



Conference Call 6 Months 2016/17

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6M 2016/17 at a Glance

Financial Performance

Highlights

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# Solid Growth in Revenue and Earnings in H1 16/17



## Revenue

in € million

6M 2016/17

**587.5** +8.6%

6M 2015/16

540.8

- ▶ Revenues grew by 8.6%, supported by all SBUs
  - FX-adj. revenue growth of 7.1%
  - Strongest growth contribution from SBU Ophthalmic Devices and APAC region

## EBIT

in € million

6M 2016/17

**95.1** +26%

6M 2015/16

75.3

- ▶ EBIT grew by 26%, due to favorable product mix – mainly from growth in Refractive Laser and Cataract products - as well as economies of scale
  - EBIT includes a € 7.7 mn one-off gain from disposal of Aaren's non-core as reported in Q1 16/17
  - Adjusted EBIT margin at 15.2% (prev. year: 14.3%)

## EPS

in €

6M 2016/17

**0.76** +28%

6M 2015/16

0.59

- ▶ EPS increase primarily based on positive development of EBIT

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# Strong Revenue Contribution from Refractive Laser and Cataract Business



## Ophthalmic Devices Revenue

in € million

6M 2016/17

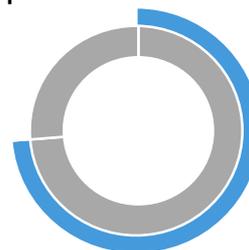
**433.1** +10.6%

6M 2015/16

391.6

## Revenue split

in %



**73.7%**

of total revenue



- FX-adj. sales growth of 9.2%
- Strong growth in Refractive Laser business
- Continued positive development and market share gains in Surgical Ophthalmology
- EBIT margin above previous year due favorable product mix (laser treatment packs, IOLs) as well as one-off gains from sale of non-core assets at Ontario, CA, plant

