50 YEARS (1969-2019)





Arne Larsson, co-founder and CEO of the company; retired on 30 June 1993. On the left: Göran Larsson, co-founder; retired on 30 June 1993.



Kenneth Synnersten, Arne's son, took over the company with his family on 1 July 1993. Kenneth was CEO from 1 July 1993 to 31 July 2004, when he became the company chairman.

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Our first 50 years



Woodstock festival, 15-17 August 1969.



Richard Nixon, American president, 1969-1974.



Neil Armstrong, first man on the moon, 20 July 1969.

Borensberg-based Arla Plast was founded in 1969, the year in which 500,000 hippies attended the Woodstock Festival: "a vast gathering of people in Woodstock – the biggest mass of people ever gathered together for anything other than war". – John Lennon. Richard Nixon became president that year and Neil Armstrong landed on the moon, uttering the immortal line "That's one small step for man, one giant leap for mankind."

Arla Plast's founding was, of course, no giant leap for mankind, but it was still a big thing for Borensberg, Motala municipality and our family. Today, Arla Plast is Motala's largest industrial company – an achievement beyond the dreams of its founding brothers, Arne and Göran Larsson.

Our aim in writing this book is to tell a story of entrepreneurship, of success and of setbacks, and to pay tribute to all our employees who, in some cases, have spent their entire working life at our company.

I'm also very impressed by the rapid transformation that occurred in those early years. The development from the first product – plastic panels for cars – to the extrusion of plastic sheets. It was a development that, via intermediary steps, took only five years. Today, we focus exclusively on plastic sheets.

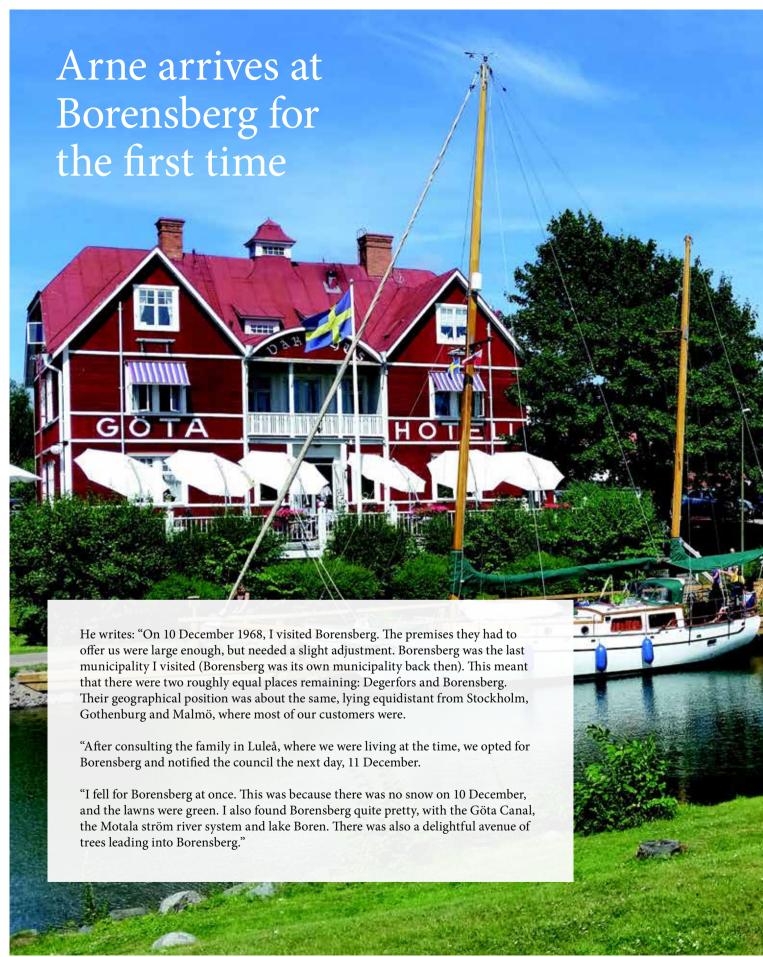
When I took over the company in 1993 to succeed my father as CEO, it was imbued with a spirit of service, speed and flexibility, a spirit that I tried to nurture as best I could. I'm also really happy for the long-standing relationship we've had with our many customers, in some instances stretching over decades.

50 years is a long time in a company's history and much has happened, both in our company and in the world around us. I feel particularly proud that during this time, Arla Plast has never had a single loss-making year. Naturally, our profits have not always been so big, but our numbers have never been red.

I would like to thank everyone who has been involved, and wish the company the best of luck on its continuing journey.

Wem We Synner Borensberg 2019-03-17

KENNETH SYNNERSTEN





1969 The first year

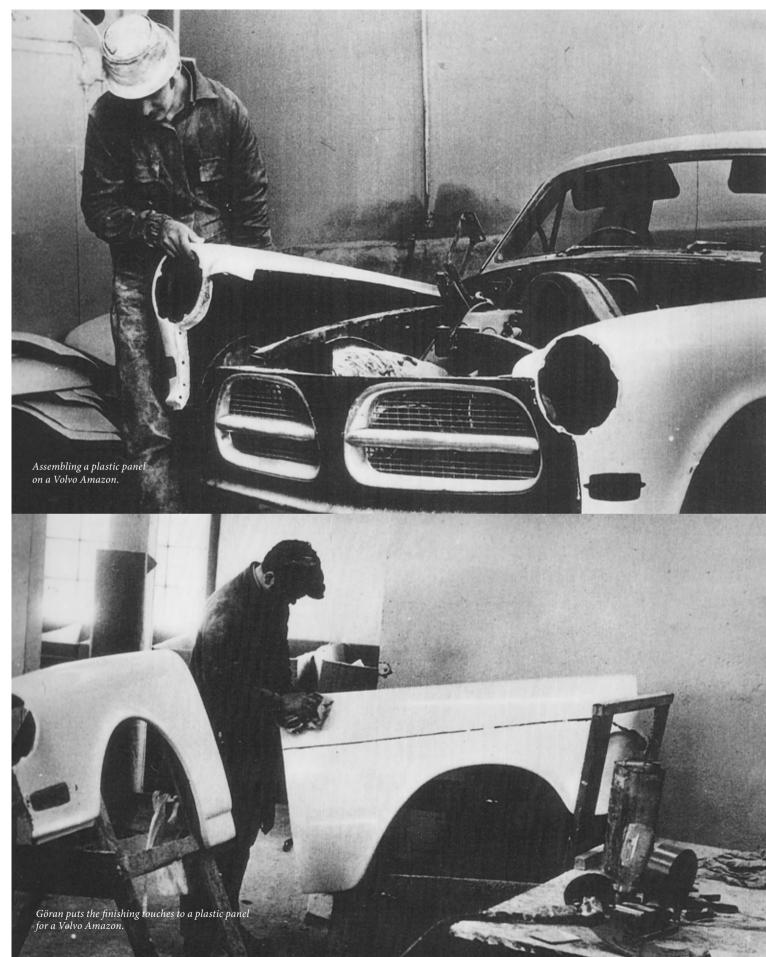


We gained access to the premises on 8 January 1969. Göran and Arne had come down from Luleå the day before. Our first employee, Olle Syren, was already there.

We'd decided that the company was to be called Arla Plastprodukter, a name that was subsequently shortened in the early 1990s to Arla Plast. Arla comes from the first two initials of Arne Larsson's name. His brother Göran was also made a shareholder in the company.

The first year's turnover was SKr 275,000, which returned a modest small profit. By the end of the year, the company had 5 employees, including Arne and Göran.





1970

Plastic panels for cars

Our first product was fibreglass-reinforced plastic panelling for cars. Cars tended to rust more back then, and we were able to sell our products more cheaply than the original metal sheets via the emerging spare parts market. This business idea was the brainchild of Arne, who had previously been workshop manager for VW and Scania in Luleå. Our early employees now included Lasse Syren (Olle's son), Ingemar Jansson and Roine Jansson.

The company grew and by the end of 1970 it had 8 employees, including Arne and Göran. The year's turnover was SKr 450,000 returning a profit of SKr 40,000.



CEO Leif Nilsson thanking Ingemar Jansson on his retirement on 21 April 2005 after 35 years of service.



