

Interim report January 1 – September 30, 2023

Strong third quarter

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

Third quarter

- Turnover MSEK 534.4 (612.3), down 13 percent compared to previous year
- Operating profit MSEK 39.2 (28.0) and operating margin 7.6 percent (4.6)
- Adjusted operating profit MSEK 49.0 (6.5), corresponding to an adjusted operating margin of 9.2 percent (1.1)
- Total operating profit MSEK 43.4, whereof adjusted operating profit MSEK 49.0 and result of metal positions MSEK -5.6 (relevant comparison is missing due to new structure)
- Net income MSEK 27.0 (17.1)
- Cash flow from operating activities MSEK 64.8 (10.5)
- Earnings per share SEK 3.38 (2.07)
- Mari Kadowaki took over as new CEO September 1

First nine months

- Turnover MSEK 1,890.7 (2,116.8), down 11 percent compared to previous year
- Operating profit MSEK 134.3 (158.4) and operating margin 7.1 percent (7.5)
- Adjusted operating profit MSEK 167.5 (110.5), corresponding to an adjusted operating margin of 8.9 percent (5.2)
- Net income MSEK 85.6 (109.6)
- Cash flow from operating activities MSEK 317.1 (-26.1), including repayment and suspension of collection in pandemic-related support of MSEK 144.
- Earnings per share SEK 10.58 kr (14.11)



Turnover and result in the third quarter

The turnover for the Group in the third quarter of 2023 amounted to MSEK 534.4 (612.3), a decrease of about 13 percent compared to the same period previous year.

The delivery volumes have increased by approximately 2 percent to 7,850 tonnes (7,675) of aluminum profiles. The difference between decrease in turnover and increase in volume is mainly explained by continued fall in metal prices. The weaker Swedish krona against primarily euro has a positive effect on turnover of MSEK 8.

During the third quarter the Group manufactured 7,600 tonnes (6,925) of aluminium extrusions.

The operating profit for the third quarter of the year amounted to MSEK 39.2 (28.0). This is equivalent to an operating margin of 7.3 percent (4.6).

The adjusted operating profit amounts to MSEK 49.0 (6.5), corresponding to an adjusted operating margin of 9.2 percent (1.1).

The total operating profit of MSEK 43.4 includes the adjusted operating profit MSEK 49.0 deducted with loss in metal positions of MSEK 5.6. The difference to the operating profit is an accrual effect of MSEK 4.2.

The raw material price has decreased during the third quarter. Some slowdowns in the price development of other production-related costs have been noticed.

The profit before tax amounted to MSEK 34.0 (21.4).

Earnings per share totalled SEK 3.38 (2.07) (no dilution).

Turnover and result during the first nine months of the year

The turnover of the Group for the first nine months of the year amounted to MSEK 1,890.7 (2,116.8), a decrease of about 11 percent compared to the same period previous year.

The delivery volumes have decreased by approximately 4 percent to 27,250 tonnes (28,250) of aluminum profiles. The difference between decrease in turnover and volume is explained by continued falling metal prices.

During the first nine months the Group manufactured 18,750 tonnes (20,775) of aluminium extrusions.

The operating profit for the first nine months of the year amounted to MSEK 134.3 (158.4). This is equivalent to an operating margin of 7.1 percent (7.5).

The adjusted operating profit amounted to MSEK 159.1, (110.5), corresponding to an adjusted operating margin of 8.4 percent (5.2).

