

EuroEyes



EuroEyes International Eye Clinic Limited

2021 Interim Results Presentation

Disclaimer

This presentation is for reference purposes only. This presentation is prepared by EuroEyes International Eye Clinic Limited (“EuroEyes” or “the Group”) for business communications and general reference of the Group and shall not constitute in whole or in part any offer to purchase or subscription for shares in EuroEyes or any of its subsidiaries. The presentation shall not form any basis for any offer or commitment of any person(s) receiving it. Please consult a professional advisor prior to use or reliance on any relevant data. The presentation is an introduction only and shall not form a full description of the business, and current or past performance of the Group. The information and data presented or contained in these materials is subject to change without notice and its accuracy is not guaranteed.

No representation or warranty, expressed or implied, is made on this presentation. The Group accepts no liability arising from the use of or reliance on any information (whether financial or other data) presented or contained in this presentation.

No one shall in any way modify, copy, publicly display, publish or distribute such materials or otherwise use the materials for any public or commercial purposes without the prior written consent of the Group.

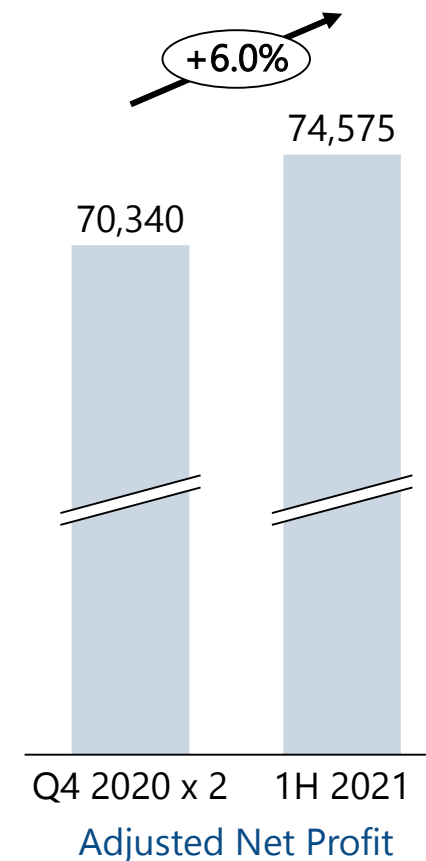
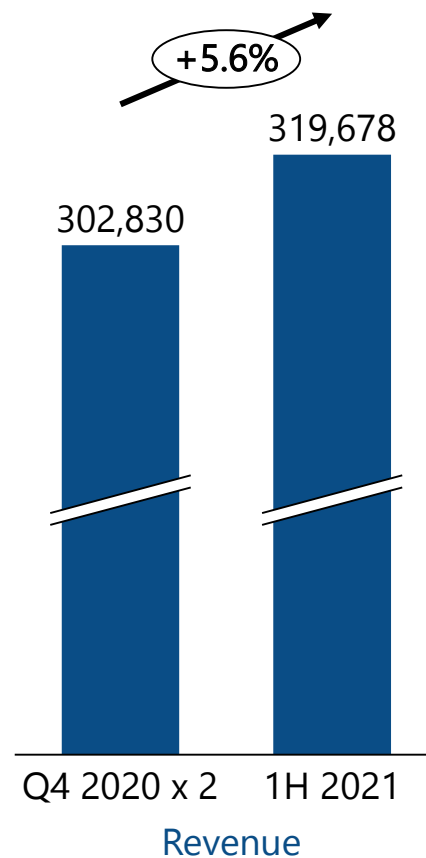
EuroEyes



1H2021 Company Performance Overview

Promise Kept!

We predicted Q4 2020 to become the **2021 New Normal**.
This has been outperformed!



(in thousands of HKD)

1H2021 Overview – Pure Organic Growth

Total Revenue

+55.1%
vs 1H2019

HK\$ 319,678,000

Adjusted Gross Profit

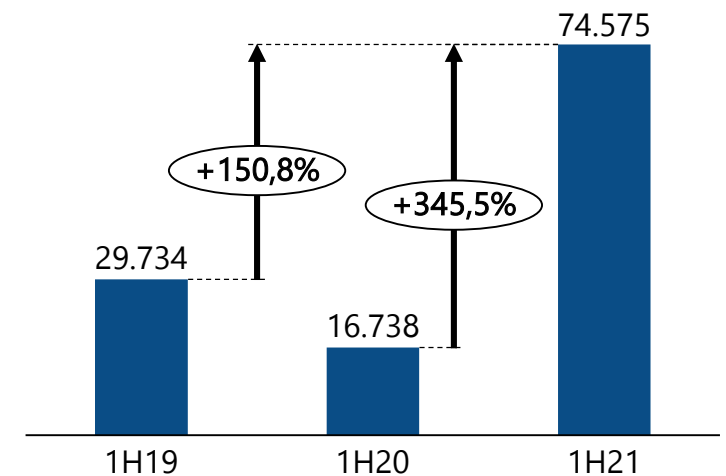
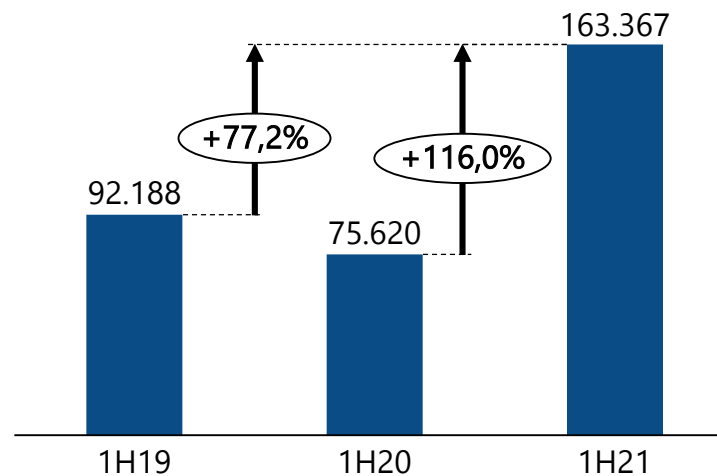
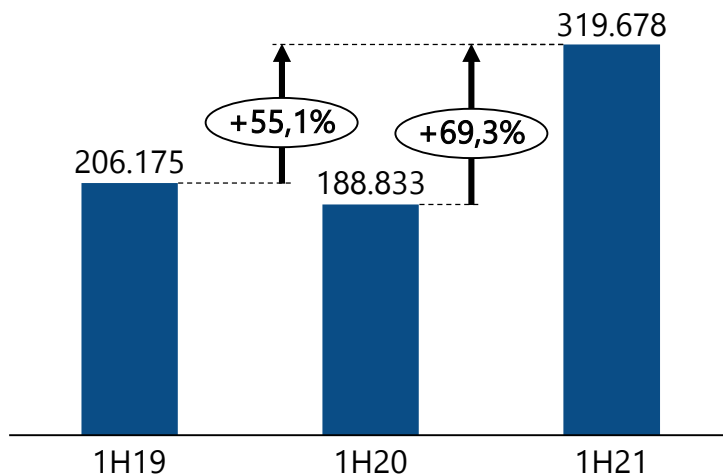
+77.2%
vs 1H2019

