



2nd quarter 2024 results announcement

TOMRA Systems ASA

19 July 2024

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TOMRA Capital Markets Day 2024

September 5th, 2024
Alicante, Spain

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to gain valuable insights into
TOMRA's strategy
and solutions
at the heart of Europe's
citrus cultivation



Registrations will
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in breakout meetings



Experience TOMRA's
solutions firsthand at
a guided TOMRA Food
customer visit

Quarterly highlights





Financial highlights

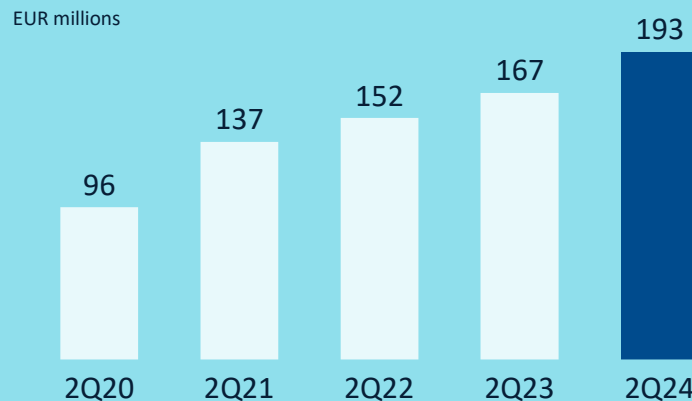
Revenues	<ul style="list-style-type: none">• Total revenue of 333 MEUR (332 MEUR in 2Q 2023). Compared to 2Q 2023 revenues were:<ul style="list-style-type: none">- Flat for TOMRA Group- Up 15% in Collection- Down 15% in Recycling- Down 16% in Food
Gross margin	<ul style="list-style-type: none">• Gross margin at 44% (42% in 2Q 2023)<ul style="list-style-type: none">- Improvement in all three divisions
Operating expenses	<ul style="list-style-type: none">• Operating expenses of 101 MEUR adjusted for special items (96 MEUR in 2Q 2023)<ul style="list-style-type: none">- Flat development compared to the last two quarters
EBITA, adj.	<ul style="list-style-type: none">• EBITA, adjusted for special items of 44 MEUR (46 MEUR in 2Q 2023)
Special items	<ul style="list-style-type: none">• One-off costs of 0.5 MEUR relating to Food restructuring
Cash flow	<ul style="list-style-type: none">• Cash flow from operations of 34 MEUR (3 MEUR in 2Q 2023)
Order intake and backlog	<ul style="list-style-type: none">• Recycling order intake of 65 MEUR (74 MEUR in 2Q 2023) and order backlog of 133 MEUR (121 MEUR in 2Q 2023)• Food order intake of 83 MEUR (85 MEUR in 2Q 2023) and order backlog of 119 MEUR (96 MEUR in 2Q 2023)



Collection Business update

- Strong sales in all regions.
- In new markets, high activity continued in Romania and picked up in Austria.
- European Distribution Hub launched in Poland, positioning TOMRA for future growth and reducing our CO2 footprint.
- Continued success with early rollout of new product portfolio including the RollPac backroom solution which has won both the iF and Red Dot design awards.

Continued revenue growth up 15% compared with 2Q 2023



TOMRA RollPac

Redefining reverse vending
with space-efficient
solutions



Tasmania – 2H 2024

The Tasmanian bottle bill was passed in 2022 with implementation expected in second half 2024 ([link](#)).



Uruguay – December 2024

A deposit return scheme for beverage containers is in process of implementation, originally planned to commence by the end of 2024 ([link](#)).



Austria – 1 January 2025

Introduction of deposit on single-use beverage containers ([link](#)).



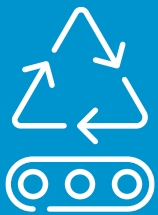
Poland – 1 January 2025

A DRS law was published by the Government of Poland on 12 September 2023 ([link](#)). The system will allow multiple system operators with the first one having been assigned in March 2024 ([link](#)).



