

INTERIM REPORT
JANUARY–MARCH 2025

Growth and strengthened order book

January–March 2025 in brief

- Net sales increased to SEK 2,863 M (2,759). Net sales grew organically by 3.4%.
- The gross margin increased to 43.7% (43.5).
- Adjusted EBITDA amounted to SEK 486 M (502).
- Adjusted operating profit amounted to SEK 208 M (248). Adjusted for currency effects, adjusted operating profit increased approximately 4%.
- Profit after financial items amounted to SEK 125 M (175).
- Earnings per share amounted to SEK 0.34 (0.48).
- Cash flow from operations amounted to SEK 184 M (256), corresponding to a cash conversion of 41.3% (54.2).
- Global launch of the new Maxi Move 5 mobile patient floor lift.
- Eva Brike appointed new EVP Human Resources & Sustainability.

Outlook 2025

- Organic sales growth for 2025 is expected to be within the Group's target interval of 3–5%.

We are starting the year with growth in line with our target, a strengthened order book and an improved gross margin. Profitability was held back by the stronger SEK, but adjusted for currency, adjusted operating profit increased during the quarter. We remain focused on driving the business and strengthening our long-term competitiveness with new launches in our two largest product categories.

NICLAS SJÖSWÄRD
INTERIM PRESIDENT & CEO

Financial summary

SEK M	Quarter 1 2025	Quarter 1 2024	Rolling 12 months	Full-year 2024
Net sales	2,863	2,759	11,396	11,292
Gross profit	1,250	1,199	4,957	4,907
Gross margin, %	43.7	43.5	43.5	43.5
Adjusted EBITA ¹⁾	270	308	1,225	1,263
Adjusted EBITA margin, % ¹⁾	9.4	11.2	10.7	11.2
Adjusted EBITDA ¹⁾	486	502	2,070	2,086
Adjusted EBITDA margin, % ¹⁾	17.0	18.2	18.2	18.5
Operating profit (EBIT)	168	219	842	893
Adjusted operating profit (EBIT) ¹⁾	208	248	980	1,019
Profit after financial items	125	175	634	684
Net profit for the period	91	132	457	498
Number of shares, thousands	272,370	272,370	272,370	272,370
Earnings per share, SEK	0.34	0.48	1.68	1.83
Cash flow from operations	184	256	1,444	1,516
Cash conversion, %	41.3	54.2	74.1	76.7

1. Before exceptional items. See Alternative performance measures on page 16 and definitions on page 19.

Solid growth and strengthened order book

The market is continuing to develop in the right direction with high demand for our products and solutions. Despite a strong comparative quarter, we are growing in line with our target at the same time as we continue to build our order book. The US and Canada remained key growth drivers also in this quarter and we noted an all-time high for units in use within our US rental business for a first quarter. In Global Sales, the market development was mixed with a favorable sales trend in large European markets such as Germany and the Netherlands, while some uncertainty remains regarding the financing of healthcare in, for example, France.

Improved gross margin and continued cost focus

The gross margin improved during the quarter, driven by favorable geographical mix effects and continued price adjustments.

Operating profit for the quarter was impacted by negative currency effects due to the strengthening of the SEK against major currencies such as the USD, EUR and GBP. However, adjusted for currencies, underlying profitability trended positively during the quarter.

Since last year, we have been working on a number of initiatives to become more cost efficient, but have not seen the desired outcome we would have liked in the first quarter. As a result, we are accelerating our efforts in this area – something that is becoming increasingly important given the current exchange rate situation.

Strengthened long-term competitiveness in an uncertain macroeconomic environment

Given the high level of global uncertainty and the recent mixed messages on tariffs, we are mindful of the fact that the current situation could affect our business. We have the flexibility to adapt to new conditions and are monitoring developments closely so that we can do everything we can to limit the extent and the effects of the tariffs.

We remain fully focused on developing our own business and we are strengthening our long-term competitiveness with new products in our two largest product categories. With the new Maxi Move 5 mobile patient floor lift, the latest generation of one of our best-selling products, we enable a caregiver to single-handedly transfer patients safely and efficiently – something that is becoming increasingly important given the shortage of healthcare staff. Customer reactions to date has been very positive for both Maxi Move 5 and the Symbliss bathing system that we launched earlier this year. This reinforces our confidence in continuing to help caregivers run their operations even more efficiently going forward.

The healthcare sector is fundamentally characterized by a relatively high degree of predictability and stability, despite global turbulence. There is a widespread need for investments in healthcare, and we hold strong global market positions and have a broad product portfolio that enable us to continue to generate long-term sustainable profitable growth – efforts that we will pursue with great focus during the year.

