

Interim Report January 1 – June 30, 2021

All time high profit in the second quarter

This is a translation of the Swedish version of the report. In case of any discrepancies, the Swedish version shall prevail.

Second quarter

- Turnover MSEK 542.6 (316.8), up 71 percent compared to previous year
- Operating profit MSEK 48,4 (1.4), after positive one-off effects of MSEK 9.0 (0.0)
- Operating margin 8.9 percent (0.4)
- Net income MSEK 37.2 (4.7)
- Cash flow from operating activities MSEK 20.8 (51.3), of which MSEK 0.0 (35.3) from covid related support measures
- Earnings per share SEK 4.69 kr (0.54)

First six months

- Turnover MSEK 1,002.7 (717.9), up 40 percent compared to previous year
- Operating profit MSEK 83.5 (27.4), after positive one-off effect of MSEK 27.5 (0.0)
- Operating margin 8.3 percent (3.8)
- Net income MSEK 61.5 (16.1)
- Cash flow from operating activities MSEK 84.2 (44.1), of which MSEK 51.9 (35.3) from covid related support measures
- Earnings per share SEK 7.96 kr (1.80)

Fredrik Zöögling, CEO and President of ProfilGruppen, comments:

"The strong demand in the first quarter from all customer segments persisted during the second quarter. The increased production capacity came in handy when all activities were under high pressure. Our goal is to serve our customers the best way possible with high delivery security, which has been a challenge in the past months. The whole business has really been taken to the next level and delivers more than ever before. The efforts can be seen in the quarter's operating profit, which is the highest so far."



Turnover and result in the second quarter

The turnover for the Group in the second quarter of 2021 amounted to MSEK 542.6 (316.8), an increase of about 71 percent compared to the same period previous year. The main cause of the increase in turnover is that delivery volumes have increased about 66 percent to 10,975 tonnes (6,600) of aluminium extrusions. The increase in volume contributes to a high capacity utilization in the new production facility.

The share of exports amounted to 49 percent (41) of delivered volume, and 58 percent (49) of the turnover.

During the first quarter the Group manufactured 10,850 tonnes (6,350) of aluminium extrusions.

The operating profit for the second quarter of the year amounted to MSEK 48.4 (1.4). This is equivalent to an operating margin of 8.9 percent (0.4).

The raw material price has continued increasing during the second quarter and has contributed to an inventory effect of about 4,0 Mkr (0,0), which combined with other non-recurring effects have affected the profit by MSEK 9.0 (0.0).

Previous year the second quarter result was affected negatively by the covid pandemic, which only partly was counteracted by support measures from the government.

The profit before tax amounted to MSEK 46.9 (5.9).

Earnings per share totalled SEK 4.69 (0.54) (no dilution).

Turnover and result during the first six months of the year

The turnover of the Group for the first six months of the year amounted to MSEK 1,002.7 (717.9), an increase of about 40 per cent compared to previous year.

The delivery volume has decreased about 45 percent to 21,100 (14,500) aluminium profiles.

The share of exports amounted to 49 percent (43) of volume, and 53 per cent (50) of turnover.

During the first six months of the year the Group produced approximately 20,725 tonnes (14,575) of aluminium extrusions.

The operating profit amounted to MSEK 83.5 (27.4) during the first six months of the year. Rising raw material prices have had a positive inventory effect of SEK 17.0 M (0.0), which together with other non-recurring effects have affected earnings by SEK 27.0 M (0.0). Last year, the result was negatively affected by the pandemic during the second quarter.

The operating margin amounted to 8.3 percent (3.8).

The profit before tax amounted to MSEK 77.5 (20.4).

