

Actively navigating a turbulent 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 579.8 (629.3), down 8 percent compared to previous year
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) MSEK 13.0 (75.8)
- Operating profit MSEK -8.1 (55.2), corresponding to an operating margin of -1.4 percent (8.8)
- Excluding the influence of metal positions and accrual effects the operating profit amounts to MSEK 27.0 (19.2), corresponding to an adjusted operating margin of 4.6 percent (3.0)
- Net income MSEK -10.0 (42.5)
- Cash flow from operating activities MSEK 134.8 (-4.5)
- Earnings per share SEK -1.53 (5.68) (no dilution)

Year 2022

- Turnover MSEK 2,696.6 (2,119.6), up 27 percent compared to previous year
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) MSEK 234.4 (256.0)
- Operating profit MSEK 150.3 (178.6), corresponding to an operating margin of 5.6 percent (8.4)
- Excluding the influence of metal positions and accrual effects the operating profit amounts to MSEK 97.5 (91.6), corresponding to an adjusted operating margin of 3.6 percent (4.3)
- Net income MSEK 99.6 (132.8)
- Cash flow from operating activities MSEK 108.7 (124.8)
- Earnings per share SEK 12,58 (17.26) (no dilution)
- The Board is proposing a dividend for the company of SEK 4.00 per share, corresponding to MSEK 29.6

Events after the closing date

- ProfilGruppen announced on 4 January the dismissal of another 25 employees
- The announced electricity price compensation will provide the maximum level of compensation for ProfilGruppen

Fredrik Zöögling, CEO and President of ProfilGruppen, comments:

"Our operating profit for the quarter of MSEK 27 MSEK 97 for 2022 is far from our targets. It has been a very challenging year with extreme price variations for raw materials, sharply increased costs for energy and inputs. In the last half of the year, demand has also slowed down. Our measures to deal with the turbulence during the year have not been sufficient. We diligently continue our work with lowering our cost level, increasing our flexibility and to develop and structure our customer portfolio."



Turnover and result in the fourth quarter

The turnover of the Group in the fourth quarter of 2022 amounted to MSEK 579.8 (629.3), a decrease of about 8 percent compared to the same period previous year. The raw material prices have increased while volumes have decreased. Delivery volumes have decreased about 26 percent to 7,375 tonnes (9,970) of aluminium extrusions.

During the fourth quarter the Group manufactured 7,050 tonnes (11,500) of aluminium extrusions.

The operating profit for the fourth quarter of the year amounted to MSEK -8.1 (55.2), corresponding to an operating margin of -1.4 percent (8.8). Adjusted for the impact of metal positions and accrual effects of MSEK -35.2, the operating profit amounted to MSEK 27.0 (19.2), corresponding to an adjusted operating margin of 4.6 percent (3.0). In the period, the effect of our metal position is small.

Earnings before interest, taxes, depreciation and amortisation (EBITA) amounted to MSEK 13.0 (75.2).

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

The profit before tax amounted to MSEK -14.9 (51.9) and net income to MSEK -10.0 (42.4).

Earnings per share totalled SEK -1.53 (5.68).

Turnover and result of the year

The turnover of the Group in 2022 amounted to MSEK 2,696.6 (2,119.6), an increase of about 27 per cent compared to previous year. The main cause of the increase in turnover are higher raw material prices and price increases.

The delivery volume has decreased about 10 percent to 35,625 (39,450) aluminium profiles.

During the year the Group produced approximately 34,750 tonnes (40,380) of aluminium extrusions.

The operating profit in 2022 amounted to MSEK 150.3 (178.6), corresponding to an operating margin of 5.6 percent (8.4). Adjusted for the impact of metal positions and accrual effects of MSEK 52.8, the operating profit amounted to MSEK 97.5 (91.6), corresponding to an adjusted operating margin of 3.6 percent (4.3).

Earnings before interest, taxes, depreciation and amortisation (EBITA) amounted to MSEK 234.4 (256).

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

The profit before tax amounted to MSEK 123.1 (165.7) and net income to MSEK 99.6 (132.8).

