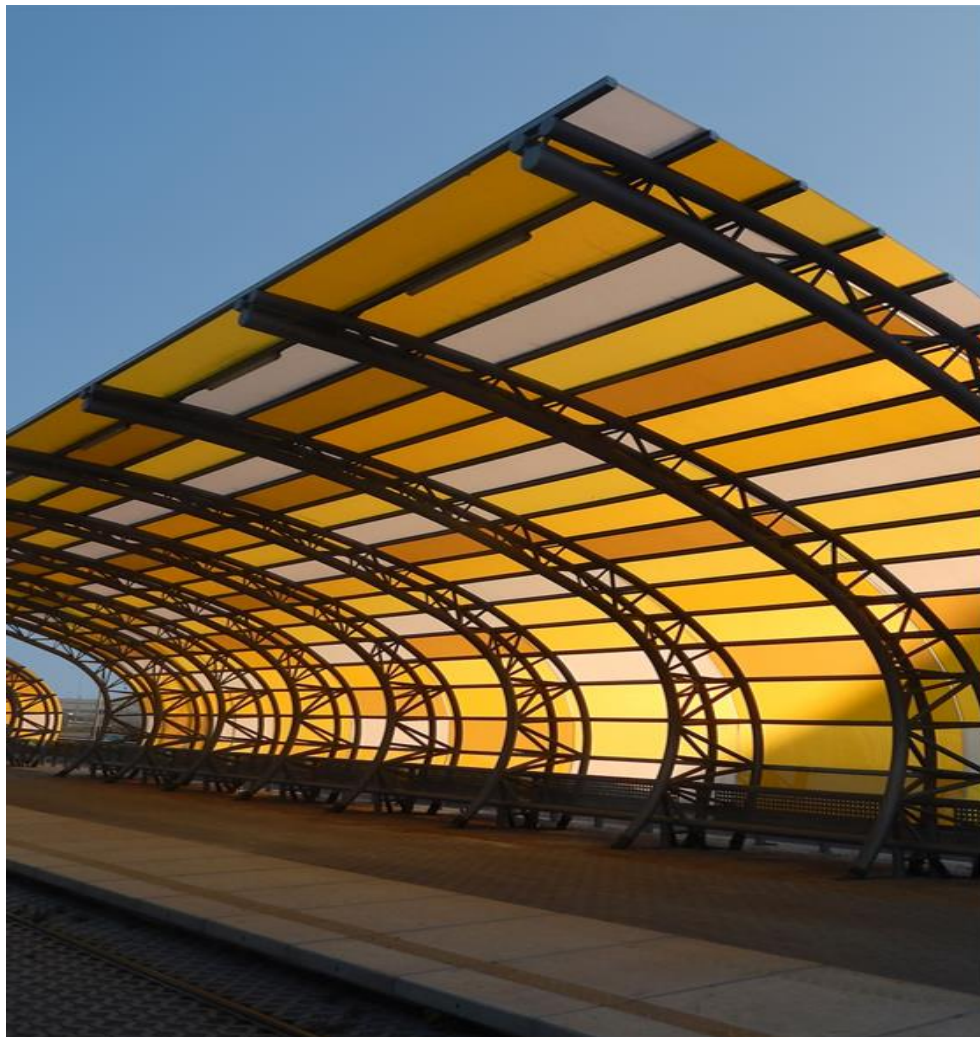




Presentation Interim Report Q2 2023

17 August 2023

HIGHLIGHTS Q2 2023



- Strong result and cash flow
 - Strengthened gross and operating margin
 - Continued strong cash flow through increased operating profit and lower degree of capital tie-up
- Volumes continued to decline for the entire industry, although at a slower pace
 - Market share of Arla Plast remain unchanged
- Net sales increased, organically decreased
- Raw material prices continued down
 - Increased raw material availability
- Government grant for electricity is included, amounting to 5.5 MSEK

