

Press release
Malmö, November 2, 2020

Arjo presents updated strategy for continued profitable growth

Arjo's updated strategy and new financial targets for 2021-2023 will be presented today at the Group's Capital Markets Day. With the new strategy, Arjo is taking an important step in offering outcome-based solutions for healthcare, while focusing on enhancing efficiency. The financial targets include annual organic growth of 3-5% combined with an adjusted EBITDA margin of approximately 23% toward the end of the period, and annual cash conversion of more than 80%.

"Since our listing three years ago, we have built a solid foundation and taken Arjo back to profitable growth. Now we are ready to take the next step. We present our long-term strategy today at a time when the need for clinical and financial results in healthcare has never been greater," says Joacim Lindoff, President & CEO of Arjo.

"We are continuing our efficiency journey while we invest in continued geographic expansion, new technologies and new business models for supporting the future healthcare in the best possible way. With the new strategy, we take a holistic approach that significantly increases the company's potential in the coming years," concludes Joacim Lindoff.

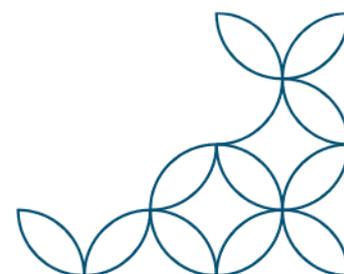
Better conditions for mobility can result in huge savings for healthcare

Arjo operates in a market driven by long-term underlying growth factors. The world's population is continuing to grow together with rising life expectancies. At the same time, lifestyle-related illnesses are increasing, which puts enormous pressure on the healthcare system and results in a dramatic increase in costs. A large portion of these costs is the consequence of reduced patient mobility. Pressure injuries, falls, venous leg ulcers as well as muscular skeletal disorders among staff are some examples of the challenges costing healthcare huge amounts of money every year.

Focus on outcome-based solutions for healthcare and enhanced internal efficiency

A vital success factor for Arjo is to continue to develop products and solutions for sustainable healthcare. By offering more outcome-based solutions to overcome the important healthcare challenges, Arjo can address a market that is both ten times larger and growing at double the rate of the market in which the Group currently operates.

Over the next few years, Arjo will continue to improve Group efficiency by focusing on, for example, procurement and logistics. The company is also focusing on continued geographic expansion, and is increasing investments in developing new technologies that promote outcome-based solutions. One example is the recently launched WoundExpress, an innovative therapy for accelerating the healing of venous leg ulcers.



Arjo is also investing in developing new outcome-based programs and focus in 2021 will be on launching a program for preventing pressure injuries, something that costs the global healthcare sector more than SEK 500 billion every year. The program comprises a combination of Arjo's therapeutic mattresses and Bruin Biometric's (BBI) SEM scanner, for which Arjo obtained exclusive distribution rights through its investment in BBI in October. With this combination, Arjo will be able to offer improved diagnosis and treatment of pressure injuries while enabling better prevention of pressure injuries.

These are some of the initiatives that form the basis of the new financial targets for 2021-2023.

New financial targets for 2021-2023

- Average annual organic sales growth of 3-5% per year
- Adjusted EBITDA margin of approximately 23% from full-year 2023
- Annual cash conversion of more than 80%

In addition, the aim is for the Group's dividend to correspond to 30-60% of net profit after tax.

About Arjo's Capital Markets Day, November 2, 2020

The presentations will begin at 10.30 a.m. CET and are expected to end at 3:00 p.m. CET at the latest.

Speakers:

Joacim Lindoff, President & CEO
Christian Stentoft, Chief Strategy Officer
Daniel Fäldt, CFO

Fund managers, analysts and the media are invited to follow the meeting by webcast. Questions can be submitted using the chat function. Registered participants will receive a link to the webcast via e-mail.

The presentations and a recording of the Capital Markets Day will be available on Arjo's website, www.arjo.com after the event.

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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 November 2, 2020 at 07.30 a.m. CET.

About Arjo

Creating the best conditions for mobility is at the very core of a high-quality healthcare offering. Arjo's products and solutions for patient handling, hygiene, disinfection, diagnostics, prevention of pressure injuries and deep vein thrombosis, and our medical beds, are designed to promote mobility, safety and dignity in all care situations.

With 60 years of experience of improving the everyday lives of patients, residents and healthcare providers, sales of SEK 8.9 billion in 2019 and a global workforce of slightly more than 6,000, Arjo is constantly reinforcing its commitment to create healthier outcomes for people with reduced mobility.