

Interim report January 1 – June 30, 2015

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Åseda, July 15, 2015

## Continued improvement of result

### Second quarter

- Turnover MSEK 269.5 (219.7), up 23 percent compared to previous year
- Operating profit MSEK 11.1 (2.6)
- Net income MSEK 7.5 (0.7)
- Cash flow from ongoing operations MSEK 14.0 (13.2)
- Earnings per share SEK 1.01 (0.13)

### First six months

- Turnover MSEK 525.9 (422.4), up 24 percent compared to previous year
- ProfilGruppen signed its largest business deal ever, for about 200 million SEK annually
- Operating profit MSEK 21.2 (0.3)
- Net income MSEK 14.2 (1.2)
- Cash flow from current operations MSEK 4.1 (17.0)
- Earnings per share SEK 1.92 (0.22)

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

*"We proceed our development with higher sales volume as well as improved earnings during the second quarter.*

*Future focus remains on better yet try to meet our customers' expectations and work with efficiency improvements in all parts of the business."*

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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 July 15, 2015 at 05:00 p.m. CET*

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## Interim report from ProfilGruppen AB (publ), January 1 – June 30, 2015

### Market

In the latest report from the European Aluminium Association (EAA), the market for aluminium extrusions is assessed to increase by approximately one percent in 2015 compared to 2014.

### Turnover

During the first six months the turnover for the Group amounted to MSEK 525.9 (422.4), an increase by 24 percent compared to the previous year. The delivered volume was 11,500 tonnes (11,050) of aluminium extrusions.

Deliveries to the Swedish market increased 20 percent during the first quarter 2015 compared to the same period previous year. The increase relates to all segments although the largest increase relates to the construction industry. This means that ProfilGruppen continues to increase its share of the Swedish market.

The share of exports amounted to 43 percent (50) of delivered volume, and 44 percent (48) of the turnover.

The first six months the Group manufactured 11,350 tonnes (11,150) of aluminium extrusions.

### Comments on the result

The operating profit for the first six months amounted to MSEK 21.2 (0.3), which is equivalent to an operating margin of 4.0 percent (0.1). The improved operating income is mostly related to higher delivery volume and margins. The share of low margin contracts has decreased during the first quarter but the activities to improve the mix of customers will continue. A slight improvement of margins is an effect of a weaker Swedish Krona, although a major share of the income is hedged.

The profit after financial items amounted to MSEK 18.2 (-3.1). The profit after tax amounted to MSEK 14.2 (1.2).

Earnings per share totalled SEK 1.92 (0.22). The average number of shares in thousands during the period was 7,399 (5,602). The number of shares previous year is a weighted average for the period.

The return on capital employed amounted to 14.3 percent (0.3).

### The second quarter

Turnover amounted to MSEK 269.5 (219.7). The delivery volume in the quarter was 5,900 tonnes (5,750) of aluminium extrusions, and production was 5,850 tonnes (5,650). The share of exports amounted to 40 percent (49) of volume, and 41 percent (47) of turnover.

The operating profit for the second quarter amounted to MSEK 11.1 (2.6).

The profit after financial items amounted to MSEK 9.5 (0.8). Earnings per share totalled SEK 1.01 (0.13).

### Investments

Investments during the first six months amounted to MSEK 22.7 (5.7), of which 15 MSEK are customer targeted investments in the new jointly owned subsidiary.

### Financing and liquidity

Cash flow from current operations amounted to MSEK 4.1 (17.0) and after investments to MSEK -16.9

(14.3). The weak cash flow can mainly be explained by increased operating capital due to a higher market price of aluminium, improved turnover and an increased rate of investment.

The liquidity reserve as of 30 June 2015 amounted to 106.7 MSEK (91.0).

The balance sheet total as of 30 June 2015 was MSEK 536.0 (477.3). Net debt amounted to MSEK 98.3 (119.7) as of 30 June 2015 and the net debt ratio was 0.45 (0.76).

## **Personnel**

The average number of Group employees during the year was 329 (334). The number of Group employees as of 30 June 2015 totalled 331 (322).

## **Major order**

ProfilGruppen has signed its largest business deal in the history of the Group, which was published April 10.

The customer is new to ProfilGruppen and the agreement regards the supply of interior details based on customized aluminum profiles pre-packed for the end customer. The contract lasts over a number of years starting in 2016 with an estimated turnover for about 200 million SEK per year. The contract has been signed through a separate subsidiary which is jointly owned with WIP Industries Sweden AB. Division of ownership in the new joint venture is 70 percent for ProfilGruppen AB and 30 percent for WIP Industries Sweden AB. WIP is a Swedish company, specialized in automation.

