

Interim report January 1 – March 31, 2020

Quarterly result MSEK 26

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 401.1 (443.3), down 10 percent compared to previous year
- Operating profit MSEK 26.0 (35.6)
- Operating margin 6.5 percent (8.0)
- Net income MSEK 11.4 (25.6)
- Cash flow from operating activities MSEK -7.9 (-54.4)
- Earnings per share SEK 1.26 kr (3.36)
- The Board proposes that no dividend will be paid for the financial year of 2019
- Short-term layoffs were introduced in March

Fredrik Zöögling, CEO and President of ProfilGruppen, comments:

"We summarize a first quarter that to some extension was affected by the spread of covid-19 and its consequences. In the end of March the demand decreased significantly from our customers in the Automotive segment when several of them closed their facilities temporarily. We have also seen a tendency of slow down from other segments, mainly on extrusions with added value during the later parts of March, which in total has had an effect on the result for the period.

Positive for now is that the inflow of new requests has increased and new agreements have been made during the period. On the 23rd of March it was decided to use short-term layoffs in order to be able to customize the capacity to the current demand situation. That way are we able to balance our costs, maintain all competence and act promptly when the demand increases. The organization has answered up to these actions in a solidary way and stays strong despite the head-wind."



Turnover and result in the first quarter

The turnover for the Group in the first quarter of 2020 amounted to MSEK 401.1 (443.3), a decrease of about 10 percent compared to the same period previous year. The decrease is partly affected by a higher price for raw material. Decreased volumes and some lower added value, partly related to some flows affected by covid-19, also affect the decrease in turnover.

The share of exports amounted to 45 percent (45) of delivered volume, and 51 percent (49) of the turnover.

The delivery volumes have decreased about four percent to 7,900 tonnes (8,275) of aluminium extrusions. About 74 percent of delivered aluminium profiles had added value.

During the first quarter the Group manufactured 8,225 tonnes (8,750) of aluminium extrusions.

The operating profit for the first quarter of the year amounted to MSEK 26.0 (35.6). This is equivalent to an operating margin of 6.5 percent (8.0).

The result has, compared to the same period last year, been affected negatively by lower production and deliveries and increased depreciations. The start-up of the new production facility has been hampered because that the suppliers for the equipment is from north of Italy. The planned support in place in Åseda are not available in enough extent.

Start-up costs of MSEK 2 has affected the result.

Some lower deliveries to some segments with added value during the late part of the quarter is also affecting partially the result negatively, which is a affect of the virus outbreak.

The profit after financial items amounted to MSEK 14.9 (32.6).

Earnings per share totalled SEK 1.26 (3.36), which has been affected negatively by financial items including an unrealized currency effect of MSEK 8.8 due to revaluation of loans in euro. The loan has been drawn up in connection with the new investment in capacity for extrusion of aluminium profiles.

Investments

Investments during the first quarter of the year amounted to MSEK 26.9 (35.4).

