



## Arla Plast intends to list its shares on Nasdaq Stockholm

**Arla Plast AB (“Arla Plast” or the “Company”), a leading European producer of extruded plastic sheets in polycarbonate (PC), hereby announces its intention to list its shares on Nasdaq Stockholm (the “Listing” or the “Offering”). The Offering will consist of existing shares in the Company offered by the Company’s owner Synnersten Invest AB (“the Selling Shareholder”).**

Arla Plast's board of directors and management, together with the Selling Shareholder, believe that the time is right for the Company to take the next step and broaden the Company's shareholder base through the Listing. The board and management see the Listing as a logical and important step in Arla Plast's development in order to be able to take advantage of growth opportunities and increase awareness of Arla Plast and its operations. The Offer will consist of existing shares in the Company offered by the Selling Shareholder which, before the Listing, owns all shares in Arla Plast.

Nasdaq Stockholm's listing committee has made the assessment that Arla Plast fulfils the applicable listing requirements. Nasdaq Stockholm will approve an application for admission to trading of the Company's shares on Nasdaq Stockholm, provided that certain customary conditions are met. Depending on market conditions, the Listing is expected to be completed during the first half of 2021.

### **Henrik Håkansson, CEO of Arla Plast, comments:**

“Arla Plast is established as one of the leading players in the European market for extruded plastic sheets in PC. We are a sales-driven organization with a high degree of adaptability. We see a bright future based on our strong product portfolio and well-invested facilities and see that in close collaboration with our customers we can develop and grow in many application areas. We are therefore enthusiastic about entering the next phase of continued growth and profitability – now as a listed company.”

### **Kenneth Synnersten, Chairman of the board of Arla Plast and controlling owner of the Selling Shareholder, comments:**

“Arla Plast was founded in 1969 and has since its inception shown strong growth and achieved profitability every year. The Company has developed from being a local producer of extruded plastic sheets to today being a leading international company in our industry with a strong and innovative product portfolio sold in over 45 countries. With a clear strategy for continued profitable growth and well-invested production facilities, I look very positively to the future and we as a family intend to remain as long-term owners. It is very gratifying to be able to offer new investors to become shareholders in Arla Plast and join the company on this exciting journey we are facing.”

### **The Offering in Brief**

The Offering will consist of existing shares in the Company, offered by the Selling Shareholder.

After the Listing, the Selling Shareholder will continue to have a significant shareholding in the Company and has stated that the intention is to remain in the Company in the long term.

The shares in the Offering will be offered to the general public in Sweden as well as to institutional investors in Sweden and abroad.

Svolder AB (publ), Nortal Investments AB<sup>1)</sup> and RoosGruppen AB have undertaken to acquire shares in the Offering for an amount of a maximum of approximately SEK 230 million to a valuation of up to approximately SEK 920 million, calculated as market value of all outstanding shares in the Company.

Full terms, conditions and instructions for the Offering will be included in the prospectus that the Company intends to prepare in connection with the Listing. The prospectus will be available on Arla Plast's website at [www.arlaplastgroup.com](http://www.arlaplastgroup.com).

### **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") and polyethylene terephthalate glycol ("PETG"), with a large number of areas of application, including safety products, machine glazing, ice hockey rinks, greenhouses, pool covers, sound walls, protective barriers, suitcases, automotive components and various other construction-related areas of application. The Company was founded in 1969 and is headquartered in Borensberg, Sweden. Production takes place at three production facilities located in Borensberg and in Kadaň and Pelhřimov in the Czech Republic. As of March 31, 2021, Arla Plast had 266 full-time employees.

### **Strengths and competitive advantages**

The Company believes that Arla Plast has a number of strengths and competitive advantages that enable the Company to realize strategic objectives and achieve financial targets:

- *Strong underlying market for plastic sheets made of PC, strengthened by several trends*

The European extruded PC sheet market, which is Arla Plast's primary product segment (~80 of total sales), increased by a CAGR of 1.3 percent between 2016-2019, and is expected to continue to grow by a CAGR of about 3.1 percent between 2021-2025. The period 2019-2020 is characterized by an upswing, driven by increased demand for protection barriers as result of COVID-19 in 2020, that will likely subside in 2021 due to previous stated upswing. The market is driven by a number of fundamental trends and particularly important for Arla Plast are increased demand for safety and protection products, increased focus on sustainability, new regulations and standards, and increased use of machine glazing and barrier products.

