



## Quarterly Statement Q1 2016/17

### Quarterly Statement of the Carl Zeiss Meditec Group for Q1 2016/17

- Consolidated revenue up by 6.6% to €280.0m
- EBIT includes positive special effect from asset disposals – adjusted EBIT margin 13.4% (prior year: 12.6%)
- Strong growth in Ophthalmic Devices SBU with refractive lasers
- Forecast for FY 2016/17 unchanged

#### Business development within the Group

- The Carl Zeiss Meditec Group generated revenue of €280.0m in the first three months of fiscal year 2016/17. This corresponds to an increase of 6.6% compared with the prior-year period (€262.6m). Adjusted for currency effects, this growth amounted to 5.4%.
- The Group's highest growth rates were achieved in the refractive laser segment within the Ophthalmic Devices strategic business unit (SBU). Regionally, the Group once again recorded significant growth in the Asia/Pacific (APAC) region.

Table 1: Summary of key ratios in the consolidated income statement

	3 Months 2016/17	3 Months 2015/16	Change
unless otherwise stated	€m	€m	in %
<b>Revenue</b>	<b>280.0</b>	<b>262.6</b>	<b>+6.6</b>
Gross margin	55.4%	52.1%	+3.3 % pts
<b>EBIT</b>	<b>44.2</b>	<b>32.2</b>	<b>+37.1</b>
EBIT margin	15.8%	12.3%	+3.5 % pts
<b>Adjusted EBIT<sup>1</sup></b>	<b>37.4</b>	<b>33.2</b>	<b>+ 12.7</b>
Adjusted EBIT in % of revenue	13.4%	12.6%	+0.8% pts
<b>EPS</b>	<b>0.38</b>	<b>0.21</b>	<b>+85.0</b>

<sup>1</sup> For the reconciliation to the adjusted EBIT see page 4, Table 4. The term "adjusted EBIT" is not defined in the International Financial Reporting Standards (IFRSs). There is no comparability with similarly designated key figures of other companies. Adjusted figures do not serve as a substitute for IFRS figures and are not more meaningful than IFRS figures.



## Quarterly Statement Q1 2016/17

### Business development by strategic business unit

- The Ophthalmic Devices SBU increased its revenue by 8.5% compared with the prior year, to €207.6m (prior year: €191.3m). Adjusted for currency effects, revenue increased by 7.4%. A strong refractive lasers business contributed to this increase. Surgical Ophthalmology also performed well, while Ophthalmic Diagnostics continued to be faced with intense competition. Due to a favorable product mix, with a higher proportion of recurring revenue, the EBIT margin increased further and higher investments in business operations, particularly in the launch of the SMILE technology in the United States, were overcompensated. In addition, EBIT includes a one-time special effect of €7.7m associated with the disposal of non-core assets at the Ontario site.
- The Microsurgery SBU achieved revenue of €72.4m, which is 1.6% (prior year: 0.2%) higher year-on-year (previous year: €71.3m). The EBIT margin increased slightly compared with the prior year.

Table 2: Business development by SBU

	Ophthalmic Devices				Microsurgery			
	3 months 2016/17	3 months 2015/16	Change		3 months 2016/17	3 months 2015/16	Change	
Unless otherwise stated	€m	€m	in %	in % (const. Fx)	€m	€m	in %	in % (const. Fx)
Revenue	207.6	191.3	+8.5	+7.4	72.4	71.3	+1.6	+0.2
Share of consolidated revenue	74.1%	72.8%			25.9%	27.2%		
EBIT	28.3	17.4	+62.8		15.9	14.8	+7.3	
EBIT margin	13.6%	9.1%			22.0%	20.8%		



## Quarterly Statement Q1 2016/17

### Business development by region

- Revenue in the EMEA region was down by 7.2% year-on-year after the first three months (adjusted for currency effects: 6.6%). Revenue amounted to €83.7m (prior year: €90.2m). The development of the individual markets continued to be inconsistent, with downward trends in the UK, in particular, as well as the markets of Southern Europe and the Middle East.
- Revenue in the Americas region increased by 1.9% (adjusted for currency effects: 0.7%), to €90.5m (prior year: €88.8m). Adjusted for currency effects, the development of business in the North American market was stable.
- At 26.6% (adjusted for currency effects: 22.9%), the APAC region generated the greatest increase in revenue. Revenue increased to €105.8m (prior year: €83.6m). Once again, China made the largest contribution to growth. The trend in India was also positive.

Table 3: Business development by region

Unless otherwise stated	EMEA				Americas				APAC			
	3 months 2016/17	3 Months 2015/16	Change		3 months 2016/17	3 months 2015/16	Change		3 months 2016/17	3 months 2015/16	Change	
	€m	€m	in %	in % (const. Fx)	€m	€m	in %	in % (const. Fx)	€m	€m	in %	in % (const. Fx)
<b>Revenue</b>	<b>83.7</b>	<b>90.2</b>	<b>-7.2</b>	<b>-6.6</b>	<b>90.5</b>	<b>88.8</b>	<b>+1.9</b>	<b>+0.7</b>	<b>105.8</b>	<b>83.6</b>	<b>+26.6</b>	<b>+22.9</b>
Share of consolidated revenue	29.9%	34.4%			32.3%	33.8%			37.8%	31.8%		

### Development of earnings

- Earnings before interest and taxes (EBIT) were up by 37.1% compared with the prior year, to €44.2m. This includes, in particular, a one-time special effect of €7.7m associated with the disposal of assets at the Ontario site. The adjusted EBIT margin amounted to 13.4% (prior year: 12.6%).
- Earnings per share (EPS) increased significantly, to €0.38 (prior year: €0.21). In addition to the increase in operating profit, a positive effect also resulted from a slightly positive hedging result compared with a loss in the year-ago period, as well as the elimination of charges associated with the investment in Oraya Therapeutics Inc. from the prior year.



