
Sectra Increase Focus on Online Services for Osteoporosis



IT and medical technology company Sectra reported profit after tax of SEK 349.0 million for the nine-month period May 2011 – January 2012, including operations being discontinued. Earnings include a preliminary capital gain of SEK 322.6 million generated by Sectra's sale of the MicroDose operations. In recent months, Sectra has made significant progress with its investments in services for analyzing osteoporosis and a visualization table for medical education and surgery planning.

"Our technology has already identified more than 1,000 women at high risk of osteoporosis-related fractures, who have now received help to prevent this condition from developing," says Jan-Olof Brüer, President and CEO of Sectra AB. "Linköping University has purchased our unique visualization table for the training of physicians. Both areas are small as yet, but we bring major benefits for customers and the potential market is large."

For the nine-month period, Sectra's net sales amounted to SEK 584.6 million. Excluding a nonrecurring item attributable to divestment of the MicroDose operations, sales amounted to SEK 554.6 million (586.4). Operating profit totaled SEK 56.7 million for the period, corresponding to an operating margin of 9.7%. Excluding the effect of the nonrecurring item, operating profit amounted to SEK 31.7 million (50.4). Profit after net financial items amounted to SEK 77.6 million, corresponding to a profit margin of 13.3%. Order bookings rose 1.7% to SEK 512.9 million (504.4) compared with the corresponding year-on-year period.

Sectra reports strong cash flow. Cash flow from operations before changes in working capital rose to SEK 102.7 million (21.4) for the nine-month period. The comparative period includes operations being discontinued.

"The MicroDose transaction has increased our resources for investing in transactions and products that can generate long-term profitable growth," says Brüer.

For the third quarter, net sales amounted to SEK 196.1 million (200.7) and operating profit was SEK 5.4 million (15.7), corresponding to an operating margin of 2.8% (7.8). Profit after net financial items amounted to SEK 12.2 million (14.7), corresponding to a profit margin of 6.2% (7.3). Order bookings totaled SEK 131.5 million (213.6) for the quarter. The global economic situation and budget austerity in many countries entails that transactions take longer to implement, or – in some countries – fail to materialize.

"The dominating view of transactions in Europe and North America at present is that many customers have limited budgets that are mainly devoted to maintaining existing systems and equipment," says Brüer. "The transactions that take place are increasingly linked to the replacement of existing hardware, which has an adverse impact on our operating margin since these transactions have lower margins than new sales of IT systems."

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