

KAP AG

We build market leaders!

2024 Full Year Figures

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Marten Julius, CEO

- Responsibilities (i.a.):
Strategy, M&A, Finance, Human Resources, Legal, Investor Relations, Sustainability, Internal Audit
- Overall, >25 years relevant experience in Management, M&A, Finance & Controlling

Company overview & business model

Focus on attractive niche markets in selected industrial sectors

KAP at a glance

Industrial holding focused on midsize niche markets

- Long-term segment strategy for developing market leaders with sustainable growth potential
- Clear focus on profitable industrial sectors in attractive niche markets
- Experienced solution specialist serving individual and complex customer needs
- Global presence with 20 locations in 10 countries
- Listed on Regulated Market of Frankfurt Stock Exchange (General Standard)

Revenue 2024

€ 252.5m
(-4.8%)(¹)

EBITDA 2024
(normalized)

€ 21.9m
(+72.4%)(¹)

Employees(²)

1,607

Market Cap(³)

€ 75.7m

(¹) Adjustment of prior-year figures in line with IFRS requirements following the sale of all significant parts of the precision components segment in 2024 and pro forma adjustment of prior-year figures by 4 months for the flexible films sub-segment

(²) As of December 31, 2024

(³) Calculation with XETRA closing price on December 30, 2024

We develop industrial products and technological solutions for international clients

KAP Group – Segment overview

flexible films

One of the leading specialists of PVC calendaring in Europe

- Market leading in premium reinforced swimming pools membranes, decorated foil laminate for outdoor window profiles, Elvaflex membranes for large water reservoirs, high-end projection screens
- Broad range of applications in swimming pool lining, window profile laminate, technical waterproofing and entertainment

Pool liners



High-end projection screens



engineered products

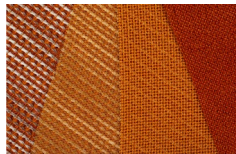
Leading manufacturer of technical textiles with global presence

- Application in the areas of mobility, industry, mining, pharmaceuticals, consumer goods, aviation and oil & gas
- Special threads and fabrics improve stability and reduce weight in the end products
- Great potential for the future through new developments and improved recyclability

Engineered yarns



Engineered fabrics



surface technologies

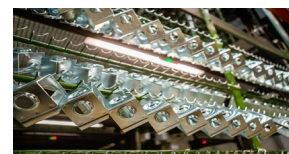
Leading market position in surface technology

- Diverse surface processes in refinement of metal surfaces for customers from the furniture, machinery and electrical industries as well as food, automotive and e-mobility
- Customized process adaptations for corrosion protection and durability as well for decorative purpose

Zinc Nickel












Passivation






Segment attractiveness...

....underpinned by mega trends, defensible barriers to entry, and strong customer base

	flexible films	engineered products	surface technologies
Segment attractiveness	<ul style="list-style-type: none"> ▪ Mega trends such as global warming and demographic changes drive business ▪ Spending growth driven by new builds and need for renovation of pools built in the boom years. Also increasing demand for reinforced liner, over other more expensive solutions, such as tiles. ▪ High entry barriers: <ul style="list-style-type: none"> – Strong customer relationships with high quality design products – Capital intensity of production machinery – Technical and design know-how 	<ul style="list-style-type: none"> ▪ Mega trends support significant growth in high-end applications such as light-weight manufacturing and sustainability ▪ Sustainable demand for power transmission belts in several industries. Continued development from automotive to industrial applications and from original equipment to replacement markets ▪ Entry barriers are high: <ul style="list-style-type: none"> – significant initial investments – customer certification requirements – extensive need for chemical and production technology experience 	<ul style="list-style-type: none"> ▪ Light-weight trend and electrification in mobility/ automotive business support significant growth in specific solutions for corrosion protection of a variety of metal applications ▪ Critical company size in the field of surface technology to win large scale projects internationally ▪ Significant entry barriers: <ul style="list-style-type: none"> – asset-heavy production – specific technological customer requirements – customer proximity – access to qualified staff is critical. KAP ST runs several training and development programs
Top customers	  	 	   

