

Quarterly Statement
January 1 to March 31, 2021
Dräger Group



THE DRÄGER GROUP OVER THE PAST FIVE YEARS

		Three months				
		2021	2020	2019	2018	2017
Order intake	€ million	739.8	1,392.7	647.6	621.4	639.4
Net sales	€ million	792.1	640.0	601.6	495.6	535.0
Gross profit	€ million	412.9	283.2	254.3	205.1	240.4
Gross profit/Net sales	%	52.1	44.2	42.3	41.4	44.9
EBITDA ^{1,2,4}	€ million	160.6	29.8	18.9	-18.8	22.8
EBIT ^{2,3,4}	€ million	128.9	-0.6	-10.7	-39.8	2.3
EBIT ^{2,3,4} /Net sales	%	16.3	-0.1	-1.8	-8.0	0.4
Interest result	€ million	-7.8	-9.1	-4.0	-3.2	-3.2
Income taxes	€ million	-38.3	3.0	4.6	14.0	0.2
Net profit	€ million	82.8	-6.7	-10.1	-29.0	-0.7
Earnings per share on full distribution ⁵						
per preferred share	€	3.84	-0.36	-0.57	-1.60	-0.04
per common share	€	3.82	-0.38	-0.59	-1.62	-0.06
DVA ^{4,6,7}	€ million	426.0	-22.3	-0.6	28.6	68.4
Equity ^{4,8}	€ million	1,156.9	862.0	1,062.6	1,041.5	1,013.5
Equity ratio ^{4,8}	%	36.3	32.0	42.9	45.3	44.7
Capital employed ^{2,4,8,9,10}	€ million	1,455.6	1,377.0	1,424.9	1,245.8	1,218.6
EBIT ^{3,6} /Capital employed ^{2,4,8,9,10} (ROCE)	%	36.1	5.6	6.4	9.1	12.7
Net financial debt ^{2,4,8,11}	€ million	149.5	358.7	136.6	12.4	18.0
Headcount as at March 31		15,907	14,900	14,603	13,866	13,352

¹ EBITDA = earnings before net interest result, income taxes, depreciation and amortization

² For effects of the first-time application of IFRS 16 on the figures as at December 31, 2019, see table on page 37 in our annual report 2019.

³ EBIT = earnings before net interest result and income taxes

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

⁵ Based on an imputed actual full distribution of earnings attributable to shareholders

⁶ Value of the last twelve months

⁷ Dräger Value Added = EBIT less cost of capital of average invested capital

⁸ Value as at reporting date

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

¹⁰ Due to the redefinition of capital employed in December 2019, the figures for 2019 have been adjusted.

¹¹ As at March 31, 2021, including EUR 89.3 million in money market funds, in which Dräger invested cash and cash equivalents with a short-term investment horizon as well as the remaining payment obligation from the termination of the series D participation certificates of EUR 196.8 million

The Dräger Group in the first quarter of 2021

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 number of 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

“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.”

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

		Three months		
		2021	2020	Change in %
Order intake	€ million	739.8	1,392.7	-46.9
Net sales	€ million	792.1	640.0	+23.8
Gross profit	€ million	412.9	283.2	+45.8
Gross profit/Net sales	%	52.1	44.2	
EBITDA¹	€ million	160.6	29.8	> +100.0
EBIT²	€ million	128.9	-0.6	> +100.0
EBIT ² /Net sales	%	16.3	-0.1	
Net profit	€ million	82.8	-6.7	> +100.0
Earnings per share on full distribution³				
per preferred share	€	3.84	-0.36	> +100.0
per common share	€	3.82	-0.38	> +100.0
DVA ^{4,5}	€ million	426.0	-22.3	> +100.0
Research and development costs	€ million	71.6	67.7	+5.8
Equity ratio ⁶	%	36.3	32.0	
Cash flow from operating activities	€ million	76.1	49.4	+54.0
Net financial debt ^{6,7}	€ million	149.5	358.7	-58.3
Investments	€ million	37.9	27.0	+40.3
Capital employed ^{6,8}	€ million	1,455.6	1,377.0	+5.7
Net Working Capital ^{6,9}	€ million	640.8	604.0	+6.1
EBIT ^{2,4} /Capital employed ^{6,8} (ROCE)	%	36.1	5.6	
Net financial debt ^{6,7} /EBITDA ^{1,4}	Factor	0.23	1.75	
Gearing ¹⁰	Factor	0.13	0.42	
Headcount as at March 31		15,907	14,900	+6.8

