

DMS Group

BUY

Market Cap (€M)	36,5	Ticker	ALDMS-FR	Medtech
Target Price	2,00	Number of shares (in million)	26,65	
09/29/2025 Price	1,37 €	Average volume 12m (securities)	21 403	Research note
Upside	46%	Extreme 12m (€)	0,64€/1,46€	09/30/2025

Toward positive full-year net income

Highlights

- H1 2025 EBITDA of €1.7m, margin at 7.2% (+290bps y/y)
- H2 outlook remains favorable
- Rating reiterated at €2.0 target price

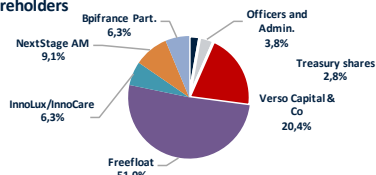
Financial summary (€m)

	31/12	2024	2025e	2026e	2027e
Sales		46,1	53,7	59,8	64,1
YoY chg (%)		9,4%	16,4%	11,4%	7,1%
EBITDA		2,7	4,8	6,0	6,6
% of sales		5,9%	9,0%	10,0%	10,4%
EBIT		-0,2	1,9	2,9	3,5
% of sales		-0,4%	3,5%	4,8%	5,4%
Net profit		-2,9	0,6	1,9	2,6
% of sales		-6,2%	1,1%	3,3%	4,0%
EPS (reported)		-0,13	0,04	0,07	0,09
ROCE (%)		-0,4%	3,9%	5,7%	6,7%
ROE (%)		-22,4%	2,8%	8,8%	10,3%
Gearing (%)		74,8%	23,2%	21,4%	12,8%
Net debt		10,6	5,0	5,0	3,3
Div/share (€)		0,0	0,0	0,0	0,0
Yield (%)					

Valuation metrics (x)

	2024	2025e	2026e	2027e
EV/sales (x)	0,7	0,8	0,7	0,7
EV/EBITDA (x)	11,3	9,3	7,5	6,5
EV/EBIT (x)	ns	23,9	15,5	12,3
P/E (x)	ns	64,7	18,8	14,2

Shareholders



Share performance



H1 2025 Results

DMS Group released yesterday its first-half 2025 results, marked by moderate top-line growth and a sharp improvement in profitability. Revenues came in at €23.6m, up +3% y/y. EBITDA reached €1.7m, representing a margin of 7.2% (+290bps vs. H1 2024), while net income (group share) stood at -€0.2m compared with -€1.4m a year earlier.

Management expressed confidence for the second half, anticipating an acceleration in growth driven by the start of the Ukrainian contract and sustained commercial momentum.

Profitability on the rise

Revenue growth combined with disciplined OPEX management enabled the company to deliver EBITDA of €1.7m (7.2% margin) and a positive EBIT of €0.5m, versus -€0.5m in H1 2024. Financial result also improved to -€0.3m (vs. -€0.5m), contributing to the sharp reduction in net loss, now limited to -€0.2m.

Balance sheet improvement

On the balance sheet side, the company's financial position was significantly strengthened by the €6.9m capital increase completed post-closing. As of June 30, net debt ex-IFRS 16 stood at €12.4m vs. €10.6m at 31/12/24. Shareholders' equity amounted to €13.9m, or €20.8m pro forma the transaction. Including the capital raise, net debt ex-IFRS 16 drops to €5.5m, bringing gearing down to 26% (vs. 89% previously). Free cash flow remained negative at -€1.3m in H1 (vs. -€0.8m in H1 2024), reflecting the investments still required to support business development.

Outlook & Estimates

This release confirms DMS Group's ability to enhance profitability and strengthen its financial structure. For H2, management expects stronger growth, supported by the first deliveries under the Ukrainian contract and the international rollout of the IM1, particularly in the U.S. Conversely, the sales schedule for Onyx modules will be delayed, with product certification still pending.



Following the release, we adjust our estimates and now forecast FY25 revenues of €53.7m (vs. €55.4m previously), implying €30.1m in H2. We also cut our EBITDA estimate to €4.8m (vs. €5.2m), translating into a 9.0% margin. Net income should turn positive for the first time at €0.6m.

A MedTech name deserving close attention

Despite the stock's recent rally, we continue to see DMS as a compelling story. Fundamentals are improving across the board: growth, profitability, and balance sheet quality. Valuation remains attractive with significant rerating potential. The latest release highlights DMS Group's strong operating leverage, enabling incremental profitability gains as revenues scale. On our estimates, the stock currently trades at 7.7x EV/EBITDA 2026e and 16.1x EV/EBIT 2026e, for expected margins of 10.0% and 4.8% respectively. Looking ahead to 2027, we forecast 7.1% growth to €64.1m in revenues, maintaining solid momentum. Profitability should expand even faster, with EBITDA reaching €6.6m (10.4% margin) and net income €2.6m (4.0% margin). This translates into lower multiples: 6.7x EV/EBITDA 2027e (-13.2% vs. 2026) and 14.9x P/E (-24.1% vs. 2026). Importantly, the group benefits from a proprietary and defensible technology, which provides a strong competitive moat.

Feedback from the site visit (September 12)

As part of its Investor Day held on September 12, we had the opportunity to visit DMS Group's headquarters in Gallargues-le-Montueux, which hosts production and assembly facilities. The visit provided insights into the group's latest technological advances and allowed direct discussions with management regarding strategic development and medium-term prospects.

We also engaged with several operational units, sales teams, developers, and assembly line managers, collecting valuable field feedback. These exchanges further reinforced our already positive stance on the company.

