



# Munters

Q3 2022 – Investor presentation

Investor Relations

# Agenda

## Introduction

Q3 highlights

AirTech

Data Center Technologies

FoodTech

Customer Cases

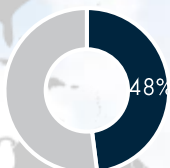
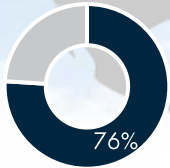


# World leader in energy-efficient climate solutions

## Regional share

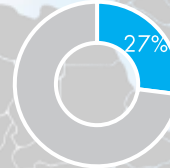
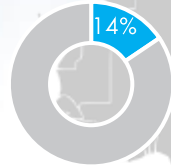
Order intake Q3

Net sales Q3



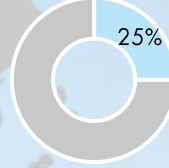
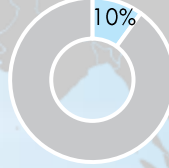
Order intake Q3

Net sales Q3

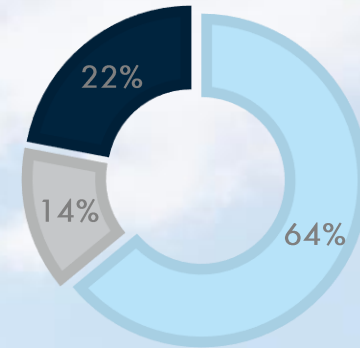


Order intake Q3

Net sales Q3

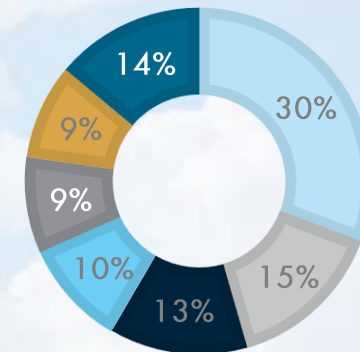


Net sales per business area



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

Largest customer segments, net sales 2021



- Industry
- Services
- Broiler
- Data Centers
- Swine
- Components
- Other

Sales in number of countries

>30

Sales MSEK\*\*

9,432

Number of production plants

18

Adj. EBITA margin\*\*

10.4

Number of employees

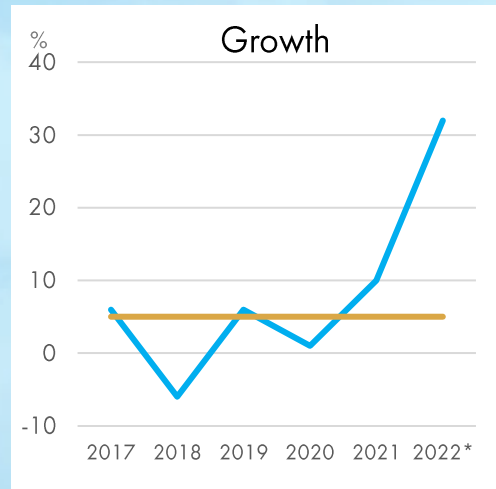
~3,755

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

# Creating sustainable value

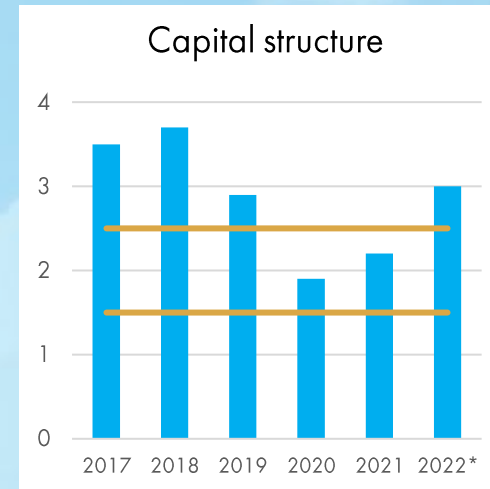
Munters' overarching target is sustainable value creation - with clear goals we steer operations and set priorities that help us reach our overarching targets.



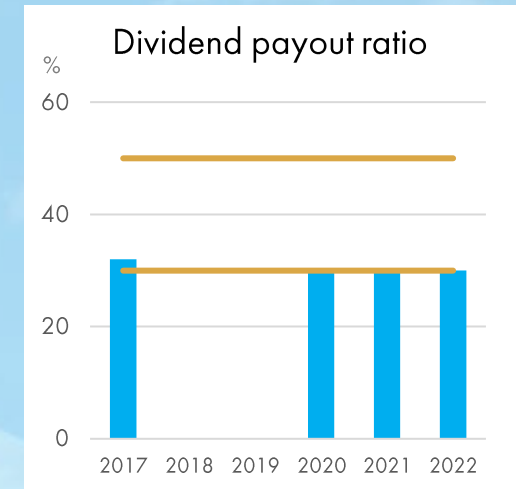
Target: Annual organic growth of net sales of 5%



Target: Adjusted EBITA margin of 14%



Target: A ratio of consolidated net debt to adjusted EBITDA of 1.5x to 2.5x



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

\* LTM end of Sep 2022

# 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

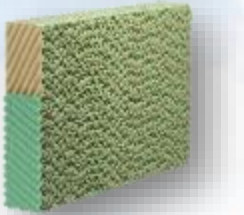
2022

- AT & FT delivery on strategic review
- New business area: DCT
- Acquisition of EDPAC – data centers Europe

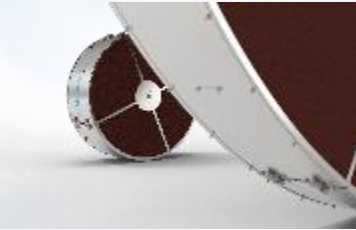
# Core technologies – dehumidification and evaporative cooling

## Core Technologies

Evaporative cooling pads



Rotors with desiccant drying wheel



## AirTech offering

Dehumidifiers

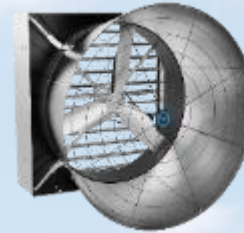


Climate systems

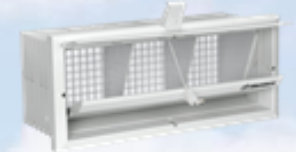


## FoodTech offering

High-efficiency fans



Air inlets



## Data Center 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

# Sustainability seamlessly integrated in Munters business strategy



2021

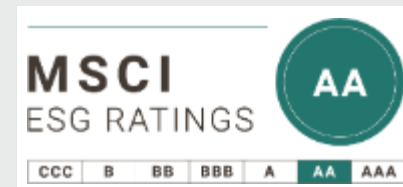
- Scope 3 emissions included in GHG reporting
- Net zero emissions target from operations by 2030
- EU taxonomy eligible business 35%
- CDP reporting
- Major investments - ESG impact analysis (incl. internal carbon pricing)

2019

- Sustainability Core Team
- Governance improved
- GHG protocol reporting internally
- CDP reporting

2020

- Sustainability fully integrated into the Munters strategy
- Company purpose launched as well as new strategy
- GHG emission reporting continued CDP reporting
- Updated car policy & whistleblower policy
- CDP reporting



# Climate change is our most important megatrend

## Munters purpose - For customer success and a healthier planet

### Factory emissions Scope 1&2 and Scope 3\*:

- Factory Scope 1&2 emissions decreased 24% in H1 compared to same period prior year- mainly due to increased renewable electricity and reduced natural gas consumption
- Volume growth drives waste from factories, Scope 3, increased 11% in H1

### Renewable electricity

66%

(Q4, 2021: 53%  
Q2, 2021: 52%)

### Recycling rate

52%

(Q4, 2021: 54%  
Q2, 2021: 53%)

### Energy efficiency\*\*

0.81

(2021: 0.90)

### Code of conduct for suppliers

100%

(2021: 100%)

### Percentage women employees

21%

(2021: 22%)

### Percentage women leaders\*\*\*

22%

(2021: 23%)

### EU Taxonomy

35%

of net sales subject to the taxonomy  
(first year reported, adopted in 2021)

### Total Recordable Incident rate (TRIR)

1.5

(2021: 1.7)

### Service share of Net sales

16%

(2021: 15%)

### ISO certifications

2

new factories certified

Goal set to certify all production facilities

Financial figures Jun 2022

\* Reported in accordance to GHG Protocol

\*\* Electricity consumption in production facilities relative to production value (MWh/production value SEK 000) as of LTM Q2, 2022. The production value is at comparable FX rate to 2021 but not adjusted for inflation

\*\*\* Salary setting managers



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# Record orders in quarter confirms our strong position and offer



Continued stable margin despite increased investments for growth



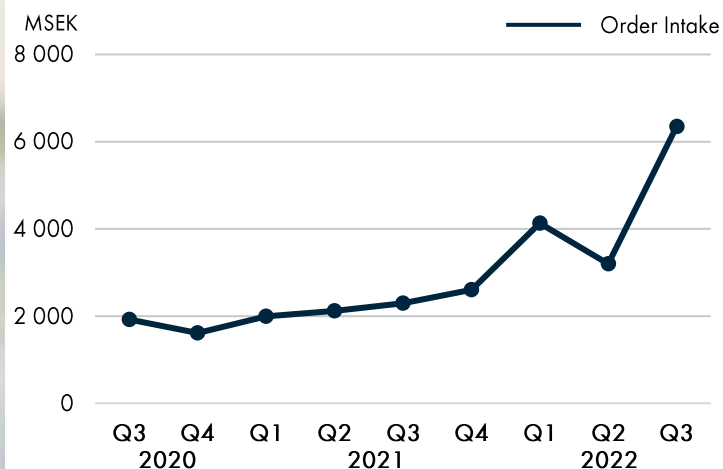
Increased capacity to meet growing demand



