

# Scandinavian Medical Solutions



Market: First North DK

Ticker: SMSMED

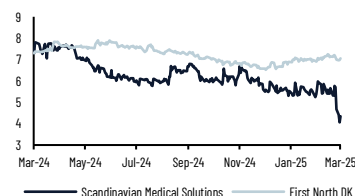
Share price (DKK): 4.35

Market cap (DKK): 120.4

Net debt (DKK): 28.2 (23/24)

Enterprise value (DKK): 148.7

## Share information



YTD: -27.0% 1 year: -37.9%  
1 month: -19.1% Since IPO\*: -13.0%

Note: \*IPO date was 3 November 2021 (subscription price of DKK 5.00). We apply the closing price from 26 March 2025. (Source: Capital IQ)

## Financials

(DKKm)	22/23	23/24	24/25E*
Revenue	191.2	226.7	200.0-240.0
Revenue growth	73%	19%	-12% to 6%
EBITDA	21.1	21.0	11.0-15.0
EBITDA margin	11%	9%	5.5-6.3%
Net income	12.2	7.8	N/A
Net income margin	6%	3%	N/A
Cash	7.9	11.0	N/A
Interest-bearing debt	28.6	39.2	N/A

Note: \*Midpoint in SMS's own guidance. Debt includes leasing liabilities. The accounting period runs from 1 October to 30 September.

## Valuation multiples

	22/23	23/24	24/25E*
P/S (x)	1.5	0.8	0.5
EV/Sales (x)	1.6	0.9	0.7
EV/EBITDA (x)	14.3	10.0	11.4
EV/EBIT (x)	18.2	15.3	N/A
P/E (x)	23.0	23.3	N/A
P/B (x)	3.8	2.2	N/A
P/CF (x)	-33.6	53.5	N/A

Note: Multiples in 22/23 and 23/24 are based on historical values. \*Multiples in 24/25E are based on the midpoint in SMS' own guidance.

## Company description

Scandinavian Medical Solutions is a fully independent reseller of used diagnostic imaging equipment. The company sources, sells, and rents high-quality scanners such as MRI, CT, X-rays, and other supporting equipment, as well as parts to customers globally. The company was founded in 2018 by the CEO of the US subsidiary and major shareholder, Jens Krohn. In 2023/24, Scandinavian Medical Solutions had an average of 26 FTEs. The company is headquartered in Aalborg, Denmark, with a subsidiary in the US.

## Investment case

Since the IPO in 2021, Scandinavian Medical Solutions has invested significantly in the organization and infrastructure, new business areas (Aftersales & Parts and Rental), and its US subsidiary. Thereby creating a more resilient business model with optionality.

The long-term investment case is supported by market drivers such as i) cost savings to hospitals and healthcare providers with budgets under pressure and hit by increased financing costs, ii) an ongoing trend within the circular economy, and iii) increasing privatization of the healthcare sector with a higher share of pre-owned equipment due to profit focus.

The company's business model of selling equipment globally is facing increased uncertainties. The risk of tariffs and the general macroeconomic climate is prolonging the decision-making process by its customers. As a result, the 2024/25 guidance has been adjusted downwards to reflect a softer order book and a more uncertain outlook. These uncertainties may only have short-term effects, but the timeframe for a tariff resolution is unclear.

Looking at valuation in a broader perspective, Danish-listed B2B resellers/distributors and larger Swedish-listed healthcare suppliers (no close peers) trade at a median multiple of 7.1x EV/EBITDA (2025E). Scandinavian Medical Solutions is valued higher with a multiple of 11.4x EV/EBITDA (2024/25E midrange guidance). However, 2024/25 results could turn out to be an all-time low point.

## Key investment reasons

Scandinavian Medical Solutions has delivered growth and operational profitability since its inception. This track record indicates that the company can adapt to different market situations and has created a business model that, in the long run, can take advantage of the structurally growing markets.

In a year hit by a perfect storm, as described by the company, with maintained investment in growth initiatives, the business model still delivers operational profitability. However, the management is taking stock of the situation and implementing some prudent cost management.

In the case that large-scale tariffs hit used medical equipment, Scandinavian Medical Solutions' US subsidiary has grown its importance, as this will be a competitive edge over other European competitors. With the US subsidiary, the company will be able to source and sell equipment without crossing any borders.

## Key investment risks

Tariffs could potentially mean a structural shift in trade lanes of the used medical device markets, dampening short-term growth. Furthermore, it increases the risk of having to invest further in changing business setups. This increases the short-term risk of the business case. However, the company somehow mitigates that with a setup that already includes a US subsidiary.

Scandinavian Medical Solutions could face organizational challenges as the company becomes bigger, potentially affecting the agility of the company.

Scandinavian Medical Solutions is dependent on employee retention and attracting new employees to continue its growth. To mitigate the employee turnover risk, the company's management focuses on establishing incentive programs for key employees. Moreover, standard terms of employment are that full-time employees are subject to 12 months of non-compete clauses.

## Peer group perspectives

Company	Total return YTD (%)	Market Cap (EURm)	EV/Sales (x)		Revenue growth (%)		EV/EBITDA (x)		EBITDA margin (%)	
			2024	2025E	2024	2025E	2024	2025E	2024	2025E
Solar	-16.0%	246.1	0.3x	0.2x	-6%	2%	5.3x	5.6x	5%	4%
Brdr. A&O Johansen	9.9%	314.7	0.6x	N/A	3%	10%	8.7x	7.8x	7%	7%
Arjo	0.6%	901.1	1.3x	1.2x	3%	5%	7.1x	6.4x	18%	19%
AddLife	7.3%	1,628.9	2.3x	2.1x	6%	7%	15.1x	13.6x	15%	15%
<b>Median</b>	<b>3.9%</b>	<b>607.9</b>	<b>0.9x</b>	<b>1.2x</b>	<b>3%</b>	<b>6%</b>	<b>7.9x</b>	<b>7.1x</b>	<b>11%</b>	<b>11%</b>
<b>Scandinavian Medical Solutions</b>	<b>-27.0%</b>	<b>16.1</b>	<b>0.9x</b>	<b>0.7x</b>	<b>19%</b>	<b>-3%</b>	<b>10.0x</b>	<b>11.4x</b>	<b>9%</b>	<b>6%</b>

Note: None of the selected companies are close peers to Scandinavian Medical Solutions. However, the table provides perspectives on how other Danish resellers/distributors (in other industries) are valued, and how two larger Swedish-listed healthcare suppliers are valued. Scandinavian Medical Solutions' 2024 numbers are realized 2023/2024 numbers and 2024/2025E is based on the midpoint in the company's 24/25 guidance. Scandinavian Medical Solutions' 2024 multiples are based on the market cap on 30 September 2024, and 2025E multiples are based on the market cap on 26 March 2025. We also apply the midpoint in Brdr. A&O Johansen's guidance for 2025. Numbers for Solar, Arjo, and AddLife are based on Capital IQ consensus mean estimates extracted on 26 March 2025. Source: Company reports, Capital IQ, and HC Andersen Capital.



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Investment Case  
One-pager