## Quarterly Statement Q1 2016/17

Table 4: Reconciliation of the non-IFRS key ratio adjusted result

	3 Months 2016/17	3 Months 2015/16	Change
unless otherwise stated	€m	€m	in %
<b>EBIT</b>	<b>44.2</b>	<b>32.2</b>	<b>+ 37,1</b>
Acquisition-related special effects <sup>2</sup>	-6.8	+1.0	-
Restructuring/reorganization	-	-	-
Other special effects	-	-	-
<b>Adjusted EBIT</b>	<b>37.4</b>	<b>33.2</b>	<b>+ 12,7</b>
Adjusted EBIT in % of revenue	13.4%	12.6%	+0.8 % pts

## Financial position

Table 5: Summary of key ratios in the statement of cash flows

	3 months 2016/17	3 months 2015/16
	€m	€m
Cash flows from operating activities	0.4	7.3
Cash flows from investing activities	2.7	102.3
Cash flows from financing activities	0.2	-106.9

- Cash flow from operating activities amounted to €0.4m in the reporting period (prior year: €7.3m). The lower cash flow compared with the prior year is attributable, among other things, to a seasonal stockpiling of current assets to boost delivery capacity for a number of strategically important products.

<sup>2</sup> There were write-downs on intangible assets arising from the purchase price allocations (PPA) of around €0.9m, mainly in connection with the acquisition of Aaren Scientific Inc. in fiscal year 2013/14. The disposal of assets of Aaren Scientific Inc. also resulted in one-time accounting profits of €7.7m in Q1 2016/17.



## Quarterly Statement Q1 2016/17

- Cash flow from investing activities amounted to €2.7m in the reporting period (prior year: €102.3m). The higher cash flow in the prior year was mainly due to the maturity of a fixed-term deposit on 30 September 2015, in the amount of €110m, which was processed via Carl Zeiss Financial Services GmbH.
- Cash flow from financing activities amounted to €0.2m in the period under review (prior year: €-106.9m). The difference compared with the year-ago period is primarily attributable to an increase in treasury receivables, resulting, among other things, from the maturity of the above-mentioned fixed-term deposit of €110m in the prior year.
- On 31 December 2016 net cash amounted to around €326m (31 December 2015: €278m). The equity ratio was 70.6% (31 December 2015: 71.5%).

### Report on forecast changes

- The projections for fiscal year 2016/17 remain unchanged. The Company expects to grow at least as fast as the market, and anticipates an EBIT margin within a range of 13%-15%.
- In September 2016 Carl Zeiss Meditec AG obtained FDA approval for the SMILE technology in the USA. The preparations for the launch made good progress in the quarter under review. The first contributions to revenue are expected in the second half of fiscal year 2016/17.



## Quarterly Statement Q1 2016/17

### Contact for investors and press

Sebastian Frericks  
Director Investor Relations Carl Zeiss Meditec AG  
Phone: +49 (0)3641 220-116  
Email: [investors.meditec@zeiss.com](mailto:investors.meditec@zeiss.com)  
[press.meditec@zeiss.com](mailto:press.meditec@zeiss.com)

[www.zeiss.de/presse](http://www.zeiss.de/presse)

### 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. It provides complete packages of solutions for the diagnosis and treatment of eye diseases - including implants and consumable materials. The Company supplies innovative visualization solutions in the field of microsurgery. With approximately 2,900 employees worldwide, the Group generated revenue of €1,088m in fiscal year 2015/16 (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 35 percent of Carl Zeiss Meditec AG's shares are in free float. The remaining approx. 65 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](http://www.zeiss.de/med)



## Quarterly Statement Q1 2016/17

### Income statement

	3 months 2016/17	3 months 2015/14
unless otherwise stated	€m	€m
Revenue	280.0	262.6
Cost of sales	-124.9	-125.7
<b>Gross profit</b>	<b>155.1</b>	<b>136.9</b>
Selling and marketing expenses	-68.2	-61.7
General administrative expenses	-13.3	-11.8
Research and development expenses	-37.1	-31.1
Other result	7.7	0.0
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>38.6</b>	<b>36.9</b>
Depreciation and amortization	-5.6	-4.7
<b>Earnings before interest and taxes (EBIT)</b>	<b>44.2</b>	<b>32.2</b>
Result from investments accounted for using the equity method	0.0	-2.5
Interest income	0.2	0.2
Interest expenses	-0.4	-0.5
Net interest from defined benefit pension plans	-0.2	-0.4
Foreign currency gains/(losses), net	1.4	-3.7
Other financial result	0.0	0.1
<b>Earnings before taxes (EBT)</b>	<b>45.2</b>	<b>25.5</b>
Income taxes	-13.1	-8.4
<b>Consolidated profit</b>	<b>32.1</b>	<b>17.1</b>
Thereof attributable to:		
Shareholders of the parent company	30.9	16.7
Non-controlling interests	1.2	0.4
<b>Profit/(loss) per share attributable to the shareholders of the parent company in the current fiscal year (in €) (EPS):</b>		
basic/diluted	0.38	0.21