

Year-end report January 1 – December 31, 2014

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Åseda, February 12, 2015

## Continued positive development of profit in the fourth quarter

### Fourth quarter

- Turnover MSEK 208.6 (173.1), up 20.5 percent compared to previous year
- Operating profit MSEK 5.3 (-12.5), after positive non-recurring items of MSEK 2.7
- Net income MSEK 2.6 (-11.5)
- Cash flow from operating activities MSEK 11.7 (-16.3)
- Earnings per share SEK 0.35 (-2.05)

### Year 2014

- New CEO, Per Thorsell, from September 1, 2014.
- Rights issue completed, 40.5 MSEK
- Turnover MSEK 808.6 (730.0), up 10.8 percent compared to previous year
- Operating profit MSEK 7.1 (-20.0), after positive non-recurring items of MSEK 2.7
- Net income MSEK 4.0 (-20.5)
- Cash flow from operating activities MSEK 27.4 (-10.0)
- Earnings per share SEK 0.62 (-3.66)

### Per Thorsell, CEO of ProfilGruppen, comments:

*”ProfilGruppen have had a stable development during the fourth quarter with growth in sales volumes as well as improved profit compared to the previous year. Our activities in the market have resulted in a number of new businesses.*

*We are going to keep focusing on market activities and work with more improvements in the complete production chain, we therefore are positive about the future development.”*

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ProfilGruppen is a supplier of customised aluminium extrusions and components. For income, financial position, key figures and other facts about the Group, see 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 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 February 12, 2015 at 08:00 a.m. CET*

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## Year-end report from ProfilGruppen AB (publ), January 1 – December 31, 2014

### Market

In the latest forecast from the European Aluminium Association (EAA), the market for aluminium extrusions is assessed to have increased by approximately one percent during 2014 compared to 2013. In Scandinavia the market is assessed to have increased by approximately six percent.

### Turnover

The turnover for the Group 2014 was amounted to MSEK 808.6 (730.0), an increase by 10,8 percent compared to the previous year. The delivered volume was 20,550 tonnes (18,750) of aluminium extrusions.

Deliveries to the Swedish market increased 20 percent during 2014 compared to the previous year. The increase relates to all segments although the largest increase relates to the construction industry. This means that ProfilGruppen, according to plan, increases its share of the Swedish market.

The share of exports amounted to 48 percent (53) of delivered volume, and 46 percent (49) of the turnover.

During 2014 the Group manufactured 21,000 tonnes (18,600) of aluminium extrusions.

### Comments on profit

The operating profit for 2014 amounted to MSEK 7.1 (-20.0), which is equivalent to an operating margin of 0.9 percent (-2.7). The improved operating income is mostly related to higher delivery volume. The share of low margin contracts is still too large even though there has been some improvement due to a weaker Swedish Krona.

The loss after financial items amounted to MSEK 0.9 (-26.0). The profit after tax amounted to MSEK 4.0 (-20.5). In February 2014 Skatteverket reviewed the taxation 2008 and ProfilGruppen accordingly has received a deduction of tax to the amount of MSEK 3.7. The amount has been disclosed as a tax income in the first quarter 2014 and therefore gives a positive effect on profit after tax. Repayment of premiums for collective group health insurance (AGS) for the years 2005 and 2006, decided by AFA Försäkring impacted operating profit by 2.7 MSEK.

Earnings per share totalled SEK 0.62 (-3.66). The average number of shares in thousands was 6,488 (5,602), which is a weighted average for the year. The number of shares has changed during the year due to the rights issue that was completed in July.

The return on capital employed amounted to 2.8 percent (-6.8).

### The fourth quarter

Turnover amounted to MSEK 208.6 (173.1). The delivery volume in the quarter was 5,050 tonnes (4,500) of aluminium extrusions. Production was 5,350 tonnes (4,650). The share of exports amounted to 45 percent (54) of volume, and 44 percent (50) of turnover.

The operating profit amounted to MSEK 5.3 (-12.5). The improved turnover mostly depends on increased delivery volumes and margin effects. Repayment of premiums for collective group health insurance (AGS) for the years 2005 and 2006, decided by AFA Försäkring impacted operating profit by 2.7 MSEK.

