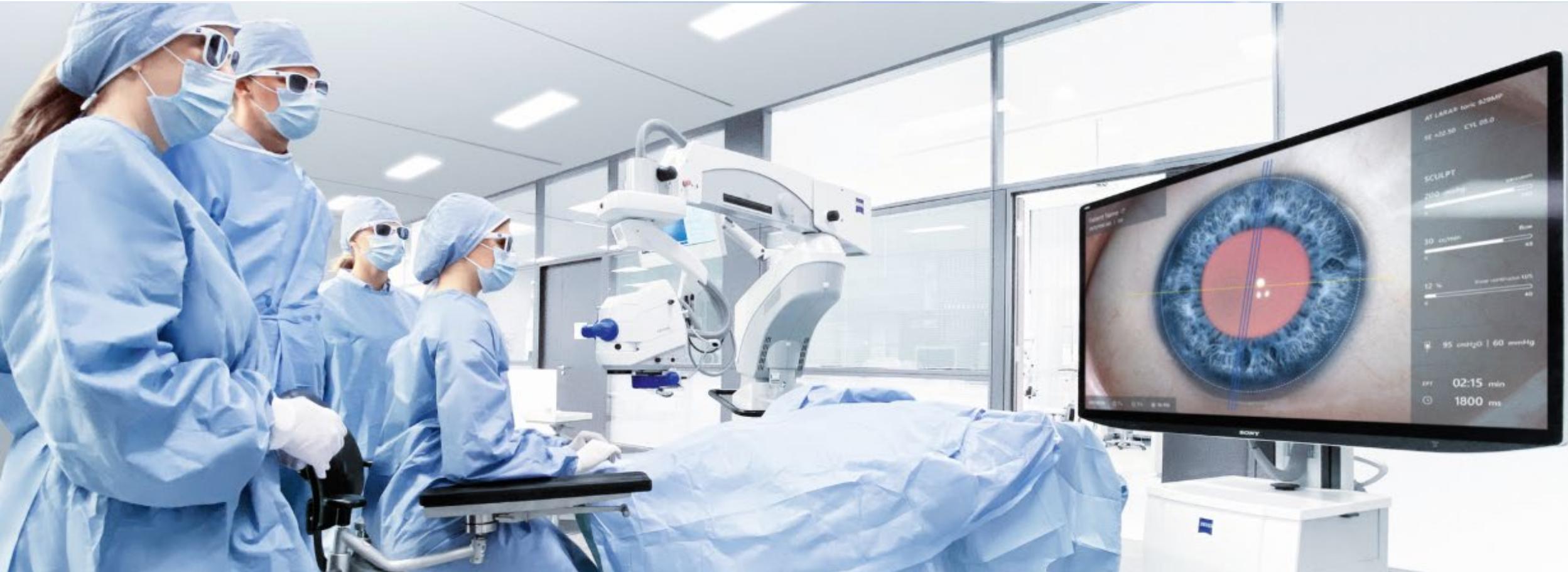


Carl Zeiss Meditec Group

9 Months 2020/21 Conference Call



Dr. Ludwin Monz, President and CEO
Justus Felix Wehmer, CFO

August 6, 2021

9M 2020/21 at a Glance

Financial Performance

Focus Topics

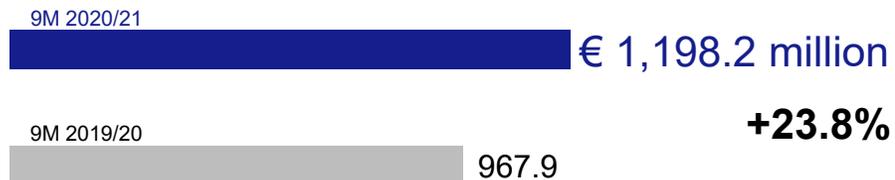
Outlook



Strong revenue and profit growth at 9M 2020/21



Revenue



- FX-adj. revenue growth of +27.6%
- In particular, OPT contributed to revenue growth – strong recurring revenue contribution
- MCS revenue back to growth against both 9M 2018/19 and FY 2019/20
- Share of APAC revenue at 48%

EBIT



- EBIT margin at new high of 23.6% (prev. year 11.6%)
- Favorable product mix with high share of recurring revenue and low sales & marketing expenses due to virtual-only trade shows and comparably low advertising and travel activity
- Adj. EBIT margin amounted to 23.9% (prev. year 12.1%)

