

Capital Markets Presentation Drägerwerk AG & Co. KGaA

October 2021, Lübeck

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This presentation contains forward-looking statements regarding the future development of the 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 made 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 our control and are based on assumptions which could prove to be incorrect. Notwithstanding any legal requirements to adjust forecasts, we assume no obligation to update the forward-looking statements contained in this presentation.

Interim financial reports and preliminaries are not audited.

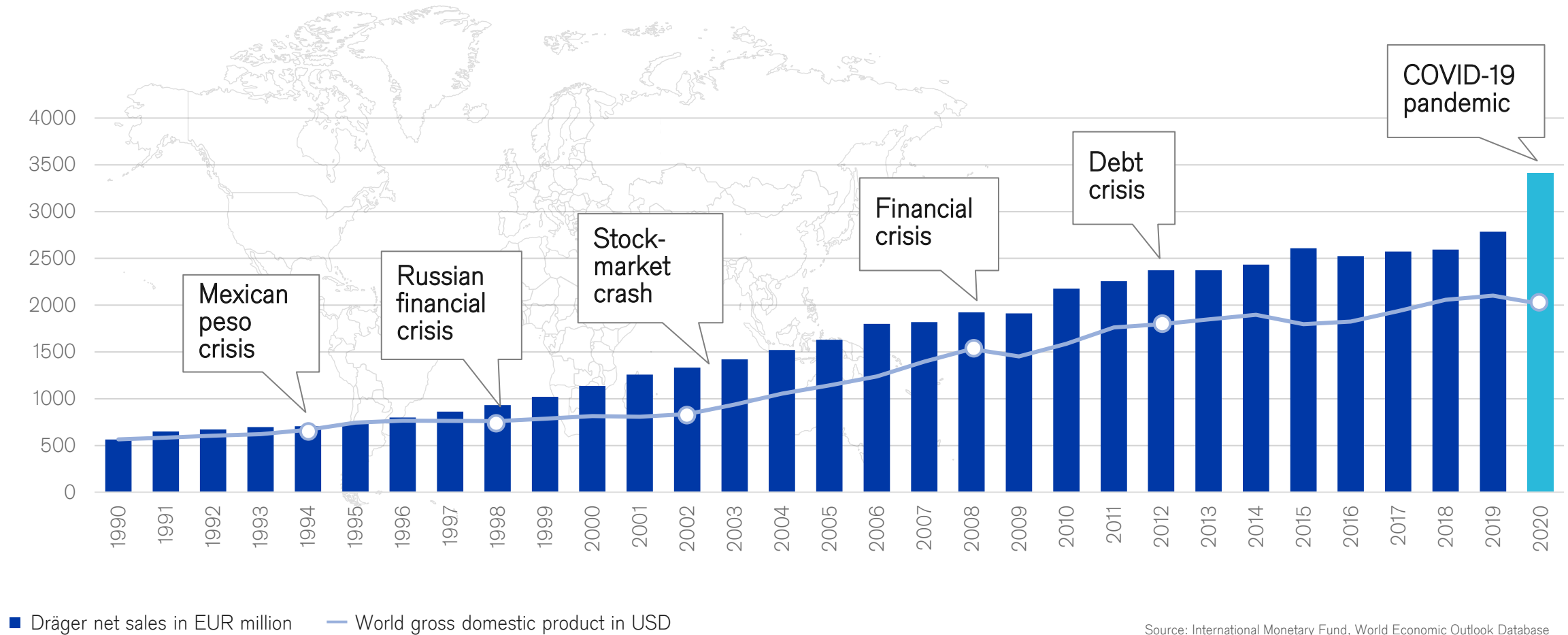


Dräger products

protect, lives
support and
save

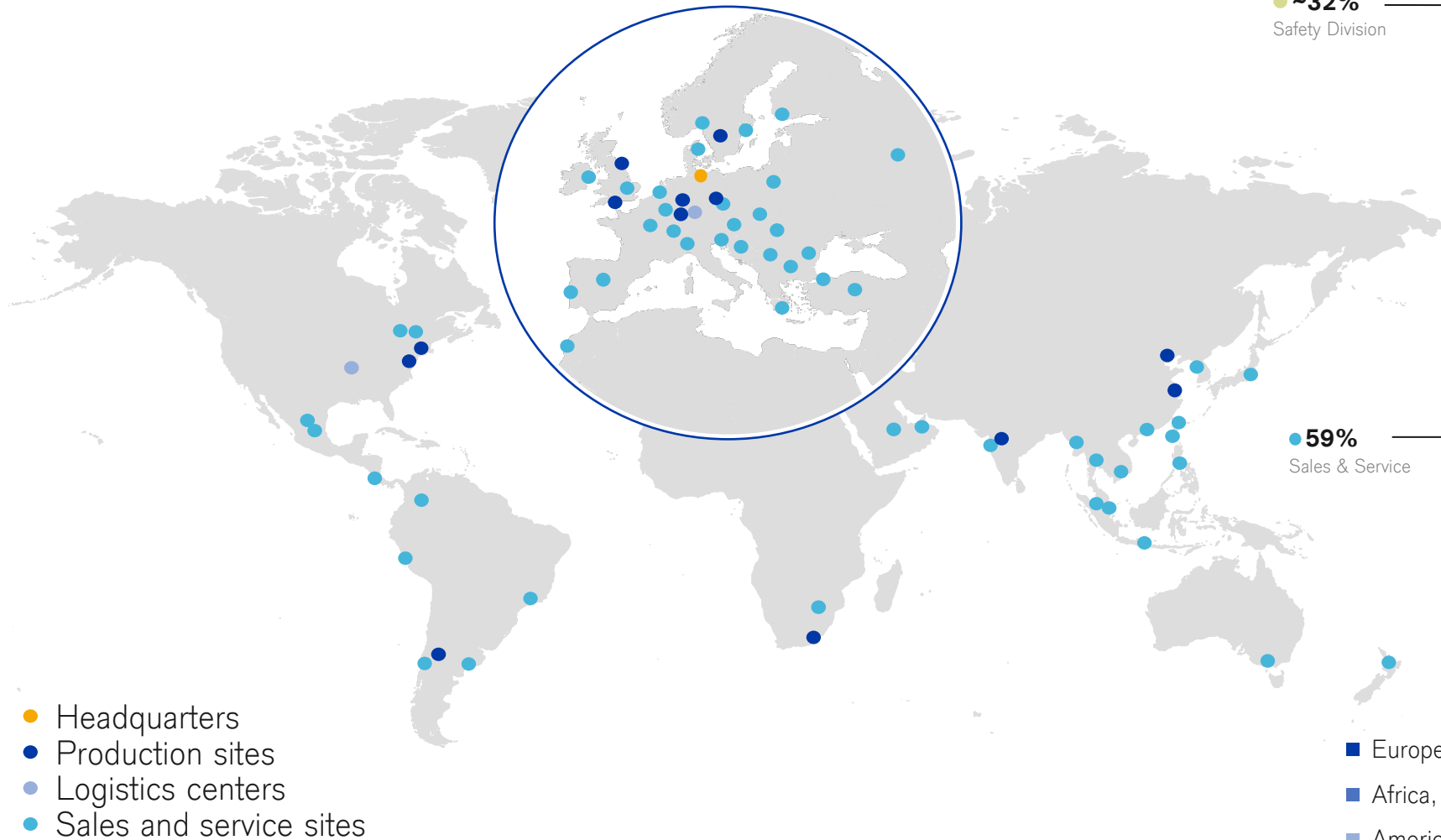
Net sales development

Strong growth independent of the global economy

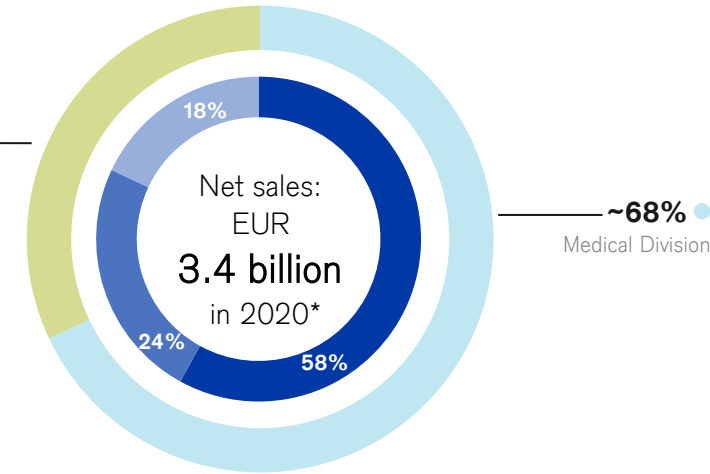


Dräger worldwide

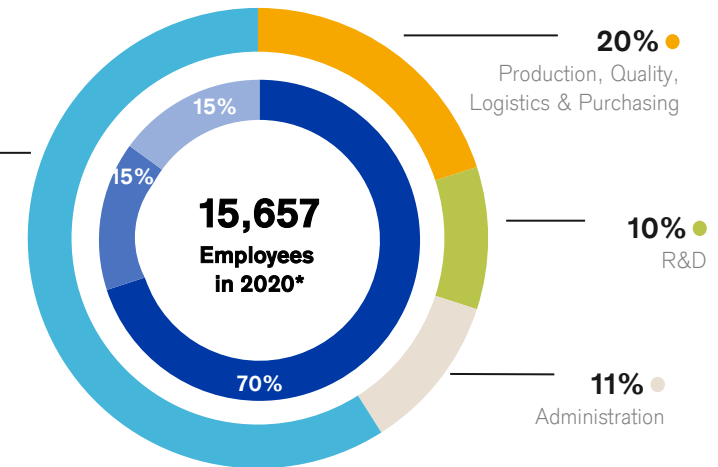
Net sales, Employees and sites



~32%
Safety Division



59%
Sales & Service



*As of December 31, 2020

Markets

Our Customers



Hospital



Fire services



