

**surgicalscience**

**Surgical Science  
Presentation of Year-end Report 2024  
February 19, 2025**





# CEO comments – Q4

- **Steadily improved market conditions with record sales for the group of SEK 252 (227) million**
- **Higher customer activity in Edu Products, but budget availability still constraining growth**
  - +2% growth to 125 MSEK
- **Industry/OEM solid revenue growth of +21%**
  - Sales of simulators increased by 124% to 43 MSEK
  - Several major development orders received for large robotic surgery companies that will result in invoiced revenue in 2025
- **License revenue increased by 1% to 76 MSEK**
  - Good procedural growth by robotic surgery companies in, or entering into, the market
- **Agreement with Intuitive (in January) to equip and ship all new da Vinci 5 systems with simulation from Surgical Science**
  - Revenue model will be entirely subscription-based from Jan 2025
  - New agreement is fully in line with our 2026 financial targets regarding Intuitive
- **Announced our intention to acquire UK-based Intelligent Ultrasound, making Surgical Science the market leader in ultrasound simulation**

## Intelligent Ultrasound Product Portfolio





## CEO comments – Q4 (cont.)

- **Operating profit of SEK 39 million (16 percent margin) and strong cash flow with net cash increasing by SEK 66 million for the quarter**
- **Initiated reorganization within Sales and R&D to meet customer demands and increase efficiency.**  
**Reduction in size of management team for quicker decision-making and improved accountability**
- **Expansion of production facilities in Tel Aviv to meet increase in demand**

### Objectives with Reorganization

#### Sales

Closer to customers

#### R&D

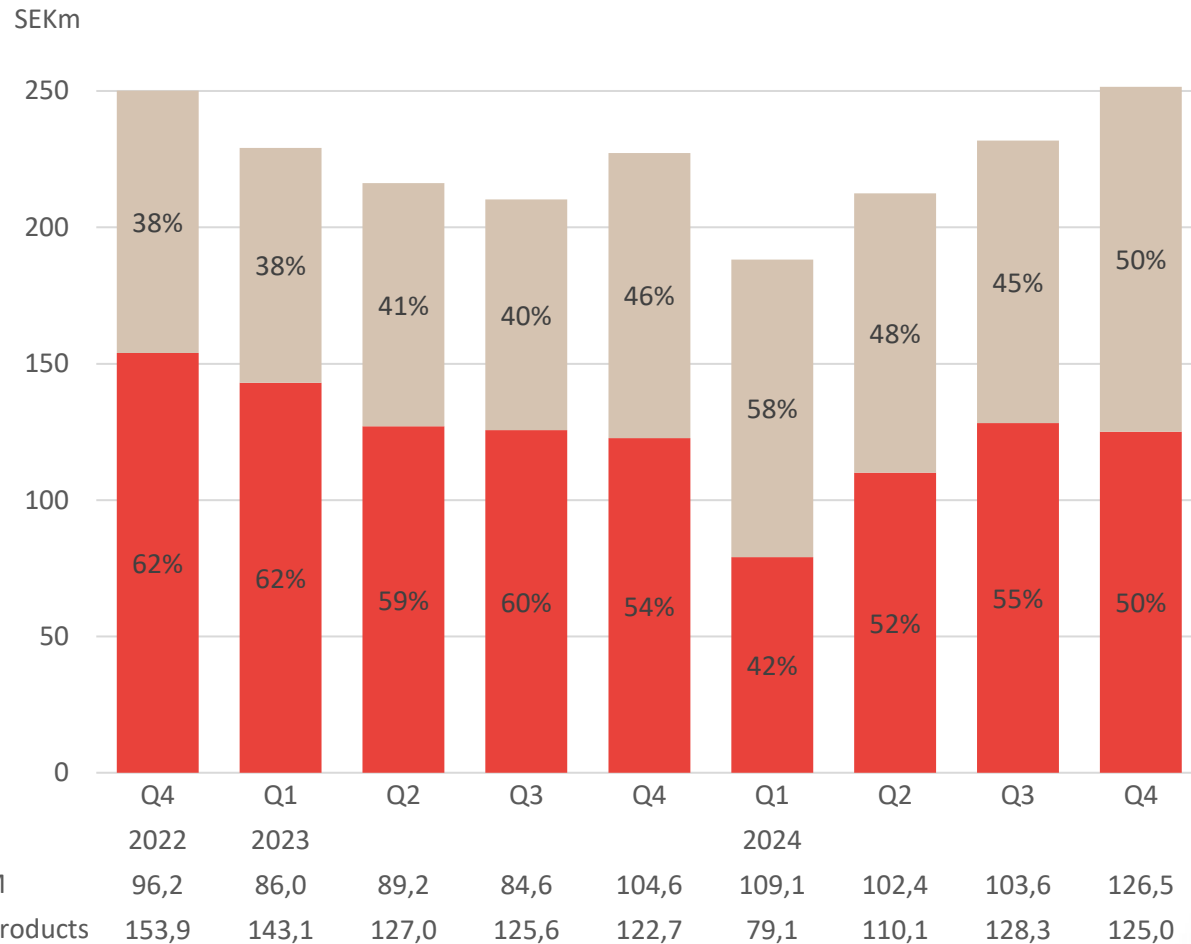
Increased capacity & customer responsiveness

