

Attn: Business Editor 【Immediate Release】

EuroEyes

EuroEyes International Eye Clinic Limited

德視佳國際眼科有限公司

(Stock Code: 1846)

## EuroEyes Announced 2020 Annual Results

### Strong Revenue Growth in Europe with Vigorous Rebound in China despite the Pandemic

### Further to Promote the High-end Vision Correction Surgery and Continue Penetrating the China Market

#### 2020 Annual Results Highlights

- **Total Revenue** for year ended 31 December 2020 reached approximately HK\$473.8 million
- **Gross Profit** for year ended 31 December 2020 reached approximately HK\$214.1 million
- **Gross Profit Margin** for year ended 31 December 2020 was approximately 45.2%
- **Operating Profit** for year ended 31 December 2020 was approximately HK\$111.1 million
- **Net Profit After Tax** for year ended 31 December 2020 reached approximately HK\$64.1 million

#### Revenue by Geographical Regions

- Total revenue in Germany increased by approximately **14.9%** YoY
- Total revenue in the PRC slightly decreased by approximately **4.7%** YoY due to the interruption of operation for a substantial period caused by the travel and work restrictions imposed in response to the COVID-19 outbreak. However, the revenue soared 17.8% YoY for 2H2020 as the business operations gradually resumed normal
- Total revenue in Denmark increased by approximately **19.5%** YoY

[17 March 2021, Hong Kong] **EuroEyes International Eye Clinic Limited** (“EuroEyes” or the “Company”, together with its subsidiaries, the “Group”, stock code: 1846), is one of the leading brands in the vision correction industry that combines German ophthalmology excellence and 25 years of experience with individualised customer-care and principally engaged in the provision of vision correction services in Germany, Denmark and the People’s Republic of China (“the PRC”). EuroEyes is pleased to announce its annual results for the year ended 31 December 2020 (the “Year”).

In 2020, the Group's revenue increased by approximately 10.3% year-on-year ("YoY") to approximately HK\$473.8 million; gross profit increased by approximately 20.5% YoY to HK\$214.1 million, and the gross profit margin was approximately 45.2%, representing an YoY increase of 3.8 percentage points. In respect of geographical regions, operating revenue from Germany, the PRC and Denmark were approximately HK\$304.8 million, HK\$108.1 million and HK\$61.0 million accounting for approximately 64.3%, 22.8% and 12.9% of total revenue, respectively.

## **Achieved Turnover during the Turbulent Year**

The unprecedented coronavirus disease 2019 ("COVID-19") outbreak and the subsequent mandatory business shutdown by countries throughout the world was an extraordinary issue that negatively impacted the Group's business operations in 2020. While the Group confronted challenges head-on, it made timely operational optimisation and vigorously seized market opportunities to achieve remarkable results by minimising the negative impacts. As a result, the total revenue of the Group for the Year reached approximately HK\$473.8 million, marked a YoY increase of 10.3% while gross profit increased from approximately HK\$177.7 million to HK\$214.1 million, represented 20.5% of growth YoY. Gross profit margin was approximately 45.2%, representing a YoY increase of 3.8 percentage points. The increase of gross profit margin was primarily due to the increase of number of surgeries performed by the Group, and the improvement of capacity utilisation rate, which measures the proportion of potential surgery capacity that is actually realised. The Group's net profit after tax reached approximately HK\$64.1 million, represented approximately 18.4 times of YoY growth compared to the net loss after tax of approximately HK\$3.7 million in 2019.

EuroEyes as one of the leading eye clinic groups in the vision correction industry, it is also committed to the development of its employees as the highest priority. During the resurgence of the virus across the Europe, the Group adopted rapid and effective operational measures to prevent the spread and to maintain a safe environment for patients and staffs, such as lifted the level of sterilisation standard across all of the clinics, conducted more frequent nucleic acid testing for employees, and inquired patients of their recent travel history and medical condition. These measures also enabled the Group's business to operate in a safe and orderly manner. As of the end of the Year, the Group's revenue in Germany and Denmark was approximately HK\$304.8 million and HK\$61.0 million, representing a YoY increase of approximately 14.9% and 19.5% respectively.

Although the Group's operation in the PRC was affected the most severely, it proactively sought management and operational innovation in the region, strengthened its brand management, restructured marketing department and applied a national wide patient management system to improve the effectiveness of customer relationship management therefore significantly improved patient acquisition process. As the business operations in the PRC gradually resumed to normal after late May 2020, the Group's revenue in the PRC witnessed strong rebound and increased by approximately 19.1% and 16.3% respectively for

the third and fourth quarter during the Year comparing to the corresponding period of 2019, respectively.