Earnings per share (no dilution) totalled SEK 12.58 (17.26)

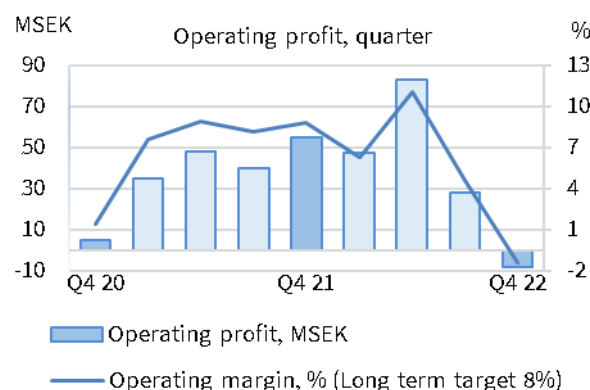
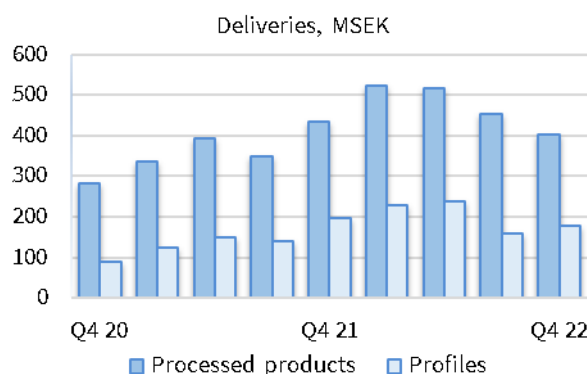
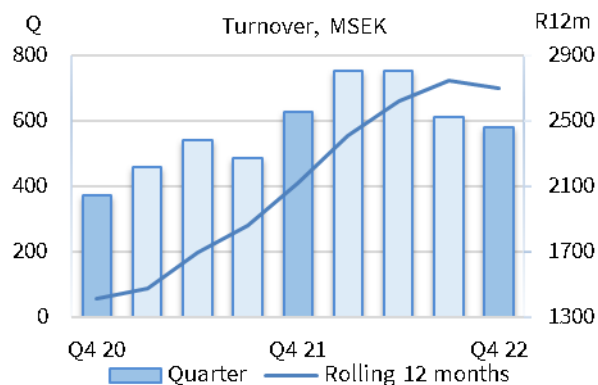
Investments during the first nine months of the year

Investments in 2022 amounted to MSEK 101.8 (84.2), excluding changes in rights of use assets.

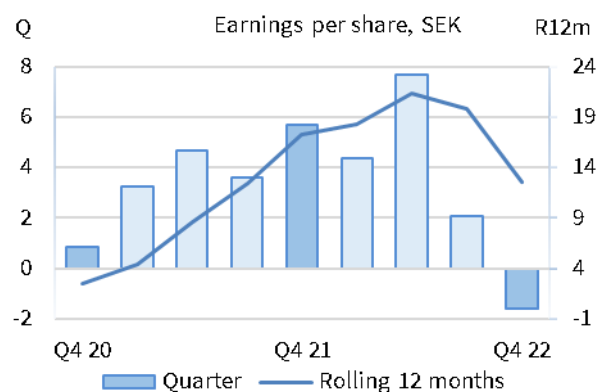
The investments consist of extrusion dies, machining equipment, various other productivity and capacity enhancing measures and replacements.

Financing and liquidity

Cash flow from current operations amounted to MSEK 108.7 (124.8) during the year. The cash flow after investments amounted to MSEK 4.5 (32.8). Inventories have increased due to higher raw material prices.



The graph shows the reported operating profit before adjustments.



The liquidity reserve as of December 31, 2022 amounted to MSEK 185.7 (176.9).

The balance sheet total at the end of the year was MSEK 1,474.6 (1,450.5).

Net debt as of 31 December 2022 amounted to MSEK 326.1 (208.8) and net debt/EBITDA to 1.4 (0.8). ProfilGruppen's target for net debt/EBITDA is < 2.0.

