

Year-end report January 1 – December 31, 2015

Åseda, February 12, 2016

Significant improvement of the result for the year

Fourth quarter

- Turnover MSEK 234.7 (208.6), 13 percent increase compared to previous year
- Operating profit MSEK 4.9 (5.3), one-time costs affected the result negatively with MSEK 2.5 (positively 2.7)
- Net income MSEK 2.4 (2.6)
- Cash flow from ongoing operations MSEK 22.9 (11.7)
- Earnings per share SEK 0.42 (0.35)

Year 2015

- Turnover MSEK 980.2 (808.6), 21 percent compared to previous year
- ProfilGruppen signed the historically largest business contract ever, for about 200 million SEK per year
- Operating profit MSEK 22.9 (7.1), one-time costs affected the result negatively with MSEK 15.9 (positively 2.7)
- Net income MSEK 13.0 (4.0)
- Cash flow from current operations MSEK 13.2 (27.4)
- Earnings per share SEK 1.88 (0.62)

Per Thorsell, CEO of ProfilGruppen, comments:

"We can look back on a year with a significant improvement in a positive direction. We have gradually changed the customer platform in parallel with increasing sales volumes, which in combination with productivity improvements in the business has increased margins.

A new production line has been build up, as a consequence of our largest business contract ever. An exciting work proceeding as planned and the deliveries will begin during spring 2016.

We feel well prepared to continue the development to reach our long-term ambitions."

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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Year-end report from ProfilGruppen AB (publ), January 1 – December 31, 2015

Market

In the latest report from the European Aluminium Association (EAA), the market for aluminium extrusions in Europe is estimated to an increase by two percent during 2015 compared to 2014. The Nordic market is also estimated to an increase with approximately two percent.

Turnover

The turnover for the Group in 2015 amounted to MSEK 980.2 (808.6), an increase by 21 percent compared to the previous year, which partly can be explained by a substantially higher aluminium price during the first half of the year than corresponding period previous year. The higher level of added value and currency effects also impacts the turnover positively. The delivered volume was 21,950 tonnes (20,550) of aluminium extrusions.

Deliveries to the Swedish market increased 13 percent during 2015 compared to 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 market share in the Swedish market.

Export deliveries was 45 percent (48) of delivered volume, and 44 percent (46) of the turnover.

During 2015 the Group produced 21,950 tonnes (21,000) of aluminium extrusions.

Comments on the result

The operating profit for 2015 amounted to MSEK 22.9 (7.1), which is equivalent to an operating margin of 2.3 percent (0.9). As communicated for the third quarter, the operating profit for the third quarter is affected by one-time costs amounting MSEK 13.4. The one-time costs is related to the substantial fall of the raw material price for aluminium. ProfilGruppen has raw material agreements with the customers, which under normal circumstances means that the price risk is limited. However, there is always a price risk regarding the inventory and due to recent substantial fall in raw material price for aluminium this has led to one-time costs.

During the fourth quarter the result has been affected by nonrecurring start-up costs of MSEK 2.5 in the jointly owned subsidiary PG&WIP AB, which was slightly lower than MSEK 4 that earlier was estimated.

The underlying positive trend in the result is driven by a higher level of added value, improved customer mix, margin improvements and currency effects.

The profit after financial items amounted to MSEK 17.8 (0.9). The profit after tax amounted to MSEK 13.0 (4.0).

Earnings per share SEK 1.88 (0.62). The average number of shares in thousands during the period was 7,399 (6,488). The number of shares previous year is a weighted average for the period.

The return on capital employed amounted to 7.4 percent (2.8).

The fourth quarter

Turnover amounted to MSEK 234.7 (208.6), mainly related to increased deliveries.

The delivery volume in the quarter was about 5,575 tonnes (5,050) of aluminium extrusions, an increase of 9 percent compared to the same period 2014. The production volume was 5,850 tonnes (5,350). Export deliveries was 48 percent (45) of volume, and 44 percent (44) of turnover.

The operating profit amounted to MSEK 4.9 (5.3). The profit after financial items amounted to MSEK 4.1 (3.8). Earnings per share was SEK 0.42 (0.35).

