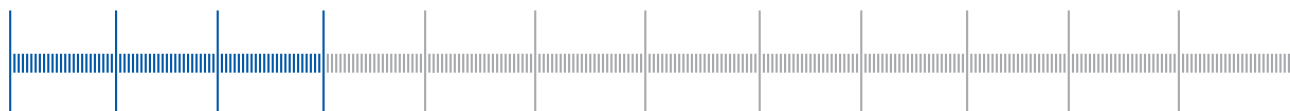


Quarterly Statement  
January 1 to March 31, 2020  
Dräger Group



## THE DRÄGER GROUP OVER THE PAST FIVE YEARS

		Three months				
		2020	2019	2018	2017	2016
Order intake	€ million	1,392.7	647.6	621.4	639.4	599.6
Net sales	€ million	640.0	601.6	495.6	535.0	532.4
Gross profit	€ million	283.2	254.3	205.1	240.4	223.4
Gross profit/Net sales	%	44.2	42.3	41.4	44.9	42.0
EBITDA <sup>1,2</sup>	€ million	29.8	18.9	-18.8	22.8	4.1
EBIT <sup>2,3</sup>	€ million	-0.6	-10.7	-39.8	2.3	-15.7
EBIT <sup>2,3</sup> /Net sales	%	-0.1	-1.8	-8.0	0.4	-2.9
Interest result	€ million	-9.1	-4.0	-3.2	-3.2	-4.4
Income taxes	€ million	3.0	4.6	14.0	0.2	6.4
Net profit	€ million	-6.7	-10.1	-29.0	-0.7	-13.6
Earnings per share on full distribution <sup>4</sup>						
per preferred share	€	-0.36	-0.57	-1.60	-0.04	-0.76
per common share	€	-0.38	-0.59	-1.62	-0.06	-0.78
DVA <sup>5,6,7</sup>	€ million	-22.3	-0.6	28.6	68.4	-39.5
Equity <sup>5,8</sup>	€ million	862.0	1,062.6	1,041.5	1,013.5	907.8
Equity ratio <sup>5,8</sup>	%	32.0	42.9	45.3	44.7	40.3
Capital employed <sup>2,8,9,10</sup>	€ million	1,377.0	1,424.9	1,245.8	1,218.6	1,248.2
EBIT <sup>3,6</sup> /Capital employed <sup>2,8,9,10</sup> (ROCE) <sup>5</sup>	%	5.6	6.4	9.1	12.7	4.0
Net financial debt <sup>2,8</sup>	€ million	358.7	136.6	12.4	18.0	153.3
Headcount as of March 31		14,900	14,603	13,866	13,352	13,679

<sup>1</sup> EBITDA = earnings before net interest result, income taxes, depreciation and amortization

<sup>2</sup> For effects of the first-time application of IFRS 16 on the figures as of December 31, 2019, see table on page 37 of the Annual Report 2019.

<sup>3</sup> EBIT = earnings before net interest result and income taxes

<sup>4</sup> Based on an imputed actual full distribution of earnings attributable to shareholders

<sup>5</sup> The first-time application of IFRS 16 in fiscal year 2019 impacts this key figure. Therefore, comparability is limited.

<sup>6</sup> Value of the last twelve months

<sup>7</sup> Dräger Value Added = EBIT less cost of capital of average invested capital

<sup>8</sup> Value as of reporting date

<sup>9</sup> Capital employed = total assets less deferred tax assets, securities, cash and cash equivalents, non-interest-bearing liabilities and other non-operating items

<sup>10</sup> Due to the redefinition of Capital employed in December 2019, the figures for 2019 have been adjusted.

<sup>11</sup> Including the payment obligation from the termination of the participation certificates

## The Dräger Group in the first quarter of 2020

### 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

“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 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”.

Possible rounding differences in this quarterly statement may lead to slight discrepancies.

This Quarterly Report has been set up in German and English language. In case of any discrepancy between the German and English version, the German version shall prevail.

