



TOMRA

1st quarter 2023 results announcement

TOMRA Systems ASA

28 April 2023

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Quarterly highlights

Financial highlights

Revenues	<ul style="list-style-type: none">• Revenues were 3,239 MNOK, +29% (2,501 MNOK in the first quarter 2022) Adjusted for currency, revenues were:<ul style="list-style-type: none">— Up 17% for TOMRA Group— Up 18% in Collection— Up 15% in Recycling— Up 15% in Food.
Gross margin	<ul style="list-style-type: none">• Gross margin of 40% – in line with the margin in the first quarter 2022<ul style="list-style-type: none">— Collection margin improvement compared to the previous three quarters— Improved margins in Recycling and Food compared to the same period last year
Operating expenses	<ul style="list-style-type: none">• Operating expenses of 1,027 MNOK (760 MNOK in the first quarter 2022)<ul style="list-style-type: none">— Driven mainly by business expansion, but also cost inflation and optimization initiatives
EBITA	<ul style="list-style-type: none">• EBITA of 277 MNOK, up 17% from 237 MNOK in the first quarter 2022
Cash flow	<ul style="list-style-type: none">• Strong cash flow from operations of 509 MNOK (166 MNOK in the first quarter 2022)<ul style="list-style-type: none">— Positive effect from conversion of receivables
Order intake	<ul style="list-style-type: none">• Recycling Order intake of 961 MNOK (+49%) and Order backlog of 1,309 MNOK (+53%)• Food Order intake of 954 MNOK (+7%) and Order backlog of 1,243 MNOK(-6%)
Other	<ul style="list-style-type: none">• Strategic investment in Kezzler AS – a technology that can accelerate the transition to circularity and resource optimization



Our strategy
is to **accelerate growth in
core** and **develop adjacent
opportunities** while becoming
a **fully circular** business and
**safe, fair and
inclusive**

Our ambitions towards 2027

Revenue growth
15% CAGR

EBITA margin
at 18%

Dividend payout
40-60% of EPS

Capital structure
Investment grade

Net Zero
holistic sustainability
strategy



Creating sensor-based solutions for optimal resource productivity - transforming how we obtain, use, and reuse resources

Collection



Recycling



Food



Publicly listed on Oslo Stock Exchange (OSEBX: TOM)

Collection Business update

Updates

- All-time high quarterly revenues
- Improved gross margins compared to last three quarters
- New sales continued in the Netherlands (expansion 1 April 2023) and in Romania (start date 30 November 2023)
- Tomra Cleanaway selected as network operator in Victoria, Australia. Over 400 RVMs to be installed.



Victoria – 1 November 2023

Victoria announced its DRS start date on 14 April 2023, and that TOMRA Cleanaway will be one of three network operators. ([link](#)) The Tasmanian bottle bill was passed in 2022, but a start date is yet to be announced. ([link](#))



Quebec – 1 November 2023

On June 14th, 2022, the state of Quebec approved the final regulations for the expansion and modernization of the current deposit system ([link](#)).



Romania – 30 November 2023

In 2021, Romania passed the government decision to introduce a deposit system ([link](#)). On October 5th, 2022, the implementation date has been set to November 30th, 2023 ([link](#)).



Hungary – January 2024

In 2021 Hungary modified its waste laws, one element of which was to ensure that plastic bottles can be returned ([link](#)). The waste concessioner has initiated the process of engaging reverse vending technology providers aiming for a start in January 2024.



Ireland – February 2024

On November 17th, 2021, Ireland approved DRS regulations ([link](#)). The scheme coordinator has been selected and the start date planned for February 2024 ([link](#)).



Scotland – March 2024

In May 2020, Scotland approved deposit regulations. The implementation date is postponed to March 2024 ([link](#)).



Austria – January 2025

In November 2021, Austria announced the introduction of deposit on single-use beverage containers, with start date January 1st, 2025 ([link](#)).

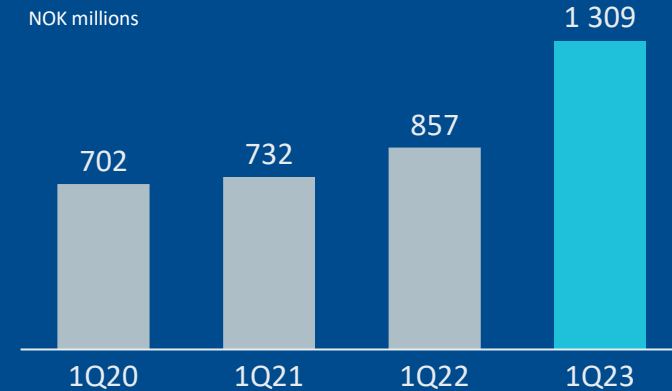


Singapore – 1 April 2025

In March 2023, the parliament passed legislation for a deposit return scheme for beverage containers. ([link](#)).

