

A photograph of an elderly man with white hair and a young child with blonde hair, both smiling and having their arms outstretched. The man is wearing a dark blue sweater, and the child is wearing a light-colored sweater. The background is a warm, indoor setting with a wooden railing and a potted plant.

Capital Markets Day 20

Today's presenters



Joacim Lindoff
President & CEO



Christian Stentoft
Chief Strategy Officer



Daniel Fäldt
Chief Financial Officer

Agenda

10.30 - 10.40	Introduction & agenda	Nick Gabery-Adams
10.40 - 11.10	Brief business update	Joacim Lindoff
11.10 - 11.30	A strong foundation for future growth	Joacim Lindoff
11.30 - 11.40	Break	
11.40 - 12.10	Market insights and trends	Christian Stentoft
12.10 - 12.15	Break	
12.10 - 12.30	Updated strategy beyond 2020	Joacim Lindoff
12.30 - 13.10	Improving clinical and financial outcomes	Christian Stentoft
13.10 - 13.20	Break	
13.20 - 14.00	New financial targets 2021-2023, incl. Financial position	Joacim Lindoff, Daniel Fäldt
14.00 - 14.20	Q&A	
14.20 - 14.25	Summary	Joacim Lindoff
14.25 - 14.30	Closing remarks	Nick Gabery-Adams

Brief business update

Joacim Lindoff, President & CEO



Today's key highlights

Arjo is a **stronger company today** than we were three years ago
– 11 quarters of consecutive growth and a solid foundation to build on

Today we are announcing a **new long-term strategy that stretches towards 2030** and that will make Arjo a *mobility outcome partner* to healthcare

The strategy will be a gradual transition to more outcome-based selling, **enabled by enhanced focus on the operational efficiency agenda**

Our new strategy will be supported by key enablers including Digitalization, People and Sustainability

Announcement of **new financial targets 2021-2023** for continued profitable growth

- Organic sales growth 2021-2023: 3-5% CAGR
- Adj. EBITDA margin ~23% from full year 2023
- Annual cash conversion >80%
- Dividend Policy: The aim is for the dividend to correspond to 30-60% of net income after tax

Our profitable growth journey continues

Q3 2020 highlights

- Net sales grew 5.8% organically – continued high activity level
- Strong development in Medical beds, Therapeutic mattresses and US Rental
- Limited access to customer facilities continues, especially LTC
- Significant profitability improvement from rental volumes, efficiency programs and continued good cost control
- Solid financial position – strong cash flow and improved working capital with further room for improvement
- Overall very strong Q3
- Acquisition of equity stake in Bruin Biometrics in October

Net sales grew organically by



Gross margin increased to



EBIT before restructuring up



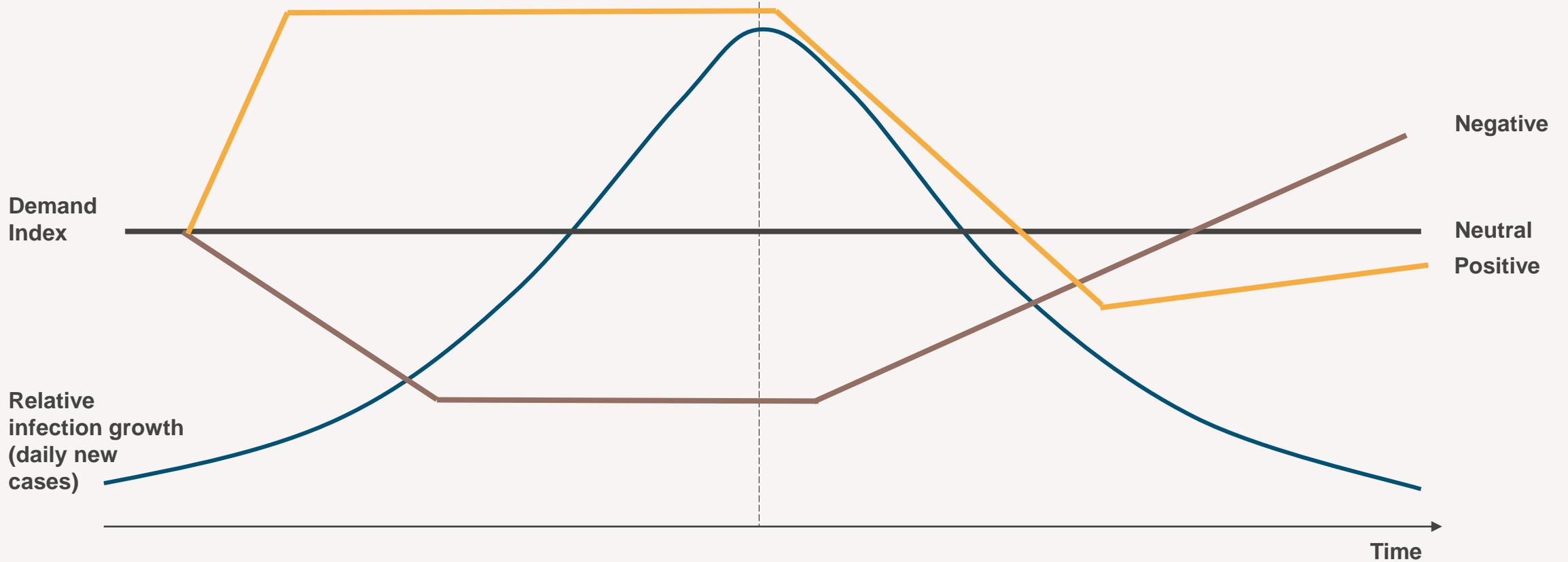
Cash conversion



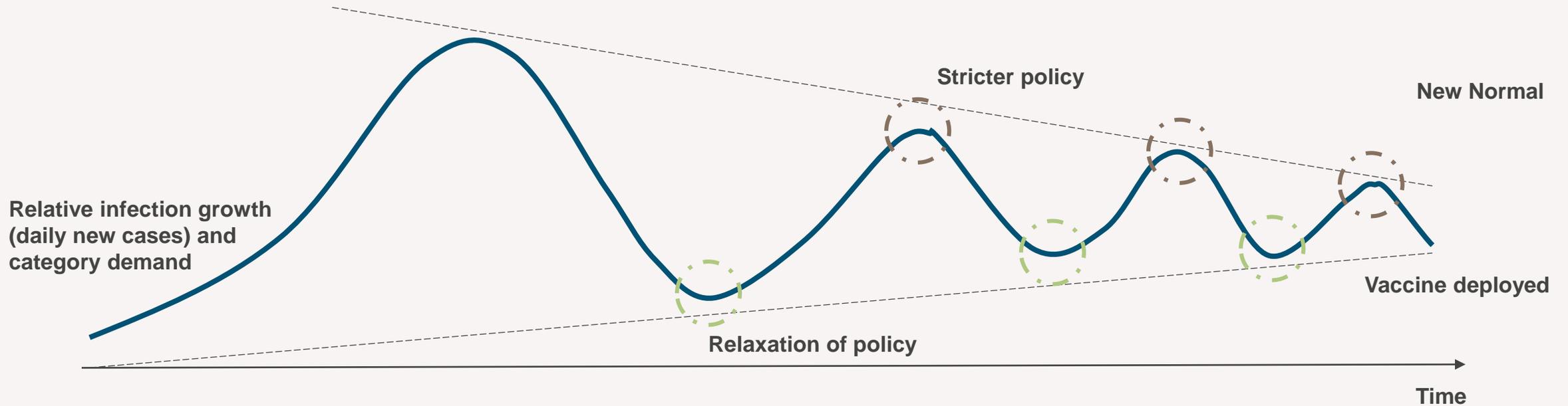
Mixed business impact from Covid-19

Impact	Negative	Neutral	Positive
Generic category description	Capital infrastructure equipment directly or indirectly involved in non Covid-19 related treatment see a sharp drop	Directly or indirectly involved in acute / chronic treatment experience a mixed demand during Covid-19	Directly or indirectly involved in diagnosing / treating Covid-19 experiencing significant increase in demand
Arjo portfolio Units	<p>PH – Ceiling lifts</p> <p>Hygiene - bathing</p> <p>Disinfection</p> <p>Service</p> <p>DVT</p>	<p>Rental</p> <p>PH – Other equipment</p>	<p>Medical Beds</p> <p>PH – Consumables</p> <p>PIP</p> <p>Diagnostics</p>

Category demand influenced by time of Covid-19 peak



Continued volatility expected, however a flexible cost base allows for short-term adjustments



Long-term potential remains solid with short-term uncertainties

- Healthcare staff under pressure & increasing cost of care
- Clinical & financial outcomes more important than ever
- Still high degree of uncertainty due to limited access to customer facilities - currently difficult to assess how quickly we will go back to "normal"
- Long-term potential and plans remain solid
- Q4 outlook in line with 2-4% organic growth



**A strong foundation
for future growth**

Joacim Lindoff, President & CEO

arjo

Arjo is a much stronger company today – a proven track record of delivery and a solid foundation to build on

2017

Arjo became an independent company

2020

Back to profitable growth – reaching the first basecamp

- A stable organization
- Increased operational agility
- Strengthened commercial focus

2021 onwards

Becoming a Mobility Outcome Partner

Continue creating value for healthcare as a mobility outcome partner

Vision

To be the most trusted partner in driving healthier outcomes for people facing mobility challenges

We have strengthened our position in the market across geographies

- Successful turnaround of the US market, +5,9% net sales growth (CAGR) since listing
- Established own sales companies in select markets
- Japan great example; established in 2018 - now growing at high double digit numbers
- Rebuild of distributor market allows substantial growth onwards
- While developing acute care, investments to strengthen long-term care – still great potential
- Service business growth, with significant remaining potential



11

Consecutive quarters
of growth since listing

We have streamlined our business – continuously improving profitability

- Improved operational leverage
- Continued improvements and restructuring of Rental business to enable margin development from 2020 onwards
- Good track record on realizing structural measures, still with remaining potential
- Continuous OPEX management allowing flexibility, while continuing to decline OPEX in relation to net sales



The organic agenda has been supported by acquisitions and partnerships

Acquisitions and partnerships

- ReNu Medical
- Atlas LiftTech
- Next Step Dynamics
- BrainLit
- Bruin Biometrics (BBI)



Looking ahead, the focus from an M&A and partnership perspective will be two-fold

- New opportunities to complement current portfolios
- Generate positive sales synergies

- Current focus on driving strong execution of recent acquisitions and partnerships

Divestments to optimize portfolio:

- Acare

With a solid foundation in place, we are ready to take the next step

Arjo 2020
Sustainable & Winning Culture



We will continue to build a strong foundation with increased efficiency...



