

Year-end report January 1 – December 31, 2021

Strong result after continued high raw material prices

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 629.3 (371.6), up 69 percent compared to previous year
- Operating profit MSEK 55.2 (5.3), after positive one-off effects of MSEK 36 (-10)
- Operating margin 8.8 percent (1.4)
- Net income MSEK 42.4 (7.4)
- Cash flow from operating activities MSEK -4.5 (111.4), of which MSEK 0.0 (63.1) from covid related support measures
- Earnings per share SEK 5.68 (0.86)

Year 2021

- Turnover MSEK 2,119.6 (1,414.4), up 50 percent compared to previous year
- Operating profit MSEK 178.6 (36.4), after positive one-off effects of MSEK 87 (0)
- Operating margin 8.4 percent (2.6)
- Net income MSEK 132.8 (23.9)
- Cash flow from operating activities MSEK 124.8 (179.4), of which MSEK 51.9 (101.9) from covid related support measures
- Earnings per share SEK 17.26 (2.45)
- The Board is proposing a dividend of SEK 13.50 per share for the financial year 2021, including an extra dividend of SEK 5.00 per share

Fredrik Zöögling, CEO and President of ProfilGruppen, comments:

“We look back on a year with very high demand, which has led to a new level. We have grown in every way. The main reason for higher turnover and earnings is the development in raw material prices.

We will continue with activities to strengthen the operating result. In the fourth quarter, we made an effort to adapt to a market where the cost base increased sharply. We aim to minimize the increased price risk in aluminium. We have also proactively secured the metal price in the raw material market. A number of ongoing improvement projects will make the remaining parts of the business more effective. At the same time, our customer base will be developed further.”



Turnover and result in the fourth quarter

The turnover for the Group in the fourth quarter of 2021 amounted to MSEK 629.3 (371.6), an increase of about 69 percent compared to the same period previous year. The main reasons for the increased turnover are sharply increased raw material prices and that delivery volumes have increased by approximately 29 percent to 9,970 tonnes (7,700) of aluminum profiles.

During the fourth quarter the Group manufactured 11,500 tonnes (8,850) of aluminium extrusions.

The operating profit for the fourth quarter of the year amounted to MSEK 55.2 (5.3). This is equivalent to an operating margin of 8.8 percent (1.4).

Raw material prices continued increasing during the fourth quarter, which contributed to a inventory effect of MSEK 42. Together with negative non-recurring effects of MSEK 6, the result was positively affected by MSEK 36 (negative by MSEK 10).

Sharply increased energy prices have caused an increase in energy costs of approximately 80 percent, MSEK 8, compared to the same period previous year.

The profit before tax amounted to MSEK 51.9 (10.3).

Earnings per share totalled SEK 5.68 (0.86) (no dilution).

Turnover and result of the year

The turnover of the Group in 2021 amounted to MSEK 2,119.6 (1,414.4), an increase of about 50 percent compared to previous year. The main reasons for the increased turnover are raw material price increase of 118 percent and that delivery volumes have increased approximately 37 percent to 39,450 tonnes (28,900) of aluminum profiles.

During the year the Group produced approximately 40,380 tonnes (29,900) of aluminium extrusions.

The operating profit amounted to MSEK 178.6 (36.4) during the year. The operating margin amounted to 8.4 percent (2.6). The good result has been largely achieved through a positive inventory effect of SEK 81 million. This has been caused by increasing raw material prices and increased risk exposure. Positive inventory effects together with other non-recurring items affected earnings by SEK 87 million.

The underlying result is not satisfactory and actions to increase it to a sustainable level is ongoing. The most important activity has been to adjust revenues to a sharply increased cost base. Going forward, the development of the customer portfolio will be emphasised in order to increase the degree of added value and service content.

The profit before tax amounted to MSEK 165.9 (31.3).

