

STAAR Surgical



NASDAQ: STAA

www.staar.com / www.discoverevo.com

Investor Presentation | June 5, 2019



Evolution in Visual Freedom™



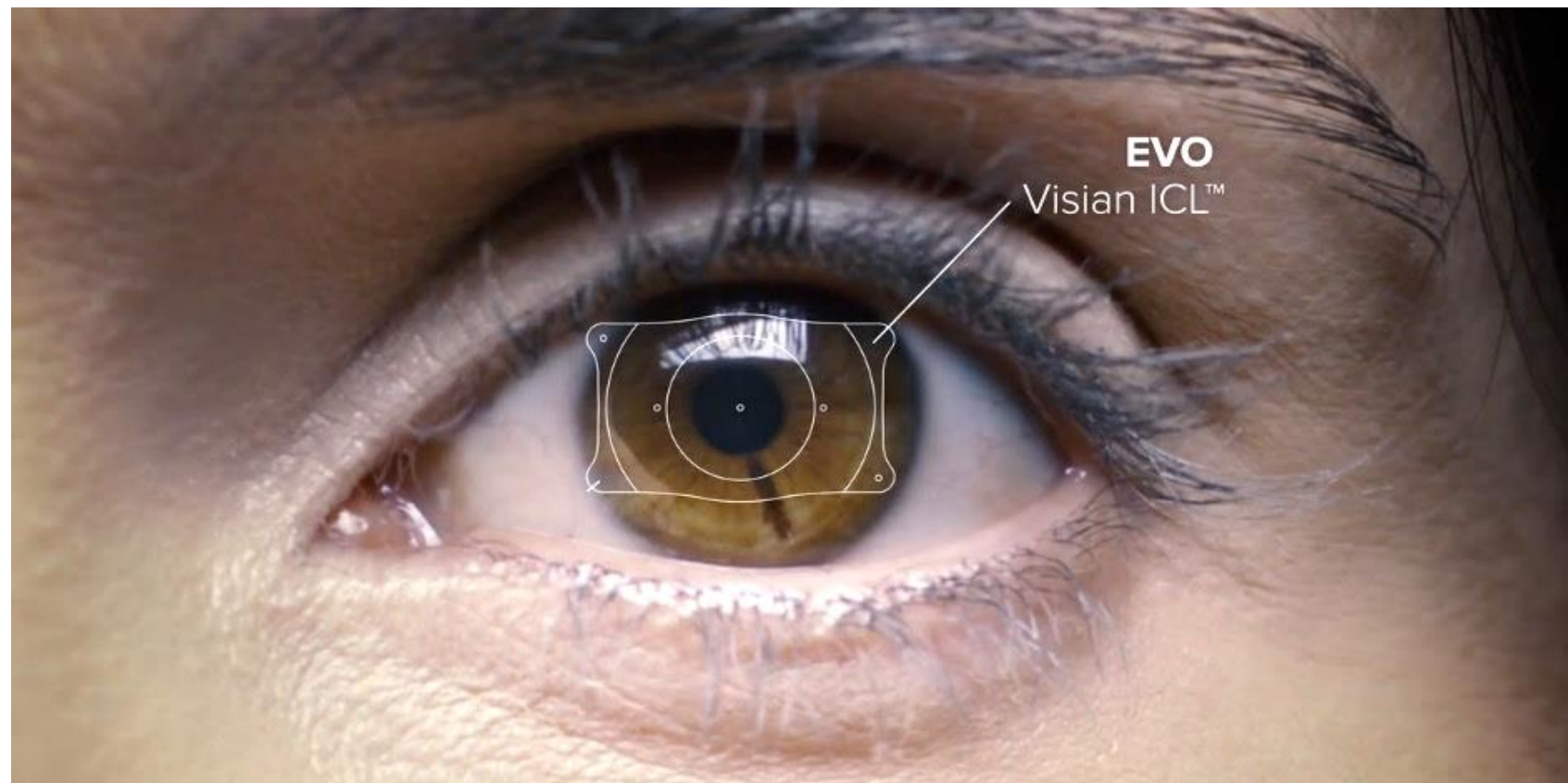
Forward Looking Statements

- All statements in this presentation that are not statements of historical fact are forward-looking statements, including statements about any of the following: any financial projections, including those relating to the plans, strategies, and objectives of management for 2019 or prospects for achieving such plans, expectations for sales, revenue, or earnings, product safety or effectiveness, and any statements of assumptions underlying any of the foregoing, including those relating to our product pipeline and market expansion activities. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are set forth in the Company's Annual Report on Form 10-K for the year ended December 28, 2018 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 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 discretion of regulatory agencies to approve or reject existing, new or improved products, or to require additional actions before approval, or to take enforcement action; potential international trade disputes; and the willingness of surgeons and patients to adopt a new or improved product and procedure.
- The Visian ICL with CentraFLOW, now known as EVO Visian ICL, is not yet approved for sale in the United States.

We Transform Lives by Providing Visual Freedom through Premium Lens-Based Surgical Correction of Refractive Error

Positioning the ICL™ as a premium and primary procedure for visual freedom

Expanding market opportunity and winning share with a pipeline of products to address myopic and presbyopic vision correction



The ICL™

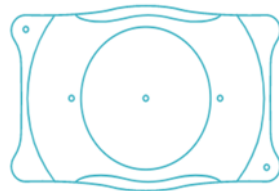
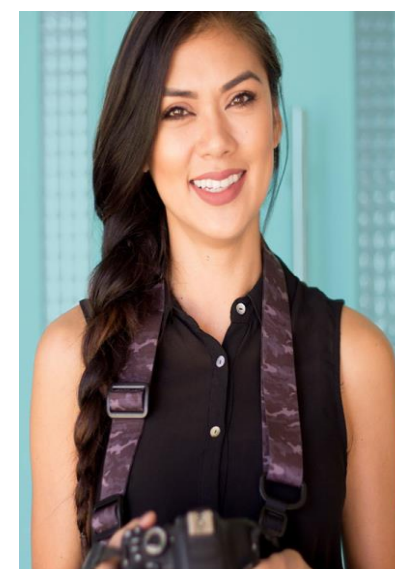
A Remarkable
Technology

