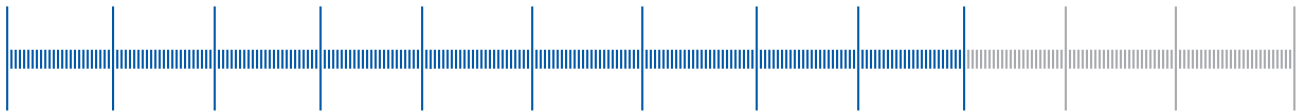


Quarterly Statement  
January 1 to September 30, 2020  
Dräger Group



## THE DRÄGER GROUP OVER THE PAST FIVE YEARS

		Nine months 2020	Nine months 2019	Nine months 2018	Nine months 2017	Nine months 2016
Order intake	€ million	3,039.2	2,016.1	1,931.2	1,928.3	1,849.1
Net sales	€ million	2,290.9	1,898.8	1,729.1	1,737.0	1,704.3
Gross profit	€ million	1,087.2	808.8	732.7	776.8	747.6
Gross profit/Net sales	%	47.5	42.6	42.4	44.7	43.9
EBITDA <sup>1,2</sup>	€ million	319.1	87.5	22.0	105.8	89.7
EBIT <sup>2,3</sup>	€ million	228.3	-2.9	-41.0	43.5	28.1
EBIT <sup>2,3</sup> /Net sales	%	10.0	-0.2	-2.4	2.5	1.6
Interest result	€ million	-26.1	-13.5	-9.5	-9.9	-12.3
Income taxes	€ million	-67.0	5.5	15.8	-9.1	-3.3
Net profit	€ million	135.2	-10.9	-34.7	24.5	12.5
Earnings per share on full distribution <sup>4</sup>						
per preferred share	€	5.58	-0.60	-1.85	1.05	0.54
per common share	€	5.53	-0.65	-1.90	1.01	0.49
DVA <sup>5,6,7</sup>	€ million	197.7	3.2	-16.1	67.0	6.7
Equity <sup>5,8</sup>	€ million	938.0	1,010.7	1,028.8	1,008.8	894.1
Equity ratio <sup>5,8</sup>	%	31.0	39.8	44.9	45.0	39.4
Capital employed <sup>2,8,9,10</sup>	€ million	1,525.8	1,431.7	1,283.4	1,213.7	1,238.7
EBIT <sup>3,6</sup> /Capital employed <sup>2,8,9,10</sup> (ROCE) <sup>5</sup>	%	19.5	7.0	5.6	12.6	7.6
Net financial debt <sup>2,8,11</sup>	€ million	491.7	150.8	69.3	16.1	121.0
Headcount as of September 30		15,441	14,790	14,233	13,642	13,292

<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 September 30, 2019, see table on page 3 of the Quarterly Statement for the third quarter 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 of EUR 451.2 million from the termination of the participation certificates as of September 30, 2020

## The first nine months of 2020 at a glance

### DRÄGER SEES STRONG GROWTH

- Order intake and net sales see significant growth in first nine months
- Considerable rise in net sales in the third quarter
- Strong third-quarter earnings

“We achieved strong growth in the first nine months of 2020; demand for our technology for life is as high in the coronavirus pandemic as it has ever been before,” said Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG. “This significant growth is also reflected in our extremely encouraging earnings development. We now expect net sales and earnings in fiscal year 2020 to be in the mid- to upper range of our forecast corridor.”

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

This quarterly 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**

		Third quarter			Nine months		
		2020	2019	Change in %	2020	2019	Change in %
<b>Order intake</b>	€ million	<b>747.8</b>	<b>695.7</b>	<b>+7.5</b>	<b>3,039.2</b>	<b>2,016.1</b>	<b>+50.7</b>
<b>Net sales</b>	€ million	<b>862.5</b>	<b>662.9</b>	<b>+30.1</b>	<b>2,290.9</b>	<b>1,898.8</b>	<b>+20.7</b>
<b>Gross profit</b>	€ million	<b>416.1</b>	<b>284.5</b>	<b>+46.3</b>	<b>1,087.2</b>	<b>808.8</b>	<b>+34.4</b>
Gross profit/Net sales	%	48.2	42.9		47.5	42.6	
<b>EBITDA<sup>1,2</sup></b>	€ million	<b>156.7</b>	<b>39.8</b>	<b>&gt; +100.0</b>	<b>319.1</b>	<b>87.5</b>	<b>&gt; +100.0</b>
<b>EBIT<sup>2,3</sup></b>	€ million	<b>126.7</b>	<b>9.3</b>	<b>&gt; +100.0</b>	<b>228.3</b>	<b>-2.9</b>	<b>&gt; +100.0</b>
EBIT <sup>2,3</sup> /Net sales	%	14.7	1.4		10.0	-0.2	
<b>Net profit</b>	€ million	<b>81.5</b>	<b>3.7</b>	<b>&gt; +100.0</b>	<b>135.2</b>	<b>-10.9</b>	<b>&gt; +100.0</b>
<b>Earnings per share on full distribution<sup>4</sup></b>							
per preferred share	€	3.34	0.22	> +100.0	5.58	-0.60	> +100.0
per common share	€	3.32	0.20	> +100.0	5.53	-0.65	> +100.0
DVA <sup>5,6,7</sup>	€ million	197.7	3.2	> +100.0	197.7	3.2	> +100.0
Research and development costs	€ million	68.2	65.3	+4.5	208.7	194.3	+7.4
Equity ratio <sup>5,8</sup>	%	31.0	39.8		31.0	39.8	
Cash flow from operating activities	€ million	59.8	46.1	+29.7	93.7	77.4	+21.0
Net financial debt <sup>2,8,9</sup>	€ million	491.7	150.8	> +100.0	491.7	150.8	> +100.0
Investments <sup>10</sup>	€ million	52.6	27.6	+90.7	113.4	88.1	+28.7
Capital employed <sup>2,8,11,12</sup>	€ million	1,525.8	1,431.7	+6.6	1,525.8	1,431.7	+6.6
Net working capital <sup>8,12,13</sup>	€ million	735.7	630.9	+16.6	735.7	630.9	+16.6
EBIT <sup>2,3,6</sup> /Capital employed <sup>2,8,11,12</sup> (ROCE) <sup>5</sup>	%	19.5	7.0		19.5	7.0	
Net financial debt <sup>2,8,9</sup> /EBITDA <sup>1,2,6</sup>	Factor	1.16	0.71		1.16	0.71	
Gearing <sup>9,14</sup>	Factor	0.52	0.15		0.52	0.15	
Headcount as of September 30		15,441	14,790	+4.4	15,441	14,790	+4.4

