

Carl Zeiss Meditec Group

Conference Call 6 Months 2015/16



Dr Ludwin Monz, CEO
Dr Christian Müller, CFO
May 11, 2016

Disclaimer



This presentation does not constitute or form part of, and should not be construed as, an offer or invitation to subscribe for, underwrite or otherwise acquire, any securities of Carl Zeiss Meditec AG or any present or future member of its Group nor should it or any part of it form the basis of, or be relied upon in connection with, any contract to purchase or subscribe for any securities in Carl Zeiss Meditec AG or any member of its Group or commitment whatsoever.

All information contained herein has been carefully prepared. Nevertheless, we do not guarantee its accuracy or completeness and nothing herein shall be construed to be a representation of such guarantee.

The information contained in this presentation is subject to amendment, revision and updating. Certain statements contained in this presentation may be statements of future expectations and other forward-looking statements that are based on the management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those in such statements as a result of, among others, factors changing business or other market conditions and the prospects for growth anticipated by the management of Carl Zeiss Meditec AG. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Carl Zeiss Meditec AG does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements which speak only as of the date of this presentation.

This presentation is for information purposes only and may not be further distributed or passed on to any party which is not the addressee of this presentation. No part of this presentation must be copied, reproduced or cited by the addressees hereof other than for the purpose for which it has been provided to the addressee.

This document is not an offer of securities for sale in the United States of America. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended.

6M 2015/16 at a Glance

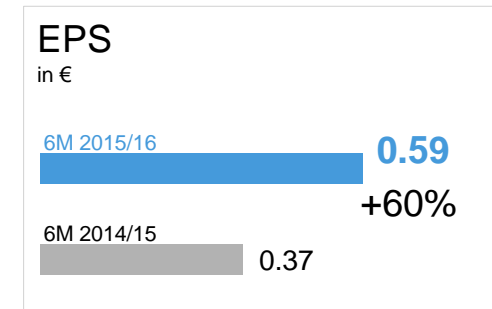
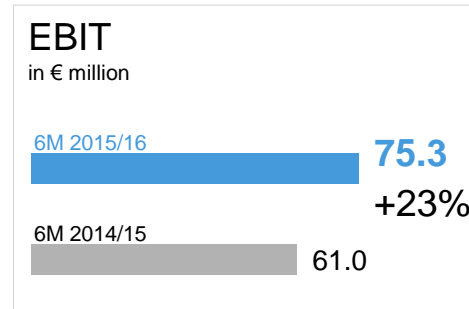
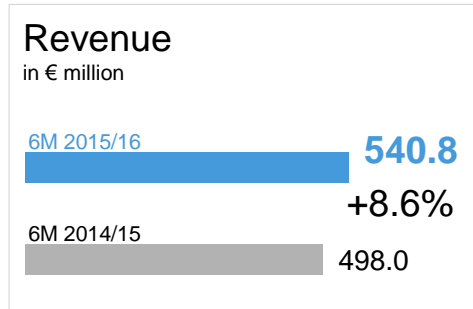
Financial Performance

Highlights

Outlook



H1 Revenue Grew by 9% Supported by all SBUs



- Growth again supported by changes in currency rates, mainly USD
- FX-adj. revenue growth of 5.3%
- Strongest growth contributions from Ophthalmology and APAC region
- EBIT margin of 13.9% above PY level of 12.2%
- Adjusted EBIT margin at 14.3% (PY: 12.9%)
- EBIT development supported by favorable product mix as well as strict cost management
- EPS benefited from more favorable FX hedging related valuation effects

