



# Munters

Investor Presentation

April 2023

# Agenda

## Introduction

Q1 highlights

AirTech

DataCenter Technologies

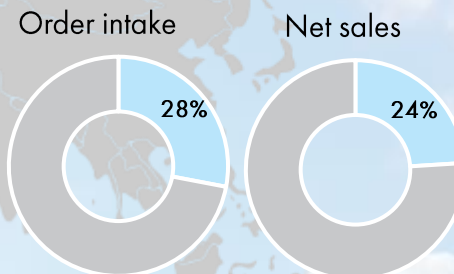
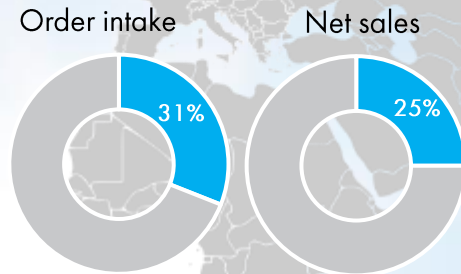
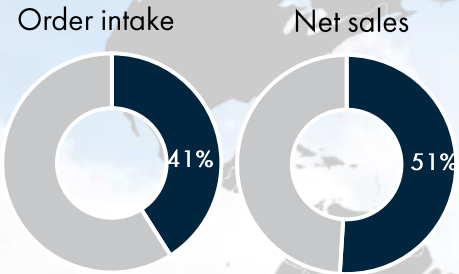
FoodTech

Customer Cases

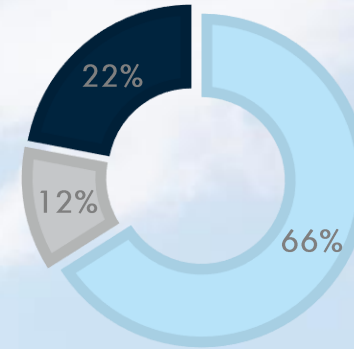


# World leader in energy-efficient climate solutions

Regional share Q1

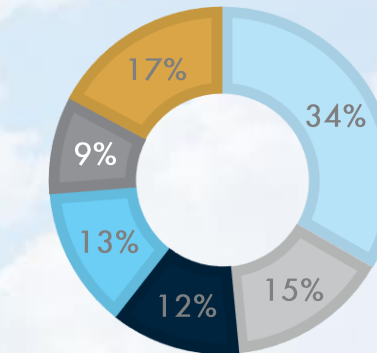


Order Intake per business area



- AT - AirTech
- DCT - Data Center Technologies
- FT - FoodTech

Largest customer segments, net sales 2022



- Industrial
- Services
- Broiler
- Data Centers
- Components
- Other

Sales in number of countries

>30

Sales MSEK\*

11,439

Number of production plants

19

Adj. EBITA margin\*

11.0

Number of employees

~4,000

Munters offers climate solutions where controlling indoor humidity, temperature and energy efficiency is mission-critical.

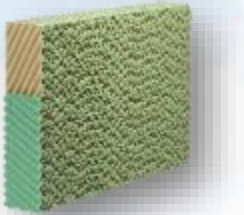
Our solutions reduce customers' climate and environmental impact through efficient resource consumption



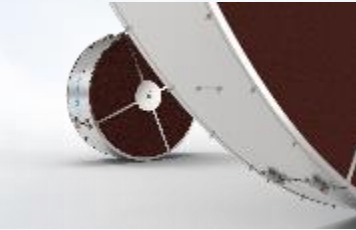
# Core technologies – dehumidification and evaporative cooling

## Core Technologies

Evaporative cooling pads



Rotors with desiccant drying wheel



## AirTech offering

Dehumidifiers

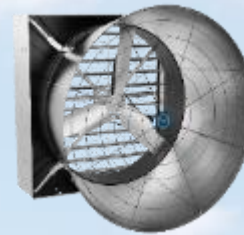


Climate systems

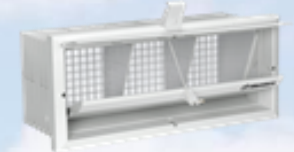


## FoodTech offering

High-efficiency fans



Air inlets



## DataCenter Technologies offering

Packaged air economizers



Chilled Water CRAH



SyCool



Service



Controller



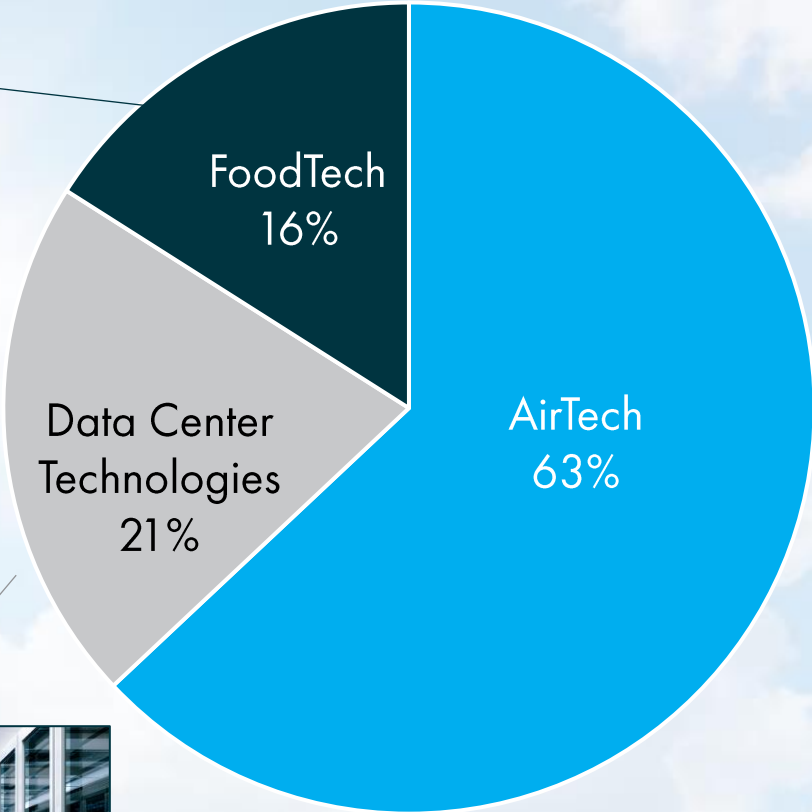
Sensors and software



The above products are examples of products in the Munters offering  
CRAH – Computer Room Air Handler

# We deliver business critical solutions to a broad range of industries

Distribution Net sales Q1, 2023



Climate solutions for Agriculture..



.. and Greenhouses



Digital solutions for Farmers and Food producers



Cooling solutions for Data Centers



Dry air for Battery production



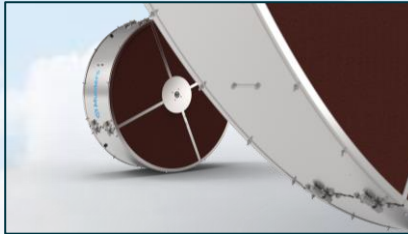
Dehumidification for Infrastructure



Constant humidity solutions for the Pharmaceutical industry



Climate & hygiene control for the Food production industry



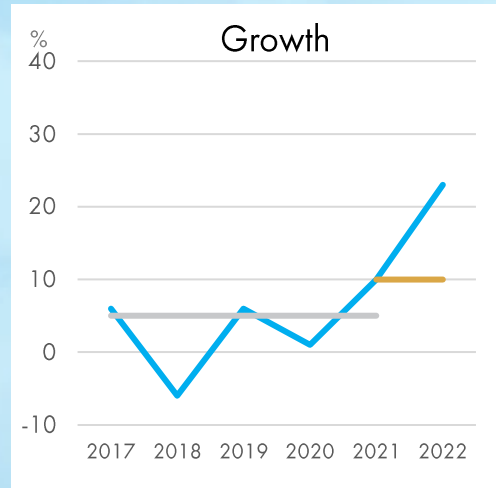
Rotors and other components



Service offering

# Creating sustainable value

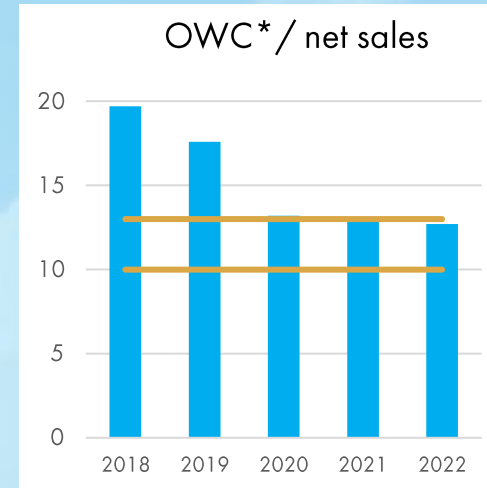
Munters' overarching target is sustainable value creation - with clear goals we steer operations and set priorities that help us reach our overarching targets.



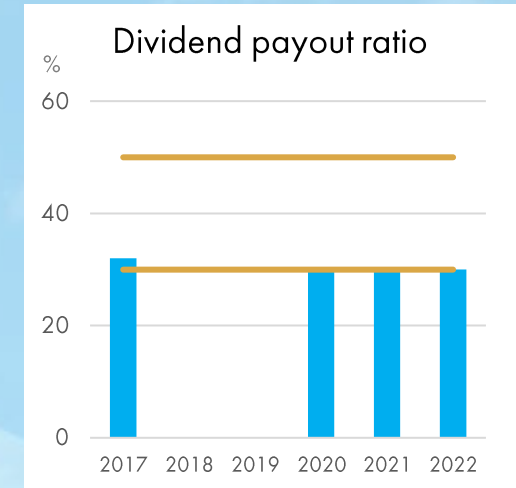
Target: Annual organic growth p.a. over a business cycle of 10%



Target: Adjusted EBITA margin of >14%



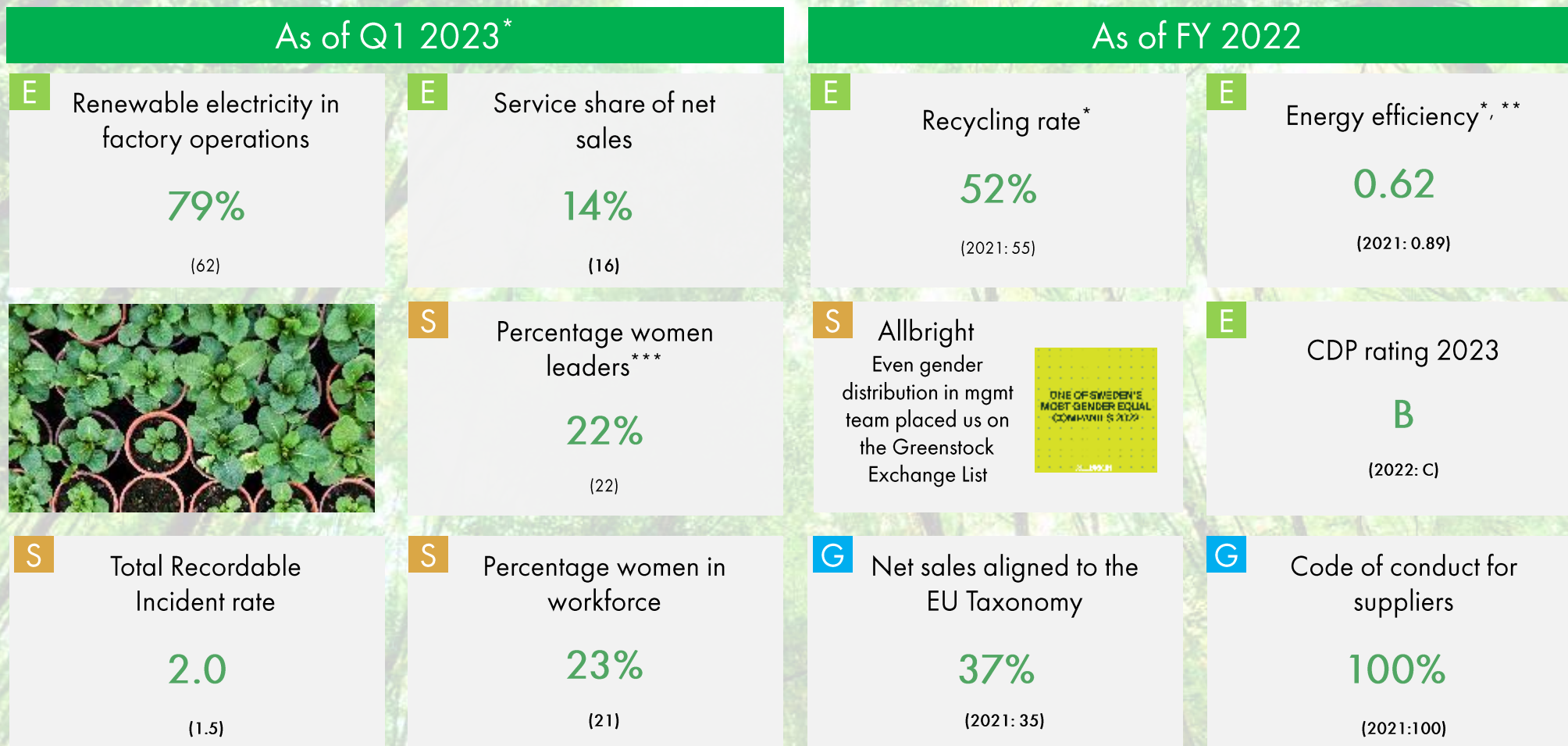
Target: Average (LTM \*\* ) OWC in the range of 13–10 % of net sales



