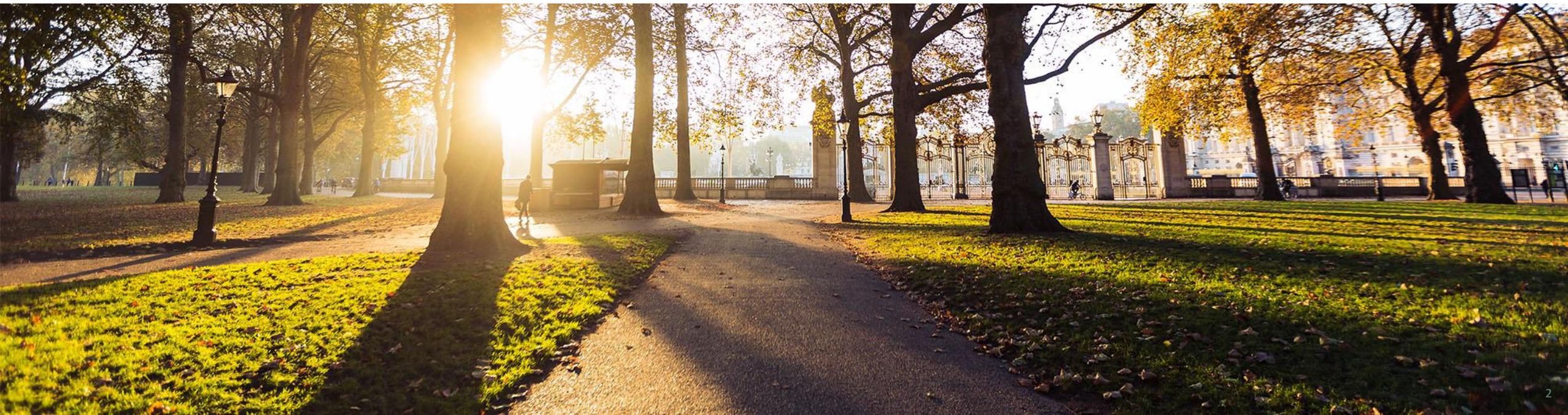


1st quarter 2020 results announcement

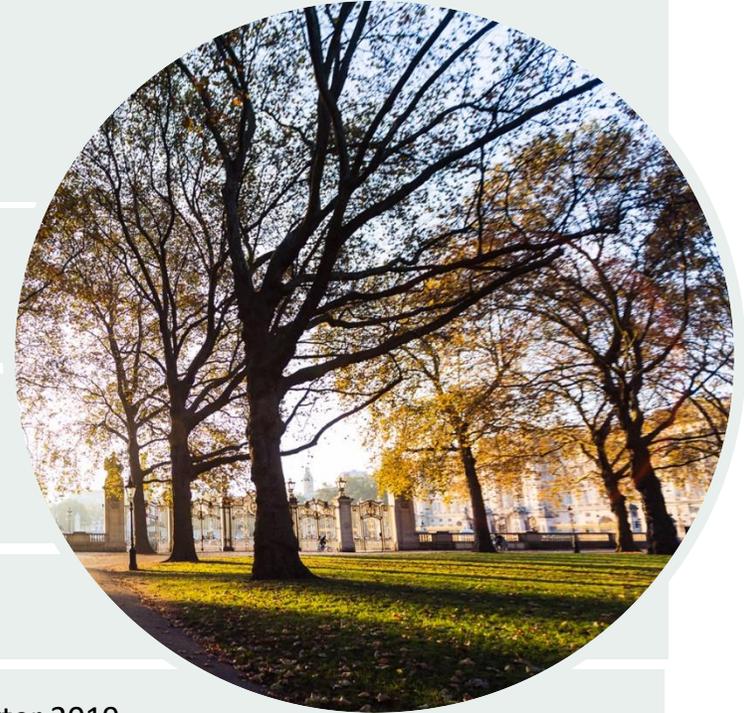


HIGHLIGHTS FROM THE QUARTER



Key financial highlights

Revenues	<ul style="list-style-type: none">• Revenues of 2,302 MNOK (2,081 MNOK in first quarter 2019) – up 11% Adjusted for currency, revenues were:<ul style="list-style-type: none">- Up 3% for TOMRA Group- Up 5% in TOMRA Collection Solutions- Up 1% in TOMRA Sorting Solutions
Gross margin	<ul style="list-style-type: none">• Gross margin 42.3% (up from 42.0% in first quarter 2019)<ul style="list-style-type: none">- Improved margins in TOMRA Sorting Solutions
Operating expenses	<ul style="list-style-type: none">• Operating expenses of 745 MNOK (667 MNOK in first quarter 2019)<ul style="list-style-type: none">- Ramp-up in TOMRA Collection Solutions and Circular Economy- Currency effects
EBITA	<ul style="list-style-type: none">• EBITA of 228 MNOK – up from 207 MNOK in first quarter 2019
Cash flow	<ul style="list-style-type: none">• Cash flow from operations of 265 MNOK – up from 229 MNOK in first quarter 2019
Order intake Tomra Sorting Solutions	<ul style="list-style-type: none">• Strong order intake and all-time high order backlog in TOMRA Sorting<ul style="list-style-type: none">- Increased order intake in all business streams, up 11% currency adjusted
COVID-19	<ul style="list-style-type: none">• Only minor impact from the pandemic in the first quarter



Highlights from the quarter

Collection Solutions

- **Revenues well above last year**
 - Growth in Northern Europe and Australia
- **Gross margin was stable** versus last year
- **Operating expenses increased** due to continued investments in ramp-up
- **EBITA increased by 9%**
- **Preparations for new deposit markets ongoing**



TOMRA at Euroshop 2020

Food

- **Improved order intake** compared to same quarter last year
- **Order backlog healthy**, up compared to end of both 4Q19 and 1Q19
- **Revenues slightly down** from last year
 - Some customer delays
- **Improved gross margin** compared to last year



TOMRA at Fruit Logistica Berlin

Recycling & Mining

- **Order intake slightly up** despite strong year-over-year comparison
- **Order backlog slightly down** compared to 1Q19 but up from 4Q19
- **Revenues slightly up** from last year
- **Gross margin slightly down** compared to same period last year



