

Interim report January 1 – September 30, 2014

Åseda, October 28, 2014

Weak, but positive result also in the third quarter

Third quarter

- New CEO, Per Thorsell, from September 1, 2014.
- Turnover MSEK 177.6 (172.1), up 3 percent compared to previous year
- Operating profit MSEK 1.5 (-3.9)
- Net income MSEK 0.2 (-4.1)
- Cash flow from operating activities MSEK -1.3 (19.9)
- Rights issue completed, 40.6 MSEK
- Earnings per share SEK 0.02 (-0.74)

First nine months

- Turnover MSEK 600.0 (556.9), up 8 percent compared to previous year
- Operating profit MSEK 1.8 (-7.5)
- Net income MSEK 1.4 (-9.0)
- Cash flow from operating activities MSEK 15.7 (6.3)
- Earnings per share SEK 0.23 (-1.61)

Per Thorsell, CEO of ProfilGruppen, comments:

” Our focus on market, with higher activity and presence in the market, is getting visible and we have a positive view of the development of new business going forward.

We still suffer from a number of old agreements, which over time have become disadvantageous for us, although the weaker krona contributes in a positive direction. Meanwhile, the situation helps us to set tougher standards for ourselves to become more efficient in the production and supply chain.”

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.

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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 October 28, 2014 at 08:00 a.m. CET

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Interim report from ProfilGruppen AB (publ), January 1 – September 30, 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 the third quarter 2014 compared to the corresponding period 2013.

Turnover

The turnover for the first nine months 2014 amounted to MSEK 600.0 (556.9), an increase by 8 percent compared to the previous year. The delivered volume was 15,500 tonnes (14,250) of aluminium extrusions.

Deliveries to the Swedish market increased 19 percent during the first nine months 2014 compared to the corresponding period previous year. The increase relates to all segments.

The share of exports amounted to 49 percent (53) of delivered volume, and 47 percent (49) of the turnover.

During the first nine months the Group manufactured 15,650 tonnes (14,200) of aluminium extrusions.

Comments on profit

The operating profit for the first nine months amounted to MSEK 1.8 (-7.5), which is equivalent to an operating margin of 0.3 percent (-1.3). The delivery volumes have increased but the share of low margin contracts are still too large even though there has been some improvement due to a weaker Swedish Krona.

The loss after financial items amounted to MSEK -2.9 (-11.7). The profit after tax amounted to MSEK 1.4 (-9.0). 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.

Earnings per share totalled SEK 0.23 (-1.61). The average number of shares in thousands was 6,181 (5,602), which is a weighted average for the period. The number of shares has changed during the period due to the rights issue that was completed in July.

The return on capital employed amounted to 1.0 percent (-3.4).

The third quarter

Turnover amounted to MSEK 177.6 (172.1). The delivery volume in the quarter was 4,450 tonnes (4,650) of aluminium extrusions. Production was 4,550 tonnes (4,650). The share of exports amounted to 46 percent (54) of volume, and 46 percent (50) of turnover.

The operating profit amounted to MSEK 1.5 (-3.9). The profit after financial items amounted to MSEK 0.2 (-5.3). Earnings per share totalled SEK 0.02 (-0.74) and has been calculated on a weighted average of thousands of shares amounting to 7,321 (5,602) for the quarter.

Investments

Investments during the first nine months amounted to MSEK 16.2 (12.6). During the third quarter there has been write-down of tangible assets amounting to MSEK 0.9 (0.0).

Financing and liquidity

Cash flow from current operations amounted to MSEK 15.7 (6.3) and after investments MSEK 6.9 (-3.6).

The liquidity reserve as of 30 September 2014 amounted to 128.6 MSEK (98.7).

The balance sheet total as of 30 September 2014 was MSEK 471.0 (478.7). Net debt amounted to MSEK 84.7 (111.6) as of 30 September 2014 and the net debt ratio was 0.42 (0.66).

In July a rights issue was completed and ProfilGruppen received MSEK 40.6 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 329 (334). The number of Group employees as of 30 September 2014 totalled 323 (343).