Source: Arla Plast AB, Interim Report January – June 2023

Financial overview – Group financials



- Volumes down 3%, net sales up 3%, organically down 10%
- Construction sector weak, positive season effect
- Applications within energy, automotive, industry and security has been strong
- Gross and operating margins up
 - Favorable product mix and high degree of material utilization
- Government grant for electricity is included amounting to 5.5 MSEK

SEKm	Q2 2023	Q2 2022	Δ, %	Q1-Q2 2023	Q1-Q2 2022	Δ, %	R 12*	FY 2022	Δ, %
SALES VOLUME, TONNES	5,193	5,371	(3%)	10,085	10,312	(2%)	18,430	18,657	(1%)
NET SALES	274.6	267.1	3%	525.6	493.8	6%	989.6	957.8	3%
ADJUSTED OPERATING PROFIT	32.0	13.5	137%	47.6	24.9	91%	70.9	48.2	47%
ADJUSTED OPERATING MARGIN	11.6%	5.0%	132%	9.1%	5.0%	82%	7.2%	5.0%	44%

Source: Arla Plast AB, Interim Report January – June 2023

*Note: Rolling twelve months, refers to the period quarter 3 -2022 to quarter 2 -2023

Financial overview – Segment Sweden



Volume

- Q2: down 7%
- Q1-Q2: down 6%

- Volumes continued to decline at a slower pace
- Perception, linear with the market

Net sales

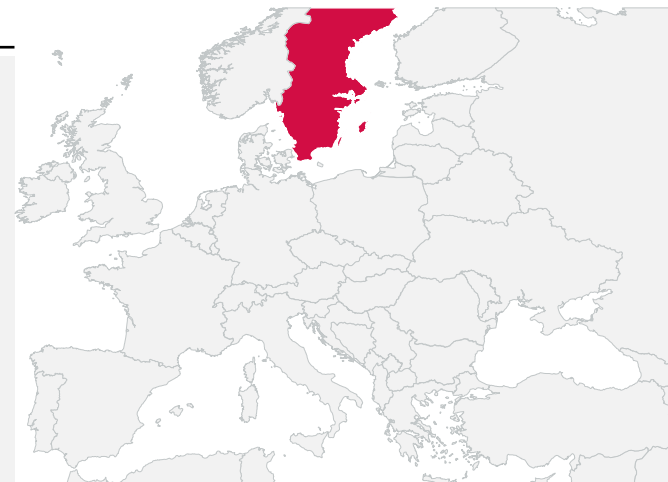
- Q2: down 5%
- Q1-Q2: down 1%

- Favorable product mix
- Lower raw material prices

Operating margin

- Q2: 12.8%
- Q1-Q2: 10.5%

- Product mix and high degree of material utilization
- 5.5 MSEK government grant for electricity



SEKm	Q2 2023	Q2 2022	Δ, %	Q1-Q2 2023	Q1-Q2 2022	Δ, %	R 12*	FY 2022	Δ, %
SALES VOLUME, TONNES	3,295	3,546	(7%)	6,492	6,878	(6%)	11,617	12,003	(3%)
NET SALES	167.4	175.8	(5%)	319.7	323.7	(1%)	606.1	610.1	(1%)
ADJUSTED OPERATING PROFIT	21.4	8.2	161%	33.6	15.9	111%	54.0	36.2	49%
ADJUSTED OPERATING MARGIN	12.8%	4.7%	172%	10.5%	4.9%	114%	8.9%	5.9%	51%

Source: Arla Plast AB, Interim Report January – June 2023

*Note: Rolling twelve months, refers to the period quarter 3 -2022 to quarter 2 -2023

Financial overview – Segment Czech Republic



Volume

- Q2: down 18%
- Q1-Q2: down 15%
- Declining demand from the construction industry
- Weaker demand from point-of-sales

Net sales

- Q2: down 10%, organically down 24%
- Q1-Q2: up down 3%, organically down 14%
- Favorable product mix with high share of special products

