

INTERIM REPORT JANUARY – JUNE 2024

Increased net sales after acquisition and strong cash flow

APRIL – JUNE 2024

- Net sales amounted to SEK 395.9 million (274.6), an increase of 44%.
- Net sales for comparable segments decreased by SEK 10.4 million, a decrease by 4%.
- Operating profit amounted to SEK 25.8 million (32.0), a decrease by 19%.
- The operating margin decreased to 6.5% (11.6).
- Non-recurring costs are included in the operating profit with SEK -9.0 million. In the comparing quarter electricity grant of SEK 5.5 million was received.
- The profit for the period amounted to SEK 16.5 million (23.7), a decrease of 30%.
- Earnings per share, before dilution, amounted to SEK 0.79 (1.18) and after dilution to SEK 0.79 (1.13).
- Cash flow from operating activities amounted to SEK 38.0 million (22.4).

JANUARY – JUNE 2024

- Net sales amounted to SEK 643.7 million (525.6), an increase of 22%.
- Net sales for comparable segments decreased by SEK 13.6 million, a decrease by 3%.
- Operating profit amounted to SEK 61.6 million (47.6), an increase of 29%.
- The operating margin increased to 9.6% (9.1).
- The profit for the period amounted to SEK 43.8 million (37.0), an increase of 18%.
- Earnings per share, before dilution, amounted to SEK 2.09 (1.85) and after dilution to SEK 2.09 (1.76).
- The net debt amounted to SEK 65.2 million (63.1) at the end of the period, equivalent to 0.4 times (0.6) EBITDA.
- Cash flow from operating activities amounted to SEK 65.3 million (43.3).

Net sales, SEK million

395.9 (274.6)

an increase of 44%

Operating profit, SEK million

25.8 (32.0)

a decrease of 19%

Operating margin, %

6.5 (11.6)

a decrease of 5.1 percentage points

GROUP IN SUMMARY*

	Apr-Jun 2024	Apr-Jun 2023	Δ,%	Jan-Jun 2024	Jan-Jun 2023	Δ,%	R 12	Jan-Dec 2023	Δ,%
Net sales, SEK million	395.9	274.6	44	643.7	525.6	22	1,133.2	1,015.1	12
Gross margin, %	20.5	21.5	-5	22.6	20.7	9	22.6	21.6	5
EBITDA, SEK million	42.8	43.3	-1	96.0	70.1	37	165.4	139.5	19
Operating margin, SEK million	25.8	32.0	-19	61.6	47.6	29	105.6	91.6	15
Operating margin, %	6.5	11.6	-44	9.6	9.1	5	9.3	9.0	3
Profit for the period, SEK million	16.5	23.7	-30	43.8	37.0	18	73.7	66.9	10
Earnings per share before dilution, SEK	0.79	1.18	-33	2.09	1.85	13	3.54	3.29	8
Earnings per share after dilution, SEK	0.79	1.13	-30	2.09	1.76	19	3.51	3.19	10
Net debt/EBITDA, times	0.4	0.6	-33	0.4	0.6	-33	0.4	-0.6	-
Net debt, SEK million	65.2	63.1	3	65.2	63.1	3	65.2	-81.3	-
Cash flow from operating activities, SEK million	38.0	22.4	70	65.3	43.3	51	187.5	165.5	13
Return on capital employed (ROCE), %	14.6	11.3	29	14.6	11.3	29	14.6	14.2	3
Equity/assets ratio, %	54.7	67.2	-19	54.7	67.2	-19	54.7	72.4	-24

* For definitions and alternative performance measures, see page 17



CEO COMMENTS

Increased net sales after acquisition and strong cash flow

Significantly increased net sales due to the acquisition of Nudec in Spain. Improved operating profit excluding non-recurring items. Increased raw material prices, but at a lower level than the previous year.

Market

The increasing demand observed during the first quarter slowed down in the second quarter. Our perception is that the market volumes are level with the comparison period. Demand in the construction industry remained generally weak, and the expected seasonal effect did not occur. Demand from the automotive industry is weakened, while we have good demand in several other sectors, particularly in industry and industrial projects where special products have performed strongly. This trend has been evident in the segment Sweden, Czech Republic and Germany. Our perception is that our market share remains unchanged.

Raw material prices, which affect both net sales and gross profit, continued to increase during the second quarter, but are still significantly lower than in the comparison quarter. In the situation of rising raw material prices, price competition with customers has increased. We see that several customers in the distribution channel are choosing to increase their inventory levels in anticipation of further price increases, this trend is especially noticeable in the PMMA product area.

Through the acquisition of Nudec, we expand our reach and position in Europe and we now also have a strong foothold in Central and Southern Europe. Nudec's competence in PMMA complements and strengthens our product portfolio, positioning us as a significant player in the market.

Increased Net Sales and Write-Downs

Our net sales increased by 44% to SEK 395.9 million, due to the acquisition of Nudec. Net sales were negatively impacted by the lower raw material prices compared to the previous year. We see continued increased competition in the ABS product area, which is an effect of the weaker demand from the automotive industry. At the same time, we are strengthening our position in TPC, PMMA and PETG with Nudec.

In the second quarter of 2024, the operating profit amounted to SEK 25.8 million, which is lower than the previous year. The quarter has been charged with transaction costs for the acquisition and write-downs in segment Czech Republic, while in the second quarter of the previous year, we received a government grant for electricity costs in segment Sweden. Excluding these non-recurring items, the result is considerably stronger than the comparison period. Segment Sweden and Czech Republic continue to show stability. The margins in segment

Germany have strengthened significantly. The gross margin is, as expected, slightly weaker than last year due to the lower margins in Nudec, which is part of segment Spain. We have already begun planning the improvement measures which were identified before the acquisition. Our perception is that this will lead to profitability well in line with our financial targets in the medium long term.

Cash flow remains strong and is highly prioritized. Despite a minor seasonal build-up of inventory ahead of the holiday season, we have managed the working capital well. It is through the strong cash flows of recent years that we have been able to finance the acquisition of Nudec solely with our own funds and still maintain a relatively low net debt.