# Slight Growth in Microsurgery - New Products Launched in Neuro and Dental



## Microsurgery Revenue

in € million

6M 2016/17

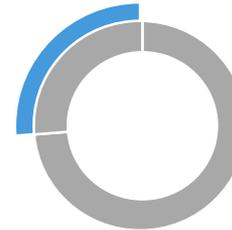
**154.4** +3.5%

6M 2015/16

149.1

## Revenue split

in %



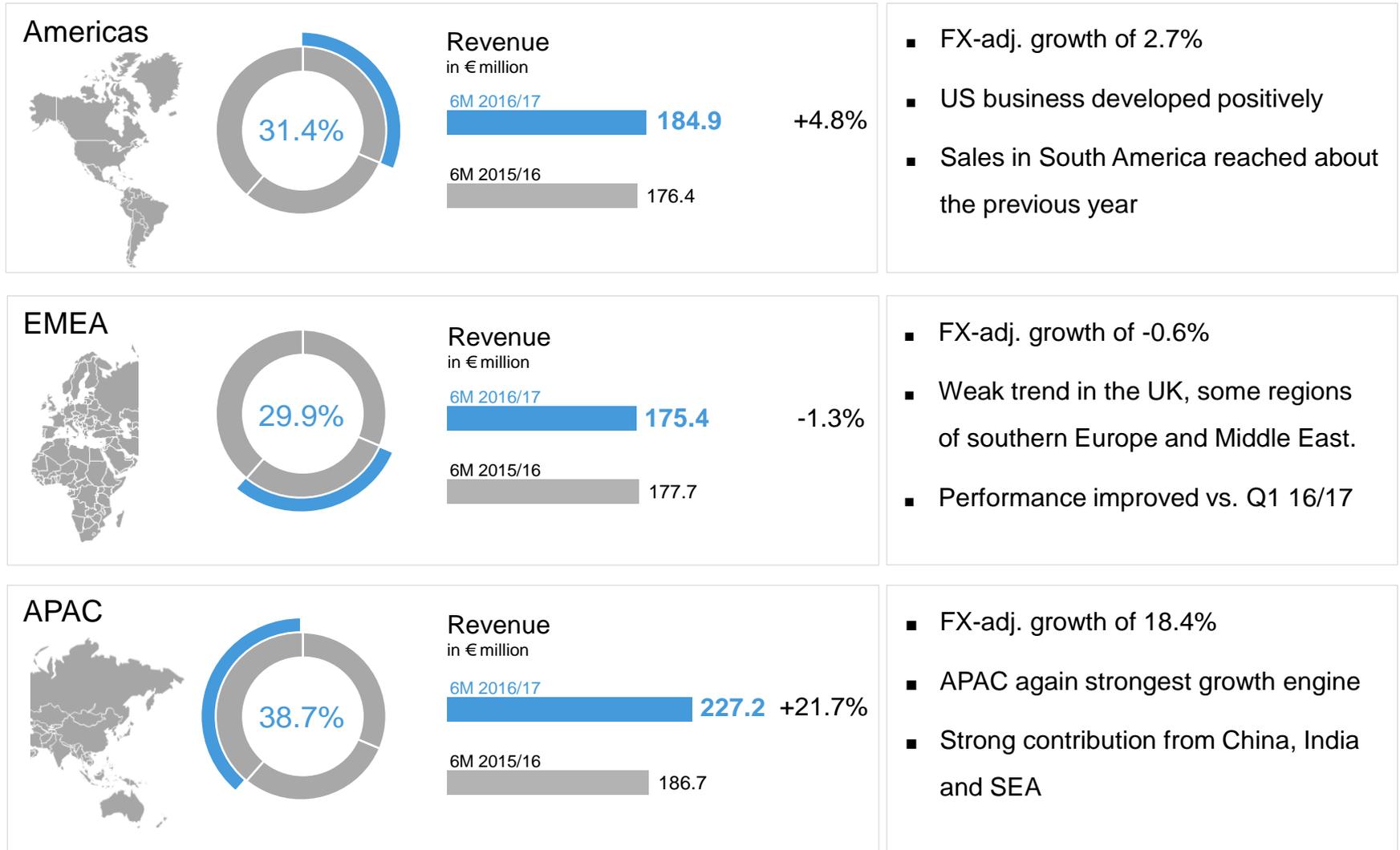
**26.3%**

of total revenue



- FX-adj. sales growth of 1.8%
- Profitability remains at high level
- New product launches in neuro- and dental surgery (KINEVO® 900 and EXTARO 300) announced in March/April 2017