 Upgradeable

 Removeable

 Eco-Friendly

99.4% of Patients
Would Elect STAAR's Implantable Collamer® Lens Again*



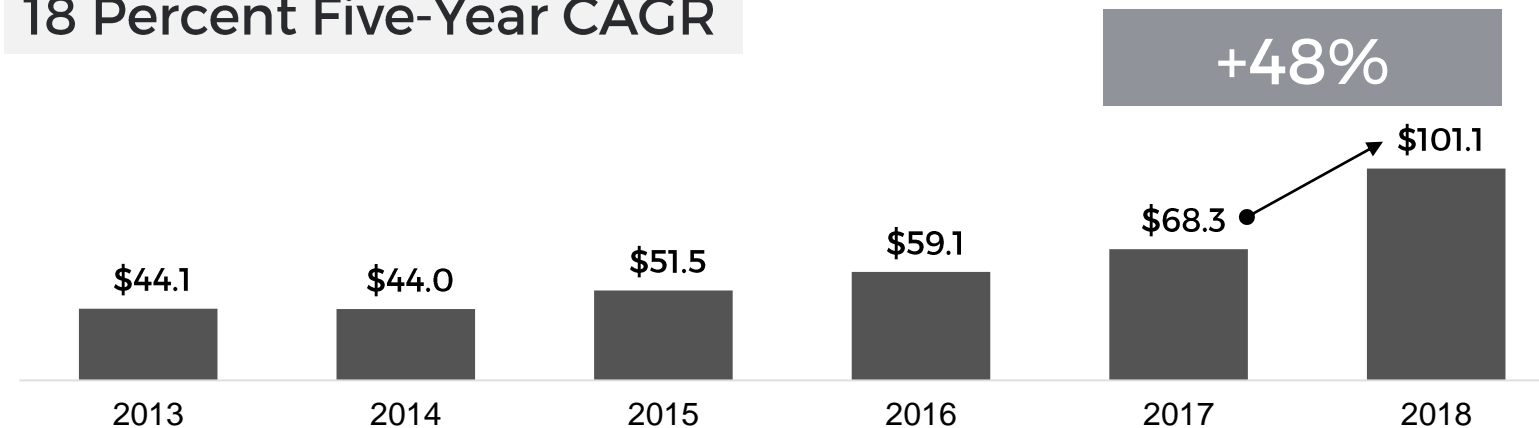
**An Evolution
in Visual Freedom™**

Financial Snapshot

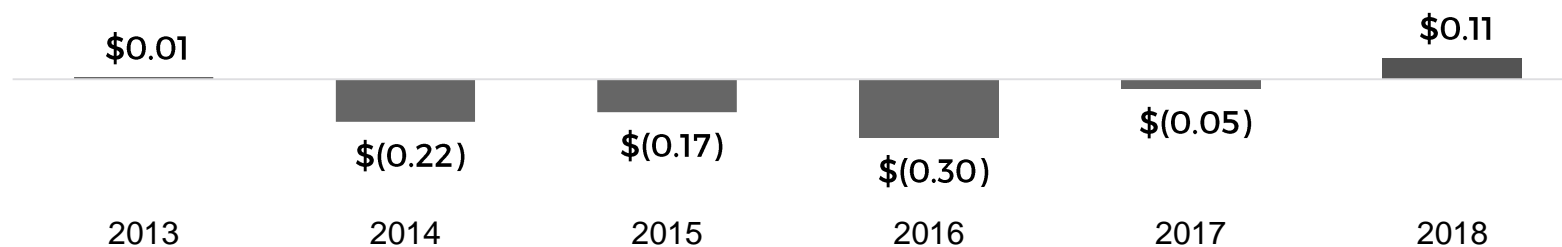
Delivering Strong Revenue Growth and Profitability

ICL Sales (\$ Millions)

