

Interim report January 1– March 31, 2017

Best quarterly result ever

This is a translation of the Swedish version of the notice. In case of any discrepancies, the Swedish version shall prevail.

First quarter

- Turnover MSEK 337.2 (260.6), up 29 percent compared to previous year
- Operating profit MSEK 26.5 (7.1)
- Net income MSEK 19.8 (4.8)
- Cash flow from operating activities MSEK -11.3 (1.4)
- Earnings per share SEK 2.43 kr (0.78)
- New financial targets have been decided.
New targets are operating margin 8 percent and net debt/EBITDA <2.

Per Thorsell, CEO of ProfilGruppen, comments:

"With great pride we report the best quarterly result in the history of the company, we continue to grow faster than the market and are increasing our profitability.

Our expansion, together with added value, better capacity utilization and efficiency in the whole organization creates a stable ground from which we can continue to develop ProfilGruppen. We will continue on the same path with the aspiration and target to always improve and create added value for the company and for our customers."



Market

The market for aluminium extrusions in Europe continues to grow and according to the latest report of European Aluminium Association (EAA), the volumes both in Scandinavia and Europe have increased by approximately two percent during the first quarter of 2017 compared to the same period 2016.

Turnover

During the first quarter the turnover for the Group amounted to MSEK 337.2 (260.6), an increase by 29 percent compared to the previous year. The operations in PG&WIP are now in full production and have contributed with about half of the increase in turnover compared to the first quarter of 2016 when the business was in startup position and had a negative result.

The delivery volumes have increased about 16 percent to 7,350 tonnes (6,350) of aluminium extrusions with a higher level of added value. The price of aluminium has increased, which have affected the increase in turnover marginally.

The share of exports amounted to 41 percent (45) of delivered volume, and 45 percent (43) 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 sold volume.

ProfilGruppen continues to have a very positive development in the domestic market and a third of the increase in turnover are related to Swedish customers.

During the first three months the Group manufactured 7,650 tonnes (6,050) of aluminium extrusions.

Result

The operating profit for the first quarter amounted to MSEK 26.5 (7.1 after starting costs of MSEK 3.0 in PG&WIP), which is equivalent to an operating margin of 7.9 percent (2.7), and is the highest level that ProfilGruppen ever has performed. A new target for operating margin was decided and released in February when the target was increased from 6 to 8 percent.

The increased result has been achieved by increased volume and capacity utilization and a higher level of added value. Margin improvements and efficiency measures in the organization has also contributed. About 70 percent of delivered aluminium profiles was processed, which is an increase compared to the first quarter of 2016 of about 10 percent.

The profit after financial items amounted to MSEK 25.4 (6.2). The profit after tax amounted to MSEK 19.8 (4.8).