As of September 1, 2014 Per Thorsell is the new CEO of ProfilGruppen. Kåre Wetterberg, who has been acting CEO for a period 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 2014

The outlook for 2014 is characterised by continued macroeconomic uncertainty.

Year-end report and Annual General Meeting

The Year-end report for 2014 will be published 12 February 2015 at 08:00 CET.

The AGM 2015 will take place 26 March 2015 at 15:00 CET. All shareholders are then welcome to Folkets Hus in Åseda.

The Nomination Committee for the AGM 2015 consists of Bengt Stillström (chairman), Lars Johansson, Mats Egeholm and Kåre Wetterberg (Chairman of ProfilGruppen). Shareholders who wish to submit proposals to the Nomination Committee shall present their proposal by January 7, 2015 at the latest. Proposals to the Nomination Committee can be sent by email to valberedningen@profilgruppen.se, or by post: ProfilGruppen AB, att: Valberedningen, Box 36, SE-364 21 Åseda, Sweden.

Shareholders who wish to have a case raised at the Annual General Meeting may either send the proposal to the Chairman of ProfilGruppen by email to: styrelsen@profilgruppen.se, or by post to: ProfilGruppen AB, att: Årsstämмоärenden, Box 36, SE-364 21 Åseda, Sweden. The proposals must be received by the company by February 3, 2015 at the latest in order to ensure inclusion in the notice and the AGM agenda.

Åseda, October 28 2014

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

Review report

ProfilGruppen AB (publ) corporate identity number 556277-8943

Introduction

We have reviewed the condensed interim report for ProfilGruppen AB (publ) as at September 30, 2014 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Åseda, October 28, 2014
Ernst & Young AB

Johan Thuresson
Authorized Public Accountant

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. The accounting principles are described in the annual report 2013.

Statement of comprehensive income in short

The Group, MSEK	Q 3 2014	Q 3 2013	Q 1-3 2014	Q 1-3 2013	12 months ongoing	Q 1-4 2013
Net turnover	177.6	172.1	600.0	556.9	773.1	730.0
Cost of goods sold	-160.7	-161.0	-545.6	-519.1	-713.3	-686.8
Gross margin	16.9	11.1	54.4	37.8	59.8	43.2
Other operating revenues	0.0	-0.2	0.0	0.9	0.0	0.9
Selling expenses	-9.4	-9.8	-32.9	-27.6	-44.6	-39.3
Administrative expenses	-6.0	-5.1	-19.7	-18.6	-25.9	-24.8
Other operating expenses	0.0	0.1	0.0	0.0	0.0	0.0
Operating profit/loss	1.5	-3.9	1.8	-7.5	-10.7	-20.0
Financial income	0.3	0.1	0.5	0.3	0.5	0.3
Financial expenses	-1.6	-1.5	-5.2	-4.5	-7.0	-6.3
Net financial income/expense	-1.3	-1.4	-4.7	-4.2	-6.5	-6.0
Income after financial items	0.2	-5.3	-2.9	-11.7	-17.2	-26.0
Tax	0.0	1.2	4.3	2.7	7.1	5.5
Net income for the period	0.2	-4.1	1.4	-9.0	-10.1	-20.5
Other comprehensive income						
Items that will subsequently be reclassified to net income:						
Changes in hedging reserve	1.1	-0.2	-0.1	0.5	-1.9	-1.3
Translation differences	0.0	-0.2	0.2	-0.2	0.4	0.0
Other, reported directly against equity	0.0	0.0	0.0	-0.1	0.2	0.1
Items that will subsequently not be reclassified to net income:						
Revaluation of defined benefit obligation	0.0	0.0	0.0	0.0	1.0	1.0
Comprehensive income for the period	1.3	-4.5	1.5	-8.8	-10.4	-20.7
Earnings per share (before and after dilution), SEK	0.02	-0.74	0.23	-1.61	-1.67	-3.66
Average number of shares, thousands	7 321	5 602	6 181	5 602	6 035	5 602
Depreciation and write-down of fixed assets						
Intangible fixed assets	0.0	0.0	0.0	0.0	0.0	0.0
Land and buildings	1.3	0.8	3.3	2.8	4.3	3.8
Machinery and equipment	3.4	3.9	12.7	15.8	18.6	21.7
Total	4.7	4.7	16.0	18.6	22.9	25.5
of which write-down	0.9	0.0	0.9	0.0	0.9	0.0

