

DMS Group

BUY

Market Cap (€M)	27,7	Ticker	ALDMS-FR	Medtech
Target Price	1,80	Number of shares (in million)	20,85	
07/21/2025 Price	1,33 €	Average volume 12m (securities)	17 259	Research note
Upside	35%	Extreme 12m (€)	0,64€/1,38€	07/22/2025

FY 2025 Still on a Positive Trajectory

Highlights

- H1 revenue of €23.6 million, up +3.1% y/y
- Radiology division growing despite a tough comparison base
- FY 2025 revenue now expected at €55.4 million (vs €56.1 million previously)

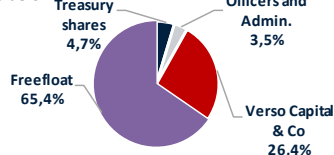
Financial summary (€m)

31/12	2024	2025e	2026e	2027e
Sales	46,1	55,4	60,1	64,4
YoY chg (%)	9,4%	20,1%	8,5%	7,1%
EBITDA	2,7	5,2	6,1	6,7
% of sales	5,9%	9,4%	10,1%	10,4%
EBIT	-0,2	2,2	2,9	3,5
% of sales	-0,4%	3,9%	4,9%	5,5%
Net profit	-2,9	1,4	1,6	2,2
% of sales	-6,2%	2,4%	2,7%	3,4%
EPS (reported)	-0,13	0,07	0,08	0,11
ROCE (%)	-0,4%	4,6%	6,2%	7,5%
ROE (%)	-22,4%	9,6%	10,3%	12,3%
Gearing (%)	74,8%	67,4%	51,1%	33,0%
Net debt	10,6	10,4	8,7	6,4
Div/share (€)	0,0	0,0	0,0	0,0
Yield (%)				

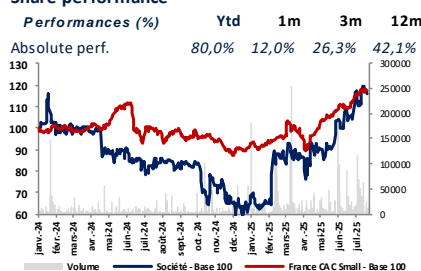
Valuation metrics (x)

	2024	2025e	2026e	2027e
EV/sales (x)	0,7	0,7	0,7	0,6
EV/EBITDA (x)	11,3	8,0	6,6	5,6
EV/EBIT (x)	ns	19,2	13,5	10,5
P/E (x)	ns	20,4	17,0	12,5

Shareholders



Share performance



H1 2025 Revenue Publication

DMS Group reported yesterday a revenue of €23.6 million for the first half of 2025, representing a year-on-year increase of +3.1%. This growth was mainly driven by the solid momentum recorded in Q1 (+10%), although this dynamic was not sustained in Q2, which posted a slight decline of -2%. Sales performance over the semester was particularly strong in North America (+194% to €4.1 million) and in the Middle East, which reached €1.7 million (vs. €1 million in the prior year).

Despite this temporary slowdown which was anticipated, the outlook for the full year 2025 remains positive. Key growth drivers over the coming months include the commercial launch of the new mobile radiology system Onyx, the restart of the framework agreement in Denmark following the successful integration of SFT, and the first deliveries expected under the Ukrainian contract. These elements enhance the Group's visibility and support the anticipated recovery trajectory for H2.

Radiology Division

The Q2 revenue decline (-2.3%) is mainly attributable to the Radiology division, which accounts for approximately 81% of total revenue. After a strong performance in Q1 (+17.8%), this division posted a contraction of -4.6% in Q2 (i.e. -€0.5 million in absolute terms), reaching €10.3 million. However, over the full semester, revenue remains up +4.4% year-on-year, reflecting resilient commercial momentum despite a challenging base effect (+21.3% in Q2 2024).

Bone Densitometry Division

Bone Densitometry, which represents 19% of revenue, posted a modest increase in Q2, with €2.4 million in revenue, up €0.1 million versus 2024. For H1, the division generated €4.7 million, compared to €4.8 million a year earlier. The Group continues to anticipate a marked improvement in this segment in H2.



