



3<sup>rd</sup> Quarter 2020



TOMRA

22.10.2020

# HIGHLIGHTS

## 3Q 2020

- All time high revenues of 2,578 MNOK (2,378 MNOK in third quarter 2019)  
Adjusted for currency, revenues were:
  - Up 3% for TOMRA Group
  - Down 1% in TOMRA Collection
  - Up 7% in TOMRA Sorting
- Gross margin 46%, up from 45% in third quarter 2019
  - Higher margins in TOMRA Collection
  - Stable margins in TOMRA Sorting
- Operating expenses of 676 MNOK, down 1 percent adjusted for currencies due to cost measures
- All time high EBITA of 501 MNOK (up from 414 MNOK in third quarter 2019)
- Order intake of 1,102 MNOK in TOMRA Sorting, down from 1,224 MNOK same period last year
- Order backlog of 1,557 MNOK in TOMRA Sorting, up from 1,430 MNOK at the end of third quarter 2019
- Cash flow from operations of 432 MNOK (438 MNOK in third quarter 2019)
- Dividend of NOK 2.75 per share to be paid out in fourth quarter 2020
- COVID-19
  - Impacting primarily order intake in TOMRA Sorting
- Organizational announcement
  - President and CEO Stefan Ranstrand has informed the Board of Directors that he is considering stepping down from his position during 2021

**LEADING  
THE RESOURCE  
REVOLUTION**



## CONSOLIDATED FINANCIALS

### Third quarter

Revenues in the third quarter 2020 amounted to 2,578 MNOK compared to 2,378 MNOK in third quarter last year. Currency adjusted revenues were down 1% in TOMRA Collection Solutions and up 7% in TOMRA Sorting Solutions.

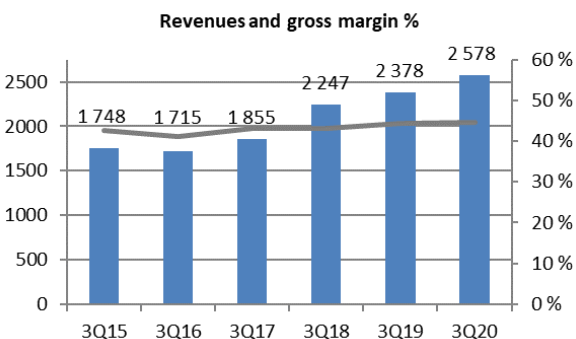
Gross margin was 46% in the quarter, up from 45% in third quarter 2019, due to efficiency gains in TOMRA Collection Solutions.

Operating expenses were 676 MNOK in third quarter 2020, compared to 648 MNOK in third quarter last year - down 1% currency adjusted. The decrease is primarily the result of cost control measures in both business areas, offsetting increased cost related to the Circular Economy initiatives reported under Group Functions.

EBITA was 501 MNOK in third quarter 2020 – up from 414 MNOK in the same period last year.

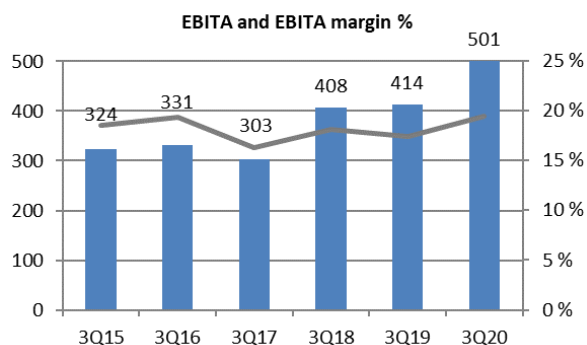
The EPS increased by 20% to NOK 1.96 compared the third quarter of 2019.

Cash flow from operations in third quarter 2020 equaled 432 MNOK, compared to 438 MNOK in third quarter 2019.

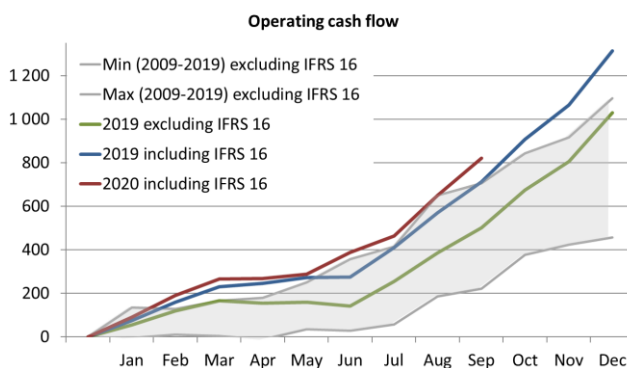


### TOMRA Group

(MNOK)	3Q20	3Q19	YTD20	YTD19
Revenues	2 578	2 378	7 199	6 777
Gross contribution	1 177	1 062	3 145	2 977
- in %	46 %	45 %	44 %	44 %
Operating expenses	676	648	2 128	2 004
EBITA	501	414	1 017	973
- in %	19 %	17 %	14 %	14 %



