

Interim report January 1 – June 30, 2016

Åseda, July 21, 2016

Significant improvement of the quarterly operating profit compared to 2015

Second quarter

- Turnover MSEK 303.9 (269.5), up 13 percent compared to previous year
- Operating profit MSEK 19.3 (11.1), up 74 percent compared to previous year
- Net income MSEK 14.2 (7.5)
- Cash flow from ongoing operations MSEK 45.3 (14.0)
- Earnings per share SEK 1.84 (1.01)

First six months

- Turnover MSEK 564.5 (525.9), up 7 percent compared to previous year
- Operating profit MSEK 26.4 (21.2), up 25 percent compared to previous year
- Net income MSEK 19.0 (14.2)
- Cash flow from current operations MSEK 46.7 (4.1)
- Earnings per share SEK 2.62 (1.92)

Per Thorsell, CEO of ProfilGruppen, comments:

"We are proceeding as planned to improve all areas of the business and strengthen our competitiveness.

Our work is rewarded and we proceed our development in a positive direction in both sales and profitability.

Our subsidiary contributes as planned with a positive result for the second quarter and the volumes will gradually increase."

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.

For more information, please contact:

Per Thorsell, CEO
 Mobile +46 (0)70-240 78 40
 E-mail: per.thorsell@profilgruppen.se

Ulrika Bergmo Sköld, CFO
 Mobile +46 (0)70-230 05 98
 E-mail: ulrika.bergmo.skold@profilgruppen.se

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 21, 2016 at 08:00 a.m. CET

ProfilGruppen AB (publ), Box 36, SE-36421 Åseda, Sweden
 Phone +46 474-550 00, Corporate ID no. 556277-8943, www.profilgruppen.se



Interim report from ProfilGruppen AB (publ), January 1 – June 30, 2016

Market

In the latest report from the European Aluminium Association (EAA), the market for aluminium extrusions in both Scandinavia and Europe is assessed to increase by approximately two percent in 2016 compared to 2015.

Turnover

During the first six months the turnover for the Group amounted to MSEK 564.5 (525.9), an increase by 7 percent compared to the previous year. The increase in turnover can mainly be explained by the increase in delivery volumes of about 15 percent to 13,250 tonnes (11,500) of aluminium extrusions. Meanwhile, the price of aluminium has fallen compared to the same period last year, which have reduced the increase in turnover.

The increased deliveries are mainly related to the Nordic market, other markets are at the same level as the last year. This means that ProfilGruppen continues to increase its market share of the home market.

The share of exports amounted to 40 percent (43) of delivered volume, and 39 percent (44) of the turnover.

The first six months the Group manufactured 13,150 tonnes (11,350) of aluminium extrusions.

Comments on the result

The operating profit for the first six months amounted to MSEK 26.4 (21.2), which is equivalent to an operating margin of 4.7 percent (4.0). The improved operating income is mostly related to a combination between higher delivery volume as well as improvements and production efficiency.

Meanwhile the Group has as planned been affected by a negative result of about MSEK 1.1 in the subsidiary PG&WIP AB. The consolidation of the subsidiary has also increased by selling and administrative expenses. These are increasing by MSEK 3.9 in total compared to the same period last year, which is also related to higher marketing costs and some positive effects of cost allocation that affected 2015.

The profit after financial items amounted to MSEK 24.4 (18.2). The profit after tax amounted to MSEK 19.0 (14.2).

Earnings per share totalled SEK 2.62 (1.92). The average number of shares in thousands during the period was 7,399 (7,399). The number of shares previous year is a weighted average for the period.

The return on capital employed amounted to 15.4 percent (14.3).

The second quarter

Turnover amounted to MSEK 303.9 (269.5). The delivery volume in the quarter was 6,900 tonnes (5,900) of aluminium extrusions, an increase by 17 percent compared to the same period last year. The production volume was 7,050 tonnes (5,850). The share of exports amounted to 36 percent (40) of volume, and 36 percent (41) of turnover.

The operating profit for the second quarter amounted to MSEK 19.3 (11.1), which is equivalent to an operating margin of 6.3 percent (4.1). The increase is an effect of high delivery and production volumes in combination with margin improvements and increased efficiency in the business. PG&WIP AB contributed as planned with a positive result of MSEK 1.9 for the second quarter.

