

Press release | No. 15, March 7, 2024

Dräger significantly increases net sales and profit in fiscal year 2023 and pays significantly higher dividend

- **Order intake (net of currency effects) slightly above the high prior-year level**
- **Net sales increase by around 13 percent (net of currency effects) compared to the prior year**
- **Both divisions and all regions contribute to net sales growth**
- **EBIT well up at around EUR 166 million**
- **Dividend for 2023: EUR 1.74 per common share (2022: EUR 0.13) and EUR 1.80 per preferred share (2022: EUR 0.19)**
- **Further increase in profitability planned in the medium term**

Lübeck – Drägerwerk AG & Co. KGaA increased its net sales by 13.1 percent (net of currency effects) to EUR 3,373.5 million in the 2023 fiscal year (2022: EUR 3,045.2 million) and significantly improved its profitability: earnings before interest and taxes (EBIT) were clearly positive again at EUR 166.4 million (2022: EUR -88.6 million), while the EBIT margin rose by 7.8 percentage points to 4.9 percent (2022: -2.9 percent). Originally, Dräger had expected an increase in net sales of 7.0 to 11.0 percent (net of currency effects) and an EBIT margin of 0.0 to 3.0 percent.

“In 2023, we returned to growth and profitability as promised and even exceeded our original forecast for the year,” says Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG. “Thanks to the noticeable improvement in delivery capability and the continued good demand for our products and services, we were able to significantly increase our net sales and return to black figures. The bottom line at the end of 2023 was a clear profit, which is attributable not only to strong net sales growth but also to our successful cost management.”

Net sales growth across both divisions and all regions

Both divisions, medical and safety, benefited from a noticeable improvement in delivery capability and a positive order trend in the 2023 fiscal year. In the medical division, net sales rose by 10.3 percent (net of currency effects) to EUR 1,966.2 million (2022: EUR 1,821.5 million), which is also due to the significant surge in demand for ventilators in China at the beginning of the year, which led to a very significant net sales boost in the Africa, Asia and Australia region in the first quarter and subsequently normalized. Net sales in the safety division even rose by 17.2 percent (net of currency effects) to EUR 1,407.3 million (2022: EUR 1,223.7 million).

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Significant profit and strongly improved profitability

Earnings development in the 2023 fiscal year was positively impacted in particular by the high net sales growth and improved gross margin. The latter increased to 43.3 percent (2022: 40.7 percent) as a result of higher production and service utilization and more effective price enforcement. Earnings after taxes also improved significantly and amounted to EUR 112.0 million (2022: EUR -63.6 million).

Order intake slightly above high prior-year figure

At EUR 3,290.0 million, order intake in the 2023 fiscal year was nominally 0.2 percent and net of currency effects 2.2 percent above the high prior-year figure (2022: EUR 3,284.7 million). This was due in particular to the positive development in the Europe and Americas regions. Africa, Asia, and Australia recorded a decline.

In the medical division, order intake decreased by 1.3 percent (net of currency effects) to EUR 1,916.2 million (2022: EUR 1,979.3 million). This was due in particular to the lower demand for ventilators and anesthesia devices as well as products from patient monitoring. This decline contrasted with tangible growth in the service business and in the area of hospital infrastructure.

In the safety division, order intake increased by 7.4 percent (net of currency effects) to EUR 1,373.8 million (2022: EUR 1,305.4 million). Growth was driven in particular by our gas detection devices area, which had been increasingly affected by supply chain problems during the prior year and benefited from pent-up demand for customer orders in 2023 thanks to the improved delivery capability. Our service business also grew significantly.

Business development in the fourth quarter

In the fourth quarter, Dräger's order intake increased by 5.0 percent (net of currency effects) to EUR 886.7 million (Q4 2022: EUR 860.6 million). The decline in Africa, Asia and Australia and the Americas was more than offset by significant growth in Europe. In the medical division, order intake remained almost stable with a decline of 0.2 percent (net of currency effects) to EUR 505.5 million (Q4 2022: EUR 517.2 million). The safety division recorded growth of 12.8 percent (net of currency effects) to EUR 381.2 million (Q4 2022: EUR 343.4 million).

Dräger's net sales increased by 5.1 percent (net of currency effects) to EUR 1,052.6 million (Q4 2022: EUR 1,018.2 million). At 41.6 percent, the gross margin was also significantly above the prior-year figure (Q4 2022: 41.0 percent). EBIT improved to EUR 89.5 million (Q4 2022: EUR 59.7 million). The EBIT margin was 8.5 percent (Q4 2022: 5.9 percent).

