

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

### **Drägerwerk AG & Co. KGaA: Net sales and earnings decline in 2022**

As previously communicated, Dräger expects a decline in net sales and earnings for the coming fiscal year. Based on the preliminary planning, the expectation can now be specified more precisely. For 2022, the company expects a net sales volume of around EUR 3 to 3.1 billion. The net sales volume is thus significantly below the two strong previous years supported by the Corona pandemic. However, compared with 2019, the year before the Corona pandemic, this corresponds to net sales growth of around 8 to 11 percent. EBIT margin in 2022 is expected to be between 1 and 4 percent.

In recent weeks, demand for products related to the Corona pandemic has weakened noticeably. This trend will continue in 2022. In some markets, there was exceptionally high investment in intensive care equipment, such as ventilators, over the course of the last two years, which will not continue in this form.

In addition to the lower net sales volume, an expected lower gross profit margin will also have a negative impact on earnings in 2022. Declining sales of ventilators will lead to a lower average margin. In addition to this less favourable product mix, profitability is also being impacted by significantly higher prices for intermediate products, raw materials and electronic components, and unchanged high freight and logistics costs. In the interests of stronger medium-term growth, Dräger is also making targeted investments in selected focus markets to expand structures and specific sales capabilities. At the same time, Dräger is continuing its innovation initiative in the medical division and is therefore investing in R&D projects.

From 2023, Dräger will return to positive growth and also report higher profitability again.

For 2021, management continues to expect a currency-adjusted decline in net sales of between -2 and -6 percent compared to 2020 and an EBIT margin of between 8 and 11 percent. EBIT at the lower end of the range is now more likely due to one-time expenses: Due to the severe overcapacities in the global market for FFP masks and the resulting slump in demand, next year Dräger will not be able to utilize its production capacities for masks built up in the course of the pandemic response. Consequently, some of the investments made in 2020 and 2021 will have to be written down. Production of the Dräger COVID-19 Home Test will also be discontinued until further notice, as video-monitored self-testing is no longer recognized as a 3G-valid test certificate for political reasons. The one-time expenses of around EUR 30 million will impact fourth-quarter earnings.

Preliminary business figures for the current fiscal year and the final forecast for 2022 will be published by Dräger in mid-January 2022.

Drägerwerk AG & Co. KGaA  
Moislinger Allee 53–55  
23558 Lübeck, Deutschland  
[www.draeger.com](http://www.draeger.com)

#### **Investor Relations:**

Thomas Fischler  
Tel. +49 451 882-0  
[thomas.fischler@draeger.com](mailto:thomas.fischler@draeger.com)

#### **Corporate Communications:**

Melanie Kamann  
Tel. +49 451 882-0  
[melanie.kamann@draeger.com](mailto:melanie.kamann@draeger.com)

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