



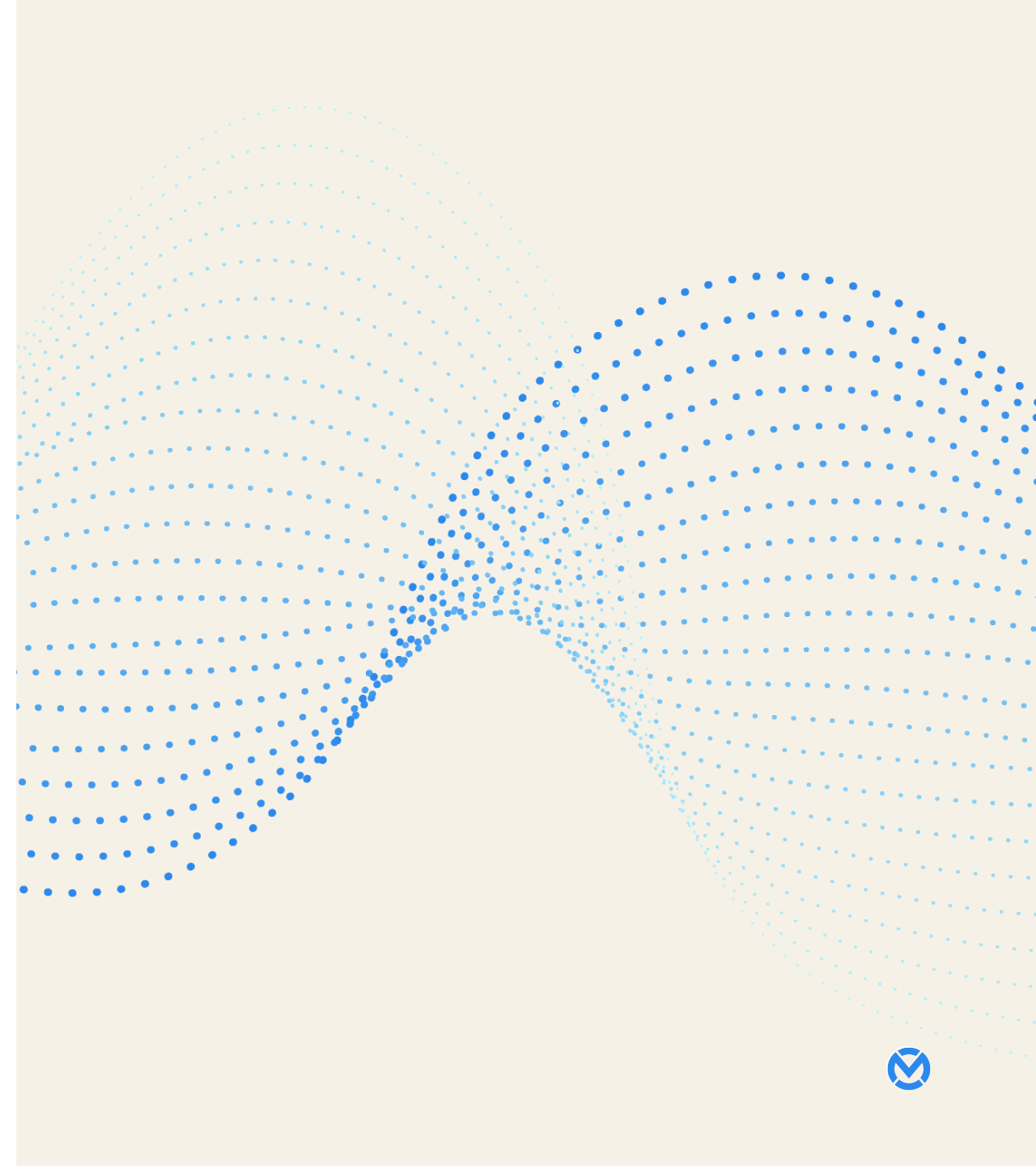
Munters – Investor Presentation

August 2023

Investor Relations

Agenda

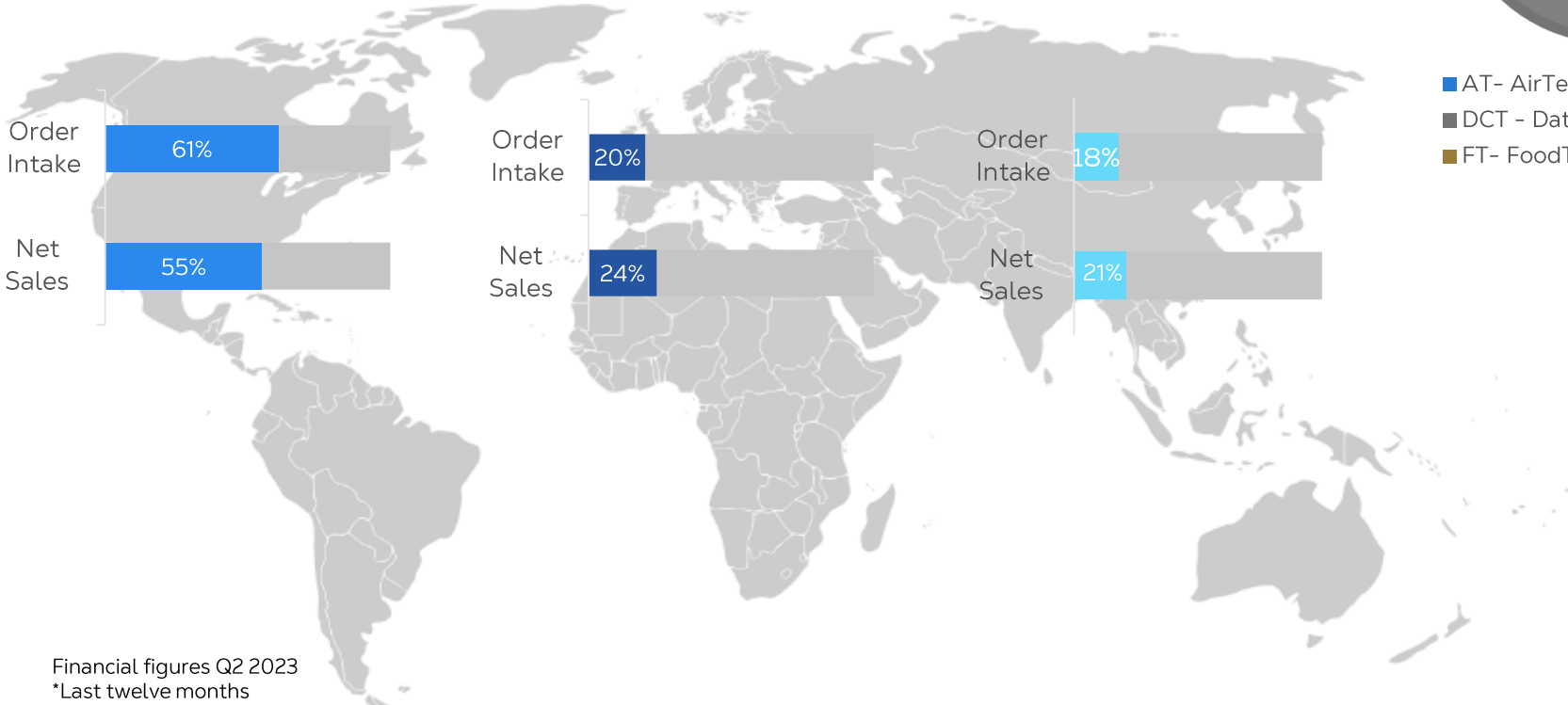
- Introduction
- Q2 highlights
- AirTech
- Data Center Technologies
- FoodTech
- Customer cases
- Appendix



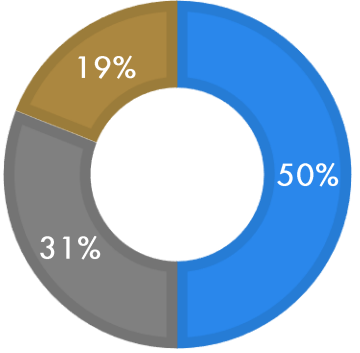
World leader in energy-efficient climate solutions

