

# Q2

INTERIM REPORT  
JANUARY–JUNE 2024

## Growth and improved profitability

**arjo**  
EMPOWERING MOVEMENT

### April–June 2024 in brief

- Net sales increased to SEK 2,810 M (2,686). Net sales grew organically by 3.7%.
- Adjusted EBITDA increased to SEK 496 M (471).
- Adjusted operating profit increased 10.6% to SEK 232 M (210).
- Profit after financial items increased to SEK 164 M (139).
- Earnings per share rose to SEK 0.44 (0.38).
- Cash flow from operations amounted to SEK 344 M (512), corresponding to a cash conversion of 69.7% (113.8).

"Our journey towards long-term profitability improvement continues and we deliver yet another quarter of growth and increased profitability. The positive development in rental and service continued globally and we navigate the market in a good way, despite short-term challenges. There is a major need for investments in healthcare and overall we see healthy growth opportunities moving forward."

JOACIM LINDOFF  
PRESIDENT & CEO

### Financial summary

SEK M	Quarter 2 2024	Quarter 2 2023	Jan–Jun 2024	Jan–Jun 2023	Rolling 12 months	Full-year 2023
Net sales	2,810	2,686	5,569	5,324	11,225	10,980
Gross profit <sup>1)</sup>	1,224	1,146	2,424	2,283	4,876	4,735
Gross margin, % <sup>1)</sup>	43.6	42.7	43.5	42.9	43.4	43.1
Adjusted EBITA <sup>1, 2)</sup>	293	283	602	570	1,275	1,244
Adjusted EBITA margin, % <sup>1, 2)</sup>	10.4	10.5	10.8	10.7	11.4	11.3
Adjusted EBITDA <sup>1, 2)</sup>	496	471	999	946	2,069	2,017
Adjusted EBITDA margin, % <sup>1, 2)</sup>	17.7	17.5	17.9	17.8	18.4	18.4
Operating profit (EBIT) <sup>1)</sup>	229	189	448	390	942	884
Adjusted operating profit (EBIT) <sup>1, 2)</sup>	232	210	481	429	1,008	957
Profit after financial items <sup>1)</sup>	164	139	339	289	690	640
Net profit for the period <sup>1)</sup>	120	104	251	218	514	480
Number of shares, thousands	272,370	272,370	272,370	272,370	272,370	272,370
Earnings per share, SEK <sup>1)</sup>	0.44	0.38	0.92	0.80	1.89	1.76
Cash flow from operations <sup>1)</sup>	344	512	600	762	1,899	2,061
Cash conversion, % <sup>1)</sup>	69.7	113.8	62.1	83.9	94.8	105.9

1. Comparative figures for Quarters 1 – 3 2023 have been restated, refer to Note 11 Restatement of calculations of intra-Group gains on page 18 and Financial data per quarter on page 17.

2. Before exceptional items. See Alternative performance measures on page 16 and Definitions on page 20.

# Solid growth opportunities ahead



## Continued growth

# 3.7%

organic sales growth in second quarter of 2024

Demand remained healthy globally and the Group grew organically by 3.7%.

We delivered a stable quarter in North America where market conditions in the US continue to improve and we grow our business compared to last year, while the profitable growth in Canada continues.

The trend in Global Sales was overall positive, with a mixed picture in the markets. In Europe, elections in the UK and France have temporarily led to some postponements of investment decisions for capital equipment. However, there is a significant need for investments in several European markets, and Germany, for example, is undergoing an extensive healthcare reform that is expected to result in increasing business opportunities for us in the longer term. We also see increased investment capacity in several growth markets, where we in many cases are well positioned to capitalize on these prospects going forward.

### Improved profitability

Our journey towards long-term profitability improvement continues. The gross margin increased according to plan during the quarter, and we improved both sequentially and compared with last year. Service and Rental, both important drivers for increased growth and profitability moving forward, continued to perform well. We can also see additional improvement potential both in terms of product mix and internal efficiency over time.

Implemented price adjustments are generating the expected effects and we have good cost control across the organization. Despite the elevated cost levels, we were able to reduce operating expenses in relation to the Group's sales, and adjusted operating profit improved by over 10% in the quarter.

### Solid growth opportunities

As previously communicated, the distribution agreement for the SEM scanner will not be extended. This decision does not affect our long-term direction, and we are now fully focusing on continuing to develop our own business in pressure injury prevention, where we see healthy demand globally.

Having followed various election campaigns, we can conclude that the demographic challenge facing healthcare remains one of the biggest problems to solve for the future. Moving forward, this is expected to

drive increased investment in healthcare – and thus present further growth opportunities for us.

Long-term care continues to be a prioritized growth segment for us. Within elderly care, approximately 60–80% of residents are affected by dementia or other cognitive impairment, which places higher demands on healthcare. During the quarter, another two of our products received dementia accreditation from the international knowledge and competence center DCDS at the University of Stirling in Scotland, which proves our strong position in this area.

2024 largely follows the trends we saw last year, with positive development in Rental and Service and an increasing willingness to invest in capital equipment. With a stable first half of the year, we are now looking forward to a strong finish.

JOACIM LINDOFF  
PRESIDENT & CEO

# Group performance

## Net sales per segment

SEK M	Quarter 2 2024	Quarter 2 2023	Organic change	Jan-Jun 2024	Jan-Jun 2023	Organic change	Rolling 12 months	Full-year 2023
Global Sales	1,649	1,557	5.2%	3,197	3,059	3.8%	6,490	6,352
North America	1,070	1,030	2.6%	2,175	2,039	6.3%	4,355	4,219
Other	94	103	-10.7%	202	235	-16.1%	391	424
Eliminations	-3	-4	—	-5	-9	—	-11	-15
<b>Total</b>	<b>2,810</b>	<b>2,686</b>	<b>3.7%</b>	<b>5,569</b>	<b>5,324</b>	<b>4.0%</b>	<b>11,225</b>	<b>10,980</b>

## Net sales and results

### Second quarter of 2024

Net sales for the quarter amounted to SEK 2,810 M (2,686), corresponding to an organic increase of 3.7%.

In North America, growth increased 2.6% organically with a healthy performance in rental and service and yet another strong quarter in Canada. The US grew slightly year-on-year, but was somewhat held back by lower sales in DVT - where the market has been more challenging. In addition, market conditions are still holding back sales of outcome-based programs for patient handling and pressure injury prevention in the US.

