

Market: OMXC Small Cap

Ticker: RBLN B

Share price (DKK): 106

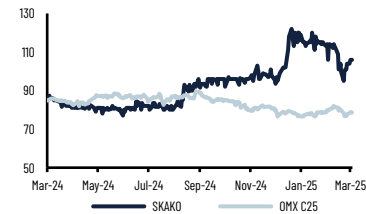
Market cap (DKK): 190M

Net debt (DKK): 28m

Enterprise value (DKK): 218m

¹/⁴A and B shares combined

Share information



YTD 3.9% 1 year: 21.3%
1 month: -5.4% 3 years: -25.1%

Note: *We apply the closing price from 20 March 2025
Index rebased to March 2024. Source: S&P Capital IQ

Financials

DKKm	2022/23	2022/24	2024/25*
Revenue	245.0	245.4	210-240
Revenue growth	n/a	0%	-14% to -2%
Adj EBITDA	27.3	44.9	30-40
Adj EBITDA margin	11.1%	18.3%	14-17%
Adj EBIT	10.0	29.3	16-26
Adj EBIT margin	4.1%	11.9%	8-11%
Net Income, cont.	20.2	21.0	N/A
Net debt	14.7	19.0	N/A

Note: *Roblon's own company guidance for continuing operations 2024/25, with EBITDA and EBIT before special items. FY2023/24 results from discontinuing operations: revenue DKKm 102.2, earnings before tax DKKm -26.8.

Valuation multiples

	2022/23	2023/24	2024/25*
P/S (x)	0.7	0.7	0.8
EV/Sales (x)	0.8	0.8	1.0
EV/EBITDA (x)	7.1	4.2	6.2
EV/EBIT (x)	19.3	6.5	10.3
P/E (x)	8.8	8.2	N/A
P/B (x)	1.3	0.9	N/A
P/CF (x)	N/A	10.0	N/A

Note: Multiples for 2022/23 and 2023/24 reflect continuing operations, based on historical numbers. *2024/25e based on Roblon's mid-point guidance.

Company description

Roblon is a Danish-based developer of high-performance fiber solutions. It manufactures and sells strength-based elements to cable manufacturers, primarily within the fiber optic cable (FOC), oil & gas, and energy transmission cable industries. Roblon has a dual-class share structure with B-shares listed on Nasdaq Copenhagen. A-shares are owned by ES Holding Frederikshavn ApS, representing 25.1% of the total share capital and 68.8% of voting rights. ATP and management own >5, and around 4%, respectively.

Investment case

Roblon's two business units, FOC and Composite, which supply strength-based elements for cables and composite materials, are both supported by macro trends. Digitalization and a greater need for data transmission underpin the long-term growth outlook for fiber optic cables (8.5% CAGR 2023-2030^[1]), while near-term greater oil & gas activity levels and longer-term green energy transition drive demand within the Composite business unit.

Following Q1 2024/25 Roblon maintained its full-year guidance with gross margin expansion of 5 percentage points to 61%, with a positive EBIT in continuing operations, driven by composite segment growth offsetting FOC declines. The smaller EBIT loss of DKK -0.5m in the discontinuing US operations may support the sale process which management expects to conclude by July 2025 (delayed from March 2025). The order intake and orderbook increased in Q1 improving revenue visibility in 2025. Roblon's continuing European operations may also benefit from new European fiscal packages, in addition to the ongoing energy transition in Europe supporting Composite demand.

Compared to peers Roblon's trades at lower multiples, which may be part explained by Roblon's much smaller size and lower margin level. The sale of its US activities may be a trigger for valuation improvement, particularly given the greater margin level of continuing operations.

Key investment reasons

Roblon's gross margin expanded in Q1 2025 supported by a favourable product mix. Margins may expand further if revenue develops positively, driven by operating leverage in its production facilities. Strong orderbook growth in Q1 2025 and maintained guidance may indicate stronger revenue in the remainder of 2025.

Delivering on guidance and showing sustainability in the turnaround and positive EBIT can support valuation expansion, and overall increased valuation as earnings grow. Positive cash flow and net income can also support a return to dividends in line with Roblon's policy to distribute 40-50% of its net result.

A divestment of Roblon USA can re-focus energies on the larger and more profitable European business, where Roblon guides for around 8-11% EBIT margin FY2024/25. The balance sheet has strengthened in 2023/24 and can further improve following the Roblon US divestment.