6M 2015/16 at a Glance

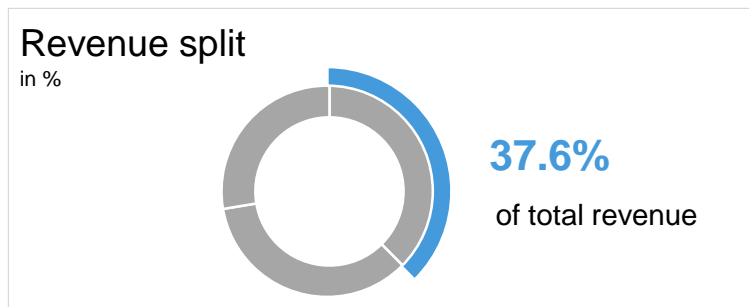
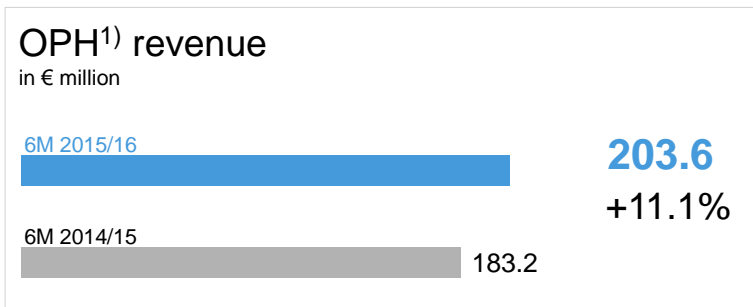
Financial Performance

Highlights

Outlook



OPH: Revenue Growth Supported By Diagnostics, Refractive & Positive FX



- FX-adj. revenue increase of 6.8% vs. prev. year
- Growth contribution from laser systems for refractive surgery and diagnostic devices and systems
- Refractive laser business continues its growth: around 450,000 eyes treated since launch
- EBIT improved compared to PY due to a more favourable product mix and cost control measures

¹⁾ Ophthalmic Systems

SUR: Strong IOL Sales Across Categories



SUR¹⁾ revenue in € million

6M 2015/16



188.1
+8.7%

6M 2014/15



173.0

Revenue split in %



34.8%

of total revenue



- FX-adj. sales growth of 6.6%
- Strong contribution from both premium and standard IOL categories as well as biometry
- Continued high interest in our cataract surgical workplace offering
- EBIT margin slightly above previous year due to higher operational leverage

¹⁾ Surgical Ophthalmology

MCS: Positive FX and Slight Acceleration in Second Quarter Enable Revenue Increase of ~5%



