

Interim report January 1 – June 30 2013

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Åseda, 19 July, 2013

## Continued weak market

### Second quarter

- Turnover MSEK 205.0 (227.9), down 10 percent compared to previous year
- Operating profit MSEK 0.9 (12.1), after positive one-off items amounting to MSEK 0.9 (3.6).
- Net income MSEK -0.4 (7.6)
- Cash flow from current operations MSEK -7.8 (27.0)
- Earnings per share SEK -0.08 (1.53)

### First sixth months

- Turnover MSEK 384.8 (454.4), down 15 percent compared to previous year
- Operating profit MSEK -3.6 (22.1), after positive one-off items amounting to MSEK 0.9 (3.6).
- Net income MSEK -4.9 (13.4)
- Cash flow from current operations MSEK -13.6 (24.6)
- Earnings per share SEK -0.99 (2.71)

### Anders Frisinger, President and CEO of ProfilGruppen, says:

*"The market in the second quarter has stabilized but is continued weak. The earlier announced reinforcement of the sales organization was implemented in the end of the quarter increasing the possibilities to higher sales volumes and profit. At the same time we have been awarded a number of orders for future deliveries to new large customers during the quarter."*

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ProfilGruppen is a supplier of complex customised aluminium extrusions and components. For income, financial position, key figures and other facts about the Group, refer to pages 5-13. Current information and photographs for free publication are available at [www.profilgruppen.se](http://www.profilgruppen.se).

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*This information is published in accordance with applicable laws, listing agreements and regulations.  
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## Interim report from ProfilGruppen AB (publ), January 1 – June 30, 2013

### Market

The European market for aluminium extrusions has continued to be weak also in the second quarter 2013.

In the latest forecast from the European Aluminium Association (EAA), the market for aluminium extrusions is assessed to have decreased by approximately 4 percent for the second quarter 2013 compared to the corresponding period 2012.

The price of aluminium raw material on London Metal Exchange (LME) has decreased by slightly less than eight percent during the second quarter and amounted to approximately USD 1 750 per ton at the end of the quarter, which is 4 percent lower than at the corresponding time previous year.

### Turnover

The turnover of the Group amounted to MSEK 384.8 (454.4), a decrease by 10 percent compared to the previous year. The delivery volume was 9,600 tonnes (10,800) of aluminium extrusions, a decrease by 11 percent compared to the previous year.

The share of exports amounted to 53 percent (50) of volume, and 49 percent (49) of turnover.

Turnover per country, MSEK	Q 2 2013	Q 2 2012	Q 1-2 2013	Q 1-2 2012	12 months ongoing	Q 1-4 2012
Sweden	104.8	118.8	194.8	230.2	368.1	403.5
Germany	25.9	26.7	46.3	57.4	83.8	94.9
Norway	22.8	22.4	43.1	47.6	80.9	85.4
Poland	8.5	7.8	16.1	18.2	30.4	32.5
Denmark	21.3	23.4	39.7	43.6	62.6	66.5
United Kingdom	3.6	7.8	7.7	17.8	16.5	26.6
Other countries	18.1	21.0	37.1	39.6	74.1	76.6
<b>TOTAL</b>	<b>205.0</b>	<b>227.9</b>	<b>384.8</b>	<b>454.4</b>	<b>716.4</b>	<b>786.0</b>

Income from the Swedish market decreased by 12 percent for the second quarter 2013 compared to the corresponding period previous year, which mainly is related to a decrease within the Electrical and Transport segments.

Income from the export markets decreased overall and the total decline amounted to slightly less than 8 percent for the second quarter compared to the corresponding period last year. The deliveries to Denmark and Norway increased. The decrease in Denmark mainly consisted of deliveries to one new customer within the electrical engineering segment. Deliveries to the United Kingdom decreased by 54 percent, related to the phasing out of a former customer.