<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 September 30, 2019, see table on page 3 of the Quarterly Statement for the third quarter 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> Including the payment obligation of EUR 451.2 million from the termination of the participation certificates as of September 30, 2020

<sup>10</sup> Including investments in right-of-use assets according to IFRS 16

<sup>11</sup> Capital employed = total assets less deferred tax assets, securities, cash and cash equivalents, non-interest-bearing liabilities and other non-operating items

<sup>12</sup> Due to the redefinition of the key figure in December 2019, the previous year's figures have been adjusted.

<sup>13</sup> Net working capital = Trade receivables and inventories less trade payables, customer prepayments, short-term operating provisions and other short-term operating items

<sup>14</sup> Gearing = Net financial debt/equity

## Business performance of the Dräger Group

### ORDER INTAKE

in € million	Third quarter				Nine months			
	2020	2019	Change in %	Net of currency effects in %	2020	2019	Change in %	Net of currency effects in %
Medical division	405.9	440.2	-7.8	-1.4	2,039.8	1,244.6	+63.9	+67.8
Safety division	341.9	255.5	+33.8	+37.9	999.4	771.4	+29.6	+32.0
<b>Total</b>	<b>747.8</b>	<b>695.7</b>	<b>+7.5</b>	<b>+13.0</b>	<b>3,039.2</b>	<b>2,016.1</b>	<b>+50.7</b>	<b>+54.1</b>
thereof Europe	437.8	385.4	+13.6	+15.0	1,848.7	1,096.7	+68.6	+69.6
thereof Germany	113.2	156.8	-27.8	-27.8	826.0	450.0	+83.6	+83.6
thereof Americas	132.0	126.3	+4.5	+21.4	509.5	388.6	+31.1	+39.8
thereof Africa, Asia, and Australia	178.1	184.0	-3.2	+3.1	681.0	530.8	+28.3	+32.4

### ORDER INTAKE

We increased our order intake by 54.1 percent in the first nine months of the year (net of currency effects). The upward trend at Group level was strongest in Europe, where order intake was up by almost 70 percent. We also recorded strong growth in the Americas and Africa, Asia, and Australia regions. Third-quarter orders were up by 13.0 percent (net of currency effects). All of our regions contributed to this growth.

Orders in the medical division rose by 67.8 percent in the first nine months of the year (net of currency effects), with the strongest growth again coming in Europe. Demand was also up significantly in the Americas and Africa, Asia, and Australia regions. Order intake in the third quarter almost reached the prior-year level. Third-quarter demand increased in the Americas and Africa, Asia, and Australia regions, whereas order intake declined in Europe.

In the safety division, order intake rose by 32.0 percent in the first nine months of the year. The Europe region again accounted for the largest rise, followed by the Americas region, while growth in the Africa, Asia, and Australia region was lower. Orders actually increased somewhat more significantly in the third quarter, at 37.9 percent (net of currency effects). This was due to extremely high demand in Europe, and, in particular, a major order for FFP masks from the United Kingdom.

**NET SALES**

in € million	Third quarter				Nine months			
	2020	2019	Change in %	Net of currency effects in %	2020	2019	Change in %	Net of currency effects in %
Medical division	602.6	406.9	+48.1	+54.9	1,531.5	1,168.9	+31.0	+34.4
Safety division	259.9	255.9	+1.6	+5.1	759.4	729.9	+4.0	+6.1
<b>Total</b>	<b>862.5</b>	<b>662.9</b>	<b>+30.1</b>	<b>+35.7</b>	<b>2,290.9</b>	<b>1,898.8</b>	<b>+20.7</b>	<b>+23.6</b>
thereof Europe	502.2	359.3	+39.8	+41.3	1,335.6	1,027.5	+30.0	+30.9
thereof Germany	211.1	155.0	+36.2	+36.3	547.7	418.2	+31.0	+31.0
thereof Americas	157.3	129.6	+21.4	+36.9	415.3	381.2	+8.9	+16.6
thereof Africa, Asia, and Australia	203.0	174.0	+16.7	+23.1	540.1	490.1	+10.2	+13.5

**NET SALES**

Net sales increased by 23.6 percent (net of currency effects) in the first nine months of the year. Deliveries in Europe rose by a considerable margin, whereas the increase in the Americas and Africa, Asia, and Australia regions was somewhat lower. Net sales climbed even more sharply in the third quarter, up 35.7 percent (net of currency effects). All regions contributed to this increased growth. Net sales increased particularly in the medical division, but the safety division also recorded solid growth figures.

