

Fourth Quarter 2022 Results Announcement

Record revenues in all divisions and order intake growth

TOMRA ended fourth quarter 2022 with all-time-high revenues and continued growth in comparable currencies. All three divisions had record quarterly revenues. The gross margins are improving, but still not back to a satisfactory level.

Revenues in the fourth quarter 2022 amounted to 3,477 MNOK compared to 3,050 MNOK in fourth quarter last year. Currency adjusted revenues were up 7% for TOMRA Group. At division level, currency adjusted revenues were up 6% in Collection, up 4% in Recycling, and up 9% in Food.

Gross margin was 42.4% in fourth quarter 2022, down from 43.6% in fourth quarter 2021. Lower margins in Collection and Recycling, negatively impacted by cost inflation, and higher margins in Food, mainly due to volume, as well as product and customer mix.

Operating expenses equaled 979 MNOK in fourth quarter 2022, compared to 794 MNOK in the same period last year – up 18% currency adjusted. The increase is mainly driven by business expansion and optimization initiatives.

EBITA was 496 MNOK in fourth quarter 2022 – down from 535 MNOK in the same period last year.

The EPS was NOK 1.23 per share in fourth quarter 2022, compared to NOK 1.24 per share in fourth quarter 2021.

Cash flow from operations in fourth quarter 2022 equaled 350 MNOK, down from 627 MNOK in fourth quarter 2021, mainly due to higher working capital.

“Fourth quarter 2022 marked record quarterly revenues in all divisions. The order backlog into 2023 is solid and the pipeline of projects is at healthy levels. We see good growth opportunities and will continue to invest in driving the top line expansion. Inflation is still a pressure point requiring focus on implementing pricing measures and improving efficiency. We are entering 2023 with high activity level and an overall positive outlook.”, says Tove Andersen, TOMRA President and CEO.

Collection: Top line growth offset by lower margin levels

Revenues in the business area equaled 1,693 MNOK in fourth quarter 2022, up from 1,481 MNOK in fourth quarter last year. After adjustment for currency changes, revenues were up 6%, key contributors being new sales in The Netherlands and Romania.

Existing markets in Collection were stable compared to the same period last year. Top line growth stems from continued sales of new equipment in Romania, with implementation scheduled for November 2023, as well as deposit extension in The Netherlands, which is planned to be operational in April 2023.

Gross margin was 37% in fourth quarter 2022, down from 40% in the same period last year. The margin variance is mainly the result of price increases lagging cost inflation, as well as a less favorable business and product mix.

Operating expenses equaled 388 MNOK in fourth quarter 2022, compared to 346 MNOK last year, up 8% currency adjusted.

EBITA was 246 MNOK in fourth quarter 2022, at the same level as in fourth quarter 2021.

Recycling: All-time high revenues and strong end of the year with 37% higher order backlog

Revenues equaled 681 MNOK in fourth quarter 2022 compared to 631 MNOK, up 4% currency adjusted from a strong fourth quarter 2021.

Gross margin was 51% in fourth quarter 2022, down from 54% in fourth quarter 2021, negatively impacted by cost inflation and a slightly less favorable mix.

Operating expenses amounted to 206 MNOK in fourth quarter 2022 compared to 160 MNOK in the same period last year, mainly the result of business expansion and capacity build-up in second half 2022.

EBITA was 141 MNOK in fourth quarter 2022, compared to 178 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 639 MNOK in fourth quarter 2022, up 23% compared to 521 MNOK in fourth quarter 2021.

The order backlog was 965 MNOK in fourth quarter 2022, up 37% compared to 702 MNOK in fourth quarter 2021.

Food: Solid organic growth, good margins, and high activity level

Revenues equaled 1,103 MNOK in fourth quarter 2022, compared to 938 MNOK in the same period last year, up 9% when adjusted for currencies.

Gross margin was 45% in fourth quarter 2022, up from 43% in the same period last year, mainly due to volume, as well as product and customer mix.

Operating expenses amounted to 337 MNOK in fourth quarter 2022, compared to 254 MNOK in the same period last year, stemming from investment in business improvement initiatives, as well as a normalized post-pandemic activity level.

EBITA was 157 MNOK in fourth quarter 2022, compared to 145 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 886 MNOK in fourth quarter 2022, up 14% compared to 777 MNOK in the same quarter last year, mainly explained by currency effects. The processed food segment was above last year levels, whereas the fresh food order intake was below.

The order backlog was 1,083 MNOK at the end of fourth quarter 2022, up 4% compared to fourth quarter 2021. Currency changes had a positive effect on reported performance.

Dividend:

The Board of Directors recommends an ordinary dividend of NOK 1.80 per share for 2022. The dividend for 2021 was NOK 1.65 per share ordinary dividend and NOK 1.35 per share extraordinary dividend, in total NOK 3.00 per share.

Presentation:

The President & CEO Tove Andersen and CFO Eva Sagemo will present the results today at 08:00 CET (UTC+1). The presentation will be sent via live webcast at <https://events.webcast.no/tomra/kvartalspresentasjoner/tomra-systems-asa-q4-presentation-2022>.

Questions to the speakers can be directed using the Q&A-tool embedded in the webcast and will be addressed towards the end of the presentation. A recorded version of the webcast will be available shortly after the webcast has concluded.

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