2nd quarter 2023 results announcement

TOMRA Systems ASA

14 July 2023

Quarterly highlights

Financial highlights

Revenues	• **All-time high revenues in all divisions. Total revenue of 3,879 MNOK** (3,054 MNOK in the second quarter 2022) Adjusted for currency, revenues were: — Up 14% for TOMRA Group — Up 15% in Collection — Up 26% in Recycling — Up 4% in Food
Gross margin	• **Gross margin improvement to 42%** – highest since 2021 — Improvement in both Collection and Recycling (compared to same quarter last year) — Slightly lower margin in Food (compared to same quarter last year)
Operating expenses	• **Operating expenses of 1,112 MNOK** (841 MNOK in the second quarter 2022) — Driven mainly by business expansion — Adjusted for currency and general inflation, underlying cost has been stable over the last nine months
EBITA	• **EBITA of 536 MNOK**, up 22% from 438 MNOK in the second quarter 2022
Cash flow	• **Cash flow from operations of 41 MNOK** (310 MNOK in the second quarter 2022) — Increase in receivables of 605 MNOK compared to last year
Order intake	• **Recycling order intake of 900 MNOK** and **order backlog of 1,421 MNOK** • **Food order intake of 1,024 MNOK** and **order backlog of 1,128 MNOK**
Other	• Announcement of Norwegian Feedstock plant in Joint Venture with Plastretur • Collaboration with Aarhus Municipality in Denmark on a deposit system for takeaway packaging

TOMRA

Our strategy

is to **accelerate growth in core** and **develop adjacent** opportunities while becoming a **fully circular** business and **safe**, **fair** and **inclusive**

Our ambitions towards 2027

Revenue growth
15% CAGR

EBITA margin
at **18%**

Dividend payout
40-60% of EPS

Capital structure
Investment grade

Net Zero
holistic sustainability strategy

>105,000
installations

100+
countries

Publicly listed on Oslo Stock Exchange (OSE: TOM)

TOMRA

Creating sensor-based solutions for optimal resource productivity - transforming how we obtain, use, and reuse resources

Collection

Recycling

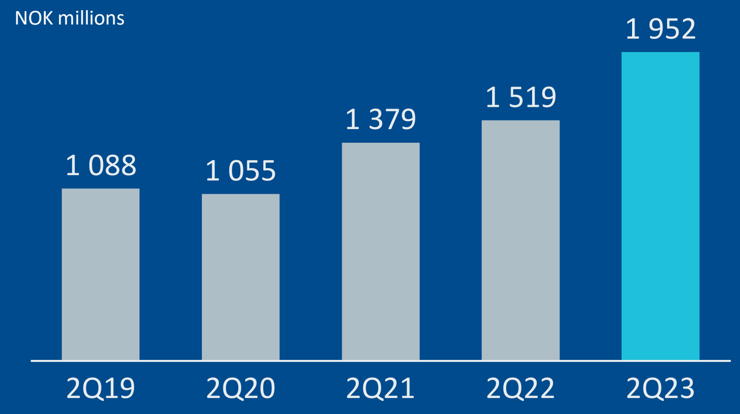
Food

Collection Business update

- All-time high quarterly revenues
- Continued improvement in gross margins to highest level since 2021
- New sales started in Hungary, continued in the Netherlands, and increased in Romania
- Downsizing Scottish operations due to DRS delay

All-time high revenue

up 15% (currency adj.) compared with Q2 2022



Victoria – 1 November 2023
Victoria will go live with its container deposit scheme on 1 November 2023 with TOMRA Cleanaway as the network operator for zones 1 and 4. (link). The Tasmanian bottle bill was passed in 2022 with implementation expected in second half 2024. (link)

Quebec – 1 November 2023
First phase of the modernization of Quebec's deposit scheme to include all aluminum beverage containers and increased deposits on existing containers. Further expansion to include all beverage sold in plastic and glass bottles, and cartons in 2025 (link).

Romania – 30 November 2023
Romania is set to go live on 30 November 2023 with its deposit returns scheme which will include one-way beverage containers made of plastic, metal and glass (link).

Hungary – January 2024
Commencement of a deposit return system for glass and plastic bottles and metal cans from 1 January 2024 (link).

Ireland – 1 February 2024
Commencement of a deposit return scheme for glass and plastic bottles and metal cans from 1 February 2024 (link).

Uruguay – December 2024
A deposit return scheme for beverage containers is in process of implementation, planned to commence by the end of 2024 (link)

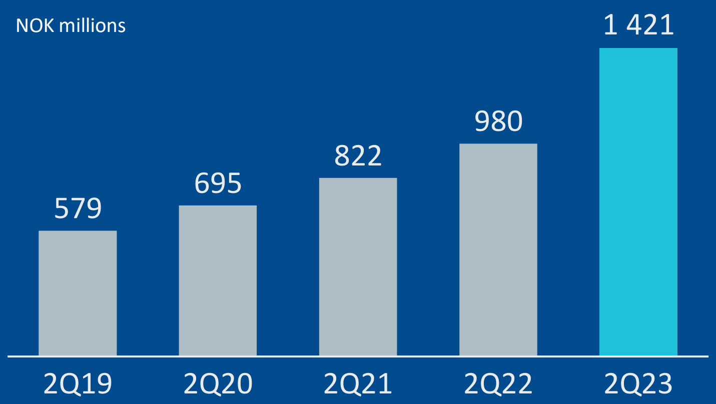
Austria – January 2025
In November 2021, Austria announced the introduction of deposit on single-use beverage containers, with start date 1 January 2025 (link).

Singapore – 1 April 2025
In March 2023, the parliament passed legislation for a deposit return scheme for beverage containers. (link).