Outlook and Forecasts

For the second half of 2025, DMS Group expects a sharp acceleration in revenue, driven by deliveries under the Ukrainian contract and robust export momentum. Growth will also benefit from innovation, notably the launch of the Onyx mobile X-ray system, and the deployment of high value-added solutions in promising markets. Additionally, the Group can rely on the ramp-up of its partnerships with Fujifilm and Canon, particularly in South America, Africa, and Europe. Over the longer term, DMS reaffirms its confidence in the “Imaging 2027” strategic plan, which targets revenue of €70 million and an EBITDA margin of 14%.

Regarding our forecasts for the 2025 fiscal year, we are slightly revising down our full-year revenue estimate to €55.4 million (vs. €56.1 million previously). This would represent annual growth of +20.1%, implying a strong H2 increase of +36.4%. With €5.5 million expected to come from the Ukrainian contract ramp-up, we estimate that the Group’s H2 growth excluding Ukraine would stand at +12.6%, a level that appears reasonable in light of the drivers outlined above.

Recommendation

We reiterate our Buy recommendation and our price target of €1.80.



Company profile

Founded in Montpellier in 1993, DMS Group is a medtech company specialising in the development, design, manufacture and marketing of medical imaging systems, primarily for digital radiology and bone densitometry. Since 2020, the Group has also been marketing a software suite, developed in-house, dedicated to the management of medical examinations. With more than 30 years' experience, DMS Group focuses on providing innovative, high added-value digital imaging solutions to ensure that healthcare professionals can make reliable diagnoses and provide better therapeutic follow-up for patients.

Investment case

A pure player in medical imaging. In October 2022, the Group unveiled its new roadmap to establish DMS Group as a key European player in the global medical imaging industry. Named Imaging 2027, this ambitious strategic plan targets over €70.0 million in revenue and a 14% EBITDA margin by 2027, driven solely by organic growth. In this context, management has also decided to refocus on the medical imaging activities of its subsidiary, DMS Imaging (88.3% ownership), and has completed its divestment from its DMS Biotech business (stake in Hybrigenics).

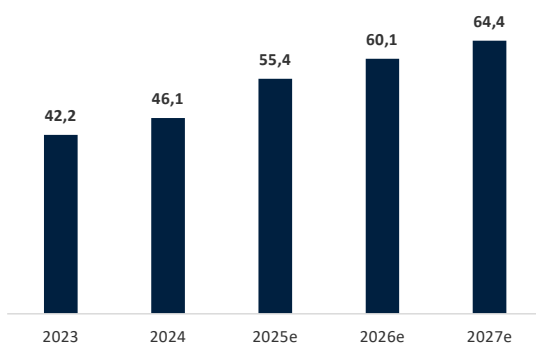
High-profile partnerships. DMS Group has developed recognized expertise, enabling it to establish a strong position in the medical imaging market. Thanks to the technological excellence of its innovative solutions and its flexibility, DMS Group has secured multiple commercial and industrial partnerships with major industry players such as Canon, Fujifilm, and Carestream.

An innovative international group. Leveraging its partnerships, the Group has a significant international presence. It relies on its new 6,000 m² production facility in Gallargues-le-Montueux, which employs 125 people and enables the production of up to 450 radiology tables per year. The Group also implements an ambitious innovation strategy. Driven by a top-tier R&D team (with 25% of its workforce dedicated to R&D) and sustained R&D efforts (~10% of revenue over the past five years), the company holds a portfolio of approximately 10 patents.

