

**3<sup>rd</sup> Quarter  
2018**



23.10.2018

# HIGHLIGHTS

## 3Q 2018

- Revenues of 2,247 MNOK (1,855 MNOK in third quarter 2017), up 21%.  
Adjusted for currency and acquisitions, revenues were:
  - Up 14% for TOMRA Group
  - Up 9% in TOMRA Collection Solutions
  - Up 20% in TOMRA Sorting Solutions
- Gross margin 44%, up from 43% in third quarter 2017
  - Stable margin in TOMRA Collection Solutions
  - Improved margin in TOMRA Sorting Solutions
- Operating expenses of 587 MNOK (496 MNOK in third quarter 2017)
  - Higher activity
  - New South Wales and acquisition (BBC)
- EBITA of 408 MNOK – up 35% from third quarter 2017
- Cash flow from operations of 433 MNOK, up from 375 MNOK in third quarter 2017
- TOMRA Collection Solutions
  - Higher activity in North America, offset by somewhat lower activity in Europe
  - Ramp-up in New South Wales completed
- TOMRA Sorting Solutions
  - Order intake of 1,105 MNOK, compared to 964 MNOK same period last year (up 6% organic)
  - Order backlog of 1,579 MNOK, up from 1,226 MNOK at the end of third quarter 2017

**LEADING  
THE RESOURCE  
REVOLUTION**



## CONSOLIDATED FINANCIALS

Revenues in the third quarter 2018 amounted to 2,247 MNOK compared to 1,855 MNOK in third quarter last year, up 21%. Organic, currency adjusted revenues were up 9% in TOMRA Collection Solutions and up 20% in TOMRA Sorting Solutions.

Gross margin was 44% in the quarter, up from 43% in third quarter 2017. Stable margins in TOMRA Collection Solutions and improved margins in TOMRA Sorting Solutions.

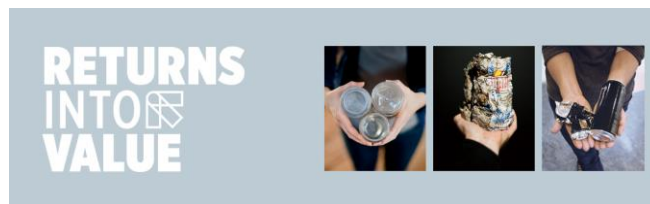
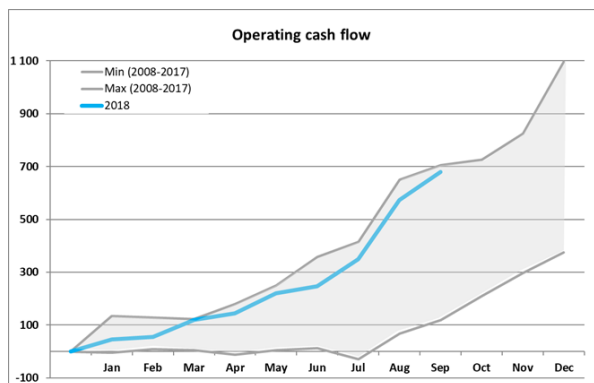
Operating expenses of 587 MNOK in third quarter, up from 496 MNOK in third quarter last year. The increase relates to higher activity, ramp-up costs in New South Wales (Australia), currencies and the acquisition of BBC (acquired 1 March 2018).

EBITA was 408 MNOK in third quarter 2018 – up 35% from same period last year.

Net finance was minus 8 MNOK in the quarter, compared to plus 4 MNOK last year (which was influenced by 7 MNOK in positive currency gains).

Cash flow from operations in third quarter 2018 equaled 433 MNOK, compared to 375 MNOK in third quarter 2017.

Total assets were 9,117 MNOK as of 30 September 2018, up 9% currency adjusted from 30 September 2017. The increase is explained by the acquisition of BBC, investments in New South Wales and higher activity.

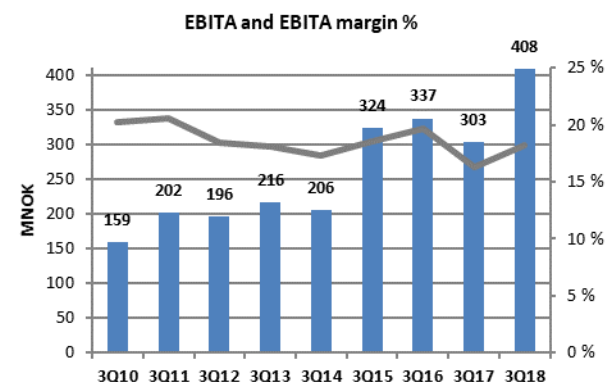
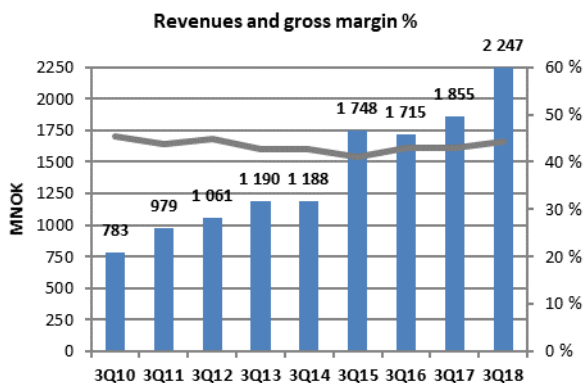


