

# Carl Zeiss Meditec Group

## Conference Call 9 Months 2015/16



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9M 2015/16 at a Glance

Financial Performance

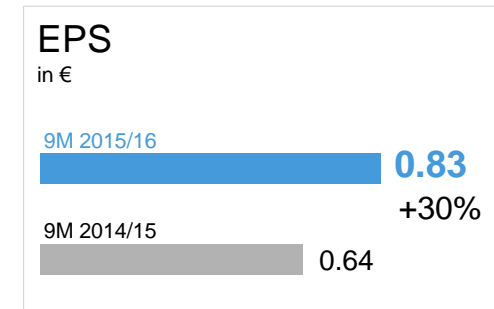
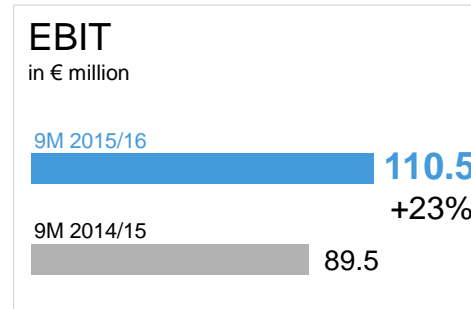
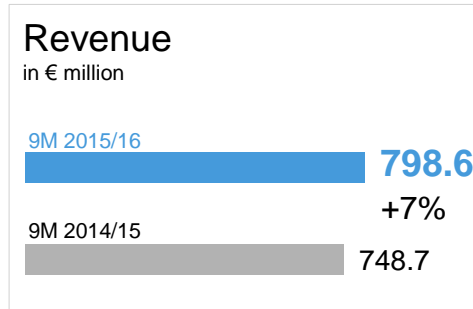
Highlights

Outlook

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# 9 Months Revenue Grew by 7%, Supported by all SBUs



- FX-adj. revenue growth of 4.5%
- Revenues grew by 7% supported by all SBU's
- Strongest growth contribution from Ophthalmology and APAC region
- EBIT margin of 13.8% above prev. year level of 12.0%
- Adjusted EBIT margin at 14.2% (prev. year: 12.7%)
- EBIT development supported by strict cost management
- EPS primarily increased due to the positive development of EBIT

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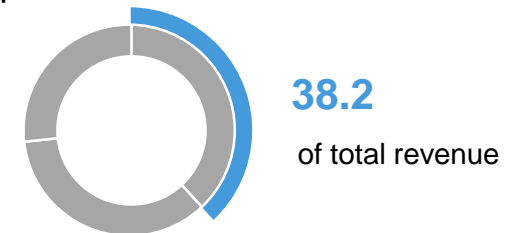
# OPH: Refractive Laser Business with a Consistently High Growth Contribution



## OPH<sup>1)</sup> revenue in € million



## Revenue split in %



- FX-adj. revenue increase of 5.0% vs. prev. year
- Consistently strong growth contribution from laser systems for refractive surgery
- EBIT improved compared to PY due to a more favorable product mix and cost control measures

<sup>1)</sup> Ophthalmic Systems

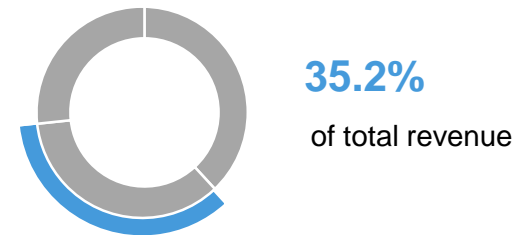
# SUR: Strong Sales of IOLs and Biometry Create Operating Leverage



## SUR<sup>1)</sup> revenue in € million



## Revenue split in %



- FX-adj. sales growth of 7.1%
- Strong contribution from both premium and standard IOL categories as well as biometry
- Continued high interest in our cataract surgical workplace offering
- EBIT margin significantly above previous year due to higher operational leverage and disciplined cost management

