Scandinavian Medical Solutions

H2 2025/26 results supportive of a gradual return to earlier earnings, revenue recovery still to be proven



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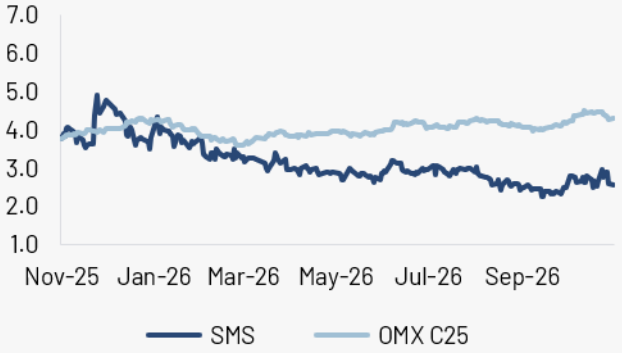
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Key Financials and Valuation

Share price



YTD:	-41.0%	1 year:	-37.7%
1 month:	1.6%	3 year:	-67.6%

Note: Closing price from 23 November 2026.
Source: S&P Capital IQ Pro.

Financials

DKKm	23/24	24/25	25/26	26/27E*
Revenue	226.7	245.4	177.3	190
Growth	19%	8%	-28%	7%
EBITDA	21.0	10.5	-11.2	2.5
EBITDA margin	9%	4%	-6%	1%
Net income	7.8	0.0	-19.0	N/A
Net debt	28.2	61.4	61.7	61.7**
Market value	181.5	110.5	67.3	72.3**
EV/Sales (x)	0.9	0.7	0.7	0.7
EV/EBITDA (x)	10.0	16.3	NM	53.6
EV/EBIT (x)	15.3	96.1	NM	N/A
P/E (x)	23.3	NM	NM	N/A

Note: *Midpoint of SMS's own guidance range. **Latest reported net debt as of Q4 2025/26 and latest market value as of 23.11.2026. Source: S&P Capital IQ Pro.

Guidance 2026/27E

	SMS own guidance*
Revenue	180.0 to 200.0
Growth	2% to 13%
EBITDA	0.0 to 5.0
EBITDA margin	0% to 3%

Guidance assumes full-year effect of the cost measures and the inventory strategy from 2025/26, and no quick recovery in markets affected by tariffs, transport rules and regional conflict. Management expects positive operating cash flow for the year.

Note: *SMS's own guidance range.

Valuation Perspectives

Looking at valuation in a broader perspective, Danish-listed B2B distributors and larger Swedish-listed healthcare suppliers (no close peers) trade at a median of 6.8x EV/EBITDA (2027E). Scandinavian Medical Solutions is valued at 53.6x EV/EBITDA (2026/27E) based on the midpoint of its guidance, reflecting an earnings base close to zero.

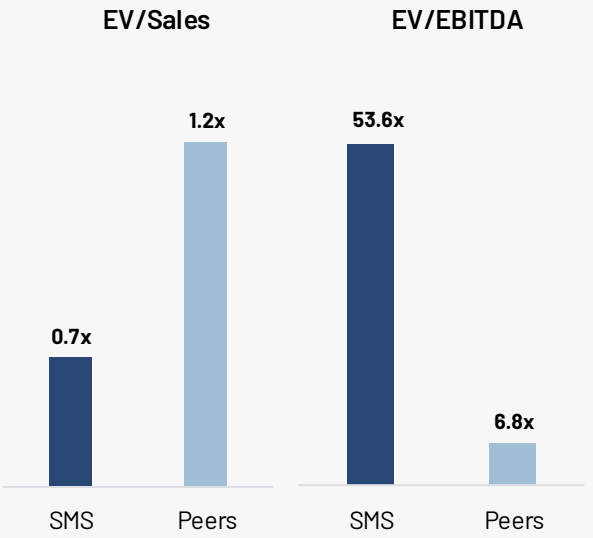
Applying the DKK 21m EBITDA earned in both 2022/23 and 2023/24 to the current EV would imply around 6.4x, broadly in line with peers. Management expects a gradual return toward the earnings levels of previous years, with the adjusted second half the first support for that. With 2026/27 guided as a transition year, the multiple says more about the timing of a recovery than about the underlying valuation.

