



TOMRA

3rd quarter 2022 results announcement

TOMRA Systems ASA

21 October 2022

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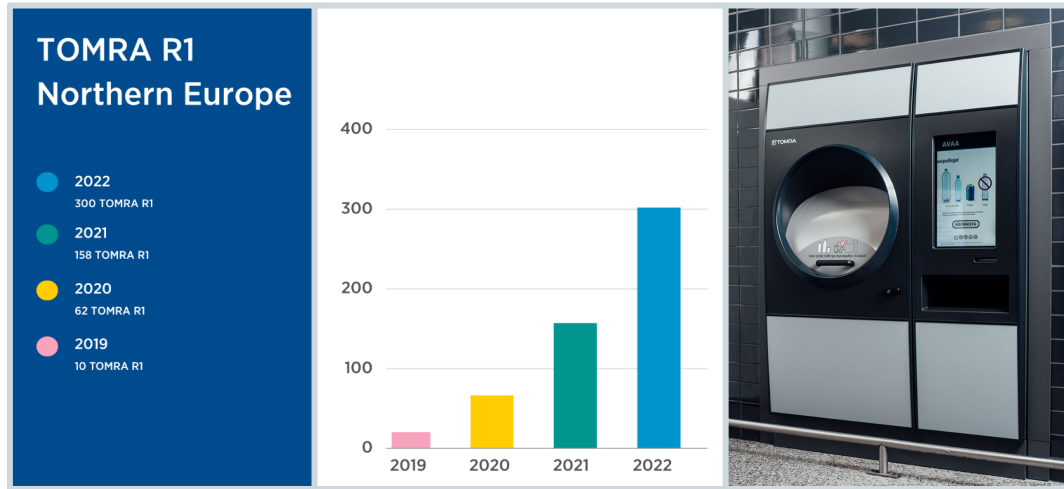


Quarterly highlights

Financial highlights

Revenues	• All-time high revenues of 3,156 MNOK (2,883 MNOK in third quarter 2021) Adjusted for currency, revenues were: - Up 6% for TOMRA Group - Up 1% in Collection - Up 34% in Recycling - Flat in Food
Gross margin	• Gross margin of 41% – down from 44% in third quarter 2021
Operating expenses	• Operating expenses of 848 MNOK (748 MNOK in third quarter 2021)
EBITA	• EBITA of 454 MNOK – down from 529 MNOK in third quarter 2021
Cash flow	• Cash flow from operations of 325 MNOK (596 MNOK in third quarter 2021)
Order intake	• Order intake of 1,517 MNOK in Recycling and Food – up 12% compared to third quarter 2021 - Strong performance in Recycling • Order backlog of 2,307 MNOK – up 14% compared to the same period last year
Other	• Good delivery performance in all divisions • Cost inflation has continued to be a pressure point

Collection Business update



Highlights

- All-time high quarterly revenues
- Milestone of 300 R1 machines installed in Northern Europe
- Retailers prepare for the start of deposit in Romania on November 30, 2023
- Positive trend in volumes in North America, rainy weather in Australia
- Continued high delivery precision to customers
- Good activity level in new markets



The Netherlands – 1 January 2023 (expansion)

From January 1, 2023, The Netherlands will extend their deposit system to include cans, which are planned to be collected via retail ([link](#)).



Romania – 30 November 2023

In 2021, Romania passed the government decision to introduce a deposit system ([link](#)). On October 5th, 2022, the implementation date has been set to November 30th, 2023 ([link](#)).



Scotland – 16 August 2023

In May 2020, Scotland approved deposit regulations and in Dec 2021, the implementation date was set to August 16th, 2023 ([link](#)).



Victoria and Tasmania – 2023

In April 2021, Victoria announced DRS introduction. In March 2022, the Tasmanian bottle bill passed the Parliament and became law ([link](#) and [link](#)).



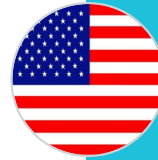
Quebec – 1 November 2023

On June 14th, 2022, the state of Quebec approved the final regulations for the expansion and modernization of the current deposit system ([link](#)).



Ireland – 2023

On November 17th, 2021, Ireland approved DRS regulations ([link](#)). The scheme coordinator has been selected and the timeline indication is for roll-out in 2023 ([link](#)).