### TOMRA Group

(MNOK)	3Q18	3Q17	YTD18	YTD17
Revenues	2 247	1 855	6 129	5 391
Gross contribution	995	799	2 633	2 266
- in %	44 %	43 %	43 %	42 %
Operating expenses	587	496	1 776	1 499
EBITA	408	303	857	767
- in %	18 %	16 %	14 %	14 %

The equity ratio decreased for the same reasons from 53% to 50% during the same period.

Net Interest Bearing Debt / EBITDA (rolling 12 months' basis) increased from 0.6x at the end of third quarter 2017 to 0.8x at the end of third quarter 2018.



## BUSINESS AREA REPORTING

### TOMRA Collection Solutions

Revenues in the business area equaled 1,135 MNOK in the third quarter, up from 1,024 MNOK in third quarter last year. After adjustment for currency changes, revenues were up 9%, driven by New South Wales' volumes.

Gross margin was 43%, unchanged from last year. Operating expenses were 240 MNOK, up from 202 MNOK last year, due to New South Wales, ramp-up and currency.

Operating expenses increased from 202 MNOK to 240 MNOK in the quarter, significantly influenced by cost related to the preparation for new deposit markets.

EBITA was 244 MNOK, up from 236 MNOK last year.

#### Europe

Currency adjusted revenues in Europe were down in third quarter 2018, compared to third quarter 2017, due to somewhat slower sales in Germany.

#### North America

Currency adjusted revenues in North America were up in third quarter 2018, compared to third quarter 2017. Both machine sales and throughput-volumes improved.

#### Australia (Rest of the World)

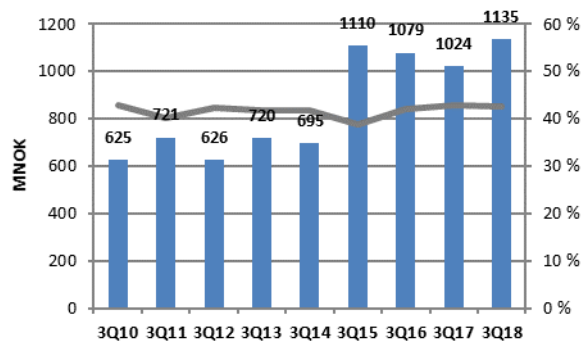
TOMRA has continued to add collection points in New South Wales throughout third quarter and at the end of the quarter, the ramp-up period finished with just over 1,100 reverse vending machines operational.

### TOMRA Collection Solutions

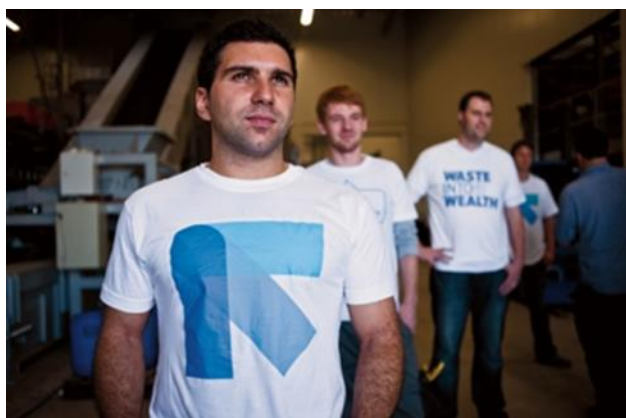
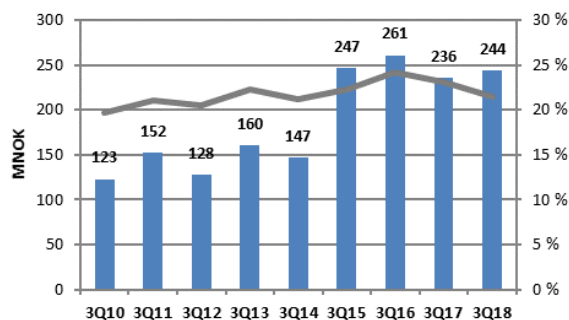
(MNOK)	3Q18	3Q17	YTD18	YTD17
Revenues				
- Northern Europe	147	146	457	434
- Europe (ex Northern)	433	470	1 245	1 264
- North America	467	397	1 202	1 143
- Rest of World	88	11	220	35
Total revenues	<b>1 135</b>	<b>1 024</b>	<b>3 124</b>	<b>2 876</b>
Gross contribution	484	438	1 299	1 200
- in %	43 %	43 %	42 %	42 %
Operating expenses	240	202	752	629
EBITA	<b>244</b>	<b>236</b>	<b>547</b>	<b>571</b>
- in %	21 %	23 %	18 %	20 %

In August 2018 TOMRA entered into an agreement with the Queensland scheme operator, Container Exchange (CoEx), for the operation of 10 Collection Refund Points. The Queensland container deposit system will total 300 Collection Refund Points. Each TOMRA Collection Refund Point will be a modern depot equipped with 9-12 TOMRA reverse vending machines and located in the greater Brisbane, Gold Coast, Sunshine Coast and Toowoomba areas. The contract length is 5 years.