TOMRA integrates AI with its sorting technology

COVID-19 business update for TOMRA

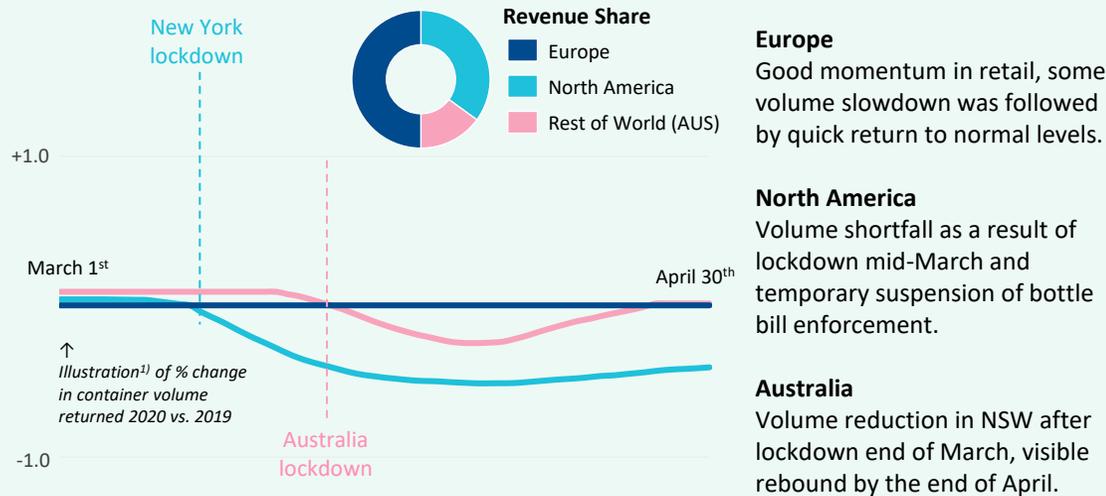
Ensuring resilient and robust business operations

Focus areas	Status	Actions
Workforce protection	<ul style="list-style-type: none">• Small number of confirmed cases• Morale has been maintained	<ul style="list-style-type: none">• Policies and actions for protection and prevention, incl. work from home procedures• Stepping up engagement and multi-channel communications• Facility and on-site norms, e.g. staggered work shifts
Customer engagement	<ul style="list-style-type: none">• Customers defined as essential business (retail, food suppliers, waste management)	<ul style="list-style-type: none">• Stay loyal, helpful and close to our customers• Leverage technology and geographical presence for better support• Monitor every project and order and take necessary actions
Supply-chain stabilization	<ul style="list-style-type: none">• Minor impact on production• Small disruptions in logistics	<ul style="list-style-type: none">• Ensure cross-tier transparency into suppliers' risks• Inventory and production management• Estimate and accelerate logistics capacity
Financial stress-testing and control	<ul style="list-style-type: none">• Satisfactory liquidity situation• Cost measures mirroring change in business activity	<ul style="list-style-type: none">• Assess financial and liquidity outlooks using scenario planning• Appropriate cash-management/working capital focus• Reduce non-essential spending
Prepare for recovery and future growth	<ul style="list-style-type: none">• Long-term outlook remains positive	<ul style="list-style-type: none">• Anticipate longer-term implications and structural changes• Balance short-term cautiousness with long-term growth ambitions• Pre-emptive moves to turn challenges into opportunities

COVID-19 business update for TOMRA Collection Solutions

Exposure to lockdowns and COVID-19 responses

Solid customer base in an essential industry, immediate term impact on volumes



Container Deposit legislations, update on selected markets²

 **Scotland - July 2022**
Final DRS regulations have been laid in the Scottish Parliament. During 2020 the legislation is expected to pass and as of 1 July 2022, the scheme will go live.

 **Western Australia - November 2020 / June 2021**
The launch date for Containers for Change has been delayed due to COVID-19. The new startup date is expected to be November 2020 or June 2021.

 **The Netherlands - July 2021**
The government announced introduction of deposit on small plastic bottles as of July 1st, 2021 in addition to already existing deposit on larger bottles.

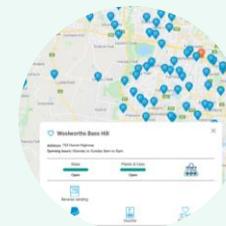
TOMRA stays close to customers and helps consumers recycle



Online Sales

New RVM machine R1 presented to customers via webinar and digital tools

Field Service
Service technicians continue to attend to our customers



Live Status

myTOMRA live status lists open times, services and payout methods available at the location

Production Continuity

No impact on operational ability
Offices and factories reopened in China



TOUCH FREE RVM RECYCLING

Scan barcode or insert your containers

Wait 15 seconds after last container is returned

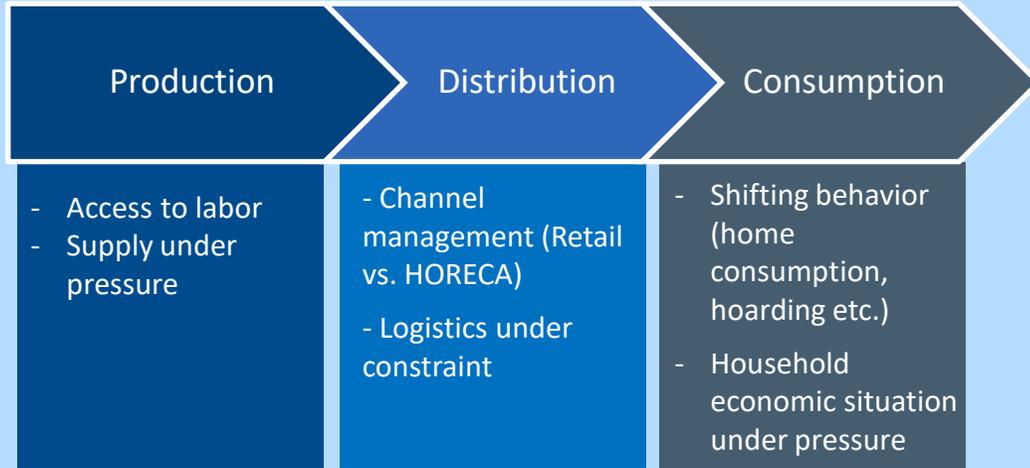
The machine will print your voucher or transfer your refund to your app

TOGETHER WE CAN HELP STOP THE SPREAD AND STAY HEALTHY.