Due to the agreement an investment in an automated production plant for about 60 million SEK will be made by the new company, where external funding is secured. The investment will be made in close proximity to ProfilGruppen's extrusion facilities in Åseda.

## **Significant risks and uncertain factors**

The company's risks and risk management have not significantly changed since the publishing of the 2014 annual report.

## **Outlook for 2015**

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

## **Dates for financial information**

Financial information for 2015 will be provided quarterly.

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

Åseda, July 15, 2015

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

*The Interim 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 2015. 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 2014.

## Statement of comprehensive income in short

The Group, MSEK	Q 2 2015	Q 2 2014	Q 1-2 2015	Q 1-2 2014	12 months ongoing	Q 1-4 2014
Net turnover	269.5	219.7	525.9	422.4	912.1	808.6
Cost of goods sold	-239.9	-198.3	-468.1	-384.9	-815.4	-732.2
<b>Gross margin</b>	<b>29.6</b>	<b>21.4</b>	<b>57.8</b>	<b>37.5</b>	<b>96.7</b>	<b>76.4</b>
Other operating revenues	0.1	0.0	0.1	0.0	2.8	2.7
Selling expenses	-11.5	-12.0	-22.1	-23.5	-43.4	-44.8
Administrative expenses	-7.1	-6.8	-14.4	-13.7	-27.2	-26.5
Other operating expenses	0.0	0.0	-0.2	0.0	-0.9	-0.7
<b>Operating profit/loss</b>	<b>11.1</b>	<b>2.6</b>	<b>21.2</b>	<b>0.3</b>	<b>28.0</b>	<b>7.1</b>
Financial income	0.3	0.0	0.6	0.2	1.3	0.9
Financial expenses	-1.9	-1.8	-3.6	-3.6	-7.1	-7.1
<b>Net financial income/expense</b>	<b>-1.6</b>	<b>-1.8</b>	<b>-3.0</b>	<b>-3.4</b>	<b>-5.8</b>	<b>-6.2</b>
<b>Income after financial items</b>	<b>9.5</b>	<b>0.8</b>	<b>18.2</b>	<b>-3.1</b>	<b>22.2</b>	<b>0.9</b>
Tax	-2.0	-0.1	-4.0	4.3	-5.2	3.1
<b>Net income for the period</b>	<b>7.5</b>	<b>0.7</b>	<b>14.2</b>	<b>1.2</b>	<b>17.0</b>	<b>4.0</b>
<b>Other comprehensive income</b>						
<i>Items that will subsequently be reclassified to net income:</i>						
Changes in hedging reserve	0.5	-1.2	1.3	-1.2	2.0	-0.5
Translation differences	0.0	0.1	0.0	0.2	-0.2	0.0
Other, reported directly against equity	0.0	0.0	0.0	0.0	0.0	0.0
<i>Items that will subsequently not be reclassified to net income:</i>						
Revaluation of defined benefit obligation	0.0	0.0	0.0	0.0	-1.8	-1.8
<b>Comprehensive income for the period</b>	<b>8.0</b>	<b>-0.4</b>	<b>15.5</b>	<b>0.2</b>	<b>17.0</b>	<b>1.7</b>
<i>Net income for the period attributable to:</i>						
Owners of the parent	7.5	0.0	14.2	0.0	14.2	0.0
Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0
<i>Total comprehensive income for the period attributable to:</i>						
Owners of the parent	8.0	0.0	15.5	0.0	15.5	0.0
Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0
Earnings per share (before and after dilution), SEK	1.01	0.13	1.92	0.22	2.30	0.62
Average number of shares, thousands	7 399	5 602	7 399	5 602	7 379	6 488
<b>Depreciation and write-down of fixed assets</b>						
Intangible fixed assets	0.0	0.0	0.0	0.0	0.0	0.0
Land and buildings	1.0	1.0	2.0	2.0	4.3	4.3
Machinery and equipment	4.8	4.6	9.6	9.3	17.7	17.4

<b>Total</b>	<b>5.8</b>	<b>5.6</b>	<b>11.6</b>	<b>11.3</b>	<b>22.0</b>	<b>21.7</b>
of which write-down	0.0	0.0	0.0	0.0	0.9	0.9

