Year-end report
January – December 2018

October-December 2018 in brief

- Net sales increased 11.6% to SEK 2,307 M (2,068). Net sales rose organically by 5.8%.
- EBITDA increased 143.4% to SEK 348 M (142).
- Adjusted EBITDA increased 70.4% to SEK 409 M (240).
- Restructuring and integration costs amounted to SEK 38 M (104).
- Profit after financial items increased to SEK 130 M (-75).
- Earnings per share increased to SEK 0.36 (-0.25).
- Cash flow from operations amounted to SEK 334 M (175). The cash conversion was 96.0% (123.2).
- As previously communicated, Arjo signed an agreement during the quarter to divest Acare, the group's low-spec medical beds business.

January-December 2018 in brief

- Net sales increased 6.9% to SEK 8,217 M (7,688). Net sales rose organically by 3.0%.
- EBITDA increased 18.4% to SEK 1,180 M (996).
- Adjusted EBITDA increased 5.2% to SEK 1,312 M (1,246).
- Restructuring and integration costs amounted to SEK 113 M (324).
- Profit after financial items increased to SEK 395 M (179).
- Earnings per share increased to SEK 1.09 (0.43).
- Cash flow from operations amounted to SEK 991 M (572). The cash conversion was 84.0% (57.4).
- Acquisition of ReNu Medical – a green medical reprocessor of single use medical devices.
- A dividend per share of SEK 0.55 (0.50) is proposed, corresponding to approximately SEK 150 M, a 10% increase on the preceding year.

Financial summary

	Quarter 4 2018	Quarter 4 2017	Full-year 2018	Full-year 2017
Net sales, SEK M	2,307	2,068	8,217	7,688
Gross profit, SEK M	1,042	901	3,662	3,428
Gross margin, %	45.2%	43.6%	44.6%	44.6%
Adjusted EBITA[1]	313	135	930	846
Adjusted EBITA margin, %	13.5%	6.5%	11.3%	11.0%
EBITDA	348	142	1,180	996
EBITDA margin, %	15.1%	6.9%	14.4%	13.0%
Adjusted EBITDA[1]	409	240	1,312	1,246
Adjusted EBITDA margin, %	17.7%	11.6%	16.0%	16.2%
Operating profit/loss (EBIT), SEK M	157	-34	493	281
Profit/loss after financial items, SEK M	130	-75	395	179
Net profit/loss for the period, SEK M	97	-68	296	118
Number of shares, thousands	272,370	272,370	272,370	272,370
Earnings/loss per share, SEK	0.36	-0.25	1.09	0.43
Cash flow from operations, SEK M	334	175	991	572
Cash conversion, %	96.0%	123.2%	84.0%	57.4%

1 Before items affecting comparability Refer to Note 5 on page 13, Alternative performance measures on page 17 and definitions on page 20.

At Arjo, we are committed to improving the everyday lives of people affected by reduced mobility and age-related health challenges. With products and solutions that ensure ergonomic patient handling, personal hygiene, disinfection, diagnostics, and the effective prevention of pressure ulcers and venous thromboembolism, we help professionals across care environments to continually raise the standard of safe and dignified care. Everything we do, we do with people in mind. www.arjo.com

arjo
with people in mind

Strong finish with double-digit growth in US and UK

Arjo reported strong growth for the quarter. Can you tell us more about the group's sales trend?

Yes, we ended the year strongly with organic growth of 5.8% for the quarter and report double-digit growth in both of our two largest markets – the US and the UK.

One of our most important objectives going into 2018 was to turn around our business in the US market. With 13% growth in the final quarter and 4% for the full-year, I can state that we have been successful and we continue to hit the milestones set in the Arjo 2020 plan. I am also glad that the action plan we initiated in the UK at the beginning of the year is generating results. We grew by more than 10% in the quarter and 7% for the year in the UK.

However, the group's growth was held back slightly by Australia where the decline that started in the third quarter has continued. This was mainly due to a slowdown in investments in the private long-term care sector as a result of a more uncertain political situation. Despite this, the group grew organically by 3% for the full year. The sales increase was also supported by a continued solid order intake.

Earnings have significantly improved compared with 2017. Can you elaborate?

EBITDA increased by 70% this quarter, mainly as a result of higher sales and lower costs.

We have maintained good cost control in the fourth quarter and operating expenses for the full-year amounted to SEK 3,017 M, giving SEK 2,927 M in comparable currencies. This is well within the communicated estimate of SEK 2,965 M. Operating expenses as a percentage of net sales have thus already declined somewhat in 2018 compared with the preceding year.

The gross margin for the fourth quarter amounted to 45.2% and was held back slightly by costs related to the logistics problems that arose in the third quarter. These problems have now been solved and we enter 2019 with a logistics systems that will enable our development going forward.

The gross margin was 44.6% for the full-year, which is in line with the preceding year. We estimate that additional measures are within reach to slightly improve the gross margin step by step. The divestment of Acare that took place in the fourth quarter, combined with continued growth and increased capacity utilization in our factories, will have a positive impact on our gross margin in the future.

Anything else about 2018 that you would like to highlight?

We have set a clear direction for the company with our Arjo 2020 plan, which has created positive momentum in the organization. As a standalone company, we now have a 100% focus on Arjo's operations and opportunities. The sales organization has worked in a dedicated and focused manner and we see that we have good opportunities for continued growth in the future. The organization has made a great effort in 2018 and we have proven that Arjo is and will be even stronger as a standalone company.

Do you have any comments ahead of 2019?

In 2019, we will continue to launch solutions and products to enhance the efficiency and improve the quality of care. Priority areas for us include dementia care, the importance of preventive care and a sustainable and ergonomic work environment for caregivers.

We are working in parallel to adapt our operations to the new MDR regulation. Extensive work was carried out in 2018, which will continue this year. We are well prepared for these new requirements and see this as an important competitive advantage.

The US remains an important market and will be in focus also in 2019. We are addressing the situation in Australia and believe that we can stabilize our performance there in the relatively short term. We also see good opportunities for growth in several other markets, for example, Japan, China and in our distributor markets in Eastern Europe and South-East Asia.

Our investments in long-term care, for example in the US, will gradually generate results in 2019 and we will continue our work on lowering operating expenses as percentage of net sales. We will also make further investments in our sales organization and in product development.

We are getting positive signsals from our customers, as confirmed in our order intake. I look to 2019 with confidence and expect to grow the business in line with the growth that we noted in 2018.