Statement of financial position in short

The Group, MSEK	30 September 2014	30 September 2013	31 December 2013
Assets			
Fixed assets			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	204.6	211.9	207.3
Financial fixed assets	1.3	1.8	1.7
Total fixed assets	215.9	223.7	219.0
Current assets			
Inventories	115.8	112.3	107.7
Current receivables	137.7	140.7	122.2
Liquid assets	1.6	2.0	2.3
Total current assets	255.1	255.0	232.2
Total assets	471.0	478.7	451.2
Shareholders' equity and liabilities			
Shareholders' equity	200.2	170.0	158.1
Long-term liabilities			
Interest-bearing liabilities	49.0	56.3	55.6
Interest-free liabilities	23.3	27.6	24.1
Total long-term liabilities	72.3	83.9	79.7
Short-term liabilities			
Interest-bearing liabilities	37.3	57.3	77.9
Interest-free liabilities	161.2	167.5	135.5
Total short-term liabilities	198.5	224.8	213.4
Total shareholders' equity and liabilities	471.0	478.7	451.2
Pledged assets and contingent liabilities			
Property mortgages	84.8	84.8	84.8
Floating charges	170.0	170.0	170.0
Shares in subsidiaries	100.6	105.4	110.7
Trade receivables pledged as collateral	104.6	116.8	83.7
Guarantees for other companies	0.7	1.0	0.7
Guarantee commitments FPG/PRI	0.2	0.2	0.2

Statement of changes in equity in short

The Group, MSEK	Q 3 2014	Q 3 2013	Q 1-3 2014	Q 1-3 2013	Q 1-4 2013
Opening balance	158.3	174.5	158.1	178.8	178.8
Dividend	40.6	0.0	40.6	0.0	0.0
Comprehensive income for the period	1.3	-4.5	1.5	-8.8	-20.7
Closing balance	200.2	170.0	200.2	170.0	158.1

Financial instruments, valued at fair value

in statement of financial position

The Group, MSEK	30 September 2014	30 September 2013	31 December 2013
Short-term receivables			
Currency derivatives	0.0	1.0	0.6
Short-term non interest-bearing liabilities			
Interest rate derivatives	3.3	1.9	2.1
Currency derivatives	0.9	1.0	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 3 2014	Q 3 2013	Q 1-3 2014	Q 1-3 2013	12 months ongoing	Q 1-4 2013
Operating cash flow ¹⁾	4.6	-3.3	22.2	2.4	15.2	-4.6
Working capital changes	-5.9	23.2	-6.5	3.9	-15.8	-5.4
Cash flow from operating activities	-1.3	19.9	15.7	6.3	-0.6	-10.0
Cash flow from investing activities	-6.1	-5.1	-8.8	-9.9	-9.8	-10.9
Cash flow from financing activities ²⁾	6.9	-14.5	-7.6	3.9	9.9	21.4
Cash flow for the period	-0.5	0.3	-0.7	0.3	-0.5	0.5
Liquid assets. opening balance ³⁾	2.4	2.0	2.3	1.7	2.0	1.7
Translation differences in liquid assets	-0.3	-0.3	0.0	0.0	0.1	0.1
Liquid assets. closing balance	1.6	2.0	1.6	2.0	1.6	2.3

¹⁾ Cash flow from operating activities after one-off items and before working capital changes.

²⁾ In the third quarter 2014 a rights issue has increased cash with MSEK 40.6 and bank financing has been decreased by MSEK 33.7.

³⁾ The liquidity reserve per September 30, 2014, amounts to MSEK 128.6 (98.7).

