



Capital Markets Day 2022

Mülheim-Kärlich, Germany

23 June 2022

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Agenda

08:15 - 08:30

Introduction

- Accelerating toward a circular future

Tove Andersen, President and CEO

08:30 - 09:45

Business Snapshot

- Driving circularity with deposit systems
- Food on the frontline of innovation
- Enabling closed loop recycling

Harald Henriksen, Head of Collection

Michel Picandet, Head of Food

Volker Rehrmann, Head of Recycling

09:45 - 10:00

First Q&A session

10:00 - 10:30

Short break with TOMRA R1 demonstration

10:30 - 11:00

Forward Look

- Corporate strategy and sustainable growth
- Financial ambitions and outlook

Tove Andersen, President and CEO

Eva Sagemo, CFO

11:00 - 11:30

Second Q&A session

11:30 - 12:15

Lunch

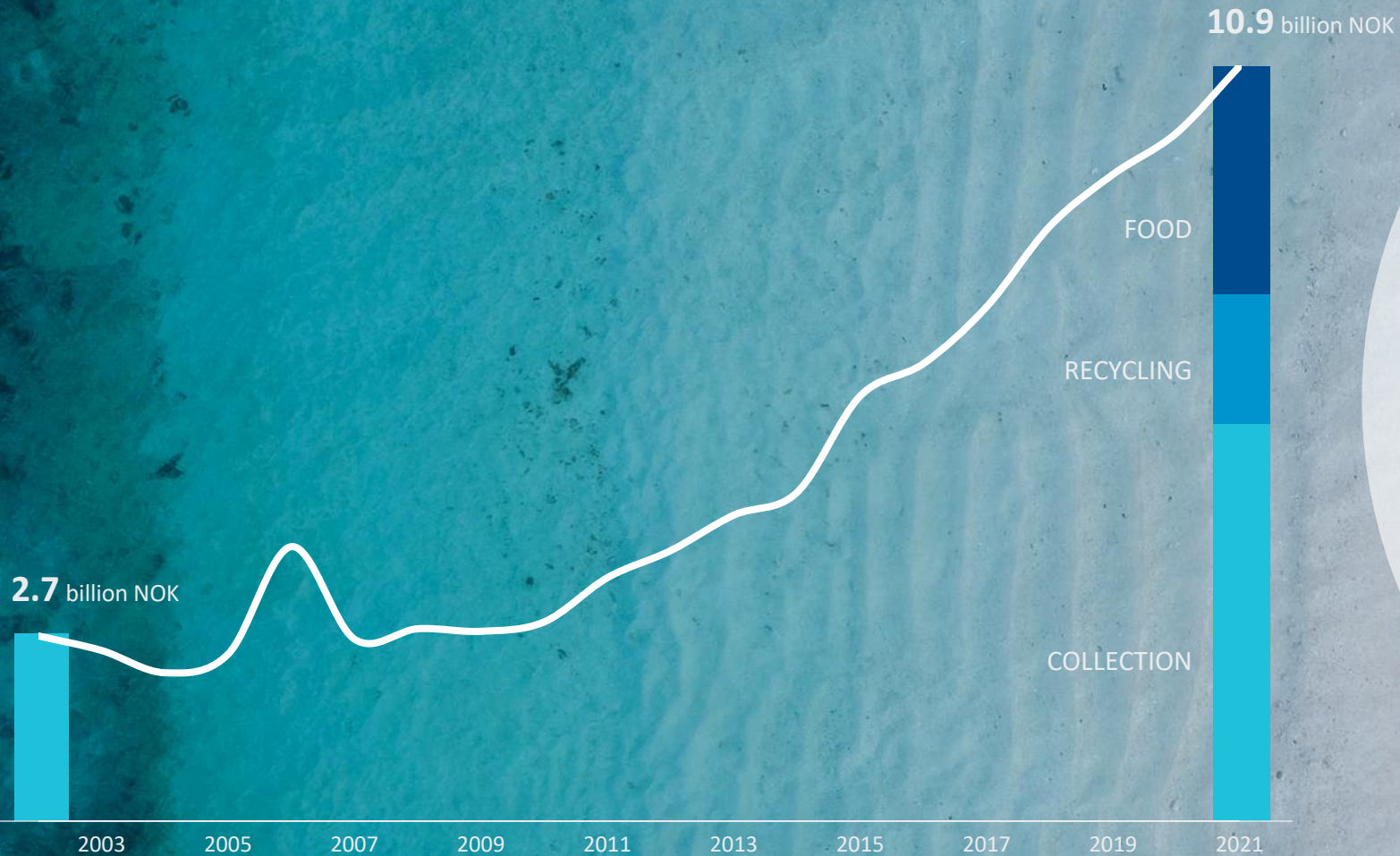


At TOMRA, our vision is to Lead the Resource Revolution

It is our belief that businesses have the power and responsibility to help manage our planet's precious resources—today and tomorrow.

...in a world that needs change
how fast can we at TOMRA go
and what would it take?





We have built a broad business platform...

... while keeping a strong entrepreneurial spirit

Megatrends give strong tailwind



Climate change and resource scarcity



Demographic and social change




Technological breakthrough



Rapid urbanization

Unique position

- ✓ Leading market position
- ✓ Best in class technology
- ✓ 50 years of know-how
- ✓ Purpose-driven employees



TOMRA is uniquely positioned along powerful global megatrends



We will accelerate
growth in core business
and
develop adjacent
opportunities

Our roadmap to accelerate growth



Collection

Recycling

Food



TOMRA Collection



TOMRA

The global leader in reverse vending



50
years of
experience



81 000
machines in
operation

Represented in
more than
60 countries

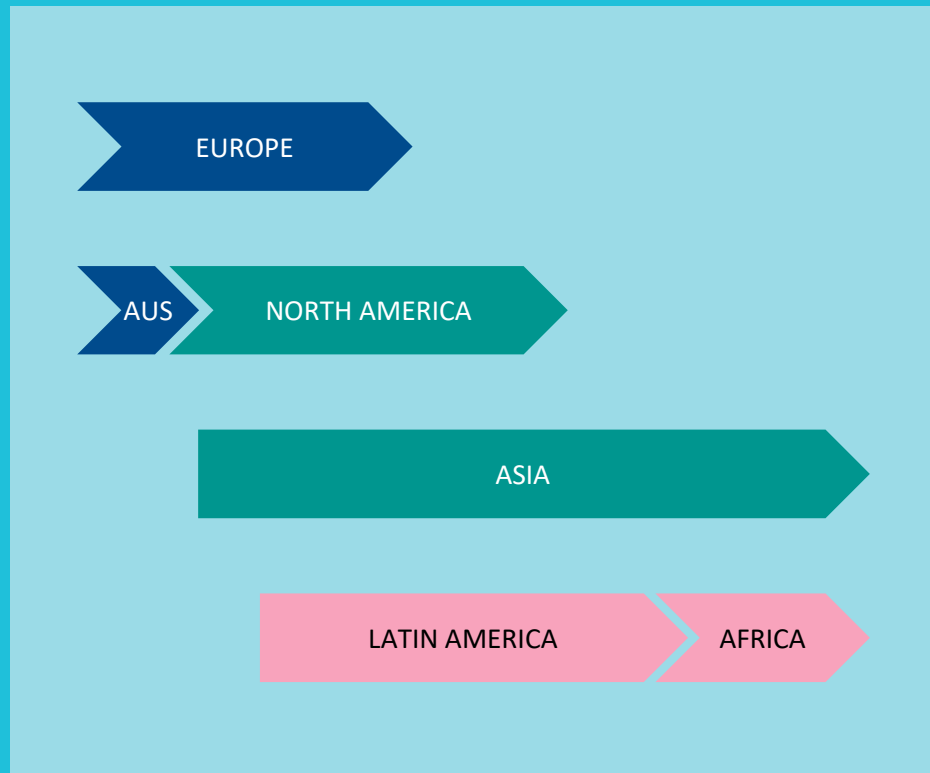
5.7bn NOK revenues
19% EBITA margin

We have **70%**
global market share



Collecting
44 billion
containers a year
in operation

We are driving the market momentum through global advocacy work aiming to achieve best practice legislation and trigger demand through innovations



