

Interim report January 1 – March 31, 2022

Strong operating result in the first quarter

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

First quarter

- Turnover MSEK 683.8 (751.9), down 9 percent compared to previous year
- Adjusted operating profit MSEK 58.0 (52.3), corresponding to an adjusted operating margin of 8.5 percent (6.9)
- Operating profit MSEK 31.8 (47.7)
- Operating margin 4,7 percent (6.3)
- Net income MSEK 19.0 (33.7)
- Cash flow from operating activities MSEK 196.7 (-62.9), including repayment and suspension of collection in COVID-related support of MSEK 162.
- Earnings per share SEK 2.21 (4.36)
- CFO Jonny Sandstedt appointed to acting CEO on 31 March



Turnover and result in the first quarter

The turnover for the Group in the first quarter of 2023 amounted to MSEK 683.8 (751.9), a decrease of about 9 percent compared to the same period previous year.

The delivery volumes have also decreased by approximately 9 percent to 9,750 tonnes (10,725) of aluminum profiles.

During the first quarter the Group manufactured 9,300 tonnes (10,450) of aluminium extrusions.

The operating profit for the first quarter of the year amounted to MSEK 31.8 (47.4). This is equivalent to an operating margin of 4.7 percent (6.3).

Adjusted for the impact of metal positions and accrual effects the operating profit amounted to MSEK 58.0 (52.3), corresponding to an adjusted operating margin of 8.5 percent (6.9). Whereof metal risk positions amounted to MSEK -5.0.

The raw material price has decreased during the first quarter. Some slowdown in the price development of other production-related costs has been noticed during the month of March.

The profit before tax amounted to MSEK 23.9 (42.5).

Earnings per share totalled SEK 2.21 (4.36) (no dilution).

Investments

Investments during the first quarter amounted to MSEK 24.7 (28.0), excluding changes in right of use assets.

The investments mainly consist of machinery and equipment MSEK 13.3 and extrusion dies.

Financing and liquidity

Cash flow from current operations amounted to MSEK 196.7 (-62.9) and after investments to MSEK 171.8 (-91.5).

During the period the group received Covid-related suspension of collection to the amount of MSEK 162.

The liquidity reserve as of 31 March 2023 amounted to MSEK 349.0 (126.2).

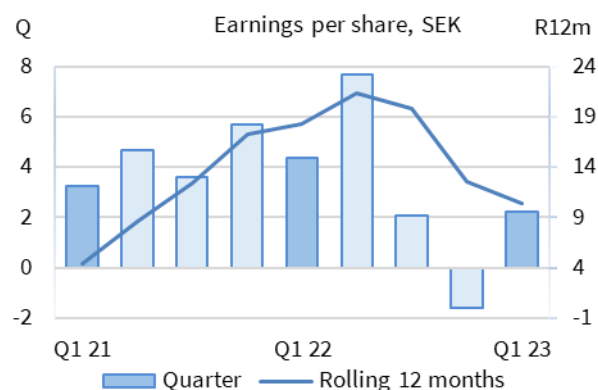
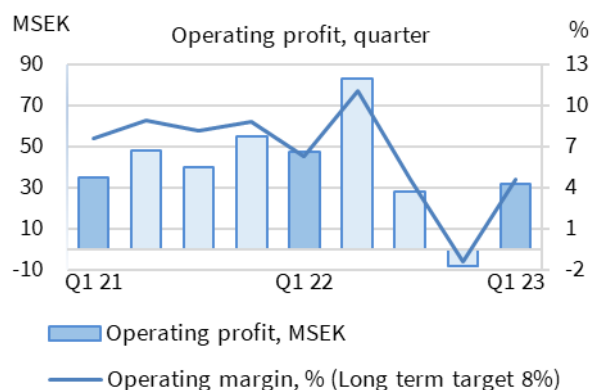
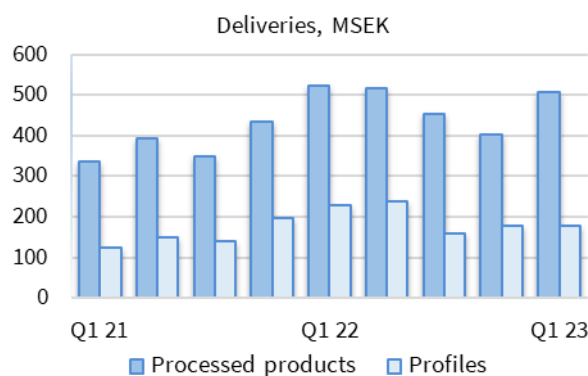
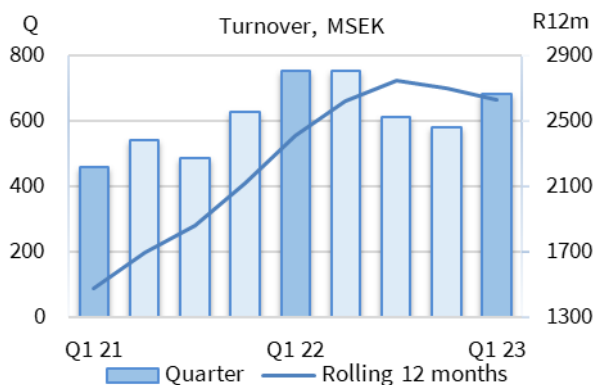
The balance sheet total as of the end of the period was MSEK 1,530.4 (1,652.8).

