



Conference Call 3 Months 2015/16

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1 3M 2015/16 at a Glance

2 Financial Performance

3 Highlights

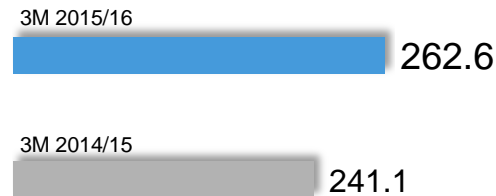
4 Outlook



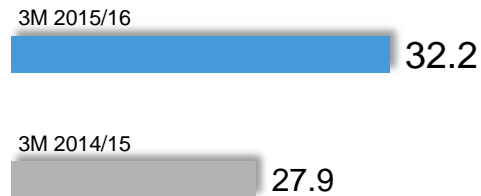
Q1 Revenue Grows by 9% With Strong FX Support



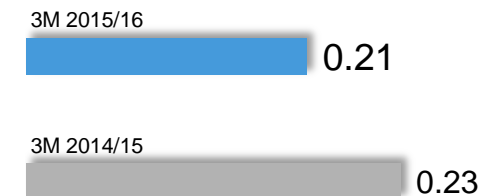
Revenue
in € million + 9%



EBIT
in € million + 16%



EPS
in € - 9%



- Growth again supported by changes in currency rates, mainly USD
- FX-adj. revenue growth of 3.8%
- Strongest growth contributions from Surgical Ophthalmology and APAC region
- EBIT up 15.6% vs. prev. year to € 32.2 m
- EBIT margin of 12.3% above PY level of 11.6%, partly attributable to lower functional costs
- Adjusted EBIT margin at 12.6% (PY: 12.1%)
- EPS declines by 9% y/y, mainly due to negative impact of FX hedging (USD and JPY strength vs. EUR)

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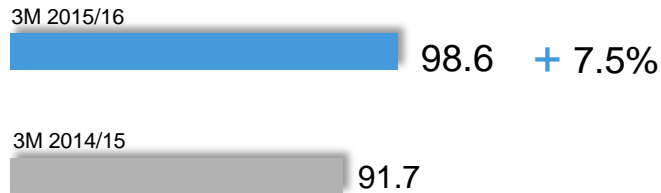
4 Outlook



OPH: Revenue Growth Supported by Strong USD, Further Improvement in Profitability



OPH¹⁾ revenue in € million



Revenue split in %



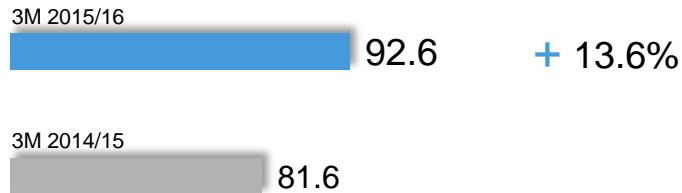
- Growth mainly driven by favorable Fx development
- FX-adj. revenue increase of 0.7% vs. prev. year
- Diagnostic devices and systems still in a challenging competitive environment
- Refractive laser business: total of 300,000 eyes treated since launch
- EBIT margin improved slightly compared to last year due to a more favorable product mix and cost control measures

¹⁾ Ophthalmic Systems

SUR: Strong IOL and Biometry Sales Drive Another Quarter of Double-Digit Growth



SUR¹⁾ revenue in € million



Revenue split in %



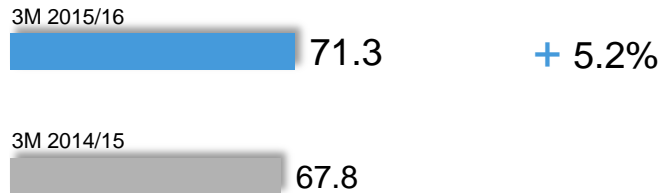
- FX-adj. sales growth of 10.7%
- Strong contribution from both premium and standard IOL categories as well as biometry
- Continued high interest in our cataract surgical workplace offering
- EBIT margin slightly above previous year due to higher operational leverage

