

Carl Zeiss Meditec AG  
**Annual General Meeting**  
on 21 March 2024 [virtual]

**Speech text**

Dr. Markus Weber, President and CEO

- Speech: check against delivery -

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**Ladies and Gentlemen,  
Shareholders,  
Members of the Supervisory Board,  
Guests, Friends of the Company,**

A warm welcome to the Annual General Meeting of Carl Zeiss Meditec AG where, together, we will review the 2022/23 fiscal year.

It was a year characterized by macroeconomic challenges. A seafaring person would say that we had choppy seas to contend with.

Supply bottlenecks remained a challenge. We have countered these by creating sustainable and stable supply chains and by expanding our global production network. Today I am pleased to be able to report that our delivery times have returned to normal. We have also worked intensively on modernizing our organizational structure and on harmonizing our processes, which will allow us to react quickly to market developments, and to continue pursuing our growth targets.

It was a further strong and successful fiscal year for us in terms of revenue. The figures bear witness to this, showing solid growth of 9.8 percent. Earnings before interest and taxes rose to 348 million euros, corresponding to an EBIT margin of 16.7 percent. All regions and both strategic business units – Ophthalmology and Microsurgery – contributed to this result. Here you can see an overview of the figures.

Our employees all around the world represent the foundation on which this success is built.

**Ladies and Gentlemen, Shareholders,** the Carl Zeiss Meditec AG management is backed by a great team. The strong growth to 2.1 billion euros is attributable to the efforts of our employees worldwide. Once again, they have showed tireless commitment and unity, going the extra mile to achieve some great things. I would like to take this opportunity to thank all employees on behalf of the entire management team. It is this sense of team unity that is helping us to continue our sales growth in an increasingly difficult environment.

We are reinforcing the cooperation within our global team by ensuring that all roles and responsibilities are clearly defined, as well as by fostering an open feedback culture. We run programs that actively promote lifelong and continuous learning. Furthermore, our corporate culture provides opportunities for development and promotes excellence.

Our products and solutions make a difference in the lives of patients – a fact which motivates us each and every day to develop further cutting-edge medical products and state-of-the-art digital solutions. In microsurgery, our solutions can be used to perform targeted interventions on

diseased tissue so that small and sensitive organs continue to function optimally.. In ophthalmology, our technologies help to maintain and improve vision at all ages.

As already mentioned, it is our team which constitutes the foundation of our success. However, it is the following three pillars which keep this success aloft: our **innovative capacity**, our clear **customer focus** and our **long-term corporate strategy**.

ZEISS is an innovation-driven company which sets new standards in medical technology. The market launch of the ZEISS OPMI®1 in 1953, for example, marked the beginning of a new class of medical technology devices. As the first surgical microscope, it paved the way for very many of the microsurgical procedures commonly used today. Over the last 70 years, we have developed our surgical microscopes into highly innovative robotic visualization systems.

Introduced in 2004, the ZEISS OPMI Pentero is now one of the most frequently used surgical microscopes in the world, having assisted in more than 20 million surgical procedures. Fiscal year 2022/23 opened the next chapter in the success story of this iconic platform with the launch of the new PENTERO® 800 S. It is just one example of the further development of our top products, which we are equipping with more functions and expanding into comprehensive digital workstations.

Our innovative capacity has also allowed us to launch new cutting-edge technologies for ophthalmology in the 2022/23 fiscal year. The ZEISS ATLAS 500, the next generation corneal topography system, and the ZEISS VISULAS combi, a versatile laser for photocoagulation, are examples of this.

However, the ZEISS brand no longer stands solely for superior medical products. We always put our customers first in everything we do. This has enabled us to transform into an innovative and **customer-oriented solution provider**. We have based our organizational structure around specific customer segments. This allows us to identify and establish new, effective and flexible business models for different customer groups. These are implemented based on so-called ZEISS workflows, which we use to identify and meet the requirements and needs of medical practices and clinics today.