...with focus on building a sustainable competitive advantage as a mobility outcome partner

2020

2030

Market insights & trends

Christian Stentoft, Chief Strategy Officer



Strong underlying growth fundamentals driving Arjo's market

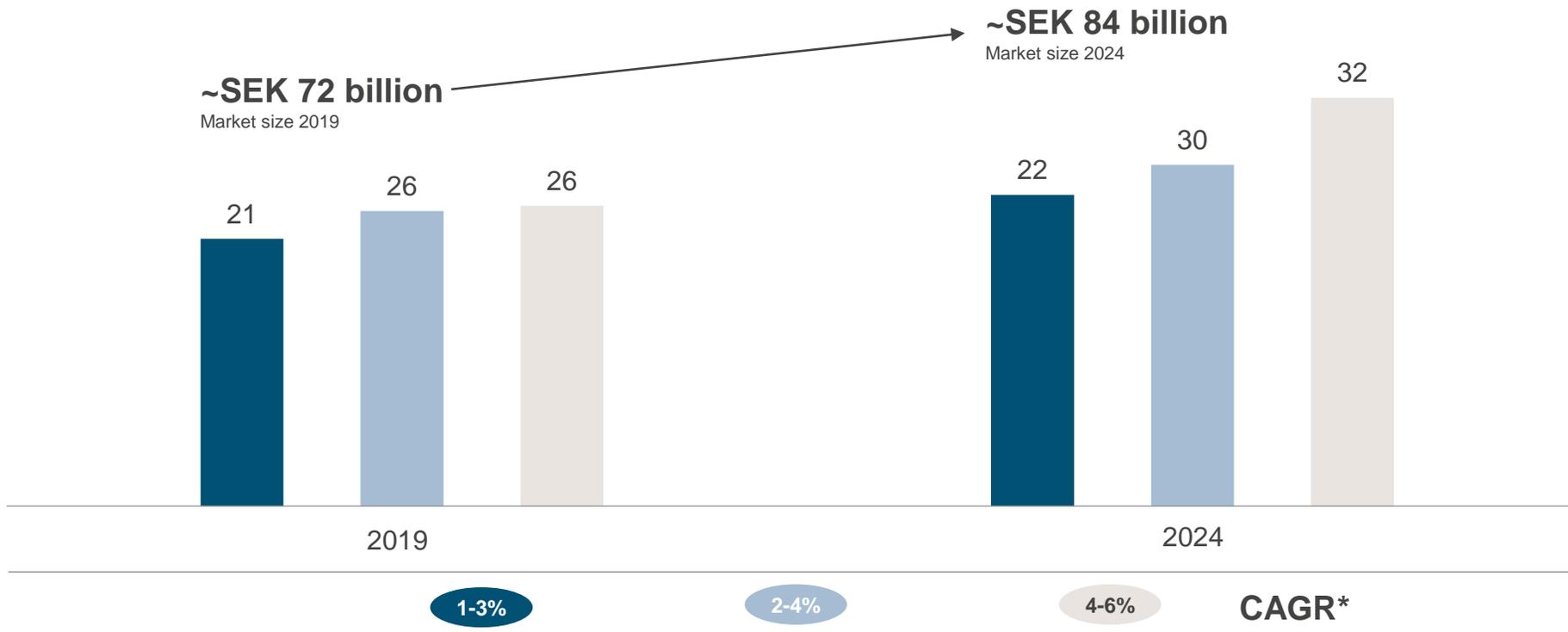
- The world's population continues to grow and people are becoming increasingly older
- We see an increase in lifestyle- and age-related conditions requiring more care
- The large proportion of elderly people is increasing pressure on healthcare; shift from AC to LTC

→ Increasing need for healthcare globally



A market with attractive and long-term growth

Market size per geography 2019 to 2024
SEK billion



Total CAGR* ~3%

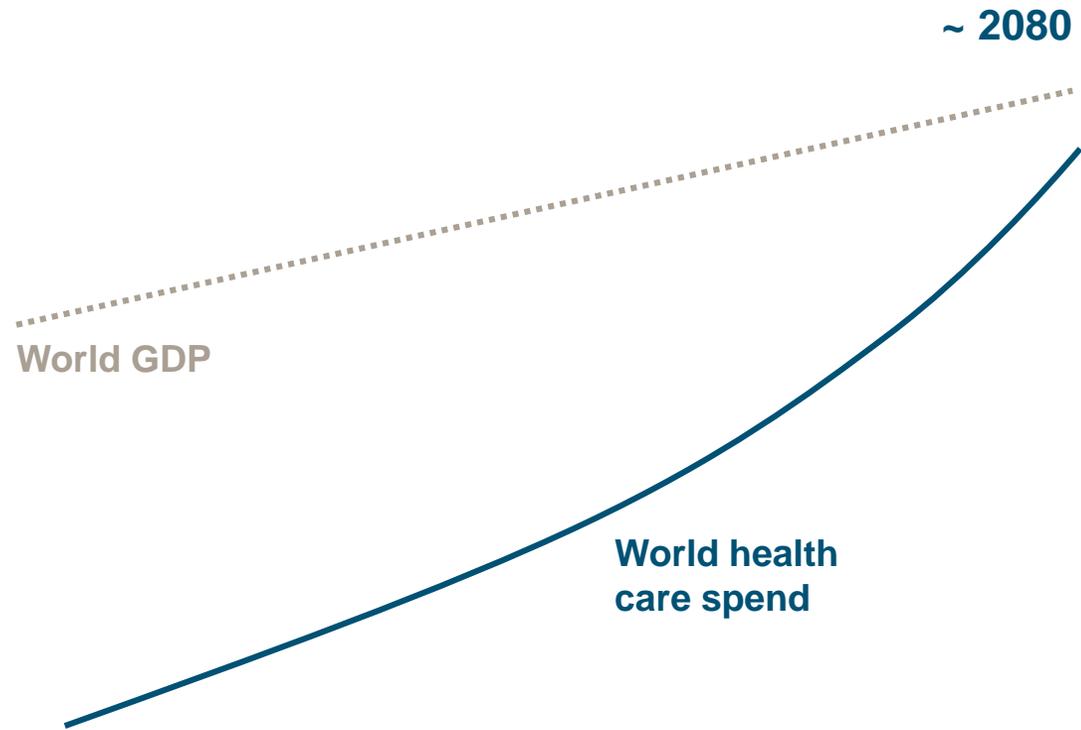
- ▶ Long term care growing about 50% faster than acute care in the developed markets, where we have the largest share of our revenue today

- Western Europe
- North America
- Rest of the World

* CAGR – average annual growth

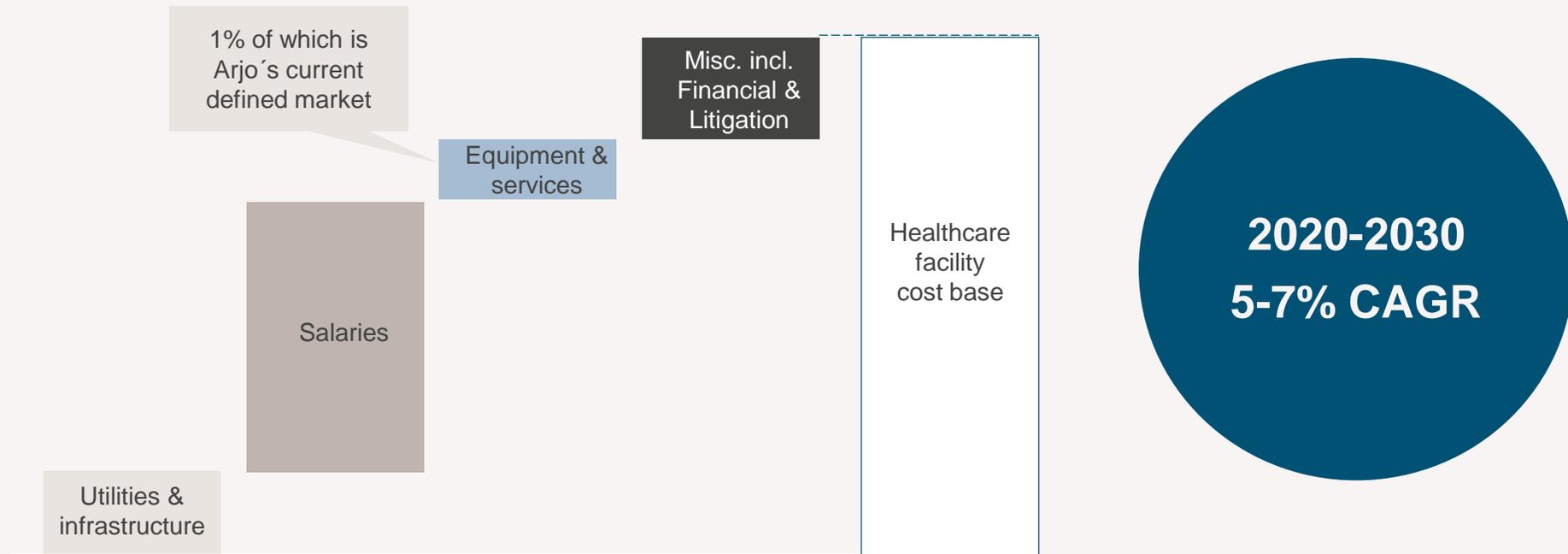
Healthcare is facing a critical challenge

Dramatic increase in healthcare spend globally



Global health care cost can be split in four categories where equipment and supplies will be the easiest area to reduce spend

World health care expenditure is around 80 trillion SEK – 2020 World Bank estimate



Spend reduction characteristic

Unfavorable bargaining power

Unionized labor
Political will
Larger demand than supply

Good bargaining power
Ability to choose good enough

Systemic & Highly regulated

Major healthcare costs associated with reduced mobility



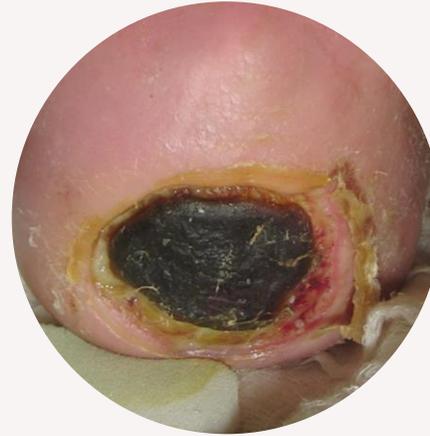
Caregiver injuries

>75 BSEK

per year **globally**

Patient Handling

Hygiene



Pressure injuries

>500 BSEK

per year **globally**

Pressure Injury Prevention, incl. BBI

Patient Handling

Medical beds



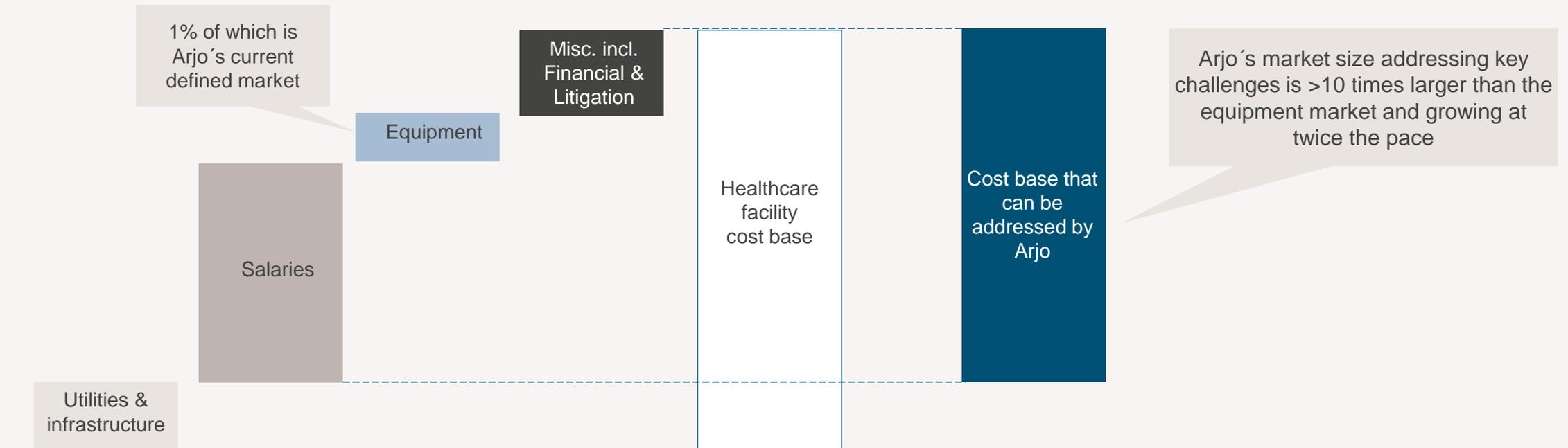
Venous leg ulcers

>300 BSEK

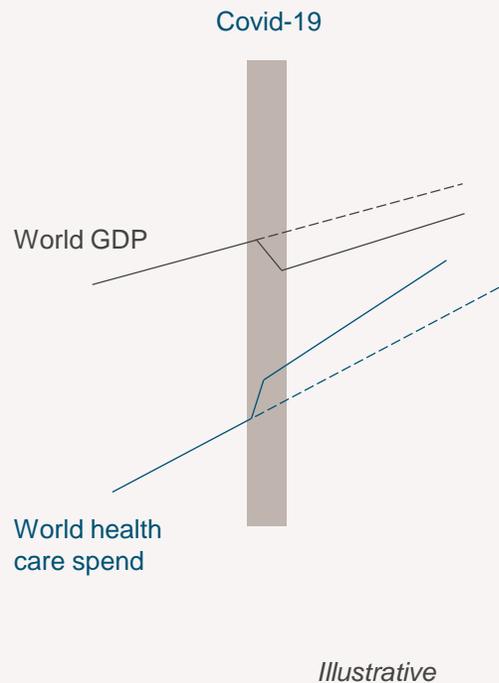
per year **globally**

WoundExpress

When considering the cost associated with mobility challenges that Arjo can help address the market is vastly greater and less competitive



With Covid-19, addressing costly challenges with outcome oriented offerings is more important than ever



Publicly funded and delivered healthcare (i.e. Europe)

