

## Press release

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# Dräger off to an exceptional start in fiscal year 2020

- Order intake more than doubles
- Net sales rose considerably
- Earnings increase significantly year on year

Lübeck—In the first three months of 2020, Drägerwerk AG & Co. KGaA saw an extraordinary increase in order intake, as well as a rise in net sales. Earnings were up significantly year on year.

Order intake saw a sharp rise, increasing by 116.7 percent (net of currency effects) in the first three months. At EUR 1,392.7 million, order intake was up 115.1 percent year on year in nominal terms (3 months 2019: EUR 647.6 million). Orders increased in all regions, with the Europe region accounting for the strongest rise. In the medical division, orders rose by 177.2 percent (net of currency effects), driven primarily by demand for ventilators. In the safety division, order intake increased by 31.6 percent (net of currency effects), with a particularly sharp rise in demand for light respiratory protection. Net sales at Dräger grew by 7.1 percent (net of currency effects) in the first three months of 2020. In nominal terms, net sales increased by 6.4 percent to EUR 640.0 million (3 months 2019: EUR 601.6 million). Net sales increased in both the medical and safety divisions.

“The corona pandemic is affecting the whole world. At Dräger, it has led to an extraordinary increase in orders for ventilators and respiratory protection masks. But demand for hospital consumables, patient monitoring, and anesthesia devices has also increased,” said Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG. “Our ‘Technology for Life’ has never been so sought after. It is now paying off that we have invested in a state-of-the-art factory in Lübeck and we have agreed flexible working hours and innovative labour organization models with the works council and trade unions. This allows us to quadruple the production volumes. We do as much as we can to fulfil our social responsibility to provide for society. We do our utmost to serve

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our country and people all over the world. It is with pride and humility that we face the importance of this task. Despite all our efforts and know-how the overall demand cannot be met. It is estimated that it is ten times the capabilities of the entire industry”.

### Earnings

Earnings before interest and taxes (EBIT) improved significantly in the first quarter of 2020 to stand at EUR -0.6 million (Q1 2019: EUR -10.7 million), with an EBIT margin of -0.1 percent (Q1 2019: -1.8 percent). Earnings after taxes stood at EUR -6.7 million (Q1 2019: EUR -10.1 million). The stronger net sales volume and higher gross margin made a significant contribution to the improvement in earnings, whereas currency effects and higher functional costs strained earnings. In addition to investment in sales, logistics costs increased due to the higher net sales volume and freight rates.

### Participation certificates terminated, capital increase successfully completed

Dräger has terminated the series A, D and K in March and April. Repayment for the series A and K will be in January 2021 and for the Series D in January 2023. All participation certificates will then be redeemed. In April Dräger successfully completed a capital increase and raised the share capital by 1 million preferred shares subject to the exclusion of subscription rights. The net proceeds from the capital increase will be used in part to finance the termination of the series A and K participation certificates while strengthening liquidity and the equity base in light of the high order intake resulting from the COVID-19 pandemic. “By terminating the participation certificates, we are replacing a financing instrument that was not well known among international investors in particular and that had largely lost its importance as an equity instrument for Dräger,” said Gert-Hartwig Lescow, CFO of Drägerwerk Verwaltungs AG. “We are simplifying our equity structure, consisting of common and preferred shares. In the future the dividend will completely go to the shareholders and the earnings per share as a result of all these measures will increase by up to 27 percent. That will make the Dräger share more attractive.”

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### **Annual shareholders' meeting rescheduled for September**

Dräger has decided to cancel the annual shareholders' meeting of Drägerwerk AG & Co. KGaA, Lübeck, which was originally scheduled for May 8, 2020. The meeting was called off due to the measures by federal, state, and local governments related to the spread of the coronavirus, as well as the guidance on the status of the infection published by the Robert Koch Institute and the responsible authorities in Germany.

The health of shareholders, employees, and the service providers involved in the annual shareholders' meeting is Dräger's top priority. The cancellation of the annual shareholders' meeting also results in a delay in the resolution on the appropriation of net earnings for fiscal year 2019 and the payment of the dividend.

Dräger intends to hold the annual shareholders' meeting presumably on September 30, 2020, as a virtual annual shareholders' meeting without the physical presence of the shareholders or their representatives.

### **Outlook**

Due to the very dynamic development of order intake as a result of the COVID-19 pandemic, Dräger has very good opportunities to significantly exceed planned net sales and earnings. Dräger will provide more specific forecasts for fiscal year 2020 when it publishes its half-year results for 2020.

"The results of the first quarter reflect what we see when we look in the rearview mirror, which is basically the past," said Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG. "More interesting is what we see looking ahead toward a new day, toward a post-coronavirus era. I think many things will be different than in the past. Things that appeared important before will no longer be as relevant. Meanwhile, other things will be more important—values such as stability, reliability, and humanity. I personally believe that the purpose of our company and the meaning of our work will be met with greater appreciation from our customers, employees, and investors. 'Technology for Life' will be valued more highly. That is why I personally participated in the capital increase."

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Further information is available in the financial report at [www.draeger.com](http://www.draeger.com).

### 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](http://www.draeger.com) for information on alternative performance measures used.

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<b>Key figures for the first three months of 2020 (€ million)</b>	3 months 2020	3 months 2019	Change	Net of currency effects
Order intake	1,392.7	647.6	+115.1%	+116.7%
<i>Europe</i>	915.6	348.9	+162.4%	+163.2%
<i>Americas</i>	189.7	121.8	+55.8%	+58.3%
<i>Africa, Asia, and Australia</i>	287.4	176.9	+62.5%	+65.2%
Order intake, medical division	1,043.1	378.5	+175.5%	+177.2%
Order intake, safety division	349.6	269.0	+29.9%	+31.6%
Net sales	640.0	601.6	+6.4%	+7.1%
<i>Europe</i>	362.7	326.7	+11.0%	+11.4%
<i>Americas</i>	120.1	122.2	-1.7%	-0.4%
<i>Africa, Asia, and Australia</i>	157.2	152.7	+2.9%	+3.9%
Net sales, medical division	395.6	368.4	+7.4%	+8.0%
Net sales, safety division	244.4	233.2	+4.8%	+5.7%
EBIT	-0.6	-10.7		
EBIT margin	-0.1%	-1.8%		
Earnings after income taxes	-6.7	-10.1		
<i>EBIT margin, medical division</i>	-1.7%	-4.7%		
<i>EBIT margin, safety division</i>	2.6%	2.8%		
Employees	14,900	14,603		

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