#### Management team

Reduced size for quicker decision-making and improved accountability



# Q4: Strong end to the year



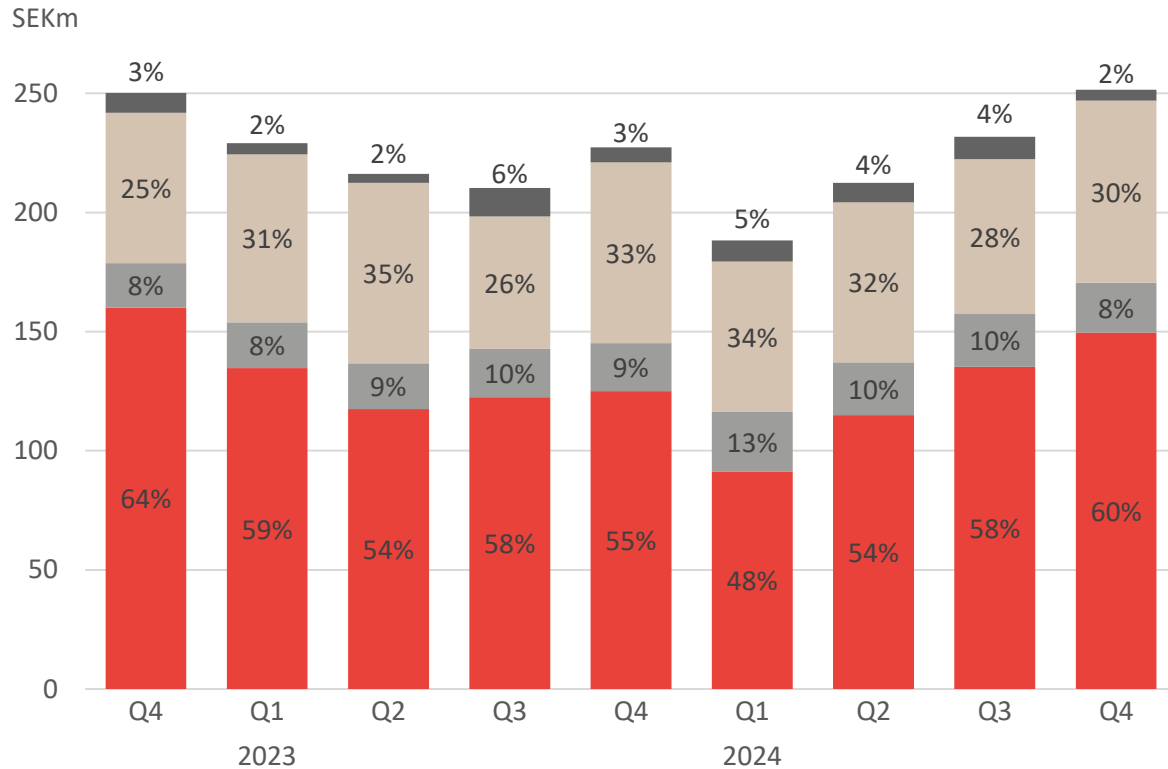
## Q4:

- Net sales up 11% to SEKm 251.5 (227.3), ATH. In local currencies up 11%.
- Educational Products’ sales up 2%. China strong and positive outlook for 2025. Europe strong, US weaker. Cautiously optimistic looking forward.
- Industry/OEM up 21%. License rev’s SEKm 76.4 (75.9). Sim sales continued very strong development, ATH SEKm 42.5 (19.0). Dev rev’s SEKm 4.7 (6.2).

## FY 2024:

- Net sales +0%, SEKm 884.1 (882.9). In local currencies +1%.
- Edu -15%, Indu +21%.

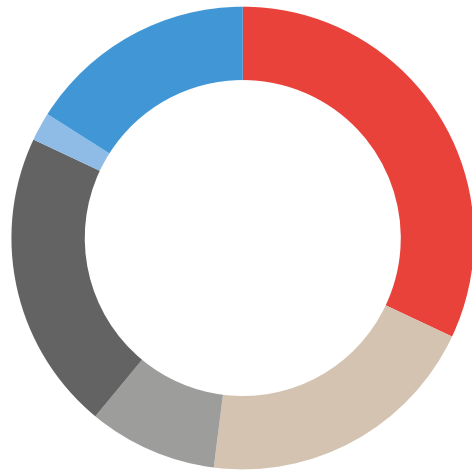
# REVENUE STREAMS – strong simulator sales



|                       |       |       |       |       |       |      |       |       |       |
|-----------------------|-------|-------|-------|-------|-------|------|-------|-------|-------|
| ■ Development revenue | 8,3   | 4,6   | 3,8   | 12,0  | 6,2   | 8,8  | 8,2   | 9,5   | 4,7   |
| ■ License revenue     | 63,1  | 70,6  | 75,7  | 55,5  | 75,9  | 63,2 | 67,1  | 65,0  | 76,4  |
| ■ Service revenue     | 18,6  | 19,1  | 19,2  | 20,3  | 20,2  | 24,9 | 22,2  | 22,2  | 20,9  |
| ■ Simulators          | 160,1 | 134,7 | 117,5 | 122,4 | 125,0 | 91,3 | 114,9 | 135,2 | 149,6 |

- License rev's: 30 (33) percent of total revenues. Lumpy for new entrants, revenues from several customers.
- Simulator sales strongest since Q4 2022.
- Development rev's consist of both robotics projects and projects tied to sales of simulators w/in Indu.
- Service revenues stable, growing with installed base.

