

Analyst Conference

Drägerwerk AG & Co. KGaA

March 7, 2024, Lübeck

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Interim financial reports and preliminaries are not audited.

Agenda

01 Dräger
Business Highlights

02 Financials
FY 2023

03 Outlook
FY 2024



01

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Dräger Business Highlights

Return to Growth and Profitability

01 

Intact market growth

—

Order intake
+2.2%_(fx-adj.)

Dräger's markets remain intact and demand exceeds high prior year's level.

02 

Improve delivery capability

—

Net sales
+13.1%_(fx-adj.)

Dräger regains its ability to deliver. No more supply chain disruptions.

03 

Price management

—

Price increase
+7%

Dräger can successfully counter rising costs with price increases.

04 

Optimize free cash flow

—

Operating CF
+190 € million

Positive result and reduction in inventories generate a strong inflow of liquidity.

05 

Cost awareness

—

Functional costs
-2.7%

Consistent cost discipline in all areas.

2023

Strong business performance

Highlights

Normalization of delivery capacity and continued **good demand** for products and services; additional **boost from China effect**

Important product approvals: Atlan, Babylog VN600/VN800, Babyroo TN300, Evita V600/V800, VentStar Helix, among others

Very positive share performance: both shares up more than 20% and outperforming the SDAX

Technology for Life remains in demand: incoming orders above high prior-year figure, order backlog remains high

Successful cost management: prices increased and defended

Simplification of capital structure finished: repayment of remaining profit participation certificates in January 2023

New distribution policy: dividend increase for FY 2023

Successful turnaround to **growth** profitability



Net sales

EUR **3.374** million
(+13.1% fx-adj.;
+10.8 nominal)



EBIT

EUR **166** million
(+EUR 255 million)



Operating cash flow

EUR **190** million
(+EUR 334 million)



EBIT margin

4.9%
(+7.8 pp)

Mid-term Corporate Objectives Overview

Profitability First

Priority has changed from revenue growth towards profitability.

Innovation Leadership

Revitalize our innovation, deploy this strength successfully to our markets and become first choice for our customers.

Competence in Interoperability/ System Business

We enhance the level of competence on interoperability, system and solution business.

Improve DVA

We will achieve a positive DVA in 2024 and also in all subsequent years.

Corporate Objective

Indicator

01

Profitability first

Priority has changed from revenue growth towards profitability.

Shift from sales growth to earnings growth by

- Increasing profitability by exploiting opportunities, price enforcement and cost discipline
- Even stronger focus of activities on customer needs
- Consistent implementation of own initiatives
- Adjustment or discontinuation of unprofitable activities

- Increase in the EBIT margin by an average of 1 PP per year from 2024

02

Innovation Leadership

Revitalize our innovation, deploy this strength successfully to our markets and become first choice for our customers.

Revitalizing our innovation by

- Investing in the development of innovative products
- Investing in commercial innovation to develop business models that meet the needs of our existing and future customers
- Promoting local innovation and value creation in the countries, particularly in services, project business and add-on software, by offering customized solutions where they are used

- Increase innovation share

03

Competence in Interoperability/System Business

We enhance the level of competence on interoperability, system and solution business.

Concentration on the systems business with the aim to

- Increase the share of wallet (customer purchase potential)
- Increase the share of mind (brand loyalty)
- Even deeper integration into the customer's value creation process
- Stronger development of our transaction and part number-oriented business towards an approach based on system solutions and cash flow orientation

- Increase share of systems and solutions systems
- Train sales and service employees
- Increase maturity-level of key countries

Sustainability 2023

- **Sustainability organization expanded:** Establishment of the Global Sustainability Office, Sustainability Core Team and Sustainability Board
- **Implementation of comprehensive measures within the strategic fields of action started:** including introduction of a new eco-design process
- **Footprint improved:** CO₂ emissions reduced by 31% compared to 2015; Dräger thus remains on track to reduce CO₂ emissions by 33% in the period from 2015 to 2025
- **Good ratings:** EcoVadis (Gold status), MSCI (A rating), ISS (Prime Label), Sustainalytics (rating reduced from High Risk to Medium Risk)



