

Year-end report January 1 – December 31, 2023

Stable full year

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

Fourth quarter

- Turnover MSEK 548.4 (579.8), down 5 percent compared to the previous year
- Operating profit MSEK 18.1 (-8.1) and operating margin 3.3 percent (-1.4)
- Net profit MSEK 12.9 (-10.0)
- Cash flow from operating activities MSEK 112.3 (134.8)
- Earnings per share SEK 1.69 (-1.53) (no dilution exists)
- Total result amounts to MSEK 19.9, of which adjusted operating profit MSEK 23.1 and metal positions MSEK -3.2. The adjusted operating result corresponds to an adjusted margin of 4.2 percent. (Relevant comparative figures are missing.)

Year 2023

- Turnover MSEK 2 439.1 (2.696.6), down 10 percent compared to the previous year
- Operating result MSEK 152.4 (150.3) and operating margin 6.2 percent (5.6).
- Net profit MSEK 98.5 (99.6)
- Cash flow from operating activities MSEK 429.4 (108.7), positively impacted by pandemic-related deferrals of collections totaling net MSEK 133.9
- Earnings per share SEK 12.27 (12.58) (no dilution exists).
- Total profit amounts to MSEK 159.4, of which adjusted operational profit is 135.1 MSEK and metal positions MSEK -0.2, with a non-comparable revenue of MSEK 20.0. The adjusted operational profit corresponds to an adjusted margin of 5.5 percent. (Relevant comparative figures are missing.)
- The board proposes a dividend of SEK 5.00 per share, equivalent to MSEK 37.0

Mari Kadowaki, CEO and President of ProfilGruppen, comments:

"Throughout the year, demand has remained stable due to our broad customer base. We've achieved satisfactory cash flow development thanks to reduced capital tied up in inventory volumes and lower raw material prices.

A significantly increased profitability is crucial for the sustainable growth of the business and to facilitate the replacement of old facilities as they become dated or when increased capacity is needed. Achieving this is our top priority."



Turnover and result in the fourth quarter

The turnover for the Group in the fourth quarter of 2023 amounted to MSEK 548.4 (579.8), a decrease of about 5 percent compared to the same period previous year.

The delivery volumes have increased by approximately 12 percent to 8,225 tonnes (7,375) of aluminum profiles. The difference between decrease in turnover and increase in volume is mainly explained by lower metal prices.

During the fourth quarter the Group manufactured 8,350 tonnes (7,050) of aluminium extrusions.

The operating profit for the fourth quarter of the year amounted to MSEK 18.1 (-8.1). This is equivalent to an operating margin of 3.3 percent (-1.4).

The profit before tax amounted to MSEK 19.4 (-14.9).

Earnings per share totalled SEK 1.69 (-1.53) (no dilution).

The adjusted operating profit amounts to MSEK 23.1, corresponding to an adjusted operating margin of 4.2 percent.

The total profit of MSEK 19.9 includes the adjusted operating profit MSEK 23.1 deducted with loss in metal positions of MSEK 3.2. The difference between total profit and operating profit is an accrual effect of MSEK 1.8. Relevant comparative figures are missing regarding the total profit as well as the adjusted operating profit due to altered structure during the period.

Turnover and result during the year

The turnover of the Group for the year amounted to MSEK 2,439.1 (2,696.6), a decrease of about 10 percent compared to previous year. The decrease is explained mainly by lower metal prices.

The delivery volumes are approximately the same as last year and amounted to 35,475 tonnes (35,625) of aluminum profiles.

During 2023 the Group manufactured 34,700 tonnes (37,750) of aluminium extrusions.

The operating profit for the year amounted to MSEK 152.4 (150.3). This is equivalent to an operating margin of 6.2 percent (5.6).

The profit before tax amounted to MSEK 127.2 (123.1).

Earnings per share totalled SEK 12.27. (12.58) (no dilution).

