE
INTO
AGAIN
AND AGAIN
TOMRA
SORTING SOLUTIONS
RECYCLING

RECYCLING: APPLICATIONS AND SENSOR TECHNOLOGY

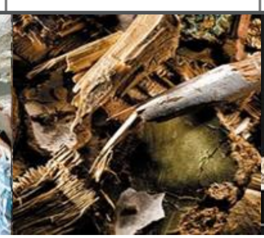
TOMRA SORTING SOLUTIONS | RECYCLING

	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 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

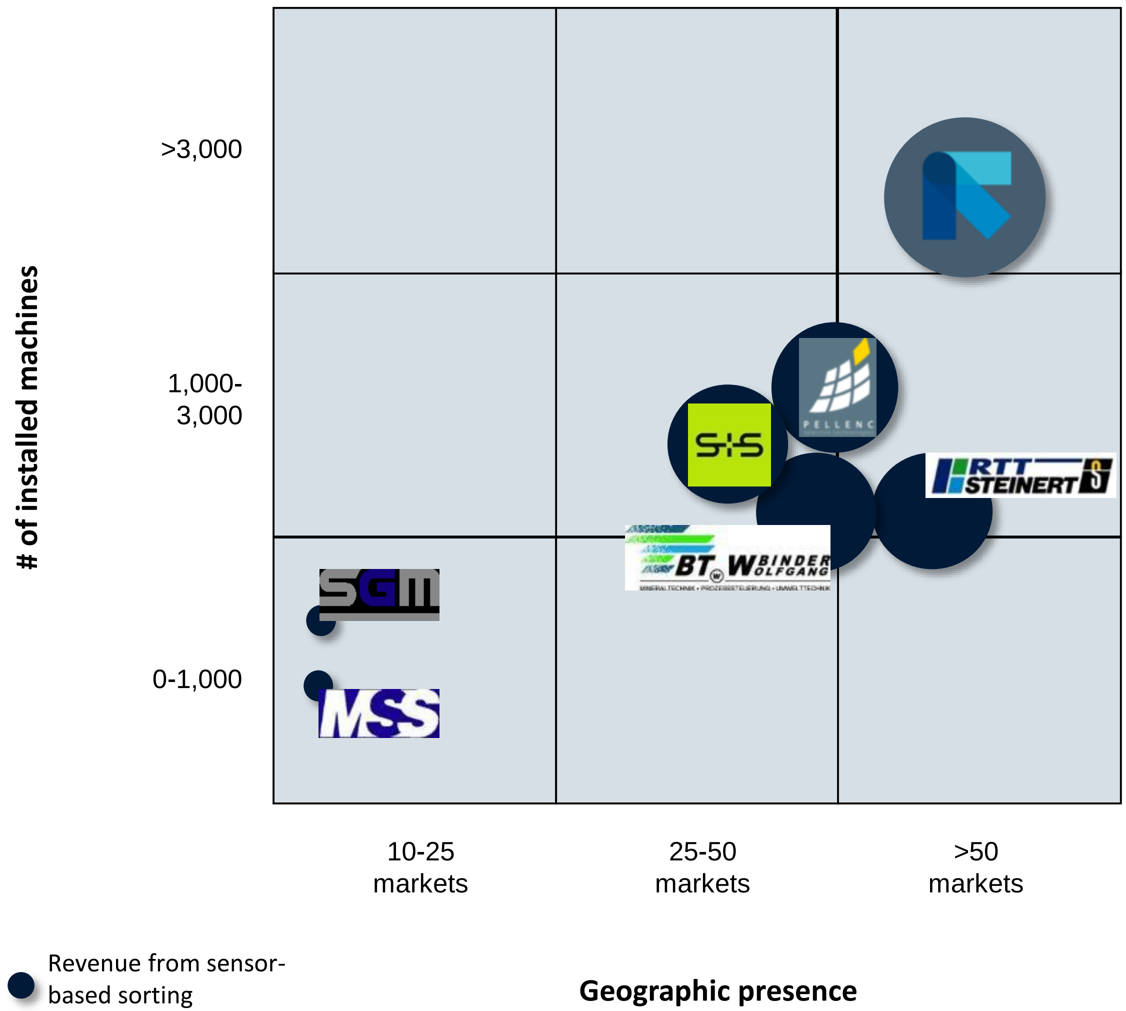


Cleaned wood

Copper Wire

Brass

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


SOURCE
INTO
RESOURCE
TOMRA
SORTING SOLUTIONS
MINING

THE CONCEPT OF SENSOR-BASED SORTING IN MINING

Mining process:
Industrial minerals

Run of Mine (ROM)
↓
Primary Crushing
↓
Secondary Crushing
↓
Sensor Based Sorting → Waste
↓
Product

