

February 14, 2013



# **Profire Energy Announces Financial Results for 2013 Third Fiscal Quarter Ended December 31, 2012**

## **Company Realizes Year-Over-Year Decline in Quarterly Revenues and Income, but Experiences Significant Growth in U.S. Sales**

LINDON, Utah, Feb. 14, 2013 (GLOBE NEWSWIRE) -- Profire Energy, Inc. (OTCBB:PFIE), a technology company which manufactures, installs and services burner management systems and other combustion management technologies for the oil and gas industry, today announced that it has filed its Quarterly Report on Form 10-Q for its fiscal quarter ended December 31, 2012 with the U.S. Securities and Exchange Commission.

The company reported total revenues for the three and nine months ended December 31, 2012 of \$3,541,061 and \$11,597,927 (a 30% and 6% decrease, respectively, from the same periods of fiscal 2012). During the three months ended December 31, 2012 the company realized a net loss of \$326,269 (compared to net income of \$895,035 during the same quarter of fiscal 2012). During the nine month period ended December 31, 2012 the company realized net income of \$884,596 (a 69% decrease from the same period of fiscal 2012). The company's working capital (i.e. current assets less current liabilities) increased from \$6,348,108 at December 31, 2011 to \$7,411,662 at December 31, 2012.

"The mixed nature of our Q3 financial results was expected by company management, given the number of long-term investments made in the quarter," said Andrew Limpert, chief financial officer of Profire. "Historically, we have had periods of concentrated investment and periods of concentrated return, which is largely due to our historical commitment to finance operations with organic cash flow. As we continue to grow, we anticipate the amounts we invest to increase, as we anticipate the corresponding returns to increase. Over time, this critical mass should yield decreased volatility in our quarterly financial results."

Speaking to the context of the quarter's results, Limpert continued:

"We anticipate a strong finish to fiscal 2013 and a strong year of financial opportunity in fiscal 2014 as we leverage these investments. We have already started seeing returns on past investments in value-adding personnel, as this quarter saw a decrease in total cost of goods sold (COGS) as a percentage of total revenues from 56% to 39%, in Q3 of FY2012. This increase in margin is largely due to hiring experienced supply chain personnel to source and order parts efficiently, and manage inventory efficiently."

The investments made by the company in previous quarters are now showing returns in

the U.S., including the company's newly opened Texas office, which is already profitable. The company reports significant revenue growth in their U.S. offices in the fiscal quarter of fiscal 2013 as compared to the same quarter of fiscal 2012 (see Figure 1.1).

<b>US Sales Growth</b>	<b>2012 FY</b>	<b>2013 FY</b>
<b>Figure 1.1</b>	<b>Q3</b>	<b>Q3</b>
<b>Revenues</b>	\$233,175	\$1,405,176
<b>(% Change)</b>		<b>+503%</b>

This increase in U.S. sales was coupled with—and exceeded by—what the company believes was a short-term decline in Canadian sales:

"One of the complications that the industry has experienced in Canada is a pending legislative change regarding burner management," said Cameron Tidball, VP Sales & Marketing of Profire. "There has been some uncertainty as to what these changes will mean for oil/gas producers, which has resulted in some purchasing delays. However, as we begin to understand the nature of the changes, we've already noticed an industry movement toward normal purchasing levels."

A number of growth initiatives were developed during the quarter, including multiple research and development (R&D) projects and improved inventory and accounting technologies. The development of these growth initiatives also required increased personnel. The company has added a number of salespeople, which it plans to leverage this year in scaling operations:

"Last quarter, we hired six new people to help support our growth initiatives, including three salespeople," said Dave Collier, Regional Manager of U.S. Sales at Profire. "The onboarding process to bring in these new salespeople required resources and the time of our current salespeople, which may have resulted in foregone revenues in the short-term. However, by growing our sales force, we not only generate more revenues long-term, but can also more easily compensate for the training and opportunity costs of onboarding new personnel in the future."

The company also contracted a number of short-term employees to implement their new accounting and inventory systems, as well as construct a new company website. These projects are now completed, will require minimal investment to maintain, and are expected to help the company scale with future demand.

The company's quarterly report on Form 10-Q can be viewed on the U.S. Securities and Exchange Commission's public website at [www.sec.gov](http://www.sec.gov).

### **About Profire Energy, Inc.**

Profire Energy assists energy production companies in the safe and efficient transportation, refinement and production of oil and natural gas. As energy companies seek greater safety for their employees, compliance with more stringent EPA standards and enhanced margins with their energy production processes, Profire Energy's burner

management systems are increasingly becoming part of their solution. To learn more about the company's products and services, please visit [www.profireenergy.com](http://www.profireenergy.com). Profire Energy has offices in Lindon, Utah; Houston, Texas; and Edmonton, Alberta, Canada.

The Profire Energy, Inc. logo is available at <https://www.globenewswire.com/newsroom/prs/?pkgid=13229>

*Cautionary Note Regarding Forward-Looking Statements. This release contains "forward-looking" statements, including, but not limited to statements by Messrs. Limpert, Tidball and Collier and statements regarding product development, external market events, development initiatives, market potential, expected growth and the anticipated benefits of investments we have made in the Company and its employees. All such forward-looking statements are subject to uncertainty and changes in circumstances. Forward-looking statements are not guarantees of future results or performance and involve risks, assumptions and uncertainties that could cause actual events or results to differ materially from the events or results described in, or anticipated by, the forward-looking statements. Factors that could materially affect such forward-looking statements include certain economic, business, public market and regulatory risks and factors identified in the Company's periodic reports filed with the Securities Exchange Commission. All forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All forward-looking statements are made only as of the date of this release and the Company assumes no obligation to update forward-looking statements to reflect subsequent events or circumstances. Readers should not place undue reliance on these forward-looking statements.*

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Source: Profire Energy