<b>Turnover per sector, MSEK</b>	<b>Q 2 2013</b>	<b>Q 2 2012</b>	<b>Q 1-2 2013</b>	<b>Q 1-2 2012</b>	<b>12 months ongoing</b>	<b>Q 1-4 2012</b>
Electrical engineering	27.9	43.8	52.7	80.8	106.6	134.7
Transportation	82.5	82.4	152.5	167.5	266.4	281.4
Building and construction	34.4	38.1	62.9	68.3	123.1	128.5
Domestic and office equipment	17.5	14.7	33.4	33.8	63.6	64.0
General engineering	31.7	31.2	58.4	67.6	107.0	116.2
Other industries	11.0	17.7	24.9	36.4	49.7	61.2
<b>TOTAL</b>	<b>205.0</b>	<b>227.9</b>	<b>384.8</b>	<b>454.4</b>	<b>716.4</b>	<b>786.0</b>

Income from the electrical engineering and other industries show the steepest declines with decreases by 36 and 38 percent respectively for the second quarter compared to the corresponding period previous year. The decrease within the electrical engineering segment is mainly related to customers within the solarenergy business. The building and construction segment shows a decrease by 10 percent and the domestic and office equipment shows an increase by 19 percent. The income from the transportation segment is relatively unchanged compared with the corresponding period previous year.

During the first six months, the Group manufactured 9,550 tonnes (10,950) of aluminium extrusions.

### Comments on profit

The operating profit/loss for the first sixth months amounted to MSEK -3.6 (22.1), which is equivalent to an operating margin of -0.9 percent (4.9). The result was positively affected by one-off items amounting to MSEK 0.9 (3.6).

The profit/loss after financial items amounted to MSEK -6.4 (18.3). The profit/loss after tax amounted to MSEK -4.9 (13.4).

Earnings per share totalled SEK -0.99 (2.71). The average number of shares in thousands was 4,933 (4,933).

The return on capital employed amounted to -2.3 percent (14.5).

### The second quarter

Turnover amounted to MSEK 205.0 (227.9). The delivery volume in the quarter was 5,200 tonnes (5,400) of aluminium extrusions, and production was 5,300 tonnes (5,400). The share of exports amounted to 53 percent (49) of volume, and 49 percent (48) of turnover.

The operating profit for the second quarter amounted to MSEK 0.9 (12.1). The result was positively affected by one-off items amounting to MSEK 0.9 (3.6).

The profit after financial items amounted to MSEK -0.5 (10.3). Earnings per share totalled SEK -0.08 (1.53)

### Investments

Investments during the first quarter amounted to MSEK 8.0 (8.3).

## **Financing and liquidity**

Cash flow from current operations during the first six months amounted to MSEK -13.6 (24.6) and cash flow after investments was MSEK -18.4 (14.0).

The cash flow from current operations for the second quarter amounted to MSEK -7.8 (27.0).

The balance sheet total as of 30 June 2013 was MSEK 475.3 (525.3).

Net debt amounted to MSEK 125.4 (134.9) as of 30 June 2013 and the net debt/equity ratio was 0.72 (0.79).

## **Personnel**

The average number of Group employees during the period was 332 (360). The number of Group employees as of 30 June 2013 totalled 345 (357).

## **Significant risks and uncertain factors**

The company's risks and risk management have not changed significantly since the publishing of the 2012 annual report.

## **Outlook for 2013**

The outlook for 2013 is characterised by continued macroeconomic uncertainty.

## **Dates for financial information**

Financial information for 2013 will be provided on a quarterly basis.