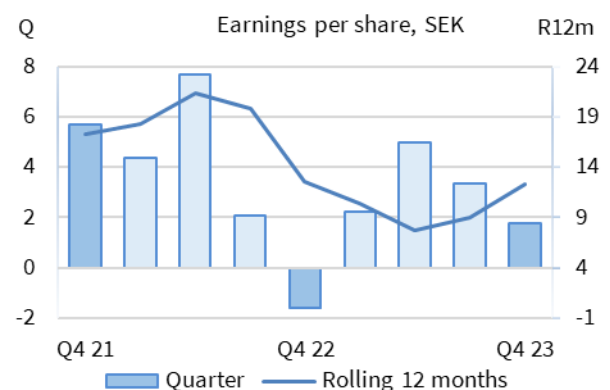
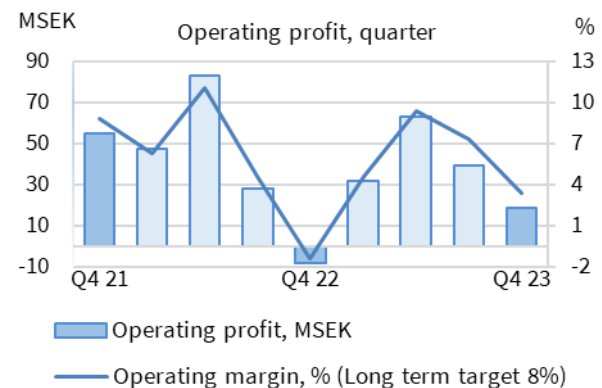
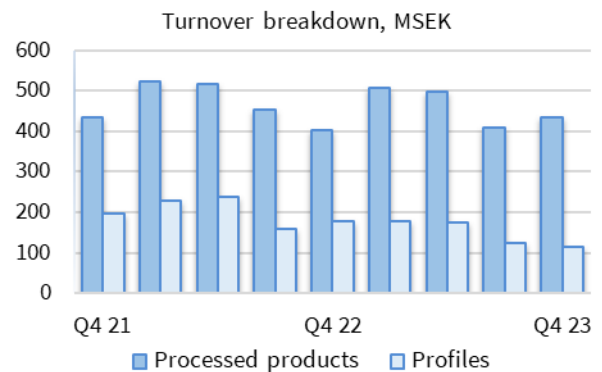
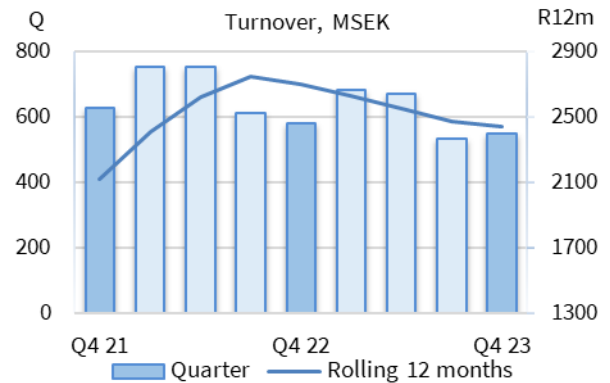
The adjusted operating profit amounted to MSEK 135.1, corresponding to an adjusted operating margin of 5.5 percent.

The total profit of MSEK 154.9 includes the adjusted operating profit MSEK 135.1 deducted with loss in metal positions of MSEK 0.2 and revenues affecting comparability of 20.0, including electricity price support. The difference between total profit and operating profit is an accrual effect of MSEK 2.5. Relevant comparative figures are missing regarding the total profit as well as the adjusted operating profit due to altered structure during the period.

Investments

Investments during the year of 2023 amounted to MSEK 78.7 (101.8), excluding changes in right of use assets.

The investments mainly consist of machinery and equipment of MSEK 39.4, and extrusion dies.



Financing and liquidity

Cash flow from current operations amounted to MSEK 429.4 (108.7) and after investments to MSEK 358.0 (4.5).

During the period the group received pandemic-related suspension of collection, which were already paid, to the amount of MSEK 162.8, repayments of MSEK 28.9 have also been made on previously granted deferrals.

The liquidity reserve as of December 31, 2023, amounted to MSEK 318.8 (185.7).

The balance sheet total as of the end of the period was MSEK 1,442.3 (1,474.6).

Net debt as of 31 December 2023 amounted to MSEK 26.9 (326.1) and net debt/EBITDA to 0.1 (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 246. If the suspension would be included in net debt the net debt/EBITDA amounts to 1.1. 163 MSEK of the suspension are due for payment in September 2024, according to current regulations. The remaining MSEK 83 will be amortized successively until 2026.

Currency

The Group has a loan in euros which amounted to MEUR 8.6 on the balance sheet date.

Personnel

The average number of employees in the Group during the period was 512 (555). The number of employees as of 31 December 2023 totalled 517 (486), which includes approximately 30 fixed-term employees.