**EARNINGS**

Gross profit in the first nine months of 2020 increased by EUR 278.4 million to EUR 1,087.2 million (9 months 2019: EUR 808.8 million). This increase was due to significant revenue growth in the reporting period, high production capacity utilization, and a positive country and product mix, coupled with fewer tender processes and their associated negative effects on margins. Currency effects had a negative impact on both gross profit and the gross margin. At 47.5 percent, the gross margin was significantly higher than the prior-year figure (9 months 2019: 42.6 percent).

We recorded increases in gross profit and gross margin across both segments. The medical division in particular made a disproportionately high contribution to growth, however there was also significant growth in the safety division.

Gross profit rose by a significant year-on-year margin of EUR 131.6 million in the third quarter. The increase in the gross margin by 5.3 percentage points to 48.2 percent had a major impact here, as did the increase in net sales. Both divisions played a part in this trend in the third quarter, with the medical division making a much more significant contribution.

Functional costs were up by 7.1 percent in the first nine months of the year (net of currency effects). The increase stood at 5.7 percent in nominal terms thanks to the marginally positive currency effects.

Net of positive currency effects, sales and marketing costs increased by 3.9 percent year-on-year (+2.2 percent in nominal terms) in the first nine months of 2020. In addition to an increase in personnel costs in sales, logistics costs also climbed due to the higher net sales volume and freight rates.

Net of change in exchange rates, research and development (R&D) costs increased by 7.8 percent (+7.4 percent in nominal terms). Due to the sharp rise in net sales volume, the ratio of R&D costs to net sales (R&D ratio) declined to 9.1 percent (9 months 2019: 10.2 percent). Our administrative costs were up 14.1 percent (+12.5 percent in nominal terms) compared to the first nine months of the prior year.

The financial result (before interest result) after the first nine months amounted to EUR –4.9 million (9 months 2019: EUR –4.0 million). All in all, Group earnings before interest and taxes stood at EUR 228.3 million in the first nine months of the year (9 months 2019: EUR –2.9 million). This caused the EBIT margin to increase to 10.0 percent (9 months 2019: –0.2 percent). In the third quarter, EBIT rose by EUR 117.4 million to EUR 126.7 million compared to the prior-year period.

Interest expenses increased by EUR 12.6 million to EUR –26.1 million (9 months 2019: EUR –13.5 million). The change in interest result was caused by the interest effect resulting from the termination of participation certificates. The tax rate stood at 33.2 percent in the first nine months of the year (9 months 2019: 33.7 percent). Earnings after income taxes amounted to EUR 135.2 million, EUR 146.1 million higher than the prior-year figure (9 months 2019: EUR –10.9 million).

#### **INVESTMENTS**

Investments in the first nine months of 2020 amounted to EUR 113.4 million (9 months 2019: EUR 88.1 million). Of this amount, EUR 81.2 million was attributable to property, plant and equipment (9 months 2019: EUR 49.1 million) and EUR 28.3 million to right-of-use assets (9 months 2019: EUR 35.2 million). The majority of investments were replacement investments.

Demand for FFP masks was significantly higher than our production capacity, which is why we decided to expand our capacities. Expansion at a total of five sites will require a significant eight-digit investment in fiscal year 2020. EUR 20.4 million of this amount has already been invested in the first nine months of the year.

Investments in intangible assets stood at EUR 4.0 million (9 months 2019: EUR 3.9 million) in the first nine months of the year.

Depreciation and amortization in the same period amounted to EUR 90.8 million (9 months 2019: EUR 90.4 million). Investments covered 124.9 percent of depreciation and amortization, meaning that non-current assets rose accordingly by EUR 22.6 million.

#### **EQUITY**

The equity ratio stood at 31.0 percent as of September 30, 2020, and was therefore down on the figure as of December 31, 2019 (41.9 percent). Equity fell by EUR 138.3 million to

EUR 938.0 million in the first nine months of 2020. This was predominantly due to the termination of all participation certificates in the first and second quarters of 2020. Equity fell accordingly by EUR 315.4 million in the first nine months of the year. Of this amount, EUR 29.5 million was attributed to participation certificate equity shares and EUR 285.9 million to the changes in equity through profit or loss and directly in equity associated with the termination. The adjustment of the parameters for calculating pension provisions in Germany, particularly the lowering of the discounting rate from 1.10 percent to 1.00 percent, increased pension provisions by EUR 29.7 million, while the net amount of this adjustment of EUR 20.3 million after deferred tax liabilities reduced reserves from retained earnings recognized directly in equity. At the same time, debt rose by EUR 425.2 million as a result of the termination of the participation certificates, EUR 451.2 million resulted from the compounded purchase price commitment less EUR 26.0 million for the reduction of the debt components attributable to the participation certificates. The capital increase in April 2020 had a positive impact on equity, resulting in a net increase of EUR 75.6 million.

All told, the aforementioned effects caused the equity ratio to fall by around 11 percentage points.

#### **DRÄGER VALUE ADDED**

Dräger Value Added (DVA) increased by EUR 194.5 million to EUR 197.7 million year-on-year in the 12 months to September 30, 2020 (12 months to September 30, 2019: EUR 3.2 million). Rolling EBIT rose year-on-year by EUR 197.0 million. Capital costs increased by EUR 2.6 million, since average capital employed increased by 2.7 percent to EUR 1,430.3 million.