- Extra spending to address immediate need – reassessment once the worst is over
- Spending (and loss of GDP) will leave mark on future budgets

Privately funded and delivered healthcare (i.e. US)

- Hospitals facing financial difficulties as majority of revenue disappeared, and many Americans lost their healthcare benefits
- Focus on taking cost out of healthcare in the US

Exaggerated need to transition to **value based/outcome based healthcare**



Updated strategy beyond 2020

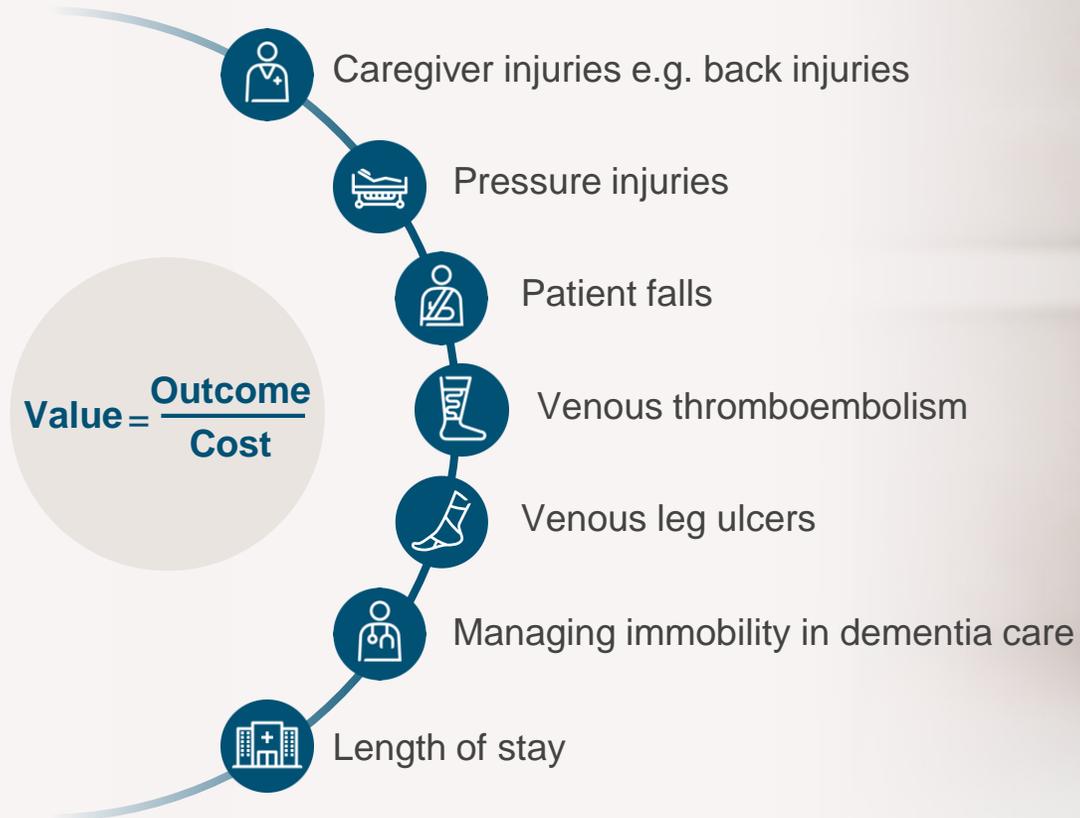
Joacim Lindoff, President & CEO

We are ready to take the next step

- A strong foundation to build on
- Significant market opportunity
- Major healthcare cost associated with reduced mobility
- Outcome based healthcare more important than ever
- Arjo is well positioned to take a leadership position in outcome based solutions



Our customers are facing multiple and complex challenges in optimizing care for immobile patients



Arjo is well positioned to support customers and take a leadership position in outcome based solutions



Leading player with best-in-class products



Unique understanding of detailed customer needs



Brand heritage linked to clinical insight



Strong global commercial footprint



Emerging need for value offering

A two-tier strategy to contribute to a sustainable healthcare system

Continue building a strong foundation with **increased efficiency**...

Embracing complexity of current business and focusing on ***process optimization, efficiency and prioritization as value levers***

Examples of key tactical next steps

- Operational leverage
- Core rental profitability
- Increased sales of consumables and services
- Continued supply chain efficiencies
- Procurement management – direct and indirect purchasing
- OPEX to continue to decline as percentage of sales



ARJO

... with a focus on building a sustainable competitive advantage as a **mobility outcome partner**

Build a differentiated position and ***sustainable competitive advantage*** by ***partnering with customers*** around ***clinical outcomes or efficiency measures***

Examples of key tactical next steps

- Develop outcome programs aligned with customer needs – through investments, partnerships, and acquisitions
- Invest in digitalization
- Increase investment in product development to support strategic intent
- Develop skills and competences

Grow people and business together & build a sustainable and winning culture

A two-tier strategy to contribute to a sustainable healthcare system

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Grow people and business together & build a sustainable and winning culture

Solutions targeting all the critical outcomes related to immobility and early mobilization

- Value through increased EFFICIENCY in care delivery
- Value through improving patient OUTCOMES



Preserve Mobility

- ● **Fall prediction and prevention** for 'at risk' residents or patients
- ● **Preservation of Mobility** for 'at risk' residents or patients



Safe, dignified & efficient care for immobile patients & residents

Prevent negative effects of immobility and enhance recovery

- ● Minimize risk of **caregiver injuries** e.g. back injuries
- ● Minimize risk of **patient falls**
- ● Minimize risk of **pressure injuries**
- ● Managing immobility in **dementia care**
- ● Minimize risk of **venous thromboembolism**
- ● Minimize risk of **venous leg ulcers**



Regain Mobility

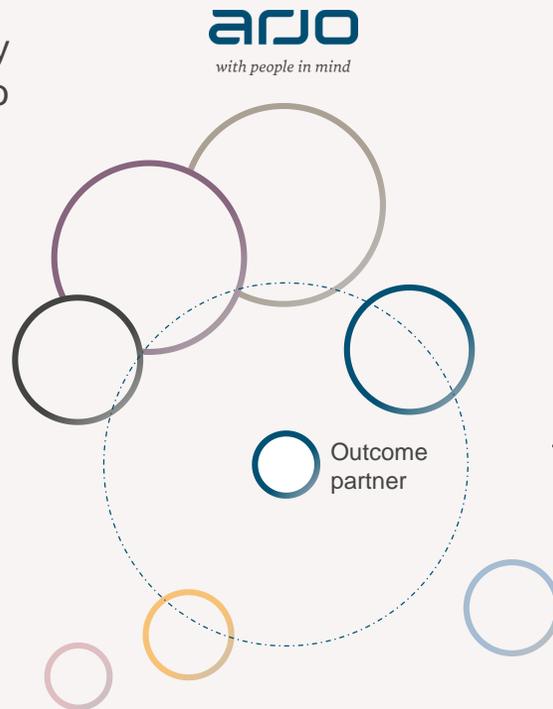
- ● Improve **time-of-recovery** through early mobilization
- ● Enable fast and cost-efficient **rehabilitation** to Mobility

Elevating Arjo towards a solution based outcome partner

Investing in the outcome focused elements of our business

Time 

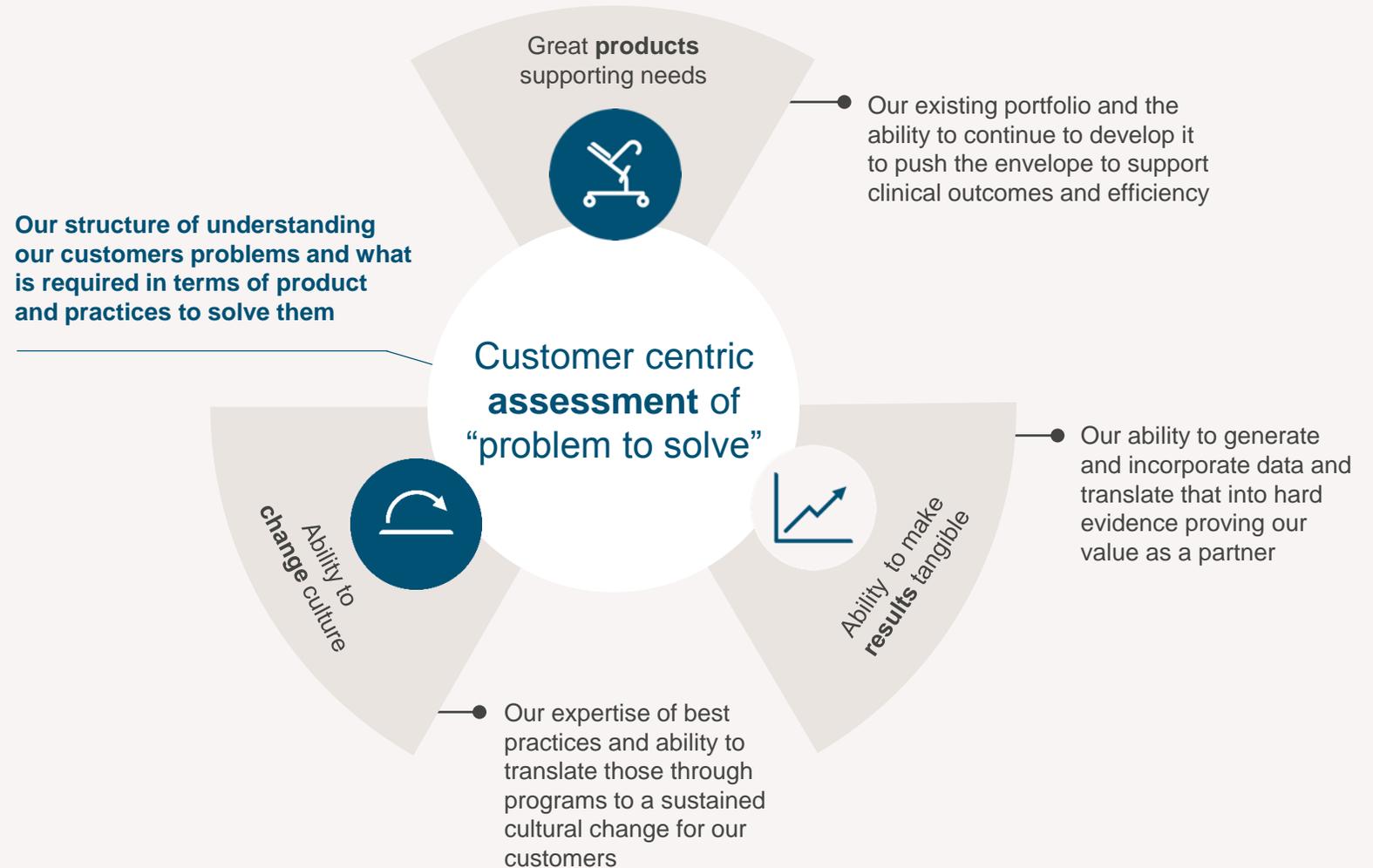
'Outcome partner'
– a strategic priority
at the center of Arjo



In time, 'outcome partner' to
become the core of Arjo with
portfolio elements aligning



