

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

Drägerwerk AG & Co. KGaA: preliminary result for the third quarter. Guidance reduced.

Dräger has announced preliminary, unaudited figures for the third quarter of 2018.

In the third quarter, Dräger recorded year-on-year growth in order intake of 7.6 percent (net of currency effects; nominal: 5.0 percent). The Americas and the Asia, Australia, and Africa regions in particular saw strong growth in order intake. Net sales development, however, lagged behind the positive order intake trend. Certain currencies relevant to Dräger continued to lose a substantial amount of value compared to the euro over the course of the third quarter, which had a negative impact on net sales volume in euros and, consequently, on earnings as well. At roughly EUR 613 million (Q3 2017: EUR 621.0 million), net sales were down 1.2 percent year on year. Net of currency effects, the Group's net sales were up 1.3 percent. EBIT for the quarter stood at around EUR -4.4 million, down significantly on the prior year (Q3 2017: EUR 24.4 million). The lower earnings were caused by a decline in net sales volume, a weaker gross margin, and higher costs, particularly as a result of the ongoing investment program into R&D and specific sales capabilities.

Order intake therefore increased by 3.8 percent year on year in the first nine months of 2018 (net of currency effects; nominal: 0.2 percent).

All three regions recorded higher order intake year on year (net of currency effects). At around EUR 1.729 billion, the Group's net sales were down 0.4 percent on the prior year (9 months 2017: EUR 1,737.0 million). Net of currency effects, net sales were up 3.0 percent. Total EBIT stood at approximately EUR -41 million (9 months 2017: EUR 43.5 million). In particular, the devaluation of certain emerging markets' currencies over the course of the year, which was very significant in some cases, contributed to the negative earnings. As planned, Dräger is investing more in its R&D activities and in sales with the aim of strengthening its future prospects. However, unplanned expenses in logistics and for quality-related measures also had a negative impact on earnings for the first nine months of the year.

For the year as a whole, Dräger continues to expect net sales growth of between 2.0 and 5.0 percent (net of currency effects). Due to the additional negative effects resulting from the strong euro, however, Dräger will probably no longer be able to achieve its original EBIT forecast for the year. The EBIT margin will probably only amount to between 2.0 and 3.5 percent for 2018. Based on the latest developments, Dräger currently does not expect exchange rates to recover. The company also plans to continue its investment into sales and

innovation. As a result, profitability will not improve substantially next year either. The detailed forecast for 2019 will be published along with the final business figures for the current fiscal year.

Dräger will publish its full results for the first nine months of the fiscal year on October 30, 2018.

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