NICLAS SJÖSWÄRD
INTERIM PRESIDENT & CEO



Organic growth

3.4%

in the first quarter of 2025

Group performance

Net sales per segment

SEK M	Quarter 1 2025	Quarter 1 2024	Organic change	Rolling 12 months	Full-year 2024
Global Sales	1,576	1,548	1.4%	6,510	6,481
North America	1,175	1,105	6.3%	4,484	4,415
Other	116	108	2.2%	415	408
Eliminations	-4	-2	—	-13	-12
Total	2,863	2,759	3.4%	11,396	11,292

Net sales and results

First quarter 2025

Net sales for the quarter increased to SEK 2,863 M (2,759), corresponding to an organic increase of 3.4%.

In North America, growth increased 6.3% organically, with a solid sales performance in capital goods, rental and service. The US market continued to perform well and Canada delivered another strong quarter of double-digit growth.

Sales for Global Sales increased 1.4% organically, with a favorable performance in service and rental, but slightly lower sales of capital goods. In Europe, large markets such as Germany, the Netherlands and the UK performed well, while sales in France fell back due to continued uncertainty surrounding government healthcare budgets. In the Rest of the World, the sales trend in , for example, Australia and Africa, was solid.

The gross margin increased to 43.7% (43.5), mainly driven by a favorable geographic mix, continued activities related to price adjustments and high productivity at the Group's production facilities.

During 2024, a number of initiatives were put in place to increase the Group's cost efficiency. Since the outcome did not have the desired effect in the first quarter, the pace of these improvement measures is now being accelerated.

Exceptional items amounted to SEK 40 M for the quarter and mainly referred to restructuring activities related to changes in the Group Management, integration costs related to the recently completed acquisitions and the change in the Group's sales model in China.

Adjusted EBITDA amounted to SEK 486 M (502) and the adjusted EBITDA margin was 17.0% (18.2).

Net financial items for the quarter amounted to SEK -43 M (-44). Decreasing interest expenses were offset by lower positive currency effects compared with the previous quarter amounting to SEK 3 M (17).

Currency effect

SEK M	Quarter 1 2025
Translation effect (vs 2024)	
Sales	+16
Cost of goods sold	-11
Gross profit	+5
Operating expenses	-6
Restructuring and other operating income/expenses	+0
Total translation effect, EBIT	-1
Transaction effect (vs 2024)	
Cost of goods sold	-7
Recognized remeasurement effects	
Other operating income/expenses	-34

Translation effects for the quarter amounted to SEK -1 M and transaction effects to SEK -7 M. In addition, the recognized revaluation effects of operating receivables and liabilities amounted to SEK -34 M for the quarter.

Cash flow and financial position

Cash flow from operations amounted to SEK 184 M (256) for the quarter and cash flow from working capital was negative at SEK -180 M (-140). The trend in working capital in the quarter was due to higher capital tied up in accounts receivable of SEK 76 M (91), which follows a normal seasonal pattern whereby a large part of sales takes place at the end of the quarter. The build-up of inventory of SEK 54 M (10), mainly related to the solid order book and future investments in the rental fleet, also contributed to the negative trend. The cash conversion was 41.3% (54.2).

Net investments for the quarter amounted to SEK 215 M (141), divided between tangible assets of SEK 138 M (85) and intangible assets of SEK 77 M (56). The investments in tangible assets include investments in the rental fleet of SEK 101 M (59).

The Group's cash and cash equivalents amounted to SEK 609 M (802) and interest-bearing net debt was SEK 4,299 M (4,402). Arjo has contracted unutilized credit facilities of SEK 4,652 M (4,975) available for refinancing outstanding commercial paper. The equity/assets ratio amounted to 51.2% (50.7). Net debt/adjusted EBITDA declined to 2.1% (2.3).

Research and development

Arjo's gross research and development costs for the quarter amounted to SEK 80 M (78), of which SEK 39 M (38) was charged to operating profit. The gross costs correspond to 2.8% (2.8) of consolidated net sales.

Outlook 2025

Organic sales growth for 2025 is expected to be within the Group's target interval of 3-5%.



Other events during the quarter

Launch of new Maxi Move 5 patient floor lift

In April, Arjo launched the Maxi Move 5 mobile patient floor lift, the latest generation of one of the Group's best-selling products. Maxi Move 5 is intended for lifting, transferring and repositioning patients and residents within both hospitals and long-term care settings. It can also be used to more easily facilitate hygiene care and rehabilitation exercises. An independent clinical lab study shows that Maxi Move reduces the accumulated forces required to complete a patient transfer by up to 68%, compared with competitor devices included in the study¹.

Patient handling represented approximately 26% of Arjo's total net sales in 2024, which makes it the single largest category within the full portfolio. Currently available in the United States, Germany, France and the Netherlands, Maxi Move 5 is scheduled to be launched in about 40 countries by the end of 2025.

Dawes-Redman CTG Analysis receives 510(k) approval from the FDA

Dawes-Redman CTG Analysis™, used for fetal diagnostics, has received 510(k) approval from the US Food and Drug Administration (FDA). Arjo's diagnostics division, Huntleigh Healthcare, has been the exclusive global distributor of the solution for many years, and the approval means it can now be offered to customers also in the US market. The Dawes-Redman CTG analysis evaluates factors such as basal heart rate, sinusoidal rhythms, and the short-term variation of the fetal heart rate, a factor that is impossible to calculate manually.

