

# Arla Plast AB

## Interim report January – March 2023



## IMPROVED MARGINS AND STRONG CASH FLOW

### JANUARY – MARCH 2023

- Sales volume amounted to 4,892 tonnes (4,941 tonnes) a decline by 1%.
- Net sales amounted to SEK 251.0 (226.7) million, an increase by 11%. Organically there was no change in net sales.
- Operating profit amounted to SEK 15.6 (11.4) million, an increase by 36%.
- The operating margin increased to 6.2% (5.0%).
- Profit for the period amounted to SEK 13.4 (8.8) million, an increase by 52%.
- Earnings per share before dilution amounted to SEK 0.67 (0.44), and after dilution, to SEK 0.64 (0.42).
- Net debt amounted to SEK 59.6 (50.4) million at the end of the period, 0.6 times (0.5 times) EBITDA.
- The cash flow from operating activities increased to SEK 20.9 million (SEK 1.0 million).

### GROUP IN SUMMARY\*

	Jan-Mar 2023	Jan- Mar 2022	Δ,%	R 12	Jan-Dec 2022	Δ,%
Sales volume, tonnes	4,892	4,941	-1	18,608	18,657	0
Net sales, SEK million	251.0	226.7	11	982.1	957.8	3
Gross margin, %	19.9	15.2	31	16.7	15.5	8
EBITDA, SEK million	26.8	21.6	24	94.3	89.1	6
Adjusted EBITDA, SEK million	26.8	21.6	24	95.5	90.3	6
Operating profit, SEK million	15.6	11.4	36	51.2	47.0	9
Adjusted operating profit, SEK million	15.6	11.4	36	52.4	48.2	9
Operating margin, %	6.2	5.0	24	5.2	4.9	6
Adjusted operating margin, %	6.2	5.0	24	5.3	5.0	6
Profit for the period, SEK million	13.4	8.8	52	39.1	34.4	13
Earnings per share before dilution, SEK	0.67	0.44	52	1.95	1.72	13
Earnings per share after dilution, SEK	0.64	0.42	52	1.86	1.64	13
Net debt/EBITDA, multiple	0.6	0.5	37	0.6	0.9	-27
Net debt, SEK million	59.6	50.4	18	59.6	76.7	-22
Cash flow from operating activities, SEK million	20.9	1.0	n/a	106.6	86.7	23
Return on capital employed, %	8.6	13.8	-38	8.6	8.3	4
Equity/assets ratio, %	67.1	68.9	-3	67.1	67.9	-1

\* For definitions and alternative performance measures, see page 19.

## IMPROVED MARGINS AND STRONG CASH FLOW

### Market conditions

The volumes continued to decline during the first quarter of 2023 for the entire industry, although at a lower rate than in 2022. Our understanding is that we maintain our market position. A decline is apparent in the application area construction, while certain other areas have made a slight recovery. Toward the end of the quarter we have seen indicators that the demand from customers in the distribution chain have increased.

Raw material prices started to decline during the last quarter of 2022 and continued to decline somewhat during the first quarter. We are experiencing production disruptions and a limited material availability by our main suppliers, which is making the price development difficult to assess.

### Improved margins and strong cash flow

Arla Plast's volumes decreased by 1 per cent. Net sales increased by 11 per cent, as a result of the acquisition of Alphaplex in 2022 and exchange rate effects. The gross margin was positively affected mainly by a favorable product mix, but also by a high degree of material utilization. The gross margin increased to 19.9 per cent (15.2). The operating profit increased by 36 per cent to SEK 15.6 (11.4) million, mainly driven by the improved gross margin. The operating margin increased to 6.2 per cent (5.0). The cash flow improved due to the higher operating profit and less operating capital tied up, mainly related to inventory.

### Sustainability

In line with our ambitions to reduce our environmental footprint and to increase our supplier responsibility, we have during the quarter, initiated several activities of which one is to increase the circularity. The activities have led to an increased recycling of material in the supplier chain which will have an impact on the carbon footprint going forward.

### Outlook

The market conditions are challenging and difficult to assess. The uncertainty is still great with low demand from several application areas such as the construction sector but have partially returned from other sectors. The situation regarding availability and price development of raw materials is difficult to assess. We have a large and well diversified customer- and product portfolio with a well spread risk to multiple industries and markets, which is extra important in times such as this.

We are continuing our long-term ambitions of developing our business. The focus is to integrate sustainability within the entire business, integrate the acquisition of Alphaplex, to work with efficiency measures and to strengthen the organization.

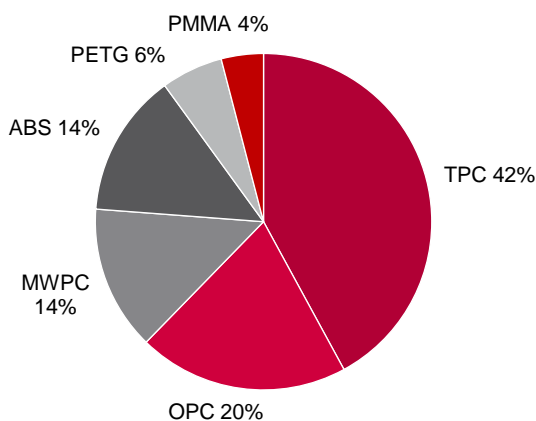
Christian Krichau  
President and CEO

## FINANSIELL ÖVERSIKT

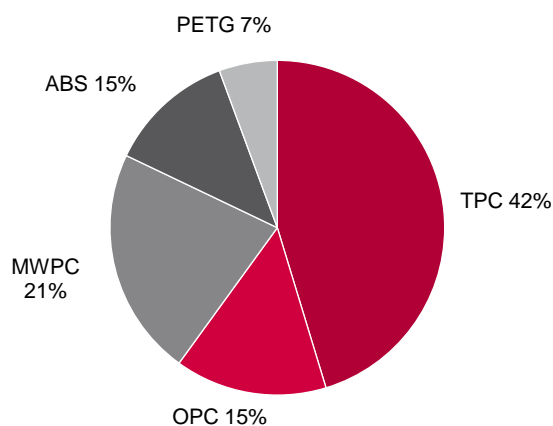
Profit and loss items and cash flow are compared with the corresponding period of the previous year. Balance sheet items refer to the position at the end of the period and are compared with the corresponding date of the previous year.

### Breakdown of total net sales by product area\* in the first quarter:

Net sales Jan - Mar 2023



Net sales Jan - Mar 2022



\*For definitions of product areas, see page 22.