02

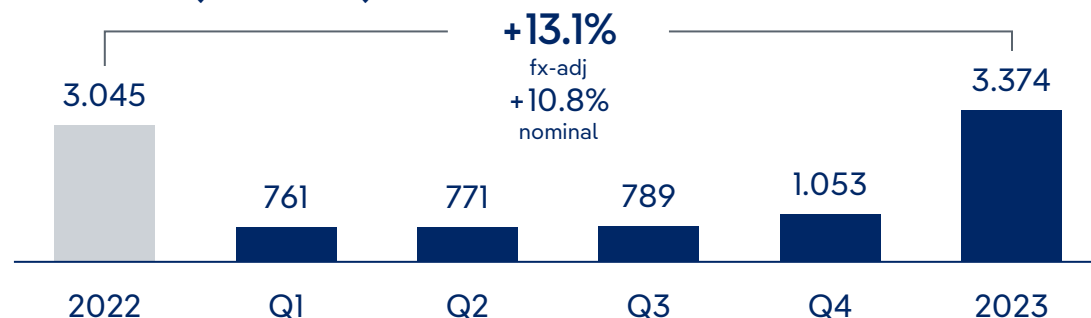


Financials

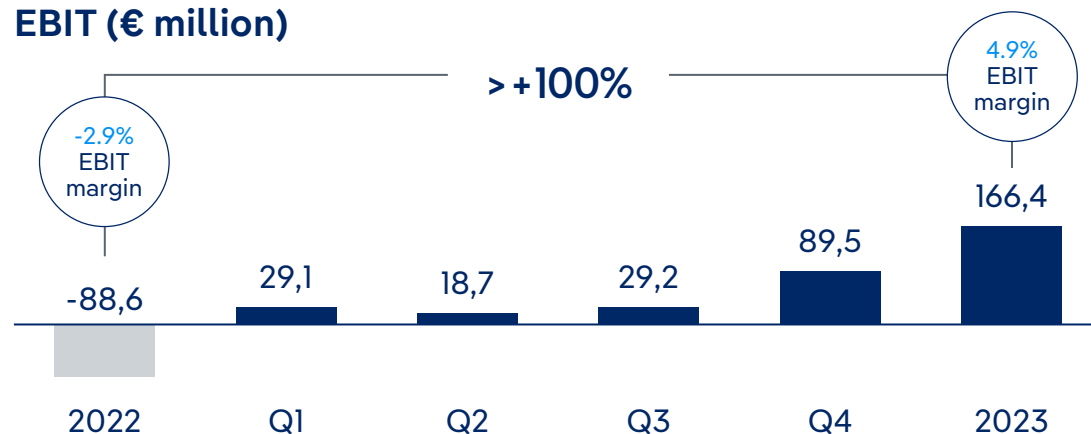
FY 2023

Business development Group

Net sales (€ million)



EBIT (€ million)



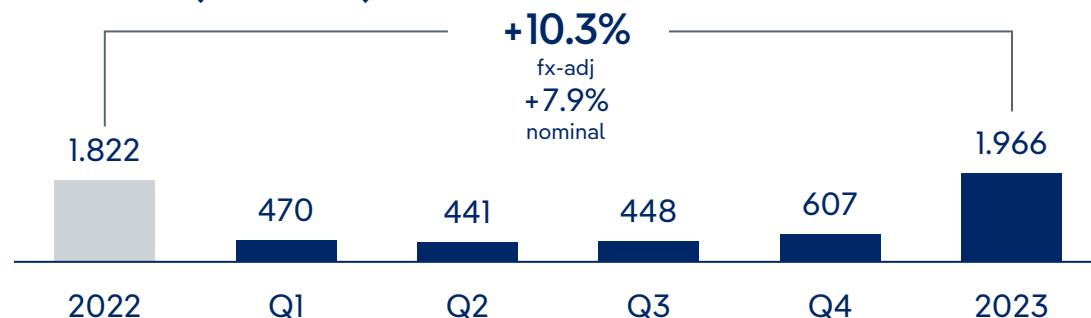
Order entry (change)	Q4 2023 (fx-adj.)	FY 2023 (fx-adj.)
Europe	14.9%	5.6%
Americas	-5.8%	4.4%
AAA	-8.6%	-6.4%
Total	5.0%	2.2%

