

## Capital Market Information

March 8, 2017

Page 1 / 4

### Fiscal year 2016:

Dräger sees significant increase in earnings despite decline in net sales

- Order intake up by 2.1 percent (net of currency effects)
- Net sales down by 1.5 percent (net of currency effects)
- Strong fourth quarter for order intake and net sales
- Efficiency program with impact
- EBIT margin doubles to 5.4 percent

Lübeck—Drägerwerk AG & Co. KGaA achieved a significant improvement in earnings in fiscal year 2016 despite a drop in sales.

Order intake increased by 0.3 percent in nominal terms to EUR 2,538.7 million (2015: EUR 2,532.2 million). Net sales fell year on year by 3.3 percent to EUR 2,523.8 million (2015: EUR 2,608.9 million). Net of currency effects, order intake increased by 2.1 percent, whereas net sales fell by 1.5 percent.

Order intake rose net of currency effects in 2016, particularly in the Americas region. Dräger also recorded a slight increase net of currency effects in the Europe region and in the Africa, Asia, and Australia region. Net sales also rose net of currency effects in the Americas region, whereas they fell slightly in the Europe region despite a significant increase in Germany. Dräger recorded a significant decline in net sales net of currency effects in the Africa, Asia, and Australia region, in which the weak results in the Middle East played a particular role.

“Looking at 2016 on the whole, net sales development was disappointing. Our sales proceeds fell for the first time since the financial crisis in 2009. This makes it all the more remarkable that we succeeded in significantly increasing our earnings, despite the decline in net sales last year. Our business model is fundamentally intact,” said Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG.

Earnings before interest and taxes (EBIT) more than doubled and amounted to EUR 136.9 million (2015: EUR 66.7 million). The EBIT margin rose correspondingly to 5.4 percent (2015: 2.6 percent). Net profit for the year also

#### Contact

Corporate Communications:  
Melanie Kamann  
Tel. +49 451 882-3998  
melanie.kamann@draeger.com

Investor Relations:  
Thomas Fischler  
Tel. +49 451 882-2685  
thomas.fischler@draeger.com

Drägerwerk AG & Co. KGaA  
Moislinger Allee 53–55  
23558 Lübeck, Germany  
www.draeger.com

[www.twitter.com/DraegerNews](https://twitter.com/DraegerNews)  
[www.facebook.com/DraegerGlobal](https://www.facebook.com/DraegerGlobal)  
[www.youtube.com/Draeger](https://www.youtube.com/Draeger)

## Capital Market Information

March 8, 2017

Page 2 / 4

rose sharply to EUR 81.7 million (2015: EUR 33.3 million). Dräger Value Added (DVA), the most important key management figure for the Group, stood at EUR 49.8 million (2015: EUR -46.3 million).

### Strong fourth quarter

In the fourth quarter, order intake rose by 9.1 percent (net of currency effects) to EUR 689.6 million (2015: EUR 637.2 million). Net sales at Dräger increased by 0.7 percent (net of currency effects) to EUR 819.5 million (2015: EUR 825.4 million). EBIT rose to EUR 108.9 million (2015: EUR 66.5 million) in the fourth quarter. In the prior year, fourth-quarter EBIT was negatively impacted by provisions for personnel measures as part of the efficiency program, among other factors. The EBIT margin stood at 13.3 percent (2015: 8.1 percent) in the fourth quarter.

### Development of individual financial figures

Fiscal year 2016 saw gross profit fall by EUR 36.2 million to EUR 1,135.4 million (2015: EUR 1,171.7 million). Expressed as a percentage of net sales, the decline was somewhat less sharp than the drop in net sales. Although lower quality costs, higher product margins, and cost reductions raised the gross margin, currency effects had a negative impact. At 45.0 percent, the gross margin was up slightly year on year (2015: 44.9 percent).

Functional costs fell by 8.2 percent (net of currency effects) in the fiscal year, mainly due to cost-saving measures from the Fit for Growth efficiency program. One-off expenses, particularly in the fourth quarter, raised costs in the prior year. In fiscal year 2016, one-off expenses for the efficiency program came to EUR 10.0 million (2015: EUR 34.8 million). Net of these one-off expenses and currency effects, functional costs declined by 6.1 percent.

Expenditure on research and development (R&D) fell by 4.8 percent (net of currency effects). As a result, the R&D ratio was 8.7 percent of net sales (2015: 8.9 percent). Sales and marketing costs dropped 8.2 percent year on year (net of currency effects). Net of currency effects and one-off expenses for the efficiency program, administration costs fell by 7.6 percent. The sales, selling, and marketing expenses (SG&A) ratio fell to 30.2 percent (2015: 33.0 percent) as a result.

