Interim report January 1 – March 31, 2019

Good beginning of the year

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

First quarter

- Turnover MSEK 443.3 (408.2), up 9 percent compared to previous year
- Operating profit MSEK 35.6 (34.5)
- Operating margin 8.0 percent (8.5)
- Net income MSEK 25.6 (25.8)
- Cash flow from operating activities MSEK -54.4 (29.0)
- Earnings per share SEK 3.36 kr (3.31)

Per Thorsell, CEO of ProfilGruppen, comments:

”The result for the first quarter is for the third year in a row the best we have presented.

I think that all parts of the business are doing a really strong work, our customer benefit and effectiveness are increasing all the time.

Our great ongoing future investments – a new extrusion plant for increased capacity and start up of a new IT-system – are proceeding according to plan. “

Market

The market for aluminium extrusions in Europe is, according to the latest forecast of the European aluminium industry association EA, assessed to be stabilized. The delivery volumes in 2019 compared to 2018 in Scandinavia are expected to be at the same level and to increase by one percent in Europe overall.

Turnover and result in the first quarter

The turnover for the Group in the first quarter of 2019 amounted to MSEK 443.3 (408.2), an increase of about 9 percent compared to the same period previous year. The increase is partly affected by a higher price for raw material and a higher level of added value.

The share of exports amounted to 45 percent (45) of delivered volume, and 49 percent (48) of the turnover.

The delivery volumes have decreased about 1 percent to 8,275 tonnes (8,400) of aluminium extrusions. About 70 percent of delivered aluminium profiles had added value.

The decrease in turnover is mainly related to profiles in long length without other added value to one large customer.

During the first quarter the Group manufactured 8,750 tonnes (9,000) of aluminium extrusions.

The operating profit for the first quarter of the year amounted to MSEK 35.6 (34.5). This is equivalent to an operating margin of 8.0 percent (8.5).

The result has been achieved by more added value, some currency effect and efficiency measures and margin improvements in the operations. We still have a high capacity utilization.

The quarter is also affected by some one-off items, both positive and negative, that even each other out in total. We have received a refund of energy tax that has affected the result positively, but meanwhile we have costs in connection with quality variances in two different contracts.

The profit after financial items amounted to MSEK 32.6 (33.1).

Earnings per share totalled SEK 3.36 (3.31).

Investments

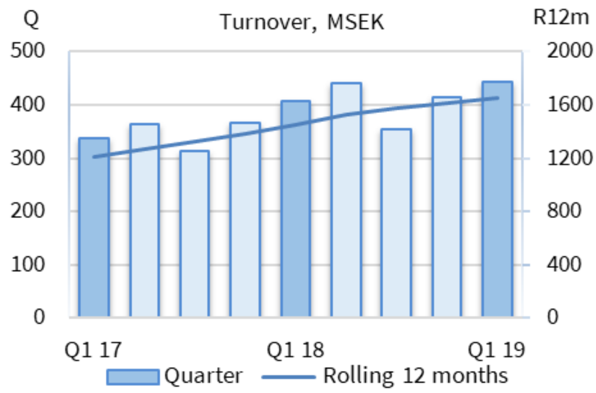
Investments during the first quarter of the year amounted to MSEK 35,4 (19.4).

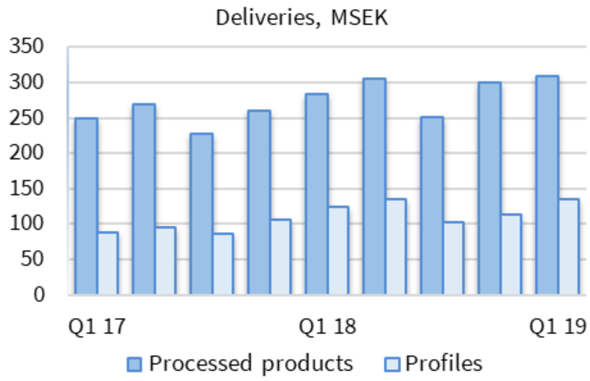
An investment in new production capacity for extrusion of aluminium profiles in Åseda is ongoing since last year. In total the investment amounts to approximately MSEK 310 and the facility is assessed to be in operation around the year-end 2019/2020. The project has affected the investments of MSEK 26.2 (0.0).