Operating margin

- Q2: 11.2%
- Q1-Q2: 8.1%
- Strong sales of special products



SEKm	Q2 2023	Q2 2022	Δ, %	Q1-Q2 2023	Q1-Q2 2022	Δ, %	R 12*	FY 2022	Δ, %
SALES VOLUME, TONNES	1,725	2,098	(18%)	3,260	3,838	(15%)	6,301	6,879	(8%)
NET SALES	90.7	100.7	(10%)	176.3	182.7	(3%)	333.2	339.6	(2%)
ADJUSTED OPERATING PROFIT	10.2	5.0	104%	14.2	8.4	69%	16.5	10.7	54%
ADJUSTED OPERATING MARGIN	11.2%	4.9%	129%	8.1%	4.6%	76%	5.0%	3.2%	56%

Source: Arla Plast AB, Interim Report January – June 2023

*Note: Rolling twelve months, refers to the period quarter 3 -2022 to quarter 2 -2023

Financial overview – Segment Germany



Volume

- Q2: 595 ton
- Q1-Q2: 1,126 ton

➤ No comparative data available, consolidated as of August 2022

Net sales

- Q2: 33.6 MSEK
- Q1-Q2: 62.1 MSEK

➤ Follows the industry's development

Operating margin

- Q2: 4.2%
- Q1-Q2: 3.1%

➤ Modestly improved gross profit compared to Q1



SEKm	Q2 2023	Q2 2022	Δ, %	Q1-Q2 2023	Q1-Q2 2022	Δ, %	R 12*	FY 2022**	Δ, %
SALES VOLUME, TONNES	595	-	-	1,126	-	-	2,046	920	
NET SALES	33.6	-	-	62.1	-	-	109.5	47.4	
ADJUSTED OPERATING PROFIT	1.4	-	-	1.9	-	-	4.6	2.7	
ADJUSTED OPERATING MARGIN	4.2%	-	-	3.1%	-	-	4.2%	5.7%	

Source: Arla Plast AB, Interim Report January – June 2023

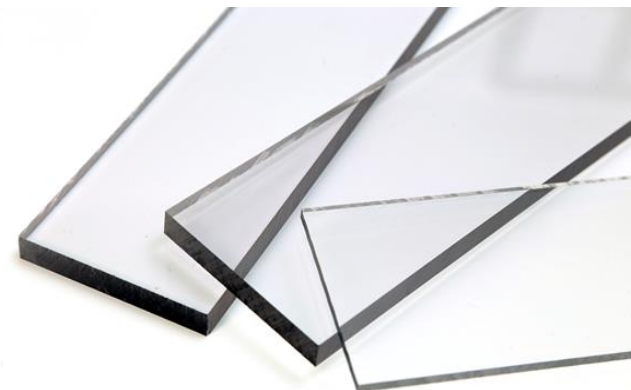
*Note: Rolling twelve months, refers to the period quarter 3 -2022 to quarter 2 -2023

**Note: Refers to the period from August 1 2022 to June 30 2023

Financial overview – Geographical markets



- Sweden - Increasing demand from the manufacturing industry, such as products for energy, security and automotive
- Germany - Acquisition have a positive impact, shift in customer portfolio is counteracting
- Czech Republic - Declining demand in construction industry and point-of-sales, high share of special products
- Rest of world - Continuous trend in demand for high-optical products.



SEKm	Q2 2023	%	Q2 2022	%	Q1-Q2 2023	%	Q1-Q2 2022	%	R 12*	%	FY 2022	%
SWEDEN	37.2	14	32.0	12	70.4	14	58.6	12	136.5	14	124,7	13
GERMANY	53.9	19	42.2	16	106.0	20	80.4	16	193.1	20	167,5	17
CZECH REPUBLIC	48.5	18	55.9	21	89.5	17	102.4	21	158.6	16	171,5	18
POLAND	32.7	12	33.3	12	64.2	12	58.9	12	123.6	12	118,3	12
REST OF EUROPE	83.5	30	82.0	31	157.4	30	160.6	32	300.2	30	303,4	32
REST OF WORLD	18.8	7	21.7	8	38.1	7	32.9	7	77.6	8	72,4	8
TOTAL	274.6	100	267.1	100	525.6	100	493.8	100	989.6	100	957.8	100