HK\$ 163,367,000
51.1% Margin

Adjusted Net Profit After Tax

+150.8%
vs 1H2019

HK\$ 74,575,000
23.3% Margin



55.1% Revenue Growth Was Purely Internal Organic Growth – Without M&A



1H2021 – EuroEyes with Perfect Business Constellation

Organic Growth of
total surgery numbers

+43.7%
vs 1H2019

Huge increase of total
number of eye surgeries
performed

Revenue Outperformance of
ICL and Lenses

+72.4%
vs 1H2019

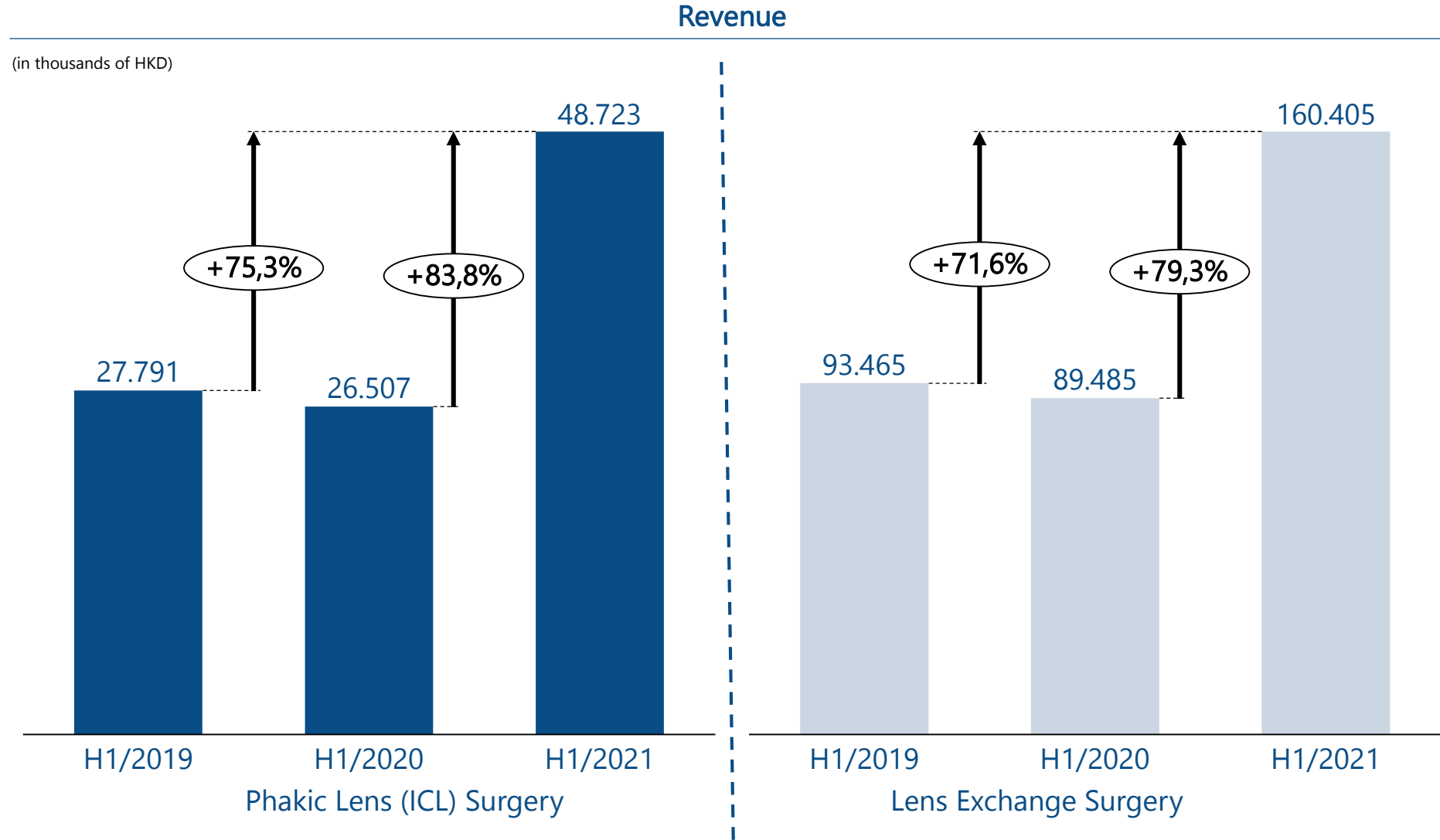
Overproportional growth
of ICL and lens surgeries
with higher EBIT margin
in relation to laser
surgeries