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Dividend

“As we made a significant profit in 2023 and now have a solid equity ratio of over 40 percent, we will now propose a significantly higher dividend for 2023 compared to the prior year to the annual shareholders' meeting and distribute at least 30 percent of the profit as a dividend in the future. For 2023, our shareholders should receive EUR 1.74 per common share and EUR 1.80 per preferred share,” says Stefan Dräger. For fiscal year 2022, shareholders had received a dividend of EUR 0.13 per common share and EUR 0.19 per preferred share.

Forecast for 2024

In 2023, growth and profitability were supported by catch-up effects as a result of the improvement in the previously limited delivery capability; in addition, the surge in demand for ventilators in China at the beginning of the year had a positive impact on net sales and earnings. These two effects will be absent in the current fiscal year. Against this backdrop, Dräger expects an increase in net sales of 1.0 to 5.0 percent (net of currency effects). In addition, Dräger anticipates an EBIT margin of 2.5 to 5.5 percent.

“Our markets for medical and safety technology are in good shape worldwide and offer us excellent growth opportunities. Demand for our Technology for Life remains high. We are therefore well placed to become even more profitable. This will be our focus in the future,” says Stefan Dräger. “Over the coming years, we want to continue to increase our margin, by one percentage point per year on average. This will enable us to continuously generate a positive value contribution, i.e. a positive DVA, and increase the Company's value.”

Further information is available in the financial report at www.draeger.com.

Disclaimer

This press release contains statements on the future development of Dräger Group. These forward-looking statements are based on the current expectations, presumptions, and forecasts of the Executive Board as well as the information available to date. They were compiled to the best of the company's knowledge. Dräger does not provide any warranty nor assume any responsibility for the future developments and results described above. These are dependent on a number of factors. They entail various risks and contingencies outside of the company's influence and are based on assumptions which could prove to be incorrect. Dräger does not assume any responsibility for updating the forward-looking statements contained in this report. This does not infringe any legal stipulations on the adjustment of forecasts. Information on the financial indicators used (incl. alternative performance measures) can be found on our corporate website www.draeger.com in our Investor Relations section.

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Key figures for the fiscal year (€ million)	2023	2022	Change	Net of cur- rency effects
Order intake	3,290.0	3,284.7	+0.2	+2.2
Europe	1,830.3	1,737.9	+5.3	+5.6
Americas	688.9	666.4	+3.4	+4.4
Africa, Asia, and Australia	770.9	880.4	-12.4	-6.4
Order intake, medical division	1,916.2	1,979.3	-3.2	-1.3
Order intake, safety division	1,373.8	1,305.4	+5.2	+7.4
Net sales	3,373.5	3,045.2	+10.8	+13.1
Europe	1,857.9	1,651.6	+12.5	+12.8
Americas	700.7	619.7	+13.1	+14.7
Africa, Asia, and Australia	814.9	774.0	+5.3	+12.4
Net sales, medical division	1,966.2	1,821.5	+7.9	+10.3
Net sales, safety division	1,407.3	1,223.7	+15.0	+17.2
EBIT	166.4	-88.6		
EBIT margin	4.9	-2.9		
Earnings after income taxes	112.0	-63.6		
EBIT margin, medical division	1.9	-5.0		
EBIT margin, safety division	9.2	0.1		
Employees	16,329	16,219		

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Key figures for the fourth quarter (€ million)	Q4 2023	Q4 2022	Change	Net of currency effects
Order intake	886.7	860.6	+3.0	+5.0
Europe	518.5	448.2	+15.7	+15.9
Americas	171.7	186.0	- 7.7	- 5.4
Africa, Asia, and Australia	196.5	226.3	- 13.2	- 8.1
Order intake, medical division	505.5	517.2	- 2.3	- 0.2
Order intake, safety division	381.2	343.4	+11.0	+12.8
Net sales	1,052.6	1,018.2	+3.4	+5.1
Europe	582.6	545.5	+6.8	+7.0
Americas	216.4	196.7	+10.0	+11.0
Africa, Asia, and Australia	253.7	276.0	- 8.1	- 2.6
Net sales, medical division	607.0	613.2	- 1.0	+0.8
Net sales, safety division	445.6	405.0	+10.0	+11.8
EBIT	89.5	59.7		
EBIT margin	8.5	5.9		
Earnings after income taxes	64.8	49.0		
EBIT margin, medical division	6.5	4.3		
EBIT margin, safety division	11.2	8.2		
Employees	16,329	16,219		

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