MCS¹⁾ revenue in € million

6M 2015/16

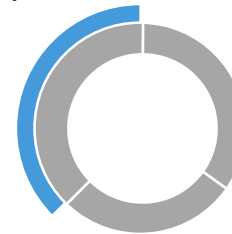


149.1
+5.2%

6M 2014/15



Revenue split in %



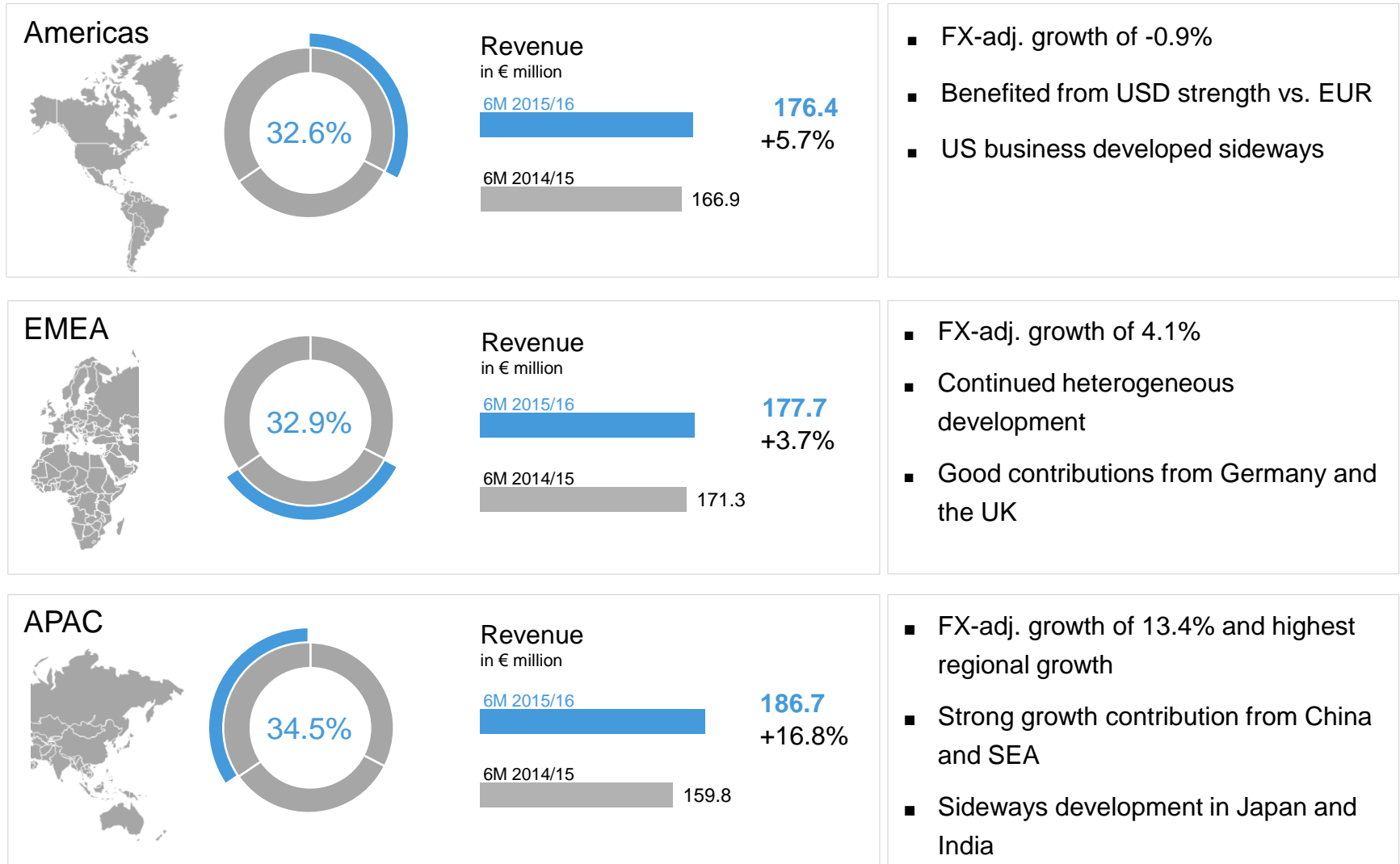
27.6%
of total revenue



- FX-adj. sales growth of 1.8%
- Japanese business improved in Q2 vs. a relatively weak start to the year
- Profitability remains on a high level despite some headwinds from regional distribution and product mix

