

EuroEyes



EuroEyes International Eye Clinic Limited

2020 Annual Results Presentation

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EuroEyes

2020 Company Performance Overview

Full Year 2020 Overview

Total Revenue

▲ 10.3% YoY

HK\$ 473,818,000

+ HK\$ 44,126,000

Adjusted Gross Profit

▲ 18.3% YoY

HK\$ 214,100,000

+ HK\$ 33,141,000

45.2% Margin

Adjusted Net Profit After Tax

▲ 40.4% YoY

HK\$ 70,614,000

+ HK\$ 20,331,000

14.9% Margin

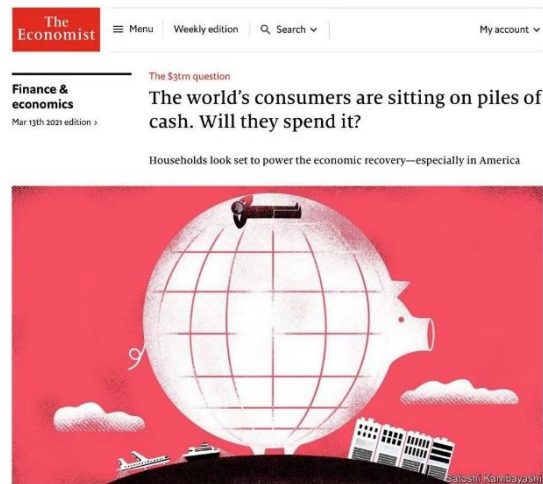
- ! Industry reports estimate a decline of 21% in total refractive industry procedures in 2020 as compared to the prior year.

Strong Performance despite COVID-19 Pandemic

Factors for Strong Performance



People in home office have lots of spare time



People are cash rich because they are not able to go on holidays

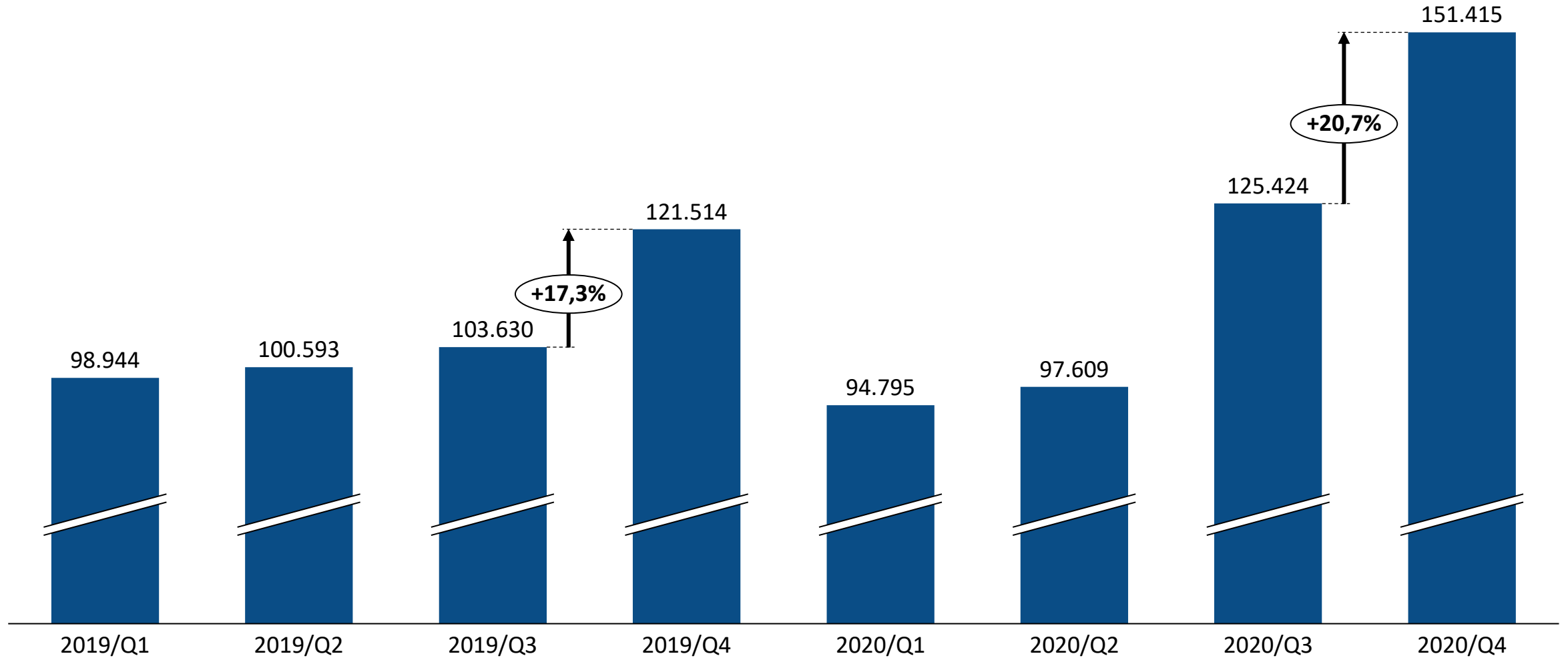


People wearing masks complain of foggy glasses



People in Video-conferences stare at their own face

Group Revenue Development



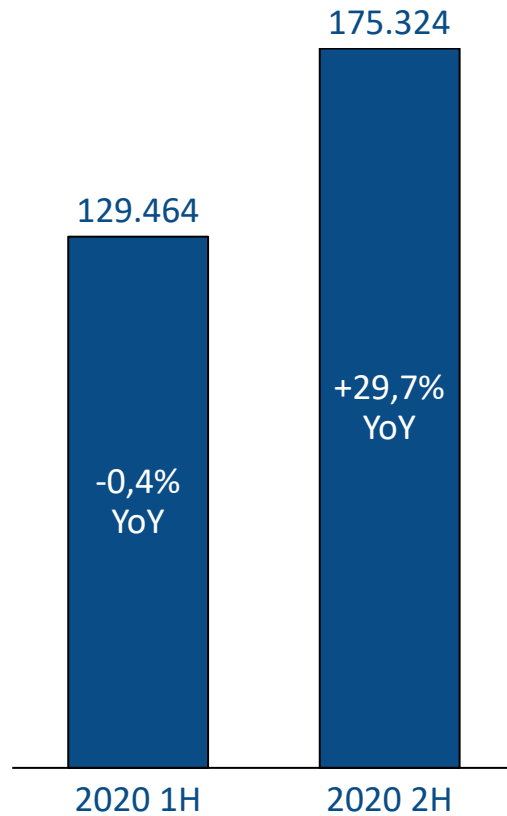
(refractive surgery procedures, in thousands of HKD)