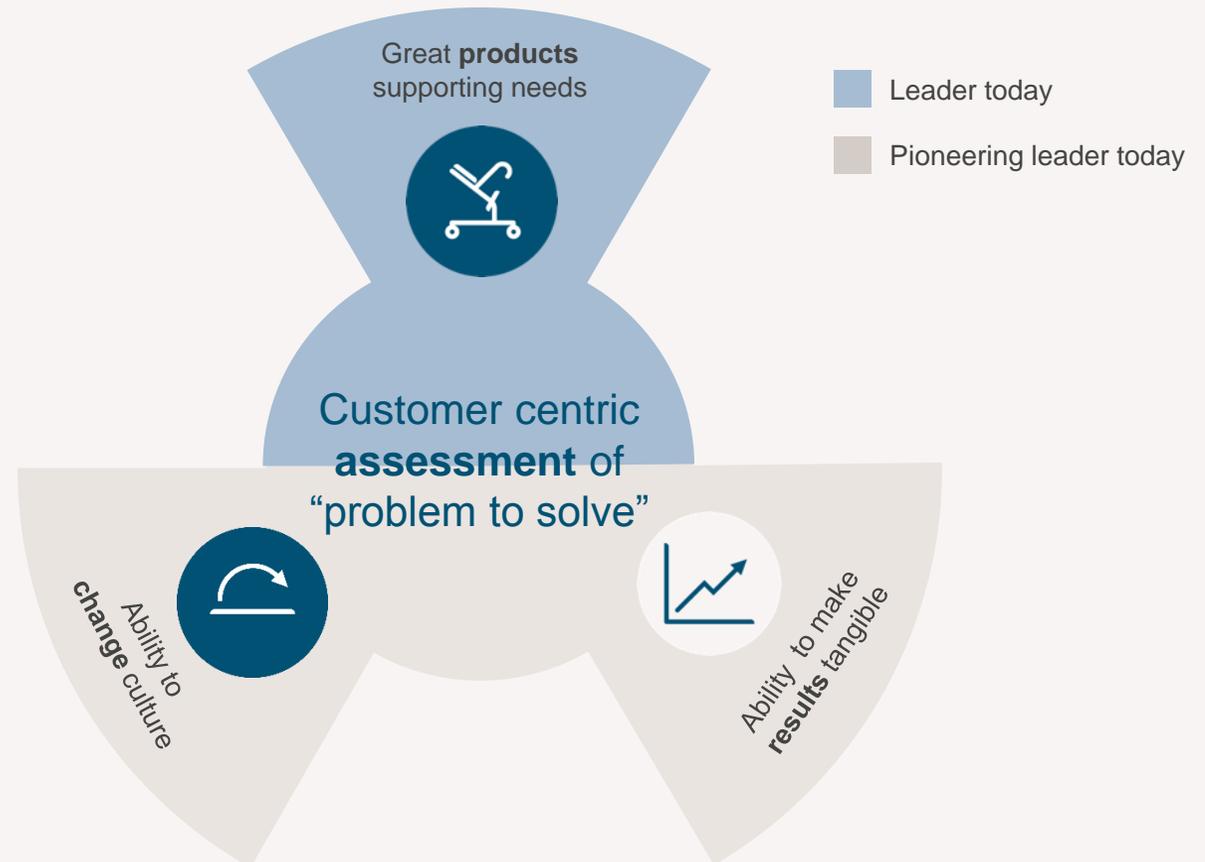
Four elements need to be mastered to become a true mobility outcome partner



We have a strong base to build from – and we have taken several steps forward already in 2020

- Evaluation of portfolio opportunities
- Ambitious portfolio roadmap 2019-2023, increased R&D gross spend of 50 MSEK from 2021 (2,5-3% of net sales)

-
- Repositioned our brand to reflect our new journey
 - Established Outcome Program development center in US
 - Outcome programs development plan aligned with portfolio planning
 - Scoping of new digital outcome assessment and monitoring platform



Our new strategy will be supported by key enablers



People & organization

A customer-centric culture based on
our Guiding Principles
Strong leadership
Skills and competence development



Digitalization

Customer interaction & way of working
Analytics & data management
Smarter products
Connectivity and service



Sustainability framework 2030

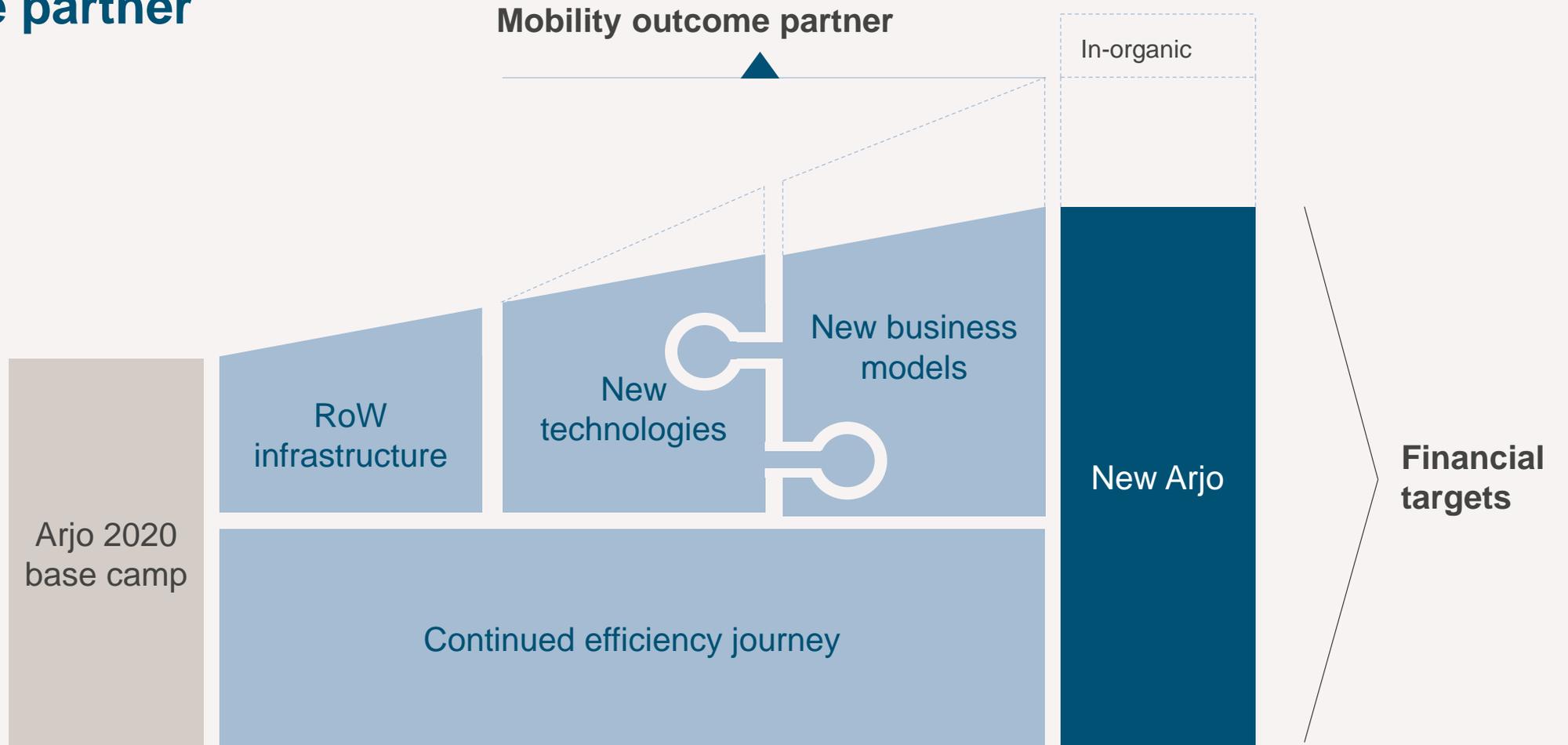
A sustainable offering
A responsible company
An attractive workplace



Improving clinical and financial outcomes

Christian Stentoft, Chief Strategy Officer

Becoming a mobility outcome partner

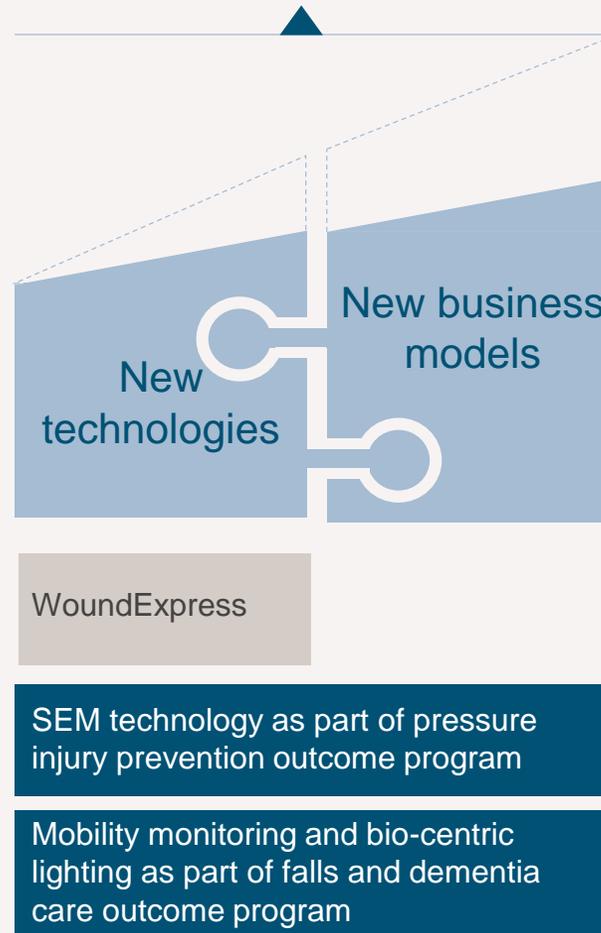


Two of the key growth driving areas are induced by Arjo's new strategy and holds significant upside

Increased annual R&D gross spend to enable outcome targeting

- Improved therapy
- Earlier intervention/prevention technology to enrich the efficacy of Arjo's portfolio and support new business models

Deep dive today



Designing programs to solve key challenges

- Customer assessment of challenge
- Definition of best protocol
- Portfolio of products
- Training of care giver staff
- On site services to support
- Tracking of "outcome"

Business model shift from product vendor to outcome partner

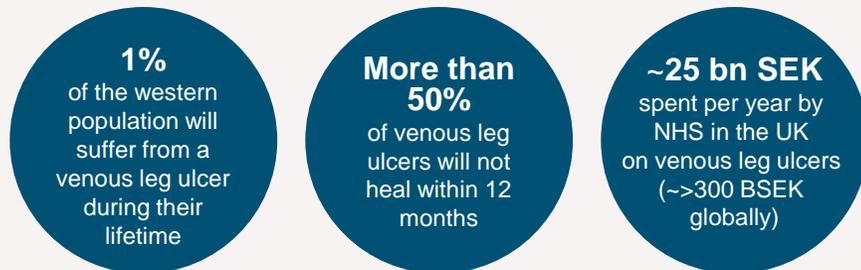
WoundExpress is an innovative therapy for venous leg ulcers that shows significant results in both wound healing and pain reduction

Venous Leg Ulcers (VLUs) are a common condition – painful and expensive to treat

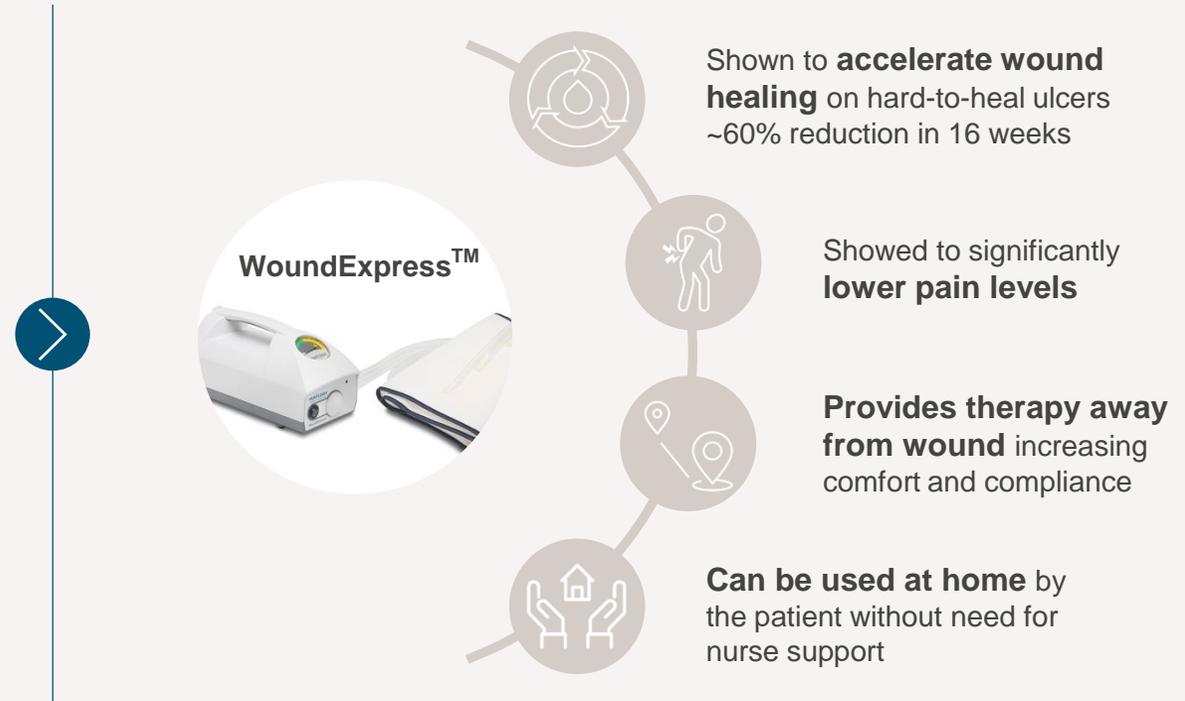


- Venous leg ulcer occurs when the skin on the leg breaks due to **venous insufficiency**
- Symptoms include **pain, swelling, itching** and **leaking exudate**
- VLUs can be traumatic for the patient and affect their quality of life