Outlook

We find the market demand somewhat more stable than last year. Raw material prices are on an upward trend, although the fluctuation so far has been more less volatile than in recent years. With our now wider customer offering, both in terms of products and geography, we see ourselves as well-positioned in Europe. Major investments, including warehouse expansion and machinery investments in segment Sweden, as well as machinery investments in segment Czech Republic, are proceeding according to plan. We are also reviewing machinery and buildings at Nudec to optimize, streamline and strengthen margins to match those we now see in our other production units. With the combined expertise and commitment of our employees, we see good prospects for moving forward on a stable foundation.

Christian Krichau
President and CEO



FINANCIAL OVERVIEW

The Group's net sales and profit

Net sales and profit

Net sales during the quarter grew by 44% to SEK 395.9 million (274.6), with organic growth at -4%. The added volume with the acquisition of Nudec S.A.U is the reason for the increase in net sales. Our perception is that the market share is kept intact and the entire market measured in volume sold is level with that of the comparison quarter.

Gross margin decreased to 20.5% (21.5). The gross margin was negatively affected by non-recurring costs and segment Spain's weaker margins.

Operating profit for the second quarter was SEK 25.8 million (32.0), a 19% decrease. Operating margin decreased to 6.5% (11.6). The operating profit is charged with transaction costs for the acquisition of Nudec S.A.U corresponding to approximately SEK -3.1 million. The quarter also includes non-recurring costs in segment Czech Republic for a machine that will be disposed of corresponding to approximately SEK -3.0 million and SEK -2.9 million for the write-down of inventory. During the corresponding quarter, a government grant was received for electricity costs of SEK 5.5 million in segment Sweden.

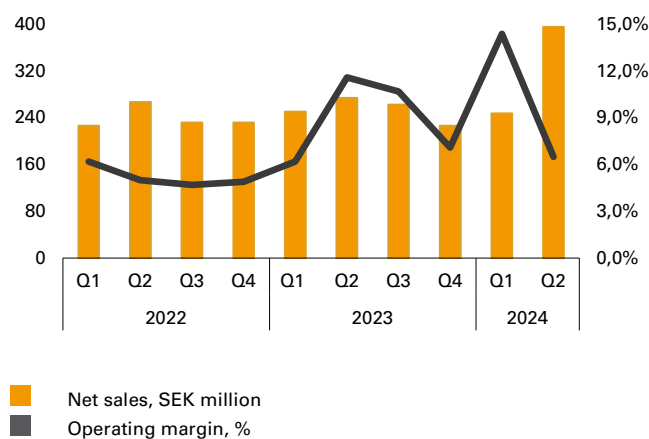
Profit before tax for the second quarter was SEK 26.0 million (30.5). Net financial items amounted to SEK 0.2 million (-1.5), including interest costs of SEK -1.7 million (-0.7). Tax expenses in the second quarter were SEK -9.5 million (-6.8), resulting in an effective tax rate of 37% (22). Net profit for the period was SEK 16.5 million (23.7). Earnings per share, before dilution, were SEK 0.79 (1.18), and after dilution SEK 0.79 (1.13).

For the six-months period net sales amounted to SEK 643.7 million (525.6), an increase of 22%. Organic growth was -3%. Gross margin improved to 22.6% (20.7), driven by a changed product mix with a larger share of special products, improved internal efficiency and low raw material prices. The gross margin was negatively impacted by non-recurring costs together with weaker margins in segment Spain. Operating profit amounted to SEK 61.6 million (47.6), a 29% increase. Operating margin was 9.6% (9.1). The operating result is charged with transaction costs for the acquisition of Nudec S.A.U corresponding to approximately SEK -3.1 million. The quarter also includes non-recurring costs in segment Czech Republic for a machine that will be

disposed of corresponding to approximately SEK -3.0 million and SEK -2.9 million for the write-down of inventory. During the corresponding period, a government grant was received for electricity costs of SEK 5.5 million in segment Sweden.

Profit before tax for the six-month period was SEK 61.6 million (45.1). Net financial items totalled SEK 0 million (-2.5), including interest costs of SEK -1.9 million (-1.4). Tax expenses for the six-month period amounted to SEK -17.8 million (-8.1), resulting in an effective tax rate of 29% (18). The higher tax rate is a periodic effect of the write-down, which has been made on machinery. Net profit for the six-month period was SEK 43.8 million (37.0). Earnings per share, before dilution, were SEK 2.09 (1.85), and after dilution, SEK 2.09 (1.76).

Net sales and operating margin





FINANCIAL OVERVIEW

Cash flow and financial position

Cash flow and investments

Cash flow from operating activities increased to SEK 38.0 million (22.4) in the second quarter. The cash flow was negatively impacted by lower operating profit and positively impacted by less tied up working capital.

Cash flow from investing activities was SEK -98.3 million (-3.2) during the quarter, primarily due to the acquisition of Nudec S.A.U together with a minor part maintenance investments in the four facilities.

Cash flow from financing activities amounted to SEK -27.4 million (-28.2), and includes a dividend of SEK -26.2 million.

For the six-month period, cash flow from operating activities totaled SEK 65.3 million (43.3). The improved cash flow is primarily explained by increased operating profit.

Cash flow from investing activities for the six-month period was SEK -101.6 million (-4.3), mainly due to the acquisition of Nudec S.A.U and to a minor part maintenance investments in the four facilities.

From financing activities, cash flow amounted to SEK -30.0 million (-31.2) for the six-month period, including dividends of SEK -26.2 million.

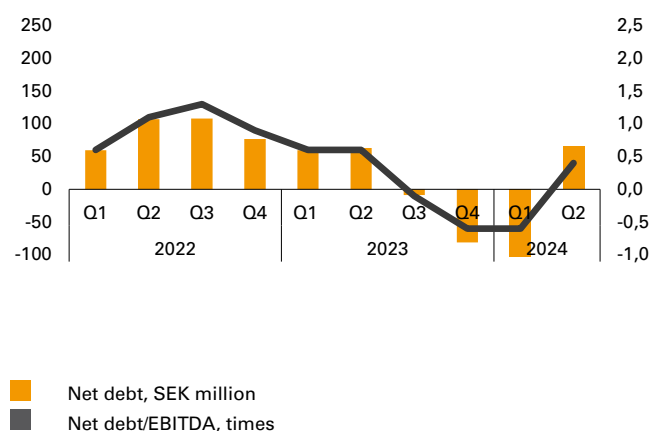
Financial position

The total assets of Arla Plast amounted to SEK 1,076.8 million as of June 30, 2024 (800.4).

