

INTERIM REPORT JANUARY – MARCH 2024

Strong result and increased operating margin starts the year

JANUARY – MARCH 2024

- Net sales amounted to SEK 247.8 million (251.0), a decrease by 1%.
- Operating profit amounted to SEK 35.8 million (15.6), an increase by 129%.
- The operating margin increased to 14.4% (6.2).
- Profit for the period amounted to SEK 27.3 million (13.4), an increase by 104%.
- Earnings per share, before dilution, amounted to SEK 1.30 (0.67) and after dilution to SEK 1.30 (0.64).
- Net debt amounted to SEK -106.6 million (59.6) by the end of the period, which corresponds to -0.6 times (0.6) EBITDA.
- Cash flow from operating activities amounted to SEK 27.3 million (20.9).

Net sales, SEK million

247.8 (251.0)

a decrease by 1%

Operating profit, SEK million

35.8 (15.6)

an increase by 129%

Operating margin, %

14.4 (6.2)

an increase by 133%

GROUP IN SUMMARY*

| | Jan-Mar 2024 | Jan-Mar 2023 | Δ,% | R 12 | Jan-Dec 2023 | Δ,% |
|--|-----------------|-----------------|-----|---------|-----------------|-----|
| Net sales, SEK million | 247.8 | 251.0 | -1 | 1,011.9 | 1,015.1 | - |
| Gross margin, % | 25.9 | 19.9 | 30 | 23.1 | 21.6 | 7 |
| EBITDA, SEK million | 53.2 | 26.8 | 98 | 165.9 | 139.5 | 19 |
| Operating profit, SEK million | 35.8 | 15.6 | 129 | 111.8 | 91.6 | 22 |
| Operating margin, % | 14.4 | 6.2 | 133 | 11.0 | 9.0 | 23 |
| Profit for the period, SEK million | 27.3 | 13.4 | 104 | 80.8 | 66.9 | 21 |
| Earnings per share before dilution, SEK | 1.30 | 0.67 | 94 | 3.93 | 3.29 | 19 |
| Earnings per share after dilution, SEK | 1.30 | 0.64 | 103 | 3.85 | 3.19 | 21 |
| Net debt/EBITDA, times | -0.6 | 0.6 | - | -0.6 | -0.6 | - |
| Net debt, SEK million | -106.6 | 59.6 | - | -106.6 | -81.3 | - |
| Cash flow from operating activities, SEK million | 27.3 | 20.9 | 31 | 171.9 | 165.5 | 4 |
| Return on capital employed (ROCE), % | 16.6 | 8.6 | 93 | 16.6 | 14.2 | 17 |
| Equity/assets ratio, % | 71.6 | 67.1 | 7 | 71.6 | 72.4 | -1 |

* For definitions and alternative performance measures, see page 14



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Strong result and increased operating margin starts the year

Market

The reduced demand which we noted at the end of the previous year turned into a positive development during the first quarter, with market volumes increasing compared to the same period last year. The demand in Germany is still generally weak, including demand from applications linked to the construction industry, such as energy solutions. However, we see good demand from several other markets and sectors, especially applications for our high-optical products and niched projects. Our perception is that our market share is stable and unchanged.

Prices of raw materials, which directly affect net sales, have begun to rise, and with expectations of further price increases, several of our customers have chosen to fill-up their inventories. As a result, sales have temporarily increased.

Strong result despite of lower net sales

Our net sales decreased by 1% compared to the same quarter previous year primarily due to the relatively low raw material prices. However, the low price levels have been compensated by a favorable product mix with a higher proportion of special products compared to the same period last year. There is also a positive currency effect during the period.

During the first quarter of 2024, the operating profit amounted to SEK 35.8 million, representing a significant increase compared to the same period last year and one of the best quarters in our history. The main reason is a gross margin of 25.9%, which is a result of both a favorable customer and product mix and efficient production with high material utilization rates. Some seasonal inventory buildup has been produced in the Czech Republic, which has had a positive impact on profit. In anticipation of upcoming modernization in the Czech Republic, a machine which is going to be replaced has been written down by SEK 6.8 million.

We are pleased with the cash flow, which has improved compared to the same period last year thanks to the strong result.



Outlook

We observe deliberate capacity-limiting measures from some of the European raw material suppliers, resulting in certain allocations and ongoing price increases, which is a dynamic common to the industry and one that we, as before, will navigate through.

We are pleased to announce at the end of April the acquisition of Nudec S.A. in Spain. We have added a well-managed family company with skilled employees and a strong position in southern Europe to the Group. It is a strategically important acquisition where we see our combined customer offering as a great way to enhance value for our customers. A challenging yet very exciting time lies ahead of Arla Plast.

