

Interim report January 1 – June 30, 2023

Continued strength 2023

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 672.5 (752.6), down 11 percent compared to previous year
- Operating profit MSEK 63.3 (83.0) and operating margin 9.4 percent (11.0)
- Adjusted operating profit MSEK 60.5 (43.0), corresponding to an adjusted operating margin of 9.0 percent (5.7)
- Total operating profit MSEK 67.4, whereof adjusted operating profit MSEK 60.5, one-off items MSEK 10.0 and result of metal positions MSEK -3.1 (relevant comparison is missing due to new structure)
- Net income MSEK 39.6 (58.8)
- Cash flow from operating activities MSEK 55.6 (26.3)
- Earnings per share SEK 4.99 (7.68)

First six months

- Turnover MSEK 1,356.3 (1,504.5), down 10 percent compared to previous year
- Operating profit MSEK 95.1 (130.4) and operating margin 7.0 percent (8.7)
- Adjusted operating profit MSEK 118.5 (94.9), corresponding to an adjusted operating margin of 8.7 percent (6.3)
- Net income MSEK 58.6 (92.5)
- Cash flow from operating activities MSEK 252.3 (-36.6), including repayment and suspension of collection in COVID-related support of MSEK 152.
- Earnings per share SEK 7.19 kr (12.04)



Turnover and result in the second quarter

The turnover for the Group in the second quarter of 2023 amounted to MSEK 672.5 (752.6), a decrease of about 11 percent compared to the same period previous year.

The delivery volumes have decreased by approximately 2 percent to 9,650 tonnes (9,850) of aluminum profiles. The difference between decrease in turnover and volume is explained by falling metal prices.

During the second quarter the Group manufactured 9,450 tonnes (10,325) of aluminium extrusions.

The operating profit for the second quarter of the year amounted to MSEK 63.3 (83.0). This is equivalent to an operating margin of 9.4 percent (11.0).

The adjusted operating profit amounts to MSEK 60.5 (43.0), corresponding to an adjusted operating margin of 9.0 percent (5.7).

The total operating profit of MSEK 67.4 includes the adjusted operating profit and one-off items of MSEK 10.0, including electricity price support, and result of metal positions of MSEK -3.1. Furthermore, accrual effects are added of MSEK -4.1 to reach the operating profit of MSEK 63.3.

The raw material price has decreased during the second quarter. Some slowdowns in the price development of other production-related costs have been noticed.

The profit before tax amounted to MSEK 49.9 (74.1).

Earnings per share totalled SEK 4.99 (7.68) (no dilution).

Turnover and result during the first six months of the year

The turnover for the Group for the first six months of the year amounted to MSEK 1,356.3 (1,504.5), a decrease of about 10 percent compared to the same period previous year.

The delivery volumes have decreased by approximately 6 percent to 19,400 tonnes (20,600) of aluminum profiles.

During the first six months the Group manufactured 18,750 tonnes (20,775) of aluminium extrusions.

The operating profit for the first six months of the year amounted to MSEK 95.1 (130.4). This is equivalent to an operating margin of 7.0 percent (8.7).

The adjusted operating profit amounted to MSEK 131.5, (94.9), corresponding to an adjusted operating margin of 9.7 percent (6.9).

The profit before tax amounted to MSEK 73.8 (116.6).