The profit after financial items amounted to MSEK 18.2 (9.5). Earnings per share totalled SEK 1.84 (1.01).

Investments

Investments during the first six months amounted to MSEK 12.6 (22.7), of which about half are related to the set-up of a new production facility in the subsidiary PG&WIP AB.

Financing and liquidity

Cash flow from current operations amounted to MSEK 46.7 (4.1) and after investments to MSEK 34.9 (-16.9). The improvement of the cash flow from current operations is explained by an increased operating capital and reduced inventory levels.

The liquidity reserve as of 30 June 2016 amounted to MSEK 116.2 (106.7).

The balance sheet total as of 30 June 2016 was MSEK 574.7 (536.0). Net debt amounted to MSEK 99.4 (98.3) as of 30 June 2016 and the net debt ratio was 0.42 (0.45).

Personnel

The average number of Group employees during the year was 365 (329). The number of Group employees as of 30 June 2016 totalled 381 (331), whereof 27 is related to the new subsidiary.

Significant risks and uncertain factors

The company's risks and risk management have not significantly changed since the publishing of the 2015 annual report.

Outlook for 2016

Third quarter of the year has in terms of sales had a stable start.

Increasing volumes in the new subsidiary PG&WIP AB, will contribute positively to the Groups results.

The market situation for our products is assessed to be satisfying during the coming quarters.

Outlooks published on April 19, 2016:

The second quarter of the year has in terms of sales had a stable start, and we estimate that the new company PG&WIP AB will contribute positively to the business. The market situation for our products is assessed to be satisfying during the coming quarters of the year.

Dates for financial information

Financial information will be provided quarterly. Interim report for the third quarter will be released October 26, 2016, 08:00.

Åseda, July 20, 2016

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 2015.

Statement of comprehensive income in short

The Group, MSEK	Q 2 2016	Q 2 2015	Q 1-2 2016	Q 1-2 2015	12 months ongoing	Q 1-4 2015
Net turnover	303.9	269.5	564.5	525.9	1 018.8	980.2
Cost of goods sold	-264.7	-239.9	-497.2	-468.1	-914.9	-885.8
Gross margin	39.2	29.6	67.3	57.8	103.9	94.4
Other operating revenues	0.0	0.1	0.0	0.1	0.0	0.1
Selling expenses	-12.6	-11.5	-24.3	-22.1	-46.0	-43.8
Administrative expenses	-7.3	-7.1	-16.6	-14.4	-29.3	-27.1
Other operating expenses	0.0	0.0	0.0	-0.2	-0.5	-0.7
Operating profit/loss	19.3	11.1	26.4	21.2	28.1	22.9
Financial income	0.1	0.3	0.5	0.6	1.1	1.2
Financial expenses	-1.2	-1.9	-2.5	-3.6	-5.2	-6.3
Net financial income/expense	-1.1	-1.6	-2.0	-3.0	-4.1	-5.1
Income after financial items	18.2	9.5	24.4	18.2	24.0	17.8
Tax	-4.0	-2.0	-5.4	-4.0	-6.2	-4.8
Net income for the period	14.2	7.5	19.0	14.2	17.8	13.0
Other comprehensive income						
<i>Items that will subsequently be reclassified to net income:</i>						
Changes in hedging reserve	-2.3	0.5	-2.1	1.3	-1.6	1.8
Translation differences	0.0	0.0	0.0	0.0	-0.1	-0.1
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	0.7	0.7
Comprehensive income for the period	11.9	8.0	16.9	15.5	16.8	15.4
<i>Net income for the period attributable to:</i>						
Owners of the parent	13.6	7.5	19.4	14.2	19.0	13.8
Non-controlling interests	0.6	0.0	-0.4	0.0	-1.2	-0.8
<i>Total comprehensive income for the period attributable to:</i>						
Owners of the parent	11.3	8.0	17.3	15.5	18.0	16.2
Non-controlling interests	0.6	0.0	-0.4	0.0	-1.2	-0.8
Earnings per share (before and after dilution), SEK	1.84	1.01	2.62	1.92	2.58	1.88
Average number of shares, thousands	7 399	7 399	7 399	7 399	7 399	7 399
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	1.0	1.0	2.0	2.0	3.7	3.7
Machinery and equipment	10.7	4.8	15.7	9.6	24.3	18.2
Total	11.7	5.8	17.7	11.6	28.0	21.9
of which write-down	0.0	0.0	0.0	0.0	0.0	0.0