- Order entry slightly above high prior-year figure due to growth in Europe and Americas. Decline in AAA.
- Net sales significantly increased due improved delivery capabilities combined with high orders on hand, continued high demand for our products and services as well as temporary ventilator effect from China.
- Gross profit margin significantly increased to 43.3% due to higher production and service utilization as well as more effective price enforcement.
- Functional expenses slightly below prior-year figure (fx-adj.: -1.3%; nominal: -2.7%).
- EBIT and DVA (EUR 55.8 million) significantly improved.

Business development

Medical

Net sales (€ million)



EBIT (€ million)



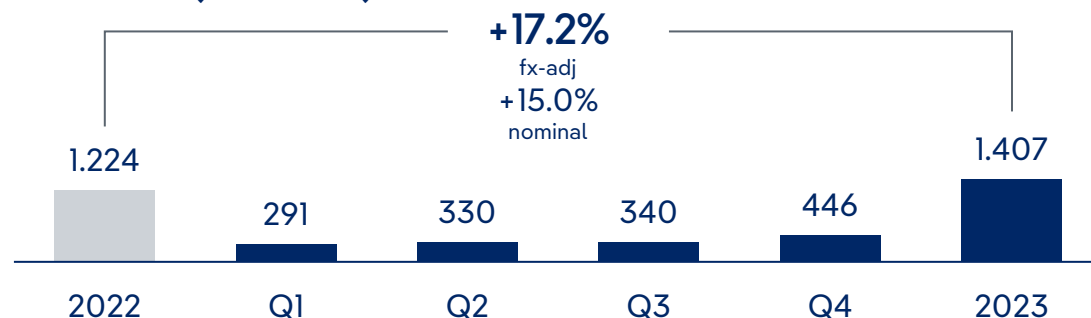
Order entry (change)	Q4 2023 (fx-adj.)	FY 2023 (fx-adj.)
Europe	17.2%	3.2%
Americas	-10.9%	3.0%
AAA	-18.5%	-11.7%
Total	-0.2%	-1.3%

- Order entry slightly below high prior-year level, particularly due to decreased demand for ventilators, anesthesia devices, and patient monitoring as well as weaker development in AAA.
- Net sales increased significantly, driven by double-digit growth in all regions, particularly due to improved delivery capability as well as China effect (ventilators) in AAA.
- Gross profit margin also up (+1.7pp), mainly due to better production and service utilization.
- Functional expenses well below prior-year figure (fx-adj.: -3.0%; nominal: -4.4%).
- EBIT and DVA (EUR -27.2 million) significantly improved.

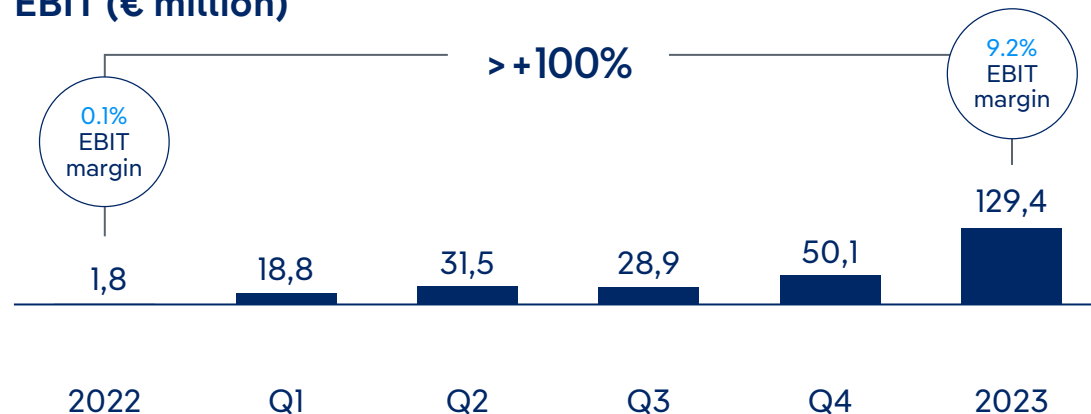
Business development

Safety

Net sales (€ million)



