

Scandinavian Medical Solutions

Second half sets the direction, cost actions and capital reduction in focus



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Key Financials and Valuation



Share price



Note: Closing price from 19 May 2026.
Source: S&P Capital IQ Pro.

Financials

DKKm	2023	2024	2025	2026E*
Revenue	191.2	226.7	245.4	205.0
Growth	73%	19%	8%	-16%
EBITDA	21.1	21.0	10.5	2.5
EBITDA margin	11%	9%	4%	1%
Net income	12.2	7.8	0.0	N/A
Net debt	20.7	28.2	61.4	72.5**
Market value	281.4	181.5	110.5	80.6**
EV/Sales (x)	1.6	0.9	0.7	0.7
EV/EBITDA (x)	14.3	10.0	16.3	61.3
EV/EBIT (x)	18.2	15.3	96.1	N/A
P/E (x)	23.0	23.3	NM	N/A

Note: *Midpoint of SMS's own guidance range. **Latest reported net debt and latest reported market value as of 19 May 2026. Source: S&P Capital IQ Pro.

Guidance 2026E

	SMS own guidance*
Revenue	190.0 to 220.0
Growth	-23% to -10%
EBITDA	0.0 to 5.0
EBITDA margin	0% to 2%

SMS revised down its 2025/26 guidance on 1 April 2026 to revenue of DKK 190–220m and EBITDA of DKK 0–5m due to geopolitical uncertainty, but reaffirmed the outlook in its H1 report on 19 May 2026, expecting a stronger H2.

Note: *SMS's own guidance range.

Valuation Perspectives

Looking at valuation in a broader perspective, Danish-listed B2B resellers and distributors and larger Swedish-listed healthcare suppliers (no close peers) trade at a median multiple of 7.6x EV/EBITDA (2026E). Scandinavian Medical Solutions is valued higher at 61.3x EV/EBITDA based on the midrange of 2025/26 guidance.

However, current EBITDA results could turn out to be an all-time low point, and applying a historical earnings level would indicate pricing broadly at par with peers.

This is somewhat supported by the H2 2025/26 guidance, where Management implicitly guides for H2 EBITDA in line with results in H1 2024/25, supported by a continued high order backlog and capacity cost reductions with full effect in the

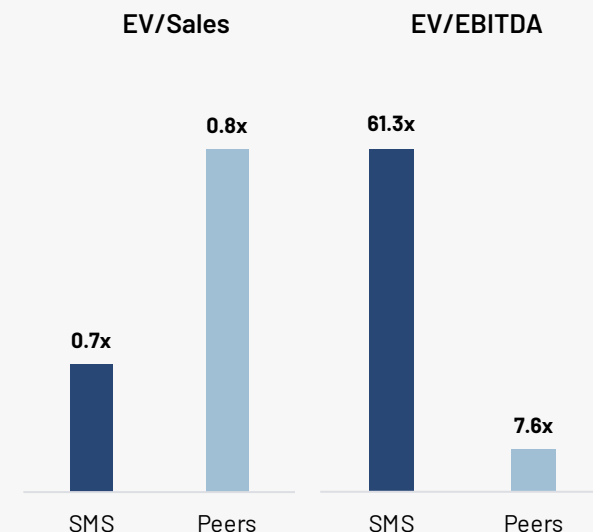
second half, including headcount reductions and warehouse consolidation, all indicating a higher earnings level going forward.

On EV/Sales, SMS trades at 0.7x (2026E) versus a peer median of 0.8x, a more representative gauge given the temporarily depressed earnings base. The current sales multiple, due to depressed earnings, is also significantly below historical averages.

A normalisation of the geopolitical and pricing environment combined with order book conversion and lower capacity costs would be the most direct path to re-rating.

Further clarity on the capital situation through management of working capital could also be a driver of higher multiples.

Valuation-multiples



Investment case – Capital reduction, increased earnings to derisk the case



Key Investment Reasons

- Long-term structural case for used imaging equipment, supported by durable market drivers.
- Continued investments in market access and customer relationships position SMS to benefit when markets normalize.
- H2 2025/26 EBITDA guidance points to a return to more normalized margin levels, supported by cost measures and a stronger order book.
- Potential to bring deployed capital down and lift return on investment.