Aim: to pay an annual dividend corresponding to 30–50 percent of net income for the year

\* OWC = Operating Working Capital  
\*\* LTM = last twelve months

# Our purpose - For customer success and a healthier planet



\* Last twelve months

\*\* Electricity consumption in production facilities relative to production value (MWh/production value SEK 000) as of LTM Q4, 2022.

\*\*\* Salary setting managers

See Annual & Sustainability Report 2022 for more information [www.munters.com/investors](http://www.munters.com/investors)

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FoodTech

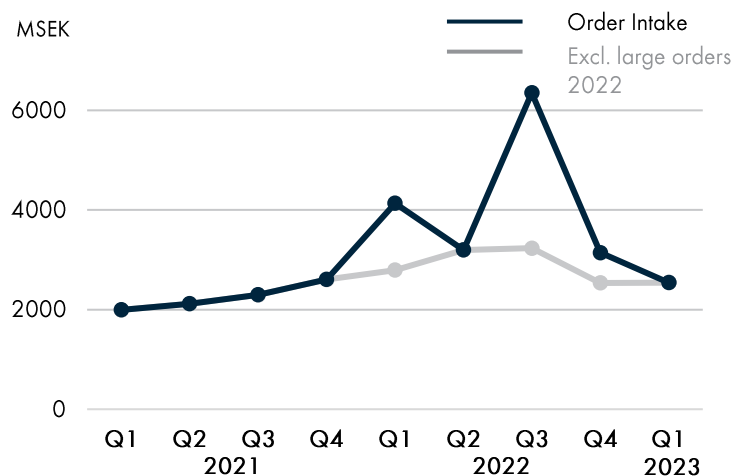
Customer Cases





# A quarter with strong, profitable growth

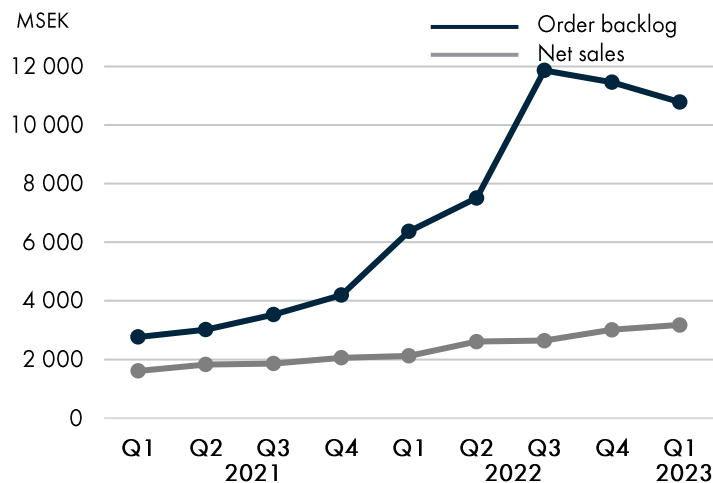
## Stable order intake



Order intake, Q1 FX-adj. -43% (org. -44%):

- underlying solid market activity
- no larger orders received in the quarter
- excl. major orders received in Q1 2022<sup>1</sup>, order intake decreased -18% (FX-adj.)

## Strong net sales and order backlog



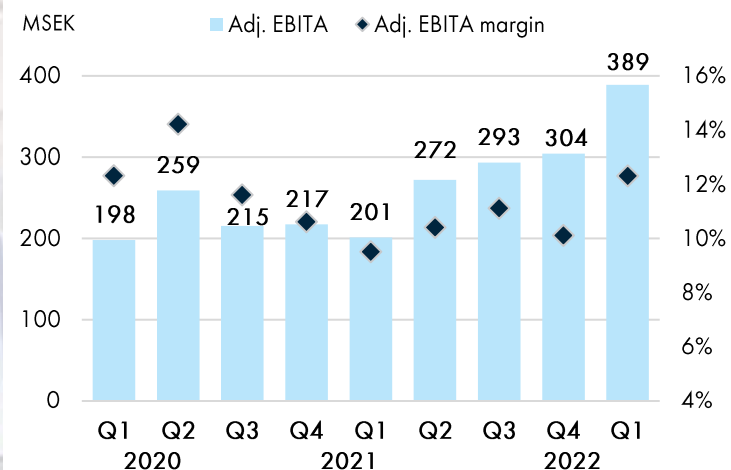
Net sales, Q1 FX-adj. +40% (org. +38%):

- strong growth in the battery sub-segment in AT & region Americas in DCT

Order backlog, Q1, FX-adj. +55%

Book-to-bill Q1: 0.8

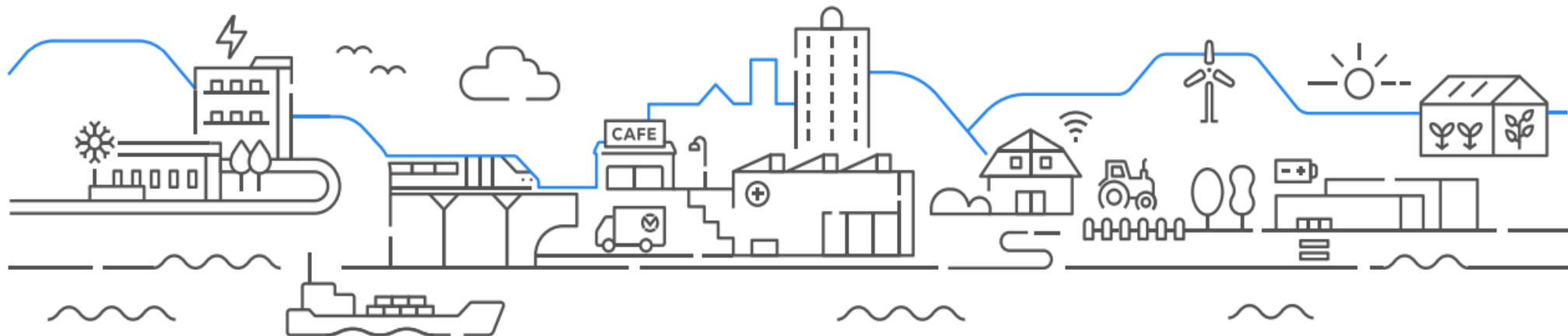
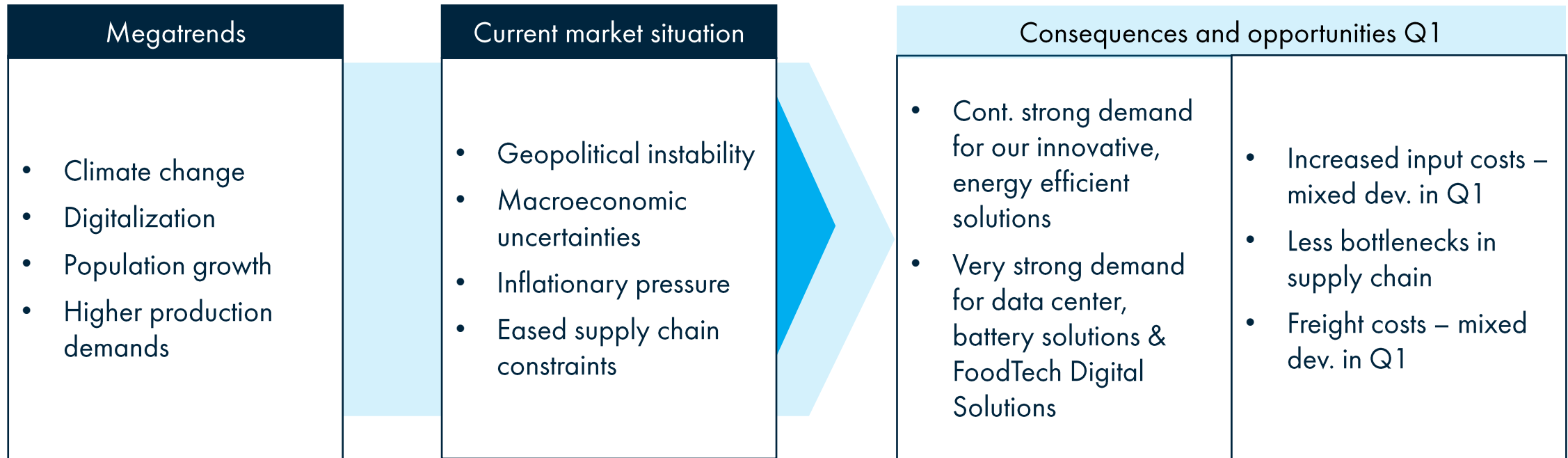
## Margin improvement in all business areas



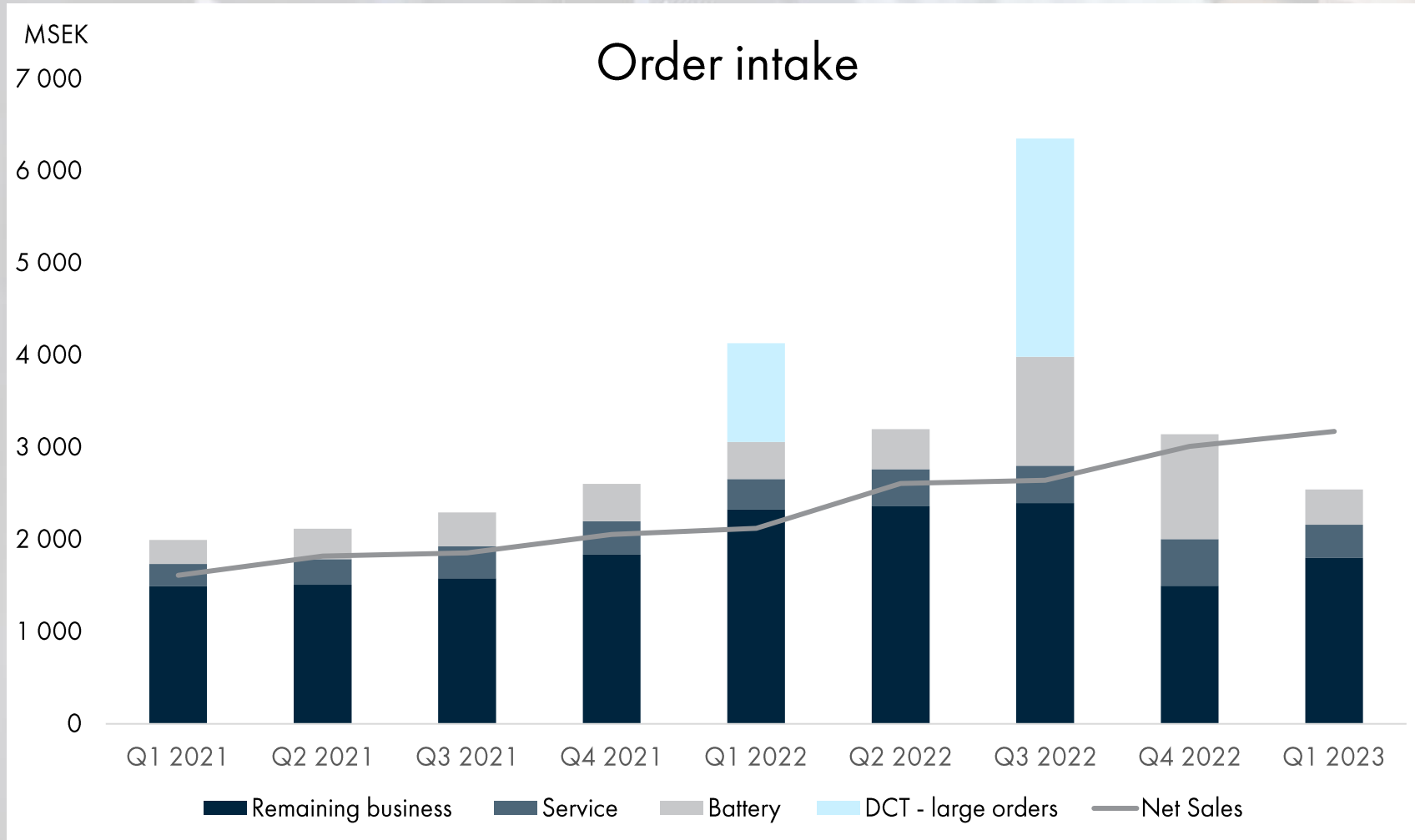
Adj. EBITA margin Q1 12.3% (+93%):

