

# DIVERSITY

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**Drägerwerk AG & Co. KGaA**

**Conference call**

Interim report January 1 to June 30, 2013

Lübeck, August 1, 2013

## Disclaimer



This presentation does not constitute an offer of securities for sale or a solicitation of an offer to purchase any securities. No money, securities or other consideration is being solicited by this presentation.

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Interim financial reports as well as preliminaries are not audited.

# Content

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1. Highlights Q2 2013

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- Good organic sales development, but order entry lagging behind
- Similar demand structure as in Q1: healthy demand for Anesthesia, Monitoring, Hospital Consumables & Accessories; weaker demand in Workplace Infrastructure and Engineered Solutions
- Over-proportional expense growth, EBIT-margin at 7.0%
- Full year guidance confirmed
- Successful milestone in ERP program
- Update on products:
  - M540 “standalone” update
  - Bodyguard 1500

## Business development



	Q2 2012	Q2 2013	Change	6M 2012	6M 2013	Change
	€ million	€ million	%	€ million	€ million	%
Order intake	588.4	588.5	0.0 <sup>1</sup>	1,139.3	1,159.8	+1.8 <sup>1</sup>
Order on hand				524.5	533.7	+1.8 <sup>1</sup>
Net sales	543.4	566.8	+4.3 <sup>1</sup>	1,072.7	1,100.6	+2.6 <sup>1</sup>
<i>Gross margin</i>	<i>50.2 %</i>	<i>48.7 %</i>		<i>50.1 %</i>	<i>49.7 %</i>	
EBIT	47.0	39.4	-16.0	93.7	79.2	-15.4
<i>EBIT margin</i>	<i>8.6 %</i>	<i>7.0 %</i>		<i>8.7 %</i>	<i>7.2 %</i>	
Income taxes	12.0	-10.3	-14.2	23.5	21.0	-10.6
<i>Tax rate</i>	<i>30.2 %</i>	<i>31.1 %</i>		<i>30.6 %</i>	<i>31.6 %</i>	
Earnings <sup>after</sup> income taxes	27.7	23.0	-17.1	53.2	45.6	-14.3
DVA				133.4	132.9	-0.4

<sup>1</sup> Currency adjusted:

Q2 2013: order intake +2.1 %, net sales +6.5 %

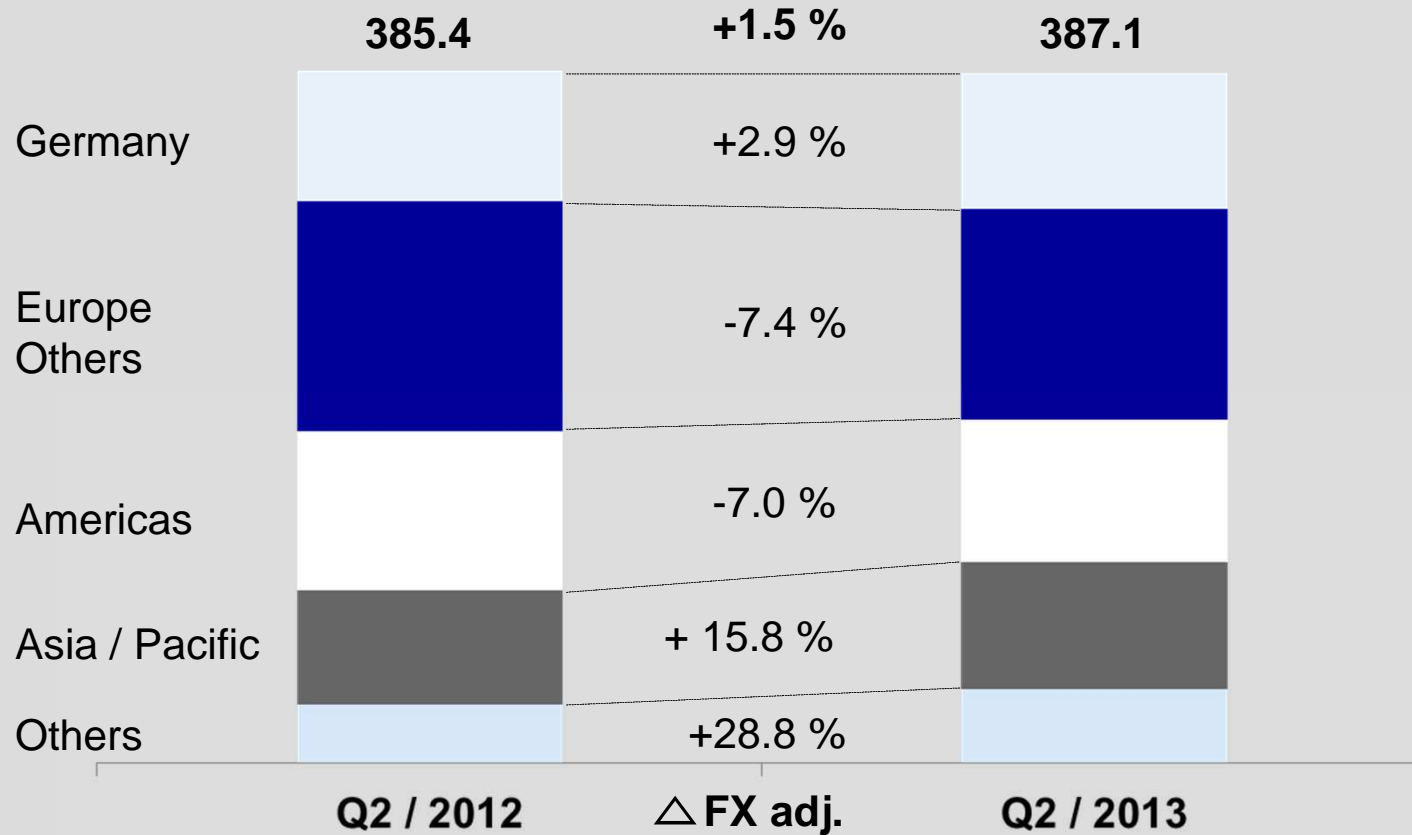
6M 2013: order intake +3.2 %, orders on hand +4.1 %, net sales +4.2 %

