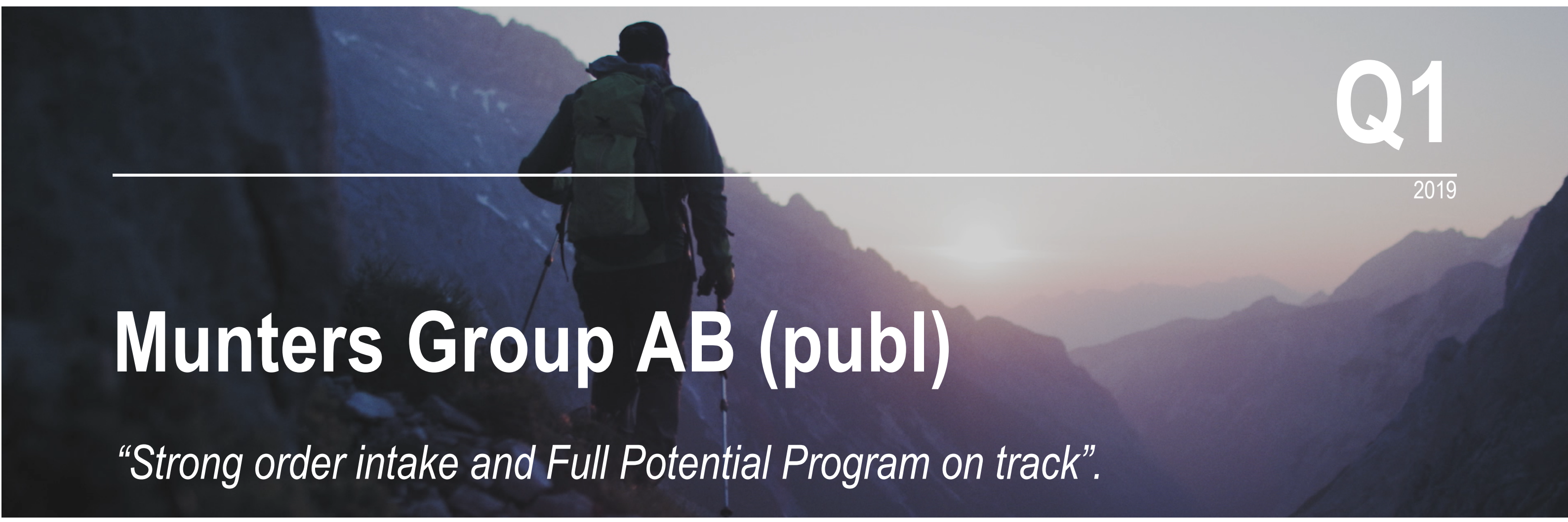


Q1
2019

Munters Group AB (publ)

"Strong order intake and Full Potential Program on track".

FIRST QUARTER 2019

- Order intake increased by 19% to SEKm 1,949 (1,635).
- Net sales increased by 4% to SEKm 1,663 (1,601).
- Operating profit (EBIT) amounted to SEKm 14 (76), including items affecting comparability amounting to SEKm -61 (0) related to Munters Full Potential Program.
- Adjusted EBITA decreased by 7% to SEKm 107 (115) due to loss in the Data Center business of SEKm -26 (6), corresponding to an adjusted EBITA margin of 6.4% (7.2).
- Net income was SEKm -22 (42).
- Cash flow from operating activities was SEKm 14 (-0).
- Net debt increased by SEKm 449 and leverage increased by 0.4 as a consequence of the new accounting standard for leases, IFRS 16.
- Earnings per share was SEK -0.12 (0.22).
- Munters Full Potental program was launched in February and is running according to plan.
- Effective from the first quarter 2019, Munters is organized in two business segments, AirTech and FoodTech. Former Air Treatment has changed name to AirTech and now also includes the business segments Data Centers and Mist Elimination. Historical financial numbers have been re-stated. AgHort has changed name to FoodTech.

EVENTS AFTER PERIOD END

- Klas Forsström was appointed as new President and CEO and will assume his new role no later than mid-October 2019.

FINANCIAL SUMMARY

	Q1			LTM	Full year
SEKm	**2019**	**2018**	**Δ%**	**Apr-Mar**	**2018**
Order intake	1,949	1,635	19	7,228	6,914
Net sales	1,663	1,601	4	7,184	7,122
Operating profit (EBIT)	14	76	-82	71	134
Adjusted EBITA	107	115	-7	667	676
Adjusted EBITA margin, %	6.4	7.2		9.3	9.5
Net income	-22	42		-158	-94
Earnings per share before and after dilution, SEK	-0.12	0.22		-0.92	-0.57
Cash flow from operating activities	14	-0		455	441
Net debt	3,411	2,755	24	3,411	2,843
Net debt/adjusted EBITDA, LTM				4.3	3.7

Comments from the CEO

I am pleased to see that the three-step plan to take Munters to its full potential, launched in February, is on track with first step efficiency measures and savings being realized as projected. This gives us further confidence that we are well-positioned to meet our medium-term objectives for our shareholders, and that our plans are in good order. The new leadership team is now in place and leading the transition towards a leaner and more decentralized organization based on two strong business areas, AirTech and FoodTech. We are well under way in our work to secure a stable and efficient platform from which we will be able to increase profitability and growth over the years to come.

During the first quarter we report a solid increase in orders and with net sales and earnings in line with our expectations. Group adjusted EBITA were lower year-over-year impacted by the anticipated loss in the Data Centers sub-segment in AirTech. Excluding Data Centers, AirTech reported healthy increases in both net sales and adjusted EBITA. Strong net sales growth was noted in the Industrials, Data Centers and the Mist Elimination sub-segments as well as in Services.

As communicated earlier, our intention is to close our European Data Center factory. We highlighted that this is subject to union negotiations, and that the process is well under way. At this early stage we have no further update or new information to release. Going forward, we will focus on the US Data Center market and we are pleased to have won a fairly large data center cooling order for a co-location customer in the US during the quarter.

In FoodTech, our business in China continued to be affected by the uncertainty in the market caused by the African Swine Fever. Although we saw some growth in the US and in Europe, total order intake was lower compared with the first quarter last year. Net sales grew slightly and adjusted EBITA were at the same level as last year.