Current segment

- 15% to 50% of the ROM can be rejected in an early stage of the process (application dependent)
- These low grade waste rocks don't need to be transported, crushed, grinded or further treated

Mining process:
Metal mining

Run of Mine (ROM)
↓
Primary Crushing
↓
Sensor Based Sorting → Waste
↓
Beneficiation Plant:
Milling
Screening
DMS
Flotation
→ Tailings (fines)
↓
Product

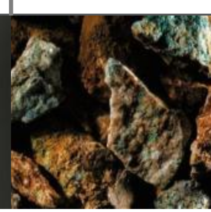
Potential new segment

MINING: APPLICATIONS AND SENSOR TECHNOLOGY

TOMRA SORTING SOLUTIONS | MINING

	INDUSTRIAL MINERALS	BASE & Fe METALS	FUEL/ ENERGY	PRECIOUS METALS	DIAMONDS & GEMS	METAL SLAG
COMMODITY	• Calcite • Quarts • Feldspar • Magnesite • Talcum • Dolomite • Salt	• Copper • Zinc • Nickel • Tungsten • Iron • Manganese • Chromite	• Coal • Uranium	• Gold • Platinum	• Diamonds • Tanzanite • Colored gemstones	• Stainless steel • Copper • Chrome
SENSOR TECHNOLOGY	COLOR XRT NIR XRF	XRT COLOR EM NIR	XRT RM	XRT COLOR XRF NIR	COLOR XRT XRF NIR	XRT XRF EM

