

Year-end report January 1 – December 31, 2016

Åseda, February 9, 2017

Historically strong result

Fourth quarter

- Turnover MSEK 306.8 (234.7), up 31 percent compared to previous year
- Operating profit MSEK 23.8 (4.9)
- Net income MSEK 18.1 (2.4)
- Cash flow from ongoing operations MSEK 17.3 (22.9)
- Earnings per share SEK 2.19 (0.42)

Year 2016

- Turnover MSEK 1132.0 (980.2), up 15 percent compared to previous year
- Operating profit MSEK 69.1 (22.9), up 202 percent compared to previous year
- Net income MSEK 51.1 (13.0)
- Cash flow from current operations MSEK 84.8 (13.2)
- Earnings per share SEK 6.56 (1.88)
- The Board is proposing to the annual general meeting of shareholders a dividend of SEK 3.00 per share (0)

Per Thorsell, CEO of ProfilGruppen, comments:

"We note with great pleasure that we make a strong result with higher growth than the market and that the targets were reached regarding the results in both the quarter and for the full year. We are proud of that and it gives us an increased stability for the future where a stronger ProfilGruppen will develop."

"We will not rest here but instead always strive to improve and create added value for the company and for our customers."

ProfilGruppen is a supplier of customised aluminium extrusions and components. For income, financial position, key figures and other facts about the Group, see pages 5-13. Current information and photographs for free publication are available at www.profilgruppen.se.

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This information is of the type that ProfilGruppen AB (publ) is obligated to disclose in accordance with the Market Abuse Regulation and Nasdaq Stockholm:s regulation for issuers. The information was issued through Per Thorsell for publication on February 9, 2017 at 14:00 a.m. CET

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Year-end report from ProfilGruppen AB (publ), January 1 – December 31, 2016

Market

In the latest report from the European Aluminium Association (EAA), the market for aluminium extrusions in both Scandinavia and Europe is assessed to increase by approximately two percent in 2016 compared to 2015.

Turnover

The turnover for the Group in 2016 amounted to MSEK 1132.0 (980.2), an increase by 15 percent compared to the previous year. The increase in turnover can mainly be explained by the increase in delivery volumes of about 18 percent to 25,800 tonnes (21,950) of aluminium extrusions, and higher level of added value. Meanwhile, the price of aluminium has fallen compared to last year, which have reduced the increase in turnover.

The increased deliveries are mainly related to the Nordic market, other markets are at the same level as the last year. This means that ProfilGruppen continues to increase its market share of the domestic market.

The share of exports amounted to 42 percent (45) of delivered volume, and 45 percent (44) of the turnover. The export in the subsidiary PG&WIP with a high share of added value is the explanation to increased turnover in relation to volume.

During 2016 the Group manufactured 25,925 tonnes (21,950) of aluminium extrusions.

Comments on the result

The operating profit for 2016 amounted to MSEK 69.1 (22.9), which is equivalent to an operating margin of 6.1 percent (2.3), which means that the goal of an operating margin over 6 percent is achieved for the first time in many years. The improved operating income is a result of a combination of higher delivery volumes, margin improvements, a higher level of added value, and increased efficiency in the operations. Last year's result was affected by MSEK 15.9 which was related to a substantial fall of the raw material price for aluminium and one-time costs in a new subsidiary.

The profit after financial items amounted to MSEK 65.0 (17.8). The profit after tax amounted to MSEK 51.1 (13.0).

Earnings per share totalled SEK 6.56 (1.88). The average number of shares in thousands during the period was 7,399 (7,399).

The return on capital employed amounted to 19.0 percent (7.4).

The fourth quarter

Turnover amounted to MSEK 306.8 (234.7). The delivery volume in the quarter was 6,650 tonnes (5,575) of aluminium extrusions, an increase by 19 percent compared to the same period last year. The production volume was 7,000 tonnes (5,850). The share of exports amounted to 42 percent (48) of volume, and 46 percent (44) of turnover.