Cash flow in the quarter was in line with our expectations and included costs related to the Munters Full Potential Program.The program will temporarily increase leverage during the year and we have negotiated terms with our lending banks around this expectation. As an effect of IFRS 16 our liabilities increased with SEKm 449 as per the end of the quarter. When calculating the leverage in line with the agreement with our lending banks this effect is adjusted for. The headroom versus our bank covenants is satisfactory. As previously communicated, we expect Group leverage to be in line with our mid-term financial leverage target in 2020.

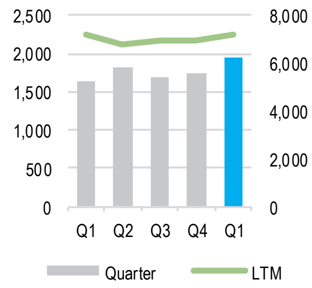
As a result of the Munters Full Potential Program, we expect significantly improved adjusted EBITA for full year 2019. The program provides a firm path towards increased earnings over the following years and we are confident that we will be able to get back on track towards achieving our mid-term growth target of annual organic net sales growth of 5% an adjusted EBITA margin of 14%.

Johan Ek, President and CEO

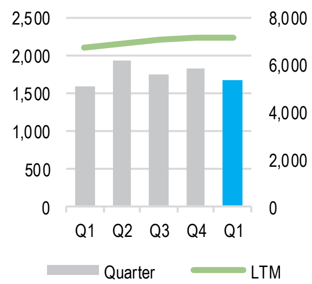
Financial performance

	Q1		LTM	Full year
SEKm	2019	2018	Apr-Mar	2018
Order intake	1,949	1,635	7,228	6,914
Growth	19%	-1%	1%	-4%
Net sales	1,663	1,601	7,184	7,122
Growth	4%	5%	7%	8%
of which organic growth	-4%			
of which currency effects	8%			
of which structural effects	0%			
Operating profit (EBIT)	14	76	71	134
Adjusted EBITA	107	115	667	676
Growth	-7%	-22%		0%
Adjusted EBITA margin, %	6.4	7.2	9.3	9.5

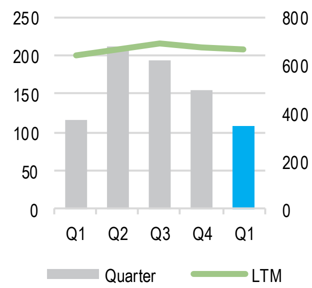
Order intake (SEKm)



Net sales (SEKm)



Adjusted EBITA (SEKm)



ORDER INTAKE

Order intake in the first quarter increased by 19% to SEKm 1,949 (1,635) and by 11% organically as currency translation effects impacted positively compared to first quarter last year.

The new AirTech segment, including the previous business segments Data Centers and Mist Elimination, experienced a strong order intake amounting to SEKm 1,460 (1,123), corresponding to an organic increase of 22%. Region EMEA grew organically, except for the sub-segment Data Centers where order intake were slightly down. In Americas, the low demand in Supermarkets continued but the decline was more than offset by an accelerating growth in other commercial applications and in several customer projects within the sub-segment Data Centers. In APAC, order intake increased slightly. Sub-segment Mist Elimination showed good growth troughout all regions, mainly in the Marine end-market. Service order growth was strong in the quarter.

Order intake in FoodTech in the first quarter declined to SEKm 500 (520) which corresponded to -11% organically. Orders in China declined due to the African swine fever. The US was also weak due to a market slow-down in the Broiler and Swine sub-segments, while the outlook for Layer continue to be positive. EMEA showed good growth, driven by currency effects as well as strong order intake in Denmark. The positive trend in Germany continued.

NET SALES

Net sales for the first quarter increased by 4% to SEKm 1,663 (1,601) and decreased by 4% organically as currency translation effects impacted positively.

Net sales for AirTech in the quarter was SEKm 1,208 (1,160). Organically, net sales decreased by 4%. Sub-segment Data Centers contributed negatively where sales in EMEA declined sharply. The Industrial sub-segment generated solid net sales. Sub-segment Mist Elimination showed strong growth, driven by EMEA and the Marine end-market. Services revenues were also higher than in the previous year, while deliveries in the sub-segment Commercial were down.

In FoodTech, net sales for the first quarter increased to SEKm 466 (448). Organically, net sales decreased by 3%. Americas and EMEA were in line with last year, while APAC declined. The African swine fever continued to impact net sales in China. The positive development from last year in South Africa and Turkey continued during the first quarter 2019.

Services net sales increased by 17% during the first quarter 2019, supported by 8% from positive currency translation effects.

OPERATING PROFIT (EBIT)

Operating profit (EBIT) in the first quarter amounted to SEKm 14 (76), including depreciations of SEKm -56 (-22) and amortizations and write-downs of SEKm -32 (-39), whereof SEKm -24 (-33) was related to amortization of surplus values derived through acquisitions. Depreciations in the first quarter was impacted by SEKm -28, due to depreciations of leased assets (see specification of IFRS 16 impacts on page 18). The operating profit was also negatively impacted by SEKm -61 due to IAC´s, see separate section below.

ADJUSTED EBITA

Adjusted EBITA in the first quarter decreased by 7% to SEKm 107 (115), corresponding to an adjusted EBITA margin of 6.4% (7.2).

Adjusted EBITA in AirTech was SEKm 86 (88). Excluding the loss in the Sub-segment Data Centers related to underabsorption of costs in the Dison factory, adjusted EBITA improved significantly compared to last year. The improvement was seen in all regions. Sub-segment Mist Elimination showed a significant profitability improvement in EMEA.

Adjusted EBITA in FoodTech increased to SEKm 46 (43). The increase was mainly volume related and supported by currency effects. Gross margins in APAC decreased due to lower sales volumes and was offset by higher gross margins and lower indirect costs in EMEA and Americas.

FINANCIAL ITEMS

Financial income and expenses for the first quarter amounted to SEKm -44 (-27). The financial expenses were negatively impacted by higher USD interest rates, higher margins on loans and increased interest expenses due to the new accounting standard for leases, IFRS16. Further information of the IFRS 16 impact is found in the section Accounting Principles, page 16. The average weighted interest rate including fees per end of the quarter was 4.7% (3.9).