Lasse polishing a plastic boat. A few years later, Arla Plast manufactured a plastic hull for a small motorboat as a supplier to Motala wharf.



Roine Jansson.



Ingemar Jansson.

Peter Syren has worked at Arla Plast for over 40 years, having first joined the company in 1973 after a summer job at the factory. His family lived in Borensberg and his father, Olle Syren, was Arla Plast's first employee. Peter's father and big brother Lasse were already at the factory when Peter started, and his little brother also worked there for a few years.

When Peter started, the factory was on the other side of the canal by the bridge, about 100 metres away from its current location.

What was it like working at Arla Plast in those early years?

"It was good. There weren't that many of us back then, just 5 or 10 maybe. The old factory was so dusty that you were totally white in the evening after having sawn up sheets. Then when we moved to the new factory, we bought a vacuum forming machine. We quit the fibreglass and went over to the vacuum forming of plastic sheets."

Peter recalls that the owners, Arne and Göran, were working in the factory at the time, and that there was lot of joking around and tomfoolery. The physical work environment was not always the best, however. He particularly remembers the showers. "When you showered after work at the old factory, you had to make sure that you were the first in otherwise the hot water ran out," says Peter with a laugh. "So you had to rush to be the first one in, because there was only enough for one. Otherwise you had to shower in cold water. So the old factory wasn't much fun. Things got better when we moved here."

"At first, we didn't work in shifts but worked from 7 in the morning to 4 in the afternoon. It was only when production was moved to our current site and Arla Plast purchased its first extruder that we started to work in shifts." Peter recalls that it took hours to warm up a machine, so shift work was necessary. Peter liked working nights and did so for almost 15 years.

What did a normal working day look like?

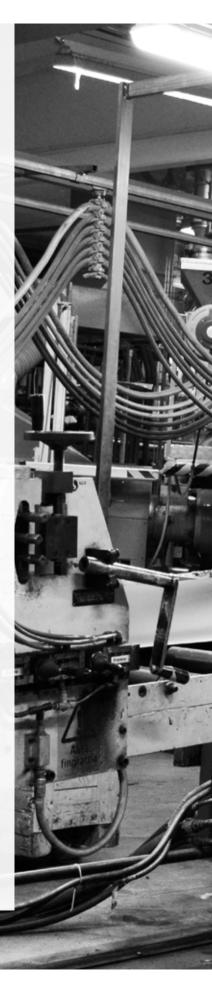
"When we bought the first extruder, you got an order, a little note about whatever it was you had to make. And then when we were on nights, the only ones here were us machine operators. There were no managers around, so if something happened we had to call them up at home. Otherwise you were left to your own devices and if something broke you had to fix it yourself."

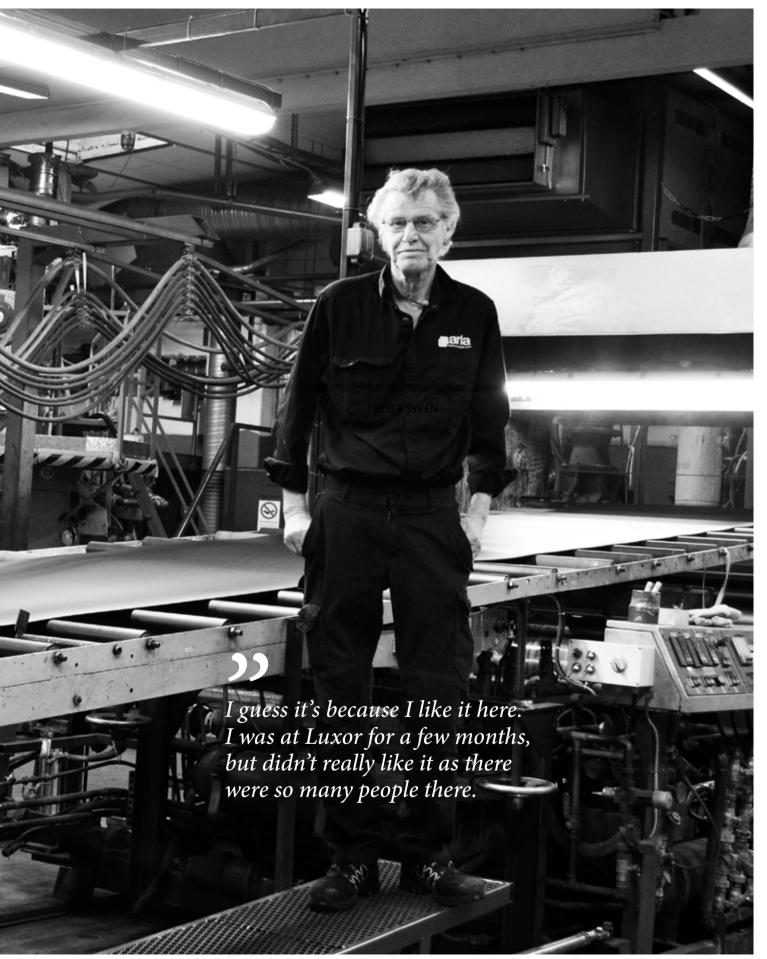
What have you enjoyed doing most?

"I enjoy operating the extruder."

Peter plans to retire this autumn. He never thought he'd still be at Arla Plast after all these years, but he's been happy at the factory and gets on well with his colleagues. He says that many people have quit and then returned. Including his brother, Lasse Syren.

How come you've decided to stay at Arla Plast for your entire working life? "I guess it's because I like it here. I was at Luxor for a few months, but didn't really like it as there were so many people there."





1972

Thermo-forming

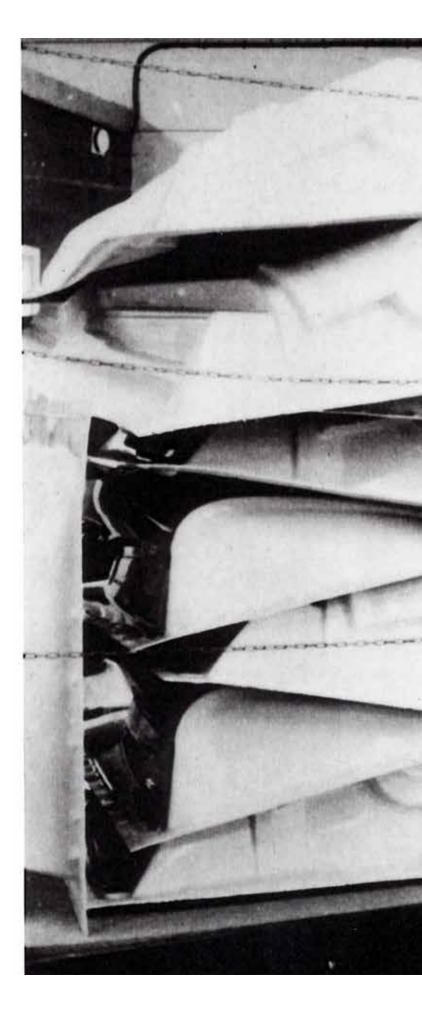
Sales continue to rise. In 1971 we turned over SKr 550,000 – twice as much as two years previously.

