



Presentation Interim Report Q3 2023

9 November 2023

Highlights Q3 2023



- Strong result and increased volumes
 - Volumes increased for the entire industry, we estimate that the decline in volumes has stopped
 - Net sales increased, organically increased
 - Strong gross and operating margin
- Continued strong cash flow through increased operating profit and low degree of capital tie-up
- Raw material prices continued down
 - Good raw material availability

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

Financial overview – Group financials



- Volumes up 26%, net sales up 13%, organically up 5%
- Strong demand from industrial applications and industrial projects
- Gross and operating margins up
 - Favorable product mix and high degree of material utilization

SEKm	Q3 2023	Q3 2022	Δ	Q1-Q3 2023	Q1-Q3 2022	Δ	R 12*	FY 2022	Δ
SALES VOLUME, TONNES	4,819	3,817	26%	14.904	14.533	3%	19.028	18,657	2%
NET SALES	262.9	232.0	13%	788.5	725.7	9%	1,020.6	957.8	7%
OPERATING PROFIT	28.0	10.8	159%	75.6	35.7	112%	87.0	47.0	85%
OPERATING MARGIN, %	10.7	4.7	127%	9.6	4.9	96%	8.5	4.9	74%

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

*Note: Rolling twelve months, refers to the period quarter 4 -2022 to quarter 3 -2023

Financial overview – Segment Sweden



Volume

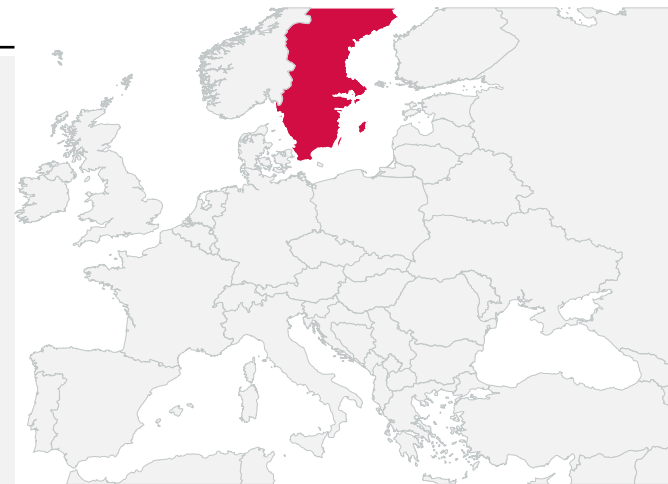
- Q3: up 15%
 - Q1-Q3: unchanged
- Volumes increased for the entire market
- Perception linear with the market

Net sales

- Q3: up 7%
 - Q1-Q3: up 1%
- Increased volumes
- Favorable product mix
- Lower raw material prices

Operating margin

- Q3: 9.7%
 - Q1-Q3: 10.2%
- Product mix and high degree of material utilization



SEKm	Q3 2023	Q3 2022	Δ	Q1-Q3 2023	Q1-Q3 2022	Δ	R 12*	FY 2022	Δ
SALES VOLUME, TONNES	2,959	2,582	15%	9,451	9,460	-	11,994	12,003	-
NET SALES	151.0	141.7	7%	470.7	465.5	1%	615.3	610.1	1%
OPERATING PROFIT	14.6	9.1	60%	48.2	25.0	93%	59.4	36.3	64%
OPERATING MARGIN, %	9.7	6.4	52%	10.2	5.4	89%	9.7	5.9	64%

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

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Financial overview – Segment Czech Republic



Volume

- Q3: up 40%
- Q1-Q3: down 9%
- Increased volumes in entire market
- Turning point during Q3 from declining to increasing demand
- Weak demand from construction applications

Net sales

- Q3: up 18%, organically up 4%
- Q1-Q3: up 3%, organically down 9%
- Increased volumes
- Strong demand from industry applications
- Falling raw material prices

Operating margin

- Q3: 14.5%
- Q1-Q3: 10.4%
- High sales of special products
- Weak Q3 prior year



SEKm	Q3 2023	Q3 2022	Δ	Q1-Q3 2023	Q1-Q3 2022	Δ	R 12*	FY 2022	Δ
SALES VOLUME, TONNES	1,754	1,257	40%	5,014	5,499	(9%)	6,394	6,879	(7%)
NET SALES	99.9	84.4	18%	276.2	267.0	3%	348.8	339.6	3%
OPERATING PROFIT	14.5	2.7	437%	28.7	11.1	159%	28.2	10.7	164%
OPERATING MARGIN, %	14.5	3.3	339%	10.4	4.2	148%	8.1	3.2	153%

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

*Note: Rolling twelve months, refers to the period quarter 4 -2022 to quarter 3 -2023

