



**Dr. Ludwin Monz, President & CEO**

**Justus Felix Wehmer, CFO**

February 11, 2019

**1** 3M 2018/19 at a Glance

**2** Financial Performance

**3** Highlights

**4** Outlook



**1** 3M 2018/19 at a Glance

**2** Financial Performance

**3** Highlights

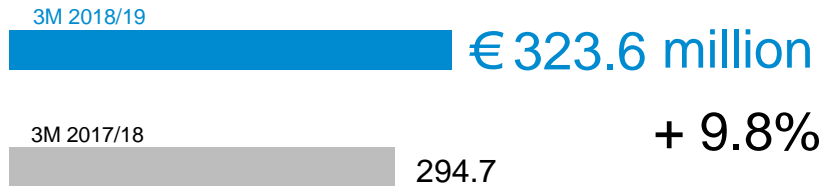
**4** Outlook



# Further Profitable Growth in First 3 Months 2018/19

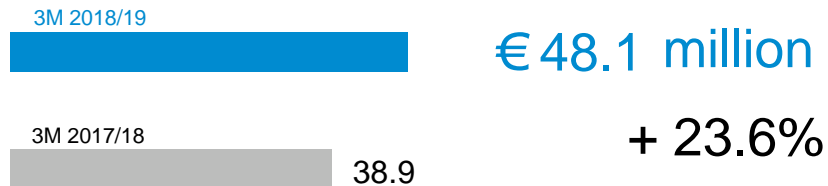


## Revenue



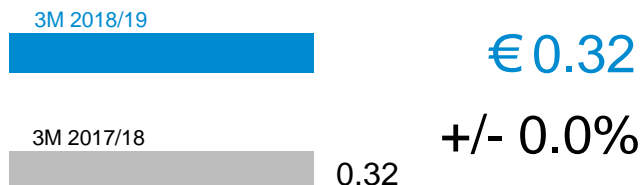
- Profitable growth driven by both SBUs and significant growth contribution from EMEA
- FX-adj. revenue growth of 9.0%

## EBIT



- EBIT increased significantly to 14.9% (prev. year 13.2%)
- Adj. EBIT margin by 15.1% (prev. year 13.5%)
- Profitability improved y/y positively impacted by temporarily reduced R&D expenses

## EPS



- EPS on previous year's level impacted by negative currency hedging effects

1 3M 2018/19 at a Glance

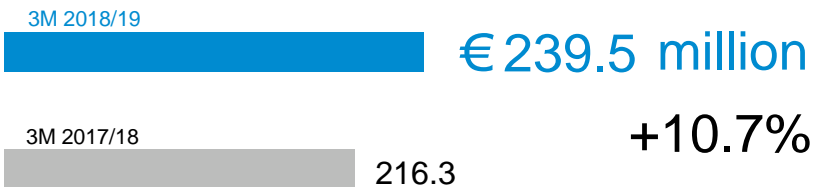
2 Financial Performance

3 Highlights

4 Outlook

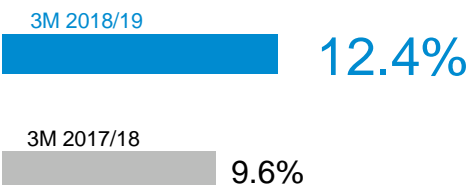


# Ophthalmic Devices Continues to Grow Ahead of Markets



## Revenue

- Strong performance with main contributions from Refractive Lasers and Surgical Ophthalmology
- FX-adj. revenue growth of +9.8%



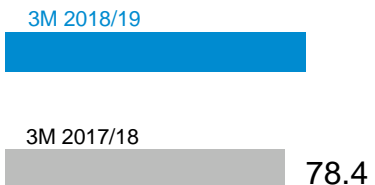
## EBIT

- Profitability improved y/y due to favourable product mix with more recurring revenue

## Revenue Split



# Microsurgery Growth Supported by New Products



€ 84.2 million  
+7.4%

## Revenue

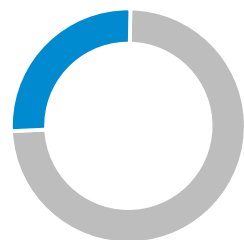
- Continued strong revenue development of Robotic Visualization System® – KINEVO® 900 from neurosurgery
- FX-adj. revenue growth of +6.7%



