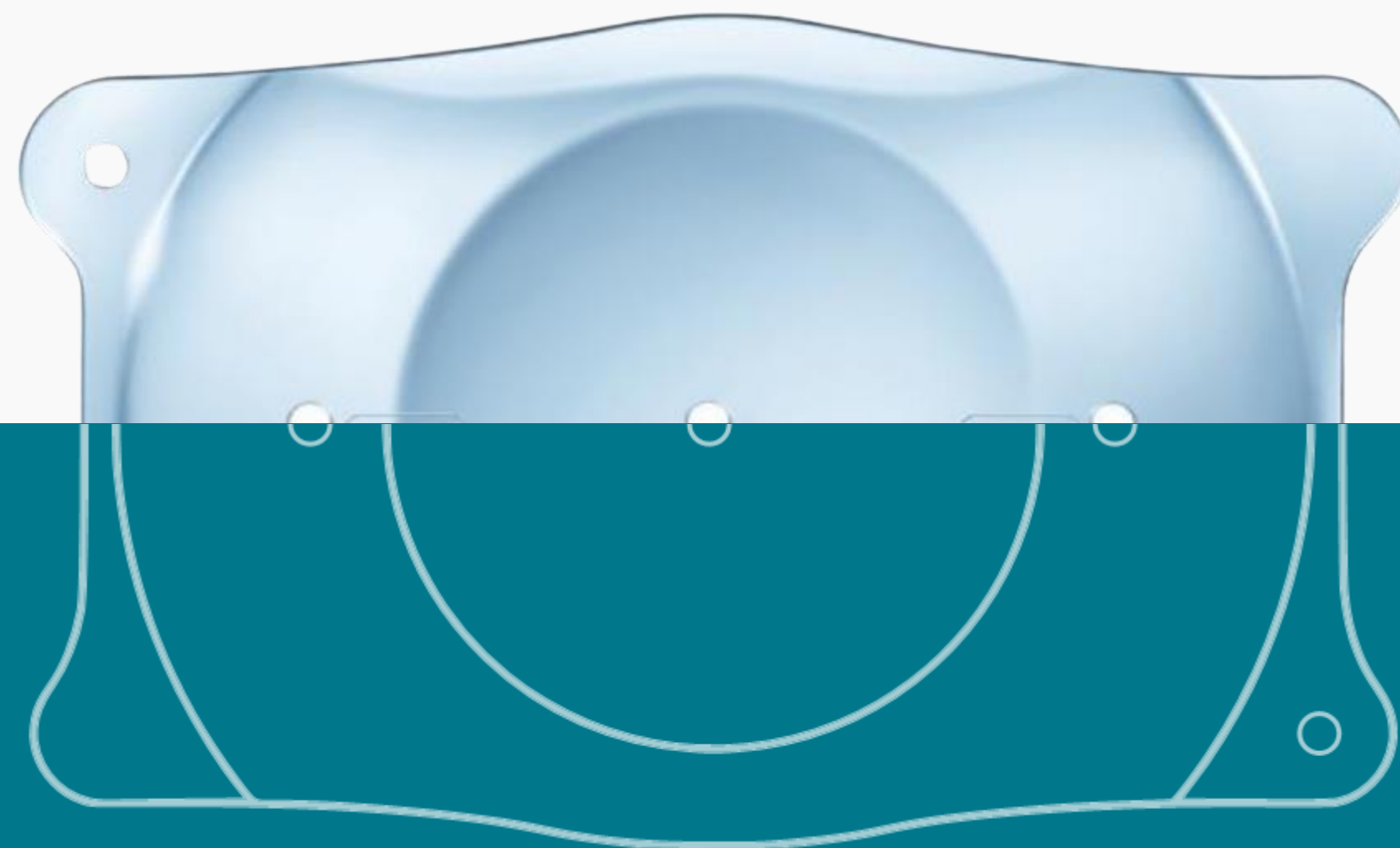


# Third Quarter 2024 Earnings Presentation

OCTOBER 30, 2024

NASDAQ: STAA



## Today's Speakers



**TOM FRINZI**

Chair of the Board, President and CEO



**PATRICK WILLIAMS**

Chief Financial Officer

## Investor Relations

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**Brian Moore**

VP, Investor Relations and  
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**Connie Johnson**

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# Forward Looking Statements

All statements that are not statements of historical fact are forward-looking statements, including statements about any of the following: any financial projections, anticipated financial results, estimates and outlook (including as to net sales, Adjusted EBITDA, and Adjusted EBITDA per diluted share), plans, strategies, and objectives of management for 2024 and beyond or prospects for achieving such plans, expectations for sales, revenue, margin, expenses or earnings, and any statements of assumptions underlying any of the foregoing, including those relating to financial performance in the upcoming quarter, fiscal year 2024 and beyond.

Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include risks and uncertainties related to global economic conditions, as well as the factors set forth in the Company's Annual Report on Form 10-K for the year ended December 29, 2023 under the caption "Risk Factors," which is on file with the Securities and Exchange Commission and available in the "Investor Information" section of the Company's website, [www.staar.com](http://www.staar.com), under the heading "SEC Filings."