## Statement of financial position in short

The Group, MSEK	30 June 2015	30 June 2014	31 December 2014
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	218.2	200.8	209.2
Financial fixed assets	1.4	1.5	1.5
<b>Total fixed assets</b>	<b>229.6</b>	<b>212.3</b>	<b>220.7</b>
<b>Current assets</b>			
Inventories	136.7	107.1	127.0
Current receivables	166.6	155.5	129.8
Liquid assets	3.1	2.4	1.1
<b>Total current assets</b>	<b>306.4</b>	<b>265.0</b>	<b>257.9</b>
<b>Total assets</b>	<b>536.0</b>	<b>477.3</b>	<b>478.6</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity, including non-controlling interests	220.3	158.3	200.3
<b>Long-term liabilities</b>			
Interest-bearing liabilities	50.8	53.7	55.6
Interest-free liabilities	27.9	23.0	23.4
<b>Total long-term liabilities</b>	<b>78.7</b>	<b>76.7</b>	<b>79.0</b>
<b>Short-term liabilities</b>			
Interest-bearing liabilities	50.6	68.4	34.4
Interest-free liabilities	186.4	173.9	164.9
<b>Total short-term liabilities</b>	<b>237.0</b>	<b>242.3</b>	<b>199.3</b>
<b>Total shareholders' equity and liabilities</b>	<b>536.0</b>	<b>477.3</b>	<b>478.6</b>
<b>Pledged assets and contingent liabilities</b>			
Property mortgages			
Floating charges	84.8	84.8	84.8
Shares in subsidiaries	170.0	170.0	170.0
Trade receivables pledged as collateral	141.8	102.4	116.6
Guarantees for other companies	144.8	123.5	96.1
Guarantee commitments FPG/PRI	0.7	0.7	0.7

## Statement of changes in equity in short

The Group, MSEK	Q 2 2015	Q 2 2014	Q 1-2 2015	Q 1-2 2014	Q 1-4 2014
Opening balance	207.8	158.7	200.3	158.1	158.1
<i>Changes attributable to owners of the parent:</i>					
Comprehensive income for the period	8.0	-0.4	15.5	0.2	1.7
New share issue	0.0	0.0	0.0	0.0	40.5
<i>Changes attributable to non-controlling interests:</i>					
New share issue	4.5	0.0	4.5	0.0	0.0
<b>Closing balance</b>	<b>220.3</b>	<b>158.3</b>	<b>220.3</b>	<b>158.3</b>	<b>200.3</b>

## Financial instruments, valued at fair value

in statement of financial position

The Group, MSEK	30 June 2015	30 June 2014	31 December 2014
Short-term receivables			
Currency derivatives	0.1	0.1	0.2
Short-term non interest-bearing liabilities			
Interest rate derivatives	3.1	3.1	3.5
Currency derivatives	0.1	2.5	1.6

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 2 2015	Q 2 2014	Q 1-2 2015	Q 1-2 2014	12 months ongoing	Q 1-4 2014
Operating cash flow <sup>1)</sup>	13.9	8.8	27.8	17.6	41.4	31.2
Working capital changes	0.1	4.4	-23.7	-0.6	-26.9	-3.8
Cash flow from operating activities	14.0	13.2	4.1	17.0	14.5	27.4
Cash flow from investing activities	-17.7	-1.5	-21.0	-2.7	-33.6	-15.3
Cash flow from financing activities <sup>2)</sup>	5.9	-11.5	19.1	-14.5	20.2	-13.4
<b>Cash flow for the period</b>	<b>2.2</b>	<b>0.2</b>	<b>2.2</b>	<b>-0.2</b>	<b>1.1</b>	<b>-1.3</b>
Liquid assets, opening balance	1.1	2.0	1.1	2.3	2.4	2.3
Translation differences in liquid assets	-0.2	0.2	-0.2	0.3	-0.4	0.1
<b>Liquid assets, closing balance</b>	<b>3.1</b>	<b>2.4</b>	<b>3.1</b>	<b>2.4</b>	<b>3.1</b>	<b>1.1</b>

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

<sup>2)</sup> During the second quarter 2015 a rights issue related to non-controlling interests has increased the cash with MSEK 4.5.

<sup>3)</sup> The liquidity reserve per March 31, 2015, amounts to MSEK 106.4 (80.0).