- increased net sales in AT & DCT
- efficiency improvements in all business areas
- eased supply chain constraints
- strategic investments for scalability in digitization & automation continues

# Climate change & digitalization are strong market drivers



# Climate change & digitalization are strong market drivers

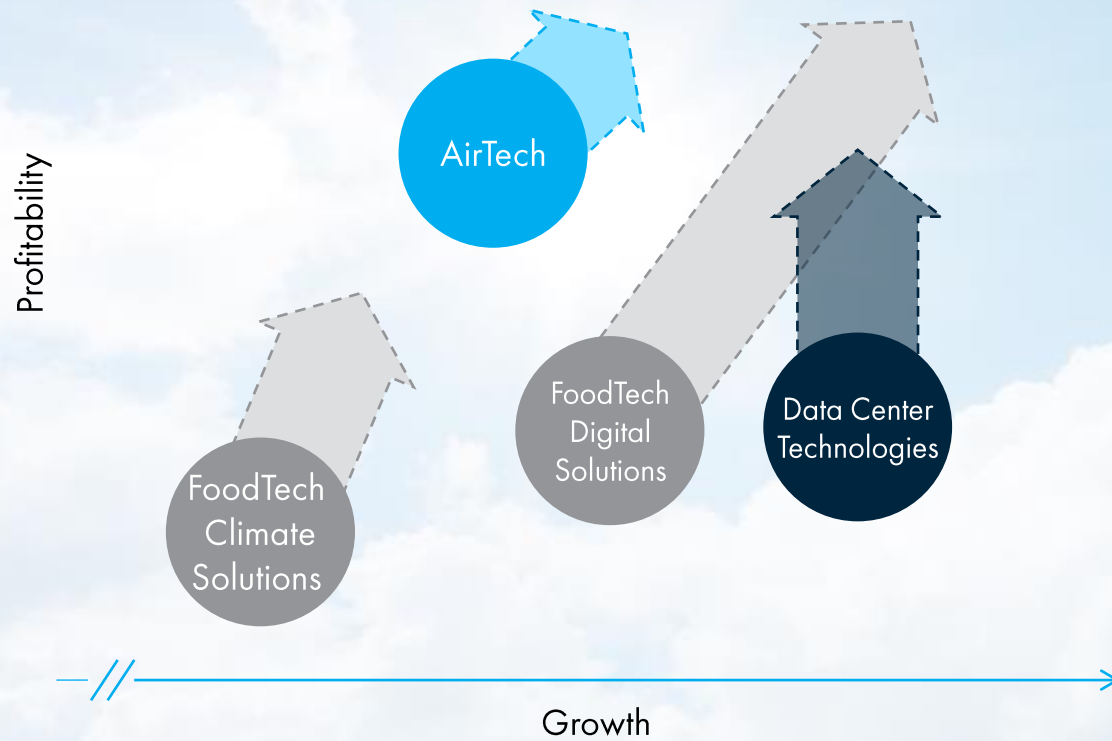


- Strong growth in prioritized areas
- Recurring orders incl. Services around 2.2 MSEK (excl. large orders in DCT & battery in AirTech)
- Net sales steady growth driven by strong order backlog

# Munters focus areas

ILLUSTRATIVE

Direction of positioning – 2023 and beyond



## Focus areas 2023 and beyond

### AirTech

- Continued progression on profitable growth
- Service & energy efficient solutions key drivers

### DCT

- Step by step improved profitability
- Expanding market leading offer

### FoodTech

- Digital Solutions – growth & profitability, through SaaS ARR
- Climate Solutions – stability & profitability

# Margin improvement in all business areas

## Group adj. EBITA margin impact

	Q1
2022 adj. EBITA %	9.5
Volume	++
Net pricing	++
Operational efficiency	+
Supply chain	=
Regional mix	-
Strategic investments	-
2023 adj. EBITA %	12.3

## Main factors affecting adj. EBITA margin in Q1:

- Strong **volume** increase driven by DCT & battery in AT
- **Net price** increases in all business areas
- **Operational efficiency** improvement initiatives contributed to margin improvement
- **Supply chain** constraints eased during the quarter, continued high focus to secure critical components and ensure delivering on customer expectations
- **Regional mix** in FT with weak markets in China & EMEA
- Upfront **strategic investments** for scalability in digitization and automation continued and will continue throughout the year

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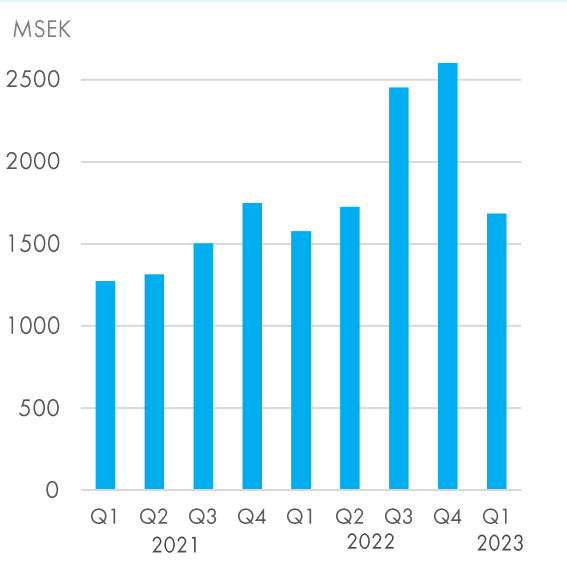
Customer Cases



# Global leader in air treatment for industry

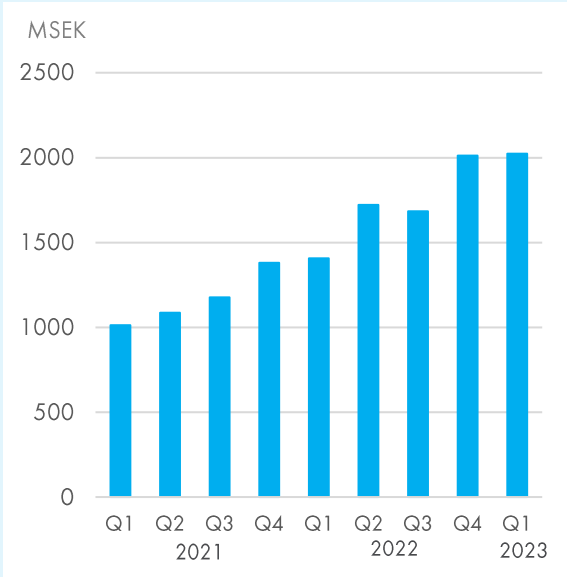
Order intake, MSEK\*

**8,508**



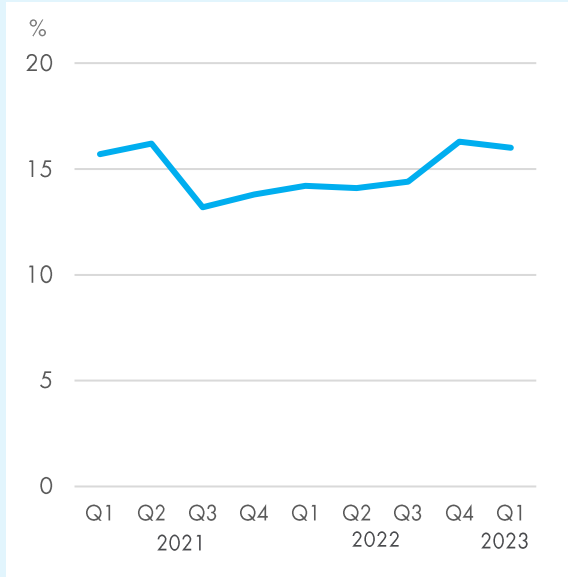
Net sales, MSEK\*

**7,442**

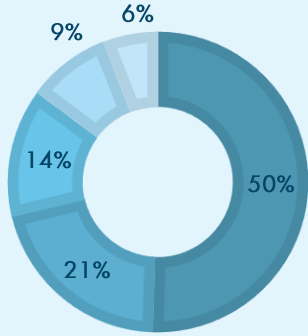


Adjusted EBITDA margin\*

**15.3%**

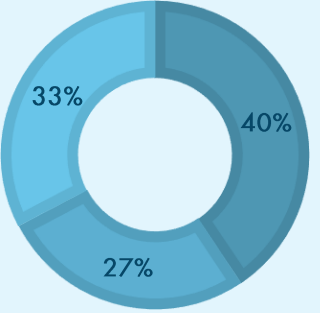


Customer segments, net sales 2022



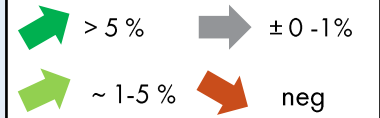
- Industry
- Services
- Components
- Clean Technologies
- Commercial

Regional distribution, net sales











- Americas
- EMEA
- APAC

Financial figures Q1 2023  
\* LTM



# AirTech – Continued strong market outlook

Customer segment	% order intake Q1 2023	Market Outlook *	Comments
Industrial	50%		Overall strong outlook
...whereof battery	23%	 ***	Very strong demand driven by electrification trend and investments in new battery production facilities in all regions
...whereof food processing	8%		Continued stable market outlook
...whereof other	19%		Good demand, regional variations
Components **	18%		Demand expected to remain strong in key markets. Some sales to battery segment through other system providers
Clean Technologies	9%		Growth driven primarily by process industries
Commercial	2%		Steady replenishment market for supermarkets
Services	21%		Growth in all regions & continued high demand for our Services



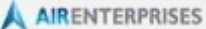











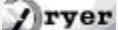













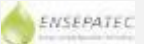





\* Market outlook and comments are indicative and refer to the coming six months

\*\* Dehumidification rotors and humidification pads sold through OEM channels

\*\*\* Market outlook for Battery is strong with growth above 10 per cent



# Selection of market layers - mainly small local players

	Small (<1 BSEK)				Medium (1-2 BSEK)	Large (2-10 BSEK)	Extra Large (>10 BSEK)
Humidity Control Technologies	Dehumidification						
	 AM  AM/AS  AM  AS	 AS  AM  EU  AS	 AS  EU  AS  AS	 AM  AM  AS  EU	 AM/AS/EU  AM/AS/EU	 AS  AM  AS	
	Humidification						
	 AS	 AM	 AS		 EU/AS	 EU/AS/AM	
Clean Technologies	 EU	 EU	 EU	 EU	 AM	 AM/AS/EU	 EU/AS/AM  EU/AS/AM

