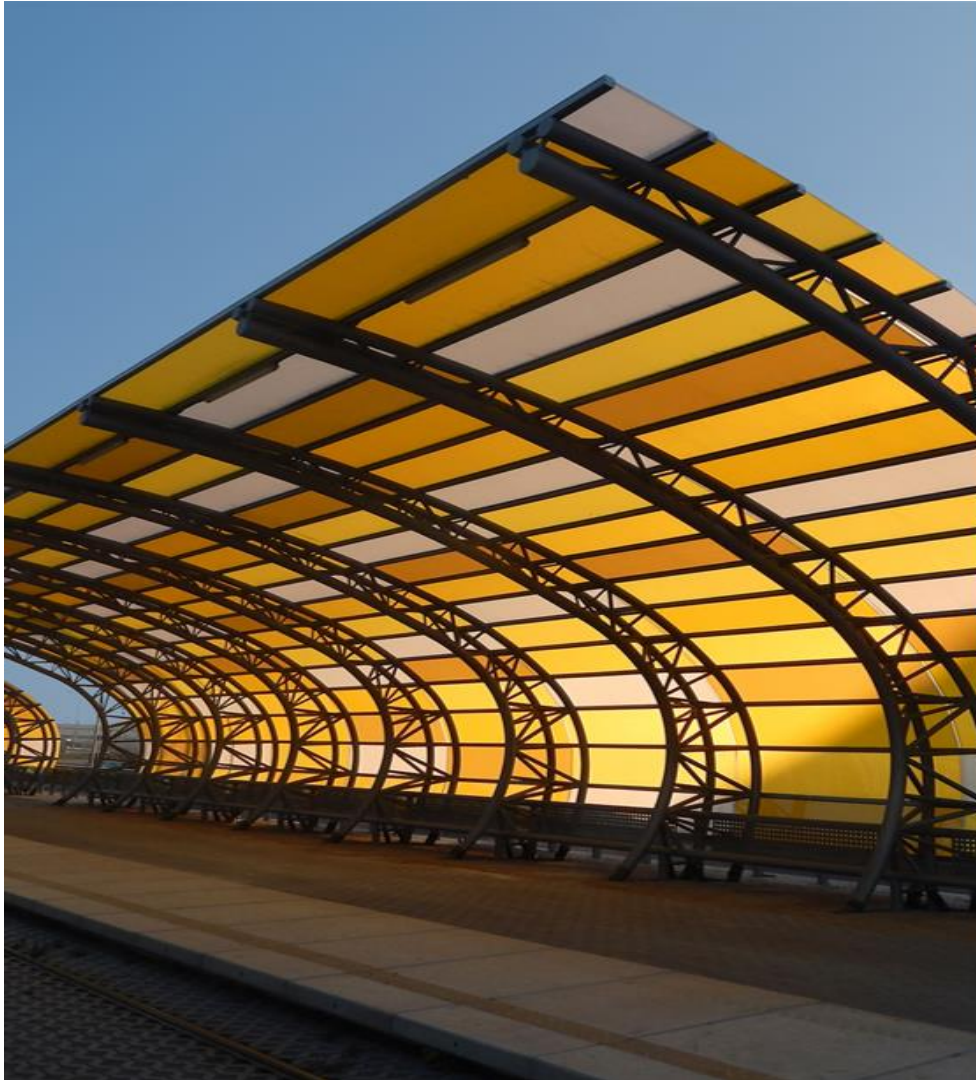




Arla Plast Group Year-end Report 2022

17th February 2023

HIGHLIGHTS Q4 2022



- Our perceptions: volumes for the entire industry in Europe continued to decline, our market share is unchanged
- Raw material prices continue to be on a high level, slightly downwards at the end of the period
- Volumes down, net sales down
 - Alphaplex contributed with SEK 21 million to net sales
- Higher gross and operating margins
 - Despite volumes down and high price competition
 - Efficiency work in Sweden, well-balanced product mix, slight compensation of high raw material prices
- Diversified customer and product portfolio, well-positioned customer offer
- General uncertainty in the market and global economic development
- Board proposes a dividend of 1 SEK per share, 58% of net profit

Source: Arla Plast Year-end report 2022

Financial overview – Group financials



- Remained our market position in a declining European market
- Volumes down 25%, net sales down 3%, organically down 17%
- Higher gross margin, affects the operating margin positive
- Adjusted operating margin of 4,9%, an increase of 17% compared to Q4-2021
- Well-balanced product mix, in combination with slight compensation of high raw material prices
- Raw material prices continue to be on a high level, slightly downwards at the end of the period

