Carl Zeiss Meditec Group
9M 2024/25 Results

Maximilian Foerst, President and CEO
Justus Felix Wehmer, CFO

Agenda

Solid revenue and strong order entry in 9M 2024/25

Slight increase in EBITA

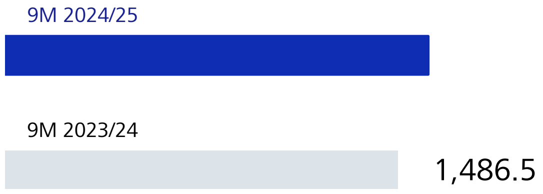
Order entry

€ 1,699.5m

+23.3%

- FX-adj. order entry +23.7%
- FX- & acquisition adj. order growth of +15.8%, robust order trend across all regions
- Order backlog at €431.1m, further elevated compared to the end of Q2

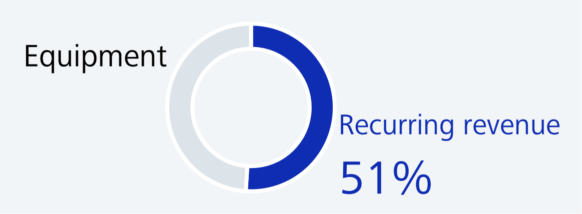
Revenue



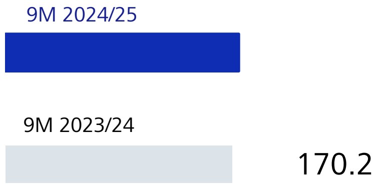
€ 1,600.1m

+7.6%

- FX-adj. revenue +8.0%
- FX- & acquisition-adj. revenue moderately above PY by +1.1%
- Solid revenue growth in Q3 of +1.9%, FX-adj. +3.5%
- VISUMAX® 800 installations in China on good track
- Incremental ramp-up of KINEVO® 900 S
- Refractive procedures in China slowed down again in Q3, remain slightly positive at 9M YTD vs PY



EBITA*



€ 175.4m

+3.1%

- Slight increase despite headwinds from US tariffs (mid single digit €m amount in Q3), slightly weaker FX rates at 9M and a one-off gain of €18m from Topcon settlement in PY
- EBITA margin at 11.0% (PY 11.4%); one-off adjusted EBITA margin at 11.1% (PY 10.2%)
- Organic OpEx (excl. DORC) down due to continued cost control

** Earnings before interest, taxes and amortization on intangible assets from purchase price allocations*

Agenda

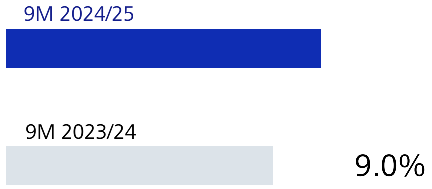
Ophthalmology
EBITA margin improvement driven by refractive consumables and DORC

Revenue

€ 1,251.1m
+9.5%

- FX-adj. revenue growth of +9.8%
- FX- & acquisition-adj. revenue stable by +0.5%
- Only Moderate growth in Q3 due to high comps and FX headwind
- DORC consolidation driving top line at 9M; slow recovery in equipment sales; continued volume growth in IOLs in China; YTD slight growth in refractive consumables in China despite slower development in Q3

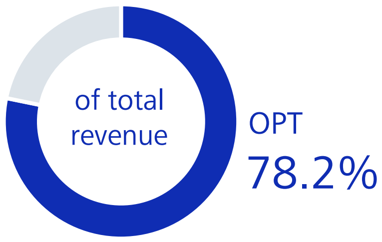
EBITA margin

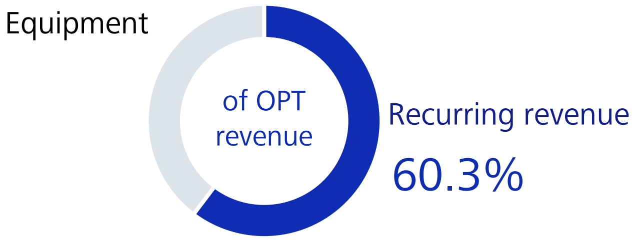


10.6%
+1.6 pp

- Growth in refractive consumables business and DORC consolidation contributing to margin recovery
- Reduction in underlying OpEx mainly through R&D savings and lower integration cost for DORC

