

Interim report January 1 – March 31, 2015

Åseda, April 22, 2015

Significant improvement of result

First quarter

- Turnover MSEK 256.4 (202.7), up 26 percent compared to previous year
- Operating profit MSEK 10.1 (-2.3)
- Net income MSEK 6.7 (0.5)
- Cash flow from operating activities MSEK -9.9 (3.8)
- Earnings per share SEK 0.91 (0.09)

After the first quarter

- ProfilGruppen has signed a contract for the largest business deal in the history of the Group, of around MSEK 200 per year

Per Thorsell, CEO of ProfilGruppen, comments:

"In the first quarter we continue our stable development with growth in sales volumes as well as improved profit.

Our activities in the market have resulted in new business, together with activities to improve efficiency in the production chain and margin have started to give results. As I have said, we are on the right path, but we still have some work to do to reach our long term ambitions.

We will continue to focus on meeting our customers expectations even better and will also continue to make every part of the organization more efficient.

Is it also very satisfying that we recently signed a contract regarding the largest order in the history of the company. The contract is very important in the long term, it will contribute to growth in our core business and, equally important, makes the organization proud. Putting all this together we have positive expectations for the future."

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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This information is of the type that ProfilGruppen AB (publ) is obligated to disclose in accordance with the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was issued for publication on April 22, 2015 at 08:00 a.m. CET

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Interim report from ProfilGruppen AB (publ), January 1 – March 31, 2015

Market

In the latest report from the European Aluminium Association (EAA), the market for aluminium extrusions is assessed to increase by approximately two percent in 2015 compared to 2014.

Turnover

During the first quarter the turnover for the Group amounted to MSEK 256.4 (202.7), an increase by 26 percent compared to the previous year. The delivered volume was 5,600 tonnes (5,275) of aluminium extrusions.

Deliveries to the Swedish market increased 20 percent during the first quarter 2015 compared to the same period previous year. The increase relates to all segments although the largest increase relates to the construction industry. This means that ProfilGruppen, as in the last quarter, increases its share of the Swedish market.

The share of exports amounted to 46 percent (51) of delivered volume, and 46 percent (48) of the turnover.

The first three months the Group manufactured 5,500 tonnes (5,450) of aluminium extrusions.

Comments on profit

The operating profit for the first quarter amounted to MSEK 10.1 (-2.3), which is equivalent to an operating margin of 3.9 percent (-1.1). The improved operating income is mostly related to higher delivery volume and margins. The share of low margin contracts has decreased during the first quarter but the activities to improve the mix of customer will continue. A slight improvement of margins is an effect of a weaker Swedish Krona, although a major share of the income is hedged.

The profit after financial items amounted to MSEK 8.7 (-3.9). The profit after tax amounted to MSEK 6.7 (0.5).

Earnings per share totalled SEK 0.91 (0.09). The average number of shares in thousands was 7,399 (5,602), which is a weighted average for the year.

The return on capital employed amounted to 14.0 percent (-2.9).

Investments

Investments during the first three months amounted to MSEK 3.9 (3.5).

Financing and liquidity

Cash flow from current operations amounted to MSEK -9.9 (3.8) and after investments to MSEK -13.2 (2.6). The weak cash flow can be explained mainly by an increase in operating capital due to a higher market price of aluminium and improved turnover.

The liquidity reserve as of 31 March 2015 amounted to 106.4 MSEK (80.0).

The balance sheet total as of 31 March 2015 was MSEK 514.3 (464.0). Net debt amounted to MSEK 99.2 (128.7) as of 31 March 2015 and the net debt ratio was 0.48 (0.81).

Personnel

The average number of Group employees during the year was 326 (333). The number of Group employees as of 31 March 2015 totalled 327 (330).

Major order

ProfilGruppen has signed a contract for the largest business deal in the history of the Group, as was released on April 10.

The customer is new to ProfilGruppen and the agreement regards the supply of interior details based on customized aluminium profiles. The contract lasts over a number of years starting in 2016 with an estimated turnover of over 200 million SEK per year. The contract has been signed through a separate subsidiary which is jointly owned with WIP Industries Sweden AB.

Division of ownership in the new joint venture is 70 percent for ProfilGruppen AB and 30 percent for WIP Industries Sweden AB. WIP is a Swedish company, specialized in automation.

