



Conference Call 6 Months 2017/18

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6M 2017/18 at a Glance

Financial Performance

Highlights

Outlook



Revenue Growth Trend Continues in H1 17/18



Revenue

in € million

6M 2017/18

613.7 +4.5%

6M 2016/17

587.5

- ▶ Revenues grew by 4.5%, supported by all SBUs
 - FX-adj. revenue growth of 9.5%
 - Strong contributions from both SBU's and all regions, highest growth in SBU Microsurgery

EBIT

in € million

6M 2017/18

88.2 -7.2%

6M 2016/17

95.1

- ▶ EBIT declined by 7.2% y/y, adj. EBIT roughly stable
 - Adj. EBIT margin at 14.7% (prev. year: 15.2%), setback partly caused by adverse currency effects in H1 17/18
 - Decline in reported EBIT mainly due to approx. € 8 mn one-off gain from disposal of non-core assets at Ontario site in PY, as reported in Q1 16/17

EPS

in €

6M 2017/18

0.63 -17.1%

6M 2016/17

0.76

- ▶ EPS decline primarily caused by changes in FX result and an increase in the number of outstanding shares as a result of the capital increase in March 2017

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Ophthalmic Devices Continues on Solid Growth Path in H1 17/18



Ophthalmic Devices Revenue

in € million

6M 2017/18

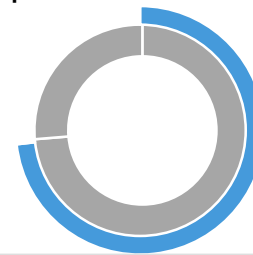
449.3 +3.7%

6M 2016/17

433.1

Revenue split

in %



73.2%

of total revenue



- FX-adj. sales growth of 8.6%
- Strong growth driven primarily by our devices in Ophthalmic Diagnostics, Refractive Laser Systems and continued strong demand for Premium and Standard IOLs
- Continued high level of targeted investment in Sales & Marketing and Research & Development

Microsurgery Provides Strong Contribution to Revenue, Supported by New Product Launches