Joacim Lindoff
President & CEO

Group performance

Net sales and results

Fourth quarter of 2018

Net sales increased organically by 5.8% to SEK 2,307 M (2,068) in the fourth quarter, with a particularly healthy sales trend in the group's largest markets the US and the UK. Sales of capital goods were strong in the quarter, especially in patient handling and equipment for bariatric care. DVT and diagnostics also performed well.

North America increased organically by 12.3% with a positive trend in both the US and Canada. The US market notes organic growth of 13.1% for the quarter, with sustained growth in the rental operations and continued favorable outlook for long-term care.

Growth in Western Europe was also healthy in the quarter, with an organic increase of 7.3%. Several markets ended the year strongly, including the UK. Activities in the action plan that was initiated in the UK at the start of 2018 continued to generate positive results in the fourth quarter. France and the Netherlands are other examples of markets that noted healthy growth during the quarter.

Net sales in Rest of the World fell 13.3% in the quarter. The decline was primarily related to the largest market in the region, Australia, where continued political uncertainty resulted in a slowdown in healthcare investments. Mainly caregivers in the private sector postponed investments in low-spec capital goods – something that began already in the third quarter. However, continued growth is anticipated in, for example, consumables, and the group is now directing its efforts towards these areas, such as DVT. Accordingly, it is deemed possible that the market trend in recent quarters will stabilize in 2019. Excluding Australia, the Group reported a positive performance in several markets in Rest of the World, including India, South Africa and New Zealand.

The gross margin was 45.2% (43.6) in the quarter. The gross margin was slightly held back by the costs that arose in the quarter related to the change of logistics partner and relocation of the logistics center in Europe that took place during the third quarter. These costs were related to a temporary increase in resources in logistics and higher expenses and lower efficiency in service and rental operations. The problems that arose in connection with the relocation have now been resolved and the Group enters 2019 with an efficient logistics solution.

Compared with the fourth quarter of 2017, the gross margin was positively impacted by currency transaction effects of about SEK 4 M.

Operating expenses were better than planned in the quarter at SEK 814 M (853). Translation effects of currencies had a negative impact of SEK 33 M on operating expenses compared with exchange rates at the end of 2017.

Restructuring and integration costs for the quarter amounted to SEK 38 M (104), most of which was related to the write-down of an IT system from Getinge that is no longer used and to other costs of a restructuring nature associated with the separation from Getinge.

The group's pension liability in the UK was adjusted during the quarter due to a judgment from the High Court at the end of 2018. The change, which amounts to SEK -40 M, is to be recognized in the group's income statement in accordance with applicable accounting practice. Since the change in pension liability was not connected to the group's operations in 2018, it is recognized as exceptional items. For further information, see Note 5 on page 13.

The group's EBITDA before exceptional items rose 70.4% to SEK 409 M (240), resulting in an adjusted EBITDA margin of 17.7% (11.6). EBITDA was positively impacted by currency effects of about SEK 31 M, of which SEK 4 M comprised transaction effects and SEK 27 M translation effects.

Net financial items amounted to SEK 27 M (41). Comparisons with the preceding year are not relevant since the company had a different capital structure when Arjo was part of Getinge.

January-December 2018

Net sales increased organically during the year by 3.0% to SEK 8,217 M (7,688).

North America grew organically by 4.8% with healthy growth in both the US and Canada. Sales in the US, Arjo's single largest market that accounts for about 30% of sales, increased organically by more than 4% during the year. The negative trend that mainly affected the rental operations and the DVT product category was also turned around.

Western Europe performed well, with organic growth of 3.4%. The UK increased organically by 7.6% year-on-year, despite continued low investments from the NHS.

Rest of the World declined -2.9% during the year, primarily due to uncertainty in Australia that impacted the third and the fourth quarters.

The gross margin was unchanged year-on-year at 44.6% (44.6). The gross margin was negatively impacted by costs related to the logistics relocation in Europe and an unfavorable product mix with high deliveries of low-spec medical beds. Currency transaction effects had a positive

Net sales by geographic area, SEK M	Quarter 4 2018	Quarter 4 2017	Organic change	Full-year 2018	Full-year 2017	Organic change
North America	872	735	12.3%	3,015	2,818	4.8%
Western Europe	1,142	1,001	7.3%	4,125	3,771	3.4%
Rest of the World	293	332	-13.3%	1,077	1,099	-2.9%
Total	**2,307**	**2,068**	**5.8%**	**8,217**	**7,688**	**3.0%**

Due to the changed internal areas of responsibility, comparative figures for 2017 were adjusted between the regions of Western Europe and Rest of the World compared with previously reported figures.

impact of SEK 27 M on the gross margin for the year compared with exchange rates at the end of 2017.

Restructuring costs for the full-year amounted to SEK 113 M (324), most of which were related to the reorganization and efficiency enhancements of the group's product development function that was charged to the first quarter of the year in its entirety. The remainder comprised costs for the change of logistics partner and write-down of an IT system, as part of the separation from Getinge. The IT write-down pertains to a system that is no longer used and amounts to SEK 24 M, that does not impact cash flow.

During the year, the pension liability in the UK was adjusted in the amount of SEK -40 M due to a ruling from the High Court. The change was recognised in the consolidated income statement as exceptional items. For further information, see Note 5 on page 13.

EBITDA increased 18.4% to SEK 1,180 M (996), which is well above the group's target of an annual increase of 10%. Adjusted EBITDA increased during the year to SEK 1,312 M (1,246).

Cash flow and financial position

Cash flow from operations was SEK 334 M (175) for the quarter, corresponding to a cash conversion of 96.0% (123.2). The improved cash flow was mainly the result of improved earnings and lower taxes paid. Cash conversion for the full-year was 84.0% (57.4), which is well above the group's target of a cash conversion of more than 70%.

Net investments for the quarter amounted to SEK 139 M (359), distributed as tangible assets of SEK 106 M (276) and intangible assets of SEK 33 M (83). Net investments also include investments of SEK 65 M (252) in the rental fleet.

The group carried out additional issues under its commercial paper program during the quarter. Issues under the program amounted to SEK 2,763 M at the end of the period.

Total cash flow for the quarter amounted to SEK 349 M (251), and mainly comprised cash flow from operations.

At the end of the quarter, the group's cash and cash equivalents amounted to SEK 961 M (672). The group's cash and cash equivalents increased based on an issue of SEK 308 M under the commercial paper program at the end of the quarter. The proceeds were used to pay off other interest-bearing loans in January 2019. At the end of the period, interest-bearing net debt was SEK 4,630 M (4,602). The equity/assets ratio was 41.3% (41.6) and the net debt/equity ratio was 0.9 (0.9).