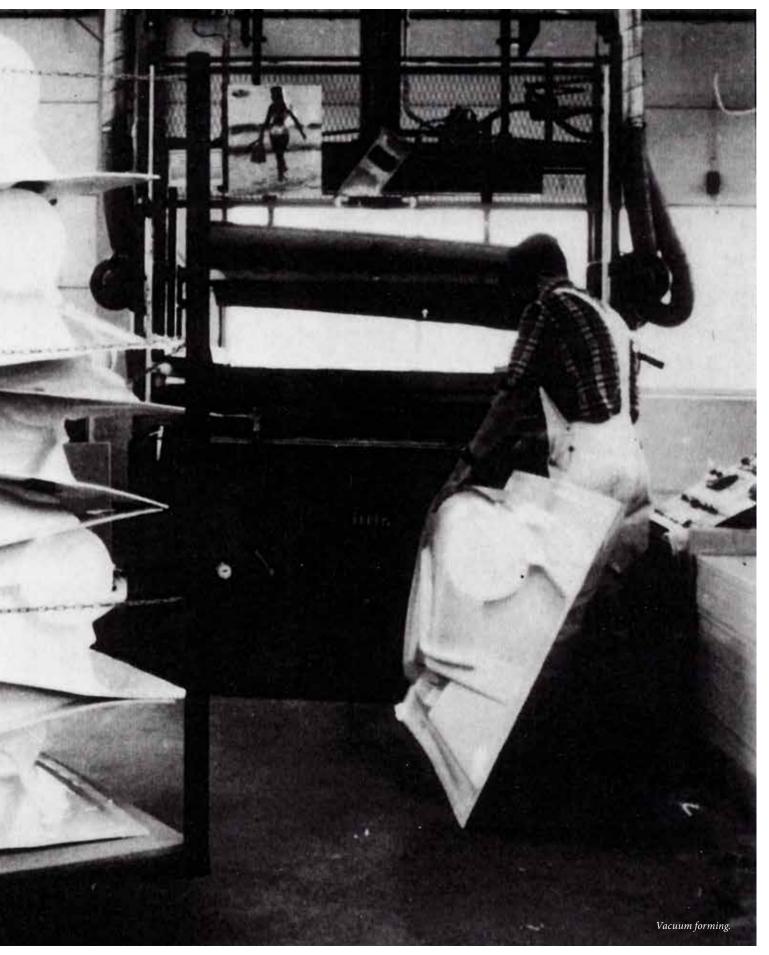
We now hit on a more efficient method of manufacturing plastic panels – the thermoforming of ABS plastic sheets. To do this we needed a thermoforming machine, which we ordered and had delivered in the spring of 1972 at a cost of SKr 105,000. It was a huge investment, but so far we'd expanded completely organically. And we took out no loan this time either.

We purchased the plastic sheets from AB Merca in Virserum, now Formaterm.

In 1972 Gerry Christensen joined the company. Up to his retirement in 2014, Gerry would prove to be a key person for Arla Plast, as an extruder operator, chief engineer, maintenance manager and production manager, amongst other roles – some of them simultaneously.

It's said that Gerry could hear if a machine was malfunctioning from his nearby home. And that he'd head straight down to the factory to help fix it.





"

Well, it was all quite formal.

I was invited to dinner and asked if
I wanted to take charge of production.
So that was great."



Gerry Christensen moved to Borensberg to train as a watchmaker. During this time he met his partner, a local, and they settled down.

Watchmaker jobs were few and far between, so after his studies Gerry worked at a diamond cutter for industrial diamonds. He joined Arla Plast in 1973.

How come you started working for Arla Plast?

"I'd applied before but there were no vacancies. But there was a guy there due to retire, and Arne said 'when he leaves the job's yours'. And it was a bit of a shock to the system to work here compared with the watchmaker's, let me tell you!" chuckles Gerry.

In his early years, Gerry worked with reinforced plastic and extrusion. When it was time to purchase the factory's second machine, Gerry travelled around with Arne and Göran to look at different machines and discuss technical details with suppliers. He was then asked if he wanted to be foreman.

What was it like to be asked?

"Well, it was all quite formal. I was invited to dinner and asked if I wanted to take charge of production. So that was great."



Gerry enjoyed working at Arla Plast, where, over the years, he rose to machinist, foreman, chief engineer, production manager and maintenance manager before retiring in 2014.

What was the most rewarding thing about working at Arla Plast?

"It was the growth of the company. It was up and down, of course, but much more on the up side at Arla Plast. The owners were smart investors in new machines."

What was the greatest challenge?

"The technical side of things, meeting the needs of our customers. Their specific demands on surface, thickness or finish, for instance. And, of course, keeping the machines running."

During his time at Arla Plast, Gerry was involved in numerous projects and manufactured a range of different products. Some products he mentions are an ice hockey game, the front spoilers for the Saab 99 Turbo and the first plastic sheets for Rimowa.

Did your training help you in your work here?

"Yes, I guess it did. It was also technical, despite the slight difference in size of the machinery. The cogs in a watch were this big," he says, demonstrating with thumb and index finger. "So it was different, of course, but sure, the knowledge helped me."

Gerry lives about 50 metres from the factory, which was practical while he worked here but not when he retired. He still turns up now and again to chat with his old workmates.

What was it like to retire?

"Well, you know, I still wanted to have a hand in things even when I was at home, so I'd often go down and listen to how things were going. It was hard to let go at first. I still wanted to keep myself in the loop about what was happening at Arla Plast."



Our new factory. The photo was taken in 1976.

1973 New factory

The thermoforming of plastic panels was a great success, but there was one snag: only a third of the panel's weight could be used in the manufacturing process. For the sake of our economy, the remaining two-thirds had to be recovered – and the idea was born of turning the waste into sheets: extruded sheets.

It was unthinkable to fit everything into our current premises, so we started looking into relocating. A piece of land was for sale not far from the factory and we purchased the first of many plots at the site where our factory still stands.

Things now progressed quickly. We contracted the building work in the winter of 1972/1973, when we also ordered our first extruders from MAPO in Italy, and after the 1973 holidays we were able to move into our new factory.

It had taken just four years to go from our original hand-produced fibreglass-reinforced panels to the thermoforming of panels and then to the extrusion of sheets and a newly built factory.

Our turnover in 1973 was SKr 1,400,000, returning a profit of SKr 19,000 after maximum depreciation.



In this photo from May 1975 we see the first MAPO extruder being operated by three generations: Arne, Kenneth and the then three-year-old Jan.

1974 The MAPO, our first extruder

The delayed delivery was finally made in February 1974. And what an impressive machine it was! It arrived in three fully loaded Italian juggernauts and we began to assemble it immediately.

An engineer from the Italian factory was there to help us. We knew nothing about extruding, but he told us there was nothing particularly difficult about it. We'd also been promised help by the head of the Motala Elektrolux extrusion division.

As it turned out, extrusion was technically very difficult; and to make matters worse, we had to put up with a good many construction defects and teething problems.

But after a few weeks we were able to start manufacturing sheets that at least were suitable for our bodywork. Phew...!

1974 The first plastic sheets customer





Our very first plastic sheets customer was Andrénplast in Gothenburg. Andrénplast had recently started working with thermoforming, and was supplying Volvo with parts for the Volvo 164. Andrénplast still has customers in the motor vehicle industry.

Andrénplast, currently a leading European thermoforming company, is still one of Arla Plast's main

customers. Arla Plast and Andrénplast have enjoyed a partnership lasting 45 years, something that is a source of much pride and joy for us.

At first, the company was run by Folke Andrén, who was joined in the 1980s by his sons Kalle and Magnus. They are still active in the company, even after its acquisition by the CalixKlippan group in 2008.

The evolution of our logo







1974 The first oil crisis

The first oil crisis was triggered by the October War in 1973 between Israel and a coalition of Arab states led by Egypt and Syria. The OPEC nations refused to export oil to countries that had supported Israel in the conflict.

The economic aftermath was a recession in the West. Sales of vehicle body components went into a decline, as did boat sales. We were forced to make our first two redundancies.

Despite this, turnover remained largely unchanged from the previous year. Our profit was lower, but was a profit nonetheless.

Oljekrisen är här

6 december Regeringen lägger fram sitt krispaket på energiområdet. I paketet ingår åtgärder för att främja tillgången på energi. En energipolitisk delegation tillsätts och ett särskilt energiråd inrättas för långsiktig planering. Handelsminister Feldt blir "hushållningsminister" med ansvar för den bensinransonering som skall ta sin början i januari kommande år. Ransonering av eldningsolja, el och varmvatten skall beslutas lite längre fram. Industrin får den energi den behöver så att sysselsättningen tryggas.

Bakgrunden är den oljekris världen upplever orsakad av priskriget, som lett till att OPEC (de oljeproducerande ländernas gemensamma organisation) beslutat dra åt sina oljekranar och minska exporten. Anledningen är inte bara att stabilisera prisnivån och vara återhållsam med oljetillgångarna. Det har även ett politiskt syfte. Man vill tvinga västvärlden att förmå Israel att lämna tillbaka alla de områden som ockuperats sedan 1967 och få fram en lösning av Palestina-flyktingarnas

Oljekrisen kommer som ett hårt slag mot många länder mitt i smällkalla vintern och ger en riktig tankeställare om oljeberoendets risker och samhällets sårbarhet.