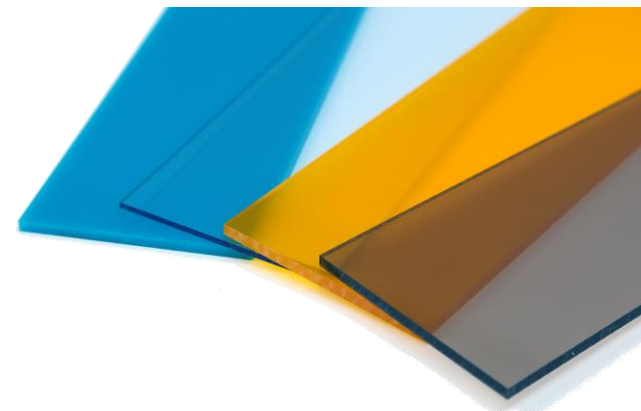
Source: Arla Plast AB, Interim Report January – June 2023

*Note: Rolling twelve months, refers to the period quarter 3 -2022 to quarter 2 -2023

Financial overview – Product range



- TPC - Favorable product mix compensates for volume development
- OPC – Stable demand and favorable product mix
- MWPC - Weak construction industry
- ABS - Stable demand in standard applications for the industry
- PETG – Challenging market
- PMMA - No comparative figures, market trend similar to TPC



SEKm	Q2 2023	%	Q2 2022	%	Q1-Q2 2023	%	Q1-Q2 2022	%	R 12*	%	FY 2022	%
TPC	121.0	44	118.3	44	226.6	43	222.0	45	427.0	43	422,4	44
OPC	48.9	18	38.7	15	99.7	19	71.7	15	181.7	18	153,7	16
MWPC	49.6	18	60.6	23	84.5	16	110.4	22	162.5	17	188,4	20
ABS	30.8	11	35.3	13	65.4	13	62.9	13	125.7	13	123,2	13
PETG	12.4	5	14.2	5	27.3	5	26.8	5	51.7	5	51,2	5
PMMA	11.9	4	-	-	22.1	4	-	-	**41.0	4	***18,9	2
TOTAL	274.6	100	267.1	100	525.6	100	493.8	100	989.6	100	957.8	100

Source: Arla Plast AB, January – June 2023

*Note: Rolling twelve months, refers to the period quarter 3 -2022 to quarter 2 -2023

**Note: Refers to the period from August 1 2022 to June 30, 2023

***Note: Refers to the period from August 1 2022 to December 31, 2022

Financial overview – Cash flow and balance sheet



- Operating cash flow was positively impacted by higher operating income and changes in working capital, mainly inventory
- Net debt decreased due to improved result and less working capital tie-up
- Net debt ratio remained low



SEKm	Q2 2023	Q2 2022	Q1-Q2 2023	Q1-Q2 2022	R 12*	FY 2022
CASH FLOW FROM OPERATING ACTIVITIES	22.4	-18.1	43.3	-17.1	147.1	86.7
CASH FLOW FROM INVESTING ACTIVITIES	-3.2	-5.8	-4.3	-9.9	-57.9	-63.5
CASH FLOW FOR THE PERIOD	-9.0	-10.7	7.8	1.3	33.5	27.0
NET DEBT (+) / NET CASH (-)	63.1	107.1	63.1	107.1	63.1	76.7
NET DEBT/EBITDA	0.6	1.1	0.6	1.1	0.6	0.9
EQUITY / ASSET RATIO	67.2	64.4	67.2	64.4	67.2	67.9

