

Interim report January 1 – March 31, 2016

Åseda, April 19, 2016

A stable start of 2016

First quarter

- Turnover MSEK 260.6 (256.4), up 2 percent compared to previous year
- Operating profit MSEK 7.1 (10.1), non recurring start-up costs of MSEK 3.0 (0.0) in the new facility PG&WIP has affected the result negatively
- Net income MSEK 4.8 (6.7)
- Cash flow from operating activities MSEK 1.4 (-9.9)
- Earnings per share SEK 0.78 (0.91)

Per Thorsell, CEO of ProfilGruppen, comments:

”The year has had a stable start. Our work to improve all areas of the business is in full progress and we can see the effects in our production efficiency as well as in how we meet the needs of our new and old customers even better than before.

The production facility in the subsidiary PG&WIP AB, is now in place and taken into operation. Deliveries have started and will gradually increase to full volume during the spring.”

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, 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

During the first quarter the turnover for the Group amounted to MSEK 260.6 (256.4), an increase by 2 percent compared to the previous year. The increase in turnover can mainly be explained by the increase in delivery volumes of about 12 percent to 6,300 tonnes (5,600) of aluminium extrusions. Meanwhile, the price of aluminium has fallen compared to the same period last year and the level of added value has been slightly lower, 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 last year. This means that ProfilGruppen continues to increase its market share at the home market.

The share of exports amounted to 45 percent (46) of delivered volume, and 42 percent (46) of the turnover.

The first three months the Group manufactured 6,100 tonnes (5,500) of aluminium extrusions.

Comments on profit

The operating profit for the first quarter amounted to MSEK 7.1 (10.1), which is equivalent to an operating margin of 2.7 percent (3.9). The result has been affected by nonrecurring start-up costs of MSEK 3.0 in the jointly owned subsidiary PG&WIP AB, which is according to plan. The customer mix has been slightly less favorable compared to the same period last year. The proportion of customized products has also been slightly lower during the first quarter compared to the first quarter in 2015.

The profit after financial items amounted to MSEK 6.2 (8.7). The profit after tax amounted to MSEK 4.8 (6.7).

Earnings per share totalled SEK 0.78 (0.91). The average number of shares in thousands was 7,399 (7,399), which is a weighted average for the year.

The return on capital employed amounted to 8.2 percent (14.0).

Investments

Investments during the first three months amounted to MSEK 9.2 (3.9), of which the majority is attributable to the startup of the subsidiary PG&WIP AB.

Financing and liquidity

Cash flow from current operations amounted to MSEK 1.4 (-9.9) and after investments to MSEK -8.6 (-13.2). The improvement of the cash flow from current operations is explained by an increased operating capital and reduced inventory levels. The investments are higher than the corresponding period 2015.

The liquidity reserve as of 31 March 2016 amounted to 79.0 MSEK (106.4).

The balance sheet total as of 31 March 2016 was MSEK 568.1 (514.3). Net debt amounted to MSEK 142.4 (99.2) as of 31 March 2016 and the net debt ratio was 0.63 (0.48).

Personnel

The average number of Group employees during the first quarter was 356 (326). The number of Group employees as of 31 March 2016 totalled 370 (327), whereof 27 has been employed in the new company 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 2016

The second quarter of the year has in terms of sales had a stable start, and we estimate that the new company PG&WIP AB will contribute positively to the business.

The market situation for our products is assessed to be satisfying during the coming quarters of the year.

Outlooks published in the year-end report 2015:

The first quarter of the year has in terms of sales had a stable start, and is estimated to be affected by one-time costs of about MSEK 3.0 in the subsidiary PG&WIP AB. We estimate that the new company will contribute positively to the business from the second quarter.

Meanwhile, the development in our environment, both political and financial, is still hard to estimate.

Dates for financial information

Financial information for 2016 will be provided quarterly.