Interim report, 9 months 25 October 2013 14.00 CET

Åseda, 19 July 2013

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

*This report has not been submitted for checking by the company's auditors.*

## Statement of comprehensive income

The Group, MSEK	Q 2 2013	Q 2 2012	Q 1-2 2013	Q 1-2 2012*	12 months ongoing*	Q 1-4 2012*
Net turnover	205.0	227.9	384.8	454.4	716.4	786.0
Cost of goods sold	-188.5	-201.9	-358.1	-400.7	-673.9	-716.5
<b>Gross margin</b>	<b>16.5</b>	<b>26.0</b>	<b>26.7</b>	<b>53.7</b>	<b>42.5</b>	<b>69.5</b>
Other operating revenues	1.1	3.9	1.1	3.9	27.7	30.5
Selling expenses	-9.4	-10.2	-17.8	-19.9	-38.4	-40.5
Administrative expenses	-7.2	-7.6	-13.5	-15.6	-27.3	-29.4
Other operating expenses	-0.1	0.0	-0.1	0.0	-0.1	0.0
<b>Operating profit/loss</b>	<b>0.9</b>	<b>12.1</b>	<b>-3.6</b>	<b>22.1</b>	<b>4.4</b>	<b>30.1</b>
Financial income	0.1	0.1	0.2	0.2	0.4	0.4
Financial expenses	-1.5	-1.9	-3.0	-4.0	-6.5	-7.5
<b>Net financial income/expense</b>	<b>-1.4</b>	<b>-1.8</b>	<b>-2.8</b>	<b>-3.8</b>	<b>-6.1</b>	<b>-7.1</b>
<b>Income after financial items</b>	<b>-0.5</b>	<b>10.3</b>	<b>-6.4</b>	<b>18.3</b>	<b>-1.7</b>	<b>23.0</b>
Tax	0.1	-2.7	1.5	-4.9	6.4	0.0
<b>Net income for the period</b>	<b>-0.4</b>	<b>7.6</b>	<b>-4.9</b>	<b>13.4</b>	<b>4.7</b>	<b>23.0</b>
<b>Other comprehensive income</b>						
Items that will subsequently be reclassified to net income						
Changes in hedging reserve	-0.4	-0.8	0.7	-0.3	-0.5	-1.5
Translation differences	0.2	0.0	0.0	0.0	-0.2	-0.2
Other, reported directly against equity	0.0	0.0	-0.1	0.0	-0.1	0.0
Total	-0.2	-0.8	0.6	-0.3	-0.8	-1.7
Items that will subsequently not be reclassified to net income						
Revaluation of defined benefit obligation	0.0	0.0	0.0	0.0	0.1	0.1
<b>Comprehensive income for the period</b>	<b>-0.6</b>	<b>6.8</b>	<b>-4.3</b>	<b>13.1</b>	<b>4.0</b>	<b>21.4</b>
Earnings per share (before and after dilution), SEK	-0.08	1.53	-0.99	2.71	0.97	4.66
Average number of shares, thousands	4 933	4 933	4 933	4 933	4 933	4 933

\*Restated to the new IAS 19, see page 8.

### Depreciation and write-down of fixed assets

Intangible fixed assets	0.0	0.3	0.0	0.3	-0.3	0.0
Land and buildings	1.0	1.0	2.0	2.0	3.8	3.8
Machinery and equipment	5.9	6.1	11.9	12.8	23.4	24.3
<b>Total</b>	<b>6.9</b>	<b>7.4</b>	<b>13.9</b>	<b>15.1</b>	<b>26.9</b>	<b>28.1</b>
of which write-down	0.0	0.0	0.0	0.0	0.7	0.7

## Statement of financial position

The Group, MSEK	30 June 2013	30 June 2012*	31 December 2012*
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible fixed assets	10.0	13.4	10.0
Tangible fixed assets	212.1	233.8	218.7
Financial fixed assets	2.0	0.2	2.2
<b>Total fixed assets</b>	<b>224.1</b>	<b>247.4</b>	<b>230.9</b>
<b>Current assets</b>			
Inventories	104.1	108.1	106.0
Current receivables	145.1	167.3	110.1
Liquid assets	2.0	2.5	1.7
<b>Total current assets</b>	<b>251.2</b>	<b>277.9</b>	<b>217.8</b>
<b>Total assets</b>	<b>475.3</b>	<b>525.3</b>	<b>448.7</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>175.3</b>	<b>171.3</b>	<b>179.6</b>
<b>Long-term liabilities</b>			
Interest-bearing liabilities	57.6	66.8	60.6
Interest-free liabilities	29.0	45.6	30.1
<b>Total long-term liabilities</b>	<b>86.6</b>	<b>112.4</b>	<b>90.7</b>
<b>Short-term liabilities</b>			
Interest-bearing liabilities	69.8	70.5	44.9
Interest-free liabilities	143.6	171.1	133.5
<b>Total short-term liabilities</b>	<b>213.4</b>	<b>241.6</b>	<b>178.4</b>
<b>Total shareholders' equity and liabilities</b>	<b>475.3</b>	<b>525.3</b>	<b>448.7</b>

\*Restated to the new IAS 19, see page 8.