The profit after financial items amounted to MSEK 3.8 (-14.3). Earnings per share totalled SEK 0.35 (-2.05) and has been calculated on a weighted average of thousands of shares amounting to 7,399 (5,602) for the quarter.

## **Investments**

Investments during 2014 amounted to MSEK 26.6 (15.1). During the year there has been write-down of tangible assets amounted to MSEK 0.9 (0.0).

## **Financing and liquidity**

Cash flow from current operations amounted to MSEK 27.4 (-10.0) and after investments to MSEK 12.1 (-20.9).

The liquidity reserve as of 31 December 2014 amounted to 120.2 MSEK (83.6).

The balance sheet total as of 31 December 2014 was MSEK 478.6 (451.2). Net debt amounted to MSEK 88.9 (131.2) as of 31 December 2014 and the net debt ratio was 0.44 (0.83).

In July a rights issue was completed and ProfilGruppen received MSEK 40.5 after transaction costs. The share capital was increased by MSEK 12.3 from MSEK 24.7 to MSEK 37.0 and the number of shares was increased by 2,466,258 from 4,932,517 shares to 7,398,775 shares.

## **Personnel**

The average number of Group employees during the year was 331 (333). The number of Group employees as of 31 December 2014 totalled 330 (323).

As of September 1, 2014 Per Thorsell is the new CEO of ProfilGruppen. Kåre Wetterberg, who has been acting CEO since February then resumed his role as Chairman of the Board.

## **Significant risks and uncertain factors**

The company's risks and risk management have not changed significantly since the publishing of the 2013 annual report.

## **Outlook for 2015**

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

## **Dividend**

The Board of Directors proposes that no dividend for the year 2014 is paid.

## **Annual General Meeting**

The AGM 2015 will take place 26 March 2015 at 15:00 CET. All shareholders are then welcome to Folkets Hus in Åseda. Registration for attendance can be made through the website.

## **Year-end report 2014 and Interim reports 2015**

The annual report for 2014 will be available in the company's reception and on the Company's website no later than March 6, 2015.

Financial information for 2015 will be provided quarterly.

Interim report first quarter April 22, 2015, 08:00

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

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

Åseda, February 11, 2015

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

*The Year-End 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 2014. None of these have had an effect on the income statement, balance sheet or cash flow of the Group. In the parent company a change of accounting principles has been made regarding Group contributions where the parent company now account for these in appropriations instead of as before as a change in participation in Group companies. The change of principles has also affected the figures for 2013. The accounting principles are described in the annual report 2013.

## Statement of comprehensive income in short

The Group, MSEK	Q 4 2014	Q 4 2013	Q 1-4 2014	Q 1-4 2013
Net turnover	208.6	173.1	808.6	730.0
Cost of goods sold	-186.6	-167.7	-732.2	-686.8
<b>Gross margin</b>	<b>22.0</b>	<b>5.4</b>	<b>76.4</b>	<b>43.2</b>
Other operating revenues	2.7	0.0	2.7	0.9
Selling expenses	-11.9	-11.7	-44.8	-39.3
Administrative expenses	-6.8	-6.2	-26.5	-24.8
Other operating expenses	-0.7	0.0	-0.7	0.0
<b>Operating profit/loss</b>	<b>5.3</b>	<b>-12.5</b>	<b>7.1</b>	<b>-20.0</b>
Financial income	0.4	0.0	0.9	0.3
Financial expenses	-1.9	-1.8	-7.1	-6.3
<b>Net financial income/expense</b>	<b>-1.5</b>	<b>-1.8</b>	<b>-6.2</b>	<b>-6.0</b>
<b>Income after financial items</b>	<b>3.8</b>	<b>-14.3</b>	<b>0.9</b>	<b>-26.0</b>
Tax	-1.2	2.8	3.1	5.5
<b>Net income for the period</b>	<b>2.6</b>	<b>-11.5</b>	<b>4.0</b>	<b>-20.5</b>
<b>Other comprehensive income</b>				
Items that will subsequently be reclassified to net income:				
Changes in hedging reserve	-0.4	-1.8	-0.5	-1.3
Translation differences	-0.2	0.2	0.0	0.0
Other, reported directly against equity	0.0	0.2	0.0	0.1
Items that will subsequently not be reclassified to net income:				
Revaluation of defined benefit obligation	-1.8	1.0	-1.8	1.0
<b>Comprehensive income for the period</b>	<b>0.2</b>	<b>-11.9</b>	<b>1.7</b>	<b>-20.7</b>
Earnings per share (before and after dilution), SEK	0.35	-2.05	0.62	-3.66
Average number of shares, thousands	7 399	5 602	6 488	5 602