Liquidity was satisfactory at the end of the third quarter 2020, with 1.064 MNOK in unused committed credit lines. Weighted average debt maturity was 1.9 years. The Group is currently renegotiating its credit facilities with the intention of entering a new 150 MEUR 3+1+1 years facility, replacing the existing facility of 120 MEUR that is due in second/fourth quarter 2021. The renewal is expected to be finalised during fourth quarter 2020.



### Dividend

The annual general meeting in May 2020 granted the Board an authorization to resolve dividends, up to NOK 2.75 per share, at a later stage.

In light of the current market situation and outlook, the Board has decided that it will pay out a dividend of NOK 2.75 per share. Ex-date is set to 26 October 2020.

## COVID-19 BUSINESS UPDATE

The impact of the COVID-19 pandemic has been uneven across businesses and sectors. TOMRA's diverse geographical footprint and business structure have been balancing factors when navigating the turmoil.

The essential nature of the markets that TOMRA serves continues to be a strength. Despite temporary regional setbacks, the service part of the business has overall fared well due to close customer proximity and the trust inherent in long term business relationships. Although uncertainty remains, technology is likely to continue to be a success factor for our customers.

As governments are increasingly looking towards using fiscal policy for advancing a green agenda, TOMRA is well positioned to supply solutions for a circular economy and sustainable food production.

## BUSINESS AREA REPORTING

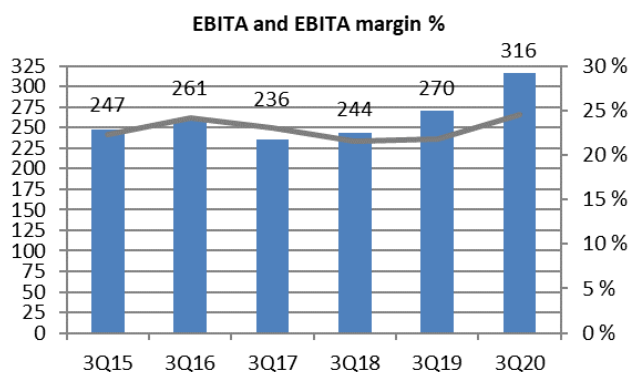
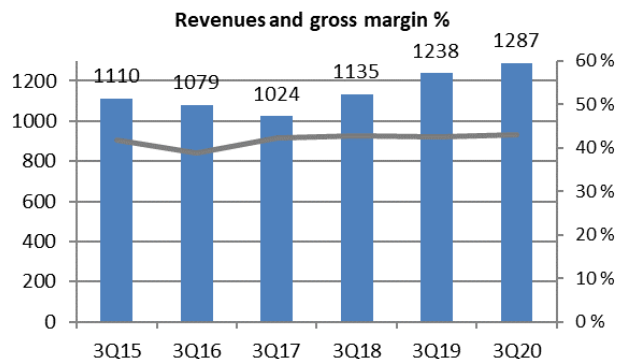
### TOMRA Collection Solutions

Revenues in the business area equaled 1,287 MNOK in the third quarter, up from 1,238 MNOK in third quarter last year. After adjustment for currency changes, revenues were down 1%, with stable volumes in North America and slightly lower activity in Western Europe compared to the same period last year.

#### TOMRA Collection Solutions

(MNOK)	3Q20	3Q19	YTD20	YTD19
Revenues				
- Northern Europe	176	153	555	458
- Europe (ex Northern)	481	449	1 315	1 210
- North America	485	502	1 183	1 290
- Rest of World	145	134	457	410
<b>Total revenues</b>	<b>1 287</b>	<b>1 238</b>	<b>3 510</b>	<b>3 368</b>
Gross contribution	574	534	1 444	1 422
- in %	45 %	43 %	41 %	42 %
Operating expenses	258	264	859	830
EBITA	<b>316</b>	<b>270</b>	<b>585</b>	<b>592</b>
- in %	25 %	22 %	17 %	18 %

Gross margin increased to 45% as a result of efficiency gains and product mix in the third quarter. Operating expenses were 258 MNOK, compared to 264 MNOK last year, due to currencies partly offsetting the effect of cost measures.