Global Sales grew 5.2% organically with a continuing positive trend in rental and service. Western European markets such as France, Italy, Ireland and Austria made a positive contribution in the quarter. The UK fell back slightly due to uncertainty associated with the recently held election, and noted lower sales of capital goods and diagnostic solutions in the quarter. In Rest of the World, solid demand was noted in Australia, Africa, Hong Kong and Japan.

The gross margin increased to 43.6% (42.7), mainly driven by high volumes and margin improvements in patient handling and service. Implemented price adjustments and continued efficiency improvements in the operations partly offset the higher cost levels in the quarter.

Operating expenses developed according to plan and cost control throughout the value chain remained good.

Exceptional items amounted to SEK -3 M.

Adjusted EBITDA rose to SEK 496 M (471). The adjusted EBITDA margin increased to 17.7% (17.5).

Net financial items for the quarter amounted to SEK -65 M (-50). Negative currency effects in net financial items amounted to SEK -4 M (12) for the quarter.

### January-June 2024

Net sales for the period increased organically by 4% to SEK 5,569 M (5,324). Sales were healthy in service and rental, and sales of capital goods also performed well in many markets.

Growth in North America increased 6.3% organically in the period, with a positive trend in both the US and Canada. Challenging market conditions in the US continued to hold back the performance of the outcome-based programs.

Global Sales grew organically by 3.8% during the period. The sales trend for the quarter was favorable in several markets in Western Europe, such as France, Italy and Ireland. Several markets in Rest of the World also performed well, with particularly healthy growth in Australia, India and Singapore.

The gross margin increased to 43.5% (42.9), mainly driven by high volumes and margin improvements in patient handling and rental. Implemented price adjustments and continued efficiency improvements in the operations partly offset inflation-related cost pressure.

Operating expenses for the period amounted to SEK 1,945 M (1,863).

Adjusted EBITDA for the period increased to SEK 999 M (946). The adjusted EBITDA margin increased to 17.9% (17.8).

Net financial items amounted to SEK -109 M (-100) for the period. Positive currency effects in net financial items amounted to SEK 13 M (11) for the period.

## Currency effect

SEK M	Quarter 2 2024	Jan–Jun 2024
<b>Translation effect (vs 2023)</b>		
Sales	+26	+34
Cost of goods sold	-18	-21
Gross profit	+8	+14
Operating expenses	-9	-14
Restructuring and other operating income/expenses	-0	-0
<b>Total translation effect, EBIT</b>	<b>-2</b>	<b>-1</b>
<b>Transaction effect (vs 2023)</b>		
<b>Cost of goods sold</b>	<b>+1</b>	<b>-1</b>
<b>Recognized remeasurement effects</b>		
Other operating income/expenses	-5	+2

Translation effects for the quarter amounted to SEK -2 M and transaction effects to SEK +1 M. In addition, the recognized revaluation effects of operating receivables and liabilities amounted to SEK -5 M for the quarter.

## Cash flow and financial position

Cash flow from operations amounted to SEK 344 M (512) for the quarter. The lower cash flow was mainly due to the effect from the change in working capital of SEK +21 M (+121) and higher taxes paid of SEK -70 M (-16). The lower effect of tied-up working capital was mainly driven by the change in inventories of SEK +5 M (+65) and current receivables SEK +39 M (+96). Due to the lower cash flow, cash conversion declined year-on-year and amounted to 69.7% (113.8) for the quarter.

Net investments for the quarter amounted to SEK 112 M (136), divided between tangible assets of SEK 36 M (66) and intangible assets of SEK 76 M (70). The investments in tangible assets include investments in the rental fleet of SEK 32 M (47).

The Group's cash and cash equivalents amounted to SEK 740 M (1,068) and interest-bearing net debt was SEK 4,547 M (5,271). Arjo has contracted unutilized credit facilities of SEK 4,827 M (3,523) available for refinancing outstanding commercial paper. The equity/assets ratio amounted to 50.0% (47.1). Net debt/adjusted EBITDA declined to 2.4% (2.8).

## Research and development

Arjo's gross research and development costs for the quarter amounted to SEK 83 M (74), of which SEK 40 M (38) was charged to operating profit. The gross costs correspond to 3.0% (2.7) of consolidated net sales.

## Outlook 2024

Organic sales growth for 2024 is expected to be within the Group's target interval of 3-5%.

## Other events during the quarter

### Arjo not extending distribution agreement for SEM scanner

As previously communicated, a decision was made during the quarter not to extend Arjo's distribution agreement for Bruin Biometrics' Provizio® SEM scanner. The reason is that the parties are too far apart in i.e. expected commercial development. The decision does not impact Arjo's outlook of 3-5% organic net sales growth for 2024 and onwards.

The distribution agreement will end no later than December 31, 2024, according to the agreement terms. Discussions on how to best terminate

the distribution agreement are currently ongoing and a number of related details are still under negotiation. Arjo will give an update when there is more information to share.

### Two additional Arjo products receive recognized dementia certification

During the quarter, two more of Arjo's products, the shower chair Carino and the shower trolley Carevo, have received dementia accreditation from the international knowledge and competence center DSDC (Dementia Services Development Centre) at the University of Stirling in Scotland. DSDC reviews and assesses product suitability for use in a dementia-friendly environment and Arjo currently holds a leading position in terms of the number of dementia-certified products.

It is estimated that 60-80% of residents in long-term care facilities suffer from dementia or other cognitive impairment. This places high demands on both care and care environment, and better meeting the care needs of dementia patients is high on the agenda for Arjo's development of long-term care products.

### Arjo ReNu recognized at leading conference on sustainability in healthcare

During the quarter, Arjo representatives presented at the CleanMed conference in Salt Lake City, US. The healthcare sector today has a negative environmental impact through the use of disposables or consumables, Arjo gave a well-attended presentation focused on the Group's ReNu business.

Arjo ReNu enables the reuse of medical devices, mainly consumables such as DVT garments, based on an environmentally friendly water-based, high-temperature process that does not use any chemicals or carcinogens. A recent life cycle assessment of DVT garments showed a 54-64% reduction in the environmental impact using the ReNu method compared to disposables.

### Changes to the Arjo Management Team

Katarzyna Bobrow, Executive Vice President Quality & Regulatory Compliance, has decided to leave her position at Arjo after 17 years with the Group, eight of which were in her current role. The recruitment process for Katarzyna's replacement is underway and a temporary internal solution is in place for a short transition period.