Singapore – 1 April 2025

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

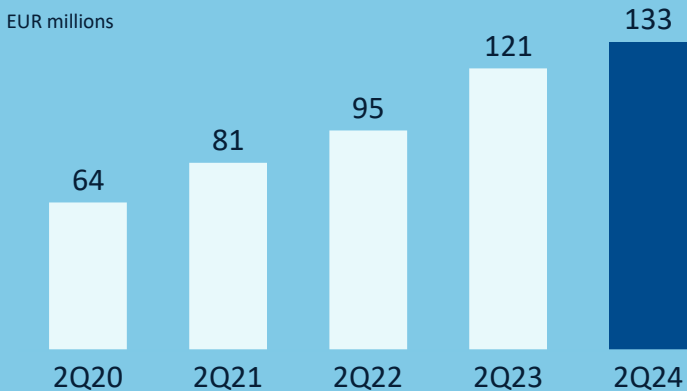


Recycling Business update

- Revenues in line with expected lower backlog conversion ratio, driven by a higher share of large projects with longer lead times.
- Softer market sentiment continues in European plastics recycling.
- Opening of TriPlast (pictured below) – Austria’s most advanced sorting plant for lightweight packaging featuring a combination of TOMRA’s AI-powered solutions combined with 38 AUTOSORT units.

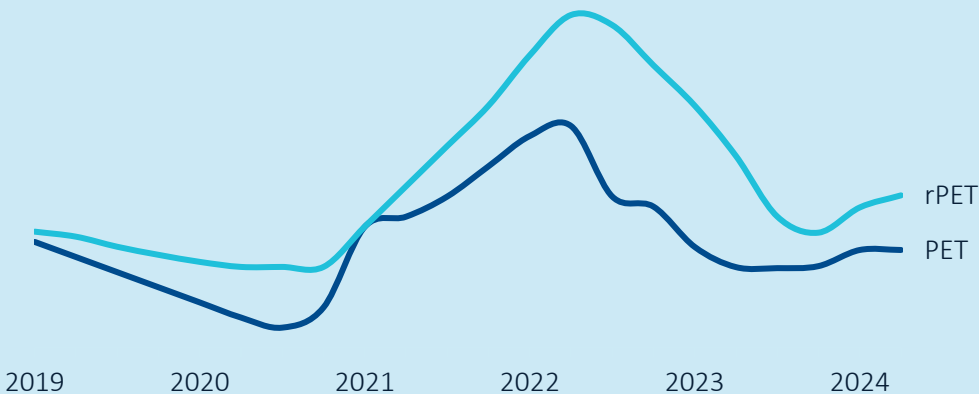


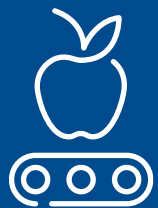
Record-high order backlog
up 9% compared with 2Q 2023



Price development (illustrative) of virgin PET and recycled PET (rPET)

PET = virgin-derived polyethylene terephthalate
rPET= recycled polyethylene terephthalate (comparable to virgin PET)





Food Business update

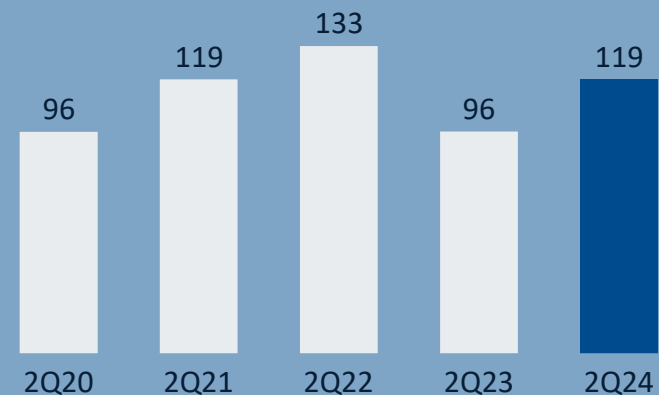
- Revenue down compared to a strong 2Q 2023.
- Soft market sentiment in fresh food categories while the potato category continues to perform well.
- Cost reduction and restructuring program is progressing according to plan.
- The last units out of Hamilton, New Zealand have been produced with production now consolidated to main production site in Slovakia.