By the end of the second quarter the US deposit states had resumed enforcement of bottle bill regulations. The volumes have rebounded and are close to normal levels.

Accumulated cost control measures have led to a 6% reduction in operating expenses in third quarter compared to the same period last year, currency adjusted.

EBITA was 316 MNOK, up from 270 MNOK last year.

#### Europe

Operations in European markets have been robust. Despite COVID-19 challenges, TOMRA strengthened its market position in Northern Europe.

The Latvian Cabinet of Ministers have approved the draft regulation for a deposit system commencing in February 2022.

In the Netherlands, the government has announced an expansion of its current deposit on large plastic bottles to also include small bottles, starting July 1<sup>st</sup> 2021.

### North America

The lifting of lockdown measures and reopening of bottle rooms and redemption centers have resulted in a rebound of volumes with an initial uptick. The North American operations are now close to last year's levels.

### Australia (Rest of the World)

Australia has continued its growth trajectory with increased volume collection in third quarter 2020 compared to the same period last year.

On October 1<sup>st</sup>, TOMRA launched in Western Australia with five modern depots in operation, each including 10 machines, all located in the Perth area.

## TOMRA Sorting Solutions

Revenues equaled 1,291 MNOK in third quarter 2020, up 7% in local currencies compared to last year. Gross margin was 47%, up from 46% in third quarter 2019.

### TOMRA Sorting Solutions

(MNOK)	3Q20	3Q19	YTD20	YTD19
Revenues				
- Europe	504	459	1 475	1 344
- North America	319	345	1 077	1 041
- South America	122	53	174	144
- Asia	160	118	439	411
- Oceania	124	86	361	303
- Africa	62	79	163	166
Total revenues	<b>1 291</b>	<b>1 140</b>	<b>3 689</b>	<b>3 409</b>
Gross contribution	603	528	1 701	1 555
- in %	47 %	46 %	46 %	46 %
Operating expenses	382	360	1 160	1 102
EBITA	<b>221</b>	<b>168</b>	<b>541</b>	<b>453</b>
- in %	17 %	15 %	15 %	13 %

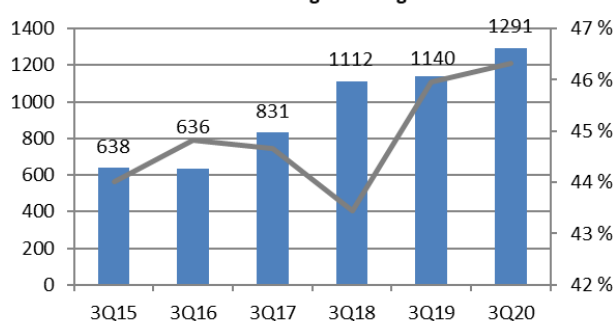
Operating expenses in the third quarter were 382 MNOK versus 360 MNOK last year, flat when adjusted for currency.

EBITA increased from 168 MNOK in third quarter 2019 to 221 MNOK in second quarter 2020, up 27% currency adjusted.

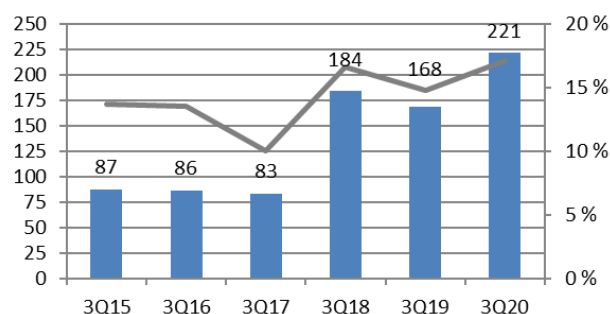
Order intake of 1,102 MNOK in the quarter, compared to 1,224 MNOK same quarter last year, down 15% currency adjusted.

The order backlog was 1,557 MNOK at the end of third quarter 2020, up from 1,430 MNOK at the end of third quarter 2019. Currency adjusted the order backlog was unchanged.

Revenues and gross margin %



EBITA and EBITA margin %



### TOMRA Sorting Solutions - Food

Revenues were above last year levels and solid performance in the fresh food segment has counterbalanced the slower segment of processed food. Gross margin developed positively compared to the same period last year.

The order intake for the quarter was below third quarter last year and the order backlog also went down during the last three months as a result.

Home consumption has boosted the grocery business and sustained the good momentum in fresh food production. The recovery in the food service sector has been slower and more uncertain.

Travel restrictions and social distancing measures have been a challenge when meeting new customers, and the order intake has been negatively impacted. During the third quarter more activities moved into the digital space, including customer demos, which have approached similar levels as last year, albeit some of them in virtual form.