Christian Krichau
President and CEO



FINANCIAL OVERVIEW

The Group

Net sales and profit

The net sales decreased by 1% to SEK 247.8 million (251.0). The total demand regarding market volume increased and we maintained our share of the market. Sales of special products increased and standard products decreased. At the same time the raw material prices are lower than during the same period previous year. The sum of the counteracting factors is that net sales level with the same period previous year. The gross margin increased to 25.9% (19.9). The gross margin was positively affected, mainly by a change in product mix with a larger share of special products together with a improved internal efficiency.

The operating profit for the first quarter amounted to SEK 35.8 million (15.6), an increase by 129%. The operating margin increased to 14.4% (6.2). The operating margin increased mainly because of a higher gross margin. The operating profit is charged with SEK 6.8 million in provision costs for the disposal of a machine which will be taken out of operations.

During the first quarter the profit before tax amounted to SEK 35.6 million (14.6). Net financial income and expenses totaled SEK -0.2 million (-1.0) including interest expense of SEK -0.2 million (-0.7). Taxes in the first quarter amounted to SEK -8.3 million (-1.3), which corresponds to an effective tax rate of 23.3% (8.9). Profit for the period was SEK 27.3 million (13.4) and earnings per share, before dilution, amounted to SEK 1.30 (0.67) and after dilution to SEK 1.30 (0.64).

Cash flow and investments

The cash flow from the operating activities increased during the first quarter to SEK 27.3 million (20.9). The cash flow was positively affected mainly by a higher operating profit.

The cash flow from investing activities was SEK -3.3 million (-1.1) during the quarter and refers primarily to the maintenance in our three production facilities.

The cash flow from financing activities amounted to SEK -2.6 million (-3.0) and concerns mainly amortization of leasing liabilities.

The Group's investments in property, plant and equipment during the first quarter amounted to SEK 3.3 million (1.1) and refers primarily to maintenance investments in our three production facilities. Total depreciations for the first quarter amounted to SEK -17.4 million (-11.2) and includes depreciation amounting to SEK -6.8 MSEK for the disposal of a machine which will be taken out of operations.

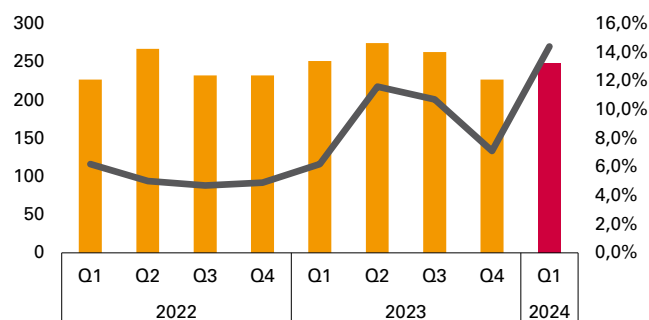
Financial position

Arla Plast's total assets amounted to SEK 840.5 million as of March 31, 2024 (779,7).

The Group's net debt amounted to SEK -106.6 million as of March 31, 2024 (59.6), which corresponds to -0.6 times EBITDA (0.6). Net debt has become net cash because of a improved cash flow together with a deliberate strategy in regard to the coming investments and acquisitions.

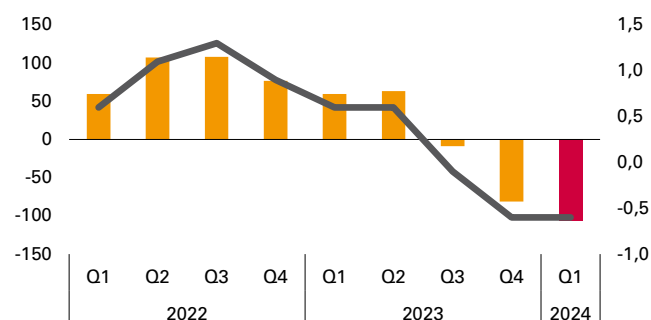
The Group's equity ratio, equity as of March 31, 2024 as a percentage of total assets was 71.6% (67.1).

Net sales and operating margin



Net sales, SEK million
Operating margin, %

Net debt and Net debt/EBITDA



Net debt, SEK million
Net debt/EBITDA, times



FINANCIAL OVERVIEW

The 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

During the first quarter 2024 the net sales increased to SEK 152.8 million (152.3). Increased volumes and a favorable product mix had a positive impact, while lower raw material prices counteracted.

Operating profit increased to SEK 21.2 million (12.2), mainly due to the higher gross profit. A favorable product mix with a larger share of special products and high material utilization contributed positively. The operating margin increased to 13.9 % (8.0).