Demographic change is a megatrend and one of the biggest challenges facing health care. As people grow older, they tend to use more health services. The increase in the number of older people in society contrasts with the decreasing number of medical personnel – the figures from the World Health Organization that you can see here highlight this clearly.

We firmly believe that the digital transformation will bring forth a whole range of solutions which help practices and clinics meet this challenge. Digital solutions can be used to make clinical workflows more efficient, standardize processes and reduce costs. In addition, digital technologies offer new opportunities for diagnosis and treatment, opening up new avenues of patient communication, and helping healthcare professionals to collaborate.

Finally, artificial intelligence and big data analyses are opening the door to new types of clinical research and facilitating personalized patient treatment. The ZEISS Medical Ecosystem allows the Carl Zeiss Meditec Group to enter into strategic partnerships in order to initiate new research projects together with affiliated companies that focus on data analysis and the development of artificial intelligence. With this in mind, we have entered into a partnership with the pharmaceutical company Boehringer Ingelheim. The aim of the collaboration is to develop predictive analyzes that make it possible to detect eye diseases at an early stage and to perform individual treatments. To quote Ulrike Graefe-Mody of Boehringer Ingelheim, "...with the right

treatment for the right patient groups at the right time, we can prevent vision loss by intervening before irreversible damage occurs."

After working on intelligent algorithms for more than 25 years, ZEISS has amassed considerable expertise in the field of intelligent algorithms. SITA – an algorithm for faster visual field measurements that ZEISS introduced back in 1997 for the ZEISS Humphrey Field Analyzer – is now classed as artificial intelligence under the definition used by the US Food and Drug Administration.

We recently introduced an AI application for the ZEISS Cataract Workflow. The ZEISS AI IOL Calculator is the latest ZEISS solution for calculating the dioptric power of intraocular lenses. It is an intelligent algorithm that was developed based on real measurement data. Crucially, it does not use a single number to account for the complex behavior of the IOL model in the eye, rather an IOL-specific set of parameters trained by AI. This has the potential to improve predictions as recent studies have shown.<sup>1</sup>

**Ladies and Gentlemen, Shareholders**, our solutions will help drive forward and shape the digital transformation of the healthcare sector. That is why digitalization is one of our key areas of investment, together with targeted growth initiatives in research and development as well as in sales and marketing. Our long-term corporate strategy provides a roadmap which helps us respond appropriately to the megatrends in the healthcare sector.

In the 2022/23 fiscal year we invested more than 16 percent of our revenue in research and development. In order to ensure profitable long term growth, we have also invested in inorganic growth – for example in innovative imaging procedures for diagnostics in ear, nose and throat medicine.

Strategic investments are also helping us to complete our workflow solutions, which are tailored to the needs of our customers. This is one reason why we decided to take over the DORC (Dutch Ophthalmic Research Center). The DORC product portfolio for vitrectomy will allow us to close a gap in our ZEISS Retina Workflow. The acquisition of the Dutch company PrecEyes in 2022 also gave us access to promising technology: we are currently setting up a surgical robotic platform for retinal surgery.

Our ZEISS Retina Workflow will allow us to offer solutions for the entire clinical workflow to physicians specializing in treatment of the posterior segment of the eye. These include everything from **diagnostics**, where ZEISS is a leader with its imaging techniques and digital solutions, and **treatment**, which is now supported by solutions from the DORC, through to **aftercare**, where we are working intensively on software solutions to improve patient outcomes.

The announced acquisition of the DORC will add considerable value to our company in several respects. These include expanding our consumables business through the addition of the DORC portfolio.

Once the integration is complete, our ratio of recurring sales will increase from 43 to 47 percent. The DORC acquisition also dovetails perfectly from a regional perspective. ZEISS has its strongest presence in the Asia Pacific region, whereas the DORC is well represented in some European markets and in the US. This gives us a much greater reach and enables us to serve customers more effectively worldwide.