Recycling Business update

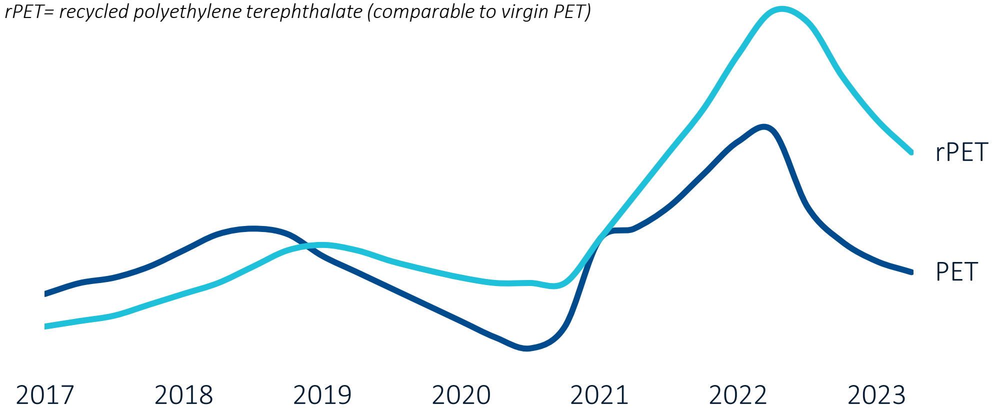
- All-time high quarterly revenues and order backlog
- Strong but more normalized order intake growth of 16% (currency adj.)
- Launch of AUTOSORT PULSE for next-level alloy sorting with laser-induced breakdown spectroscopy (LIBS) technology

All-time high order backlog up 28% (currency adj.) compared with Q2 2022



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

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



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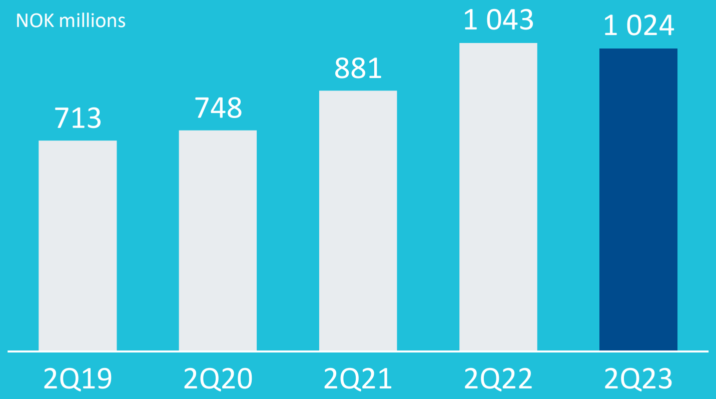
Food
Business update

Decline in order intake

down 18% (currency adj.) compared with Q2 2022



- Good performance in the quarter driven by processed food
- Weakened market sentiment due to a challenging macroeconomic environment
- Focus on accelerated improvement agenda
- New EVP Food in place

Positioned to develop adjacent opportunities

Legislative push to advance circularity

Recycled content

EU's Packaging & Packaging Waste Regulation (proposed)

% of post-consumer recycled content in packaging

	2030	2040
Single use plastic beverage bottles	30%	65%
Contact-sensitive packaging	30%*	50%
Other types of packaging	35%	65%

* 10% if PET is not major component

Reuse and refill

EU's Packaging & Packaging Waste Regulation (proposed)

% of reusable Take-away packaging

	2030	2040
Cold & hot beverages	20%	80%
Ready prepared food	10%	40%

National legislation on take-away packaging

France 1 January 2023:
Mandatory reusable tableware for dine-in

Germany 1 January 2023:
Mandatory reusable take-away alternatives

Sweden 1 January 2024:
Mandatory reusable take-away alternatives

Denmark 1 January 2025:
Introduction of EPR packaging fees

Portugal 1 July 2022:
Tax on single use take-away packaging

Input

Mixed plastics fraction sourced from material recovery facilities

TOMRA Feedstock

Advanced sorting

Dry washing

Output

High quality polymer fractions to be supplied to recyclers (PE, PE-LD, PP, PS, PET, film)

