

April 22, 2026

**Arjo**

Q1 2026



## Speakers



**Andréas Elgaard**

President and CEO | Arjo



**Christofer Carlsson**

CFO | Arjo



**Filip Wetterqvist**

Equity Research Analyst | SB1 Markets



**Operator**

## Prepared Remarks

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**Operator**

Welcome to the Arjo Q1 presentation for 2026. During the questions and answers session, participants are able to ask questions by dialing pound key five on their telephone keypad. Now I will hand the conference over to President and CEO, Andréas Elgaard, and CFO, Christofer Carlsson. Please go ahead.

**Andréas Elgaard**

President and CEO | Arjo

Thanks a lot, and thanks everybody for dialing in and listening to Arjo's first quarter of 2026. We believe we have been able to pull together a stable first quarter, and we're happy to share that with you. We'll talk a little bit on how we are progressing the work with shaping the future Arjo. Just to begin a little bit from my side and to remind everybody of who we are and what we do, because we are really very purpose-led in everything we do. This is something that is very strong in Arjo. We exist and are present at people's most vulnerable moments, and we help them to keep their integrity and dignity and really make sure that they have the best possible situation when they need it the most. As you know, we work across several product segments and categories.

**Andréas Elgaard**

President and CEO | Arjo

From Patient Handling and hygiene to Medical beds, the mattresses that goes on top, often focused on helping to relieve pressure injuries. We work with VTE prevention, diagnostics, and disinfection. These are our product categories. We are about 7,000 people and with an annual turnover of approximately SEK 11 billion. We are truly a global company with sales to more than 100 countries. Let me just start by a flyover summary of the first quarter of 2026. We deliver solid growth in Q1. 3.8% is within our guidance. It's really driven this year by a positive trend in U.S. in capital sales and strong sales in rest of the world. Also this year, as you saw in Q4, the flu season was not as strong as it usually is for us in U.S., and that has continued.

**Andréas Elgaard**

President and CEO | Arjo

This is despite a somewhat weak flu season. We think this is really a stable result that we deliver. The gross margin is slightly below last year, and we are, of course, put under continual pressure when it comes to currency and the tariffs in U.S. We are working with trying to compensate this through efficiencies and also to manage our costs in a good way and then looking into price adjustments, especially considering the situation that is in West Asia. Still uncertain how this will affect us, but we are preparing for making sure that we manage those effects. Just to also highlight, we had healthy cash flow in the quarter. Compared to last year, it's an improvement and it follows the seasonal pattern. This is also something to mention. The adjusted EBITDA came in at SEK 456 million.

**Andréas Elgaard**

President and CEO | Arjo

Maybe one thing to highlight is that we started in the quarter to work on our future strategy, and we've had very intense work and a lot of engagement across the company, and we are progressing in a really good way. I will come back to this a little bit more towards the end. If I zoom in a little bit on sales in North America. We had both in Canada and U.S., really strong end to the quarter. Month of March was really strong. In total, I would say that U.S. continued to grow in the quarter and Canada came in slightly below last year. They really met some very strong comparable numbers. All in all, really strong performance is what we have seen, meeting very strong comparable numbers.

**Andréas Elgaard**

President and CEO | Arjo

Of course, when you meet stronger numbers, the percentage growth is of course affected. As I mentioned before, for U.S., the flu season was not as strong as it usually is. We compensated that through capital sales in Patient Handling. If you look at the rest of our sales beyond North America, in Western Europe, we were struggling a little bit, and it's mainly U.K. that stands for the decline. Most other markets are performing in a good way, and especially France and Italy had really good performance in the quarter. Rest of the world, beyond Europe then, and North America was really, really strong, and the growth was really carried through several markets performing. A shout-out, especially to South Africa that delivered a large Medical Beds order in their region.



**Andréas Elgaard**  
President and CEO | Arjo

I just want to hang on that topic just because it gives some flavor to what we're doing. We have modernized 36 healthcare facilities in South Africa. This was a special product tailored for their needs. More than 2,300 new beds and mattresses. This was not just a logistic exercise, it's an installation exercise. It needs to be done when it suits the hospital, and it needs to be done with good margin and good cash conversion. All of this came to life through really good, strong teamwork from customer to back in supply chain. By that, I'll hand over to Christofer.