Interim report second quarter	July 21, 2016, 08:00
Interim report third quarter	October 26, 2016, 08:00

Åseda, April 19, 2016

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 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 1 2016	Q 1 2015	12 months ongoing	Q 1-4 2015
Net turnover	260.6	256.4	984.4	980.2
Cost of goods sold	-232.5	-228.2	-890.1	-885.8
Gross margin	28.1	28.2	94.3	94.4
Other operating revenues	0.0	0.0	0.1	0.1
Selling expenses	-11.7	-10.6	-44.9	-43.8
Administrative expenses	-9.3	-7.3	-29.1	-27.1
Other operating expenses	0.0	-0.2	-0.5	-0.7
Operating profit/loss	7.1	10.1	19.9	22.9
Financial income	0.4	0.3	1.3	1.2
Financial expenses	-1.3	-1.7	-5.9	-6.3
Net financial income/expense	-0.9	-1.4	-4.6	-5.1
Income after financial items	6.2	8.7	15.3	17.8
Tax	-1.4	-2.0	-4.2	-4.8
Net income for the period	4.8	6.7	11.1	13.0
Other comprehensive income				
<i>Items that will subsequently be reclassified to net income:</i>				
Changes in hedging reserve	0.2	0.8	1.2	1.8
Translation differences	0.0	0.0	-0.1	-0.1
Other, reported directly against equity	0.0	0.0	0.0	0.0
<i>Items that will subsequently not be reclassified to net income:</i>				
Revaluation of defined benefit obligation	0.0	0.0	0.7	0.7
Comprehensive income for the period	5.0	7.5	12.9	15.4
<i>Net income for the period attributable to:</i>				
Owners of the parent	5.8	6.7	12.9	13.8
Non-controlling interests	-1.0	0.0	-1.8	-0.8
<i>Total comprehensive income for the period attributable to:</i>				
Owners of the parent	6.0	7.5	14.7	16.2
Non-controlling interests	-1.0	0.0	-1.8	-0.8
Earnings per share (before and after dilution), SEK	0.78	0.91	1.75	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	5.0	4.8	18.4	18.2
Total	6.0	5.8	22.1	21.9
of which write-down	0.0	0.0	0.0	0.0

Statement of financial position in short

The Group, MSEK	31 March 2016	31 March 2015
Assets		
Fixed assets		
Intangible fixed assets	10.0	10.0
Tangible fixed assets	253.9	207.1
Financial fixed assets	1.3	1.5
Total fixed assets	265.2	218.6
Current assets		
Inventories	119.0	131.7
Current receivables	180.8	162.9
Liquid assets	3.1	1.1
Total current assets	302.9	295.7
Total assets	568.1	514.3
Shareholders' equity and liabilities		
Total equity attributable to the Parent Company's shareholders	222.5	207.8
Non-controlling interests	2.7	0.0
Total equity	225.2	207.8
Long-term liabilities		
Interest-bearing liabilities	79.2	51.8
Interest-free liabilities	27.8	25.6
Total long-term liabilities	107.0	77.4
Short-term liabilities		
Interest-bearing liabilities	66.3	48.6
Interest-free liabilities	169.6	180.5
Total short-term liabilities	235.9	229.1
Total shareholders' equity and liabilities	568.1	514.3
Pledged assets and contingent liabilities		
Property mortgages		
Floating charges	84.8	84.8
Shares in subsidiaries	241.5	170.0
Trade receivables pledged as collateral	125.0	122.5
Guarantees for other companies	0.0	138.7
Guarantee commitments FPG/PRI	0.7	0.7
	0.2	0.2

Statement of changes in equity in short

The Group, MSEK	Q 1 2016	Q 1 2015	Q 1-4 2015
Opening balance, total equity	220.2	200.3	200.3
<i>Changes attributable to owners of the parent:</i>			
Comprehensive income for the period	6.0	7.5	16.2
New share issue	0.0	0.0	0.0
Closing balance attributable to the Parent Company's shareholders	226.2	207.8	216.5
<i>Changes attributable to non-controlling interests:</i>			
Comprehensive income for the period	-1.0	0.0	-0.8
New share issue	0.0	0.0	4.5
Closing balance attributable to non-controlling interests	-1.0	0.0	3.7
Closing balance, total equity	225.2	207.8	220.2

Shareholders equity per share exclusive non-controlling interests PER March 31.2016, amounts to SEK 30.08 (28.09)

Financial instruments, valued at fair value

in statement of financial position

The Group, MSEK	31 March 2016	31 March 2015
Short-term receivables		
Currency derivatives	1.4	0.1
Short-term non interest-bearing liabilities		
Interest rate derivatives	3.6	3.6
Currency derivatives	0.0	0.3