### Net sales and operating profit

Arla Plast's sales volume in the first quarter 2023 declined by 1 per cent to 4,892 tonnes (4,941 tonnes) compared to the corresponding quarter last year. A recession in the construction industry is apparent, meanwhile other various industries have recovered slightly. Net sales increased by 11 per cent to SEK 251.0 (226.7) million; organically there was no change. The increase is explained by the acquisition of Alphaplex and foreign exchange effects. A favorable product mix together with a high degree of material utilization affected the gross margin positively. The gross margin increased to 19.9 per cent (15.2 per cent). Operating profit for the first quarter amounted to SEK 15.6 (11.4) million, an increase by 36 per cent. Operating margin increased to 6.2 per cent (5.0 per cent). The operating margin increased mainly as a result of the higher gross margin.

### Profit/loss for the period and earnings per share

During the first quarter 2023, profit before tax amounted to SEK 14.6 (10.8) million. Net financial income and expenses totaled SEK -1.0 (-0.6) million, including interest expenses of SEK -0.7 (-0.0) million. Taxes in the first quarter amounted to SEK -1.3 (-2.1) million, which corresponds to an effective tax rate of 8.9 per cent (19.0 per cent). The change in deferred tax in segment Czech Republic explains the low tax rate in the quarter. Net profit for the period was SEK 13.4 (8.8) million during the first quarter 2023 and earnings per share before dilution was SEK 0.67 (0.44), and after dilution, SEK 0.64 (0.42).

### Cash flow

Cash flow from operating activities increased during the first quarter to SEK 20.9 (1.0) million. Cash flow was positively impacted by a higher operating profit and by an improved change in working capital towards the comparative quarter.

Cash flow from investing activities was SEK -1,1 (-4.1) million during the quarter and refers mainly to replacement investments in the three production facilities.

Cash flow from financing activities totaled SEK -3.0 (15.1) million and is mainly due to decreased utilization of overdrafts and amortization of leasing liabilities.

### Investments

Arla Plast continuously invests in its production units. The Group's investments in property plant and equipment in the first quarter amounted to SEK 1.1 (4.1) million and refers primarily to replacement investments in our three production facilities. Total depreciations for the first quarter amounted to SEK -11.2 (-10.2) million.

### Financial position

Arla Plast's total assets amounted to SEK 779.7 million as of 31 March 2023 (SEK 702.6 million).

The Group's net debt amounted to SEK 59,6 million as of 31 March 2023 (SEK 50.4 million), which corresponds to 0.6 times EBITDA (0.5 times). Net debt increased as a result of new loans relating to the acquisition of Alphaplex in the third quarter of 2022.

The Group's equity ratio was 67.1 per cent (68.9 per cent) as of 31 March 2023.

## Parent company

Arla Plast AB is the parent company of the Arla Plast Group. The parent company's activities include the Swedish operating activities, as well as Group-wide functions such as management, finance, IT, purchasing and communications. In the first quarter of 2023, net sales amounted to SEK 152.3 (148.0) million, and operating profit, to SEK 12.2 (7.7) million.

Cash and cash equivalents as of March 31, 2023 amounted to SEK 59.2 million, compared with SEK 28.1 million as of March 31, 2022.

## Segments

The Group's activities are monitored through the three operating segments, Sweden, the Czech Republic and Germany. Group-wide functions can be found in both Sweden and the Czech Republic and are internally invoiced to ensure that a fair result can be monitored in each segment.

### Sweden

Key performance indicator	Jan-Mar 2023	Jan-Mar 2022	Δ,%	R 12	Jan-Dec 2022	Δ,%
Sales volume, tonnes	3,052	3,332	-8	11,723	12,003	-2
Net sales, SEK million	152.3	148.0	3	614.4	610.1	1
Operating profit, SEK million	12.2	7.7	58	40.7	36.3	12
Operating margin, %	8.0	5.2	29	6.6	5.9	12

In the first quarter, sales volumes decreased by 8 per cent. The decline in volume continued in the first quarter 2023 industry wide, although at a lower rate compared to prior year. Sweden is affected by a favorable product mix and net sales increased by 3 per cent to SEK 152.3 (148.0) millions. The favorable product mix together with a high rate of material utilization affected the result positively. Operating profit increased to SEK 12.2 (7.7) million, mainly because of higher gross profit and the operating margin increased to 8.0 per cent (5.2 per cent).

### Czech Republic

Key performance indicator	Jan-Mar 2023	Jan-Mar 2022	Δ,%	R 12	Jan-Dec 2022	Δ,%
Sales volume, tonnes	1,311	1,740	-25	6,450	6,879	-6
Net sales, SEK million	85.6	82.0	4	343.2	339.6	1
Operating profit, SEK million	4.0	3.4	18	11.3	10.7	6
Operating margin, %	4.7	4.1	15	3.3	3.2	1

In the first quarter 2023, sales volumes decreased by 25 per cent. Net sales increased by 4 per cent to SEK 85.6 (82.0) million. Foreign exchange rate effects affected net sales positively. Organically, net sales decreased by 11 per cent. The declining demand from the construction industry affected the volumes negatively and has only partially been compensated by increased demand from other application areas. Operating profit increased to SEK 4.0 (3.4) million and operating margin increased to 4.7 per cent (4.1 per cent). The operating profit was positively affected by a favorable product mix.

### Germany

Key performance indicator	Jan-Mar 2023	Jan-Mar 2022	Δ,%	R 12	Jan-Dec 2022	Δ,%
Sales volume, tonnes	531	-	-	1,451	920	-
Net sales, SEK million	28.5	-	-	75.9	47.4	-
Operating profit, SEK million	0.5	-	-	3.2	2.7	-
Operating margin, %	1.9	-	-	4.3	5.7	-

The new operating segment Germany started as of August 1, 2022 with the acquisition of Alphaplex GmbH. For the first quarter 2023 the sales volume amounted to 531 tonnes. Net sales amounted to SEK 28.5 million and the operating profit to SEK 0.5 million. The operating margin amounted to 1.9 per cent.

## Financial objectives

### Sales growth

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

### **Operating margin**

Operating margin over a business cycle should be at least 10 per cent.

### **Net debt**

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

### **Dividend policy**

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

### **Significant risks and uncertainties**

As a Group with international operations, Arla Plast is exposed to various risks and uncertainties. For Arla Plast, the risk management process involves identifying, valuing, and reducing risks related to the Group's business and operations.

Strategic risks include general economic conditions and trends, particularly in Europe, where most of the Group's products are sold. An economic downturn in the market may have a negative impact on the Group's sales and earnings. Arla Plast faces competition from both small and relatively large companies and continuously streamlines its production, distribution, and organization in order to maintain its competitiveness. The energy crisis in Europe, the war in Ukraine, the high inflation and rising interest rate pose a great uncertainty and risk.

The supply and price of key raw materials is one of the most substantial operational risks. The main and most important raw material component in the production is PC, ABS and PETG granulate, where volatility in supply and price can lead to the risk of material shortages, as well as a negative impact on profitability.