As of June 30, 2024, the Group's net debt amounted to SEK 65.2 million (63.1), which corresponds to 0.4 times EBITDA (0.6). The net debt is level with previous year and the indebtedness is kept at a low level, even though the acquisition of Nudec S.A.U was done with only own funds.

The Group's solvency ratio was 54.7% as of June 30, 2024 (67.2).

Net debt and net debt/EBITDA





FINANCIAL OVERVIEW

The Segment's net sales and profit

The Group's operations are monitored through the four operating segments Sweden, Czech Republic, Germany and Spain. Group-wide functions are located in both Sweden and the Czech Republic and are internally invoiced to ensure accurate reporting within each segment.

Sweden

In the second quarter of 2024 net sales decreased by 6% to SEK 156.9 million (167.4). Operating profit decreased to SEK 17.4 million (21.4). In the comparison quarter a government grant for electricity costs amounting to SEK 5.5 million was received. The operating margin decreased to 11.1% (12.8).

For the six-month period of 2024, net sales decreased by 3% to SEK 309.7 million (319.7). Operating profit increased to SEK 38.6 million (33.6), primarily due to higher gross profit, meanwhile a government grant for electricity costs amounting to SEK 5.5 million affected operating profit positively in the comparison period. The operating margin increased to 12.5% (10.5).

Czech Republic:

In the second quarter of 2024 net sales increased by 4 % to SEK 94.3 million (90.7). Operating profit decreased to SEK 9.7 million (10.2). The operating profit is charged with non-recurring costs for a machine that will be disposed of corresponding to approximately SEK -3.0 million and SEK -

2.9 million for the write-down of inventory. The operating margin decreased to 10.3% (11.2).

For the six-month period, net sales increased by 5% to SEK 184.3 million (176.3). Operating profit amounted to SEK 24.3 million (14.2), an increase by 72%, mainly due to the strong first quarter. The operating margin increased to 13.2% (8.1).

Germany

For the second quarter, net sales amounted to SEK 28.5 million (33.6) a decrease by 15%. Operating profit amounted to SEK 3.3 million (1.4), an increase by 136%. The operating profit is an effect of a well-handled inventory and an adjusted customer portfolio. The operating margin was 11.6% (4.2).

For the six-month period of 2024, net sales amounted to SEK 52.4 million (62.1) and operating profit to SEK 3.4 million (1.9). The operating margin was 6.5% (3.1).

Spain

The operating segment Spain started as of April 23, 2024 with the acquisition of Nudec S.A.U. For the second quarter net sales amounted to SEK 135.1 million and the operating profit to SEK -1.0 million. The operating margin amounted to -0.7%. For further information about the segment see note 3 and about the acquisition see note 7.

Key performance indicator	Apr-Jun 2024	Apr-Jun 2023	Δ,%	Jan-Jun 2024	Jan-Jun 2023	Δ,%	R 12	Jan-Dec 2023	Δ,%
<i>Sweden</i>									
Net sales, SEK million	156.9	167.4	-6	309.7	319.7	-3	598.7	608.7	-2
Operating profit, SEK million	17.4	21.4	-19	38.6	33.6	15	60.6	55.6	9
Operating margin, %	11.1	12.8	-13	12.5	10.5	19	10.1	9.1	11
<i>Czech Republic</i>									
Net sales, SEK million	94.3	90.7	4	184.3	176.3	5	358.2	350.2	2
Operating profit, SEK million	9.7	10.2	-5	24.3	14.2	72	45.3	35.2	29
Operating margin, %	10.3	11.2	-8	13.2	8.1	63	12.6	10.1	25
<i>Germany</i>									
Net sales, SEK million	28.5	33.6	-15	52.4	62.1	-16	108.0	117.7	-8
Operating profit, SEK million	3.3	1.4	136	3.4	1.9	79	5.6	4.1	37
Operating margin, %	11.6	4.2	176	6.5	3.1	110	5.2	3.5	49
<i>Spain*</i>									
Net sales, SEK million	135.1	-	-	135.1	-	-	135.1	-	-
Operating profit, SEK million	-1.0	-	-	-1.0	-	-	-1.0	-	-
Operating margin, %	-0.7	-	-	-0.7	-	-	-0.7	-	-

*Consolidation started April 23, 2024



FINANCIAL OVERVIEW

Other

Parent Company

Arla Plast AB is the parent company of the Arla Plast Group. The parent company's operations include the Swedish operational activities as well as Group-wide functions such as management, finance, IT, purchasing, and communications. During the second quarter of 2024, net sales amounted to SEK 156.9 million (167.4), and operating profit was SEK 17.4 million (21.4).

For the six-month period in 2024, net sales amounted to SEK 309.7 million (319.7), and operating profit amounted to SEK 38.6 million (33.6).

Cash and cash equivalents as of June 30, 2024, were SEK 76.3 million compared to 51.4 SEK million as of June 30, 2023.

Seasonal Variations

Arla Plast serves numerous customers across various industries. Demand for Arla Plast's products do not generally have any major seasonal variations except for MWPC, which normally has a weaker winter season and a stronger summer season. However, the Group's results are affected by the number of working days, with the number of public holidays together with the vacation and Christmas period having a negative impact.

Personnel

The average number of full-time employees during the second quarter of 2024 was 391 (258). During the second quarter, women accounted for 24% (24) of the employees. For the six-month period, the average number of full-time employees was 326 (251), with women accounting for 25% (25) of the employees.

Events after the end of the reporting period

No significant events after period end.

The share

As of June 30, 2024, Mats Synnersten AB owns 14%, Svolder AB 14%, K Synnersten Holding AB 13%, Swedia Invest AB 10%, Ranzom AB 11%, Jan Synnersten AB 11%, Nordea Investment Funds 9% of the shares in Arla Plast AB. The company has approximately 2,700 shareholders.