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 2016	Q 1 2015	12 months ongoing	Q 1-4 2015
Operating cash flow ¹⁾	16.3	13.9	39.3	36.9
Working capital changes	-14.9	-23.8	-14.8	-23.7
Cash flow from operating activities	1.4	-9.9	24.5	13.2
Cash flow from investing activities	-10.0	-3.3	-72.9	-66.2
Cash flow from financing activities ²⁾	2.3	13.2	51.4	62.3
Cash flow for the period	-6.3	0.0	3.0	9.3
Liquid assets, opening balance ³⁾	9.3	1.1	1.1	1.1
Translation differences in liquid assets	0.1	0.0	-1.0	-1.1
Liquid assets, closing balance	3.1	1.1	3.1	9.3

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

²⁾During the second quarter 2015 a rights issue related to non-controlling interests has increased the cash with MSEK 4.5.

³⁾The liquidity reserve per March 31. 2016, amounts to MSEK 79.0 (106.4).

Key ratios

The Group	Q 1 2016	Q 1 2015	12 months ongoing	Q 1-4 2015
Net turnover, MSEK	260.6	256.4	984.4	980.2
Income before depreciation, MSEK	13.1	15.9	42.0	44.8
Operating income/loss, MSEK	7.1	10.1	19.9	22.9
Operating margin, %	2.7	3.9	2.0	2.3
Income after financial items, MSEK	6.2	8.7	15.3	17.8
Profit margin, %	2.4	3.4	1.6	1.8
Return on equity, %	8.6	13.1	5.1	6.2
Return on capital employed, %	8.2	14.0	6.2	7.4
Cash flow from operating activities, MSEK	1.4	-9.9	24.5	13.2
Investments, MSEK	9.3	3.9	73.8	68.4
Liquidity reserve, MSEK	79.0	106.4	-	108.2
Net debt, MSEK	142.4	99.2	-	133.8
Interest-bearing liabilities and interest-bearing provisions, MSEK	145.5	100.4	-	143.1
Net debt/equity ratio	0.63	0.48	-	0.61
Total assets, MSEK	568.1	514.3	-	539.7
Equity ratio, %	39.7	40.4	-	40.8
Capital turnover	2.8	3.4	2.9	3.0
Proportion of risk-bearing capital, %	44.6	45.4	-	45.7
Interest coverage ratio	5.8	5.9	3.6	3.8
Average number of employees	356	326	347	339
Net turnover per employee (average), TSEK	730	786	2 837	2 892
Income after fin, per employee (average), TSEK	17	27	44	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	0.78	0.91	1.75	1.88
Equity per share, SEK	30.08	28.09	-	29.26

Definitions are given in ProfilGruppen's Annual Report 2015. Rounding differences may occur.

When not specified the information regards the total Group. The key ratios, except Earnings per share and Equity per share, are based on the Groups consolidated figures including non-controlling interests.

The parent company

The turnover of the parent company amounted to MSEK 5.6 (5.6) 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 (3.6).

Investments in buildings amounted to MSEK 0.0 (0.3) in the parent company during 2016.

The parent company's interest-bearing liabilities amounted to MSEK 1.1 (19.1) as of 31 March 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.