Average current assets rose by a disproportionately low margin compared to net sales. As a result, days working capital (coverage of current assets) decreased by 7.5 days to 100.7 days. The calculation of days working capital was adjusted at the end of 2019, primarily to better 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

		Third quarter				Nine months			
		2020	2019	Change in %	Net of currency effects in %	2020	2019	Change in %	Net of currency effects in %
<b>Order intake</b>									
<b>with third parties</b>	<b>€ million</b>	<b>405.9</b>	<b>440.2</b>	<b>-7.8</b>	<b>-1.4</b>	<b>2,039.8</b>	<b>1,244.6</b>	<b>+63.9</b>	<b>+67.8</b>
thereof Germany	€ million	53.0	94.5	-43.9	-43.9	596.4	267.3	+123.1	+123.1
<b>Net sales</b>									
<b>with third parties</b>	<b>€ million</b>	<b>602.6</b>	<b>406.9</b>	<b>+48.1</b>	<b>+54.9</b>	<b>1,531.5</b>	<b>1,168.9</b>	<b>+31.0</b>	<b>+34.4</b>
thereof Germany	€ million	143.6	92.8	+54.7	+54.7	359.8	255.3	+41.0	+41.0
<b>EBITDA</b> <sup>1</sup>	<b>€ million</b>	<b>130.4</b>	<b>10.8</b>	<b>&gt; +100.0</b>		<b>239.3</b>	<b>15.5</b>	<b>&gt; +100.0</b>	
<b>EBIT</b> <sup>2</sup>	<b>€ million</b>	<b>115.5</b>	<b>-5.3</b>	<b>&gt; +100.0</b>		<b>193.4</b>	<b>-32.7</b>	<b>&gt; +100.0</b>	
EBIT <sup>2</sup> /Net sales	%	19.2	-1.3			12.6	-2.8		
Capital employed <sup>3,4</sup>	€ million	943.0	850.8	+10.8		943.0	850.8	+10.8	
EBIT <sup>2,5,6</sup> /Capital employed <sup>3,4</sup> (ROCE)	%	25.4	3.6			25.4	3.6		
DVA <sup>5,6,7</sup>	€ million	179.8	-27.4	> +100.0		179.8	-27.4	> +100.0	

<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> 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

in € million	Third quarter				Nine months			
	2020	2019	Change in %	Net of currency effects in %	2020	2019	Change in %	Net of currency effects in %
Europe	190.8	229.4	-16.8	-15.2	1,171.5	625.2	+87.4	+88.5
thereof Germany	53.0	94.5	-43.9	-43.9	596.4	267.3	+123.1	+123.1
Americas	94.1	85.1	+10.5	+28.5	357.9	256.5	+39.5	+49.4
Africa, Asia, and Australia	121.0	125.7	-3.7	+3.7	510.4	362.9	+40.7	+45.0
<b>Total</b>	<b>405.9</b>	<b>440.2</b>	<b>-7.8</b>	<b>-1.4</b>	<b>2,039.8</b>	<b>1,244.6</b>	<b>+63.9</b>	<b>+67.8</b>

### ORDER INTAKE

Order intake in the medical division increased significantly in the first nine months of the year, with a 67.8 percent rise (net of currency effects).

Ventilator orders quadrupled year-on-year. Order intake also increased by a considerable margin in patient monitoring and data management, as well as in the accessories business. We also recorded significant rises in demand for anesthesia devices and service business. Demand in hospital infrastructure business only just matched the prior-year level. Only in relation to thermoregulation equipment was there a decline in order intake in the first nine months of the year.

In Europe, order intake almost doubled in the first nine months of the year, with an 88.5 percent rise (net of currency effects). Orders from Germany played an important role here. There were also large rises in order intake in the Africa, Asia, and Australia and Americas regions (net of currency effects). In absolute terms, the strongest increases in demand were recorded in Germany, China, the United States, the United Kingdom, and Australia. Orders in Pakistan, Saudi Arabia, and Bangladesh, on the other hand, declined.

Order intake in the third quarter was almost on a par with the prior year. Production had recently reached full capacity due to the significant increase in ventilator orders over the past few months and the resulting high number of orders on hand, so that only a small number of ventilator orders were able to be accepted. A change in allocation due to an amendment to a major ventilator order from the German Federal Ministry of Health had an impact on varying regional growth. The concluding amendment of the orders on hand will follow in the fourth quarter after the new contract closing with the German Federal Ministry of Health.

Demand rose particularly in the Americas region, but also in Africa, Asia, and Australia, whereas order intake in Europe was down.

**NET SALES**

	Third quarter				Nine months			
	2020	2019	Change in %	Net of currency effects in %	2020	2019	Change in %	Net of currency effects in %
<b>in € million</b>								
Europe	334.6	206.4	+62.1	+64.0	842.2	587.8	+43.3	+44.3
thereof Germany	143.6	92.8	+54.7	+54.7	359.8	255.3	+41.0	+41.0
Americas	117.1	87.0	+34.5	+51.7	294.5	251.6	+17.1	+25.9
Africa, Asia, and Australia	151.0	113.5	+33.0	+40.7	394.8	329.5	+19.8	+23.4
<b>Total</b>	<b>602.6</b>	<b>406.9</b>	<b>+48.1</b>	<b>+54.9</b>	<b>1,531.5</b>	<b>1,168.9</b>	<b>+31.0</b>	<b>+34.4</b>

**NET SALES**

Net sales in the medical division increased by 34.4 percent (net of currency effects) in the first nine months of the year. The Europe region contributed primarily to this trend, however deliveries in the Americas region and in the Africa, Asia, and Australia region also rose significantly. Net sales rose by 54.9 percent (net of currency effects) in the third quarter.

**EARNINGS**

The significant rise in net sales saw gross profit increase by 50.0 percent in the first nine months. The gross margin increased significantly by 6.0 percentage points. This was primarily due to volume-related regressive effects in manufacturing, a positive country and product mix, and fewer tender processes with their negative effects on margins. Significant increases in profitability were achieved in the third quarter as a result of higher net sales, a beneficial product and country mix, and manufacturing running at full capacity. Gross profit was up by 75.3 percent in the third quarter, while the gross margin increased by 7.7 percentage points.