TAXES

Income taxes for the first quarter amounted to SEKm 8 (-6). The effective tax rate in the first quarter was 27% (13%).

EARNINGS PER SHARE

Net profit per share, before and after dilution, in the first quarter 2019 amounted to SEK -0.12 (0.22). Income attributable to Parent Company's ordinary shareholders amounted to SEKm -21 (40) for the first quarter.

The number of outstanding ordinary shares as per March 31, 2019, was 183,597,802 before and after dilution, whereof 1,467,000 was held in own custody.

DIVIDEND

As announced in the 2018 Year-end report in February, the board proposes no dividend to be paid for 2018.

CASH FLOW AND CAPITAL EMPLOYED

Cash flow before interest and tax amounted to SEKm 75 (138). The decline was attributable to lower operating profit (EBIT). Cash flow from operating activities was SEKm 14 (-0) in the first quarter and was affected by an increase of working capital of SEKm -21 (-105) and financial items of SEKm -43 (-22).

Average capital employed for the last twelve months was SEKm 7,147 (6,531). Return on capital employed (ROCE) for last twelve months was 1% (7).

Return on capital employed, where EBIT is adjusted for items affecting comparability and capital employed adjusted for goodwill, for the last twelve months was 6% (20). EBIT was affected by an write-down of goodwill amounting to SEKm 323 in the fourth quarter of 2018.

FINANCIAL POSITION AND LIQUIDITY

Munters primary financing facilities consists of a term loan of USDm 250 and a revolving credit facility of EURm 185. The facilities have no mandatory amortization requirement. The final maturity date is May 2022. The loan agreement has one financial covenant (consolidated net debt in relation to adjusted EBITDA). The new accounting standard for leases, IFRS 16, does not affect the covenant calculation according to the loan agreement definition. Available unutilized credit facilities as of March 31 amounted to SEKm 889 (837). Interest-bearing liabilities amounted to SEKm 3,635 (2,930). For further information on the IFRS 16 effect, see section Accounting Principles on page 16. Cash and cash equivalents amounted to SEKm 460 (386) as of March 31, 2019.

At quarter end the term loan was fully drawn with USDm 250 and EURm 100 of the total revolving credit facility were utilized in EUR, USD and SEK. Along with the main loan facility, an amount of SEKm 52 (10) in local debt is outstanding in i.a. China, India, and Brazil.

On April 1, 2019, Munters was granted a RCF increase of 19 EURm valid until December 31, 2019.

ITEMS AFFECTING COMPARABILITY (IAC)

In the first quarter, costs amounting to SEKm -61 (0) were reflected as items affecting comparability and incurred due to the Full Potential Program. The costs consisted of severance costs and consulting fees.

PARENT COMPANY AND OWNERSHIP

Munters Group AB offers group supporting functions. The Company holds shares in subsidiaries, cash and accounts payables. The Parent Company does not engage in sales of goods and services to external customers. Cash and cash equivalents at the end of the period amounted to SEKm 76 (196).

As of March 31, Nordic Capital was the biggest shareholder (50.1%) followed by FAM (11.4%), Första AP-fonden (6.2%), AMF (5.6%) and Swedbank Robur Fonder (4.8%).

SIGNIFICANT EVENTS DURING THE PERIOD

Three phase plan to capture the full potential of Munters

A three-phase plan was launched in February to capture Munters full potential, to increase customer focus and to improve Group earnings.

As part of the first phase of the program, Munters has the intention to close down its´ European Data Center factory in Dison, Belgium. This is subject to union negotiations. Focus going forward will mainly be on the US Data Center market where Munters has a more commercially viable base for achieving profitable growth. This include established customer relations and proven record of accomplishment in the US market, which provides a good platform.

The overhead cost saving from the program is SEKm 160. In addition, the intended closure of our Data Center factory in Europe, subject to union negotiations, will give an estimated profit improvement of SEKm 50, this in spite of Data Center net sales drop of SEKm 600 of which approximately 50% in 2019. In total, Munters expects a positive Group adjusted EBITA effect of SEKm 105 in 2019 and SEKm 210 in annual effect from 2020.

Nonrecurring charges for the Munters Full Potential Program of SEKm 350 will be incurred, with 60% to be recognized during the first six months of 2019, and the remaining 40% in the last six months of the year. The Munters Full Potential Program will temporarily increase the leverage during 2019 and necessary consent from the lending banks has been received. Group leverage is expected to be in line with our mid-term financial leverage target in 2020.

EVENTS AFTER PERIOD END

Management changes

The Board of Directors has appointed Klas Forsström as President and CEO of Munters Group AB, effective no later than mid-October 2019. Klas Forsström is 51 years old and is currently the President of Sandvik Machining Solutions Business area, a position he has held since 2017. Prior to that, he has more than 20 years of experience holding different senior management positions at Sandvik, including positions such as President of Sandvik Hard Materials and Sandvik Coromant. Klas has a M.Sc. in Materials Physics and an MBA from Uppsala University as well as advanced management studies at INSEAD.

Johan Ek, the interim President and CEO of Munters since December 2018, will after handing over responsibilities to Klas Forsström remain in his current role as a member of the Board of Directors of Munters.

AirTech

- Strong order intake in the quarter, up 30% year-on-year
- Net sales growth in sub-segments Industrials and Mist Elimination, but negatively impacted by decreased sales in the sub-segment Data Centers
- Excluding the loss related to the Data Center factory in Dison, Adjusted EBITA increased significantly

FINANCIAL SUMMARY

	Q1		LTM	Full year
SEKm	2019	2018	Apr-Mar	2018
Order intake	1,460	1,123	5,174	4,837
Growth	30%	-7%	-2%	-10%
Net sales	1,208	1,160	5,184	5,136
Growth	4%	2%	7%	7%
of which organic growth	-4%			
of which currency effects	8%			
of which structural effects	0%			
Operating profit (EBIT)	58	83	81	107
Adjusted EBITA	86	88	468	469
Growth	-2%	-32%		-5%
Adjusted EBITA margin, %	7.1	7.5	9.0	9.1

Order intake

In the first quarter, AirTech experienced a historically strong order intake with an increase of 30% of which 22% was organic growth. Region EMEA had an exceptionally strong organic growth in all sub-segments, except in Data Centers where order intake were slighly down. In Americas, the low demand in the Supermarket end-user market continued but the decline was offset by accelerating growth in other commercial applications and within the sub-segment Data Centers where order intake increased substantially. In region APAC, order intake increased slighly. Sub segment Mist Elimination showed strong growth troughout all regions and mainly in the Marine end-market. Service order growth was strong in the quarter.

