

Interim report January 1 – March 31, 2014

Åseda, April 23 2014

Weak earnings improvement – The Board proposes rights issue of approximately SEK 40 million

First quarter

- Turnover MSEK 202.7 (179.8), up 13 percent compared to previous year
- Operating profit MSEK -2.3 (-4.5).
- Net income MSEK 0.5 (-4.5)
- Cash flow from ongoing operations MSEK 3.8 (-5.8)
- Earnings per share SEK 0.10 (-0.91)
- Guaranteed rights issue of approximately SEK 40 million is proposed

Kåre Wetterberg, acting CEO of ProfilGruppen, comments:

”The reinforcement of the sales organisation is beginning to materialise into increased volumes, above all in Sweden which increases by 24 percent compared to a weak first quarter last year. Also the delivery volumes to the export markets have increased. Unfortunately we still have a number of old agreements, which over time, has become disadvantageous for us. As a consequence the result improvement takes longer time.”

ProfilGruppen is a supplier of customised aluminium extrusions and components. For income, financial position, key figures and other facts about the Group, see pages 4-12. Current information and photographs for free publication are available at www.profilgruppen.se.

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Interim report from ProfilGruppen AB (publ), January 1 – March 31, 2014

Market

In the latest forecast from the European Aluminium Association (EAA), the market for aluminium extrusions is assessed to have increased by approximately one percent during the first quarter 2014 compared to the corresponding period 2013.

The price of aluminium raw material on London Metal Exchange (LME) was at the end of the first quarter unchanged since the turn of the year at 1774 USD per ton, which is seven percent lower than at the corresponding date previous year. During the first quarter the premiums for extrusion ingots have increased distinctively which makes price adjustments necessary.

Turnover

The turnover for the first quarter 2014 amounted to MSEK 202.7 (179.8), an increase by 13 percent compared to the previous year. The delivered volume was 5,275 tonnes (4,400) of aluminium extrusions.

Deliveries to the Swedish market increased by 24 percent for the first quarter 2014 compared to the corresponding period previous year, which mainly relates to a increase within all segments except for the wholesale sector.

The share of exports amounted to 51 percent (52) of delivered volume, and 48 percent (49) of the turnover.

During the first quarter the Group manufactured 5,450 tonnes (4,250) of aluminium extrusions.

Comments on profit

The operating loss for the first three months amounted to MSEK -2.3 (-4.5), which is equivalent to an operating margin of -1.1 percent (2.5). The delivery volumes have increased but the share of low margin export volumes continues to be large.

The loss after financial items amounted to MSEK -3.9 (5.9). The profit after tax amounted to MSEK 0.5 (-4.5). In February 2014 Skatteverket reviewed the taxation 2008 and ProfilGruppen accordingly has received a deduction of tax to the amount of MSEK 3.7. The amount has affected the tax positively in the first quarter 2014.

Earnings per share totalled SEK 0.10 (-0.91). The average number of shares in thousands was 4,933 (4,933).

The return on capital employed amounted to -2.9 percent (-6.2).

Investments

Investments during the first quarter amounted to MSEK 3.5 (1.6).

Financing and liquidity

Cash flow from current operations amounted to MSEK 3.8 (-5.8) and after investments MSEK 2.6 (-7.3).

The liquidity reserve as of 31 March 2014 amounted to 80.0 MSEK (97.6).

The balance sheet total as of 31 March 2014 was MSEK 464.0 (470.2).

Net debt amounted to MSEK 128.7 (112.4) as of 31 March 2014 and the net debt ratio was 0.81 (0.64).

Personnel

The average number of Group employees during the year was 333 (329). The number of Group employees as of 31 March 2014 totalled 330 (320).

Significant risks and uncertain factors

The earnings trend has been, and is expected to be, weaker than previously estimated. Otherwise, the company's risks and risk management have not changed significantly since the publishing of the 2013 annual report.

Significant event after the balance sheet date

The Board proposes a rights issue of approximately SEK 40 million. The company's largest shareholders, with a total of about 50 percent of the shares commit to subscribe for their shares of the rights issue and guarantee the remaining amount of the rights issue.

Outlook for 2014

The outlook for 2014 is characterised by continued macroeconomic uncertainty.

Dates for financial information

Financial information concerning 2014 will be provided quarterly.

