

Ad-hoc notification in accordance with Sec. 17 of the MAR

Drägerwerk AG & Co. KGaA: Preliminary figures 2023: Net sales and earnings significantly above prior year – Dividend increase – Forecast 2024

Lübeck, January 15, 2024 – Dräger's net sales and earnings increased significantly in fiscal year 2023 based on preliminary calculations. This was due in particular to the noticeable improvement in delivery capability as a result of diminishing global supply chain problems, which enabled Dräger to generate strong net sales growth from the high order backlog of the prior year and from the continued high demand for Dräger products and services. At the beginning of the year, Dräger also benefited from the surge in demand for ventilators in China. On the earnings side, the successful cost management had a positive impact in addition to the good net sales development.

Net sales in fiscal year 2023 increased by 13.2 percent (net of currency effects; nominal: 10.8 percent) to around EUR 3,374 million (2022: EUR 3,045.2 million). The medical division recorded growth of 10.4 percent (net of currency effects; nominal: 8.0 percent) to around EUR 1,967 million (2022: EUR 1,821.5 million) and the safety division an increase of 17.3 percent (net of currency effects; nominal: 15.0 percent) to around EUR 1,407 million (2022: EUR 1,223.7 million). The Group's gross margin rose to around 43.3 percent (2022: 40.7 percent), in particular due to higher production and service utilization and more effective price enforcement. Earnings before interest and taxes (EBIT) improved to around EUR 167 million (2022: EUR -88.6 million). The EBIT margin amounted to around 4.9 percent (2022: -2.9 percent).

The preliminary calculated order intake increased by 1.8 percent (net of currency effects; nominal: -0.2 percent) to around EUR 3,280 million in fiscal year 2023 and was therefore currency-adjusted above the high level of the prior year (2022: EUR 3,284.7 million). In the medical division, order intake decreased by 1.8 percent (net of currency effects; nominal: -3.7 percent) to around EUR 1,907 million (2022: EUR 1,979.3 million). This was offset by an increase in the safety division of 7.3 percent (net of currency effects; nominal: 5.2 percent) to around EUR 1,373 million (2022: EUR 1,305.4 million).

Overall, Dräger returned to growth and profitability in fiscal year 2023 as planned. At the same time, the preliminary figures with a net sales increase of 13.2 percent (net of currency effects) and an EBIT margin of around 4.9 percent are above Dräger's own original expectations, according to which Dräger had expected a net sales increase of 7.0 to 11.0 percent (net of currency effects) and an EBIT margin of 0.0 to 3.0 percent.

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Dividend proposal

Due to the higher profitability and the strong equity ratio of well over 40 percent (46.0 percent at the end of Q3 2023), Dräger intends to significantly increase the dividend and pay out around 30 percent of the Group's net profit (dividend for fiscal year 2022: EUR 0.19 per preferred share and EUR 0.13 per common share). The final dividend proposal will be made with the final business figures for 2023.

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.

The full 2023 Annual Report will be published on March 7, 2024.

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