

Corporate news

KAP AG SELLS A SUBSECTION OF THE FLEXIBLE FILMS SEGMENT'S AT A PROFIT

- Large increase in value of subsidiaries realised
- Transaction's closing planned for second quarter of 2023

Fulda, 06 March 2023 – KAP AG (“KAP”), a listed, medium-sized industrial holding company (German securities identification number: WKN 620840, ISIN DE0006208408), together with its subsidiary Mehler AG, today entered into an agreement to sell a subsection of its *flexible films* segment to Kingspan Holding GmbH, a company of Kingspan Group Plc., Ireland. The operating companies to be divested are CaPlast Kunststoffverarbeitungs GmbH with its investee AerO Coated Fabrics B.V. and Now Contec GmbH & Co. KG. The net sale proceeds are in the upper double-digit million euro range.

Eckehard Forberich, member and Spokesman of the Management Board of KAP AG: “The sale was preceded by a review of all strategic options and growth opportunities for the *flexible films* segment. As in the past, KAP AG considers selling an entity when its strategic further development outside the KAP Group – and in this case above all in association with a larger group from the respective industry – offers more appreciation potential. A significant portion of the sales proceeds will be reinvested in other segments and sub-segments in a timely manner to strengthen their market position.”

Marten Julius, CFO of KAP AG: “We are very pleased that we were able to achieve attractive sale proceeds in these dynamic times and to complete the sales process efficiently. The inflow of proceeds affords us financial scope to implement our group strategy.”

The operating subsidiaries sold, CaPlast Kunststoffverarbeitungs GmbH with its investee AerO Coated Fabrics B.V. and Now Contec GmbH & Co. KG, have evolved extremely successfully in recent years through targeted expansion of the product range and manufacturing capabilities. The subsegment of KAP *flexible films* is specialised in the high tech coating solutions for the construction business and other highly attractive niche markets. By selling them at a profit, KAP has been able to realise a considerable appreciation in value in the interest of its stakeholders. The *flexible films* segment continues to include the investees Haogenplast Ltd, Elbtal Plastics GmbH & Co. KG and Reflex Film AB, focusing on swimming pool liners and other high-quality specialty films.

With the divestment, KAP is continuing to pursue its strategy as planned and increasing its financial flexibility to implement targeted high-growth add-on acquisitions or major projects in its core segments. In doing so, the company continues to stay true to its purpose of increasing value in the interest of its stakeholders.

Closing of the transaction is subject to the approvals by the relevant regulatory authorities. The transaction is expected to be closed in the second quarter of 2023.



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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 is a Participant of the United Nations Global Compact and adheres to its principles-based approach to responsible business. KAP AG's shares are listed on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard, ISIN DE0006208408).