On EV/Sales, a more representative gauge given the depressed earnings base, SMS trades at 0.7x (2026/27E) versus a peer median of 1.2x (2027E). The discount is mainly to the Swedish healthcare suppliers.

Part of the discount looks warranted, with cash of DKK 1.4m at year end and dilution risk if earnings fail to recover. Management expects positive operating cash flow in 2026/27 from a further inventory reduction, which would remove the clearest reason for it.

The path to re-rating runs through evidence rather than guidance. A return to revenue growth, a recovery in announced orders and EBITDA in the upper half of the range would move the multiple from timing to earnings.

Valuation-multiples 2026/27E



Investment case: H2 supports management's market view and guidance

Key Investment Reasons

- Long-term structural case for used imaging equipment, supported by durable market drivers and secured US access.
- Rental is growing as a recurring second leg, with higher margins than trading and support from customers' financing constraints.
- Management sees market conditions stabilising and a more stable average margin ahead, supported by the adjusted second half.
- After a year of disappointing results, the second half and the full-year effect of cost reductions support guidance.

Key Investment Risks

- Renewed US tariff proposals, higher interest rates and financing delays keep visibility low and may postpone the revenue recovery guidance requires.
- Liquidity remains tight, as released capital largely went to reducing supplier debt, so dilutive funding cannot be fully ruled out.
- Rental growth is capital intensive and relies on lease financing, which could tie up capital as the business mix shifts.
- Renewed price declines for used equipment could trigger further inventory write-downs and keep margins under pressure.

Company description: Scandinavian Medical Solutions is a fully independent reseller of used diagnostic imaging equipment, sourcing, selling, and renting MRI, CT, X-ray and other scanners and parts globally. Founded in 2018 by Jens Krohn, SMS is headquartered in Aalborg, Denmark, with a US subsidiary.

Investment case: The long-term case rests on structural drivers in the used imaging equipment market. Ageing populations and rising demand for diagnostic imaging meet pressured healthcare budgets, making pre-owned scanners attractive at a fraction of new-system cost. A growing focus on reuse and circularity adds a further tailwind, and these drivers are unchanged despite two difficult years.

Rental is becoming a second leg. When customers struggle to finance purchases, rental converts capital expenditure into operating expenditure, and SMS has grown the business around 30% for two consecutive years at higher margins than trading. Long-term contracts add recurring revenue and visibility to an otherwise lumpy trading model, and units can be sold through the trading business at contract end.

SMS is positioned for a market turn. Smaller competitors are leaving or being consolidated, purchase prices for quality equipment are falling, and management points to pent-up demand in the US, where customer financing currently takes 14-16 months. A self-sustaining US setup and a certification for air freight of helium-cooled MRI systems, held by few European players, protect market access when financing returns.

After a year of disappointing results and downgrades, the second half provides the evidence for management's commentary. Adjusted for the year-end write-down, gross margin was back within its historical range and EBITDA positive, on lower capacity costs than in H1. The margin came on the lowest revenue half in four years, so volume is what is missing. The appendix shows guidance can be met on the historical margin alone, making the cost reductions upside.

Liquidity remains the key risk, as much of the released capital went to reducing supplier debt. Management has no plans for a share issue, but dilutive funding cannot be ruled out if earnings fail to recover. Visibility is low, as customer financing delays and transport rules persist, and renewed price declines could trigger new write-downs.

The external picture has not eased. New US tariff proposals have revived the uncertainty on the trade front, and rising interest rate levels add to the cost of the customer financing the recovery depends on.

