

Corporate news

KAP ACHIEVES IMPROVED PROFITABILITY IN THE 2024 FINANCIAL YEAR

- Preliminary figures for 2024 confirmed: revenue of €252.5 million (-4.8% on a comparable basis), normalised EBITDA of €21.9 million (+72.4% on a comparable basis)
- Impairment losses in the *precision components* and *surface technologies* segments weigh heavily on the net loss for the year, but have no impact on normalised EBITDA and liquidity
- Dividend waived to help improve capital and financing structure
- Guidance forecast for the 2025 financial year: revenue of between €245 and 265 million and normalised EBITDA of between €19 and 23 million expected

Fulda, 29 April 2025 – KAP AG (“KAP”), a medium-sized industrial holding company listed on the stock exchange (German securities identification number: WKN 620840; ISIN DE0006208408), confirms the preliminary figures for the 2024 financial year¹ in its annual report published today. The Company was able to hold its own in a difficult market environment and improve its profitability thanks to the successfully implemented restructuring and optimisation measures that served to resolutely adapt capacities and structures to the challenging framework conditions.

Marten Julius, Member and Spokesman of the Management Board of KAP AG: “Over the past year, we benefited from key strategic decisions as expected. By taking resolute action, we maintained our strategic course, strengthened the competitiveness of our group and improved profitability. We have achieved this in a challenging market environment, which demonstrates the potential inherent in our business model. Nevertheless, our profitability remains far from satisfactory. Despite the progress we’ve made, we can’t be satisfied with the development of our net loss for the year. This notwithstanding, we stay firmly on the course we have set.”

In the 2024 financial year, KAP generated group revenue of €252.5 million (previous year: €265.3 million on a comparable basis, that is without the subsection of the *flexible films* segment sold in April 2023). This is a slight decline of 4.8% (on a comparable basis), primarily due to weak customer demand in the automotive sector, which negatively impacted the *surface technologies* segment and to some extent also the *engineered products* segment. This effect was partly, but not entirely, offset by the positive development in the *flexible films* segment. As expected, the restructuring measures already implemented, in conjunction with other successfully realised efficiency measures, had a positive impact on the Group’s profitability. Normalised earnings before interest, taxes, depreciation and amortisation (“normalised EBITDA”) grew to €21.9 million (previous year: €12.7 million on a comparable basis). Taking into account the final adjustment of the 2023¹ revenue level, this is a notable increase of 72.4%. The normalised EBITDA margin improved as a result by 3.9 percentage points to 8.7% (previous year: 4.8%).

Performance varied across segments

Persistently weak customer demand, particularly from the automotive sector and other industrial sectors, put a strain on the *engineered products* segment in the 2024 financial year. The optimisation of the product portfolio and the associated conscious decision to do without low-margin business additionally impacted revenue, which decreased by 5.3% to €110.5 million (previous year: €116.7 million). Streamlining and structuring administrative functions in Fulda more efficiently and adjusting structures at the locations in Landim, Portugal, and Hessisch Lichtenau, Germany, led to improvements in profitability in the reporting year, as did the positive effects stemming from the restructuring measures implemented and portfolio optimisation. As a result, normalised EBITDA increased substantially from €3.1 million to €6.5 million.

In the *flexible films* segment, demand returned to normal in the 2024 financial year, after customers had reduced their pandemic-driven high levels of stockpiling in the previous year. The segment entities' good positioning in high-quality pool liners gave rise to revenue growth of 4.5% to €81.5 million (previous year: €78.0 million on a comparable basis). Positive effects on profitability stemmed not only from the comprehensive optimisation concerning the segment entity Elbtal Plastics, but also from the ongoing demand trend for high-quality 3D films, which led to an improved product mix. In combination with the increasing utilisation of synergies in purchasing and raw materials prices stabilising, and in some cases even falling, this lifted normalised EBITDA by an exceptionally high rate of 43.2% to €11.6 million (previous year: €8.1 million on a comparable basis).

The *surface technologies* segment continued to face persistently weak customer demand from the automotive sector in the 2024 financial year. Declining registration figures for new vehicles – particularly in Germany – led to a noticeable drop in demand for surface coatings for automotive parts. Accordingly, capacity utilisation in the segment was low, as a result of which further adjustments to the current market situation were initiated and the first measures implemented before the end of the year. Although these negative effects were partially offset by price adjustments, revenue fell on aggregate by 12.7% to €59.9 million (previous year: €68.6 million). Normalised EBITDA climbed 27.9% to €7.8 million (previous year: €6.1 million), particularly as a result of the price adjustments implemented.

The consolidated net result for 2024 was affected significantly by the impairment losses that had to be recognised in the *precision components* and *surface technologies* segments due to the further deterioration in the automotive sector. In addition, the sale in the fourth quarter of 2024 of all significant parts of the *precision components* segment had a negative impact. Taking into account these effects that did not affect liquidity or profit/loss, with a total volume of a mid-double-digit million euro amount, the consolidated net loss for the year came to €-45.7 million (previous year: €-0.1 million). Despite the consolidated net loss for the year, the equity ratio remained at a good level of 46.1% (previous year: 51.0%). This underscores the robust structure of the Group's statement of financial position and forms a stable basis for future business development.

Dividend waived to help improve capital and financing structure

To create a good basis again for sustainable added value potential within the Group, there are plans to implement further restructuring and optimisation measures in future to improve the capital and financing structure. In view of the reported net loss for the year, no dividend will be distributed for the 2024 financial year. In the long term, the goal is for shareholders to be able to participate again directly in the Company's performance through a dividend payment in accordance with the existing dividend policy.

Guidance forecast for 2025: market environment remains challenging

Due to the dynamics and unpredictability of the international trade conflicts, KAP AG's Management Board does not expect any tailwind for the operational development of manufacturing companies in the current year. The market environment therefore remains challenging. The progress made by the KAP Group as a result of the structural measures implemented and introduced is already visible, but it is partly overshadowed by the weak macroeconomic environment. From today's perspective, the diversified investment model and the structural adjustments that have already been implemented or are still pending can compensate for many, but not all of the negative effects. Against this background, the Management Board expects revenue of between €245 and 265 million and normalised EBITDA of between €19 and 23 million for the KAP Group in the 2025 financial year.

The complete audited Annual Report 2024, including the independent auditors' report, is available on [KAP AG's website](#).

¹ The previous year's figures were adjusted in accordance with IFRS requirements to reflect the sale of all significant parts of the precision components segment in 2024.

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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 three core segments: *engineered products*, *flexible films* and *surface technologies*. KAP AG currently has over 1,600 employees at 20 locations in ten countries. With active investment management, KAP focuses on continuously optimizing the existing portfolio and creating value. At the same time, the individual strengths and identities of the companies operating successfully on the market are preserved. KAP AG's shares are listed on the Regulated Market of the Frankfurt Stock Exchange (General Standard, ISIN DE0006208408).