In addition, Jonas Cederhage, Executive Vice President, Product Development, Supply Chain & Operations, had decided to leave Arjo. Jonas will remain in his position at Arjo until the end of the year, and the process of appointing his successor has been initiated.

### 2024 Annual General Meeting

Arjo AB's Annual General Meeting was held on April 18 at Glasklart in Malmö, Sweden. Shareholders who did not wish to attend the AGM physically could exercise their right to vote by postal voting before the AGM in accordance with the regulations in Arjo's Articles of Association. The main resolutions of the Annual General Meeting were as follows:

- Johan Malmquist (Chairman), Carl Bennet, Eva Elmstedt, Dan Frohm, Ulf Grunander, Carola Lemne and Joacim Lindoff were re-elected as members of the Board, and Ulrika Dellby was elected a new Board member.
- Fees to the Board of Directors and auditors were resolved on in accordance with the Nomination Committee's proposals.
- Dividends were resolved on in accordance with the Board's and the CEO's proposal.
- The AGM resolved to approve the revised Guidelines for Remuneration to Senior Executives as proposed by the Board of Directors.
- The AGM resolved to approve the Board of Directors' report over remuneration in accordance with Chapter 8, Section 53 a of the Swedish Companies Act, regarding the 2023 fiscal year.

More information about the AGM and the resolutions are available on the Group's website: <https://www.arjo.com/int/about-us/corporate-governance/general-meetings/annual-general-meeting-2024/>

# 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 for 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.

Since March 2, 2022, Arjo has stopped all deliveries and production of equipment destined to Russia due to the Russian invasion of Ukraine until future notice. This is in line with the sanctions imposed on Russia by other countries. Arjo is carefully monitoring market developments given the turbulent economic situation following the start of the invasion.

The Group is also monitoring developments in the Middle East due to the violence in Israel and Gaza.

Arjo is also closely monitoring the global inflation trend.

### 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.

Like many other companies, Arjo has been affected by lower availability of critical components, such as electronic components. A number of measures have been implemented to mitigate this risk and to ensure availability and delivery reliability to Arjo's customers, and this matter is being managed as a high priority.

Due to the escalated conflict in the Middle East, with the Strait of Hormuz having become another area of conflict, Arjo is closely monitoring developments to avoid any negative impact in its value chain.

### 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 materiality analysis, 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, July 12, 2024

**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

**Joacim Lindoff**  
Board member  
President & CEO

**Sten Börjesson**  
Board member  
Employee representative

**Kajsa Haraldsson**  
Board member  
Employee representative

# Consolidated financial statements

## CONSOLIDATED INCOME STATEMENT

SEK M	Note	Quarter 2 2024	Quarter 2 2023 <sup>1)</sup>	Jan - Jun 2024	Jan - Jun 2023 <sup>1)</sup>	Full-year 2023
Net sales	2	2,810	2,686	5,569	5,324	10,980
Cost of goods sold <sup>1)</sup>	11	-1,586	-1,540	-3,145	-3,041	-6,244
<b>Gross profit<sup>1)</sup></b>	<b>11</b>	<b>1,224</b>	<b>1,146</b>	<b>2,424</b>	<b>2,283</b>	<b>4,735</b>
Selling expenses		-562	-538	-1,117	-1,072	-2,163
Administrative expenses		-382	-375	-749	-719	-1,462
Research and development costs	4	-40	-38	-79	-71	-149
Exceptional items	5	-3	-21	-32	-40	-73
Other operating income and expenses		-4	19	8	15	7
Income from participations in associated companies		-3	-3	-6	-6	-11
<b>Operating profit (EBIT)<sup>1)</sup></b>	<b>3, 11</b>	<b>229</b>	<b>189</b>	<b>448</b>	<b>390</b>	<b>884</b>
Net financial items		-65	-50	-109	-100	-243
<b>Profit after financial items<sup>1)</sup></b>	<b>11</b>	<b>164</b>	<b>139</b>	<b>339</b>	<b>289</b>	<b>640</b>
Taxes <sup>1)</sup>	11	-44	-35	-88	-72	-160
<b>Net Profit for the period<sup>1)</sup></b>	<b>11</b>	<b>120</b>	<b>104</b>	<b>251</b>	<b>218</b>	<b>480</b>
<b>Attributable to:</b>						
Parent Company shareholders <sup>1)</sup>	11	120	104	251	218	480
Number of shares, thousands		272,370	272,370	272,370	272,370	272,370
Earnings per share, SEK <sup>1, 2)</sup>	11	0.44	0.38	0.92	0.80	1.76

1. Comparative figures for Quarter 1 - 2 2023 have been restated, refer to Note 11 Restatement of calculation of intra-Group gains.

2. Before and after dilution. For definition, see page 20.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Note	Quarter 2 2024	Quarter 2 2023 <sup>1)</sup>	Jan - Jun 2024	Jan - Jun 2023 <sup>1)</sup>	Full-year 2023
<b>Net profit for the period<sup>1)</sup></b>	<b>11</b>	<b>120</b>	<b>104</b>	<b>251</b>	<b>218</b>	<b>480</b>
<b>Other comprehensive income</b>						
<b>Items that cannot be restated in profit</b>						
Actuarial gains/losses pertaining to defined-benefit pension plans		21	-106	3	-142	-32
Tax attributable to items that cannot be restated in profit		-5	27	-1	36	-10
<b>Items that can later be restated in profit</b>						
Translation differences <sup>1)</sup>	11	-51	497	434	532	-63
Hedges of net investments		20	-77	-53	-98	4
Tax attributable to items that can be restated in profit		-1	-23	-19	-24	2
<b>Other comprehensive income for the period, net after tax<sup>1)</sup></b>	<b>11</b>	<b>-17</b>	<b>317</b>	<b>364</b>	<b>303</b>	<b>-99</b>
<b>Total comprehensive income for the period<sup>1)</sup></b>	<b>11</b>	<b>103</b>	<b>421</b>	<b>616</b>	<b>521</b>	<b>382</b>
<b>Comprehensive income attributable to:</b>						
Parent Company shareholders <sup>1)</sup>	11	103	421	616	521	382

1. Comparative figures for Quarter 1 - 2 2023 have been restated, refer to Note 11 Restatement of calculation of intra-Group gains.

