

EuroEyes



EuroEyes International Eye Clinic Limited

FY2019 Annual Result presentation

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EuroEyes

2019 Company Performance Overview

Chairman and CEO, Dr. Jørn S. Jørgensen

Company Overview – Successfully Listed in the Main Board of SEHK

Successfully Listed in the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK") on 15 October 2019

Issue volume

595 million

First Price Quotation

14.2 HKD/Share

Issue Price

7.5 HKD/Share

Global Offering
(including full exercise of the over-allotment option)

684 million HKD

Top Institutional Investors (According to Bloomberg)

LING RUI INTERNATIONAL
TRADING C



WORLDWIDE
HEALTHCARE
TRUST PLC



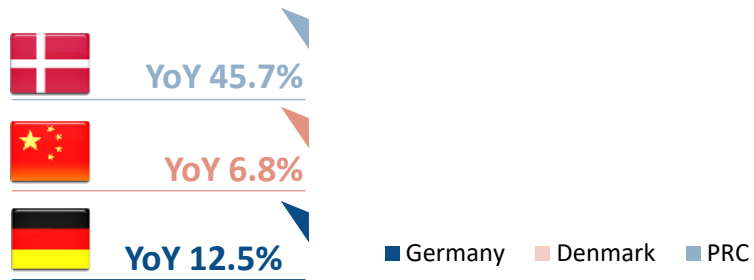
OrbiMed
Healthcare Fund Management



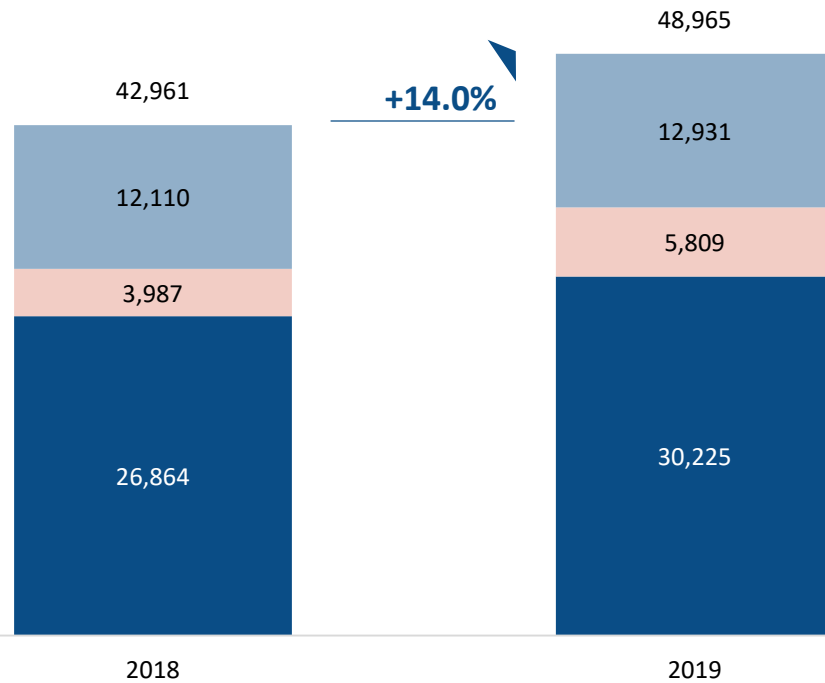
Company Overview – Outstanding Earnings Performance

Revenue by Geographical Regions

(in thousands of EUR)

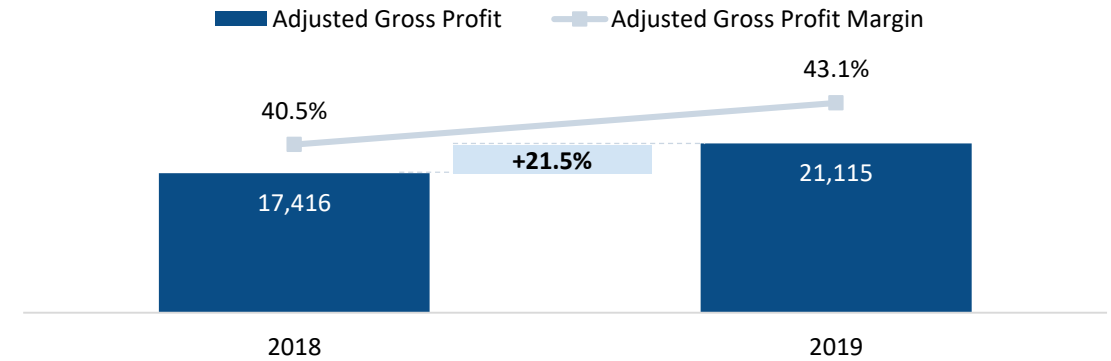


■ Germany ■ Denmark ■ PRC



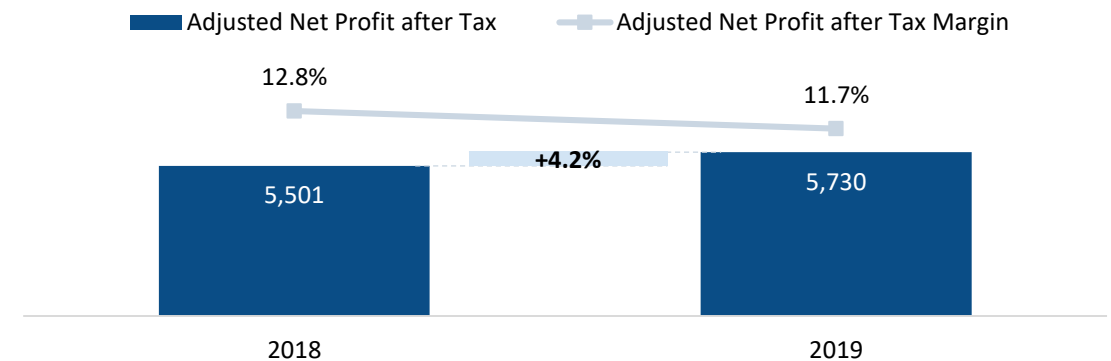
Expanding Adjusted Gross Profit and Gross Profit Margin

The Year ended 31 December
(in thousand of EUR)



Increased Adjusted Net Profit after Tax

The Year ended 31 December
(in thousand of EUR)



Company Overview – 26 clinics and consultation centers worldwide

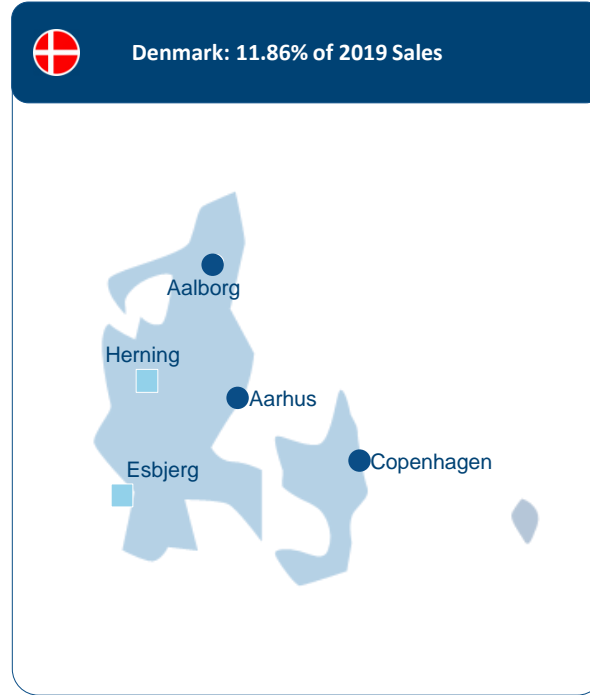
● Clinics ■ Consultation Centers ● Clinics scheduled to open



10 clinics

5 consultation centers

- All the clinics and consultation centers located in major German cities



3 clinics

2 consultation centers

- All the clinics and consultation centers located in prominent Danish cities



6 clinics in the PRC

2 will commence operation in 2020

- Beijing (West), Shanghai, Guangzhou, Shenzhen, Hangzhou and Beijing (East)¹
- Chongqing Clinic in Q4 2020
- Fuzhou Clinic in Q1 2021

Note 1 : Hangzhou clinic and Beijing (East) clinic commenced operation in Jun 2019 and September 2019, respectively

