

Year end report January 1– December 31, 2017

Historically good year – the operating profit over MSEK 100

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

Fourth quarter

- Turnover MSEK 367.2 (306.8), up 20 percent compared to previous year
- Operating profit MSEK 24.8 (23.8)
- Operating margin 6.8 percent (7.8)
- Net income MSEK 18.5 (18.1)
- Cash flow from operating activities MSEK 24.6 (17.2)
- Earnings per share SEK 2.55 kr (2.19)

Year 2017

- Turnover MSEK 1 382.8 (1 132.0), up 22 percent compared to previous year
- Operating profit MSEK 103.9 (69.1)
- Operating margin 7.5 percent (6.1)
- Net income MSEK 77.3 (51.1)
- Cash flow from operating activities MSEK 85.5 (84.8)
- Earnings per share SEK 9.86 kr (6.56)
- The Board is proposing a dividend of SEK 4.50 per share (3.00)

Per Thorsell, CEO of ProfilGruppen, comments:

"The result of the fourth quarter is at the same level as the previous year, but when we summarize the year we note that overall it has been a historically good year for ProfilGruppen. We have continued our progress in many areas and increased our turnover and profitability. The development strengthens the power and ambition throughout the organization and we will continue to challenge ourselves to meet our customers needs even better and reach our long term goals."



Market

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

Turnover

The turnover for the Group in 2017 amounted to MSEK 1 382.8 (1 132.0), an increase of about 22 percent compared to the same period previous year. The delivery volumes have increased about 15 percent to 29,700 tonnes (25,800) of aluminium extrusions with a higher level of added value.

ProfilGruppen continues to have a very positive development in the domestic market and the increase in turnover is mainly related to Swedish customers. The operations in PG&WIP and higher prices on raw material have also contributed.

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

During 2017 the Group manufactured 29,800 tonnes (25,925) of aluminium extrusions.

The result

The operating profit for 2017 amounted to MSEK 103.9 (69.1).

This is equivalent to an operating margin of 7.5 percent (6.1). ProfilGruppen's target is an operating margin of 8 percent.

The increased result has been achieved by higher share of added value, which has been supported by the business in PG&WIP, higher volumes and capacity utilization. Margin improvements and efficiency measures in the organization have also contributed. About 70 percent of delivered aluminium profiles had added value.

The profit after financial items amounted to MSEK 99.7 (65.0). The profit after tax amounted to MSEK 77.3 (51.1).

Earnings per share totalled SEK 9.86 (6.56). The average number of shares in thousands was 7.399 (7.399).

The return on capital employed amounted to 25.6 percent (19.0).

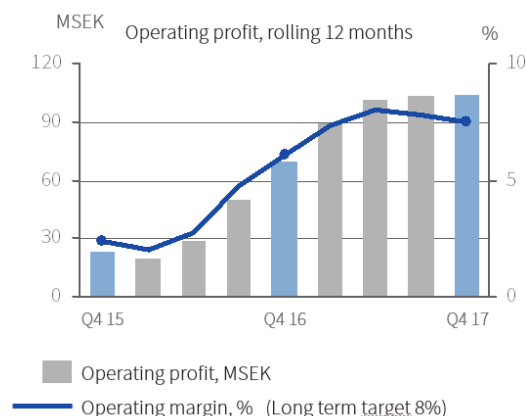
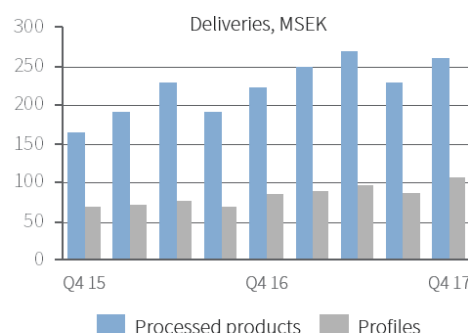
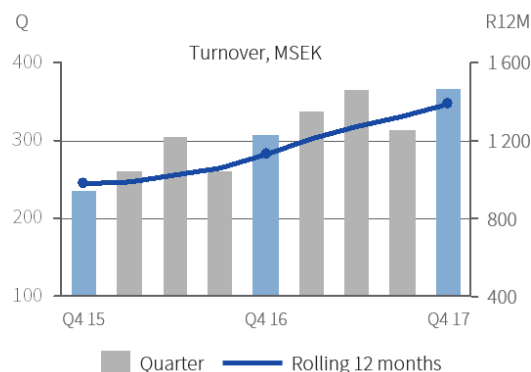
The fourth quarter

Turnover in the fourth quarter amounted to MSEK 367.2 (306.8). During the quarter 7,850 tonnes (6,650) of aluminium extrusions were delivered, an increase by 18 percent compared to the same period last year. The production was 8,200 tonnes (7,000).

