

Q4

ARJO Q4 REPORT 2024

January 30, 2025

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Christofer Carlsson, Interim CFO



Agenda

Business update – Q4 & FY 2024

Financials in detail

Outlook 2025

Key takeaways

Q&A



A solid finish to the year

Growth across regions

- Healthy demand for Service and Rental globally
- Continued growth in US and Canada
- Lower demand for capital equipment in Europe, i.e. France
- UK improving with confirmed NHS budgets

Profitability improvement in focus

- Lower capital sales holding back gross margin in Q4
- Good cost control
- Plans in place to accelerate profitability

Adj. EBIT improving ~10 %

Good cash conversion

Net sales
organic growth

3.1%

Gross
margin

44.7%

Adjusted
EBITDA

653 MSEK

Cash
conversion

82.3%

Solid performance despite somewhat unpredictable environment

- Strong service and rental development globally, with further potential
- Continued growth in the US and Canada, yet weaker demand for capital equipment in Western Europe in H2
- Improved profitability through product mix, supply chain efficiency and pricing excellence
- Strong financial position and further improved leverage
- Increasing M&A focus – two additions in 2024
- Proposed dividend of 0.95 SEK (0.90)

Net sales
organic growth

3.1%

Gross
margin

43.5%

Adjusted
EBITDA

2 086
MSEK

Cash
conversion

76.7%

Q4 2024

North America

Continued growth in the US

- Continued healthy demand within Rental and Service
- Increasing Patient Handling sales
- Lower DVT volumes as forecasted

Another quarter of profitable growth in Canada

- Service, Rental and Capital all perform well
- Healthy mix of acute care vs. long-term care sales continues

Q4 org. net sales

+7.8%

FY org. net sales

+5.7%

Q4 2024

Global Sales

Western European markets (+1.9% in Q4; +1.3% FY)

- Healthy demand in the UK following NHS budget confirmation, +10% growth in Q4
- Weaker demand for capital equipment remains in some European markets, i.e. France – low visibility remains
- Positive development in e.g. Belgium, Germany and Austria
- Rental and Service continues to perform well

Q4 org. net sales

+0.3%

FY org. net sales

+1.9%

Q4 2024

Global Sales

Rest of the World markets (-3.7% in Q4; +4.1% FY)

- Somewhat weaker quarter in for example China
- Healthy demand in Africa, India, Hong Kong and UAE
- Investments to drive growth in Japan starting to show positive signs
- Signs of EU funding starting to appear in Poland – potential positive impact for Arjo ahead