Functional costs were up by 4.6 percent year-on-year in the first nine months of 2020 (net of currency effects; 3.2 percent in nominal terms). This was primarily due to increased logistics costs on account of the considerably higher number of deliveries and rising freight rates. Functional costs climbed by 7.7 percent in the third quarter (4.4 percent in nominal terms).

EBIT in the medical division stood at EUR 193.4 million in the first nine months of 2020 (9 months 2019: EUR –32.7 million). The EBIT margin rose from –2.8 percent to 12.6 percent. In the third quarter, EBIT amounted to EUR 115.5 million (third quarter 2019: EUR –5.3 million). The EBIT margin came in at 19.2 percent (third quarter 2019: –1.3 percent).

Dräger Value Added in the medical division rose by EUR 207.2 million to EUR 179.8 million year-on-year in the 12 months to September 30, 2020 (12 months to September 30, 2019: EUR –27.4 million). Rolling EBIT rose year-on-year by EUR 208.9 million. Capital costs only increased by EUR 1.7 million.



**BUSINESS PERFORMANCE OF THE SAFETY DIVISION**

		Third quarter				Nine months			
		2020	2019	Change in %	Net of currency effects in %	2020	2019	Change in %	Net of currency effects in %
<b>Order intake</b>									
<b>with third parties</b>	<b>€ million</b>	<b>341.9</b>	<b>255.5</b>	<b>+33.8</b>	<b>+37.9</b>	<b>999.4</b>	<b>771.4</b>	<b>+29.6</b>	<b>+32.0</b>
thereof Germany	€ million	60.2	62.3	-3.4	-3.4	229.6	182.7	+25.7	+25.7
<b>Net sales</b>									
<b>with third parties</b>	<b>€ million</b>	<b>259.9</b>	<b>255.9</b>	<b>+1.6</b>	<b>+5.1</b>	<b>759.4</b>	<b>729.9</b>	<b>+4.0</b>	<b>+6.1</b>
thereof Germany	€ million	67.6	62.2	+8.7	+8.7	187.8	162.9	+15.3	+15.3
<b>EBITDA</b> <sup>1</sup>	<b>€ million</b>	<b>26.4</b>	<b>29.0</b>	<b>-9.2</b>		<b>79.8</b>	<b>71.9</b>	<b>+10.9</b>	
<b>EBIT</b> <sup>2</sup>	<b>€ million</b>	<b>11.2</b>	<b>14.6</b>	<b>-22.9</b>		<b>34.9</b>	<b>29.8</b>	<b>+17.0</b>	
EBIT <sup>2</sup> /Net sales	%	4.3	5.7			4.6	4.1		
Capital employed <sup>3,4</sup>	€ million	582.8	581.0	+0.3		582.8	581.0	+0.3	
EBIT <sup>2,5,6</sup> /Capital employed <sup>3,4</sup> (ROCE)	%	10.0	12.1			10.0	12.1		
DVA <sup>5,6,7</sup>	€ million	17.9	30.6	-41.7		17.9	30.6	-41.7	

<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

in € million	Third quarter				Nine months			
	2020	2019	Change in %	Net of currency effects in %	2020	2019	Change in %	Net of currency effects in %
Europe	247.0	156.0	+58.3	+59.5	677.2	471.5	+43.6	+44.6
thereof Germany	60.2	62.3	-3.4	-3.4	229.6	182.7	+25.7	+25.7
Americas	37.9	41.2	-8.1	+6.8	151.6	132.0	+14.8	+21.0
Africa, Asia, and Australia	57.1	58.3	-2.1	+2.0	170.6	167.9	+1.6	+5.4
<b>Total</b>	<b>341.9</b>	<b>255.5</b>	<b>+33.8</b>	<b>+37.9</b>	<b>999.4</b>	<b>771.4</b>	<b>+29.6</b>	<b>+32.0</b>

#### ORDER INTAKE

Order intake in the safety division rose by 32.0 percent (net of currency effects) in the first nine months of the year. Demand for light respiratory protection jumped, with orders for safety accessories more than tripling. The service business also grew, and there was a rise in the gas detection business. By contrast, there was a decrease in the demand for respiratory and personal protection products, alcohol detection devices, and engineered solutions businesses.

In Europe, order intake increased significantly in the first nine months of the year, with a 44.6 percent rise (net of currency effects). In Germany, growth stood at 25.7 percent. In the Americas region, orders were 21.0 percent higher (net of currency effects), while order intake in the Africa, Asia, and Australia region grew by 5.4 percent (net of currency effects).

Increased demand in the United Kingdom, Germany, the United States, Sweden, and France was offset by decreases in order intake in Taiwan, the Netherlands, Ukraine, as well as in Australia and Saudi Arabia.

Orders rose by 37.9 percent (net of currency effects) in the third quarter. The strongest rise was recorded in the Europe region, which included a large order for protective masks in the United Kingdom in particular. This large order will be delivered in the years 2021 and 2022. Orders also rose in the Americas region and the Africa, Asia, and Australia region.