Research and development

Arjo's research and development costs amounted to SEK 49 M (57) for the quarter, corresponding to 2.1% (2.8) of consolidated net sales. For the full-year, research and development costs totaled SEK 201 M (204), corresponding to 2.4% (2.7) of net sales. Refer to Note 4 for more information.

Outlook 2019

Organic sales growth for 2019 is expected to be in line with the 2018 level of approximately 3%.

Operating expenses are expected to continue to decline slightly as a percentage of sales in 2019.

Other key events during the quarter

Divestment of low-spec medical beds business

During the quarter, Arjo signed an agreement to divest Acare, the group's low-spec medical beds business, to China-based CBL. The divestment is a key part of the Group's action plan to improve profitability in the product category of medical beds. The Group's strength is found outside the value segment and that is also the area where continued focus will help maintain and further strengthen Arjo's leading positions in the market.

Arjo acquired the Chinese company Acare Medical Science Ltd. in 2012. Arjo has now decided to focus on the premium segment for medical beds where the company already holds strong market positions and where profitability is significantly better.

The divestment involves a production and sales unit in Zhuhai, China, with 186 employees and sales of about SEK 80 M in 2017.

The divestment is expected to be completed at the start of 2019 and was recognized in the balance sheet as assets and liabilities held for sale.

The divestment is not expected to have a significant effect on cash flow or capital earnings in 2019, but is expected to have an annual positive impact of about SEK 25 M on operating profit from 2019.

Other information

Key events after the end of the quarter

There are no key events to report after the end of the reporting period.

Risk management

Customers and healthcare reimbursement systems

A considerable share of Arjo's revenue is derived from sales of products to public sector entities. A political discussion taking place in many countries concerns whether private healthcare providers should be able to offer publicly funded healthcare services. There is a risk that authorities in countries where Arjo operates will decide to limit or completely discontinue public funding of private healthcare, which could affect the establishment of new hospitals and other healthcare facilities and their purchasing of healthcare products, such as Arjo's emergency and long-term care products.

Sales of the Group's products are also dependent on various reimbursement systems in each of Arjo's markets. In many of Arjo's markets (such as the US), it is often the patient's insurance company that – within the framework of the existing political reimbursement system – funds or subsidizes products for the patient's emergency or long-term care. Some of the success for sales of Arjo's products in these markets is dependent on whether Arjo's products have been approved for reimbursement under the various reimbursement systems.

Since Arjo conducts operations in many different countries and markets, the above-named risks are limited for the Group as a whole.

Research and development

Arjo's future growth is also dependent on the continued expansion of new product segments and new product types in existing product segments, which is dependent on the Group's ability to influence, predict, identify and respond to changing customer preferences and needs. Arjo invests in research and development in order to produce and launch new products, but there is no guarantee that any new products will achieve the same degree of success as in the past. Nor is there any certainty that Arjo will succeed in predicting or identifying trends in customer preferences and needs, or that Arjo will identify them earlier than its competitors. To maximize the return on research and development efforts, the Group has a highly structured selection and planning process to ensure that the Group prioritizes correctly when making decisions about potential projects. This process includes careful analyses of the market, technological progress, choice of production method and selection of subsuppliers. Development activities are conducted in a structured manner and the deliveries of every project undergo a number of fixed control points. Arjo is focused on product launches that will lead to more efficient care, in which more patients can be treated, which is expected to drive demand from end customers and therefore market growth. Product development that leads to a broader product range is a means for increasing organic growth.

Product liability and damage claims

As a medical device supplier, Arjo, like other healthcare industry players, could be subject to claims related to product liability and other legal issues. Such claims could involve large financial amounts and significant legal expenses. Arjo cannot provide any guarantee that its operations will not be subject to claims for compensation. A comprehensive insurance program is in place to cover any property or liability risks (e.g. product liability) to which the Group is exposed.

Protection of intellectual property rights

Arjo invests significant financial amounts in research and development, and is continuously developing new products and technological solutions. To secure revenues from these investments, new products and technologies must be protected from unlawful use by competitors. If possible and appropriate, Arjo protects its intellectual property rights by registering patents, copyrights and trademarks. The Group is also dependent upon know-how and trade secrets that cannot be protected under intellectual property law.

Changes related to general economic and political conditions

Arjo operates in several parts of the world and, like other companies, is affected by general global economic, financial and political conditions. Demand for Arjo's medical devices and solutions is influenced by various factors, including general macroeconomic trends. Uncertainty about future economic prospects, including political concerns, could adversely affect customers' decisions to buy Arjo's products, which would adversely affect Arjo's operations, financial position and results. Furthermore, changes in the political situation in a region or country, or political decisions affecting an industry or country, could also have a material adverse impact on sales of Arjo's products. Since Arjo operates in a large number of geographical markets, this risk is limited for the Group as a whole.

Authorities and notified bodies

The healthcare market is highly regulated in all of the countries where Arjo operates. Arjo's product range is subject to legislation, including EU Directives and implementing acts regarding medical devices, and the US Food and Drug Administration's (FDA) regulations and related quality systems requirements, which also encompass comprehensive evaluation, quality assurance and product documentation. It cannot be ruled out that Arjo's future operations, financial position and earnings may be adversely affected by difficulties in complying with the current regulations and requirements of authorities and notified bodies, or any changes thereof.

Arjo has developed its operations to comply with these laws and regulations and, to limit the above-named risk, Arjo devotes considerable efforts and resources. Annual audits are performed by designated certification bodies to ensure compliance with requirements for CE marking of Arjo's products, and authorities such as FDA conduct regular inspections of Arjo's production units to ensure regulatory compliance. The company head office and all of the Group's production facilities are also certified according to ISO 13485 (Medical devices – quality management systems) and/or ISO 9001 (Quality management systems).

Financial risk management

Through its operations, Arjo is exposed to a number of financial risks. Arjo's risk management is regulated by a finance policy established by the Board. Ultimate responsibility for managing the Group's financial risks and developing methods and policies for mitigating these risks lies with Group management and the Treasury Function. The most significant financial risks to which the Group is exposed are currency risk, interest-rate risk and credit and counterparty risk.

Transactions with related parties

Transactions between Arjo and companies in Getinge Group are specified in Note 11.

Capital Markets Day 2019

Arjo invites analysts, institutional investors and the media to the company's first Capital Markets Day in Malmö, Sweden on March 12, 2019.