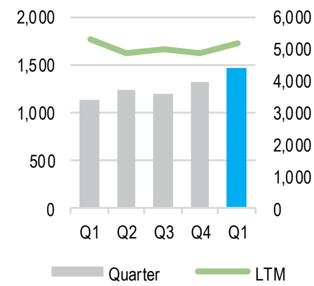
Net sales

Organic net sales growth was negative in the quarter. Sub-segment Data Centers was the main contributor to the negative development, whereas sales in EMEA declined sharply. The Industrial sub-segment generated strong net sales growth with high volumes in Americas and in APAC, where China recognized a partial delivery on the large lithium battery project secured in the fourth quarter of 2018. Sub-segment Mist Elimination showed strong growth, driven by EMEA and the Marine end-market. Services revenues were also higher year-on-year.

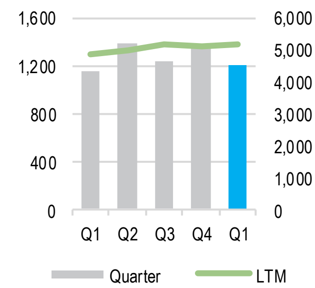
Adjusted EBITA

Adjusted EBITA declined marginally compared to the first quarter last year. Except for a loss of SEKm -26 (6) in the Sub-segment Data Centers, related to the underabsorption of costs in the Dison factory, adjusted EBITA improved by 26% organically compared to last year. The improvement was seen in all regions and was primarily volume related, but currency translation effects and margin increases through increased operational leverage also contributed positively. Sub-segment Mist Elimination showed a significant profitability improvement in EMEA, which was partly volume driven and partly a result of good cost control.

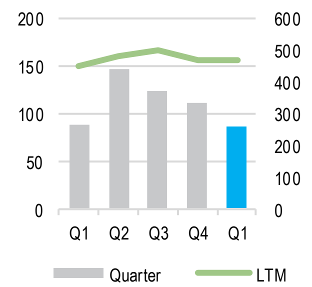
Order intake (SEKm)



Net sales (SEKm)



Adjusted EBITA (SEKm)



FoodTech

- Organic order intake and net sales declined in the quarter, impacted by the African swine fever in China
- Continued uncertainty in the market in China
- EBITA margin was at the same level year-on-year

FINANCIAL SUMMARY

	Q1		LTM	Full year
SEKm	**2019**	**2018**	**Apr-Mar**	**2018**
Order intake	500	520	2,087	2,107
Growth	-4%	11%	9%	13%
Net sales	466	448	2,035	2,018
Growth	4%	11%	8%	10%
of which organic growth	-3%			
of which currency effects	7%			
of which structural effects	0%			
Operating profit (EBIT)	24	41	227	244
Adjusted EBITA	46	43	252	249
Growth	*6%*	*54%*		6%
Adjusted EBITA margin, %	9.9	9.7	12.4	12.4

Order intake

Order intake for the first quarter declined by 4% and decreased by 11% organically. The majority of the decline was seen in China, where several customers postponed investments as a consequence of the African swine fever. The quarter was also fairly weak in the US due to a market slow-down seen in the Broiler and Swine sub-segments. However, we saw a positive development in the US Layer sub-segment. Order intake grew in EMEA, driven by currency effects as well as strong order intake in Denmark with some large projects confirmed after a period of weak order intake. The positive trend in Germany continued with some positive signs for the Russian market.

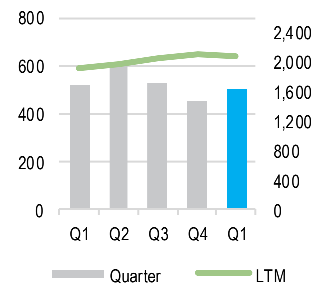
Net sales

Net sales for the first quarter declined organically by 3%. Americas and EMEA were in line with last year, while APAC declined significanty. The African swine fever continued to impact net sales in China negatively. Sales of controllers dropped in the quarter but the outlook for the year is positive.

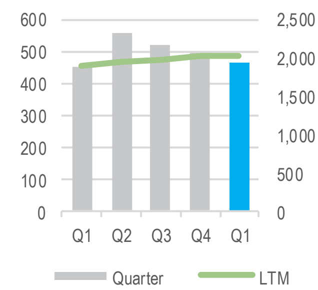
Adjusted EBITA

Adjusted EBITA increased by 6% to SEKm 46 (43) supported by currency effects, corresponding to an adjusted EBITA margin of 9.9% (9.7). The increase was mainly volume related. The regions showed some variations where gross margins in APAC decreased due to lower sales volumes offset by higher gross margins and lower indirect costs in EMEA and Americas.