## Key ratios

The Group	Q 2 2015	Q 2 2014	Q 1-2 2015	Q 1-2 2014	12 months ongoing	Q 1-4 2014
Net turnover, MSEK	269.5	219.7	525.9	422.4	912.1	808.6
Income before depreciation, MSEK	16.9	8.2	32.8	11.6	50.0	28.8
Operating income/loss, MSEK	11.1	2.6	21.2	0.3	28.0	7.1
Operating margin, %	4.1	1.2	4.0	0.1	3.1	0.9
Income after financial items, MSEK	9.5	0.8	18.2	-3.1	22.2	0.9
Profit margin, %	3.5	0.4	3.5	-0.7	2.4	0.1
Return on equity, %	14.0	1.9	13.5	1.6	9.0	2.2
Return on capital employed, %	14.5	3.7	14.3	0.3	9.8	2.8
Cash flow from operating activities, MSEK	14.0	13.2	4.1	17.0	14.5	27.4
Investments, MSEK	18.8	2.2	22.7	5.7	43.6	26.6
Liquidity reserve, MSEK	-	-	106.7	91.0	-	120.2
Net debt, MSEK	-	-	98.3	119.7	-	88.9
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	101.4	122.2	-	90.0
Net debt/equity ratio	-	-	0.45	0.76	-	0.44
Total assets, MSEK	-	-	536.0	477.3	-	478.6
Equity ratio, %	-	-	41.1	33.2	-	41.9
Capital turnover	3.4	3.1	3.4	3.0	3.0	2.8
Proportion of risk-bearing capital, %	-	-	46.3	38.0	-	46.8
Interest coverage ratio	6.2	1.4	6.0	0.1	4.1	1.1
Average number of employees	331	335	329	334	329	331
Net turnover per employee (average), TSEK	814	656	1 599	1 265	2 772	2 443
Income after fin, per employee (average), TSEK	29	2	55	-9	67	3
Average number of shares, thousands (No dilution,)	7 399	5 602	7 399	5 602	7 379	6 488
Number of shares, end of period, thousands	7 399	5 602	7 399	5 602	7 399	7 399
Earnings per share, SEK	1.01	0.13	1.92	0.22	2.30	0.62
Equity per share, SEK	-	-	29.17	28.26	-	27.07

Definitions are given in ProfilGruppen's Annual Report. Rounding differences may occur.

When not specified the information regards the total Group. The key ratios, except Earnings per share and Equity per share, are based on the groups consolidated figures including non-controlling interests. 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 11.1 (13.2) and comprised by 98 percent of payments for rents and services from companies in the Group. Profit after financial items amounted to MSEK 8.0 (5.6).

Investments in buildings amounted to MSEK 0.4 (0.0) in the parent company during the year.

The parent company's interest-bearing liabilities amounted to MSEK 18.7 (21.9) as of 30 June 2015. 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.