¹ EBITDA = earnings before net interest result, income taxes, depreciation and amortization

² EBIT = earnings before net interest result and income taxes

³ Based on an imputed actual full distribution of earnings attributable to shareholders

⁴ Value of the last twelve months

⁵ Dräger Value Added = EBIT less cost of capital of average invested capital

⁶ Value as at reporting date

⁷ As at March 31, 2021, including EUR 89.3 million in money market funds, in which Dräger invested cash and cash equivalents with a short-term investment horizon as well as the remaining payment obligation from the termination of the series D participation certificates of EUR 196.8 million

⁸ Capital employed = total assets less deferred tax assets, securities, cash and cash equivalents, non-interest-bearing liabilities and other non-operating items

⁹ Net Working Capital = Trade receivables and inventories less trade payables, customer prepayments, short-term operating provisions and other short-term operating items

¹⁰ Gearing = Net financial debt/equity

Business performance of the Dräger Group

ORDER INTAKE

ORDER INTAKE

in € million	2021	2020	Change in %	Three months
				Net of currency effects in %
Medical division	451.9	1,043.1	-56.7	-54.8
Safety division	287.9	349.6	-17.6	-15.6
Total	739.8	1,392.7	-46.9	-44.9
thereof Europe	419.5	915.6	-54.2	-53.6
Germany	158.9	511.3	-68.9	-68.9
thereof Americas	147.9	189.7	-22.1	-12.7
thereof Africa, Asia, and Australia	172.4	287.4	-40.0	-38.6

After the outbreak of the coronavirus pandemic in the first quarter of the previous year caused order intake to rise sharply, the first quarter of fiscal year 2021 saw order intake normalize as expected. Order intake dropped accordingly by almost 45 % (net of currency effects). A comparison with the previous year's figures is therefore only relevant to a limited extent. In absolute terms, order intake reached a strong level in the first quarter at almost EUR 740 million, especially in consideration of seasonal aspects. Since Europe contributed the most to the growth in the previous year, the Group level decline was also greatest in Europe. There were also fewer orders in the Africa, Asia, and Australia region, and in the Americas region.

At 54.8%, the greatest decrease in orders (net of currency effects) was in the medical division. This decline affected Europe—and Germany in particular—the most, but demand also dropped considerably in the Africa, Asia, and Australia region and the Americas region compared with the record result in the same quarter of the previous year.

In the safety division, order intake decreased by 15.6 % (net of currency effects). The Europe region contributed the most to this decrease, but demand was also lower in the Africa, Asia, and Australia region. In contrast, the Americas region recorded a rise in order intake.

NET SALES

NET SALES				
in € million	Three months			
	2021	2020	Change in %	Net of currency effects in %
Medical division	508.0	395.6	+28.4	+33.1
Safety division	284.0	244.4	+16.2	+18.5
Total	792.1	640.0	+23.8	+27.5
thereof Europe	456.0	362.7	+25.7	+26.7
Germany	182.8	140.8	+29.9	+29.9
thereof Americas	151.4	120.1	+26.1	+39.2
thereof Africa, Asia, and Australia	184.6	157.2	+17.4	+20.6

Net sales increased by 27.5 % (net of currency effects) in the first quarter and thereby benefited from the record order intake at the start of the year. With a growth (net of currency effects) of 33.1 %, net sales rose very strongly in the medical division in particular. Yet deliveries (net of currency effects) also increased in the safety division, by 18.5 %. Net sales rose considerably in all regions in the first quarter.

