

# EuroEyes Delivers Solid Results in 2022

March 28, 2023 at 17:24 CEST

## EuroEyes Delivers Solid Results in 2022 UK Clinic and Operational Excellence Drive Profitability

HONG KONG, Mar 28, 2023 - (ACN Newswire) - EuroEyes International Eye Clinic Limited ("EuroEyes" or the "Company", together with its subsidiaries, the "Group", stock code: 1846), is a leading brand in the vision correction industry, combining German ophthalmology excellence with 26 years of experience and individualised customer care, principally engaged in the provision of vision correction services in Germany, Denmark, the People's Republic of China ("the PRC") and the United Kingdom. EuroEyes is pleased to announce its annual results for the year ended 31 December 2022 (the "Year").

### Key Highlights

-- For the year ended 31 December 2022, the Group's total revenue was approximately EUR74.0 million, representing an increase of approximately 7.5%

### YoY.

-- The acquisition of London Vision Clinic Partners Limited, one of the leading brands in the global vision correction industry, has exceeded the revenue and EBIT targets agreed in the acquisition agreement.

-- Despite a decrease in profit contribution in HKD terms due to the depreciation of the Euro against the Hong Kong Dollar, the unfavourable currency fluctuation had no material effect on the Group's operations.-- The Group faced many challenges in 2022 due to the global COVID-19 pandemic

and its related control policies, but remained confident in its business model and adaptability.

### Overcoming a Difficult Business Environment with a Solid Foundation in Lens Surgery

EuroEyes faced a challenging year in 2022 due to the unfavourable macro environment created by the global COVID-19 pandemic and its related control policies, as well as geopolitical turmoil, inflation and currency fluctuations. Despite these challenges, the Group remained confident in its business model and adaptability, with a solid foundation focused on lens surgery, and is gradually getting back on track and outperforming its pre-COVID numbers.

Although the depreciation of the Euro against the Hong Kong Dollar resulted in a lower profit contribution in HKD terms and affected the Group's financial position and performance, the unfavourable currency fluctuations did not have a significant operational effect on the Group.

In 2022, the Group's total revenue was approximately EUR74.0 million, representing an increase of approximately 7.5% YoY (HK\$ equivalent: 610.3 million). Adjusted gross profit was approximately EUR33.4 million (HK\$ equivalent: 275.6 million), representing an adjusted gross profit margin of approximately 45.1%. Net profit after tax was approximately EUR10.1 million (HK\$ equivalent: 83.5 million), and after adjustment for non-recurring items, the Group's adjusted net profit after tax was approximately EUR12.3 million (HK\$ equivalent: 101.2 million), representing an adjusted net profit margin of approximately 16.6%. The Group's adjusted EBITDA reached over EUR29.4 million (HK\$ equivalent: 230.0 million), a testament to its adaptability and resilience.

The Board of Directors has resolved to declare a final dividend of HK0.06266 per share for the year ended 31 December 2022 (2021 final: HK\$0.09932 per share).

In terms of geographic regions, revenue from Germany, China, the United Kingdom and Denmark was approximately EUR40.7 million (HK\$ equivalent: 335.6 million), EUR11.9 million (HK\$98.4 million equivalent), EUR13.5 million (HK\$111.2 million equivalent) and EUR7.9 million (HK\$65.1 million equivalent), respectively, representing approximately 55.0%, 16.1%, 18.2% and 10.7%, of total revenue, respectively.

In terms of surgery type, lens exchange surgery and phakic lens (ICL) surgery remained an integral and major source of revenue for the Group's business, together accounting for approximately 57.3% (2021: approximately 65.3%) of total surgery revenue for the Year. Revenue from refractive laser surgery grew by 32.8% YoY to approximately EUR29.9 million (HK\$ equivalent: 246.4 million), accounting for approximately 41.1% of total revenue, mainly attributable to the first consolidation of London Vision Clinic, which focuses on refractive laser surgery. Meanwhile, revenue from lens exchange surgery, including monofocal and trifocal lens exchange surgeries, dropped 6.6% YoY to approximately EUR32.9 million (HK\$ equivalent 271.2 million), accounting for approximately 45.3% of total revenue.