Changes to the Arjo Management Team

During the quarter, Eva Brike was appointed new Executive Vice President Human Resources & Sustainability starting June 1, 2025. Eva most recently held the position of Vice President People & Culture at Atos Medical, and succeeds Marion Gullstrand, who after a long operational career has chosen to pursue new opportunities.

As previously communicated, Joacim Lindoff left his position as President and CEO in January and shortly thereafter Christian Stentoft left his position as President Global Sales & Service and member of the Arjo Management Team.

Results from randomized controlled trial for WoundExpress

Some conclusions can now be drawn from the randomized controlled trial for WoundExpress, which has compared two groups of patients with hard-to-heal leg ulcers treated with the current standard of care alone and with the current standard of care in addition to WoundExpress.

The study showed that the user-friendliness is rated as very good and the majority of patients wanted to continue using WoundExpress even after the study ended, which is well in line with the results of previous trials. However, given the design and implementation of the trial, it did not show any statistically significant difference in pain levels or change in wound size after 16 weeks of treatment.

The full results of the trial are scheduled to be published in the third quarter of 2025.

Arjo will analyze the results in more detail and then decide on any potential further trials. As previously communicated, Arjo's plans for the next few years do not include any significant sales volumes for WoundExpress.

1. Fray M, D'Arcy L, Loughborough University, UK. Powered drive and positioning systems in patient floor lifts reduce caregiver workload: A clinical study.

Other information

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 certain 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 in 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. As part of Arjo's strategy, the Group is increasingly focusing on highlighting the clinical and financial benefits of the Group's products and solutions, something that further reduces the risks described above.

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, circularity, product life cycle, 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 products and solutions 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 in the market in which Arjo operates.

Product liability and damage claims

As a medical device supplier, Arjo, like other healthcare industry players, may sometimes be subject to claims related to product liability and other damage claims. Such claims could involve large financial amounts, result in significant legal expenses and negatively affect the company's reputation and customer relationships. Arjo limits the risk of product liability and other damage claims related to its products and their use through the company's extensive quality and safety activities. A comprehensive insurance program is in place to cover any liability risks (including product liability) to which the Group is exposed.



Protecting and managing the infringement of intellectual property rights

Arjo invests significant financial amounts in research and development, and is continuously developing new products and technological solutions. To secure revenue 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, design and trademarks. The Group is also dependent upon know-how and trade secrets that cannot be protected under intellectual property law.

Clear instructions are in place within the Group for how to prevent, investigate and manage potential infringements. In addition, procedures are in place to ensure efficient maintenance of the existing portfolio of rights.

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 and solutions, 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.

Given the size of the US market and the uncertainty regarding tariffs on import goods, the outcome may have an impact on Arjo's operations. Therefore, the company is closely monitoring developments and continuously evaluating the situation and any potential action to mitigate the effects of any potential tariffs.

Arjo is also monitoring developments in other parts of the world, such as in the Middle East and Russia's invasion of Ukraine. Arjo has stopped all deliveries and production of equipment destined to Russia since 2022.

Risks in the value chain

Unforeseen and sudden events could cause disruptions to production or the supply chain, which could result in higher costs, delivery delays and non-delivery to Arjo's customers. This in turn could have a negative impact on the Group's earnings.

Sustainability-related risks

Arjo works actively to monitor and continuously evaluate sustainability-related risks and their impact on the Group's operations and earnings. This takes place in the form of, for example, a regular double materiality assessment, monitoring targets and commitments and by auditing various units within the company, such as the security aspects of the Group's production facilities or random testing of regulatory compliance. The Group has established a governance structure that involves both the company management and the Board, and works continuously on improving the company's sustainability activities and minimizing associated risks.

Authorities and supervisory 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.

Arjo devotes significant efforts and resources to implementing and applying guidelines to ensure regulatory compliance. Annual audits are performed by designated accreditation bodies to ensure compliance for continued CE marking of Arjo's products and international legal requirements, including the FDA, MDSAP, EU MDR and UK MDR.

All of the Group's production facilities are also certified according to ISO 13485 (Medical devices – quality management systems) and ISO 9001 (Quality management systems) from BSI.

Financial risk management

Through its operations, Arjo is exposed to a number of financial risks. Arjo's risk management is regulated by a 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 Group Finance. The Group's financial risks comprise currency risk, interest-rate risk, credit and counterparty risk, and tax risk, of which currency is the most important risk.

