

Interim Report January 1 – June 30, 2022

Quarterly profit significantly improved

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 752 (542.6), up 39 percent compared to previous year
- Operating profit MSEK 83.0 (48.4), of which 43.0 MSEK from underlying operations (39.4)
- Operating margin 11.0 percent (8.9)
- Net income MSEK 58.8 (37.2)
- Cash flow from operating activities MSEK 26.3 (20.8)
- Earnings per share SEK 7.68 kr (4.69)

First six months

- Turnover MSEK 1,504.5 (1,002.7), up 50 percent compared to previous year
- Operating profit MSEK 130.4 (83.5), of which 94.9 MSEK from underlying operations (56.5)
- Operating margin 8.7 percent (8.3)
- Net income MSEK 92.5 (61.5)
- Cash flow from operating activities MSEK -36.6 (84.2), of which MSEK 0.0 (51.9) from covid related support measures
- Earnings per share SEK 12.04 kr (7.96)

Events after the closing date

- A futures contract in the metal market with a liquidity effect of MSEK 60 has been closed after the closing date

Fredrik Zöögling, CEO and President of ProfilGruppen, comments:

"Reduced activity in the market can be seen in the second quarter's delivery volumes. We see that the customers closest to the consumer market have been affected more clearly than other segments and that there is uncertainty and waiting in the entire market. During the second quarter, our changed risk position regarding the metal price has had a positive effect of SEK 40 million in a volatile market with a sharp fall in aluminum price. Our positions for continued falling prices have now been closed."



Turnover and result in the second quarter

The turnover of the Group in the second quarter of 2022 amounted to MSEK 752.6 (542.6), an increase of about 39 percent compared to the same period previous year. The main cause of the increase in turnover is rising metal prices. Delivery volumes have decreased about 10 percent to 9,850 tonnes (10,975) of aluminium extrusions. The decrease in volume is most evident among the customers who are closest to the consumer market.

During the second quarter the Group manufactured 10,325 tonnes (10,850) of aluminium extrusions.

The operating profit for the second quarter of the year amounted to MSEK 83.0 (48.4) of which 43.0 MSEK from underlying operations (39.4). Total operating profit is equivalent to an operating margin of 11.0 percent (8.9).

During the second quarter, our management of raw material spend had a positive effect of approximately SEK 40 million in a volatile market with sharply falling aluminium prices. Our positions for continued falling prices are now closed. A small reserve for expected material price decline remains. The cost level compared to the same period last year has increased sharply, primarily with regard to energy, transport and inputs.

The profit before tax amounted to MSEK 74.1 (46.9).

Earnings per share totalled SEK 7.68 (4.69) (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 1,504.5 (1,002.7), an increase of about 50 per cent compared to previous year. The main cause of the increase in turnover is rising metal prices.

The delivery volume has decreased about 2 percent to 20,600 (21,100) aluminium profiles.

During the first six months of the year the Group produced approximately 20,775 tonnes (20,725) of aluminium extrusions.

The operating profit for the first six months of the year amounted to MSEK 130.4 (83.5) of which 94.9 MSEK from underlying operations (56.5). The operating margin amounted to 8.7 percent (8.3).

The positive effect of changed risk position that arose in the second quarter together with negative non-recurring effects from the first quarter totals SEK 35.5 M (27.0).

The cost level compared to the same period last year has increased sharply, primarily with regard to energy, transport and inputs.

The profit before tax amounted to MSEK 116.6 (77.5).