EBIT (€ million)



Order entry (change)	Q4 2023 (fx-adj.)	FY 2023 (fx-adj.)
Europe	12.4%	8.4%
Americas	3.1%	7.2%
AAA	13.8%	4.7%
Total	12.8%	7.4%

- Order entry increased, driven by gas detection devices (incl. catch-up effects), service business as well as higher demand in all regions.
- Net sales significantly higher due to considerable growth in all regions, improved delivery capability, and positive order development.
- Gross profit margin also significantly up (+3.8pp), supported by higher production and service capacity utilization as well as effective price enforcement.
- Functional expenses roughly at prior-year level (fx-adj.: +1.4%; nominal: +0.0%).
- EBIT and DVA (EUR 83.0 million) significantly improved.

Key figures

	2023	2022	Change
	€ million	€ million	%
Cashflow (from operating activities)	189.7	-144.2	> +100
Investments	141.5	130.7	8.3
Cash and cash equivalents ¹	272.0	311.6	-12.7
Net financial debt ¹	197.7	259.2	-23.7
Net financial debt ¹ / EBITDA ²	0.6	4.6	
Capital employed ¹	1,523.2	1,537.2	-0.9
ROCE (EBIT ² /Capital employed ¹)	10.9%	-5.8%	
Net Working Capital ¹	658.5	661.2	-0.4
Equity ratio	45.5	42.5	3.1pp
Headcount ¹	16,329	16,219	0.7

¹ Values as of reporting date | ² EBITDA and accordingly EBIT of the last twelve months

Simplification of the capital structure (2020 – 2023)

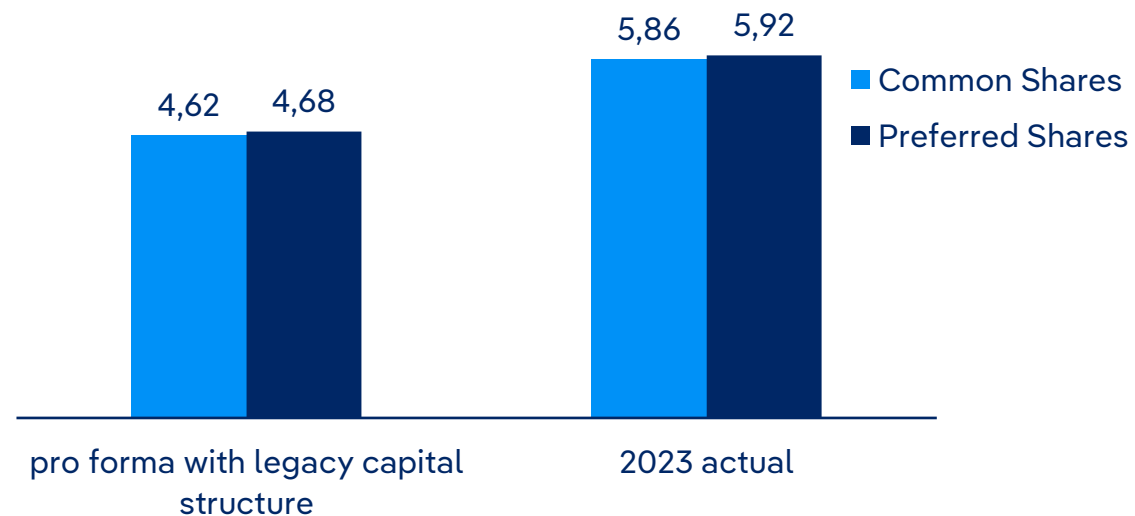
Termination of participation certificates



