

# KAP BETEILIGUNGS-AG COMPLETES ACQUISITIONS

## KAP SUCCESSFULLY DEVELOPS NEW SURFACE TECHNOLOGY SEGMENT

**Fulda, December 18, 2017** – KAP Beteiligungs-AG today announced the successful completion of three acquisitions. It acquired a 100% stake in each of Galvanotechnische Oberflächen GmbH, Oberflächentechnik Döbeln GmbH and Metallveredelung Döbeln GmbH. KAP has now successfully invested into the surface technology segment. These companies, located between Chemnitz and Dresden, are all specialists in surface coatings and refinement. Among other applications, they offer corrosion protection for functional metal parts or refinement through chrome surfaces.

By developing this new segment the KAP growth strategy is beginning to have a positive impact: With Sales of approximately EUR 30 million and EBITDA of about EUR 6 million the disposal of the subsidiary Kirson, Neustadt has been more than offset in terms of both Sales and EBITDA. With attractive margins in this segment the average Group margin and future profitability will both be improving for KAP. This means KAP is not only benefiting from successful acquisitions but also attracting new investors which in turn increases its free float. It was possible to pay a significant share of the purchase price for these new acquisitions through newly issued shares and therefore preserving liquidity for the Group.

Guido Decker, CEO of the Management Board at KAP commented: “Today is a successful day for KAP. The families who owned these newly acquired companies not only entrusted their companies to us but – by accepting a high portion of shares as part of the purchase price – also demonstrated their confidence in the further potential of the KAP Group and our segment strategy. We have made considerable progress towards our objective of establishing high margin segments.”

Ian Jackson, Chairman of the Supervisory Board, added: “The new strategy of our company which focuses on sustainable and profitable growth while raising both the profitability of the Group and free cash flow is beginning to deliver significant results. We wish Guido Decker and his team continued success.”