

SMS Publishes Interim Report Following Period of Geopolitical Headwinds

This morning, SMS published its interim report for the period from 1 October 2025 to 31 March 2026, which was marked by geopolitical headwinds.

The first half of Scandinavian Medical Solutions' 2025/26 financial year was characterized by geopolitical uncertainty, which negatively affected the company. The company points to trade barriers in the United States, instability in the Middle East, and rising oil prices as the primary reasons for the results falling below original expectations.

Revenue for the first half of the year amounted to DKK 92.3 million, compared to DKK 122.7 million in the same period last year — corresponding to a decline of approximately 25%. Gross profit before other external expenses decreased to DKK 16.3 million, corresponding to a gross margin of 17.6%, compared to 19.7% the previous year. EBITDA came in at DKK -6.9 million versus DKK 0.6 million, while free cash flow before financing improved to DKK -11.1 million compared to DKK -20.7 million in the same period last year.

To adapt the cost base, Scandinavian Medical Solutions has initiated a number of measures, the majority of which are expected to take effect during the second half of the year. These include a pause in recruitment within development functions, postponement of new IT and AI implementations, consolidation of warehouse infrastructure, restructuring of the U.S. sales function, and a demand-driven rollout of inventory in the United States to reduce exposure to tariff front-loading.

It is worth noting that the company's order book remains strong, while Q2 and Q3 are typically the strongest quarters for SMS. The company therefore maintains its full-year guidance, expecting revenue of DKK 190–220 million and EBITDA of DKK 0–5 million. SMS also highlights that its U.S. subsidiary is now self-financing.

The CEO of Scandinavian Medical Solutions A/S, Jens Hvid Paulsen, states:

We operate in a market characterized by extraordinary uncertainty, and the result for the first half of the year is not satisfactory. We have therefore implemented the necessary measures to strengthen liquidity and reduce the cost base, while maintaining our long-term market position. Based on a strong order backlog and the expected full effect of the implemented cost reductions in the second half of the year, we maintain our expectations for the financial year.

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