Price Increase
in ICL and Lenses

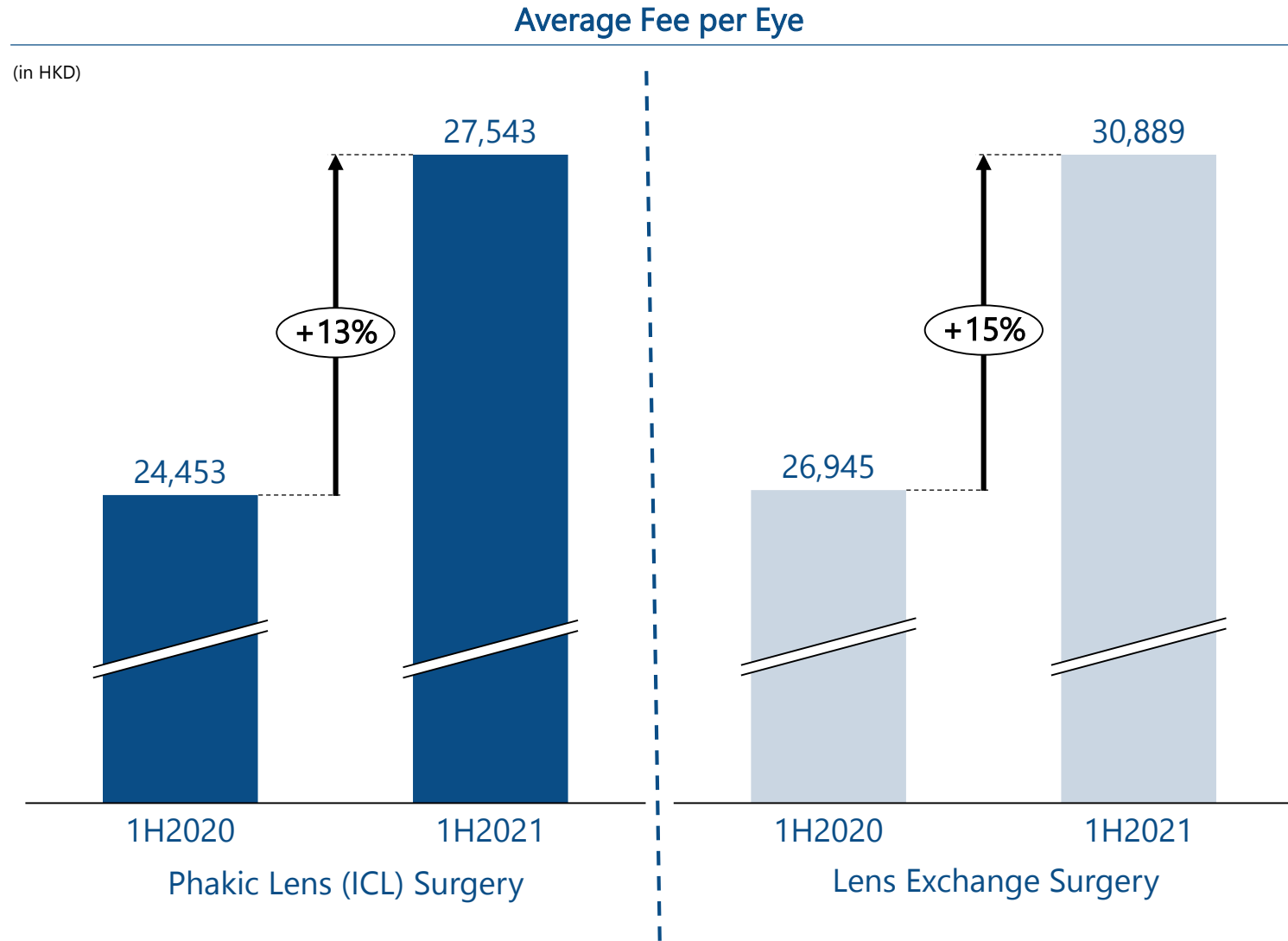
+13.7%
vs 1H2020

Price Increase realized
without demand
reduction

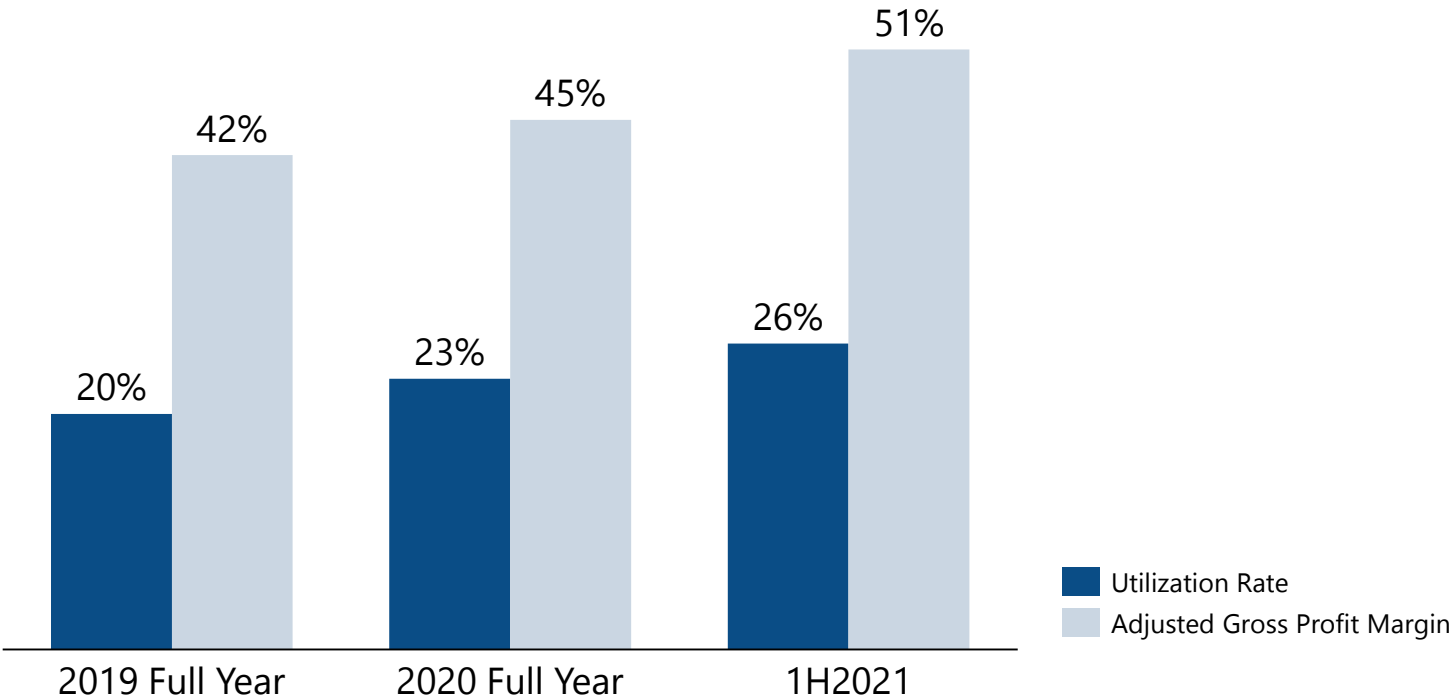
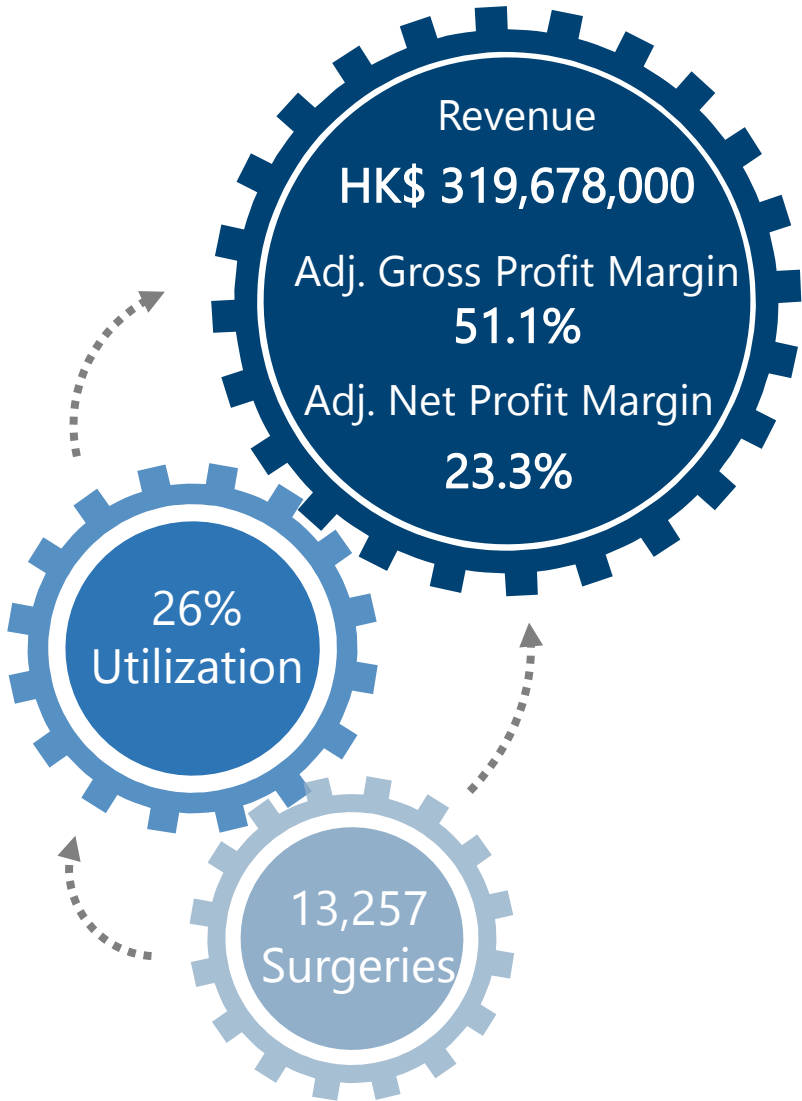
Stronger Growth of Lens and ICL Increases Revenue and Profitability