18 Percent Five-Year CAGR



GAAP EPS

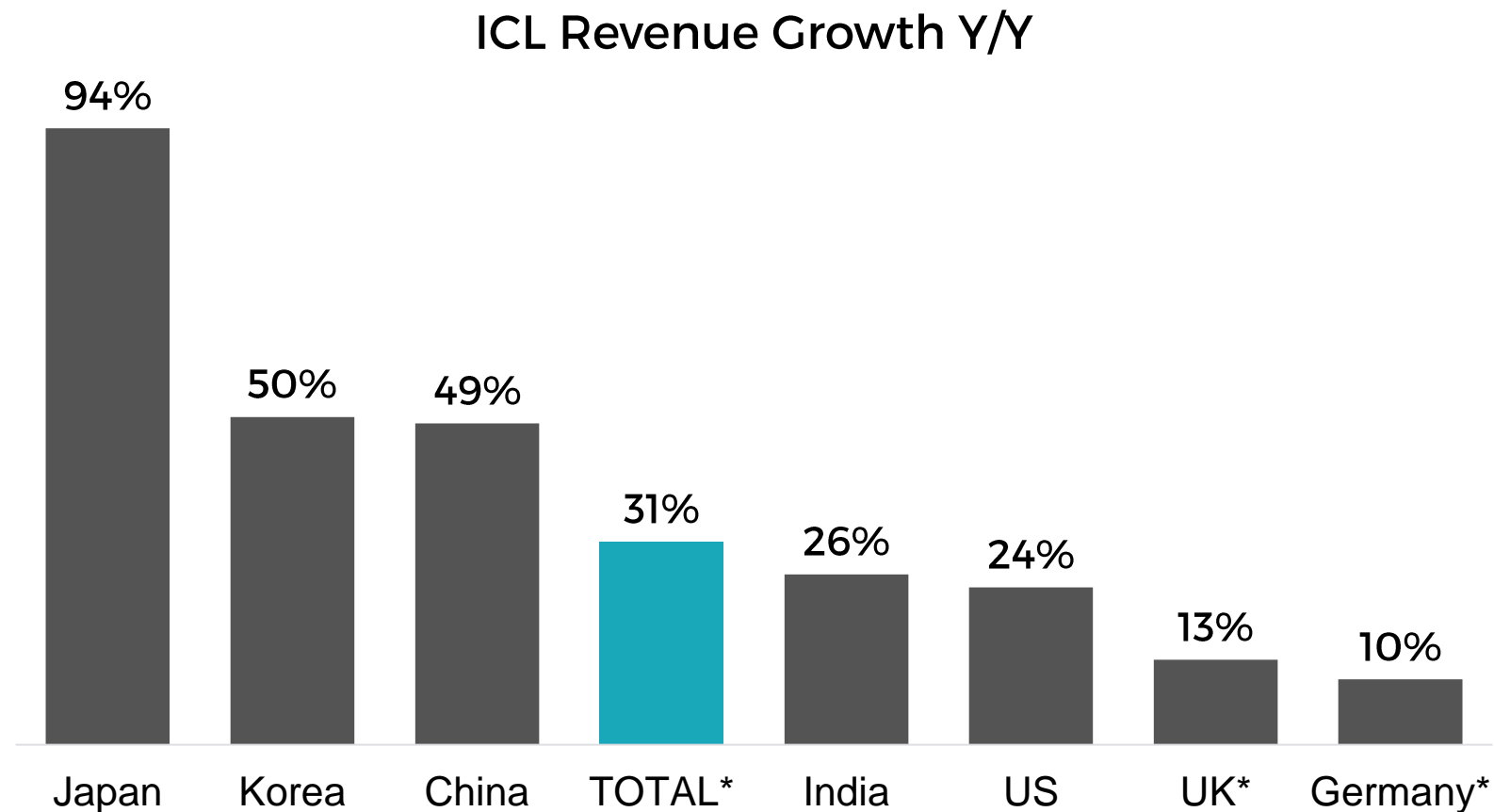


ICL™ Recent Results

Q1' 2019

Evolution in Visual Freedom™

Significant ICL Revenue Growth Across Multiple Markets...



* Constant Currency ICL Revenue Growth Y/Y for Q1'19 was +34% Total; +23% UK; and +19% Germany.