EARNINGS

In the first quarter of 2021, gross profit amounted to EUR 412,9 million, which was a year-on-year rise of EUR 129,7 million (+45.8 %). The strong growth in net sales (+27,5 % net of currency effects) and the higher gross margin of 52.1 % (3 months 2020: 44.2 %) led to the increase in gross profit. The gross margin increase is due to the higher volumes, good price performance, and the product mix. The medical division accounted for the largest share of this increase. Lower negative currency effects compared with the previous year also had a slightly positive impact on gross margin.

Our functional costs were up by 2.4 % (net of currency effects) year-on-year (+0.5 % in nominal terms) in the first quarter of 2021. As a result of the pandemic, some expenses were still lower, such as travel costs for example. A rise in investment in research and development and a slight rise in selling and administrative expenses led to an increase in expenses.

Net of relief effects related to currency, selling and marketing costs were only 0.6 % higher year-on-year (-2.0 % in nominal terms). Increased personnel costs were partially offset by lower communications and travel costs. Dräger's administrative expenses rose by 2.0 %

(0.0 % in nominal terms), mainly due to higher personnel expenses. Net of exchange rate effects, research and development (R&D) costs increased by 8.1% (5.8 % in nominal terms). Due to the sharp rise in net sales, the ratio of R&D costs to net sales (R&D ratio) fell below the previous year's level to 9.0 % (3 months 2020: 10.6 %).

Thanks to lower negative exchange rate effects, the other financial result improved by EUR 1.1 million to EUR -1.1 million (3 months 2020: EUR -2.2 million).

Group earnings before interest and taxes (EBIT) increased significantly to EUR 128.9 million (3 months 2020: EUR -0.6 million). The EBIT margin improved from -0.1 % and now stands at +16.3 %.

At EUR -7.8 million, the net interest result was up by EUR 1.3 million year-on-year (3 months 2020: EUR -9.1 million). This improvement is mainly due to lower interest expenses in connection with the termination of the participation certificates. The tax rate was 31.6 % in the first quarter of 2021 (3 months 2020: 31.0 %). Earnings after income taxes amounted to EUR 82.8 million (3 months 2020: EUR -6.7 million).

INVESTMENTS

In the first three months of 2021, the investment volume stood at EUR 37.9 million, or 40.3 % higher than the previous year (3 months 2020: EUR 27.0 million). This rise was mainly due to investments in the expansion of production capacities for FFP masks in France, Sweden, the United Kingdom, and South Africa. We invested EUR 29.3 million in property, plant and equipment (3 months 2020: EUR 17.8 million), EUR 0.8 million in intangible assets (3 months 2020: EUR 1.0 million), and EUR 7.9 million in capitalized right-of-use assets pursuant to IFRS 16 (3 months 2020: EUR 8.2 million). Depreciation and amortization amounted to EUR 31.7 million in the first quarter of 2021 (3 months 2020: EUR 30.4 million). The increased investment volume resulted in a coverage of the depreciation and amortization volume of 120 %, allowing fixed assets to increase by EUR 6.3 million net through investments.

EQUITY

Equity rose by EUR 123.0 million to EUR 1,156.9 million in the first three months of 2021. The equity ratio stood at 36.3 % as of March 31, 2021, higher than the figure from December 31, 2020 (31.3 %). In addition to the net profit, an increase in retained earnings directly in equity from actuarial adjustments to pension provisions of EUR 31.8 million, after tax effects, contributed to the increase in equity. Furthermore, the buyback of approximately 33 % of the outstanding Series D participation certificates for approximately EUR 100 million also reduced debt and thereby strengthened the equity ratio. The equity ratio increased accordingly by approximately 1.0 percentage points.