Revenue country-by-country



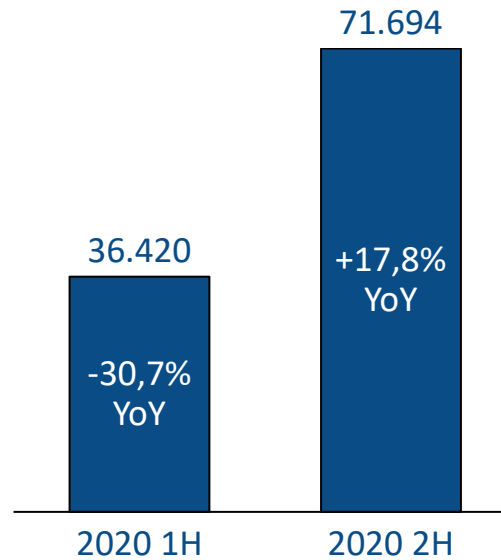
Revenue in Germany

HK\$304,788,000
+14.9% YoY



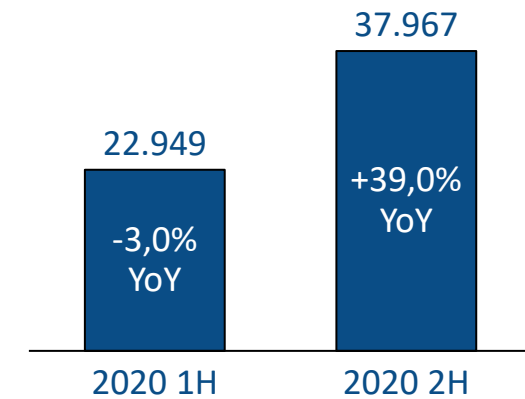
Revenue in the PRC

HK\$108,114,000
-4.7% YoY



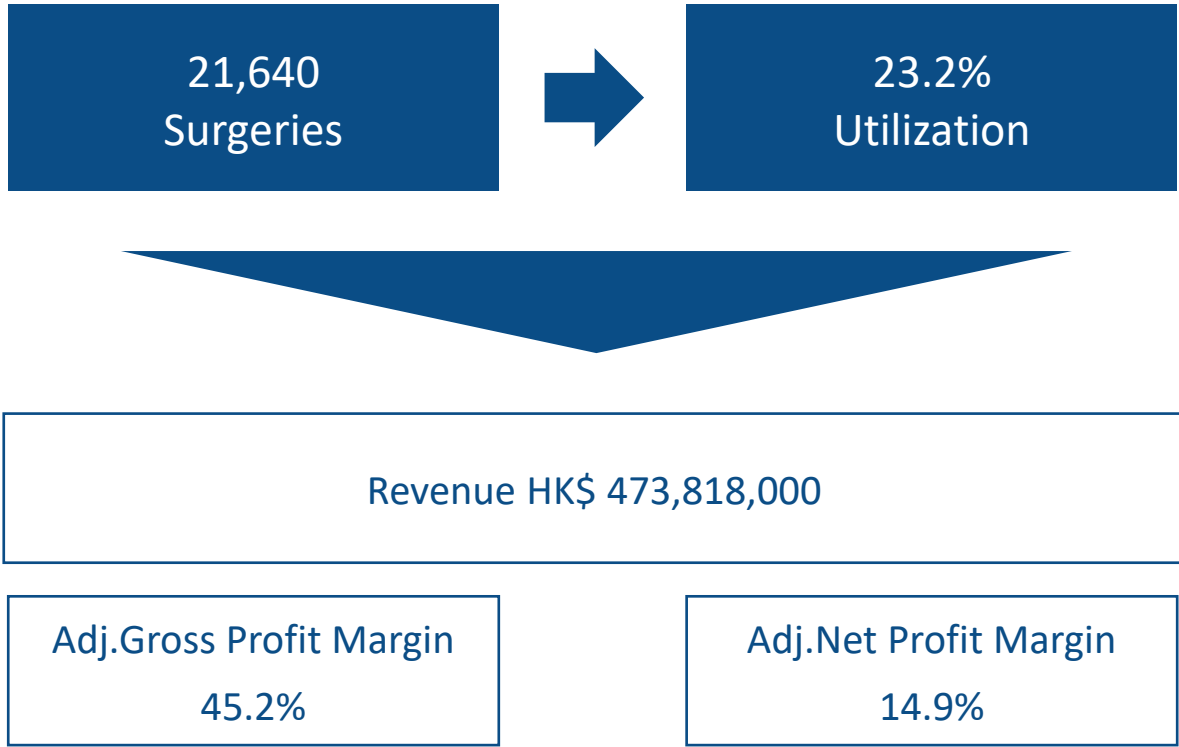
Revenue in Denmark

HK\$60,916,000
+19.5% YoY



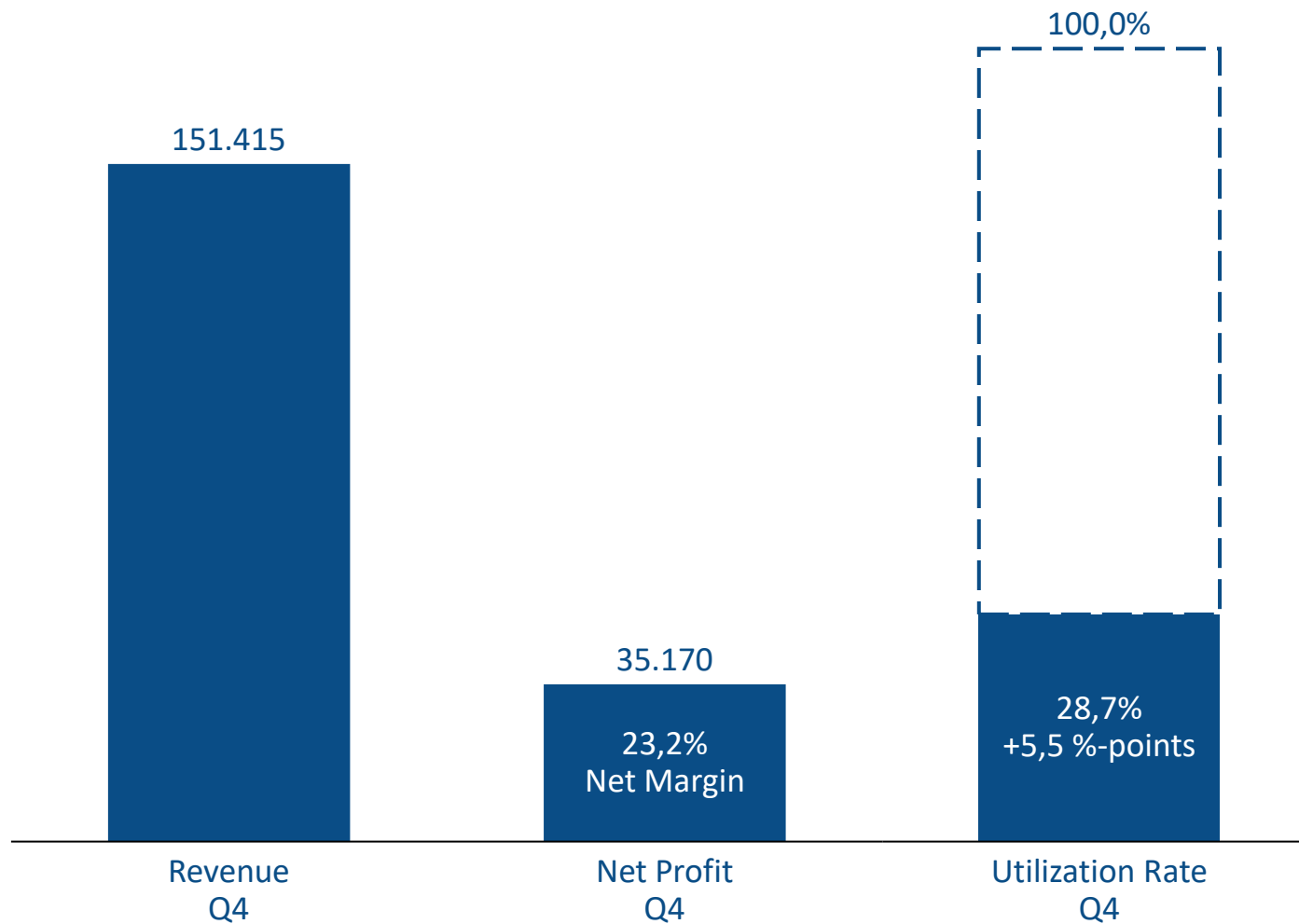
(in thousands of HKD)