Czech Republic

During the first quarter 2024 the net sales increased to SEK 90.0 million (85.6). Demand for industrial applications and projects was driving, at the same time the market volumes for construction have started to increase again. Operating profit increased to SEK 14.6 million (4.0). The higher operating profit is a result of better absorption of the fixed costs together with a higher share of special products. The operating profit is charged with SEK 6.8 million in provision costs for the disposal of a machine which will be taken out

of operations. The operating margin increased to 16.2% (4.7).

Germany

The net sales for the first quarter 2024 amounted to SEK 23.9 million (28.5). The decreased net sales are mainly an effect of the lower raw material prices. The operating profit amounted to SEK 0.1 million (0.5) and the operating margin decreased to 0.4% (1.9).

| Key performance indicator | Jan-Mar | Jan-Mar | Δ, % | R 12 | Jan-Dec | Δ, % |
|-------------------------------|---------|---------|------|-------|---------|------|
| | 2024 | 2023 | | | 2023 | |
| <i>Sweden</i> | | | | | | |
| Net sales, SEK million | 152.8 | 152.3 | - | 609.2 | 608.7 | - |
| Operating profit, SEK million | 21.2 | 12.2 | 74 | 64.6 | 55.6 | 16 |
| Operating margin, % | 13.9 | 8.0 | 74 | 10.6 | 9.1 | 16 |
| <i>Czech Republic</i> | | | | | | |
| Net sales, SEK million | 90.0 | 85.6 | 5 | 354.6 | 350.2 | 1 |
| Operating profit, SEK million | 14.6 | 4.0 | 265 | 45.8 | 35.2 | 30 |
| Operating margin, % | 16.2 | 4.7 | 245 | 12.9 | 10.1 | 28 |
| <i>Germany</i> | | | | | | |
| Net sales, SEK million | 23.9 | 28.5 | -16 | 113.1 | 117.7 | -4 |
| Operating profit, SEK million | 0.1 | 0.5 | -80 | 3.7 | 4.1 | -10 |
| Operating margin, % | 0.4 | 1.9 | -79 | 3.3 | 3.5 | -6 |



FINANCIAL OVERVIEW

Other

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 2024, net sales amounted to SEK 152.8 million (152.3) and operating profit to SEK 21.2 million (12.2).

Cash and cash equivalents as of March 31, 2024, amounted to SEK 118.3 million compared to SEK 59.2 million as of March 31, 2023.

Seasonal variations

Arla Plast has a large number of 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 the vacation and Christmas period having a negative impact.

Personnel

The average number of full-time employees in the first quarter of 2024 was 261 (243). During the first quarter, women accounted for 26% (26) of the employees.

Events after the end of the reporting period

Arla Plast has after the end of the reporting period acquired the shares in Nudec S.A. Nudec was founded in 1980, has 110 employees, and is based just north of Barcelona, Catalonia, Spain. Nudec is a supplier and manufacturer of extruded sheets in technical plastic materials and also a supplier of PMMA to the Arla Plast Group. For 2023, the net sales amounted to EUR 58.9 million, equivalent to approximately SEK 670 million. Nudec has a history of profitability and successful growth, although the results for the past two years have been comparatively weak. For 2023, the operating margin was negative at approximately 2.0%. If the company had been consolidated in 2023, additional net sales would have been just above SEK 650 million and earnings per share would have decreased by SEK 0.8, excluding acquisition costs and IFRS effects.

The purchase price amounts to EUR 9.5 million, equivalent to approximately SEK 109 million, and the acquisition is financed through Arla Plast's existing cash. Acquisition costs are estimated at approximately SEK 2.6 million and will impact the second quarter of 2024. Nudec will be consolidated into the Arla Plast Group from the closing date of April 23, 2024, and reported in the new operating segment Spain.

Revised report and definition of organic growth

Based on the changed conditions that the acquisition entails, quarterly reports will be modified so that sold tonnes are not presented and the definition of organic growth will refer to revenue growth excluding growth attributable to acquisitions and disposals. Please see the definition of organic growth on page 14 and the calculation on page 15.

The share

As of March 31, 2024, Svolder AB owns 15%, Mats Synnersten AB 14%, K Synnersten Holding AB 13%, Swedia Invest AB 11%, Ranzom AB 11%, Jan Synnersten AB 11%, Nordea Investment Funds 9%. Arla Plast AB has approximately 2,200 shareholders.

