Le Maitre Vascular, Inc. (LMAT)

Updated April 2nd, 2025 by Yiannis Zourmpanos

Key Metrics

Current Price:	$86	**5 Year Annual Expected Total Return:**	11.8%	**Market Cap:**	$1.92B
Fair Value Price:	$89	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	05/15/2025
% Fair Value:	96%	**5 Year Valuation Multiple Estimate:**	0.8%	**Dividend Payment Date:**	05/30/2025
Dividend Yield:	0.9%	**5 Year Price Target**	$144	**Years Of Dividend Growth:**	14
Dividend Risk Score:	A	**Sector:**	Healthcare	**Rating:**	Buy

Overview & Current Events

LeMaitre Vascular, Inc. (LMAT) develops, markets, services, and backs medical devices and implants to treat peripheral vascular disease. Their offerings include restore flow allografts, angioscopes, embolectomy and thrombectomy catheters, occlusion and perfusion catheters, artery graft biologic grafts, carotid shunts, radiopaque tape, valvulotomes, vascular grafts, cardiac patches, and closure systems.

On February 27th, 2025, LeMaitre announced results for the fourth quarter of 2024. The company ended 2024 with a strong Q4 performance, reporting 14% sales growth to $55.7 million, driven entirely by organic growth, and a 30% jump. The company reported non-GAAP EPS of $0.49, in-line with analysts' estimates.

LeMaitre saw meaningful gains across grafts (+23%), carotid shunts (+14%), and catheters (+12%), while international sales surged, particularly in APAC (+21%) and EMEA (+18%). Improved gross margins (69.3%) and disciplined operating expense management helped push operating income up 26% to $12.9 million, resulting in a healthy 23% operating margin. CEO George LeMaitre highlighted expanding salesforce productivity and cost control as key drivers, noting, "More reps, higher ASPs, and better gross margins produced 44% EPS growth and 42% operating income growth in 2024."

Looking ahead, LeMaitre provided upbeat 2025 guidance, forecasting full-year revenue of $239.1 million (+9% YoY at the midpoint) with gross margins steady at 69.7%. Operating income is expected to grow 15% to $59.8 million, and EPS is projected to rise 16% to $2.24. The company's balance sheet also got a boost with $299.7 million in cash, enhanced by $172.5 million in recently issued convertible notes. LeMaitre is putting that liquidity to work, approving a 25% dividend hike to $0.20/share and launching a $75 million buyback program. With a solid Q1 forecast and multiple growth levers in play, including international expansion, new product approvals, and salesforce scaling, LeMaitre appears poised for another strong year.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$0.42	$0.55	$0.86	$1.13	$0.88	$1.04	$1.25	$0.93	$1.34	$1.96	***$2.24***	***$3.60***
DPS	$0.16	$0.18	$0.22	$0.28	$0.34	$0.38	$0.44	$0.50	$0.56	$0.64	***$0.80***	***$1.61***
Shares[1]	18.3	19.2	20.0	20.2	20.3	20.5	21.5	22.2	22.4	22.8	***23.4***	***145.0***

We expect the company to post EPS of $2.24 in 2025, which is the midpoint of management estimates. Also, we expect annual EPS growth of 10.0% over the next five years, leading to our estimated EPS of $3.60 by 2030. Moreover, the company has a solid record of paying dividends despite operating in a competitive healthcare sector, as LeMaitre Vascular has paid an increasing dividend for the past 14 years. Thus, we expect the company to maintain its dividend growth and have forecasted a dividend CAGR of 15.0%, leading to a dividend of $1.61 in 2030.

[1] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Le Maitre Vascular, Inc. (LMAT)

Updated April 2nd, 2025 by Yiannis Zourmpanos

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	27.9	32.4	35.6	29.2	35.3	30.3	41.7	49.9	41.4	41.5	***38.5***	***40.0***
Avg. Yld.	1.4%	1.0%	0.7%	0.9%	1.1%	1.2%	0.8%	1.1%	1.0%	0.8%	***0.9%***	***1.1%***

The healthcare equipment company trades at a forward P/E of 38.5, higher than the long-term average P/E of 36.5, but lower than the five-year average P/E of 41.0. Even though the rapid sales growth will benefit the company in the near term, we assign a P/E of 40.0 to the stock, which we feel is a fair reflection of its value. Accordingly, with an EPS of $3.60 and P/E target of 40.0, our target price for the stock stands at $144 by 2030.