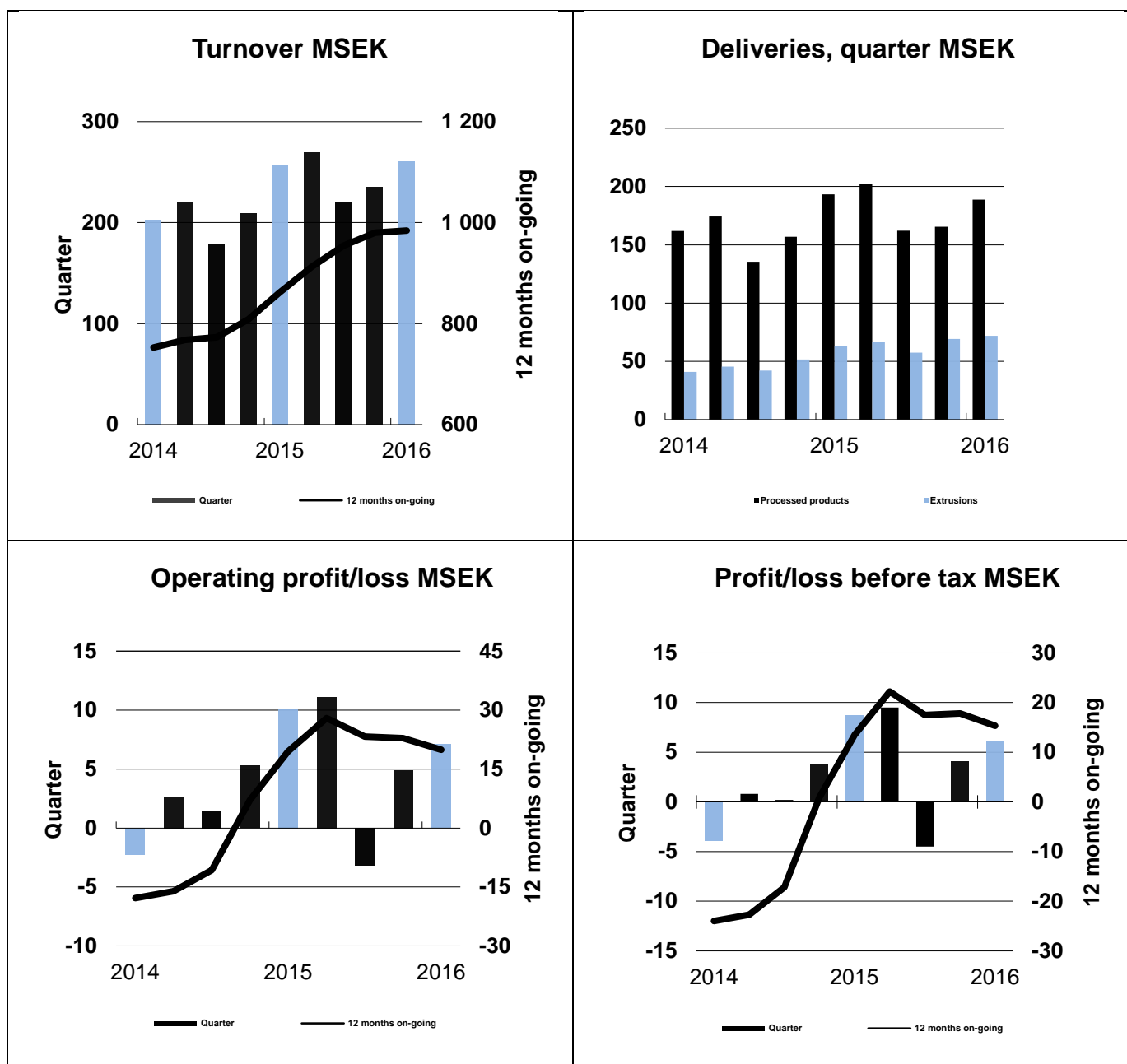
Income Statement in short – the parent company

Parent Company, MSEK	Q 1 2016	Q 1 2015	Q 1-4 2015
Turnover	5.6	5.6	22.3
Cost of goods sold	-1.2	-1.0	-3.5
Gross Margin	4.4	4.6	18.8
Other operating revenues	0.0	0.0	0.1
Administrative expenses	-0.9	-0.9	-2.8
Operating income	3.5	3.7	16.1
Result from shares in group companies	0.0	0.0	0.4
Interest income	0.1	0.1	0.4
Impairment of shares in group companies	0.0	0.0	0.0
Interest expenses	0.0	-0.2	-0.4
Income after financial items	3.6	3.6	16.5
Appropriations	0.0	0.0	-3.0
Income before tax	3.6	3.6	13.5
Tax	-0.8	-0.8	-2.9
Net income for the period	2.8	2.8	10.6