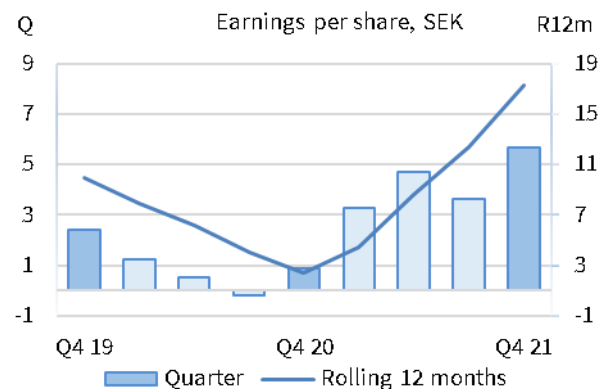
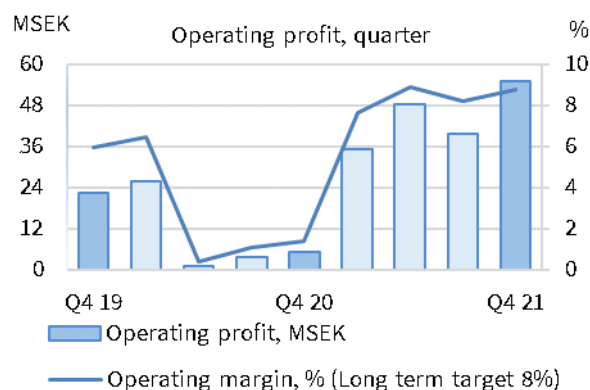
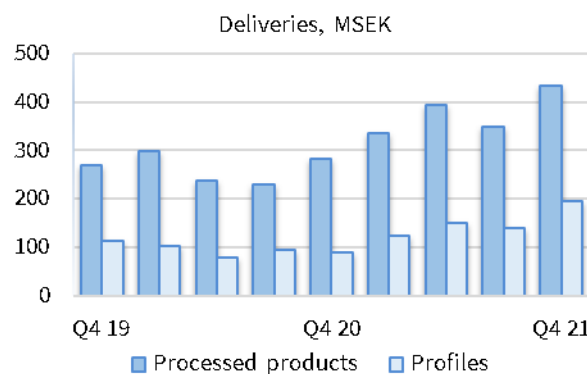
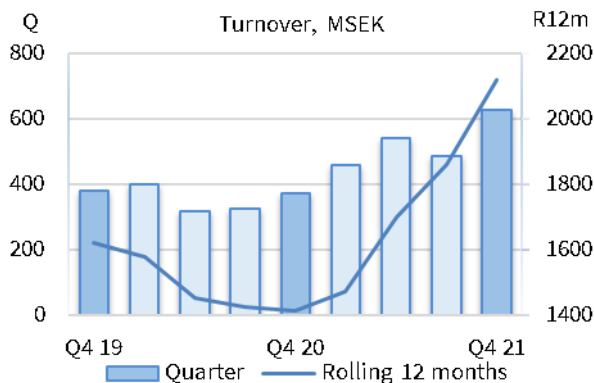
Earnings per share (no dilution) totalled SEK 17.26 (2.45).

The average number of shares in thousands was 7,399 (7,399).

Investments

Investments in 2021 amounted to MSEK 84.2 (94.9), excluding changes in right of use assets.

The investments mainly consist of various capacity-increasing measures and extrusion dies that are now activated as fixed assets after a change in life expectancy.



Financing and liquidity

Cash flow from current operations amounted to MSEK 124.8 (179.4) and after investments to MSEK 32.8 (86.7).

ProfilGruppen received additional liquidity support of MSEK 51.9 (60.7) during the year, which had a positive effect on cash flow. Inventories have increased, which is due to higher raw material prices and production volumes.

The liquidity reserve as of 31 December 2021 amounted to MSEK 176.9 (189.1).

The balance sheet total as of the end of the period was MSEK 1,450.5 (1,150.4).

Net debt as of 31 December 2021 amounted to MSEK 208.8 (222.5) and net debt/EBITDA to 0.8 (2.2). ProfilGruppen's target for net debt/EBITDA is < 2.0.

Personnel

The average number of employees in the Group during the period was 542 (461). The number of employees as of 31 December 2021 totalled 582 (489).

Significant risks and uncertain factors

As the raw material supply of the industry is dependent on global players it is also subject to international trade policies. For the time being we see an increased risk of disruptions in the raw material supply. The risks are also affected by the turbulent energy market.

The sharply increased raw material price during the year and an increased inventory level have amounted to an increased inventory value and therefore the price risk has been inflated. To reduce this risk part of the price risk, approximately 40 percent, has been hedged using futures fixed to the LME price.

Otherwise, the company's risks and risk management have not significantly changed since publishing of the 2020 Annual Report.