### Pledged assets and contingent liabilities

Property mortgages	84.8	84.8	84.8
Floating charges	174.0	174.0	174.0
Shares in subsidiaries	193.9	203.1	207.7
Trade receivables pledged as collateral	118.4	127.0	90.2
Guarantees for other companies	1.0	1.0	0.7
Guarantee commitments FPG/PRI	0.2	0.2	0.2

## Statement of changes in equity

The Group, MSEK	Q 2 2013	Q 2 2012	Q 1-2 2013	Q 1-2 2012	Q 1-4 2012
Opening balance	175,9	164,5	179,6	158,2	158,2
Dividend	0,0	0,0	0,0	0,0	0,0
Comprehensive income for the period	-0,6	6,8	-4,3	13,1	21,4
<b>Closing balance</b>	<b>175,3</b>	<b>171,3</b>	<b>175,3</b>	<b>171,3</b>	<b>179,6</b>

## Statement of cash flows

The Group, MSEK	Q 2 2013	Q 2 2012	Q 1-2 2013	Q 1-2 2012	12 months ongoing	Q 1-4 2012
Operating cash flow <sup>1)</sup>	4.4	15.2	5.7	26.7	18.6	39.6
Working capital changes	-12.2	11.8	-19.3	-2.1	-5.6	11.6
Cash flow from operating activities	-7.8	27.0	-13.6	24.6	13.0	51.2
Cash flow from investing activities	-3.3	-4.4	-4.8	-10.6	-0.6	-6.4
Cash flow from financing activities	10.1	-22.1	18.4	-13.2	-12.9	-44.5
<b>Cash flow for the period</b>	<b>-1.0</b>	<b>0.5</b>	<b>0.0</b>	<b>0.8</b>	<b>-0.5</b>	<b>0.3</b>
Liquid assets. opening balance	1.7	2.0	1.7	1.9	2.5	1.9
Translation differences in liquid assets	1.3	0.0	0.3	-0.2	0.0	-0.5
<b>Liquid assets. closing balance</b>	<b>2.0</b>	<b>2.5</b>	<b>2.0</b>	<b>2.5</b>	<b>2.0</b>	<b>1.7</b>

<sup>1)</sup> Cash flow from operating activities 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 2013. The accounting principles are described in the annual report 2012.

The new or revised standards and interpretations that came into force since 1 January 2013 are IAS 1 Presentation of Items of Other Comprehensive Income and IAS 19 Employee Benefits have been implemented in this Interim Report.

IAS 19 mean changes concerning the accounting for defined benefit pension schemes, for example:

- The possibility to phase actuarial gains and losses as a part of the corridor cannot be used, but these are to be accounted for currently in other comprehensive income.
- Changes in the obligation that relate to changes in actuarial assumptions are accounted for in other comprehensive income.

The changes to IAS 19 mean that:

- The present value of the defined benefit obligation is fully booked in the statement of financial position which result in a decreased deferred tax liability.
- The net of these two amounts is booked as a reduction of equity as a change in accounting principles per January 1, 2012.
- As a consequence of this the comparison figures for 2012 have been changed.
- From January 1 2012 the actuarial gains and losses are reported currently in other comprehensive income.
- None of these actuarial items will ever be reported in operating income, but will instead remain in other comprehensive income.
- The impact on other comprehensive income can as a result become substantial between the years.

Consolidated comprehensive income and financial position has been affected as follows:

<b>Consolidated Statement of comprehensive income, MSEK</b>	<b>Q 1-4 2012*</b>
Items that will subsequently not be reclassified to net income:	
Revaluation of defined benefit obligation	0.1

\* Since the actuarial valuations are made annually only the comprehensive income for the fourth quarter 2012 has been affected.

<b>Consolidated financial position, MSEK</b>	<b>30 June 2012</b>	<b>31 December 2012</b>	<b>Opening balance 1 January 2012</b>
Increase of defined benefit obligation	4,0	4,0	4,3
Decrease of deferred tax liabilities	-0,9	-0,9	-1,1
Decrease of equity	3,1	3,1	3,2