Interim report, second quarter July 30 2014, 08.00 CET

Interim report, third quarter October 28 2014, 08.00 CET

Åseda, April 23 2014

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

The interim report has not been audited.

Statement of comprehensive income

The Group, MSEK	Q 1 2014	Q 1 2013	12 months ongoing	Q 1-4 2013
Net turnover	202.7	179.8	752.9	730.0
Cost of goods sold	-186.6	-169.6	-703.8	-686.8
Gross margin	16.1	10.2	49.1	43.2
Other operating revenues	0.0	0.0	0.9	0.9
Selling expenses	-11.5	-8.4	-42.4	-39.3
Administrative expenses	-6.9	-6.3	-25.4	-24.8
Operating profit/loss	-2.3	-4.5	-17.8	-20.0
Financial income	0.2	0.1	0.4	0.3
Financial expenses	-1.8	-1.5	-6.6	-6.3
Net financial income/expense	-1.6	-1.4	-6.2	-6.0
Income after financial items	-3.9	-5.9	-24.0	-26.0
Tax	4.4	1.4	8.5	5.5
Net income for the period	0.5	-4.5	-15.5	-20.5
Other comprehensive income				
Items that will subsequently be reclassified to net income:				
Changes in hedging reserve	0.0	1.1	-2.4	-1.3
Translation differences	0.1	-0.2	0.3	0.0
Other, reported directly against equity	0.0	-0.1	0.2	0.1
Items that will subsequently not be reclassified to net income:				
Revaluation of defined benefit obligation	0.0	0.0	1.0	1.0
Comprehensive income for the period	0.6	-3.7	-16.4	-20.7
Earnings per share (before and after dilution), SEK	0.10	-0.91	-3.15	-4.16
Average number of shares, thousands	4 933	4 933	4 933	4 933
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	3.8	3.8
Machinery and equipment	4.7	6.0	20.4	21.7
Total	5.7	7.0	24.2	25.5
of which write-down	0.0	0.0	0.0	0.0

Statement of financial position

The Group, MSEK	31 March 2014	31 March 2013	31 December 2013
Assets			
Fixed assets			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	204.6	213.1	207.3
Financial fixed assets	1.6	2.1	1.7
Total fixed assets	216.2	225.2	219.0
Current assets			
Inventories	99.2	107.6	107.7
Current receivables	146.6	135.7	122.2
Liquid assets	2.0	1.7	2.3
Total current assets	247.8	245.0	232.2
Total assets	464.0	470.2	451.2
Shareholders' equity and liabilities			
Shareholders' equity	158.7	175.1	158.1
Long-term liabilities			
Interest-bearing liabilities	51.9	58.6	55.6
Interest-free liabilities	23.1	29.1	24.1
Total long-term liabilities	75.0	87.7	79.7
Short-term liabilities			
Interest-bearing liabilities	78.8	55.5	77.9
Interest-free liabilities	151.5	151.9	135.5
Total short-term liabilities	230.3	207.4	213.4
Total shareholders' equity and liabilities	464.0	470.2	451.2
Pledged assets and contingent liabilities			
Property mortgages	84.8	84.8	84.8
Floating charges	170.0	170.0	170.0
Shares in subsidiaries	103.3	198.0	110.7
Trade receivables pledged as collateral	115.0	81.8	83.7
Guarantees for other companies	0.7	1.0	0.7
Guarantee commitments FPG/PRI	0.2	0.2	0.2

Statement of changes in equity

The Group, MSEK	Q 1 2014	Q 1 2013	Q 1-4 2013
Opening balance	158.1	178.8	178.8
Dividend	0.0	0.0	0.0
Comprehensive income for the period	0.6	-3.7	-20.7
Closing balance	158.7	175.1	158.1

Financial instruments, valued at fair value

in statement of financial position

The Group, MSEK	31 March 2014	31 December 2013
Short-term receivables		
Currency derivatives	0.2	0.6
Short-term non interest-bearing liabilities		
Interest rate derivatives	2.6	2.1
Currency derivatives	1.6	2.5

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

The Group, MSEK	Q 1 2014	Q 1 2013	12 months ongoing	Q 1-4 2013
Operating cash flow ¹⁾	8.8	1.3	2.9	-4.6
Working capital changes	-5.0	-7.1	-3.3	-5.4
Cash flow from operating activities	3.8	-5.8	-0.4	-10.0
Cash flow from investing activities	-1.2	-1.5	-10.6	-10.9
Cash flow from financing activities	-3.0	8.3	10.1	21.4
Cash flow for the period	-0.4	1.0	-0.9	0.5
Liquid assets, opening balance	2.3	1.7	1.7	1.7
Translation differences in liquid assets	0.1	-1.0	1.2	0.1
Liquid assets, closing balance	2.0	1.7	2.0	2.3

¹⁾ Cash flow from operating activities after one-off items and before working capital changes.