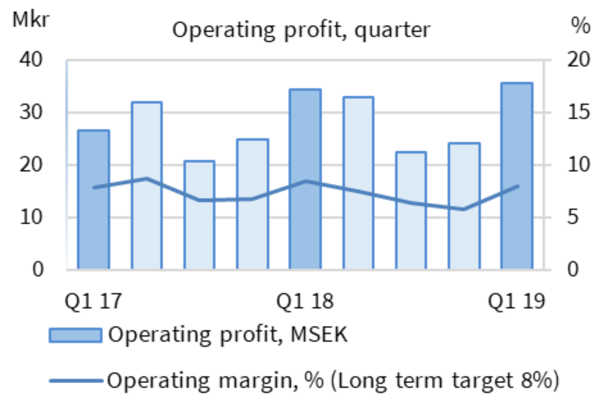
An ongoing project to develop the IT systems of the company has affected the investments in intangible assets by MSEK 3.4 (6.9) and is expected to be in progress during the next quarters.

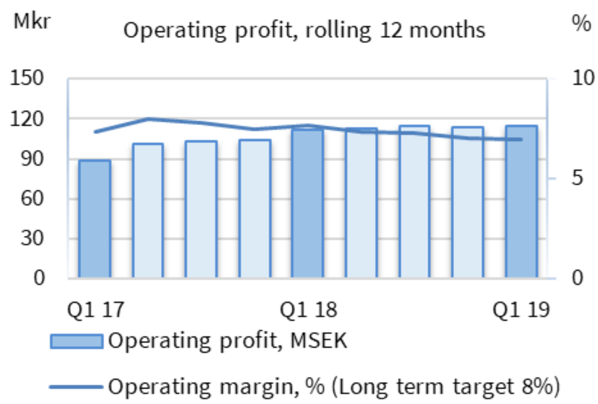
The remaining part of the investments MSEK 5.8 (12,5) mainly refers to ongoing improvements.

The implementation of the new accounting principles IFRS 16 Leasing agreements from January 1, 2019 causes an increase of fixed assets by MSEK 14.0 (0.0).









Financing and liquidity

Cash flow from current operations amounted to MSEK -54.4 (29.0) and after investments to MSEK -107.6 (6.6). The ongoing investment in new production capacity has affected the cash flow of the year and after other investments the cash flow was MSEK -81,4 (6.6).

The liquidity reserve as of 31 March 2019 amounted to MSEK 239.4 (142.4).

The balance sheet total as of the end of the first quarter was MSEK 1,004.9 (790.4). Net debt as of 31 March 2019 amounted to MSEK 234.3 (83.5) and net debt/EBITDA to 1,4 (0,6). ProfilGruppens' target for net debt/EBITDA is < 2,0.

The implementation of the new accounting principles IFRS 16 Leasing has caused an increase of the Groups interest-bearing liabilities of MSEK 12.7.

The net debt exckluding the investment in new production capacity is MSEK 121,7 which is equivalent to a net debt/EBITDA of 0.7 times.

Personnel

The average number of employees in the Group during the period was 464 (451). The number employees as of 31 March 2019 totalled 459 (453).

The CEO of ProfilGruppen has resigned and will leave the company in August 2019.

Significant risks and uncertain factors

The company's risks and risk management have not significantly changed since publishing of the 2018 Annual Report.

Outlook for 2019

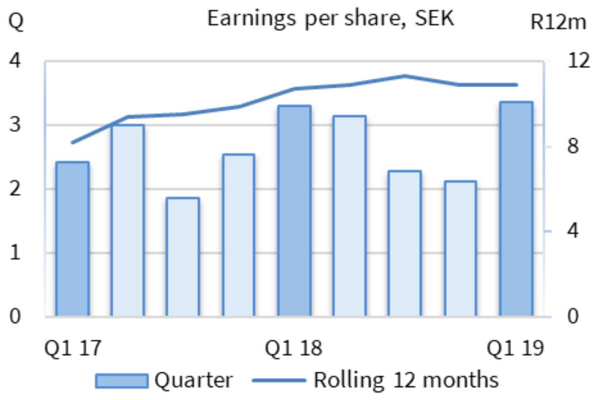
We assess the demand for our products to be still stable during the coming quarters, even if a tendency to slow down can be seen in segments of the market.