Stockholm efter midnatt den 2 januari. Inga skyltfönster tända, inte en tindrande gran, inga fasader upplysta. Här sparas el. 1052

1975 Front spoiler for the SAAB 96 and SAAB 99 Turbo

While the decline in body components persisted at Arla Plast, sales of all other products rose. In 1975, we made contact with SAAB automobiles, who would become our largest customer. Our job was to manufacture a front spoiler for their aftermarket. Roughly a year later SAAB decided to include this product as an original component of their models.



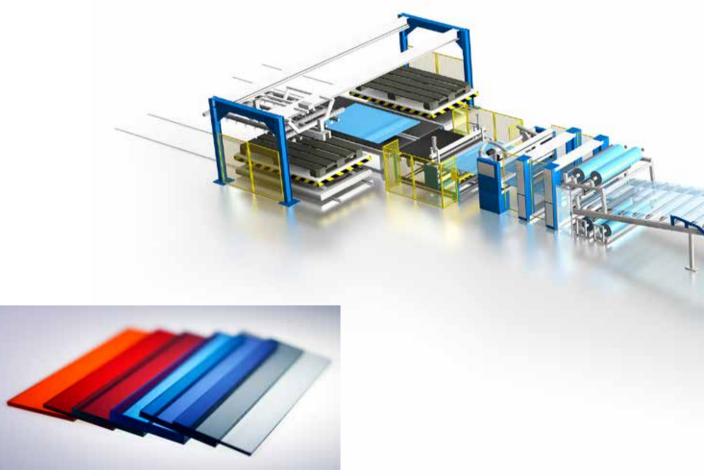
1977 POLYCARBONATE!!!

By now, we'd been supplying SAAB with spoilers made of ABS. However, it was soon discovered that the spoilers tended to crack easily in sub-zero temperatures. If a car drove into a snowdrift, for example, its spoiler could shatter.

SAAB suggested that we switch to polycarbonate. Knowing nothing about this material we contacted General Electric, who assured us that it would be no harder to extrude than ABS. How wrong they were!!

Eventually, we finally managed to produce sheets in our MAPO machine, and since they were destined for our own thermoforming process we could accept not the very best. So we have now been manufacturing polycarbonate sheets since 1977. With time, these products gradually came to dominate our business – and they still do: transparent and coloured, solid and multiwall and a great many special varieties. We are now, 2019, one of the largest manufacturers of polycarbonate sheets in Europe.

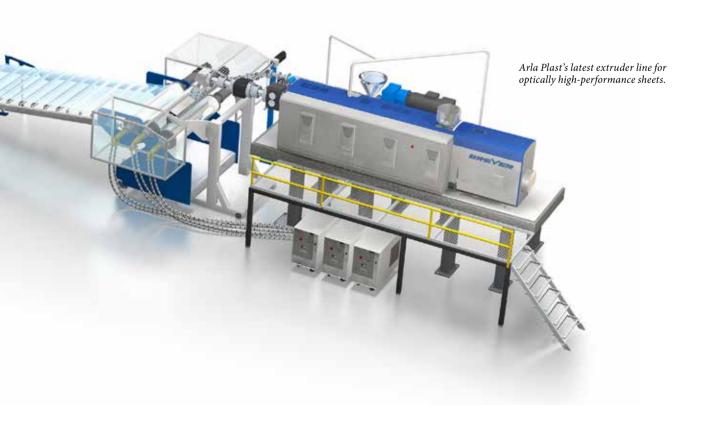
1977 was also the year in which we manufactured transparent polycarbonate for the first time. The customer was AB Bernos, a Stockholm-based company that produced – and still produces – industrial doors. AB Bernos is still our customer after 42 years.



Polycarbonate sheets.



Soundwalls of transparent PC on the Motala bridge.



1979 We install our second extrusion line ...

The sale of sheets continued to increase, as did our own use for thermoforming, and it was not long before we looked into purchasing a new machine. Our inquiries brought us into contact with the French company Kaufmann, which was one of the first in the world to have built a machine for multilayer extrusion.

The machine had a delivery time of one year and cost Skr 2,766,000. This was a lot of money for us back then, and we had no choice but to take out our first bank loan. Until then, it had been a matter of principle for us to expand organically and so it was with much anguish that we took out this loan; but we realised that if we didn't invest in a new, modern machine, we'd be in trouble later on.

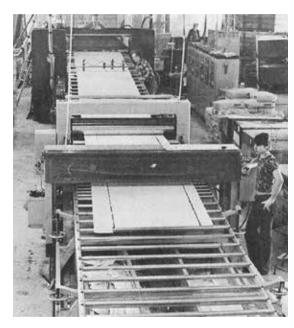
This investment proved to be one of the most important strategic decisions in the company's history. It enabled us to recover our customers' waste for use in



Illustration of multilayer extrusion (co-extrusion), which the Kaufmann machine made possible. We were now able to manufacture a sheet comprising recovered material in the core and new material on the top.

the core, adding a layer of new extruded material on top. We were the first company in Sweden able to offer customers this opportunity. It also made us a pioneer of recycling long before the word had been coined.

By now we'd outgrown our premises, so we invested in a new 300 sq.m. factory.



The Kaufmann, installed 1979.

... and discontinue our car body components

1979 is also the year we sold all forms of body component manufacture to the Danish company Thermoform, and said goodbye once and for all to the product that had helped build the company. We'd also discontinued our boat manufacturing operations some years previously. So in ten years, the company had gone from the hand-production of car body components to thermoforming and finally to extrusion.

In 1979 our turnover was SKr 5,700,000 and we had 17 employees. Henceforth, we concentrated solely on spoilers for SAAB and other thermoforming customers, as well as our growing sales of plastic sheets.

The Kaufmann was installed, but we had serious running-in problems – something that would plague us, to varying degrees, with all our future machine purchases.



1980s

The expansion continues

After the Kaufmann, we invested in another three extruders and extended, in stages, both the factory and the office. Our turnover went from about Skr 6 million to 55 million, and by 1989 we had 48 employees.

In 1983 Pär Larsson, Göran's son, joined the company after completing his polymer engineering training in Kristianstad. He remained in sales until 1994.

The fifth machine that we purchased from Reifenhauser of Germany was, after the Kaufmann, the most strategically important machine we had invested in to date.

Whereas previous machines had been compromises that enabled us to produce polycarbonate along with other plastics, this one was the first machine acquired exclusively for polycarbonate.

The Reifenhauser was also the first machine we had large enough to produce sheets at a width of 2 metres. The standard for transparent polycarbonate sheets was 2x3 metres, a dimension that had previously been beyond our capacity to manufacture. So we could now produce sheets of a higher quality – but again, with serious running-in problems.





The financial crisis in Sweden

Sweden suffered a deep recession in the early 1990s, with a falling GDP for three years in succession. The background to the crisis was the sharp rise in bank lending to finance and other companies following the deregulation of the credit market.

The crisis started in the banks and finance companies, spread to real estate, and before long the entire country and its industrial base were affected. It's thought that the Kuwait crisis in the summer of 1990 didn't help matters either.

Arla Plast was also hit. Our Swedish customers reduced their orders and prices were depressed. SAAB, our largest customer, slumped badly.

