

Carl Zeiss Meditec Group



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01 6M 2022/23 at a Glance

02 Financial Performance

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04 Outlook

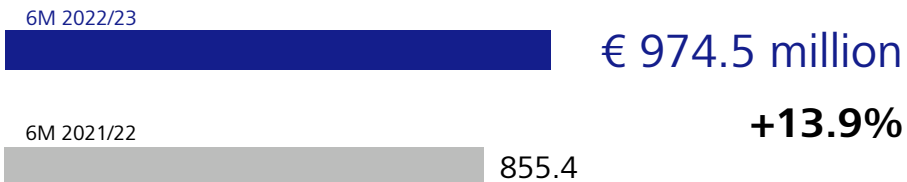


Solid revenue growth in 6M 2022/23

Weaker product mix amid ongoing strategic investment leads to reduced EBIT



Revenue



- FX-adj. revenue growth of +12.4%
- Positive revenue trend in both SBUs and all regions despite continuing supply chain constraints and macroeconomic challenges
- Open orders of € 573m remain at elevated levels

EBIT



- EBIT margin at 14.8% (PY 20.7%)
- Gross margin improvement from Q1 to Q2 mainly due to sequential recovery in consumables business, though still under PY's level
- Higher OpEx mainly arising from strategic investments in S&M and R&D growth and innovation initiatives
- Adj. EBIT margin at 15.3% (PY 21.2%)

EPS



- Lower earnings per share due to reduced EBIT despite positive impact from FX hedging

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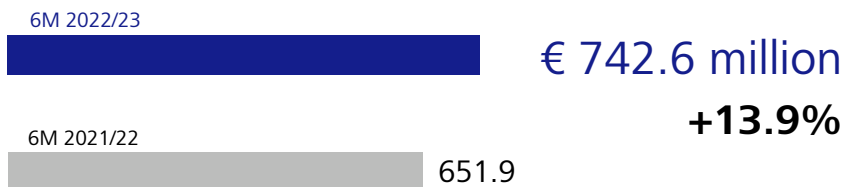


Ophthalmology

Topline growth primarily driven by accelerating deliveries of devices



Revenue



- FX-adj. revenue growth of +12.3%
- Delivery of devices accelerated towards end of reporting period, slight supply chain improvements, growth in devices outpaced consumables
- Weaker product mix mainly caused by COVID-19 infection wave in China, strong recovery towards the end of the period, positive outlook for main season for refractive procedures

EBIT margin



- EBIT margin decline affected by:
 - Weaker product mix due to slower consumables growth
 - Continued high level of strategic investment in research & development and sales & marketing

Revenue Split

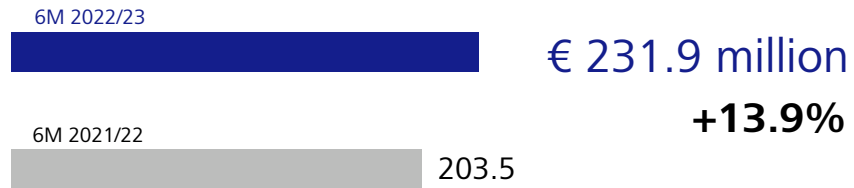


Microsurgery

Robust growth despite continued supply chain strains

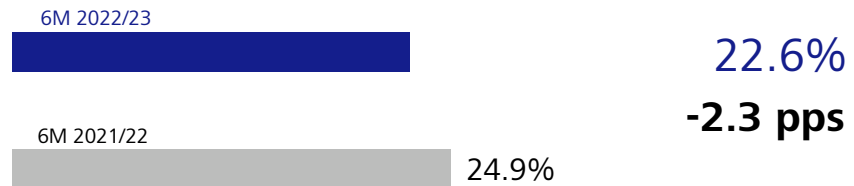


Revenue



- FX-adj. revenue growth of +12.7%
- Large order backlog amid slowly improving supply chain situation