SEKm	Q4 2022	Q4 2021	Δ, %	FY 2022	FY 2021	Δ, %
SALES VOLUME, TONNES	4,124	5,503	(25%)	18,657	22,646	(18%)
NET SALES	232.0	240.3	(3%)	957,8	927.5	3%
ADJUSTED OPERATING PROFIT	11,3	10.2	11%	48,2	92.3	(48%)
ADJUSTED OPERATING MARGIN	4,9%	4.2%	17%	5,0%	10.0%	(50%)

Source: Arla Plast Year-end report 2022

Financial overview – Segment Sweden



Volume

- Q4: down 32%
- Q1-Q4: down 19%

Drop in demand for the industry

Net sales

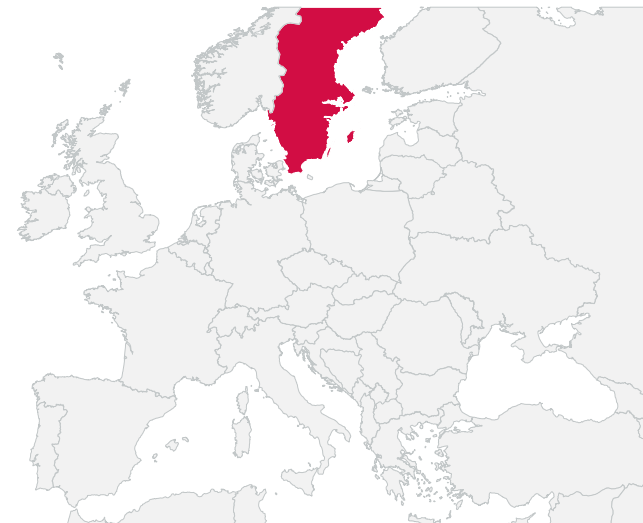
- Q4: down 8%
- Q1-Q4: down 1%

Well-balanced product mix, slight high prices partly compensated lower volumes

Operating margin

- Q4: 7,8%
- Q1-Q4: 5,9%

Strengthened gross margin despite lower volumes and high raw material prices



SEKm	Q4 2022	Q4 2021	Δ, %	FY 2022	FY 2021	Δ, %
SALES VOLUME, TONNES	2,543	3,725	(32%)	12,003	14,871	(19%)
NET SALES	144,6	157.6	(8%)	610,1	618.5	(1%)
OPERATING PROFIT	11,3	1.0	103%	36,3	70.5	(49%)
OPERATING MARGIN	7,8%	0,7%	101%	5,9%	11.4%	(48%)

Source: Arla Plast Year-end report 2022

Financial overview – Segment Czech Republic



Volume

- Q4: down 34%
- Q1-Q4: down 23%

Weak demand in the construction sector during the entire period

Net sales

- Q4: down 21%
- Q1-Q4: down 1%

Drop in demand for the industry

Operating margin

- Q4: -0,6%
- Q1-Q4: 3,2%

Lower volumes, high raw material prices, under-absorption impacted negatively



SEKm	Q4 2022	Q4 2021	Δ, %	FY 2022	FY 2021	Δ, %
SALES VOLUME, TONNES	1,380	2,084	(34%)	6,879	8,929	(23%)
NET SALES	72,6	91.4	(21%)	339,6	343.6	(1%)
OPERATING PROFIT	-0,4	8.9	(96%)	10,7	20.6	(48%)
OPERATING MARGIN	-0,6%	9.7%	(94%)	3,2%	6.0%	(47%)

Source: Arla Plast Year-end report 2022

Financial overview – Segment Germany



Volume

- Q4: 539 TON

No comparative data, consolidated August 2022

Include volumes in all product areas, as well as PMMA

Net sales

- Q4: 28,2 MSEK

Operating margin

- Q4: 6,9%



SEKm	Q4 2022	Q4 2021	Δ, %	FY 2022	FY 2021	Δ, %
SALES VOLUME, TONNES	539	-	-%	920*	-	-%
NET SALES	28,2	-	-%	47,4*	-	-%
OPERATING PROFIT	1,9	-	-%	2,7*	-	-%
OPERATING MARGIN	6,9%	-	-%	5,9%*	-	-%

