

INTERIM REPORT JANUARY – SEPTEMBER 2024

Stronger market position and increased profit

JULY – SEPTEMBER 2024

- Net sales amounted to SEK 392.0 million (262.9), an increase of 49%.
- Net sales for comparable segments decreased by SEK 26.3 million, a decrease of 10%.
- Operating profit amounted to SEK 32.2 million (28.0), an increase of 15%.
- The operating margin decreased to 8.2% (10.7).
- The profit for the period amounted to SEK 25.9 million (20.8), an increase of 25%.
- Earnings per share, before dilution, amounted to SEK 1.24 (1.03) and after dilution to SEK 1.24 (0.99).
- Cash flow from operating activities amounted to SEK -7.3 million (43.7).

JANUARY – SEPTEMBER 2024

- Net sales amounted to SEK 1,035.7 million (788.5), an increase of 31%.
- Net sales for comparable segments decreased by SEK 39.8 million, a decrease of 5%.
- Operating profit amounted to SEK 93.8 million (75.6), an increase of 24%.
- The operating margin decreased to 9.1% (9.6).
- The profit for the period amounted to SEK 69.7 million (57.8), an increase of 21%.
- Earnings per share, before dilution, amounted to SEK 3.32 (2.87) and after dilution to SEK 3.32 (2.76).
- The net debt amounted to SEK 70.4 million (-8.8) at the end of the period, equivalent to 0.4 times (-0.1) EBITDA.
- Cash flow from operating activities amounted to SEK 58.0 million (86.9).

Net sales, SEK million

392.0

(262.9)

an increase of 49%

Operating profit, SEK million

32.2

(28.0)

an increase of 15%

Operating margin, %

8.2

(10.7)

a decrease of 23%

GROUP IN SUMMARY*

	Jul-Sep 2024	Jul-Sep 2023	Δ,%	Jan-Sep 2024	Jan-Sep 2023	Δ,%	R 12	Jan-Dec 2023	Δ,%
Net sales, SEK million	392.0	262.9	49	1,035.7	788.5	31	1,262.3	1,015.1	24
Gross margin, %	20.0	23.4	-15	21.6	21.6	-	21.6	21.6	-
EBITDA, SEK million	44.4	41.9	6	140.4	112.0	25	167.9	139.5	20
Operating margin, SEK million	32.2	28.0	15	93.8	75.6	24	109.8	91.6	20
Operating margin, %	8.2	10.7	-23	9.1	9.6	-5	8.7	9.0	-3
Profit for the period, SEK million	25.9	20.8	25	69.7	57.8	21	78.8	66.9	18
Earnings per share before dilution, SEK	1.24	1.03	20	3.32	2.87	16	3.76	3.29	14
Earnings per share after dilution, SEK	1.24	0.99	25	3.32	2.76	20	3.76	3.19	18
Net debt/EBITDA, times	0.4	-0.1	-	0.4	-0.1	-	0.4	-0.6	-
Net debt, SEK million	70.4	-8.8	-	70.4	-8.8	-	70.4	-81.3	-
Cash flow from operating activities, SEK million	-7.3	43.7	-	58.0	86.9	-33	136.7	165.5	-17
Return on capital employed (ROCE), %	14.9	13.0	15	14.9	13.0	15	14.9	14.2	5
Equity/assets ratio, %	56.7	69.4	-18	56.7	69.4	-18	56.7	72.4	-22

* For definitions and alternative performance measures, see page 18



CEO COMMENTS

Stronger market position and increased profit

Significantly higher net sales, higher profit and a temporary build-up of raw material inventory characterize the third quarter of 2024.

Market

We are experiencing a cautious market with a volume that, in our assessment, is in line with the corresponding period last year. Demand within the construction and automotive industries continues to be relatively weak. Positively, we see sustained demand in other sectors, especially within industry and industrial projects. This trend has been evident both in segment Czech Republic and segment Sweden.

Overall, the volume is significantly higher, influenced by the acquisition carried out during the second quarter of 2024. Through the acquisition of Nudac S.A.U., our product and customer portfolio has been strengthened and we have a considerably stronger market position in Central and Southern Europe.

The raw material prices, which affect both net sales and gross profit, continued to increase during the third quarter but are at a lower level than in the comparison quarter. Price competition towards customers has increased, which is a consequence of a reserved market combined with increasing raw material prices.

Customers within distribution have been cautious during the period, which is a result of the increased purchases made during the first quarter of the year, this is most evident in segment Spain.

Increased net sales

Net sales increased by 49%, which is an effect of the additional net sales from segment Spain. In the comparable segments, the lower sales are primarily due to raw material prices being on average lower during the quarter compared to the same period last year.

We now see a positive diversification in our product and customer portfolio through the increased share of PETG and PMMA as a result of the acquisition of Nudac S.A.U.

During the third quarter of 2024, the operating profit amounted to SEK 32.2 million, which is an increase compared to the same period last year. We have had a strong focus on maintaining margins during a period of increasing raw material prices. Our margins in the quarter are slightly lower compared to the same period last year, which was one of the strongest quarters in the company's history. For segment Spain the margins are weaker than for the comparable segments.

During the quarter, there was a temporary build-up of inventory, which has significantly affected the cash flow from operating activities, making it negative for the first time in a long time. The cash flow is affected by a larger raw material inventory in terms of volume as well as increased raw material prices compared to the second quarter and the full year of 2024.

Outlook

Entering the year's final quarter, we see a stable but reserved market. Some customer groups show a speculative buying behavior, which is highly influenced by the raw material price development.

So far, raw material prices have had an upward trend, but the future is difficult to assess.

Our long-term planning includes investments in several production units over the coming years. This involves investments and development of both personnel and machinery. In segment Spain, work continues to align operations with other segments and thereby increase efficiency. At the same time, planning of a new warehouse and production facility continues in Sweden. In the Czech Republic, modernization of the machinery and improvements in production flows are ongoing.

We acknowledge the importance of being in the lead of development to be able to deliver the highest quality of extruded plastic sheets in the market.



