

Third Quarter 2022 Results Announcement

Record high revenues, growth in order intake and order backlog

TOMRA ended third quarter 2022 with all-time-high revenues and continued growth in comparable currencies. Both order intake and order backlog have increased in third quarter 2022 compared to the same period last year, driven by strong performance in Recycling.

Revenues in the third quarter 2022 amounted to 3,156 MNOK compared to 2,883 MNOK in third quarter last year. Currency adjusted revenues were up 6% for TOMRA Group. At division level, currency adjusted revenues were up 1% in Collection, up 34% in Recycling, and flat in Food.

Gross margin was 41% in third quarter 2022, down from 44% in the same period last year, with lower margins in all divisions. Cost inflation has continued to be a pressure point and impact margins negatively.

Operating expenses amounted to 848 MNOK in third quarter 2022, compared to 748 MNOK in third quarter last year, up 12% currency adjusted.

EBITA was 454 MNOK in third quarter 2022, down from 529 MNOK in the same period last year.

Cash flow from operations equaled 325 MNOK in third quarter 2022, compared to 596 MNOK in third quarter last year, mainly due to higher working capital.

"We have continued on a growth trajectory in third quarter 2022 and reached a new record of quarterly revenues. The activity level is high, as we are working on mitigating inflationary pressures and building a strong organization positioned for growth. In light of a tougher economic backdrop, we monitor the demand closely for signs of a slowdown, but the sentiment has been good, and the pipeline remained healthy. We end third quarter with order intake growth and a solid order backlog.", says Tove Andersen, TOMRA President and CEO.

Collection: Record quarterly revenues and high activity level

Revenues in the business area equaled 1,586 MNOK in third quarter 2022, up from 1,514 MNOK in the same period last year. After adjustment for currency changes, revenues were up 1%.

Collection had an overall good development and high activity level in new markets. Existing markets were stable, North American volumes had a positive development, whereas rainy weather in Australia somewhat hampered volume levels. The launch date for the deposit system in Romania has been set to November 30, 2023, retailers are investing and preparing for the roll-out, and new equipment sales contributed positively.

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Gross margin was 38% in the third quarter 2022, from 43% in the same period last year. Cost inflation impacts negatively and accounts for the largest portion of the margin variance.

Operating expenses equaled 335 MNOK in third quarter 2022, compared to 307 MNOK in the same period last year.

EBITA was 268 MNOK in third quarter 2022, down from 337 MNOK in third quarter 2021.

Recycling: Top line growth of 34%, all-time high revenues, order intake and order backlog

Revenues equaled 654 MNOK in third quarter 2022 compared to 493 MNOK in the same period last year, up 34% currency adjusted.

Gross margin was 52% in third quarter 2022, down from 54% in third quarter 2021, negatively impacted by cost inflation.

Operating expenses amounted to 177 MNOK in third quarter 2022 compared to 146 MNOK in the same period last year, mainly the result of business expansion.

EBITA was 162 MNOK in third quarter 2022, compared to 119 MNOK in the same period last year.

The momentum in Recycling has been good both in traditional regions like Europe and North America, and in emerging markets. The order intake was record high at 681 MNOK in third quarter 2022, up 41% compared to the same quarter last year.

The order backlog increased to 1,008 MNOK at the end of third quarter 2022, up 24% from the same period last year and all-time high.

Food: Revenues on par with last year levels, order backlog up 8%

Revenues equaled 916 MNOK in third quarter 2022, compared to 876 MNOK in the same period last year, flat when adjusting for currencies.

Gross margin was 39% in third quarter 2022, down from 42% in the same period last year, product and project mix accounting for the largest portion of the margin difference.

Operating expenses amounted to 297 MNOK in the period, compared to 263 MNOK in third quarter last year.

EBITA was 63 MNOK in third quarter 2022, compared to 104 MNOK in the same period last year.

The need for automation continued to create opportunities and drive a good pipeline across categories. Order intake was 836 MNOK in third quarter 2022, down 4% compared to the same quarter last year.

The order backlog was 1,300 MNOK at the end of third quarter 2022, up 8% compared to third quarter 2021.

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Webcast link: <https://events.webcast.no/tomra/kvartalspresentasjoner/tomra-systems-asa-q3-presentation-2022>

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