# COSTS AND EBIT MARGIN Q4 2024



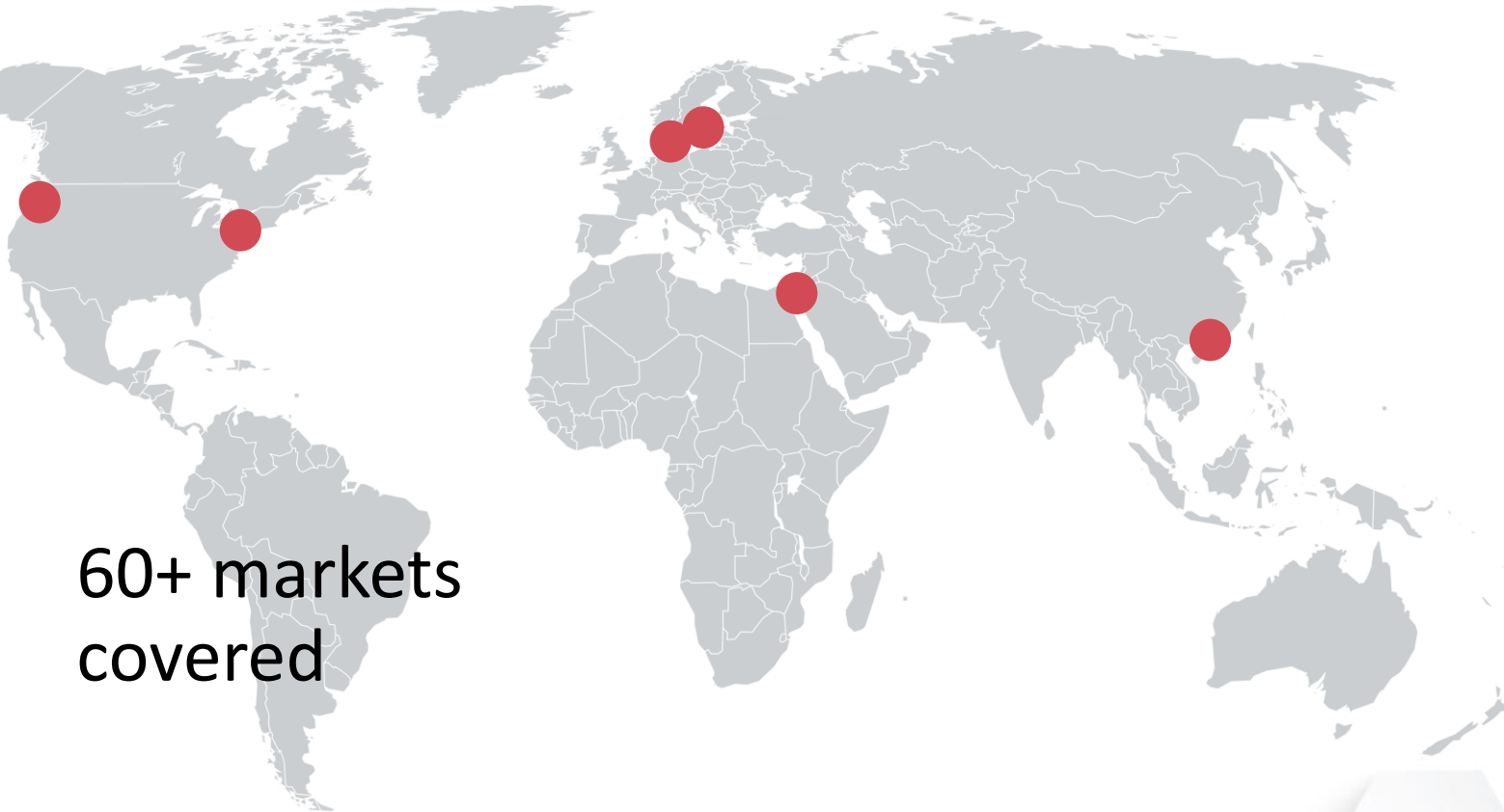
- Costs of goods sold 32% (29)
- Sales costs 20% (19)
- Administration costs 9% (9)
- Research and development costs 21% (20)
- Other operating income/costs 2% (6)
- Operating margin 16% (17)

- Gross margin 68% (71). Decreased share of license revenues (30 vs 33%) had a negative effect. Also lower share of direct sales, some more service cases.
- Sales: Approx. SEKm 5 higher costs due to items of rare nature. Also new recruitments. 20% (19) of sales.
- Admin: 9% (9) of sales. Higher mgmt costs.
- R&D: 21% (20) of sales. More employees comp to Q4 2023, costs in line with Q3 2024 but less in cogs due to lower dev rev's. Activated costs SEKm 10.2 (7.9).
- Other: Option programs, FX-effects.
- EBIT SEKm 39.1 (37.7), 16% (17).