Risk of cyber attacks

Arjo is dependent on IT and its surrounding infrastructure and thus is exposed to the risk of cyber attacks and other forms of intrusion and data security. A defined, governing process is in place to counteract potential risks in this area, and the company works actively on risk assessments of its IT infrastructure and sensitive data as well as testing of these areas. This includes defined mitigating processes and controls, known as IT General Control (ITGC) to protect the company. The internal control environment is evaluated every year both by the company's CISO and by the external auditors. Sensitivity analyses and penetration and restoration tests are performed regularly during the year to ensure sufficient security levels for systems, processes and data. All employees undergo training in IT security and such training is part of the onboarding process for new employees.

Transactions with related parties

Transactions between Arjo and companies in Getinge Group are specified in Note 10.

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, April 29, 2025

Johan Malmquist
Chairman of
the Board

Carl Bennet
Vice Chairman
of the Board

Ulrika Dellby
Board member

Eva Elmstedt
Board member

Dan Frohm
Board member

Ulf Grunander
Board member

Carola Lemne
Board member

Niclas Sjöswärd
Interim President & CEO

Sten Börjesson
Board member
Employee representative

Kajsa Haraldsson
Board member
Employee representative

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

SEK M	Note	Quarter 1 2025	Quarter 1 2024	Full-year 2024
Net sales	2	2,863	2,759	11,292
Cost of goods sold		-1,613	-1,560	-6,386
Gross profit		1,250	1,199	4,907
Selling expenses		-586	-555	-2,236
Administrative expenses		-385	-367	-1,511
Research and development costs	4	-39	-38	-150
Exceptional items	5	-40	-29	-126
Other operating income and expenses		-32	12	18
Income from participations in associated companies		-	-3	-9
Operating profit (EBIT)	3	168	219	893
Net financial items		-43	-44	-209
Profit after financial items		125	175	684
Taxes		-34	-44	-187
Net Profit for the period		91	132	498
Attributable to:				
Parent Company shareholders		91	132	498
Number of shares, thousands		272,370	272,370	272,370
Earnings per share, SEK ¹⁾		0.34	0.48	1.83

1. Before and after dilution. For definition, see page 19.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Quarter 1 2025	Quarter 1 2024	Full-year 2024
Net profit for the period	91	132	498
Other comprehensive income			
Items that cannot be restated in profit			
Actuarial gains/losses pertaining to defined-benefit pension plans	6	-18	20
Tax attributable to items that cannot be restated in profit	21	4	-8
Items that can later be restated in profit			
Translation differences	-745	485	585
Hedges of net investments	98	-73	-62
Cash-flow hedges	2	-	-2
Tax attributable to items that can be restated in profit	27	-17	-28
Other comprehensive income for the period, net after tax	-592	381	504
Total comprehensive income for the period	-500	513	1,002
Comprehensive income attributable to:			
Parent Company shareholders	-500	513	1,002

CONSOLIDATED BALANCE SHEET

SEK M	Note	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
Assets				
Intangible assets		7,365	7,534	7,651
Tangible assets		1,598	1,753	1,695
Tangible lease assets		1,144	1,138	1,215
Financial assets	7	824	793	862
Participations in associated companies ¹⁾		-	146	-
Inventories		1,341	1,368	1,388
Accounts receivables		1,756	1,789	1,798
Current financial receivables	7	28	17	29
Other current receivables		519	639	603
Cash and cash equivalents	7	609	802	892
Assets held for sale ¹⁾		130	-	143
Total assets		15,312	15,980	16,276
Shareholders' equity and liabilities				
Shareholders' equity		7,838	8,095	8,338
Non-current financial liabilities	7	1,902	2,034	2,163
Non-current lease liabilities	7	797	808	851
Provisions for pensions, interest-bearing	7	34	33	36
Other provisions		302	315	348
Current financial liabilities	7	2,112	2,223	1,976
Current lease liabilities	7	407	386	428
Accounts payables		578	678	607
Other non-interest-bearing liabilities		1,342	1,410	1,530
Total shareholders' equity and liabilities		15,312	15,980	16,276

1. From quarter 4 2024 Participations in the associated company BBI is reported as Assets held for sale.

CHANGES IN SHAREHOLDERS' EQUITY FOR THE GROUP

SEK M	Share Capital	Reserves	Retained earnings	Total share-holders' equity ¹⁾
Opening balance at January 1, 2024	91	1,315	6,176	7,582
Total comprehensive income for the period	-	492	509	1,002
Dividend	-	-	-245	-245
Closing balance at December 31, 2024	91	1,807	6,440	8,338
Opening balance at January 1, 2025	91	1,807	6,440	8,338
Total comprehensive income for the period	-	-618	118	-500
Closing balance at March 31, 2025	91	1,189	6,558	7,838

