20240311107622

Årsredovisning

för

DeLaval International AB

556012-3928

Räkenskapsåret

2023

Fastställelseintyg

Undertecknad verkställande direktör i DeLaval International AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 6 mars 2024.
Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Tumba den 6 mars 2024

Paul Löfgren

20240311107623

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Innehållsförteckning

Förvaltningsberättelse	1
Resultaträkning	5
Balansräkning	6
Rapport över förändringar i eget kapital	8
Kassaflödesanalys	9
Noter	10

20240311107624

Styrelsen och verkställande direktören för DeLaval International AB avger följande årsredovisning för räkenskapsåret 2023.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i hela kronor (kr).

Förvaltningsberättelse

Information om verksamheten

DeLaval levererar integrerade lösningar för mjölkproduktion utformade för att förbättra produktion, djurhälsa och den övergripande livskvaliteten för mjölkproducenter. Vi utvecklar, tillverkar och marknadsför utrustning för mjölkproduktion och djurhållning världen över. Service och ett brett utbud av tillbehör är även en stor del av vårt erbjudande och vi levererar system för mjölkning, driftsledning, utfodring, utgödsling, ventilation och energiåtervinning.

DeLaval grundades för över 140 år sedan av visionären Gustaf de Laval som patenterade mjölkseparatorn. Idag har DeLaval 4 500 medarbetare och finns representerat i mer än 100 länder. DeLaval, tillsammans med Tetra Pak och Sidel, är en del av Tetra Lavalkoncernen.

DeLaval International AB utgör huvudbolaget i koncernen. DeLaval International AB:s verksamhet innefattar flera av koncernens centrala funktioner, men även verksamhet som tillverkning av exempelvis DeLavals framgångsrika mjölkningsrobot, DeLaval VMS™, samt en del av koncernens produktutveckling.

Företaget har sitt säte i Botkyrka.

Väsentliga händelser under räkenskapsåret

Efterfrågan på mjölk och mejeriprodukter fortsatte att växa tillsammans med efterfrågan på att producera mjölk mer hållbart och effektivt. Långsiktig efterfrågan på DeLavals erbjudande, särskilt inom områdena automation, digitalisering och hållbarhet, är fortsatt hög.

DeLaval och företaget John Deere ingick ett partnerskap för att skapa ett digitalt ekosystem, Milk Sustainability Center, för att hjälpa mjölkbönder att förbättra effektiviteten och hållbarheten i sin verksamhet.

Inflationen och stigande levnadskostnader påverkade efterfrågan på mejeriprodukter 2023, vilket satte press på priserna på råmjölk. I kombination med högre produktionskostnader och räntor minskade detta mjölkproducenternas marginaler och dämpade deras investeringar.

Inköp fortsatte att vara en utmaning, vilket innebar att vi behövde fortsätta att skaffa de råvaror och komponenter vi behöver för att tillverka våra produkter på ett kreativt och smart sätt. Ett bra samarbete mellan designers, fabrikspersonal och inköp säkerställde att vi kunde uppfylla våra kundlöften ofta på mycket kreativa sätt, inklusive att designa om vissa produkter och hitta alternativa logistiska lösningar. Slutligen visade vår fältpersonal sin professionalism för att upprätthålla utmärkt kundservice trots utmaningar på marknaden.

Utvecklingsplanen för Hamra Gård har fortsatt under året. Projektet går enligt plan med vissa förseningar som bland annat beror på den hårda vintern. Under året har ett nytt stall för kvigor färdigställts och grunden för ett kalvstall påbörjats. Det pågår ständigt FoU-projekt på gården och investeringen ger ytterligare möjligheter att testa programvara och avancerade system och att visa några av DeLavals senaste lösningar.

20240311107625

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

DeLaval har en stark marknadsposition, en hög kundnöjdhet och en stark innovationsagenda som hjälper lantbrukare att driva sin verksamhet hållbart.

Vi förväntar oss en begränsad investeringsvilja hos mjölkproducenter till följd av låga marginaler under 2024, men att den gradvis kommer att öka under året till följd av ökade mjölkpriser.

Vår uppdaterade affärsstrategi styrs av vår långsiktiga vision att göra hållbar livsmedelsproduktion möjlig. Vi kommer att fokusera mer på utvalda kundgrupper och förädla vår innovationsstrategi till att säkerställa att DeLaval förblir relevanta för framåtskridande mjölkproducenter. Till exempel omfördelade vi mer FoU-resurser för att driva innovation inom mer hållbara lösningar. Genom vår vision förblir hållbarhet en hörnsten i vår strategi. Det är nyckeln till att framtidssäkra gårdar där mjölkproducenter kan göra mer med mindre, minska sin miljöpåverkan genom en mer optimal gårdsdrift, förbättra djurvälfärd samt adressera bristen på arbetskraft.
Vår egen mjölkgård, Hamra Gård, är en enorm tillgång för DeLaval. Under året har en ombyggnation fortsatt med målet att skapa en modernare och mer hållbar mjölkproduktion med nya stallar, nya automatiska mjölkningsrobotar (DeLaval VMS™) och fler digitala lösningar för att ytterligare förbättra djurens hälsa, kvalitet på mjölken och effektiviteten. Våra djur och deras välmående har alltid varit i fokus på Hamra Gård, men den här ombyggnaden kommer att ta gården till en ny nivå både att föregå med gott exempel och driva positiv förändring i branschen.

Vi förväntar oss att den makroekonomiska osäkerheten kommer att fortsätta under 2024 med kortsiktig instabilitet på marknaden. Men de långsiktiga trenderna hållbarhet, automatisering och digitalisering kommer att ge möjligheter för oss att fortsätta vår tillväxtresa under de kommande åren.

Ökad tillväxt

Efter flera år av tillväxt är vi tacksamma för det fortsatta förtroende som våra kunder visar. Vår verksamhet drivs av en stark global efterfrågan på mjölk. DeLaval International AB ökade sin omsättning med 8,6% och våra kundorder minskade med 12,6% jämfört med föregående år.

Forskning och utveckling

Forskning och utveckling är och har alltid varit ett viktigt och prioriterat område inom DeLaval. Vi introducerade flera nya produkter på marknaden under året, tex OptiWagon (en automatisk foderdistributionsrobot), nästa generations mjölkningskarusell DeLaval Rotary E500 samt OceanBlu™ spendopp som introducerades i olika varianter på fler marknader. Vi började även erbjuda DeLaval Plus Behaviour Analysis, som är ett digitalt verktyg som använder sensorer och artificiell intelligens (AI) för att hjälpa till att identifiera sjuka kor och kor i brunst.

20240311107626

Andra icke-finansiella upplysningar

Följande systerbolag har under 2023 drivit rörelsen i kommission för DeLaval international AB: DeLaval Hamra Gård AB, DeLaval Sales AB och DeLaval Export AB. Dessa bolags finansiella räkenskaper utgör en del av DeLaval International AB:s årsredovisning.

DeLaval Hamra Gård AB

År 1894 köpte AB Separator, senare DeLaval International AB, Hamra Gård för att driva ett mönsterjordbruk och en testgård. Avsikten var att förbättra mjölkproduktionen och höja kvaliteten på mjölkprodukterna. Idag utgör Hamra Gård en avgörande roll för utveckling av nya produkter och system, är en visningsgård för kunder och besökare samt en viktig inspirationskälla i företaget.

Idag består mjölkproduktionen av ca 250 mjölkkor och 350 kvigor. Vi arbetare med att öka antal mjölkkor och kommer att ha ca 500 mjölkkor när de nya stallarna är på plats (2025). Vi bedriver växtodling på ca 1100 ha där vi odlar spannmål på ca 600 ha, 300 ha vall och resterande areal är beten m.m.

Att DeLaval är en mjölkproducent ökar både vår förståelse för våra kunder och bidrar till utvecklingen av våra nuvarande och framtida produkter. Förutom mjölkproduktion och växtodling på Hamra Gård bedrivs även verksamheter som skogsbruk, grustag och uthyrning av bostäder, lokaler och mark.

DeLaval Sales AB

DeLaval Sales AB utgör DeLavals svenska marknadsbolag med säte i Tumba. DeLaval Sales AB kan genom en rikstäckande organisation av egen försäljnings- och servicepersonal erbjuda sina befintliga och nya kunder service, direkt närhet och trygghet dygnet runt.

DeLaval Export AB

Via DeLaval Export AB sker försäljningen till marknader över hela världen, både direkt till DeLavals slutkunder och genom lokala återförsäljare. DeLaval Export AB har sitt huvudkontor i Tumba.

Ägarförhållanden

DeLaval International AB är ett helägt dotterbolag till DeLaval Holding B.V., organisationsnummer 02060609, med säte i Assen, Nederländerna, som i sin tur ägs av DeLaval Holding AB, organisationsnummer 556258-6981, med säte i Tumba och utgör moderbolaget i DeLavalkoncernen. DeLavalkoncernen ingår i en koncern vars moderbolag är Tetra Laval International SA, UID: CHE-198.253.298.

Hållbarhetsrapport

I enlighet med ÅRL 6 kap 11§ har moderbolaget DeLaval Holding AB 556258-6981 med säte i Stockholms län, Botkyrka, valt att upprätta den lagstadgade hållbarhetsrapporten som en från årsredovisningen avskild rapport som även omfattar samtliga dotterbolag. Hållbarhetsrapporten har överlämnats till revisorn samtidigt som årsredovisningen. Hållbarhetsrapporten finns tillgänglig på http://www.delavalcorporate.com/sustainability/our-take/.

20240311107627

Flerårsöversikt (Tkr)	**2023**	**2022**	**2021**	**2020**
Nettoomsättning	8 454 946	7 784 212	7 576 187	7 073 698
Resultat efter finansiella poster	632 821	62 113	822 928	504 999
Rörelsemarginal (%)	10,0	2,1	10,4	7,2
Avkastning på eget kap. (%)	58,1	9,9	88,1	90,0
Balansomslutning	2 832 144	2 668 347	2 435 585	2 184 839
Soliditet (%)	38,5	23,6	38,4	25,7
Antal anställda	717	675	677	681

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	493 908 211
årets vinst	504 984 479
	998 892 690
disponeras så att	
till aktieägare utdelas (500 kr per aktie)	300 000 000
i ny räkning överföres	698 892 690
	998 892 690

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

20240311107628

Resultaträkning

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Nettoomsättning	2	8 454 946 340	7 784 211 628
Kostnad för sålda varor		-5 598 489 148	-5 710 852 598
		2 856 457 192	**2 073 359 030**
Rörelsens kostnader			
Försäljningskostnader		-664 934 137	-579 380 811
Forsknings- och utvecklingskostnader		-609 988 035	-572 553 614
Administrationskostnader	3, 5	-997 961 236	-877 008 177
Övriga rörelseintäkter		272 414 003	267 779 848
Övriga rörelsekostnader		-14 082 135	-145 638 463
		-2 014 551 540	**-1 906 801 217**
Rörelseresultat	6	**841 905 652**	**166 557 813**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	7	26 628 091	23 496 325
Räntekostnader och liknande resultatposter	8	-235 712 667	-127 940 951
		-209 084 576	**-104 444 626**
Resultat efter finansiella poster		**632 821 076**	**62 113 187**
Bokslutsdispositioner	9	474 651	-8 206 065
Resultat före skatt		**633 295 727**	**53 907 122**
Skatt på årets resultat	10	-128 311 248	-6 711 090
Årets resultat		**504 984 479**	**47 196 032**

20240311107629

Balansräkning

	Not	2023-12-31	2022-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Balanserade utgifter för utvecklingsarbeten och liknande arbeten	11	87 208	132 710
		87 208	**132 710**
Materiella anläggningstillgångar			
Byggnader och mark	12	488 196 034	475 110 579
Maskiner och andra tekniska anläggningar	13	15 421 526	11 698 834
Inventarier, verktyg och installationer	14	49 109 087	44 571 657
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	15	63 111 720	37 339 108
		615 838 367	**568 720 178**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	16, 17	18 711 235	18 711 235
Uppskjuten skattefordran	18	98 439 298	93 079 743
Andra långfristiga fordringar	19	11 413 518	13 449 137
Andra långfristiga värdepappersinnehav		104 348 050	92 211 059
		232 912 101	**217 451 174**
Summa anläggningstillgångar		**848 837 676**	**786 304 062**
Omsättningstillgångar			
Varulager m m			
Råvaror och förnödenheter		128 872 973	103 968 084
Varor under tillverkning		3 129 609	4 042 683
Färdiga varor och handelsvaror		747 779 439	871 369 251
		879 782 021	**979 380 018**
Kortfristiga fordringar			
Kundfordringar		111 921 864	174 829 698
Fordringar hos koncernföretag		812 877 800	638 388 830
Aktuella skattefordringar		64 316 295	0
Övriga fordringar		23 748 433	45 610 010
Förutbetalda kostnader och upplupna intäkter	20	42 151 061	33 235 455
		1 055 015 453	**892 063 993**
Kassa och bank		48 508 460	10 598 507
Summa omsättningstillgångar		**1 983 305 934**	**1 882 042 518**
SUMMA TILLGÅNGAR		**2 832 143 610**	**2 668 346 580**

20240311107630

Balansräkning

	Not	2023-12-31	2022-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	21, 22		
Bundet eget kapital			
Aktiekapital		60 000 000	60 000 000
Reservfond		12 000 000	12 000 000
		72 000 000	**72 000 000**
Fritt eget kapital			
Balanserad vinst eller förlust		493 908 211	491 712 179
Årets resultat		504 984 479	47 196 032
		998 892 690	**538 908 211**
Summa eget kapital		**1 070 892 690**	**610 908 211**
Obeskattade reserver	23	23 727 141	24 201 792
Avsättningar	24		
Övriga avsättningar för pensioner		104 348 050	92 211 059
Övriga avsättningar		110 795 546	54 489 623
Summa avsättningar		**215 143 596**	**146 700 682**
Långfristiga skulder	25		
Skulder till koncernföretag		25 422 000	25 422 000
Summa långfristiga skulder		**25 422 000**	**25 422 000**
Kortfristiga skulder			
Checkräkningskredit	26	140 601 104	353 436 523
Förskott från kunder		10 261 512	42 460 298
Leverantörsskulder		511 175 994	609 952 017
Skulder till koncernföretag		372 834 482	383 848 598
Fakturerad men ej upparbetad intäkt	27	40 765 367	34 072 542
Övriga skulder		1 345 610	42 568 636
Upplupna kostnader och förutbetalda intäkter	28	419 974 114	394 775 281
Summa kortfristiga skulder		**1 496 958 183**	**1 861 113 895**
SUMMA EGET KAPITAL OCH SKULDER		**2 832 143 610**	**2 668 346 580**

20240311107631

Rapport över förändringar i eget kapital

	Aktie-kapital	Bundna reserver	Balanserat resultat	Summa eget kapital
Ingående eget kapital 2022-01-01	**60 000 000**	**12 000 000**	**841 712 179**	**913 712 179**
Årets resultat			47 196 032	47 196 032
Utdelning			-350 000 000	-350 000 000
Utgående eget kapital 2022-12-31	**60 000 000**	**12 000 000**	**538 908 211**	**610 908 211**
Ingående eget kapital 2023-01-01	**60 000 000**	**12 000 000**	**538 908 211**	**610 908 211**
Årets resultat			504 984 479	504 984 479
Utdelning			-45 000 000	-45 000 000
Utgående eget kapital 2023-12-31	**60 000 000**	**12 000 000**	**998 892 690**	**1 070 892 690**

20240311107632

Kassaflödesanalys

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Den löpande verksamheten			
Resultat efter finansiella poster		632 821 076	62 113 187
Just. för poster som inte ingår i kassaflödet			
Avskrivningar		20 610 464	19 750 312
Förändringar i avsättningar		134 800 561	61 946 079
Realisationsresultat		-17 351 787	-6 697 826
Lämnat koncernbidrag		0	-10 000 000
Betald skatt		-237 986 558	-111 628 046
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**532 893 756**	**15 483 706**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av varulager och pågående arbete		99 597 997	-232 319 417
Förändring av kundfordringar		-111 581 136	-6 582 724
Förändring av kortfristiga fordringar		12 945 971	-29 170 397
Förändring av kortfristiga skulder		-258 314 786	210 243 252
Kassaflöde från den löpande verksamheten		**275 541 802**	**-42 345 580**
Investeringsverksamheten			
Investeringar i materiella anläggningstillgångar		-51 350 581	-68 069 402
Försäljning av materiella anläggningstillgångar		1 019 213	1 050 000
Investeringar i finansiella anläggningstillgångar		-13 716 496	-27 832 673
Försäljning av finansiella anläggningstillgångar		12 017 119	8 983 310
Kassaflöde från investeringsverksamheten		**-52 030 745**	**-85 868 765**
Finansieringsverksamheten			
Utdelning		-45 000 000	-350 000 000
Utnyttjad checkräkningskredit		-140 601 104	353 415 833
Kassaflöde från finansieringsverksamheten		**-185 601 104**	**3 415 833**
Årets kassaflöde		**37 909 953**	**-124 798 512**
Likvida medel vid årets början		**10 598 507**	**135 397 019**
Likvida medel vid årets slut		**48 508 460**	**10 598 507**

20240311107633

Noter

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med Årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Intäktsredovisning

Intäkter

Det inflöde av ekonomiska fördelar som företaget erhållit eller kommer att erhålla för egen räkning redovisas som intäkt. Intäkter värderas till verkligt värde av det som erhållits eller kommer att erhållas, med avdrag för rabatter.

I de fall köpevillkoren innebär att köparen erhåller en finansiering är intäktens verkliga värde nuvärdet av alla framtida betalningar.

Försäljning av varor

Vid försäljning av varor redovisas en intäkt när följande kriterier är uppfyllda:
- De ekonomiska fördelarna som är förknippade med transaktionen sannolikt kommer att tillfalla företaget,
- Inkomsten kan beräknas på ett tillförlitligt sätt,
- Företaget har överfört de väsentliga riskerna och fördelarna som är förknippade med varornas ägande till köparen,
- Företaget har inte längre ett sådant engagemang i den löpande förvaltningen som vanligtvis förknippas med ägande och utövar inte heller någon reell kontroll över de sålda varorna, samt
- De utgifter som har uppkommit eller förväntas uppkomma till följd av transaktionen kan beräknas på ett tillförlitligt sätt.

Intäktsredovisning från en varuförsäljning förutsätter att samtliga dessa villkor är uppfyllda. Sammantaget innebär det att varor redovisas vid leverans och när väsentliga risker och förmåner som är förknippade med varornas ägande har överförts till köparen.

Intäkter från försäljning av varor avser främst försäljning av mjölkningsutrustning, stallinredning och tillhörande reservdelar.

Ränta, royalty och utdelning

Ersättning i form av ränta, royalty eller utdelning redovisas som intäkt när det är sannolikt att företaget kommer att få de ekonomiska fördelar som är förknippade med transaktionen och när inkomsten kan beräknas på ett tillförlitligt sätt.

Ränta redovisas som intäkt enligt den så kallade effektivräntemetoden. Royalty periodiseras i enlighet med den aktuella överenskommelsens ekonomiska innebörd. Utdelning redovisas som intäkt när företagets rätt till betalning är säkerställd.

20240311107634

Tjänste- och entreprenaduppdrag - fast pris
Uppdragsinkomster och uppdragsutgifter för uppdrag till fast pris redovisas som intäkt när arbetet är väsentligen fullgjort enligt den så kallade färdigställandemetoden. Fram till vinstavräkningen redovisas nedlagda utgifter för uppdraget som en tillgång och fakturerade belopp som en skuld, det vill säga pågående ej faktuerade entreprenaduppdrag värderas till direkt nedlagda utgifter med tillägg för indirekta utgifter samt med avdrag för fakturerade dellikvider. Nettovärdet redovisas i posten "Fakturerad men ej upparbetad intäkt".

En befarad förlust redovisas som kostnad eftersom det är sannolikt att de totala uppdragsutgifterna kommer att överstiga den totala uppdragsinkomsten.

Intäkter från tjänsteuppdrag och entreprenadavtal till fast pris avser främst försäljning av installation av mjölkningsutrustning och stallinredning.

Anläggningstillgångar
Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Materiella anläggningstillgångar har delats upp på betydande komponenter när komponenterna har väsentligt olika nyttjandeperioder.

Avskrivningsbart belopp utgörs av anskaffningsvärdet minskat med ett beräknat restvärde om detta är väsentligt. Avskrivning sker linjärt över den förväntade nyttjandeperioden.

Följande avskrivningstider tillämpas:

Immateriella anläggningstillgångar

Balanserade utgifter för forsknings- och utvecklingsarbeten och liknande arbeten	5 år
Licenser	5 år

Materiella anläggningstillgångar

Byggnader	
-Tak	30 år
-Stomme	50 år
-Fasad	30 år
-Fönster	25 år
Markanläggningar	20-25 år
Maskiner och andra tekniska anläggningar	5-10 år
Inventarier, verktyg och installationer	3-10 år

Ovan avskrivningstider har tagits fram baserat på komponenternas beräknade ekonomiska livslängd.

Internt upparbetade immateriella anläggningstillgångar
Företaget tillämpar den s.k. "kostnadsföringsmodellen" avseende internt upparbetade immateriella anläggningstillgångar. Metoden innebär att samtliga interna utgifter för framtagande av en immateriell anläggningstillgång kostnadsförs direkt när de uppkommer.

