SMS ends the financial year within guidance and expects positive EBITDA in 2026/27

Scandinavian Medical Solutions has published its annual report for the 2025/26 financial year and announced its expectations for the new financial year.

Scandinavian Medical Solutions yesterday published its annual report for the 2025/26 financial year, which has been one of the most challenging years in the company's history. US tariffs, the conflict in the Middle East, rising oil prices and tighter financing conditions have led several of the company's customers to postpone their investments, which has hit revenue and earnings significantly. During the year, the company had to lower its expectations twice, most recently on 26 August 2026, when guidance was cut to revenue of DKK 155-175 million with negative EBITDA of DKK 9-13 million.

The numbers
In the 2025/26 financial year, the company generated revenue of DKK 177.3 million compared with DKK 245.4 million the year before, corresponding to a decline of 28%. EBITDA came in at DKK -11.2 million compared with DKK 10.5 million in 2024/25. Revenue thus landed marginally above the latest guidance, while EBITDA is within the announced range. In the first half, the EBITDA margin was -7.5%, while it improved to -5.1% in the second half. For the full year, the margin ended at -6.3% compared with 4.3% in 2024/25. The gross margin also fell from 23.1% to 19.3%, due to broad price competition, persistently high freight costs and US tariffs, which the company has largely absorbed itself, as well as inventory write-downs. At year-end, cash and cash equivalents amounted to DKK 1.4 million compared with DKK 2.1 million the year before, while debt to credit institutions has been reduced from DKK 26.6 million to DKK 22.9 million.

Equipment Solutions accounted for around two thirds of total revenue and was the main reason for the decline, as it is precisely system sales that are hit when customers hold back on larger capital investments. Parts Solutions made up 18% of revenue, while Rental Solutions accounted for 16%. The rental business was the bright spot of the year, with revenue growth of around 30% for the second year in a row and a higher margin than the year before. According to SMS, this reflects that in uncertain times customers demand flexible solutions in which capital investments are converted into operating expenses.

Interim CEO Henrik Ostenfeld Larsen says:

> *2025/26 has been one of the more challenging years. US tariffs, the conflict in the Middle East, rising oil prices and tighter financing conditions for our customers have slowed investment decisions across our markets. We have therefore focused on what we can influence ourselves: stabilising the business platform, reducing the capital tied up in inventory and strengthening our liquidity. We have been challenged by the geopolitical conditions, but we have stabilised our platform and are ready when the market turns.*

Expects positive EBITDA in 2026/27

For the 2026/27 financial year, Scandinavian Medical Solutions expects revenue in the range of DKK 180-200 million and EBITDA of DKK 0-5 million. This corresponds to modest revenue growth but a marked improvement in earnings, with the company aiming to return to positive operating earnings.

Management considers the guidance realistic. It is based on the cost measures and the inventory strategy taking full effect, and on Rental Solutions and Parts Solutions continuing to contribute recurring revenue. Furthermore, the guidance does not assume a rapid recovery in the markets affected by tariffs, transport regulations and regional conflicts, which makes the expectations less dependent on a market turnaround. In addition, positive cash flow from operating activities is expected.

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