Net debt as of 31 March 2023 amounted to MSEK 156.6 (302.3) and net debt/EBITDA to 0.7 (1.1). ProfilGruppen's target for net debt/EBITDA is < 2.0.

Personnel

The average number of employees in the Group during the period was 535 (578). The number of employees as of 31 March 2023 totalled 506 (577). During the first quarter, 30 people have been employed on a fixed-term basis for production.

During the period, notice was given to 25 employees, mainly white-collar workers. The effects of this activity will fall out in the coming quarters



Significant risks and uncertain factors

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

In a market with falling raw material prices the customers have placed orders late. To meet this situation and to cover supply we have to take long positions in our underlying buying pattern.

We can actively choose to remain long, go short or eliminate risk depending on the assessment of the continued price development.

Given the shutdown of melting capacity, sanctions against Russian aluminium etc has the company held long positions during the quarter.

During the period, this has entailed costs of MSEK 5. At the end of March, the risk-exposed (long) position was 2,800 tonnes.

Outlook for 2023

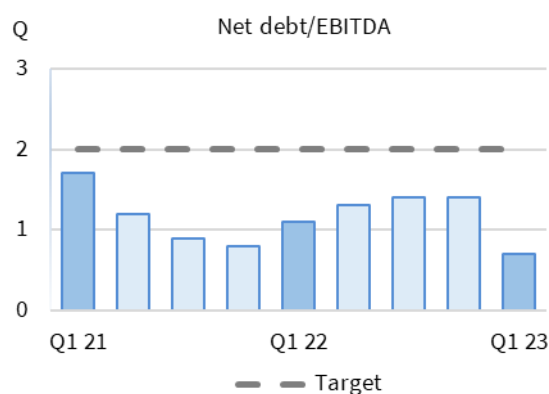
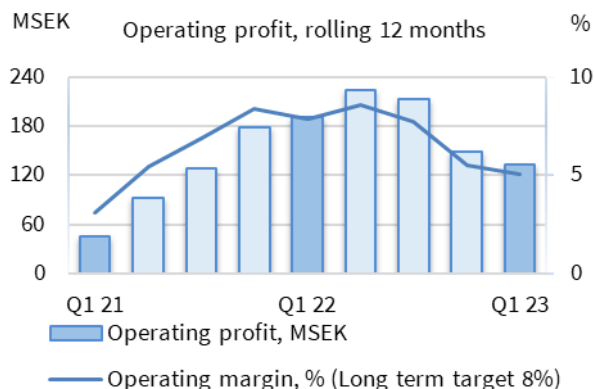
ProfilGruppen does not provide a forecast.