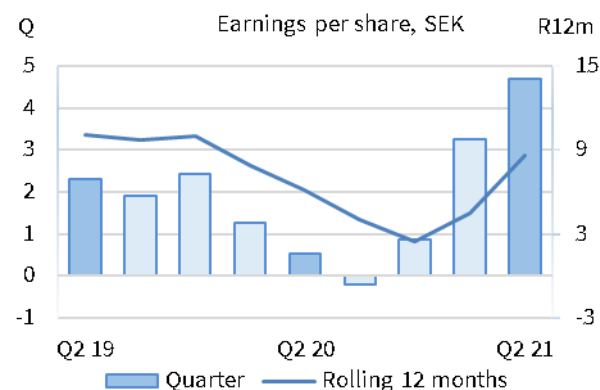
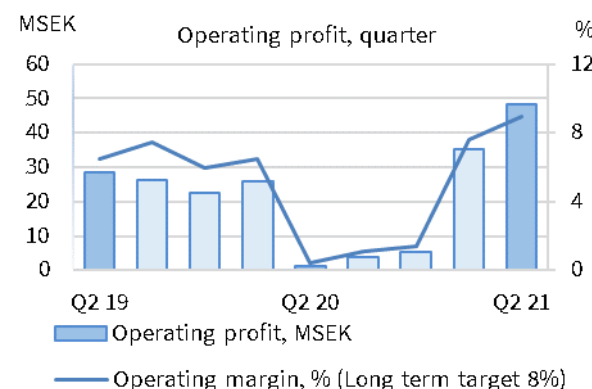
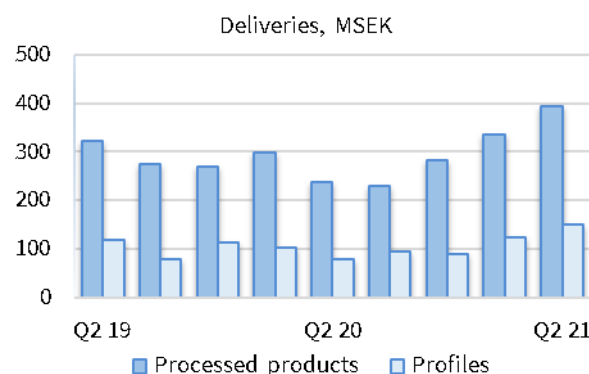
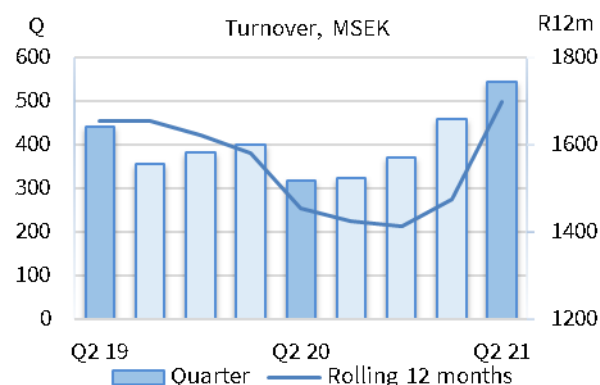
Earnings per share (no dilution) totalled SEK 7.96 (1.80)

Investments during the first six months of the year

Investments in the first six months of 2021 amounted to MSEK 41.7 (46.2), excluding changes in rights of use assets. The investments mainly consist of various capacity-enhancing measures and the fact that extrusion dies, previously accounted as inventory, have been capitalized as fixed assets.

Financing and liquidity

Cash flow from current operations amounted to MSEK 84.2 (44.1) during the first six months of the year. The cash flow after investments amounted to MSEK 32.3 (-5.7).



The Group has received government liquidity support of MSEK 51.9 (0.0) during the year, which affected cash flow positively. Inventories have increased, due to higher raw material prices and production volumes.

The liquidity reserve as of June 30, 2021 amounted to MSEK 203.3 (176.6).

The balance sheet total as of the end of the second quarter was MSEK 1,318.5 (1,108.6).

Net debt as of 30 June 2021 amounted to MSEK 191.5 (313.6) and net debt/EBITDA to 1,2 (2,2). ProfilGruppen's target for net debt/EBITDA is < 2,0.

Personnel

The average number of employees in the Group during the period was 533 (458). The number of employees as of June 30, 2021 totalled 542 (452).

Impact of covid-19

ProfilGruppen was strongly affected by the covid-19 pandemic in 2020 through the decline in demand and turbulence that arose in the market.

The uncertainty about the market effects of the pandemic continues. We follow the development closely to be able to counteract with measures.

Significant risks and uncertain factors

The company's risks and risk management have not significantly changed since publishing of the 2020 Annual Report.