The operating profit for the fourth quarter amounted to MSEK 23.8 (4.9), which is equivalent to an operating margin of 7.8 percent (2.1). The increase is an effect of high delivery and production volumes in combination with a higher level of added value, margin improvements and increased efficiency in the operations. The subsidiary PG&WIP AB has during the fourth quarter continued its positive development and are now up to full production.

The profit after financial items amounted to MSEK 22.7 (4.1). Earnings per share totalled SEK 2.19 (0.42).

Investments in the period and forward

Investments during 2016 amounted to MSEK 50.8 (64.8), of which an essential part are related to the set-up of new production facilities in the subsidiary PG&WIP AB.

The positive volume trend in our main operations and potential customer project have called for strategic actions to secure future capacity. A pilot study has therefore been started up with the purpose to clarify the alternative course of actions in terms of upgrading the existing equipment or installation or acquisition of new capacity.

Financing and liquidity

Cash flow from current operations amounted to MSEK 84.8 (13.2) and after investments to MSEK 44.0 (-53.0). The improvement of the cash flow from current operations is mainly explained by an increased operating income.

The liquidity reserve as of 31 December 2016 amounted to MSEK 165,1 (108.2).

The balance sheet total as of 31 December 2016 was MSEK 606.9 (539.7). Net debt amounted to MSEK 88.6 (133.8) as of 31 December 2016 and the net debt ratio was 0.33 (0.61).

During the period no related transactions of significance for the income or financial position of the Group have been made.

Personnel

The average number of Group employees during the year was 379 (339). The number of Group employees as of 31 December 2016 totalled 393 (353), whereof 26 is related to the new subsidiary PG&WIP.

Significant risks and uncertain factors

The company's risks and risk management have not significantly changed since the publishing of the 2015 annual report.

Outlook for 2017

The year has in terms of sales had a stable start. The market situation is assessed to be stable during the coming quarters.

Outlooks for 2016 published on October 26, 2016:

Fourth quarter of the year has in terms of sales had a stable start. The market situation for our products is assessed to be satisfying during the coming quarters.

Dividend

For the 2016 financial year, the Board is proposing to the annual general meeting of shareholders a dividend of SEK 3.00 per share (0), which means that the total dividend will amount to MSEK 22.2. The Board is also proposing that the cut-off date for the dividend be 27 April 2017.

Annual General Meeting

The AGM 2017 will take place 25 April 2017 at 16:00 CET. All shareholders are then welcome to Folkets Hus in Åseda.

Year-end report 2016 and Interim reports 2017

The annual report for 2016 will be available in the company's reception and on the Company's website no later than April 4, 2017.

Financial information for 2017 will be provided quarterly.

Interim report first quarter	April 25, 2017, 10:00
Interim report second quarter	July 18, 2017, 14:00
Interim report third quarter	October 24, 2017, 14:00

Åseda, February 9, 2017

The Board of Directors, ProfilGruppen AB (publ)
Org no 556277-8943

The Year-End Report has not been audited.

Accounting Principles

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The parent company accounting has been prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Standards Council's RFR 2 Accounting for Legal Entities. The accounting principles applied are identical to the ones used for the latest annual report with exception for the new or revised standards, amendments and interpretations issued by the International Accounting Standards Board (IASB) as approved by the European Commission for application within the EU and shall be applied from 1 January 2016. None of these have had an effect on the income statement, balance sheet or cash flow of the Group. The accounting principles are described in the annual report 2015.