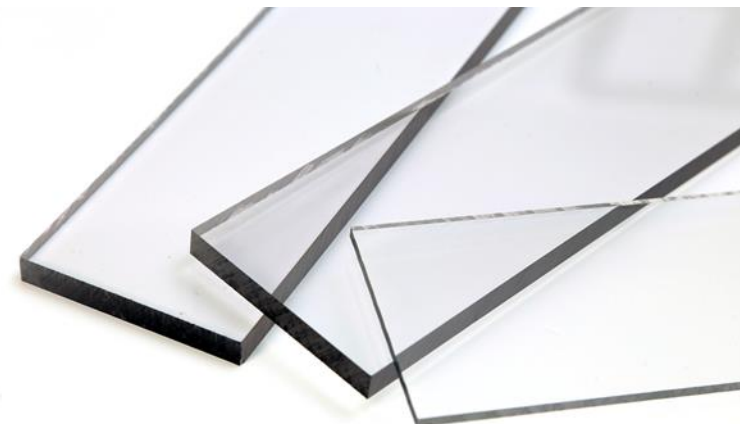
Source: Arla Plast Year-end report 2022

*Note: Period 1st August to 31st December 2022

Financial overview – Geographical markets



- Sweden, well-balanced product mix
- Germany, includes net sales Alphaplex of SEK 21 million
- Czech Republic, demand from applications TPC and OPC
- Poland, industry and distribution
- Rest of Europe, reflecting the general volume drop in the market
- Positive sales development outside Europe



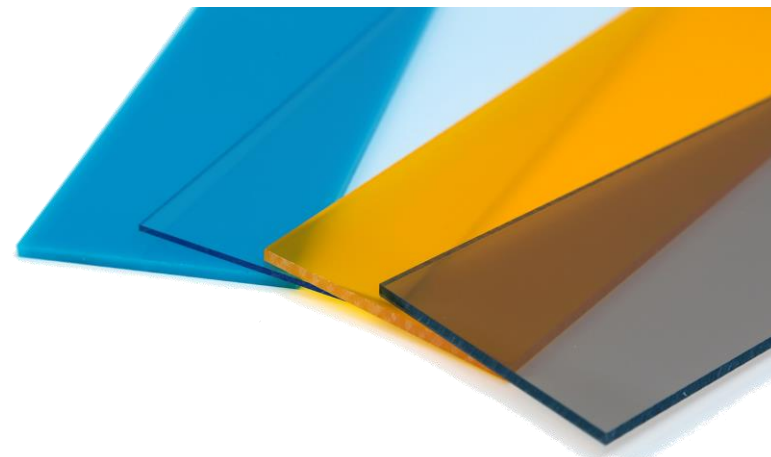
SEKm	Q4 2022	%	Q4 2021	%	FY 2022	%	FY 2021	%
SWEDEN	35,6	15%	31.9	13%	124.6	13%	121.8	13%
GERMANY	45,8	20%	35.9	15%	167.5	17%	174.8	19%
CZECH REPUBLIC	35,2	15%	34.7	14%	171.5	18%	136.6	15%
POLAND	28,9	12%	31.9	13%	118.3	12%	106.5	12%
REST OF EUROPE	69,0	30%	90.2	38%	303.5	32%	337.8	36%
REST OF WORLD	17,5	8%	15.7	7%	72.4	8%	50.0	5%
TOTAL	232,0	100%	240.3	100%	957.8	100%	927.5	100%

Source: Arla Plast Year-end report 2022

Financial overview – Product range



- TPC - Volumes decreased linearly with the market, well-balanced product mix contributed to net sales
- OPC - Increasing demand from majority of applications
- MWPC - Volumes decreased linearly with the market, high competition, weak demand in the construction sector during the entire period
- ABS – Continued demand from the manufacturing industry
- PETG – Market demands shows similar pattern as TPC
- PMMA – New product category, market demands estimate to correspond to TPC



SEKm	Q4 2022	%	Q4 2021	%	FY 2022	%	FY 2021	%
TPC	98.8	43%	103.8	43%	422.4	44%	427.4	46%
OPC	42.5	18%	37.9	16%	153.6	16%	124.1	13%
MWPC	37.5	16%	52.7	22%	188.4	20%	211.4	23%
ABS	30.9	13%	29.1	12%	123.2	13%	98.9	11%
PETG	11.6	5%	16.8	7%	51.2	5%	65.7	7%
PMMA	10,7	5%	-	-	18.9	2%	-	-
TOTAL	232.0	100%	240.3	100%	957.7	100%	927.5	100%

Source: Arla Plast Year-end report 2022

Financial overview – Cash flow and balance sheet



- The operating cash flow was positively affected by reduced working capital, as a result of slow business activity and a focus on inventory control
- Cash flow from investment activities mainly effected by acquisition of Alphaplex
- Net debt increased due to new loans for the acquisition
- ROCE negative affected due to lower operating profit and higher capital employed



SEKm	Q4 2022	Q4 2021	FY 2022	FY 2021
CASH FLOW FROM OPERATING ACTIVITIES	51.3	27.1	86.7	47.7
CASH FLOW FROM INVESTING ACTIVITIES	-11.9	-7.3	-63.5	-34.1
CASH FLOW FOR THE PERIOD	-19.5	-4.8	26.9	-6.0
NET DEBT (+) / NET CASH (-)	76.7	44.5	76.7	44.5
RETURN ON CAPITAL EMPLOYED	8.3	18.8	8.3	18.8
EQUITY / ASSET RATIO	67.9	72.6	67.9	72.6