## BUSINESS PERFORMANCE OF THE DRÄGER GROUP

		2020	2019	Three months Changes in %
<b>Order intake</b>	€ million	<b>1,392.7</b>	<b>647.6</b>	<b>+115.1</b>
<b>Net sales</b>	€ million	<b>640.0</b>	<b>601.6</b>	<b>+6.4</b>
<b>Gross profit</b>	€ million	<b>283.2</b>	<b>254.3</b>	<b>+11.3</b>
Gross profit/Net sales	%	44.2	42.3	
<b>EBITDA<sup>1</sup></b>	€ million	<b>29.8</b>	<b>18.9</b>	<b>+57.8</b>
<b>EBIT<sup>2</sup></b>	€ million	<b>-0.6</b>	<b>-10.7</b>	<b>+94.6</b>
EBIT <sup>2</sup> /Net sales	%	-0.1	-1.8	
<b>Net profit</b>	€ million	<b>-6.7</b>	<b>-10.1</b>	<b>+33.4</b>
<b>Earnings per share on full distribution<sup>3</sup></b>				
per preferred share	€	-0.36	-0.57	+36.8
per common share	€	-0.38	-0.59	+35.6
DVA <sup>4,5,6</sup>	€ million	-22.3	-0.6	> -100.0
Research and development costs	€ million	67.7	63.2	+7.2
Equity ratio <sup>7</sup>	%	32.0	42.9	
Cash flow from operating activities	€ million	49.4	24.3	> +100.0
Net financial debt <sup>7,8</sup>	€ million	358.7	136.6	> +100.0
Investments <sup>9</sup>	€ million	27.0	19.3	+40.3
Capital employed <sup>7,10,11</sup>	€ million	1,377.0	1,424.9	-3.4
Net Working Capital <sup>7,11,12</sup>	€ million	604.0	633.5	-4.7
EBIT <sup>2,4,5</sup> /Capital employed <sup>7,10,11</sup> (ROCE)	%	5.6	6.4	
Net financial debt <sup>7,8</sup> /EBITDA <sup>1,4,5</sup>	Factor	1.75	0.74	
Gearing <sup>8,13</sup>	Factor	0.42	0.13	
Headcount as of March 31		14,900	14,603	+2.0

<sup>1</sup> EBITDA = earnings before net interest result, income taxes, depreciation and amortization

<sup>2</sup> EBIT = earnings before net interest result and income taxes

<sup>3</sup> Based on an imputed actual full distribution of earnings attributable to shareholders

<sup>4</sup> The first-time application of IFRS 16 in fiscal year 2019 impacts this key figure. Therefore, comparability is limited.

<sup>5</sup> Value of the last twelve months

<sup>6</sup> Dräger Value Added = EBIT less cost of capital of average invested capital

<sup>7</sup> Value as of reporting date

<sup>8</sup> Including the payment obligation from the termination of the participation certificates

<sup>9</sup> Including investments in right-of-use assets according to IFRS 16

<sup>10</sup> Capital employed = total assets less deferred tax assets, securities, cash and cash equivalents, non-interest-bearing liabilities and other non-operating items

<sup>11</sup> Due to the redefinition of the key figure in December 2019, the previous year's figures have been adjusted.

<sup>12</sup> Net Working Capital = Trade receivables and inventories less trade payables, customer prepayments, short-term operating provisions and other short-term operating items

<sup>13</sup> Gearing = Net financial debt/equity

## Business performance of the Dräger Group

### ORDER INTAKE

#### ORDER INTAKE

in € million	Three months			
	2020	2019	Changes in %	Net of currency effects in %
Medical business	1,043.1	378.5	+175.5	+177.2
Safety business	349.6	269.0	+29.9	+31.6
<b>Total</b>	<b>1,392.7</b>	<b>647.6</b>	<b>+115.1</b>	<b>+116.7</b>
thereof Europe	915.6	348.9	+162.4	+163.2
Germany	511.3	147.2	+247.2	+247.2
thereof Americas	189.7	121.8	+55.8	+58.3
thereof Africa, Asia, and Australia	287.4	176.9	+62.5	+65.2

Order intake (net of currency effects) rose by 116.7 percent in the first quarter. At the Group level, the Europe region made the most significant contribution to that growth. There were also large rises in the Africa, Asia, and Australia region, and in the Americas region.

At 177.2 percent, the greatest increase in orders (net of currency effects) was in the medical division segment. By far the strongest growth was in Europe, and Germany in particular, as a result of the German federal government's major order for ventilators, among others. Demand also increased strongly in the Africa, Asia, and Australia region, and in the Americas region.

In the safety division, order intake increased by 31.6 percent (net of currency effects). The Europe region again accounted for the largest rise, while growth in the Africa, Asia, and Australia region, and in the Americas region, was lower.

## NET SALES

in € million	Three months			
	2020	2019	Changes in %	Net of currency effects in %
Medical business	395.6	368.4	+7.4	+8.0
Safety business	244.4	233.2	+4.8	+5.7
<b>Total</b>	<b>640.0</b>	<b>601.6</b>	<b>+6.4</b>	<b>+7.1</b>
thereof Europe	362.7	326.7	+11.0	+11.4
Germany	140.8	122.4	+15.0	+15.0
thereof Americas	120.1	122.2	-1.7	-0.4
thereof Africa, Asia, and Australia	157.2	152.7	+2.9	+3.9

Net sales increased by 7.1 percent (net of currency effects) in the first quarter, and therefore only reflected the strong growth in order intake to a limited extent. Net sales increased in both the medical and safety divisions. While deliveries in Europe and the Africa, Asia, and Australia region increased, there was a slight year-on-year decrease (net of currency effects) in the Americas region.