The share of exports amounted to 42 percent (42) of volume, and 44 percent (46) of turnover.

The operating profit amounted to MSEK 24.8 (23.8), which is equivalent to an operating margin of 6.8 percent (7.8).

The operating margin is slightly lower than in the same period 2016, which, partly, is an effect of higher prices on raw material that has increased turnover. The result has also been negatively effected by lower delivery- and production outcome in PG&WIP and one-time costs of about MSEK 2 related to the new production line. At the same time the result in the rest of the business is higher than in the same period previous year.



The profit after financial items amounted to MSEK 24.3 (22.7). Earnings per share totalled SEK 2.55 (2.19).

Investments during 2017 and for further growth

Investments in 2017 amounted to MSEK 65.3 (50.8).

The investment project of approximately MSEK 50 that was released earlier regarding an automated production line for interior details is on-going, following the plan and has affected the investments of the year by MSEK 29.0 (21 Mkr in 2016). The remaining part of the investments, MSEK 36.3, mainly refers to ongoing improvements in profile production and manufacturing.

ProfilGruppen has during the last couple of years had a strong organic growth due to new customers and an increase in trust and demand from existing customers.

In July 2017, the Board of Directors, against the background of this development, took a direction decision of an investment in a new press line for aluminium profiles with modern and effective technology in close proximity to the existing facilities in Åseda. The conditions for the investment are for instance the costs for ground and infrastructure, financing and technical efficiency of the machine equipment. An in-depth pilot study is on-going and if all the conditions are in place a decision is expected to be taken in 2018.

The investment, that comprises both machines and property, is assessed to amount about MSEK 230 and to adding production capacity of about 10,000 tonnes of aluminium profiles annually.

Financing and liquidity

Cash flow from current operations amounted to MSEK 85.5 (84.8) and after investments to MSEK 19.6 (44.0).

The working capital need has increased during the year, which is a consequence of higher delivery volumes and increased level of inventory.

The liquidity reserve as of 31 December 2017 amounted to MSEK 140.1 (165.1).

The balance sheet total as of 31 December 2017 was MSEK 742.1 (606.9). Net debt amounted to MSEK 89.8 (88.6) as of 31 December 2017 and net debt/EBITDA was 0,6 (0,9). ProfilGruppen's target for net debt/EBITDA is < 2,0.

Personnel

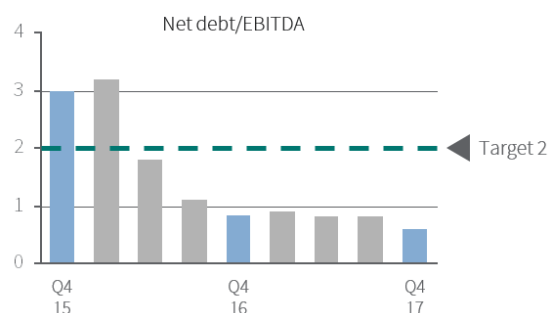
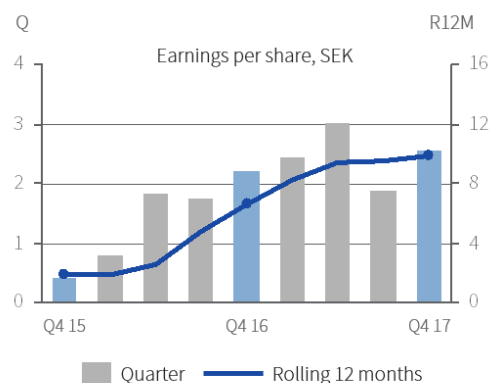
The average number of Group employees during the period was 442 (379). The number of Group employees as of 31 December 2017 totalled 453 (393).

Significant risks and uncertain factors

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

Outlook for 2018

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



Dividend

For the 2017 financial year, the Board is proposing to the annual general meeting of shareholders a dividend of SEK 4.50 per share (3.00), which means that the total dividend will amount to MSEK 33.3 (22.2). The Board is also proposing that the cut-off date for the dividend be 19 April 2018.

Annual General Meeting

The AGM 2018 will take place 17 April 2018 at 16:00 CET. All shareholders are then welcome to Folkets Hus in Åseda.

Annual Report and Interim reports 2018

The annual report for 2017 will be available in the company's reception and on the Company's website no later than March 19, 2018.