Revenue Split





Microsurgery

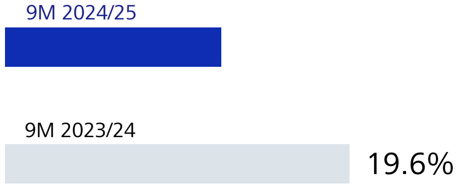
Continued recovery in top line, product mix still unfavorable

Revenue

€ 349.0m
+1.6%

- FX-adj. revenue up by +1.8%
- Top line acceleration in Q3 by +10.1%, strong order entry
- Still weak neurosurgery business due to product cycle transition to new KINEVO® 900 S, incremental ramp-up compared to Q2, expected to further accelerate towards year-end

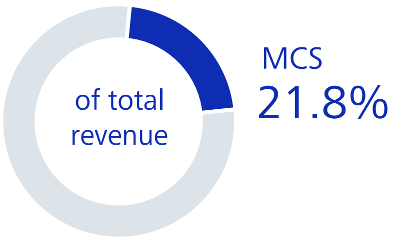
EBITA margin

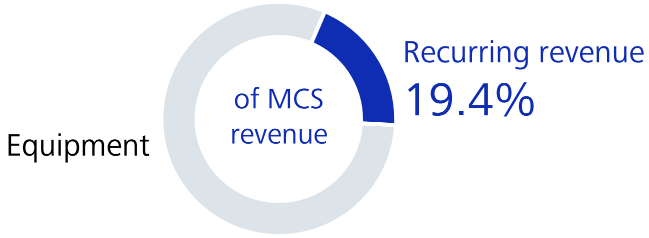


12.3%
-7.3 pp

- Unfavorable product mix with temporarily lower neurosurgical volumes as well as negative tariff and FX impact led to a significant contraction in gross- and EBITA margin amid emerging new product cycle
- OpEx higher due to increased marketing and higher IT expenses

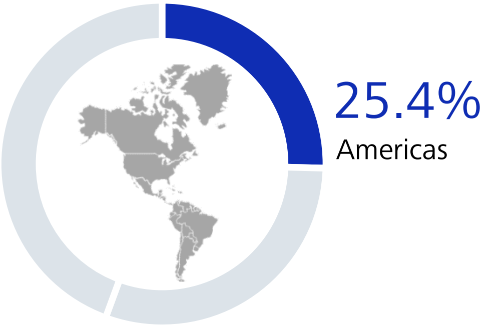
Revenue Split

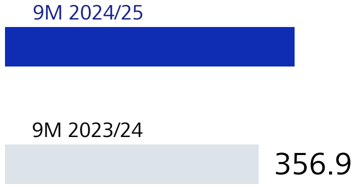




Regional development

Top line and order entry growth across all regions



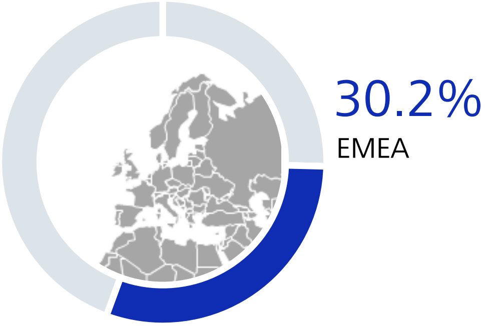


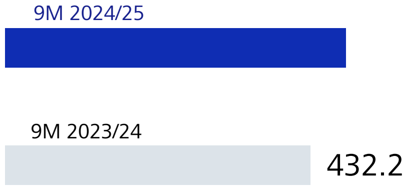
€ 407.5m

+14.2%

Americas

- FX-adj. revenue growth of +14.6%
- Growth driven by both consolidation of DORC and organic growth
- Continuous recovery in order entry