¹⁾ Surgical Ophthalmology

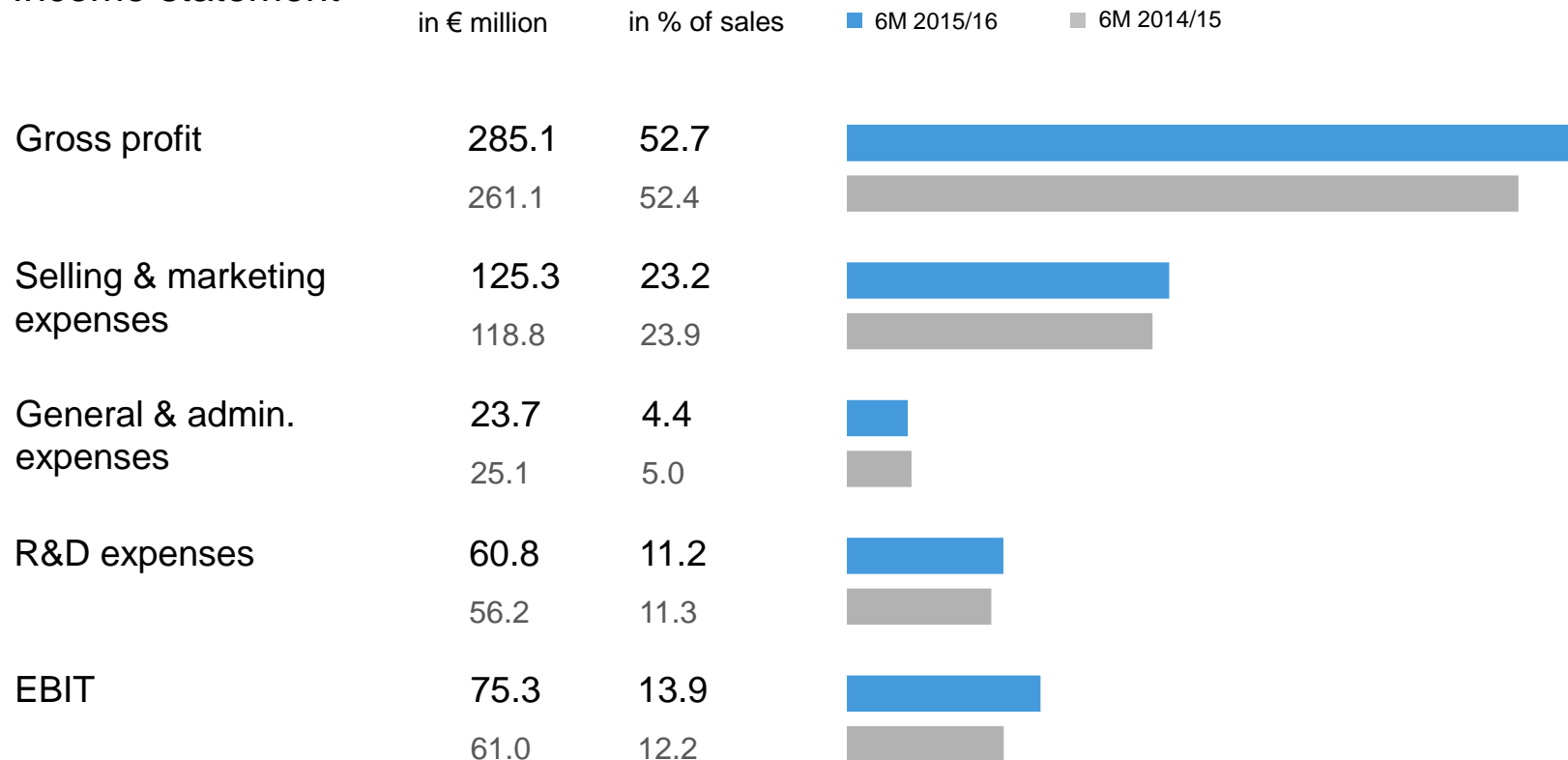
Strongest Regional Growth in APAC



EBIT Margin Reaches 13.9% Supported by Positive Product Mix and Strict Cost Management