★ A small business within a large company/conglomerate

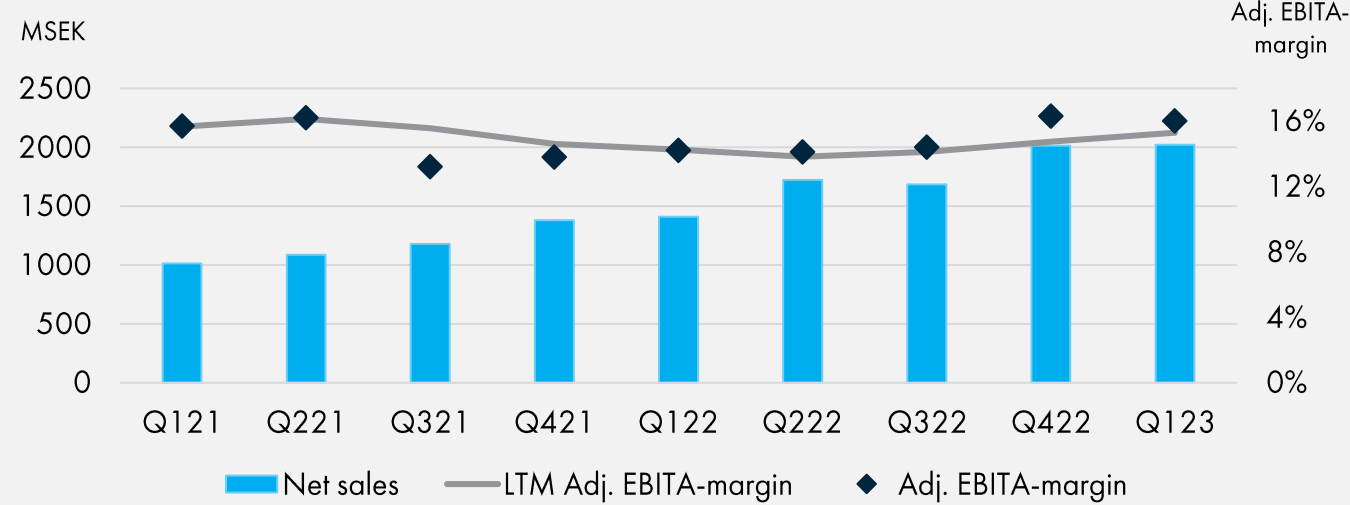


# Strong profit and net sales growth

- **OI +1% (FX-adj)**, stable development in all regions;
  - Components good growth all regions
  - Services growth in Americas & EMEA, slightly offset by APAC
- **NS +35% (FX-adj)**, strong growth in all regions;
  - Battery good growth in APAC & EMEA
  - Components good growth all regions, mainly APAC
  - Services amounted to 24% (19), with growth especially in Americas & EMEA
- **Adj. EBITA margin** improved, impacted by;
  - + Significant volume increase
  - + Positive contributions from efforts to increase manufacturing efficiency
  - + Net price increases

	MSEK	Q1 2023	Q1 2022	Change (%)		
				Organic growth	Structural growth*	Currency effects
Order intake		1,686	1,577	-2	3	6
Order backlog		4,341	3,014			
Net sales		2,023	1,410	32	3	9
Adj. EBITA		323	200			
Adj. EBITA-margin		16.0	14.2			

\* Acquisitions & divestments



# Munters acquires Hygromedia and Rotor Source

*"With these acquisitions we strengthen our position as a leading supplier of desiccant dehumidification technology systems for numerous industrial processes"*



- Hygromedia LLC - manufacturer of desiccant dehumidification media. Specializes in components, supplying desiccant rotor manufacturers in the US, Europe & Asia
- Rotor Source Inc. - supplier of rotors and cassettes to original equipment manufacturers (OEM)
- Located in Baton Rouge, La., US, about 30 employees & 2021 revenue at MUS\$ 11.5 with accretive EBITA-margin. Acquisitions took place in November 2022

- Provides us with additional channels to market
- In line with strategy to strengthen our core business
- Strengthens offering to customer within lithium-ion battery, pharmaceuticals, electronics, food processing, aerospace etc.

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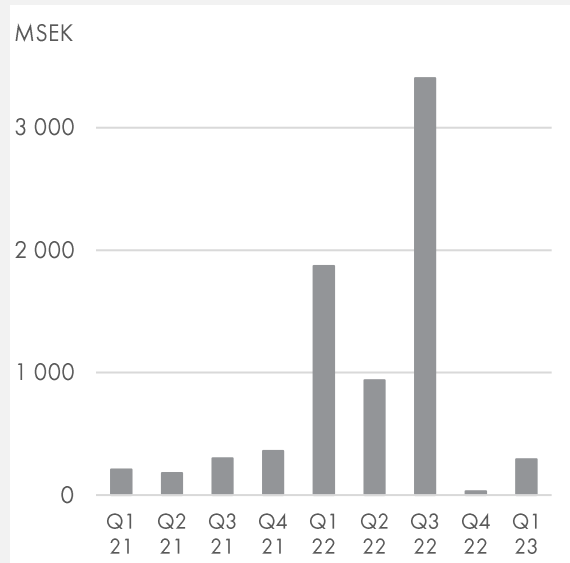
Customer Cases



# Sustainable cooling solutions that facilitate digitization

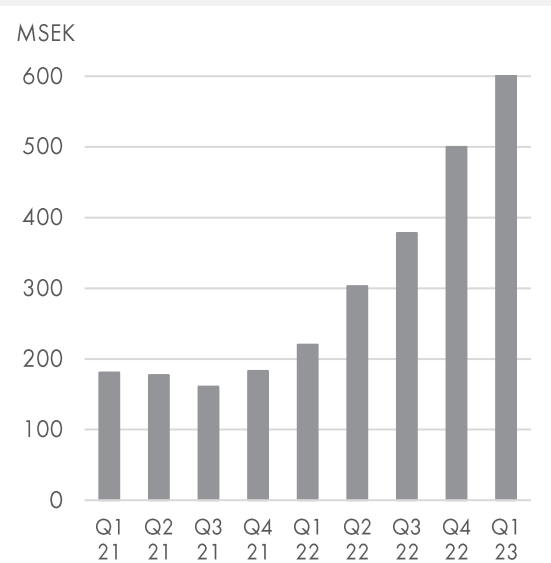
Order intake, MSEK\*

**4,668**



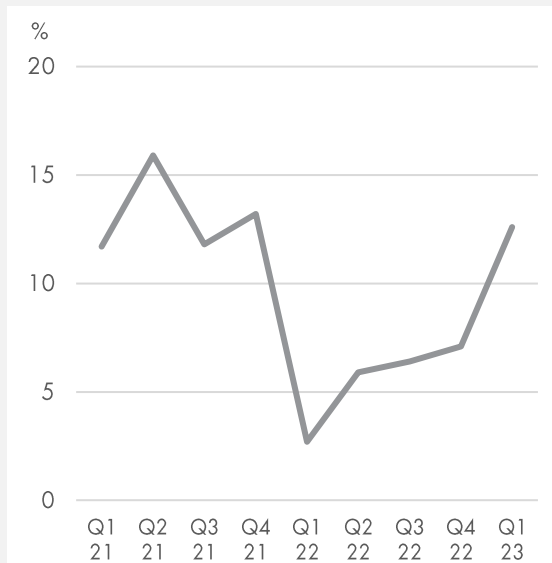
Net sales, MSEK\*

**1,834**

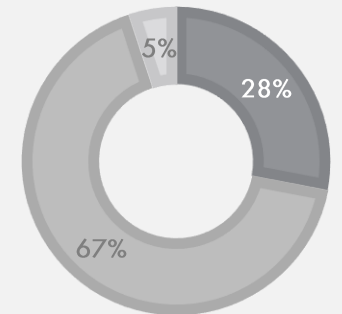


Adjusted EBITDA margin\*

**8.7%**

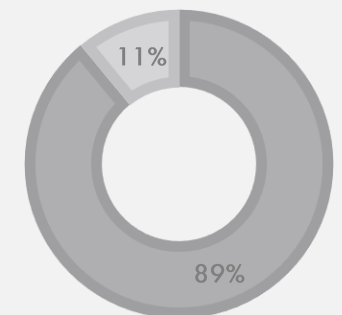


Customer distribution, net sales FY 2022







- Hyperscalers
- Colo
- Telco & enterprises




Regional distribution, net sales



- Americas
- EMEA

# DCT – stable underlying market demand

 > 5%	 ± 0 -1%
 ~ 1-5%	 neg

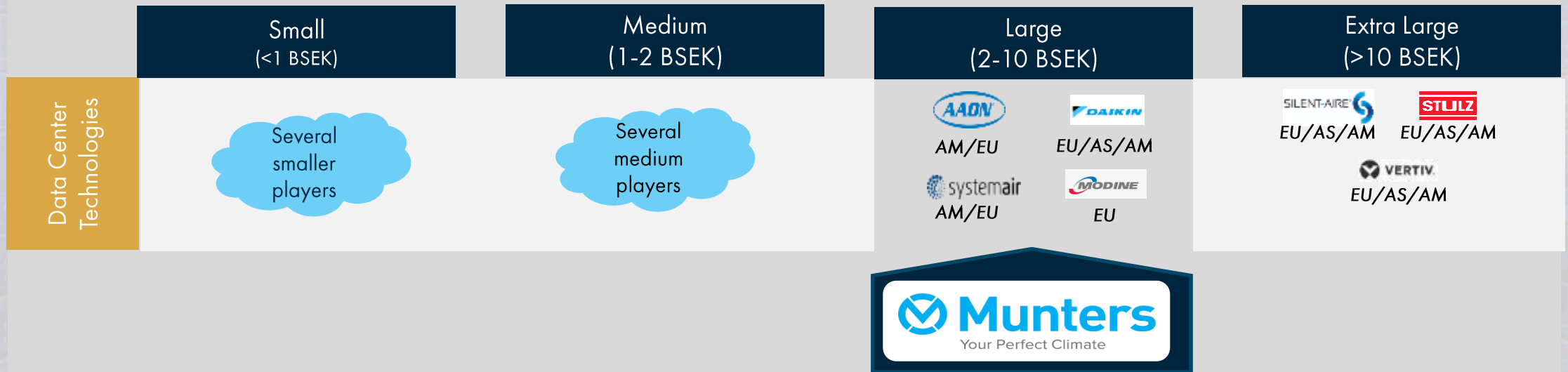
Customer Segments	% order intake Q1 2023	Market Outlook *	Comments
<b>Hyperscalers –</b> cloud suppliers with the critical computer and network infrastructure necessary to build robust, scalable application environments	0%		Increase in cloud traffic & connectivity services continues to drive growth. Hyperscalers are streamlining their operations, recalibrating their data center design to higher density cooling as well as moving some capacity into the colocation market
<b>Colocation –</b> manage data centers where companies can rent out the facilities	97%		Strong demand driven by greater use of colocation sites by enterprises & Hyperscales. The Colocation market is continuing to expand and purchase equipment as they are experiencing historically high leasing absorption and low availability of rentable space.
<b>Telco &amp; enterprises –</b> built, owned & operated by companies, optimized for the end user	3%		Expect growth related to 5G and edge computing

\* Market outlook and comments are indicative and refer to the coming six months

# Selection of market players - Munters well positioned for growth

An order in DCT is generally:

- a project with a lead time of 9-15 months
- consists of several equipment deliveries

