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MUNTERS INTENDS TO LIST ITS SHARES ON NASDAQ STOCKHOLM

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Munters Group AB ("Munters" or the "Company"), a leading global provider of energy efficient and mission critical precision climate control solutions for commercial and industrial applications, today announced its intention to launch an initial public offering of its shares (the "IPO") and to list the shares on Nasdaq Stockholm (the "Listing"). Munters leverages leading application expertise and advanced technologies to offer solutions that deliver each customer's "perfect climate", meeting exact specifications and requirements. For the twelve months ended 31 March 2017, net sales grew by 15% period on period to SEK 6,340m, and adjusted EBITA was SEK 808m, corresponding to an adjusted EBITA margin of 12.8%.

In order to further support Munters' strategy and continued development based on organic growth supplemented with selective M&A, the Company's principal shareholder Nordic Capital Fund VII¹, the Board and the management team of Munters consider the Listing to be a logical next step for the Company. The IPO and the Listing are expected to expand the Company's shareholder base and enable access to the Swedish and international capital markets to support continued growth and increase the awareness of Munters and its operations. Nordic Capital Fund VII will retain a significant ownership stake in the Company following the IPO and the Listing and intends to continue to support the Company's development going forward.

Nasdaq Stockholm has approved the Company's application for listing, subject to customary conditions.

The IPO is expected to value the Company's equity at SEK 10.1bn. Five cornerstone investors have, subject to certain conditions, undertaken to acquire shares corresponding to 26.0% of the outstanding shares in the Company following completion of the IPO.

John Peter Leesi, CEO of Munters, comments:

"We are very excited about this important step in the continuation of Munters' transformative journey which started in 2010, and which has created a company with a sharpened customer proposition and a highly motivated and engaged workforce that is focused on winning in Munters' marketplace and serving customers in areas where climate is mission critical. Bringing back Munters to the public markets following the strategic and transformational work that has taken place will allow us increased visibility and market transparency as we aim to enter a more growth-oriented phase in the Company's development. It is with great pleasure that we will welcome new and old shareholders to take part in this next step in the journey."

Christopher Curtis, Chairman of the Board of Munters, comments:

"It is with significant pride the board look at what the management team has achieved since the strategic transformation of Munters began in 2010. I'm confident that the Company has the right strategy and leadership team in place for profitable, value-creating growth going forward, as also evidenced by the strong financial performance delivered since the transformation began. As we embark on the next phase we are excited to broaden the ownership base and offer the opportunity for an enlarged group of shareholders to follow us into the exciting future of the Company."

Joakim Karlsson, Partner, NC Advisory AB, advisor to the Nordic Capital Funds and board member in Munters, comments:

"Nordic Capital Fund VII acquired Munters in 2010 based on a clearly identified potential to develop the Company strategically, operationally and geographically in a private setting. Having supported the management team over

¹ "Nordic Capital Fund VII" refers to Nordic Capital VII Limited, acting in its capacity as General Partner of Nordic Capital VII Alpha, L.P. and Nordic Capital VII Beta, L.P., together with associated co-investment vehicles, or Cidron Maximus S.à r.l., as the context requires. "Nordic Capital" refers to Nordic Capital Fund VII and/or all, or some, of its predecessor or successor funds.

several years to implement these changes, Nordic Capital is now very pleased to note the strong position and fundamental growth prospects that the Company enjoys today. The Fund intends to remain significantly invested also after the transaction as we believe Munters will continue to develop well in years to come."

Lars Wedenborn, CEO of FAM AB, comments:

"We see Munters as an innovative, global and interesting Swedish company with a leading market position, strong management and organization. As a significant shareholder we are looking forward to support Munters in its future development."

The Offering in brief

The IPO is expected to consist primarily of existing shares in the Company, which mainly will be offered by the principal shareholders Nordic Capital Fund VII and FA International Investments S.C.A.², combined with a smaller issuance of new shares by the Company.