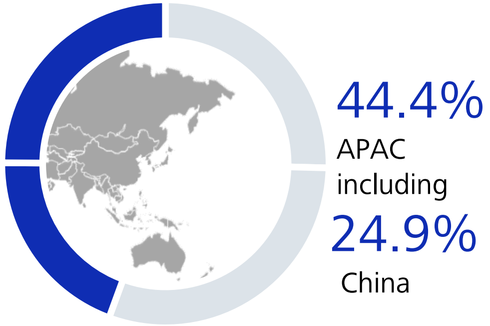


€ 482.8m

+11.7%

EMEA

- FX-adj. revenue growth of +12.5%
- Growth driven mainly by DORC contribution against strong equipment delivery in the prior period
- Solid growth in core markets such as Germany, UK and Nordics



€ 709.9m

+1.8%

APAC

- FX-adj. revenue growth of +1.8%
- Positive trend in Southeast Asia and India
- Stable development in China and South Korea, Japan sales down yoy

P&L – Lower underlying OpEx trend in 9M 2024/25

EBITA stabilizing, adj. EBITA margin above PY

Income Statement

	Period	in €m	in % of sales
Gross profit	9M 2024/25	843.5	52.7
	9M 2023/24	798.5	53.7
OpEx	9M 2024/25	691.3	43.2
OpEx ex. DORC	9M 2024/25	612.3	42.4
OpEx ex. DORC	9M 2023/24	630.7	42.7
S&M expenses	9M 2024/25	362.3	22.6
	9M 2023/24	318.6	21.4
G&A expenses	9M 2024/25	94.6	5.9
	9M 2023/24	77.1	5.2
R&D expenses	9M 2024/25	234.5	14.7
	9M 2023/24	258.4	17.4
EBIT	9M 2024/25	153.1	9.6
	9M 2023/24	162.7	10.9
EBITA	9M 2024/25	175.4	11.0
	9M 2023/24	170.2	11.4
Adj. EBITA	9M 2024/25	178.1	11.1
	9M 2023/24	152.0	10.2
EPS (€)	9M 2024/25	1.02	
	9M 2023/24	1.32	
Adj. EPS (€)	9M 2024/25	1.24	
	9M 2023/24	1.35	

- Gross margin decline due to unfavorable shift in product mix, incl. VBP-related IOL price decline in China and lower neurosurgical volumes in MCS because of product cycle transition
- Excluding DORC, underlying OpEx lower yoy (reduction in R&D expenses and in DORC integration costs main drivers)
- Admin expenses higher due to DORC consolidation and rising IT expenses
- EPS down due to decline in EBIT, negative FX hedging results, and lower interest income, adj. EPS down -8%