HELP STOP THE SPREAD AND STAY HEALTHY

COVID-19 business update from TOMRA Food

Disruptions in the food value chain creating uncertainties



Processed Food:

- Lower demand potatoes sector (French fries)
- Higher demand for canned food and IQF*

Fresh Food:

- Changing preference patterns as people make food at home
- More health consciousness

Customers:

- Investment sentiment impacted
- Opportunities to bridge with service and spare parts



TOMRA taking actions to ensure business continuity

- Stay close to our customers and understand market dynamics
- Use our global scale to help pre-empt potential disruptions to our operations and supply chain
- Benefit from localized service structure and global presence
- Leverage digital technology for remote service and training tools

“...it is vital that we step up our collective efforts to keep the global food supply chain operating effectively.”

Michel Picandet – Head of TOMRA Food



TOMRA Food is making its test and demonstration centers virtual, enabling participants to see first-hand TOMRA's sorting solutions in action.

COVID-19 business update for TOMRA Recycling & Mining

Different customer segments posing different characteristics

Municipal Solid Waste

- Defined as critical infrastructure
- Strong regulatory drivers
- Public tenders



Plastics upgrading

- Demand for r-PET from big FMCGs
- Other applications affected by lower demand and commodity prices



Metal

- Influenced by lower demand from e.g. automation / construction sector
- Sensitive to commodity prices



Mining

- Influenced by lower demand
- Lengthier investment decisions



TOMRA being a proactive solution-seeker

TOMRA technology helping recycling operations to decrease number of manual sorters in times of labor shortage while increasing material purity.



TOMRA team doing its utmost to maintain first-class service, ensuring ongoing on-site support for several mines.

#StayConnected

TOMRA Recycling continues being your trusted partner in times of Corona virus and provides focused information on the way forward. We're in this together and we'll come out of this together.

[Learn More](#)

TOMRA Recycling creates temporary COVID-19 portal to increase customer intimacy and demonstrate its capacity on sales and support.

Circular Economy Highlights – We forge ahead

EUROPEAN PLASTICS PACT

Bringing together frontrunner companies and governments to accelerate the transition towards a European circular plastics economy

- Plastics are **strong, durable and versatile** and can help cut carbon emissions
- After short **first-use**, **95% of plastic packaging value is lost** (EMF, 2017)
- In Europe only around **30% is recycled** (Plastics Europe 2019)

COLLECTIVE ACTION BY EUROPEAN PLASTICS PACT

VIRGIN PLASTIC SUPPLY

- Use **20% less virgin plastics with 10% absolute reduction**
- Design **100% recyclable and reusable products where possible**
- Use at least **30% of recycled plastics in new plastics**
- Increase recycling rate by **25%**

TOMRA signed the European Plastic Pact to accelerate transition towards a Circular Economy

TOMRA
8,510 followers
1mo • Edited

Our President & CEO, **Stefan Ranstrand** recently attended the **Alliance To End Plastic Waste** executive committee and board meeting in Houston, Texas. There has been great progress in developing the strategy and the leadership team is now complete. Collaboration is vital for executing our mission of ending plastic waste forever. #endplasticwaste #circulareconomy ...see more

Stefan Ranstrand • 1st
President & CEO at TOMRA
3mo

Last week I spent an inspiring day at #Davos2020. It was refreshing to see other global leaders focusing on environmental issues and the need to transition to a circular economy was high on the agenda. It was a great way to start the year and reinforce the importance of collaboration across the entire value chain and closing the loop on plastics. #circulareconomy #wef20 World Economic Forum ...see more

TOMRA engages in a set of initiatives through the Alliance to End Plastic Waste

Home > Sustainability > P&G Signs Deal With Viridor For 200m Bottles' Worth Of Recycled Plastic

Sustainability World News

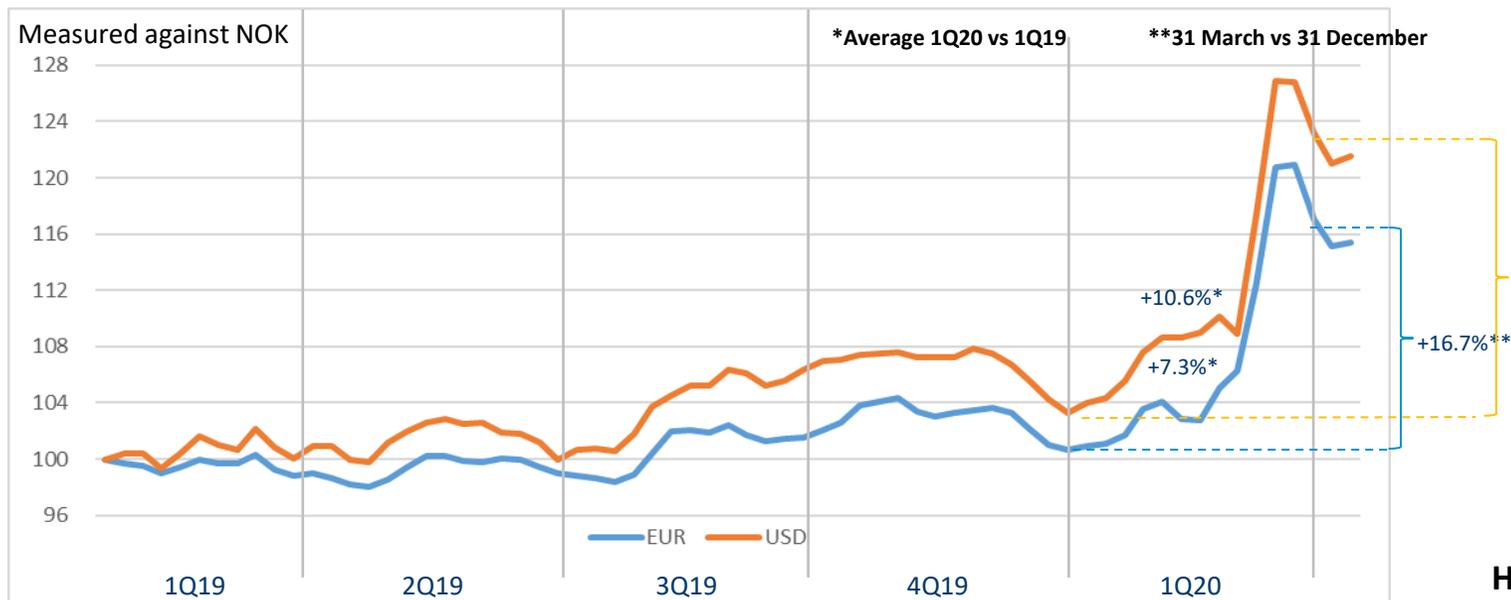
P&G Signs Deal With Viridor For 200m Bottles' Worth Of Recycled Plastic