# Business development

## Medical division: order entry in Q2 2013



in € million



## Business development

### Medical division



	Q2 2012	Q2 2013	Change	6M 2012	6M 2013	Change
	€ million	€ million	%	€ million	€ million	%
Order intake	387.1	385.4	-0.4 <sup>1</sup>	735.7	749.2	+1.8 <sup>1</sup>
Orders on hand				369.7	348.9	-5.6 <sup>1</sup>
Net sales	348.0	363.4	+4.4 <sup>1</sup>	685.7	704.4	+2.7 <sup>1</sup>
EBIT	32.2	25.6	-20.3	60.3	53.3	-11.6
<i>EBIT margin</i>	<i>9.2 %</i>	<i>7.1 %</i>		<i>8.8 %</i>	<i>7.6 %</i>	
DVA				133.5	125.7	-5.9

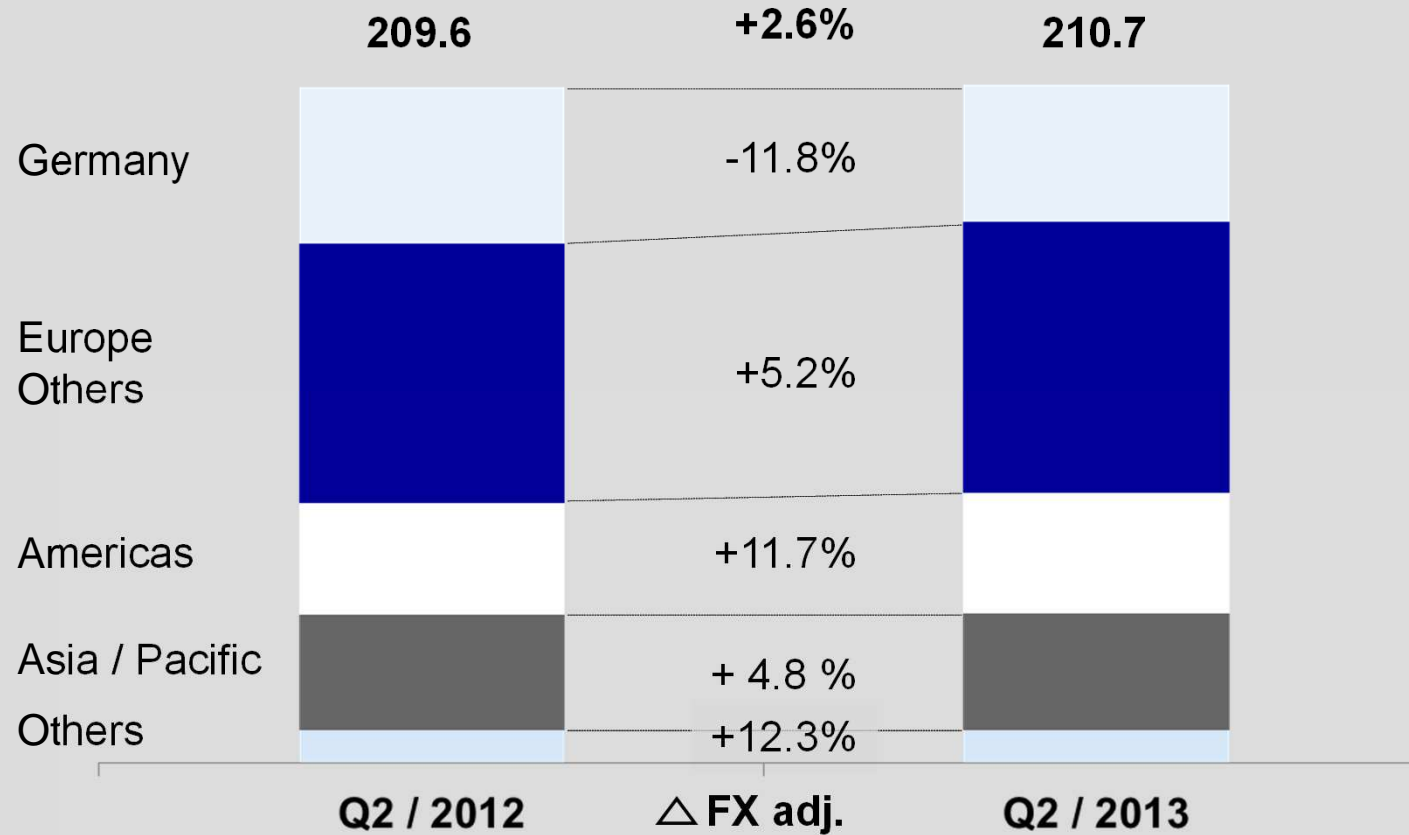
<sup>1</sup> Currency adjusted: Q2 2013: order intake +1.5 %, net sales +6.5 %  
 6M 2013: order intake +3.2 %, orders on hand -3.3%, net sales +4.3 %