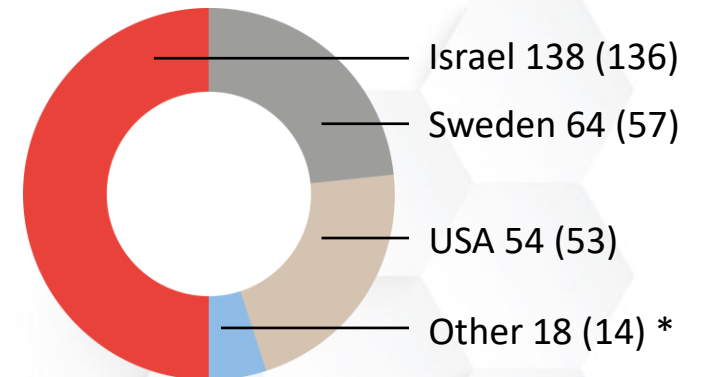
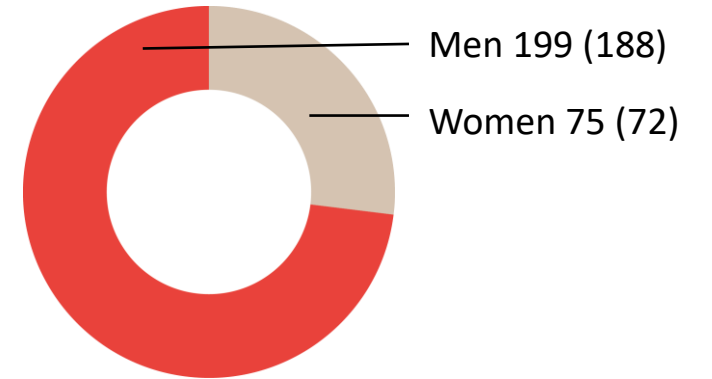


# ORGANIZATION

No of employees at end of period: 274 (260)