The Capital Markets Day will begin at 11:00 a.m. CET at Arjo's head office in Malmö, and is expected to end at 4:30 p.m CET. The program includes presentations by the President & CEO and members from the Arjo Management Team. It will also be possible to see demonstrations of the group's products and solutions. The purpose of the Capital Markets Day is to provide greater understanding of some of Arjo's most important areas, such as the US market, trends in long-term care and future solutions for preventive care.

Participants can register they attendance on the company's website, https://www.arjo.com/Arjocmd.

2019 Annual General Meeting

Arjo's Annual General Meeting will be held on May 7, 2019 in Malmö, Sweden. Shareholders wishing to have a matter addressed at the Annual General Meeting on May 7, 2019 can submit their proposal to Arjo's Board Chairman by e-mail: agm@arjo.com, or by mail: Arjo AB, Att: Bolagsstämmoärenden, Hans Michelsensgatan 10, SE-211 20 Malmö, Sweden. To ensure inclusion in the notice and thus in the Annual General Meeting's agenda, proposals must be received by the company by March 19, 2019.

Nomination Committee

Ahead of the 2019 Annual General Meeting, Arjo's Nomination Committee comprised Chairman Carl Bennet (representing Carl Bennet AB), Per Colleen (representing the Fourth Swedish National Pension Fund), Marianne Nilsson (representing Swedbank Robur), Maria De Geer representing the minor shareholders and Board Chairman Johan Malmquist.

Dividend

The Board of Directors and CEO propose a dividend for 2018 of SEK 0.55 per share (0.50), an increase of 10% compared with 2017. The total dividend thus amounts to approximately SEK 150 M (136).

The proposed dividend for 2018 is well in line with the target in Arjo's adopted dividend policy. The proposal is justified based on the combination of the group's financial position and future development opportunities. The Board's proposed record date is May 9, 2019. Euroclear expects to distribute the dividend to shareholders on May 14, 2019.

Forward-looking information

This report contains forward-looking information based on the current expectations of Arjo's Management Team. Although management considers the expectations presented by such forward-looking information to be reasonable, there is no guarantee that these expectations will prove correct. Consequently, actual outcomes may vary considerably compared with what is stated in the forward-looking information, due to such factors as changed conditions regarding the economy, market and competition, changes in legal and regulatory requirements, as well as other policy measures and fluctuations in exchange rates.

This interim report is unaudited.

Assurance

The Board of Directors and CEO assure that the interim report provides a true and fair review of the Parent Company and the Group's operations, position and earnings and describes the material risks and uncertainties faced by the Parent Company and the Group.

Malmö, February 4, 2019

Johan Malmquist Chairman of the Board	**Carl Bennet**	**Sten Börjesson**	**Eva Elmstedt**
Ulf Grunander	**Ingrid Hultgren**	**Carola Lemne**	**Joacim Lindoff** President & CEO

Consolidated financial statements

Consolidated income statement

SEK M	Note	Quarter 4 2018	Quarter 4 2017	Full-year 2018	Full-year 2017
Net sales	2	2,307	2,068	8,217	7,688
Cost of goods sold		-1,265	-1,167	-4,555	-4,260
Gross profit		**1,042**	**901**	**3,662**	**3,428**
Selling expenses		-433	-449	-1,657	-1,571
Administrative expenses		-347	-361	-1,219	-1,136
Research and development costs	4	-34	-43	-141	-134
Acquisition expenses	5	0	-	-3	-
Restructuring and integration costs	5	-38	-104	-113	-324
Adjustment of pension liability	5	-40	-	-40	-
Other operating income and expenses		7	22	4	18
Operating profit/loss (EBIT)	3, 8	**157**	**-34**	**493**	**281**
Net financial items		-27	-41	-98	-102
Profit/loss after financial items		**130**	**-75**	**395**	**179**
Taxes		-33	7	-99	-61
Net profit/loss for the period		**97**	**-68**	**296**	**118**
Attributable to:					
Parent Company shareholders		97	-68	296	118
Number of shares, thousands		272,370	272,370	272,370	272,370
Earnings/loss per share, SEK[1]		0.36	-0.25	1.09	0.43

1 Before and after dilution. For definition, see page 20.

Consolidated statement of comprehensive income

SEK M	Quarter 4 2018	Quarter 4 2017	Full-year 2018	Full-year 2017
Net profit/loss for the period	**97**	**-68**	**296**	**118**
Other comprehensive income				
Items that cannot be restated in profit				
Actuarial gains/losses pertaining to defined-benefit pension plans	36	-89	108	-165
Tax attributable to items that cannot be restated in profit	-6	19	-18	32
Items that can later be restated in profit				
Translation differences	-75	6	264	-345
Hedges of net investments	-13	49	-126	49
Cash-flow hedges	-14	-9	-52	101
Tax attributable to items that can be restated in profit	6	-9	39	-33
Other comprehensive income for the period, net after tax	**-66**	**-33**	**215**	**-361**
Total comprehensive income for the period	**31**	**-101**	**511**	**-243**
Comprehensive income attributable to:				
Parent Company shareholders	31	-101	511	-243

Consolidated balance sheet

SEK M	Note	Dec 31, 2018	Dec 31, 2017
Assets			
Intangible assets		6,946	6,634
Tangible assets		1,153	1,134
Financial assets	9	448	334
Inventories		1,117	1,104
Accounts receivable		1,802	1,898
Current financial receivables	9	10	-
Other current receivables		625	434
Cash and cash equivalents	9	961	672
Assets held for sale		74	-
Total assets		**13,136**	**12,210**
Shareholders' equity and liabilities			
Shareholders' equity		5,427	5,074
Non-current financial liabilities	9	2,900	5,131
Provisions for pensions, interest-bearing	9	27	61
Other provisions		301	256
Current financial liabilities	9	2,771	90
Accounts payable		458	541
Other non-interest-bearing liabilities		1,208	1,057
Liabilities held for sale		44	-
Total shareholders' equity and liabilities		**13,136**	**12,210**

Changes in shareholders' equity for the Group

SEK M	Share capital	Reserves	Retained earnings	Total share-holders' equity[1]
Opening balance at January 1, 2017	**1**	**648**	**10,009**	**10,658**
Total comprehensive income for the period	-	-229	-14	-243
New share issue	90	-	-	90
Transactions with shareholders	-	-	-5,431	-5,431
Closing balance at December 31, 2017	**91**	**419**	**4,564**	**5,074**
Opening balance at January 1, 2018	**91**	**419**	**4,564**	**5,074**
Adjustment for prior years	-	-	-22	-22
Total comprehensive income for the period	-	124	387	511
Dividend	-	-	-136	-136
Closing balance at December 30, 2018	**91**	**543**	**4,793**	**5,427**