Capacity Utilization Rate



EuroEyes capacity utilization rate measures the proportion of potential surgery capacity that is actually realized

The “New Normal” for 2021!

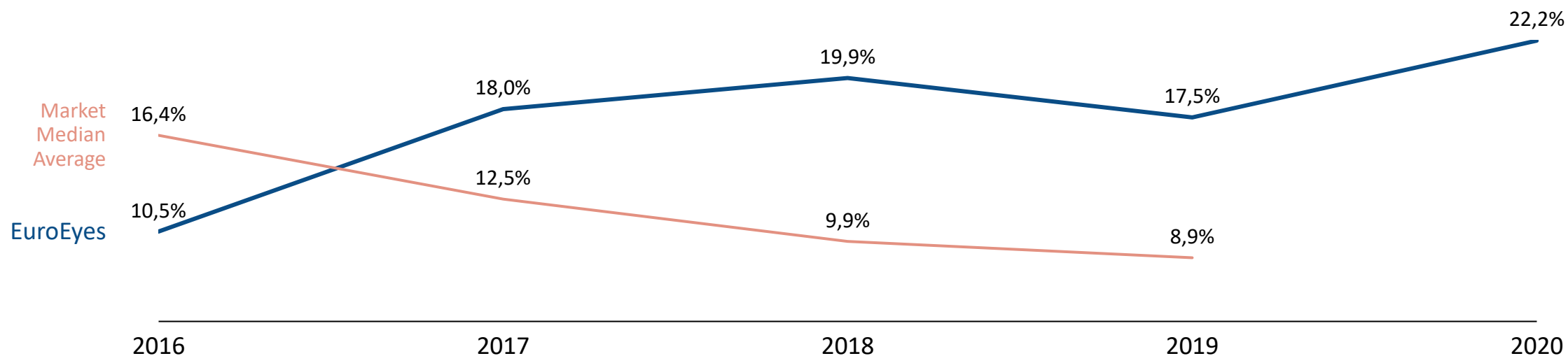


Full year
70,614
14,9%

(in thousands of HKD)

Profitability of EuroEyes Compared to its Peers

Comparison of Profitability Between Different Eye Clinics in Asia and EuroEyes – Profit Before Tax Margin



Other Eye Clinics	2016	2017	2018	2019
Competitor A	13.94	12.5	12.6	13.8
Competitor B	18.8	12.8	9.9	6.8
Competitor C	N/A	4.9	7.7	8.9
Competitor D	N/A	15.1	13.3	15.8
Competitor E	N/A	-1.7	3.0	4.1

* The market data come from the information disclosed by listed peer companies or public information disclosed by unlisted peer companies.

EuroEyes is Confident of Broadening its Scope of Services

Mergers & Acquisition Priorities

- Acquisition of refractive eye clinics in Europe
- Acquisition of German Eye Hospitals to broaden our scope of service, offer in-patient treatment and gain surgeon training facilities

Organic Growth

- 2 new eye consultation centres in Germany
- 2 new eye clinics in PRC (2021/2022)

