EuroLand Corporate

DMS Group

BUY

Market Cap (€M)	34,9	Ticker	ALDMS-FR	Medtech
Target Price	2,00	Number of shares (in million)	26,65	
4/22/2026 Price	1,31 €	Average volune 12m (securities)	21 558	Research note
Upside	*53%*	Extreme 12m (€)	0,98€/1,49€	4/23/2026

Challenging international market backdrop in Q1

Highlights

- Q2 2026 revenue of €10.0m, down -8y/y
- Radiology -5% (€8.1m) and Bone Densitometry -20% (€1.9m)
- Target price reiterated at 2,0€

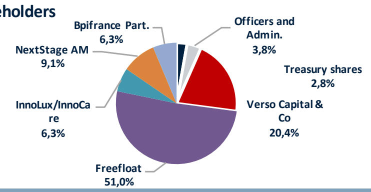
Financial summary (€m)

31/12	2025	2026e	2027e	2028e
Sales	50,0	55,5	59,9	64,0
YoY chg (%)	*8,3%*	*11,1%*	*8,0%*	*6,7%*
EBITDA	4,6	5,7	6,4	6,9
% of sales	*9,1%*	*10,2%*	*10,6%*	*10,8%*
EBIT	1,9	3,2	3,8	4,2
% of sales	*3,8%*	*5,7%*	*6,3%*	*6,5%*
Net profit	-0,2	1,3	2,4	2,8
% of sales	*-0,3%*	*2,4%*	*3,9%*	*4,3%*
EPS (reported)	0,02	0,06	0,08	0,09
ROCE (%)	3,7%	5,8%	6,8%	7,3%
ROE (%)	-0,9%	6,4%	10,3%	10,8%
Gearing (%)	37,5%	42,4%	32,3%	22,2%
Net debt	7,8	9,3	7,9	6,0
Div/share (€)	0,0	0,0	0,0	0,0
Yield (%)				

Valuation metrics (x)

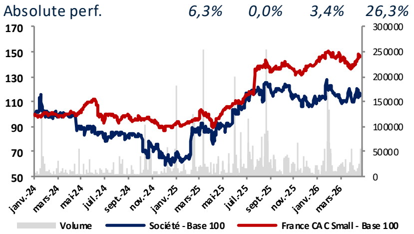
	2025	2026e	2027e	2028e
EV/sales (x)	0,8	0,9	0,8	0,7
EV/EBITDA (x)	9,1	8,3	7,2	6,4
EV/EBIT (x)	22,2	14,9	12,2	10,5
P/E (x)	ns	26,7	14,9	12,7

Shareholders



Share performance

Performances (%)	Ytd	1m	3m	12m
Absolute perf.	*6,3%*	*0,0%*	*3,4%*	*26,3%*



Q1 2026 Revenue Release

Yesterday, DMS Group reported Q1 2026 revenue of €10.0m. Against a still challenging international backdrop, the Radiology segment declined by -5% to €8.1m, while Bone Densitometry contracted more sharply by -20% to €1.9m.

Management expects a rebound in Q2 across both divisions and reiterates its objectives of (i) outperforming the global medical imaging market in FY26 and (ii) improving profitability.

Ukraine contract timing impact

In Q1, DMS posted a revenue decline of -8% to €10.0m.

Radiology (81% of sales) showed relative resilience (-5% y/y) in a softer environment. The decline is primarily attributable to an unfavorable base effect linked to the phasing of deliveries under the Ukraine contract, particularly for mobile units (!M1 Adam), with only one batch delivered in Q1 vs. three in Q4.

Two structural elements should be highlighted:

1. The decline in OEM activity (50% of mix vs. 68% in Q1 2025) mechanically weighed on volumes.
2. The ramp-up in branded sales (50% vs. 32%), notably supported by a significant order for Platinum tables in South America.

This shift in mix is qualitatively positive, reflecting better commercial control and potentially higher margins.

Bone Densitometry (19% of sales) declined by -20% to €1.9m. Following a very strong Q4 (+36%), this normalization does not call into question the full-year trajectory. DMS' positioning as the only European manufacturer remains a key competitive advantage, supporting continued growth over the year.

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Geographic trends

DMS recorded a decline in North America, mainly due to a negative OEM effect with Carestream Health and Fujifilm Americas. This was offset by strong momentum in South America, driven by an order of approximately €0.6m. The US market remains identified as a major growth driver for 2026.

In Europe, recent trends persisted with a -18% decline, mainly concentrated in Italy, while France posted slight growth.

Finally, the Middle East recorded a slight decline (-€0.1m), reflecting geopolitical impacts.

Management feedback (Euroland Corporate)

Following discussions with management, several key takeaways emerge:

- DMS emphasizes its positioning as a “complementary offering” to major players. The group no longer seeks to compete head-on with GE HealthCare, Philips, or Siemens Healthineers across the full product range, but rather aims to fill gaps in their portfolios. In practice, this involves supplying products not offered by these groups, enabling broader portfolio coverage, and integrating solutions into large OEM catalogues.
- The group intends to pursue external growth without cash outlay.
- Management is now strongly focused on margins, not just growth.