EBIT margin



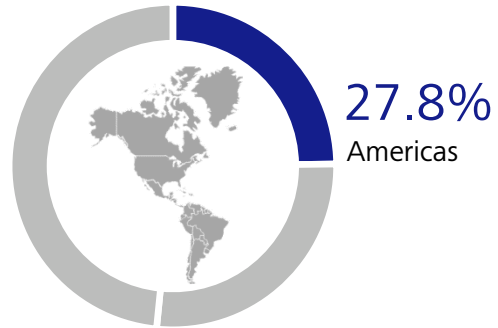
- Gross margin improvement yoy despite rising procurement costs
- EBIT margin reduced through continued high strategic investments in research & development

Revenue Split



Revenue growth across all regions

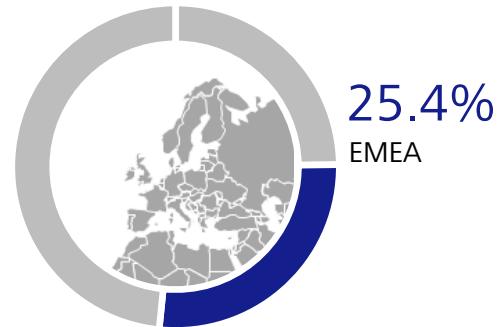
Strongest growth momentum in Americas



€ 270.7 million
+27.6%

Americas

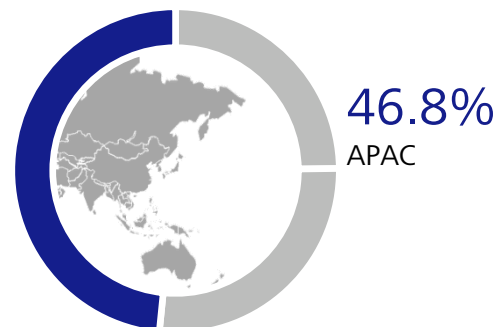
- FX-adj. revenue increase of +19.4%
- Strong growth across almost all countries, in US particularly driven by conversion of order backlog



€ 247.2 million
+7.9%

EMEA

- FX-adj. revenue trend of +8.4%
- Good contribution from Southern European countries, core markets such as DE, FR, UK with stable growth