Income statement



Adjusted EBIT Margin Expands to 14.3%



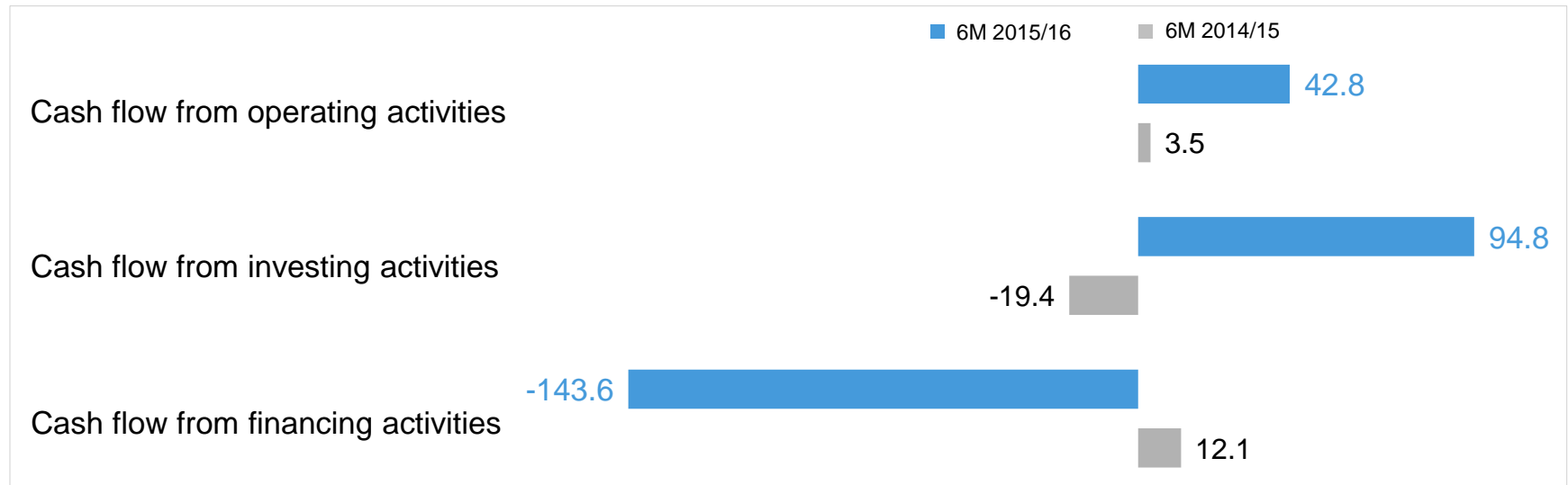
	6 Months 2015/16	6 Months 2014/15	Change
(Unless otherwise stated)	€ k	€ k	in %
EBIT	75.3	61.0	+23.4
Acquisition-related special effects	1.9	2.4	-19.8
Restructuring / reorganization	-	1.0	
Other special effects	-	-	
Adjusted EBIT	77.2	64.3	+20.0
Adjusted EBIT in % of revenue	14.3%	12.9%	+1.4% pts.

- Adjusted EBIT margin reaches 14.3% (PY: 12.9%) – overall low level of adjustments at 6M 2015/16
- PY period contained notable adjustments due to restructuring and M&A effects, mainly related to the Aaren Scientific acquisition

Significantly Positive Operating Cash Flow Compared to Previous Year



Cash flow statement in € million



- Continued positive development of operating cash flows due to increased EBIT as well as improvements in management of net current assets
- Swings in cash flow from investing and financing activities related to a € 110 m fixed term deposit maturity in Q1 15/16

Continued Solid Financial Position with High And Growing Net Cash Reserves



Key ratio ¹⁾	March 31, 2016	Change to Sep 30, 2015
	in %	in % pts.
Equity ratio	70.8	+0.8
Trade receivables in % of LTM ²⁾ revenue	23.5	-0.8
Inventory in % of LTM revenue	18.6	+0.4
	in € million	in %
Net cash and cash equivalents	307.5	+10.4
Net working capital	275.2	+8.2

- Our balance sheet and financial ratios remain very strong

¹⁾ See definition pages 10 and 12 of the Carl Zeiss Meditec Group 6 Months Report 2015/16

²⁾ Last twelve months

6M 2015/16 at a Glance

Financial Performance

Highlights

Outlook



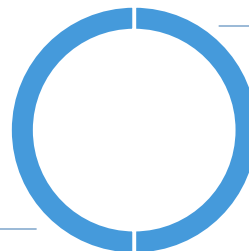
Strong Adoption of ReLEX[®] smile Drives Growth in Refractive Lasers and Generates Recurring Revenue



- Around 450,000 eyes treated with ReLEX[®] smile
- Installed Base: more than 500 VisuMax[®]
- Growing share of treatment pack revenue
- Highest share of revenue in European markets, but also very strong growth in APAC (China, South Korea, SEA)
- Further geographic expansion potential (U.S. clinical trial program continuing according to expectations)