We disclaim any intention or obligation to update or revise any financial projections or forward-looking statement due to new information or events. These statements are based on expectations and assumptions as of the date of this presentation and are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. The risks and uncertainties include the following: global economic conditions; the impact of COVID-19; the discretion of regulatory agencies to approve or reject existing, new or improved products, or to require additional actions before or after approval, or to take enforcement action; international conflicts, trade disputes and substantial dependence on demand from Asia; and the willingness of surgeons and patients to adopt a new or improved product and procedure.

We intend to use our website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Such disclosures will be included on our website in the 'Investor Relations' sections. Accordingly, investors should monitor such portions of our website, in addition to following our presentations, SEC filings and public conference calls and webcasts.

# Non-GAAP Financial Information

To supplement the Company's financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), this presentation and the accompanying tables include certain non-GAAP financial measures, including Adjusted EBITDA. Management uses these non-GAAP financial measures in its evaluation of Company operating performance and believes investors will find them useful in evaluating the Company's operating performance, including cash flow generation, and in analyzing period-to-period financial performance of core business operations and underlying business trends. Non-GAAP financial measures are in addition to, not a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

EBITDA is a non-GAAP financial measure, which is calculated by adding interest income and expense, net; provision for income taxes; and depreciation and amortization to net income. In calculating Adjusted EBITDA and Adjusted EBITDA per diluted share, the Company further adjusts for stock-based compensation expense. As stock-based compensation is a non-cash expense that can vary significantly based on the timing, size and nature of awards granted, the Company believes that the exclusion of stock-based compensation expense can assist investors in comparisons of Company operating results with other peer companies because (i) the amount of such expense in any specific period may not directly correlate to the underlying performance of our business operations and (ii) such expense can vary significantly between periods as a result of the timing of grants of new stock-based awards, including inducement grants in connection with hiring. Additionally, the Company believes that excluding stock-based compensation from Adjusted EBITDA and Adjusted EBITDA per diluted share assists management and investors in making meaningful comparisons between the Company's operating performance and the operating performance of other companies that may use different forms of employee compensation or different valuation methodologies for their stock-based compensation. Investors should note that stock-based compensation is a key incentive offered to employees whose efforts contributed to the operating results in the periods presented and are expected to contribute to operating results in future periods. Investors should also note that such expenses will recur in the future.

The Company also presents certain financial information on a constant currency basis, which is intended to exclude the effects of foreign currency fluctuations. The Company conducts a significant part of its activities outside the U.S. It receives sales revenue and pays expenses principally in U.S. dollars, Swiss francs, Japanese yen and euros. The exchange rates between dollars and non-U.S. currencies can fluctuate greatly and can have a significant effect on the Company's results when reported in U.S. dollars. In order to compare the Company's performance from period to period without the effect of currency, the Company will apply the same average exchange rate applicable in the prior period, or the "constant currency" rate to sales or expenses in the current period as well.

In the appendix to this presentation, the Company has included a reconciliation of Adjusted EBITDA and Adjusted EBITDA per diluted share to net income and net income per diluted share, the most directly comparable GAAP financial measure. The Company has also provided a reconciliation of forward-looking Adjusted EBITDA and Adjusted EBITDA per diluted share to net income and net income per diluted share. This represents forward-looking information, and actual results may vary. Please see the risks and assumptions referred to in the Forward Looking Statements section of this presentation.





# THIRD QUARTER 2024 EARNINGS PRESENTATION STAAR Surgical + EVO ICL Around the World





# STAAR / Q3 Results Reflect Continued Market Adoption & Share Gains



In the third quarter, we achieved double-digit sales growth against a macroeconomic environment that softened in the second half of the quarter, particularly in China. STAAR is well positioned to navigate through the current market dynamics, which we believe are transitory. Looking ahead, we are encouraged by the recent shift in fiscal policy and announced stimulus in China and will continue to closely monitor the potential impact on our near to midterm growth outlook. Our focus on customer engagement and market expansion continues to yield solid results, helping drive industry-leading growth and market share gains. As our surgeon customers perform more EVO procedures, they are increasingly using our technology for moderate myopia, which underscores EVO ICL as the treatment choice for -6D and above and expands our total addressable market.”

– **Tom Frinzi**

Chair of the Board, President and CEO

## Enhanced commercial focus and investments are driving growth

**\$88.6M**

Q3'24 GAAP  
Net Sales



**\$340M - \$345M**

Fiscal 2024 Net Sales Outlook  
Prior Outlook Maintained\*



**\$236.0M**

Cash and Cash Equivalents  
as of Sep. 27, 2024



**10%**

Q3'24 Global ICL Sales Growth



**14%**  
Americas

**12%**  
EMEA

**9%**  
APAC

Our recent investments in customer education, innovative tools and comprehensive practice support, coupled with the advancement of our lower diopter strategies, are also expanding our total addressable market.

- ⦿ Surgeon Confidence
- ⦿ Movement Down Diopter Curve
- ⦿ Innovation

\* Prior outlook on August 7, 2024, was for net sales of \$340M to \$345M and Adjusted EBITDA of approximately \$42M or \$0.80 per diluted share.