TOMRA provides expertise and solutions to enable high quality upgrade of recycled plastics



FINANCIALS AND OUTLOOK

Currency risk and hedging policy



10% change in NOK towards other currencies will impact:

	Revenues	Expenses	EBITA
EUR*	4.5%	4.0%	7.0%
USD	3.5%	2.5%	8.0%
OTHER**	2.0%	3.0%	-4.0%
ALL	10.0%	9.5%	11.0%

Revenues and expenses per currency:

	EUR ¹	USD	NOK	OTHER ²	TOTAL
Revenues	45 %	35 %	0 %	20 %	100 %
Expenses	40 %	25 %	5 %	30 %	100 %

Assets and liabilities per currency:

	EUR ¹	USD	NOK	OTHER ²	TOTAL
Assets	50 %	15 %	15 %	20 %	100 %
Liabilities	60 %	10 %	20 %	10 %	100 %

¹ EUR includes DKK

² 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

Decomposition of currency effects on TOMRA's financials*

EFFECT ON BALANCE SHEET

A

Currency effect on total assets:

- In %: +14%
- In NOK: +1,495 MNOK

B

Currency effect on total liabilities:

- In %: +14%
- In NOK: +792 MNOK

C

Currency effect on equity:

- In %: +14%
- In NOK: +703 MNOK

STATEMENTS OF FINANCIAL POSITION (MNOK)	31 March	31 Dec
	2020	2019
ASSETS		
Deferred tax assets	343,4	307,3
Intangible non-current assets	3 882,4	3 480,9
Tangible non-current assets	1 438,6	1 293,2
Right of use assets	1 199,1	1 036,4
Financial non-current assets	463,3	406,1
Inventory	1 943,3	1 596,1
Receivables	2 535,6	2 287,7
Cash and cash equivalents	444,0	459,7
TOTAL ASSETS	12 249,7	10 867,4
EQUITY & LIABILITIES		
Majority equity	5 717,3	5 076,4
Non-controlling interest	207,0	170,3
Deferred taxes	97,8	145,0
Lease liability	1 260,3	1 101,7
Long-term interest bearing liabilities	1 783,6	1 588,3
Short-term interest bearing liabilities	155,0	291,7
Accounts payables	649,3	502,4
Contract liabilities	622,4	491,8
Other liabilities	1 757,0	1 499,8
TOTAL EQUITY & LIABILITIES	12 249,7	10 867,4

EQUITY (MNOK)	Paid in capital	Transl. reserve	Actuarial Gain / (Loss)	Retained earnings	Total majority equity	Non-controlling interest	Total equity
Balance per 31 December 2019	1 065,8	719,0	(109,7)	3 401,3	5 076,4	170,3	5 246,7
Net profit				(29,0)	(29,0)	3,6	(25,4)
Changes in translation difference		669,9			669,9	33,1	703,0
Dividend to shareholders					0,0		0,0
Balance per 31 March 2020	1 065,8	1 388,9	(109,7)	3 372,3	5 717,3	207,0	5 924,3

EFFECT ON PROFIT AND LOSS STATEMENT

STATEMENT OF PROFIT AND LOSS (MNOK)	1st Quarter	
	2020	2019
Operating revenues	2 302,0	2 080,5
Cost of goods sold	1 328,8	1 207,0
Gross contribution	973,2	873,5
Operating expenses	744,9	666,9
EBITA	228,3	206,6
Amortizations	55,8	52,0
EBIT	172,5	154,6
Net financial income	(206,4)	(7,4)
Profit before tax	(33,9)	147,2
Taxes	(8,5)	35,3
Net profit	(25,4)	111,9
Non-Controlling interest (Minority interest)	(3,6)	(4,0)
Earnings per share (EPS)	(0,20)	0,73

D

Currency effect on Revenues

- In %: +8%
- In NOK: +163 MNOK

E

Currency effect on EBITA

- In %: +11%
- In NOK: +23 MNOK

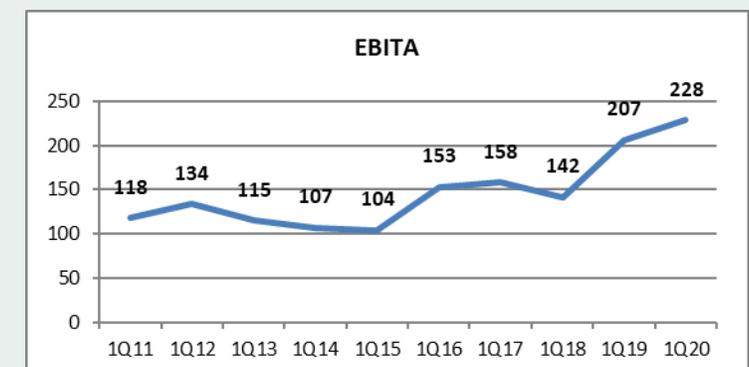
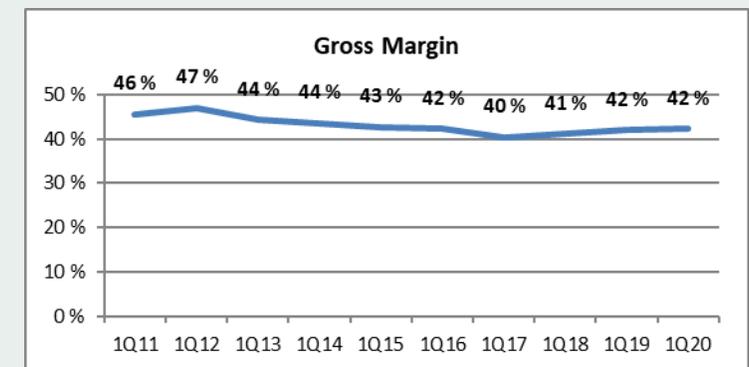
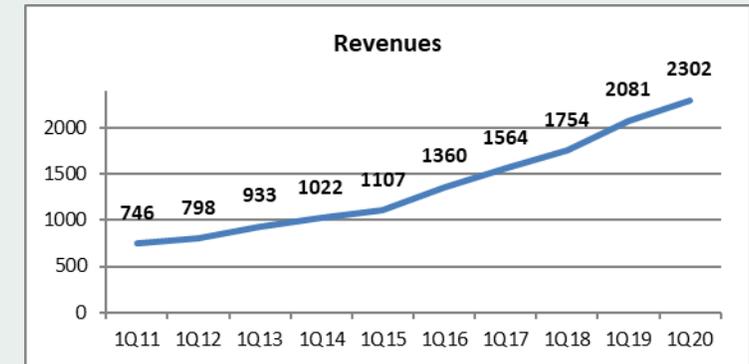
F

