

Quarterly Statement
January 1 to September 30, 2022
Dräger Group



THE DRÄGER GROUP OVER THE PAST FIVE YEARS

		Nine months				
		2022	2021	2020	2019	2018
Order intake	€ million	2,424.2	2,237.0	3,039.2	2,016.1	1,931.2
Net sales	€ million	2,027.0	2,402.9	2,290.9	1,898.8	1,729.1
Gross profit	€ million	820.8	1,163.0	1,087.2	808.8	732.7
Gross profit / Net sales	%	40.5	48.4	47.5	42.6	42.4
EBITDA ^{1, 2, 3}	€ million	-43.1	354.3	319.1	87.5	22.0
EBIT ^{2, 3, 4}	€ million	-148.3	257.0	228.3	-2.9	-41.0
EBIT ^{2, 3, 4} / Net sales ³	%	-7.3	10.7	10.0	-0.2	-2.4
Interest result	€ million	-13.4	-16.6	-26.1	-13.5	-9.5
Income taxes	€ million	49.0	-69.8	-67.0	5.5	15.8
Net profit	€ million	-112.7	170.6	135.2	-10.9	-34.7
Earnings per share on full distribution ⁵						
per preferred share	€	-5.99	7.96	5.58	-0.60	-1.85
per common share	€	-6.04	7.91	5.53	-0.65	-1.90
DVA ^{3, 6, 7}	€ million	-238.1	325.0	197.7	3.2	-16.1
Equity ^{3, 8}	€ million	1,320.5	1,254.6	938.0	1,010.7	1,028.8
Equity ratio ^{3, 8}	%	44.4	39.7	31.0	39.8	44.9
Capital employed ^{2, 3, 8, 9, 10}	€ million	1,669.7	1,441.6	1,525.8	1,431.7	1,283.4
EBIT ^{4, 6} / Capital employed ^{2, 8, 9, 10} (ROCE) ³	%	-8.0	29.5	19.5	7.0	5.6
Net financial debt ^{2, 3, 8, 11, 12}	€ million	354.3	95.2	491.7	150.8	69.3
Headcount as at September 30		16,252	15,883	15,441	14,790	14,233

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 of our annual report 2019.

³ The first-time application of IFRS 16 in fiscal year 2019 impacts this key figure. Therefore, comparability is limited.

⁴ EBIT = Earnings before net interest result and income taxes

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 Including the remaining payment obligation (maturity January 2, 2023) from the termination of the series D participation certificates of EUR 207.6 million as at September 30, 2022 (September 30, 2021: EUR 202.6 million)

¹² Including the payment obligation of EUR 451.2 million from the termination of the participation certificates as at September 30, 2020

The first nine months of 2022 at a glance

DRÄGER EXPECTS FASTER SALES RECOGNITION IN THE FOURTH QUARTER OF 2022

- Significant increase in order intake in the first nine months
- Net sales and earnings significantly below prior year, in particular due to disrupted supply chains
- Slight easing of supply situation in third quarter
- Strong acceleration in sales recognition expected in fourth quarter

“In the first nine months of the current fiscal year, demand for our ›Technology for Life‹ has increased noticeably despite the unfavorable economic conditions. This shows that we are well positioned for the future with our product portfolio,” says Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG. “Global supply chain issues remain a challenge. In the third quarter, however, our supply situation eased slightly in some product areas. We are confident that this development will continue in the fourth quarter, enabling us to recognize a good portion of the potential net sales from our high order backlog. Although this means we will no longer be able to achieve our full-year targets, an improved supply situation opens up the possibility for us to return to profitable growth next year.”

Possible rounding differences in this financial report may lead to slight discrepancies.

This financial 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

BUSINESS PERFORMANCE OF THE DRÄGER GROUP

		Third quarter			Nine months		
		2022	2021	Change in %	2022	2021	Change in %
Order intake	€ million	776.6	759.6	+2.2	2,424.2	2,237.0	+8.4
Net sales	€ million	724.6	769.6	-5.8	2,027.0	2,402.9	-15.6
Gross profit	€ million	294.5	360.9	-18.4	820.8	1,163.0	-29.4
Gross profit / Net sales ¹	%	40.6	46.9	-6,2 pp	40.5	48.4	-7,9 pp
EBITDA ²	€ million	-1.3	81.0	> -100	-43.1	354.3	> -100
EBIT ³	€ million	-36.6	47.9	> -100	-148.3	257.0	> -100
EBIT ³ / Net sales ¹	%	-5.0	6.2	-11,3 pp	-7.3	10.7	-18,0 pp
Net profit	€ million	-34.8	30.8	> -100	-112.7	170.6	> -100
Earnings per share on full distribution ⁴							
per preferred share	€	-1.86	1.45	> -100	-5.99	7.96	> -100
per common share	€	-1.88	1.43	> -100	-6.04	7.91	> -100
DVA ^{5,6}	€ million	-238.1	325.0	> -100	-238.1	325.0	> -100
Research and development costs	€ million	85.0	80.9	+5.1	252.1	230.0	+9.6
Equity ratio ^{1,7}	%	44.4	39.7	+4,6 pp	44.4	39.7	+4,6 pp
Cash flow from operating activities	€ million	-64.2	94.2	> -100	-279.0	266.5	> -100
Net financial debt ^{7,8}	€ million	354.3	95.2	> +100	354.3	95.2	> +100
Investments	€ million	33.8	46.1	-26.7	89.8	142.5	-36.9
Capital employed ^{7,9}	€ million	1,669.7	1,441.6	+15.8	1,669.7	1,441.6	+15.8
Net working capital ^{7,10}	€ million	780.9	590.3	+32.3	780.9	590.3	+32.3
EBIT ^{3,5} / Capital employed ^{7,9} (ROCE) ¹	%	-8.0	29.5	-37,5 pp	-8.0	29.5	-37,5 pp
Net financial debt ^{7,8} / EBITDA ^{2,5}	Factor	15.04	0.17		15.04	0.17	
Gearing ^{8,11}	Factor	0.27	0.08		0.27	0.08	
Headcount as at September 30		16,252	15,883	+2.3	16,252	15,883	+2.3