Statement of comprehensive income in short

The Group, MSEK	Q 4 2016	Q 4 2015	Q 1-4 2016	Q 1-4 2015
Net turnover	306.8	234.7	1 132.0	980.2
Cost of goods sold	-260.0	-210.5	-981.2	-885.8
Gross margin	46.8	24.2	150.8	94.4
Other operating revenues	0.0	0.0	0.0	0.1
Selling expenses	-12.9	-12.1	-47.3	-43.8
Administrative expenses	-9.6	-7.1	-33.8	-27.1
Other operating expenses	-0.5	-0.1	-0.6	-0.7
Operating profit/loss	23.8	4.9	69.1	22.9
Financial income	0.1	0.3	0.7	1.2
Financial expenses	-1.2	-1.1	-4.8	-6.3
Net financial income/expense	-1.1	-0.8	-4.1	-5.1
Income after financial items	22.7	4.1	65.0	17.8
Tax	-4.6	-1.7	-13.9	-4.8
Net income for the period	18.1	2.4	51.1	13.0
Other comprehensive income (net after tax) <i>Items that will subsequently be reclassified to net income:</i>				
Changes in hedging reserve	2.0	0.7	-2.0	1.8
Translation differences	0.0	-0.1	0.2	-0.1
<i>Items that will subsequently not be reclassified to net income:</i>				
Revaluation of defined benefit obligation	1.2	0.7	-0.4	0.7
Comprehensive income for the period	21.3	3.7	48.9	15.4
<i>Net income for the period attributable to:</i>				
Owners of the parent	16.2	3.1	48.5	13.8
Non-controlling interests	1.9	-0.7	2.6	-0.8
<i>Total comprehensive income for the period attributable to:</i>				
Owners of the parent	19.4	4.4	46.3	16.2
Non-controlling interests	1.9	-0.7	2.6	-0.8
Earnings per share (before and after dilution), SEK	2.19	0.42	6.56	1.88
Average number of shares, thousands	7 399	7 399	7 399	7 399
Depreciation and write-down of fixed assets				
Intangible fixed assets	0.0	0.0	0.0	0.0
Land and buildings	1.0	1.0	3.7	3.7
Machinery and equipment	8.7	5.2	31.3	18.2
Total	9.7	6.2	35.0	21.9
of which write-down	0.0	0.0	0.0	0.0

Statement of financial position in short

The Group, MSEK	31 December 2016	31 December 2015
Assets		
Intangible fixed assets	10.0	10.0
Tangible fixed assets	268.5	252.9
Financial fixed assets	1.2	1.3
Total fixed assets	279.7	264.2
Inventories	146.3	130.3
Current receivables	169.6	135.9
Liquid assets	11.3	9.3
Total current assets	327.2	275.5
Total assets	606.9	539.7
Shareholders' equity		
Total equity attributable to the parent Company's shareholders	262.8	216.5
Non-controlling interests	7.8	3.7
Total equity	270.6	220.2
Liabilities		
Interest-bearing liabilities	65.7	75.0
Interest-free liabilities	28.0	26.4
Total long-term liabilities	93.7	101.4
Interest-bearing liabilities and provisions	34.2	68.0
Interest-free liabilities	208.4	150.1
Total short-term liabilities	242.6	218.1
Total shareholders' equity and liabilities	606.9	539.7
Pledged assets and contingent liabilities		
Property mortgages		
Floating charges	84.8	84.8
Shares in subsidiaries	241.5	221.5
Trade receivables pledged as collateral	131.7	118.8
Guarantees for other companies	0.0	0.0
Guarantee commitments FPG/PRI	0.7	0.7
	0.2	0.2

Statement of changes in equity in short

The Group, MSEK	Q 4 2016	Q 4 2015	Q 1-4 2016	Q 1-4 2015
Opening balance, total equity	247.8	216.5	220.2	200.3
<i>Changes attributable to owners of the parent:</i>				
Comprehensive income for the period	19.4	4.4	46.3	16.2
New share issue	0.0	0.0	0.0	0.0
<i>Changes attributable to non-controlling interests:</i>				
Comprehensive income for the period	1.9	-0.7	2.6	-0.8
New share issue	1.5	0.0	1.5	4.5
Closing balance, total equity	270.6	220.2	270.6	220.2

Financial instruments, valued at fair value

in statement of financial position

The Group, MSEK	31 December 2016	31 December 2015
Short-term receivables		
Currency derivatives	0.4	0.6
Short-term non interest-bearing liabilities		
Interest rate derivatives	3.2	3.0
Currency derivatives	2.3	0.1

Both interest rate- and currency derivatives are primarily used for hedge and are valued on level 2 according to IFRS 13.