The underlying operating result in the quarter, excluding the start-up costs of MSEK 2.5 in the subsidiary PG&WIP AB, shows an improvement compared to last year and is in line with the overall positive trend for the year.

Investments

Investments during 2015 amounted to MSEK 68.4 (26.6), of which MSEK 53 customer related investments in the new jointly owned subsidiary PG&WIP AB.

Financing and liquidity

Cash flow from current operations amounted to MSEK 13.2 (27.4) and after investments to MSEK -53.0 (12.1). The weak cash flow can mainly be explained by increased operating capital due to higher turnover, and increased rate of investment.

The liquidity reserve as of 31 December 2015 amounted to 108.2 MSEK (120.2).

The balance sheet total as of 31 December 2015 was MSEK 539.7 (478.6). Net debt amounted to MSEK 133.8 (88.9) as of 31 December 2015 and the net debt ratio was 0.61 (0.44).

Personnel

The average number of Group employees during the year was 339 (331). The number of Group employees as of 31 December 2015 totalled 353 (330), whereof 16 has been employed in the new company PG&WIP.

Major order

During the year, ProfilGruppen has signed its largest business contract in history of the Group, which was published April 10. The customer is new to ProfilGruppen and the agreement applies to the supply of interior details based on customized aluminum profiles pre-packed for the end customer. The contract over some years starts in 2016 with an estimated turnover for about MSEK 200 per year. The contract has been signed through a separate subsidiary, PG&WIP AB, which is jointly owned with WIP Industries Sweden AB, whose shareholding stands for 30 percent.

WIP is a Swedish company, specialized in automation. Due to the agreement an investment in an automated production plant for about MSEK 60 have been made by the new company, where external funding is secured. The investment is 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

First quarter of the year has in terms of sales had a stable start, and is estimated to be affected by one-time costs of about MSEK 3.0 in the subsidiary PG&WIP AB. We estimate that the new company will contribute positively to the business from the second quarter.

Meanwhile, the development in our environment, both political and financial, are still hard to estimate.

Outlooks that was published in the interim report for the third quarter 2015:

The outlooks for 2015 is characterized by macroeconomic uncertainty. As communicated on October 16 2015 is the fourth quarter assessed to be affected by one-time costs of about MSEK 4 in the subsidiary PG&WIP AB

Dividend

The Board of Directors proposes in light of the weak result of the Group that no dividend for the year of 2015 will be paid.

Annual General Meeting

Annual General Meeting 2016 will take place Tuesday 19 April 2016 at 16:00 CET. All shareholders of ProfilGruppen AB are then welcome to Folkets Hus in Åseda.

Year-end report 2015 and Interim reports 2016

The Year-end report for 2015 will be available at the Company's reception and on the Company's website no later than 29 March, 2016.

Financial information for the year of 2016 will be published quarterly.

Interim report, first quarter	April 19, 8.45 am
Interim report, second quarter	July 21, 08.00 am
Interim report, third quarter	October 26, 8.00 am