¹ pp = percentage points

² EBITDA = Earnings before net interest result, income taxes, depreciation and amortization

³ EBIT = Earnings before net interest result and income taxes

⁴ Based on an imputed actual full distribution of earnings attributable to shareholders

⁵ Value of the last twelve months

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

⁷ Value as at reporting date

⁸ Including the remaining payment obligation (maturity January 2, 2023) from the termination of the series D participation certificates of EUR 207.6 million as at September 30, 2022 (September 30, 2021: EUR 202.6 million)

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

¹⁰ Net working capital = Trade receivables and inventories less trade payables, customer prepayments, short-term operating provisions and other short-term operating items

¹¹ Gearing = Net financial debt / equity

ORDER INTAKE

Following a very steep decline at the beginning of the prior year as pandemic-driven demand normalized, order intake at Group level increased by 5.6 % in the first nine months of 2022 (net of currency effects). The biggest growth driver was the Europe region. In the Africa, Asia, and Australia region, demand also increased significantly. The volume of new orders in the Americas region declined slightly. In the third quarter, order intake at Group level remained above the high prior-year figure. Net of currency effects, it was roughly on a level with 2021 (-0.9 %). Increased order intake in Europe and the Americas region was offset by a sharp decrease in orders in the Africa, Asia, and Australia region.

In the medical division, our order intake rose by 1.2 % in the first nine months of the year (net of currency effects). While demand was down in the Americas region, it climbed in Europe, especially in Germany, as well as in Africa, Asia, and Australia. After increasing in the first half of the year, our order intake in the third quarter was 7.8 % below the prior-year period due to a substantial drop in the Africa, Asia, and Australia and Americas regions. In the prior year, Dräger had received higher coronavirus-related orders for ventilators from Asia, which have not been repeated. In Europe, order intake rose slightly.

In the safety division, our order intake was up by 13.0 % in the first nine months (net of currency effects). This is mainly attributable to the considerable growth in the Europe region as well as in Africa, Asia, and Australia. The Americas region also recorded noticeably higher demand. In the third quarter, order intake increased sharply as well, by 11.3 % (net of currency effects). This was primarily driven by the rise in the Europe and Americas regions. The Africa, Asia, and Australia region also contributed to the growth.

ORDER INTAKE

in € million	Third quarter				Nine months			
	2022	2021	Change in %	Net of currency effects in %	2022	2021	Change in %	Net of currency effects in %
Medical division	465.3	485.7	-4.2	-7.8	1,462.1	1,400.1	+4.4	+1.2
Safety division	311.3	273.9	+13.6	+11.3	962.0	836.9	+14.9	+13.0
Total	776.6	759.6	+2.2	-0.9	2,424.2	2,237.0	+8.4	+5.6
thereof Europe	420.7	407.3	+3.3	+5.1	1,289.8	1,222.7	+5.5	+7.1
thereof Germany	177.6	160.5	+10.7	+10.7	537.9	478.7	+12.3	+12.3
thereof Americas	164.4	142.3	+15.5	+1.7	480.4	439.0	+9.4	-1.2
thereof Africa, Asia, and Australia	191.5	210.0	-8.8	-14.3	654.1	575.4	+13.7	+7.6

NET SALES

Our net sales in the first nine months of 2022 were 18.0 % (net of currency effects) below the prior-year level. This was due in particular to the ongoing disruptions to supply chains and the resulting slow improvement in the availability of intermediate products, which are required to manufacture end products and deliver them to customers. As a consequence, the sales recognition from the high order backlog was delayed. In the third quarter, net sales decreased by 9.1 % (net of currency effects). All regions and segments were affected by a drop in net sales (net of currency effects) in both the first nine months and the third quarter.