Recycling Business update

All-time high order backlog,
up 30% (currency adj.) compared with Q1 2022



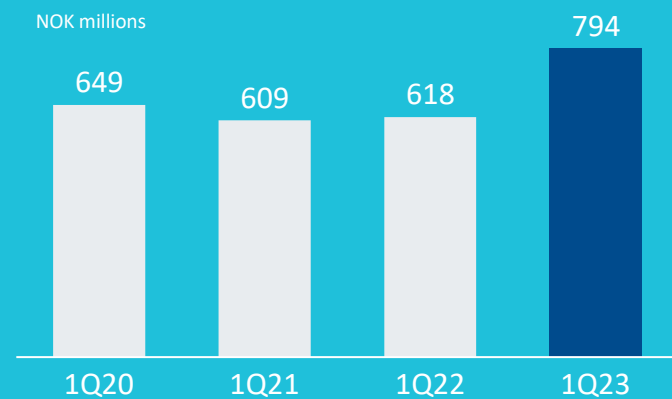
Updates

- Record strong order intake and backlog with growth across all sorting segments: Waste, Plastic, Metal and Ore sorting
- Second test facility opened in Germany to meet growing demand for metal sorting
- TOMRA ore sorting technology to be installed in the world's largest Lithium sorting plant at Pilbara Minerals



Food Business update

Revenue up 15% (currency adj.) compared to Q1 2022



Updates

- Good performance in processed food with positive outlook
- The outlook is somewhat weaker in fresh food
- Reduced order backlog in the quarter
- Very strong growth in the potato segment



Enabling automation in
textiles recycling

Digital business models

Positioned to
develop adjacent
opportunities

Collection systems for
reusable packaging

Closing the gap in
plastic recycling

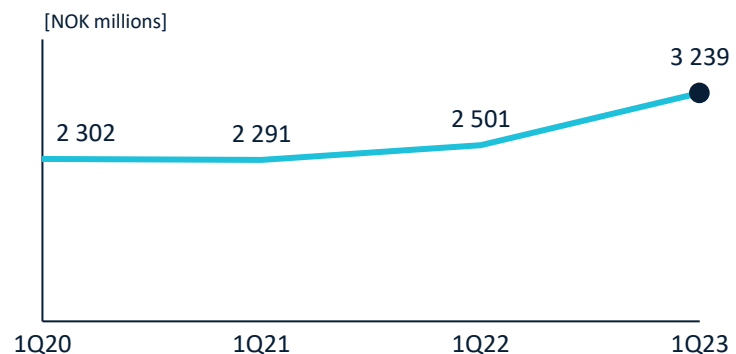


Financials and outlook

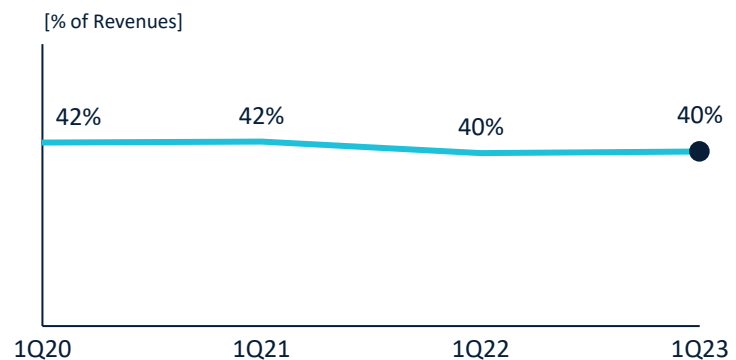
Group P&L Highlights

	1st Quarter		
<i>Amounts in NOK million</i>	2023	2022	2022 Adj*
Revenues	3,239	2,501	2,771
Collection	1,828	1,393	
Recycling	617	489	
Food	794	618	
Gross contribution	1,303	996	1,115
<i>in %</i>	<i>40 %</i>	<i>40 %</i>	<i>40 %</i>
Operating expenses	1,027	760	813
EBITA	277	237	302
<i>in %</i>	<i>9 %</i>	<i>9 %</i>	<i>11 %</i>