TOMRA Feedstock Plants

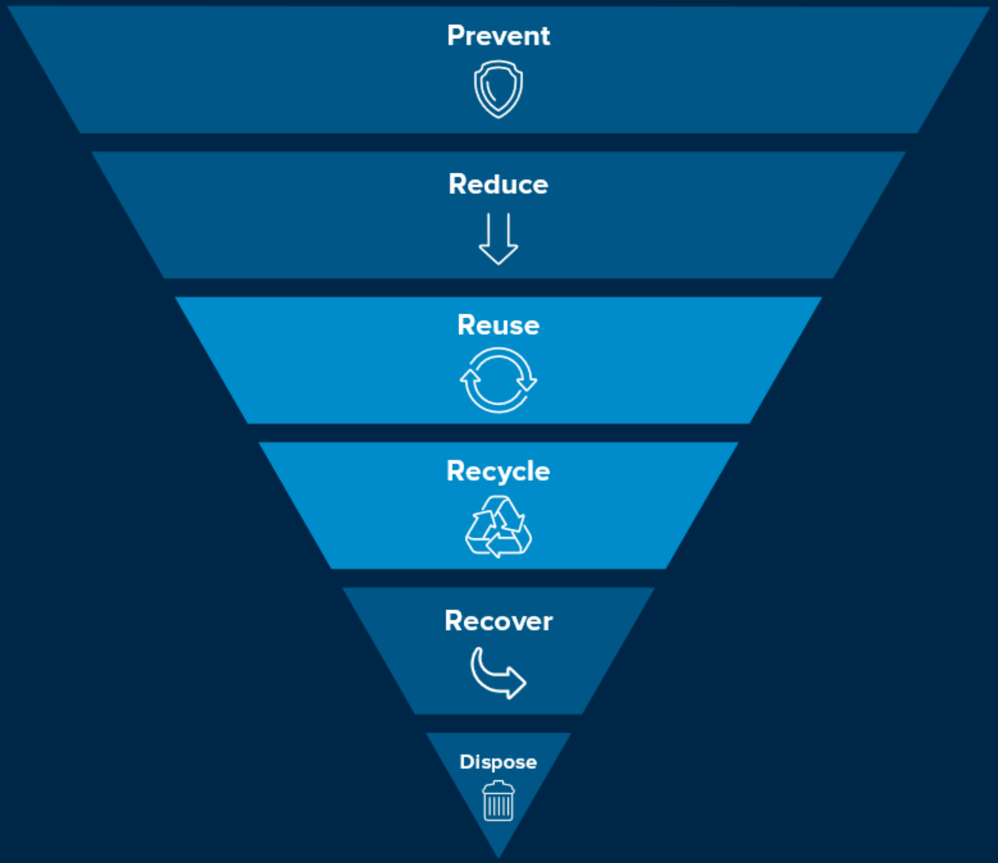
Germany

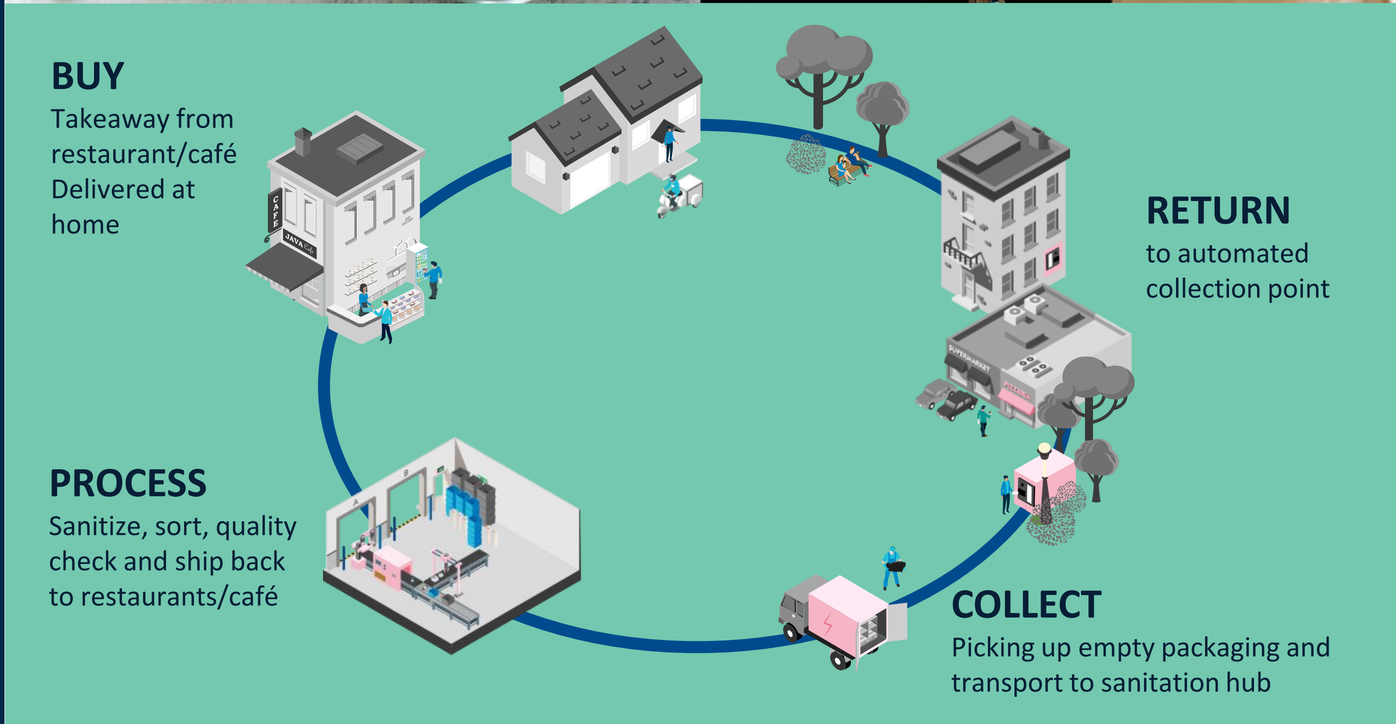
- Announced 19 December 2022
- 100% TOMRA owned
- EUR ~ 50-60 million investment
- Capacity ~ 80.000 tons p.a.
- Input: mixed post-consumer plastic
- Output: >10 different polymer fractions for mechanical and chemical recycling
- Operational in 2024-2025 est.

Norway

- Announced 31 May 2023
- Joint Venture 65% TOMRA / 35% Plastretur
- EUR ~ 32 million investment
- Capacity ~ 90.000 tons p.a.
- Input: mixed post-consumer plastic
- Output: 8 different polymer fractions for mechanical and chemical recycling
- Operational in the first quarter 2025 est.

Circular re-use system for takeaway packaging





Collaboration with Aarhus Municipality in Denmark on a deposit system for takeaway packaging

AARHUS KOMMUNE

Aarhus indfører pant på takeaway-emballage

Vi bruger ca. 300 millioner engangskopper og 150 millioner engangsbokse til takeaway om året i Danmark. Som den første kommune i landet er Aarhus klar til at indføre pant på takeaway-emballage. Målet er at skabe et cirkulært system, hvor emballagen bliver indsamlet, vasket og genbrugt.