NET SALES

in € million	Third quarter				Nine months			
	2022	2021	Change in %	Net of currency effects in %	2022	2021	Change in %	Net of currency effects in %
Medical division	431.1	470.0	-8.3	-12.1	1,208.3	1,505.5	-19.7	-22.2
Safety division	293.5	299.6	-2.0	-4.5	818.7	897.4	-8.8	-10.9
Total	724.6	769.6	-5.8	-9.1	2,027.0	2,402.9	-15.6	-18.0
thereof Europe	387.2	426.4	-9.2	-8.2	1,106.1	1,359.8	-18.7	-17.9
thereof Germany	164.4	189.4	-13.2	-13.2	444.1	564.4	-21.3	-21.3
thereof Americas	159.4	146.5	+8.8	-4.1	423.0	462.1	-8.5	-17.6
thereof Africa, Asia, and Australia	178.0	196.6	-9.5	-14.9	498.0	581.0	-14.3	-18.6

EARNINGS

In the first nine months of 2022, gross profit declined by EUR 342.2 million to EUR 820.8 million (9 months 2021: EUR 1,163.0 million). This is mainly attributable to a year-on-year fall in net sales from the high volume driven by the pandemic and to lower production output due to the partial lack of availability of components. In addition, a less favorable product and country mix coupled with higher procurement costs, in particular for electronic components, burdened the gross margin in the first nine months. At 40.5 %, the gross margin was significantly lower than the prior-year figure (9 months 2021: 48.4 %).

Gross profit and the gross margin decreased in both segments, while the decline in margins in the medical division was more pronounced than in the safety division.

In the third quarter, gross profit at EUR 294.5 million was substantially below the prior-year level (Q3 2021: EUR 360.9 million). The gross margin declined by 6.2 percentage points to 40.6 %, which—in addition to the reduced net sales—contributed to the drop in gross profit.

Functional expenses increased by 4.9 % (net of currency effects) in the first nine months (7.2 % in nominal terms), primarily as a result of higher logistics and travel costs. The latter were significantly lower in the prior year because of the pandemic.

Research and development (R&D) costs climbed by 6.0 % (net of currency effects; 9.6 % in nominal terms). The ratio of R&D costs to net sales (R&D ratio) stood at 12.4 % (9 months 2021: 9.6 %). Administrative costs were down 0.1 % (net of currency effects; -2.5 % in nominal terms) compared to the first nine months of the prior year.

The financial result (before interest result) stood at EUR -2.0 million after the first nine months of the year (9 months 2021: EUR -4.0 million).

Overall, Group earnings before interest and taxes (EBIT) in the first nine months were EUR 405.3 million below the prior-year level at EUR -148.3 million (9 months 2021: EUR 257.0 million). The EBIT margin was thus -7.3 % (9 months 2021: 10.7 %). In the third quarter, EBIT declined by EUR 84.4 million to EUR -36.6 million compared to the prior-year period, mainly due to the lower gross profit. The EBIT margin decreased by 11.3 percentage points to -5.0 % (Q3 2021: 6.2 %).

The interest result fell by EUR 3.2 million to EUR -13.4 million (9 months 2021: EUR -16.6 million). The principal reason for this change is that the prior-year figure included an additional interest expense of EUR 3.4 million from the early repayment of part of the series D participation certificates. The tax rate was 30.3 % in the first nine months (9 months 2021: 29.0 %). Earnings after income taxes amounted to EUR -112.7 million, EUR 283.3 million lower than the prior-year figure (9 months 2021: EUR 170.6 million).

INVESTMENTS

Investments in the first nine months of 2022 amounted to EUR 89.8 million (9 months 2021: EUR 142.5 million). Of this amount, intangible assets accounted for EUR 5.6 million (9 months 2021: EUR 24.4 million). Investments in property, plant and equipment came to EUR 61.6 million (9 months 2021: EUR 82.7 million). Of this amount, right-of-use assets accounted for EUR 22.7 million (9 months 2021: EUR 35.4 million).

Investments in property, plant and equipment primarily comprised replacement investments. Depreciation and amortization in the same period amounted to EUR 105.2 million (9 months 2021: EUR 97.3 million). The lower investment volume resulted in a coverage of the depreciation and amortization volume of 85.4 %, meaning that fixed assets decreased (EUR -15.4 million).

EQUITY

Equity rose by EUR 60.0 million to EUR 1,320.5 million in the first nine months of 2022. The equity ratio came to 44.4 % as at September 30, 2022, which was significantly higher than the figure as at December 31, 2021 (39.7 %). The increase in equity was mainly due to the adjustment to calculation parameters for pension provisions. Higher overall interest rate levels also led to a rise in the discounting rate from 1.2 % to 3.7 % in Germany. As a result, pension provisions fell by EUR 208.9 million. The net amount of this adjustment of EUR 143.2 million after deferred tax liabilities increased reserves from retained earnings recognized directly in equity.

DRÄGER VALUE ADDED

Dräger Value Added (DVA) declined by EUR 563.0 million to EUR -238.1 million year on year in the 12 months to September 30, 2022 (12 months to September 30, 2021: EUR 325.0 million). Rolling EBIT fell year on year by EUR 559.0 million. The cost of capital rose by EUR 4.1 million to EUR 104.4 million, since average capital employed increased by 4.0 % to EUR 1,491.5 million.