Revenues and gross margin %



EBITA and EBITA margin %



## BUSINESS AREA REPORTING

### TOMRA Sorting Solutions

Revenues equaled 1,112 MNOK in third quarter 2018, up 20% in local currencies, adjusted for acquisitions (BBC). Gross margin was 46%, up from 43% same period last year due to higher activity and product mix.

Operating expenses were up from 278 MNOK to 327 MNOK, due to higher activity, the BBC acquisition and currency.

EBITA increased from 83 MNOK in third quarter 2017 to 184 MNOK in third quarter 2018, positively influenced by higher revenues and higher gross margin.

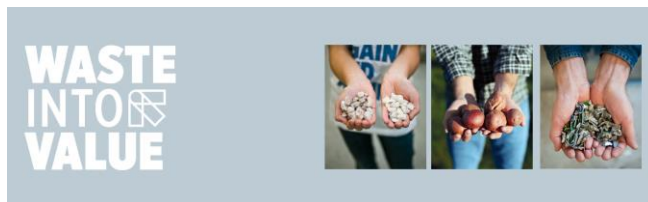
The overall momentum in TOMRA Sorting has been positive, with strong increases in revenues and order intake.

Despite all time high revenues in the quarter, a strong order intake led to a healthy backlog of 1,579 MNOK at the end of third quarter, up from 1,226 one year ago, of which 80 MNOK was provided by BBC.

#### Business streams

##### Food

Revenues in the Food business stream were stable in third quarter 2018 compared to third quarter 2017. The market remains robust, order intake was however somewhat down in the quarter due to timing, but is still up year-to-date.



#### TOMRA Sorting Solutions

(MNOK)	3Q18	3Q17	YTD18	YTD17
Revenues				
- Europe	423	344	1 107	880
- North America	336	242	1 024	928
- South America	74	31	142	89
- Asia	136	91	339	291
- Oceania	97	73	254	212
- Africa	46	50	139	115
Total revenues	<b>1 112</b>	<b>831</b>	<b>3 005</b>	<b>2 515</b>
Gross contribution	511	361	1 334	1 066
- in %	46 %	43 %	44 %	42 %
Operating expenses	327	278	964	822
EBITA	<b>184</b>	<b>83</b>	<b>370</b>	<b>244</b>
- in %	17 %	10 %	12 %	10 %

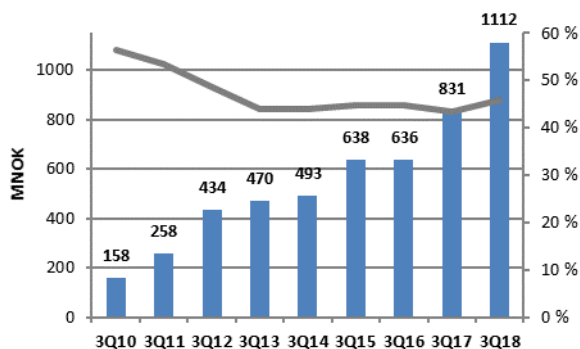
#### Recycling

Revenues in third quarter 2018 were significantly up compared to third quarter 2017. Order intake was also up and the backlog has improved significantly from same time last year. China's ban on import of waste is continuing to generate business opportunities both inside and outside China.

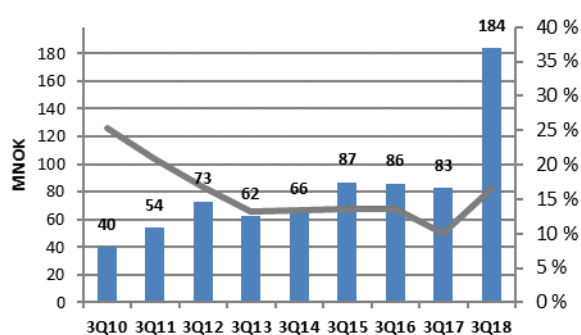
#### Mining

Revenues, order intake and backlog have improved significantly from third quarter last year.