Increase in Average Fee per Surgery Shows Strength of Market Position

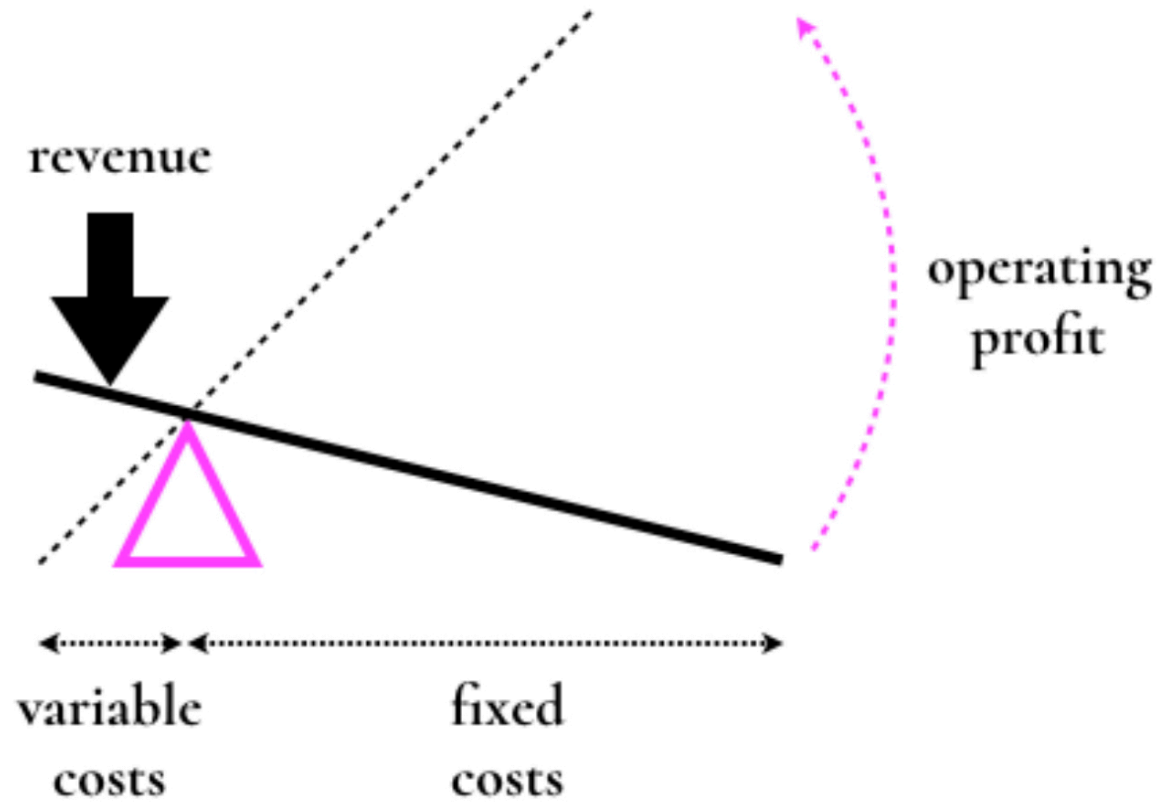


Gross Profit Margin Increased by Higher Capacity Utilization in 1H2021



EuroEyes capacity utilization rate measures the proportion of potential surgery appointments that is actually occupied by surgeries.