Collection targets for plastic beverage bottles

77% 2025 **90%** 2029



Targets for recycled content in plastic beverage bottles

25% 2025 **30%** 2030

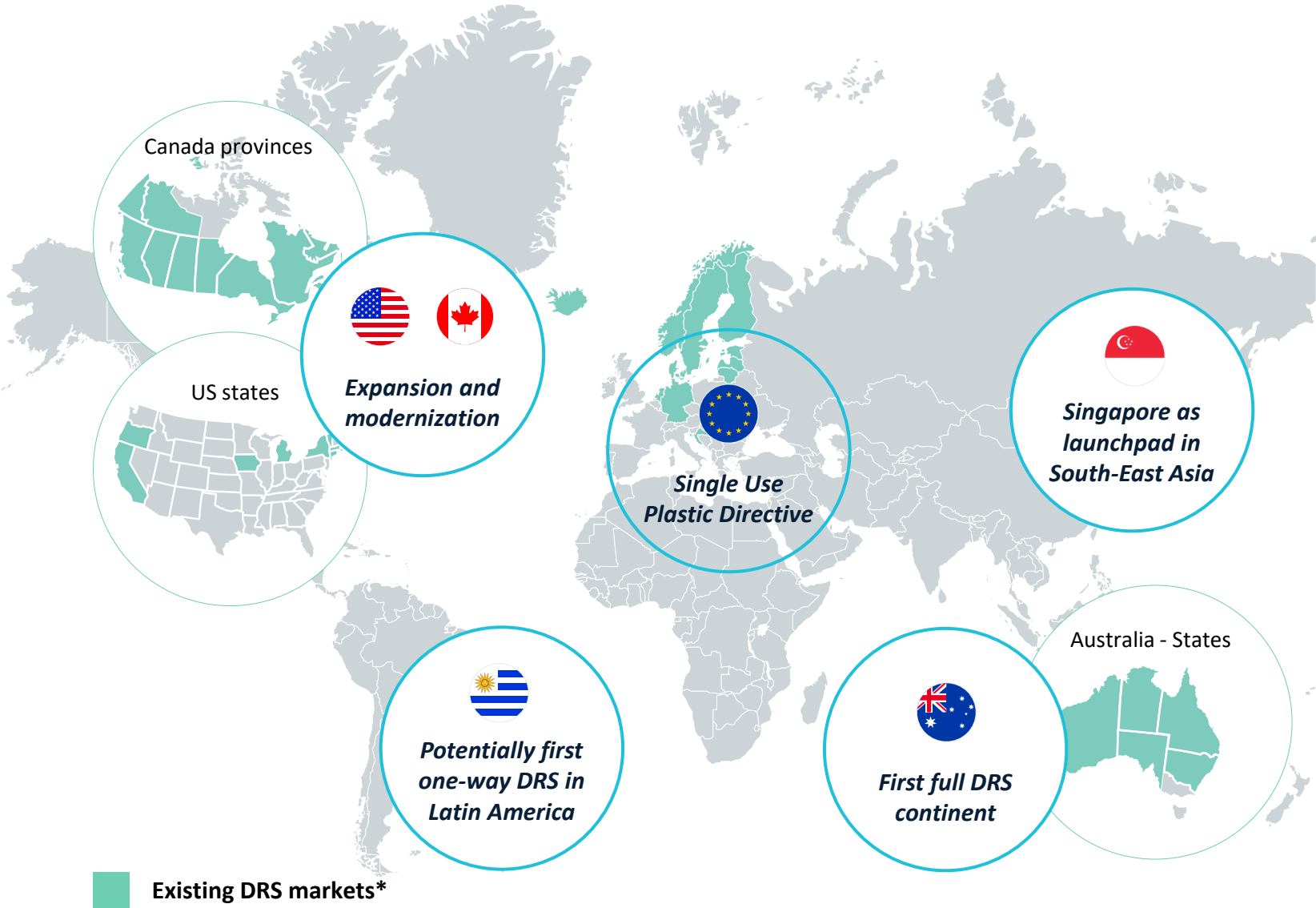


Continued work with governments to implement best practice deposit legislation



Innovate solutions that trigger modernizations and increased demand

Legislative outlook supports new and expanded Deposit Return Scheme (DRS) markets towards 2030



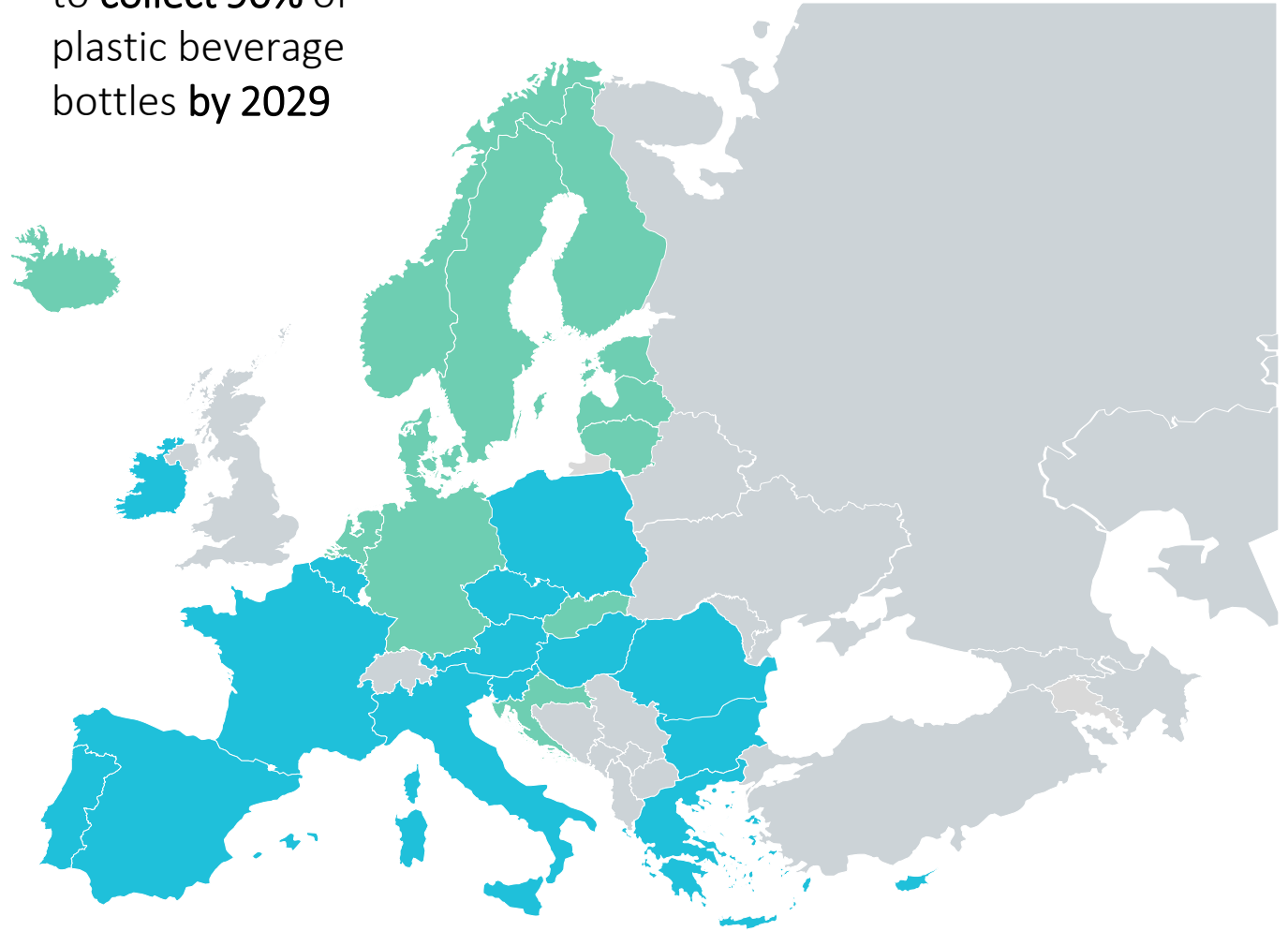
Existing DRS markets*

* In addition, some markets have refillable deposit systems such as: Austria, Belgium, Chile, Czech Republic, France, Hungary, Poland and South Korea

Europe and the Single Use Plastic Directive (SUPD) will be the main driver of new deposit markets towards 2030



All EU member states to collect 90% of plastic beverage bottles by 2029



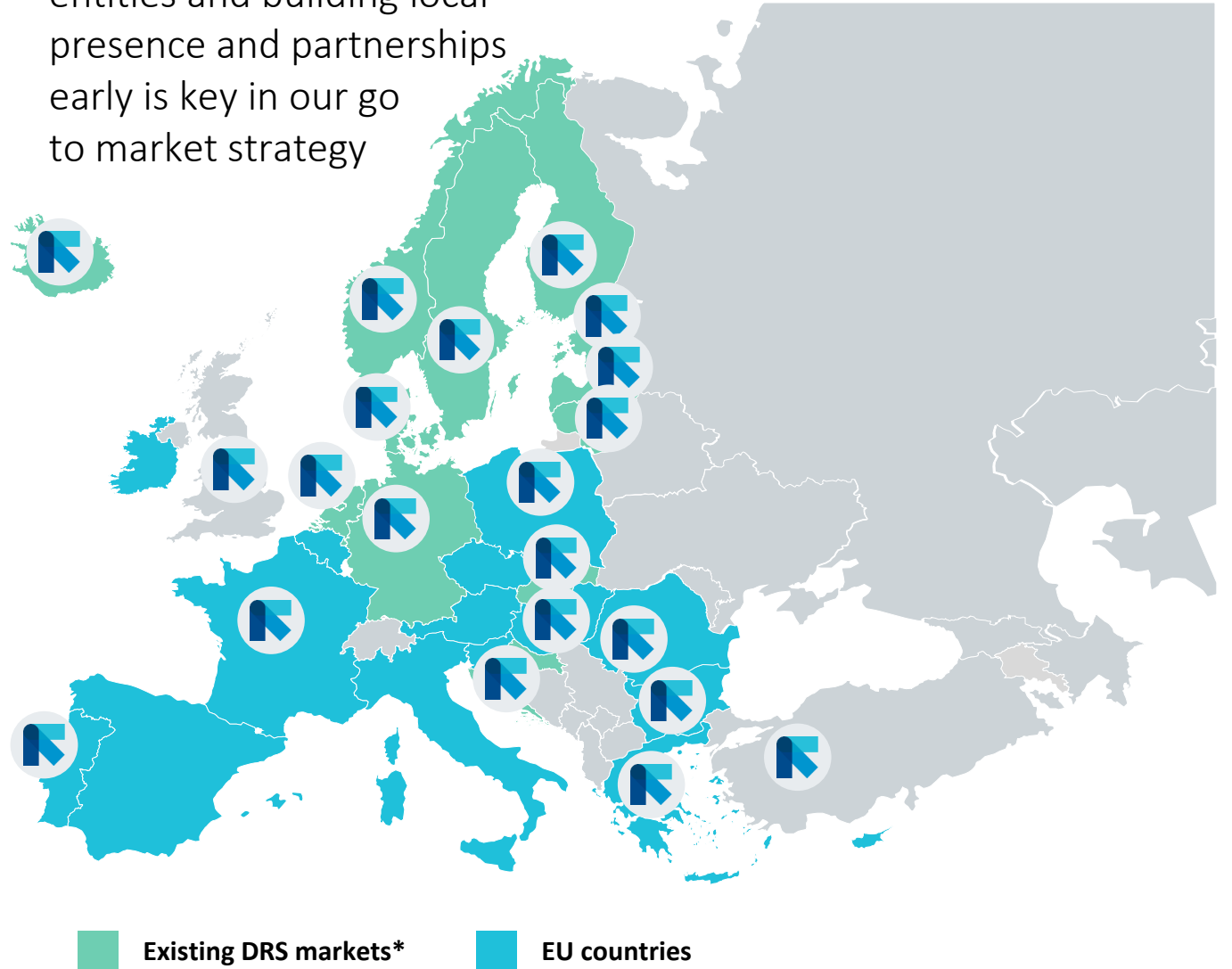
Existing DRS markets* EU countries

* In addition, some markets have refillable deposit systems such as: Austria, Belgium, Czech Republic, France, Hungary and Poland