Financial information for 2018 will be provided as follows:

Interim report first quarter	April 17, 2018, 14:00
Interim report second quarter	July 17, 2018, 14:00
Interim report third quarter	October 23, 2018, 14:00

Statement of comprehensive income in short

MSEK	Note	Q 4 2017	Q 4 2016	Q 1-4 2017	Q 1-4 2016
Net turnover		367.2	306.8	1 382.8	1 132.0
Cost of goods sold	2	-318.9	-260.0	-1 193.9	-981.2
Gross Margin		48.3	46.8	188.9	150.8
Other operating revenues		0.3	0.0	3.2	0.0
Selling expenses		-13.6	-12.9	-49.0	-47.3
Administrative expenses		-10.0	-9.6	-38.9	-33.8
Other operating expenses		-0.2	-0.5	-0.3	-0.6
Operating profit/loss		24.8	23.8	103.9	69.1
Financial income		0.1	0.1	0.3	0.7
Financial expenses		-0.6	-1.2	-4.5	-4.8
Net financial income/expense		-0.5	-1.1	-4.2	-4.1
Income after financial items		24.3	22.7	99.7	65.0
Tax		-5.8	-4.6	-22.4	-13.9
Net income for the period		18.5	18.1	77.3	51.1
Other comprehensive income (net after tax)					
Items that will subsequently be reclassified to net income:					
Changes in hedging reserve		-1.2	2.0	0.5	-2.0
Translation differences		0.0	0.0	0.0	0.2
Items that will subsequently not be reclassified to net income:					
Revaluation of defined benefit obligation		-0.7	1.2	-1.6	-0.4
Comprehensive income for the period		16.6	21.3	76.2	48.9
Net income for the period attributable to:					
Owners of the parent		18.9	16.2	73.0	48.5
Non-controlling interests		-0.4	1.9	4.3	2.6
Total comprehensive income for the period attributable to:					
Owners of the parent		17.0	19.4	71.9	46.3
Non-controlling interests		-0.4	1.9	4.3	2.6
Earnings per share (before and after dilution), SEK		2.55	2.19	9.86	6.56
Average number of shares, thousands		7 399	7 399	7 399	7 399

Statement of financial position in short

MSEK	Note	31 Dec 2017	31 Dec 2016
Assets			
Intangible fixed assets		14.8	10.0
Tangible fixed assets		291.5	268.5
Financial fixed assets		0.2	1.2
Total fixed assets		306.5	279.7
Inventories		181.2	146.3
Current receivables	4	226.5	169.6
Liquid assets		27.9	11.3
Total current assets		435.6	327.2
Total assets		742.1	606.9
Shareholders' equity			
Total equity attributable to the parent Company's shareholders		312.5	262.8
Non-controlling interests		12.1	7.8
Total equity		324.6	270.6
Liabilities			
Interest-bearing liabilities		68.0	60.4
Interest-free liabilities		32.2	28.0
Total long-term liabilities		100.2	88.4
Interest-bearing liabilities and provisions	4	49.7	39.5
Interest-free liabilities		267.6	208.4
Total short-term liabilities		317.3	247.9
Total shareholders' equity and liabilities		742.1	606.9

Statement of changes in equity in short

MSEK	Q 4 2017	Q 4 2016	Q 1-4 2017	Q 1-4 2016
Opening balance, total equity	308.0	247.8	270.6	220.2
Changes attributable to owners of the parent:				
Comprehensive income for the period	17.0	19.4	71.9	46.3
New share issue	0.0	0.0	0.0	0.0
Changes attributable to non-controlling interests:				
Comprehensive income for the period	-0.4	1.9	4.3	2.6
New share issue/Shareholder contribution	0.0	1.5	0.0	1.5
Dividend	0.0	0.0	-22.2	0.0
Closing balance, total equity	324.6	270.6	324.6	270.6