Clear strategy for value-creating growth

# Q3 - record order intake and stable margin development

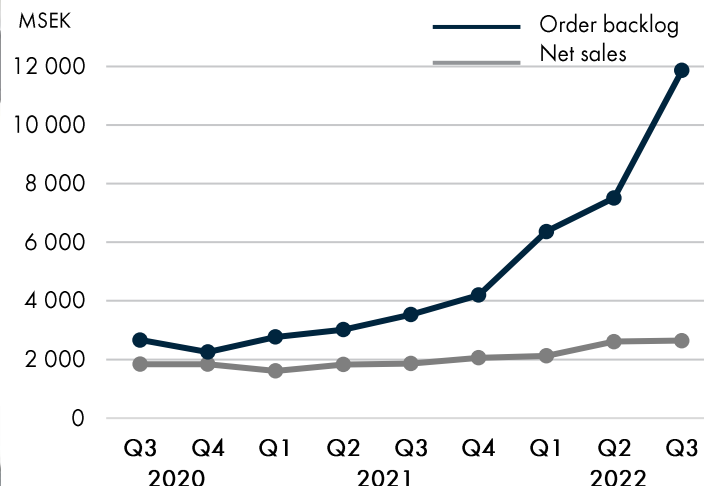
## Record order intake in the quarter



**Order intake, Q3 FX-adj. +145%** (organic growth +139%):

- record high orders in DCT Americas and battery in AT
- excluding major orders won during the quarter, organic growth +25%\*

## Strong growth and book-to-bill over 2x



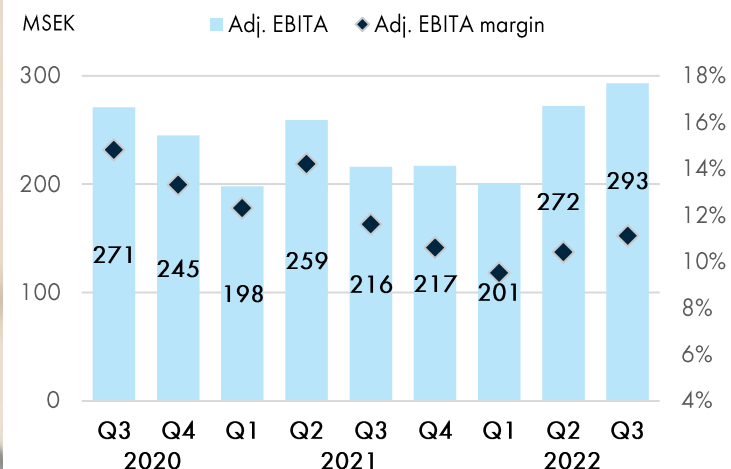
**Net sales, Q3 FX-adj. +25%** (organic growth +22%):

- AT and DCT showed strong growth
- offset by FT, weak Chinese swine market

**Order backlog, FY, FX-adj. +185%** (organic growth +180%)

**Book-to-bill 2.4**

## Stable margin development



**Adj. EBITA margin 11.1%:**

- price increases offset by business mix change in DCT
- lower FT volumes in APAC
- increased material & freight costs

# Continued market challenges in a high demand driven market

## Global market situation



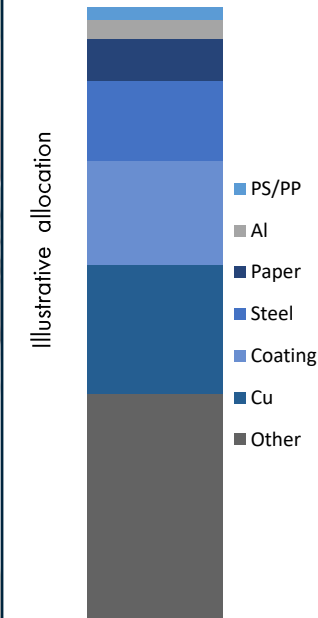
- War in Ukraine
- Economic uncertainties
- Lingering Covid-19

## Consequences of market situation

- Inflationary pressure resulting in higher input costs
- Limited freight alternatives and rising costs for road freight
- Component shortages
- Weakened demand from the farming industry in EMEA
- Rising energy prices in EU & Americas

## Supply chain impact

Munters main raw materials directly/indirectly impact\*



Trend commodity price development

	QoQ	YoY
Steel	=	-
Copper	=	-
Aluminium	=	+
PS/PP	-	+
Freight costs	+	+
Energy prices (EU)	+	++

Source: Munters analysis

\*PS - Polystyrene, PP - Polypropylen, Al - Aluminium, CU - Copper

# Excellence in everything we do



## Operational excellence



### R&D

Bringing R&D and innovation closer to the market



### Sustainability

Focus on Life Cycle Analysis, Scope 1, 2 & 3 emissions and Human Rights



### Operating working capital

continuous work to improve OWC\*, ie project cash mgt and inventory



### Commercial excellence

Pricing strategy, value selling and business model refinement



### Optimal footprint and manufacturing processes

Right sizing, securing capacity to enable growth, Lean and process excellence for more efficient manufacturing (Modernise, Automate & Modularize)

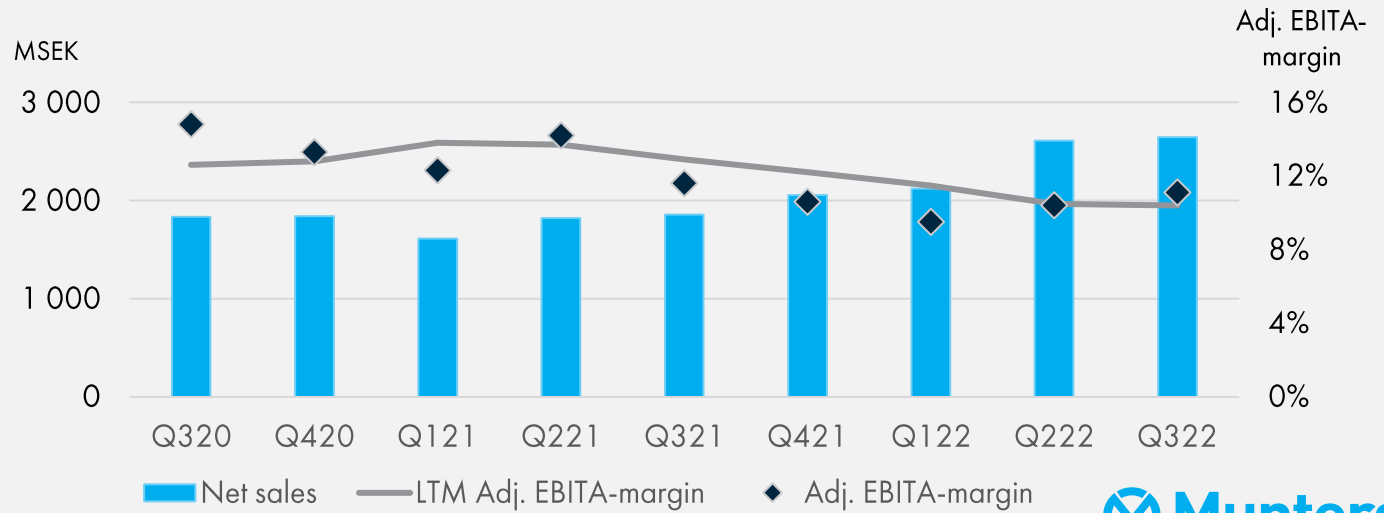
- Expanded in Czech Republic and Virginia, US, in Q3
- Planning for expansion of Amesbury, US, in 2023

# Record order intake in the quarter

- Order intake increased, strong growth in DCT Americas & battery AT. FT Americas grew, offset by weak EMEA & China
- Order backlog cont. strong increase
- Net sales increased, DCT Americas and battery & Components in AT. FT flat, weak market in China offset by EMEA & US
  - Services 14% of total net sales
  - Price increases ~6% of net sales Q3
- Adj. EBITA – price increases offset mainly by:
  - DCT business mix change
  - lower FT volumes in China
  - increased material and freight costs

MSEK	Q3 2022	Q3 2021	Change (%)		
			Organic growth	Structural growth*	Currency effects
Order intake	6,354	2,295	139	6	32
Order backlog	11,866	3,525	180	5	52
Net sales	2,644	1,857	22	3	18
Adj. EBITA	293	215			
Adj. EBITA-margin	11.1	11.6			

\* Acquisitions & divestments



# Stable margin despite increased investments for growth

## Group adj. EBITA margin impact

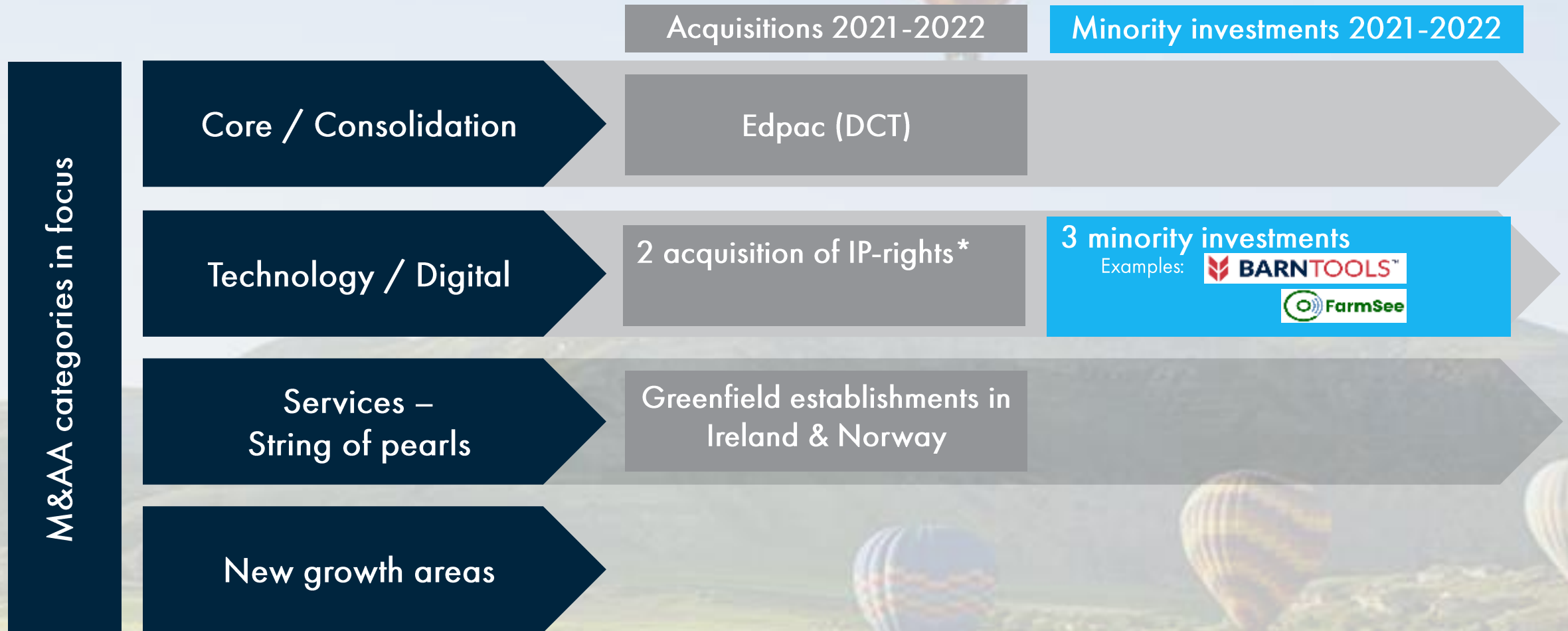
	Q3
2021 adj. EBITA %	11.6
Volume	++
Net pricing	+
Supply chain	-
Investments	-
Operational challenges	-
Business & regional mix	--
2022 adj. EBITA %	11.1