Connecticut – 1 January 2023 and 2024 (expansion)

In Jun 2021, Connecticut decided to expand their deposit system to include most carbonated beverages from January 1st, 2023, and raise the deposit value to 10¢ from January 1st, 2024 ([link](#)).



Austria – January 2025

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

Recycling Business update

Highlights

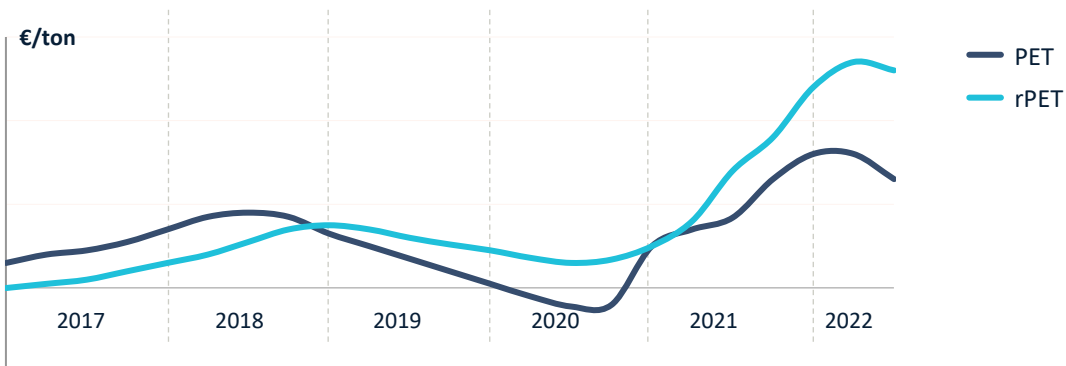
- Continued good demand levels for recycled material
- Positive regulatory development in Europe
- Large chemical companies investing in high quality recycling

All-time high order intake, up 41% compared with Q3 2021



- Good demand for recycled material across segments
- Solid pipeline in both traditional regions like Europe and North America, and in emerging markets

Illustration of price development of virgin PET and recycled PET (rPET)



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

New TOMRA white paper on mixed waste sorting and advanced mechanical recycling

Diverting materials from incineration via mixed waste sorting results in a GHG benefit of **1.895 t CO₂e** for every tonne of HDPE/PP in mixed municipal waste ([link](#))