Statement of cash flows in short

MSEK	Q 4 2017	Q 4 2016	Q 1-4 2017	Q 1-4 2016
Operating activities				
Operating profit/loss	24.8	23.8	103.9	69.1
Depreciation and write-down	10.7	9.7	37.2	35.0
Adjustment for other non-cash items	0.1	-1.1	-5.8	0.0
Interest received/paid	-1.6	-1.0	-5.0	-3.5
Paid income tax	-1.4	-2.3	-6.8	-2.6
Cash flow prior to change in working capital	32.6	29.1	123.5	98.0
Inventories	-20.0	-13.5	-34.9	-15.9
Operating receivables	10.2	10.3	-57.0	-38.2
Operating liabilities	1.8	-8.7	53.9	40.9
Cash flow from operating activities	24.6	17.2	85.5	84.8
Acquisition of property, plant and equipment	-6.4	-20.9	-69.9	-40.8
Sale of property, plant and equipment	0.2	0.0	4.0	0.0
Cash flow from investing activities	-6.2	-20.9	-65.9	-40.8
Rights issue/Shareholder contributions 1)	0.0	1.5	0.0	1.5
Dividend	0.0	0.0	-22.2	0.0
Loans raised	11.8	16.3	26.9	22.0
Change in bank overdraft facility utilized	-13.7	-6.7	18.8	-46.5
Repayment of loans	-7.1	-4.7	-27.2	-19.7
Cash flow from financing activities	-9.0	6.4	-3.7	-42.7
Cash flow for the period	9.4	2.7	15.9	1.3
Liquid assets, opening balance	17.9	7.9	11.3	9.3
Translation differences in liquid assets	0.6	0.7	0.7	0.7
Liquid assets, closing balance	27.9	11.3	27.9	11.3
Liquidity reserve	0.0	0.0	140.1	165.1

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

The parent company

The turnover of the parent company amounted to MSEK 22.0 (22.3) and comprises by 99 percent of payments for rents and services from companies in the Group. Profit after financial items amounted to MSEK 16.3 (15.9).

During the second quarter a property was sold that previously has been rented out, which has caused an other operating income of MSEK 2.1. Due to different accounting principles this capital gain in the Group instead amounts to MSEK 2.9.

Investments in the parent company in 2017 amounts to MSEK 0.3 (0.2).

All the current receivables are receivables from group companies. The parent company's interest-bearing liabilities amounted to MSEK 0.2 (0.8) as of 31 December 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	Not	Q 4 2017	Q 4 2016	Q 1-4 2017	Q 1-4 2016
Turnover	5	5.4	5.5	22.0	22.3
Cost of goods sold		-1.6	-0.7	-4.6	-3.3
Gross Margin		3.8	4.8	17.4	19.0
Other operating revenues		0.2	0.0	2.2	0.0
Administrative expenses		-0.8	-0.6	-3.5	-3.3
Other operating expenses		0.0	0.0	0.0	0.0
Operating income		3.2	4.2	16.1	15.7
Result from shares in group companies		0.0	0.0	0.0	0.0
Interest income and similar income and expense items		0.1	0.1	0.5	0.3
Interest expenses and similar income and expense items		-0.1	-0.1	-0.3	-0.1
Income after financial items		3.2	4.2	16.3	15.9
Appropriations		25.6	14.6	25.6	14.6
Income before tax		28.8	18.8	41.9	30.5
Tax		-6.5	-4.0	-9.4	-6.7
Net income for the period		22.3	14.8	32.5	23.8

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

Balance sheet in short – the parent company

MSEK	Not	31 Dec 2017	31 Dec 2016
Assets			
Tangible assets			
Tangible fixed assets		73.1	77.7
Financial assets		88.0	88.0
Total fixed assets		161.1	165.7
Current assets			
Current receivables		97.3	51.2
Cash and bank balances		0.4	0.4
Total current assets		97.7	51.6
Total assets		258.8	217.3
Equity and liabilities			
Equity		188.6	178.3
Untaxed reserves		34.6	25.2
Provisions for taxes		3.9	3.6
Long-term liabilities		0.0	0.8
Current liabilities		31.7	9.4
Total equity and liabilities		258.8	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.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 introduces new requirements regarding revenue recognition and replaces IAS 18 Revenue, IAS 11 Construction Contracts and several related interpretations. The new standard provides more detailed guidance in many areas which is not present in current IFRS, including how to account for contracts with multiple performance obligations, variable considerations, right of return, etc. The standard has been adopted by the EU. The standard will apply from the fiscal year 2018.

Following the analysis, the assessment is that there are no substantive differences between currently applied accounting policies and the guidance in IFRS 15 regarding the identification of performance obligations in the contracts or allocation of consideration. Like current policies, product sales will be reported when the transfer of risk according to the contract passes as it is aligned with the criteria of transferring control in IFRS 15.

The final assessment is that the introduction of IFRS 15 will not have any material impact on the Group's financial position.

The Group has chosen to apply the modified transition method for all contracts when applying IFRS 15 on January 1, 2018.