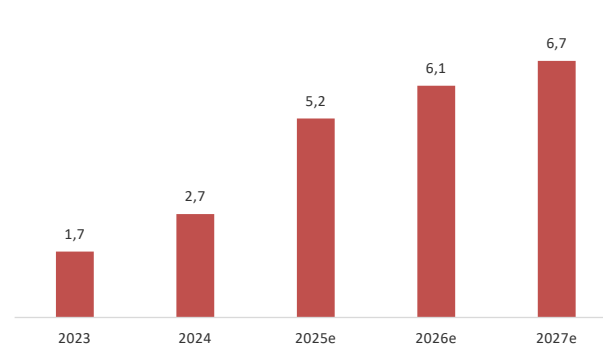
Comparable valuation multiples

Société	Capitalisation	VE / CA			VE / EBITDA			VE / EBIT			P/E		
		2025	2026e	2027e	2025	2026e	2027e	2025	2026e	2027e	2025	2026e	2027e
Siemens Healthineers	60 257,8	3,0x	2,9x	2,7x	14,8x	13,5x	12,3x	19,1x	17,2x	15,4x	24,9x	21,7x	19,1x
Guerbet SA	474,0	0,9x	0,9x	0,8x	6,3x	5,8x	5,3x	13,0x	11,5x	10,3x	18,4x	14,6x	12,3x
Hologic, Inc.	16 053,9	4,7x	4,5x	4,3x	14,4x	13,6x	12,8x	15,5x	14,7x	13,8x	19,8x	18,7x	17,2x
GE Healthcare Technic	32 166,8	2,1x	2,0x	1,9x	12,4x	11,3x	10,5x	14,8x	13,4x	12,1x	20,1x	18,3x	16,1x
Moyenne		2,7x	2,6x	2,4x	12,0x	11,1x	10,2x	15,6x	14,2x	12,9x	20,8x	18,3x	16,2x
Mediane		2,6x	2,5x	2,3x	13,4x	12,4x	11,4x	15,1x	14,0x	12,9x	19,9x	18,5x	16,6x

Change in sales (€M) 2023-2027e



Change in EBITDA (€M) 2023-2027e



P&L (€m)	2022	2023	2024	2025e	2026e	2027e
Sales	35,3	42,2	46,1	55,4	60,1	64,4
EBITDA	2,0	1,7	2,7	5,2	6,1	6,7
EBIT	-0,3	-1,0	-0,2	2,2	2,9	3,5
Operating income	-5,9	-2,3	-0,3	2,2	2,9	3,5
Net financial income (loss)	-0,8	-7,6	-2,3	-0,8	-0,7	-0,7
Tax	0,0	0,0	-0,2	0,0	-0,6	-0,7
Affiliates	-0,2	0,0	0,0	0,0	0,0	0,0
Minorities	-2,1	-0,1	0,1	0,0	0,0	0,0
Net income, group share	-6,9	-4,9	-2,9	1,4	1,6	2,2
Balance sheet (€m)	2022	2023	2024e	2025e	2026e	2026e
Non current assets	24,9	19,5	23,6	22,4	21,2	20,0
Goodwill	1,0	4,7	8,0	8,0	8,0	8,0
Working capital	5,6	12,2	10,0	12,5	13,6	14,5
Cash and cash equivalents	4,4	4,8	5,3	3,3	3,6	4,9
Equity	18,2	13,7	14,2	15,5	17,1	19,3
Borrowings and financial debt	15,4	15,5	15,9	13,8	12,3	11,3
Total balance sheet	53,9	51,1	53,9	55,7	57,3	59,8
Cash flow statement (€m)	2022	2023	2024e	2025e	2026e	2026e
Cash flow from operations	-1,3	-0,5	0,9	3,3	4,3	4,3
Change in working capital	2,3	-1,2	-1,2	-3,1	-1,7	-1,7
Cash flow from operating activities	1,0	-1,6	-0,2	0,2	2,6	2,6
CAPEX, net	-1,9	-2,6	-2,1	-1,4	-1,5	-1,5
Net financial investment	-1,2	1,1	0,0	0,0	0,0	0,0
FCF	-3,1	-1,5	-2,1	-1,4	-1,5	-1,5
Capital increase	5,9	0,0	0,0	0,0	0,0	0,0
Change in financial debt	-2,8	3,4	0,0	0,0	0,0	0,0
Dividends paid	0,0	0,0	0,0	0,0	0,0	0,0
Cash flow from financing activities	0,0	0,0	0,0	0,0	0,0	0,0
Change in cash and cash equivalents	3,1	3,5	0,0	0,0	0,0	0,0
Ratios	2022	2023	2024e	2025e	2026e	2026e
Sales growth (%)	-5%	20%	9%	21%	8%	8%
EBITDA margin (%)	6%	4%	5%	8%	10%	10%
EBIT margin (%)	-1%	-2%	-1%	2%	5%	5%
Operating profit margin (%)	-17%	-5%	-1%	2%	5%	5%
Net margin (%)	-20%	-12%	-2%	1%	2%	2%
CAPEX (% sales)	5%	6%	5%	3%	3%	3%
Working capital (% sales)	16%	29%	29%	29%	30%	30%
ROCE (%)	-1%	-2%	-1%	3%	6%	6%
ROCE ex GW (%)	-1%	-3%	-1%	3%	7%	7%
ROE (%)	-44%	-40%	-7%	5%	10%	10%
Payout (%)	0%	0%	0%	0%	0%	0%
Dividend yield (%)	0%	0%	0%	0%	0%	0%
Leverage ratios	2022	2023	2024e	2025e	2026e	2026e
Gearing (%)	60%	112%	138%	140%	118%	118%
Net debt/EBITDA (x)	5,6	8,9	8,0	4,1	2,8	2,8
Interest coverage (x)	2,6	2,7	3,1	6,2	8,2	8,2
Valuation	2022	2023	2024e	2025e	2026e	2026e
Nb of shares (millions)	16,1	17,6	18,1	20,9	20,9	20,9
Average nb of shares (millions)	16,1	16,9	17,9	19,5	20,9	20,9
Price (annual average, €)	1,0	1,1	0,9	1,3	1,3	1,3
Average market capitalization (€m)	16,3	18,7	16,4	25,9	27,7	27,7
(2) Net debt (+)/ Net cash (-)	11,0	10,7	10,6	10,4	8,7	6,4
(3) Value of minorities	2,5	1,3	1,3	1,3	1,3	1,2
(4) Value of financial assets	1,7	0,5	0,4	0,4	0,4	0,4
EV = (1)+(2)+(3)-(4)	28,0	30,2	27,9	37,2	37,3	34,9
EV/sales	0,8	0,8	0,7	0,7	0,7	0,6
EV/EBITDA	14,7	18,6	11,3	8,0	6,6	5,6
EV/EBIT	ns	ns	ns	19,2	13,5	10,5
P/E	ns	ns	ns	20,4	17,0	12,5
P/B	0,9	1,4	1,2	1,8	1,6	1,4
Per share data (€)	2022	2023	2024e	2025e	2026e	2026e
EPS (reported)	-0,1	-0,2	0,0	0,0	0,1	0,1
Book value	1,1	0,8	0,6	0,6	0,7	0,7
Dividend	0,0	0,0	0,0	0,0	0,0	0,0



