

## Corporate news

### **KAP AG GENERATES NORMALISED EBITDA WITHIN THE GUIDANCE FORECAST IN THE 2025 FINANCIAL YEAR IN A CHALLENGING MARKET ENVIRONMENT**

- Revenue down 4.4% to €241.4 million (previous year: €252.5 million), normalised EBITDA down 8.7% to €20.0 million (previous year: €21.9 million)
- Weak development in the *engineered products* and *surface technologies* segments has a significant negative impact on the Group's earnings figures
- Efficiency and restructuring measures introduced have not yet had the effect required for a sustainable turnaround
- IDW S 6 expert opinion forms the basis for further and far-reaching measures in all areas
- Impairment losses in the low to mid double-digit millions in the *surface technologies* segment have no impact on normalised EBITDA or liquidity

**Fulda, 12 March 2026** – KAP AG (“KAP”), a mid-sized industrial holding company listed on the stock exchange (German securities identification number: WKN 620840; ISIN DE0006208408), generated in the 2025 financial year normalised EBITDA within the forecast range, based on preliminary figures, in a challenging market environment, with revenue falling short of the forecast due to the continued weak performance of key customer industries. Overall, the Group's operating performance fell well short of its expectations. The efficiency and restructuring measures already initiated in the 2025 financial year proved unable to sufficiently compensate for the persistently weak demand in key customer industries and the structural burdens in individual segments. The continued weakness in the automotive sector in particular still weighed heavily on the Group. The *flexible films* segment, however, performed well, benefiting from a strong pool season in 2025, while weak customer demand weighed on the *engineered products* segment and especially heavily on the *surface technologies* segment.

#### **Effectiveness of efficiency measures overshadowed by weak market environment**

The Group's revenue for the 2025 financial year declined by 4.4% to €241.4 million on a preliminary basis (previous year: €252.5 million). This development reflects the challenging market environment, particularly in the automotive and industry sectors, with negative effects that also impacted the Group. Normalised earnings before interest, taxes, depreciation and amortisation (“normalised EBITDA”) decreased by 8.7% to €20.0 million. This development reflects in particular the weak demand and the negative effects of the difficult macroeconomic environment. As a result, the normalised EBITDA margin was 8.3% (previous year: 8.7%).

In view of the unsatisfactory development, the Management Board and the Supervisory Board initiated a comprehensive review of all structures, operational processes and measures. The declared aim is to sustainably reduce the cost base, improve operating performance and adapt the Group's strategic alignment to the changed market environment. The work on the expert opinion in accordance with IDW S 6, which began in December 2025, is proceeding as planned and expected. It forms the

basis for further stringent restructuring and realignment measures. Refinancing negotiations with the banks are continuing constructively. We will provide corresponding information as soon as the discussions have been concluded.

**Marten Julius, Spokesman of the Management Board of KAP AG:** “The market environment was challenging for our segments in the 2025 financial year, as we’d expected, and weighed on our company accordingly. We have responded to this and introduced further efficiency measures in the segments. However, these measures have been overshadowed by the extremely weak macroeconomic and sector-specific environment, meaning that we cannot be satisfied with our overall earnings performance. All operating segments, cost structures and strategic assumptions are therefore being scrutinised and critically analysed. Our aim is to put KAP AG back on a resilient and sustainable course.”

#### **Developments across the three core segments remain heterogeneous**

In the 2025 financial year, the *flexible films* segment benefited from its entities’ excellent market position in the fabric-reinforced pool liners business. Customer demand, particularly for high-quality 3D films, remained high and, in conjunction with innovative products launched and the product portfolio’s continuous optimisation, drove a positive development in the product mix. Against this background, revenue increased by 4.8% to €85.4 million (previous year: €81.5 million). The effects of the optimised product mix, as well as of continued cost management, were reflected in earnings. Purchasing and production synergies between the individual entities were realised continuously, further improving the *flexible films* segment’s good profitability. Normalised EBITDA increased accordingly by 18.1% – a higher rate than revenue – to €13.7 million (previous year: €11.6 million). The normalised EBITDA margin widened by 1.8 percentage points to 16.0% (previous year: 14.2%).

Noticeably weakening demand from key customer groups had a strong impact on the *engineered products* segment’s performance in the 2025 financial year, which fell well short of expectations. In addition, current U.S. tariff policy adversely affected the export business of the Portuguese and Indian sites. Overall, segment revenue was down 10.2% to €99.2 million (previous year: €110.5 million). The measures implemented to adjust capacity to the lower level of utilisation and to further optimise the product portfolio – including following the closure of the U.S. site in Martinsville and the relocation of production to the Indian site in Bangalore – merely led to a stabilisation of normalised EBITDA and improved profitability only slightly. Normalised EBITDA remained practically stable at €6.4 million (previous year: €6.5 million). Accordingly, the normalised EBITDA margin improved by 0.6 percentage points to 6.5%.

In the *surface technologies* segment, the weak performance of the previous year continued throughout the 2025 financial year. Demand for surface coatings remained subdued, particularly in the automotive sector, stalling at a very low level. In this outstandingly challenging environment, revenue decreased by 6.5% to €56.0 million (previous year: €59.9 million). Despite measures already initiated to adjust capacity and improve cost structures – including the closure of the unprofitable plant in Leisnig,

Germany, on 31 December 2025 – the earnings trend remained clearly unsatisfactory. Furthermore, the pricing measures implemented in the previous year no longer contributed to earnings in the reporting year to a comparable extent due to the difficult market environment. Normalised EBITDA fell accordingly by 59.2% to €3.1 million (previous year: €7.6 million). The normalised EBITDA margin decreased as a result by 7.2 percentage points to 5.5% (previous year: 12.7%).

As part of the annual impairment tests in accordance with IAS 36, the persistently tense market conditions in the automotive sector in the 2025 financial year require the Group to recognise, from today's perspective, impairment losses in the *surface technologies* segment in the low to mid double-digit million range. This would lead to a corresponding decline in equity. Even though the impairment losses have no impact on liquidity, they reflect the structural challenges and the limited earnings power of the affected segment under the current market conditions.

The complete and audited annual report 2025 and the guidance forecast for the 2026 financial year will be published on 28 April 2026 and made available to [download](#) on KAP's website.

**Contact:**

KAP AG

Kai Knitter

Head of Investor Relations & Corporate Communications

[investorrelations@kap.de](mailto: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 and currently focuses on three core segments: *flexible films*, *engineered products* and *surface technologies*. KAP AG currently has some 1,550 employees at 18 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).