Outlooks for 2021

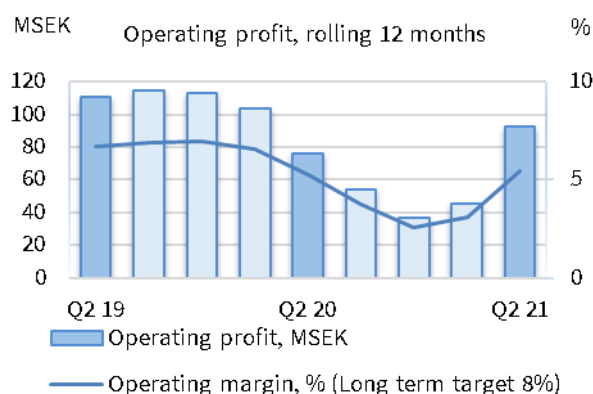
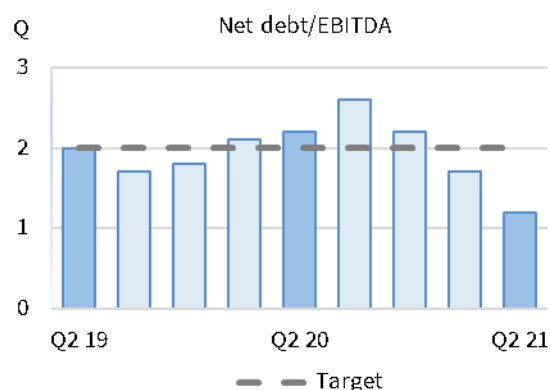
The trade association EA's forecast provides support for expectations of continued high demand, at the same time as the current market price for aluminium gives support for very high inventory effects for the rest of the year.

Outlooks for 2021 published on April 20, 2021:

We see continued good order intake and expect delivery volumes on a par with the first quarter, with a similar product mix, during the rest of the year. The high raw material prices mean a continued positive inventory effect

Calendar

Interim reporting for the third quarter 2021 will be submitted on October 19, 14:00.



Statement of comprehensive income in short

MSEK	Note	Q 2 2021	Q 2 2020	Q 1-2 2021	Q 1-2 2020	R 12 2021	2020
Net turnover		542.6	316.8	1 002.7	717.9	1 699.2	1 414.4
Cost of goods solds	2	-464.5	-298.3	-861.7	-646.5	-1 498.9	-1 283.7
Gross Margin		78.1	18.5	141.0	71.4	200.3	130.7
Other operating revenues 1)		0.0	10.9	0.0	10.9	4.9	15.8
Selling expenses		-15.9	-14.1	-30.4	-28.4	-57.9	-55.9
Administrative expenses		-13.8	-13.9	-27.1	-26.5	-54.8	-54.2
Other operating expenses		0.0	0.0	0.0	0.0	0.0	0.0
Operating profit/loss		48.4	1.4	83.5	27.4	92.5	36.4
Financial income		-0.1	0.1	0.0	0.1	0.3	0.4
Financial expenses	3	-1.4	4.4	-6.0	-7.1	-4.4	-5.5
Net financial income/expense		-1.5	4.5	-6.0	-7.0	-4.1	-5.1
Income after financial items		46.9	5.9	77.5	20.4	88.4	31.3
Tax		-9.7	-1.2	-16.0	-4.3	-19.1	-7.4
Net income for the period		37.2	4.7	61.5	16.1	69.3	23.9
of which attributable to:							
Owners of the parent		34.6	4.1	58.8	13.4	63.5	18.1
Non-controlling interests		2.6	0.6	2.7	2.7	5.8	5.8
Earnings per share (before and after dilution), SEK		4.69	0.54	7.96	1.80	8.60	2.45
Other comprehensive income (net after tax)							
Net income for the period		37.2	4.7	61.5	16.1	69.3	23.9
Changes in hedging reserve		0.1	5.0	-3.9	0.9	0.7	5.5
Translation differences		0.0	-0.2	0.1	-0.1	-0.2	-0.4
Total items that will subsequently be reclassified to net income:		0.1	4.8	-3.8	0.8	0.5	5.1
Revaluation of defined benefit obligation		0.0	0.4	0.0	0.4	-0.7	-0.3
Total items that will subsequently not be reclassified to net income:		0.0	0.4	0.0	0.4	-0.7	-0.3
Comprehensive income for the period		37.3	9.9	57.7	17.3	69.1	28.7
of which total comprehensive income for the period attributable to:							
Owners of the parent		34.7	9.3	55.0	14.6	63.3	22.9
Non-controlling interests		2.6	0.6	2.7	2.7	5.8	5.8

¹⁾ The whole amount in 2020 is grant for short-term layoffs and reorientation support.