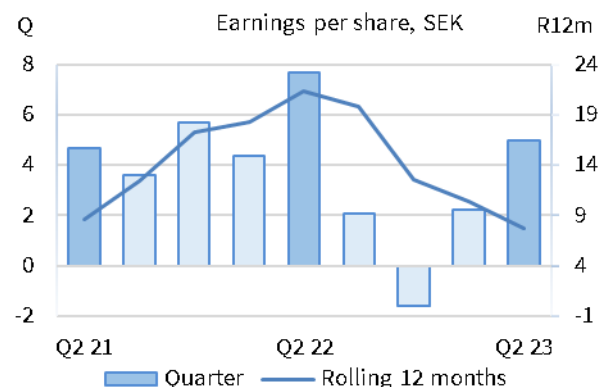
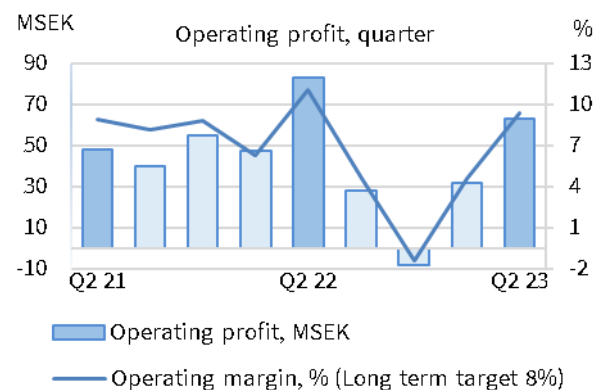
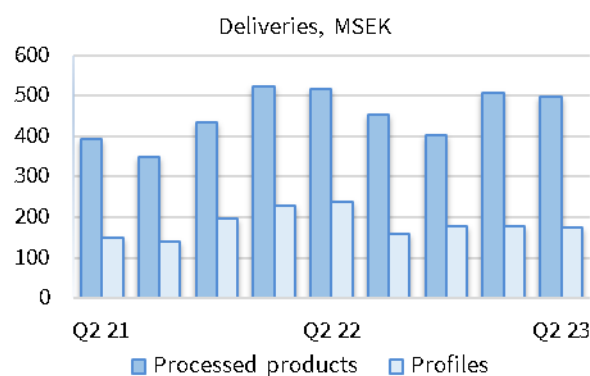
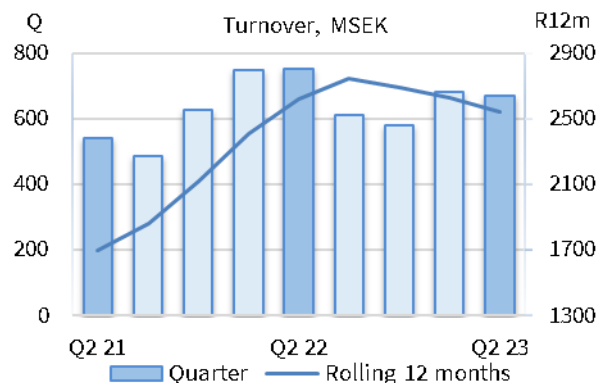
Earnings per share totalled SEK 7.19 (12.04) (no dilution).

Investments during the first six months of the year

Investments during the first six months of 2023 amounted to MSEK 39.5 (63.4), excluding changes in right of use assets.

The investments mainly consist of machinery and equipment of MSEK 21.1, and extrusion dies.

During the period, the board has also granted up to SEK 35 million for investment in new switchgear with peripheral equipment. Upon commissioning, planned in the third quarter of 2025, the company will have access to increased power output of an additional 15 MW, which opens for potentially expanded operations and additional activities. It should be noted that the responsibility and cost of ensuring necessary infrastructure locally for access to necessary electrical energy now rests with the individual company in Sweden.



Financing and liquidity

Cash flow from current operations amounted to MSEK 252.3 (-36.6) and after investments to MSEK 212.5 (-96.4).

During the period the group received Covid-related suspension of collection to the amount of MSEK 162, repayments of MSEK 10.0 have also been made on previously granted deferrals.

The liquidity reserve as of June 30, 2023, amounted to MSEK 345.2 (110.1).

The balance sheet total as of the end of the period was MSEK 1,517.8 (1,729.3).

Net debt as of 30 June 2023 amounted to MSEK 162.0 (414.8) and net debt/EBITDA to 0.8 (1.3). ProfilGruppen's target for net debt/EBITDA is < 2.0.

The Covid-related suspension of MSEK 265.4, whereof MSEK 162.8 is due to payment in February 2024, is not included in the calculation of net debt.

Currency

During the second quarter, the weakening of the Swedish krona, mainly against the euro, has had an overall profit effect on revaluation of balance sheet items amounting to MSEK -0.6.

Valuation of trade receivables in euros is counteracted by revaluation of previously taken out loan in euro. The loan amounted to MEUR 9.4 on the balance sheet date.