## CONSOLIDATED BALANCE SHEET

SEK M	Note	Jun 30, 2024	Jun 30, 2023 <sup>1)</sup>	Dec 31, 2023
<b>Assets</b>				
Intangible assets		7,530	7,602	7,343
Tangible assets	11	1,723	1,802	1,669
Tangible lease assets		1,209	1,141	1,111
Financial assets	7, 11	828	708	763
Participations in associated companies		142	131	139
Inventories	11	1,364	1,510	1,301
Accounts receivables		1,701	1,747	1,632
Current financial receivables	7	22	22	14
Other current receivables		633	648	548
Cash and cash equivalents	7	740	1,068	923
<b>Total assets</b>	<b>11</b>	<b>15,891</b>	<b>16,379</b>	<b>15,444</b>
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity	11	7,952	7,721	7,582
Non-current financial liabilities	7	2,114	3,585	2,391
Non-current lease liabilities	7	865	830	796
Provisions for pensions, interest-bearing	7	33	31	31
Other provisions	11	276	265	305
Current financial liabilities	7	2,197	1,686	1,934
Current lease liabilities	7	402	369	365
Accounts payables		630	511	612
Other non-interest-bearing liabilities		1,422	1,382	1,427
<b>Total shareholders' equity and liabilities</b>	<b>11</b>	<b>15,891</b>	<b>16,379</b>	<b>15,444</b>

1. Comparative figures for June 30, 2023 have been restated, refer to Note 11 Restatement of calculation of intra-Group gains.

## CHANGES IN SHAREHOLDERS' EQUITY FOR THE GROUP

SEK M	Share Capital	Reserves	Retained earnings	Total shareholders' equity <sup>1)</sup>
<b>Opening balance at January 1, 2023 (restated)<sup>2)</sup></b>	<b>91</b>	<b>1,372</b>	<b>5,969</b>	<b>7,432</b>
Total comprehensive income for the period	-	-57	438	382
Dividend	-	-	-232	-232
<b>Closing balance at December 31, 2023</b>	<b>91</b>	<b>1,315</b>	<b>6,176</b>	<b>7,582</b>
<b>Opening balance at January 1, 2024</b>	<b>91</b>	<b>1,315</b>	<b>6,176</b>	<b>7,582</b>
Total comprehensive income for the period	-	363	253	616
Dividend	-	-	-245	-245
<b>Closing balance at June 30, 2024</b>	<b>91</b>	<b>1,677</b>	<b>6,184</b>	<b>7,952</b>

1. Fully attributable to Parent Company shareholders.

2. Opening balance 2023 has been recalculated, refer to the 2023 Annual Report.

## CONSOLIDATED CASH-FLOW STATEMENT

SEK M	Note	Quarter 2 2024	Quarter 2 2023 <sup>1)</sup>	Jan - Jun 2024	Jan - Jun 2023 <sup>1)</sup>	Full-year 2023
<b>Operating activities</b>						
Operating profit (EBIT) <sup>1)</sup>	11	229	189	448	390	884
Add-back of amortization, depreciation and write-down <sup>1)</sup>	3, 11	264	261	518	519	1,062
Other non-cash items <sup>1)</sup>	11	-33	7	-22	-23	-22
Expensed exceptional items <sup>2)</sup>		3	20	32	37	70
Paid exceptional items		-12	-14	-34	-32	-60
Financial items		-58	-56	-115	-111	-230
Taxes paid		-70	-16	-108	-122	-166
<b>Cash flow before changes to working capital<sup>1)</sup></b>	<b>11</b>	<b>323</b>	<b>390</b>	<b>719</b>	<b>657</b>	<b>1,536</b>
<b>Changes in working capital</b>						
Inventories <sup>1)</sup>	11	5	65	-5	71	192
Current receivables		39	96	-52	52	130
Current liabilities		-23	-40	-62	-18	203
<b>Cash flow from operations<sup>1)</sup></b>	<b>11</b>	<b>344</b>	<b>512</b>	<b>600</b>	<b>762</b>	<b>2,061</b>
<b>Investing activities</b>						
Capital contributions to associated companies		-	-	-	-	-24
Acquired financial assets		-	-	-	-10	-10
Net investments <sup>1)</sup>	11	-112	-136	-254	-317	-604
<b>Cash flow from investing activities<sup>1)</sup></b>	<b>11</b>	<b>-112</b>	<b>-136</b>	<b>-254</b>	<b>-327</b>	<b>-637</b>
<b>Financing activities</b>						
Raising of loans		8,277	6,777	16,435	11,579	23,730
Repayment of financial liabilities		-8,226	-6,753	-16,546	-11,623	-24,618
Repayment of lease liabilities		-105	-101	-204	-200	-412
Change in pension assets/liabilities		-2	-3	-3	-5	-3
Change in interest-bearing receivables		3	5	3	6	22
Dividend		-245	-232	-245	-232	-232
Realized derivatives attributable to financing activities		14	87	31	138	86
<b>Cash flow from financing activities</b>		<b>-283</b>	<b>-221</b>	<b>-528</b>	<b>-335</b>	<b>-1,427</b>
<b>Cash flow for the period</b>		<b>-52</b>	<b>155</b>	<b>-182</b>	<b>101</b>	<b>-4</b>
Cash and cash equivalents at the beginning of the period		802	902	923	949	949
Translation differences		-10	10	-1	18	-22
<b>Cash and cash equivalents at the end of the period</b>		<b>740</b>	<b>1,068</b>	<b>740</b>	<b>1,068</b>	<b>923</b>

1. Comparative figures for Quarter 1 - 2 2023 have been restated, refer to Note 11 Restatement of calculation of intra-Group gains.

2. 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 2023 Annual Report, published on [www.arjo.com](http://www.arjo.com).

During quarter 4 2023, intra-Group gains in inventories and tangible assets in the rental operations were restated. This restatement took place retrospectively, which means that comparative figures for quarter 1 - 3

2023 in this report have been restated. For further information, refer to Note 11 and 2023 Annual Report.

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.

### New accounting standards

No new or changed accounting standards that came into effect on January 1, 2024 had a material impact on Arjo. None of the IFRS or IFRIC interpretations that have yet to come into legal effect are expected to have any significant impact on Arjo.

