

## SECOND QUARTER 2020

# RESULTS ANNOUNCEMENT

### A resilient quarter amid the pandemic

The second quarter 2020 was solid despite significant COVID-19 complexities. Our customers' resiliency and TOMRA's diverse footprint have been balancing factors in navigating the turmoil.

Revenues in the second quarter 2020 amounted to 2,319 MNOK compared to 2,318 MNOK in second quarter last year. Currency adjusted revenues were down 13% in TOMRA Collection Solutions and 8% in TOMRA Sorting Solutions.

Gross margin was 43% in the quarter, down from 45% in second quarter 2019, primarily the result of volume shortfall in TOMRA Collection Solutions.

Operating expenses was 707 MNOK in second quarter 2020, compared to 689 MNOK in second quarter last year - down 8% currency adjusted. The decrease is primarily the result of cost reduction measures in both business areas.

EBITA was 288 MNOK in second quarter 2020, down from 352 MNOK in the same period last year.

Net finance was 31 MNOK positive, influenced by currency gains of 45 MNOK.

Cash flow from operations in second quarter 2020 equaled 123 MNOK, up from 45 MNOK in second quarter 2019.

*"Our world has undergone unprecedented challenges during the past months. TOMRA has acted resolutely to establish effective response coordination and implement necessary tactical and operational measures. Maintaining a high level of customer delivery and close dialogue with stakeholders has been the uttermost priority for the whole organization, backed by strong morale, culture and dedication from our people. While TOMRA continues to build resilience and handle uncertainties, it is material not to lose sight of the longer-term business objectives – to contribute to shaping the sustainability agenda for a green recovery and deliver future-proof solutions to our customers", says Stefan Ranstrand, TOMRA president and CEO.*

### Collection Solutions: Stability in Europe and Australia, impact in North America

Revenues in the business area equaled 1,055 MNOK in the second quarter, down from 1,088 MNOK in second quarter last year. After adjustment for currency changes, revenues were down 5%, negatively impacted by volume shortfall in North America and positively by activity in Europe and Australia.

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Gross margin decreased to 39% as a result of lower through-put volume in the second quarter. Operating expenses were 290 MNOK, compared to 288 MNOK last year, due to currencies offsetting the effect of cost measures.

The impact of the COVID-19 pandemic during the second quarter has been uneven. European markets have shown strong resilience and the operations were close to normal. The severe lockdowns in North America and temporary suspension of bottle bill enforcement generated a material negative effect. Encouragingly, volume development has been positive after most bottle bills were resumed in June.

EBITA was 118 MNOK, down from 183 MNOK last year.

### **Sorting Solutions: Solid performance despite COVID-19 impact**

Revenues equaled 1,264 MNOK in second quarter 2020, down 8% in local currencies compared to last year. Gross margin was 46%, at the same level as second quarter 2019.

Operating expenses in the second quarter was 381 MNOK versus 377 MNOK last year, down 10% adjusted for currency.

EBITA increased from 193 MNOK in second quarter 2019 to 206 MNOK in second quarter 2020, though down 5% currency adjusted.

Order intake of 1,095 MNOK in the quarter, compared to 1,111 MNOK same quarter last year, down 5% currency adjusted. The order backlog was 1,746 MNOK at the end of second quarter 2020, down from 1,915 MNOK at the end of first quarter 2020. Currency adjusted the order backlog was down by 2%.

The global food supply chains are showing resilience in the face of the pandemic. While there is lower activity in processed food, fresh food is having a better momentum. Despite travel restrictions and increased complexity, TOMRA has had good delivery performance and close customer dialogue. The challenges have however impacted order intake negatively.

The waste sorting and plastic recycling business is showing good resilience. Sustainability efforts and the essential nature of the industry mitigate the economics of low oil prices. Metal sorting and Mining are negatively impacted by slower industrial demand and commodity prices below pre-COVID levels.

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**Webcast link:** <https://events.webcast.no/tomra/kvartalspresentasjoner/tomra-systems-asa-q2-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](http://www.TOMRA.com).

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