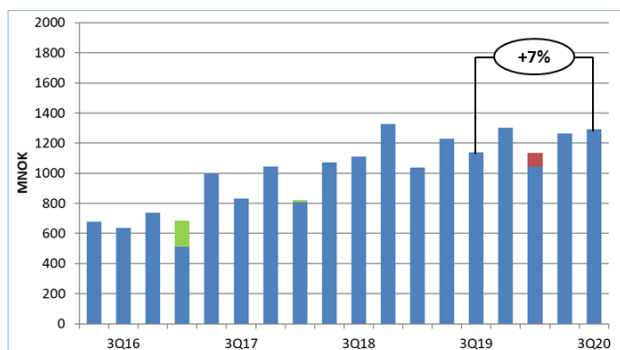
### TOMRA Sorting Solutions – Recycling/Mining

Revenues were lower and gross margin improved in third quarter 2020 compared to last year.

Order intake in the quarter was down compared to same period last year. The order backlog was up compared to third quarter 2019 and below the second quarter 2020.

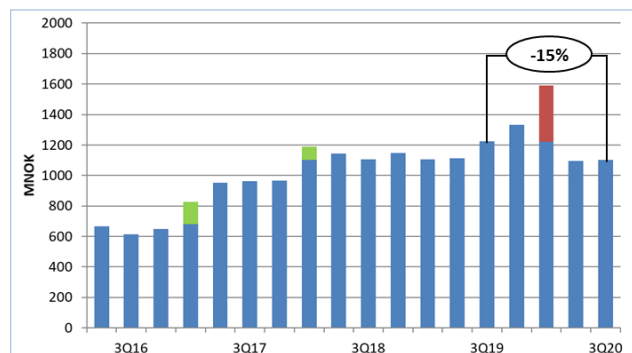
The waste sorting and plastic recycling business is a healthy segment driven by legislation and the push for circularity. However, low virgin material prices are negatively affecting the competitiveness of recyclates. Metal sorting and Mining are negatively impacted by slower industrial demand which has remained below pre-Covid levels during the third quarter.

### Revenues

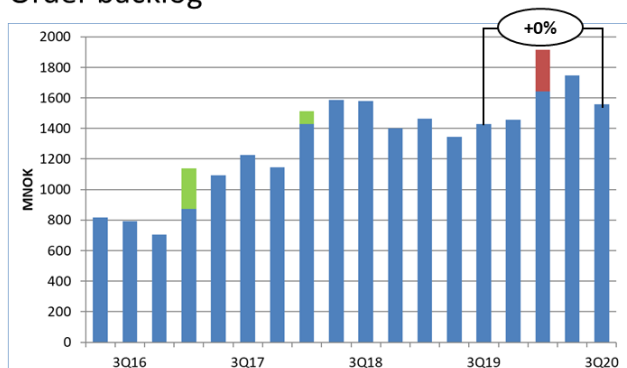


■ Organic ■ Inorganic ■ Currency effect 1Q20

### Order intake



### Order backlog



### 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.

Although the current COVID-19 pandemic is not materially stalling business, it creates uncertainties, delays and potential disruptions for our customers. As a result, some customers are temporarily delaying their investments.

While most of TOMRA's service operations still operate as usual, travel restrictions will sometimes limit the ability to perform on-site service and installations. The supply chain is currently intact, but temporary interruptions due to local virus outbreaks cannot be excluded.

Most of TOMRA's main customers, being Food Retail, Food Producers, and the Waste Management industry, are all defined as critical services that to a large extent continue to operate at levels similar to before the crisis with a sound financial position.

Due to a combination of TOMRA's customer centricity, its relatively robust service network and production operations as well as a sound financial position, TOMRA will continue to weather the storm by handling upcoming challenges and aiming to capitalize on emerging opportunities.

TOMRA's core strategy is unchanged and will continue ringfencing several strategic initiatives to support future growth.

#### **TOMRA Collection Solutions**

Overall stable business in TOMRA Collection, although potential new outbreaks of COVID-19 could have negative regional impact. The expansion of the Dutch deposit system is expected to have a positive effect in the coming quarters.

#### **TOMRA Sorting Solutions - Food**

There are significant regional differences, dependent upon the severity of the COVID-19 outbreak and the corresponding preventive measures implemented.

In general the fresh food segment is assumed to continue better than the processed food segment. The outlook remains positive for long-term opportunities, but the pandemic continues to create short-term uncertainty.

#### **TOMRA Sorting Solutions – Recycling/Mining**

The underlying good momentum in Recycling is expected to continue, but with material deviations between business streams. Volatile commodity prices and industrial demand are expected to continue to have a negative influence on Metals Recycling and Mining.