Christian Krichau
President and CEO



FINANCIAL OVERVIEW

The Group's net sales and profit

Net sales during the quarter increased by 49% to SEK 392.0 million (262.9). The increased net sales are an effect from the additional volume after the acquisition of Nudac S.A.U. The net sales for comparable segments decreased by 10% due to lower raw material prices. Gross margin decreased to 20.0% (23.4). The gross margin was primarily negatively affected by segment Spain's comparably lower margins. The gross margin in the comparable quarter was although very strong.

Operating profit for the third quarter amounted to SEK 32.2 million (28.0), an 15% increase. Operating margin decreased to 8.2% (10.7%). The operating margin decreased primarily due to the lower gross margin. The operating profit was burdened last year with non-recurring costs of approximately SEK 2.5 million.

Profit before tax for the third quarter was SEK 31.6 million (26.7). Net financial items amounted to SEK -0.6 million (-1.3), including interest costs of SEK -3.4 million (-1.1). Tax expenses in the third quarter were SEK -5.7 million (-5.9), resulting in an effective tax rate of 18.0% (22.0). Net profit for the period was SEK 25.9 million (20.8). Earnings per share, before dilution, were SEK 1.24 (1.03), and after dilution, SEK 1.24 (0.99).

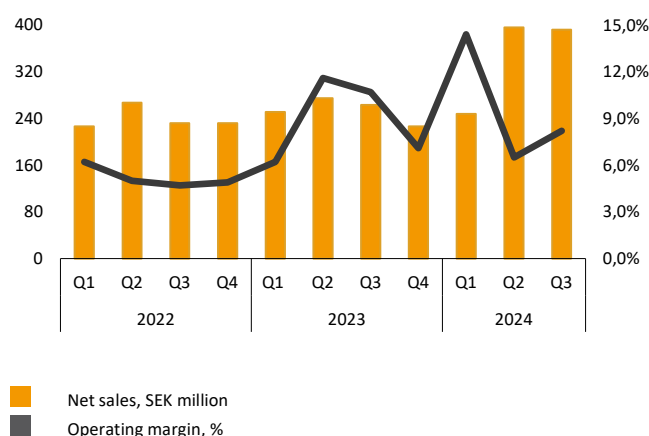
For the nine-months period net sales amounted to SEK 1,035.7 million (788.5), an increase of 31%. The increased net sales are an effect from the additional volume after the acquisition of Nudac S.A.U. The net sales for comparable segments decreased by 5% due to lower raw material prices. Gross margin amounted to 21.6% (21.6). The gross margin is level with previous year. The weaker margin in our acquired company Nudac S.A.U. is balanced by strengthened margins in the other segments.

Operating profit amounted to SEK 93.8 million (75.6) for the nine-months period, an increase of 24%. Operating margin was 9.1% (9.6). Operating profit includes non-recurring costs amounting to approximately SEK 15.8 million. The corresponding period previous

year included non-recurring costs of SEK 2.5 million but included also government grant for electricity costs of SEK 5.5 million.

Profit before tax for the nine-month period was SEK 93.2 million (71.8). Net financial items amounted to SEK -0.6 million (-3.8), including interest costs of SEK -5.1 million (-2.5). Tax expenses for the nine-month period amounted to SEK -23.5 million (-14.0), resulting in an effective tax rate of 25.2% (19.5). Net profit for the nine-month period was SEK 69.7 million (57.8). Earnings per share, before dilution, were SEK 3.32 (2.87), and after dilution, SEK 3.32 (2.76).

Net sales and operating margin





FINANCIAL OVERVIEW

Cash flow and financial position

Cash flow and investments

Cash flow from operating activities decreased to SEK -7.3 million (43.7) in the third quarter. The cash flow was negatively impacted by the change in working capital, mainly due to an increased raw material stock.

Cash flow from investing activities was SEK -0.9 million (-0.4) during the quarter, primarily reflecting maintenance investments in the four facilities.

Cash flow from financing activities amounted to SEK 4.5 million (20.3). The corresponding quarter previous year includes emission from warrant program of SEK 29.2 million.

For the nine-month period, cash flow from operating activities amounted to SEK 58.0 million (86.9). The weaker cash flow is mainly explained by a negative effect from the change in working capital, but is slightly counteracted by the higher operating profit.

Cash flow from investing activities for the nine-month period was SEK -102.6 million (-4.7), mainly due to the acquisition of Nudac S.A.U. and also maintenance investments in the four facilities.

From financing activities, cash flow amounted to SEK -25.4 million (-10.9) for the nine-month period, including dividends of SEK -26.2 million (-20.0). The corresponding period previous year includes emission from warrant program of SEK 29.2 million.

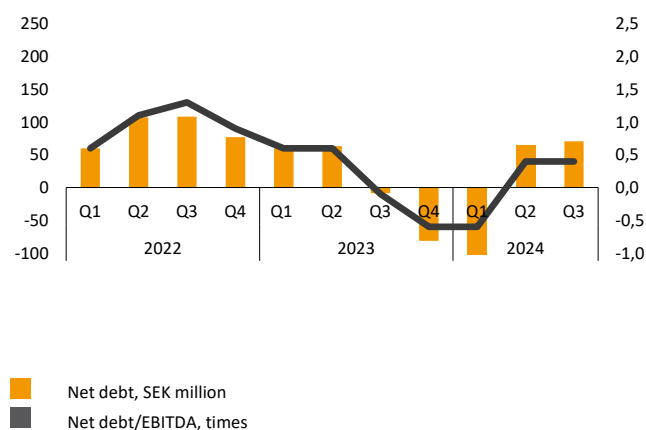
Financial position

The total assets of Arla Plast amounted to SEK 1,078.0 million as of September 30, 2024 (827.4).

As of September 30, 2024, the Group's net debt amounted to SEK 70.4 million (-8.8), which corresponds to 0.4 times EBITDA (-0.1).

The Group's solvency ratio was 56.7% as of September 30, 2024 (69.4).

Net debt and net debt/EBITDA





FINANCIAL OVERVIEW

The segment's net sales and profit

The Group's operations are monitored through the four segments Sweden, Czech Republic, Germany and Spain. Group-wide functions are located in both Sweden and the Czech Republic and are internally invoiced to ensure accurate reporting within each segment.