Key ratios

The Group	Q 3 2014	Q 3 2013	Q 1-3 2014	Q 1-3 2013	12 months ongoing	Q 1-4 2013
Net turnover, MSEK	177.6	172.1	600.0	556.9	773.1	730.0
Income before depreciation, MSEK	6.2	0.8	17.8	11.1	12.2	5.5
Operating income/loss, MSEK	1.5	-3.9	1.8	-7.5	-10.7	-20.0
Operating margin, %	0.8	-2.3	0.3	-1.3	-1.4	-2.7
Income after financial items, MSEK	0.2	-5.3	-2.9	-11.7	-17.2	-26.0
Profit margin, %	0.1	-3.1	-0.5	-2.1	-2.2	-3.6
Return on equity, %	0.3	-9.6	1.0	-6.9	-5.4	-12.2
Return on capital employed, %	2.4	-5.3	1.0	-3.4	-3.6	-6.8
Cash flow from operating activities, MSEK	-1.3	19.9	15.7	6.3	-0.6	-10.0
Investments, MSEK	10.5	4.6	16.2	12.6	18.7	15.1
Liquidity reserve, MSEK	-	-	128.6	98.7	-	83.6
Net debt, MSEK	-	-	84.7	111.6	-	131.2
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	86.3	113.7	-	133.5
Net debt/equity ratio	-	-	0.42	0.66	-	0.83
Total assets, MSEK	-	-	471.0	478.7	-	451.2
Equity ratio, %	-	-	42.5	35.5	-	35.0
Capital turnover	2.5	2.3	2.8	2.6	2.7	2.5
Proportion of risk-bearing capital, %	-	-	47.4	41.3	-	40.4
Interest coverage ratio	1.1	-2.7	0.4	-1.6	-1.5	-3.1
Average number of employees	321	339	329	334	331	333
Net turnover per employee (average), TSEK	553	507	1 824	1 667	2 336	2 192
Income after fin, per employee (average), TSEK	1	-16	-9	-35	-52	-78
Average number of shares, thousands (No dilution,)	7 321	5 602	6 181	5 602	6 035	5 602
Number of shares, end of period, thousands	7 399	5 602	7 399	5 602	7 399	5 602
Earnings per share, SEK	0.02	-0.74	0.23	-1.61	-1.67	-3.66
Equity per share, SEK	-	-	27.05	30.35	-	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 19.5 (18.1) and comprised by 98 percent of payments for rents and services from companies in the Group. Profit after financial items amounted to MSEK 7.9 (55.5).

No investments were made in the parent company during the year.

The parent company's interest-bearing liabilities amounted to MSEK 19.3 (26.0) as of 30 September 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.