Currency effect included in Net financial income

- In NOK: -190 MNOK (cashflow hedge at 31 March rates)

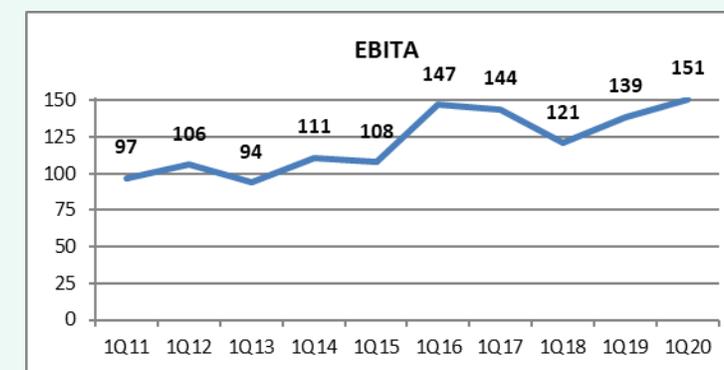
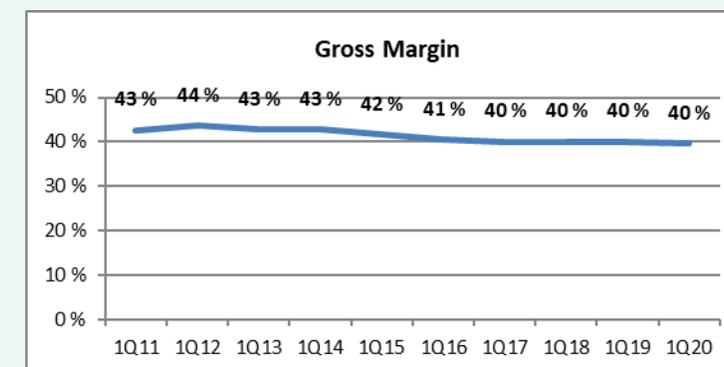
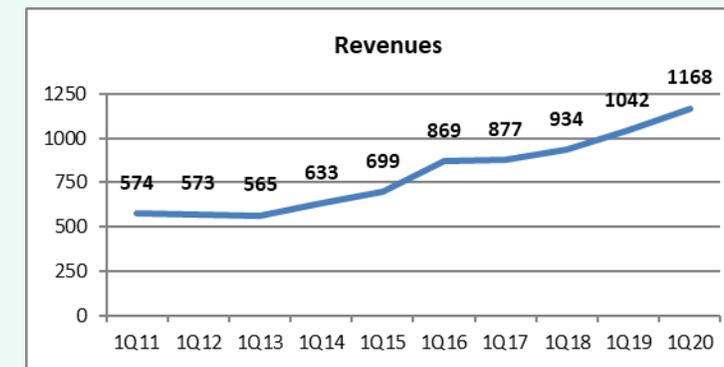
Financial highlights | P&L statement

	1 st quarter		
Amounts in NOK million	2020	2019	2019 Adj*
Revenues	2,302	2,081	2,244
Collection Solutions	1,168	1,042	1,116
Sorting Solutions	1,134	1,039	1,128
Gross contribution	973	874	944
<i>in %</i>	42%	42%	42%
Operating expenses	745	667	714
EBITA	228	207	230
<i>in %</i>	10%	10%	10%



Collection Solutions financials

	1 st quarter		
<i>Amounts in NOK million</i>	2020	2019	2019 Adj*
Revenues	1,168	1,042	1,116
Northern Europe	192	152	
Europe (ex Northern)	423	391	
North America	386	353	
Rest of the world	167	146	
Gross contribution	462	417	445
<i>in %</i>	<i>40%</i>	<i>40%</i>	<i>40%</i>
Operating expenses	311	278	297
EBITA	151	139	148
<i>in %</i>	<i>13%</i>	<i>13%</i>	<i>13%</i>



Europe	North America	Australia
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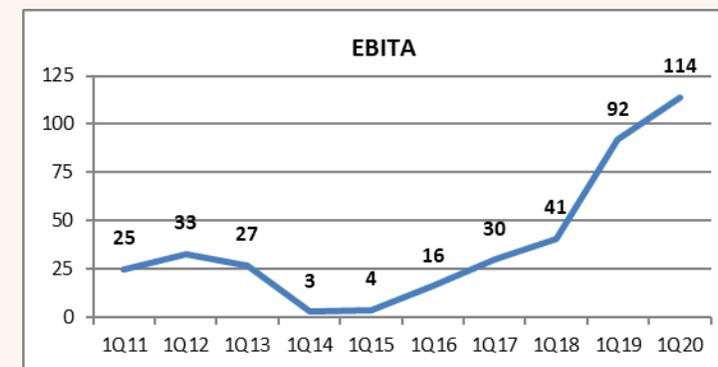
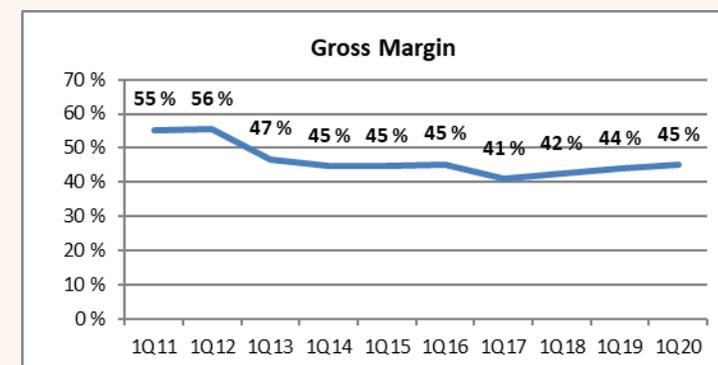
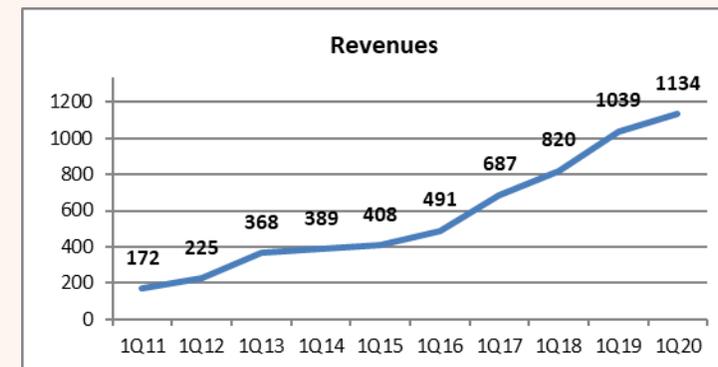
- Currency adjusted, revenues were up 6% in Europe
- Improved activity in Northern Europe
- Stable activity in Central Europe
- Netherlands moves towards deposit expansion