Due to higher inventories of intermediate products and reduced sales, days working capital (coverage of current assets) increased year on year by 16.6 days to 113.1 days.

Business performance of the medical division

BUSINESS PERFORMANCE OF THE MEDICAL DIVISION

		Third quarter				Nine months			
		2022	2021	Change in %	Net of currency effects in %	2022	2021	Change in %	Net of currency effects in %
Order intake	€ million	465.3	485.7	-4.2	-7.8	1,462.1	1,400.1	+4.4	+1.2
thereof Germany	€ million	102.4	88.7	+15.5	+15.5	300.1	266.8	+12.5	+12.5
Net sales	€ million	431.1	470.0	-8.3	-12.1	1,208.3	1,505.5	-19.7	-22.2
thereof Germany	€ million	87.1	118.4	-26.5	-26.5	249.9	362.7	-31.1	-31.1
EBITDA¹	€ million	-19.7	42.0	> -100		-66.4	218.1	> -100	
EBIT²	€ million	-36.5	25.8	> -100		-116.8	171.2	> -100	
EBIT ² / Net sales ³	%	-8.5	5.5	-13,9 pp		-9.7	11.4	-21,0 pp	
Capital employed ^{4,5}	€ million	978.1	845.3	+15.7		978.1	845.3	+15.7	
EBIT ^{2,6} /Capital employed ^{4,5} (ROCE) ³	%	-9.8	36.3	-46,2 pp		-9.8	36.3	-46,2 pp	
DVA ^{6,7}	€ million	-157.2	246.6	> -100		-157.2	246.6	> -100	

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

² EBIT = Earnings before net interest result and income taxes

³ pp = percentage points

⁴ Capital employed = Total assets less deferred tax assets, securities, cash and cash equivalents, non-interest bearing liabilities and other non-operating items

⁵ Value as at reporting date

⁶ Value of the last twelve months

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

ORDER INTAKE

Following a very steep decline at the beginning of the prior year as pandemic-driven demand normalized, order intake in the medical division increased by 1.2 % in the first nine months of 2022 (net of currency effects).

Order intake was up sharply in the hospital infrastructure, anesthesiology, and thermoregulation business. Higher demand was also reported for hospital consumables and service. Order intake in the patient monitoring area remained virtually unchanged. This contrasted with much lower demand for ventilators, which significantly slowed growth in the medical division.

In Europe, order intake increased slightly in the first nine months, particularly as a result of disproportionately high growth in Germany. Demand fell in the Americas region. Order intake rose slightly in the Africa, Asia, and Australia region.

In the third quarter, order intake was 7.8 % lower year on year (net of currency effects). A slight rise in Europe contrasted with a considerable reduction in the Americas as well as in Africa, Asia, and Australia, with the latter region benefiting in the prior-year quarter from an improved level of orders due to the coronavirus pandemic.

Based on absolute figures, the strongest growth in orders during the first nine months was seen in Germany, Türkiye, Kuwait, Switzerland, and Saudi Arabia. The heaviest declines were recorded in Vietnam, Russia, Serbia, the U.S., and the U.K.

ORDER INTAKE

in € million	Third quarter				Nine months			
	2022	2021	Change in %	Net of currency effects in %	2022	2021	Change in %	Net of currency effects in %
Europe	238.9	237.1	+0.8	+1.8	710.6	702.3	+1.2	+2.3
thereof Germany	102.4	88.7	+15.5	+15.5	300.1	266.8	+12.5	+12.5
Americas	106.9	102.7	+4.0	-8.5	315.9	298.0	+6.0	-4.4
Africa, Asia, and Australia	119.6	145.9	-18.0	-22.9	435.6	399.7	+9.0	+3.3
Total	465.3	485.7	-4.2	-7.8	1,462.1	1,400.1	+4.4	+1.2

NET SALES

Net sales in the medical division fell by 22.2 % year on year in the first nine months of 2022 (net of currency effects). All regions played a part in this development. In the third quarter, net sales decreased by 12.1 % (net of currency effects). This is due in particular to the sharp decline in the Europe region as well as in Africa, Asia, and Australia. Net sales in the Americas region were down only slightly.

NET SALES

in € million	Third quarter				Nine months			
	2022	2021	Change in %	Net of currency effects in %	2022	2021	Change in %	Net of currency effects in %
Europe	206.5	236.9	-12.8	-12.1	600.4	780.3	-23.0	-22.3
thereof Germany	87.1	118.4	-26.5	-26.5	249.9	362.7	-31.1	-31.1
Americas	108.4	98.0	+10.6	-2.6	279.0	314.0	-11.1	-20.0
Africa, Asia, and Australia	116.2	135.0	-13.9	-19.0	328.9	411.3	-20.0	-23.8
Total	431.1	470.0	-8.3	-12.1	1,208.3	1,505.5	-19.7	-22.2

EARNINGS

Gross profit in the medical division decreased by 34.1 % in the first nine months. This was attributable in particular to reduced output volumes as a result of supply chain disruptions. The gross margin declined by 8.7 percentage points, primarily because of the less favorable product and country mix, higher procurement costs, including for electronic components, and a rise in manufacturing costs. Gross profit was down by 22.6 % in the third quarter. The gross margin fell by 7.3 percentage points. Here, too, significantly lower profitability from the country and product mix as well as higher purchasing prices had a detrimental effect.

