1st quarter 2021 results announcement

TOMRA Systems ASA
23 April 2021

HIGHLIGHTS FROM THE QUARTER

Key financial highlights

Revenues	• **Revenues of 2,291 MNOK** (2,302 MNOK in first quarter 2020) Adjusted for currency, revenues were: - Up 3% for TOMRA Group - Up 21% in TOMRA Collection Solutions - Down 33% in TOMRA Recycling Mining - Flat in TOMRA Food
Gross margin	• **Gross margin 42.5%** (slightly up from 42.3% in first quarter 2020) - Higher margins in TOMRA Collection Solutions and lower in TOMRA Recycling Mining
Operating expenses	• **Operating expenses of 733 MNOK**, flat from last year in comparable currencies - Positive effect from cost measures, increased activity level in Collection Solutions
EBITA	• **EBITA of 240 MNOK** – up from 228 MNOK in first quarter 2020
Cash flow	• **Cash flow from operations of 269 MNOK** – compared to 265 MNOK in first quarter 2020
Order intake	• **Order intake 1,385 MNOK** in TOMRA Food and TOMRA Recycling Mining, all time high adjusted for currencies - Positive momentum in all divisions and segments - All time high order backlog of 1,928 MNOK, up 14% currency adjusted compared to first quarter 2020
COVID-19	• Limited impact, primarily regarding meeting new customers, cross-border travel and logistics

Business update for TOMRA Collection Solutions

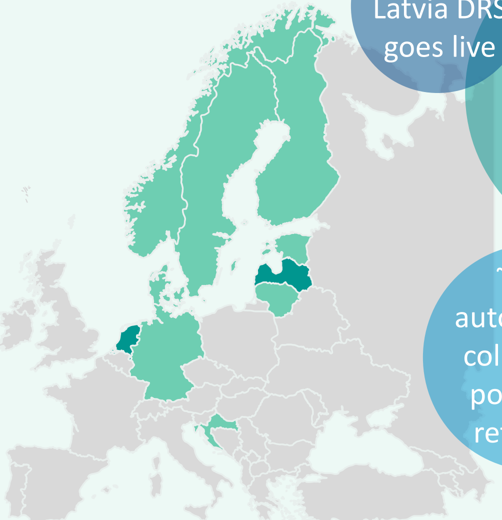
Solid growth driven by European markets

1 JUL 2021
Netherlands expansion

36
expert lines soon installed in The Netherlands

1 FEB 2022
Latvia DRS goes live

The DRS introduction in Latvia completes Northern Europe as a front runner within circular economy



~800
automated collection points at retailers

Collection Solutions

- Growth of 35% in Europe in the period compared to first quarter 2020
- Successful expansion in The Netherlands, high activity level in Germany and the positive momentum in Northern Europe continues
- Stable business in North America
- Positive quarter over quarter volume development in Australia

Update on new deposit markets[1)]

The Netherlands – July 2021 and December 2022 (expansion)

- In April 2020, the DRS was extended to include deposit on small plastic bottles as of July 2021[2)].
- In February 2021, the decision of deposit introduction on cans was announced[3)] with start date on December 31st, 2022.

Slovakia – January 2022

- In September 2020, Slovakia announced implementation of a deposit system on beverage packaging as of January 1st, 2022.
- In January 2021, the scheme administrator was selected[4)].

Latvia – February 2022

- In August 2020, Latvia announced the introduction of a deposit system starting February 1st, 2022[5)].
- On April 9th this year TOMRA was selected as reverse vending technology provider. A negotiation period will follow with contract signing scheduled for July 1st, 2021.

Scotland – July 2022

- In May 2020, the Scottish Parliament approved DRS regulations with the commencement date on July 1st, 2022.
- In March 2021, the scheme administrator was appointed.

Victoria – 2023

- In April 2021[6)], the government of Victoria announced a split responsibility model for DRS to start in 2023.