To the above can be added currency-driven price increases in euros of MSEK 4.1 in the second quarter 2023 compared to the same period 2022.

Personnel

The average number of employees in the Group during the period was 502 (574). The number of employees as of 30 June 2023 totalled 523 (567), which includes approximately 50 fixed-term employees.

In the beginning of the year, notice was given to 25 employees, mainly white-collar. The effects of this activity will fall out in the coming quarter.

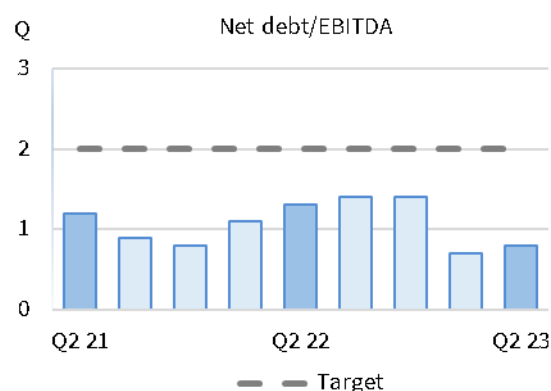
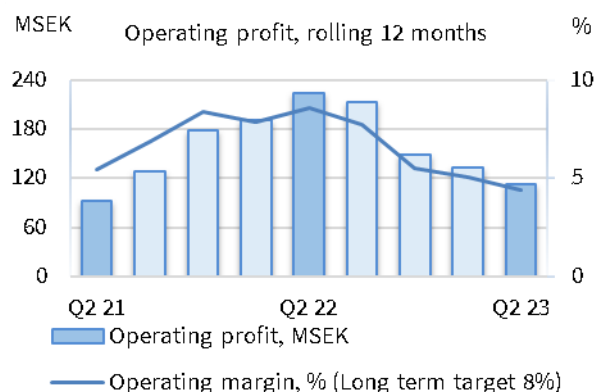
Significant risks and uncertain factors

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 chosen 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.

Against the background of shutdown of melting capacity, sanctions against Russian aluminium, etc, the company has continued to have long commodity positions during the quarter. During the period, this has entailed losses of MSEK -3.1 related to a non-risk price level. At the end of June, the risk-exposed (long) position was 2,790 tonnes which corresponds to a market value of approximately MSEK 80.



Outlook for 2023

ProfilGruppen does not provide a forecast.

Financial reporting 2023

Interim report for the third quarter of 2023 will be provided October 17, 14:00.

Statement of comprehensive income in short

MSEK	Note	Q 2 2023	Q 2 2022	Q 1-2 2023	Q 1-2 2022	R 12	2022
Net turnover		672.5	752.6	1 356.3	1 504.5	2 548.4	2 696.6
Cost of goods sold	2	-595.2	-634.6	-1 210.0	-1 308.2	-2 314.2	-2 412.4
Gross Margin		77.3	118.0	146.3	196.3	234.2	284.2
Other operating revenues		20.0	0.3	20.0	0.3	20.9	1.2
Selling expenses		-19.0	-20.1	-39.6	-37.8	-75.0	-73.2
Administrative expenses		-15.0	-15.2	-31.5	-28.4	-63.8	-60.7
Other operating expenses		0.0	0.0	-0.1	0.0	-1.3	-1.2
Operating profit/loss		63.3	83.0	95.1	130.4	115.0	150.3
Financial income		0.3	0.3	1.1	0.4	1.8	1.1
Financial expenses	3	-13.7	-9.2	-22.4	-14.2	-36.5	-28.3
Net financial income/expense		-13.4	-8.9	-21.3	-13.8	-34.7	-27.2
Income after financial items		49.9	74.1	73.8	116.6	80.3	123.1
Tax		-10.3	-15.3	-15.2	-24.1	-14.6	-23.5
Net income for the period		39.6	58.8	58.6	92.5	65.7	99.6
of which attributable to:							
Owners of the parent		36.7	56.8	53.2	89.0	57.2	93.0
Non-controlling interests		2.9	2.0	5.4	3.5	8.5	6.6
Earnings per share (before and after dilution), SEK		4.99	7.68	7.19	12.04	7.74	12.58
Other comprehensive income							
Net income for the period		39.6	58.8	58.6	92.5	65.7	99.6
Hedging reserve		-2.5	-3.2	-3.1	-3.0	-0.9	-0.8
Translation differences		0.2	0.0	0.2	0.1	0.4	0.3
Deferred tax on the above items		0.5	0.7	0.6	0.6	0.1	0.1
Total items that will subsequently be reclassified to net income:		-1.8	-2.5	-2.3	-2.3	-0.4	-0.4
Revaluation of defined benefit pension obligation		0.0	0.0	1.2	0.4	4.5	3.7
Total items that will subsequently not be reclassified to net income:		0.0	0.0	1.2	0.4	4.5	3.7
Comprehensive income for the period		37.8	56.3	57.5	90.6	69.8	102.9
of which total comprehensive income for the period attributable to:							
Owners of the parent		34.9	54.3	52.1	87.1	61.3	96.3
Non-controlling interests		2.9	2.0	5.4	3.5	8.5	6.6