Strong local presence in existing and upcoming European deposit markets

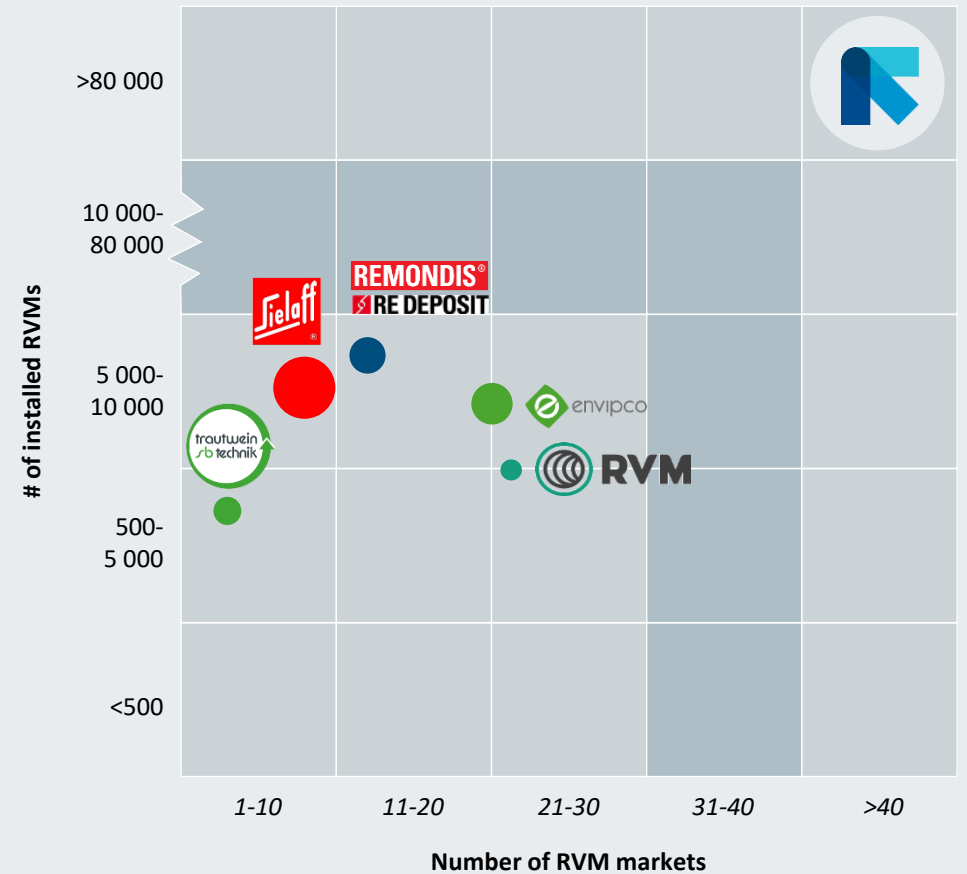


Establishing local TOMRA entities and building local presence and partnerships early is key in our go to market strategy



* In addition, some markets have refillable deposit systems such as: Austria, Belgium, Czech Republic, France, Hungary and Poland

Global market leader in reverse vending solutions



Source: TOMRA estimates and analysis

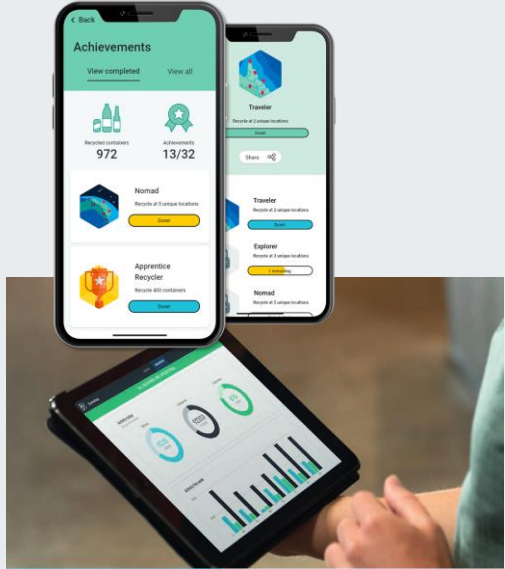
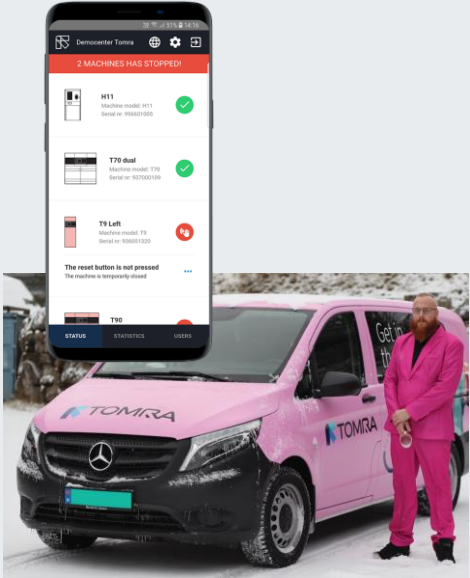
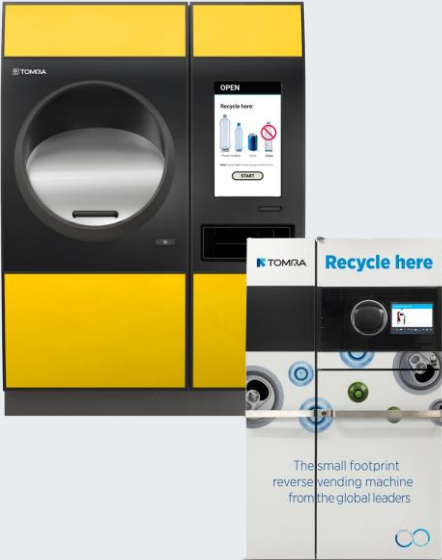
Customer centricity is at the core of our innovation strategy

A great recycling experience

Efficient operations for peace of mind

A smart investment for long-term benefits

Strategic aspiration: Innovate **the most attractive** solutions and the best customer experience



EI LASIPULLOJA TÄHÄN
AUTOMAATTIIN, KIITOS

TOMRA

AUKI

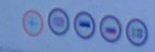
a!



Muovipullot Tölköt Lasit

Huom! Tässä tyhjät ja täyttyvät juomakannakkeet hyväksytään.
Lasipullot palautetaan erillisessä automaatissa.

AVAA LUUKKU

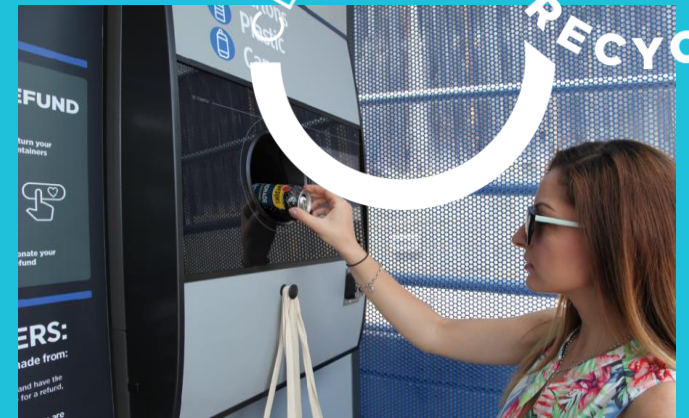




RVM Kiosks



Reverse Vending Centres



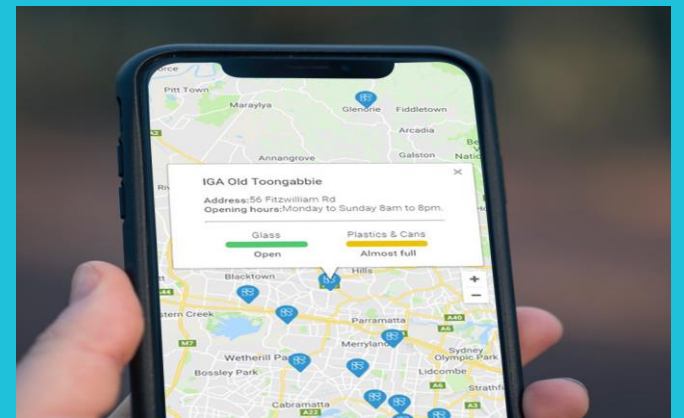
Single RVMs



Automated Depots



Over the Counter

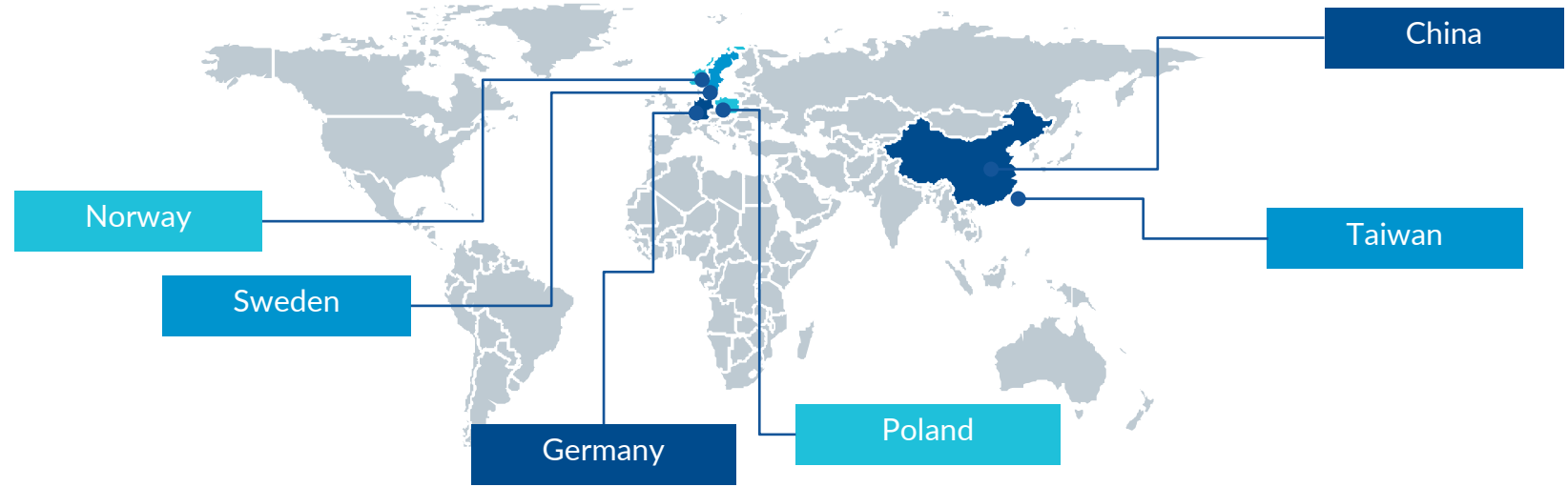


Scheme App

Global Supply Chain

Optimize global sourcing and production set-up

Current supply chain with country origin on purchased material



The goal

Support the market demands both on capacity and flexibility

Capable of annual delivery of up to 30.000 RVMs

Dual sourcing strategy in focus to reduce risk and exposure (increase European sourcing)



