



eID

Transport &
Smart Cities

Traceability &
Brand Protection

Payment

Press release – 25th July 2019

Continuation of double-digit growth in turnover: Q4 grows 20%

- Objective of improving profitability over prior year confirmed

Paragon ID (Euronext Paris - FR0011980077 - PID), the leading provider of identification solutions for Transport, e-ID, Traceability, Brand Protection and Payment, is pleased to announce its turnover for Q4 (1st April 2019 – 30th June 2019) of the 2018/2019 financial year (closing 30th June 2019).

€M – IFRS standard Non audited data	2018/19 consolidated	2017/18 consolidated	Change
Turnover Q1	24,9	27,4	(9%)
Turnover Q2	25,2	24,6	+3%
Turnover Q3	27,2	23,3	+17%
Turnover Q4	30,6	25,6	+20%
Turnover for the year	107,9	100,9	+7%

Amatech and RFID Discovery are consolidated as and from 1 October and 1 November 2018 respectively and contribute € 1.9M in revenues during Q4 and € 2.6 €M over 12 months. The company's strategic investment in airweb does not give rise to its consolidation in Paragon ID's results.

In the 4th quarter of its 2018/2019 fiscal year, Paragon ID posted consolidated sales of € 30.6 million, up +20% compared to the 4th quarter 2017/2018. At constant exchange rates, quarterly growth was +18%.

After a 3rd quarter of significant acceleration of growth, the final quarter of the year remained strong, with the first invoices of IP licensing and the first deliveries of inlays¹ for payment cards within the company's new Payment activity.

At the end of the 2018/2019 financial year, consolidated sales amounted €107.9M, an annual increase of +7% (+6% at constant exchange rates).

The significant acceleration of growth in the 2nd half of the year should result in the achievement of the company's objective of improving its profitability – adjusted EBITDA² margin – over that of 2018/2019 (Note: 7.2% adjusted EBITDA² margin in the full 2017/18 financial year).

The combined effect of the launch of new technologies, the better absorption of fixed costs and the measures taken to improve product margins should see the company return to an EBITDA margin close to 10% in the 2nd half of 2018/19 (Note: 5.6% adjusted EBITDA² margin in the 1st half of 2018/19).

¹ electronic component consisting of an electronic chip and an embedded antenna

² operating income before depreciation, amortization, depreciation and non-recurring items

Clem Garvey, CEO, comments:

"All of the efforts made by our employees over the course of the last year are yielding tangible results, as seen in these revenue numbers. Now that the reorganizations and restructurings are behind us, the sole focus of everyone in Paragon ID is on the Company's commercial development. It is particularly satisfying to see our acquisitions bring us such concrete results so quickly, especially in our new Payment activity. While the growth rates achieved in the crescendo of the financial year are unlikely to be repeated in Q1 due to the factories' summer holidays, our medium term ambition to achieve double-digit growth and double-digit EBITDA remains unchanged."

Business line activity

In the **Product ID** business line, which combines the activities of Product Traceability & Brand Protection and Gaming, annual revenues amounted to € 29.1M, down by -5% (-4% for the 4th quarter alone). All products in this business line are stable or slightly ahead in comparison to last year with the sole exception of Gaming, down €-0.4 M in the 4th quarter. It should be noted that the Company expects the first contributions from its new offers in RFID Baggage Tags as and from Q2 in the 2019/20 financial year.

The **People ID** business line, which includes the e.ID and Transport & Smart Cities activities, posted an annual turnover of € 77.2M, up +10% in 2018/19 (+21 % for the 4th quarter alone). The return to significant growth in the Mass Transit activity, first seen in the 3rd quarter was confirmed in 4th quarter, the second half of the year showing growth of + 17% vs 2% in the 1st half). In addition, the e-ID activity also recorded a successful end of year, with growth of + 61% in the 2nd half (+ 13% over the full year), benefiting from a favourable base of comparison due to the disruption caused by the industrial reorganization of the company last year.

The new **Payment** business line posted € 1.6M in revenue in 2018/19 (including € 1.5M in the 4th quarter alone), with the first deliveries of inlays by AmaTech, acquired in October 2018 and the first royalties on its technology licensing agreements.

Financial diary for the year 2018/2019

Yearly results 2018/2019	October 31, 2019
--------------------------	------------------

These dates are given for information only, they are likely to be modified if necessary.
All publications will take place before the opening of the Euronext markets.

About Paragon ID

Paragon ID is a leader in identification solutions, in particular in the e-ID, Transport & Smart Cities and Traceability & Brand Protection sectors. It has recently entered the area of Payment through its acquisition of Amatech Group.

Paragon ID employs more than 600 staff, with manufacturing sites in US and Europe, close to its customers.

Paragon ID is listed on Euronext Paris with a majority of its shares being held by Paragon Group, a leading provider of Identification and Customer Communications services. Paragon Group has a turnover in excess of €800 million (2018 fiscal year) and over 6,000 employees. For further information about Paragon Group, visit www.paragon-europe.com.

Euronext Paris - Share identification: Paragon ID - ISIN Code: FR0013318813 - Mnemonic code: PID.

For further information about Paragon ID, visit Paragon-id.com.

Contacts

Paragon ID Clem Garvey CEO Tel. : +33 2 48816100 clem.garvey@paragon-id.com	ACTUS finance & communication Investors Relations Mathieu Omnes Tél. : +33 (0)1 53 67 36 92 momnes@actus.fr	ACTUS finance & communication Press Relation Alexandra Prisa Tél. : +33 (0)1 53 67 36 90 aprisa@actus.fr
---	--	---