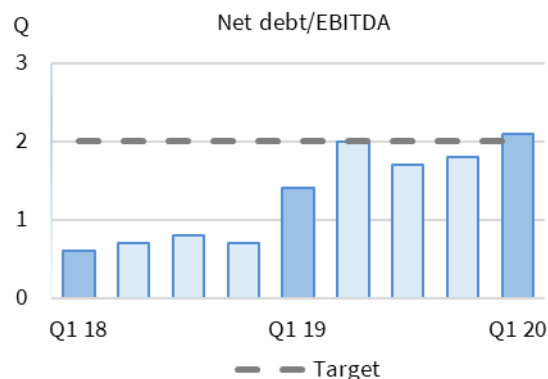
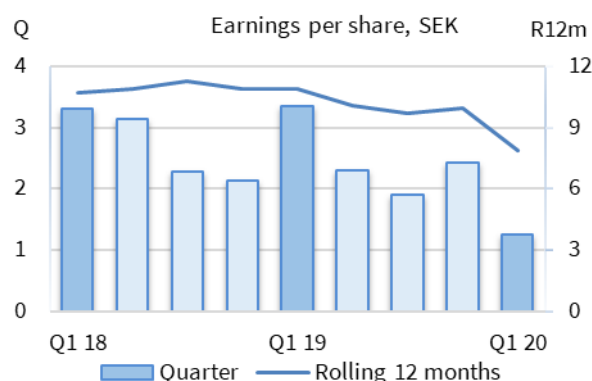
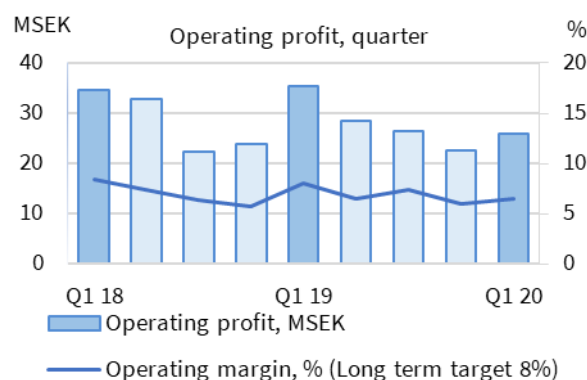
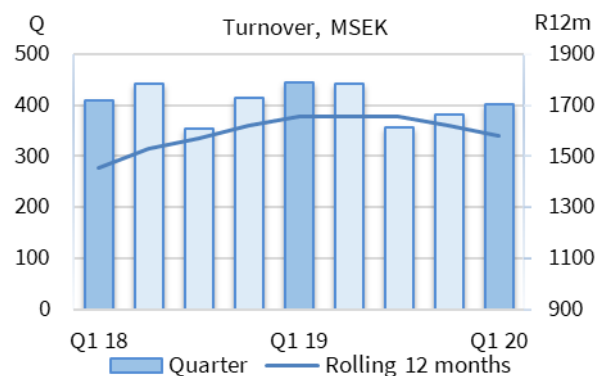
An investment in new production capacity for extrusion of aluminium profiles in Åseda is ongoing since last year. In total the investment amounts to approximately MSEK 310. The project has affected the investments by MSEK 20,9 (26.2). About MSEK 25 of the total investment remain before the project is closed.

Financing and liquidity

Cash flow from current operations amounted to MSEK -7.9 (-54.4) and after investments to MSEK -33.8 (-107.6). The ongoing investment in new production capacity has affected the cash flow of the year and after other investments the cash flow was MSEK -14.3 (-81.4).

The liquidity reserve as of 31 March 2020 amounted to MSEK 152.6 (239.4). The current assets exceed the non-interest-bearing liabilities with over MSEK 200. Our accounts receivables are to a large extent insured. In totalt this is giving us a fincial endurance for the time being.

The balance sheet total as of the end of the first quarter was MSEK 1,154.9 (1,004.9). Net debt as of 31 March 2020



amounted to MSEK 341.4 (234.3) and net debt/EBITDA to 2,1 (1,4). ProfilGruppen's target for net debt/EBITDA is < 2,0. The net debt excluding the investment in new production capacity is MSEK 59.6 which is equivalent to a net debt/EBITDA of 0.4 times.

Personnel

The average number of employees in the Group during the period was 461 (464). The number employees as of 31 March 2020 totalled 461 (459). Since March 23rd the major part of the employees has been short-term layoffed by 60 percent.

Comments to the effects of covid-19

In February when we released our Year-End Report we were expecting the demand during 2020 to be at the same level as 2019. We didn't expect that the outbreak of covid-19 should affect our market in Europe. Since then a lot has changed in the world.

Until mid-March we did not see any effect on the demand but then several of our customers closed their facilities which caused the coming demand to reduce significantly. Successively more and more customers have been affected and the order income has decreased.

The situation means a stress on both liquidity and profit. No one knows how deep and long this interference will be.

The government has rapidly introduced new legislation in order to support the companies, for instance short-term layoffs. On the 23rd of March ProfilGruppen decided to lay off all employees by 60 percent of their working time. At the time for the decision the demand seemed to be around 40 percent of available capacity, but of course we are hoping that we will have demand for more than that.

Other actions that have been taken are for instance that no dividend will be paid for the financial year 2019, instead the liquidity will be kept within the company. We have terminated temporary employments and decreased costs where it is possible. Our large investment in a new production facility is almost completed and other investments will be postponed. We monitor our customer and their ability to pay closely and adjust our inventory levels to current needs.

If the operation declines by 60 percent for a period, the result will be affected negatively, but for the time being we assess that we will be able to generate a positive cash flow from operating activities. There is a massive uncertainty regarding the future development of the situation, we follow the development carefully and take actions continuously in order to limit the negative effects.

