

Interim report January 1 – September 30, 2015

Åseda, October 23, 2015

Raw material impact makes quarterly result negative

Third quarter

- Turnover MSEK 219.6 (177.6), up 24 percent compared to previous year
- Operating profit MSEK -3.2 (1.5) after one-time costs of MSEK 13.4 due to raw material
- Net income MSEK -3.6 (0.2)
- Cash flow from ongoing operations MSEK -13.8 (-1.3)
- Earnings per share SEK -0.49 (0.02)

First nine months

- Turnover MSEK 745.5 (600.0), up 24 percent compared to previous year
- ProfilGruppen signed its largest business deal ever, for about 200 million SEK annually
- Operating profit MSEK 18.0 (1.8)
- Net income MSEK 10.6 (1.4)
- Cash flow from current operations MSEK -9.7 (15.7)
- Earnings per share SEK 1.43 (0.23)

Per Thorsell, CEO of ProfilGruppen, comments:

"The effect of the falling raw material price and the one-time cost that it caused give a temporary setback in the earnings trend, but we are at the same time pleased that the sales and underlying business continues to develop in the right direction. Our activities to even better meeting our customers' expectations and to improve efficiency proceed in all parts of our business.

The startup of our new production facility, in the subsidiary PG&WIP AB, is according to plan and the deliveries will begin in the beginning of 2016. "

ProfilGruppen is a supplier of customised aluminium extrusions and components. For income, financial position, key figures and other facts about the Group, see pages 6-14. Current information and photographs for free publication are available at www.profilgruppen.se.

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

Market

In the latest report from the European Aluminium Association (EAA), the market for aluminium extrusions is assessed to be at the same level for 2015 as 2014.

Turnover

During the first nine months the turnover for the Group amounted to MSEK 745.5 (600.0), an increase by 24 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 16.350 tonnes (15.500) of aluminium extrusions.

Deliveries to the Swedish market increased 16 percent during the first nine months 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 44 percent (49) of delivered volume, and 44 percent (47) of the turnover.

The first nine months the Group manufactured 16.075 tonnes (15,650) of aluminium extrusions.

Comments on the result

The operating profit for the first nine months amounted to MSEK 18.0 (1.8), which is equivalent to an operating margin of 2.4 percent (0.3). 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. The underlying positive trend in the result is related by a higher level of added value, improved customer mix, margin improvements and currency effects.

The profit after financial items amounted to MSEK 13.7 (-2.9). The profit after tax amounted to MSEK 10.6 (1.4).

Earnings per share totalled SEK 1.43 (0.23). The average number of shares in thousands during the period was 7,399 (6 181). The number of shares previous year is a weighted average for the period.

The return on capital employed amounted to 7.6 percent (1.0).

The third quarter

Turnover amounted to MSEK 219.6 (177.6), which mainly relates to increased deliveries, a higher level of added value and currency effects. The delivery volume in the quarter was about 4.875 tonnes (4.450) of aluminium extrusions, an increase by about 10 percent compared to the same period 2014. The production volume was 4,725 tonnes (4.550). The share of exports amounted to 45 percent (46) of volume, and 45 percent (46) of turnover.

The operating profit for the third quarter amounted to MSEK -3.2 (1.5). The operating profit for the third quarter is affected by one-time costs amounting MSEK 13.4. The one-time costs are related to the substantial fall in 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. The operating profit excluding one-time effects amounted to MSEK 10.2 (1.5). The underlying positive trend in the results is related by a higher level of added value, improved customer mix, margin improvements and currency effects.

The profit after financial items amounted to MSEK -4.5 (0.2). Earnings per share totalled SEK -0.49 (0.02).

Investments

Investments during the first nine months amounted to MSEK 54.9 (16.2), of which 44 MSEK customer related investments in the new jointly owned subsidiary PG&WIP AB.

Financing and liquidity

Cash flow from current operations amounted to MSEK -9.7 (15.7) and after investments to MSEK -62.9 (6.9). The weak cash flow can mainly be explained by increased operating capital due to improved turnover, a higher market price for aluminium during the first half of the year and an increased rate of investment.

