

## paragon Automotive Grows by a Third

- Revenue in Automotive business grew by 33% to € 39.2 million in the first quarter – disproportionate growth of 67.2% in Sensors unit
- EBITDA margin at 15.5% (prior year: 6.8%) – positive free cash flow
- Semiconductor shortage managed well so far – stocks replenished early
- Forecast for the fiscal year affirmed: revenue of around € 145 million with an EBITDA margin between 12 and 15%, free cash flow at around € 12 million

**Delbrück, Germany, July 20, 2021** – paragon [ISIN DE0005558696] published its consolidated financial statements for 2020 and the interim financial report as of March 31, 2021, today. The report illustrates that the direct supplier of the automotive industry continued its strong development from the second half of 2020 in the Electronics and Mechanics segments (paragon Automotive) and increased its revenue by 33.1% to € 39.2 million compared to the prior year. The forecast EBITDA margin of 12% to 15% for the year will be upheld.

**“Our automotive customers’ demand was very high in the first quarter,” says Klaus Dieter Frers, founder and CEO of paragon. “This trend was a continuation of what we observed in the second half of 2020. The dimension of the growth in revenue becomes really clear when you compare it to pre-coronavirus 2019: even then, the growth rate was around 29%.”**

The young Digital Assistance unit, which is represented by the paragon semvox GmbH subsidiary, again developed very strongly in the first quarter. The AI software business almost doubled with growth of 91.7% to € 2.3 million. This means the share of paragon Automotive’s sales now amounts to around 6%. paragon increased its share in paragon semvox GmbH by a further 4.5% to 86.5% in the first quarter, and then by a further 9.0% to 95.5% in the second quarter. With the licensing of Voltabox’s FSD® technology for the development and production of lithium-ion batteries for the automotive industry, the company has also set another important strategic course for the future.

The other units also contributed to the increase in Automotive revenue in the first three months, in some cases with significant leaps in growth. Revenues in the Sensors unit increased by 67.5% to € 12.6 million (prior year: € 7.5 million). An important driver of this development was the high demand for the particle sensor Dustdetect®. The Kinematics unit (within the Mechanics operating segment) contributed sales of € 11.7 million (prior year: € 9.7 million), which is an increase of around 20%. The strength of the development is clear when it is compared to the first quarter of 2019 (+ 34%).

It was predominantly the Electronics operating segment and its Sensors, Interior and Digital Assistance units that contributed to the solid development in the EBITDA margin of paragon Automotive in the first three months. The segment EBITDA comes to at € 4.9 million (prior year: € -1.5 million), which, with segment revenue of € 28.3 million (prior year: € 19.8 million), represents an EBITDA margin of 17.3%. The EBITDA of the Mechanics operating segment amounts to € 1.1 million (prior year: € -0.9 million), resulting in a margin of 9.6%.

**“In order to be able to fulfill orders without limitations despite the shortage of chips, we built up safety stocks at an early stage. This means we are also very well prepared for the rest of the year,” emphasizes Dr. Matthias Schöllmann, Managing Director Automotive at paragon.**

Management expects revenue of around € 145 million for the Automotive division in the current fiscal year. An EBITDA margin of 12% to 15% is expected, while free cash flow is expected to be around € 12 million.

The company will present the half-year report as of June 30, 2021, on August 24. A few days later, paragon GmbH & Co. KGaA will hold its Annual General Meeting on August 31 – once again in virtual form due to the ongoing coronavirus pandemic.

Further information about paragon GmbH & Co. KGaA can be found at [www.paragon.ag](http://www.paragon.ag).

**Profile: 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. In addition, the Group holds a stake in Voltabox AG (ISIN DE000A2E4LE9), a subsidiary that is also listed on the regulated market (Prime Standard) of Deutsche Börse AG in Frankfurt a.M. and which is active in the electromobility segment with cutting-edge lithium-ion battery systems for industrial use developed inhouse. In the rapidly growing automotive market for battery systems and power electronics, paragon will operate on its own in the future.

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

Additional information about paragon can be found at [www.paragon.ag](http://www.paragon.ag).

**Capital Market & Press Contact****paragon GmbH & Co. KGaA**

Stefan Westemeyer  
Bösendamm 11  
33129 Delbrück, Germany  
Phone: +49 (0) 52 50 - 97 62-141  
Fax: +49 (0) 52 50 - 97 62-63  
Email: [investor@paragon.ag](mailto:investor@paragon.ag)