Sweden

In the third quarter of 2024 net sales decreased by 9% to SEK 138.1 million (151.0). The volumes were level with the same period previous year, but the raw material prices were lower. Operating profit decreased to SEK 14.1 million (14.6). The operating margin increased to 10.2% (9.7). Product mix and efficiency are level with previous year.

For the nine-month period of 2024, net sales decreased by 5% to SEK 447.8 million (470.7). The volumes were level with the same period previous year, but the raw material prices were lower. Operating profit increased to SEK 52.7 million (48.2), primarily due to higher gross profit, while government grant for electricity costs amounting to SEK 5.5 million affected operating profit in the previous period. The operating margin increased to 11.8% (10.2).

Czech Republic:

In the third quarter of 2024 net sales decreased by 10% to SEK 90.1 million (99.9). The volumes were level with the same period previous year, but the raw material prices were lower. Operating profit decreased to SEK 11.5 million (14.5). The corresponding quarter previous year was burdened by non-recurring costs of approximately SEK 2.5 million. The corresponding quarter previous year was strong, which means that even though the operating profit has decreased it

is still at a relatively high level. The operating margin decreased to 12.8% (14.5).

For the nine-month period, net sales decreased by 1% to SEK 274.4 million (276.2). The volumes were slightly higher but has been counteracted by the lower raw material prices. Operating profit amounted to SEK 35.8 million (28.7) and is burdened by non-recurring costs of approximately SEK 12.7 million this year and SEK 2.5 million last year. The operating margin increased to 13.0% (10.4).

Germany

For the third quarter, net sales amounted to SEK 25.5 million (29.3) a decrease by 13%. The lower net sales are an effect of lower raw material prices and lower volumes. Operating profit amounted to SEK 0.8 million (0.1) and the operating margin was 3.1% (0.3).

For the nine-month period of 2024, net sales amounted to SEK 77.9 million (91.5), a decrease by 15%, which is an effect of lower volumes and lower raw material prices. Operating profit amounted to SEK 4.2 million (2.0) and the operating margin was 5.3% (2.2).

Spain

The segment started as of April 23, 2024, with the acquisition of Nudac S.A.U. For the third quarter, net sales amounted to SEK 161.2 million and the operating profit amounted to SEK 6.4 million. The operating margin amounted to 4.0%.

During the five-months period, net sales amounted to 296.3 million and the operating profit amounted to SEK 5.4 million. The operating margin amounted to 1.8%. For more information about the segment see note 3 and about the acquisition see note 7.

Key performance indicator	Jul-Sep 2024	Jul-Sep 2023	Δ,%	Jan-Sep 2024	Jan-Sep 2023	Δ,%	R 12	Jan-Dec 2023	Δ,%
<i>Sweden</i>									
Net sales, SEK million	138.1	151.0	-9	447.8	470.7	-5	585.8	608.7	-4
Operating profit, SEK million	14.1	14.6	-3	52.7	48.2	9	60.1	55.6	8
Operating margin, %	10.2	9.7	5	11.8	10.2	16	10.3	9.1	13
<i>Czech Republic</i>									
Net sales, SEK million	90.1	99.9	-10	274.4	276.2	-1	348.4	350.2	-1
Operating profit, SEK million	11.5	14.5	-21	35.8	28.7	25	42.3	35.2	20
Operating margin, %	12.8	14.5	-12	13.0	10.4	25	12.1	10.1	20
<i>Germany</i>									
Net sales, SEK million	25.5	29.3	-13	77.9	91.5	-15	104.1	117.7	-12
Operating profit, SEK million	0.8	0.1	700	4.2	2.0	110	6.3	4.1	54
Operating margin, %	3.1	0.3	933	5.3	2.2	141	6.1	3.5	74
<i>Spain*</i>									
Net sales, SEK million	161.2	-	-	296.3	-	-	296.3	-	-
Operating profit, SEK million	6.4	-	-	5.4	-	-	5.4	-	-
Operating margin, %	4.0	-	-	1.8	-	-	1.8	-	-
*Consolidation started April 23, 2024									



FINANCIAL OVERVIEW

Other

Parent Company

Arla Plast AB is the parent company of the Arla Plast Group. The parent company's operations include the Swedish operational activities as well as Group-wide functions such as management, finance, IT, purchasing, and communications. During the third quarter of 2024, net sales amounted to SEK 138.1 million (151.0), and operating profit was SEK 14.1 million (14.6).

For the nine-month period in 2024, net sales amounted to SEK 447.8 million (470.7), and operating profit amounted to SEK 52.7 million (48.2).

Cash and cash equivalents as of September 30, 2024, were SEK 63.1 million (96.9).

Seasonal Variations

Arla Plast has numerous customers across various industries. Demand for Arla Plast's products do not generally have any major seasonal variations except for MWPC, which normally has a weaker winter season and a stronger summer season. However, the Group's results are affected by the number of working days, with the number of public holidays and the vacation period having a negative impact.

Personnel

The average number of full-time employees during the third quarter of 2024 was 375 (259). During the third quarter, women accounted for 24% (25) of the employees. For the nine-month period, the average number of full-time employees was 342 (254), with women accounting for 25% (25) of the employees.

Events after the end of the reporting period

No significant events after the reporting period.

The share

As of September 30, 2024, Mats Synnersten AB owns 14%, Svolder AB 14%, K Synnersten Holding AB 13%, Swedia Invest AB 11%, Ranzom AB 11%, Jan Synnersten AB 11% and Nordea Investment Funds 9% of the shares in Arla Plast AB. The company has approximately 2,600 shareholders.

Risks and Uncertainties

For further information regarding risks see the Group's Annual report 2023, available at www.arlaplastgroup.com.

Sustainability

During the third quarter of 2024, our carbon footprint related to the production of raw materials consumed was in average 3.5 kg CO₂e per kg of finished product produced (3.6) and sick leave was 5.0% (5.2). The distribution unit Alphaplex GmbH does not produce finished products and is thus not included in the calculation of CO₂e per kg of finished products produced. For further information regarding our sustainability work see the Annual report 2023 available at www.arlaplastgroup.com.