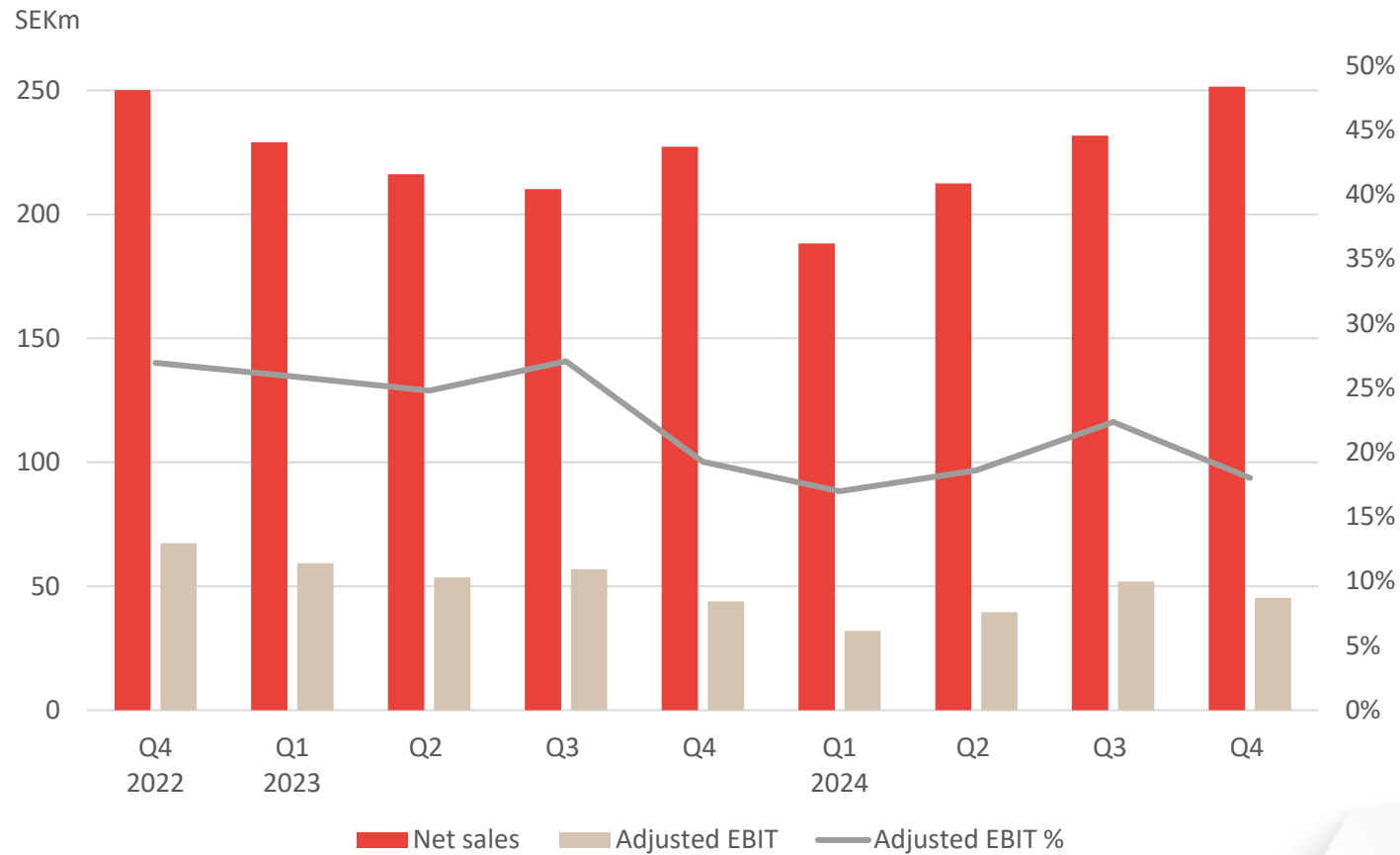
● Offices / Development sites



\* Other: Primarily Germany and China.



# ADJUSTED EBIT



## Q4:

- Adjusted EBIT SEKm 45.3 (43.8), margin 18% (19).

## YTD:

- Adjusted EBIT SEKm 168.7 (213.6), margin 19% (24).