Low variable cost = high operating leverage



high operating leverage

EuroEyes business Model:

Medium fixed costs + low variable costs

When reaching breakeven:

Additional eye operations generates high operational profit



EuroEyes



1H2021 Business Strategies & Highlights

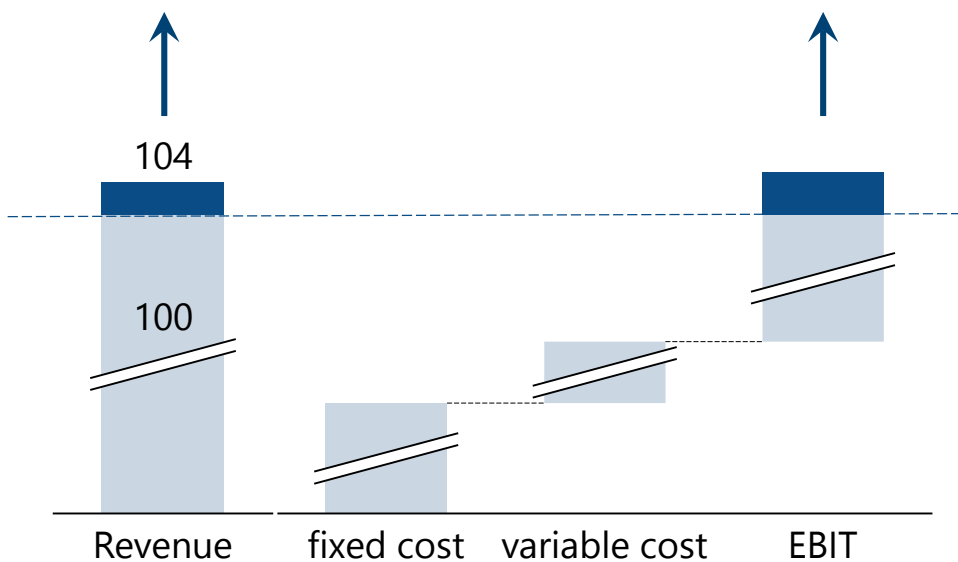
1. Operational Optimization
2. New consultation center
3. New flagship clinics

Germany – additional EBIT boost in 2H2021 by sustainable measures

EBIT Germany +10%

- Price increase of 4%* as of May 1st, 2021
- Full effect will increase our revenue and EBIT in H2/2021

Price Increase of 4%



EBIT Germany +1.5%

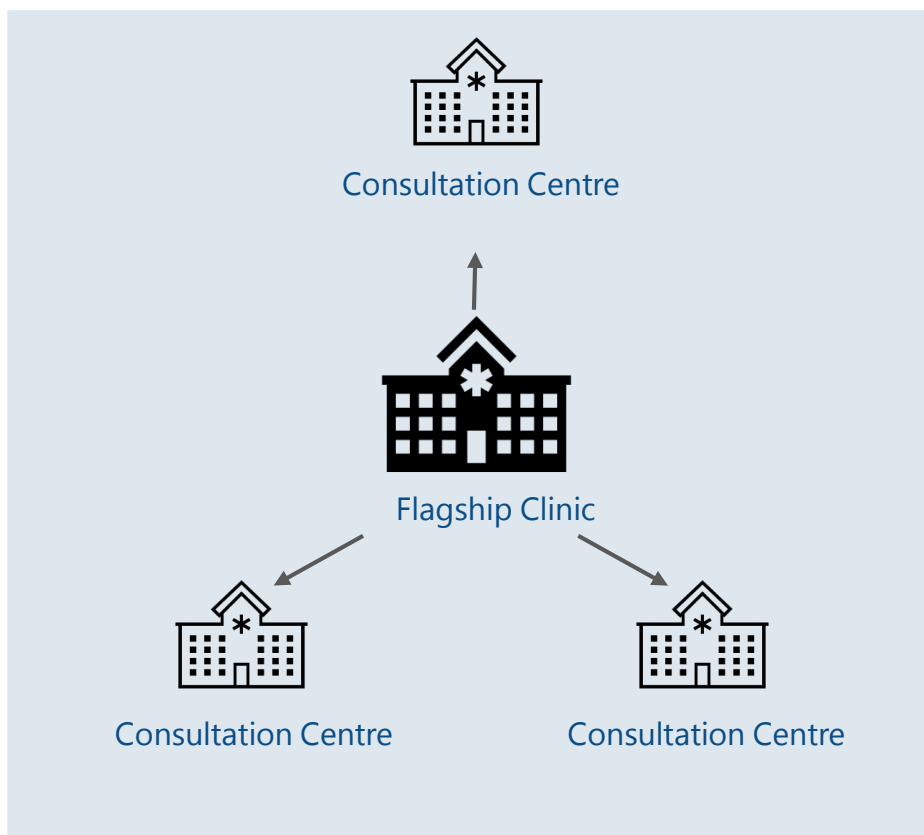
- New OR in our clinic in Bremen as of July 1st, 2021
- Net cost reduction leads to an EBIT increase of 1.5%



* Average increase over all treatments

We have discovered!

Our existing consultation centres in Germany are having an EBIT ratio of 50%+



Consultation centre model:

- small outpatient practise in a retail area without surgical unit
- Consultation and examinations take place in the center Small premise
- EuroEyes showroom

Consultation centre advantages:

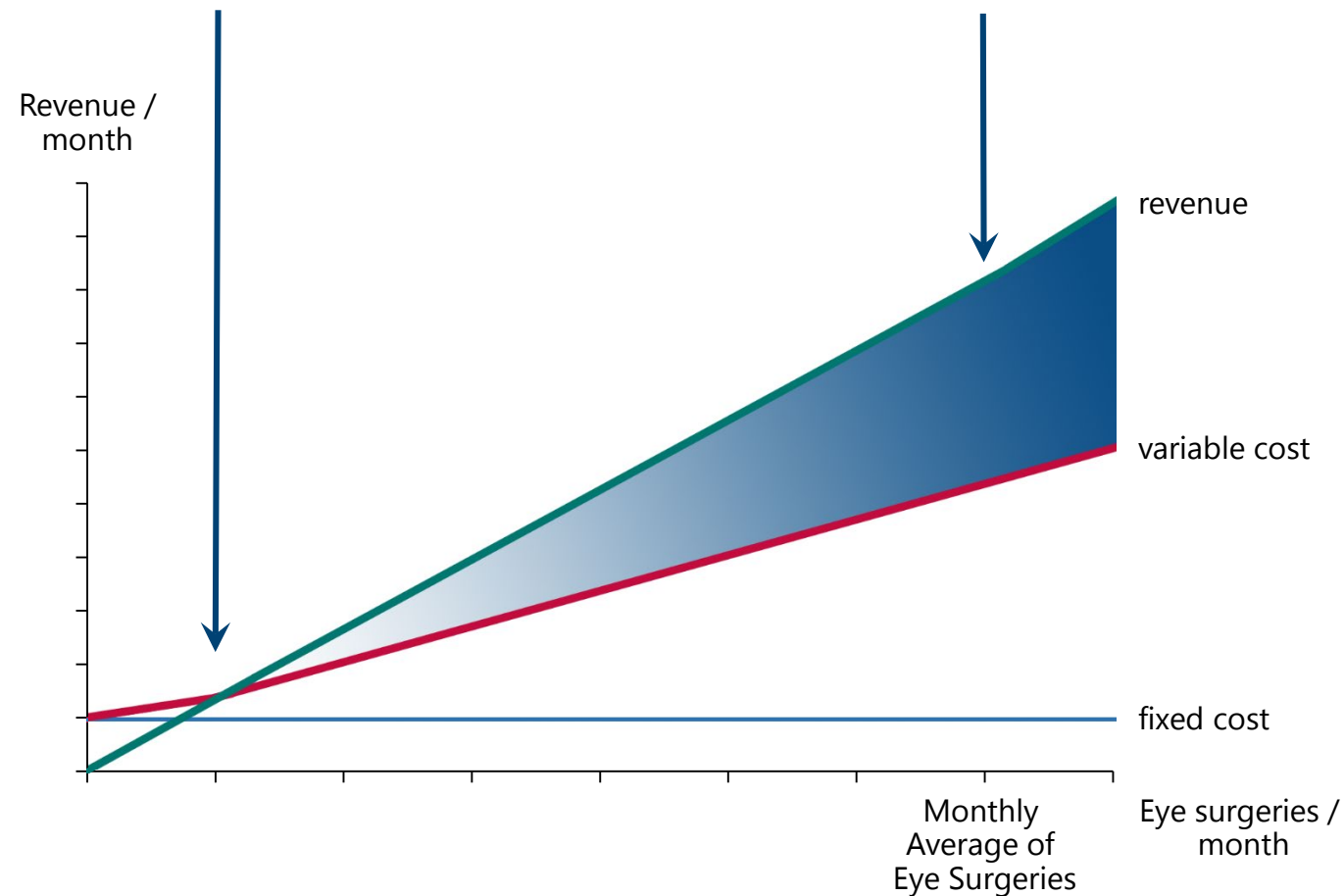
- Referral patients to nearby existing surgical clinics thus increasing utilization rate
- Expanding geographical coverage of our services
- Fewer square meter – lower lease, lower CAPEX
- AAA location also serve as marketing vehicle
- Faster expansion

Germany - Consultation Centres Reach Breakeven Early



Early Break-Even

High Margins



Our experience shows:

- Break-even reached with a small number of patients
- High EBIT-margin of 50%+
- Normally break-even within one year

Germany – Consultation Centre Programme Will Boost Revenue and NPAT

We will open up 10 new consultation centres/clinics to further increase our geographical footprint in Germany and strengthen the utilization rate of our existing flagship clinics

BUSINESS

- Building 10 new consultation centre / clinics in Germany within the next two years
- Satellite consultation centre will increase the utilization rate of the existing clinics
- New clinics will wipe out the white spots of EE coverage in Germany
- CAPEX Consultation Center 500TEUR
- CAPEX Clinic 1.500TEUR

KEY FINANCIALS

- 12 mil EUR of additional revenue (after 3 years)
- 6 mil EUR of additional EBIT (after 3 years)

PRC – Chongqing Clinic Commenced Operation



Chongqing Clinic
First operation day on May 30th, 2021
Grand opening on June 18th, 2021



Chongqing Team

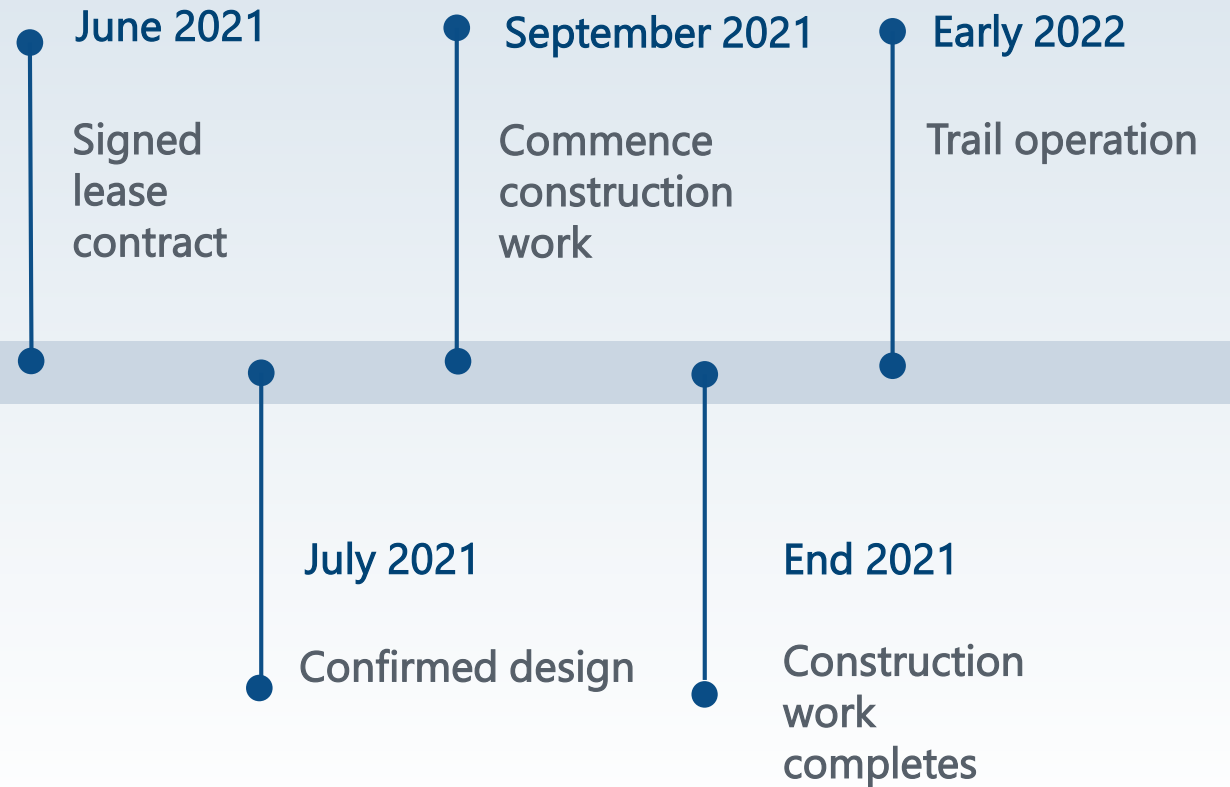
PRC – New Chengdu Clinic



Located in high-end commercial area Taikoo Li



Chengdu Clinic Planned Timeline



PRC – 2 Consultation Centers in 2022

Consultation Centre in Shanghai

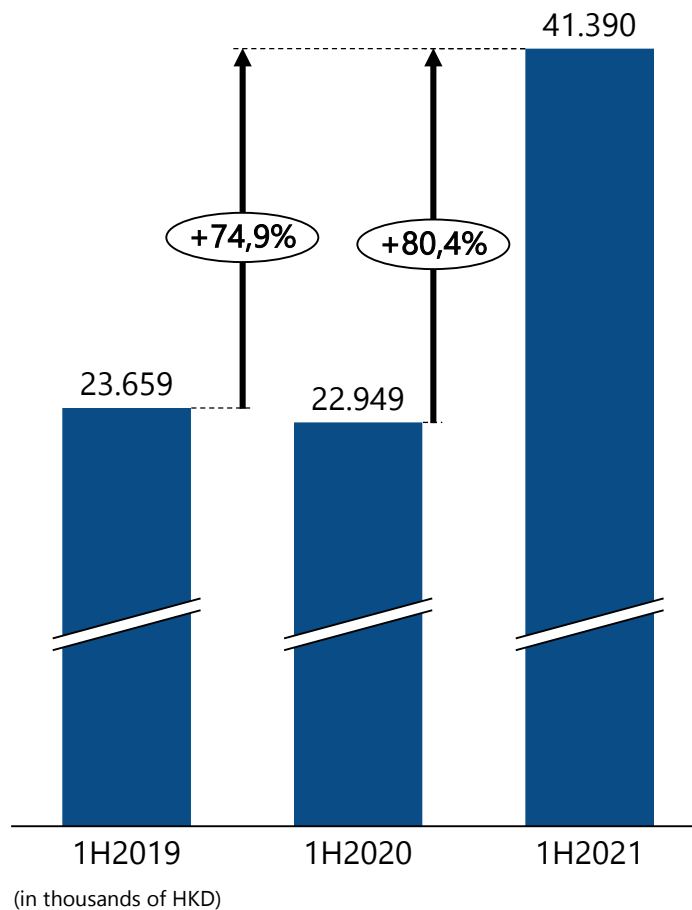
- Plan for the first consultation centre in Shanghai
- The 2nd clinic in Shanghai
- In site selection