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 CEO Jens Krohn, SMS averaged 29 FTEs in 2024/25 and 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. Hospitals operate under budget pressure, making pre-owned scanners attractive at a fraction of new-system cost. Demand is shifting towards flexible short-term rentals, and privatisation of healthcare supports a focus on profits, a growth case independent of cyclical headwinds.

Since its 2021 IPO, SMS has invested in market access: new sales channels in the US and France, a French subsidiary in Strasbourg, an expanded US small/medium customer base, and a local US setup for import, certification, and delivery. These come at a short-term cost but protect market position and underpin stronger return on capital when markets normalize.

H2 2025/26 EBITDA guidance points to a return to more normalized earnings. Management implicitly guides DKK 6.5–11.5m, broadly in line with H2 2024/25's DKK 9.9m despite a lower revenue base. The improvement vs. H1 (EBITDA DKK – 6.9m) is supported by a high order backlog with sound margins, full effect of



Key Investment Risks

- Continued macro uncertainty and the Middle East conflict keep the pricing war alive for longer.
- Risk of higher capital deployment from a shift toward rental solutions and elevated inventory levels needed to meet customer demand.
- Reliance on specialized staff with deep supply chain and market knowledge limits the room for further cost reductions.
- Structural shifts in trade lanes increase the risk of having to invest further in changing business setups.

capacity cost reductions, more rental revenue, and less currency/one-time drag.

Management's six H2 focus areas: (i) lean capacity-cost setup, (ii) inventory reduction targeting positive cash flow by 30.09, (iii) improved free capital position, (iv) aggressive sales in existing and new markets, (v) push/pull inventory evaluation, and (vi) best-in-class quality. If executed, these can lift cash flow and remove the perceived risk of dilutive funding.

Risk commentary: If SMS fails to lower working capital, dilutive funding cannot be ruled out. The limited cash position could constrain growth and limit the ability to compete with larger, capital-strong peers.

Tariffs have already and may further drive a structural shift in trade lanes, dampening near-term growth and raising the risk of reinvesting in changing business setups. SMS mitigates this with its US subsidiary and early focus on emerging markets.

If markets fail to turn, a business reliant on specialised supply-chain knowledge has limited room to cut costs. Continued macro uncertainty and a price war could keep pressure on margins, delaying the return to normalized earnings.

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 two business areas, 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. 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 for acute and long-term care. With ~SEK 11bn in net sales and ~6,500

employees globally, Arjo is a vertically integrated OEM rather than a pure distributor – 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 via 60+ branches and an omnichannel platform. With ~70% of revenue from repair and maintenance, the business model, a B2B distributor with broad supplier relationships and 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 professional installers and industrial customers, primarily in Denmark, Sweden and the Netherlands. Solar operates at a structurally low EBITDA margin (2-4%), reflecting the commoditised nature of its core offering, the relevance to SMS lies in the distributor business model rather than the end-market.