Functional costs were up by 4.8 % year on year in the first nine months of 2022 (net of currency effects; 7.1 % in nominal terms), predominantly as a result of increased costs for research and development and freight. Functional costs climbed by 3.5 % in the third quarter (net of currency effects; 6.5 % in nominal terms).

EBIT in the medical division stood at EUR -116.8 million after the first nine months of 2022 (9 months 2021: EUR 171.2 million), with the EBIT margin falling from 11.4 % to -9.7 %. In the third quarter, EBIT amounted to EUR -36.5 million (Q3 2021: EUR 25.8 million). The EBIT margin stood at -8.5 % (Q3 2021: 5.5 %).

Dräger Value Added decreased by EUR 403.8 million to EUR -157.2 million year on year as at September 30, 2022 (12 months to September 30, 2021: EUR 246.6 million). Rolling EBIT fell by EUR 403.4 million year on year, while the cost of capital rose slightly by EUR 0.4 million.

Business performance of the safety division

BUSINESS PERFORMANCE OF THE SAFETY DIVISION

		Third quarter				Nine months			
		2022	2021	Change in %	Net of currency effects in %	2022	2021	Change in %	Net of currency effects in %
Order intake	€ million	311.3	273.9	+13.6	+11.3	962.0	836.9	+14.9	+13.0
thereof Germany	€ million	75.2	71.8	+4.7	+4.7	237.7	212.0	+12.1	+12.1
Net sales	€ million	293.5	299.6	-2.0	-4.5	818.7	897.4	-8.8	-10.9
thereof Germany	€ million	77.3	70.9	+9.0	+9.0	194.1	201.7	-3.8	-3.8
EBITDA¹	€ million	18.4	39.0	-52.8		23.3	136.2	-82.9	
EBIT²	€ million	-0.1	22.1	> -100		-31.5	85.9	> -100	
EBIT ² / Net sales ³	%	-0.0	7.4	-7,4 pp		-3.9	9.6	-13,4 pp	
Capital employed ^{4,5}	€ million	691.6	596.3	16.0		691.6	596.3	16.0	
EBIT ^{2,6} /Capital employed ^{4,5} (ROCE) ³	%	-5.4	19.8	-25,2 pp		-5.4	19.8	-25,2 pp	
DVA ^{6,7}	€ million	-80.8	78.4	> -100		-80.8	78.4	> -100	

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

² EBIT = Earnings before net interest result and income taxes

³ pp = percentage points

⁴ Capital employed = Total assets less deferred tax assets, securities, cash and cash equivalents, non-interest bearing liabilities and other non-operating items

⁵ Value as at reporting date

⁶ Value of the last twelve months

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

ORDER INTAKE

Order intake in the safety division rose by 13.0 % in the first nine months of 2022 (net of currency effects). The main growth drivers were respiratory and personal protection products, gas detection devices, and occupational health and safety equipment. Demand for services and engineered solutions also increased. Order intake for alcohol and drug testing devices fell considerably.

In the Europe and Africa, Asia, and Australia regions, order intake jumped significantly in the first nine months. The Americas region also recorded higher demand.

Third-quarter order intake increased by 11.3 % (net of currency effects). Demand was up by more than a quarter in the Americas region and by almost 10 % in Europe. The Africa, Asia, and Australia region also recorded a higher order intake.

In absolute terms, the highest growth in orders during the first nine months was generated in Germany, Türkiye, France, Australia, and Ukraine. The greatest declines were seen in Russia, Hong Kong, the U.S., New Zealand, and Angola.

ORDER INTAKE

in € million	Third quarter				Nine months			
	2022	2021	Change in %	Net of currency effects in %	2022	2021	Change in %	Net of currency effects in %
Europe	181.8	170.2	+6.8	+9.7	579.1	520.3	+11.3	+13.5
thereof Germany	75.2	71.8	+4.7	+4.7	237.7	212.0	+12.1	+12.1
Americas	57.5	39.5	+45.4	+28.3	164.5	140.9	+16.7	+5.6
Africa, Asia, and Australia	72.0	64.1	+12.3	+5.1	218.4	175.7	+24.4	+17.5
Total	311.3	273.9	+13.6	+11.3	962.0	836.9	+14.9	+13.0

NET SALES

Net sales in the safety division fell by 10.9 % year on year in the first nine months of 2022 (net of currency effects). The decrease in the Africa, Asia, and Australia region was much less pronounced than in Europe and the Americas. In the third quarter, net sales decreased by 4.5 % (net of currency effects).