EuroEyes

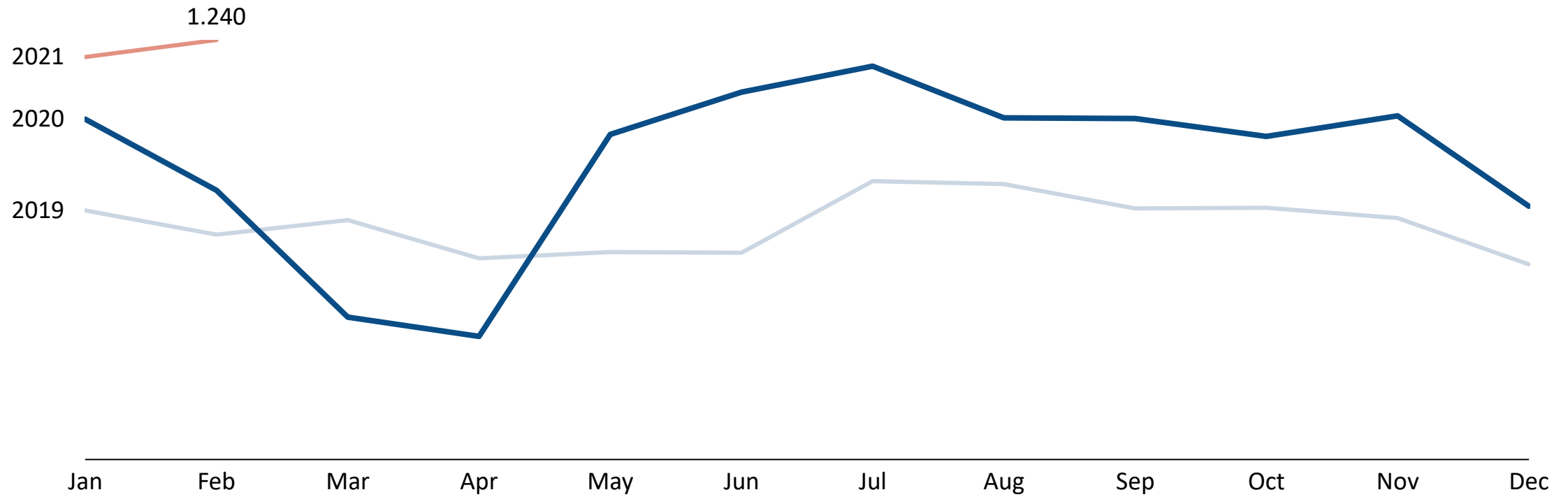
2020 Business Strategies & Highlights

Germany – Record Level of Consultation Bookings

Every month we exceeded our prior year consultation bookings

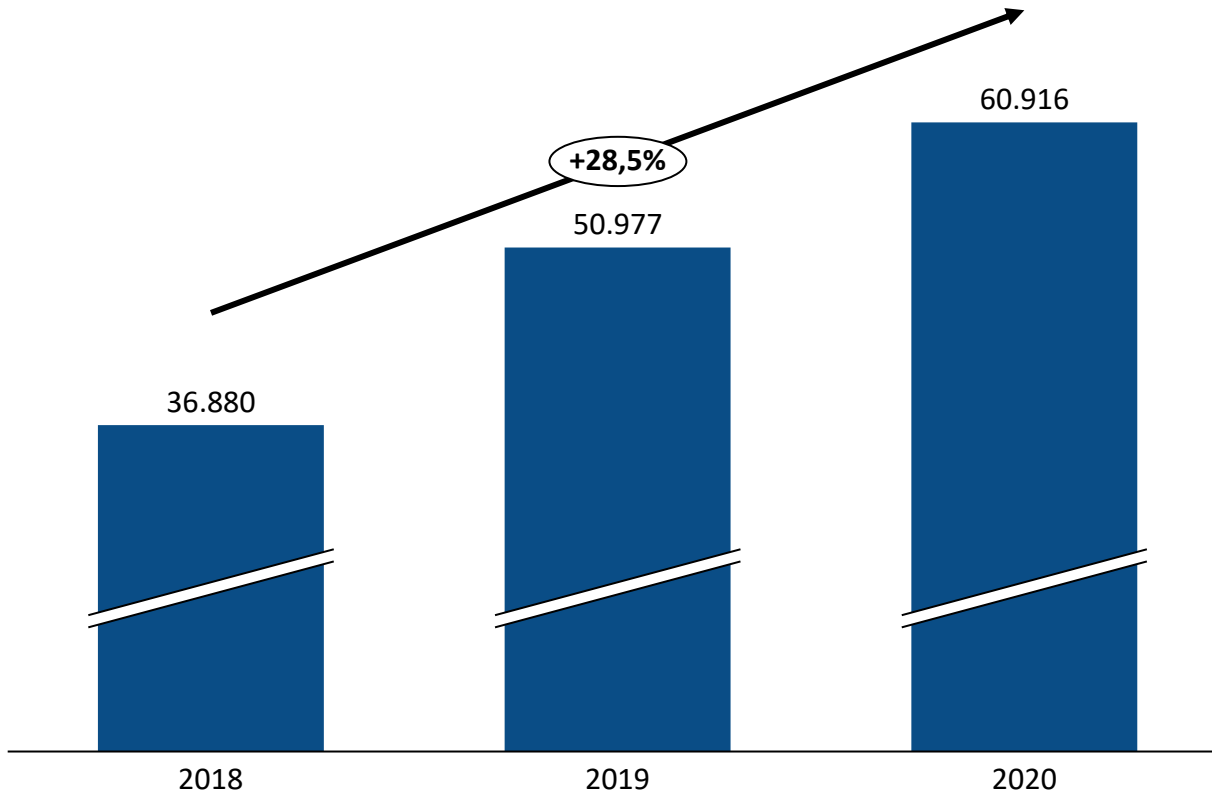


Germany – Record Level of Consultation Bookings



Denmark - 2021: New Danish Flagship Clinic in Copenhagen “Olympic” Stadium

Revenue in Denmark



(in thousands of HKD)



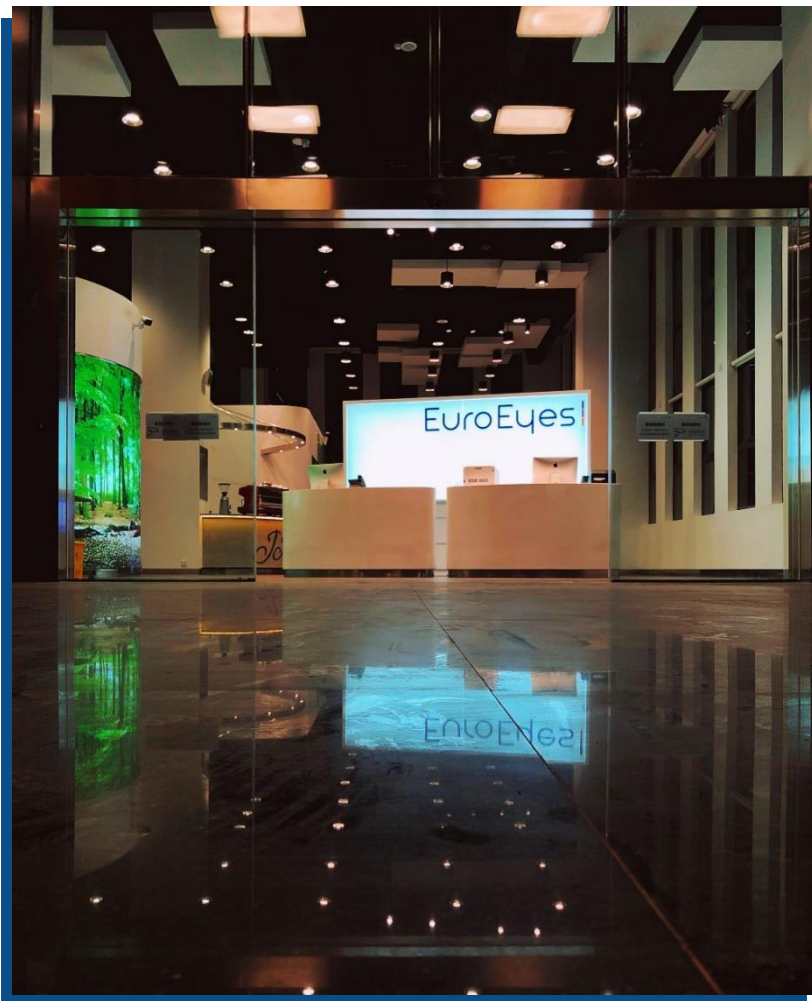
PRC - Multichannel Cooperation to Increase Brand Awareness / Patient Source



Cooperation Detail

- Trial stage cooperation - EuroEyes will provide medical experts to assist iKang Healthcare Group expand scope of examination in the area of ophthalmology. Customers will have the chance to enjoy a more in-depth ophthalmology examination. Meanwhile, EuroEyes medical experts will focus on patients with refractive error, cataract or abnormalities in the retina such as diabetic retinopathy, early retina tear, macula degeneration etc.
 - iKang Healthcare Group is a leading mid-to-high-end medical examination and health management company in China. Through multiple brands, it provides customers with high-quality health management services and medical services, such as medical examination, disease screening, dental services, private doctor services, workplace medical care, vaccination and anti-aging solutions.
 - The cooperation will start in Beijing then to be expanded in Shanghai, Guangzhou and Shenzhen.
-
- By cooperating with local partners, EuroEyes is able to provide broader scope of services to our patients, such as myopia control for children. Better customer engagement in return will further improve word of mouth effect.
 - Meanwhile, EuroEyes is also actively promoting its brand and services by routine joint online lecture event. This enable EuroEyes to reach out to a broader scope of patients who have demands for vision correction.