Låneutgifter
De låneutgifter som uppkommer då företaget lånar kapital kostnadsförs i resultaträkningen i den period de uppstår.

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Finansiella instrument

Finansiella instrument värderas utifrån anskaffningsvärdet.

Säkringsredovisning
Bolaget tillämpar säkringsredovisning med avseende på säkring av valutarisk. Säkringsredovisningen redovisas i enlighet med kapitel 11, Finansiella instrument värderade utifrån anskaffningsvärde. Avtal har ingåtts med Tetra Laval Finance & Treasury S.A. för säkring av valutarisken, där den underliggande säkrade posten utgörs av monetära poster i utländsk valuta (kundfordringar respektive leverantörsskulder).

De underliggande säkrade posterna utgörs av kundfordringar och leverantörsskulder med andra koncernbolag som regleras genom Tetra Lavals nettingsystem (factoring system) till fastställda valutakurser. Vidare utgörs de säkrade posterna av transaktioner i EUR, USD, TRY, CNY och MXN med externa parter samt koncernbolag som inte inkluderas i Tetra Lavals nettingsystem, för vilka ett så kallat fixed rate agreement har ingåtts med koncernbolaget Tetra Laval Finance & Treasury S.A. Detta avtal löper över en period om 12 månader.

Orealiserade värdeförändringar på säkringsinstrumentet och den säkrade posten som är hänförliga till den säkrade risken redovisas inte givet att kraven för säkringsredovisning uppfylls. Den underliggande tillgången eller skulden som säkras värderas till säkrad kurs.

Andelar i intressebolag

Bolaget innehar andelar i det danska handelsbolaget, Lattec I/S, cvr-nr 25971787, med säte i Hillerød, Danmark. DeLaval International AB äger 50 % och DeLaval Export AB äger 50 %. Lattec är värdemässigt inte ett väsentligt innehav för DeLaval international AB.

Leasingavtal

Företaget som leasetagare
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

Varulager

Varulagret har värderats till det lägsta av dess anskaffningsvärde och dess nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärde avses varornas beräknade försäljningspris minskat med försäljningskostnader. Den valda värderingsmetoden innebär att inkurans i varulagret har beaktats.

Inkomstskatter

Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt

Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt

Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår

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mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

Fordringar, skulder och avsättningar

Om inget annat anges ovan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges i denna not.

Ersättningar till anställda

Ersättningar till anställda avser alla typer av ersättningar som företaget lämnar till de anställda. Företagets ersättningar innefattar bland annat löner, betald semester, betald frånvaro, bonus och ersättningar efter avslutad anställning (pensioner). Redovisning sker i takt med intjänandet. Ersättningar till anställda efter avslutad anställning avser avgiftsbestämda eller förmånsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser, vare sig legala eller informella, att betala något ytterligare, utöver dessa avgifter. Övriga planer klassificeras som förmånsbestämda pensionsplaner. Företaget har inga övriga långfristiga ersättningar till anställda.
Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen. Företaget har förmånsbestämda pensionsplaner som finansieras via Alecta, vilka redovisas som avgiftsbestämda planer då det inte finns tillräcklig information för att redovisa planen som förmånsbestämd. För ett begränsat antal tidigare anställda finns även en förmånsbestämd pensionsförpliktelse som är knuten till en pensionsstiftelse. Om stiftelsens förmögenhet, värderad till marknadsvärde, understiger förpliktelsen redovisar företaget en avsättning på motsvarande belopp. Vid utgången av föregående och innevarande räkenskapsår har pensionsförpliktelsen varit fullt finansierad. Bolaget har förmånsbestämda pensionsförpliktelser vilka uteslutande är beroende av värdet på de av bolaget ägda kapitalförsäkringar. Kapitalförsäkringarna redovisas som finansiell anläggningstillgång. I enlighet med förenklingsregeln i BFNAR 2012:1 redovisas pensions-förpliktelsen som en avsättning till samma värde som kapitalförsäkringens redovisade värde.

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Koncernredovisning

Företaget är ett moderföretag, men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2 § upprättas ingen koncernredovisning.
Närmast överordnade moderföretag som upprättar koncernredovisning i vilken företaget ingår är Tetra Laval International SA, UID: CHE-198.253.298 med säte i Pully, Schweiz.

Nyckeltalsdefinitioner

Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Rörelsemarginal (%)
Rörelseresultat i procent av omsättningen.

Avkastning på eget kap. (%)
Resultat efter finansiella poster i procent av justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt).

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Antal anställda
Medelantal anställda under räkenskapsåret.

Uppskattningar och bedömningar

Följande av styrelsens bedömningar har en betydande effekt på redovisade belopp i årsredovisningen:

Beräkningen av lagerinkurans baseras på av koncernens fastställda beräkningsprinciper. Bolagets beräkning görs på artikelnivå och följer en fastställd inkuranstrappa. Modellen bygger både på förväntad förbrukning som fastställd förbrukning. För artiklar som förväntas säljas inom 1 år görs inga reserveringar, inom 2 år reserveras med 50 %, 3–4 år med 75 % och 5 år eller senare görs full reservering. För artiklar för vilket ingen förbrukning påvisats under de senaste 2 åren görs en full reservering. Bolagets redovisade lagerinkurans överstiger återkommande den skattepliktiga accepterade avsättningsnivån, varav justering görs i bolagets beräkning av inkomstskatt.

Avsättningar för garantiåtaganden för DeLaval-gruppens produkter baseras på av koncernens fastställda beräkningsprinciper. Beräkningen bygger på statistisk data av de senaste 2 årens faktiska garantikostnader i förhållande till 2 års historisk försäljning. Beaktad försäljningsperiod påbörjas 1 år före garantikostnadsperioden. Förhållandet i procent multipliceras med bolagets aktuella försäljning för innevarande år. Beräkningen görs på av koncernen fastställda produktgrupper. Bolagets garantiavsättningar överstiger återkommande den skattemässiga accepterade avsättningsnivån, varav justering görs i bolagets beräkning av inkomstskatt.

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Not 2 Nettoomsättningens fördelning

	2023	2022
Nettoomsättningen per geografisk marknad		
EU inkl. Sverige	5 001 636 349	4 163 035 441
Övriga Europa	1 001 128 629	1 041 122 576
Nordamerika	1 352 676 337	1 165 697 013
Sydamerika	260 237 021	261 036 573
Afrika	82 909 681	74 158 708
Asien	662 404 917	971 335 234
Oceanien	93 953 406	107 826 083
	8 454 946 340	**7 784 211 628**

Not 3 Anställda och personalkostnader

	2023	2022
Medelantalet anställda		
Kvinnor	184	171
Män	533	504
	717	**675**
Löner och andra ersättningar		
Styrelse och verkställande direktör	7 338 235	7 213 458
Tantiem och liknande ersättning till styrelse och verkställande direktör	6 367 818	7 732 721
Övriga anställda	564 244 236	496 461 319
	577 950 289	**511 407 498**
Sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	4 319 361	9 784 778
Pensionskostnader för övriga anställda	91 353 107	104 488 202
Övriga sociala avgifter enligt lag och avtal	218 399 857	194 823 120
	314 072 325	**309 096 100**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**892 022 614**	**820 503 598**
Pensionsförpliktelser		
Nuvarande styrelse och verkställande direktör	4 319 361	9 784 778
Tidigare styrelse och verkställande direktör	0	0
	4 319 361	**9 784 778**
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	33 %	33 %
Andel män i styrelsen	67 %	67 %
Andel kvinnor bland övriga ledande befattningshavare	13 %	0 %
Andel män bland övriga ledande befattningshavare	87 %	100 %

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Not 4 Leasingavtal - leasetagare

Operationell leasing

Framtida leasingavgifter, för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:

	2023-12-31	2022-12-31
Inom ett år	16 816 244	15 747 353
Senare än ett år men inom fem år	26 502 019	22 640 563
Senare än fem år	964 581	782 772
	44 282 844	**39 170 688**
Under perioden kostnadsförda leasingavgifter	18 285 434	19 195 696

I redovisningen utgör den operationella leasingen i allt väsentligt av leasingbilar. Bilar leasas på tre år.
Förutom hyra av lokaler avser avtalen hyra/leasing av truckar, IT-utrustning (koperingsmaskiner, printers, datorer m.m) samt arrende mark.

Not 5 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2023	2022
Ernst & Young		
Revisionsuppdrag	3 425 134	1 799 996
Revisionsverksamhet utöver revisionsuppdraget	0	264 697
Skatterådgivning	0	54 900
Övriga tjänster	744 188	0
	4 169 322	**2 119 593**

Not 6 Inköp och försäljningar mellan koncernföretag

	2023	2022
Andel av årets totala inköp som skett från andra företag i koncernen	40,50 %	39,60 %
Andel av årets totala försäljningar som skett till andra företag i koncernen	86,10 %	87,30 %

Not 7 Övriga ränteintäkter och liknande resultatposter

	2023	2022
Ränteintäkter från koncernföretag	4 685 077	439 442
Övriga ränteintäkter	1 533 424	254 216
Kursdifferenser	20 409 590	22 802 667
	26 628 091	**23 496 325**

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Not 8 Räntekostnader och liknande resultatposter

	2023	2022
Räntekostnader till koncernföretag	-35 922 281	-10 750 270
Övriga räntekostnader	-21 867	-246 982
Kursdifferenser	-184 263 018	-101 886 620
Övriga finansiella kostnader	-15 505 501	-15 057 079
	-235 712 667	**-127 940 951**

Not 9 Bokslutsdispositioner

	2023	2022
Lämnat koncernbidrag	0	-10 000 000
Förändring av överavskrivningar	474 651	1 793 935
	474 651	**-8 206 065**

Not 10 Aktuell och uppskjuten skatt

	2023	2022
Skatt på årets resultat		
Aktuell skatt	133 626 296	18 112 807
Justering avseende tidigare år	44 507	-774 159
Förändring av uppskjuten skatt avseende temporära skillnader	-5 359 555	-10 627 558
Totalt redovisad skatt	**128 311 248**	**6 711 090**

Avstämning av effektiv skatt

		2023		2022
	%	Belopp	%	Belopp
Redovisat resultat före skatt		633 295 729		53 907 122
Skatt enligt gällande skattesats	20,60	-130 458 920	20,60	-11 104 867
Ej avdragsgilla kostnader	20,60	-1 552 699	20,60	-4 305 788
Ej skattepliktiga intäkter	20,60	320 271	20,60	124 360
Just. avseende skatter för föregående år	20,60	-44 507	20,60	774 159
Investeringsbidrag				976 019
Orealiserad värdeförändring på kapitalförsäkring som inte bokas över resultatet	20,60	4 056 504	20,60	-984 959
Skatteeffekt andelar i koncernbolag	20,60	-544 120	20,60	-488 759
Skattemässiga avskrivning byggnader	20,60	-189 549	20,60	89 336
Internvinst i lager	20,60		20,60	7 582 772
Övriga skattem. justeringar	20,60	101 772	20,60	626 637
Redovisad effektiv skatt	**20,26**	**-128 311 248**	**12,45**	**-6 711 090**

Upplysningar om uppskjuten skattefordran och skatteskuld

Bolaget redovisar väsentliga uppskjutna skattefordringar hänförliga till bolagets garantiavsättningar, lager samt pensionskostnader. De uppskjutna skattefordringarna på pensionskostnader avser betalda kapitalförsäkringar, vilka är avdragsgilla först vid uttag. Det sammanlagda beloppet redovisas i balansräkningen under posten Uppskjuten skattefordran. Övriga uppskjutna skatter har beräknats till 20,6 %.

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Not 11 Patent, licenser, varumärken samt liknande rättigheter

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	124 367 496	124 367 496
Försäljningar/utrangeringar	-5 779 520	
Utgående ackumulerade anskaffningsvärden	**118 587 976**	**124 367 496**
Ingående avskrivningar	-123 434 786	-122 144 107
Försäljningar/utrangeringar	5 779 520	
Årets avskrivningar	-45 502	-1 290 679
Utgående ackumulerade avskrivningar	**-117 700 768**	**-123 434 786**
Ingående nedskrivningar	-800 000	-800 000
Utgående ackumulerade nedskrivningar	**-800 000**	**-800 000**
Utgående redovisat värde	**87 208**	**132 710**

Not 12 Byggnader och mark

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	583 797 619	550 984 331
Årets anskaffningar	8 889 259	31 326 262
Omklassificeringar	9 492 862	1 487 026
Utgående ackumulerade anskaffningsvärden	**602 179 740**	**583 797 619**
Ingående avskrivningar	-108 687 040	-104 310 513
Årets avskrivningar	-5 296 666	-4 376 527
Utgående ackumulerade avskrivningar	**-113 983 706**	**-108 687 040**
Utgående redovisat värde	**488 196 034**	**475 110 579**
Uppgifter om förvaltningsfastigheter		
Redovisat värde	29 825 943	31 470 261
Verkligt värde	57 810 610	49 317 545

Upptagna förvaltningsfastigheternas beskaffenheter skiljer sig delvis väsentligt från varandra. Bedömningen av det verkliga värdet har inte baserats på värdering utförd av en oberoende värderingsman utan baserat utifrån den enskilda fastighetens aktuella taxeringsvärden för respektive räkenskapsår. Taxeringsvärden skall i princip motsvara 75% av fastighetens marknadsvärde två år tidigare. Bolaget har, baserat på egen och lokal fastighetskännedom samt lokal statistik i form av nyckeltalet faktiska försäljningspriser delat på taxeringsvärde från Mäklarsamfundet, fastställt det verkliga värdet för bolagets förvaltningsfastigheter.

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Not 13 Maskiner och andra tekniska anläggningar

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	39 792 295	39 228 515
Årets anskaffningar	3 722 966	1 458 367
Försäljningar/utrangeringar	-1 901 000	-894 587
Omklassificeringar	2 848 362	
Utgående ackumulerade anskaffningsvärden	**44 462 623**	**39 792 295**
Ingående avskrivningar	-28 093 461	-26 476 237
Försäljningar/utrangeringar	1 108 917	394 309
Årets avskrivningar	-2 056 553	-2 011 533
Utgående ackumulerade avskrivningar	**-29 041 097**	**-28 093 461**
Utgående redovisat värde	**15 421 526**	**11 698 834**

Not 14 Inventarier, verktyg och installationer

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	216 758 403	209 634 209
Årets anskaffning	12 965 744	8 244 614
Försäljningar/utrangeringar	-7 326 075	-5 985 724
Omklassificeringar	4 932 925	4 865 304
Utgående ackumulerade anskaffningsvärden	**227 330 997**	**216 758 403**
Ingående avskrivningar	-172 186 746	-165 896 672
Försäljningar/utrangeringar	7 176 581	5 781 498
Årets avskrivningar	-13 211 745	-12 071 572
Utgående ackumulerade avskrivningar	**-178 221 910**	**-172 186 746**
Utgående redovisat värde	**49 109 087**	**44 571 657**

Not 15 Pågående nyanläggningar och förskott avseende materiella anläggningar

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	37 339 108	10 298 949
Inköp	43 046 762	33 392 489
Omklassificeringar	-17 274 150	-6 352 330
Utgående ackumulerade anskaffningsvärden	**63 111 720**	**37 339 108**
Utgående redovisat värde	**63 111 720**	**37 339 108**

På Hamra Gård byggs det stallar som beräknas vara färdiga 2025, uppgick per 31 dec 2023 till 50,7 miljoner.

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Not 16 Andelar i koncernföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	18 711 235	18 711 235
Utgående ackumulerade anskaffningsvärden	**18 711 235**	**18 711 235**
Utgående redovisat värde	**18 711 235**	**18 711 235**

Not 17 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel**	Bokfört värde
Lattec I/S	100 %	100 %	18 711 235
			18 711 235

	Org.nr	Säte	Eget kapital*	Resultat
Lattec I/S	Cvr 25971787	Hilleröd, Danmark	44 817 255	2 641 361

* Eget kapital samt Årets resultat har angetts i sin helhet oavsett ägarandel.
Med Årets resultat avses resultat efter finansiella poster.

** DeLaval Export AB äger 50 % och DeLaval International AB äger 50 %.

Not 18 Uppskjuten skattefordran

	2023-12-31	2022-12-31
Ingående saldo	93 079 743	82 452 186
Årets förändring av temporära skillnader	5 359 555	10 627 557
	98 439 298	**93 079 743**

Not 19 Andra långfristiga fordringar

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	13 449 137	4 632 254
Tillkommande fordringar	546 876	8 816 883
Avgående fordringar	-2 582 495	0
Utgående ackumulerade anskaffningsvärden	**11 413 518**	**13 449 137**
Utgående redovisat värde	**11 413 518**	**13 449 137**
Specifikation av innehav:		
Andelar i Arla Foods, Lantmännen ek för, Mellanskog, Växa Sverige	5 777 734	5 230 857
Finansiell kundleasing	5 635 784	8 218 280

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Not 20 Förutbetalda kostnader och upplupna intäkter

	2023-12-31	2022-12-31
Förutbetalda IT kostnader	28 543 477	14 055 042
Förutbetalda hyror	2 314 401	1 681 410
Upplupna fraktintäkter	0	4 093 783
Övriga förutbetalda kostnader	11 293 183	13 405 220
	42 151 061	**33 235 455**

Not 21 Disposition av vinst eller förlust

	2023-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel:	
balanserad vinst	493 908 211
årets vinst	504 984 479
	998 892 690
disponeras så att	
till aktieägare utdelas (500 kr per aktie)	300 000 000
i ny räkning överföres	698 892 690
	998 892 690

Not 22 Antal aktier och kvotvärde

Namn	Antal aktier	Kvot-värde
Antal Aktier	600 000	100
	600 000	

Not 23 Obeskattade reserver

	2023-12-31	2022-12-31
Ackumulerade överavskrivningar	23 727 141	24 201 792
	23 727 141	**24 201 792**

Not 24 Avsättningar

	2023-12-31	2022-12-31
Övriga avsättningar		
Belopp vid årets ingång	146 700 682	128 427 660
Årets avsättningar	143 486 086	68 873 911
Under året ianspråktagna belopp	-74 759 638	-49 716 319
Under året återförda belopp	-283 534	-884 570
	215 143 596	**146 700 682**
Specifikation övriga avsättningar		
Garantiåtaganden	110 795 546	53 797 445
Tvister	0	692 178
Pensioner	104 348 050	92 211 059
	215 143 596	**146 700 682**

20240311107645

Bolaget redovisar per 2023-12-31, avsättningar för potentiella framtida garantiåtaganden på sina levererade produkter. Avsättningarna är beräknade i enlighet med bolagets fastställda beräkningsmodell.

Not 25 Långfristiga skulder till koncernbolag

	2023-12-31	2022-12-31
Förfaller senare än fem år efter balansdagen	25 422 000	25 422 000
	25 422 000	**25 422 000**

Not 26 Checkräkningskredit

	2023-12-31	2022-12-31
Beviljat belopp hos koncernbolag uppgår till	530 618 995	531 566 062
Beviljat belopp hos externt kreditinstitut uppgår till	50 000 000	120 000 000
Utnyttjad kredit hos koncernbolag	140 601 104	353 415 833
Utnyttjad kredit hos externt kreditinstitut	0	20 690
	140 601 104	**353 436 523**

Not 27 Fakturerad men ej upparbetad intäkt

Uppdrag enligt färdigställandemetoden

	2023-12-31	2022-12-31
Nedlagda utgifter	29 544 566	23 363 393
Fakturerat belopp	-70 309 933	-57 435 935
	-40 765 367	**-34 072 542**

Not 28 Upplupna kostnader och förutbetalda intäkter

	2023-12-31	2022-12-31
Upplupna löner	76 740 338	52 989 920
Upplupna semesterlöner	92 035 045	86 451 328
Upplupna sociala avgifter	61 306 740	58 613 577
Upplupen Särskild löneskatt på pensioner	104 829 912	126 337 938
Övriga upplupna kostnader	85 062 079	70 382 518
	419 974 114	**394 775 281**

Not 29 Eventualförpliktelser

	2023-12-31	2022-12-31
Borgensförbindelser externa kreditbolag*	1 340 906	2 068 077
Borgensförbindelser SHB och externa kreditbolag**	54 641 637	49 122 666
	55 982 543	**51 190 743**

*Bolaget ställer ut borgen till externa kreditbolag, vilka i sin tur finansierar DeLaval gruppens kunder i ett flertal regioner i världen. Den genomsnittliga borgensförbindelsen uppgår till 12,5% av det totala borgensåtagandet.

20240311076545

**Bolaget har borgensförbindelser gentemot Svenska Handelsbanken för utställda garantier samt gentemot ett externt leasingbolag för den operationella leasingen av bolagets servicebilar i Sverige.

Not 30 Upplysningar om finansiella instrument

Bolaget tillämpar säkringsredovisning med avseende på säkring av valutarisk. Avtal har ingåtts med Tetra Laval Finance & Treasury S.A. för säkring av valutarisken (säkringsinstrumentet), där den underliggande säkrade posten utgörs av monetära poster i utländsk valuta (kundfordringar respektive leverantörsskulder). Nedan presenteras omfattningen och verkliga värdena på de derivat som innehas per respektive balansdag. De verkliga värdena har fastställts genom estimering av de framtida kassaflödena.