## EARNINGS

In the first quarter of 2020, gross profit totaled EUR 283.2 million, a EUR 28.8 million increase compared to the same quarter in the prior year. At 44.2 percent, our gross margin was up by 1.9 percentage points year on year (3 months 2019: 42.3 percent). Both stronger net sales and a higher gross margin led to the increase in gross profit. Currency effects thereby had a negative impact on both the gross margin and gross profit.

As a result of higher volumes and improved margins, we achieved a comparable increase in gross profit in both divisions. The safety division achieved the greatest rise in the gross margin, while net sales growth was higher in the medical division.

Dräger's functional costs were up by 6.8 percent (net of currency effects) year on year (+6.6 percent in nominal terms) in the first quarter of 2020. Among other things, investments in both research and development and sales, as well as wage and salary increases, contributed to that rise.

Sales and marketing costs were up 6.0 percent year on year, net of slight relief effects related to currency. The increase related to both divisions, with a greater rise in costs in the

safety division. In addition to investment in sales, logistics costs increased due to the higher net sales volume and freight rates.

Net of the change in exchange rates, research and development (R&D) costs increased by 6.5 percent (+7.2 percent in nominal terms). A significant proportion of R&D costs are incurred in US dollars. Because the euro has lost value against the US dollar, the effect of the change in exchange rates was negative here, contrary to the effect on functional costs in total. The ratio of R&D costs to net sales (R&D ratio) was roughly on par with the prior year, at 10.6 percent (3 months 2019: 10.5 percent). Net of currency effects, our administrative costs increased by 9.1 percent, primarily due to higher personnel costs and costs for IT projects.

The financial result declined by EUR 1.2 million to EUR –2.2 million (3 months 2019: EUR –1.0 million).

Despite higher functional costs, Dräger's Group earnings before interest and taxes (EBIT) improved to EUR –0.6 million (3 months 2019: EUR –10.7 million) due to the higher net sales volume and improved gross margin. The EBIT margin improved from –1.8 percent and now stands at –0.1 percent. The interest result decreased by EUR 5.1 million to EUR –9.1 million (3 months 2019: EUR –4.0 million). The change in interest result was due to the interest effect of the termination of the series D participation certificates.

With regard to income from the current year, the tax rate in the first quarter of 2020 remained unchanged year on year at 32.5 percent. Due to aperiodic tax effects, the actual tax rate stood at 31.0 percent in the first quarter of 2020. Earnings after income taxes amounted to EUR –6.7 million (3 months 2019: EUR –10.1 million).

#### **INVESTMENTS**

In the first quarter of 2020, Dräger invested EUR 17.8 million in property, plant, and equipment (3 months 2019: 14.1 million), EUR 1.0 million in intangible assets (3 months 2019: EUR 1.0 million), and EUR 8.2 million due to capitalized right of use assets pursuant to IFRS 16 (3 months 2019: EUR 4.2 million). Total investment in the first three months of 2020 amounted to EUR 27.0 million (3 months 2019: EUR 19.3 million) and mainly related to replacement investments. Depreciation and amortization amounted to EUR 30.4 million in the first quarter of 2020 (3 months 2019: EUR 29.6 million). Investments covered 89 percent of depreciation and amortization, meaning that non-current assets saw a net decrease of EUR 3.4 million.

**EQUITY**

Equity fell by EUR 214.3 million to EUR 862.0 million in the first three months of 2020. The equity ratio came to 32.0 percent as of March 31, 2020, which was significantly lower than the figure as of December 31, 2019 (41.9 percent). That change was primarily due to the termination of the series D participation certificates. The termination resulted in a total decrease in equity of EUR 191.1 million. Of that sum, EUR 21.0 million related to the former carrying value of the equity component of the terminated participation certificates. The buyback value of the series D participation certificates is EUR 309.6 million. That sum is due in January 2023 and is recognized in the balance sheet at a discounted value of EUR 289.7 million. The difference between the discounted buyback value of EUR 289.7 million and the former carrying value of the debt components of the participation certificates from series D of EUR 19.2 million increased non-current liabilities by EUR 270.5 million. A net interest effect from the termination of the series D participation certificates and the related taxes of EUR 3.5 million was recognized in the income statement.

Additionally, an actuarial loss resulted in an increase in pension provisions after tax effects of EUR 19.0 million and reduced retained earnings recognized directly in equity.