Safety, Quality, Competitive Advantage, & Recession Resiliency

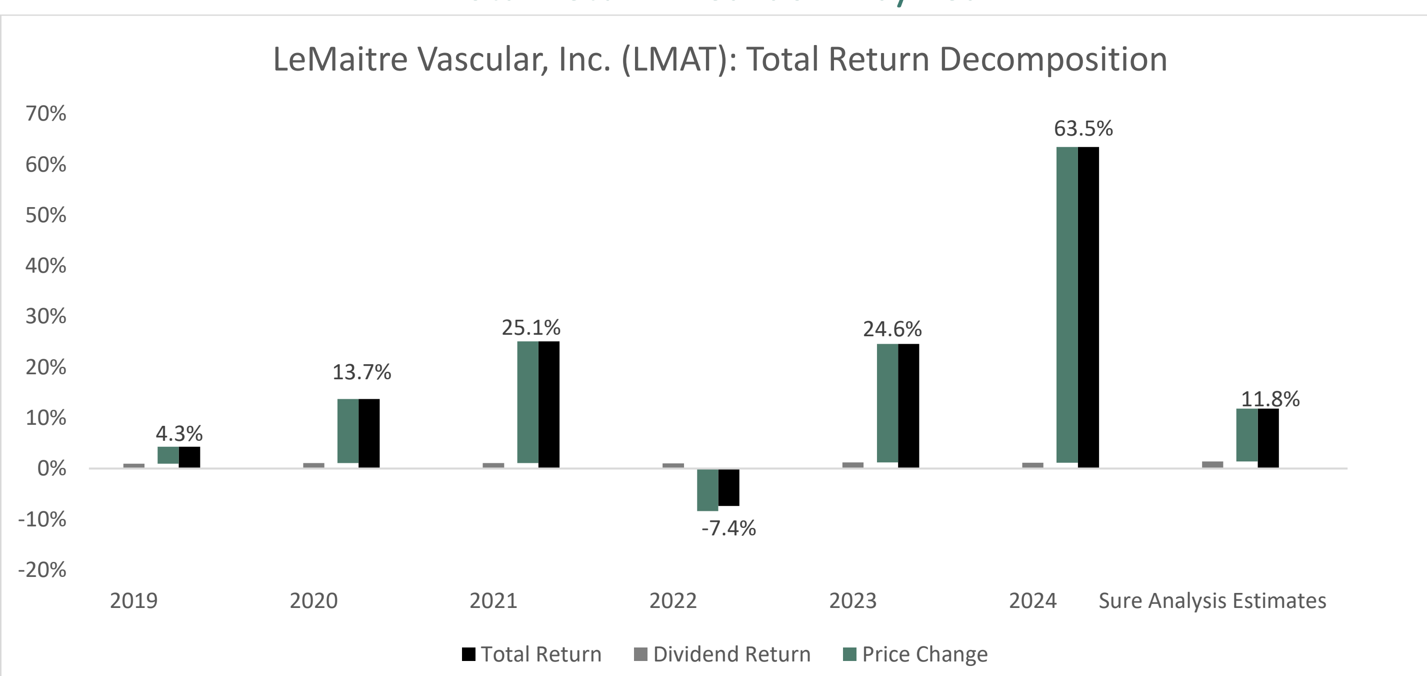
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	38%	33%	26%	25%	39%	37%	35%	54%	42%	33%	***36%***	***45%***

The company has paid a consistent dividend to its shareholders with a 10-year payout ratio averaging 38.8%, and we expect the company to maintain and increase its payout in the future. The company's EPS has experienced a rapid increase in recent quarters, and we expect the company to be in a much better position in the future than it is today. In addition, the margins may improve aggressively in a reducing rate environment and lead to lower-rivalry niche segments. Nevertheless, a case of hard landing could adversely affect its performance. LeMaitre's newly authorized $75 million share repurchase program underscores management's confidence in the company's long-term outlook and commitment to returning capital to shareholders.

Final Thoughts & Recommendation

While LeMaitre Vascular operates a competitive healthcare equipment business, a decrease in interest rates could further enhance EPS growth. Indeed, LeMaitre Vascular's dividend growth prospects could remain strong for a long time. Thus, we rate LMAT with a buy rating premised upon the 11.8% annualized total returns for the long-term, derived from the forecasted earnings-per-share growth of 10.0%, the 0.9% dividend yield, and a valuation tailwind.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Le Maitre Vascular, Inc. (LMAT)

Updated April 2nd, 2025 by Yiannis Zourmpanos

Income Statement Metrics

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	71	78	89	101	106	117	129	154	162	193
Gross Profit	48	54	63	71	74	80	85	101	105	127
Gross Margin	68.1%	69.1%	70.6%	70.1%	70.0%	68.1%	65.4%	65.7%	64.9%	65.8%
SG&A Exp.	36	37	40	43	45	49	46	53	62	73
D&A Exp.	3	3	4	4	4	5	8	11	9	9.5
Operating Income	7	11	16	21	21	21	28	36	30	37
Operating Margin	10.0%	14.2%	18.3%	20.9%	19.6%	18.1%	21.9%	23.6%	18.5%	19.2%
Net Profit	4	8	11	17	23	18	21	27	21	30
Net Margin	5.5%	9.9%	11.9%	17.0%	21.7%	15.3%	16.4%	17.4%	12.8%	15.5%
Free Cash Flow	4	9	14	16	16	10	32	30	22	29
Income Tax	2	4	6	4	6	4	6	7	7	9.4

Balance Sheet Metrics

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Assets	81	91	102	126	153	188	253	293	310	347
Cash & Equivalents	19	27	24	19	26	12	27	14	19	24
Acc. Receivable	11	12	13	15	16	17	20	20	22	25
Inventories	17	15	17	19	26	35	39	41	45	52
Goodwill & Int.	24	24	33	32	44	65	125	119	112	108
Total Liabilities	13	13	14	17	23	40	80	39	42	49
Acc. Payable	1	1	1	2	2	3	2	2	3	3.7
Long-Term Debt	-	-	-	-	-	-	38	-	-	-
Total Equity	68	78	88	110	130	148	173	254	268	298
LTD/E Ratio	-	-	-	-	-	-	0.22	-	-	-

Profitability & Per Share Metrics

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Return on Assets	5.2%	9.0%	11.0%	15.1%	16.4%	10.5%	9.6%	9.9%	6.8%	9.2%
Return on Equity	6.3%	10.6%	12.8%	17.4%	19.1%	12.9%	13.2%	12.6%	7.9%	10.6%
ROIC	6.3%	10.6%	12.8%	17.4%	19.1%	12.9%	11.8%	11.6%	7.9%	10.6%
Shares Out.	17.0	18.3	19.2	20.0	20.2	20.3	20.5	21.5	22.2	22.4
Revenue/Share	4.18	4.28	4.63	5.04	5.22	5.77	6.32	7.19	7.29	8.63
FCF/Share	0.25	0.50	0.73	0.82	0.81	0.51	1.55	1.41	1.00	1.32

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.