Calcite



Copper

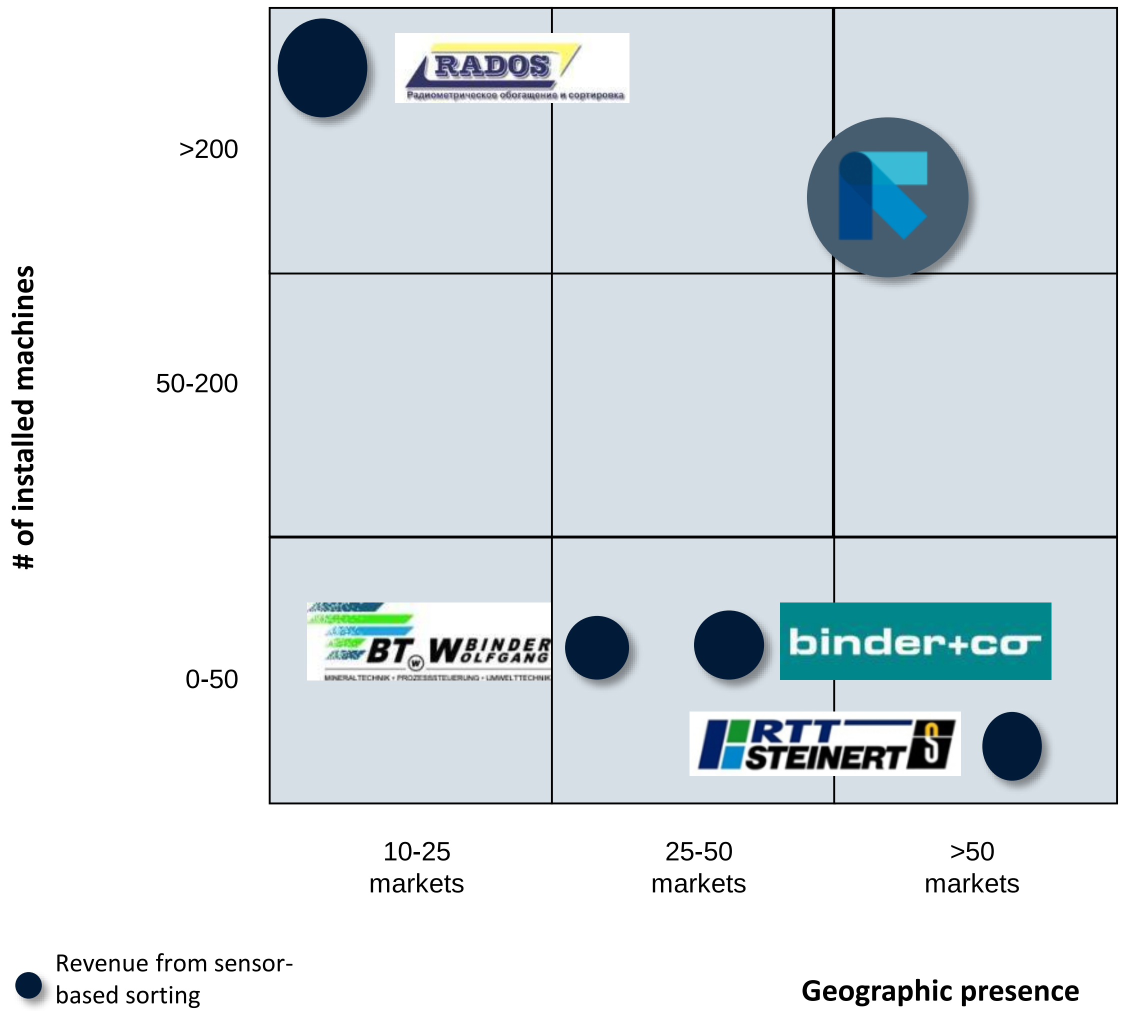
Coal

Gold

Diamonds

Ferro Silica Slag

MINING COMPETITIVE LANDSCAPE



TOMRA competitive positioning

- Wide geographical coverage
- Broadest technology platform
- Leading brand
- Pioneering in developing high volume sorter in corporation with Rio Tinto
- **Market share: 40-50%**

Source: TOMRA estimates and analysis

FINANCIAL DASHBOARD – SORTING SOLUTIONS

Industry Growth	5-15%
Recurring revenue	15-20%
Profitability (ROCE)*	20-30%

	Food	Recycling	Mining
Market share	40-50 %(i)	55-65 %	40-50 %
Geographical diversity	45-50 markets	40-50 markets	45-50 markets
Cyclicality	Medium	High	High

TARGETS 2013 -2018

Yearly organic growth 10-15%

Geographical expansion

EBITA-margin 18-23%

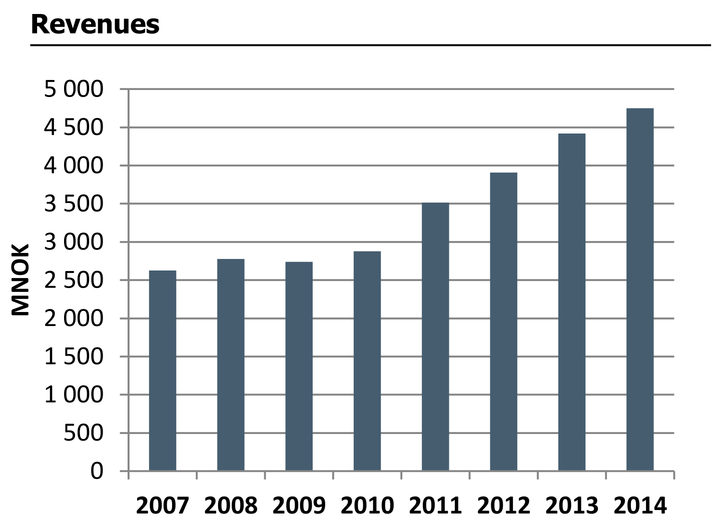
(i) In markets served. Total food sorting (incl. rice and lane sorting*) 12-15%