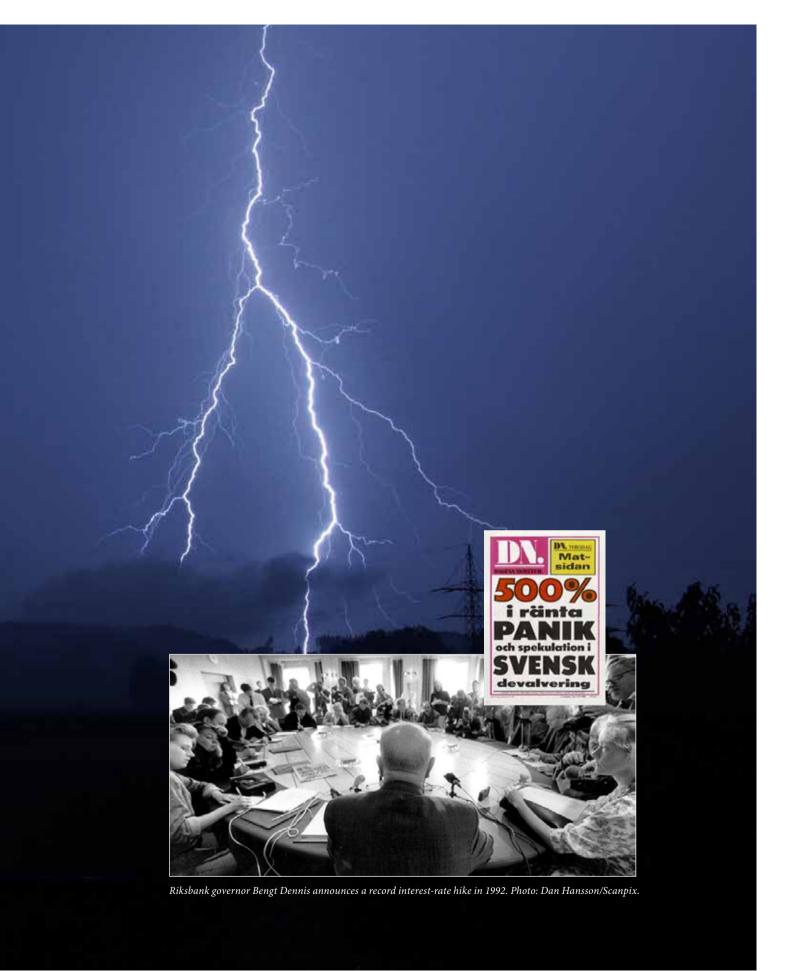
Luckily, sales increased in Germany, which offset some of the downturn in Sweden, so despite the struggling economy, our turnover dropped from only Skr 56 million to Skr 54 million.

With prices depressed and sales down, we had no choice but to trim our organisation for a couple of years to keep profitability at an acceptable level.





20 September 1992. The Carl Bildt government presents its crisis package. From the left: Olof Johansson, Bengt Westerberg, Carl Bildt, Ingvar Carlsson, Mona Sahlin and Allan Larsson. Photo: Jurek Holzer/TT.





1993 Change of ownership





Kenneth Synnersten outside the office center. Customer day 2007.

Arne and Göran had been partners since the outset in 1969. On Kenneth's takeover, Arne transferred all shares to Kenneth and Kenneth's sister Birgitta Thörnqvist. By this time, Arne was 66 and felt it was time to hand over the company, and after discussion with Göran and Birgitta, Kenneth became sole owner.

Kenneth had spent many years with ASEA/ABB, having joined the company after graduating with a degree in polymer engineering from KTH in 1971. In 1980, he became managing director of ASEA PLAST in Piteå, and later, on ASEA's merger with the Swiss company BBC in 1988, vice MD for ABB Sweden in Västerås.

1990s

From national to international supplier for the whole European market

The 1990s was a period of strong expansion. In 1993, sales outside the Nordic region were only modest, and Arla Plast had only two agents outside Sweden: Lennart Svenonius in Germany and Maarten Koudenburg for Benelux. But now the international agent network was expanded, and already that same year it was joined by Hanns Autenrieth for France, Spain and Portugal, the latter two countries being taken over by Miquel Aliu in 2002. Other agents were successively added for the UK and Italy and the former Eastern Europe, which was handled by Frantisek Smejkal from the Czech Republic from 2001.

Until the early 2000s, the entire network was built on freestanding agents, sole entrepreneurs who were paid a commission based on sales. With the odd exception, these agents represented Arla Plast to the exclusion of any other company.

We also divided the company into two product sectors: transparent products, under the management of Erik Fröjd; and opaque products, under the management of Niklas Magnusson. Opaque products are, in our terminology, "non transparent" products destined principally for thermoforming.

So Arla Plast went from having been a Nordic supplier, with modest sales outside the region, to an international, European -wide supplier. In the seven years from 1993 to 2000, our turnover rose from Skr 54 million to Skr 278 million.

Our production expanded during this time too; we installed three production lines and extended the factory and office Borensberg.





Our first tour of France

At the end of 1993 we obtained our first representative for France, Spain and Portugal: Hanns Autenrieth. In the spring of the following year, Kenneth made his first four-day tour with Hanns. France is a large country; they covered 600 to 800 km a day and managed a number of customer visits. We were well received, and the customers welcomed a new supplier of PC to France – a supplier most of them had never heard of. Hanns, who'd rented a Nissan Micra to take us round, was 6.5 feet tall and heavily built, and it was fun to watch him try to squeeze himself in behind the wheel.

Hanns was very ambitious and had crammed in many visits per day. Unfortunately he was late every morning, which made us late for the first visit and then for the others scheduled for that day, recalls Kenneth. This was before the era of the mobile phone. Between each visit we had to stop at a garage and call from a telephone box to say we were delayed. Hanns would come up with every excuse under the sun, usually some sort of problem on the roads...

Hanns had another trait: a love of good food. So for each night he'd plan a stop-over at a hotel with a fine restaurant, where, naturally, we'd have a full evening meal with aperitif, starter, main course, dessert, cheese, wine and digestif.

On the fourth day, we were later than normal. And Kenneth suggested that we skip a large dinner and stop off at a service station. "No, no, no. We're almost there and tonight we'll just have one course," promised Hanns. When we finally sat down to eat at 11 pm, all that stuff about only one course was but a distant memory, and it wasn't until 1 am that we staggered up to our rooms, tired and full.

Hanns retired some years ago. He is an ambitious, lovely man whom we greatly appreciated and who made sure our incursion onto the French market was a very successful one.





Roland Tergeland was planning to study woodwork in the autumn of 1979 and looked around for a summer job before school started. A friend of his had found work at Arla Plast and suggested he apply too. He was 15 years old when he asked Göran if he could work at the factory for two months during the summer. In the end he stayed for a little long than that: almost 30 years, in fact.

It wasn't easy for a 15-year-old to work in production, and Roland says that his early days were so tough that his original objective was simply to make it through the summer.

When did you start to feel more secure in your job?

"I think it was after I returned from doing national service in 1984. I was put on different things and given more responsibility too. And I liked that, I grew into it. And when you're 15 or 16, you're not really ready for a proper job either," says Roland with a laugh.

After his military service, Roland was put on extrusion. He found it exciting and went on to work as a machine operator and process engineer. While his plan was never to stay at Arla Plast for 30 years, he enjoyed his work here.

Many people at Arla Plast have been here for many years. Why do you think this is?

"It's a family business at heart and I think that reflects those of us working here. The atmosphere has been chummy and people appreciate the freedom they have there. It's a process industry, with all that that entails, and I'm fine with it. We've also had a lot of laughs."

What's been the best thing about working at Arla Plast?

"I'd say the independence. It's also been a stable and reliable employer that's been constantly growing and developing. There's been little concern about people losing their jobs. We've always had solid ground to stand on when entering a recession."

During his time at Arla Plast, Roland was involved in the union. He helped to start the local union, which he chaired at Arla Plast for ten years before IF Metall asked him to be its assistant ombudsman. Today he is ombudsman for the Swedish Hotel and Restaurant Workers' Union.

How did your union career develop?

"It started at Arla Plast. I then went on courses, learnt more and become more and more interested. If anyone had told me that I'd be working with what I do today I'd never have believed them. It was never an obvious path for me to take, especially cutting the cord with Arla Plast. Because sometimes you want to get out of a boring job but that wasn't the case for me. I'd been having qualms about it for ages. Not only is union work pretty tough, I was also very happy at Arla Plast."

What did Arla Plast mean to you?

"A huge amount. I spent over half my life at Arla Plast. It affected me in many ways, personally as much as anything else. I doubt very much whether I'd have started working in the union if I hadn't been at Arla Plast."



Agent meeting in Cesky Krumlov, Czech Republic, 2001.

Agent meetings

Our agent meetings proved to be a vital forum for coordinating our sales team and developing the company's strategy. For many years, our sales offices were run by independent agents. Nowadays, however, we also have our own sales personnel for different geographical areas. For this reason, we now call our meetings "sales meetings".

The very first meeting was in Borensberg in October 1994. We had three agents then: Lennart Svennonius for Germany, Hanns Autenrieth for France and Maarten Koudenburg for Benelux. What I remember most from that meeting was the fog in our old conference room, recalls Kenneth. All three agents were cigar smokers, and the smoke billowed. This was before the era of the smoke-free meeting. This first meeting would be followed by many more – normally two per year. It's now 2019 and they're still being held.