Peer Group – No close listed peers, look at growth and margins

Looking at valuation in a broader perspective, Scandinavian Medical Solutions has no listed close peers. To frame the valuation we therefore look at two related groups: Danish-listed B2B resellers/distributors (Brødrene A&O Johansen and Solar), which share SMS' distribution-led, low-asset business model, and larger Swedish-listed healthcare suppliers (AddLife and Arjo), which operate in the same end-market but at materially greater scale. Given the differences in size, end-markets and growth profiles, the peer group should be seen as a directional benchmark rather than a direct comparable set.

AddLife is a Swedish life science group with net sales of >SEK 10bn, operating through Labtech and Medtech. The group supplies instruments, consumables and medical devices to hospitals, laboratories and home care across Europe via a decentralised, acquisition-driven model with ~85 subsidiaries and a rising acquisition pace. Of the four peers, AddLife is closest to SMS in end-market exposure, but differs significantly in scale and product breadth.

Arjo is a Swedish medtech company headquartered in Malmö, focused on patient handling, medical beds, hygiene, disinfection and pressure injury prevention. With ~SEK 11bn in net sales and ~7,000 employees, Arjo is a vertically integrated OEM targeting a ~SEK 350m EBIT improvement under its new strategy. The link to SMS lies primarily in shared end-market exposure to hospitals and elderly care.

Brødrene A&O Johansen is Denmark's largest technical wholesaler, supplying plumbing, electrical, water/sewage products, tools and workwear to professional installers across Denmark, Sweden and Norway, where the 2026 Elektroimportøren acquisition lifts expected revenue to ~DKK 7.2bn. With ~70% of revenue from repair and maintenance, the business model, a B2B distributor with a resilient recurring base, mirrors SMS' setup, although in a different end-market.

Solar is a Danish-listed sourcing and services company distributing electrical, heating, plumbing, ventilation and industrial supplies to installers and industrial customers in Denmark, the Netherlands, Sweden and Norway. Solar operates at a structurally low EBITDA margin (3.6% in 2026E), reflecting the commoditised nature of its core offering. The relevance to SMS lies in the distributor model rather than the end-market.