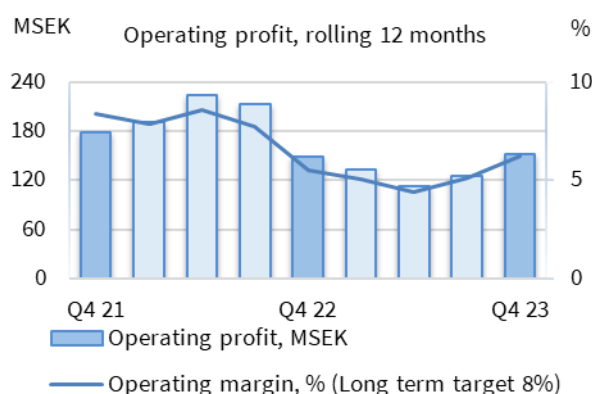
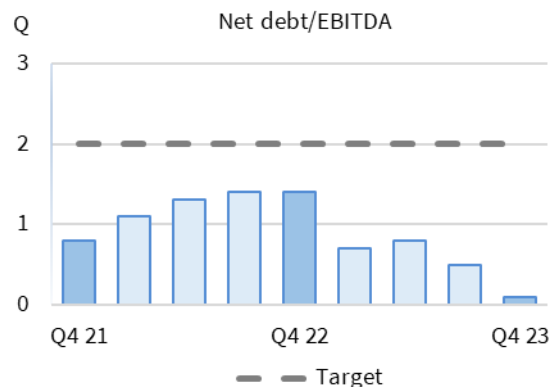
Significant risks and uncertain factors

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

At the end of December, the metal position at risk was very modest. The metal position at risk is the net of volume in stock, contracted purchase and contracted sales.

Outlook for 2024

ProfilGruppen does not provide a forecast.



Annual General Meeting

The AGM 2024 will take place April 23, 2024 at 16:00 CET. All shareholders are then welcome to Folkets Hus in Åseda.

Dividend

The Board is proposing to the Annual General Meeting of shareholders a dividend of SEK 5.00 per share (4.00). The proposal means that the total dividend will amount to MSEK 37.0 (29.6).

Annual report 2023 and interim reports 2024

The annual report for 2023 will be available in the company's reception and on the company's website no later than April 2, 2024. Interim reports for 2024 will be provided as follows:

Interim report first quarter, April 23, 14:00

Interim report second quarter, July 16, 14:00

Interim report third quarter, October 22, 14:00

Statement of comprehensive income in short

MSEK	Note	Q 4 2023	Q 4 2022	Q 1-4 2023	Q 1-4 2022
Net turnover		548.4	579.8	2 439.1	2 696.6
Cost of goods sold	2	-497.3	-549.2	-2 177.0	-2 412.4
Gross Margin		51.1	30.6	262.1	284.2
Other operating revenues		1.9	0.0	22.8	1.2
Selling expenses		-19.4	-19.6	-73.7	-73.2
Administrative expenses		-15.3	-17.9	-58.5	-60.7
Other operating expenses		-0.2	-1.2	-0.3	-1.2
Operating profit/loss		18.1	-8.1	152.4	150.3
Financial income		4.5	0.7	5.6	1.1
Financial expenses	3	-3.2	-7.5	-30.8	-28.3
Net financial income/expense		1.3	-6.8	-25.2	-27.2
Income after financial items		19.4	-14.9	127.2	123.1
Tax		-6.5	4.9	-28.7	-23.5
Net income for the period		12.9	-10.0	98.5	99.6
of which attributable to:					
Owners of the parent		12.6	-11.3	90.8	93.0
Non-controlling interests		0.3	1.3	7.7	6.6
Earnings per share (before and after dilution), SEK		1.69	-1.53	12.27	12.58
Other comprehensive income					
Net income for the period		12.9	-10.0	98.5	99.6
Hedging reserve		2.3	0.8	4.0	-0.8
Translation differences		-0.1	0.1	0.0	0.3
Deferred tax on the above items		-0.4	-0.3	-0.8	0.1
Total items that will subsequently be reclassified to net income:		1.8	0.6	3.2	-0.4
Revaluation of defined benefit pension obligation		-1.5	-0.3	-1.4	3.7
Total items that will subsequently not be reclassified to net income:		-1.5	-0.3	-1.4	3.7
Comprehensive income for the period		13.2	-9.7	100.3	102.9
of which total comprehensive income for the period attributable to:					
Owners of the parent		12.9	-11.0	92.6	96.3
Non-controlling interests		0.3	1.3	7.7	6.6

