

COVID-19: Roblon lowers profit guidance for 2019/20

The ongoing COVID-19 situation has had a further adverse impact on Roblon in Q4 2020 compared with Management's previous expectations.

Since March 2020, the Group has seen adverse impacts of COVID-19 in most markets, but in particular in North and South America, two important markets for Roblon.

At present, most of the Group's composite-related business is derived from the oil and gas offshore industry in South America, including Brazil. In late spring 2020, Brazil was severely hit by the coronavirus pandemic, bringing expected projects to a standstill. This meant that expected project orders were suspended, but we expect them to be realised at a later date. Consequently, Roblon lowers its full-year guidance for 2019/20 further relative to the reduction announced at the release of the interim report for Q2.

The FOC product group is supported by favourable market conditions in North America with strong and growing customer demand throughout the financial year. During this period, demand has exceeded the capacity of Roblon's US subsidiary. The Group is working to expand capacity and implement productivity improvements.

Efforts to achieve these improvements have been, and will continue to be, hampered by the coronavirus pandemic, which has caused delays relative to the original schedule. Deliveries of essential machine parts for the improvement measures at Roblon's US factory have been delayed, and the current travel restrictions are also taking a toll, preventing the physical presence of critical competences from Roblon DK. Finally, key employees at the US subsidiary have been directly or indirectly affected by COVID-19.

The Group has furthermore incurred a number of follow-on expenses related to COVID-19, for example for recruitment of temporary staff as a result of increased sickness absence.

Based on revenue and profit developments for the year to date and the mentioned issues related to COVID-19, Management now expects revenue at around DKKm 250 (2018/19: DKKm 267.2; DKKm 241.8 ex. Senvion), against the earlier guidance of DKKm 250-270, and a profit before tax in the DKKm 35-38 range; a loss of DKKm 7-10 ex. Senvion (2018/19: a loss of DKKm 19.7; a profit of DKKm 4.4 ex. Senvion), against the earlier guidance of DKKm 45-50; DKKm 0-5 ex. Senvion. The guided profit before tax for 2019/20 is lifted by the forgiveness of a COVID-19 loan of DKKm 4.7 in the US.

Management expects that Roblon's revenue and operations will continue to be adversely affected by COVID-19 in the coming financial year.

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Roblon A/S

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