

paragon: Preliminary results for the first nine Months of 2025 – Forecast for the Automotive Segment raised

- Preliminary figures show revenues in the automotive segment at €83.4m in the first nine months (previous year: €106.3m) – decline mainly due to the sale of the starter battery business and lower call-off levels over the course of the year
- Group EBITDA virtually stable at €12.5m despite lower sales (previous year: €12.9m) – EBITDA margin rose to 15.0% (previous year: 12.1%)
- Group EBIT improved from €3.9m in the prior-year period to €4.8m – EBIT margin now at 5.7% after 3.7% (prior year)
- Noticeable upturn in business with long-standing major customer Porsche and Chinese customers in the second half of the year – ongoing cost savings continue to have a positive effect on earnings development
- paragon considers itself well equipped to deal with the current chip crisis; possible indirect effects of supply bottlenecks at OEMs are being monitored on an ongoing basis
- Due to this positive development, the company is raising its forecast for the Automotive segment for 2025 and now expects EBITDA of around €19m with revenues between €115m and €120m
- Sales planning for the newly created Consumer Products segment has been adjusted due to external conditions; this has no impact on the stable development of the automotive business

Delbrück, November 3, 2025 – paragon GmbH & Co. KGaA [ISIN DE0005558696] today published preliminary nine-month figures and clarified its outlook for the 2025 fiscal year. Despite the decline in revenues due to the sale of the starter battery business and reduced customer call-offs, efficiency gains and strict cost discipline enabled the EBITDA margin to be increased to 15.0% and the EBIT margin to 5.7%. Contrary to all the negative news from the industry, the Delbrück-based automotive supplier confirms the annual sales forecast of €115 to €120m for its core automotive business, which was last published on August 19, 2025, on the occasion of the half-year results, and raises the EBITDA forecast for 2025 from approximately €18.0m to approximately €19.0m. As previously reported, however, the start-

up phase of the new additional business with consumer products is taking significantly longer than originally expected due to delays in the activation of distribution channels. Most recently, severe weather in China also hampered the supply chain that had already been established. The company has therefore changed its plans and does not expect this business segment to ramp up sustainably until next year.

As expected, a certain catch-up effect is noticeable in the automotive sector in the second half of the year. Sales to paragon's main customer, Porsche, are showing an upward trend. This is mainly due to products such as adaptive spoilers and high-quality instruments. However, sales to Chinese customers are also rising compared to the first half of the year. In conjunction with the successful improvement measures in terms of processes and procurement, paragon considers itself to be very well positioned for the future.

According to preliminary figures, sales in the third quarter declined by 9.4% compared with the previous year, reflecting the lower level of orders from OEM customers. A nine-month comparison with the same period last year shows a 21.5% decline in sales; the effect of the sale of the profitable starter battery business must also be taken into account here. The increase in EBITDA demonstrates the success of the efficiency improvement programs and strict cost management. With this 21.5% decline in sales compared to the first nine months of 2024, paragon has generated almost the same nominal EBITDA amount as in the same period of the previous year, according to preliminary figures, resulting in a significant improvement in the EBITDA margin from 12.1% to 15.0%. EBIT increased from €3.9m in the same period of the previous year to almost €4.8m, corresponding to an EBIT margin of 5.7% (previous year: 3.7%). The company will present its final figures on November 12, 2025.

The forecast for the pure automotive business, which accounted for €115 to €120m in sales and approximately €18m in EBITDA in the previous Group forecast for the current year (€140m to €145m in sales, €20 to €22m in EBITDA), has been confirmed by paragon's management in terms of sales. Due to the impact of the cost reductions achieved, EBITDA of approximately €19m is now expected in the automotive sector. paragon has succeeded in completely replacing missing deliveries of Nexperia components with other suppliers. Uncertainties remain regarding possible downtime at car manufacturers due to parts shortages from other suppliers.

As stated, the consolidated forecast for the paragon Group from the end of last year is no longer achievable due to start-up delays in the consumer business. This is due in particular to the delayed provision of licensed products and longer delivery times as a result of international supply chain problems. Most recently, weather-related disruptions in parts of

China have added to the situation, leading to further delivery delays at suppliers. A paragon employee was sent to the site to assess the situation.

In the Consumer Products segment, sales of up to €2m are now expected with a breakeven result. The adjusted planning in the Consumer Products business segment has no impact on the automotive business, which remains stable. paragon treats the consumer business as a pure add-on to its core business in the areas of automotive electronics and electromechanics and is very careful to avoid taking unnecessary risks and dependencies. Consolidated sales are expected to range between €117m and €122m, with EBITDA expected to be around €19m.

The company is currently reviewing various options for refinancing or dealing with the EUR bond maturing in mid-2027. "Given the current uncertainties in the world, our stakeholders want the issue of bond maturity to be clarified as early as possible," said Klaus Dieter Frers, founder and CEO of the personally liable partner of paragon GmbH & Co. KGaA. Frers continued: "We want to further increase our resilience so that we can continue to cope well with external crises in the future, as we have done in the past."

About paragon GmbH & Co. KGaA

paragon GmbH & Co. KGaA (ISIN DE0005558696), listed on the Regulated Market (Prime Standard) of Deutsche Börse AG in Frankfurt am Main, develops, produces, and distributes 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 supplies power battery management systems and drive batteries through its Power division.

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

For more information about paragon, please visit www.paragon.ag.

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