Accounting Principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, 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 2014. 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 2013.

Key ratios

The Group	Q 1 2014	Q 1 2013	12 months ongoing	Q 1-4 2013
Net turnover, MSEK	202.7	179.8	752.9	730.0
Income before depreciation, MSEK	3.4	2.5	6.4	5.5
Operating income/loss, MSEK	-2.3	-4.5	-17.8	-20.0
Operating margin, %	-1.1	-2.5	-2.4	-2.7
Income after financial items, MSEK	-3.9	-5.9	-24.0	-26.0
Profit margin, %	-1.9	-3.3	-3.2	-3.6
Return on equity, %	1.3	-10.1	-9.3	-12.2
Return on capital employed, %	-2.9	-6.2	-6.0	-6.8
Cash flow from operating activities, MSEK	3.8	-5.8	-0.4	-10.0
Investments, MSEK	3.5	1.6	17.0	15.1
Liquidity reserve, MSEK	80.0	97.6	-	83.6
Net debt, MSEK	128.7	112.4	-	131.2
Interest-bearing liabilities and interest-bearing provisions, MSEK	130.7	114.1	-	133.5
Net debt/equity ratio	0.81	0.64	-	0.83
Total assets, MSEK	464.0	470.2	-	451.2
Equity ratio, %	34.2	37.3	-	35.0
Capital turnover	2.8	2.5	2.6	2.5
Proportion of risk-bearing capital, %	39.2	43.6	-	40.4
Interest coverage ratio	-1.2	-3.1	-2.6	-3.1
Average number of employees	333	329	335	333
Net turnover per employee (average), TSEK	609	547	2 247	2 192
Income after fin, per employee (average), TSEK	-12	-18	-72	-78
Average number of shares, thousands (No dilution,)	4 933	4 933	4 933	4 933
Number of shares, end of period, thousands	4 933	4 933	4 933	4 933
Earnings per share, SEK	0.10	-0.91	-3.15	-4.16
Equity per share, SEK	32.17	36.30	-	32.05

Definitions are given in ProfilGruppen's Annual Report. Rounding differences may occur.
When not specified the information regards the total Group.

The parent company

The turnover of the parent company amounted to MSEK 6.5 (6.0) and comprised by 98 percent of payments for rents and services from companies in the Group. Profit after financial items amounted to MSEK 3.4 (3.3).

No investments were made in the parent company during the year.

The parent company's interest-bearing liabilities amounted to MSEK 21.7 (31.1) as of 31 March 2014. The change in the parent company's liquidity during the period has been MSEK 0 (0).

The parent company currently employs none.