EuroLand Corporate company ratings :

EuroLand Corporate's recommendations cover the next twelve months and are defined as follows:

Buy: upside potential greater than 15% in absolute terms relative to the current share price, with good fundamentals.

Hold : upside potential between 0% and 15% in absolute terms relative to the current share price.

Neutral: share price potential between -5% and +5% absolute vs. current price.

Underweight : downside potential of between 0% and 15% in absolute terms relative to the current share price.

Sell : downside potential greater than 15% absolute relative to current share price, excessive valuation.

Under review : the recommendation is under review due to a capital transaction (takeover bid / public exchange offer / capital increase, etc.), a change of analyst or a temporary conflict of interest between EuroLand Corporate and the issuer.

Recommendation history :

BUY : Since 31/05/2023

Hold : (-)

Neutral : (-)

Underweight : (-)

Sell : (-)

Under review : (-)

Valuation methods :

This research note may refer to valuation methods whose definitions are summarized below:

1/ Comparables method : the valuation multiples of the company under review are compared with those of a sample of companies in the same business sector, or with a similar financial profile. The average of the sample establishes a valuation benchmark, to which the analyst adds any discounts or premiums resulting from his or her perception of the specific characteristics of the company being valued (legal status, growth prospects, level of profitability, etc.).

2/ NAV method : Net Asset Value approach is an assessment of the market value of a company's balance sheet assets, using the method that appears most relevant to the analyst.

3/ Sum of the parts method : the sum of the parts consists in valuing a company's activities separately, using methods appropriate to each of these activities, and then adding them together.

4/ DCF method : the discounted cash flow method consists in determining the present value of the cash a company will generate in the future. Cash flow projections are established by the analyst on the basis of his or her assumptions and modeling. The discount rate used is the weighted average cost of capital, which represents the cost of the company's debt and the theoretical cost of equity estimated by the analyst, weighted by the weight of each of these two components in the company's financing.

5/ Transactions multiples method : the method consists of applying the multiples observed in previous transactions involving comparable companies to the company being valued.