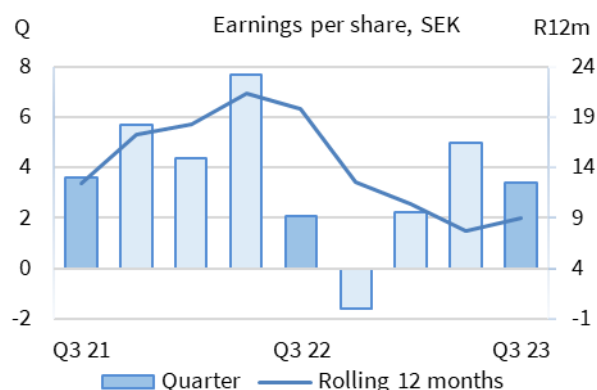
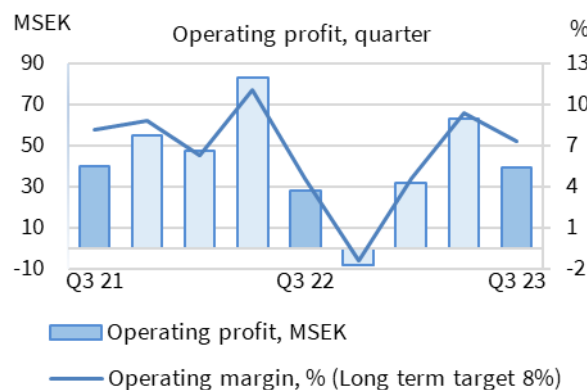
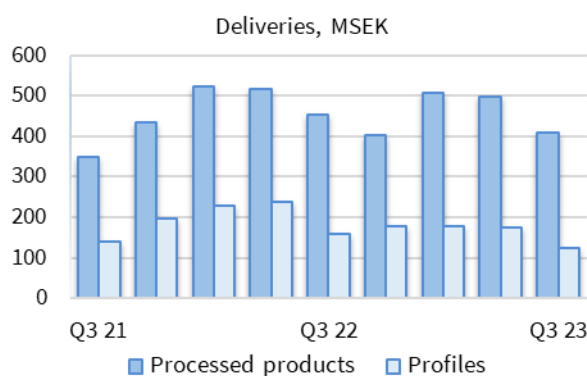
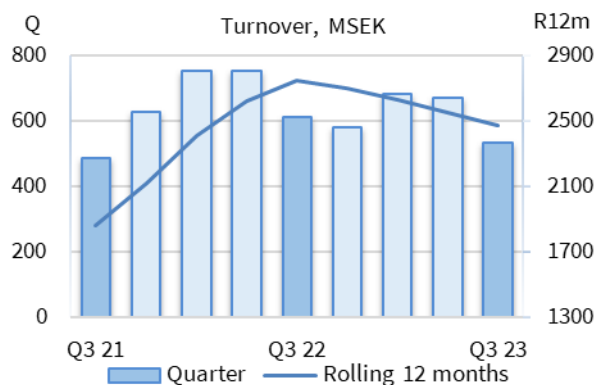
The profit before tax amounted to MSEK 107.8 (138.0).

Earnings per share totalled SEK 10.58 (14.11) (no dilution).

Investments during the first nine months of the year

Investments during the first nine months of 2023 amounted to MSEK 58.1 (76.4), excluding changes in right of use assets.

The investments mainly consist of machinery and equipment of MSEK 34.2, and extrusion dies.



Financing and liquidity

Cash flow from current operations amounted to MSEK 317.1 (-26.1) and after investments to MSEK 259.5 (-103.1).

During the period the group received pandemic-related suspension of collection to the amount of MSEK 162.8, repayments of MSEK 18.8 have also been made on previously granted deferrals.

The liquidity reserve as of September 30, 2023, amounted to MSEK 232.6 (91.6).

The balance sheet total as of the end of the period was MSEK 1,461.8 (1,602.2).

Net debt as of 30 September 2023 amounted to MSEK 118.5 (423.9) and net debt/EBITDA to 0.5 (1.4). ProfilGruppen's target for net debt/EBITDA is < 2.0.

The calculation of the net debt does not include pandemic-related suspension of MSEK 257, of which 163 are due for payment in September 2024, according to current regulations. The remaining MSEK 94 will be amortized successively until 2026.

Currency

Valuation of trade receivables in euros is counteracted by revaluation of remaining loan in euro. The loan amounted to MEUR 9.0 on the balance sheet date.

Personnel

The average number of employees in the Group during the period was 509 (569). The number of employees as of 30 September 2023 totalled 525 (539), which includes approximately 50 fixed-term employees.