VLUs in numbers

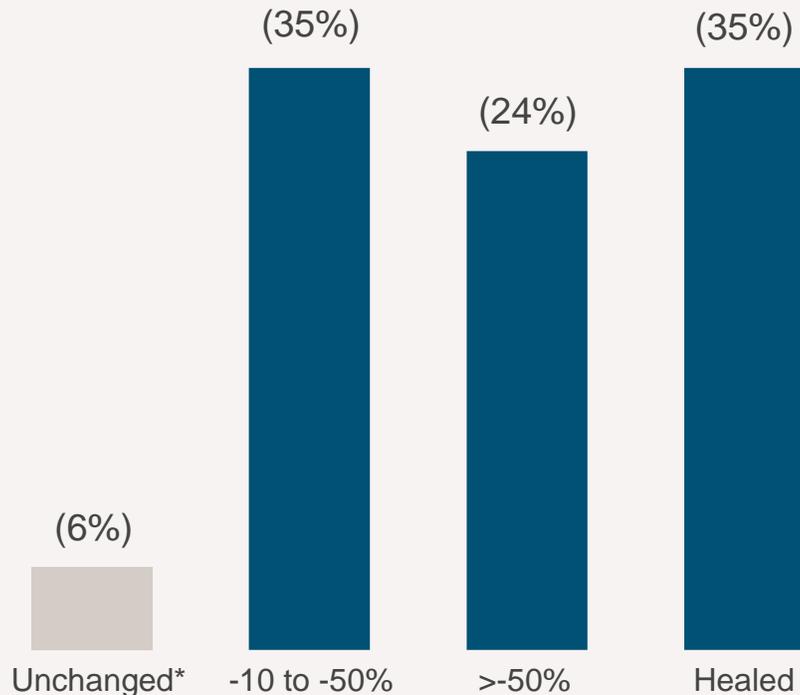


Unlike all other VLU compression therapies, WoundExpress self administered treatment, applied away from the wound



Larger evaluation study across 10 clinics – astonishing results across the UK and in Helsingborg

Product evaluations – wound healing effectiveness
Of hard-to-heal wounds per study by wound size % change



Clinical evidence – presented at Wound Care Today 2020

Intermittent thigh compression – can this adjunct therapy support venous leg ulcer healing?
Hayley Turner-Dobbin, Clinical Delivery Lead, Accelerate

Introduction
The aim of this study is to evaluate the effectiveness of intermittent thigh compression (ITC) as an adjunct therapy to standard of care (SOC) for the management of venous leg ulcers (VLU). The study will compare the healing rate of VLU treated with SOC alone versus SOC plus ITC.

Method
The study will be a randomised controlled trial. Patients with VLU will be randomised to either SOC alone or SOC plus ITC. The primary outcome is the time to achieve complete healing of the ulcer.

Results
The study is currently ongoing. Preliminary results suggest that ITC may improve the healing rate of VLU compared to SOC alone.

Conclusion
Intermittent thigh compression may be an effective adjunct therapy for the management of VLU.

Four case studies using Intermittent Pneumatic Compression (IPC) device in the resolution and management of non-healing lower limb ulcers
WELSH WOUND INNOVATION CENTRE

Aim: To examine the effects of IPC applied to the thigh of patients with a lower limb ulcer of venous aetiology over a 16 week period.

Method: Four patients with long standing venous leg ulcers (VLU) were followed for 16 weeks. Outcomes assessed were: % change in wound size, wound related pain (via visual analogue scales) and acceptability of IPC as an adjunctive therapy. Wound time of the device was captured using a patient diary which was reviewed every 2 weeks.

Case study 1: 75-year-old gentleman – 5 year duration VLU. Hydrofiber dressing, compression: 2 layer bandage system. Week 0 Area 15.50cm², Pain VAS: 21. Week 16 Area 2.20cm², Pain VAS: 16.

Case study 2: 74-year-old lady – 5 year duration VLU. Hydrofiber dressing, compression wrap system. Week 0 Area 63.64cm², Pain VAS: 91. Week 16 Area 18.2cm², Pain VAS: 26.

Case study 3: 78-year-old gentleman – 13 month duration VLU. Hydrofiber dressing, two layer bandage system. Week 0 Area 4.5cm². Week 2 Healed – measured for class 3 history.

Case study 4: 51-year-old lady – 13-month duration VLU. Contact layer wound dressing, plus compression wrap. Week 0 Area 7cm². Week 16 Healed – measured for class 3 history.

Results	Wound Size	Pain	Device Acceptability	Device wear time
• Patient 1's wound reduced by 86% • Patient 2's wound reduced by 72% • Patients 3 & 4 healed		Pain scores were significantly lower following IPC therapy	Patients found the device easy to apply and remove	2 hours was an acceptable therapy time for patients.

Discussion
Traditionally IPC has been applied directly over wound sites and patients frequently find this uncomfortable and difficult to tolerate. When used as an adjunctive therapy, the application of IPC to the thigh as an alternative was both effective at progressing wounds towards healing and also acceptable to patients. Patient experience was extremely positive, the feeling of being actively involved in their therapy had a hugely positive impact on all 4 patients.

- Accelerate CIC & Welsh Wound Innovation Centre presented their evaluation data as posters presentations and gave a joint oral presentation on the data from the sites
- Several journals publishing on their findings is in progress

*Participants did not fulfil evaluation

NOTES: Mean duration of wounds prior to inclusion in the evaluations was 45 months

Source: WoundExpress Validation Study (2019-2020) ; Huntleigh Diagnostics ; Corporate Development & Projects

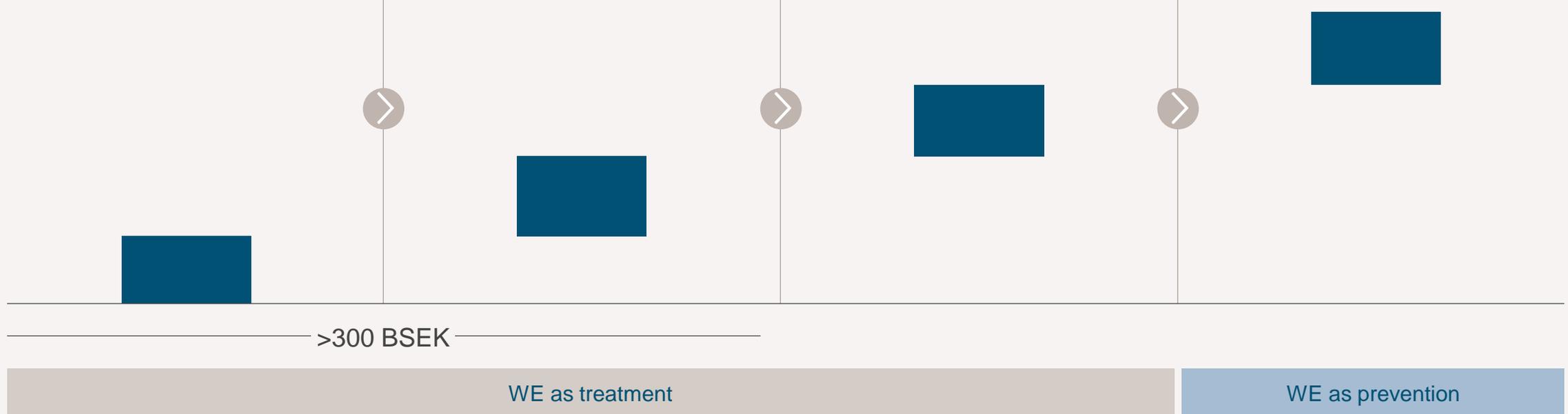
The WoundExpress potential is not confined to being an adjunct therapy for VLUs – and we are exploring its effectiveness for other therapy areas

Currently Wound Express is used as an **adjunct therapy for VLUs...**

..we believe it is effective as a **stand-alone therapy...**

..we are assessing effectiveness on **other wound types** with good early indications...

...as well as its potential as a **prophylactic measure**



US will be the first market after UK and Sweden, followed by some of the largest EU markets



UK & Sweden

Launched

UK launched in 2020 and as wound clinics shut down due to covid-19 progress was slow – but interest remains very high and clinics are waiting in line to test WoundExpress.



US

Q3 2021

US was selected as the single largest wound care market globally and we expect to have FDA 510K clearance by Q2 2021, well aligned with go-to-market plans.



EU
(largest markets)

Q4 2021

Launch focus will shift to the largest wound care markets in Europe (including Germany and France).



Rest of the World
(largest markets)

2022

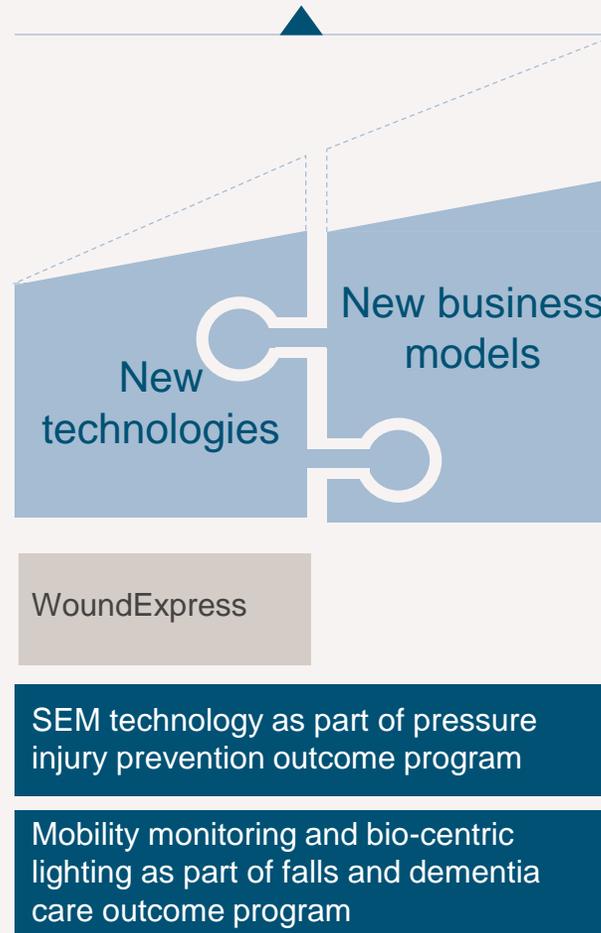
By end of next year we will have a global strategy in place and we will be ready to start with the roll-out beyond the large initial markets.