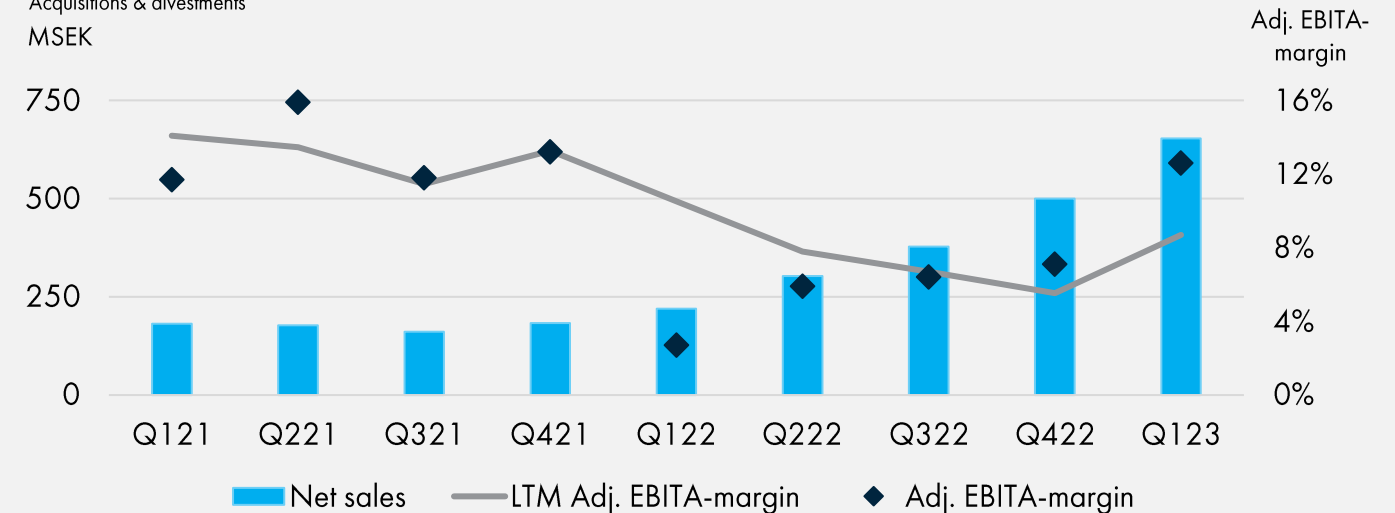


# Significant net sales & margin increase

- **OI** declined -86% (FX-adj) but underlying long-term demand still strong;
  - Excl. large order of ~MUSD 115 received Q1 2022, decline of -67% (FX-adj)
  - Current market activity somewhat dampened due to orders placed in advance previous quarters
- **NS** increased +173% (FX-adj);
  - Driven by deliveries to US co-location customers
  - Increased deliveries enabled by higher capacity through US production ramp-up
- **Adj. EBITA margin** increased, impacted by;
  - + Strong volume increase
  - + Positive contributions from the ramp-up of production in the US
  - + Net price increases
  - High focus placed on securing components for future deliveries, however supply chain constraints eased compared to Q4 2022

	MSEK	Q1 2023	Q1 2022	Change (%)		
				Organic growth	Structural growth*	Currency effects
Order intake		293	1,870	-86%		2%
Order backlog		5,564	2,452			
Net sales		653	220	173%		24%
Adj. EBITA		82	6			
Adj. EBITA-margin		12.6	2.7			

\* Acquisitions & divestments  
MSEK





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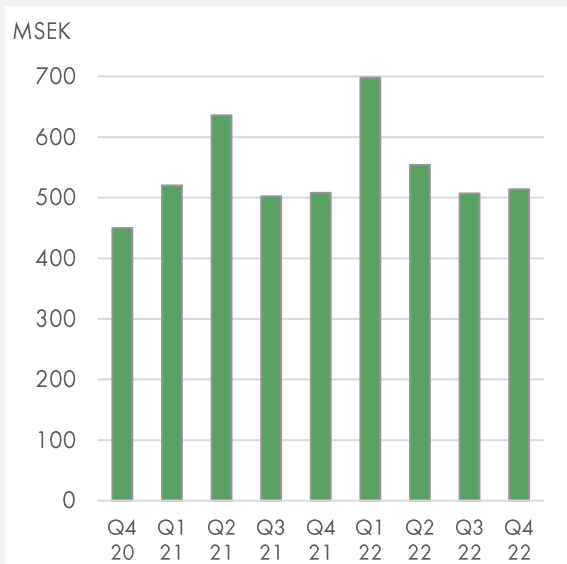
Customer Cases



# A world leader in climate control systems for food production

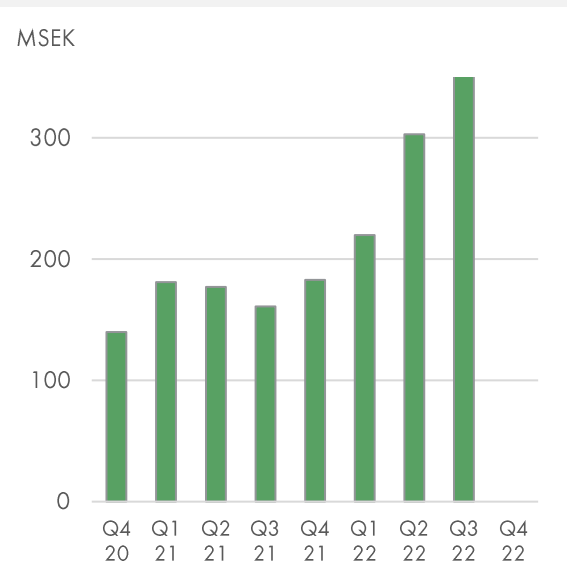
Order intake, MSEK\*

**2,124**



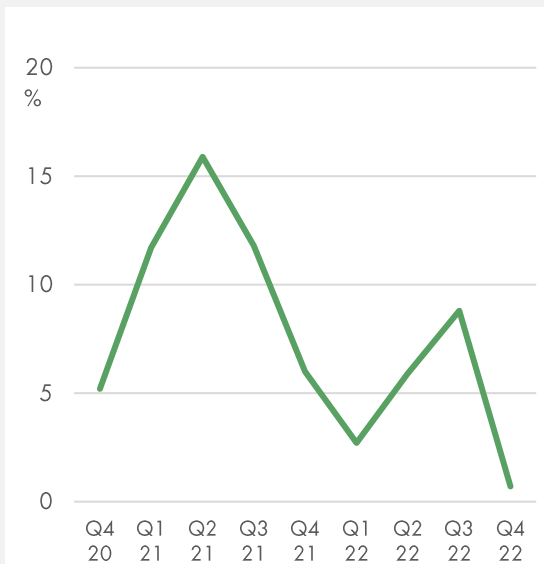
Net sales, MSEK\*

**2,219**

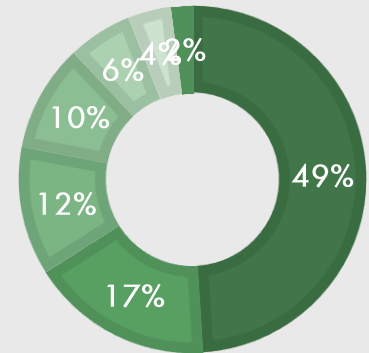


Adjusted EBITDA-margin\*

**5.9%**

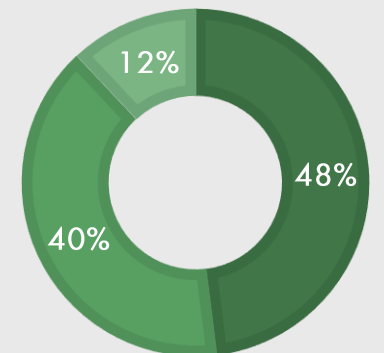


Customer segments, net sales 2022



- Broiler
- Layer
- Greenhouse
- Other
- Swine
- Digital Solutions
- Dairy

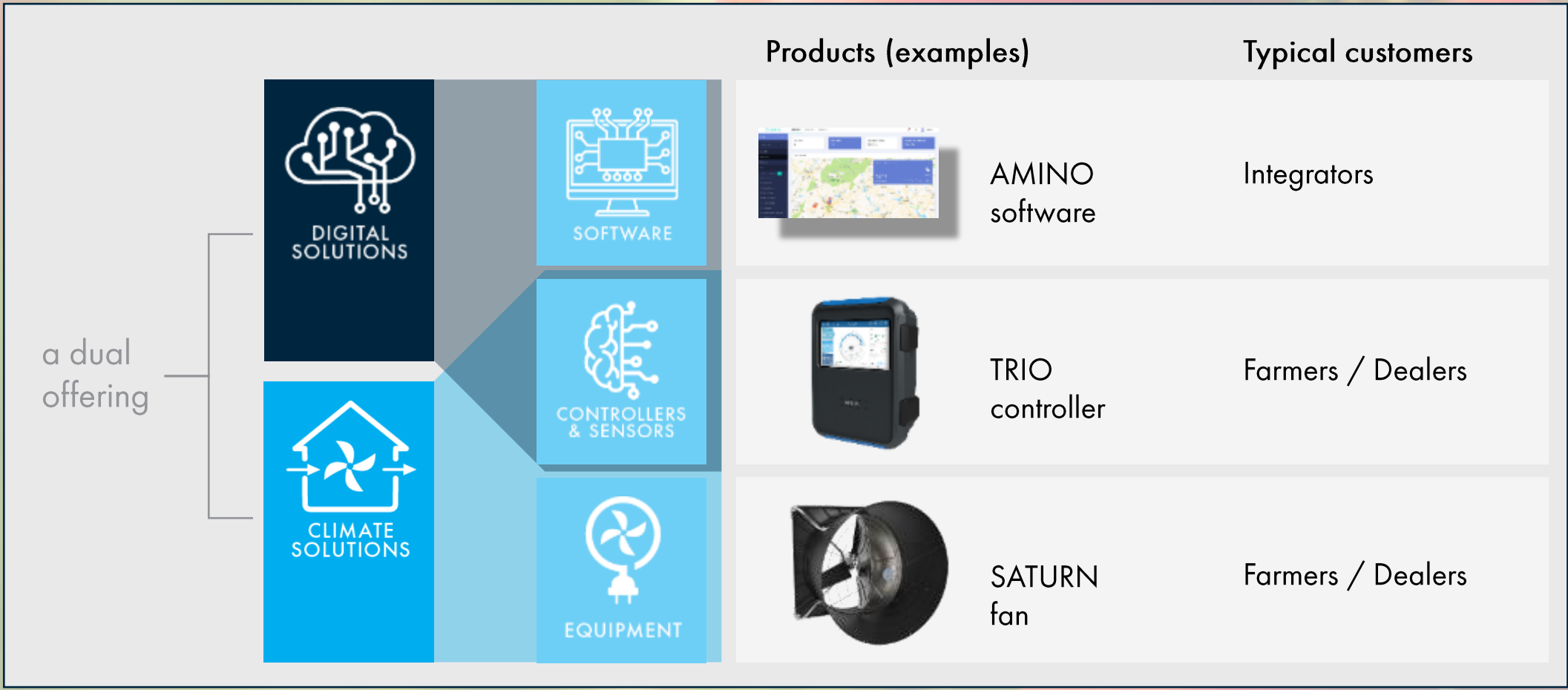
Regional distribution, net sales



- Americas
- EMEA
- APAC





\*Financial figures FY 2022








# FoodTech has a leading dual offering to our customers































**FoodTech stands on two pillars, climate solutions and digital solutions**

# FoodTech – US good demand

	> 5%		± 0 -1%
	~ 1-5%		neg

Customer segment	% order intake Q1 2023	Market Outlook *	Comments
Climate Solutions	88%		Mixed market development - growth in Americas, slow down in EMEA and weak demand in APAC, especially China
...whereof Broiler	48%		Continued strong demand in Americas. EMEA slower due to high food prices, energy costs and stop in investments due to Avian flue
...whereof Swine	11%		Weak development in APAC and EMEA, Swine market not recovering
...whereof Layer	17%		Cage-free regulation driving long-term demand; EMEA investments on hold due to high raw material costs
...whereof Greenhouse	5%		Growth driven by increased demand
...whereof Dairy	5%		Strong milk prices continue to support investments in Americas
Digital Solutions	12%		Strong trend in all regions with increased data usage through IoT and software aiming at increasing yield and improving animal welfare and sustainability