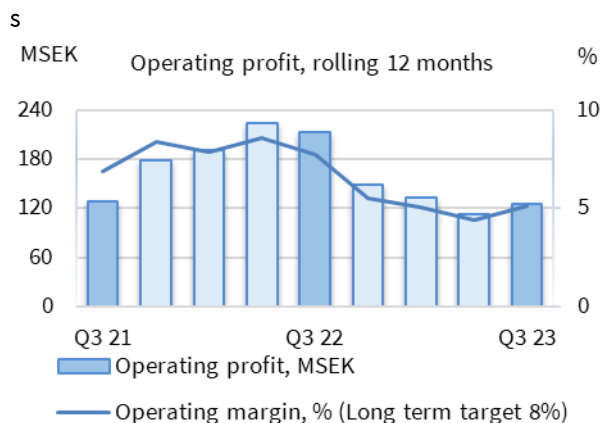
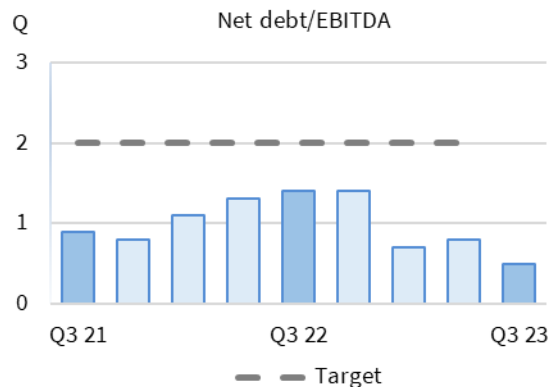
Significant risks and uncertain factors

The company's risks and risk management are described in the 2022 Annual Report.

At the end of September, the risk-exposed (long) position was 3,022 tonnes of aluminium which corresponds to a market value of approximately MSEK 86.

Outlook for 2023

ProfilGruppen does not provide a forecast.



Year-end report and Annual General Meeting

The Year-end report of 2023 will be published February 13, 2024 at 14:00 CET.

The AGM 2024 will take place April 23, 2024 at 16:00 CET. All shareholders are then welcome to Folkets Hus in Åseda. The Annual Report will be available three weeks before the AGM, at the latest.

The Nomination Committee for the AGM 2024 consists of Bengt Stillström (shareholder) as Chairman of the Committee and the members Lars Johansson (shareholder), Mats Egeholm (shareholder) and Petter Stillström (for Hanna Kusterer).

Shareholders who wish to submit proposals to the Nomination Committee shall present their proposal as soon as possible. Proposals to the Nomination Committee can be sent by e-mail to valberedningen@profilgruppen.se, or by mail: 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 by e-mail to: styrelsen@profilgruppen.se, or by mail to: ProfilGruppen AB, att: Årsstämмоärenden, Box 36, SE-364 21 Åseda, Sweden. The proposals must be received by the company by January 12, 2024 at the latest in order to ensure inclusion in the notice and the AGM agenda.

Statement of comprehensive income in short

MSEK	Note	Q 3 2023	Q 3 2022	Q 1-3 2023	Q 1-3 2022	R 12	2022
Net turnover		534.4	612.3	1 890.7	2 116.8	2 470.5	2 696.6
Cost of goods solds	2	-469.7	-555.0	-1 679.7	-1 863.2	-2 228.9	-2 412.4
Gross Margin		64.7	57.3	211.0	253.6	241.6	284.2
Other operating revenues		0.9	0.9	20.9	1.2	20.9	1.2
Selling expenses		-14.7	-15.8	-54.3	-53.6	-73.9	-73.2
Administrative expenses		-11.7	-14.4	-43.2	-42.8	-61.1	-60.7
Other operating expenses		0.0	0.0	-0.1	0.0	-1.3	-1.2
Operating profit/loss		39.2	28.0	134.3	158.4	126.2	150.3
Financial income		0.0	0.0	1.1	0.4	1.8	1.1
Financial expenses	3	-5.2	-6.6	-27.6	-20.8	-35.1	-28.3
Net financial income/expense		-5.2	-6.6	-26.5	-20.4	-33.3	-27.2
Income after financial items		34.0	21.4	107.8	138.0	92.9	123.1
Tax		-7.0	-4.3	-22.2	-28.4	-17.3	-23.5
Net income for the period		27.0	17.1	85.6	109.6	75.6	99.6
of which attributable to:							
Owners of the parent		25.0	15.3	78.2	104.3	66.9	93.0
Non-controlling interests		2.0	1.8	7.4	5.3	8.7	6.6
Earnings per share (before and after dilution), SEK		3.38	2.07	10.58	14.11	9.04	12.58
Other comprehensive income							
Net income for the period		27.0	17.1	85.6	109.6	75.6	99.6
Hedging reserve		4.8	1.4	1.7	-1.6	2.5	-0.8
Translation differences		-0.1	0.1	0.1	0.2	0.2	0.3
Deferred tax on the above items		-1.0	-0.2	-0.4	0.4	-0.7	0.1
Total items that will subsequently be reclassified to net income:		3.7	1.3	1.4	-1.0	2.0	-0.4
Revaluation of defined benefit pension obligation		-1.1	3.6	0.1	4.0	-0.2	3.7
Total items that will subsequently not be reclassified to net income:		-1.1	3.6	0.1	4.0	-0.2	3.7
Comprehensive income for the period		29.6	22.0	87.1	112.6	77.4	102.9
of which total comprehensive income for the period attributable to:							
Owners of the parent		27.6	20.2	79.7	107.3	68.7	96.3
Non-controlling interests		2.0	1.8	7.4	5.3	8.7	6.6