Risks and Uncertainties

For further information regarding risks see the Group's Annual report 2023, available at www.arlaplastgroup.com.

Sustainability

During the second quarter of 2024, our carbon footprint related to the production of raw materials consumed was in average 3.4 kg CO₂e per kg of finished product produced (3.4) and sick leave was 5.5% (4.1). Segment Germany does not produce finished products and is thus not included in the calculation of CO₂e per kg of finished product produced. For further information regarding our sustainability work see the Annual report 2023 available at www.arlaplastgroup.com.



FINANCIAL REPORTS

Consolidated statement of comprehensive income

Amounts in SEK million	Note	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	R 12	Jan-Dec 2023
Net sales	2,3	395.9	274.6	643.7	525.6	1,133.2	1,015.1
Costs of goods sold		-314.7	-215.7	-498.4	-416.7	-877.5	-795.8
Gross margin		81.2	58.9	145.3	108.9	255.7	219.3
Selling expenses		-30.2	-19.2	-46.9	-37.3	-82.5	-72.9
Administrative expenses		-24.5	-16.6	-41.0	-32.7	-73.6	-65.3
Other operating income	4	2.6	8.6	7.5	9.3	8.8	10.6
Other operating expenses	7	-3.3	0.2	-3.3	-0.6	-2.8	-0.1
Operating profit		25.8	32.0	61.6	47.6	105.6	91.6
Financial income and expenses		0.2	-1.5	-	-2.5	-3.1	-5.6
Result before tax		26.0	30.5	61.6	45.1	102.5	86.0
Tax expenses		-9.5	-6.8	-17.8	-8.1	-28.8	-19.1
Profit for the period		16.5	23.7	43.8	37.0	73.7	66.9
Other comprehensive income							
Items that may be reclassified subsequently to profit of loss							
Exchange differences on translation of foreign operations		-3.0	11.3	2.7	21.0	-25.9	-7.6
Other comprehensive income for the period		-3.0	11.3	2.7	21.0	-25.9	-7.6
Total comprehensive income for the period		13.5	35.0	46.5	58.0	47.8	59.3
Amounts in SEK							
Earnings per share before dilution		0.79	1.18	2.09	1.85	3.54	3.29
Earnings per share after dilution		0.79	1.13	2.09	1.76	3.51	3.19

The period's result and total comprehensive income are entirely attributable to the parent company's shareholders



FINANCIAL REPORTS

Consolidated statement of financial position

Amounts in SEK million	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS				
Non-current assets				
Intangible non-current assets		54.2	33.7	30.9
Property, plant and equipment		278.0	265.7	238.0
Right-of-use assets		26.1	30.1	26.0
Deferred tax assets		13.3	-	-
Total non-current assets		371.6	329.5	294.9
Current assets				
Inventories		306.0	218.9	173.2
Trade receivables	5	274.8	168.1	126.2
Other current receivables	5	11.2	25.8	14.8
Cash and cash equivalents	5	113.2	58.2	176.1
Total current assets		705.2	470.9	490.3
TOTAL ASSETS		1,076.8	800.4	785.2
EQUITY				
Equity attributable to owners of the parent		588.7	538.0	568.4
LIABILITIES				
Non-current liabilities				
Liabilities to credit institutions	5	35.8	-	5.8
Non-current portion of lease liability	5	17.4	22.7	18.6
Deferred tax liability		47.3	45.2	41.7
Other provisions		21.8	-	-
Total non-current liabilities		122.3	67.9	66.1
Current liabilities				
Liabilities to credit institutions	5	116.2	91.0	62.7
Current portion of lease liability	5	8.9	7.6	7.6
Accounts payable	5	131.1	34.2	16.6
Other current liabilities		109.6	61.7	63.8
Total current liabilities		365.8	194.5	150.7
Total liabilities		488.1	262.4	216.8
TOTAL EQUITY AND LIABILITIES		1,076.8	800.4	785.2



FINANCIAL REPORTS

Condensed consolidated statement of changes in equity

Amounts in SEK million	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
Opening balance		568.4	500.0	500.0
Profit for the period		43.8	37.0	66.9
Other comprehensive income		2.7	21.0	-7.6
Total comprehensive income		46.5	558.0	559.3
Dividend		-26.2	-20.0	-20.0
Emission		-	-	29.2
Total transactions with shareholders		-26.2	-20.0	9.2
Closing balance		588.7	538.0	568.4

Consolidated statement of cash flows

Amounts in SEK million	Note	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	R 12	Jan-Dec 2023
Cash flow from operating activities before changes in working capital		31.0	37.6	74.6	59.9	140.7	126.0
Cash flow from changes in working capital		7.0	-15.3	-9.3	-16.6	46.8	39.5
Cash flow from operating activities		38.0	22.4	65.3	43.3	187.5	165.5
Cash flow from investing activities		-98.3	-3.2	-101.6	-4.3	-103.7	-6.4
Cash flow from financing activities		-27.4	-28.2	-30.0	-31.2	-22.8	-24.0
Cash flow for the period		-87.7	-9.0	-66.3	7.8	61.0	135.1
Cash and cash equivalents at beginning of period		202.2	65.1	176.1	47.9	58.2	47.9
Exchange differences in cash and cash equivalents		-1.3	2.1	3.4	2.5	-6.0	-6.9
Cash and cash equivalents at close of period		113.2	58.2	113.2	58.2	113.2	176.1



FINANCIAL REPORTS

Condensed parent company income statement

Amounts in SEK million	Note	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	R 12	Jan-Dec 2023
Net sales		156.9	167.4	309.7	319.7	598.7	608.7
Cost of goods sold		-115.7	-128.9	-226.9	-247.0	-444.2	-465.4
Gross profit		41.2	38.5	82.8	72.7	154.5	143.3
Selling expenses		-12.2	-15.1	-24.5	-27.8	-52.4	-54.6
Administrative expenses		-10.9	-10.3	-21.5	-20.0	-40.8	-39.3
Other operating income and operating expenses		-0.7	8.3	1.8	8.8	-0.7	6.2
Operating profit		17.4	21.4	38.6	33.6	60.6	55.6
Financial income and expenses		68.4	-1.6	68.7	-2.3	66.4	-4.6
Profit before appropriations and tax		85.8	19.8	107.3	31.3	127.0	51.0
Appropriations		-	-	-	-	-4.5	-4.5
Profit before tax		85.8	19.8	107.3	31.3	122.5	46.5
Tax expenses		-3.3	-4.1	-7.7	-6.5	-11.4	-10.2
Profit for the period		82.5	15.7	99.6	24.8	111.1	36.3

