



Press Release – 30<sup>th</sup> January 2020

## Revenues increase by +17% in 2<sup>nd</sup> quarter of 2019/20

- Half-year sales up +12% at € 56.3 million (+7% organic growth)

## Annual objective of sustained growth and ongoing improvement in profitability is confirmed

**Paragon ID (Euronext Paris - FR0013318813 - PID)**, the leading provider of identification solutions for e-ID, Transport & Smart Cities, Traceability & Brand Protection, and Payment, has published its consolidated turnover for the 2<sup>nd</sup> quarter (from October 1<sup>st</sup> to December 31<sup>st</sup>, 2019) of the financial year 2019/20 (ending June 30<sup>th</sup>, 2020).

€M – IFRS standard Non-audited data	2018/19 consolidated	2019/20 consolidated	Variation
Turnover Q1	24.9	<b>26.8</b>	+7%
Turnover Q2	25.2	<b>29.5</b>	+17%
<b>Turnover H1</b>	<b>50.2</b>	<b>56.3</b>	<b>+12%</b>

Amatech and RFID Discovery are consolidated as and from 1<sup>st</sup> October and 1<sup>st</sup> November 2018 respectively. Thames Card Technology is consolidated from 1<sup>st</sup> November 2019.

In the 2<sup>nd</sup> quarter of its 2019/20 financial year, Paragon ID recorded consolidated sales of €29.5 million, up +17% compared to the 2<sup>nd</sup> quarter of 2018/2019 (+18% at constant exchange rates).

Within the quarter, Paragon ID acquired Thames Card Technology, strengthening the Group's presence in the Payment services domain and in the UK smart card market in particular. On a like-for-like basis, quarterly growth stood at +6% (+7% at constant exchange rates).

Over the 1<sup>st</sup> half of 2019/20, Paragon ID's consolidated turnover amounted to €56.3 million, up +12% (+11% at constant exchange rates). On a like-for-like basis, organic growth was +7% (+7% at constant exchange rates).

Including the performance of Thames Card Technology, total<sup>1</sup> organic growth was +8%, in line with Paragon ID's ambition, over time, to deliver double-digit organic growth.

### Strong development of the Payment activity and growth in the United Kingdom

Paragon ID's new Payment activity recorded half-year revenues of €4.7 million (nil in the 1<sup>st</sup> half of 2018/19). These revenues comprise royalties generated from the licensing contracts of AmaTech's technologies and two months' turnover of Thames Card Technology, acquired on 1<sup>st</sup> November 2019.

<sup>1</sup> Thames Card Technology consolidated 2 months in 2018/19 and 2 months in 2019/20

Revenues from the group's historical markets (eID, Transport & Smart Cities and Traceability & Brand Protection) increased by +3% over the 1<sup>st</sup> half of the financial year, with particularly strong double-digit growth in Transport & Smart Cities.

By region, the half year was marked by strong development in the UK (30% of the revenues for the 1<sup>st</sup> half year), which benefited both from growth in historical activities and from the contribution of Thames Card Technology. EMEA (Europe Middle East & Africa) area represented 54% of the half year revenues, and USA 16%.

**Clem Garvey, Paragon ID CEO, stated:**

*"Our performance in the 1<sup>st</sup> half of this financial year is fully in line with our strategic objectives. Strong performance in the Payment sector represents a significant opportunity for growth and initial indications are that Thames Card Technology will prove to have been an excellent acquisition for Paragon ID.*

*Organic growth at constant exchange rates of 7% in the 2<sup>nd</sup> quarter, despite small delays in a number of projects, underpin our confidence in achieving our annual objectives of solid growth with improving rates of profitability."*

**Confirmation of the 2019/20 objectives: sustained growth and further improvement in profitability**

The 2<sup>nd</sup> quarter was marked by sustained growth in the company's revenues, including the growing impact of the new Payment activity. Revenues from the licensing of AmaTech's technologies underpin an ongoing improvement in margin levels.

At the end of the 1<sup>st</sup> half of the 2019/20 financial year, Paragon ID is ahead of its objective to deliver sustained growth in revenues over the whole period, and to improve profitability.

In the medium term, the company aims to achieve a double-digit growth in revenues coupled with double-digit percentage EBITDA margins.

**Financial agenda for the 2019/20 financial year**

2019/20 Half-year results	<b>30 March 2020</b>
2019/20 Q3 turnover	<b>28 April 2020</b>
2019/20 Q4 turnover	<b>23 July 2020</b>
2019/20 annual results	<b>27 October 2020</b>

These dates are given for information only, they are subject to change. 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 and Traceability & Brand Protection sectors. It recently entered the area of Payment through its acquisition of AmaTech Group and has built on this through its acquisition of Thames Card Technology in November 2019.

Paragon ID employs more than 750 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 €1.25 billion and 8,000 employees. For further information about Paragon Group, visit [Paragon-europe.com](http://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](http://Paragon-id.com).

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