# STAAR / Surgeon and HCP Professional Education Activities

## EVO ICL Experience Center

Lake Forest, CA  
September 2024



## ESCRS

42nd Annual Congress of the  
European Society of Cataract  
and Refractive Surgeons

Barcelona, Spain  
September 2024



>80

ICL Papers  
Presentations



EVO ICL as **the**  
choice for -6D  
and above.



# STAAR / Accelerating ICL Sales Growth in Third Quarter

(\$ Millions) UNAUDITED

ICL Sales Growth Y/Y

Region	Q3 2023	Q2 2024	Q3 2024	ICL Sales Growth Y/Y	Key Insights
Americas	\$5.4	\$6.8	\$6.2	+14%	<ul style="list-style-type: none"> <li>U.S. ICL sales up 16% in Q3'24, significantly outpacing the market</li> <li>Signed three additional "Fast Lane" Highway 93 agreements; the eight Fast Lane customers with at least one full quarter of sales delivered 61% ICL sales growth in Q3'24</li> <li><b>U.S. refractive procedures, predominantly laser vision correction, declined 18% in Q3'24.<sup>5</sup></b></li> </ul>
EMEA	\$9.3	\$10.7	\$10.3	+12%	<ul style="list-style-type: none"> <li>Growth driven primarily by the Middle East and European distributor markets</li> <li>Energized by the outperformance of our EMEA region this year; continue to benefit from our investments in this important market</li> <li><b>EMEA laser vision correction procedures were flat to down 5% in Q3'24.<sup>6</sup></b></li> </ul>
APAC	\$66.4	\$81.8	\$72.6	+9%	<ul style="list-style-type: none"> <li>China ICL sales up 7% in Q3'24; unit growth was positive; early quarter momentum tapered</li> <li>Japan ICL sales up 15%; consistent double-digit unit growth in 32 of last 35 quarters</li> <li>South Korea ICL sales up 11% bolstered by country's first ICL-only clinic</li> <li><b>China laser vision correction procedures declined 10-15% in Q3'24.<sup>6</sup></b></li> </ul>
GLOBAL	\$81.1	\$99.4	\$89.1	+10%	<ul style="list-style-type: none"> <li>10% global ICL sales growth reflects pricing power and 6% global ICL unit growth. Consistent with our August 7, 2024, commentary, we continue to expect the benefit from price to be approximately +3 points for FY24, i.e., sales growth to be 3 points higher than unit growth.</li> <li>Achieved double-digit sales growth against a softening macroeconomic environment in the second half of the quarter, particularly in China, which compares to generally down refractive procedures for the overall market in Q3'24 and YTD, globally.</li> </ul>

Notes:

(1) Americas includes the United States, Canada and Latin American countries

(2) EMEA includes Spain, Germany, United Kingdom, European, Middle East and Africa distributors

(3) APAC includes China, Japan, South Korea, India and the rest of Asia Pacific distributors

(4) ICL sales do not include IOL, injector or other sales.

(5) Refractive Surgery Council

(6) Company estimates



# STAAR / Income Statement

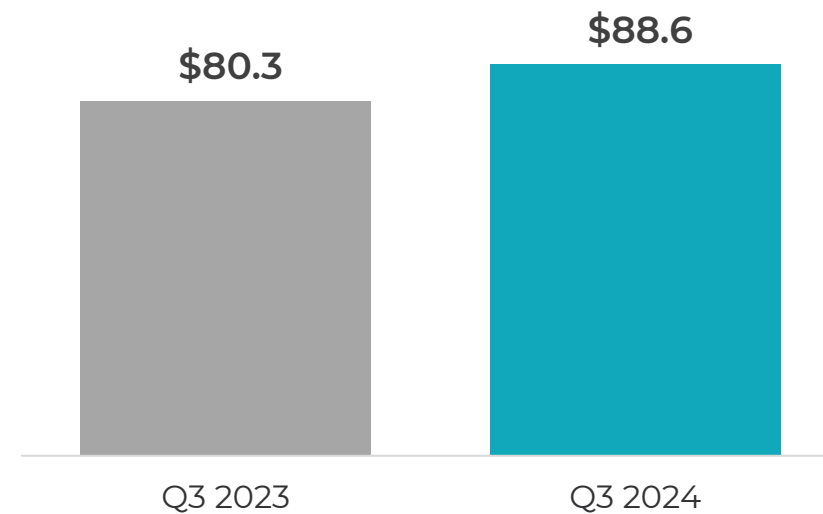


**PATRICK  
WILLIAMS**

—  
Chief Financial Officer

## Net Sales

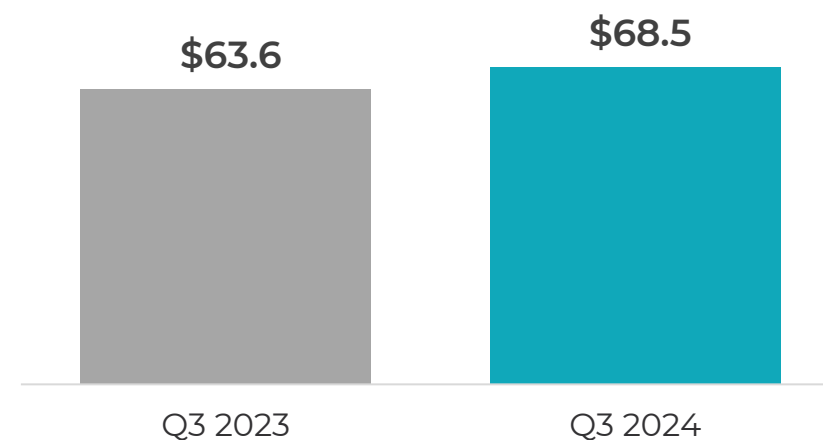
Dollars in millions



- + Q3'24 net sales of \$88.6M
- + Net sales increased \$8.3M or 10%; ICL sales increased \$8.0M
- + Constant Currency net sales of \$88.9M increased 10%