FINANCIAL REPORTS

Consolidated statement of comprehensive income

Amounts in SEK million	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	R 12	Jan-Dec 2023
Net sales	2,3	392.0	262.9	1,035.7	788.5	1,262.3	1,015.1
Costs of goods sold		-313.6	-201.4	-812.0	-618.1	-989.7	-795.8
Gross margin		78.4	61.5	223.7	170.4	272.6	219.3
Selling expenses		-26.9	-17.1	-73.8	-54.4	-92.3	-72.9
Administrative expenses		-19.6	-17.4	-60.6	-50.1	-75.8	-65.3
Other operating income	4	0.2	0.9	7.7	10.2	8.1	10.6
Other operating expenses	7	0.1	0.1	-3.2	-0.5	-2.7	-0.1
Operating profit		32.2	28.0	93.8	75.6	109.8	91.6
Financial income and expenses		-0.6	-1.3	-0.6	-3.8	-2.4	-5.6
Result before tax		31.6	26.7	93.2	71.8	107.4	86.0
Tax expenses		-5.7	-5.9	-23.5	-14.0	-28.6	-19.1
Profit for the period		25.9	20.8	69.7	57.8	78.8	66.9
Other comprehensive income							
Items that may be reclassified subsequently to profit of loss							
Exchange differences on translation of foreign operations		-3.8	-14.1	-1.1	6.9	-15.6	-7.6
Other comprehensive income for the period		-3.8	-14.1	-1.1	6.9	-15.6	-7.6
Total comprehensive income for the period		22.1	6.7	68.6	64.7	63.2	59.3
Amounts in SEK							
Earnings per share before dilution		1.24	1.03	3.32	2.87	3.76	3.29
Earnings per share after dilution		1.24	0.99	3.32	2.76	3.76	3.19

The period's result and total comprehensive income are entirely attributable to the parent company's shareholders.



FINANCIAL REPORTS

Consolidated statement of financial position

Amounts in SEK million	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS				
Non-current assets				
Intangible non-current assets		52.9	32.5	30.9
Property, plant and equipment		268.5	250.7	238.0
Right-of-use assets		23.8	28.3	26.0
Deferred tax assets		13.3	-	-
Total non-current assets		358.5	311.5	294.9
Current assets				
Inventories		334.9	198.7	173.2
Trade receivables	5	256.3	179.3	126.2
Other current receivables	5	18.9	18.5	14.8
Cash and cash equivalents	5	109.4	119.5	176.1
Total current assets		719.5	515.9	490.3
TOTAL ASSETS		1,078.0	827.4	785.2
EQUITY				
Equity attributable to owners of the parent		610.8	573.9	568.4
LIABILITIES				
Non-current liabilities				
Liabilities to credit institutions	5	34.8	10.3	5.8
Non-current portion of lease liability	5	15.5	20.9	18.6
Deferred tax liability		46.9	44.0	41.7
Other provisions		21.8	-	-
Total non-current liabilities		119.0	75.2	66.1
Current liabilities				
Liabilities to credit institutions	5	120.8	71.9	62.7
Current portion of lease liability	5	8.7	7.6	7.6
Accounts payable	5	107.1	24.6	16.6
Other current liabilities	5	111.6	74.2	63.8
Total current liabilities		348.2	178.3	150.7
Total liabilities		467.2	253.5	216.8
TOTAL EQUITY AND LIABILITIES		1,078.0	827.4	785.2



FINANCIAL REPORTS

Condensed consolidated statement of changes in equity

Amounts in SEK million	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
Opening balance		568.4	500.0	500.0
Profit for the period		69.7	57.8	66.9
Other comprehensive income		-1.1	6.9	-7.6
Total comprehensive income		68.6	64.7	59.3
Dividend		-26.2	-20.0	-20.0
Emission		-	29.2	29.2
Total transactions with shareholders		-26.2	9.2	9.2
Closing balance		610.8	573.9	568.4

Consolidated statement of cash flows

Amounts in SEK million	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	R 12	Jan-Dec 2023
Cash flow from operating activities before changes in working capital		32.0	33.3	106.6	93.1	139.5	126.0
Cash flow from changes in working capital		-39.3	10.4	-48.6	-6.2	-2.9	39.5
Cash flow from operating activities		-7.3	43.7	58.0	86.9	136.7	165.5
Cash flow from investing activities		-0.9	-0.4	-102.6	-4.7	-104.3	-6.4
Cash flow from financing activities		4.5	20.3	-25.4	-10.9	-38.6	-24.0
Cash flow for the period		-3.7	63.6	-70.0	71.3	-6.2	135.1
Cash and cash equivalents at beginning of period		113.2	58.2	176.1	47.9	119.5	47.9
Exchange differences in cash and cash equivalents		-0.1	-2.3	3.3	0.3	-3.9	-6.9
Cash and cash equivalents at close of period		109.4	119.5	109.4	119.5	109.4	176.1



FINANCIAL REPORTS

Condensed parent company income statement

Amounts in SEK million	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	R 12	Jan-Dec 2023
Net sales		138.1	151.0	447.8	470.7	585.8	608.7
Cost of goods sold		-104.8	-112.1	-331.7	-359.1	-438.0	-465.4
Gross profit		33.3	38.9	116.1	111.6	147.8	143.3
Selling expenses		-10.3	-11.7	-34.8	-39.5	-49.9	-54.6
Administrative expenses		-8.7	-11.2	-30.2	-31.2	-38.3	-39.3
Other operating income and operating expenses		-0.2	-1.4	1.6	7.3	0.5	6.2
Operating profit		14.1	14.6	52.7	48.2	60.1	55.6
Financial income and expenses		-0.6	-1.6	68.1	-3.9	67.4	-4.6
Profit before appropriations and tax		13.5	13.0	120.8	44.3	127.5	51.0
Appropriations		-	-	-	-	-4.5	-4.5
Profit before tax		13.5	13.0	120.8	44.3	123.0	46.5
Tax expenses		-3.2	-2.7	-10.9	-9.2	-11.8	-10.2
Profit for the period		10.3	10.3	109.9	35.1	111.1	36.3

Parent company's condensed statement of comprehensive income

Amounts in SEK million	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	R 12	Jan-Dec 2023
Profit for the period		10.3	10.3	109.9	35.1	111.1	36.3
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		10.3	10.3	109.9	35.1	111.1	36.3