Statement of financial position in short

The Group, MSEK	30 June 2016	30 June 2015	31 December 2015
Assets			
Fixed assets			
Intangible fixed assets	10.0	10.0	10.0
Tangible fixed assets	247.7	218.2	252.9
Financial fixed assets	1.3	1.4	1.3
Total fixed assets	259.0	229.6	264.2
Current assets			
Inventories	121.6	136.7	130.3
Current receivables	193.0	166.6	135.9
Liquid assets	1.1	3.1	9.3
Total current assets	315.7	306.4	275.5
Total assets	574.7	536.0	539.7
Shareholders' equity and liabilities			
Total equity attributable to the parent Company's shareholders	233.8	215.8	216.5
Non-controlling interests	3.3	4.5	3.7
Total equity	237.1	220.3	220.2
Long-term liabilities			
Interest-bearing liabilities	72.8	50.8	75.0
Interest-free liabilities	31.2	27.9	26.4
Total long-term liabilities	104.0	78.7	101.4
Short-term liabilities			
Interest-bearing liabilities	27.7	50.6	68.0
Interest-free liabilities	205.9	186.4	150.1
Total short-term liabilities	233.6	237.0	218.1
Total shareholders' equity and liabilities	574.7	536.0	539.7
Pledged assets and contingent liabilities			
Property mortgages			
Floating charges	84.8	84.8	84.8
Shares in subsidiaries	241.5	170.0	221.5
Trade receivables pledged as collateral	137.7	141.8	118.8
Guarantees for other companies	0.0	144.8	0.0
Guarantee commitments FPG/PRI	0.7	0.7	0.7
	0.2	0.2	0.2

Statement of changes in equity in short

The Group, MSEK	Q 2 2016	Q 2 2015	Q 1-2 2016	Q 1-2 2015	Q 1-4 2015
Opening balance, total equity	225.2	207.8	220.2	200.3	200.3
<i>Changes attributable to owners of the parent:</i>					
Comprehensive income for the period	11.3	8.0	17.3	15.5	16.2
New share issue	0.0	0.0	0.0	0.0	0.0
<i>Changes attributable to non-controlling interests:</i>					
Comprehensive income for the period	0.6	0.0	-0.4	0.0	-0.8
New share issue	0.0	4.5	0.0	4.5	4.5
Closing balance, total equity	237.1	220.3	237.1	220.3	220.2

Financial instruments, valued at fair value

in statement of financial position

The Group, MSEK	30 June 2016	30 June 2015	31 December 2015
Short-term receivables			
Currency derivatives	0.4	0.1	0.6
Short-term non interest-bearing liabilities			
Interest rate derivatives	3.8	3.1	3.0
Currency derivatives	1.8	0.1	0.1

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 2016	Q 2 2015	Q 1-2 2016	Q 1-2 2015	12 months ongoing	Q 1-4 2015
Operating cash flow ¹⁾	26.9	13.9	43.2	27.8	52.3	36.9
Working capital changes	18.4	0.1	3.5	-23.7	3.5	-23.7
Cash flow from operating activities	45.3	14.0	46.7	4.1	55.8	13.2
Cash flow from investing activities	-1.8	-17.7	-11.8	-21.0	-57.0	-66.2
Cash flow from financing activities ²⁾	-45.4	5.9	-43.1	19.1	0.1	62.3
Cash flow for the period	-1.9	2.2	-8.2	2.2	-1.1	9.3
Liquid assets, opening balance	3.1	1.1	9.3	1.1	3.1	1.1
Translation differences in liquid assets	-0.1	-0.2	0.0	-0.2	-0.9	-1.1
Liquid assets, closing balance	1.1	3.1	1.1	3.1	1.1	9.3

¹⁾ Cash flow from operating activities including onetime 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 June 30, 2016, amounts to MSEK 116.2 (106.7).