Food Business update

Order backlog up 8% compared to Q3 2021

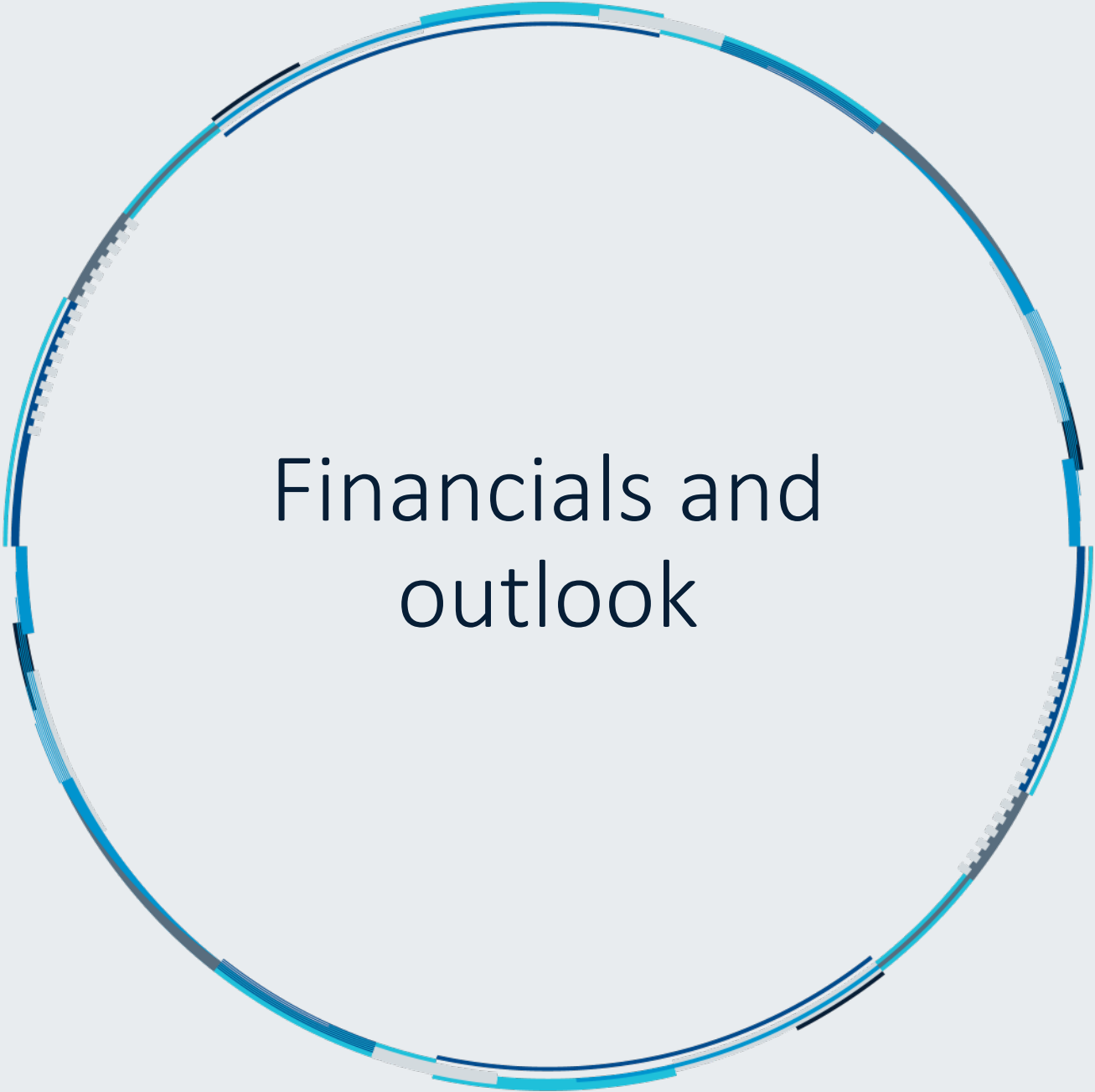


- Good quarter for potatoes and processed food
- Mixed development in fresh food, with Citrus on a strong trajectory and other categories lower than last year.

New partnership with ICOEL (Italy) to strengthen and simplify customer support

- Integrated solutions in Europe
- Cherry partner in Latin America





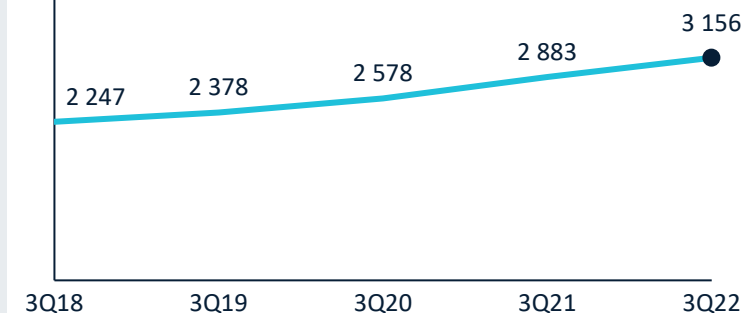
Financials and outlook

Group P&L Highlights

	3 rd Quarter			Year-to-date 9 months		
<i>Amounts in NOK million</i>	2022	2021	2021 Adj*	2022	2021	2021 Adj*
Revenues	3,156	2,883	2,972	8,711	7,859	8,033
Collection	1,586	1,514	1,567	4,499	4,257	4,349
Recycling	654	493	486	1,695	1,250	1,237
Food	916	876	920	2,517	2,352	2,447
Gross contribution	1,302	1,276	1,315	3,577	3,460	3,544
<i>in %</i>	<i>41%</i>	<i>44%</i>	<i>44%</i>	<i>41%</i>	<i>44%</i>	<i>44%</i>
Operating expenses	848	748	755	2,448	2,226	2,240
EBITA	454	529	560	1,129	1,234	1,305
<i>in %</i>	<i>14%</i>	<i>18%</i>	<i>19%</i>	<i>13%</i>	<i>16%</i>	<i>16%</i>