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

Regional share Q2



Order Intake per business area Q2



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

Sales in number of countries
>30

Sales MSEK*
12,365

Number of production plants
19

Adj. EBITA margin*
11.8

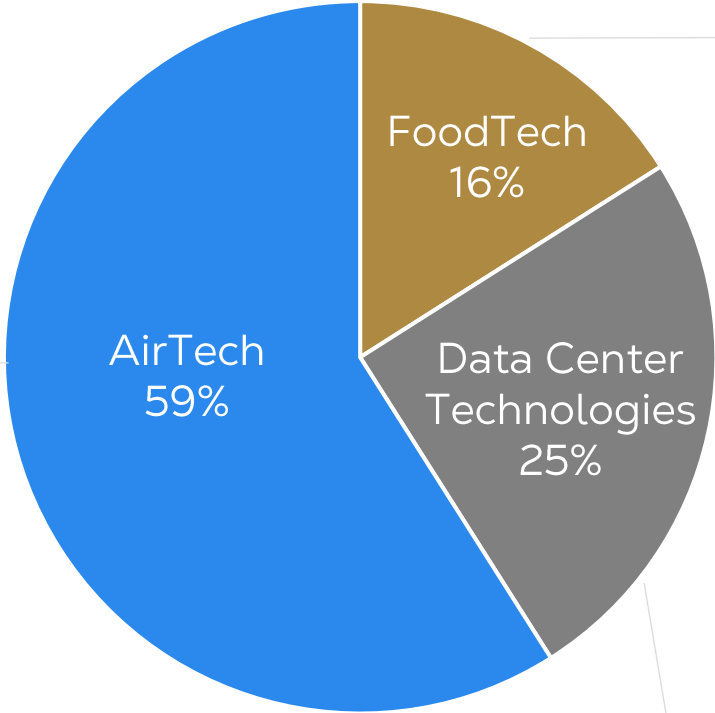
Number of employees
~4,300



Business critical solutions to a broad range of industries

	
Dry air for battery production	Clean Technology solutions for a healthier planet
	
Constant humidity solutions for the pharmaceutical industry	Climate & hygiene control for the food production industry
	
Leading supplier of Rotors & other components	Service offering to a broad range of customers

Distribution net sales Q2 2023




Indoor climate solutions for agriculture..

.. and greenhouses

Digital solutions for farmers & food producers



Data Center cooling solutions



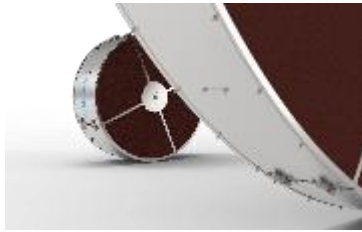
Core technologies – dehumidification and evaporative cooling

Core Technologies

Evaporative cooling pads



Rotors with desiccant drying wheel



AirTech offering

Dehumidifiers

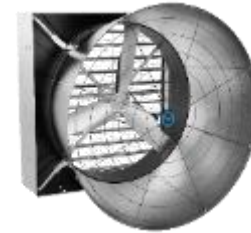


Climate systems

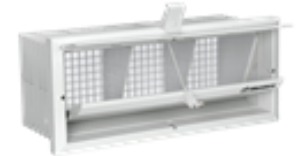


FoodTech offering

High-efficiency fans



Air inlets



DataCenter Technologies offering

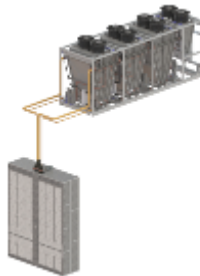
Packaged air economizers



Chilled Water CRAH*



SyCool



Service



Controllers

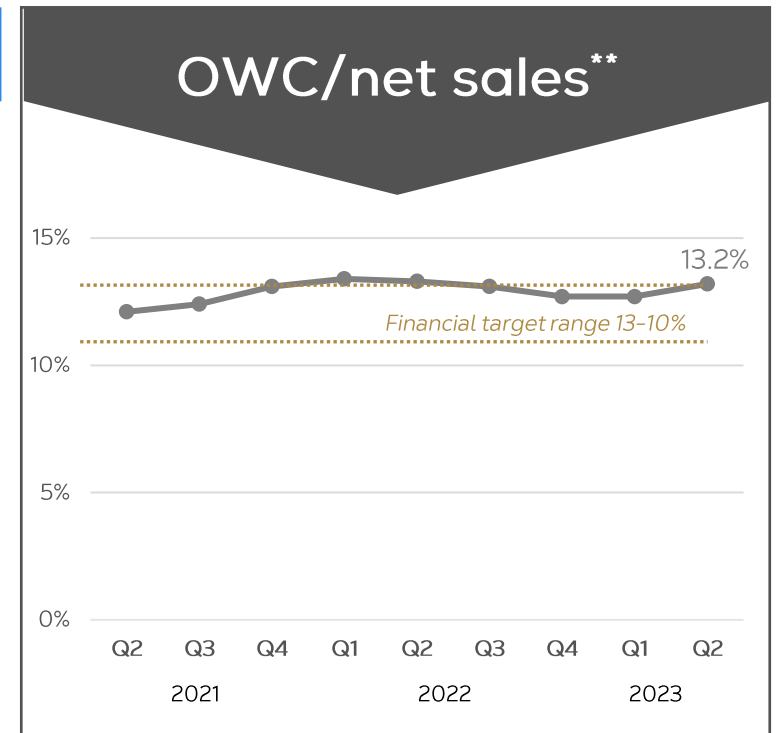
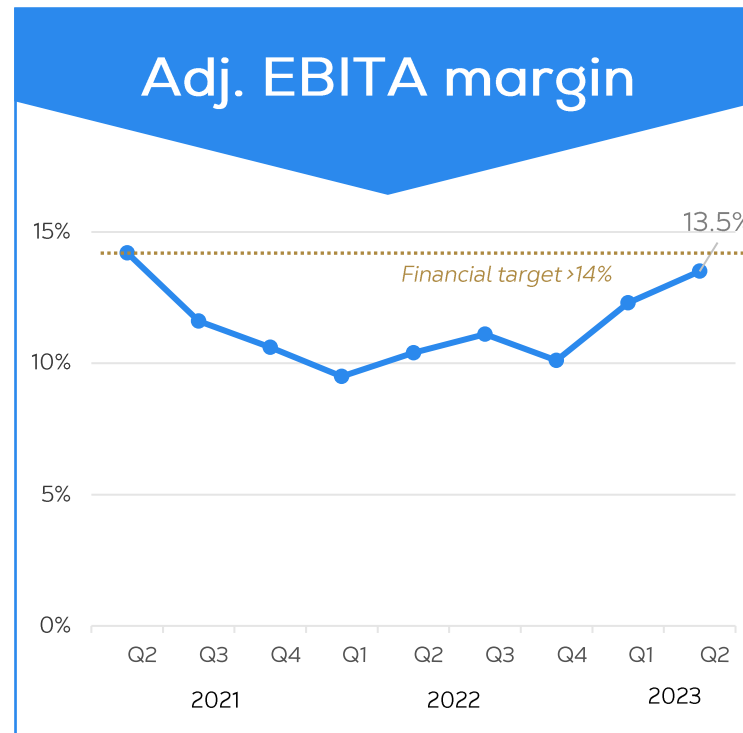
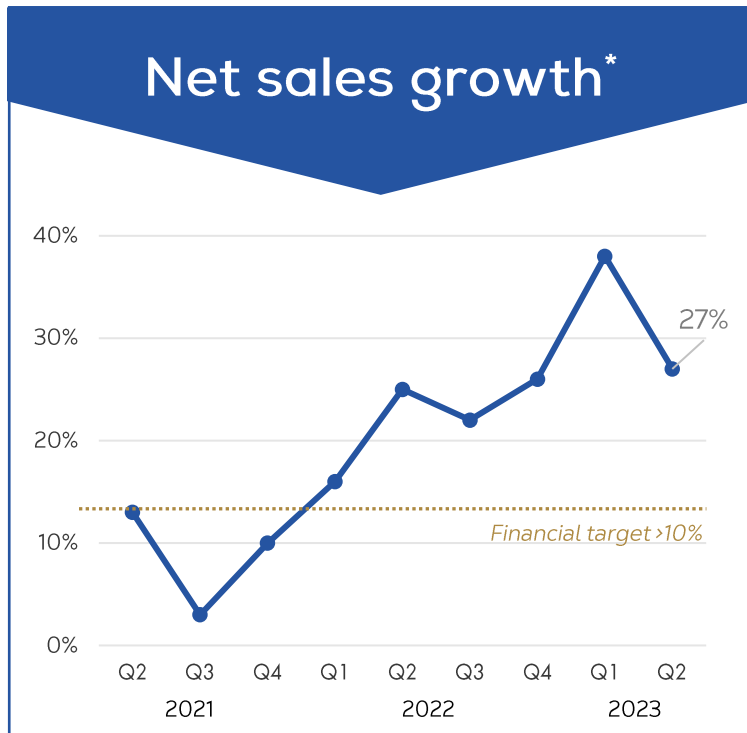


