

Interim Report January 1 – March 31, 2021

Good profit after positive one-off effect

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 460.1 (401.1), up 15 percent compared to previous year
- Operating profit MSEK 35.1 (26.0), after positive one-off effects of MSEK 18.0 (0.0)
- Operating margin 7.6 percent (6.5)
- Net income MSEK 24.3 (11.4)
- Cash flow from operating activities MSEK 63.4 (-7.2), of which MSEK 51.9 (0.0) from liquidity support
- Earnings per share SEK 3.26 kr (1.26)

Fredrik Zöögling, CEO and President of ProfilGruppen, comments:

"Our production facilities have been under high pressure throughout the quarter. Deliveries from the new extrusion facility are gradually increasing and it has been producing in three shifts since the end of last year. The next step will be taken in the second quarter. The operating result, adjusted for non-recurring effects, is slightly lower than in the same period last year, which is according to expectations."



Turnover and result in the first quarter

The turnover for the Group in the first quarter of 2021 amounted to MSEK 460.1 (401.1), an increase of about 15 percent compared to the same period previous year. The main cause of the increase in turnover is that delivery volumes have increased about 28 percent to 10,150 tonnes (7,900) of aluminium extrusions. The volume increase is according to plan and the new production facility has produced in three shifts during the quarter.

The share of exports amounted to 49 percent (45) of delivered volume, and 48 percent (51) of the turnover.

During the first quarter the Group manufactured 9,875 tonnes (8,225) of aluminium extrusions.

The operating profit for the first quarter of the year amounted to MSEK 35.1 (26.0). This is equivalent to an operating margin of 7.6 percent (6.5).

Operating profit for the first quarter of the year amounted to SEK 35.1 M (26.0). This corresponds to an operating margin of 7.6 percent (6.5).

A rising price on raw material has meant a positive inventory effect of about 13,0 Mkr (0,0), and combined with other one-off effects the result was positively affected by MSEK 18.0 (0,0). The margin in the present product mix has affected the result negatively.

The profit before tax amounted to MSEK 30.6 (14.5).

Earnings per share totalled SEK 3.26 (1.26) (no dilution).

Investments

Investments in the first quarter of 2021 amounted to MSEK 22.6 (26.9), 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 63.4 (-7.2). The cash flow after investments amounted to MSEK 34.5 (-33.0). The Group has received government liquidity support of MSEK 51.9 (0.0) in the quarter, which affected cash flow positively. Inventories increased during the quarter, which is an adjustment to the higher production volume.

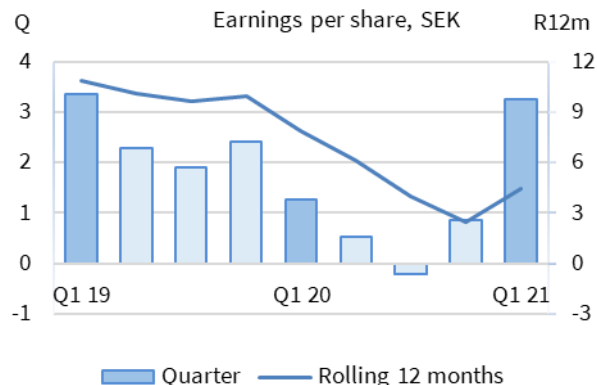
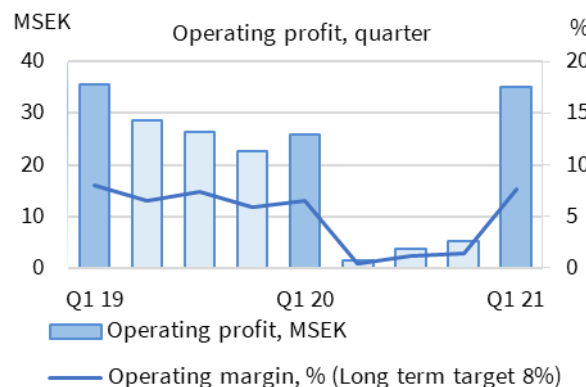
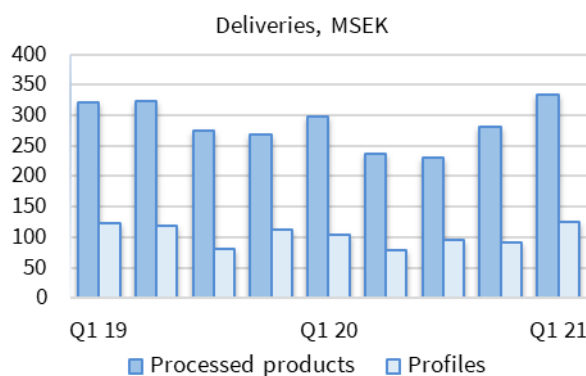
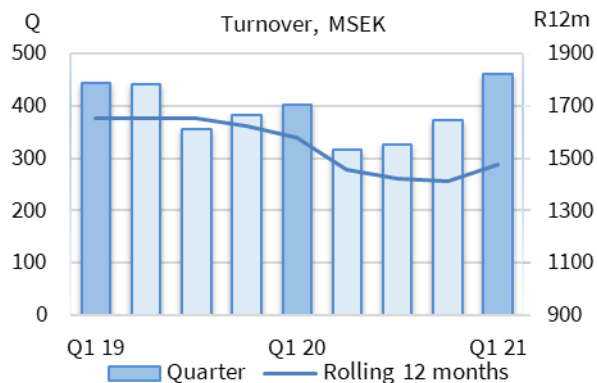
The liquidity reserve as of 31 March 2021 amounted to MSEK 219.6 (152.6).