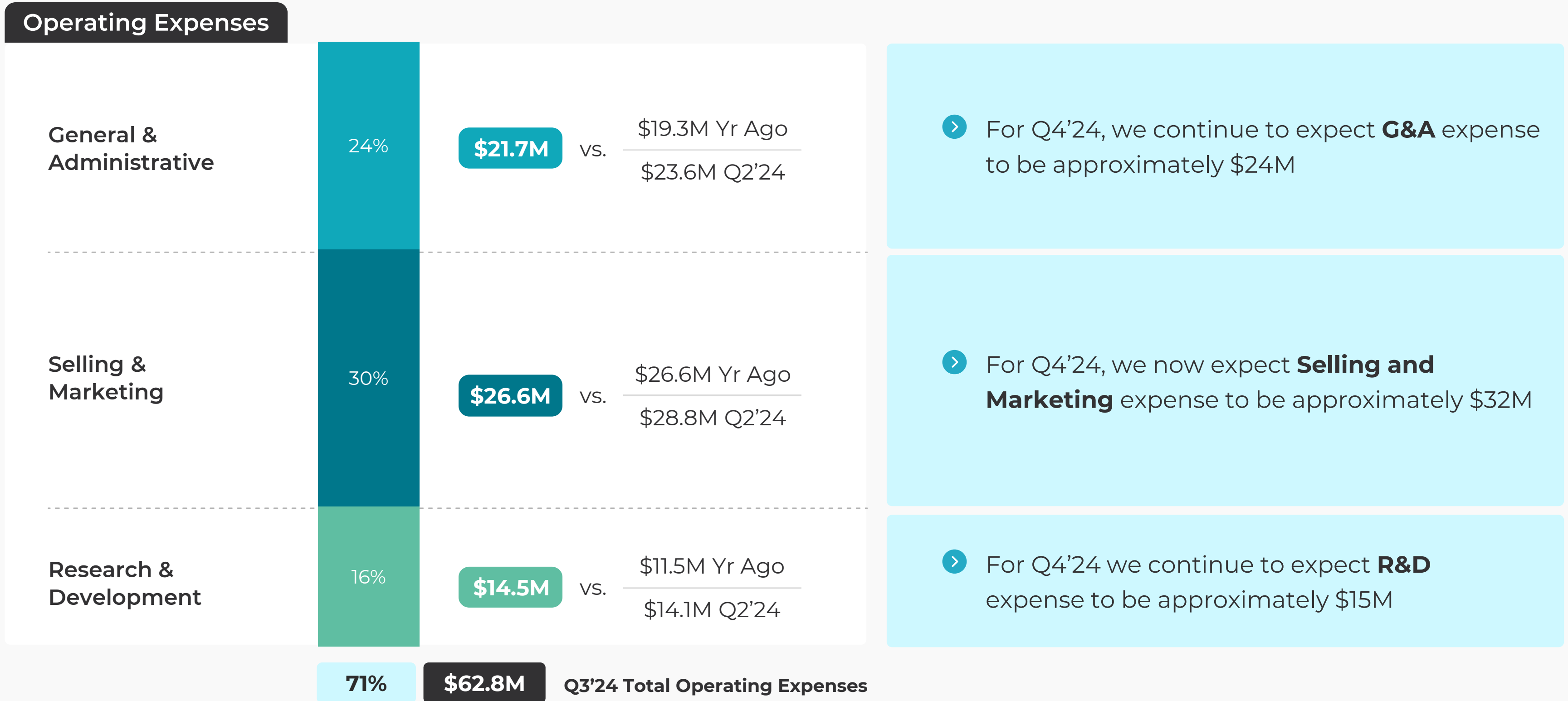
## Gross Profit

Dollars in millions



- + Q3'24 Gross profit of \$68.5M or 77.3% of net sales
- + Gross profit margin declined 190 bps Y/Y
- + Y/Y gross margin change primarily due to higher CPUs
- + **Gross profit margin now expected to be ~79% for fiscal 2024**