**NET SALES**

in € million	Third quarter				Nine months			
	2020	2019	Change in %	Net of currency effects in %	2020	2019	Change in %	Net of currency effects in %
Europe	167.7	152.9	+9.7	+10.7	493.3	439.7	+12.2	+13.0
thereof Germany	67.6	62.2	+8.7	+8.7	187.8	162.9	+15.3	+15.3
Americas	40.3	42.6	-5.4	+6.6	120.8	129.6	-6.8	-1.4
Africa, Asia, and Australia	52.0	60.5	-14.0	-10.0	145.2	160.6	-9.6	-6.7
<b>Total</b>	<b>259.9</b>	<b>255.9</b>	<b>+1.6</b>	<b>+5.1</b>	<b>759.4</b>	<b>729.9</b>	<b>+4.0</b>	<b>+6.1</b>

**NET SALES**

Net sales in the safety division increased by 6.1 percent (net of currency effects) in the first nine months of the year. Deliveries in Europe rose considerably, particularly in Germany, while a decline in net sales was recorded in the Africa, Asia, and Australia region as well as in the Americas region. In the third quarter, growth in net sales of 5.1 percent (net of currency effects) was generated, with both the Europe region and the Americas region contributing to that development. The new mask production facility in the United States began operations in September and contributed initial net sales.

**EARNINGS**

Gross profit in the safety division increased by 10.9 percent in the first nine months due to a substantial rise in net sales volume. The gross margin increased by 2.9 percentage points. This was mainly due to a positive product and country mix as well as other margin effects. Gross profit increased by 3.0 percent in the third quarter, with the gross margin rising by 0.6 percentage points on account of the positive product mix.

Functional costs were up 11.5 percent (net of currency effects) year-on-year (10.2 percent in nominal terms) in the first nine months of 2020. The main driver of this development was higher logistics services costs.

EBIT in the safety division stood at EUR 34.9 million in the first nine months of 2020 (9 months 2019: EUR 29.8 million); the EBIT margin was 4.6 percent (9 months 2019: 4.1 percent). In the third quarter, EBIT amounted to EUR 11.2 million (third quarter 2019: EUR 14.6 million). The EBIT margin for the third quarter stood at 4.3 percent (third quarter 2019: 5.7 percent).

Dräger Value Added in the safety division fell by EUR 12.8 million to EUR 17.9 million year-on-year in the 12 months to September 30, 2020 (12 months to September 30, 2019: EUR 30.6 million). The safety division's rolling EBIT fell year-on-year by EUR 11.9 million. Capital costs were up slightly by EUR 0.9 million on account of an increase in 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 2019 annual report (pages 59 et seq.), which describes our expectations for 2020 in detail. The following table provides an overview of the expectations regarding the development of various forecast figures. The forecast horizon generally covers one fiscal year.

EXPECTATIONS FOR FISCAL YEAR 2020			
	Results achieved Fiscal year 2019	Forecast Fiscal year 2020 (last published)	Current forecast
Net sales (net of currency effects)	5.9 %	14.0 to 22.0 %	In the mid- to upper range of our forecast corridor
EBIT margin	2.4 %	7.0 to 11.0 % <sup>1</sup>	In the mid- to upper range of our forecast corridor
DVA	EUR -32.7 million	EUR 110 to 260 million	Confirmed
<b>Other forecast figures:</b>			
Gross margin	42.7 %	Significant increase year-on-year	Confirmed
Research and development costs	EUR 263.7 million	EUR 275 to 290 million	Confirmed
Net interest result	EUR -17.0 million	Increase in interest expenses	Confirmed
Days Working Capital (DWC) <sup>2</sup>	109.4 days	Improvement	Confirmed
Investment volume <sup>3</sup>	EUR 78.7 million	EUR 125 to 145 million	Confirmed
Net financial debt	EUR 88.7 million	Increase	Confirmed

<sup>1</sup> Based on exchange rates at the start of fiscal year 2020

<sup>2</sup> The calculation method for this figure has been adjusted at the end of fiscal year 2019. The figure shown here for 2019 is based on the modified method.

<sup>3</sup> Excluding acquisitions and the effects of capitalizing right-of-use assets pursuant to IFRS 16

Due to the dynamic development of net sales in the second and third quarters in particular, Dräger expects the level of net sales to rise to a figure within the mid- to upper range of the forecast corridor.

Our EBIT margin will benefit from the strong rise in net sales and the significant rise in gross profit. For fiscal year 2020, we now also expect a result in the mid- to upper range of the forecast corridor.

At the moment, we expect net sales volume and therefore also earnings in fiscal year 2021 to be lower than the levels recorded in 2020. This depends not only on sustained demand for products in connection with the coronavirus pandemic, but also on the general economic recovery, which affects many industries and therefore plays an important role in our business.

We will provide a confirmed forecast for fiscal year 2021 when we publish the results for fiscal year 2020.

**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 28, 2020

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 2020	Third quarter 2019	Nine months 2020	Nine months 2019
Net sales	862,548	662,869	2,290,948	1,898,801
Cost of sales	-446,480	-378,394	-1,203,748	-1,090,030
<b>Gross profit</b>	<b>416,068</b>	<b>284,476</b>	<b>1,087,200</b>	<b>808,771</b>
Research and development costs	-68,242	-65,327	-208,744	-194,330
Marketing and selling expenses	-154,595	-157,274	-469,686	-459,712
General administrative costs	-60,443	-50,168	-170,182	-151,239
Impairment losses on financial and contract assets	-4,809	-854	-6,488	-3,253
Other operating income	577	712	1,899	2,152
Other operating expenses	-253	-329	-791	-1,299
	<b>-287,765</b>	<b>-273,238</b>	<b>-853,992</b>	<b>-807,680</b>
	<b>128,303</b>	<b>11,237</b>	<b>233,208</b>	<b>1,090</b>
Result from net monetary positions	-918	-628	-1,679	-626
Result from investments in associates	328	-	328	-
Result from other investments	-	-	3	-
Other financial result	-1,037	-1,334	-3,541	-3,370
<b>Financial result (before interest result)</b>	<b>-1,627</b>	<b>-1,962</b>	<b>-4,889</b>	<b>-3,997</b>
<b>EBIT</b>	<b>126,676</b>	<b>9,275</b>	<b>228,319</b>	<b>-2,906</b>
Interest result	-5,718	-4,653	-26,110	-13,546
<b>Earnings before income taxes</b>	<b>120,957</b>	<b>4,622</b>	<b>202,209</b>	<b>-16,452</b>
Income taxes	-39,504	-936	-67,043	5,546
<b>Earnings after income taxes</b>	<b>81,454</b>	<b>3,686</b>	<b>135,166</b>	<b>-10,906</b>
<b>Earnings after income taxes</b>	<b>81,454</b>	<b>3,686</b>	<b>135,166</b>	<b>-10,906</b>
Earnings to non-controlling interests	-60	-20	-128	236
Earnings attributable to shareholders and holders of participation certificates <sup>1</sup>	81,513	3,706	135,294	-11,142
<b>Undiluted/diluted earnings per share on full distribution<sup>2</sup></b>				
per preferred share (in €)	3.34	0.22	5.58	-0.60
per common share (in €)	3.32	0.20	5.53	-0.65