Regarding compliance risks, Arla Plast's operations are met by a number of laws and regulations at national and international level. Non-compliance with these could involve exposure to material risk if not actively addressed. For this reason, significant resources and costs are used to ensure compliance with applicable rules but also to monitor future regulations.

Financial risks include market risk, liquidity risk, credit risk and refinancing risk. Currency risk is the most significant market risk as the Group is exposed to both transaction risk and translation risk. The Group is exposed to transaction risk mainly through EUR transactions within the Group. Furthermore, the Group is exposed to translation risk when converting the foreign subsidiaries in the Czech Republic's and Germany's revenues, costs, assets and liabilities in CZK and EUR into the Group's reporting currency, which is SEK.

For further information on risks and uncertainties, see the 2022 Annual Report on [www.arlaplastgroup.com](http://www.arlaplastgroup.com).

### **Sustainability and the environment**

It is important for Arla Plast to conduct its business in a sustainable and responsible manner, to strengthen our long-term competitiveness and to create value, both financially and operationally. Sustainable business value is achieved by working according to our sustainability framework and goals. Our approach to sustainability is that these types of issues should be addressed in an integrated way, as part of our day-to-day operations as well as part of our strategic processes.

Key areas of the Group's sustainability work include environmental footprint, social sustainability, and business ethics. This entails that Arla Plast shall conduct its operations in accordance with the legal requirements imposed on the business with regard to environmental impact and actively work to minimize the environmental footprint of the Group's operations and products. Furthermore, Arla Plast's social responsibility shall primarily include employees and society, where a good and safe workplace is in focus together with an active effort to contribute to a positive social development. Arla Plast shall also conduct its business in an ethical and responsible manner and be a trustworthy partner in all relationships and wherever the company operates.

Arla Plast has certifications for quality, environment and work environment according to the ISO standards ISO 9001, ISO 14001 and ISO 45001. Arla Plast has identified a number of KPI's related to sustainability which we follow up on. CO<sub>2</sub> and sickness leave are two important KPI's. During the first quarter of 2023, our carbon footprint related to the production of raw materials consumed was 3.2 kilo CO<sub>2</sub>e per kilo of finished goods produced (3.2 kg CO<sub>2</sub>e) and sick leave was 4.8 per cent (7.1 per cent). The acquired company Alphaplex GmbH does not produce finished products and is not included in the calculation of CO<sub>2</sub>e per kg of finished product produced.

For further information regarding our sustainability work, see the 2022 Annual Report on [www.arlaplastgroup.com](http://www.arlaplastgroup.com).

### **Seasonal variations**

Arla Plast has many customers in a wide range of 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 vacation and Christmas period having a negative impact.

### **Personnel**

The average number of full-time employees in the first quarter of 2023 was 243 (263). During the first quarter, women accounted for 26 per cent (24 per cent) of employees.

### **Annual General Meeting 2023**

The AGM will take place Wednesday May 10th at 15:00 pm at Arla Plasts Head Office, Västanåvägen 2, Borensberg. Information regarding proposed decision points is available on Arla Plast's website, [www.arlaplastgroup.com](http://www.arlaplastgroup.com).

### **The Nomination Committee's proposal prior to the Annual General Meeting 2023**

The Nomination Committee proposes re-election of Ola Salmén, Leif Nilsson, Jan Synnersten, Ulf Hedlundh and Annelie Arnbäck with new election of Maria Catoni and Thomas Widstrand for the period until the end of the next Annual General Meeting. Jan Synnersten is proposed elected new Chairman of the Board. Kenneth Synnersten and Sten Jakobsson declines re-election.

The Nomination Committee's complete decision proposal and its motivating opinion are available on Arla Plast's website, [www.arlaplastgroup.com](http://www.arlaplastgroup.com).

### **Dividend**

The Board proposes a dividend of 1.00 SEK per share for 2022, a total of 20.0 MSEK. The proposed dividend corresponds to 58 per cent of the profit for the year 2022. The record date for the dividend is proposed to be 12 May 2023. If the Annual General Meeting resolves in accordance with the proposal, the dividend is expected to be paid out through Euroclear Sweden AB on 17 May 2023.

### **Events after the reporting period**

No significant events after the reporting period.

### **The share**

As of March 31, 2023, Mats Synnersten AB owns 14 per cent, Svolder AB 13 per cent, K Synnersten Holding AB 12 per cent, Ranzom AB 11 per cent, Jan Synnersten AB 11 per cent, Swedia Invest AB 10 per cent, Nordea Investment Funds 8 per cent and Roosgruppen AB 5 per cent. Arla Plast AB has a total of approximately 1,800 shareholders. An incentive program 2020/23 corresponding to a total of 980,000 warrants has been issued to key employees.

## FINANCIAL REPORTS

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK million	Notee	Jan-Mar 2023	Jan-Mar 2022	R 12	Jan-Dec 2022
Net sales	2,3	251.0	226.7	982.1	957.8
Cost of goods sold		-201.0	-192.2	-817.9	-809.0
<b>Gross margin</b>		<b>50.0</b>	<b>34.5</b>	<b>164.2</b>	<b>148.7</b>
Selling expenses		-18.1	-14.7	-63.4	-60.1
Administrative expenses	10	-16.1	-10.4	-56.3	-50.5
Other operating income	4	0.7	2.3	8.8	10.4
Other operating expenses	10	-0.8	-0.2	-2.1	-1.5
<b>Operating profit</b>		<b>15.6</b>	<b>11.4</b>	<b>51.2</b>	<b>47.0</b>
Financial income	5	-	-	2.6	2.6
Financial expense	5	-1.0	-0.6	-5.6	-5.3
<b>Profit before tax</b>		<b>14.6</b>	<b>10.8</b>	<b>48.2</b>	<b>44.4</b>
Tax expense		-1.3	-2.1	-9.2	-10.0
<b>Profit for the period</b>		<b>13.4</b>	<b>8.8</b>	<b>39.1</b>	<b>34.4</b>
<b>Other comprehensive income:</b>					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		9.7	5.7	29.7	25.8
<b>Other comprehensive income for the period</b>		<b>9.7</b>	<b>5.7</b>	<b>29.7</b>	<b>25.8</b>
<b>Total comprehensive income for the period</b>		<b>23.1</b>	<b>14.5</b>	<b>68.8</b>	<b>60.2</b>
<b>Amounts in SEK</b>					
Earnings per share, basic	11	0.67	0.44	1.95	1.72
Earnings per share, diluted	11	0.64	0.42	1.86	1.64

The profit and the total comprehensive income for the period are attributable in their entirety to the shareholders of the parent company.