Parent company's condensed statement of comprehensive income

Amounts in SEK million	Note	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	R 12	Jan-Dec 2023
Profit for the period		82.5	15.7	99.6	24.8	111.1	36.3
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		82.5	15.7	99.6	24.8	111.1	36.3



FINANCIAL REPORTS

Condensed parent company balance sheet

Amounts in SEK million	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS				
Non-current assets				
Intangible non-current assets		0.3	0.3	0.3
Property, plant and equipment		137.0	147.6	140.8
Financial non-current assets		191.2	90.8	83.2
Total non-current assets		328.5	238.7	224.3
Current assets				
Inventories		84.3	92.5	75.2
Other current assets		108.7	113.4	83.9
Cash and cash equivalents		76.3	51.4	116.3
Total current assets		269.3	257.3	275.4
TOTAL ASSETS		597.8	496.0	499.7
EQUITY				
Untaxed reserves		140.5	136.0	140.5
LIABILITIES				
Non-current liabilities				
Provisions		6.9	14.2	6.7
Current liabilities				
Liabilities to credit institutions		64.7	78.4	58.6
Other current liabilities		64.1	59.9	45.7
Total current liabilities		128.8	138.3	104.3
Total liabilities		135.7	152.5	111.0
TOTAL EQUITY AND LIABILITIES		597.8	496.0	499.7



FINANCIAL REPORTS

Notes

Note 1 Basic accounting principles

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act. The same accounting policies as those in the last annual report have been applied to the Group and the Parent Company.

Significant estimates and judgements are set out in note 4 of the 2023 Annual Report. No changes have been made that could have a substantial impact on the interim report.

New standards, amendments and interpretations effective from 1 January 2024 or later have not had a substantial impact on this financial report.

Note 2 Categories of revenue

Below is a breakdown of revenue from contracts with customers in Arla Plast's largest markets based on the domicile of the customer and Arla Plast's product areas. No single customer accounts for 10% or more of sales, which means that dependence on individual customers is limited for Arla Plast.

Arla Plast offers products in four technical plastic materials: PC, ABS, PETG and PMMA. Based on product properties, PC is divided into transparent with high optical performance (TPC), coloured or opaque (OPC) and multiwall polycarbonate (MWPC). This gives the customer six different product areas to choose from: TPC, OPC, MWPC, ABS, PETG and PMMA. Arla Plast offers great opportunities for customization in all product areas and a wide range of specifications, such as thickness, dimensions, colours, design effects, structures and UV protection.

Amounts in SEK million	Apr-Jun 2024	Δ,%	Apr-Jun 2023	Δ,%	Jan-Jun 2024	Δ,%	Jan-Jun 2023	Δ,%	R 12	Δ,%	Jan-Dec 2023	Δ,%
External net sales per geographical market												
Sweden	37.1	9	37.2	14	64.4	10	70.4	14	128.3	11	134.3	13
Germany	69.4	17	53.9	19	112.2	17	106.0	20	195.3	17	189.1	19
Czech Republic	58.5	15	48.5	18	108.8	17	89.5	17	206.8	18	187.5	18
Poland	32.1	8	32.7	12	54.9	9	64.2	12	107.7	10	117.0	12
Rest of Europe	179.2	45	83.5	30	267.7	42	157.4	30	418.6	37	308.3	30
Rest of world	19.6	5	18.8	7	35.7	5	38.1	7	76.5	7	78.9	8
Summa	395.9	100	274.6	100	643.7	100	525.6	100	1,132.2	100	1,015.1	100
External net sales per product category												
TPC	146.1	37	121.0	44	253.2	40	226.6	43	466.0	41	439.4	43
OPC	58.2	15	48.9	18	120.6	19	99.7	19	227.0	20	206.1	21
MWPC	42.7	11	49.6	18	77.4	12	84.5	16	156.5	14	163.6	16
ABS	20.2	5	30.8	11	41.5	6	65.4	13	90.0	8	113.9	11
PETG	60.2	15	12.4	5	72.6	11	27.3	5	95.4	8	50.1	5
PMMA	68.5	17	11.9	4	78.4	12	22.1	4	98.3	9	42.0	4
Summa	395.9	100	274.6	100	643.7	100	525.6	100	1,132.2	100	1,015.1	100



Note 3 Operating segments

The Group's operations are divided into four segments Sweden, the Czech Republic, Spain and Germany. Group-wide functions are located in Sweden and the Czech Republic and are internally invoiced to ensure accurate reporting in each segment. Comparability items burden group-wide costs and have not been allocated. In the Group's comprehensive income statement, comparability items are included in other operating costs. Sales between segments occur at market terms. The CEO primarily uses net sales and operating profit to assess the Group's performance.

Sweden

The Sweden segment is the largest within the Group. During the second quarter of 2024, the segment accounted for approximately 38% (58) of the Group's total net sales and includes all operations based in Borensberg. The main raw materials in the segment are PC and ABS. The product areas in which the segment operates are TPC, OPC and ABS. Approximately 35% (41) of net sales from the common OPC product area originate from the Sweden segment.

Czech Republic

The Czech Republic segment accounted for approximately 22% (30) of the Group's total net sales during the second

quarter of 2024. The segment includes all operations based in the Czech Republic. Production takes place in Kadaň and Pelhřimov. The main raw materials in the segment are PC and PETG. The product areas in which the segment operates are MWPC, OPC, and PETG. Approximately 65% (59) of net sales from the common OPC product area come from the Czech Republic segment.

Germany

The Germany segment accounted for approximately 7% (12) of the Group's total net sales during the second quarter of 2024. The segment includes all operations based in Hüllhorst, Germany. The segment operates within all product areas. The segment is only marginally active within the common OPC product area, and there was no turnover in this product area for the reporting periods.