Q4 org. net sales

+0.3

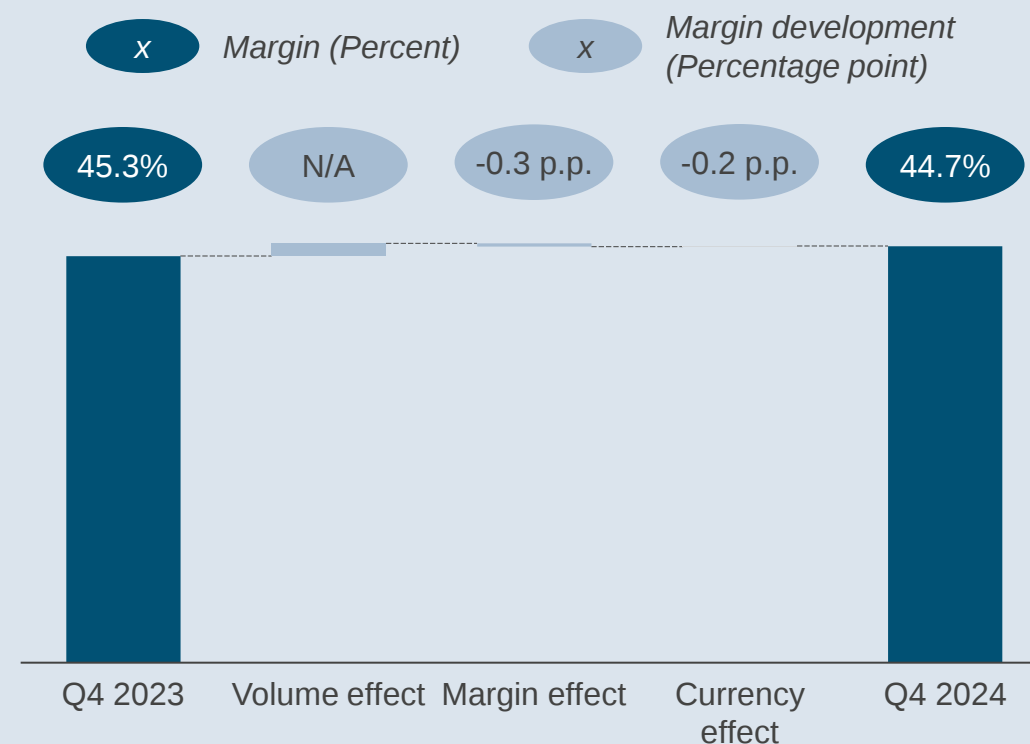
FY org. net sales

+1.9%

Somewhat lower gross margin in Q4 but solid improvement activities in place

- Q4 margin expansion held back by lower capital equipment volumes in the quarter
- Continued improvement in FY vs. 2023
- Acceleration of activities to drive further improvements and secure continued profitable growth

Gross profit bridge – Q4 2024 vs. Q4 2023 (MSEK)