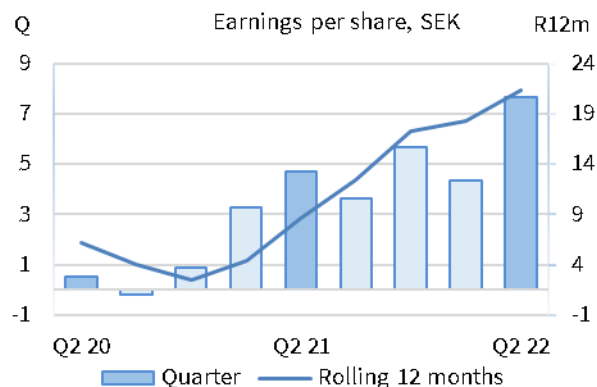
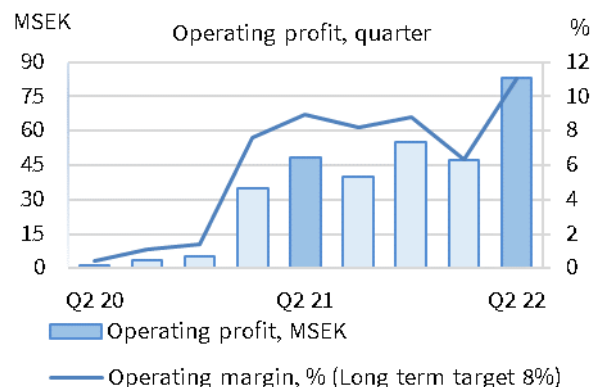
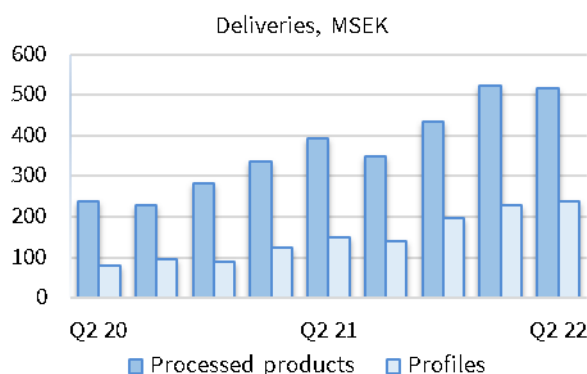
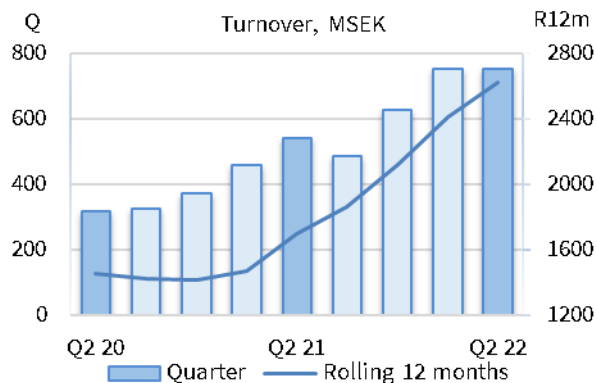
Earnings per share (no dilution) totalled SEK 12.04 (7.96)

Investments during the first six months of the year

Investments in the first six months of 2022 amounted to MSEK 63.4 (41.7), excluding changes in rights of use assets. The investments mainly consist of various capacity-enhancing measures as well as investments in extrusion dies.

Financing and liquidity

Cash flow from current operations amounted to MSEK -36.6 (84.2) during the first six months of the year. The cash flow after investments amounted to MSEK -96,4 (32.3).



Inventories have increased, which is due to higher raw material prices and inventory build-up for the holiday period. During the first quarter of 2021, ProfilGruppen received liquidity support of MSEK 51.9.

The liquidity reserve as of June 30, 2022 amounted to MSEK 110.1 (203.3). A futures contract in the metal market has been closed after the closing date and had a positive liquidity effect of MSEK 60.

The balance sheet total as of the end of the second quarter was MSEK 1,729.3 (1,318.5).

Net debt as of 30 June 2022 amounted to MSEK 414.8 (191.5) and net debt/EBITDA to 1,3 (1,2). ProfilGruppen's target for net debt/EBITDA is < 2,0.

Personnel

The average number of employees in the Group during the period was 574 (533). The number of employees as of June 30, 2022 totalled 567 (542).

Significant risks and uncertain factors

The company's risks and risk management are described in the annual report for 2021.

During the spring of 2022 our risk position in the metal market has been reduced. Simultaneously the Board has opened up for an active positioning and the company has during the first six months taken positions.

At present, there is exceptional uncertainty and unpredictability in the world. This causes disruptions in ProfilGruppen's supply chains to varying degrees. As a result of the war in Ukraine, among other things, alternative supply chains have been established to eliminate purchases from Russia or Russian-owned companies.