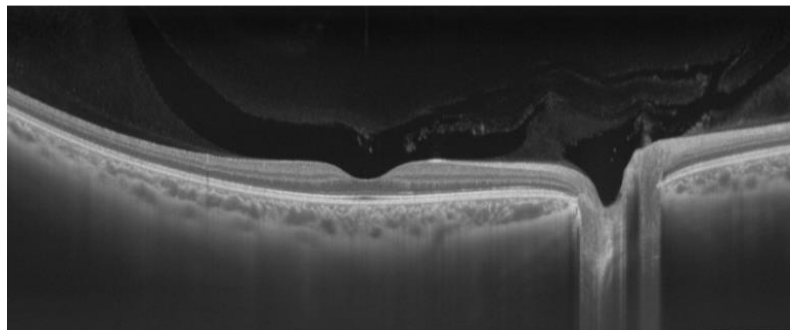
Revenue split refractive lasers
H1 2015/16

Service & Consumables

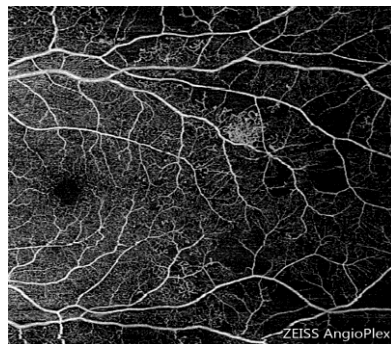
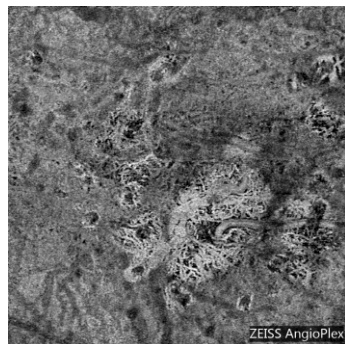
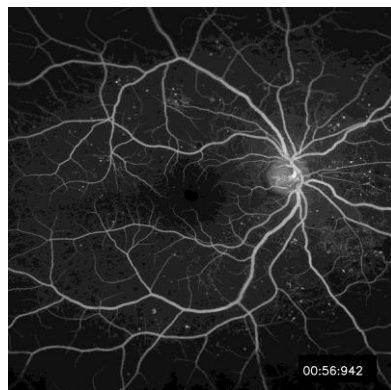
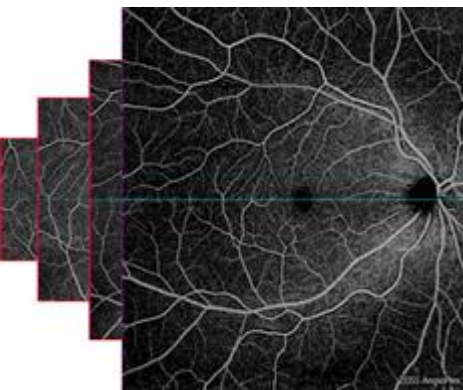


Devices & Accessories

We Remain the Innovation Leader in Next-generation OCT Research



- Introduced a novel swept-source OCT platform as a clinical research technology at ARVO Annual Meeting
- Fast, wide and deep OCT and OCT angiography imaging
- Expands researchers' ability to examine the critical retinal microstructures and microvasculature of the eye at any depth of interest (e.g. vitreous, retina and choroid)
- Taking collaboration between scientific and medical researchers and the industry to a new level



6M 2015/16 at a Glance

Financial Performance

Highlights

Outlook



We will continue on our path of profitable growth ahead of our markets



Key ratio ¹⁾	H1 2015/16	Goals 2015/16	Mid-term goals
Consolidated revenue	€ 540.8 million	€ 1,080 to 1,120 million	At least on par with market growth
EBIT-Margin	13.9%	13% to 15%	13% to 15%

Our strategic priorities:

- Further drive recurring revenue generation, with both IOL and refractive laser business
- Extend technology leadership in Ophthalmology and build on strength in data management
- Further improve profitability of OPH diagnostics
- Continue to lead neuro/ENT visualization market with application-driven innovations



We make it visible.