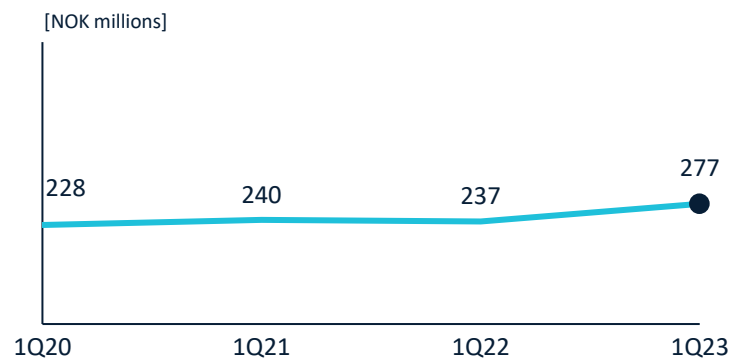
Revenues



Gross margin



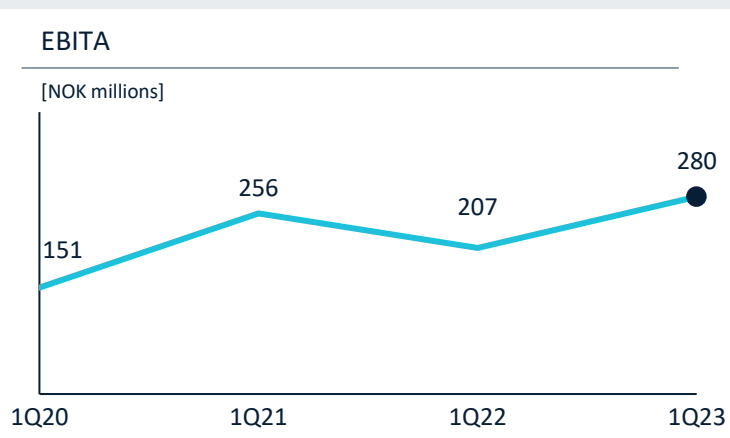
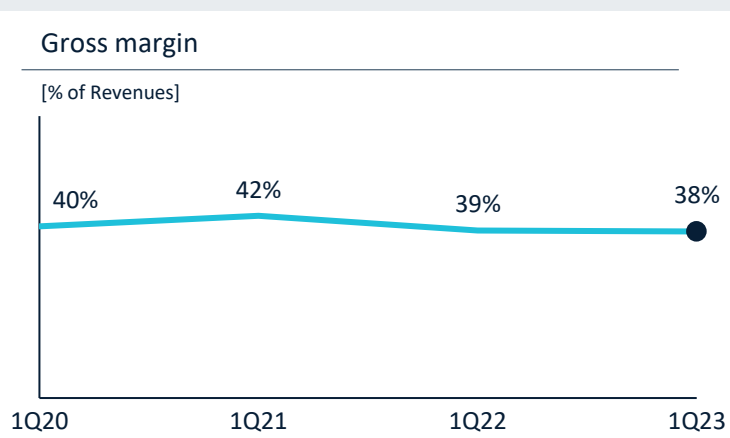
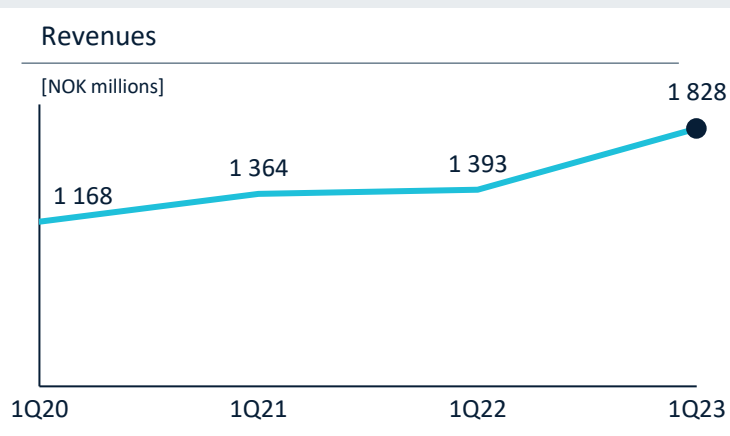
EBITA