Peer group

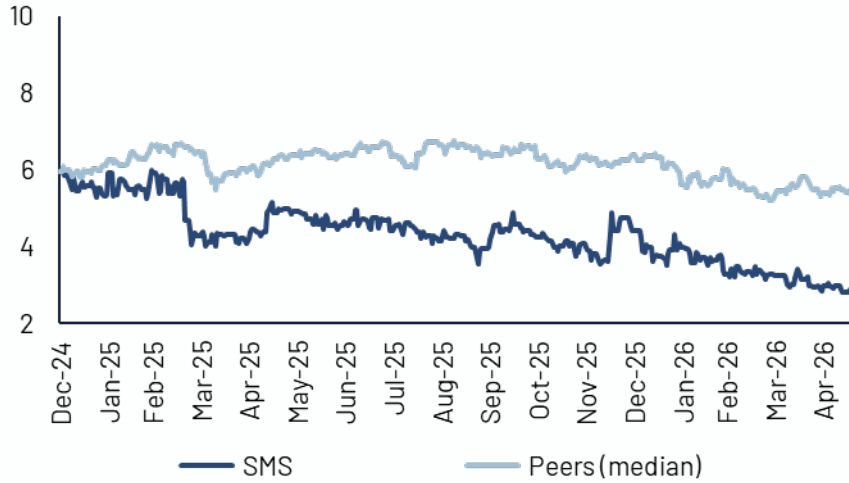
Company	Price	Total return	Market cap	EV	Revenue growth		EV/Sales		EV/EBITDA		EBITDA margin	
	(local)	YTD	(EURm)	(EURm)	2025	2026E	2025	2026E	2025	2026E	2025	2026E
AddLife AB (publ)	SEK 147.5	-6.3%	1,647	2,018	1.5%	3.2%	2.3x	2.0x	15.0x	12.9x	13.6%	15.8%
Arjo AB (publ)	SEK 25.3	-18.0%	631	1,042	-2.6%	-0.2%	1.2x	1.0x	6.7x	5.9x	13.4%	17.4%
Brødrene A & O Johansen A/S	DKK 92.7	2.6%	338	507	12.7%	6.2%	0.6x	0.6x	9.8x	7.9x	5.7%	7.4%
Solar A/S	DKK 198.2	-1.9%	211	481	-0.4%	6.7%	0.3x	0.3x	7.0x	7.3x	2.2%	3.8%
Median		-4.1%	485	774	0.5%	4.7%	0.9x	0.8x	8.4x	7.6x	9.6%	11.6%
Scandinavian Medical Solutions	DKK 2.9	-34.2%	11	21	8.3%	-16.5%	0.7x	0.7x	16.3x	61.3x	11.4%	1.2%

