

KAP AG RECORDS PROFITABLE GROWTH FOR 2018

- Turnover increased by 3.7% to €422.7m
- Normalised EBITDA increased disproportionately by 6.4% to €44.8m
- Normalised EBITDA margin improved by 30 basis points to 10.6%
- Segment strategy leads to additional uplift in profitability

Fulda, 14 February 2019 – KAP AG, a publicly listed mid-size industrial group published its preliminary figures today for the 2018 financial year. During the reporting period turnover increased by €15.2m or 3.7% to €422.7m. Normalised EBITDA adjusted for one-offs of €1.4m increased disproportionately. Based on preliminary figures normalised EBITDA grew by 6.4% to €44.8m (previous year: €42.1m). This positive development reflects the numerous measures aimed at increasing profitability which were taken in KAP Group's five growing segments. Normalised EBITDA margin improved accordingly by 30 basis points and at 10.6% comes in above the minimum target margin of 10% set by the Management Board. Purchased with the objective of strengthening and expanding individual segments the acquisition of several mid-sized businesses with clear growth potential has also contributed to such positive development.

'For KAP, 2018 was another very successful year. The execution of our segment strategy alongside various efficiency measures taken has led to an uplift in profitability. As we are still in the early stages of that process we expect to further improve profitability and keep ourselves on a dynamic growth trajectory. We also have further opportunities through targeted external growth,' said Guido Decker, CEO of KAP AG.

With the segment strategy established last year the industrial group has placed its focus on selected niche markets and formed new segments. Using its unified segment management approach KAP develops mid-sized companies into market leaders within the identified target markets. During 2018, the development in the individual segments was extremely positive. All segments managed to exceed their set targets for normalised EBITDA on a preliminary basis or were able to clearly improve their respective margin.

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About KAP AG

KAP AG is a mid-sized industrial group with approximately 3,000 employees. Active in the five segments engineered products, flexible films, it/services, surface technologies and precision components we develop innovative industrial products and technological solutions for a broad international customer base. Our strategy is to occupy attractive market niches with long-term growth potential in which we hold leading market positions. Our focus lies in the establishment and development of high-margin industrial segments into highly specialised market leaders. Within the context of succession arrangements we also acquire mid-sized businesses with excellent market positions as a reliable partner to strengthen our current or build additional segments. Our shareholders benefit from our growth trajectory by means of our profit-oriented dividend policy.