**DRÄGER VALUE ADDED**

Dräger Value Added (DVA) decreased by EUR 21.6 million to EUR –22.3 million year on year in the 12 months to March 31, 2020 (12 months to March 31, 2019: EUR –0.6 million). Rolling EBIT fell year on year by EUR 15.1 million. Capital costs rose by EUR 6.6 million, since average capital employed increased by 7.1 percent to EUR 1,413.4 million. That was primarily due to the initial application of IFRS 16 in 2019, as the right-of-use assets in average capital employed in the prior year were only included on a pro-rata basis for three months. Average current assets saw a somewhat greater increase than net sales. As a result, days working capital (coverage of current assets) rose by one day to 107.1 days. The calculation of days working capital was adjusted at the end of 2019, primarily to fully reflect contract liabilities pursuant to IFRS 15. The prior year's figures were amended accordingly to allow the comparable presentation of the development of this key figure.



**BUSINESS PERFORMANCE OF THE MEDICAL DIVISION**

		2020	2019	Changes in %	Three months Net of currency effects in %
<b>Order intake</b>					
<b>with third parties</b>	<b>€ million</b>	<b>1,043.1</b>	<b>378.5</b>	<b>+175.5</b>	<b>&gt; +100.0</b>
thereof Germany	€ million	411.7	79.1	+420.8	> +100.0
<b>Net sales</b>					
<b>with third parties</b>	<b>€ million</b>	<b>395.6</b>	<b>368.4</b>	<b>+7.4</b>	<b>+8.0</b>
thereof Germany	€ million	81.6	74.6	+9.4	+9.4
<b>EBITDA</b> <sup>1</sup>	<b>€ million</b>	<b>8.8</b>	<b>-1.5</b>	<b>&gt; +100.0</b>	
<b>EBIT</b> <sup>2</sup>	<b>€ million</b>	<b>-6.9</b>	<b>-17.2</b>	<b>+60.2</b>	
EBIT <sup>2</sup> /Net sales	%	-1.7	-4.7		
Capital employed <sup>3,4</sup>	€ million	801.5	845.7	-5.2	
EBIT <sup>2,5,6</sup> /Capital employed <sup>3,4</sup> (ROCE)	%	2.9	3.1		
DVA <sup>5,6,7</sup>	€ million	-34.4	-28.1	-22.5	

<sup>1</sup> EBITDA = earnings before net interest result, income taxes, depreciation and amortization

<sup>2</sup> EBIT = earnings before net interest result and income taxes

<sup>3</sup> Capital employed = total assets less deferred tax assets, securities, cash and cash equivalents, non-interest-bearing liabilities and other non-operating items

<sup>4</sup> Value as of reporting date

<sup>5</sup> The first-time application of IFRS 16 in fiscal year 2019 impacts this key figure. Therefore, comparability is limited.

<sup>6</sup> Value of the last twelve months

<sup>7</sup> Dräger Value Added = EBIT less cost of capital of average invested capital

## Business performance of the medical division

### ORDER INTAKE

#### ORDER INTAKE

in € million	2020	2019	Changes in %	Three months
				Net of currency effects in %
Europe	678.0	187.3	+262.0	+262.4
thereof Germany	411.7	79.1	+420.8	+420.8
Americas	143.0	75.8	+88.6	+91.8
Africa, Asia, and Australia	222.1	115.4	+92.4	+95.0
<b>Total</b>	<b>1,043.1</b>	<b>378.5</b>	<b>+175.5</b>	<b>+177.2</b>

There was an extraordinary increase in order intake of 177.2 percent (net of currency effects) in the medical division in the first quarter.

Demand for ventilators rose exponentially year-on-year, and order intake in the accessories business, patient monitoring, and data management more than doubled. A significant rise was also recorded for anesthesia devices. There were double-digit increases in orders in the service and hospital infrastructure businesses. In the first quarter, only orders for thermo-regulation equipment decreased.

In Europe, order intake more than tripled in the first three months of the year, with a 262.4 percent rise (net of currency effects). Orders in Germany, including the German federal government's major order for ventilators, made the largest contribution to that growth. However, demand also almost doubled in the Africa, Asia, and Australia region, with an increase of 95.0 percent (net of currency effects). Order intake in the Americas region also increased almost twofold, by 91.8 percent (net of currency effects).

In absolute terms, the growth in demand in the first quarter was greatest in Germany, the United Kingdom, China, and the U.S. Meanwhile, orders decreased year on year in Japan, Thailand, the Czech Republic, and the Philippines.

**NET SALES**

<b>NET SALES</b>				
in € million	2020	2019	Three months	
			Changes in %	Net of currency effects in %
Europe	205.1	183.2	+12.0	+12.2
thereof Germany	81.6	74.6	+9.4	+9.4
Americas	78.0	81.8	-4.7	-3.1
Africa, Asia, and Australia	112.5	103.4	+8.9	+9.3
<b>Total</b>	<b>395.6</b>	<b>368.4</b>	<b>+7.4</b>	<b>+8.0</b>

Net sales increased by 8.0 percent (net of currency effects) in the medical division in the first quarter. The Europe region and the Africa, Asia, and Australia region both contributed to that development, while deliveries in the Americas region decreased.