Statement of financial position in short

MSEK	Note	30 Jun 2021	30 Jun 2020	31 Dec 2020
Assets				
Intangible fixed assets		30.3	36.8	33.6
Tangible fixed assets		575.8	542.3	564.3
<i>of which construction of new extrusion line in progress</i>		<i>0.0</i>	<i>296.0</i>	<i>316.5</i>
Right of use assets		15.4	17.3	17.5
Financial fixed assets		0.2	0.2	0.2
Total fixed assets		621.7	596.6	615.6
Inventories		284.2	226.4	242.4
Current receivables	4	347.2	242.9	227.3
Liquid assets		65.4	42.7	65.1
Total current assets		696.8	512.0	534.8
Total assets		1 318.5	1 108.6	1 150.4
Shareholders' equity				
Total equity attributable to the parent Company's shareholders		476.7	413.4	421.7
Non-controlling interests		26.6	20.8	23.9
Total equity		503.3	434.2	445.6
Liabilities				
Interest-bearing liabilities		155.2	181.4	169.2
Interest-free liabilities		61.5	55.4	64.4
Total long-term liabilities		216.7	236.8	233.6
Interest-bearing liabilities and provisions		101.6	174.9	118.4
Interest-free liabilities	4	496.9	262.7	352.8
Total short-term liabilities		598.5	437.6	471.2
Total shareholders' equity and liabilities		1 318.5	1 108.6	1 150.4

Statement of changes in equity in short

MSEK	Q 2 2021	Q 2 2020	Q 1-2 2021	Q 1-2 2020	2020
Opening balance, total equity	466.0	424.3	445.6	416.9	416.9
Changes attributable to owners of the parent:					
Comprehensive income for the period	34.7	9.3	55.0	14.6	22.9
Changes attributable to non-controlling interests:					
Comprehensive income for the period	2.6	0.6	2.7	2.7	5.8
Dividend	0.0	0.0	0.0	0.0	0.0
Closing balance, total equity	503.3	434.2	503.3	434.2	445.6

Statement of cash flows in short

MSEK	Note	Q 2 2021	Q 2 2020	Q 1-2 2021	Q 1-2 2020	R 12 2021	2020
Operating activities							
Operating profit/loss		48.4	1.4	83.5	27.4	92.5	36.4
Depreciation and write-down		19.2	16.6	37.0	33.0	70.7	66.7
Adjustment for other non-cash items		1.2	0.0	-1.4	0.5	0.0	1.9
Interest received/paid		-3.0	-3.1	-4.9	-6.3	-8.8	-10.2
Paid income tax		-1.9	-0.8	-2.9	-4.0	-4.4	-5.5
Cash flow prior to change in working capital		63.9	14.1	111.3	50.6	150.0	89.3
Inventories		-23.3	16.4	-41.9	5.6	-57.8	-10.3
Operating receivables		-57.5	43.6	-138.4	8.4	-110.6	36.2
Operating liabilities		37.7	-22.8	153.2	-20.5	237.9	64.2
Cash flow from operating activities		20.8	51.3	84.2	44.1	219.5	179.4
Acquisition of property, plant and equipment		-23.0	-24.0	-51.9	-49.8	-94.8	-92.7
Sale of property, plant and equipment		0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities		-23.0	-24.0	-51.9	-49.8	-94.8	-92.7
Dividend		0.0	0.0	0.0	0.0	0.0	0.0
Loans raised		0.0	0.0	0.0	15.7	-0.2	15.5
Change in bank overdraft facility utilized		10.0	-17.8	-15.6	13.2	-69.8	-41.0
Repayment of loans		-8.6	-4.9	-17.3	-9.9	-30.5	-23.1
Cash flow from financing activities		1.4	-22.7	-32.9	19.0	-100.5	-48.6
Cash flow for the period		-0.8	4.6	-0.6	13.3	24.2	38.1
Liquid assets, opening balance		68.1	39.3	65.1	29.9	42.7	29.9
Translation differences in liquid assets		-1.9	-1.2	0.9	-0.5	-1.5	-2.9
Liquid assets, closing balance		65.4	42.7	65.4	42.7	65.4	65.1
Liquidity reserve				203.3	176.6		189.1

The parent company

The turnover of the parent company amounted to MSEK 17.4 (13.5) and comprises payments for rents from companies in the Group. Profit after financial items amounted to MSEK 12.0 (7.3).

Investments in the parent company during the first half year 2021 amount to MSEK 2.5 (12.9) and are connected to investments in properties.

The parent company's interest-bearing liabilities amounted to MSEK 24.6 (47.1) as of 30 June 2021, and refers to intra Group liabilities to subsidiaries.