Solid initiatives for year over year gross margin improvement



**Product mix
& portfolio
management**

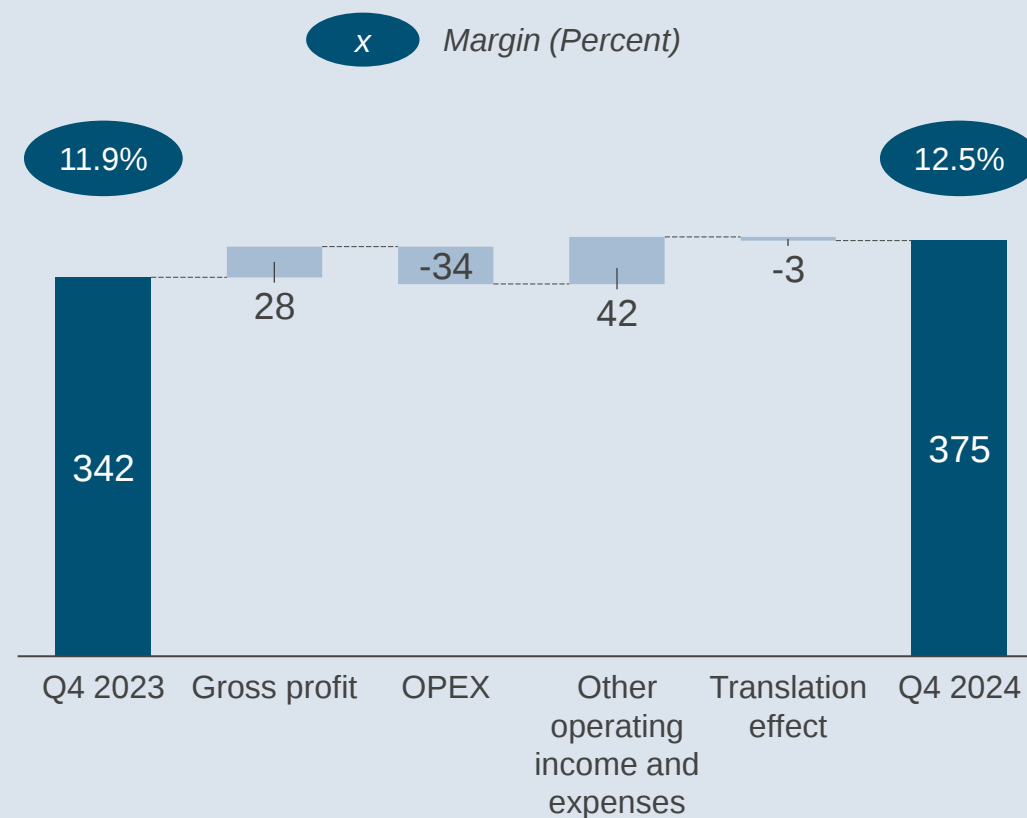
**Pricing
excellence**

**Supply chain
optimization**

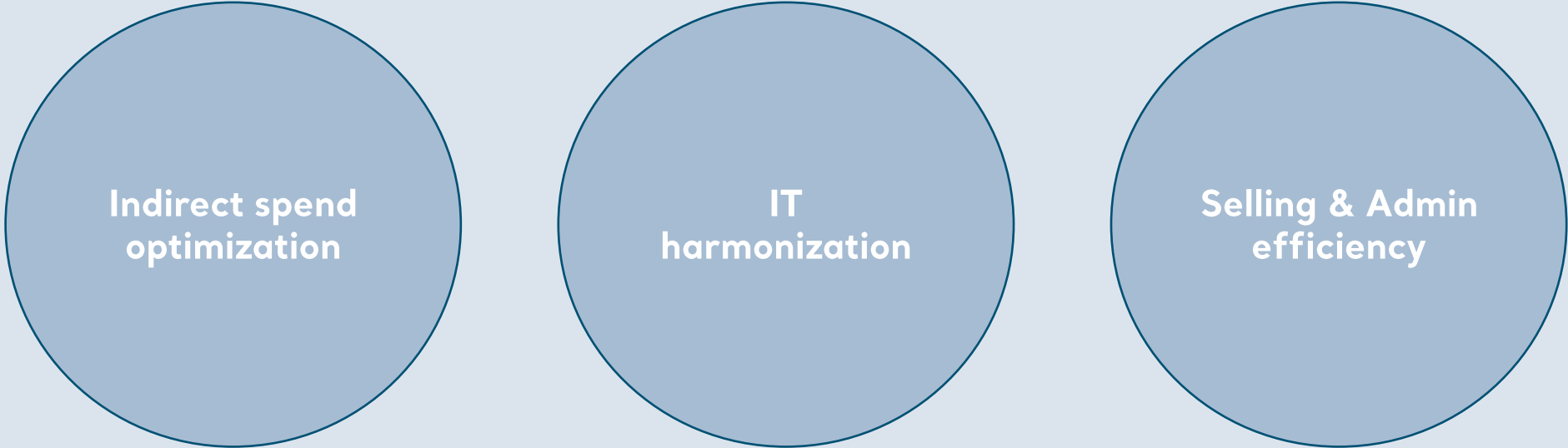
High activity level and solid cost control

- Adj. EBIT improvement vs. Q4 2023
- Positive FX effects
- Continued good cost control across the value chain

Adj. EBIT bridge – Q4 2024 vs. Q4 2023 (MSEK)