Statement of financial position in short

MSEK	Note	30 Sep 2023	30 Sep 2022	31 Dec 2022
Assets				
Intangible fixed assets		15.6	22.1	20.5
Tangible fixed assets		601.7	602.4	607.6
Right of use assets		19.2	14.1	15.3
Financial fixed assets		0.2	0.2	0.2
Deferred tax assets		0.3	0.2	0.2
Total fixed assets		637.0	639.0	643.8
Inventories		380.1	493.7	471.4
Current receivables	4	418.5	462.7	339.4
Liquid assets		26.2	6.8	20.0
Total current assets		824.8	963.2	830.8
Total assets		1 461.8	1 602.2	1 474.6
Shareholders' equity				
Total equity attributable to the parent Company's shareholders		585.5	546.3	535.3
Non-controlling interests		16.8	12.7	14.0
Total equity		602.3	559.0	549.3
Liabilities				
Interest-bearing liabilities		115.4	125.6	125.2
Interest-free liabilities		80.3	70.5	79.9
Total long-term liabilities		195.7	196.1	205.1
Interest-bearing liabilities and provisions		29.3	305.0	220.9
Interest-free liabilities	4	634.5	542.1	499.3
Total short-term liabilities		663.8	847.1	720.2
Total shareholders' equity and liabilities		1 461.8	1 602.2	1 474.6

Statement of changes in equity in short

MSEK	Q 3 2023	Q 3 2022	Q 1-3 2023	Q 1-3 2022	2022
Opening balance, total equity	577.2	543.3	549.3	552.6	552.6
Changes attributable to owners of the parent:					
Comprehensive income for the period	27.6	20.2	79.7	107.3	96.3
Changes attributable to non-controlling interests:					
Comprehensive income for the period	2.0	1.8	7.4	5.3	6.6
Transactions with shareholders					
Dividend	-4.5	-6.3	-34.1	-106.2	-106.2
Closing balance, total equity	602.3	559.0	602.3	559.0	549.3

Statement of cash flows in short

MSEK	Note	Q 3 2023	Q 3 2022	Q 1-3 2023	Q 1-3 2022	R 12	2022
Operating activities							
Income after financial items		34.0	21.4	107.8	138.0	92.9	123.1
Depreciation and write-down		25.1	21.1	70.3	63.0	91.4	84.1
Adjustment for other non-cash items		3.1	9.3	36.9	20.4	51.6	35.1
Interest received/paid		-5.4	-4.7	-15.7	-3.6	-21.4	-9.3
Paid income tax		-7.4	-2.4	-28.6	-3.9	-29.1	-4.4
Cash flow prior to change in working capital		49.4	44.7	170.7	213.9	185.4	228.6
Inventories		24.9	25.1	91.3	-78.6	113.7	-56.2
Operating receivables		38.8	64.6	-79.2	-88.6	44.1	34.7
Operating liabilities		-48.3	-123.9	134.3	-72.8	108.7	-98.4
Cash flow from operating activities		64.8	10.5	317.1	-26.1	451.9	108.7
Acquisition of property, plant and equipment		-17.8	-16.7	-57.6	-77.0	-84.8	-104.2
Sale of property, plant and equipment		0.0	-0.5	0.0	0.0	0.0	0.0
Cash flow from investing activities		-17.8	-17.2	-57.6	-77.0	-84.8	-104.2
Dividend		-4.5	-6.3	-34.1	-106.2	-34.1	-106.2
Loans raised		0.0	0.0	0.0	0.0	0.0	0.0
Change in bank overdraft facility utilized		-22.6	-8.8	-198.0	213.7	-280.1	131.6
Repayment of loans		-4.8	-5.5	-14.0	-25.2	-19.6	-30.8
Repayment of lease debts		-3.2	-2.1	-7.3	-5.8	-9.2	-7.7
Cash flow from financing activities		-35.1	-22.7	-253.4	76.5	-343.0	-13.1
Cash flow for the period		11.9	-29.4	6.1	-26.6	24.1	-8.6
Liquid assets, opening balance		14.5	33.2	20.0	28.4	6.8	28.4
Translation differences in liquid assets		-0.2	3.0	0.1	5.0	-4.7	0.2
Liquid assets, closing balance		26.2	6.8	26.2	6.8	26.2	20.0
Liquidity reserve				232.6	91.6		185.7