ICL™ Milestone



1 Million+ ICLs



75+ Countries

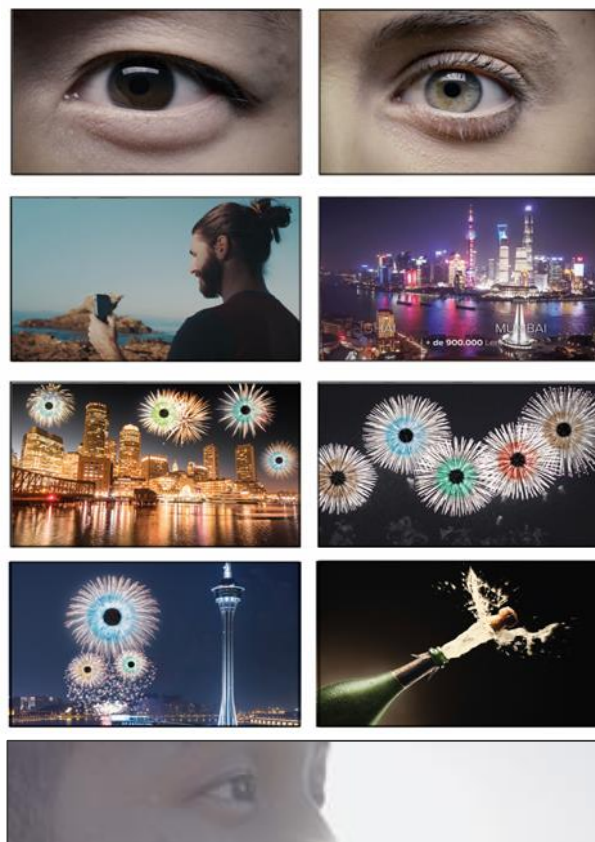


85% of Sales Mix

Evolution in Visual Freedom™

1 Million+

ICLs™ Implanted Globally



ICL™ Advantages

Quiet in the Eye



Biocompatible



No Dry Eye Syndrome



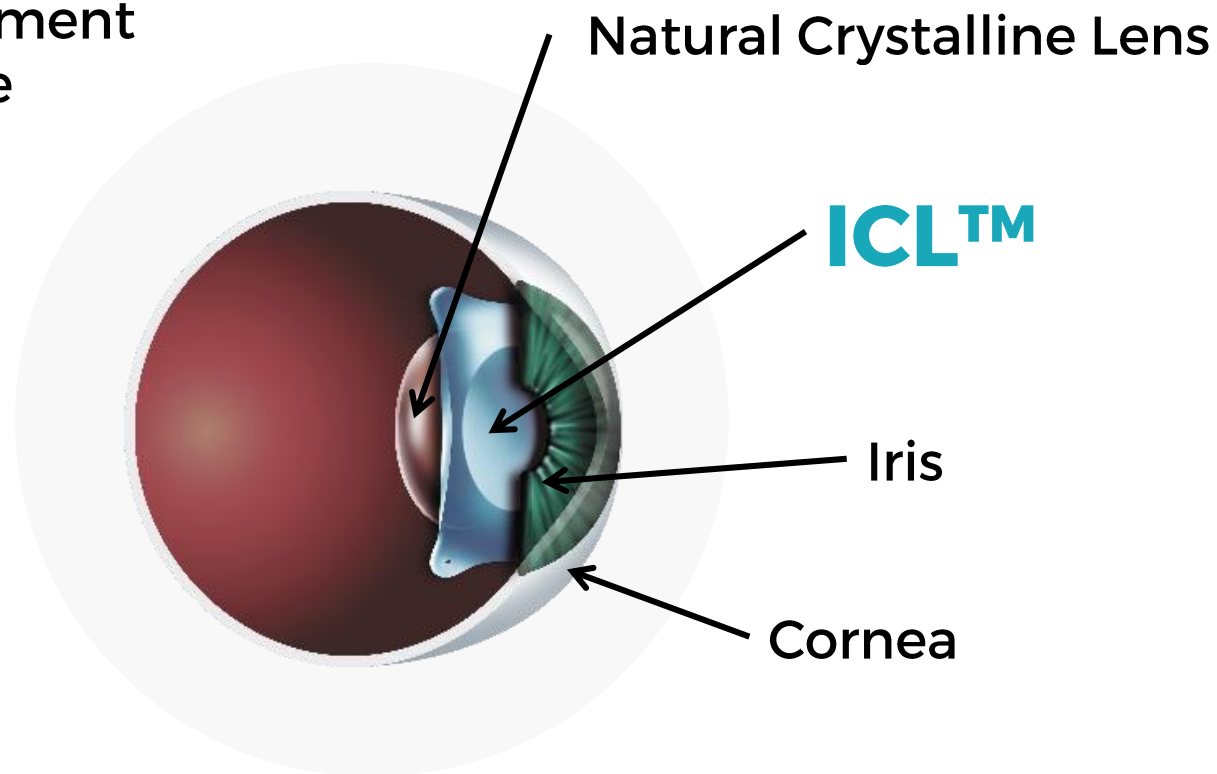
UV Protection



Excellent Night Vision

Our Exclusive Precision-Manufactured Collamer®
Lens Offers a Unique Set of Benefits...

ICL Placement
in the Eye



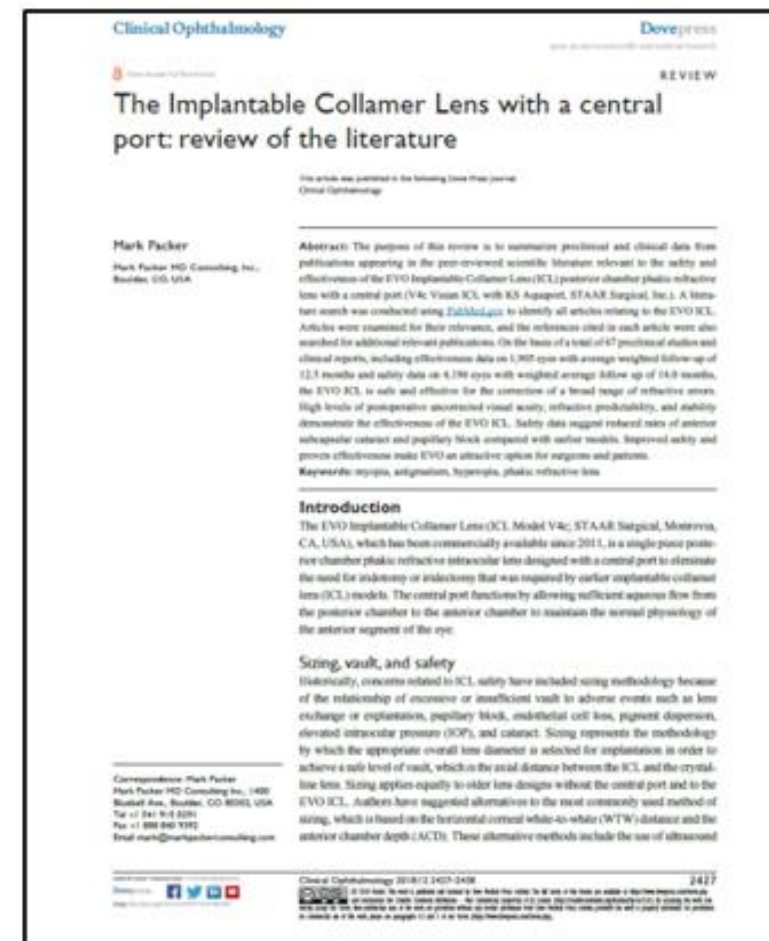
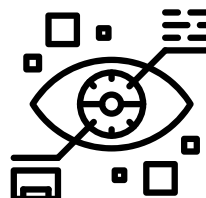
EVO ICL™

Safety and Effectiveness Outcomes Reported in Literature

"Improved safety and effectiveness across a broad range of refractive errors make EVO an attractive option for surgeons and patients."

Stellar Safety and Effectiveness of STAAR's EVO Lens...

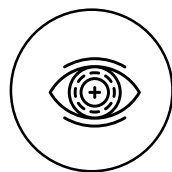
- 2018 Literature Review authored by Dr. Mark Packer is a review of **67 papers** from 10 countries*
- Review covers > **6,000 Eye** data points with up to 5 years of Follow-Up
- Outstanding outcomes for Safety and Effectiveness



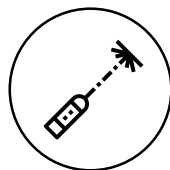
Investment Highlights

Surgeon training and consumer education and marketing regarding latest ICL technology is driving faster growth

STAAR Surgical...



...is pursuing a large vision correction market opportunity.



...is gaining market share from laser-based refractive procedures.

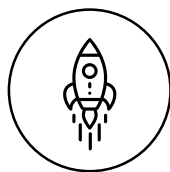


...market share gains have accelerated in recent quarters.

Investment Highlights

Surgeon training and consumer education and marketing regarding latest ICL technology is driving faster growth

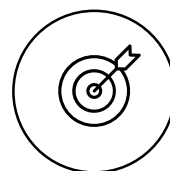
STAAR Surgical...



...gross margins have been expanding for multiple quarters enabling near-term investments for additional growth.



...sales are globally-diversified and not subject to government payer or insurance reimbursement risk.



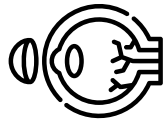


...is targeting at least **20% to 30% market share** for the ICL™.