1. Fully attributable to Parent Company shareholders.

CONSOLIDATED CASH-FLOW STATEMENT

SEK M	Note	Quarter 1 2025	Quarter 1 2024	Full-year 2024
Operating activities				
Operating profit (EBIT)		168	219	893
Add-back of amortization, depreciation and write-down	3	278	254	1,084
Other non-cash items		3	11	-41
Expensed exceptional items ¹⁾		40	29	105
Paid exceptional items		-14	-22	-43
Financial items		-51	-57	-217
Taxes paid		-60	-38	-192
Cash flow before changes to working capital		364	397	1,589
Changes in working capital				
Inventories		-54	-10	0
Current receivables		-76	-91	-98
Current liabilities		-50	-39	25
Cash flow from operations		184	256	1,516
Investing activities				
Divested / acquired operations	11	-	-	-55
Net investments		-215	-141	-581
Cash flow from investing activities		-215	-141	-635
Financing activities				
Raising of loans		5,582	8,158	26,835
Repayment of financial liabilities		-5,580	-8,319	-27,170
Repayment of lease liabilities		-117	-99	-431
Change in pension assets/liabilities		-2	-2	-6
Change in interest-bearing receivables		9	0	13
Dividend		-	-	-245
Realized derivatives attributable to financing activities		-109	17	97
Cash flow from financing activities		-217	-245	-907
Cash flow for the period		-248	-130	-26
Cash and cash equivalents at the beginning of the period		892	923	923
Translation differences		-35	9	-5
Cash and cash equivalents at the end of the period		609	802	892

1. Excluding write-down of non-current assets.

1 Accounting policies

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable rules of 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 the 2024 Annual Report, published on www.arjo.com. No new or changed accounting standards that came into effect on January 1, 2025 had a material impact on Arjo.

Arjo has decided not to apply in advance new standards, amendments or interpretations that have been published but will not come into effect until the fiscal year beginning on or after January 1, 2026.

The totals in the tables and calculations do not always add up due to rounding differences. Each subtotal corresponds with its original source, which can lead to rounding differences in the totals.

During the fourth quarter 2024 the participation in the associated company BBI have been reclassified to assets held for sale. This means that the equity method is no longer applied and thus no share of profit is reported in the Income statement from the fourth quarter 2024.

2 Segment reporting

SEK M	Quarter 1 2025						Quarter 1 2024					
	Global sales	North America	Other	Group functions	Eliminations	Arjo Group	Global sales	North America	Other	Group functions	Eliminations	Arjo Group
Product sales	757	696	109	-	-4	1,558	771	666	102	-	-2	1,537
Service incl. spare parts	379	178	7	-	0	563	352	170	6	-	0	528
Rental	441	300	-	-	-	741	425	269	-	-	-	694
Total net sales	1,576	1,175	116	-	-4	2,863	1,548	1,105	108	-	-2	2,759
Operating profit/loss	209	289	17	-347	-	168	242	256	11	-290	-	219
Net financial items						-43						-44
Profit after financial items						125						175
Taxes						-34						-44
Net profit for the period						91						132

SEK M	Full-year 2024					
	Global sales	North America	Other	Group functions	Eliminations	Arjo Group
Product sales	3,269	2,621	385	-	-10	6,266
Service incl. spare parts	1,478	711	23	-	0	2,212
Rental	1,733	1,082	-	-	-1	2,814
Total net sales	6,481	4,415	408	-	-12	11,292
Operating profit/loss	1,062	1,011	55	-1,235	-	893
Net financial items						-209
Profit after financial items						684
Taxes						-187
Net profit for the period						498

Arjo monitors the operations following the segments Global Sales, North America and Other, which is where Arjo's Diagnostics operations are recognized. Arjo has significant central Group functions in the areas of Supply Chain (product supply, inventories and distribution), IT, Quality, and Research and Development. Only a certain portion of Supply Chain's expenses are allocated to each segment. The remainder of the expenses

for Group functions are recognized as Group expenses. The division of segments and the method of measuring the segments' results is conducted in a similar way in this interim report as the 2024 Annual Report. Assets and liabilities are not divided by segment since no such amounts are regularly reported to the chief operating decision maker.

3 Depreciation/amortization and write-down

SEK M	Quarter 1 2025	Quarter 1 2024	Full-year 2024
Intangible assets	-62	-60	-244
<i>Of which, attributable to acquisitions</i>	-18	-21	-82
Tangible assets	-103	-93	-412
Tangible lease assets	-114	-101	-428
Total	-278	-254	-1,084
<i>Of which, write-down</i>	0	0	-17

Depreciation/amortization and write-downs by function, SEK M	Quarter 1 2025	Quarter 1 2024	Full-year 2024
Cost of goods sold	-185	-165	-699
Selling expenses	-43	-41	-166
Administrative expenses	-48	-46	-192
Research and development costs	-2	-2	-9
Other operating expenses	-	0	0
Exceptional items	0	-	-17
Total	-278	-254	-1,084
<i>Of which, write-down</i>	0	0	-17

4 Capitalized development costs

SEK M	Quarter 1 2025	Quarter 1 2024	Full-year 2024
Research and development costs, gross	-80	-78	-319
Capitalized development costs	41	39	169
Research and development costs, net	-39	-38	-150

5 Exceptional items

SEK M	Quarter 1 2025	Quarter 1 2024	Full-year 2024
Acquisition expenses	0	0	-4
Realisation loss BBI-assets	-	-	-54
Restructuring and integration costs	-40	-29	-68
Total	-40	-29	-126

Exceptional items by function, SEK M	Quarter 1 2025	Quarter 1 2024	Full-year 2024
Cost of goods sold	-6	-10	-21
Selling expenses	-4	-5	-17
Administrative expenses	-29	-12	-34
Other operating costs	0	-2	-54
Total	-40	-29	-126

The table above presents the function under which the items would have been recognized if they had not been classified as exceptional items.