The parent company

The turnover of the parent company amounted to MSEK 29.9 (26.9) and comprises payments for rents from companies in the Group. Profit after financial items amounted to MSEK 102.0 (30.6).

Investments in the parent company during the first nine months 2023 amounted to MSEK 3.6 (8.6) and are related to investments in properties.

The parent company's interest-bearing liabilities amounted to MSEK 0.0 (50.5) as of 30 September 2023. Last year 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.

Income statement in short – the parent company

MSEK	Note	Q 3 2023	Q 3 2022	Q 1-3 2023	Q 1-3 2022	2022
Turnover		11.9	9.0	29.9	26.9	35.9
Cost of goods sold		-1.8	-3.1	-5.6	-6.7	-8.9
Gross Margin		10.1	5.9	24.3	20.2	27.0
Other operating revenues		0.0	0.0	0.0	0.0	0.0
Administrative expenses		-0.8	-1.0	-3.2	-3.6	-5.0
Operating income		9.3	4.9	21.1	16.6	22.0
Result from shares in group companies		10.5	14.7	82.5	14.7	14.7
Interest income and similar income and expense items		0.0	0.0	0.0	0.0	0.0
Interest expenses and similar income and expense items		0.0	-0.4	-1.6	-0.7	-1.3
Income after financial items		19.8	19.2	102.0	30.6	35.4
Appropriations		0.0	0.0	0.0	0.0	-0.5
Income before tax		19.8	19.2	102.0	30.6	34.9
Tax		-1.9	-1.0	-4.0	-3.3	-4.4
Net income for the period		17.9	18.2	98.0	27.3	30.5
Parent company statement of comprehensive income						
Net income for the period		17.9	18.2	98.0	27.3	30.5
Items that will subsequently be reclassified to net income:		0.0	0.0	0.0	0.0	0.0
Items that will subsequently not be reclassified to net income		0.0	0.0	0.0	0.0	0.0
Comprehensive income for the period		17.9	18.2	98.0	27.3	30.5

Balance sheet in short – the parent company

MSEK	Note	30 Sep 2023	30 Sep 2022	31 Dec 2022
Assets				
Tangible assets				
Tangible fixed assets		187.2	189.2	188.9
Financial assets (shares in subsidiaries)		87.9	87.9	87.9
Total fixed assets		275.1	277.1	276.8
Current assets				
Current receivables		32.1	0.5	0.5
Cash and bank balances		0.0	0.0	0.0
Total current assets		32.1	0.5	0.5
Total assets		307.2	277.6	277.3
Equity				
Equity		220.2	148.5	151.8
Untaxed reserves		67.5	67.0	67.5
Provisions for taxes		3.6	3.5	3.6
Long-term liabilities		0.0	0.0	0.0
Current liabilities		15.9	58.6	54.4
Total equity and liabilities		307.2	277.6	277.3

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 3 2023	Q 3 2022	Q 1-3 2023	Q 1-3 2022	R 12	2022
Intangible fixed assets	1.6	1.6	4.9	4.9	6.5	6.5
Land and buildings	1.6	1.6	4.8	4.6	6.3	6.1
Machinery and equipment	18.5	16.1	53.2	48.0	69.3	64.1
Right of use assets	3.4	1.8	7.4	5.5	9.3	7.4
Total	25.1	21.1	70.3	63.0	91.4	84.1
of which write-down	0.0	0.0	0.0	0.0	0.0	0.0

Note 3 – Financial expenses

MSEK	Q 3 2023	Q 3 2022	Q 1-3 2023	Q 1-3 2022	R 12	2022
Interest expenses to financial institutions	3.8	2.7	12.1	5.9	15.7	9.5
Unrealized exchange rate revaluation of financial items (gain neg, loss pos)	-2.7	2.4	3.6	7.4	5.7	9.5
Other financial expenses	4.1	1.5	11.9	7.5	13.7	9.3
Total	5.2	6.6	27.6	20.8	35.1	28.3