Åseda, February 11, 2016

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

The Year-End Report hasn't 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 4 2015	Q 4 2014	Q 1-4 2015	Q 1-4 2014
Net turnover	234.7	208.6	980.2	808.6
Cost of goods sold	-210.5	-186.6	-885.8	-732.2
Gross margin	24.2	22.0	94.4	76.4
Other operating revenues	0.0	2.7	0.1	2.7
Selling expenses	-12.1	-11.9	-43.8	-44.8
Administrative expenses	-7.1	-6.8	-27.1	-26.5
Other operating expenses	-0.1	-0.7	-0.7	-0.7
Operating profit/loss	4.9	5.3	22.9	7.1
Financial income	0.3	0.4	1.2	0.9
Financial expenses	-1.1	-1.9	-6.3	-7.1
Net financial income/expense	-0.8	-1.5	-5.1	-6.2
Income after financial items	4.1	3.8	17.8	0.9
Tax	-1.7	-1.2	-4.8	3.1
Net income for the period	2.4	2.6	13.0	4.0
Other comprehensive income <i>Items that will subsequently be reclassified to net income:</i>				
Changes in hedging reserve	0.7	-0.4	1.8	-0.5
Translation differences	-0.1	-0.2	-0.1	0.0
Other, reported directly against equity	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	0.7	-1.8	0.7	-1.8
Comprehensive income for the period	3.7	0.2	15.4	1.7
<i>Net income for the period attributable to:</i>				
Owners of the parent	3.1	0.0	13.8	0.0
Non-controlling interests	-0.7	0.0	-0.8	0.0
<i>Total comprehensive income for the period attributable to:</i>				
Owners of the parent	4.4	0.0	16.2	0.0
Non-controlling interests	-0.7	0.0	-0.8	0.0
Earnings per share (before and after dilution), SEK	0.42	0.35	1.88	0.62
Average number of shares, thousands	7 399	7 399	7 399	6 488
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	3.7	4.3
Machinery and equipment	5.2	4.7	18.2	17.4
Total	6.2	5.7	21.9	21.7
of which write-down	0.0	0.0	0.0	0.9

Statement of financial position in short

The Group, MSEK	31 December 2015	31 December 2014
Assets		
Fixed assets		
Intangible fixed assets	10.0	10.0
Tangible fixed assets	252.9	209.2
Financial fixed assets	1.3	1.5
Total fixed assets	264.2	220.7
Current assets		
Inventories	130.3	127.0
Current receivables	135.9	129.8
Liquid assets	9.3	1.1
Total current assets	275.5	257.9
Total assets	539.7	478.6
Shareholders' equity and liabilities		
Shareholders' equity, including non-controlling interests	220.2	200.3
Long-term liabilities		
Interest-bearing liabilities	75.0	53.6
Interest-free liabilities	26.4	23.4
Total long-term liabilities	101.4	77.0
Short-term liabilities		
Interest-bearing liabilities	68.0	36.4
Interest-free liabilities	150.1	164.9
Total short-term liabilities	218.1	201.3
Total shareholders' equity and liabilities	539.7	478.6
Pledged assets and contingent liabilities		
Property mortgages		
Floating charges	84.8	84.8
Shares in subsidiaries	221.5	170.0
Trade receivables pledged as collateral	118.8	116.6
Guarantees for other companies	0.0	96.1
Guarantee commitments FPG/PRI	0.7	0.7
	0.2	0.2

Statement of changes in equity in short

The Group, MSEK	Q 4 2015	Q 4 2014	Q 1-4 2015	Q 1-4 2014
Opening balance	216.5	200.2	200.3	158.1
<i>Changes attributable to owners of the parent:</i>				
Comprehensive income for the period	4.4	0.2	16.2	1.7
New share issue	0.0	-0.1	0.0	40.5
<i>Changes attributable to non-controlling interests:</i>				
Comprehensive income for the period	-0.7	0.0	-0.8	0.0
New share issue	0.0	0.0	4.5	0.0
Closing balance	220.2	200.3	220.2	200.3

Shareholders equity per share exclusive non-controlling interests per December 31, 2015, amounts to SEK 29.26 (27.07).

Financial instruments, valued at fair value

in statement of financial position

The Group, MSEK	31 December 2015	31 December 2014
Short-term receivables		
Currency derivatives	0.6	0.2
Short-term non interest-bearing liabilities		
Interest rate derivatives	3.0	3.5
Currency derivatives	0.1	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 4 2015	Q 4 2014	Q 1-4 2015	Q 1-4 2014
Operating cash flow ¹⁾	10.1	9.0	36.9	31.2
Working capital changes	12.8	2.7	-23.7	-3.8
Cash flow from operating activities	22.9	11.7	13.2	27.4
Cash flow from investing activities	-13.0	-6.5	-66.2	-15.3
Cash flow from financing activities ²⁾	-9.6	-5.8	62.3	-13.4
Cash flow for the period	0.3	-0.6	9.3	-1.3
Liquid assets. opening balance	10.4	1.6	1.1	2.3
Translation differences in liquid assets	-1.4	0.1	-1.1	0.1
Liquid assets. closing balance	9.3	1.1	9.3	1.1

¹⁾ Cash flow from operating activities including one-time items and before change in working capital.