Statement of financial position in short

MSEK	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
Assets				
Intangible fixed assets		17.2	23.8	20.5
Tangible fixed assets		605.1	612.8	607.6
Right of use assets		18.1	13.0	15.3
Financial fixed assets		0.2	0.2	0.2
Deferred tax assets		0.3	0.2	0.2
Total fixed assets		640.9	650.0	643.8
Inventories		405.0	518.8	471.4
Current receivables	4	457.4	527.3	339.4
Liquid assets		14.5	33.2	20.0
Total current assets		876.9	1 079.3	830.8
Total assets		1 517.8	1 729.3	1 474.6
Shareholders' equity				
Total equity attributable to the parent Company's shareholders		557.8	526.1	535.3
Non-controlling interests		19.4	17.2	14.0
Total equity		577.2	543.3	549.3
Liabilities				
Interest-bearing liabilities		121.1	131.9	125.2
Interest-free liabilities		79.7	69.2	79.9
Total long-term liabilities		200.8	201.1	205.1
Interest-bearing liabilities and provisions		55.5	316.2	220.9
Interest-free liabilities	4	684.3	668.7	499.3
Total short-term liabilities		739.8	984.9	720.2
Total shareholders' equity and liabilities		1 517.8	1 729.3	1 474.6

Statement of changes in equity in short

MSEK	Q 2 2023	Q 2 2022	Q 1-2 2023	Q 1-2 2022	2022
Opening balance, total equity	569.0	586.9	549.3	552.6	552.6
Changes attributable to owners of the parent:					
Comprehensive income for the period	34.9	54.3	52.1	87.1	96.3
Changes attributable to non-controlling interests:					
Comprehensive income for the period	2.9	2.0	5.4	3.5	6.6
Transactions with shareholders					
Dividend	-29.6	-99.9	-29.6	-99.9	-106.2
Closing balance, total equity	577.2	543.3	577.2	543.3	549.3

