

Corporate news

KAP AG STARTS THE 2025 FINANCIAL YEAR ON A STABLE COURSE

- Revenue climbs 4.6% to €72.6 million in the first quarter of 2025
- Normalised EBITDA reaches €7.6 million, equivalent to a margin of 10.5%
- Strong development of the *flexible films* segment continues in the first quarter of 2025
- Guidance forecast for the 2025 financial year confirmed

Fulda, 28 May 2025 – KAP AG (“KAP”), a mid-sized industrial holding company listed on the stock exchange (German securities identification number: WKN 620840; ISIN DE0006208408), started the 2025 financial year¹ on a stable course. In a persistently challenging market environment, the *flexible films* segment in particular performed well, continuing its strong growth trend. While the *engineered products* segment continued to stabilise, performance in the *surface technologies* segment was impacted by the current tense market situation in the automotive sector.

The KAP Group’s performance in the first quarter of 2025 once again shows how it is able, thanks to its diversified footprint, to compensate for declines in one segment with positive developments in other segments. Accordingly, revenue increased by 4.6% to €72.6 million (previous year: €69.4 million). At €7.6 million, normalised earnings before interest, taxes, depreciation and amortisation (normalised EBITDA) remained at the same level as in the same period of the previous year (€7.7 million). The normalised EBITDA margin thus came to 10.5% (previous year: 11.1%).

Marten Julius, member and Spokesman of the Management Board of KAP AG: “In the first quarter of 2025, we consistently maintained our strategic course and further strengthened our Group’s competitiveness. We have made further progress with the restructuring and optimisation measures we have implemented, although the negative effects of the difficult market environment, particularly in the automotive sector, are overshadowing their full potential. Our strategic focus is on increasing profitability – the level currently achieved still falls short of our requirements and expectations. We will systematically continue to work on the measures we have already introduced and launch additional targeted measures as required. This includes, in particular, capacity optimisation in the face of a challenging environment with persistently weak demand from the automotive sector.”

Performance varied across segments

In the *flexible films* segment, there is a clear positive trend in a robust industry environment. The segment entities’ excellent positioning in the high-quality pool liners business permitted revenue growth of 17.6% to €30.0 million in the first quarter of 2025 (previous year: €25.5 million). The continued strong demand for high-quality 3D films contributed significantly to the positive development of our product mix. At the same time, the increasing use of synergies in purchasing and the intensified use of synergies in production in the first quarter had a positive impact on profitability. Accordingly, normalised EBITDA climbed by 34.8% to €6.2 million (previous year: €4.6 million). The normalised EBITDA margin improved to 20.7% (previous year: 18.0%).

The *engineered products* segment saw a stable development in the first quarter of 2025, reflecting the current situation in its core market of industrial applications. Revenue increased slightly by 1.8% to €27.6 million (previous year: €27.1 million). Operations in China in particular are showing a sustained positive development thanks to the good positioning in the local market. Following the closure of production capacity in Martinsville, USA, and the relocation of high-margin products to Bangalore, India, personnel expenses have fallen noticeably. However, due to a temporary shift in the product mix caused by demand, normalised EBITDA of €1.8 million was slightly below the previous year's figure (previous year: €1.9 million). The margin based on normalised EBITDA came to 6.5% (previous year: 7.0%).

In the *surface technologies* segment, the weak performance seen in the second half of 2024 continued at the start of the current financial year. Demand from the automotive sector for surface coatings remained at a low level. The restructuring and optimisation measures already initiated will continue to be systematically implemented in the coming quarters. The effectiveness of the measures is regularly reviewed and adjusted or intensified as required. The segment's revenue fell by 11.8% to €15.0 million in the first quarter of 2025 (previous year: €17.0 million), while normalised EBITDA dropped to €0.6 million (previous year: €1.6 million). The margin based on normalised EBITDA came to 4.0% (previous year: 9.4%).

Guidance forecast for the 2025 financial year confirmed

Due to the dynamics and unpredictability of 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. 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 still 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.

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. They therefore differ from the figures previously published.

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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 19 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).