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

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

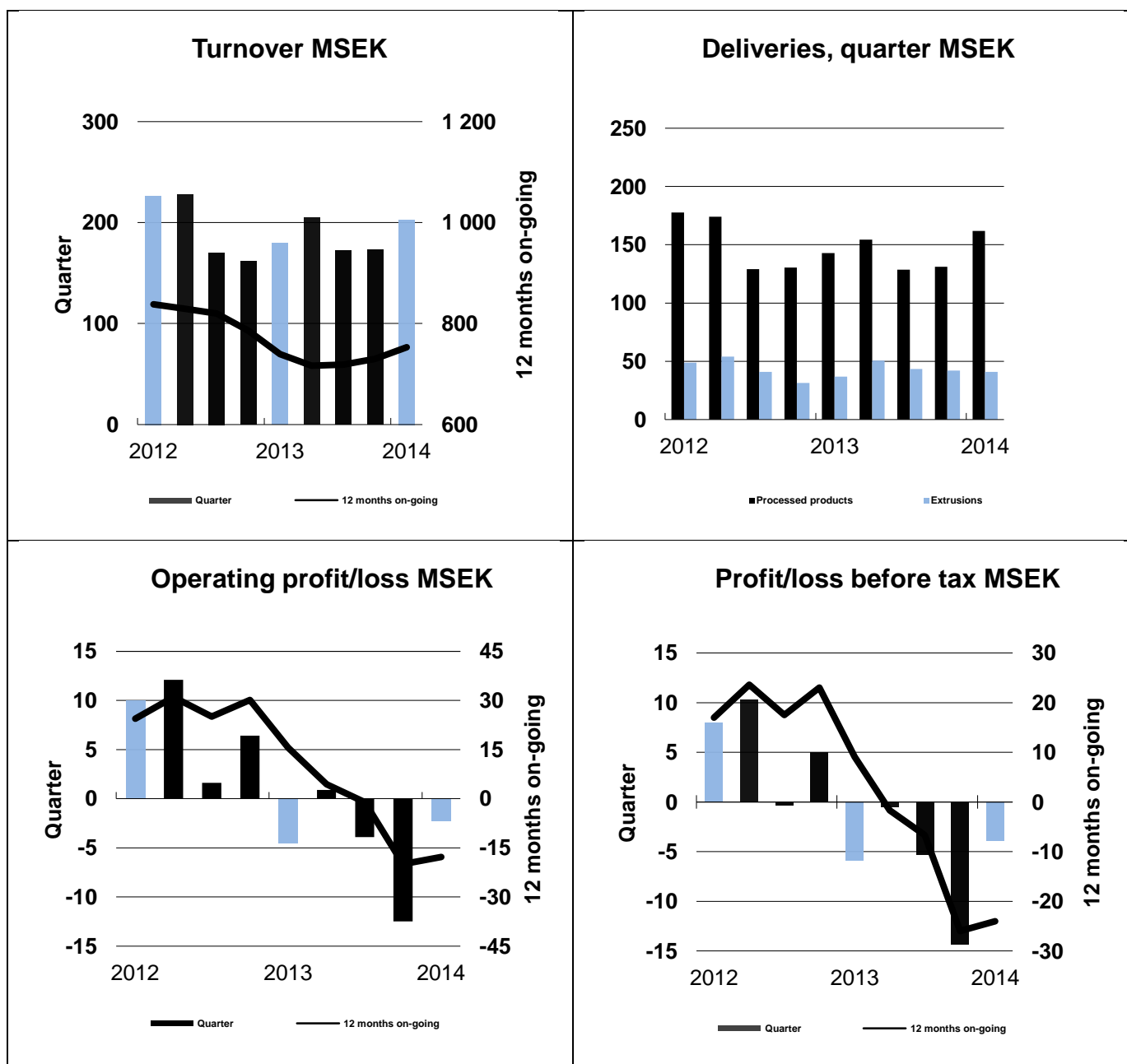
Income Statement – the parent company

Parent Company, MSEK	Q 1 2014	Q 1 2013	Q 1-4 2013
Turnover	6.5	6.0	24.2
Cost of goods sold	-1.0	-1.0	-3.7
Gross Margin	5.5	5.0	20.5
Other operating revenues	0.0	0.0	0.9
Administrative expenses	-1.9	-0.7	-4.6
Operating income	3.6	4.3	16.8
Result from shares in group companies	0.0	0.0	80.0
Interest income	0.1	0.0	0.1
Impairment of shares in group companies	0.0	0.0	-49.4
Interest expenses	-0.3	-1.0	-2.9
Income after financial items	3.4	3.3	44.6
Appropriations	0.0	0.0	5.2
Income before tax	3.4	3.3	49.8
Tax	2.9	-0.7	-4.3
Net income for the period	6.3	2.6	45.5