#### **Currency**

Reporting in NOK and with some NOK cost base, TOMRA will in general benefit from a weak NOK, measured particularly against EUR.

## **THE TOMRA SHARE**

The total number of issued shares at the end of third quarter 2020 was 148,020,078 shares, including 400,179 treasury shares. The total number of shareholders increased from 9,522 at the end of second quarter 2020 to 10,430 at the end of third quarter 2020.



TOMRA's share price increased from NOK 353.10 to NOK 402.10 during third quarter 2020. The number of shares traded on the Oslo Stock Exchange in the period was 20 million, down from 23 million in third quarter 2019. Average daily turnover increased during the same period from 89 MNOK to 115 MNOK.

## **Organizational announcement**

Stefan Ranstrand, President & CEO of Tomra Systems ASA since August 2009, has today informed the Board of Directors that he is considering stepping down from his position during 2021. Stefan Ranstrand is committed to remain in the role until a suitable successor has been appointed and is on-boarded.

Against this background, the Board will initiate a process, evaluating potential successors to Stefan and will appoint an external recruitment consultant to assist in the process.

Asker, 21 October 2020  
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
		2020	2019	2020	2019	2019
<b>Operating revenues</b>	(5)	<b>2 578,2</b>	<b>2 378,2</b>	<b>7 199,4</b>	<b>6 777,4</b>	<b>9 346,3</b>
Cost of goods sold		1 401,0	1 316,1	4 054,1	3 800,4	5 261,1
<b>Gross contribution</b>		<b>1 177,2</b>	<b>1 062,1</b>	<b>3 145,3</b>	<b>2 977,0</b>	<b>4 085,2</b>
Operating expenses		676,2	647,4	2 128,3	2 003,6	2 703,8
<b>EBITA</b>	(5)	<b>501,0</b>	<b>414,7</b>	<b>1 017,0</b>	<b>973,4</b>	<b>1 381,4</b>
Amortizations		53,7	50,7	169,2	152,8	204,1
<b>EBIT</b>	(5)	<b>447,3</b>	<b>364,0</b>	<b>847,8</b>	<b>820,6</b>	<b>1 177,3</b>
Net financial income		(44,6)	(26,5)	(220,2)	(50,9)	(46,9)
<b>Profit before tax</b>		<b>402,7</b>	<b>337,5</b>	<b>627,6</b>	<b>769,7</b>	<b>1 130,4</b>
Taxes		100,7	81,1	156,9	184,8	272,1
<b>Net profit</b>		<b>302,0</b>	<b>256,4</b>	<b>470,7</b>	<b>584,9</b>	<b>858,3</b>
Non-Controlling interest (Minority interest)		13,5	(13,4)	17,7	(27,6)	(35,9)
Earnings per share (EPS)		1,96	1,64	3,13	3,77	5,57

EBITDA (w ithout IFRS 16)	586,2	495,9	1 266,5	1 204,5	1 675,5
EBITDA (w ith IFRS 16)	659,7	563,6	1 495,6	1 404,8	1 949,1

STATEMENT OF OTHER COMPREHENSIVE INCOME (MNOK)	3rd Quarter		YTD		Full year
	2020	2019	2020	2019	2019
Net profit for the period	<b>302,0</b>	<b>256,4</b>	<b>470,7</b>	<b>584,9</b>	<b>858,3</b>
Other compreh. income that may be recl. to profit or loss					
Translation differences	4,4	160,1	447,6	41,0	6,8
Remeasurements of defined benefit liability (assets)					(25,8)
Other remeasurements		0,0		(20,0)	(36,9)
<b>Total comprehensive income</b>	<b>306,4</b>	<b>416,5</b>	<b>918,3</b>	<b>605,9</b>	<b>802,4</b>
Attributable to:					
Non-controlling interest	18,1	23,8	33,1	35,0	37,0
Shareholders of the parent company	288,3	392,7	885,2	570,9	765,4
<b>Total comprehensive income</b>	<b>306,4</b>	<b>416,5</b>	<b>918,3</b>	<b>605,9</b>	<b>802,4</b>