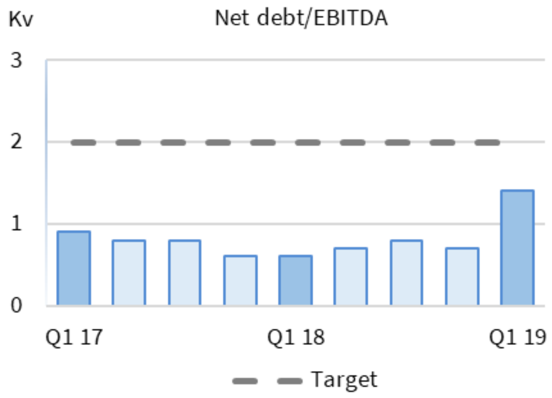
Outlooks for 2019 published on February 12, 2019:
The market situation is assessed to be stable during the coming quarters.

Calendar

Interim reports for 2019 will be provided as follows:

Interim report second quarter	July 15, 2019, 14:00
Interim report third quarter	October 22, 2019, 14:00





Profil Gruppen.

Statement of comprehensive income in short

MSEK	Note	Q 1 2019	Q 1 2018	R 12 2019	2018
Net turnover		443.3	408.2	1 653.4	1 618.3
Cost of goods solds	2	-381.8	-350.3	-1 441.6	-1 410.1
Gross Margin		**61.5**	**57.9**	**211.8**	**208.2**
Other operating revenues		0.0	0.1	0.0	0.1
Selling expenses		-14.0	-13.7	-53.4	-53.1
Administrative expenses		-11.9	-9.8	-43.3	-41.2
Other operating expenses		0.0	0.0	-0.3	-0.3
Operating profit/loss		**35.6**	**34.5**	**114.8**	**113.7**
Financial income		0.2	0.1	0.8	0.7
Financial expenses		-3.2	-1.5	-8.5	-6.8
Net financial income/expense		**-3.0**	**-1.4**	**-7.7**	**-6.1**
Income after financial items		**32.6**	**33.1**	**107.1**	**107.6**
Tax		-7.0	-7.3	-23.8	-24.1
Net income for the period		**25.6**	**25.8**	**83.3**	**83.5**
Other comprehensive income (net after tax)					
Items that will subsequently be reclassified to net income:					
Changes in hedging reserve		-1.2	-5.1	5.1	1.2
Translation differences		0.1	0.1	0.1	0.1
Items that will subsequently not be reclassified to net income:					
Revaluation of defined benefit obligation		0.1	-0.8	1.3	0.4
Comprehensive income for the period		**24.6**	**20.0**	**89.8**	**85.2**
Net income for the period attributable to:					
Owners of the parent		24.9	24.5	80.9	80.5
Non-controlling interests		0.7	1.3	2.4	3.0
Total comprehensive income for the period attributable to:					
Owners of the parent		23.9	18.7	87.4	82.2
Non-controlling interests		0.7	1.3	2.4	3.0
Earnings per share (before and after dilution), SEK		3.36	3.31	10.92	10.88
Average number of shares, thousands		7 399	7 399	7 399	7 399

Statement of financial position in short

MSEK	Note	31 Mar 2019	31 Mar 2018	31 Dec 2018
Assets				
Intangible fixed assets		35.6	21.8	31.5
Tangible fixed assets		381.7	292.5	362.9
of which construction of new extrusion line in progress		*112.6*	*0.0*	*86.4*
Right of use assets	7	12.6	0.0	0.0
Financial fixed assets		0.2	0.2	0.2
Total fixed assets		**430.1**	**314.5**	**394.6**
Inventories		243.6	194.0	247.5
Current receivables	4	309.0	250.9	250.1
Liquid assets		22.2	31.0	26.1
Total current assets		**574.8**	**475.9**	**523.7**
Total assets		**1 004.9**	**790.4**	**918.3**
Shareholders' equity				
Total equity attributable to the parent Company´s shareholders		385.9	331.2	361.4
Non-controlling interests		13.7	13.4	13.0
Total equity		**399.6**	**344.6**	**374.4**
Liabilities				
Interest-bearing liabilities		128.7	70.7	94.9
Interest-free liabilities		34.7	30.6	37.7
Total long-term liabilities		**163.4**	**101.3**	**132.6**
Interest-bearing liabilities and provisions		131.8	43.8	47.4
Interest-free liabilities	4	310.1	300.7	363.9
Total short-term liabilities		**441.9**	**344.5**	**411.3**
Total shareholders' equity and liabilities		**1 004.9**	**790.4**	**918.3**