The liquidity reserve as of 30 September 2015 amounted to 52.9 MSEK (128.6).

The balance sheet total as of 30 September 2015 was MSEK 561.7 (471.0). Net debt amounted to MSEK 143.9 (84.7) as of 30 September 2015 and the net debt ratio was 0.66 (0.42).

Personnel

The average number of Group employees during the year was 331 (329). The number of Group employees as of 30 September 2015 totalled 343 (323).

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 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 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.

As published on October 16, 2015 the fourth quarter assumes to be affected by startup costs of approximately MSEK 4 for the subsidiary PG&WIP AB.

Year-end report and Annual General Meeting

The Year-end report for 2015 will be published 12 February 2016 at 08:00 CET.

The AGM 2016 will take place 19 April 2016 at 16:00 CET. All shareholders are then welcome to Folkets Hus in Åseda.

The Nomination Committee for the AGM 2016 consists of chairman Lars Johansson (shareholder), Bengt Stillström (Ringvägen Venture AB), Mats Egeholm (shareholder) and Kåre Wetterberg (Chairman of ProfilGruppen).

Shareholders who wish to submit proposals to the Nomination Committee shall present their proposal by January 15, 2016 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 January 15, 2016 at the latest in order to ensure inclusion in the notice and the AGM agenda.

Åseda, October 22, 2015

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, 2015 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, the conclusion based on this review are not comparable with the same accuracy as 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 22, 2015
Ernst & Young AB

Franz Lindström
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 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 3 2015	Q 3 2014	Q 1-3 2015	Q 1-3 2014	12 months ongoing	Q 1-4 2014
Net turnover	219.6	177.6	745.5	600.0	954.1	808.6
Cost of goods sold	-207.2	-160.7	-675.3	-545.6	-861.9	-732.2
Gross margin	12.4	16.9	70.2	54.4	92.2	76.4
Other operating revenues	0.0	0.0	0.1	0.0	2.8	2.7
Selling expenses	-9.6	-9.4	-31.7	-32.9	-43.6	-44.8
Administrative expenses	-5.6	-6.0	-20.0	-19.7	-26.8	-26.5
Other operating expenses	-0.4	0.0	-0.6	0.0	-1.3	-0.7
Operating profit/loss	-3.2	1.5	18.0	1.8	23.3	7.1
Financial income	0.3	0.3	0.9	0.5	1.3	0.9
Financial expenses	-1.6	-1.6	-5.2	-5.2	-7.1	-7.1
Net financial income/expense	-1.3	-1.3	-4.3	-4.7	-5.8	-6.2
Income after financial items	-4.5	0.2	13.7	-2.9	17.5	0.9
Tax	0.9	0.0	-3.1	4.3	-4.3	3.1
Net income for the period	-3.6	0.2	10.6	1.4	13.2	4.0
Other comprehensive income <i>Items that will subsequently be reclassified to net income:</i>						
Changes in hedging reserve	-0.2	1.1	1.1	-0.1	0.7	-0.5
Translation differences	0.0	0.0	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
Comprehensive income for the period	-3.8	1.3	11.7	1.5	11.9	1.7
<i>Net income for the period attributable to:</i>						
Owners of the parent	-3.5	0.0	10.7	0.0	10.7	0.0
Non-controlling interests	-0.1	0.0	-0.1	0.0	-0.1	0.0
<i>Total comprehensive income for the period attributable to:</i>						
Owners of the parent	-3.7	0.0	11.8	0.0	11.8	0.0
Non-controlling interests	-0.1	0.0	-0.1	0.0	-0.1	0.0
Earnings per share (before and after dilution), SEK	-0.49	0.02	1.43	0.23	1.78	0.62
Average number of shares, thousands	7 399	7 321	7 399	6 181	7 399	6 488
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	0.7	1.3	2.7	3.3	3.7	4.3
Machinery and equipment	3.4	3.4	13.0	12.7	17.7	17.4
Total	4.1	4.7	15.7	16.0	21.4	21.7
of which write-down	0.0	0.9	0.0	0.9	0.0	0.9