6 Financial assets and liabilities measured at fair value

	Assets/liabilities measured at fair value through profit or loss	Derivatives used for hedging purposes	Total
Mar 31, 2025, SEK M			
Other current receivables	7	-	7
Other financial assets	128	-	128
Total assets	135	-	135
Other non-interest-bearing liabilities	18	0	18
Total liabilities	18	0	18
	Assets/liabilities measured at fair value through profit or loss	Derivatives used for hedging purposes	Total
Mar 31, 2024, SEK M			
Other current receivables	76	-	76
Other financial assets	131	-	131
Total assets	206	-	206
Other non-interest-bearing liabilities	5	-	5
Total liabilities	5	-	5

The fair value of derivative instruments is established using valuation techniques, which includes observable market information. All derivatives are classified under level 2 of the fair value hierarchy. The Group has holdings in unlisted companies in level 3 of the fair value hierarchy. The carrying amount of the holdings is the same as the fair value.

7 Consolidated interest-bearing net debt

SEK M	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
Non-current financial liabilities	1,902	2,034	2,163
Non-current lease liabilities	797	808	851
Current financial liabilities	2,112	2,223	1,976
Current lease liabilities	407	386	428
Provisions for pensions	34	33	36
Interest-bearing liabilities	5,253	5,483	5,453
Less financial receivables	-125	-101	-141
Less pension assets	-220	-177	-229
Less cash and cash equivalents	-609	-802	-892
Interest-bearing net debt	4,299	4,402	4,191

8 Key figures for the Group

SEK M	Jan - Mar 2025	Jan - Mar 2024	Full-year 2024
Sales measures			
Net sales	2,863	2,759	11,292
Net sales growth, %	3.8	4.6	2.8
Organic growth in sales, %	3.4	4.3	3.1
Expense measures			
Selling expenses as a % of net sales	20.5	20.1	19.8
Administrative expenses as a % of net sales	13.5	13.3	13.4
Research and development costs gross as a % of net sales	2.8	2.8	2.8
Earnings measures			
Operating profit (EBIT)	168	219	893
Adjusted operating profit (EBIT) ¹⁾	208	248	1,019
EBITA	230	279	1,137
Adjusted EBITA ¹⁾	270	308	1,263
EBITDA	446	473	1,977
EBITDA growth, %	-5.8	3.2	1.6
Adjusted EBITDA ¹⁾	486	502	2,086
Earnings per share, SEK	0.34	0.48	1.83
Margin measures			
Gross margin, %	43.7	43.5	43.5
Operating margin, %	5.9	7.9	7.9
Adjusted Operating margin, % ¹⁾	7.3	9.0	9.0
EBITA margin, %	8.0	10.1	10.1
Adjusted EBITA margin, % ¹⁾	9.4	11.2	11.2
EBITDA margin, %	15.6	17.2	17.5
Adjusted EBITDA margin, % ¹⁾	17.0	18.2	18.5
Cash flow and return measures			
Return on shareholders' equity, % ²⁾	5.7	6.4	6.3
Cash Conversion, %	41.3	54.2	76.7
Operating Capital	12,629	12,861	12,539
Return on operating capital, % ²⁾	7.8	7.7	8.1
Capital Structure			
Interest-bearing net debt	4,299	4,402	4,191
Interest-coverage ratio, multiple ²⁾	4.3	3.7	4.2
Net debt/equity ratio, multiple	0.5	0.5	0.5
Net debt/adjusted EBITDA, multiple ^{1, 2)}	2.1	2.3	2.0
Equity/asset ratio, %	51.2	50.7	51.2
Equity per share, SEK	28.8	29.7	30.6
Other			
Number of shares	272,369,573	272,369,573	272,369,573
Number of employees, average	6,999	6,711	6,932

1. Before exceptional items. See Alternative performance measures on page 16 and definitions on page 19.

2. 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.