Risks and uncertainties

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

Sustainability

During the first quarter 2024, our carbon footprint related to the production of raw materials consumed was in average 3.3 kg CO₂e per kg of finished product produced (3.2) and sick leave was 5.2% (4.8). The distribution unit Alphaplex GmbH does not produce finished products and is thus not included in the calculation of CO₂e per kg of finished product 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 | Not | Jan-Mar 2024 | Jan-Mar 2023 | R 12 | Jan-Dec 2023 |
|---|-----|-----------------|-----------------|--------------|-----------------|
| Net sales | 2,3 | 247.8 | 251.0 | 1,011.9 | 1,015.1 |
| Costs of goods sold | | -183.7 | -201.0 | -778.5 | -795.8 |
| Gross margin | | 64.1 | 50.0 | 233.4 | 219.3 |
| Selling expenses | | -16.7 | -18.1 | -71.5 | -72.9 |
| Administrative expenses | | -16.5 | -16.1 | -65.7 | -65.3 |
| Other operating income | 4 | 4.9 | 0.7 | 14.8 | 10.6 |
| Other operating expenses | | - | -0.8 | 0.8 | -0.1 |
| Operating profit | | 35.8 | 15.6 | 111.8 | 91.6 |
| Financial income and expenses | | -0.2 | -1.0 | -4.8 | -5.6 |
| Result before tax | | 35.6 | 14.6 | 107.0 | 86.0 |
| Tax expenses | | -8.3 | -1.3 | -26.2 | -19.1 |
| Profit for the period | | 27.3 | 13.4 | 80.8 | 66.9 |
| Other comprehensive income | | | | | |
| Items that may be reclassified subsequently to profit of loss | | | | | |
| Exchange differences on translation of foreign operations | | 5.7 | 9.7 | -11.6 | -7.6 |
| Other comprehensive income for the period | | 5.7 | 9.7 | -11.6 | -7.6 |
| Total comprehensive income for the period | | 33.0 | 23.1 | 69.2 | 59.3 |
| Amounts in SEK | | | | | |
| Earnings per share before dilution | | 1.30 | 0.67 | 3.93 | 3.29 |
| Earnings per share after dilution | | 1.30 | 0.64 | 3.85 | 3.19 |

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



FINANCIAL REPORTS

Consolidated statement of financial position

| Amounts in SEK million | Not | 31 Mar 2024 | 31 Mar 2023 | 31 Dec 2023 |
|--|-----|----------------|----------------|----------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Intangible non-current assets | | 31.7 | 32.7 | 30.9 |
| Property, plant and equipment | | 227.3 | 268.7 | 238.0 |
| Right-of-use assets | | 24.9 | 31.0 | 26.0 |
| Total non-current assets | | 283.9 | 332.4 | 294.9 |
| Current assets | | | | |
| Inventories | | 191.7 | 205.4 | 173.2 |
| Trade receivables | 5 | 152.1 | 159.4 | 126.2 |
| Other current receivables | 5 | 10.6 | 17.4 | 14.8 |
| Cash and cash equivalents | 5 | 202.2 | 65.1 | 176.1 |
| Total current assets | | 556.6 | 447.3 | 490.3 |
| TOTAL ASSETS | | 840.5 | 779.7 | 785.2 |
| EQUITY | | | | |
| Equity attributable to owners of the parent | | 601.4 | 523.1 | 568.4 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Liabilities to credit institutions | 5 | 5.3 | - | 5.8 |
| Non-current portion of lease liability | 5 | 17.5 | 23.5 | 18.6 |
| Deferred tax liability | | 41.8 | 42.6 | 41.7 |
| Total non-current liabilities | | 64.6 | 66.1 | 66.1 |
| Current liabilities | | | | |
| Liabilities to credit institutions | 5 | 65.2 | 93.5 | 62.7 |
| Current portion of lease liability | 5 | 7.7 | 7.6 | 7.6 |
| Accounts payable | 5 | 30.3 | 34.4 | 16.6 |
| Other current liabilities | 5 | 71.3 | 55.0 | 63.8 |
| Total current liabilities | | 174.5 | 190.5 | 150.7 |
| Total liabilities | | 239.1 | 256.6 | 216.8 |
| TOTAL EQUITY AND LIABILITIES | | 840.5 | 779.7 | 785.2 |



FINANCIAL REPORTS

Condensed consolidated statement of changes in equity

| Amounts in SEK million | Not | 31 Mar 2024 | 31 Mar 2023 | 31 Dec 2023 |
|---|-----|----------------|----------------|----------------|
| Opening balance | | 568.4 | 500.0 | 500.0 |
| Profit for the period | | 27.3 | 13.4 | 66.9 |
| Other comprehensive income | | 5.7 | 9.7 | -7.6 |
| Total comprehensive income | | 33.0 | 23.1 | 59.3 |
| Dividend | | - | - | -20.0 |
| Emission | | - | - | 29.2 |
| Total transactions with shareholders | | - | - | 9.2 |
| Closing balance | | 601.4 | 523.1 | 568.4 |