Our Market

Refractive Error



Annual Vision Spend*	 \$48B Eyeglasses	 \$16B Contact Lenses	 \$6B Refractive
Myopia	Presbyopia	Cataracts	
Distance "Nearsightedness"	Near "Reading Glasses"	Cloudy Blurry	
Genetic and/or Environment	Age-Related ~Ages 40+	Age-Related** ~Ages 60+	
1.5 Billion People	1.7 Billion People	Very Common	
EVO Visian ICL Visian ICL (U.S.)	EVO Visian ICL with EDOF Optic in Pivotal Clinical Trial***	Piggyback Lens in Pipeline	

Evolution in Visual Freedom™

* Market Scope and Company Estimates. ** Primarily; may also present at birth; early age or from trauma. *** Multi-site European clinical trial for EVO ICL with EDOF (Presby Lens) currently underway; initially targeting CE Mark approval.

Myopia

Predicted to Impact
50% of Global
Population by 2050*



Types of Myopia Diopters of Correction

High	-10 to -20
Mid	-6 to -10
Low	-1 to -6

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A Large and Growing Market...

Environmental Influences

More screen use and near vision work; less time spent outdoors during eyes' early formative years; positive correlation between education level and myopia



EVO ICL™ Label Approved Use is **-0.50 to -20 diopters** of vision correction/reduction



ICL is becoming an **All Myopia Solution** and expanding market exponentially!



Ophthalmic societies in **Germany** and **Japan** recently expanded recommended diopter range for EVO ICL, moving lower-end to -3.0 from -6.0 Diopters

5x

Market
Opportunity
Moving Down
Diopter Curve

70M
Eyes

STAAR's
Viable
Market**

* "Ophthalmology 2016;123:1036-1042 © 2016 by the American Academy of Ophthalmology;" Myopia incidence was estimated at 1.4B people globally at time of study growing to 4.8B people by 2050 or predicted 50% of global pop. ** Viable Market adjustments based on Epidemiological Data; Distribution of Uncorrected Refractive Error by Age; Patient Ability to Pay; Proximity to Qualified Surgeon; Willingness to Undergo a Refractive Procedure; Surgeon Input.

Presbyopia

An Inability to Focus on Near Objects due to an Age-Related Loss of Lens Accommodation



Evolution in Visual Freedom™

Expanding Visual Freedom to Include Near, Intermediate and Distance Vision Correction

STAAR is in a multi-site European Pivotal Clinical Trial for a bilateral EDOF ICL that will target each eye for desired correction*



Primary Outcome Measure

Uncorrected Near Visual Acuity (UCNVA) 20/40 or Better at 40cm in 75% of Eyes



STAAR intends to seek CE Mark Approval in 31+ Countries

110M
Eyes

STAAR's Viable
Market**

- The primary study cohort has completed 6 month follow-up and STAAR is preparing submission for DEKRA's review (our European Notified Body).

** Viable Market adjustments based on Epidemiological Data; Distribution of Uncorrected Refractive Error by Age; Patient Ability to Pay; Proximity to Qualified Surgeon; Willingness to Undergo a Refractive Procedure; Surgeon Input.

Existing Market

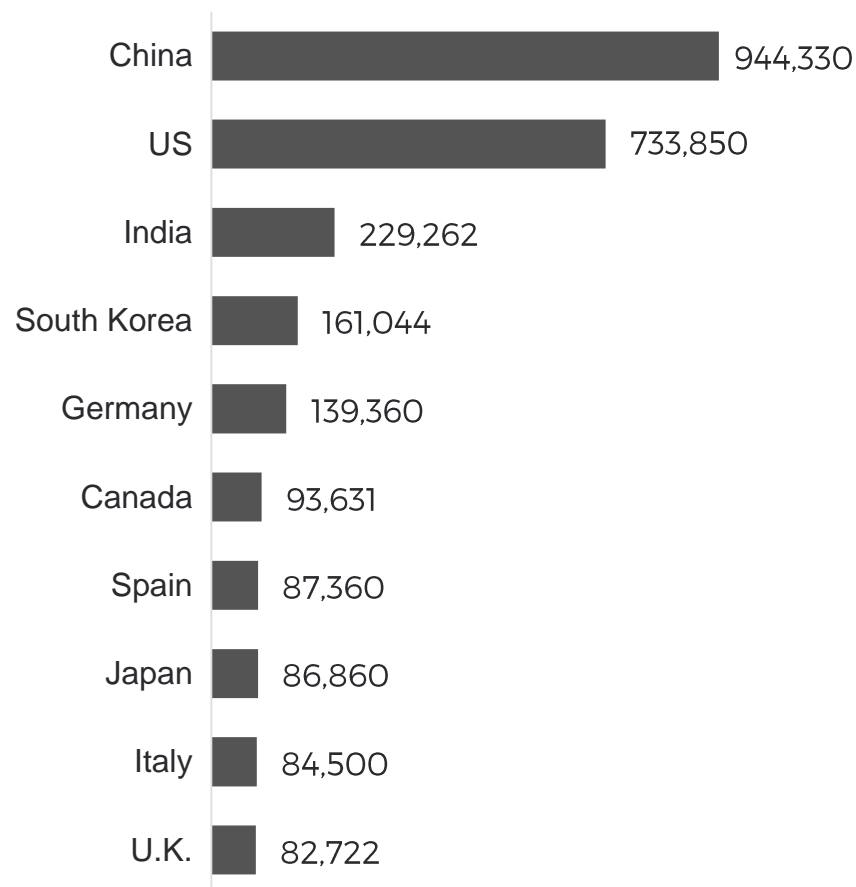
STAAR is one of the fastest growing companies in Ophthalmology

STAAR has sold more lenses since 2015 than the prior 15 years combined

Evolution in Visual Freedom™

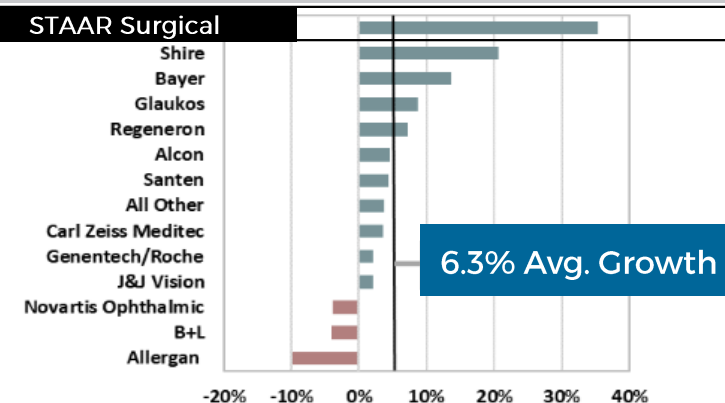
4 Million Annual Refractive Procedures Globally...