Spain

The Spain segment accounted for approximately 33% (-) of the Group's total net sales during the second quarter of 2024. The segment includes all operations based in Polinyá, Barcelona, Spain. The main raw materials in the segment are PC, PETG and PMMA. The product areas in which the segment operates are TPC, PETG and PMMA. The segment is not active within the common OPC product area. Segment Spain is included as of April 23, 2024 in the quarter as well as the six-months period.

Net sales and result per segment

Net sales and result, SEK million	Sweden	Czech	Germany	Spain*	Other	Group	Sweden	Czech	Germany	Spain	Other	Group
	Apr-Jun	Apr-Jun	Apr-Jun	Apr-Jun	and elim.	Apr-Jun	Apr-Jun	Apr-Jun	Apr-Jun	Apr-Jun	Apr-Jun	Apr-Jun
	2024	2024	2024	2024	2024	2024	2023	2023	2023	2023	2023	2023
Net sales, external	150.2	85.5	28.5	131.7	-	395.9	159.8	83.2	31.6	-	-	274.6
Net sales, internal	6.7	8.8	-	3.4	-18.9	-	7.6	7.5	1.9	-	-17.0	-
Total net sales	156.9	94.3	28.5	135.1	-18.9	395.9	167.4	90.7	33.6	-	-17.0	274.6
Operating profit	17.4	9.7	3.3	-1.0	-3.6	25.8	21.4	10.2	1.4	-	-1.0	32.0
Net financial items	68.4	0.6	-0.1	-0.7	-68.0	0.2	-1.6	0.3	-0.1	-	-	-1.5
Profit before tax	85.8	10.3	3.2	-1.7	-71.6	26.0	19.8	10.5	1.3	-	-1.0	30.5
Operating margin, %	10.0	10.1	18.6	-0.7	-	6.5	12.8	11.2	4.2	-	-	11.6

Net sales and result, SEK million	Sweden	Czech	Germany	Spain*	Other	Group	Sweden	Czech	Germany	Spain	Other	Group
	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	and elim.	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun
	2024	2024	2024	2024	2024	2024	2023	2023	2023	2023	2023	2023
Net sales, external	293.8	165.8	52.4	131.7	-	643.7	305.4	160.6	59.6	-	-	525.6
Net sales, internal	15.9	18.5	-	3.4	-37.8	-	14.3	15.7	2.5	-	-32.5	-
Total net sales	309.7	184.3	52.4	135.1	-37.8	643.7	319.7	176.3	62.1	-	-32.5	525.6
Operating profit	38.6	24.3	3.4	-1.0	-3.7	61.6	33.6	14.2	1.9	-	-2.1	47.6
Net financial items	68.7	0.1	-0.1	-0.7	-68.0	-	-2.3	0.1	-0.2	-	-	-2.5
Profit before tax	107.3	24.4	3.3	-1.7	-71.7	61.6	31.3	14.3	1.7	-	-2.1	45.1
Operating margin, %	11.9	13.1	10.3	-0.7	-	9.6	10.5	8.1	3.1	-	-	9.1



Net sales and result, SEK million	Sweden R 12	Czech R 12	Germany R 12	Spain* R12	Other and elim. R 12	Group R 12	Sweden	Czech	Germany	Spain	Other	Group
							Jan-Dec 2023	Jan-Dec 2023	Jan-Dec 2023	Jan-Dec 2023	and elim. Jan-Dec 2023	Jan-Dec 2023
Net sales, external	569.6	327.2	104.7	131.7	-	1,132.2	581.2	322.0	111.9	-	-	1,015.1
Net sales, internal	29.1	31.0	3.3	3.4	-66.8	-	27.5	28.2	5.8	-	-61.5	-
Total net sales	598.7	358.2	108.0	135.1	-66.8	1,132.2	608.7	350.2	117.7	-	-61.5	1,015.1
Operating profit	60.6	45.3	5.6	-1.0	-4.9	105.6	55.6	35.2	4.1	-	-3.3	91.6
Net financial items	66.4	-0.6	-0.3	-0.7	-68.0	-3.1	-4.6	-0.6	-0.4	-	-	-5.6
Profit before tax	127.0	44.7	5.3	-1.7	-72.9	102.5	51.0	34.6	3.7	-	-3.3	86.0
Operating margin, %	10.1	12.6	5.2	-0.7	-	9.3	9.1	10.1	3.5	-	-	9.0

Net sales by geographical market and segment

Geographical market, SEK million	Sweden	Czech	Germany	Spain*	Internal	Group	Sweden	Czech	Germany	Spain	Internal	Group
	Apr-Jun 2024	Apr-Jun 2024	Apr-Jun 2024	Apr-Jun 2024	Apr-Jun 2024	Apr-Jun 2024	Apr-Jun 2023	Apr-Jun 2023	Apr-Jun 2023	Apr-Jun 2023	Apr-Jun 2023	Apr-Jun 2023
Sweden	29.8	7.6	1.9	5.0	-7.2	37.1	36.5	6.4	1.6	-	-7.3	37.2
Germany	30.4	5.9	20.4	24.1	-11.4	69.4	31.1	7.1	24.7	-	-9.0	53.9
Czech Republic	9.8	46.2	0.3	2.5	-0.3	58.5	13.5	35.5	0.2	-	-0.7	48.5
Poland	12.7	10.9	-	8.5	-	32.1	19.8	12.5	0.4	-	-	32.7
Rest of Europe	62.7	19.5	5.9	91.1	-	179.2	55.7	21.2	6.5	-	-	83.5
Rest of world	11.5	4.2	-	3.9	-	19.6	10.8	8.0	-	-	-	18.8
Total	156.9	94.3	28.5	135.1	-18.9	395.9	167.4	90.7	33.6	-	-17.0	274.6