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Amounts in SEK million	Note	2023-03-31	2022-03-31	2022-12-31
<b>ASSETS</b>				
<b>Total non-current assets</b>				
Intangible non-current assets		32.7	0.4	32.8
Property, plant and equipment		268.7	279.0	272.9
Right-of-use assets	6	31.0	22.1	32.0
Other non-current receivables	7	-	0.1	-
<b>Total non-current assets</b>		<b>332.4</b>	<b>301.6</b>	<b>337.7</b>
<b>Current assets</b>				
Inventories	8	205.4	221.7	216.1
Accounts receivable	7	159.4	139.7	118.4
Other current receivables	7	13.6	5.4	11.4
Prepaid expenses and accrued income		3.1	4.0	3.0
Derivative instruments	7	0.7	-	1.5
Cash and cash equivalents	7	65.1	30.2	47.9
<b>Total current assets</b>		<b>447.3</b>	<b>401.0</b>	<b>398.3</b>
<b>TOTAL ASSETS</b>		<b>779.7</b>	<b>702.6</b>	<b>736.0</b>
<b>EQUITY</b>				
Share capital		2.4	2.4	2.4
Other capital contributions		1.7	1.7	1.7
Translation reserve		68.7	39.0	59.0
Retained earnings (including profit for the period)		450.3	441.2	436.9
<b>Total equity attributable to owners of the parent</b>		<b>523.1</b>	<b>484.3</b>	<b>500.0</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Non-current portion of lease liability	6	23.5	17.4	24.4
Deferred tax liabilities		42.6	40.9	44.4
<b>Total non-current liabilities</b>		<b>66.1</b>	<b>58.3</b>	<b>68.8</b>
<b>Current liabilities</b>				
Liabilities to credit institutions	7	93.5	58.4	92.5
Current portion of lease liability	6	7.6	4.8	7.7
Accounts payable	7	34.4	34.0	20.2
Current tax liabilities		2.0	-	1.8
Derivative instruments	7	-	0.1	-
Other liabilities	7	22.5	22.3	23.6
Accrued expenses and deferred income		30.5	40.4	21.3
<b>Total current liabilities</b>		<b>190.5</b>	<b>160.0</b>	<b>167.2</b>
<b>Total liabilities</b>		<b>256.6</b>	<b>218.3</b>	<b>236.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>779.7</b>	<b>702.6</b>	<b>736.0</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Amounts in SEK million	2023-03-31	2022-03-31	2022-12-31
<b>Opening balance</b>	<b>500.0</b>	<b>469.8</b>	<b>469.8</b>
Profit for the period	13.4	8.8	34.4
Other comprehensive income	9.7	5.7	25.8
<b>Total comprehensive income</b>	<b>23.1</b>	<b>14.5</b>	<b>60.2</b>
Dividend	-	-	-30.0
<b>Total transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>-30.0</b>
<b>Closing balance</b>	<b>523.1</b>	<b>484.3</b>	<b>500.0</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	R 12	Jan-Dec 2022
<b>Cash flow from operating activities</b>				
Operating profit	15.6	11.4	51.2	47.0
Adjustment for items not included in cash flow	12.0	11.0	46.7	45.6
Interest received	0.9	-	4.3	3.5
Interest paid	-1.4	-0.1	-3.8	-2.6
Income tax paid	-4.9	-8.2	-18.4	-21.7
<b>Cash flow from operating activities before changes in working capital</b>	<b>22.2</b>	<b>14.0</b>	<b>80.0</b>	<b>71.8</b>
<b>Cash flow from changes in working capital</b>				
Increase/decrease in inventories	14.6	-34.9	49.7	0.3
Increase/decrease in operating receivables	-37.7	-8.1	-	29.6
Increase/decrease in operating liabilities	21.8	30.0	-23.1	-14.9
<b>Total change in working capital</b>	<b>-1.3</b>	<b>-13.0</b>	<b>26.6</b>	<b>14.9</b>
<b>Cash flow from operating activities</b>	<b>20.9</b>	<b>1.0</b>	<b>106.6</b>	<b>86.7</b>
<b>Cash flow from investing activities</b>				
Investments in property, plant and equipment	-1.1	-4.1	-14.4	-17.4
Acquisitions	-	-	-46.1	-46.1
<b>Cash flow from investing activities</b>	<b>-1.1</b>	<b>-4.1</b>	<b>-60.5</b>	<b>-63.5</b>
<b>Cash flow from financing activities</b>				
Dividend	-	-	-30.0	-30.0
Increased use of overdraft facility	-	16.6	-	-
Reduced use of overdraft facility	-0.8	-	-27.2	-9.9
Borrowing from credit institutions	-	-	65.7	65.7
Amortization related to lease liability	-2.2	-1.4	-7.4	-6.6
Amortization of loans to credit institutions	-	-	-15.5	-15.5
<b>Cash flow from financing activities</b>	<b>-3.0</b>	<b>15.1</b>	<b>-14.4</b>	<b>3.8</b>
<b>Cash flow for the period</b>	<b>16.8</b>	<b>12.0</b>	<b>31.7</b>	<b>27.0</b>
Cash and cash equivalents at beginning of period	47.9	18.6	30.2	18.6
Exchange differences in cash and cash equivalents	0.3	-0.4	3.1	2.4
<b>Cash and cash equivalents at close of period</b>	<b>65.1</b>	<b>30.2</b>	<b>65.1</b>	<b>47.9</b>

**CONDENSED PARENT COMPANY INCOME STATEMENT**

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	R 12	Jan-Dec 2022
Net sales	152.3	148.0	614.4	610.1
Cost of goods sold	-118.2	-123.0	-497.8	-502.6
<b>Gross profit</b>	<b>34.2</b>	<b>25.0</b>	<b>116.6</b>	<b>107.5</b>
Selling expenses	-12.7	-11.5	-46.6	-45.4
Administrative expenses	-9.7	-7.8	-36.8	-34.9
Other operating income and operating expenses	0.5	2.0	7.4	9.0
<b>Operating profit</b>	<b>12.2</b>	<b>7.7</b>	<b>40.7</b>	<b>36.2</b>
Financial income and financial expenses	-0.6	-0.6	-4.1	-4.1
<b>Profit before appropriations and tax</b>	<b>11.5</b>	<b>7.1</b>	<b>36.6</b>	<b>32.2</b>
Appropriations	-	-	4.7	4.7
<b>Profit before tax</b>	<b>11.5</b>	<b>7.1</b>	<b>41.2</b>	<b>36.8</b>
Tax expense	-2.4	-1.5	-8.9	-8.0
<b>Profit for the period</b>	<b>9.1</b>	<b>5.7</b>	<b>32.3</b>	<b>28.8</b>

**PARENT COMPANY'S CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

	Jan-Mar 2023	Jan-Mar 2022	R 12	Jan-Dec 2022
<b>Profit for the period</b>	<b>9.1</b>	<b>5.7</b>	<b>32.3</b>	<b>28.8</b>
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>9.1</b>	<b>5.7</b>	<b>32.3</b>	<b>28.8</b>