Company Overview – Our Revenue by Types of Surgeries

Revenue by Types of Surgeries

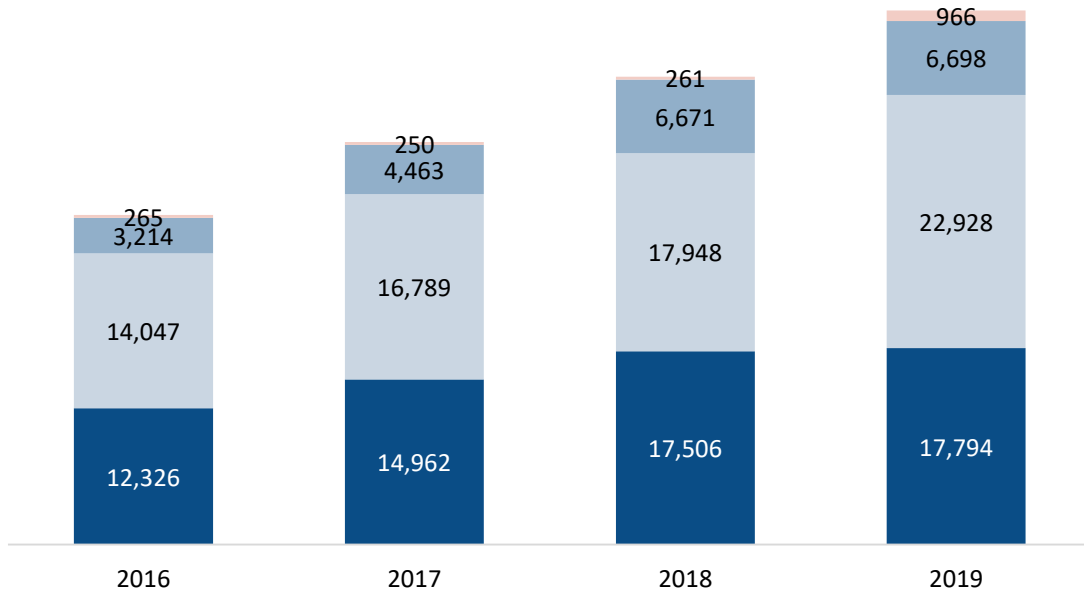
(in thousands of EUR)

■ Refractive Laser surgery ■ Lens exchange surgery ■ ICL Implantation ■ Others

Lens exchange surgery
CAGR =17.74%

ICL
CAGR =27.73%

Refractive Laser Surgery
CAGR =13.02%

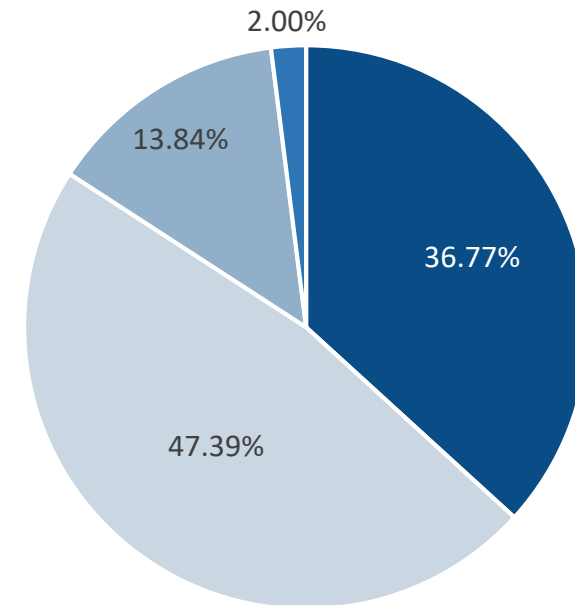


Highlights of FY2019

- **27.8%** YOY revenue increase in lens exchange as the growing aging population in the world
- Lens exchange surgery now contributes approximately **47%** of revenue

Surgery Revenue by Types - FY2019

■ Refractive laser surgery ■ Lens exchange surgery
■ ICL Implantation ■ Others



World Champion For Five Consecutive Years In A Row

2015-2019



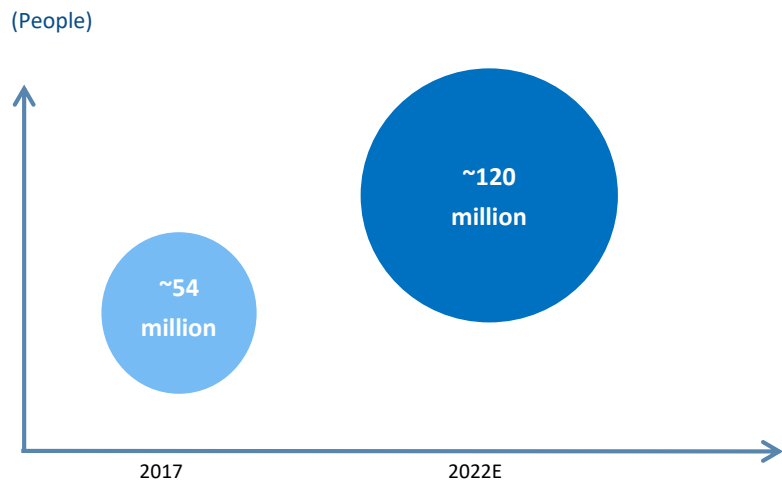
"The World Champion in implanting the most Zeiss trifocal lenses worldwide"

"The Surgeon who performed the most Zeiss trifocal lenses worldwide"

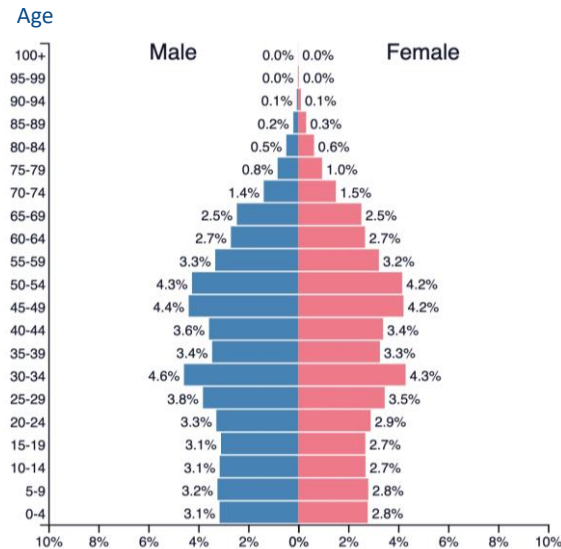


Trend: Get Rid of Reading Glasses – 60 Is The New 40

Presbyopia and Cataract People Mid-to-high Income Level (Aged over 45)



China Population 2019
(1,433,783,691)



Increasing Trifocal Lens Exchange Surgery to Meet the Huge Demands

Large and Increasing Presbyopia Population in China*



391.5 million

people above 45 years of age with presbyopia in 2018



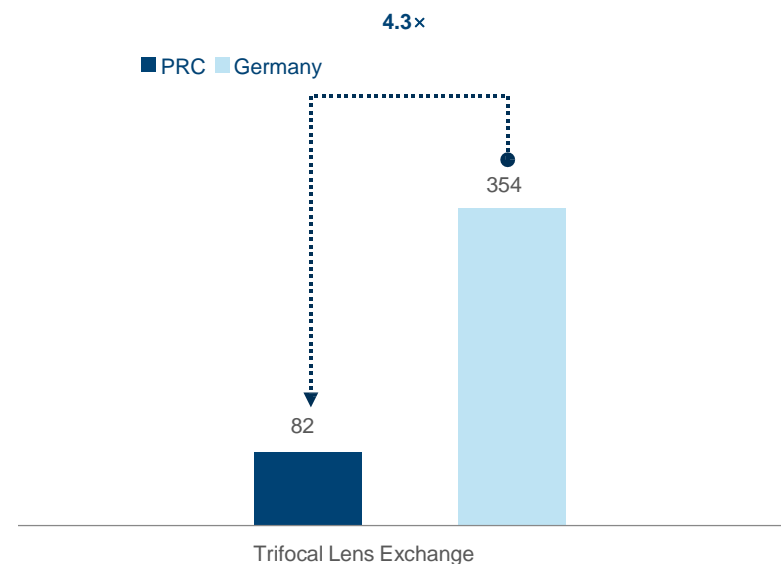
This number is expected to increase to

461.2 million in 2023

Low Penetration Rate of Trifocal Lens Surgery to treat Presbyopia in 2018

(People Per Million)