Our Big Hairy Audacious Goal

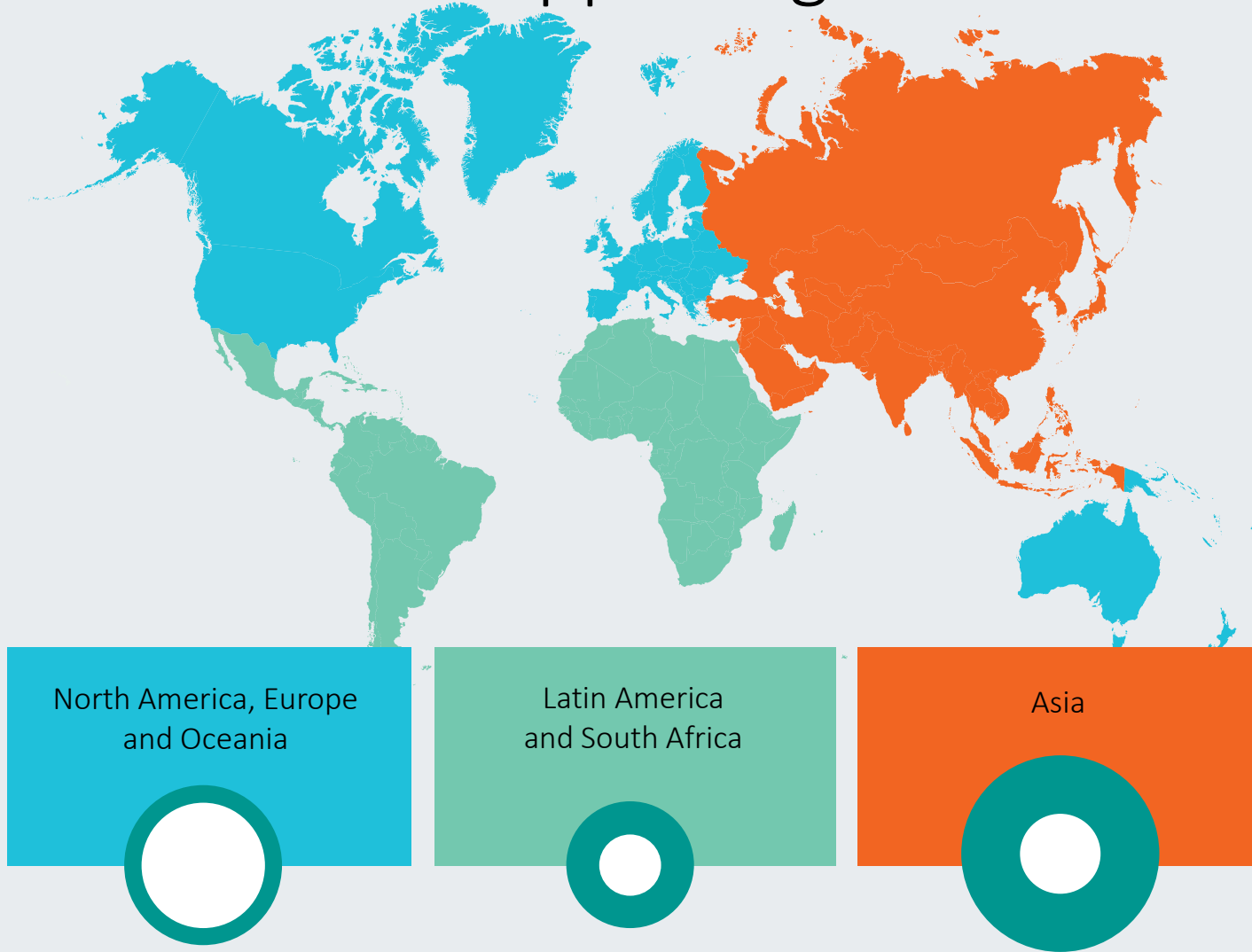
**500
BILLION**

empty beverage containers
handled by TOMRA equipment
and collected for
clean loop recycling

TOMRA Food



Robust drivers supporting the market



Population growth and rise of the middle class



Continued loss and waste of food



Shift to automation and digital tools



Cyclical investments in different categories, regions and seasons

Automation Potential (illustrative)



Potential



Current level

TOMRA Food with a strong value proposition

Why Automate



Food safety



Quality improvement



Yield increase



Reduce labor



Cost savings



Minimize food loss and waste



Why TOMRA

Know-how

Expertise to transform the food industry

Technology

Best-in-class sorting and grading solutions, and digital insight

Partnerships

With local understanding, global know-how and long-term relationships

Focus on core food categories



Potatoes



Nuts & Dried Fruit



Vegetables



Apples



Citrus



Berries

Leading market position

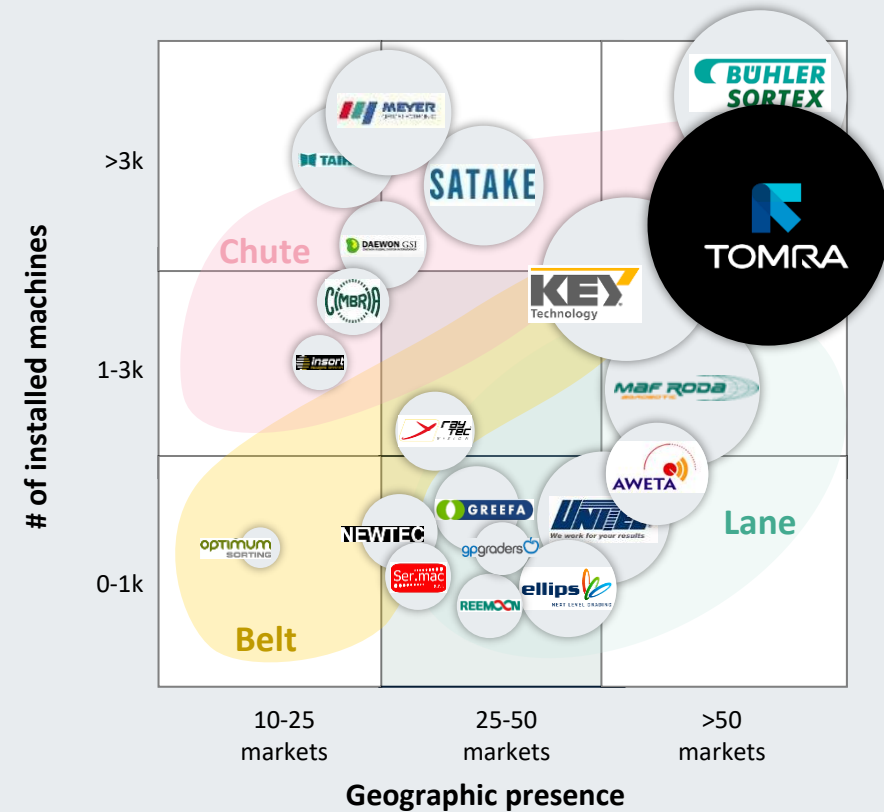
Total Food Sorting and Grading Market: ~1.5-2.0 EURbn

Addressable Food market: ~1.2 EURbn

TOMRA 2021: ~0.3 EURbn

Overall market share 25-30%

Based on TOMRA analysis, incl. service & spare parts



Size of bubble = Estimated revenue from sensor-based sorting and related peripherals within the addressable market