**EARNINGS**

Thanks to a rise in net sales volume and a higher gross margin, gross profit in the medical division improved by 9.6 percent in the first quarter of 2020. An improved product mix resulted in a 0.8 percentage-point rise in the gross margin.

Functional costs were up 2.1 percent (net of currency effects) year on year (2.1 percent in nominal terms) in the first quarter of 2020. The main drivers of this development were significantly higher research and development costs, and higher cross-division costs.

EBIT for the medical division stood at EUR -6.9 million in the first quarter of 2020, improving year on year (3 months 2019: EUR -17.2 million). The EBIT margin rose from -4.7 percent to -1.7 percent.

In the medical division, Dräger Value Added fell by EUR 6.3 million year on year to EUR -34.4 million as of March 31, 2020 (12 months to March 31, 2019: EUR -28.1 million). Dräger's rolling EBIT saw a year-on-year decrease of EUR 2.8 million, whereas capital costs rose by EUR 3.5 million.

**BUSINESS PERFORMANCE OF THE SAFETY DIVISION**

		2020	2019	Changes in %	Three months Net of currency effects in %
<b>Order intake</b>					
<b>with third parties</b>	€ million	<b>349.6</b>	<b>269.0</b>	<b>+29.9</b>	<b>+31.6</b>
thereof Germany	€ million	99.5	68.1	+46.0	+46.0
<b>Net sales</b>					
<b>with third parties</b>	€ million	<b>244.4</b>	<b>233.2</b>	<b>+4.8</b>	<b>+5.7</b>
thereof Germany	€ million	59.1	47.8	+23.8	+23.8
<b>EBITDA</b> <sup>1</sup>	€ million	<b>21.1</b>	<b>20.4</b>	<b>+3.2</b>	
<b>EBIT</b> <sup>2</sup>	€ million	<b>6.3</b>	<b>6.6</b>	<b>-4.6</b>	
EBIT <sup>2</sup> /Net sales	%	2.6	2.8		
Capital employed <sup>3,4</sup>	€ million	575.6	579.2	-0.6	
EBIT <sup>2,5,6</sup> /Capital employed <sup>3,4</sup> (ROCE)	%	9.2	11.3		
DVA <sup>5,6,7</sup>	€ million	12.1	27.4	-55.8	

<sup>1</sup> EBITDA = earnings before net interest result, income taxes, depreciation and amortization

<sup>2</sup> EBIT = earnings before net interest result and income taxes

<sup>3</sup> Capital employed = total assets less deferred tax assets, securities, cash and cash equivalents, non-interest-bearing liabilities and other non-operating items

<sup>4</sup> Value as of reporting date

<sup>5</sup> The first-time application of IFRS 16 in fiscal year 2019 impacts this key figure. Therefore, comparability is limited.

<sup>6</sup> Value of the last twelve months

<sup>7</sup> Dräger Value Added = EBIT less cost of capital of average invested capital

## Business performance of the safety division

### ORDER INTAKE

#### ORDER INTAKE

in € million	2020	2019	Changes in %	Three months
				Net of currency effects in %
Europe	237.6	161.6	+47.0	+48.2
thereof Germany	99.5	68.1	+46.0	+46.0
Americas	46.7	46.0	+1.5	+2.9
Africa, Asia, and Australia	65.3	61.5	+6.2	+9.3
<b>Total</b>	<b>349.6</b>	<b>269.0</b>	<b>+29.9</b>	<b>+31.6</b>

Order intake in the safety division rose by 31.6 percent (net of currency effects) in the first quarter.

Demand for light respiratory protection jumped, with orders for safety accessories almost tripling. The service business also grew significantly, and there were rises in the gas detection and alcohol detection businesses. By contrast, there was a significant decrease in the engineered solutions business. Demand for respiratory and personal protection products declined slightly year on year.

In Europe, order intake increased significantly in the first three months of the year, with a 48.2 percent rise (net of currency effects). In the Africa, Asia, and Australia region, orders were 9.3 percent higher (net of currency effects), while order intake in the Americas region grew by 2.9 percent (net of currency effects).

Increased demand in Germany, Sweden, South Africa, Turkey, and France was offset by decreases in Taiwan, Saudi Arabia, the U.S., and New Zealand.