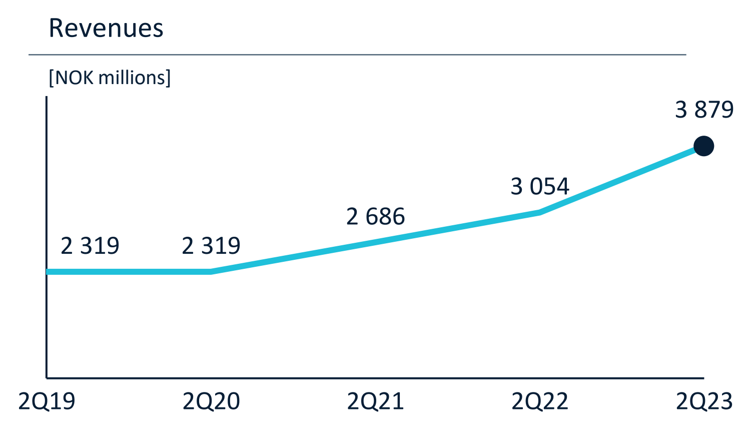
Aarhus Docklands. Credits: Roar Paaske, VisitDenmark.

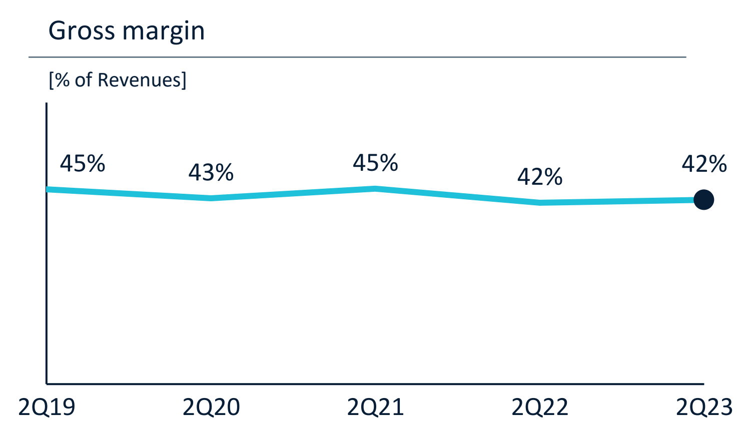
Financials and outlook

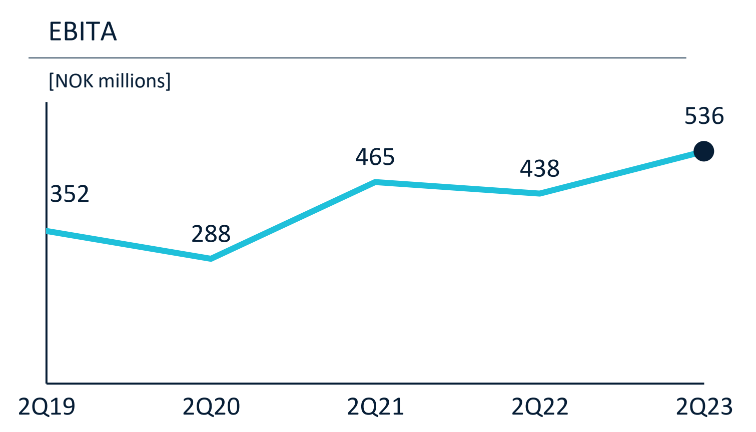
Group P&L Highlights

	2nd Quarter			1st Half Year		
Amounts in NOK million	2023	2022	2022 Adj*	2023	2022	2022 Adj*
Revenues	**3,879**	**3,054**	**3,416**	**7,118**	**5,555**	**6,186**
Collection	1,952	1,519	1,702	3,779	2,913	3,245
Recycling	789	552	624	1,406	1,041	1,162
Food	1,139	983	1,090	1,933	1,601	1,780
Gross contribution	**1,648**	**1,279**	**1,439**	**2,951**	**2,275**	**2,553**
in %	*42%*	*42%*	*42%*	*41%*	*41%*	*41%*
Operating expenses	1,112	841	917	2,138	1,600	1,730
EBITA	**536**	**438**	**522**	**813**	**675**	**824**
in %	*14%*	*14%*	*15%*	*11%*	*12%*	*13%*