■ PRC ■ Germany



Q3 2019 Further Expansion in China Market to Capture the Great Potential

Hangzhou Located at Qianjiang New District



- **Consumption power** in Hangzhou is **high**
- Many of Hangzhou patients know already **longtime** from Shanghai
- **Demand of high-end service is high** in Hangzhou

Beijing East Located at Chaoyang District (Heart of Beijing)



- **First High-end retail clinic** within the 2nd circle (二环) area of Beijing
- **Convenient for patients** who live in the east of Beijing (like many celebrity clients)

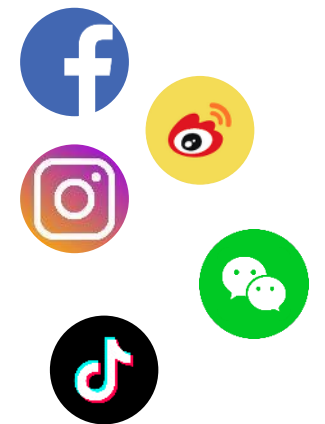
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Growth Drivers 2019

Chairman and CEO, Dr. Jørn S. Jørgensen

Growth Drivers 2019 – Marketing Efforts by EuroEyes



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Future Revenue Drivers for FY2020

Chairman and CEO, Dr. Jørn S. Jørgensen

Future Revenue Drivers 2020 – Introduction of New Services of 2020

1

Eye Screenings of Diabetic Mellitus and Macula Degeneration (To get started on 1 April in Shanghai | 15 April in Beijing)

2

Treatment of Young Patients with Presbyopic
(ICL EDOF)

3

New Strategic Partnership in Marketing

4

New Clinics to be opened in China by Organic Growth

5

Merge and Acquisition Plans



Launching New Services

Eye Screening for Diabetic Mellitus and Macula degeneration

The
Economist

≡ Menu

China

Dec 12th 2019 edition >



Sugar high

As China puts on
weight, type-2 diabetes
is soaring

Trying harder to prevent and treat it could
save both lives and money



Facts about Diabetes

1990: less than 1 % of the Chinese adult population had diabetes.

2020: have increased to around 12 %

Diabetic retinopathy affects up to **80%** of those who have had diabetes for 20 years

The majority of patients with diabetic retinopathy have no symptom until diabetic retinopathy has developed and it might be too late

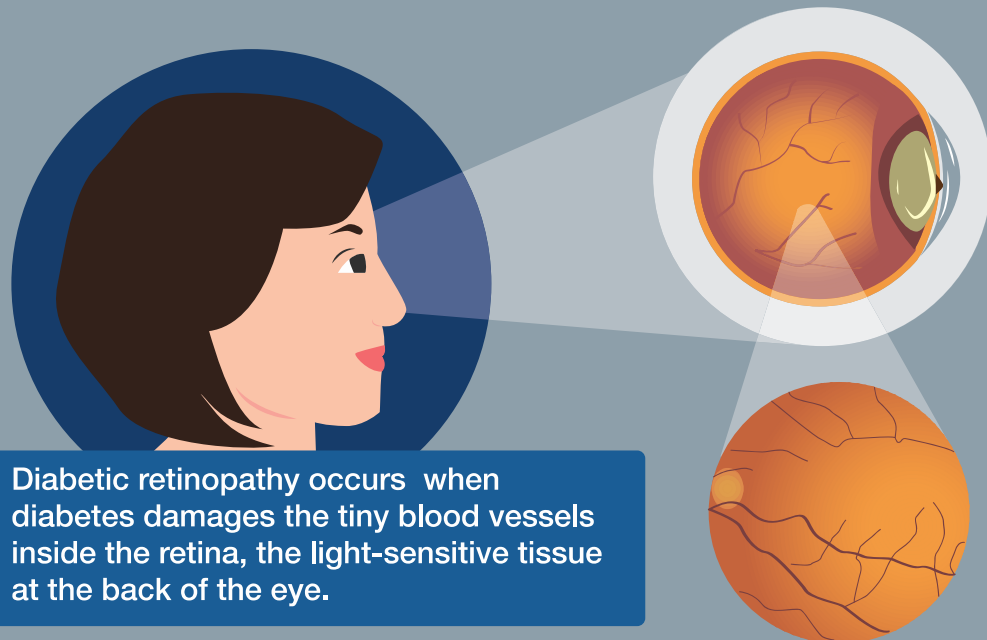
Diabetes is the leading cause of new cases of **blindness** in adults.

At least **90%** of new cases could be reduced with **proper treatment and monitoring** of the eyes.

Eye screening of diabetic retinopathy is important to avoid impairment of vision and blindness

**If diabetes screening is positive –
EuroEyes is able to perform treatment in existing locations**

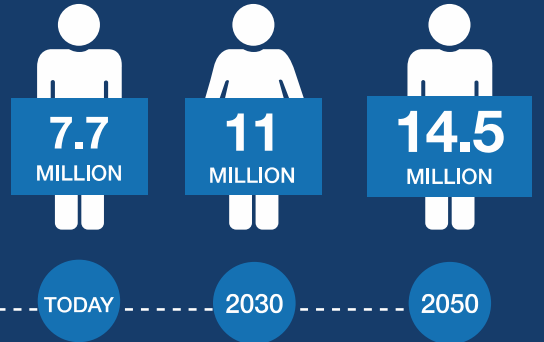
LEARN THE FACTS ABOUT DIABETIC RETINOPATHY



Diabetic retinopathy occurs when diabetes damages the tiny blood vessels inside the retina, the light-sensitive tissue at the back of the eye.

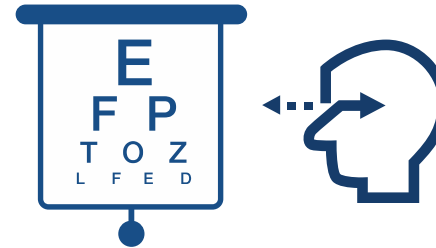
A GROWING ISSUE

Diabetic retinopathy is the leading cause of blindness in working-age adults ages 20-74



NO EARLY SYMPTOMS

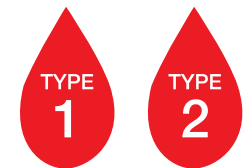
However, over time, diabetic retinopathy can get worse and cause vision loss or blindness.



WHO IS AT RISK?



All people with diabetes – both type 1 and type 2 – are at risk.

