

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

Drägerwerk AG & Co. KGaA: Dräger releases preliminary results for 2018 and forecast for 2019

Dräger hereby announces preliminary, unaudited figures for fiscal year 2018.

Order intake rose by approximately 2.2 percent over the course of the year (approximately 5.4 percent net of currency effects). Net sales increased by roughly 1.0 percent (approximately 4.0 percent net of currency effects) to some EUR 2.60 billion (2017: EUR 2.57 billion). The EBIT margin is expected to have stood between 2.3 percent and 2.8 percent (2017: 6.1 percent) in 2018.

Net sales growth and the EBIT margin therefore stood within the range most recently forecast by Dräger (currency-adjusted net sales growth of between 2.0 and 5.0 percent and an EBIT margin of between 2.0 and 3.5 percent).

Besides negative currency effects, the scheduled higher expenditures for the strengthening of R&D and Sales also played a decisive role in the decline in earnings development. In addition, unplanned expenses in Logistics and Quality Assurance strained earnings. The gross margin was roughly 1.5 percentage points lower year on year (2017: 44.8 percent).

While all three regions reported a positive order intake trend, net sales development varied from region to region. Net sales rose by just over one percent in the Europe region (approximately 3 percent net of currency effects) and by roughly 3 percent in Asia, Africa, and Australia (approximately 6 percent net of currency effects), whereas the Americas region recorded a decline in net sales of around 2 percent (approximately 4.5 percent increase net of currency effects).

Against the backdrop of increasing macroeconomic risks, Dräger anticipates a decline in growth momentum. The company expects to see currency-adjusted net sales growth of between 1.0 and 4.0 percent in fiscal year 2019 (2018: currency-adjusted growth of around 4.0 percent). The current exchange rates would result in negligible currency effects on the reported net sales growth (2018: approximately -3 percentage points) for the year 2019 as a whole. The necessary investments in the strengthening of R&D as well as Sales, which started in the past fiscal year, will be continued in 2019. Profitability may therefore fall below the current level in 2019. Dräger forecasts an EBIT margin of between 1.0 and 3.0 percent.

The aforementioned estimates of net sales and margin performance are based on the assumption of unchanged foreign exchange rates and do not include restructuring charges.

Dräger is set to present its full and audited financial statements for fiscal year 2018 on Thursday, March 7, 2019.

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