## Key ratios

The Group	Q 2 2013	Q 2 2012	Q 1-2 2013	Q 1-2 2012*	12 months ongoing*	Q 1-4 2012*
Net turnover, MSEK	205.0	227.9	384.8	454.4	716.4	786.0
Income before depreciation, MSEK	7.8	19.5	10.3	37.2	31.3	58.2
Operating income/loss, MSEK	0.9	12.1	-3.6	22.1	4.4	30.1
Operating margin, %	0.4	5.3	-0.9	4.9	0.6	3.8
Income after financial items, MSEK	-0.5	10.3	-6.4	18.3	-1.7	23.0
Profit margin, %	-0.2	4.5	-1.7	4.0	-0.2	2.9
Return on equity, %	-0.9	18.0	-5.5	16.2	2.7	13.6
Return on capital employed, %	1.6	15.5	-2.3	14.5	1.6	10.3
Cash flow from operating activities, MSEK	-7.8	27.0	-13.6	24.6	13.0	51.2
Investments, MSEK	6.4	4.6	8.0	8.3	13.0	13.3
Liquidity reserve, MSEK	-	-	83.9	82.2	-	105.2
Net debt, MSEK	-	-	125.4	134.9	-	103.8
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	127.4	137.3	-	105.5
Net debt/equity ratio	-	-	0.72	0.79	-	0.58
Total assets, MSEK	-	-	475.3	525.3	-	448.7
Equity ratio, %	-	-	36.9	32.6	-	40.0
Capital turnover	2.8	2.9	2.6	2.9	2.3	2.6
Proportion of risk-bearing capital, %	-	-	43.0	41.3	-	46.7
Interest coverage ratio	0.7	6.2	-1.1	5.5	0.7	4.0
Average number of employees	334	360	332	360	341	355
Net turnover per employee (average), TSEK	614	633	1 159	1 262	2 101	2 214
Income after fin, per employee (average), TSEK	-1	28	-19	51	-5	65
Average number of shares, thousands (No dilution,)	4 933	4 933	4 933	4 933	4 933	4 933
Number of shares, end of period, thousands	4 933	4 933	4 933	4 933	4 933	4 933
Earnings per share, SEK	-0.08	1.53	-0.99	2.71	0.97	4.66
Equity per share, SEK	-	-	36.16	35.37	-	37.05

\*Restated to the new IAS 19, see page 8.

Definitions are given in ProfilGruppen's Annual Report 2012. 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 12.0 (10.7) and comprised payments for rents and services from companies in the Group. Profit/loss after financial items amounted to MSEK 6.9 (10.0).

There were no investments made in the parent company during the first three months. As of the end of the year 2012 one of the company's properties is leased out. In accordance to the agreement the tenant has the right to purchase the property at any time but the property is still in the Balance sheet of the parent company.

The parent company's interest-bearing liabilities amounted to MSEK 28.8 (38.5) as of 30 June 2013. The change in the parent company's liquidity during the period has been MSEK 0 (0).

The parent company employs one (1) person.

The parent company's risks and uncertain factors have not changed significantly compared to that described in the 2012 annual report.

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

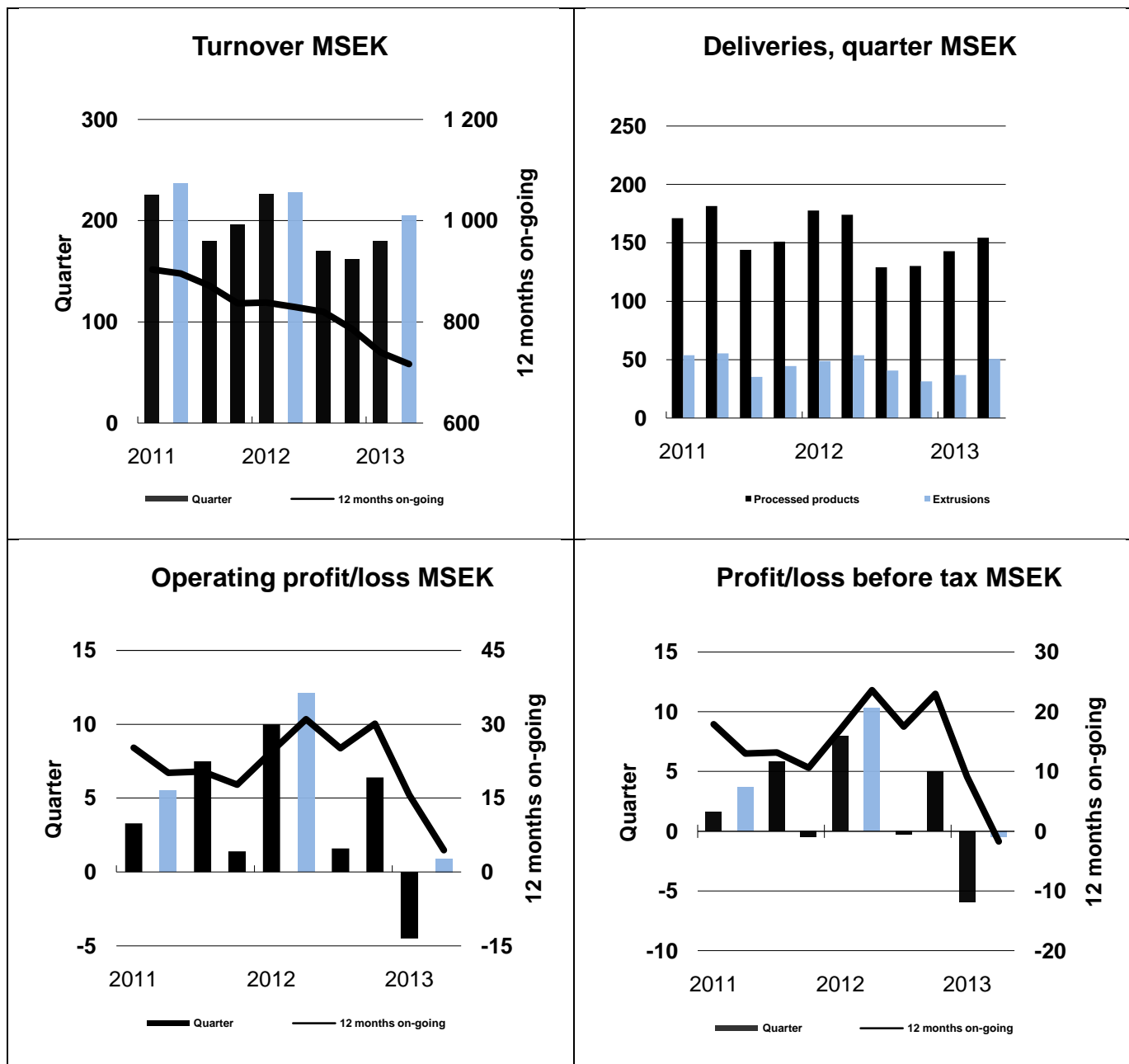
### Income Statement – the parent company

