

Corporate news

## **KAP AIMS TO ACCELERATE GROWTH AND IS IN ADVANCED NEGOTIATIONS TO ACQUIRE VINYL SPECIALIST HAOGENPLAST**

**Fulda, 14 December 2021** – KAP AG (“KAP”), a mid-sized industrial holding company listed on the stock exchange, is in advanced negotiations with the owners of HaOgenplast Ltd. (‘HaOgenplast’) to acquire 100% of the shares in the company in order to strengthen and further expand the *flexible films* segment. Upon closing, the purchase price (enterprise value) of HaOgenplast is expected to be around ILS 150 million (around EUR 43 million), corresponding to a multiple on expected EBITDA for 2021 of approximately 4.8x (excluding expected synergies). The planned acquisition is dependent, among other things, on the signing of the purchase agreement by the parties. It is expected that the contract will be concluded by the end of this year.

HaOgenplast is a company headquartered in Israel. It specialises in the development and manufacture of high-quality vinyl products and mainly produces films for swimming pools, window laminates and industrial weatherproof roofing, which are mainly used in the construction industry. The current owners are the central Israel-based Kibbutz HaOgen (60 percent) and the Tel Aviv-based private equity investor Lahav Fund (40 percent). The planned acquisition reflects the KAP Group’s strategic focus on high-growth industrial companies in attractive niche markets and would significantly expand its leading market position in the *flexible films* segment.

**Frederik Schaefer, Segment Manager *flexible films*:** “HaOgenplast is a perfect fit for us. Among other things, the planned transaction will enable us to expand our leading position in fabric-reinforced pool liners. Characterised by its excellent quality, HaOgenplast’s highly innovative product range has been the driving force behind the company’s profitable growth in recent years. Particularly the development of innovative 3D designs would open up completely new possibilities for the visual design of natural pools for us. At the same time, we would be able to expand our strong position in the roofing market by adding mature solutions for flat roofing. A new market for us would be opened up through the extensive product range for decorative films, which are used, for example, in the area of window profiles. There would thus be numerous opportunities for both HaOgenplast and KAP flexible films to jointly expand their respective strong positions in profitable niche markets and grow sustainably.”

Founded in 1952, HaOgenplast supplies a worldwide customer base with advanced vinyl films, foils and laminates for applications in the construction, agricultural and industrial sectors. It has an experienced management team and around 150 highly qualified employees who contribute their extensive scientific and technical knowledge to the production processes. Quality, safety and environmental aspects play a decisive role in this respect. The company has state-of-the-art calendaring, printing and laminating technologies that significantly improve surface finishes and enable participation in premium 3D designs.

Having continuously grown at an above-trend pace in recent years, the company is expected to generate a highly profitable revenue of around EUR 50 million in the 2021 financial year. From an organisational perspective, HaOgenplast would be placed in the KAP Group's *flexible films* segment.

**Eckehard Forberich, member and Spokesman of the Management Board of KAP AG:**

“HaOgenplast is a strong global brand from which we would benefit. Moreover, we expect the transaction to generate significant synergies within the KAP Group, especially in the *flexible films* segment. HaOgenplast would also be an ideal addition with regard to our sustainability goals. For instance, HaOgenplast's environmental management system has been an integral part of the company's governance for many years. In addition, the innovative technologies already in operation in the areas of recycling, printing and coating technology are almost unique in this industry. Aside from the technical and financial aspects, we would also gain an outstanding dynamic team of employees. We would be delighted to join forces.”

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**About KAP AG**

KAP AG is a listed industrial holding company focused on upper mid-size operating companies offering attractive growth opportunities in their respective niche markets. Specifically, KAP AG focuses on four distinct operating segments: engineered products, flexible films, surface technologies and precision components. The Company uses targeted acquisitions to strengthen its existing operating segments or takes advantage of new market opportunities. KAP allows its shareholders to participate in its long-term profitable growth through a stable dividend. The Group currently has some 2,500 employees at 27 locations in 11 countries. KAP AG's shares are listed on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard, ISIN DE0006208408).