### **Differentiated Competitive Strategy in Advanced Lens Surgeries to Improve Profitability**

The Group has strengthened its differentiated competitive strategy in advanced lens exchange surgery, which brought positive impact to the income of the Group. The Group's revenue from performing lens exchange surgery, which included monofocal and trifocal lens exchange surgeries, was approximately HK\$227.4 million, marked an increase of 13.1% YoY. It is accounted for approximately 48.0% of the total revenue for the Year.

On the other hand, the revenue from performing phakic lens (ICL) surgery was approximately HK\$68.3 million, representing an increase of approximately 15.9% YoY. Lens exchange surgery and phakic lens (ICL) surgery remained the main sources of income of the Group, representing an aggregate of approximately 62.4% of the total revenue for the Year.

The Group applied a national wide patient management system to improve the effectiveness of customer relationship management, which helped to optimise the Group's customer acquisition process and reduce customer acquisition cost thus boost the profit. The Group's net profit after tax of the Year reached a turnover of approximately HK\$64.1 million. Excluded the non-recurring items, the Group's Adjusted Net Profit After Tax surged to approximately HK\$70.6 million, representing a significant increase of 40.4% as compared YoY.

Benefited from the increased awareness of patients towards lens exchange and ICL surgery and growth of penetration rate, the lens exchange and ICL market has a great expansion potential. The Group will reinforce the strategy of taking lens exchange and ICL surgery as the core business and continuing to provide high-quality services to patients and maintaining a consistent medical satisfaction.

### **Further Penetrate the PRC and Solidify the Strong Presence in the Market**

Despite the worldwide COVID-19 outbreak, the Group continues to maintain rapid and sustainable development of the Group's business. The construction of the Group's clinic in Chongqing has resumed after the local restrictions in response to the COVID-19 outbreak were lifted in the second quarter of 2020, and the clinic in Chongqing is expected to commence operations in April 2021. It will be the Group's 7th clinic in the PRC and bring high-quality vision correction services to the mountain city.

In the meantime, the Group's clinic in Beijing East has achieved breakeven, and its breakeven period was the shortest among the Group's clinics. It opened in September 2019 and reached breakeven point in June 2020. As the Group remains committed to expanding, the successful experience will support the Group to continue to implement the expansion plan of multiple clinics in core metropolitan cities, and one or two new clinics in second-tier cities.

EuroEyes will continue to improve the profitability of existing clinics through strengthening the Group's competitive advantages, increasing the lens exchange and ICL operations, as well as effective chain operation management.

### **Expanding Services in Europe**

The Group is expanding its services in Copenhagen and the construction of the new flagship clinic in Copenhagen is expected to be completed in 2021. With its prominent location in the center of Copenhagen and larger in scale, it will help to meet the increasing demand for the Group's services in Denmark, which will support the continuous growth of the Group's business in Denmark.

**Dr. Jørn Slot Jørgensen, the Founder, Chairman and CEO of EuroEyes** said, "I am extremely proud that our team has made timely internal optimisations, took all measures to ensure our staff's safety and none of our staff in Germany, Denmark and the PRC has been diagnosed with COVID-19. Under the unprecedented shock to the global economy by the COVID-19, we are glad that the Group had achieved an excellent result. We would like to thank all the stakeholders who support us during the challenging period. Going forward, we expect to further improve our capital utilisation for sustainable profit growth, continue to work tirelessly to provide patients with high-quality services, and continue to pursue our goal for 'Nie wieder Brille!' (No More Glasses), to leverage our strengths as the market leader in Germany and the competitive advantages, further expand our market share worldwide and strive to create the greatest investment return for investors. Thank you again for believing in us and your support.

### **About EuroEyes International Eye Clinic Limited**

EuroEyes was established in 1993 and is one of the leading brands in the vision correction industry that combines German ophthalmology excellence and over 25 years of experience with individualised customer care. EuroEyes is one of the few eye clinic groups with a far-reaching geographical coverage, with operations in Germany, Denmark and the PRC. The Group's vision correction services include (i) refractive laser surgery (which includes ReLEx smile and Femto LASIK); (ii) phakic lens (ICL) surgery; (iii) lens exchange surgery (which includes the monofocal and trifocal lens exchange surgery) and (iv) others (which include PRK/LASEK and ICRS implantation).

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