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

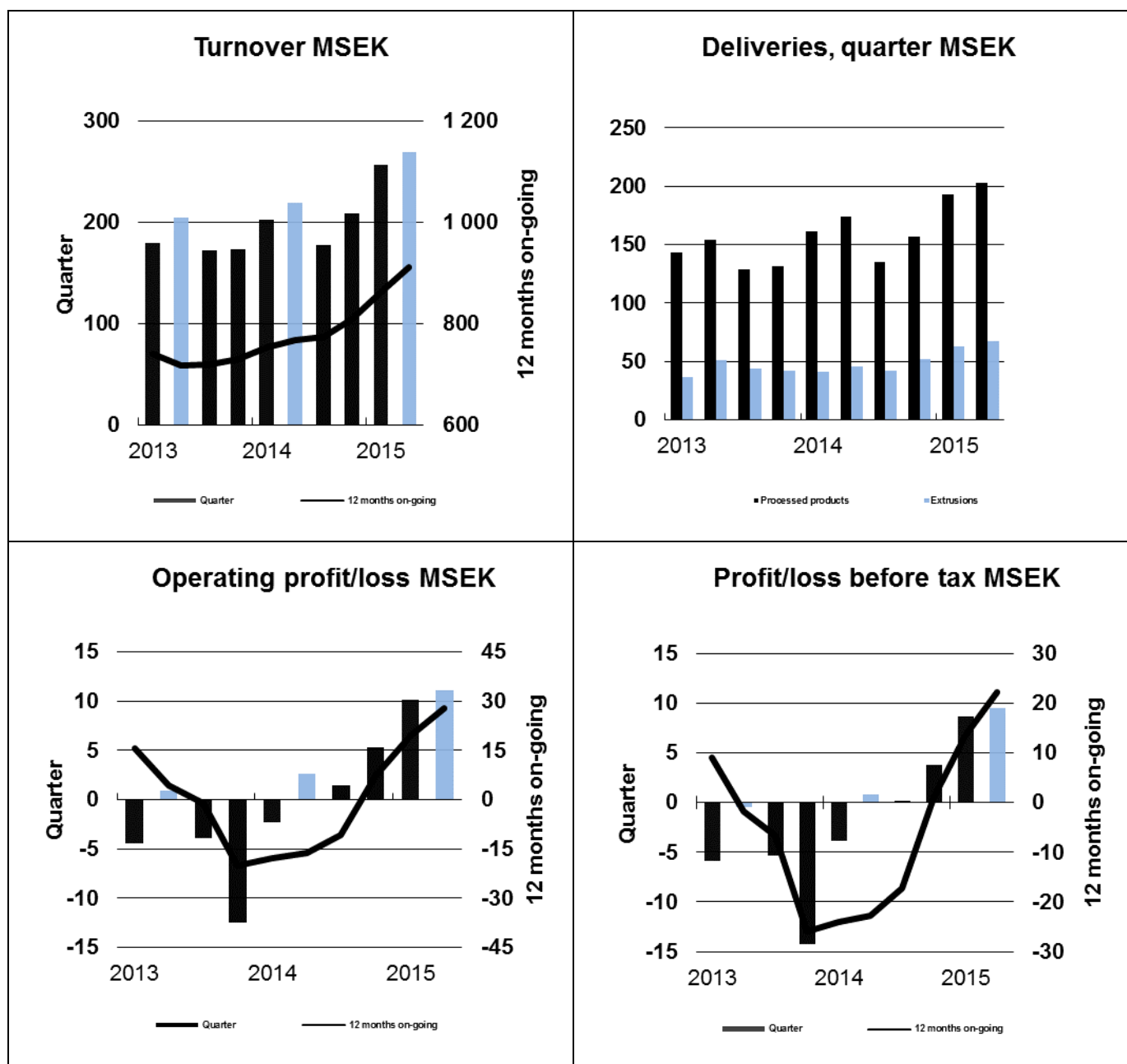
## Income Statement in short – the parent company

Parent Company, MSEK	Q 2 2015	Q 2 2014	Q 1-2 2015	Q 1-2 2014	Q 1-4 2014
Turnover	5.5	6.7	11.1	13.2	25.9
Cost of goods sold	-0.9	-2.0	-1.9	-3.0	-6.1
<b>Gross Margin</b>	<b>4.6</b>	<b>4.7</b>	<b>9.2</b>	<b>10.2</b>	<b>19.8</b>
Other operating revenues	0.1	0.0	0.1	0.0	0.0
Administrative expenses	-0.7	-2.2	-1.6	-4.1	-7.5
<b>Operating income</b>	<b>4.0</b>	<b>2.5</b>	<b>7.7</b>	<b>6.1</b>	<b>12.3</b>
Result from shares in group companies	0.4	0.0	0.4	0.0	0.0
Interest income	0.2	0.0	0.3	0.1	0.5
Impairment of shares in group companies	0.0	0.0	0.0	0.0	0.0
Interest expenses	-0.2	-0.3	-0.4	-0.6	-1.0
<b>Income after financial items</b>	<b>4.4</b>	<b>2.2</b>	<b>8.0</b>	<b>5.6</b>	<b>11.8</b>
Appropriations	0.0	0.0	0.0	0.0	-11.3
<b>Income before tax</b>	<b>4.4</b>	<b>2.2</b>	<b>8.0</b>	<b>5.6</b>	<b>0.5</b>
Tax	-1.0	-0.5	-1.8	2.4	3.6
<b>Net income for the period</b>	<b>3.4</b>	<b>1.7</b>	<b>6.2</b>	<b>8.0</b>	<b>4.1</b>

