



eID

Transport &
Smart Cities

Traceability &
Brand Protection

Payment

Press release - 26 April 2023 - 6.00 pm

Growth of +55% and revenue of €140.9m for first nine months of financial year 2022/23

- Record third quarter revenues totaling €51.0m, progressing +48%, of which +45% was organic growth
- Revenues to 31 March 2023, for the first nine months of the 2022/23 financial year already superior to the full year revenues achieved in 2021/22 (€130.8m)

Targeted growth for year to 30 June 2023 revised to more than €185m, representing an annual growth rate of over 40%

- This exceeds previous target of >€170m and >30% growth

Paragon ID (Euronext Paris - FR0013318813 - PID), leading provider of identification solutions for e-ID, Smart Cities & Mass Transit, Track & Trace and Brand Protection and Payment, publishes its third quarter revenues for the financial year 2022/23 (1st January 2023 – 31st March 2023).

In €m - IFRS standards Unaudited data	2021/22 consolidated	2022/23 consolidated	Variation	Variation at constant perimeter and exchange rates
Q1 Turnover	25.7	42.2	+65%	+51%
Q2 Turnover	31.1	47.7	+54%	+50%
Q3 Turnover	34.6	51.0	+48%	+45%
9 months Turnover	91.2	140.9	+55%	+48%

The subsidiary EDM Technology has been consolidated since 1st October 2021. The companies Urban Things and Tracktio have been consolidated since 1st July 2022. The activity related to the acquisition of the assets of Uwinloc is accounted for as of 1st January 2023.

Growth of 55% for first nine months of financial year 2022/23

In the 3rd quarter of the financial year 2022/23 (which will end on 30 June 2023), Paragon ID's consolidated revenues were €51.0m, growing by +48%. Organic growth in the quarter was +45%.

Growth over the previous quarter was +7% (+€3.3m), pushing quarterly revenues above €50m for the first time in the company's history.

After the first nine months of the financial year 2022/23, total revenues amount to €140.9m, growing more than +55%, of which organic growth was +48%. This revenue, for the first three quarters, exceeds the full year revenues posted in financial year 2021/22 (€130,8m).

Double digit growth across the Company's main activities as at 31 March 2023

Transport & Smart Cities (36% of revenues in the first nine months of the financial year 2022/23) continues to post strong growth with revenues increasing by more than +58% vs prior year and increasing from one quarter to the next (€15.7m in Q1, €16.3m in Q2 and €18,5m in Q3). This growth is largely due to the continuing return of commuters to urban transport systems, the success of the acquisition of EDM Technology in the United States and the impact of inflationary price increases passed-on to customers.

The company's digital mobile ticketing and Account-Based-Ticketing offers continue to evolve and to generate new sources of recurring revenues, albeit at rates which are lower than originally anticipated.

In **Track & Trace and Brand Protection** (34% of revenues in the nine months to 31 March 2023), growth over prior year reached +49%. Activity continued to be particularly strong in the aviation sector. However, growth in the strategically important area of RTLS (Real-Time-Locating-Systems) was delayed by unavailability of electronic components in this period and the volume of RFID inlays sold into the Retail sector remains at around 50% of that anticipated, due to the uncertain economic environment.

The **Payment** activity (18% of revenues in the first nine months of 2022/23) posted growth of +20% over the nine months, coming from the traditional gift, loyalty and payment cards, from sales of specialist RFID components and from royalties for Amatech's unique technologies in contactless metal payment cards. Sales of Paragon ID's own-manufactured metal cards have now begun but currently provide only a small contribution to revenue.

In **e-ID** (12% of revenues for the first nine months of 2022/23), growth accelerated strongly in the third quarter of the financial year with significant shipments of polycarbonate-based passport data-pages and identity cards. Growth over the nine-month period was +179%. As previously announced, these deliveries arise from major orders for polycarbonate products which should result in tens of millions in new revenues over the next two financial years.

Targeted growth for year to 30 June 2023 revised to more than €185m, representing an annual growth rate of over +40%

The excellent performances to date in Mass Transit & Smart Cities, Track & Trace and Brand Protection and Payment, combined with the ramp-up of production of the polycarbonate e-ID products, position the Company to end the financial year 2022/23 well ahead of its annual plan.

At current trading rhythms, Paragon ID should complete the financial year with total consolidated revenues in excess of €185m, some +40% higher than the €130,8m posted last year.

Clem Garvey, CEO of Paragon ID, says:

"In a challenging, fast-moving and demanding market, the strong growth achieved by the company is a testament to the pertinence of our technologies and the quality of the products and services which our teams deliver every day. We will achieve more than 40% growth in this current financial year.

We remain vigilant with regard to the macroeconomic situation, the impacts of the significant increase in the cost of money and the fear of recession which continues to characterise certain geographies and certain targeted vertical markets. We have already seen a slow-down in the adoption of RFID in the Retail sector and have detected a reticence to invest on the part of some clients and prospects for our platform businesses. Notwithstanding, the major orders for polycarbonate product in the e-ID business should enable the Company to continue to post growth for the foreseeable future."

Financial agenda

2022/23 Q4 turnover	Wednesday 26 July 2023
2022/23 Yearly results	Wednesday 25 October 2023
2023/24 Q1 turnover	

These dates are given for information only. They are likely to be modified if necessary. The 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 650 staff, with manufacturing sites in US and Europe, close to its customers.

Paragon ID is listed on Euronext Paris (Euronext Paris - FR0013318813 - PID) with a majority of its shares being held by Paragon Group, a leading provider of Customer Communications, Identification, Graphics Services and Office Services. Paragon Group has a turnover of €1.5 billion and more than 9,000 employees. Paragon Group combines generations of experience with the latest innovations in technology and smart data to enable responsive and meaningful interactions between organisations and their customers. For further information about Paragon Group, visit [Paragon-Europe.com](https://www.paragon-europe.com).

For further information about Paragon ID, visit [Paragon-id.com](https://www.paragon-id.com).

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