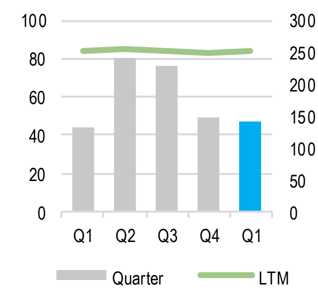
Order intake (SEKm)



Net sales (SEKm)



Adjusted EBITA (SEKm)



Quarterly overview Group and Segments

Group

	2019	2018					2017			
SEKm	Q1	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Order backlog	2,664	2,317	2,388	2,477	2,516	2,317	2,365	2,332	2,449	1,998
Order intake	1,949	1,753	1,701	1,826	1,635	6,914	1,821	1,489	2,234	1,654
Net sales	1,663	1,834	1,748	1,939	1,601	7,122	1,811	1,552	1,723	1,519
Operating profit (EBIT)	14	-256	144	170	76	134	127	108	143	75
Net income	-22	-321	62	122	42	-94	152	51	11	-41
Amortization and write-down (including surplus values)	32	380	43	41	39	503	47	54	56	53
Items affecting comparability (IAC)	61	31	8	–	–	39	0	2	-9	20
Adjusted EBITA	107	154	195	211	115	676	174	164	190	147
Adjusted EBITA margin, %	6.4	8.4	11.1	10.9	7.2	9.5	9.6	10.6	11.0	9.7

AirTech

	2019	2018					2017			
SEKm	Q1	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
External order backlog	2,103	1,799	1,837	1,920	2,018	1,799	1,997	1,889	1,959	1,544
Order intake	1,460	1,307	1,184	1,223	1,123	4,837	1,439	1,055	1,680	1,202
External net sales	1,206	1,343	1,239	1,391	1,158	5,131	1,367	1,079	1,222	1,128
Transactions between segments	2	2	1	1	2	5	3	3	3	6
Operating profit (EBIT)	58	-229	112	142	83	107	134	99	167	132
Amortization and write-down (including surplus values)	5	349	4	4	4	361	4	4	4	4
Items affecting comparability (IAC)	24	8	8	–	–	16	0	0	-53	-7
Re-allocation of internal services	–	-16	–	–	–	-16	6	–	–	–
Adjusted EBITA	86	112	124	146	88	469	144	103	118	129
Adjusted EBITA margin, %	7.1	8.3	10.0	10.5	7.5	9.1	10.5	9.5	9.6	11.4

FoodTech

	2019	2018					2017			
SEKm	Q1	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
External order backlog	561	518	552	557	498	518	368	442	490	454
Order intake	500	452	524	610	520	2,107	394	442	561	469
External net sales	456	491	510	548	442	1,991	443	473	500	391
Transactions between segments	9	6	8	7	6	27	7	9	1	13
Operating profit (EBIT)	24	53	73	77	41	244	51	74	75	25
Amortization and write-down (including surplus values)	4	3	3	3	3	12	2	3	3	3
Items affecting comparability (IAC)	19	–	–	–	–	–	–	–	–	–
Re-allocation of internal services	–	-7	–	–	–	-7	-0	–	–	–
Adjusted EBITA	46	49	76	81	43	249	52	77	78	28
Adjusted EBITA margin, %	9.9	9.9	14.7	14.5	9.7	12.4	11.6	16.0	15.6	7.0

Other and eliminations

	2019	2018					2017			
SEKm	Q1	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Order intake	-11	-6	-8	-7	-8	-30	-12	-9	-8	-18
Transactions between segments	-11	-8	-8	-8	-8	-32	-10	-12	-4	-19
Operating profit (EBIT)	-67	-80	-41	-48	-48	-217	-58	-64	-99	-82
Amortization and write-down (including surplus values)	23	28	36	33	32	130	41	47	48	46
Items affecting comparability (IAC)	18	22	–	–	–	22	–	2	44	27
Re-allocation of internal services	–	23	–	–	–	23	-5	–	–	–
Adjusted EBITA	-25	-7	-5	-15	-16	-43	-22	-16	-7	-10

Restatement of AirTech

	2018					2017			
SEKm	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Order intake AirTech	**1,307**	**1,184**	**1,223**	**1,123**	**4,837**	**1,439**	**1,055**	**1,680**	**1,202**
Order intake AirT	979	906	951	963	3,798	862	938	1,037	950
Order intake DC	225	188	167	80	660	519	20	558	165
Order intake ME	117	106	125	97	445	83	100	111	101
Transactions between segments	-13	-16	-19	-18	-66	-25	-2	-26	-13
External net sales AirTech	**1,343**	**1,239**	**1,391**	**1,158**	**5,131**	**1,367**	**1,079**	**1,222**	**1,128**
External net sales AirT	1,060	924	963	775	3,723	983	872	927	787
External net sales DC	160	224	341	294	1,019	278	114	192	249
External net sales ME	123	91	86	89	389	106	92	104	92
EBIT AirTech	**-229**	**112**	**142**	**83**	**107**	**134**	**99**	**167**	**132**
EBIT AirT	176	121	126	73	496	129	115	173	94
EBIT DC	-427	-24	7	5	-440	-9	-22	-14	32
EBIT ME	22	15	9	6	52	14	6	8	6
Adjusted EBITA AirTech	**112**	**124**	**146**	**88**	**469**	**144**	**103**	**118**	**129**
Adjusted EBITA AirT	170	124	129	75	497	136	116	123	90
Adjusted EBITA DC	-80	-15	8	6	-80	-8	-20	-13	32
Adjusted EBITA ME	22	15	9	6	52	15	6	8	6

Consolidated accounts

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Q1		LTM	Full year
SEKm	**2019**	**2018**	**Apr-Mar**	**2018**
Net sales	1,663	1,601	7,184	7,122
Cost of goods sold	-1,146	-1,098	-4,899	-4,851
Gross profit	**517**	**503**	**2,285**	**2,271**
Selling expenses	-292	-248	-1,406	-1,362
Administrative costs	-164	-138	-594	-567
Research and development costs	-54	-47	-223	-217
Other operating income and expenses	7	5	10	8
Operating profit	**14**	**76**	**71**	**134**
Financial income and expenses	-44	-27	-143	-127
Profit/Loss after financial items	**-30**	**49**	**-72**	**7**
Tax	8	-6	-87	-101
Net income for the period	**-22**	**42**	**-158**	**-94**
Attributable to Parent Company shareholders	**-21**	**40**	**-167**	**-105**
Attributable to non-controlling interests	-0	2	9	11
Average number of outstanding shares before dilution	182,130,802	183,597,802	182,130,802	183,165,852
Average number of outstanding shares after dilution	182,130,802	183,597,802	182,130,802	183,165,852
Earnings per share before dilution, SEK	-0.12	0.22	-0.92	-0.57
Earnings per share after dilution, SEK	-0.12	0.22	-0.92	-0.57
Other comprehensive income				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Exchange-rate differences on translation of foreign operations	105	108	189	193
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Actuarial gains and losses on defined-benefit pension obligations, incl. payroll tax	–	–	-17	-17
Income tax effect not to be reclassified to profit or loss	-1	–	3	4
Other comprehensive income, net after tax	**104**	**108**	**176**	**179**
Comprehensive income for the period	**83**	**151**	**17**	**85**
Attributable to Parent Company shareholders	83	149	9	75
Attributable to non-controlling interests	-0	2	9	10