Key takeaways from the visit:

- **Integrated expertise:** DMS designs and develops its own software, a competitive advantage that ensures full control of its value chain.
- **High customer satisfaction:** Feedback consistently highlights the strong quality and reliability of products and services.
- **Differentiated positioning:** DMS holds a unique position in the global radiology market. For instance, one in four radiology tables in Paris is supplied by the group.
- **Confirmed outlook:** The Imaging 2027 strategic plan was reiterated, targeting €70m in revenues and a 14% EBITDA margin.
 - Organic growth driven by existing products and the expansion of digital imaging, which accounts for c.70% of radiology exams worldwide.
 - Expansion into new markets, notably through reinforced partnerships with Fujifilm in South America and continued collaborations with Canon.
 - Development of proprietary products integrating software modules and artificial intelligence applications.
 - Significant opportunities in the U.S., the world's largest medical imaging market, with a balanced potential split (c. one-third U.S., one-third Europe, one-third RoW).
 - Additional growth drivers in bone densitometry.



Recommendation

We reiterate our Buy recommendation with a target price of €2.0.



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).

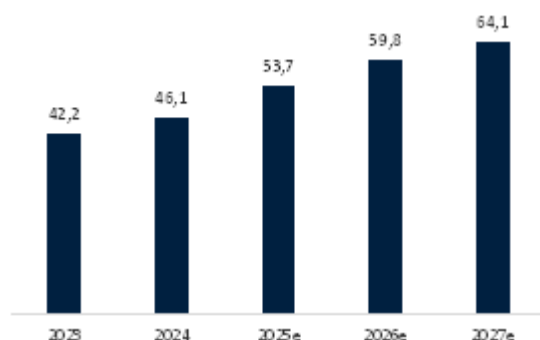
High-profile partnerships. DMS Group has developed recognized expertise, enabling it to establish a strong position in the medical imaging market. Thanks to the technological excellence of its innovative solutions and its flexibility, DMS Group has secured multiple commercial and industrial partnerships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

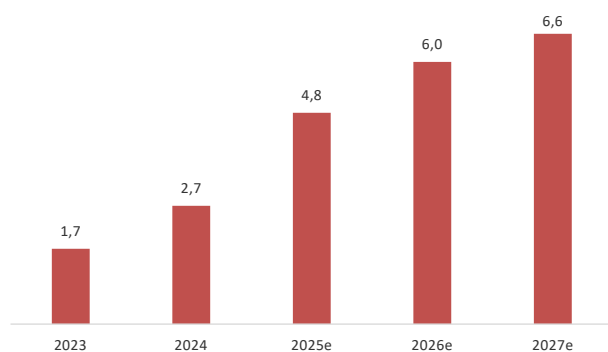
Comparable valuation multiples

Société	Capitalisation	VE / CA			VE / EBITDA			VE / EBIT			P/E		
		2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e
Siemens Healthineers	51 515,8	2,7x	2,6x	2,4x	13,2x	12,3x	11,1x	17,0x	15,7x	14,0x	21,3x	19,3x	17,0x
Guerbet SA	172,4	0,6x	0,6x	0,6x	5,3x	4,7x	4,3x	16,1x	11,5x	9,7x	45,8x	10,2x	7,5x
Hologic, Inc.	12 721,3	3,7x	3,6x	3,4x	11,4x	10,9x	10,2x	12,3x	11,7x	10,9x	15,4x	14,8x	13,6x
GE Healthcare Technic	28 479,7	1,9x	1,8x	1,7x	10,4x	9,7x	9,0x	12,3x	11,3x	10,4x	15,8x	15,0x	13,4x

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	53,7	59,8	64,1
EBITDA	2,0	1,7	2,7	4,8	6,0	6,6
EBIT	-0,3	-1,0	-0,2	1,9	2,9	3,5
Operating income	-5,9	-2,3	-0,3	1,3	2,9	3,5
Net financial income (loss)	-0,8	-7,6	-2,3	-0,8	-0,7	-0,6
Tax	0,0	0,0	-0,2	0,1	-0,3	-0,4
Affiliates	-0,2	0,0	0,0	0,0	0,0	0,0
Minorities	-2,1	-0,1	0,1	0,0	0,0	-0,1
Net income, group share	-6,9	-4,9	-2,9	0,6	1,9	2,6
Balance sheet (€m)	2022	2023	2024	2025e	2026e	2026e
Non current assets	24,9	19,5	23,6	23,8	23,8	23,6
Goodwill	1,0	4,7	8,0	8,0	8,0	8,0
Working capital	5,6	12,2	10,0	11,8	13,7	14,7
Cash and cash equivalents	4,4	4,8	5,3	8,8	7,3	7,9
Equity	18,2	13,7	14,2	21,6	23,5	26,0
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	61,6	63,4	66,2
Cash flow statement (€m)	2022	2023	2024	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	2024	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	2024	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	2024	2025e	2026e	2026e
Nb of shares (millions)	16,1	17,6	18,1	26,7	26,7	26,7
Average nb of shares (millions)	16,1	16,9	17,9	22,4	26,7	26,7
Price (annual average, €)	1,0	1,1	0,9	1,4	1,4	1,4
Average market capitalization (€m)	16,3	18,7	16,4	30,7	36,5	36,5
(2) Net debt (+)/ Net cash (-)	11,0	10,7	10,6	5,0	5,0	3,3
(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	36,6	42,4	40,6
EV/sales	0,8	0,8	0,7	0,8	0,7	0,7
EV/EBITDA	14,7	18,6	11,3	9,3	7,5	6,5
EV/EBIT	ns	ns	ns	23,9	15,5	12,3
P/E	ns	ns	ns	64,7	18,8	14,2
P/B	0,9	1,4	1,2	1,7	1,6	1,4
Per share data (€)	2022	2023	2024	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



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