

DMS Group

BUY

Market Cap (€M)	37,8	Ticker	ALDMS-FR	Medtech
Target Price	2,00	Number of shares (in million)	26,65	
10/20/2025 Price	1,42 €	Average volume 12m (securities)	21 430	Research note
Upside	41%	Extreme 12m (€)	0,64€/1,46€	10/21/2025

Growth in Q3 despite a challenging European market

Highlights

- Nine-month revenue up +5% y/y to €34.5m
- Outperforming a sluggish European market
- Rating reiterated at €2.0 target price

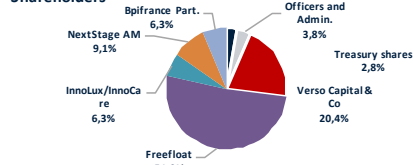
Financial summary (€m)

	31/12	2024	2025e	2026e	2027e
Sales		46,1	51,3	57,5	61,7
YoY chg (%)		9,4%	11,3%	12,0%	7,3%
EBITDA		2,7	4,3	5,5	6,1
% of sales		5,9%	8,4%	9,6%	9,9%
EBIT		-0,2	1,5	2,5	3,1
% of sales		-0,4%	2,9%	4,3%	5,0%
Net profit		-2,9	0,2	1,6	2,2
% of sales		-6,2%	0,4%	2,8%	3,6%
EPS (reported)		-0,13	0,03	0,06	0,08
ROCE (%)		-0,4%	3,1%	5,0%	6,0%
ROE (%)		-22,4%	1,0%	7,4%	9,3%
Gearing (%)		74,8%	22,8%	22,8%	15,3%
Net debt		10,6	4,8	5,2	3,8
Div/share (€)		0,0	0,0	0,0	0,0
Yield (%)					

Valuation metrics (x)

	2024	2025e	2026e	2027e
EV/sales (x)	0,7	0,9	0,8	0,7
EV/EBITDA (x)	11,3	10,6	8,4	7,3
EV/EBIT (x)	ns	31,1	18,6	14,6
P/E (x)	ns	181,0	23,7	17,2

Shareholders



Share performance



9 months Revenue Update

DMS Group reported yesterday cumulative revenues of €34.5m for the first nine months of fiscal year 2025, up +5% y/y but slightly below our expectations. This performance was driven by the Radiology division, which posted +8% y/y growth to €27.7m.

From a geographical standpoint, momentum was fueled by North America, where revenues nearly doubled to €5.1m (+93% y/y). This strong performance reflects the ramp-up of commercial partnerships with Carestream, Fuji, and Medlink. In parallel, the Middle East continued to expand rapidly, with revenues up +80% to €2.3m.

Management remains optimistic for year-end, expecting growth to remain driven by the Ukrainian contract and non-European sales.

Radiology segment still expanding

Over the nine-month period, the Radiology segment grew +8% y/y to €34.5m. The third quarter of 2025 was particularly dynamic, with quarterly growth of +15.8% to €8.8m, supported by the effective start of deliveries under the Ukrainian contract, of which two out of ten batches have already been completed. Adjusted for the contribution from this contract, we estimate that the Radiology business would have shown a slight decline on a like-for-like basis, although it still outperformed the European market, which experienced a sharp contraction.

The Bone Densitometry division declined -4% to €6.9m over nine months, with Q3 revenues down -8.3% to €2.2m, affected by supply chain disruptions for certain electronic components. Although these bottlenecks are expected to ease gradually in Q4, the segment could remain slightly constrained until year-end.

Outlook and estimates

Management anticipates a continued positive momentum into year-end, supported by ongoing deliveries of mobile radiology units to Ukraine and sustained growth outside Europe.



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Given the more challenging macroeconomic backdrop and the headwinds affecting the European imaging market, we revise our 2025 forecasts downward, now expecting revenues of €51.3m (vs. €53.7m previously), implying Q4 activity of €16.8m and annual growth of +11.3%. We also adjust our EBITDA forecast to €4.3m (vs. €4.8m previously), representing a margin of 8.4%, and continue to expect net income to turn positive for the first time, at €0.2m.