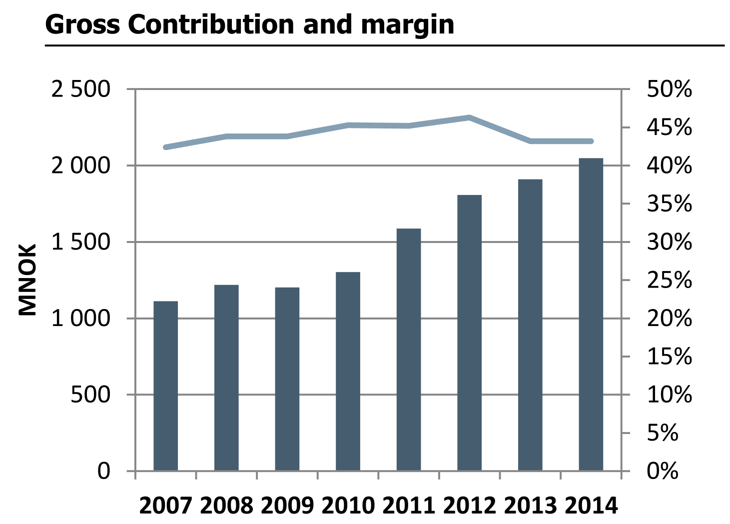
* Ex goodwill

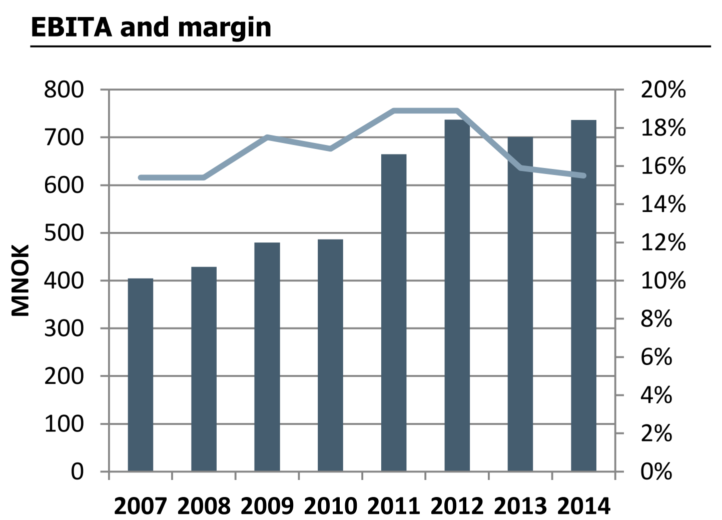

Q&A

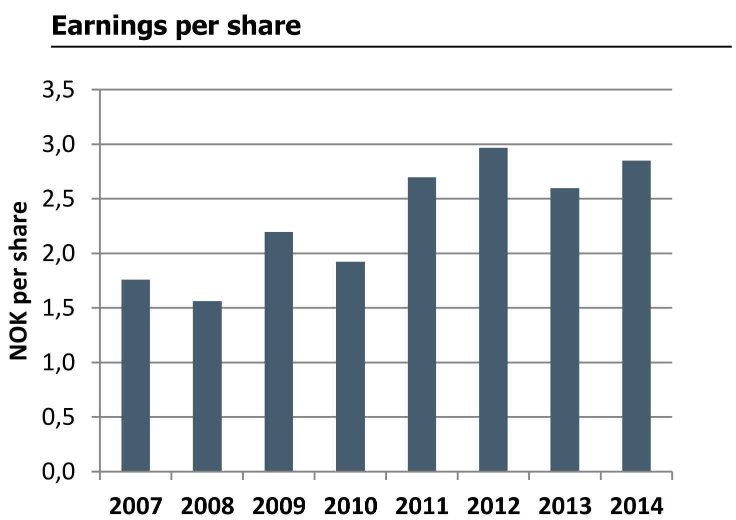
APPENDIX

