

Press release

Malmö, December 2, 2020

Arjo acquires AirPal – a US company focused on patient transfers

Arjo today announces the acquisition of AirPal, a privately owned US-based company specializing in Air-Assisted Lateral Patient Transfer solutions. The deal will strengthen Arjo's Patient Handling portfolio and is expected to have a positive impact on earnings per share from 2022 and onwards.

“By adding AirPal’s products to our sales force we are able to fast-track our position within Air-Assisted Lateral Transfer solutions in the important US market. This adds further growth potential to our Patient Handling business where we can now offer a more complete solution to our customers. With this acquisition, we strengthen our ability to support healthcare by reducing caregiver injuries and thus eliminating cost,” says Joacim Lindoff, President & CEO of Arjo.

Healthcare has the highest proportion of work-related injuries of all professional groups (of non-fatal accidents). 50-60% of all global healthcare professionals are affected by muscular skeletal disorders.* Lateral transfers and repositioning are the most commonly cited patient handling tasks reported in healthcare, and when performed manually, jeopardizes both staff and patient health. Using an air-assisted system, such as AirPal, provides a more effective solution to mitigate the physical efforts and injury risks associated with performing lateral transfers, in addition enabling reduced caregiver injuries and healthcare costs.

AirPal is the inventors of and received the first patent for Air Assisted Lateral Patient Transfer Devices and specializes in these devices that uses a cushion of air to facilitate lateral movement of patients that aims to minimize the risk of injury to both patients and caregivers. AirPal’s technology releases low-pressure air through perforated chambers in its TransferPad, which is placed under the patient in the same manner as a bed sheet.

Today, the US market size for Air Assisted lateral transfers is estimated at approximately 160 MUSD, with an estimated annual growth of 5%** . Currently Arjo has a significant US patient handling market share of approx. 20-25%** not including lateral transfers where Arjo is underrepresented with a low single digit market share. By acquiring AirPal and leveraging the Arjo sales infrastructure, existing customer contacts and contracts, Arjo sees opportunities to gain significant market share within 2-3 years and over time reach a market share similar to the level in the overall patient handling business.

The acquisition is part of the Group’s long-term strategic focus towards driving healthier outcomes for people facing mobility challenges, and will help advance Arjo’s agenda towards increased profitable growth. The initial focus is on the US market, followed by UK and Australia.

The deal is an asset purchase agreement and involves an upfront payment and an earn-out tied to performance in 2021 to 2023. The acquisition is expected to have a limited positive impact on Arjo's EPS during 2021 but will contribute positively to EPS development in 2022 and increasingly so onwards as sales synergies materialize.

*American Nurses Association. Health and Safety Survey, 2011

**Arjo's estimates

About AirPal

AirPal® was founded in 1982 and is a privately owned company specializing in air-assisted lateral patient transfer and positioning technology. In 2019, net sales amounted to approx. 4,5 MUSD. AirPal's solutions are currently offered mainly on the US market. The company is based in North Wales (PA), USA.

For more information, please contact:

Kornelia Rasmussen

Executive Vice President, Marketing Communications & Public Relations

Tel: +46 (0)10 335 4810

Email: kornelia.rasmussen@arjo.com

Maria Nilsson

Investor Relations & Corporate Communications

Tel: +46 (0)10 335 4866

Email: maria.nilsson@arjo.com

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About Arjo

Creating the best conditions for mobility is at the very core of a high-quality healthcare offering. Arjo's products and solutions for patient handling, hygiene, disinfection, diagnostics, prevention of pressure injuries and deep vein thrombosis, and our medical beds, are designed to promote mobility, safety and dignity in all care situations.

With 60 years of experience of improving the everyday lives of patients, residents and healthcare providers, sales of SEK 8.9 billion in 2019 and a global workforce of slightly more than 6,000, Arjo is constantly reinforcing its commitment to create healthier outcomes for people with reduced mobility