Clear strategic direction and priorities



Maximize
Growth



Operational
Excellence

Maximize growth

Core

Anchor North America
Accelerate Europe

25-60%



Expansion

Grow market share

<20%



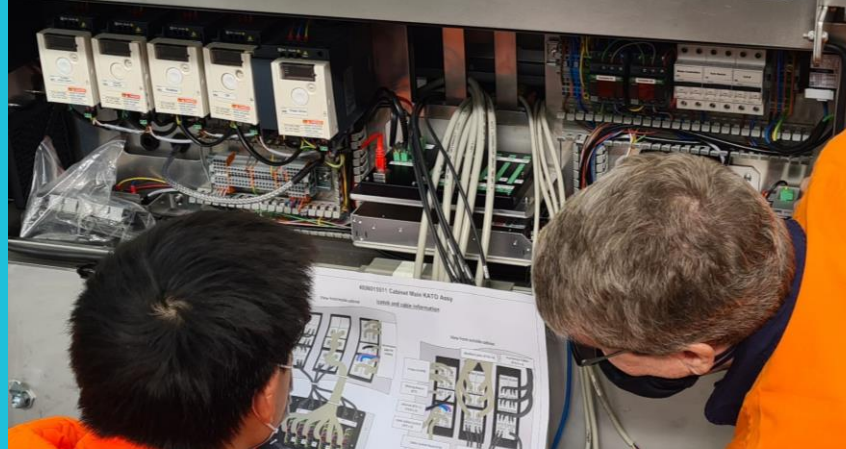
Services and digital

Increase recurring revenues
Deliver advanced digital solutions



Estimated market share

Operational excellence



Productivity

Continuous improvement
Scale and synergies

Supply chain optimization
Go-to-market
Global sourcing and resilience



Customer focus
Customer engagement
Value proposition



Technology management

Modularization
Digital



Every Resource Counts



50%

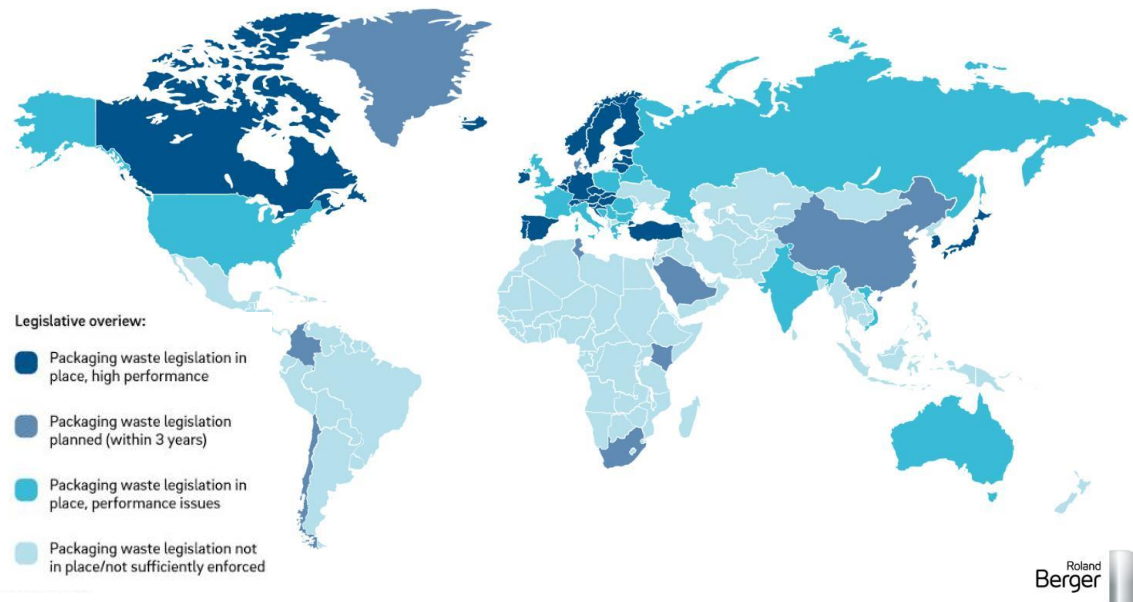
Post-harvest food loss
reduction by 2030

TOMRA Recycling



There is a legislative push and market pull towards a circular economy

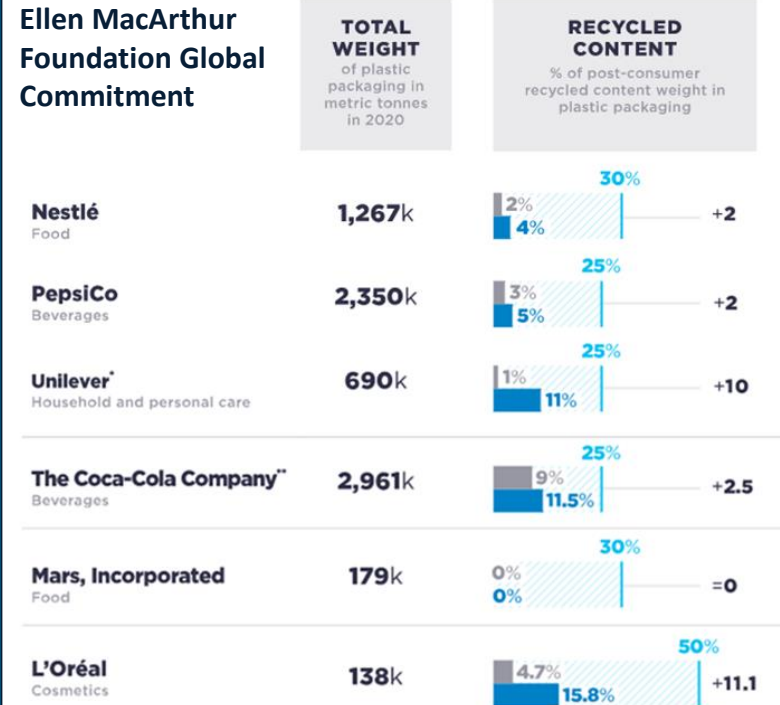
Overview of legislation for packaging waste at global-level



Extended Producer Responsibility policy is a key element, complemented by quotas, taxes, bans, and mandatory recycled content targets.

<https://www.rolandberger.com/en/Insights/Publications/Packaging-sustainability-2030.html>

Ellen MacArthur Foundation Global Commitment



Several strong commitments have been made; however, brands are still far away from reaching them.

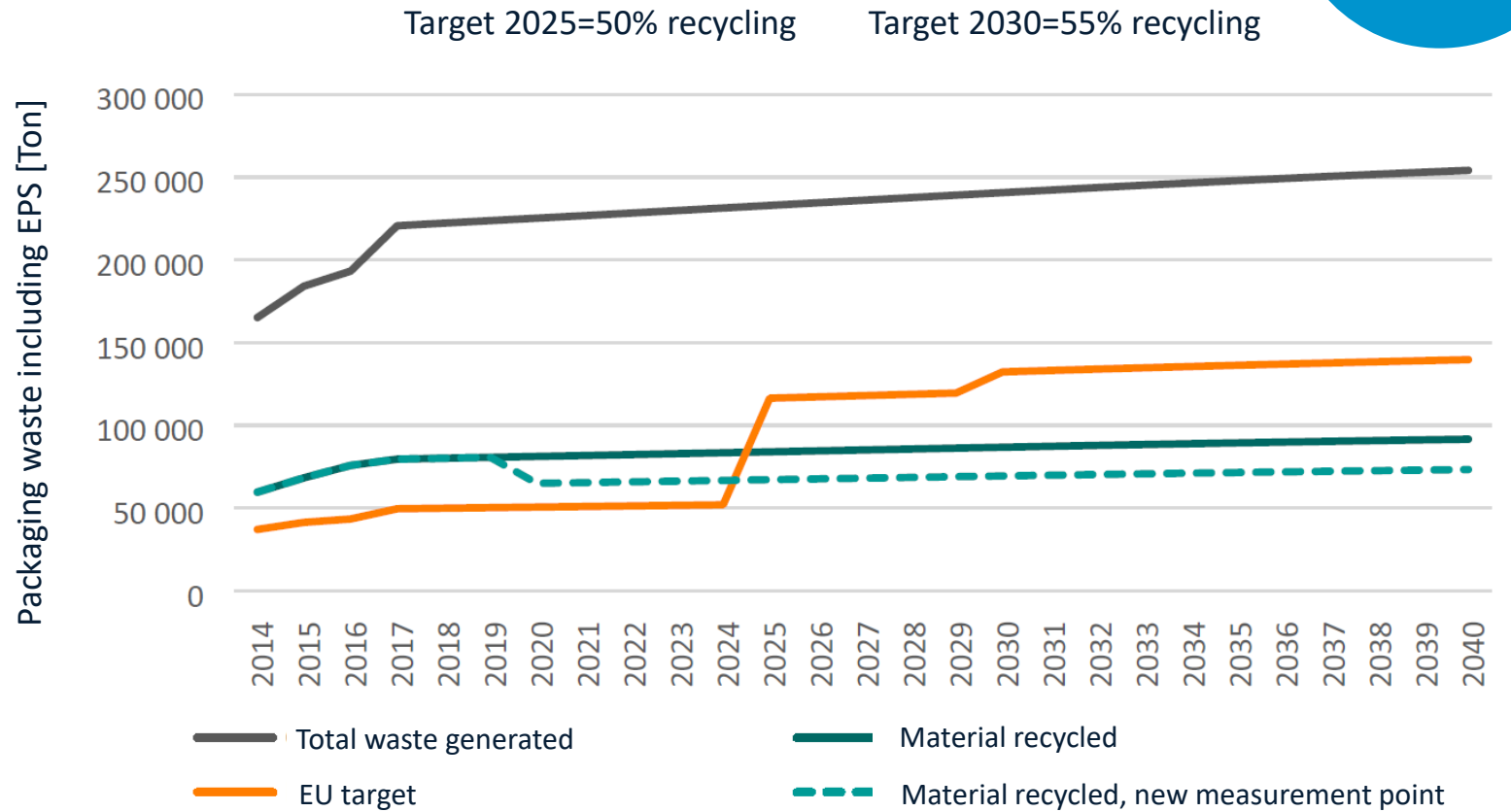
<https://ellenmacarthurfoundation.org/global-commitment/overview>

EU member states need to meet PPWD¹ targets for plastic recycling

¹ Packaging and Packaging Waste Directive



Example:
Norway



Source: Utkast til høringsnotat med konsekvensutredning, Miljødirektoratet, February 27th 2020

Strong commitment from the industry to use recycled polymers

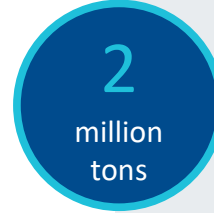
Selected global commitments (non-exhaustive)



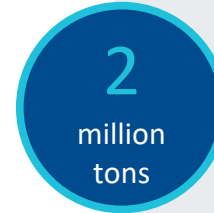
“Our ambition is to use 1 million tons of plastic waste a year in our global chemical plants by 2025”



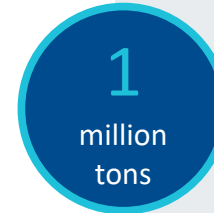
“Produce and market 2 million tons of recycled and renewable based polymers annually by 2030”



“Produce 2 million tons of sustainable (includes recycled and biobased) polyolefins by 2030”