Note: Data from 19/05/2026

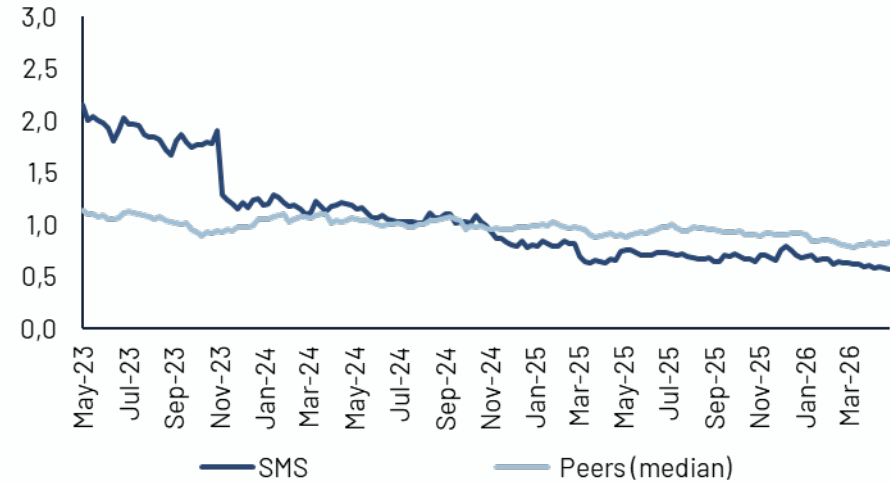
Source: S&P Capital IQ Pro

Valuation vs. Peers

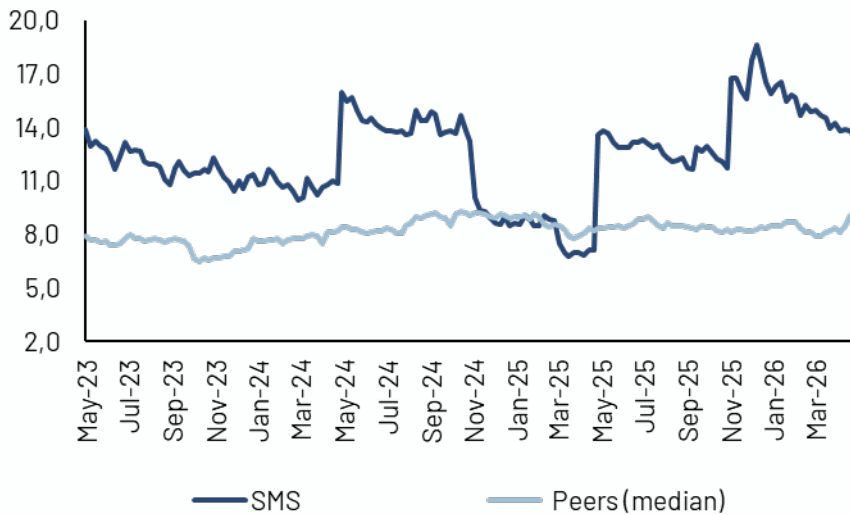
SMS price return vs peer group median



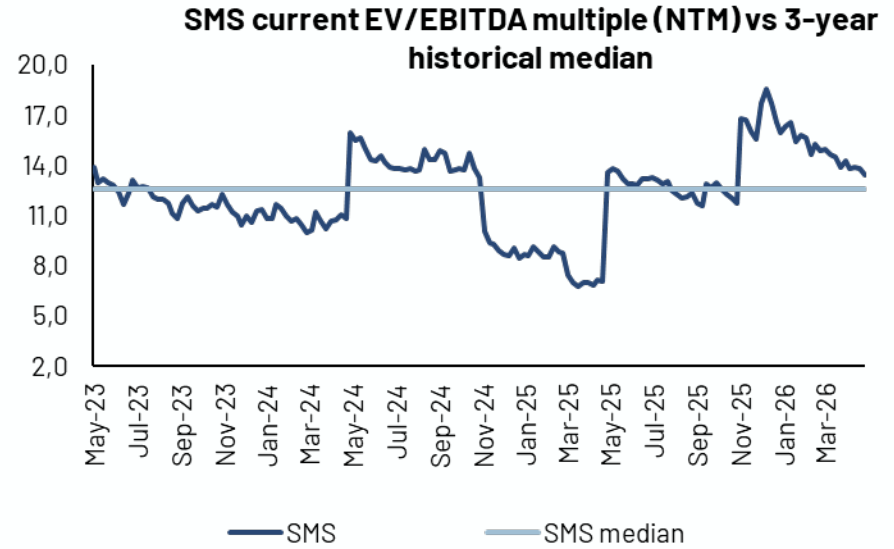
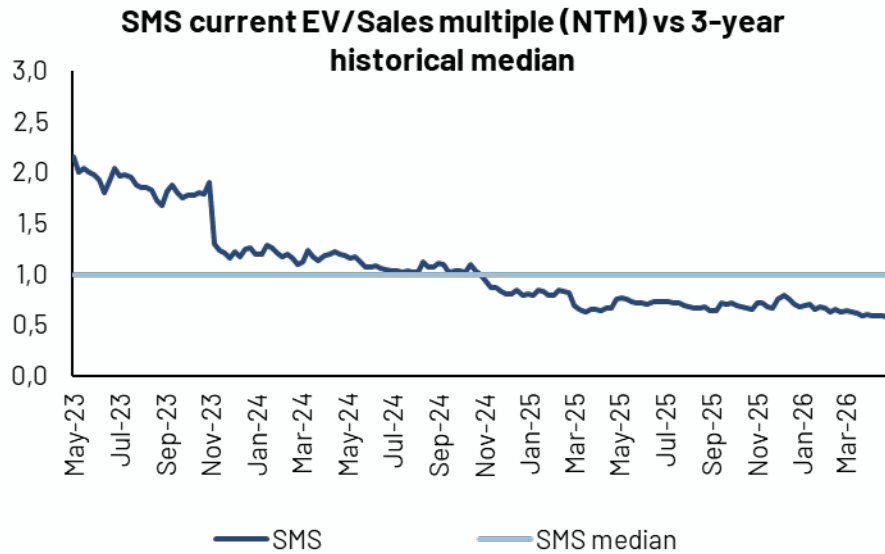
SMS vs peer group EV/Sales (LTM)



SMS vs peer group EV/EBITDA (LTM)



Valuation vs. Historical median



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