STATEMENTS OF FINANCIAL POSITION (MNOK)	30 September		31 Dec
	2020	2019	2019
<b>ASSETS</b>			
Deferred tax assets		365,3	328,5
Intangible non-current assets		3 756,1	3 471,7
Tangible non-current assets		1 355,1	1 349,7
Right of use assets		1 043,2	1 059,2
Financial non-current assets		420,2	367,4
Inventory		1 818,9	1 663,3
Receivables		2 867,3	2 676,3
Cash and cash equivalents		637,7	367,9
<b>TOTAL ASSETS</b>		<b>12 263,8</b>	<b>11 284,0</b>
<b>EQUITY &amp; LIABILITIES</b>			
Majority equity		5 972,1	4 972,9
Non-controlling interest		203,4	174,2
Deferred taxes		235,4	307,4
Lease liability		1 105,4	1 114,5
Long-term interest bearing liabilities		1 433,8	908,1
Short-term interest bearing liabilities		475,8	1 100,2
Accounts payables		567,5	525,0
Contract liabilities		546,0	639,8
Other liabilities		1 724,4	1 541,9
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>12 263,8</b>	<b>11 284,0</b>



## Condensed Consolidated interim financial statements (continued)

STATEMENT OF CASHFLOWS (MNOK)		3rd Quarter		Year to date		Full year
		2020	2019	2020	2019	2019
	Note					
Profit before tax		402,7	337,5	627,6	769,7	1 130,4
Depreciations/amortizations		215,2	199,8	647,8	584,3	771,8
Taxes paid		(23,2)	(70,3)	(171,0)	(157,6)	(250,1)
Change inventory		130,8	(0,3)	(50,5)	(205,8)	(65,3)
Change receivables		(179,1)	(136,3)	(367,5)	(350,4)	(44,1)
Change accounts payables		15,4	(35,6)	26,4	(111,7)	(128,5)
Change contract liabilities		(60,1)	77,6	3,8	50,5	(100,6)
Other operating changes		(69,6)	65,8	103,2	133,4	(1,0)
<b>Total cash flow from operations</b>		<b>432,1</b>	<b>438,2</b>	<b>819,8</b>	<b>712,4</b>	<b>1 312,6</b>
Cashflow from (purchase)/sales of subsidiaries		0,0	0,0	0,0	0,0	0,0
Other cashflow from investments		(129,0)	(127,3)	(335,7)	(376,7)	(594,7)
<b>Total cash flow from investments</b>		<b>(129,0)</b>	<b>(127,3)</b>	<b>(335,7)</b>	<b>(376,7)</b>	<b>(594,7)</b>
Sales/repurchase of treasury shares	(3)	0,0	0,0	36,8	41,3	(49,8)
Dividend paid out	(2)	0,0	0,0	0,0	(664,8)	(664,8)
Other cashflow from financing		(124,5)	(298,9)	(342,8)	243,8	59,4
<b>Total cash flow from financing</b>		<b>(124,5)</b>	<b>(298,9)</b>	<b>(306,0)</b>	<b>(379,7)</b>	<b>(655,2)</b>
<b>Total cash flow for period</b>		<b>178,6</b>	<b>12,0</b>	<b>178,1</b>	<b>(44,0)</b>	<b>62,7</b>
Exchange rate effect on cash		0,0	39,7	0,0	14,9	0,0
Opening cash balance		459,2	316,2	459,7	397,0	397,0
Closing cash balance		637,7	367,9	637,8	367,9	459,7

EQUITY (MNOK)	Paid in capital	Transl. reserve	Actuarial Gain / (Loss)	Retained earnings	Total majority equity	Non-controlling interest	Total equity
<b>Balance per 31 December 2019</b>	<b>1 065,8</b>	<b>719,0</b>	<b>(109,7)</b>	<b>3 401,3</b>	<b>5 076,4</b>	<b>170,3</b>	<b>5 246,7</b>
Net profit				453,0	453,0	17,7	470,7
Changes in translation difference		432,2			432,2	15,4	447,6
Remeasurement defined benefit liability					0,0		0,0
Dividend non-controlling interest				(26,3)	(26,3)		(26,3)
Remeasurements					0,0		0,0
Treasury shares sold to employees	0,1			36,7	36,8		36,8
Treasury shares purchased					0,0		0,0
Dividend to shareholders					0,0		0,0
<b>Balance per 30 September 2020</b>	<b>1 065,9</b>	<b>1 151,2</b>	<b>(109,7)</b>	<b>3 864,7</b>	<b>5 972,1</b>	<b>203,4</b>	<b>6 175,5</b>