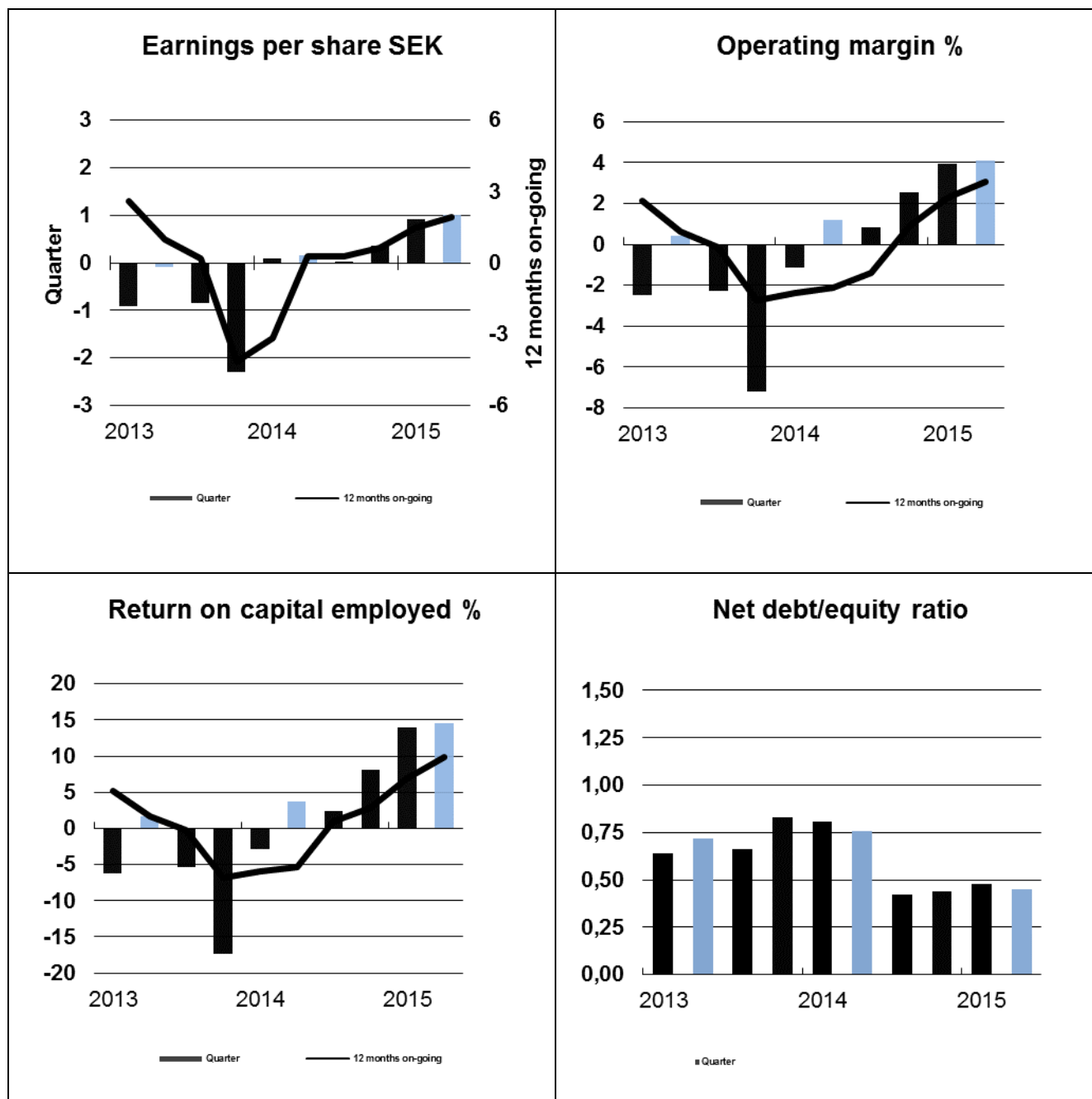
**Balance sheet in short – the parent company**

Parent company, MSEK	30 June 2015	30 June 2014	31 December 2014
<b>Assets</b>			
<b>Tangible assets</b>			
Tangible fixed assets	81.5	86.9	84.8
Financial assets	84.5	73.9	73.9
<b>Total fixed assets</b>	<b>166.0</b>	<b>160.8</b>	<b>158.7</b>
<b>Current assets</b>			
Current receivables	24.1	1.5	24.9
Cash and bank balances	0.4	0.4	0.4
<b>Total current assets</b>	<b>24.5</b>	<b>1.9</b>	<b>25.3</b>
<b>Total assets</b>	<b>190.5</b>	<b>162.7</b>	<b>184.0</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>150.1</b>	<b>107.3</b>	<b>143.9</b>
Untaxed reserves	14.8	19.0	14.8
Provisions for taxes	3.3	3.3	3.3
Long-term liabilities	1.5	4.2	1.7
<b>Current liabilities</b>	<b>20.8</b>	<b>28.9</b>	<b>20.3</b>
<b>Total equity and liabilities</b>	<b>190.5</b>	<b>162.7</b>	<b>184.0</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 and ISO 14001.
- ProfilGruppen AB was listed on the Stockholm Stock Exchange in June 1997 and is listed as Small Cap.