	(MLOC) **Nominellt belopp**	(MSEK) **Redovisat värde**	(MSEK) **Verkligt värde**
2023-12-31			
Finansiella tillgångar (derivat) som ingår i en säkringsrelation			
EUR	58,8	0,0	11,1
TRY	17,8	0,0	0,0
NOK	32,4	0,0	-2,7
CZK	34,5	0,0	0,7
HUF	-251,6	0,0	-1,2
Övriga valutor	38,2	0,0	7,1
Finansiella skulder (derivat) som ingår i en säkringsrelation			
EUR	-32,2	0,0	-1,5
USD	-9,7	0,0	3,1
PLN	-33,5	0,0	-11,6
CNY	-14,20	0,0	0,0
DKK	-8,4	0,0	0,0
Övriga valutor	-8,2	0,0	-0,3
2022-12-31			
Finansiella tillgångar (derivat) som ingår i en säkringsrelation			
EUR	63,7	0,0	42,4
TRY	10,9	0,0	0,0
PLN	9,9	0,0	1,7
CNY	-42,8	0,0	0,0
NOK	22,5	0,0	1,4
Övriga valutor	10,0	0,0	3,6
Finansiella skulder (derivat) som ingår i en säkringsrelation			
EUR	-36,6	0,0	-5,7
USD	-16,4	0,0	-12,8
PLN	-48,6	0,0	-7,8
CNY	-51,0	0,0	0,0
DKK	-7,8	0,0	0,0
Övriga valutor	-8,3	0,0	-0,7

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Not 31 Ställda säkerheter

Bolaget har inga ställda säkerheter under räkensapsåren 2023 och 2022.

Not 32 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser efter balansdagen har inträffat fram till årsredovisningens påteckning, vilket skulle kunna påverka bedömningen av bolagets resultat och ställning per 2023-12-31 eller utveckling under 2024.

Not 33 Hållbarhetsrapport

I enlighet med ÅRL 6 kap 11§ har moderbolaget DeLaval Holding AB 556258-6981 med säte i Stockholms län, Botkyrka, valt att upprätta den lagstadgade hållbarhetsrapporten som en från årsredovisningen avskild rapport som även omfattar samtliga dotterbolag. Hållbarhetsrapporten har överlämnats till revisorn samtidigt som årsredovisningen. Hållbarhetsrapporten finns tillgänglig på http://www.delavalcorporate.com/sustainability/our-take/.

Tumba den 6 mars 2024

Paul Löfgren
Verkställande direktör

Valerie Binner

Christian Poggensee

Vår revisionsberättelse har lämnats den 6 mars 2024

Ernst & Young AB

Jakob Wojcik
Auktoriserad revisor

Building a better working world

20240311076418

Revisionsberättelse

Till bolagsstämman i DeLaval International AB, org.nr 556012-3928

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för DeLaval International AB för räkenskapsåret 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av DeLaval International ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till DeLaval International AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

A member firm of Ernst & Young Global Limited

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Building a better working world

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av DeLaval International AB för räkenskapsåret 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till DeLaval International AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- *på något annat sätt handlat i strid med aktiebolagslagen*, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Stockholm den 6 mars 2024

Ernst & Young AB

Jakob Wojcik
Auktoriserad revisor

A member firm of Ernst & Young Global Limited

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Tetra Laval International S.A.

Annual Financial Report 2023

The annual report 2023 was authorised for issue and approved by shareholders on June 14, 2024.

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Contents

Directors' Report 1

Tetra Laval International S.A. Consolidated Financial Statements

Consolidated statement of comprehensive income 3

Consolidated balance sheet 4

Consolidated statement of cash flows 5

Consolidated statement of changes in shareholders' equity 6

Notes to the Consolidated Financial Statements 7

Independent Auditors' Report

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DIRECTORS' REPORT

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TETRA LAVAL INTERNATIONAL S.A.
Directors' report

The Tetra Laval International Group (the Group) delivered growth and significant improvements in both operating profit and cash flow in 2023, despite the difficult business environment characterized by persistent inflation in many geographies, lower consumption, and geopolitical instability. Performance was positively impacted by price increases and lower raw material costs.

As reported in the directors' report related to the 2022 financial statements, on 28th February 2023, the Group distributed to its shareholder, as a dividend in kind, its entire investment in Alfa Laval AB consisting of 122,037,736 shares.

CONSOLIDATED GROUP FINANCIAL PERFORMANCE

Revenue increased by 4.5% to €13,729 million, compared to €13,138 million in 2022, despite the -1.5% impact relating to the divestment of Tetra Pak Russia. Growth was reported by each Industry Group. At comparable rates and scope, revenue grew by 6.7%.

Operating profit increased by €935 million from €590 million in 2022 to €1,525 million, positively impacted by the higher gross profit, driven by price increases and lower raw material costs, partly offset by salary inflation and higher conversion costs. Operating profit represented 11.1% of revenue in 2023, compared to the 2022 level of 4.5%.

The Group's investment in Alfa Laval contributed a revaluation gain of €528 million prior to its distribution on 28 February 2023 (2022: loss of €1,051 million). No dividend was received from Alfa Laval in 2023 (2022: €70 million). Corporate income taxes increased from €170 million in 2022 to €257 million in 2023. The overall net profit for the year was €1,642 million (compared to a loss of €668 million in 2022).

Cash flow from operating activities increased by €784 million, from €814 million in 2022 to €1,598 million in 2023, reflecting higher operating profit and cash generated from working capital. Net cash flows from operating and investing activities increased by €645 million to €1,197 million.

TETRA PAK

Revenue increased in packaging material and services and decreased for equipment in the Packaging Solutions business. Revenue also increased in equipment and services in the Processing Solutions business. Overall revenue was €10,760 million (2022: €10,337 million), an increase of 4.1% mainly due to price increases. At comparable rates and scope, revenue increased by 7.0%.

Operating profit of €1,471million was above last year (2022: €575 million), reflecting higher gross profit, lower raw material costs and higher conversion costs.

Cash flow from operating and investing activities of €1,183 million was also above the level of 2022 (€446 million), reflecting higher profitability and cash generated from working capital.

DELAVAL

Revenue increased by 2.8% from €1,358 million in 2022 to €1,396 million in 2023. At comparable rates and scope, revenue increased by 8.6%, with growth in Capital Equipment and Aftermarket businesses.

Operating profit was €155 million (2022: €59 million), reflecting higher gross margins.

The cash flow from operating and investing activities of €153 million, was also below the level of 2022 (€33 million), mainly due to the increase in operating profit.

SIDEL

Revenue increased by 9.3%, from €1,443 million in 2022 to €1,577 million in 2023, due to strong Equipment and Services sales. At comparable rates and scope, revenue increased by 8.1%.

Operating profit was €4 million (2022: loss of €20 million), driven mainly by higher Services sales.

Cash flow from operating and investing activities was negative €128 million compared to negative €24 million in 2022, mainly due to an increase in working capital and the acquisition of business.

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TETRA LAVAL INTERNATIONAL S.A.
Directors' report

FINANCIAL POSITION

Shareholders' equity decreased by €2,186 million, from €5,085 million in 2022 to €2,899 million in 2023. This reflects the net profit for the year of €1,655 million (2022: loss of €681 million), and the dividends in kind distribution of Alfa Laval shares for €3,821 million (2022: €600 million in dividends paid).

Total borrowings amounted to €1,609 million (2022: €2,216 million), including lease liabilities of €151 million (2022: €148 million). Borrowings under the Group's long-term "T7 / T8" credit facility amounted to €334 million (2022: €397 million), other bank borrowings amounted to €618 million (2022: €844 million) and other borrowing with related parties amounted to €472 million (2022: €827 million).

Cash & short-term deposits of €982 million (2022: €705 million) and deposits of €236 million (2022: €199 million) together increased by €314 million compared to 2022. Overall, net borrowings decreased to €391 million at December 31, 2023 compared to €1,312 million in 2022.

OUTLOOK

The Group remains well placed with its resilient businesses and strong financial position. It has taken effective actions, including price increases, to mitigate impacts of inflation, the continuing challenges presented by the uneven global recovery and supply chain issues. The Group will continue to face challenging macro-economic conditions, as well as the impacts of inflation on consumption and costs, potential delays in customer investments, and the trend towards regionalisation. This requires sustained focus on profitable growth, pricing and productivity in 2024 for the Group and its customers.

Tetra Pak expects revenue for the year 2024 to be at a similar level as 2023. Sidel projects increased sales based on its strong order backlog. DeLaval expects its revenues to fall in 2024 closer to 2022 levels, after the record sales achieved in 2023.

RISK ASSESSMENT

Tetra Laval International SA and its subsidiaries perform a group-wide internal risk assessment process. It is a bottom-up identification process which is then reviewed by the senior management of each industry groups and Tetra Laval International with a top-down allocation of priorities and the follow up on significant risks through the yearly Control Self-Assessment (CSA) process. The Groupwide internal risk assessment process is a yearly review of the potential risks associated to the respective operations. The procedures and actions to identify the risks and where appropriate remediate are performed by specific corporate functions (Treasury, Legal, Internal audit, Group Financial Control, Risk Officer, Corporate Governance Officer, etc) as well as the divisions of the group. These functions and divisions have the responsibility to support and monitor the Group-wide policies, procedures, guidelines and processes to ensure their effective operation. The risk assessment also covers the specific risk related to Tetra Laval International S.A.

Pully, April 15, 2024

BOARD OF DIRECTORS

DocuSigned by:
Lars Renstrom
4F2F59D3A0F54F4...

Lars Renström (President)

DocuSigned by:
Martyn Zedgitt
8A7D2854E825475...

Martyn Zedgitt

DocuSigned by:
Maurizio Proietti
1DF50A4CDDE7406...

Maurizio Proietti

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TETRA LAVAL INTERNATIONAL S.A.

CONSOLIDATED FINANCIAL STATEMENTS
TETRA LAVAL INTERNATIONAL S.A.

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TETRA LAVAL INTERNATIONAL S.A.
Consolidated statement of comprehensive income

For the year ended December 31, 2023 in millions of Euro	*Notes*	2023	2022
Revenue	*2, 3*	**13,729**	**13,138**
Cost of sales		-9,551	-9,706
Gross profit		**4,178**	**3,432**
Marketing & distribution		-918	-882
Administrative expenses		-887	-973
Research & development		-538	-531
Foreign exchange and hedge result on operating items		-186	-272
Restructuring, impairment and other non recurring items	*21*	-124	-184
Operating profit	*20*	**1,525**	**590**
Revaluation of investment in Alfa Laval	*8*	528	-1,051
Dividend income from Alfa Laval	*8*	-	70
Interest income		129	17
Interest expense		-206	-166
Other financial income (expense), net	*22*	-77	42
Profit / (Loss) before tax		**1,899**	**-498**
Income tax expense	*18*	-257	-170
Profit / (Loss) for the year		**1,642**	**-668**
Item to be reclassified to profit or loss in subsequent periods			
Translation adjustment arising in the period		-6	-16
Items not to be reclassified to profit or loss in subsequent periods			
Actuarial gains and losses on defined benefit plans	*19*	-17	17
Income tax effects	*18*	2	-2
Other comprehensive income for the year net of taxes		**-21**	**-1**
Total comprehensive income for the year		**1,621**	**-669**
Profit / (Loss) attributable to			
Equity holders of the Group		1,655	-681
Non-controlling interests		-13	13
Total comprehensive income attributable to			
Equity holders of the Group		1,635	-683
Non-controlling interests		-14	14

See accompanying notes to the Consolidated Financial Statements

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TETRA LAVAL INTERNATIONAL S.A.
Consolidated balance sheet

As at December 31, 2023 in millions of Euro	*Notes*	2023	2022
ASSETS			
Property, plant & equipment	*4*	1,733	1,678
Right-of-use assets	*5*	142	138
Goodwill and other intangible assets	*7*	477	446
Other investments	*8*	11	3,304
Long-term receivables	*9*	299	365
Derivative financial instruments	*24*	79	103
Deferred tax assets	*18*	391	317
Total non-current assets		**3,132**	**6,351**
Inventories	*10*	1,858	1,812
Trade receivables	*11*	2,006	1,928
Contract assets	*3*	266	236
Income taxes receivable	*18*	256	271
Derivative financial instruments	*24*	89	144
Other receivables and prepayments	*12*	990	972
Cash and short term deposits	*13*	982	705
Total current assets		**6,447**	**6,068**
TOTAL ASSETS		**9,579**	**12,419**
EQUITY AND LIABILITIES			
Share Capital and Retained Earnings		**3,191**	5,372
Cumulative translation adjustment		**-292**	-287
Equity attributable to equity holders of the Group		**2,899**	**5,085**
Non-controlling interests		3	17
TOTAL EQUITY		**2,902**	**5,102**
Long-term debt	*14*	638	722
Deferred tax liabilities	*18*	94	118
Provisions	*15*	17	17
Deferred income and other non-current liabilities	*16*	132	117
Derivative financial instruments	*24*	17	29
Total non-current liabilities		**898**	**1,003**
Current portion of long-term debt	*14*	56	58
Bank loans and overdrafts	*14*	409	609
Loans and overdrafts from related parties	*14, 26*	506	827
Trade payables		1,697	1,640
Contract liabilities	*3*	1,028	1,098
Provisions	*15*	275	253
Income taxes payable	*18*	293	218
Derivative financial instruments	*24*	84	174
Other payables and accrued liabilities	*17*	1,431	1,437
Total current liabilities		**5,779**	**6,314**
TOTAL LIABILITIES		**6,677**	**7,317**
TOTAL EQUITY AND LIABILITIES		**9,579**	**12,419**

See accompanying notes to the Consolidated Financial Statements

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TETRA LAVAL INTERNATIONAL S.A.
Consolidated statement of cash flows

For the year ended December 31, 2023

in millions of Euro	Notes	2023	2022
Profit / (Loss) before tax		**1,899**	**-498**
Adjustments of non-cash items:			
Depreciation and impairment of property, plant and equipment	*4*	321	362
Amortisation and impairment of intangibles	*7*	25	22
Depreciation and impairment of right-of-use assets	*5*	63	68
Adjustment to fair value of and dividends from other investments		-540	981
Other non-cash items and reclassification to financing activities	*27*	187	162
Net changes in working capital	*27*	-142	-137
Change in equipment leased to customers		-31	15
Change in finance lease receivables		7	48
Change in long-term receivables and other long-term liabilities		41	15
Income taxes paid	*18*	-232	-224
Net cash flows from / (used in) operating activities		**1,598**	**814**
Purchase of property, plant and equipment	*4*	-398	-366
Proceeds from sales of property, plant and equipment		49	39
Purchase of intangible assets	*7*	-8	-3
Dividends from other investments	*8*	-	70
Acquisition of businesses	*28*	-56	-5
Disposal of business	*28*	12	-
Proceeds from disposal of other investments		-	3
Net cash flows from / (used in) investing activities		**-401**	**-262**
Net cash flows from operating and investing activities	*2*	**1,197**	**552**
Interest received		127	14
Interest paid		-218	-133
Other financial income and expense received (paid)		-10	-30
Payment of lease liabilities	*14*	-61	-65
Increase (decrease) of borrowings	*14*	-261	89
Increase (decrease) of borrowings from related parties	*14*	-366	302
Net (increase) decrease in deposits		-42	-78
Foreign exchange results on financial assets and liabilities		-105	-23
Realised result on hedging of balance sheet exposures received (paid)	*24*	8	-36
Dividends paid to non-controlling interests		-	-10
Dividends paid to equity holders		-	-600
Net cash flows from / (used in) financing activities		**-928**	**-570**
Net increase / (decrease) in cash and cash equivalents		269	-18
Effect of foreign exchange rate changes on cash and cash equivalents		-12	-39
Cash and cash equivalents, beginning of the year		646	703
Cash and cash equivalents, end of the year	*13*	**903**	**646**

See accompanying notes to the Consolidated Financial Statements

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TETRA LAVAL INTERNATIONAL S.A.
Consolidated statement of changes in equity

in millions of Euro	Attributable to equity holders of the Group				
	Share Capital (1) and Retained Earnings	Cumulative translation adjustment	**Total**	**Non controlling Interests**	**TOTAL EQUITY**
Balance at January 1, 2023	**5,372**	**-287**	**5,085**	**17**	**5,102**
Profit for the year	1,655	-	1,655	-13	1,642
Other comprehensive income	-15	-5	-20	-1	-21
Total comprehensive income for the year	**1,640**	**-5**	**1,635**	**-14**	**1,621**
Dividends in kind (Note 8)	-3,821	-	-3,821	-	-3,821
Balance at December 31, 2023	**3,191**	**-292**	**2,899**	**3**	**2,902**

(1) The Group's share capital of €101,270, consists of Tetra Laval International S.A.'s 100,270 authorised, issued and paid shares, with a par value of EUR 1 each. The Tetra Laval International S.A. shareholder's equity was modified and then translated into Euro on November 16th, 2023, according to the Art. 957 to 963b of the Swiss Code of Obligations.

During the first half of 2023, Tetra Laval International S.A. distributed to its shareholder, as a dividend in kind, its entire investment in Alfa Laval AB.

in millions of Euro	Attributable to equity holders of the Group				
	Share Capital (1) and Retained Earnings	Cumulative translation adjustment	**Total**	**Non controlling Interests**	**TOTAL EQUITY**
Balance at January 1, 2022	**6,638**	**-270**	**6,368**	**13**	**6,381**
Profit for the year	-681	-	-681	13	-668
Other comprehensive income	15	-17	-2	1	-1
Total comprehensive income for the year	**-666**	**-17**	**-683**	**14**	**-669**
Dividends	-600	-	-600	-10	-610
Balance at December 31, 2022	**5,372**	**-287**	**5,085**	**17**	**5,102**

(1) The Group's share capital of €89 thousand, consisted of Tetra Laval International S.A.'s 100 authorised, issued and paid shares, with a par value of CHF 1,000 each.

See accompanying notes to the Consolidated Financial Statements

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

1. SIGNIFICANT ACCOUNTING POLICIES

General

Tetra Laval International S.A. (hereafter referred to as the "Company") is a private company with limited liability, located in Switzerland and registered on July 19, 2019 under the laws of Switzerland. The statutory seat is in Pully and established at avenue General Guisan 70, 1009 Pully, Switzerland. The company is active as a holding company and is responsible for the management and control of its investment activities.

Nature of operations

The Group (as defined below) consists of operating activities organised in three autonomous industry groups: Tetra Pak, DeLaval and Sidel. Tetra Pak develops, produces and markets complete processing, packaging and service solutions for food products. DeLaval is a full-service supplier to dairy farmers. The company develops, manufactures and markets equipment, systems and services for milk production and animal husbandry. Sidel provides solutions for liquid food packaging and covers three major categories of packaging: glass bottles, plastic and cans.

Scope of consolidation

The consolidated financial statements include those of Tetra Laval International S.A., Switzerland and its subsidiaries (the "Group"). A list of subsidiaries is included in Note 29.

Basis of presentation

The consolidated financial statements are presented in Euro, due to the fact that more of the Group's business is transacted in Euro than in any other currency. The consolidated financial statements have been prepared under the historical cost convention, unless otherwise specified. Items shown as current assets and liabilities are those receivable or due within the Group's operating cycle which is estimated to be one year from the balance sheet date.

Unless otherwise specified, the amounts in the notes to the consolidated financial statements are expressed in millions of Euro.

Statement of compliance

The Group's consolidated financial statements for the periods ended December 31, 2023 and 2022 have been prepared and presented in accordance with the International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board (IASB).

Consolidation principles

Subsidiaries that are controlled by the Group are consolidated. The Group controls a company when it is exposed to, or has rights to, variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. Generally, there is a presumption that a majority of voting rights results in control. The interests of third parties in the net profit for the year and in the net assets of subsidiaries are shown as non-controlling interests. Divested companies are consolidated up to the date of disposal, i.e. the date that control ceases.

Associates are those companies over which the Group has the ability to exercise significant influence over financial and operating policies, but which it does not control. Investments in associates are accounted for using the equity method.

All intercompany balances, transactions and unrealised profits are eliminated.

Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of this report have been updated from January 1, 2023 onwards with all the new IFRSs, interpretations and revised IASs effective on this date.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Business combination

The results of acquired subsidiaries are included in the consolidated financial statements from the date on which effective control is transferred to the Group, i.e. the acquisition date. Assets and liabilities of acquired subsidiaries are recorded at their fair values as of the acquisition date and non-controlling interests are stated at the non-controlling interests' portion of the fair value of the net identifiable assets.

Cost of acquisition is measured at the fair value of cash and consideration (including deferred consideration) at date of exchange. The transaction costs of the acquisition are not included in cost of acquisition but are expensed and reported as a non-recurring item.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. Goodwill is measured in the entity's functional currency.

Property, plant & equipment

Property, plant & equipment, including investment property and land, are carried at cost less accumulated depreciation and accumulated impairment. Land has an unlimited useful life and therefore is not depreciated. Depreciation is determined using the straight-line method (except for filling equipment leased to customers, for which an accelerated depreciation method is used) over their estimated useful lives, as follows:

Buildings and ground installations	20 - 25 years
Plant and machinery	3 - 10 years
Fixtures and fittings	3 - 10 years
Equipment leased to customers	8 - 12 years

An item of property, plant & equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is calculated in the statement of comprehensive income in the year it is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases - Lessee

The Group applies a single recognition and measurement approach for all leases requiring lessees to recognise right-of-use assets and lease liabilities for all leases except for leases of "low-value" assets and short-term leases (i.e. leases with a lease term of 12 months or less). The Group has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low value. Lease payments on leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term or the cost reflects the exercise of a purchase option, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful lives (see above under Property, plant & equipment) and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset.