*2022 actual restated at 2023 exchange rates, estimate

Collection P&L Highlights

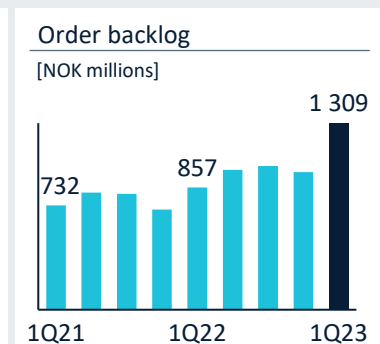
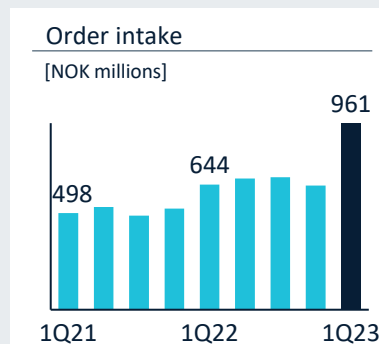
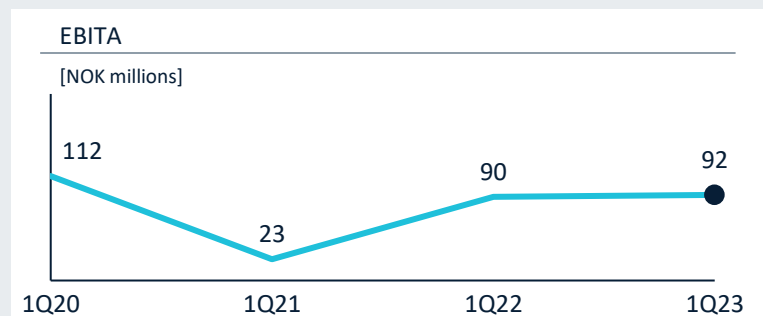
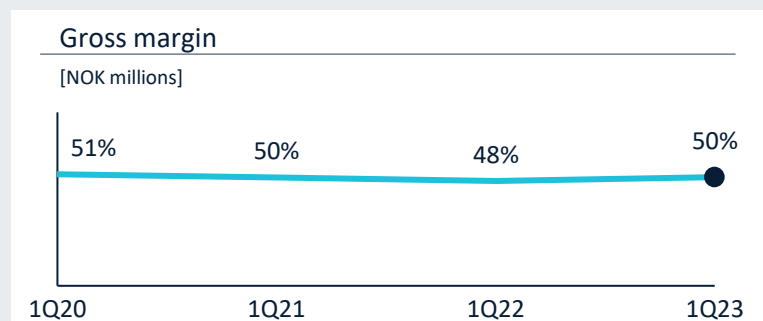
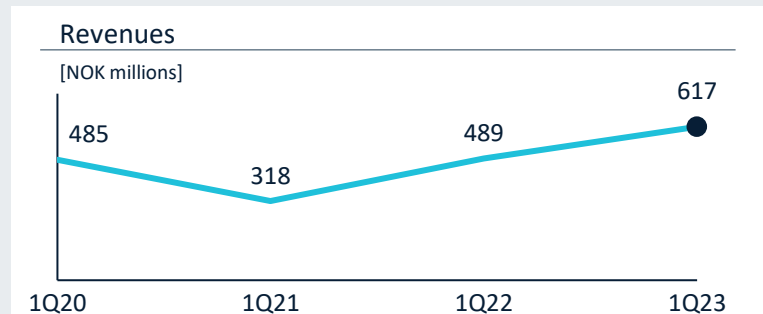
	1st Quarter		
<i>Amounts in NOK million</i>	2023	2022	2022 Adj*
Revenues	1,828	1,393	1,543
Northern Europe	268	246	
Europe (ex Northern)	872	573	
North America	457	393	
Rest of the world	231	182	
Gross contribution	701	538	606
<i>in %</i>	<i>38 %</i>	<i>39 %</i>	<i>39 %</i>
Operating expenses	421	331	351
EBITA	280	207	255
<i>in %</i>	<i>15 %</i>	<i>15 %</i>	<i>17 %</i>



Recycling P&L Highlights

	1st Quarter		
<i>Amounts in NOK million</i>	2023	2022	2022 Adj*
Revenues	617	489	538
Europe	327	309	
Americas	156	94	
Asia	106	47	
Rest of the world	29	40	
Gross contribution	309	236	258
<i>in %</i>	<i>50 %</i>	<i>48 %</i>	<i>48 %</i>
Operating expenses	217	146	159
EBITA	92	90	99
<i>in %</i>	<i>15 %</i>	<i>18 %</i>	<i>18 %</i>