Longer term market outlook for KAP underpinned by structural mega trends

Mega trends

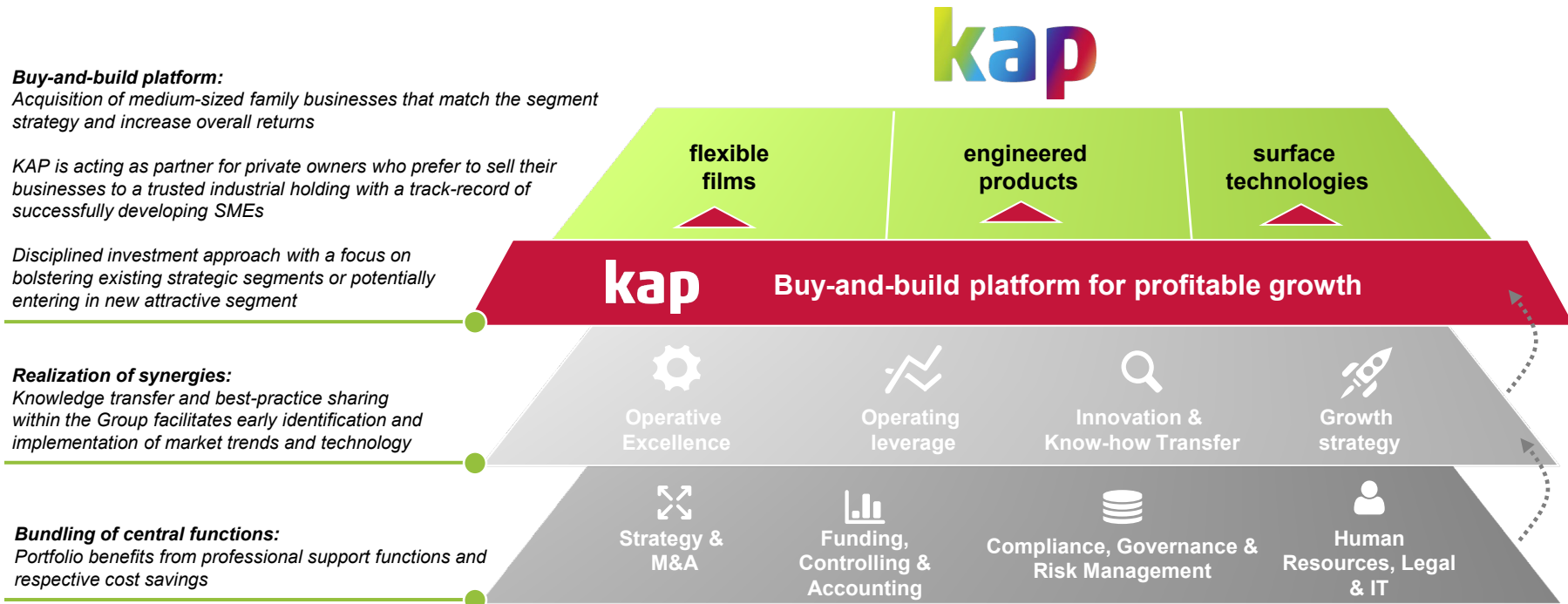
Mega trends	engineered products	flexible films	surface technologies	KAP Group
 Mobility The future of passengers and goods transport	+	○	+	+
 Sustainability Consideration of environmental, economic and social aspects	+	+	+	+
 Electrification Hybrid or electric powertrains and batteries	+	○	+	+

KAP's future growth path is supported by multiple long-term mega trends

Synergistic buy-and-build platform with active portfolio management and value creation

Business model

KAP operates a professional holding structure that enables its portfolio companies to seize attractive market opportunities



Financials 2024

Improved profitability despite persistent market headwinds

KAP Group – Highlights 2024

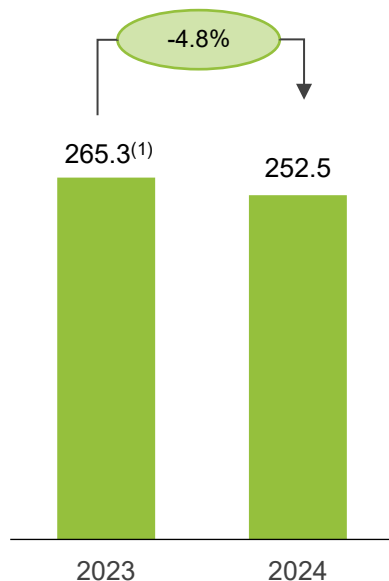
- Revenue **down 4.8%** to € 252.5m on a comparable basis, mainly due to soft automotive demand
- Normalized EBITDA **up 72.4%** to € 21.9m on comparable basis, margin at 8.7% (+3.9pp)
- Capacity adjustments and efficiency programs led to operating improvements
- Portfolio streamlined: focus on three core segments
- Capex reduced by 41.9% to € 25.9m
- Segment diversification stabilized performance – flexible films offset most of the declines elsewhere
- Structural foundation for long-term profitability established, business environment remains difficult
- Net result € -45.7m, significantly impacted by one-time-effects such as impairments, discontinued operations and deconsolidation effects

