

Corporate News

KAP MAKES SUCCESSFUL START TO 2021 FINANCIAL YEAR AND CONFIRMS ANNUAL FORECAST

- Slightly increased revenue of €90.1 million in first quarter of 2021 (previous year: €87.6 million)
- Normalised EBITDA increased 12.5% to €11.7 million
- *Accelerate* programme sees tangible success: Operating profit margin up 1.1 percentage points to 13.0%
- Confirmation of the forecast for 2021: Revenue between €300 and 330 million and normalised EBITDA between €27 and 33 million (excluding *it/services* segment) at the upper end of the ranges announced

Fulda, 21 May 2021 – KAP AG (“KAP”), a listed SME holding company, has made a good start to the 2021 financial year. In the first quarter, the revenue from the continuing operations of €90.1 million was slightly higher than the previous year (€87.6 million). The market environment has noticeably improved but is currently plagued by uncertainties regarding the pandemic worsening again and bottlenecks in procurement markets and supply chains. Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased 31.8% to €11.6 million (previous year: €8.8 million). Adjusted for operationally irrelevant factors in a net amount of €0.1 million, normalised EBITDA increased by 12.5% to €11.7 million (previous year: €10.4 million). This significant improvement in operating profit performance is largely volume driven and also reflects the success of the efficiency measures introduced as part of the *Accelerate* programme. The normalised EBITDA margin increased to 13.0% and was thus significantly above the minimum target return of 10% (previous year: 11.9%).

Eckehard Forberich, Member and Spokesman of the Management Board of KAP AG:

“Our segments’ positive operating performance has exceeded our expectations for the first quarter. We enter the next few months strengthened and are very confident that we’ll reach the annual targets set. Our focus remains on systematically continuing our *Accelerate* programme with the aim of further expanding our strong market position in attractive niche markets and permanently increasing the KAP Group’s profitability.”

Almost all continuing segments saw improved profitability

In the *engineered products* segment, revenue fell by 18.4% to €30.2 million (previous year: €37.0 million), mainly as a result of the closure of two sites in the second half of the previous year. By contrast, normalised EBITDA improved to €2.9 million, which represents an increase of 31.8% (previous year: €2.2 million). The higher quality product mix compared to the previous year had a positive effect on the segment result.

The *flexible films* segment continued the previous year's strong growth course in the 2021 financial year and reported record revenue in the first quarter. Overall, the segment generated revenue growth of 46.3% to €31.6 million (previous year: €21.6 million). EBITDA was €4.8 million (previous year: €3.0 million).

The *surface technologies* segment's performance was relatively stable with a slight decrease in revenue by 3% to €15.8 million (previous year: €16.3 million). Normalised EBITDA fell slightly to €3.3 million (previous year: €3.4 million).

Revenue in the *precision components* segment fell to €11.9 million (previous year: €12.6 million), while normalised EBITDA increased by 44.4% to €1.3 million (previous year: €0.9 million). The efficiency measures implemented from the *Accelerate* programme are already having an effect here.

Important milestones reached as part of the *Accelerate* programme

During the first quarter, KAP AG implemented important measures as part of *Accelerate*. Firstly, the Group further strengthened its portfolio with two attractive transactions in the *flexible films* segment. AerO Coated Fabrics B.V. achieved revenue and results as expected in the reporting period. Moreover, new plants were successfully put into production in the *surface technologies* segment at Metallveredelung Döbeln MvD and Heiche Poland.

Confirmation of forecast for full year 2021

For the 2021 financial year, the Management Board continues to expect revenue between €300 and 330 million and normalised EBITDA between €27 and 33 million (excluding the *it/services* segment) at the upper end of the ranges announced. The forecast includes already foreseeable risks that may still result from the COVID pandemic.

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About KAP AG

KAP AG is a listed industrial group in the upper midsize market that offers attractive growth opportunities in its respective niche markets. KAP AG focuses on four different business areas: engineered products, flexible films, surface technologies and precision components. Through targeted acquisitions, the company strengthens its existing business areas or exploits new market opportunities. KAP allows its shareholders to participate in its long-term profitable growth through a stable dividend. The group currently has 29 locations and around 2,300 employees in 13 countries. The shares of KAP AG are listed on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard, ISIN DE0006208408).