Capitalisation of borrowing costs takes place during the development of the asset and ends when the asset is ready for its intended use or sale. All other borrowings costs are expensed in the period in which they occur.

Intangible assets

Goodwill arising on consolidation, which represents the excess of the purchase price over the fair value of the identifiable net assets acquired, is recognised as an asset in the consolidated financial statements and tested annually for impairment, as well as when there are indications of impairment.

Patents, trademarks and similar assets which are acquired are amortised by a charge against income computed on a straight-line basis over their estimated useful lives, generally 10 years.

Research expenditure is recognised as an expense when it is incurred. Expenditure incurred during the development phase of a project is capitalised and recognised as an intangible asset if, and only if, it is possible both to (1) identify whether, and the point of time when, there is an identifiable asset that will generate future economic benefits; and (2) determine the cost of the asset reliably. Where either one of these criteria is not fulfilled, development expenditure is recognised as an expense when it is incurred. Where the research phase of a project cannot be distinguished from the development phase, the expenditure is treated as if it were incurred in the research phase only. Development expenditure recognised as an intangible asset is amortised over its useful life, being normally 4 years.

Costs for developing computer software programmes that are clearly associated with an identifiable and unique asset, which will be controlled by the Group and have probable benefits exceeding the costs beyond one year, are recognised as an intangible asset. Associated costs that can be directly attributed or allocated on a reasonable and consistent basis, to developing the software include labour costs of the development team and an appropriate portion of relevant overheads. Expenditure on training staff to operate the software is not capitalised. Expenditure which enhances the benefits of computer software programmes beyond their original specifications and lives is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight-line method over 4 years, their estimated useful life.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, an estimate of the asset's recoverable amount is made. The recoverable amount is estimated as the higher of the asset's net selling price (fair value less costs of disposal) and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised whenever the carrying amount of the asset exceeds its recoverable amount.

A previously recognised impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, however, limited to an amount not higher than the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years.

Goodwill is tested for impairment, annually at December 31, and when circumstances indicate that the carrying value may be impaired. Impairment losses relating to goodwill cannot be reversed in future periods.

Equipment leased to customers

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date.

Finance leases, whereby substantially all the risks and rewards incident to the ownership are transferred to the lessee, are treated as outright sales and receivables are recorded at amounts equal to the net investment in the leases. The related lease rentals are treated as repayments of principal and interest income reflecting a constant periodic rate of return on the net investment in the lease.

Equipment leased to customers under operating leases are recognised as property, plant & equipment and depreciated accordingly. Related rental income is included in revenue on a straight-line basis over the lease term.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Other investments

Other long-term equity investments are valued at fair value, determined on an individual investment basis. Adjustments to fair values are taken to the statement of comprehensive income under the heading "Other financial income / (expense), net", except for Alfa Laval which is separately disclosed under "Revaluation of investment in Alfa Laval".

Long-term receivables

Long-term receivables are discounted to their net present value, which equals fair value, at the date of inception with subsequent measurement at amortised cost using the effective interest method.

Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is generally calculated on a moving weighted average basis, except in certain cases where, based upon the nature of the inventories, "First-In-First-Out" (FIFO) is deemed a more appropriate measure. The cost of goods produced includes direct materials, labour and attributable overheads based upon a normal level of activity and taking into account the stage of production of the goods. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade receivables

Trade receivables are valued at their nominal value, less any allowance for expected credit losses (ECLs) or write-offs. Trade receivables are not discounted as they are short-term in nature and the time value of money is not significant.

The Group recognises an allowance for expected credit losses (ECLs) for trade receivables ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are considered in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A loss allowance is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Trade receivables and allowance are derecognised when they are assessed as uncollectible.

Cash, cash equivalents and borrowings

Cash and cash equivalents include cash at bank, short term, highly liquid deposits due with original maturities of three months or less, recorded at market value, including fixed short-term deposits with related parties due within 3 months. These cash, cash equivalents and borrowings are subject to an insignificant risk of changes in value.

For the purpose of the consolidated cash flow statement, cash and cash equivalents are net of outstanding bank overdrafts, as they are considered an integral part of the Group's cash management.

When the Group has a legal right of set-off for all related transactions and settlement is intended to take place on a net basis, related financial assets are presented on the balance sheet net of the liability. Amounts borrow from related parties with maturities of less than 12 months are included in fixed short-term borrowing with related parties.

Provisions

Provisions are recognised when: (1) the Group has a present legal or constructive obligation as a result of past events, (2) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and (3) a reliable estimate of the amount of the obligations can be made.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Employee benefits

Pension Obligations

The Group maintains a number of defined contribution and defined benefit pension plans in various countries.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a legally separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all the employee benefits relating to employee service in the current and prior periods. The Group's contributions to defined contribution pension plans are charged to the operating profit in the year to which they relate.

Defined benefit plans are post-employment benefit funds other than defined contribution plans.

For defined benefit plans, the recognised amount in the balance sheet is determined as the present value of the defined benefit obligation at the reporting date less the fair value of any plan assets. Where this calculation results in a net surplus, the excess of assets is recognised only to the extent that it represents a future economic benefit which is actually available to the Group, for example in the form of refunds from the plan or reduction in future contributions to the plan. When such excess is not available or does not represent a future economic benefit, it is not recognised but is disclosed in the notes.

Actuarial gains and losses are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Actuarial gains and losses are not reclassified to profit or loss in subsequent periods.

Actuarial gains and losses arise mainly from changes in actuarial assumptions and differences between actuarial assumptions and what has actually occurred.

Past service costs are recognised immediately in the operating profit. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset and is recognised as an expense in the operating profit.

The present value of the defined benefit obligations and the related service costs are calculated annually by qualified actuaries using the projected unit credit method. The pension obligation is measured as the present value of the estimated future cash outflows using market yields of high-quality corporate bonds in the country concerned or interest rates of government securities, which have terms to maturity approximating the terms of the related liability.

Other post-retirement obligations

Some Group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. Valuations of these obligations are carried out by independent qualified actuaries.

Revenue recognition

The revenue is recognised when the goods and services are transferred to the customer, net of turnover taxes and value-added taxes and after deduction of discounts, bonuses and similar items.

Goods and equipment recognised at a point in time consist of packaging material, spare parts and consumables, for which the revenue is recognised at the date of shipment from the final production site to the customer (the Incoterm conditions are reviewed to determine the date of transfer, especially for cross border sales); and sale of equipment and installation combined as a single performance obligation, for which the revenue is recognised once the equipment has been delivered, inspected, installed and accepted by the customer. If the installation is a separate performance obligation, then the equipment is recognised once it has been delivered and accepted by the customer. The related installation is recognised as a service when the equipment has been installed and installation is accepted by the customer.

Equipment recognised over time consists of equipment, which are dependent on design, technology or complexity to customer specificities or requirements. For this equipment, the performance obligation is satisfied over time and then the revenue is recognised over time. The Group has an enforceable right to payment, from the customer, for performance completed to date. The revenue is recognised over time by measuring the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of a performance obligation is calculated by using the percentage of completion method which is the proportion of contract costs incurred for work performed compared to estimated total contract costs.

Rental equipment leased to customers consists of equipment leased to customers under operating leases, recognised as property, plant & equipment and for which the rental income is included in revenue on a straight-line basis over the lease term contracts (between 3 and 8 years).

Services consist principally of maintenance contracts, for which the revenue is recognised over time at delivery date.

Interest income and expense

Interest on cash, deposits and borrowings are included in "Interest income" and "Interest expense". Interest on other items, including the amortisation of discounted receivables and payables, is included in "Administrative expenses".

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Income taxes

Tax expense is the aggregate amount taken to the statement of comprehensive income of the period in respect of current tax and deferred tax.

Current tax includes all income taxes based upon taxable profits or tax losses for the period. These taxes are calculated in accordance with the regulations in the countries in which they arise.

Deferred tax liabilities and assets are recognised for taxable and deductible temporary differences arising between the tax basis of assets and liabilities and their carrying value for financial reporting purposes. Deferred taxes are also recognised for the carry forward of unused tax losses and unused tax credits and for irrecoverable withholding taxes on undistributed earnings of subsidiaries to the extent that their future distribution is expected. Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary difference or the unused tax losses/credits can be utilised. Deferred taxes are measured at the tax rates that are expected to apply to the period when the assets are realised, or the liabilities are settled, based upon the tax legislation that is enacted or substantially enacted at the balance sheet date. These rates are those of the countries in which the related temporary differences or tax losses/credits arise.

Pilar II
In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two), and various governments around the world have issued, or are in the process of issuing, legislation on this.

Large multinational enterprises within the scope of the rules are required to calculate their GloBE effective tax rate for each jurisdiction where they operate. They will be liable to pay a top-up tax for the difference between their GloBE effective tax rate for each jurisdiction and the 15% minimum rate. If the GloBE effective tax rate domestically is 15% or more, no GloBE top-up tax will be payable.

Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. The Tetra Laval Group is currently engaged with tax specialists to assist it with applying the legislation and is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect.

It is unclear if the Pillar Two model rules create additional temporary differences, whether to remeasure deferred taxes for the Pillar Two model rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, on 23 May 2023 and 27 June 2023, respectively, the IASB and AASB issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules. The Group applied the temporary exception in its reporting as of 31 December 2023.

Recognition and derecognition of financial instruments

All financial instruments are recognised in the balance sheet at fair value as soon as the Group is committed to a contract (trade date). Financial assets are derecognised as soon as the Group has realised the rights to benefits specified in the contract, the rights expire, or the Group surrenders those rights. Financial liabilities are derecognised as soon as the obligation specified in the contract is discharged, cancelled or expires.

Foreign currencies

The accounting records of consolidated subsidiaries are maintained in their respective functional currencies. Assets and liabilities of entities using functional currencies other than the Euro are translated at the exchange rates at the balance sheet date, while the statement of comprehensive income and cash flows are translated at rates approximating those in existence at dates of transaction. Differences resulting from the use of these different exchange rates are recognised directly in "Translation adjustment arising in the period" in the statement of comprehensive income. The same foreign currency translation principles are applied to the net asset value and share in result of associated companies.

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rate. Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognised in the statement of comprehensive income.

The effects of changes in exchange rates on cash, deposits and borrowings are included in "Other financial income (expense), net". The effects of changes in exchange rates on other items are included in "Administrative expenses".

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Exchange rates used for major currencies

	Year-end rates			Average rates		
Euro :	2023	2022	Var	2023	2022	Var
USD	1.11	1.06	4.1%	1.08	1.05	2.9%
SEK	11.05	11.16	-1.0%	11.47	10.62	8.0%
MXN	18.80	20.72	-9.3%	19.18	21.14	-9.3%
JPY	156.41	141.02	10.9%	151.61	137.76	10.1%
CNY	7.85	7.41	5.9%	7.66	7.08	8.2%
BRL	5.37	5.63	-4.5%	5.40	5.42	-0.4%
GBP	0.87	0.88	-1.9%	0.87	0.85	2.1%
CHF	0.93	0.98	-5.1%	0.97	1.00	-3.2%

Derivative financial instruments

Derivative financial instruments used by the Group include foreign exchange contracts, interest rate swaps, interest rate options, currency options, forward rate agreements, cross currency swaps, commodity swaps and options.

The Group enters into derivative transactions with banks and counterparties to manage foreign currency interest rate exposures and commodity price exposures arising from its operating, investing and financing activities. All derivatives are recognised in the balance sheet at cost as soon as the Group is committed to a contract and are subsequently measured at their fair values. The fair value of a derivative is the equivalent of the unrealised gain or loss from adjusting to market value the derivative using valuation techniques with market observable inputs (inputs hierarchy Level 2). Derivatives with positive market values (unrealised gains) and derivatives with negative market values (unrealised losses) are classified as "Derivative financial instruments" and are split between current and non-current in the consolidated balance sheet.

Hedge accounting is allowed by IFRS only if a number of specific criteria are complied with. As a general rule, the Group does not apply hedge accounting and the changes in fair values of derivatives are recognised in the statement of comprehensive income. Realised gains or losses on derivatives related to operating items are included in "Foreign exchange and hedge result on operating items". Realised gains or losses on derivatives related to net borrowings, as well as all unrealised results on outstanding derivatives are included in "Other financial income (expenses), net".

Key accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate mainly to goodwill, income tax and employee benefits.

Impairment of non-financial assets, such as property, plant and equipment, right-of use assets and goodwill (see Notes 4, 5 and 7)

The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the business plan for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that could enhance the performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used in the discounted cash flow model, the expected future net cash-inflows, the margin and the growth rate used for projections beyond the initial five-year period.

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated above. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 7.

Income taxes (see Note 18)

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining income tax liabilities and deferred tax assets. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group establishes provisions, based on best estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such

differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group Company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Employee benefits (see Note 19)

The Group has defined benefit plans, which are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The risk is, however, decreased by the Group reducing the number of defined benefit schemes due to the fact that many of these defined benefit schemes are replaced by defined contribution schemes.

In determining the appropriate discount rate, the interest rates of corporate bonds in the respective currency with at least AA rating are considered, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases, and pension increases are based on expected future inflation rates for the respective country.

Estimates and assumptions have also been applied in areas such as provisions, determination of percentage of completion in work in progress, inventory obsolescence, recoverability of accounts receivable and probabilities in connection with business risks.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

2. SEGMENT AND GEOGRAPHICAL DATA

The Group manages its business primarily in three segments, Tetra Pak, DeLaval and Sidel. Corporate and other include Holding and Finance activities managed by Tetra Laval International.

The segment results for the years ended December 31, 2023 and 2022 were as follows:

	December 31, 2023					
	Tetra Pak	DeLaval	Sidel	Corporate and Other	Consolidation adjustments	Total Group
Revenue	10,760	1,396	1,577	3	-7	13,729
Operating profit/Segment result	**1,471**	**155**	**4**	**-105**	**-**	**1,525**
Revaluation of investment and dividend income from Alfa Laval						528
Interest income						129
Interest expense						-206
Other financial income (expense), net						-77
Profit before tax						**1,899**
Income tax expense						-257
Profit for the year						**1,642**

	December 31, 2022					
	Tetra Pak	DeLaval	Sidel	Corporate and Other	Consolidation adjustments	Total Group
Revenue	10,337	1,358	1,443	10	-10	13,138
Operating profit/Segment result	**575**	**59**	**-20**	**-24**	**-**	**590**
Revaluation of investment and dividend income from Alfa Laval						-981
Interest income						17
Interest expense						-166
Other financial income (expense), net						42
Profit before tax						**-498**
Income tax expense						-170
Profit for the year						**-668**

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

The segment assets and liabilities at December 31, 2023 and 2022 were as follows:

	December 31, 2023					
	Tetra Pak	DeLaval	Sidel	Corporate and Other	Consolidation adjustments	Total Group
Segment operating assets	**5,239**	**810**	**1,180**	**409**	**-91**	**7,547**
Taxes						647
Cash & deposits						1,218
Derivatives and other financial assets						167
Total assets						**9,579**
Segment operating liabilities	**2,944**	**343**	**859**	**381**	**-47**	**4,480**
Taxes						387
Borrowings						1,609
Derivatives and other financial liabilities						201
Total liabilities						**6,677**
Segment net assets	**2,295**	**467**	**321**	**28**	**-44** [(1)]	**3,067**
Net tax asset						260
Net borrowings						-391
Net derivatives and other financial items						-34
Net assets						**2,902**

(1) Tetra Pak segmental operating assets included Goodwill of €44 million, which are adjusted on consolidation.

	December 31, 2022					
	Tetra Pak	DeLaval	Sidel	Corporate and Other	Consolidation adjustments	Total Group
Segment operating assets	**5,203**	**887**	**992**	**403**	**-97**	**7,388**
Taxes						588
Cash & deposits						904
Investment in Alfa Laval						3,293
Derivatives and other financial assets						246
Total assets						**12,419**
Segment operating liabilities	**2,993**	**377**	**792**	**349**	**-41**	**4,470**
Taxes						336
Borrowings						2,216
Derivatives and other financial liabilities						295
Total liabilities						**7,317**
Segment net assets	**2,210**	**510**	**200**	**54**	**-56** [(1)]	**2,918**
Net tax asset						252
Net borrowings						-1,312
Investment in Alfa Laval						3,293
Net derivatives and other financial items						-49
Net assets						**5,102**

(1) Tetra Pak segmental operating assets included Goodwill of €56 million, which are adjusted on consolidation.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Key cash flow items, non-recurring items and number of employees for the years ended December 31, 2023 and 2022 were as follows:

	December 31, 2023					
	Tetra Pak	**DeLaval**	**Sidel**	**Corporate and Other**	**Consolidation adjustments**	**Total Group**
Key Cash Flow items						
Depreciation, amortisation and impairment	319	51	37	2	-	**409**
Non-cash expenses and reclassification to financing	226	40	56	-135	-	**187**
Capital expenditure	-350	-27	-25	-4	-	**-406**
Acquisition of business	-	-	-56	-	-	**-56**
Cash flow from operating and investing activities	1,183	153	-128	-72	61 (1)	**1,197**
Non recurring items						
Impairment charges	-27	1	-8	-	-	**-34**
Restructuring costs	-7	-6	-19	-	-	**-32**
Litigation costs and other	-46	10	-22	-	-	**-58**
Number of employees	18,053	4,778	5,059	95	-	**27,985**

(1) Industry groups' segmental Capital expenditure and Cash flow from operating and investing activities, include the payment on lease liabilities of €61 million, which are reclassified in financing activities on consolidation.

	December 31, 2022					
	Tetra Pak	**DeLaval**	**Sidel**	**Corporate and Other**	**Consolidation adjustments**	**Total Group**
Key Cash Flow items						
Depreciation, amortisation and impairment	365	52	30	5	-	**452**
Non-cash expenses and reclassification to financing	-77	37	60	142	-	**162**
Capital expenditure	-323	-28	-16	-2	-	**-369**
Cash flow from operating and investing activities	446	33	-24	31	66 (1)	**552**
Non recurring items						
Impairment charges	-57	-1	-	-3	-	**-61**
Restructuring costs	-41	-1	-31	-	-	**-73**
Litigation costs and other	-23	-20	-5	-2	-	**-50**
Number of employees	17,441	4,783	5,096	257	-	**27,577**

(1) Industry groups' segmental Capital expenditure and Cash flow from operating and investing activities, include the payment on lease liabilities of €66 million, which are reclassified in financing activities on consolidation.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Reporting data by geographical area for the years ended December 31, 2023 and 2022 were as follows:

	December 31, 2023			
	Revenue	Total Assets	Capital Expenditure	Number of Employees
Western Europe	3,469	5,480	242	14,094
Central and Eastern Europe	867	453	35	2,506
Africa	601	194	12	606
North America	3,094	1,026	74	3,311
Central and South America	1,889	1,190	23	2,864
East Asia and Pacific	2,570	533	5	2,075
Central Asia and Middle East	1,239	703	15	2,529
Total	**13,729**	**9,579**	**406**	**27,985**

	December 31, 2022			
	Revenue	Total Assets	Capital Expenditure	Number of Employees
Western Europe	5,198	8,391	252	13,724
Central and Eastern Europe	1,044	431	26	2,654
Africa	544	204	5	614
North America	2,223	1,036	26	3,273
Central and South America	1,773	1,153	30	2,828
East Asia and Pacific	1,422	539	9	2,105
Central Asia and Middle East	934	665	21	2,379
Total	**13,138**	**12,419**	**369**	**27,577**

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

3. REVENUE

The disaggregation of revenue by timing of revenue recognition and major businesses as at December 31, 2023 and 2022 were as follows:

	Tetra Pak	DeLaval	Sidel	Corporate and elimination	2023
Goods and equipment recognised at a point in time	9,142	1,329	699	-1	11,169
Equipment recognised over time	1,070	-	731	-6	1,795
Rental, equipment leased to customers	87	-	-	-	87
Services recognised when delivered	461	67	147	3	678
Revenue	10,760	1,396	1,577	-4	13,729

	Tetra Pak	DeLaval	Sidel	Corporate and elimination	2022
Goods and equipment recognised at a point in time	8,839	1,295	679	-	10,813
Equipment recognised over time	920	-	636	-10	1,546
Rental, equipment leased to customers	99	-	-	-	99
Services recognised when delivered	479	63	128	10	680
Revenue	10,337	1,358	1,443	-	13,138

Management expects that €1,078 million of the transaction price allocated to the open contracts as at December 31, 2023 will be recognised as revenue by December 31, 2024. The remaining will be recognised by December 31, 2025 for €1,020 million and by December 31, 2026 for €25 million.

Contract assets consisted of the following balances as at December 31, 2023 and 2022:

	Note	2023	2022
Accrued income on revenue recognised over time		263	234
Accrued income on revenue recognised over time with related parties	*26*	1	-
Accrued income on revenue recognised at a point in time		2	2
		266	236

The contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Contract liabilities consisted of the following balances as at December 31, 2023 and 2022:

	Note	2023	2022
Deferred income on revenue recognised over time		119	79
Deferred income on revenue recognised over time with related parties	*26*	1	1
Advances from customers on revenue recognised at a point in time		389	436
Advances from customers on revenue recognised over time		433	502
Advances from customers on revenue recognised over time with related parties	*26*	1	-
Deferred income on revenue recognised at a point in time		85	80
		1,028	1,098

The contract liabilities relate to contracts billed or to the advance consideration received from customers, for which the performance obligation is not yet satisfied, and the revenue is not recognised.