Personnel

The average number of employees in the Group during the year was 555 (542). The number of employees as of December 31, 2022 totalled 490 (582). The number of employees has gradually decreased during the autumn, as of December 31, 77 people have left the company.

Events after the end of the period

On January 4, 2023, ProfilGruppen gave notice of termination of 25 employees, the notification affects both white-collar and blue-collar employees.

The announced electricity compensation will, at our consumption, give the maximum level of compensation.

Significant risks and uncertain factors

ProfilGruppen's risk position on the metal market has changed significantly during 2022.

The ongoing price risk regarding raw materials, which during the previous year gave large positive effects, has been minimized by changing the purchasing pattern.

During the year, the Board has opened for active positioning on the metal market. The impact of these activities is not assessed as part of operational business. At the end of the period, we have again increased our price risk volume to just over 3,000 tonnes, which corresponds to a holding of approx. MSEK 100 and then with approximately the same amount cash.

There is still big uncertainty about developments in the world. The price of our raw material aluminium is volatile and strongly influenced by geopolitical events.

Through active monitoring of the environment, we continuously adapt to changes.

Electricity and energy prices strongly influence the development of raw material prices as well as the operating cost of our energy-intensive production process. However, through renegotiations with customers and suppliers, the uncertainty regarding future cost variations has been able to be reduced to some extent.

For other descriptions of the company's risks and risk management, see the annual report for 2021.

Outlooks for 2023

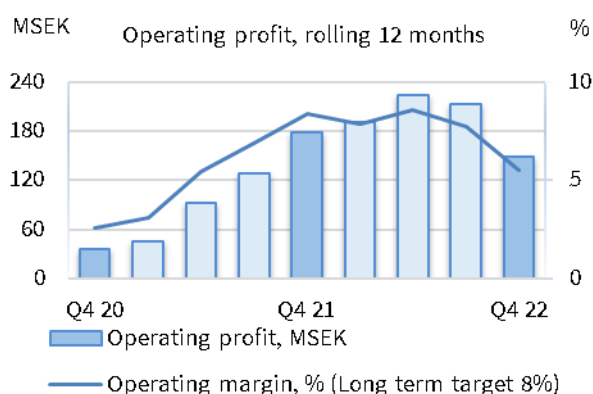
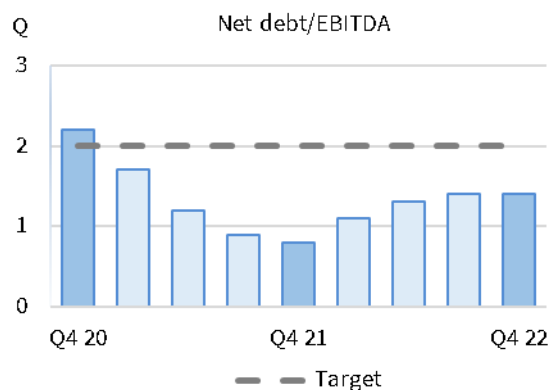
The level of activity is perceived as positive at the start of 2023 compared to the previous quarter, although there is still great uncertainty. Many of our customers have reduced their stocks during the autumn. This places demands on compliance and fast deliveries.

Outlooks for 2022 and 2023 published on October 18, 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.

Extraordinary General Meeting

The Extraordinary General Meeting took place on October 31 at Folkets Hus in Åseda. Mats Johansson was elected as the new Chairman of the Board.



Nomination Committee

For the Nomination Committee in ProfilGruppen AB for 2023 Mats Egeholm, Lars Johansson, Bengt Stillström and Petter Stillström have been appointed. Bengt Stillström has been elected as Chairman of the Nomination Committee. Shareholders are welcome to contact the Nomination Committee with questions and suggestions via e-mail, valberedningen@profilgruppen.se.

Dividend

The Board is proposing to the Annual General Meeting of shareholders a dividend of SEK 4.00 per share (13.50). The proposal means that the total dividend will amount to MSEK 29.6 (99.9).