*2022 actual restated at 2023 exchange rates, estimate

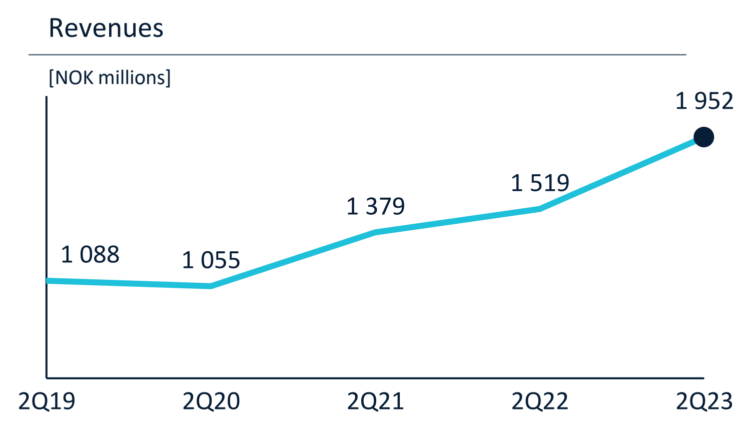


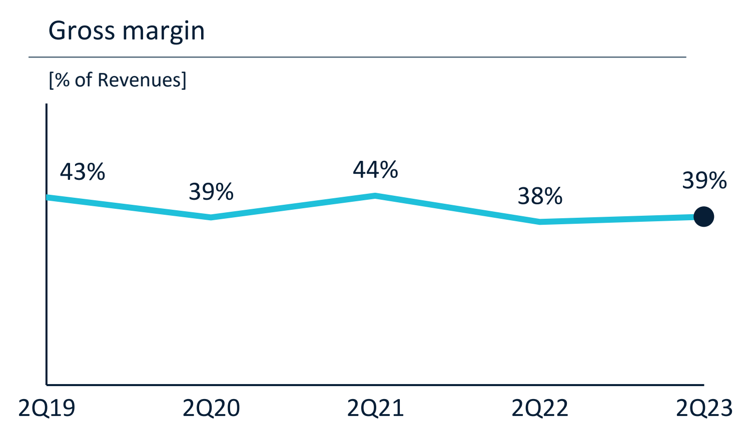


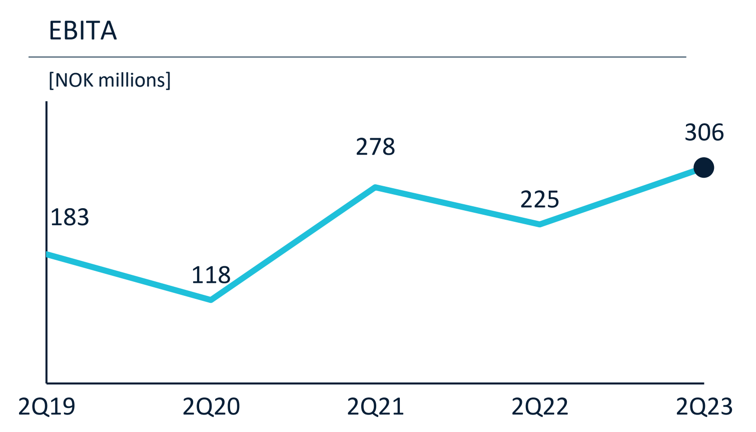


Collection P&L Highlights

	2nd Quarter			1st Half Year		
Amounts in NOK million	2023	2022	2022 Adj*	2023	2022	2022 Adj*
Revenues	**1,952**	**1,519**	**1,702**	**3,779**	**2,913**	**3,245**
Northern Europe	300	240		568	485	
Europe (ex Northern)	892	569		1,764	1,142	
North America	570	506		1,027	900	
Rest of the world	190	204		420	386	
Gross contribution	**758**	**572**	**656**	**1,460**	**1,110**	**1,262**
in %	*39%*	*38%*	*39%*	*39%*	*38%*	*39%*
Operating expenses	453	347	371	874	678	722
EBITA	**306**	**225**	**285**	**586**	**433**	**540**
in %	*16%*	*15%*	*17%*	*15%*	*15%*	*17%*







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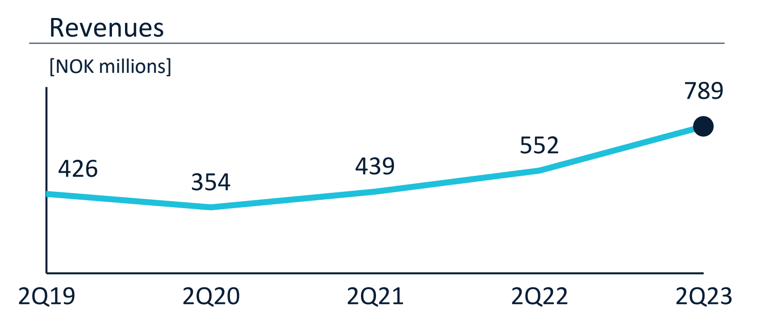
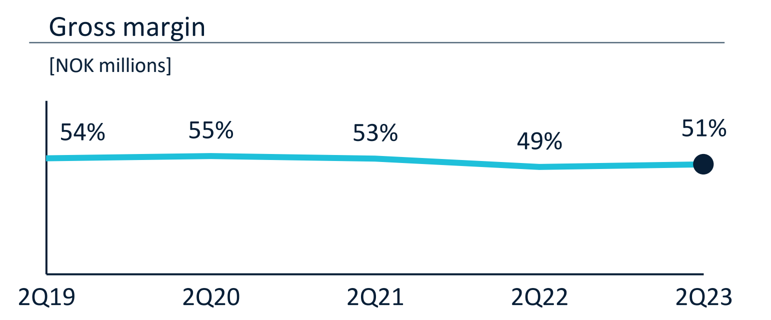
*2022 actual restated at 2023 exchange rates, estimate