Net sales and cost of sales include items related to sales of systems for the processing, packaging and distribution of liquid food products, management fee and research and development.

Allocation of net sales was as follows for the years ended December 31, 2023 and 2022:

	2023	2022
Net Sales	13,599	13,002
Royalties income from related parties	130	136
	13,729	13,138

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

4. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment consisted of the following balances and movements for the years ended December 31, 2023 and 2022:

	Land, buildings and ground installations	Plant and machinery	Fixtures and fittings	Equipment leased to customers	Construction in progress and payment on account	2023 TOTAL
Historical cost						
Balance at beginning of year	1,171	2,483	637	613	272	5,176
Acquisition of business (Note 28)	8	-	-	-	-	8
Disposal of business (Note 21)	-16	-10	-1	-	-	-27
Additions (1)	21	148	37	-	180	386
Disposals	-2	-108	-34	-	-35	-179
Transfer to / from inventory	-	-	-	-40	-	-40
Effects of changes in foreign currency exchange rates	-8	-15	-6	-	-	-29
Reclassifications & Other	18	112	8	-	-142	-4
Balance at end of year	1,192	2,610	641	573	275	5,291
Accumulated depreciation						
Balance at beginning of year	-637	-1,905	-499	-369	-	-3,410
Depreciation	-33	-159	-45	-47	-	-284
Disposal of business (Note 21)	14	8	1	-	-	23
Disposals	2	85	33	-	-	120
Transfer to inventory	-	-	-	65	-	65
Effects of changes in foreign currency exchange rates	4	14	5	2	-	25
Reclassifications & Other	-3	15	1	-	-	13
Balance at end of year	-653	-1,942	-504	-349	-	-3,448
Impairment losses						
Balance at beginning of year	-5	-51	-2	-25	-5	-88
Charges during year	-1	-25	-1	-5	-6	-38
Reversal during year	-	1	-	-	-	1
Disposals	-	5	-	-	3	8
Transfer to inventory	-	-	-	6	-	6
Disposal of business (Note 21)	1	2	-	-	-	3
Reclassifications & Other	-3	-	1	-	-	-2
Balance at end of year	-8	-68	-2	-24	-8	-110
Net book value at beginning of year	529	527	136	219	267	1,678
Net book value at end of year	531	600	135	200	267	1,733

(1) Includes a decrease of €17 million in payables and a decrease of €5 million in advances in 2023 (2022: Includes a €22 million increase in payables and €5 million increase in advances).

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

	Land, buildings and ground installations	Plant and machinery	Fixtures and fittings	Equipment leased to customers	Construction in progress and payment on account	2022 TOTAL
Historical cost						
Balance at beginning of year	1,213	2,460	635	730	209	5,247
Disposal of business	-58	-106	-20	-11	-2	-197
Additions	39	111	42	-	191	383
Disposals	-15	-68	-26	-	-18	-127
Transfer to / from inventory	-	-	-	-140	-	-140
Effects of changes in foreign currency exchange rates	-17	8	-9	34	-7	9
Reclassifications & Other	9	78	15	-	-101	1
Balance at end of year	1,171	2,483	637	613	272	5,176
Accumulated depreciation						
Balance at beginning of year	-647	-1,883	-503	-412	-	-3,445
Depreciation	-34	-161	-46	-55	-	-296
Disposal of business	31	89	18	5	-	143
Disposals	7	52	26	-	-	85
Transfer to inventory	-	-	-	109	-	109
Effects of changes in foreign currency exchange rates	6	-4	7	-16	-	-7
Reclassifications & Other	-	2	-1	-	-	1
Balance at end of year	-637	-1,905	-499	-369	-	-3,410
Impairment losses						
Balance at beginning of year	-6	-47	-1	-33	-	-87
Charges during year	-28	-22	-3	-8	-5	-66
Disposals	2	2	-	-	-2	2
Transfer to inventory	-	-	-	16	-	16
Disposal of business	27	17	3	-	2	49
Effects of changes in foreign currency exchange rates	-	-	-	-	-	-
Reclassifications & Other	-	-1	-1	-	-	-2
Balance at end of year	-5	-51	-2	-25	-5	-88
Net book value at beginning of year	560	530	131	285	209	1,715
Net book value at end of year	529	527	136	219	267	1,678

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Equipment leased to customers as at December 31, 2023 and 2022, amounted to €200 million, and €219 million, respectively, mainly consisted of filling and distribution equipment which the Group has leased to customers under various operating lease arrangements. In general, these operating lease contracts have a life of between 3 and 8 years and are automatically extended for a period of 12 months if the parties do not terminate the agreement at the expiry of the rental term (90 days prior written notice). There is no purchase option for the customer at the end of the lease term. As at December 31, 2023 land, buildings and ground installations included approximately €1 million (2022: €1 million) of buildings which the Group has leased to third parties under operating lease arrangements.

Impairment losses included €5 million (2022: €8 million) related to filling equipment leased to customers. The impairment related to equipment leased to customers is reported in cost of goods sold. The impairment charge was calculated as the difference between the recoverable amount and the net book value. The recoverable amount was based on the value in use of the filling equipment concerned, which corresponds to the net present value of the rental fees plus the residual value of the equipment at the end of the lease term, less any removal costs to be incurred by the Group that cannot be recharged to the customer. When packaging material and equipment revenue are part of the same cash generating unit, packaging material revenue, with a high level of realisation certainty has been included in the impairment test.

Included under land, buildings and ground installations are investment properties with a net book value of €nil million (2022: €nil million) and a fair value of €42 million (2022: €27 million), which was based on the discounted future net cash inflow for leased investment properties. A discount rate of 4.0% has been used for the calculation (2022: 4.0%).

Future minimum lease receivables – where the Group is lessor

Future minimum lease receivables under non-cancellable operating leases to customers were as follows:

	2023	2022
No later than one year	79	86
Between one and five years	219	237
Later than five years	35	45
	333	368

Contingent rent included as income was approximately €1 million for the year ended December 31, 2023 (2022: €1 million).

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

5. RIGHT-OF-USE ASSETS

Right-of-use assets consisted of the following balances and movements for the period ended December 31, 2023 and 2022:

	Land & Buildings	Transport equipment	Production machines & Other	2023 TOTAL
Historical cost				
Balance at beginning of year	189	101	13	303
Additions	30	43	1	74
Disposals	-13	-30	-4	-47
Effects of changes in foreign currency exchange rates	-2	-2	-	-4
Reclassifications & Other	-10	1	-	-9
Balance at end of year	194	113	10	317
Accumulated depreciation & Impairment losses				
Balance at beginning of year	-97	-59	-9	-165
Depreciation	-32	-29	-2	-63
Disposals	10	28	4	42
Effects of changes in foreign currency exchange rates	2	2	-	4
Reclassifications & Other	7	-	-	7
Balance at end of year	-110	-58	-7	-175
Net book value at beginning of year	92	42	4	138
Net book value at end of year	84	55	3	142

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

	Land & Buildings	Transport equipment	Production machines & Other	2022 TOTAL
Historical cost				
Balance at beginning of year	183	107	14	304
Additions	35	29	1	65
Disposals	-31	-32	-2	-65
Effects of changes in foreign currency exchange rates	2	-2	-	-
Reclassifications & Other	-	-1	-	-1
Balance at end of year	189	101	13	303
Accumulated depreciation & Impairment losses				
Balance at beginning of year	-83	-62	-8	-153
Depreciation	-32	-30	-3	-65
Impairment charges during year	-3	-	-	-3
Disposals	24	31	2	57
Effects of changes in foreign currency exchange rates	-1	1	-	-
Reclassifications & Other	-2	1	-	-1
Balance at end of year	-97	-59	-9	-165
Net book value at beginning of year	100	45	6	151
Net book value at end of year	92	42	4	138

Lessee amounts recognised in the profit or loss for the period ended December 31, 2023 and 2022 included:

	Notes	2023	2022
Depreciation on right-of-use assets	*20*	-52	-51
Employee benefit expenses - Depreciation on right-of-use assets	*19*	-11	-14
Impairment of right-of-use assets	*21*	-	-3
Interest expense on lease liabilities	*23*	-8	-7
Rent expense - leases of low-value assets [(1)]	*20*	-25	-20
Rent expense - variable lease payments [(1)]	*20*	-3	-2
		-99	-97

[(1)] *Included in line "Rental and leases".*

The impact of lease liabilities can be found in Note 14.

6. COMMITMENTS

At December 31, 2023, the Group had capital commitments for inventories of €12 million (2022: €14 million), for the purchase or construction of property, plant and equipment of €1 million (2022: € nil million) and for other capital commitments of €1 million (2022: €3 million).

At December 31, 2023, the Group reported €177 million for commercial guarantees (2022: €154 million) and €240 million for guarantees for taxes (2022: €214 million).

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

7. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets consisted of the following balances and movements for the years ended December 31, 2023 and 2022:

	Goodwill	Patents and trademarks	Capitalised software development costs	Other intangibles	2023 TOTAL
Historical cost					
Balance at beginning of year	1,302	86	290	179	1,857
Acquisition of businesses (Note 28)	34	9	-	2	45
Additions	-	1	-	7	8
Disposals	-	-2	-6	-4	-12
Effects of changes in foreign currency exchange rates	3	-1	-	-1	1
Reclassifications & Other	-4	2	2	-1	-1
Balance at end of year	1,335	95	286	182	1,898
Accumulated amortisation					
Balance at beginning of year	-	-28	-285	-84	-397
Amortisation	-	-6	-3	-14	-23
Disposals	-	2	6	3	11
Effects of changes in foreign currency exchange rates	-	1	-	-	1
Reclassifications & Other	-	-1	-	-	-1
Balance at end of year	-	-32	-282	-95	-409
Impairment losses					
Balance at beginning of year	-1,010	-1	-1	-2	-1,014
Charges during year	-2	-	-	-	-2
Reversal during year	-	-	-	-	-
Disposals	-	-	1	-	1
Effects of changes in foreign currency exchange rates	-	-	-	-	-
Reclassifications & Other	4	-	-	-1	3
Balance at end of year	-1,008	-1	-	-3	-1,012
Net book value at beginning of year	292	57	4	93	446
Net book value at end of year	327	62	4	84	477

Cash flow projections used for impairment tests are based on the relevant cash generating units' budget 2024, business plan up to 2026 and profit before interest and taxes of 6.5% of revenue and a revenue growth of 2.8% for 2027 and subsequent years. The discount rate applied to the resulting cash flow projections is 10.3% (2022: 9.2%). Budget 2024 and business plan up to 2026 have been approved by the management of the Group.

The calculation of value in use is sensitive to assumptions of discount rate, profit before interest and taxes, working capital, growth rates and investments.

A profit before interest and taxes and a revenue growth lower by 5 percentage points or a discount higher by 2 percentage points would have no significant impact on the impairment calculation.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

	Goodwill	Patents and trademarks	Capitalised software development costs	Other intangibles	2022 TOTAL
Historical cost					
Balance at beginning of year	1,294	85	289	172	1,840
Additions	-	-	-	3	3
Disposals	-	-	-1	-	-1
Effects of changes in foreign currency exchange rates	1	1	-	-2	-
Reclassifications & Other	7	-	2	6	15
Balance at end of year	1,302	86	290	179	1,857
Accumulated amortisation					
Balance at beginning of year	-	-23	-284	-71	-378
Amortisation	-	-5	-3	-14	-22
Disposals	-	-	1	-	1
Effects of changes in foreign currency exchange rates	-	-1	-	1	-
Reclassifications & Other	-	1	1	-	2
Balance at end of year	-	-28	-285	-84	-397
Impairment losses					
Balance at beginning of year	-1,009	-1	-1	-2	-1,013
Charges during year	-	-	-	-	-
Reversal during year	-	-	-	-	-
Effects of changes in foreign currency exchange rates	-	-	-	-	-
Reclassifications & Other	-1	-	-	-	-1
Balance at end of year	-1,010	-1	-1	-2	-1,014
Net book value at beginning of year	285	61	4	99	449
Net book value at end of year	292	57	4	93	446

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

8. OTHER INVESTMENTS

Other investments consisted of the following balances as at December 31, 2023 and 2022:

	2023	Distribution	Net change in Market Value, translation & other	2022
Alfa Laval AB, Sweden	-	-3,821	528	3,293
Other long-term equity investments	11	-	-	11
	11	-3,821	528	3,304

Investment in Alfa Laval

On 28th February 2023 the Group distributed to its shareholder, as a dividend in kind, its investment in Alfa Laval AB consisting of 122,037,736 shares, representing 29.5% of the issued share capital.

At February 28, 2023 and December 31, 2022 the market price per share (input hierarchy Level 1) was SEK 345.00 and SEK 301.10, and the EUR SEK exchange rates were 11.02 and 11.16 respectively. This resulted in the value of the Group's investment in Alfa Laval of €3,821 million and €3,293 million respectively and was accounted for at fair value through the profit and loss and included in the balance sheet under "Other investments" as it was considered to be a financial investment, separate from the industrial activities of the Group and managed on a fair value basis.

The revaluation of the Alfa Laval shares of €528 million gain at February 28, 2023 (2022: €1,051 million loss) and the dividend received of €nil million (2022: €70 million) are shown in the statement of comprehensive income under "Revaluation of investment in Alfa Laval" and "Dividend income from Alfa Laval", respectively

9. LONG-TERM RECEIVABLES

Long-term receivables consisted of the following balances as at December 31, 2023 and 2022:

	Notes	Maturity 5 years or less	more than 5 years	Interest Rates	Carrying amount 2023	2022
Long-term receivables under finance leases		39	15	6.18%	54	64
Receivables on account		92	29	8.67%	121	118
Long-term VAT receivables		29	9	7.60%	38	76
Employee benefit assets	*19*	1	-		1	2
Blocked deposits		7	6		13	12
Fixed term deposits		-	-	-	-	2
Fixed term deposits with related parties	26	11	-	4.41%	11	20
Other long-term receivables		53	8		61	71
					299	365

Fair values of long-term receivables do not differ substantially from their book values as most of the rates are floating and updated on a regular basis to reflect market rates.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Future minimum finance lease receivables from customers were as follows:

	2023	2022
Gross investment in finance leases	94	104
Less:		
Accumulated allowance for uncollectible receivables	-1	-1
Unearned interest income	-20	-21
	73	82

Net present value of minimum finance lease payments receivable:

	Gross investment	Accum. Allowance	Unearned interest income	2023	2022
No later than one year	22	-1	-2	19	18
Between one and five years	52	-	-13	39	47
Later than five years	20	-	-5	15	17
				73	82

Equipment leased to customers under finance leases consisted of distribution equipment and filling equipment. These leases have an average life between 5 and 8 years with renewal terms included in the contracts. In general, these finance lease contracts are automatically extended for a period of 12 months if the parties do not terminate the agreement at the expiry of the contract term or exercise the purchase option (90 days prior written notice). In general, the contract includes a purchase option at the end of the lease term.

10. INVENTORIES

Inventories consisted of the following balances as at December 31, 2023 and 2022:

	2023	2022
Raw materials	314	396
Work-in-progress	431	371
Finished goods and goods held for resale	1,072	1,010
Payments on account	41	35
Net inventories at the lower of cost and net realisable value	1,858	1,812

At December 31, 2023, inventories were shown net of obsolescence provisions amounting to €208 million (2022: €199 million).

During the year ended December 31, 2023 approximately €22 million (2022: €42 million) of obsolescence provisions were released through the statement of comprehensive income.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

11. TRADE RECEIVABLES

Trade receivables consisted of the following balances as at December 31, 2023 and 2022:

	Note	2023	2022
Trade receivables, gross		1,822	1,747
Trade receivables, gross with related parties	*26*	468	494
Allowance for expected credit losses		-284	-313
		2,006	1,928

The contractual terms governing the relationships with the customers vary from country to country, although these receivables are collected in approximately one to three months.

Movements on the allowance for expected credit losses of trade receivables consisted of the following for the years ended December 31, 2023 and 2022:

	2023	2022
Balance at beginning of year	313	237
Charge during the year	33	164
Utilised	-18	-66
Unused amounts reversed	-42	-26
Effects of changes in foreign currency exchange rates	-2	4
Balance at end of year	284	313

The creation and release of allowance for expected credit losses have been included in “administrative expenses” in the statement of comprehensive income (Note 20).

The ageing of trade receivables consisted of the following balances as at December 31, 2023 and 2022:

	2023		
	Trade receivables, gross	Allowance for expected credit losses	Net trade receivables
Not overdue	1,224	-11	1,213
Overdue	598	-273	325
Overdue < 1 month	156	-6	150
Overdue 1 - 3 months	84	-1	83
Overdue 4 - 6 months	66	-14	52
Overdue 7 - 12 months	66	-36	30
Overdue > 1 year	226	-216	10
	1,822	-284	1,538

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

	2022		
	Trade receivables, gross	Allowance for expected credit losses	Net trade receivables
Not overdue	1,140	-16	1,124
Overdue	607	-297	310
Overdue < 1 month	147	-12	135
Overdue 1 - 3 months	110	-12	98
Overdue 4 - 6 months	65	-23	42
Overdue 7 - 12 months	109	-78	31
Overdue > 1 year	176	-172	4
	1,747	-313	1,434

12. OTHER RECEIVABLES AND PREPAYMENTS

Other receivables and prepayments consisted of the following balances as at December 31, 2023 and 2022:

	Note	2023	2022
Prepaid expenses		330	342
Prepaid expenses with related parties	*26*	83	63
VAT receivables		243	271
Current portion of receivables under finance leases		19	18
Cash-in-transit		9	13
Advances to suppliers		44	47
Advances to suppliers with related parties	*26*	1	2
Other accrued income and quick assets		27	30
Other accrued income and quick assets with related parties	*26*	9	9
Short-term deposits with original maturities greater than 3 months		98	6
Short-term deposits with original maturities greater than 3 months with related parties	*26*	127	171
		990	972

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following balances as at December 31, 2023 and 2022:

	Notes	2023	2022
Cash and bank		563	275
Fixed short-term deposits < 3 months		365	320
Fixed short-term deposits < 3 months with related parties	*26*	27	23
Pooled cash with related parties	*26*	6	45
Current account with related parties	*26*	21	42
Cash and short term deposits		982	705
Bank overdrafts	*14*	-23	-56
Cash pool overdraft with related parties	*14, 26*	-34	-
Current account with related parties	*14, 26*	-22	-3
Cash and cash equivalents		903	646

Fixed short-term deposits less than 3 months mainly consisted of deposits collectable within 7 to 36 days, with an average effective interest rate of 5.8% (2022: -1.9%). Fixed short-term deposits less than 3 months with related parties earned an average effective interest rate of 6.4% (2022: 5.1%).

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

14. BORROWINGS

Borrowings as at December 31, 2023 and 2022 consisted of the following balances:

	Note	2023	2022
Long-term debt			
T7 / T8 credit facility		334	397
Other bank loans		208	230
Lease liabilities		96	95
		638	722
Current portion of long-term debt			
Current maturities of long-term loans		1	5
Current portion of leases liabilities		55	53
		56	58
Bank loans and overdrafts			
Fixed short-term borrowings		386	553
Fixed short-term borrowings with related parties	*26*	450	824
Bank overdrafts		23	56
Cash pool overdraft with related parties	*26*	34	-
Current account with related parties	*26*	22	3
		915	1,436
Total borrowings		1,609	2,216
Total borrowings excluding lease liabilities		1,458	2,068
Total borrowings excluding lease liabilities, bank overdrafts, cash pool and current account		1,379	2,009
Total borrowings excluding, bank overdrafts, cash pool and current account		1,530	2,157

Fair values of long-term debt do not differ substantially from their book values.

Tetra Laval Finance & Treasury S.A., a subsidiary of Tetra Laval International S.A., is the principal borrower under a multi-currency revolving credit facility (T7) of €3,000 million with a consortium of six banks. On December 12, 2023, the facility was refinanced by means of an agreement "T8", bringing the maturity of the facility to December 12, 2028, with options to extend until December 12, 2030.

The facility is available for general corporate purposes of the Group and bears interest at a margin of 0.25% over Term SOFR and Credit Adjustment Spread / EURIBOR / STIBOR. Utilisation fees stand at 0.075% for utilisation of the facility lower than 33%, 0.15% for utilisation between 33% and 66% and 0.30% for utilisation above 66%.

The Company together with related parties (the "Guarantors") have issued a joint and several unconditional guarantee in favour of financial institutions for a maximum amount of €3,300 million, for facilities granted to related parties. The total outstanding amount of the Group and the related parties on the facility at December 31, 2023 is €516 million (2022: €617 million).

The Group drawdown under this T8 facility at December 31, 2023 amounted to €334 million (2022 under T7: €397 million).

On October 28, 2019, the Guarantors agreed among themselves on the apportionment of their joint and several liability so that each of the Guarantors is solely liable for the secured obligations relating to itself and, where applicable, its own subsidiaries. No claims arose from the above-mentioned commitments.

The average effective interest rate on fixed short-term borrowings from related parties of €450 million (2022: €824 million) was 3.6% (2022: 3.3%).

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

The average effective interest rate on other fixed short-term borrowings during 2023 of €386 million (2022: €553 million) was 12.1% (2022: 10.3%).

The average effective interest rate on bank overdrafts during 2023 of €23 million (2022: €56 million) was 3.7% (2022: 7.5%).

The average effective interest rate on the other long-term loans outstanding during 2023, including current portion of long-term loans and excluding lease liabilities, of €209 million (2022: €235 million) was 13.5% (2022: 15.7%).