NET SALES

in € million	Third quarter				Nine months			
	2022	2021	Change in %	Net of currency effects in %	2022	2021	Change in %	Net of currency effects in %
Europe	180.7	189.5	-4.6	-3.4	505.6	579.5	-12.8	-12.0
thereof Germany	77.3	70.9	+9.0	+9.0	194.1	201.7	-3.8	-3.8
Americas	51.0	48.5	+5.2	-7.0	144.0	148.1	-2.8	-12.4
Africa, Asia, and Australia	61.7	61.6	+0.3	-6.0	169.0	169.8	-0.4	-5.8
Total	293.5	299.6	-2.0	-4.5	818.7	897.4	-8.8	-10.9

EARNINGS

Gross profit in the safety division fell by 21.4 % in the first nine months of 2022. This was due to the significant decline in sales and the 6.7 percentage point reduction in gross margin. The latter was impacted by lower profitability from the product and country mix and higher expenses for the procurement of electronic components. In the third quarter, gross profit declined by 11.8 %, while the gross margin fell by 4.7 percentage points.

Functional costs were up by 5.2 % year on year in the first nine months of 2022 (net of currency effects; 7.4 % in nominal terms). This was mainly due to higher logistics and travel costs. In the third quarter, functional costs rose by 2.4 % (net of currency effects; 5.1 % in nominal terms). Here, too, higher expenses for logistics and travel costs had a negative impact on functional costs.

EBIT in the safety division stood at EUR -31.5 million in the first nine months of 2022 (9 months 2021: EUR 85.9 million). The EBIT margin came to -3.9 % (9 months 2021: 9.6 %). In the third quarter, EBIT amounted to EUR -0.1 million (Q3 2021: EUR 22.1 million) and the EBIT margin was -0.0 % (Q3 2021: 7.4 %).

Dräger Value Added decreased by EUR 159.2 million year on year to EUR -80.8 million as at September 30, 2022 (12 months to September 30, 2021: EUR 78.4 million). Rolling EBIT fell by EUR 155.5 million year on year. The cost of capital climbed by EUR 3.7 million on account of the higher capital employed.

Outlook

FUTURE SITUATION OF THE COMPANY

The following section should be read in conjunction with the “Outlook” section in the management report of the 2021 annual report (pages 67 et seq.), which describes our expectations for 2022 in detail. The following table provides an overview of the current expectations regarding the development of various forecast figures. The forecast horizon is the fiscal year.

EXPECTATIONS FOR FISCAL YEAR 2022

	Results achieved for fiscal year 2021	Forecast for fiscal year 2022 (last published)	Current forecast
Net sales (net of currency effects)	-1.8 %	-5.0 to -9.0 %	No longer achievable
EBIT margin	8.2 %	1.0 to 4.0 %	No longer achievable
DVA	EUR 171.8 million	EUR -70 to +25 million	No longer achievable
Other forecast figures			
Gross margin	46.3 %	44.0 to 46.0 %	No longer achievable
Research and development costs	EUR 328.6 million	EUR 320 to 335 million	Confirmed
Interest result	EUR -35.0 million	EUR -17 to -23 million	Confirmed
Days working capital (DWC)	99.7 days	100 to 105 days	Confirmed
Investment volume ¹	EUR 130.1 million	EUR 120 to 140 million	Confirmed
Net financial debt	EUR -24.0 million	Improvement	No longer achievable

¹ Excluding company acquisitions and the capitalization of right-of-use assets pursuant to IFRS 16

Despite the continued high level of orders, Dräger’s net sales and earnings in the third quarter of 2022 were down sharply on the prior-year period. As we reported in an ad hoc announcement on October 14, 2022, Dräger continues to expect the realization of net sales to accelerate significantly in the coming weeks. However, the extent of the delay up to now means that we anticipate no longer being able to achieve our forecast for 2022. This affects our targets for net sales, EBIT margin, DVA, gross margin and net financial debt. We are confirming our previous forecasts for research and development costs, the interest result, days working capital, and the investment volume.

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, October 26, 2022

The general partner
Drägerwerk Verwaltungs AG
represented by its Executive Board

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

Further financial information

CONSOLIDATED INCOME STATEMENT OF THE DRÄGER GROUP

in € thousand	Third quarter 2022	Third quarter 2021	Nine months 2022	Nine months 2021
Net sales	724,619	769,570	2,027,020	2,402,928
Cost of sales	-430,117	-408,715	-1,206,257	-1,239,973
Gross profit	294,502	360,855	820,763	1,162,954
Research and development costs	-85,014	-80,920	-252,080	-229,992
Marketing and selling expenses	-182,356	-166,207	-527,556	-488,273
General administrative costs	-61,639	-63,928	-189,076	-184,479
Impairment losses on financial assets and contract assets	-1,838	-872	-2,365	-1,754
Other operating income	1,227	704	4,948	3,576
Other operating expenses	-664	-430	-956	-998
Functional expenses	-330,284	-311,653	-967,085	-901,921
Result from net exposure from monetary items	-1,022	-731	-2,007	-1,678
Result from investments in associates	406	-	406	-
Result from other investments	30	2	88	23
Other financial result	-219	-620	-480	-2,348
Financial result (before interest result)	-804	-1,350	-1,993	-4,003
EBIT¹	-36,586	47,853	-148,316	257,031
Interest result	-5,142	-4,353	-13,388	-16,597
Earnings before income taxes	-41,728	43,500	-161,704	240,434
Income taxes	6,915	-12,667	49,040	-69,832
Earnings after income taxes	-34,813	30,833	-112,664	170,601
Earnings after income taxes	-34,813	30,833	-112,664	170,601
Earnings to non-controlling interests	258	-272	240	-160
Earnings attributable to shareholders and holders of participation certificates	-35,071	31,105	-112,904	170,762
Undiluted/diluted earnings per share on full distribution²				
per preferred share (in €)	-1.86	1.45	-5.99	7.96
per common share (in €)	-1.88	1.43	-6.04	7.91

