

Fourth Quarter 2024 Results Announcement

Record strong revenues and EBITA in milestone quarter for circularity

TOMRA, the global technology leader in sensor-based solutions for optimal resource productivity, announces its financial results for the fourth quarter 2024.

Tove Andersen, President and CEO of TOMRA Systems ASA comments:

"I'm proud to present a record strong quarter for TOMRA – a quarter in which intense activity ahead of Austria's deposit return system (DRS) launch have generated results that exceeded our expectations in Collection, and where our Recycling division has managed to deliver a record quarter thanks to the team's dedication and thorough preparations. We are also pleased to see that all the hard work to turn around Food is yielding tangible results, with solid revenues and orders in the quarter, and profitability reaching our year-end target."

Yet the greatest news in the quarter have really been the historical progress made by policymakers on the circular agenda. The EU's adoption of the Packaging and Packaging Waste Regulation (PPWR) will shape circularity for decades, introducing the first-ever legally binding recycled content requirements for packaging, DRS in all EU countries, and many additional promising obligations for the industry to boost recycling rates. With DRS regulation now in place in several countries including Spain and the UK, the coming years look very encouraging for increased circularity. TOMRA is well positioned and stands ready to support the industry in realizing these ambitions."

Revenues in TOMRA Group amounted to 398 MEUR in the quarter (4Q23: 354 MEUR), an increase of 12% from last year. Collection revenues grew 2% from a strong fourth quarter last year to 203 MEUR (4Q23: 198 MEUR). In Recycling, revenues increased 37% to 103 MEUR (4Q23: 75 MEUR) in line with the estimated backlog conversion ratio for the quarter. In Food, revenues grew 13% to 91 MEUR (4Q23: 81 MEUR).

The order backlog in Recycling grew 9% to 107 MEUR (4Q23: 99 MEUR) after a solid order intake which was up 15% to 76 MEUR in the quarter (4Q23: 66 MEUR). In Food, the order intake was 85 MEUR (4Q23: 95 MEUR), which was the highest level for the year although down 10% compared to a strong fourth quarter last year. The Food order backlog grew 6% to 108 MEUR (4Q23: 102 MEUR) as the division is slowly recovering from a soft market.

Gross margin for TOMRA Group increased to 46% in the quarter (4Q23: 44%). The gross margin in Food increased to 45% (4Q23: 42%) as a result of the cost savings program. Higher volumes in Recycling translated into a record high gross margin of 56% (4Q23: 53%). The Collection gross margin was stable at 41% (4Q23: 41%).

Operating expenses, excluding one-off costs, increased a modest 1% to 103 MEUR in the quarter (4Q23: 102 MEUR). An additional 2.7 MEUR (4Q23: 32 MEUR) in one-off costs were booked in the quarter as special items.

EBITA, adjusted for special items, increased 46% to 78 MEUR in the quarter (4Q23: 53 MEUR) with a corresponding EBITA (adj.) margin of 20% (4Q23: 15%). In Food, cost savings and solid volumes yielded an EBITA (adj.) margin of 13% (4Q23: 7%). High volumes in Recycling resulted in an EBITA margin of 39% (4Q23: 25%) while it was marginally lower than last year in Collection at 17% (4Q23: 18%).

Earnings per share, adjusted for special items, grew 54% to 0.18 EUR in the quarter (4Q23: 0.11 EUR).

The Board of Directors proposes an ordinary dividend of NOK 2.15 per share for 2024 (2023: NOK 1.95), an increase of 10% and corresponding to a payout ratio of 58% of EPS.

Highlights 4th quarter 2024

(growth figures are from the corresponding period last year)

- Revenues amounted to 398 MEUR (4Q23: 354 MEUR) in TOMRA Group, up 12%
- Revenue growth of 2% in Collection, 37% in Recycling, and 13% in Food
- Gross margin of 46% (4Q23: 44%)
- Operating expenses (ex. one-off costs) up a modest 1% to 103 MEUR (4Q23: 102 MEUR)
- EBITA adj. was 78 MEUR (4Q23: 53 MEUR), up 46%
- EPS adj. up 54% to 0.18 EUR (4Q23: 0.11 EUR).
- The Board of Directors proposes a dividend of NOK 2.15 per share (2023: NOK 1.95)
- Cash flow from operations was 83 MEUR (4Q23: 113 MEUR)
- Recycling order intake up 15% to 76 MEUR (4Q23: 66 MEUR) and order backlog growth of 9% to 107 MEUR (4Q23: 99 MEUR)
- Food order intake down 10% to 85 MEUR (4Q23: 95 MEUR) and order backlog growth of 6% to 108 MEUR (4Q23: 102 MEUR)

Webcast

President & CEO Tove Andersen and CFO Eva Sagemo will present the results today at 08:00 CET. The presentation and Q&A session will be sent via live webcast and will be available on demand shortly after the presentation:

https://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20250214_1

Analysts and investors who would like to actively participate in the live Q&A session must register separately for the TEAMS webinar:

<https://events.teams.microsoft.com/event/8157c6e6-facc-49fc-9bbf-d235f1e97e3c@4308d118-edd1-4300-8a37-cfeba8ad5898>

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TOMRA Systems ASA

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