EPS Effect

Earnings per share

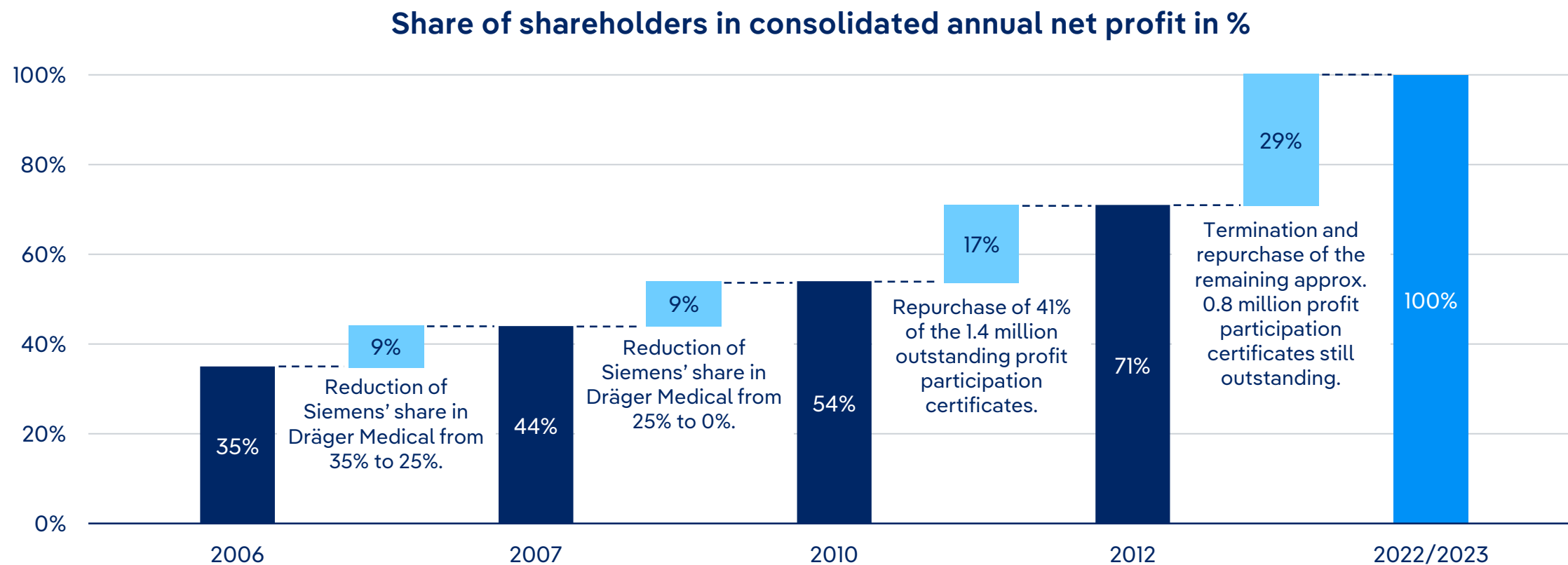
Actual 2023 EPS vs. pro forma as of December 2023,
assuming full distribution and **legacy capital structure**
prior 2020




+ ca. 27%



Concentration of distributable earnings to shareholders from 2006 until 2023



03

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Outlook FY 2024

Dividend proposal

	2022 (in EUR million)	2023 (in EUR million)
Net profit/net loss	-64.6	110.4
Dividend	3.7	33.2
• Participation certificates	0.7	0.0
• Common shares	1.3	17.7
• Preferred shares	1.6	15.5
Net payout ratio (in %)	-5.7	30.0
Dividend per share	2022 (in EUR)	2023 (in EUR)
• Common share	0.13	1.74
• Preferred share	0.19	1.80

Outlook

	Results achieved for fiscal year 2023	Forecast for fiscal year 2024
Net sales (net of currency effects)	13.1%	1.0 to 5.0%
Gross margin	43.3%	43.0 to 45.0%
EBIT margin	4.9%	2.5 to 5.5%
Dräger Value Added (DVA)	EUR 55.8 million	EUR -60 to 40 million

Questions & Answers

Financial calendar

Dräger publishes preliminary results approximately 2 weeks before the dates of the quarterly reports.

Preliminary results for the full year are published in January.

March 7, 2024	Annual Report 2023 Conference call
April 25, 2024	Report for the first three months 2024 Conference call
May 8, 2024	Annual shareholders' meeting 2024 Lübeck, Germany
July 25, 2024	Report for the first six months 2024 Conference call
October 29, 2024	Report for the first nine months 2024 Conference call

Thank you

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