KEY FINANCIALS DEVELOPMENT





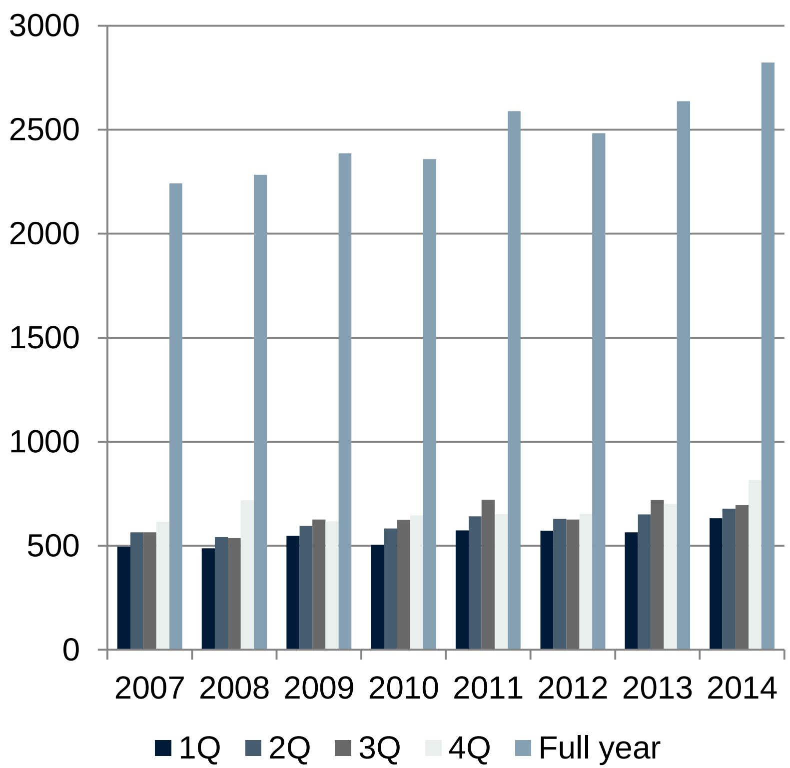




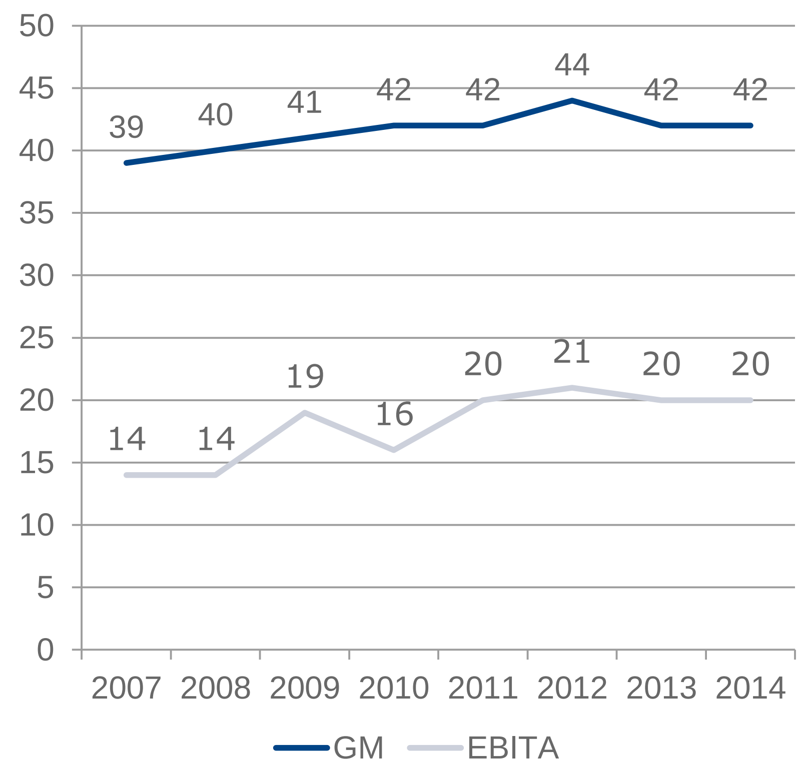
EPS from continued operations, excluding other items

