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Results Reaction	Healthcare	Sweden	04 February 2025
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Q4: strong results to end 2024

Q4 sales were SEK 41m (+9% vs. SEB, +13% vs. FactSet cons) which correspond to Catalyst growth of 54% y/y (+84% adj. for large one-off orders Q4/23). With gross margin once again strong (97%) and underlying SG&A coming in largely in line, Q4 EBIT was SEK -12m (SEK -10m adj. for one-offs) vs. SEB at SEK -13m. We argue for strong results and see low- to mid-single-digit upward revisions to 2025E sales likely on the beat.

Outcome: Catalyst growing 84% y/y underlyingly

OssDsign reported Q4 net sales of SEK 41m (+9% vs. SEB, +13% vs. FactSet cons) which corresponds to Catalyst growing 54% y/y. If we also take into account large one-off orders Q4 last year, Catalyst grew 84% y/y. It means a tad slower q/q sales growth organically (12% in Q4 vs. 23% in Q3), however, we note that there was an unusual uptake q/q in Q3. Against FactSet consensus the sales beat instead was 13%. Gross margin was 96.8% which looks strong (SEB at 93%). EBIT was SEK -12m (vs. SEB and FactSet cons at SEK -13m). Adj. for SEK -2.2m in increased year-end provisions, related primarily to the revaluation of conditional consideration from the Sirakoss acquisition, but also to doubtful debts, Q4 EBIT instead was SEK -10m. SG&A overall was in line with sales commissions remaining high (53% of sales).

Q4 deviation table

OssDsign (SEKm)	Q4/24E		Deviation SEB		Q4/23		Q3/24	
	Actual	SEB	Abs	Rel (%)	Actual	y/y (%)	Actual	q/q (%)
Net sales	41	38	3	9	35	18	36	16
Cost of sales	-1	-3	1	-51	-10	-86	-1	18
Gross Profit	40	35	5	13	25	58	35	16
Sales commissions and fees	-22	-20	-2	8	-19	15	-19	13
Selling expenses	-11	-10	-1	11	-10	12	-9	32
R&D expenses	-6	-6	0	-0	-8	-23	-5	14
Administrative expenses	-11	-12	1	-11	-14	-23	-11	-1
Other operating income	0	0	0	n.a.	0	-100	0	n.a.
Other operating expense	-2	0	-2	n.a.	-4	-40	-0	909
Total SG&A	-52	-49	-4	7	-54	-4	-44	18
NRIs	0	0	0	n.a.	-20	-100	0	n.a.
EBIT	-12	-13	1	-9	-50	-75	-10	25
Adj. EBIT	-12	-13	1	-9	-29	-58	-10	25
Net financial costs/income	-0	-0	-0	221	-4	-92	-0	3,913
Reported pre-tax profit	-13	-14	1	-7	-53	-76	-10	28
Tax expense	-0	0	-0	n.a.	-0	32	0	-673
Net profit, reported	-13	-14	0	-4	-54	-76	-10	34
Net profit, adj for NRIs net of 20.6% tax	-13	-14	0	-4	-33	-61	-10	34
EPS, reported	(0.1)	(0.1)	0.0	(27.9)	(0.6)	(81.9)	(0.1)	0.1
EPS, adj	(0.1)	(0.1)	0.0	(27.9)	(0.3)	(70.7)	(0.1)	0.1
Sales growth (%)	18.4	8.8	9.6	n.a.	75.6	(57.2)	12.7	5.7
adj EBIT growth (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Gross margin (%)	96.8	93.0	3.8	n.a.	72.5	24.3	96.9	(0.0)
Adj EBIT (excl. NRIs) margin (%)	(29.6)	(35.3)	5.7	n.a.	(83.1)	53.6	(27.5)	(2.1)
Net profit margin, adj (%)	(31.5)	(35.6)	4.1	n.a.	(95.3)	63.8	(27.3)	(4.2)

Source: OssDsign, SEB

Outlook: No major new outlook given in the report

No major financial outlook given in the report. On the clinical side, as previously communicated, the outcome from the first 100 patients from OssDsign's prospective spinal fusion registry, PROPEL, is expected to be published in H1/25.

Impact: Estimates slightly higher on the Q4 beat

We argue for strong results and expect low- to mid-single-digit upward revisions to 2025E sales likely on the beat.

Conference call details: 11:00 CET

The webcast can be accessed via the following link: <https://www.finwire.tv/webcast/ossdsign/q4-2024/> or via the OssDsign website.

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