Key ratios

The Group	Q 2 2016	Q 2 2015	Q 1-2 2016	Q 1-2 2015	12 months ongoing	Q 1-4 2015
Net turnover, MSEK	303.9	269.5	564.5	525.9	1 018.8	980.2
Income before depreciation, MSEK	31.0	16.9	44.1	32.8	56.1	44.8
Operating income/loss, MSEK	19.3	11.1	26.4	21.2	28.1	22.9
Operating margin, %	6.4	4.1	4.7	4.0	2.8	2.3
Income after financial items, MSEK	18.2	9.5	24.4	18.2	24.0	17.8
Profit margin, %	6.0	3.5	4.3	3.5	2.4	1.8
Return on equity, %	24.5	14.0	16.6	13.5	7.8	6.2
Return on capital employed, %	21.9	14.5	15.4	14.3	8.9	7.4
Cash flow from operating activities, MSEK	45.3	14.0	46.7	4.1	55.8	13.2
Investments, MSEK	3.3	18.8	12.6	22.7	58.3	68.4
Liquidity reserve, MSEK	-	-	116.2	106.7	-	108.2
Interest-bearing net debt, MSEK	-	-	99.4	98.3	-	133.8
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	100.5	101.4	-	143.1
Net debt/equity ratio	-	-	0.42	0.45	-	0.61
Total assets, MSEK	-	-	574.7	536.0	-	539.7
Equity ratio, %	-	-	41.3	41.1	-	40.8
Capital turnover	3.4	3.4	3.2	3.4	3.1	3.0
Proportion of risk-bearing capital, %	-	-	46.7	46.3	-	45.7
Interest coverage ratio	15.9	6.2	10.7	6.0	5.6	3.8
Average number of employees	376	331	365	329	358	339
Net turnover per employee (average), TSEK	808	814	1 547	1 599	2 846	2 892
Income after fin, per employee (average), TSEK	48	29	67	55	67	52
Average number of shares, thousands (No dilution,)	7 399	7 399	7 399	7 399	7 399	7 399
Number of shares, end of period, thousands	7 399	7 399	7 399	7 399	7 399	7 399
Earnings per share, SEK	1.84	1.01	2.62	1.92	2.58	1.88
Equity per share, SEK	-	-	31.61	29.17	-	29.26

The key ratios above are a summary of the financial report in order to give an overview of ProfilGruppen's financial position. Definitions are given in ProfilGruppen's Annual Report 2015. Operating income refers to Income before tax excluding financial income and expenses. Investments consist of fixed assets acquired during the period. Rounding differences may occur. The key ratios presented are for the total Group and based on the group consolidated figures including non-controlling interest, except Earnings per share and Equity per share.

The parent company

The turnover of the parent company amounted to MSEK 11.1 (11.1) and comprised by 98 percent of payments for rents and services from companies in the Group. Profit after financial items amounted to MSEK 7.3 (8.0).

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

The parent company's interest-bearing liabilities amounted to MSEK 1.0 (18.7) as of 30 June 2016. 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.