Statement of financial position in short

The Group, MSEK	30 September 2015	30 September 2014	31 December 2014
Assets			
Fixed assets			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	245.8	204.6	209.2
Financial fixed assets	1.4	1.3	1.5
Total fixed assets	257.2	215.9	220.7
Current assets			
Inventories	124.2	115.8	127.0
Current receivables	169.9	137.7	129.8
Liquid assets	10.4	1.6	1.1
Total current assets	304.5	255.1	257.9
Total assets	561.7	471.0	478.6
Shareholders' equity and liabilities			
Shareholders' equity, including non-controlling interests	216.5	200.2	200.3
Long-term liabilities			
Interest-bearing liabilities	87.8	49.0	55.6
Interest-free liabilities	26.9	23.3	23.4
Total long-term liabilities	114.7	72.3	79.0
Short-term liabilities			
Interest-bearing liabilities	66.6	37.3	34.4
Interest-free liabilities	163.9	161.2	164.9
Total short-term liabilities	230.5	198.5	199.3
Total shareholders' equity and liabilities	561.7	471.0	478.6
Pledged assets and contingent liabilities			
Property mortgages	84.8	84.8	84.8
Floating charges	170.0	170.0	170.0
Shares in subsidiaries	117.9	100.6	116.6
Trade receivables pledged as collateral	0.5	104.6	96.1
Guarantees for other companies	0.7	0.7	0.7
Guarantee commitments FPG/PRI	0.2	0.2	0.2

Statement of changes in equity in short

The Group, MSEK	Q 3 2015	Q 3 2014	Q 1-3 2015	Q 1-3 2014	Q 1-4 2014
Opening balance	220.3	158.3	200.3	158.1	158.1
<i>Changes attributable to owners of the parent:</i>					
Comprehensive income for the period	-3.7	1.3	11.8	1.5	1.7
New share issue	0.0	40.6	0.0	40.6	40.5
<i>Changes attributable to non-controlling interests:</i>					
Comprehensive income for the period	-0.1	0.0	-0.1	0.0	0.0
New share issue	0.0	0.0	4.5	0.0	0.0
Closing balance	216.5	200.2	216.5	200.2	200.3

Financial instruments, valued at fair value

in statement of financial position

The Group, MSEK	30 September 2015	30 September 2014	31 December 2014
Short-term receivables			
Currency derivatives	0.2	0.0	0.2
Short-term non interest-bearing liabilities			
Interest rate derivatives	3.4	3.3	3.5
Currency derivatives	0.2	0.9	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 3 2015	Q 3 2014	Q 1-3 2015	Q 1-3 2014	12 months ongoing	Q 1-4 2014
Operating cash flow ¹⁾	-1.0	4.6	26.8	22.2	35.8	31.2
Working capital changes	-12.8	-5.9	-36.5	-6.5	-33.8	-3.8
Cash flow from operating activities	-13.8	-1.3	-9.7	15.7	2.0	27.4
Cash flow from investing activities	-32.2	-6.1	-53.2	-8.8	-59.7	-15.3
Cash flow from financing activities ²⁾	52.8	6.9	71.9	-7.6	66.1	-13.4
Cash flow for the period	6.8	-0.5	9.0	-0.7	8.4	-1.3
Liquid assets, opening balance	3.1	2.4	1.1	2.3	1.6	2.3
Translation differences in liquid assets	0.5	-0.3	0.3	0.0	0.4	0.1
Liquid assets, closing balance	10.4	1.6	10.4	1.6	10.4	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 September 30, 2015, amounts to MSEK 52.9 (128.6).