€ 456.7 million
+10.3%

APAC

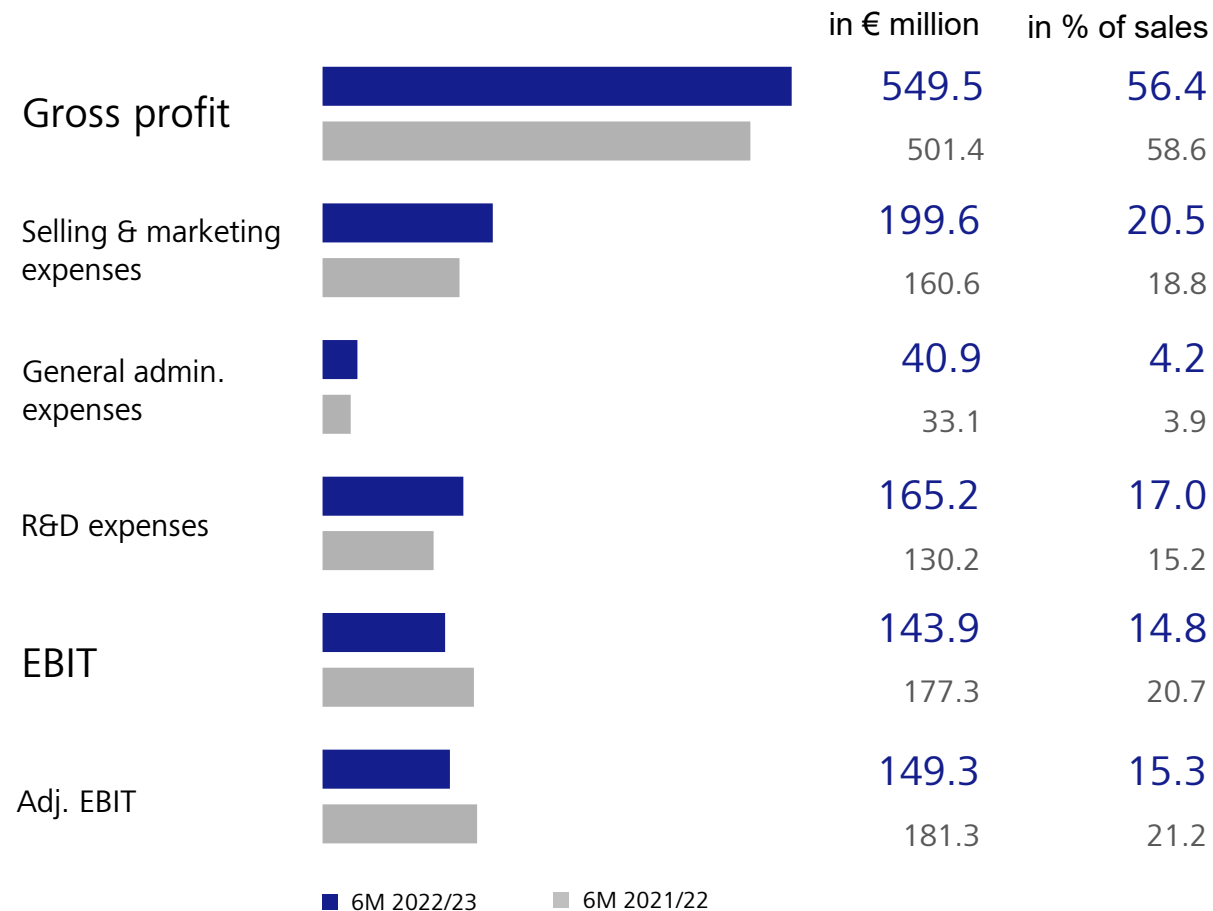
- FX-adj. revenue growth of +11.0%
- Strong performance in India and Southeast Asia
- Good recovery of the consumables business in China towards the end of the period, further acceleration expected in H2

P&L analysis – High level of investment continues to weigh on margins

Opex ratios trending higher yoy



Income Statement



- Gross margin down yoy based on lower share of recurring revenue - product mix expected to improve sequentially
- Rise in sales & marketing expenses due to growth initiatives, in particular Refractive and Surgical Ophthalmology, higher travel and advertising expenses
- Research & development expenses continue on a high level driven by strategic investments such as digitalization
- Delayed effectiveness of price adjustments due to large order backlog