Top 10 Refractive Markets*

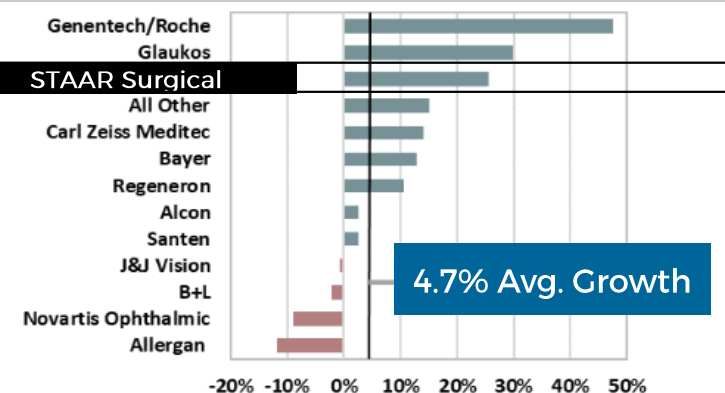


Ophthalmology Revenue Growth **

Q3' 2018 Y/Y



Q4' 2018 Y/Y



* Company internal estimates and December 2018 Market Scope Report data. ** Market Scope Data

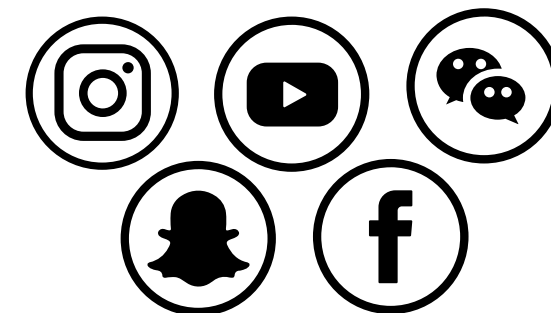
Global Consumer Marketing

Display, SEO/SEM in High Potential & Focus Markets

Consumer Advertising & Social Media Campaigns

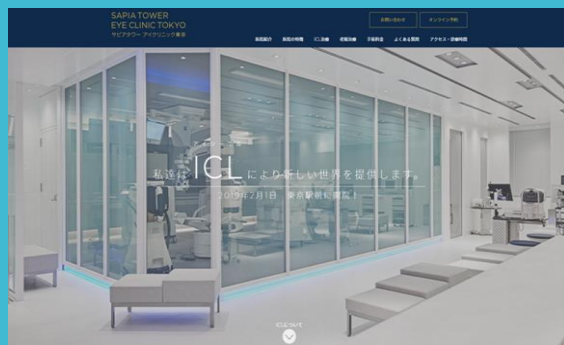
Generate "Peer to Peer" Brand Desirability

Increasing EVO Visian ICL Brand Awareness, Desirability, Conversion and Activating Influencer Communications for Key Markets...



The ICL™ Paradigm Change

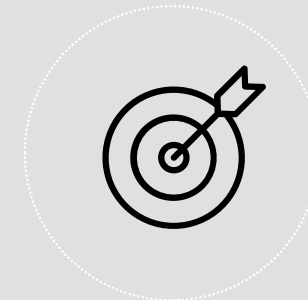
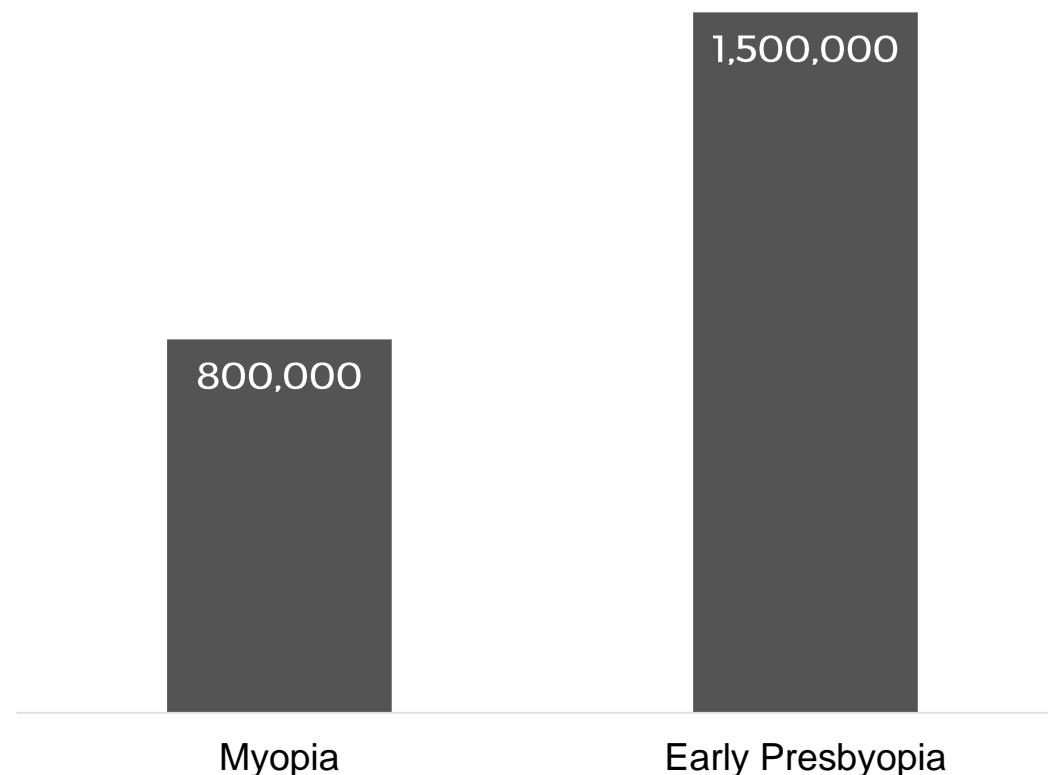
Significant Visual Freedom Market Opportunity for Premium Refractive Procedures with EVO