Statement of changes in equity in short

MSEK	Q 1 2019	Q 1 2018	2018
Opening balance, total equity	374.4	324.6	324.6
Changes attributable to owners of the parent:			
Comprehensive income for the period	23.9	18.7	82.2
Changes attributable to non-controlling interests:			
Comprehensive income for the period	0.7	1.3	3.0
Dividend	0.0	0.0	-35.4
Closing balance, total equity	399.6	344.6	374.4

Statement of cash flows in short

MSEK	Note	Q 1 2019	Q 1 2018	R 12 2019	2018
Operating activities					
Operating profit/loss		35.6	34.5	114.8	113.7
Depreciation and write-down		13.9	11.4	51.7	49.2
Adjustment for other non-cash items		0.8	0.4	1.7	1.3
Interest received/paid		-3.5	-2.2	-8.0	-6.7
Paid income tax		-12.5	-9.1	-25.9	-22.5
Cash flow prior to change in working capital		34.3	35.0	134.3	135.0
Inventories		3.8	-12.8	-49.7	-66.3
Operating receivables		-59.4	-24.8	-57.5	-22.9
Operating liabilities		-33.1	31.6	19.3	84.0
Cash flow from operating activities		-54.4	29.0	46.4	129.8
Acquisition of property. plant and equipment	6, 7	-53.2	-22.4	-150.8	-120.0
Sale of property, plant and equipment		0.0	0.0	0.1	0.1
Cash flow from investing activities		-53.2	-22.4	-150.7	-119.9
Dividend		0.0	0.0	-35.4	-35.4
Loans raised	7	48.2	1.5	81.5	34.8
Change in bank overdraft facility utilized		77.9	0.4	85.9	8.4
Repayment of loans		-22.5	-5.8	-36.3	-19.6
Cash flow from financing activities		103.6	-3.9	95.7	-11.8
Cash flow for the period		-4.0	2.7	-8.6	-1.9
Liquid assets, opening balance		26.1	27.9	31.0	27.9
Translation differences in liquid assets		0.0	0.4	-0.3	0.1
Liquid assets, closing balance		22.1	31.0	22.1	26.1
Liquidity reserve		239.4	142.4		366.4

[1)] Whereof investments related to the ongoing build up of a new production facility for extrusion have affected cash flow with MSEK 36.7 (0,0). Corresponding amount for fullyear 2018 was MSEK 72.1 (0,0).

The parent company

The turnover of the parent company amounted to MSEK 5.5 (5.5) and comprises payments for rents from companies in the Group. Profit after financial items amounted to MSEK 3.5 (3.3).

Investements in the parent company during the first quarter amounts to MSEK 16.9 (0.4) and are connected to investments in properties.

All the current receivables are receivables from Group companies.

The parent company's interest-bearing liabilities amounted to MSEK 67.8 (19.2) as of 31 March 2019.

The change in the parent company's liquidity during the period has been MSEK 0 (0).

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 [1]

MSEK	Not	Q 1 2019	Q 1 2018	2018
Turnover	5	5.5	5.5	21.8
Cost of goods sold		-1.1	-1.1	-3.9
Gross Margin		**4.4**	**4.4**	**17.9**
Other operating revenues		0.0	0.0	0.0
Administrative expenses		-1.2	-1.2	-3.9
Operating income		**3.2**	**3.2**	**14.0**
Result from shares in group companies		0.0	0.0	4.9
Interest income and similar income and expense items		0.3	0.2	0.8
Interest expenses and similar income and expense items		0.0	-0.1	-0.3
Income after financial items		**3.5**	**3.3**	**19.4**
Appropriations		0.0	0.0	38.0
Income before tax		**3.5**	**3.3**	**57.4**
Tax		-0.7	-0.7	-11.6
Net income for the period		**2.8**	**2.6**	**45.8**

[1] The parent companys income statement also constitutes its comprehensive incomes statement

