

# Creo Medical

## Consumables business divestment concludes

Business update

Healthcare

13 February 2025

Creo Medical has **completed the sale** of the majority (51%) stake in its European consumable business to Chinese medical device manufacturer Micro-Tech for net proceeds of c €30m (c £25m). The deal valued the mature European business at €72m on an EV/sales multiple of 2.3x and an EV/EBIT multiple of 20x. The company expects to receive the proceeds, currently held in escrow, imminently. We believe it will materially improve the liquidity position of the company as it strives to commercially advance its core portfolio of electrosurgical devices and foster partnerships for its proprietary Kamaptive technology. We will present our updated estimates for the deal closure in due course.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	P/E (x)	Yield (%)
12/22	27.2	(28.6)	(13.52)	N/A	N/A
12/23	30.8	(22.1)	(6.17)	N/A	N/A

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

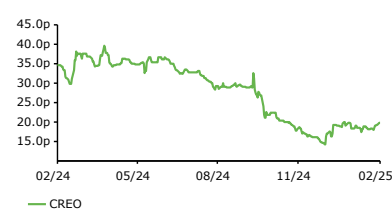
Creo's European business primarily comprises Albyn Medical, which it acquired in July 2020. It markets both its own and third-party consumables and systems (primarily gastrointestinal endoscopy-related but also covering endourology, urology and urogynaecology), with a core focus on the UK and European markets. Creo had initially acquired a 90% stake in Albyn for an equity value of €24.8m and €2.7m in performance-related payments over two years. This was followed by the acquisition of a further 5% stake in March 2022 (for €1.2m and an additional €1.7m for the first earnout tranche) and the remaining 5% in April 2023 (for €1.2m and the pending €1.0m earnout tranche). The European operations accounted for the majority (c 89%) of Creo's H124 revenues of £15.2m, although it recorded a year-on-year decline of 5.6% that was attributed to an exceptionally strong H123. For FY24, management expects consumables business revenue to exceed the FY23 figure.

We expect Creo to utilise the proceeds from the deal, along with £12.1m raised through an equity issue in October 2024, in development, marketing and launch activities for its core electrosurgical devices. This includes SpydrBlade, which is expected to be commercially available this year, and MicroBlate Flex (being developed alongside partner Intuitive Surgical's ION robotics system), which is expected to be launched in 2026. In [January 2025](#), Creo announced that a second site had been activated under the collaboration with Intuitive Surgical, with the first robotic-guided microwave ablation of cancerous lung tissue procedure performed in the clinical setting. Under the agreement, the companies expect to recruit a total of six sites across the UK and Europe, prior to commercial launch.

Following deal completion, the business will be accounted as an investment in associates, and we will present updated financials to reflect this. Revised guidance from management indicated that following the divestiture, break-even is now likely to be achieved in 2028 versus 2025 previously. We await further updates on this with the forthcoming FY24 results announcement.

<b>Price</b>	<b>19.50p</b>
<b>Market cap</b>	<b>£80m</b>
Pro-forma net cash/(debt) including proceeds from the capital raise and divestiture	£31.9m
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. Creo's consumables business (through subsidiary Albyn Medical) is profitable, with a 51% stake divested to Micro-Tech in February 2025. Licensing opportunities for its Kamaptive IP (current partnerships with major robotics players Intuitive Surgical and CMR Surgical) offer further monetisation opportunities.

### Analysts

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