Following the agreement an investment in an automated production plant for about 60 million SEK will be made by the new company and external funding is secured. The investment will be made in close proximity to ProfilGruppen's extrusion facilities in Åseda.

Significant risks and uncertain factors

The company's risks and risk management have not significantly changed since the publishing of the 2014 annual report.

Outlook for 2015

The outlook for 2015 is still characterised by continued macroeconomic uncertainty.

Dates for financial information

Financial information for 2015 will be provided quarterly.

Interim report second quarter July 16, 2015, 08:00

Interim report third quarter October 23, 2015, 08:00

Åseda, April 22, 2015

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

The Interim Report has not been audited.

Accounting Principles

The Group accounting in this interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) as they have been approved by the EU. 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 interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. 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 2015. 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 2014.

Statement of comprehensive income in short

The Group, MSEK	Q 1 2015	Q 1 2014	12 months ongoing	Q 1-4 2014
Net turnover	256.4	202.7	862.3	808.6
Cost of goods sold	-228.2	-186.6	-773.8	-732.2
Gross margin	28.2	16.1	88.5	76.4
Other operating revenues	0.0	0.0	2.7	2.7
Selling expenses	-10.6	-11.5	-43.9	-44.8
Administrative expenses	-7.3	-6.9	-26.9	-26.5
Other operating expenses	-0.2	0.0	-0.9	-0.7
Operating profit/loss	10.1	-2.3	19.5	7.1
Financial income	0.3	0.2	1.0	0.9
Financial expenses	-1.7	-1.8	-7.0	-7.1
Net financial income/expense	-1.4	-1.6	-6.0	-6.2
Income after financial items	8.7	-3.9	13.5	0.9
Tax	-2.0	4.4	-3.3	3.1
Net income for the period	6.7	0.5	10.2	4.0
Other comprehensive income				
Items that will subsequently be reclassified to net income:				
Changes in hedging reserve	0.8	0.0	0.3	-0.5
Translation differences	0.0	0.1	-0.1	0.0
Other, reported directly against equity	0.0	0.0	0.0	0.0
Items that will subsequently not be reclassified to net income:				
Revaluation of defined benefit obligation	0.0	0.0	-1.8	-1.8
Comprehensive income for the period	7.5	0.6	8.6	1.7
Earnings per share (before and after dilution), SEK	0.91	0.09	1.47	0.62
Average number of shares, thousands	7 399	5 602	6 931	6 488
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	4,3	4,3
Machinery and equipment	4,8	4,7	17,5	17,4
Total	5,8	5,7	21,8	21,7
of which write-down	0,0	0,0	0,9	0,9

Statement of financial position in short

The Group, MSEK	31 March 2015	31 March 2014
Assets		
Fixed assets		
Intangible fixed assets	10.0	10.0
Tangible fixed assets	207.1	204.6
Financial fixed assets	1.5	1.6
Total fixed assets	218.6	216.2
Current assets		
Inventories	131.7	99.2
Current receivables	162.9	146.6
Liquid assets	1.1	2.0
Total current assets	295.7	247.8
Total assets	514.3	464.0
Shareholders' equity and liabilities		
Shareholders' equity	207.8	158.7
Long-term liabilities		
Interest-bearing liabilities	51.8	51.9
Interest-free liabilities	25.6	23.1
Total long-term liabilities	77.4	75.0
Short-term liabilities		
Interest-bearing liabilities	48.6	78.8
Interest-free liabilities	180.5	151.5
Total short-term liabilities	229.1	230.3
Total shareholders' equity and liabilities	514.3	464.0
Pledged assets and contingent liabilities		
Property mortgages	84.8	84.8
Floating charges	170.0	170.0
Shares in subsidiaries	122.5	103.3
Trade receivables pledged as collateral	138.7	115.0
Guarantees for other companies	0.7	0.7
Guarantee commitments FPG/PRI	0.2	0.2

Statement of changes in equity in short

The Group. MSEK	Q 1 2015	Q 1 2014	Q 1-4 2014
Opening balance	200.3	158.1	158.1
Dividend	0.0	0.0	40.5
Comprehensive income for the period	7.5	0.6	1.7
Closing balance	207.8	158.7	200.3

Financial instruments, valued at fair value

in statement of financial position

The Group. MSEK	31 March 2015	31 March 2014
Short-term receivables		
Currency derivatives	0.1	0.2
Short-term non interest-bearing liabilities		
Interest rate derivatives	3.6	3.5
Currency derivatives	0.3	1.6