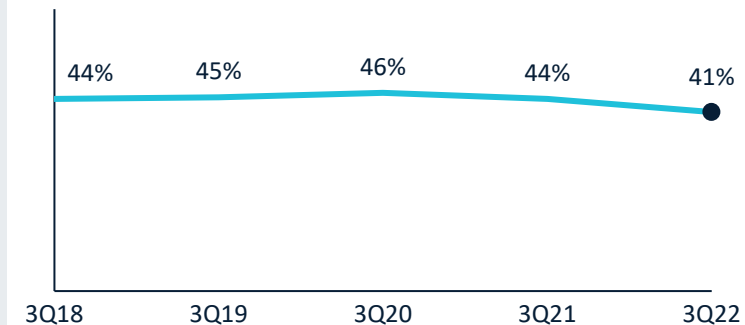
Revenues

[NOK millions]



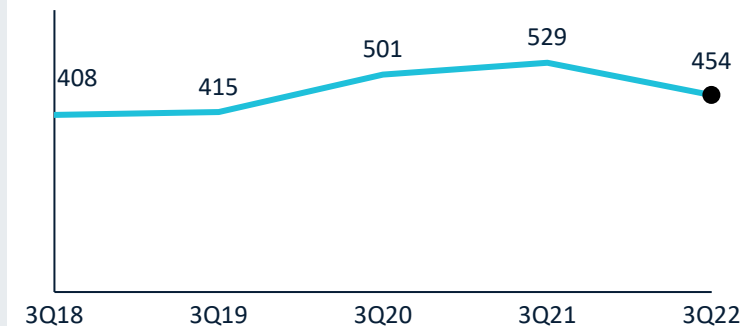
Gross margin

[% of Revenues]



EBITA

[NOK millions]

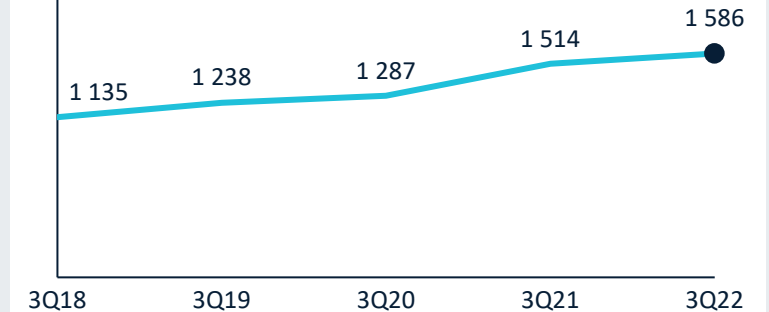


Collection P&L Highlights

	3 rd Quarter			Year-to-date 9 months		
<i>Amounts in NOK million</i>	2022	2021	2021 Adj*	2022	2021	2021 Adj*
Revenues	1,586	1,514	1,567	4,499	4,257	4,349
Northern Europe	214	196		699	614	
Europe (ex Northern)	621	712		1,763	1,934	
North America	565	489		1,465	1,259	
Rest of the world	186	117		572	450	
Gross contribution	603	644	665	1,713	1,820	1,855
<i>in %</i>	<i>38%</i>	<i>43%</i>	<i>43%</i>	<i>38%</i>	<i>43%</i>	<i>43%</i>
Operating expenses	335	307	313	1,013	949	961
EBITA	268	337	352	700	871	893
<i>in %</i>	<i>17%</i>	<i>22%</i>	<i>22%</i>	<i>16%</i>	<i>20%</i>	<i>21%</i>

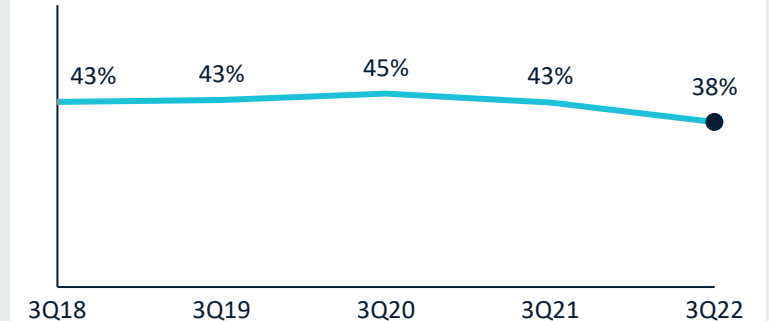
Revenues

[NOK millions]