### 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	3.8
Machinery and equipment	4.7	5.9	17.4	21.7
<b>Total</b>	<b>5.7</b>	<b>6.9</b>	<b>21.7</b>	<b>25.5</b>
of which write-down	0.0	0.0	0.9	0.0

## Statement of financial position in short

The Group, MSEK	31 December 2014	31 December 2013
<b>Assets</b>		
<b>Fixed assets</b>		
Intangible fixed assets	10.0	10.0
Tangible fixed assets	209.2	207.3
Financial fixed assets	1.5	1.7
<b>Total fixed assets</b>	<b>220.7</b>	<b>219.0</b>
<b>Current assets</b>		
Inventories	127.0	107.7
Current receivables	129.8	122.2
Liquid assets	1.1	2.3
<b>Total current assets</b>	<b>257.9</b>	<b>232.2</b>
<b>Total assets</b>	<b>478.6</b>	<b>451.2</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>	<b>200.3</b>	<b>158.1</b>
<b>Long-term liabilities</b>		
Interest-bearing liabilities	55.6	55.6
Interest-free liabilities	23.4	24.1
<b>Total long-term liabilities</b>	<b>79.0</b>	<b>79.7</b>
<b>Short-term liabilities</b>		
Interest-bearing liabilities	34.4	77.9
Interest-free liabilities	164.9	135.5
<b>Total short-term liabilities</b>	<b>199.3</b>	<b>213.4</b>
<b>Total shareholders' equity and liabilities</b>	<b>478.6</b>	<b>451.2</b>
<b>Pledged assets and contingent liabilities</b>		
Property mortgages	84.8	84.8
Floating charges	170.0	170.0
Shares in subsidiaries	116.6	110.7
Trade receivables pledged as collateral	96.1	83.7
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 4 2014	Q 4 2013	Q 1-4 2014	Q 1-4 2013
Opening balance	200.2	170.0	158.1	178.8
Dividend	-0.1	0.0	40.5	0.0
Comprehensive income for the period	0.2	-11.9	1.7	-20.7
<b>Closing balance</b>	<b>200.3</b>	<b>158.1</b>	<b>200.3</b>	<b>158.1</b>

### Financial instruments, valued at fair value

in statement of financial position

The Group, MSEK	31 December 2014	31 December 2013
Short-term receivables		
Currency derivatives	0.2	0.6
Short-term non interest-bearing liabilities		
Interest rate derivatives	3.5	2.1
Currency derivatives	1.6	2.5

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 4 2014	Q 4 2013	Q 1-4 2014	Q 1-4 2013
Operating cash flow <sup>1)</sup>	9.0	-7.0	31.2	-4.6
Working capital changes	2.7	-9.3	-3.8	-5.4
Cash flow from operating activities	11.7	-16.3	27.4	-10.0
Cash flow from investing activities	-6.5	-1.0	-15.3	-10.9
Cash flow from financing activities <sup>2)</sup>	-5.8	17.5	-13.4	21.4
<b>Cash flow for the period</b>	<b>-0.6</b>	<b>0.2</b>	<b>-1.3</b>	<b>0.5</b>
Liquid assets, opening balance <sup>3)</sup>	1.6	2.0	2.3	1.7
Translation differences in liquid assets	0.1	0.1	0.1	0.1
<b>Liquid assets, closing balance</b>	<b>1.1</b>	<b>2.3</b>	<b>1.1</b>	<b>2.3</b>

<sup>1)</sup> Cash flow from operating activities including one time items and before change in working capital.

<sup>2)</sup> In the third quarter 2014 a rights issue has increased cash with MSEK 40.5.

<sup>3)</sup> The liquidity reserve per December 31, 2014, amounts to MSEK 120.2 (83.6).

