

Publication of insider information pursuant to Art. 17 MAR  
KAP AG (WKN 620840, ISIN DE0006208408)

## **KAP AG PLANNING EXTENSIVE REORGANISATION OF THE ENGINEERED PRODUCTS SEGMENT**

**Fulda, 22 January 2020** – KAP AG’s Management Board and Supervisory Board today decided on an extensive reorganisation of the engineered products segment. The reorganisation measures target the sustainable improvement of profitability in this segment. In order to achieve this, operating activities with a negative contribution margin will be abandoned. KAP AG is therefore planning the complete closure of the Fulda site, whose focus is on the production of cord fabric, and of a site in the Czech Republic, where in particular soft cords and raw twines are produced. Moreover, another site in the Czech Republic that manufactures tents and technical fabrics is to be sold. The above activities accounted for revenue totalling around EUR 40 million in the 2019 financial year. We currently expect the expenses associated with the aforementioned reorganisation measures only to affect the Group’s development in the 2020 financial year and to be in the single-digit millions, while the liquidity situation is more likely to improve over the same period due to releases in current assets. The Management Board expects to see positive effects from taking the reorganisation measures as early as in the 2021 financial year.

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### **About KAP**

KAP AG is a mid-sized German industrial group with approximately 3,000 employees. We specialise in engineered products, flexible films, IT/services, surface technologies and precision components, developing innovative industrial products and technological solutions for international companies from trade and industry. As a result of our dedicated long-term business strategy, we serve a number of attractive niche markets with sustainable growth potential. Our focus is on developing market-leading, specialised, and high-margin industrial product lines within these segments. As a reliable partner in the context of succession planning, we also acquire attractively positioned medium-sized family companies with a view to strengthening our existing segments or developing new ones. Holders of KAP shares benefit from our company’s growth trajectory and continuous dividend policy.