Sensors & software



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

Creating sustainable value



* Organic growth p.a. over a business cycle

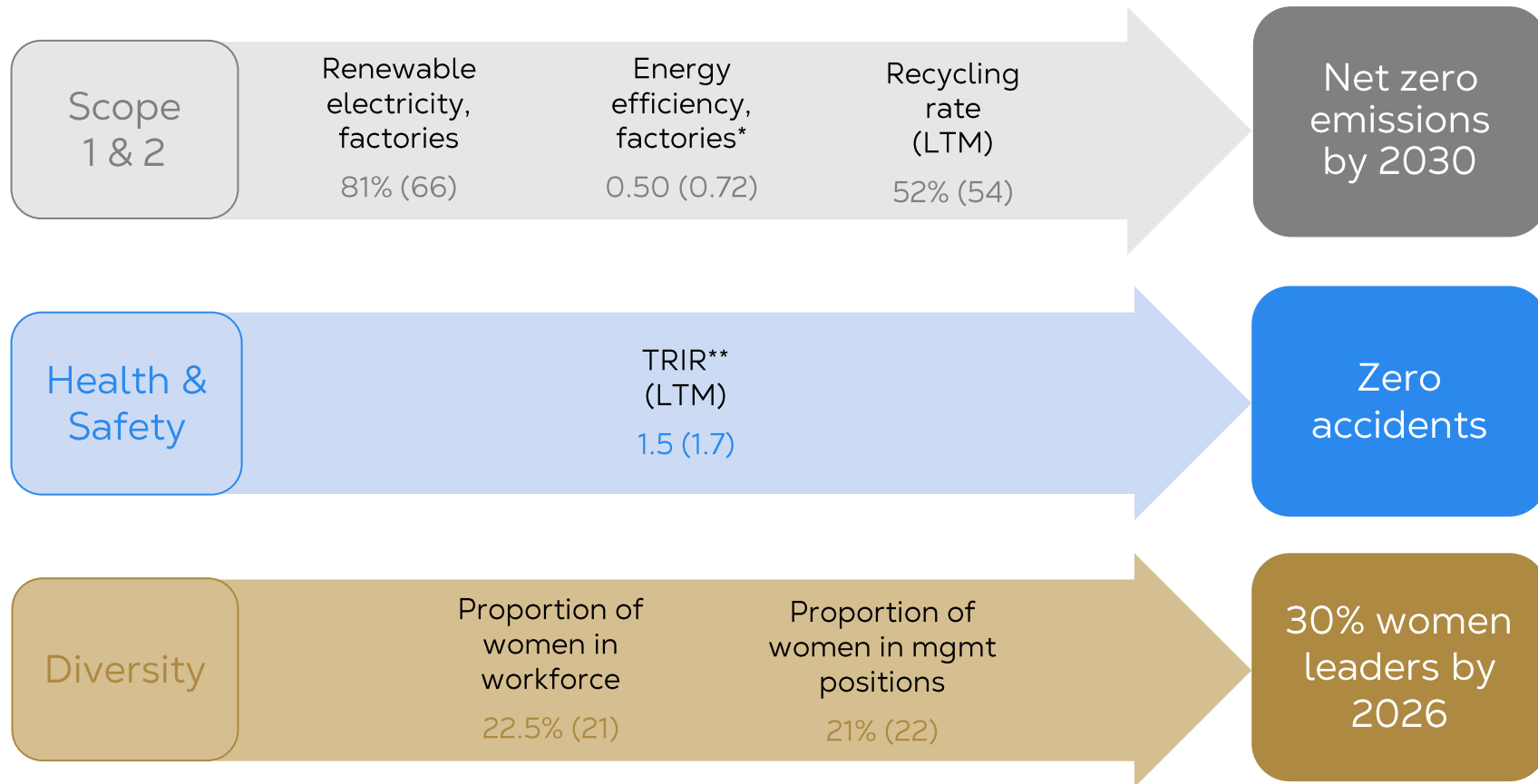
** Average OWC (Operating Working Capital) last twelve months as % of net sales for the same period



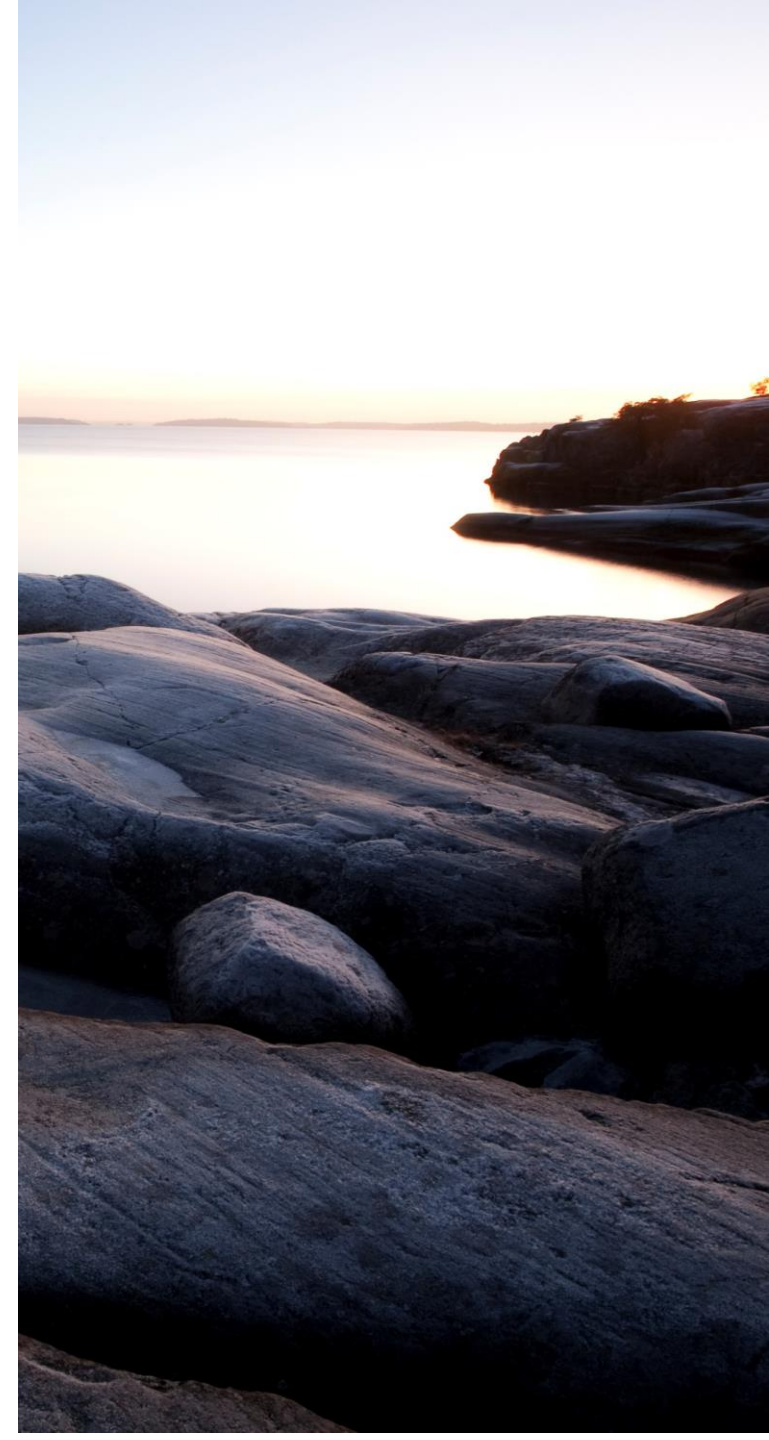
Our purpose - For customer success and a healthier planet

