

Capital Market Information

November 2, 2017

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Nine months 2017: Dräger increases net sales and improves earnings

- **Order intake and net sales both up net of currency effects**
- **Year-on-year improvement in earnings**
- **Significant increase in net sales in the third quarter**

Lübeck — Drägerwerk AG & Co. KGaA recorded increases in both order intake and net sales in the first nine months of 2017. Earnings were also significantly up on the prior-year period.

Order intake rose by 4.8 percent in the first nine months of the year to EUR 1,928.3 million net of currency effects (9 months 2016: EUR 1,849.1 million). The rise in order intake came to 4.3 percent in nominal terms. Orders rose across all regions, but the sharpest increase came in the Africa, Asia, and Australia segment. Dräger's net sales increased by 2.4 percent net of currency effects in the first nine months of 2017 to EUR 1,737.0 million (9 months 2016: EUR 1,704.3 million). The rise in net sales stood at 1.9 percent in nominal terms. All regions contributed to this increase in net sales.

“Business performance in the first nine months of 2017 was solid overall,” said Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG. “Following the positive order development in the first half of the year, the third quarter saw net sales also increase more sharply. Experience shows us that we usually perform well in the final quarter of the year, which will see earnings improve even further. We are set to achieve our forecast for fiscal year 2017.”

Earnings after nine months of the year

Gross profit climbed to EUR 776.8 million in the first nine months of the year (9 months 2016: EUR 747.6 million). At 44.7 percent, our gross margin was 0.9 percentage points higher than in the prior year. Functional costs increased by 1.7 percent net of currency effects in the first nine months of the year. Adjusted for restructuring costs incurred in the prior year, this increase amounted to 3.0 percent. Expenditure for research and development (R&D) rose by 5.5 percent (net of currency effects). The R&D

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ratio was slightly up on the prior year at 9.9 percent (9 months 2016: 9.6 percent).

In total, Dräger generated Group earnings before interest and taxes (EBIT) of EUR 43.5 million in the first nine months of 2017 (9 months 2016: EUR 28.1 million). The EBIT margin stood at 2.5 percent (9 months 2016: 1.6 percent). Earnings after income taxes amounted to EUR 24.5 million (9 months 2016: EUR 12.5 million).

Third quarter 2017

Dräger's order intake increased by 2.1 percent year on year in the third quarter of 2017 net of currency effects. Orders climbed in the Africa, Asia, and Australia and Europe regions, but were down in the Americas. Net sales, on the other hand, rose year on year by 7.0 percent net of currency effects in the third quarter. All regions contributed. The Africa, Asia, and Australia region recorded a sharp rise in net sales. EBIT also rose year on year in the third quarter on the back of increased net sales volume and in spite of higher costs and negative currency influences. Earnings before interest and taxes (EBIT) stood at EUR 24.4 million in the third quarter (Q3 2016: EUR 22.5 million), with the EBIT margin coming in at 3.9 percent (Q3 2016: 3.8 percent).

Outlook

Dräger continues to expect to generate net sales growth (net of currency effects) for fiscal year 2017 in the previously forecast range of between 0.0 and 3.0 percent. Unchanged, Dräger forecasts that the EBIT margin will be between 5.0 and 7.0 percent.

Disclaimer

This press release contains statements on the future development of Dräger Group. These forward-looking statements are based on the current expectations, presumptions, and forecasts of the Executive Board as well as the information available to it to date and have been prepared to the best of its knowledge and belief. No guarantee or liability for the occurrence of the future developments and results specified can be assumed in respect of such forward-looking statements. Rather, the future developments and results are dependent on a number of factors. They entail risks and uncertainties beyond the Company's control and are based on assumptions which could prove to be incorrect. Notwithstanding any legal requirements to adjust forecasts, Dräger does not assume any obligation to update the forward-looking statements contained in this report. You will find all important financial dates on our Company website at www.draeger.com under Investor Center/Financial Calendar.

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Key figures for the first nine months of 2017 (€ million)

	Q3 2017	Q3 2016	9M 2017	9M 2016	Change	Net of currency effects
Order intake	626.3	628.0	1,928.3	1,849.1	+ 4.3%	+ 4.8%
Net sales	621.0	592.9	1,737.0	1,704.3	+ 1.9%	+ 2.4%
Europe segment	342.4	325.0	960.7	949.2	+ 1.2%	+ 2.0%
Americas segment	117.1	119.7	344.7	335.9	+ 2.6%	+ 2.4%
Africa, Asia, & Australia segment	161.5	148.2	431.5	419.3	+ 2.9%	+ 3.3%
<i>Additional information on net sales</i>						
Medical products	399.9	389.8	1,106.3	1,093.9	+ 1.1%	+ 1.6%
Safety products	221.1	203.1	630.7	610.4	+ 3.3%	+ 4.0%
EBIT	24.4	22.5	43.5	28.1		
EBIT margin	3.9%	3.8%	2.5%	1.6%		
EBIT margin Europe segment	6.7%	4.8%	4.4%	2.7%		
EBIT margin Americas segment	-4.7%	0.2%	-2.7%	-2.6%		
EBIT margin Africa, Asia, & Australia segment	4.3%	4.6%	2.5%	2.6%		
<i>Additional information on EBIT margin</i>						
Medical products	2.3%	4.3%	0.4%	0.7%		
Safety products	6.9%	2.8%	6.1%	3.3%		
Earnings after income taxes	16.2	13.5	24.5	12.5		
EPS preferred share ^{1,2} in €						
Full distribution	0.69	0.59	1.05	0.54		
EPS common share ^{1,2} in €						
Full distribution	0.68	0.57	1.01	0.49		
Employees			13,642	13,292		

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1 Based on an imputed actual full distribution of earnings attributable to shareholders