## Main factors affecting adj. EBITA margin in Q3:

- Positive impact from volume increase – especially AT and DCT
- Price increases compensated for increased material and freight costs
- Supply chain challenges - increased demand, combined with war in Ukraine and shortages of components led to longer lead times
- Strategic investments for scalability
- Progress on activities addressing the earlier identified operational challenges
- Business & regional mix had a negative impact:
  - weak market for FT in APAC
  - a changed business mix in DCT



# Inorganic strategies to boost overall growth



\*IP-rights - Intellectual property rights



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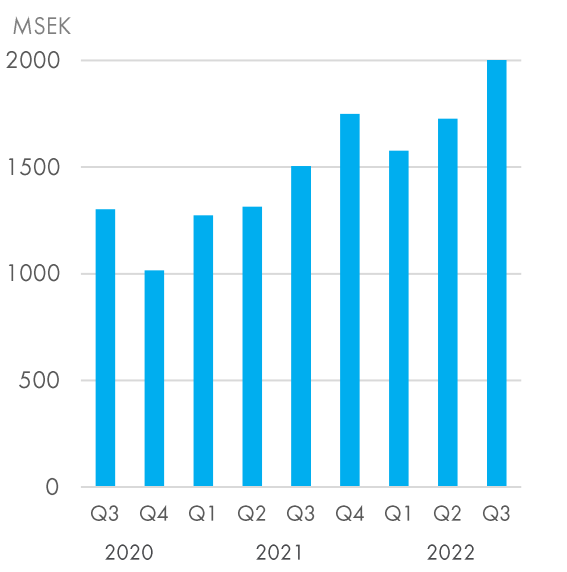
Customer Cases



# Global leader in air treatment for industry

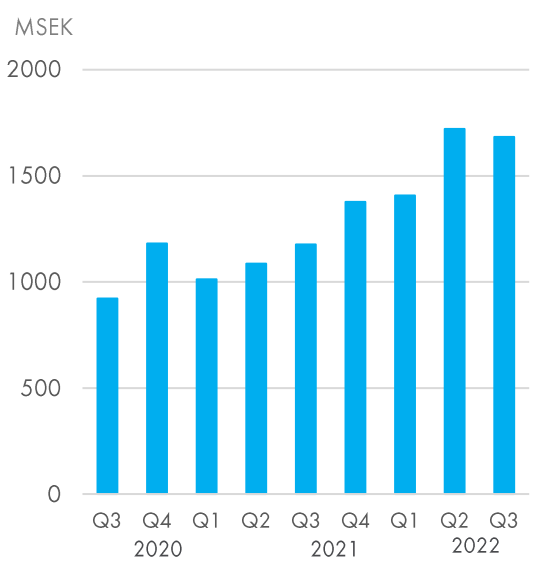
Order intake, MSEK\*

2,453



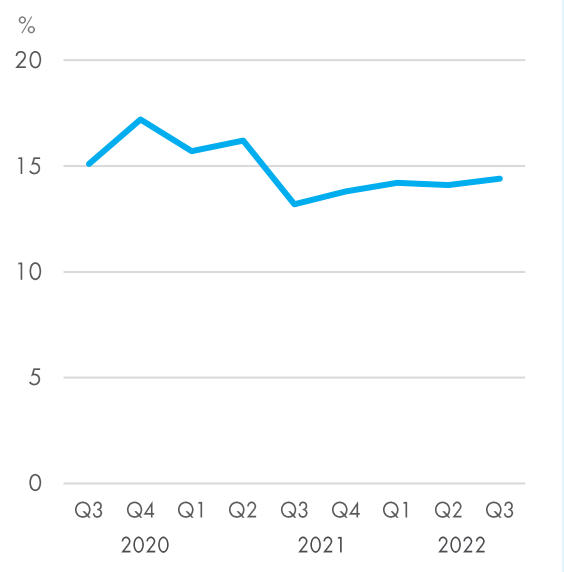
Net sales, MSEK\*

1,684

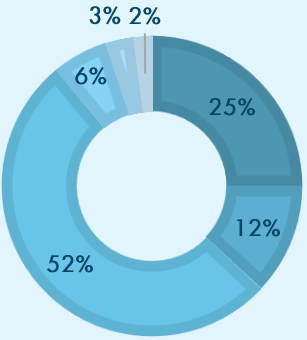


Adjusted EBITDA margin\*

14.4%

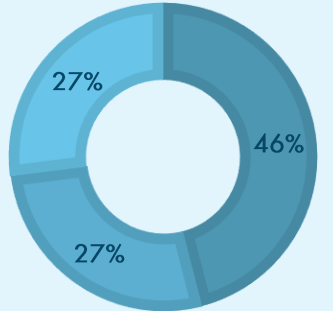


Customer segments, net sales 2021 \*\*



- Industry
- Services
- Data Center
- Components
- Clean Technologies
- Commercial

Regional distribution, net sales 2021 \*\*







- Americas
- EMEA
- APAC

\* Financial figures Q3 2022

\*\* Pre reconciliation of AirTech and DCT

# Q3 – Very strong demand within Battery

 > 5%	 ± 0-1%
 ~ 1-5%	 neg

















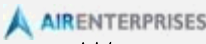


















Customer segment	% order intake Q3 2022	Market Outlook *	Comments
Industrial	68%		Demand expected to remain strong
...whereof Battery	48%	 ***	Continued strong growth expected, driven by Americas and EMEA
...whereof Food processing	5%		Solid demand expected to remain, especially driven by Americas
...whereof Other	14%		Good demand from other industrials, regional variations
Components**	8%		Demand expected to remain strong for components in key markets
Clean Technologies	5%		Growth driven by primarily Process industries
Commercial	2%		Steady replenishment market for supermarkets
Services	17%		Growth in all regions and 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	 AS	 AS	 AM	  AM/AS/EU	 AS		
		 AM	 AM	 AM	 AM				 AM
		 AM/AS	 EU	 AS	 AS				
	 AM	 AS	 AS						
		 AS	 EU	 EU					
	Humidification	 AS	 AM	 AS		 EU/AS	 EU/AS/AM		
Mist Elimination / Clean Technologies		 EU	 EU	 EU	 EU	 AM	 AM/AS/EU		
								 EU/AS/AM  EU/AS/AM	

★ A small business within a large company/conglomerate

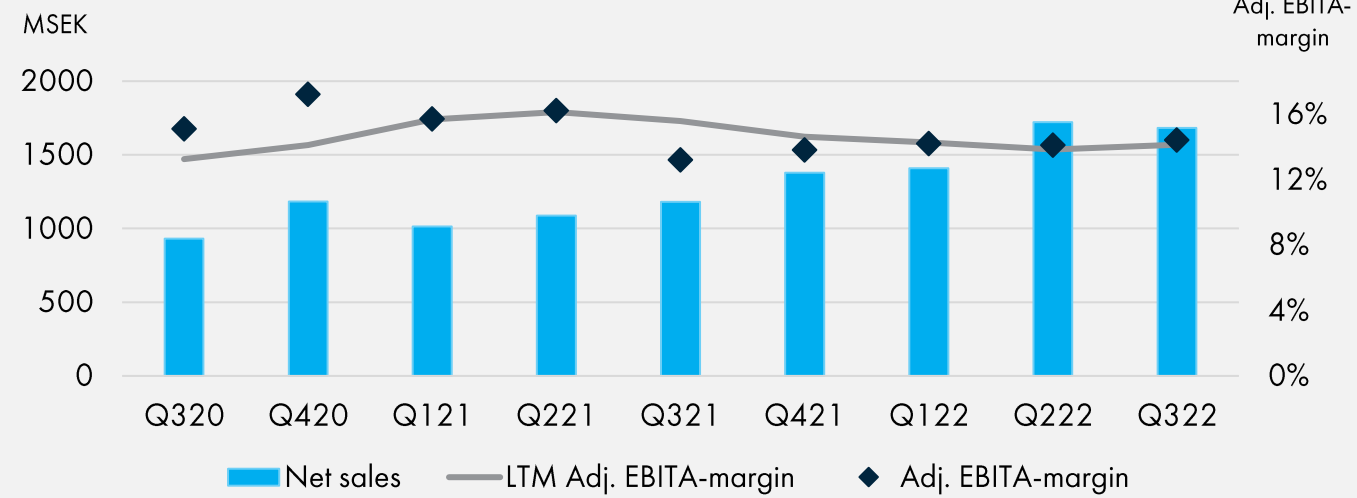


# Q3 - Strong growth in transformative segments

- Order intake increased in all regions, especially battery in Americas & Service
- Net sales increased - growth in all regions, especially battery, Service & Components
  - Services 23% of AT net sales
  - price increases ~ 5% of AT net sales in Q3
- Adj. EBITA margin impacted by;
  - + strong volume growth
  - price increases offset by component shortages & managing lead times, however lower level than Q2
  - actions to resolve operational challenges in a production unit are progressing

	MSEK	Q3 2022	Q3 2021	Change (%)		
				Organic growth	Structural growth*	Currency effects
Order intake		2,453	1,504	46	-	17
Order backlog		4,219	2,372			
Net sales		1,684	1,181	25	-	17
Adj. EBITA		242	155			
Adj. EBITA-margin		14.4	13.2			