1 Fully attributable to Parent Company shareholders

Consolidated cash-flow statement

SEK M	Note	Quarter 4 2018	Quarter 4 2017	Full-year 2018	Full-year 2017
Operating activities					
Operating profit/loss (EBIT)		157	-34	493	281
Add-back of amortization, depreciation and write-down	3	191	176	687	715
Other non-cash items		-49	2	-84	36
Expensed exceptional items[1]		62	98	130	250
Paid items affecting comparability		-36	-30	-81	-63
Financial items		-24	-41	-92	-102
Taxes paid		6	-33	-171	-135
Cash flow before changes to working capital		**307**	**138**	**882**	**982**
Changes in working capital					
Inventories		132	90	24	-103
Current receivables		-207	-106	95	176
Current liabilities		102	53	-10	-483
Cash flow from operations		**334**	**175**	**991**	**572**
Investing activities					
Acquired operations	7	-	-	-144	-
Acquired financial assets		-	-	-16	-
Net investments		-139	-359	-557	-652
Cash flow from investing activities		**-139**	**-359**	**-717**	**-652**
Financing activities					
Raising of loans		2,603	5,131	5,507	5,131
Repayment of interest-bearing liabilities		-2,446	-	-5,336	0
Change in pension assets/liabilities		-1	5	-22	-53
Change in interest-bearing receivables		-2	7	0	24
Dividend		-	-	-136	-
Transactions with shareholders		-	-4,708	-	-5,796
Cash flow from financing activities		**154**	**435**	**13**	**-694**
Cash flow for the period		**349**	**251**	**287**	**-774**
Cash and cash equivalents at the beginning of the period		623	407	672	1,446
Translation differences		3	14	16	0
Reclassification to Assets held for sale		-14	-	-14	-
Cash and cash equivalents at the end of the period		**961**	**672**	**961**	**672**

1 Excluding write-down of non-current assets

Note 1 Accounting policies

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable rules of the Swedish Annual Accounts Act. The Parent Company has prepared the interim report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities.

The accounting policies applied in the preparation of this interim report apply to all periods and are consistent with the accounting policies presented in Note 1 Significant accounting policies in the 2017 Annual Report, published on www.arjo.com.

New accounting standards

IFRS 9 Financial instruments

IFRS 9 Financial Instruments is applied from the 2018 fiscal year and replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces new rules on, for example, the classification and measurement of financial instruments, write-down of financial instruments, and hedge accounting. Arjo has evaluated the effect of introducing the standard. The new rules did not impact the classification and measurement of material financial instruments, in the form of accounts receivable, accounts payable and liabilities to credit institutions in the financial statements. All above-mentioned material items are recognized at amortized cost and will continue to be recognized according to this approach under IFRS 9. The standard did not materially impact write-downs in the Group.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 introduces new requirements for income recognition and replaces IAS 18 Revenue, IAS 11 Construction Contracts and several IFRS income-related interpretations. Arjo applies IFRS 15 from the 2018 fiscal year. The implementation of IFRS 15 did not change Arjo's revenue recognition and this did not have a material impact on the financial statements. Parts of Arjo's income flows pertain to rental income that is not encompassed by IFRS 15 and thus were not impacted by the introduction of the standard. However, IFRS 15 does entail new disclosure requirements. From 2018, sales per type of revenue have been added to Note 2 of this interim report, in addition to the previous sales per region.

IFRS 16 Leases

IFRS 16 Leases comes into effect for the fiscal year beginning on January 1, 2019. The amendment compared with the current IAS 17 Leases is that all contracts in which the Group is the lessee are to be recognized in the balance sheet as an asset and a liability, except for short-term leases or leases where the underlying asset has a low value. The income statement will be impacted by amortization of the asset and an interest expense on the lease liability instead of an operating lease cost. Arjo will mainly be impacted by leases of premises and cars. The lease portfolio contains about 2,500 agreements. Commitments that exist regarding operating leases are described in Note 18 of the 2017 Annual Report.

For the transition to IFRS 16 on January 1, 2019, Arjo will apply the modified retrospective approach and in accordance with the standard will not restate the comparative year. Leases that were previously classified as operating leases under IAS 17 will be recognized at the present value of the remaining lease payments discounted by the incremental borrowing rate on January 1, 2019. Arjo will recognize a right of use that corresponds to the lease liability adjusted by any prepaid lease payments recognized on December 31, 2018. This entails that there will be no impact on the Group's shareholders' equity in connection with the transition.

Arjo will apply the practical exemption for short-term leases (leases with a term of 12 months or less) and low-value leases (the value of the underlying asset in new condition is less than about USD 5,000) of not recognizing an asset or a liability, and instead recognizing an expense in profit or loss. Arjo has also decided to include non-lease components in the calculation for all assets except buildings.

Arjo will utilize the following practical exemptions the first time that IFRS 16 is applied:

- The same discount rate was used on lease portfolios with similar characteristics
- Operating leases with a remaining term of less than 12 months on January 1, 2019 are recognized as a short-term lease
- Direct costs for right-of-use assets were not included in connection with the transition
- Historical information (hindsight) was used when determining the length of the lease if the contract contains options to extend or terminate the lease.
- Relied on its assessment as to whether leases are onerous by applying IAS 37 immediately before the date of initial application.

The preliminary and estimated effects that IFRS 16 will have on Arjo's financial statements on the transition date of January 1, 2019 are presented below.

	SEK billion
Right-of-use	approximately 1.4
Lease liability	approximately 1.4

The standard does not entail any material change for Arjo as the lessor.

None of the IFRS or IFRIC interpretations that have yet to come into legal effect are expected to have any significant impact on Arjo.

Note 2 Net sales by geographic area and type of revenue

Net sales by geographic area, SEK M	Quarter 4 2018	Quarter 4 2017	Full-year 2018	Full-year 2017
North America	872	735	3,015	2,818
Western Europe	1,142	1,001	4,125	3,771
Rest of the World	293	332	1,077	1,099
Total	**2,307**	**2,068**	**8,217**	**7,688**

Due to the changed internal areas of responsibility, comparative figures for 2017 were adjusted between the regions of Western Europe and Rest of the World compared with previously reported figures. The total figure for the Group is unchanged.