Through active external monitoring, we continuously adapt to changes.

Outlooks for 2022

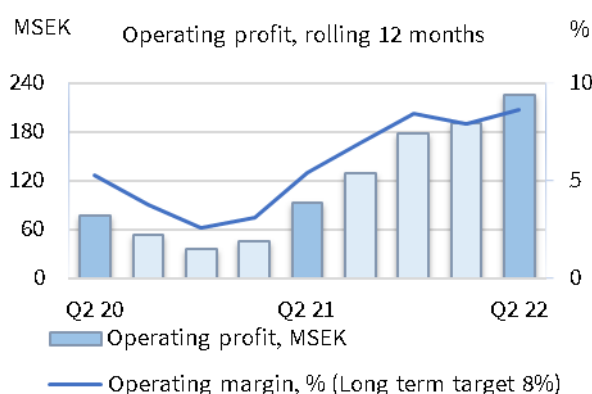
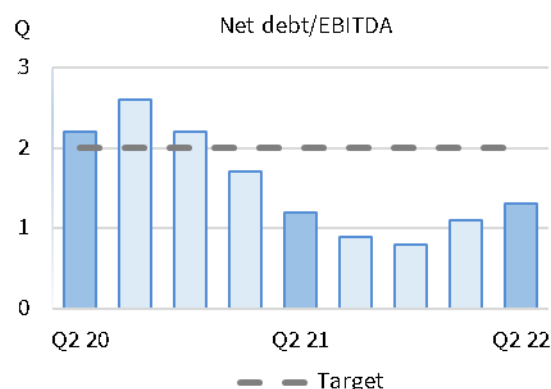
We are experiencing reduced activity and increased uncertainty among our customers. The aluminium market is also characterized by volatility and unpredictability that has no historical equivalent.

Outlooks for 2022 published on April 21, 2022:

The geopolitical concerns are great and affect the market in general for both goods and services. Our measures on the purchasing side and a good order intake provide support for a stable second quarter. The present aluminium price provides support for high inventory effects in the quarters to come.

Financial reporting 2022

Interim reporting for the third quarter 2022 will be submitted on October 18, 14:00.



Statement of comprehensive income in short

MSEK	Note	Q 2 2022	Q 2 2021	Q 1-2 2022	Q 1-2 2021	R 12 2022	2021
Net turnover		752.6	542.6	1 504.5	1 002.7	2 621.4	2 119.6
Cost of goods solds	2	-634.6	-464.5	-1 308.2	-861.7	-2 276.6	-1 830.1
Gross Margin		118.0	78.1	196.3	141.0	344.8	289.5
Other operating revenues		0.3	0.0	0.3	0.0	7.1	6.8
Selling expenses		-20.1	-15.9	-37.8	-30.4	-69.2	-61.8
Administrative expenses		-15.2	-13.8	-28.4	-27.1	-57.2	-55.9
Other operating expenses		0.0	0.0	0.0	0.0	0.0	0.0
Operating profit/loss		83.0	48.4	130.4	83.5	225.5	178.6
Financial income		0.3	-0.1	0.4	0.0	0.5	0.1
Financial expenses	3	-9.2	-1.4	-14.2	-6.0	-21.2	-13.0
Net financial income/expense		-8.9	-1.5	-13.8	-6.0	-20.7	-12.9
Income after financial items		74.1	46.9	116.6	77.5	204.8	165.7
Tax		-15.3	-9.7	-24.1	-16.0	-41.0	-32.9
Net income for the period		58.8	37.2	92.5	61.5	163.8	132.8
of which attributable to:							
Owners of the parent		56.8	34.6	89.0	58.8	157.9	127.7
Non-controlling interests		2.0	2.6	3.5	2.7	5.9	5.1
Earnings per share (before and after dilution), SEK		7.68	4.69	12.04	7.96	21.34	17.26
Other comprehensive income (net after tax)							
Net income for the period		58.8	37.2	92.5	61.5	163.8	132.8
Hedging reserve		-3.2	0.1	-3.0	-4.7	-12.0	-13.7
Translation differences		0.0	0.0	0.1	0.1	-12.0	-13.7
Deferred tax on the above items		0.7	0.0	0.6	0.8	0.1	0.1
Total items that will subsequently be reclassified to net income:		-2.5	0.1	-2.3	-3.8	-9.2	-10.7
Revaluation of defined benefit obligation		0.0	0.0	0.4	0.0	0.6	0.2
Total items that will subsequently not be reclassified to net income:		0.0	0.0	0.4	0.0	0.6	0.2
Comprehensive income for the period		56.3	37.3	90.6	57.7	155.2	122.3
of which total comprehensive income for the period attributable to:							
Owners of the parent		54.3	34.7	87.1	55.0	149.3	117.2
Non-controlling interests		2.0	2.6	3.5	2.7	5.9	5.1