1) Legislative updates according to official government statements
2) https://www.rijksoverheid.nl/documenten/rapporten/2020/10/09/bijlage-01-ontwerpbesluit-metalen-drankverpakkingen
3) https://nos.nl/artikel/2367153-kogel-door-de-kerk-per-31-december-2022-statiegeld-op-blikjes.html
4) https://www.minzp.sk/aktuality/milnik-priprave-zalohoveho-systemu-minister-budaj-predstavil-spravcu-ktory-zavedie-system-zalohovania-pet-flias.html
5) https://www.diena.lv/raksts/latvija/zinas/parakstits-ligums-par-atkritumu-depozita-sistemas-ieviesanu-latvija-14255277
6) https://www.premier.vic.gov.au/victoria-set-deliver-cash-cans

Business update for TOMRA Recycling Mining

All time high order backlog[1] at the end of first quarter

Waste sorting and plastics recycling

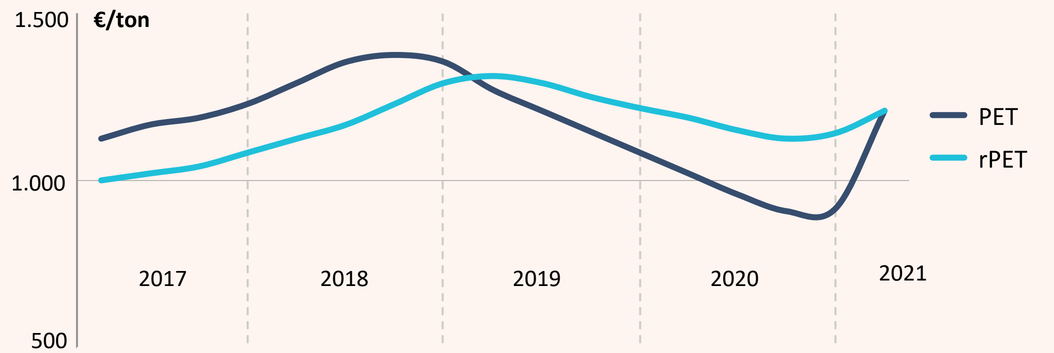
- Good momentum in the order intake
- All time high order backlog in waste sorting and plastics upgrading

Metal recycling and mining

- Positive development in the order intake
- Improved industrial demand and commodity prices
- Launch of a new mining product for small diamonds recovery

High commodity prices support the recycling market

Illustration[2] of price development of virgin PET and recycled PET (rPET)



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

Product launch – recovery of small diamonds

- Diamonds and gemstones represent the largest application category in mining
- The TOMRA COM XRT 300 /FR sorter completes the portfolio offering enabling TOMRA to be a one-stop shop for diamonds sorting

1) The order backlog in TOMRA Recycling Mining in first quarter 2021 was 20% up currency adjusted compared to end of first quarter 2020

2) The chart is intended for illustration purposes and should not be used as factual evidence

Business update for TOMRA Food

Positive momentum in both fresh and processed food

Processed Food

- Improved investment sentiment
- Strong order intake in potatoes and the nuts and dried fruit categories

Fresh Food

- Sustained growth in fresh food
- All time high order intake driven by blueberry, cherry and kiwi

Order intake growth[1)] of 24% quarter over quarter

Nuts & dried fruit sorting

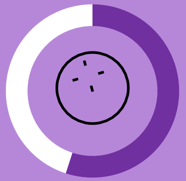
30-35%

Market share worldwide[**)]

- Second largest category in processed food
- Successful launch of the new TOMRA 5C sorter for nuts and dried fruit which incorporates the digital offering TOMRA Insight

- Top category in fresh food, together with apples and citrus
- Good momentum, order intake
- AI offering (LUCAi™) in blueberry sorting

Blueberry sorting



50-60%

Market share worldwide

*) Not including peelers, where TOMRA's market share is ~70%
**) Includes best estimates of market size for high volume sub-categories in developing markets. TOMRA's market share in our focus sub-categories and regions is up to ~80%

1) Currency neutral growth rate

Circular Economy – TOMRA is the go-to partner

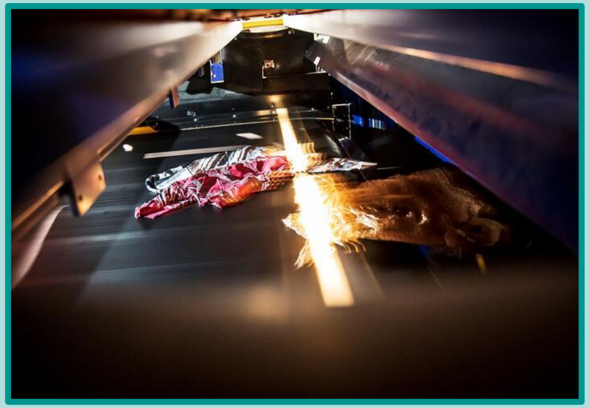
Joint forces
Bridge the quality gap

Henkel "One major challenge towards more circular packaging is the availability of high-quality recycled plastics that can be used in the packaging of our brands."