## Condensed parent company balance sheet

Amounts in SEK million	2023-03-31	2022-03-31	2022-12-31
<b>ASSETS</b>			
<b>Total non-current assets</b>			
Intangible non-current assets	0.3	0.4	0.4
Property, plant and equipment	150.9	169.7	156.4
Financial fixed assets	90.9	29.0	90.9
<b>Total non-current assets</b>	<b>242.1</b>	<b>199.1</b>	<b>247.6</b>
<b>Current assets</b>			
Inventories	92.9	126.2	98.2
Receivables to group companies	1.7	-	1.3
Total current assets	95.2	91.7	74.8
Cash and bank balances	59.2	28.1	40.8
<b>Total current assets</b>	<b>249.0</b>	<b>245.9</b>	<b>215.1</b>
<b>TOTAL ASSETS</b>	<b>491.1</b>	<b>445.0</b>	<b>462.7</b>
	2023-03-31	2022-03-31	2022-12-31
<b>EQUITY</b>			
Restricted equity	2.9	2.9	2.9
Unrestricted equity	209.0	206.7	199.9
<b>Total equity</b>	<b>211.9</b>	<b>209.6</b>	<b>202.7</b>
<b>Untaxed reserves</b>	<b>136.0</b>	<b>140.7</b>	<b>136.0</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Provisions	14.2	-	14.2
<b>Current liabilities</b>			
Liabilities to credit institutions	68.8	27.7	69.1
Other current liabilities	60.2	67.0	40.6
<b>Total current liabilities</b>	<b>129.0</b>	<b>94.7</b>	<b>109.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>491.1</b>	<b>445.0</b>	<b>462.7</b>

## NOTES

### Not 1 Basic accounting policies

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 for the Group and the Parent Company.

Significant estimates and judgements are set out in Note 4 of the 2022 Annual Report. No changes have been made to that could have a substantial impact on the current interim report.

New standards, amendments and interpretations effective from 1 January 2023 or later have not had a substantial impact on this financial report.

### Not 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 per cent or more of sales, which means that dependence on individual customers is limited for Arla Plast.

External net sales per geographical market, SEK million	Jan-Mar 2023	%	Jan-Mar 2022	%	R 12	%	Jan-Dec 2022	%
Sweden	33.2	13	26.6	12	131.3	13	124.7	13
Germany	52.1	21	38.2	17	181.4	18	167.5	17
Czech Republic	40.9	16	46.5	20	165.9	17	171.5	18
Polen	31.5	13	25.6	11	124.2	13	118.3	12
Rest of Europe	74.0	29	78.6	35	298.8	31	303.4	32
Rest of World	19.3	8	11.2	5	80.5	8	72.4	8
<b>Total</b>	<b>251.0</b>	<b>100</b>	<b>226.7</b>	<b>100</b>	<b>982.1</b>	<b>100</b>	<b>957.8</b>	<b>100</b>

External net sales per product category, SEK million	Jan-Mar 2023	%	Jan-Mar 2022	%	R 12	%	Jan-Dec 2022	%
TPC	105.6	42	103.6	42	424.3	43	422.4	44
OPC	50.8	20	33.0	15	171.4	17	153.7	16
MWPC	34.9	14	49.7	21	173.6	18	188.4	20
ABS	34.6	14	27.6	15	130.2	13	123.2	13
PETG	14.9	6	12.7	7	53.5	5	51.2	5
PMMA	10.2	4	-	-	29.1	3	18.9	2
<b>Summa</b>	<b>251.0</b>	<b>100</b>	<b>226.7</b>	<b>100</b>	<b>982.1</b>	<b>100</b>	<b>957.8</b>	<b>100</b>

**Not 3 Operating segments**

The Group's activities are divided into three operating segments, Sweden, the Czech Republic and Germany.

Group-wide functions can be found in both Sweden and the Czech Republic and are internally invoiced to ensure that a fair result can be monitored in each segment. Items affecting comparability are charged to Group-wide costs and have not been allocated. In the consolidated statement of comprehensive income, the items affecting comparability are included in administrative expenses. Intersegment sales take place on market terms. The CEO primarily uses net sales and adjusted operating profit in assessing the Group's performance.

**Sweden**

The Sweden segment is the Group's largest segment. This segment represents approximately 57 per cent (65 per cent) of the Group's total net sales in the first quarter of 2023 and includes all operations conducted and based in Borensberg. The main raw materials in the segment are polycarbonate and ABS. The product areas in which the segment operates are TPC, OPC and ABS. Approximately 35 per cent (52 per cent) of the net sales of the joint product area OPC are generated in the Sweden segment.

**Czech Republic**

The Czech Republic segment represents approximately 32 per cent (35 per cent) of the Group's total net sales in the first quarter of 2023. This segment includes all activities conducted and originating in the Czech Republic. Production takes place in Kadaň and Pelhřimov. The main raw materials in the segment are polycarbonate and PETG. The product areas in which the segment operates are MWPC, OPC and PETG. Regarding the joint product area OPC, the Czech Republic segment accounts for approximately 65 per cent (48 per cent) of net sales.

**Germany**

The German segment represents approximately 11 per cent (0 per cent) of the Group's total net sales in the first quarter of 2023. This segment includes all activities conducted and originating in Hüllhorst, Germany. The segment is active in all product areas and also within PMMA. The segment is only to a limited extent active in the joint product area OPC and for the reporting periods there was no net sales in the product area.

**Revenue**

Intersegment sales take place on market terms. Revenue from external parties reported to the CEO is measured in the same way as in the consolidated statement of comprehensive income.

Net sales and earnings by segment, net sales by geographic market and segment, as well as significant assets and liabilities by segment are shown below. Segment Germany is included with 5 months for the full year 2022 and was not a part of the group during the first quarter of 2022.