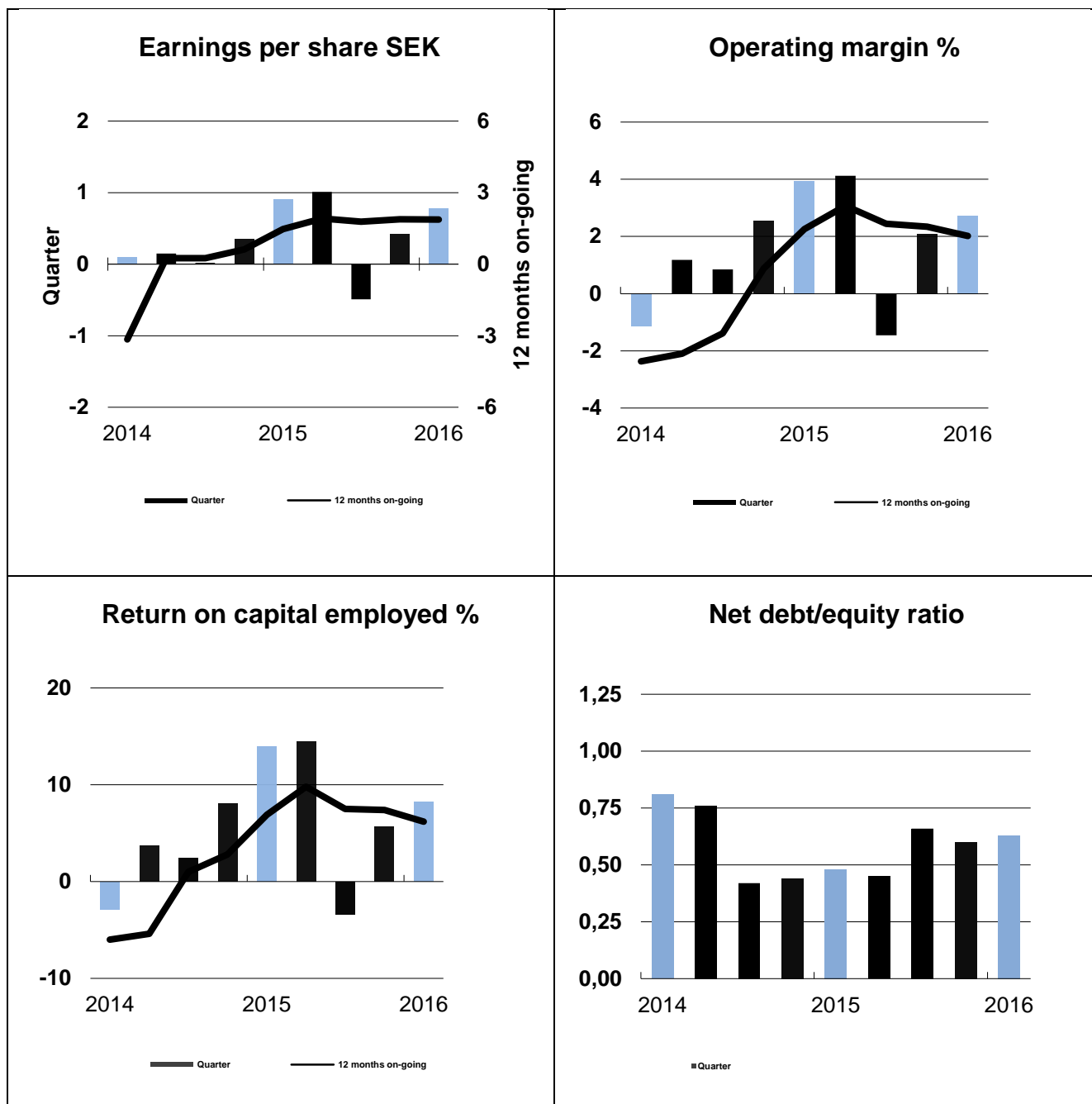
Balance sheet in short – the parent company

Parent company, MSEK	31 March 2016	31 March 2015	31 December 2015
Assets			
Tangible assets			
Tangible fixed assets	79.2	84.3	80.1
Financial assets	84.5	73.9	84.5
Total fixed assets	163.7	158.2	164.6
Current assets			
Current receivables	20.7	28.4	16.1
Cash and bank balances	0.4	0.4	0.4
Total current assets	21.1	28.8	16.5
Total assets	184.8	187.0	181.1
Equity and liabilities			
Equity	157.3	146.7	154.5
Untaxed reserves	17.8	14.8	17.8
Provisions for taxes	4.1	3.3	4.1
Long-term liabilities	1.0	1.5	0.7
Current liabilities	4.7	20.7	4.0
Total equity and liabilities	184.9	187.0	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 2015 the share of export was 45 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.