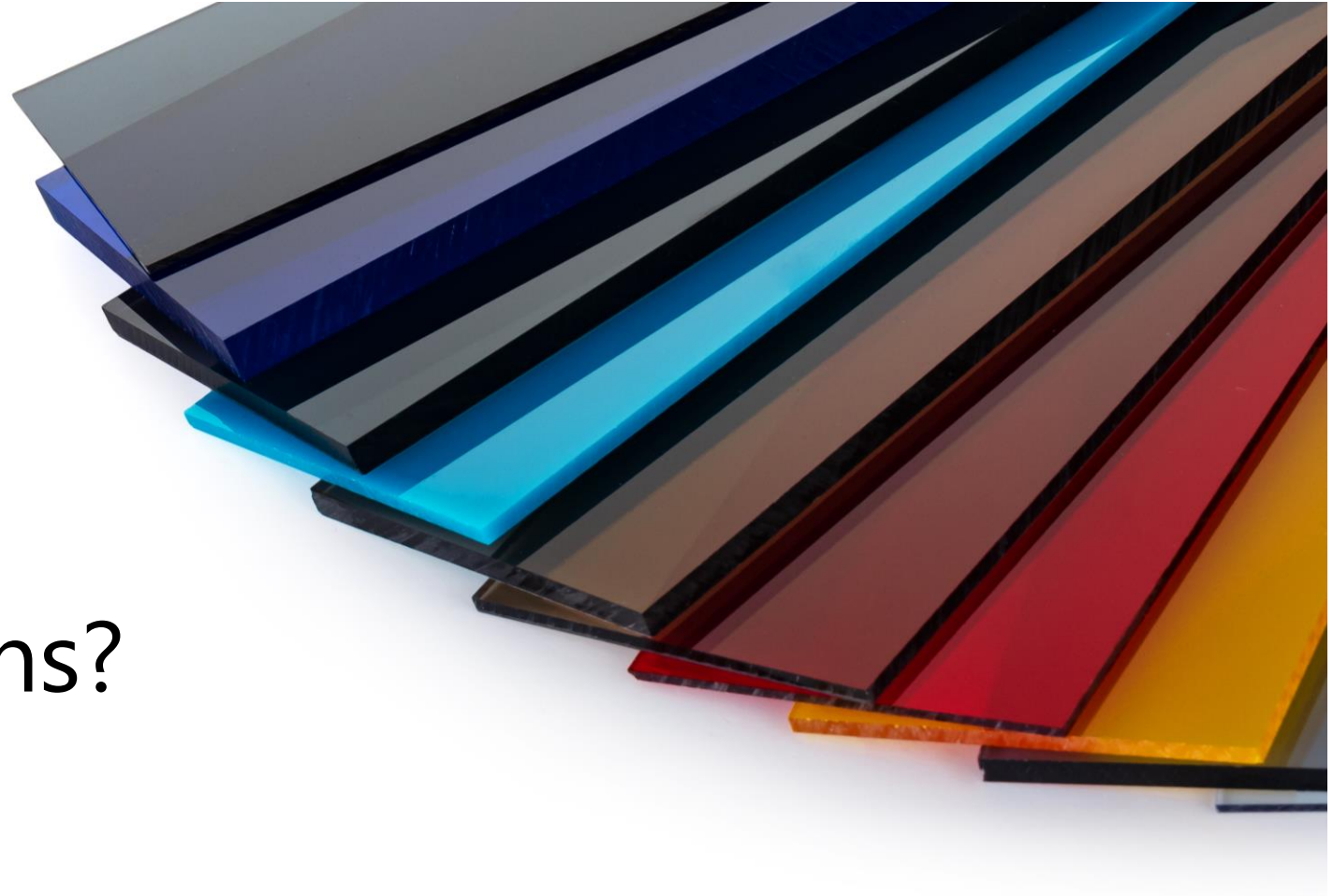
Source: Arla Plast Year-end report 2022

Summary and outlook



- Volumes for the entire industry in Europe continued to decline, our market share is unchanged
- Raw material prices continued to be on a high level, slightly downwards at the end of the period
- Higher gross and operating margins
- Thru the acquisition of Alphaplex we increased our presence on the important German market
- Focus on our customer offer and to strengthen our marketing and sales organization
- Board proposes a dividend of 1 SEK per share, 58% of net profit
- General uncertainty in the market and global economic development
- We see a slight increased interest from certain areas of our market





Questions?



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