DMS is attempting to transition from a historically volatile and fragile profile into a more credible small-cap medtech: better financed, more international, with tangible margin leverage. The next re-rating phase will primarily depend on US commercial execution and the ability to convert exceptional contracts into recurring growth.

Outlook & estimates

DMS expects a return to growth from Q2, supported by both Radiology and Bone Densitometry, barring further geopolitical deterioration. The group confirms its ambition to outperform the medical imaging market in 2026.

Key growth drivers include:

1. Continued deliveries of mobile radiology units in Ukraine,
2. Strong commercial momentum in North America,
3. The commercial launch of the ONYX mobile radiology solution expected in Q2 2026.

Following this release, we lower our 2026 revenue estimates, reflecting ongoing geopolitical uncertainties that may continue to impact activity. Profitability, however, should improve in line with operational efforts.

We now forecast FY26 revenue at €55.7m (vs. €57.5m previously), implying +11.1% y/y growth, and EBITDA of €3.2m (vs. €3.5m previously), corresponding to a 5.7% margin.

Recommendation

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

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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).

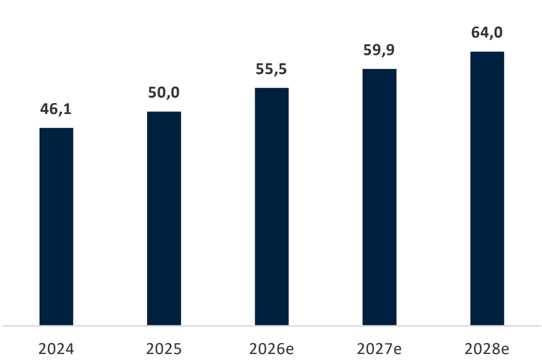
High-profile partnerships. DMS Group has developed recognized expertise, enabling it to establish a strong position in the medical imaging market. Thanks to the technological excellence of its innovative solutions and its flexibility, DMS Group has secured multiple commercial and industrial partnerships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

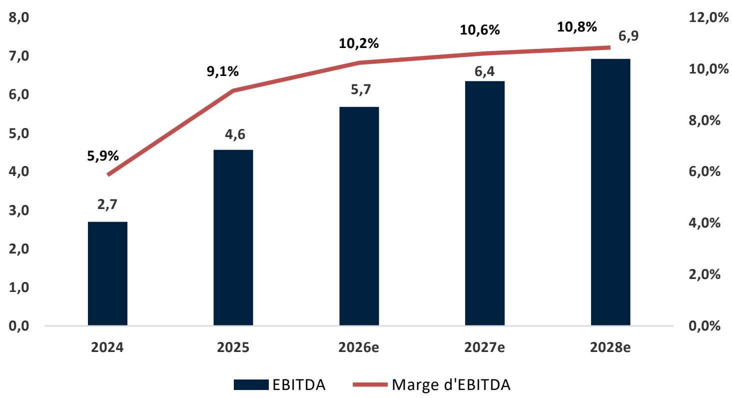
Comparable valuation multiples

		VE / CA			VE / EBITDA			VE / EBIT			P/E		
Société	**Capitalisation**	**2026ee**	**2027e**	**2028e**	**2026ee**	**2027e**	**2028e**	**2026ee**	**2027e**	**2028e**	**2026ee**	**2027e**	**2028e**
Siemens Healthineers	43 191,1	*2,3x*	*2,1x*	*2,0x*	*11,3x*	*10,1x*	*9,2x*	*14,3x*	*12,7x*	*11,3x*	*18,6x*	*15,9x*	*13,9x*
Guerbet SA	118,8	*0,6x*	*0,6x*	*0,6x*	*5,4x*	*4,1x*	*4,0x*	*15,1x*	*8,6x*	*7,6x*	*20,1x*	*5,1x*	*4,9x*
Hologic, Inc.	16 900,0	*4,6x*	*4,3x*	*4,1x*	*13,9x*	*13,2x*	*12,4x*	*15,0x*	*14,3x*	*13,5x*	*19,8x*	*18,4x*	*17,1x*
GE Healthcare Technc	28 917,6	*1,8x*	*1,7x*	*1,6x*	*9,7x*	*9,0x*	*8,4x*	*11,3x*	*10,4x*	*9,7x*	*15,0x*	*13,6x*	*12,4x*
Arcoma AB	11,0	*0,6x*	*0,6x*	*0,5x*	*4,4x*	*3,8x*	*3,6x*	*7,2x*	*5,7x*	*5,3x*	*13,2x*	*10,8x*	*9,9x*
I.M.D. International Me	25,6	*0,5x*	*0,4x*	*ns*	*5,0x*	*3,8x*	*ns*	*6,8x*	*5,0x*	*ns*	*14,2x*	*10,2x*	*ns*
Moyenne		***1,7x***	***1,6x***	***1,8x***	***8,3x***	***7,3x***	***7,5x***	***11,6x***	***9,4x***	***9,5x***	***16,8x***	***12,3x***	***11,6x***
Mediane		***1,2x***	***1,1x***	***1,6x***	***7,5x***	***6,5x***	***8,4x***	***12,8x***	***9,5x***	***9,7x***	***16,8x***	***12,2x***	***12,4x***