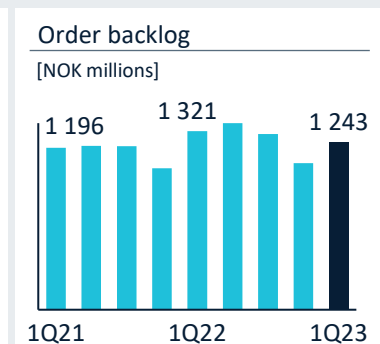
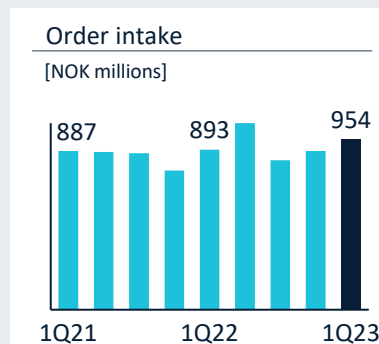
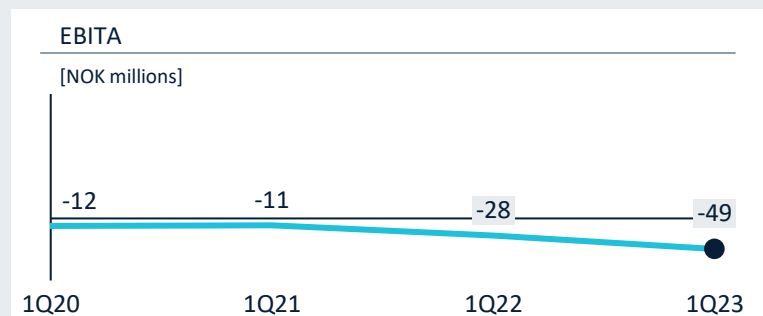
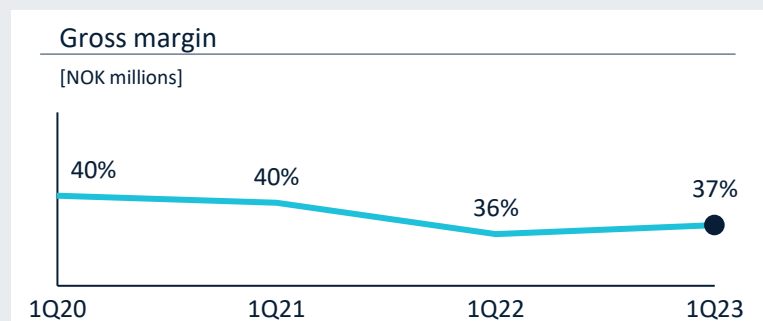
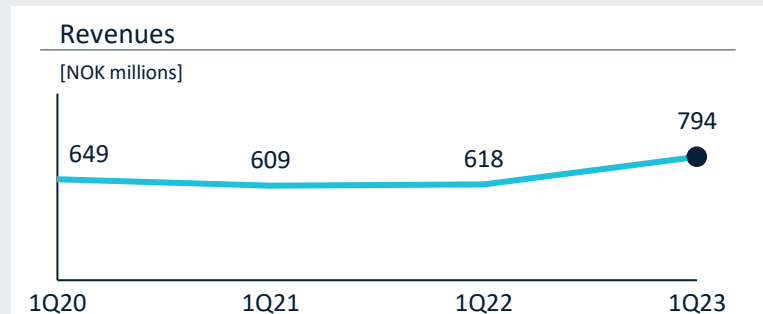
Based upon current production and delivery plans, the revenues in 2Q23 are estimated to be approximately 60% of order backlog at the end of 1Q23



Food P&L Highlights

Amounts in NOK million	1st Quarter		
	2023	2022	2022 Adj*
Revenues	794	618	690
Europe	223	140	
Americas	418	311	
Asia	77	76	
Rest of the world	76	90	
Gross contribution	293	222	250
<i>in %</i>	<i>37 %</i>	<i>36 %</i>	<i>36 %</i>
Operating expenses	343	249	269
EBITA	-49	-28	-19
<i>in %</i>	<i>-6 %</i>	<i>-4 %</i>	<i>-3 %</i>

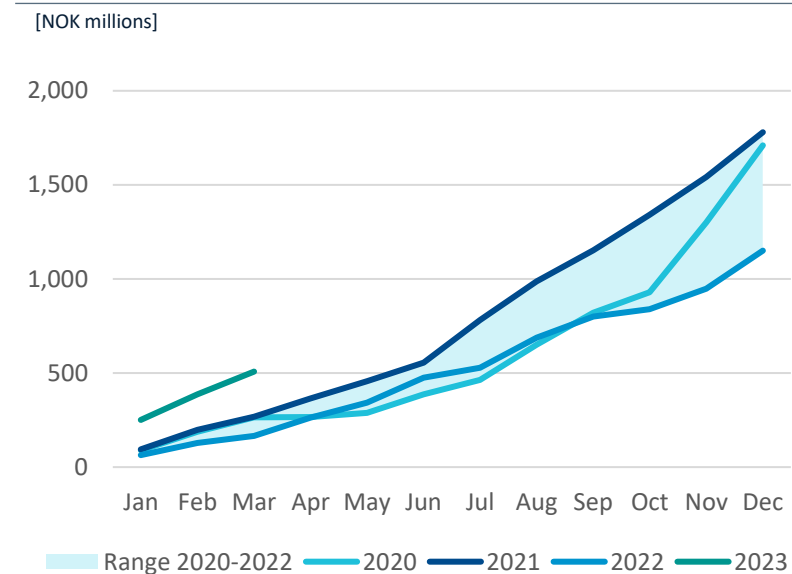
Based upon current production and delivery plans, the revenues in 2Q23 are estimated to be approximately 80% of order backlog at the end of 1Q23