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

³⁾ The liquidity reserve per December 31, 2015, amounts to MSEK 108.2 (120.2).

Key ratios

The Group	Q 4 2015	Q 4 2014	Q 1-4 2015	Q 1-4 2014
Net turnover, MSEK	234.7	208.6	980.2	808.6
Income before depreciation, MSEK	11.1	11.0	44.8	28.8
Operating income/loss, MSEK	4.9	5.3	22.9	7.1
Operating margin, %	2.1	2.5	2.3	0.9
Income after financial items, MSEK	4.1	3.8	17.8	0.9
Profit margin, %	1.7	1.8	1.8	0.1
Return on equity, %	4.5	5.2	6.2	2.2
Return on capital employed, %	5.7	8.1	7.4	2.8
Cash flow from operating activities, MSEK	22.9	11.7	13.2	27.4
Investments, MSEK	13.5	10.4	68.4	26.6
Liquidity reserve, MSEK	-	-	108.2	120.2
Net debt, MSEK	-	-	133.8	88.9
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	143.1	90.0
Net debt/equity ratio	-	-	0.61	0.44
Total assets, MSEK	-	-	539.7	478.6
Equity ratio, %	-	-	40.8	41.9
Capital turnover	2.6	2.9	3.0	2.8
Proportion of risk-bearing capital, %	-	-	45.7	46.8
Interest coverage ratio	4.6	2.9	3.8	1.1
Average number of employees	352.0	337.0	339	331
Net turnover per employee (average), TSEK	667.0	619.0	2 892	2 443
Income after fin, per employee (average), TSEK	12.0	11.0	52.0	3.0
Average number of shares, thousands (No dilution,)	7 399	7 399	7 399	6 488
Number of shares, end of period, thousands	7 399	7 399	7 399	7 399
Earnings per share, SEK	0.42	0.35	1.88	0.62
Equity per share, SEK	-	-	29.26	27.07

Definitions are given in ProfilGruppen's Annual Report 2014. Rounding differences may occur.

When not specified the information regards the total Group. The key ratios are based on the Groups consolidated figures including non-controlling interests, except Earnings per share and Equity per share. 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 22.3 (25.9) and comprised by 98 percent of payments for rents and services from companies in the Group. Profit after financial items amounted to MSEK 16.5 (11.8).

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 1.2 (19.3) as of 31 December 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 have been implemented during the period.