Key ratios

The Group	Q 3 2015	Q 3 2014	Q 1-3 2015	Q 1-3 2014	12 months ongoing	Q 1-4 2014
Net turnover, MSEK	219.6	177.6	745.5	600.0	954.1	808.6
Income before depreciation, MSEK	0.9	6.2	33.7	17.8	44.7	28.8
Operating income/loss, MSEK	-3.2	1.5	18.0	1.8	23.3	7.1
Operating margin, %	-1.5	0.8	2.4	0.3	2.4	0.9
Income after financial items, MSEK	-4.5	0.2	13.7	-2.9	17.5	0.9
Profit margin, %	-2.0	0.1	1.8	-0.5	1.8	0.1
Return on equity, %	-6.6	0.3	6.8	1.0	6.3	2.2
Return on capital employed, %	-3.4	2.4	7.6	1.0	7.5	2.8
Cash flow from operating activities, MSEK	-13.8	-1.3	-9.7	15.7	2.0	27.4
Investments, MSEK	32.2	10.5	54.9	16.2	65.3	26.6
Liquidity reserve, MSEK	-	-	52.9	128.6	-	120.2
Net debt, MSEK	-	-	143.9	84.7	-	88.9
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	154.3	86.3	-	90.0
Net debt/equity ratio	-	-	0.66	0.42	-	0.44
Total assets, MSEK	-	-	561.7	471.0	-	478.6
Equity ratio, %	-	-	38.5	42.5	-	41.9
Capital turnover	2.5	2.5	3.0	2.8	2.9	2.8
Proportion of risk-bearing capital, %	-	-	43.3	47.4	-	46.8
Interest coverage ratio	-1.9	1.1	3.6	0.4	3.4	1.1
Average number of employees	339	321	331	329	333	331
Net turnover per employee (average), TSEK	953	553	2 252	1 824	2 865	2 443
Income after fin, per employee (average), TSEK	-13	1	41	-9	53	3
Average number of shares, thousands (No dilution,)	7 399	7 321	7 399	6 181	7 399	6 488
Number of shares, end of period, thousands	7 399	7 399	7 399	7 399	7 399	7 399
Earnings per share, SEK	-0.49	0.02	1.43	0.23	1.78	0.62
Equity per share, SEK	-	-	29.26	27.05	-	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, 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 16.8 (19.5) and comprised by 98 percent of payments for rents and services from companies in the Group. Profit after financial items amounted to MSEK 12.5 (7.9).

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 30 September 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.