The average effective interest rate on lease liabilities of €151 million during 2023 (2022: €148 million) was 5.3% (2022: 4.3%).

Movement in borrowings excluding bank overdrafts at December 31, 2023 and 2022 consisted of the following:

	Lease liabilities	Borrowings excl. bank overdrafts, cash pool and current accounts	2023	2022
Balance at beginning of year	148	2,009	2,157	1,744
Additions	74	n/a	74	65
Ended contracts / Cancellations / Write-downs	-5	n/a	-5	-10
Increase (repayment) of borrowings	n/a	-261	-261	89
Increase (repayment) of borrowings with related parties	n/a	-366	-366	302
Payment of lease liabilities	-61	n/a	-61	-65
Effects of changes in foreign currency exchange rates	-1	-4	-5	34
Reclassifications & Other	-4	1	-3	-2
Balance at end of year	151	1,379	1,530	2,157

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Borrowings as at December 31, 2023 and 2022 consisted of the following balances split by major currencies:

	2023	2022
SGD	284	611
USD	216	549
JPY	211	4
EUR	184	174
CNY	116	162
BRL	101	173
MXN	98	94
COP	40	32
INR	40	82
TRY	33	50
ZAR	29	22
SAR	28	1
CLP	18	17
KES	14	19
PKR	13	45
SEK	9	4
NZD	7	5
AUD	5	6
KRW	4	5
Other	8	12
Total borrowings excluding lease liabilities	1,458	2,068

The maturities of long-term debt outstanding as at December 31, 2023 and 2022 were as follows:

	2023	2022
Between one and five years	623	705
Later than five years [1]	15	17
Total long-term debt	638	722

[1] *Lease liabilities only.*

Loans amounting to €76 million at December 31, 2023 (2022: €120 million) were secured by assets pledged.

The aggregate scheduled principal contractual repayments of leases liabilities at December 31, 2023 and 2022 were as follows:

	Lease payments	Unbooked finance charge	2023	2022
No later than one year	60	5	55	53
Between one and five years	92	11	81	78
Later than five years	19	4	15	17
	171	20	151	148

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

15. PROVISIONS

The movements in provisions consisted of the following for the years ended December 31, 2023 and 2022:

	Claims & warranty	Restructuring	Litigation	Other	2023 Total	2022 Total
Balance at beginning of year	168	49	27	26	270	248
New provisions charged to income statement	142	64	52	3	261	264
Excess provisions reversed to income statement	-12	-31	-3	-	-46	-23
Provisions utilised	-111	-40	-29	-11	-191	-219
Effects of changes in foreign currency exchange rates	-1	-1	-	-	-2	-2
Other	-	-	-	-	-	2
Balance at end of year	186	41	47	18	292	270

Expected timing of resulting cash outflows was as follows:

	Claims & warranty	Restructuring	Litigation	Other	2023 Total	2022 Total
Provisions current	185	41	39	10	275	253
Provisions non-current	1	-	8	8	17	17
	186	41	47	18	292	270

The amount provided corresponds to the best estimate of the obligation of the Group.

As the effect of the time value of money is not material, the provisions have not been discounted.

Claims and warranty

Product sales with warranties give rise to a legal obligation. For these warranties taken as a whole, it is probable that the Group will incur expenditures. A provision is recognised for the best estimate of costs related to items sold before the balance sheet date. The amounts are estimated primarily using historical data and past experience of the level of cash outflows related to claims under warranty. It is expected that most of these costs will be incurred in the next financial year and all will have been incurred within two years of the balance sheet date.

These provisions also include costs remaining on equipment sold and expected losses when it is probable that the total costs of a construction contract will exceed the total revenue.

Restructuring

The Group makes a provision for restructuring providing that the events are linked to a business divestment or elimination, a site or an entity closure, or the dismissal of employees that are not going to be replaced as such. In all cases the decision was communicated prior to December 31.

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when: (1) there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline; and (2) the employees affected have been notified of the plan's main features.

Litigation

Litigation provisions have been recognised to cover legal and administrative proceedings that arise in the ordinary course of business.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

16. DEFERRED INCOME AND OTHER NON-CURRENT LIABILITIES

Deferred income and other non-current liabilities consisted of the following balances as at December 31, 2023 and 2022:

	Note	2023	2022
Employee benefit liabilities	*19*	98	86
Deferred leasing income		-	1
Other		34	30
		132	117

Fair values of deferred income and other non-current liabilities do not differ substantially from their book values.

17. OTHER PAYABLES AND ACCRUED LIABILITIES

Other payables and accrued liabilities consisted of the following balances as at December 31, 2023 and 2022:

	Note	2023	2022
Accrued expenses		473	460
Accrued expenses with related parties	*26*	78	116
Accrued customer discounts		128	141
Payables due to employees		361	321
Social benefits and payroll taxes		162	161
VAT payables		98	89
Other current liabilities with related parties	*26*	36	33
Other		95	116
		1,431	1,437

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18. INCOME TAXES

a) Significant components of tax expense

	2023	2022
Current tax expense related to current year	344	178
Current tax expense (income) related to prior years	-2	10
Non-recoverable withholding tax on dividends	9	11
Total current tax expense	351	199
Deferred tax expense (income) arising from the recognition / reversal of temporary differences and recognition / utilisation of tax loss carryforwards	-84	-30
Deferred tax income arising from the recognition of previously unrecognised tax loss carryforwards not utilised	-11	-4
Deferred tax expense arising from the write-down (or expiry) of previously recognised tax loss carryforwards	1	2
Deferred tax expense (income) arising from non-recoverable withholding tax on distributable retained earnings of subsidiaries	3	-1
Other	-3	4
Total deferred tax expense (income)	-94	-29
Income tax expense reported in the statement of comprehensive income	257	170

b) Tax rate reconciliation

The average effective tax rate percentage of the Group's profit before tax differs from the applicable tax rate, as follows:

	2023	2022
Applicable tax rate	19.0%	24.0%
Tax effect of expenses that are not deductible for tax purposes and of income not subject to tax	2.4%	5.0%
Impact of Alfa Laval investment	-5.2%	-69.6%
Benefits of specific tax agreements with local tax authorities	-0.8%	-0.9%
Losses not giving rise to a tax loss carryforward or a tax benefit	1.5%	6.6%
Impact of new tax law in Switzerland (1)	-4.0%	-
Impact of current taxes related to prior years	-0.2%	1.4%
Current and deferred non-recoverable withholding tax on dividends	1.0%	0.9%
Effect of changes in tax rates	-	-0.1%
Recognition of previously unrecognised tax loss carryforwards	-0.6%	-0.6%
Write-down (or expiry) of previously recognised tax loss carryforwards	0.1%	0.4%
Other	0.3%	-1.2%
Effective tax rate (tax expense divided by profit before tax)	13.5%	-34.1%

(1) *A new tax law was enacted in Switzerland, which resulted in the recognition of a tax balance sheet asset, subject to amortization until the end of 2029. The recognition of this tax balance sheet asset created a tax-deductible temporary difference as the IFRS carrying value of the asset is nil and led to the recognition of a deferred tax asset, subject to the usual recoverability assessment based on estimated future profits. The recognition of the additional deferred tax asset recognised as of December 31, 2023, amounted to €55 million (on a recognised additional tax base of €798 million). The unrecognized tax-deductible temporary difference as of December 31, 2023, amounted to €670 million.*

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

The applicable tax rate is the average of the standard income tax rates applicable in the countries in which the Group operates, weighted by the profit (loss) before tax of the subsidiaries in the respective countries as included in the consolidated financial statements.

c) Current income taxes

The movement of current income taxes was as follows:

	Tax receivable	Tax payable	2023 Net tax payable	2022 Net tax payable
At beginning of year	271	-218	53	32
Effect of changes in foreign currency exchange rates	-7	8	1	2
Taxes paid / (received)	11	221	232	224
Current tax expense	-11	-340	-351	-199
Other movements	-8	36	28	-6
At end of year	256	-293	-37	53

d) Deferred income taxes

The following amounts are included in the consolidated balance sheet:

	2023	2022
Deferred tax assets	391	317
Deferred tax liabilities	-94	-118
	297	199

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the unused tax losses/credits can be utilised.

Deferred income tax assets and liabilities are offset when the taxes relate to the same fiscal authority. The Group has a legally enforceable right to set off the recognised amounts and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

The movement of deferred income taxes was as follows:

	2023	2022
At beginning of year	199	170
Effect of changes in foreign currency exchange rates	2	4
Recognition and reversal of deferred taxes, (charged) credited to income	94	29
Recognition and reversal of deferred taxes, (charged) credited to OCI	2	-2
Other movements	-	-2
At end of year	297	199

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Deferred taxes were attributable to the following items:

	At beginning of year	Effects of changes in foreign exch. rates	Effects of changes in tax rates (charged) credited to income	Recognition and reversal of deferred taxes to income and OCI	Other Movements	At end of year
Property, plant & equipment	10	3	-3	-1	-2	7
Goodwill and other intangibles	-18	-	-	60	-2	40
Right-of-use assets	-15	1	-	1	-	-13
Receivables	32	1	2	-11	6	30
Inventories	108	1	1	-20	-4	86
Net employee benefit liabilities	31	-	1	-6	-	26
Provisions	19	-	-	7	-	26
Tax loss carryforwards	14	-	-	14	-	28
Non-recoverable withholding tax on undistributed retained earnings of subsidiaries	-6	-	-	-3	-	-9
Accrued bonus/ discounts	3	-	-	-	-	3
Employee payables due to employees	7	-	-	6	1	14
Net derivative financial instruments	-11	-	-	25	-	14
Lease liabilities	17	-	-	-	-1	16
Other accrued expenses and deferred income	8	-4	-1	24	2	29
Net deferred income tax asset	199	2	-	96	-	297

The Group's tax losses available to carry forward against future taxable income and recognised in deferred tax assets, by year of expiry were as follows:

Years of expiry:	Loss carry-forwards			Deferred tax assets
	Total	Not recognised	Recognised	
2024	7	5	2	-
2025	8	6	2	1
2026	9	9	-	-
2027	52	2	50	18
2028	5	5	-	-
Beyond 2028	1,125	1,090	35	9
	1,206	1,117	89	28

The theoretical value of unrecognised deferred tax on loss carry-forwards was €308 million (2022: €285 million).

There was no income tax consequence related to the payment of dividends in either 2022 or 2023 by the Group to its shareholders.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

19. EMPLOYEE BENEFITS

The Group has defined benefit commitments to employees and former employees and their survivors. The benefits are referring to old age pension, survivor's pension, disability pension and end of career indemnities.

Apart from legally required social security arrangements, the majority of Group employees are eligible for benefits through pension plans in case of retirement, death in service, disability and in case of resignation. These plans are either defined contribution plans or defined benefit plans. All pension plans comply with local tax and legal restrictions in their respective country, including funding obligations.

Defined benefit plans are in place mainly in Switzerland, France and Germany.

In Switzerland, most of the pension plans are cash balance plans where contributions are expressed as a percentage of the pensionable salary. The pension plan guarantees the amount accrued on the members' savings accounts, as well as a minimum interest on those savings accounts. At retirement date, the savings accounts are converted into pensions. However, members may opt to receive a part of the pension as a lump sum. Increases of pensions in payment are granted on a discretionary basis by the Board of Trustees, subject to the financial situation of the plan.

In France, the defined benefit plans represent "end of career" indemnities where a lump sum is accrued over the career of the employee and then paid when the employee leaves services or retires. There is no pension payable from these plans.

In Germany, the old age pension, survivors' pension and disability pension benefits have all been secured with an insurance. However, legally required increases on these pensions are not secured and are paid for on a year to year basis from the bonuses earned under the insurance. The net pension expense is zero, although the defined benefit obligation and plan assets in the notes include the full liability under the insurance contracts.

Employee benefit expenses incurred during the years ended December 31, 2023 and 2022 were as follows:

	Note	2023	2022
Wages and salaries		2,156	2,073
Termination benefits		8	5
Social security costs		399	381
Pension costs - defined contribution plans		153	164
Depreciation on right-of-use assets		11	14
Wages and salaries, social security costs and defined contribution pension costs		2,727	2,637
Costs for defined benefit retirement plans		12	17
Costs for other post-employment defined benefit plans		1	1
Employee benefits expenses	*20*	2,740	2,655
Average number of persons employed by the Group during the year		27,781	28,221

In Sweden, employees are covered by a multi-employer plan which, in substance, is a defined benefit plan. The pension provider is unable to allocate the value of plan assets per legal entity. For this reason, the employer's contributions to the plan are reported as prescribed by IAS19, as if the plan is a defined contribution plan.

The Group expects to make regular contributions to multi-employer plans reported as defined contribution plans of €42 million in 2024.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

The following amounts are included in the consolidated balance sheet:

	2023	2022
Employee benefit liabilities	98	86
Employee benefit assets	-1	-2
Net employee benefit liabilities	97	84

As at December 31, 2023, the Group had net employee benefit liabilities in France (€32 million), Switzerland (€28 million) and other countries (€37 million).

Net employee benefit liabilities as at December 31, 2023 and 2022 related to:

	2023	2022
Retirement benefits	81	70
Other post-employment benefits	6	5
Other long-term employee benefits	10	9
	97	84

Net employee benefit liabilities as at December 31, 2023 and 2022 consisted of the following:

	2023	2022
Present value of funded obligations	384	364
Fair value of plan assets	-349	-335
Present value of unfunded obligations	62	55
Net employee benefit liabilities	97	84

The amounts recognised in the operating profit were as follows:

	2023	2022
Current service cost	14	16
Net interest cost	3	2
Past service cost	-2	-
Effect on curtailment / settlement	-2	-
Total expenses	13	18

The above amounts are included in the personnel costs of the functions in operating profit.

The Group expects to make regular contributions of €17 million to its defined benefit pension plans in 2024.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

The movements in the defined benefit obligation over the year were as follows:

	2023	2022
At beginning of the year	-419	-495
Interest cost	-12	-5
Current service cost	-14	-16
Past service cost	2	-
Contributions by employees	-5	-5
Actuarial gain / (loss) on demographic assumptions (recorded in OCI)	-4	-4
Actuarial gain / (loss) on financial assumptions (recorded in OCI)	-7	87
Actuarial gain / (loss) due to liability experience (recorded in OCI)	2	-8
Exchange differences & other	-14	-5
Benefits paid on unfunded defined benefits plan	9	8
Benefits paid on funded defined benefits plan	14	24
Effect of curtailment / settlement	2	-
At end of the year	-446	-419

The movements in the fair value of plan assets for the year were as follows:

	2023	2022
At beginning of the year	335	393
Interest income	9	3
Actuarial gain (loss) on return on plan assets (recorded in OCI)	-7	-19
Actuarial gain (loss) on insured plan (recorded in OCI)	-1	-39
Exchange differences & other	12	6
Employer contributions	10	10
Contributions by employees	5	5
Benefits paid on funded defined benefit plans	-14	-24
At end of the year	349	335

The movements in the net defined employee benefit liabilities for the year were as follows:

	2023	2022
At beginning of the year	84	102
Actuarial (gain) / loss	17	-17
Total expenses	13	18
Contributions paid	-10	-10
Pensions paid directly by companies related to unfunded plans	-9	-8
Exchange differences & other	2	-1
At end of the year	97	84

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Plan assets were comprised of:

	2023		2022	
Equities	57	16%	53	16%
Bonds	49	14%	45	13%
Shares in investment funds & other quoted	73	21%	68	20%
Investments through Insurance companies	161	46%	161	49%
Cash deposits	9	3%	8	2%
	349	100%	335	100%

The principal actuarial information used for accounting purposes was:

	2023	2022
Discount rate	1.3% - 7.3%	2.0% - 7.6%
Effective return on plan assets	-2.0% - 7.6%	-9.4% - 6.5%
Future salary increases	0.0% - 10.0%	0.0% - 10.0%
Future pension increases	0.0% - 10.0%	0.0% - 10.0%
Current average life expectancy for a 65 year old male / female	20 / 23 years	20 / 23 years
Weighted average duration of defined benefit obligations	10 years	10 years

The main discount rates were as follows:

	2023	2022
Euro Zone	3.1%	3.7%
Switzerland	1.3%	2.0%

Average effective return on significant plan assets of defined benefit schemes were 3.9% for Switzerland (2022: -9.4%).

The expected return on plan assets was determined based on the discount rates applicable to the period over which the obligations are to be settled.

A quantitative sensitivity analysis for significant assumptions as at December 31, 2023 would have had the following impact on the net defined benefit obligation:

	Increase	Decrease
Discount rate 0.5%	-16	20
Future salary rate 0.5%	5	-4
Future pension cost rate 0.5%	10	5
Life expectancy of 1 year	9	n/a

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

20. OPERATING PROFIT

The operating profit presented by nature of expenses for the years ended December 31, 2023 and 2022 were as follows:

	Notes	2023	2022
Revenue	*3*	13,729	13,138
Cost of inventory recognised as expenses		-7,049	-7,316
Employee benefit expenses	*19*	-2,740	-2,655
Outsourcing		-393	-357
Maintenance and utilities		-675	-622
Advertising, promotion and donations		-271	-253
Depreciation of tangible fixed assets	*4*	-284	-296
Amortisation of intangible fixed assets	*7*	-23	-22
Depreciation of right-of-use assets	*5*	-52	-51
Consulting and fees		-133	-120
Travel and entertainment		-211	-179
Rentals and leases		-28	-22
Taxes other than on income		-59	-70
Bad debt expense		10	-144
Interest cost on operating capital items		-10	-8
Interest income on operating capital items		24	23
Realised gain / (loss) on hedging of operating items		-84	-295
Realised gain / (loss) on hedging of operating items with related parties	*26*	-10	26
Exchange result on monetary operating assets and liabilities		-95	-342
Exchange result on monetary operating assets and liabilities with related parties	*26*	3	339
Restructuring, impairment and other non-recurring items	*21*	-124	-184
Operating profit		1,525	590

21. RESTRUCTURING, IMPAIRMENT AND OTHER NON-RECURRING ITEMS

Restructuring, impairment and other non-recurring items for the years ended December 31, 2023 and 2022 included:

	Note	2023	2022
Restructuring costs and provisions		-32	-73
Impairment of property, plant and equipment		-32	-58
Impairment of intangible assets	*7*	-2	-
Impairment of right-of-use assets		-	-3
Litigation costs and other non-recurring items		-58	-50
		-124	-184

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

22. OTHER FINANCIAL INCOME (EXPENSE), NET

Other financial income (expense), net for the years ended December 31, 2023 and 2022 included:

	Note	2023	2022
Realised foreign exchange gain / (loss) on financial items		-154	20
Unrealised foreign exchange gain / (loss) on financial items		49	-43
Realised gain / (loss) on hedging of financial items		-16	-73
Realised gain / (loss) on hedging of financial items with related parties	*26*	30	15
Unrealised gain / (loss) on hedging		19	130
Unrealised gain / (loss) on hedging with related parties	*26*	4	2
Other		-13	-12
Other with related parties	*26*	4	3
		-77	42

23. INTEREST INCOME AND INTEREST EXPENSE

Interest income and interest expense for the years ended December 31, 2023 and 2022 included:

	Notes	2023	2022
Interest income		115	7
Interest income with related parties	*26*	14	10
		129	17
Interest expense		-163	-145
Interest expense on lease liabilities	*5*	-8	-7
Interest expense with related parties	*26*	-35	-14
		-206	-166

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

24. FINANCIAL RISKS

In the course of its business, the Group is exposed to a range of financial risks: market (including foreign exchange and interest rate risk, commodity price risk and equity price risk), credit and liquidity related financial risks and counterparty risks inherent in its global activities. The Group's financing activities are aimed at securing an adequate level of financing capacity both centrally and at local subsidiary level in a way that mitigates risks and minimises after tax costs. Significant decisions in the areas of banking, financing, counterparty, liquidity, credit, insurance, foreign exchange and interest rate risk management are centrally managed by Tetra Laval International (TLI) as a support and control function under the supervision and control of the Tetra Laval Group Board. Significant decisions on hedging of commodity prices are taken jointly between TLI and the Industry Groups.

Management approves key decisions on the implementation of strategies for financial risk management approved by the Board and is supported by a regular Finance Forum to review, implement and follow up on financial risks, objectives, policies and controls.

It is the Group's policy that derivatives are entered into to cover actual or future exposures that materialise either at the Group level or with related parties. Derivatives are therefore not traded for speculative purposes.