Consolidated statement of cash flows

| Amounts in SEK million | Not | Jan-Mar 2024 | Jan-Mar 2023 | R 12 Jan-Dec 2023 |
|--|-----|-----------------|-----------------|-------------------------|
| Cash flow from operating activities before changes in working capital | | 43.6 | 22.2 | 147.4 |
| Cash flow from changes in working capital | | -16.3 | -1.3 | 24.5 |
| Cash flow from operating activities | | 27.3 | 20.9 | 171.9 |
| Cash flow from investing activities | | -3.3 | -1.1 | -8.6 |
| Cash flow from financing activities | | -2.6 | -3.0 | -23.6 |
| Cash flow for the period | | 21.4 | 16.8 | 139.7 |
| Cash and cash equivalents at beginning of period | | 176.1 | 47.9 | 65.1 |
| Exchange differences in cash and cash equivalents | | 4.7 | 0.3 | -2.6 |
| Cash and cash equivalents at close of period | | 202.2 | 65.1 | 202.2 |



FINANCIAL REPORTS

Condensed parent company income statement

| Amounts in SEK million | Not | Jan-Mar 2024 | Jan-Mar 2023 | Jan-Dec 2023 |
|---|-----|-----------------|-----------------|-----------------|
| Net sales | | 152.8 | 152.3 | 608.7 |
| Cost of goods sold | | -111.2 | -118.2 | -465.4 |
| Gross profit | | 41.6 | 34.2 | 143.3 |
| Selling expenses | | -12.3 | -12.7 | -54.6 |
| Administrative expenses | | -10.6 | -9.7 | -39.3 |
| Other operating income and operating expenses | | 2.5 | 0.5 | 6.2 |
| Operating profit | | 21.2 | 12.2 | 55.6 |
| Financial income and expenses | | 0.4 | -0.6 | -4.6 |
| Profit before appropriations and tax | | 21.6 | 11.5 | 51.0 |
| Appropriations | | - | - | -4.5 |
| Profit before tax | | 21.6 | 11.5 | 46.5 |
| Tax expenses | | -4.5 | -2.4 | -10.2 |
| Profit for the period | | 17.1 | 9.1 | 36.3 |

Parent company's condensed statement of comprehensive income

| Amounts in SEK million | Not | Jan-Mar 2024 | Jan-Mar 2023 | Jan-Dec 2023 |
|--|-----|-----------------|-----------------|-----------------|
| Profit for the period | | 17.1 | 9.1 | 36.3 |
| Other comprehensive income for the period | | - | - | - |
| Total comprehensive income for the period | | 17.1 | 9.1 | 36.3 |



FINANCIAL REPORTS

Condensed parent company balance sheet

| Amounts in SEK million | Not | 31 Mar 2024 | 31 Mar 2023 | 31 Dec 2023 |
|-------------------------------------|-----|----------------|----------------|----------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Intangible non-current assets | | 0.3 | 0.3 | 0.3 |
| Property, plant and equipment | | 139.5 | 150.9 | 140.8 |
| Financial non-current assets | | 83.2 | 90.9 | 83.2 |
| Total non-current assets | | 223.0 | 242.1 | 224.3 |
| Current assets | | | | |
| Inventories | | 85.7 | 92.9 | 75.2 |
| Other current assets | | 111.4 | 96.9 | 83.9 |
| Cash and cash equivalents | | 118.3 | 59.2 | 116.3 |
| Total current assets | | 315.4 | 249.0 | 275.4 |
| TOTAL ASSETS | | 538.4 | 491.1 | 499.7 |
| EQUITY | | | | |
| Untaxed reserves | | 140.5 | 136.0 | 140.5 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Provisions | | 6.9 | 14.2 | 6.7 |
| Current liabilities | | | | |
| Liabilities to credit institutions | | 61.1 | 68.8 | 58.6 |
| Other current liabilities | | 64.6 | 60.2 | 45.7 |
| Total current liabilities | | 125.7 | 129.0 | 104.3 |
| Total liabilities | | 132.6 | 143.2 | 111.0 |
| TOTAL EQUITY AND LIABILITIES | | 538.4 | 491.1 | 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 | Jan-Mar 2024 | % | Jan-Mar 2023 | % | R 12 | % | Jan-Dec 2023 | % |
|---|-----------------|------------|-----------------|------------|----------------|------------|-----------------|------------|
| External net sales per geographical market | | | | | | | | |
| Sweden | 27.3 | 11 | 33.2 | 13 | 128.4 | 13 | 134.3 | 13 |
| Germany | 42.8 | 17 | 52.1 | 21 | 179.8 | 18 | 189.1 | 19 |
| Czech Republic | 50.3 | 20 | 40.9 | 16 | 196.9 | 19 | 187.5 | 18 |
| Poland | 22.8 | 9 | 31.5 | 13 | 108.3 | 11 | 117.0 | 12 |
| Rest of Europe | 88.5 | 36 | 74.0 | 29 | 322.8 | 32 | 308.3 | 30 |
| Rest of world | 16.1 | 7 | 19.3 | 8 | 75.7 | 7 | 78.9 | 8 |
| Summa | 247.8 | 100 | 251.0 | 100 | 1,011.9 | 100 | 1,015.1 | 100 |
| External net sales per product category | | | | | | | | |
| TPC | 107.1 | 43 | 105.6 | 42 | 440.9 | 44 | 439.4 | 43 |
| OPC | 62.4 | 25 | 50.8 | 20 | 217.7 | 21 | 206.1 | 21 |
| MWPC | 34.7 | 14 | 34.9 | 14 | 163.4 | 16 | 163.6 | 16 |
| ABS | 21.3 | 9 | 34.6 | 14 | 100.6 | 10 | 113.9 | 11 |
| PETG | 12.4 | 5 | 14.9 | 6 | 47.6 | 5 | 50.1 | 5 |
| PMMA | 9.9 | 4 | 10.2 | 4 | 41.7 | 4 | 42.0 | 4 |
| Summa | 247.8 | 100 | 251.0 | 100 | 1,011.9 | 100 | 1,015.1 | 100 |