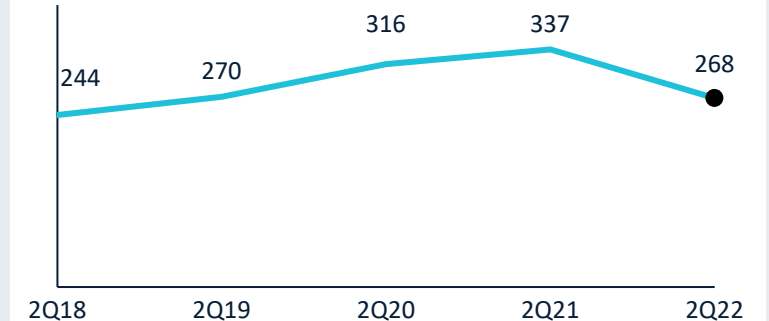
Gross margin

[% of Revenues]



EBITA

[NOK millions]

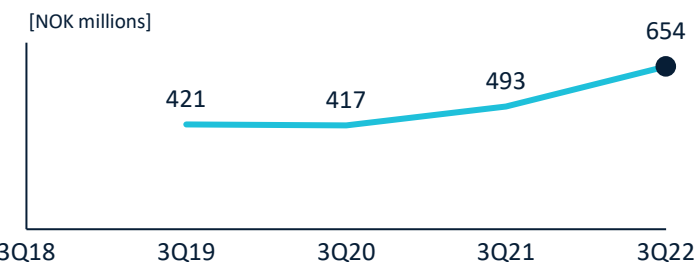


Recycling P&L Highlights

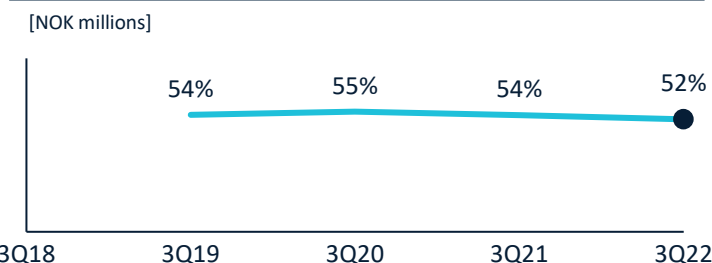
	3 rd Quarter			Year-to-date 9 months		
<i>Amounts in NOK million</i>	2022	2021	2021 Adj*	2022	2021	2021 Adj*
Revenues	654	493	486	1,695	1,250	1,237
Europe	376	301		1,048	765	
Americas	103	92		287	197	
Asia	95	58		203	187	
Rest of the world	79	42		157	101	
Gross contribution	339	265	262	848	658	654
<i>in %</i>	<i>52%</i>	<i>54%</i>	<i>54%</i>	<i>50%</i>	<i>53%</i>	<i>53%</i>
Operating expenses	177	146	145	496	422	417
EBITA	162	119	118	352	236	237
<i>in %</i>	<i>25%</i>	<i>24%</i>	<i>24%</i>	<i>21%</i>	<i>19%</i>	<i>19%</i>

Based upon current production and delivery plans, the revenues in 3Q22 are estimated to be approximately 60% of order backlog at the end of 3Q22