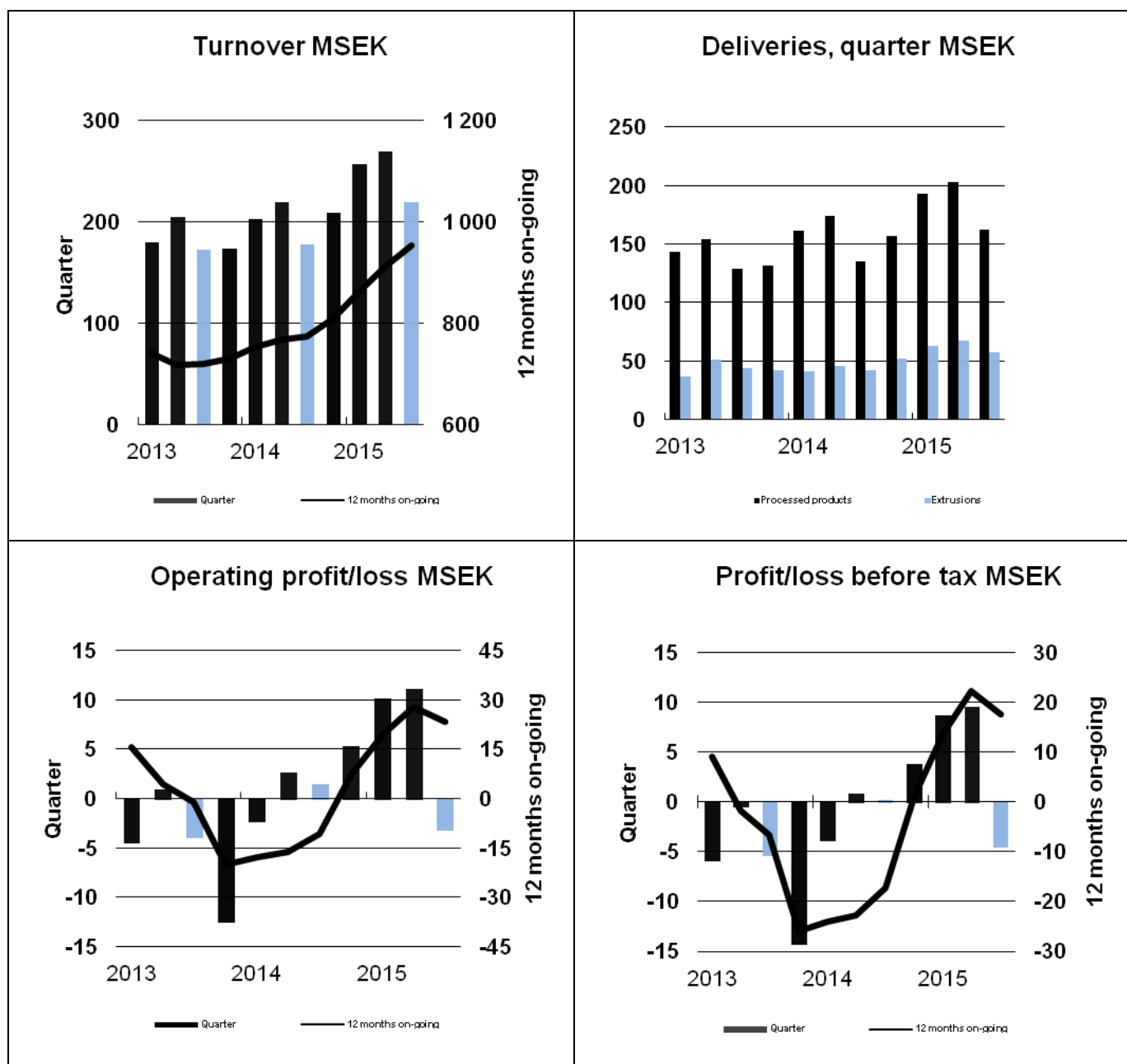
Income Statement in short – the parent company

Parent Company, MSEK	Q 3 2015	Q 3 2014	Q 1-3 2015	Q 1-3 2014	Q 1-4 2014
Turnover	5.7	6.3	16.8	19.5	25.9
Cost of goods sold	-0.7	-2.2	-2.6	-5.2	-6.1
Gross Margin	5.0	4.1	14.2	14.3	19.8
Other operating revenues	0.0	0.0	0.1	0.0	0.0
Administrative expenses	-0.5	-1.8	-2.1	-5.9	-7.5
Operating income	4.5	2.3	12.2	8.4	12.3
Result from shares in group companies	0.0	0.0	0.4	0.0	0.0
Interest income	0.0	0.1	0.3	0.2	0.5
Impairment of shares in group companies	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.0	-0.1	-0.4	-0.7	-1.0
Income after financial items	4.5	2.3	12.5	7.9	11.8
Appropriations	0.0	0.0	0.0	0.0	-11.3
Income before tax	4.5	2.3	12.5	7.9	0.5
Tax	-1.0	-0.6	-2.8	1.8	3.6
Net income for the period	3.5	1.7	9.7	9.7	4.1

