

## Press release

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# First half of 2018: Dräger increases net sales

- Rise in order intake
- Net sales pick up significantly in second quarter
- EBIT positive in second quarter, well below the level from the prior year in the first six months
- Currency effects, quality-related costs, and product mix have negative impact

Lübeck – Drägerwerk AG & Co. KGaA recorded an increase in order intake and net sales (net of currency effects) in the first half of 2018. Earnings were down year on year.

Order intake grew by 2.0 percent (net of currency effects) in the first six months. In nominal terms, order intake decreased by 2.2 percent to EUR 1,273.8 million (6 months 2017: EUR 1,302.0 million). Orders rose in all regions, with the exception of the Americas. Dräger's net sales increased in the first half of 2018 by 4.0 percent (net of currency effects). In nominal terms, net sales were on par with the prior year at EUR 1,115.8 million (6 months 2017: EUR 1,116.0 million). Dräger recorded growth in the Europe and in the Africa, Asia, and Australia regions, whereas net sales declined in the Americas.

“With a gain of four percent net of currency effects, net sales developed respectably in the first half of the year. Unfortunately, our earnings performance is still lagging behind,” said Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG. “However, we remain confident that we will be able to live up to our earnings forecast.”

## Second quarter 2018

In the second quarter of 2018, Dräger's order intake increased by 1.4 percent (net of currency effects). Orders rose in the Europe and in the Africa, Asia, and Australia regions. In the second quarter, Dräger's net sales were up significantly 10.1 percent year on year (net of currency effects). Dräger increased net sales considerably in the Africa, Asia, and Australia and in the Europe regions in particular, whereas they decreased

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in the Americas region. The gross margin was down year on year, caused by unfavorable mix and margin effects, as well as currency changes, among other reasons. Earnings before interest and taxes (EBIT) stood at EUR 3.2 million in the second quarter (Q2 2017: EUR 16.8 million), with an EBIT margin of 0.5 percent (Q2 2017: 2.9 percent).

### Earnings after six months

Gross profit decreased to EUR 473.7 million in the first half of 2018 (6 months 2017: EUR 498.2 million), and the gross margin stood at 42.5 percent (6 months 2017: 44.6 percent). Functional costs rose by 9.5 percent (net of currency effects) in the first half of the year. Sales and marketing costs were up by 8.5 percent (net of currency effects) year on year, while spending on research and development increased by 16.9 percent (net of currency effects). Administrative costs were 12.6 percent higher year on year (net of currency effects).

Overall, Dräger generated Group earnings before interest and taxes (EBIT) of EUR -36.6 million in the first half of 2018 (6 months 2017: EUR 19.1 million). The EBIT margin stood at -3.3 percent (6 months 2017: 1.7 percent). Earnings after income taxes amounted to EUR -29.3 million (6 months 2017: EUR 8.2 million).

### Outlook

For fiscal year 2018, Dräger continues to expect net sales growth of between 2.0 and 5.0 percent (net of currency effects) and an EBIT margin of between 4.0 and 6.0 percent. The EBIT margin will probably be at the lower end of the range.

### 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 it to date and have been prepared to the best of its knowledge and belief. No guarantee or liability for the occurrence of the future developments and results specified can be assumed in respect of such forward-looking statements. Rather, the future developments and results are dependent on a number of factors. They entail risks and uncertainties beyond the Company's control and are based on assumptions which could prove to be incorrect. Notwithstanding any legal requirements to adjust forecasts, Dräger does not assume any obligation to update the forward-looking statements contained in this report. You will find all important financial dates on our Company website at [www.draeger.com](http://www.draeger.com) under Investor Center/Financial Calendar.

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### Key figures for the first six months of 2018 (EUR million)

	Q2 2018	Q2 2017	H1 2018	H1 2017	Change	Net of currency effects
Order intake	652.3	662.7	1,273.8	1,302.0	-2.2%	+2.0%
Net sales	620.2	581.0	1,115.8	1,116.0	-0.0%	+4.0%
Europe segment	357.1	319.5	644.7	618.3	+4.3%	+5.8%
Americas segment	107.6	120.2	201.0	227.7	-11.7%	-2.1%
Africa, Asia, and Australia segment	155.5	141.4	270.0	270.0	+0.0%	+5.2%
<i>Additional information on net sales</i>						
Medical products	394.3	370.0	704.2	706.4	-0.3%	+3.8%
Safety products	226.0	211.0	411.6	409.6	+0.5%	+4.4%
EBIT	3.2	16.8	-36.6	19.1		
EBIT margin	0.5%	2.9%	-3.3%	1.7%		
EBIT margin for Europe segment	5.9%	4.5%	1.9%	3.1%		
EBIT margin for Americas segment	-14.3%	0.6%	-16.5%	-1.7%		
EBIT margin for Africa, Asia, and Australia segment	-1.7%	1.2%	-5.9%	1.4%		
<i>Additional information on EBIT margin</i>						
Medical products	-1.4%	0.7%	-6.0%	-0.6%		
Safety products	3.8%	6.7%	1.3%	5.7%		
Earnings after income taxes	-0.4	8.9	-29.3	8.2		
EPS preferred share <sup>1</sup> in EUR	0.01	0.40	-1.59	0.36		
EPS common share <sup>1</sup> in EUR	0.00	0.39	-1.62	0.33		
Employees			14,042	13,484		

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<sup>1</sup> Based on an imputed full distribution