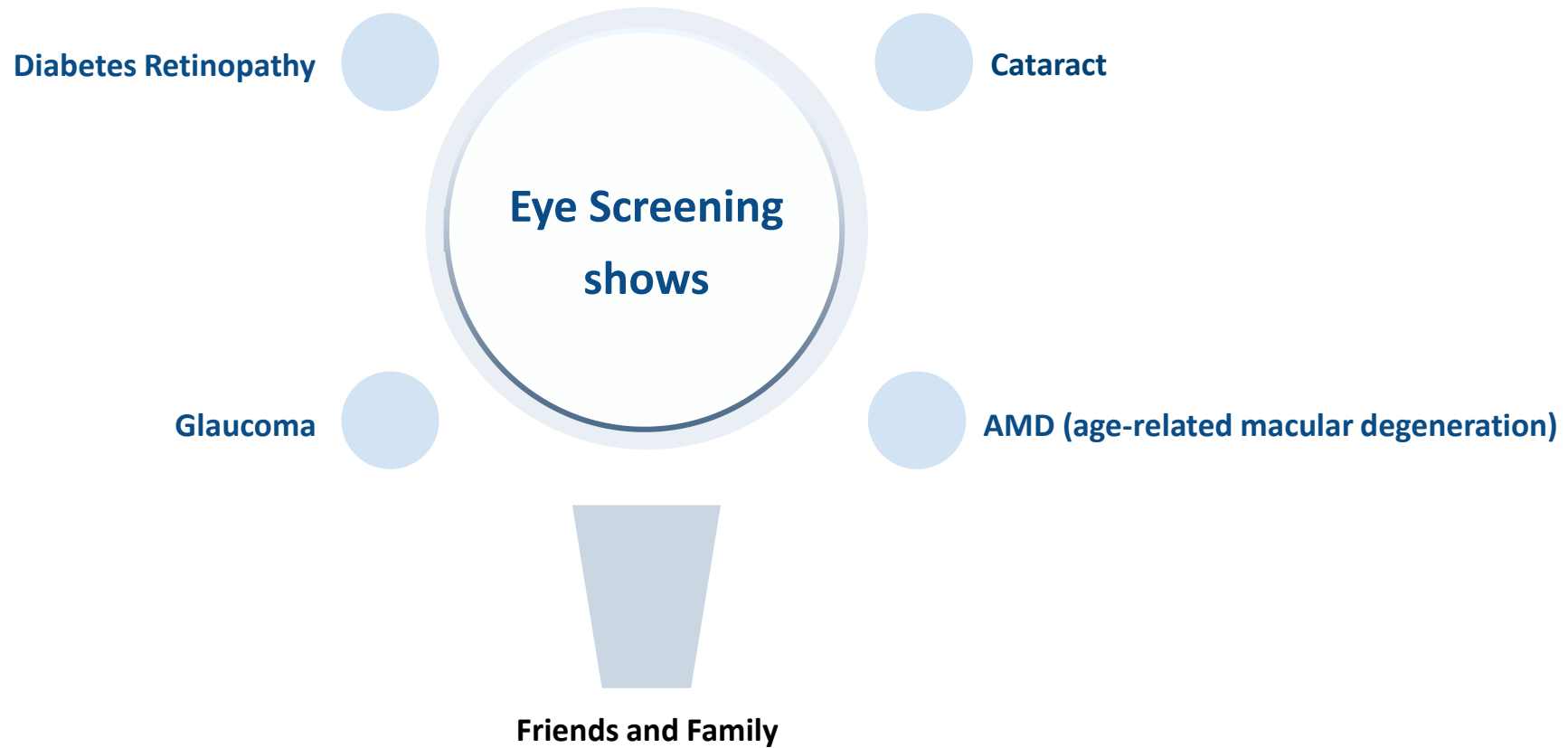


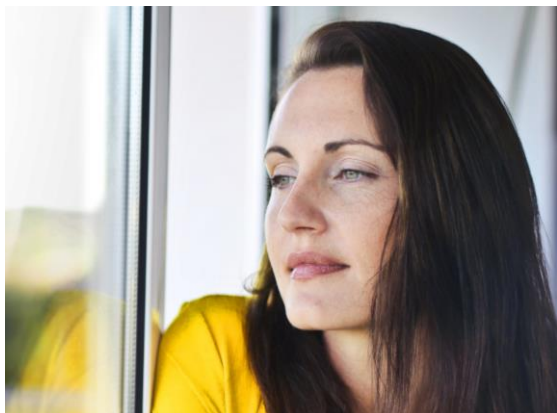
95%

REDUCED RISK OF VISION LOSS

Early detection, timely treatment, and appropriate follow-up care can reduce the risk of severe vision loss by 95 percent.

Eye Screening links to additional scope of services / Cross-Selling





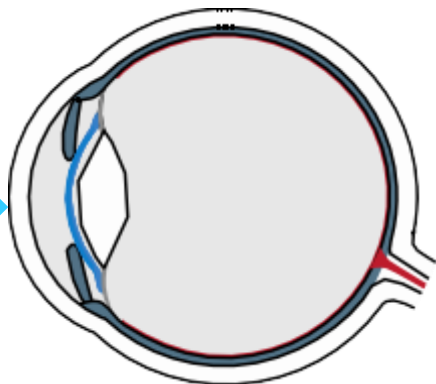
New Patient Group

75-80% of 45-54 year olds are using correction for presbyopia*

Treatment ICL (EDOF) viable in Germany by Q2 for the age 45-55

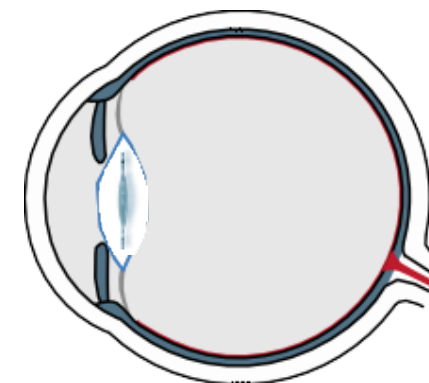
Implant the artificial lens between the iris and the natural lens

ICL (EDOF) →



Treatment already performed for the age 55+

Replace natural lens by artificial lens with three focal points





Keep Expanding Business Locations with new Clinics

As the number of customers reaching the clinics are limited to those in the proximity or the general local area, EuroEyes believes that by opening more clinics in different cities in the PRC will allow the company to **reach a larger customer base.**



Chongqing



Fuzhou

**Possible acquisition
of clinics in Europe**

**Possible acquisition
of clinics in Asia**

**Abundant cash on
hands to finance the
acquisition**



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2019 Financial Overview

CFO, Dr. Markus Braun



Financial Overview 2019 – Strong Earnings Performance (FY2016 – FY2019)

Key Financial Increase in 2019

YoY net increase in total revenue

▲ **14.0%**

+ € 6,004,000

YoY net increase in adjusted gross profit

▲ **21.1%**

+ € 3,699,000

YoY net increase in adjusted NPAT




▲ **4.2%**

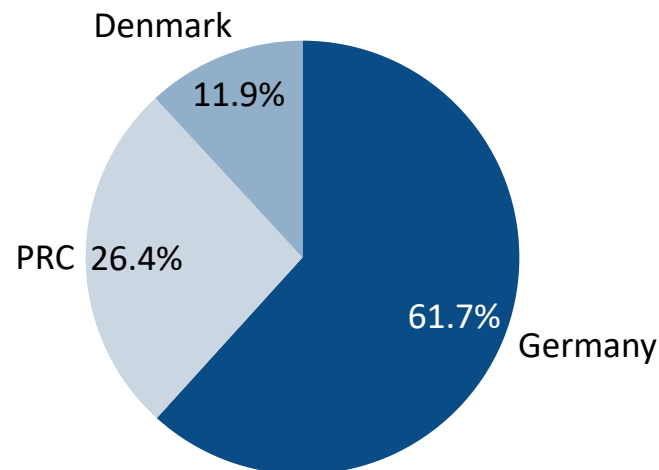
+ € 229,000

	The Year ended 31 December			
	2019	2018	2017	2016
	EUR€'000	EUR€'000	EUR€'000	EUR€'000
Revenue	48,965	42,961	36,977	30,402
Adjusted gross profit	21,115	17,416	13,129	9,917
Adjusted gross profit margin(%)	43.1%	40.5%	35.5%	32.6%
Adjusted net profit	5,730	5,501	2,527	1,939
Adjusted net profit margin(%)	11.7%	12.8%	6.7%	6.4%

Financial Overview 2019 – Strong Earnings Performance by Geographical Regions and Types of Surgery

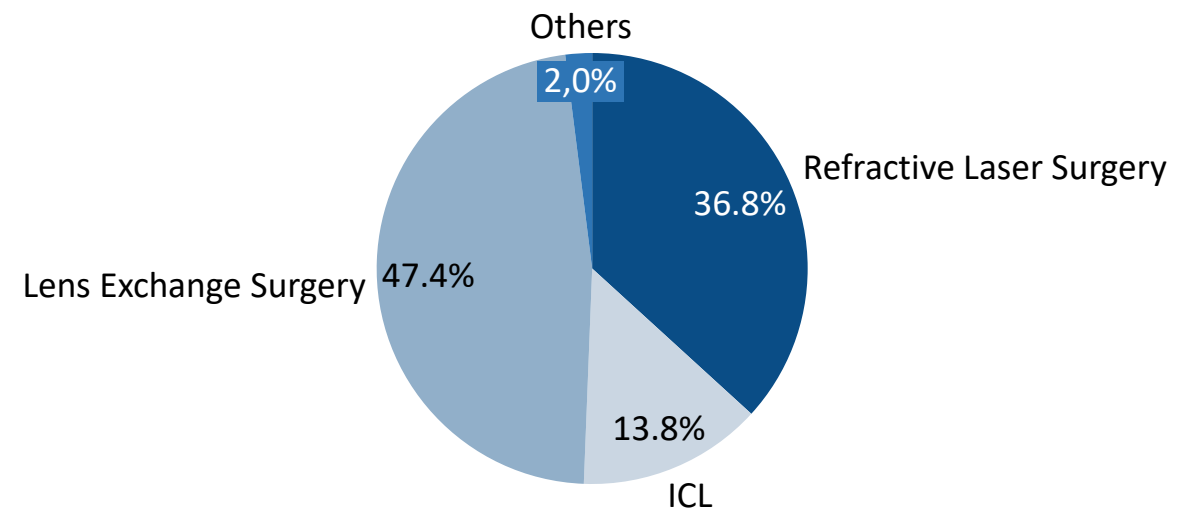
Revenue by geographical regions

The Year ended 31 December			
	2019	2018	YoY Change
	€'000	€'000	%
Total	48,965	42,961	+14.0%
Germany 	30,225	26,864	+12.5%
PRC 	12,931	12,110	+6.8%
Denmark 	5,809	3,987	+45.7%



