

Paragon Technologies News Release

EASTON, Pa., November 18, 2022 / -- Paragon Technologies, Inc. (OTC Pink: PGNT), announced its results for the three and nine months ended September 30, 2022, on November 11, 2022.

For further detail on our results, shareholders should carefully review our quarterly report, which can be found at www.pgntgroup.com.

(In Thousands)	Three Months Ended		Nine Months Ended	
	Sept 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021
Net Sales	\$ 34,498	\$ 36,771	\$ 105,773	\$ 100,958
Operating Income	2,323	2,109	5,624	4,269
Other Income / (Expense)				
Interest Income	18	2	33	8
Interest Expense	(332)	(78)	(669)	(250)
Employee Retention Credit	-	-	-	138
Realized Gain / (Loss) on Investment, Marketable Securities	693	(10)	650	(404)
Unrealized Gain / (Loss) on Investment, Marketable Securities	139	(107)	(26)	(25)
Gain / (Loss) on Sale of Fixed Assets	-	-	-	1
Grant Income	-	26	18	43
Total Other Income / Expense	518	(167)	6	(489)
Income before Taxes and Noncontrolling Interest	2,841	1,942	5,630	3,780
Income Tax Expense	904	861	1,991	1,726
Net Income before Noncontrolling Interest	1,937	1,081	3,639	2,054
Net Income Attributable to Noncontrolling Interest	132	189	422	396
Net Income Attributable to Paragon Technologies, Inc. and Subsidiaries	\$ 1,805	\$ 892	\$ 3,217	\$ 1,658

Analysis of Results and General Business Commentary:

In 2018 newly issued accounting rules required that all companies record any unrealized losses or gains from equity investments in the income statement.

Paragon's investment gains or losses reflect realized gains or losses in the company's investment portfolio. Paragon utilizes pre-tax operating income, a non-GAAP financial measure, in its analysis of financial results. Paragon Technologies defines pre-tax operating earnings outside of the investment gains/losses of the Company.

Our distribution operation continues to manage the impact of the strengthening dollar and its effect on our operations in Latin America. Paragon's net income was favorably impacted by a significant realized one-time gain in our investment portfolio. We continue to encourage shareholders to analyze Paragon's continuing operating income exclusive of the short-term mark to market effects from our investment portfolio.

The COVID-19 pandemic continues to adversely affect our operations across our various subsidiaries. We have experienced a slowdown in bookings which may result in lower cash flow, revenue, and operating profit in the future. In response, we have prudently managed our expenses in response to uncertainty. In addition, the on-going geopolitical conditions, including but not limited to the Russia – Ukraine conflict may negatively affect our financial results through inflationary pressures, and supply chain disruptions.

About Paragon Technologies

Paragon Technologies, Inc. is a holding company owning subsidiaries that engage in diverse business activities, including material handling, distribution, real estate, and investments.

Cautionary Note Regarding Forward-Looking Statements

These forward-looking statements concern the Company's operations, financial condition and performance and are based largely on the Company's beliefs and expectations. These statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others, those related to: general economic conditions, including those in the markets in which the Company operates; the Company's ability to expand its revenue streams; technological changes in the Company's industry; the continued acceptance of the Company's distribution channel by vendors and customers; decreased demand for the Company's products and services and the Company's ability to retain or replace its significant customers; factors affecting the capital markets and share prices generally; economic and political risks of selling products in foreign countries, including risks of non-compliance with U.S. and foreign laws and regulations; cybersecurity risks and risks of damage and interruptions of information technology systems; and the Company's ability to complete acquisitions, strategic investments, divestitures, mergers or other transactions on acceptable terms or at all. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors, nor can management assess the impact of all such factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. All statements in this press release other than statements that are purely historical are forward-looking statements. The Company does not intend and assumes no obligation, to update any forward-looking statements made in this press release. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this press release. For further information, contact the company at info@pgntgroup.com SOURCE: Paragon Technologies, Inc