

Capital Market Information

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Dräger off to a good start in fiscal year 2021

- **Strong order intake, but down on record set in the same quarter of the prior year despite continued high orders on hand**
- **Net sales rise considerably to reach a record level for a usually seasonally weak first quarter**
- **Earnings in first quarter up significantly year on year**
- **Profits and partial buyback of terminated participation certificates strengthen equity ratio**

Lübeck – Drägerwerk AG & Co. KGaA saw a good start to the new fiscal year in the first three months of 2021. Order intake fell, as expected. Net sales increased considerably and set a record for the first quarter, which is normally weak. Earnings were up significantly year on year.

After the outbreak of the coronavirus pandemic in the first quarter of the prior year caused a spike in order intake, the first quarter of fiscal year 2021 saw the anticipated normalization. Order intake fell by 44.9 % (net of currency effects). Although other regions were also affected, Europe saw the steepest decline, having recorded the sharpest rise in the prior year. Order intake was down 46.9 % year on year in nominal terms. At EUR 739.8 million (3 months 2020: EUR 1,392.7 million), order intake nevertheless reached a strong level in the first quarter, especially in consideration of seasonal aspects. Net sales at Dräger grew by 27.5 % (net of currency effects) in the first three months of 2021. In nominal terms, net sales increased by 23.8 % to EUR 792.1 million (3 months 2020: EUR 640.0 million) thanks in part to the record number of orders on hand at the end of 2020.

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Division performance

In the medical division, orders decreased by 54.8 % (net of currency effects) compared to the record level in the first quarter of the prior year. Net sales rose considerably by 33.1 % (net of currency effects) in the first quarter.

In the safety division, the decline in order intake amounted to 15.6 % (net of currency effects). Here too, net sales saw a sharp rise of 18.5 % (net of currency effects) in the first quarter.

“The coronavirus pandemic continues to dominate the news. Following the dramatic increase in the same quarter of the prior year, order intake returned to a regular level in the first quarter of 2021. Ventilators and respiratory protection masks are still in demand. Orders on hand remain high and net sales rose significantly in the first quarter, which also very clearly benefited earnings,” says Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG. “The new fiscal year got off to a start that exceeded our expectations overall. As a result, it is more likely that we will emerge in better shape than anticipated. We will review our forecasts and provide more specific figures with this in mind when we publish the half-year figures for 2021, at the latest.”

Earnings

Earnings before interest and taxes (EBIT) improved significantly in the first quarter of 2021 to stand at EUR 128.9 million (Q1 2020: EUR -0.6 million), with an EBIT margin of 16.3 % (Q1 2020: -0.1 %). Earnings after taxes totaled EUR 82.8 million (Q1 2020: EUR -6.7 million). The noticeably stronger net sales volume and higher gross margin made a significant contribution to the improvement in earnings.

Equity up, participation certificates redeemed

Dräger’s equity rose considerably in the first quarter of 2021, resulting in an equity ratio of 36.3 % as of March 31, 2021 (December 31, 2020: 31.3 %). The increase was due in particular to the higher earnings after income taxes. The buyback of approximately 33 % of the terminated yet still outstanding series D participation certificates also contributed to this development.

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Dräger terminated the series A, D, and K participation certificates in March and April 2020. Repayment for series A and K was made in January 2021, with repayment for series D scheduled for January 2023. Dräger submitted and fully executed a buyback offer of up to EUR 100 million for the series D participation certificates in March 2021.

“The termination of the participation certificates simplifies our equity structure, which will consist only of common and preferred shares going forward,” says Gert-Hartwig Lescow, CFO of Drägerwerk Verwaltungs AG. “In the future, the dividends will go entirely to the shareholders, and earnings per share will increase by up to 27 % as a result of all the measures, making the Dräger shares more attractive.”

Outlook

For the full year, Dräger continues to expect a decline in net sales of between -7.0 % and -11.0 % (net of currency effects) and an EBIT margin of between 5.0 % and 8.0 %.

However, business performance in the first quarter exceeded the original expectations, increasing the probability of reaching the upper end of the forecast or even exceeding it. The current epidemic situation does not allow for a more accurate forecast at this point and also indicates a general slowdown in economic development. Dräger will review the forecast again and provide more specific figures, if applicable, at the end of the first half of the year at the latest.

Further information is available in the financial report at www.draeger.com.

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Key figures for the first three months of 2021 (€ million)	3 months 2021	3 months 2020	Change	Net of currency effects
Order intake	739.8	1,392.7	-46.9 %	-44.9 %
<i>Europe</i>	419.5	915.6	-54.2 %	-53.6 %
<i>Americas</i>	147.9	189.7	-22.1 %	-12.7 %
<i>Africa, Asia, and Australia</i>	172.4	287.4	-40.0 %	-38.6 %
Order intake, medical division	451.9	1,043.1	-56.7 %	-54.8 %
Order intake, safety division	287.9	349.6	-17.6 %	-15.6 %
Net sales	792.1	640.0	+23.8 %	+27.5 %
<i>Europe</i>	456.0	362.7	+25.7 %	+26.7 %
<i>Americas</i>	151.4	120.1	+26.1 %	+39.2 %
<i>Africa, Asia, and Australia</i>	184.6	157.2	+17.4%	+20.6 %
Net sales, medical division	508.0	395.6	+28.4 %	+33.1 %
Net sales, safety division	284.0	244.4	+16.2 %	+18.5 %
EBIT	128.9	-0.6		
EBIT margin	16.3 %	-0.1 %		
Earnings after income taxes	82.8	-6.7		
<i>EBIT margin, medical division</i>	19.2 %	-1.7 %		
<i>EBIT margin, safety division</i>	11.0 %	2.6 %		
Employees	15,907	14,900		

Disclaimer

This press release contains statements on the future development of Dräger Group. These forward-looking statements are based on the current expectations, presumptions, and forecasts of the Executive Board as well as the information available to date. They were compiled to the best of the company's knowledge. Dräger does not provide any warranty nor assume any responsibility for the future developments and results described above. These are dependent on a number of factors. They entail various risks and contingencies outside of the company's influence and are based on assumptions which could prove to be incorrect. Dräger does not assume any responsibility for updating the forward-looking statements contained in this report. This does not infringe any legal stipulations on the adjustment of forecasts. Please go to Investor Relations / Definitions of financial indicators at www.draeger.com for information on alternative performance measures used.

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