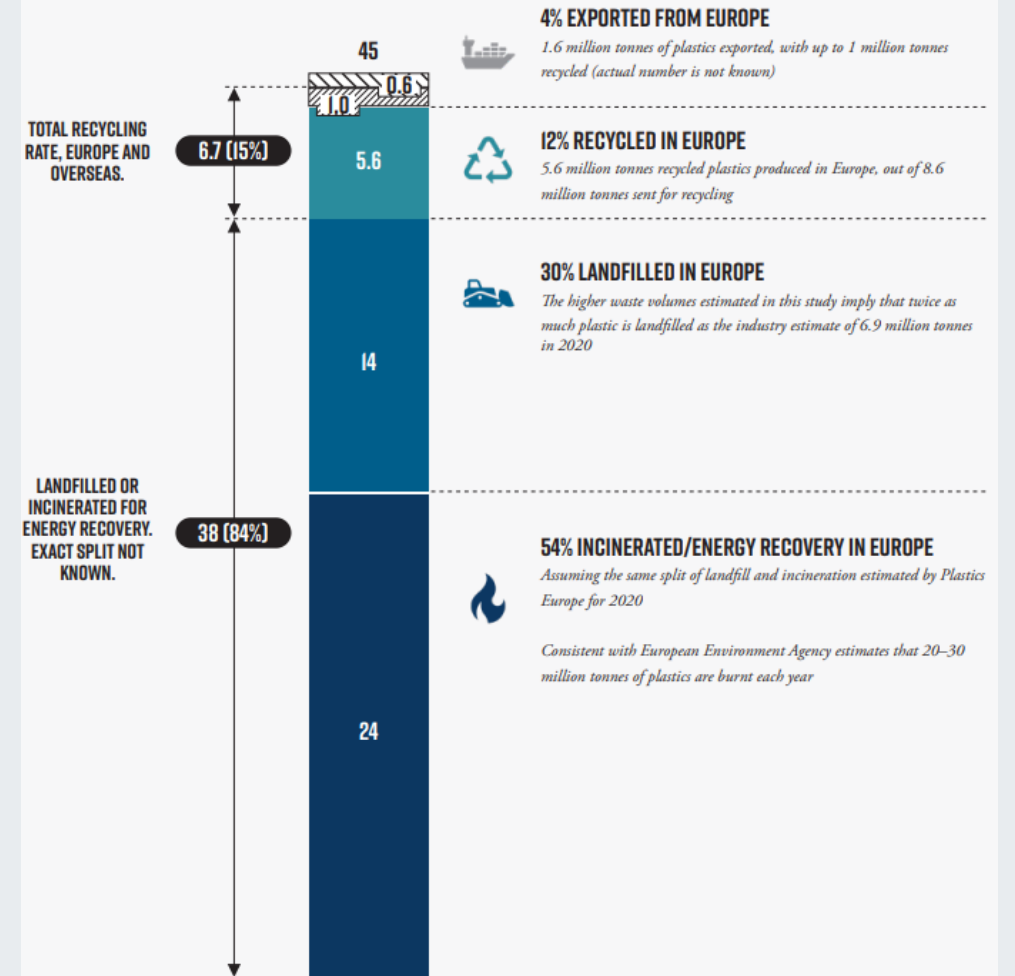
“By 2030, Dow will enable 1 million tons of plastic to be collected, reused or recycled through its direct actions and partnerships”



+ others

TREATMENT OF END-OF-LIFE PLASTICS IN EUROPE, 2020

TREATMENT OF EUROPEAN END-OF-LIFE PLASTICS, 2020
MILLION TONNES



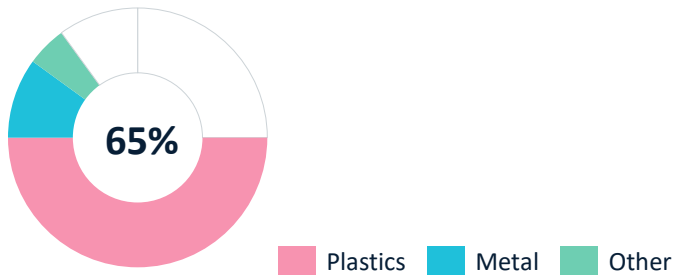
Sorting is essential for a circular economy



Waste sorting segment

Recover materials for recycling from both source separated and mixed household waste

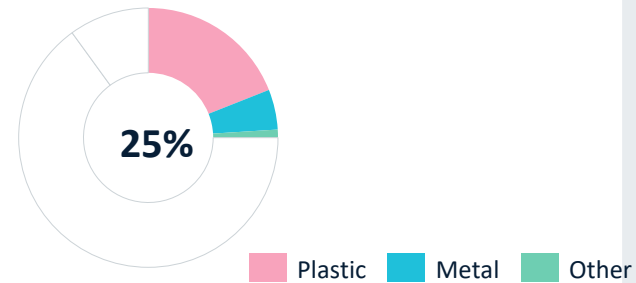
Segment share of installed base



Recycling segment

Upgrade material to pure fractions for high quality recycling

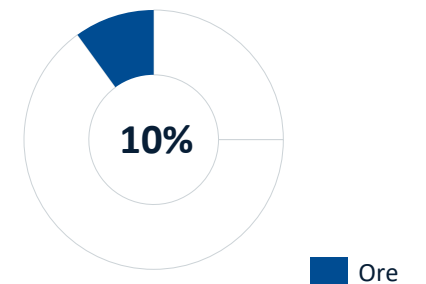
Segment share of installed base



Mining segment

Recovery and ore sorting to reduce environmental impact

Segment share of installed base



Our solutions enable recovery of recyclables from different waste streams



AVL Leipzig, Germany

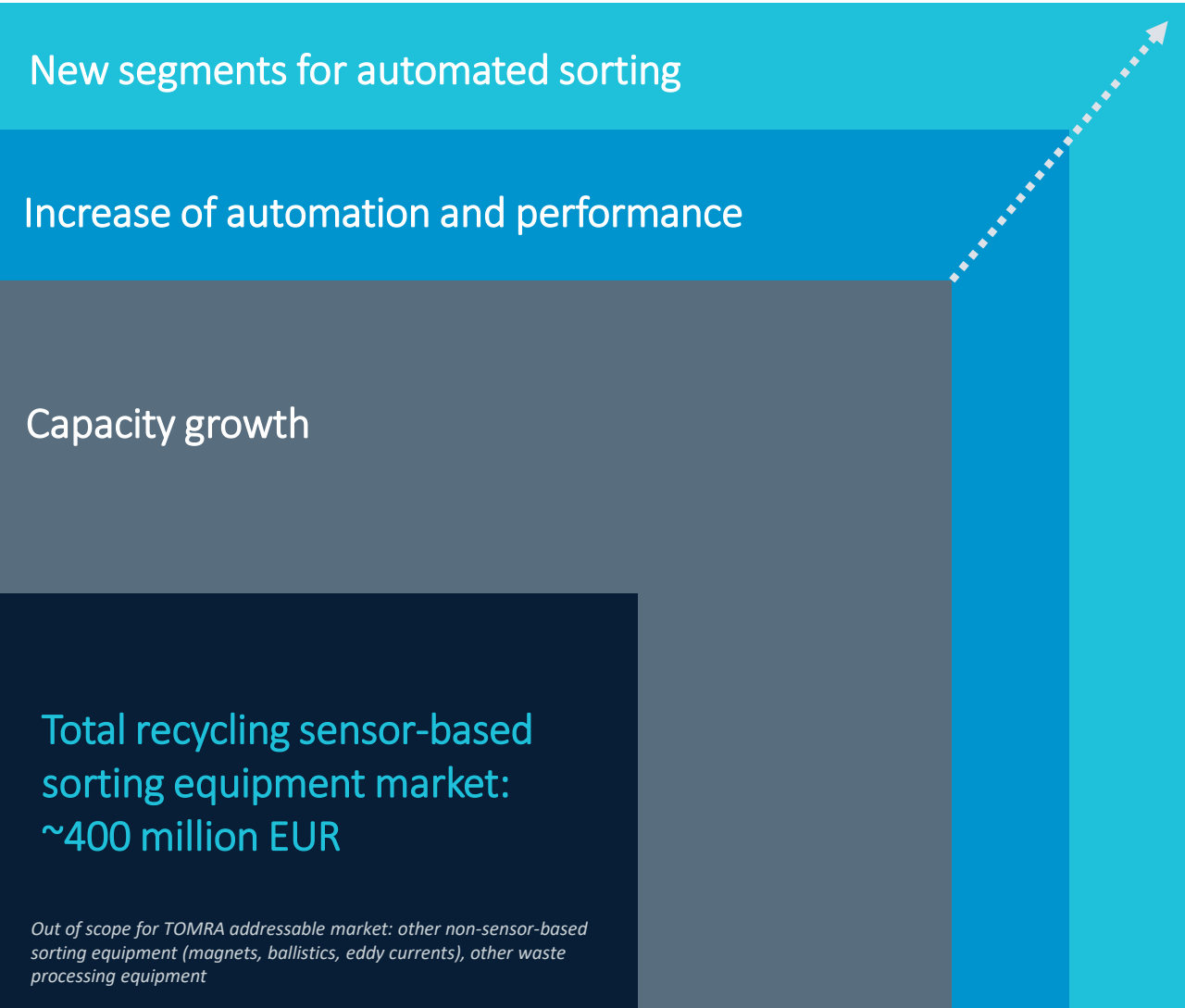
A modern packaging sorting plant can contain up to 60 NIR sorters