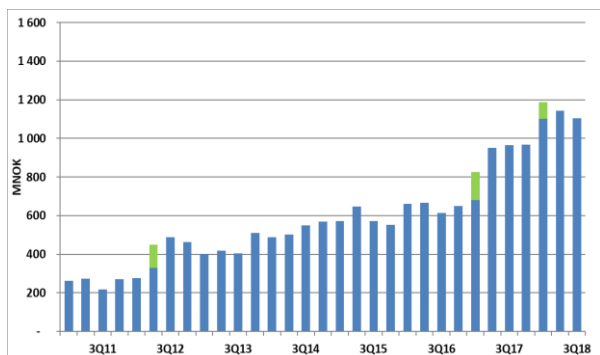
Revenues and gross margin %



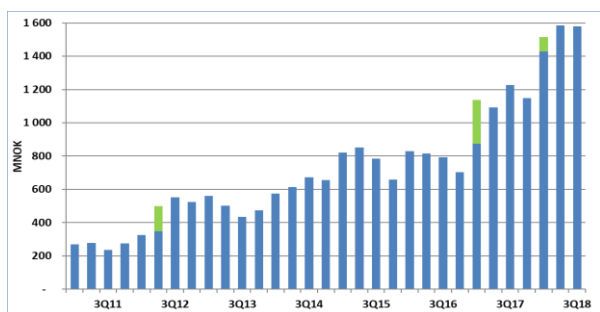
EBITA and EBITA margin %



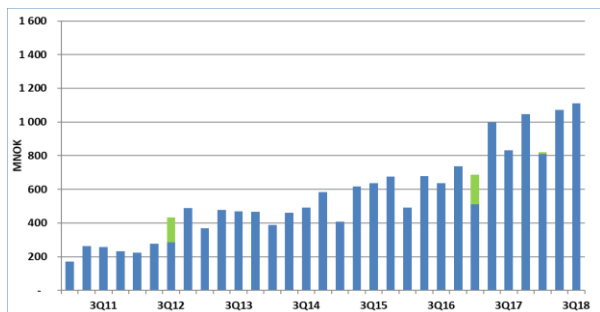
## Order intake TOMRA Sorting



## Order backlog TOMRA Sorting



## Revenues TOMRA Sorting



■ Organic ■ Inorganic

## TOMRA Sorting Solutions

Currently positive momentum in all business streams.

### Currency

Reporting in NOK and with some NOK cost base, TOMRA will in general benefit from a weak NOK, measured particularly against EUR. With significant revenues in USD and costs in EUR and NZD, TOMRA Sorting is exposed to USD/EUR and USD/NZD.

## THE TOMRA SHARE



The total number of issued shares at the end of third quarter 2018 was 148,020,078 shares, including 284,628 treasury shares. The total number of shareholders increased from 6,467 at the end of second quarter 2018 to 6,981 at the end of third quarter 2018. Norwegian residents held 23% of the shares at the end of third quarter 2018.

TOMRA's share price increased from NOK 171 to NOK 203 during third quarter 2018. The number of shares traded on the Oslo Stock Exchange in the period was 9 million, up from 7 million in third quarter 2017.

## MARKET OUTLOOK

The long term demand for better resource productivity is a result of megatrends such as population increase, a growing middle class consumer base, the emergence of e-commerce and greater urbanization. TOMRA, as a leader in sensor based solutions, is favorably positioned to capitalize on these trends.

## TOMRA Collection Solutions

Queensland ramp-up is ongoing, with go live 1<sup>st</sup> November 2018. Operating expenses will increase going forward, in preparation for new markets.

Asker, 22 October 2018

The Board of Directors  
TOMRA SYSTEMS ASA

Jan Svensson  
Chairman of the Board

Stefan Ranstrand  
President & CEO

## Condensed Consolidated interim financial statements

STATEMENT OF PROFIT AND LOSS (MNOK)	Note	3rd Quarter		YTD		Full year
		2018	2017	2018	2017	2017
<b>Operating revenues</b>	(5)	<b>2 246,9</b>	<b>1 855,4</b>	<b>6 128,6</b>	<b>5 391,1</b>	<b>7 432,1</b>
Cost of goods sold		1 213,9	1 031,6	3 392,0	3 051,2	4 184,3
Depreciations/write-down		38,0	25,0	104,0	74,5	107,0
<b>Gross contribution</b>		<b>995,0</b>	<b>798,8</b>	<b>2 632,6</b>	<b>2 265,4</b>	<b>3 140,8</b>
Operating expenses		550,5	465,2	1 674,3	1 404,6	1 949,0
Depreciations/write-down		36,5	30,4	101,7	94,0	123,5
<b>EBITA</b>	(5)	<b>408,0</b>	<b>303,2</b>	<b>856,6</b>	<b>766,8</b>	<b>1 068,3</b>
Amortizations		42,4	38,5	125,4	110,2	152,8
<b>EBIT</b>	(5)	<b>365,6</b>	<b>264,7</b>	<b>731,2</b>	<b>656,6</b>	<b>915,5</b>
Net financial income		(8,2)	4,3	(13,2)	10,3	(28,4)
<b>Profit before tax</b>		<b>357,4</b>	<b>269,0</b>	<b>718,0</b>	<b>666,9</b>	<b>887,1</b>
Taxes		87,6	68,6	175,9	170,1	229,3
<b>Net profit</b>		<b>269,8</b>	<b>200,4</b>	<b>542,1</b>	<b>496,8</b>	<b>657,8</b>
Non-Controlling interest (Minority interest)		(17,1)	(21,1)	(33,5)	(42,2)	(47,1)
Earnings per share (EPS) continuing operations		1,71	1,22	3,44	3,08	4,14