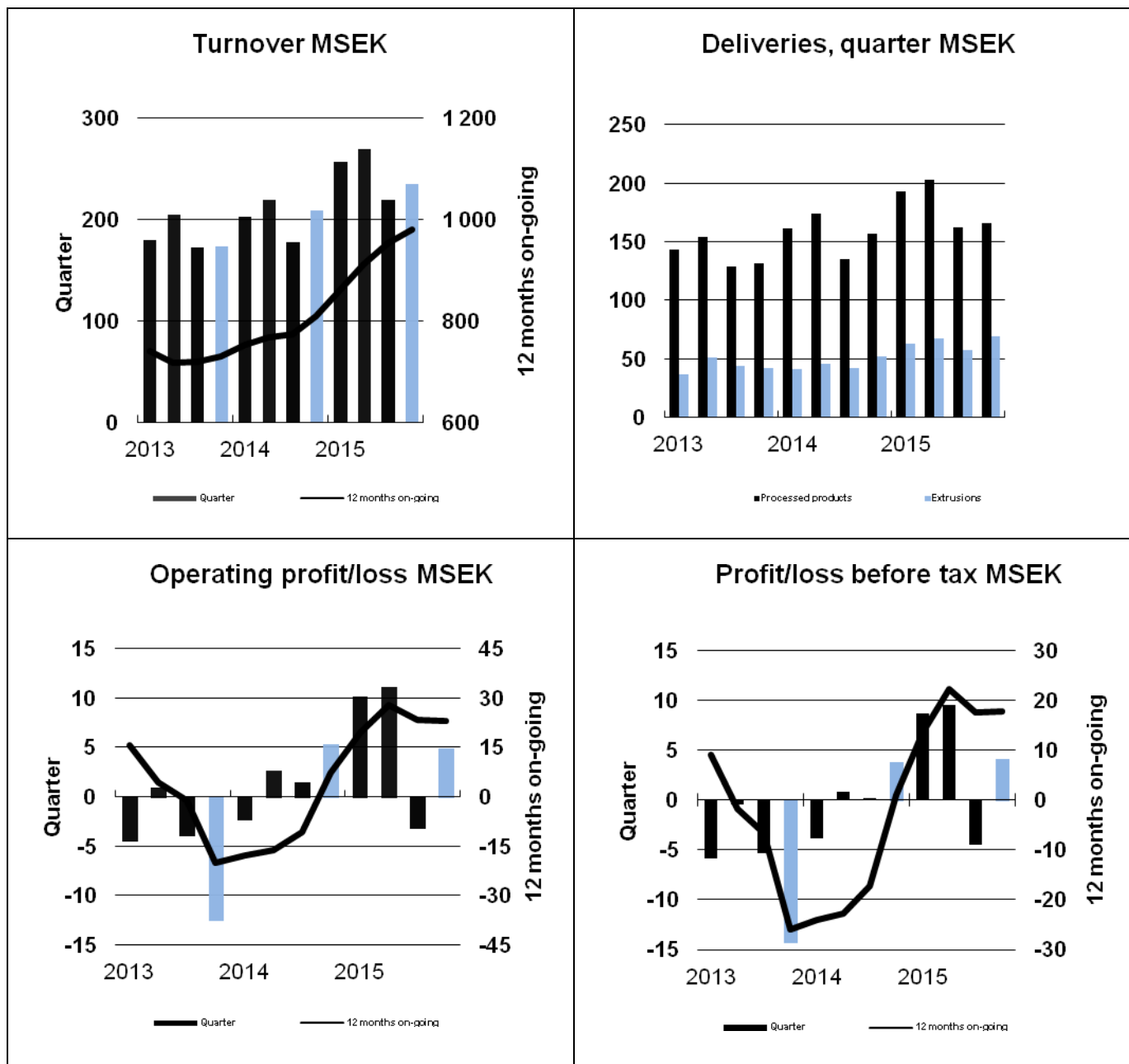
Income Statement in short – the parent company

Parent Company, MSEK	Q 4 2015	Q 4 2014	Q 1-4 2015	Q 1-4 2014
Turnover	5.5	6.4	22.3	25.9
Cost of goods sold	-0.9	-0.9	-3.5	-6.1
Gross Margin	4.6	5.5	18.8	19.8
Other operating revenues	0.0	0.0	0.1	0.0
Administrative expenses	-0.7	-1.6	-2.8	-7.5
Operating income	3.9	3.9	16.1	12.3
Result from shares in group companies	0.0	0.0	0.4	0.0
Interest income	0.1	0.3	0.4	0.5
Impairment of shares in group companies	0.0	0.0	0.0	0.0
Interest expenses	0.0	-0.3	-0.4	-1.0
Income after financial items	4.0	3.9	16.5	11.8
Appropriations	-3.0	-11.3	-3.0	-11.3
Income before tax	1.0	-7.4	13.5	0.5
Tax	-0.1	1.8	-2.9	3.6
Net income for the period	0.9	-5.6	10.6	4.1