\* Acquisitions & divestments



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Customer Cases



# Balanced market approach – setting ourselves up for growth

History

Today

Future

## Step- by-step growth

### Step 1

- Refocus on North American market
- Strengthen market position - new product launches and broadening of customer base
- Build a stable manufacturing base
- Create solid recurring revenues

### Step 2

- Acquisition of European EDPAC
  - Several cooling solutions transferred
  - Smaller scale, shorter production runs
  - Broader product portfolio
  - Targeted customers
- Strengthen market position

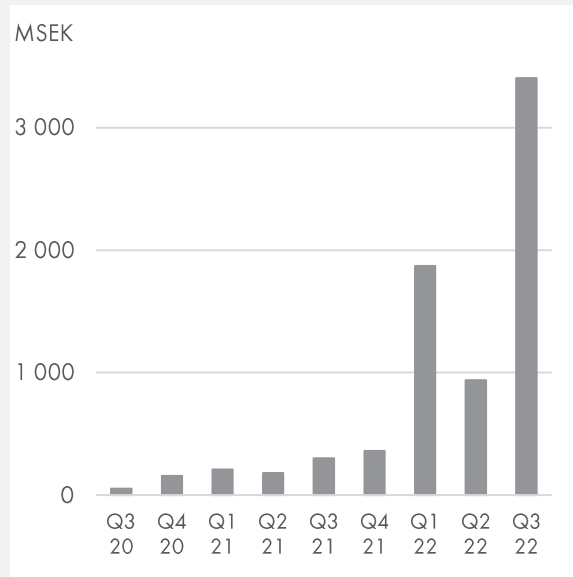
### Step 3

- Grow through expansion of customer base and with existing customers
- Ensure production capacity

# Leading supplier of advanced climate cooling solutions

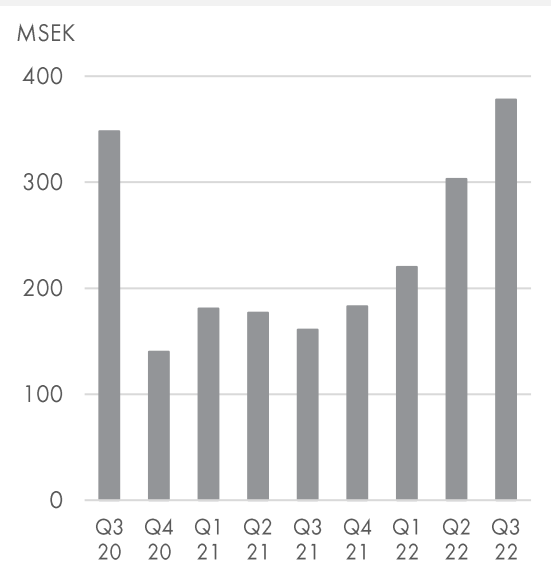
Order intake, MSEK\*

**3,406**



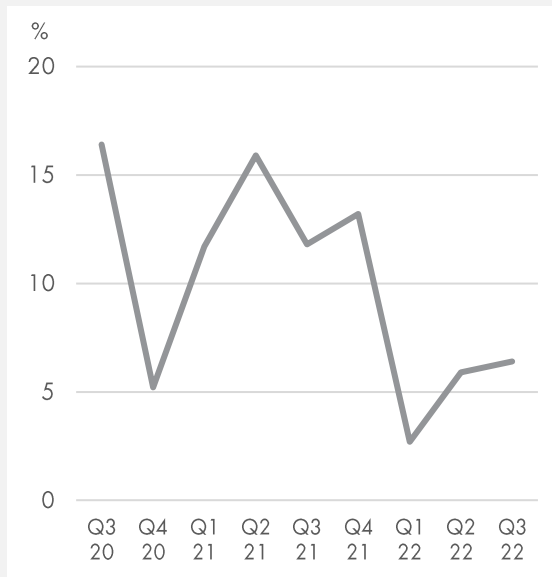
Net sales, MSEK\*

**378**

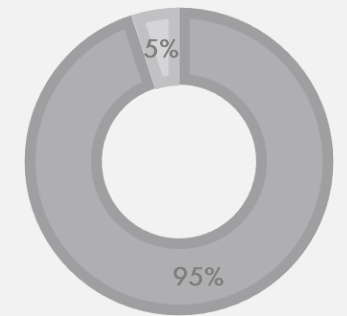


Adjusted EBITDA margin\*

**6.4%**

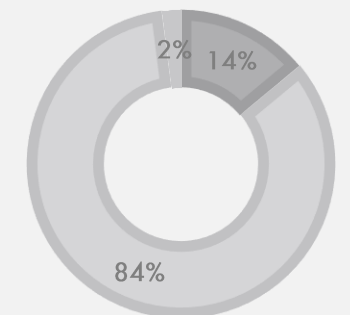


Regional distribution, order intake\*



■ Americas ■ EMEA

Customer distribution, order intake\*










■ Hyperscalers  
■ Colo  
■ Telco & enterprises

\*Financial figures Q3 2022



# Q3 – growth in all areas

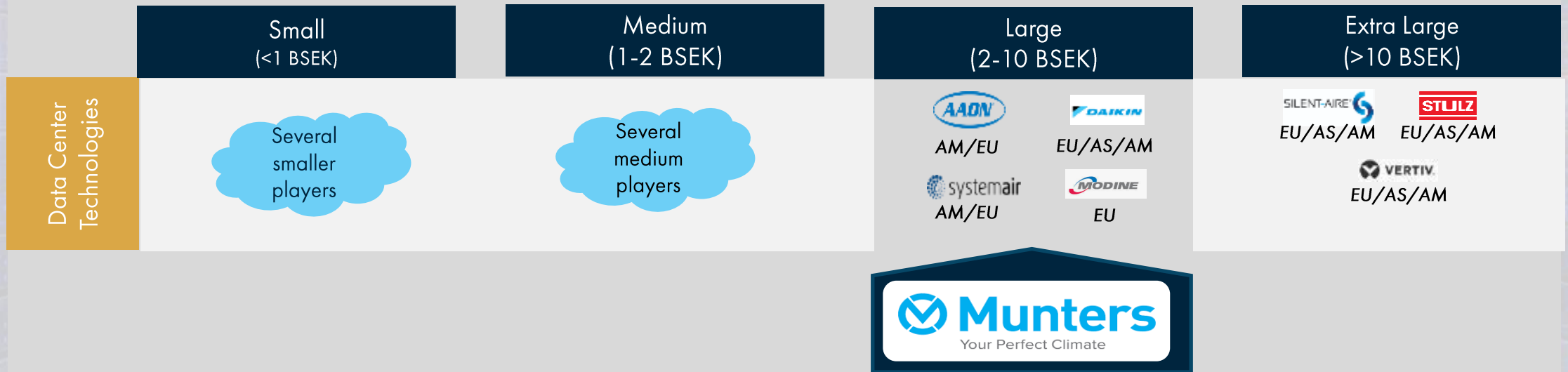
 > 5%	 ± 0 - 1%
 ~ 1-5%	 neg

Customer Segments	% order intake Q3 2022	Market Outlook *	Comments
Hyperscalers	14%		Increase in cloud traffic and connectivity services continues to drive hyperscale growth
Colocation	84%		Co-lo growth largely driven by increased leasing from hyperscale customers, specifically orders for the newly launched SyCool product range and other split systems solutions
Telco & enterprises	2%		Slower growing segment as more enterprise data centres are moving to cloud or colocation hosted solutions. Edpac solutions fit in well in this segment.

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

# Selection of market players - Munters well positioned for growth

- In general, an order in Data Center is a project with a lead time of 9-15 months consisting of several equipment deliveries
- Munters well positioned in both North America and Europe

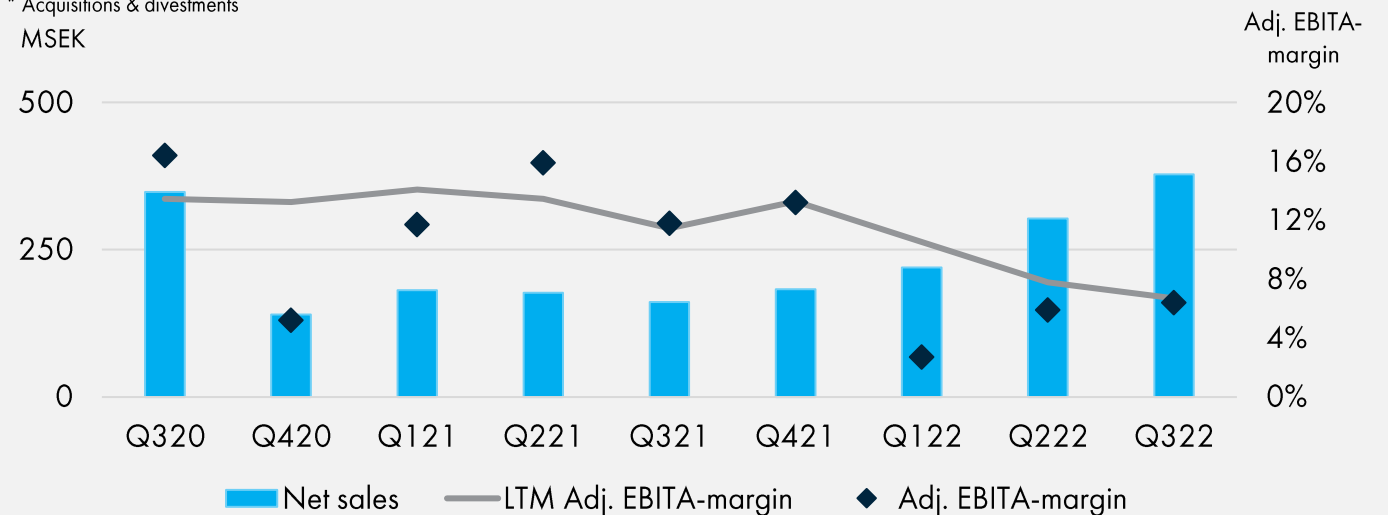


# Q3 - record high order intake in Americas

- Record order intake driven by large orders in Americas of MUSD 239
- Net sales increased – strong growth by co-los in both Americas & EMEA
  - price increases ~3% of DCT net sales in Q3
- Adj. EBITA margin impacted by;
  - + volume growth in both regions
    - impacted by business mix change compared to last year
    - increased material and freight costs
    - component shortages resulted in increased lead times & production costs in both regions