**NET SALES**

<b>NET SALES</b>				
	<b>Three months</b>			
<b>in € million</b>	<b>2020</b>	<b>2019</b>	<b>Changes in %</b>	<b>Net of currency effects in %</b>
Europe	157.6	143.5	+9.8	+10.3
thereof Germany	59.1	47.8	+23.8	+23.8
Americas	42.1	40.4	+4.4	+5.0
Africa, Asia, and Australia	44.7	49.3	-9.4	-7.2
<b>Total</b>	<b>244.4</b>	<b>233.2</b>	<b>+4.8</b>	<b>+5.7</b>

Net sales in the safety division increased by 5.7 percent (net of currency effects) in the first three months of the year. Deliveries rose in Europe and the Americas region, whereas they fell in the Africa, Asia, and Australia region.

**EARNINGS**

Gross profit in the safety division increased by 13.9 percent in the first quarter due to a rise in net sales volume and a substantial improvement in the gross margin. The gross margin improved by 3.8 percentage points due to a positive product mix.

Functional costs were up 15.2 percent (net of currency effects) year on year (14.7 percent in nominal terms) in the first quarter of 2020. The main drivers of this development were higher research and development costs, increased marketing costs, and a rise in cross-division costs (particularly sales expenses).

EBIT in the safety division stood at EUR 6.3 million in the first quarter of 2020, and was down slightly year on year (3 months 2019: EUR 6.6 million). The EBIT margin decreased slightly to 2.6 percent (3 months 2019: 2.8 percent).

In the safety division, Dräger Value Added fell by EUR 15.3 million to EUR 12.1 million in the 12 months to March 31, 2020 (12 months to March 31, 2019: EUR 27.4 million). Dräger's rolling EBIT saw a year-on-year decrease of EUR 12.3 million, whereas capital costs increased by EUR 3.1 million to EUR 41.0 million.

## Outlook

### FUTURE SITUATION OF THE COMPANY

The following section should be read in conjunction with the “Outlook” section in the management report of the 2019 annual report (pages 60 et seq.), which describes our expectations for 2020 in detail. The forecast horizon generally covers one fiscal year.

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 has therefore withdrawn its previous forecast for the fiscal year (net sales growth of between 1.0 and 4.0 percent net of currency effects and an EBIT margin of between 1.0 and 4.0 percent). However, as the further development of business is subject to exceptional uncertainty, and there are risks to net sales realization, particularly due to international supply chains, the forecast for the fiscal year cannot be determined with sufficient accuracy at present.

The current development of business also affects the predictability of the other forecast figures, with the result that we can only make one prediction regarding trends at this time:

We predict that the gross margin will exceed the previous forecast on trend, because we expect a beneficial product mix as a result of a higher proportion of device business.

The termination of the D participation certificates caused discounting effects which will lead to higher interest expenses in the next years. The termination will also result in higher net financial liabilities because, pursuant to IFRS, the repayment of EUR 309.6 million to be made in January 2023 must be reported as a liability at present (please refer to p. 19).

To be able to meet the increased demand for Dräger’s products resulting from the COVID-19 pandemic as quickly as possible, we will make investments in expanding production capacities that are not included in the original investment forecast.

We assume that working capital will increase during the year due to higher inventories and receivables.

We will provide more specific forecasts for fiscal year 2020 when we publish our half-year results for 2020.

## Further financial information

### CONSOLIDATED INCOME STATEMENT OF THE DRÄGER GROUP

in € thousand	Three months 2020	Three months 2019
Net sales	639,986	601,628
Cost of sales	-356,816	-347,284
<b>Gross profit</b>	<b>283,170</b>	<b>254,344</b>
Research and development costs	-67,734	-63,189
Marketing and selling expenses	-159,855	-151,186
General administrative costs	-53,878	-49,545
Impairment losses/gains from the reversal of impairment on financial and contract assets	-531	12
Other operating income	691	636
Other operating expenses	-234	-740
	<b>-281,541</b>	<b>-264,012</b>
	<b>1,629</b>	<b>-9,668</b>
Loss on net monetary position	-403	-187
Profit from other investments	3	-
Other financial result	-1,804	-801
<b>Financial result (before interest result)</b>	<b>-2,204</b>	<b>-988</b>
<b>EBIT</b>	<b>-576</b>	<b>-10,656</b>
Interest result	-9,143	-4,045
<b>Earnings before income taxes</b>	<b>-9,719</b>	<b>-14,700</b>
Income taxes	3,013	4,633
<b>Earnings after income taxes</b>	<b>-6,706</b>	<b>-10,068</b>
<b>Earnings after income taxes</b>	<b>-6,706</b>	<b>-10,068</b>
Earnings to non-controlling interests	-62	315
Earnings attributable to shareholders and holders of participation certificates <sup>1</sup>	-6,644	-10,383
<b>Undiluted/diluted earnings per share on full distribution <sup>2</sup></b>		
per preferred share (in €)	-0.36	-0.57
per common share (in €)	-0.38	-0.59

<sup>1</sup> The holders of the participation certificates do not participate in the negative earnings after income taxes.