End of June 2023

Goal

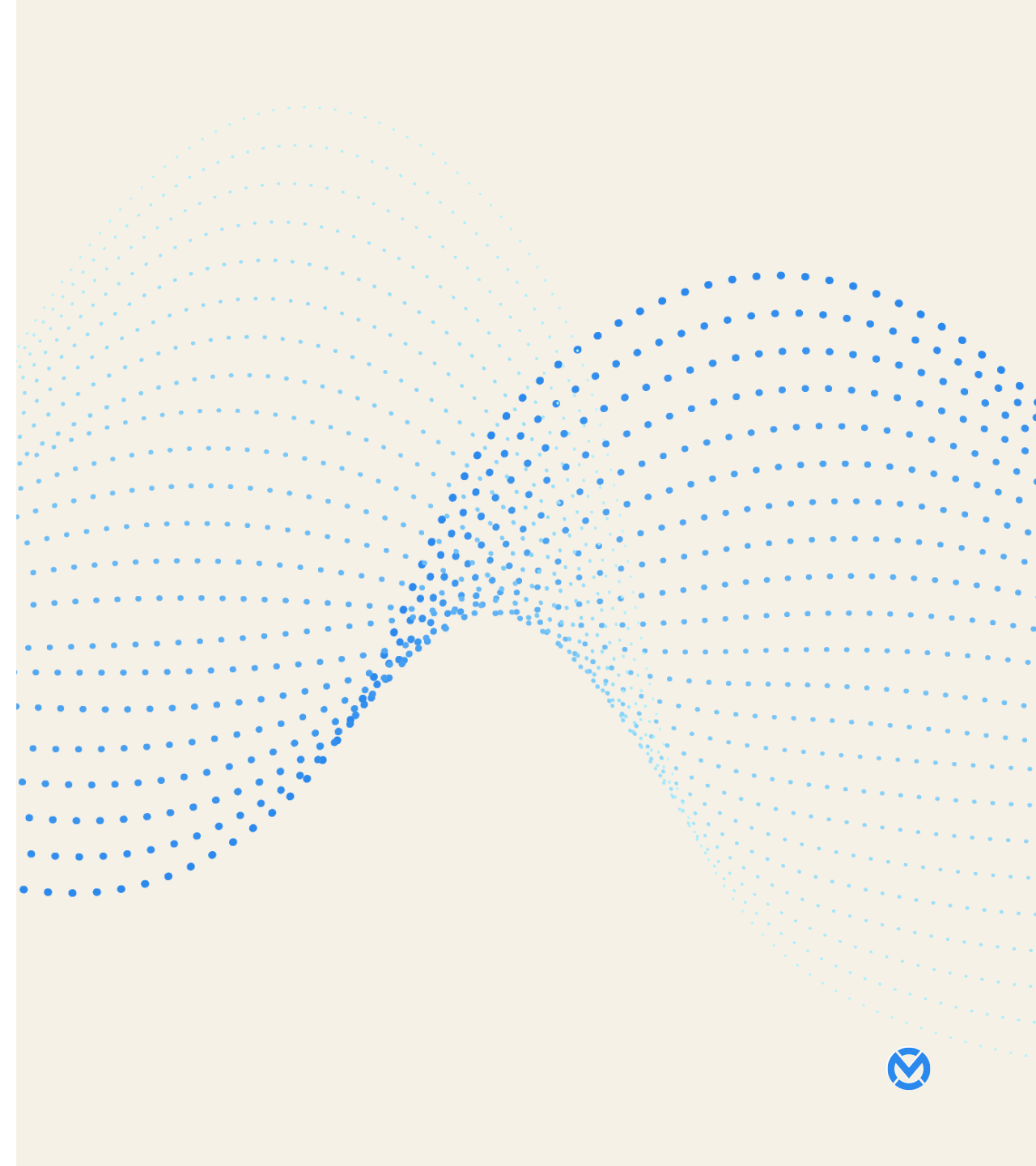


* Electricity in relation to production output, **Total Recordable Incident rate



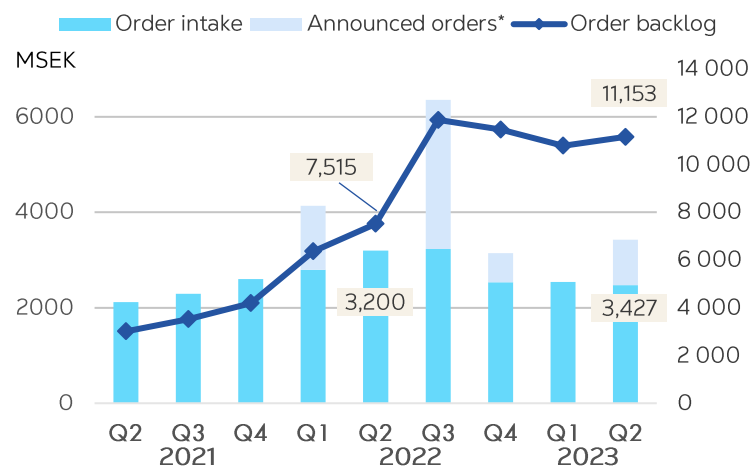
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Strong results and progress on the strategic journey

Solid progress in order intake



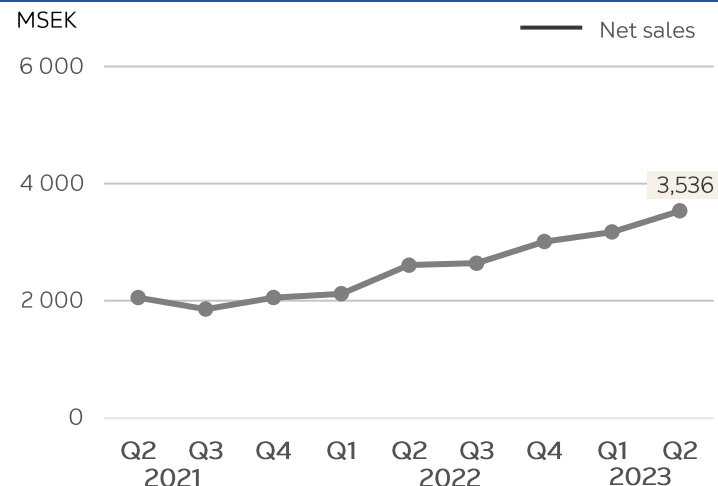
Q2: Order intake, +7%:

- underlying solid demand in DCT & AT
- DCT large order from US-based colocation company of MUSD 88
- FT positive, good growth in the US

Q2: Order backlog, +48%

- mainly large orders in DCT & AT, to be delivered throughout 2025

Strong net sales growth

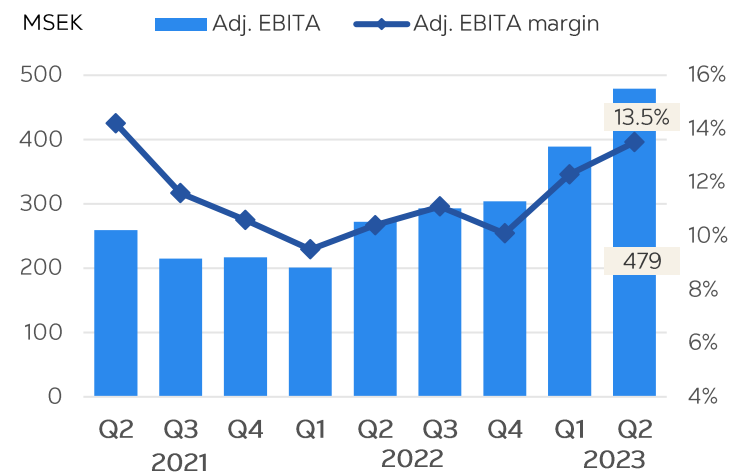


Q2: Net sales, +35%:

- organic growth of 27%
- growth mainly driven by DCT & the battery sub-segment in AT
- FT showed flat growth, driven by Americas