PRC – Chongqing Clinic Opening in April 2021



Chongqing Clinic

Located at Middle-high End Residential Area

PRC – Chongqing Clinic Opening in April 2021

Chongqing Clinic Timeline

Construction work commenced

Construction work resumed
– local COVID-19 restrictions
lifted

Construction work completed

Medical license
granted

First Surgery



EuroEyes

2020 Financial Overview

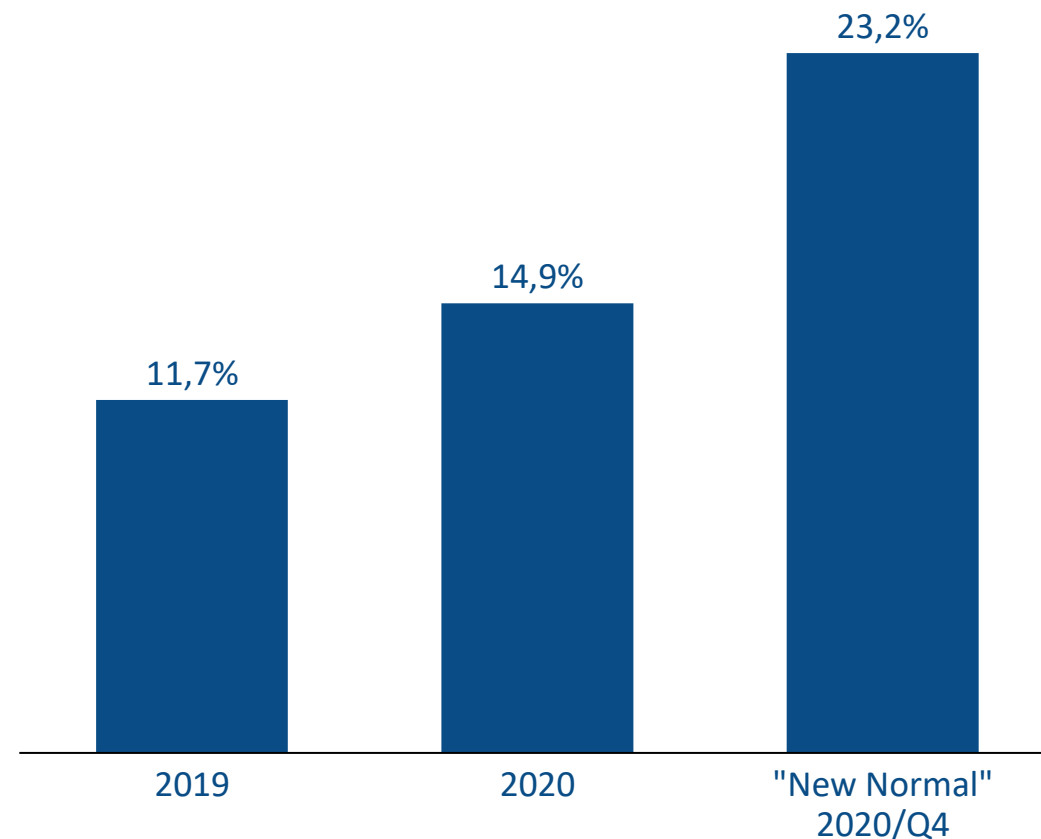
Full Year 2020 Overview

Key Financial Data in 2020

	For the year ended		
	2020	2019	YoY Change
	HKD'000	HKD'000	%
Revenue	473,818	429,692	10.3
Cost of Sales	(259,718)	(251,971)	3.1
Gross Profit	214,100	177,721	20.5
Gross Profit Margin (%)	45.2%	41.4%	3.8 p.p
Adjusted gross profit	214,100	180,959	18.3
Adjusted gross profit margin(%)	45.2%	42.1%	3.1 p.p
Net Profit/(Loss) After Tax	64,073	(-3,686)	1,838.3
Net Profit Margin (%)	13.5%	(0.9)%	14.4 p.p
Adjusted net profit	70,614	50,283	40.4
Adjusted net profit margin(%)	14.9%	11.7%	3.2 p.p

Adjusted Net Profit Margin




(in %)

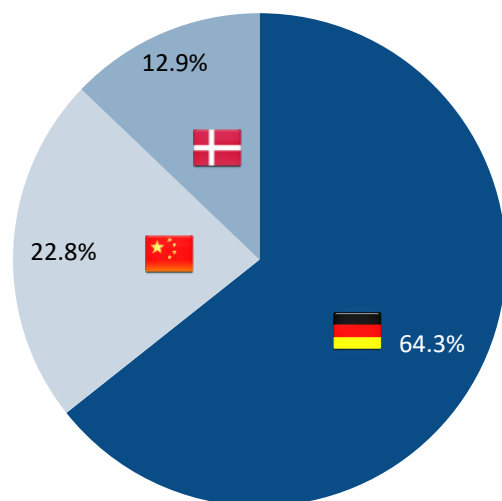


Industry reports estimate a decline of 21% in total refractive industry procedures in 2020 as compared to the prior year.

Earnings Performance by Geographical Regions and Types of Surgery

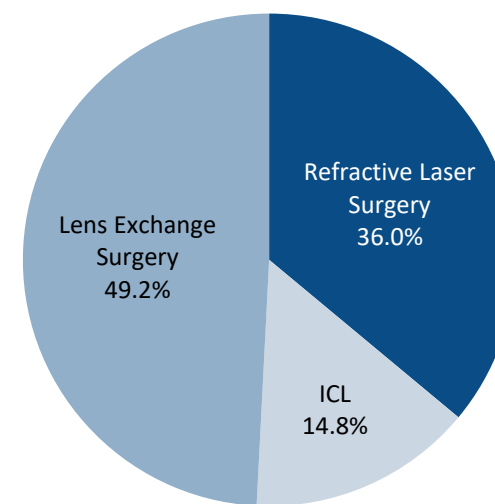
Revenue by Geographical Regions

The Year ended 31 December			
	2020	2019	YoY Change
	HKD'000	HKD'000	%
Total	473,818	429,692	10.3%
 Germany	304,788	265,240	14.9%
 PRC	108,114	113,475	-4.7%
 Denmark	60,916	50,977	19.5%



Revenue by Type of surgery

The Year ended 31 December			
	2020	2019	YoY Change
	HKD'000	HKD'000	%
Surgery Revenue	462,353	415,993	11.1%
Refractive Laser Surgery	166,653	156,019	6.8%
ICL	68,285	58,910	15.9%
Lens Exchange Surgery	227,415	201,064	13.1%