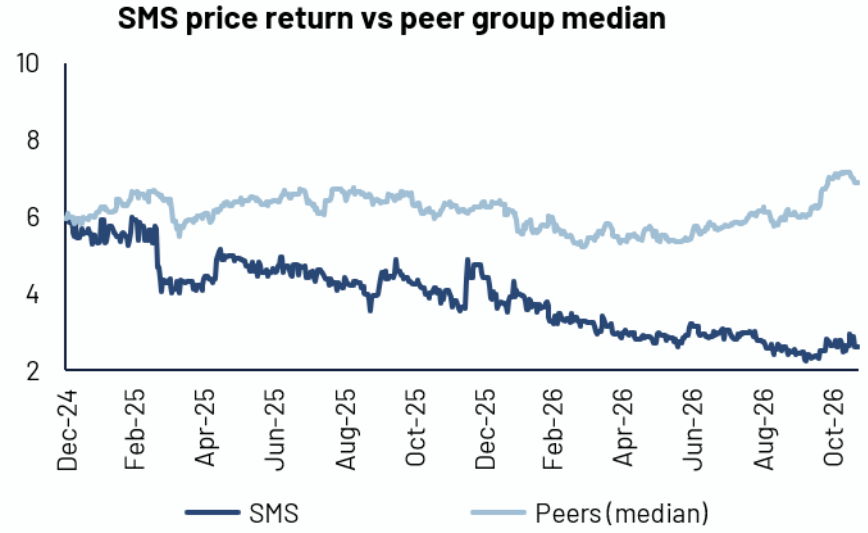
Peer group

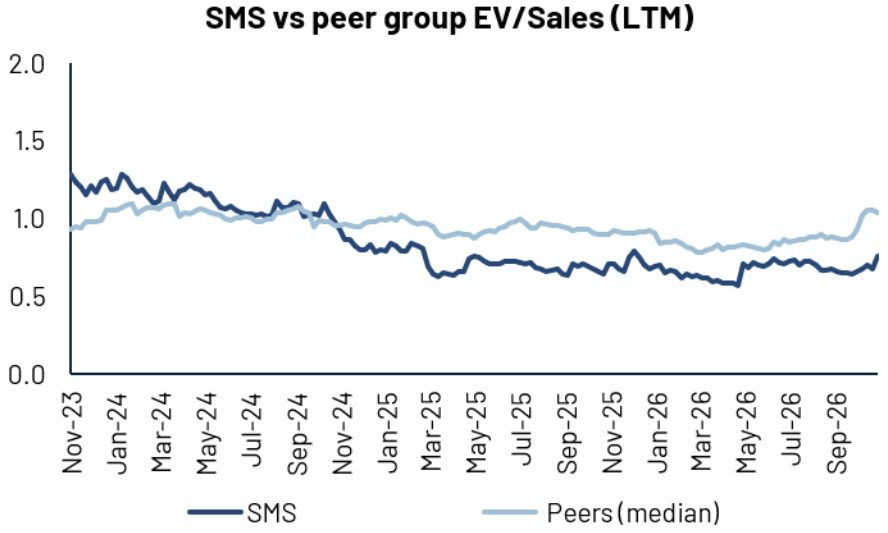
	Price	Total return	Market cap	EV	Revenue growth		EV/Sales		EV/EBITDA		EBITDA margin	
Company	**(local)**	**YTD**	**(EURm)**	**(EURm)**	**2026E**	**2027E**	**2026E**	**2027E**	**2026E**	**2027E**	**2026E**	**2027E**
AddLife AB (publ)	SEK 176.6	12.2%	1,919	2,335	5.0%	8.7%	2.4x	2.2x	14.6x	13.3x	16.3%	16.5%
Arjo AB (publ)	SEK 36.3	17.7%	882	1,286	2.5%	3.7%	1.3x	1.2x	7.3x	6.8x	17.6%	18.1%
Brødrene A & O Johansen A/S	DKK 101.2	12.0%	369	703	19.7%	N/A	0.7x	NA	9.3x	NA	7.7%	N/A
Solar A/S	DKK 196.2	-2.9%	209	556	12.0%	3.1%	0.3x	0.3x	8.6x	6.7x	3.6%	4.4%
Median		**12.1%**	**625**	**994**	**8.5%**	**3.7%**	**1.0x**	**1.2x**	**8.9x**	**6.8x**	**12.0%**	**16.5%**
Scandinavian Medical Solutions	**DKK 2.6**	**-41.0%**	**10**	**18**	**-27.8%**	**7.2%**	**0.7x**	**0.7x**	**NM**	**53.6x**	**-6.3%**	**1.3%**