COLLECTION SOLUTIONS – SEGMENT FINANCIALS

Revenue development
NOK million

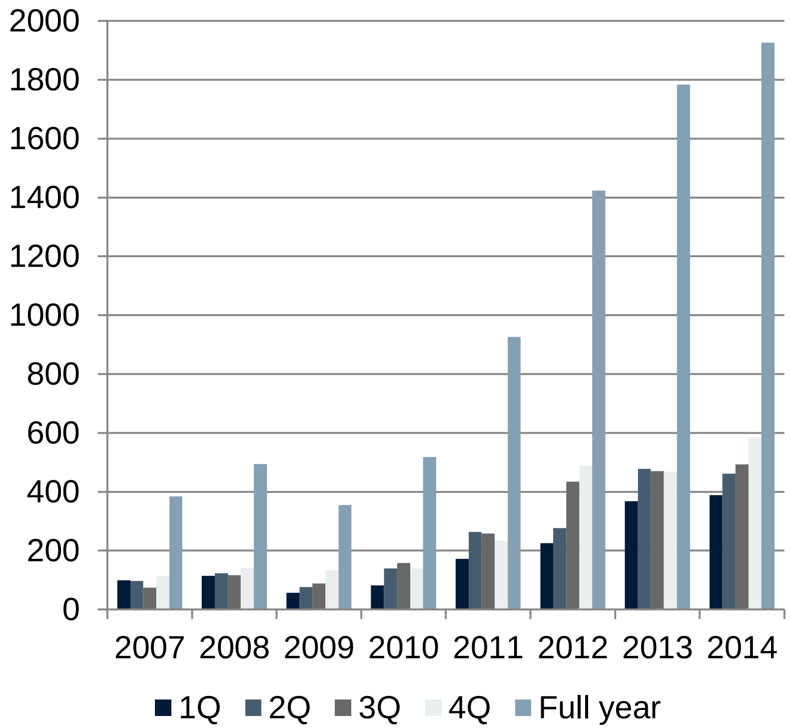


Gross and EBITA margin development
Percent

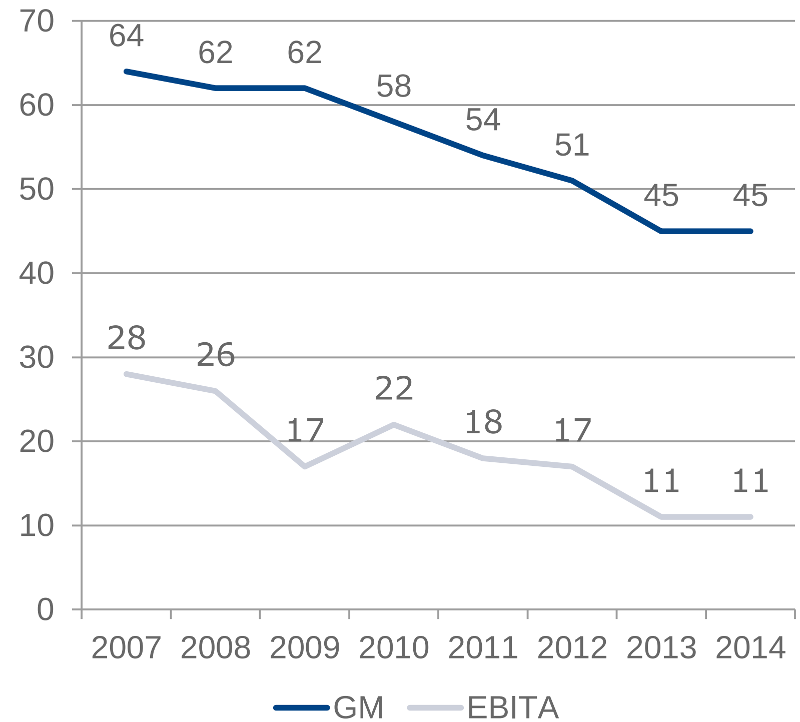


SORTING SOLUTIONS – SEGMENT FINANCIALS

Revenue development
NOK million



Gross and EBITA margin development
Percent



CURRENCY EXPOSURE

Revenues and expenses per currency;

NOTE: Rounded figures

	EUR*	USD	NOK	SEK	OTHER	TOTAL
Revenues	45 %	30 %	5 %	10 %	10 %	100 %
Expenses	45 %	25 %	10 %	10 %	10 %	100 %
EBITA	**45%**	**50 %**	**- 15 %**	**10 %**	**10 %**	**100 %**

*** EUR includes DKK**

10% change in NOK towards other currencies will impact;

	Revenues	Expenses	EBITA
EUR*	4.5%	4.5%	4.5%
USD	3.0%	2.5%	5.0%
SEK	1.0%	1.0%	1.0%
OTHER	1.0%	1.0%	1.0%
ALL	**9.5%**	**9.0%**	**11.5%**