# STAAR / Income Statement

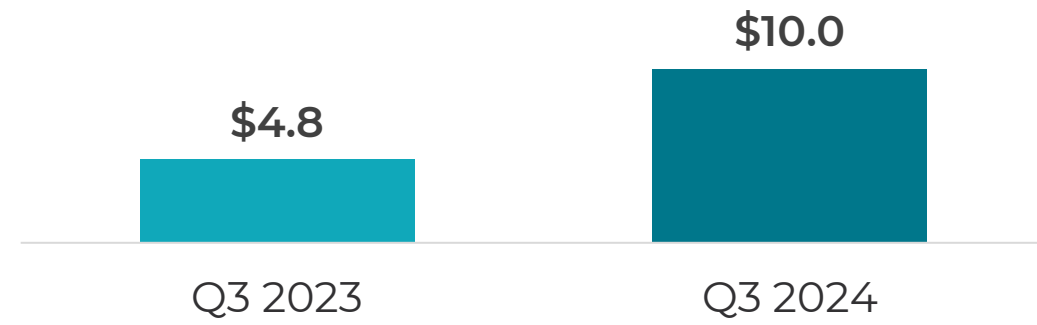




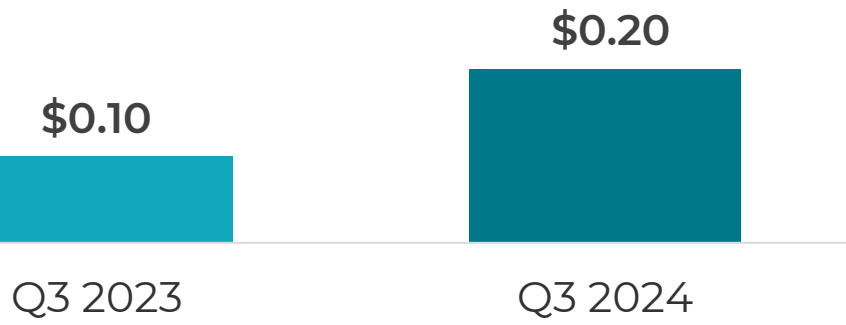
# STAAR / Income Statement

## GAAP Net Income

Dollars in millions, except per share amounts



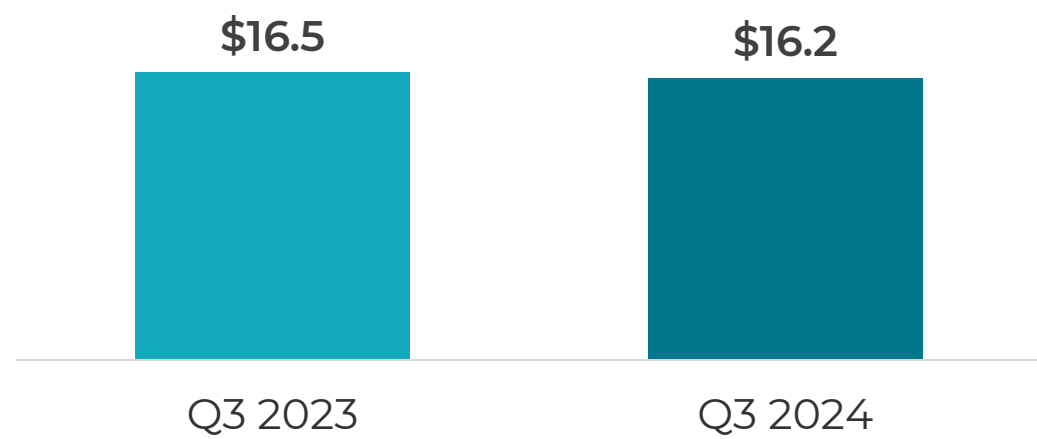
Continued net income growth in the quarter