Dr. Thorsten Leopold, Director International Packaging Technology Home Care Henkel

New food grade material
Recycled polystyrene (rPS)

Styrenics Circular Solutions, which TOMRA is part of has filed the first application for EU authorization of mechanically recycled polystyrene as food contact material.



Innovation in applications
Textile sorting

TOMRA and Stadler delivered the first automated plant for textile sorting as part of the Swedish Innovation Platform for Textile Sorting, a government-funded project.

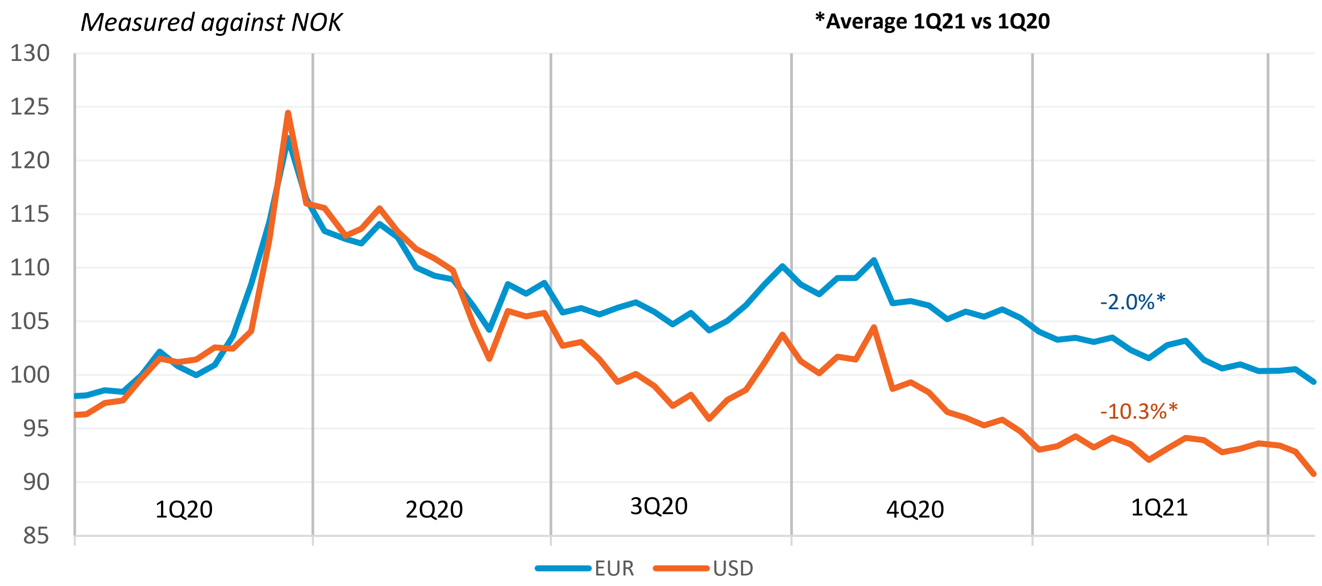
Circular solutions
Counting and sorting center

TOMRA and Viridor have formed a partnership in a bid to design, build and operate counting and sorting centers for the Scottish deposit return scheme.

https://recycling.tomra.com/blog/tomra-and-stadler-deliver-the-worlds-first-fully-automated-textile-sorting-plant
http://styrenics-circular-solutions.com/wp-content/uploads/2021/03/20210309-SCS-seeks-EFSA-opinion-on-rPS_Press-Release.pdf
https://newsroom.tomra.com/tomra-and-borealis-open-state-of-the-art-plant-for-post-consumer-plastic-waste-sorting-and-advanced-mechanical-recycling/
https://newsroom.tomra.com/viridor-and-tomra-collaborate-on-scottish-deposit-return-scheme-project/

FINANCIALS AND OUTLOOK

Currency risk and hedging policy



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	45 %	15 %	10 %	30 %	100 %
Liabilities	55 %	15 %	10 %	20 %	100 %

[1] EUR includes DKK [2] Most important: AUD, NZD, RMB, CAD, SEK, GBP and JPY NOTE: Estimated and rounded figures

