

## **KAP AG 2019 ANNUAL RESULTS SHAPED BY DIFFICULT MARKET ENVIRONMENT**

- Preliminary revenue of EUR 372.8 million (-4.3%)
- Preliminary adjusted EBITDA of EUR 31.9 million (-18.0%)
- Outlook for 2020 currently not possible due to expected negative effects of the globally spreading Covid-19 pandemic on the economic situation

**Fulda, 13 March 2020** – According to preliminary figures for the 2019 financial year, KAP AG, a listed medium-sized industrial group, generated revenue of EUR 372.8 million (previous year: EUR 389.8 million). This means revenue is within the forecast last updated in November of EUR 365 to 375 million. At EUR 31.9 million, adjusted earnings before interest, tax, depreciation and amortisation (“adjusted EBITDA”) is also within the communicated forecast of EUR 29 million to 33 million.

“In the last year, we’ve shown that we have a well-diversified investment portfolio that at least partially cushions against negative market developments. In the current year, it’s now about working on improving our operating performance, particularly in the engineered products and precision components segments,” comments Dr Alexander Riedel, CFO of KAP AG.

### **Preliminary adjusted EBITDA margin of 8.6% below previous year’s level**

The KAP Group’s preliminary revenue was EUR 372.8 million in the 2019 financial year and thus 4.3% below the previous year’s level (previous year: EUR 389.8 million). Preliminary adjusted EBITDA fell by 18.0% to EUR 31.9 million (previous year: EUR 38.9 million). This corresponds to a preliminary adjusted EBITDA margin of 8.6% (previous year: 10.0%). At EUR 36.2 million, preliminary EBITDA was 4.4% down on the previous year’s level of EUR 37.9 million. Largely due to one-off impairments, preliminary EBIT amounts to EUR -8.0 million (previous year: EUR 13.0 million). Preliminary earnings before taxes (EBT) decreased to EUR -13.9 million (previous year: EUR 7.8 million).

Demand from the automotive sector in particular declined noticeably in the second half of the year, meaning that the engineered products and precision components segments both performed less well than in the previous year due to fewer requests from customers. The flexible films and IT/services segments, by contrast, were able to hold their ground at an operational level and overall were able to benefit from their good market position.

### **Outlook 2020**

Due to the spreading Covid-19 pandemic and its possible effects on the global economic situation and the market segments and the stability of the respective supply chains of KAP AG, a reliable outlook for 2020 is currently not possible. At present, possible effects and countermeasures on the earnings and financial position of the company are being reassessed on the basis of various opportunity and risk scenarios, especially for the sales and supply situation in the supply chains as well as with regard to the availability of employees. The results of this will be summarized in a concrete outlook for 2020 when our annual report is published.

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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.