Statement of cash flows in short

MSEK	Note	Q 2 2023	Q 2 2022	Q 1-2 2023	Q 1-2 2022	R 12	2022
Operating activities							
Income after financial items		49.9	74.1	73.8	116.6	80.3	123.1
Depreciation and write-down		23.3	21.5	45.2	41.9	87.4	84.1
Adjustment for other non-cash items		25.0	7.3	33.8	11.1	57.8	35.1
Interest received/paid		-13.6	0.4	-10.3	1.1	-20.7	-9.3
Paid income tax		-7.2	-3.2	-21.2	-1.5	-24.1	-4.4
Cash flow prior to change in working capital		77.4	100.1	121.3	169.2	180.7	228.6
Inventories		17.0	-60.4	66.4	-103.7	113.9	-56.2
Operating receivables		-6.1	-35.6	-118.0	-153.2	69.9	34.7
Operating liabilities		-32.7	22.2	182.6	51.1	33.1	-98.4
Cash flow from operating activities		55.6	26.3	252.3	-36.6	397.6	108.7
Acquisition of property, plant and equipment		-14.9	-31.7	-39.8	-60.3	-83.7	-104.2
Sale of property, plant and equipment		0.0	0.5	0.0	0.5	-0.5	0.0
Cash flow from investing activities		-14.9	-31.2	-39.8	-59.8	-84.2	-104.2
Dividend		-29.6	-99.9	-29.6	-99.9	-35.9	-106.2
Loans raised		0.0	0.0	0.0	0.0	0.0	0.0
Change in bank overdraft facility utilized		-1.9	88.3	-175.4	222.5	-266.3	131.6
Repayment of loans		-3.1	-11.7	-9.2	-19.7	-20.3	-30.8
Repayment of lease debts		-2.2	-1.9	-4.1	-3.7	-8.1	-7.7
Cash flow from financing activities		-36.8	-25.2	-218.3	99.2	-330.6	-13.1
Cash flow for the period		3.9	-30.1	-5.8	2.8	-17.2	-8.6
Liquid assets, opening balance		10.3	61.7	20.0	28.4	33.2	28.4
Translation differences in liquid assets		0.3	1.6	0.3	2.0	-1.5	0.2
Liquid assets, closing balance		14.5	33.2	14.5	33.2	14.5	20.0
Liquidity reserve				345.2	110.1		185.7

The parent company

The turnover of the parent company amounted to MSEK 18.0 (17.9) and comprises payments for rents from companies in the Group. Profit after financial items amounted to MSEK 82.2 (11.4).

Investments in the parent company during the first half year 2023 amounted to MSEK 2.8 (6.8) and are related to investments in properties.

The parent company's interest-bearing liabilities amounted to MSEK 0.0 (68.5) as of 30 June 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 2 2023	Q 2 2022	Q 1-2 2023	Q 1-2 2022	2022
Turnover		9.0	8.9	18.0	17.9	35.9
Cost of goods sold		-1.8	-1.7	-3.8	-3.6	-8.9
Gross Margin		7.2	7.2	14.2	14.3	27.0
Other operating revenues		0.0	0.0	0.0	0.0	0.0
Administrative expenses		-1.0	-1.3	-2.4	-2.6	-5.0
Operating income		6.2	5.9	11.8	11.7	22.0
Result from shares in group companies		72.0	0.0	72.0	0.0	14.7
Interest income and similar income and expense items		0.0	0.0	0.0	0.0	0.0
Interest expenses and similar income and expense items		-1.0	-0.3	-1.6	-0.3	-1.3
Income after financial items		77.2	5.6	82.2	11.4	35.4
Appropriations		0.0	0.0	0.0	0.0	-0.5
Income before tax		77.2	5.6	82.2	11.4	34.9
Tax		-1.1	-1.1	-2.1	-2.3	-4.4
Net income for the period		76.1	4.5	80.1	9.1	30.5
Parent company statement of comprehensive income						
Net income for the period		76.1	4.5	80.1	9.1	30.5
Items that will subsequently be reclassified to net income:		0.0	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	0.0
Comprehensive income for the period		76.1	4.5	80.1	9.1	30.5

Balance sheet in short – the parent company

MSEK	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
Assets				
Tangible assets				
Tangible fixed assets		188.1	189.1	188.9
Financial assets (shares in subsidiaries)		87.9	87.9	87.9
Total fixed assets		276.0	277.0	276.8
Current receivables		0.7	0.5	0.5
Cash and bank balances		2.3	0.0	0.0
Total current assets		3.0	0.5	0.5
Total assets		279.0	277.5	277.3
Equity		202.3	130.3	151.8
Untaxed reserves		67.5	67.0	67.5
Provisions for taxes		3.6	3.5	3.6
Long-term liabilities		0.0	0.0	0.0
Current liabilities		5.6	76.7	54.4
Total equity and liabilities		279.0	277.5	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 2 2023	Q 2 2022	Q 1-2 2023	Q 1-2 2022	R 12	2022
Intangible fixed assets	1.7	1.7	3.3	3.3	6.5	6.5
Land and buildings	1.6	1.6	3.2	3.0	6.3	6.1
Machinery and equipment	17.9	16.4	34.7	31.9	66.9	64.1
Right of use assets	2.1	1.8	4.0	3.7	7.7	7.4
Total	23.3	21.5	45.2	41.9	87.4	84.1
of which write-down	0.0	0.0	0.0	0.0	0.0	0.0

