

**IPO FACT SHEET**

**EuroEyes International Eye Clinic Limited (1846)**

**ISSUE STATISTICS**

<b>Offer Size:</b>	HK\$491.87m – HK\$698.14m
<b>Placement Tranche:</b>	79.334m
<b>Price:</b>	HK\$6.20– HK\$8.80
<b>Board lot:</b>	1,000
<b>Entry fee:</b>	HK\$8,888.68
<b>Historical PE</b>	53.3x – 75.6x
<b>Net tangible asset per share:</b>	HK\$2.07 – HK\$2.70
<b>Market Cap (post-IPO):</b>	HK\$1,967.5m – HK\$2,792.5m
<b>Open:</b>	30 Sep 2019
<b>Close:</b>	12.00 noon on 8 Oct 2019
<b>Trading:</b>	15 Oct 2019
<b>Sponsor:</b>	BOCI Asia Limited

<b>Year ended 31 Dec</b>	<b>(Euro'000)</b>	<b>yoy % chg</b>
<b>Revenue</b>		
2017	36,977	21.6%
2018	42,961	16.2%
<b>Profit for the period</b>		
2017	8,571	342.0%
2018	4,291	-49.9%

**BACKGROUND**

- The Group was established in 1993 and 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.
- They provide premium services to a targeted clientele with a mid-to-high income level.
- They are also one of the few eye clinic groups with a far-reaching geographical coverage, with operations in Germany, Denmark and the PRC.
- They offer a wide range of vision correction services to two main groups of customers:
  - (i) those between the ages of 18 and 45, who primarily seek refractive laser surgery or phakic lens (ICL) surgery to treat their myopia (a condition in which the eyeball is too long, resulting in blurred vision when viewing distant objects), hyperopia or astigmatism;
  - (ii) those over 45 years of age, who primarily seek lens exchange surgery to treat their presbyopia (a condition that results from ageing, in which the lens loses its natural elasticity and therefore its ability to focus on near objects, and people cannot read anymore without the use of reading glasses or progressive glasses) or cataract.
- According to Frost & Sullivan, in the advanced lens exchange surgery and refractive surgery without PRK/LASEK market, they ranked the first in Germany and the second in Denmark by market share in terms of revenue in 2018.
- They have also led this industry by being one of the first-movers in offering the Zeiss trifocal lens exchange surgery as a standalone treatment option to presbyopia for customers once they experience any major inconveniences associated with wearing reading glasses and/or progressive glasses.
- In 2018, they were awarded by Carl Zeiss for having performed the most the Zeiss trifocal lens exchange surgeries in the world for the fourth year in a row, and the most ReLEx SMILE procedures in Germany. They were also awarded by Staar Surgical in the same year for having performed the most phakic lens (ICL) surgeries in Europe.

**BUSINESS STRATEGIES**

- They will further expand their business operations through acquisitions in Europe in order to solidify their leadership position.
- They will further expand their business operations in the PRC in order to seize the massive market opportunities.
- They will enhance their marketing efforts in order to increase the size of their future customer base and their geographical reach.

- They will expand their service offerings in order to tap into a larger customer base.
- They will continue to attract, recruit and retain the best talents.

#### COMPETITIVE STRENGTHS

- They are an industry leader in performing advanced lens exchange surgery and refractive surgery (without PRK/LASEK) in Germany and Denmark.
- They offer customised solutions of premium quality to their customers.
- They are one of the leaders in the industry with their innovative use of trifocal lens exchange surgery to treat presbyopia for people above the age of 45.
- They are well-positioned to benefit from the increasing opportunities in the PRC.
- Dr Jørgensen, their founder, chairman and chief executive officer, is a visionary leader with industry reputation and a proven managerial record.
- They have a professional team with outstanding reputation and technical expertise.

#### KEY RISKS

- They rely significantly on their brand image and reputation. Any failure to develop, maintain and enhance, or any damage to, their brand image or reputation could materially and adversely affect their reputation, business, financial condition and results of operations.
- Their operation is highly dependent on the provision of quality services by their surgeons and conservative ophthalmologists to their customers, and they incur significant costs in retaining them. They cannot guarantee that they will be able to continue to attract, recruit and retain qualified professionals.
- Their services depend on the availability of certain equipment and supplies to provide vision correction services. Any price fluctuations in these supplies or failure to source sufficient supplies with reasonable prices may materially and adversely affect their financial performance and results of operations.
- The development and/or uncertainties in the regulatory regimes for the vision correction services industry in the countries which they operate could also have a material adverse effect on their business. If they fail to retain or renew their requisite licenses and permits on time, they may not be able to maintain or expand their business operations.
- They rely heavily on the continued services of their management team and if they are unable to attract or retain the management team, their reputation, business, financial performance and results of operations may be materially and adversely affected.

#### DIVIDEND POLICY

- They expect to pay dividends of not more than 20% of their distributable net profit attributable to their equity shareholders in the future.

#### USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
For establishing clinics in major cities in the PRC, including Chengdu and Chongqing	210.7	40.0%
For potential acquisition of clinic groups in Europe.	173.8	33.0%
For the expansion of their marketing efforts.	89.5	17.0%
Fund their working capital and for general corporate purposes.	52.7	10.0%
<b>Total:</b>	<b>526.7</b>	<b>100.0%</b>

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