Statement of financial position in short

MSEK	Note	30 Jun 2022	30 Jun 2021	31 Dec 2021
Assets				
Intangible fixed assets		23.8	30.3	27.0
Tangible fixed assets		612.8	575.8	584.8
Right of use assets		13.0	15.4	13.9
Financial fixed assets		0.2	0.2	0.2
Deferred tax assets		0.2	0.0	0.1
Total fixed assets		650.0	621.7	626.0
Inventories		518.8	284.2	421.7
Current receivables	4	527.3	347.2	374.4
Liquid assets		33.2	65.4	28.4
Total current assets		1 079.3	696.8	824.5
Total assets		1 729.3	1 318.5	1 450.5
Shareholders' equity				
Total equity attributable to the parent Company's shareholders		526.1	476.7	538.9
Non-controlling interests		17.2	26.6	13.7
Total equity		543.3	503.3	552.6
Liabilities				
Interest-bearing liabilities		131.9	155.2	138.8
Interest-free liabilities		69.2	61.5	69.5
Total long-term liabilities		201.1	216.7	208.3
Interest-bearing liabilities and provisions		316.2	101.6	98.3
Interest-free liabilities	4	668.7	496.9	591.3
Total short-term liabilities		984.9	598.5	689.6
Total shareholders' equity and liabilities		1 729.3	1 318.5	1 450.5

Statement of changes in equity in short

MSEK	Q 2 2022	Q 2 2021	Q 1-2 2022	Q 1-2 2021	2021
Opening balance, total equity	586.9	466.0	552.6	445.6	445.6
Changes attributable to owners of the parent:					
Comprehensive income for the period	54.3	34.7	87.1	55.0	117.2
Changes attributable to non-controlling interests:					
Comprehensive income for the period	2.0	2.6	3.5	2.7	5.1
Dividend	-99.9	0.0	-99.9	0.0	-15.3
Closing balance, total equity	543.3	503.3	543.3	503.3	552.6

Statement of cash flows in short

MSEK	Note	Q 2 2022	Q 2 2021	Q 1-2 2022	Q 1-2 2021	R 12 2022	2021
Operating activities							
Operating profit/loss		83.0	48.4	130.4	83.5	225.5	178.6
Depreciation and write-down		21.5	19.2	41.9	37.0	82.3	77.4
Adjustment for other non-cash items		-1.6	1.2	-2.7	-1.4	-2.5	-1.2
Interest received/paid		0.4	-3.0	1.1	-4.9	-2.2	-8.2
Paid income tax		-3.2	-1.9	-1.5	-2.9	-7.3	-8.7
Cash flow prior to change in working capital		100.1	63.9	169.2	111.3	295.8	237.9
Inventories		-60.4	-23.3	-103.7	-41.9	-234.6	-172.8
Operating receivables		-35.6	-57.5	-153.2	-138.4	-182.9	-168.1
Operating liabilities		22.2	37.7	51.1	153.2	125.7	227.8
Cash flow from operating activities		26.3	20.8	-36.6	84.2	4.0	124.8
Acquisition of property, plant and equipment		-31.7	-23.0	-60.3	-51.9	-100.4	-92.0
Sale of property, plant and equipment		0.5	0.0	0.5	0.0	0.5	0.0
Cash flow from investing activities		-31.2	-23.0	-59.8	-51.9	-99.9	-92.0
Dividend 1)		-99.9	0.0	-99.9	0.0	-115.2	-15.3
Loans raised		0.0	0.0	0.0	0.0	0.0	0.0
Change in bank overdraft facility utilized		88.3	10.0	222.5	-15.6	217.2	-20.9
Repayment of loans		-11.7	-6.9	-19.7	-13.8	-33.6	-27.7
Repayment of lease debts		-1.9	-1.7	-3.7	-3.5	-7.1	-6.9
Cash flow from financing activities		-25.2	1.4	99.2	-32.9	61.3	-70.8
Cash flow for the period		-30.1	-0.8	2.8	-0.6	-34.6	-38.0
Liquid assets, opening balance		61.7	68.1	28.4	65.1	65.4	65.1
Translation differences in liquid assets		1.6	-1.9	2.0	0.9	2.4	1.3
Liquid assets, closing balance		33.2	65.4	33.2	65.4	33.2	28.4
Liquidity reserve				110.1	203.3		176.9