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

Numbers of Surgery and Average Fee per Surgery

Highlights of FY2020

10.3%

YoY increase in total surgery performed

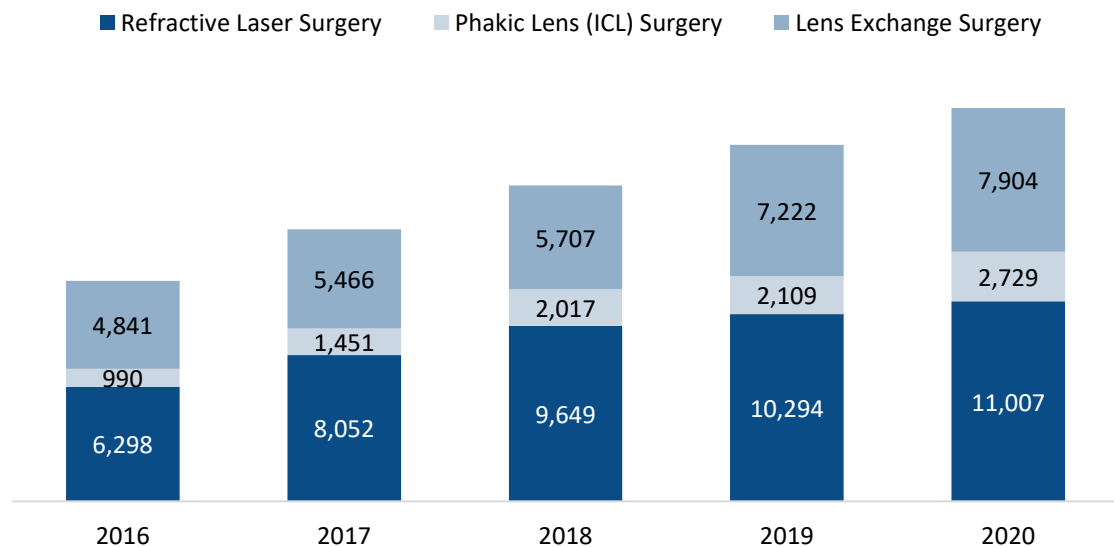
Stable

average price of surgery

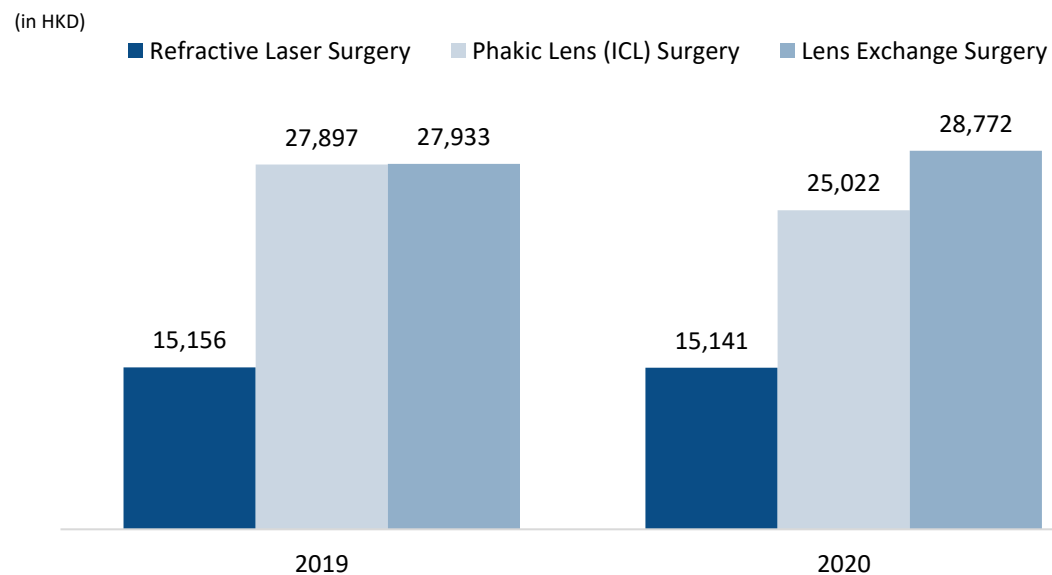
Profitable Surgery

increase in number of ICL and lens exchange surgery improves gross profit margin