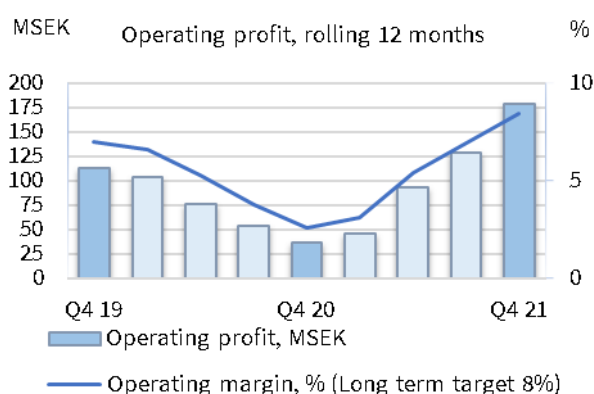
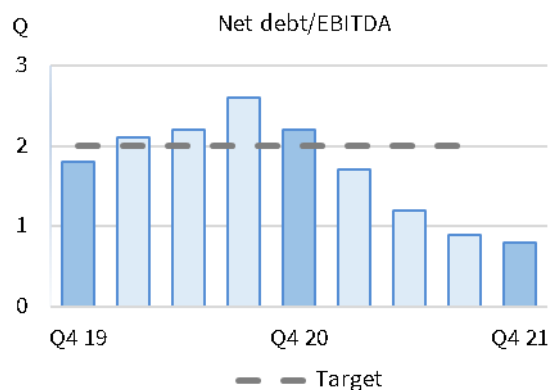
Outlook for 2022

The industry association European Aluminium forecast provides support for expectations of continued high demand. The ongoing measures to improve earnings are expected to give a very positive effect during the first half of the year.

Geopolitical concerns may affect both the raw material market and demand.

Outlooks for 2021/2022 published on October 19, 2021:

The industry association EA's forecast provides support for expectations of continued high demand, while the current market price of aluminum provides support for very high inventory effects during the rest of the year and the first half of 2022.



Dividend

The Board is proposing to the Annual General Meeting of shareholders a dividend of SEK 13.50 per share for the financial year 2021, including an extra dividend of SEK 5.00 per share. The proposal means that the total dividend will amount to MSEK 100 (0). The Board is proposing that the cut-off date for the dividend will be April 28 2022.

Annual General Meeting

The AGM 2022 will take place Tuesday 26 April 2022 at 16:00 CET. All shareholders are then welcome to Folkets Hus in Åseda.

Annual report 2021 and interim reports 2022

The annual report for 2021 will be available in the company's reception and on the company's website no later than March 29, 2020.

Interim reports for 2022 will be provided as follows:

Interim report first quarter, April 21, 14:00

Interim report second quarter, July 14, 14:00

Interim report third quarter, October 18, 14:00

Statement of comprehensive income in short

MSEK	Note	Q 4 2021	Q 4 2020	Q 1-4 2021	Q 1-4 2020
Net turnover		629.3	371.6	2 119.6	1 414.4
Cost of goods solds	2	-545.9	-334.9	-1 830.1	-1 283.7
Gross Margin		83.4	36.7	289.5	130.7
Other operating revenues		6.8	1.5	6.8	15.8
Selling expenses		-18.7	-15.8	-61.8	-55.9
Administrative expenses		-16.3	-17.1	-55.9	-54.2
Other operating expenses		0.0	0.0	0.0	0.0
Operating profit/loss		55.2	5.3	178.6	36.4
Financial income		0.0	0.2	0.1	0.4
Financial expenses	3	-3.3	4.8	-13.0	-5.5
Net financial income/expense		-3.3	5.0	-12.9	-5.1
Income after financial items		51.9	10.3	165.7	31.3
Tax		-9.4	-2.9	-32.9	-7.4
Net income for the period		42.5	7.4	132.8	23.9
of which attributable to:					
Owners of the parent		42.1	6.3	127.7	18.1
Non-controlling interests		0.4	1.1	5.1	5.8
Earnings per share (before and after dilution), SEK		5.68	0.86	17.26	2.45
Other comprehensive income (net after tax)					
Net income for the period		42.5	7.4	132.8	23.9
Hedging reserve		-8.1	7.6	-13.7	7.0
Translation differences		0.0	-0.4	0.1	-0.5
Deferred tax on the above items		2.0	-1.5	2.9	-1.4
Total items that will subsequently be reclassified to net income:		-6.1	5.7	-10.7	5.1
Revaluation of defined benefit obligation		0.2	-0.8	0.2	-0.3
Total items that will subsequently not be reclassified to net income:		0.2	-0.8	0.2	-0.3
Comprehensive income for the period		36.6	12.3	122.3	28.7
of which total comprehensive income for the period attributable to:					
Owners of the parent		36.2	11.2	117.2	22.9
Non-controlling interests		0.4	1.1	5.1	5.8