Book-to-bill Q2: 1.0

Continued margin improvement

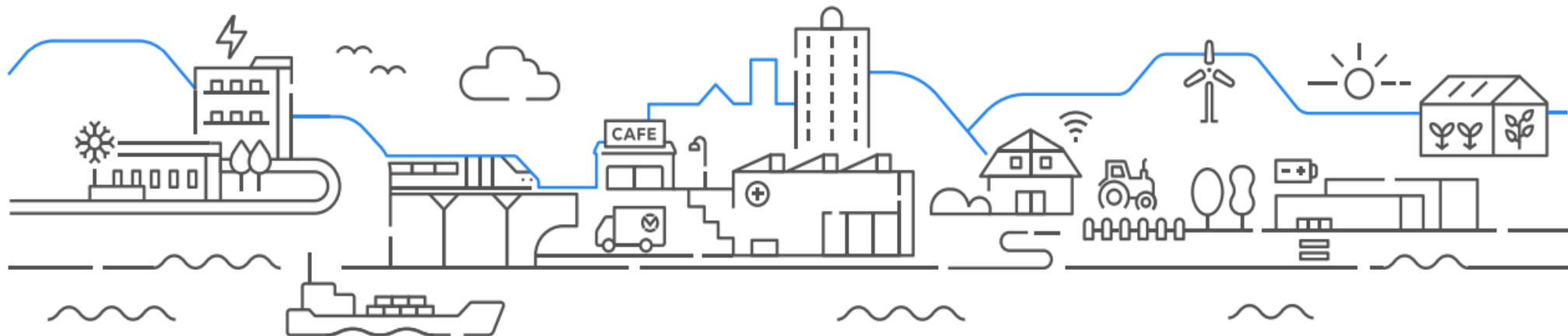
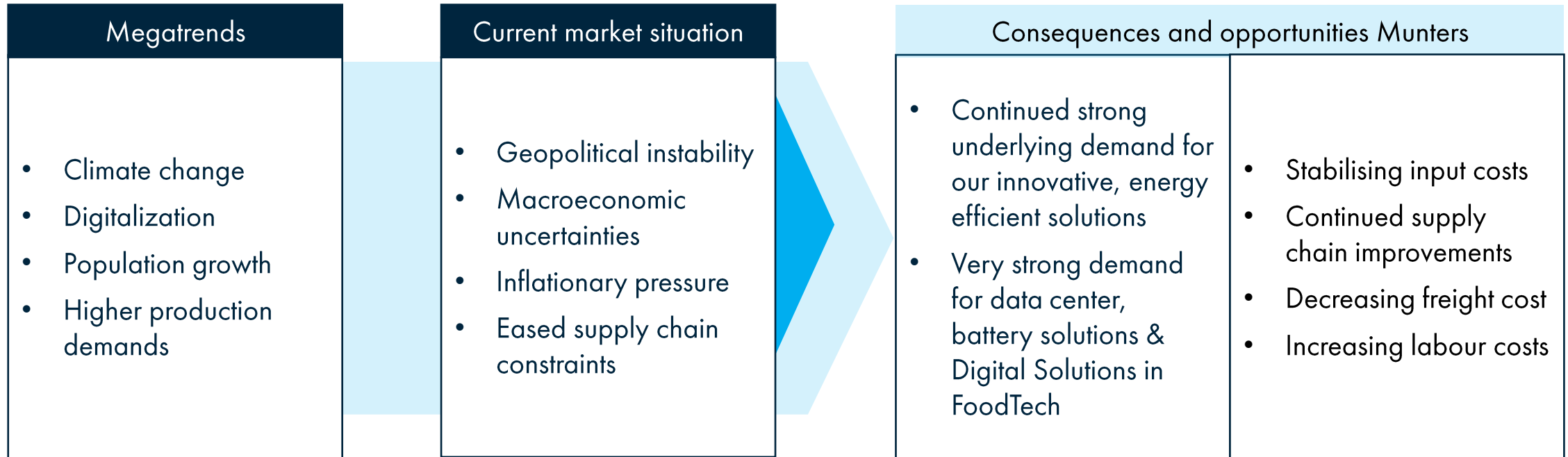


Adj. EBITA-margin, Q2 13.5%:

- margin improvements in all business areas
- Driven by:
- increased net sales in AT & DCT
 - efficiency improvement efforts in all BAs
 - strategic review initiated of equipment offering in FT



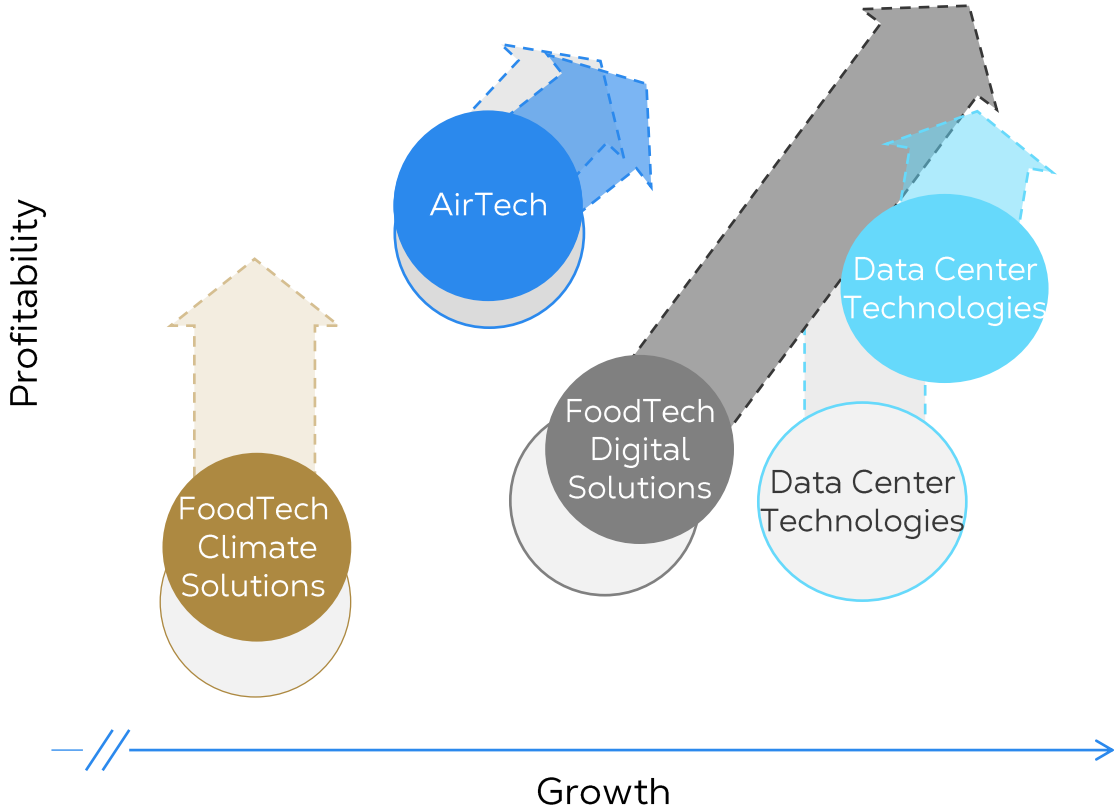
Climate change & digitalization are strong market drivers



Munters focus areas

ILLUSTRATIVE

Direction of positioning – 2023 and beyond



Light grey indicates the direction communicated in Q1 2023



Focus areas 2023 and beyond

AirTech

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

DCT

- Maintain profitability
- Continue expanding market leading offer, i.e. in Europe

FoodTech

- Digital Solutions (SaaS* & controllers)– accelerate growth & profitability, through SaaS ARR and controllers
- Climate Solutions (Equipment) – strategic review



Strategic review initiated of equipment in FoodTech

FoodTech offering



Strategic review

- Accelerate focus on digital growth
- Agnostic set ups
- Climate Solutions accounted for ~16% of Group net sales 2022

HISTORY OF FOODTECH



Strong net sales growth, margin improvement

- **Net Sales** strong increase;
 - Strong development DCT & battery in AT
 - Services 11.5% of total net sales
- **Adj. EBITA margin** improved in all business areas
- **Cash flow** at low level
 - OWC increased due to preparations for deliveries of large orders received 2022
- **Net debt** increased
 - Acquisitions and dividend pay-out in first half year
- **Leverage** decreased
 - Strong profitable growth resulted in lower leverage