**Christofer Carlsson**  
CFO | Arjo

Thank you, Andréas. As Andréas stated, we had a stable start of the year. Overall, our gross margin came in at 42.6%, compared to last year's 43.7%. Looking at the drivers, the growth in Patient Handling improved group margins, driven by strong development for our floor lift, Maxi Move 5 and ceiling units. Also, our diagnostics business improved margin, driven by higher volumes and a favorable sales mix. The rental business gross margin slightly increased, driven by France, U.K., and Australia. While U.S. had a negative development due to weaker flu season and some capital conversion among customers. However, the main part of the gap came from an unfavorable product and country mix, impacting the gross margin by -1 percentage point, mainly related to the large medical bed order in South Africa.



**Christofer Carlsson**  
CFO | Arjo

At the same time, U.S. tariffs had a negative impact of SEK 10 million year-over-year, representing a 0.4 percentage point decline in gross margin. In addition, FX had a minor negative impact on gross margin, but in absolute numbers, the gross profit had negative FX effects of SEK 123 million. Finally, our service business margin were in line with last year when excluding U.S. tariffs. If we now move on to the EBIT slide. Next slide, please. As you can see, adjusted EBIT in Q1 came in at SEK 190 million, compared to SEK 208 million last year. However, when excluding U.S. tariff and FX, the result is in line with last year. Looking at the costs, OPEX declined in the quarter due to FX effects. At the same time, the organic OPEX increase was 2.8%.



**Christofer Carlsson**  
CFO | Arjo

In addition, we had a positive effect from reevaluation of accounts receivable and accounts payable of SEK 3 million in the quarter, reported under other income and expenses. Last year, the equivalent amount was -SEK 34 million, resulting in a delta of plus SEK 37 million year-over-year. Overall, the total FX impact on adjusted EBIT amounts therefore to a minor amount of -SEK 7 million in the quarter. Moving to EBITDA. Adjusted EBITDA for the quarter was SEK 456 million compared to SEK 486 million last year. The adjusted EBITDA margin was in line with last year and came in at 16.9% versus 17.0% last year. The EBIT margin increased to 6.8% versus 5.9% last year. This improvement was supported by lower restructuring costs that came in at -SEK 6 million in the quarter versus SEK 40 million last year.



**Christofer Carlsson**  
CFO | Arjo

Now we move over to working capital and cash flow. Next slide, please. Operating cash flow improved in the quarter, amounting to SEK 237 million. This was SEK 53 million higher year-over-year, mainly due to improved cash flow from working capital. Following a normal seasonal pattern, the change in working capital were -SEK 143 million versus -SEK 180 million. Working capital days increased to 83, up from 81 in Q1 2025. Cash conversion in the quarter improved to 52.7% compared to 41.3% last year. For reference, our cash flow from investing activities was -SEK 135 million compared to -SEK 215 million in Q1 2025. The decrease is mainly due to SEK 48 million lower investment in rental assets. If we now move over to the net debt and leverage. Next slide, please.



**Christofer Carlsson**  
CFO | Arjo

The decrease in net debt this quarter is driven by improved operating cash flow, lower investments, and positive FX effects. Our financial net came in at -SEK 36 million compared to SEK -43 million in Q1 2025. The improvement relates to some positive FX effects. Our cash position remains strong. Net debt to adjusted EBITDA stayed flat versus year-end and came in at 2.2. Our equity ratio stood at 50.5%, up from 49.8% at year-end 2025, mainly due to positive FX effects in equity. With that, I will now hand it back to you, Andréas.

**Andréas Elgaard**

President and CEO | Arjo

Thanks, Christofer. I thought that it would be good maybe to just share a little bit on how the work of shaping the future of Arjo is going. It's too early to reveal anything, but I can still try to give you a flavor on what we're doing. We put the headline here that it will be a story of untapped potential because being new now into Arjo, soon four months into the role, I see a lot of potential in the people, in our relationships with our suppliers, and in the relationships with our customers. It's not just an industry that has healthy growth expectations, but it also, Arjo as an organization, is really filled with potential.