TOMRA production hall, Slovakia

Solid order backlog
up 23% compared with 2Q 2023

EUR millions



Financials and outlook

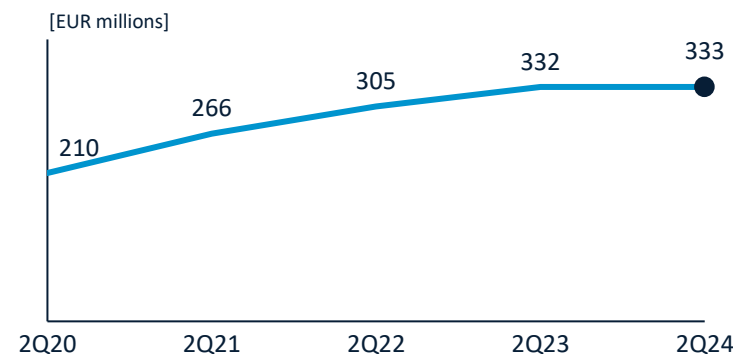


Group P&L Highlights

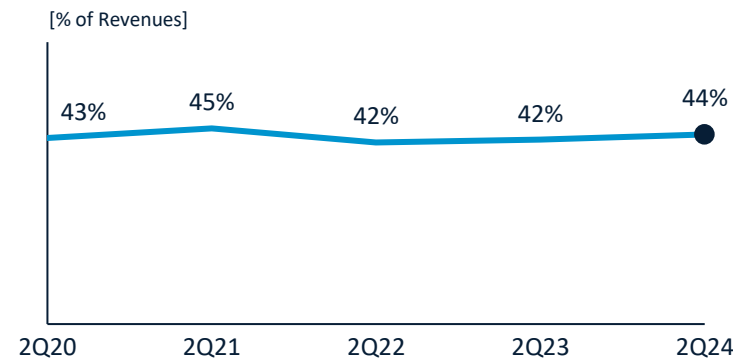
	2nd Quarter		1st Half Year	
<i>Amounts in EUR million</i>	2024	2023	2024	2023
Revenues	333	332	623	626
Collection	193	167	381	333
Recycling	57	68	104	123
Food	82	97	142	169
Gross contribution	145	141	262	259
<i>in %</i>	<i>44%</i>	<i>42%</i>	<i>42%</i>	<i>41%</i>
Operating expenses	101	96	203	189
EBITA, adj.	44	46	59	70
<i>in %</i>	<i>13%</i>	<i>14%</i>	<i>9%</i>	<i>11%</i>
Special items*	-1	0	-2	
EBITA	43	46	57	70
<i>in %</i>	<i>13%</i>	<i>14%</i>	<i>9%</i>	<i>11%</i>