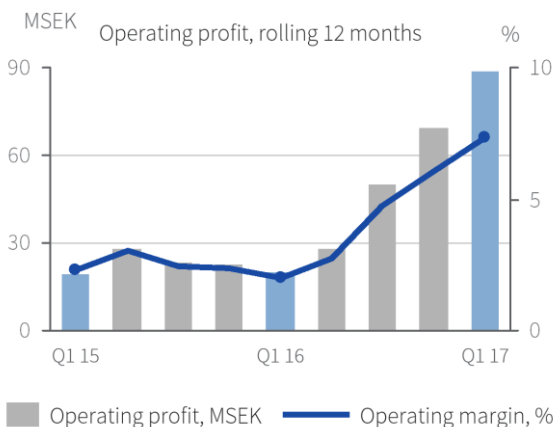
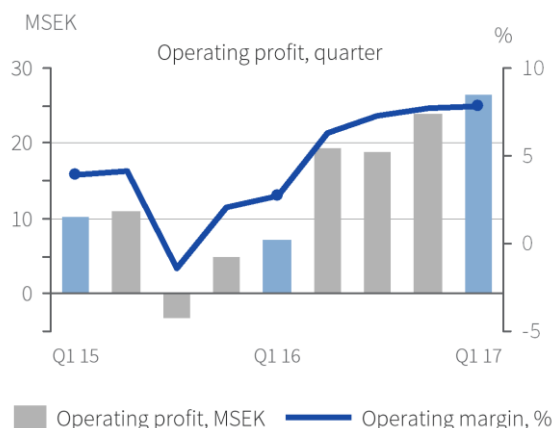
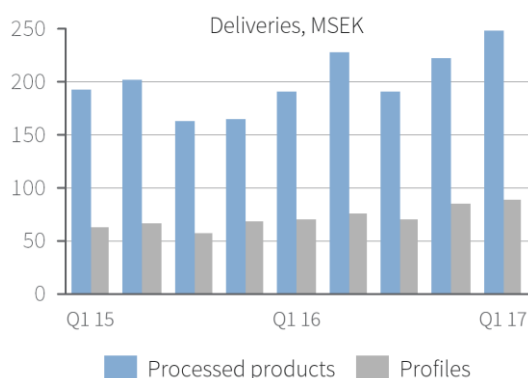
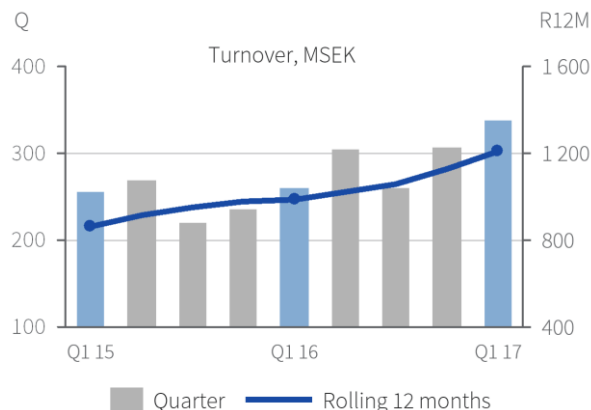
Earnings per share totalled SEK 2.43 (0.78). The average number of shares in thousands was 7,399 (7,399), which is a weighted average for the year.

The return on capital employed amounted to 27.3 percent (8.2).

Investments

Investments during the first quarter amounted to MSEK 8.5 (9.3), and consists of continual enhancements.

The investment project that was released in October 2016 regarding an automated production line for interior details has been started according to plan but has not had any effect on the investments in this quarter.



Financing and liquidity

Cash flow from current operations amounted to MSEK -11.3 (1.4) and after investments to MSEK -25.9 (-8.6). The lower cash flow from current operations is mainly explained by higher working capital needs that is a consequence of higher delivery volume and increased level of inventory.

The liquidity reserve as of 31 March 2017 amounted to MSEK 133.4 (79.0).

The balance sheet total as of 31 March 2017 was MSEK 670.6 (568.1). Net debt amounted to MSEK 111.9 (142.4) as of 31 March 2017 and net debt/EBITDA was 0.9 (3.2). When the financial targets were revised in the beginning of the year the target of Net debt ratio in the interval of 0,75-1,00 was replaced with the new target net debt/EBITDA of <2,0. It will better explain the debt situation of the Group in relation to its profitability.

Personnel

The average number of Group employees during the quarter was 402 (356). The number of Group employees as of 31 March 2017 totaled 413 (370).

Significant risks and uncertain factors

The company's risks and risk management have not significantly changed since the publishing of the 2016 Annual Report.

Outlook for 2017

The market situation is assessed to be stable during the coming quarters.

Outlooks for 2017 published on February 9, 2017:

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

Calendar

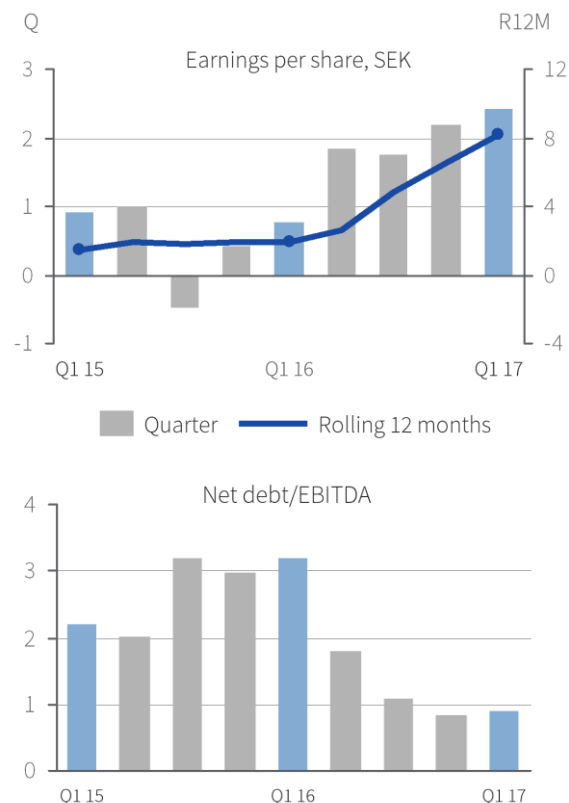
Financial information for 2017 will be provided quarterly:

- Interim report second quarter
July 18 2017, 14.00
- Interim Report third quarter
October 24 2017, 14.00

Åseda, April 25, 2017

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

The Interim Report has not been audited.