	MSEK	Q3 2022	Q3 2021	Change (%)		
				Organic growth	Structural growth*	Currency effects
Order intake		3,406	300	812	46	176
Order backlog		6,739	466			
Net sales		378	161	66	32	36
Adj. EBITA		24	19			
Adj. EBITA-margin		6.4	11.8			

\* Acquisitions & divestments  
MSEK



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Q highlights

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Data Center Technologies

**FoodTech**

Customer Cases

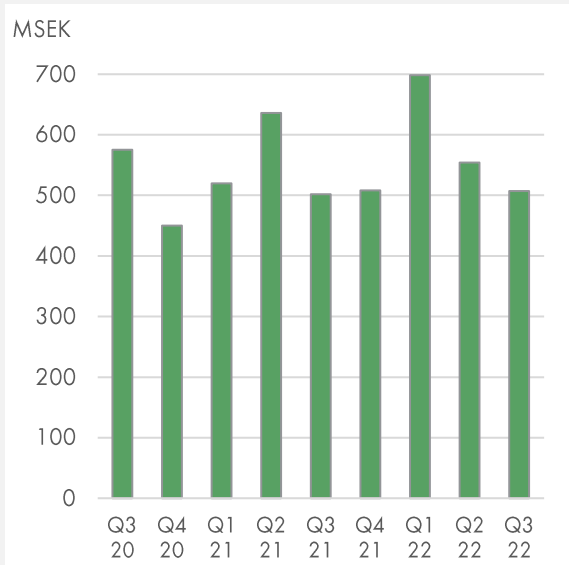


# Increased sales, challenging market environment

FoodTech is one of the world's leading suppliers of high-quality, energy-efficient climate control systems for livestock farming and greenhouses, as well as software to control and optimize the entire food production value chain.

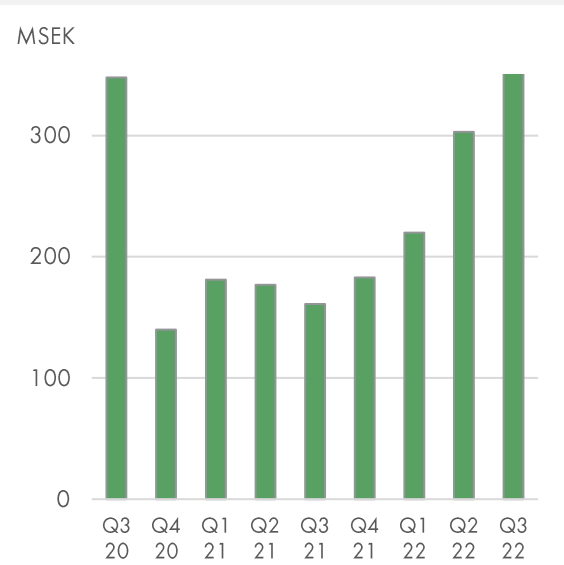
Order intake, MSEK\*

507



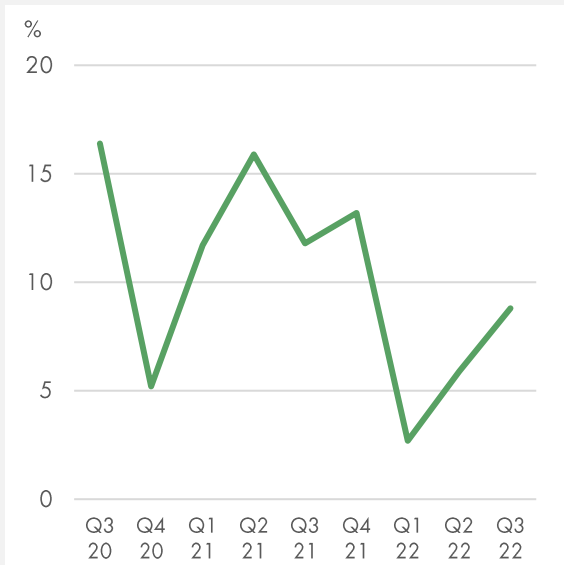
Net sales, MSEK\*

594

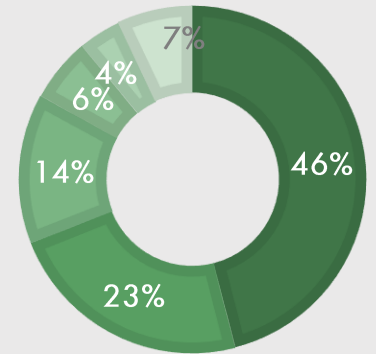


Adjusted EBITDA-margin\*

8.8%

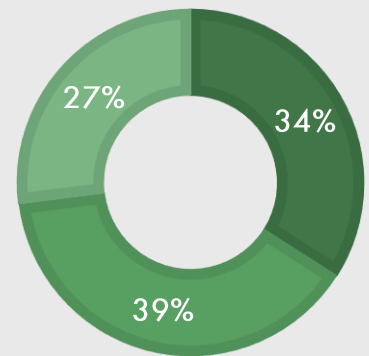


Customer segments, net sales 2021



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

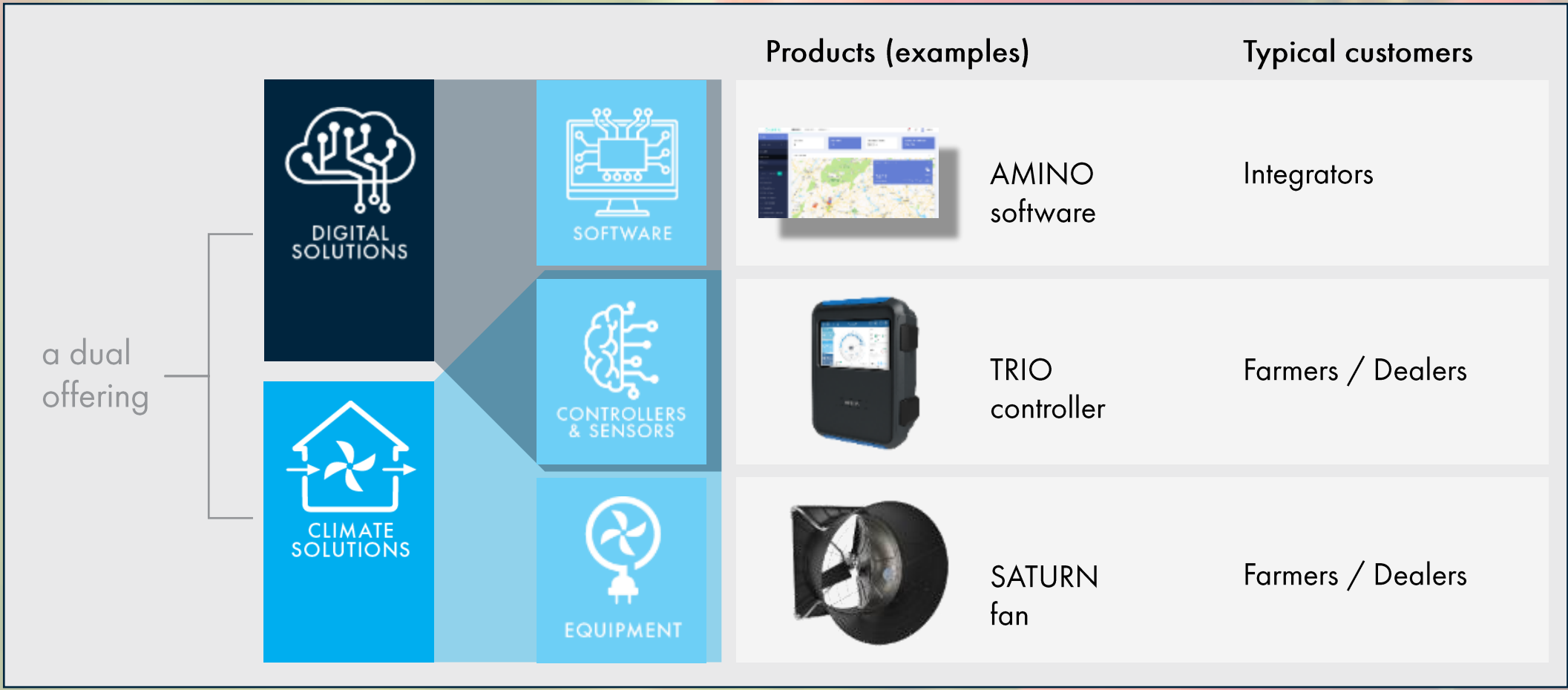
Regional distribution, net sales 2021



- Americas
- EMEA
- APAC

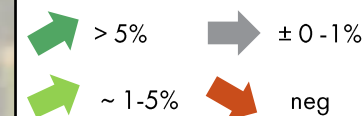
\*Financial figures Q3 2022








# FoodTech has a leading dual offering to our customers































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

# Q3 – Americas driving growth



Customer segment	% order intake Q3 2022	Market Outlook *	Comments
Climate solutions	90%		Mixed market development - growth in Americas, slow down in EMEA and weak demand in APAC, especially China
...whereof Broiler	50%		Continued strong demand in Americas. EMEA slower due to Avian Flu, higher raw material costs, supply chain constraints and higher energy prices
...whereof Swine	17%		Weak development in APAC and EMEA, whereas Americas see some growth
...whereof Layer	12%		Cage-free regulation driving long-term demand
...whereof Greenhouse	7%		Growth driven by increased demand
...whereof Dairy	4%		Strong milk prices continue to support investments in Americas
Digital Solutions	10%		Strong trend in all regions with increased data usage through IoT and software aiming at increasing yield and improve 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	