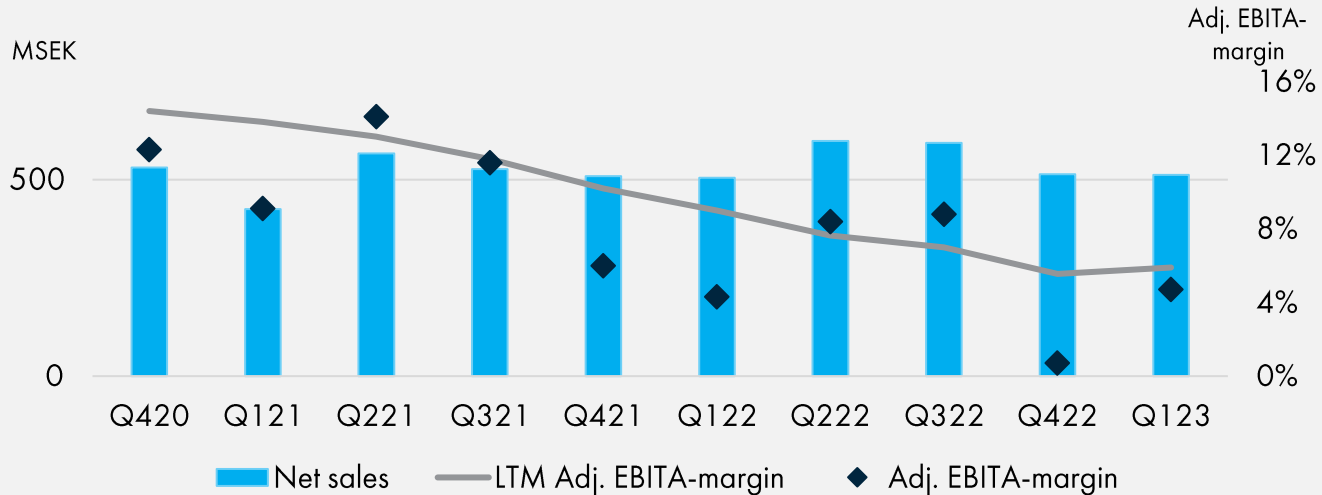
# Selection of market players within Climate Solutions

Fans	 EU/AS/AM  EU/AS/AM	 EU	 EU  EU/AS/AM  China  EU/AS	Fans
Cooling	 Your Agriculture Company EU/AS/AM  AS	 EU	 AM  HuTek (Asia) Company Ltd. AS  Middle East  EVAPORATIVE COOLING MEDIA AM	Cooling
Inlets	 EU/AS/AM  forward thinking EU	 EU  EU  AM	Inlets	
Controllers	 A Whole Farming World inside EU  EU/AS/AM	 EU/AS/AM  EU/AS/AM  EU/AS/AM  AM/AS  EU/AS/AM	Controllers	
Other	 EU/AS/AM	 EU	Other	

# Actions taken to improve margin coming through

- **OI** declined -23% (FX-adj);
  - Excl. large SaaS order of MUSD 19 in Q1 2022, order intake increased +4% (FX-adj)
  - Americas, both DS\* & CS\*\* stable development. CS mainly in the US broiler & layer segments
  - China & EMEA continued weak markets
  
- **NS** increased -5% (FX-adj);
  - CS - cont. weak Chinese swine market & overall weak market demand in EMEA
  - CS - Americas flat development, growth in broiler, dairy & greenhouse segments in US, Brazilian swine market weak
  - DS - SaaS ARR grew +40%
  
- **Adj. EBITA margin** increased, impacted mainly by;
  - + Net price increases
  - + Actions taken to mitigate negative effects from lower net sales in EMEA
  - + Stronger profitability in DS
  - Cont. lower volumes in China & EMEA
  - Cont. high investments in DS

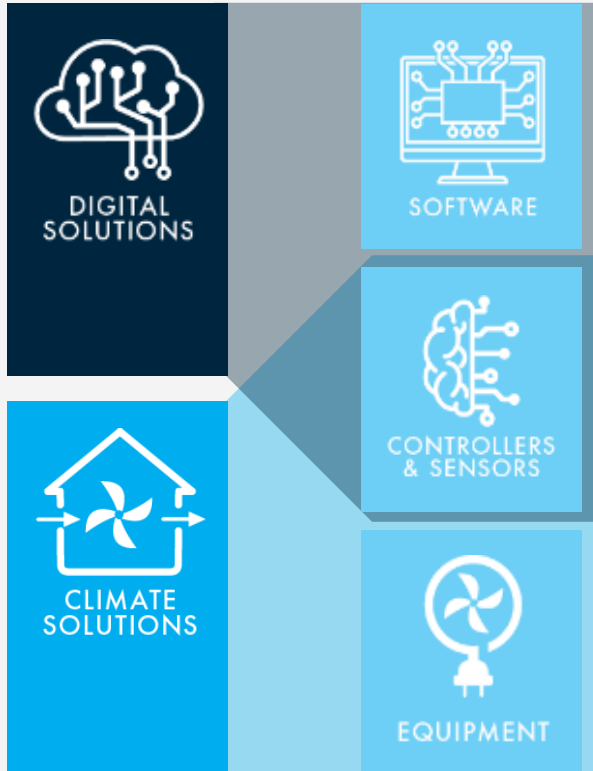
	MSEK	Q1 2023	Q1 2022	Change (%)		
				Organic growth	Structural growth	Currency effects
Order intake		581	698	-23%		6%
Order backlog		878	901			
Net sales		512	505	-5%		7%
of which SaaS		36	26			
of which SaaS ARR		145	104			
Adj. EBITA		24	21			
Adj. EBITA-margin		4.7	4.3			



\*Digital Solutions, \*\* Climate Solutions

# FoodTech on a challenging market

## A dual offering



## Market situation

- **Americas:** stable situation with pockets of growth for equipment, strong growth for DS
- **EMEA:** Weak market due to war in Ukraine & inflationary pressure
- **APAC:** Weak market mainly due to weak swine market in China

## FoodTech 2022

### Climate Solutions:

- Price adjustments more than offset volume decrease
- Adjustment of European business – reduction of employees in Germany & Italy
- Adjustment of APAC – consolidated Chinese operations into one unit, strengthened sales hub Vietnam

### Digital Solutions:

- Strong progression, Q1 increase SaaS ARR\* 40%
- High investments in developing the offering, hiring rate high

# Agenda

Introduction

Q1 highlights

AirTech

DataCenter Technologies

FoodTech

Customer Cases





# Good growth in the battery segment

## FACTS

### Lithium-ion battery production

optimal battery quality & performance achieved through manufacturing:

- in highly controlled environments - characterized by ultra-low humidity levels, a critical requirement for high-spec battery production

### Benefits of Munters' climate control systems (dry rooms):

- engineered to meet the most demanding production requirements
- built to maximise manufacturing uptime and reliability
- achieving Ultra-Low dew points for superior battery product life, quality, and yield
- savings on energy consumption and operating costs such as energy-efficient Green PowerPurge\*



### Two large orders received in Q4

- Q4 - to a multinational automotive manufacturer
- Total value ~ MUSD 54 (incl. systems developed specifically for battery segment & field service)
- Deliveries: Q3 2023 - Q4 2024

### Our largest battery order ever:

- July 2022 - large US car manufacturer
- Total value ~MUSD 65 (including Munters climate control systems and field service work)
- Deliveries: Q2 - Q4 2024
- Combining modularized products and customer specific solutions

### Morrow's 1<sup>st</sup> battery cell production plant Norway

- Oct. 2022 - order Morrow Batteries & Equans (battery factory construction contractor)
- Deliveries: estimated completed 2024
- Energy-efficient dehumidification solutions, ensuring high uptime and production reliability at ultra-low dew points

# Munters solutions support carbon capture processes



## Benefits

- Carbon capture - the process of removing CO<sub>2</sub> from large emission sources\* by safely capturing and storing in underground geological formations
- Technology solution applicable for large facilities in many industries

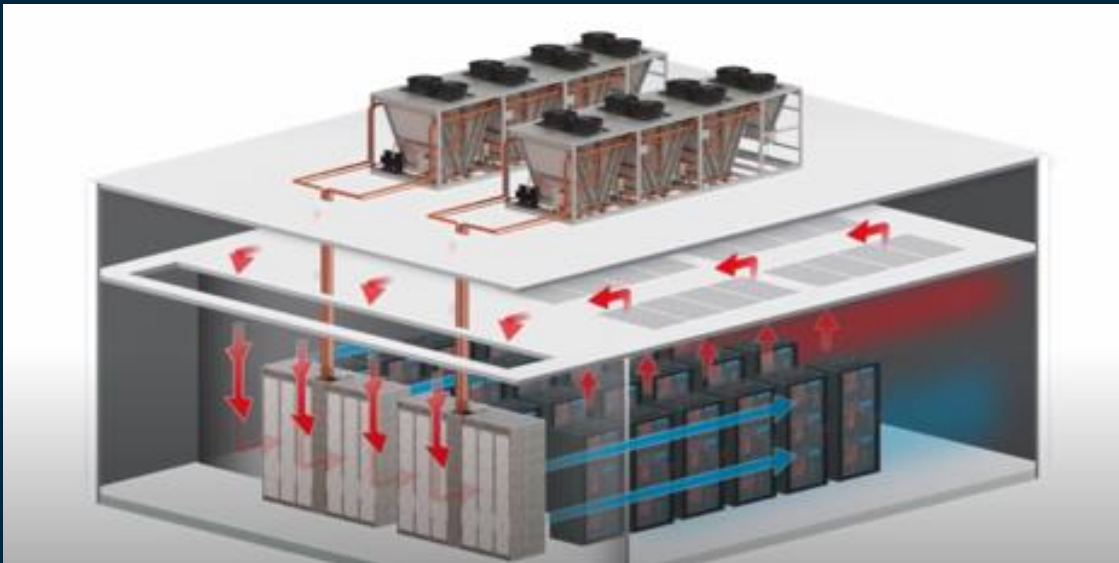
## Customer case

- Cement, steel and the chemical industry emit high levels of CO<sub>2</sub> when broken down and no green substitute exists
- Clean Technologies by Munters with Mass Transfer and gas-liquid separation solutions are critical parts of the carbon capture process
- Customer estimates a yearly reduction of CO<sub>2</sub> emissions by > 400,000 tons by the solution

## Munters role\*

- Munters gas-liquid separator to be used where liquids and gases need to be separated
- Munters equipment features an advanced type of inlet distributor (IDM) that introduces liquid mixtures into a vessel or a column
- The IDM liquid removal capacity has an efficiency of ~90% and evenly distributes the onward gas flow

# Our highly energy-efficient SyCool Split uses zero water



## SyCool Split

- Energy efficient, thermosiphon-based dry cooling solutions for data centers
- Minimizing environmental impact of data centers through free cooling without the use of water.
- Winner of Mission Critical magazine's 2021 Top Tier Product Award for Thermal Management Solutions.