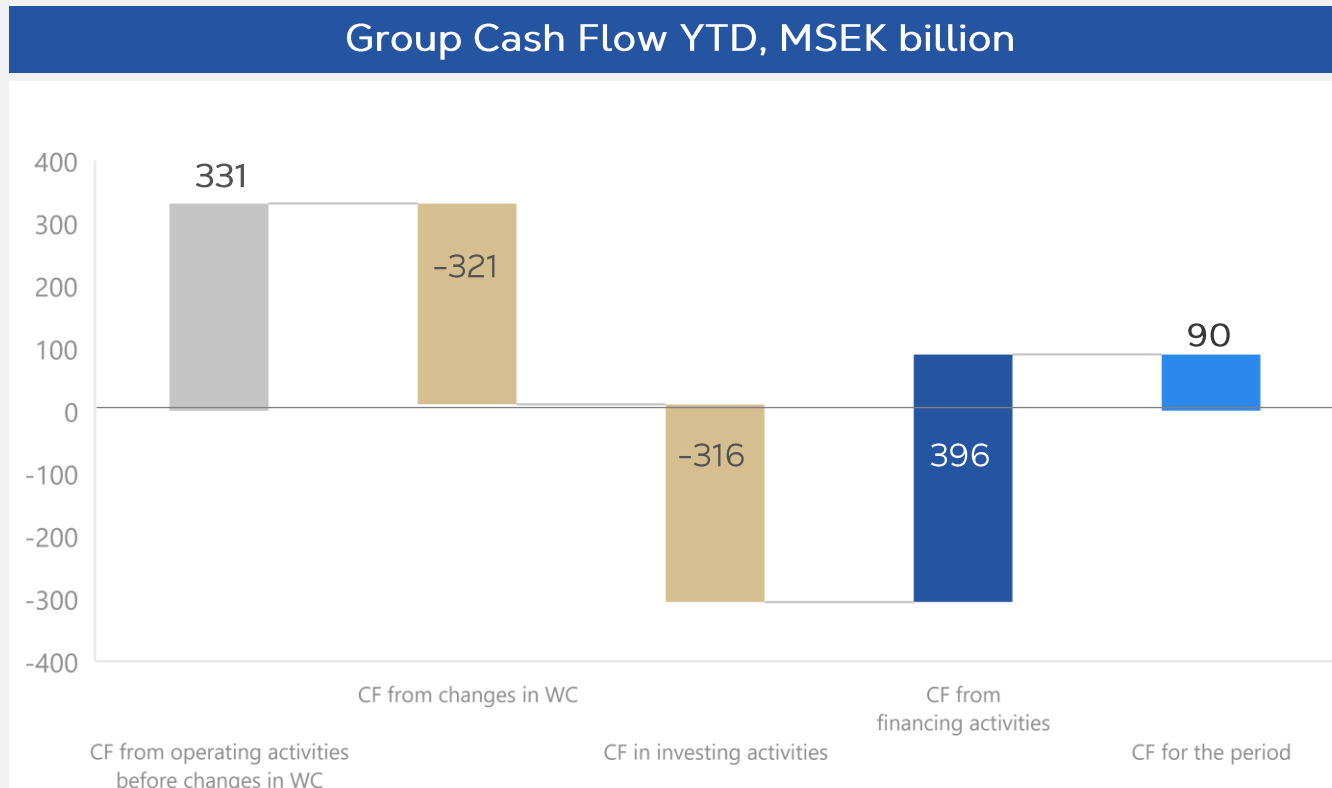
	MSEK	Q2 2023	Q2 2022	Change (%)		
				Organic growth	Structural growth*	Currency effects
Order intake		3,427	3,200	1	1	5
Order backlog		11,153	7,515			
Net sales		3,536	2,610	27	1	7
Operating profit (EBIT)		408	220			
Adj. EBITA		479	272	64	4	8
Adj. EBITA-margin		13.5	10.4			
Net income		257	166			
Cash flow from operating activities		10	105			
OWC/ net sales (%) ¹		13.2	13.3			
Net debt		4,833	3,241			
Net debt/ Adj. EBITDA ²		2.7	2.9			

¹ Average OWC (Operating Working Capital) last twelve months as % of net sales for the same period

² Last twelve months

* Acquisitions & divestments

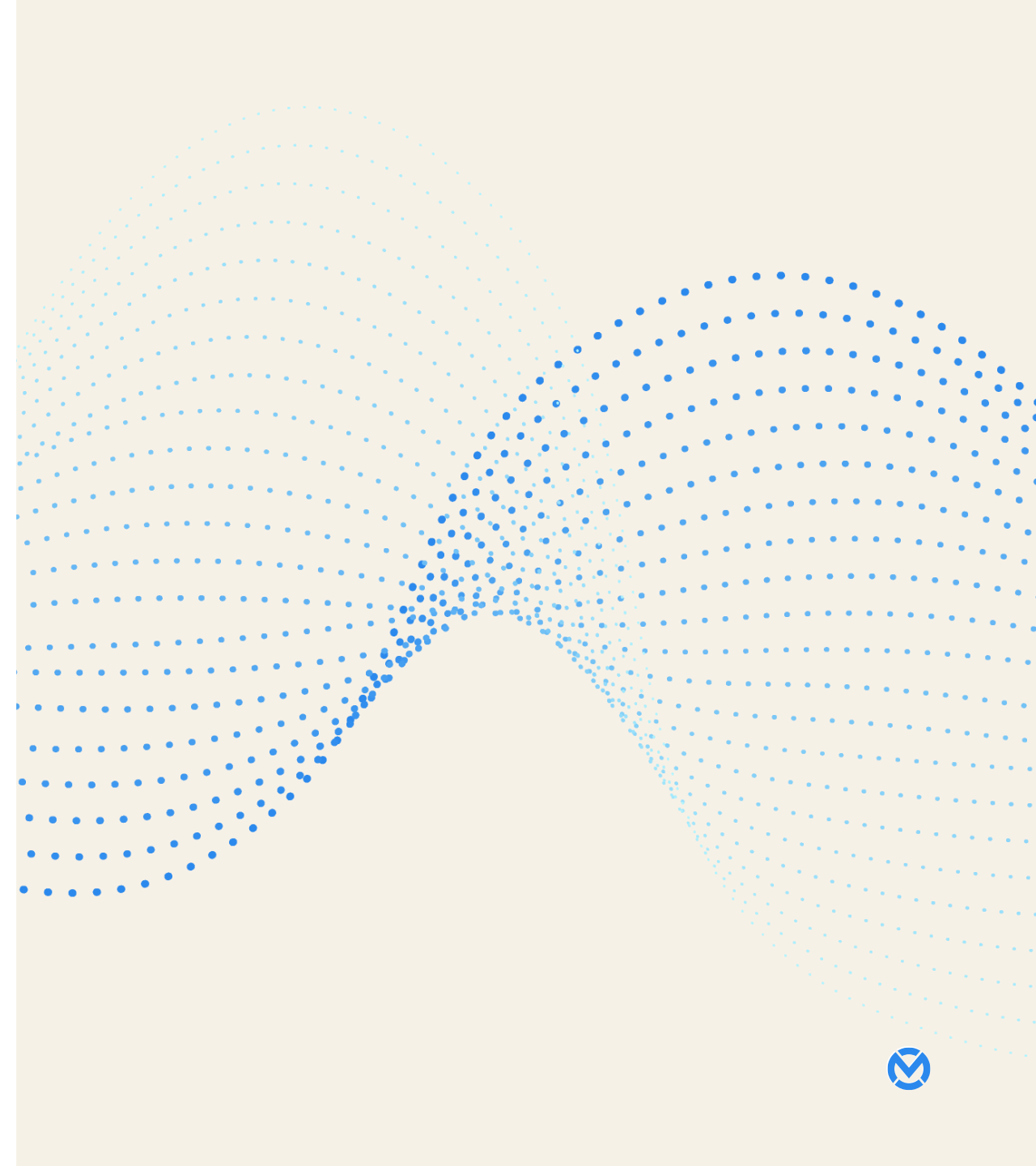
Large projects driving build-up in working capital



- Higher level of cash-flow from operating activities before changes in working capital
 - mainly driven by improved EBIT
- Build-up of working capital
 - mainly large projects in DCT, production continued to ramp-up, deliveries to customers ongoing
- Q2: 3 acquisitions & dividend paid

Agenda

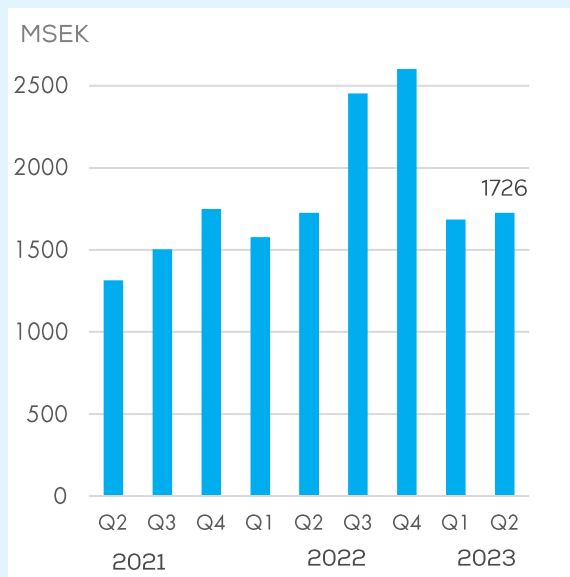
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Global leader in air treatment for industry