*Food restructuring costs

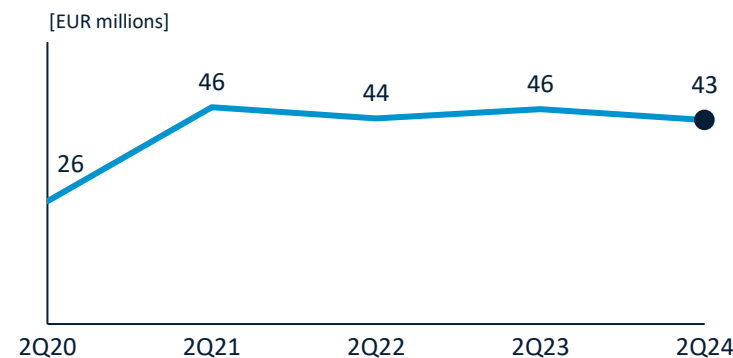
Revenues



Gross margin



EBITA

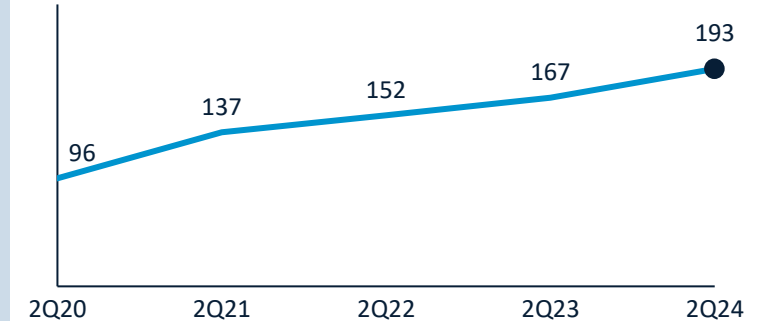


Collection P&L Highlights

	2nd Quarter		1st Half Year	
<i>Amounts in EUR million</i>	2024	2023	2024	2023
Revenues	193	167	381	333
Northern Europe	26	26	50	50
Europe (ex Northern)	93	76	190	156
North America	50	49	93	90
Rest of the world	23	16	48	37
Gross contribution	78	65	154	129
<i>in %</i>	<i>40%</i>	<i>39%</i>	<i>40%</i>	<i>39%</i>
Operating expenses	46	39	91	77
EBITA	32	26	62	51
<i>in %</i>	<i>16%</i>	<i>16%</i>	<i>16%</i>	<i>15%</i>

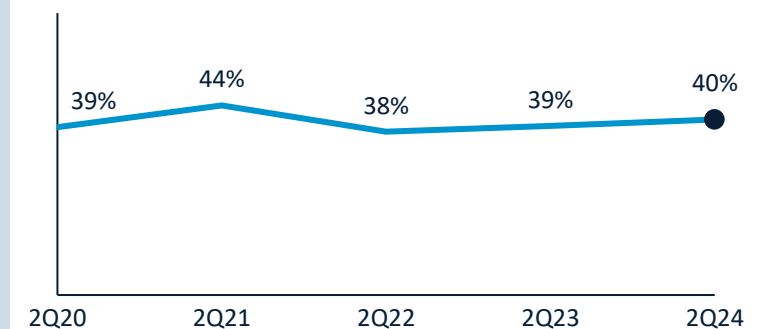
Revenues

[EUR millions]



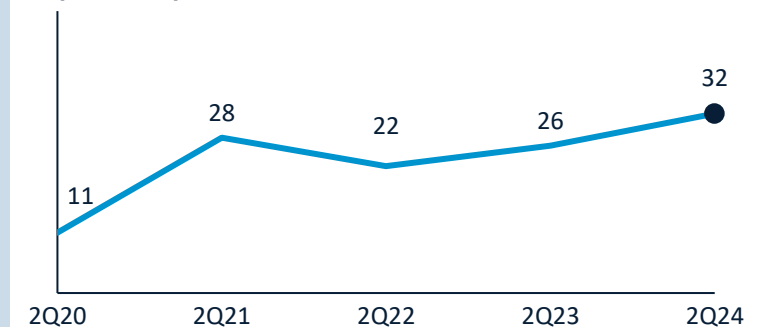
Gross margin

[% of Revenues]



EBITA

[EUR millions]