- Currency adjusted, revenues were unchanged in North America
- Overall stable machine sales
- Improved throughput volumes until mid-March

- Good volume development continued in both NSW and QSL until late March

Sorting Solutions financials

	1 st quarter		
<i>Amounts in NOK million</i>	2020	2019	2019 Adj*
Revenues	1,134	1,039	1,128
Europe	473	403	
America	358	359	
Asia	152	149	
Rest of the world	151	128	
Gross contribution	511	457	499
<i>in %</i>	45%	44%	44%
Operating expenses	397	365	391
EBITA	114	92	108
<i>in %</i>	10%	9%	10%



P/L	Food	Recycling/Mining
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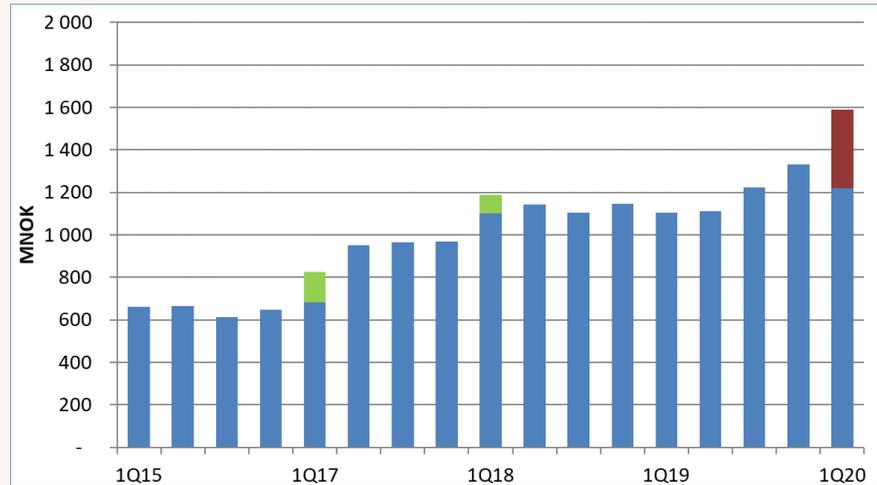
- Revenues up 9%
 - Up 1% adjusted for currencies
- EBITA up 24%
 - Up 6% adjusted for currencies

- Improved order intake
- Revenues slightly down
- Improved gross margin

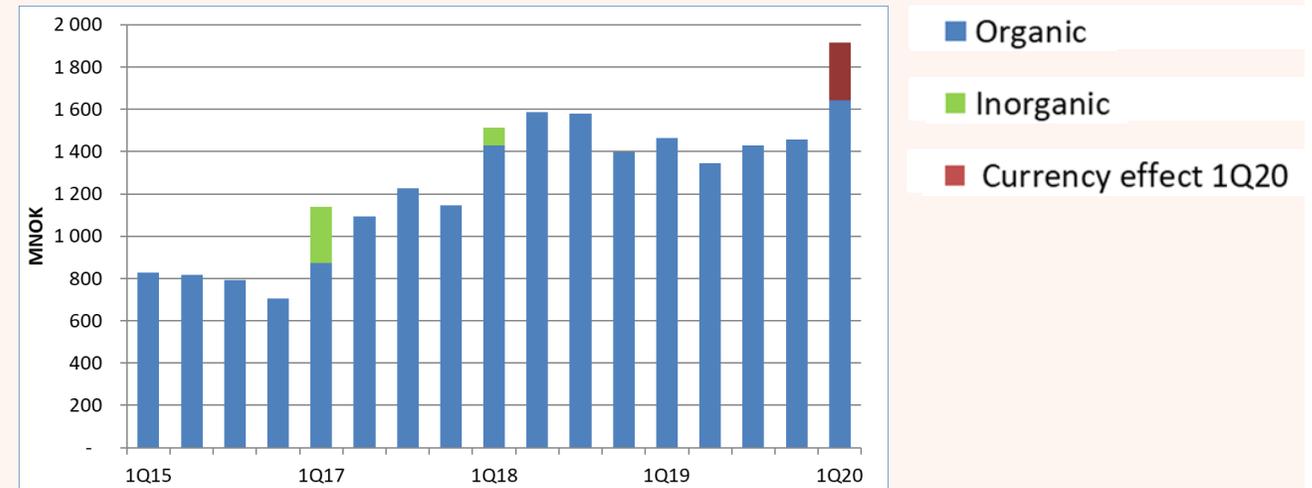
- Order intake slightly up
- Revenues slightly up
- Gross margin slightly down