Statement of comprehensive income in short

MSEK	Note	Q 1 2017	Q 1 2016	R 12 2017	2016
Net turnover		337.2	260.6	1,208.6	1,132.0
Cost of goods solds	2	-287.9	-232.5	-1,036.6	-981.2
Gross Margin		49.3	28.1	172.0	150.8
Other operating revenues		0.0	0.0	0.0	0.0
Selling expenses		-12.5	-11.7	-48.1	-47.3
Administrative expenses		-10.2	-9.3	-34.7	-33.8
Other operating expenses		-0.1	0.0	-0.7	-0.6
Operating profit/loss		26.5	7.1	88.5	69.1
Financial income		0.2	0.4	0.5	0.7
Financial expenses		-1.3	-1.3	-4.8	-4.8
Net financial income/expense		-1.1	-0.9	-4.3	-4.1
Income after financial items		25.4	6.2	84.2	65.0
Tax		-5.6	-1.4	-18.1	-13.9
Net income for the period		19.8	4.8	66.1	51.1
Other comprehensive income (net after tax)					
Items that will subsequently be reclassified to net income:					
Changes in hedging reserve		1.0	0.2	-1.2	-2.0
Translation differences		0.0	0.0	0.2	0.2
Items that will subsequently not be reclassified to net income:					
Revaluation of defined benefit obligation		0.0	0.0	-0.4	-0.4
Comprehensive income for the period		20.8	5.0	64.7	48.9
Net income for the period attributable to:					
Owners of the parent		18.0	5.8	60.7	48.5
Non-controlling interests		1.8	-1.0	5.4	2.6
Total comprehensive income for the period attributable to:					
Owners of the parent		19.0	6.0	59.3	46.3
Non-controlling interests		1.8	-1.0	5.4	2.6
Earnings per share (before and after dilution), SEK		2.43	0.78	8.21	6.56
Average number of shares, thousands		7,399	7,399	7,399	7,399

Statement of financial position in short

MSEK	Note	31 Mar 2017	31 Mar 2016	31 Dec 2016
Assets				
Intangible fixed assets		10.8	10.0	10.0
Tangible fixed assets		266.9	253.9	268.5
Financial fixed assets		1.1	1.3	1.2
Total fixed assets		278.8	265.2	279.7
Inventories		160.4	119.0	146.3
Current receivables	4	224.3	180.8	169.6
Liquid assets		7.1	3.1	11.3
Total current assets		391.8	302.9	327.2
Total assets		670.6	568.1	606.9
Shareholders' equity				
Total equity attributable to the parent Company's shareholders		281.8	222.5	262.8
Non-controlling interests		9.6	2.7	7.8
Total equity		291.4	225.2	270.6
Liabilities				
Interest-bearing liabilities		56.3	79.2	65.7
Interest-free liabilities		28.1	27.8	28.0
Total long-term liabilities		84.4	107.0	93.7
Interest-bearing liabilities and provisions	4	62.7	66.3	34.2
Interest-free liabilities		232.1	169.6	208.4
Total short-term liabilities		294.8	235.9	242.6
Total shareholders' equity and liabilities		670.6	568.1	606.9

Statement of changes in equity in short

MSEK	Q 1 2017	Q 1 2016	2016
Opening balance, total equity	270.6	220.2	220.2
Changes attributable to owners of the parent:			
Comprehensive income for the period	19.0	6.0	46.3
New share issue	0.0	0.0	0.0
Changes attributable to non-controlling interests:			
Comprehensive income for the period	1.8	-1.0	2.6
New share issue	0.0	0.0	1.5
Closing balance, total equity	291.4	225.2	270.6