Balance sheet and cash flow

	31 March		31 December
<i>Amounts in NOK million</i>	2023	2022	2022
ASSETS	14,777	11,821	13,932
Intangible non-current assets	4,400	3,742	4,132
Tangible non-current assets	2,838	2,269	2,671
Financial non-current assets	606	388	448
Inventory	2,718	1,921	2,370
Receivables	3,496	2,881	3,562
Cash and cash equivalents	719	619	750
LIABILITIES AND EQUITY	14,777	11,821	13,932
Equity	7,070	6,249	6,572
Lease liabilities	1,444	1,001	1,297
Interest-bearing liabilities	2,200	1,179	2,260
Non-interest-bearing liabilities	4,063	3,392	3,803

Cash flow from operations



Cashflow from operations

- Cash flow from operations of 509 MNOK in the first quarter 2023 (166 MNOK in the first quarter 2022)

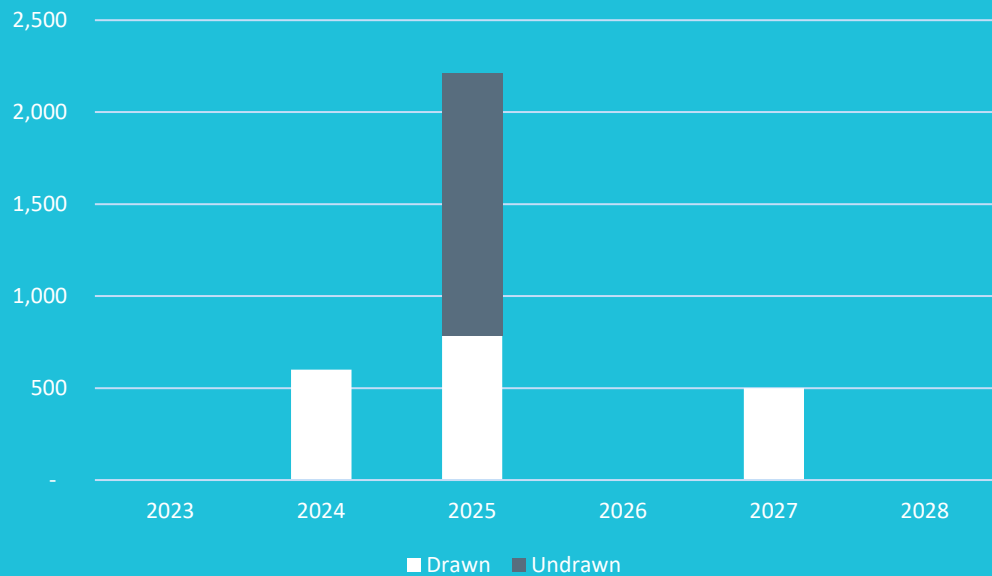
Solidity and gearing

- 48% equity ratio
- NIBD/EBITDA (rolling 12 months) of 1.2x

Financial position

Debt maturity profile

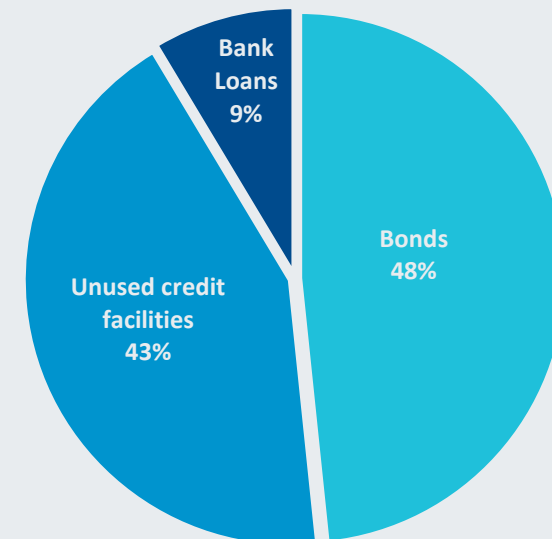
- Weighted average debt maturity of 2.8 years
- Interest-bearing bonds are swapped to EUR and is exposed to EUR/NOK exchange rate fluctuations