Microsurgery Revenue

in € million

6M 2017/18

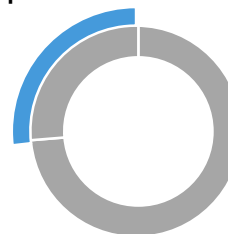
164.4 +6.5%

6M 2016/17

154.4

Revenue split

in %



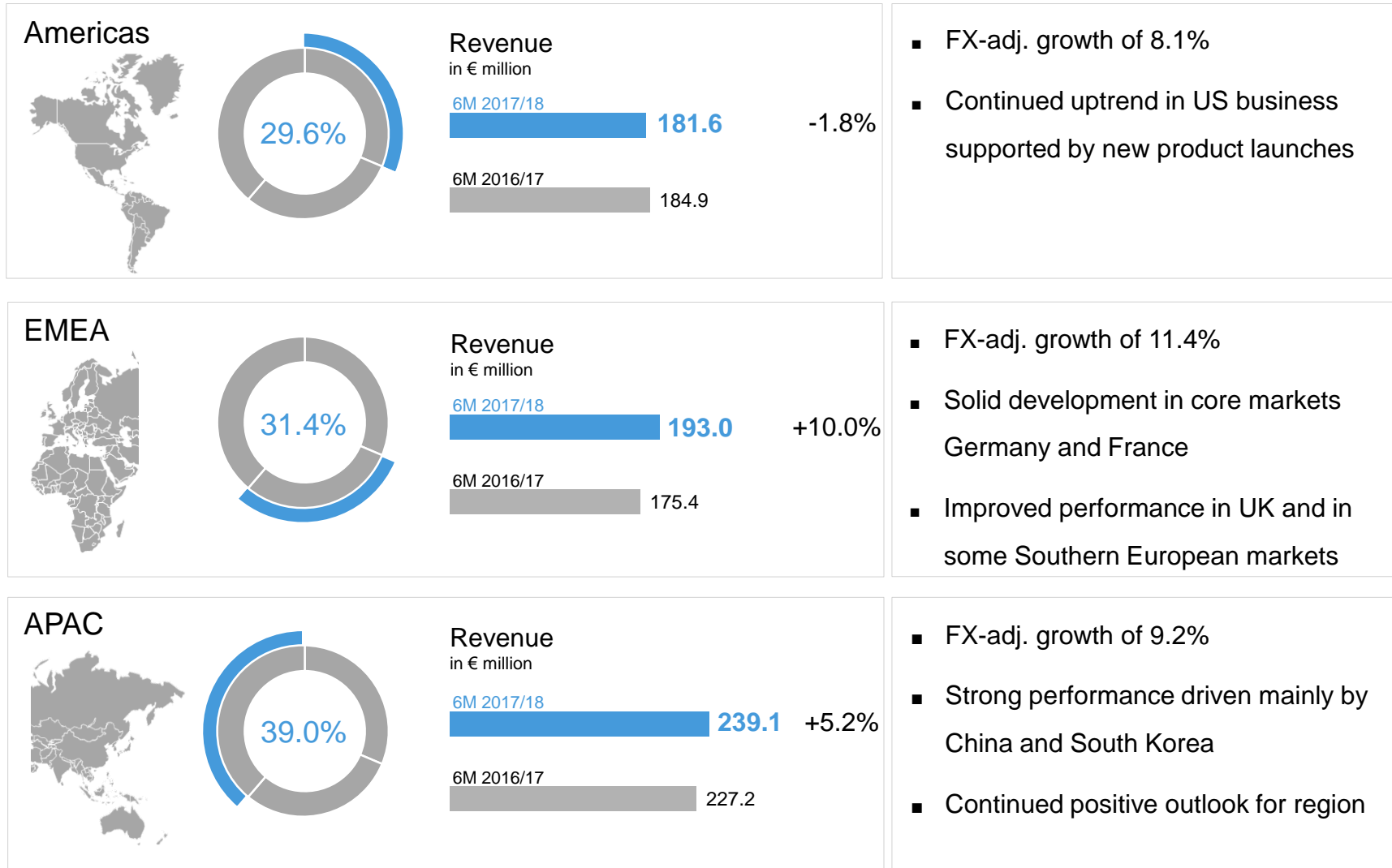
26.8%

of total revenue



- FX-adj. sales growth of 12.2%
- Profitability hit by negative FX effects in y/y comparison, but remains at a high level
- Continued strong revenue contributions from new product launches in neuro and dental surgery

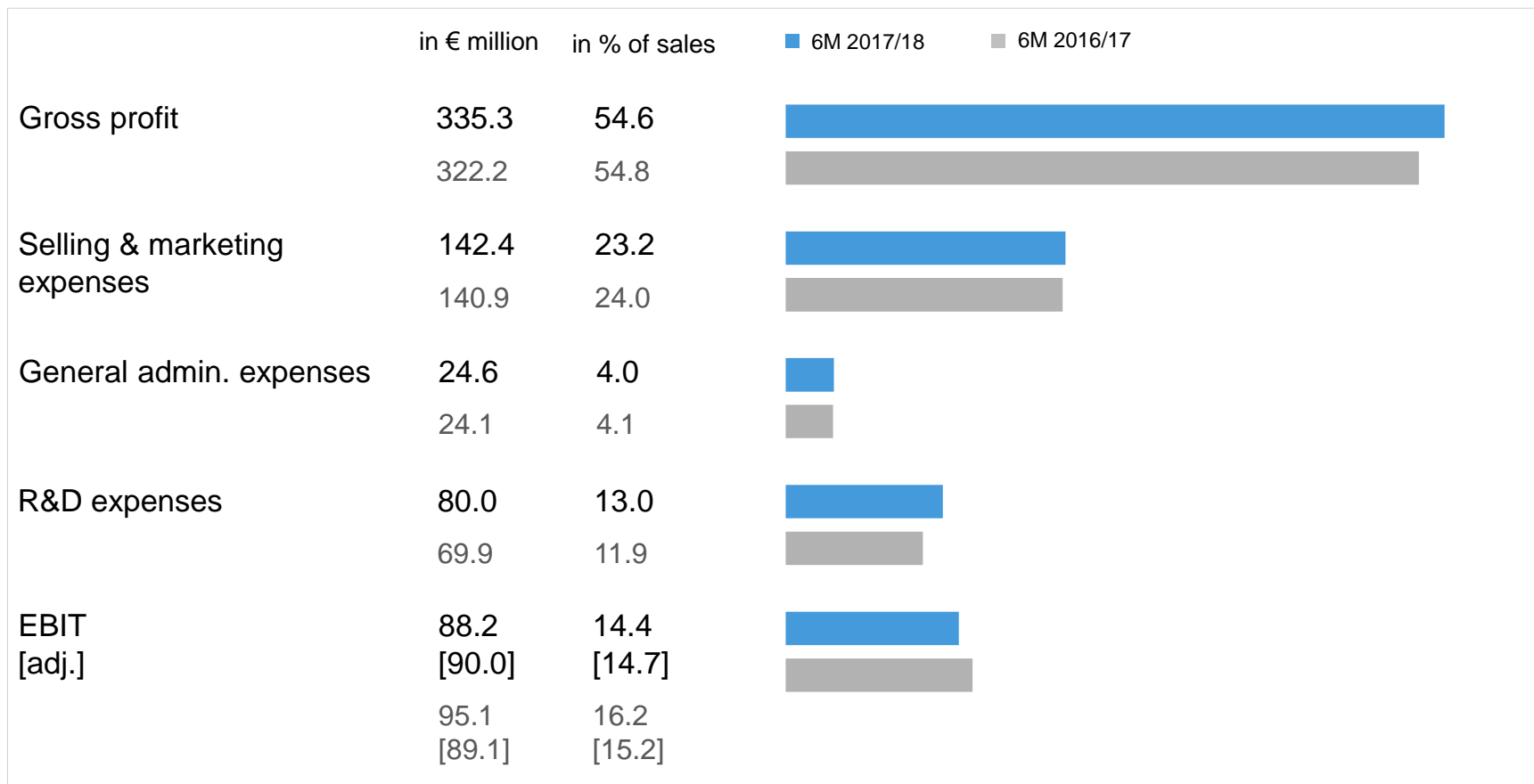
Balanced Organic Growth Contributions from all Regions in H1 17/18



