

Corporate News

KAP AG: SUCCESSFUL SALE OF THE IT/SERVICES SEGMENT FOR STRATEGIC REASONS AND CONCENTRATION ON THE CORE BUSINESS

- Purchase price of around €22 million for growth financing
- Systematic use of attractive M&A opportunities in the market
- Outlook for 2021 confirmed: Revenue between €300 and 330 million and normalised EBITDA between €27 and 33 million (excluding *it/services* segment) at the upper end of the ranges announced

Fulda, 29 June 2021 – KAP AG (“KAP”), a listed SME holding company (WKN 620840, ISIN DE0006208408), today successfully completed the sale of its *it/services* segment. Following the sale of the subsidiary MEHLER Engineering und Service GmbH to its former management with effect as of 1 January 2021, KAP today signed an agreement on the sale of it-novum GmbH (“it-novum”) to a company of Allgeier SE with effect as of 30 June 2021. The purchase price (enterprise value) is around €22 million and results in a multiple of 9.5 on normalised EBITDA.

Optimisation of financial leeway to expand the industrial core segments

Following this year’s successful sale of properties at the Fulda site that are not strategically relevant, it has now been possible to realise the sale of *it/services* as the next step. KAP has now completed the sale of the *it/services* segment and thus implemented a core element of a KAP strategic initiative within the “Accelerate” programme, which puts the focus of its investments even more strongly on high-margin industrial manufacturing companies in attractive niche markets. The proceeds received are to be used for targeted high-growth add-on acquisitions in the core segments.

Eckehard Forberich, Member and Spokesman of the Management Board of KAP AG:

“We are convinced that it-novum and its entire workforce can be very well integrated into Allgeier SE and optimally developed. We would like to expressly thank the management and the entire workforce for their hard work, which made a decisive contribution to the KAP Group’s success in the past few years. By successfully selling the *it/services* segment, we achieved an important milestone in our medium-term strategy. There are currently increasingly attractive M&A opportunities for the KAP Group’s industrial segments in the market, and we want to systematically exploit them.”

Management Board confirms outlook for 2021

Having concluded the transaction, the Management Board confirms its most recent forecast for the 2021 financial year, which was published in May and had already been prepared without taking into account the *it/services* segment’s operating income. For the current

financial year, the Management Board thus continues to expect consolidated revenue between €300 and 330 million and normalised EBITDA between €27 and 33 million (excluding the it/services segment) at the upper end of the ranges announced. The forecast includes already foreseeable risks that may still result from the COVID pandemic.

Contact:

KAP AG
Kai Knitter
Head of Investor Relations & Corporate Communications
k.knitter@kap.de
+49 661 103 327

About KAP AG

KAP AG is a listed industrial group in the upper midsize market that offers attractive growth opportunities in its respective niche markets. KAP AG focuses on four different business areas: engineered products, flexible films, surface technologies and precision components. Through targeted acquisitions, the company strengthens its existing business areas or exploits new market opportunities. KAP allows its shareholders to participate in its long-term profitable growth through a stable dividend. The group currently has 29 locations and around 2,300 employees in 12 countries. The shares of KAP AG are listed on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard, ISIN DE0006208408).