Our ambition to adapt capacity and costs to the new activity level will not harm our delivery capacity. The customers that want deliveries will be able to rely on us the same way as always. We will also be prepared to rapidly increase the capacity when the market turns.

Significant risks and uncertain factors

Since the year-end the world has been affected by a pandemic with impacts that no one could have foreseen, which will affect ProfilGruppen. The effects are described above.

Otherwise, the company's risks and risk management have not significantly changed since publishing the 2019 Annual Report.

Outlook for 2020

In the current situation there is a massive uncertainty regarding the market development in 2020. We do not know how the ongoing spread of covid-19 will affect our customers, suppliers and us. We can, however, come to the conclusion that the result of 2020 will be substantially lower than the result of 2019 and that we will not be able to reach our financial targets.

Outlooks for 2020 published on February 11, 2020:

We expect a demand in 2020 at the same level as in 2019. We plan to take our new extrusion facility in use during the second quarter of 2020, initially by redistributing volumes from the other facilities. Increased depreciation of around MSEK 20 in 2020 compared to 2019, start up costs and increased interests will affect the result negatively.

Calendar

The Annual General Meeting will be held in Folkets Hus in Åseda, April 16, 2020, at 16.00. It will be possible to attend digitally for the share holders that register.

Interim reports for 2020 will be provided as follows:

Interim report second quarter	July 15, 2020, 14:00
Interim report third quarter	October 20, 2020, 14:00

Statement of comprehensive income in short

MSEK	Note	Q 1 2020	Q 1 2019	R 12 2020	2019
Net turnover		401.1	443.3	1 579.9	1 622.1
Cost of goods solds	2	-348.2	-382.8	-1 377.3	-1 411.9
Gross Margin		52.9	60.5	202.6	210.2
Other operating revenues		0.0	0.0	5.6	5.6
Selling expenses		-14.3	-14.0	-59.7	-59.4
Administrative expenses		-12.6	-10.9	-44.9	-43.2
Other operating expenses		0.0	0.0	0.0	0.0
Operating profit/loss		26.0	35.6	103.6	113.2
Financial income		1.1	0.2	1.3	0.4
Financial expenses		-12.6	-3.2	-21.1	-11.7
Net financial income/expense		-11.5	-3.0	-19.8	-11.3
Income after financial items		14.5	32.6	83.8	101.9
Tax		-3.1	-7.0	-17.5	-21.4
Net income for the period		11.4	25.6	66.3	80.5
of which attributable to:					
Owners of the parent		9.3	24.9	58.3	73.9
Non-controlling interests		2.1	0.7	8.0	6.6
Earnings per share (before and after dilution), SEK		1.3	3.4	7.9	10.0
Other comprehensive income (net after tax)					
Net income for the period		11.4	25.6	66.3	80.5
Changes in hedging reserve		-4.1	-1.2	-0.7	2.2
Translation differences		0.1	0.1	-0.2	-0.2
Total items that will subsequently be reclassified to net income:		-4.0	-1.1	-0.9	0.0
Revaluation of defined benefit obligation		0.0	0.1	-1.7	-1.6
Total items that will subsequently not be reclassified to net income:		0.0	0.1	-1.7	0.0
Comprehensive income for the period		7.4	24.6	63.7	80.9
of which total comprehensive income for the period attributable to:					
Owners of the parent		5.3	23.9	55.7	74.3
Non-controlling interests		2.1	0.7	8.0	6.6

Statement of financial position in short

MSEK	Note	31 Mar 2020	31 Mar 2019	31 Dec 2019
Assets				
Intangible fixed assets		38.2	35.6	39.0
Tangible fixed assets		536.4	381.7	523.2
<i>of which construction of new extrusion line in progress</i>		<i>289.5</i>	<i>112.6</i>	<i>268.7</i>
Right of use assets		11.9	12.6	13.8
Financial fixed assets		0.2	0.2	0.2
Total fixed assets		586.7	430.1	576.2
Inventories		243.0	243.6	232.0
Current receivables	4	285.9	309.0	252.0
Liquid assets		39.3	22.2	29.9
Total current assets		568.2	574.8	513.9
Total assets		1 154.9	1 004.9	1 090.1
Shareholders' equity				
Total equity attributable to the parent Company's shareholders		404.0	385.9	398.8
Non-controlling interests		20.3	13.7	18.1
Total equity		424.3	399.6	416.9
Liabilities				
Interest-bearing liabilities		189.4	128.7	185.0
Interest-free liabilities		53.5	34.7	55.1
Total long-term liabilities		242.9	163.4	240.1
Interest-bearing liabilities and provisions		191.3	131.8	145.2
Interest-free liabilities	4	296.4	310.1	287.9
Total short-term liabilities		487.7	441.9	433.1
Total shareholders' equity and liabilities		1 154.9	1 004.9	1 090.1