Introducing Arjo as a mobility outcome partner

Increased annual R&D gross spend to enable outcome targeting

- Improved therapy
- Earlier intervention/prevention technology to enrich the efficacy of Arjo's portfolio and support new business models

Deep dive today

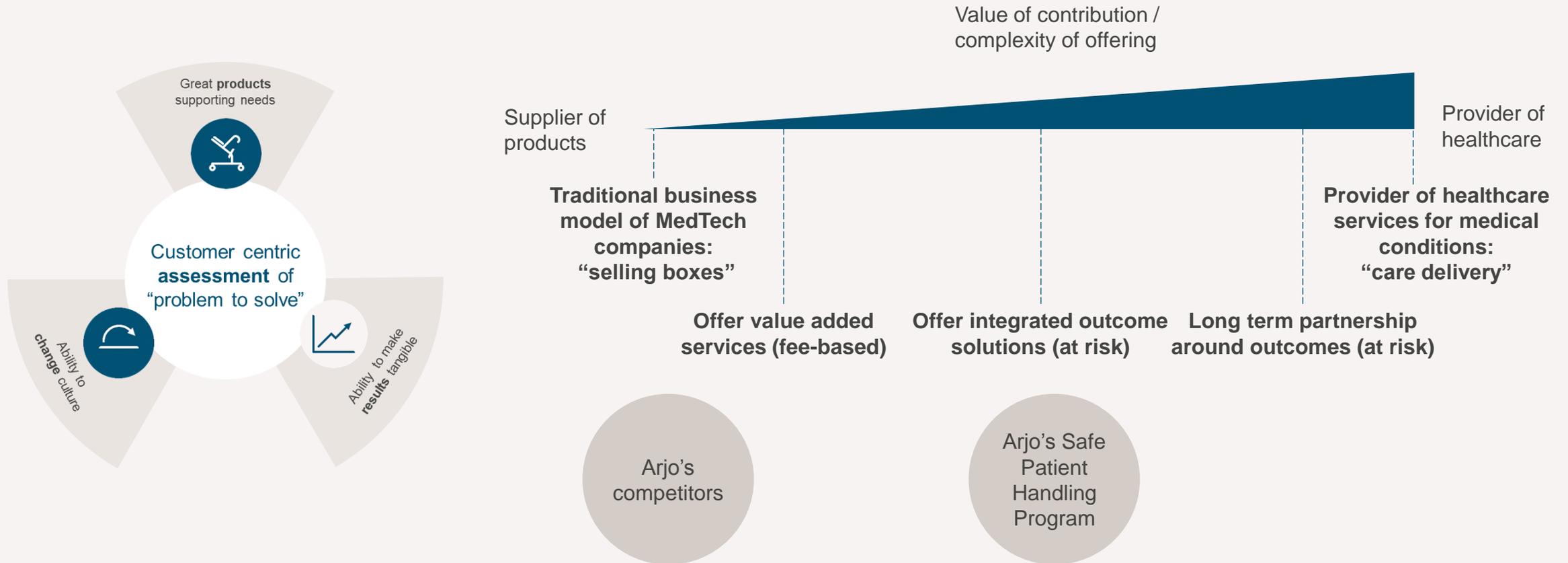


Designing programs to solve key challenges

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Business model shift from product vendor to outcome partner

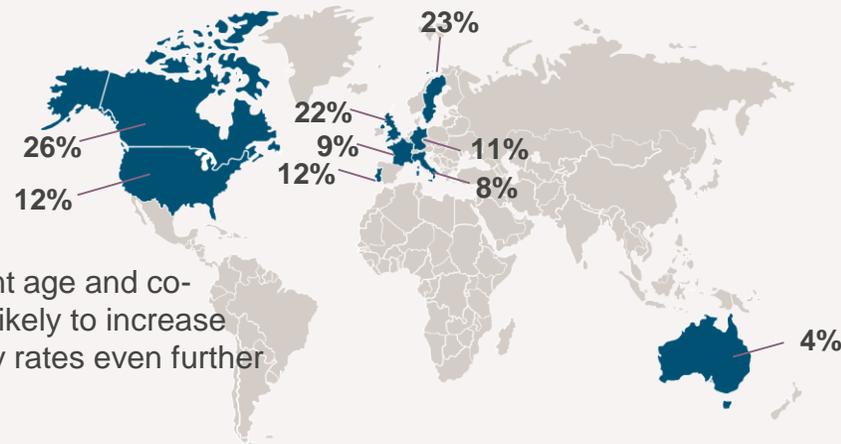
Arjo is already a pioneer when it comes to outcome risk sharing models – and we plan on expanding this in the future



Pressure injuries represent a significant economic challenge for healthcare systems across the globe

Globally, pressure injury prevalence in acute care is approx. 14.8%, however, this varies by country...

- Pressure injuries pose a serious problem to society, causing pain and mortality among patients, and leading to increased healthcare costs
- Despite advances in surface technologies, education programs, guidelines and investments in facility based continuous improvement programs, pressure injury prevalence and incidence remains high and rising

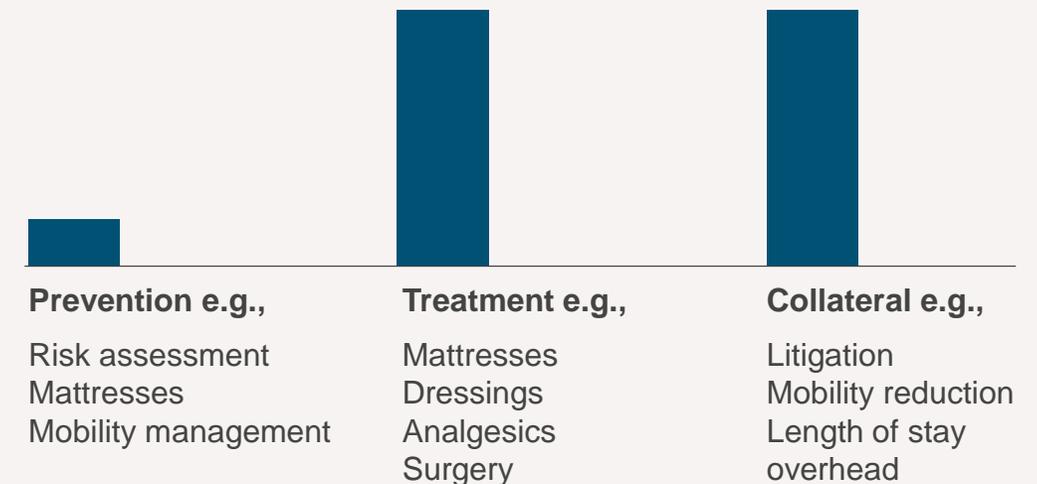


- A rise in patient age and co-morbidities is likely to increase pressure injury rates even further

...what is common across countries is that pressure injuries represent a significant burden in terms of cost and life quality

Annual global cost for pressure injuries management and conceptual split of cost

>500 BSEK



With Bruin Biometrics' SEM technology Arjo can fundamentally change the approach to pressure injury prevention

"Today" practice is focused on intervention...

... BBI's SEM scanner facilitates better detection and intervention – and ultimately enables prevention



Detection done subjectively by visual inspection

Visual detection only with ~50% accuracy (i.e. flipping a coin is equally good) of detecting right patients for intervention



Intervention (i.e. use of PIP products) initiated for patients assessed to be at risk (or with pressure injuries already)

Intervention on wrong patients fails to effectively lower occurrence of pressure injuries



Treatment (i.e. use of PIP products) for patients with diagnosed pressure injuries (stage 1-4)



Detection done objectively through measurements which detects emerging pressure injuries days before they are visible to the eye

Measurements based on BBIs new technology enables detection of pressure injuries ~5 days before they are visible



Intervention (i.e. use of PIP products) initiated for patients assessed to be at risk (or with pressure injuries already)

Early intervention on right patients helps effectively lower the occurrence of pressure injuries



Prevention of pressure injuries possible through early and correct intervention

A commercially available product – ready for launch



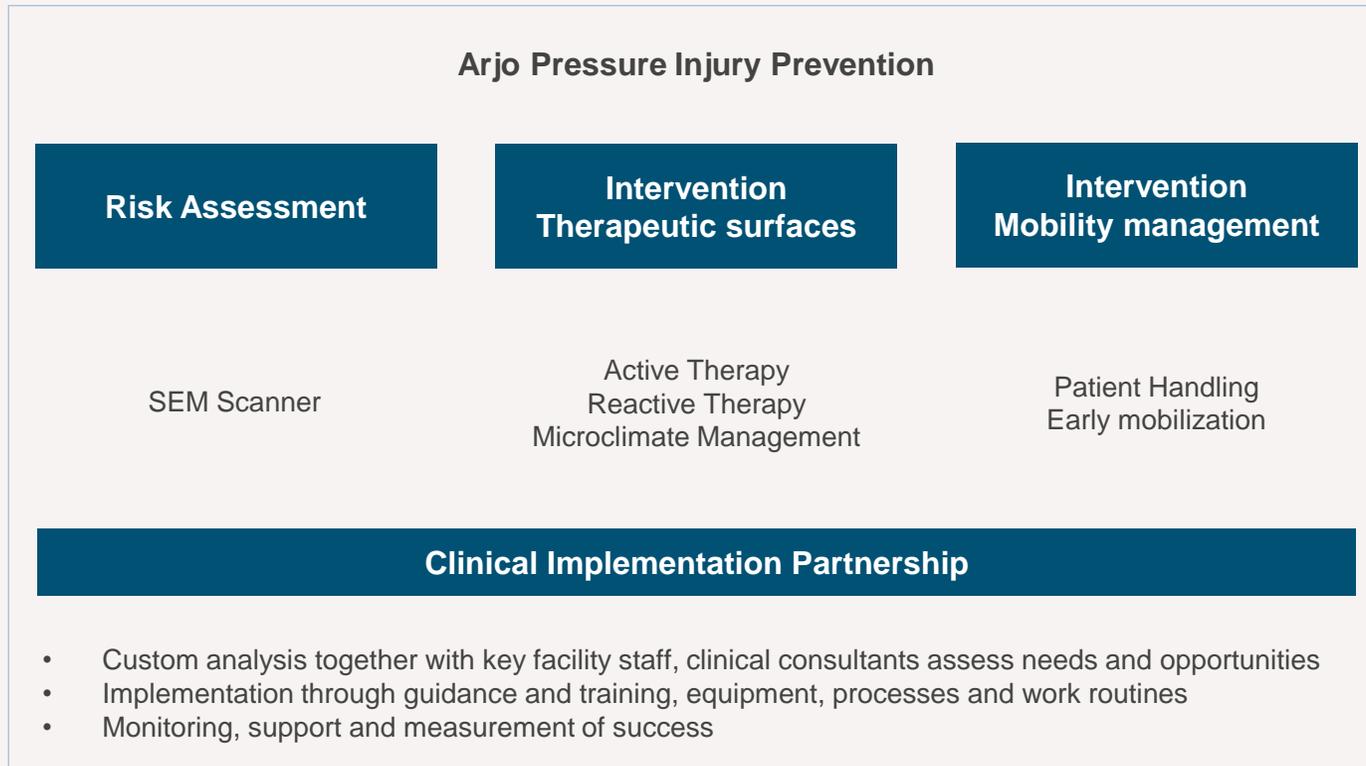
- The Provizio SEM scanner is a hand-held wireless device that objectively alerts clinicians to specific anatomical areas of a patient's body at increased risk for developing pressure damage, **5 days earlier than visual skin assessments**;
- The device consists of a concentric sensor, an integrated pressure switch, and software that computes a “delta” (SEM Δ) value from a set of readings made around a common anatomical location;
- When the sensor is pressed against an area on the skin, the Provizio SEM scanner computes a risk score:
 - $A \Delta < 0.6$ suggests the tissue is at lower risk for PI/PUs
 - $A \Delta \geq 0.6$ suggests increased risk for PI/PUs
- **The device is registered in a number of major markets including the US (FDA De Novo) , UK and Australia**
- Provizio is covered by an extensive **patent portfolio valid in North America, EU, Australia and Asia (e.g. China, Japan, etc)**



Disposable* head device + disposable sensors



Significant investments across the necessary areas to effectively address pressure injuries has been made



Across the world guidelines are recognizing the SEM technology and Arjo has tested the combined offering with remarkable results

Sub epidermal moisture as an early indicator for pressure injuries has recently been included in key clinical guidelines



European Pressure Ulcer Advisory Panel (EPUAP) in 2019



National Pressure Ulcer Advisory Panel (NPUAP) in 2019

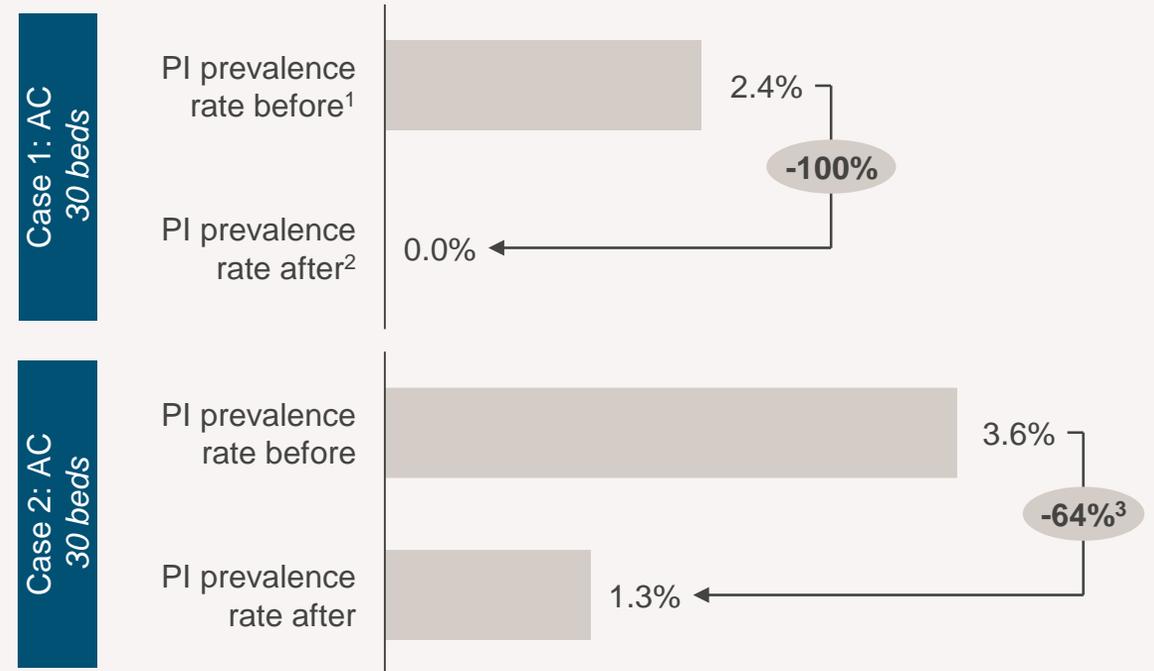


Pan Pacific Pressure Injury Association (PPPIA) in 2019



National Institute for Health and Care Excellence (NICE) in 2019

Implementing scanner at customer sites indicate opportunity for significant reduction in pressure injuries (Arjo customer evaluation)



