

Corporate news

KAP AG STREAMLINES INVESTMENT PORTFOLIO AND SELLS PRECISION COMPONENTS SEGMENT

- The aim of the sale is to sharpen the strategic focus through further portfolio optimisation
- Transaction planned to be closed by end of October 2024

Fulda, 1 October 2024 – KAP AG (“KAP”), a mid-sized industrial holding company listed on the stock exchange (German securities identification number WKN 620840, ISIN DE0006208408), today concluded an agreement on the sale of all material parts of the *precision components* segment to the current management around Christoph Bachmann and Udo Gaumann under a management buy-out (MBO). The companies to be sold are the three operating investees Präzisionsteile Dresden GmbH & Co. KG, Gear Motion GmbH and BEBUSCH Hungaria Műanyagfeldolgozó Kft. as well as three further management and real estate management companies associated with the investees. The sale will generate proceeds in the single-digit million euro range for KAP, and the buyer will also assume pension and financial obligations. Due to the high level of investment in the *precision components* segment in recent years, the sale will result in book losses in the double-digit million euro range. These will not be allocated to the operating business performance and therefore have no impact on the 2024 guidance forecast. The transaction is expected to be closed at the end of October 2024.

Marten Julius, member and Spokesman of the Management Board of KAP AG: “Based on a thorough review of all strategic options and growth opportunities in the *precision components* segment, we made the decision to sell this segment. We see good future prospects outside the KAP Group for the strategic development of the divested entities under the current management’s experienced leadership. The step we have now taken is consistent with our clear portfolio strategy – also given our intent to focus on those segments that offer potential for growing value and in which we see the best strategic fit within our Group in the medium term.”

Christoph Bachmann, head of the *precision components* segment: “We are delighted that we were able to come together in trust-based negotiations and jointly find a solution that will enable us to take over the companies in an MBO. With the proven team of employees, we can now develop the companies independently and shape their future positively.”

The *precision components* segment develops and produces highly complex plastic and plastic-metal-composite parts. Its portfolio includes plastic gears, gears with plastic-coated metal shafts and related metal products that are used mainly in special electronic or electromechanical drives. Selected areas of application for the high-precision gears include e-bike applications and automotive components for comfort and assistance systems, such as electric parking brakes, electric steering column adjustments, electric seat adjustments and covers for radar sensors.



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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 four distinct operating segments: *engineered products*, *flexible films*, *surface technologies* and *precision components*. KAP AG currently has over 2,300 employees at 24 locations in eleven countries. KAP AG is a Participant of the United Nations Global Compact and adheres to its principles-based approach to responsible business. KAP AG's shares are listed on the Regulated Market of the Frankfurt Stock Exchange (General Standard, ISIN DE0006208408).