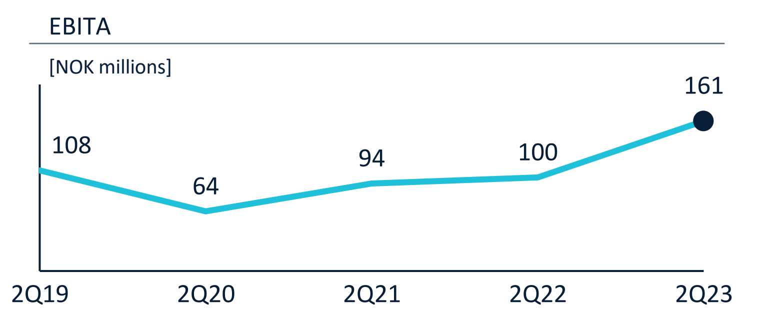
Recycling P&L Highlights

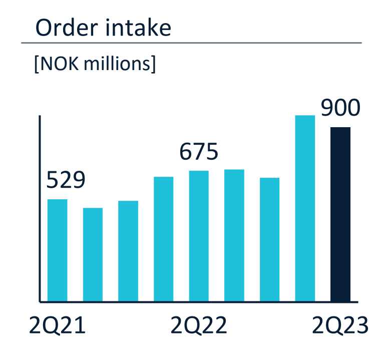
	2nd Quarter			1st Half Year		
Amounts in NOK million	2023	2022	2022 Adj*	2023	2022	2022 Adj*
Revenues	**789**	**552**	**624**	**1,406**	**1,041**	**1,162**
Europe	403	363		730	672	
Americas	163	90		318	184	
Asia	135	61		241	108	
Rest of the world	88	37		116	77	
Gross contribution	**399**	**273**	**306**	**708**	**509**	**564**
in %	*51%*	*49%*	*49%*	*50%*	*49%*	*49%*
Operating expenses	239	172	196	456	319	355
EBITA	**161**	**100**	**110**	**253**	**190**	**208**
in %	*20%*	*18%*	*18%*	*18%*	*18%*	*18%*

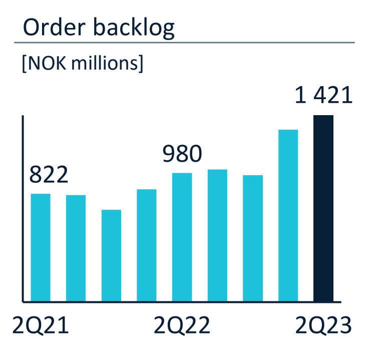
Based upon current production and delivery plans, the revenues in 3Q23 are estimated to be approximately 60% of order backlog at the end of 2Q23









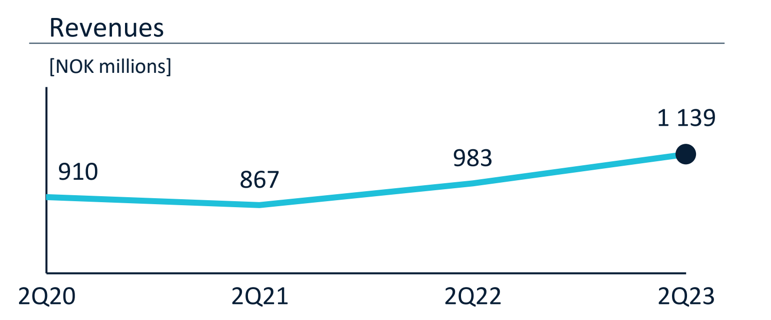


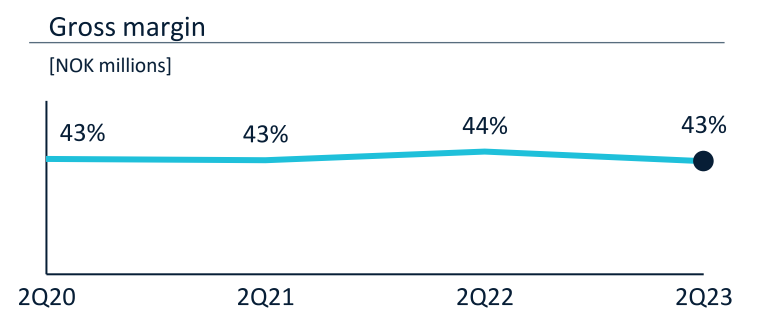
*2022 actual restated at 2023 exchange rates, estimate

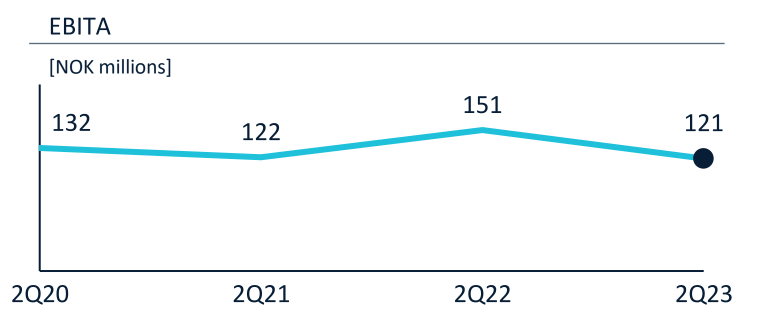
Food P&L Highlights

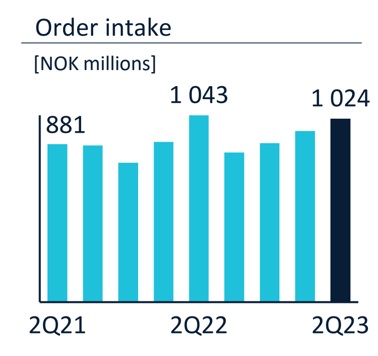
Amounts in NOK million	2nd Quarter 2023	2nd Quarter 2022	2nd Quarter 2022 Adj*	1st Half Year 2023	1st Half Year 2022	1st Half Year 2022 Adj*
Revenues	**1,139**	**983**	**1,090**	**1,933**	**1,601**	**1,780**
Europe	388	289		610	429	
Americas	501	483		920	794	
Asia	82	114		159	190	
Rest of the world	168	97		243	187	
Gross contribution	**490**	**434**	**477**	**784**	**656**	**727**
in %	*43%*	*44%*	*44%*	*41%*	*41%*	*41%*
Operating expenses	369	283	312	712	532	581
EBITA	**121**	**151**	**166**	**72**	**124**	**147**
in %	*11%*	*15%*	*15%*	*4%*	*8%*	*8%*