STATEMENT OF OTHER COMPREHENSIVE INCOME (MNOK)	3rd Quarter		YTD		Full year
	2018	2017	2018	2017	2017
Net profit for the period	269,8	200,4	542,1	496,8	657,8
Other compreh. income that may be recl. to profit or loss					
Translation differences	(41,5)	(134,0)	(206,9)	(43,3)	138,5
Other compreh. income that will not be recl. to profit or loss					
Remeasurements of defined benefit liability (assets)			3,6		(35,7)
<b>Total comprehensive income</b>	<b>228,3</b>	<b>66,4</b>	<b>338,8</b>	<b>453,5</b>	<b>760,6</b>
Attributable to:					
Non-controlling interest	15,2	9,0	33,0	27,1	39,2
Shareholders of the parent company	213,1	57,4	305,8	426,4	721,4
<b>Total comprehensive income</b>	<b>228,3</b>	<b>66,4</b>	<b>338,8</b>	<b>453,5</b>	<b>760,6</b>

STATEMENTS OF FINANCIAL POSITION (MNOK)	30 September		31 Dec
	2018	2017	2017
<b>ASSETS</b>			
Intangible non-current assets	3 652,8	3 313,8	3 412,0
Tangible non-current assets	1 129,0	848,5	997,9
Financial non-current assets	327,0	306,9	348,9
Inventory	1 400,5	1 204,2	1 197,2
Receivables	2 322,3	2 066,8	1 887,6
Cash and cash equivalents	285,5	474,0	593,5
<b>TOTAL ASSETS</b>	<b>9 117,1</b>	<b>8 214,2</b>	<b>8 437,1</b>
<b>EQUITY &amp; LIABILITIES</b>			
Equity	4 576,5	4 325,6	4 594,1
Non-controlling interest	155,7	174,7	143,3
Deferred taxes	298,9	284,2	114,2
Long-term interest bearing liabilities	918,6	1 213,5	1 280,1
Short-term interest bearing liabilities	568,0	-	-
Other liabilities	2 599,4	2 216,2	2 305,4
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>9 117,1</b>	<b>8 214,2</b>	<b>8 437,1</b>

## Condensed Consolidated interim financial statements (continued)

STATEMENT OF CASHFLOWS (MNOK)		3rd Quarter		9 months		Full year
		2018	2017	2018	2017	2017
	Note					
Profit before income tax		357,4	269,0	718,0	666,9	887,1
Changes in working capital		12,9	(31,3)	(258,7)	(102,8)	60,8
Other operating changes		62,2	137,4	220,0	102,6	74,6
<b>Total cash flow from operations</b>		<b>432,5</b>	<b>375,1</b>	<b>679,3</b>	<b>666,7</b>	<b>1 022,5</b>
Cashflow from (purchase)/sales of subsidiaries		0,0	(49,4)	(362,8)	(529,0)	(423,6)
Other cashflow from investments		(171,9)	(99,2)	(478,7)	(245,4)	(505,9)
<b>Total cash flow from investments</b>		<b>(171,9)</b>	<b>(148,6)</b>	<b>(841,5)</b>	<b>(774,4)</b>	<b>(929,5)</b>
Sales/repurchase of treasury shares	(3)	0,0	0,0	32,1	23,9	(0,6)
Dividend paid out	(2)	0,0	0,0	(346,8)	(309,9)	(309,9)
Other cashflow from financing		(346,0)	(241,7)	169,4	479,0	398,6
<b>Total cash flow from financing</b>		<b>(346,0)</b>	<b>(241,7)</b>	<b>(145,3)</b>	<b>193,0</b>	<b>88,1</b>
<b>Total cash flow for period</b>		<b>(85,4)</b>	<b>(15,2)</b>	<b>(307,5)</b>	<b>85,3</b>	<b>181,1</b>
Exchange rate effect on cash		32,2	(9,9)	(0,5)	(10,5)	13,2
Opening cash balance		338,7	499,1	593,5	399,2	399,2
Closing cash balance		285,5	474,0	285,5	474,0	593,5

EQUITY (MNOK)	Paid in capital	Transl. reserve	Actuarial Gain / (Loss)	Retained earnings	Total majority equity	Minority interest
<b>Balance per 31 December 2017</b>	<b>1 065,8</b>	<b>631,0</b>	<b>(76,1)</b>	<b>2 973,4</b>	<b>4 594,1</b>	<b>143,3</b>
Net profit				508,6	508,6	33,5
Changes in translation difference		(206,4)			(206,4)	(0,5)
Remeasurement defined benefit liability			3,6		3,6	
Dividend non-controlling interest				(8,7)	(8,7)	(21,0)
Purchase of treasury shares						
Treasury shares sold to employees	0,2			31,9	32,1	
Minority new consolidated companies						0,4
Dividend to shareholders				(346,8)	(346,8)	
<b>Balance per 30 September 2018</b>	<b>1 066,0</b>	<b>424,6</b>	<b>(72,5)</b>	<b>3 158,4</b>	<b>4 576,5</b>	<b>155,7</b>