## 2 Segment reporting

SEK M	Quarter 2 2024						Quarter 2 2023					
	Global sales	North America	Other	Group functions	Eliminations	Arjo Group	Global sales	North America	Other	Group functions	Eliminations	Arjo Group
Product sales	856	626	88	-	-2	1,568	812	628	97	-	-4	1,533
Service incl. spare parts	363	179	6	-	0	548	330	164	6	-	0	499
Rental	431	264	-	-	-	695	415	239	-	-	-	654
<b>Total net sales</b>	<b>1,649</b>	<b>1,070</b>	<b>94</b>	<b>-</b>	<b>-3</b>	<b>2,810</b>	<b>1,557</b>	<b>1,030</b>	<b>103</b>	<b>-</b>	<b>-4</b>	<b>2,686</b>
<b>Operating profit/loss<sup>1)</sup></b>	<b>273</b>	<b>242</b>	<b>6</b>	<b>-292</b>	<b>-</b>	<b>229</b>	<b>252</b>	<b>233</b>	<b>4</b>	<b>-300</b>	<b>-</b>	<b>189</b>
Net financial items						-65						-50
<b>Profit after financial items<sup>1)</sup></b>						<b>164</b>						<b>139</b>
Taxes <sup>1)</sup>						-44						-35
<b>Net profit for the period<sup>1)</sup></b>						<b>120</b>						<b>104</b>

1. Comparative figures for Quarter 2 2023 have been restated, refer to Note 11 Restatement of calculation of intra-Group gains.

SEK M	Jan - Jun 2024						Jan - Jun 2023					
	Global sales	North America	Other	Group functions	Eliminations	Arjo Group	Global sales	North America	Other	Group functions	Eliminations	Arjo Group
Product sales	1,626	1,292	190	-	-5	3,104	1,588	1,230	223	-	-9	3,031
Service incl. spare parts	715	350	11	-	0	1,076	651	321	12	-	0	984
Rental	856	533	-	-	-	1,389	820	488	-	-	-	1,308
<b>Total net sales</b>	<b>3,197</b>	<b>2,175</b>	<b>202</b>	<b>-</b>	<b>-5</b>	<b>5,569</b>	<b>3,059</b>	<b>2,039</b>	<b>235</b>	<b>-</b>	<b>-9</b>	<b>5,324</b>
<b>Operating profit/loss<sup>1)</sup></b>	<b>515</b>	<b>498</b>	<b>17</b>	<b>-582</b>	<b>-</b>	<b>448</b>	<b>507</b>	<b>434</b>	<b>27</b>	<b>-578</b>	<b>-</b>	<b>390</b>
Net financial items						-109						-100
<b>Profit after financial items<sup>1)</sup></b>						<b>339</b>						<b>289</b>
Taxes <sup>1)</sup>						-88						-72
<b>Net profit for the period<sup>1)</sup></b>						<b>251</b>						<b>218</b>

1. Comparative figures for Quarter 1 - 2 2023 have been restated, refer to Note 11 Restatement of calculation of intra-Group gains.

SEK M	Full-year 2023					
	Global sales	North America	Other	Group functions	Eliminations	Arjo Group
Product sales	3,325	2,555	399	-	-15	6,264
Service incl. spare parts	1,361	663	25	-	0	2,048
Rental	1,667	1,001	-	-	-	2,668
<b>Total net sales</b>	<b>6,352</b>	<b>4,219</b>	<b>424</b>	<b>-</b>	<b>-15</b>	<b>10,980</b>
<b>Operating profit/loss</b>	<b>1,143</b>	<b>896</b>	<b>50</b>	<b>-1,206</b>	<b>-</b>	<b>884</b>
Net financial items						-243
<b>Profit after financial items</b>						<b>640</b>
Taxes						-160
<b>Net profit for the period</b>						<b>480</b>

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 2023 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 2 2024	Quarter 2 2023	Jan - Jun 2024	Jan - Jun 2023	Full-year 2023
Intangible assets	-61	-73	-121	-141	-287
<i>Of which, attributable to acquisitions</i>	-21	-22	-42	-44	-88
Tangible assets <sup>1)</sup>	-97	-93	-189	-187	-376
Tangible lease assets	-106	-94	-208	-191	-399
<b>Total<sup>1)</sup></b>	<b>-264</b>	<b>-261</b>	<b>-518</b>	<b>-519</b>	<b>-1,062</b>
<i>Of which, write-down</i>	-	0	-	-2	-3

1. Comparative figures for Quarter 1 - 2 2023 have been restated, refer to Note 11 Restatement of calculation of intra-Group gains.

Depreciation/amortization and write-downs by function, SEK M	Quarter 2 2024	Quarter 2 2023	Jan - Jun 2024	Jan - Jun 2023	Full-year 2023
Cost of goods sold <sup>1)</sup>	-173	-158	-338	-316	-652
Selling expenses	-41	-44	-82	-84	-168
Administrative expenses	-48	-57	-94	-112	-229
Research and development costs	-2	-2	-4	-4	-9
Other operating expenses	-	0	-	0	-1
Exceptional items	-	0	-	-2	-2
<b>Total<sup>1)</sup></b>	<b>-264</b>	<b>-261</b>	<b>-518</b>	<b>-519</b>	<b>-1,062</b>
<i>Of which, write-down</i>	-	0	-	-2	-3

1. Comparative figures for Quarter 1 - 2 2023 have been restated, refer to Note 11 Restatement of calculation of intra-Group gains.