Statement of financial position in short

MSEK	Note	31 Dec 2021	31 Dec 2020
Assets			
Intangible fixed assets		27.0	33.6
Tangible fixed assets		584.8	564.3
Right of use assets		13.9	17.5
Financial fixed assets		0.2	0.2
Deferred tax assets		0.1	0.0
Total fixed assets		626.0	615.6
Inventories		421.7	242.4
Current receivables	4	374.4	227.3
Liquid assets		28.4	65.1
Total current assets		824.5	534.8
Total assets		1 450.5	1 150.4
Shareholders' equity			
Total equity attributable to the parent Company's shareholders		538.9	421.7
Non-controlling interests		13.7	23.9
Total equity		552.6	445.6
Liabilities			
Interest-bearing liabilities		138.8	169.2
Interest-free liabilities		69.5	64.4
Total long-term liabilities		208.3	233.6
Interest-bearing liabilities and provisions		98.3	118.4
Interest-free liabilities	4	591.3	352.8
Total short-term liabilities		689.6	471.2
Total shareholders' equity and liabilities		1 450.5	1 150.4

Statement of changes in equity in short

MSEK	Q 4 2021	Q 4 2020	Q 1-4 2021	Q 1-4 2020
Opening balance, total equity	516.0	433.3	445.6	416.9
Changes attributable to owners of the parent:				
Comprehensive income for the period	36.2	11.2	117.2	22.9
Changes attributable to non-controlling interests:				
Comprehensive income for the period	0.4	1.1	5.1	5.8
Dividend	0.0	0.0	-15.3	0.0
Closing balance, total equity	552.6	445.6	552.6	445.6

Statement of cash flows in short

MSEK	Note	Q 4 2021	Q 4 2020	Q 1-4 2021	Q 1-4 2020
Operating activities					
Operating profit/loss		55.2	5.3	178.6	36.4
Depreciation and write-down		20.6	16.7	77.4	66.7
Adjustment for other non-cash items		0.8	1.7	-1.2	1.9
Interest received/paid		-2.2	-1.5	-8.2	-10.2
Paid income tax		-2.7	-0.9	-8.7	-5.5
Cash flow prior to change in working capital		71.7	21.3	237.9	89.3
Inventories		-107.4	-23.7	-172.8	-10.3
Operating receivables		-22.6	44.4	-168.1	36.2
Operating liabilities		53.8	69.4	227.8	64.2
Cash flow from operating activities		-4.5	111.4	124.8	179.4
Acquisition of property, plant and equipment		-22.1	-21.0	-92.0	-92.7
Sale of property, plant and equipment		0.0	0.0	0.0	0.0
Cash flow from investing activities		-22.1	-21.0	-92.0	-92.7
Dividend ¹⁾		0.0	0.0	-15.3	0.0
Loans raised		0.0	-0.2	0.0	15.5
Change in bank overdraft facility utilized		24.9	-76.0	-20.9	-41.0
Repayment of loans		-7.0	-6.5	-27.7	-15.9
Repayment of lease debts		-1.7	-1.8	-6.9	-7.2
Cash flow from financing activities		16.2	-84.5	-70.8	-48.6
Cash flow for the period		-10.4	5.9	-38.0	38.1
Liquid assets, opening balance		39.6	61.5	65.1	29.9
Translation differences in liquid assets		-0.8	-2.3	1.3	-2.9
Liquid assets, closing balance		28.4	65.1	28.4	65.1
Liquidity reserve				176.9	189.1

¹⁾ Total amount concerns non-controlling interests

The parent company

The turnover of the parent company amounted to MSEK 34.9 (27.1) and comprises payments for rents from companies in the Group.

Profit after financial items amounted to MSEK 59.3 (16.6).

Investments in the parent company during 2021 amounted to MSEK 4.6 (16.6) and are connected to investments in properties.