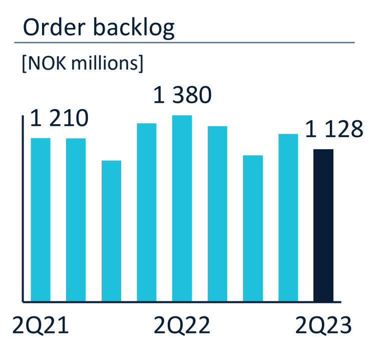
Based upon current production and delivery plans, the revenues in 3Q23 are estimated to be approximately 80% of order backlog at the end of 2Q23











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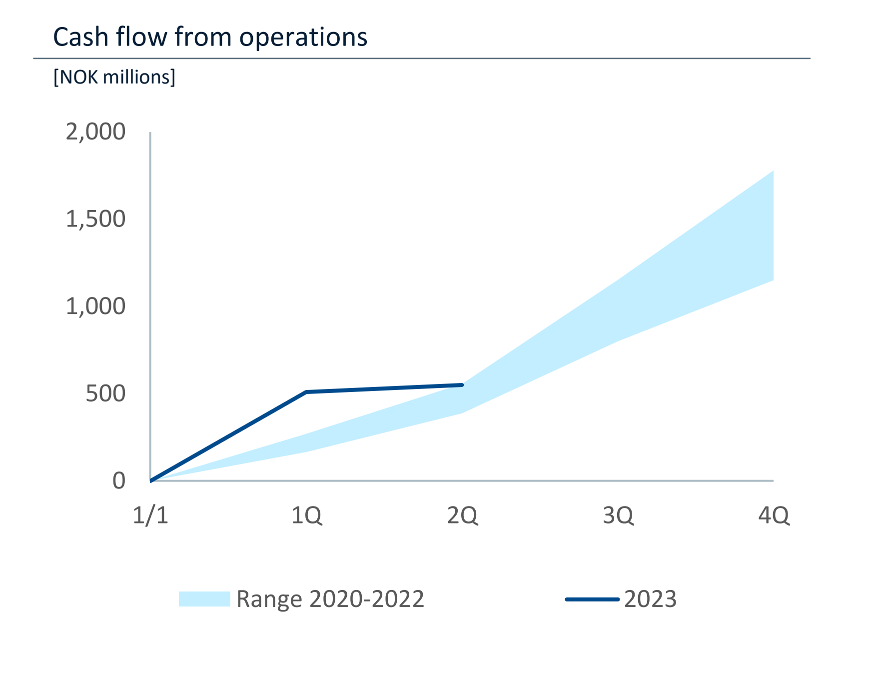
*2022 actual restated at 2023 exchange rates, estimate

Balance sheet and cash flow

	30 June		31 December
Amounts in NOK million	2023	2022	2022
ASSETS	**15,617**	**13,242**	**13,932**
Intangible non-current assets	4,520	3,949	4,132
Tangible non-current assets	2,954	2,481	2,671
Financial non-current assets	633	420	448
Inventory	2,848	2,203	2,370
Receivables	4,019	3,414	3,562
Cash and cash equivalents	643	775	750
LIABILITIES AND EQUITY	**15,617**	**13,242**	**13,932**
Equity	7,007	6,115	6,572
Lease liabilities	1,460	1,113	1,297
Interest-bearing liabilities	2,961	2,112	2,260
Non-interest-bearing liabilities	4,189	3,902	3,803



Cashflow from operations

- Cash flow from operations of 41 MNOK in the second quarter 2023 (310 MNOK in the second quarter 2022)
- Increase in receivables of 605 MNOK compared to last year reduces quarterly cash flow