Parent company, MSEK	Q 2 2013	Q 2 2012	Q 1-2 2013	Q 1-2 2012	Q 1-4 2012
Turnover	6.0	5.5	12.0	10.7	23.0
Cost of goods sold	-0.9	-0.9	-1.9	-1.9	-3.6
<b>Gross margin</b>	<b>5.1</b>	<b>4.6</b>	<b>10.1</b>	<b>8.8</b>	<b>19.4</b>
Other operating revenues	0.9	3.7	0.9	3.7	9.4
Administrative expenses	-1.6	-0.5	-2.3	-1.7	-5.1
Other operating expenses	0.0	0.0	0.0	0.0	0.0
<b>Operating income</b>	<b>4.4</b>	<b>7.8</b>	<b>8.7</b>	<b>10.8</b>	<b>23.7</b>
Interest income	0.0	0.0	0.0	0.2	0.3
Interest expenses	-0.8	-0.4	-1.8	-1.0	-5.0
<b>Income after financial items</b>	<b>3.6</b>	<b>7.4</b>	<b>6.9</b>	<b>10.0</b>	<b>19.0</b>
Appropriations	0.0	0.0	0.0	0.0	-1.0
<b>Income before tax</b>	<b>3.6</b>	<b>7.4</b>	<b>6.9</b>	<b>10.0</b>	<b>18.0</b>
Tax	-0.9	-2.0	-1.6	-2.7	-4.2
<b>Net income for the period</b>	<b>2.7</b>	<b>5.4</b>	<b>5.3</b>	<b>7.3</b>	<b>13.8</b>