Technology shift ongoing in the cooling market:

- » Operators and colocation require critical cooling technology to become more efficient, competitive and sustainable
- » Improving cooling technologies is critical to ensure the data center industry achieves its sustainability targets
- » This demand has driven an exceptional degree of innovation from data center cooling companies across the world

# Record orders confirm our strong position and offer

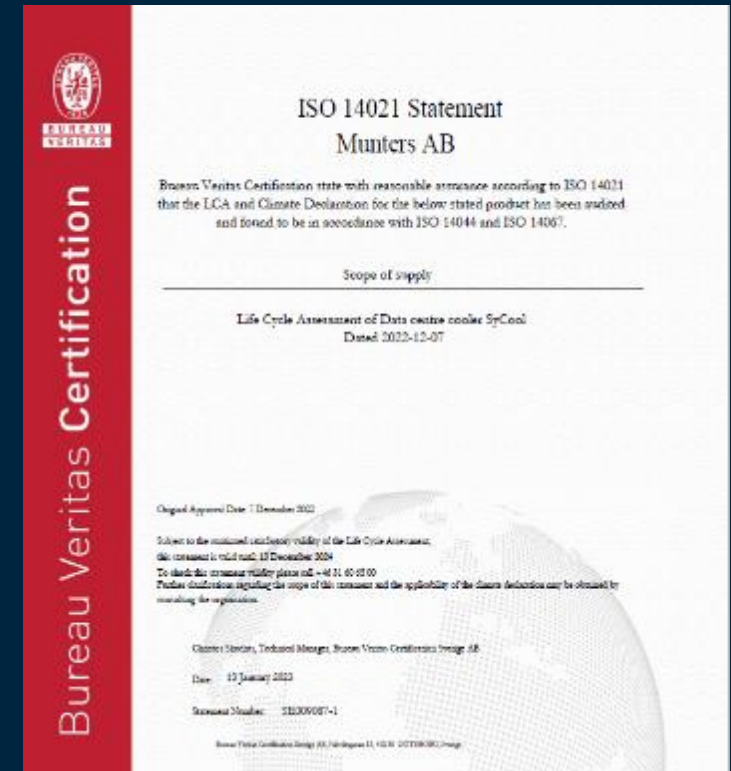
DCT very strong backlog of BSEK 6.7, some large orders received:

- **March 2022** - order received from leading data center colocation operator in US.
  - Total value ~ MUSD 115 (incl. SyCool Split & field service work)
  - Deliveries starting in Q4 2022 through Q1 2024
- **July 2022** - **multiple orders** to a US-based colocation data center company
  - Value of ~ MUSD 64 (incl. standard chilled water computer room air handlers (CRAHs), at multiple data centers in the US)
  - Deliveries from Q4 2024 to Q1 2025
- **July 2022** - **largest SyCool Split order ever** to a leading Data Center colocation provider, US
  - Value of ~ MUSD 176 (incl. SyCool Split systems & field service work)
  - Deliveries throughout all 2024



# Value chain perspective on our climate impact

- Munters is mapping and reporting 100% of Scope 1, 2 and part of Scope 3
- Munters major emission impact is related to Scope 3 and use of our products
- We are increasingly conducting **LCAs\*** of our products to get an assessment of the product's carbon footprint
- In 2022, ISO-certified LCAs on ten product families were carried out
- Independent third party verified
- Our ambition is to base product development, R&D and customer value creation on a scientific approach



By providing innovative, energy efficient solutions we contribute to our customer's lower energy spend as well as waste

# Our fans handle even the toughest conditions

- High temperatures can cause major problems for poultry farmers
- **Munters Saturn FIVE** extraction fans, can mitigate extreme weather situation & stabilize production
- Paolo Furegon, chicken farmer, Italy:
  - Capacity of 2 million chickens a year
  - Replaced 20 old fans with 8 new Munters fans
- According to Paolo, the biggest benefits from installing the new Saturn ventilation system are:
  - Superior energy efficiency and use of fewer fans  
=> Lower energy costs
  - Fewer fans mean lower installation, maintenance & energy costs. And less time spent cleaning equipment  
=> Lower total cost of ownership
  - Access to Munters expertise & customer support



## Facts Saturn FIVE

- Modular design enables farmers to configure a suitable system
- Simpler design and fewer moving parts extends lifetime & reduces cost of ownership
- Patent-pending butterfly damper that shuts tightly when fan is off to reduce energy waste and maximize animals' well-being

# MTech Systems secures important SaaS contract

- **MTech Systems**, within FoodTech, deliver SaaS solution with order value of ~MUSD 19 to a major US integrator
- MTech's advanced information management tool consolidates numerous supply-chain operations, from farms to food production facilities
- Contributing to improved animal and human health as well as reduced energy consumption

FoodTech's strategy - to connect the entire food production value chain with innovative software & precision farming equipment



 **MTech Systems**  
a Munters company

# Appendix



# Munters on a journey



2019

- Two business areas: AT and FT
- CEO and CFO recruited
- Strategic review of Data Centers and Mist Elimination
- Data Centers Europe closed

2020

- New strategic priorities launched
- Organizational re-design: business areas to own full value chain
- Efficiency improvement initiatives (Working capital focus)
- Management team expanded
- Reduction of product portfolio initiated
- AT strategic review

2021

- Efficiency improvement initiatives continue
  - Secure end-to-end information/value chain efficiency across all Munters
  - Working capital focus
- Increased focus on R&D
- FT strategy review & AT delivery on strategic review
- Listed on Nasdaq Stockholm's Large Cap

2022

- AT & FT delivery on strategic review
- New business area: DCT
- Acquisition in all business areas
- Updated financial targets

# Strong service growth in 2022

Ambition: Share of service long-term to represent 30 percent of Group net sales

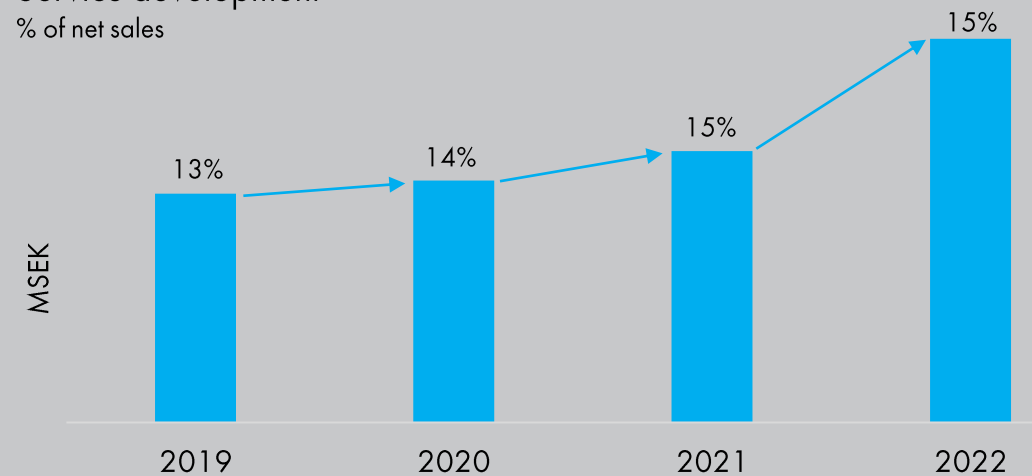
- **AirTech** – generates majority of Service net sales
- **DCT** – minor Service sales, as main part of business Greenfield installations

*Not reported as part of Service today:*

- **FoodTech** – SaaS (Software-as-a-Service) business  
Q4 NS: 6% at MSEK 33  
Q4 SaaS ARR\*: +44% at MSEK 133



Service development  
% of net sales



# Munters Service Offering – with our customers all the way

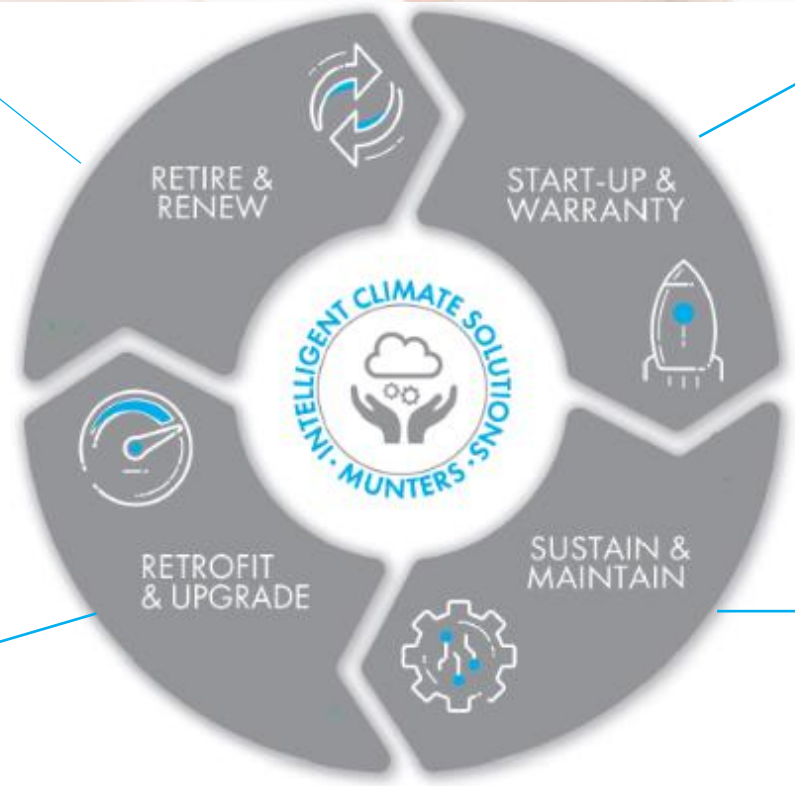
### REVIEW & RENEW

- Smooth transition to new product
- Decommissioning



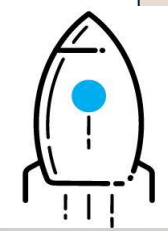
### RETROFIT & UPGRADE

- Controls Upgrade
- Rotor Replacement
- Rotor Energy Recoverv
- Fan Upgrade
- Remote Assist
- EC Cool



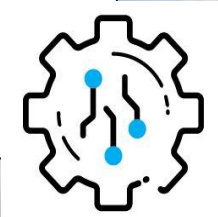
### START-UP & WARRANTY

- Installation Support/Assembly Supervision
- Startup services & Guaranteed performance
- Primacaire™
- Training



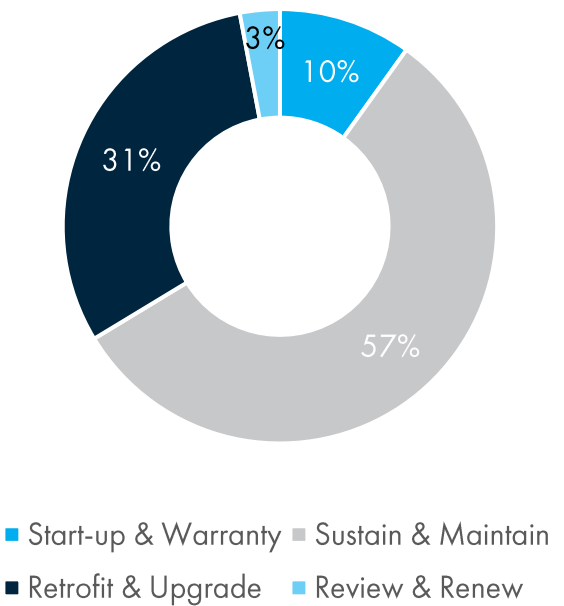
### SUSTAIN & MAINTAIN

- ServiceCaire™
- Rotor Performance Check
- Energy Audit
- Reconditioning/Repairs
- Remote Assist
- Spare Parts



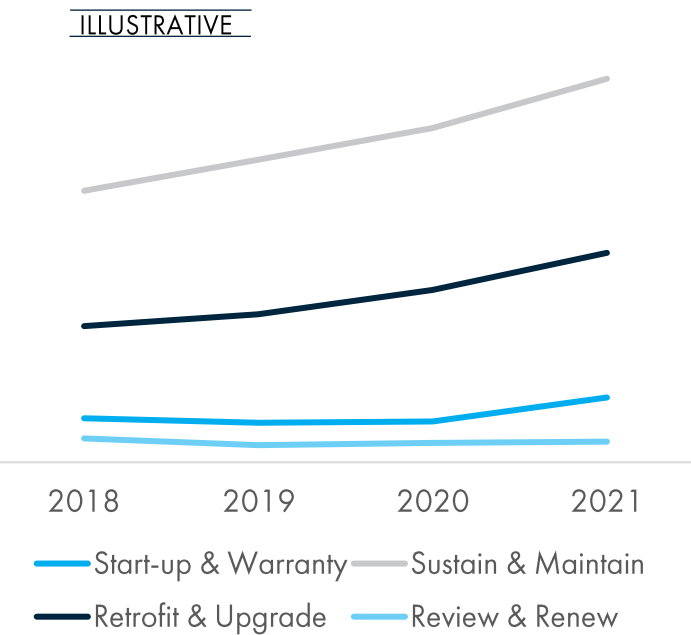
# Service ensures quality & efficiency throughout product lifetime