FINANCIAL REPORTS

Condensed parent company balance sheet

Amounts in SEK million	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS				
Non-current assets				
Intangible non-current assets		0.2	0.3	0.3
Property, plant and equipment		133.9	144.2	140.8
Financial non-current assets		191.2	90.9	83.2
Total non-current assets		325.3	235.3	224.3
Current assets				
Inventories		100.4	84.9	75.2
Other current assets		95.1	111.8	83.9
Cash and cash equivalents		63.1	96.9	116.3
Total current assets		258.6	293.5	275.4
TOTAL ASSETS		583.9	528.8	499.7

Amounts in SEK million	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
EQUITY		331.9	247.0	248.2
Untaxed reserves		140.5	136.0	140.5
LIABILITIES				
Non-current liabilities				
Provisions		6.8	14.9	6.7
Current liabilities				
Liabilities to credit institutions		46.3	71.0	58.6
Other current liabilities		58.4	59.9	45.7
Total current liabilities		104.7	130.8	104.3
Total liabilities		111.5	145.8	111.0
TOTAL EQUITY AND LIABILITIES		583.9	528.8	499.7



FINANCIAL REPORTS

Notes

Note 1 Basic accounting principles

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act. The same accounting policies as those in the last annual report have been applied to the Group and the Parent Company.

Significant estimates and judgements are set out in note 4 of the 2023 Annual Report. No changes have been made that could have a substantial impact on the interim report.

New standards, amendments and interpretations effective from 1 January 2024 or later have not had a substantial impact on this financial report.

Note 2 Categories of revenue

Below is a breakdown of revenue from contracts with customers in Arla Plast's largest markets based on the domicile of the customer and Arla Plast's product areas. No single customer accounts for 10% or more of sales, which means that dependence on individual customers is limited for Arla Plast.

Arla Plast offers products in four technical plastic materials; PC, ABS, PETG and PMMA. Based on product properties, PC is divided into transparent with high optical performance (TPC), coloured or opaque (OPC) and multiwall polycarbonate (MWPC). This gives the customer six different product areas to choose from: TPC, OPC, MWPC, ABS, PETG and PMMA. Arla Plast offers great opportunities for customization in all product areas and a wide range of specifications, such as thickness, dimensions, colours, design effects, structures and UV protection.

Amounts in SEK million	Jul-Sep 2024	Δ,%	Jul-Sep 2023	Δ,%	Jan-Sep 2024	Δ,%	Jan-Sep 2023	Δ,%	R 12	Δ,%	Jan-Dec 2023	Δ,%
External net sales per geographical market												
Sweden	27.6	7	30.1	11	92.0	9	100.5	13	125.8	10	134.3	13
Germany	64.3	16	48.4	18	176.5	17	154.4	20	211.2	17	189.1	19
Czech Republic	49.8	13	54.2	21	158.6	15	143.7	18	202.4	16	187.5	18
Poland	34.5	9	24.9	10	89.4	9	89.1	11	117.3	9	117.0	12
Rest of Europe	185.9	47	79.2	30	453.6	44	236.6	30	525.3	42	308.3	30
Rest of world	29.9	8	26.1	10	65.6	6	64.2	8	80.3	6	78.9	8
Summa	392.0	100	262.9	100	1,035.7	100	788.5	100	1,262.3	100	1,015.1	100
External net sales per product category												
TPC	144.7	37	115.4	44	397.9	37	342.0	44	495.3	39	439.4	43
OPC	57.6	15	58.9	23	178.2	17	158.6	20	225.7	18	206.1	21
MWPC	42.3	11	44.2	17	119.7	12	128.7	16	154.6	12	163.6	16
ABS	20.0	5	22.1	8	61.5	6	87.4	11	88.0	7	113.9	11
PETG	59.6	15	11.4	4	132.2	13	38.7	5	143.6	12	50.1	5
PMMA	67.8	17	11.0	4	146.2	14	33.1	4	155.1	12	42.0	4
Summa	392.0	100	262.9	100	1,035.7	100	788.5	100	1,262.3	100	1,015.1	100



Note 3 Operating segments

The Group's operations are divided into four segments Sweden, the Czech Republic, Germany and Spain. Group-wide functions are located in Sweden and the Czech Republic and are internally invoiced to ensure accurate reporting in each segment. Comparability items burden group-wide costs and have not been allocated. In the Group's comprehensive income statement, comparability items are included in administrative expenses and other operating costs. Sales between segments occur at market terms. The CEO primarily uses net sales and operating profit to assess the Group's performance.

Sweden

The Sweden segment is the largest within the Group. During the third quarter of 2024, the segment accounted for approximately 33% (54) of the Group's total net sales and includes all operations based in Borensberg. The main raw materials in the segment are PC and ABS. The product areas in which the segment operates are TPC, OPC and ABS. Approximately 38% (35) of net sales from the common OPC product area originate from the Sweden segment.

Czech Republic

The Czech Republic segment accounted for approximately 21% (36) of the Group's total net sales during the third quarter of 2024. The

segment includes all operations based in the Czech Republic. Production takes place in Kadaň and Pelhřimov. The main raw materials in the segment are PC and PETG. The product areas in which the segment operates are MWPC, OPC, and PETG. Approximately 62% (65) of net sales from the common OPC product area come from the Czech Republic segment.

Germany

The Germany segment accounted for approximately 7% (10) of the Group's total net sales during the third quarter of 2024. The segment includes all operations based in Hüllhorst, Germany. The segment operates within all product areas. The segment is only marginally active within the common OPC product area, and there was no turnover in this product area for the reporting periods.

Spain

The Spain segment accounted for approximately 39% (-) of the Group's total net sales during the third quarter of 2024. The segment includes all operations based in Polinyá, Barcelona, Spain. The main raw materials in the segment are PC, PETG and PMMA. The product areas in which the segment operates are TPC, PETG, and PMMA. The segment is not active within the common OPC product area. Segment Spain is included as of April 23, 2024 in the nine-months period.