Oil and gas industry



Mining

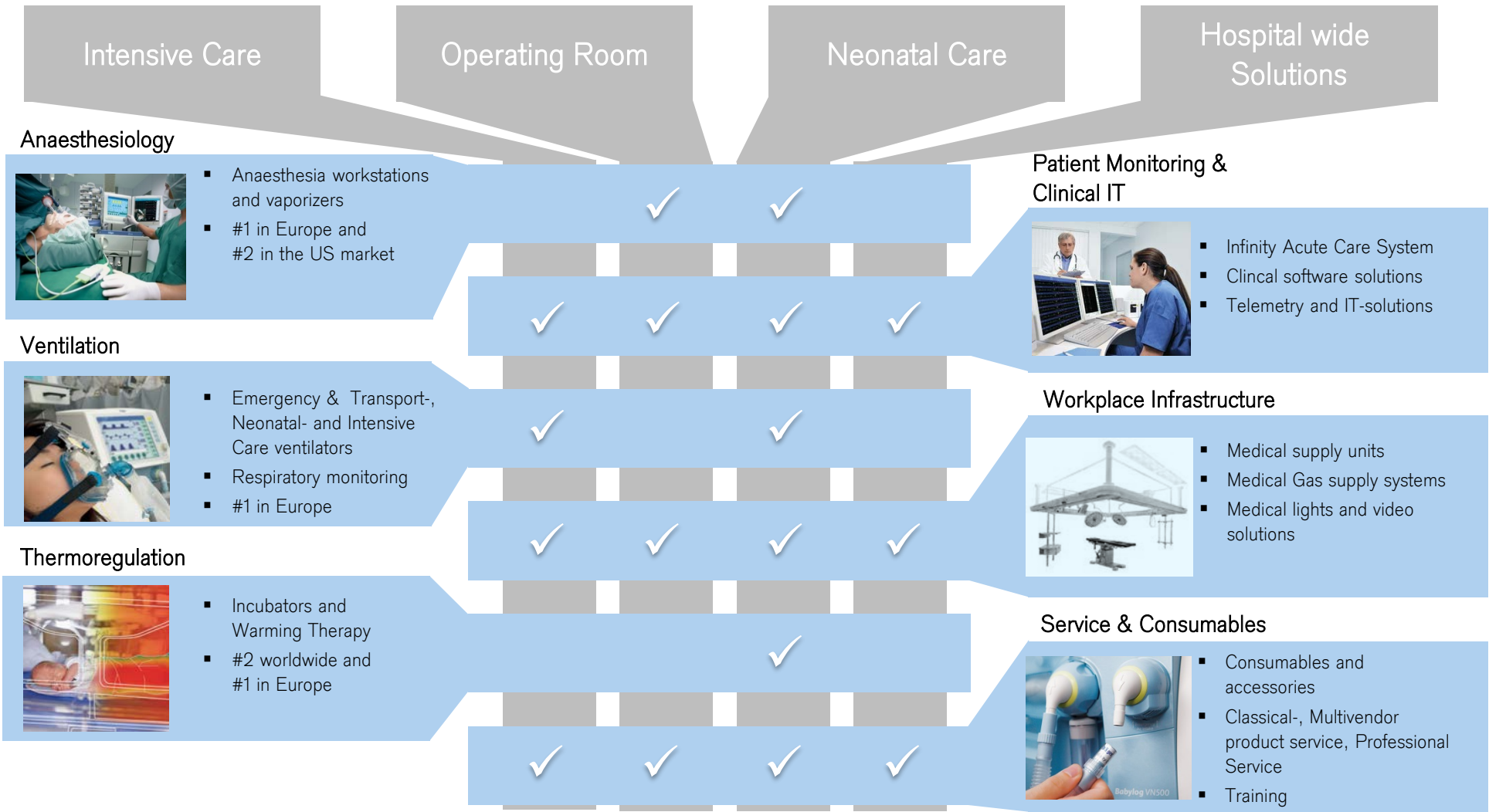


Chemical industry



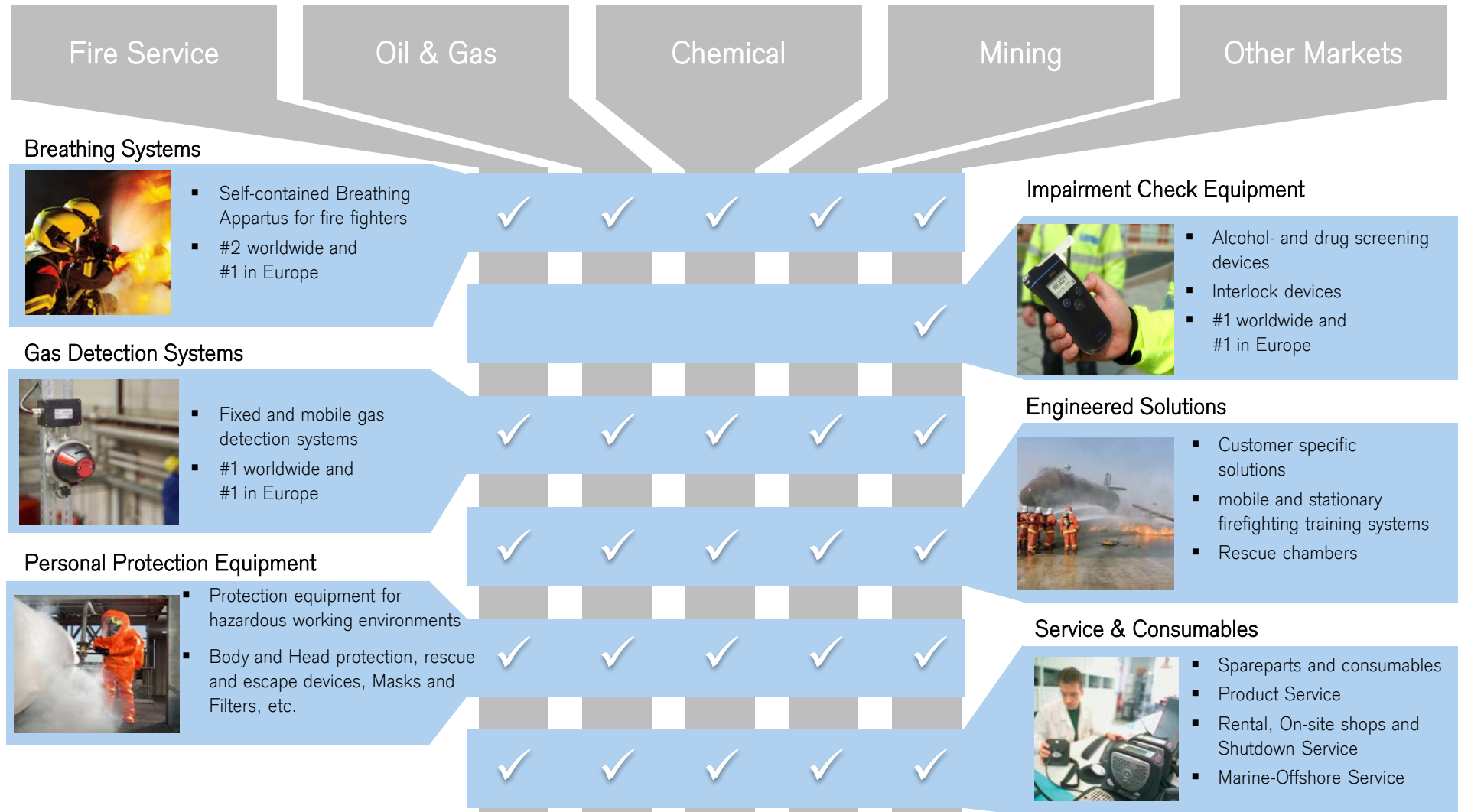
Other markets

Medical Division



Note: Market positions based on Dräger's market knowledge and its own assessment of market position; positions ranked according to net sales.
Drägerwerk AG & Co. KGaA, 2021

Safety Division



Note: Market positions based on Dräger's market knowledge and its own assessment of market position; positions ranked according to net sales.
 Drägerwerk AG & Co. KGaA, 2021