Driving value by leveraging OPEX



Indirect spend
optimization

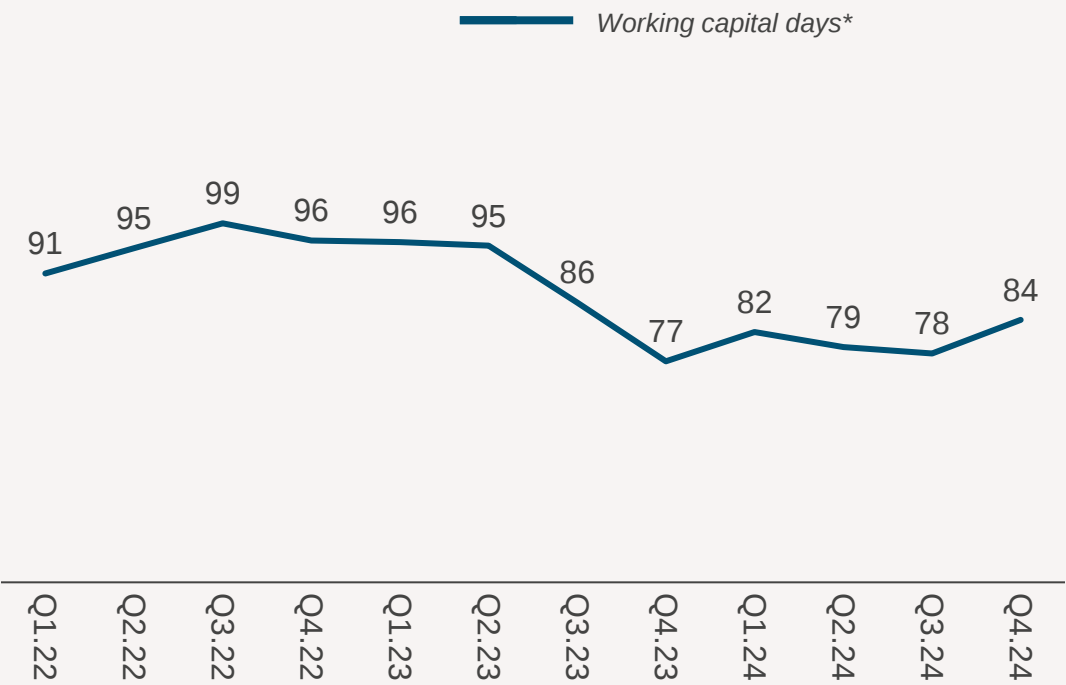
IT
harmonization

Selling & Admin
efficiency

Q4 working capital and operating cash flow

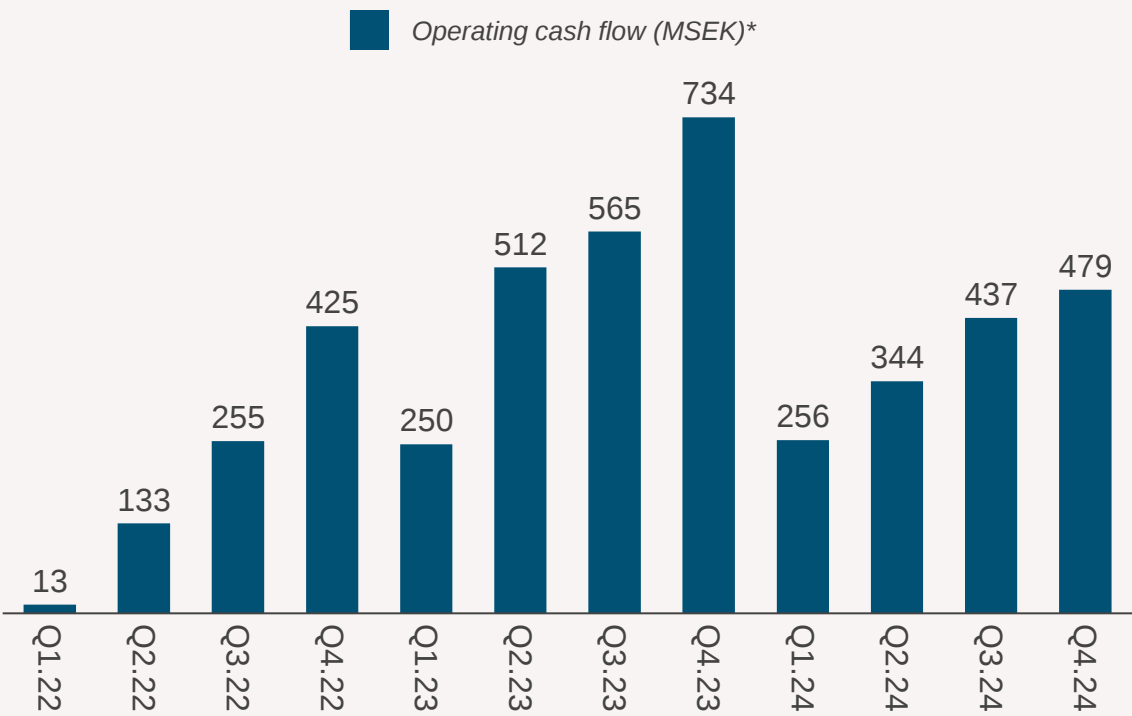
Working capital days increasing slightly