Mixed Waste Sorting Plant IVAR, Norway

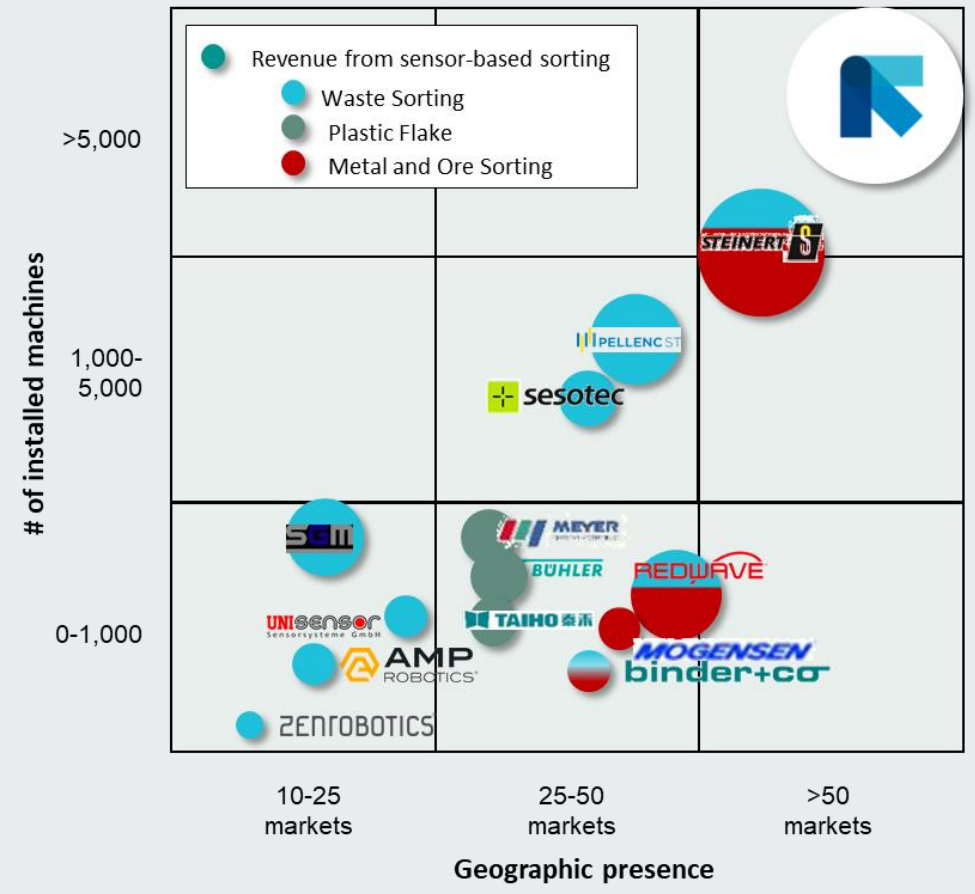
Our solutions can also recover valuables from residual waste streams

Our technology and innovations continue to push the boundaries of the recycling sorting market



Total recycling sensor-based sorting equipment market: ~400 million EUR

Out of scope for TOMRA addressable market: other non-sensor-based sorting equipment (magnets, ballistics, eddy currents), other waste processing equipment



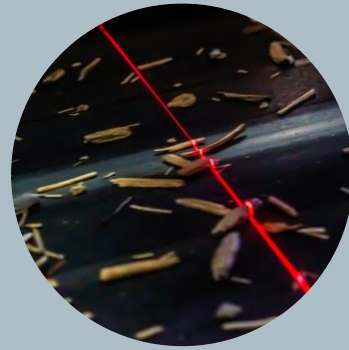
Our solutions close the loop by enabling high quality recycling



Plastics

We are actively pushing the boundaries of plastics recycling by:

- Demonstrating advanced mechanical recycling
- Supporting chemical recyclers



Wood sorting



Textile sorting



Alloy sorting

We are investing into the development of solutions for new segments

We have two strategic priority areas

Accelerate growth

Increase the recovery of recyclables

Enable high quality closed loop recycling

Provide leading solutions and innovations

Utilize cutting edge sensor technology

Exploit the power of deep learning

Deep market expertise and partnership

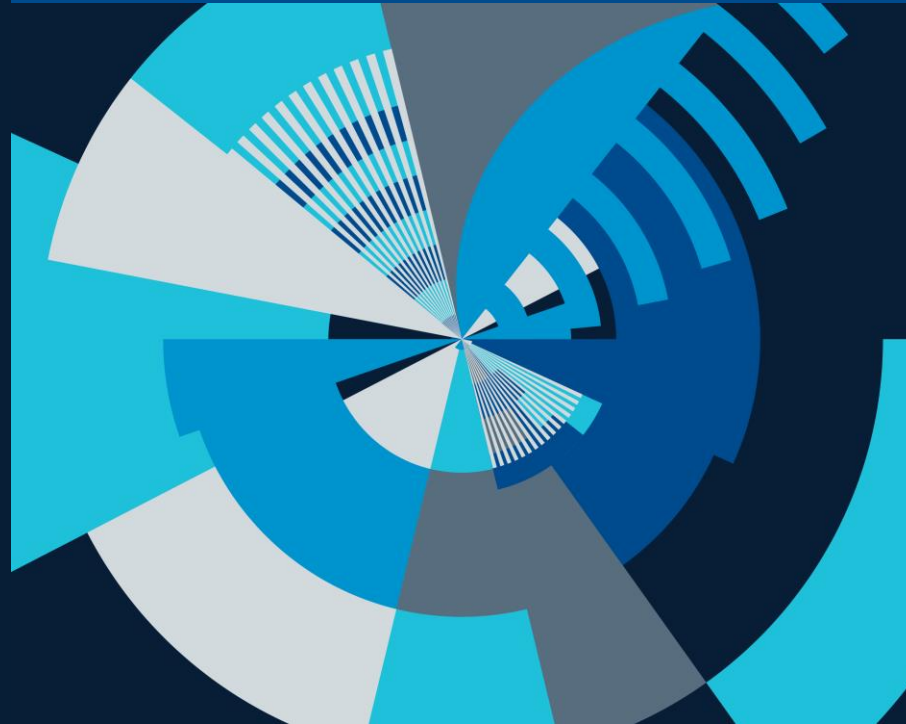
Develop digital solutions & services


Our commitment towards plastic packaging by 2030

30%

of post-consumer plastic packaging is recycled in a closed-loop

We are here to enable closed loop recycling solutions - material stream by material stream





Corporate strategy
and sustainable
growth

Accelerating growth in our core business



Collection



Recycling



Food

Strategic priorities

	Collection	Recycling	Food
Growth focus	New DRS markets Product driven innovation in existing markets	Grow with market Push market boundaries with technology	Market share and geographic expansion within key categories
Supply chain resilience	✓	✓	✓
Innovation	Customer centric	Technology to unlock new segments	Portfolio optimization
Digital solutions	✓	✓	✓
Engage policy makers	✓	✓	
M&A			✓

Our strategy is built on organic growth with the main engine being the core business

We have a solid market and capital position, and we will utilize this platform to develop adjacent business



Ideally positioned to develop adjacent opportunities



TOMRA's competitive edge, market position and technology can be applied in areas beyond our current operations



Strong macro trends and emerging business models within circular economy and resource efficiency

What are we
looking for

Business models with
the **potential to become a
sizeable business, ripe for
scaling** over the next few
years

Opportunities where
TOMRA has a **competitive
advantage to succeed**

Potential for **strong capital
returns** and steady-state
**profitability in line with
TOMRA's targets**



Enabling automation in
textiles recycling

Digital business models

Examples of what
we are exploring

Collection systems for
reusable packaging

Closing the gap in
plastic recycling

The gap in plastics recycling

Majority of plastics are lost today



- In Europe alone, 24 million tons of plastics are lost to incineration and 14 million tons to landfill
- The volume of each waste plant and incinerator is too low for sophisticated sorting to ensure the quality and fractions required for recycling

GAP

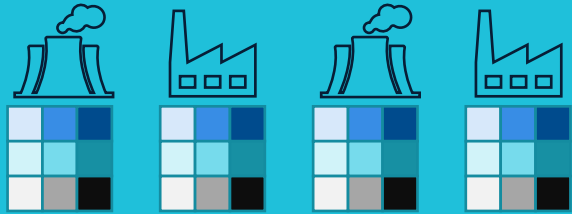
Demand for recycled plastics



- Already a strong demand for recycled plastics will increase significantly in the next few years (more than 10 million tons from major plastic producers)
- Mechanical and chemical recyclers need an individual polymer fraction at sizeable volumes to justify investments

Closing the circularity gap

Suppliers

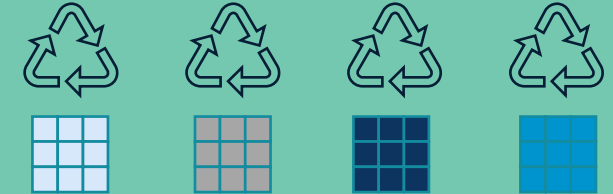


Mixed plastics fraction needs to be made available by incinerators, landfills, and other sources