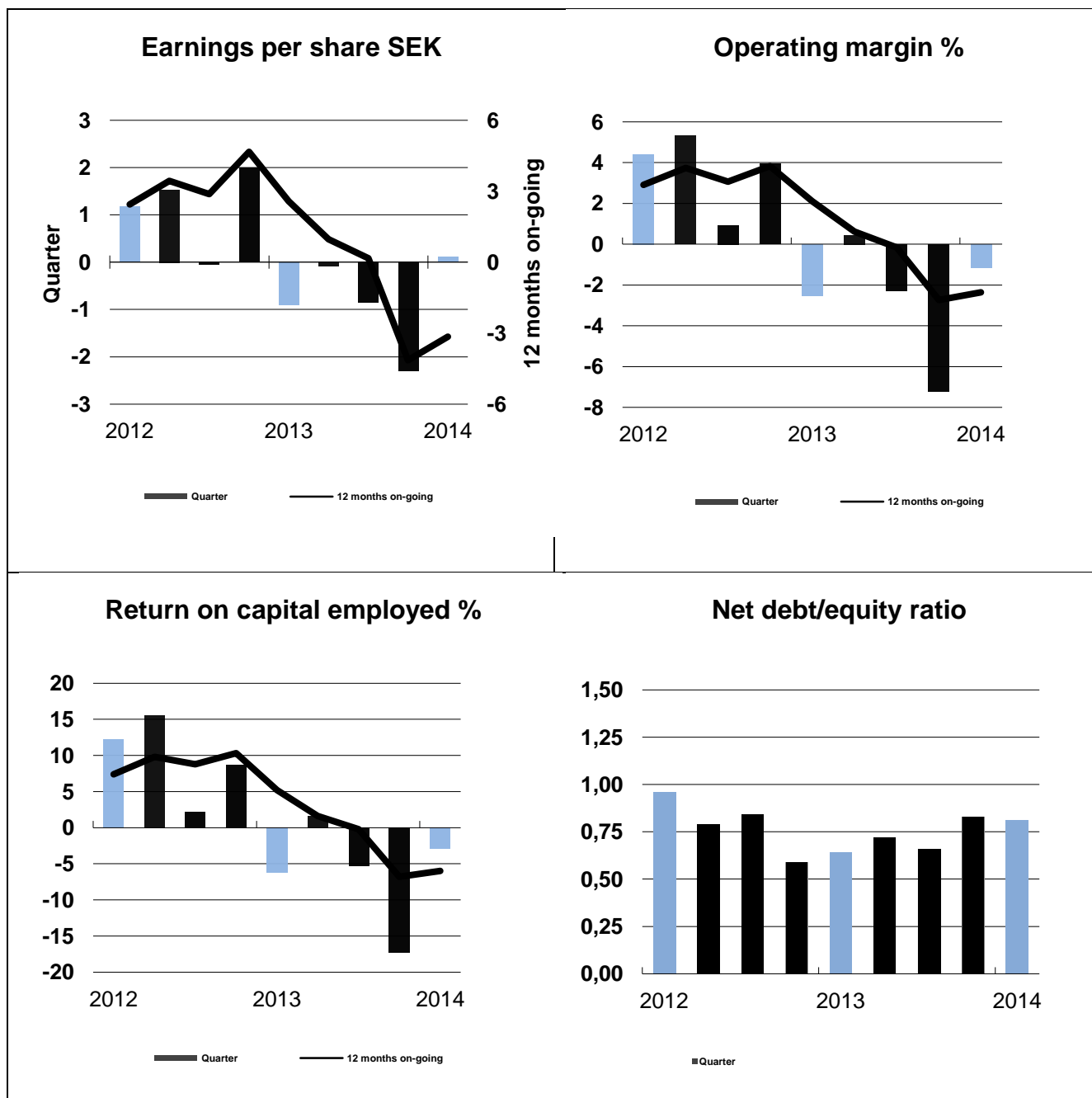
Balance sheet – the parent company

Parent company, MSEK	31 March 2013	31 March 2012	31 December 2012
Assets			
Tangible assets			
Tangible fixed assets	87.8	91.0	88.7
Financial assets	73.9	108.9	73.9
Total fixed assets	161.7	199.9	162.6
Current assets			
Current receivables	1.3	1.0	4.0
Cash and bank balances	0.4	0.4	0.4
Total current assets	1.7	1.4	4.4
Total assets	163.4	201.3	167.0
Equity and liabilities			
Equity	109.3	56.4	99.3
Untaxed reserves	19.0	24.1	19.0
Provisions for taxes	3.2	3.0	3.2
Long-term liabilities	4.2	13.8	6.7
Current liabilities	27.7	104.0	38.8
Total equity and liabilities	163.4	201.3	167.0

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 2013 the share of export was 49 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 modern 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 quality-certified in accordance with ISO/TS 16949, ISO 9001 and ISO 14001.
- ProfilGruppen AB was listed on the Stockholm Stock Exchange in June 1997 and is listed as Small Cap.