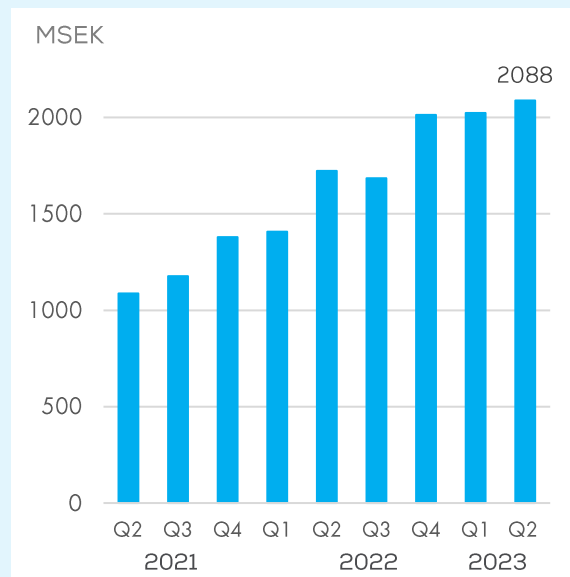
Order intake, MSEK*

8,506



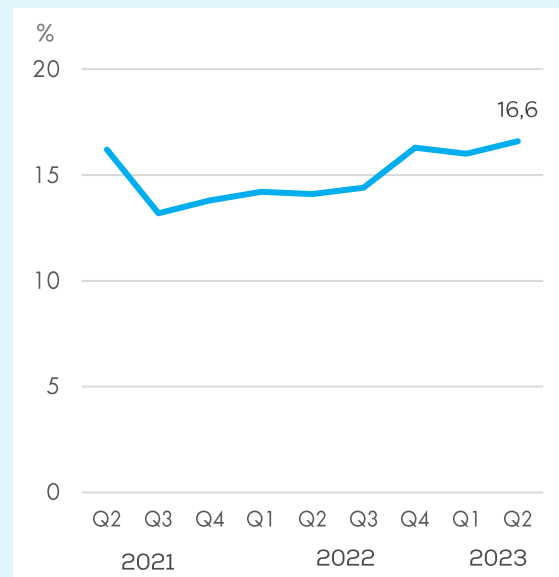
Net sales, MSEK*

7,808

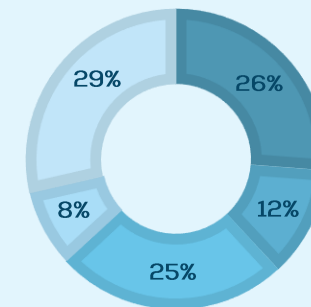


Adjusted EBITDA margin*

15.9%

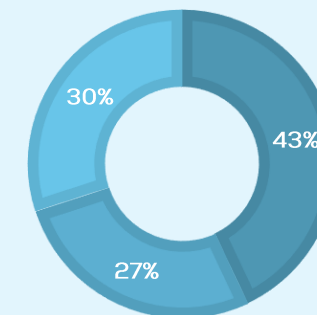


Customer segments of order intake



- Battery
- Food processing
- Other Industrial
- Clean Technologies
- Service










Order intake per region



- Americas
- EMEA
- APAC

Q2 - Stable demand and continued strong backlog

 > 5%
  ~ 1-5%
  ± 0 -1%
  neg

Customer segment	% order intake Q2 2023	Market Outlook *
Industrial	53%	
...whereof battery	22%	 ***
...whereof food processing	10%	
...whereof commercial	4%	
...whereof other	17%	
Clean Technologies	7%	
Service & components	40%	
...whereof service	24%	
...whereof components**	16%	

→ Order Intake stable development;

- Battery - good growth Americas, APAC & EMEA weaker
- Food processing - good APAC & EMEA development, offset by US
- Clean Technologies - slight decline
- Service - EMEA good growth, Americas weaker
- Components - good growth mainly EMEA & Americas

* 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

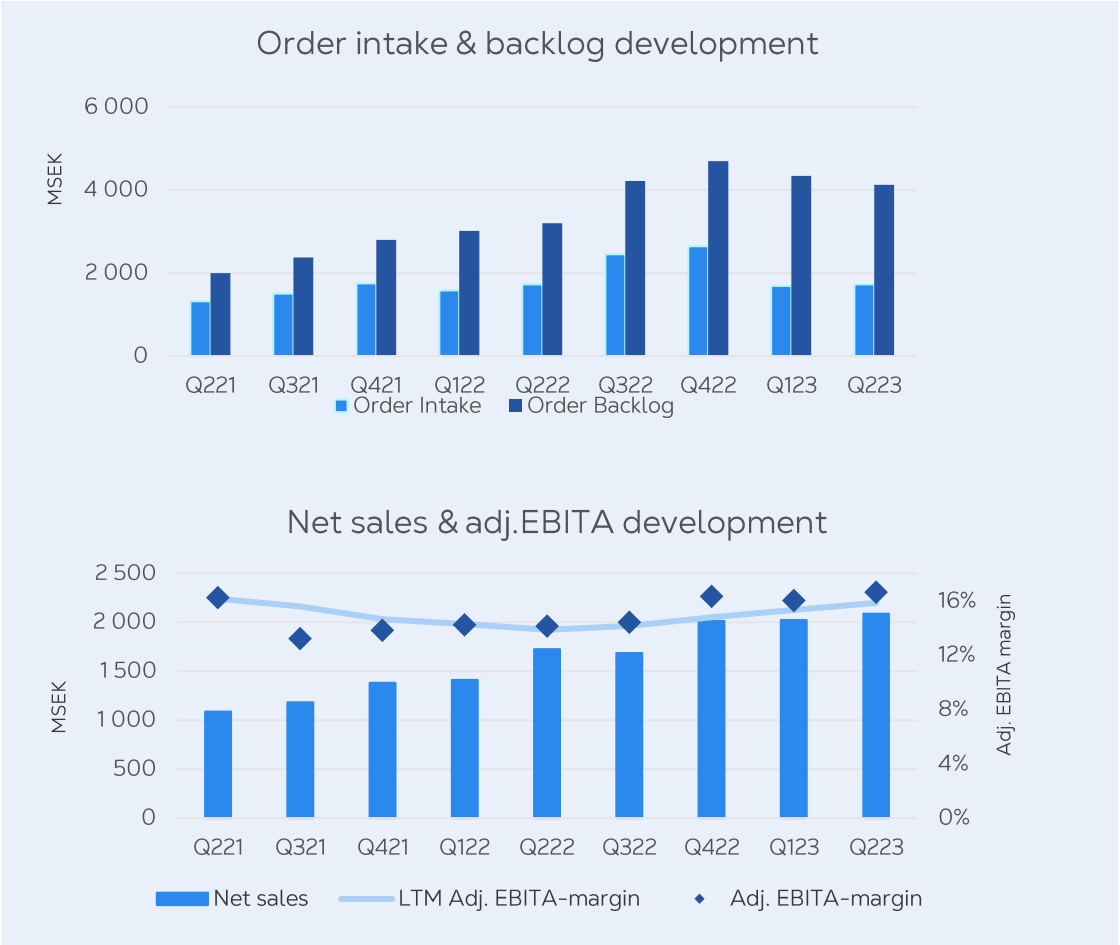


Q2 - Strong net sales and margins

MSEK	Q2 2023	Q2 2022	Change (%)		
			Org.	Structural*	FX-effects
Order intake	1,726	1,727	-7	2	4
Order backlog	4,124	3,204			
Net sales	2,088	1,723	13	2	6
Adj. EBITA	346	242			
Adj. EBITA (%)	16.6	14.1			

→ Adj. EBITA margin strong growth impacted by;





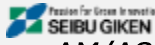

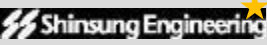



























- + increased net sales
- + contributions from efficiency improvements
- + net price increases



* Acquisitions & divestments



Selection of market players - 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/AS	 AM	 EU	 AM		 AM	
	 AM	 EU	 AS	 AS		 AS		
	 AS	 AS	 AS	 EU				
	 AS	 AM	 AS		 EU/AS	 EU/AS/AM		
Clean Technologies	 EU	 EU	 EU	 EU	 AM	 AM/AS/EU	 EU/AS/AM	 EU/AS/AM