Annual General Meeting

The AGM 2023 will take place Tuesday 18 April 2023 at 16:00 CET. All shareholders are then welcome to Folkets Hus in Åseda.

Annual report 2022 and interim reports 2023

The annual report for 2022 will be available in the company's reception and on the company's website no later than March 28, 2023.

Interim reports for 2023 will be provided as follows:

Interim report first quarter, April 18, 14:00

Interim report second quarter, July 13, 14:00

Interim report third quarter, October 17, 14:00

Statement of comprehensive income in short

MSEK	Note	Q 4 2022	Q 4 2021	Q 1-4 2022	Q 1-4 2021
Net turnover		579.8	629.3	2 696.6	2 119.6
Cost of goods solds	2	-549.2	-545.9	-2 412.4	-1 830.1
Gross Margin		30.6	83.4	284.2	289.5
Other operating revenues		0.0	6.8	1.2	6.8
Selling expenses		-19.6	-18.7	-73.2	-61.8
Administrative expenses		-17.9	-16.3	-60.7	-55.9
Other operating expenses		-1.2	0.0	-1.2	0.0
Operating profit/loss		-8.1	55.2	150.3	178.6
Financial income		0.7	0.0	1.1	0.1
Financial expenses	3	-7.5	-3.3	-28.3	-13.0
Net financial income/expense		-6.8	-3.3	-27.2	-12.9
Income after financial items		-14.9	51.9	123.1	165.7
Tax		4.9	-9.4	-23.5	-32.9
Net income for the period		-10.0	42.5	99.6	132.8
of which attributable to:					
Owners of the parent		-11.3	42.1	93.0	127.7
Non-controlling interests		1.3	0.4	6.6	5.1
Earnings per share (before and after dilution), SEK		-1.53	5.68	12.58	17.26
Other comprehensive income					
Net income for the period		-10.0	42.5	99.6	132.8
Hedging reserve		0.8	-8.1	-0.8	-13.7
Translation differences		0.1	0.0	0.3	0.1
Deferred tax on the above items		-0.3	2.0	0.1	2.9
Total items that will subsequently be reclassified to net income:		0.6	-6.1	-0.4	-10.7
Revaluation of defined benefit pension obligation		-0.3	0.2	3.7	0.2
Total items that will subsequently not be reclassified to net income:		-0.3	0.2	3.7	0.2
Comprehensive income for the period		-9.7	36.6	102.9	122.3
of which total comprehensive income for the period attributable to:					
Owners of the parent		-11.0	36.2	96.3	117.2
Non-controlling interests		1.3	0.4	6.6	5.1

Statement of financial position in short

MSEK	Note	31 Dec 2022	31 Dec 2021
Assets			
Intangible fixed assets		20.5	27.0
Tangible fixed assets		607.6	584.8
Right of use assets		15.3	13.9
Financial fixed assets		0.2	0.2
Deferred tax assets		0.2	0.1
Total fixed assets		643.8	626.0
Inventories		471.4	421.7
Current receivables	4	339.4	374.4
Liquid assets		20.0	28.4
Total current assets		830.8	824.5
Total assets		1 474.6	1 450.5
Shareholders' equity			
Total equity attributable to the parent Company's shareholders		535.3	538.9
Non-controlling interests		14.0	13.7
Total equity		549.3	552.6
Liabilities			
Interest-bearing liabilities		125.2	138.8
Interest-free liabilities		79.9	69.5
Total long-term liabilities		205.1	208.3
Interest-bearing liabilities and provisions		220.9	98.3
Interest-free liabilities	4	499.3	591.3
Total short-term liabilities		720.2	689.6
Total shareholders' equity and liabilities		1 474.6	1 450.5

Statement of changes in equity in short

MSEK	Q 4 2022	Q 4 2021	Q 1-4 2022	Q 1-4 2021
Opening balance, total equity	559.0	516.0	552.6	445.6
Changes attributable to owners of the parent:				
Comprehensive income for the period	-11.0	36.2	96.3	117.2
Changes attributable to non-controlling interests:				
Comprehensive income for the period	1.3	0.4	6.6	5.1
Transactions with shareholders				
Dividend	0.0	0.0	-106.2	-15.3
Closing balance, total equity	549.3	552.6	549.3	552.6