DRÄGER VALUE ADDED

Our value-based management figure, Dräger Value Added (DVA), increased by EUR 448.3 million to EUR 426.0 million year-on-year in the 12 months to March 31, 2021 (12 months to March 31, 2020: EUR –22.3 million). Rolling EBIT increased year-on-year by EUR 449.4 million. The capital costs were EUR 1.1 million higher than in the previous year due to a slight increase in the average capital employed (+1.1%). Net sales saw a greater increase than average current assets, which meant the days working capital reduced by 12 days to 95 days.

BUSINESS PERFORMANCE OF THE MEDICAL DIVISION

					Three months
		2021	2020	Change in %	Net of currency effects in %
Order intake	€ million	451.9	1,043.1	-56.7	-54.8
thereof Germany	€ million	80.8	411.7	-80.4	-80.4
Net sales	€ million	508.0	395.6	+28.4	+33.1
thereof Germany	€ million	121.2	81.6	+48.5	+48.5
EBITDA ¹	€ million	112.7	8.8	> +100.0	
EBIT ²	€ million	97.6	-6.9	> +100.0	
EBIT ² /Net sales	%	19.2	-1.7		
Capital employed ^{3,4}	€ million	886.1	801.5	+10.6	
EBIT ^{2,5} /Capital employed ^{3,4} (ROCE)	%	49.0	2.9		
DVA ^{5,6}	€ million	373.4	-34.4	> +100.0	

¹ EBITDA = earnings before net interest result, income taxes, depreciation and amortization

² EBIT = earnings before net interest result and income taxes

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

⁴ Value as at reporting date

⁵ Value of the last twelve months

⁶ Dräger Value Added = EBIT less cost of capital of average invested capital

Business performance of the medical division

ORDER INTAKE

ORDER INTAKE

in € million	2021	2020	Change in %	Three months
				Net of currency effects in %
Europe	234.2	678.0	-65.5	-65.1
thereof Germany	80.8	411.7	-80.4	-80.4
Americas	99.9	143.0	-30.1	-20.7
Africa, Asia, and Australia	117.9	222.1	-46.9	-45.3
Total	451.9	1.043.1	-56.7	-54.8

Order intake in the medical division declined significantly as expected in the first quarter of 2021 following the record quarter of the previous year. Net of currency effects, this decline amounted to almost 55%.

The sharpest decline in demand was seen in ventilators, in the accessories business, and in patient monitoring and clinical data management, as well as in anesthesia devices. These product areas were in particularly high demand a year ago, when the pandemic first hit. Order numbers also fell in hospital infrastructure business. Service business achieved almost the same order intake as in the previous year. In contrast, orders for thermoregulation equipment rose significantly in the first quarter of 2021 following a decline in the same quarter of the previous year.

In Europe, order intake decreased by 65.1% (net of currency effects) in the first three months. A decline in the orders from Germany made the largest contribution to this decrease. Order intake (net of currency effects) also declined sharply in the Africa, Asia, and Australia region and in the Americas region.

In absolute terms, the drop in demand in the first quarter was greatest in Germany, China, the United Kingdom, the United States, and Australia. By contrast, order numbers rose in Peru, Japan, Brazil, and Poland in the first quarter.

NET SALES

NET SALES				
	Three months			
in € million	2021	2020	Change in %	Net of currency effects in %
Europe	270.0	205.1	+31.6	+32.9
thereof Germany	121.2	81.6	+48.5	+48.5
Americas	106.1	78.0	+36.1	+50.8
Africa, Asia, and Australia	131.9	112.5	+17.2	+21.3
Total	508.0	395.6	+28.4	+33.1

Against the backdrop of Dräger's record order intake, net sales in the medical division rose by 33.1% in the first quarter (net of currency effects). All regions played a part in this development.

EARNINGS

Thanks to a rise in net sales volume and a higher gross margin, gross profit in the medical division improved by 63.6% in the first quarter of 2021. The gross margin rose by 11.6 percentage points due to higher capacity utilization, better price performance, and an improved product mix.