Consolidated accounts

CONDENSED STATEMENT OF FINANCIAL POSITION

SEKm	2019/03/31	2018/03/31	2018/12/31
ASSETS			
NON-CURRENT ASSETS			
Goodwill	4,335	4,352	4,218
Patents, licenses, brands, and similar rights	1,504	1,464	1,480
Buildings and land	292	156	168
Plant and machinery	564	229	270
Equipment, tools, fixtures and fittings	191	145	137
Construction in progress	73	53	62
Financial assets	15	14	11
Deferred tax assets	250	247	227
Total non-current assets	**7,222**	**6,660**	**6,575**
CURRENT ASSETS			
Raw materials and consumables	453	398	391
Products in process	121	137	106
Finished products and goods for resale	320	312	282
Projects in progress	19	29	7
Advances to suppliers	21	19	20
Accounts receivable	1,113	1,195	1,095
Prepaid expenses and accrued income	275	113	224
Derivative instruments	–	2	3
Current tax assets	37	38	53
Other receivables	114	125	109
Cash and cash equivalents	460	386	404
Total current assets	**2,932**	**2,753**	**2,693**
TOTAL ASSETS	**10,155**	**9,414**	**9,268**

Consolidated accounts

CONDENSED STATEMENT OF FINANCIAL POSITION

SEKm	2019/03/31	2018/03/31	2018/12/31
EQUITY AND LIABILITIES			
EQUITY			
Shareholders' equity	3,801	3,899	3,720
Non-controlling interests	-3	-2	-4
Total equity	**3,798**	**3,897**	**3,716**
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	3,478	2,923	3,002
Provisions for pensions and similar commitments	233	209	230
Other provisions	27	19	16
Other liabilities	143	139	137
Deferred tax liabilities	432	410	421
Total non-current liabilities	**4,313**	**3,700**	**3,805**
CURRENT LIABILITIES			
Interest-bearing liabilities	157	7	11
Advances from customers	352	345	285
Accounts payable	570	578	535
Accrued expenses and deferred income	660	542	590
Derivative instruments	1	4	1
Current tax liabilities	31	44	28
Other liabilities	131	170	181
Provisions for pensions and similar commitments	9	8	8
Other provisions	133	119	107
Total current liabilities	**2,044**	**1,817**	**1,746**
TOTAL EQUITY AND LIABILITIES	**10,155**	**9,414**	**9,268**

CONDENSED STATEMENT OF CHANGES IN EQUITY

SEKm	2019/03/31	2018/03/31	2018/12/31
Opening balance	**3,716**	**3,748**	**3,748**
Total comprehensive income for the period	83	151	85
Change in non-controlling interest	-0	–	0
Put/call option related to non controlling interests	-1	-1	-4
Dividends paid	–	–	-55
Repurchase of shares	–	–	-59
Share option plan	0	–	1
Closing balance	**3,798**	**3,897**	**3,716**
Total shareholders´equity attributable to:			
The parent company's shareholders	3,801	3,899	3,720
Non-controlling interests	-3	-2	-4

Consolidated accounts

CONDENSED CASHFLOW STATEMENT

	Q1		LTM	Full year
SEKm	**2019**	**2018**	**Apr-Mar**	**2018**
OPERATING ACTIVITIES				
Operating profit	**14**	**76**	**71**	**134**
Reversal of non-cash items				
Depreciation, amortization and impairments	88	61	628	602
Provisions	-10	-1	-23	-15
Other profit/loss items not affecting liquidity	-17	2	0	19
Cash flow before interest and tax	**75**	**138**	**677**	**740**
Paid financial items	-43	-22	-131	-109
Taxes paid	2	-12	-109	-123
Cash flow from operating activites before changes in working capital	**34**	**104**	**437**	**507**
Cash flow from changes in working capital	**-21**	**-105**	**18**	**-67**
Cash flow from operating activities	**14**	**-0**	**455**	**441**
INVESTING ACTIVITIES				
Business acquisitions	–	–	-37	-37
Sale of tangible fixed assets	2	0	4	2
Sale of intangible fixed assets	1	0	2	1
Business divestments	–	-0.01	-0	-0
Investment in tangible assets	-29	-29	-148	-148
Investment in intangible assets	-16	-16	-84	-84
Cash flow from investing activities	**-42**	**-45**	**-263**	**-266**
FINANCING ACTIVITIES				
Loan raised	97	114	391	407
Amortization of loans	-25	-94	-404	-472
Repurchase of shares	–	–	-59	-59
Dividends paid	–	–	-55	-55
Cash flow from financing activities	**72**	**20**	**-127**	**-180**
Cash flow for the period	**44**	**-25**	**65**	**-5**
Cash and cash equivalents at period start	404	402	386	402
Exchange-rate differences in cash and cash equivalents	12	10	10	8
Cash and cash equivalents at period end	**460**	**386**	**460**	**404**

Parent company

CONDENSED INCOME STATEMENT

	Q1		LTM	Full year
SEKm	**2019**	**2018**	**Apr-Mar**	**2018**
Net sales	–	–	–	–
Gross profit/loss	**–**	**–**	**–**	**–**
Administrative costs	-14	-2	-23	-11
Profit/Loss before interest and tax (EBIT)	**-14**	**-2**	**-23**	**-11**
Financial income and expenses	–	-0	-0	-0
Profit/Loss after financial items	**-14**	**-2**	**-23**	**-11**
Group contributions	–	–	–	–
Profit/Loss before tax	**-14**	**-2**	**-23**	**-11**
Tax	-0	-0	0	0
Net income for the period	**-14**	**-2**	**-22**	**-11**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Q1		LTM	Full year
SEKm	**2019**	**2018**	**Apr-Mar**	**2018**
Profit/Loss for the period	-14	-2	-22	-11
Other comprehensive income, net after tax	–	–	–	–
Comprehensive income for the period	**-14**	**-2**	**-22**	**-11**