Statement of cash flows in short

MSEK	Note	Q 4 2022	Q 4 2021	Q 1-4 2022	Q 1-4 2021
Operating activities					
Income after financial items		-14.9	55.2	123.1	165.7
Depreciation and write-down		21.1	20.6	84.1	77.4
Adjustment for other non-cash items		14.7	0.8	35.1	11.7
Interest received/paid		-5.7	-2.2	-9.3	-8.2
Paid income tax		-0.5	-2.7	-4.4	-8.7
Cash flow prior to change in working capital		14.7	71.7	228.6	237.9
Inventories		22.4	-107.4	-56.2	-172.8
Operating receivables		123.3	-22.6	34.7	-168.1
Operating liabilities		-25.6	53.8	-98.4	227.8
Cash flow from operating activities		134.8	-4.5	108.7	124.8
Acquisition of property, plant and equipment		-27.2	-22.1	-104.2	-92.0
Sale of property, plant and equipment		0.0	0.0	0.0	0.0
Cash flow from investing activities		-27.2	-22.1	-104.2	-92.0
Dividend		0.0	0.0	-106.2	-15.3
Loans raised		0.0	0.0	0.0	0.0
Change in bank overdraft facility utilized		-82.1	24.9	131.6	-20.9
Repayment of loans		-5.6	-7.0	-30.8	-27.7
Repayment of lease debts		-1.9	-1.7	-7.7	-6.9
Cash flow from financing activities		-89.6	16.2	-13.1	-70.8
Cash flow for the period		18.0	-10.4	-8.6	-38.0
Liquid assets, opening balance		6.8	39.6	28.4	65.1
Translation differences in liquid assets		-4.8	-0.8	0.2	1.3
Liquid assets, closing balance		20.0	28.4	20.0	28.4
Liquidity reserve				185.7	176.9

The parent company

The turnover of the parent company amounted to MSEK 35.9 (34.9) and comprises payments for rents from companies in the Group. Profit after financial items amounted to MSEK 35.5 (59.3).

Investments in the parent company during the first nine months of the year 2022 amount to MSEK 10.0 (4.6) and are connected to investments in properties.

The parent company's interest-bearing liabilities amounted to MSEK 46.6 (0) as of 31 December 2022, and refer 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

MSEK	Note	Q 4 2022	Q 4 2021	Q 1-4 2022	Q 1-4 2021
Turnover		9.0	8.7	35.9	34.9
Cost of goods sold		-2.2	-1.7	-8.9	-6.8
Gross Margin		6.8	7.0	27.0	28.1
Other operating revenues		0.0	0.0	0.0	0.0
Administrative expenses		-1.4	-1.1	-5.0	-4.8
Operating income		5.4	5.9	22.0	23.3
Result from shares in group companies		0.0	0.0	14.7	35.7
Interest income and similar income and expense items		0.0	0.0	0.0	0.3
Interest expenses and similar income and expense items		-0.6	0.0	-1.3	0.0
Income after financial items		4.8	5.9	35.4	59.3
Appropriations		-0.5	-6.2	-0.5	-6.2
Income before tax		4.3	-0.3	34.9	53.1
Tax		-1.1	-0.1	-4.4	-3.7
Net income for the period		3.2	-0.4	30.5	49.4
Parent company statement of comprehensive income					
Net income for the period		3.2	-0.4	30.5	49.4
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		3.2	-0.4	30.5	49.4