1) Total amount concerns non-controlling interests

The parent company

The turnover of the parent company amounted to MSEK 17.9 (17.4) and comprises payments for rents from companies in the Group. Profit after financial items amounted to MSEK 11.4 (12.0).

Investments in the parent company during the first half year 2022 amount to MSEK 6.8 (2.5) and are connected to investments in properties.

The parent company's interest-bearing liabilities amounted to MSEK 68.5 (24.6) as of 30 June 2022, 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 2022	Q 2 2021	Q 1-2 2022	Q 1-2 2021	2021
Turnover		8.9	8.7	17.9	17.4	34.9
Cost of goods sold		-1.7	-1.6	-3.6	-3.5	-6.8
Gross Margin		7.2	7.1	14.3	13.9	28.1
Other operating revenues		0.0	0.0	0.0	0.0	0.0
Administrative expenses		-1.3	-1.1	-2.6	-2.2	-4.8
Operating income		5.9	6.0	11.7	11.7	23.3
Result from shares in group companies		0.0	0.0	0.0	0.0	35.7
Interest income and similar income and expense items		0.0	0.1	0.0	0.3	0.3
Interest expenses and similar income and expense items		-0.3	0.0	-0.3	0.0	0.0
Income after financial items		5.6	6.1	11.4	12.0	59.3
Appropriations		0.0	0.0	0.0	0.0	-6.2
Income before tax		5.6	6.1	11.4	12.0	53.1
Tax		-1.1	-1.3	-2.3	-2.5	-3.7
Net income for the period		4.5	4.8	9.1	9.5	49.4

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

Balance sheet in short – the parent company

MSEK	Note	30 Jun 2022	30 Jun 2021	31 Dec 2021
Assets				
Tangible assets				
Tangible fixed assets		189.1	186.8	185.6
Financial assets (shares in subsidiaries)		87.9	87.9	87.9
Total fixed assets		277.0	274.7	273.5
Current assets				
Current receivables		0.5	0.7	0.5
Cash and bank balances		0.0	0.1	24.9
Total current assets		0.5	0.8	25.4
Total assets		277.5	275.5	298.9
Equity and liabilities				
Equity		130.3	181.3	221.2
Untaxed reserves		67.0	60.8	67.0
Provisions for taxes		3.5	3.3	3.4
Long-term liabilities		0.0	0.0	0.0
Current liabilities		76.7	30.1	7.3
Total equity and liabilities		277.5	275.5	298.9

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 2022	Q 2 2021	Q 1-2 2022	Q 1-2 2021	R 12 2022	2021
Intangible fixed assets	1.7	1.7	3.3	3.3	6.6	6.6
Land and buildings	1.6	1.5	3.0	3.1	6.2	6.3
Machinery and equipment	16.4	14.3	31.9	27.1	62.2	57.4
Right of use assets	1.8	1.7	3.7	3.5	7.3	7.1
Total	21.5	19.2	41.9	37.0	82.3	77.4
of which write-down	0.0	0.0	0.0	0.0	0.0	0.0