### 4 Capitalized development costs

SEK M	Quarter 2 2024	Quarter 2 2023	Jan - Jun 2024	Jan - Jun 2023	Full-year 2023
Research and development costs, gross	-83	-74	-161	-141	-297
Capitalized development costs	43	35	82	70	148
<b>Research and development costs, net</b>	<b>-40</b>	<b>-38</b>	<b>-79</b>	<b>-71</b>	<b>-149</b>

## 5 Exceptional items

SEK M	Quarter 2 2024	Quarter 2 2023	Jan - Jun 2024	Jan - Jun 2023	Full-year 2023
Acquisition expenses	0	-1	0	-1	-2
Restructuring costs	-3	-20	-32	-39	-72
<b>Total</b>	<b>-3</b>	<b>-21</b>	<b>-32</b>	<b>-40</b>	<b>-73</b>

Exceptional items by function, SEK M	Quarter 2 2024	Quarter 2 2023	Jan - Jun 2024	Jan - Jun 2023	Full-year 2023
Cost of goods sold	-1	-3	-11	-14	-18
Selling expenses	-4	-10	-9	-16	-44
Administrative expenses	0	-7	-13	-9	-11
Other operating costs	1	-	-1	-	-
<b>Total</b>	<b>-3</b>	<b>-21</b>	<b>-32</b>	<b>-40</b>	<b>-73</b>

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 through profit or loss

SEK M	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Other current receivables	43	59	6
Other financial assets	130	130	129
<b>Total assets</b>	<b>174</b>	<b>190</b>	<b>135</b>
Other non-interest-bearing liabilities	6	6	39
<b>Total liabilities</b>	<b>6</b>	<b>6</b>	<b>39</b>

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 and the Group has no derivatives that are used for hedging purposes. 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	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Non-current financial liabilities	2,114	3,585	2,391
Non-current lease liabilities	865	830	796
Current financial liabilities	2,197	1,686	1,934
Current lease liabilities	402	369	365
Provisions for pensions	33	31	31
<b>Interest-bearing liabilities</b>	<b>5,611</b>	<b>6,501</b>	<b>5,517</b>
Less financial receivables	-123	-84	-91
Less pension assets	-200	-78	-183
Less cash and cash equivalents	-740	-1,068	-923
<b>Interest-bearing net debt</b>	<b>4,547</b>	<b>5,271</b>	<b>4,320</b>

## 8 Key figures for the Group

SEK M	Quarter 2 2024	Quarter 2 2023	Jan - Jun 2024	Jan - Jun 2023	Full-year 2023
<b>Sales measures</b>					
Net sales	2,810	2,686	5,569	5,324	10,980
Net sales growth, %	4.6	11.7	4.6	11.5	10.0
Organic growth in sales, %	3.7	5.0	4.0	4.6	4.7
<b>Expense measures</b>					
Selling expenses as a % of net sales	20.0	20.0	20.1	20.1	19.7
Administrative expenses as a % of net sales	13.6	14.0	13.5	13.5	13.3
Research and development costs gross as a % of net sales	3.0	2.7	2.9	2.7	2.7
<b>Earnings measures</b>					
Operating profit (EBIT) <sup>1)</sup>	229	189	448	390	884
Adjusted operating profit (EBIT) <sup>1, 2)</sup>	232	210	481	429	957
EBITA <sup>1)</sup>	290	262	569	531	1,170
Adjusted EBITA <sup>1, 2)</sup>	293	283	602	570	1,244
EBITDA <sup>1)</sup>	493	450	966	909	1,946
EBITDA growth, % <sup>1)</sup>	9.6	13.0	6.3	6.2	15.9
Adjusted EBITDA <sup>1, 2)</sup>	496	471	999	946	2,017
Earnings per share, SEK <sup>1)</sup>	0.44	0.38	0.92	0.80	1.76
<b>Margin measures</b>					
Gross margin, % <sup>1, 2)</sup>	43.6	42.7	43.5	42.9	43.1
Operating margin, % <sup>1)</sup>	8.2	7.1	8.0	7.3	8.0
Adjusted Operating margin, % <sup>1, 2)</sup>	8.3	7.8	8.6	8.1	8.7
EBITA margin, % <sup>1)</sup>	10.3	9.8	10.2	10.0	10.7
Adjusted EBITA margin, % <sup>1, 2)</sup>	10.4	10.5	10.8	10.7	11.3
EBITDA margin, % <sup>1)</sup>	17.6	16.8	17.4	17.1	17.7
Adjusted EBITDA margin, % <sup>1, 2)</sup>	17.7	17.5	17.9	17.8	18.4
<b>Cash flow and return measures</b>					
Return on shareholders' equity, % <sup>1, 3)</sup>			6.6	5.5	6.4
Cash Conversion, % <sup>1)</sup>	69.7	113.8	62.1	83.9	105.9
Operating Capital <sup>1)</sup>			13,021	12,915	12,500
Return on operating capital, % <sup>1, 3)</sup>			7.7	6.2	7.7
<b>Capital Structure</b>					
Interest-bearing net debt			4,547	5,271	4,320
Interest-coverage ratio, multiple <sup>1, 3)</sup>			3.8	4.3	3.7
Net debt/equity ratio, multiple <sup>1)</sup>			0.6	0.7	0.6
Net debt/adjusted EBITA, multiple <sup>1, 2, 3)</sup>			2.4	2.8	2.3
Equity/asset ratio, % <sup>1)</sup>			50.0	47.1	49.1
Equity per share, SEK <sup>1)</sup>			29.2	28.3	27.8
<b>Other</b>					
Number of shares			272,369,573	272,369,573	272,369,573
Number of employees, average			6,936	6,783	6,679

1. Comparative figures for June 30, 2023 have been restated, refer to Note 11 Restatement of calculation of intra-Group gains.

2. Before exceptional items. See Alternative performance measures on page 16 and definitions on page 20.

3. 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 2 2024	Quarter 2 2023	Jan - Jun 2024	Jan - Jun 2023	Full-year 2023
<b>Adjusted EBIT/EBITA/EBITDA SEK M</b>					
Operating profit (EBIT) <sup>1)</sup>	229	189	448	390	884
Add-back of amortization and write-down of intangible assets	61	73	121	141	287
<b>EBITA<sup>1)</sup></b>	<b>290</b>	<b>262</b>	<b>569</b>	<b>531</b>	<b>1,170</b>
Add-back of depreciation and impairment of tangible assets <sup>1)</sup>	203	188	397	378	775
<b>EBITDA<sup>1)</sup></b>	<b>493</b>	<b>450</b>	<b>966</b>	<b>909</b>	<b>1,946</b>
Exceptional items <sup>2)</sup>	3	21	32	40	73
Add-back of write-down of exceptional items	-	0	-	-2	-2
<b>Adjusted operating profit (EBIT)<sup>1)</sup></b>	<b>232</b>	<b>210</b>	<b>481</b>	<b>429</b>	<b>957</b>
<b>Adjusted EBITA<sup>1)</sup></b>	<b>293</b>	<b>283</b>	<b>602</b>	<b>570</b>	<b>1,244</b>
<b>Adjusted EBITDA<sup>1)</sup></b>	<b>496</b>	<b>471</b>	<b>999</b>	<b>946</b>	<b>2,017</b>