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%**

HEDGING POLICY

CASHFLOW AND P/L

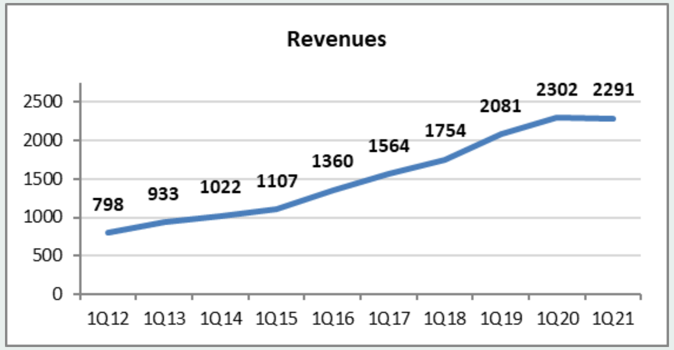
- TOMRA can hedge up to one year of future predicted cash flows. Gains and losses on these hedges are recorded at the finance line, not influencing EBITA

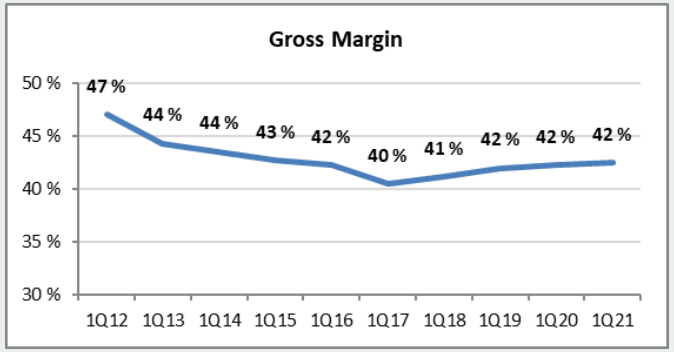
B/S

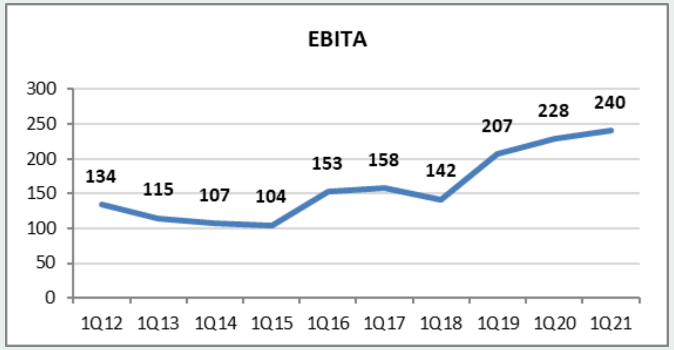
- TOMRA only hedges B/S items where exchange rate fluctuations could have P/L impact. Gains and losses on B/S hedging are recorded in accordance with IAS 21 and will normally not have P/L impact

Financial highlights | P&L statement

	1st Quarter		
Amounts in NOK million	2021	2020	2020 Adj*
Revenues	**2,291**	**2,302**	**2,214**
Collection Solutions	1,364	1,168	1,131
Recycling Mining	318	485	473
Food	609	649	610
Gross contribution	**973**	**973**	**933**
in %	*42%*	*42%*	*42%*
Operating expenses	733	745	731
EBITA	**240**	**228**	**202**
in %	*10%*	*10%*	*9%*