Geographical market, SEK million	Sweden	Czech	Germany	Spain*	Internal	Group	Sweden	Czech	Germany	Spain	Internal	Group
	Jan-Jun 2024	Jan-Jun 2024	Jan-Jun 2024	Jan-Jun 2024	Jan-Jun 2024	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2023	Jan-Jun 2023	Jan-Jun 2023	Jan-Jun 2023	Jan-Jun 2023
Sweden	54.3	18.0	2.0	5.0	-14.9	64.4	66.5	14.9	2.6	-	-13.6	70.4
Germany	60.7	10.8	39.0	24.1	-22.4	112.2	58.6	16.0	49.4	-	-18.0	106.0
Czech Republic	20.8	85.7	0.3	2.5	-0.5	108.8	19.8	70.0	0.5	-	-0.9	89.4
Poland	26.7	19.7	-	8.5	-	54.9	40.8	23.0	0.4	-	-	64.2
Rest of Europe	125.5	40.0	11.1	91.1	-	267.7	113.7	34.6	9.2	-	-	157.5
Rest of world	21.7	10.1	-	3.9	-	35.7	20.3	17.8	-	-	-	38.1
Total	309.7	184.3	52.4	135.1	-37.8	643.7	319.7	176.3	62.1	-	-32.5	525.6

Geographical market, SEK million	Sweden	Czech	Germany	Spain*	Internal	Group	Sweden	Czech	Germany	Spain	Internal	Group
	R 12	R 12	R 12	R12	R 12	R 12	Jan-Dec 2023	Jan-Dec 2023	Jan-Dec 2023	Jan-Dec 2023	Jan-Dec 2023	Jan-Dec 2023
Sweden	116.4	29.0	6.0	5.0	-28.1	128.3	128.6	25.9	6.6	-	-26.8	134.3
Germany	109.5	19.8	79.8	24.1	-37.9	195.3	107.4	25.0	90.2	-	-33.5	189.1
Czech Republic	41.3	163.0	0.9	2.5	-0.8	206.9	40.3	147.3	1.1	-	-1.2	187.5
Poland	55.2	43.4	0.6	8.5	-	107.7	69.3	46.7	1.0	-	-	117.0
Rest of Europe	226.1	80.6	20.7	91.1	-	418.5	214.3	75.2	18.8	-	-	308.3
Rest of world	50.2	22.4	-	3.9	-	76.5	48.8	30.1	-	-	-	78.9
Total	598.7	358.2	108.0	135.1	-66.8	1,132.2	608.7	350.2	117.7	-	-61.5	1,015.1

*Consolidation started April 23, 2024



Note 4 Other operating income

Other operating income includes consideration for sales other than in the ordinary course of business, such as net gains on the sale of non-current assets, government grants received and exchange gains of an operating nature. Government grants are recognized at fair value when there is reasonable assurance that the grants will be received and the Group will comply with the conditions attached to the grants.

Note 5 Financial instruments

The Group's financial assets and liabilities comprise accounts receivable, other receivables, cash and cash equivalents, liabilities to credit institutions, leasing liabilities, accounts payable, other liabilities and derivative financial instruments.

For those financial instruments carried at amortized cost, the carrying amount is considered to be a reasonable estimate of fair value, as they are all current instruments. All derivatives are measured at fair value and classified as Level 2, which means that all significant inputs required for measurement are observable.

The table below shows the fair value of outstanding forward exchange contracts included in the balance sheet:

Amounts in SEK million	30 Jun 2024	30 Jun 2023	31 Dec 2023
Derivative assets	0.1	0.9	0.2

Note 6 Related-party transactions

There have not been any changes in the Group's or Parent Company's related-party relationships compared to those described in the 2023 Annual Report. There were no material related-party transactions during the period.

Note 7 Acquisition

On April 23, 2024 Arla Plast completed the acquisition of Nudec S.A.U. Like Arla Plast, Nudec S.A.U. is a manufacturer of extruded sheets in technical plastic materials based in Polinyá, just outside Barcelona, Spain. With the acquisition Arla Plast Group's geographical position in Europe will be strengthened and the product portfolio will be further broadened.

Nudec S.A.U. is consolidated from April 23, 2024. Below is the preliminary purchase price allocation.

Preliminary purchase price allocation Nudec S.A.U.

	EURm	SEKm
Net identified assets and liabilities	9.3	107.2
Intangible assets (no goodwill) and provision	0.2	2.3
Purchase price	9.5	109.5
Cash consideration paid for acquisition	9.1	104.8
Cash and cash equivalents in Nudec S.A.U.	1.1	12.8
Effect on the Group's cash and cash equivalents	-8.0	92.0

The purchase price allocation is preliminary and can be subject to change if additional information of fair value is obtained or if there are deviations in the final purchase price. The acquisition has initiated preliminary transaction costs of EUR -0.3 million corresponding to SEK -3,1 million which have affected the operating profit for the quarter and the six-month period. In the consolidated statement of comprehensive income, the cost can be found amongst other operating costs.



Signatures

Jan Synnersten
Chairman of the Board

Annelie Arnbäck
Board member

Maria Catoni
Board member

Ulf Hedlundh
Board member

Ola Salmén
Board member

Thomas Widstrand
Board member

Annika Erlandsson
Employee representative

Klas Renlund
Employee representative

Christian Krichau
CEO and President

This interim report has not been
reviewed by the company's auditor



ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures

The performance measures in this report take into account the nature of the operations and are deemed to provide relevant information to shareholders and other stakeholders, while also enabling comparability with other companies. In addition to the financial ratios prepared in accordance with IFRS, Arla Plast presents financial ratios that have not been defined in accordance with IFRS, for example EBITDA and operating margin. These alternative

performance measures are considered important earnings and performance indicators for investors and other users of the year-end report. The alternative performance measures should be considered a complement to, but not a substitute for, the financial information prepared in accordance with IFRS. The Arla Plast Group's definitions of these measures that are not defined under IFRS are described in this note.