### Contact

Corporate Communications:  
Melanie Kamann  
Tel. +49 451 882-3998  
melanie.kamann@draeger.com

Investor Relations:  
Thomas Fischler  
Tel. +49 451 882-2685  
thomas.fischler@draeger.com

Drägerwerk AG & Co. KGaA  
Moislinger Allee 53–55  
23558 Lübeck, Germany  
www.draeger.com

[www.twitter.com/DraegerNews](https://twitter.com/DraegerNews)  
[www.facebook.com/DraegerGlobal](https://www.facebook.com/DraegerGlobal)  
[www.youtube.com/Draeger](https://www.youtube.com/Draeger)

## Capital Market Information

March 8, 2017

Page 3 / 4

### Dividend unchanged

The Executive Board and the Supervisory Board will recommend an unchanged dividend of EUR 0.19 per preferred share (2015: EUR 0.19) and EUR 0.13 per common share (2015: EUR 0.13) to the annual shareholders' meeting on May 10, 2017. This would lead to a distribution rate of 4.5 percent (2015: 10.9 percent) of Group net profit less earnings attributable to non-controlling interests. Dräger will not make any decisions on adjustments to the distribution policy until earnings development has significantly improved and stabilized on a lasting basis.

### Outlook

Following the disappointing net sales development in the prior year, Dräger accordingly expects development to improve in 2017. The company plans to see net sales growth (net of currency effects) of between 0 and 3 percent in fiscal year 2017. In terms of the EBIT margin, Dräger forecasts a figure between 5.0 and 7.0 percent for the full year, which already takes into account the negative impact on EBIT in 2017 resulting from further restructuring expenses of roughly EUR 10 million for the Fit for Growth efficiency program.

### 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 it to date and have been prepared to the best of its knowledge and belief. No guarantee or liability for the occurrence of the future developments and results specified can be assumed in respect of such forward-looking statements. Rather, the future developments and results are dependent on a number of factors. They entail risks and uncertainties beyond the Company's control and are based on assumptions which could prove to be incorrect. Notwithstanding any legal requirements to adjust forecasts, Dräger does not assume any obligation to update the forward-looking statements contained in this report. You will find all important financial dates on our Company website at [www.draeger.com](http://www.draeger.com) under Investor Center/Financial Calendar.

### Contact

Corporate Communications:  
Melanie Kamann  
Tel. +49 451 882-3998  
[melanie.kamann@draeger.com](mailto:melanie.kamann@draeger.com)

Investor Relations:  
Thomas Fischler  
Tel. +49 451 882-2685  
[thomas.fischler@draeger.com](mailto:thomas.fischler@draeger.com)

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

[www.twitter.com/DraegerNews](https://twitter.com/DraegerNews)  
[www.facebook.com/DraegerGlobal](https://www.facebook.com/DraegerGlobal)  
[www.youtube.com/Draeger](https://www.youtube.com/Draeger)

## Capital Market Information

March 8, 2017

Page 4 / 4

### Key figures for fiscal year 2016 (€ million)

	2016	2015	Change	Net of currency effects
Order intake	2,538.7	2,532.2	+0.3%	+2.1%
Net sales	2,523.8	2,608.9	-3.3%	-1.5%
Europe segment	1,384.3	1,420.7	-2.6%	-1.1%
Americas segment	503.7	509.1	-1.0%	+2.1%
Africa, Asia & Australia segment	635.8	679.1	-6.4%	-5.1%
<i>Additional information on net sales</i>				
<i>Medical</i>	1,647.4	1,698.8	-3.0%	-1.3%
<i>Safety</i>	876.5	910.1	-3.7%	-2.0%
EBIT	136.9	66.7		
EBIT margin	5.4%	2.6%		
EBIT margin Europe segment	6,1 %	4,2 %		
EBIT margin Americas segment	2,0 %	-3,7 %		
EBIT margin Africa, Asia & Australia segment	6,6 %	3,8 %		
<i>Additional information on EBIT margin</i>				
<i>Medical</i>	5.2%	2.7%		
<i>Safety</i>	5.9%	2.2%		
Net profit	81.7	33.3		
Dräger Value Added (DVA)	49.8	-46.3		
Employees	13,263	13,936		
EPS preferred share <sup>1,2</sup> in €	3.46	1.46		
EPS common share <sup>1,2</sup> in €	3.40	1.40		

#### Contact

Corporate Communications:  
Melanie Kamann  
Tel. +49 451 882-3998  
melanie.kamann@draeger.com

Investor Relations:  
Thomas Fischler  
Tel. +49 451 882-2685  
thomas.fischler@draeger.com

Drägerwerk AG & Co. KGaA  
Moislinger Allee 53–55  
23558 Lübeck, Germany  
www.draeger.com

<sup>1</sup> On the basis of the proposed dividend

<sup>2</sup> Based on an imputed actual full distribution on earnings attributable to shareholders