

paragon expects moderate revenue growth and further improvement of profitability in 2025

- Revenues of EUR 140 million to EUR 145 million in 2025
- Optimization measures have a year-round effect
- EBITDA to increase to between EUR 20 million and EUR 22 million
- China strategy bears fruit: paragon Kunshan has received the largest order in the company's history
- Significant contribution to sales and profits through the "TELEFUNKEN" licensed brand

Delbrück, December 17, 2024 – paragon GmbH & Co. KGaA [ISIN DE0005558696] today announced its forecast of revenue and earnings for the coming year, and which is cautiously optimistic compared to the negative press releases from the industry. Further growth impulses are expected particularly to come from the China business in the coming years. Significant order intake has recently been achieved there.

Sales of the direct supplier to the international automotive industry are expected to be between EUR 140 million and EUR 145 million in 2025; EBITDA – earnings before interest, taxes, depreciation, and amortization – range between EUR 20 million and EUR 22 million. In comparison, as reported on November 12, 2024, paragon expects to generate revenues of around EUR 135 million to EUR 140 million in the 2024 financial year that is coming to an end. This considers the lower call-off volume of customers compared to the original expectations. At the same time, paragon aims to meet the previous EBITDA forecast of EUR 18 to 20 million at the upper end of expectations in 2024.

From today's perspective, paragon expects series sales revenues to remain unchanged or slightly higher in the coming year. The cost savings and improvement measures implemented will have their full effect. The licensing of the "TELEFUNKEN" brand is expected to make a significant contribution to sales and profits for the first time in 2025 through various audio products.

A year ago, paragon set the course for an expansion of its China activities to be able to benefit from this in the event of a global shift in automotive sales towards China. paragon Kunshan had previously focused on supplying Chinese customers with products to improve air quality in vehicle interiors and adaptive spoilers. paragon Kunshan has increased its development capacities in recent months to develop products adapted to the Chinese market. The motto "Local-for-Local" means that almost all raw material is now procured in China. paragon Kunshan now also offers the entire paragon product portfolio locally.

This strategy has now achieved its first results. A well-known Chinese car manufacturer placed an order for the development and production of folding tables for an SUV, which are kinematics products and increase comfort in the interior. paragon has been manufacturing such folding tables in its factory in Landsberg am Lech for various German premium manufacturers for many years. The order will go into production in Kunshan in February 2026 and has an initial total volume of EUR 10 million. Shortly afterwards, paragon Kunshan received the largest order in its company history from a German Chinese joint venture, also in terms of folding tables, this time for Vans. This will also start in February 2026 and has a total value of EUR 60 million.

"With these orders and further order initiations, we are getting closer to our goal of doubling our sales in the next few years," says Klaus Dieter Frers, founder and CEO of paragon. Frers continues: "The promising licensing of the "TELEFUNKEN" brand will also ensure broader coverage of different markets through increased sales of consumer products."

About paragon GmbH & Co. KGaA

paragon GmbH & Co. KGaA (ISIN DE0005558696), which is listed on the regulated market (Prime Standard) of Deutsche Börse AG in Frankfurt am Main, develops, produces and sells pioneering solutions in the fields of automotive electronics, body kinematics and electromobility. The portfolio of the market-leading direct supplier to the automotive industry includes innovative air quality management, modern display systems and high-end acoustic systems in the Electronics segment. In the Mechanics segment, paragon develops and produces active mobile aerodynamic systems. In the rapidly growing automotive market for battery systems, paragon's Power division supplies battery management systems and traction batteries.

In addition to the company headquarters in Delbrück (North Rhine-Westphalia), paragon GmbH & Co. KGaA and its subsidiaries have sites in Suhl (Thuringia), Landsberg am Lech and Nuremberg (Bavaria), St. Georgen (Baden-Württemberg), Limbach (Saarland) and in Kunshan (China), Detroit (USA), Bengaluru (India) and Oroslavje (Croatia).

You can find more information about paragon at www.paragon.ag.

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