EPS



- Significant growth in line with EBIT trend vs past year

9M 2020/21 at a Glance

Financial Performance

Focus Topics

Outlook

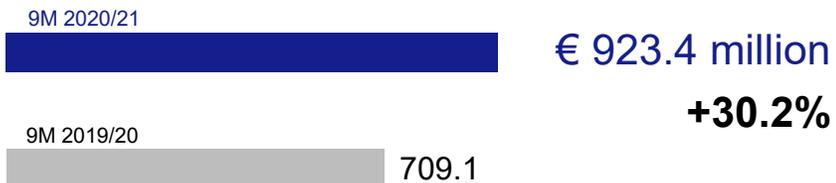


Ophthalmic Devices

Recurring revenue drives growth and profitability



Revenue



- Fx-adj. revenue growth of +33.9%
- Significant contribution to growth and profitability from recurring revenues
- Equipment business continues its recovery, acceleration during third quarter

EBIT margin



- Strong EBIT margin development supported by:
- Favorable product mix with high proportion of recurring revenue
- Significant savings in sales and marketing expenses due to virtual-only trade shows, low advertising and travel activity

Revenue Split

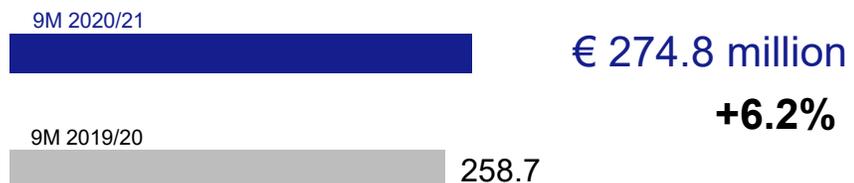


Microsurgery

Further acceleration in top line growth

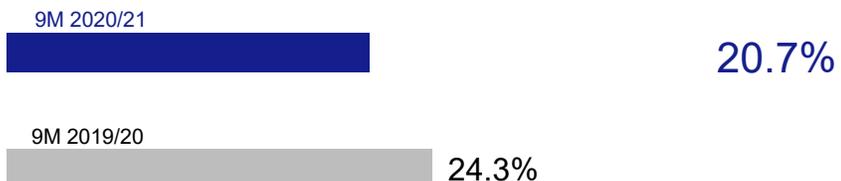


Revenue



- Fx-adj. revenue increase of +10.4%
- Microsurgery returned to stronger growth in the third quarter: back to revenue growth against both 9M 2018/19 and 9M 2019/20

EBIT margin



- EBIT margin down y-on-y due to FX headwind, increased R&D cost

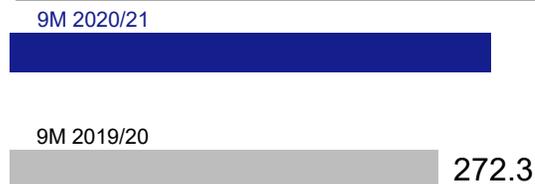
Revenue Split



All regions back to fx-adjusted growth



25.5%
Americas



€ 305.9 million
+12.3%

Americas

- Fx-adj. growth of 21.0%, particularly from further acceleration of US business



26.5%
EMEA



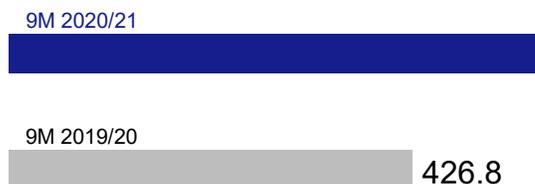
€ 317.3 million
+18.0%

EMEA

- Stable fx-adj. revenue trend (+19.8%)
- Core markets Germany, France and countries of Southern Europe and UK with solid contributions



48.0%
APAC



€ 575.0 million
+34.7%

APAC

- FX-adj. revenue growth of +36.7%
- Revenue trend mainly supported by China and South Korea. SEA also developed positively, Japan roughly flat y/y
- APAC increased its share of revenue to 48%

P&L Analysis – EBIT growth supported by solid revenue development, product mix and lower sales & marketing cost



Income Statement

		in € million	in % of sales
Gross profit		699.4	58.4
		535.4	55.3
Selling & marketing expenses		210.2	17.5
		222.4	23.0
General admin. expenses		42.3	3.5
		42.5	4.4
R&D expenses		166.5	13.9
		158.6	16.4
EBIT [adj.]		282.8	23.6
		[286.0]	[23.9]
		111.9	11.6
		[116.9]	[12.1]

■ 9M 2020/21 ■ 9M 2019/20

- Gross margin up y/y, supported by high share of recurring revenue in Ophthalmic Devices
- Significant opex reductions vs. previous quarters, mainly in sales & marketing
- Admin expenses stable y/y
- R&D ratio decreased to 13.9% (previous year: 16.4%) on modest cost increase, good operating leverage