Sometimes we were in Borensberg sometimes in another country, with the agent as host and arranger.



 $Agent\ meeting\ at\ the\ boarding\ house\ in\ Duved,\ 2004.$

We have many memories from these meetings. From when were in Bologna, for instance, where our Italian agent Andrea Guidubaldi lived. In the evening we were at a restaurant called Franko Rossi, being entertained by a duo singing Italian classics like "O, sole mio". We hummed along as best we could. After a while, they decided they wanted to hear a Swedish song. The only one that everyone knew was the drinking song "Helan går". So we stepped up for king and country in true Swedish fashion. Whether they were shocked or impressed is something we'll never know...



Being entertained by Hanns Autenrieth.

2005 Setting up in the Czech Republic



In the early 2000s we started to think about starting the manufacture of multiwall plastic, a product that we felt our range lacked. Most of our competitors produced both solid PC sheets and multiwall plastic, and the product would fit naturally into our sales organisation. Moreover, many of our customers, particularly the distributers, demanded both products.

Since multiwall plastic, by virtue of its structure, weighs much less per square metre than solid sheets, the transport costs are much higher per kilogram. As Sweden is quite a small market for multiwall

plastic, supply our major markets would mean incurring high freight costs. Because of this, we started to look at our options and settled quite quickly for the Czech Republic.

We contacted the Czech Chamber of Commerce and CzechInvest. CzechInvest invited us on a couple of tours, which resulted in an equal number of proposals. We also received a lot of help from the Chamber of Commerce and Frantisek Smejkal, who was our agent in the country and a font of local knowledge.



Kadan town square.



In the end, we opted for Kadan, a small town about 100 km west of Prague in the province of Bohemia and not so far from the old spa town of Karlovy Vary. Here we were offered a site in a newly established industrial estate. At this time, there was a lot of unemployment in Kadan, so we would have no trouble finding labour.

Kadan is also close to the large German market and has a long industrial tradition. It's said that 100 years ago, Bohemia was the most developed industrial zone on the continent.



Four generations at the inauguration of the factory in Czech Republic 11 May 2006; Arne, his son Kenneth, grandchild Jan and great grandchild Hampus.

Kenneth recalls that the first time he visited Kadan, on 12 August 2004, he immediately fell for the charm of the town and the proposed industrial area. We met the area's "developer", Vlastislav Hoffman, (from a company called SIR) and were shown to the prospective site. Roads had already been laid and power and water supplies were in place. It felt as if we were getting close to a decision on establishing there.

All that remained were the analyses and the negotiations with SIR, which agreed to sell us the site and take charge of its development. CzechInvest helped us to apply for a set-up grant. As we mentioned, unemployment was high in and around Kadan and start-ups were more than welcome.

On 8 May 2005, families and invited guests were invited to Kadan for the "cutting the first turf" ceremony, and almost exactly a year later, on 11 May 2006, the factory was up and running and ready for its inauguration.

For the first few months of 2005, Frantisek Smejkal served as pro-tem MD until Robert Schatzl took over on 1 August. Robert had been production manager at Arla Plast in Borensberg and now shouldered the responsibility for contracting the construction work and seeing it through. We then procured the first extruder for multiwall plastic, employed our first staff and started production. It was a pioneering time and we had no previous experience of manufacturing this product.



Pro-tem MD 2005, Frantisek Smejkal.

		August 11 – 13, 200	4	
Wednesday, August 11 th	Agenda		Attendees	Comments
	14:00	CzechInvest CI presentations – CI, incentives PST – consulting company taxes, depreciation system labour regulations	Mr. Slezák Mr. Pomazal Ms. Vlasáková	CI office
Thursday, August 12 th	9:30 13:00 18:00	Departure from Prague Most – city (public owner) Krupka – IIS (private owner) Kadaň – S.I.R. (private owner) Arrival to Prague	Ms. Mrštiková Mr. Hofman	city presentation + site visit developer presentation + site visit developer presentation + site visit
Friday, August		Departure from Prague Brno	Mr. Cibulec	Regional Dev. Agency South Moravia
	40023	Brno - CARCLO Veseli na Moravě - city (public owner)	Mr. Musil Mr. Větříček	Company visit city presentation + site visit

Programme for Kenneth's first tour of the Czech Republic with CzechInvest.



Sales director Ayub Adam at the factory's 10th anniversary in 2016.

Ayub Adam, an experienced multiwall plastic salesman who was hired in June 2005 as a sales manager for the Kadan factory, was a tremendous boon for the company. He designed our first products and on 2008 was made sales director for the whole of Arla Plast, including the Czech Republic.



MD 2005-2008, Robert Schatzl.

Robert remained as MB for Arla Plast Tjeckien until 2008, when he was replaced by Tomas Jon, the current MD.

Under Tomas Jon's watch as MD of Arla Plast in the Czech Republic, the company has seen strong growth. Today we have two factories, the one in Kadan, where we primarily manufacture multiwall plastic, and one in Pelhrimov were our main product line is coloured PC sheets for Rimowa.

After Robert returned to Sweden from the Czech Republic, we now have only Czech citizens at our factories there and are delighted with the work that Tomas and his team are doing. Our two factories in the Czech Republic are model plants in our group.



MD from 2008, Tomas Jon.

Robert Schatzl was working for a German subsidiary in Sweden when Kenneth called to ask if he wanted to come to Arla Plast. They had met at Makroplast, an ASEA company, where Robert was production manager and Kenneth was the board chairperson. Robert was intrigued by the offer to build production capacity and accepted it. He joined Arla Plast in February 1998.

"At first I signed up as production manager, but within a matter of weeks Kenneth called and asked, 'Robert, can't you be chief engineer too?' 'Sure, OK,' I replied. And then a few weeks later he called again and said, 'Robert, can't you be quality manager too?' 'Sure, no problem.' Then he calls again. 'Robert, you've got a three month period of notice. Can't you shorten it?' I sorted it out and then moved here.

One of the first things that Robert did after joining Arla Plast was to conduct a SIFO survey to find out the views and opinions of the staff. This he needed to do to get to know the workers on the shop floor and get them on board with his ambitions to raise production capacity, introduce a common business system and generally streamline production.

"When it came to shift-changes, I'd sit there for a quarter of an hour. I did this for six months to get to know the men and what each shift wanted. They got to know me, we drew up routines, lists and so on."

In the spring of 2004, it was decided that Arla Plast was to open a factory in the Czech Republic. As project manager, Robert started by purchasing machines and leading the construction work. The project went smoothly until all it needed was a Czech MD. Robert was offered the post that September.

What was the most difficult thing about opening a factory in the Czech Republic?

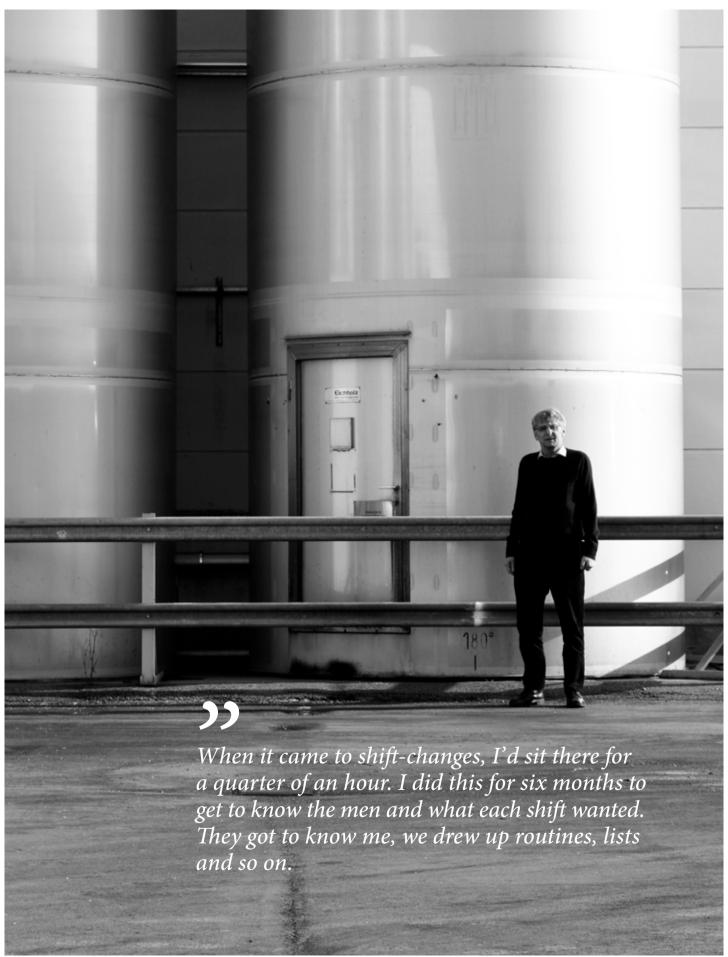
"Finding the right staff, which was also what I gave most thought to. Everything else I felt I had experience of. But down there it was harder in that I couldn't speak Czech, which made communication difficult with the members of staff who couldn't speak English."