**NET SALES AND EARNINGS PER SEGMENT**

	Segment Sweden Q1 2023	Segment Czech Q1 2023	Segment Germany Q1 2023	Jointly Q1 2023	Elim. Q1 2023	Group Q1 2023	Segment Sweden Q1 2022	Segment Czech Q1 2022	Segment Germany Q1 2022	Jointly Q1 2022	Elim. Q1 2022	Group Q1 2022
Net sales and earnings												
Sales volume, tonnes	3,197	1,535	531	-	-371	4,892	3,332	1,740	-	-	-131	4,941
Net sales, external, SEK million	145.6	77.4	28.0	-	-	251.0	148.0	78.7	-	-	-	226.7
Net sales, intern, SEK million	6.7	8.2	0.5	-	-15.4	-	-	3.3	-	-	-3.3	-
Total net sales, SEK million	152.3	85.6	28.5	-	-15.4	251.0	148.0	82.0	-	-	-3.3	226.7
Adjusted operating profit, SEK million	12.2	4.0	0.5	-1.6	0.5	15.6	7.7	3.4	-	-	0.3	11.4
Items affecting comparability, SEK million	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit, SEK million	12.2	4.0	0.5	-1.6	0.5	15.6	7.7	3.4	-	-	0.3	11.4
Net financial items, SEK million	-0.6	-0.2	-0.1	-	-	-0.9	-0.6	-	-	-	-	-0.6
Profit before tax, SEK million	11.6	3.8	0.4	-1.6	0.5	14.7	7.1	3.4	-	-	0.3	10.8
Operating margin, %	8.0	4.7	1.9	-	-	6.2	5.2	4.1	-	-	-	5.0
Adjusted operating margin, %	8.0	4.7	1.9	-	-	6.2	5.2	4.1	-	-	-	5.0

	Segment Sweden R12	Segment Czech R12	Segment Germany R12	Jointly R12	Elim. R12	Group R12	Segment Sweden Jan-Dec 2022	Segment Czech Jan-Dec 2022	Segment Germany Jan-Dec 2022	Jointly Jan-Dec 2022	Elim. Jan-Dec 2022	Group Jan-Dec 2022
Net sales and earnings												
Sales volume, tonnes	11,868	6,674	1,451	-	-1,385	18,608	12,003	6,879	920	-	-1,145	18,657
Net sales, external, SEK million	597.7	310.3	74.1	-	-	982.1	600.1	311.6	46.1	-	-	957.8
Net sales, intern, SEK million	16.7	32.9	1.8	-	-51.4	-	10.0	28.0	1.3	-	-39.3	-
Total net sales, SEK million	614.4	343.2	75.9	-	-51.4	982.1	610.1	339.6	47.4	-	-39.3	957.8
Adjusted operating profit, SEK million	40.8	11.3	3.2	-4.3	1.4	52.4	36.3	10.7	2.7	-2.7	1.2	48.2
Items affecting comparability, SEK million	-	-	-	1.2	-	1.2	-	-	-	1.2	-	1.2
Operating profit, SEK million	40.8	11.3	3.2	-5.5	1.4	51.2	36.3	10.7	2.7	-3.9	1.2	47.0
Net financial items, SEK million	-4.1	1.4	-0.3	-	-	-2.9	-4.1	1.6	-0.2	-	-	-2.6
Profit before tax, SEK million	36.7	12.7	2.9	-5.5	1.4	48.3	32.2	12.3	2.5	-3.9	1.2	44.4
Operating margin, %	6.8	3.6	4.3	-	-	5.2	5.9	3.2	5.7	-	-	4.9
Adjusted operating margin, %	6.8	3.6	4.3	-	-	5.3	5.9	3.2	5.7	-	-	5.0

## NET SALES BY GEOGRAPHIC MARKET AND SEGMENT

Geographical market, SEK million	Segment Sweden Q1 2023	Segment Czech Q1 2023	Segment Germany Q1 2023	Internal. Q1 2023	Group Q1 2023	Segment Sweden Q1 2022	Segment Czech Q1 2022	Segment Germany Q1 2022	Internal. Q1 2022	Group Q1 2022
Sweden	30.0	8.5	1.0	-6.3	33.2	24.4	5.4	-	-3.3	26.6
Germany	27.5	8.9	24.6	-9.0	52.1	32.8	5.4	-	-	38.2
Czech	6.3	34.5	0.2	-0.2	40.9	12.5	34.1	-	-	46.5
Polen	21.0	10.5	-	-	31.5	18.0	7.7	-	-	25.6
Rest Europe	58.0	13.4	2.6	-	74.0	54.3	24.3	-	-	78.6
Rest World	9.5	9.8	-	-	19.3	6.0	5.2	-	-	11.2
<b>Total</b>	<b>152.3</b>	<b>85.6</b>	<b>28.5</b>	<b>-15.5</b>	<b>251.0</b>	<b>148.0</b>	<b>82.0</b>	<b>-</b>	<b>-3.3</b>	<b>226.7</b>

Geographical market, SEK million	Segment Sweden R12	Segment Czech R12	Segment Germany R12	Internal. R12	Group R12	Segment Sweden Jan-Dec 2022	Segment Czech Jan-Dec 2022	Segment Germany Jan-Dec 2022	Internal Jan-Dec 2022	Group Jan-Dec 2022
Sweden	122.4	33.3	2.2	-26.6	131.3	116.8	30.2	1.2	-23.5	124.7
Germany	103.9	34.3	65.2	-22.0	181.4	109.2	30.8	40.5	-13.0	167.5
Czech	44.5	123.9	0.4	-2.9	165.9	50.6	123.5	0.2	-2.8	171.5
Polen	79.8	43.9	0.5	-	124.2	76.7	41.1	0.5	-	118.3
Rest Europe	211.9	79.4	7.6	-	298.8	208.2	90.2	5.0	-	303.4
Rest World	52.0	28.4	-	-	80.5	48.5	23.8	-	-	72.4
<b>Total</b>	<b>614.5</b>	<b>343.2</b>	<b>75.9</b>	<b>-51.5</b>	<b>982.1</b>	<b>610.1</b>	<b>339.6</b>	<b>47.4</b>	<b>39.4</b>	<b>957.8</b>



**MATERIAL ASSETS AND LIABILITIES PER SEGMENT**

Material assets and liabilities per segment, SEK million	2023-03-31	2022-03-31	2022-12-31
<i>Segment Sweden</i>			
Property, plant and equipment	150.9	169.7	156.4
Inventories	92.9	126.2	98.2
Liabilities	143.2	94.3	109.7
<i>Segment Czech</i>			
Property, plant and equipment	118.4	114.7	117.6
Inventories	89.8	95.5	95.3
Liabilities	53.2	75.7	49.1
<i>Segment Germany</i>			
Property, plant and equipment	3.2	-	3.2
Inventories	22.7	-	22.6
Liabilities	12.5	-	11.8

**Not 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.

**Not 5 Financial income and financial expense**

Financial income and financial expense, SEK million	Jan-Mar 2023	Jan-Mar 2022	R12	Jan-Dec 2022
Change in value of forward exchange contracts	-	-	2.6	2.6
<b>Total financial income</b>	<b>-</b>	<b>-</b>	<b>2.6</b>	<b>2.6</b>
Interest payable to credit institutions	-0.5	-	-2.3	-1.7
Interest on lease liabilities	-0.2	-	-0.7	-0.5
Foreign exchange losses	-0.3	-0.6	-2.8	-3.1
<b>Total financial expense</b>	<b>-1.0</b>	<b>-0.6</b>	<b>-5.6</b>	<b>-5.3</b>
<b>Financial items – net</b>	<b>-1.0</b>	<b>-0.6</b>	<b>-3.0</b>	<b>-2.7</b>

New loans in EUR have contributed to increased foreign exchange losses than in comparison periods. Forward exchange contracts in Arla Plast s.r.o, where future cash flow of EUR has been exchanged to CZK, will affect at maturity and as well as when evaluating the market value of contracts not yet due. At the end of the period there were outstanding forward exchange contracts.