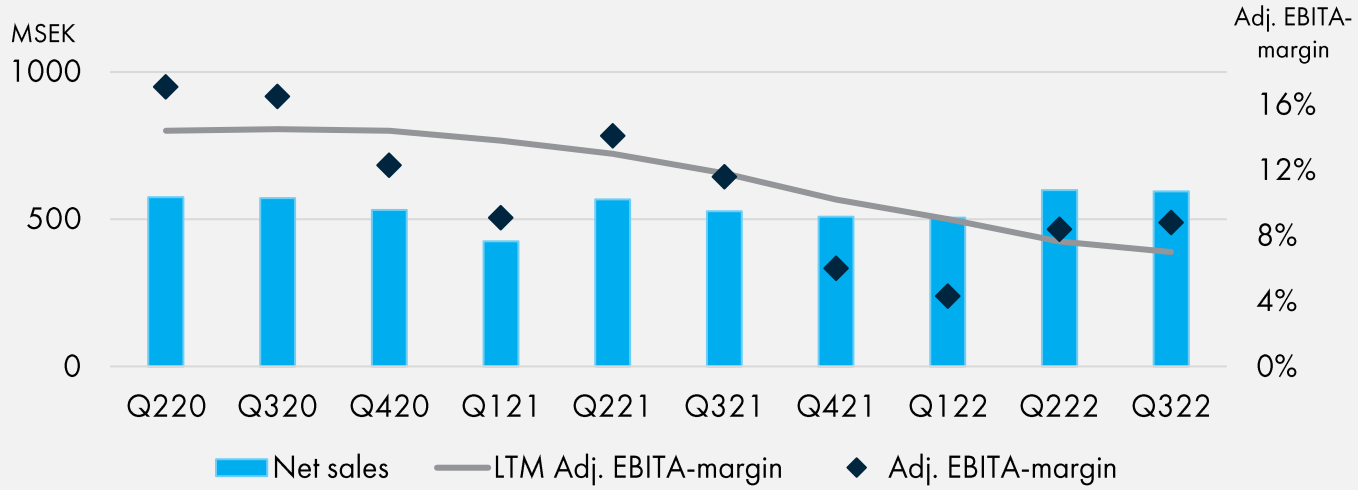


# Q3 - challenging market environment, stable margin

- Order intake organic decline - Americas grew Digital & Climate solutions. Weak markets in EMEA & China
- Net sales flat development – price increases compensated increased material & freight costs in all regions. Americas & EMEA grew, APAC declined (cont. weak Chinese swine market).
  - price increases ~9% of FT net sales in Q3
- Adj. EBITA margin impacted mainly by;
  - + increased sales in Americas
  - + price increases has offset material & freight cost increases
  - continued lower volumes in China
  - activities to resolve operational challenges and lower volumes are under way

	MSEK	Q3 2022	Q3 2021	Change (%)		
				Organic growth	Structural growth*	Currency effects
Order intake		507	502	-12	-	13
Order backlog		908	687			
Net sales		594	527	-1	-	13
Adj. EBITA		53	61			
Adj. EBITA-margin		8.8	11.6			

\* Acquisitions & divestments



# Agenda

Introduction

Q3 highlights

AirTech

Data Center Technologies

FoodTech

Customer Cases



# Large orders in the battery segment confirm our strong offer

- **Our largest orders in the battery segment ever**
  - July 2022, order from large US car manufacturer
  - Total value ~MUSD 65 (including Munters climate control systems and field service work)
  - Deliveries Q2 2023 through Q3 2024
  - Combining modularized products and customer specific solutions
- **Morrow's first battery cell production plant, Norway**
  - October 2022, order from Morrow Batteries and Equans, battery factory construction contractor
  - Deliveries: estimated completed 2023
  - 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

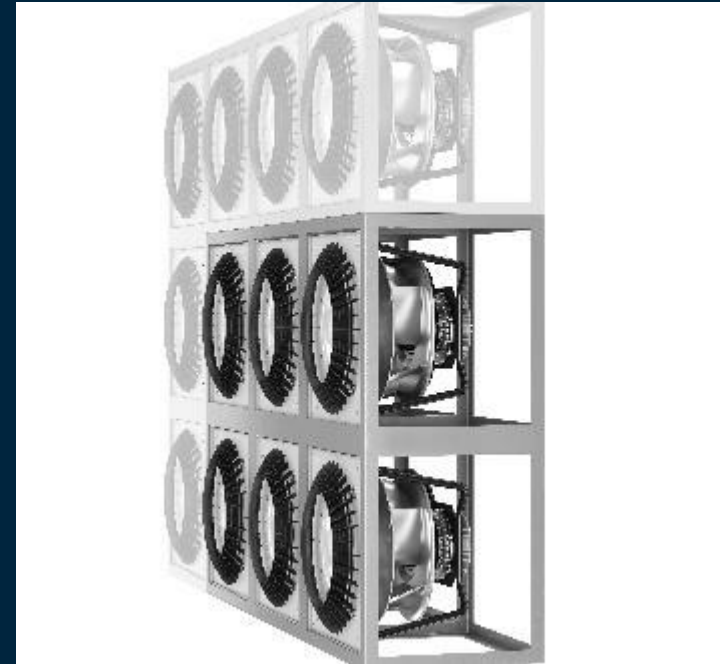
## Munters role\*

- 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

# Belgian air hub chooses Munters for fan optimization

- Liège Airport in Belgium is the 7<sup>th</sup> biggest cargo airport in Europe and the 22<sup>nd</sup> biggest in the world
- Massive amount of energy is used for creating a comfortable indoor climate for passengers, shopkeepers and employees
- Two extraction units were upgraded, and one fan unit replaced, which significantly reduced electricity consumption and reduced CO<sub>2</sub> emissions

CO<sub>2</sub> emissions reduced by ~20 tonnes per year

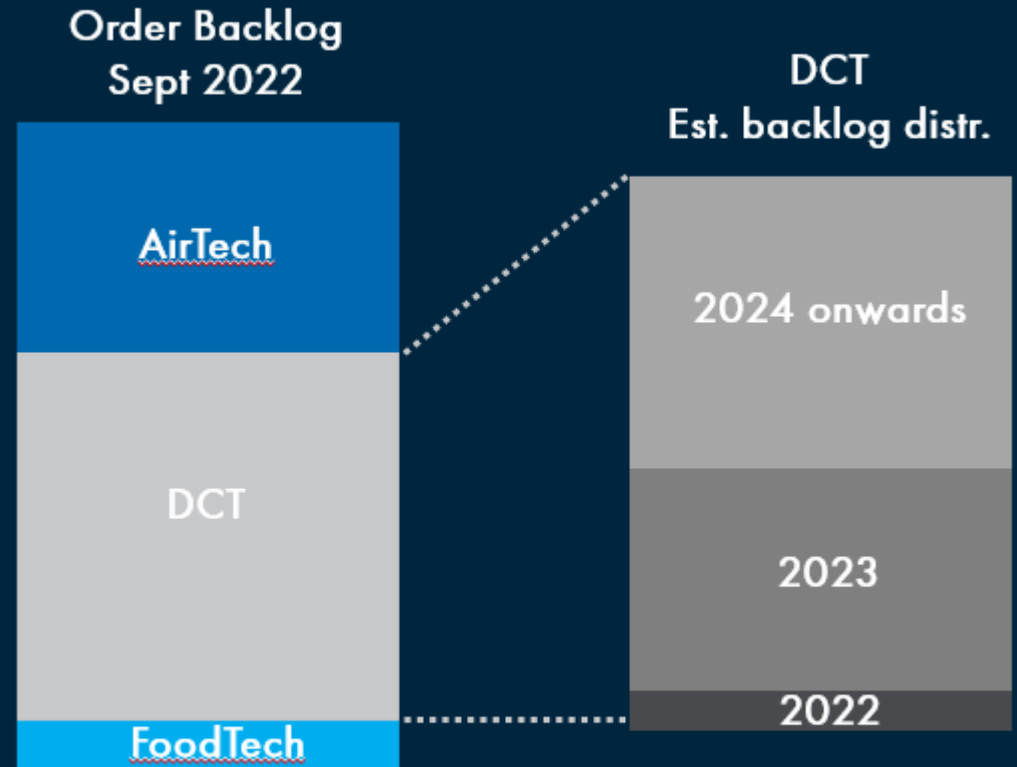


*Liège Airport modernized its passenger terminal climate control units with the help of Munters. Fan upgrades save energy and reduce CO<sub>2</sub> emissions*

# Record orders confirm our strong position and offer

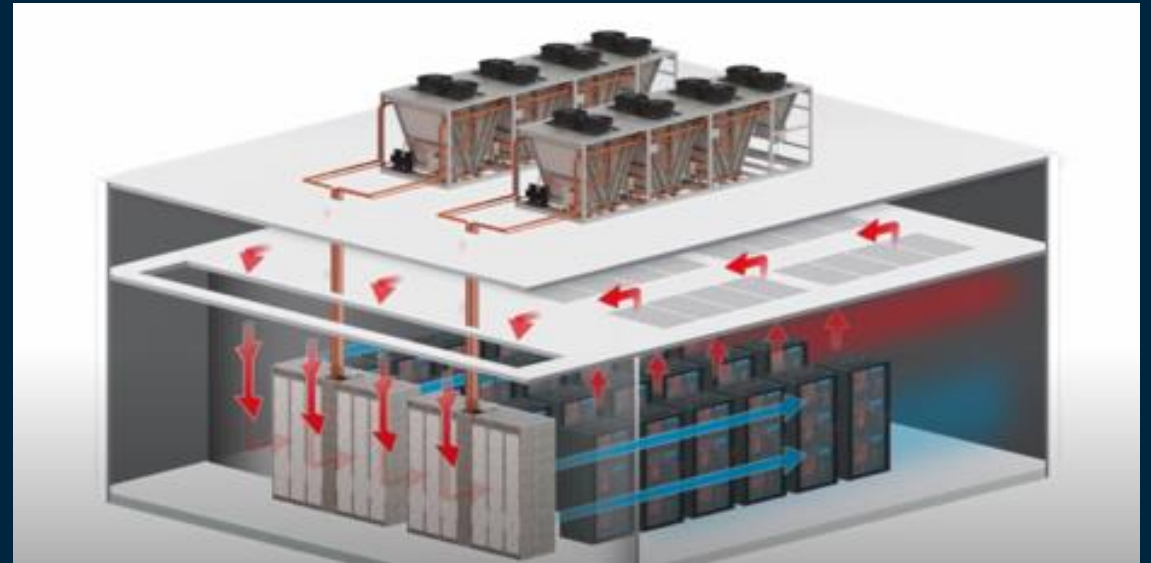
DCT very strong backlog of BSEK 6.7, some large orders received:

- **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 63 (incl. standard chilled water computer room air handlers (CRAHs), at multiple data centers in the US)
  - Deliveries from Q4 2023 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



# Our largest orders ever for the delivery of SyCool Split

- Munters offers:
  - high energy efficiency
  - zero water consumption
  - reliability
  - scalability
  - ease of maintenance and service support
  - compatible with forms of liquid cooling



## 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.

# Strategic investments for growth in Digital Solutions



Munters invests in technology companies and start-ups with the aim to accelerate innovation within digitalization, technology and sustainability



- Investment and strategic partnership in Barntools based in Iowa, US
- Barntools offer wireless IoT\* - solutions and sensors to farmers and food producers within poultry and pork industries
- Customers receive reliable monitoring, real-time visibility and data management



- Investment and strategic partnership in Farmsee based in Tel Aviv, Israel
- FarmSee offers AI\*\* camera-based weighing sensors with continuous tracking of each individual pig in a farm
- The solution enables significant reductions in production costs and improvements in animal welfare



\*IoT= Internet of Things  
\*\*AI=Artificial Intelligence



# MTech Systems secures important SaaS contract

- MTech Systems, a company within FoodTech, to deliver its Software-as-a-Service (SaaS) solution with an order value of about MUSD 19 to a major US integrator
- FoodTech's strategy is to connect the entire food production value chain with innovative software and precision farming equipment
- 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

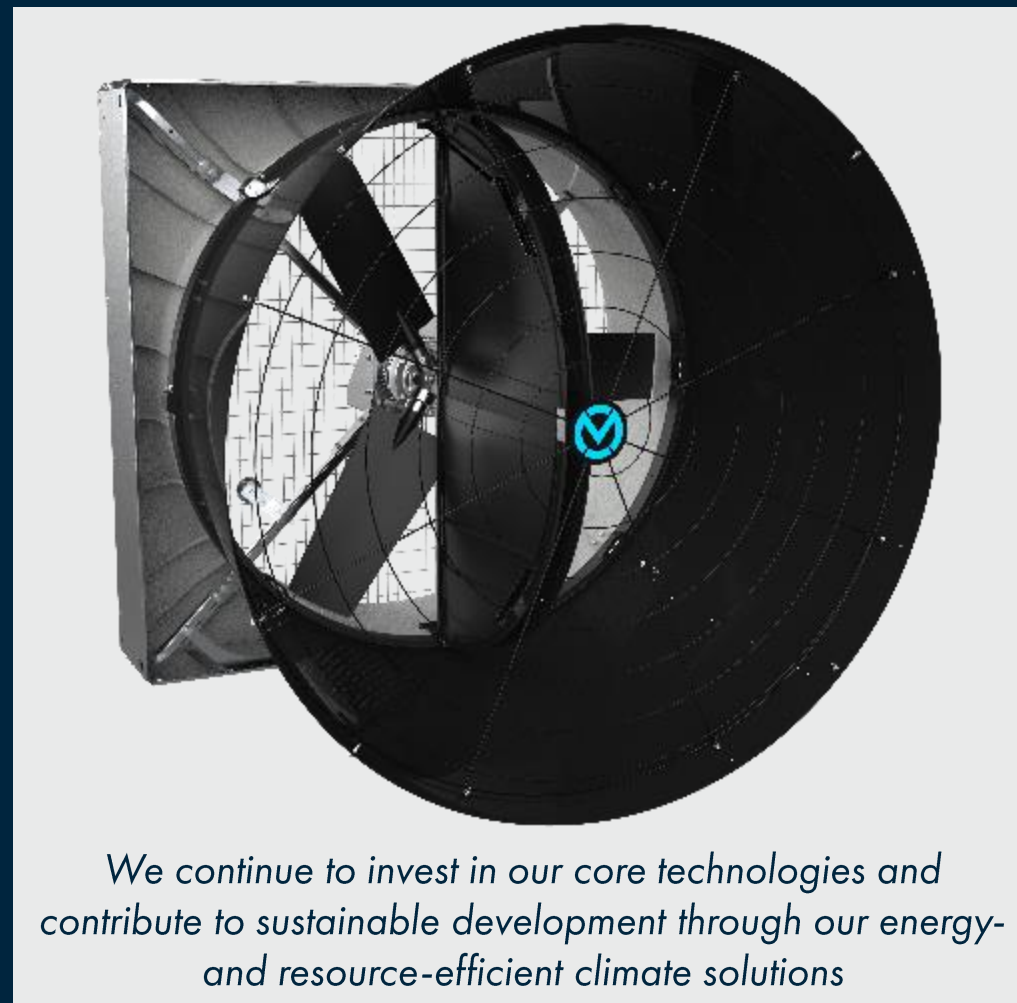


FoodTech – contributing to feeding the world in a sustainable way

## New product launch of Saturn FIVE ...

... following Saturn ONE introduced two years ago

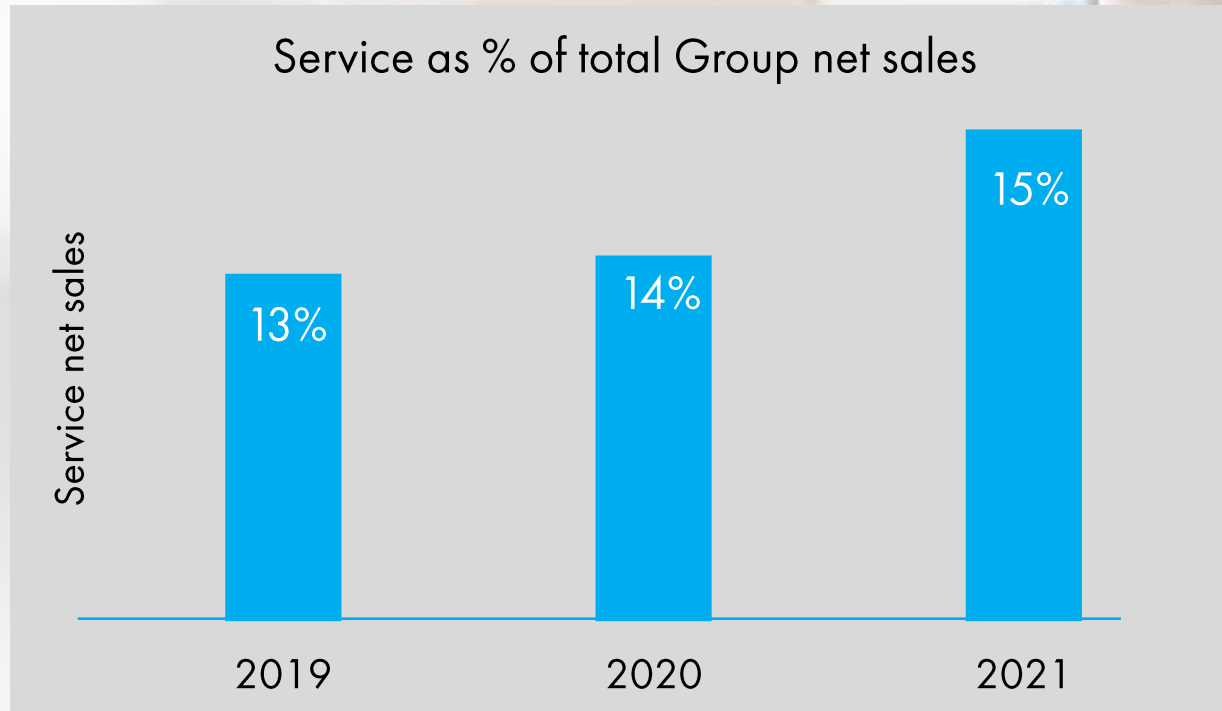
- Saturn series - lasts longer, use less components and reduce running costs while ensuring a healthy environment for animals
- Modular - fully flexible configuration to meet the needs of any farm
- Sustainable - increases airflow while reducing operating costs, maintenance and energy consumption. Saves up to 60% on electricity costs
- Reliable - long service life and corrosion resistance features with Munters Protect, stainless steel and composite materials



# Appendix

# Service mainly driven by AirTech today

**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 Green Field installations
- FoodTech – SaaS (Service-as-a-Service) business

