

28 May 2026



## Paragon Group

("Paragon", "the Company", or "the Group")

### Q3 Trading Update

Paragon, a leading global business services provider in brand services and outsourced services, provides an unaudited trading update for the three-month period ending 31 March 2026.

#### Highlights

##### *Operational*

- Successful joint bid with Parseq to secure a new public sector contract for services to support the UK Census
- Significant contracts secured with a large retail bank, leading insurer and multiple public sector bodies
- 100% retention rate among Top 10 clients, reinforcing the Company's resilient revenue profile
- Continued transition from print communication to digital communication, driving outsourced service revenues toward higher margin services

##### *Financial*

- Sales rose by 1.4% to €286.3 million, on a constant currency basis
- Underlying EBITDA grew by 26.2% to €37.7 million, on a constant currency basis
- Underlying EBITDA margin (excluding postage) stood at 14.9%, nearly a full percentage point up from the previous quarter
- FX impact of €10.6 million, resulting in actual Group sales of €275.7 million

€'000	3 months ended 31 March 2026	3 months ended 31 March 2025	%	9 months ended 31 March 2026
Sales	275,722	282,362	(2.4)	836,888
Underlying EBITDA	32,705	29,878	9.5	79,788
Sales (excluding postage)	219,181	211,903	3.4	666,882
Underlying EBITDA margin (excluding postage)	14.9%	14.1%	5.7	12.0%

##### *Sustainability*

- Newly awarded Lloyds Emerald Sustainability Standard status, recognising the Group's efforts to lower carbon emissions across the supply chain

**Jeremy Walters, Chief Executive Officer of Paragon Group, commented:**

“Paragon has delivered a robust performance in the third quarter, demonstrating the resilience of our business model. Revenue growth and cash flow are as expected, and our EBITDA margin standing at 14.9% is very encouraging.

“The successful acquisition of Parseq has added further diversity to our proposition. Organic growth momentum is building, and I am pleased to see new business wins being closed alongside high-profile contract retentions.

“Overall, we are well set for a positive final quarter.”

**Operational review**

The integration of recent acquisitions, including Computershare, Service Graphics and Parseq, is progressing well, and the synergies are expected to be seen in the EBITDA performance in Q4.

Paragon’s investment in AI continues to strengthen business performance and the client offering. The Group is deeply embedded in its clients’ operations and business processes. Alongside client aversion to change and risk, this creates a powerful barrier to disruption and a switch in suppliers. In turn, Paragon’s own use of AI delivers efficiency and productivity to its operations. AI’s use in product development provides revenue-generating opportunities across both divisions.

During the period, Paragon announced its acquisition of Parseq, a UK-based specialist in document, finance and payment process automation. This acquisition reinforces Paragon’s standing as a leading player in the Business Process Services (BPS) sector.

*Brand services*

The focus on organic growth continues across the division. New business pipeline growth and visibility have further improved, supported by continued expansion of Paragon’s digital in-store solutions and strong demand for the integrated 360° offering model, which has been promoted across the customer base.

Paragon continues to expand in priority geographies, particularly MENA and the US, alongside its long-standing European FMCG clients.

Client engagement remains strong, with positive momentum consistently demonstrated across customer meetings. The division’s new business pipeline is now at its highest level not only in value, but also in the volume of activated leads.

Paragon’s targeted growth sectors delivered first wins with new customers across cosmetics, oil and gas, hospitality, logistics and telecoms, adding further momentum as the Company approaches the new fiscal year.

Clients are showing particularly strong interest in Paragon’s next-generation Point of Sale display solutions deployed as a performance layer - integrated with retail media ecosystems, connected to data and AI-driven content, measured through footfall, compliance and conversion analytics, dynamically activated in real time and managed globally with local execution capabilities.

### *Outsourced services*

The division has secured multiple opportunities that are expected to contribute recurring revenues in the fourth quarter of this financial year. These strategic wins strengthen the pipeline and provide a solid foundation for continued growth into the next financial period. They include:

- The extension of a contract with a large retail bank
- Contracts to service the Motor Finance Consumer Redress scheme in the UK, including Paragon's digital solutions
- Significant public sector contracts
- A leading insurance company engagement

In a combined bid with Parseq, Paragon has also secured a contract with a new public sector client, due to commence in 2027, to provide services to support the 2031 UK Census.

### *Sustainability*

Paragon received recognition of its ESG credentials with the award of the Lloyds Banking Group Emerald Sustainability Standard. Paragon is one of 59 out of 170 key suppliers to the bank to achieve this.

### **Financial review**

Paragon produced another successful set of financial results despite macroeconomic challenges presented by the US-Iran conflict. While high interest rates and inflation across Europe persist, client confidence remains resilient. During the period, movements in the GBP/EUR exchange rate impacted the translation of UK earnings into the EUR reporting currency, negatively impacting GBP revenue translation by 5% versus the prior year.

### *Revenue*

Sales for the period ended 31 March 2026 were €275.7 million, 1.4% higher on a constant currency basis than revenues reported in the same period of last year (Q3 FY25: €282.4 million), but a 2.4% reduction on an actual basis. The growth in sales has been supported by the addition of new contracts across both divisions of the business, coupled with no significant client losses.

### *Operating Costs*

The cost base for the period was reduced by a net €10 million compared to Q3 FY25. The Group maintained focus on cost optimisation and continued to realise integration synergies through the consolidation of operations, procurement efficiencies and streamlining support functions. These measures helped mitigate the impact of softer macroeconomic conditions and adverse foreign exchange movements.

## *EBITDA*

Underlying EBITDA for the period increased by 26.2% to €37.7 million on a constant currency basis (Q3 FY25: €29.9 million) and increased by 9.5% to €32.7 million on an actual basis. Underlying EBITDA margin (excluding postage) stood at 14.9%, nearly a full percentage point increase from the previous comparable quarter (Q3 FY25: 14.1%).

## *Foreign exchange*

Compared to last year, the reported EUR figures were impacted by movements in the GBP/EUR exchange rate. Sterling moved by approximately 5% year-over-year, which created a negative translation effect on revenues and costs generated in GBP.

## *Financial position*

The Group ended the period with a strong balance sheet and liquidity levels to support Paragon's next phase of growth, targeted at digital customer communications, growth in new territories and increased penetration of services across the customer base.

## **Webcast and conference call**

Paragon will host a live presentation to discuss the trading update today at 09:30 BST. The webcast and supplementary materials can be accessed via the Company's website:  
<https://global.paragon.world/investor-relations>

Register your attendance for the webinar by using this link:  
<https://webcast.openbriefing.com/paragon-q326/>

The presentation will be followed by a 15-minute Q&A session, accessible through the Conference Call Dial-in details. To register for the Q&A session, use this link:  
<https://www.netroadshow.com/events/login/1PeTHmohEfUYJrmEAM0CwQ5fyjDFVnFLKYypO>

Or operator Assisted Dial-In:  
United Kingdom (Local): +44 20 3936 2999  
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