Structural progress evident, but potential for earnings growth remains

FY 2024 – KAP Group

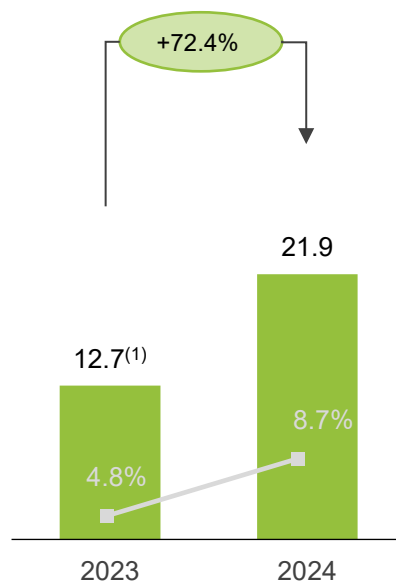
Revenue

(in €m)



Normalized EBITDA

(in €m / margin in %)



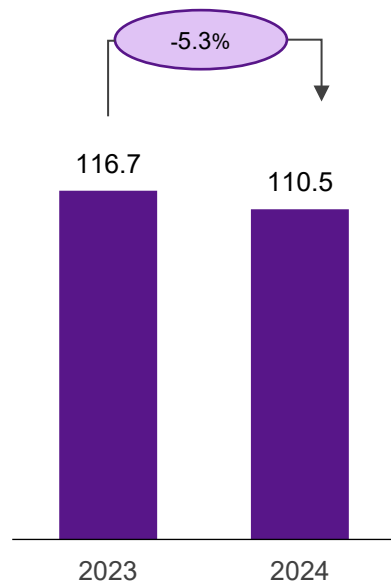
- Revenue declined by 4.8% on a comparable basis to € 252.5m
- Normalized EBITDA increased by 72.4% to € 21.9m on a comparable basis
- EBITDA margin improved by 3.9pp to 8.7%
- Restructuring measures had positive impact, particularly in engineered products and surface technologies

Restructuring delivers – normalized EBITDA improved

FY 2024 – engineered products

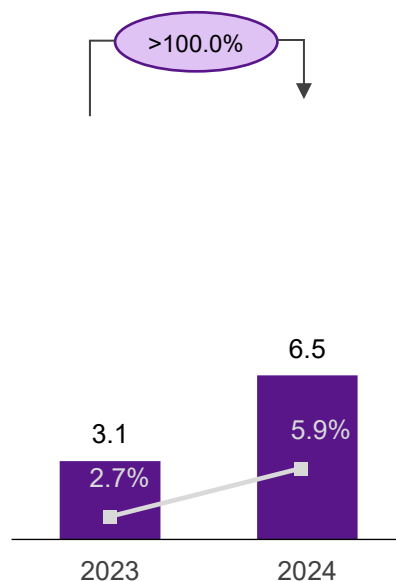
Revenue

(in €m)



Normalized EBITDA

(in €m / margin in %)



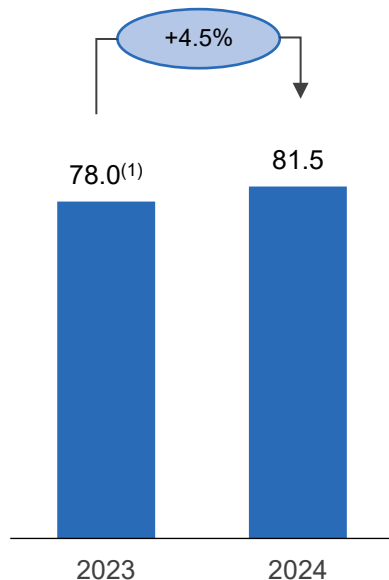
- Revenue down 5.3% to € 110.5m, impacted by weak demand in the automotive sector and optimization of the product portfolio
- Normalized EBITDA up to € 6.5m, EBITDA margin rose to 5.9%
- Plant in Martinsville (USA) closed, profitable production transferred to Bangalore (India)
- Efficiency measures implemented at Fulda, Landim and Hessisch Lichtenau contributed to earnings growth
- Capital expenditure down 42.2% to € 2.6m, focused on restructuring and capacity realignment