Financial overview – Segment Germany



Volume

- Q3: 533 ton
- Q1-Q3: 1,659 ton

➤ Comparative data – 2 months 2022

Net sales

- Q3: 29.3 MSEK
- Q1-Q3: 91.5 MSEK

- Follows the industry's development
- Comparative data – 2 months 2022

Operating margin

- Q3: 0.3%
- Q1-Q3: 2.2%

- Investments in organization
- Falling prices -> less cover OPEX



SEKm	Q3 2023	Q3 2022***	Δ	Q1-Q3 2023	Q1-Q3 2022***	Δ	R 12*	FY 2022**	Δ
SALES VOLUME, TONNES	533	381	-	1,659	381	-	2,198	920	-
NET SALES	29.3	19.2	-	91.5	19.2	-	119.7	47.4	-
OPERATING PROFIT	0.1	0.8	-	2.0	0.8	-	3.9	2.7	-
OPERATING MARGIN, %	0.3	3.9	-	2.2	3.9	-	3.3	5.7	-

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

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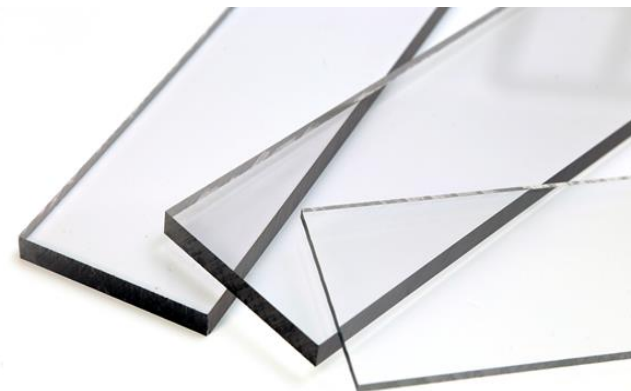
**Note: Refers to the period from August 1, 2022 to December 31, 2022

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Financial overview – Geographical markets



- Sweden – Strong demand from infrastructure and industry applications
- Germany - Acquisition have a positive impact but falling raw material prices counteracts
- Czech Republic – Strong demand from industry applications with a high share of special products
- Poland – Increased competition regarding construction applications
- Rest of world - Continuous trend in demand for high-optical products



SEKm	Q3 2023	%	Q3 2022	%	Q1-Q3 2023	%	Q1-Q3 2022	%	R 12*	%	FY 2022	%
SWEDEN	30.1	11	30.6	13	100.5	13	89.1	12	136.1	13	124,7	13
GERMANY	48.4	18	41.3	18	154.4	20	121.7	17	200.2	20	167,5	17
CZECH REPUBLIC	54.2	21	33.8	15	143.7	18	136.2	19	179.0	18	171,5	18
POLAND	24.9	10	30.4	13	89.1	11	89.3	12	118.1	12	118,3	12
REST OF EUROPE	79.2	30	73.9	32	236.6	30	234.5	32	305.5	30	303,4	32
REST OF WORLD	26.1	10	22.0	9	64.2	8	54.9	8	81.7	8	72,4	8
TOTAL	262.9	100	232.0	100	788.5	100	725.7	100	1,020.6	100	957.8	100

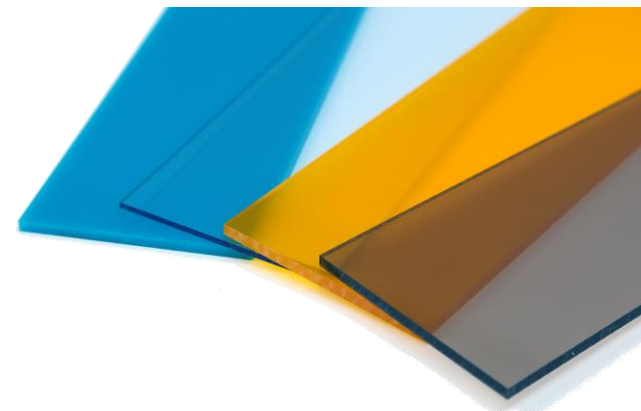
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Financial overview – Product range



- TPC - Favorable product mix and increased volumes
- OPC – High share of special products to industry applications
- MWPC – Slight market increase and visible seasonal effect
- ABS – Lower demand and a higher share of applications
- PETG – Increased competition
- PMMA – Targeted introduction to the Nordic market



SEKm	Q3 2023	%	Q3 2022	%	Q1-Q3 2023	%	Q1-Q3 2022	%	R 12*	%	FY 2022	%
TPC	115.4	44	101.7	44	342.0	44	323.6	45	440.8	43	422,4	44
OPC	58.9	23	39.4	17	158.6	20	111.2	15	201.1	20	153,7	16
MWPC	44.2	17	40.5	17	128.7	16	150.9	21	166.2	16	188,4	20
ABS	22.1	8	29.4	13	87.4	11	92.2	13	118.4	12	123,2	13
PETG	11.4	4	12.8	6	38.7	5	39.6	5	50.3	5	51,2	5
PMMA	11.0	4	***8.2	3	33.1	4	***8.2	1	43.8	4	**18,9	2
TOTAL	262.9	100	232.0	100	788.5	100	725.7	100	1,020.6	100	957.8	100

Source: Arla Plast AB, January – September 2023

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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 turned to net cash due to strong cash flow and emission from warrant program of SEK 29.2 million