Statement of cash flows in short

The Group, MSEK	Q 4 2016	Q 4 2015	Q 1-4 2016	Q 1-4 2015
Operating activities				
Operating profit/loss	23.8	4.9	69.1	22.9
Depreciation and write-down	9.7	6.2	35.0	21.9
Adjustment for other non-cash items	-1.1	-0.2	0.0	-2.9
Interest received/paid	-1.0	-0.4	-3.5	-4.8
Paid income tax	-2.3	-0.4	-2.6	-0.2
Cash flow prior to change in working capital	29.1	10.1	98.0	36.9
Change in working capital	-11.8	12.8	-13.2	-23.7
Cash flow from operating activities	17.3	22.9	84.8	13.2
Acquisition of property, plant and equipment	-20.9	-13.1	-40.8	-68.4
Sale of property, plant and equipment	0.0	0.0	0.0	2.1
Cash flow from investing activities	-20.9	-13.1	-40.8	-66.3
Rights issue/Shareholders' contributions ¹⁾	1.5	0.0	1.5	4.5
Loans raised	16.3	7.4	22.0	45.8
Change in bank overdraft facility utilized	-6.7	-15.8	-46.5	16.3
Repayment of loans	-4.7	-1.1	-19.7	-4.2
Cash flow from financing activities	6.4	-9.5	-42.7	62.4
Cash flow for the period	2.8	0.3	1.3	9.3
Liquid assets, opening balance	7.9	10.4	9.3	1.1
Translation differences in liquid assets	0.7	-1.4	0.7	-1.1
Liquid assets, closing balance	11.4	9.3	11.3	9.3
Liquidity reserve			165,1	108.2

¹⁾ During the fourth quarter 2016 a rights issue related to non-controlling interests has increased the cash with MSEK 1.5 (2015 MSEK 4.5).

Key ratios

The Group	Q 4 2016	Q 4 2015	Q 1-4 2016	Q 1-4 2015
Net turnover, MSEK	306.8	234.7	1 132.0	980.2
Income before depreciation, MSEK	33.5	11.1	104.1	44.8
Operating income/loss, MSEK	23.8	4.9	69.1	22.9
Operating margin, %	7.8	2.1	6.1	2.3
Income after financial items, MSEK	22.7	4.1	65.0	17.8
Profit margin, %	7.4	1.7	5.7	1.8
Return on equity, %	27.9	4.5	20.8	6.2
Return on capital employed, %	26.7	5.7	19.0	7.4
Cash flow from operating activities, MSEK	17.3	22.9	84.9	13.2
Investments, MSEK	30.0	13.5	50.8	68.4
Liquidity reserve, MSEK	-	-	165.1	108.2
Net debt, MSEK	-	-	88.6	133.8
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	99.9	143.1
Net debt/equity ratio	-	-	0.33	0.61
Total assets, MSEK	-	-	606.9	539.7
Equity ratio, %	-	-	44.6	40.8
Capital turnover	3.4	2.6	3.1	3.0
Proportion of risk-bearing capital, %	-	-	49.2	45.7
Interest coverage ratio	19.5	4.6	14.5	3.8
Average number of employees	397	352	379	339
Net turnover per employee (average), TSEK	773	667	2 987	2 892
Income after fin, per employee (average), TSEK	57	12	171	52
Average number of shares, thousands (No dilution,)	7 399	7 399	7 399	7 399
Number of shares, end of period, thousands	7 399	7 399	7 399	7 399
Earnings per share, SEK	2.19	0.42	6.56	1.88
Equity per share, SEK	-	-	35.53	29.26

The key ratios above are a summary of the financial report in order to give an overview of ProfilGruppen's financial position. Definitions are given in ProfilGruppen's Annual Report 2015. Operating income refers to Income before tax excluding financial income and expenses. Investments consist of fixed assets acquired during the period. Rounding differences may occur. When calculating key ratios: return on equity, return on capital employed and capital turnover the result and turnover for the period have been adjusted upward to 12 months. The key ratios presented are for the total Group and based on the Group consolidated figures including non-controlling interest, except Earnings per share and Equity per share.