Despite such hurdles, hiring went well and Robert managed to employ people. Some are still working at the factory in key positions to this day. The factory was ready for commissioning by December and in the week before Christmas Robert was able to announce that production was already underway, the factory having already received its first order for delivery that same week. Robert stayed at the company as MD for three years.

What has Arla Plast meant to you?

"It's meant a huge amount to me. It's the best company I've ever worked at. Sure, ASEA was good too – I was foreman there for nine years and learnt the basics of working with staff."

Robert should have retired in 2010, but remained on an hourly contract until October 2018.



Rimowa: a success story

Rimowa, a third-generation family concern, was known for its iconic grooved aluminium cases. The grooves were added to lend sufficient rigidity to the thin aluminium and became a trademark of Rimowa design. It is said that it took inspiration from the early Junkers aircraft.

At the end of the 1990s, the owner of the company Dieter Morszeck had the idea of using PC to manufacture a very lightweight yet durable suitcase. In doing so, he revolutionised the entire suitcase industry to the point where this kind of case is now standard.



Dieter Morszeck.

In 1998 we received a request for a coloured, thin PC sheet with a surface pattern. Initially it was a matter of producing only a few hundred kilos and Dieter Morszeck was himself present in Borensberg at the first trial run. Every time Dieter Morszeck visited Borensberg he asked to see Gerry Christensen, who after two days' work in our McNeil machine managed to produce approved sheets.

In 2000 the case (Rimowa Salsa) was launched onto the market. It was later followed by new designs and colours. In 2006, the patented Multiwheel system was launched—the first on the market again.

We were also first to market metallic colours in polycarbonate (2001) and thanks to the quality of our colour-matching, Rimowa was also able to supply cases in colours matching those of Porsche. In 2012, Rimowa added matt polycarbonate to its product range.



The Pelhrimov factory.

Rimowa's PC case manufacture started in Pelhrimov, Czech Republic, before subsequently expanding to Canada and Brazil.

In 2012, in order to provide the best service to Rimowa, we opened a factory in Pelhrimov beside the Rimowa plant, installing a conveyor track for the direct delivery of our sheets. Michael Gryvik has been a much appreciated product manager and account manager for Rimowa for many years.

Rimowa was acquired in 2017 by the French concern LVMH, the world's leading manufacturer of luxury goods.



The conveyor track in the Rimowa plant.





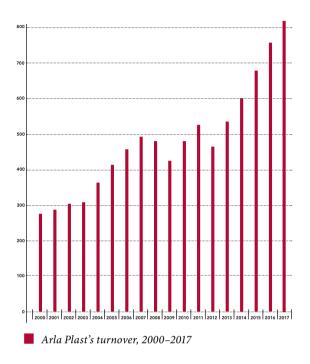
 $Our\ metallic colored\ PC\mbox{-sheets used in Rimowa's bags}.$

The 2000s

The 2000s opened with the so-called IT bubble, which is said to have burst on 6 March. Over-valued listed IT companies brought the world's stock markets tumbling down, so that within two years prices had plummeted by some 70%. Arla Plast was not spared the ensuing recession, and sales stagnated for a couple of years.

But come 2004 we were back on our old path of growth, especially in the Czech Republic after 2007, partly due to the relocation of a certain amount of production from Borensberg. But then came the 2008 Lehman Brothers collapse, and with it the next dip in the curve.

In 2004 Kenneth retired as company CEO to become board chairman. The first external CEO from outside the family was Leif Nilsson, who occupied the post from August of that same year to December 2012, when he handed over to Johan Orrenius. Leif is today a member of the board. Johan left in October 2018. Our current CEO is Henrik Håkansson.





Borensberg.



Leif Nilsson, CEO 2004-2012.

Our sales team also changed: Michael Gryvik and Magnus Sävestam are now product managers for opaque and transparent products, respectively; Marciej Engel became our Poland agent; in 2013 Roman Horejsi took over from his father-in-law Frantisek Smejkal as sales director for the former Eastern Europe, excluding Poland. Sören Fischer joined us as agent for Germany, Austria and Switzerland. In Benelux, Andy Carlier took over as sales director from Maarten Koudenburg. Marc Dunn was made sales director for the UK and Ireland. In 2008, Ayub Adam succeeded Erik Fröjd as group director of sales for Arla Plast.



Johan Orrenius, CEO 2012-2018

Since the turn of the millennium we've procured seven new extruders, five of which in the Czech Republic. We've also made several extensions to our premises in Borensberg and the Czech Republic. Today, we have three factories: Borensberg, Kadan and Pehlrimov.

The most recent extension of the Borensberg office was in 2012. By this time, we had been manufacturing multiwall plastic in the Czech Republic for many years and thought that it would now be a good idea to clad the facade with our own product – multiwall plastic from the Czech Republic. This not only gave us the option to install colour-variable LED lighting behind the transparent sheets, it also allowed us to show customers one possible area of application.



Kadan.



Pehlrimov.



INTERVIEW WITH PELLE SJÖVÅG

When Pelle Sjövåg was demobbed from national service in 1982, Sweden was in a recession and jobs were hard to come by. Pelle was in public relief work when a friend, who was working at Arla Plast, told him they were hiring. The person in charge of employing people was Göran's son Pär Larsson, with whom he was already acquainted.

"So I called Pär and said it was me. We knew each other from before and he asked 'Are you a technical sort of person?' and I answered, in all honesty, 'Nah, not that much' and there was a silence and then he said, 'Can you start on Monday?' This was 1984. And the rest is history.

Back then they worked 15-hour shifts and even though Pelle describes his first working day as incredibly long, he quickly got into his stride, working mainly with extrusion and operating machines.

What was the hardest thing at first?

"To learn how to operate the machines. Because I was never the kind of guy to fiddle around with mopeds, and to me cars are just things you fill up with petrol and windscreen wash and then just tootle off in."

What was the atmosphere at Arla Plast like?

"Fantastic. There's always laughter in the air. I've had super colleagues. Since I've been here for so many years I've seen many great people come and go."

As someone with a strong social conscience, it was a natural step for Pelle to become involved in the union. Over the years Arla Plast had grown so big that the time had come to start a local union branch. Union activities went smoothly at Arla Plast.

"We've had a company that's been positively disposed toward the union and seen us as a resource. We've been able to maintain a dialogue and speak to each other. Sure, there have been some heated issues but mostly we've been able to reason our way to a solution."

As time passed, Pelle became more involved in the union. He was regional health and safety officer, he was an elected union representative and he held courses on union issues. His ambition was always to return to Arla Plast, and when he eventually did so, he found that it needed a night-shift coordinator. One thing led to another and today Pelle works as a production manager.

What have you enjoyed most, working in production or being production manager?

"I like what I'm doing now. I like being involved and having an influence. I have visions for what I think we need to do, and there I'm on the same wavelength as my current boss."

Pelle has worked at Arla Plast for 35 years and has no intention of leaving. He hopes to stay at Arla Plast until he retires – "If my health allows they're not getting rid of me!" he laughs.

Why do you think so many people have stayed with the company?

"Partly it's the company itself. We've had good owners who have always had this enterprising spirit and always put their all into Arla Plast. If I'm asked to describe the company in a few words, I say it's a 'construction site', as they almost always have some building project on the go. I've always felt that the company's moving forward."

What has Arla Plast meant to you?