Revenue by type of surgery

The Year ended 31 December			
	2019	2018	YoY Change
	€'000	€'000	%
Surgery Revenue	48,386	42,386	
Refractive Laser Surgery	17,794	17,506	+1.6%
ICL	6,698	6,671	+0.4%
Lens Exchange Surgery	22,928	17,948	+27.7%
Others	966	261	+270%

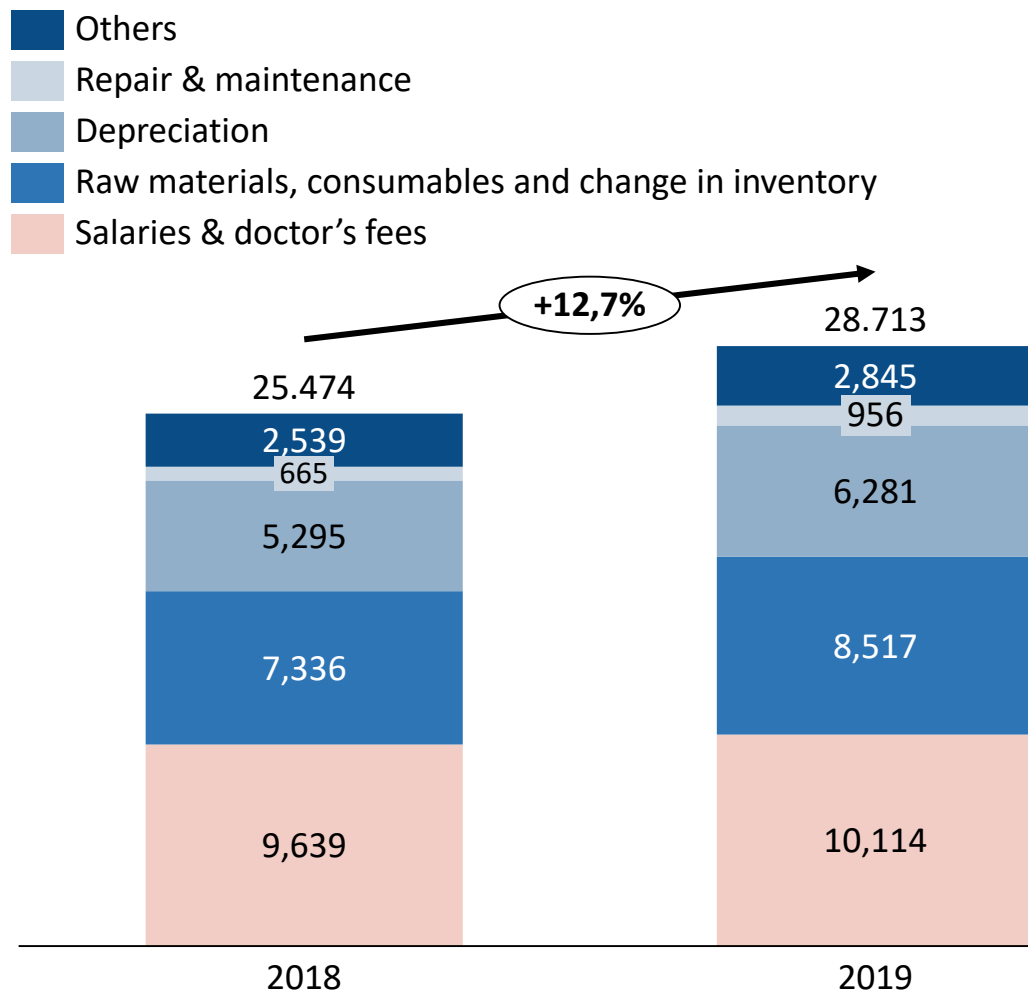


* Others - ICRS implantation, including ICRS implantation and PRK and LASEK/ other revenue

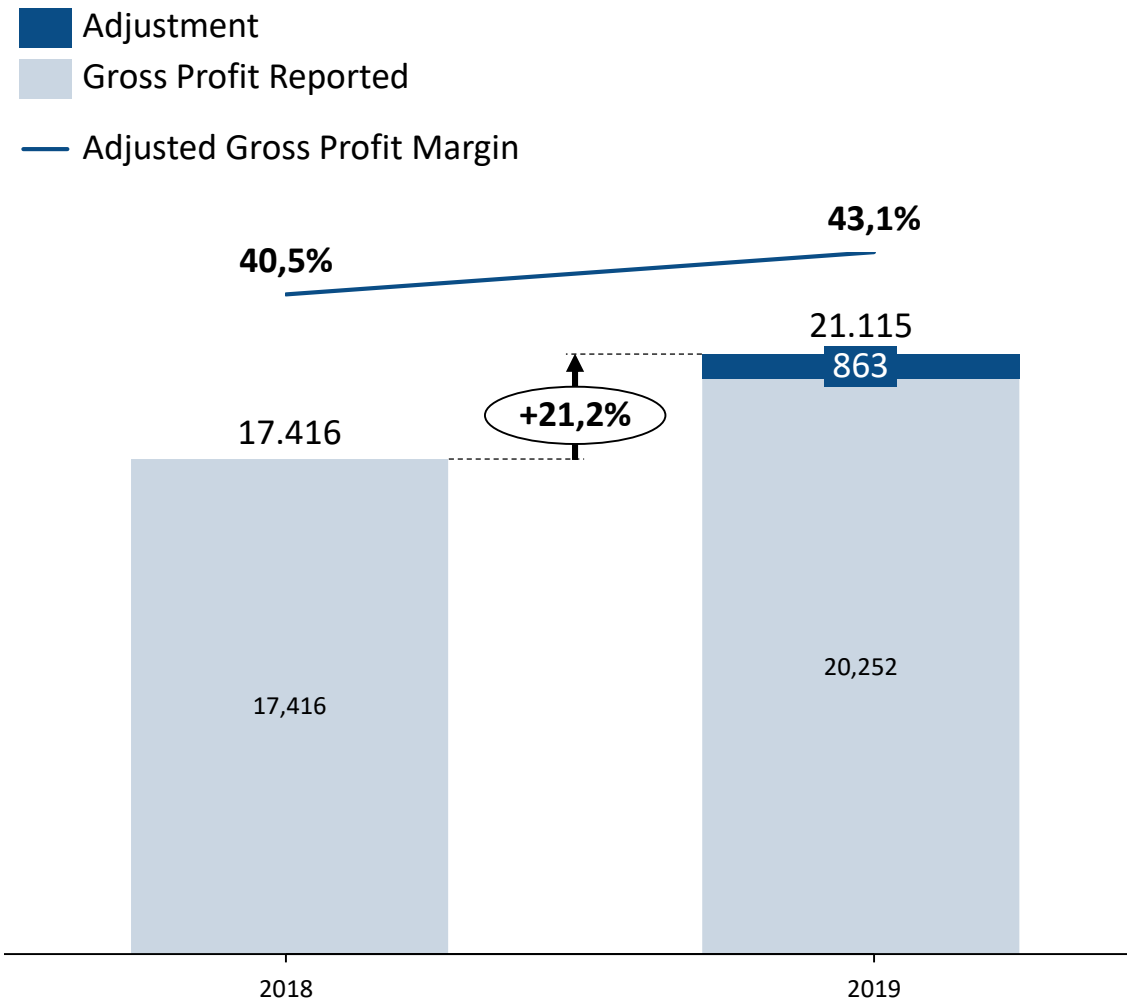
Financial Overview 2019 – Effective Cost Control (FY2018-FY2019)

Cost of Sales by Nature

(in thousands of EUR)