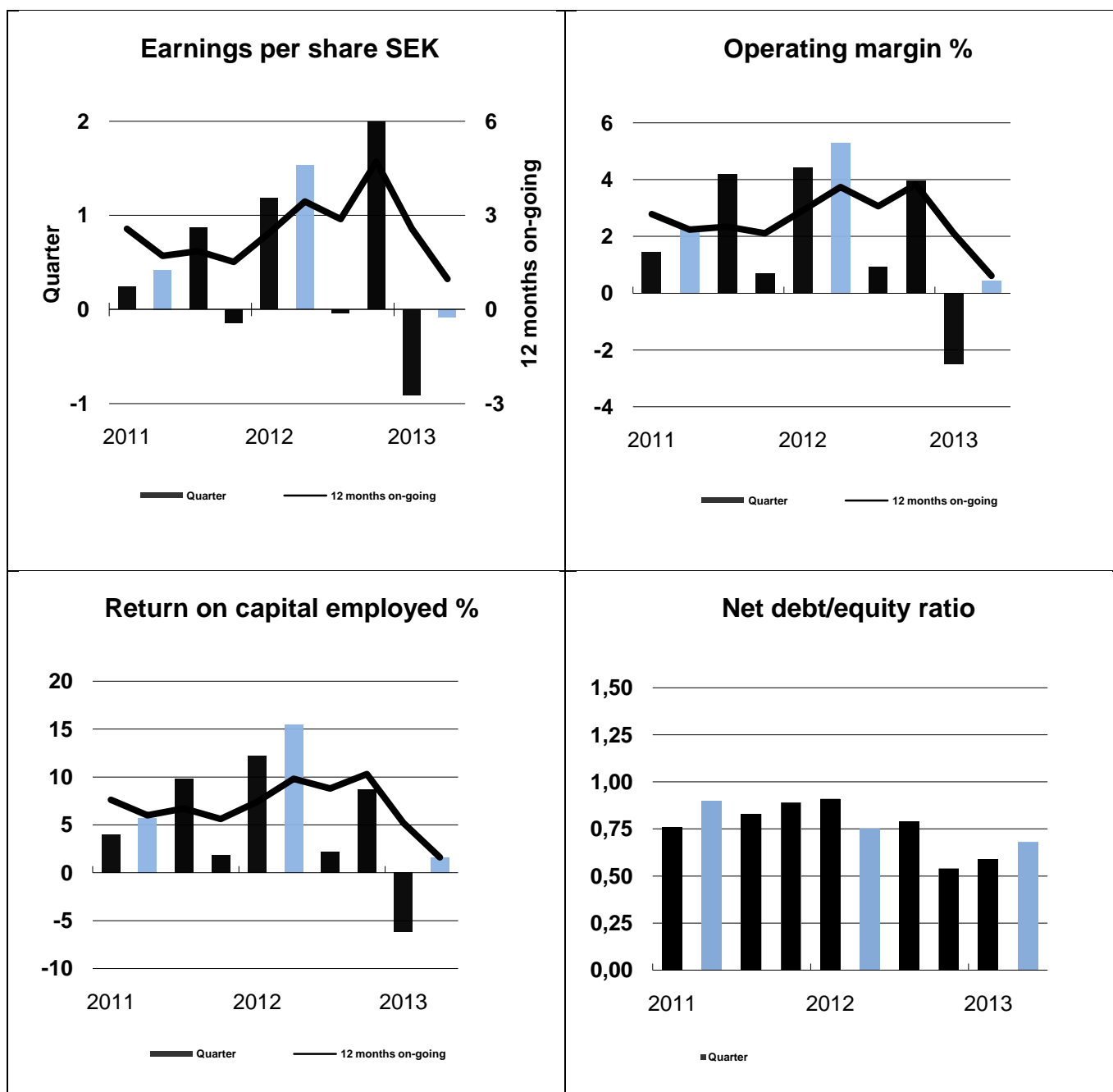
## Balance sheet – the parent company

Parent company, MSEK	30 June 2013	30 June 2012	31 December 2012
<b>Assets</b>			
<b>Tangible assets</b>			
Tangible fixed assets	90.0	93.4	91.8
Financial assets	108.9	108.9	108.9
<b>Total fixed assets</b>	<b>198.9</b>	<b>202.3</b>	<b>200.7</b>
<b>Current assets</b>			
Current receivables	2.4	2.8	1.0
Cash and bank balances	0.4	0.4	0.4
<b>Total current assets</b>	<b>2.8</b>	<b>3.2</b>	<b>1.4</b>
<b>Total assets</b>	<b>201.7</b>	<b>205.5</b>	<b>202.1</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>59.1</b>	<b>47.3</b>	<b>53.8</b>
<b>Untaxed reserves</b>	<b>24.1</b>	<b>23.1</b>	<b>24.1</b>
<b>Provisions for taxes</b>	<b>3.1</b>	<b>3.4</b>	<b>3.0</b>
<b>Long-term liabilities</b>	<b>11.5</b>	<b>21.0</b>	<b>16.3</b>
<b>Current liabilities</b>	<b>103.9</b>	<b>110.7</b>	<b>104.9</b>
<b>Total equity and liabilities</b>	<b>201.7</b>	<b>205.5</b>	<b>202.1</b>

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 2012 49 percent of the volume was exported.
- 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.