*: NHS costs are assumed using the established literature on the topic, namely Guest et al (2018)

1: % of admissions developing pressure injury before test was begun (over a full year); 2: % of admissions developing pressure injuries during 6 week usage of BBI scanner in ward incl. intervention for patients/residents measured to be at risk; 3: Scanning frequency not followed as advised

Commercial roll out will start in Q1 in our large mature markets with existing rental businesses

Arjo will launch the combined offering in Q1 of 2021 in our largest markets

Markets where SEM scanner is already in evaluations and pipeline exist – dedicated teams are in place to support the existing mattresses/rental sales.

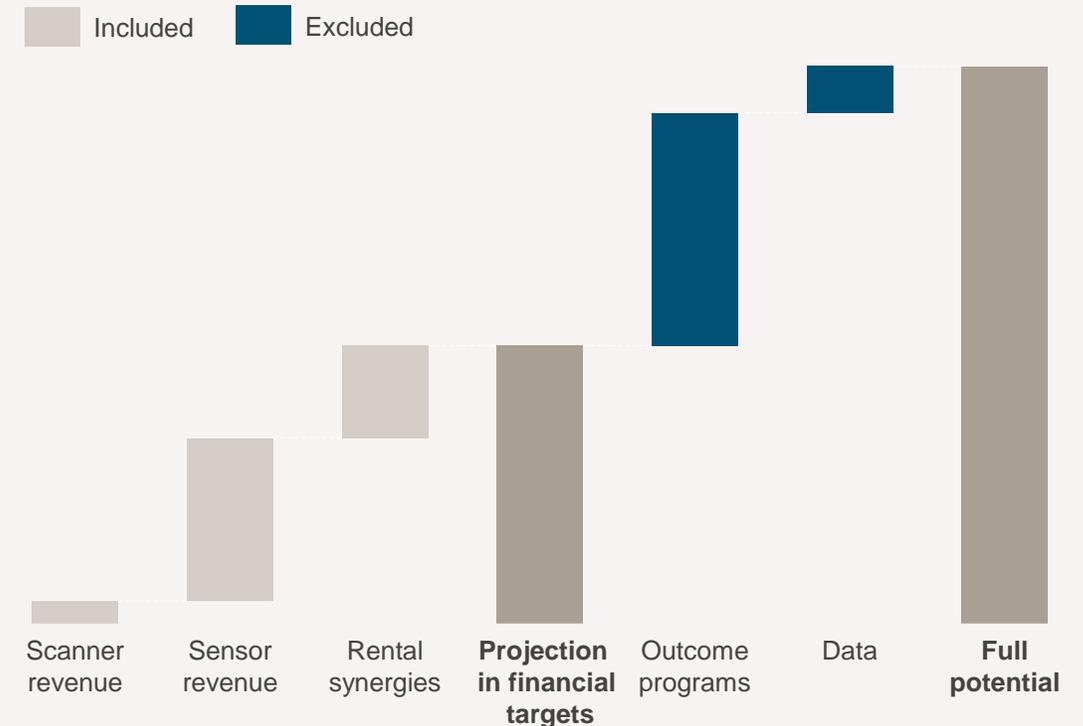


Markets where SEM scanner will be introduced and dedicated teams hired alongside existing mattresses/rental sales.



Business model will be rental or consignment model for scanners with a tie in of sensor revenues. Above markets collectively represent 79% of Arjo 2019 rental sales, and larger part of therapeutic surfaces business.

The opportunity extended significantly beyond selling the new technology and enhancing competitiveness of rental



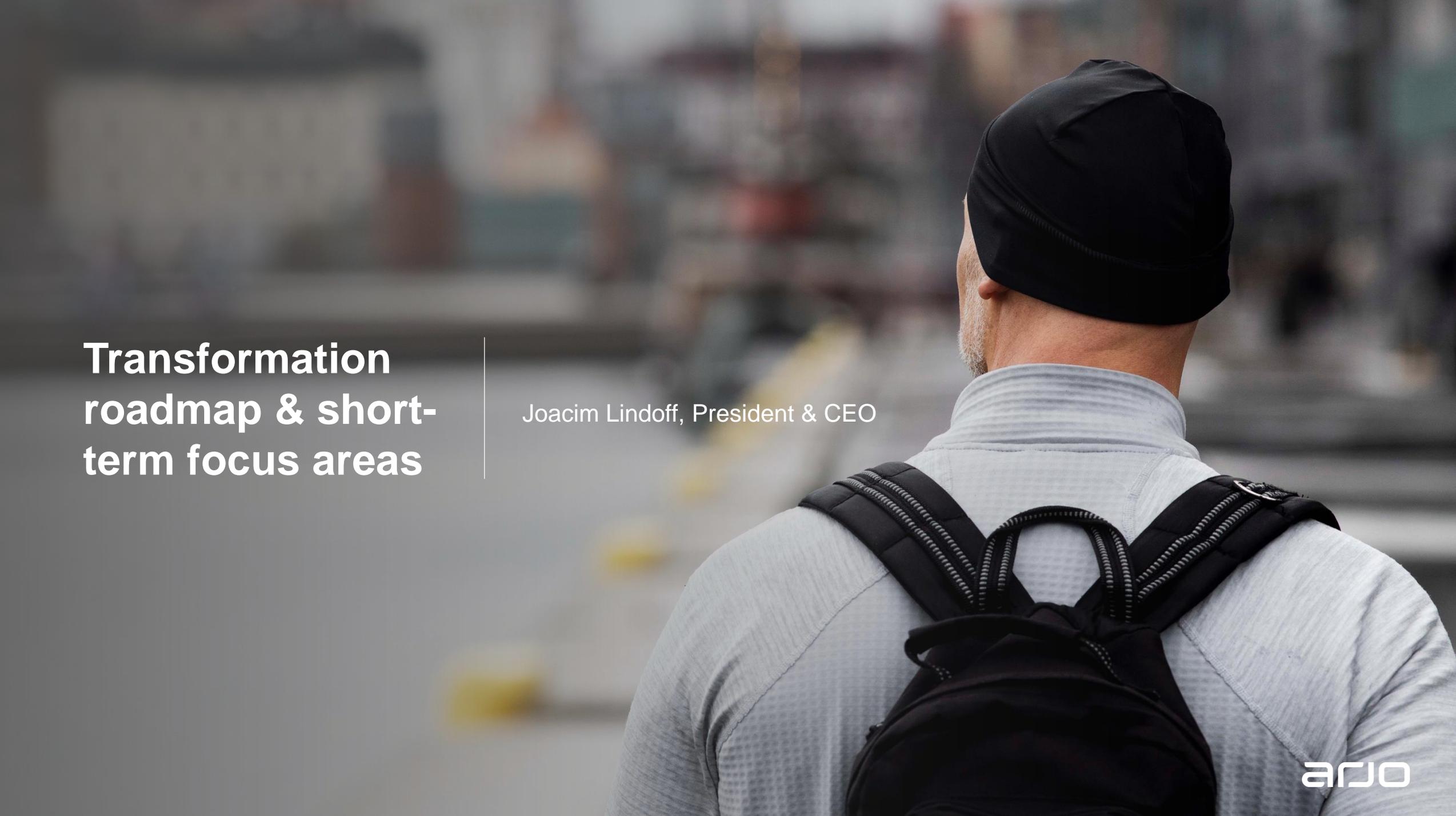
Pressure injury prevention outcome program will commence 2021

Similar to today's program for care giver injuries, Arjo will develop a comprehensive program including:

- SEM scanners
- Arjo's mattress portfolio
- New protocol implementation
- Digital assessment and outcome tracking tool

We are convinced that customers will embrace a different relationship to end their struggles with this problem – as with care giver injuries





Transformation roadmap & short- term focus areas

Joacim Lindoff, President & CEO

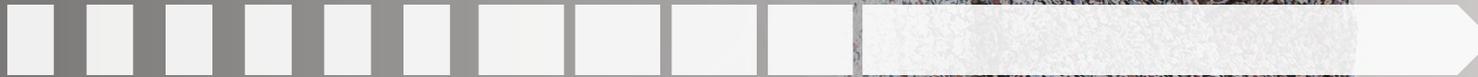
A gradual transition to become the leading outcome focused player

2021

2023

2025

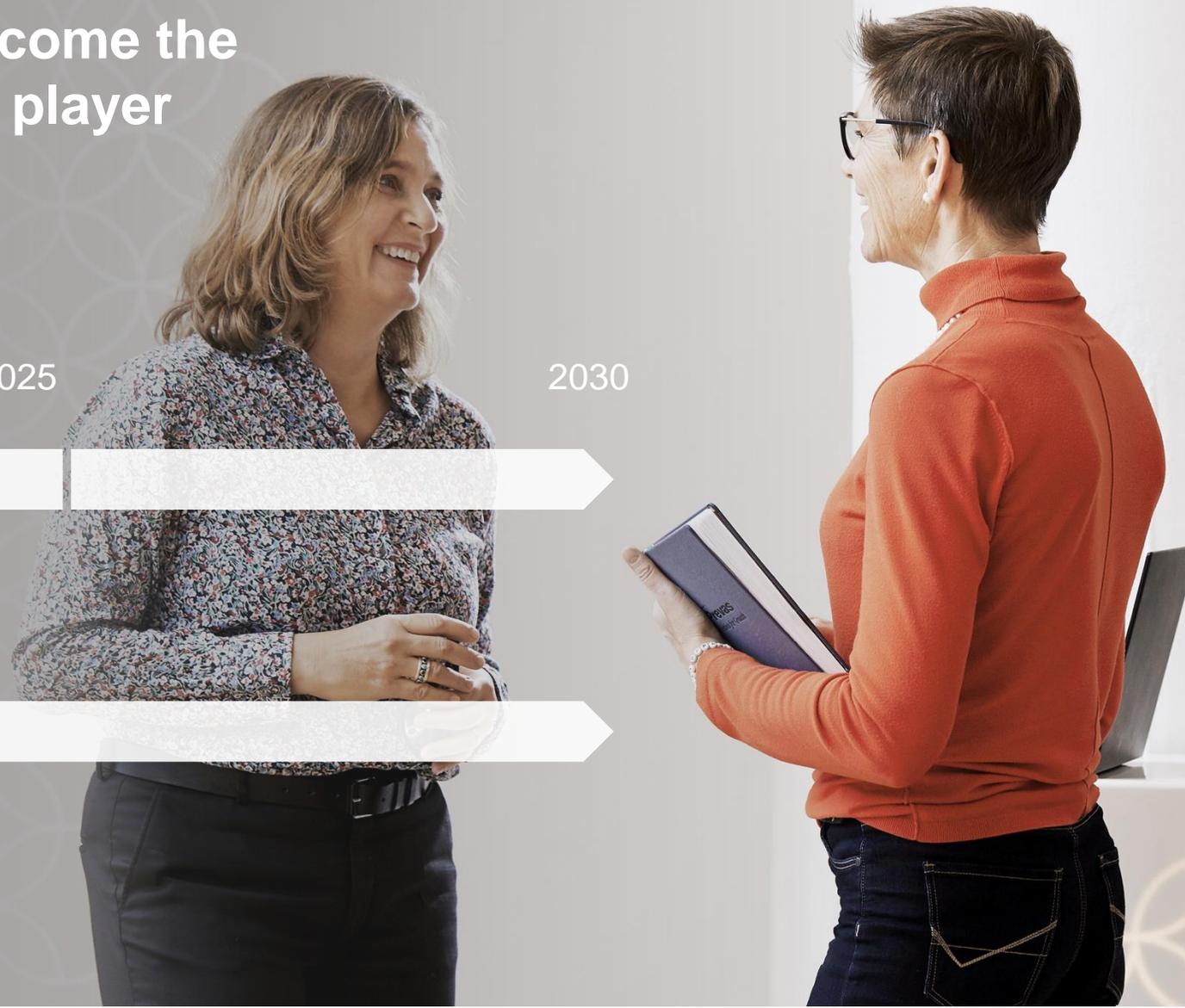
2030



Transition to *Mobility Outcome Partner* and increase outcome-based selling



Continue the journey started in 2017, with increased focus on operational efficiency



Transition across geographies based on market readiness

Spearhead North America

Already heavily engaged in selling outcome programs – center of offering development

Early adopters Western Europe

Markets that based on maturity and nature of health care system are likely to adopt and have first program running within 1-3 years

Late adopters Rest of the World

Markets that based on maturity and nature of health care system will likely not start adoption within 5 years. Developed markets in line with Europe.