6/ Dividend discounting method : the method consists of establishing the present value of the dividends that will be received by a company's shareholder, based on a dividend projection made by the analyst and a discount rate deemed relevant (generally the theoretical cost of equity).

7/ EVA method : the "Economic Value Added" method involves determining the annual increase in profitability generated by a company's assets in relation to its cost of capital (also known as "value creation"). This additional profitability is then discounted for future years at a rate corresponding to the weighted average cost of capital, and the result obtained is added to the company's net book value.

DETECTION OF POTENTIAL CONFLICTS OF INTEREST

Corporate Finance	Intérêt personnel de l'analyste	Détention d'actifs de l'émetteur	Communication préalable à l'émetteur	Contrat de liquidité	Contrat Eurovalue®
Non	Non	Non	Oui	Non	Oui



“Disclaimer / Avertissement”

This study has been prepared by EuroLand Corporate independently of DMS Group (the “Company”) and is provided for information purposes only.

This study does not constitute or form part of any offer to sell or subscribe for securities or any invitation to an offer to buy or subscribe for securities. Neither this study, nor any part of it, constitutes the basis of any contract or commitment whatsoever, nor should it be used in support of such a contract or commitment or as an inducement to enter into such a contract or commitment.

Any opinions, forecasts, projections and/or estimates expressed in this document are entirely those of EuroLand Corporate and are given in the context of its usual research activities and must not be considered as having been authorized or approved by any other person.

Any opinions, forecasts, projections and/or estimates contained herein reflect EuroLand Corporate's judgment as of the date of publication, and there can be no guarantee that future results or events will be in line with such opinions, forecasts, projections and/or estimates. Such opinions, forecasts, projections and/or estimates are subject to change without notice, their accuracy is not guaranteed and they may be incomplete or summarized. This document may therefore not contain all information relating to the Company.

EuroLand Corporate draws the reader's attention to the fact that, in compliance with current regulations, its directors or employees may personally own securities or financial instruments that may give access to securities issued by the Company, without this fact calling into question EuroLand Corporate's independence in the preparation of this study.

Investors must make their own judgement as to the suitability of investing in any securities issued by the Company, taking into account the merits and risks associated therewith, their own investment strategy and their own legal, tax and financial situation.

EuroLand Corporate has not independently verified the information provided in this study. As such, no representation or warranty, express or implied, is given as to the sincerity, accuracy, completeness or veracity of the information, opinions, forecasts, projections and/or estimates contained in this study. Neither EuroLand Corporate, nor any of its members, officers, employees or advisors, nor any other person accepts any liability whatsoever (whether in negligence or otherwise) for any loss of any nature whatsoever arising out of or in any way connected with the use of this study, its contents, its accuracy, any omissions therefrom.

This study may not be reproduced, communicated or disseminated, directly or indirectly, in whole or in part, in any manner whatsoever, without the consent of EuroLand Corporate.

This document may not be distributed to persons subject to certain restrictions. In particular, in the United Kingdom, this document is directed only at persons who (i) are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as currently in force, hereinafter the “Financial Promotion Order”), (ii) are within the meaning of Article 49(2) (a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, (iii) are not members of a professional association within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as currently in force, hereinafter the “Financial Promotion Order”), (iv) are not members of a professional association within the meaning of Article 49(2) (a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activities (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or disposal of any securities may lawfully be communicated, directly or indirectly (all such persons together being referred to as “Relevant Persons”). This document is intended for Authorized Persons only and may not be used by anyone other than an Authorized Person. All persons other than Authorized Persons must refrain from using or relying on this document and the information it contains. Neither this document nor any copy of it may be transmitted to or distributed in the United States of America, or be distributed, directly or indirectly, in the United States of America. Failure to comply with this restriction may constitute a violation of U.S. stock exchange regulations.

Neither this document nor any copy of it may be transmitted or distributed in Canada, Australia or Japan. The distribution of this document in other jurisdictions may constitute a violation of applicable laws and regulations. Persons into whose possession this document comes must inform themselves of and comply with such laws and regulations. By agreeing to receive this research note, you agree to be bound by the restrictions referred to above.”

EuroLand Corporate
17 avenue George V
75008 Paris
01 44 70 20 80