	Quarter 1 2025	Quarter 1 2024	Full-year 2024
Adjusted EBIT/EBITA/EBITDA SEK M			
Operating profit (EBIT)	168	219	893
Add-back of amortization and write-down of intangible assets	62	60	244
EBITA	230	279	1,137
Add-back of depreciation and impairment of tangible assets	216	194	840
EBITDA	446	473	1,977
Exceptional items ¹⁾	40	29	126
Add-back of write-down of exceptional items	0	-	-17
Adjusted operating profit (EBIT)	208	248	1,019
Adjusted EBITA	270	308	1,263
Adjusted EBITDA	486	502	2,086

	Quarter 1 2025	Quarter 1 2024	Full-year 2024
Cash conversion			
Cash flow from operations, SEK M	184	256	1,516
Operating profit (EBIT), SEK M	168	219	893
Add-back of amortization and write-down of intangible assets and tangible assets, SEK M	278	254	1,084
EBITDA, SEK M	446	473	1,977
Cash conversion, %	41.3	54.2	76.7

	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
Net debt/equity ratio			
Interest-bearing net debt, SEK M	4,299	4,402	4,191
Shareholder's equity, SEK M	7,838	8,095	8,338
Net debt/equity ratio, multiple	0.5	0.5	0.5

	Jan - Mar 2025	Jan - Mar 2024	Full-year 2024
Calculation of return on operating capital			
Total assets opening balance, SEK M	15,980	15,965	15,444
Total assets closing balance, SEK M	15,312	15,980	16,276
Average total assets, SEK M	15,646	15,973	15,860
Average total assets, SEK M	15,646	15,973	15,860
Excluding average cash and cash equivalents, SEK M	-706	-852	-908
Excluding average and other provisions, SEK M	-308	-289	-327
Excluding average other non-interest-bearing liabilities, SEK M	-2,004	-1,971	-2,087
Average operating capital, SEK M	12,629	12,861	12,539
Operating profit (EBIT), SEK M ²⁾	842	902	893
Add-back of exceptional items, SEK M ²⁾	137	84	126
EBIT after add-back of exceptional items, SEK M	980	986	1,019
Return on operation capital, %	7.8	7.7	8.1

1. Refer to Note 5 Exceptional items.

2. Rolling 12 months.

9 Financial data per quarter

SEK M	Quarter 1 2024	Quarter 2 2024	Quarter 3 2024	Quarter 4 2024	Quarter 1 2025
Net sales	2,759	2,810	2,734	2,989	2,863
Cost of goods sold	-1,560	-1,586	-1,587	-1,653	-1,613
Gross profit	1,199	1,224	1,147	1,336	1,250
Operating expenses	-960	-985	-970	-981	-1,010
Exceptional items	-29	-3	-5	-88	-40
Other operating income, operating expenses and income from participations in associated companies	9	-7	-13	20	-32
Operating profit (EBIT)	219	229	158	287	168
Net financial items	-44	-65	-59	-41	-43
Profit after financial items	175	164	100	245	125
Taxes	-44	-44	-27	-72	-34
Net Profit for the period	132	120	73	174	91
Adjusted EBITDA ¹⁾	502	496	434	653	486
Adjusted EBITDA margin, % ¹⁾	18.2	17.7	15.9	21.9	17.0

1. EBITDA before exceptional items. Refer to Note 5 Exceptional items, Alternative performance measures on page 16 and definitions on page 19.

10 Transactions with related parties

SEK M	Quarter 1 2025	Quarter 1 2024	Full-year 2024
Sales	9	5	22
Purchases of goods	-4	-2	-9
Accounts receivable	2	3	3
Accounts payable	1	2	1

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.

11 Acquisitions

Acquisitions 2024 of GerroMed Pflege- und Medizintechnik GmbH and Tech Med SAS

During the third quarter 2024, Arjo acquired all shares in the German company GerroMed Pflege- und Medizintechnik GmbH, which operates a rental business focused on pressure injury prevention. The annual turnover amounts to approximately SEK 30 M.

During the fourth quarter 2024, all shares in the French company Tech Med SAS, one of Arjo's distributors of diagnostic solutions, were acquired. The annual turnover amounts to approximately SEK 25 M.

The purchase price for both acquisitions amounted to SEK 70 M, including additional purchase consideration.

Parent Company financial statements

PARENT COMPANY INCOME STATEMENT

SEK M	Quarter 1 2025	Quarter 1 2024	Full-year 2024
Net sales	-	-	329
Administrative expenses	-39	-49	-431
Exceptional items ¹⁾	-28	0	-3
Other operating income and expenses	0	-1	1
Operating loss (EBIT)	-68	-50	-104
Income from participations in Group companies	-	86	1,029
Net financial items ²⁾	-20	-25	-90
Profit/loss after financial items	-88	10	835
Taxes	18	16	-6
Net Profit/loss for the period	-70	26	830

1. Exceptional items refers to acquisition expenses of SEK 0 M (0) and restructuring expenses of SEK -28 M (-), and for the full year 2024 to acquisition expenses (-3).