EQUITY (MNOK)	3rd Quarter		9 months		Full year
	2018	2017	2018	2017	2017
<b>Opening balance</b>	<b>4 363,0</b>	<b>4 275,0</b>	<b>4 594,1</b>	<b>4 192,3</b>	<b>4 192,3</b>
Net profit	252,7	179,4	508,6	454,7	610,7
Translation difference	(39,2)	(122,0)	(206,4)	(28,3)	146,4
Remeasurement defined benefit liability			3,6		(35,7)
Dividend non-controlling interest	0,0	(6,8)	(8,7)	(7,1)	(9,0)
Dividend paid			(346,8)	(309,9)	(309,9)
Net purchase of own shares			32,1	23,9	(0,7)
<b>Closing balance</b>	<b>4 576,5</b>	<b>4 325,6</b>	<b>4 576,5</b>	<b>4 325,6</b>	<b>4 594,1</b>



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### NOTE 1 Disclosure

This interim report has been prepared in accordance with IAS34, and in accordance with the principles used in the annual accounts for 2017, except for the implementation of IFRS 15 (see note 7 below). The quarterly reports do not however include all information required for a full annual financial statement of the Group and should be read in conjunction with the annual financial statement for 2017. The quarterly reports have not been audited. The quarterly reports require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in preparing these condensed consolidated interim financial statements in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ending 31 December 2017.

A number of new standards, amendments to standards and interpretations are not effective for the period ended 30 September 2018 and have not been applied in preparing these consolidated financial statements. Those that may be relevant to the Group are set out below. The Group does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

IFRS 16 Leases

IFRIC 23 Uncertainty over Income Tax Treatments

Amendments to IAS 28: Long-term interests in Associates and Joint Ventures

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

Amendments to IFRS 9: Prepayment Features with Negative Compensation

TOMRA is considering the effects of the future adoption of these standards.

IFRS 16 leases was issued in January 2016 with effective date 1 January 2019. IFRS 16 specifies how to recognize, measure and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

TOMRA has completed an initial assessment of the potential impact of its consolidated financial statements but has not yet completed its detailed assessment. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, including the Group's borrowing rate at 1 January 2019, the composition of TOMRA's lease portfolio at that date, the latest assessment of whether it will exercise any lease renewal options and the extent to which TOMRA chooses to use practical expedients and recognition exemptions.

So far, the most significant impact identified is that TOMRA will recognize new assets and liabilities for its operating leases. The impact of this is that the balance sheet is estimated to increase by 10-15 percent, and also have a negative impact on key figures using total assets as a variable such as ROCE.

In addition the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

No significant impact is expected for TOMRA's finance leases.

Other Standards

The current assessment of other new and revised standards is that TOMRA does not expect any material effects in the financial statements from the new standards.

**Revenue recognition:** Revenues from sales and sales-type leases of the company's products are generally recognized at the time of installation. Revenues from service contracts and operating leases of the company's products are recognized over the duration of the related agreements. Other service revenues are recognized when services are provided.

**Seasonality:** The Material Recovery operations, to some extent the US Reverse Vending operations as well as the TCS Australian operations are influenced by seasonality. The seasonality mirrors the beverage consumption pattern, which normally is higher during the summer than during the winter.

**Financial exposures:** TOMRA is exposed to currency risk, as only ~4% of its income is nominated in NOK. A strengthening/ weakening of NOK toward other currencies of 10% would normally decrease/increase operating profit by 8-12%. An increase in NIBOR and EURIBOR of 1 percentage point, would increase financial expenses by ~NOK 7 million per year.

**Segment reporting:** TOMRA has divided its primary reporting format into two business areas: Collection Solutions and Sorting Solutions. In addition, the corporate overhead costs are reported in a separate column. The split is based upon the risk- and return profile of the Group's different activities; also taking into consideration TOMRA's internal reporting structure.

- Collection Solutions consists of the business streams Reverse Vending (development, production, sales and service of Reverse Vending Machines and related data management systems) + Material Recovery (pick-up, transportation and processing of empty beverage containers on behalf of beverage producers/fillers on the US East Coast and in Canada)
- Sorting Solutions consists of the business streams Food, Recycling and Mining, all providing advanced optical sorting systems. BBC (acquired March 2018) is reported as part of Sorting Solutions (Food)
- Group Functions consists of costs related to corporate functions at TOMRA's headquarters

Assets and liabilities are distributed to the different business streams, except for cash, interest-bearing debt and tax-positions, which are allocated to Group Functions. There are no material revenues from transactions with other business areas. There were no material related party transactions in 2018.