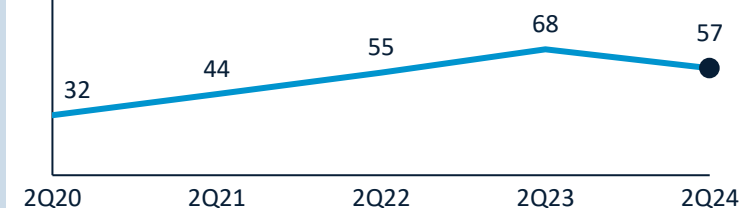


Recycling P&L Highlights

	2nd Quarter		1st Half Year	
<i>Amounts in EUR million</i>	2024	2023	2024	2023
Revenues	57	68	104	123
Europe	40	34	62	64
Americas	5	14	20	28
Asia	6	12	14	21
Rest of the world	6	7	9	10
Gross contribution	30	35	52	63
<i>in %</i>	53%	51%	50%	51%
Operating expenses	20	19	42	38
EBITA	10	15	11	24
<i>in %</i>	17%	22%	10%	20%

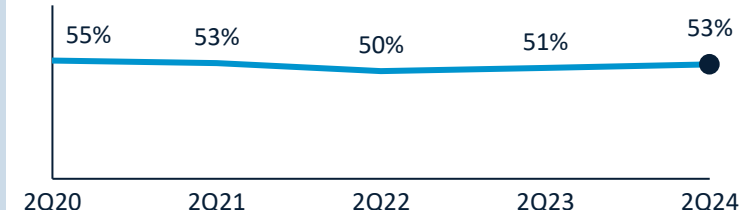
Revenues

[EUR millions]



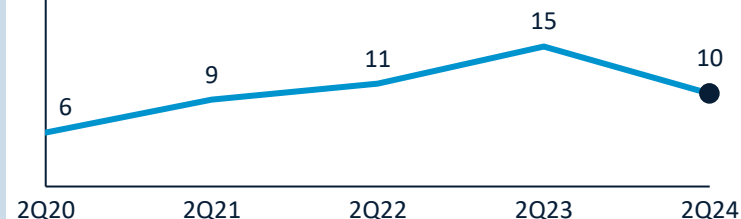
Gross margin

[EUR millions]



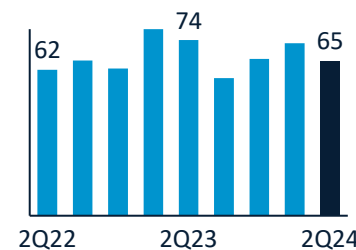
EBITA

[EUR millions]



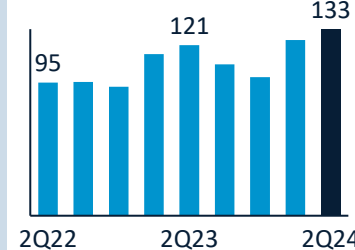
Order intake

[EUR millions]



Order backlog

[EUR millions]



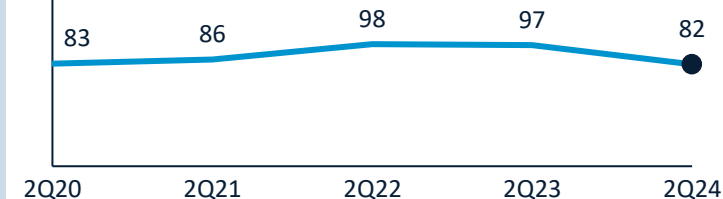
Food P&L Highlights

	2nd Quarter		1st Half Year	
<i>Amounts in EUR million</i>	2024	2023	2024	2023
Revenues	82	97	142	169
Europe	27	33	43	53
Americas	39	43	67	81
Asia	8	7	17	14
Rest of the world	8	14	15	21
Gross contribution	37	42	59	68
<i>in %</i>	<i>45%</i>	<i>43%</i>	<i>42%</i>	<i>40%</i>
Operating expenses	29	32	57	63
EBITA, adj.	8	10	3	5
<i>in %</i>	<i>10%</i>	<i>10%</i>	<i>1.8%</i>	<i>3%</i>
Special items*	-1		-2	
EBITA	8	10	0	5
<i>in %</i>	<i>10%</i>	<i>10%</i>	<i>0%</i>	<i>3%</i>