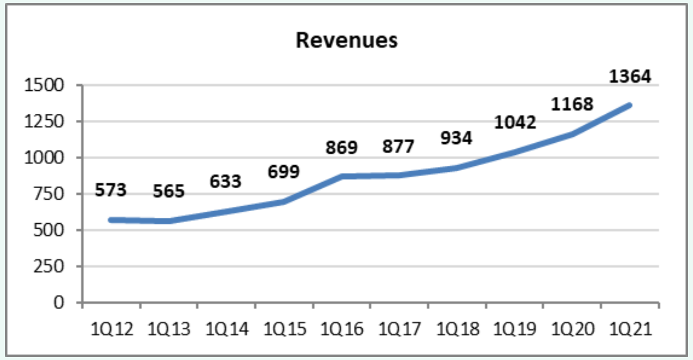


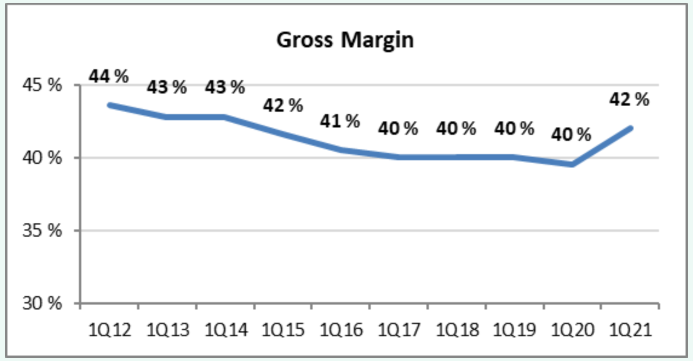


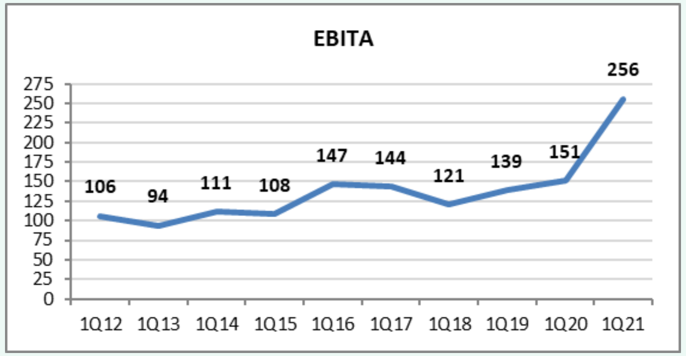
*2020 actual restated at 2021 exchange rates, estimated

TOMRA Collection Solutions financials

	1st Quarter		
Amounts in NOK million	2021	2020	2020 Adj*
Revenues	**1,364**	**1,168**	**1,131**
Northern Europe	203	192	
Europe (ex Northern)	626	423	
North America	358	386	
Rest of the world	177	167	
Gross contribution	**573**	**462**	**451**
in %	*42%*	*40%*	*40%*
Operating expenses	317	311	305
EBITA	**256**	**151**	**146**
in %	*19%*	*13%*	*13%*



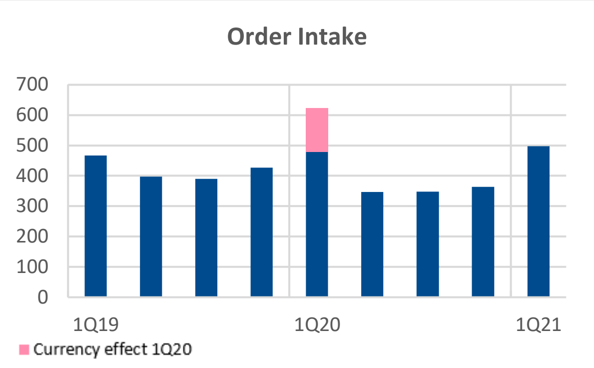


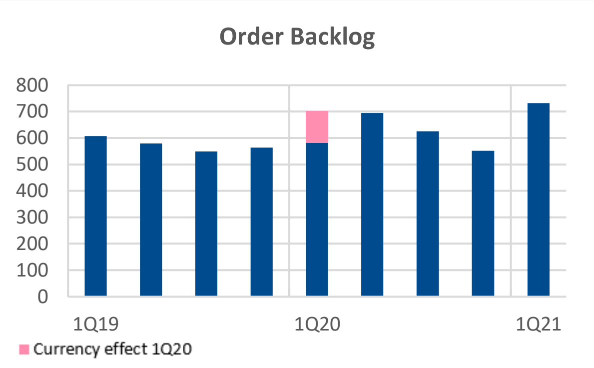


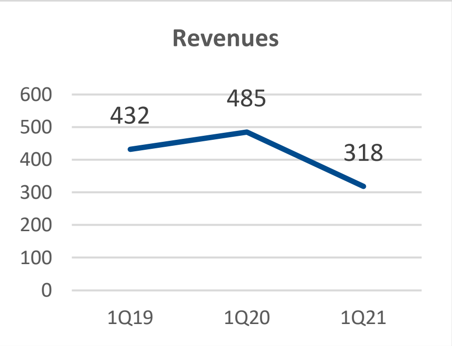
*2020 actual restated at 2021 exchange rates, estimated