The parent company

The turnover of the parent company amounted to MSEK 22.3 (22.3) and comprised by 98 percent of payments for rents and services from companies in the Group. Profit after financial items amounted to MSEK 15.9 (16.5).

Of the current receivables are MSEK 51.1 (16.0) receivables from group companies. Investments in buildings & land development amounted to MSEK 0.7 (0.4) in the parent company during the year.

The parent company's interest-bearing liabilities amounted to MSEK 0.8 (1.2) as of 31 December 2016. The change in the parent company's liquidity during the period has been MSEK 0 (0).

The parent company employs none (none).

The parent company's risks and uncertain factors do not significantly differ from the Group.

No significant related transactions apart from above mentioned transactions with subsidiaries have been implemented during the period.

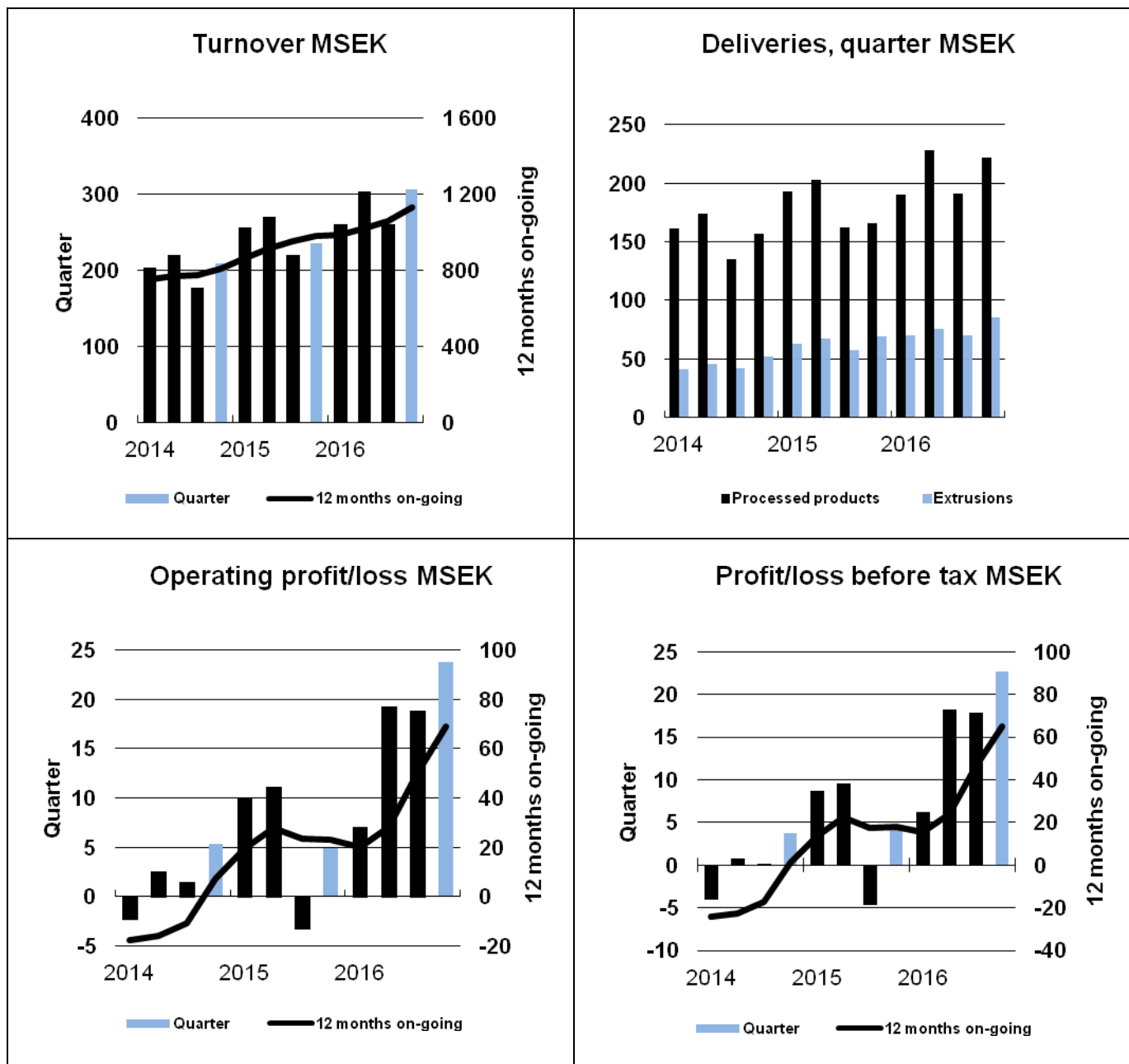
Income Statement in short – the parent company