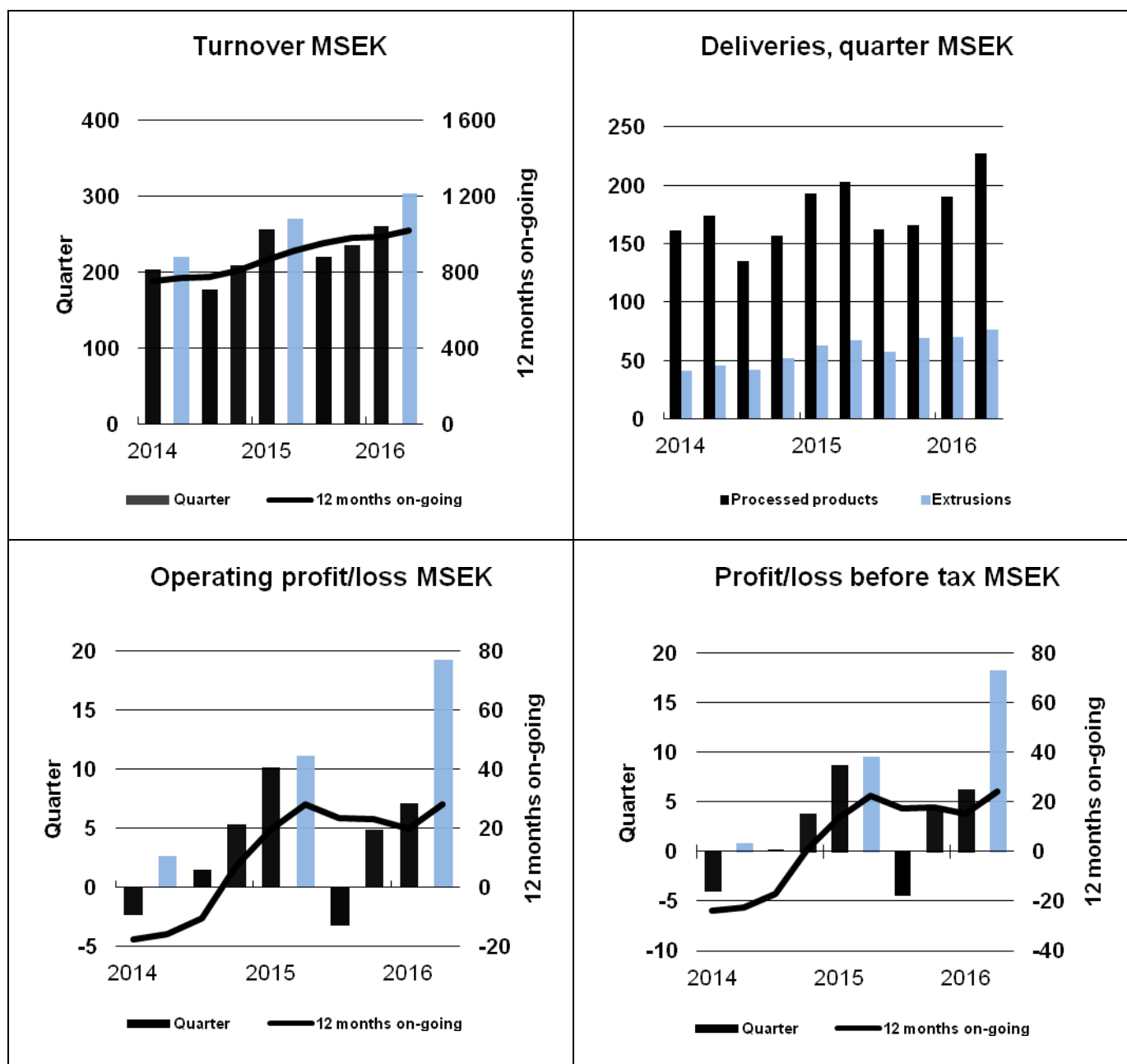
Income Statement in short – the parent company

Parent Company, MSEK	Q 2 2016	Q 2 2015	Q 1-2 2016	Q 1-2 2015	Q 1-4 2015
Turnover	5.5	5.5	11.1	11.1	22.3
Cost of goods sold	-0.8	-0.9	-2.0	-1.9	-3.5
Gross Margin	4.7	4.6	9.1	9.2	18.8
Other operating revenues	0.0	0.1	0.0	0.1	0.1
Administrative expenses	-1.0	-0.7	-1.9	-1.6	-2.8
Operating income	3.7	4.0	7.2	7.7	16.1
Result from shares in group companies	0.0	0.4	0.0	0.4	0.4
Interest income	0.0	0.2	0.1	0.3	0.4
Impairment of shares in group companies	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.0	-0.2	0.0	-0.4	-0.4
Income after financial items	3.7	4.4	7.3	8.0	16.5
Appropriations	0.0	0.0	0.0	0.0	-3.0
Income before tax	3.7	4.4	7.3	8.0	13.5
Tax	-0.9	-1.0	-1.7	-1.8	-2.9
Net income for the period	2.8	3.4	5.6	6.2	10.6