¹⁾ Surgical Ophthalmology

MCS: Significant FX Support, Stable Organic Revenue Trend



MCS¹⁾ revenue in € million



Revenue split in %



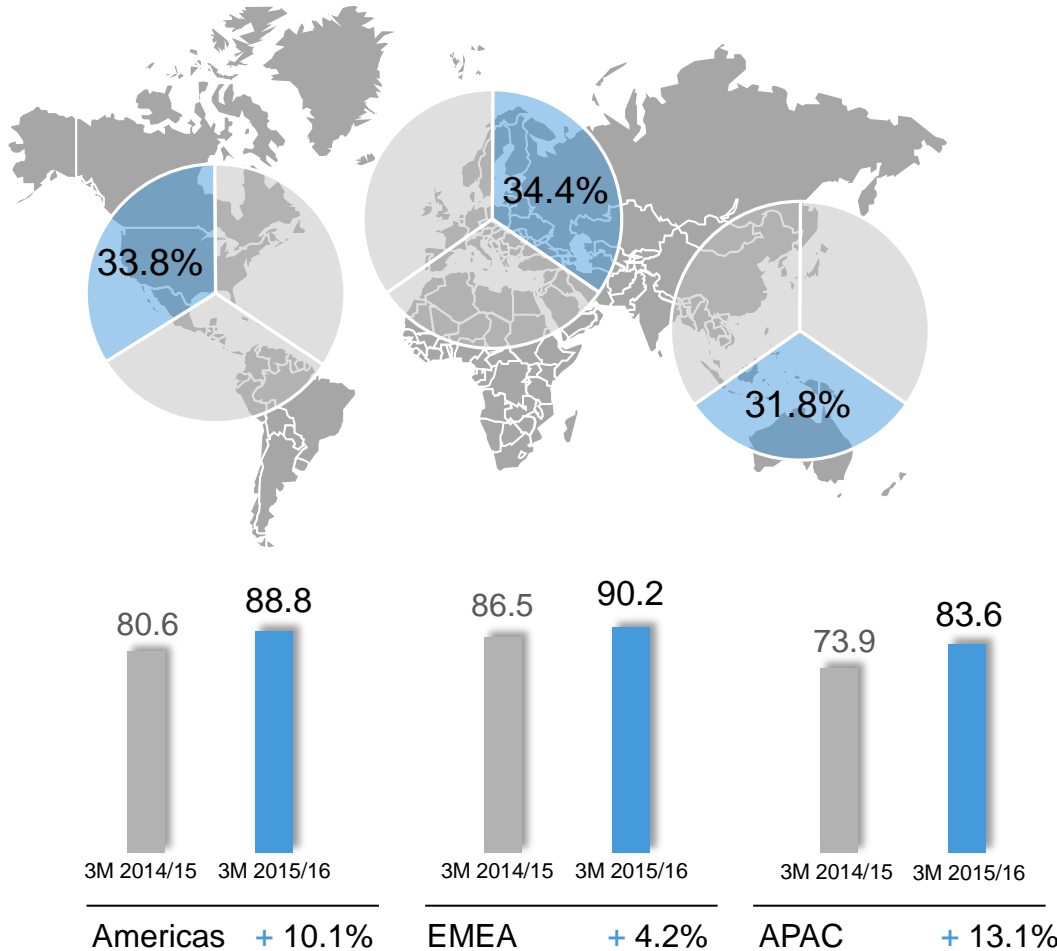
- Revenue significantly boosted by currency effects
- Excluding FX effects, Microsurgery revenue is around the previous year's level (FX-adj. -0.1%)
- Revenue in Neurosurgery stable vs. PY
- Profitability remains on a high level despite some headwinds from regional distribution and product mix

¹⁾ Microsurgery

Strongest Regional Growth in APAC



Revenue | Revenue split
in € million in %



Americas (-1.4% fx-adj.)

- Benefited from USD strength vs. EUR
- Weaker business development in the US, while South American countries contribute positively to growth

EMEA (+4.5% fx-adj.)

- Heterogeneous development with good contributions from Germany and the U.K.
- Southern European markets with less momentum

APAC (+9.1% fx-adj.)

- Highest regional growth
- Strong revenue growth in China, revenue decline in Japan

EBIT Margin of 12.3% Slightly Above PY Level, Supported by Top Line Growth and OPEX Containment Measures



Income statement

	in € million	in % of sales	■ 3M 2015/16	■ 3M 2014/15
Gross profit	136.9	52.1		
	127.5	52.9		
Selling & marketing expenses	61.7	23.5		
	59.7	24.8		
General & admin. expenses	11.8	4.5		
	11.5	4.8		
R&D expenses	31.1	11.9		
	28.4	11.8		
EBIT	32.2	12.3		
	27.9	11.6		

Introducing an Adjusted EBIT Model to Provide Additional Transparency on Operating Performance



	3 Months 2015/16	3 Months 2014/15	Change to prev. year
EBIT	€ 32.2 mn	€ 27.9 mn	+15.6%
+ Special items related to acquisitions	€ 1.0 mn	€ 1.2 mn	-19.3%
+ Restructuring/reorganization	-	-	-
+ Other special items	-	-	-
Adjusted EBIT	€ 33.2 mn	€ 29.1 mn	+14.2%
Adjusted EBIT in % of total revenue	12.6%	12.1%	+0.5%-pts