Across all markets we will for all foreseeable future still need to be competitive selling good high quality products and services in a traditional fashion

Balancing short-term execution with long-term agenda

Today 2020

- A solid foundation
- Successful outcome focus in the US
- Approx. 5% of revenue from Outcome programs

Short/medium term 2021-2023

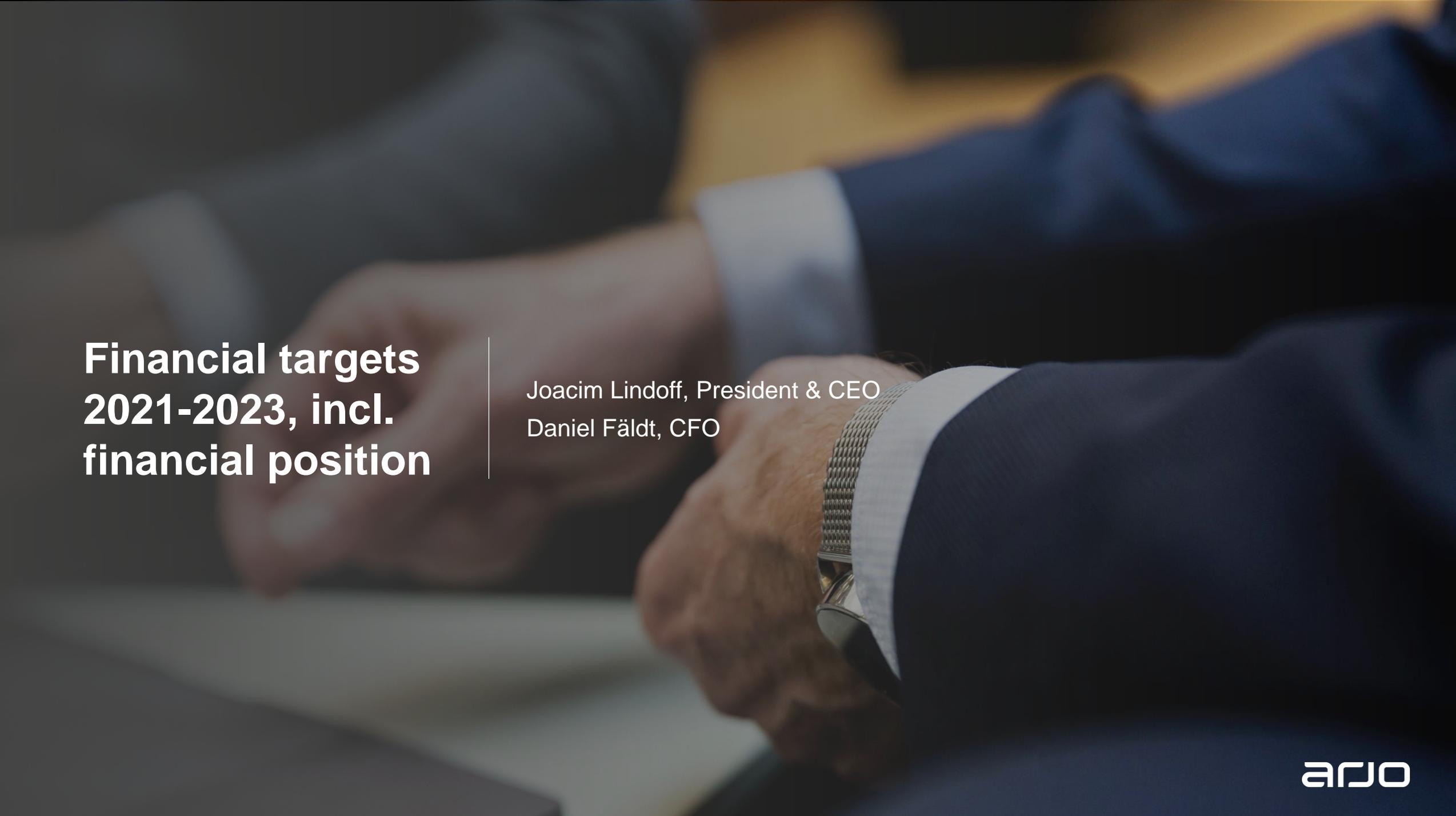
- Operational efficiencies
- Geographic expansion
- New product launches
- Outcome program expansion
- Upside from in-organic agenda

Desired position 2030

- Perceived as the trusted partner in driving healthier outcomes for people facing mobility challenges
- Approx. 50% of revenue from Outcome programs

2020

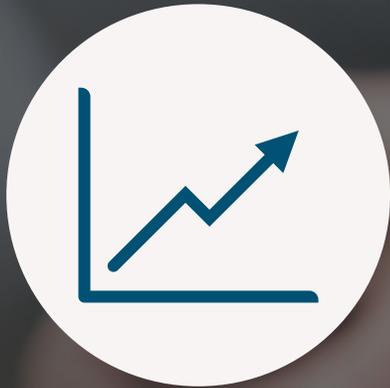
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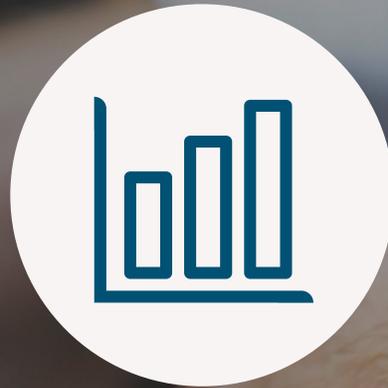
**Financial targets
2021-2023, incl.
financial position**

Joacim Lindoff, President & CEO
Daniel Fäldt, CFO

Financial targets 2021-2023



Organic sales growth
2021-2023:
3-5% CAGR



Adj. EBITDA margin
~23%
from full year 2023



Annual
cash conversion
>80%

Dividend Policy

The aim is for the dividend to correspond to **30-60% of net income after tax.**

Organic sales growth of 3-5% CAGR in 2021-2023



Organic sales growth
2021-2023:
3-5% CAGR

Continued efficiency journey

- Underlying portfolio development
- Increase service sales
- Pay-off from LTC initiatives

Rest of the World infrastructure

New technologies

- Launch of WoundExpress
- Launch of SEM scanner
- Investments in new technologies

New business models

- Launch of outcome programs

Supported by in-organic agenda (not included)

Adj. EBITDA margin of ~23% from full year 2023



Adj. EBITDA margin

~23%

from full year 2023

Continued efficiency journey

- Operational leverage from further net sales growth
- Portfolio updates and portfolio pruning
- Increased sales of consumables and services
- Improvements in logistics and transportation
- Procurement management – direct and indirect purchasing
- OPEX to continue to decline as percentage of sales through both continuous improvements and, when needed, larger restructuring programs

New technologies

New business models

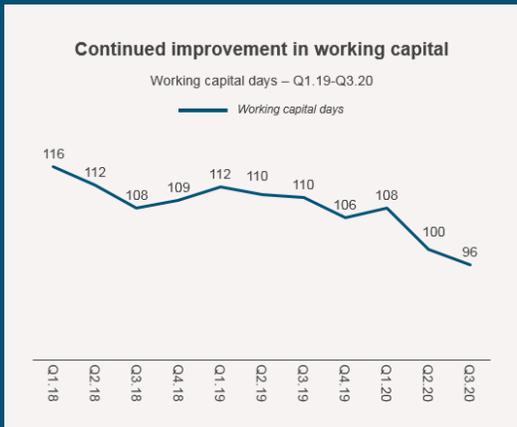
Annual cash conversion of >80%



Annual
cash conversion
>80%

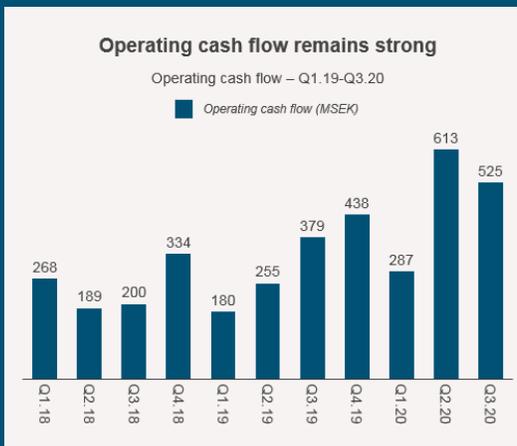
- Increased profitability
- Build further on accomplishments in receivables management
- Inventory and payables improvement

Strong financial position - with additional opportunities



Continued improvement in working capital

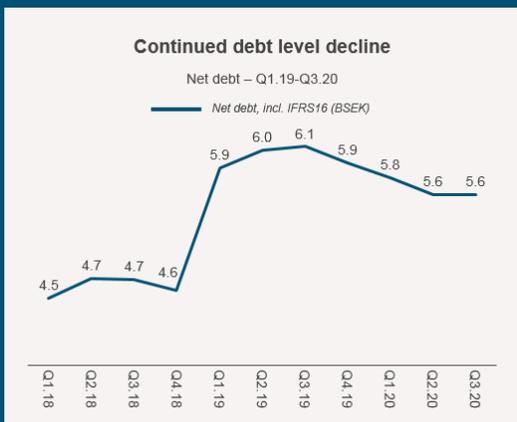
- Significant WC days reduction - focus on WC paying off while maintaining customer service levels
- Additional potential in inventory level optimization post Covid-19
- Additional potential from improved credit terms with supplier base



Operating cash flow remains strong

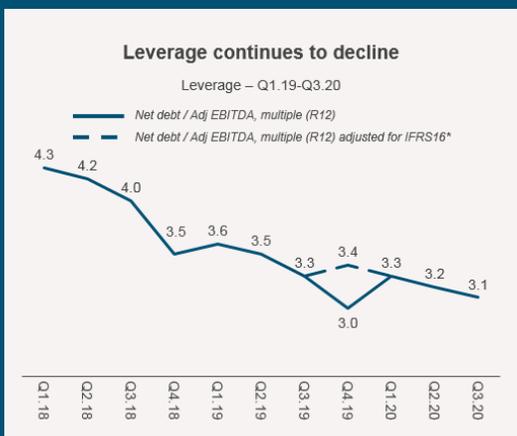
- Improved profitability level and WC management
- Two consecutive quarters with record cash flow
- Consistently high cash conversion levels

Solid improvement in leverage expected to continue



Continued debt level decline

- Consistent balance sheet improvement over time
- Stable debt level decline over time expected to continue
- Solid capital base to support strategic plan



Leverage continues to decline

- Approx. 0,5 leverage decrease at planned operating performance per 12 m
- Ample maneuvering room to support inorganic agenda



Summary and closing remarks

Joacim Lindoff, President & CEO

Key takeaways from today

- We have built a solid foundation – now we are ready to take the next step
- We are well positioned to take a leadership position in outcome based mobility solutions
- We continue our efficiency journey while investing in geographic expansion, new technologies and new business models
- We commit to new financial targets 2021-2023 - with detailed plans in place
- Clinical and financial outcomes more important than ever – we navigate the Covid-19 challenges and adapt to the current environment

ANJO