*** EUR includes DKK**

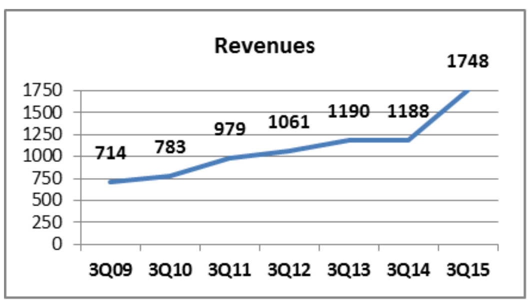
HEDGING POLICY

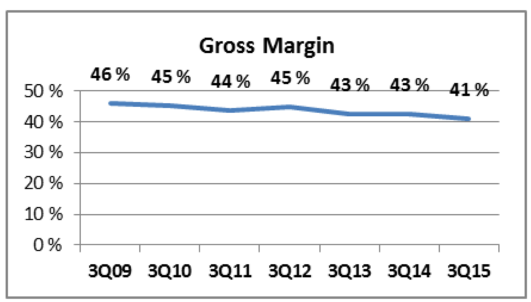
- TOMRA hedges B/S items that will have P/L impact on currency fluctuations
- TOMRA can hedge up to one year of future predicted cash flows. Gains and losses on these hedges are recorded in the finance line, not influencing EBITA

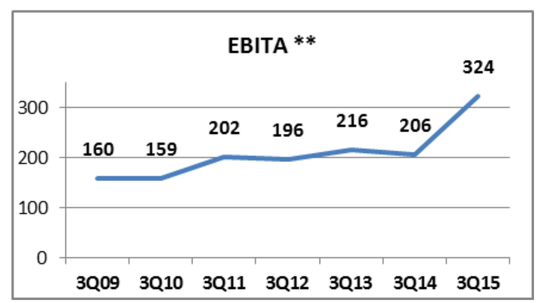
FINANCIAL HIGHLIGHTS
P&L STATEMENT

Q3 results

	3rd Quarter			YTD		
Amounts in NOK million	**2015**	**2014**	**14 Adj***	**2015**	**2014**	**14 Adj***
Revenues	**1,748**	**1,188**	**1,346**	**4,327**	**3,349**	**3,737**
• Collection Solutions	1,110	695	795	2,664	2,006	2,255
• Sorting Solutions	638	493	551	1,663	1,343	1,482
Gross contribution	**717**	**508**	**566**	**1,812**	**1,440**	**1,590**
in %	*41%*	*43%*	*42%*	*42%*	*43%*	*43%*
Operating expenses	393	302	341	1,144	969	1,070
EBITA	**324**	**206**	**225**	**668**	**471**	**520**
in %	*19%*	*17%*	*16%*	*15%*	*14%*	*14%*
One time costs in op.exp.	-	-	-	-	*25*	*25*