SEKm	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	R 12*	FY 2022
CASH FLOW FROM OPERATING ACTIVITIES	43.7	52.8	86.9	35.5	138.2	86.7
CASH FLOW FROM INVESTING ACTIVITIES	-0.4	-41.7	-4.7	-51.6	-16.6	-63.5
CASH FLOW FOR THE PERIOD	63.6	45.5	71.3	46.5	51.8	27.0
NET DEBT (+) / NET CASH (-)	-8.8	108.0	-8.8	108.0	-8.8	76.7
NET DEBT/EBITDA, multiple	-0.1	1.3	-0.1	1.3	-0.1	0.9
EQUITY / ASSET RATIO, %	69.4	59.0	69.4	59.0	69.4	67.9

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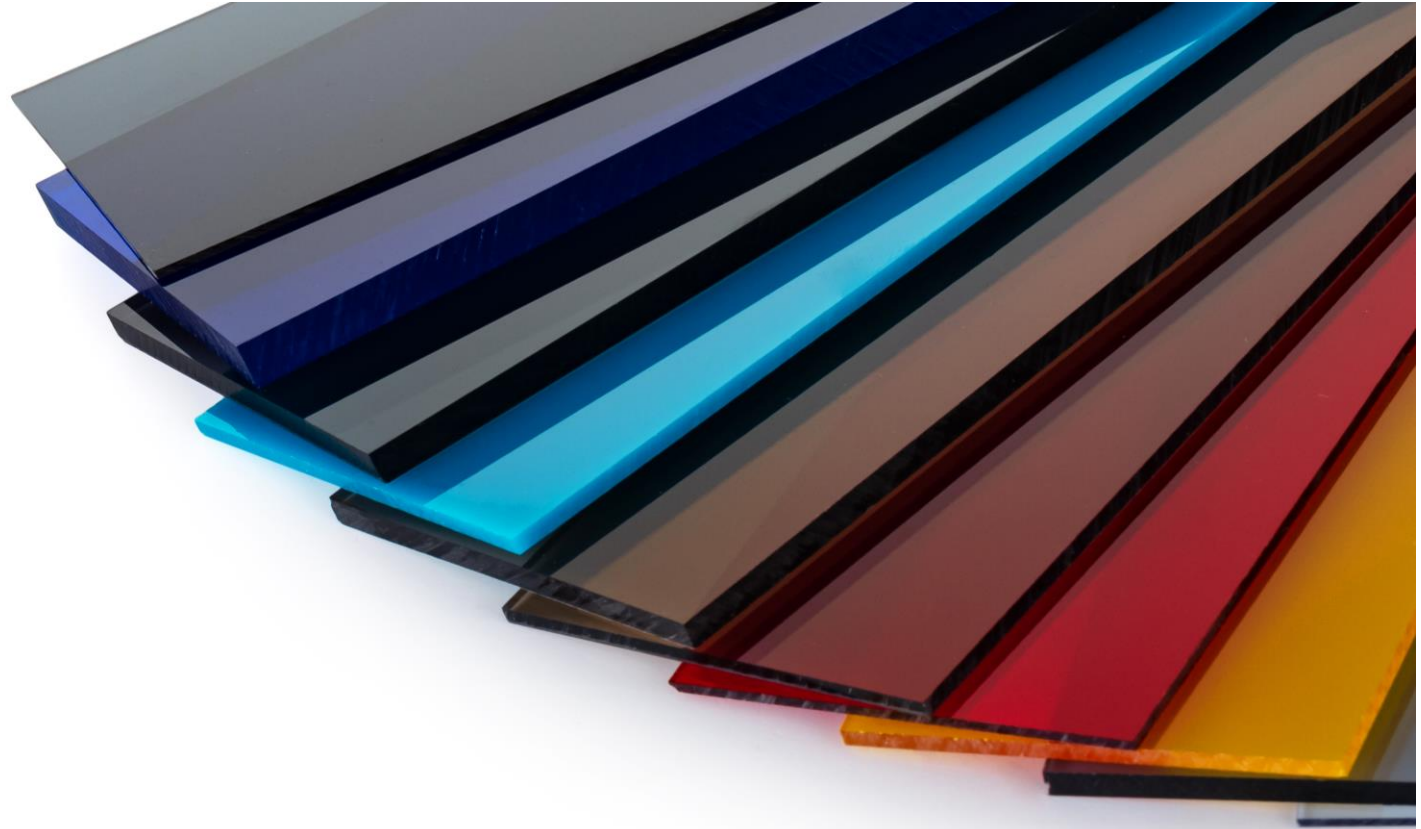
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Summary and outlook



- Strong result and cash flow
- Net sales positively impacted by increased volumes, currency movements and acquisition, negatively by lower raw material prices
- Strong demand for special products
- Volumes increased for the first time after two years of decline
- Capacity reduction in supply chain regarding raw material
- Focus:
 - Sustainability
 - Market and sales organization
 - Planned investments in our Czech factories
 - Construction of a new warehouse in Borensberg





Questions?



Arla Plast AB

Box 33, SE-591 06 Borensberg, Sweden

Phone: +46 141 20 38 00 | Email: ir@arlaplast.com | www.arlaplastgroup.com