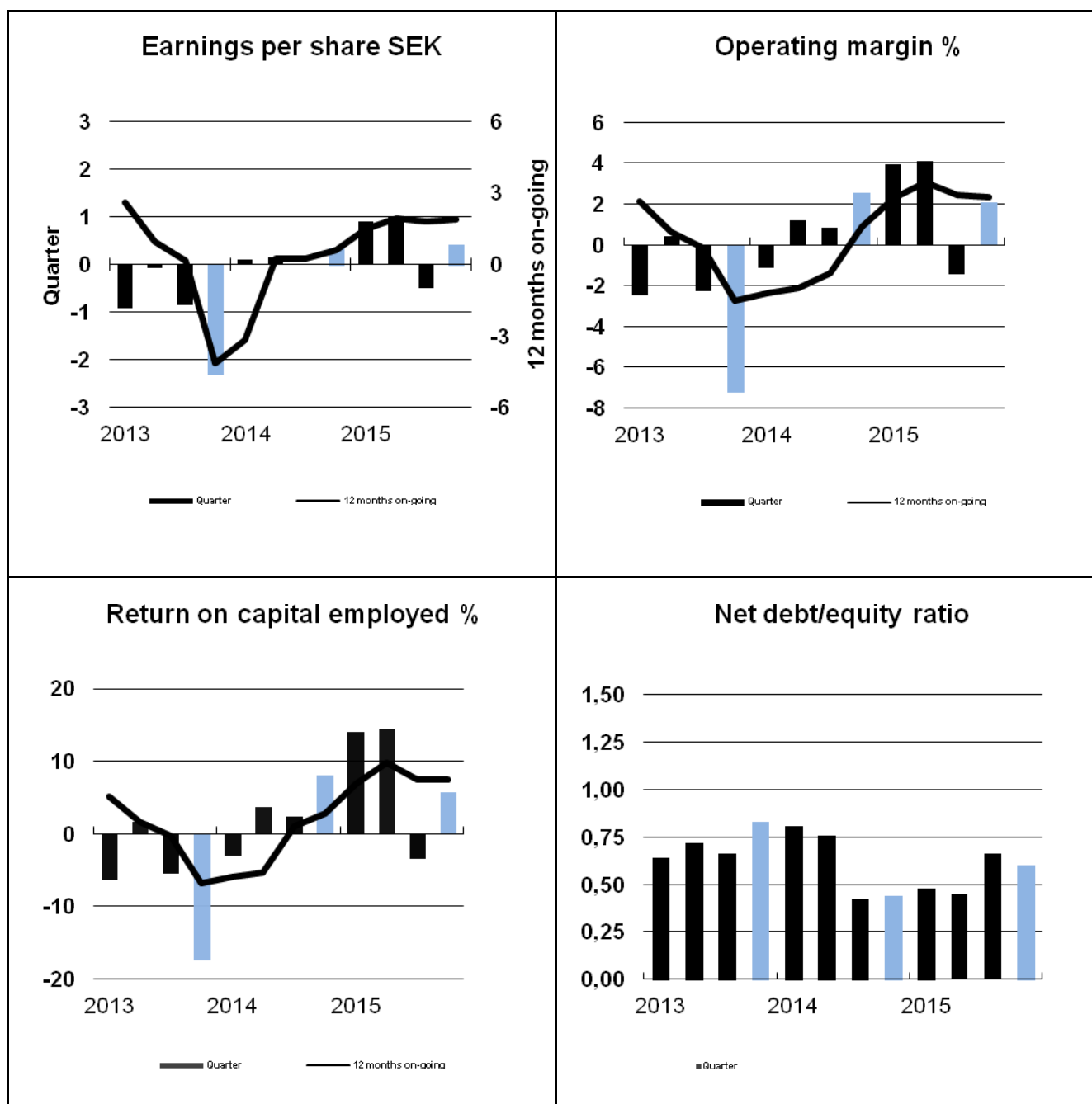
Balance sheet in short – the parent company

Parent company, MSEK	31 December 2015	31 December 2014
Assets		
Tangible assets		
Tangible fixed assets	80.1	84.8
Financial assets	84.5	73.9
Total fixed assets	164.6	158.7
Current assets		
Current receivables	16.1	24.9
Cash and bank balances	0.4	0.4
Total current assets	16.5	25.3
Total assets	181.1	184.0
Equity and liabilities		
Equity	154.5	143.9
Untaxed reserves	17.8	14.8
Provisions for taxes	4.1	3.3
Long-term liabilities	0.7	1.7
Current liabilities	4.0	20.3
Total equity and liabilities	181.1	184.0

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 2015 the share of export was 45 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.