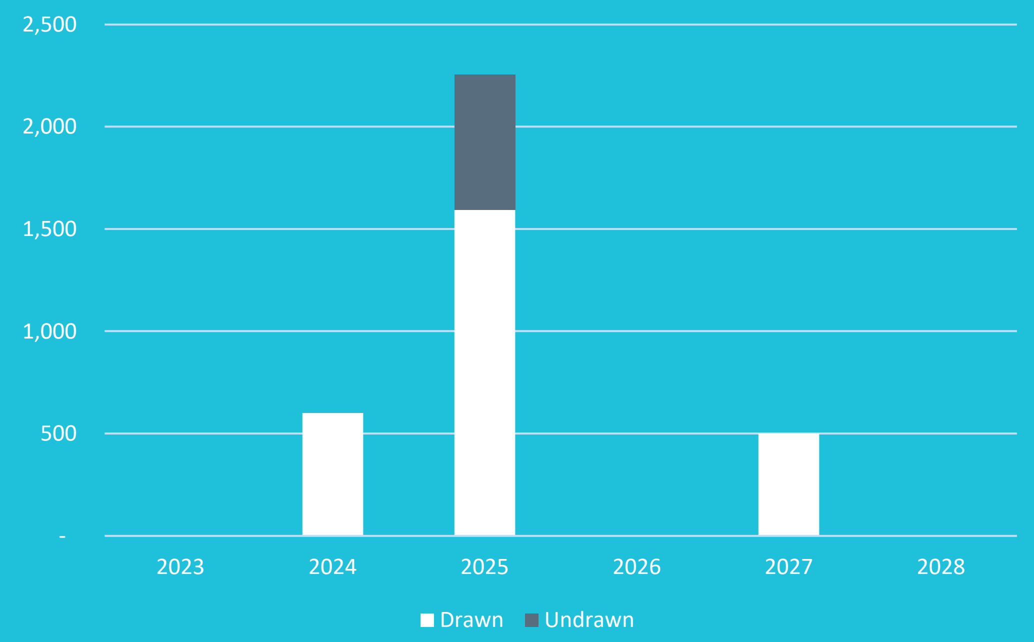
Solidity and gearing

- 45% equity ratio
- NIBD/EBITDA (rolling 12 months) of 1.5x

Financial position

Debt maturity profile

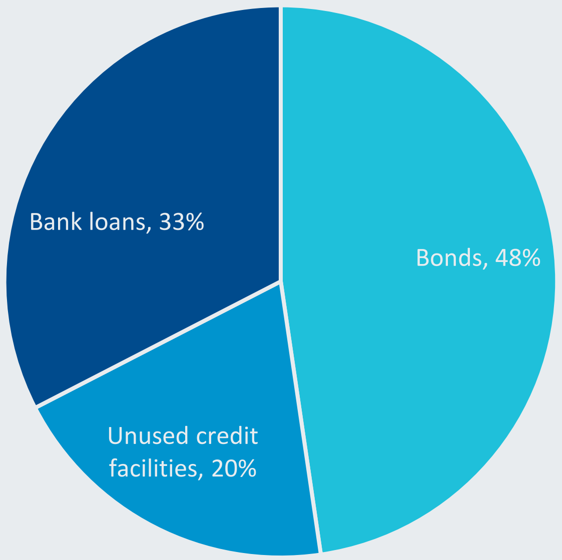
- Weighted average debt maturity of 2.6 years
- Interest-bearing bonds are swapped to EUR and is exposed to EUR/NOK exchange rate fluctuations



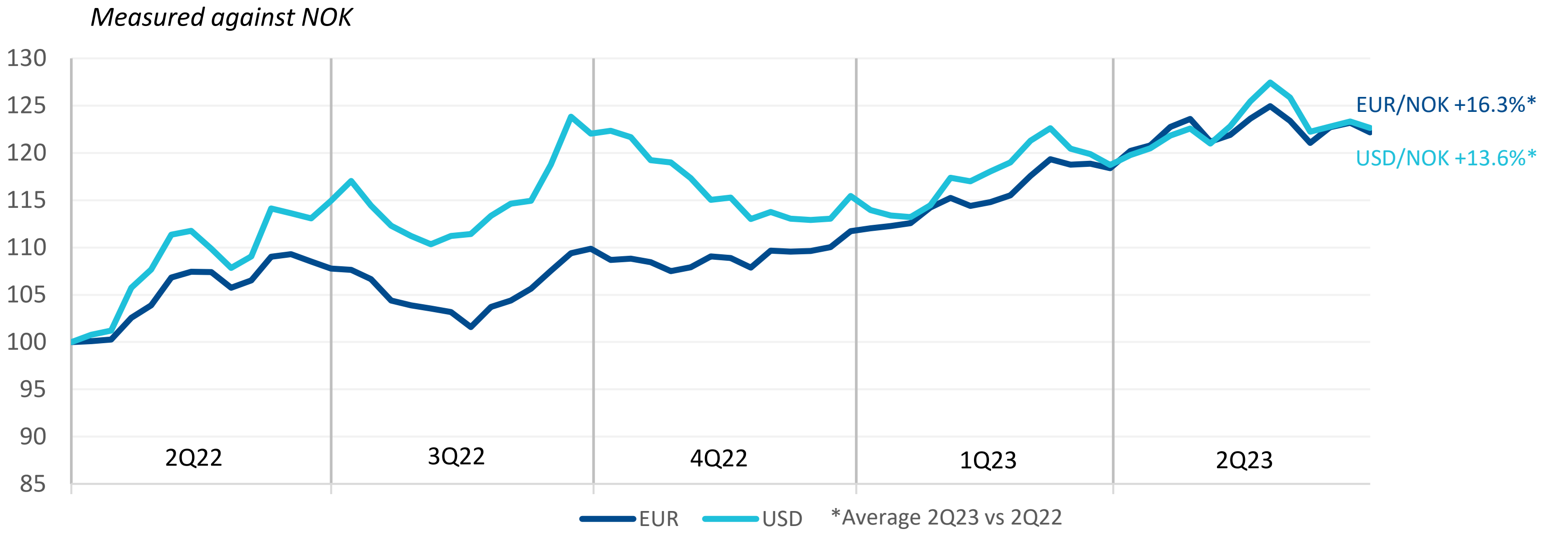
Not including unused 202 MNOK cash-pool overdraft facility

Current funding sources

- TOMRA has a satisfactory liquidity situation with available unused credit lines of approx. 663 MNOK
- Senior unsecured bonds (no financial covenants) of 1 600 MNOK (swapped to EUR) are listed on Oslo Stock Exchange
  - Green Bonds portion amount to 1 000 MNOK
- The financial covenant related to the bank debt is minimum equity ratio of 30 %



Currency risk and hedging policy



Revenues and expenses per currency:

	EUR	USD	NOK	OTHER[1]	TOTAL
Revenues	50 %	30 %	0 %	20 %	100 %
Expenses	50 %	25 %	5 %	20 %	100 %

Assets and liabilities per currency:

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

[1] 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	5.0%	5.0%	5.0%
USD	3.0%	2.5%	6.0%
OTHER[1]	2.0%	2.0%	2.0%
ALL	**10.0%**	**9.5%**	**13.0%**

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

Outlook

Collection	• High activity related to preparation for new markets • Quarterly performance will be dependent upon timing of new initiatives
Recycling	• Positive momentum assumed to continue but normalize from high 2022-2023 levels • Demand for recycled materials is expected to create opportunities
Food	• Challenging macroeconomic environment is delaying customer investments • Need for automation and increased quality and safety requirements create opportunities mid and long term
Other	• Pricing actions and cost measures are expected to mitigate continued inflation • Lower risk of sourcing shortages and logistical bottlenecks
Currency	• Reporting in NOK and with some NOK cost base, TOMRA will in general benefit from a weak NOK, particularly against EUR and USD

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