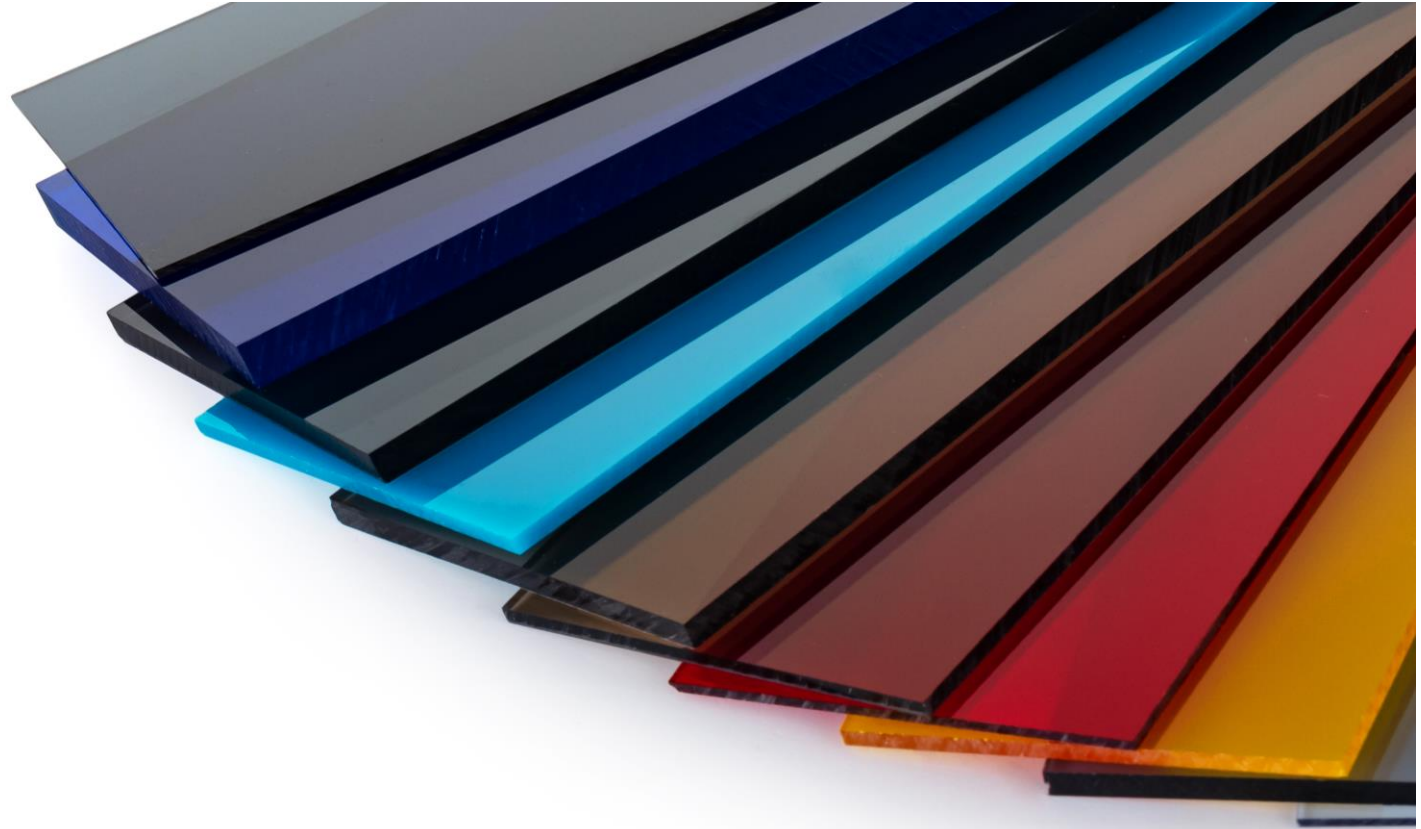
Source: Arla Plast AB, Interim Report January – June 2023

Summary and outlook



- Strong result and cash flow
- Volumes continue down for entire industry in Europe, our market share remained unchanged
- Net sales positively impacted by currency movements and acquisition, negatively by lower raw material prices
- Construction industry is generally weak
- Focus:
 - Sustainability
 - Efficiency work
 - Strengthening organization
- New Commercial Director at site
- Our risk diversification across different industries is particularly important





Questions?



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