Strategic Acquisition of London Vision Clinic Exceeds Growth Expectations; Continues the Momentum and Outperform in the "New Normal" Despite continued operational headwinds caused by the pandemic, the Germany business maintained the momentum of the previous year, demonstrating impressive cost control with lower marketing and administrative expenses compared with the previous year.

Elsewhere in Europe, EuroEyes's Denmark clinic was an immediate success and gained market acceptance with the support of its ambassador, European football legend Michael Laudrup. The business gained momentum in the second half of 2022, returning to pre-COVID numbers and recording a strong start to 2023.

Meanwhile, the Group's operations in the United Kingdom performed well ahead of earnings expectations. EuroEyes announced the acquisition of the London Vision Clinic ("LoVC") on 20 January 2022 for a completion consideration of GBP13,130,000. For the first earn-out period in 2022, LoVC exceeded its agreed revenue and EBIT targets as stated in the share purchase agreement under the acquisition, reaching GBP11.2 million and GBP3.2 million, respectively. The Group believes that the acquisition of LVCP will enable it to expand its business by entering London's high-end refractive and presbyopia surgery markets. By implementing PRESBYOND Laser Blended Vision treatment at EuroEyes, the Group is able to treat a larger group of presbyopic patients at an earlier stage.

In the PRC, EuroEyes saw a double-digit decline in revenue and earnings due to nationwide COVID-19 restrictions and multiple lockdowns during the first half of 2022 in major cities where the Group operates. However, after the relaxation of these restrictions in China, the Group's activity rebounded significantly, with a notable pick-up in business after the Chinese New Year in February.

In the "New Normal" business environment in 2023, the Group expects to open three new clinics in Germany, which will elevate EuroEyes to another level in Germany and safeguard its market leader position. The Group is set to open its new flagship Laser Eye Clinic ("LEC") in London in June 2023, in a central, high-traffic location in Knightsbridge. In line with its market expansion strategy, the Group will also open its first flagship clinic on Russell Street in Hong Kong's Causeway Bay in the first half of 2023.

The lifting of the two-year pandemic-related restrictions on inter-country travel across Europe has shifted consumer interest towards leisure travel, which has delayed patients' operation schedules, but demand for procedures in Europe is expected to rebound after the end of the vacation season. As a result, EuroEyes has accelerated the implementation of its mergers and acquisitions strategy, and is focusing on pursuing targets such as well-established, privately owned eye clinics in Europe.

Dr. Jorn Slot Jorgensen, the Founder, Chairman and CEO of EuroEyes said, "2022

presented significant challenges due to the pandemic, but we are immensely proud of the resilience of our business and remain optimistic about our ability to adapt and thrive during the recovery phase. Our commitment to our employees in the PRC is unwavering, and we have maintained full salaries and avoided layoffs, reflecting our values of talent retention and teamwork. In 2023, our strategy is to consolidate our existing clinics and maximise profitability by optimizing capacity utilization rates. As we approach our 30th anniversary, EuroEyes will build on our solid foundation in lens surgery to increase market penetration and expand our global footprint, driving organic growth and reinforcing our position as a leading player in the vision correction industry."

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, the PRC and the UK. 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).

Source: EuroEyes International Eye Clinic Limited

[https://www.bloomberg.com/press-releases/2023-03-28/euroeyes-delivers-solid-results-in-2022?utm\\_source=website&utm\\_medium=share&utm\\_campaign=mobile\\_web\\_share](https://www.bloomberg.com/press-releases/2023-03-28/euroeyes-delivers-solid-results-in-2022?utm_source=website&utm_medium=share&utm_campaign=mobile_web_share)

Copyright 2023 ACN Newswire . All rights reserved.