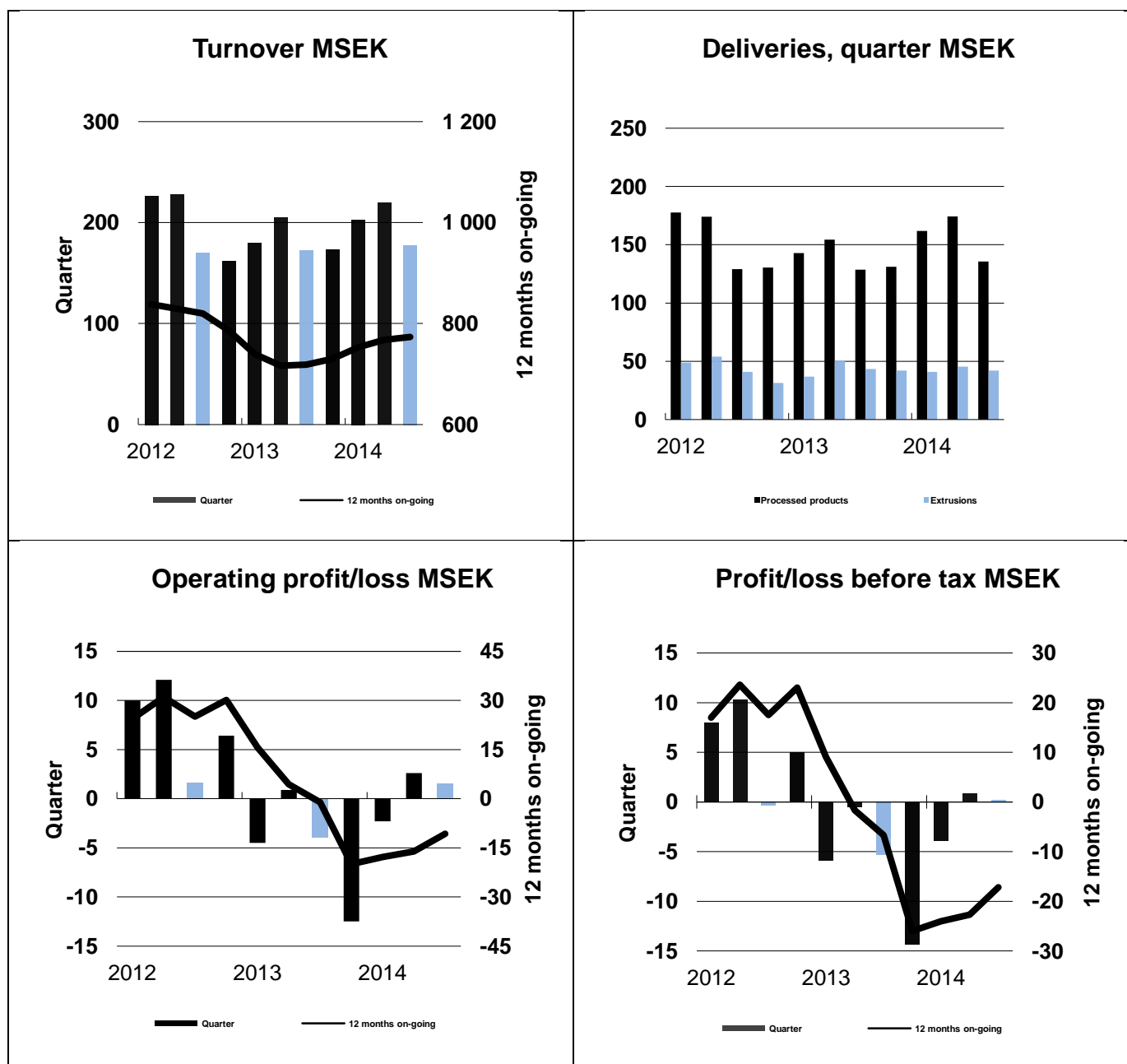
Income Statement– the parent company

Parent Company, MSEK	Q 3 2014	Q 3 2013	Q 1-3 2014	Q 1-3 2013	Q 1-4 2013
Turnover	6.3	6.1	19.5	18.1	24.2
Cost of goods sold	-2.2	-0.7	-5.2	-2.6	-3.7
Gross Margin	4.1	5.4	14.3	15.5	20.5
Other operating revenues	0.0	0.0	0.0	0.9	0.9
Administrative expenses	-1.8	-1.0	-5.9	-3.3	-4.6
Operating income	2.3	4.4	8.4	13.1	16.8
Result from shares in group companies	0.0	80.0	0.0	80.0	80.0
Interest income	0.1	0.1	0.2	0.1	0.1
Impairment of shares in group companies	0.0	-35.0	0.0	-35.0	-49.4
Interest expenses	-0.1	-0.9	-0.7	-2.7	-2.9
Income after financial items	2.3	48.6	7.9	55.5	44.6
Appropriations	0.0	0.0	0.0	0.0	5.2
Income before tax	2.3	48.6	7.9	55.5	49.8
Tax	-0.6	-0.8	1.8	-2.4	-4.3
Net income for the period	1.7	47.8	9.7	53.1	45.5