<sup>2</sup> The dividend premium of EUR 0.06 on preferred shares is recognized pro rata on a quarterly basis.



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE DRÄGER GROUP**

in € thousand	Three months 2020	Three months 2019
<b>Earnings after income taxes</b>	<b>-6,706</b>	<b>-10,068</b>
<b>Items that cannot be reclassified into the income statement</b>		
Remeasurements of defined benefit pension plans	-27,798	-18,693
Deferred taxes on remeasurements of defined benefit pension plans	8,756	5,874
<b>Items that may be reclassified into the income statement in the future</b>		
Currency translation adjustment for foreign subsidiaries	-11,774	10,656
Change in the cashflow hedge reserve recognized directly in equity	15,827	-8,518
Deferred taxes on changes in the cash flow hedge reserve recognized directly in equity	-4,958	2,689
<b>Other comprehensive income (after taxes)</b>	<b>-19,947</b>	<b>-7,991</b>
<b>Total comprehensive income</b>	<b>-26,653</b>	<b>-18,059</b>
thereof earnings attributable to non-controlling interests	-472	349
thereof earnings attributable to shareholders and holders of participation certificates <sup>1</sup>	-26,181	-18,408

<sup>1</sup> The holders of the participation certificates do not participate in the negative earnings after income taxes.

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**CONSOLIDATED BALANCE SHEET OF THE DRÄGER GROUP**


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in € thousand	March 31, 2020	December 31, 2019
<b>Assets</b>		
Intangible assets	333,351	333,985
Property, plant and equipment	412,466	416,520
Right-of-use assets	106,189	109,734
Investments in associates	7,119	2,475
Non-current trade receivables	1,541	1,499
Other non-current financial assets	13,636	15,501
Deferred tax assets	265,883	177,808
Other non-current assets	3,896	3,910
<b>Non-current assets</b>	<b>1,144,080</b>	<b>1,061,433</b>
Inventories	532,819	485,158
Trade receivables and contract assets	633,262	710,696
Other current financial assets	47,040	28,669
Cash and cash equivalents	216,073	196,314
Current income tax refund claims	30,398	29,436
Other current assets	86,352	59,204
<b>Current assets</b>	<b>1,545,944</b>	<b>1,509,478</b>
<b>Total assets</b>	<b>2,690,024</b>	<b>2,570,910</b>

in € thousand	March 31, 2020	December 31, 2019
<b>Equity and liabilities</b>		
Capital stock	45,466	45,466
Capital reserves	234,028	234,028
Reserves retained from earnings, incl. group result	586,787	779,162
Participation capital	8,531	29,497
Other comprehensive income	-13,845	-13,350
Non-controlling interests	1,081	1,556
<b>Equity</b>	<b>862,047</b>	<b>1,076,359</b>
Liabilities from participation certificates	7,046	25,988
Provisions for pensions and similar obligations	419,329	390,939
Other non-current provisions	59,147	59,388
Non-current interest-bearing loans and liabilities to banks	111,995	118,569
Other non-current financial liabilities	384,402	98,074
Non-current income tax liabilities	19,230	19,267
Deferred tax liabilities	3,194	3,327
Other non-current liabilities	32,397	32,410
<b>Non-current liabilities</b>	<b>1,036,740</b>	<b>747,962</b>
Other current provisions	190,613	215,120
Current interest-bearing loans and liabilities to banks	59,872	51,009
Trade payables	207,472	205,106
Other current financial liabilities	72,959	70,660
Current income tax liabilities	28,043	22,860
Other current liabilities	232,278	181,833
<b>Current liabilities</b>	<b>791,237</b>	<b>746,589</b>
<b>Total equity and liabilities</b>	<b>2,690,024</b>	<b>2,570,910</b>

