

Corporate news

KAP AG STILL WEIGHED DOWN BY CHALLENGING MARKET ENVIRONMENT – OPERATING PERFORMANCE IN LINE WITH EXPECTATIONS

- Revenue decreases to €193.7 million in the first nine months of 2025
- Normalised EBITDA climbs to €17.5 million
- Weak demand from key customer groups slows down development in the *engineered products* and *surface technologies* segments
- Guidance forecast for the 2025 financial year specified

Fulda, 24 November 2025 – KAP AG (“KAP”), a mid-sized industrial holding company listed on the stock exchange (German securities identification number: WKN 620840; ISIN: DE0006208408), continued its operating performance in a market environment that again remained challenging throughout the third quarter of 2025.¹ The *flexible films* segment remained robust and benefited from a very good 2025 pool season. In the *engineered products* and *surface technologies* segments, however, persistently weak demand from key customer groups had a noticeable negative impact.

In the first nine months of 2025, the **Group’s** revenue totalled €193.7 million (previous year: €201.2 million), down 3.7% year on year, primarily due to the persistently difficult market environment facing the automotive and industrial sectors. Positive effects from implemented efficiency measures and a seasonally strong earnings contribution from the *flexible films* segment drove up normalised earnings before interest, taxes, depreciation and amortisation (normalised EBITDA) by 20.7% to €17.5 million (previous year: €14.5 million). The normalised EBITDA margin improved as a result by 1.8 percentage points to 9.0% (previous year: 7.2%).

Marten Julius, Spokesman of the Management Board of KAP AG: “We are still facing challenging market fundamentals that continue to weigh on our Company’s operating performance. There are currently scarce indications to suggest a recovery in the short term or a noticeable increase in demand from key customer groups in the automotive sector. On a positive note, we can see that the package of measures introduced to increase efficiency and improve profitability is taking effect, albeit not yet to a satisfactory extent. Given the dynamically changing market environment, we must broaden our measures and also increase the implementation speed of our transformation, and we will.”

Against this backdrop, the newly appointed Chief Transformation Officer (CTO) Ralph Rumberg will systematically press ahead with the measures already under way and develop additional initiatives. In particular, the focus will be on sustainably improving operating performance and thus strengthening the Group’s competitiveness in the current market environment.

Developments across the individual segments remain heterogeneous

In the *flexible films* segment, revenue rose by 6.2% to €73.2 million in the first nine months of 2025 (previous year: €68.9 million). The excellent positioning of the segment companies in fabric-reinforced pool liners enabled a very good pool season in 2025 overall, which was marked by high demand for high-quality 3D liners. The resulting more favourable product mix and the further leverage of synergies in purchasing and production had a positive impact on profitability. Normalised EBITDA thus improved by 26.4% to €13.4 million (previous year: €10.6 million). As a result, the normalised EBITDA margin widened by 2.9 percentage points to 18.3% (previous year: 15.4%).

The *engineered products* segment recorded noticeably weaker demand from key customer groups in the first nine months of 2025. Due to persisting major uncertainties around future economic developments, geopolitical tensions and international trade conflicts, customers took a more cautious stance. In addition, the current US tariff policy had a negative impact on export business at the company sites in Portugal and India in particular, with revenue falling accordingly by 8.0% to €77.1 million (previous year: €83.8 million). Against this background, normalised EBITDA decreased by a slightly lower rate of 6.3% to €4.5 million (previous year: €4.8 million). As a result, the normalised EBITDA margin increased by 0.1 of a percentage point year on year to 5.9% (previous year: 5.8%).

In the *surface technologies* segment, the weak revenue performance of the previous year continued in the first nine months of 2025. Demand for surface coatings from the European automotive sector remained subdued, with no noticeable upturn expected in the short term. This makes it all the more important to further stabilise the operating basis and further improve cost structures with a supplementary package of measures. Capacity adjustments are proceeding according to plan, with the closure of the plant in Leisnig scheduled to be completed by the end of 2025. Although it was possible to establish price increases with key customers in a weak market environment, revenue fell by 9.3% to €43.0 million (previous year: €47.4 million). Normalised EBITDA thus decreased by 20.7% to €2.3 million (previous year: €2.9 million). As a result, the normalised EBITDA margin narrowed by 0.9 of a percentage point to 5.3% (previous year: 6.2%).

Guidance forecast for the 2025 financial year specified

Against the backdrop of the persistently challenging market environment, particularly in the automotive sector, which is having a significant impact on the KAP Group's development, the Management Board has specified the guidance forecast for the 2025 financial year. From today's perspective, both revenue and normalised EBITDA are expected to be at the lower end of the forecast range of €245.0 million to €265.0 million (revenue) and €19.0 million to €23.0 million (normalised EBITDA).

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 were reported accordingly under the item "Earnings from discontinued operations after taxes."

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About KAP AG

KAP AG is a listed industrial holding company focused on upper mid-size operating companies and 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).