Definitions

Definition	Calculation
Gross margin, %	Gross profit % of the net sales during the period.
Operating margin, %	Operating profit in % of net sales during the period.
EBITDA, SEK million	Operating profit before depreciation, amortization and impairment.
Interest bearing assets, SEK million	Cash and cash equivalents.
Interest bearing liabilities, SEK million	Current and non-current liabilities owed to credit institutions, current and non-current lease liabilities.
Net debt, SEK million	Interest-bearing liabilities less interest-bearing assets.
Net debt/ EBITDA, times	The net debt at period-end in relation to the EBITDA for the last 12 months.
Organic growth, %	Organic growth is the sales growth excluding growth attributable to acquisitions and disposals.
Working capital, SEK million	Inventories and other short-term operating assets less other short-term operating liabilities.
Working capital/net sales, %	Working capital in relation to net sales.
Capital employed, SEK million	Total assets less non-interest-bearing liabilities (including deferred tax).
Return on capital employed (ROCE), %	Adjusted operating profit divided by average capital employed. Average capital employed is calculated by adding the capital employed at period end to the capital employed at period-end for the same period of the previous year and dividing it by two.
R12, SEK million	A summary of outcomes from the last 12 months.
Operating cash flow, SEK million	Cash flow from operating activities and cash flow from investing activities.
Equity/assets ratio	The equity at period-end as % of total assets.



Calculation of alternative key ratios

	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	R 12	Jan-Dec 2023
Gross margin, %:						
Gross profit, SEK million	81.2	58,9	145.3	108.9	255.7	219.3
Net sales, SEK million	395.9	274.6	643.7	525.6	1,133.2	1,015.1
Gross margin, %	20.5	21.5	22.6	20.7	22.6	21.6
EBITDA, SEK million:						
Operating profit, SEK million	25.8	32.0	61.6	47.6	105.6	91.6
Depreciation of fixed assets	17.0	11.3	34.4	22.5	59.8	47.9
EBITDA, SEK million	42.8	43.3	96.0	70.1	165.4	139.5
Organic growth, %:						
Net sales, SEK million	395.9	274.6	643.7	525.6	1,133.2	1,015.1
Net sales corresponding period previous year, SEK million	274.6	267.1	525.6	493.8	989.6	957.8
Acquisition, SEK million	-131.7	-22.2	-131.7	-41.4	-131.7	-46.4
Net sales change, SEK million	-10.4	-14.7	-13.6	-9.6	-11.9	10.9
Organic growth, %	-3.8	-10.4	-2.6	-5.7	-1.2	1.1
Working capital/net sales, %:						
Operating receivables, SEK million	591.9	399.1	591.9	399.1	591.9	310.6
Operating liabilities, SEK million	239.2	93.8	239.2	93.8	239.2	-75.0
Net working capital, SEK million	352.7	305.3	352.7	305.3	352.7	235.6
Net sales R12, SEK million	1,133.2	989.6	1,133.2	989.6	1,133.2	1,015.1
Working capital/net sales, %	31.1	30.9	31.1	30.9	31.1	23.2
Return on capital employed (ROCE), %:						
Capital employed, SEK million	789.4	659.3	789.4	659.3	789.4	663.2
Average capital employed, SEK million	724.4	626.9	724.4	626.9	724.4	643.9
Operating profit R12, SEK million	105.6	70.9	105.6	70.9	105.6	91.6
Return on capital employed (ROCE), %	14.6	11.3	14.6	11.3	14.6	14.2
Net debt, SEK million:						
Interest bearing liabilities, SEK million	113.2	58.2	113.2	58.2	113.2	94.8
Interest bearing assets, SEK million	178.4	121.3	178.4	121.3	178.4	-176.1
Net debt, SEK million	65.2	63.1	65.2	63.1	65.2	-81.3
Net debt/ EBITDA, times:						
Net debt, SEK million	65.2	63.1	65.2	63.1	65.2	-81.3
EBITDA R12, SEK million	165.4	114.2	165.4	114.2	165.4	139.5
Net debt/ EBITDA, times	0.4	0.6	0.4	0.6	0.4	-0.6
Equity/assets ratio, %:						
Equity, SEK million	588.7	538.0	588.7	538.0	588.7	568.4
Total assets, SEK million	1 076.8	800.4	1 076.8	800,4	1 076.8	785.2
Equity/assets ratio, %	54.7	67.2	54.7	67.2	54.7	72.4



For further information, please contact:

Christian Krichau, President and CEO, +46 141-20 38 58

Forward-looking information

Some statements in this report are forward-looking and the actual outcome may be significantly different. In addition to the factors specifically highlighted, other factors may have a material impact on the actual outcome. Such factors include, but are not limited to, the general economic situation, changes in exchange rates and interest rates, political developments, the impact of competing products and their prices, disruptions in the supply of raw materials.

This information is such information that Arla Plast AB is obliged to publish in accordance with the EU Market Abuse Regulation and the Securities Markets Act. The information was published by the abovementioned contact person on August 16, 2024 at 8:00 am CET.

Financial calendar

Interim report January – September 2024 - November 8, 2024

Year-end report 2024 – February 19, 2025

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), glycol-modified polyethylene terephthalate (PETG) and polymethyl methacrylate (PMMA) and have a large number of areas of application, such as safety products, machine guards, ice hockey rinks, greenhouses, pool covers, sound walls, suitcases, automotive components and various construction-related areas of application. The company is headquartered in Borensberg, Sweden, and has a total of four production facilities in Sweden, the Czech Republic and Spain and a distribution unit in Germany. Arla Plast has a turnover of more than SEK 1,100 million, has approximately 390 employees and delivers to more than 700 customers in over 45 countries.

More information about Arla Plast is available at www.arlaplastgroup.com.

Financial objectives

Sales growth

Annual organic sales growth over a business cycle should be 5%.

Operating margin

The operating margin over a business cycle should be at least 10%.

Net debt

Net debt in relation to EBITDA shall not exceed 2.5 times.

Dividend policy

The dividend policy is to pay shareholders about 30-50% of the profit for the year. Decisions on dividends will reflect the Company's financial position, cash flow and investment needs.

Sustainability information

Further information regarding our sustainability work can be found in our Annual Report 2023 which is available at www.arlaplastgroup.com.

Definitions product areas

ABS: Acrylonitrile butadiene styrene. The product group also includes products that are combinations of PC and ABS.

OPC: Opaque polycarbonate.

MWPC: Multiwall of polycarbonate.

PETG: Polyethylene terephthalate glycol.

TPC: Transparent polycarbonate.

PMMA: Polymethyl methacrylate.