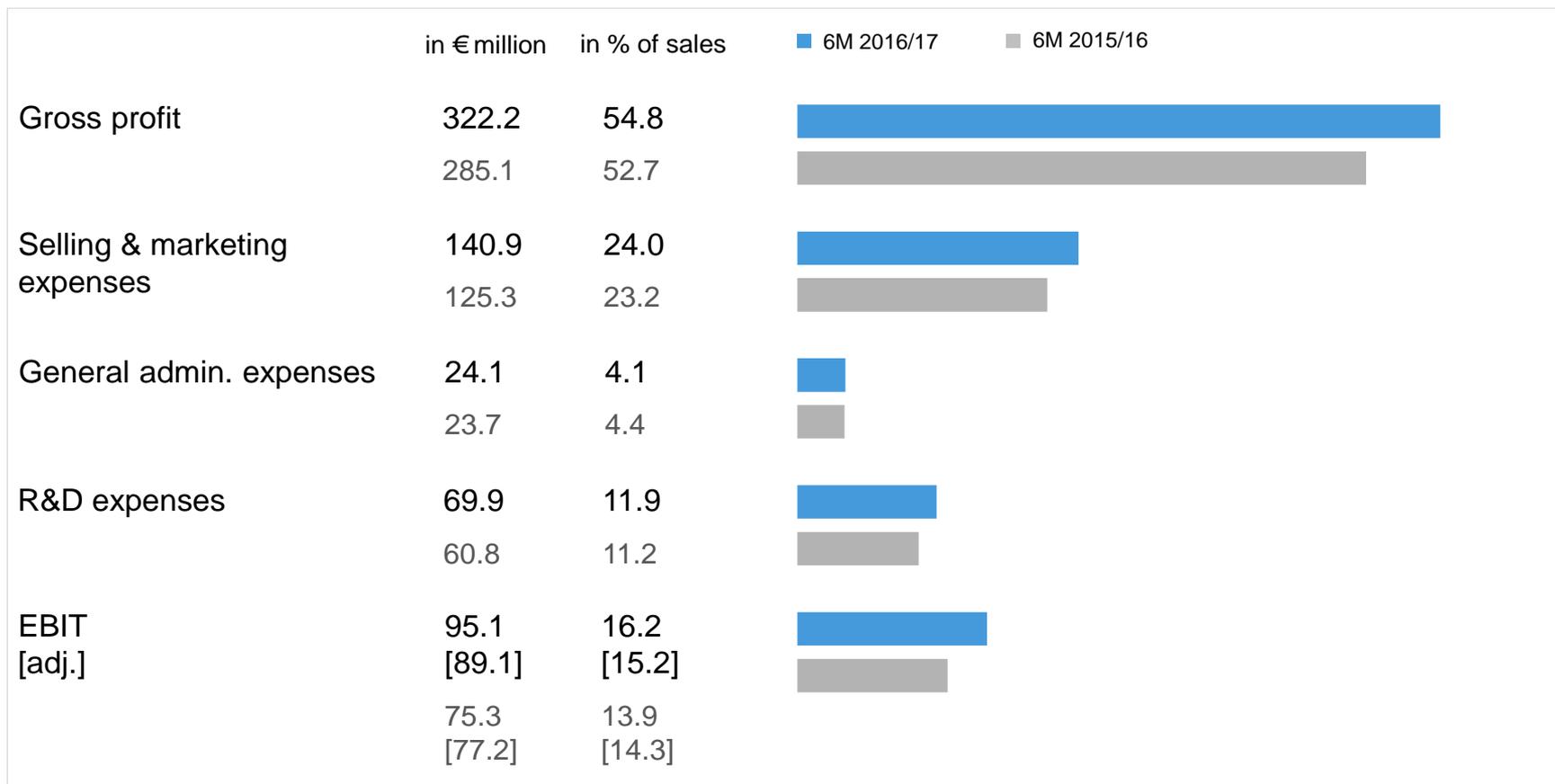
# APAC Drives Top Line in First Half Year 16/17



# EBIT Margin Rises to 16.2% Due to a Favourable Product Mix and One-Offs as Disclosed in Q1 16/17



## Income statement



# Adjusted EBIT Margin Expands to 15.2%



	6 Months 2016/17	6 Months 2015/16	Change to prev. year
	in € million	in € million	in %
<b>EBIT</b>	<b>95.1</b>	<b>75.3</b>	<b>+ 26.3</b>
Acquisition-related special effects	- 6.0	1.9	-
Restructuring/reorganization	-	-	-
<b>Adjusted EBIT</b>	<b>89.1</b>	<b>77.2</b>	<b>+ 15.3</b>
<b>Adjusted EBIT in % of revenue</b>	<b>15.2%</b>	<b>14.3%</b>	<b>+ 0.9%-pts.</b>

- Acquisition-related special items in H1 2016/17 contain one-off gains from the sale of non-core assets at Ontario site to an effect of €7.7 mn, as disclosed in Q1 16/17.
- No changes to forecast – EBIT margin target of 13%–15% will also be reached without considering this special effect.