**Alternative performance measures:** Alternative performance measures used in this report are defined in the following way:

- EBITA is the calculated profit (loss) for the period before (i) income tax expenses, (ii) finance income and expenses and (iii) amortization.
- Net interest bearing debt is calculated as the difference between interest-bearing debts and cash and cash equivalents. Interest-bearing debts include loans from financial institutions (current and non-current loans) and cash and cash equivalents include short-term deposits, cash funds and bank accounts.
- Currency adjusted revenues/gross margin/operating expenses/EBITA is the change in revenues/gross margin/operating expenses/EBITA, after adjusting for estimated currency effect.
- Order backlog is defined as the value of orders received within TOMRA Sorting that have not yet been delivered (and consequently not yet been taken to P/L).
- Order intake is defined as Order backlog at the end of a reporting period, minus Order backlog at the beginning of the reporting period, plus revenues record in the reporting period.

## NOTE 2 Dividend paid

Paid out May 2017:	2.10 NOK x 147.6 million shares = NOK 309.9 million
Paid out May 2018:	2.35 NOK x 147.8 million shares = NOK 346.8 million

### NOTE 3 Purchase of treasury shares

Net purchase of own shares	# shares	Average price		Total (MNOK)
<b>2017</b>				
Sold to employees	242 606	NOK	98,67	23,9
Net purchased	200 000	NOK	122,80	24,5
<b>2018</b>				
Sold to employees	171 712	NOK	184,90	31,7

### NOTE 4 Interim results

(MNOK)	3Q18	2Q18	1Q18	4Q17	3Q17
Operating revenues (MNOK)	2 247	2 128	1 754	2 041	1 855
EBITA (MNOK)	408	307	142	301	303
EBIT (MNOK)	365	265	101	259	265
Sales growth (year-on-year) (%)	21 %	8 %	12 %	16 %	8 %
Gross margin (%)	44 %	43 %	41 %	43 %	43 %
EBITA margin (%)	18 %	14 %	8 %	15 %	16 %
EPS (NOK)	1,71	1,22	0,51	1,06	1,22
EPS (NOK) fully diluted	1,71	1,22	0,51	1,06	1,22

### NOTE 5 Operating segments

SEGMENT (MNOK)	Collection Solutions		Sorting Solutions		Group Functions		Group Total	
	3Q18	3Q17	3Q18	3Q17	3Q18	3Q17	3Q18	3Q17
<b>Revenues</b>	<b>1 135</b>	<b>1 024</b>	<b>1 112</b>	<b>831</b>			<b>2 247</b>	<b>1 855</b>
Gross contribution	484	438	511	361			995	799
- in %	43 %	43 %	46 %	43 %			44 %	43 %
Operating expenses	240	202	327	278	20	16	587	496
<b>EBITA</b>	<b>244</b>	<b>236</b>	<b>184</b>	<b>83</b>	<b>(20)</b>	<b>(16)</b>	<b>408</b>	<b>303</b>
- in %	21 %	23 %	17 %	10 %			18 %	16 %
Amortization	17	15	26	23			43	38
<b>EBIT</b>	<b>227</b>	<b>221</b>	<b>158</b>	<b>60</b>	<b>(20)</b>	<b>(16)</b>	<b>365</b>	<b>265</b>
- in %	20 %	22 %	14 %	7 %			16 %	14 %

SEGMENT (MNOK)	Collection Solutions		Sorting Solutions		Group Functions		Group Total	
	YTD18	YTD17	YTD18	YTD17	YTD18	YTD17	YTD18	YTD17
<b>Revenues</b>	<b>3 124</b>	<b>2 876</b>	<b>3 005</b>	<b>2 515</b>			<b>6 129</b>	<b>5 391</b>
Gross contribution	1 299	1 200	1 334	1 066			2 633	2 266
- in %	42 %	42 %	44 %	42 %			43 %	42 %
Operating expenses	752	629	964	822	60	48	1 776	1 499
<b>EBITA</b>	<b>547</b>	<b>571</b>	<b>370</b>	<b>244</b>	<b>(60)</b>	<b>(48)</b>	<b>857</b>	<b>767</b>
- in %	18 %	20 %	12 %	10 %			14 %	14 %
Amortization	49	41	77	69			126	110
<b>EBIT</b>	<b>498</b>	<b>530</b>	<b>293</b>	<b>175</b>	<b>(60)</b>	<b>(48)</b>	<b>731</b>	<b>657</b>
- in %	16 %	18 %	10 %	7 %			12 %	12 %
Assets	3 418	3 587	5 098	3 873	601	754	9 117	8 214
Liabilities	1 141	1 052	1 310	1 115	1 934	1 547	4 385	3 714

## NOTE 6 BBC acquisition

On 26 February 2018, TOMRA Systems ASA, through its fully owned subsidiary TOMRA Sorting AS, signed an agreement with the owners of BBC Technologies Ltd (New Zealand) and BBC Technologies Limited (USA) (together “BBC”) to acquire 100 per cent of the shares in BBC.

BBC is headquartered in Hamilton, New Zealand and is a leading provider of precision grading systems for blueberries and other small fruits. The company complements TOMRA's own fruit inspection and grading technology portfolio. The majority of BBC Technologies sales have been from the blueberry segment, but the company also offers solutions for cherries, cherry tomatoes and other small soft fruits.

