

Corporate news

KAP AG BEGINS THE NEW FINANCIAL YEAR IN LINE WITH EXPECTATIONS AND REAFFIRMS ITS GUIDANCE FORECAST FOR 2026

- In a challenging market environment, revenue down 9.1% to €66.6 million.
- Normalised EBITDA down 15.8% year on year to €6.4 million.
- Implementation of comprehensive restructuring measures initiated
- Guidance forecast for 2026 reaffirmed

Fulda, 28 May 2026 – KAP AG (“KAP”), a mid-sized industrial holding company listed on the stock exchange (German securities identification number: WKN 620840; ISIN DE0006208408), saw, as anticipated, a subdued start to the first quarter of 2026. The market environment remained challenging, particularly in the automotive and industrial sectors. In addition, the geopolitical conflicts in the Middle East had a dampening effect on demand from key customer groups. Rising oil prices and energy costs placed a strain on the entire supply chains, leading to lower order volumes or the temporary postponement of customer orders, which had a negative impact on revenue growth. The strategic focus was therefore on the refinancing successfully completed in April 2026 and the comprehensive restructuring measures, which will be consistently pursued over the remainder of the year and should gradually have a positive impact on operational profitability.

Subdued growth in the first quarter of 2026

Group revenue declined by 9.1% to €66.0 million in the first quarter of 2026 (previous year: €72.6 million), due in particular to weaker demand. Normalised earnings before interest, taxes, depreciation and amortisation (“normalised EBITDA”) came to €6.4 million, down 15.8% year on year (previous year: €7.6 million), owing to low customer orders and the resulting underutilisation of available capacity as well as the delayed impact of staff measures already implemented. As a result, the normalised EBITDA margin came to 9.7% (previous year: 10.5%). Normalised earnings before interest and taxes (“normalised EBIT”) improved significantly to €3.4 million (previous year: €2.2 million) due to lower depreciation and amortisation – partly as a result of the extraordinary write-downs made at the end of the year in the *engineered products* and *surface technologies* segments. Accordingly, the normalised EBIT margin reached 5.2%, compared with 3.0% in the same quarter of the previous year.

Ralph Rumberg, CEO/CRO of KAP AG: “In the first quarter, our main focus was still on the refinancing process, which we successfully concluded with the signing in April 2026. This has laid the foundations for implementing the restructuring measures, which we began immediately after the signing. These measures affect all three segments and KAP Holding, and include cost savings at all levels, adjustments to our product portfolios and production capacities as well as sales initiatives. In this context, we are deliberately foregoing unprofitable revenue and consistently aligning our capacities with actual demand. Far-reaching decisions, such as the gradual relocation of production from the unprofitable site in Hessisch Lichtenau to the two existing sites in the Czech Republic and

India within the engineered products segment, also have to be seen within this context. By closing the German site on 30 June 2027, we are realigning our operations with our customers' shift towards new target markets and making better use of our resources. Overall, this move strengthens the operational competitiveness of the *engineered products* segment and aligns our activities with current market developments.”

Performance across the segments reflects the challenging market environment

In the *flexible films* segment, customer demand for high-quality 3D films remained satisfactory. Rising oil and energy costs prompted caution among customers, causing order volumes to fall short of the strong levels recorded in the previous year. Against this background, revenue decreased by 5.7% to €28.3 million in the first quarter of 2026 (previous year: €30.0 million). Normalised EBITDA decreased by 11.3% to €5.5 million (previous year: €6.2 million), primarily due to the appreciation of the Israeli shekel. As a result, the normalised EBITDA margin came to 19.4% (previous year: 20.7%). At €4.2 million, normalised EBIT was down year on year by 10.6% (previous year: €4.7 million). The normalised EBIT margin came to 14.8% after 15.8% in the previous-year quarter.

The *engineered products* segment's performance in the first quarter of 2026 was likewise noticeably affected by weaker demand from key customer groups. Revenue decreased by 10.5% in the first quarter of 2026 to €24.7 million (previous year: €27.6 million). Due to low capacity utilisation, normalised EBITDA stood at €1.5 million, 16.0% below the previous year's level (previous year: €1.8 million). As a result, the normalised EBITDA margin came to 6.1% (previous year: 6.6%). Normalised EBIT decreased to €0.5 million compared with the same quarter of the previous year (previous year: €1.0 million). The normalised EBIT margin came to 2.0% (previous year: 3.6%).

As in the other segments, the performance of the *surface technologies* segment in the first quarter of 2026 reflected the persistently weak demand for surface coatings from the automotive sector. In this highly challenging market environment, revenue decreased to €12.9 million (previous year: €15.0 million). The measures introduced to adjust capacity – including the closure of the unprofitable plant in Leisnig as of 31 December 2025, which had contributed €0.8 million to revenue in the same quarter of the previous year – and to improve cost structures have already led to a significant reduction in personnel expenses in absolute terms. However, these initial positive effects of the measures taken are not yet reflected in the operating result. Against this backdrop, normalised EBITDA decreased to €0.3 million in the first quarter of 2026 (previous year: €0.6 million). As a result, the normalised EBITDA margin came to 2.3% (previous year: 4.0%). Normalised EBIT improved to €-0.2 million (previous year: €-2.5 million) due to a significant reduction in depreciation and amortisation. The normalised EBIT margin came to -1.6% after -16.5% in the same quarter of the previous year.

Guidance forecast for the 2026 financial year reaffirmed

For the 2026 financial year, the Management Board continues to expect revenue at Group level to reach between €230.0 million and €250.0 million and normalised EBITDA between €19.0 million and €23.0 million. The guidance forecast reflects the challenging macroeconomic and sector-specific environment.



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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 1,550 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).