# Financial Situation Remains Solid



	6 Months 2016/17	6 Months 2015/16
	in € million	in € million
Cash flow from operating activities	16.5	42.8
Cash flow from investing activities	-20.1	94.8
Cash flow from financing activities	4.7	-143.6
Net cash and cash equivalents	637.6	307.5

- Operating cash-flow behind last year's strong level due to inventory build in some key products / launches
- Swings in cash flow from investing and financing activities related to a € 110 mn fixed term deposit maturity in Q1 2015/16.
- Our balance sheet and financial ratios remain very strong with an equity ratio of 77.1% (31 March 2016: 70.8%).
- Net Cash increases to € 637 mn due to capital increase on March 22, 2017

# The Capital Raise Has Generated €317 Million in Proceeds and Greatly Extends our Financing Capacity



## The additional capital will help to:

- Complement portfolio through a series of investments and collaborations into adjacent fields and technologies
  - Enhance financial firepower for potential large M&A
  - Support growth initiatives in existing portfolio



We have a well-filled M&A pipeline with projects of different size brackets.



Positive market environment:  
Some key competitors undergoing strategic challenges and disruption. High likelihood of asset sales.



Pre-Funding improves our ability to act fast and seize opportunities as well as pursue several projects simultaneously.

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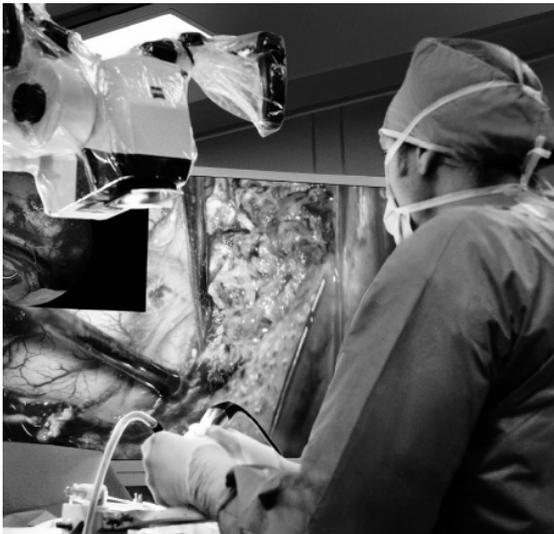


# Status Update – SMILE Launch in U.S. Making Good Progress



- ReLEx® SMILE now available in the U.S. market – first commercial procedures kicked off in March 2017.
- High surgeon interest in SMILE surgery at ASCRS congress in Los Angeles, CA, earlier this week.
- Fort Belvoir Community Hospital, Virginia, as first U.S. DoD medical facility performed ReLEx® SMILE procedure.
- We continue to expect a low double-digit million EUR revenue contribution in FY 2016/17 from the U.S. launch.
- Over 750,000 SMILE procedures have been performed internationally since its introduction in 2011 with over 1000 surgeons regularly performing the procedure. Strong growth in Asia/Pacific continuing.

# KINEVO® 900 - Powerful Robotic Visualization System™ that Delivers Unparalleled Real-time Insights



- Next-generation movement and positioning capabilities with intraoperative visualization modalities and complementary digital opportunities
- Surgeon-controlled Robotics enable intelligent positioning functions such as PointLock & PositionMemory, minimizing disruption in system repositioning.
- Fully integrated Micro-Inspection Tool QEVO®1 expands the visualization capabilities of a microscope to eliminate blind spots.
- Introduction of Digital Hybrid Visualization: Leading with 3D and 4K technology, it gives the user an alternative to optical visualization.
- Integration of a full suite of intraoperative fluorescence
- Contribution to business growth expected from FY 2017/18

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



Key ratio	6 Months 2016/17	FY 2016/17 goals	Mid-term goals
Consolidated revenue	€587.5 million	€1,150 – 1,200 million (+5.7% – 10.3% vs. PY)	At least on par with market growth
EBIT-Margin	16.2%	13%–15%	13%–15%
R&D ratio	11.9%	10%–11%	10%–11%

## 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



We make it visible.