Note 3 Operating segments

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 other operating expenses. Intersegment sales take place on market terms. The CEO primarily uses net sales and operating profit in assessing the Group's performance.

Sweden

The Sweden segment is the Group's larger segment. This segment represents approximately 58% (57) of the Group's total net sales in the first quarter of 2024 and includes all operations conducted and originating 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 36% (35) 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% (32) of the Group's total net sales in the first quarter of

2024. This segment includes all operations 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 64% (65) of net sales.

Germany

The German segment represents approximately 10% (11) of the Group's total net sales in the first quarter of 2024. 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 are shown below.

Net sales and result per segment

| Net sales and result, SEK million | Sweden | Czech | Germany | Other | Group | Sweden | Czech | Germany | Other | Group |
|-----------------------------------|--------------|--------------|--------------|------------------------|--------------|--------------|--------------|--------------|------------------------|--------------|
| | Jan-Mar 2024 | Jan-Mar 2024 | Jan-Mar 2024 | and elim. Jan-Mar 2024 | Jan-Mar 2024 | Jan-Mar 2023 | Jan-Mar 2023 | Jan-Mar 2023 | and elim. Jan-Mar 2023 | Jan-Mar 2023 |
| Net sales, external | 143.5 | 80.4 | 23.9 | - | 247.8 | 145.6 | 77.4 | 28.0 | - | 251.0 |
| Net sales, internal | 9.3 | 9.6 | - | -18.9 | - | 6.7 | 8.2 | 0.5 | -15.4 | - |
| Total net sales | 152.8 | 90.0 | 23.9 | -18.9 | 247.8 | 152.3 | 85.6 | 28.5 | -15.4 | 251.0 |
| Operating profit | 21.2 | 14.6 | 0.1 | -0.1 | 35.8 | 12.2 | 4.0 | 0.5 | -1.1 | 15.6 |
| Net financial items | 0.4 | -0.4 | -0.1 | - | -0.2 | -0.6 | -0.2 | -0.1 | - | -1.0 |
| Profit before tax | 21.6 | 13.9 | - | -0.1 | 35.6 | 11.5 | 3.8 | 0.4 | -1.1 | 14.6 |
| Operating margin, % | 13.9 | 16.2 | 0.4 | - | 14.4 | 8.0 | 4.7 | 1.9 | - | 6.2 |