¹ EBIT = Earnings before net interest result and income taxes

² 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	Nine months 2022	Nine months 2021
Earnings after income taxes	-112,664	170,601
Items that cannot be reclassified into the income statement		
Remeasurements of defined benefit pension plans	208,899	63,071
Deferred taxes on remeasurements of defined benefit pension plans	-65,693	-19,842
Items that may be reclassified into the income statement in the future		
Currency translation adjustment for foreign subsidiaries	33,559	16,137
Changes in the fair value of the cash flow hedge reserve recognized directly in equity	-284	-7,150
Deferred taxes on changes in the fair value of the cash flow hedge reserve recognized directly in equity	89	2,262
Other comprehensive income (after taxes)	176,570	54,477
Total comprehensive income	63,906	225,079
of which attributable to non-controlling interests	332	-184
thereof earnings attributable to shareholders and holders of participation certificates	63,574	225,263

CONSOLIDATED BALANCE SHEET OF THE DRÄGER GROUP

in € thousand	September 30, 2022	December 31, 2021
Assets		
Intangible assets	356,259	354,136
Property, plant and equipment	480,776	481,554
Right-of-use assets	109,401	115,435
Investments in associates	19,051	6,321
Non-current trade receivables	2,605	2,604
Other non-current financial assets	24,631	26,104
Deferred tax assets	144,934	195,202
Other non-current assets	27,367	5,203
Non-current assets	1,165,026	1,186,560
Inventories	797,126	616,761
Trade receivables	532,014	608,943
Contract assets	76,907	48,384
Other current financial assets	31,443	163,804
Cash and cash equivalents	190,353	445,746
Current income tax refund claims	44,995	38,446
Other current assets	137,316	69,619
Current assets	1,810,154	1,991,703
Total assets	2,975,180	3,178,263

CONSOLIDATED BALANCE SHEET OF THE DRÄGER GROUP

in € thousand	September 30, 2022	December 31, 2021
Equity and liabilities		
Capital stock	48,026	48,026
Capital reserves	307,035	307,035
Reserves retained from earnings, including group result	951,590	924,970
Other comprehensive income	13,152	-20,120
Non-controlling interests	736	584
Equity	1,320,539	1,260,494
Provisions for pensions and similar obligations	170,029	357,884
Non-current personnel provisions	34,534	37,092
Other non-current provisions	34,655	38,748
Non-current note loans	100,000	100,000
Non-current liabilities to banks	77,477	84,841
Other non-current financial liabilities	94,301	302,511
Non-current income tax liabilities	9,061	9,016
Deferred tax liabilities	4,678	5,431
Other non-current liabilities	47,555	47,339
Non-current liabilities	572,289	982,862
Current personnel provisions	97,031	135,882
Other current provisions	145,870	146,544
Current liabilities to banks	43,457	41,058
Trade payables	195,336	223,979
Other current financial liabilities	329,150	110,961
Current income tax liabilities	26,733	56,805
Other current liabilities	244,774	219,678
Current liabilities	1,082,352	934,907
Total equity and liabilities	2,975,180	3,178,263

