

## **paragon AG Expecting a More Than 40 Percent Increase in Revenue to Around € 175 Million for 2018**

- Revenue and earnings targets for 2017 achieved according to preliminary figures
- Group sales increase by around 20 percent to approximately € 124 million in 2017 (prior year: € 102.8 million)
- Electromobility is currently the Group's biggest growth driver, posting gains of around 75 percent.
- Adjusted EBIT margin for 2017 expected within the target range of 9.0 to 9.5 percent
- Electromobility and Body Kinematics driving accelerated growth in the current year
- EBIT margin expected to be around 9 percent in 2018

**Delbrück, Germany, January 29, 2018 – paragon AG [ISIN DE0005558696] expects a further acceleration of its growth for the current fiscal year. According to the forecast, Group sales are expected to rise by more than 40 percent to € 175 million, driven primarily by the Electromobility and Body Kinematics units. In fiscal year 2017, the company achieved its revenue and earnings targets according to the preliminary, unaudited figures.**

According to these figures, the company generated Group sales of around € 124 million in fiscal year 2017 (prior year: € 102.8 million). The excellent performance in the Electromobility and Mechanics operating segments was a key factor in the company's growth spurt of approx. 20 percent.

The strongest growth driver is currently the Electromobility operating segment, which is represented by the listed 60-percent subsidiary Voltabox AG. Its segment revenue increased by about 75 percent last year and therefore accounted for about 20 percent of Group sales (prior year: 14 percent). The Mechanics operating segment was characterized by six parallel series launches of active mobile aerodynamic systems and also made a significant contribution to sales growth. In this context, one-time special expenses were incurred; the EBIT margin

adjusted for these extraordinary expenses is within the forecasted target corridor. Of these extraordinary expenses, an amount of around EUR 2.2 million could not be passed on to customers as planned in the past year and thus only contributes to the result of the current year.

Electronics continues to be the strongest operating segment in terms of sales for the paragon Group. In the case of Sensors, the development of business was significantly influenced by increasing take-rates in the current vehicle models regarding the latest sensor generation. In the Acoustics unit, the output volume of the current version of the premium hands-free microphones was increased, while series production of a new generation of cockpit instruments began in the Cockpit unit.

“The consistent implementation of our long-term strategy of profitable growth along the megatrends in the automotive industry is increasingly bearing fruit,” says Klaus Dieter Frers, CEO of paragon AG. “In the future, we will benefit from the rapid changes in the automotive sector even more than we currently are – particularly at the system level. In the Body Kinematics unit, we became the world market leader with the recent takeover of a competitor. The resulting paragon movasys GmbH has considerable growth potential.”

For the current fiscal year, the Management Board is currently anticipating a continued positive economic environment with the accelerated growth of the global economy. The Management Board estimates that the global market for passenger cars will grow by around 1 percent. Based on the good order situation for 2018, the Management Board once again expects to grow significantly faster than the automotive sector. The Body Kinematics unit is expected to make a particularly notable contribution to this. Furthermore, the Management Board expects lithium-ion batteries to continue substituting lead-acid batteries and diesel engines and that the global market for battery systems in the submarkets covered by Voltabox will grow by around 11 percent. In view of Voltabox AG’s robust order backlog for 2018, the

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Management Board believes that a significantly higher growth rate can also be expected in the Electromobility operating segment.

Against this backdrop, the paragon Management Board is very optimistic about the current fiscal year. It is also forecasting a further jump in Group sales of more than 40 percent to around € 175 million with a consolidated EBIT margin of around 9 percent.

The Electromobility operating segment is expected to more than double its revenue to around € 60 million and make a sustained contribution to the Group's profitability with an EBIT margin of around 10 percent. Another growth driver will be the Mechanics operating segment. From the fiscal year 2019 onwards, the Electronics operating segment is expected to increasingly contribute to the Group's growth through new products.

This forecast does not yet take into account several acquisitions of paragon AG and Voltabox AG that are currently in the pipeline. The complete, audited consolidated financial statements and the company's annual report are expected to be published on March 13, 2018. Further information about paragon AG is available at [www.paragon.ag/investors](http://www.paragon.ag/investors).

#### **Company Profile**

paragon AG (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, e-mobility and body kinematics. 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. With Voltabox AG (ISIN DE000A2E4LE9), a subsidiary that is also listed on the regulated market (Prime Standard) of Deutsche Börse AG in Frankfurt, Germany, the Group is also active in the rapidly growing Electromobility operating segment with its cutting-edge lithium-ion battery systems. In the Mechanics operating segment, paragon AG develops and produces active mobile aerodynamic systems.

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

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