The derivative assets and liabilities were as follows:

	Note	2023	2022
Derivative financial assets non-current			
with financial institutions		79	103
with related parties	*26*	-	-
		79	103
Derivative financial assets current			
with financial institutions		80	138
with related parties	*26*	9	6
		89	144
Derivative financial assets		168	247
Derivative financial liabilities non-current			
with financial institutions		-17	-28
with related parties	*26*	-	-1
		-17	-29
Derivative financial liabilities current			
with financial institutions		-82	-171
with related parties	*26*	-2	-3
		-84	-174
Derivative financial liabilities		-101	-203
Net derivative financial assets / (liabilities)		67	44

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

	2023	2022
Fixed Rate Mechanism	44	-24
Other FX Transaction Hedging	3	4
Dividends	-1	7
Transaction Exposure	46	-13
Balance Sheet Exposure	1	35
Foreign Exchange	47	22
Commodity Price Risk	-6	-41
Interest Rate Risk	26	63
Net derivative financial assets / (liabilities)	67	44

The movement of derivative financial instruments during the year and the related income and costs may be summarised as follows:

	Foreign Exchange						
	Transaction Exposure			Balance Sheet Exposure	Commodity Price Risk	Interest Rate Risk	TOTAL 2023
	Fixed Rate Mechanism	Other FX Transaction Hedging	Dividends				
Fair value at beginning of year	-24	4	7	35	-41	63	44
Matured [1]	34	2	-6	-8	57	5	84
Unrealised gain / (loss)	69	-1	-8	-35	35	-37	23
Realised gain / (loss)	-35	-2	6	8	-57	-5	-85
Effect of changes in foreign currency exchange rates	-	-	-	1	-	-	1
Fair value at end of year	44	3	-1	1	-6	26	67

[1] *Included under Interest Rate Risk is an amount of €27 million of interest income included under "Interest received" and €32 million of interest expense included under "Interest paid" in the cash flow statement and under "Interest income" and "Interest expense" respectively in the statement of comprehensive income.*

	Foreign Exchange						
	Transaction Exposure			Balance Sheet Exposure	Commodity Price Risk	Interest Rate Risk	TOTAL 2022
	Fixed Rate Mechanism	Other FX Transaction Hedging	Dividends				
Fair value at beginning of year	-51	-4	-9	-14	23	-23	-78
Matured [1]	263	9	22	36	-10	29	349
Unrealised gain / (loss)	34	9	16	52	-64	85	132
Realised gain / (loss)	-270	-9	-22	-36	10	-29	-356
Effect of changes in foreign currency exchange rates	-	-1	-	-3	-	1	-3
Fair value at end of year	-24	4	7	35	-41	63	44

[1] *Included under Interest Rate Risk is an amount of €29 million of interest expense included under "Interest paid" in the cash flow statement and under "Interest expense" in the statement of comprehensive income.*

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Overall, the notional amounts of outstanding derivative financial instruments and their related fair values, with financial institutions and related parties, as at December 31, 2023 and 2022 were as follows:

		Notional amount		Positive fair value		Negative fair value	
	Note	2023	2022	2023	2022	2023	2022
Fixed Rate Mechanism							
with financial institutions		4,981	5,655	89	111	-45	-135
Other FX Transaction Hedging							
with financial institutions		763	876	10	18	-7	-12
with related parties	26	113	112	2	2	-2	-4
Dividends							
with financial institutions		195	197	1	8	-2	-1
Transaction Exposure		6,052	6,840	102	139	-56	-152
Balance Sheet Exposure							
with financial institutions		1,208	921	2	40	-8	-9
with related parties	26	163	189	7	4	-	-
Balance Sheet Exposure		1,371	1,110	9	44	-8	-9
Foreign Exchange		7,423	7,950	111	183	-64	-161
Aluminium							
with financial institutions		169	207	5	1	-5	-20
Polymers							
with financial institutions		230	197	3	-	-9	-22
Commodity Price Risk		399	404	8	1	-14	-42
Interest Rate Risk		1,359	1,409	49	63	-23	-
Net derivative financial assets / (liabilities)		9,181	9,763	168	247	-101	-203

The notional amounts are those of the underlying financial instruments or exposure. These are the basis upon which changes in the values of derivatives are measured. The notional amounts indicate the volume of transactions outstanding and are neither indicative of the market risk nor of the credit risk.

Foreign exchange risk

The Group is exposed to foreign exchange risk from transactions (transaction and balance sheet exposure) and translation.

Transaction exposure

Transaction exposure arises from transactions in foreign currency. TLI focuses on hedging the Group's and related parties' cash flow exposures, i.e. the risk of the Group's and related parties' non-Euro cash flows being adversely affected by changes in exchange rates. The main non-Euro cash flow exposures relate to internal, external and related parties' account payables and account receivables and forecasted dividend exposure.

Derivatives are entered into to mitigate projected cash flow exposures to changes in foreign exchange rates. The Group does not apply hedge accounting, consequently, all derivative contracts are recognised at their fair values in the balance sheet and the gains and losses incurred as a result of changes in these fair values are recognised in the profit and loss at each balance sheet date.

Exposures resulting from internal operational currency flows and those of related parties are largely centralised in TLI by means of an internal netting system and a fixed exchange rate mechanism. Major exposures related to future external

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

currency flows of Group companies and those of related parties are also managed by TLI. The industry groups (Tetra Pak, DeLaval, Sidel companies including those that are related parties) are required to forecast their yearly exposures and are provided with a fixed annual exchange rate. During the hedging period, the Group enters into currency derivative contracts (forwards between 25% and 75% and options between 0% and 50%) and stop loss instruments (between 0% and 25%) to cover the resulting net exposures for the following budget year. For the 2024 hedging program, pre-hedging of SEK was approved for 80% of the exposure. For 2025, pre-hedging of SEK was approved for 50% of the exposure. In the light of increased market volatility, some currencies may be hedged outside the currently approved range of 25-75% of estimated currency forecasts. For the 2023 and 2024 hedging programme, the approved ratios for centrally managed foreign exchange exposure on forecasted business transactions are between 25% and 75%. After the hedging period, the Group may decide to close the open positions for certain currencies by entering into additional hedges.

The hedging ratios (including forwards and options), for the main actual 2023 and forecasted 2024 cash flows, are as follows:

	Forwards	Stop Loss	Options	2023	Forwards	Stop Loss	Options	2024
USD	96%	0%	0%	96%	59%	0%	0%	59%
SEK	101%	0%	0%	101%	77%	0%	0%	77%
CHF	96%	0%	0%	96%	41%	0%	0%	41%
MXN	92%	0%	0%	92%	21%	7%	0%	28%
JPY	86%	0%	0%	86%	38%	9%	0%	47%
CNH	96%	0%	0%	96%	70%	0%	0%	70%

Selective hedging is also arranged for dividend flows. In 2022, projected 2023 dividends in USD, JPY, CNH, SAR and SEK were all hedged at 50%, except BRL that was hedged at 80% of the exposure. In 2023, the hedged amount increased to 100% within two weeks of the confirmation of the exact dividend paid. Dividends in all other currencies were not hedged, with the exception of the RUB dividend in 2022 that was hedged once declared and the payment date was known. During 2023, projected 2024 dividends in USD, JPY, CNH, BRL, TRY, SAR and SEK have all been hedged. Exposures related to future external currency flows of related parties are also managed by TLI. Selective hedging is also arranged for forecasted financial flows.

At December 31, 2023 and 2022, the notional values of the derivatives contracted in relation to internal, external and related parties' currency flows were as follows:

	0 - 6 months	6 - 12 months	> 12 months	2023 Total	2022 Total
SEK	739	552	1,057	2,348	2,353
USD	1,038	618	36	1,692	2,174
CNH	302	251	27	580	629
MXN	193	74	-	267	400
SGD	112	41	6	159	203
JPY	85	60	6	151	186
CAD	46	16	4	66	94
CHF	116	25	1	142	129
EUR	56	30	-	86	66
GBP	36	18	13	67	69
BRL	23	16	-	39	42
SAR	46	20	3	69	83
ZAR	33	24	8	65	58
DKK	25	-	-	25	113
AUD	29	24	4	57	45
NZD	26	19	3	48	47
PLN	59	47	10	116	82
NOK	13	-	-	13	12
Other	40	19	3	62	55
	3,017	1,854	1,181	6,052	6,840

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Balance sheet exposure

Balance sheet exposure arises from borrowing transactions in foreign currency. Central borrowing is only conducted in EUR or USD. Derivatives are used to hedge the balance sheet exposure resulting from the financing provided in the subsidiaries' and related parties' local currency.

At December 31, 2023, the notional amounts of these derivative instruments may be summarised as follows:

	0 - 6 months	6 - 12 months	> 12 months	2023 Total	2022 Total
SEK	228	-	-	228	171
USD	42	-	-	42	231
SGD	339	-	-	339	147
CHF	5	-	-	5	4
MXN	326	-	-	326	378
JPY	6	-	215	221	-
SAR	28	-	-	28	1
ZAR	72	2	-	74	64
DKK	38	-	-	38	28
CAD	16	-	-	16	37
AUD	17	-	-	17	34
NZD	15	-	-	15	-
GBP	3	-	-	3	3
PLN	16	3	-	19	8
Other	-	-	-	-	4
	1,151	5	215	1,371	1,110

The notional amounts are those of the underlying financial instrument or exposure. These are the basis upon which changes in the values of derivatives are measured. The notional amounts indicate the volume of transactions outstanding and are neither indicative of the market risk nor of the credit risk.

Foreign exchange hedging fair values (Inputs hierarchy Level 2)

Foreign currency forwards are estimated by using the uploaded spot, forward and non-deliverable forward rates. The pricing model interpolates the rates using a linear variation approach across the forward curves. Foreign currency options are estimated by using the uploaded spot, forward, interest rates and foreign exchange volatility.

Sensitivity impact

The following table demonstrates the sensitivity to a 10% change in exchange rates, with all other variables held constant, of the Group's profit before income taxes due to changes in the fair value of financial instruments related to hedging, together with other monetary assets and liabilities. The impacts of foreign exchange on operating cash flows were not considered:

	Effect of devaluation on profit before tax		Effect of revaluation on profit before tax	
	2023	2022	2023	2022
SEK	-97	-122	158	215
USD	83	94	-102	-115
CNH	51	50	-62	-61
MXN	35	42	-42	-52
INR	6	20	-8	-25
JPY	9	15	-11	-18
ZAR	10	10	-13	-12
THB	6	8	-7	-10
BRL	3	4	-4	-4
DKK	2	-10	-3	12
SGD	-23	-8	28	10
CHF	-7	-10	8	13

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Translation exposure

Translation exposure arises from the consolidation of the financial statements of foreign operations into Euro. The Group mitigates the impact of translation exposure by operating a policy of reducing local equity to the operational and statutory minimum and by directing local operations to fund in their functional currency.

The movements in equity attributable to equity holders of the Group by currency for the year ended December 31, 2023 were as follows:

	Opening Balance	Result	Dividends	Translation	Other Movements	Closing Balance
EUR	4,400	1,324	-3,806	-	-13	1,905
SEK	300	88	-22	2	-	368
USD	193	40	43	-4	-	272
MXN	-13	-8	30	-1	-	8
JPY	36	10	-16	-3	-	27
CNY	-60	18	12	4	-	-26
CHF	9	5	-5	-	-2	7
BRL	-29	101	-40	-	-	32
GBP	31	6	-3	-	-	34
PKR	3	14	-	-	-	17
INR	42	35	-23	-3	-	51
Other	173	22	9	-	-	204
	5,085	1,655	-3,821	-5	-15	2,899

Commodity price risk

Commodity price risk arises from the impact of fluctuating base material market prices.

As a manufacturing group, the Group and its related parties' buy a range of different base materials. The Group's commodity price hedging programme aims to reduce the impact of volatility on commodity prices and to contribute to managing the cost. In 2023, 64% of the total base material annual cost was managed via medium to long term contracts with suppliers (2022: 59%). Of the remaining 36% of the exposure (2022: 41%), 70 % (2022: 70%) relates to aluminium and polymers.

Aluminium

The Group has entered into non-deliverable swap contracts with financial institutions and counterparties in order to cover the aluminium price exposures on a 24-month rolling basis. The price exposure on aluminium will be hedged within a 50% to 80% range of the volume. For 2023, 77% of the forecasted annual aluminium volume exposure was hedged in this way (2022: 66%). The Group has similarly hedged 59% of the 2024 forecasted volume exposure and 0% of the 2025 forecasted volume exposure (2022: 60% for 2023 and 0% for 2024 of the forecasted volume exposure).

Sensitivity impact

A +/-10% change in price, with all other variables held constant, would have had an impact of negative €15million / positive €19 million (2022: negative €17 million / positive €21 million) on the Group's profit before income.

Polymers

The Group also entered into non-deliverable swap contracts for polymers with financial institutions and counterparties using both direct hedging and indirect naphtha proxy hedging. For 2023, the Group hedged approximately 31% of the total polymer exposure and has hedged 36% of the total polymer exposure for 2024. The hedgeable raw material price exposure on polymers will be hedged within a 40% to 80% range of the volume (direct 40% to 80%, indirect 0% to 50%) on a 24-months rolling basis market conditions permitting.

Sensitivity impact

A +/-10% change in price, with all other variables held constant, would have had a negative €20 million / positive €24 million impact on the Group's profit before income tax (2022: negative €16 million / positive €20 million).

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

At December 31, 2023, the notional amounts and maturities of these commodity derivative instruments may be summarised as follows:

	0 - 6 months	6 - 12 months	> 12 months	2023 Total	2022 Total
Aluminium	97	72	-	169	207
Polymers	115	115	-	230	197
Commodity Price Risk	212	187	-	399	404

Commodity hedging fair values (Inputs hierarchy Level 2)

Commodity hedging fair values are estimated by using the uploaded spot and forward rates. The pricing model interpolates the rates using a linear variation approach across the forward curves.

Interest rate risk

Interest rate risk arises from the impact of movements in interest rates.

The Group and its related parties are exposed primarily to fluctuations in USD, EUR and BRL interest rates and also fixes interest rates through interest rate swaps (IRS) for MXN and THB. The debt in SEK and INR is continuously monitored to assess new potential central hedges. The objective of the Group's interest rate hedging programme is to ensure the correct balance between optimising funding costs and reducing volatility of interest expense. The Group mitigates the impact of increases in interest rates, in the short and long term, by hedging its and its related parties' debt for each of the key currencies in which the Group is borrowing within a 25% to 75% range and up to 10 years.

The above-mentioned derivatives enable interest rates to be fixed as follows:

	Notional Amounts				Fair values	
	2023	2022	Fixed interest rates	Average remaining duration (months)	2023	2022
EUR	275	200	1.06%	26	2	7
USD	605	770	2.13%	50	31	47
BRL	163	173	9.17%	91	7	28
MXN	79	38	6.21%	74	8	3
THB	22	23	1.30%	67	1	1
Interest Rate Risk	1,144	1,204			49	86

In order to provide financing in Brazil, a cross-currency swap (CCS) was used during 2022 and the first half on 2023 to swap a fixed USD interest rate to floating BRL interest rates. This was then changed to a cross-currency swap to swap a fixed JPY interest rate to floating BRL interest rates. At December 31, 2023, the interest component of the open contract had a fair value of negative €23 million (2022: €23 million) and a notional value of €215 million (2022: €205 million).

The net realised interest related to the IRS amounted to positive €27 million (2022: negative €2 million) and to the CCS amounted to negative €32 million (2022: negative €27 million) and are both included in interest income / expense.

The notional amounts are those of the underlying financial instrument or exposure. These are the basis upon which changes in the values of derivatives are measured. The notional amounts indicate the volume of transactions outstanding and are neither indicative of the market risk nor of the credit risk.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Sensitivity impact

At December 31, 2023, if the interest rate was 1% higher/lower with all other variables held constant, the profit before income taxes would have been €3 million higher / €3 million lower (2022: €6 million higher / €6 million lower).

Interest rate hedging fair values (Inputs hierarchy Level 2)

Interest rates hedging fair values are estimated by using the projected forward value of the cash flow approach, based on the uploaded interest rate curves. Interest rate options are estimated using the uploaded interest rates and interest rates volatility curves.

Customer credit risk

Credit risk is the risk of loss from the default by an obligor or counterpart. This risk is managed primarily based upon reviews of the financial status of each specific counterpart. The Group faces customer credit risk primarily from trade and long-term receivables as well as those and cash and short-term deposits with related parties.

The Group's assets are largely composed of related party balances. The Group is confident that any deficit would be made whole by the related party's shareholders.

The Group does not envisage any risk of non-settlement of related party receivables or payables.

No trade customer accounts for 3% or more of the Group's total net sales. The nominal values less impairment provisions of trade receivables are assumed to be their fair value (Note 11).

Equipment financing to customers is primarily granted in relation to the sales of equipment. The Group maintains close customer relationships and generally requires security for its financing which enables the Group to minimise credit risks. Historically, defaults have been minimal. Regular credit reviews are performed for major customers and new prospects.

Counterparty risk

The Group faces counterparty credit risk primarily from placement of liquid funds and derivative financial instruments. Liquid funds are maintained at banking institutions with minimum Standard & Poor (S&P) credit ratings of A- / Moody's A3 (Notes 13 and 14).

Transactions involving derivative financial instruments are with counterparts that maintain a minimum S&P credit rating of A- / Moody's A3 and a maximum Credit Default Swap (CDS) rate of 300 basis points. Derivative transactions executed by Group Treasury are subject to International Swaps and Derivatives Association (ISDA) Master Agreements with most of our bank counterparties to ensure offset of credit exposures in the event of a bank default. Mark to market and total outstanding notional limits are also set and approved for each counterpart thereby reducing the risk that a counterpart will fail to meet its obligations. The Group also has a Continuous Linked Settlement (CLS) foreign exchange settlement procedure which settles foreign exchange transactions in the CLS platform with all our counterparty banks. This enables the Group to settle the net buy & sell position of each CLS eligible currency, instead of settling gross.

The T7 /T8 agreement includes a set-off clause by which any T7 / T8 borrower shall have the right to set-off any amount it owes to any T7 / T8 lender under the T7 / T8 agreement or under any other agreement between the T7 / T8 borrower and the T7 / T8 lender against any amount such T7 / T8 lender owes to the T7 / T8 borrower.

Capital management and liquidity risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern with adequate levels of liquidity. The Group has no specific policy for gearing ratios.

The Board has endorsed a policy to maintain at all times an undrawn amount of €700 million of the central committed facilities for contingency purposes (Note 14).

Equity market risk

The Group is exposed to equity price risk and FX risks due to the investments in shares held by the Group and stated in the consolidated balance sheet (Note 8) at fair value with adjustment for gains or losses taken through the profit and loss for the year.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

25. CONTINGENT LIABILITIES

DeLaval is subject to civil litigation in the United States. Such litigation is ongoing, and the potential impacts cannot currently be assessed.

The Group is subject to tax and legal exposures arising in the normal course of business. The Group provides for such exposures when additional costs are probable and can be reliably measured.

The contingencies referred to above could result in outcomes that may have material effects on the Group's financial position, the results of its operations and its cash flows.

26. RELATED PARTY TRANSACTIONS

The transactions with the related parties are performed on an "arm's length" basis. The balances transactions with these related parties were summarised below:

	Notes	2023	2022
Assets			
Long-term receivables	*9*	11	20
Trade receivables	*11*	468	494
Contract assets	*3*	1	-
Other receivables and prepayments	*12*	220	245
Cash and short term deposits	*13*	54	110
Derivatives financial assets	*24*	9	6
Total assets with related parties		763	875
Liabilities			
Fixed ST borrowings	*14*	450	824
Loans and overdrafts	*14*	56	3
Contract liabilities	*3*	2	1
Other payables and accrued liabilities	*17*	114	149
Trade payables		239	295
Derivatives financial liabilities	*24*	2	4
Total liabilities with related parties		863	1,276
Income statement			
Net sales		2,236	2,061
Cost of sales		-1,658	-1,650
Selling, Marketing and administrative expenses		-	-1
Other operating income / (expense), net	*20*	-7	365
Other financial income / (expense), net	*22*	38	20
Interest expense, net	*23*	-21	-4
Total income with related parties		588	791

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Key management personnel of the Group, including board members, top management and presidents of Tetra Pak, Sidel and DeLaval, in total 33 persons (2022: 33 persons), received the following compensation in the course of 2023 and 2022:

	2023	2022
Salaries, fees and incentives (including social security)	37	39
Post-employment benefits	7	7
Total key management compensations	44	46

27. SUPPLEMENTARY CASH FLOW INFORMATION

Changes in "Other non-cash items and reclassification to financing activities" included in the Consolidated Statement of Cash Flows consisted of the following for the years ended December 31, 2023 and 2022:

	2023	2022
Movements in provisions	24	22
Unrealised (gain) / loss on hedging	-23	-132
Realised (gain) / loss on hedging relating to financial items	-14	58
Net interest expense	77	150
Foreign exchange (gain) / loss on financial items	105	23
Other	18	41
	187	162

Changes in working capital included in the Consolidated Statement of Cash Flows consisted of the following for the years ended December 31, 2023 and 2022:

	2023	2022
Inventories	-69	-361
Trade receivables	-108	-134
Trade payables	60	157
Contract assets	31	51
Contract liabilities	-55	163
Other receivables and prepayments	-68	-155
Other payables and accrued liabilities	67	142
	-142	-137

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

28. ACQUISITION AND DISPOSAL OF BUSINESS

The acquisition of businesses, in 2023 and 2022, included:

	2023	2022
Makro Labelling S.r.l.	-56	-
Other	-	-5
	-56	-5

On January 25, 2023 the Group completed the acquisition of Makro Labelling, a modular labelling machine company mainly active in low and medium-speed solutions, to complement the leading higher-speed technologies and expand offering in labelling machines. This acquisition will serve Sidel to expand its offering in labelling machines and contributed €36 million to its revenue in 2023.

The goodwill of €37 million (purchase price of €59 million, less net assets acquired for €22 million, including €3 million of cash) was allocated to Goodwill for €34 million (synergies) and patent, trademark and intellectual property for €3 million.

The disposal of businesses, in 2023 and 2022, included:

	2023	2022
Cash received from disposal of JSC Industrial Services Kuban	12	-
	12	-

On December 27, 2023, the Group completed the disposal of JSC Industrial Services Kuban at fair value for €12 million, resulting in a gain of €11 million (selling price less equity) included in other financial income (expense), net.

