



ASX/MEDIA RELEASE

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SIRTEX RESETS BUSINESS WITH WRITE OFF OF INTANGIBLES AND RESTRUCTURE

- **Intangible clinical and R&D assets written off in non-cash (pre-tax) impairment charge of approximately \$90 million in 2HFY17, removes future amortisation**
- **Business performing within guidance, FY17 dose sales unit growth of approximately 5.5%, underlying constant currency EBITDA¹ to be approximately \$72 million before one-off items**
- **Staff to be reduced approximately 15% with restructuring provision (pre-tax) of \$5.3 million in 2HFY17**
- **Sirtex now better structured to capitalise on growth opportunities in its core business globally**

Sydney, Australia

Sirtex Medical Limited (ASX:SRX) today provides an update to the market of anticipated full year dose sales growth and underlying constant currency EBITDA performance, along with a non-cash write off of clinical and R&D assets and an organisational restructure resulting in a provision for costs related to reducing staff numbers.

These measures are intended to reset Sirtex's profitable core business for further global expansion.

Mr Andrew McLean, Chief Executive Officer of Sirtex, said financial results supported the long-term growth potential of core operations, while at the same time it was important to take additional steps to improve the underlying profitability of the business.

"Sirtex's core business, based on selective internal radiation therapy (SIRT) with targeted doses of SIR-Spheres® Y-90 resin microspheres into the liver is clinically proven technology with regulatory approvals across key global markets, which produces positive outcomes for patients with liver cancer. Our goal is to achieve expanded use within our existing markets which covers over 40 countries globally and gaining utilisation in new geographies", Mr McLean said.

Mr McLean continued "While the reduction in headcount across a number of business functions is regrettable, it must be noted that these structural changes in the business are designed to optimise the way we engage with our key clinician stakeholders and more effectively target new users, while ensuring as many patients receive our innovative therapy through new or expanded reimbursement."

FY17 Trading Update

Worldwide dose sales of approximately 12,590 were 5.5% higher compared with FY16, with underlying constant currency EBITDA anticipated at approximately \$72 million; both within previous guidance.

Across our three regions, FY17 approximate dose sales growth in the Americas is expected to be 4.7%, with EMEA growth of 5.9% and 11.3% for the APAC region.

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Sales from the Americas, which represents 70% of dose sales, have not grown as fast as expected. As previously announced, actions commenced in May to reset the foundations in that region and this restructure is a continuation of actions designed to enhance future sales growth.

Clinical and R&D Asset Impairment

The Board has assessed the carrying value of SIRFLOX/FOXFIRE/FOXFIRE Global studies in metastatic colorectal cancer (mCRC) and the SARAH/SIRveNIB studies in hepatocellular carcinoma (HCC) following data release and presentation at major oncology conferences, noting in all instances the primary endpoint was not met.

As a result, the Board has decided to impair the entire carrying value of those assets and the SORAMIC study, representing an estimated pre-tax, one-off, non-cash impairment charge of approximately \$90 million in 2HFY17.

Organisational Restructure

Following results of recent clinical studies, an extensive review of the business was undertaken to identify areas where greater efficiencies could be implemented.

From an initial reduction of \$7 million related to R&D and administration identified in February, Sirtex is eliminating resource inefficiencies and focusing on the core business, which will result in headcount reductions of approximately 15% and a pre-tax restructuring charge of approximately \$5.3 million.

Restructuring costs are principally related to provisioning for the costs of employee redundancy payments predominately in the clinical, R&D and global sales & marketing functions.

Key Management Personnel Announcement

Sirtex's Chief Medical Officer, Dr David Cade, has decided to take on a new opportunity. Sirtex thanks him for 14 years of service, and wishes him well. Dr Cade will transition out of the business over the next three months and a search for a replacement will commence immediately.

Initiatives to Drive Growth

In focusing on an efficient core business that is more effective in targeting new and existing clinicians and their patients, the Company will be better positioned to grow within its under-penetrated salvage market.

Sirtex considers the salvage liver cancer opportunity across existing markets within which Sirtex operates is 184,000 patients per annum².

There is additional scope to expand into Japan, China and to grow our presence in several South American markets.

An immediate priority is to finalise a submission for expanded coverage with the FDA during 1HFY18.

Sirtex will report its 2017 financial results on 23 August.

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About Sirtex Medical, www.sirtex.com

Sirtex Medical Limited (ASX:SRX) is an Australian based medical device company with global market coverage. Its core revenue producing technology, which has regulatory approvals, is a selective internal radiation therapy (SIRT), with clinically proven applications for liver cancer with over 73,000 doses supplied and administered at 1,060 medical centres in more than 40 countries.

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¹ Constant currency underlying EBITDA was applied by restating full year FY17 expectations with the full year FY16 average rates: Full Year: AUD/USD – 0.724, AUD/EUR – 0.656, AUD/SGD – 1.012. A determination of the constant currency effect for EBITDA has not been subject to external review or audit or prepared in accordance with Australian Accounting Standards, IFRS or the Corporations Act 2001. Constant currency provides one measure of comparability between the periods. Underlying EBITDA excludes asset impairments and restructuring provisions.

² ASX Sirtex Release: 2nd March 2017