MAJORITY EQUITY (MNOK)		3rd Quarter		Year to date		Full year
		2020	2019	2020	2019	2019
<b>Opening balance</b>		<b>5 694,4</b>	<b>4 581,0</b>	<b>5 076,4</b>	<b>5 076,9</b>	<b>5 076,9</b>
Change in accounting principle		0,0	0,0	0,0	(38,6)	(38,4)
<b>Opening balance</b>		<b>5 694,4</b>	<b>4 581,0</b>	<b>5 076,4</b>	<b>5 038,3</b>	<b>5 038,5</b>
Net profit		280,1	243,1	453,0	557,4	822,4
Translation difference		8,2	149,7	432,2	33,6	5,7
Remeasurement defined benefit liability				0,0	0,0	(25,8)
Dividend non-controlling interest		(10,6)	(0,9)	(26,3)	(12,9)	(12,9)
Remasurements put/call options			0,0	0,0	(20,0)	(36,9)
Dividend paid			0,0	0,0	(664,8)	(664,8)
Net purchase of treasury shares		0,0	0,0	36,8	41,3	(49,8)
<b>Closing balance</b>		<b>5 972,1</b>	<b>4 972,9</b>	<b>5 972,1</b>	<b>4 972,9</b>	<b>5 076,4</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 2019). 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 2019. 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 2019.

A number of new standards, amendments to standards and interpretations are not effective for the period ended 30 September 2020 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 17 Insurance Contracts

Amendments to IAS 1 Presentation of Financial Statements

Amendments to IFRS 3, IFRS 16 and IFRS 37

TOMRA is considering the effects of the future adoption of these standards. The current assessment 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 ~2% of its income is nominated in NOK. A strengthening/ weakening of NOK toward other currencies of 10% would normally decrease/increase operating profit by 10-15%. An increase in NIBOR and EURIBOR of 1 percentage point, would increase financial expenses by ~NOK 20 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 and lease 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.
- Group Functions consists of costs related to corporate functions at TOMRA's headquarters

Assets and liabilities are distributed to the different reporting segments. Cash, tax positions, and interest-bearing debt (not including IFRS 16 lease liabilities) are allocated to Group Functions. There are no material revenues from transactions with other business areas. There were no material related party transactions in 2019.

## Alternative performance measures

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

- **EBITDA** is the calculated profit (loss) for the period before (i) income tax expenses, (ii) finance income and expenses, (iii) amortizations and (iv) depreciations.
- **EBITA** is the calculated profit (loss) for the period before (i) income tax expenses, (ii) finance income and expenses and (iii) amortizations.
- **EBIT** is the calculated profit (loss) for the period before (i) income tax expenses and (ii) finance income and expenses.
- **Depreciations** is the allocated cost of tangible assets over its useful life + write downs related to the same assets
- **Amortizations** is the allocated cost of intangible assets over its useful life + impairment losses related to the same assets
- **Net interest-bearing debt** is calculated as the difference between interest-bearing debt and cash. Interest-bearing debt includes loans from financial institutions (current and non-current loans). Cash includes cash equivalents as short-term deposits, cash funds and bank accounts.
- **Currency adjusted revenues/gross contribution/operating expenses/EBITA** is the revised revenues/gross contribution/operating expenses/EBITA after adjusting for estimated currency effect.
- **Order backlog** is defined as the value of firm orders received within Tomra Sorting that has not yet been delivered (and consequently not yet taken to P/L).
- **Order intake** is defined as Order backlog at the end of a period minus Order backlog at the beginning of a period plus revenues for the relevant period
- **Cost of goods sold** refers to the direct costs attributable to the production of the goods sold.
- **Gross contribution** is defined as Revenues minus Cost of goods sold
- **Gross margin** is defined as Gross contribution divided by Revenues in percent.
- **Operating expenses** is defined as Revenues minus Gross contribution minus EBITA
- **EBITA margin** is defined as EBITA divided by Revenues in percent.
- **Gearing ratio** is Net interest-bearing debt / EBITDA

## COVID-19

Tomra has been influenced by the ongoing COVID 19 pandemic, but in general more limited than other industries, as most of Tomra's customers has been classified as "essential businesses" that has continued to operate during the crises. Food retail, Food producers and Waste management represents the most important customer segments, which all has been operating with only limited interference.

Tomra's revenues and profit has therefore only been moderately impacted by the crises. There has not been identified any new impairment triggers. There are no material B/S items that are viewed as further exposed due to the crises. There are significant headroom towards the loan covenants. The liquidity reserves are good, and access the eventual additional funding is satisfactory. Tomra has only received limited government grants and support during the crises. There have not been identified any going concern topics.