Net sales by type of revenue, SEK M	Quarter 4 2018	Quarter 4 2017	Full-year 2018	Full-year 2017
Product sales	1,435	1,264	4,810	4,398
Service incl. spare parts	364	322	1,373	1,325
Rental	508	482	2,034	1,965
Total	**2,307**	**2,068**	**8,217**	**7,688**

Note 3 Depreciation/amortization and write-down

SEK M	Quarter 4 2018	Quarter 4 2017	Full-year 2018	Full-year 2017
Intangible assets in acquired companies	-25	-25	-100	-101
Intangible assets	-70	-46	-205	-214
Tangible assets	-96	-105	-382	-400
Total	**-191**	**-176**	**-687**	**-715**
Of which, write-down	-17	-7	-24	-74

For this year's figures, the distribution between intangible assets in acquired companies and intangible assets has been adjusted. SEK 30 M that was included in intangible assets in acquired companies on September 30 has now been reclassified as intangible assets.

Note 4 Capitalized development costs

SEK M	Quarter 4 2018	Quarter 4 2017	Full-year 2018	Full-year 2017
Research and development costs, gross	-49	-57	-201	-204
Capitalized development costs	15	14	60	70
Research and development costs, net	**-34**	**-43**	**-141**	**-134**

Note 5 Exceptional items

SEK M	Quarter 4 2018	Quarter 4 2017	Full-year 2018	Full-year 2017
Acquisition expenses	0	–	-3	-
Restructuring and integration costs	-38	-104	-113	-324
Adjustment of pension liability, UK	-40	-	-40	-
Total	**-78**	**-104**	**-156**	**-324**

The company's pension liability in the UK was adjusted during the quarter due to a judgment from the High Court. This judgement entails that all pension plans must equalize the differences in guaranteed minimum pension benefits between genders (GMP benefits). The cost is deemed to be a "past service cost" and is thus recognized in profit or loss.

Note 6 Financial assets and liabilities measured at fair value

Dec 31, 2018	Assets at fair value through profit or loss	Derivatives used for hedging purposes	Total
Other current receivables	-	15	15
Total assets	**-**	**15**	**15**
Other non-interest-bearing liabilities	-	85	85
Total liabilities	**-**	**85**	**85**

Dec 31, 2017	Assets at fair value through profit or loss	Derivatives used for hedging purposes	Total
Other current receivables	-	35	35
Total assets	**-**	**35**	**35**
Other non-interest-bearing liabilities	-	7	7
Total liabilities	**-**	**7**	**7**

The fair value of derivative instruments is established using valuation techniques. For this purpose, observable market information is used. All derivatives are classified under level 2 of the value hierarchy.

Note 7 Acquisitions

All of the shares in the US company ReNu Medical Inc. were acquired in July. The company is a specialized green medical reprocessor of single use medical devices.

Its annual sales amount to approximately SEK 60 M, of which about SEK 40 M comprises sales to Arjo. The number of employees on the acquisition date was 87.

The acquisition analysis is preliminary for the period until one year after the acquisition date. Acquisition-related costs amounted to SEK 3 M.

If the acquisition had taken place on January 1, 2018, the Group's sales would have increased by approximately SEK 13 M and made a positive contribution to earnings.

Acquired net assets	Carrying amount	Valuation adjustment	Fair value
Net assets			
Intangible assets	-	12	12
Tangible assets	-	3	3
Inventories, accounts receivables and other receivables	7	1	8
Accounts payable and other liabilities	-1	-10	-11
Cash and bank balances	12	-	12
Total net assets	**18**	**6**	**24**
Goodwill	-	192	192
Total net assets	**18**	**198**	**216**
Cash-flow effect			
Acquisition price			216
Unpaid acquisition price			-60
Cash and cash equivalents in the acquired company			-12
Total cash-flow effect			**144**

Note 8 Financial data per quarter

SEK M	Quarter 1 2017	Quarter 2 2017	Quarter 3 2017	Quarter 4 2017	Quarter 1 2018	Quarter 2 2018	Quarter 3 2018	Quarter 4 2018
Net sales	1,931	1,894	1,795	2,068	1,943	1,986	1,981	2,307
Cost of goods sold	-1,014	-1,029	-1,050	-1,167	-1,087	-1,090	-1,113	-1,265
Gross profit	**917**	**865**	**745**	**901**	**856**	**896**	**868**	**1,042**
Operating expenses	-605	-727	-656	-853	-725	-744	-734	-814
Acquisition expenses	–	–	–	–	–	–	-3	0
Restructuring and integration costs	-69	-15	-135	-104	-42	-15	-18	-38
Adjustment of pension liability	–	–	–	–	–	–	–	-40
Other operating income and expenses	-5	-3	3	22	-6	5	-2	7
Operating profit/loss (EBIT)	**238**	**120**	**-43**	**-34**	**83**	**142**	**111**	**157**
Net financial items	-14	5	-52	-41	-16	-21	-34	-27
Profit/loss after financial items	**224**	**125**	**-95**	**-75**	**67**	**121**	**77**	**130**
Taxes	-60	-33	25	7	-17	-30	-19	-33
Net profit/loss for the period	**164**	**92**	**-70**	**-68**	**50**	**91**	**58**	**97**
Adjusted EBITDA[1]	460	294	251	240	289	313	301	409
Adjusted EBITDA margin[1], %	23.8	15.6	14.0	11.6	14.9	15.7	15.2	17.7

1 EBITDA before items affecting comparability Refer to Note 5 Items affecting comparability on page 13, Alternative performance measures on page 17 and definitions on page 20.

Note 9 Consolidated interest-bearing net debt

SEK M	Full-year 2018	Full-year 2017
Non-current financial liabilities	2,900	5,131
Current financial liabilities	2,771	90
Provisions for pensions, interest-bearing	27	61
Interest-bearing liabilities	**5,698**	**5,282**
Less financial receivables[1]	-107	-8
Less cash and cash equivalents	-961	-672
Interest-bearing net debt	**4,630**	**4,602**