# Munters Service Offering – with our customers all the way

### REVIEW & RENEW

- Smooth transition to new product
- Decommissioning



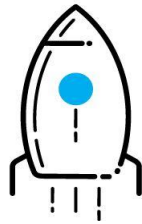
### RETROFIT & UPGRADE

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



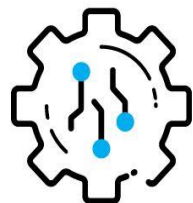
### START-UP & WARRANTY

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



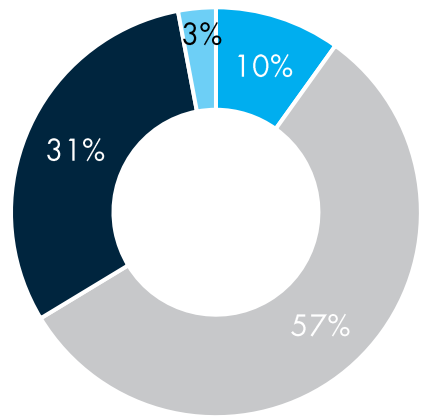
### SUSTAIN & MAINTAIN

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



# Service ensures quality & efficiency throughout product lifetime

Service split 2021

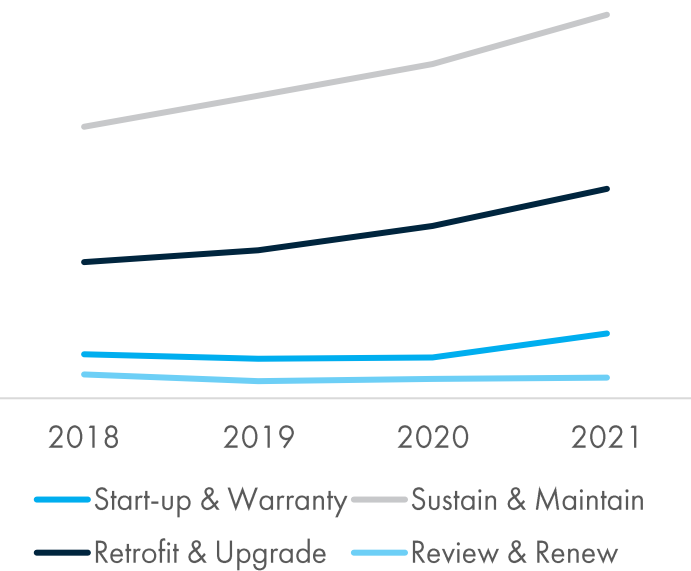


- Start-up & Warranty
- Sustain & Maintain
- Retrofit & Upgrade
- Review & Renew

Spare parts major part of Retrofit & Upgrade

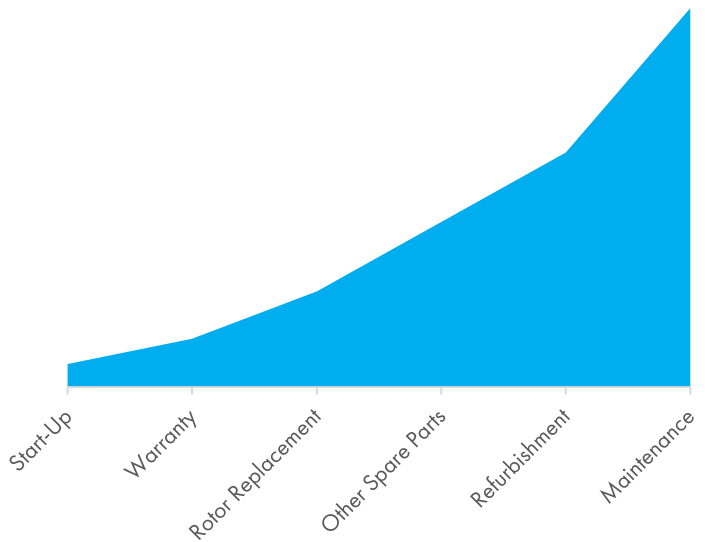
Service development

ILLUSTRATIVE



Service growth above Group net sales in recent years

Life Cycle Value on Equipment



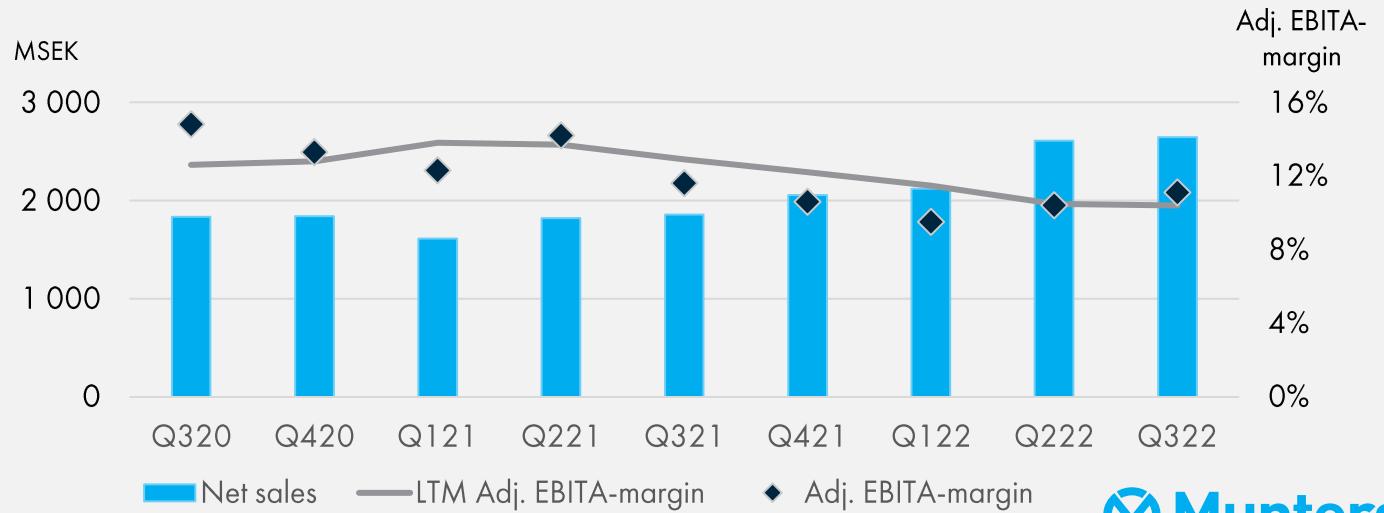
Munters well positioned for growth

# Record order intake in the quarter

- Order intake increased, strong growth in DCT Americas & battery AT. FT Americas grew, offset by weak EMEA & China
- Order backlog cont. strong increase
- Net sales increased, DCT Americas and battery & Components in AT. FT flat, weak market in China offset by EMEA & US
  - Services 14% of total net sales
  - Price increases ~6% of net sales Q3
- Adj. EBITA – price increases offset mainly by:
  - DCT business mix change
  - lower FT volumes in China
  - increased material and freight costs

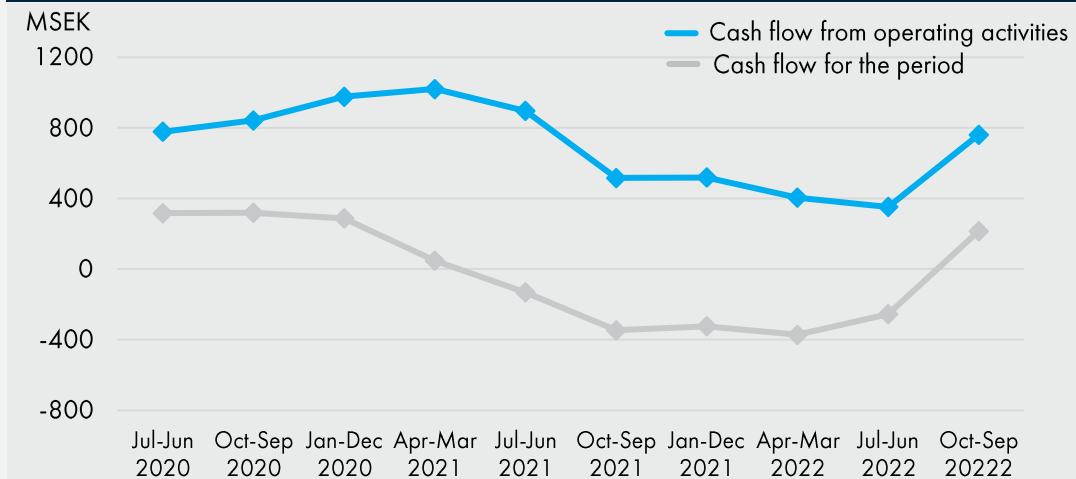
MSEK	Q3 2022	Q3 2021	Change (%)		
			Organic growth	Structural growth*	Currency effects
Order intake	6,354	2,295	139	6	32
Order backlog	11,866	3,525	180	5	52
Net sales	2,644	1,857	22	3	18
Adj. EBITA	293	215			
Adj. EBITA-margin	11.1	11.6			

\* Acquisitions & divestments



# Q3 - Operating working capital positive impact in Q3

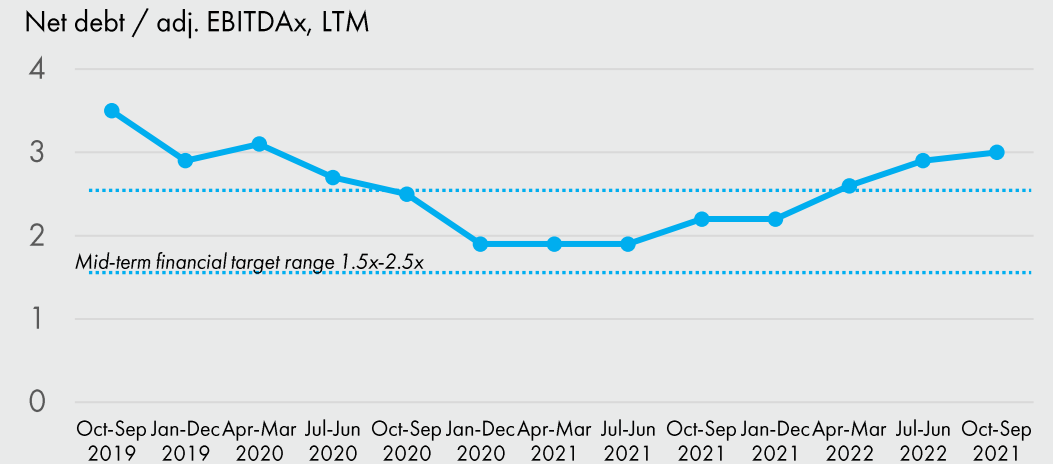
## Cash flow development, LTM\*



Operating cash flow higher:

- higher operating earnings level
- positive impact from working capital as customer advances increased in Q3

## Development of leverage



Leverage ratio change mainly driven by:

- improved EBITDA LTM run-rate
- new factories (IFRS 16 lease impact)
- FX-effects (SEK/USD)





# Measures for strategy implementation on track

	2020	2021	Status Q3 2022	Focus 2022
<b>AirTech</b>	<ul style="list-style-type: none"> <li>• Strategy implementation measures</li> <li>• Total costs and expenses about MSEK 200</li> <li>• Full year positive impact on EBITA, approx. MSEK 70 in 2023</li> </ul>		<ul style="list-style-type: none"> <li>• Realized costs and expenses of about MSEK 180</li> <li>• Approx. 75% of savings realized</li> <li>• Implementation according to plan, finalization in 2023</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy implementation activities to continue, finalization in 2024</li> </ul>
<b>FoodTech</b>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy implementation measures</li> <li>• Total costs and expenses about MSEK 140</li> <li>• Full year positive impact on EBITA of approx. MSEK 50 in 2023</li> </ul>	<ul style="list-style-type: none"> <li>• Realized costs and expenses of about MSEK 110</li> <li>• Approx. 50% of savings realized</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthened footprint and offering</li> <li>• More connected farms</li> <li>• Accelerate the software development</li> </ul>

\*These programmes were started in 2020 and 2021, DCT is not included



# Increasing investments to capture market opportunities

Commercial excellence

Digitalization

Innovation

Manufacturing excellence

Investing in people



Create a scalable  
business to capture  
growth and become more  
efficient and profitable

