

SCANDINAVIAN MEDICAL SOLUTIONS A/S

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WELL-POSITIONED FOR GROWTH

Scandinavian Medical Solutions A/S (“SMS” or the “Company”) is a broker, specialized in the purchase and resale of high-quality pre-owned medical imaging equipment to third parties globally. A strong market position with secured partnerships with some of the largest Original-Equipment-Manufactures (OEM:s), combined with underlying market trends and a greater product offering is expected to be key drivers going forward, estimated to result in a revenue CAGR of 13.1% between 2020/21-2025/26. The recent IPO has also enabled value adding investments such as a larger inventory and a greater product mix. With an applied target P/E multiple of 19.0x based on earnings per share of DKK 0.37 in 2022 combined with a discount rate of 13.4%, yields a fair value per share of DKK 6.5.

▪ Proceeds from the IPO Enable Expansion

The IPO in November 2021 provided capital of DKK 30m, and SMS has a clear plan of how this capital raised will be allocated for value adding investments. These investments include introducing new verticals which will create new revenue streams, expanding the Company's inventory and recruiting additional sales staff. This combined is expected to play a substantial part of the sales growth going forward, resulting in an estimated revenue CAGR of 13.1% between 2020/21-2025/26.

▪ Partnerships with Leading OEM:s

SMS has secured contracts with the four leading Original-Equipment-Manufactures (OEM:s), gaining access to the latest, most qualitative and sought-after medical equipment on the market. This is expected to lead to a competitive inventory which should attract new systems' orders and drive sales going forward.

▪ Capitalizing on Underlying Market Trends

An ageing population globally has led to an increased demand for well-equipped healthcare. Hence, healthcare spending has outpaced economic growth for the past decade and is projected to still do so for the next 15 years. Moreover, pressure on public finances create a need for more economic alternatives such as pre-owned systems. Analyst Group assess SMS to be well-positioned to capitalize on these trends.

▪ Greater Product Mix Expected Within 2023/24

The announced goal of becoming an Inter Service Organization (ISO) with Multi Vendor Service (MSV) will extend the product offering to also include installation, service, renting and the sale of spare parts. This is expected to be reached within 2023/24 and will create new verticals and revenue streams. This is estimated to play a substantial part of Analyst Group's projections of revenue which is estimated to increase from DKK 71.6m in 2020/21 to DKK 132.8m in 2025/26.

SHARE PRICE | DKK 5.0
VALUATION INTERVAL

BEAR DKK 4.1	BASE DKK 6.5	BULL DKK 8.3
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SCANDINAVIAN MEDICAL SOLUTIONS

Share Price (2022-03-16)	5.0
Number of Shares Outstanding	27 250 000
Market Cap (DKKm)	137.1
Net cash(-)/debt(+) (DKKm)	-23.5
Enterprise Value (DKKm)	113.5
W.52 Price Intervall (DKK)	N/A
List	Nasdaq First North Growth Market Denmark

DEVELOPMENT

1 Week	-1.4%
1 Month	-7.7%
3 Months	7.0%
Since IPO	-10.6%

MAIN SHAREHOLDERS (2022-01-11)

SMS Holding ApS	25.2%
J. Krohn Holding ApS	25.2%
Fundamental Invest Afd Stock Pick	2.9%
Fundamental Fondsmæglerselskab A/S	2.3%
Jens Olsson	1.8%

CEO AND CHAIRMAN OF THE BOARD

CEO	Jens Krohn
Chairman of the board	Millie Tram Lux

FINANCIAL CALENDAR

H1 Report	2022-05-19
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ESTIMATES (BASE), DKKM	2019/20	2020/21	2021/22E	2022/23E
Revenue	41.9	71.6	86.7	101.1
<i>Revenue growth</i>	<i>34.5%</i>	<i>70.8%</i>	<i>21.1%</i>	<i>16.5%</i>
Gross profit	7.4	13.9	17.9	21.6
<i>Gross margin</i>	<i>17.5%</i>	<i>19.4%</i>	<i>20.7%</i>	<i>21.3%</i>
EBITDA	6.0	10.9	12.0	14.6
<i>EBITDA margin</i>	<i>14.3%</i>	<i>15.2%</i>	<i>13.9%</i>	<i>14.4%</i>
EBIT	6.0	10.9	12.0	14.5
<i>EBIT margin</i>	<i>14.2%</i>	<i>15.2%</i>	<i>13.8%</i>	<i>14.4%</i>
P/S	N/A	2.4x	1.6x	1.4x
EV/S	N/A	2.0x	1.1x	1.0x
EV/EBITDA	N/A	13.3x	7.8x	6.9x

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Bull and bear

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Definition Bull

Bull is a metaphor for an optimistic view of the future. It indicates a belief in improvement.

Definition Bear

Bear is a metaphor for a pessimistic view set on the future. It indicates a belief deterioration.

Other

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