

INTERIM REPORT JANUARY – MARCH 2026

Stable gross margin and positive cash flow in a challenging market

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- Net sales amounted to SEK 325.5 million (392.1), a decrease of 17%.
- Operating profit amounted to SEK 19.4 million (28.8), a decrease of 33%.
- The operating margin amounted to 6.0% (7.3).
- Profit for the period amounted to SEK 15.1 million (20.6), a decrease of 27%.
- Earnings per share, before dilution, amounted to SEK 0.72 (0.98) and after dilution to SEK 0.72 (0.98).
- The net cash amounted to SEK 37.4 million (24.5) at the end of the period, equivalent to 0.2 times (0.1) EBITDA.
- Cash flow from operating activities amounted to SEK 13.6 million (16.5).

Net sales, SEK million

325.5

(392.1)

a decrease of 17%

Operating profit, SEK million

19.4

(28.8)

a decrease of 33%

Operating margin, %

6.0

(7.3)

a decrease of 18%

GROUP IN SUMMARY*

	Jan-Mar 2026	Jan-Mar 2025	Δ,%	R 12	Jan-Dec 2025	Δ,%
Net sales, SEK million	325.5	392.1	-17	1 366.4	1 433.0	-5
Gross margin, %	22.5	22.8	-1	22.8	22.9	-
EBITDA, SEK million	34.6	42.0	-18	160.4	167.8	-4
Operating profit, SEK million	19.4	28.8	-33	105.6	115.0	-8
Operating margin, %	6.0	7.3	-18	7.7	8.0	-4
Profit for the period, SEK million	15.1	20.6	-27	82.8	88.3	-6
Earnings per share before dilution, SEK	0.72	0.98	-27	3.95	4.21	-6
Earnings per share after dilution, SEK	0.72	0.98	-27	3.95	4.21	-6
Net debt/EBITDA, times	-0.2	-0.1	100	-0.2	-0.2	-
Net debt, SEK million	-37.4	-24.5	53	-37.4	-41.7	-10
Cash flow from operating activities, SEK million	13.6	16.5	-18	180.1	183.0	-2
Return on capital employed (ROCE), %	13.2	15.0	-12	13.2	14.2	-7
Equity/assets ratio, %	66.7	64.1	4	66.7	69.1	-3



CEO COMMENTS

Stable gross margin and positive cash flow in a challenging market

Stable gross margin and positive cash flow despite lower volumes and net sales concludes a challenging first quarter of 2026.

Market

Arla Plast delivered a first quarter with a maintained gross margin despite lower net sales and increased price competition during a period characterized by global disturbances.

We experienced during the initial months of the quarter a hesitant market which in our perception, measured in volumes, was similar to the comparison quarter. At the end of the quarter demand increased, driven rather by the geopolitical events than underlying market demand.

Demand from construction and automotive industry continued to be slightly weak. We had a stable demand within industrial projects, this development was clearly noticeable in segment East Europe as well as segment North Europe. We noted a slightly lower demand for our premium products within the high-optical product range. Our assessment indicates that this is a temporary excess stock adjustment at customers.

Raw material prices, which affect both net sales and gross margin, reached its lowest level in the middle of the first quarter and were at that point lower than in the comparison quarter. At the end of the quarter prices increased heavily, impacted by the ongoing conflict in the Middle East.

Stable gross margin despite lower volumes

During the first quarter the net sales decreased by 17% compared to the same quarter previous year, mainly due to lower raw material prices and reduced sales volume. The ongoing repositioning within segment West and South Europe has, as expected, led to decreased volumes and net sales. This reposition is necessary to strengthen long-term profitability and improve the quality of our business.

Our gross margin for the quarter reached 22.5% (22.8), which was slightly lower than in the comparison quarter. Increased price competition due to lower raw material prices affected negatively. A favorable product mix and positive currency effect affected positively. An important highlight is that segment West and South Europe strengthened the gross margin despite considerably lower sales volume.

During the first quarter our operating profit amounted to SEK 19.4 million (28.8), a decrease compared to the corresponding quarter previous year. Operating margin amounted to 6.0% (7.3).

The results for the Group were mainly affected by our latest acquisition, Aikolon Oy, as expected an irregular order intake and lower utilization of capacity affected the result. Lower raw material prices, combined with generally lower sales volume, also affected the result negatively.

During the quarter our inventory increased modestly, which was an effect of a planned seasonal stock build-up. Over the past years we have efficiently managed our working capital, which has strengthened our financial position, and enabled two acquisitions solely financed with our own funds.

Cash flow from operating activities continues to be positive and at the end of the quarter we had a net cash of SEK 34.7 million (24.5).

Outlook

During the quarter together with our latest acquisition, Aikolon Oy, we have developed our product portfolio by further processing high-optical sheets. As planned, we have extended our reach with our own end product, which is in line with our strategy.

Through our strong financial position we now have ongoing investment projects in all our operations within the segments. Our improvement projects start with a better working environment and product quality which will lay the foundation for increased efficiency and competitiveness. We see working environment, product quality and efficiency strongly connected. A good working environment contributes to higher product quality which drives efficiency and profitable production.

A restructuring program is ongoing in our operations in Finland with a goal to strengthen customer relations, increase the profitability and enable long term competitiveness. The program contains changes in production, new investments and structural cost reductions. Among other activities we will consolidate our two production units.

For the second quarter we encounter an extremely turbulent raw material situation and increased uncertainty in the market due to the crisis in the Middle East. We experience disruptions in production and constrained material supply from our main suppliers. However, this is a dynamic associated with our industry which we will, as before, navigate ourselves through.

Market conditions forward are difficult to predict. Within some customer groups we see increased order volumes, which in our view is a result of increasing raw material prices and speculation rather than an underlying market demand.

We expect a continued turbulent environment where we carefully must monitor developments to be able to act quickly if market conditions are changed. We have indications of continued increased raw material prices driven by the conflict in the Middle East, rather than an underlying demand from the market. In times like this, the strength of our diversified customer and product portfolio becomes particularly important.



Christian Krichau
President and CEO