

Creo Medical

New NHS client win for CROMA technology

In an encouraging development, Creo Medical has announced that Royal Oldham Hospital (UK) has become the latest NHS facility to sign up for its proprietary CROMA technology platform, Speedboat Inject (its flagship electrosurgical device) and related endotherapy products. Besides ordering several CROMA boxes and electrosurgical and associated devices to be used in submucosal dissection (SD) procedures, the hospital has shared its weekly list for planned Speedboat-assisted procedures, signalling ongoing commitment to Creo's products and providing further validation of its platform and pipeline. The agreement indicates growing traction and acceptance of Speedboat Inject, which we expect to create further high-volume opportunities from other large network hospitals. With expansion of the Speedboat Inject user base (with an emphasis on training enrolment) being a strategic priority for FY23, we see this development as a step in the right direction.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
12/21	25.2	(29.7)	(14.6)	0.0	N/A	N/A
12/22	27.2	(31.0)	(14.9)	0.0	N/A	N/A
12/23e	32.8	(24.3)	(6.3)	0.0	N/A	N/A
12/24e	40.8	(14.8)	(3.6)	0.0	N/A	N/A

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

The order from Royal Oldham Hospital comes after three doctors at the hospital enrolled in Creo's Pioneer training programme, successfully performed their first in-hospital SD procedures using Speedboat Inject in April 2023. This has since been followed by more than a dozen additional procedures. In addition, the hospital shared its weekly list of planned Speedboat-assisted dissection cases to indicate the quantum of upcoming orders for the device and associated equipment to support the medical procedures. Based on the hospital's initial response, Creo expects it be a high usage site for its products. The Royal Oldham Hospital is the 23rd NHS England healthcare unit to adopt Speedboat Inject in its procedures, with 12 of the healthcare units being high-volume users. The company estimates that its target base for the Speedboat range of products is more than 350 hospitals in the UK.

For Royal Oldham Hospital, management estimates savings of up to £10k per procedure compared to surgical alternatives and believes that the CROMA technique reduces the chances of recurrence post lesion removal from 15% to 1%, helping the prevention, early detection and treatment of bowel cancer.

The client win also demonstrates the effectiveness of Creo's Pioneer training programme. The c 1,500 procedures performed to date and 487 potential users under its clinical training programme indicate a favourable user response for the device and the near-term sales potential. With increased investment in training and mentoring capability, Creo plans to continue its emphasis on the Pioneer programme to sustain momentum. The company nearly doubled the number of training centres in FY22, resulting in similar growth in the number of physicians on its training programme (450 in FY22 vs 230 in FY21).

Collaboration update

Healthcare equipment and services

22 May 2023

Price 24.25p
Market cap £85m

Pro forma net cash (£m) at 31 December 2022 (includes £32m fund-raise in Q123) 33.4

Shares in issue 350.9m

Free float 87.8%

Code CREO

Primary exchange AIM

Secondary exchange N/A

Share price performance



Business description

Creo Medical is a UK-based healthcare company focusing 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 four of which have been cleared by the FDA. In 2020 Creo acquired Albyn Medical, which provides it with profitable products and a direct salesforce in Europe.

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