## Key ratios

The Group	Q 4 2014	Q 4 2013	Q 1-4 2014	Q 1-4 2013
Net turnover, MSEK	208.6	173.1	808.6	730.0
Income before depreciation, MSEK	11.0	-5.6	28.8	5.5
Operating income/loss, MSEK	5.3	-12.5	7.1	-20.0
Operating margin, %	2.5	-7.2	0.9	-2.7
Income after financial items, MSEK	3.8	-14.3	0.9	-26.0
Profit margin, %	1.8	-8.3	0.1	-3.6
Return on equity, %	5.2	-28.0	2.2	-12.2
Return on capital employed, %	8.1	-17.3	2.8	-6.8
Cash flow from operating activities, MSEK	11.7	-16.3	27.4	-10.0
Investments, MSEK	10.4	2.5	26.6	15.1
Liquidity reserve, MSEK	-	-	120.2	83.6
Net debt, MSEK	-	-	88.9	131.2
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	90.0	133.5
Net debt/equity ratio	-	-	0.44	0.83
Total assets, MSEK	-	-	478.6	451.2
Equity ratio, %	-	-	41.9	35.0
Capital turnover	2.9	2.4	2.8	2.5
Proportion of risk-bearing capital, %	-	-	46.8	40.4
Interest coverage ratio	2.9	-6.9	1.1	-3.1
Average number of employees	337	335	331	333
Net turnover per employee (average), TSEK	619	517	2 443	2 192
Income after fin, per employee (average), TSEK	11	-43	3	-78
Average number of shares, thousands (No dilution.)	7 399	5 602	6 488	5 602
Number of shares, end of period, thousands	7 399	5 602	7 399	5 602
Earnings per share, SEK	0.35	-2.05	0.62	-3.66
Equity per share, SEK	-	-	27.07	28.22

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 25.9 (24.2) and comprised by 98 percent of payments for rents and services from companies in the Group. Profit after financial items amounted to MSEK 11.8 (59.0).

No investments were made in the parent company during the year. An impairment loss at 0.6 MSEK (0.0) has been carried out during the fourth quarter.

The parent company's interest-bearing liabilities amounted to MSEK 19.3 (24.3) as of 31 December 2014. The change in the parent company's liquidity during the period has been MSEK 0 (0).

The parent company employs none (1).

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.

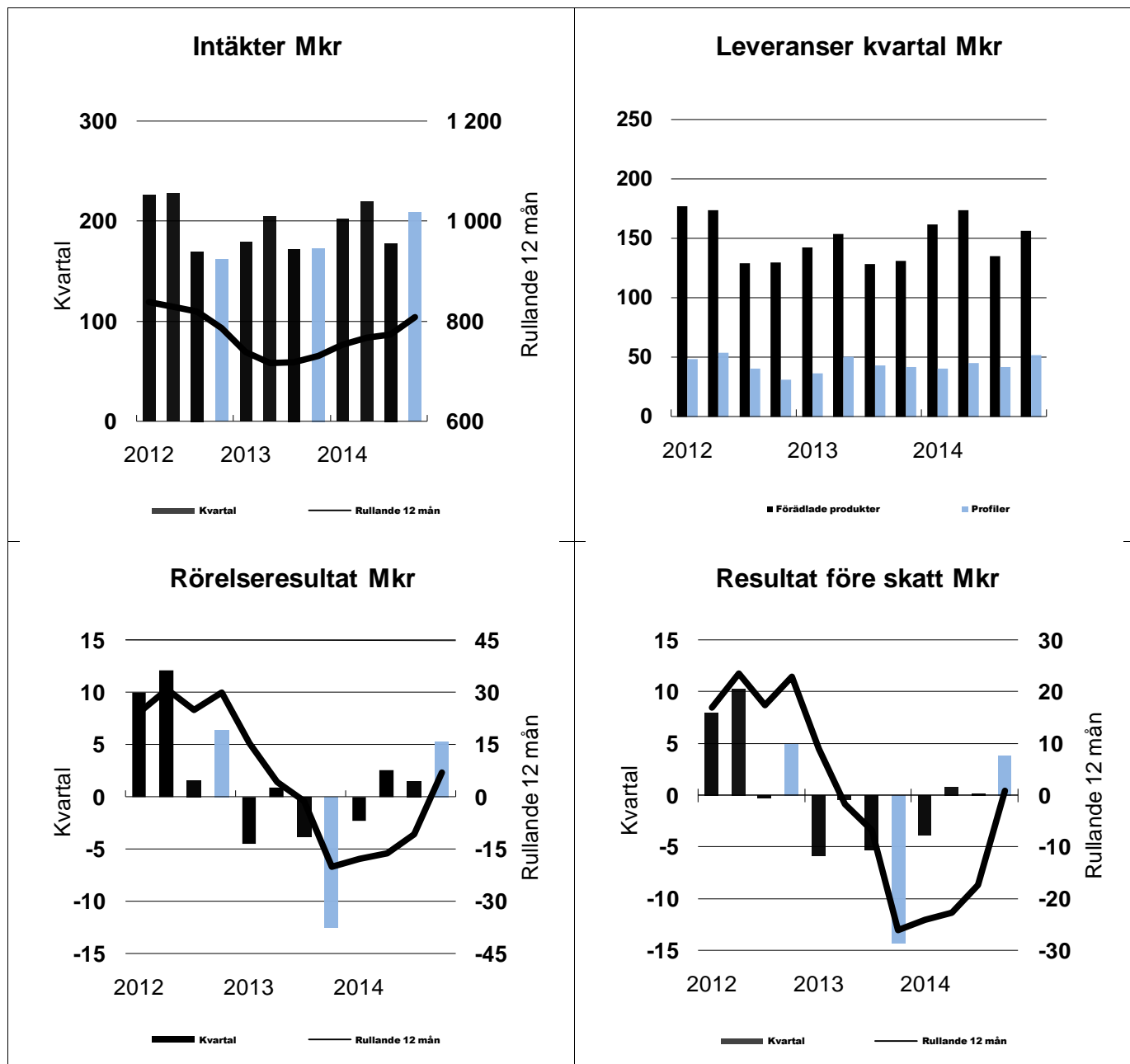
## Income Statement in short – the parent company