<sup>1)</sup> Surgical Ophthalmology

# MCS: Continuation of Moderately Positive Development



## MCS<sup>1)</sup> revenue in € million

9M 2015/16



**212.8**

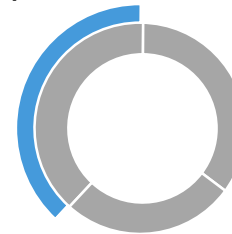
**+3.0%**

9M 2014/15



206.7

## Revenue split in %



**26.7%**

of total revenue

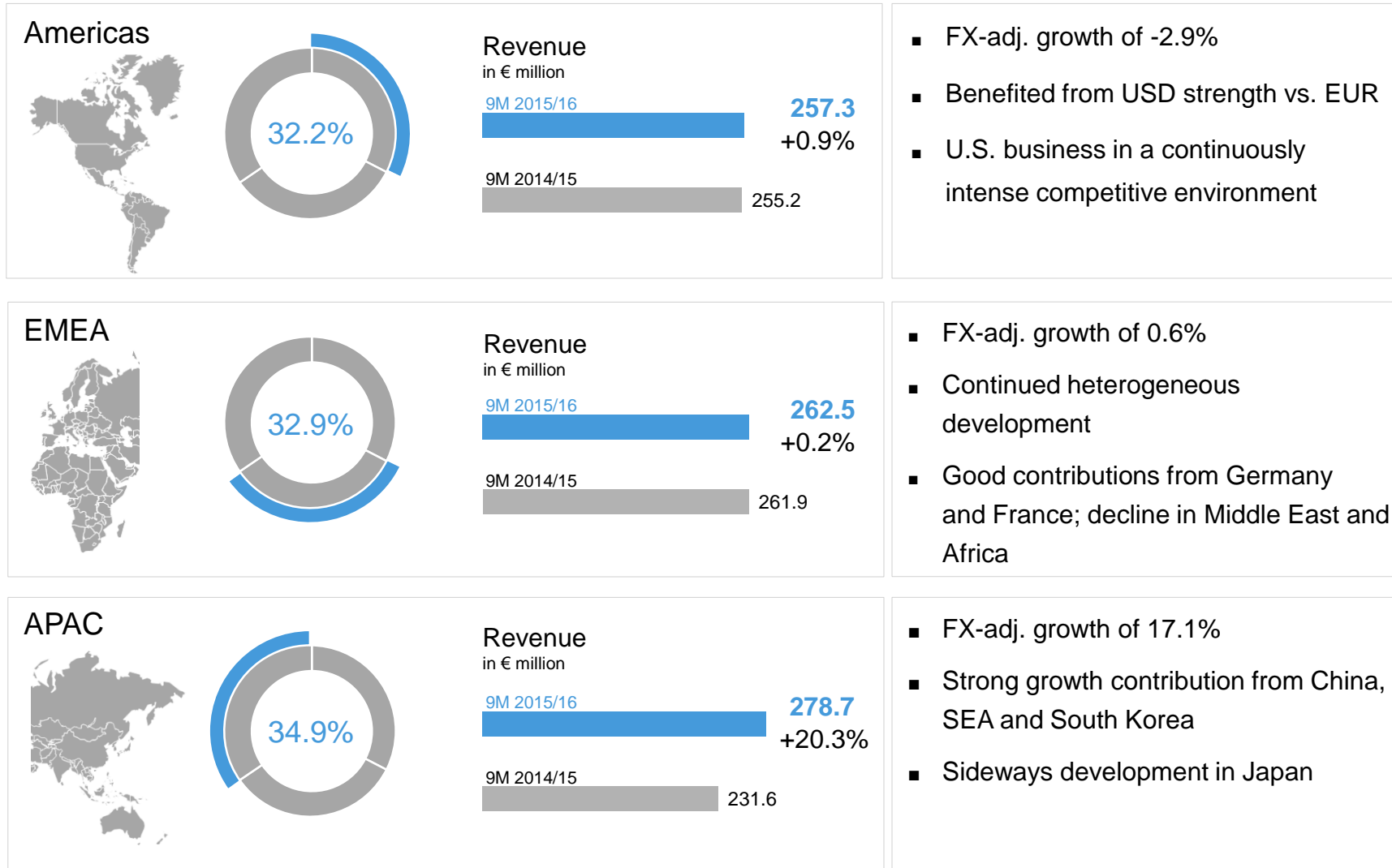


- FX-adj. sales growth of 0.6%
- Slight growth in Neuro/ENT category
- Service contribution developing positively
- Profitability remains on a high level despite higher costs in research and development

