



eID

Transport &
Smart Cities

Traceability &
Brand Protection

Payment

Press release – 24 April 2019

Strong acceleration of growth in Q3 2018/19: + 17%

Paragon ID (Euronext Paris - FR0011980077 - PID), the leading provider of identification solutions for Transport, e-ID, Traceability & Brand Protection and Payment, announces its sales numbers for Q3 (1 January 2019 - 31 March 2019) of the 2018/19 financial year (closing 30 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 9 months	77.4	74.9	+3%

Amatech and RFID Discovery are consolidated as and from 1 October and 1 November 2018 respectively and contribute approximately 0.5 M€ in revenues in Q3 and 0.7 M€ over 9 months. The Company's strategic investment in airweb does not give rise to its consolidation in Paragon ID's results.

In the 3rd quarter of its 2018/19 fiscal year, Paragon ID posted consolidated sales of € 27.2 million, up +17% compared to the 3rd quarter 2017/18. At constant exchange rates, quarterly growth was +15%.

As signalled at the time of the publication of the half-yearly results, this past quarter is characterised by a clear acceleration of the Group's growth rate, after having returned to growth in the 2nd quarter.

At the end of the first nine months of 2018/19, consolidated sales grew by +3% to € 77.4 million.

Clem Garvey, Managing Director of Paragon ID, comments:

« All of Paragon ID's energies are now focused on executing our profitable growth strategy. These numbers reflect the fact that the company is now on a trajectory which will lead it, in the medium term, to double-digit growth and double-digit EBITDA margin. »

Business line activity

In the **Product ID** business line, which combines the activities of Product Traceability & Brand Protection and Gaming, Paragon ID achieved a quarterly turnover of € 7.3 million, down some (5%) compared to Q3 2017/18. Last year's successes in this area set a high comparison level for growth in 2018/19.

The **People ID** business line, which includes the e.ID, Transport & Smart Cities and Payment activities, posted quarterly revenues of € 19.9 million, up +28% compared to Q3 2017 / 18.

In particular, growth in the Mass Transit business (+22% in the third quarter vs. +2% in the first half of the year) was significantly accelerated in EMEA (Europe Middle East & Africa) and UK. This growth is the result of numerous tenders won in ticketing, including contactless and mobile, with transport operators and cities in these areas.

The e-ID activity also enjoyed strong growth in the United States and EMEA, of around 60% over the period, benefiting from a favourable comparison base due to the disturbances caused by the industrial reorganization of the group last year.

3rd quarter also saw the first billings in the Payment business, resulting from the recent acquisition of Amatech's technologies. This quarterly contribution, which is still modest, should accelerate sharply in the fourth quarter of 2018/19.

On these product lines, the Group's priority remains improving margins and profitability.

Outlook

As expected, the 3rd quarter was marked by a sharp acceleration of growth, allowing the group to post cumulative growth in turnover for the first nine months of the year.

This favourable development confirms the Group's objectives for the end of the 2018/19 financial year: accelerating growth in the 2nd half of the year and improving profitability - EBITDA margin - for the full year of 2018/19, benefiting from the contributions of new technologies, from better absorption of fixed costs and from measures taken to improve margins.

Financial diary for the financial year 2018/19

Yearly Turnover 2018/19	31st july 2019
Annual results 2018/19	31st october 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.

A propos de 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: FR0011980077 - Mnemonic code: PID.

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

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