Statement of cash flows in short

MSEK	Q 1 2017	Q 1 2016	R 12 2017	2016
Operating activities				
Operating profit/loss	26.5	7.1	88.5	69.1
Depreciation and write-down	9.3	8.3	36.0	35.0
Adjustment for other non-cash items	-2.5	0.1	-2.6	0.0
Interest received/paid	-1.0	-0.8	-3.7	-3.5
Paid income tax	-2.0	1.6	-6.2	-2.6
Cash flow prior to change in working capital	30.3	16.3	112.0	98.0
Inventories	-14.2	11.3	-41.4	-15.9
Operating receivables	-54.7	-45.4	-47.5	-38.2
Operating liabilities	27.3	19.2	49.0	40.9
Cash flow from operating activities	-11.3	1.4	72.1	84.8
Acquisition of property, plant and equipment	-14.6	-10.0	-45.4	-40.8
Sale of property, plant and equipment	0.0	0.0	0.0	0.0
Cash flow from investing activities	-14.6	-10.0	-45.4	-40.8
Rights issue/Shareholders' contributions ¹⁾	0.0	0.0	1.5	1.5
Loans raised	0.0	5.7	16.3	22.0
Change in bank overdraft facility utilized	28.4	-1.8	-16.3	-46.5
Repayment of loans	-6.9	-1.5	-25.1	-19.7
Cash flow from financing activities	21.5	2.4	-23.6	-42.7
Cash flow for the period	-4.4	-6.2	3.1	1.3
Liquid assets, opening balance	11.3	9.3	3.1	9.3
Translation differences in liquid assets	0.2	0.0	0.9	0.7
Liquid assets, closing balance	7.1	3.1	7.1	11.3
Liquidity reserve	133.4	79.0	0.0	165.1

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

Key ratios

The Group	Q 1 2017	Q 1 2016	R 12 2017	2016
Net turnover, MSEK	337.2	260.6	1,208.6	1,132.0
Income before depreciation, MSEK	35.8	15.4	124.5	104.1
Operating income/loss, MSEK	26.5	7.1	88.5	69.1
Operating margin, %	7.9	2.7	7.3	6.1
Income after financial items, MSEK	25.4	6.2	84.2	65.0
Profit margin, %	7.5	2.4	7.0	5.7
Return on equity, %	28.2	8.6	25.6	20.8
Return on capital employed, %	27.3	8.2	22.8	19.0
Cash flow from operating activities, MSEK	-11.3	1.4	72.1	84.8
Investments, MSEK	8.5	9.3	50.0	50.8
Liquidity reserve, MSEK	133.4	79.0	-	165.1
Net debt, MSEK	111.9	142.4	-	88.6
Interest-bearing liabilities and interest-bearing provisions, MSEK	0.9	3.2	-	0.9
Net debt/equity ratio	0.4	0.6	-	0.3
Total assets, MSEK	670.6	568.1	-	606.9
Equity ratio, %	43.4	39.7	-	44.6
Capital turnover	3.5	2.9	3.1	3.1
Proportion of risk-bearing capital, %	47.6	44.6	-	49.2
Interest coverage ratio	20.3	5.8	18.4	14.5
Average number of employees	402	356	391	379
Net turnover per employee (average), TSEK	839	730	3,091	2,987
Income after fin, per employee (average), TSEK	63	17	215	171
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	2.43	0.78	8.21	6.56
Equity per share, SEK	38.09	30.08	-	35.53

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 at www.profilgruppen.se

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 5.6 (5.6) and comprises by 98 percent of payments for rents and services from companies in the Group. Profit after financial items amounted to MSEK 3.4 (3.6).

No investments have been done in the parent company during the first quarter of 2017 (none).

Of the current receivables are MSEK 51.2 (20.5) receivables from group companies.

The parent company's interest-bearing liabilities amounted to MSEK 0.6 (1.1) as of 31 March 2017. 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.