Medical and safety technology providing long-term growth prospects

	Medical division	Safety division
Attractive growth prospects in sizeable markets ...	<ul style="list-style-type: none"> ▪ Average expected annual market growth for the global medical equipment market significantly exceeding growth in many other sectors ▪ Strong growth prospects in both developed and emerging markets 	<ul style="list-style-type: none"> ▪ Very diversified markets with numerous product and service offerings ▪ Attractive growth prospects for target sectors (e.g. industry) and growing safety investments
... in developed markets ...	<ul style="list-style-type: none"> ▪ Rapidly aging population and consequently increasing healthcare expenditure ▪ Increasing demand for medical equipment to improve clinical workflows and efficiency 	<ul style="list-style-type: none"> ▪ Increasingly stricter safety regulations ▪ Rising environmental awareness ▪ Improved outlook for target markets
... as well as in emerging markets.	<ul style="list-style-type: none"> ▪ Strong growth of GDP and population resulting in a demand for improved medical services ▪ Political benefits from investments in health care sector 	<ul style="list-style-type: none"> ▪ Increasingly higher safety standards ▪ Increasing industrial hygiene awareness ▪ Strong growth of key customer sectors

Technology and innovation leadership to drive profitable growth

Strong R&D focus

- Approximately 1,514 employees in R&D around the globe.
- EUR ~290 million spent for R&D activities in 2020.*
- Certified test-center at Lübeck headquarter supports innovation- and approval process.
- Qualitymanagement organization with >150 employees.
- Very close collaboration with customers to develop new and improve existing products.
- Technological competency and high-quality standards result in leading market positions and high barriers to entry.

Innovation to enhance future growth (examples)



Evita® V800

Modern ventilator combining high performance ventilation and user friendly operation



X-PID 9000®

First portable gas chromatograph for mobile measuring of carcinogenic substances in laboratory quality.



Atlan®

New anesthesia family with network connectivity supporting SDC and new user interface.

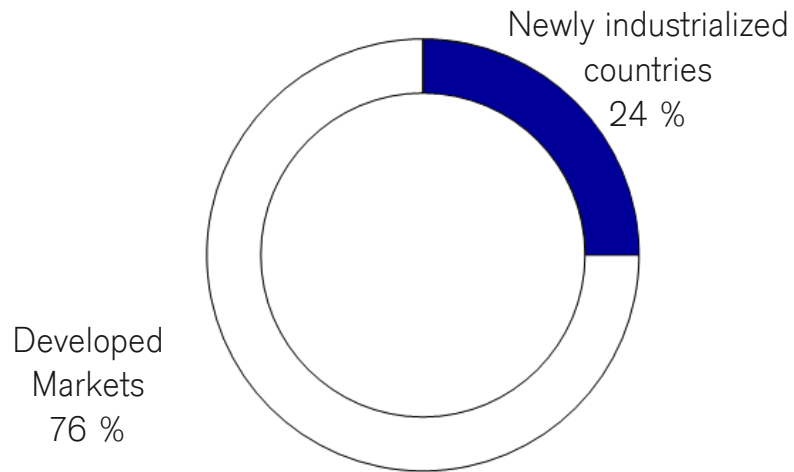
*No meaningful capitalization of R&D budget
Drägerwerk AG & Co. KGaA, 2021

Exploit growth potentials in developing countries

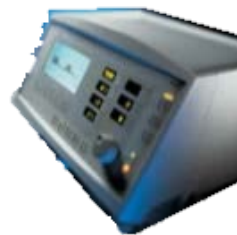
Investments in profitable growth in developing countries

- Focus on the specific needs of customer in developing countries
- Identify growth potential in strong growing markets like China, Brazil and India
- Capitalize on the significant investments into the Sales & Service infrastructure and specific market knowledge, especially in our Region AAA and in Central- and South-America
- Enhance engagement with partners in developing countries to expand local presence with R&D, manufacturing, sales and after sales business

Net sales*



Focused product range



Savina Color



Vista 120



Fabius Plus XL

* Data basis before Covid-19
Drägerwerk AG & Co. KGaA, 2021

Service- and consumables business a clear focus of our sales activities

Further expansion of service and consumables business

- Capitalize on large installed base to expand after sales business
- Focus on combined sale of equipment and after sales contracts
- Expansion of disposable consumables business

Dräger Services

- Globally over 3,000 service technicians
- Fast and reliable service (repairs and spare parts) is a critical factor for customers
- Dräger Service technicians important for customer loyalty
- Efficient service solutions via remote service
- Broad offerings of product service
- New services in the areas of Rental, Multi-Vendor and Marine-offshore



Dräger Consumables

- Functionalities with added value, e.g. optimizing workflow with RFID-based communication between consumables part and therapy machine
- Dräger quality to improve hygienic standards
- Dräger value add especially in development of consumables. Production usually via suppliers
- Partly proprietary consumable products, e.g. Dräger-Tubes

Financials



Business development

Dräger Group 5y view

	2016	2017	2018	2019	2020	9M 2021	9M 2020
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Net Sales	2,523.8	2,572.3	2,595.0	2,780.8	3,406.3	2,402.9	2,290.9
% growth	-3.3%	1.9%	0.9%	7.2%	22.5%	4.9%	20.7%
% growth (fx adjusted)	-1.5%	3.3%	3.9%	5.9%	25.7%	6.3%	23.6%
Gross margin	45.0%	44.8%	42.7%	42.7%	47.2%	48.4%	47.5%
Functional Expenses	-999.2	-992.0	-1,042.2	-1,116.8	-1,205.2	-901.9	-854.0
% of Net Sales	-39.6%	-38.6%	-40.2%	-40.2%	-35.4%	-37.5%	-37.3%
EBIT	136.9	155.7	62.6	66.6	396.6	257.0	228.3
EBIT Margin	5.4%	6.1%	2.4%	2.4%	11.6%	10.7%	10.0%
DVA	49.8	70.7	-26.5	-32.7	296.9	325.0	197.7

Note: Restructuring charges included in FY EBIT: EUR 10 million in 2016
 Dräger Value Added (DVA) = EBIT less cost of capital of average invested capital
 Drägerwerk AG & Co. KGaA, 2021