Net sales and result per segment

	Sweden	Czech	Germany	Spain	Other and elim.	Group	Sweden	Czech	Germany	Spain	Other and elim.	Group
Net sales and result, SEK million	Jul-Sep 2024	Jul-Sep 2024	Jul-Sep 2024	Jul-Sep 2024	Jul-Sep 2024	Jul-Sep 2024	Jul-Sep 2023	Jul-Sep 2023	Jul-Sep 2023	Jul-Sep 2023	Jul-Sep 2023	Jul-Sep 2023
Net sales, external	130.1	81.0	25.5	155.4	-	392.0	142.9	93.1	26.9	-	-	262.9
Net sales, internal	8.0	9.1	-	5.8	-22.9	-	8.1	6.8	2.4	-	-17.3	-
Total net sales	138.1	90.1	25.5	161.2	-22.9	392.0	151.0	99.9	29.3	-	-17.3	262.9
Operating profit	14.1	11.5	0.8	6.4	-0.6	32.2	14.6	14.5	0.1	-	-1.2	28.0
Net financial items	-0.6	1.0	-	-0.8	-0.2	-0.6	-0.9	-0.4	-	-	-	-1.3
Profit before tax	13.5	12.5	0.8	5.6	-0.8	31.6	13.7	14.1	0.1	-	-1.2	26.7
Operating margin, %	10.2	12.8	3.1	4.0	-	8.2	9.7	14.5	0.3	-	-	10.7

	Sweden	Czech	Germany	Spain*	Other and elim.	Group	Sweden	Czech	Germany	Spain	Other and elim.	Group
Net sales and result, SEK million	Jan-Sep 2024	Jan-Sep 2024	Jan-Sep 2024	Jan-Sep 2024	Jan-Sep 2024	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2023	Jan-Sep 2023	Jan-Sep 2023	Jan-Sep 2023	Jan-Sep 2023
Net sales, external	423.9	246.9	77.9	287.0	-	1,035.7	448.2	253.7	86.6	-	-	788.5
Net sales, internal	23.9	27.5	-	9.3	-60.7	-	22.5	22.5	4.9	-	-49.9	-
Total net sales	447.8	274.4	77.9	296.3	-60.7	1,035.7	470.7	276.2	91.5	-	-49.9	788.5
Operating profit	52.7	35.8	4.2	5.4	-4.3	93.8	48.2	28.7	2.0	-	-3.3	75.6
Net financial items	68.1	1.1	-0.1	-1.5	-68.2	-0.6	-3.2	-0.3	-0.3	-	-	-3.8
Profit before tax	120.8	36.9	4.1	3.9	-72.5	93.2	45.0	28.4	1.7	-	-3.3	71.8
Operating margin, %	11.8	13.0	5.3	1.8	-	9.1	10.2	10.4	2.2	-	-	9.6



				Other and			Sweden	Czech	Germany	Spain	Other and	Group
Net sales and result, SEK million	Sweden R 12	Czech R 12	Germany R 12	Spain* R12	elim. R 12	Group R 12	Jan-Dec 2023	Jan-Dec 2023	Jan-Dec 2023	Jan-Dec 2023	elim. Jan-Dec 2023	Jan-Dec 2023
Net sales, external	556.9	315.2	103.2	287.0	-	1,262.3	581.2	322.0	111.9	-	-	1,015.1
Net sales, internal	28.9	33.2	0.9	9.3	-72.3	-	27.5	28.2	5.8	-	-61.5	-
Total net sales	585.8	348.4	104.1	296.3	-72.3	1,262.3	608.7	350.2	117.7	-	-61.5	1,015.1
Operating profit	60.1	42.3	6.3	5.4	-4.3	109.8	55.6	35.2	4.1	-	-3.3	91.6
Net financial items	66.7	0.8	-0.2	-1.5	-68.2	-2.4	-4.6	-0.6	-0.4	-	-	-5.6
Profit before tax	126.8	43.1	6.1	3.9	-72.5	107.4	51.0	34.6	3.7	-	-3.3	86.0
Operating margin, %	10.3	12.1	6.1	1.8	-	8.7	9.1	10.1	3.5	-	-	9.0

Net sales by geographical market and segment

Geographical market, SEK million	Sweden Jul-Sep 2024	Czech Jul-Sep 2024	Germany Jul-Sep 2024	Spain Jul-Sep 2024	Internal Jul-Sep 2024	Group Jul-Sep 2024	Sweden Jul-Sep 2023	Czech Jul-Sep 2023	Germany Jul-Sep 2023	Spain Jul-Sep 2023	Internal Jul-Sep 2023	Group Jul-Sep 2023
Sweden	22.2	7.4	2.0	3.3	-7.3	27.6	28.0	7.2	2.6	-	-7.7	30.1
Germany	25.7	6.5	17.0	29.1	-14.0	64.3	29.5	6.2	22.1	-	-9.4	48.4
Czech Republic	10.3	35.8	0.3	5.0	-1.6	49.8	9.6	44.4	0.4	-	-0.2	54.2
Poland	14.0	12.9	0.4	7.2	-	34.5	12.5	12.2	0.2	-	-	24.9
Rest of Europe	53.4	22.1	5.8	104.6	-	185.9	51.7	23.5	4.0	-	-	79.2
Rest of world	12.5	5.4	-	12.0	-	29.9	19.7	6.4	-	-	-	26.1
Total	138.1	90.1	25.5	161.2	-22.9	392.0	151.0	99.9	29.3	-	-17.3	262.9

Geographical market, SEK million	Sweden Jan-Sep 2024	Czech Jan-Sep 2024	Germany Jan-Sep 2024	Spain* Jan-Sep 2024	Internal Jan-Sep 2024	Group Jan-Sep 2024	Sweden Jan-Sep 2023	Czech Jan-Sep 2023	Germany Jan-Sep 2023	Spain Jan-Sep 2023	Internal Jan-Sep 2023	Group Jan-Sep 2023
Sweden	76.5	25.4	4.0	8.3	-22.2	92.0	94.5	22.1	5.2	-	-21.3	100.5
Germany	86.4	17.3	56.0	53.2	-36.4	176.5	88.0	22.2	71.7	-	-27.5	154.4
Czech Republic	31.1	121.5	0.6	7.5	-2.1	158.6	29.5	114.4	0.9	-	-1.1	143.7
Poland	40.7	32.6	0.4	15.7	-	89.4	53.3	35.2	0.6	-	-	89.1
Rest of Europe	178.9	62.1	16.9	195.7	-	453.6	165.4	58.1	13.1	-	-	236.6
Rest of world	34.2	15.5	-	15.9	-	65.6	40.0	24.2	-	-	-	64.2
Total	447.8	274.4	77.9	296.3	-60.7	1,035.7	470.7	276.2	91.5	-	-49.9	788.5