	Quarter 2 2024	Quarter 2 2023	Jan - Jun 2024	Jan - Jun 2023	Full-year 2023
<b>Cash conversion</b>					
<b>Cash flow from operations, SEK M<sup>1)</sup></b>	<b>344</b>	<b>512</b>	<b>600</b>	<b>762</b>	<b>2,061</b>
Operating profit (EBIT), SEK M <sup>1)</sup>	229	189	448	390	884
Add-back of amortization and write-down of intangible assets and tangible assets, SEK M <sup>1)</sup>	264	261	518	519	1,062
<b>EBITDA, SEK M<sup>1)</sup></b>	<b>493</b>	<b>450</b>	<b>966</b>	<b>909</b>	<b>1,946</b>
<b>Cash conversion, %<sup>1)</sup></b>	<b>69.7</b>	<b>113.8</b>	<b>62.1</b>	<b>83.9</b>	<b>105.9</b>

<b>Net debt/equity ratio</b>	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Interest-bearing net debt, SEK M	4,547	5,271	4,320
Shareholder's equity, SEK M <sup>1)</sup>	7,952	7,721	7,582
<b>Net debt/equity ratio, multiple<sup>1)</sup></b>	<b>0.6</b>	<b>0.7</b>	<b>0.6</b>

<b>Calculation of return on operating capital</b>	Jan - Jun 2024	Jan - Jun 2023	Full-year 2023
Total assets opening balance, SEK M <sup>1)</sup>	16,379	16,282	15,966
Total assets closing balance, SEK M <sup>1)</sup>	15,891	16,379	15,444
<b>Average total assets, SEK M<sup>1)</sup></b>	<b>16,135</b>	<b>16,331</b>	<b>15,705</b>
Average total assets, SEK M <sup>1)</sup>	16,135	16,331	15,705
Excluding average cash and cash equivalents, SEK M	-904	-1,272	-936
Excluding average and other provisions, SEK M <sup>1)</sup>	-270	-291	-312
Excluding average other non-interest-bearing liabilities, SEK M	-1,941	-1,854	-1,956
<b>Average operating capital, SEK M<sup>1)</sup></b>	<b>13,021</b>	<b>12,915</b>	<b>12,500</b>
Operating profit (EBIT), SEK M <sup>1, 3)</sup>	942	705	884
Add-back of exceptional items, SEK M <sup>3)</sup>	66	101	73
EBIT after add-back of exceptional items, SEK M <sup>1)</sup>	1,008	806	957
<b>Return on operation capital, %<sup>1)</sup></b>	<b>7.7</b>	<b>6.2</b>	<b>7.7</b>

1. Comparative figures for Quarter 1 - 2 2023 have been restated, refer to Note 11 Restatement of calculation of intra-Group gains.

2. Refer to Note 5 Exceptional items on page 14.

3. Rolling 12 months.



## 9 Financial data per quarter

SEK M	Quarter 1 2023	Quarter 2 2023	Quarter 3 2023	Quarter 4 2023	Quarter 1 2024	Quarter 2 2024
Net sales	2,638	2,686	2,777	2,879	2,759	2,810
Cost of goods sold <sup>1)</sup>	-1,501	-1,540	-1,629	-1,575	-1,560	-1,586
<b>Gross profit<sup>1)</sup></b>	<b>1,137</b>	<b>1,146</b>	<b>1,149</b>	<b>1,304</b>	<b>1,199</b>	<b>1,224</b>
Operating expenses	-912	-951	-971	-940	-960	-985
Exceptional items	-19	-21	-9	-25	-29	-3
Other operating income, operating expenses and income from participations in associated companies	-6	15	8	-22	9	-7
<b>Operating profit (EBIT)<sup>1)</sup></b>	<b>200</b>	<b>189</b>	<b>177</b>	<b>317</b>	<b>219</b>	<b>229</b>
Net financial items	-50	-50	-68	-74	-44	-65
<b>Profit after financial items</b>	<b>150</b>	<b>139</b>	<b>109</b>	<b>242</b>	<b>175</b>	<b>164</b>
Taxes <sup>1)</sup>	-37	-35	-28	-61	-44	-44
<b>Net Profit for the period<sup>1)</sup></b>	<b>113</b>	<b>104</b>	<b>81</b>	<b>181</b>	<b>132</b>	<b>120</b>
EBIT after recalculation <sup>1)</sup>	200	189	177	317	219	229
EBIT before recalculation <sup>1)</sup>	176	186	199	306		
Adjusted EBITDA after recalculation <sup>1, 2)</sup>	475	471	457	614	502	496
Adjusted EBITDA before recalculation <sup>1, 2)</sup>	474	490	504	630		
Adjusted EBITDA margin after recalculation, % <sup>1, 2)</sup>	18.0	17.5	16.4	21.3	18.2	17.7
Adjusted EBITDA margin before recalculation, % <sup>1, 2)</sup>	18,0	18,3	18,1	21,9		

1. Comparative figures for Quarter 1 - 3 2023 have been restated, refer to Note 11 Restatement of calculation of intra-Group gains.

2. EBITDA before exceptional items. Refer to Note 5 Exceptional items on page 14, Alternative performance measures on page 16 and definitions on page 20.

## 10 Transactions with related parties

SEK M	Quarter 2 2024	Quarter 2 2023	Jan - Jun 2024	Jan - Jun 2023	Full-year 2023
Sales	8	6	13	15	32
Purchases of goods	-2	-3	-4	-5	-14
Accounts receivable	4	-2	8	2	2
Accounts payable	0	0	1	1	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 Restatement of calculation of intra-Group gains

During quarter 4 2023, elimination of intra-Group gains in inventories and tangible assets in the rental operations were restated. This restatement took place retrospectively, which means that comparative figures including opening balances for 2022 and quarter 1 - 3 2023 have been

restated, refer to 2023 Annual Report. All affected items that have been restated retrospectively quarter 2 2023 are presented below. For quarter 1 and 3, refer to Note 9 Financial data per quarter.