Note 3 – Financial expenses

MSEK	Q 2 2022	Q 2 2021	Q 1-2 2022	Q 1-2 2021	R 12 2022	2021
Interest expenses	0.8	1.0	2.1	2.1	4.6	4.6
Unrealized exchange rate revaluation of financial items (gain neg, loss pos)	0.0	-1.4	1.2	1.2	2.4	2.4
Other financial expenses	0.2	1.8	2.7	2.7	6.0	6.0
Total	1.0	1.4	6.0	6.0	13.0	13.0

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

MSEK	30 Jun 2022	30 Jun 2021	31 Dec 2021
Short-term receivables:			
Commodity derivatives	60.0	-	0.0
Currency derivatives	0.0	2.0	0.3
Short-term non interest-bearing liabilities:			
Commodity derivatives	0.0	-	11.5
Currency derivatives	9.7	0.0	2.0

Note 5 – Pledged assets and contingent liabilities

MSEK	30 Jun 2022	30 Jun 2021	31 Dec 2021
Property mortgages	82.9	82.9	82.9
Floating charges	290.0	341.5	290.0
Shares in subsidiaries	377.1	284.6	323.5
Assets with retention of title	6.2	0.0	12.3
Guarantee commitments pensions	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 2022	Q2 2021	Q 1-2 2022	Q 1-2 2021	R 12 2022	2021
Net turnover, MSEK	752.6	542.6	1 504.5	1 002.7	2 621.4	2 119.6
Income before depreciation, MSEK	104.5	67.6	172.3	120.5	307.8	256.0
Operating income/loss, MSEK	83.0	48.4	130.4	83.5	225.5	178.6
Operating margin, %	11.0	8.9	8.7	8.3	8.6	8.4
Income after financial items, MSEK	74.1	46.9	116.6	77.5	204.8	165.7
Profit margin, %	9.8	8.6	7.8	7.7	7.8	7.8
Return on equity, %	41.6	30.8	33.8	25.9	31.3	26.6
Return on capital employed, %	31.3	25.9	26.9	21.4	24.0	22.4
Cash flow from operating activities, MSEK	26.3	20.8	-36.6	84.2	4.0	124.8
Investments, MSEK	35.4	18.8	63.4	41.7	105.9	84.2
Liquidity reserve, MSEK	-	-	110.1	203.3	-	176.9
Net debt, MSEK	-	-	414.8	191.5	-	208.8
Net debt/EBITDA	-	-	1.3	1.2	-	0.8
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	448.1	256.9	-	237.2
Net debt/equity ratio	-	-	0.8	0.4	-	0.4
Total assets, MSEK	-	-	1 729.3	1 318.5	-	1 450.5
Equity ratio, %	-	-	31.4	38.2	-	38.1
Capital turnover	-	-	3.4	2.7	3.0	2.8
Proportion of risk-bearing capital, %	-	-	35.4	42.8	-	42.9
Interest coverage ratio	39.5	40.6	37.5	32.2	39.4	36.9
Average number of employees	571	520	574	533	570	542
Net turnover per employee (average), TSEK	1 318	1 043	2 621	1 881	4 599	3 911
Income after fin, per employee (average), TSEK	130	90	203	145	359	306
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	7.68	4.69	12.04	7.96	21.34	17.26
Equity per share, SEK	-	-	71.10	64.42	-	72.82

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 14, 2022

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

Klaus Wiemers
Chairman of the Board

Fredrik Zöögling
President and CEO

Thomas Berggren
Board member

Anders Birgersson
Board member

Mikael Ekbring
Board member
Appointed by the employees

Magnus Gabriellsson
Board member
Appointed by the employees

Mari Kadowaki
Board member

Bengt Stillström
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, 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 included in the Small Cap list

For more information, please contact

Fredrik Zöögling, President and CEO

Mobile: +46 (0)70-932 16 50

fredrik.zoogling@profilgruppen.se

Niklas Danielsson, CFO

Mobile: +46 (0)70-626 95 37

niklas.danielsson@profilgruppen.se

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