The balance sheet total as of the end of the year was MSEK 1,247.2 (1,154.9).

Net debt as of 31 March 2021 amounted to MSEK 189.0 (341.4) and net debt/EBITDA to 1,7 (2.1). ProfilGruppen's target for net debt/EBITDA is < 2,0.

Personnel

The average number of employees in the Group during the period was 504 (461). The number of employees as of 31 March 2021 totalled 519 (461).



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 pandemic still affects the Group through uncertainty about the development of our customers and changes in demand. 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

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

Outlooks for 2021 published on February 9, 2021:

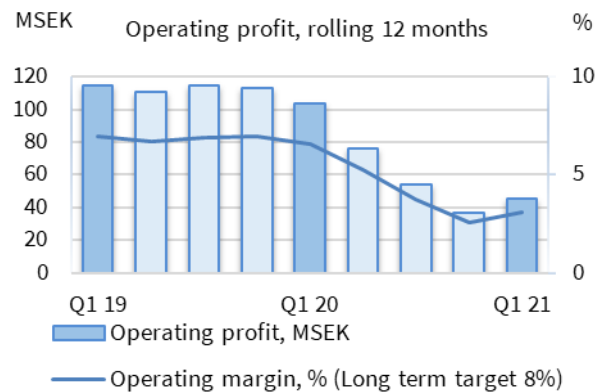
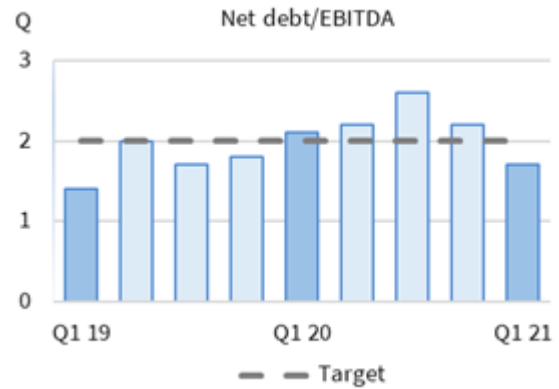
We expect heavily increased delivery volumes during the first half year of 2021 compared to 2020. The volumes are intended to give a volume contribution to our new production facility. The additional contracts have been taken in fierce competition in a tough market. Together with an unfavourable mix in other business we can see decreasing margins.

Calendar

Interim reports for 2021 will be provided as follows:

Interim report second quarter, July 15, 14:00

Interim report third quarter, October 19, 14:00



Statement of comprehensive income in short

MSEK	Note	Q 1 2021	Q 1 2020	R 12 2021	2020
Net turnover		460.1	401.1	1 473.4	1 414.4
Cost of goods solds	2	-397.2	-348.2	-1 332.7	-1 283.7
Gross Margin		62.9	52.9	140.7	130.7
Other operating revenues 1)		0.0	0.0	15.8	15.8
Selling expenses		-14.5	-14.3	-56.1	-55.9
Administrative expenses		-13.3	-12.6	-54.9	-54.2
Other operating expenses		0.0	0.0	0.0	0.0
Operating profit/loss		35.1	26.0	45.5	36.4
Financial income		0.1	0.0	0.5	0.4
Financial expenses	3	-4.6	-11.5	1.4	-5.5
Net financial income/expense		-4.5	-11.5	1.9	-5.1
Income after financial items		30.6	14.5	47.4	31.3
Tax		-6.3	-3.1	-10.6	-7.4
Net income for the period		24.3	11.4	36.8	23.9
of which attributable to:					
Owners of the parent		24.2	9.3	33.0	18.1
Non-controlling interests		0.1	2.1	3.8	5.8
Earnings per share (before and after dilution), SEK		3.26	1.26	4.45	2.45
Other comprehensive income (net after tax)					
Net income for the period		24.3	11.4	36.8	23.9
Changes in hedging reserve		-4.0	-4.1	5.6	5.5
Translation differences		0.1	0.1	-0.4	-0.4
Total items that will subsequently be reclassified to net income:		-3.9	-4.0	5.2	5.1
Revaluation of defined benefit obligation		0.0	0.0	-0.3	-0.3
Total items that will subsequently not be reclassified to net income:		0.0	0.0	-0.3	-0.3
Comprehensive income for the period		20.4	7.4	41.7	28.7
of which total comprehensive income for the period attributable to:					
Owners of the parent		20.3	5.3	37.9	22.9
Non-controlling interests		0.1	2.1	3.8	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	31 Mar 2021	31 Mar 2020	31 Dec 2020
Assets				
Intangible fixed assets		31.9	38.2	33.6
Tangible fixed assets		572.8	536.4	564.3
<i>of which construction of new extrusion line in progress</i>		<i>0.0</i>	<i>289.5</i>	<i>316.5</i>
Right of use assets		17.0	11.9	17.5
Financial fixed assets		0.2	0.2	0.2
Total fixed assets		621.9	586.7	615.6
Inventories		261.0	243.0	242.4
Current receivables	4	296.2	285.9	227.3
Liquid assets		68.1	39.3	65.1
Total current assets		625.3	568.2	534.8
Total assets		1 247.2	1 154.9	1 150.4
Shareholders' equity				
Total equity attributable to the parent Company's shareholders		441.9	404.0	421.7
Non-controlling interests		24.1	20.3	23.9
Total equity		466.0	424.3	445.6
Liabilities				
Interest-bearing liabilities		165.3	189.4	169.2
Interest-free liabilities		61.5	53.5	64.4
Total long-term liabilities		226.8	242.9	233.6
Interest-bearing liabilities and provisions		91.8	191.3	118.4
Interest-free liabilities	4	462.6	296.4	352.8
Total short-term liabilities		554.4	487.7	471.2
Total shareholders' equity and liabilities		1 247.2	1 154.9	1 150.4

Statement of changes in equity in short

MSEK	Q 1 2021	Q 1 2020	2020
Opening balance, total equity	445.6	416.9	416.9
Changes attributable to owners of the parent:			
Comprehensive income for the period	20.3	5.3	22.9
Changes attributable to non-controlling interests:			
Comprehensive income for the period	0.1	2.1	5.8
Dividend	0.0	0.0	0.0
Closing balance, total equity	466.0	424.3	445.6

Statement of cash flows in short

MSEK	Note	Q 1 2021	Q 1 2020	R 12 2021	2020
Operating activities					
Operating profit/loss		35.1	26.0	45.5	36.4
Depreciation and write-down		17.8	16.4	68.1	66.7
Adjustment for other non-cash items		-2.6	0.5	-1.2	1.9
Interest received/paid		-1.9	-3.2	-8.9	-10.2
Paid income tax		-1.0	-3.2	-3.3	-5.5
Cash flow prior to change in working capital		47.4	36.5	100.2	89.3
Inventories		-18.6	-10.8	-18.1	-10.3
Operating receivables		-80.9	-35.2	-9.5	36.2
Operating liabilities		115.5	2.3	177.4	64.2
Cash flow from operating activities		63.4	-7.2	250.0	179.4
Cash flow from investing activities					
Acquisition of property, plant and equipment		-28.9	-25.8	-95.8	-92.7
Sale of property, plant and equipment		0.0	0.0	0.0	0.0
Cash flow from investing activities		-28.9	-25.8	-95.8	-92.7
Cash flow from financing activities					
Dividend		0.0	0.0	0.0	0.0
Loans raised		-3.8	15.7	-4.0	15.5
Change in bank overdraft facility utilized		-25.6	31.0	-97.6	-41.0
Repayment of loans		-4.9	-5.0	-23.0	-23.1
Cash flow from financing activities		-34.3	41.7	-124.6	-48.6
Cash flow for the period		0.2	8.7	29.6	38.1
Liquid assets, opening balance		65.1	29.9	39.3	29.9
Translation differences in liquid assets		2.8	0.7	-0.8	-2.9
Liquid assets, closing balance		68.1	39.3	68.1	65.1
Liquidity reserve		219.6	152.6		189.1

The parent company

The turnover of the parent company amounted to MSEK 8.7 (6.8) and comprises payments for rents from companies in the Group. Profit after financial items amounted to MSEK 5.9 (2.8).

Investments in the parent company during the first quarter 2021 amounts to MSEK 1.6 (10.2) and are connected to investments in properties.

The parent company's interest-bearing liabilities amounted to MSEK 29.6 (47.4) as of 31 March 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.