21.8%

## EBIT

- EBIT margin slightly lower y/y mainly due to changes in product and regional mix of ZEISS OPMI® PENTERO



26%  
of total revenue

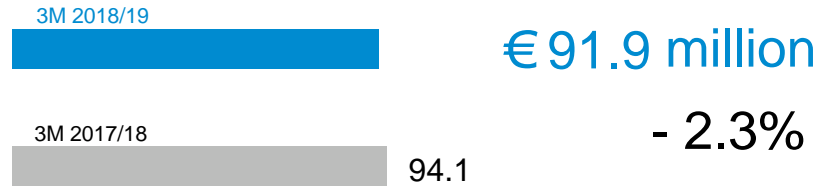
## Revenue Split



# Significant Revenue Growth Contribution from EMEA



28.4%

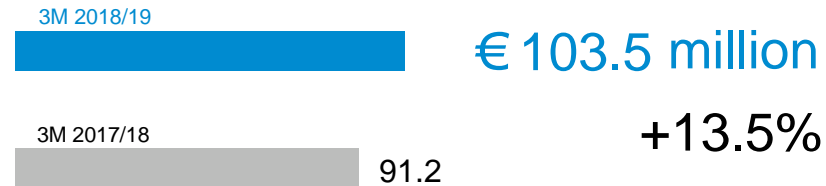


## Americas

- Previous year's quarter was strongly benefitted by new product launches in Ophthalmic Diagnostics and Microsurgery
- FX-adj. revenue growth of -4.9%

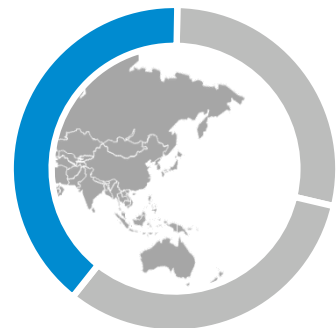


32.0%

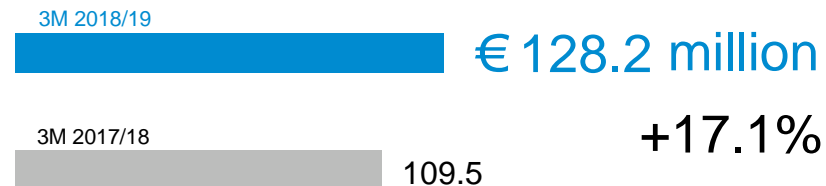


## EMEA

- Core markets as Germany, France and Southern Europe achieved strong growth rates
- FX-adj. revenue growth of +15.1%



39.6%



## APAC











- Biggest growth rates from China and South Korea
- Also India contributed to sales growth
- FX-adj. revenue growth of +16.2%



# EBIT Positively Impacted by Reduced Research & Development Expenses



## Income Statement

		in € million	in % of sales
Gross profit		177.6	54.9
		162.9	55.3
Selling & marketing expenses		78.0	24.1
		71.4	24.2
General admin. expenses		13.8	4.3
		12.5	4.2
R&D expenses		37.7	11.7
		40.2	13.6
EBIT [adj.]		48.1	14.9
		[49.0]	[15.1]
		38.9	13.2
		[39.8]	[13.5]

■ 3M 2018/19    ■ 3M 2017/18

- EBIT increased mainly due to a temporarily lower R&D ratio.
- Special effect from R&D capitalization (approx. € 4 million) as well as discontinuation of R&D project in Surgical Ophthalmology in Q2 2017/18 resulted in y/y reduced R&D ratio.

# Adjusted EBIT Margin Increased to 15.1%



## Adjusted EBIT margin

	3 Months 2018/19 € million	3 Months 2017/18 € million	Change to PY %
EBIT	48.1	38.9	+ 23.6
Acquisition-related special effects	-0.9	-0.9	-
Restructuring/reorganization	-	-	-
Adjusted EBIT	49.0	39.8	+ 23.0
Adjusted EBIT in % of revenue	15.1%	13.5%	+ 1.6%-pts.