Connecting the value chain

Customers



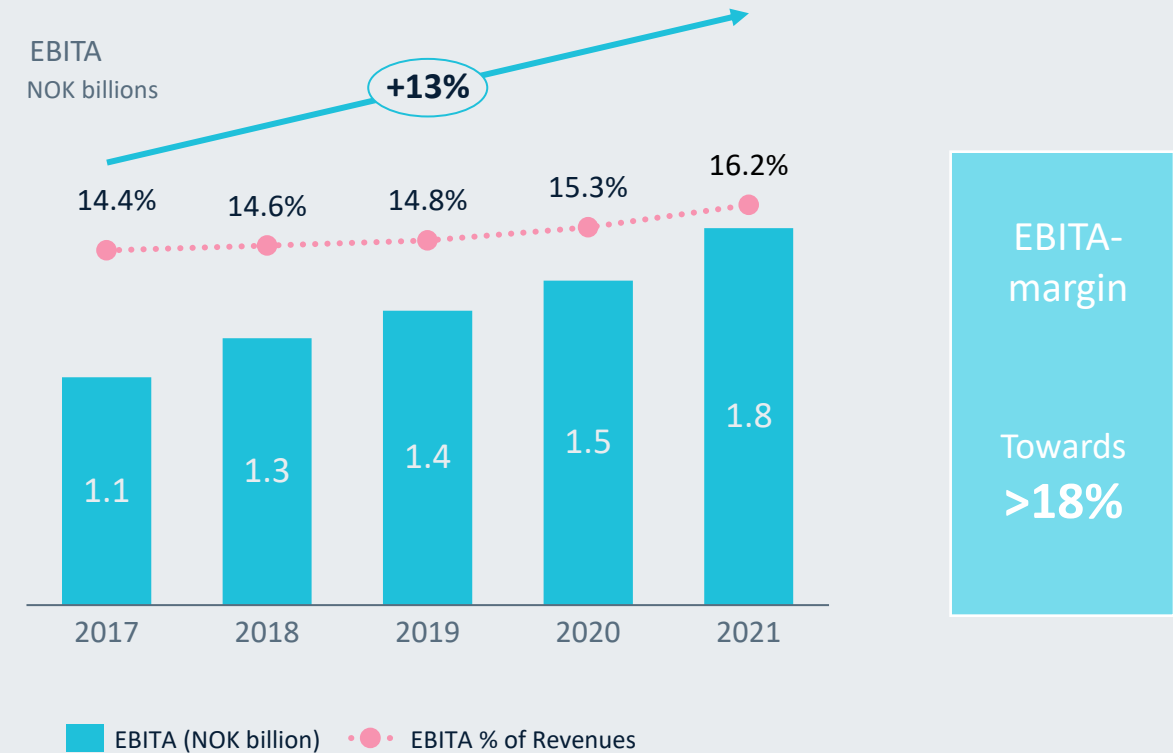
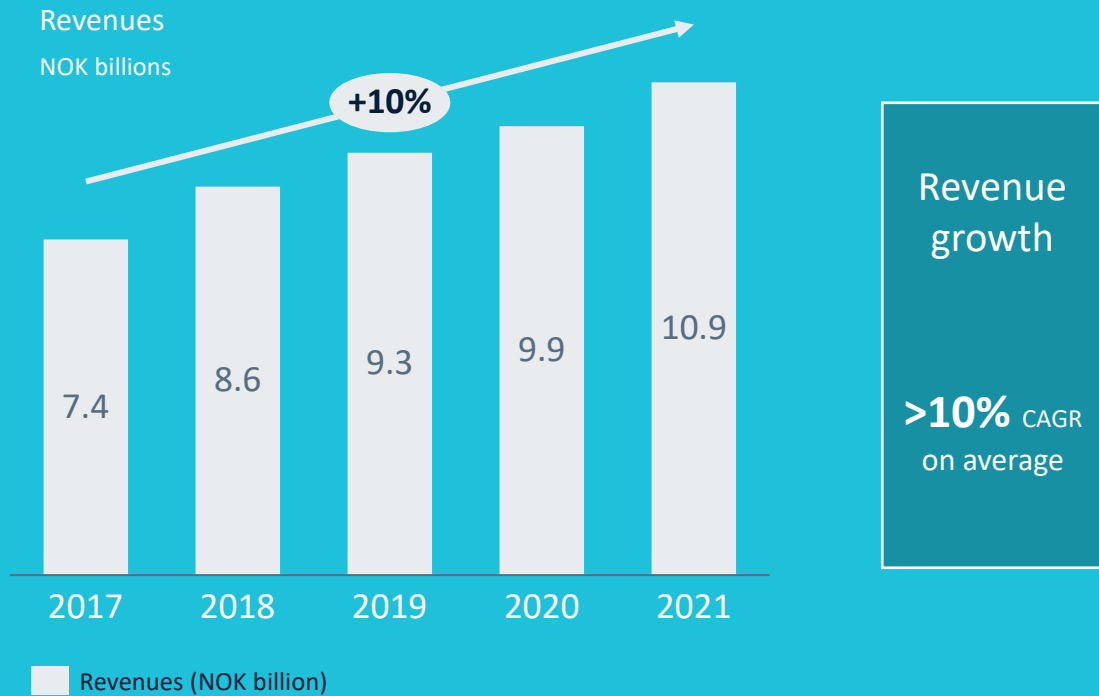
Sorted polymer fractions (e.g., HDPE, PS, PP, etc.) to be supplied to recyclers with the right quality

Accelerate
growth in core

Develop adjacent
business



Our ambition has been to grow above 10% and expand margins towards 18%



We have maintained a solid balance sheet position

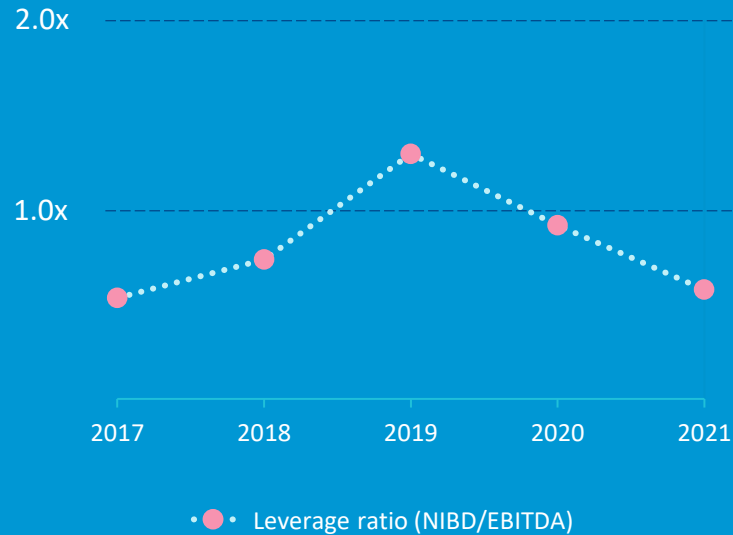
Dividend policy

Dividend payout of 40-60%



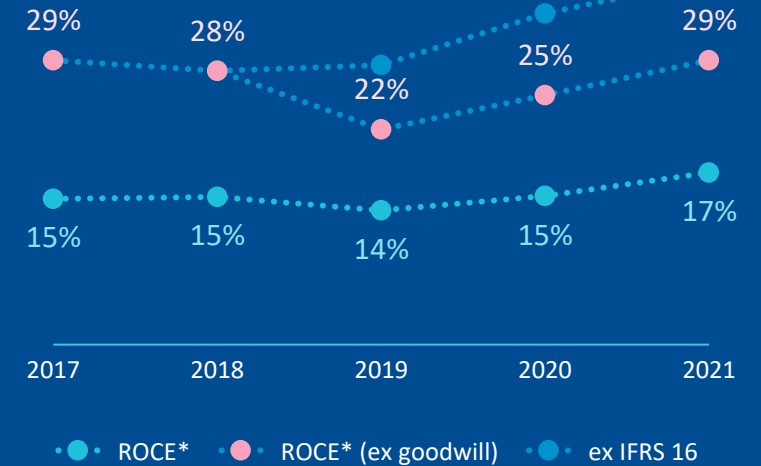
Capital structure

Maintain investment grade



Return on investment

20% ROCE on new projects



*ROCE calculated as NOPAT divided by Capital Employed, where Capital Employed equals total assets minus cash minus investments in associates minus non-interest-bearing liabilities

We aim to accelerate growth to 15% and reach 18% EBITA margin by 2027

Revenue
growth

15%
CAGR

Accelerate growth in core

Develop adjacent business

EBITA
margin

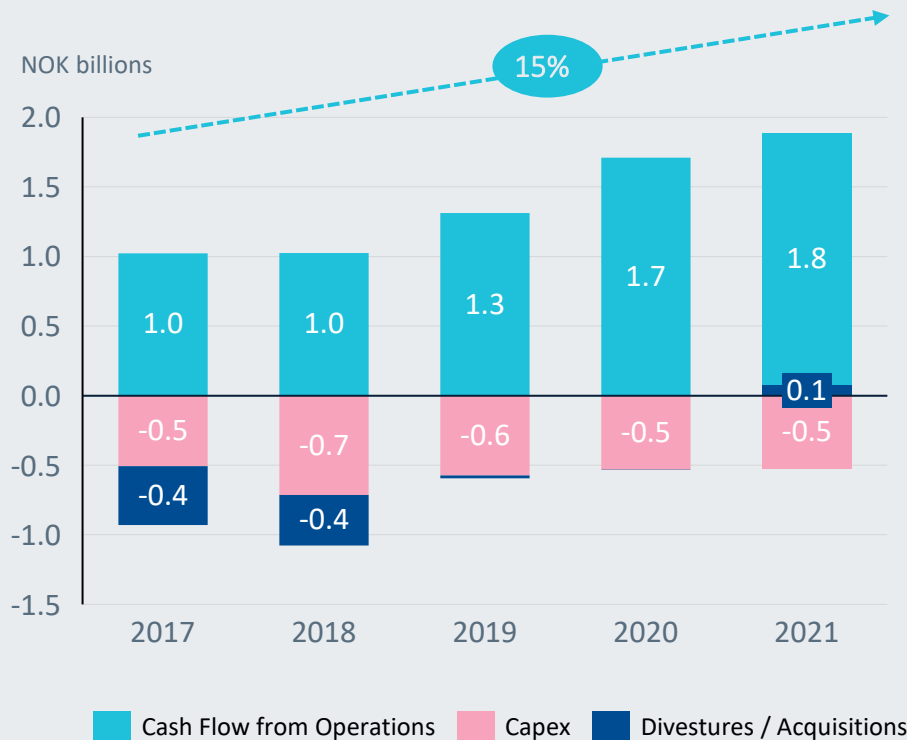
at
18%

Mitigate inflationary pressure

Efficiency and business mix

We will maintain the current dividend policy

Operating cash flow growth of 15% CAGR



Dividend
payout

40 – 60%
of EPS

Solid operating cash flow

Moderated capital needs in core

And keep an investment grade status

Capital structure
Investment grade

Low gearing and financial risk

Target green bonds for financing

A-
Scope Ratings
June 2022

Financial Risk Profile
A

Business Risk Profile
BBB+



Green Bond Framework

LEAD THE RESOURCE REVOLUTION



While

BECOME A FULLY CIRCULAR BUSINESS



And being

BE SAFE, FAIR, AND INCLUSIVE



Double the avoided emissions enabled by TOMRA products in use

Commitment to net zero emissions and setting science-based targets (to be externally verified by 2024)

100% renewable electricity

>80% reduction in operational transport emissions

>90% sustainable materials and components in all new products

>50% of our products are circular at the end of their life

Strive for zero work-related injuries and illness by providing a safe place for people and the environment

Attract diverse talents from all the colorful facets of humanity, with a goal of 50% women and men joining annually

Grow female representation in senior management to >30%

Improve employee satisfaction and engagement with top quartile NPS Score



TOMRA

Our ambitions 2022 – 2027

Revenue
growth

15%
CAGR

EBITA
margin

at
18%

Dividend
payout

40 – 60%
of EPS


Capital
structure

Investment
grade

Net Zero

Holistic
sustainability
strategy

TOMRA is uniquely positioned along global megatrends



We have set bold ambitions to double our business in the next five years

- Accelerate growth in core
- Develop adjacent business



For a sustainable planet for
generations to come



we have an obligation to grow

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