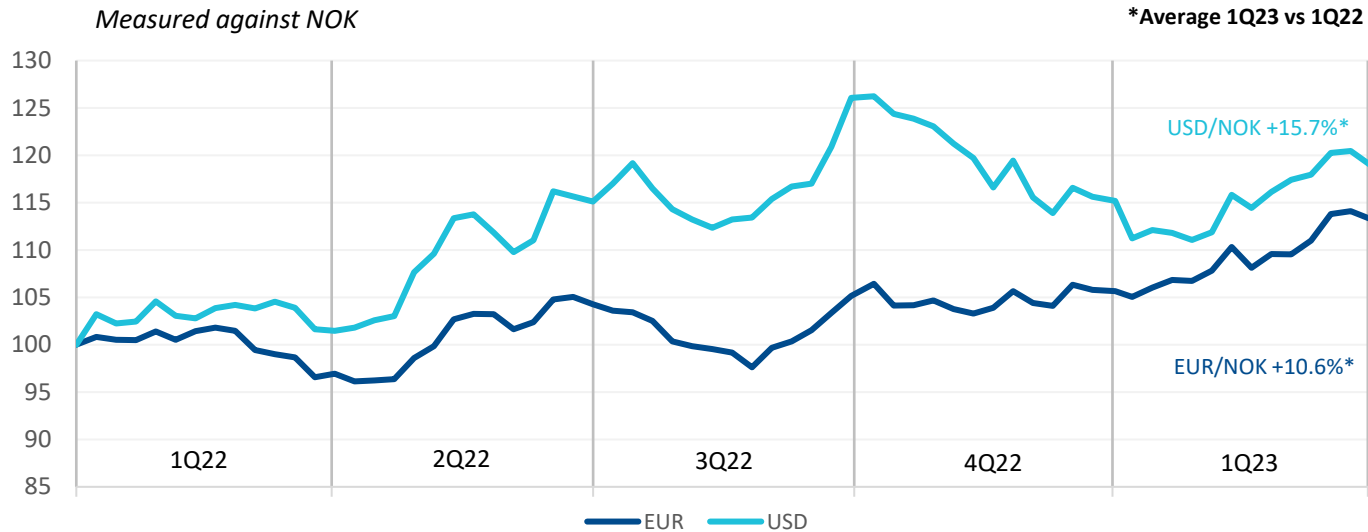
Not including unused 202MNOK cash-pool overdraft facility

Current funding sources

- TOMRA has a satisfactory liquidity situation with available unused credit lines of approx. 1,424 MNOK
- Senior unsecured bonds (no financial covenants) of 1 600 MNOK (swapped to EUR) are listed on Oslo Stock Exchange
 - Green Bonds portion amount to 1 000 MNOK
- The financial covenant related to the bank debt is minimum equity ratio of 30 %



Currency risk and hedging policy



10% change in NOK towards other currencies will impact:

	Revenues	Expenses	EBITA
EUR	5.0%	5.0%	5.0%
USD	3.0%	2.5%	6.0%
OTHER ¹	2.0%	2.0%	2.0%
ALL	10.0%	9.5%	13.0%

Revenues and expenses per currency:

	EUR	USD	NOK	OTHER ¹	TOTAL
Revenues	50 %	30 %	0 %	20 %	100 %
Expenses	50 %	25 %	5 %	20 %	100 %

Assets and liabilities per currency:

	EUR	USD	NOK	OTHER ¹	TOTAL
Assets	45 %	20 %	5 %	30 %	100 %
Liabilities	50 %	15 %	10 %	25 %	100 %

¹ Most important: AUD, NZD, RMB, CAD, SEK, GBP and JPY

NOTE: Estimated and rounded figures

Hedging policy

CASHFLOW AND P/L

- TOMRA can hedge up to one year of future predicted cash flows. Gains and losses on these hedges are recorded at the finance line, not influencing EBITA