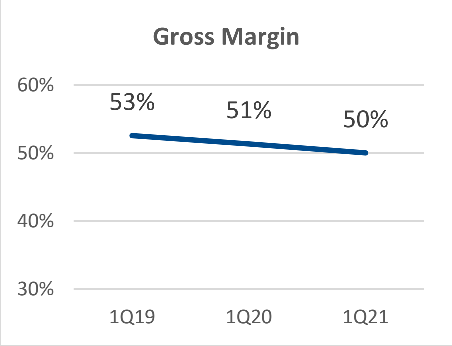
TOMRA Recycling Mining financials

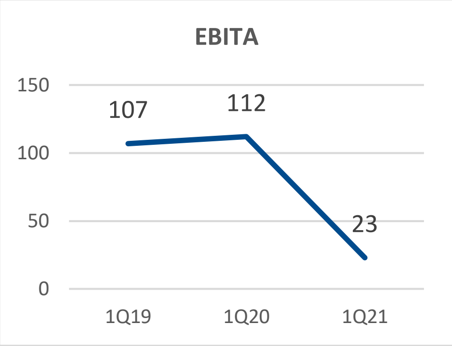
	1st Quarter		
Amounts in NOK million	2021	2020	2020 Adj*
Revenues	**318**	**485**	**473**
Europe	200	278	
America	65	84	
Asia	30	75	
Rest of the world	23	48	
Gross contribution	**159**	**249**	**246**
in %	*50%*	*51%*	*52%*
Operating expenses	136	137	136
EBITA	**23**	**112**	**110**
in %	*7%*	*23%*	*23%*









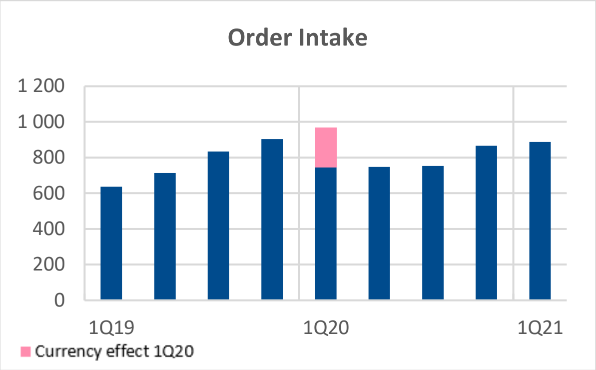


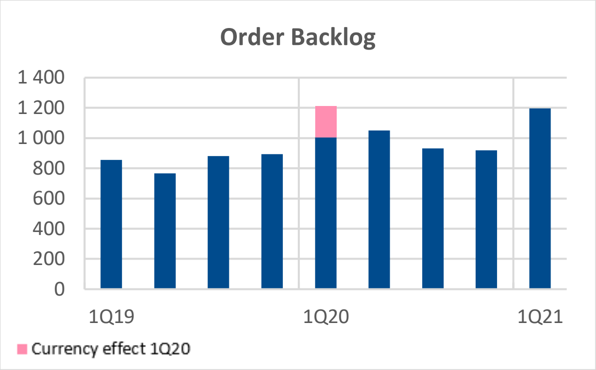
Based upon current production and delivery plans, the revenues in 2Q21 are estimated to be approximately 60% of order backlog at the end of 1Q21

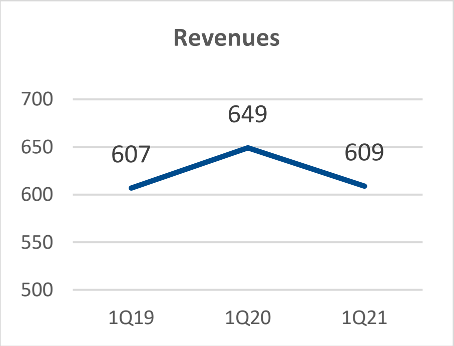
**2020 actual restated at 2021 exchange rates, estimated*