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 1 2015	Q 1 2014	12 months ongoing	Q 1-4 2014
Operating cash flow ¹⁾	13.9	8.8	36.3	31.2
Working capital changes	-23.8	-5.0	-22.6	-3.8
Cash flow from operating activities	-9.9	3.8	13.7	27.4
Cash flow from investing activities	-3.3	-1.2	-17.4	-15.3
Cash flow from financing activities	13.2	-3.0	2.8	-13.4
Cash flow for the period	0.0	-0.4	-0.9	-1.3
Liquid assets. opening balance ²⁾	1.1	2.3	2.0	2.3
Translation differences in liquid assets	0.0	0.1	0.0	0.1
Liquid assets. closing balance	1.1	2.0	1.1	1.1

¹⁾ Cash flow from operating activities including onetime items and before change in working capital.

²⁾ The liquidity reserve per March 31. 2015, amounts to MSEK 106.4 (80.0).

Key ratios

The Group	Q 1 2015	Q 1 2014	12 months ongoing	Q 1-4 2014
Net turnover, MSEK	256.4	202.7	862.3	808.6
Income before depreciation, MSEK	15.9	3.4	41.3	28.8
Operating income/loss, MSEK	10.1	-2.3	19.5	7.1
Operating margin, %	3.9	-1.1	2.3	0.9
Income after financial items, MSEK	8.7	-3.9	13.5	0.9
Profit margin, %	3.4	-1.9	1.6	0.1
Return on equity, %	13.1	1.3	5.6	2.2
Return on capital employed, %	14.0	-2.9	6.9	2.8
Cash flow from operating activities, MSEK	-9.9	3.8	13.7	27.4
Investments, MSEK	3.9	3.5	27.0	26.6
Liquidity reserve, MSEK	106.4	80.0	-	120.2
Net debt, MSEK	99.2	128.7	-	88.9
Interest-bearing liabilities and interest-bearing provisions, MSEK	100.4	130.7	-	90.0
Net debt/equity ratio	0.48	0.81	-	0.44
Total assets, MSEK	514.3	464.0	-	478.6
Equity ratio, %	40.4	34.2	-	41.9
Capital turnover	3.4	2.8	2.9	2.8
Proportion of risk-bearing capital, %	45.4	39.2	-	46.8
Interest coverage ratio	5.9	-1.2	2.9	1.1
Average number of employees	326	333	330	331
Net turnover per employee (average), TSEK	786	609	2 613	2 443
Income after fin, per employee (average), TSEK	27	-12	41	3
Average number of shares, thousands (No dilution,)	7 399	5 602	6 931	6 488
Number of shares, end of period, thousands	7 399	5 602	7 399	7 399
Earnings per share, SEK	0.91	0.09	1.47	0.62
Equity per share, SEK	28.09	28.32	-	27.07

Definitions are given in ProfilGruppen's Annual Report. Rounding differences may occur.

When not specified the information regards the total Group. The number of shares presented for the periods above has been recalculated in accordance with IAS 33 due to the rights issue that was completed in July 2014.

The parent company

The turnover of the parent company amounted to MSEK 5.6 (6.5) and comprised by 98 percent of payments for rents and services from companies in the Group. Profit after financial items amounted to MSEK 3.6 (3.4).

Investments in buildings amounted to MSEK 0.3 (0.0) in the parent company during the year.

The parent company's interest-bearing liabilities amounted to MSEK 19.1 (21.7) as of 31 March 2015. 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.