1 Included in financial assets of SEK M 448 (334).

Note 10 Key figures for the Group

SEK M	Quarter 4 2018	Quarter 4 2017	Full-year 2018	Full-year 2017
Sales measures				
Net sales	2,307	2,068	8,217	7,688
Net sales growth, %	11.6%	-4.9%	6.9%	-1.5%
Organic growth in sales, %	5.8%	-1.8%	3.0%	-1.6%
Expense measures				
Selling expenses as a % of net sales	18.8%	21.7%	20.2%	20.4%
Administrative expenses as a % of net sales	15.1%	17.5%	14.8%	14.8%
Research and development costs as a % of net sales	1.5%	2.1%	1.7%	1.7%
Earnings measures				
Operating profit/loss (EBIT)	157	-34	493	281
EBITA	252	37	798	596
Adjusted EBITA	313	135	930	846
EBITDA	348	142	1,180	996
EBITDA growth, %	143.4%	-64.4%	18.4%	-35.1%
Adjusted EBITDA	409	240	1,312	1,246
Earnings/loss per share, SEK	0.36	-0.25	1.09	0.43
Margin measures				
Gross margin, %	45.2%	43.6%	44.6%	44.6%
Operating margin, %	6.8%	-1.7%	6.0%	3.7%
EBITA margin, %	10.9%	1.8%	9.7%	7.8%
Adjusted EBITA margin, %	13.5%	6.5%	11.3%	11.0%
EBITDA margin, %	15.1%	6.9%	14.4%	13.0%
Adjusted EBITDA margin, %	17.7%	11.6%	16.0%	16.2%
Cash flow and return measures				
Return on shareholders' equity, %[1]			5.6%	1.5%
Cash conversion, %	96.0%	123.2%	84.0%	57.4%
Operating capital, SEK M			9,946	10,317
Return on operating capital, %[1]			6.5%	5.9%
Capital structure				
Interest-bearing net debt			4,630	4,602
Interest-coverage ratio, multiple[1]			8.4x	5.3x
Net debt/equity ratio, multiple			0.9x	0.9x
Net debt / adjusted EBITDA[1]			3.5x	3.7x
Equity/assets ratio, %			41.3%	41.6%
Equity per share, SEK			19.9	18.6
Other				
No. of shares			272,369,573	272,369,573
Number of employees, average			6,123	5,853

1 Rolling 12 months.

Alternative performance measures

Alternative performance measures refer to financial measures used by the company's management and investors to evaluate the Group's earnings and financial position, and that cannot be directly read or derived from the financial statements. These financial measures are intended to facilitate analysis of the Group's performance. The alternative performance measures should not be considered substitutes, but rather a supplement to, the financial statements prepared in accordance with IFRS.

The financial measures recognized in this report may differ from similar measures used by other companies.

The alternative performance measures recognized below have not been calculated in accordance with IFRS but have been presented since Arjo believes that they are important in connection with investors' assessments of the Company and the Company's share.

Adjusted EBITA/EBITDA SEK M	Quarter 4 2018	Quarter 4 2017	Full-year 2018	Full-year 2017
Operating profit/loss (EBIT)	157	-34	493	281
Add-back of amortization and write-down of intangible assets	95	71	305	315
EBITA	**252**	**37**	**798**	**596**
Add-back of depreciation and write-down of tangible assets	96	105	382	400
EBITDA	**348**	**142**	**1,180**	**996**
Exceptional items [1]	78	104	156	324
Add-back of write-down of restructuring and integration costs	-17	-6	-24	-74
Adjusted EBITA	**313**	**135**	**930**	**846**
Adjusted EBITDA	**409**	**240**	**1,312**	**1,246**

1 Refer to Note 5 Exceptional items on page 13.

Cash conversion	Quarter 4 2018	Quarter 4 2017	Full-year 2018	Full-year 2017
Cash flow from operations, SEK M	**334**	**175**	**991**	**572**
Operating profit/loss (EBIT)	157	-34	493	281
Add-back of amortization, depreciation and write-down of intangible and tangible assets	191	176	687	715
EBITDA, SEK M	**348**	**142**	**1,180**	**996**
Cash conversion, %	**96.0%**	**123.2%**	**84.0%**	**57.4%**

Net debt/equity ratio	Full-year 2018	Full-year 2017
Interest-bearing net debt, SEK M	4,630	4,602
Shareholders' equity, SEK M	5,427	5,074
Net debt/equity ratio, multiple	**0.85**	**0.91**

Calculation of return on operating capital	Full-year 2018	Full-year 2017
Total assets opening balance	12,210	14,713
Total assets closing balance	13,136	12,210
Average total assets	**12,673**	**13,462**
Average total assets	12,673	13,462
Excluding average cash and cash equivalents	-817	-1,058
Excluding average other provisions	-278	-220
Excluding average other non-interest-bearing liabilities	-1,632	-1,867
Operating capital	**9,946**	**10,317**
Operating profit (EBIT)[1]	493	281
Items affecting comparability[1]	156	324
EBIT after add-back of items affecting comparability[1]	649	605
Return on operating capital, %	**6.5%**	**5.9%**

1 Rolling 12 months.

Note 11 Transactions with related parties

	Quarter 4 2018	Quarter 4 2017	Full-year 2018	Full-year 2017
Transactions with related parties, SEK M				
Sales	14	36	72	148
Other income	–	2	–	90
Purchases of goods	-1	-17	-9	-48
Other expenses	-17	-42	-69	-282
Financial income	–	1	–	11
Financial expenses	–	-9	–	-48
Accounts receivable			20	54
Non-current financial liabilities			55	–
Accounts payable			10	78
Current financial liabilities			–	90
Other non-interest-bearing liabilities			6	31
Net received/paid Group contributions/shareholders' contributions	–	1,203	–	1,203
Net received/paid dividends	–	0	–	-2,600
New share issue	–	90	–	90
Transfer of net assets	–	131	–	-4,034

Transactions between Arjo and companies in Getinge Group are specified in the table above. In addition to the above, there were no other material transactions with related parties.

Arjo uses Getinge as a distributor in certain markets. Business terms and conditions as well as market-regulated pricing apply for delivery of products and services between the Groups.

Other income and expenses primarily refer to administrative services.

Net assets are transferred for the establishment of the Arjo Group and to optimize the capital structure.

Parent Company financial statements

Parent Company income statement

SEK M	Quarter 4 2018	Quarter 4 2017	Full-year 2018	Full-year 2017
Administrative expenses	-45	-127	-155	-192
Restructuring and integration costs	-13	-18	-49	-18
Other operating income and expenses	72	158	66	197
Operating profit/loss (EBIT)	**14**	**13**	**-138**	**-13**
Income from participations in Group companies	569	-108	1,370	-108
Net financial items[1]	-8	-57	-85	-58
Profit/loss after financial items	**575**	**-152**	**1,147**	**-179**
Taxes	-82	33	-33	38
Net profit/loss for the period	**493**	**-119**	**1,114**	**-141**

1 Net financial items contain interest income and other similar items, and interest expenses and other similar expenses include exchange-rate gains and losses attributable to the translation of financial receivables and liabilities in foreign currencies measured at the closing day rate.