*Food restructuring costs

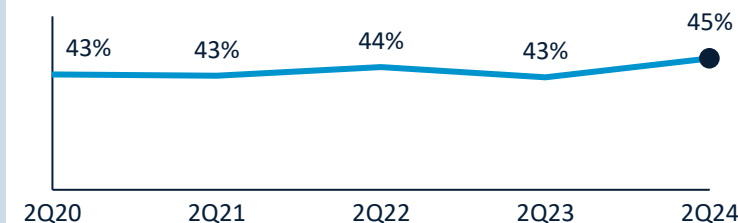
Revenues

[EUR millions]



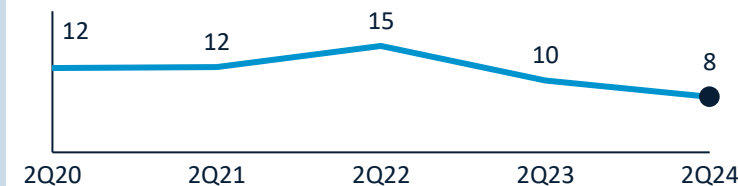
Gross margin

[EUR millions]



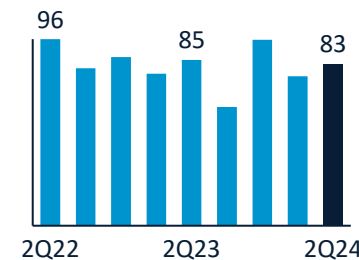
EBITA

[EUR millions]



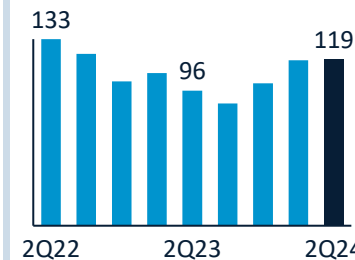
Order intake

[EUR millions]



Order backlog

[EUR millions]

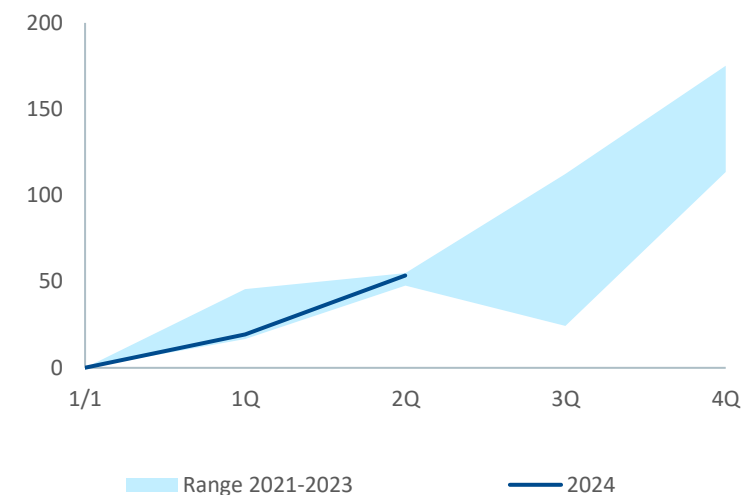


Balance sheet and cash flow

	30 Jun		31 December
<i>Amounts in EUR million</i>	2024	2023	2023
ASSETS	1,502	1,334	1,469
Intangible non-current assets	409	386	407
Tangible non-current assets	310	252	286
Financial non-current assets	62	54	62
Inventory	254	243	237
Receivables	378	343	374
Cash and cash equivalents	89	55	104
LIABILITIES AND EQUITY	1,502	1,334	1,469
Equity	588	599	614
Lease liabilities	142	125	139
Interest-bearing liabilities	370	253	299
Non-interest-bearing liabilities	402	358	417

Cash flow from operations, YTD

[EUR millions]