Statement of financial position in short

MSEK	Note	31 Dec 2023	31 Dec 2022
Assets			
Intangible fixed assets		13.9	20.5
Tangible fixed assets		595.6	607.6
Right of use assets		27.8	15.3
Financial fixed assets		0.9	0.2
Deferred tax assets		0.4	0.2
Total fixed assets		638.6	643.8
Inventories		377.8	471.4
Current receivables	4	305.0	339.4
Liquid assets		120.9	20.0
Total current assets		803.7	830.8
Total assets		1 442.3	1 474.6
Shareholders' equity			
Total equity attributable to the parent Company's shareholders		598.3	535.3
Non-controlling interests		17.2	14.0
Total equity		615.5	549.3
Liabilities			
Interest-bearing liabilities		117.3	125.2
Interest-free liabilities		88.0	79.9
Total long-term liabilities		205.3	205.1
Interest-bearing liabilities and provisions		30.5	220.9
Interest-free liabilities	4	591.0	499.3
Total short-term liabilities		621.5	720.2
Total shareholders' equity and liabilities		1 442.3	1 474.6

Statement of changes in equity in short

MSEK	Q 4 2023	Q 4 2022	Q 1-4 2023	Q 1-4 2022
Opening balance, total equity	602.3	559.0	549.3	552.6
Changes attributable to owners of the parent: Comprehensive income for the period	12.9	-11.0	92.6	96.3
Changes attributable to non-controlling interests: Comprehensive income for the period	0.3	1.3	7.7	6.6
Transactions with shareholders Dividend	0.0	0.0	-34.1	-106.2
Closing balance, total equity	615.5	549.3	615.5	549.3

Statement of cash flows in short

MSEK	Note	Q 4 2023	Q 4 2022	Q 1-4 2023	Q 1-4 2022
Operating activities					
Income after financial items		19.4	-14.9	127.2	123.1
Depreciation and write-down		20.5	21.1	90.8	84.1
Adjustment for other non-cash items		-2.4	14.7	34.5	35.1
Interest received/paid		-0.1	-5.7	-15.8	-9.3
Paid income tax		-4.5	-0.5	-33.1	-4.4
Cash flow prior to change in working capital		32.9	14.7	203.6	228.6
Inventories		2.3	22.4	93.6	-56.2
Operating receivables		114.6	123.3	35.4	34.7
Operating liabilities		-37.5	-25.6	96.8	-98.4
Cash flow from operating activities		112.3	134.8	429.4	108.7
Acquisition of property, plant and equipment		-21.1	-27.2	-78.7	-104.2
Sale of property, plant and equipment		7.3	0.0	7.3	0.0
Cash flow from investing activities		-13.8	-27.2	-71.4	-104.2
Dividend		0.0	0.0	-34.1	-106.2
Loans raised		0.0	0.0	0.0	0.0
Change in bank overdraft facility utilized		3.4	-82.1	-194.6	131.6
Repayment of loans		-4.8	-5.6	-18.8	-30.8
Repayment of lease debts		-2.4	-1.9	-9.7	-7.7
Cash flow from financing activities		-3.8	-89.6	-257.2	-13.1
Cash flow for the period		94.7	18.0	100.8	-8.6
Liquid assets, opening balance		26.2	6.8	20.0	28.4
Translation differences in liquid assets		0.0	-4.8	0.1	0.2
Liquid assets, closing balance		120.9	20.0	120.9	20.0
Liquidity reserve				318.8	185.7

The parent company

The turnover of the parent company amounted to MSEK 39.8 (35.9) and comprises payments for rents from companies in the Group. Profit after financial items amounted to MSEK 109.9 (35.4).

Investments in the parent company during 2023 amounted to MSEK 5.4 (8.6) and are related to investments in properties.

The parent company's interest-bearing liabilities amounted to MSEK 0.0 (46.6) as of 31 December 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 4 2023	Q 4 2022	Q 1-4 2023	Q 1-4 2022
Turnover		9.9	9.0	39.8	35.9
Cost of goods sold		-1.8	-2.2	-7.4	-8.9
Gross Margin		8.1	6.8	32.4	27.0
Other operating revenues		0.0	0.0	0.0	0.0
Administrative expenses		-0.6	-1.4	-3.8	-5.0
Operating income		7.5	5.4	28.6	22.0
Result from shares in group companies		0.0	0.0	82.5	14.7
Interest income and similar income and expense items		0.4	0.0	0.4	0.0
Interest expenses and similar income and expense items		0.0	-0.6	-1.6	-1.3
Income after financial items		7.9	4.8	109.9	35.4
Appropriations		30.5	-0.5	30.5	-0.5
Income before tax		38.4	4.3	140.4	34.9
Tax		-8.3	-1.1	-12.3	-4.4
Net income for the period		30.1	3.2	128.1	30.5
Parent company statement of comprehensive income					
Net income for the period		30.1	3.2	128.1	30.5
Items that will subsequently be reclassified to net income:		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
Comprehensive income for the period		30.1	3.2	128.1	30.5