Functional costs (net of currency effects) were up 3.5% year-on-year (1.4% in nominal terms) in the first quarter of 2021, primarily due to higher research and development costs.

EBIT for the medical division stood at EUR 97.6 million in the first quarter of 2021, improving significantly year-on-year (3 months 2020: EUR -6.9 million). The EBIT margin rose to 19.2% (first quarter 2020: -1.7%).

In the medical division, Dräger Value Added climbed by EUR 407.8 million year-on-year to EUR 373.4 million as of March 31, 2021 (12 months to March 31, 2020: EUR -34.4 million). Our rolling EBIT saw a year-on-year increase of EUR 410.4 million, whereas capital costs rose by EUR 2.5 million.

BUSINESS PERFORMANCE OF THE SAFETY DIVISION

					Three months
		2021	2020	Change in %	Net of currency effects in %
Order intake	€ million	287.9	349.6	-17.6	-15.6
thereof Germany	€ million	78.1	99.5	-21.5	-21.5
Net sales	€ million	284.0	244.4	+16.2	+18.5
thereof Germany	€ million	61.6	59.1	+4.1	+4.1
EBITDA ¹	€ million	47.9	21.1	> +100.0	
EBIT ²	€ million	31.3	6.3	> +100.0	
EBIT ² /Net sales	%	11.0	2.6		
Capital employed ^{3,4}	€ million	569.5	575.6	-1.1	
EBIT ^{2,5} /Capital employed ^{3,4} (ROCE)	%	16.2	9.2		
DVA ^{5,6}	€ million	52.6	12.1	> +100.0	

¹ EBITDA = earnings before net interest result, income taxes, depreciation and amortization

² EBIT = earnings before net interest result and income taxes

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

⁴ Value as at reporting date

⁵ Value of the last twelve months

⁶ Dräger Value Added = EBIT less cost of capital of average invested capital

Business performance of the safety division

ORDER INTAKE

ORDER INTAKE

in € million	2021	2020	Change in %	Three months
				Net of currency effects in %
Europe	185.4	237.6	-22.0	-20.9
thereof Germany	78.1	99.5	-21.5	-21.5
Americas	48.0	46.7	+2.7	+11.9
Africa, Asia, and Australia	54.6	65.3	-16.4	-15.8
Total	287.9	349.6	-17.6	-15.6

Order intake in the safety division fell by 15.6 % (net of currency effects) in the first quarter.

Following the surge in demand for light respiratory protection last year, order intake for safety accessories, which includes FFP masks, was lower in the first quarter of 2021, as expected. Orders also declined for alcohol detection devices and respiratory and personal protection products. Demand for gas detection devices was almost at the same level as in the previous year. Service business grew in the first quarter, and order intake also increased in the engineered solutions business.

Order intake fell in the first three months in Europe and in the Africa, Asia, and Australia region, while orders rose by 11.9 % in the Americas region, net of currency effects.

A drop in demand in Germany, Sweden, South Africa, and the Netherlands was offset by a rise in order intake in Hong Kong, Brazil, Turkey, and the United States.

NET SALES

NET SALES				
in € million	2021	2020	Three months	
			Change in %	Net of currency effects in %
Europe	186.0	157.6	+18.1	+18.7
thereof Germany	61.6	59.1	+4.2	+4.2
Americas	45.3	42.1	+7.6	+17.8
Africa, Asia, and Australia	52.7	44.7	+18.0	+18.9
Total	284.0	244.4	+16.2	+18.5

Net sales in the safety division increased by 18.5 % (net of currency effects) in the first three months of the year. Deliveries were up considerably in all regions.

EARNINGS

Gross profit in the safety division increased by 20.3 % in the first quarter due to a rise in net sales volume and an improvement in the gross margin. The gross margin increased by 1.6 percentage points, predominantly due to a good product mix.

