

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

Drägerwerk AG & Co. KGaA: Preliminary figures for the third quarter of 2022: net sales and earnings significantly below prior-year level despite continued high order backlog – annual targets no longer achievable

Lübeck, October 14, 2022 – Dräger's net sales in the third quarter of 2022 were below the Company's expectations. At around EUR 725 million, net sales were 9.1 percent (net of currency effects) below the figure for the prior-year period (Q3 2021: EUR 769.6 million). This was due in particular to the continuing disruption to supply chains and the associated slow improvement in the availability of intermediate products required to manufacture end products and deliver them to customers. As a result, there was a delay in the recognition of sales from the high order backlog.

Earnings before interest and taxes (EBIT) amounted to around EUR -37 million (Q3 2021: EUR 47.9 million). The main reasons for this was the lower net sales volume and the lower gross margin. The gross margin amounted to around 40.6 percent (Q3 2021: 46.9 percent), especially due to the change in product mix resulting from the lower demand for corona-related products as well as higher costs for the procurement of electronic components that are currently difficult to obtain.

Order intake in the third quarter was up on the high prior-year figure at around EUR 777 million (Q3 2021: EUR 759.6 million). Net of currency effects, order intake remained roughly at the previous year's level (-0.9 percent). The safety division recorded growth of 11.3 percent (net of currency effects) to around EUR 311 million (Q3 2021: EUR 273.9 million), driven by good demand in all product areas. The medical division, on the other hand, recorded a decline of 7.8 percent (net of currency effects) to around EUR 465 million (Q3 2021: EUR 485.7 million). In the prior year, Dräger had received larger corona-related orders for ventilators from Asia, which have not recurred to this extent.

Dräger continues to benefit from a good demand in all product areas and markets. In the first nine months of the current fiscal year, order intake thus rose by 5.6 percent (net of currency effects) to around EUR 2,424 million (9 months 2021: EUR 2,237.0 million) based on preliminary calculations. Net sales were 18.0 percent (net of currency effects) below the prior-year figure at around EUR 2,027 million (9 months 2021: EUR 2,402.9 million). Gross margin was around 40.5 percent (9 months 2021: 48.4 percent). EBIT amounted to around EUR -148 million (9 months 2021: EUR 257.0 million).

Dräger continues to expect a strong acceleration of sales recognition in the coming weeks. Due to the extent of the delay to date, Dräger no longer expects to be able to achieve the annual forecast.

Within its annual forecast, the Executive Board had anticipated a decline in net sales of between -5.0 and -9.0 percent (net of currency effects) and an EBIT margin of between 1.0 and 4.0 percent for the fiscal year 2022, compared to the prior-year figures which had been very strong due to corona. Most recently, the Executive Board had assumed that the lower end of the range would be achieved in each case.

The full results for the first nine months of the fiscal year will be published on October 27, 2022.

Drägerwerk AG & Co. KGaA
Moislinger Allee 53–55
23558 Lübeck, Germany
www.draeger.com

Investor Relations:

Thomas Fischler
Tel. +49 451 882-2685
thomas.fischler@draeger.com

Corporate Communications:

Melanie Kamann
Tel. +49 451 882-3998
melanie.kamann@draeger.com

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