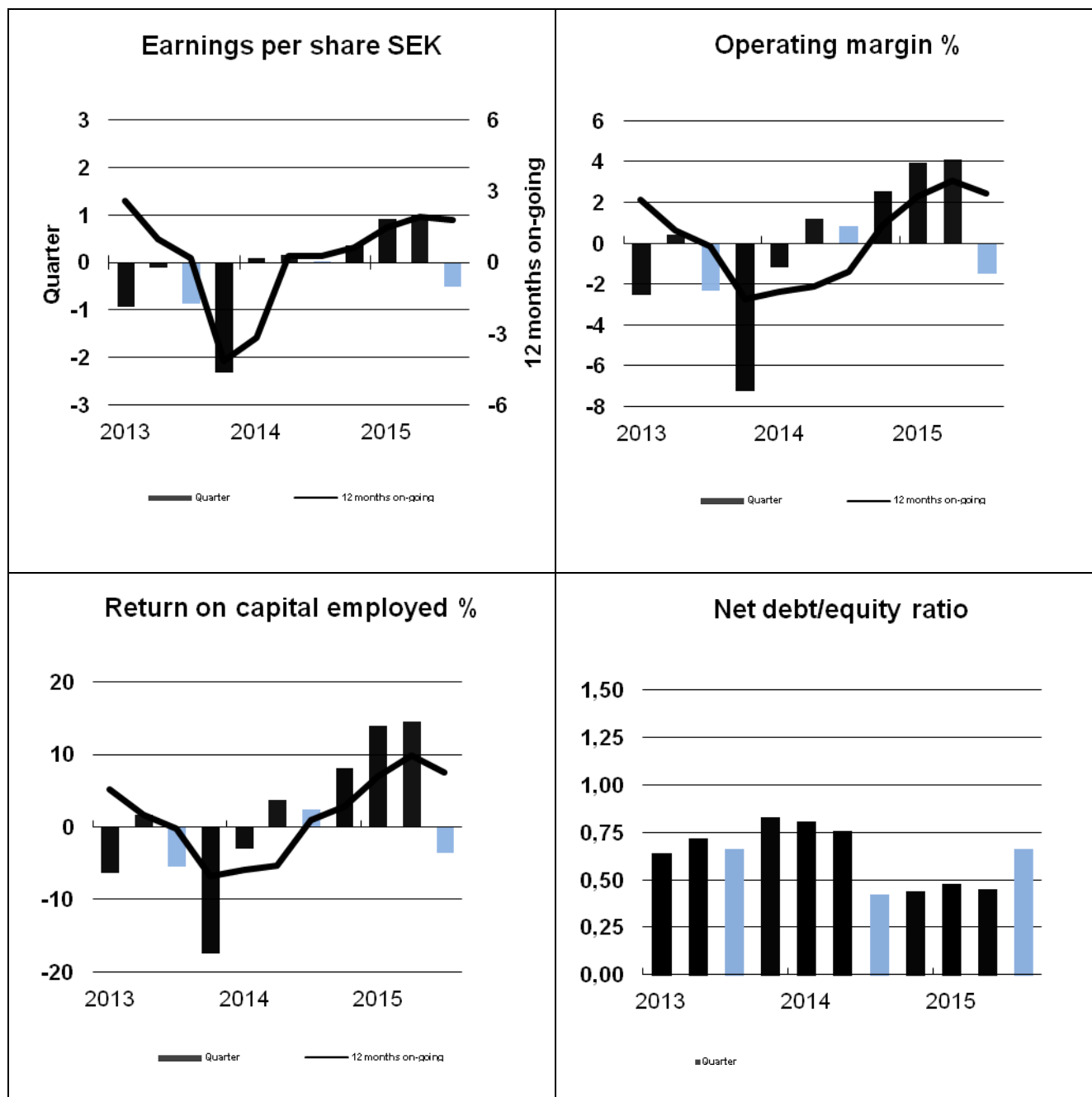
Balance sheet in short – the parent company

Parent company, MSEK	30 September 2015	30 September 2014	31 December 2014
Assets			
Tangible assets			
Tangible fixed assets	80.9	85.6	84.8
Financial assets	84.5	73.9	73.9
Total fixed assets	165.4	159.5	158.7
Current assets			
Current receivables	11.7	36.6	24.9
Cash and bank balances	0.4	0.4	0.4
Total current assets	12.1	37.0	25.3
Total assets	177.5	196.5	184.0
Equity and liabilities			
Equity	153.6	149.6	143.9
Untaxed reserves	14.8	19.0	14.8
Provisions for taxes	3.3	3.3	3.3
Long-term liabilities	1.3	1.7	1.7
Current liabilities	4.5	22.9	20.3
Total equity and liabilities	177.5	196.5	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 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.