

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

Drägerwerk AG & Co. KGaA: preliminary result for the first half year

Based on preliminary figures, Drägerwerk AG & Co. KGaA recorded net of currency effects a 1.4 percent (nominally -1.6 percent) increase in order intake year-on-year in the second quarter of 2018. Net sales increased net of currency effects by 10.1 percent (nominally 6.7 percent) to roughly EUR 620 million (Q2 2017: EUR 581.0 million). Despite the higher net sales volume, the EBIT for the quarter stood at about EUR 3 million, significantly below the level of the prior-year quarter (Q2 2017: EUR 16.8 million). This was due in particular to a lower gross profit margin of roughly 43.3 percent (Q2 2017: 44.4 percent) and higher functional expenses. In addition to negative currency effects, higher quality costs and a negative product mix burdened the gross profit margin.

For the first half of the year, this resulted in a year-on-year increase in order intake of 2.0 percent net of currency effects (nominally -2.2 percent). The regions Europe and particularly Africa, Asia, and Australia recorded higher order intake net of currency effects compared to the prior-year period. By contrast, in the region Americas order intake was roughly 2 percent (net of currency effects) below the level of the prior-year. Nominally, net sales of the Dräger group stood at about EUR 1,115 million and was on par with the level of the prior-year (6 months 2017: EUR 1,116.0 million). This corresponds to a net sales growth net of currency effects of roughly 4 percent. The gross margin was roughly 42.5 percent (6 months 2017: 44.6 percent). Compared to the prior-year period, functional expenses increased net of currency effects by 9.5 percent (nominally 6.7 percent) in the first half of 2017. Due to the negative earnings in the first quarter, EBIT for the six months period stood at only roughly EUR -37 million (6 months 2017: EUR 19.1 million), corresponding to an EBIT margin of roughly -3.3 percent (6 months 2017: 1.7 percent).

Despite the negative earnings in the first six months, the full-year guidance remains unchanged. For the full-year, Dräger continues to expect net sales growth (net of currency effects) of between 2.0 and 5.0 percent and an EBIT margin of between 4.0 and 6.0 percent. The EBIT margin is likely to come out in the lower range of the guidance.

Dräger will publish final results for the first six months of 2018 on July 26, 2018.

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