Clear improvement in adjusted EBITA margin at 9M

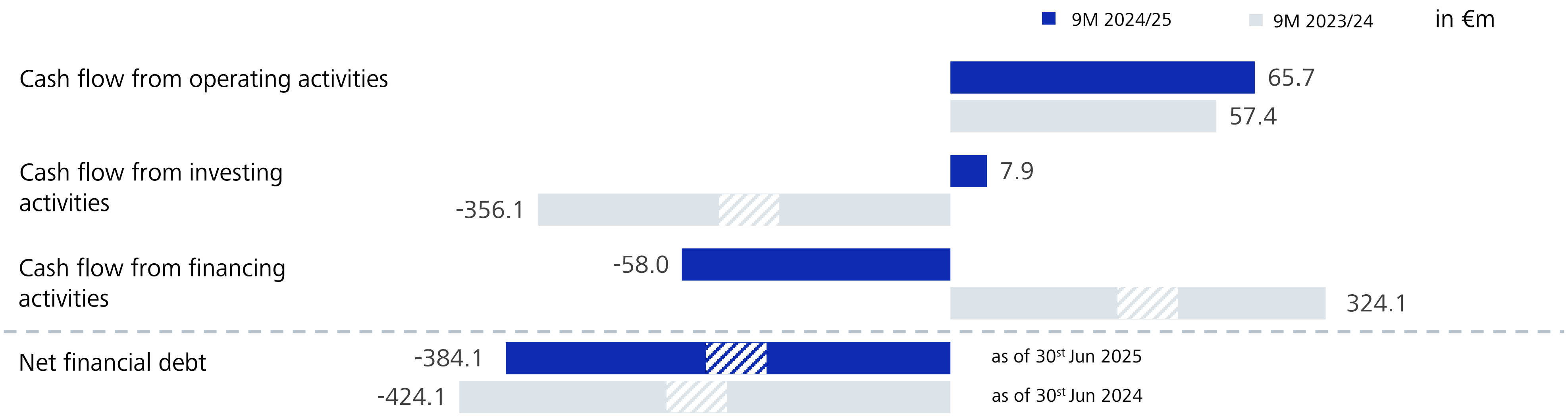
EBITA

	9M 2024/25 €m	9M 2023/24 €m	yoy %
EBIT	**153.1**	162.7	-5.9
./. Amortization of PPA*	**-22.3**	-7.5	+197.3
EBITA	**175.4**	170.2	+3.1
EBITA margin	**11.0%**	11.4%	-0.5 pp
./. Other special items	**-2.7**	18.2**	-
Adjusted EBITA	**178.1**	152.0	+17.1
Adjusted EBITA margin	**11.1%**	10.2%	+0.9 pp

- * Regular amortization on intangible assets from purchase price allocations of DORC (€19.8m) and former acquisitions (€2.5m) in the current period
- **Primarily one-off gain from Topcon settlement PY

Operating cash-flow increased y/y

Cash flow statement



- Increased **operating cash flow** due to lower tax payments despite an increase in working capital
- **Investing cash flow** increased compared to PY – driven by decline in treasury receivables while lower investment in CapEx (tangible & intangible CapEx at 3.6% of revenue); PY's investing cash flow primarily based on DORC acquisition
- Negative **Financing cash flow** due to dividend payout partially offset by increase in treasury payables; PY's inflow primarily due to shareholder loan tied to DORC acquisition
- **Net financial debt** at -€384.1m refinanced through shareholder loan from Carl Zeiss AG

Agenda

Significant growth opportunities ahead while we are strengthening focus and agility

Mega trends for our markets give us powerful tailwind

- Attractive markets offering significant potential for organic and inorganic growth

Market headwinds

- Uprising geopolitical conflicts and trade tensions
- Rising competition from low-cost players
- New regulatory requirements
- Increasing consolidation of medtech players

Continuing our workflow strategy to capture high-value recurring business

Carl Zeiss Meditec has significant growth opportunities

- Maximizing the value of the strongest brand in ophthalmology both for medical professionals as well as consumers
- Commercial excellence initiatives to improve local market access
- Building on our market and innovation leadership in refractive (significant opportunities in China and outside China remain, e.g. Japan, SEA, US)
- Leveraging DORC acquisition to full strength

Need to improve focus and agility of the company

- Focus on R&D productivity to be continued
- Customer proximity at the center
- Global footprint strategy to be further optimized

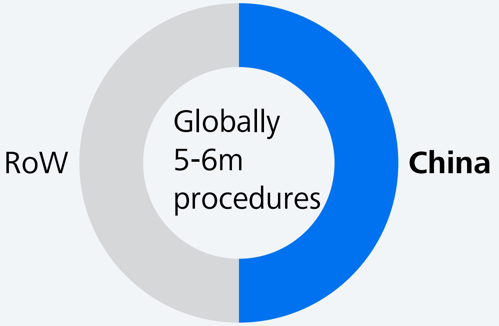
Outlook – targeting profitable market-beating revenue growth

- Market-beating revenue growth
- Investments in growth areas to be continued and strengthened
- Mid-term target profitability to be secured through tight expense control