Geographical market, SEK million	Sweden R 12	Czech R 12	Germany R 12	Spain* R12	Internal R 12	Group R 12	Sweden Jan-Dec 2023	Czech Jan-Dec 2023	Germany Jan-Dec 2023	Spain Jan-Dec 2023	Internal Jan-Dec 2023	Group Jan-Dec 2023
Sweden	110.6	29.2	5.4	8.3	-27.7	125.8	128.6	25.9	6.6	-	-26.8	134.3
Germany	105.8	20.1	74.5	53.2	-42.4	211.2	107.4	25.0	90.2	-	-33.5	189.1
Czech Republic	41.9	154.4	0.8	7.5	-2.2	202.4	40.3	147.3	1.1	-	-1.2	187.5
Poland	56.7	44.1	0.8	15.7	0.0	117.3	69.3	46.7	1.0	-	-	117.0
Rest of Europe	227.8	79.2	22.6	195.7	0.0	525.3	214.3	75.2	18.8	-	-	308.3
Rest of world	43.0	21.4	0.0	15.9	0.0	80.3	48.8	30.1	-	-	-	78.9
Total	585.8	348.4	104.1	296.3	-72.3	1,262.3	608.7	350.2	117.7	-	-61.5	1,015.1

*Consolidation started April 23, 2024



Note 4 Other operating income

Other operating income includes consideration for sales other than in the ordinary course of business, such as net gains on the sale of non-current assets, government grants received and exchange gains of an operating nature. Government grants are recognized at fair value when there is reasonable assurance that the grants will be received and the Group will comply with the conditions attached to the grants.

Note 5 Financial instruments

The Group's financial assets and liabilities comprise accounts receivable, other receivables, cash and cash equivalents, liabilities to credit institutions, leasing liabilities, accounts payable, other liabilities and derivative financial instruments.

For those financial instruments carried at amortized cost, the carrying amount is considered to be a reasonable estimate of fair value, as they are all current instruments. All derivatives are measured at fair value and classified as Level 2, which means that all significant inputs required for measurement are observable.

The table below shows the fair value of outstanding forward exchange contracts included in the balance sheet:

Amounts in SEK million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Derivative assets	-0.3	0.4	0.2

Note 6 Related-party transactions

There have not been any changes in the Group's or Parent Company's related-party relationships compared to those described in the 2023 Annual Report. There were no material related-party transactions during the period.

Note 7 Acquisition

On April 23, 2024 Arla Plast completed the acquisition of Nudec S.A.U. Like Arla Plast, Nudec S.A.U. is a manufacturer of extruded sheets in technical plastic materials based in Polinyá, just outside Barcelona, Spain. With the acquisition Arla Plast Group's geographical position in Europe will be strengthened and the product portfolio will be further broadened.

Nudec S.A.U. is consolidated from April 23, 2024. Below is the preliminary purchase price allocation:

Preliminary purchase price allocation Nudec S.A.U.

	EURm	SEKm
Net identified assets and liabilities	7.4	85.3
Intangible assets (no goodwill) and provision	2.1	24.2
Purchase price	9.5	109.5
Cash consideration paid for acquisition	9.1	104.8
Cash and cash equivalents in Nudec S.A.U.	1.1	12.8
Effect on the Group's cash and cash equivalents	-8.0	-92.0

The purchase price allocation is preliminary and can be subject to change if additional information of fair value is obtained or if there are deviations in the final purchase price. The acquisition has initiated preliminary transaction costs of EUR -0.3 million corresponding to SEK -3,1 million which have affected the operating profit for the nine-month period. In the consolidated statement of comprehensive income, the cost can be found amongst other operating costs.



Signatures

Arla Plast AB (reg. no. 556131–2611)

Borensberg November 7, 2024

Jan Synnersten
Chairman of the Board

Annelie Arnbäck
Board member

Maria Catoni
Board member

Ulf Hedlundh
Board member

Ola Salmén
Board member

Thomas Widstrand
Board member

Annika Erlandsson
Employee representative

Klas Renlund
Employee representative

Christian Krichau
CEO and President

This interim report has been reviewed by the
company's auditor.



Review Report

Introduction

We have reviewed the interim report for Arla Plast AB for the period January 1 - September 30, 2024. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Jönköping, November 7, 2024
Deloitte AB

Pernilla Rehnberg
Authorized Public Accountant



ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures

The performance measures in this report take into account the nature of the operations and are deemed to provide relevant information to shareholders and other stakeholders, while also enabling comparability with other companies. In addition to the financial ratios prepared in accordance with IFRS, Arla Plast presents financial ratios that have not been defined in accordance with IFRS, for example EBITDA and operating margin. These alternative

performance measures are considered important earnings and performance indicators for investors and other users of the year-end report. The alternative performance measures should be considered a complement to, but not a substitute for, the financial information prepared in accordance with IFRS. The Arla Plast Group's definitions of these measures that are not defined under IFRS are described in this note.

Definitions

Definition	Calculation
Gross margin, %	Gross profit % of the net sales during the period.
Operating margin, %	Operating profit in % of net sales during the period.
EBITDA, SEK million	Operating profit before depreciation, amortization and impairment.
Interest bearing assets, SEK million	Cash and cash equivalents.
Interest bearing liabilities, SEK million	Current and non-current liabilities owed to credit institutions, current and non-current lease liabilities.
Net debt, SEK million	Interest-bearing liabilities less interest-bearing assets.
Net debt/ EBITDA, times	The net debt at period-end in relation to the EBITDA for the last 12 months.
Organic growth, %	Organic growth is the sales growth excluding growth attributable to acquisitions and disposals.
Working capital, SEK million	Inventories and other short-term operating assets less other short-term operating liabilities.
Working capital/net sales, %	Working capital in relation to net sales.
Capital employed, SEK million	Total assets less non-interest-bearing liabilities (including deferred tax).
Return on capital employed (ROCE), %	Adjusted operating profit divided by average capital employed. Average capital employed is calculated by adding the capital employed at period end to the capital employed at period-end for the same period of the previous year and dividing it by two.
R12, SEK million	A summary of outcomes from the last 12 months.
Operating cash flow, SEK million	Cash flow from operating activities and cash flow from investing activities.
Equity/assets ratio	The equity at period-end as % of total assets.