Statement of changes in equity in short

MSEK	Q 1 2020	Q 1 2019	2019
Opening balance, total equity	416.9	374.4	374.4
Changes attributable to owners of the parent:			
Comprehensive income for the period	5.3	23.9	74.3
Changes attributable to non-controlling interests:			
Comprehensive income for the period	2.1	0.7	6.6
Dividend	0.0	0.0	-38.4
Closing balance, total equity	424.3	399.6	416.9

Statement of cash flows in short

MSEK	Note	Q 1 2020	Q 1 2019	R 12 2020	2019
Operating activities					
Operating profit/loss		26.0	35.6	103.6	113.2
Depreciation and write-down		16.4	13.9	60.2	57.7
Adjustment for other non-cash items		0.5	0.8	1.2	1.5
Interest received/paid		-3.2	-3.5	-11.4	-11.7
Paid income tax		-3.9	-12.5	-20.1	-28.7
Cash flow prior to change in working capital		35.8	34.3	133.5	132.0
Inventories		-10.8	3.8	0.8	15.4
Operating receivables		-35.2	-59.4	31.5	7.3
Operating liabilities		2.3	-33.1	-8.6	-44.0
Cash flow from operating activities		-7.9	-54.4	157.2	110.7
Acquisition of property, plant and equipment 1)	6	-25.8	-53.2	-204.7	-232.1
Sale of property, plant and equipment		0.0	0.0	0.0	0.0
Cash flow from investing activities		-25.8	-53.2	-204.7	-232.1
Dividend		0.0	0.0	-38.4	-38.4
Loans raised		24.4	48.2	70.6	94.4
Change in bank overdraft facility utilized		23.0	77.9	39.1	94.0
Repayment of loans		-5.0	-22.5	-7.6	-25.1
Cash flow from financing activities		42.4	103.6	63.7	124.9
Cash flow for the period		8.7	-4.0	16.2	3.5
Liquid assets, opening balance		29.9	26.1	22.1	26.1
Translation differences in liquid assets		0.7	0.0	1.0	0.3
Liquid assets, closing balance		39.3	22.1	39.3	29.9
Liquidity reserve		152.6	239.4		146.8

1) Whereof investments related to the ongoing build up of a new production facility for extrusion have affected cash flow with MSEK 19.2 (22.2). Corresponding amount for full year 2019 was MSEK 190.2 (72.1).

The parent company

The turnover of the parent company amounted to MSEK 6.8 (5.5) and comprises payments for rents from companies in the Group. Profit after financial items amounted to MSEK 2.8 (3.5).

Investments in the parent company during the first quarter amounts to MSEK 10.2 (16.9) and are connected to investments in properties.

An amendment of the intra Group receivables and used draft facility has been done during the year.

The parent company's interest-bearing liabilities amounted to MSEK 47,4 (67.8) as of 31 March 2020, and refers to intra Group liabilities to subsidiaries.

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	Note	Q 1 2020	Q 1 2019	2019
Turnover	5	6.8	5.5	21.8
Cost of goods sold		-1.7	-1.1	-3.4
Gross Margin		5.1	4.4	18.4
Other operating revenues		0.0	0.0	0.0
Administrative expenses		-1.2	-1.2	-4.5
Operating income		3.9	3.2	13.9
Result from shares in group companies		0.0	0.0	3.5
Interest income and similar income and expense items		0.0	0.3	1.3
Interest expenses and similar income and expense items		-1.1	0.0	-2.9
Income after financial items		2.8	3.5	15.8
Appropriations		0.0	0.0	-8.1
Income before tax		2.8	3.5	7.7
Tax		-0.6	-0.7	-0.6
Net income for the period		2.2	2.8	7.1

¹⁾ The parent company's income statement also constitutes its comprehensive income statement