Adjusted EBIT Margin Weakened by Negative FX Environment



Income statement



Adjusted EBIT Margin Reaches 14.7%



	6 Months 2017/18	6 Months 2016/17	Change to PY
	in € million	in € million	in %
EBIT	88.2	95.1	- 7.2
Acquisition-related special effects	-1.8	6.0	-
Restructuring/reorganization	-	-	-
Adjusted EBIT	90.0	89.1	+ 1.1
Adjusted EBIT in % of revenue	14.7%	15.2%	- 0.5%-pts.

- Acquisition-related special items in H1 2016/17 contained one-off gains from the sale of non-core assets at Ontario site, as disclosed in Q1 16/17
- Adjusted EBIT margin decrease vs. PY mainly due to negative currency effects in H1 2017/18

Solid Financial Position With Improved Cash Flow Dynamics Compared to Previous Year



	6 Months 2017/18	6 Months 2016/17
	in € million	in € million
Cash flow from operating activities	34.4	16.5
Cash flow from investing activities	-8.9	-20.1
Cash flow from financing activities	-23.6	4.7
Net cash and cash equivalents	589.9	637.6

- Operating cash flow stronger than in PY due to more moderate investments in net working capital than in previous year's period
- Our balance sheet and financial ratios remain very strong with an equity ratio of 80.0% (30. September 2017: 76.5 %)

6M 2017/18 at a Glance

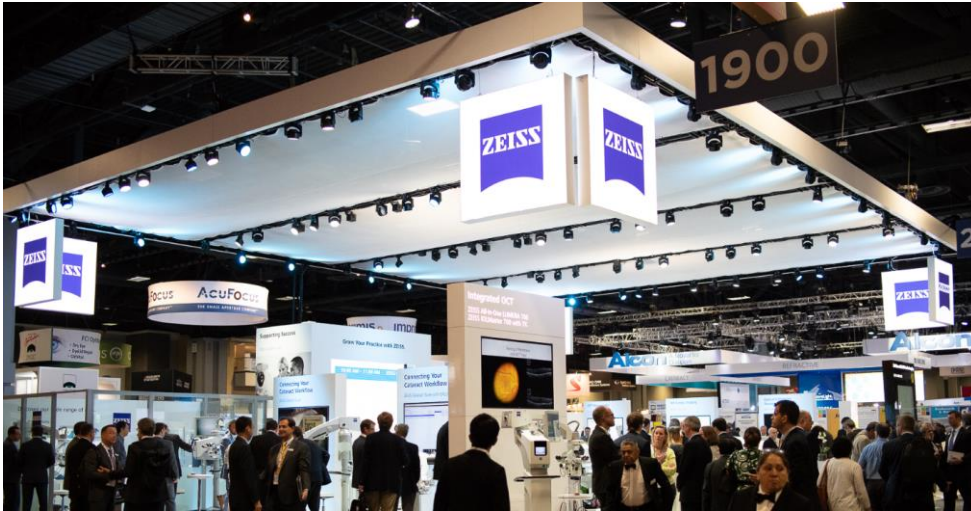
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New Ophthalmology and Microsurgery Products Receive Strong Attention at Major US Trade Shows



- Presence of ZEISS in important US market underscored by successful participation in US trade fairs
- Growing number of qualified leads and direct revenue
- Annual Meeting of American Society of Cataract and Refractive Surgery (ASCRS), April 2018, Washington D.C.: surgical portfolio prominently featured, new record in direct orders, outstanding scientific coverage of ZEISS with a combined total of 120 representations
- Annual Meeting of American Association of Neurological Surgeons (AANS), April – May 2018, New Orleans: Presentation of all-new robotic visualization system ZEISS KINEVO 900, in-booth surgery simulations, firsthand experiences using KINEVO 900 in surgery by renowned surgeons