Financial reporting 2023

Interim reports for 2023 will be provided as follows:

Interim report second quarter, July 13, 14:00

Interim report third quarter, October 17, 14:00



Statement of comprehensive income in short

MSEK	Note	Q 1 2023	Q 1 2022	R 12 2023	2022
Net turnover		683.8	751.9	2 628.5	2 696.6
Cost of goods solds	2	-614.8	-673.6	-2 353.6	-2 412.4
Gross Margin		69.0	78.3	274.9	284.2
Other operating revenues		0.0	0.0	1.2	1.2
Selling expenses		-20.6	-17.7	-76.1	-73.2
Administrative expenses		-16.5	-13.2	-64.0	-60.7
Other operating expenses		-0.1	0.0	-1.3	-1.2
Operating profit/loss		31.8	47.4	134.7	150.3
Financial income		0.8	0.1	1.8	1.1
Financial expenses	3	-8.7	-5.0	-32.0	-28.3
Net financial income/expense		-7.9	-4.9	-30.2	-27.2
Income after financial items		23.9	42.5	104.5	123.1
Tax		-4.9	-8.8	-19.6	-23.5
Net income for the period		19.0	33.7	84.9	99.6
of which attributable to:					
Owners of the parent		16.5	32.2	77.3	93.0
Non-controlling interests		2.5	1.5	7.6	6.6
Earnings per share (before and after dilution), SEK		2.21	4.36	10.42	12.58
Other comprehensive income					
Net income for the period		19.0	33.7	84.9	99.6
Hedging reserve		-0.6	0.2	-1.6	-0.8
Translation differences		0.0	0.1	0.2	0.3
Deferred tax on the above items		0.1	-0.1	0.3	0.1
Total items that will subsequently be reclassified to net income:		-0.5	0.2	-1.1	-0.4
Revaluation of defined benefit pension obligation		1.2	0.4	4.5	3.7
Total items that will subsequently not be reclassified to net income:		1.2	0.4	4.5	3.7
Comprehensive income for the period		19.7	34.3	88.3	102.9
of which total comprehensive income for the period attributable to:					
Owners of the parent		17.2	32.8	80.7	96.3
Non-controlling interests		2.5	1.5	7.6	6.6

Statement of financial position in short

MSEK	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
Assets				
Intangible fixed assets		18.8	25.4	20.5
Tangible fixed assets		611.7	595.8	607.6
Right of use assets		15.8	13.5	15.3
Financial fixed assets		0.2	0.2	0.2
Deferred tax assets		0.3	0.1	0.2
Total fixed assets		646.8	635.0	643.8
Inventories		422.0	462.9	471.4
Current receivables	4	451.3	493.2	339.4
Liquid assets		10.3	61.7	20.0
Total current assets		883.6	1 017.8	830.8
Total assets		1 530.4	1 652.8	1 474.6
Shareholders' equity				
Total equity attributable to the parent Company's shareholders		552.5	571.7	535.3
Non-controlling interests		16.5	15.2	14.0
Total equity		569.0	586.9	549.3
Liabilities				
Interest-bearing liabilities		118.9	133.9	125.2
Interest-free liabilities		80.2	70.0	79.9
Total long-term liabilities		199.1	203.9	205.1
Interest-bearing liabilities and provisions		48.0	230.0	220.9
Interest-free liabilities	4	714.3	632.0	499.3
Total short-term liabilities		762.3	862.0	720.2
Total shareholders' equity and liabilities		1 530.4	1 652.8	1 474.6

Statement of changes in equity in short

MSEK	Q 1 2023	Q 1 2022	2022
Opening balance, total equity	549.3	552.6	552.6
Changes attributable to owners of the parent: Comprehensive income for the period	17.2	32.8	96.3
Changes attributable to non-controlling interests: Comprehensive income for the period	2.5	1.5	6.6
Transactions with shareholders Dividend	0.0	0.0	-106.2

