

ASX RELEASE

Ellex Medical Lasers Limited (ASX:ELX)

Adelaide, Australia

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Topic: Additional Financial Information on Segment Results for the half year ended 31 December 2017



Adelaide, Australia 9 March 2018 – Ellex Medical Lasers Limited (ASX:ELX), a global leader in medical devices for the diagnosis and treatment of eye disease, today provided detailed information on the profit and loss for each business segment. This provides investors with greater understanding of the investment being made in Ellex iTrack™ sales and marketing and the impact on the financial results. This information is attached and can be read in conjunction with the consolidated financial results for the half year ended 31 December 2017 issued on 27 February 2018.

ABOUT ELLEX

Ellex designs, develops, manufactures and sells innovative products that help eye surgeons around the world to effectively and efficiently treat eye disease. Ellex is a world leader in this field. Headquartered in Adelaide, Australia, Ellex has ophthalmic lasers and devices that treat glaucoma, retinal disease primarily caused by diabetes, secondary cataract and vitreous opacities, as well as age-related macular degeneration. Manufacturing is carried out in Adelaide, Australia and Fremont, California. Sales and service directly to eye surgeons is conducted via subsidiary offices in Fremont, Minneapolis, Lyon, Berlin and Tokyo. A network of more than 50 distribution partners around the world services other markets.

For additional information about Ellex and its products, please visit www.ellex.com

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Ellex Detailed Profit and Loss by Segment (H1FY18)

	A\$'000's				
	CLU	iTrack	2RT	Corporate	Total
Revenue	32,825	5,221	197	-	38,243
Other Income	-	-	-	143	143
Changes in inventories of finished goods and work in progress	(1,328)	473	(70)	-	(925)
Raw materials and consumables used	(14,203)	(1,892)	(9)	-	(16,004)
	17,299	3,802	118		
Gross margin related % ⁽¹⁾	53%	73%	60%		
Employee benefits expense	(9,250)	(3,411)	(55)	(963)	(13,679)
Depreciation and amortization expense	(1,219)	(476)	(9)	-	(1,704)
Facilities expense	(928)	(152)	(6)	-	(1,086)
Legal expenses	-	-	-	(84)	(84)
Advertising, marketing and congress expense	(1,474)	(749)	(261)	-	(2,484)
Finance costs	-	-	-	(185)	(185)
Implied interest for deferred consideration for iTrack acquisition	-	-	-	-	-
Product development raw materials and consumables used	(449)	-	(3)	-	(452)
Realised foreign exchange (loss)/gain	(227)	7	(1)	-	(221)
Other expenses	(1,597)	(1,685)	(206)	(779)	(4,267)
(Loss)/profit before tax	2,251	(2,664)	(423)	(1,871)	(2,705)

(1) In accordance with reporting in previous years this ratio is highlighted as a proxy for gross margin as it does not include cost of production labour which is shown in employee benefits



Ellex Detailed Profit and Loss by Segment (H1FY17)

	A\$'000's				
	CLU	iTrack	2RT	Corporate	Total
Revenue	30,386	3,637	236	-	34,259
Other Income	-	296	-	383	679
Changes in inventories of finished goods and work in progress	4,375	(165)	486	-	4,696
Raw materials and consumables used	(17,370)	(938)	(573)	-	(18,881)
	17,391	2,534	149		
Gross margin related % ⁽¹⁾	57%	70%	63%		
Employee benefits expense	(8,257)	(1,869)	(64)	(1,139)	(11,329)
Depreciation and amortization expense	(1,010)	(389)	(7)	-	(1,406)
Facilities expense	(880)	(80)	(7)	-	(967)
Legal expenses	-	-	-	(100)	(100)
Advertising, marketing and congress expense	(1,538)	(158)	(260)	-	(1,956)
Finance costs	-	-	-	(157)	(157)
Implied interest for deferred consideration for iTrack acquisition	-	(68)	-	-	(68)
Product development raw materials and consumables used	(532)	-	(4)	-	(536)
Realised foreign exchange (loss)/gain	220	(20)	2	-	202
Other expenses	(2,090)	(156)	(215)	(451)	(2,914)
(Loss)/profit before tax	3,304	88	(406)	(1,464)	1,522

(1) In accordance with reporting in previous years this ratio is highlighted as a proxy for gross margin as it does not include cost of production labour which is shown in employee benefits