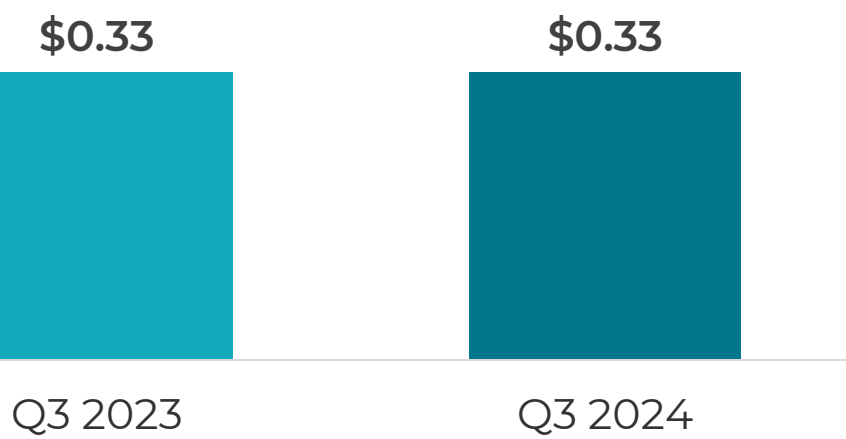
Per share - Diluted

## Adjusted EBITDA

Dollars in millions, except per share amounts



Continued cash generation in the quarter



Per share - Diluted

# STAAR / Strong Balance Sheet and Cash Flows

**\$236.0M**

Cash, Cash Equivalents & Investments  
as of September 27, 2024



**No Debt**

as of September 27, 2024



**~ \$30M**

FY 2024 CapEx Outlook



**~ \$42M**

FY 2024 Adjusted EBITDA Outlook





# STAAR / Sales Outlook

## Outlook



Maintained

**\$340M - \$345M**

Fiscal 2024 Net  
Sales Outlook



**TOM FRINZI**

Chair of the Board,  
President and CEO

## Fiscal 2024 EVO ICL Sales Outlook and Global Diversity

**NEW**

APAC

**5%**

China approx. 2% Growth  
All Other Countries Flat

EMEA

**10%**

AMERICAS

**17%**

U.S. Growth of 20% for Fiscal 2024

**PRIOR**

APAC

**7%**

China approx. 10% Growth  
All Other Countries Flat

EMEA

**6%**

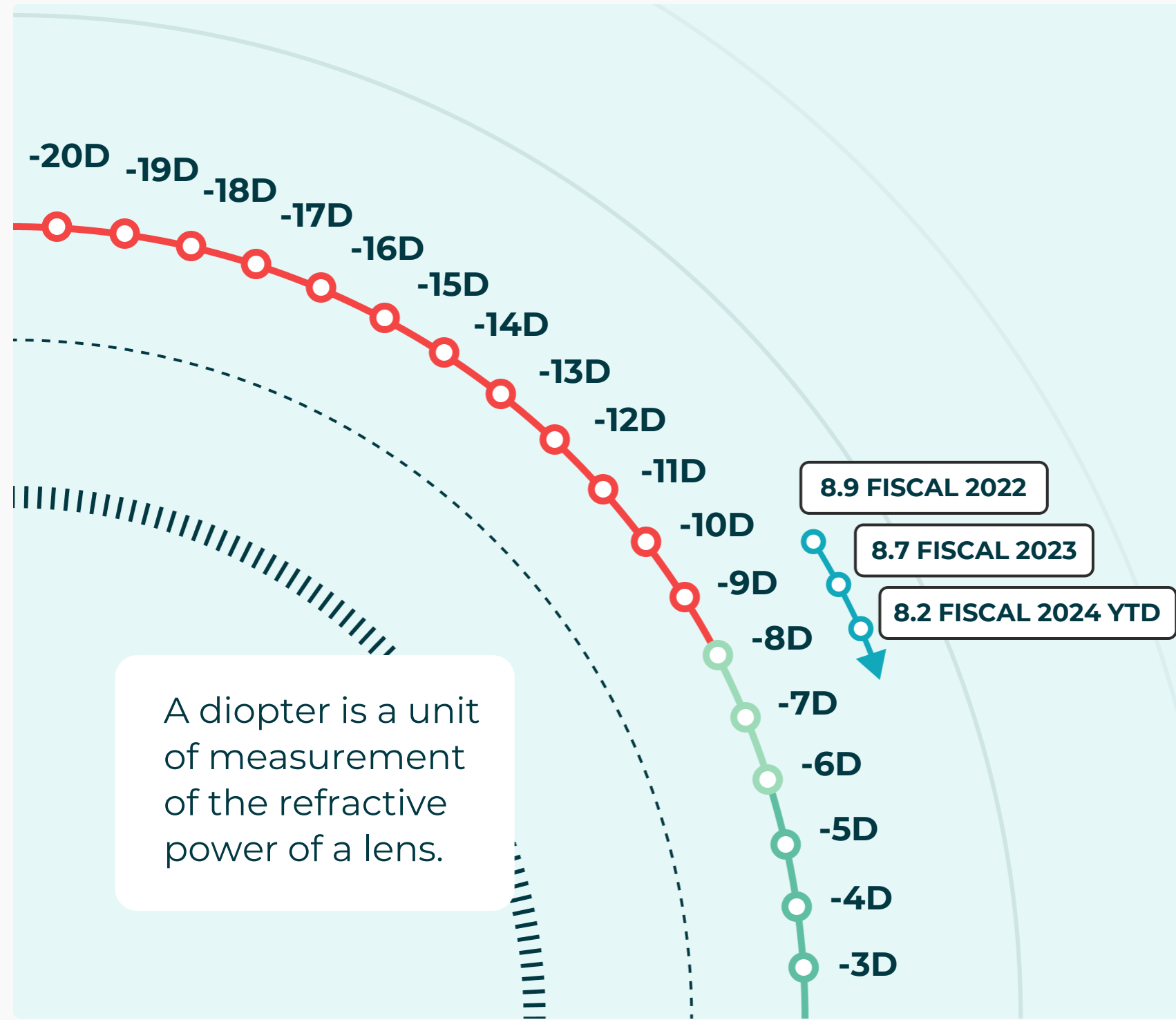
AMERICAS

**15%**

U.S. Growth of 25% for Fiscal 2024

# STAAR / Executing Against Our Strategic Priorities

## Pace of EVO ICL Adoption Down Diopter Curve is Accelerating



## Strategic Priorities

**01**  
Surgeon Confidence in Measurement and Lens Size Selection

**02**  
Own -6D and Above Refractive Vision Correction

**03**  
New Product Innovation

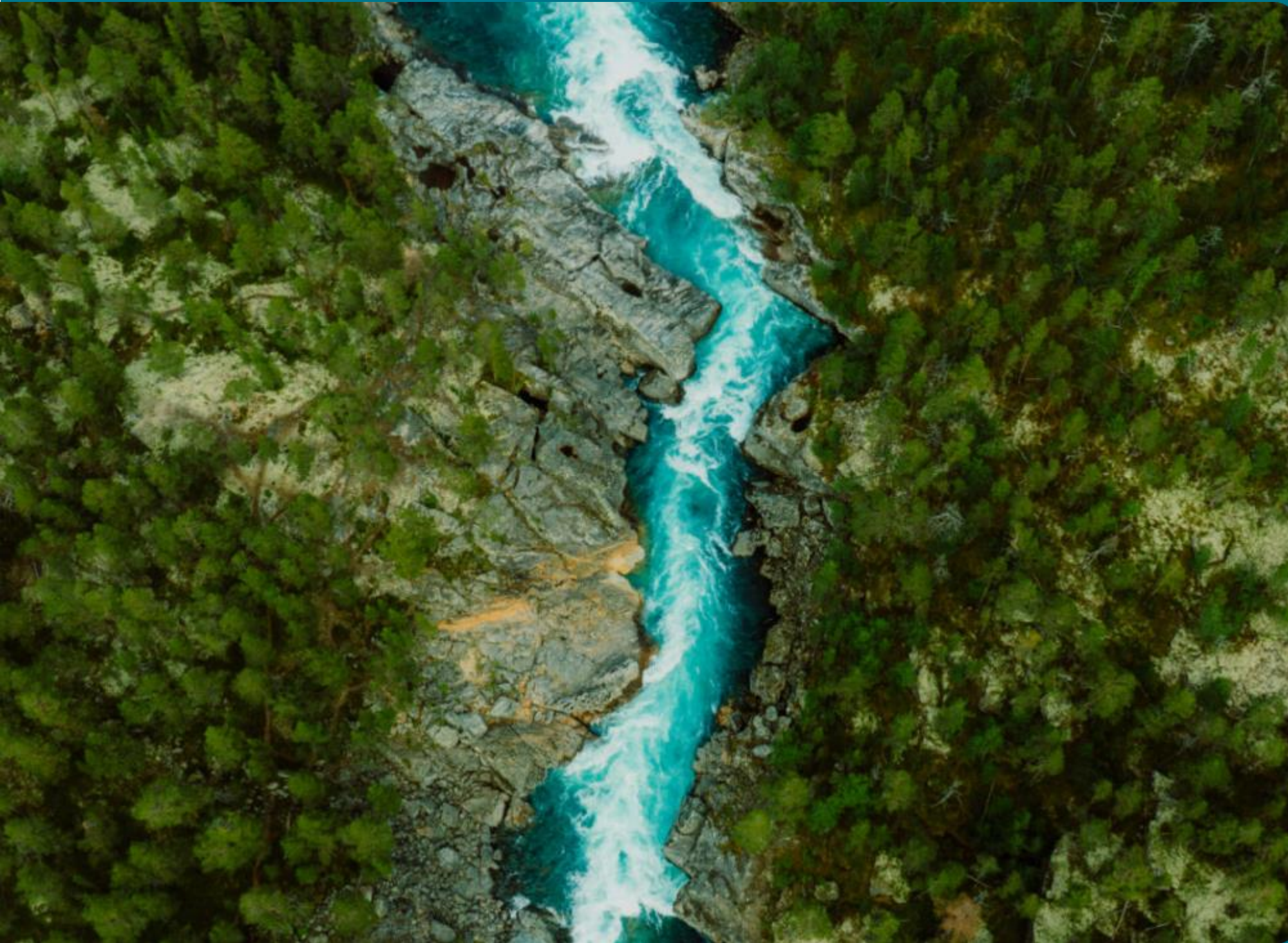
## Growth Accelerators

**01**  
AI-Based Protocols for Measurement and Size Selection

**02**  
U.S. Head-to-Head Study

**03**  
Harmonizing Label Indications





# Q&A

STAAR SURGICAL  
THIRD QUARTER  
2024 EARNINGS  
WEBCAST



# Reconciliation of Non-GAAP Financial Measures

## Net Income to Adjusted EBITDA (in 000's except for per share data)

Unaudited

	Q1-23	Q2-23	Q3-23	Q4-23	2023	Q1-24	Q2-24	Q3-24	2024 Outlook <sup>(2)</sup>
Net income (as reported)	\$2,710	\$6,064	\$4,817	\$7,756	\$21,347	\$(3,339)	\$7,379	\$9,980	\$3,800