Adjusted EBIT margin amounted to 15.3%



Adjusted EBIT margin

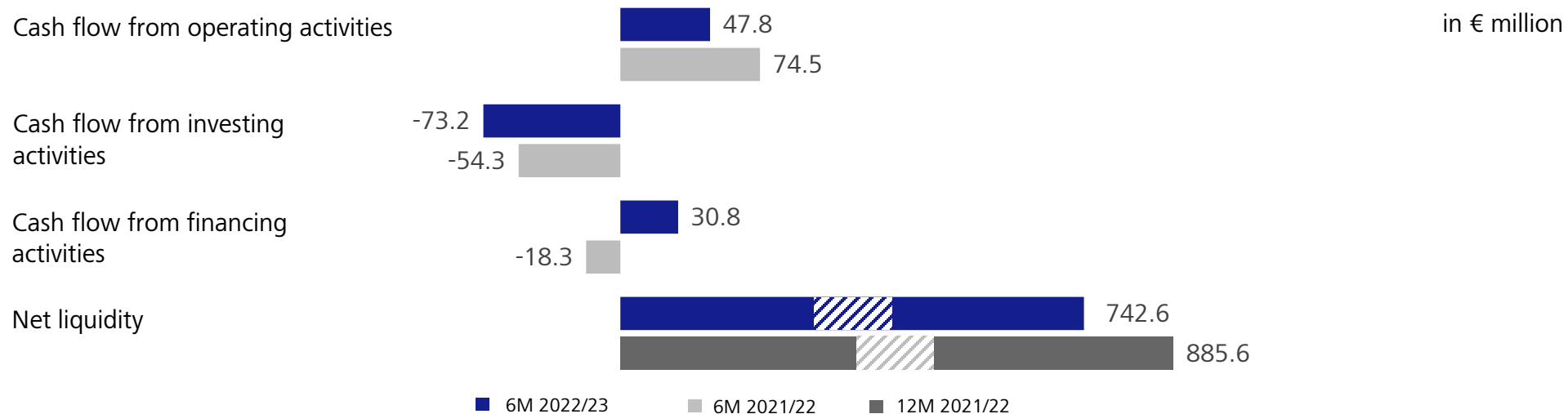
| | 6M 2022/23 € million | 6M 2021/22 € million | Change to PY % |
|---------------------------------------|-------------------------|-------------------------|-------------------|
| EBIT | 143.9 | 177.3 | -18.9 |
| ./. Acquisition-related special items | -5.4 | -4.0 | +35.0 |
| Adjusted EBIT | 149.3 | 181.3 | -17.7 |
| Adjusted EBIT in % of revenue | 15.3% | 21.2% | -5.9 pps. |

- Acquisition related special items are amortizations on intangible assets arising from the purchase price allocations (PPA) of around €5.4m (PY: €4.0m), mainly in connection with the acquisitions of Aaren Scientific, Inc. in 2013/14, lanTECH, Inc. in 2018/19 as well as Katalyst Surgical LLC and Kogent Surgical LLC in 2021/22.

Decreased operating cashflow due to lower earnings and need for additional safety stocks in 6M 2022/23



Cash flow statement



- **Operating cash flow** decreased mainly due to build-up of safety stocks amid tense supply chains
- **Investing cash flow** decreased primarily due to the expansion of production capacity for consumables
- **Net liquidity** continued being on a high level of € 742.6 million

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Showcasing new surgical workflow innovation at ASCRS in San Diego ... and introducing CT LUCIA® 621P Monofocal IOL to US market



- The **CT LUCIA® 621P Monofocal IOL** with the patented ZEISS Optic (ZO) Asphericity Concept received US FDA approval, offering a unique ZEISS Optic to treat a wide range of cataract patients.
- Underlying market in US: 3.7 million routine cataract surgeries each year¹
- With more than **7 million eyes treated with SMILE®** worldwide, the ZEISS LVC portfolio helps create a high vision standard in laser vision correction.
- The **VISULAS® yag laser** delivers high-precision treatment for a high variety of IOL conditions.
- The **ATLAS™ 500** supports more efficient refractive surgical diagnostics enhancing patient outcomes.



Optimized Visual Outcomes

Intuitive Injector Handling

Excellent Stability



Assess & educate



Plan



Treat



Check

These products as part of the ZEISS Medical Ecosystem help enhance ophthalmic care within the cataract and corneal refractive workflows for improved diagnosis and treatment efficiency.

¹Source: Market Scope, 2022 IOL Market Report

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- Further growth at least in line with market expected despite geopolitical risks and difficult macroeconomic environment. Revenue expected to reach around **€2.1b** in FY 2022/23.
- Favorable long-term trends remain in place, such as aging population, growing volume of cataract surgeries, accelerating myopia prevalence and the need to improve both treatment efficiency as well as outcomes
- Ongoing high level of strategic investments in sales and marketing and research & development required to seize growth opportunities in our markets
- Sequentially stronger product mix expected in the second half of 2022/23, leading to recovery in EBIT margin from H1 levels
- Expected EBIT margin between **17% – 20%**



Seeing beyond