

Ad-hoc notification in accordance with Sec. 17 of the MAR

Drägerwerk AG & Co. KGaA: Full-year 2020 guidance cancelled. Strong Q1 order intake opens up opportunities for significantly higher net sales and earnings. Consideration given to termination of participation certificate series A and K and potential use of equity financing.

Dräger hereby announces its preliminary, unaudited figures for the first quarter of 2020.

In the wake of the COVID-19 pandemic, Dräger received a considerably higher number of orders in the first quarter of 2020 than in the first quarter of the prior year. At a level of around EUR 1,393 million (Q1 2019: EUR 648 million), incoming orders in Q1 were approximately 117 percent (nominal: 115.1 percent) higher than the prior-year quarter net of currencies effects. Demand in the medical division is very high at the present time: here, incoming orders were at approximately EUR 1,043 million (Q1 2019: EUR 379 million), an increase of approximately 177 percent (nominal: 175.5 percent) on the same period of the prior year net of currencies effects. Demand was particularly strong for products required for the treatment of COVID-19 patients: ventilators, patient monitors and related consumables. Incoming orders for other products such as anaesthesia and Workplace Infrastructure were also up on the prior year. At around EUR 350 million (Q1 2019: EUR 269 million), order intake in the safety division was also significantly higher than in the prior year (net of currencies effects approximately +32 percent, nominal +29.9 percent). There was a particularly sharp increase in orders for light breathing protection (e.g. PPE masks).

A large proportion of the orders are scheduled for delivery before the end of 2020. For this purpose, production capacity is currently being increased in various areas. The high level of incoming orders only resulted in a limited increase in net sales in the first quarter. Net of currencies effects, net sales rose by approximately 7.1 percent (nominal: 6.4 percent) to around EUR 640 million (Q1 2019: EUR 602 million). Net sales increased in the medical division, as well as in the safety division. The gross margin was around 44.2 percent (Q1 2019: 42.3 percent). Functional costs were up 6.8 percent (nominal: 6.6 percent) on the prior-year figure after currency adjustments. The EBIT for the first quarter was around EUR -0.6 million (Q1 2019: EUR -10.7 million), resulting in an EBIT margin of around -0.1 percent (Q1 2019: -1.8 percent).

Due to the very dynamic development in order intake in connection with the COVID-19 pandemic, Dräger has considerable opportunities to significantly exceed its previously planned level of net sales and earnings. Dräger will specify its expectations for 2020 with the publication of the half-year results.

Following the termination of participation certificate series D in March 2020 with effect from the end of fiscal year 2022, the company is now also considering termination of all participation certificates of the remaining series A and K with effect from the end of fiscal year 2020. A potential termination of participation certificate series A and K

would result in an increase in earnings per ordinary share of approximately 10 percent and per preference share of approximately 9 percent (pro forma as of December 31, 2019, without consideration of financing cost). Including the already terminated participation certificate series D, the cancellation of all participation certificates would result in an increase in earnings per ordinary share of approximately 36 percent and per preference share of approximately 34 percent (pro forma as of December 31, 2019, without consideration of financing cost). The theoretical redemption value for series A and K currently stands at approximately EUR 157 million. In this connection, the company is considering various financing options, including an increase of the preference share capital.

Dräger will publish full results for the first three months of the fiscal year on April 30, 2020.

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