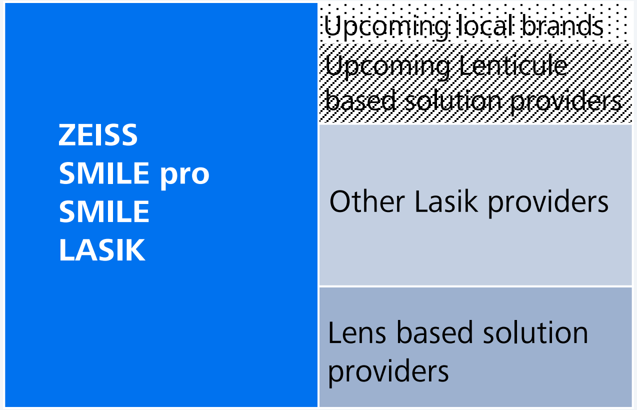
ZEISS refractive market position in China is as strong as ever

Market share at all-time high despite recent macro headwinds

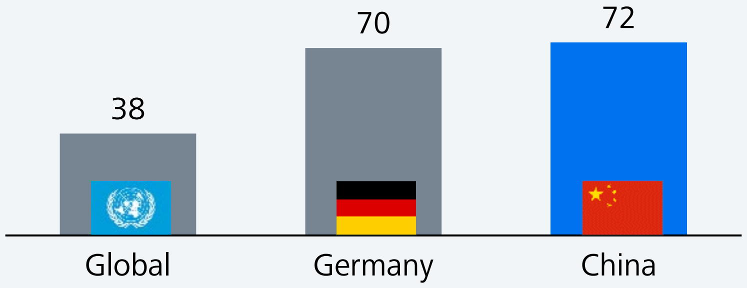
China is at least 50% of global refractive market



ZEISS is at least 50% of China refractive market



ZEISS brand awareness* by country



*A global survey by ZEISS in 2023, covering nearly 20,000 participants across 18 countries and regions

Continuously serving the market over a decade, ZEISS is…

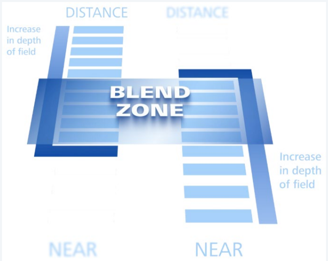
- The only **total solution provider** including application, procedure development consulting, social education and service
- The only **devices family provider** with series of surgeries
- The **founder** and 1st evidence based **guideline** for the lenticule extraction surgery
- 1st procedure development consulting communication **guildeline** and 1st social education dedicated team of the industry

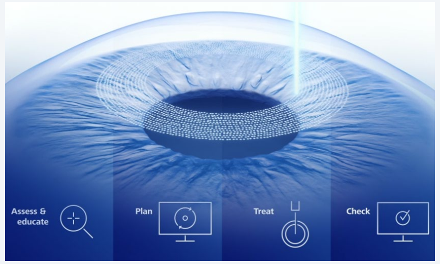
Segmentation of ZEISS offering covering various patient budgets

> RMB 27,000	Lens based solution	
> RMB 25,000	SMILE pro	ZEISS
RMB 15,000-19,000	SMILE	ZEISS
RMB 14,000 – 16,000	LASIK	ZEISS

Exploring broader applications and innovations

- PRESBYOND® for Presbyopia treatment; SMILE® pro for Hyperopia treatment
- Unique ZEISS refractive workflow
- Continuously exploring more advanced technologies