Adjusted Gross Profit

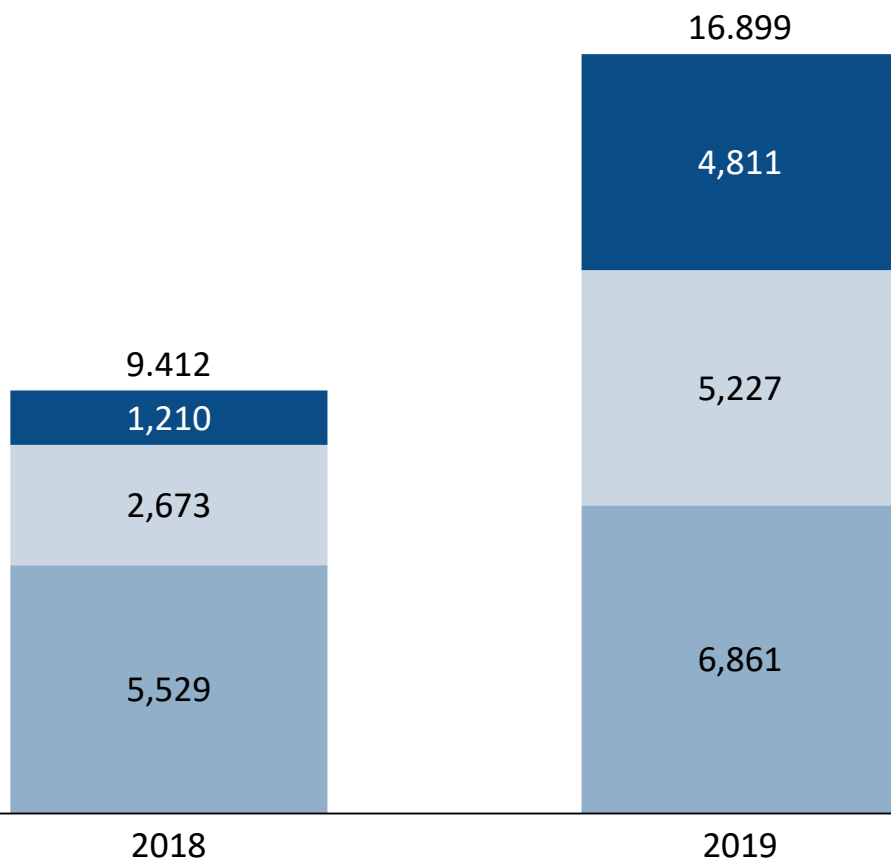


Financial Overview 2019 – Additional Expenses (FY2018-FY2019)

Selling & Administrative Expenses¹

(in thousands of EUR)

- listing expense
- administrative expense
- marketing expenses



Main Factors

Listing Expenses

One-off due to the IPO on 15th of October

Administrative Expense

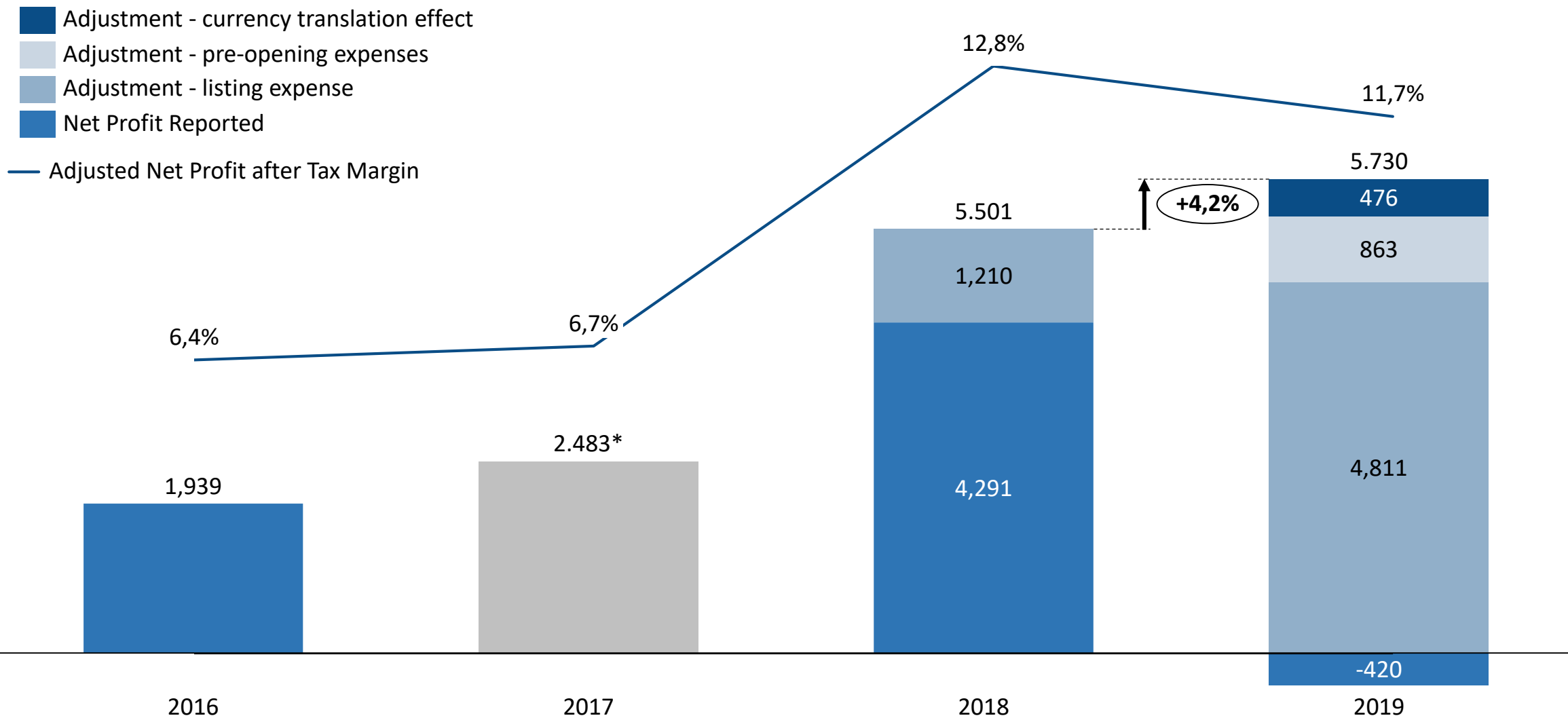
Increase due to higher compliance standards company must adhere

Marketing Expense

- Marketing expenditure increase corresponding to the overall expansion
- Company entered into a strategic partnership with the CUE Group under a more cost-efficient Marketing approaches