Key figures

Dräger Group 5y view

	2016	2017	2018	2019	2020	9M 2021	9M 2020	Change
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	%
Cashflow (from operating activities)	195.3	143.3	4.1	164.4	460.0	266.5	93.7	>+100,0
Investments	99.9	106.2	77.8	121.4	178.0	142.5	113.4	25.6
Cash and cash equivalents ¹	221.5	247.6	179.6	196.3	497.3	419.9	212.7	97.4
Net financial debt ¹	34.7	-29.2	43.3	88.7	187.1	95.2	491.7	-80.6
<i>Net financial debt¹ / EBITDA²</i>	<i>0.2</i>	<i>-0.1</i>	<i>0.3</i>	<i>0.5</i>	<i>0.4</i>	<i>0.2</i>	<i>1.2</i>	
<i>Capital employed¹</i>	1,247.0	1,243.6	1,341.3	1,401.3	1,410.6	1,441.6	1,525.8	-5.5
<i>ROCE (EBIT² / Capital employed¹)</i>	<i>11.0%</i>	<i>12.5%</i>	<i>4.7%</i>	<i>4.8%</i>	<i>28.1%</i>	<i>29.5%</i>	<i>19.5%</i>	
Net Working Capital ¹	563.2	557.2	644.6	622.7	606.9	590.3	735.7	-19.8
Equity ratio	43.4	45.4	44.8	41.9	31.3	39.7	31.0	8,8pp.
Headcount ¹	13,263	13,739	14,399	14,845	15,657	15,883	15,441	2.9

¹ Values as of reporting date

² EBITDA and accordingly EBIT of the last twelve months



Guidance 2021

	2020	2021e
Net Sales	25.7 %	-2.0 to -6.0 % (fx adjusted)
EBIT margin	11.6 %	8.0 to 11.0 %
Dräger Value Added	EUR 296.9 million	EUR 150 to 250 million

Dräger. Technology for Life®

Expectation for fiscal year 2021

	2020	2021 (previous guidance)	2021e (current guidance)
Net Sales	25.7 %	-7.0 to -11.0 % (fx adjusted)	-2.0 to -6.0 % (fx adjusted)
EBIT margin	11.6 %	5.0 to 8.0 % ¹	8.0 to 11.0 %
Dräger Value Added	EUR 296.9 million	EUR 44 to 142 million	EUR 150 to 250 million
Gross profit margin	47.2 %	Prior year's level +/-1 pp.	Prior year's level +/-1 pp.
Research and development expens	EUR 289.6 million	EUR 295 bis 310 million	EUR 295 to 310 million
Interest result	EUR -36.4 million	Improvement	EUR -23 to -30 million
Days Working Capital (DWC)	96.9 days	On par with 2019 (2019: 109.4 days)	Improvement compared to 2019 (2019: 109.4 days)
Investment volume ²	EUR 131.3 million	EUR 120 bis 145 million	EUR 120 to 145 million
Net financial debt	EUR 326.4 million	Improvement	Significant improvement

¹ Based on exchange rates at the start of fiscal year 2021

² Excluding company acquisitions and the capitalization of right-of-use assets pursuant to IFRS 16

The Dräger Executive Board



Stefan Dräger

Chairman of the Executive Board

The fifth generation of the Dräger family to lead the company

With Dräger since 1992



Gert-Hartwig Lescow

Deputy Chairman of the Executive Board;
CFO and Executive Board member for IT

With Dräger since 2008



Rainer Klug

Executive Board member for Safety Division

With Dräger since 2015



Dr. Reiner Piske

Executive Board member for Sales & Service and Human Resources

With Dräger since 2015



Anton Schrofner

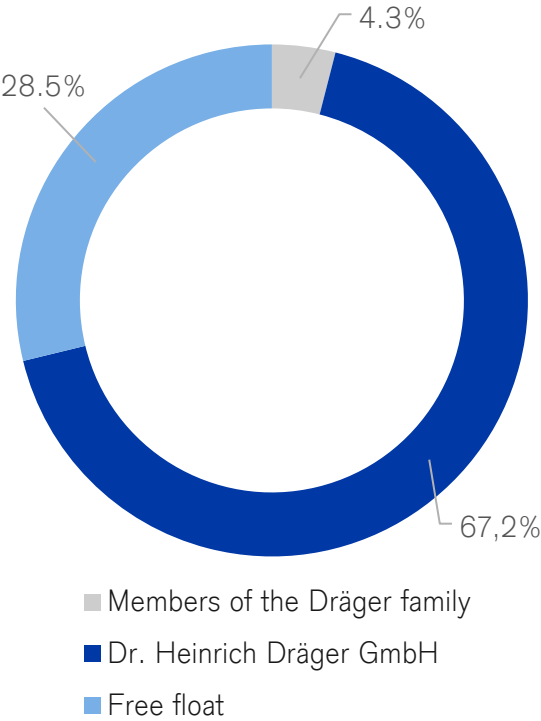
Executive Board member for Medical Division

With Dräger since 2010

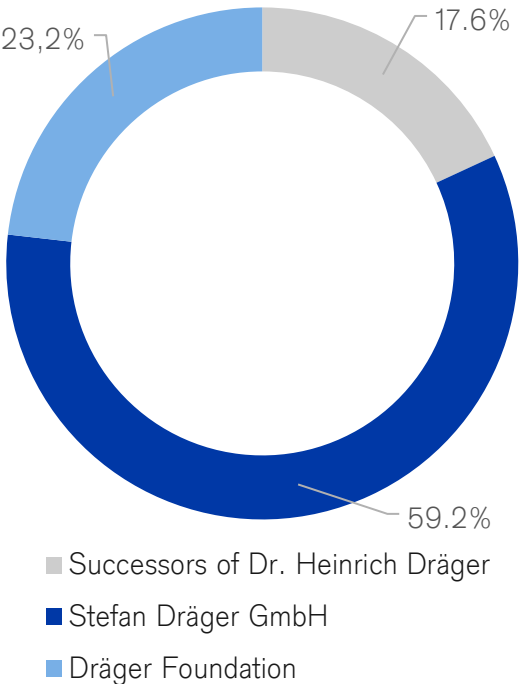
Shareholder structure

10,160,000 common shares (28.5 % free float)
8,600,000 preferred shares (99.0 % free float)

Shareholding*
Common shares



Shareholding*
Dr. Heinrich Dräger GmbH



*As of December 31, 2020
Drägerwerk AG & Co. KGaA, 2021

Business development

Dräger Group 5y view

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% of Net Sales	-39.6%	-38.6%	-40.2%	-40.2%	-35.4%	-37.5%	-37.3%
EBIT	136.9	155.7	62.6	66.6	396.6	257.0	228.3
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 Drägerwerk AG & Co. KGaA, 2021