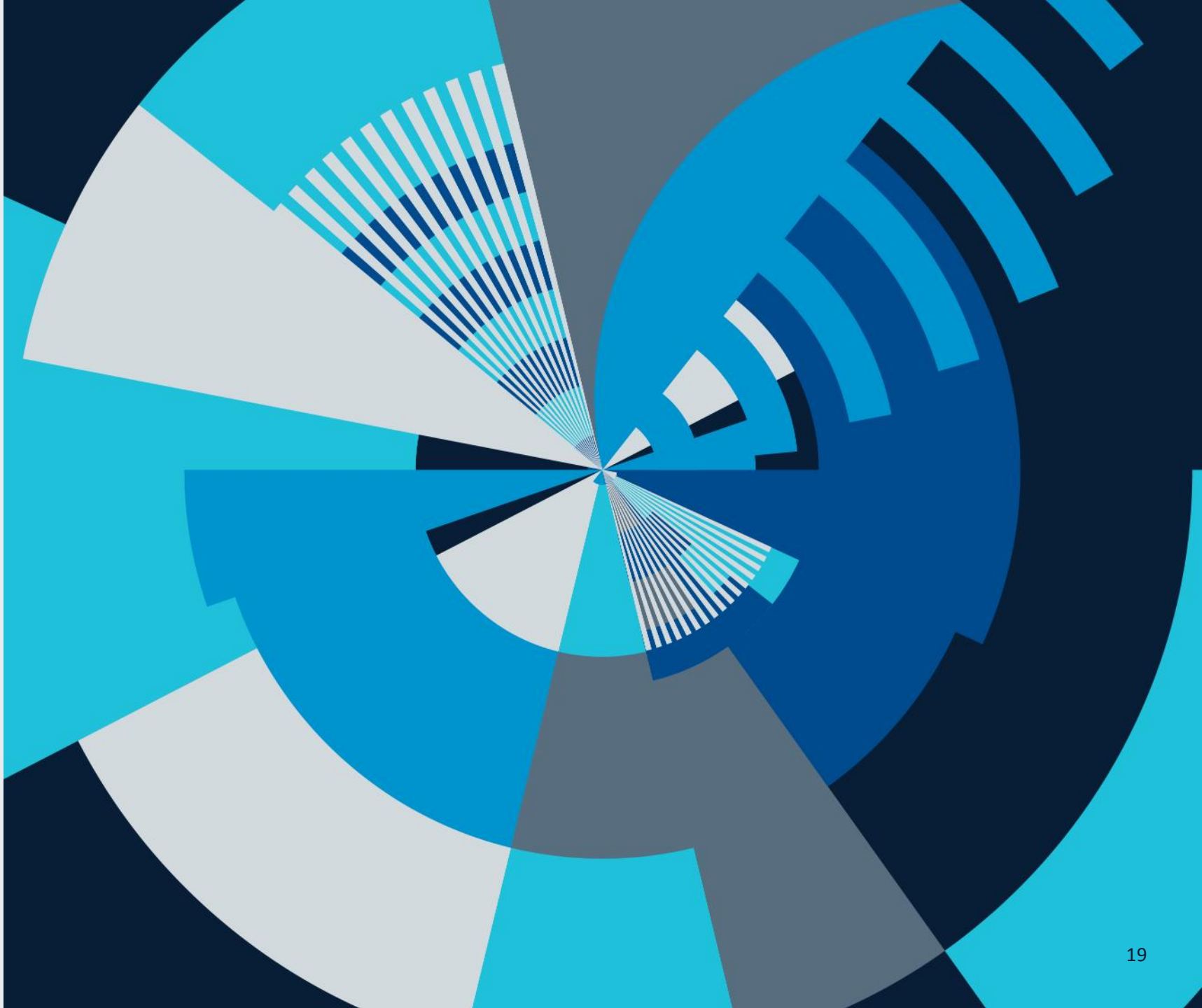
B/S

- TOMRA only hedges B/S items where exchange rate fluctuations could have P/L impact. Gains and losses on B/S hedging are recorded in accordance with IAS 21 and will normally not have P/L impact

Outlook

Collection	<ul style="list-style-type: none">• High activity related to preparation for new markets• Quarterly performance will be dependent upon timing of new initiatives
Recycling	<ul style="list-style-type: none">• Positive momentum assumed to continue and normalize from high 2022 levels• Demand for recycled materials is expected to create opportunities
Food	<ul style="list-style-type: none">• Good demand in processed food, but somewhat weaker in fresh food• Need for automation creates opportunities mid and long term
Other	<ul style="list-style-type: none">• Cost inflation will continue to be a pressure point – pricing and cost measures are expected to have a mitigating effect• Lower risk of sourcing shortages and logistical bottlenecks
Currency	<ul style="list-style-type: none">• Reporting in NOK and with some NOK cost base, TOMRA will in general benefit from a weak NOK, particularly against EUR and USD

Q&A



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