



eID

Transport &
Smart Cities

Traceability &
Brand Protection

Payment

Press release - 20 July 2021

Paragon ID posts annual sales of €84.0m, down -22%

- Total annual revenues down -28% on a like-for-like and constant exchange rates basis
- Sharp decline for **Transport & Smart Cities** and **e-ID** due to the consequences of the pandemic
- Upturn in the 2nd half of the year in the **Traceability & Brand Protection** activity, with slight growth over the full year, driven by asset-tracking technologies
- Continued strong growth in **Payment**

Return to growth in the 4th quarter of 2020/21 with revenues of €23.7m, up +4%

Paragon ID (Euronext Paris - FR0013318813 - PID), the leading provider of identification solutions for e-ID, Transport & Smart Cities, Traceability & Brand Protection, and Payment, publishes its turnover for the 4th quarter (1st April 2021 - 30th June 2021) and for the full 2020/2021 financial year.

In M€ - IFRS Standards Non audited data	2019/20 consolidated	2020/21 consolidated	Variation	Change at constant exchange rates and like-for-like basis
Q1 Turnover	26.8	19.3	-28%	-42%
Q2 Turnover	29.5	21.4	-28%	-34%
Q3 Turnover	29.0	19.6	-32%	-33%
Q4 Turnover	22.7	23.7	+4%	+4%
Full year turnover	108.0	84.0	-22%	-28%

Thames Technology is consolidated from 1st November 2019. Airweb is consolidated from 1st November 2020. Apitrak is consolidated from 1st June 2021. Security Label will be consolidated as of 1st July 2021.

In the 4th quarter of its 2020/21 financial year (ending 30 June 2021), Paragon ID achieved consolidated revenues of €23.7m, up +4% compared to the 4th quarter of 2019/20. On a like-for-like basis (excluding Apitrak and airweb) and constant exchange rates, the increase is +4%.

While the **Transport & Smart Cities** and **e-ID** divisions remained negatively impacted in the 4th quarter by the consequences of the pandemic (reduced passenger traffic in public transport and restrictions on international travel), the company returned to growth during said quarter, driven by strong

momentum in the **Payment** division and by the rebound in activity within the **Traceability & Brand Protection** division.

At the end of the 2020/21 financial year, Paragon ID's consolidated annual turnover amounts to €84.0m, down by -22% (-28% at constant exchange rates and like-for-like basis).

2020/21 activity by division

Revenue of the **Transport & Smart Cities** division (32% of annual sales in 2020/21) was halved in 2020/21, penalised by abnormally low passenger numbers in almost every city's urban transport system and consequently very low ticket and travel card consumption.

At the same time, adoption of digital ticketing technologies in SaaS (*Software-as-a-Service*) mode increased significantly and represents a future source of growth for Paragon ID, notably through its 80% owned subsidiary airweb.

The **e-ID** division (now accounting for only 7% of annual sales) also declined sharply due to lower demand for passports in both Europe and the US, resulting in a low level of orders for e-covers.

The **Traceability & Brand Protection** division (33% of annual sales in 2020/21) achieved a very good end to the financial year, driven by the return to more normal production levels in industry, thus enabling it to finish the year in marginal growth (up +1%). The RFID Tags business and the multiple successes of the RFID Discovery solution for tracking medical and industrial equipment, in particular, drove growth in this division in 2020/21.

Finally, the **Payment** division has again experienced very strong growth throughout the year (+69% annual growth) thanks to contactless payment cards, AmaTech's licensing revenues from metal payment card manufacturers, and Thames Technology's commercial momentum (consolidation over 12 months in 2020/21, compared to 5 months in 2019/20). Organic growth in the **Payment** division amounted to +31% in 2020/21. **Payment** represented 28% of Paragon ID's annual turnover in 2020/21, compared to 13% in 2019/20 and 2% in 2018/19.

Outlook: confirmation of a return to growth in 2021/22

Based on a scenario of a gradual return to normality during the 2021/22 financial year, Paragon ID foresees a return to sustainable growth across all of its divisions.

- **Transport & Smart Cities:** The gradual increase in passenger traffic over the coming months combined with (i) several new contracts secured in 2021 for the supply of transport tickets and cards across the Atlantic (Boston, Montreal, etc.), (ii) the ramp-up of airweb's SaaS platforms and (iii) the adoption of new "contactless" offers, allow us to foresee a return to growth in the division in 2021/22, while continuing to suffer legacy consequences of the pandemic.
- **e-ID:** The increase in international travel in the coming months, coupled with the significant orders won by Paragon ID for the supply of electronic passport covers from the 2nd half of 2021 (calendar year), also allow us to anticipate a return to growth in this division over the full 2021/22 year.
- **Traceability & Brand Protection:** The acquisition of a majority stake in the French company Apitrak, a SaaS platform for asset-tracking, inventory management and personal protection applications, concluded in May 2021 and the acquisition on 1st July 2021 of the German company Security Label, the European leader in baggage labels for airlines, should amplify the gradual acceleration of growth in this division in 2021/22, especially if many sectors return to their pre-crisis activity levels.
- **Payment:** the growing momentum of metal payment cards, generating licensing revenues from AmaTech technologies, together with the launch of Thames Card Technology's own metal card manufacturing, should continue to support the dynamic development of this division in 2021/22.

Clem Garvey, Paragon ID CEO, comments:

" After more than fifteen months of being severely disrupted by the negative impacts of the pandemic, it is a real pleasure for the management team of Paragon ID to announce the return to growth for the 4th quarter of the 2020/2021 financial year.

However, it is not to be forgotten that in this quarter the company benefited from a much more favourable base of comparison than in previous quarters. Q4 in 2019/20 suffered a Covid-driven decline of 36% in revenues on an organic basis. Going forward, we should enjoy a period of sustained growth, driven both by the return to normality, but also by the contribution of our new digital activities and of the three strategic acquisitions made during the 2020/21 financial year.

The future market environment is likely to be very different from the one before the pandemic and the shape of our business is likely to evolve to reflect this. For example, the changes in working patterns adopted during the pandemic are likely to persist with an impact on ridership of urban transport systems. Paragon ID's new portfolio of products and services, particularly those in the payment and web platform areas, should underpin growth in the company's revenue, earnings and cash flow. "

Financial agenda for the year 2020/21

Annual results 2020/21	Tuesday 26 October 2021
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These dates are given for information only and may be changed if necessary. 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, Traceability & Brand Protection and Payment sectors.

Paragon ID employs more than 500 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 Customer Communications. Identification solutions and Graphic services. Paragon Group is present in more than 20 countries with more than 9,000 employees around the world and achieved consolidated sales of € 1.1 billion at the end of the 2019/20 financial year (closed June 30, 2020), recording a growth of 29%.

For further information about Paragon Group, visit 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

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