Parent company

CONDENSED BALANCE SHEET

SEKm	2019/03/31	2018/03/31	2018/12/31
ASSETS			
NON-CURRENT ASSETS			
Participations in subsidiaries	4,086	4,086	4,086
Other financial assets	0	–	0
Total non-current assets	**4,086**	**4,086**	**4,086**
CURRENT ASSETS			
Other current receivables	0	–	–
Prepaid expenses and accrued income	1	1	0
Current tax assets	0	0	0
Cash and cash equivalents	76	196	77
Total current assets	**76**	**197**	**77**
TOTAL ASSETS	**4,162**	**4,283**	**4,163**

SEKm	2019/03/31	2018/03/31	2018/12/31
EQUITY AND LIABILITIES			
EQUITY			
Share capital	6	6	6
Share premium reserve	4,074	4,074	4,074
Profit brought forward	76	201	87
Income for the period	-14	-2	-11
Total equity	**4,142**	**4,278**	**4,155**
CURRENT LIABILITIES			
Accounts payable	6	1	0
Accrued expenses and deferred income	7	2	2
Liabilities to subsidiaries	2	–	3
Other liabilities	2	1	2
Other provisions	3	–	–
Total current liabilities	**20**	**4**	**8**
TOTAL EQUITY AND LIABILITIES	**4,162**	**4,283**	**4,163**

Other disclosures

ACCOUNTING POLICIES

This report has been prepared, with regards to the Group, in accordance with IAS 34 *Interim Financial Reporting*, recommendation RFR 1 of the Swedish Financial Reporting Board and the Swedish Annual Accounts Act and, with regards to the Parent Company, in accordance with recommendation RFR 2 of the Swedish Financial Reporting Board and the Swedish Annual Accounts Act. The accounting principles applied correspond to those presented in the Annual Report 2018 (Note 1). Since January 1, 2019, Munters has applied the new accounting standard for leases, IFRS 16 *Leases*. For transition purposes the simplified transition approach has been used and therefore there are no restate of comparative amounts for the year prior to first adoption. Right-of-use assets are measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). Munters has used the transision exempt rule under IFRS 16 not to make a new assessment if a contract is or contains parts that constitute a lease and has therefore applied the standard for all contracts that have previously been identified as leases. Munters has also applied the exempt rule to exclude intitial direct costs when calculating the right-of-use asset. As of January 1, 2019, Munters has recognised right-of-use assets of approximately SEKm 475, lease liabilities of SEKm 458 (after adjustments for prepayments and accrued lease payments recognised as at December 31, 2018) and provision for dismantling expenses of SEKm 18. Net profit after tax expects to decrease, provided no new agreements are added, by approximately SEKm 13 for the full year 2019 as a result of adopting to the new rules. EBITDA is expected to increase with approximately SEKm 109 as the operating lease payments were included in EBITDA but the depreciation of the right-of-use assets and interest on the lease liability are excluded from this measure. Adjusted EBITA is expected to increase by approximately SEKm 1, as the operating lease payments were included in EBITA but the interest on the lease liability is excluded from this measure. Cash flow timings will not be affected.

As of January 1, 2019 all new lease agreements will be accounted for according to the requirments under IFRS 16. This means that lease agreements are reported as right-of-use assets and a corresponding lease liability on the commencement day of the lease. Each lease payment is divided between a repayment of the debt and a interest expense. The interest expense is distributed over the lease term so that each accounting period is expensed with an amount corresponding to a fixed interest rate for the liability recognized during the respective period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the length of the lease. Assets and liabilities arising from leases are initially recognized at present value. The lease payments are discounted with the implicit interest rate if that intrest rate can be determined, otherwise the incremental borrowing rate. The incremental borrowing rate is decided based on contract length and contract transaction curency. Payments for short-term contracts and leases of low value are expensed on a straight-line basis in the income statement. Short-term contracts are contracats with a lease term of 12 months or less. Contracts of low value include various IT-equipment and smaller office furniture.

The Group presents certain financial metrics in the Interim report that are not defined in accordance with IFRS. The Group is of the opinion that these metrics provide valuable complementary information for investors and the Group's management, in that they enable an evaluation of the Group's performance. The financial metrics are calculated in accordance with the definitions presented on page 133 of the Annual Report 2018.

TRANSACTIONS WITH RELATED PARTIES

Munters' largest shareholder, a Nordic Capital Fund VII entity, offered the Chairman of the Board of Directors, Magnus Lindquist, and the acting CEO, Johan Ek, to acquire in total 6,000,000 call options for shares in Munters. The program entailed that Magnus Lindquist and Johan Ek was offered to acquire in total 6,000,000 call options (3,000,000 call options per person) at a total value of SEKm 13.8. The Chairman of the Board of Directors, Magnus Lindquist, acquired 3,000,000 call options and Johan Ek acquired 3,000,000 call options at February 20, 2019. Nordic Capital believes that the call option incentive program contributes to creating a clear alignment of interests between these individuals and the other existing shareholders in Munters.

EMPLOYEES

The number of permanent employees at March 31, 2019 was 3,434 (3,440).

ENVIRONMENTAL IMPACT AND ENVIRONMENTAL POLICY

Munters' operations affect the external environment through air and water emissions, the handling of chemicals and waste, transport of input goods and finished products to and from Munters factories. Munters is committed to constant vigilance regarding the environmental impact of its operations. Munters is committed to complying with all laws and to continuously promoting improvements in all Environment, Health & Safety ("EHS") aspects, wherever Munters conducts business. Munters constantly seeks opportunities to reduce risk and to create a safer, healthier, more diverse and more environmentally friendly workplace for our employees, customers, communities, and the overall environment. Munters' manufacturing facilities all over the world are committed to working according to an EHS Management Program. The purpose of the EHS Program is to ensure regulatory compliance, actively prevent injuries, and reduce the impact that our business has on the environment.

RISKS AND UNCERTAINTIES

The Group's significant risks and uncertainties can be divided into four categories; strategic, operational, financial and regulatory risks. In these categories, there are both risks due to political and macroeconomic trends and specific risks directly linked to the business carried out by the Group. A risk assessment is carried out on an annual basis and the purpose is to identify and address the most important risks.