Parent Company, MSEK	Q 4 2016	Q 4 2015	Q 1-4 2016	Q 1-4 2015
Turnover	5.5	5.5	22.3	22.3
Cost of goods sold	-0.7	-0.9	-3.3	-3.5
Gross Margin	4.8	4.6	19.0	18.8
Other operating revenues	0.0	0.0	0.0	0.1
Administrative expenses	-0.6	-0.7	-3.3	-2.8
Operating income	4.2	3.9	15.7	16.1
Result from shares in group companies	0.0	0.0	0.0	0.4
Interest income	0.1	0.1	0.3	0.4
Impairment of shares in group companies	0.0	0.0	0.0	0.0
Interest expenses	-0.1	0.0	-0.1	-0.4
Income after financial items	4.2	4.0	15.9	16.5
Appropriations	14.6	-3.0	14.6	-3.0
Income before tax	18.8	1.0	30.5	13.5
Tax	-4.0	-0.1	-6.7	-2.9
Net income for the period	14.8	0.9	23.8	10.6

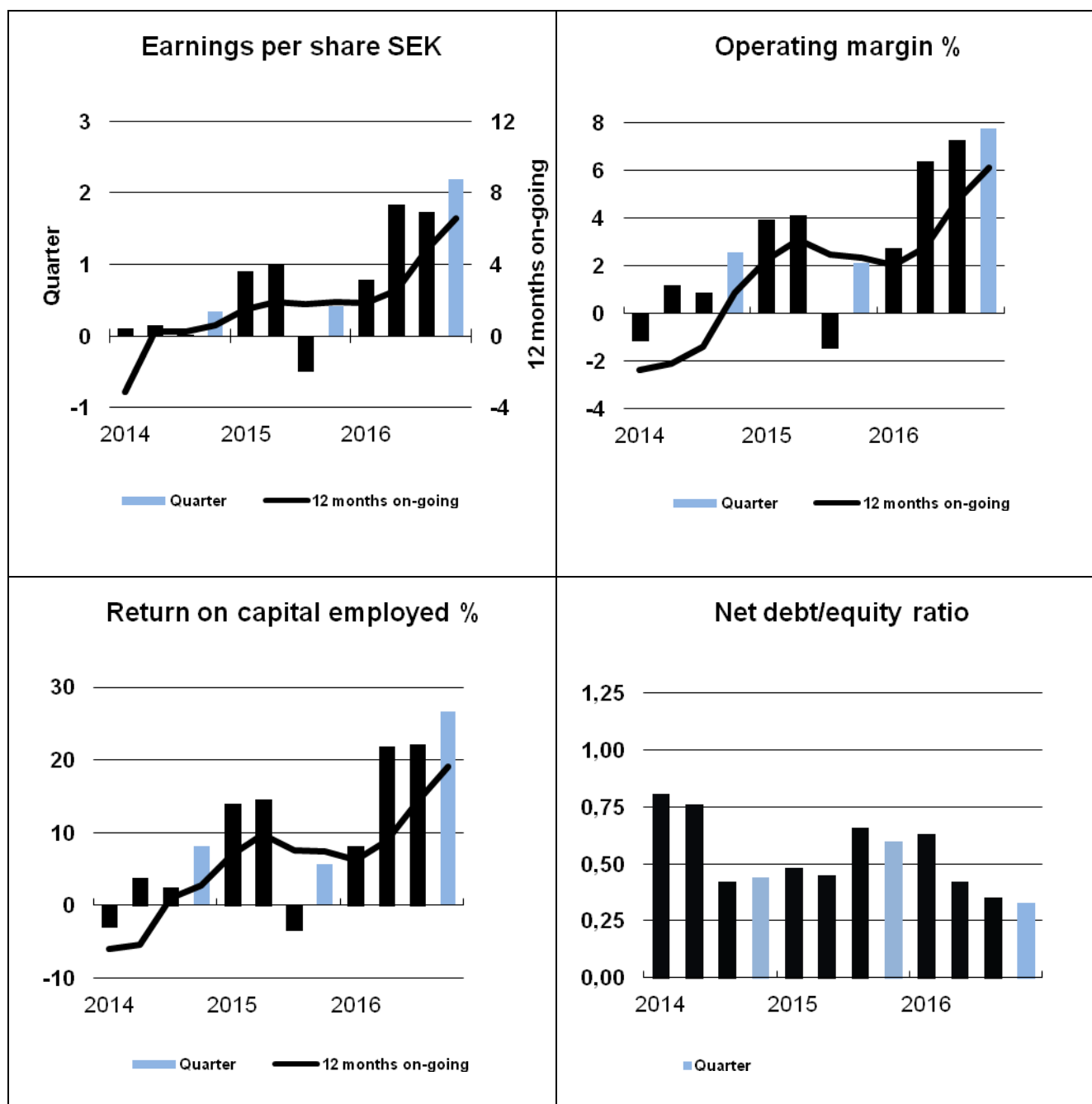
Balance sheet in short – the parent company

Parent company, MSEK	31 December 2016	31 December 2015
Assets		
Tangible assets		
Tangible fixed assets	77.7	80.1
Financial assets	88.0	84.5
Total fixed assets	165.7	164.6
Current assets		
Current receivables	51.2	16.1
Cash and bank balances	0.4	0.4
Total current assets	51.6	16.5
Total assets	217.3	181.1
Equity and liabilities		
Equity	178.3	154.5
Untaxed reserves	25.2	17.8
Provisions for taxes	3.6	4.1
Long-term liabilities	0.3	0.7
Current liabilities	9.9	4.0
Total equity and liabilities	217.3	181.1

The Group



The Group



Brief facts about the Group

- ProfilGruppen AB in Åseda, Småland in Sweden develops, manufactures and delivers customised extrusions and components in aluminium.
- The company has customers in several European countries and during 2016 the share of export was 42 percent.
- Aluminium extrusions are used within many industries, for example construction, automotive industry, telecommunications/electronics and furnishings.
- The manufacture of extrusions takes place on three press lines at the company's facilities at ProfilGruppen Extrusions AB. Processing like cutting, processing, surface treatment, friction stir welding, bending and assembly also takes place at the company's own facilities.
- The company cooperates with around ten regional suppliers who process products on behalf of ProfilGruppen.
- The company is certified in accordance with ISO/TS 16949 and ISO 14001.
- ProfilGruppen AB was listed on the Stockholm Stock Exchange in June 1997 and is listed as Small Cap.