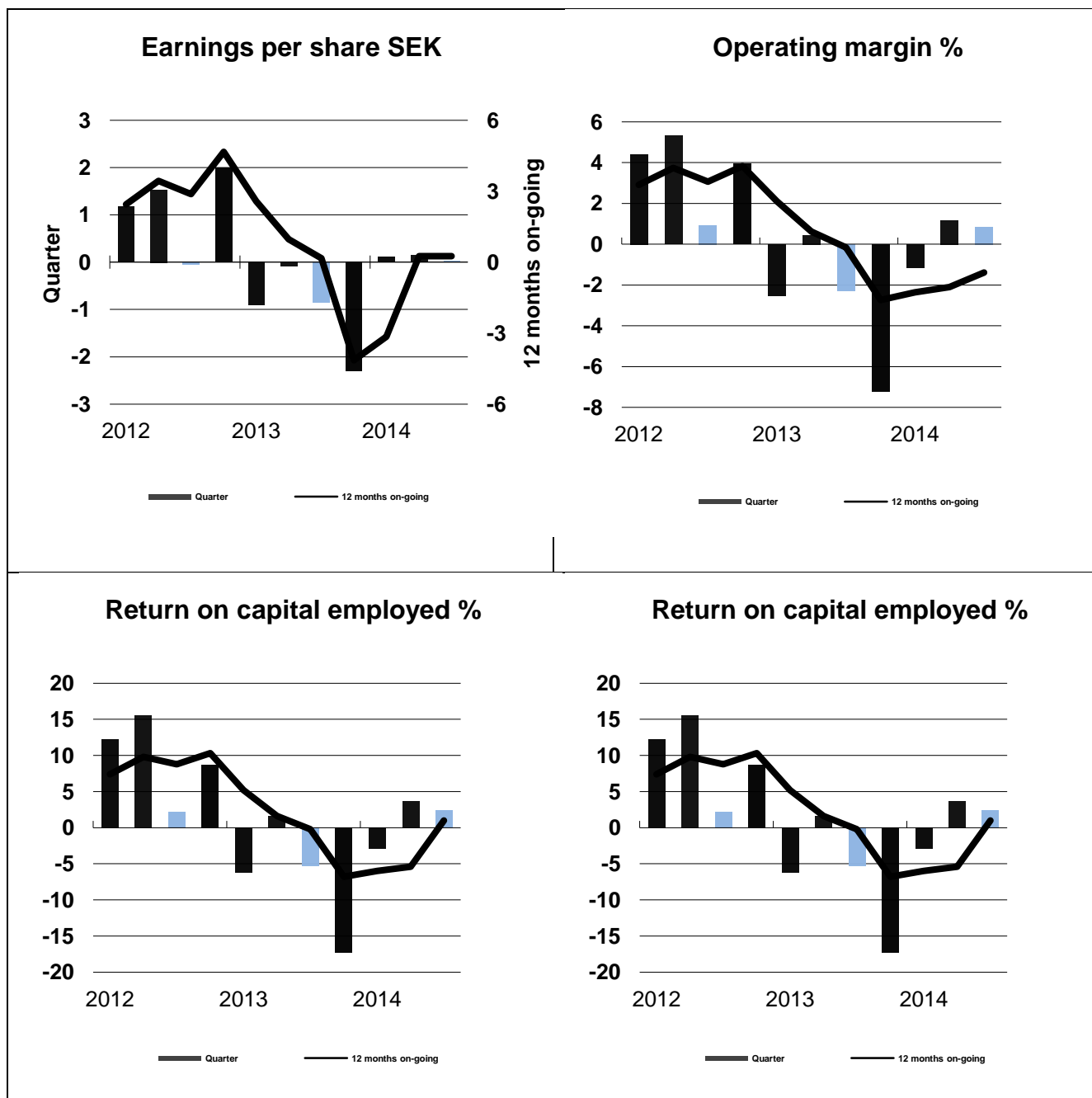
Balance sheet – the parent company

Parent company, MSEK	30 September 2014	30 September 2013	31 December 2013
Assets			
Tangible assets			
Tangible fixed assets	85.6	89.4	88.7
Financial assets	73.9	73.9	73.9
Total fixed assets	159.5	163.3	162.6
Current assets			
Current receivables	36.6	3.0	4.0
Cash and bank balances	0.4	0.4	0.4
Total current assets	37.0	3.4	4.4
Total assets	196.5	166.7	167.0
Equity and liabilities			
Equity	149.6	106.9	99.3
Untaxed reserves	19.0	24.1	19.0
Provisions for taxes	3.3	3.1	3.2
Long-term liabilities	1.7	9.0	6.7
Current liabilities	22.9	23.6	38.8
Total equity and liabilities	196.5	166.7	167.0

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 2013 the share of export was 49 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 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.