



**Dr. Ludwin Monz, President and CEO**  
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December 6, 2019

12M 2018/19 at a Glance

Financial Performance

Highlights

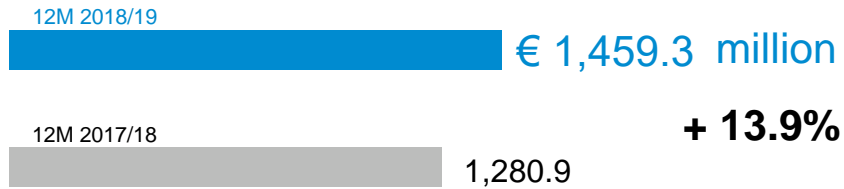
Outlook



# Carl Zeiss Meditec Achieves Strong Profitable Growth in FY 2018/19

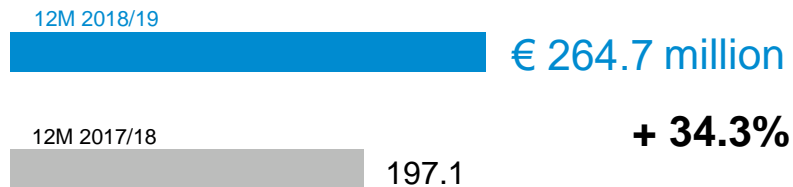


## Revenue



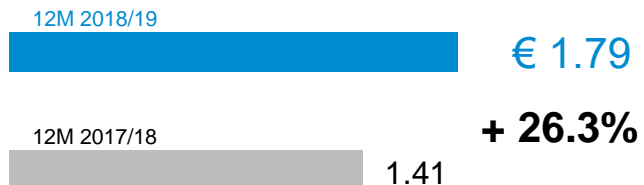
- Further profitable growth with contributions from both SBUs and all regions
- Growth supported by positive currency development (FX-adj. growth of 11.7%)

## EBIT



- EBIT margin increased significantly to 18.1% (prev. year 15.4%)
- Adj. EBIT margin expanded to 18.5% (prev. year 15.7%)
- Favorable product mix with high proportion of recurring revenue

## EPS



- EPS well above previous year's level due to strong earnings trend

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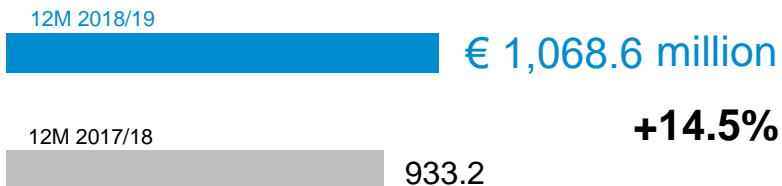


# Ophthalmic Devices

## Strong Growth Across the Portfolio with Expanding Margins



### Revenue



- Growth primarily driven by Refractive Lasers and Surgical Ophthalmology
- FX-adj. revenue growth of +12.4%

### EBIT margin



- Key driver for margin expansion was improved product mix with high share of refractive treatment packs and premium IOLs