Balance sheet in short – the parent company

MSEK	Note	31 Mar 2020	31 Mar 2019	31 Dec 2019
Assets				
Tangible assets				
Tangible fixed assets		185.7	129.5	176.9
Financial assets (shares in subsidiaries)		87.9	87.9	87.9
Total fixed assets		273.6	217.4	264.8
Current assets				
Current receivables		9.7	118.9	135.1
Cash and bank balances		0.0	0.4	0.0
Total current assets		9.7	119.3	135.1
Total assets		283.3	336.7	399.9
Equity and liabilities				
Equity		174.0	204.6	171.2
Untaxed reserves		54.7	46.6	54.7
Provisions for taxes		3.4	3.8	3.4
Long-term liabilities		0.0	0.0	0.0
Current liabilities		51.2	81.7	170.6
Total equity and liabilities		283.3	336.7	399.9

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 1 2020	Q 1 2019	R 12 2020	2019
Intangible fixed assets	1.4	0.0	3.2	1.8
Land and buildings	1.5	0.9	4.4	3.8
Machinery and equipment	13.5	13.0	52.6	52.1
Total	16.4	13.9	60.2	57.7
of which write-down	0.0	0.0	0.0	0.0

Note 3 – Pledged assets and contingent liabilities

MSEK	31 Mar 2020	31 Mar 2019	31 Dec 2019
Property mortgages	82.9	82.9	82.9
Floating charges	241.5	241.5	241.5
Shares in subsidiaries	231.7	204.8	226.5
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 2020	31 Mar 2019	31 Dec 2019
Short-term receivables:			
Currency derivatives	0.5	0.0	1.6
Short-term non interest-bearing liabilities;			
Interest rate derivatives	0.1	2.0	0.3
Currency derivatives	5.9	8.9	1.2

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 equipment

MSEK	Q 1 2020	Q 1 2019	Q 1-4 2019
Capitalised in balance sheet	26.9	35.4	218.6
<i>of which related to new extrusion line</i>	<i>20.9</i>	<i>26.2</i>	<i>183.4</i>
Unpaid	-10.4	-5.0	-9.4
<i>of which related to new extrusion line</i>	<i>-9.6</i>	<i>-4.0</i>	<i>-8.2</i>
Paid during the period, capitalised in previous period	9.3	22.8	22.8
<i>of which related to new extrusion line</i>	<i>8.2</i>	<i>0.0</i>	<i>15.0</i>
Investments in property, plant and equipment	25.8	53.2	232.0

Key ratios

The Group	Q 1 2020	Q 1 2019	R 12 2020	2019
Net turnover, MSEK	401.1	443.3	1 579.9	1 622.1
Income before depreciation, MSEK	42.4	49.5	163.8	170.9
Operating income/loss, MSEK	26.0	35.6	103.6	113.2
Operating margin, %	6.5	8.0	6.6	7.0
Income after financial items, MSEK	14.5	32.6	83.8	101.9
Profit margin, %	3.6	7.4	5.3	6.3
Return on equity, %	10.8	26.4	16.1	20.3
Return on capital employed, %	14.0	24.3	14.6	18.0
Cash flow from operating activities, MSEK	-7.9	-54.4	157.2	110.7
Investments, MSEK	26.9	49.4	196.1	218.6
Liquidity reserve, MSEK	152.6	239.4	-	146.8
Net debt, MSEK	341.4	234.3	-	300.2
Net debt/EBITDA	2.1	1.4	-	1.8
Interest-bearing liabilities and interest-bearing provisions, MSEK	380.7	260.5	-	330.2
Net debt/equity ratio	0.8	0.6	-	0.7
Total assets, MSEK	1 154.9	1 004.9	-	1 090.1
Equity ratio, %	36.7	39.8	-	38.2
Capital turnover	2.1	3.0	2.2	2.6
Proportion of risk-bearing capital, %	41.4	43.2	-	43.3
Interest coverage ratio	2.1	11.1	4.7	9.7
Average number of employees	461	464	465	466
Net turnover per employee (average), TSEK	870	955	3 398	3 481
Income after fin, per employee (average), TSEK	31	70	180	219
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	1.26	3.36	7.88	9.98
Equity per share, SEK	54.60	52.16	-	53.90

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 9, 2020

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 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 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 Fredrik Zöögling for publication on April 9, 2020 at 14:00 CET.

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