

Press release
Malmö, June 11, 2020

Arjo's operating profit for the second quarter of 2020 estimated to be significantly better than expected

Arjo expects its operating profit for the second quarter of 2020 to increase by more than 30% compared to the corresponding quarter in 2019, which is significantly better than the consensus from analysts.

Net sales in the second quarter are expected to be in line with a strong second quarter in 2019. Arjo continues to see a strong development in medical beds, high demand within rental operations and a healthy performance within the diagnostics business; this while the Group's restricted access to hospitals and elderly homes is holding back growth during the quarter. The growth is further held back due to postponed elective care.

Profitability is expected to increase significantly compared to the second quarter in 2019. The Group expects an improvement in operating profit (EBIT) before restructuring of more than 30%, driven by solid profitability within rental operations, good cost control throughout the value chain and some positive currency effects.

As an increasingly number of countries are lifting their restrictions, Arjo estimates that the market situation for the Group's segments will gradually improve. Arjo expects to gradually increase the access to hospitals and elderly care homes.

In light of this, Arjo expects a gradually increased growth where the organic net sales growth for the third and fourth quarters, respectively, is expected to be within the 2-4% target interval. Operating expenses are expected to continue to decline as a percentage of sales in 2020.

Arjo's interim report for the second quarter will be published on July 17, 2020.

Following today's announcement, a short teleconference will be held at 8:00 a.m. CEST today, June 11, 2020, with Arjo President & CEO Joacim Lindoff and CFO Daniel Fäldt. Please see details below to join the conference:

Sweden: +46 (0)8 5065 3942

UK: +44 (0)330 336 9411

USA: +1 929-477-0324

Code: 3135827

A presentation will be held during the telephone conference. To access the presentation, please use this link: <https://slideassist.webcasts.com/starthere.jsp?ei=1332678>

Alternatively, use the following link to download the presentation:

<https://www.arjo.com/int/about-us/investors/reports--presentations/2020/>

A recording of the teleconference will be available for 90 days via the following link:

<https://slideassist.webcasts.com/starthere.jsp?ei=1332678>

This information is information that Arjo AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact person set out above, on June 11, 2020 at 07:00 a.m. CEST.

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About Arjo

At Arjo, we are committed to improving the everyday lives of people affected by reduced mobility and age-related health challenges. With products and solutions that ensure ergonomic patient handling, personal hygiene, disinfection, diagnostics, and the effective prevention of pressure ulcers and venous thromboembolism, we help professionals across care environments to continually raise the standard of safe and dignified care. Arjo has approximately 6,000 employees worldwide and customers in over 100 countries. In 2019, Arjo sales amounted to SEK 8.9 billion. Arjo is listed on Nasdaq Stockholm and its head office is located in Malmö, Sweden. Everything we do, we do with people in mind. www.arjo.com