Income statement in short – the parent company ¹⁾

MSEK	Note	Q 1 2021	Q 1 2020	2020
Turnover		8.7	6.8	27.1
Cost of goods sold		-1.9	-1.7	-5.7
Gross Margin		6.8	5.1	21.4
Other operating revenues		0.0	0.0	0.0
Administrative expenses		-1.1	-1.2	-4.2
Operating income		5.7	3.9	17.2
Result from shares in group companies		0.0	0.0	0.0
Interest income and similar income and expense items		0.2	0.0	0.7
Interest expenses and similar income and expense items		0.0	-1.1	-1.3
Income after financial items		5.9	2.8	16.6
Appropriations		0.0	0.0	-16.1
Income before tax		5.9	2.8	0.5
Tax		-1.2	-0.6	0.1
Net income for the period		4.7	2.2	0.6

¹⁾ The parent companies income statement also constitutes its comprehensive incomes statement

Balance sheet in short – the parent company

MSEK	Note	31 Mar 2021	31 Mar 2020	31 Dec 2020
Assets				
Tangible assets				
Tangible fixed assets		187.5	185.7	187.5
Financial assets (shares in subsidiaries)		87.9	87.9	87.9
Total fixed assets		275.4	273.6	275.4
Current assets				
Current receivables		0.7	9.7	0.1
Cash and bank balances		0.6	0.0	22.0
Total current assets		1.3	9.7	22.1
Total assets		276.7	283.3	297.5
Equity and liabilities				
Equity		176.4	174.0	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		36.2	51.2	61.7
Total equity and liabilities		276.7	283.3	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 1 2021	Q 1 2020	R 12 2021	2020
Intangible fixed assets	1.6	1.4	6.4	6.2
Land and buildings	1.6	1.5	6.0	5.9
Machinery and equipment	12.8	11.6	48.4	47.2
Right of use assets	1.8	1.9	7.3	7.4
Total	17.8	16.4	68.1	66.7
of which write-down	0.0	0.0	0.0	0.0

Note 3 – Financial expenses

MSEK	Q 1 2021	Q 1 2020	R 12 2021	2020
Interest expenses	1.1	2.2	5.0	6.1
Unrealized exchange rate revaluation of financial items (gain neg, loss pos)	2.6	8.7	-11.5	-5.4
Other financial expenses	0.9	0.6	5.1	4.8
Total	4.6	11.5	-1.4	5.5

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

MSEK	31 Mar 2021	31 Mar 2020	31 Dec 2020
Short-term receivables:			
Currency derivatives	2.2	0.5	7.1
Short-term non interest-bearing liabilities;			
Interest rate derivatives	0.0	0.1	0.0
Currency derivatives	0.3	5.9	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	31 Mar 2021	31 Mar 2020	31 Dec 2020
Property mortgages	82.9	82.9	82.9
Floating charges	341.5	241.5	341.5
Shares in subsidiaries	252.2	231.7	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	Q 1 2021	Q 1 2020	R 12 2021	2020
Net turnover, MSEK	460.1	401.1	1 473.4	1 414.4
Income before depreciation, MSEK	52.9	42.4	113.6	103.1
Operating income/loss, MSEK	35.1	26.0	45.5	36.4
Operating margin, %	7.6	6.5	3.1	2.6
Income after financial items, MSEK	30.6	14.5	47.4	31.3
Profit margin, %	6.7	3.6	3.2	2.2
Return on equity, %	21.3	10.8	8.3	5.5
Return on capital employed, %	17.9	14.0	6.8	5.0
Cash flow from operating activities, MSEK	63.4	-7.2	250.0	179.4
Investments, MSEK	22.9	26.9	90.9	94.9
Liquidity reserve, MSEK	219.6	152.6	-	189.1
Net debt, MSEK	189.0	341.4	-	222.5
Net debt/EBITDA	1.7	2.1	-	2.2
Interest-bearing liabilities and interest-bearing provisions, MSEK	257.1	380.7	-	287.6
Net debt/equity ratio	0.4	0.8	-	0.5
Total assets, MSEK	1 247.2	1 154.9	-	1 150.4
Equity ratio, %	37.4	36.7	-	38.7
Capital turnover	2.5	2.1	1.9	1.9
Proportion of risk-bearing capital, %	42.3	41.4	-	44.3
Interest coverage ratio	16.0	2.1	12.1	6.8
Average number of employees	504	461	470	461
Net turnover per employee (average), TSEK	913	870	3 135	3 068
Income after fin, per employee (average), TSEK	61	31	101	68
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	3.26	1.26	4.45	2.45
Equity per share, SEK	59.72	54.60	-	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, April 20, 2021

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 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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This report contains inside information that ProfilGruppen AB (publ) is obligated to disclose in accordance with the Market Abuse Regulation.

The information was issued through the above mentioned contacts for publication on April 20, 2021 at 14:00 CET.

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