<sup>1</sup> The holders of the participation certificates do not participate in 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	Nine months 2020	Nine months 2019
<b>Earnings after income taxes</b>	<b>135,166</b>	<b>-10,906</b>
<b>Items that cannot be reclassified into the income statement</b>		
Remeasurements of defined benefit pension plans	-30,486	-90,322
Deferred taxes on remeasurements of defined benefit pension plans	9,334	28,409
<b>Items that may be reclassified into the income statement in the future</b>		
Currency translation adjustment for foreign subsidiaries	-26,723	11,993
Change in the cash flow hedge reserve recognized directly in equity	12,289	-6,762
Deferred taxes on changes in the cash flow hedge reserve recognized directly in equity	-3,863	1,977
<b>Other comprehensive income (after taxes)</b>	<b>-39,450</b>	<b>-54,705</b>
<b>Total comprehensive income</b>	<b>95,716</b>	<b>-65,611</b>
thereof earnings attributable to non-controlling interests	-556	232
thereof earnings attributable to shareholders and holders of participation certificates <sup>1</sup>	96,271	-65,843

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

**CONSOLIDATED BALANCE SHEET OF THE DRÄGER GROUP**

in € thousand	September 30, 2020	December 31, 2019
<b>Assets</b>		
Intangible assets	331,669	333,985
Property, plant and equipment	434,071	416,520
Right-of-use assets	103,472	109,734
Investments in associates	8,183	2,475
Non-current trade receivables	1,815	1,499
Other non-current financial assets	21,018	15,501
Deferred tax assets	306,789	177,808
Other non-current assets	4,015	3,910
<b>Non-current assets</b>	<b>1,211,032</b>	<b>1,061,433</b>
Inventories	703,869	485,158
Trade receivables and contract assets	717,526	710,696
Other current financial assets	52,379	28,669
Cash and cash equivalents	212,702	196,314
Current income tax refund claims	41,511	29,436
Other current assets	87,803	59,204
<b>Current assets</b>	<b>1,815,789</b>	<b>1,509,478</b>
<b>Total assets</b>	<b>3,026,821</b>	<b>2,570,910</b>

in € thousand	September 30, 2020	December 31, 2019
<b>Equity and liabilities</b>		
Capital stock	48,026	45,466
Capital reserves	307,035	234,028
Reserves retained from earnings, incl. group result	613,351	779,162
Participation capital	0	29,497
Other comprehensive income	-31,220	-13,350
Non-controlling interests	857	1,556
<b>Equity</b>	<b>938,048</b>	<b>1,076,359</b>
Liabilities from participation certificates	0	25,988
Provisions for pensions and similar obligations	414,591	390,939
Other non-current provisions	59,522	59,388
Non-current interest-bearing loans and liabilities to banks	45,452	118,569
Other non-current financial liabilities	386,453	98,074
Non-current income tax liabilities	19,194	19,267
Deferred tax liabilities	3,035	3,327
Other non-current liabilities	34,537	32,410
<b>Non-current liabilities</b>	<b>962,785</b>	<b>747,962</b>
Other current provisions	230,168	215,120
Current interest-bearing loans and liabilities to banks	97,582	51,009
Trade payables	219,452	205,106
Other current financial liabilities	228,859	70,660
Current income tax liabilities	97,559	22,860
Other current liabilities	252,369	181,833
<b>Current liabilities</b>	<b>1,125,988</b>	<b>746,589</b>
<b>Total equity and liabilities</b>	<b>3,026,821</b>	<b>2,570,910</b>