Development in order intake and order backlog

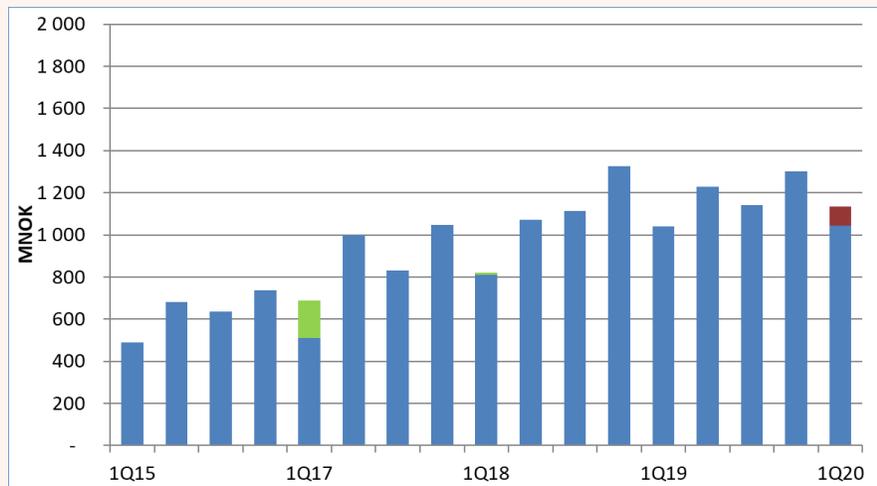
Order intake



Order backlog



Revenues



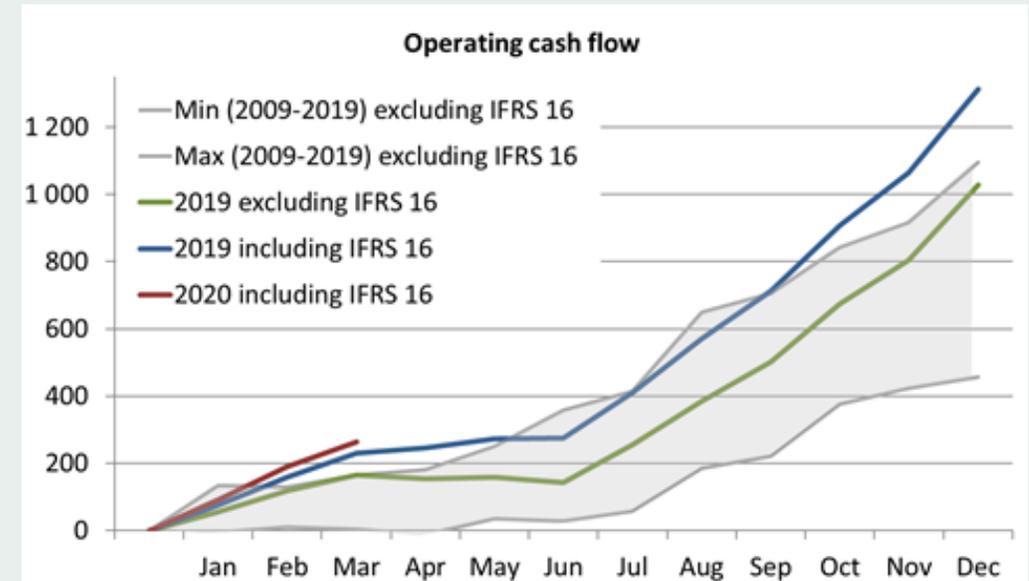
- **TOMRA Sorting Solutions:**

- Revenues of 1,134 MNOK, up from 1,039 MNOK last year
- Order intake of 1,591 MNOK in the quarter, compared to 1,104 MNOK same quarter last year, up 11% currency adjusted
- All time high order backlog of 1,915 MNOK at the end of 1Q20, up from 1,458 MNOK at the end of 4Q19 – up 13% currency adjusted

- **Estimated backlog conversion ratio in 2Q20: 60-65%***

Financial highlights | Balance sheet and cash flow

	31 March		31 Dec
<i>Amounts in NOK million</i>	2020	2019	2019
ASSETS	12,250	10,695	10,868
Intangible non-current assets	4,226	3,765	3,788
Tangible non-current assets	2,638	2,281	2,330
Financial non-current assets	463	343	406
Inventory	1,943	1,563	1,596
Receivables	2,536	2,267	2,288
Cash and cash equivalents	444	476	460
LIABILITIES AND EQUITY	12,250	10,695	10,868
Equity	5,924	5,222	5,247
Lease liabilities	1,260	1,044	1,102
Interest-bearing liabilities	1,939	1,543	1,880
Non interest-bearing liabilities	3,127	2,886	2,639



Ordinary cashflow from operations

- 265 MNOK in the first quarter (229 MNOK in first quarter 2019)

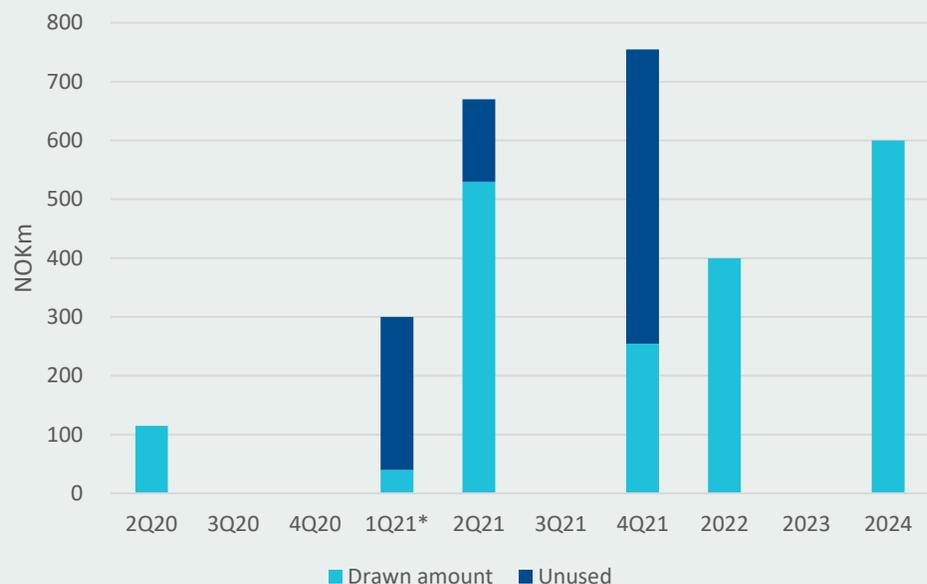
Solidity and gearing

- 48% equity ratio
- NIBD/EBITDA (Rolling 12 months)
 - 0.9x without IFRS 16
 - 1.4x including IFRS 16

TOMRA has a solid financial position

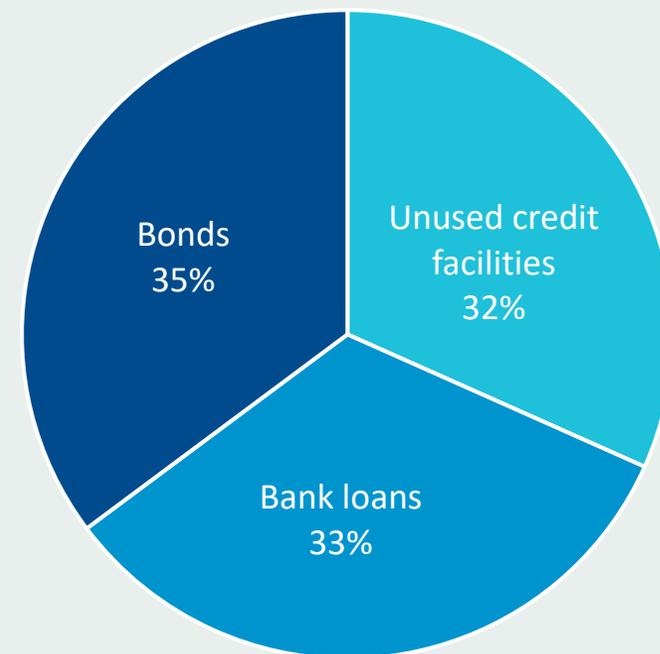
Debt maturity profile

- Weighted average debt maturity of 2.3 years
- All interest-bearing debt except for the overdraft is swapped to EUR and is exposed to EUR/NOK exchange rate.



