

## Corporate News

### **KAP AG WITH SOLID FIRST HALF OF 2022**

- Revenue climbs 28.4% to €233.4 million
- Normalised EBITDA at €23.1 million, up 7.2%
- Normalised EBITDA margin at 9.9% (previous year: 11.9%)

**Fulda, 30 August 2022** – KAP AG (“KAP”), a mid-sized industrial holding company listed on the stock exchange (WKN 620840; ISIN DE0006208408), again benefited from its high degree of diversification in the first half of 2022, achieving a significant increase in revenue despite a challenging market environment.

Compared with the same period of the previous year, revenue increased by 28.4% from €181.7 million to €233.4 million. Excluding the revenue contribution of EUR 29.9 million from the Haogenplast acquisition, this corresponds to organic revenue growth of about 11.7%. At €23.1 million, normalised EBITDA was 7.2% higher than in the first six months of 2021 (€21.5 million). The normalised EBITDA margin decreased from 11.9% to 9.9%. This reflects the fact that significant increases in raw material prices and energy costs can usually only be passed on to customers with a time lag.

**Eckehard Forberich, member and Spokesman of the Management Board of KAP AG:** “At present, the market environment is not without difficulty – we are also not completely immune to the worsening supply chain problems, tightening bottlenecks and higher raw material as well as energy prices. That makes me all the more proud of our figures for the first half of the year. The measures implemented as part of Accelerate and the segments’ diversified positioning have paid off, and we will continue to benefit from this even in the challenging months ahead.”

In the first half of the year, the flexible films segment in particular accelerated its growth trajectory, mainly as a result of the acquisition completed in February of Haogenplast Ltd, a leading supplier of high-quality plastic products. Segment revenue rose from €67.3 million to €102.6 million, with Haogenplast accounting for €29.9 million. Normalised segment EBITDA increased from exactly €10 million to €14.4 million, while the normalised EBITDA margin decreased slightly from 14.8% to 14.1%.

The engineered products segment also recorded a significant increase in revenue, from €60.0 million to €76.4 million. The segment’s normalised EBITDA increased from €5.0 million to €5.3 million, while the corresponding margin decreased from 8.3% to 7.0%, also due to higher costs for raw materials, freight and energy.

The surface technologies and precision components segments, which are more focused on the automotive sector and are especially affected by the supply chain problems, likewise delivered a solid performance in a difficult environment. Surface technologies recorded a 6% increase in revenue to

€32.5 million (previous year: €30.7 million). As a result of the sharp rise in the cost of materials and other cost increases, particularly for electricity and gas, which – as is customary in the industry – can only be passed on with a time lag and in some cases not in full, segment EBITDA fell from €5.8 million to €3.9 million and the margin narrowed from 18.9% to 12.0%.

Revenue in the precision components segment remained unchanged at the previous year's level of €22.2 million, while normalised EBITDA fell from €1.8 million to €0.7 million, strongly influenced by increases in raw materials prices and higher transport costs, which can likewise only be passed on to customers with a time lag. The normalised EBITDA margin decreased from 8.1% to 3.3%.

### **Cash flows and financial position**

Cash flow from operating activities increased significantly in the first six months of the year from €0.6 million to €8.6 million. Cash flow from investing activities resulted in a cash outflow of €39.8 million (previous year: €28.2 million); the increase is mainly due to the acquisition of Haogenplast. Cash flow from financing activities increased from €18.5 million to €28.5 million in the reporting period as a result of the refinancing of the Haogenplast acquisition and increased working capital. KAP's secure financing position is also underlined by the conclusion of a €175 million loan agreement with a new syndicate of banks. Of this amount, €50 million is earmarked for further acquisitions, subject to the approval of the financing banks.

### **Management Board confirms business expectations for 2022**

The Management Board of KAP AG reconfirms for the second half of the year its expectation that the KAP Group's business development will be influenced noticeably by the uncertain market environment and significant supply chain disruptions. Added to this is the expected deterioration of the global energy crisis. Given the Group's diversified investment model and the strong market positioning of its segments in their respective niche markets, and based on the current risk assessment, the Management Board still expects revenue to increase significantly year on year and an operating result slightly above the level of 2021 despite the volatile and uncertain market parameters.

The half-year financial report can be downloaded from the Company's website at the following [link](#).

#### **Contact:**

KAP AG

Kai Knitter

Head of Investor Relations & Corporate Communications

[investorrelations@kap.de](mailto:investorrelations@kap.de)

+49 661 103 327



### **About KAP AG**

KAP AG is a listed industrial holding company focused on upper mid-size operating companies that seizes attractive growth opportunities in their respective niche markets. Specifically, KAP AG currently focuses on four distinct operating segments: engineered products, flexible films, surface technologies and precision components. KAP allows its shareholders to participate in the long-term sustainable value development through an attractive dividend. The Group currently has some 2,900 employees at 28 locations in twelve countries. KAP AG's shares are listed on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard, ISIN DE0006208408).