**Not 6 Right-of-use assets**

The Group leases buildings, vehicles and other technical equipment such as a container compactor, inkjet printer, scrubbing machines and a vending machine. These are recognized as right-of-use assets with a corresponding liability. In connection with the acquisition of Alphaplex GmbH in the third quarter 2022, right-of-use assets were added in buildings and vehicles corresponding to SEK 9.5 million with corresponding leasing debt.

**Not 7 Financial instruments**

The Group's financial assets and liabilities comprise the following items: other long-term receivables, accounts receivable, other receivables, cash and cash equivalents, liabilities to credit institutions, leasing liabilities, liabilities to Group companies, 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 derivatives (forward exchange contracts) included in the balance sheet:

Amounts in SEK million	2023-03-31	2022-03-31	2022-12-31
Current assets	0.7	-	1.5
Current liabilities	-	0.1	-

The asset has occurred by signed, not yet due, forward exchange contracts in Arla Plast s.r.o. where future flows of EUR have been exchanged to CZK.

**Not 8 Inventories**

Amounts in SEK million	2023-03-31	2022-03-31	2022-12-31
Raw materials and merchandise in stock	82.1	117.8	89.2
Finished goods produced in-house	117.0	96.4	122.7
Products in progress	6.3	7.5	4.2
<b>Total inventories</b>	<b>205.4</b>	<b>221.7</b>	<b>216.1</b>

The decrease in inventories is mainly caused by an increased focus on inventory management.

**Not 9 Related-party transactions**

There have been no changes in the Group's or Parent Company's related-party relationships compared to those described in the 2022 Annual Report. There were no material related-party transactions during the period.

**Not 10 Items affecting comparability**

Amounts in SEK million	Jan-Mar 2023	Jan-Mar 2022	R 12	Jan-Dec 2022
Acquisition costs	-	-	1.2	1.2
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1.2</b>	<b>1.2</b>

In connection with the acquisition of Alphaplex GmbH in the third quarter of 2022 external lawyers were hired. The items affecting comparability are not allocated per segment. In the consolidated statement of comprehensive income the items affecting comparability can be found amongst administration costs and other operating costs.

**Not 11 Earnings per share**

The share capital of Arla Plast AB amounts to SEK 2,400,000. The Extraordinary General Meeting on July 3, 2020, decided to merge shares and to split shares. Following these decisions, the number of shares in the company amounts to 20,000,000 with a quota value of SEK 0.12. Basic earnings per share for all periods have been based on 20,000,000 shares. Diluted earnings per share are calculated by adjusting the average number of shares to include all potential dilution of shares. The company issued a total of 980,000 warrants at the Annual General Meeting on 13 August 2020.

<b>Basic and diluted earnings per share</b>	<b>Jan-Mar 2023</b>	<b>Jan-Mar 2022</b>	<b>R 12</b>	<b>2022-12-31</b>
Profit attributable to equity holders of the parent, SEK million	13.4	8.8	39.1	34.4
Weighted number of shares, basic	20,000,000	20,000,000	20,000,000	20,000,000
Weighted number of shares, diluted	20,980,000	20,980,000	20,980,000	20,980,000
<b>Earnings per share, basic, SEK</b>	<b>0.67</b>	<b>0.44</b>	<b>1.95</b>	<b>1.72</b>
<b>Earnings per share, diluted, SEK</b>	<b>0.64</b>	<b>0.42</b>	<b>1.86</b>	<b>1.64</b>

**Not 12 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 adjusted operating margin. These alternative performance measures are considered important earnings and performance indicators for investors and other users of the interim 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**

<b>Definitions</b>	<b>Calculation</b>	<b>Purpose</b>
Gross margin, %	Gross profit/loss as a per centage of the net sales for the period.	The gross margin is used to measure profitability after the cost of goods sold.
Operating margin, %	Operating profit as a per centage of the net sales for the period.	The operating margin is used to measure operating profitability. The key ratio is one of the company's financial targets and should amount to at least 10% over a business cycle.
EBITDA, SEK million	Operating profit before depreciation, amortization and impairment.	The EBITDA is used to measure the operating profit without the effect of depreciation, amortization and impairment and therefore provides a measure of profit that is comparable over time.
Items affecting comparability, SEK million	Significant items not included in the ordinary course of business such as costs of preparing for a listing, restructuring and the impact of acquisitions or disposals.	Taking items affecting comparability into account increases the comparability and therefore the understanding of the Group's financial performance.
Adjusted operating profit, SEK million	Operating profit adjusted for items affecting comparability.	Adjusting the operating profit makes it more comparable. Used to monitor the Group's operating segment.
Adjusted operating margin, %	The adjusted operating profit as a per centage of the net sales for the period.	The adjusted operating margin excludes the effect of items affecting comparability, which enables a comparison of the underlying operating profitability.
Adjusted EBITDA, SEK million	EBITDA adjusted for items affecting comparability.	EBITDA adjusted increases the comparability of EBITDA.
Interest-bearing assets, SEK million	Cash and bank balances.	The interest-bearing assets are used to calculate the net debt.
Interest-bearing liabilities, SEK million	Current and non-current liabilities owed to credit institutions, current and non-current lease liabilities, and debt owed to the parent company.	The interest-bearing liabilities are used to calculate the net debt.
Net debt, SEK million	Interest-bearing liabilities less interest-bearing assets.	The net debt is used to measure the Company's ability to repay all of its debt using the Company's