The shares will be offered to qualified investors in Sweden and internationally, and to the general public in Sweden. All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act of 1933, as amended. In the United States, the shares will be sold only to persons reasonably believed to be qualified institutional buyers as defined in, and in reliance on, Rule 144A or pursuant to another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933, as amended.

Five cornerstone investors have, subject to certain conditions and for a valuation of the Company's equity at SEK 10.1bn, undertaken to acquire shares to be sold in the transaction corresponding to 26.0% of the outstanding shares in the Company following completion of the IPO. The five cornerstone investors are FAM AB (10.0% of the total number of shares in the Company), Alecta pensionsförsäkring (5.0%), AMF Fonder (5.0%), Handelsbanken Fonder (3.0%) and Carve (Brummer) (3.0%).

Full terms of the IPO will be included in the prospectus relating to the IPO.

About Munters

Founded in 1955, Munters is a leading global provider of energy efficient and mission critical precision climate control solutions for commercial and industrial applications. Munters is organised in four business areas: Air Treatment, Data Centers, AgHort and Mist Elimination, and supported by Global Operations and Global Services organisations. Each of these business areas addresses a set of end markets, customer industries and applications, with an offering based on Munters' technologies and specialist competencies.

The Company operates globally with more than 3,500 FTEs working in 25 countries to provide Munters' products and solutions to a diverse range of customers, including a wide range of global blue chip companies, in over 180 countries. Today, the Company has a production footprint that includes 18 major manufacturing facilities and seven assembly units across 16 countries worldwide.

² FA International Investments S.C.A, together with Cidron Maximus S.à r.l., are the main sellers of the existing shares in the Offering.

Financial highlights

(SEK million)	Twelve months ended 31 March	Three months ended 31 March		Year ended 31 December		
	2017	2017	2016	2016	2015	2014
Net sales	6,340	1,519	1,220	6,040	5,399	4,216
Growth, %	15.1%*	24.5%*	10.0%*	11.9%	28.1%	-
Adjusted EBITA**	808	147	119	781	544	321
Adjusted EBITA margin, %	12.8%	9.7%	9.8%	12.9%	10.1%	7.6%

* Period on period growth.

** Operating profit, adjusted for amortisations and items affecting comparability.

Munters has increased its net sales from SEK 4,216m in 2014 to SEK 6,340m in the twelve months period ended 31 March 2017 representing a CAGR of 20%. During the same period, adjusted EBITA increased from SEK 321m to SEK 808m representing a CAGR of 51%.

Trading update for the first quarter 2017

The first quarter of 2017 showed strong growth for Munters with an increase in net sales of 25%, as compared to the first quarter of 2016, and an increase in adjusted EBITA. The strong net sales growth in the quarter was mainly driven by the continued strength of our Data Center and Air Treatment businesses in the US and Europe and solid performance in Asia across the business areas.

- Net sales increased by 25% to SEK 1,519m (1,220), with organic growth of 23% (of which 5% was due to currency effects) and structural acquisition-related growth of 2%
- Adjusted EBITA increased by 23% to SEK 147m (119), corresponding to an adjusted EBITA margin of 9.7% (9.8)
- Acquisition of 60% of the shares in MTech Systems was completed on 1 February 2017. The purchase price amounted to SEK 222m

Financial Targets

- Munters' objective is to achieve an annual organic revenue growth of between 7-10%, supplemented by selective acquisitions
- Munters' mid-term target is to have an adjusted EBITA margin of 14%
- Munters' target is to maintain a ratio of net debt to adjusted EBITDA of 1.5-2.5x, and may temporarily exceed this level e.g. as a result of acquisitions
- Munters aims to pay an annual dividend corresponding to 30-50% of the net profit for the period. The pay-out decision will be based on the Company's financial position, investment needs, acquisitions and liquidity position