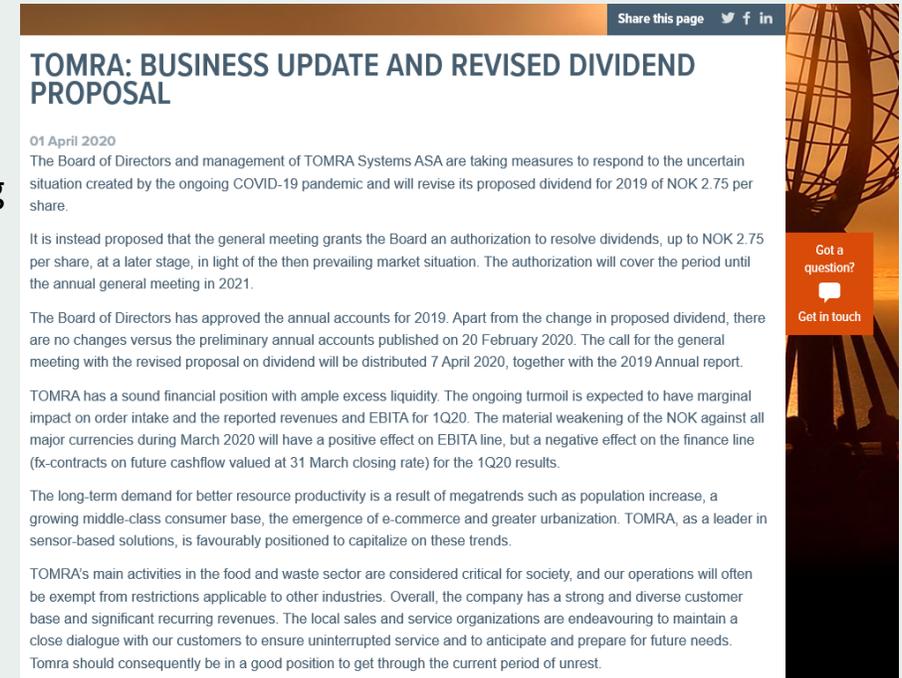
Current funding sources

- TOMRA has a satisfactory liquidity situation with available unused credit lines of approx. 900 MNOK
- The senior unsecured bonds (no financial covenants) of 1000 MNOK (swapped to EUR) have been successfully listed on Oslo Stock Exchange
- The financial covenant related to the bank debt is minimum equity ratio of 30%



Update from Annual General Meeting 2020

- **Revised dividend proposal approved:**
 - Board is granted an authorization to resolve dividends, up to NOK 2.75 per share, at a later stage
 - The authorization covers the period until the annual general meeting in 2021
- **PwC selected as new auditor:**
 - KPMG has been the auditor for several years
 - Tender process with participation from Deloitte, EY and PwC
 - PwC nominated by the audit committee
- **No changes in composition of the Board of Directors**
 - All shareholder elected members of the Board of Directors from 2019 have been re-elected



The screenshot shows a webpage titled "TOMRA: BUSINESS UPDATE AND REVISED DIVIDEND PROPOSAL" dated 01 April 2020. The text explains that due to the COVID-19 pandemic, the Board of Directors is revising the 2019 dividend proposal from NOK 2.75 per share to a later stage. It also mentions the approval of 2019 annual accounts and the selection of PwC as the new auditor. The page includes social media sharing options and a "Get in touch" button.

Share this page [t](#) [f](#) [in](#)

TOMRA: BUSINESS UPDATE AND REVISED DIVIDEND PROPOSAL

01 April 2020
The Board of Directors and management of TOMRA Systems ASA are taking measures to respond to the uncertain situation created by the ongoing COVID-19 pandemic and will revise its proposed dividend for 2019 of NOK 2.75 per share.

It is instead proposed that the general meeting grants the Board an authorization to resolve dividends, up to NOK 2.75 per share, at a later stage, in light of the then prevailing market situation. The authorization will cover the period until the annual general meeting in 2021.

The Board of Directors has approved the annual accounts for 2019. Apart from the change in proposed dividend, there are no changes versus the preliminary annual accounts published on 20 February 2020. The call for the general meeting with the revised proposal on dividend will be distributed 7 April 2020, together with the 2019 Annual report.

TOMRA has a sound financial position with ample excess liquidity. The ongoing turmoil is expected to have marginal impact on order intake and the reported revenues and EBITA for 1Q20. The material weakening of the NOK against all major currencies during March 2020 will have a positive effect on EBITA line, but a negative effect on the finance line (fx-contracts on future cashflow valued at 31 March closing rate) for the 1Q20 results.

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 favourably positioned to capitalize on these trends.

TOMRA's main activities in the food and waste sector are considered critical for society, and our operations will often be exempt from restrictions applicable to other industries. Overall, the company has a strong and diverse customer base and significant recurring revenues. The local sales and service organizations are endeavouring to maintain a close dialogue with our customers to ensure uninterrupted service and to anticipate and prepare for future needs. Tomra should consequently be in a good position to get through the current period of unrest.

Got a question?
Get in touch

Stock market announcement from TOMRA dated 1 April 2020

Outlook

Collection Solutions

- Europe showing resilience, but delays in installations should be expected
- Throughput volumes dependent on length and severity of lockdown
- Growth in ramp-up expenses slows down

Sorting Solutions - Food

- Solid order backlog as basis, but delays in installations should be expected
- Order intake in processed food negatively influenced

Sorting Solutions – Recycling/Mining

- Underlying good momentum
- Deviations between business streams due to impact of lower commodity prices and industrial demand

Currency

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



Q&A



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