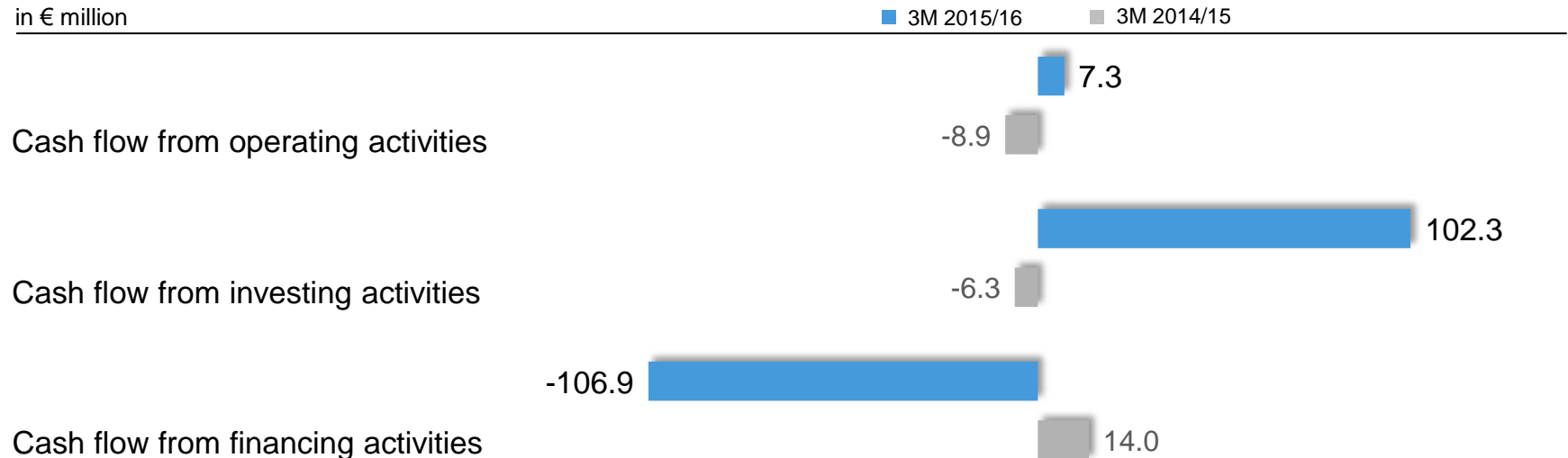
- FY 2014/15 included an adjustment to our EBIT margin for a strategic development project in ophthalmic surgery
- From Q1 2015/16 onwards, we are no longer adjusting earnings for this project
- To increase transparency, we are introducing an adjusted EBIT model more closely aligned with capital markets standards, focusing on special items related to acquisitions and restructuring expenses
- Currently, we only have a minimal level of such special items, mainly related to the Aaren Scientific acquisition
- Our EBIT margin target of 13% - 15% continues to be based on reported EBIT margin, not adjusted earnings

Positive Operating Cash Flow Compared to PY



Cash flow statement

in € million



- Improvement in operating cash flow due to a seasonal reduction in trade receivables from a high year-end peak
- Swings in cash flow from investing and financing activities related to a € 110m fixed term deposit maturity in Q1 14/15

Continued Solid Financial Position with Unchanged High Net Cash Reserves



Key ratio ¹⁾	Dec 31, 2015	Change to Sep 30, 2015
Equity ratio	71.5 %	+1.5%-pts
Net cash and cash equivalents	€ 278.0 mn	-0.2%
Net working capital	€ 275.4 mn	-24.4%
Trade receivables in % of LTM ²⁾ revenue	22.9%	-1.4%-pts.
Inventory in % of LTM ²⁾ revenue	19.3%	+1.1%-pts

- Our balance sheet and financial ratios remain very strong
- Net cash and cash equivalents amount to € 278 mn

¹⁾ See definition pages 10 and 12 of the Carl Zeiss Meditec Group 3 Month Report 2015/16

²⁾ Last twelve months

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Segment-Specific Products Strengthen Our Position in RDE's and Global Competitiveness



- RDEs represent nearly 30% of Q1 2015/16 revenue; High growth momentum from China continuing
- Products tailored to local needs are key – increasing share of R&D and production out of China
- Segment-specific products also strengthen our competitiveness in the mid-tier segment in developed markets
- Our goal is to make basic diagnostic and treatment methods available at a reasonable cost per procedure
- Recently launched examples include the OCT system PRIMUS 200, the ophthalmic surgical microscope OPMI LUMERA® 300 as well as the VISUSCOUT® 100, a mobile fundus camera
- Common features: Easy to use and designed to increase workflow efficiency in an environment with high patient throughput; meet the need to deliver healthcare services in highly cost-sensitive surroundings

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Our strategic priorities:

- Further drive recurring revenue generation, with both IOL and refractive laser business
- Extend technology leadership in cataract and address attractive market opportunities with additional investment in R&D
- Build on strength in data management and improve profitability of OPH diagnostics
- Continue to lead neuro/ENT visualization market with application-driven innovations

Goals 2015/16

- To grow revenue at least as fast as our markets grow
- To reach an EBIT margin in a range of 13% - 15%

Mid-term Goals

- To grow revenue at least as fast as our markets grow
- To increase the share of recurring revenue to one third of consolidated revenue
- To maintain an attractive EBIT margin level of 13% - 15%

We will continue on our path of profitable growth ahead of our markets



We make it visible.