Balance sheet in short – the parent company

MSEK	Note	31 Dec 2023	31 Dec 2022
Assets			
Tangible assets			
Tangible fixed assets		179.8	188.9
Financial assets (shares in subsidiaries)		87.9	87.9
Total fixed assets		267.7	276.8
Current receivables		79.1	0.5
Cash and bank balances		0.0	0.0
Total current assets		79.1	0.5
Total assets		346.8	277.3
Equity		250.3	151.8
Untaxed reserves		79.0	67.5
Provisions for taxes		3.7	3.6
Long-term liabilities		0.0	0.0
Current liabilities		13.8	54.4
Total equity and liabilities		346.8	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 4 2023	Q 4 2022	Q 1-4 2023	Q 1-4 2022
Intangible fixed assets	1.6	1.6	6.5	6.5
Land and buildings	1.7	1.5	6.5	6.1
Machinery and equipment	14.9	16.1	68.1	64.1
Right of use assets	2.3	1.9	9.7	7.4
Total	20.5	21.1	90.8	84.1
of which write-down	0.0	0.0	0.0	0.0

Note 3 – Financial expenses

MSEK	Q 4 2023	Q 4 2022	Q 1-4 2023	Q 1-4 2022
Interest expenses to financial institutions	2.0	3.6	14.1	9.5
Unrealized exchange rate revaluation of financial items (gain neg, loss pos)	-3.4	2.1	0.2	9.5
Other financial expenses	4.6	1.8	16.5	9.3
Total	3.2	7.5	30.8	28.3

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

MSEK	31 Dec 2023	31 Dec 2022
Short-term receivables:		
Currency derivatives	0.0	0.0
Short-term non interest-bearing liabilities:		
Currency derivatives	3.4	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	12.2	9.8
Notional amount	131.9	101.9
Last maturity date of concluded forward contracts	2025-12-15	2024-11-29

Note 5 – Pledged assets and contingent liabilities

MSEK	31 Dec 2023	31 Dec 2022
Property mortgages	82.9	82.9
Floating charges	440.0	440.0
Shares in subsidiaries	328.7	383.6
Assets with retention of title	0.0	0.0
Guarantee commitments pensions	0.3	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 4 2023	Q 4 2022	Q 1-4 2023	Q 1-4 2022
Net turnover, MSEK	548.4	579.8	2 439.1	2 696.6
Income before depreciation, MSEK	38.6	13.0	243.2	234.4
Operating income/loss, MSEK	18.1	-8.1	152.4	150.3
Operating margin, %	3.3	-1.4	6.2	5.6
Income after financial items, MSEK	19.4	-14.9	127.2	123.1
Profit margin, %	3.5	-2.6	5.2	4.6
Return on equity, %	8.5	-7.2	16.9	18.1
Return on capital employed, %	11.3	-4.8	17.0	15.7
Cash flow from operating activities, MSEK	112.3	134.8	429.4	108.7
Investments, MSEK	20.6	25.4	78.7	101.8
Liquidity reserve, MSEK	-	-	318.8	185.7
Net debt, MSEK	-	-	26.9	326.1
Net debt/EBITDA	-	-	0.1	1.4
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	147.8	346.1
Net debt/equity ratio	-	-	0.0	0.6
Total assets, MSEK	-	-	1 442.3	1 474.6
Equity ratio, %	-	-	42.7	37.2
Capital turnover	-	-	2.9	3.2
Proportion of risk-bearing capital, %	-	-	48.8	42.7
Interest coverage ratio	10.7	-3.1	10.0	14.0
Average number of employees	518	506	512	555
Net turnover per employee (average), TSEK	1 059	1 146	4 764	4 859
Income after fin, per employee (average), TSEK	37	-30	248	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	1.69	-1.53	12.27	12.58
Equity per share, SEK	-	-	80.86	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 246. 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, February 13, 2024


The CEO and Board of Directors, ProfilGruppen AB (publ)

Org. No. 556277-8943

This year-end 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 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



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