

Corporate news

KAP AG DELIVERS SOLID OPERATING PERFORMANCE IN FIRST HALF OF 2025

- Revenue declines by 3.0% to €139.6 million in a challenging market environment
- Normalised EBITDA climbs 4.9% to €15.1 million
- Efficiency measures take effect and strengthen profitability
- Guidance forecast for the 2025 financial year confirmed

Fulda, 29 August 2025 – KAP AG (“KAP”), a mid-sized industrial holding company listed on the stock exchange (German securities identification number: WKN 620840; ISIN: DE0006208408), continued to deliver a solid operational performance in a challenging economic environment in the first half of 2025.¹ Weak demand from key customer groups such as the automotive sector and industrial production impacted the performance of the *engineered products* and *surface technologies* segments. At the same time, the *flexible films* segment maintained its strong growth trend, yet again underscoring the effectiveness of the diversified portfolio strategy: Special effects and temporary weak demand in individual segments was at least partially offset by good performance in other segments.

At €139.6 million (previous year: €143.9 million), revenue in the first half of 2025 was 3.0% down on the previous year’s level due to weak demand in a persistently challenging market environment. Normalised earnings before interest, taxes, depreciation and amortisation (normalised EBITDA), in contrast, rose by 4.9% to €15.1 million (previous year: €14.4 million). The normalised EBITDA margin improved as a result by 0.8 percentage points to 10.8% (previous year: 10.0%). This development underlines the effectiveness of the structural changes already implemented and additionally introduced and reflects the efficiency gains achieved.

Marten Julius, Spokesman of the Management Board of KAP AG: “Our operating performance in the first half of the year shows that the measures we introduced in recent quarters to increase efficiency and improve profitability are delivering results. We have streamlined our structures and made our production processes more efficient, thereby significantly reducing costs and achieving greater agility. That said, our measures have not yet unfolded their full potential, overshadowed as they are at present by the negative effects of the challenging climate in the industry. We will therefore continue to pursue them consistently and, if necessary, introduce additional measures.”

Development across the three segments remain heterogeneous

In the *flexible films* segment, revenue rose by 5.2% to €56.3 million in the first half of 2025 (previous year: €53.5 million). Backed by their very good positioning in the area of high-quality pool films, the segment entities benefited from strong seasonal business, which was characterised in particular by high demand for 3D films. A positive development of the product mix and intensified use of synergies in purchasing and production had a positive impact on profitability. Normalised EBITDA thus improved

faster than revenue, up 23.2% to €11.7 million (previous year: €9.5 million). As a result, the normalised EBITDA margin widened by 3.0 percentage points to 20.8% (previous year: 17.8%).

After a stable start to 2025, the *engineered products* segment recorded weaker demand from key customer groups in the second quarter. Due to major uncertainties around future economic developments, geopolitical tensions and international trade conflicts, important industrial customers in particular took a more cautious stance. As a result, business with them only partially compensated for the decline in demand from the automotive sector. Against this background, segment revenue decreased by 6.8% to €53.3 million (previous year: €57.2 million). Lower capacity utilisation combined with a somewhat less favourable product mix led to a 17.1% decline in normalised EBITDA to €3.4 million (previous year: €4.1 million). Accordingly, the normalised EBITDA margin narrowed by 0.8 percentage points to 6.4% (previous year: 7.2%).

In the *surface technologies* segment, the weak performance of the second half of 2024 continued in the reporting period. Demand for surface coatings from the European automotive sector remained subdued, stalling at a low level. To adapt to the changed market situation, a supplementary package of measures has been initiated and first concrete steps have already been taken that will bring about far-reaching changes. One of the first central elements of the measures agreed concerns the closure of the unprofitable plant in Leisnig at the end of 2025. Revenue decreased by 8.6% to €29.7 million in the first half of 2025 (previous year: €32.5 million). Normalised EBITDA decreased by 39.3% to €1.7 million (previous year: €2.8 million). Accordingly, the normalised EBITDA margin decreased by 2.9 percentage points to 5.7% (previous year: 8.6%).

Guidance forecast for the 2025 financial year confirmed

The Management Board expects the market environment to remain challenging in the 2025 financial year, which will have a significant impact on the KAP Group's operating performance. The diversified investment portfolio and the structural adjustments that have already been implemented and are still pending are counteracting the economic headwinds. From today's perspective, however, it is not possible to fully compensate for the negative effects. The Management Board continues to anticipate revenue of between €245.0 and 265.0 million and normalised EBITDA of between €19.0 and 23.0 million.

¹ In accordance with IFRS requirements, the previous year's figures were adjusted to reflect the divestment of all significant parts of the *precision components* segment in 2024 and reported accordingly under the item "Earnings from discontinued operations after taxes."

The complete 2025 half-year report can be accessed on KAP AG's [website](#).



Contact:

KAP AG

Kai Knitter

Head of Investor Relations & Corporate Communications

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 three core segments: *flexible films*, *engineered products* and *surface technologies*. KAP AG currently has some 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).