Financial Overview 2019 – Adjusted net profit after tax

Adjusted Net Profit after Tax



*including compensation from landlord for early termination of lease

Financial Overview 2019 – Non-IFRS Adjustments

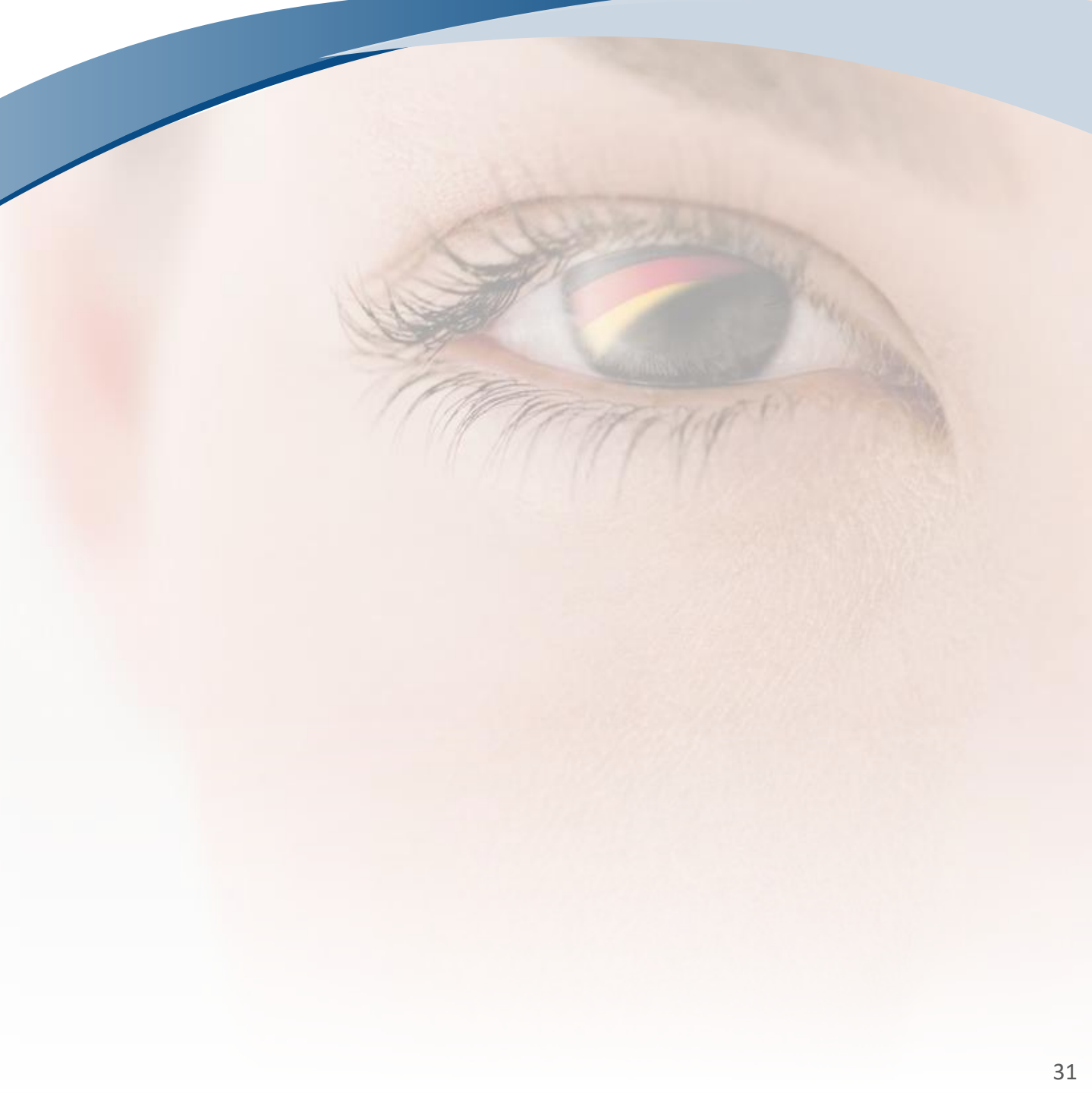
	The Year ended 31 December	
	2019	2018
	EUR€'000	EUR€'000
Revenue	48,965€	42,961€
Reported gross profit	20,252€	17,416€
Adjustment – pre-opening expenses	863€	
Adjusted gross profit	21,115€	
Adjusted gross profit margin(%)	43.1%	40.5%
Reported net profit	-420€	4,291€
Adjustment – listing expenses	4,811€	1,210€
Adjustment – pre-opening expenses	863€	
Adjustment – translation effect	476€	
Adjusted net profit	5,730€	5,501€
Adjusted net profit margin(%)	11.7%	12.8%



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Business Segmentation

CFO, Dr. Markus Braun



Business Segmentation – Numbers of Surgery and Average Fee per surgery

Highlights of FY2019

11.8%

YOY increase in total surgery performed

26.2%

YOY increase in the numbers of lens exchange surgery performed

Steady Price supports sustainable profitability

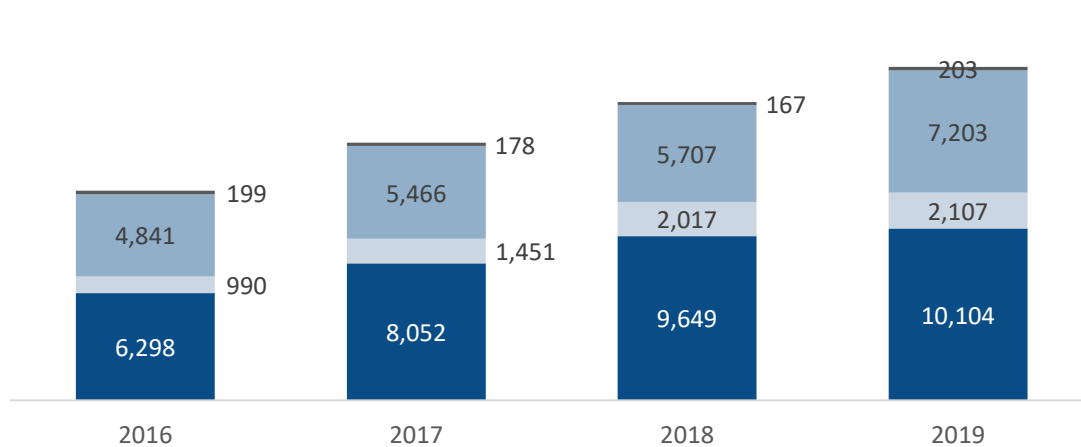
Average fee per patient were steady for ICL and Lens exchange surgery

Increase competitiveness

Adjust pricing strategy of Laser surgery in China to increase competitiveness

Number of Surgery

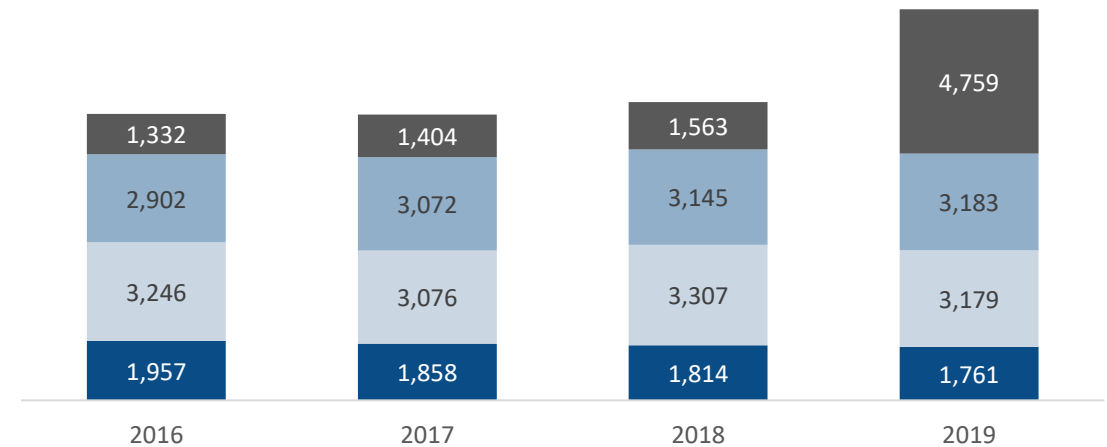
■ Refractive laser surgery ■ Phakic Lens (ICL) surgery ■ Lens exchange surgery ■ Others



Average Fee per patient

(EUR)

■ Refractive laser surgery ■ Phakic Lens (ICL) surgery ■ Lens exchange surgery ■ Others



Business Segmentation – Revenue by Types of Surgery in PRC



Revenue by Types of Surgery in PRC

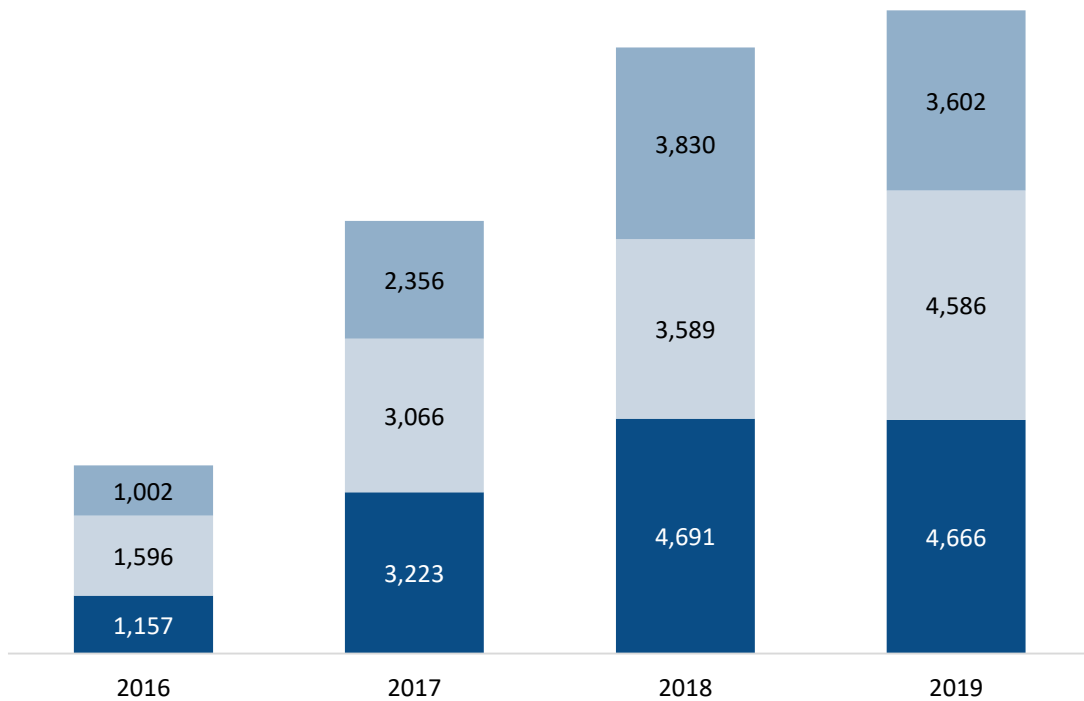
(in thousands of EUR)