Adjusted EBIT margin nearly doubled from past year



Adjusted EBIT margin

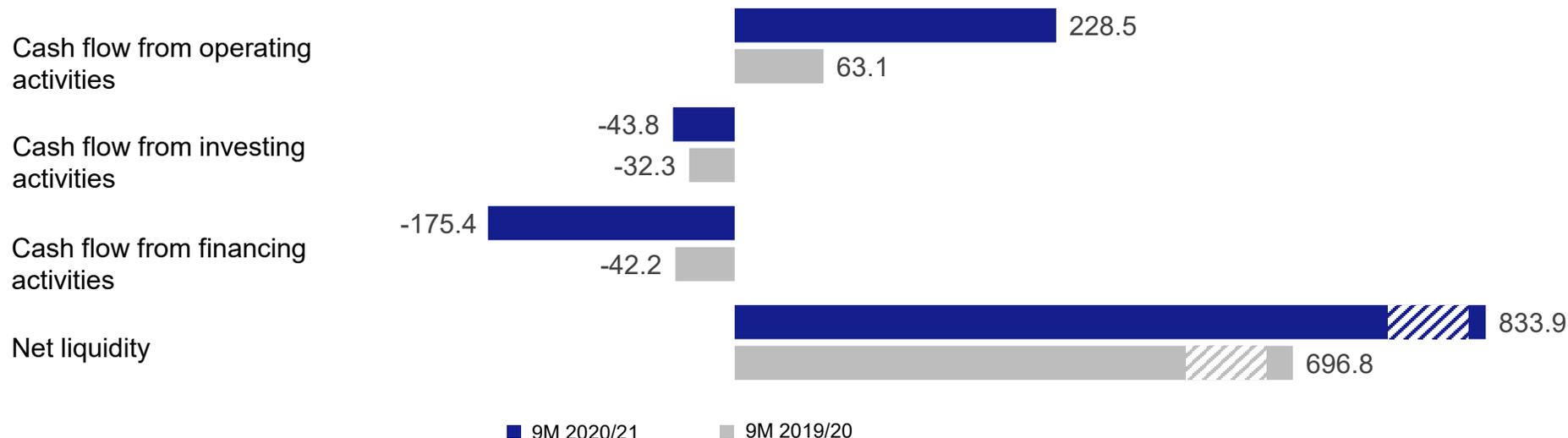
	9M 2020/21 € million	9M 2019/20 € million	Change to PY %
EBIT	282.8	111.9	+152.7
./ Acquisition-related special items	-5.6	-4.9	+14.8
./ Other special items	+2.4	-	-
Adjusted EBIT	286.0	116.9	+144.9
Adjusted EBIT in % of revenue	23.9%	12.1%	+11.8% pts.

- Non-cash charges related to the acquisitions of Aaren Scientific and IanTech
- One-time gain from the sale of a property in the amount of around € 2.4 million in the current period

Further increase of operating cashflow and net liquidity



Cash flow statement



- **Operating cash flow higher** compared to PY mainly due to strong increase in operating earnings
- **Cash flow from investing activities** includes higher capex from expansion of production capacities for intraocular lenses at new plant in Guangzhou, China
- **Cash flow from financing** includes large deposit to group cash-pool from high operating cash-flow and reflects earlier payment of dividend in 2021
- Net liquidity at new high of € 833.9 million

9M 2020/21 at a Glance

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Outlook



ZEISS Medical Ecosystem Roll-Out Underscores Lead in Digital Solutions



The **ZEISS Medical Ecosystem** represents a fully integrated environment where a combination of devices, data management, software applications and services enable our customers to stay connected to each other and to their patients.



Our devices generate **vast amounts of data**.



Cloud based digital platform to store the customer data in a **secure and compliant environment** accessible or retrievable from anywhere.



Applications enable customers to benefit from a **streamlined** workflow, improved clinical planning and algorithms designed to monitor performance and contribute to patient outcome quality.

9M 2020/21 at a Glance

Financial Performance

Focus Topics

Outlook



Outlook remains strong, targets raised for FY 2020/21



Favourable Long-Term Trends

Aging of the population and growing affluence

Rising access to health care in RDEs

Increasing information access and awareness

Growing patient load, growing patient expectations

COVID-19 Impact

Surgical procedures recovering fast following end of containment measures

Equipment business has mostly returned to growth against both 2020 and 2019

Rising relevance of digital, AI driven solutions for diagnostics and surgery. ZEISS Medical Ecosystem underscores the lead in digital customer solutions

Remaining uncertainties around COVID-19 pandemic, new variants and local containment measures will likely continue to influence investment decisions by our customers

FY 2020/21 Outlook

Revenue is now expected to exceed the previous forecast of approximately EUR 1.6 billion (past year: EUR 1,335.5 million).

EBIT margin for fiscal year 2020/21 is projected to significantly exceed the previous forecast of approximately 20% (past year: 13.3%), with strong support from lower than usual sales and marketing expenses in the current year



Seeing beyond