

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

Drägerwerk AG & Co. KGaA: Dräger with slight decline in net sales in third quarter with EBIT up significantly year on year

Based on preliminary figures for the third quarter, Dräger recorded a year-on-year decline in order intake of 1.7 percent (net of currency effects) (nominal: -2.7 percent). Net sales decreased by 1.1 percent (net of currency effects) to EUR 592.9 million (nominal: -1.8 percent). The gross margin stood at approximately 44.0 percent (Q3 2015: 41.8 percent). EBIT for the quarter stood at EUR 22.5 million, up significantly on the prior year (Q3 2015: EUR -22.6 million). However, one-off effects, such as write-downs on receivables and inventories, in addition to provisions, had a negative impact of roughly EUR 20 million on the third-quarter result for 2015.

Net of currency effects, this resulted in a year-on-year decline in order intake of 0.3 percent (nominal: -2.4 percent) and a drop in net sales by 2.6 percent (nominal: -4.4 percent) for the first nine months. The gross margin stood at approximately 43.9 percent (9 months 2015: 44.5 percent). Compared to the prior-year period, functional costs decreased by 7.5 percent (net of currency effects) in the first nine months of 2016 (nominal: -8.5 percent). Total EBIT stood at approximately EUR 28.1 million (9 months 2015: EUR 0.2 million). The EBIT margin rose from 0.0 percent in the prior-year period to 1.6 percent after nine months.

Business performance remained sluggish overall. In particular, the demand situation in the Middle East and in many European countries did not improve significantly during the third quarter. Business in Germany and the Americas region developed positively.

For fiscal year 2016, Dräger continues to expect net sales growth of between 0.0 and 3.0 percent (net of currency effects) and an EBIT margin of between 3.5 and 5.5 percent. Net sales growth will probably be at the lower end of the forecast range due to the restrained development seen to date.

Dräger will publish its full results for the first nine months of the fiscal year on November 3, 2016.

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