<sup>1)</sup> Microsurgery



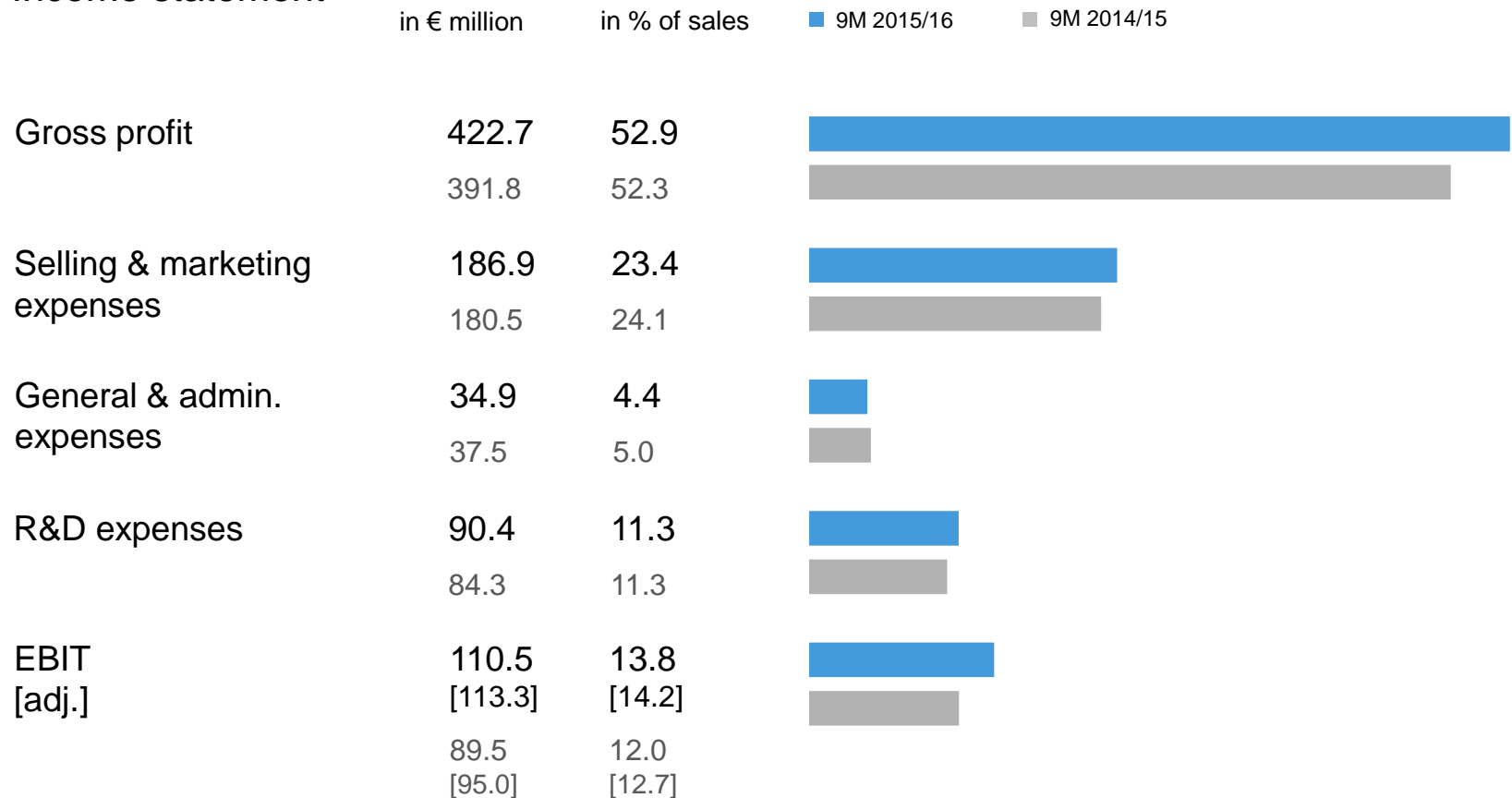
# APAC Drives Top Line Growth



# EBIT Margin Reaches 13.8% Supported by a Strict Cost Management



## Income statement



# Adjusted EBIT Margin Expands to 14.2%



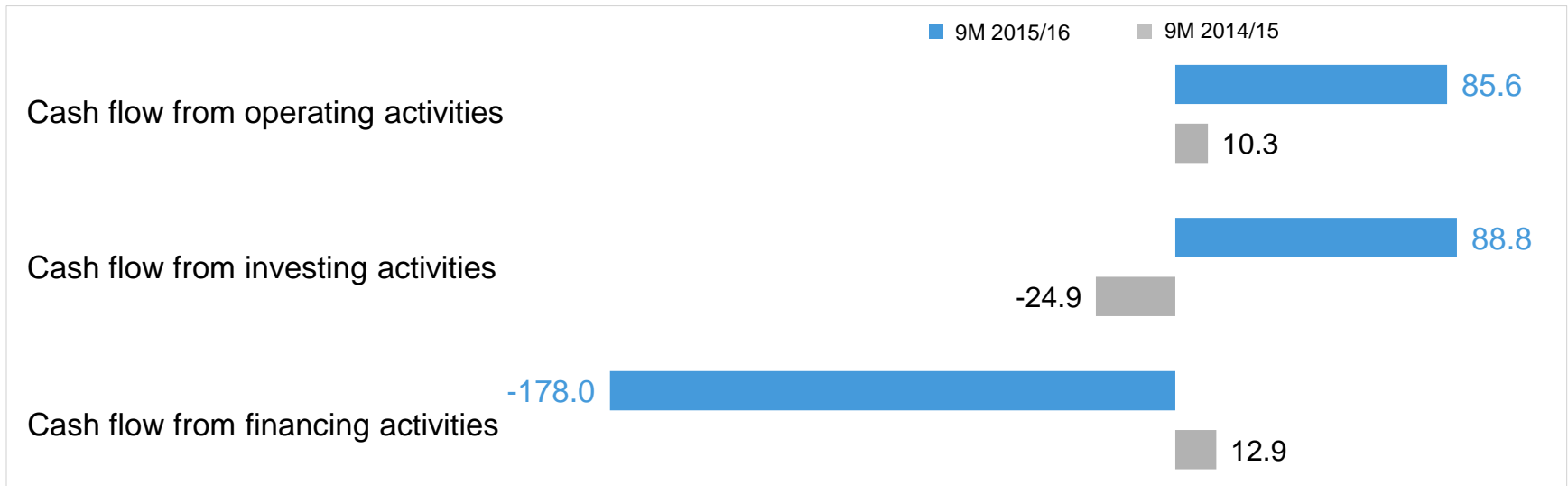
|                                     | 9 Months<br>2015/16 | 9 Months<br>2014/15 | Change     |
|-------------------------------------|---------------------|---------------------|------------|
| (Unless otherwise stated)           | € k                 | € k                 | in %       |
| EBIT                                | 110.5               | 89.5                | +23.4      |
| Acquisition-related special effects | 2.8                 | 3.6                 | -20.4      |
| Restructuring / reorganization      | -                   | 2.0                 | > 100      |
| Other special effects               | -                   | -                   | -          |
| Adjusted EBIT                       | 113.3               | 95.0                | +19.3      |
| Adjusted EBIT in % of revenue       | 14.2%               | 12.7%               | +1.5% pts. |

- Adjusted EBIT margin reaches 14.2% (PY: 12.7%) – overall low level of adjustments at 9M 2015/16
- PY period contained notable adjustments due to restructuring and M&A effects, mainly related to the Aaren Scientific Inc. acquisition and efficiency measures in Ophthalmic Systems.