Strong product mix and synergies drive profitability

FY 2024 – flexible films

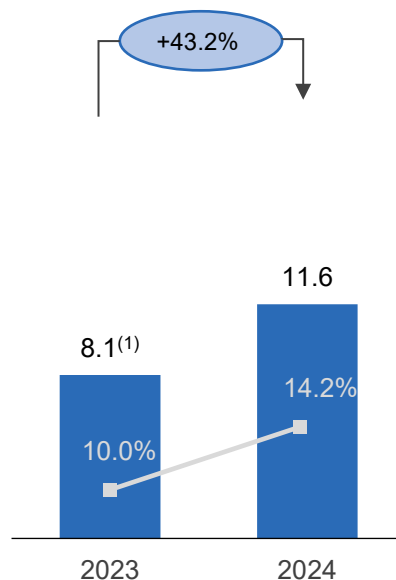
Revenue

(in €m)



Normalized EBITDA

(in €m / margin in %)



- Revenues up 4.5% to € 81.5m on a comparable basis
- Normalized EBITDA rose significantly by 43.2% to €11.6 on a comparable basis
- EBITDA margin up to 14.2%
- Improved product mix driven by strong demand for premium reinforced 3D membranes
- Production and purchasing synergies as well as ongoing process optimization drive efficiency
- Capital expenditure down 9.8% to € 4.6m, focused on production efficiency

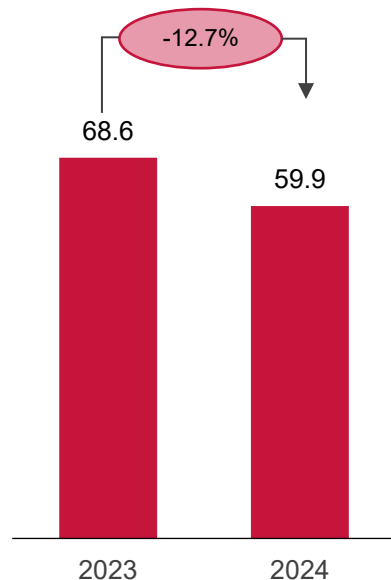
⁽¹⁾ Pro forma adjustment of prior-year figures by 4 months for the flexible films sub-segment

Challenging environment – Profitability strengthened through pricing measures

FY 2024 – surface technologies

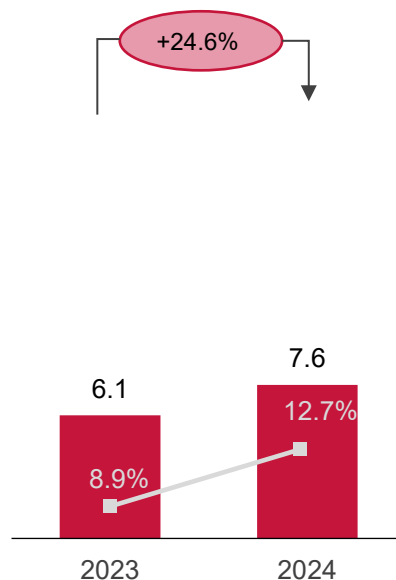
Revenue

(in €m)



Normalized EBITDA

(in €m / margin in %)



- Revenue declined by 12.7% to € 59.9m
- Normalized EBITDA increased by 24.6% to € 7.6m, margin at 12.7%
- Weak customer demand in the automotive sector due to challenging market environment and slower transition to e-mobility
- Underutilization, adjustment measures already initiated in H2
- Price adjustments partially offset declining volumes
- Capital expenditure down 43.6% to € 17.2m, focus on rebuilding Polish site

Outlook

Progress achieved is at least partially offset by weak overall economic environment

Outlook

	Results FY 24	Guidance 2025
KPIs	<ul style="list-style-type: none">Revenues: € 252.5mNormalized EBITDA: € 21.9m	<ul style="list-style-type: none">Revenues: € 245.0m – € 265.0mNormalized EBITDA: € 19.0m – € 23.0m
Assumptions	<p>The ongoing volatile overall economic situation, combined with the momentum and unpredictability of international trade conflicts, is unlikely to provide any tailwind for the operational development of manufacturing companies. On the contrary, current geopolitical events, with their global crises and hotspots, are having a noticeable impact on the markets and represent a major challenge that will also influence the KAP Group's business development in the 2025 financial year.</p>	

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