<b>Balance sheet (excerpt), SEK M</b>	<b>Jun 30, 2023</b>	<b>Increase/ decrease</b>	<b>Jun 30, 2023 after restatement</b>
Tangible assets	1,890	-88	1,802
Financial assets <sup>1)</sup>	650	58	708
Inventories	1,673	-163	1,510
<b>Total assets</b>	<b>16,571</b>	<b>-192</b>	<b>16,379</b>
Shareholders' equity	7,900	-179	7,721
Other provisions <sup>1)</sup>	277	-13	265
<b>Total Shareholders' equity and liabilities</b>	<b>16,571</b>	<b>-192</b>	<b>16,379</b>

1. The restatement refers to deferred tax.

  

<b>Income statement (excerpt), SEK M</b>	<b>Quarter 2 2023</b>	<b>Increase/ decrease</b>	<b>Quarter 2 2023 after restatement</b>
Cost of goods sold <sup>1)</sup>	-1,544	4	-1,540
<b>Gross profit/loss</b>	<b>1,142</b>	<b>4</b>	<b>1,146</b>
<b>Operating profit (EBIT)</b>	<b>186</b>	<b>4</b>	<b>189</b>
<b>Profit/loss after financial items</b>	<b>135</b>	<b>4</b>	<b>139</b>
Taxes	-34	-1	-35
<b>Net profit for the period</b>	<b>102</b>	<b>3</b>	<b>104</b>
1. Of which depreciation		23	
<b>Net profit for the period attributable to:</b>			
Parent Company shareholders	102	3	104
Earnings per share, SEK (before and after dilution)	0.37	0.01	0.38

  

<b>Statement of comprehensive income (excerpt), SEK M</b>	<b>Quarter 2 2023</b>	<b>Increase/ decrease</b>	<b>Quarter 2 2023 after restatement</b>
Net profit for the period	102	3	104
<b>Items that can later be restated in profit</b>			
Translation differences	507	-10	497
<b>Other comprehensive income for the period, net after tax</b>	<b>326</b>	<b>-10</b>	<b>317</b>
<b>Total comprehensive income for the period</b>	<b>428</b>	<b>-7</b>	<b>421</b>
<b>Comprehensive income attributable to:</b>			
Parent company shareholders	428	-7	421

  

<b>Cash flow statement (excerpt), SEK M</b>	<b>Quarter 2 2023</b>	<b>Increase/ decrease</b>	<b>Quarter 2 2023 after restatement</b>
Operating profit (EBIT)	186	4	189
Add-back of amortization, depreciation and write-down	284	-23	261
Other non-cash items	5	2	7
<b>Cash flow before changes to working capital</b>	<b>408</b>	<b>-18</b>	<b>390</b>
Inventories	63	2	65
<b>Cash flow from operations</b>	<b>528</b>	<b>-16</b>	<b>512</b>
Net investments	-152	16	-136
<b>Cash flow from investing activities</b>	<b>-152</b>	<b>16</b>	<b>-136</b>
<b>Cash flow for the period</b>	<b>155</b>	<b>-</b>	<b>155</b>

# Parent Company financial statements

## PARENT COMPANY INCOME STATEMENT

SEK M	Quarter 2 2024	Quarter 2 2023	Jan - Jun 2024	Jan - Jun 2023	Full-year 2023
Administrative expenses	-45	-54	-94	-106	-205
Exceptional items <sup>1)</sup>	0	-1	0	-1	-5
Other operating income and expenses	0	0	-1	0	120
<b>Operating loss (EBIT)</b>	<b>-45</b>	<b>-55</b>	<b>-95</b>	<b>-107</b>	<b>-91</b>
Income from participations in Group companies	444	11	530	155	449
Net financial items <sup>2)</sup>	-30	-20	-55	-38	-87
<b>Profit/loss after financial items</b>	<b>369</b>	<b>-63</b>	<b>379</b>	<b>10</b>	<b>271</b>
Taxes	13	16	28	28	6
<b>Net Profit/loss for the period</b>	<b>382</b>	<b>-47</b>	<b>408</b>	<b>38</b>	<b>277</b>

1. Exceptional items refers to acquisition expenses SEK 0 M (-1) of which during the quarter SEK 0 M (-1) and for the full year 2023 acquisition expenses (-1) and restructuring expenses (-4).

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	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
<b>Assets</b>			
Intangible assets	325	316	335
Tangible assets	0	1	1
Financial assets	6,077	5,931	5,911
Other current receivables, Group companies	174	88	170
Current receivables	66	17	29
Cash and cash equivalents	0	-	-
<b>Total assets</b>	<b>6,643</b>	<b>6,353</b>	<b>6,446</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	4,136	3,734	3,973
Provisions	4	2	5
Current financial liabilities	2,178	1,591	1,902
Current financial liabilities, Group companies	268	987	484
Other current liabilities, Group companies	12	9	47
Other non-interest-bearing liabilities	44	28	34
<b>Total shareholders' equity and liabilities</b>	<b>6,643</b>	<b>6,353</b>	<b>6,446</b>

At the end of the period, the carrying amount of shares and participations in subsidiaries amounted to SEK 5,940 M (5,807). The change for the year amounts to SEK 133 M and comprise shareholder contribution. 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 2,202 M (1,604). 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:

Profit for the period attributable to Parent Company shareholders	SEK 251 M
Number of shares, thousands	272,370
Earnings per share	SEK 0.92

### 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.

### Prevention

Preventive activity/treatment.

### Pressure injuries

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

### SEM scanner (sub-epidermal moisture)

A hand-held and wireless device that measures sub-epidermal moisture, which allows early detection of pressure injury risk.

### 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 July 12 at 8:00 a.m. CEST.

A presentation will be held during the telephone conference. Watch the teleconference via the following link:  
<https://ir.financialhearings.com/arjo-q2-report-2024>

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.financialhearings.com/teleconference/?id=50049841>

Alternatively, use the following link to download the presentation:

<https://www.arjo.com/int/about-us/investors/reports--presentations/2024/>

A recording of the teleconference will be available for three years via the following link:

<https://ir.financialhearings.com/arjo-q2-report-2024>

## FINANCIAL INFORMATION

Updated information on, for example, the Arjo share and corporate governance is available on Arjo's website [www.arjo.com](http://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](http://www.arjo.com)

The following financial statements will be published in 2024/2025:

October 17, 2024	Interim report Jan-Sep 2024
January 30, 2025	Year-end report 2024
March 2025	2024 Annual Report
April 29, 2025	Interim report Jan-Mar 2025
April 29, 2025	2025 Annual General Meeting



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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 July 12, 2024 at 7:00 a.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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[www.arjo.com](http://www.arjo.com)