- *Strong market position in attractive market with high barriers to entry*

Arla Plast has established a strong position as one of the leading producers and suppliers of extruded PC sheets for the European market. The Company believes that it will require a significant capital contribution, extensive knowledge and experience, an

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<sup>1</sup> Subsidiary of Swedia Capital.

accepted brand name with good reputation and strong customer relationships to become established in the extruded PC sheet market.

- *Broad product portfolio consisting of high-quality products with wide range of applications*

Arla Plast has built up its expertise and methods to optimize its production over a long period of time and today offers a broad product portfolio consisting of extruded plastic sheets in the PC, ABS and PETG product areas. The Company's product portfolio is characterized by high-quality products with a large number of applications in several industries.

- *Optimized production facilities*

Through significant investments and improvements in its production facilities in recent years, Arla Plast has increased its total production capacity, and expects to further increase its capacity in the coming years through streamlining measures. Given this production capacity, Arla Plast sees good opportunities to grow over the next few years without major investments in machinery.

- *Strong financial history and experienced management and board*

Arla Plast has a history of strong organic sales growth, high and stable profitability, as well as good cash generation, which is the result of the Company's well established business model and competent management team, which is complemented by a very knowledgeable board with long and relevant background. Arla Plast's management team has a broad mix of skills and consists of people with extensive and solid industry experience, but also with significant experience from other industries, nationally and internationally.

A more comprehensive description of the Company's most important strengths and competitive advantages will be included in the prospectus that is expected to be published by Arla Plast.

## Selected financial information

The following table sets forth the key figures<sup>2)</sup> of Arla Plast

	For the year ended 31 december			For the three-month period ended 31 March	
	2020	2019	2018	2021	2020
Net sales, SEKm	885	795	796	219	205
Operating profit, SEKm	106	65	16	28	18
Operating margin, % <sup>3)</sup>	12.0	8.2	2.0	12.6	8.9
Adjusted operating profit, SEKm <sup>4)</sup>	114	65	18	31	18
Adjusted operating margin, % <sup>5)</sup>	12.8	8.2	2.2	14.1	8.9

2) IFRS performance metrics: Net revenue and operating profit derived from the Company's consolidated financial statements. The financial information for the financial years 2020, 2019 and 2018 was extracted from the Company's audited financial statements. Interim information for the period January 1 – March 31, 2021, with comparative figures for the corresponding period in 2020, was extracted from the Company's reviewed interim report for the period January 1 – March 31, 2021. Please see note 3-5 below for definitions of alternative performance measures not defined according to IFRS and non-IFRS based performance measures.

3) Operating profit as a percentage of the net sales for the period.

4) Operating profit adjusted for items related to the Offering.

5) The adjusted operating profit as a percentage of the net sales for the period.

Comprehensive information of Arla Plast's historical financial information will be included in the prospectus expected to be published by Arla Plast.

## Financial targets and dividend policy

Arla Plast's board of directors has adopted the following financial targets that are linked to Arla Plast's strategic initiatives

- **Sales growth:** Annual organic sales growth over a business cycle should be 5 percent. This target is not likely to be met during the 2021 financial year, as growth was unexpectedly high in 2020 due to the sale of barrier products at the start of the pandemic.
- **Operating margin:** Operating margin over a business cycle should be at least 10 percent.
- **Net debt:** Net debt in relation to EBITDA shall not exceed 2.5x.
- **Dividend policy:** The dividend policy is to pay shareholders about 30–50 percent of the profit for the year. Decisions on dividends will reflect the Company's financial position, cash flow and investment needs.

Arla Plast's financial targets stated above constitute forward-looking information. The financial targets are based on several estimates and assumptions and are subject to risks and uncertainties.

**Advisers**

Carnegie Investment Bank AB (publ) ("**Carnegie**") is Sole Global Coordinator and Bookrunner. Törngren Magnell & Partners Advokatfirma KB is legal advisor to the Company. Advokatfirman Schjødt is legal advisor to Carnegie. TJB Partners is independent financial advisor to the Selling Shareholder and the Board of Directors.

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The information was submitted for publication, through the agency of the contact person set out above, at 8:00 a.m. CEST on 7 May 2021.

## IMPORTANT INFORMATION

This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by the Company in any jurisdiction where such offer or sale would be unlawful.

In any EEA Member State, other than Sweden, that has implemented the (EU) Regulation 2017/1129 (the "**Prospectus Regulation**"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

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This announcement may contain forward-looking statements which reflect the Company's current view on future events and financial and operational development. Words such as "intend", "expect", "anticipate", "may", "believe", "plan", "estimate" and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.