Key strengths and competitive advantages

- Sustainable outsized underlying market growth underpinned by long-term trends
- Strong positions in niches with attractive competitive dynamics
- Mission critical solutions for blue chip customers
- Delivering on recently launched strategy
- Strong track record of earnings growth, resilience and cash conversion
- Experienced management team and highly engaged workforce

Sustainable outsized underlying market growth underpinned by long-term trends

Munters benefits from an array of structural growth drivers across its end markets, including energy efficiency, quality and productivity, food safety and sustainability, increasing regulation and the digital revolution. These drivers are expected to support long-term sustainable growth in the adoption of Munters' advanced climate control solutions, with an addressable market expected to grow at a CAGR of 11% from 2016 to 2020, and 9% if weighted by Munters' sales³.

Strong positions in niches with attractive competitive dynamics

Munters is a global leader in a majority of the end market segments in which it operates³. Specifically, the Company has leading market positions in end markets that together represented approximately 70% of the Company's net sales for the year ended 31 December 2016³. Furthermore, it enjoys favourable competitive dynamics in its market niches, supporting sustainable advantage.

Mission critical solutions for blue chip customers

Munters believes that it has a differentiated offering across a number of aspects, including deep application expertise and unique proprietary technologies. Munters' products feature high energy efficiency and reliability and can deliver substantial financial benefits to customers. Munters' systems are used by customers in mission critical applications, where precision of control over humidity, temperature and other environmental parameters is important for production safety, product quality, operating efficiency, financial viability and/or compliance with environmental regulations.

Delivering on recently launched strategy

Under the leadership of the current management team, Munters was transformed under a new vision for the Group, "Your Perfect Climate". Munters has a clear strategy for delivering profitable organic growth across its markets of operation, supplemented with selective acquisitions.

Strong track record of earnings growth, resilience and cash conversion

Munters exhibits an attractive financial profile with a strong track record of growth, profitability improvement and cash generation, reflecting the Company's business model and the strategic initiatives implemented as part of its transformation under current management. The Company's management team believes that the Company's business model is robust and resilient due to its strong market position, attractive customer proposition, diversified and attractive growth drivers and significant end customer intimacy.

Experienced management team and highly engaged workforce

Munters has a highly qualified management team with a proven track record of success at strategic, financial and operational levels. The management team has significant industry knowledge with an average of more than 20 years of relevant experience. The Company's senior leadership team has a combination of strategic vision, operational focus, and commitment to Munters' future success. The positive development of the Company's culture and an engaged workforce is evidenced by a high retention rate and strong and improving employee satisfaction.

³ Commissioned market study from a leading international third-party consultancy firm.

Advisors

Carnegie Investment Bank AB (publ) and Goldman Sachs International are Joint Global Coordinators and Joint Bookrunners. Danske Bank A/S Danmark Sverige Filial, Jefferies International Limited and Nordea Bank AB (publ) are Joint Bookrunners. Swedbank AB (publ) is co-lead manager. Rothschild and Sundling Wörn Partners are financial advisors to Nordic Capital and the Company. Latham & Watkins and Mannheimer Swartling are legal advisors to Munters and White & Case is legal advisor to the Joint Global Coordinators, Joint Bookrunners and co-lead manager.

For more information:

John Peter Leesi, CEO Munters Group

Phone: +46 8 626 63 60

John Womack, Investor Relations

Phone: +46 706 782499

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About Nordic Capital

Nordic Capital private equity funds have invested in mid-market companies primarily in the Nordic region since 1989. Through committed ownership and by targeting strategic development and operational improvements, Nordic Capital enables value creation in its investments. Nordic Capital Funds invest in companies in northern Europe and in selected investment opportunities internationally. The most recent fund is Nordic Capital Fund VIII with EUR 3.5bn in committed capital, principally provided by international institutional investors such as pension funds. Nordic Capital Funds are based in Jersey, Channel Islands, and are advised by the NC Advisory companies in Sweden, Denmark, Finland, Norway, Germany and the UK.

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