Service split 2021



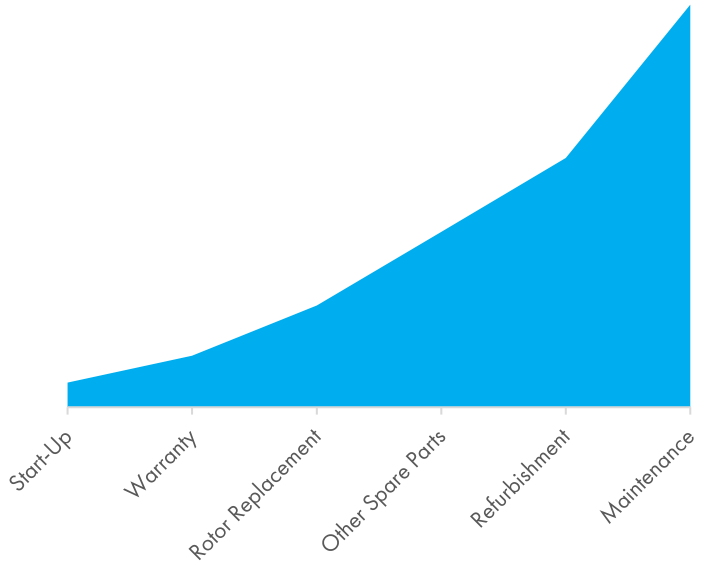
Spare parts major part of Retrofit & Upgrade

Service development



Service growth above Group net sales in recent years

Life Cycle Value on Equipment



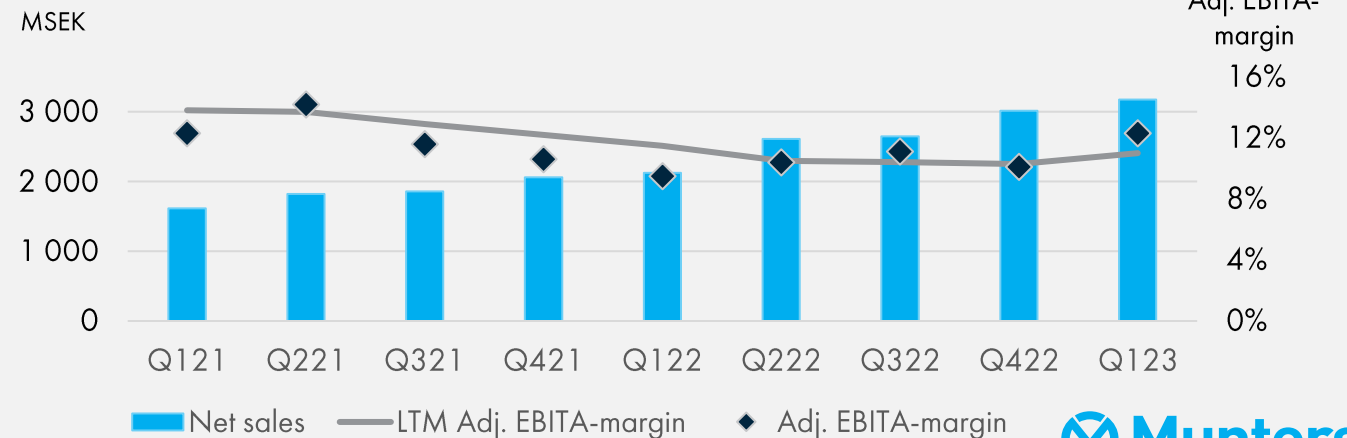
Munters well positioned for growth

# Strong net sales and strong margins

- **OI** decreased -43% (FX-adj) as no larger orders were received in the quarter;
  - OI decreased -18% (FX-adj) excl. major orders received in Q1 2022<sup>1</sup>
- **NS** increased +40% (FX-adj);
  - Very strong growth in DCT & battery in AT
  - Services 13% of total net sales
- **Adj. EBITA margin** improved in all business areas;
  - + Increased volumes
  - + Combined business excellence efforts in all areas
  - + Net price increases in all business areas
  - Cont. focused strategic investments for scalability in digitization & automation
- **OWC (%)** decreased mainly because of strong net sales
  - OWC increased due to preparations for deliveries of large orders received in 2022

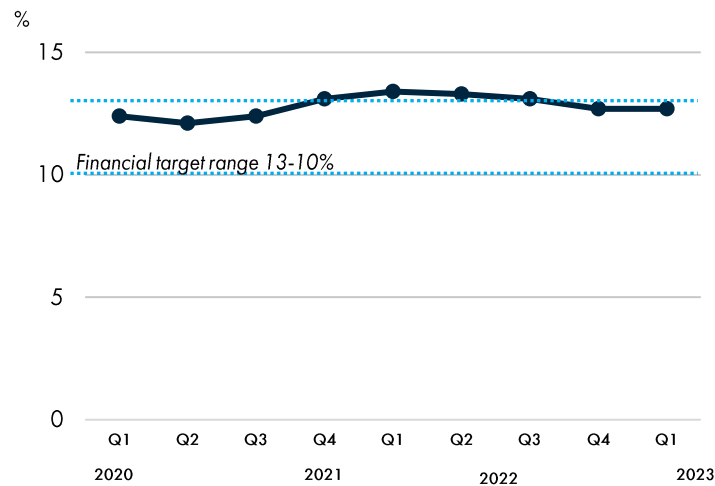
	MSEK	Q1 2023	Q1 2022	Change (%)		
				Organic growth	Structural growth*	Currency effects
Order intake		2,544	4,133	-44%	1%	5%
Order backlog		10,783	6,367			
Net sales		3,175	2,121	38%	2%	9%
Adj. EBITA		389	201	78%	7%	7%
Adj. EBITA-margin		12.3	9.5			
Operating profit (EBIT)		349	134			
OWC/ net sales (%) <sup>2</sup>		12.7	13.4			

\* Acquisitions & divestments

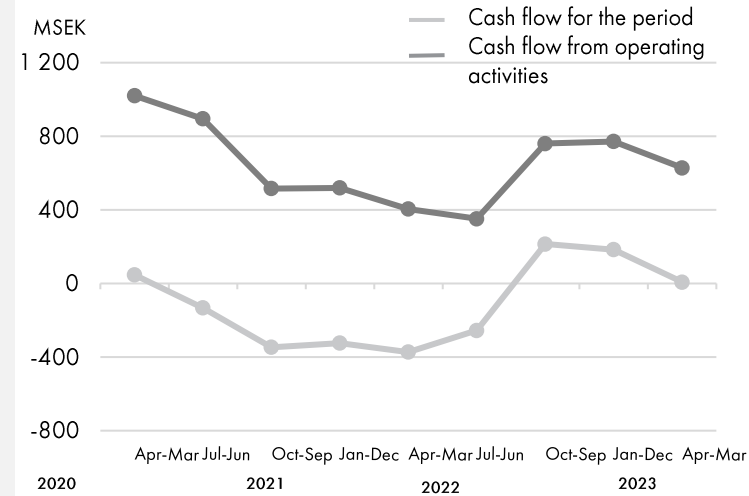


# Preparations for deliveries in large projects led to increased OWC

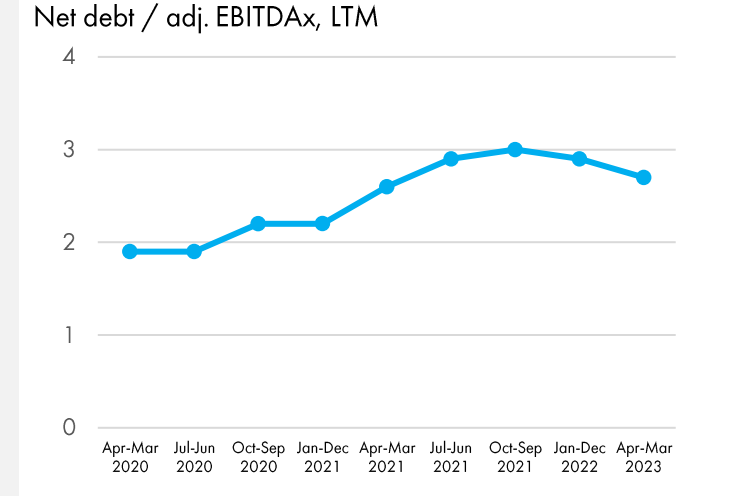
## OWC/net sales\*



## Cash flow development, LTM



## Development of leverage



### Cash flow from operating activities:

- Stronger operating profit offset by:
- increased OWC due to preparations for deliveries of large orders received in 2022
  - Cont. ramp-up of production with expected deliveries in coming quarters

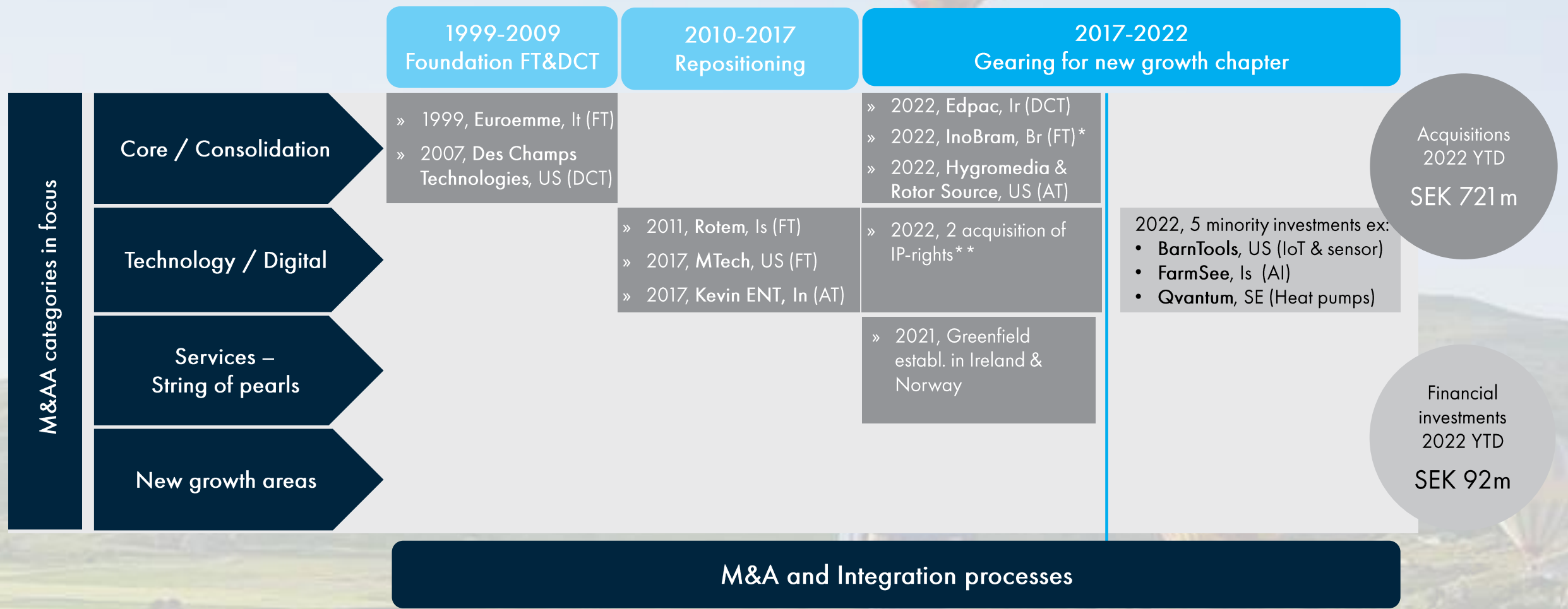
### Q1, 2.7x:

- Leverage ratio improved mainly driven by good development of EBITDA in Q1
- Net debt increased mainly due to acquisitions financed by debt in 2022

\* Average OWC (Operating Working Capital) last twelve months as % of net sales for the same period



# Inorganic strategies to boost overall growth



\* subject to certain corporate and regulatory approvals  
 \*\*IP-rights - Intellectual property rights