Change in sales (€M) 2024-2028e



Change in EBITDA (€M) 2024-2028e



DMS Group / *Medtech*

P&L (€m)	2024	2025	2026e	2027e	2028e
Sales	46,1	50,0	55,5	59,9	64,0
EBITDA	2,7	4,6	5,7	6,4	6,9
EBIT	**-0,2**	**1,9**	**3,2**	**3,8**	**4,2**
Operating income	-0,3	1,2	2,7	3,8	4,2
Net financial income (loss)	-2,3	-1,1	-1,0	-1,0	-0,9
Tax	-0,2	-0,1	-0,4	-0,4	-0,5
Affiliates	0,0	0,0	0,0	0,0	0,0
Minorities	0,1	0,2	0,0	0,0	0,0
Net income, group share	**-2,9**	**-0,2**	**1,3**	**2,4**	**2,8**
Balance sheet (€m)	**2024**	**2025**	**2026e**	**2027e**	**2028e**
Non current assets	23,6	24,6	24,5	24,4	24,2
Goodwill	*8,0*	*8,0*	*8,0*	*8,0*	*8,0*
Working capital	10,0	12,6	15,4	16,5	17,6
Cash and cash equivalents	**5,3**	**7,1**	**8,1**	**8,5**	**9,3**
Equity	14,2	20,7	22,0	24,3	27,1
Borrowings and financial debt	15,9	14,9	17,4	16,4	15,4
Total balance sheet	**53,9**	**62,5**	**66,2**	**68,4**	**71,4**
Cash flow statement (€m)	**2024**	**2025**	**2026e**	**2027e**	**2028e**
Cash flow from operations	0,9	3,3	4,3	4,3	4,3
Change in working capital	-1,2	-3,1	-1,7	-1,7	-1,7
Cash flow from operating activities	**-0,2**	**0,2**	**2,6**	**2,6**	**2,6**
CAPEX, net	-2,1	-1,4	-1,5	-1,5	-1,5
Net financial investment	0,0	0,0	0,0	0,0	0,0
FCF	**-2,1**	**-1,4**	**-1,5**	**-1,5**	**-1,5**
Capital increase	0,0	0,0	0,0	0,0	0,0
Change in financial debt	0,0	0,0	0,0	0,0	0,0
Dividends paid	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**
Change in cash and cash equivalents	0,0	0,0	0,0	0,0	0,0
Ratios	**2024**	**2025**	**2026e**	**2027e**	**2028e**
Sales growth (%)	**9%**	**21%**	**8%**	**8%**	**8%**
EBITDA margin (%)	5%	8%	10%	10%	10%
EBIT margin (%)	**-1%**	**2%**	**5%**	**5%**	**5%**
Operating profit margin (%)	-1%	2%	5%	5%	5%
Net margin (%)	-2%	1%	2%	2%	2%
CAPEX (% sales)	5%	3%	3%	3%	3%
Working capital (% sales)	29%	29%	30%	30%	30%
ROCE (%)	-1%	3%	6%	6%	6%
ROCE ex GW (%)	-1%	3%	7%	7%	7%
ROE (%)	-7%	5%	10%	10%	10%
Payout (%)	0%	0%	0%	0%	0%
Dividend yield (%)	0%	0%	0%	0%	0%
Leverage ratios	**2024**	**2025**	**2026e**	**2027e**	**2028e**
Gearing (%)	**138%**	**140%**	**118%**	**118%**	**118%**
Net debt/EBITDA (x)	8,0	4,1	2,8	2,8	2,8
Interest coverage (x)	3,1	6,2	8,2	8,2	8,2
Valuation	**2024**	**2025**	**2026e**	**2027e**	**2028e**
Nb of shares (millions)	18,1	26,7	26,7	26,7	26,7
Average nb of shares (millions)	17,9	22,4	26,7	26,7	26,7
Price (annual average, €)	0,9	1,2	1,3	1,3	1,3
Average market capitalization (€m)	16,4	26,0	34,9	34,9	34,9
(2) Net debt (+)/ Net cash (-)	10,6	7,8	9,3	7,9	6,0
(3) Value of minorities	1,3	1,5	1,5	1,5	1,5
(4) Value of financial assets	0,4	0,5	0,5	0,5	0,5
EV = (1)+(2)+(3)-(4)	27,9	34,7	45,3	43,8	42,0
EV/sales	**0,7**	**0,8**	**0,9**	**0,8**	**0,7**
EV/EBITDA	11,3	9,1	8,3	7,2	6,4
EV/EBIT	**ns**	**22,2**	**14,9**	**12,2**	**10,5**
P/E	ns	ns	26,7	14,9	12,7
P/B	1,2	1,5	1,6	1,4	1,3
Per share data (€)	**2024**	**2025**	**2026e**	**2027e**	**2028e**
EPS (reported)	**0,0**	**0,0**	**0,1**	**0,1**	**0,1**
Book value	0,6	0,6	0,7	0,7	0,7
Dividend	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 +5% 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 -5% 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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