

FIRST QUARTER 2020

RESULTS ANNOUNCEMENT

On solid ground to navigate through the turmoil

Revenues in the first quarter 2020 amounted to 2,302 MNOK, up 11% from 2,081 MNOK in first quarter last year. Organic, currency adjusted revenues were up 3% for the group, 5% for TOMRA Collection Solutions and 1% for TOMRA Sorting Solutions.

Gross margin was slightly up from 42.0% to 42.3 %, reflecting stable margins in TOMRA Collection Solutions and improved margins in TOMRA Sorting Solutions.

Operating expenses totaled 745 MNOK in the quarter, an increase from 667 MNOK in first quarter last year due to ramp-up in TOMRA Collection Solutions and Circular Economy and currency effects.

EBITA reached 228 MNOK in first quarter 2020, up from 207 MNOK in same period last year.

Cash flow from operations in first quarter 2020 were 265 MNOK, compared to 229 MNOK in first quarter 2019.

TOMRA's reporting currency, the NOK, depreciated significantly against all major currencies during March 2020. As a result, assets and liabilities have both increased 14% in value and equity improved 703 MNOK during the first quarter. Net financial item on the income statement reflects a net currency loss of 190 MNOK due to currency hedging contracts recorded at market value using closing exchange rates for the quarter. The weakening of the NOK has also had a material positive impact on order intake and backlog in TOMRA Sorting Solutions.

Over the past quarter, the extent of the COVID-19 virus as a global pandemic has become apparent and TOMRA has responded resolutely to the unprecedented challenges.

"Ensuring people's safety and wellbeing remains a top priority for us and considerable efforts have been invested into protection, prevention, engagement and transparent communication. TOMRA remains close to its customers and continues to provide expertise and support, leveraging remote connectivity and its geographical footprint. While we strive to manage our operations and ensure business continuity, we also seek to understand the longer-term implications and seize potential opportunities. TOMRA's strategy and ambitions stays firm, as we also see calls for rebuilding towards broader sustainability and resilience," says Stefan Ranstrand, President and CEO of TOMRA.

Collection Solutions: Major markets showing resilience, some impact of lockdown

Revenues equaled 1,168 MNOK in the first quarter 2020, up from 1,042 MNOK in first quarter last year. After adjustment for currency changes, revenues were up 5% fueled by higher activity in Northern Europe and Australia.

Gross margin was 40%, unchanged from last year. Operating expenses amounted to 311 MNOK, up from 278 MNOK last year, mainly due to currencies and cost related to the preparation for new deposit markets.

EBITA was 151 MNOK, an increase from 139 MNOK first quarter last year.

The main customer group of Collection Solutions are retailers, which are regarded as society critical businesses and remain sound through the crisis. Container return volumes mirror the severity of lockdown measures imposed by governments worldwide. Europe has been less impacted, while impact in North America has been material. Australia experienced a dip in volume but has picked up again going into May.

Sorting Solutions: Tackling uncertainties backed by all-time high order backlog

Revenues equaled 1,134 MNOK in first quarter 2020, up 1% in local currencies. Gross margin was 45%, up 44% from same period last year.

Operating expenses were up from 365 MNOK to 397 MNOK, up 1.5% currency adjusted.

EBITA increased from 92 MNOK in first quarter 2019 to 114 MNOK in first quarter 2020, positively influenced by topline growth and gross margin improvements.

Order intake was 1,591 MNOK in first quarter 2020, up 11% currency adjusted from first quarter last year with increased order intake in all business streams. The order backlog ended at an all-time high of 1,915 MNOK, compared to 1,458 MNOK same period last year, representing an 13% increase adjusted for currencies.

Both food supply and waste management are defined as essential business operations. However, the industries face disruptions in different ways, amongst others labor shortage and logistics challenges. Customers of TOMRA Sorting Solutions – Food are in demand of critical support, but also experience uncertainties related to economic outlook and future demand. Recycling is supported by strong megatrends for sustainability, but some segments are also exposed to commodity price fluctuations and industrial demand.

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Webcast link: <https://events.webcast.no/tomra/kvartalspresentasjoner/tomra-systems-asa-q1-presentation-2020>

There will be a Q&A after the presentation and the recorded webcast will be made available on TOMRA's webpage www.TOMRA.com.

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