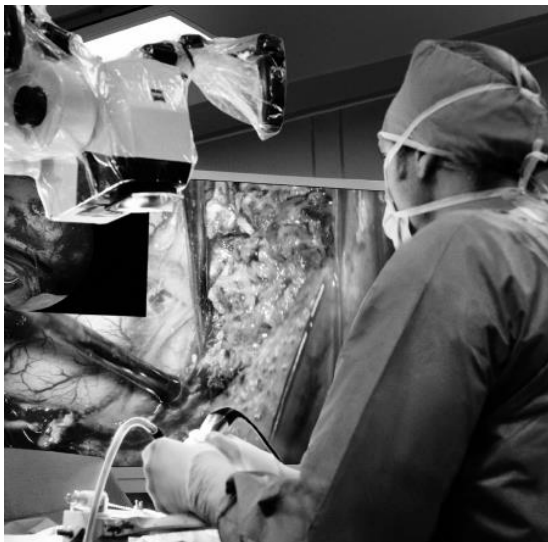


KINEVO 900 – Delivering Meaningful Innovation to Markets and Off to a Strong Commercial Start



- Surgeon-Controlled Robotics, Digital Hybrid Visualization and Microinspection Tool QEVO widely seen by neurosurgical thought leaders as breakthrough innovation helping to advance outcomes and patient safety:

- **Digital Hybrid Visualization ...**
... added „a whole new avenue that hasn't been there before.“⁽¹⁾
- **The Microinspection Tool QEVO ...**
... allows us „to do a lot of things better“⁽³⁾, there are „so many applications now that I can think of [...]“⁽²⁾



- Early adopters of KINEVO 900 include prominent neurosurgeons from leading institutions such as Stanford Neurosurgery³⁾ and Barrow Neurological Institute⁴⁾ in the US as well as renowned neurosurgical centers such as the Charité Berlin or the University Clinic for Neurosurgery Innsbruck in Europe
- Cumulative revenue and orders in mid double-digit million range since market introduction

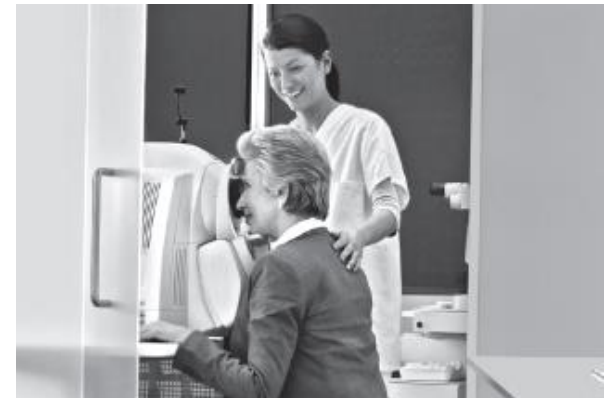
1) Michael Lawton, MD, President and CEO of the Barrow Neurological Institute, USA; Interview „ZEISS KINEVO 900 – First Impressions“, 19.01.2017; 2) Peter Nakaji, MD, Director of Neurosurgery Residency Program, Barrow Neurological Institute, USA; Interview „ZEISS KINEVO 900 – First Impressions“, 19.01.2017 3) Gary Steinberg, Dr. Chair of Neurosurgery, Director of the Stanford Moyamoya Center, and the founder and Co-Director of the Stanford Stroke Center 4) Michael Lawton, MD, President and CEO of the Barrow Neurological Institute, USA; Peter Nakaji, MD, Director of Neurosurgery Residency Program, Barrow Neurological Institute, USA; Robert Spetzler, MD, Emeritus Chair of the Barrow Neurological Institute, USA

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We Will Continue on Our Path of Profitable Growth Ahead of Our Markets



Favourable long-term trends:

- Aging of the population and growing affluence
- Increasing information access and awareness
- Growing patient load, growing expectations
- Rising access to health care in RDEs

Our strategic priorities:

- Further expand recurring revenue generation
- Drive roll-out of SMILE Refractive Laser surgery
- Extend technology leadership in cataract
- Lead neuro/ENT market by turning next-generation product into business growth

Key ratio	6 Months 2017/18	FY 2017/18 goals	Mid-term goals
Revenue	€ 613.7 million	€ 1,230 – 1,280 million (+3.4% – 7.6% vs. PY)	At least on par with market growth
Adj. EBIT margin	14.7%	14%–16%	14%–16%