ICL Only Clinic in Tokyo, Japan

Evolution in Visual Freedom™

In the Near-to-Medium Term STAAR is targeting 2.3 million eyes annually, which would represent an annual revenue opportunity > \$1 Billion *



TARGET
At least
20-30%+
Market Share

* Company internal estimates updated October 31, 2018; FY18 Revenue was approximately \$124 million.

Financial Overview

Business Results, Outlook and Execution

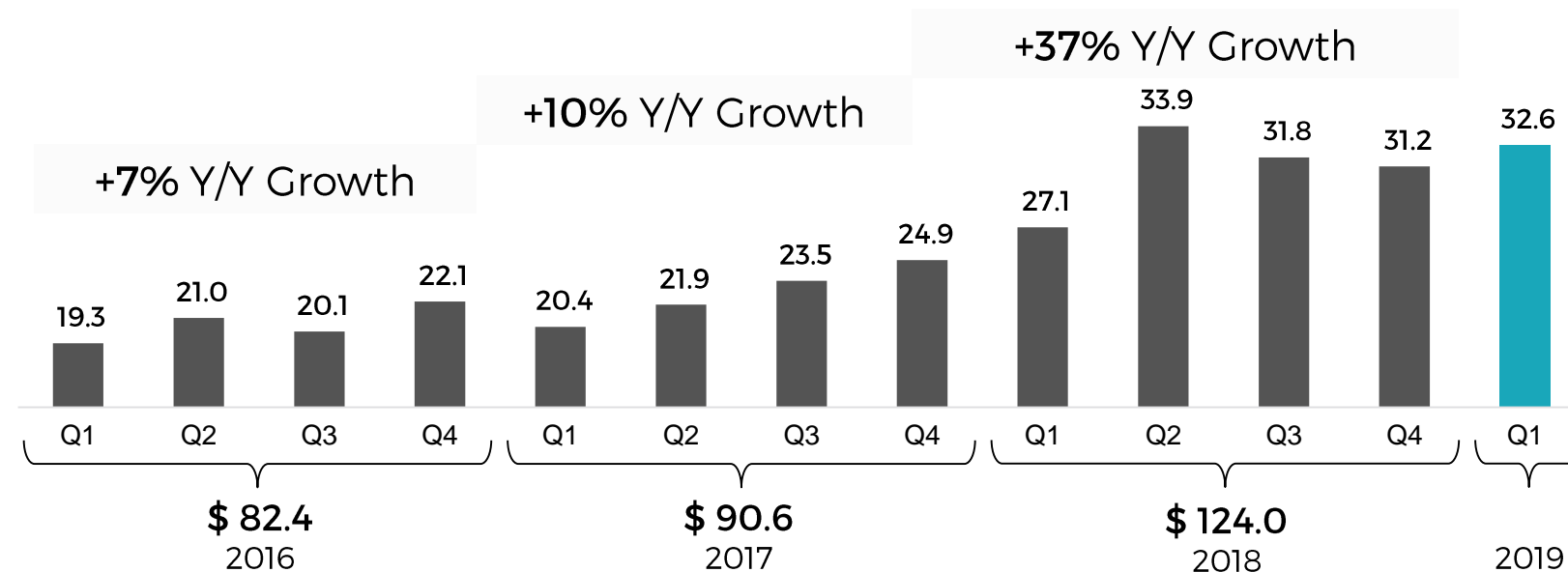
Business Results

2016 – Q1' 2019
As Reported

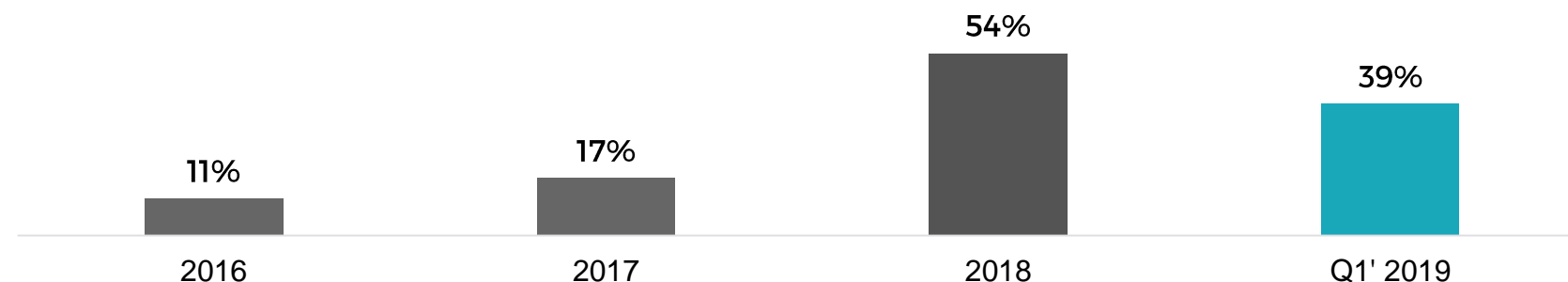
Volume Increases Fuel Future Growth

- Nidau Production
- Presbyopia Clinicals
- Presbyopia Production
- Commercial Buildout
- Digital Marketing
- Surgeon Support
- Patient Outreach