Parent Company, MSEK	Q 4 2014	Q 4 2013	Q 1-4 2014	Q 1-4 2013
Turnover	6.4	6.1	25.9	24.2
Cost of goods sold	-0.9	-1.1	-6.1	-3.7
<b>Gross Margin</b>	<b>5.5</b>	<b>5.0</b>	<b>19.8</b>	<b>20.5</b>
Other operating revenues	0.0	0.0	0.0	0.9
Administrative expenses	-1.6	-1.3	-7.5	-4.6
<b>Operating income</b>	<b>3.9</b>	<b>3.7</b>	<b>12.3</b>	<b>16.8</b>
Result from shares in group companies	0.0	0.0	0.0	80.0
Interest income	0.3	0.0	0.5	0.1
Impairment of shares in group companies	0.0	0.0	0.0	-35.0
Interest expenses	-0.3	-0.2	-1.0	-2.9
<b>Income after financial items</b>	<b>3.9</b>	<b>3.5</b>	<b>11.8</b>	<b>59.0</b>
Appropriations	-11.3	-9.2	-11.3	-9.2
<b>Income before tax</b>	<b>-7.4</b>	<b>-5.7</b>	<b>0.5</b>	<b>49.8</b>
Tax	1.8	-1.9	3.6	-4.3
<b>Net income for the period</b>	<b>-5.6</b>	<b>-7.6</b>	<b>4.1</b>	<b>45.5</b>