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).

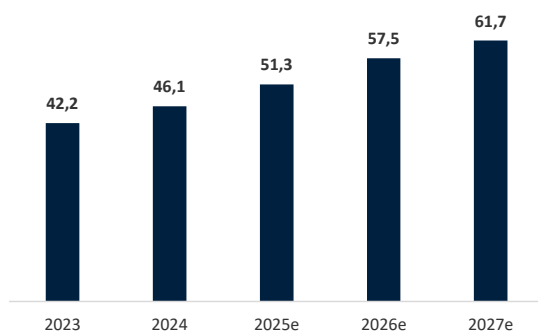
High-profile partnerships. DMS Group has developed recognized expertise, enabling it to establish a strong position in the medical imaging market. Thanks to the technological excellence of its innovative solutions and its flexibility, DMS Group has secured multiple commercial and industrial partnerships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

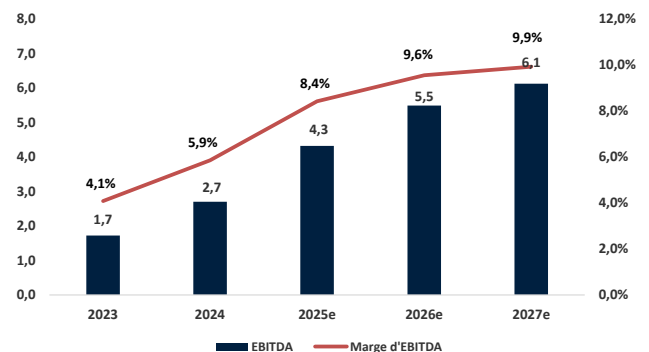
Comparable valuation multiples

Société	Capitalisation	VE / CA			VE / EBITDA			VE / EBIT			P/E		
		2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e
Siemens Healthineers	54 561,4	2,8x	2,7x	2,5x	13,9x	13,0x	11,8x	17,8x	16,6x	14,8x	22,7x	20,8x	18,2x
Guerbet SA	186,3	0,7x	0,6x	0,6x	5,5x	4,8x	4,4x	16,5x	11,8x	10,0x	49,3x	11,0x	8,1x
Hologic, Inc.	13 706,1	4,0x	3,8x	3,6x	12,2x	11,7x	10,9x	13,2x	12,6x	11,7x	16,6x	15,9x	14,7x
GE Healthcare Technic	29 524,6	1,9x	1,8x	1,8x	10,8x	10,0x	9,3x	12,7x	11,7x	10,7x	16,4x	15,4x	13,8x
Arcoma AB	11,7	0,7x	0,7x	0,6x	5,8x	4,9x	4,3x	9,8x	7,6x	6,6x	16,2x	12,9x	10,8x

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	51,3	57,5	61,7
EBITDA	2,0	1,7	2,7	4,3	5,5	6,1
EBIT	-0,3	-1,0	-0,2	1,5	2,5	3,1
Operating income	-5,9	-2,3	-0,3	0,9	2,5	3,1
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	-0,3
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	0,2	1,6	2,2
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	11,3	13,2	14,2
Cash and cash equivalents	4,4	4,8	5,3	8,9	7,1	7,4
Equity	18,2	13,7	14,2	21,3	22,8	25,0
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	60,5	62,0	64,4
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	31,8	37,8	37,8
(2) Net debt (+)/ Net cash (-)	11,0	10,7	10,6	4,8	5,2	3,8
(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	37,5	43,9	42,5
EV/sales	0,8	0,8	0,7	0,9	0,8	0,7
EV/EBITDA	14,7	18,6	11,3	10,6	8,4	7,3
EV/EBIT	ns	ns	ns	31,1	18,6	14,6
P/E	ns	ns	ns	181,0	23,7	17,2
P/B	0,9	1,4	1,2	1,8	1,7	1,5
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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