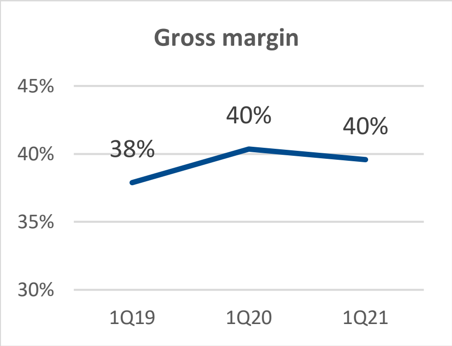
TOMRA Food financials

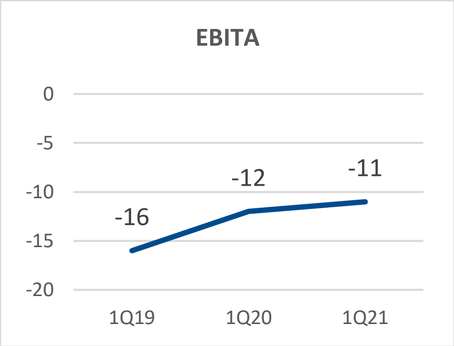
	1st Quarter		
Amounts in NOK million	2021	2020	2020 Adj*
Revenues	**609**	**649**	**610**
Europe	188	195	
America	260	274	
Asia	48	77	
Rest of the world	113	103	
Gross contribution	**241**	**262**	**236**
in %	*40%*	*40%*	*39%*
Operating expenses	252	274	267
EBITA	**-11**	**-12**	**-31**
in %	*-2%*	*-2%*	*-5%*









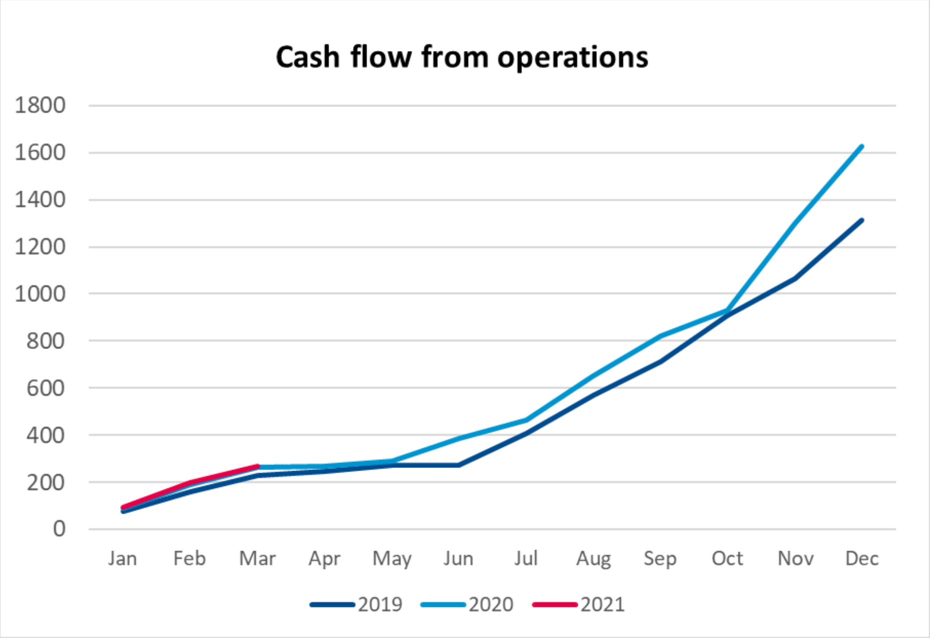


Based upon current production and delivery plans, the revenues in 2Q21 are estimated to be approximately 75% of order backlog at the end of 1Q21

**2020 actual restated at 2021 exchange rates, estimated*

Financial highlights | Balance sheet and cash flow

Amounts in NOK million	31 March 2021	31 March 2020	31 Dec 2020
ASSETS	**10,806**	**12,250**	**10,977**
Intangible non-current assets	3,737	4,226	3,846
Tangible non-current assets	2,263	2,638	2,371
Financial non-current assets	362	463	353
Inventory	1,571	1,943	1,492
Receivables	2,419	2,536	2,383
Cash and cash equivalents	454	444	532
LIABILITIES AND EQUITY	**10,806**	**12,250**	**10,977**
Equity	5,568	5,924	5,591
Lease liabilities	1,047	1,260	1,104
Interest-bearing liabilities	1,300	1,939	1,414
Non interest-bearing liabilities	2,891	3,127	2,868



Cashflow from operations

- Cash flow from operations of 269 MNOK in the first quarter 2021 (265 MNOK in first quarter 2020)