Working capital days – Q1.22-Q4.24



Operating cash flow improved sequentially during the year

Operating cash flow – Q1.22-Q4.24

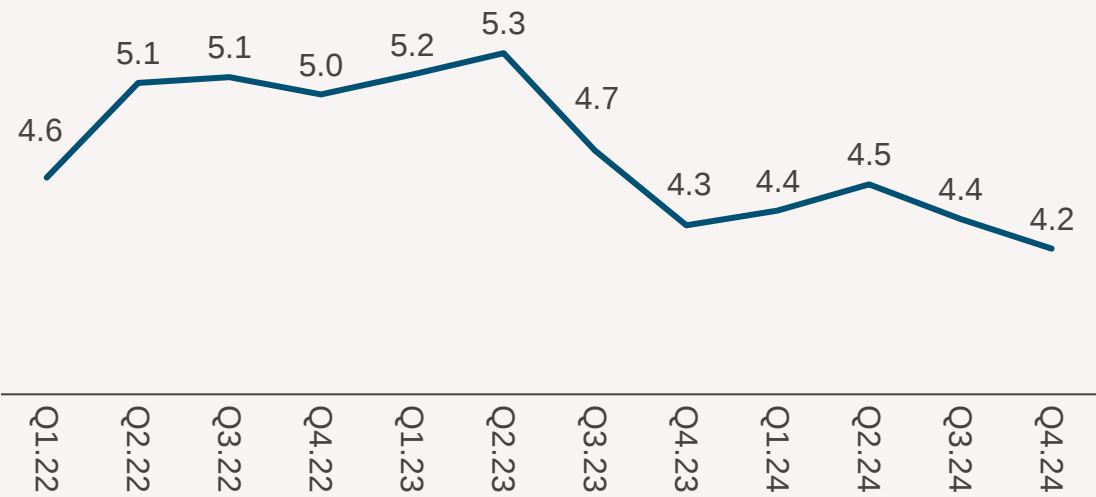


Q4 net debt and leverage

Net debt decreasing during Q4

Net debt – Q1.22-Q4.24

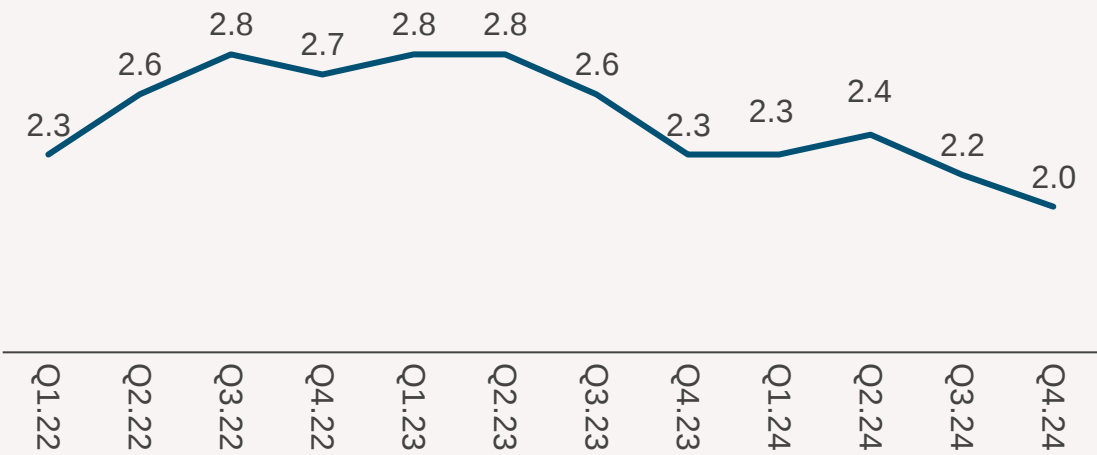
Net debt, incl. IFRS16 (BSEK)



Improvement in leverage

Leverage – Q1.22-Q4.24

Net debt / Adj EBITDA, multiple (R12)*



POST Q4

Global launch of Symbliss – the next-generation integrated bathing system

- Enables safe and efficient hygiene routines across all mobility levels
- Highest rating from the Dementia Services Development Centre (DSDC)
- Strengthens Arjo's Long-Term Care market positions
- Attractive aftermarket and service potential
- Launching in US, Canada, UK and Western European countries during Q1 – already available in Belgium and Sweden



Outlook 2025

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

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Key takeaways

- A solid finish to the year
- Healthy demand for Service and Rental globally
- Continued growth in US and Canada, and positive development in the UK
- Improved profitability and solid initiatives to improve further moving forward
- Strong financial position with further improved leverage
- New product launches and signs of improving overall market outlook in 2025
- Organic net sales growth for 2025 expected within the Group's target interval of 3-5%

Q&A

Financial calendar

Capital Markets Update	POSTPONED
Annual and Sustainability Report 2024	April 2025
Interim Report Jan-Mar 2025	April 29, 2025
Annual General Meeting 2025	April 29, 2025
Interim Report Jan-Jun 2025	July 11, 2025
Interim Report Jan-Sep 2025	October 22, 2025

Further questions

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MOVEMENT**

Forward looking information

This document contains forward-looking information based on the current expectations of Arjo's management. Although management deems that the expectations presented by such forward-looking information are reasonable, no guarantee can be given that these expectations will prove correct. Accordingly, the actual future outcome could vary considerably compared with what is stated in the forward-looking information, due to such factors as changed conditions regarding business cycles, market and competition, changes in legal requirements and other political measures, and fluctuations in exchange rates.

The logo for ARJO, featuring the letters 'a', 'r', 'j', and 'o' in a stylized, rounded, blue font. The 'a' and 'r' are connected, as are the 'j' and 'o'.

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