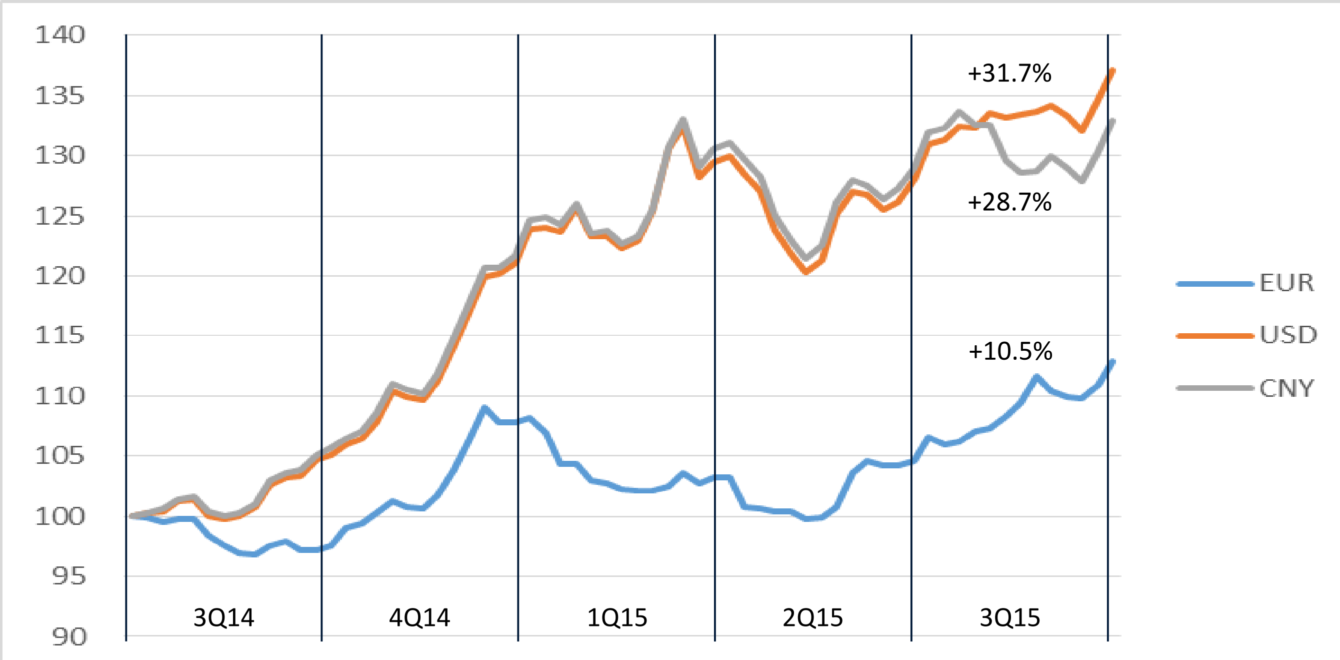


*2014 actual restated at 2015 exchange rates, estimated

** Adjusted for one-time costs

CURRENCY

Q3 results



Positive impact of stronger USD and EUR, partly offset by negative CNY effect

Revenues and expenses per currency;

NOTE: Rounded figures

	EUR*	USD	NOK	SEK	OTHER	TOTAL
Revenues	45 %	30 %	5 %	10 %	10 %	100 %
Expenses	45 %	25 %	10 %	10 %	10 %	100 %
EBITA	**45%**	**50 %**	**- 15 %**	**10 %**	**10 %**	**100 %**

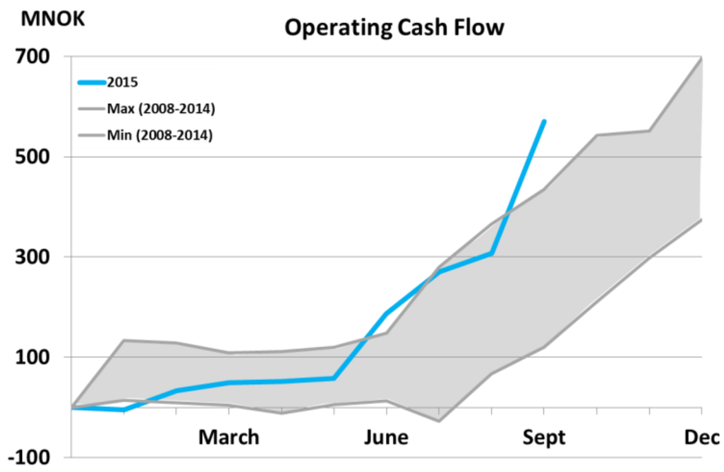
*** EUR includes DKK**

Mainly CNY

FINANCIAL HIGHLIGHTS
BALANCE SHEET, CASH FLOW AND CAPITAL STRUCTURE

Q3 results

Amounts in NOK million	30 Sept 2015	30 Sept 2014	31 Dec 2014
ASSETS	**7,318**	**5,963**	**6,625**
• Intangible non-current assets	2,816	2,479	2,623
• Tangible non-current assets	721	616	683
• Financial non-current assets	309	285	307
• Inventory	1,158	923	913
• Receivables	1,918	1,488	1,537
• Cash and cash equivalents	396	172	436
• Assets held for sale	-	-	126
LIABILITIES AND EQUITY	**7,318**	**5,963**	**6,625**
• Equity	3,648	2,790	3,244
• Minority interest	136	91	115
• Interest bearing liabilities	1,439	1,565	1,649
• Non-interest bearing liabilities	2,095	1,517	1,593
• Liabilities held for sale		-	24



Ordinary cashflow from operations

- 384 MNOK (236 MNOK in 3Q 2014)

Solidity

- 50% equity
- NIBD/EBITDA = 1.0 (Rolling 12 months)

DISCLAIMER

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