Mazor Robotics Announces Financial Results for the Third Quarter 2012 and Provides Update on Operating Progress

The Associated Press

CAESAREA, Israel--(BUSINESS WIRE)--Nov 27, 2012--Mazor Robotics Ltd. (TASE: MZOR), a developer of innovative surgical robots and complementary products, today filed its financial statements with the Tel Aviv Stock Exchange for the third quarter ended September 30, 2012. The company also provided an update on its progress in installing its Renaissance system in medical centers in the United States and outside the United States.

THIRD QUARTER RESULTS Revenue for the third quarter was $4.2 million/16.2 million NIS, a 171% increase from the year-ago period of $1.5 million/6.0 million NIS and a 45% sequential increase from revenue of $2.9 million/11.2 million NIS. The significant revenue increase was driven mainly by the strong demand and successful installations of Renaissance systems in the United States.

During the third quarter, recurring revenue accounted for 27% of the Company's total revenue. Revenue from the U.S. comprised 80% of total revenue. The volume of Renaissance-guided spine surgery procedures, with a focus on complex spine and minimally-invasive surgery markets, continued to grow with average procedures per system, per quarter reaching 17.2, an increase of over 100% in 18 months.

Gross margin of 80% improved from 75% recorded in the second quarter 2012 and above the third quarter 2011 gross margin of 68%.

Operating expenses were $3.5 million/NIS 13.8 million compared to $2.8 million/NIS 10.9 million for the year-ago period.

Net loss for the quarter narrowed to $0.3 million/NIS 1.1 million, or $0.01/NIS 0.05 per share, compared to a net loss of $1.7 million/NIS 6.6 million, or $0.08/NIS 0.30 per share, reported for the third quarter 2011.

Cash, cash equivalents and short term investments for the quarter ended, September 30, 2012, was $21.2 million/ 82.9 million NIS, compared to $17.6 million/ 69.0 million NIS on June 30, 2012. The increase in cash and cash equivalents during the quarter was due to the investment of $7.5 million from a group of institutional and accredited investors, led by Oracle Investment Management.

"Our third quarter operating and financial results reflect the growing global demand for Renaissance systems and the excellent execution of our growth strategy, particularly in the important U.S. market," said Ori Hadomi, CEO of Mazor Robotics. "In addition to reporting record revenue in the quarter, we took important steps to position Mazor for strong future growth. We continue to diligently build out our sales

and marketing resources with the addition of several experienced sales executives, which will allow us to grow key markets in the United States. In addition we have significantly strengthened our financial position with the recent investment from Oracle Management. We will enter 2013 with strong momentum and are increasingly optimistic about our ability to provide a valuable service to hospitals and patients in need of our services." THIRD QUARTER AND SUBSEQUENT HIGHLIGHTS Mazor finalized the financing agreement that it had entered into during the third quarter, securing the first tranche of the investment of $7.5 million from a group of institutional and accredited investors, led by Oracle Investment Management, the investment management company founded by Larry Feinberg.

In the quarter, Mazor supplied Geisinger Health System, an integrated health services organization serving more than 2.6 million residents in Pennsylvania, with a Renaissance system Parker Adventist Hospital, an affiliate of the Centura Health System, the largest hospital and healthcare network in Colorado, purchased a Renaissance system Southwest NeuroSpine Institute, a specialty neurosurgery practice in El Paso, Texas, installed the Renaissance system it purchased in July, 2012 Mazor entered India with distribution partner Advanced Medical Systems PTE Ltd, and installed a system in Apollo Hospitals Chennai, the flagship hospital of the Apollo Group, one of the largest healthcare groups in Asia with over 8500 beds across 50 hospitals NINE-MONTH FINANCIAL RESULTS For the nine months ended September 30, 2012, revenue totaled $9.4million/36.6 million NIS, a 156% increase over the $3.7 million/14.3 million NIS reported for the nine months ended September 30, 2011. Gross margin for the nine-month period was 77% compared with 66% for the prior year period. For the nine months to date, operating expenses were $9.7 million/37.8 million NIS compared with $8.1 million/31.6 million NIS in the year ago period. The net loss for the nine months was $2.7 million/10.0 million NIS compared with $5.8 million/22.6 million NIS for the comparable period of 2011.