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

MSEK	30 Sep 2023	30 Sep 2022	31 Dec 2022
Short-term receivables:			
Currency derivatives	0.0	0.0	0.0
Short-term non interest-bearing liabilities;			
Currency derivatives	5.8	8.1	7.4
Currency derivatives are used for hedge and are valued on level 2 according to IFRS 13.			
Forward contracts foreign exchange			
Hedged future cash flows, MEUR	7.5	15.1	9.8
Notional amount	78.8	155.3	101.9
Last maturity date of concluded forward contracts	2024-11-29	2024-11-29	2024-11-29

Note 5 – Pledged assets and contingent liabilities

MSEK	30 Sep 2023	30 Sep 2022	31 Dec 2022
Property mortgages	82.9	82.9	82.9
Floating charges	440.0	440.0	440.0
Shares in subsidiaries	374.3	426.1	383.6
Assets with retention of title	0.0	4.9	0.0
Guarantee commitments pensions	1.6	0.2	0.2

Note 6 – Related transactions

During the period no related transactions that significantly affect the Groups result or financial statement have been made, apart from customary payments of directors' fees, remuneration of senior executives, dividend and the rents from companies in the Group to the parent company.

Key ratios

The Group	Q 3 2023	Q 3 2022	Q 1-3 2023	Q 1-3 2022	R 12	2022
Net turnover, MSEK	534.4	612.3	1 890.7	2 116.8	2 470.5	2 696.6
Income before depreciation, MSEK	64.3	49.1	204.6	221.4	217.6	234.4
Operating income/loss, MSEK	39.2	28.0	134.3	158.4	126.2	150.3
Operating margin, %	7.3	4.6	7.1	7.5	5.1	5.6
Income after financial items, MSEK	34.0	21.4	107.8	138.0	92.9	123.1
Profit margin, %	6.4	3.5	5.7	6.5	3.8	4.6
Return on equity, %	18.3	12.4	19.8	26.3	13.0	18.1
Return on capital employed, %	20.1	9.8	19.5	21.6	12.5	15.7
Cash flow from operating activities, MSEK	64.8	10.5	317.1	-26.1	451.9	108.7
Investments, MSEK	18.6	13.0	58.1	76.4	83.5	101.8
Liquidity reserve, MSEK	-	-	232.6	91.6	-	185.7
Net debt, MSEK	-	-	118.5	423.9	-	326.1
Net debt/EBITDA	-	-	0.5	1.4	-	1.4
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	144.7	430.7	-	346.1
Net debt/equity ratio	-	-	0.2	0.8	-	0.6
Total assets, MSEK	-	-	1 461.8	1 602.2	-	1 474.6
Equity ratio, %	-	-	41.2	34.9	-	37.2
Capital turnover	-	-	3.1	3.2	2.8	3.2
Proportion of risk-bearing capital, %	-	-	46.7	39.3	-	42.7
Interest coverage ratio	10.0	9.2	9.9	24.7	6.9	14.0
Average number of employees	524	557	509	569	510	555
Net turnover per employee (average), TSEK	1 020	1 099	3 715	3 720	4 844	4 859
Income after fin, per employee (average), TSEK	65	39	212	243	182	222
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	3.38	2.07	10.58	14.11	9.04	12.58
Equity per share, SEK	-	-	79.13	73.84	-	72.35

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

Net debt does not include pandemic-related suspension to the amount of MSEK 256. In calculation of interest coverage ratio is only interest expenses to financial institutions used.

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 upward to 12 months. 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.

Åseda, October 17, 2023

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

Auditor's 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, 2023 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, we do not express 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.

Växjö, October 17, 2023
Ernst & Young AB

Marika Sengoltz
Authorized Public Accountant

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 favorable 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, ISO 14001 and ISO 45001 and the industry's own sustainability standard Aluminium Stewardship Initiative Performance Standard
- Started in 1981 in Åseda, Sweden
- Listed on the Stockholm Stock Exchange in 1997 and is included in the Small Cap list

For more information, please contact

Mari Kadowaki, President and CEO
Mobile: +46 (0)70-956 80 01
mari.kadowaki@profilgruppen.se

Jonny Sandstedt, CFO
Mobile: +46 (0)73-415 44 25
jonny.sandstedt@profilgruppen.se

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