Number of Surgery



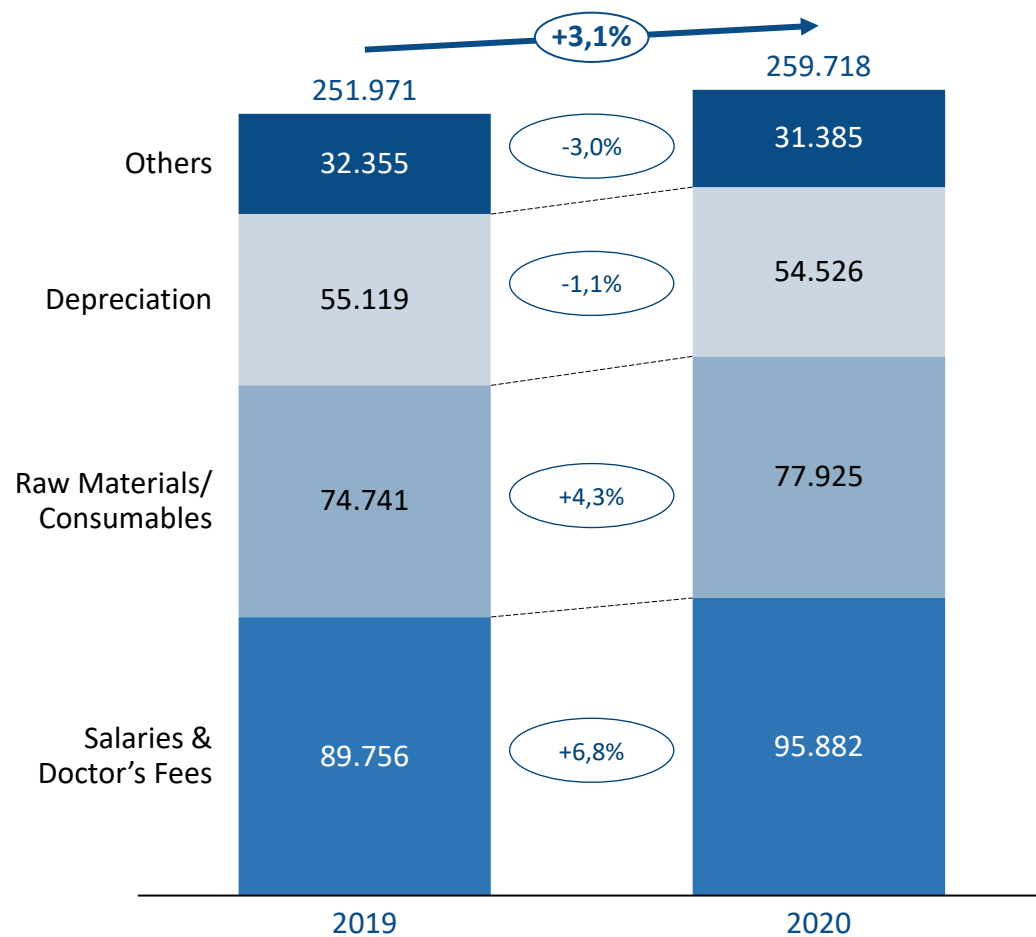
Average Fee per Eye



Cost of Sales Development

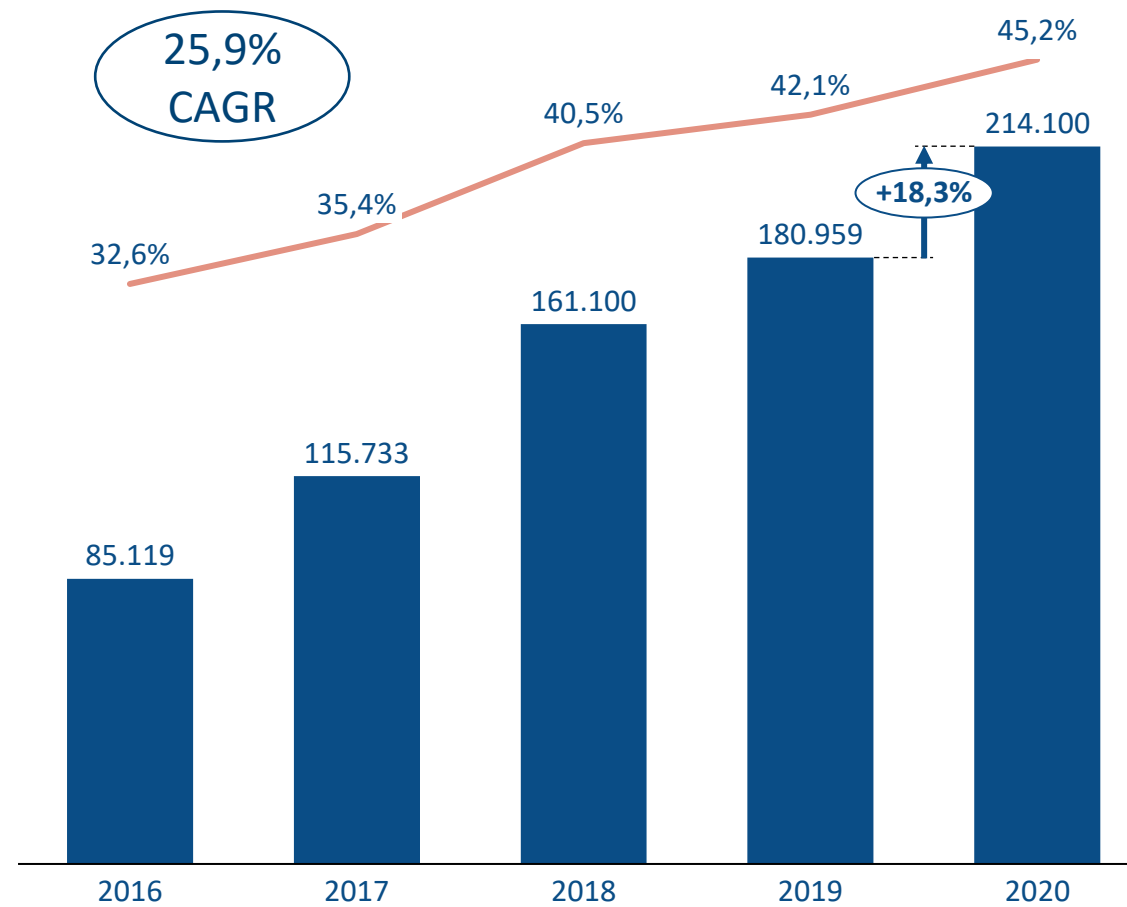
Cost of Sales by Nature

(in thousands of HKD)



Adjusted Gross Profit and Gross Profit Margin

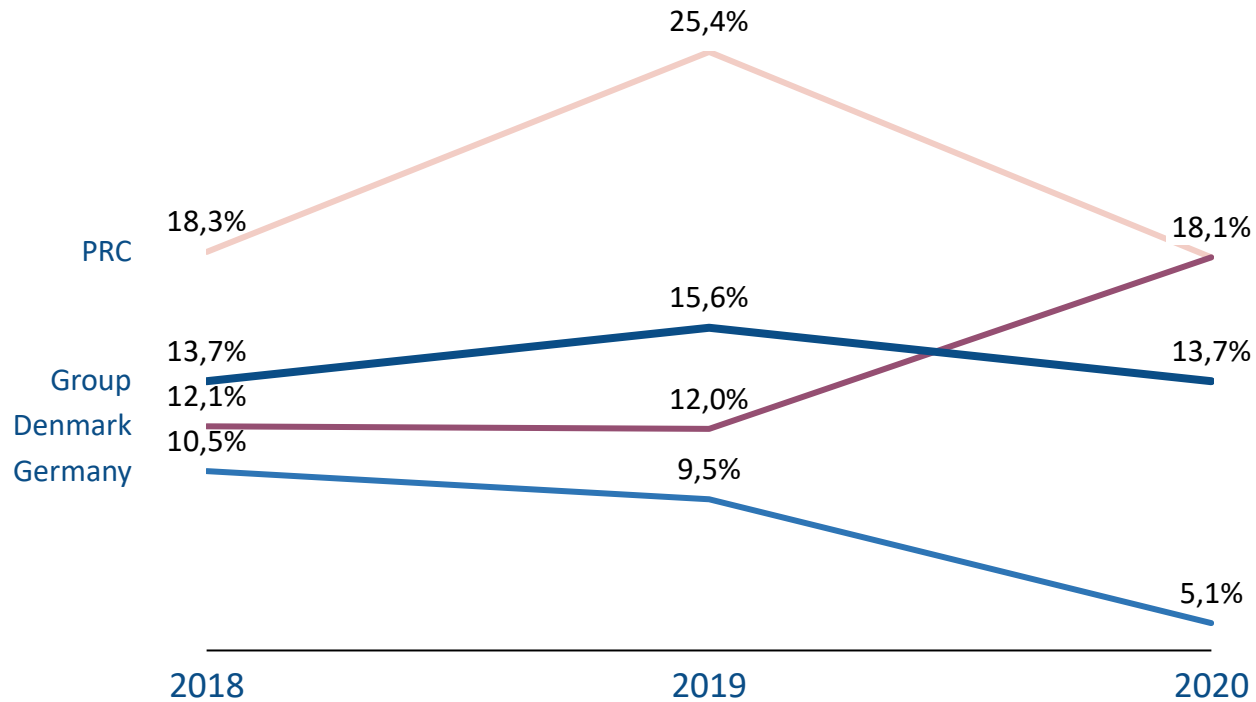
(in thousand of HKD)