Our announcement regarding the acquisition of the DORC represents a strategic move that will put us in a strong position for long-term growth and profitability. We expect to complete the acquisition in the first half of the 2024 calendar year. The transaction is still subject to the approval of the relevant authorities.

**Ladies and Gentlemen, Shareholders**, our long-term corporate strategy, our innovative capacity and our customer focus will allow us to enjoy ongoing success in the future and help us shape the medical technology market on a lasting basis. The medical technology sector is a growth market and Carl Zeiss Meditec represents a great investment!

I would like to move on now to an important aspect within the Annual General Meeting – the dividend. The dividend policy we pursue is results-oriented and consistent. The Management Board and Supervisory Board strive for a distribution ratio of approximately one third of consolidated profit after non-controlling interests. The distribution proposal to be decided today is very much in line with this policy.

Specifically, the Management Board and Supervisory Board propose the distribution of a dividend of 1.10 euro per share.

Our long-term dividend policy ensures that the Company will continue to be solidly financed in the future and that we can continue to invest in growth to increase the value of the Company on a sustained basis. We intend to hold to this policy in the future, too.

Our share came under pressure last year, but it has now bounced back – including in comparison with competitors. As a consequence we now intend to invest our surplus cash in our own shares until further notice. This also benefits you – our investors – because such an allocation strategy increases the value of your stake in the company. Information on the current number of shares that have been bought back is regularly updated on our website.

**Ladies and Gentlemen**, the global market is marked by uncertainty at present. The macroeconomic environment is becoming increasingly fragile, which is leading to an economic slowdown and is impacting consumer confidence. To return to our nautical language, one might say: we are sailing in a strengthening headwind. Nevertheless, we were able to close the first quarter of the 2023/24 financial year with a result that met our expectations. As announced, we implemented the reduction of excess inventories of consumables in China. This had an impact on the decline in sales and margins in the first quarter.

We are confident that the organizational structures and teams that we have put together for the 2023/24 fiscal year are resilient. In response to the current situation, we are pursuing a focused recruitment policy and have reprioritized our key growth initiatives in the areas of sales and marketing as well as in research and development. We have slightly reduced the pace of investment in the current fiscal year. Our main focus now is on ensuring the productivity of key initiatives in the areas of sales, marketing, research and development as well as on setting the right priorities.

Our figures show that these measures are already having a positive impact. The aim is to turn headwinds into tailwinds – and thus transform challenges into opportunities.

We can rely on the support of our extended management team and, of course, on the members of the Supervisory Board. Together with my fellow Management Board member Justus Felix Wehmer, I would like to take this opportunity to express our sincere gratitude for your first-rate support. Special thanks also go to Dr. Christian Müller, who has helped shape the success of Carl Zeiss Meditec AG in recent years as a member of the Supervisory Board. Dr. Christian Müller resigned from the Supervisory Board of ZEISS AG at the end of the last fiscal year, thereby vacating the post of employee representative on the Supervisory Board of Carl Zeiss Meditec AG. We wish him all the best for the future.

**Ladies and Gentlemen, Shareholders**, for more than 110 years, ZEISS innovations have enabled physicians all around the world to improve the quality of life of their patients.

In future, we want to continue looking beyond the obvious and create solutions that are above and beyond what might be expected. For this we need the trust of our customers, partners and investors. And, of course, we also need the trust of you, our valued investors. It is you who embolden us in our ambition to seize opportunities and to strike out resolutely in new directions.

***Thank you for your support, thank you for your trust.***

<sup>1</sup> Kenny PI, Kozhaya K, Truong P, Weikert MP, Wang L, Hill WE, Koch DD. Efficacy of segmented axial length and artificial intelligence approaches to intraocular lens power calculation in short eyes. J Cataract Refract Surg. 2023 Jul 1;49(7):697-703. doi: 10.1097/j.jcrs.0000000000001185. PMID: 36940190.

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