Cashflow from operations

- Cash flow from operations of 34 MEUR (3 MEUR in 2Q 2023)

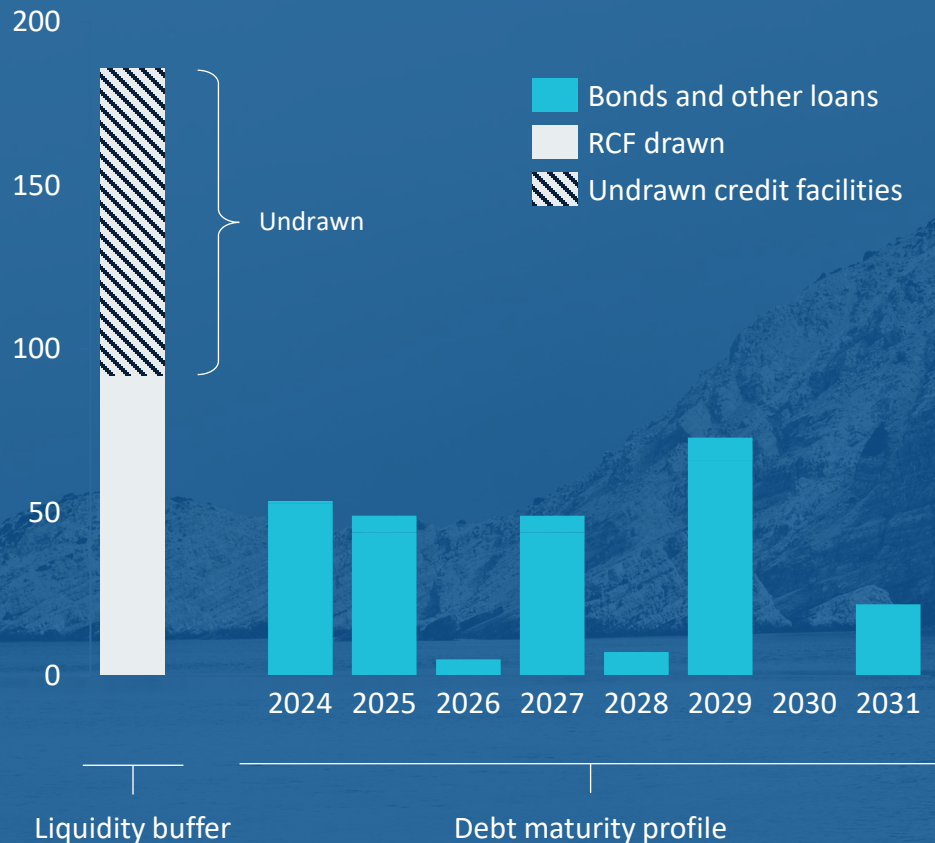
Solidity and gearing

- 39% equity ratio
- NIBD/EBITDA (rolling 12 months) of 2.3x

Financial position

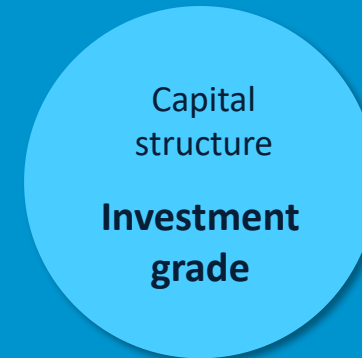
Financing

EUR millions



- 1,000 MNOK green bonds issued 3 April 2024
- Weighted average debt maturity of 2.4 years
- Bonds and other loans includes Eksfin financing and 228 MEUR senior unsecured bonds of which 175 MEUR are green bonds
- Bonds issued in NOK are swapped to EUR, thus exposed to EUR/NOK exchange rate fluctuations
- Liquidity buffer includes 150 MEUR RCF maturing in 2025, undrawn Eksfin financing, and 26 MEUR unused cash-pool overdraft facility
- The financial covenant related to bank debt is minimum equity ratio of 30 %