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

29. LIST OF CONSOLIDATED COMPANIES

The consolidated companies as at December 31, 2023 and 2022 were as follow:

Country	Company	Ownership		
	HOLDING	**2023**	**2022**	
Switzerland	Tetra Laval International S.A.			
	SUBSIDIARIES			
Sweden	AB Tetra Pak	100.00%	100.00%	
Sweden	Tetra Recart AB	-	100.00%	Merged into AB Tetra Pak
Sweden	Tetra Pak Packaging Material Sunne AB	100.00%	100.00%	
Sweden	Tetra Pak Inventing AB	100.00%	100.00%	
Sweden	Tetra Pak Sverige AB	100.00%	100.00%	
Sweden	Simontorp Sateri AB	100.00%	100.00%	
Sweden	Tetra Pak Packaging Solutions AB	100.00%	100.00%	
Sweden	Tetra Pak Technical Service AB	100.00%	100.00%	
Sweden	Tetra Pak Processing Systems AB	100.00%	100.00%	
Sweden	Tetra Pak Processing Equipment AB	100.00%	100.00%	
Norway	Tetra Pak Norge A/S	100.00%	100.00%	
Denmark	Tetra Pak Danmark A/S	100.00%	100.00%	
Denmark	Tetra Pak Inventing A/S	100.00%	100.00%	
Denmark	Tetra Pak Processing Systems A/S	100.00%	100.00%	
Finland	Tetra Pak Oy	100.00%	100.00%	
Finland	Tetra Pak Production Oy	100.00%	100.00%	
Germany	Tetra Pak GmbH	100.00%	100.00%	
Germany	Tetra Holdings GmbH	100.00%	100.00%	
Germany	Tetra Pak Produktions GmbH	100.00%	100.00%	
Germany	Tetra Pak Processing Equipment GmbH	100.00%	100.00%	
Germany	Tetra Pak Processing GmbH	100.00%	100.00%	
Poland	Tetra Pak Sp. z.o.o.	100.00%	100.00%	
Poland	Tetra Pak Processing Equipment Sp. z o.o.	100.00%	100.00%	Name changed
Netherlands	Tetra Pak B.V.	100.00%	100.00%	
Netherlands	Tetra Pak Moerdijk B.V.	100.00%	100.00%	
Netherlands	Tetra Pak Cheese and Powder Systems B.V.	100.00%	100.00%	
Netherlands	Laude B.V.	100.00%	100.00%	
Netherlands	Tetra Pak Processing Systems B.V.	100.00%	100.00%	
Belgium	Tetra Pak Belgium N.V.	100.00%	100.00%	
United Kingdom	Tetra Pak Ltd.	100.00%	100.00%	
United Kingdom	Tetra Pak Processing UK Limited	100.00%	100.00%	
United Kingdom	Tetra Pak CPS Limited	100.00%	100.00%	
Ireland	Tetra Pak (Ireland) Ltd.	100.00%	100.00%	
France	Tetra Pak & Cie S.A.S.	100.00%	100.00%	Name changed
France	Papeteries de Dijon S.A.S.	100.00%	100.00%	Name changed
France	Sifar et Cie S.A.S.	100.00%	100.00%	Name changed
France	Tetra Pak Service S.A.S.	100.00%	100.00%	Name changed
France	Tetra Pak Closures France S.A.S.	100.00%	100.00%	Name changed
France	Tetra Pak Processing Equipment S.A.S.	100.00%	100.00%	
France	Tetra Pak Processing S.N.C.	100.00%	100.00%	

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Country	Company	Ownership 2023	Ownership 2022	
Spain	Tetra Pak Hispania S.A.U.	100.00%	100.00%	Name changed
Spain	Tetra Pak Envases S.A.U.	100.00%	100.00%	Name changed
Spain	Tetra Pak Closures Spain, S.L.U.	100.00%	100.00%	
Portugal	TP Portugal-Sistemas de Embalagem e Trat Lda	100.00%	100.00%	
Portugal	Tetra Pak Tubex Portugal Lda	100.00%	100.00%	
Italy	Tetra Pak Italiana S.p.A.	100.00%	100.00%	
Italy	Tetra Pak Carta S.p.A.	100.00%	100.00%	
Italy	Tetra Pak Latina S.p.A.	100.00%	100.00%	
Italy	Tetra Pak Packaging Solutions S.p.A.	100.00%	100.00%	
Italy	Tetra Pak Closures Italy S.r.l.	100.00%	100.00%	
Italy	Tetra Pak Food Engineering S.p.A.	100.00%	100.00%	
Switzerland	Tetra Pak (Suisse) S.A.	100.00%	100.00%	
Switzerland	Tetra Pak Processing Equipment AG	100.00%	100.00%	
Switzerland	Tetra Pak eBeam Systems S.A.	100.00%	100.00%	
Switzerland	Tetra Pak International S.A.	100.00%	100.00%	
Switzerland	Camee Services and Support S.A.	100.00%	100.00%	
Switzerland	Tetra Pak Global Supply S.A.	100.00%	100.00%	
Switzerland	Tetra Pak Global Distribution S.A.	100.00%	100.00%	
Austria	Tetra Pak GmbH	100.00%	100.00%	
Hungary	Tetra Pak Hungaria Kereskedelmi Zrt.	100.00%	100.00%	
Hungary	Tetra Pak Csomagoloanyag Gyarto Zrt.	100.00%	100.00%	
Romania	Tetra Pak Romania S.r.l.	100.00%	100.00%	
Turkey	Tetra Pak Paketleme Sanayi ve Ticaret Ltd Sirketi	99.99%	99.99%	
Greece	Tetra Pak Hellas Single Member S.A.	100.00%	100.00%	Name changed
Latvia	SIA Tetra Pak	100.00%	100.00%	
Slovenia	Tetra Pak d.o.o.	100.00%	100.00%	
Croatia	Tetra Pak d.o.o.	100.00%	100.00%	
Serbia	Tetra Pak Production d.o.o.	100.00%	100.00%	
Czech Republic	Tetra Pak Ceska republica s.r.o.	100.00%	100.00%	
Slovakia	Tetra Pak AS	100.00%	100.00%	
Ukraine	Tetra Pak Ltd.	100.00%	100.00%	
Ukraine	Tetra Pak Ukraine	100.00%	100.00%	
Kazakhstan	Tetra Pak Kazakhstan Ltd.	100.00%	100.00%	
Pakistan	Tetra Pak Pakistan Ltd.	95.00%	95.00%	
India	Tetra Pak (India) Private Ltd.	100.00%	100.00%	
Malaysia	Tetra Pak (Malaysia) SDN. BHD.	100.00%	100.00%	
Philippines	Tetra Pak (Philippines) Inc.	100.00%	100.00%	
Hong Kong	Tetra Pak China Ltd.	100.00%	100.00%	
Japan	Nihon Tetra Pak K.K.	100.00%	100.00%	
South Korea	Tetra Pak Ltd.	100.00%	100.00%	
Canada	Tetra Pak Canada Inc.	100.00%	100.00%	
United States	Tetra Pak Inc.	100.00%	100.00%	
United States	Tetra Pak Tubex Inc.	100.00%	100.00%	
United States	Tetra Pak Processing Equipment Inc.	100.00%	100.00%	
United States	Tetra Pak Materials LLC	100.00%	100.00%	
United States	Tetra Pak Global Information Mgmt Americas Inc.	100.00%	100.00%	
Mexico	Tetra Pak Plastics Mexico S.A. de C.V.	100.00%	100.00%	
Panama	Sidal Inc.	100.00%	100.00%	
Panama	Tetra Pak S.A.	100.00%	100.00%	

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Country	Company	Ownership 2023	Ownership 2022	
Panama	Tetra Pak de Panama S.A.	100.00%	100.00%	
Dominican Republic	Tetra Pak Dominicana S.R.L	100.00%	100.00%	
Trinidad and Tobago	Tetra Pak (T&T) Limited	100.00%	100.00%	
Venezuela	Tetra Pak C.A.	100.00%	100.00%	
Brazil	Tetra Pak Ltda.	100.00%	100.00%	
Paraguay	Tetra Pak Paraguay S.R.L.	100.00%	100.00%	
Argentina	Tetra Pak S.R.L.	60.00%	60.00%	
Chile	Tetra Pak de Chile Comercial Ltda.	100.00%	100.00%	
Bolivia	Tetra Pak S.R.L.	100.00%	100.00%	
Peru	Tetra Pak S.A.	100.00%	100.00%	
Ecuador	Tetra Pak Cia Ltda.	100.00%	100.00%	
Colombia	Tetra Pak Ltda. BIC	100.00%	100.00%	Name changed
Tunisia	TP Tunisie S.A.R.L.	100.00%	100.00%	
Tunisia	Marketing Services S.A.R.L.	100.00%	100.00%	
Algeria	Tetra Pak Services Algerie S.A.R.L.	100.00%	100.00%	
Morocco	Tetra Pak Maghreb S.A.R.L.	100.00%	100.00%	
Senegal	Tetra Pak Senegal SARL	-	100.00%	Closed
Nigeria	Tetra Pak (West Africa) Ltd.	100.00%	100.00%	
South Africa	Tetra Pak South Africa (Pty) Ltd.	100.00%	100.00%	
South Africa	Tetra Laval Southern Africa (Pty) Ltd.	100.00%	100.00%	
Kenya	Tetra Pak Ltd.	100.00%	100.00%	
Sweden	GoTan Rentals AB	100.00%	100.00%	
Sweden	DeLaval Digital Services AB	100.00%	100.00%	
Sweden	DeLaval Hamra Gard AB	100.00%	100.00%	
Sweden	DeLaval Sales AB	100.00%	100.00%	
Sweden	DeLaval International AB	100.00%	100.00%	
Sweden	DeLaval Export Service AB	100.00%	100.00%	
Sweden	DeLaval Hamra Gard AB	100.00%	100.00%	
Sweden	DeLaval Sales AB	100.00%	100.00%	
Sweden	DeLaval Export AB	100.00%	100.00%	
Sweden	DeLaval Holding AB	100.00%	100.00%	
Sweden	Defra Atervinning AB	51.00%	51.00%	
Norway	DeLaval A/S	100.00%	100.00%	
Denmark	Lattec I/S	100.00%	100.00%	
Denmark	DeLaval A/S	100.00%	100.00%	
Finland	Oy DeLaval AB	100.00%	100.00%	
Germany	DeLaval Services GmbH	100.00%	100.00%	
Germany	DeLaval GmbH	100.00%	100.00%	
Poland	Milkrite InterPuls Sp. Z.o.o.	100.00%	100.00%	
Poland	DeLaval Operations Sp Z.o.o.	100.00%	100.00%	
Poland	DeLaval Sp Z.o.o.	100.00%	100.00%	
Netherlands	DairyDataWarehouse B.V.	100.00%	100.00%	
Netherlands	Uniform-Agri B.V.	100.00%	100.00%	
Netherlands	DeLaval B.V.	100.00%	100.00%	
Netherlands	Gaps B.V.	100.00%	100.00%	
Netherlands	DeLaval Holding B.V.	100.00%	100.00%	
Belgium	Unifarm BVBA	-	100.00%	Closed
Belgium	DeLaval N.V.	100.00%	100.00%	
United Kingdom	DeLaval Ltd.	100.00%	100.00%	

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Country	Company	Ownership 2023	Ownership 2022	
United Kingdom	Milkrite InterPuls Ltd.	100.00%	100.00%	
Ireland	DeLaval DAC	100.00%	100.00%	
France	DeLaval S.A.S.	100.00%	100.00%	
Spain	DeLaval Equipos S.A.	100.00%	100.00%	
Italy	Milkrite InterPuls Holding S.r.l.	100.00%	100.00%	
Italy	InterPuls S.p.A.	100.00%	100.00%	
Italy	Avon Rubber Italia S.r.l.	100.00%	100.00%	
Italy	DeLaval S.p.A.	100.00%	100.00%	
Switzerland	DeLaval AG	100.00%	100.00%	
Austria	DeLaval GesmbH	100.00%	100.00%	
Hungary	DeLaval K.f.t.	100.00%	100.00%	
Estonia	DeLaval OU	100.00%	100.00%	
Latvia	DeLaval SIA	100.00%	100.00%	
Lithuania	Uab DeLaval	100.00%	100.00%	
Czech Republic	DeLaval s.r.o.	100.00%	100.00%	
Ukraine	DeLaval Sc	100.00%	100.00%	
Russia	AO DeLaval	100.00%	100.00%	
Kazakhstan	DeLaval LLP	100.00%	100.00%	
Jordan	DeLaval Jordan Ltd.	100.00%	100.00%	
India	DeLaval Pvt Ltd.	100.00%	100.00%	
China	DeLaval (Tianjin) Trade Co., Ltd.	100.00%	100.00%	
China	Milkrite InterPuls (Shanghai) International Trading Co. Ltd.	100.00%	100.00%	
Japan	DeLaval K.K.	100.00%	100.00%	
South Korea	DeLaval Ltd.	100.00%	100.00%	
Canada	DeLaval Inc.	100.00%	100.00%	
United States	West Agro Inc.	100.00%	100.00%	
United States	DeLaval Inc.	100.00%	100.00%	
United States	Milkrite InterPuls Inc.	100.00%	100.00%	
Mexico	DeLaval S.A. de C.V.	100.00%	100.00%	
Brazil	DeLaval Ltda.	100.00%	100.00%	
Brazil	Milkrite InterPuls Solucoes Para Ordenha Ltda.	100.00%	100.00%	
Uruguay	DeLaval S.A.	-	100.00%	Closed
Argentina	DeLaval S.A.	100.00%	100.00%	
Chile	DeLaval S.A.	100.00%	100.00%	
Colombia	DeLaval Ltda.	100.00%	100.00%	
Australia	DeLaval Pty Ltd.	100.00%	100.00%	
New Zealand	DeLaval Ltd.	100.00%	100.00%	
Egypt	DeLaval Ltd.	100.00%	100.00%	
Tunisia	DeLaval International Tunisia	100.00%	100.00%	
Tunisia	DeLaval Tunisia	100.00%	100.00%	
South Africa	DeLaval (Pty) Ltd.	100.00%	100.00%	
Germany	Sidel GmbH	100.00%	100.00%	
Poland	Sidel Poland Sp. z o.o.	100.00%	100.00%	
United Kingdom	Makro Labelling Ltd.	100.00%	-	New entity
United Kingdom	Sidel (UK) Ltd.	100.00%	100.00%	

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Country	Company	Ownership 2023	Ownership 2022	
France	COMPETEK S.A.S.	100.00%	100.00%	
France	Holbat S.C.I.	100.00%	100.00%	
France	Sidel End of Line Solutions France S.A.S.	100.00%	100.00%	
France	Sidel Participations S.A.S.	100.00%	100.00%	
France	Sidel Engineering & Conveying Solutions S.A.S.	100.00%	100.00%	
France	Sidel Blowing & Services S.A.S.	100.00%	100.00%	
France	Sidel Packing Solutions S.A.S.	100.00%	100.00%	
France	Sidel Services S.A.S.	100.00%	100.00%	
France	Sidel Holding S.A.S.	100.00%	100.00%	
Spain	Sidel Iberica SL	100.00%	100.00%	
Portugal	Sidel Conveying Portugal S.A	100.00%	100.00%	
Italy	GENTLEBRAND S.R.L.	100.00%	100.00%	
Italy	Sidel S.P.A	100.00%	100.00%	
Italy	Sidel Holding Italia S.r.l.	100.00%	-	New entity
Italy	Makro Labelling S.r.l.	100.00%	-	New entity
Russia	PET Engineering OOO	100.00%	100.00%	
Russia	Sidel Vostok LLC	100.00%	100.00%	
United Arab Emirates	Sidel Greater Middle East & Africa FZ-LLC	100.00%	100.00%	
India	Sidel End of Line Solutions India Private Ltd.	100.00%	100.00%	
India	Sidel India Private Limited	100.00%	100.00%	
Thailand	Sidel End of Line Solutions (Thailand) Ltd.	100.00%	100.00%	
Thailand	Sidel South Asia-Pacific Ltd.	100.00%	100.00%	
Malaysia	Sidel Distribution (Malaysia) SDN. BHD.	100.00%	100.00%	
Indonesia	PT Sidel Indonesia	100.00%	100.00%	
Philippines	Sidel South Asia-Pacific Ltd. Philippine branch	100.00%	100.00%	
Philippines	Sidel End of Line Solutions (Philippines) Inc.	100.00%	100.00%	
China	Gebo Cermex Engineering & Packaging Equipment (Beijing) Co., Ltd.	100.00%	100.00%	
China	Sidel Machinery (Shanghai) Co., Ltd.	100.00%	100.00%	
China	Sidel Machinery (Beijing) Co., Ltd.	100.00%	100.00%	
Japan	Sidel Japan K.K.	100.00%	100.00%	
Canada	Novembal Canada Inc.	100.00%	100.00%	
Canada	Sidel Canada Inc.	100.00%	100.00%	
United States	Novembal U.S.A Inc.	100.00%	100.00%	
United States	Sidel, Inc.	100.00%	100.00%	
Mexico	Sidel de México S.A de C.V.	100.00%	100.00%	
Brazil	Sidel do Brasil Ltda.	100.00%	100.00%	
Argentina	Sidel do Brasil (succursal Argentina)	100.00%	100.00%	
Chile	Sidel Chile S.p.A.	100.00%	100.00%	
Australia	Sidel Oceania Pty Ltd	100.00%	100.00%	
South Africa	Sidel Packaging Systems South Africa (Pty) Ltd.	100.00%	100.00%	
Kenya	Sidel Services East Africa Limited	100.00%	100.00%	
Sweden	Tetra Laval Real Estate AB	100.00%	100.00%	
Sweden	Tetra Laval Credit AB	100.00%	100.00%	
Sweden	Tetra Laval AB	100.00%	100.00%	

TETRA LAVAL INTERNATIONAL S.A.

Notes to the consolidated financial statements – December 31, 2023

All amounts shown are in millions of Euro unless otherwise stated

Country	Company	Ownership 2023	Ownership 2022	
Sweden	Tetra Laval Real Estate Holding 1 AB	100.00%	100.00%	
Sweden	Tetra Laval Real Estate Holding 2 AB	100.00%	100.00%	
Sweden	Tetra Laval Real Estate Separatorn 6 AB	100.00%	100.00%	
Sweden	Tetra Laval Real Estate Separatorn 7 AB	100.00%	100.00%	
Sweden	Tetra Laval Real Estate Separatorn 8 AB	100.00%	100.00%	
Sweden	Tetra Laval Real Estate Smöret 1 AB	100.00%	100.00%	
Sweden	Tetra Laval Real Estate Smöret 2 AB	100.00%	100.00%	
Sweden	Tetra Laval Real Estate Värmeväxlaren 14 AB	100.00%	100.00%	
Sweden	Tetra Laval Real Estate Värmeväxlaren 15 AB	100.00%	100.00%	
Sweden	Tetra Laval Real Estate Värmeväxlaren 16 AB	100.00%	100.00%	
Sweden	Tetra Laval Real Estate Värmeväxlaren 17 AB	100.00%	100.00%	
Sweden	Tetra Laval Real Estate Värmeväxlaren 18 AB	100.00%	100.00%	
Sweden	Tetra Laval Real Estate Värmeväxlaren 19 AB	100.00%	100.00%	
Sweden	Tetra Laval Real Estate Värmeväxlaren 20 AB	100.00%	100.00%	
Netherlands	Sefico Holding B.V.	100.00%	100.00%	
Netherlands	Tetra Pak Nederland Holding B.V.	100.00%	100.00%	
Switzerland	Tetra Laval Holdings & Finance S.A.	100.00%	100.00%	
Switzerland	Secamory Holding SA	100.00%	-	New entity
Switzerland	Tetra Laval Finance & Treasury S.A.	100.00%	100.00%	
Russia	JSC Industrial Services Kuban	-	100.00%	Name changed / Disposed
Singapore	Nexus Insurance International Pte. Ltd.	100.00%	100.00%	

30. EVENTS AFTER THE BALANCE SHEET DATE

At April 15, 2024, the date of approval for issue of the Consolidated Financial Statements by the Board of Directors, there are no other subsequent events which require any additional disclosure.

Pully, April 15, 2024

BOARD OF DIRECTORS

DocuSigned by:
Lars Renstrom
4F2F59D3A0F54F4...

Lars Renström (President)

DocuSigned by:
Martyn Zedgitt
8A7D2854E825475...

Martyn Zedgitt

DocuSigned by:
Maurizio Proietti
1DF50A4CDDE7406...

Maurizio Proietti

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Ernst & Young Ltd
Avenue de la Gare 39a
P.O. Box
CH-1002 Lausanne

Phone: +41 58 286 51 11
www.ey.com/en_ch

To the General Meeting of
Tetra Laval International SA,
Avenue du Général-Guisan 70
1009 Pully

Lausanne, 15 April 2024

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Tetra Laval International SA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in shareholder's equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 3 to 63 of the Annual Financial Report 2023) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended 31 December 2023 in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information in the annual report. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements
The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

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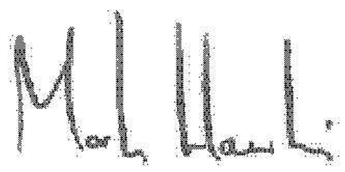
Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd



Mark Hawkins
Licensed audit expert
(Auditor in charge)

Cédric Caramello
Licensed audit expert