BBC origins go back to 2000, currently employing around 145 people across locations in New Zealand, Chile, Europe and USA. About 2,350 BBC Technologies machines have been sold worldwide. With year-end in December the company generated a 2017 EBITDA of approximately 10 MNZD on total revenue of approximately 36 MNZD.

Closing of the transaction took place 1 March 2018, and TOMRA paid a consideration of 363 MNOK corresponding to a value of 63.8 MNZD, free of cash and interest-bearing debt. TOMRA acquisition was settled in cash, and the transaction was financed through existing drawing rights.

*Accounting year ended December*

<i>Amounts in NZD million</i>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>9m18</b>
<b>Profit and loss</b>				
Revenues	23	28	36	29
EBITDA	5	8	10	6
<b>EBIT</b>	<b>4</b>	<b>6</b>	<b>8</b>	<b>5</b>
<b>Balance sheet</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>9m18</b>
Intangible non-current assets	1	-	-	-
Tangible non-current assets	2	4	2	2
Inventory	6	7	7	9
Receivables	9	9	9	7
Cash	3	2	5	5
<b>Total assets</b>	<b>17</b>	<b>22</b>	<b>23</b>	<b>23</b>
Equity	5	8	14	8
Interest bearing debt	7	6	-	-
Other liabilities	5	8	9	15
<b>Total debt and equity</b>	<b>17</b>	<b>22</b>	<b>23</b>	<b>23</b>

*Unaudited numbers. Not harmonized with TOMRA Group accounting principles*

*9m18 = January-September 2018*

The figures are extracted from management accounts and adjusted for one-off income and expenses and are not harmonized with TOMRA accounting principles.

TOMRA has expensed NOK 4 million in acquisition related costs in the First quarter consolidated financial statements.

#### Preliminary Purchase Price Allocation

NZD million	Carrying amount	Fair value adjustment	Fair value
Goodwill	-	47.1	47.1
Other intangible non-current assets	0.1	9.6	9.7
Tangible non-current assets	1.6	-	1.6
Inventories	7.7	-	7.7
Receivables	10.0	-	10.0
Non-interest-bearing liabilities	-10.3	-2.0	-12.3
<b>Total consideration satisfied by cash</b>	<b>9.1</b>	<b>54.7</b>	<b>63.8</b>
Net cash outflow:			
Cash consideration paid			66.9
Cash acquired			3.1
<b>Net cash outflow</b>			<b>63.8</b>

Total goodwill as of acquisition date equals 47.1 MNZD and is not tax deductible. The acquired goodwill is assumed to mainly relate to synergies to be realized over time, possibilities for efficiency improvements and a positive market development.

If the acquisition had occurred on 1 January 2018, revenues in 2018 for the TOMRA Group would have increased with approximately 2 MNZD and EBIT would have decreased by approximately 1 MNZD.

There is no liability for contingent consideration in the Purchase Price Allocation.

No significant gain or loss has been recognized in BBC or in TOMRA Group, related to the acquisition of BBC in 2018.

BBCs activities are reported as part of TOMRA Sorting Solutions (Food).

## NOTE 7 IFRS 15 implementation

### Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographic market and major product/service. The table also includes a reconciliation of the disaggregated revenue with the Groups Business areas.

Amounts in NOK million	Collection Solutions	Sorting Solutions	TOTAL
Northern Europe	456		456
Europe (ex Northern)	1 245		1 245
North America	1 202		1 202
Rest of the world	221		221
Europe 1)		1 107	1 107
North America 2)		1 024	1 024
South America		142	142
Asia		339	339
Oceania		254	254
Africa		139	139
<b>Operating revenues</b>	<b>3 124</b>	<b>3 005</b>	<b>6 129</b>
Sales of RVMs / Sorters	964	2 356	3 320
Lease of RVMs / Sorters	287	52	338
Service	1 102	597	1 699
Material handling	771	0	771
<b>Operating revenues</b>	<b>3 124</b>	<b>3 005</b>	<b>6 129</b>

For detailed information of the implementation of IFRS 15 see Tomras Q1 report.

## About TOMRA

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](http://www.TOMRA.com)



REVERSE VENDING	
Nordic	~15,100
Germany	~30,000
Other Europe	~14,600
North America	~16,000
Rest of the world	~6,300
<b>TOTAL</b>	<b>~82,000</b>

RECYCLING	
EMEA	~3,850
Americas	~800
Asia	~700
Other	~20
<b>TOTAL</b>	<b>~5,370</b>

MINING	
Europe	~20
US / Canada	~35
Australia	~5
South Africa	~40
Other	~40
<b>TOTAL</b>	<b>~140</b>

FOOD BULK	
EMEA	~3,100
Americas	~2,850
Asia	~600
<b>TOTAL</b>	<b>~6,550</b>

FOOD LANE	
EMEA	~435
Americas	~690
APAC	~555
<b>TOTAL</b>	<b>~1,680</b>

Not including machines sold on OEM agreements

The results announcement will be broadcasted 23<sup>rd</sup> of October 08:00CET via live webcast. Link to webcast for this and previous releases are available at <https://TOMRA.com/en/investor-relations/webcasts/>

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