Capital structure



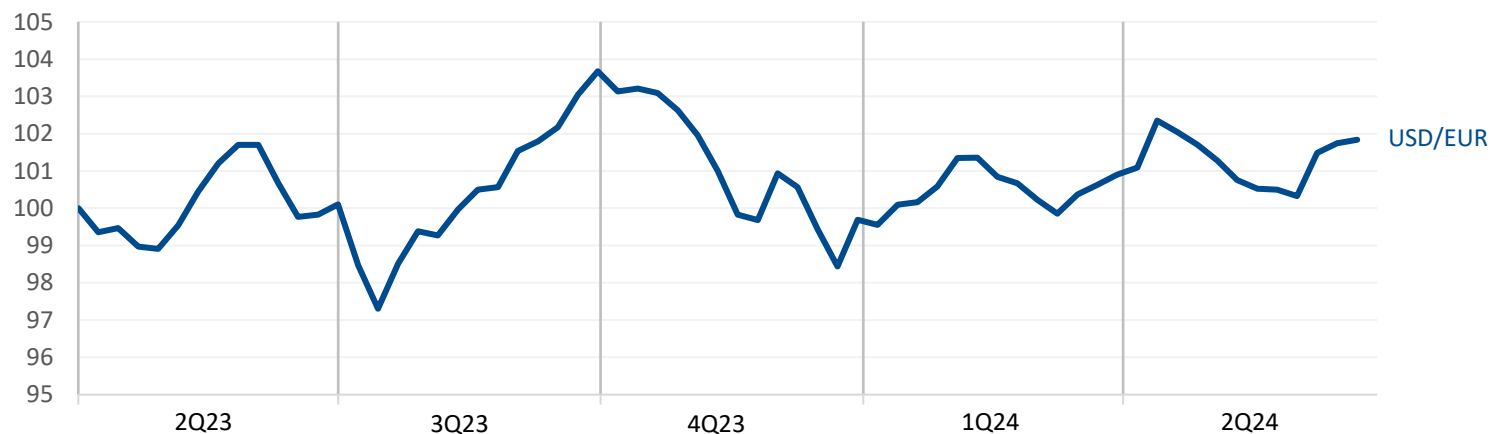
- Low gearing and financial risk
- Target green bonds for financing



- Business risk profile: BBB+
- Financial risk profile: A

Currency risk and hedging policy

USD/EUR average 2Q24 vs 2Q23: +1.2%



Revenues and expenses per currency:

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

Assets and liabilities per currency:

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

¹ Most important: AUD, NZD

NOTE: Estimated and rounded figures

Currency sensitivity

A strengthening/ weakening of EUR towards other currencies of 10% would normally decrease/increase EBITA by ~5%.

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 as net financial items, 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 new and expanding markets.• Quarterly performance will be dependent upon timing of new initiatives.
Recycling	<ul style="list-style-type: none">• Currently softer market sentiment leading to slower short-term growth.• Demand for recycled materials is expected to create attractive growth opportunities.• Based on the order backlog at the end of the second quarter, a 45% conversion ratio is estimated to be recognized as revenues in the third quarter.
Food	<ul style="list-style-type: none">• Challenging macroeconomic environment is delaying customer investments.• Need for automation and increased quality and safety requirements create opportunities mid and long term.• Full savings effect of 30 MEUR cost reduction program expected by end of 2024.• Based on the order backlog at the end of the second quarter, a 65% conversion ratio is estimated to be recognized as revenues in the third quarter.
Other	<ul style="list-style-type: none">• Capital expenditures from Horizon activities of 40-50 MEUR are expected in 2024, primarily related to the two Feedstock sorting plants.
Currency	<ul style="list-style-type: none">• TOMRA's global operations exposes the financial results to currency fluctuations. TOMRA will generally benefit from a stronger USD due to the revenue exposure.

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