2. Net financial items contain interest income, interest expenses, other financial expenses and 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	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
Assets			
Intangible assets	367	328	339
Tangible assets	-	0	-
Financial assets	6,056	6,062	6,041
Current financial receivables, Group companies	10	-	-
Other current receivables, Group companies	177	174	284
Current receivables	29	20	36
Cash and cash equivalents	0	-	0
Total assets	6,639	6,585	6,700
Shareholders' equity and liabilities			
Shareholders' equity	4,488	3,999	4,558
Provisions	26	4	2
Current financial liabilities	2,089	2,208	1,936
Current financial liabilities, Group companies	-	343	161
Other current liabilities, Group companies	11	6	3
Other non-interest-bearing liabilities	26	24	41
Total shareholders' equity and liabilities	6,639	6,585	6,700

At the end of the period, the carrying amount of shares and participations in subsidiaries amounted to SEK 5,932 M (5,940). No change occurred during the period. The Parent Company's commercial paper program has a framework amount of SEK 5,000 M (5,000). The total amount issued at the end of the period amounted to SEK 2,096 M (2,226). Intangible assets comprise software.

Definitions

FINANCIAL TERMS

Adjusted EBIT/Operating profit

Operating profit with add-back of exceptional items.

Adjusted EBITA

EBITA with add-back of exceptional items.

Adjusted EBITA margin

Adjusted EBITA in relation to net sales.

Adjusted EBITDA

EBITDA with add-back of exceptional items.

Adjusted EBITDA margin

Adjusted EBITDA in relation to net sales.

Cash conversion

Cash flow from operations in relation to EBITDA.

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 for the period:

Profit for the period attributable to Parent Company shareholders	SEK 91 M
Number of shares, thousands	272,370
Earnings per share	SEK 0.34

EBIT

Operating profit.

EBITA

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

EBITA margin

EBITA in relation to net sales.

EBITDA

Operating profit before amortization, depreciation and write-down.

EBITDA margin

EBITDA in relation to net sales.

Equity/assets ratio

Shareholders' equity in relation to total assets.

Exceptional items

Total of acquisition and restructuring costs as well as major non-recurring items.

Interest-coverage ratio

Profit after financial items plus interest expenses and add-back of exceptional items in relation to interest expenses. Calculated based on rolling twelve-month data.

Net debt/adjusted EBITDA, multiple

Average net debt in relation to rolling 12 months' adjusted EBITDA.

Net debt/equity ratio

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

Operating capital

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

Operating expenses

Selling expenses, administrative expenses and research and development costs.

Operating margin

Operating profit in relation to net sales.

Organic change

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

Return on operating capital

Rolling 12 months' operating profit with add-back of exceptional items in relation to operating capital.

Return on shareholders' equity

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

MEDICAL AND OTHER TERMS

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.

DVT (deep vein thrombosis)

Formation of a blood clot in a deep leg vein.

Edema

Swelling due to accumulation of fluid in tissues.

Ergonomics

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

ESG

An abbreviation that stands for environmental, social and governance, which are the non-financial factors in corporate reporting.

EU Medical Device Regulation (MDR)

Regulations created by the EU to ensure better protection for the public health and patient safety by establishing modernized and more robust EU legislation. All medical device manufacturers and distributors must comply with these new regulations.

IPC (intermittent pneumatic compression)

An established method for treating venous leg ulcers, for example. Actively compressing the calf muscles, for example, imitates the pumping mechanism that normally occurs when moving, which increases blood flow to the leg.

Pressure injuries

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

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).

US Food and Drug Administration (FDA)

The US authority responsible for protecting the public health by carrying out regular inspections of, among other things, medical devices.

VTE (venous thromboembolism)

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

TELECONFERENCE

Fund managers, analysts and the media are invited to a teleconference on April 29 at 3:00 p.m. CEST.

A presentation will be held during the telephone conference.

Watch the teleconference via the following link:

<https://arjo.events.inderes.com/q1-report-2025>

Participants who wish to ask verbal questions at the teleconference must register using the link below. Once registered, participants will receive a telephone number and ID number to use to log in to the conference.

Registration link:

<https://conference.inderes.com/teleconference/?id=5009659>

Alternatively, use the following link to download the presentation:

<https://www.arjo.com/int/about-us/investors/reports--presentations/2025/>

A recording of the teleconference will be available for three years via the following link: <https://arjo.events.inderes.com/q1-report-2025>

FINANCIAL INFORMATION

Updated information on, for example, the Arjo 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 statements will be published in 2025:



April 29, 2025	2025 Annual General Meeting
July 11, 2025	Interim report Jan-Jun 2025
October 22, 2025	Interim report Jan-Sep 2025

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This information is information that Arjo AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on April 29, 2025 at 2:00 p.m. CEST.

At Arjo, we believe that empowering movement within healthcare environments is essential to quality care. Our products and solutions for patient transfers, hygiene, disinfection, diagnostics, treating leg ulcers, prevention of pressure injuries and deep vein thrombosis, and our medical beds are all designed to promote mobility, safety and dignity in all care situations. With over 6,500 people worldwide and 65 years caring for patients and healthcare professionals, we are committed to driving healthier outcomes for people facing mobility challenges.

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