Balance sheet in short – the parent company

MSEK	Note	31 Dec 2022	31 Dec 2021
Assets			
Tangible assets			
Tangible fixed assets		188.9	185.6
Financial assets (shares in subsidiaries)		87.9	87.9
Total fixed assets		276.8	273.5
Current receivables		0.5	0.5
Cash and bank balances		0.0	24.9
Total current assets		0.5	25.4
Total assets		277.3	298.9
Equity and liabilities			
Equity		151.8	221.2
Untaxed reserves		67.5	67.0
Provisions for taxes		3.6	3.4
Long-term liabilities		0.0	0.0
Current liabilities		54.4	7.3
Total equity and liabilities		277.3	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 4 2022	Q 4 2021	Q 1-4 2022	Q 1-4 2021
Intangible fixed assets	1.6	1.7	6.5	6.6
Land and buildings	1.5	1.6	6.1	6.3
Machinery and equipment	16.1	15.5	64.1	57.4
Right of use assets	1.9	1.8	7.4	7.1
Total	21.1	20.6	84.1	77.4
of which write-down	0.0	0.0	0.0	0.0

Note 3 – Financial expenses

MSEK	Q 4 2022	Q 4 2021	Q 1-4 2022	Q 1-4 2021
Interest expenses	3.6	0.9	9.5	7.4
Unrealized exchange rate revaluation of financial items (gain neg, loss pos)	2.1	0.3	9.5	2.4
Other financial expenses	1.8	2.1	9.3	3.2
Total	7.5	3.3	28.3	13.0

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

MSEK	31 Dec 2022	31 Dec 2021
Short-term receivables:		
Commodity derivatives	0.0	0.0
Currency derivatives	0.0	0.3
Short-term non interest-bearing liabilities:		
Commodity derivatives	0.0	11.5
Currency derivatives	7.4	2.0
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	-	6 500.0
Notional amount, MUS\$	-	17.0
Last maturity date of concluded forward contracts	-	2022-01-26
Forward contracts foreign exchange		
Hedged future cash flows, MEUR	9.8	29.6
Notional amount	101.9	304.8
Last maturity date of concluded forward contracts	2024-11-29	2024-11-29

Note 5 – Pledged assets and contingent liabilities

MSEK	31 Dec 2022	31 Dec 2021
Property mortgages	82.9	82.9
Floating charges	440.0	290.0
Shares in subsidiaries	383.6	323.5
Assets with retention of title	0.0	12.3
Guarantee commitments pensions	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 dividend and customary payments of directors' fees, remuneration of senior executives and the rents from companies in the Group to the parent company. During the year, one Board member received a consultant fee of SEK 30,000 (0).

Key ratios

The Group	Q 4 2022	Q 4 2021	Q 1-4 2022	Q 1-4 2021
Net turnover, MSEK	579.8	629.3	2 696.6	2 119.6
Income before depreciation, MSEK	13.0	75.8	234.4	256.0
Operating income/loss, MSEK	-8.1	55.2	150.3	178.6
Operating margin, %	-1.4	8.8	5.6	8.4
Income after financial items, MSEK	-14.9	51.9	123.1	165.7
Profit margin, %	-2.6	8.2	4.6	7.8
Return on equity, %	-7.2	31.8	18.1	26.6
Return on capital employed, %	-4.8	27.7	15.7	22.4
Cash flow from operating activities, MSEK	134.8	-4.5	108.7	124.8
Investments, MSEK	25.4	23.2	101.8	84.2
Liquidity reserve, MSEK	-	-	185.7	176.9
Net debt, MSEK	-	-	326.1	208.8
Net debt/EBITDA	-	-	1.4	0.8
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	346.1	237.2
Net debt/equity ratio	-	-	0.6	0.4
Total assets, MSEK	-	-	1 474.6	1 450.5
Equity ratio, %	-	-	37.2	38.1
Capital turnover	-	-	3.2	2.8
Proportion of risk-bearing capital, %	-	-	42.7	42.9
Interest coverage ratio	-3.1	54.7	14.0	36.9
Average number of employees	506	579	555	542
Net turnover per employee (average), TSEK	1 146	1 087	4 859	3 911
Income after fin, per employee (average), TSEK	-30	90	222	306
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	-1.53	5.68	12.58	17.26
Equity per share, SEK	-	-	72.35	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, February 9, 2023

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 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

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