Consultation Centre in Beijing

- To meet the strong demand, plan for a new consultation centre in Beijing
- The 3rd clinic in Beijing
- In site selection

Denmark – New Flagship Clinic in Copenhagen to Complete by Year-End

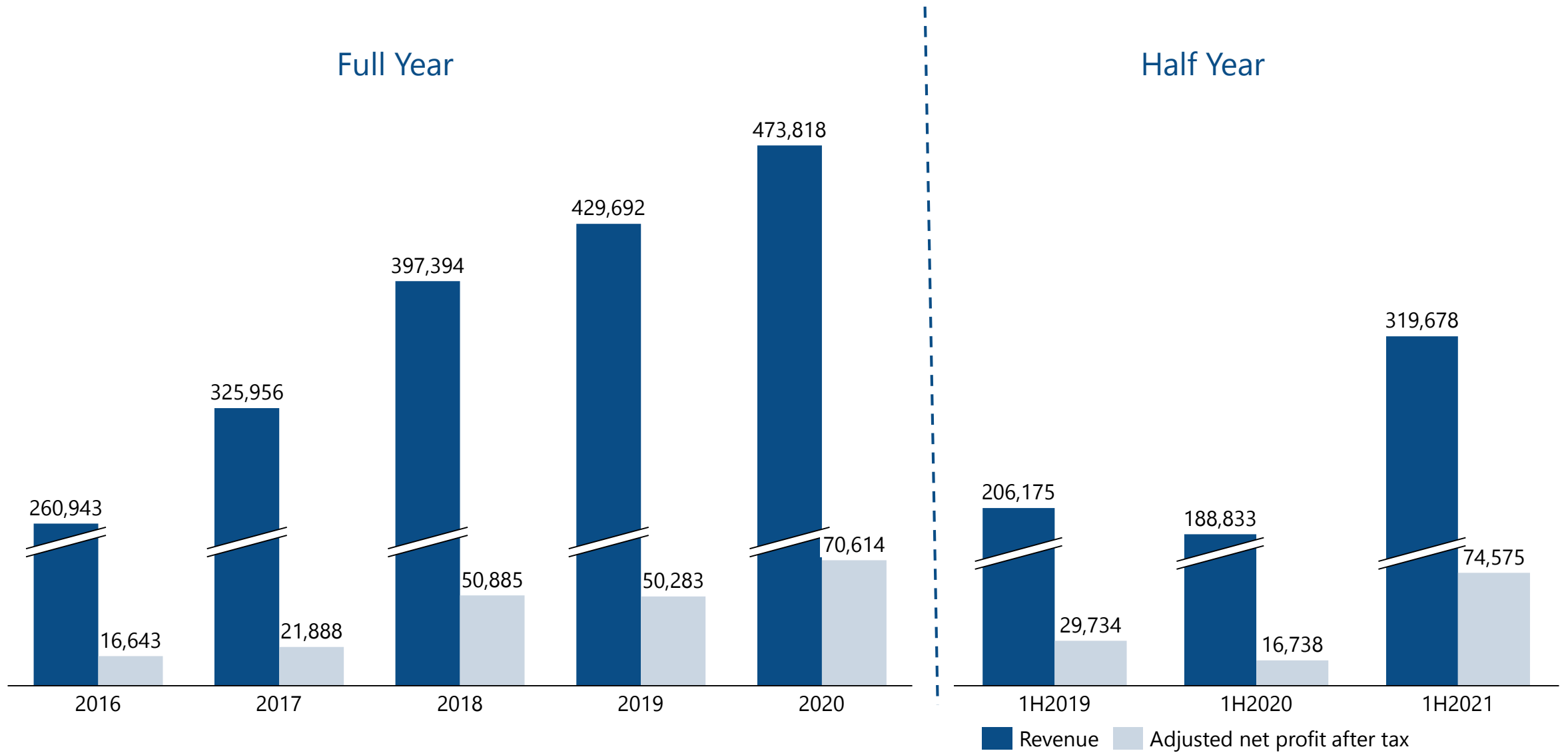
Revenue in Denmark



EuroEyes

1H2021 Financial Overview

Six-year Financial Growth of EuroEyes

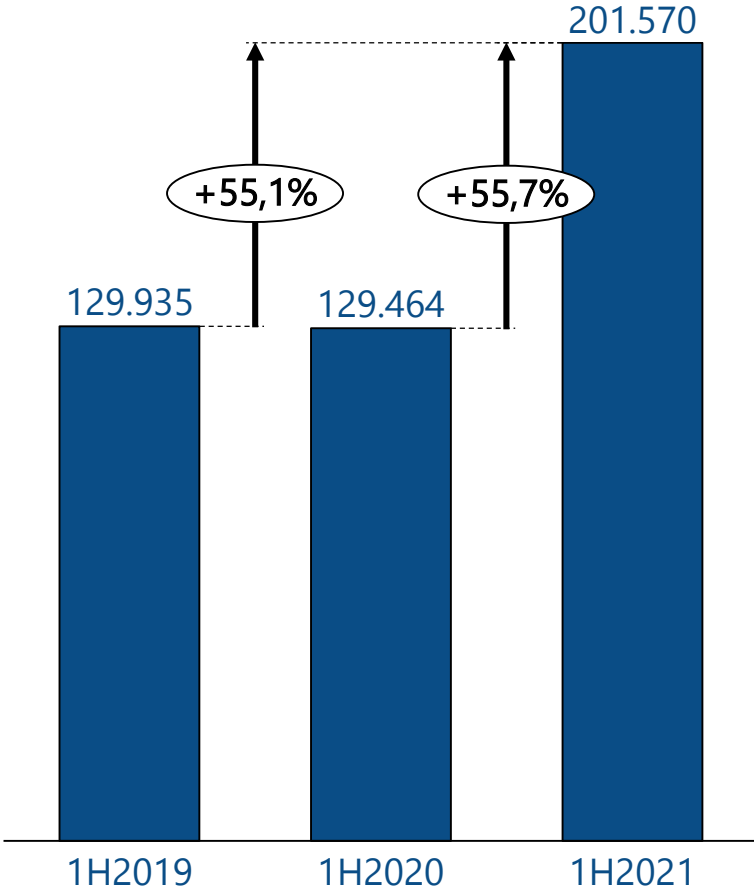


Revenue Country-by-Country



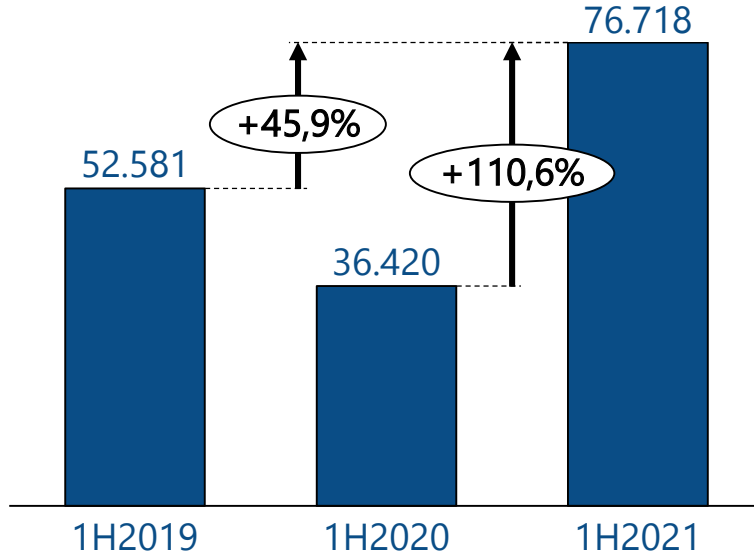
Revenue in Germany

HK\$201,570,000



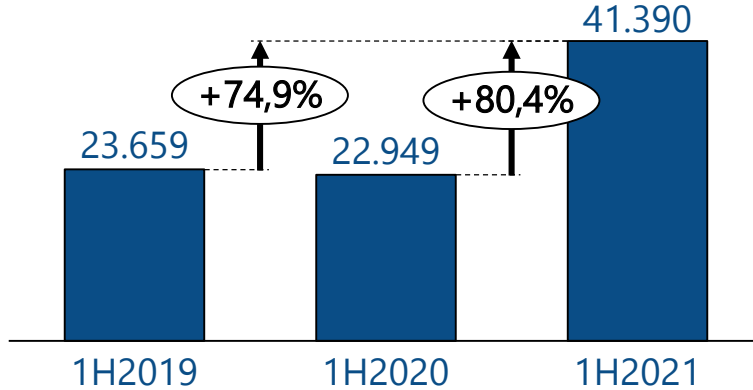
Revenue in the PRC

HK\$76,718,000



Revenue in Denmark

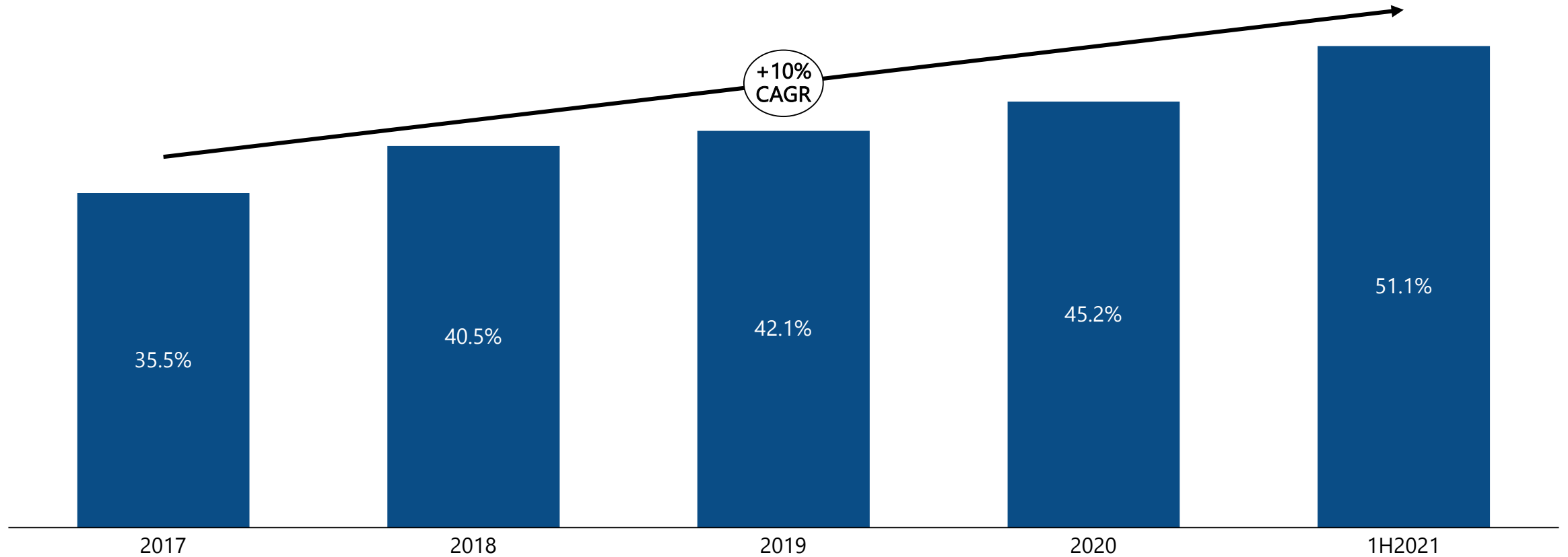
HK\$41,390,000



(in thousands of HKD)

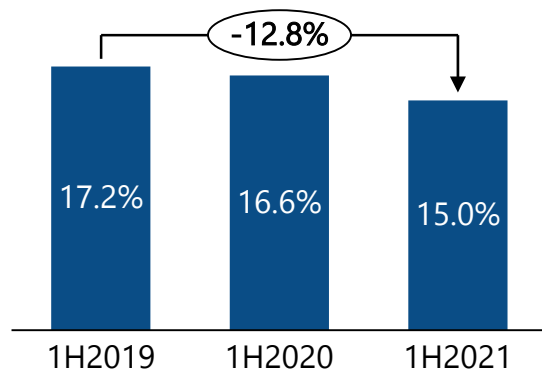
Double-Digit Gross Profit Margin Growth year for year over the last five years