**Andréas Elgaard**

President and CEO | Arjo

In order to be able to untap that, we really need to have clarity on where we're going and make sure that we build the capability to execute as well. One way of doing that is by inviting leaders from across the organization to make sure that we build common ground, we create alignment, we create understanding on where we are and where we need to be in the future. By doing that, you don't just get the strategy that comes from the top, you get a strategy that is well-anchored across the organization, and that really helps you when it's time for execution. Our ambition is to go from strategizing straight into execution. That is the ambition. Creating a clarity in where we're going is really important for everything from product development to supplier relationship development.

**Andréas Elgaard**

President and CEO | Arjo

It's also very important if we want to continue to grow also in new product segments or if we want to open new segments where care is moving. It will also be something that will guide us if we need to accelerate our growth or our strategic movement through acquisitions in the future. Strategy and talking too much about the future sometimes can dilute the focus on here and now. I, for one, is super focused on that we need to deliver two things. We need to deliver clarity for the future so we know how to execute and build the future Arjo, but we also need to deliver results short-term. What you can expect from us is a strategy that will focus both on here and now and how we lay the foundation for the future. You will have both and, so to say.

**Andréas Elgaard**

President and CEO | Arjo

Our ambition is to get this strategy approved during summer and that we will be able to communicate that to you after the summer. That means the second half of 2026. That's a little bit the status on where we are in the work of creating the future Arjo. By that, we hand over to the Q&A section.

## Q&amp;A

**Operator**

If you wish to ask a question, please dial pound key five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial pound key six on your telephone keypad. The next question comes from Filip Wetterqvist from [SB1 Markets]. Please go ahead.

**Filip Wetterqvist**

Equity Research Analyst | SB1 Markets

Good morning. Thank you for taking my questions. I have a couple. First, can you quantify a little bit more on the contribution from the 36 facilities in South Africa to global sales organic growth? What would the underlying organic rate have been ex this order, and how does this inform into the actual run rate into Q2? The first one.

**Andréas Elgaard**

President and CEO | Arjo

Okay. Thank you for your question. I don't think we have communicated the size of the single order. I do think that when we have orders of materiality, we will do press release and specify those things. We have not done that. We are not giving guidance on that because that would reveal information to competitors that we don't want to reveal. More than 2,300 beds to 36 care facilities, it is a substantial order, but we don't judge it being material.

**Filip Wetterqvist**

Equity Research Analyst | SB1 Markets

Okay. Thank you. My second question. You mentioned Middle East cost pressure from energy and transportation as a fresh headwind here in the report. Did you see any impact already here in Q1, or do you anticipate it in Q2? And what is the current run rate assumption for 2026?

**Andréas Elgaard**

President and CEO | Arjo

Yeah. Thanks for the question. We have seen minor effects in Q1, but of course, we and everybody else in the world are very much aware of how much oil affects not just the energy sector, but every, I would say, every process industry and every food production farm in the world through the production of fertilizer. Of course, this will have effects. We are preparing to try to mitigate that in the ways that we can. We don't give forecasts on what that might be because I don't think Arjo is the best equipped to give forecast on the financial consequences of the crisis that is ongoing right now. Given that, of course, we are preparing, yes, for the scenarios that we see internally. I hope that answers your question enough.

**Andréas Elgaard**

President and CEO | Arjo

If this conflict becomes short-term, hopefully there will still be effects, that's for sure. If it becomes short-term, I also think it will be something that the world will be able to manage. This is something that affects Arjo in the same way as it affects everybody else.

**Filip Wetterqvist**

Equity Research Analyst | SB1 Markets

All right. Thank you. Those were all my questions for now. I'll jump back in the queue.

**Operator**

As a reminder, if you wish to ask a question, please dial pound key five on your telephone keypad. There are no more questions at this time. I hand the conference back to the speakers for any closing comments.

**Andréas Elgaard**

President and CEO | Arjo

Okay. Thank you very much. Today is the annual general meeting. We are super excited. There will be more than 120 shareholders that will come and listen to us, and we will give a similar message to them. Of course, we will focus on 2025. We'll give a short highlight of the first quarter this year, and we will also give some flavor on the strategy work. We'll share a movie where different leaders from Arjo is talking about that. We are really excited about that. By that, we say thank you for this call, and we remain at your disposal. Bye-bye.

# Arjo

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**Christofer Carlsson**

CFO | Arjo

Bye-bye.