Parent Company balance sheet

SEK M	Full-year 2018	Full-year 2017
Assets		
Intangible assets	349	428
Financial assets	6,317	5,408
Receivables from Group companies	759	363
Current receivables	30	42
Total assets	**7,455**	**6,241**
Shareholders' equity and liabilities		
Shareholders' equity	4,605	3,627
Other provisions	1	-
Current financial liabilities	2,761	-
Current financial liabilities, Group companies	-	2,458
Other current liabilities, Group companies	55	100
Other non-interest-bearing liabilities	33	56
Total shareholders' equity and liabilities	**7,455**	**6,241**

Income for the year from participations in Group contributions refers to dividends of SEK 1,020 M from subsidiaries and Group contributions of SEK 350.

At the end of the period, the carrying amount of shares and participations in subsidiaries amounted to SEK 6,292 M. The change for the year is SEK 923 M and comprises the formation of new subsidiaries and capital contributions to subsidiaries.

A dividend of SEK 136 M was paid to the shareholders during the year. The Parent Company established a commercial paper program during the year with a framework amount of SEK 4,000 M. Issues totaling SEK 2,763 M were implemented.

Intangible assets comprise software.

Definitions

Financial terms

Operating capital
Average total assets less cash and cash equivalents, other provisions, accounts payable and other non-interest-bearing liabilities.

Return on operating capital
Rolling 12 months' operating profit with add-back of acquisition, restructuring and integration costs in relation to operating capital.

Return on shareholders' equity
Rolling 12 months' profit after tax in relation to average shareholders' equity.

Cash conversion
Cash flow from operations in relation to EBITDA.

EBIT
Operating profit.

EBITA
Operating profit before amortization and write-down of intangible assets.

Adjusted EBITA
EBITA with add-back of acquisition, restructuring and integration costs as well as adjustment of pension liabilty.

EBITA margin
EBITA in relation to net sales.

Adjusted EBITA margin
Adjusted EBITA in relation to net sales.

EBITDA
Operating profit before amortization, depreciation and write-down.

Adjusted EBITDA
EBITDA with add-back of items affecting comparability, meaning acquisition, restructuring and integration costs and adjustment of pension liability.

EBITDA margin
EBITDA in relation to net sales.

Adjusted EBITDA margin
Adjusted EBITDA in relation to net sales.

Net debt/equity ratio
Interest-bearing net debt in relation to shareholders' equity.

Organic change
A financial change adjusted for currency fluctuations, acquisitions and divestments.

Earnings per share
Profit for the period attributable to Parent Company shareholders in relation to average number of shares. The following data was used to calculate earnings per share:

Profit for the period attributable to Parent Company shareholders ...... SEK 296 M
Number of shares, thousands 272,370
Earnings per share ...... SEK 1.09

Interest-coverage ratio
Profit after financial items plus interest expenses and add-back of acquisition and restructuring costs in relation to interest expenses. Calculated based on rolling twelve-month data.

Operating expenses
Selling expenses, administrative expenses and research and development costs.

Operating margin
Operating profit in relation to net sales.

Equity/assets ratio
Shareholders' equity in relation to total assets.

Medical terms

Deep vein thrombosis (DVT)
Formation of a blood clot in a deep leg vein.

Ergonomics
A science concerned with designing the job to fit the worker to prevent illness and accidents.

Compression therapy
Treatment technique which means that one uses outer pressure with a certain frequency and for a certain period of time to treat and prevent venous leg ulcers.

Prevention
Preventive activity/treatment.

Sequential VTE prevention
A treatment that aims to enhance the circulation of blood in the deep veins of the legs, which helps reduce deep vein thrombosis (blood clot in the deep veins of the legs).

Pressure ulcers
Sores that occur when blood flow to the skin is reduced by external pressure. Most common in patients with reduced mobility.

VTE
The abbreviation VTE standards for venous thromboembolism – a blood clot in the veins, similar to DVT (above).

Edema
Swelling due to accumulation of fluid in tissues.

Teleconference

Fund managers, analysts and the media are invited to a teleconference on February 4 at 2:00 pm. CET.

Dial the number below to join the conference:
Sweden: +46 (0) 8 5664 2753
UK: +44 (0)330 336 9125
USA: +1 323-794-2423
Code: 8583701

A presentation will be held during the telephone conference. To access the presentation, please use this link:
https://slideassist.webcasts.com/starthere.jsp?ei=1227460

Alternatively, use the following link to download the presentation:
https://www.arjo.com/int/about-us/investors/reports--presentations/2019/

A recording of the teleconference will be available for 90 days via the following link: https://slideassist.webcasts.com/starthere.jsp?ei=1227460

Financial information

Updated information on, for example, the Getinge share and corporate governance is available on Arjo's website www.arjo.com. The Annual Report, year-end report and interim reports are published in Swedish and English and are available for download at www.arjo.com.

The following financial events/statements will occur in 2019:

March 12, 2019:	Capital Markets Day
April 2019:	2018 Annual Report
May 7, 2019:	Interim report Jan-Mar
May 7, 2019:	2019 Annual General Meeting
July 19, 2019	Interim report Jan–Jun
October 23, 2019:	Interim report Jan-Sep

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This information is information that Arjo AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact person set out above, on February 4, 2019 at 1:00 p.m. CET.

Customers in more than **100** countries

Approximately **6,000** employees worldwide

1,312 Adjusted EBITDA (SEK M, full-year 2018)

8,217 Net sales (SEK M, full-year 2018)

About Arjo

Arjo's work is based on genuine care for human health and well-being, and contributes to a sustainable healthcare system – always with people in mind.

Arjo is a market-leading supplier of medical devices and solutions that improve quality of life for patients with reduced mobility and age-related health challenges.

Arjo creates value by improving clinical outcomes for patients and enabling a better work environment for healthcare professionals. Arjo thereby contributes to a sustainable healthcare system – always with people in mind.

Arjo's main customers are private and public institutions providing acute and long-term care. The company's offering includes products and solutions for patient handling, hygiene, disinfection, hospital beds, prevention of pressure ulcers, prevention of deep vein thrombosis and for obstetric and cardiac diagnostics. The Group also offers services such as training in connection with product sales.

The company sells its products and services in more than 100 countries, which Arjo has divided into three geographic areas: North America, Western Europe and Rest of the World. Arjo has about 6,000 employees worldwide and the head office is in Malmö, Sweden.

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www.arjo.com