

paragon Acquires Speaker Manufacturer LPG and Expands Value Chain in Acoustics

- Complete acquisition of LPG Lautsprecher-Produktions-Gesellschaft
- Development of value chain in Interior division and expansion of technology base for acoustics solutions
- Takeover enables completely independent production of speakers and digitally networked sound systems
- External sound speakers from LPG address important safety aspect of e-mobility

Delbrück, Germany, October 29, 2018 – paragon GmbH & Co. KGaA [ISIN DE0005558696] is acquiring Lautsprecher-Produktions-Gesellschaft mbH (LPG), headquartered in Neu-Ulm. With this acquisition, paragon is expanding its technology base for acoustics solutions and thus also its value chain in its Interior division. LPG has been a close partner of various automobile manufacturers, such as BMW, Volkswagen, Opel and Rolls Royce, for many years. The purchase price is € 3 million. The closing of the acquisition is expected to take place on October 30, 2018.

“LPG holds a lot of growth potential for us because it will allow us to strengthen our positioning in another key area of the automobile industry as a system provider,” says Klaus Dieter Frers, Chairman of the Board of paragon GmbH. “The acquisition also represents further development of our vertical range of manufacturing in electromobility. Given the low noise produced by electric vehicles, LPG’s external sound speakers address an important safety aspect in the mobility of tomorrow. We see enormous potential here.”

LPG, founded in 1983, has 66 employees in Neu-Ulm, where its speaker systems are developed and produced. The product portfolio mainly includes tweeters and cone loudspeakers that are used especially in the automotive industry. LPG’s customer base includes notable automobile

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manufacturers in the mid-range and premium segments. In addition, LPG develops and manufactures external sound speakers that make it possible for pedestrians and bicyclists to hear electric vehicles.

Going forward, LPG will operate under the name paragon electroacoustic GmbH. Dr. Dirk Olszewski, currently Development Manager in the Acoustics segment, and Oliver Munz, currently Managing Director of paragon movasys GmbH, will take over management. Both long-serving managing directors of LPG, Wolfgang Schmidberger and Rainer Kröner, will be responsible for leading roles in technology and operating activities at the Neu-Ulm site, as they have done until now.

“Since it was founded 35 years ago, LPG has impressed numerous providers from the automobile industry with its high-quality products,” Rainer Kröner highlights. “With paragon as a partner from now on, we are improving our access to the automotive market and will be able to realize our growth potential even better by developing complete system solutions,” Wolfgang Schmidberger adds.

In fiscal year 2017, LPG achieved revenue of around € 11 million and a positive operating result.

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About paragon GmbH & Co. KGaA

paragon GmbH & Co. KGaA (ISIN DE0005558696), which is listed in the regulated market (Prime Standard) of the Frankfurt Stock Exchange, develops, produces and distributes forward-looking solutions in the field of automotive electronics, body kinematics and e-mobility. As a market-leading direct supplier to the automotive industry, the company's portfolio includes the Electronics operating segment's innovative air-quality management, state-of-the-art display systems and connectivity solutions, and high-end acoustic systems. In the Mechanics operating segment, paragon develops and produces active mobile aerodynamic systems. With Voltabox AG (ISIN DE000A2E4LE9), a subsidiary that is also listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange, the Group is also active in the rapidly growing Electromobility operating segment with its cutting-edge lithium-ion battery systems developed in-house.

In addition to the company headquarters in Delbrück (North Rhine-Westphalia, Germany), paragon GmbH & Co. KGaA and its subsidiaries operate sites in Korntal-Münchingen and St. Georgen (Baden-Württemberg, Germany), Landsberg am Lech and Nuremberg (Bavaria, Germany), Aachen (North Rhine-Westphalia, Germany), in Bexbach and Saarbrücken (Saarland, Germany), in Suhl (Thuringia, Germany) as well as in Kunshan (China) and Austin, Texas (USA).

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