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

in € thousand	Third quarter 2020	Third quarter 2019	Nine months 2020	Nine months 2019
<b>Operating activities</b>				
Earnings after income taxes	81,454	3,686	135,166	-10,906
+ Write-down of non-current assets	30,058	30,506	90,779	90,359
+ Interest result	5,718	4,653	26,110	13,546
+/- Income taxes	39,504	936	67,043	-5,546
+ Increase in provisions	22,072	26,469	11,874	7,864
+/- Other non-cash expenses/income	24,868	-2,803	50,597	-5,025
+/- Losses/gains from the disposal of non-current assets	40	-51	-84	295
- Increase in inventories	-70,412	-30,631	-245,496	-92,105
- Increase in leased equipment	-2,961	-3,310	-8,227	-9,117
+/- Decrease/increase in trade receivables	-52,443	-11,109	-41,984	105,003
+/- Decrease/increase in other assets	789	9,700	-39,879	-12,063
+/- Increase/decrease in trade payables	-19,339	24,372	17,976	-8,040
+ Increase in other liabilities	19,774	4,742	83,980	23,250
+ Dividends received	328	-	331	-
- Cash outflow for income taxes	-15,176	-8,393	-31,796	-11,999
- Cash outflow for interests	-4,848	-3,134	-24,104	-9,689
+ Cash inflow from interests	396	510	1,421	1,618
<b>Cash inflow from operating activities</b>	<b>59,823</b>	<b>46,142</b>	<b>93,707</b>	<b>77,444</b>
<b>Investing activities</b>				
- Cash outflow for investments in intangible assets	-1,253	-1,956	-4,158	-4,739
+ Cash inflow from disposals of intangible assets	63	0	63	0
- Cash outflow for investments in property, plant and equipment	-33,876	-12,701	-71,464	-40,413
+ Cash inflow from disposals of property, plant and equipment	1	273	650	1,853
- Cash outflow for investments in non-current financial assets	-785	-2,097	-10,037	-2,110
+ Cash inflow from disposals of non-current financial assets	0	812	36	932
- Cash outflow from the acquisition of subsidiaries	-	-	-	-500
+ Cash inflow from the disposal of subsidiaries	-	-	549	-
<b>Cash outflow from investing activities</b>	<b>-35,850</b>	<b>-15,669</b>	<b>-84,361</b>	<b>-44,976</b>
<b>Financing activities</b>				
- Distribution of dividends (including dividends for participation certificates)	-5,196	-	-5,196	-4,001
+ Cash provided by raising loans	3,311	1,862	7,442	8,687
- Cash used to redeem loans	-4,075	-5,861	-17,539	-12,712
+/- Net balance of other liabilities to banks	602	-10,588	-12,946	-24,467
- Repayment of lease liabilities	-10,090	-9,601	-29,263	-25,291
+ Cash inflow from capital increases	-	-	75,217	-
- Profit distributed to non-controlling interests	-	-332	-140	-332
<b>Cash inflow/outflow from financing activities</b>	<b>-15,448</b>	<b>-24,519</b>	<b>17,576</b>	<b>-58,115</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>8,525</b>	<b>5,954</b>	<b>26,921</b>	<b>-25,647</b>
+/- Effect of exchange rates on cash and cash equivalents	-4,479	560	-10,534	2,805
+ Cash and cash equivalents at the beginning of the reporting period	208,656	150,204	196,314	179,561
<b>Cash and cash equivalents on reporting date</b>	<b>212,702</b>	<b>156,718</b>	<b>212,702</b>	<b>156,718</b>



**BUSINESS PERFORMANCE OF THE SEGMENTS**

		Medical division		Safety division		Group	
		Nine months 2020	Nine months 2019	Nine months 2020	Nine months 2019	Nine months 2020	Nine months 2019
<b>Order intake with third parties</b>	<b>€ million</b>	<b>2,039.8</b>	<b>1,244.6</b>	<b>999.4</b>	<b>771.4</b>	<b>3,039.2</b>	<b>2,016.1</b>
Europe	€ million	1,171.5	625.2	677.2	471.5	1,848.7	1,096.7
thereof Germany	€ million	596.4	267.3	229.6	182.7	826.0	450.0
Americas	€ million	357.9	256.5	151.6	132.0	509.5	388.6
Africa, Asia, and Australia	€ million	510.4	362.9	170.6	167.9	681.0	530.8
<b>Net sales with third parties</b>	<b>€ million</b>	<b>1,531.5</b>	<b>1,168.9</b>	<b>759.4</b>	<b>729.9</b>	<b>2,290.9</b>	<b>1,898.8</b>
Europe	€ million	842.2	587.8	493.3	439.7	1,335.6	1,027.5
thereof Germany	€ million	359.8	255.3	187.8	162.9	547.7	418.2
Americas	€ million	294.5	251.6	120.8	129.6	415.3	381.2
Africa, Asia, and Australia	€ million	394.8	329.5	145.2	160.6	540.1	490.1
<b>EBITDA<sup>1</sup></b>	<b>€ million</b>	<b>239.3</b>	<b>15.5</b>	<b>79.8</b>	<b>71.9</b>	<b>319.1</b>	<b>87.5</b>
Depreciation/Amortization	€ million	-45.9	-48.2	-44.9	-42.1	-90.8	-90.4
<b>EBIT<sup>2</sup></b>	<b>€ million</b>	<b>193.4</b>	<b>-32.7</b>	<b>34.9</b>	<b>29.8</b>	<b>228.3</b>	<b>-2.9</b>
Capital employed <sup>3,4,5</sup>	€ million	943.0	850.8	582.8	581.0	1,525.8	1,431.7
EBIT <sup>2</sup> /Net sales	%	12.6	-2.8	4.6	4.1	10.0	-0.2
EBIT <sup>2,6,7</sup> /Capital employed <sup>3,4,5</sup> (ROCE)	%	25.4	3.6	10.0	12.1	19.5	7.0
DVA <sup>6,7,8</sup>	€ million	179.8	-27.4	17.9	30.6	197.7	3.2

<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> Due to the redefinition of capital employed in December 2019, the values for 2019 have been adjusted.

<sup>6</sup> The first-time application of IFRS 16 in fiscal year 2019 impacts this key figure. Therefore, comparability is limited.

<sup>7</sup> Value of the last twelve months

<sup>8</sup> Dräger Value Added = EBIT less cost of capital of average invested capital

**FINANCIAL CALENDAR**

Annual accounts press conference	March 4, 2021
Analysts' meeting	March 4, 2021
Report as of March 31, 2021, Conference call	April 29, 2021
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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