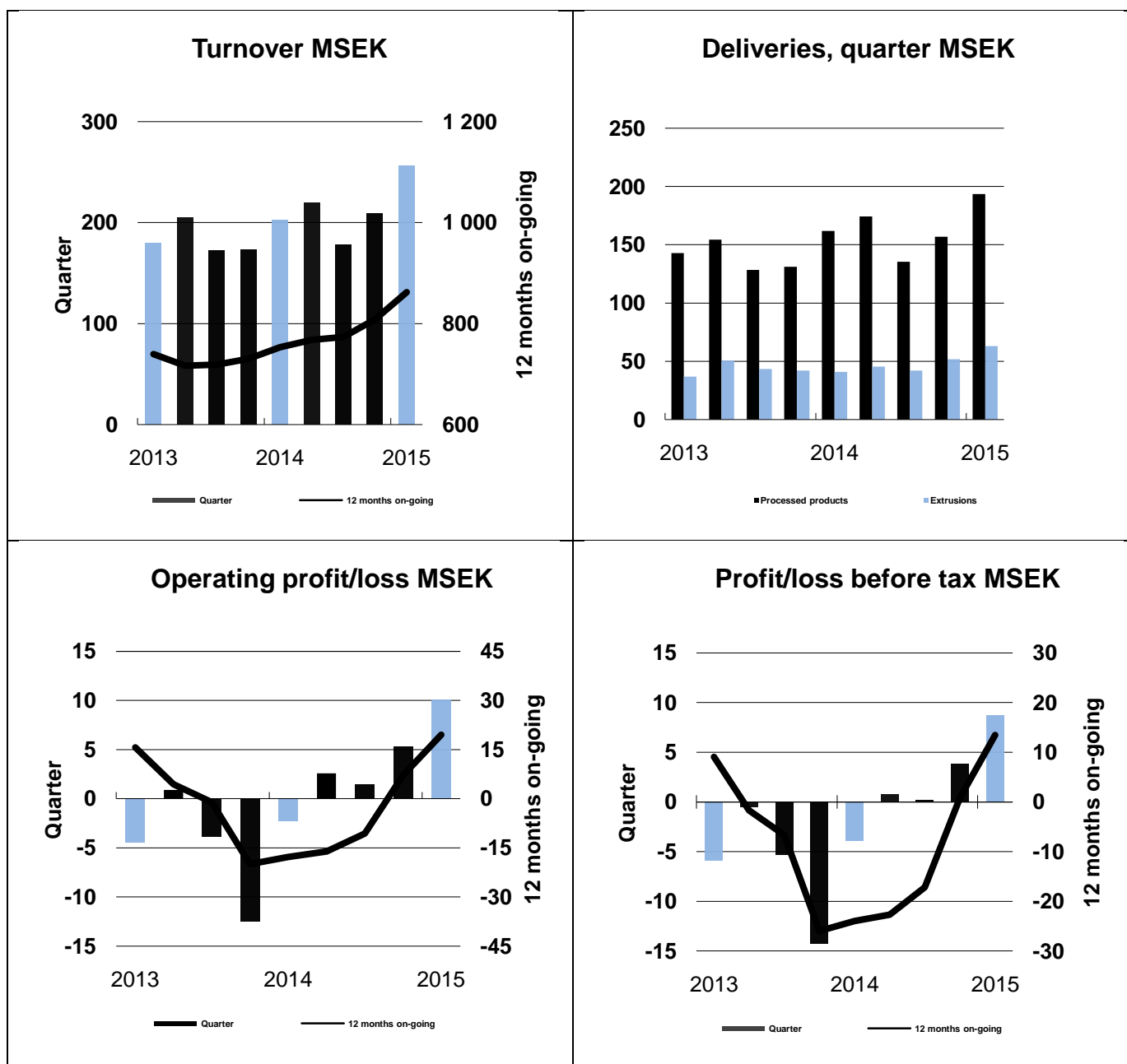
Income Statement in short – the parent company

Parent Company, MSEK	Q 1 2015	Q 1 2014	Q 1-4 2014
Turnover	5.6	6.5	25.9
Cost of goods sold	-1.0	-1.0	-6.1
Gross Margin	4.6	5.5	19.8
Other operating revenues	0.0	0.0	0.0
Administrative expenses	-0.9	-1.9	-7.5
Operating income	3.7	3.6	12.3
Result from shares in group companies	0.0	0.0	0.0
Interest income	0.1	0.1	0.5
Impairment of shares in group companies	0.0	0.0	0.0
Interest expenses	-0.2	-0.3	-1.0
Income after financial items	3.6	3.4	11.8
Appropriations	0.0	0.0	-11.3
Income before tax	3.6	3.4	0.5
Tax	-0.8	2.9	3.6
Net income for the period	2.8	6.3	4.1