Provision (benefit) for income taxes	\$2,009	\$2,428	\$1,929	\$5,983	\$12,349	\$1,128	\$2,955	\$3,179	\$7,600
Other (income) expense, net	\$(1,919)	\$105	\$(451)	\$(3,334)	\$(5,599)	\$(70)	\$1,564	\$(7,477)	\$(7,500)
Depreciation	\$1,113	\$1,285	\$1,345	\$1,368	\$5,111	\$1,237	\$1,522	\$1,757	\$6,000
Other	\$7	\$34	\$15	\$30	\$86	-	\$26	\$1,642	\$1,700
Stock-based compensation	\$6,065	\$8,423	\$8,846	\$182	\$23,516	\$6,339	\$9,042	\$7,160	\$30,200
Adjusted EBITDA	\$9,985	\$18,339	\$16,501	\$11,985	\$56,810	\$5,295	\$22,488	\$16,241	\$41,800
<i>Adjusted EBITDA as a % of Revenue</i>	13.6%	19.9%	20.6%	15.7%	17.6%	6.8%	22.7%	18.3%	12.2%
Net income per share, diluted- (as reported)	\$0.05	\$0.12	\$0.10	\$0.16	\$0.43	\$(0.07)	\$0.15	\$0.20	\$0.07
Provision (benefit) for income taxes	\$0.04	\$0.05	\$0.04	\$0.12	\$0.25	\$0.02	\$0.06	\$0.06	\$0.15
Other (income) expense, net	\$(0.04)	-	\$(0.01)	\$(0.07)	\$(0.11)	-	\$0.03	\$(0.15)	\$(0.14)
Depreciation	\$0.02	\$0.03	\$0.03	\$0.03	\$0.10	\$0.03	\$0.03	\$0.04	\$0.12
Other	-	-	-	-	-	-	-	\$0.03	\$0.03
Stock-based compensation	\$0.12	\$0.17	\$0.18	-	\$0.48	\$0.13	\$0.18	\$0.14	\$0.58
Adjusted EBITDA per share, diluted <sup>(1)</sup>	\$0.20	\$0.37	\$0.33	\$0.24	\$1.15	\$0.11	\$0.45	\$0.33	\$0.80
Weighted average shares outstanding - Diluted	49,500	49,516	49,370	49,242	49,427	48,907	49,811	49,737	52,000

## Additional 2024 Outlook Details

In order to reconcile Adjusted EBITDA from Net Income for our fiscal 2024 profitability Outlook, we are providing the following line item details as of October 30, 2024:

- Provision for Income Tax is expected to be \$0.3M in 4Q'24
- Expect Other Income to be approximately \$1.5M in 4Q'24
- Depreciation of approximately \$1.5M in 4Q'24
- Other \$1.6M non-cash write off related to former EVO Experience Center
- Expect stock-based compensation to be approximately \$8M in 4Q'24

# ICL Sales by Geography

(IN 000'S) UNAUDITED

	FISCAL YEAR			THREE MONTHS ENDED					
