

## Sales record for paragon AG in 2015

- Highest sales growth since 2006, rising by over 20% to € 95 million
- Biggest investment in company's history
- Simultaneously, EBIT disproportionately improved
- 2016 Forecast: again revenue growth faster than industrial sector's
- Investment phase peak exceeded, margin improvement expected

Delbrück, Germany, 3 March 2016 - paragon AG increased its consolidated revenues in fiscal year 2015 by 20.2% from € 79.0 million to € 95.0 million, thus achieving the highest growth since 2006. EBIT (Earnings Before Interest and Taxes) rose disproportionately by 24.9% to € 7.8 million (previous year € 6.3 million), despite the largest annual investment in the company's history of € 33.2 million. The EBIT margin improved from 7.9% to 8.2%. Expenses in connection with the development of new business meant that the adjusted EBIT rose from € 9.3 million by 29.6% to € 12.0 million with the adjusted EBIT margin improving from 11.7% to 12.6%. Similarly in fiscal year 2016, paragon AG expects a sales growth rate above industrial sector. Having exceeded the investment phase peak paragon AG, direct supplier to the automotive industry, predicts an increase in the EBIT margin.

Klaus Dieter Frers, CEO of paragon AG says, "We are very pleased with the results of the fiscal year. This is, of course, as a result of our excellent figures but more so for the strategic and operational decisions that we made in 2015: We now have our own production plants on sites in the US and China, have made a significant impact in the

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field of E-mobility and hit the mark for automobile manufacturers with our product offensive. We expect this significant growth to continue over the coming years in light of these positive developments.“

Specifically, the Sensors division increased its revenues from € 31.3 million to € 34.6 (+10.5%) and the Acoustics division rose from € 14.5 million to 16.1 million (+11.0%). The Cockpit division improved significantly, not least through the acquisition of the now fully-integrated SphereDesign GmbH, from € 27.5 million to € 32.3 million (+17.5%). The newest business division, Body Kinematics, grew by € 3.7 million to € 5.0 million (+35.1%).

The E-mobility division excelled in fiscal year 2015 with the largest percentage increase in sales (+252.4%) and revenues soared from € 2.1 million to € 7.4 million. These revenues are spread almost equally across the subsidiaries of Voltabox Germany GmbH and Voltabox of Texas, Inc.. Klaus Dieter Frers added, “Despite these already enormous increases, further revenues would have been made if a customer had not shifted a major project forward to 2016. Including this project Group sales would have substantially exceeded the € 100 million mark.“

Earnings figures in the last fiscal year also developed very well. The rise in adjusted EBITDA of 37.9% to € 18.7 million (previous year: € 13.5 million) reflected the strong operating performance of the company. The EBITDA margin rose to 19.6% (previous year: 17.1%). Unadjusted EBITDA improved by 35.0% to € 14.2 million with the EBITDA margin also increasing to 15% (previous year: 13.3%). Accordingly, net income rose to € 3.4 million from € 2.8 million with earnings per share rising from € 0.67 in the previous year to € 0.83. For fiscal year 2016, the Managing Board expects further growth in

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Group sales by around 8% compared to 2015, which once again clearly exceeds the industrial sector's average.

Frers says, "On the earnings side, in 2016 we will also benefit from significantly lower investment now that the foundations for further expansion have been laid. With planned investments in 2016 amounting to € 14.0 million, expenditure is less than half that of 2015 and, in fact, below the level of 2014." The company predicts further disproportionate earnings growth with an improved EBIT margin of around 9%. Among the drivers of this growth is the continuation of positive business developments in the Sensors division, particularly in E-mobility. Consequently, the Managing Board expects the additional contribution of the Voltabox subsidiaries in Germany and in the USA to double, rising to over € 15 million. E-mobility, with its increasing momentum, will provide a significant share of sales.

Frers concludes, "Added to this, our order book is virtually full with our revenue forecast already covered by 95% with customer orders and we are expecting further significant contracts during the course of 2016."

### **Company Profile**

Listed in the regulated market (Prime Standard) of Deutsche Börse AG in Frankfurt am Main, paragon AG (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 has locations in Suhl (Thuringia), Nuremberg (Bavaria), St. Georgen (Baden-Württemberg) and Bexbach (Saarland) and subsidiaries in Bexbach (Fa. ShereDesign), Kunshan (China) and in Austin (Texas, USA).

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