| Net sales and result, SEK million | Sweden | Czech | Germany | Other | Group | Sweden | Czech | Germany | Other | Group |
|-----------------------------------|--------|-------|---------|----------------|---------|--------------|--------------|--------------|------------------------|--------------|
| | R 12 | R 12 | R 12 | and elim. R 12 | R 12 | Jan-Dec 2023 | Jan-Dec 2023 | Jan-Dec 2023 | and elim. Jan-Dec 2023 | Jan-Dec 2023 |
| Net sales, external | 579.1 | 325.0 | 107.8 | - | 1,011.9 | 581.2 | 322.0 | 111.9 | - | 1,015.1 |
| Net sales, internal | 30.1 | 29.6 | 5.3 | -65.0 | - | 27.5 | 28.2 | 5.8 | -61.5 | - |
| Total net sales | 609.2 | 354.6 | 113.1 | -65.0 | 1,011.9 | 608.7 | 350.2 | 117.7 | -61.5 | 1,015.1 |
| Operating profit | 64.6 | 45.8 | 3.7 | -2.3 | 111.8 | 55.6 | 35.2 | 4.1 | -3.3 | 91.6 |
| Net financial items | -3.5 | -0.9 | -0.4 | - | -4.8 | -4.6 | -0.6 | -0.4 | - | -5.6 |
| Profit before tax | 61.1 | 44.7 | 3.3 | -2.3 | 107.0 | 51.0 | 34.6 | 3.7 | -3.3 | 86.0 |
| Operating margin, % | 10.6 | 12.9 | 3.3 | - | 11.0 | 9.1 | 10.1 | 3.5 | - | 9.0 |



Net sales per geographical market and segment

| Geographical market, SEK million | Sweden Jan-Mar 2024 | Czech Jan-Mar 2024 | Germany Jan-Mar 2024 | Internal Jan-Mar 2024 | Group Jan-Mar 2024 | Sweden Jan-Mar 2023 | Czech Jan-Mar 2023 | Germany Jan-Mar 2023 | Internal Jan-Mar 2023 | Group Jan-Mar 2023 |
|----------------------------------|---------------------|--------------------|----------------------|-----------------------|--------------------|---------------------|--------------------|----------------------|-----------------------|--------------------|
| Sweden | 24.5 | 10.4 | 0.1 | -7.7 | 27.3 | 30.0 | 8.5 | 1.0 | -6.3 | 33.2 |
| Germany | 30.3 | 4.9 | 18.6 | -11.0 | 42.8 | 27.5 | 8.9 | 24.6 | -9.0 | 52.1 |
| Czech Republic | 11.0 | 39.5 | - | -0.2 | 50.3 | 6.3 | 34.5 | 0.2 | -0.2 | 40.9 |
| Poland | 14.0 | 8.8 | - | - | 22.8 | 21.0 | 10.5 | - | - | 31.5 |
| Rest of Europe | 62.8 | 20.5 | 5.2 | - | 88.5 | 58.0 | 13.4 | 2.6 | - | 74.0 |
| Rest of world | 10.2 | 5.9 | - | - | 16.1 | 9.5 | 9.8 | - | - | 19.3 |
| Summa | 152.8 | 90.0 | 23.9 | -18.9 | 247.8 | 152.3 | 85.6 | 28.5 | -15.5 | 251.0 |

| Geographical market, SEK million | Sweden R 12 | Czech Republic R 12 | Germany R 12 | Internal R 12 | Group R 12 | Sweden Jan-Dec 2023 | Czech Jan-Dec 2023 | Germany Jan-Dec 2023 | Internal Jan-Dec 2023 | Group Jan-Dec 2023 |
|----------------------------------|--------------|---------------------|--------------|---------------|----------------|---------------------|--------------------|----------------------|-----------------------|--------------------|
| Sweden | 123.1 | 27.8 | 5.7 | -28.2 | 128.4 | 128.6 | 25.9 | 6.6 | -26.8 | 134.3 |
| Germany | 110.2 | 21.0 | 84.2 | -35.6 | 179.8 | 107.4 | 25.0 | 90.2 | -33.5 | 189.1 |
| Czech Republic | 45.0 | 152.3 | 0.9 | -1.3 | 196.9 | 40.3 | 147.3 | 1.1 | -1.2 | 187.5 |
| Poland | 62.3 | 45.0 | 1.0 | - | 108.3 | 69.3 | 46.7 | 1.0 | - | 117.0 |
| Rest of Europe | 219.1 | 82.3 | 21.4 | - | 322.8 | 214.3 | 75.2 | 18.8 | - | 308.3 |
| Rest of world | 49.5 | 26.2 | - | - | 75.7 | 48.8 | 30.1 | - | - | 78.9 |
| Total | 609.2 | 354.6 | 113.1 | -65.0 | 1,011.9 | 608.7 | 350.2 | 117.7 | -61.5 | 1,015.1 |

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 | 31 Mar 2024 | 31 Mar 2023 | 31 Dec 2023 |
|------------------------|-------------|-------------|-------------|
| Derivative assets | - | 0.7 | 0.2 |
| Derivative liabilities | 0.5 | - | - |

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.