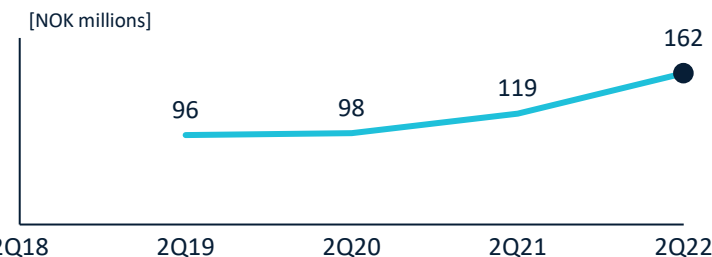
Revenues



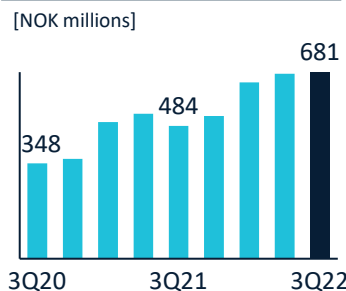
Gross margin



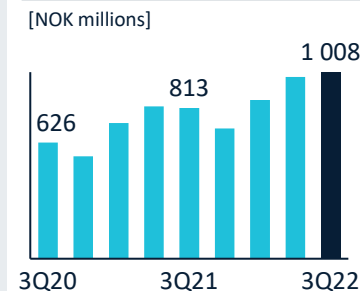
EBITA



Order intake



Order backlog



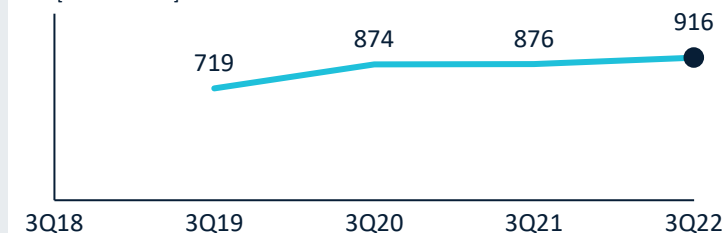
Food P&L Highlights

	3 rd Quarter			Year-to-date 9 months		
<i>Amounts in NOK million</i>	2022	2021	2021 Adj*	2022	2021	2021 Adj*
Revenues	916	876	920	2,517	2,352	2,447
Europe	287	295		717	737	
Americas	365	306		1,159	1,031	
Asia	82	80		195	191	
Rest of the world	182	195		447	393	
Gross contribution	360	367	392	1,016	982	1,036
<i>in %</i>	<i>39%</i>	<i>42%</i>	<i>43%</i>	<i>40%</i>	<i>42%</i>	<i>42%</i>
Operating expenses	297	263	267	829	767	773
EBITA	63	104	125	187	215	263
<i>in %</i>	<i>7%</i>	<i>12%</i>	<i>14%</i>	<i>7%</i>	<i>9%</i>	<i>11%</i>

Based upon current production and delivery plans, the revenues in 3Q22 are estimated to be approximately 75% of order backlog at the end of 3Q22

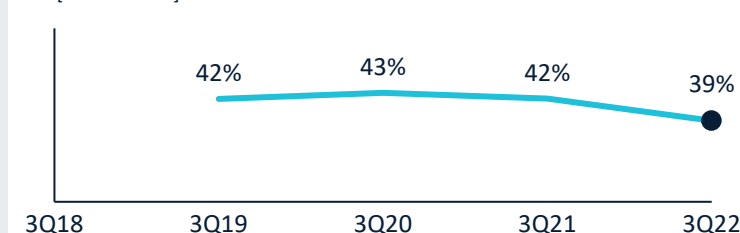
Revenues

[NOK millions]



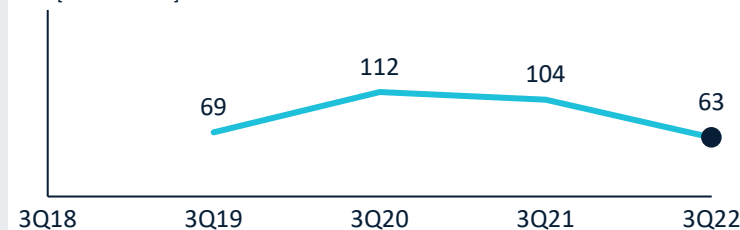
Gross margin

[NOK millions]



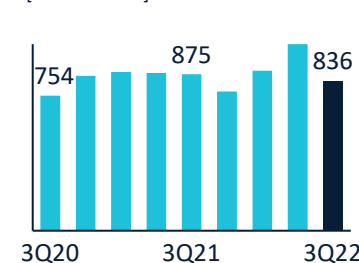
EBITA

[NOK millions]



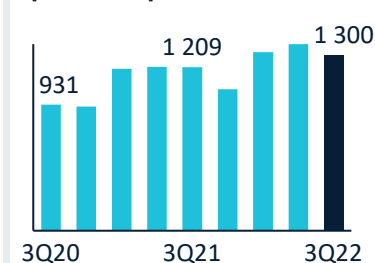
Order intake

[NOK millions]



Order backlog

[NOK millions]

