

Fourth Quarter 2023 Results Announcement

All-time high revenues with strong performance in Collection and Recycling; Food restructuring on track

TOMRA, the global technology leader in sensor-based solutions for optimal resource productivity, announces its financial results for the fourth quarter of 2023.

Collection and Recycling delivered solid revenue growth of 26% and 18% respectively (currency adjusted) while revenues in Food declined 20% compared to the fourth quarter last year. For the full year, revenues have grown 18% in both Collection and Recycling but declined 7% in Food. Overall growth in TOMRA Group was 10% in the quarter and 11% for the full year, leading to all-time high revenues of 4,123 MNOK in the fourth quarter and 14,756 in 2023.

Gross margins for TOMRA Group increased to 44% in the quarter compared to 42% last year, driven by improvements in Collection and Recycling. In Food, the gross margin declined to 42% from 45% due to lower volumes. For the full year, TOMRA Group's gross margin improved to 43% from 41% last year.

Operating expenses in the quarter include 374 MNOK in one-off costs, of which 86 MNOK are related to the cyberattack and 288 MNOK to the cost reduction program in Food. Adjusted for these, operating expenses were 1,179 MNOK which is an increase of 13% compared to the same quarter last year (currency adjusted).

EBITA, adjusted for one-off costs, amounted to 626 MNOK in fourth quarter, which is an increase of 12% from last year. For the full year, adjusted EBITA amounted to 1,873 MNOK, which is a decrease of 1% from 2022.

Earnings per share in 2023 amounted to 3.63 NOK excluding one-off costs, compared to 3.48 NOK in 2022. The Board of Directors proposes an ordinary dividend of 1.95 NOK per share for 2023, corresponding to an increase of 8% from last year and a payout ratio of 54% of adjusted EPS.

Highlights 4Q 2023

(all growth figures are from the fourth quarter last year and adjusted for currency)

- Revenues amounted to 4,123 MNOK in TOMRA Group, up 10%
- Revenue growth of 26% in Collection and 18% in Recycling, but -20% in Food
- Gross margin improved to 43.8%, corresponding to an increase of 1.4 percentage points
- Operating expenses of 1,179 MNOK, adjusted for 374 MNOK in one-off costs related to the Food restructuring program and the cyberattack
- EBITA was 626 MNOK adjusted for food restructuring and cyberattack costs, and 252 MNOK including
- Cash flow from operations was 1,316 MNOK
- Recycling order intake increased 11% and the backlog 5%
- Food order intake increased 15% while the backlog decreased 3%
- The Board of Directors proposes a dividend of NOK 1.95 per share

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

"Over the last months, activity in TOMRA has been high with four new markets – Romania, the state of Victoria (AUS), Hungary, and Ireland – introducing a deposit return scheme (DRS), leading to strong revenue growth in the quarter. DRS is a proven system to boost recycling rates, and it is encouraging to see that seven existing DRS systems around the world have been expanded and modernized in the same period. Building on our reverse vending technology, we are now also piloting the world's first open managed deposit system for reusable takeaway packaging in Aarhus, Denmark. In Recycling, we continue to deliver on a strong order backlog, recognizing all-time high revenues in the quarter and a currency adjusted order intake growth of 11%. In Food, we are making firm progress on our cost reduction program and are on track to deliver 10-11% EBITA margin run-rate at the end of 2024."

"Overall, Collection and Recycling delivered growth and EBITA margin improvements in 2023, well in line with our strategic ambitions of an average annual growth rate of 15% and EBITA margin improvement to 18% by 2027. In Food, we are taking firm actions to improve profitability and refocus the organization to be ready when growth in the market returns. While it is a softer market sentiment momentarily, looking ahead we are confident in the long-term demand for increased circularity and better resource productivity. TOMRA is well-positioned to enable a world without waste – transforming 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/hegnarmedia#!/hegnarmedia/20240215_6

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/fc63c672-02db-4362-b6c9-b7a865cc1c9d@4308d118-edd1-4300-8a37-cfeba8ad5898>

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TOMRA Systems ASA

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