— Gross Profit Margin ■ Adjusted Gross Profit

Selling Expenses

Sales Expense Ratio



Main Factors

Germany and PRC

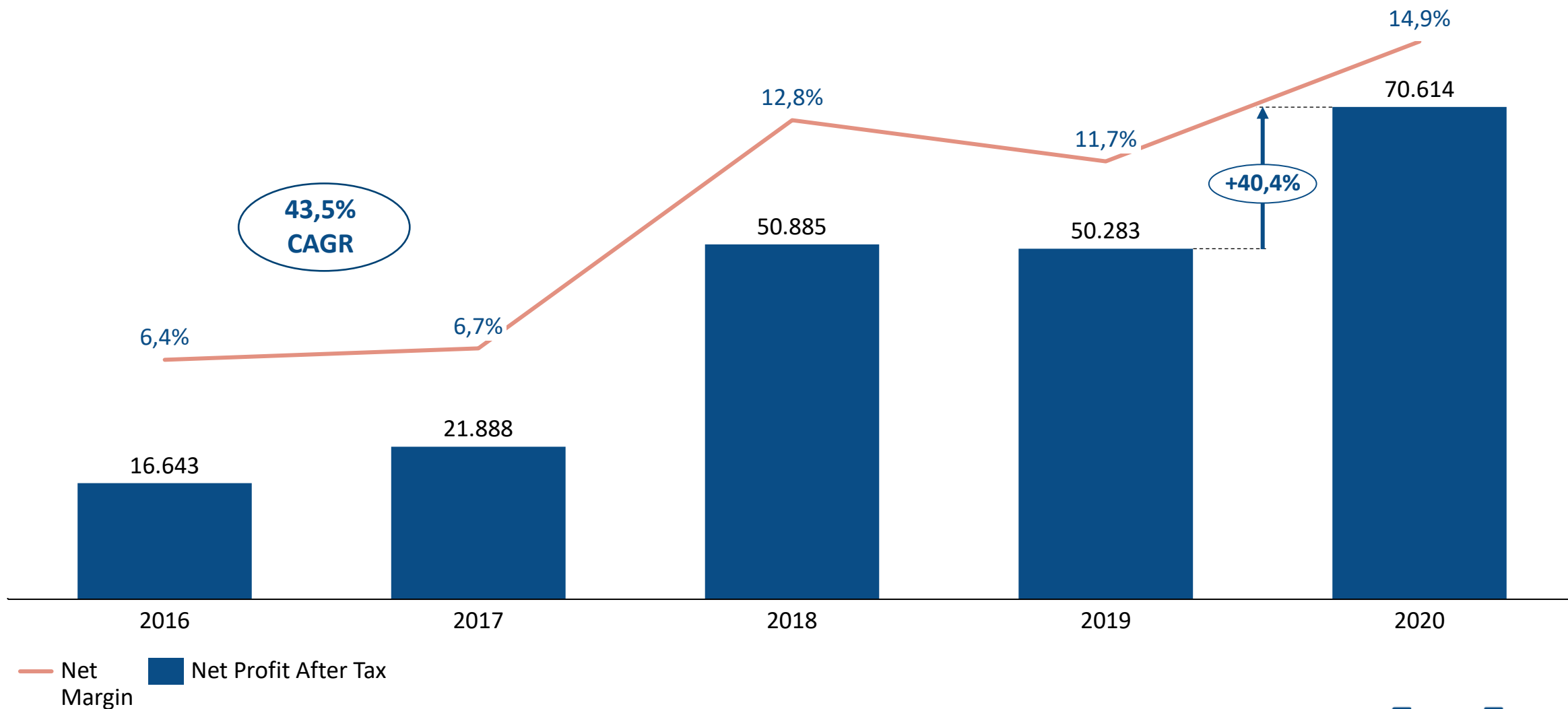
- Optimized patient acquisition process
- Effective marketing strategy
- Reinforced word of mouth by continuously improving patient experience

Denmark

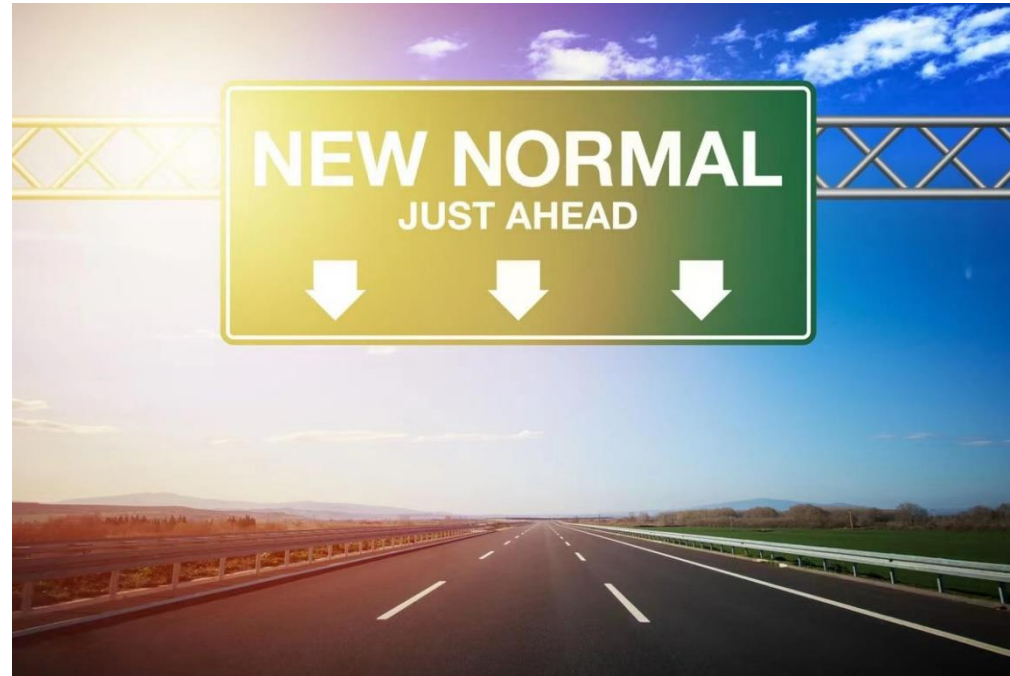
- Expenses in celebrity strategy to drive up brand awareness and penetration ratio

Adjusted Net Profit after Tax

The Year ended 31 December
(in thousand of HKD)



Key Take-aways



Total Revenue Fully Year

+10,3%
HK\$ 474 mil

Industry reports estimate a decline of 21% in total refractive industry procedures in 2020 as compared to the prior year.

Adj. Net Profit After Tax

+40,4%
HK\$ 71 mil

14.9% Margin

Q4 Adj. Net Profit After Tax

HK\$ 35 mil

23.2% Margin

Q4 Utilization Rate

28,7%



Thank You For Your Attention!

Non-IFRS Adjustments

	The Year ended 31 December				
	2020	2019	2018	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	473,818	429,692	397,394	325,956	260,943
Reported gross profit	214,100	177,721	161,100	115,733	85,119
Adjustment – pre-operating expenses	-	3,238	-	-	-
Adjusted gross profit	214,100	180,959	161,100	115,733	85,119
Adjusted gross profit margin (%)	45.2%	42.1%	40.50%	35.50%	32.60%
Reported net profit/(loss)	64,073	(3,686)	39,692	75,544	85,119
Adjustment – listing expenses	-	42,219	11,193	-	-
Adjustment – pre-operating expenses	532	7,573	-	-	-
Adjustment – Compensation from landlord for early termination of lease contract in Hamburg	-	-	-	(53,666)	-
Foreign exchange loss in relation to the proceeds from global offering	6,009	4,177	-	-	-
Adjusted net profit	70,614	50,283	50,885	22,888	16,643
Adjusted net profit margin (%)	14.9%	11.7%	12.80%	6.70%	6.40%