### Revenue Split

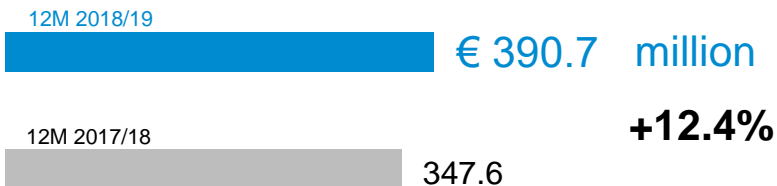


# Microsurgery

## Strong Demand for Our Innovative Visualization Solutions Continues



### Revenue



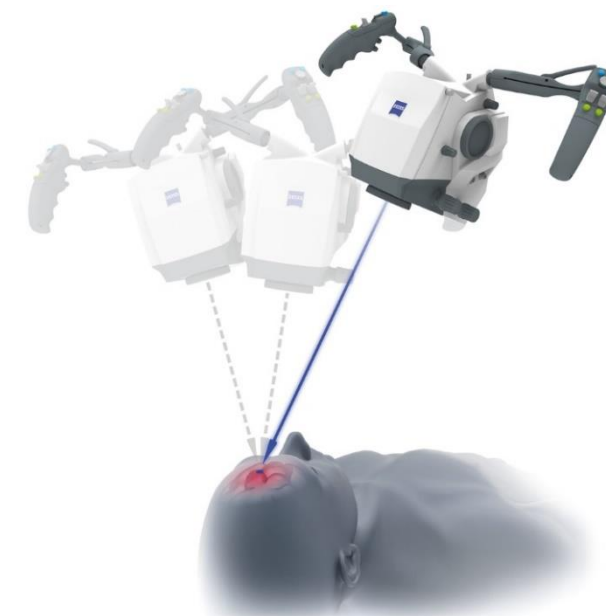
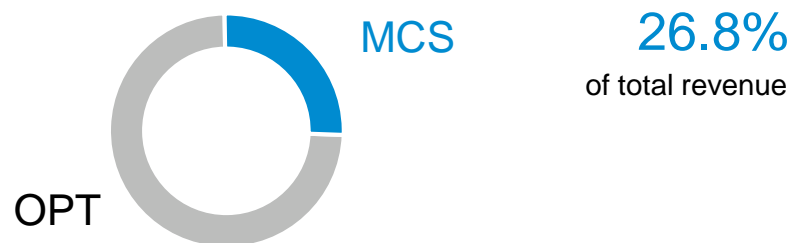
- Continued strong revenue development of neurosurgical Robotic Visualization System® KINEVO® 900 and successful launch of TIVATO® 700
- FX-adj. revenue growth of +9.7%

### EBIT margin



- Improved EBIT margin driven by operating leverage and favorable currency environment

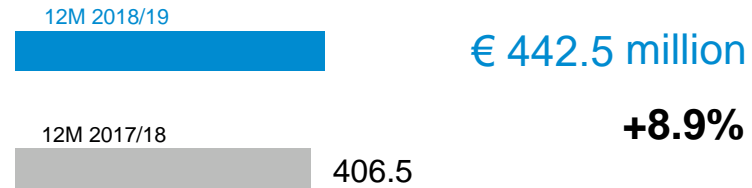
### Revenue Split



# Growth in All Regions Led by APAC and EMEA



30.3%  
Americas

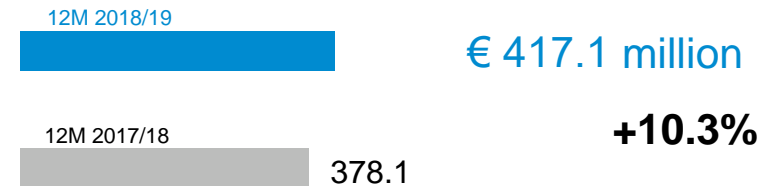


## Americas

- Strong finish in fourth quarter with Microsurgery and Ophthalmic Diagnostics products
- FX-adj. revenue growth of +3.9%

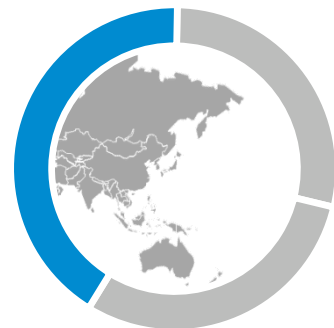


28.6%  
EMEA

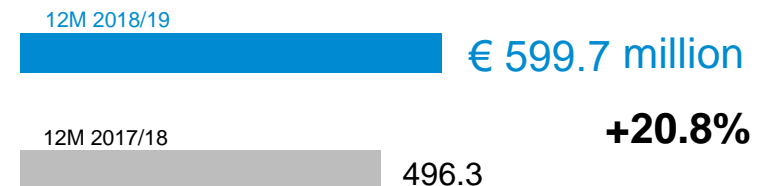


## EMEA

- Germany, France and UK with strong revenue growth
- FX-adj. revenue growth of +10.7%



41.1%  
APAC



## APAC

- Highest growth contributions once again from China, South Korea as well as solid performance from Japan
- FX-adj. revenue growth of +19.0%

# EBIT Positively Impacted by Product Mix and Operating Leverage



## Income Statement

		in € million	in % of sales
Gross profit		831.9	57.0
		710.4	55.5
Selling & marketing expenses		336.2	23.0
		303.8	23.7
General admin. expenses		57.7	4.0
		49.8	3.9
R&D expenses		173.3	11.9
		159.6	12.5
EBIT [adj.]		264.7	18.1
		[269.8]	[18.5]
		197.1	15.4
		[200.7]	[15.7]

■ 12M 2018/19   ■ 12M 2017/18

- EBIT increase supported by positive development of gross margin due to high share of recurring revenue, particularly strong performance of refractive treatment packs and premium IOL
- Opex increase below revenue growth, however, R&D ratio expected to increase again in FY 2019/20