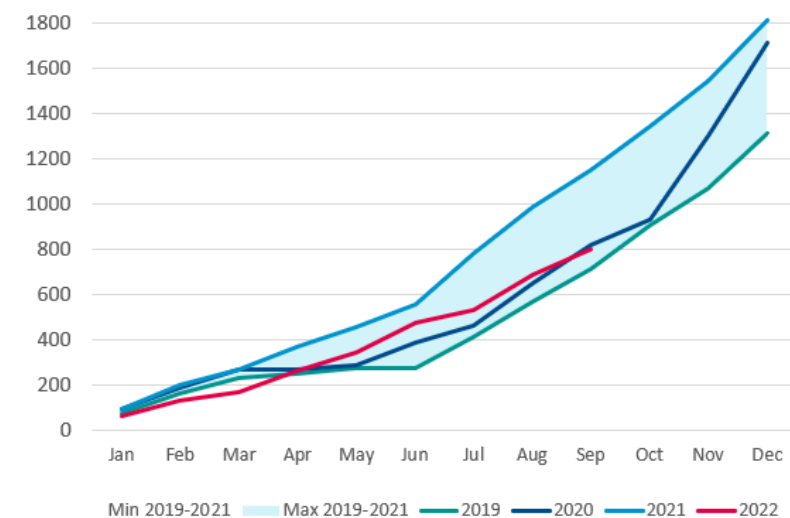


Balance sheet and cash flow

	30 September		31 Dec
<i>Amounts in NOK million</i>	2022	2021	2021
ASSETS	13,744	11,414	11,589
Intangible non-current assets	4,045	3,798	3,790
Tangible non-current assets	2,583	2,160	2,197
Financial non-current assets	488	390	347
Inventory	2,411	1,795	1,883
Receivables	3,558	2,794	2,740
Cash and cash equivalents	660	477	632
LIABILITIES AND EQUITY	13,744	11,414	11,589
Equity	6,531	5,876	6,164
Lease liabilities	1,140	994	1,015
Interest-bearing liabilities	2,086	1,154	1,004
Non-interest-bearing liabilities	3,987	3,390	3,406

Cash flow from operations

[NOK millions]



Cashflow from operations

- Cash flow from operations of 325 MNOK in third quarter 2022 (596 MNOK in third quarter 2021)