Statement of cash flows in short

MSEK	Note	Q 1 2023	Q 1 2022	R 12 2023	2022
Operating activities					
Income after financial items		23.9	42.5	104.5	123.1
Depreciation and write-down		21.9	20.4	85.6	84.1
Adjustment for other non-cash items		8.8	3.8	40.1	35.1
Interest received/paid		3.3	0.7	-6.7	-9.3
Paid income tax		-14.0	1.7	-20.1	-4.4
Cash flow prior to change in working capital		43.9	69.1	203.4	228.6
Inventories		49.4	-43.3	36.5	-56.2
Operating receivables		-111.9	-117.6	40.4	34.7
Operating liabilities		215.3	28.9	88.0	-98.4
Cash flow from operating activities		196.7	-62.9	368.3	108.7
Acquisition of property, plant and equipment		-24.9	-28.6	-100.5	-104.2
Sale of property, plant and equipment		0.0	0.0	0.0	0.0
Cash flow from investing activities		-24.9	-28.6	-100.5	-104.2
Dividend		0.0	0.0	-106.2	-106.2
Loans raised		0.0	0.0	0.0	0.0
Change in bank overdraft facility utilized		-173.5	134.2	-176.1	131.6
Repayment of loans		-6.1	-8.0	-28.9	-30.8
Repayment of lease debts		-1.9	-1.8	-7.8	-7.7
Cash flow from financing activities		-181.5	124.4	-319.0	-13.1
Cash flow for the period		-9.7	32.9	-51.2	-8.6
Liquid assets, opening balance		20.0	28.4	61.7	28.4
Translation differences in liquid assets		0.0	0.4	-0.2	0.2
Liquid assets, closing balance		10.3	61.7	10.3	20.0
Liquidity reserve		349.0	126.2		185.7

The parent company

The turnover of the parent company amounted to MSEK 9.0 (9.0) and comprises payments for rents from companies in the Group. Profit after financial items amounted to MSEK 5.0 (5.8).

Investments in the parent company during first quarter 2023 amounted to MSEK 1.8 (0.9) and are connected to investments in properties.

The parent company's interest-bearing liabilities amounted to MSEK 44.4 (0) as of 31 March 2023, and refer 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 1 2023	Q 1 2022	2022
Turnover		9.0	9.0	35.9
Cost of goods sold		-2.0	-1.9	-8.9
Gross Margin		7.0	7.1	27.0
Other operating revenues		0.0	0.0	0.0
Administrative expenses		-1.4	-1.3	-5.0
Operating income		5.6	5.8	22.0
Result from shares in group companies		0.0	0.0	14.7
Interest income and similar income and expense items		0.0	0.0	0.0
Interest expenses and similar income and expense items		-0.6	0.0	-1.3
Income after financial items		5.0	5.8	35.4
Appropriations		0.0	0.0	-0.5
Income before tax		5.0	5.8	34.9
Tax		-1.0	-1.2	-4.4
Net income for the period		4.0	4.6	30.5
Parent company statement of comprehensive income				
Net income for the period		4.0	4.6	30.5
Items that will subsequently be reclassified to net income:		0.0	0.0	0.0
Items that will subsequently not be reclassified to net income		0.0	0.0	0.0
Comprehensive income for the period		4.0	4.6	30.5

Balance sheet in short – the parent company

MSEK	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
Assets				
Tangible assets				
Tangible fixed assets		188.9	184.8	188.9
Financial assets (shares in subsidiaries)		87.9	87.9	87.9
Total fixed assets		276.8	272.7	276.8
Current receivables				
Cash and bank balances		0.7	0.5	0.5
Total current assets		0.7	29.6	0.5
Total assets		277.5	302.3	277.3
Equity				
Untaxed reserves		155.8	225.7	151.8
Provisions for taxes		67.5	67.0	67.5
Long-term liabilities		3.6	3.5	3.6
Current liabilities		0.0	0.0	0.0
Total equity and liabilities		277.5	302.3	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 1 2023	Q 1 2022	R 12 rullande	2022
Intangible fixed assets	1.6	1.6	6.5	6.5
Land and buildings	1.6	1.4	6.3	6.1
Machinery and equipment	16.8	15.5	65.4	64.1
Right of use assets	1.9	1.9	7.4	7.4
Total	21.9	20.4	85.6	84.1
of which write-down	0.0	0.0	0.0	0.0

