

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

KAP AG EXPECTS SIGNIFICANT BURDENS FROM THE CORONAVIRUS PANDEMIC – PROPOSAL TO SUSPEND DIVIDEND

Fulda, 24 March 2020 – In view of the economic uncertainties in connection with the spread of the coronavirus and the resulting challenges, KAP AG (WKN 620840, ISIN DE0006208408) expects a negative impact for revenue, earnings and liquidity. The size of this negative impact cannot yet be foreseen. The background to this is, in particular, the numerous production shutdowns in the automotive sector. These affect the engineered products, surface technologies and precision components segments. In addition, lower demand in the field of construction and renovation could negatively impact the flexible film segment's business development. The IT/services segment's development in the remainder of 2020 will depend on customers' willingness to complete ongoing projects – depending on increasing or decreasing effects of the coronavirus crisis – and win new customer projects. Initial countermeasures and mitigation measures have already been initiated or are in preparation. These include, inter alia, home office in large parts of the Group and short-time working at some of the locations in Germany.

Based on the information currently available, the KAP Group's revenue and earnings performance in the financial year is expected to decrease significantly. In light of this, the Management Board of KAP AG, together with the Supervisory Board, today decided to propose to the Annual General Meeting the suspension of the dividend payment for the 2019 financial year (previous year: EUR 2.00 per share).

Contact:

KAP AG
Eckehard Forberich
E: e.forberich@kap.de
T: +49 661 103 690

Kirchhoff Consult AG
Nicole Schüttforth
E: nicole.schuetforth@kirchhoff.de
T: +49 40 609 186 64

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.