Revenue (\$ Millions)



ICL Unit Growth Y/Y



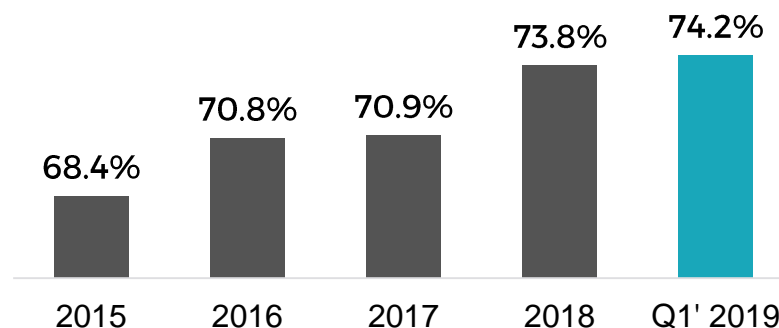
Business Results

2015 – Q1' 2019
As Reported

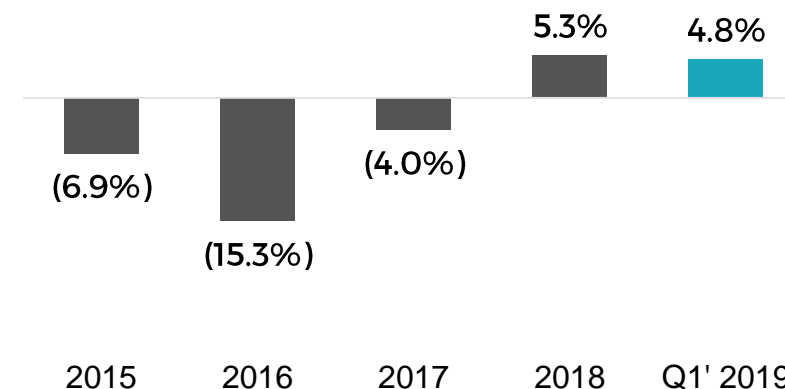
Potential Investments

- Automation
- Precision Manufacturing
- R&D
- IT Systems
- Working Capital

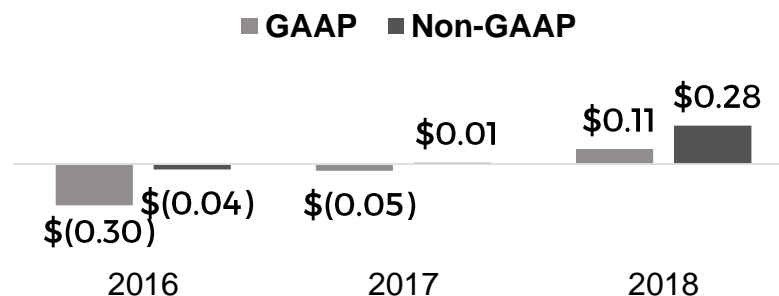
Gross Margin



Operating Margin



Earnings Per Share



Q1' 2019: \$0.03 GAAP and \$0.09 Non-GAAP

Balance Sheet

\$102.2 Million
Cash, Cash Equivalents
and Restricted Cash at
March 29, 2019

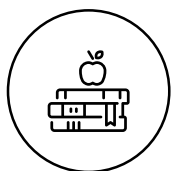
Business Outlook & Recent Execution

Meeting or Exceeding Our Targets		
	2019 Outlook Y/Y*	Q1' 2019 Execution
Revenue Growth	20 Percent	20 Percent Y/Y reported 23 Percent Y/Y adjusting for FX
ICL Unit Growth	30 Percent	39 Percent Y/Y Japan up 86%; Korea up 62%; China up 56%; Germany up 27%; India up 23%
GAAP Net Income	Increase GAAP Net Income	\$0.03 per share compared to \$0.01 per share year ago
Cash Flow	Achieve Positive Cash Flow	Generated \$0.7 million of Cash
Cash Balance	Increase Cash Balance	\$102.2 Million

Growth Drivers



Continued ICL market penetration globally; market share gains in Mid-to-low diopter (-1 to -10) lenses (moving down the diopter curve) expands STAAR's opportunity.



Increasing investment in surgeon training, DTC marketing and patient education.



EVO with EDOF (Presby Lens) in CE Mark Countries; a bilateral intraocular custom solution for Presby treatment in pivotal clinical trial.

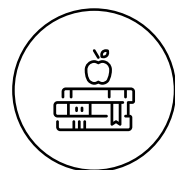
Growth Drivers



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EVO in the U.S. represents significant opportunity for the ICL in the 2nd largest global market. Discussions ongoing.*



Strategic cooperation agreements and alliances with global partners drives base business growth.



Increasing number of clinical studies, already 100+, support ICL safety, efficacy and advantages.

* As previously disclosed, STAAR has been in interactive review with the FDA since Q4' 2018 re: STAAR's supplemental PMA for the EVO Visian ICL in the U.S. Last week we engaged in a meeting with the FDA to continue our discussions and to address the FDA's status letter sent to us on May 2, 2019. We will communicate any agreed-upon next steps for approval after determined, appropriate and permitted.

Three Year Plan 2018 - 2020

**Due to Extraordinary Growth,
STAAR will Reset 3-Year Plan One Year Early... November 2019**

**Millions
of Eyes**
“Millions of Eyes”
Global
Opportunity –
Myopia and
Presbyopia

**Revenue
Growth**
20% Annual
Revenue Growth
Goal

**Profitability
Targets**
Targeting
Achievement of
Sustained
Profitability

**Margin
Expansion**
Gross Margin
Improvement &
Cash Generation
Growth
Continues

**Product
Expansion**
EVO ICL Product
Family Expansion
– Myopia and
Presbyopia EDOF

**Global
Partners**
Growing Global
Partners –
Strategic
Agreements
Secure Base



Thank You!



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 STAARSURGICAL™