Functional costs were up 0.6 % (net of currency effects) year-on-year (–1.0 % in nominal terms) in the first quarter of 2021.

EBIT in the safety division stood at EUR 31.3 million in the first quarter of 2021, and was up significantly year-on-year (3 months 2020: EUR 6.3 million). The EBIT margin increased by 8.4 percentage points to 11.0 % (3 months 2020: 2.6 %).

In the safety division, Dräger Value Added rose by EUR 40.5 million to EUR 52.6 million in the 12 months to March 31, 2021 (12 months to March 31, 2020: EUR 12.1 million). Our rolling EBIT saw a year-on-year increase of EUR 39.1 million, while capital costs fell by EUR 1.4 million to EUR 39.6 million due to a decline in capital employed (EUR –20.2 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 2020 annual report (pages 64 et seq.), which describes our expectations for 2021 in detail. The following table provides an overview of the expectations regarding the development of various forecast figures. The forecast horizon is one fiscal year.

EXPECTATIONS FOR FISCAL YEAR 2021

	Results achieved for fiscal year 2020	Forecast for fiscal year 2021 (last published)	Current forecast
Net sales (net of currency effects)	+25.7 %	-7.0 to -11.0 %	Confirmed
EBIT margin	11.6 %	5.0 to 8.0 % ¹	Confirmed
DVA	EUR 296.9 million	EUR 44 to 142 million	Confirmed
Other forecast figures:			
Gross margin	47.2 %	On par with prior year (+/- 1 percentage point)	Confirmed
Research and development expenses	EUR 289.6 million	EUR 295 to 310 million	Confirmed
Interest result	EUR -36.4 million	Improvement	Confirmed
Days working capital (DWC)	96.9 days	On par with 2019 (2019: 109.4 days)	Confirmed
Investment volume ²	EUR 131.3 million	EUR 120 to 145 million	Confirmed
Net financial debt	EUR 326.4 million	Improvement	Confirmed

¹ Based on exchange rates at the start of fiscal year 2021

² Excluding company acquisitions and the capitalization of right-of-use assets pursuant to IFRS 16

Business performance in the first quarter exceeded our 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. We 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 financial information

CONSOLIDATED INCOME STATEMENT OF THE DRÄGER GROUP

in € thousand	Three months 2021	Three months 2020
Net sales	792,062	639,986
Cost of sales	-379,146	-356,816
Gross profit	412,916	283,170
Research and development costs	-71,648	-67,734
Marketing and selling expenses	-156,655	-159,855
General administrative costs	-53,870	-53,878
Impairment losses on financial and contract assets	-1,095	-531
Other operating income	552	691
Other operating expenses	-218	-234
Functional expenses	-282,933	-281,541
Result on net monetary positions	-285	-403
Result from other investments	21	3
Other financial result	-818	-1,804
Financial result (before interest result)	-1,083	-2,204
EBIT¹	128,900	-576
Interest result	-7,840	-9,143
Earnings before income taxes	121,060	-9,719
Income taxes	-38,260	3,013
Earnings after income taxes	82,800	-6,706
Earnings after income taxes	82,800	-6,706
Earnings to non-controlling interests	286	-62
Earnings attributable to shareholders and holders of participation certificates ²	82,514	-6,644
Undiluted/diluted earnings per share on full distribution³		
per preferred share (in €)	3.84	-0.36
per common share (in €)	3.82	-0.38

¹ EBIT = earnings before net interest result and income taxes

² The holders of the participation certificates do not participate in negative earnings after income taxes.