Income statement in short – the parent company ¹⁾

MSEK	Note	Q 1 2017	Q 1 2016	2016
Turnover	5	5.6	5.6	22.3
Cost of goods sold		-1.4	-1.2	-3.3
Gross Margin		4.2	4.4	19.0
Other operating revenues		0.0	0.0	0.0
Administrative expenses		-0.9	-0.9	-3.3
Operating income		3.3	3.5	15.7
Result from shares in group companies		0.0	0.0	0.0
Interest income and similar income and expense items		0.1	0.1	0.3
Interest expenses and similar income and expense items		0.0	0.0	-0.1
Income after financial items		3.4	3.6	15.9
Appropriations		0.0	0.0	14.6
Income before tax		3.4	3.6	30.5
Tax		-0.8	-0.8	-6.7
Net income for the period		2.6	2.8	23.8

¹⁾ The parent company's income statement also constitutes its comprehensive income statement

Balance sheet in short – the parent company

MSEK	Note	31 Mar 2017	31 Mar 2016	31 Dec 2016
Assets				
Tangible assets				
Tangible fixed assets		76.8	79.2	77.7
Financial assets		88.0	84.5	88.0
Total fixed assets		164.8	163.7	165.7
Current assets				
Current receivables		51.4	20.7	51.2
Cash and bank balances		0.4	0.4	0.4
Total current assets		51.8	21.1	51.6
Total assets		216.6	184.8	217.3
Equity and liabilities				
Equity		180.9	157.3	178.3
Untaxed reserves		25.2	17.8	25.2
Provisions for taxes		3.6	4.1	3.6
Long-term liabilities		0.5	1.0	0.8
Current liabilities		6.4	4.7	9.4
Total equity and liabilities		216.6	184.9	217.3

Notes

Note 1 - 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 2017. 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 2016.

Note 2 – Depreciation and write-down of fixed assets

MSEK	Q 1 2017	Q 1 2016	Q 1-4 2017	2016
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	8.3	7.3	32.3	31.3
Total	9.3	8.3	36.0	35.0
of which write-down	0.0	0.0	0.0	0.0

Note 3 – Pledged assets and contingent liabilities

MSEK	31 Mar 2017	31 Mar 2016	31 Dec 2016
Property mortgages	84.8	84.8	84.8
Floating charges	241.5	241.5	241.5
Shares in subsidiaries	148.0	125.0	131.7
Trade receivables pledged as collateral	0.0	0.0	0.0
Guarantees for other companies	0.7	0.7	0.7
Guarantee commitments FPG/PRI	0.2	0.2	0.2

Note 4 - Financial instruments, valued at fair value in statement of financial position

MSEK	31 Mar 2017	31 Mar 2016	31 March 2016
Short-term receivables			
Currency derivatives	0.4	1.4	0.4
Short-term non interest-bearing liabilities			
Interest rate derivatives	2.9	3.6	3.2
Currency derivatives	1.3	0.0	2.3

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

Note 5 – Related transactions

No significant related transactions that significantly affect the Groups results or financial statement have been made during the period. Apart from the intragroup rental income in the parent company no significant related transactions have been done regarding the parent company either.

Brief facts about ProfilGruppen

- The vision is to be the most coveted provider of innovative solutions for aluminium extrusions in northern Europe
- Started in 1981 in Åseda, Sweden
- Listed on the Stockholm Stock Exchange in 1997 and is included in the Small Cap list
- A large part, about 40 percent, of the deliveries are exported, mainly in the northern Europe
- Aluminium extrusions are used within many industries, for example construction, automotive industry, telecommunications/electronics and furnishings
- The company is certified in accordance with ISO/TS 16949, ISO 14001 and ISO50001
- The manufacturing of extrusions exclusively takes place in Åseda and includes:
 - Extrusion of aluminium profiles in three production lines
 - Anodizing facility for surface treatment
 - Further processing of aluminium extrusions in the form of cutting processing, bending and stamping
 - Fully automated facility for processing, coating and packaging of interior design details
- A dozen subcontractors broadens the range of processing possibilities
- A partnership with ProfilGruppen should be uncomplicated and involve personal commitment

ProfilGruppen AB in Åseda is a supplier of turnkey customized aluminium components and extrusions.

Our vision is that we will be the most coveted provider of innovative solutions for aluminium extrusions in northern Europe.

For more information, please contact

Per Thorsell, President and CEO

Mobile: +46 (0)70-240 78 40

per.thorsell@profilgruppen.se

Ulrika Bergmo Sköld, CFO

Mobile: +46 (0)73-230 05 98

ulrika.bergmo.skold@profilgruppen.se

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 April 25, 2017 at 10:00 a.m. CET.

Current information and photographs for free publication are available at www.profilgruppen.se