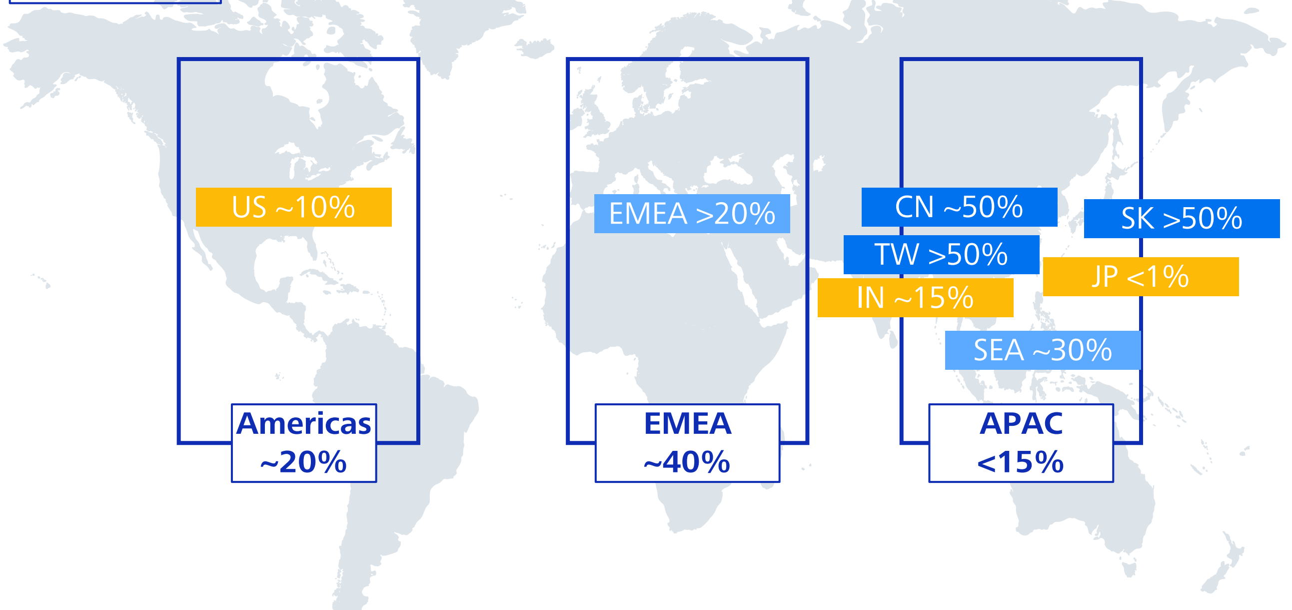


Significant growth and market expansion opportunities outside of China through VISUMAX® 800 cycle and new applications

- **Refractive market penetration** – most successful development in South Korea and China, significant potential to grow in other regions

Market share: % ZEISS procedures of LVC market; *source: MarketScope and own estimates*

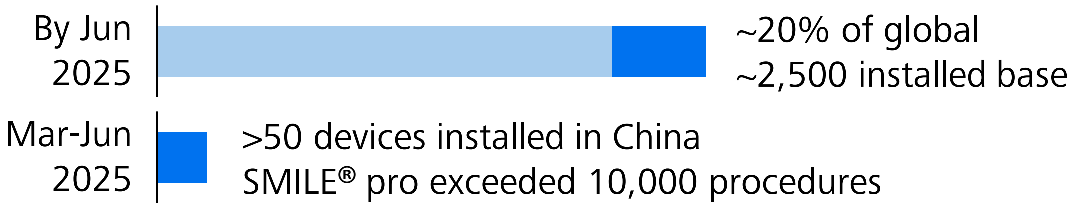
Installed base: % VISUMAX® 800 of all VISUMAX®



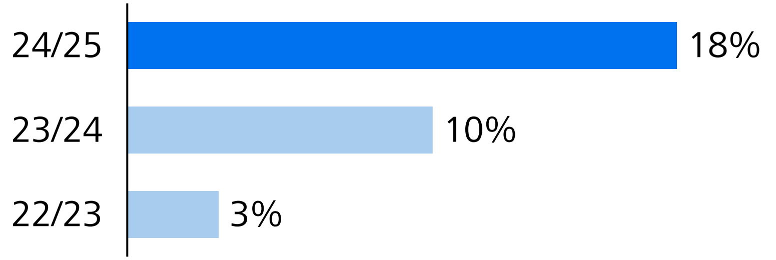
- **ZEISS procedures vs. underlying market** - steadily gaining share

