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Zacks Small-Cap Research

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BioStem Technologies (PINK:BSEM)

BSEM: Revenue and Earnings Blow Away Estimates

BSEM is changing the skin graft market by using the natural properties of perinatal tissue. Growth is accelerating as management makes smart and aggressive moves.

OUTLOOK

BioStem Technologies is a leading innovator focused on harnessing the natural properties of perinatal tissue in the development, manufacture, and commercialization of allografts for regenerative therapies.

The company announced its 4Q and full year 2024 results. The company continues to execute at a high level by posting record revenue and earnings that beat expectations.

Current Price (04/14/25)	$12.89
Valuation	**$35.50**

SUMMARY DATA

52-Week High	**$24.98**
52-Week Low	**$7.00**
One-Year Return (%)	**-35.74**
Beta	**0.09**
Average Daily Volume (sh)	**46,397**
Shares Outstanding (mil)	**17**
Market Capitalization ($mil)	**$141**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**0**
Insider Ownership (%)	**N/A**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**

Risk Level	**Medium**
Type of Stock	**Growth**
Industry	**Health Care**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	0.6 A	1.1 A	3.6 A	11.5 A	16.7 A
2024	41.9 A	74.5 A	82.6 A	102.8 A	301.8 A
2025	101.1 E	102.3 E	103.4 E	104.7 E	411.5 E
2026	106.5 E	107.2 E	108.3 E	110.1 E	432.1 E

Adjusted Earnings*

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	-0.10 A	0.07 A	0.12 A	-0.18 A	-0.09 A
2024	0.34 A	0.35 A	0.35 A	0.94 A	1.98 A
2025	1.25 E	1.28 E	1.30 E	1.32 E	5.15 E
2026	1.32 E	1.35 E	1.35 E	1.33 E	5.35 E

*Earning adjusted for noncash compensation—beginning in 2023.

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Update

BioStem Technologies, Inc. (PINK: BSEM) is a leading innovator focused on harnessing the natural properties of perinatal tissue in the development, manufacture, and commercialization of allografts for regenerative therapies. The company states its mission is “to discover, develop and produce the most effective regenerative medicine products in the world,” and we believe that the company is well on its way to achieving that goal—providing to investors what we believe is an opportunity to invest in a company that is both providing a vital service to the human population and providing economic value to shareholders when doing so.

The company continues to show tremendous growth that is beating even our most optimistic projections. Management released preliminary quarterly and full year 2024 results that bested estimates, with revenues coming in at $102.9 million for the fourth quarter, which resulted in net income of $0.94 per share. The company also posted gross margins of 97% for the quarter and 95% for the year—extremely impressive profitability. The company also noted that cash on the balance sheet at the end of year had grown to $28.2 million. Management also noted that full financial results should be available soon as the company is working through revenue recognition issues with the SEC as part of the uplisting process BSEM is going through with the NASDAQ.

Management also addressed the MCS LCD issue and confirmed that it is ongoing and final decisions as to what is covered is delayed until January 2026. The company continues to work hard at making sure the process is fair, and their products are understood, and we continue to believe the company will be ultimately successful in getting Amniowrap2 and Vendaje AC covered, and patients will continue to have access to the superior products that many patients have enjoyed.

The company also recently announced that its proprietary amnion chorion allograft, known as BioRetain has been approved by the Institutional Review Board (IRB) for the treatment of venous leg ulcers. This follows the announcement of the publication of a peer-reviewed study showing breakthrough results regarding the application of this product for diabetic foot ulcers. BioStem continues to demonstrate that its products, including BioRetain, outperform existing products and are drawing increasing interest from doctors and patients, which is why we continue to have a very positive view on BSEM.

Given these developments and the continued robust revenue and earnings growth, and our belief that the company will be successful in its LCD coverage issue, we are raising our price target on BSEM to $35.50 per share.

Summary

We reiterate our belief in the direction of BSEM and our strong appreciation for the way management has navigated challenges and grown the company in a smart fashion and urge investors to take a look at the stock and consider adding it to a portfolio.

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