

Second Quarter 2022 Results Announcement

All-time high revenues, order intake, and order backlog

TOMRA ended the second quarter of 2022 with continued quarter over quarter growth and record high revenues. The order intake was all-time high, leading to a new record in the order backlog.

Revenues in the second quarter 2022 amounted to 3,054 MNOK compared to 2,685 MNOK in second quarter last year. Currency adjusted revenues were up 10% for TOMRA Group. At division level, currency adjusted revenues were up 6% in Collection, up 25% in Recycling, and up 7% in Food.

Gross margin was 42% in the second quarter 2022, down from 45% in the same period last year, with lower margins in Collection and Recycling, and higher margins in Food. Supply chain challenges and inflation have continued to be a pressure point in the short term, while mitigating actions are being implemented across the organization.

Operating expenses amounted to 841 MNOK in second quarter 2022, compared to 746 MNOK in second quarter last year, up 11% currency adjusted.

EBITA was 438 MNOK in second quarter 2022, down from 465 MNOK in the same period last year.

Cash flow from operations was 310 MNOK in second quarter 2022, compared to 286 MNOK in second quarter last year.

“The good momentum at the beginning of the year has continued in the second quarter of 2022. Implementation of new and extended deposit systems, demand for recycled material, and automation in the food value chain generate good growth opportunities. There is high activity level and pipeline building with the reopening of country borders, in-person trade fairs, and sales events. At the same time, we have set ambitious targets to double our business over five years and will continue to invest in future-oriented activities and in developing new opportunities.”, says Tove Andersen, TOMRA President and CEO.

Collection: All-time high revenues, while component cost and inflation put pressure on margins

Revenues in the business area equaled 1,519 MNOK in second quarter 2022, up from 1,379 MNOK in the same period last year. After adjustment for currency changes, revenues were up 10%.

The momentum has been good in the period. European sales were close to last year levels, where new sales in Romania contributed positively. North American volumes had a positive development, whereas in Australia heavy rainfalls had a somewhat negative impact on volume levels.

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Gross margin was 38% in the first quarter 2022, from 44% in the same period last year. The lag between cost inflation and price increases impacts negatively and accounts for the largest portion of the margin variance. In addition, product and business mix had a negative effect in the quarter compared to the same period last year.

Operating expenses equaled 347 MNOK in second quarter 2022, compared to 325 MNOK in the same period last year.

EBITA was 225 MNOK in the period, down from 278 MNOK in second quarter 2021.

Recycling: Top line growth of 25%, all-time high order intake and order backlog

Revenues equaled 552 MNOK in second quarter 2022 compared to 439 MNOK in the same period last year, up 25% currency adjusted.

Gross margin was 49% in second quarter 2022, down from 53% in second quarter 2021, negatively impacted by sourcing costs and inflationary pressure and a less favorable product mix compared to the same period last year.

Operating expenses amounted to 172 MNOK in second quarter 2022 compared to 140 MNOK in the same period last year, mainly the result of business expansion and higher marketing and sales activities.

EBITA was 100 MNOK in second quarter 2022, compared to 94 MNOK in the same period last year.

The order intake was 675 MNOK in second quarter 2022, up 19% currency adjusted from the same quarter last year and all-time high. The order backlog increased to 980 MNOK at the end of second quarter 2022 from 822 MNOK in the same period last year, up 17% currency adjusted and all-time high.

There is continued high demand for recycled materials. The waste sorting and plastic segment continues to drive order intake growth, and elevated price levels for commodities sustain a strong momentum in metals recycling and upgrading.

Food: All-time high revenues and order backlog, positive margin development

Revenues equaled 983 MNOK in second quarter 2022, compared to 867 MNOK in the same period last year, up 7% adjusted for currencies.

Gross margin was 44% in second quarter 2022, up from 43% in the same period last year. Increased sales volumes, as well as pricing measures and a favorable product and project mix have had a positive effect in the period.

Operating expenses amounted to 283 MNOK in the period, compared to 252 MNOK in second quarter last year.

EBITA was 151 MNOK in second quarter 2022, compared to 122 MNOK in the same period last year.

Order intake was 1,043 MNOK in second quarter 2022, compared to 881 MNOK in the same quarter last year, up 12% currency adjusted, and all-time high. The order backlog increased to 1,380 MNOK at the end of second quarter 2022, up 12% currency adjusted from end of second quarter 2021, and all-time high.

Food sustains a good momentum on the back of good market demand and increased labor costs supporting investments in automation. The demand signals are good in both the fresh food and processed food segments.

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Webcast link: <https://events.webcast.no/tomra/kvartalspresentasjoner/9FOGzIIrPt3fnfIFY4Hr>

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