Balance sheet in short – the parent company

MSEK	Not	31 Mar 2019	31 Mar 2018	31 Dec 2018
Assets				
Tangible assets				
Tangible fixed assets		129.5	72.7	113.4
Financial assets (shares in subsidiaries)		87.9	88.0	87.9
Total fixed assets		**217.4**	**160.7**	**201.3**
Current assets				
Current receivables		118.9	95.7	122.1
Cash and bank balances		0.4	0.4	0.4
Total current assets		**119.3**	**96.1**	**122.5**
Total assets		**336.7**	**256.8**	**323.8**
Equity and liabilities				
Equity		204.6	191.2	201.1
Untaxed reserves		46.6	34.6	46.6
Provisions for taxes		3.8	3.9	3.9
Long-term liabilities		0.0	0.0	0.0
Current liabilities		81.7	27.1	72.2
Total equity and liabilities		**336.7**	**256.8**	**323.8**

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 with the exception that the Group as of January 1, 2019, IFRS 16 applies leases. The implementation of the standard has some effect on the financial reports. For information on the effects of the transition to IFRS 16, see note 7.

The parent company has no leasing agreements that are covered by IFRS 16 Leases, but applies from Januari 1, 2019, the items listed in RFR 2 (IFRS 16 Leases, pp 2-12).

New accounting principles – IFRS 16 Leases

The Group's leases consist mainly of premises, vehicles and IT. The leasing agreements for these are normally written for fixed periods of three to five years for premises, three to six years for vehicles and three years for IT, but opportunities for extension may exist, as described below. The terms are negotiated separately for each agreement and contain a large number of different contract terms.

The leasing agreements are reported as rights of use and a corresponding liability, on the day that the leased asset is available for use by the Group. Each lease payment is divided between the repayment of the debt and the financial cost. The financial cost shall be allocated over the lease term so that each accounting period is charged with an amount corresponding to a fixed interest rate for the liability recognized during the respective period. The right of use is written off linearly over the shorter of the asset's useful life and the length of the lease.

Assets and liabilities arising from leasing agreements are initially recognized at present value. As this is the first report in accordance with IFRS 16, all rights of use have been valued at the value of the lease liability, with adjustment for prepaid leasing fees attributable to the agreements as of January 1, 2019.

The lease liabilities include the present value of the following lease payments:

- Fixed fees
- variable leasing fees that depend on an index

The lease payments are discounted by the marginal loan rate. Interest rates used for discounting are 2% for facilities, 4% for vehicles and 7% for IT equipment.

The assets with rights of use are valued at cost and include the following:

- the initial valuation of the lease debt,
- payments made at or before the time when the leased asset is made available to the lessee,

Leases of lesser value are expensed on a straight-line basis in the income statement.

Options to extend or terminate contracts are included in the asset and liability as it is reasonably certain that they will be used. The terms are used to maximize the flexibility of managing the agreements.

Note 2 – Depreciation and write-down of fixed assets

MSEK	Q 1 2019	Q 1 2018	R 12 2019	2018
Intangible fixed assets	0.0	0.0	0.0	0.0
Land and buildings	0.9	1.0	3.7	3.8
Machinery and equipment	13.0	10.4	48.0	45.4
Total	13.9	11.4	51.7	49.2
of which write-down	0.0	0.0	0.0	0.0

Note 3 – Pledged assets and contingent liabilities

MSEK	31 Mar 2019	31 Mar 2018	31 Dec 2018
Property mortgages	82.9	82.9	82.9
Floating charges	241.5	241.5	241.5
Shares in subsidiaries	204.8	178.4	174.8
Guarantees for other companies	0.0	0.0	0.0
Guarantee commitments FPG/PRI	0.2	0.2	0.2

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

MSEK	31 Mar 2019	31 Mar 2018	31 Dec 2018
Short-term receivables:			
Currency derivatives	0.0	0.0	1.2
Short-term non interest-bearing liabilities;			
Interest rate derivatives	2.0	2.0	1.3
Currency derivatives	8.9	8.9	2.7

Both interest rate- and currency derivatives are primarily used for hedge and are valued on level 2 according to IFRS 13.

Note 5 – Related transactions

No significant 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.