Munters' products are used in complex customer processes. Quality and contract obligations are critical and could result in claims for damages The Group depends to some extent on key customers and key personnel. Considering that Munters is a company with geographically widespread operations and many small organizational units, there is a risk of failure to comply with relevant regulations in the business ethics area, e.g. anti-bribery rules. Financial risks mainly consist of currency, interest and financing risks.

Munters works actively with insurance solutions, and group-wide insurances are governed by central guidelines. This includes for example coverage for general liability and product liability, property, business interruption, transportation, the liability of Board members and the CEO and employment practices liabilities. A more detailed description of the Group's risks and how they are managed can be found in the Annual Report 2018.

ALLOCATION OF NET SALES

The majority of customer contracts within Munters business areas AirTech and FoodTech fulfill the requirements to recognize net sales at a point in time, however there are a number of customer contracts within these business areas that requires to recognize net sales over time, especially in the sub-segment Data Centers within AirTech, which is reflected in the below matrix. In addition to unit/equipment sales Munters provides different kinds of services to customers such as installation, commissioniong, startup and maintenance. Net sales from services are recognized over time as these services are performed. The services transferred over time in the matrix below is not equivilent to the net sales from Services mentioned on the business area pages earlier in this interim report. This is due to the fact that part of Services net sales are recognized at a point in time, such as spare parts, in the matrix below.

	Q1 2019			Q1 2018		
SEKm	**AirTech**	**FoodTech**	**Total**	**AirTech**	**FoodTech**	**Total**
Allocation timing of revenue recognition						
Goods transferred at a point in time	859	423	1,282	801	412	1,212
Goods transferred over time	270	1	271	291	1	291
Services transferred over time	78	32	110	67	30	97
Total	**1,206**	**457**	**1,663**	**1,158**	**442**	**1,601**

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's derivatives, recognized at fair value in the statement of financial position, are measured according to IFRS 9 and are categorized in level 2 in the fair value hierarchy. The derivatives amounted to SEKm 0 (2) in financial assets and to SEKm 1 (4) in financial liabilities.

The Group's contingent earn-outs and put/call acquisition options, recognized at fair value in the statement of financial position, are measured according to IFRS 9 and are categorized in level 3 in the fair value hierarchy. The opening balance for the period was related to the put/call option from the acquisition of MTech Systems in 2017 and a contingent consideration related to the acquisition of Humi-Tech Services Ltd in July 2018. The change in the period relates to a discounting effect on the put/call option and currency translations.

SEKm	**2019/03/31**	**2018/03/31**	**2018/12/31**
Contingent considerations and put/call options			
Opening balance	136	136	136
Contingent consideration	–	–	8
Excersied put/call option	–	–	-24
Discounting	2	1	2
Exchange-rate differences for the period	5	2	14
Closing balance	**143**	**139**	**137**

Munters deems that the interest rate on interest-bearing liabilities are in line with market terms at March 31, 2019, and the fair value at the end of the reporting period therefore in all material aspects corresponds to the carrying amount.

IMPACT OF THE NEW ACCOUNTING STANDARD FOR LEASES, IFRS 16

As of January 1, 2019 all lease agreements are accounted for according to the requirments under IFRS 16, *Leases*. If previous accounting principles for leases (IAS 17) would have been applied the reported EBIT would be SEKm 1.2 lower, financial expenses SEKm 5 lower and profit after tax SEKm 2.8 higher. IFRS 16 does not have an effect on reported cash flow. Below is a specification per segment on the effect of the new standard on the balance sheet and income statement as of March 31, 2019.

	Q1 2019		
SEKm	**AirTech**	**FoodTech**	**Total**
Reported amounts in the balance sheet			
Right-of-use assets			
Buildings, leased	83	32	117
Land, leased	2	0	2
Plant and machinery, leased	104	180	284
Equipment and tools, leased	43	13	60
Total	**232**	**225**	**463**
Lease liabilities reported within interest-bearing liabilities			
Long-term lease liabilities	152	188	342
Short-term lease liabilities	71	32	107
Total	**223**	**220**	**449**
Reported amounts in the income statement			
Depreciation on right-of-use assets	-19	-8	-28
Interest expense on lease liabilities	-3	-2	-5
Impact from IFRS 16 on net debt			
Net debt including IFRS 16			3,411
Net debt excluding IFRS 16			2,962
Net debt/adjusted EBITDA, LTM, including IFRS 16			4.3
Net debt/adjusted EBITDA, LTM, excluding IFRS 16			3.9

This report has not been subject to review by the company's auditors.

INFORMATION AND REPORTING DATES

Contact persons:

Johan Ek, President and CEO, Phone +46 (0)70 678 24 99
Jonas Ågrup, CFO, Phone +46 (0)70 626 01 83
John Womack, IR, Phone + 46 (0)70 678 24 99

Additional information may be obtained from Munters Investor Relations at phone +46 70 678 24 99 or by e-mailing info@munters.com.

The report will be presented at a webcast/teleconference on April 24 at 09:00 CET via http://www.financialhearings.com/event/11798

This information is information that Munters Group AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 CET on 24 April 2019.

Munters Group AB, Corp. Reg. No. 556819-2321

Financial calendar:

08 May, Annual General Meeting held at 15.00 at Kista Entré Konferens, Knarrarnäsgatan 7 in Kista, Stockholm
18 July, Interim report, second quarter 2019
24 October, Interim report, third quarter 2019

About Munters Group
Munters is a global leader in energy efficient air treatment and climate solutions. Using innovative technologies, Munters creates the perfect climate for customers in a wide range of industries, the largest being the food, pharmaceutical and data center sectors. Munters has been defining the future of air treatment since 1955. Today, around 3,700 employees (including temps.) carry out manufacturing and sales in more than 30 countries. Munters reports annual net sales above 7.1 billion SEK. For more information, please visit www.munters.com.

Every care has been taken in the translation of this interim report. In the event of discrepancies, the Swedish original will supersede the English translation. The addition of the totals presented may result in minor rounding differences.