"Everything. In 1984 I ended up in a company that has just kept expanding and moving forward, which has given me a great sense of job security. I've been able to build a family and a home. And I've enjoyed it. I've never given any serious thought to doing anything else. It says something about my time at the company that I'm still here."

Awards



2010 and 2016 Arla Plast received the award "This year's sustainability work" distributed by Swedish Plastic

Industry Association.



final of Årets Gnosjöare, an accolade awarded to Swedish entrepreneurs with the ambition and

ability to realise their ideas.



Kenneth to the right of Björn Eriksson, Governor of Östergötland County. On the left is Bo Eklöf, Stadium AB, who also received the Royal Patriotic Society's medal at the same time.



 $\label{lem:continuous} In 2002\ Kenneth\ received\ the\ Swedish\ Royal\ Patriotic\ Society's\ gold\ medal\ for\ his\ contributions\ to\ Swedish\ business.$



In 2001 Kenneth won "Entrepreneur of the year" in Östergötland, earning a place in the national final.

The current family owners

Kenneth Synnersten, his daughter Annelie and sons Jan and Mats.



Kenneth Synnersten



Jan Synnersten



Annelie Arnbäck



Mats Synnersten



Arla Plast today

For many years now, our business focus has been the manufacture of plastic sheets, which we have divided into five product areas.

The largest is **transparent polycarbonate sheets**, which also come in different colours.

Another is coloured non-transparent sheets. We call this product line **opaque polycarbonate**. If we use recovered plastic, we call them **RPC** (recycled polycarbonate) sheets.

The third is **multiwall plastic.** We manufacture a wide range of these sheets exclusively in the Czech Republic.

The fourth is totally opaque sheets made of other kinds of plastic, such as **ABS**.

The fifth is another kind of transparent plastic-**PETG**, from which we produce both completely transparent or colored sheets.

We work closely with out customers and suppliers to develop new products in response to their needs and those of the market.

Customised colours, structures and measures as well as packaging and transport solutions are the kinds of tailored solution we offer.

The following pages show different applications of our plastic sheets.













APPLICATION AREAS FOR OPAQUE POLYCARBONATE

The sheets are used in a wide variety of applications where unbreakable solutions are required.

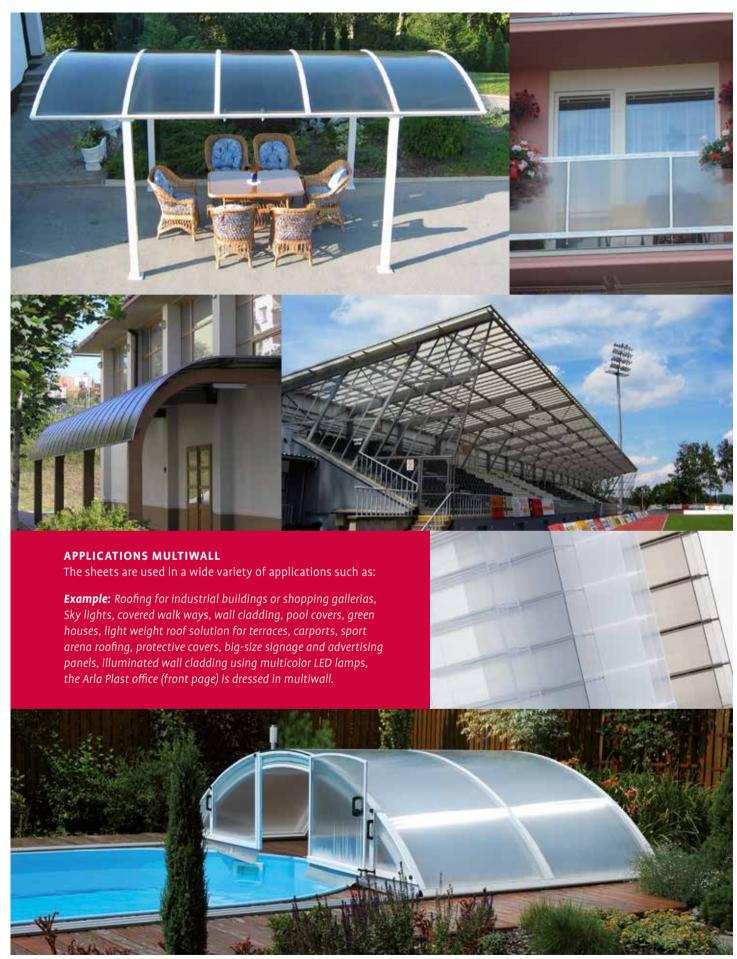
Example: Suitcases where a combination of strength and low weight is needed, wall cladding for heavy duty environments such as hospitals or public environments, machine covers, containers, agricultural equipment, automotive, signage

APPLICATIONS RECYCLED POLYCARBONATE

The sheets are used in a wide variety of applications:

Example: Trays for efficient parts handling at automotive assembly lines, packaging solutions, wall cladding, protection sheets, containers, thermoformed machine covers, solar panels covers













APPLICATIONS ABS - PC/ABS

Example: Machine covers, interior automotive parts, ski boxes, demanding exterior automotive parts, tough industrial applications, advertising, building and construction, thermoformed covers

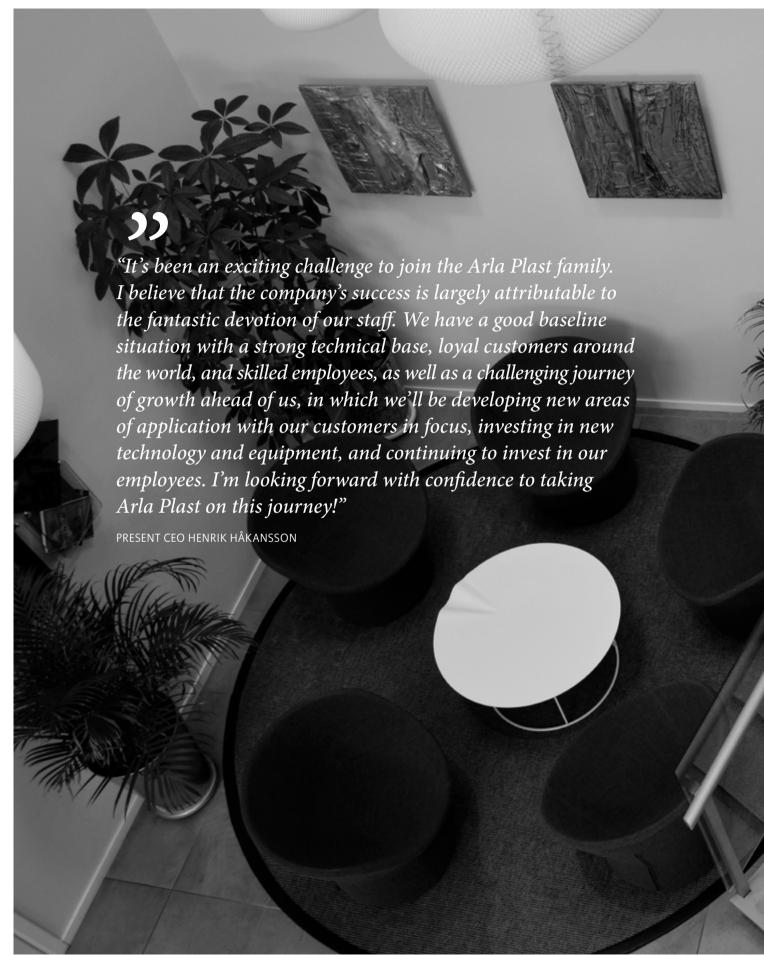




APPLICATIONS PETG TRANSPARENT & OPAQUE

Example: Indoor and outdoor signs, shelving and racking systems, food displays / bin / dividers, exhibition boxes, point of sale interior, thermoformed covers, vending machine faces, industrial equipment, machine covers and many different kind of technical parts, ski lifts







Thanks to all those who have helped in the creation of this jubilee book. And thanks to those who helped us celebrate our first 50 years.

Not every company makes it to 50. We live in an ever-changing world. Adaptation to the latest demands and needs of our customers, our staff and the world at large is the only thing that can assure our continuing survival.

The journey into our next 50 years starts here.

KENNETH SYNNERSTEN