Calculation of alternative key ratios

	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	R 12	Jan-Dec 2023
Gross margin, %:						
Gross profit, SEK million	78.4	61.5	223.7	170.4	272.6	219.3
Net sales, SEK million	392.0	262.9	1,035.7	788.6	1,262.3	1,015.1
Gross margin, %	20.0	23.4	21.6	21.6	21.6	21.6
EBITDA, SEK MILLION:						
Operating profit, SEK million	32.2	28.0	93.8	75.6	109.8	91.6
Depreciation of fixed assets	12.2	13.9	46.6	36.4	58.1	47.9
EBITDA, SEK MILLION	44.4	41.9	140.4	112.0	167.9	139.5
Organic growth, %:						
Net sales, SEK million	392.0	262.9	1,035.7	788.5	1,262.3	1,015.1
Net sales corresponding period previous year, SEK million	262.9	232.0	788.5	725.7	1,020.6	957.8
Acquisition, SEK million	-155.4	-5.0	-287.0	-46.4	-287.0	-46.4
Net sales change, SEK million	-26.3	25.9	-39.8	16.4	-44.3	10.9
Organic growth, %	-10.0	10.9	-5.0	2.1	-4.3	1.1
Working capital/net sales, %:						
Operating receivables, SEK million	602.2	396.1	602.2	396.1	602.2	310.6
Operating liabilities, SEK million	217.1	96.9	217.1	96.9	217.1	-75.0
Net working capital, SEK million	385.1	299.2	385.1	299.2	385.1	235.6
Net sales R12, SEK million	1,262.3	1,020.6	1,262.3	1,020.6	1,262.3	1,015.1
Working capital/net sales, %	30.5	29.3	30.5	29.3	30.5	23.2
Return on capital employed (ROCE), %:						
Capital employed, SEK million	790.5	684.6	790.5	684.6	790.5	663.2
Average capital employed, SEK million	737.6	671.2	737.6	671.2	737.6	643.9
Operating profit R12, SEK million	109.8	87.0	109.8	87.0	109.8	91.6
Return on capital employed (ROCE), %	14.9	13.0	14.9	13.0	14.9	14.2
Net debt, SEK million:						
Interest bearing liabilities, SEK million	109.4	119.5	109.4	119.5	109.4	176.1
Interest bearing assets, SEK million	179.8	110.7	179.8	110.7	179.8	94.8
Net debt, SEK million	70.4	-8.8	70.4	-8.8	70.4	-81.3
Net debt/ EBITDA, times:						
Net debt, SEK million	70.4	-8.8	70.4	-8.8	70.4	-81.3
EBITDA R12, SEK million	167.9	134.9	167.9	134.9	167.9	139.5
Net debt/ EBITDA, times	0.4	-0.1	0.4	-0.1	0.4	-0.6
Equity/assets ratio, %:						
Equity, SEK million	610.8	573.9	610.8	573.9	610.8	568.4
Total assets, SEK million	1,078.0	827.4	1,078.0	827.4	1,078.0	785.2
Equity/assets ratio, %	56.7	69.4	56.7	69.4	56.7	72.4



For further information, please contact:

Christian Krichau, President and CEO, +46 141-20 38 58

Forward-looking information

Some statements in this report are forward-looking and the actual outcome may be significantly different. In addition to the factors specifically highlighted, other factors may have a material impact on the actual outcome. Such factors include, but are not limited to, the general economic situation, changes in exchange rates and interest rates, political developments, the impact of competing products and their prices, disruptions in the supply of raw materials.

This information is such information that Arla Plast AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was published by the abovementioned contact persons on November 8, 2024 at 8:00 am (CET).

Financial calendar

Year-end report 2024 – February 19, 2025

Interim report January – March 2025 - April 29, 2025

Release of annual and sustainability report 2024 – Week 14, 2025

AGM 2025 – May 7, 2025, in Borensberg

Interim report January – June 2025 - August 15, 2025

Interim report January – September 2025 - November 7, 2025

Year-end report 2025 - February 19, 2026

About Arla Plast

Arla Plast is a producer and supplier of extruded sheets made of technical plastics. The plastic sheets are made of polycarbonate (PC), acrylonitrile butadiene styrene (ABS), glycol-modified polyethylene terephthalate (PETG) and polymethyl methacrylate (PMMA) and have a large number of areas of application, such as safety products, machine guards, ice hockey rinks, greenhouses, pool covers, sound walls, suitcases, automotive components and various construction-related areas of application. The company is headquartered in Borensberg, Sweden, and has a total of four production facilities in Sweden, the Czech Republic and Spain and a distribution unit in Germany. Arla Plast has a turnover of more than SEK 1,100 million, has approximately 390 employees and delivers to more than 700 customers in over 45 countries.

More information about Arla Plast is available at www.arlaplastgroup.com.

Financial objectives

Sales growth

Annual organic sales growth over a business cycle should be 5%.

Operating margin

The operating margin over a business cycle should be at least 10%.

Net debt

Net debt in relation to EBITDA shall not exceed 2.5 times.

Dividend policy

The dividend policy is to pay shareholders about 30-50% of the profit for the year. Decisions on dividends will reflect the Company's financial position, cash flow and investment needs.

Sustainability information

Further information regarding our sustainability work can be found in our Annual Report 2023 which is available at www.arlaplastgroup.com.

Definitions product areas

- ABS: Acrylonitrile butadiene styrene. The product group also includes products that are combinations of PC and ABS.
- OPC: Opaque polycarbonate.
- MWPC: Multiwall of polycarbonate.
- PETG: Polyethylene terephthalate glycol.
- TPC: Transparent polycarbonate.
- PMMA: Polymethyl methacrylate