³ 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 2021	Three months 2020
Earnings after income taxes	82,800	-6,706
Items that cannot be reclassified into the income statement		
Remeasurements of defined benefit pension plans	46,354	-27,798
Deferred taxes on remeasurements of defined benefit pension plans	-14,581	8,756
Items that may be reclassified into the income statement in the future		
Currency translation adjustment for foreign subsidiaries	14,722	-11,774
Change in the cash flow hedge reserve recognized directly in equity	-9,134	15,827
Deferred taxes on changes in the cash flow hedge reserve recognized directly in equity	2,883	-4,958
Other comprehensive income (after taxes)	40,244	-19,947
Total comprehensive income	123,044	-26,653
thereof earnings attributable to non-controlling interests	394	-472
thereof earnings attributable to shareholders and holders of participation certificates ¹	122,650	-26,181

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

CONSOLIDATED BALANCE SHEET OF THE DRÄGER GROUP

in € thousand	March 31, 2021	December 31, 2020
Assets		
Intangible assets	330,837	330,962
Property, plant and equipment	469,937	456,577
Right-of-use assets	109,088	110,445
Investments in associates	7,384	7,384
Non-current trade receivables	1,677	1,447
Other non-current financial assets	20,254	19,825
Deferred tax assets	223,894	228,253
Other non-current assets	4,334	4,069
Non-current assets	1,167,405	1,158,963
Inventories	694,219	620,818
Trade receivables	634,946	717,169
Contract assets	61,021	49,195
Other current financial assets	130,228	182,629
Cash and cash equivalents	362,409	497,330
Current income tax refund claims	41,558	33,531
Other current assets	94,734	46,356
Current assets	2,019,115	2,147,028
Total assets	3,186,519	3,305,992

in € thousand	March 31, 2021	December 31, 2020
Equity and liabilities		
Capital stock	48,026	48,026
Capital reserves	307,035	307,035
Reserves retained from earnings, incl. group result	830,755	716,468
Other comprehensive income	-30,265	-38,629
Non-controlling interests	1,305	911
Equity	1,156,854	1,033,810
Provisions for pensions and similar obligations	385,860	430,127
Non-current personnel provisions	37,230	37,206
Other non-current provisions	36,073	36,031
Non-current note loans	100,000	-
Non-current liabilities to banks	158,152	157,814
Other non-current financial liabilities	295,152	391,031
Non-current income tax liabilities	20,458	20,422
Deferred tax liabilities	2,982	3,069
Other non-current liabilities	45,795	43,560
Non-current liabilities	1,081,702	1,119,259
Current personnel provisions	105,098	136,380
Other current provisions	122,234	120,741
Current note loans	-	59,998
Current liabilities to banks	28,211	36,252
Trade payables	208,263	234,623
Other current financial liabilities	93,720	236,058
Current income tax liabilities	74,377	27,177
Other current liabilities	316,060	301,694
Current liabilities	947,963	1,152,923
Total equity and liabilities	3,186,519	3,305,992

CONSOLIDATED CASH FLOW STATEMENT OF THE DRÄGER GROUP

in € thousand	Three months 2021	Three months 2020
Operating activities		
Earnings after income taxes	82,800	-6,706
+ Write-down of non-current assets	31,659	30,464
+ Interest result	7,840	9,143
+/- Income taxes	38,260	-3,013
- Decrease in provisions	-32,286	-23,424
+/- Other non-cash expenses/income	-1,471	18,286
- Gains from the disposal of non-current assets	-21	-113
- Increase in inventories	-66,387	-58,639
- Increase in leased equipment	-2,826	-3,565
+ Decrease in trade receivables	80,192	59,694
- Increase in other assets	-53,307	-27,794
+/- Increase/decrease in trade payables	-25,429	5,436
+ Increase in other liabilities	30,997	62,492
+ Dividends received	21	3
- Cash outflow for income taxes	-6,900	-4,684
- Cash outflow for interests	-7,806	-8,661
+ Cash inflow from interests	738	468
Cash inflow from operating activities	76,074	49,389
Investing activities		
- Cash outflow for investments in intangible assets	-1,229	-969
- Cash outflow for investments in property, plant and equipment	-27,219	-16,071
+ Cash inflow from disposals of property, plant and equipment	1,180	334
- Cash outflow for investments in non-current financial assets	-1	-1,529
+ Cash inflow from the disposal of financial assets ¹	50,080	-
Cash inflow /outflow from investing activities	22,811	-18,235
Financing activities		
- Cash outflow from the purchase of participation certificates	-258,034	-
+ Cash provided by raising loans	102,485	1,077
- Cash used to redeem loans	-62,635	-6,471
+/- Net balance of other liabilities to banks	-8,396	9,229
- Repayment of lease liabilities	-11,067	-8,848
Cash outflow from financing activities	-237,647	-5,012
Change in cash and cash equivalents in the reporting period	-138,762	26,141
+/- Effect of exchange rates on cash and cash equivalents	3,841	-6,382
+ Cash and cash equivalents at the beginning of the reporting period	497,330	196,314
Cash and cash equivalents on reporting date	362,409	216,073