Note 3 – Financial expenses

MSEK	Q 1 2023	Q 1 2022	R 12 rullande	2022
Interest expenses	4.0	1.3	12.2	9.5
Unrealized exchange rate revaluation of financial items (gain neg, loss pos)	1.4	1.2	9.7	9.5
Other financial expenses	3.3	2.5	10.1	9.3
Total	8.7	5.0	32.0	28.3

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

MSEK	31 Mar 2023	31 Mar 2022	31 Dec 2022
Short-term receivables:			
Commodity derivatives	0.0	1.3	0.0
Currency derivatives	0.0	0.1	0.0
Short-term non interest-bearing liabilities:			
Commodity derivatives	0.0	8.9	0.0
Currency derivatives	8.1	3.2	7.4
Both commodity and currency derivatives are primarily used for hedge and are valued on level 2 according to IFRS 13.			
Forward contracts commodities (LME for aluminium)			
Hedged volume, tonnes	-	7 800.0	-
Notional amount, MUS\$	-	26.4	-
Last maturity date of concluded forward contracts	-	2022-07-18	-
Forward contracts foreign exchange			
Hedged future cash flows, MEUR	12.9	24.5	9.8
Notional amount	136.4	252.3	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	31 Mar 2023	31 Mar 2022	31 Dec 2022
Property mortgages	82.9	82.9	82.9
Floating charges	440.0	290.0	440.0
Shares in subsidiaries	393.2	353.2	383.6
Assets with retention of title	0.0	9.2	0.0
Guarantee commitments pensions	0.2	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 and the rents from companies in the Group to the parent company.

Key ratios

The Group	Q 1 2023	Q 1 2022	R 12 rullande	2022
Net turnover, MSEK	683.8	751.9	2 628.5	2 696.6
Income before depreciation, MSEK	53.7	67.8	220.3	234.4
Operating income/loss, MSEK	31.8	47.4	134.7	150.3
Operating margin, %	4.7	6.3	5.1	5.6
Income after financial items, MSEK	23.9	42.5	104.5	123.1
Profit margin, %	3.5	5.7	4.0	4.6
Return on equity, %	13.5	23.7	14.7	18.1
Return on capital employed, %	13.6	20.1	13.8	15.7
Cash flow from operating activities, MSEK	196.7	-62.9	368.3	108.7
Investments, MSEK	24.7	28.0	98.5	101.8
Liquidity reserve, MSEK	349.0	126.2	-	185.7
Net debt, MSEK	156.6	302.3	-	326.1
Net debt/EBITDA	0.7	1.1	-	1.4
Interest-bearing liabilities and interest-bearing provisions, MSEK	166.9	364.0	-	346.1
Net debt/equity ratio	0.3	0.5	-	0.6
Total assets, MSEK	1 530.4	1 652.8	-	1 474.6
Equity ratio, %	37.2	35.5	-	37.2
Capital turnover	3.4	3.5	3.1	3.2
Proportion of risk-bearing capital, %	42.4	39.7	-	42.7
Interest coverage ratio	6.9	34.4	9.5	14.0
Average number of employees	535	578	553	555
Net turnover per employee (average), TSEK	1 278	1 301	4 753	4 859
Income after fin, per employee (average), TSEK	44	74	189	222
Average number of shares, thousands (no dilution)	7 399	7 399	7 399	7 399
Number of shares, end of period, thousands	7 399	7 399	7 399	7 399
Earnings per share, SEK	2.21	4.36	10.42	12.58
Equity per share, SEK	74.66	77.27	-	72.35

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 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.

The undersigned affirm that interim report have been prepared in accordance with IAS 34 Interim Financial Reporting and with generally accepted accounting principles and provide 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 that form part of the Group face.

Åseda, April 18, 2023

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

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, ISO 14001 and ISO 45001
- 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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Current information and photographs for free publication are available at www.profilgruppen.se