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 2021	Q 4 2020	Q 1-4 2021	Q 1-4 2020
Turnover		8.7	6.8	34.9	27.1
Cost of goods sold		-1.7	-1.1	-6.8	-5.7
Gross Margin		7.0	5.7	28.1	21.4
Other operating revenues		0.0	0.0	0.0	0.0
Administrative expenses		-1.1	-1.0	-4.8	-4.2
Operating income		5.9	4.7	23.3	17.2
Result from shares in group companies		0.0	0.0	35.7	0.0
Interest income and similar income and expense items		0.0	0.2	0.3	0.7
Interest expenses and similar income and expense items		0.0	0.0	0.0	-1.3
Income after financial items		5.9	4.9	59.3	16.6
Appropriations		-6.2	-16.1	-6.2	-16.1
Income before tax		-0.3	-11.2	53.1	0.5
Tax		-0.1	2.6	-3.7	0.1
Net income for the period		-0.4	-8.6	49.4	0.6
Parent company statement of comprehensive income					
Net income for the period		-0.4	-8.6	49.4	0.6
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		-0.4	-8.6	49.4	0.6

Balance sheet in short – the parent company

MSEK	Note	31 Dec 2021	31 Dec 2020
Assets			
Tangible assets			
Tangible fixed assets		185.6	187.5
Financial assets (shares in subsidiaries)		87.9	87.9
Total fixed assets		273.5	275.4
Current assets			
Current receivables		0.5	0.1
Cash and bank balances		24.9	22.0
Total current assets		25.4	22.1
Total assets		298.9	297.5
Equity and liabilities			
Equity			
Untaxed reserves		221.2	171.7
Provisions for taxes		67.0	60.8
Long-term liabilities		3.4	3.3
Current liabilities		0.0	0.0
		7.3	61.7
Total equity and liabilities		298.9	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 4 2021	Q 4 2020	Q 1-4 2021	Q 1-4 2020
Intangible fixed assets	1.7	1.6	6.6	6.2
Land and buildings	1.6	1.5	6.3	5.9
Machinery and equipment	15.5	11.7	57.4	47.2
Right of use assets	1.8	1.9	7.1	7.4
Total	20.6	16.7	77.4	66.7

Note 3 – Financial expenses

MSEK	Q 4 2021	Q 4 2020	Q 1-4 2021	Q 1-4 2020
Interest expenses	0.9	0.2	4.6	6.1
Unrealized exchange rate revaluation of financial items (gain neg, loss pos)	0.3	-6.8	2.4	-5.4
Other financial expenses	2.1	1.8	6.0	4.8
Total	3.3	-4.8	13.0	5.5

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

MSEK	31 Dec 2021	31 Dec 2020
Short-term receivables:		
Currency derivatives	0.3	7.1
Short-term non interest-bearing liabilities;		
Commodity derivatives	11.5	0.0
Currency derivatives	2.0	0.0

Both commodity 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 Dec 2021	31 Dec 2020	31 Dec 2020
Property mortgages	82.9	82.9	82.9
Floating charges	290.0	341.5	341.5
Shares in subsidiaries	323.5	226.4	226.4
Assets with retention of title	12.3	0.0	0.0
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 either.

Key ratios

The Group	Q 4 2021	Q 4 2020	Q 1-4 2021	Q 1-4 2020
Net turnover, MSEK	629.3	371.6	2 119.6	1 414.4
Income before depreciation, MSEK	75.8	22.0	256.0	103.1
Operating income/loss, MSEK	55.2	5.3	178.6	36.4
Operating margin, %	8.8	1.4	8.4	2.6
Income after financial items, MSEK	51.9	10.3	165.7	31.3
Profit margin, %	8.2	2.8	7.8	2.2
Return on equity, %	31.8	6.8	26.6	5.5
Return on capital employed, %	27.7	5.9	22.4	5.0
Cash flow from operating activities, MSEK	-4.5	111.4	124.8	179.4
Investments, MSEK	23.2	16.2	84.2	94.9
Liquidity reserve, MSEK	-	-	176.9	189.1
Net debt, MSEK	-	-	208.8	222.5
Net debt/EBITDA	-	-	0.8	2.2
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	237.2	287.6
Net debt/equity ratio	-	-	0.4	0.5
Total assets, MSEK	-	-	1 450.5	1 150.4
Equity ratio, %	-	-	38.1	38.7
Capital turnover	-	-	2.8	1.9
Proportion of risk-bearing capital, %	-	-	42.9	44.3
Interest coverage ratio	54.7	-1.1	36.9	6.8
Average number of employees	579	470	542	461
Net turnover per employee (average), TSEK	1 087	790	3 911	3 068
Income after fin, per employee (average), TSEK	90	22	306	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	5.68	0.86	17.26	2.45
Equity per share, SEK	-	-	72.82	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 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, February 10, 2022

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

The information was submitted for publication through the agency of the contact persons set out above at February 10, 2022 at 14:00 CET.

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