## Cash flow statement

3M 2018/19

€ 23.6 million

Cash flow from operating activities

3M 2017/18

€ -1.7 million

3M 2018/19

€ -108.8 million

Cash flow from investing activities

3M 2017/18

€ -2.3 million

3M 2018/19

€ 92.4 million

Cash flow from financing activities

3M 2017/18

€ 5.6 million

Dec. 31, 2018

€ 582.6 million

Net cash and cash equivalents

Dec. 31, 2017

€ 562.9 million

- Strong operating cash flow attributable to less stockpiling of inventories compared to the prior year
- Cash flow from investing activities was € -108.8 million mainly due to the acquisition of lanTECH Inc.
- Cash flow from financing activities amounted to € 92.4 million largely due to the decrease in treasury receivables as a result of the acquisition of lanTECH Inc.

1 3M 2018/19 at a Glance

2 Financial Performance

3 Highlights

4 Outlook



# Robotic Visualisation System™ TIVATO® 700 for Minimally Invasive Spine and ENT Surgery



## TIVATO® 700 for ENT, Spine and P&R rolled out in Q1 2018/19

---

For demanding surgical applications in ENT, Spine and P&R

Workflow-enhancing visualization by intra-operative fluorescence options as well as integrated 4K camera delivers superb image clarity for every procedure

Ultimate reach & flexibility and strengthened stability with robotic movements through active vibration damping

All-digital: Fully connected to lead to a faster turnaround in the OR enabling higher patient throughput and improved procedural efficiency

Positioning in the product portfolio: mid-range product, targeting mature ZEISS OPMI® Vario portfolio (installed base >10,000)

## Strategy

The sustainability management system of the Carl Zeiss Meditec Group is integrated into the ZEISS Group sustainability strategy.

The approach taken by ZEISS is divided into five key areas of activity: **Employees, Social Engagement, Environment, Products and Value Chain, Integrity and Compliance**

The ZEISS Group provides information on its further based on the reporting standard of the Global Reporting Initiative (GRI).

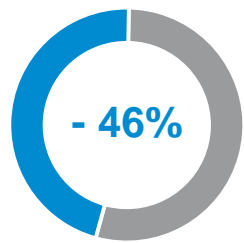
## Social Engagement

Improved patient quality of life through solutions and new standards in optometry and medical technology

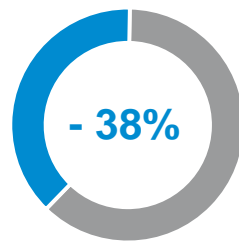
Programs to refurbish ZEISS products for regions without sufficient access to medical care and the five ophthalmology training centers in Indonesia, Nigeria, Paraguay, Sudan and Tanzania

## Environment

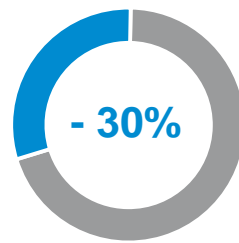
ZEISS achieved relative reduction in several areas as compared to FY 2009/10



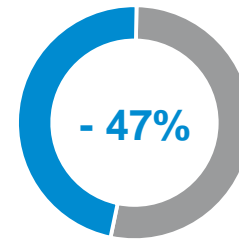
energy consumption



water consumption



waste volume



CO<sub>2</sub> emissions

1 3M 2018/19 at a Glance

2 Financial Performance

3 Highlights

4 Outlook



# Outlook Unchanged – Focus on Further Profitable Growth



## Favourable Long-Term Trends

---

Aging of the population and growing affluence

Rising access to health care in RDEs

Increasing information access and awareness

Growing patient load, growing expectations

## Our Strategic Priorities

---

Further expand recurring revenue generation

Extend technology leadership in cataract

Drive market penetration of SMILE Refractive Laser surgery

Lead neuro/ENT market by turning next-generation product into business growth

## FY 2018/19 and Mid-term goals

---

Revenue: At least as fast as our markets grow

EBIT: 14% - 16%