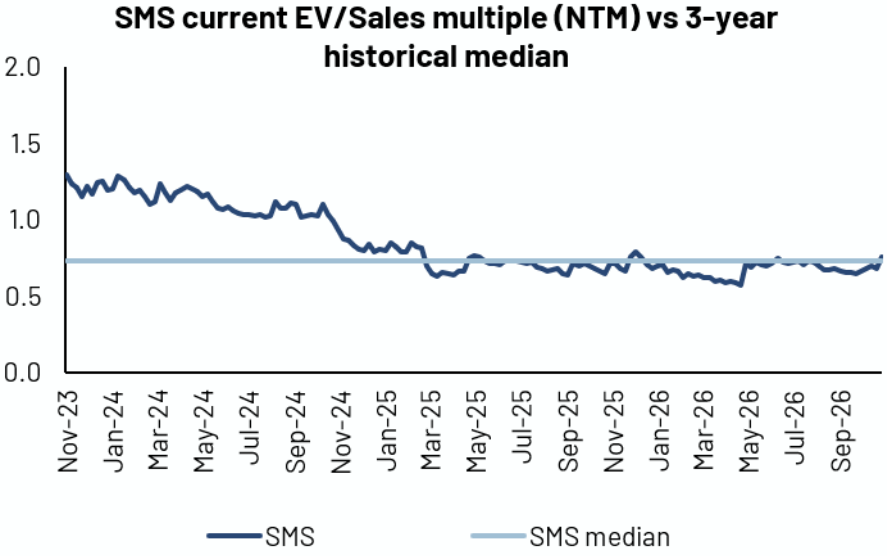
Note: Data from 23/11/2026

Source: S&P Capital IQ Pro

Valuation vs. Peers







Source: S&P Capital IQ Pro, 23. November 2026

Appendix - Half-year performance vs. 2026/27 guidance assumptions

The table sets out SMS on a half-year basis since 2021/22, with H2 as the full year less H1. Inventories were written down by DKK 6.5m at the 2025/26 year end and the charge runs through cost of goods sold. On the teleconference management confirmed that the reported H2 EBITDA of DKK -4.3m includes it, and that underlying second-half earnings improved.

Adjusted for the write-down, gross margin in H2 2025/26 was 28.7% against 21.1% reported. The comparable second halves are 30.0% in 2021/22, 23.6% in 2022/23, 24.6% in 2023/24 and 26.5% in 2024/25. Cleaned, the exit margin is back at the upper end of its own history, but it was earned on revenue of DKK 85m, the lowest half since 2021/22.

Management framed the write-down as part of the year-end close, taken to reflect market conditions it does not expect to worsen, and as the basis for the coming period. It also said purchase prices have fallen to a level where margins are coming back and that it expects a more stable average margin, while cautioning that pressure on pricing continues.

Capacity costs, which are other external costs plus staff costs, were DKK 45m in 2025/26, DKK 23m in H1 and DKK 22m in H2. Behind them are natural attrition, deferred IT investment, warehouse consolidation and US sales support delivered partly from Europe. Management confirmed the actions are implemented and carry full-year effect in 2026/27, but has not quantified them, and said it deliberately did not cut deeper so the organisation can scale when the market turns.

Guidance for 2026/27 is revenue of DKK 180-200m and EBITDA of DKK 0-5m. One half on a low revenue base is a thin anchor, so the walk below uses the average full-year gross margin of 2021/22 to 2023/24, which is 26.0%, rather than the 28.7% adjusted exit rate. At the midpoint of DKK 190m that gives gross profit near DKK 49m and, on unchanged capacity costs of DKK 45m, EBITDA of about DKK 4m. The ends of the revenue range give roughly DKK 1m and DKK 7m, so guidance is consistent with the historical margin before any cost saving. At the adjusted exit margin the midpoint would instead give about DKK 9m.

Revenue, gross profit, capacity costs and EBITDA by half-year, DKKm

DKKm	H1 21/22	H2 21/22	H1 22/23	H2 22/23	H1 23/24	H2 23/24	H1 24/25	H2 24/25	H1 25/26	H2 25/26
Revenue	52	59	96	95	103	124	123	123	92	85
Gross profit	13	18	27	22	26	31	24	33	16	18
Gross margin	24.2%	30.0%	28.0%	23.6%	25.3%	24.6%	19.7%	26.5%	17.6%	21.1%
Capacity costs	7	8	13	16	18	18	24	23	23	22
EBITDA	6	10	14	7	8	13	1	10	-7	-4
EBITDA margin	11.2%	16.2%	15.0%	7.0%	7.9%	10.4%	0.5%	8.1%	-7.5%	-5.1%
Gross profit adj.*	13	18	27	22	26	31	24	33	16	24
Gross margin adj.*	24.2%	30.0%	28.0%	23.6%	25.3%	24.6%	19.7%	26.5%	17.6%	28.7%
EBITDA adj.*	6	10	14	7	8	13	1	10	-7	2

*Adjusted for the DKK 6.5m inventory write-down taken at 30 September 2026, which runs through cost of goods sold. Source: SMS half-year and annual reports 2021/22 to 2025/26; H2 is the full year less H1.