The parent company employs none (none). The parent company's risks and uncertain factors do not significantly differ from the Group's.

Income statement in short – the parent company ¹⁾

MSEK	Note	Q 2 2021	Q 2 2020	Q 1-2 2021	Q 1-2 2020	2020
Turnover		8.7	6.7	17.4	13.5	27.1
Cost of goods sold		-1.6	-1.5	-3.5	-3.2	-5.7
Gross Margin		7.1	5.2	13.9	10.3	21.4
Other operating revenues		0.0	0.0	0.0	0.0	0.0
Administrative expenses		-1.1	-0.9	-2.2	-2.1	-4.2
Operating income		6.0	4.3	11.7	8.2	17.2
Result from shares in group companies		0.0	0.0	0.0	0.0	0.0
Interest income and similar income and expense items		0.1	0.4	0.3	0.4	0.7
Interest expenses and similar income and expense items		0.0	-0.2	0.0	-1.3	-1.3
Income after financial items		6.1	4.5	12.0	7.3	16.6
Appropriations		0.0	0.0	0.0	0.0	-16.1
Income before tax		6.1	4.5	12.0	7.3	0.5
Tax		-1.3	-1.0	-2.5	-1.6	0.1
Net income for the period		4.8	3.5	9.5	5.7	0.6

¹⁾ The parent company's income statement also constitutes its comprehensive income statement

Balance sheet in short – the parent company

MSEK	Note	30 Jun 2021	30 Jun 2020	31 Dec 2020
Assets				
Tangible assets				
Tangible fixed assets		186.8	186.9	187.5
Financial assets (shares in subsidiaries)		87.9	87.9	87.9
Total fixed assets		274.7	274.8	275.4
Current assets				
Current receivables		0.7	6.9	0.1
Cash and bank balances		0.1	4.1	22.0
Total current assets		0.8	11.0	22.1
Total assets		275.5	285.8	297.5
Equity and liabilities				
Equity		181.3	176.9	171.7
Untaxed reserves		60.8	54.7	60.8
Provisions for taxes		3.3	3.4	3.3
Long-term liabilities		0.0	0.0	0.0
Current liabilities		30.1	50.8	61.7
Total equity and liabilities		275.5	285.8	297.5

Notes

Note 1 - Accounting Principles

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. 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 accounting principles applied are identical to the ones used for the latest annual report.

Note 2 – Depreciation and write-down of fixed assets

MSEK	Q 2 2021	Q 2 2020	Q 1-2 2021	Q 1-2 2020	R 12 2021	2020
Intangible fixed assets	1.7	1.6	3.3	3.0	6.5	6.2
Land and buildings	1.5	1.4	3.1	2.9	6.1	5.9
Machinery and equipment	14.3	11.8	27.1	23.4	50.9	47.2
Right of use assets	1.7	1.8	3.5	3.7	7.2	7.4
Total	19.2	16.6	37.0	33.0	70.7	66.7
of which write-down	0.0	0.0	0.0	0.0	0.0	0.0

Note 3 – Financial expenses

MSEK	Q 2 2021	Q 2 2020	Q 1-2 2021	Q 1-2 2020	R 12 2021	2020
Interest expenses	1.0	2.0	2.1	4.2	4.9	7.0
Unrealized exchange rate revaluation of financial items (gain neg, loss pos)	-1.4	-8.2	1.2	0.5	-4.7	-5.4
Other financial expenses	1.8	1.8	2.7	2.4	4.2	3.9
Total	1.4	-4.4	6.0	7.1	4.4	5.5

Note 4 - Financial instruments, valued at fair value in statement of financial position

MSEK	30 Jun 2021	30 Jun 2020	31 Dec 2020
Short-term receivables:			
Currency derivatives	2.0	1.4	7.1
Short-term non interest-bearing liabilities;			
Interest rate derivatives	0.0	0.0	0.0
Currency derivatives	0.0	0.2	0.0

Both interest rate- and currency derivatives are primarily used for hedge and are valued on level 2 according to IFRS 13.

Note 5 – Pledged assets and contingent liabilities

MSEK	30 Jun 2021	30 Jun 2020	31 Dec 2020
Property mortgages	82.9	82.9	82.9
Floating charges	341.5	241.5	341.5
Shares in subsidiaries	284.6	231.0	226.4
Guarantees for other companies	0.0	0.0	0.0
Guarantee commitments FPG/PRI	0.2	0.2	0.2

Note 6 – Related transactions

No related transactions that significantly affect the Groups results or financial statement have been made during the period. Apart from the intragroup rental income in the parent company no significant related transactions have been done regarding the parent company.