¹ This item includes the sale of Money Market Funds in which we had a current investment.

BUSINESS PERFORMANCE OF THE SEGMENTS

		Three months					
		Medical division		Safety division		Dräger Group	
		2021	2020	2021	2020	2021	2020
Order intake	€ million	451.9	1,043.1	287.9	349.6	739.8	1,392.7
Europe	€ million	234.2	678.0	185.4	237.6	419.5	915.6
thereof Germany	€ million	80.8	411.7	78.1	99.5	158.9	511.2
Americas	€ million	99.9	143.0	48.0	46.7	147.9	189.7
Africa, Asia, and Australia	€ million	117.9	222.1	54.6	65.3	172.4	287.4
Net sales	€ million	508.0	395.6	284.0	244.4	792.1	640.0
Europe	€ million	270.0	205.1	186.0	157.6	456.0	362.7
thereof Germany	€ million	121.2	81.6	61.6	59.1	182.8	140.7
Americas	€ million	106.1	78.0	45.3	42.1	151.4	120.1
Africa, Asia, and Australia	€ million	131.9	112.5	52.7	44.7	184.6	157.2
EBITDA¹	€ million	112.7	8.8	47.9	21.1	160.6	29.8
Depreciation/Amortization	€ million	-15.1	-15.6	-16.6	-14.8	-31.7	-30.4
EBIT²	€ million	97.6	-6.9	31.3	6.3	128.9	-0.6
Capital employed ^{3,4}	€ million	886.1	801.5	569.5	575.6	1,455.6	1,377.0
EBIT ² /Net sales	%	19.2	-1.7	11.0	2.6	16.3	-0.1
EBIT ^{2,5} /Capital employed ^{3,4} (ROCE)	%	49.0	2.9	16.2	9.2	36.1	5.6
DVA ^{5,6}	€ million	373.4	-34.4	52.6	12.1	426.0	-22.3

¹ EBITDA = earnings before net interest result, income taxes, depreciation and amortization

² EBIT = earnings before net interest result and income taxes

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

⁴ Value as at reporting date

⁵ Value of the last twelve months

⁶ Dräger Value Added = EBIT less cost of capital of average invested capital

SUBSEQUENT EVENTS AFTER MARCH 31, 2021

On April 1, 2021, Drägerwerk AG & Co. KGaA acquired the majority share in the Swiss medical technology start-up STIMIT AG. With this acquisition, Dräger further expands its expertise in the field of ventilation that is gentle on the lungs. STIMIT AG specializes in lung activation and non-invasive respiratory muscle stimulation in intensive care patients.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements. These 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. We do not assume any responsibility for updating the forward-looking statements made in this report.

This document constitutes a quarterly statement pursuant to Section 53 of the exchange rules for the Frankfurt Stock Exchange.

Lübeck, April 28, 2021

The general partner
Drägerwerk Verwaltungs AG
represented by its Executive Board

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

FINANCIAL CALENDAR

Annual shareholders' meeting, Lübeck, Germany	May 7, 2021
Report as of June 30, 2021, Conference call	July 29, 2021
Report as of September 30, 2021, Conference call	October 28, 2021

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