

paragon AG grows significantly faster than the market in the first six months thanks to electromobility

- Consolidated revenue up by 9.4% to € 48.8 million (prior year: € 44.6 million).
- With a contribution of € 4.5 million, electromobility subsidiary Voltabox now accounts for 9.3% of consolidated revenue (prior year: € 1.3 million with a 3.0% share of revenue)
- EBITDA increases slightly to € 6.8 million (prior year: € 6.7 million).
- EBIT margin of 7.2% (prior year: 8.6%)
- Revenue and earnings forecast for the current fiscal year confirmed

Delbrück, Germany, August 16, 2016 – paragon AG [ISIN DE0005558696] has published its interim report as of June 30, 2016 – six months – today and confirmed its own forecast for the current fiscal year.

The company generated consolidated revenue of € 48.8 million in the first six months (prior year: € 44.6 million). This growth (9.4%) was based not only on the buoyant condition of the global sales market for automobiles in the second quarter, but also, and in particular, on the dynamic development of business at the two Voltabox subsidiaries that represent the Electromobility division.

“The first fruits of our early and systematic positioning as a specialist supplier of efficient, intelligent battery systems in the market for electromobility are slowly becoming visible,” says Klaus Dieter Frers, founder and Chief Executive Officer of paragon AG. “Revenue from this division was doubled according to plan in the second quarter,” added Mr. Frers.

Business divisions are performing as planned

The growth in revenue resulted partly from increased take-rates of optional extras that include paragon sensors in current vehicle models. In the second quarter, further progress was made in talks with various manufacturers with respect to a series order for the new particle sensor, which monitors the fine-dust pollution in the passenger compartment. The orders for the current generation of high-quality hands-free microphones were likewise developing extremely positively. The innovative belt-mic[®] belt microphone is increasing in popularity and will soon be available in a further vehicle model. In the second quarter, a smartphone cradle for motorcycles was globally launched, featuring a wireless charging function. At the same time, pre-series production commenced for the new generation of clocks. With the MirrorPilot[®], paragon is also in a position to provide an important part of the human-machine interface within the automobile.

“We are using the current mood of change within the automotive industry in a targeted way in order to make our innovations available for upcoming vehicle models,” says Dr. Stefan Schwehr, Chief Technology Officer, adding that “the increasing dynamics in the automobile manufacturers’ innovation departments is benefiting us in this respect.”

The Electromobility division was again dominated by its own growth dynamics. Production at the Voltabox subsidiaries in Delbrück, Germany, and Austin, Texas (USA), was dominated by large-scale battery systems for use in trolley buses as well as by modules for forklift trucks. At the end of June, the company announced the exclusive strategic partnership with Joy Global, a global leader in the field of mining equipment – the biggest individual order in paragon's corporate history. With special battery systems for use in automated guided vehicles of automated production, Voltabox is also already preparing its entry into the next major field of application: “Industry 4.0”.

Profitability at a high level

Consolidated EBITDA (earnings before interest, taxes, depreciation and amortization) showed a slight upward trend to € 6.8 million in the first six months, despite an increase in personnel expenses resulting from the expansion of the business (prior year: € 6.7 million). Due to increased depreciation and amortization and to other operating expenses, consolidated EBIT (earnings before interest and taxes) declined to € 3.5 million (prior year: € 3.8 million). This corresponds to an EBIT margin of 7.2% (prior year: 8.6%).

Taking into account reduced net finance income of € -1.6 million (prior year: € -1.0 million) and a higher income tax burden of € 1.3 million (prior year: € 0.9 million), the result for the period fell to € 0.7 million (prior year: € 1.9 million). This corresponds to earnings per share of € 0.16 (prior year: € 0.46).

Management Board confirms forecast

Based on the results for the first half-year, the Managing Board confirms its earlier revenue and earnings forecast for the current fiscal year. This states that consolidated revenue is expected to grow by approximately 8% in the current fiscal year and thus to exceed the € 100 million mark. This is expected to be accompanied by above-average earnings growth with an EBIT margin of approximately 9%. The main growth drivers in the current fiscal year are likely to be the Electromobility division (Voltabox) as well as the Sensors and Acoustics divisions in the medium term.

The interim report with the condensed interim consolidated financial statements as of June 30, 2016, can be downloaded from www.paragon.ag/en/investors.

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Company Profile

Listed in the regulated market (Prime Standard) of Deutsche Börse AG in Frankfurt am Main, paragon AG (ISIN DE0005558696) develops, produces, and sells innovative automotive electronics solutions. The portfolio of this direct supplier to the automotive industry includes products in the business segments of Sensors, Acoustics, Cockpit, E-mobility and Body Kinematics. In addition to its headquarters in Delbrück (North Rhine-Westphalia), paragon AG and its subsidiaries have locations in Suhl (Thuringia), Nuremberg (Bavaria), St. Georgen (Baden-Württemberg), and Bexbach (Saarland), as well as in Kunshan (China) and Austin (Texas, USA).

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