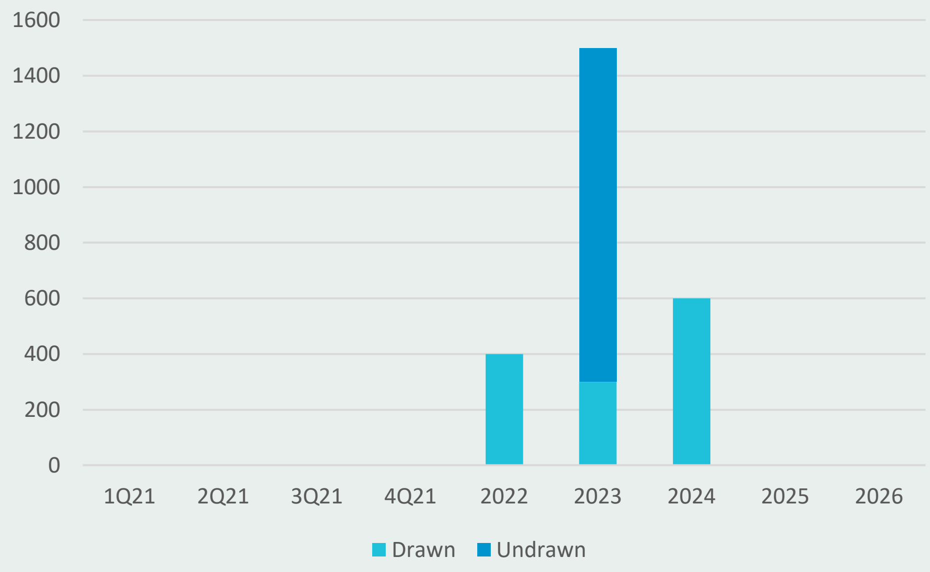
Solidity and gearing

- 52% equity ratio
- NIBD/EBITDA (Rolling 12 months)
  - 0.5x without IFRS 16 / 0.9x including IFRS 16

TOMRA has a solid financial position

Debt maturity profile

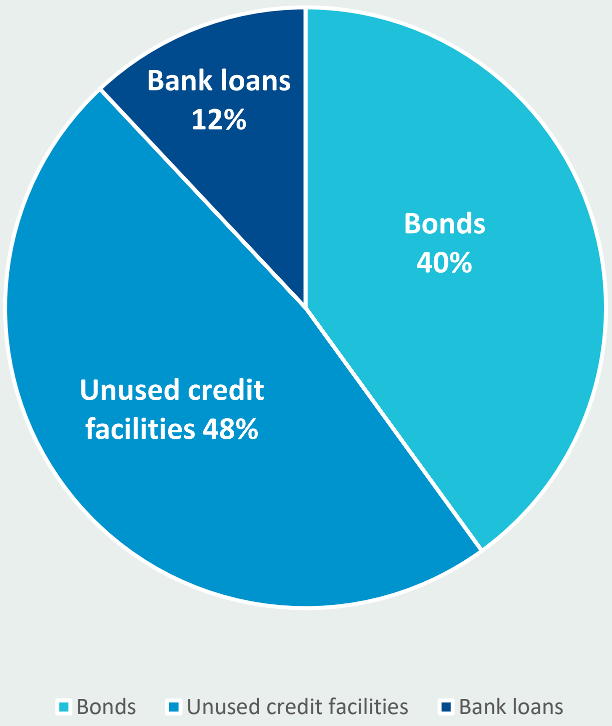
- Weighted average debt maturity of 2.8 years
- All interest-bearing is swapped to EUR and is exposed to EUR/NOK exchange rate fluctuations.



Not including 300MNOK cash-pool overdraft facility

Current funding sources

- TOMRA has a satisfactory liquidity situation with available unused credit lines of approx. 1 199 MNOK
- A senior unsecured bonds (no financial covenants) of 1 000 MNOK (swapped to EUR) is listed on Oslo Stock Exchange
- The financial covenant related to the bank debt is minimum equity ratio of 30 %



Outlook

Collection Solutions	• Overall good momentum in TOMRA Collection Solutions • Expansion in Netherlands expected to have a positive impact
Recycling/Mining	• Positive momentum assumed to continue • In the short term, the COVID-19 situation could still have some negative effects
Food	• Good momentum, some short-term challenges from COVID-19 • Mid and long-term opportunities in both the fresh and processed food segments
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 Food is exposed to USD/EUR

Q&A


WASTE