Definitions	Calculation	Purpose
		available cash if the debt matured on the calculation date.
Net debt/EBITDA, multiple	The net debt at period-end in relation to the EBITDA for the last 12 months.	The net debt/EBITDA ratio gives an indication of the company's ability to reduce its debt. It represents the number of years that it would take to repay the debt if the net debt and EBITDA stayed constant, without taking into account interest-, tax- and investment-related cash flow. The key ratio is one of the company's financial targets and should not exceed 2.5 times.
Organic growth, %	Organic growth is the sales growth excluding growth attributable to acquisitions, disposals and exchange rate fluctuations.	Organic growth is used to monitor the underlying change in income between different periods with constant exchange rates and excluding the effect of any acquisitions and/or divestments. The key ratio is one of the company's financial targets, and the annual organic sales growth over a business cycle should be 5%.
Working capital, SEK million	Inventories and other short-term operating assets less other short-term operating liabilities.	This measure is used to analyze the company's short-term tied-up capital.
Working capital/sales, %	Operating receivables less operating liabilities in relation to sales.	This key ratio is used to monitor the change in working capital in relation to net sales.
Capital employed, SEK million	Total assets less non-interest-bearing liabilities (including deferred tax).	Capital employed measures the ability of the enterprise to meet the needs of the business in addition to cash and cash equivalents.
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.	ROCE is a long-term profitability indicator that measures how effectively the company is using its capital.
Sales volume, metric tons	Volume sold stated in metric tons.	The sales volume is a key performance indicator used to assess the company's sales in relation to the total volume sold in the company's end markets.
R12, SEK million	A summary of outcomes from the last 12 months.	R12 allows for comparison with the full year 2022.
Operating cash flow, SEK million	Cash flow from operating activities and cash flow from investing activities.	This indicator measures the total cash flow in operating activities.
Equity/assets ratio	The equity at period-end as a per cent of total assets.	The equity ratio indicates the proportion of the company's assets that are financed by equity. This performance measure makes it possible to analyze a company's long-term ability to pay.

## CALCULATION OF KEY RATIOS

	Jan-Mar 2023	Jan-Mar 2022	R12	2022
<b>Gross margin, %:</b>				
Gross profit, SEK million	50.0	34.5	164.2	148.7
Net sales, SEK million	251.0	226.7	982.1	957.8
<b>Gross margin, %</b>	<b>19.9</b>	<b>15.2</b>	<b>16.7</b>	<b>15.5</b>
<b>Operating margin, %, Sweden:</b>				
Net sales, SEK million	152.3	148.0	614.4	610.1
Operating profit, SEK million	12.2	7.7	40.7	36.3
<b>Operating margin, %, Sweden</b>	<b>8.0</b>	<b>5.2</b>	<b>6.6</b>	<b>5.9</b>
<b>Operating margin, %, Czech Republic</b>				
Net sales, SEK million	85.6	82.0	343.2	339.6
Operating profit, SEK million	4.0	3.4	11.3	10.7
<b>Operating margin, %, Czech Republic</b>	<b>4.7</b>	<b>4.1</b>	<b>3.3</b>	<b>3.2</b>
<b>Operating margin, %, Germany</b>				
Net sales, SEK million	28.5	-	75.9	47.4
Operating profit, SEK million	0.5	-	3.2	2.7
<b>Operating margin, %, Germany</b>	<b>1.9</b>	<b>-</b>	<b>4.3</b>	<b>5.7</b>
<b>Adjusted EBITDA, SEK million:</b>				
Operating profit	15.6	11.4	51.2	47.0
Less depreciation and amortization of non-current assets	11.2	10.2	43.1	42.0
Minus depreciation of non-current assets	-	-	-	-
<b>EBITDA</b>	<b>26.8</b>	<b>21.6</b>	<b>94.3</b>	<b>89.1</b>
Less items affecting comparability	-	-	1.2	1.2
<b>Adjusted EBITDA, SEK million</b>	<b>26.8</b>	<b>21.6</b>	<b>95.5</b>	<b>90.3</b>
<b>Organic growth, %:</b>				
Net sales, SEK million	251.0	226.7	982.1	957.8
Net sales for the same period of the previous year, SEK million	226.7	218.8	935.3	927.5
Minus acquisition	-19.2	-	-62.9	-34.4
<b>Net sales, change</b>	<b>5.1</b>	<b>7.9</b>	<b>-6.9</b>	<b>-4.1</b>
Less exchange rate fluctuations, SEK million	-5.1	-6.6	-19.3	-20.7
<b>Organic growth, %</b>	<b>0.0</b>	<b>0.6</b>	<b>-3.8</b>	<b>-3.0</b>
<b>Working capital/sales, %:</b>				
Operating receivables, SEK million	372.1	370.8	372.1	342.9
Operating liabilities, SEK million	87.4	96.8	87.4	65.1
Net working capital, SEK million	284.7	274.0	284.7	277.8
Net sales, R12 SEK million	982.1	935.3	982.1	957.8
<b>Working capital/sales, %</b>	<b>29.0</b>	<b>29.3</b>	<b>29.0</b>	<b>29.0</b>
<b>Return on capital employed (ROCE), %:</b>				
Capital employed, SEK million	647.8	564.9	647.8	624.7
Average capital employed, SEK million	606.3	529.5	606.3	578.8
Adjusted operating profit R12, SEK million	52.4	72.9	52.4	48.2
<b>Return on capital employed (ROCE), %</b>	<b>8.6</b>	<b>13.8</b>	<b>8.6</b>	<b>8.3</b>
<b>Net debt/EBITDA, multiple:</b>				
Net debt, SEK million	59.6	50.4	59.6	76.7
EBITDA, R12 SEK million	94.3	109.5	94.3	89.1
<b>Net debt/EBITDA, multiple</b>	<b>0.63</b>	<b>0.46</b>	<b>0.63</b>	<b>0.86</b>
<b>Equity/assets ratio, %:</b>				
Equity, SEK million	523.1	484.3	523.1	500.0
Total capital, SEK million	779.7	702.6	779.7	736.0
<b>Equity/assets ratio, %</b>	<b>67.1</b>	<b>68.9</b>	<b>67.1</b>	<b>67.9</b>

## FINANCIAL INFORMATION

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Annual General meeting 2023 - 10 May 2023  
Interim report January - June 2023 - 17 August 2023  
Interim report January - September 2023 - 9 November 2023  
Year-end report 2023 - 22 February 2024

Arla Plast AB (reg no 556131-2611)

Borensberg 9 May 2023

Christian Krichau  
President and CEO

This interim report has not been reviewed by the company's auditor.

## FOR FURTHER INFORMATION, PLEASE CONTACT:

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Christian Krichau, CEO, +46 141 20 38 58  
Monica Ljung, CFO, +46 141 20 38 02

### Forward-looking information

Certain statements in this report are forward-looking and the actual outcome may be significantly different. In addition to the specific mentioned factors, other factors may have material impact on the actual outcome. Such factors include, but are not limited to, the general economic climate, exchange-rate fluctuations and changes in interest rates, political developments, the impact of competing products and the prices of such products, interruptions to the access to 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 above mentioned contact persons on 9 May 2023 at 8:00 am CET.*

## ABOUT ARLA PLAST

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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, vehicle components and various construction-related areas of application. The company is headquartered in Borensberg, Sweden, and has a total of three production facilities in Sweden and the Czech Republic. Arla Plast has a turnover of more than SEK 950 million and has approximately 250 employees and delivers to more than 700 customers in over 45 countries. In 2022, Arla Plast completed its first acquisition by acquiring Alphaplex GmbH in Germany.

More information about Arla Plast is available at [www.arlaplastgroup.com](http://www.arlaplastgroup.com).

### Definitions of 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.