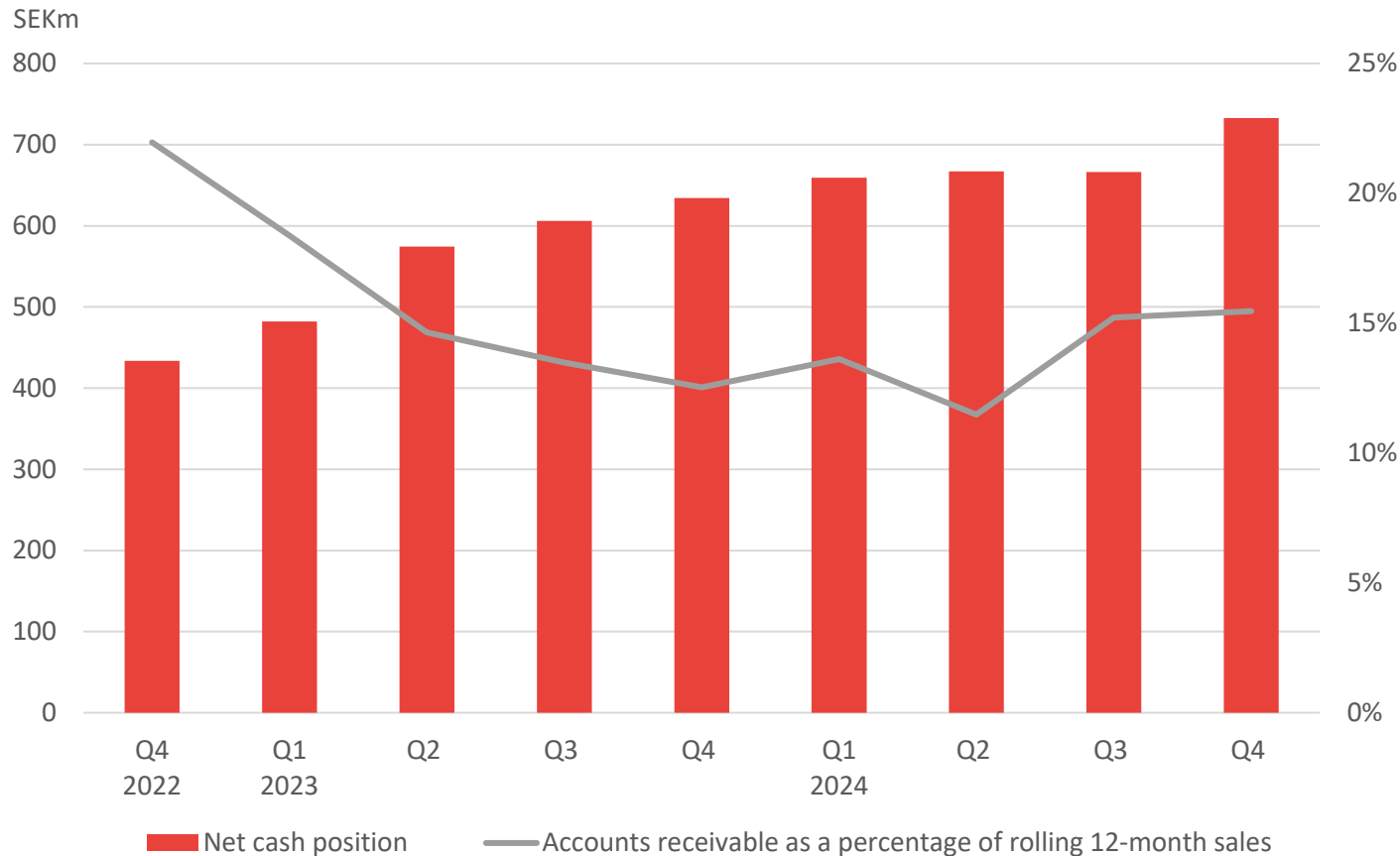


## FINANCE NET AND TAXES

- Finance net for the quarter SEKm 0.3 (80.8). Interest on bank balances, cost GBP loan, revaluation of internal loans towards subsidiaries and IFRS 16 effect. Comparative figure includes SEKm 70.2 attributable to Mimic acquisition.
- Net result for the quarter SEKm 36.3 (98.0) and for FY 2024 SEKm 131.6 (234.0).



# CASH FLOW



- Cash flow from operating activities SEKm 56.7 (39.6). Change in working capital SEKm -2.2 (-14.8). Inventory and A/R increased somewhat, however all due to FX.
- Cash flow from investing activities mainly investments in development costs.
- Cash flow from financing activities SEKm 240.0 (9.0). GBP loan due to IU acquisition SEKm 235.4.
- Net cash at end of year SEKm 732.7 (634.4).
- A/R as % of sales LTM on same level as last q.



## EVENTS AFTER YEAR-END

- Jan 15: LOI with Intuitive. All dv5's will be equipped with simulation from SuS. Fully subscription-based model, also for older platforms.
- Feb 3: Election committee proposal for AGM: all board members re-election, Gisli Hennermark proposed as new Chair.
- Feb 4: contract in Southeast Asia, SEKm 52. TraumaVR + development, 18 months' project. New product, new customer group.
- Feb 18: Acquisition of IU has come into force, post completion review. Will be consolidated as of this date.

# Thank you

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**Find out more at:**  
[www.surgicalscience.com](http://www.surgicalscience.com)

Tom Englund, CEO  
[tom.englund@surgicalscience.com](mailto:tom.englund@surgicalscience.com)

Anna Ahlberg, CFO  
[anna.ahlberg@surgicalscience.com](mailto:anna.ahlberg@surgicalscience.com)