Note 3 – Financial expenses

MSEK	Q 2 2023	Q 2 2022	Q 1-2 2023	Q 1-2 2022	R 12	2022
Interest expenses	4.3	1.9	8.3	3.2	14.6	9.5
Unrealized exchange rate revaluation of financial items (gain neg, loss pos)	4.9	3.8	6.3	5.0	10.8	9.5
Other financial expenses	4.5	3.5	7.8	6.0	11.1	9.3
Total	13.7	9.2	22.4	14.2	36.5	28.3

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

MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
Short-term receivables:			
Commodity derivatives	0.0	60.0	0.0
Currency derivatives	0.0	0.0	0.0
Short-term non interest-bearing liabilities:			
Commodity derivatives	0.0	0.0	0.0
Currency derivatives	10.6	9.7	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	-	5 400.0	-
Notional amount, MUS\$	-	19.0	-
Last maturity date of concluded forward contracts	-	2022-07-18	-
Forward contracts foreign exchange			
Hedged future cash flows, MEUR	10.2	19.8	9.8
Notional amount	107.8	203.6	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	30 Jun 2023	30 Jun 2022	31 Dec 2022
Property mortgages	82.9	82.9	82.9
Floating charges	440.0	290.0	440.0
Shares in subsidiaries	356.2	377.1	383.6
Assets with retention of title	0.0	6.2	0.0
Guarantee commitments pensions	1.4	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, dividend and the rents from companies in the Group to the parent company.

Key ratios

The Group	Q2 2023	Q2 2022	Q 1-2 2023	Q 1-2 2022	R 12	2022
Net turnover, MSEK	672.5	752.6	1 356.3	1 504.5	2 548.4	2 696.6
Income before depreciation, MSEK	86.6	104.5	140.3	172.3	202.4	234.4
Operating income/loss, MSEK	63.3	83.0	95.1	130.4	115.0	150.3
Operating margin, %	9.4	11.0	7.0	8.7	4.5	5.6
Income after financial items, MSEK	49.9	74.1	73.8	116.6	80.3	123.1
Profit margin, %	7.4	9.8	5.4	7.8	3.2	4.6
Return on equity, %	27.8	41.6	20.8	33.8	11.7	18.1
Return on capital employed, %	19.9	31.3	19.9	26.9	10.9	15.7
Cash flow from operating activities, MSEK	55.6	26.3	252.3	-36.6	397.6	108.7
Investments, MSEK	14.8	35.4	39.5	63.4	77.9	101.8
Liquidity reserve, MSEK	-	-	345.2	110.1	-	185.7
Net debt, MSEK	-	-	162.0	414.8	-	326.1
Net debt/EBITDA	-	-	0.8	1.3	-	1.4
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	176.5	448.1	-	346.1
Net debt/equity ratio	-	-	0.3	0.8	-	0.6
Total assets, MSEK	-	-	1 517.8	1 729.3	-	1 474.6
Equity ratio, %	-	-	38.0	31.4	-	37.2
Capital turnover	-	-	3.3	3.4	2.9	3.2
Proportion of risk-bearing capital, %	-	-	43.3	35.4	-	42.7
Interest coverage ratio	12.7	39.5	9.9	37.5	6.5	14.0
Average number of employees	512	571	502	574	518	555
Net turnover per employee (average), TSEK	1 313	1 318	2 702	2 621	4 920	4 859
Income after fin, per employee (average), TSEK	98	130	147	203	155	222
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	4.99	7.68	7.19	12.04	7.74	12.58
Equity per share, SEK	-	-	75.40	71.10	-	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

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, July 13, 2023

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

Mats Johansson
Chairman of the Board

Jonny Sandstedt
Acting President and CEO

Thomas Berggren
Board member

Mikael Ekbring
Board member
Appointed by the employees

Magnus Gabrielsson
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 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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