Key investment risks

The divestment process relating to the US operations is not guaranteed and while expectations are for transaction completion by the end of July 2025, this has been delayed from March 2025 and some uncertainty remains. There may be some risk of an impairment loss in the event of a low sale price.

There is a risk that Roblon can face top-down pressure from its customers, squeezing margins if its larger end customers exert their greater market power. While Roblon's products are somewhat specialized, they are, to some extent, price takers.

The US FOC market has faced increasing competitive pressure, particularly from lower-cost Asian producers. While gross margins in Europe remain strong, lower-cost producers may result in price pressures in the future.

*Source 1: <https://www.mordorintelligence.com/industry-reports/fiber-optic-cable-market>

Peer group

Company	Price (local)	Total return YTD	Market cap (EURm)	EV (EURm)	EV/Sales		EV/EBITDA		EV/EBITDA		EBIT margin	
					FY2024	FY2025	FY2024	FY2025	FY2024	FY2025	3-yr avg	LTM
Avient Corporation	USD 39.7	-2%	3,341	4,834	1.7	1.6	9.1	9.5	14.3	14.3	10.1%	10.3%
Coats Group plc	GBP 0.8	-12%	1,584	2,123	1.7	1.5	7.8	7.1	9.9	8.2	16.0%	16.8%
Toray Industries, Inc.	JPY 1046	6%	10,261	15,168	1.0	0.9	9.1	8.2	17.9	15.2	4.7%	5.2%
Median		-2.7%	5,923	8,645	1.3	1.2	8.5	7.6	13.9	11.7	10.4%	11.0%
Roblon A/S	DKK 106	3.9%	25.4	29.2	0.8	1.0	4.2	6.2	6.5	10.4	6.8%	N/A
Premium (+) / Discount (-) to peers					-41%	-19%	-50%	-18%	-53%	-12%		

Note: Data from 20/03/2025. Source: S&P Capital IQ. No adjustments have been made for differences in fiscal calendars. Roblon's financial year: 1 November - 31 October. Market cap and EV include non-listed shares. Toray industries has skewed reporting from 1 April to 31 March, as such Toray's results are shifted with T+1, as its 2024/25 are more closely comparable with Roblon's FY2023/24 results.

Estimates and assumptions: The data in the peer group concerning the peer companies has not been calculated by HC Andersen Capital but is instead consensus analyst estimates from S&P Capital IQ. HC Andersen Capital assumes no responsibility for the correctness of the numbers in the peer group; however, considers S&P Capital IQ a credible source of information. Note: *The forward earnings multiples numbers for Roblon, EV/Sales, EV/EBITDA, and EV/EBIT, have been calculated by HC Andersen Capital, assuming Roblon will recognise it's the midpoint of its FY2024/25E guidance, reflecting a topline growth of approx. -8%, with EBITDA before special items of DKK 35m and EBIT before special items of DKK29m. Given that the estimates closely track Roblon's own estimates, they rely on the assumptions outlined in Roblon's 2024/25 financial reporting regarding forward-looking statements.

Selected cable component manufacturing peers overview:

Avient Corp: was formed from the merger of PolyOne Corp and Clariant Colour in 2020. It is a US-based global manufacturer of specialised polymer materials, which include thermoplastic compounds, specialty resins, specialty polymer formulations, engineered films, and colour and additive systems. Avient Corp acquired Fiber-Line Inc, a Roblon peer, in 2019, giving it an entry to the high-performance fiber solutions market.

Coats Group Plc: is a United Kingdom-based industrial thread company. The Company's segment includes Apparel & Footwear, and Performance Materials. It provides complementary products, services and software solutions to the apparel and footwear (A&F) industries. Coats Group Plc acquired Gotex SA, a Roblon peer, in 2016, giving it an entry to the high-performance fiber solutions market.

Toray Industries, Inc: is a Japan-based global leader in advanced materials. The company operates across a wide range of sectors, including fibers & textiles, plastics & chemicals, and life sciences. Toray Industries includes a fiber business, where the company serves a range of industries with strength-based aramid fibers and carbon fiber composites. Toray industries is global and diversified across industrial and chemical products, however, its production of high-performance strength-based fibers enables some comparison to Roblon.