

Welsh med tech firm posts big revenue rise following £33m fundraise

One of Wales' leading medical device companies, Creo Medical, has reported a sharp rise in revenues for the first half of its financial year following strong trading and new tech launches. The Chepstow-based Alternative Investment Market-listed firm, which is focused on the emerging field of surgical endoscopy, posted revenues of £15.7m in its latest interim results for the six months to the end of June 2023.

This was £2.1m (15%) more than the same period a year earlier (H1 2022: £13.6m), which Creo said was driven by a sharp increase in its core technology alongside growth in its endotherapy consumable business. Revenue generated from its core products stood at £0.9m in the first half of 2023, this was equal to revenue made during the entire of 2022 (H1 2022: £0.5m; H2 2022: £0.4m). Cash and cash equivalents were up at £26.5m from £26.1m in June 2022.

The firm said "considerable strides" had been made in all areas of the business, particularly following the launch of its slimmer Speedboat Inject device in late 2022. The results follow Creo's successful oversubscribed fundraise in March 2023, which saw it raise over £33m following two share offerings, as it looks to fund its continued global expansion.

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In January, Proactive research analyst John Savin put a £100m valuation on Creo Medical in a research note on the group but added that the company could be worth up to between £200-£250m.

Creo chief executive Craig Gulliford said: “The past six months have been hugely significant for Creo. We continue to be at the forefront of a paradigm shift, introducing advanced energy to endoscopy in new markets and procedures – facilitating an array of benefits to patients, clinicians and healthcare providers. This, combined with an increased focus on business efficiencies, is solidifying Creo as a platform for growth.

“Attracting the necessary funding earlier in 2023 was clearly an important moment in our push towards our goal of being cash flow break even during FY2025. I reiterate my thanks to all shareholders, new and old, for their continued support.

“The rapid pace of adoption of Creo’s technology, and the global recognition it is achieving, has been a particular highlight for me. From India to the US, Spain to Singapore; patients from around the world are benefitting from our unique technology, with the body of data supporting the clinical and commercial benefits growing quickly as a result.

“A slimmer Speedboat Inject device, MicroBlate Flex trial, NICE recognition and quicker adoption of the technology have all been milestones we’ve been working towards for some time. To see them begin to bear fruit is testament to the relentless hard work across the business over the past years.

“With our Kamaptive partnership work continuing to show real promise and our Endotherapy range of consumable products now available in markets beyond Europe, we are confident of building on the momentum generated.”

In a note, corporate broker Cavendish said: “We believe Creo Medical is undergoing a significant inflection point in its development, with an increasing number of core Creo device users undertaking procedures on a regular basis, two Kamaptive licensing agreements announced and regional expansion of its consumables business underway. With the near-term cash

concerns resolved, we expect the shares to perform strongly.”

Numis said: “Creo has delivered solid revenue growth in H1 and is on track to meet market expectations for the year. Adoption of Creo’s core Speedboat technology have accelerated across the globe with strong growth in users, utilisation rates and the capacity to train new clinicians. Sales growth of Consumables have accelerated benefiting from strong commercial execution and increasing market demand for less invasive endoscopic technologies. Clinical work supporting robotics partnerships has continued with milestones expected in H2 with broader licensing discussions ongoing. The shares trade on 3x EV/Sales and remain very good value in our view.”

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