

First Quarter 2024 Results Announcement

Strong quarter in Collection; Recycling and Food profitability impacted by low volumes

TOMRA, the global technology leader in sensor-based solutions for optimal resource productivity, announces its financial results for the first quarter of 2024.

Revenues for the Group amounted to 3,322 MNOK in the quarter, in line with the first quarter last year. Collection delivered strong revenues of 2,153 MNOK, an increase of 15% (currency adjusted). In Recycling, revenues declined 16% (currency adjusted) to 529 MNOK. This is in line with the estimated backlog conversion ratio for the quarter which is impacted by a higher share of large projects with longer lead times. In Food, revenues were impacted by seasonal variation in combination with a soft order intake in the third quarter 2023 and declined 15% (currency adjusted) to 688 MNOK.

The combination of low backlog conversion and solid order intake of 881 MNOK and 924 MNOK for Recycling and Food respectively in the quarter has resulted in a record high order backlog of 2,839 MNOK for the two divisions combined.

Gross margins for TOMRA Group ended at 40% in the quarter, in line with the margin in the first quarter last year. Gross margin improvements in Collection from 38% to 40% were offset by a lower margin in Recycling due to lower volumes. The gross margin in Recycling declined to 48% from 51% compared to last year while it was unchanged in Food at 37%.

Operating expenses in the quarter were 1,157 MNOK, which is in line with the fourth quarter last year. This excludes one-off costs of 18 MNOK in the quarter which relate to the ongoing cost reduction program in Food.

EBITA, adjusted for one-off costs, amounted to 176 MNOK in the first quarter, which is a decrease from 277 MNOK last year.

Earnings per share excluding one-off costs amounted to 0.10 NOK in the first quarter, compared to 0.42 NOK last year.

Highlights 1Q 2024

(all growth figures are from the first quarter last year and adjusted for currency if not otherwise stated)

- Revenues amounted to 3,322 MNOK in TOMRA Group, in line with last year
- Revenue growth of 15% in Collection, but down 16% in Recycling and down 15% in Food
- Gross margin of 40.1%, in line with last year's 40.2%
- Operating expenses of 1,157 MNOK, adjusted for 18 MNOK in one-off costs related to the Food restructuring program, in line with the level in the previous quarter
- EBITA was 176 MNOK adjusted for food restructuring costs, and 158 MNOK including these costs
- Cash flow from operations was 228 MNOK
- Recycling order intake declined 12% while the backlog increased 9% to 1,459 MNOK – its highest level on record
- Food order intake declined 12% while the backlog increased 8% to 1,380 MNOK – its second highest level on record

Tove Andersen, President and CEO of TOMRA Systems ASA comments:

"The first quarter was another strong quarter for our Collection division with continued high activity in new deposit return scheme (DRS) markets including Romania, Victoria (AUS), Hungary, and Ireland. We are also experiencing a lot of customer interest for our new reverse vending machines (RVMs) – the R2 multi-feed machine and the RollPac backroom solution – which we believe will set a new standard in the market. In Recycling and Food, revenues came in low as estimated by the backlog conversion ratio, which resulted in low profitability in the quarter and an EBITA margin of 5% for the Group.

Looking ahead, we have a record high order backlog to deliver on in Recycling and Food combined, new DRS markets that have announced commencements in late 2024 and early 2025, and an exciting new technology portfolio to offer our customers in all three divisions. We are also pleased to announce two significant offtake agreements for TOMRA Feedstock with OMV and Borealis, to supply them with a stable flow of material for their recycling processes. This demonstrates the opportunities that lie ahead of us when industry leaders come together. Combined with a political will in the EU to adopt new legislation for increased circularity, important steps are being taken to enable a world without waste – in line with our mission at TOMRA to transform how we obtain, use and reuse our world's resources."

Webcast:

President & CEO Tove Andersen and CFO Eva Sagemo will present the results today at 08:00 CEST. The presentation and Q&A session will be sent via live webcast and will be available on demand shortly after the presentation:

https://channel.royalcast.com/landingpage/hegnarmedia/20240426_2/

Analysts and investors who would like to actively participate in the live Q&A session must register separately for the TEAMS webinar:

<https://events.teams.microsoft.com/event/1216268d-d7a2-4c2a-9ced-c74fa3f74d4d@4308d118-edd1-4300-8a37-cfeba8ad5898>

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TOMRA Systems ASA

For questions, please contact:

Eva Sagemo, CFO: +47 93 43 99 11

Daniel Sundahl, VP Head of IR: +47 913 61 899