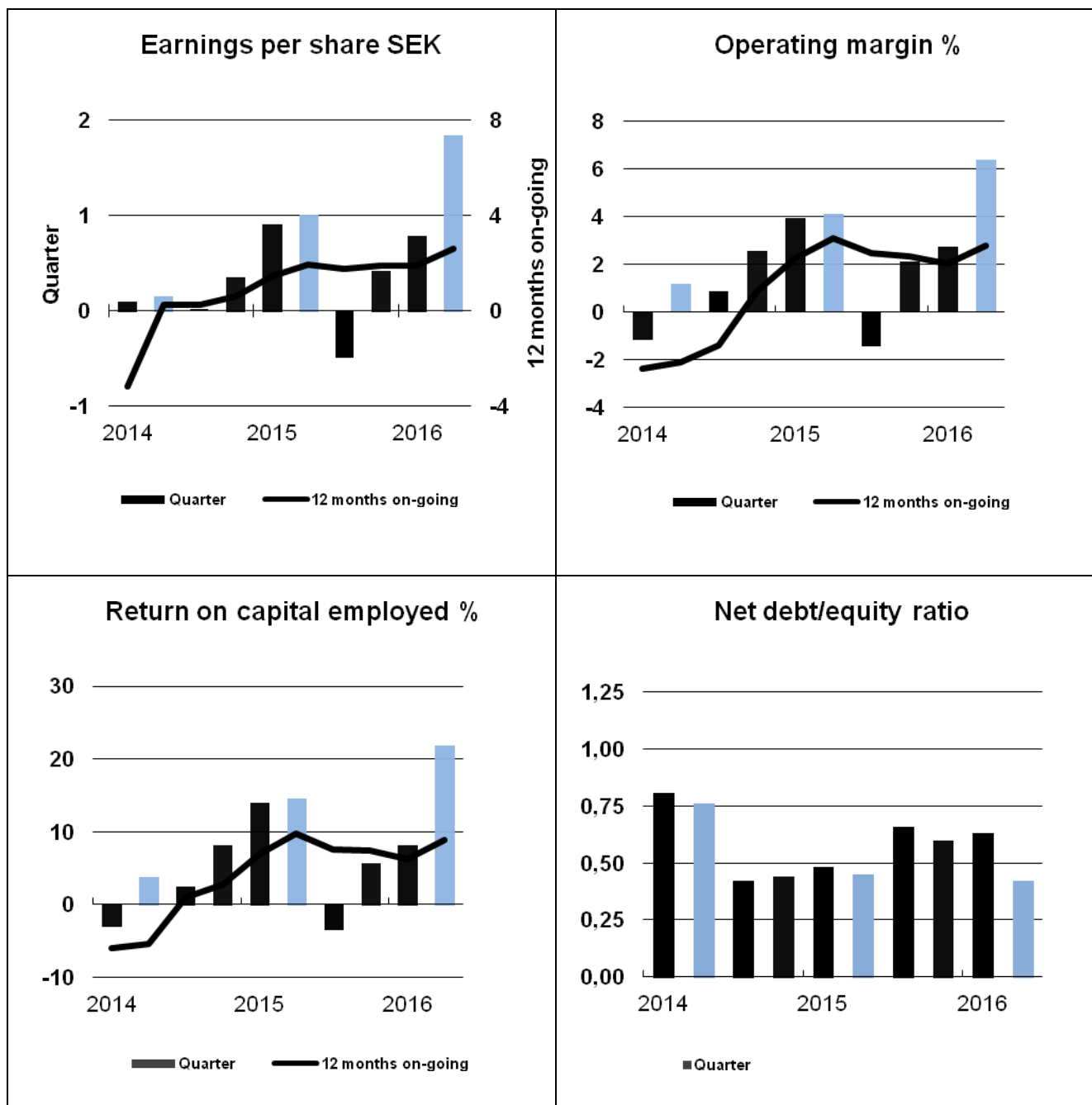
Balance sheet in short – the parent company

Parent company, MSEK	30 June 2016	30 June 2015	31 December 2015
Assets			
Tangible assets			
Tangible fixed assets	78.4	81.5	80.1
Financial assets	84.5	84.5	84.5
Total fixed assets	162.9	166.0	164.6
Current assets			
Current receivables	24.8	24.1	16.1
Cash and bank balances	0.4	0.4	0.4
Total current assets	25.2	24.5	16.5
Total assets	188.1	190.5	181.1
Equity and liabilities			
Equity	160.2	150.1	154.5
Untaxed reserves	17.8	14.8	17.8
Provisions for taxes	4.1	3.3	4.1
Long-term liabilities	1.0	1.5	0.7
Current liabilities	5.0	20.8	4.0
Total equity and liabilities	188.1	190.5	181.1

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.