INCOME STATEMENT AND BALANCE SHEET Mazor prepares its financial statements in NIS. The U.S. dollar equivalents included have been converted using the quarter-end exchange rate of 3.912 and are presented for convenience purposes only.

CONFERENCE CALL INFORMATION Mazor will hold a conference call for the investment community today at 10:00 AM ET, and a webcast will be accessible via the Company's website. A replay of the call will be available for two weeks following the event.

Date: November 27, 2012 Time: 10:00 AM ET Audio Webcast: www.mazorrobotics.com [1], click Investors Live Dial-In (U.S.): 1-866-225-8754 Live Dial-In (International): 1-480-629-9818 Conference ID: 4578122 Replay Dial-In: 1-800-406-7325 Replay Access Code: 4578122 About Mazor Mazor Robotics (TASE:MZOR) is dedicated to the development and marketing of innovative surgical robots and complementary products that provide a safer surgical environment for patients, surgeons, and operating room staff. Mazor Robotics' flagship product, Renaissance™, is a state-of-the-art surgical robotic system that enables surgeons to conduct spine surgeries in an accurate and secure manner. Mazor Robotics systems have been successfully used in the placement of over 35,000 implants in the United States and Europe. Numerous peer-reviewed publications and presentations at

leading scientific conferences have validated the accuracy, usability, and clinical advantages of Mazor Robotics technology. For more information, please visit www.mazorrobotics.com [1].

Condensed Interim Consolidated Statements of Income Nine months ended September 30, Three months ended September 30, Year ended December 31, 2012 2011 2012 2011 2011 Unaudited Audited NIS in thousands (except per share data) Revenues 36,644 14,306 16,239 5,984 21,302 Cost of sales 8,360 *) 4,821 3,264 *) 1,895 6,725 Gross profit 28,284 9,485 12,975 4,089 14,577 Selling and marketing expenses 25,110 *) 18,456 9,393 *) 6,651 25,018 General and administrative expenses 4,948 *) 4,732 1,532 *) 1,346 5,867 Research and development expenses, net 7,703 *) 8,454 2,903 *) 2,859 10,959 Operating loss (9,477) (22,157) (853) (6,767) (27,267) Finance income 2,503 2,065 821 1,428 2,735 Finance expenses (3,156) (2,552) (1,159) (1,206) (3,394) Finance expenses, net (653) (487) (338) 222 (659) Loss before taxes on income (10,130) (22,644) (1,191) (6,545) (27,926) Taxes on income (81) 50 (96) 21 (242) Loss for the period (10,049) (22,694) (1,095) (6,566) (27,684) Loss per share: Basic and diluted loss per share (in NIS) (0.45) (1.05) (0.05) (0.30) (1.27) *) Reclassified : Certain expenses from the statement of income for the nine and three months periods ended September 30, 2011 have been reclassified to conform to their presentation in the financial statements for the period ended September 30, 2012 and in the financial statements for the year ended December 31, 2011. See the Company’s Condensed Interim Consolidated Financial Statements and the accompanying notes to see the effect on the statements of income This article has been truncated. You can see the rest of this article by visiting http://www.businesswire.com/news/home/20121127005591/en [2].

Source URL (retrieved on *12/20/2013 - 8:05am*):
http://www.mdtmag.com/news/2012/11/mazor-robotics-announces-financial-results-third-quarter-2012-and-provides-update-operating-progress?qt-most_popular=0&qt-recent_content=0

Links:
[1] http://www.mazorrobotics.com
[2] http://www.businesswire.com/news/home/20121127005591/en