

Press Release

Carl Zeiss Meditec AG grows by 9% in fiscal year 2016/17

Further improvement in revenue and profit

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Carl Zeiss Meditec AG closed fiscal year 2016/17 with solid revenue growth. Revenue increased by 9.3%, to €1,189.9m. EBIT margin rose further year-on-year.

Dr. Ludwin Monz, President and CEO of Carl Zeiss Meditec AG, comments on the results: "We gained further market shares and reached the upper end of our forecast of €1,150 – 1,200m. We are also very satisfied in particular with the steadily growing proportion of recurring revenue, which accounted for as much as 33% of our total revenue in the fiscal year just ended. In addition, we have once again been able to introduce significant innovation to the market."

Highest growth rates in Ophthalmic Devices strategic business unit – contributions from all segments

Overall, the Ophthalmic Devices strategic business unit (SBU) generated revenue of €880.5m (prior year: €791.9m), which equates to growth of 11.2%. All segments within this SBU achieved growth. The development of refractive lasers, in particular, was very dynamic, as in previous years; however, equipment and consumables for cataract surgery as well as the diagnostics product portfolio also made good contributions to revenue growth. Revenue growth was 4.4% in the Microsurgery SBU. Revenue amounted to €309.4m, compared with €296.5m in the prior year. Significant innovations were introduced to the market during fiscal year 2016/17.

Asia/Pacific again largest reporting region, accelerated growth in Americas

Further highly dynamic growth in Asia/Pacific consolidated this reporting region's position as the region with the largest share of revenue. At €448.2m, revenue was significantly higher than the prior-year figure of €381.7m. This corresponds to an increase of 17.4%. A large part of this growth is attributable to the Chinese market, as well as India, Southeast Asia and South Korea.

In the EMEA region, revenue increased by 3.0% to €363.4m (prior year: €352.7m). Business in the core European markets was largely stable; while there was a decline in the UK and in

parts of Southern Europe.

Revenue in the Americas region increased by 6.8%, to €378.2m (prior year: €354.0m). The USA performed well, but South America also achieved an increase during the reporting period, thus accelerating growth compared with the prior year.

Earnings before interest and taxes (EBIT) increased to €180.8m (prior year: €154.3m). This includes a positive special effect from an asset disposal at the Ontario site, amounting to around €7.5m, as already reported in the first quarter of fiscal year 2016/17. The EBIT margin was 15.2% (prior year: 14.2%). After adjustment for special effects, the EBIT margin was 14.8% (prior year: 14.7%).

Earnings per share (EPS) increased significantly to €1.57, compared with €1.21 in the prior year. Contributors to this were the increase in operating profit, as well as positive results from currency hedges, as opposed to negative results in the prior year.

Once again, Carl Zeiss Meditec has set itself ambitious targets for fiscal year 2017/18. Due in particular to the positive development of revenue, the improved product mix and the increased proportion of recurring revenue, Carl Zeiss Meditec AG anticipates an adjusted EBIT margin of between 14% and 16% in fiscal year 2017/18 and in the medium term.

Revenue by strategic business unit

Figures in €m	12 months 2016/17	12 months 2015/16	Change from prior year	Change from prior year (adjusted for currency effects)
Ophthalmic Devices	880.5	791.9	+11.2%	+11.2%
Microsurgery	309.4	296.5	+4.4 %	+4.3 %
Total	1,189.9	1,088.4	+9.3 %	+9.3 %

Revenue by region

Figures in €m	12 months 2016/17	12 months 2015/16	Change from prior year	Change from prior year (adjusted for currency effects)
EMEA	363.4	352.7	+3.0 %	+3.9 %
Americas	378.2	354.0	+6.8 %	+6.4 %
APAC	448.2	381.7	+17.4 %	+17.1 %
Total	1,189.9	1,088.4	+9.3 %	+9.3 %

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Brief profile

Carl Zeiss Meditec AG (ISIN: DE 0005313704), which is listed on TecDAX of the German stock exchange, is one of the world's leading medical technology companies. The Company supplies innovative technologies and application-oriented solutions designed to help doctors improve the quality of life of their patients. The Company offers complete solutions, including implants and consumables, to diagnose and treat eye diseases. The Company creates innovative visualization solutions in the field of microsurgery. With approximately 3,000 employees worldwide, the Group generated revenue of €1,189.9m in fiscal year 2016/17 (to 30 September).

The Group's head office is located in Jena, Germany, and it has subsidiaries in Germany and abroad; more than 50 percent of its employees are based in the USA, Japan, Spain and France. The Center for Application and Research (CARIn) in Bangalore, India and the Carl Zeiss Innovations Center for Research and Development in Shanghai, China, strengthen the Company's presence in these rapidly developing economies. Around 41 percent of Carl Zeiss Meditec AG's shares are in free float. The remaining approx. 59 percent are held by Carl Zeiss AG, one of the world's leading groups in the optical and optoelectronic industries.

For more information visit our website at: www.zeiss.de/med