■ Refractive Laser surgery ■ Lens Exchange Surgery ■ Phakic lens (ICL) implantaton

Refractive Laser surgery
CAGR =59.17%

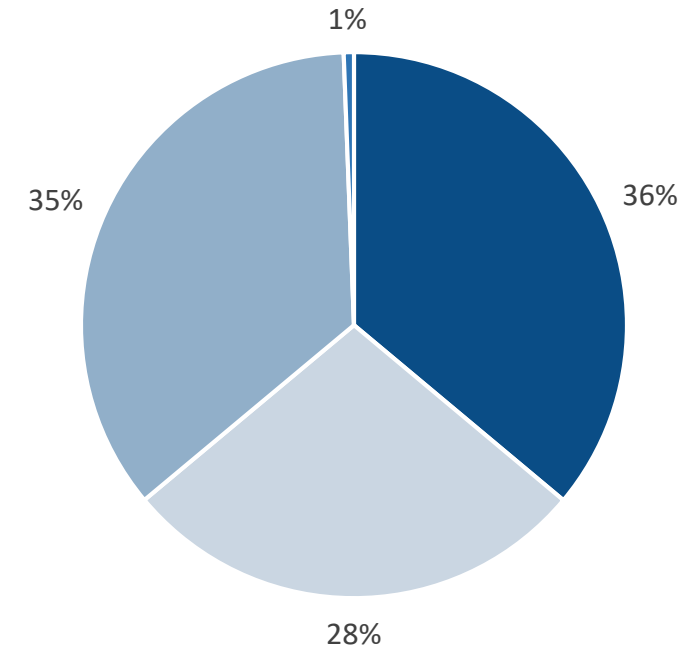
Lens Exchange surgery
CAGR =42.17%

Phakic lens (ICL) implantation
CAGR =53.19%



Revenue by Types of Surgery in China - FY2019

■ Refractive Laser surgery ■ Phakic lens (ICL) implantaton
■ Lens Exchange Surgery ■ Others



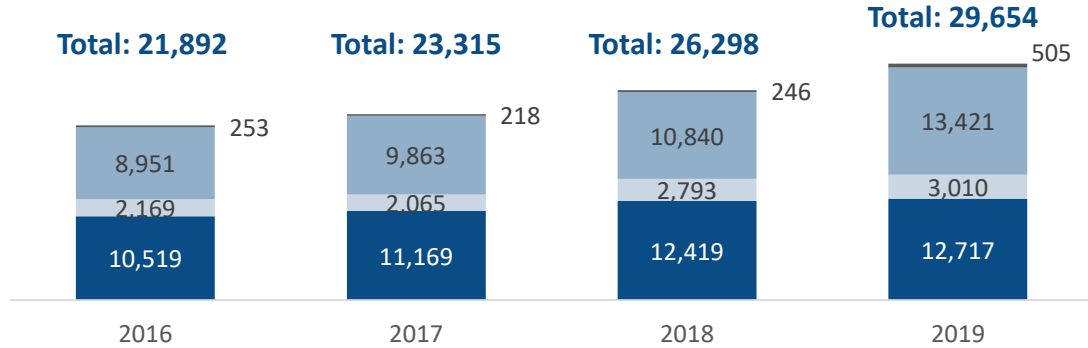
Business Segmentation – Revenue by Types of Surgery in Europe



Revenue by Types of Surgery in Germany

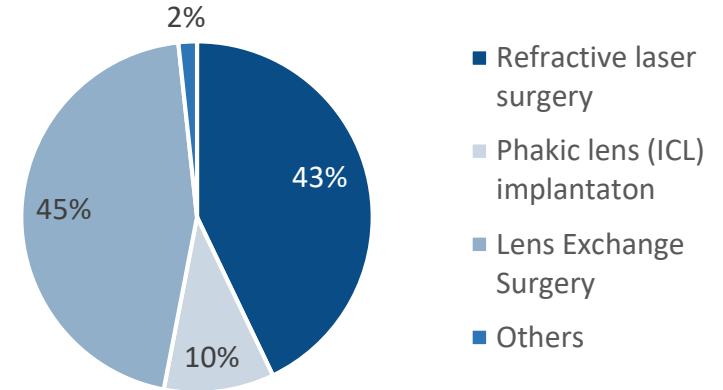
(in thousands of EUR)

■ Refractive Laser surgery ■ Phakic lens (ICL) implantaton ■ Lens Exchange Surgery ■ Others



YoY Growth: 12.8%

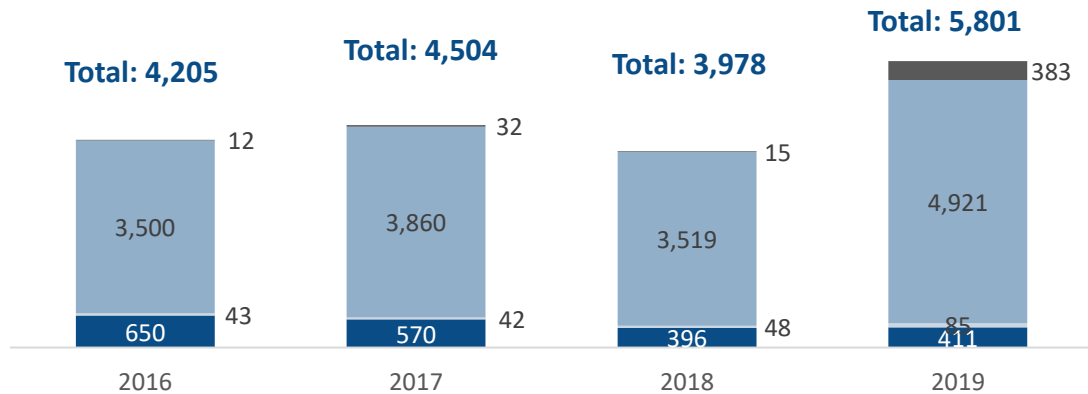
Revenue by Types of Surgery in Germany - FY2019



Revenue by Types of Surgery in Denmark

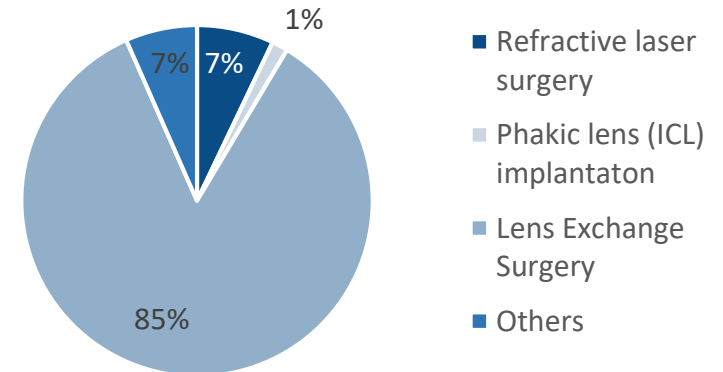
(in thousands of EUR)

■ Refractive Laser surgery ■ Phakic lens (ICL) implantaton ■ Lens Exchange Surgery ■ Others



YoY Growth: 45.8%

Revenue by Types of Surgery in Denmark - FY2019



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Thank you for your attention!