CONSOLIDATED CASH FLOW STATEMENT OF THE DRÄGER GROUP

in € thousand	Third quarter 2022	Third quarter 2021	Nine months 2022	Nine months 2021
Operating activities				
Earnings after income taxes	-34,813	30,837	-112,664	170,605
+ Write-down / Write-up of non-current assets	34,589	33,135	104,605	97,291
+ Interest result	5,142	4,352	13,388	16,597
+/- Income taxes	-6,915	12,667	-49,040	69,832
+/- Increase / Decrease in provisions	13,562	37,698	-57,795	-4,352
+/- Other non-cash expenses / income	-3,055	630	-12,249	249
+/- Loss / Gain from the disposal of non-current assets	287	105	153	-1,539
- Increase in inventories	-53,297	-4,271	-156,026	-60,587
- Increase in leased equipment	-2,264	-2,788	-6,804	-8,331
+/- Decrease / Increase in trade receivables	-23,027	30,029	73,414	170,019
+/- Decrease / Increase in other assets	13,758	8,892	-18,489	-29,488
+/- Increase / Decrease in trade payables	8,188	-2,298	-24,879	-44,201
+/- Increase / Decrease in other liabilities	-4,169	-35,650	23,240	-64,846
+ Dividends received	405	2	463	23
- Cash outflow for income taxes	-8,775	-15,794	-44,994	-30,915
- Cash outflow for interest	-4,438	-4,014	-13,459	-15,791
+ Cash inflow from interest	670	631	2,152	1,899
Cash inflow / outflow from operating activities	-64,152	94,163	-278,986	266,463
Investing activities				
- Cash outflow for investments in intangible assets	-1,442	-1,557	-6,134	-4,477
- Cash outflow for investments in property, plant and equipment	-19,559	-22,876	-59,000	-74,637
+ Cash inflow from disposals of property, plant and equipment	493	272	1,547	4,754
- Cash outflow for investments in financial assets ¹	-430	-30,581	-56,891	-81,396
+ Cash inflow from the disposal of financial assets ¹	40,377	0	179,338	139,357
- Cash outflow for the acquisition of subsidiaries	-	-1,095	-	-6,004
Cash inflow / outflow from investing activities	19,438	-55,837	58,861	-22,405
Financing activities				
- Distribution of dividends (including payments to participation capital holders)	-	-208	-3,681	-4,048
- Cash outflow from the purchase of participation certificates	-	-	-	-258,034
+ Cash provided by raising loans	-	478	-	108,397
- Cash used to redeem loans	-8,572	-65,065	-13,675	-131,220
+/- Net balance of other liabilities to banks	12,235	45	6,060	-9,371
- Repayment of lease liabilities	-11,067	-9,894	-32,873	-31,406
- Profit distributed to non-controlling interests	-	-262	-180	-262
Cash outflow from financing activities	-7,404	-74,906	-44,350	-325,944
Change in cash and cash equivalents in the fiscal year	-52,117	-36,580	-264,475	-81,886
+ Effect of exchange rates on cash and cash equivalents	537	813	9,082	4,479
+ Cash and cash equivalents at the beginning of the reporting period	241,933	455,690	445,746	497,330
Cash and cash equivalents on reporting date	190,353	419,923	190,353	419,923

¹ These items include the purchase respectively the sale of current money market funds.

BUSINESS PERFORMANCE OF THE SEGMENTS

		Nine months					
		Medical division		Safety division		Dräger Group	
		2022	2021	2022	2021	2022	2021
Order intake	€ million	1,462.1	1,400.1	962.0	836.9	2,424.2	2,237.0
Europe	€ million	710.6	702.3	579.1	520.3	1,289.8	1,222.7
thereof Germany	€ million	300.1	266.8	237.7	212.0	537.9	478.7
Americas	€ million	315.9	298.0	164.5	140.9	480.4	439.0
Africa, Asia, and Australia	€ million	435.6	399.7	218.4	175.7	654.1	575.4
Net Sales	€ million	1,208.3	1,505.5	818.7	897.4	2,027.0	2,402.9
Europe	€ million	600.4	780.3	505.6	579.5	1,106.1	1,359.8
thereof Germany	€ million	249.9	362.7	194.1	201.7	444.1	564.4
Americas	€ million	279.0	314.0	144.0	148.1	423.0	462.1
Africa, Asia, and Australia	€ million	328.9	411.3	169.0	169.8	498.0	581.0
EBITDA¹	€ million	-66.4	218.1	23.3	136.2	-43.1	354.3
Depreciation/Amortization	€ million	-50.4	-46.9	-54.8	-50.4	-105.2	-97.3
EBIT²	€ million	-116.8	171.2	-31.5	85.9	-148.3	257.0
Capital employed ^{3,4}	€ million	978.1	845.3	691.6	596.3	1,669.7	1,441.6
EBIT ² / Net sales	%	-9.7	11.4	-3.9	9.6	-7.3	10.7
EBIT ^{2,5} / Capital employed ^{3,4} (ROCE)	%	-9.8	36.3	-5.4	19.8	-8.0	29.5
DVA ^{5,6}	€ million	-157.2	246.6	-80.8	78.4	-238.1	325.0

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

FINANCIAL CALENDAR

Annual accounts press conference	March 9, 2023
Analysts' meeting	March 9, 2023
Report as of March 31, 2023, conference call	April 28, 2023
Annual shareholders' meeting, Lübeck, Germany	May 5, 2023
Report as of June 30, 2023, conference call	July 27, 2023
Report as of September 30, 2023, conference call	November 2, 2023

Imprint

DRÄGERWERK AG & CO. KGAA

Moislinger Allee 53 – 55
23558 Lübeck, Germany
www.draeger.com

www.facebook.com/DraegerGlobal
www.twitter.com/DraegerNews
www.linkedin.com/company/draeger
www.youtube.com/Draeger
www.instagram.com/draeger.global

COMMUNICATIONS

Tel. + 49 451 882 – 3202
Fax + 49 451 882 – 3944

INVESTOR RELATIONS

Tel. + 49 451 882 – 2685
Fax + 49 451 882 – 3296