IFRS 9 Financial Instruments

IFRS 9 deals with the classification, valuation and reporting of financial assets and liabilities and introduces new rules for hedge accounting. The complete version of IFRS 9 was issued in July 2014. It replaces those parts of IAS 39 that deal with the classification and valuation of financial instruments and introduces a new impairment model. The standard has been adopted by the EU.

IFRS 9 will be applied by the Group for the fiscal year beginning January 1, 2018. The Group will not restate comparative figures for 2017, in accordance with the transitional rules of the Standard.

In autumn 2017, an investigation was made regarding the classification and valuation of the Group's financial instruments. It has been found that the new classification and valuation rules will not affect the Group's financial position at the transition date, as IFRS 9 will not affect the valuation of the financial instruments recognized in the consolidated balance sheet at this point.

IFRS 9 introduces a new impairment model based on expected losses, which takes into account forward-looking information. The Group has historically had very small credit losses and the customer base is made up of stable companies. Also from a forward looking perspective, the assessment is that the likelihood of default is low. The conclusion is therefore that no further impairment of accounts receivable is required.

Therefore, IFRS 9 will not affect the Group's financial position as of 1 January 2018.

A project is initiated to identify what additional information may be required to fulfill the disclosure requirements in revised IFRS 7.

Note 2 – Depreciation and write-down of fixed assets

MSEK	Q 4 2017	Q 4 2016	Q 1-4 2017	Q 1-4 2016
Intangible fixed assets	0.0	0.0	0.0	0.0
Land and buildings	1.1	1.0	3.8	3.7
Machinery and equipment	9.6	8.7	33.4	31.3
Total	10.7	9.7	37.2	35.0
of which write-down	0.0	0.0	0.0	0.0

Note 3 – Pledged assets and contingent liabilities

MSEK	31 Dec 2017	31 Dec 2016
Property mortgages	82.9	84.8
Floating charges	241.5	241.5
Shares in subsidiaries	153.6	131.7
Guarantees for other companies	0.0	0.7
Guarantee commitments FPG/PRI	0.2	0.2

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

MSEK	31 Dec 2017	31 Dec 2016
Short-term receivables:		
Currency derivatives	0.4	0.4
Short-term non interest-bearing liabilities;		
Interest rate derivatives	2.2	3.2
Currency derivatives	2.6	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.

Key ratios

The Group	Q 4 2017	Q 4 2016	Q 1-4 2017	Q 1-4 2016
Net turnover, MSEK	367.2	306.8	1 382.8	1 132.0
Income before depreciation, MSEK	35.5	33.5	141.1	104.1
Operating income/loss, MSEK	24.8	23.8	103.9	69.1
Operating margin, %	6.8	7.8	7.5	6.1
Income after financial items, MSEK	24.3	22.7	99.7	65.0
Profit margin, %	6.6	7.4	7.2	5.7
Return on equity, %	23.3	27.9	26.0	20.8
Return on capital employed, %	22.7	26.7	25.6	19.0
Cash flow from operating activities, MSEK	24.6	17.2	85.5	84.8
Investments, MSEK	8.0	30.0	65.3	50.8
Liquidity reserve, MSEK	-	-	140.1	165.1
Net debt, MSEK	-	-	89.8	88.6
Net debt/EBITDA	-	-	0.6	0.9
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	117.7	99.9
Net debt/equity ratio	-	-	0.3	0.3
Total assets, MSEK	-	-	742.1	606.9
Equity ratio, %	-	-	43.7	44.6
Capital turnover	-	-	3.4	3.1
Proportion of risk-bearing capital, %	-	-	48.1	49.2
Interest coverage ratio	46.4	19.5	23.3	14.5
Average number of employees	452	397	442	379
Net turnover per employee (average), TSEK	812	773	3 129	2 987
Income after fin, per employee (average), TSEK	54	57	226	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	2.55	2.19	9.86	6.56
Equity per share, SEK	-	-	42.24	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 and reconciliation of the alternative performance measures 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.

Åseda, February 6, 2018

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

The Year-End Report has not been audited.

Brief facts about ProfilGruppen

- The vision is to be the preferred provider of innovative solutions for aluminium extrusions in northern Europe
- A partnership with ProfilGruppen should be uncomplicated and involve personal commitment
- Aluminium extrusions are used within many industries, for example construction, automotive industry, telecommunications/electronics and furnishings
- The manufacturing of extrusions takes place in Åseda exclusively 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
- The company is certified in accordance with ISO/TS 16949, ISO 14001 and ISO50001
- Started in 1981 in Åseda, Sweden
- Listed on the Stockholm Stock Exchange in 1997 and is included in the Small Cap list

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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 6, 2018 at 14:00 CET.

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