Business development

Group / Division / Region

Dräger-Group	2016	2017	2018	2019	2020	9M 2021	9M 2020	Change	Change
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	%	% fx adjusted
Net Sales									
Medical division	1,647.4	1,668.0	1,643.0	1,741.8	2,302.2	1,505.5	1,531.5	-1.7	0.1
Safety division	876.1	904.3	952.0	1,039.1	1,104.1	897.4	759.4	18.2	19.0
Net Sales	2,523.8	2,572.3	2,595.0	2,780.8	3,406.3	2,402.9	2,290.9	4.9	6.3
Europe	1,384.3	1,415.5	1,431.9	1,503.3	1,985.8	1,359.8	1,335.6	1.8	2.0
Americas	503.7	510.4	499.3	547.7	611.2	462.1	415.3	11.3	17.8
Africa, Asia, Australia	635.8	646.4	663.8	729.8	809.3	581.0	540.1	7.6	8.2
EBIT	136.9	155.7	62.6	66.6	396.6	257.0	228.3	12.6	
EBIT-margin (%)	5.4	6.1	2.4	2.4	11.6	10.7	10.0		

Medical division

Business development 12M - 5 year view

Medical division	2016	2017	2018	2019	2020	9M 2021	9M 2020	Change	Change
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	%	% fx adjusted
Net Sales	1,647.4	1,668.0	1,643.0	1,741.8	2,302.2	1,505.5	1,531.5	-1.7	0.1
Europe	829.2	842.9	833.5	868.9	1,262.6	780.3	842.2	-7.3	-7.0
Americas	353.5	358.6	343.6	370.9	443.9	314.0	294.5	6.6	13.2
Africa, Asia, Australia	464.7	466.5	465.8	502.0	595.6	411.3	394.8	4.2	5.4
EBIT	85.3	92.9	6.9	13.1	329.4	171.2	193.4	-11.5	
EBIT-margin (%)	5.2	5.6	0.4	0.8	14.3	11.4	12.6		

Note: The data, including the quarterly figures, can be downloaded from the Dräger website in .xls-format
Drägerwerk AG & Co. KGaA, 2021

Safety division

Business development 12M - 5 year view

Safety division	2016	2017	2018	2019	2020	9M 2021	9M 2020	Change	Change
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	%	% fx adjusted
Net Sales	876.1	904.3	952.0	1,039.1	1,104.1	897.4	759.4	18.2	19.0
Europe	555.0	572.6	598.4	634.5	723.2	579.5	493.3	17.5	17.5
Americas	150.3	151.8	155.6	176.9	167.2	148.1	120.8	22.6	28.9
Africa, Asia, Australia	171.2	180.0	198.0	227.7	213.6	169.8	145.2	16.9	15.6
EBIT	51.6	62.8	55.8	53.5	67.2	85.9	34.9	>+100,0	
EBIT-margin (%)	5.9	6.9	5.9	5.1	6.1	9.6	4.6		

Functional expenses

Group 5 year view

	2016	2017	2018	2019	2020	9M 2021	9M 2020	Change
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	%
<i>R&D</i>	-219.0	-234.7	-252.2	-263.7	-289.6	-230.0	-208.7	10.2
<i>% of Net Sales</i>	<i>-8.7%</i>	<i>-9.1%</i>	<i>-9.7%</i>	<i>-9.5%</i>	<i>-8.5%</i>	<i>-9.6%</i>	<i>-9.1%</i>	
<i>Sales & Marketing</i>	-554.7	-566.3	-592.6	-621.9	-659.0	-488.3	-469.7	4.0
<i>% of Net Sales</i>	<i>-22.0%</i>	<i>-22.0%</i>	<i>-22.8%</i>	<i>-22.4%</i>	<i>-19.3%</i>	<i>-20.3%</i>	<i>-20.5%</i>	
<i>Administration</i>	-207.4	-197.7	-198.5	-219.4	-248.1	-184.5	-170.2	8.4
<i>% of Net Sales</i>	<i>-8.2%</i>	<i>-7.7%</i>	<i>-7.6%</i>	<i>-7.9%</i>	<i>-7.3%</i>	<i>-7.7%</i>	<i>-7.4%</i>	
Other operating income	-18.1	6.7	1.0	-11.7	-8.5	0.8	-5.4	>+100
<i>Functional Expenses total</i>	-999.2	-992.0	-1,042.2	-1,116.8	-1,205.2	-901.9	-854.0	5.6
<i>% of Net Sales</i>	<i>-39.6%</i>	<i>-38.6%</i>	<i>-40.2%</i>	<i>-40.2%</i>	<i>-35.4%</i>	<i>-37.5%</i>	<i>-37.3%</i>	
Headcount ¹	13,263	13,739	14,399	14,845	15,657	15,883	15,441	2.9

¹ Values as of reporting date

Cash flow statement

Group 5 year view

	2016	2017	2018	2019	2020	9M 2021	9M 2020	Change
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	%
Group net profit	81.7	98.5	34.9	33.8	249.9	170.6	135.2	26.2
Change in inventories	17.4	-30.0	-76.9	-24.5	-162.0	-60.6	-245.5	-75.3
Change in receivables	31.3	-22.4	-41.0	0.4	-95.4	170.0	-42.0	>-100
Change in payables	-10.2	22.2	-2.3	3.9	29.7	-44.2	18.0	>-100
Depreciation and amortization	85.8	84.2	85.3	127.1	124.5	97.3	90.8	7.2
Other operating cash flow items	-10.6	-9.3	4.2	23.7	313.3	-66.7	137.3	>-100
Operating cash flow	195.3	143.3	4.1	164.4	460.0	266.5	93.7	>100
Investing cash flow ³	-77.3	-65.5	-63.5	-62.1	-263.1	-22.4	-84.4	-73.4
Free cash flow	118.1	77.8	-59.4	102.4	196.9	244.1	9.3	>100
Financing cash flow	-70.0	-41.9	-6.2	-87.9	114.3	-325.9	17.6	-1954.5
Change in cash¹	48.1	35.9	-65.6	14.5	311.1	-81.9	26.9	>-100
Cash and cash equivalents²	221.5	247.6	179.6	196.3	497.3	419.9	212.7	97.4