Adjusted Gross Profit Margin

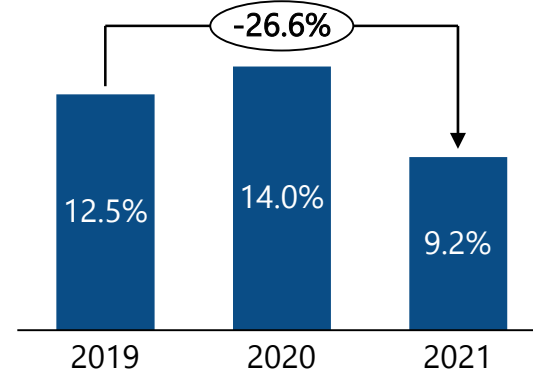


Continuous Decline in Cost of Sales Ratios

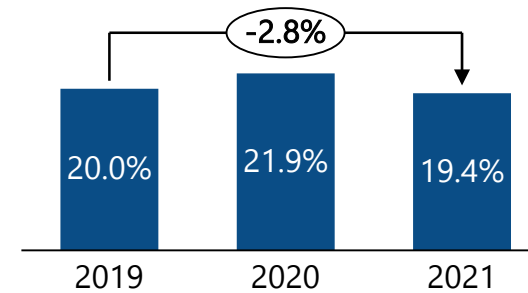
Raw Materials & Consumables



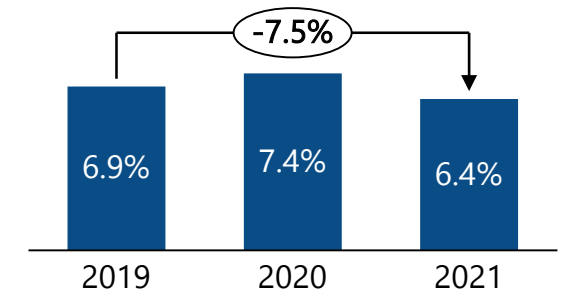
Depreciation



Salaries & Doctor's Fees

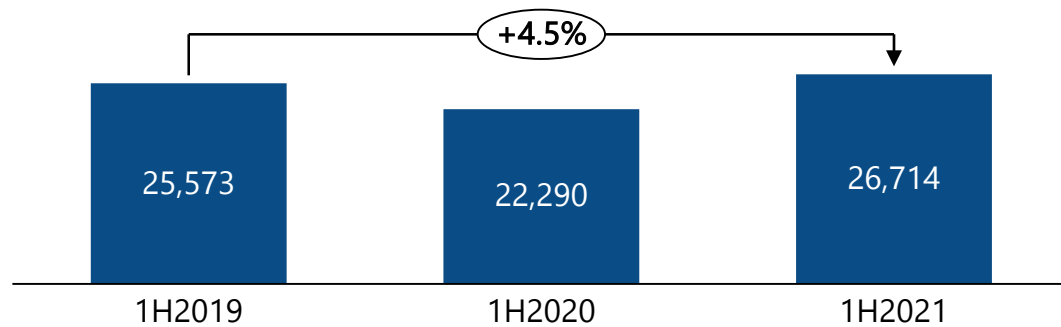


Others

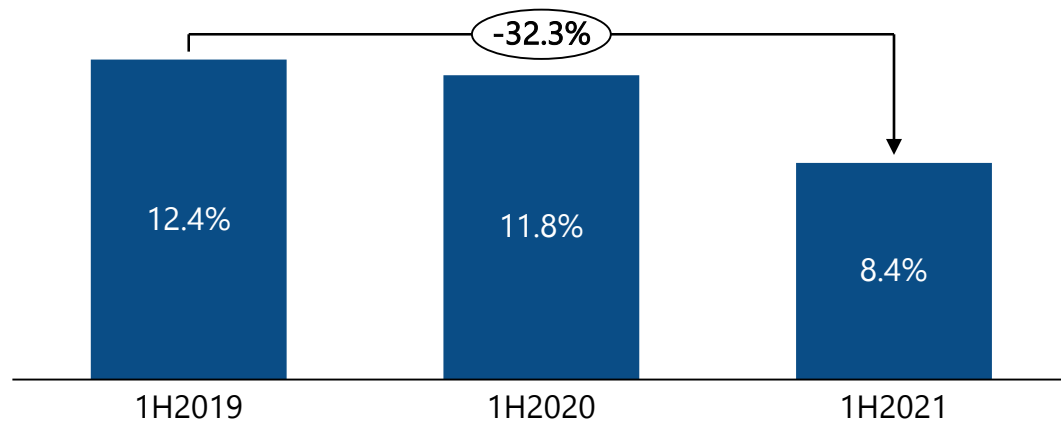


We have realized a 55.1% revenue increase with stable Sales Expenses

Sales Expense



Sales Expense Ratio



Main Factors

Germany and PRC

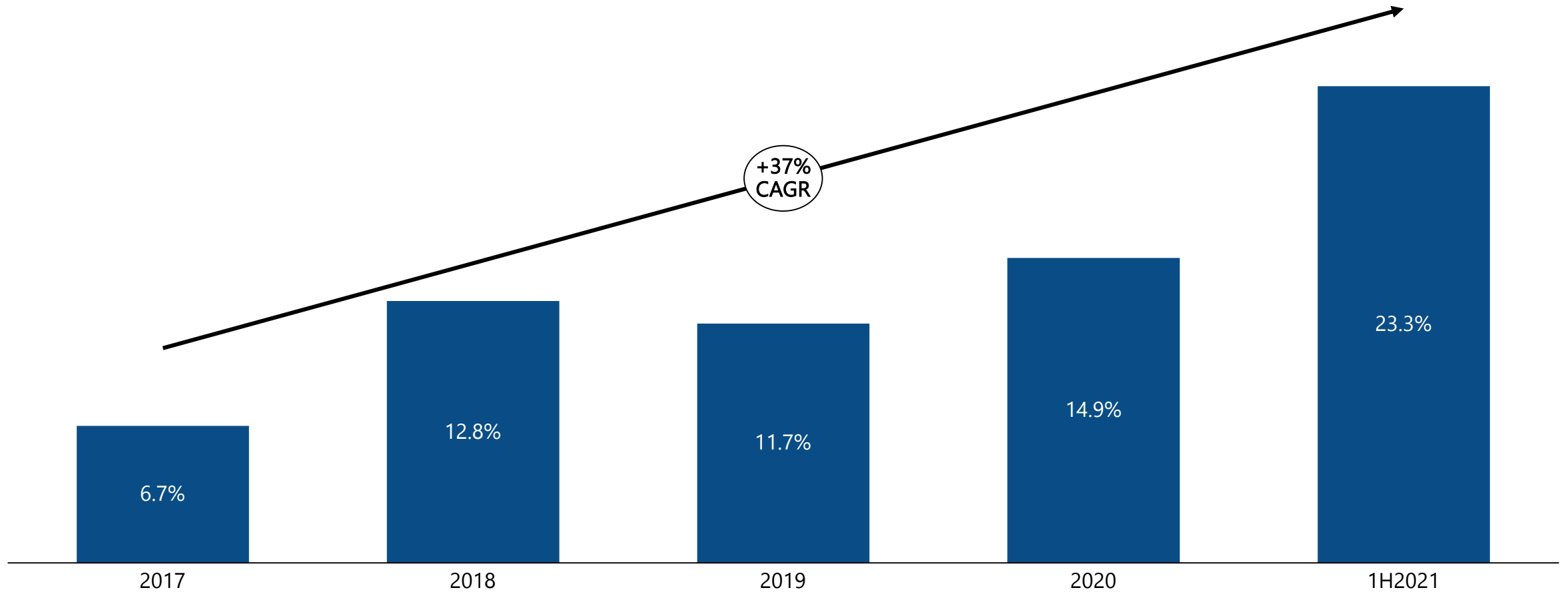
- Effective marketing strategy focusing on patient referrals
- Reinforced Word of Mouth driven by our high end services and unique treatment features
- Optimized patient acquisition process

Denmark

- celebrity strategy to drive up brand awareness and penetration ratio

Adjusted Net Profit after Tax grew by 37% every year for five years

Adjusted NPAT Margin



Key Take-Aways

New Normal outperformed



Revenue

HK\$ mil 320

+55.1% vs 1H2019

Adjusted NPAT

HK\$ mil 75

+150.8% vs 1h2019

Dynamic P/E ratio 26x

Pure internal organic growth



Revenue Growth of **55.1%** achieved

Perfect Business Constellation:

- Organic growth (43,7%) of total surgery numbers
- Overproportional growth of lens surgeries (with **higher margins**)
- increased Prices on Lens surgeries with 13,7%

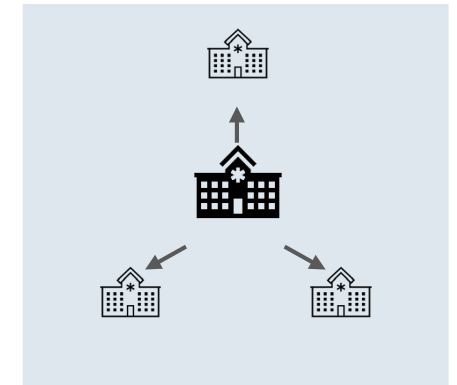
Huge growth in profitability



Adjusted NPAT Growth of **150.8%** vs. 1H2019

NPAT Margin 5-years growth CAGR of **37%**

Next to come



New consultation centres will lead to a **higher clinic capacity utilization rate**



Thank You For Your Attention!

1H2021 Overview

Key Financial Data in 1H2021

	The Period ended 30 June			
	2021	2020	2019	Change (2021 vs 2019)
	HKD'000	HKD'000	HKD'000	%
Revenue	319,678	188,833	206,175	55.1%
Cost of Sales	(159,853)	(113,213)	(116,707)	37.0%
Gross Profit	159,825	75,620	89,468	78.6%
Gross Profit Margin (%)	50.0%	40.0%	43.4%	6.6 p.p
Adjusted gross profit	163,367	75,620	92,188	737.2%
Adjusted gross profit margin(%)	51.1%	40.0%	44.7%	6.4 p.p
Net Profit After Tax	65,578	16,679	5,359	1,123.7%
Net Profit Margin (%)	20.5%	8.8%	2.6%	17.9 p.p
Adjusted net profit	74,575	16,738	29,734	150.8%
Adjusted net profit margin(%)	23.3%	8.9%	14.4%	8.9 p.p

Non-IFRS Adjustments

	The Period ended 30 June		The Year ended 31 December			
	2021	2020	2019	2018	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	319,678	473,818	429,692	397,394	325,956	260,943
Reported gross profit	159,825	214,100	177,721	161,100	115,733	85,119
Adjustment – pre-operating expenses	3,542	-	3,238	-	-	-
Adjusted gross profit	163,367	214,100	180,959	161,100	115,733	85,119
Adjusted gross profit margin (%)	51.1%	45.2%	42.1%	40.5%	35.5%	32.6%
Reported net profit/(loss)	65,578	64,073	(3,686)	39,692	75,544	16,643
Adjustment – listing expenses	-	-	42,219	11,193	-	-
Share-based compensation expenses	9,334	-	-	-	-	-
Adjustment – pre-operating expenses	1,188	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	(1,525)	6,009	4,177	-	-	-
Adjusted net profit	74,575	70,614	50,283	50,885	21,888	16,643
Adjusted net profit margin (%)	23.3%	14.9%	11.7%	12.8%	6.7%	6.4%