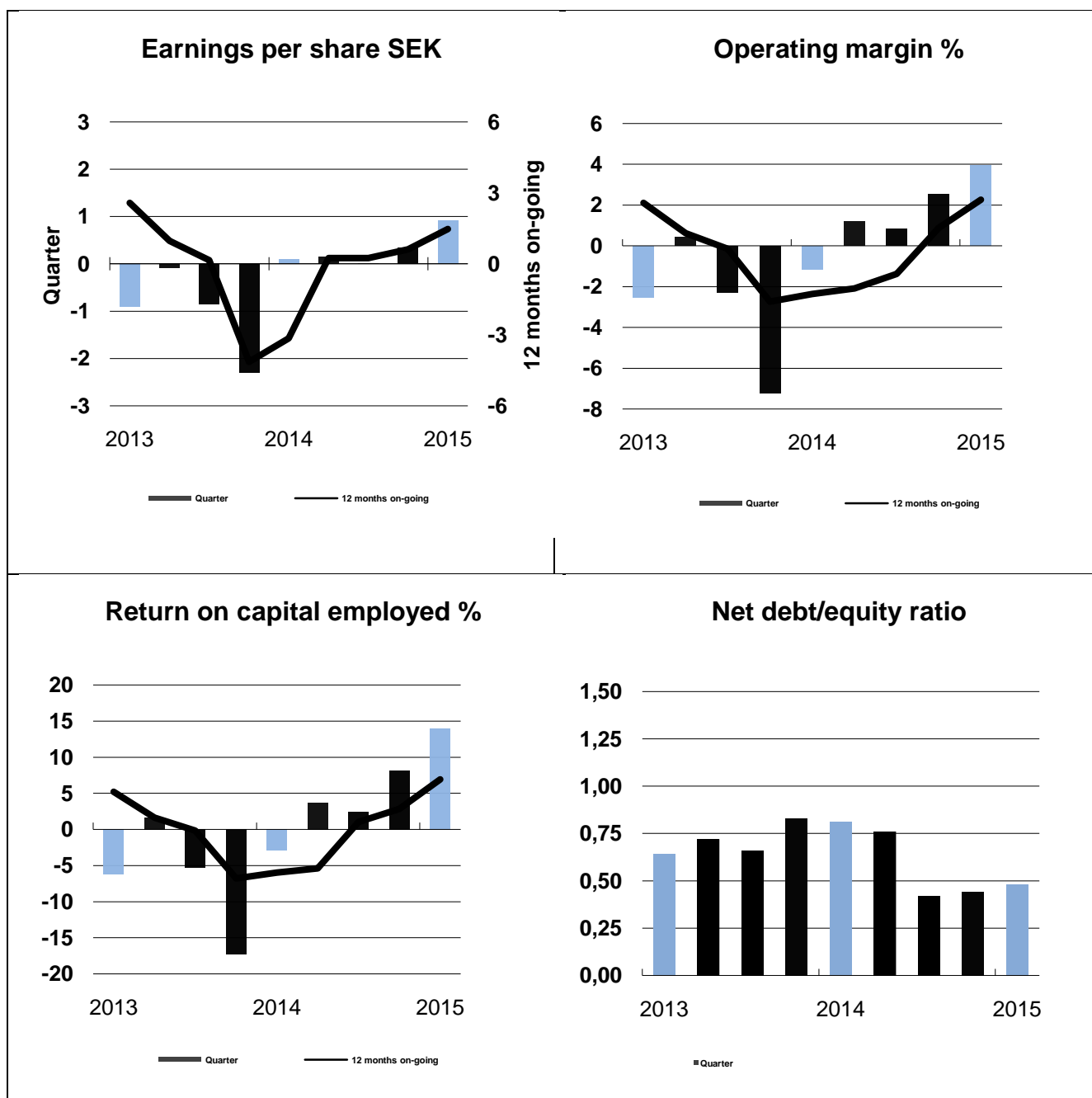
Balance sheet in short – the parent company

Parent company, MSEK	31 March 2015	31 March 2014	31 December 2014
Assets			
Tangible assets			
Tangible fixed assets	84.3	87.8	84.8
Financial assets	73.9	73.9	73.9
Total fixed assets	158.2	161.7	158.7
Current assets			
Current receivables	28.4	1.3	24.9
Cash and bank balances	0.4	0.4	0.4
Total current assets	28.8	1.7	25.3
Total assets	187.0	163.4	184.0
Equity and liabilities			
Equity	146.7	109.3	143.9
Untaxed reserves	14.8	19.0	14.8
Provisions for taxes	3.3	3.2	3.3
Long-term liabilities	1.5	4.2	1.7
Current liabilities	20.7	27.7	20.3
Total equity and liabilities	187.0	163.4	184.0

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 2014 the share of export was 48 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.