Creo Medical

H125 trading update

H1 momentum underpins FY25 confidence

Healthcare

22 July 2025

Creo Medical's H125 trading update delivered early results from the company's streamlined focus on its core technology franchise and cost optimisation, following a strategic review in H224. Core technology revenues grew c 40% y-o-y to £2.2m (£1.6m in H124), driven by growing traction from Speedboat UltraSlim, with further support from the launches of SpydrBlade Flex and Speedboat Notch. Cost efficiency measures introduced in FY24, reflected in the leaner cost base, with the operating loss nearly halving to £6.9m (£12.1m in H124), substantially delivering on the £5m cost savings targeted for FY25. Management has maintained its guidance of 40–60% revenue growth in FY25, with performance to be H2 weighted. With its gross cash balance of £20.5m at end-H125, we continue to see the company funded to break even in 2028. We maintain our estimates pending release of the full H125 accounts in September.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	P/E (x)	Yield (%)
12/23	4.0	(25.0)	(0.07)	N/A	N/A
12/24	4.0	(27.7)	(0.07)	N/A	N/A
12/25e	6.1	(14.8)	(0.04)	N/A	N/A
12/26e	10.3	(7.8)	(0.01)	N/A	N/A

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

H125 was a period of consolidation for Creo Medical following the strategic business review and cost savings implemented in H224. Operationally, the revenue growth of c 40% in H125 was in line with the full-year target of 40–60% growth. Management has maintained its full-year guidance (£5.6–6.4m in core revenues vs £4m in FY24), which we believe is achievable if market rollout and uptake stay on track. Another key performance highlight was the cost savings reported in H125 – operating costs decreased by £3.7m to £9.1m (H124: £12.8m) – materially delivering the full-year target of £5m in the first half. Management also noted that the performance of Creo Medical Europe (51% stake divested in Q125) is tracking above management's expectations (c 20% EBITDA margin), which should provide further bottom-line support in the form of income/dividends from associates.

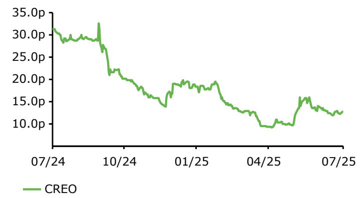
The period was also positive for Creo from a regulatory standpoint, with the 510(k) FDA clearance for SpydrBlade Flex in June 2025 and the American Medical Association's approval of two new Category I reimbursement codes for upper and lower gastrointestinal (GI) endoscopic submucosal dissection procedures. We expect this to enhance procedural accessibility and broaden potential patient coverage for minimally invasive GI lesion removal, which should support the uptake of Creo's new-generation electrosurgical devices.

Looking ahead, Creo expects to bring additional sites on board for MicroBlate Flex in H225. Management has indicated that commercial sales have begun from the initial sites, with others expected to be monetised in due course. The company recently treated its first patient in a post-market multi-centre clinical study evaluating MicroBlate Flex in the treatment of lung tumours. We expect these sales to support top-line traction in the medium term.

Creo ended H125 with gross cash of £20.5m with further support expected from the £1.75m in proceeds from the partial divestiture of its Chepstow site. With these funds in hand, Creo is funded to profitability in 2028, in our view.

Price	**13.00p**
Market cap	**£54m**
Gross cash/(debt) at 30 June 2025	£20.5m
Shares in issue	412.5m
Code	CREO
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



Business description

Creo Medical is a UK-based healthcare company focused on the development and commercialisation of minimally invasive electrosurgical devices. It has six products in the flagship CROMA platform, all of which have been CE marked and cleared by the FDA. Licensing opportunities for its Kamaptive IP (current partnerships with major robotics players Intuitive Surgical and CMR Surgical) offer further monetisation opportunities. In February 2025, Creo completed the divestment of a 51% stake in its consumables business to Chinese market leader Micro-Tech.

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