# Business development

## Safety division: order entry in Q2 2013



in € million





## Business development

### Safety division



	Q2 2012	Q2 2013	Change	6M 2012	6M 2013	Change
	€ million	€ million	%	€ million	€ million	%
Order intake	209.6	210.7	+0.5 <sup>1</sup>	419.5	426.2	+1.6 <sup>1</sup>
Orders on hand				156.7	186.2	+18.9 <sup>1</sup>
Net sales	202.9	211.3	+4.1 <sup>1</sup>	402.4	412.0	+2.4 <sup>1</sup>
EBIT	24.8	21.8	-12.2	52.3	40.3	-23.0
<i>EBIT margin</i>	<i>12.2 %</i>	<i>10.3 %</i>		<i>13.0 %</i>	<i>9.8 %</i>	
DVA				64.2	66.2	+3.1

<sup>1</sup> Currency adjusted: Q2 2013: order intake +2.6 %, net sales +6.3 %  
 6M 2013: order intake +3.0 %, orders on hand +21.1 %, net sales +3.8 %

## Key figures



	6M 2012	6M 2013	Change
	€ million	€ million	%
Cash flow from operating activities	48.7	-11.0	-122.6
Investments	33.9	43.5	+28.2
Cash and cash equivalents <sup>1</sup>	307.9	197.2	-36.0
Net financial debt <sup>1</sup>	143.5	130.9	-8.8
Net financial debt <sup>1</sup> /EBITDA <sup>2</sup>	0.5	0.5	
Capital employed <sup>1</sup>	920.6	997.6	+8.4
<i>EBIT<sup>2</sup>/Capital Employed (ROCE)</i>	<i>23.1 %</i>	<i>21.6 %</i>	
Net working capital <sup>1</sup>	398.5	499.8	+25.4

<sup>1</sup> Values at due date

<sup>2</sup> EBITDA and accordingly EBIT of the last twelve months

## Functional expenses



	Q2 2012	Q2 2013	Change	6M 2012	6M 2013	Change
	€ million	€ million	%	€ million	€ million	%
Research and development costs	47.6	51.6	+8.3	93.8	100.0	+6.6
<i>in % of net sales</i>	<i>8.8 %</i>	<i>9.1 %</i>		<i>8.7 %</i>	<i>9.1 %</i>	
Marketing and selling expenses	147.9	153.2	+3.6	289.5	302.8	+4.6
<i>in % of net sales</i>	<i>27.2 %</i>	<i>27.0 %</i>		<i>27.0 %</i>	<i>27.5 %</i>	
General administrative expenses	33.6	28.9	-14.1	64.0	63.0	-1.5
<i>in % of net sales</i>	<i>6.2 %</i>	<i>5.1 %</i>		<i>6.0 %</i>	<i>5.7 %</i>	
Expenses Total	227.5	235.3	+3.4	444.4	467.2	+5.1
<i>in % of net sales</i>	<i>41.9 %</i>	<i>41.5 %</i>		<i>41.4 %</i>	<i>42.4 %</i>	

## Outlook and mid-term perspective



	2012	2013	Midterm 2018
<b>Net sales</b>	+5.2 % <i>(currency adjusted +2.5 %)</i>	2.0 % - 4.0 %	CAGR > 4 %
<b>EBIT margin</b>	9.7 %	8.0 % - 10.0 %	10.0 % - 12.0 %
<b>Gross Margin</b>	49.2 %	48.5 % - 49.5 %	
<b>Cash flow conversion</b>	77 % of EBIT	50 % - 70 % of EBIT	
<b>Equity ratio</b>	34.7 %	35 % – 38 %	

# Appendix

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1. Financial calendar

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2. Contact

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## Financial calendar



<b>March 12, 2012</b>	Accounts press conference, Hamburg Analysts' meeting, Frankfurt
<b>May 2, 2012</b>	Report for the first three months 2013 Conference call, Lübeck
<b>May 3, 2012</b>	Annual shareholders' meeting, Lübeck
<b>August 1, 2012</b>	Report for the first six months 2013 Conference call, Lübeck
<b>October 31, 2012</b>	Report for the first nine months 2013 Conference call, Lübeck

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TO DIVERSITY. IT'S PART OF WHO WE ARE.**