## NOTE 2 Dividend paid

Paid out May 2019: (2.50 NOK + 2.00 NOK) x 147.8 million shares = NOK 664.8 million

### NOTE 3 Purchase of treasury shares

Net purchase of own shares	# shares	Average price		Total (MNOK)
<b>2019</b>				
Sold to employees	155 295	NOK	265,60	41,2
Bought at Oslo Stock Exchange	370 667	NOK	245,67	91,1
<b>Net 2019</b>	<b>(215 372)</b>			<b>(49,8)</b>
<b>2020</b>				
Sold to employees	99 821	NOK	368,66	36,8

### NOTE 4 Interim results

(MNOK)	3Q20	2Q20	1Q20	4Q19	3Q19
Operating revenues (MNOK)	2 578	2 319	2 302	2 569	2 378
EBITA (MNOK)	501	288	228	408	414
EBIT (MNOK)	447	229	172	356	364
Sales growth (year-on-year) (%)	8 %	-2 %	11 %	4 %	6 %
Gross margin (%)	44 %	43 %	42 %	43 %	45 %
EBITA margin (%)	14 %	10 %	10 %	16 %	17 %
EPS (NOK)	1,96	1,37	-0,20	1,80	1,64
EPS (NOK) fully diluted	1,96	1,37	-0,20	1,80	1,64

### NOTE 5 Operating segments

SEGMENT (MNOK)	Collection Solutions		Sorting Solutions		Group Functions		Group Total	
	3Q20	3Q19	3Q20	3Q19	3Q20	3Q19	3Q20	3Q19
<b>Revenues</b>	<b>1 287</b>	<b>1 238</b>	<b>1 291</b>	<b>1 140</b>			<b>2 578</b>	<b>2 378</b>
Gross contribution	574	534	603	528			1 177	1 062
- in %	45 %	43 %	47 %	46 %			46 %	45 %
Operating expenses	258	264	382	360	36	24	676	648
<b>EBITA</b>	<b>316</b>	<b>270</b>	<b>221</b>	<b>168</b>	<b>(36)</b>	<b>(24)</b>	<b>501</b>	<b>414</b>
- in %	25 %	22 %	17 %	15 %			19 %	17 %
Amortization	30	23	24	27			54	50
<b>EBIT</b>	<b>286</b>	<b>247</b>	<b>197</b>	<b>141</b>	<b>(36)</b>	<b>(24)</b>	<b>447</b>	<b>364</b>
- in %	22 %	20 %	15 %	12 %			17 %	15 %

SEGMENT (MNOK)	Collection Solutions		Sorting Solutions		Group Functions		Group Total	
	YTD 2020	YTD 2019	YTD 2020	YTD 2019	YTD 2020	YTD 2019	YTD 2020	YTD 2019
<b>Revenues</b>	<b>3 510</b>	<b>3 368</b>	<b>3 689</b>	<b>3 409</b>			<b>7 199</b>	<b>6 777</b>
Gross contribution	1 444	1 422	1 701	1 555			3 145	2 977
- in %	41 %	42 %	46 %	46 %			44 %	44 %
Operating expenses	859	830	1 160	1 102	109	72	2 128	2 004
<b>EBITA</b>	<b>585</b>	<b>592</b>	<b>541</b>	<b>453</b>	<b>(109)</b>	<b>(72)</b>	<b>1 017</b>	<b>973</b>
- in %	17 %	18 %	15 %	13 %			14 %	14 %
Amortization	94	69	75	83			169	152
<b>EBIT</b>	<b>491</b>	<b>523</b>	<b>466</b>	<b>370</b>	<b>(109)</b>	<b>(72)</b>	<b>848</b>	<b>821</b>
- in %	14 %	16 %	13 %	11 %			12 %	12 %
Assets	5 069	5 105	6 192	5 483	1 003	696	12 264	11 284
Liabilities	2 041	1 851	1 668	1 823	2 379	2 463	6 088	6 137

## 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 provides technology-led solutions that enable the circular economy with advanced collection and sorting systems that optimize resource recovery and minimize waste in the food, recycling and mining industries.

TOMRA has more than 100,000 installations in over 80 markets worldwide and had total revenues of ~9.3 billion NOK in 2019. The Group employs ~4,500 globally and is publicly listed on the Oslo Stock Exchange. (OSE: TOM).

For further information about TOMRA, please see [www.TOMRA.com](http://www.TOMRA.com)

From purpose into profits and profits into progress, TOMRA is transforming what it means to be resourceful



The results announcement will be broadcasted 22<sup>nd</sup> of October 2020 08:00 CET via live webcast. Link to webcast for this and previous releases are available at <https://TOMRA.com/en/investor-relations/webcasts/>

**For further information please contact:**

Espen Gundersen, Deputy CEO / CFO, Tel: +47 97 68 73 01

Georgiana Radulescu, Director Investor Relations, Tel: +47 94 10 16 43