ICL Sales by Region <sup>(5)</sup>	2021	2022	2023	Jun 30, 2023	Sep 29, 2023	Dec 29, 2023	Mar 29, 2024	Jun 28, 2024	Sep 27, 2024
Americas <sup>(1)</sup>	\$14,054	\$20,114	\$22,233	\$5,954	\$5,449	\$5,264	\$6,260	\$6,794	\$6,187
EMEA <sup>(2)</sup>	\$37,343	\$36,715	\$39,318	\$9,782	\$9,253	\$10,103	\$11,299	\$10,727	\$10,333
APAC <sup>(3)</sup>	\$161,508	\$212,883	\$257,876	\$77,376	\$66,367	\$59,254	\$59,592	\$81,844	\$72,581
Global ICL Sales	\$212,905	\$269,712	\$319,427	\$93,112	\$81,069	\$74,621	\$77,151	\$99,365	\$89,101
Global ICL Sales Growth	51%	27%	18%	19%	13%	22%	9%	7%	10%
Americas ICL Sales Growth	59%	43%	11%	12%	5%	(8%)	12%	14%	14%
EMEA ICL Sales Growth	45%	(2%)	7%	(11%)	14%	18%	11%	10%	12%
APAC ICL Sales Growth	51%	32%	21%	26%	13%	26%	9%	6%	9%
Global ICL Unit Growth	48%	33%	19%	21%	14%	19%	2%	3%	6%

	FISCAL YEAR			THREE MONTHS ENDED					
ICL Sales by Country <sup>(4,5)</sup>	2021	2022	2023	Jun 30, 2023	Sep 29, 2023	Dec 29, 2023	Mar 29, 2024	Jun 28, 2024	Sep 27, 2024
China	\$107,130	\$147,967	\$185,404	\$61,288	\$48,262	\$40,813	\$38,460	\$63,345	\$51,719
Growth	50%	38%	25%	33%	14%	30%	10%	3%	7%
Japan	\$28,688	\$32,623	\$36,352	\$8,563	\$9,091	\$9,495	\$10,227	\$9,735	\$10,490
Growth	56%	14%	11%	13%	12%	16%	11%	14%	15%
South Korea	\$15,173	\$17,940	\$19,853	\$3,316	\$4,886	\$4,996	\$6,725	\$3,973	\$5,434
Growth	36%	18%	11%	(15)%	1%	39%	1%	20%	11%
United States	\$9,478	\$15,070	\$17,168	\$4,446	\$4,162	\$4,164	\$5,039	\$5,541	\$4,823
Growth	58%	59%	14%	10%	6%	(8)%	15%	25%	16%

**Notes:**

(1) Americas includes the United States, Canada and Latin American countries

(2) EMEA includes Spain, Germany, United Kingdom, European, Middle East and Africa distributors

(3) APAC includes China, Japan, South Korea, India and the rest of Asia Pacific distributors

(4) ICL Sales by country includes countries representing more than 5% of total ICL sales in the most recently completed fiscal year

(5) ICL sales do not include IOL, injector or other sales.