

## Roblon downgrades guidance for 2019/20

**Interim report – H1 2019/20 (the period 1 November 2019 – 30 April 2020)**

**The Board of Directors of Roblon A/S has today considered and approved the interim report for H1 2019/20.**

### **Highlights of the interim report of the Roblon Group:**

- Order intake of DKKm 155.3 (DKKk 131.9). Both product groups, FOC and Composite, reported growth.
- Order book at 30 April 2020 of DKKk 48.8 (DKKk 70.8).
- As expected, revenue grew to DKKk 142.0 (DKKk 112.2).
- The gross margin increased to 56.1% (36.8%), mainly as a result of an improved product mix and due to the fact that the year-earlier period was adversely affected by loss of productivity and inventory write-downs on Servion-related activities.
- In H1 2019/20, Roblon recognised a settlement amount from Servion of DKKk 45.3 under other operating income.
- Operating profit (EBIT) was DKKk 51.2 (an operating loss of DKKk 37.0) and DKKk 6.2 excluding Servion (an operating loss of DKKk 11.6), which was below Management's guidance for the first half. The operating profit was adversely impacted by the earnings performance of the FOC product group, which was not satisfactory.
- Profit before tax was DKKk 50.8 (a loss of DKKk 35.0) and DKKk 6.1 excluding Servion (a loss of DKKk 9.4).
- A loss before tax from discontinued operations of DKKk 3.0 related to a provision for loss on seller financing made in 2017 in connection with the sale of discontinued operations.
- Profit after tax for the period, including the Servion settlement, amounted to DKKk 36.6 (a loss of DKKk 27.3).
- Roblon's equity stood at DKKk 252.6 (DKKk 203.5) at 30 April 2020.

### **Guidance for full year 2019/20**

Management assesses that the second half of 2019/20 will be adversely impacted by the current COVID-19 developments in North and South America, two important markets for Roblon. Whether expected orders from Composite customers in these markets will be realised remains uncertain, and they are therefore no longer included in the basis of Management's full-year guidance for 2019/20. Furthermore, deliveries of essential machine parts for productivity improvements and capacity enhancements at Roblon's US factory have been delayed.

Based on revenue and profit performance for H1 2019/20 and the mentioned issues related to COVID-19, Management now expects revenue in the DKKk 250-270 range (DKKk 267.2; DKKk 241.8 ex. Servion), against the earlier guidance of DKKk 260-280, and a profit before tax of around DKKk 0-5; DKKk 45-50 including Servion (a loss of DKKk 19.7; a profit of DKKk 4.4 ex. Servion), against the earlier guidance of DKKk 20-25; DKKk 65-70 including Servion.

### **US COVID-19 loan**

At the beginning of May 2020, Roblon obtained a loan from one of the COVID-19 aid packages launched by the US government. The loan, which is equivalent to approx. DKKk 5, will be classified as a forgivable loan, subject to certain criteria being met. One of these criteria is that the number of employees must be maintained. Whether the loan is eligible for forgiveness is expected to be determined before the end of the financial year.

### **Sale of head office**

Roblon has initiated the prospective sale of the Group's head office in Frederikshavn. An agreement has been entered into with an external commercial real estate agent to explore the possibilities of selling the head office, which is listed at a cash price of DKKk 32.5.

After the sale, the Group's Danish activities will all be located at Roblon's facilities in Gærum, which currently house production and various administrative functions. Investments will have to be made in the Gærum facilities. However, as well as generating positive synergies in the day-to-day operations, this initiative is expected to have a

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positive impact on Roblon's future results, liquidity and equity. The potential sale of Roblon's existing head office in Frederikshavn has not been factored into the profit guidance for 2019/20.

Roblon A/S

Jørgen Kjær Jacobsen                      Lars Østergaard  
Chairman of the Board      Managing Director and CEO

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