¹ Change in cash and cash equivalents, i.e. without any effect of exchange rates

² Values as of reporting date

³ Incl. short-term, highly liquid money market funds: EUR 139 million as of December 31, 2020 and EUR 80 million as of September 30, 2021

Balance sheet

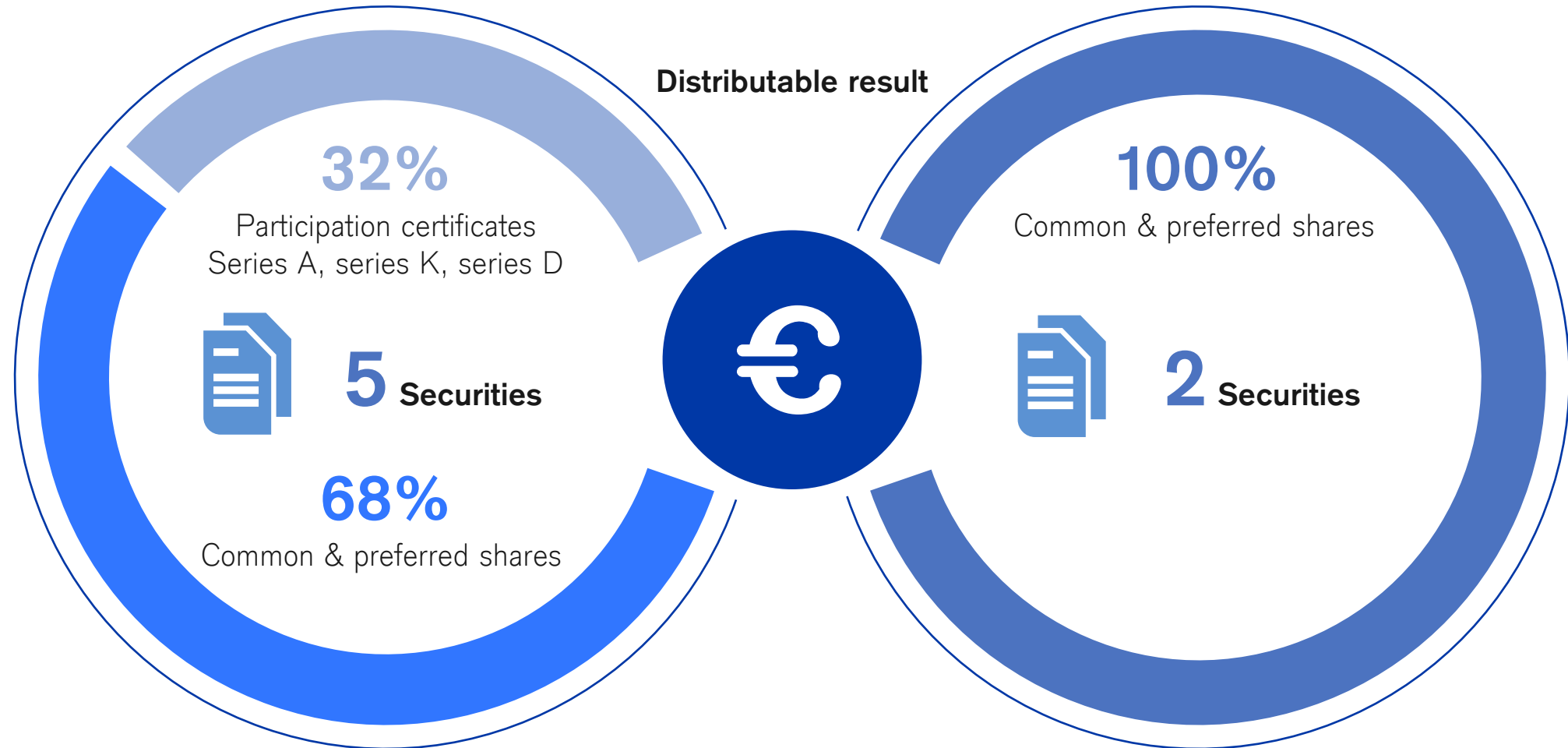
Assets	June 30, 2021	December 31, 2020	Change
	€ million	€ million	%
Intangible Assets	347.1	331.0	4.9
Property, plant and equipment (incl. Right-of-use assets)	583.7	567.0	2.9
Other noncurrent assets	304.5	261.0	16.7
Noncurrent assets	1,235.3	1,159.0	6.6
Inventories	683.3	620.8	10.1
Trade receivables	578.1	717.2	-19.4
Other current assets	213.9	311.7	-31.4
Cash and cash equivalents	455.7	497.3	-8.4
Current assets	1,930.9	2,147.0	-10.1
Total assets	3,166.2	3,306.0	-4.2

Balance sheet

Equity and liabilities	June 30, 2021	December 31, 2020	Change
	€ million	€ million	%
Equity	1,210.7	1,033.8	17.1
Provisions for pensions and similar obligations	379.9	430.1	-11.7
Non-current personnel provisions	37.4	37.2	0.4
Noncurrent interest bearing loans	156.1	157.8	-1.1
Non-current note loans	100.0	0.0	>+100.0
Other noncurrent liabilities	413.8	494.1	-16.2
Noncurrent liabilities	1,087.2	1,119.3	-2.9
Current Provisions	219.9	257.1	-14.5
Current note loans	0.0	60.0	-100.0
Current loans and liabilities to banks	31.6	36.3	-12.8
Trade payables	191.2	234.6	-18.5
Other current liabilities	425.6	564.9	-24.7
Current liabilities	868.3	1,152.9	-24.7
Total equity and liabilities	3,166.2	3,306.0	-4.2

Simplification of the capital structure

Termination of participation certificates (1 of 2)



Simplification of the capital structure

Termination of participation certificates (2 of 2)