**CONSOLIDATED CASH FLOW STATEMENT OF THE DRÄGER GROUP**

in € thousand	Three months 2020	Three months 2019
<b>Operating activities</b>		
Earnings after income taxes	-6,706	-10,068
+ Write-down of non-current assets	30,464	29,574
+ Interest result	9,143	4,045
- Income taxes	-3,013	-4,633
- Decrease in provisions	-23,424	-20,081
+/- Other non-cash expenses/income	18,286	-4,067
+/- Losses/gains from the disposal of non-current assets	-113	443
- Increase in inventories	-58,639	-42,767
- Increase in leased equipment	-3,565	-2,676
+ Decrease in trade receivables	59,694	82,080
- Increase in other assets	-27,794	-23,005
+/- Increase/decrease in trade payables	5,436	-19,997
+ Increase in other liabilities	62,492	34,773
+ Dividends received	3	-
+/- Reimbursement of/cash outflow for income taxes	-4,684	3,192
- Cash outflow for interests	-8,661	-3,177
+ Cash inflow from interests	468	675
<b>Cash inflow from operating activities</b>	<b>49,389</b>	<b>24,309</b>
<b>Investing activities</b>		
- Cash outflow for investments in intangible assets	-969	-1,643
- Cash outflow for investments in property, plant and equipment	-16,071	-13,331
+ Cash inflow from disposals of property, plant and equipment	334	1,339
- Cash outflow for investments in non-current financial assets	-1,529	-5
- Cash outflow from the acquisition of subsidiaries	-	-500
<b>Cash outflow from investing activities</b>	<b>-18,235</b>	<b>-14,139</b>
<b>Financing activities</b>		
+ Cash provided by raising loans	1,077	6,326
- Cash used to redeem loans	-6,471	-3,469
+/- Net balance of other liabilities to banks	9,229	-30,702
- Repayment of lease liabilities	-8,848	-6,568
<b>Cash outflow from financing activities</b>	<b>-5,012</b>	<b>-34,413</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>26,141</b>	<b>-24,243</b>
+/- Effect of exchange rates on cash and cash equivalents	-6,382	3,278
+ Cash and cash equivalents at the beginning of the reporting period	196,314	179,561
<b>Cash and cash equivalents on reporting date</b>	<b>216,073</b>	<b>158,595</b>

**BUSINESS PERFORMANCE OF THE DIVISIONS**

		Three months					
		Dräger Medical division		Dräger Safety division		Dräger Group	
		2020	2019	2020	2019	2020	2019
<b>Order intake with third parties</b>	€ million	<b>1,043.1</b>	<b>378.5</b>	<b>349.6</b>	<b>269.0</b>	<b>1,392.7</b>	<b>647.6</b>
<b>Net sales with third parties</b>	€ million	<b>395.6</b>	<b>368.4</b>	<b>244.4</b>	<b>233.2</b>	<b>640.0</b>	<b>601.6</b>
<b>EBITDA<sup>1</sup></b>	€ million	<b>8.8</b>	<b>-1.5</b>	<b>21.1</b>	<b>20.4</b>	<b>29.8</b>	<b>18.9</b>
Depreciation/Amortization	€ million	-15.6	-15.7	-14.8	-13.8	-30.4	-29.6
<b>EBIT<sup>2</sup></b>	€ million	<b>-6.9</b>	<b>-17.2</b>	<b>6.3</b>	<b>6.6</b>	<b>-0.6</b>	<b>-10.7</b>
Capital employed <sup>3,4</sup>	€ million	801.5	845.7	575.6	579.2	1,377.0	1,424.9
EBIT <sup>2</sup> /Net sales	%	-1.7	-4.7	2.6	2.8	-0.1	-1.8
EBIT <sup>2,5,6</sup> /Capital employed <sup>3,4</sup> (ROCE)	%	2.9	3.1	9.2	11.3	5.6	6.4
DVA <sup>5,6,7</sup>	€ million	-34.4	-28.1	12.1	27.4	-22.3	-0.6

<sup>1</sup> EBITDA = earnings before net interest result, income taxes, depreciation and amortization

<sup>2</sup> EBIT = earnings before net interest result and income taxes

<sup>3</sup> Capital employed = total assets less deferred tax assets, securities, cash and cash equivalents, non-interest bearing liabilities and other non-operative items

<sup>4</sup> Value as of reporting date

<sup>5</sup> The first-time application of IFRS 16 in fiscal year 2019 impacts this key figure. Therefore, comparability is limited.

<sup>6</sup> Value of the last twelve months

<sup>7</sup> Dräger Value Added = EBIT less cost of capital of average invested capital

**FORWARD-LOOKING STATEMENTS**

This document contains forward-looking statements. The statements are based on the current expectations, presumptions, and forecasts of the Executive Board of Drägerwerk Verwaltungs AG, as well as the information available to it to date. The forward-looking statements do not provide any guarantee of the future developments and results contained therein. Rather, the future developments and results are dependent on a number of factors; they entail various risks and uncertainties and are based on assumptions that could prove to be incorrect. Dräger does not assume any responsibility for updating the forward-looking statements made in this report.

This document constitutes a quarterly statement pursuant to Section 51a of the exchange rules for the Frankfurt Stock Exchange.

Lübeck, April 29, 2020

The general partner  
Drägerwerk Verwaltungs AG  
represented by its Executive Board

Stefan Dräger  
Rainer Klug  
Gert-Hartwig Lescow  
Dr. Reiner Piske  
Anton Schrofner

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**FINANCIAL CALENDAR**


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Report as of June 30, 2020, Conference call	August 13, 2020
Virtual annual shareholders' meeting, Lübeck, Germany	September 30, 2020
Report as of September 30, 2020, Conference call	October 29, 2020

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