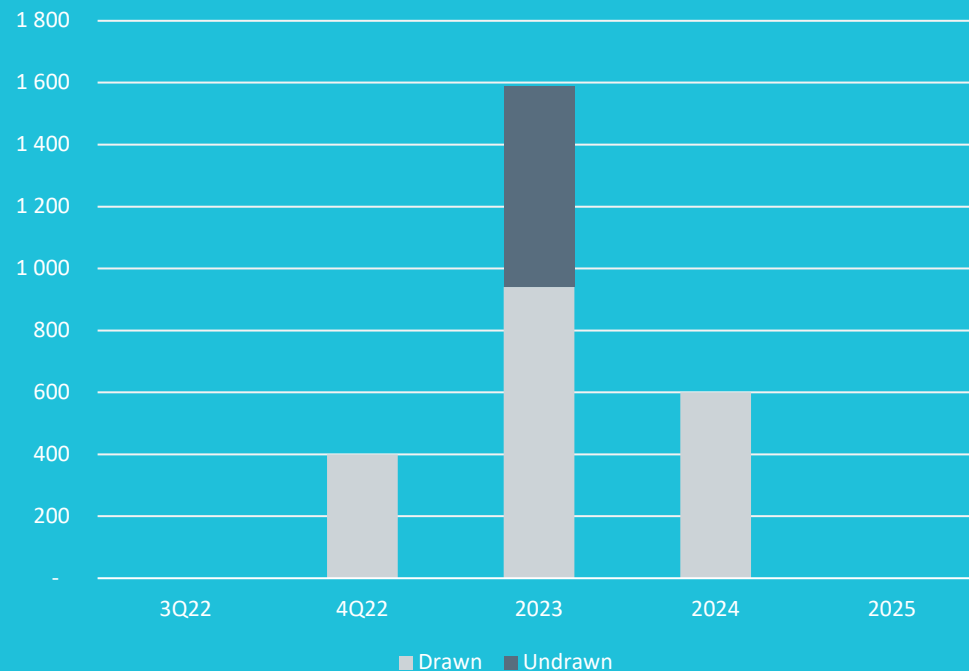
Solidity and gearing

- 48% equity ratio
- NIBD/EBITDA (rolling 12 months) of 1.1x

Financial position

Debt maturity profile

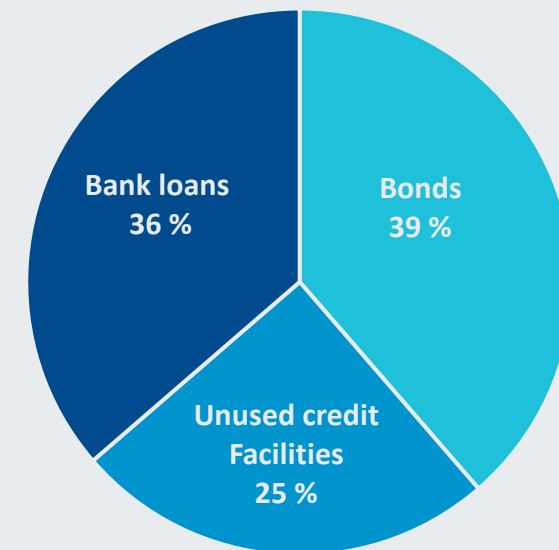
- Weighted average debt maturity of 1.2 years
- Interest-bearing bonds are swapped to EUR and is exposed to EUR/NOK exchange rate fluctuations



Not including unused 300MNOK cash-pool overdraft facility

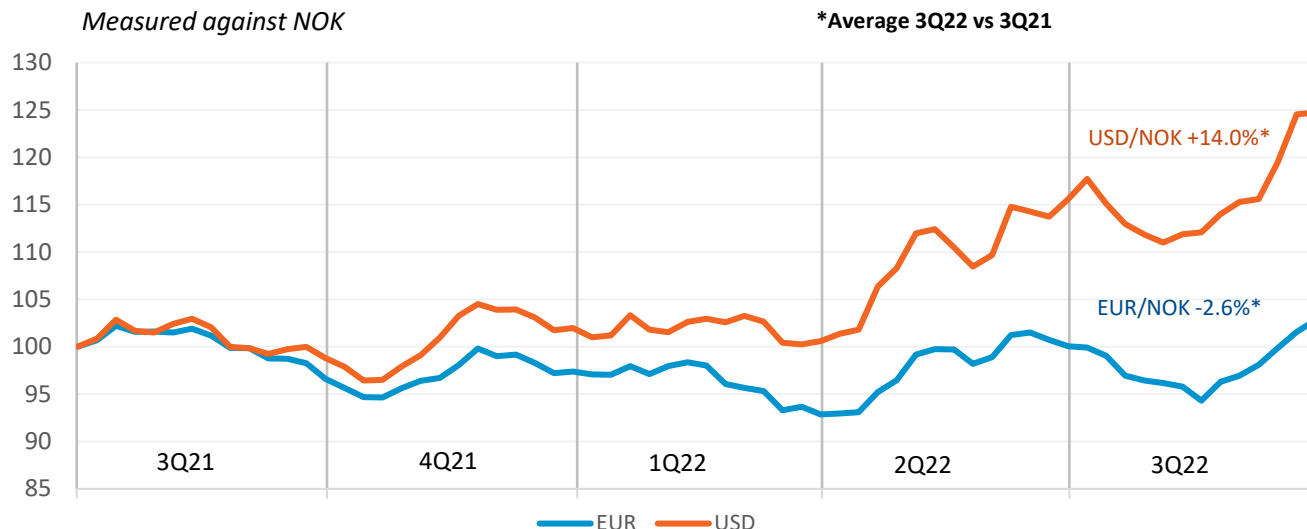
Current funding sources

- TOMRA has a satisfactory liquidity situation with available unused credit lines of approx. 647 MNOK
- Senior unsecured bonds (no financial covenants) of 1 000 MNOK (swapped to EUR) are listed on Oslo Stock Exchange
- The financial covenant related to the bank debt is minimum equity ratio of 30%



■ Bonds ■ Unused credit facilities ■ Bank loans

Currency risk and hedging policy



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 ²	2.0%	2.0%	2.0%
ALL	10.0%	9.5%	13.0%

Revenues and expenses per currency:

	EUR ¹	USD	NOK	OTHER ²	TOTAL
Revenues	50 %	30 %	0 %	20 %	100 %
Expenses	50 %	25 %	5 %	20 %	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

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 • Demand for recycled materials is expected to create opportunities
Food	• Good demand signals despite tougher economic backdrop • Need for automation creates opportunities mid and long term
Other	• Cost inflation will continue to be a pressure point • 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

Q&A

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