Arla Plast AB (reg no. 556131-2611)

Borensberg April 25, 2024

Christian Krichau
President and CEO

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



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

| | Jan-Mar 2024 | Jan-Mar 2023 | R 12 | Jan-Dec 2023 |
|--|-----------------|-----------------|---------------|-----------------|
| Gross margin, %: | | | | |
| Gross profit, SEK million | 64.1 | 50.0 | 233.4 | 219.3 |
| Net sales, SEK million | 247.8 | 251.0 | 1,011.9 | 1,015.1 |
| Gross margin, % | 25.9 | 19.9 | 23.1 | 21.6 |
| Operating margin, % Sweden: | | | | |
| Net sales, SEK million | 152.8 | 152.3 | 609.2 | 608.7 |
| Operating profit, SEK million | 21.2 | 12.2 | 64.6 | 55.6 |
| Operating margin, %, Sweden | 13.9 | 8.0 | 10.6 | 9.1 |
| Operating margin, % Czech Republic: | | | | |
| Net sales SEK million | 90.0 | 85.6 | 354.6 | 350.2 |
| Operating profit SEK million | 14.6 | 4.0 | 45.8 | 35.2 |
| Operating margin, %, Czech Republic | 16.2 | 4.7 | 12.9 | 10.1 |
| Operating margin, % Germany: | | | | |
| Net sales SEK million | 23.9 | 28.5 | 113.1 | 117.7 |
| Operating profit SEK million | 0.1 | 0.5 | 3.7 | 4.1 |
| Operating margin, %, Germany | 0.4 | 1.9 | 3.3 | 3.5 |
| EBITDA, SEK million: | | | | |
| Operating profit, SEK million | 35.8 | 15.6 | 111.8 | 91.6 |
| Depreciation and amortization of non-current assets, SEK million | 17.4 | 11.2 | 54.1 | 47.9 |
| EBITDA, SEK MILLION | 53.2 | 26.8 | 165.9 | 139.5 |
| Organic growth, %: | | | | |
| Net sales, SEK million | 247.8 | 251.0 | 1,011.9 | 1,015.1 |
| Net sales corresponding period previous year, SEK million | 251.0 | 226.7 | 982.1 | 957.8 |
| Acquisition, SEK million | - | -19.2 | -27.2 | -46.4 |
| Net sales change, SEK million | -3.2 | 5.1 | 2.6 | 10.9 |
| Organic growth, % | -1.3 | 2.2 | 0.3 | 1.1 |
| Working capital/net sales, %: | | | | |
| Operating receivables, SEK million | 354.4 | 372.1 | 354.4 | 310.6 |
| Operating liabilities, SEK million | -97.2 | -87.4 | -97.2 | -75.0 |
| Net working capital, SEK million | 257.2 | 284.7 | 257.2 | 235.6 |
| Net sales R12, SEK million | 1,011.9 | 982.1 | 1,011.9 | 1,015.1 |
| Working capital/net sales, % | 25.4 | 29.0 | 25.4 | 23.2 |
| Return on capital employed (ROCE), %: | | | | |
| Capital employed, SEK million | 697.0 | 647.8 | 697.0 | 663.2 |
| Average capital employed, SEK million | 672.4 | 606.3 | 672.4 | 643.9 |
| Operating profit R12, SEK million | 111.8 | 52.4 | 111.8 | 91.6 |
| Return on capital employed (ROCE), % | 16.6 | 8.6 | 16.6 | 14.2 |
| Net debt, SEK million: | | | | |
| Interest bearing liabilities, SEK million | 95.6 | 124.6 | 95.6 | 94.8 |
| Interest bearing assets, SEK million | -202.2 | -65.1 | -202.2 | -176.1 |
| Net debt, SEK million | -106.6 | 59.6 | -106.6 | -81.3 |
| Net debt/ EBITDA, times: | | | | |
| Net debt, SEK million | -106.6 | 59.6 | -106.6 | -81.3 |
| EBITDA R12, SEK million | 165.9 | 94.3 | 165.9 | 139.5 |
| Net debt/ EBITDA, times | -0.6 | 0.6 | -0.6 | -0.6 |
| Equity/assets ratio, %: | | | | |
| Equity, SEK million | 601.4 | 523.1 | 601.4 | 568.4 |
| Total assets, SEK million | 840.5 | 779.7 | 840.5 | 785.2 |
| Equity/assets ratio, % | 71.6 | 67.1 | 71.6 | 72.4 |



For further information, please contact:

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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 and the Securities Markets Act. The information was published by the abovementioned contact persons on April 25, 2024 at 8:00 am CET.

Financial calendar

AGM 2024 – May 7, 2024, Borensberg
 Interim report January – June 2024 - August 16, 2024
 Interim report January – September 2024 - November 8, 2024
 Year-end report 2024 – February 19, 2025

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 three production facilities in Sweden and the Czech Republic and a distribution unit in Germany. Arla Plast has a turnover of more than SEK 1,000 million, has approximately 250 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