Key ratios

The Group	Q2 2021	Q2 2020	Q 1-2 2021	Q 1-2 2020	R 12 2021	2020
Net turnover, MSEK	542.6	316.8	1 002.7	717.9	1 699.2	1 414.4
Income before depreciation, MSEK	67.6	18.0	120.5	60.4	163.2	103.1
Operating income/loss, MSEK	48.4	1.4	83.5	27.4	92.5	36.4
Operating margin, %	8.9	0.4	8.3	3.8	5.4	2.6
Income after financial items, MSEK	46.9	5.9	77.5	20.4	88.4	31.3
Profit margin, %	8.6	1.9	7.7	2.8	5.2	2.2
Return on equity, %	30.8	4.5	25.9	7.5	14.8	5.5
Return on capital employed, %	25.9	3.8	21.4	6.4	12.1	5.2
Cash flow from operating activities, MSEK	20.8	51.3	84.2	44.1	219.5	179.4
Investments, MSEK	18.8	19.3	41.7	46.2	90.4	94.9
Liquidity reserve, MSEK	-	-	203.3	176.6	-	189.1
Net debt, MSEK	-	-	191.5	313.6	-	222.5
Net debt/EBITDA	-	-	1.2	2.2	-	2.2
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	256.9	356.4	-	287.6
Net debt/equity ratio	-	-	0.4	0.7	-	0.5
Total assets, MSEK	-	-	1 318.5	1 108.6	-	1 150.4
Equity ratio, %	-	-	38.2	39.2	-	38.7
Capital turnover	-	-	2.7	1.9	2.2	1.9
Proportion of risk-bearing capital, %	-	-	42.8	44.2	-	44.3
Interest coverage ratio	40.6	7.0	32.2	5.9	17.7	5.5
Average number of employees	520	455	533	458	487	461
Net turnover per employee (average), TSEK	1 043	696	1 881	1 567	3 489	3 068
Income after fin, per employee (average), TSEK	90	13	145	45	182	68
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	4.69	0.54	7.96	1.80	8.60	2.45
Equity per share, SEK	-	-	64.42	55.86	-	56.99

The key ratios above are a summary of the financial report in order to give an overview of ProfilGruppen's financial position. Definitions and reconciliation of the alternative performance measures are given at www.profilgruppen.se

Rounding differences may occur. When calculating key ratios: return on equity, return on capital employed and capital turnover the result and turnover for the period have been adjusted to 12 months. The key ratios presented relate to the total Group and are based on the Group consolidated figures including non-controlling interest, except Earnings per share and Equity per share.

The undersigned affirm that this interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and with generally accepted accounting principles and provides a fair representation of the Group's and the company's position and result and describe significant risks and factors of uncertainty that the companies in the Group face.

Åseda, July 15, 2021

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

Mats R Karlsson
Chairman of the Board

Fredrik Zöögling
President and CEO

Jörgen Abrahamsson
Board member

Monica Bellgran
Board member

Mikael Ekbring
Board member
Appointed by the employees

Magnus Gabrielsson
Board member
Appointed by the employees

Bengt Stillström
Board member

Thomas Widstrand
Board member

The report has not been audited.

Brief facts about ProfilGruppen

- The vision is to be the preferred provider of innovative solutions for aluminium extrusions in northern Europe
- A partnership with ProfilGruppen should be uncomplicated and involve personal commitment
- Aluminium is our choice, it is more favourable in a life cycle perspective than many alternatives and enables us to create sustainable products
- Aluminium extrusions are used within many industries, for example furnishings, construction, automotive and electronics
- The manufacturing of extrusions takes place in Åseda exclusively and includes:
 - Extrusion of aluminium profiles in four production lines
 - Anodizing facility for surface treatment
 - Further processing of aluminium extrusions in the form of cutting processing, bending and stamping
 - Fully automated facilities for processing, coating and packaging of interior design details
- A dozen subcontractors broadens the range of processing possibilities
- The company is certified in accordance with IATF 16949 and ISO 14001
- Started in 1981 in Åseda, Sweden
- Listed on the Stockholm Stock Exchange in 1997 and is included in the Small Cap list

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The information was issued through the above mentioned contacts for publication on July 15, 2021 at 14:00 CET.

Current information and photographs for free publication are available at www.profilgruppen.se