
THIRD QUARTER 2020

RESULTS ANNOUNCEMENT

Solid development in third quarter

Third quarter 2020 marked a return to normal despite the headwind brought about by the COVID-19 pandemic. The essential nature of the markets that TOMRA serves is a strength, while technology continues to be a success factor for our customers.

Revenues in the third quarter 2020 amounted to 2,578 MNOK compared to 2,378 MNOK in third quarter last year. Currency adjusted revenues were up 3% for TOMRA Group. Revenues were down 1% in TOMRA Collection Solutions and up 7% in TOMRA Sorting Solutions, currency adjusted.

Gross margin was 46% in the quarter, up from 45% in third quarter 2019, with higher margins in TOMRA Collection Solutions and stable in TOMRA Sorting Solutions.

Operating expenses was 676 MNOK in third quarter 2020, compared to 648 MNOK in third quarter last year - down 1% currency adjusted.

EBITA was 501 MNOK in third quarter 2020, up from 414 MNOK in the same period last year.

Cash flow from operations in third quarter 2020 equaled 432 MNOK, compared to 438 MNOK in third quarter 2019.

Collection Solutions: Business as usual, volumes stabilized in North America

Revenues in the business area equaled 1,287 MNOK in the third quarter, up from 1,238 MNOK in third quarter last year. After adjustment for currency changes, revenues were down 1%.

Gross margin increased to 45% as a result of efficiency gains and product mix in the third quarter. Operating expenses was 258 MNOK, compared to 264 MNOK last year, due to currencies partly offsetting the effect of cost measures.

By the end of the second quarter the US deposit states had resumed enforcement of bottle bill regulations and volumes have rebounded and are close to normal levels. Despite COVID-19 challenges, TOMRA strengthened its market position in Northern Europe. Australia continues on a growth trajectory with increased volume collection in third quarter 2020 compared to the same period last year.

TOMRA Systems ASA

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On October 1st, TOMRA launched in Western Australia with five modern depots located in the Perth area.

Accumulated cost control measures have led to a 6% reduction in operating expenses in third quarter compared to the same period last year, currency adjusted.

EBITA was 316 MNOK, up from 270 MNOK last year.

Sorting Solutions: Sound momentum in fresh food and waste sorting

Revenues equaled 1,291 MNOK in third quarter 2020, up 7% in local currencies compared to last year. Gross margin was 47%, up from 46% in third quarter 2019.

Operating expenses in the second quarter was 382 MNOK versus 360 MNOK last year, flat when adjusted for currency.

EBITA increased from 168 MNOK in third quarter 2019 to 221 MNOK in second quarter 2020, up 27% currency adjusted.

Order intake of 1,102 MNOK in the quarter, compared to 1,224 MNOK same quarter last year, down 15% currency adjusted. The order backlog was 1,557 MNOK at the end of third quarter 2020, up from 1,430 MNOK at the end of third quarter 2019. Currency adjusted the order backlog was unchanged.

Home consumption has boosted the grocery business and sustained the good momentum in fresh food. The recovery in the food service sector has been slower and more uncertain. Order intake is negatively impacted as a result.

The waste sorting and plastic recycling business is a healthy segment driven by legislation and the push for circularity. Metal sorting and Mining have been negatively impacted by slower industrial demand which has remained below pre-Covid levels during the third quarter.

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Webcast link: <https://events.webcast.no/tomra/kvartalspresentasjoner/tomra-systems-asa-q3-presentation-2020>

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

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