Termination of participation certificates

In 2020, all 831,951 outstanding participation certificates were cancelled

Series A	195,245	EUR 116 million	Jan. 2021	✓
Series K	69,887	EUR 42 million	Jan. 2021	✓
Series D	184,887 (early repurchase)	EUR 100 million	Mar. 2021	✓
Series D	382,289	EUR 209 million	Jan. 2023	
		~ EUR 473 million		

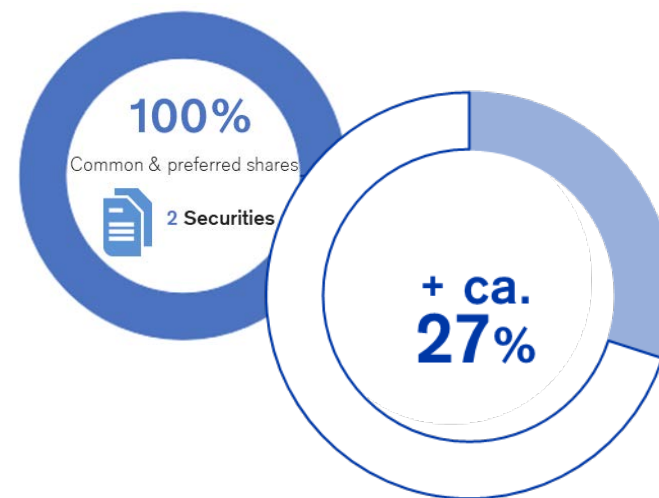


Funding

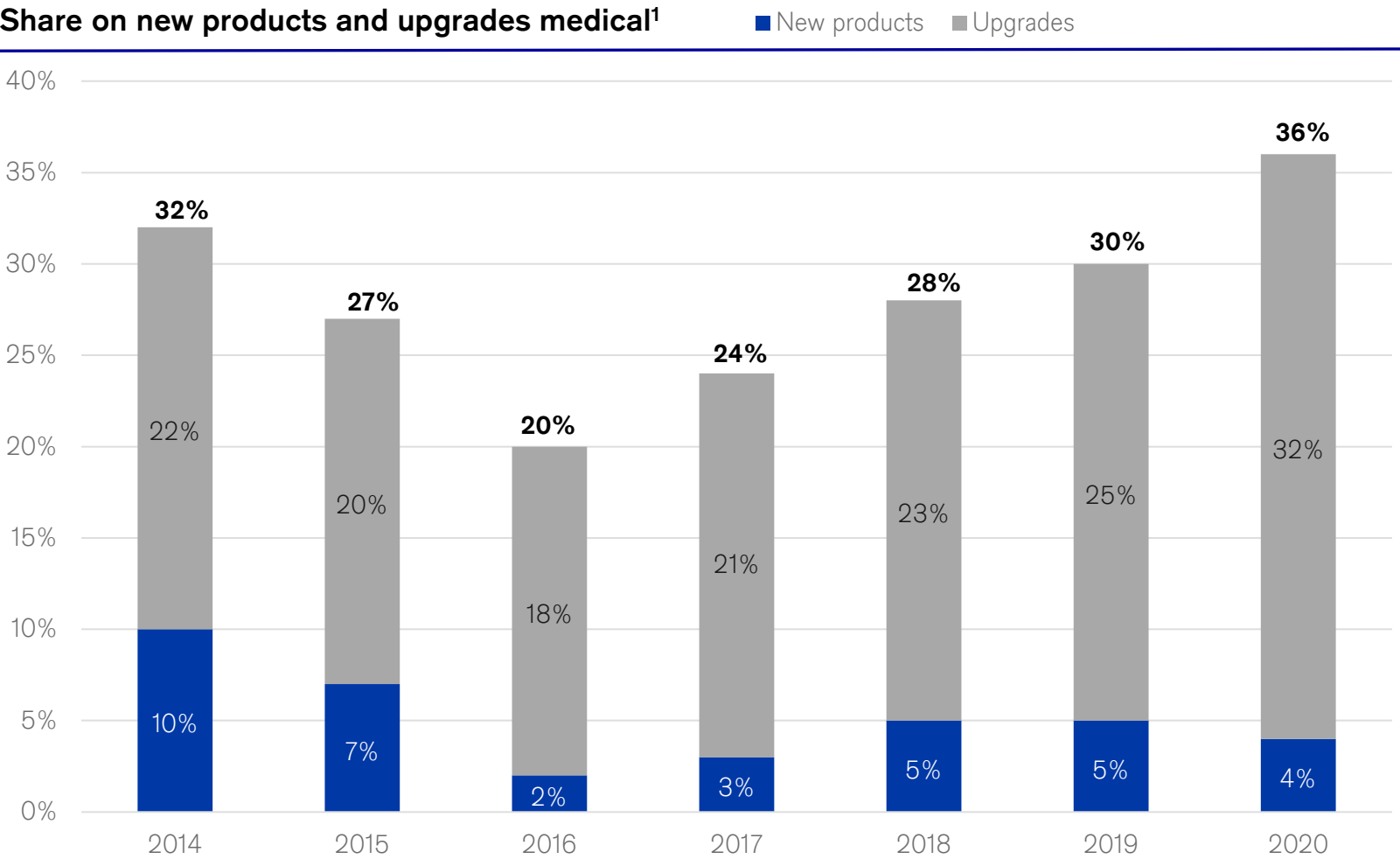
Equity increase in 2020	EUR 77 million
Borrowed capital (ESG - promissory note loans)	EUR 40 million
Operational liquidity	Remaining

Earnings per share

Pro forma as of December 2020, assuming full distribution and including dilution from the equity increase.



Innovation share



¹ Launched in the last 3 years; products are regarded as new, if they enable Dräger to either enter a new market segment or if products are regarded as completely new according to Dräger's customers and Dräger's sales force. Upgrades are those products, which serve existing Dräger markets, but their functionality is perceived as significantly enhanced by Dräger's customers and Dräger's sales force.

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 4, 2021** Final 2020 figures -
Conference call
- **April 29, 2021** Report for the first three months 2021
Conference call
- **May 7, 2021** (Virtual) Annual shareholders' meeting, Lübeck, Germany 2021
Conference call
- **July 29, 2021** Report for the first six months 2021
Conference call
- **October 28, 2021** Report for the first nine months 2021
Conference call

Contact

Thomas Fischler

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Thank you

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