# Significantly Positive Operating Cash Flow Compared to Previous Year



## Cash flow statement in € million



- Continued positive development of operating cash flows due to increased EBIT as well as improvements in management of net current assets
- Swings in cash flow from investing and financing activities related to a € 110 m fixed term deposit maturity in Q1 15/16

# Continued Solid Financial Position with High And Growing Net Cash Reserves



| Key ratio <sup>1)</sup>                             | June 30, 2016 | Change to Sep 30, 2015 |
|---|---------------|------------------------|
|   | in %          | in % pts.              |
| Equity ratio  | 67.2          | -2.8                   |
| Trade receivables in % of LTM <sup>2)</sup> revenue | 23.1          | -1.2                   |
| Inventory in % of LTM revenue                       | 19.7          | +1.5                   |
|   | in € million  | in %                   |
| Net cash and cash equivalents                       | 319.3         | +14.7                  |
| Net working capital                                 | 251.5         | -1.2                   |

<sup>1)</sup> See definition pages 10 and 12 of the Carl Zeiss Meditec Group 9 Months Report 2015/16

<sup>2)</sup> Last twelve months

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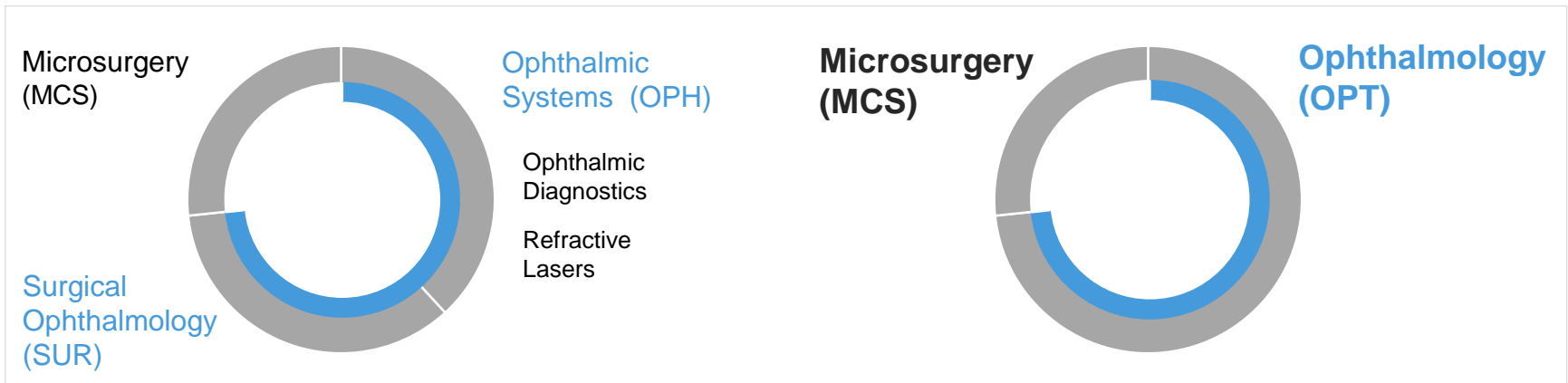
# New Organizational Structure Will Provide Stronger Customer Focus



## SBU Structure 2014/15/16

## New SBU Structure

(effective 1<sup>st</sup> of August 2016)



- ▶ In Ophthalmology we are merging our structures and will have the newly combined SBU under the leadership of a new Head of Ophthalmology, James V. Mazzo.
- ▶ The former SBUs “Ophthalmic Systems” and “Surgical Ophthalmology” will no longer exist.

The new structure will help us to:

- reduce organizational complexity,
- align our structures further with the markets and
- increase customer focus.

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# We Will Continue on Our Path of Profitable Growth Ahead of Our Markets



| Key ratio <sup>1)</sup> | 9M 2015/16     | Goals 2015/16                                  | Mid-term goals                     |
|-------------------------|----------------|--|------------------------------------|
| Consolidated revenue    | € 798.6million | <b>€ 1,080 to 1,120 million</b><br>(unchanged) | At least on par with market growth |
| EBIT-Margin             | 13.8%          | 13% to 15%<br>(unchanged)                      | 13% to 15%                         |

## Our strategic priorities:

- Further drive recurring revenue generation, with both IOL and refractive laser business
- Extend technology leadership in Ophthalmology and build on strength in data management
- Further improve profitability of Diagnostics
- Continue to lead neuro/ENT visualization market with application-driven innovations



We make it visible.