Note 6 - Statement of Cash flow, acquisition of property, plant and eguipment

MSEK	Q 1-4 2019	Q 1-4 2018	31 Dec 2018
Capitalised in balance sheet	49.4	19.4	137.7
of which related to new extrusion line	*26.2*	*1.3*	86.6
Acquired right of use assets	-14.0	0.0	0.0
Unpaid	-5.0	-2.2	-22.9
of which related to new extrusion line	*-4.0*	*0.0*	*-14.5*
Paid during the period, capitalised in previous period	22.8	5.2	5.2
Investments in property, plant and equipment	53.2	22.4	120.0

Note 7 – New accounting principles IFRS 16 Leases

This note explains the effects in the Group's financial report when applying IFRS 16 Leases. In the balance sheet, the following adjustments were made at the transition date (January 1, 2019) regarding IFRS 16 Leases:

Mkr	Outgoing balance 2018-12-31	Effect of implementing IFRS 16	Ingoing balance 2019-01-01
Machinery and equipment	7.7	0.0	7.7
Right of use asset	0.0	12.8	12.8
Shortterm leasing liabilities	1.2	5.2	6.4
Longterm leasing liabilities	0.0	7.6	7.6

IFRS 16 has had a minimal impact on operating profit and a minimal impact on earnings after financial items.

The Group has applied IFRS 16 Leases from January 1, 2019, which resulted in changed accounting policies and adjustments in the amounts reported in the financial report. In accordance with the transitional rules in IFRS 16, the Group has applied the simplified transition method and has therefore not recalculated the comparative figures. All rights of use are valued at the transition to an amount corresponding to the lease liability adjusted for prepaid leasing fees attributable to the agreements as of December 31, 2018. At the transition, the following relief rules have been applied:

- The rights to use rights have been classified and then the discount rate has been set per country and class.
- The right of use has been established with the help of ex-post knowledge regarding, for example, extension options and termination clauses.
- Leases concluded within twelve months from the first day of implementation have been reported as short-term leases.

Below is an explanation of the difference between the operational leasing commitments reported in accordance with IAS 17 just before the first day of implementation (ie on December 31, 2018) and leasing liabilities reported in accordance with IFRS 16 on the first day of implementation (i.e. on January 1, 2019).

Mkr	
Obligation for operational leasing agreements as of 31 December 2018	14.1
(Deduction): Short-term lease agreements expensed on a straight-line basis	-0.5
(Deduction): Leasing agreements for which the underlying asset is of low value	-0.2
Discounting with the Group's marginal loan interest rate, 2-7%	-0.6
Liabilities for financial leasing agreements as of 31 December 2018	1.2
Leasing liabilities as of 1 January 2019	14.0

Key ratios

The Group	Q 1 2019	Q 1 2018	R 12 2019	2018
Net turnover, MSEK	443.3	408.2	1 653.4	1 618.3
Income before depreciation, MSEK	49.5	45.9	166.5	162.9
Operating income/loss, MSEK	35.6	34.5	114.8	113.7
Operating margin, %	8.0	8.5	6.9	7.0
Income after financial items, MSEK	32.6	33.1	107.1	107.6
Profit margin, %	7.4	8.1	6.5	6.6
Return on equity, %	26.4	30.9	22.4	23.9
Return on capital employed, %	24.3	30.8	20.6	23.9
Cash flow from operating activities, MSEK	-54.4	29.0	46.4	129.8
Investments, MSEK	49.4	19.4	167.7	137.7
Liquidity reserve, MSEK	239.4	142.4	-	366.4
Net debt, MSEK	234.3	83.5	-	116.2
Net debt/EBITDA	1.4	0.6	-	0.7
Interest-bearing liabilities and interest-bearing provisions, MSEK	260.5	114.5	-	142.3
Net debt/equity ratio	0.6	0.2	-	0.3
Total assets, MSEK	1 004.9	790.4	-	918.3
Equity ratio, %	39.8	43.6	-	40.8
Capital turnover	3.0	3.6	3.0	3.4
Proportion of risk-bearing capital, %	43.2	47.5	-	44.9
Interest coverage ratio	11.1	22.1	13.7	16.9
Average number of employees	464	451	463	459
Net turnover per employee (average), TSEK	955	905	3 571	3 526
Income after fin, per employee (average), TSEK	70	73	231	235
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	3.36	3.31	10.92	10.88
Equity per share, SEK	52.16	44.77	-	48.86

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.

Åseda, April 16, 2019

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

The Interim 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 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 three production lines, the fourth is under progress
    - 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 50001
- 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 and Nasdaq Stockholm:s regulation for issuers. The information was issued through Per Thorsell for publication on April 16, 2019 at 14:00 CET.

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