Over past 10 years, ZEISS procedures growth CAGR **>20%**, while global procedures growth CAGR at **mid single-digit %**

- **Successful roll-out of VISUMAX® 800**



- **SMILE® pro driving premiumization in our product mix**



Strategic direction:

- **Focus on still low-penetrated markets**
- **Accelerate VISUMAX® 800 global roll-out**
- **Enhance marketing efforts for broader applications such as Presbyopia and Hyperopia treatment, and more innovations to come**

DORC – Solid contributor in 2024/25 YTD
Strong growth in commercial funnel

Near term integration targets:

- Increase EVA Nexus installed base in Vitrectomy and high-potential dual accounts
- Capture sustained strong market demand for EVA Nexus and grow market share
- Leverage increased regional coverage. Focus on key geographies and untapped markets
- Boost supply robustness and capacity scale-up

Future roadmap:

- Leverage and further grow our high market share in the OPMI segment to enhance the installed base of EVA Nexus
- Advance a joint innovation roadmap
- Outgrow the market sustainably and profitably

DORC
a ZEISS company

Strong contribution in 2024/25 YTD:

- Profitable growth significantly above group average
- Strong expansion of order funnel – very positive feedback from KOLs and customers on ZEISS-DORC integration
- Integration of sales force progressing well
- High interest in APAC, today only ~10% of DORC revenue - distributor access in APAC strongly increased
- DORC business has steady quarterly performance and no strong seasonality or volatility

New approval and product milestones achieved

VISUMAX® won Berthold Leibinger Innovation Prize

- Every two years, the Berthold Leibinger Foundation honors outstanding developments in laser technology
- Honored for the development of SMILE® and VISUMAX® for minimally invasive laser eye surgery, which achieves the necessary precision, high-performance optics, and modern computer control
- To date >10 million eyes treated using this method

PENTERO® 800 S received NMPA approval

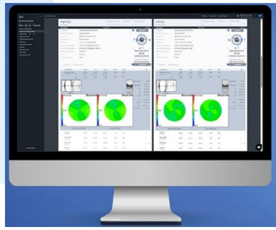
- Specifically designed to meet the rigorous demands of neuro and spine surgery, plastic and reconstructive surgery, and ENT surgery
- The first high-end surgical microscope developed and manufactured in China
- Marking a significant milestone of localization of the high-end medical equipment in China

DORC ILM-Blue® received NMPA Approval

- ILM-Blue® is used to clearly stain and distinguish the inner limiting membrane (ILM) from underlying retinal layers during vitreoretinal surgery, this facilitates membrane removal and reduces the risk of retinal damage
- With this approval, ILM-Blue® becomes the first DORC posterior dye product available in China
- ILM-Blue® has been used in more than 900,000 procedures worldwide

> 2 million cataract surgeries planned with ZEISS VERACITY Surgery Planner

- Top digital planning solutions for cataract surgery in the U.S., making data-driven informed decisions designed to drive better patient outcomes in clinics and ORs
- With ZEISS Cataract Workflow powered by ZEISS VERACITY Surgery Planner, surgeons and staff can save up to 60% time per eye compared to traditional paper planning



Agenda

Outlook for FY 2024/25 unchanged

- **Revenue** is expected to grow moderately.
- **EBITA** and **EBITA margin** are expected stable to slightly higher in FY 2024/25 (FY 2023/24 EBITA: €248.9m, EBITA margin: 12.0%).
- The introduction of 15% trade tariffs by the U.S. on imports from Europe is impacting earnings in the current fiscal year. Through targeted pricing strategies, these effects are largely intended to be passed on to the market. Further depreciation, especially of the USD and Asian currencies (CNY, KRW, JPY), is not included in the forecast and represents an additional risk.
- **A gradual increase in the EBITA margin** is targeted in subsequent years, supported by increasing recurring revenues. Long-term sustainable potential for the EBITA margin is seen in the range of at least 16-20%.

Seeing beyond