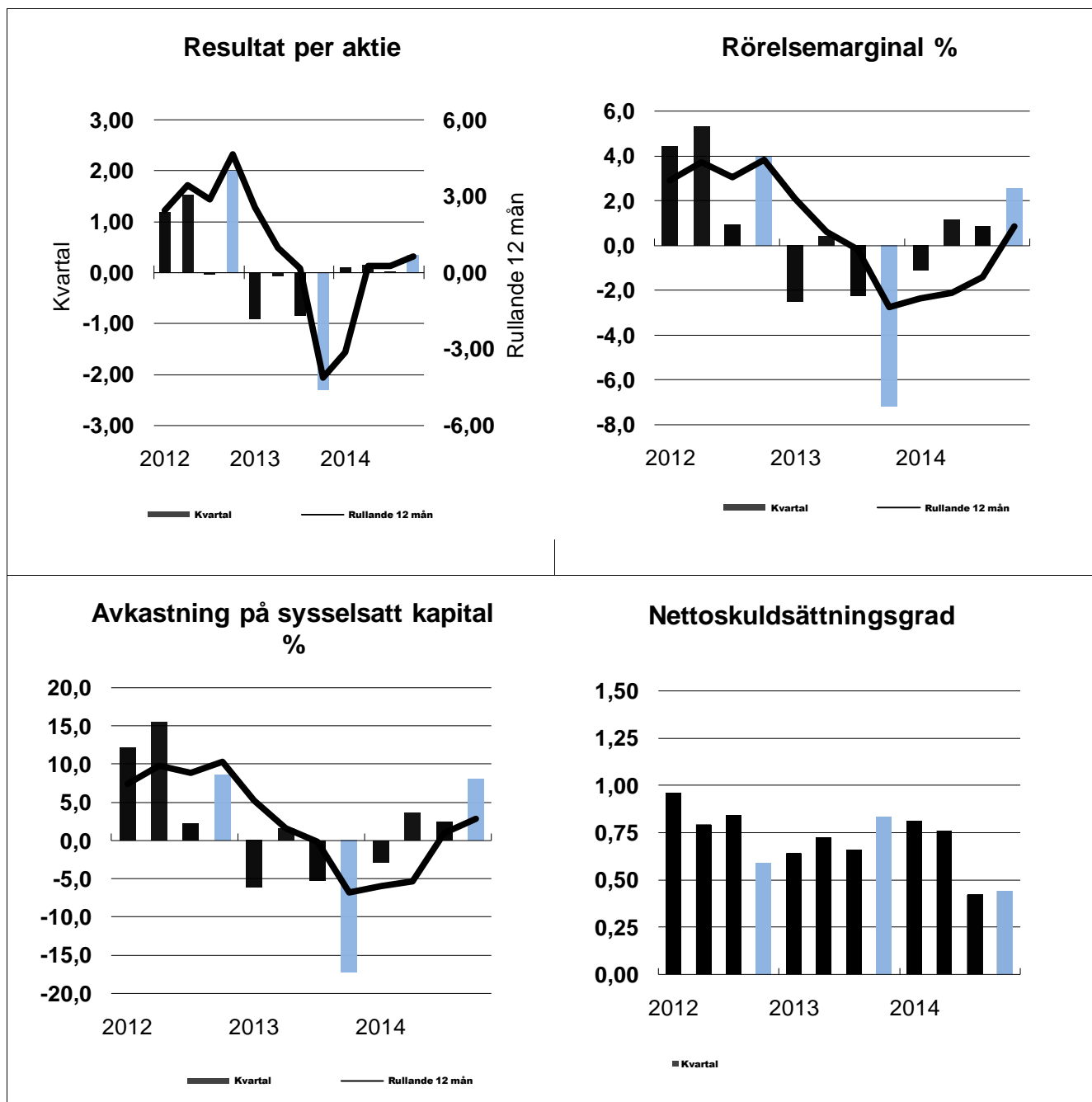
## Balance sheet in short – the parent company

Parent company, MSEK	31 December 2014	31 December 2013
<b>Assets</b>		
<b>Tangible assets</b>		
Tangible fixed assets	84.8	88.7
Financial assets	73.9	73.9
<b>Total fixed assets</b>	<b>158.7</b>	<b>162.6</b>
<b>Current assets</b>		
Current receivables	24.9	4.0
Cash and bank balances	0.4	0.4
<b>Total current assets</b>	<b>25.3</b>	<b>4.4</b>
<b>Total assets</b>	<b>184.0</b>	<b>167.0</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>143.9</b>	<b>99.3</b>
Untaxed reserves	14.8	19.0
Provisions for taxes	3.3	3.2
Long-term liabilities	1.7	6.7
<b>Current liabilities</b>	<b>20.3</b>	<b>38.8</b>
<b>Total equity and liabilities</b>	<b>184.0</b>	<b>167.0</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 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, ISO 9001 and ISO 14001.
- ProfilGruppen AB was listed on the Stockholm Stock Exchange in June 1997 and is listed as Small Cap.