# Adjusted EBIT Margin Increases to 18.5%



## Adjusted EBIT margin

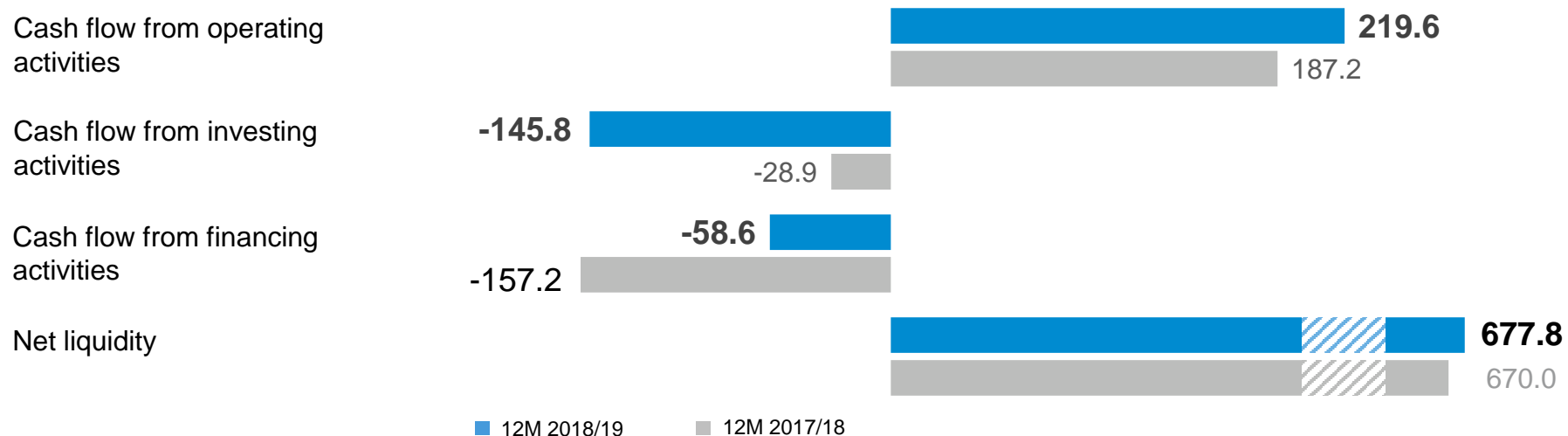
	12M 2018/19 € million	12M 2017/18 € million	Change to PY %
EBIT	264.7	197.1	+ 34.3
Acquisition-related special effects	5.1	3.6	-
Adjusted EBIT	269.8	200.7	+ 34.4
Adjusted EBIT in % of revenue	18.5%	15.7%	+2.8% pts.

- Only modest level of adjustments from acquisitions / PPA - stable vs. PY

# Operating Cash Flow Further Improved



## Cash flow statement



- **Strong operating cash flow**, supported by strong earnings development and tight management of net working capital
- **Cash flow from investing activities** was € -135.6 million mainly due to the acquisition of IanTECH Inc.
- Financing cash outflow reduced due to utilization of treasury-held funds

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# ZEISS has Launched Significant Innovation in Microsurgery and Diagnostic Imaging Equipment



KINEVO® 900



## Approved for Chinese market

... in Q4; strong revenue and order entry during FY 2018/19



TIVATO® 700

## Robotic Visualisation System

... for minimally Invasive Spine and ENT Surgery – successful ramp up in FY 2018/19



CIRRUS® 6000

## +270% faster OCT scans...

... with CIRRUS® 6000 OCT over previous OCT generation at improved imaging depth

Launched in Sept 2019

... expanding the reach of our fundus imaging portfolio by providing **integrated Fluorescein Angiography**

Commercial roll out in key markets in Q4



CLARUS™ 700

ARTEVO® 800 with EQ Workplace®



## First digital microscope

... approved in key markets – commercial roll-out has begun in Q4

... with EQ Workplace® helps to streamline refractive cataract workflow

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# Outlook for Fiscal Year 2019/20 and Mid-Term Defined



## Favourable Long-Term Trends

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Aging of the population and growing affluence

Rising access to health care in RDEs

Increasing information access and awareness

Growing patient load, growing expectations

## Our Strategic Priorities

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Further expand recurring revenue generation

Extend technology leadership in cataract

Drive market penetration of SMILE Refractive Laser surgery

Lead neuro/ENT market by turning next-generation product into business growth

## FY 2019/20 Outlook

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### **FY 2019/20**

Continued revenue growth ahead of our markets

EBIT margin expected between **17% and 19%**

### **Mid-term**

EBIT margin to be managed **sustainably above 18%**