Appendix - Announced order

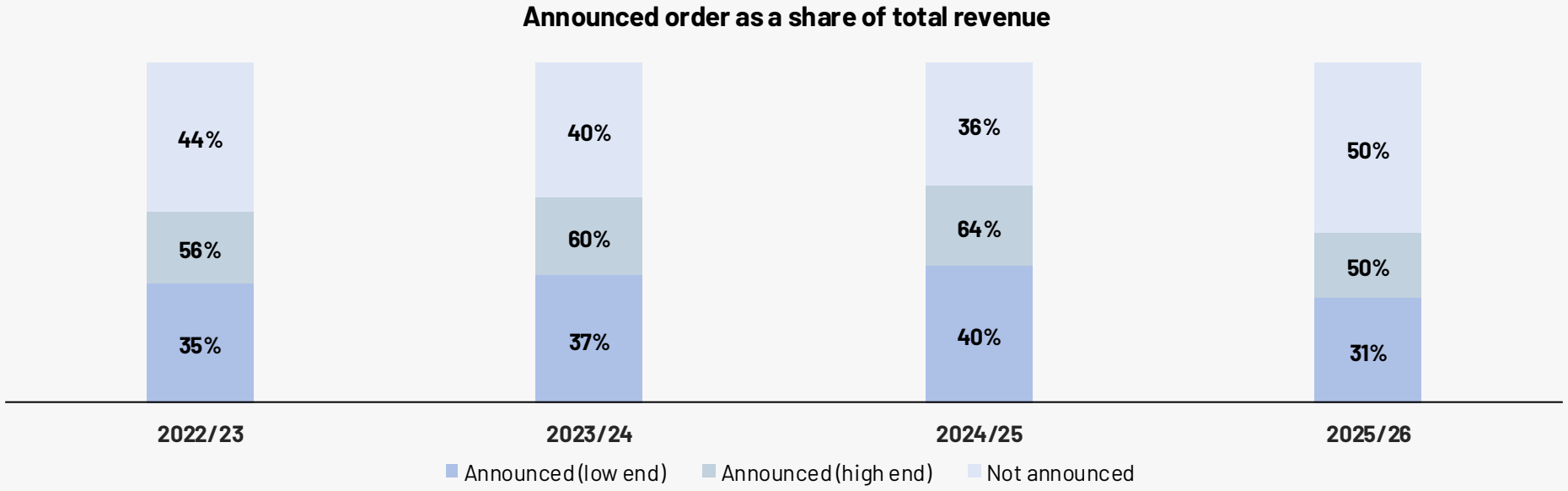
SMS discloses individual orders above DKK 2m under its information and communication policy, typically in brackets of DKK 2.0-3.5m, DKK 3.5-5.0m or, for larger multi-system deals, DKK 5.0-8.5m. Summing those disclosures shows how much of revenue comes from large single transactions, and how much comes from everything else.

Coverage rose for three consecutive years, from 35-56% of revenue in 2022/23 to 40-64% in 2024/25, before falling to 31-50% in 2025/26. The number of announced orders dropped from 35 to 20, a decline of 43%, against a 28% fall in revenue. Announced order intake therefore contracted faster than the top line, and the gap widened over the second half, with only five orders announced after 9 June 2026.

Equipment Solutions, where the DKK 2m threshold bites, declined 32% at 66% of revenue, and Parts fell 43% at 18%. Rental grew around 30% for the second consecutive year at a higher margin, reaching 16%. The share of revenue without an announced order behind it rose from 36% to 50%, consistent with a mix shifting toward rental contracts, parts and smaller transactions below the disclosure threshold.

Concentration also increased, with 13 of the 20 announced orders coming from US customers. Management describes the US organization as self-sustaining, with a local sales desk buying and selling domestically, but tariffs and stricter dangerous-goods rules slowed sales during the year, and some systems intended for the US were redirected to other markets at lower prices.

For 2026/27, SMS guides revenue of DKK 180-200m and EBITDA of DKK 0-5m. A recovery in announced order intake would be an early, observable indicator of the Equipment business turning, ahead of the half-year report in May 2027. Revenue growth without that recovery would instead point to the mix continuing to shift toward Rental and Parts.



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