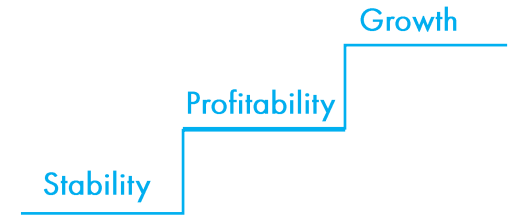
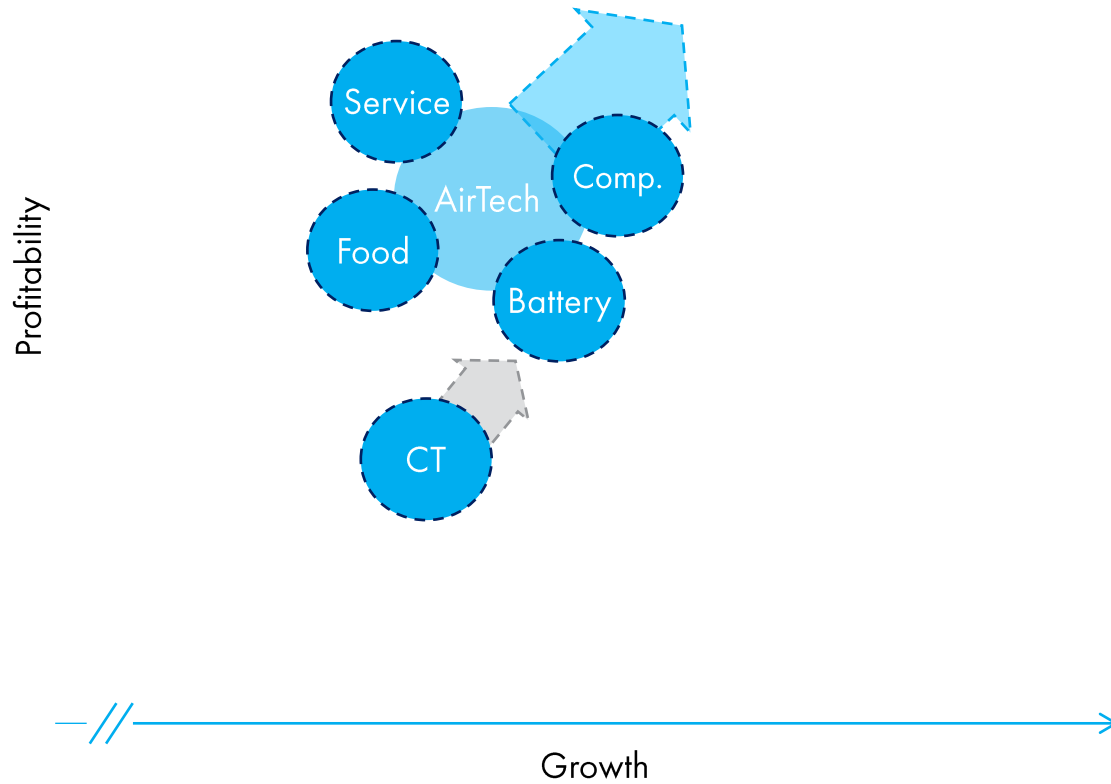


★ A small business within a large company/conglomerate

AirTech segments

ILLUSTRATIVE

Direction of positioning for AirTech – 2023 and beyond



Focus areas 2023 and beyond

Service

- Developing service offer in a three-pronged way
 - 1) Digitalization, 2) increased service share of installed base & 3) M&A

Battery

- Growth opportunities along the value-chain for battery producers and battery storage

Components

- Increase channels to market

Clean Technologies

- Growth opportunities in carbon capture market and VOC

Record orders confirm our strong position & offer

→ **Q4**- to a multinational automotive manufacturer

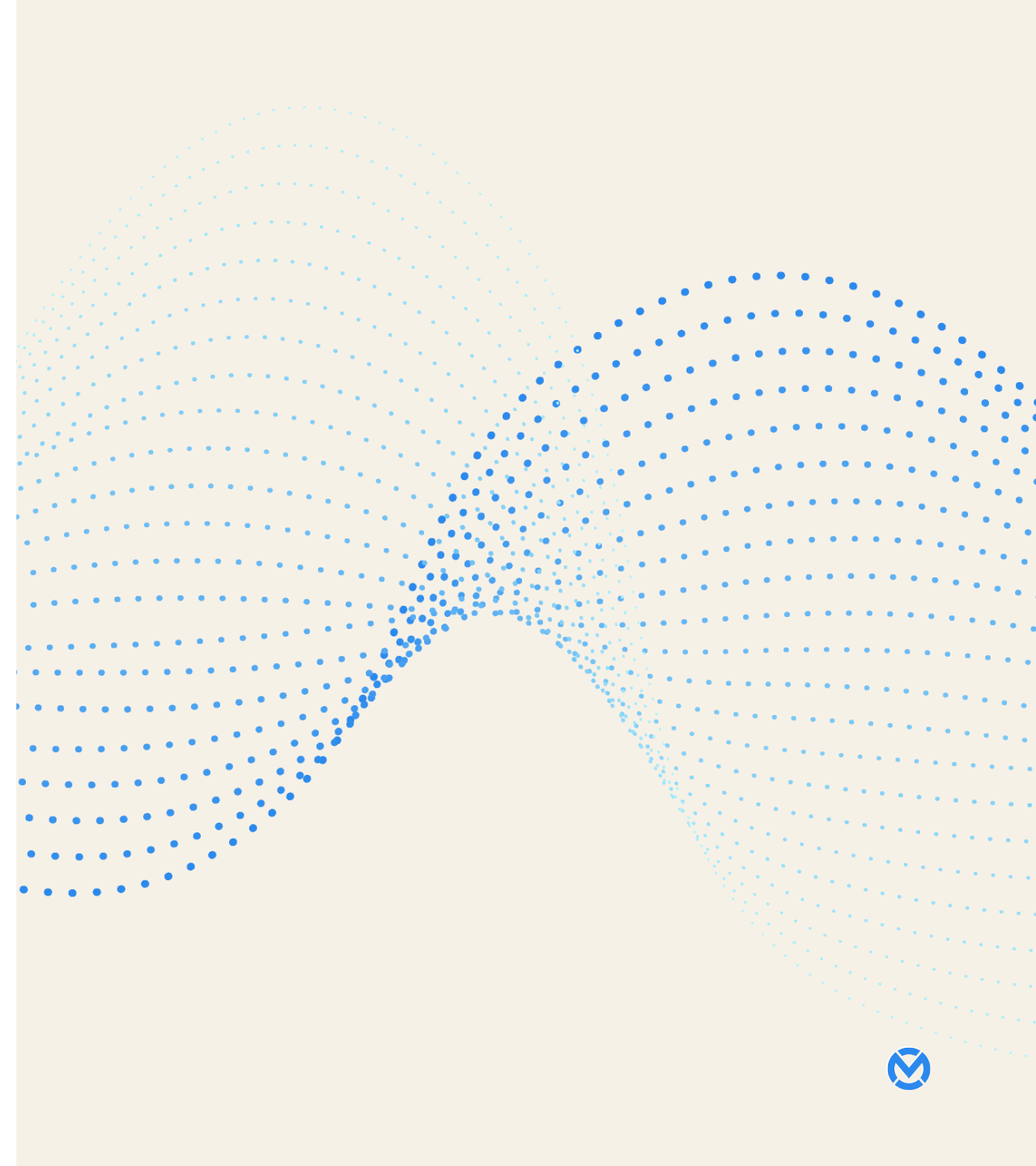
- Total value ~ MUSD 54 (incl. systems & field service)
- Deliveries: Q3 2023 - Q4 2024

→ **July 2022** - our largest battery order ever to a large US car manufacturer:

- Total value ~MUSD 65 (including Munters climate control systems and field service work)
- Deliveries: Q2 - Q4 2024

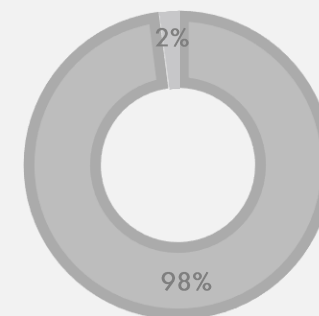
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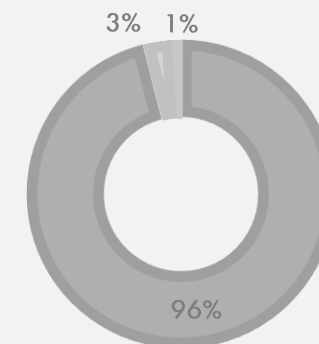


Sustainable cooling solutions that facilitate digitization

Customer distribution of order intake



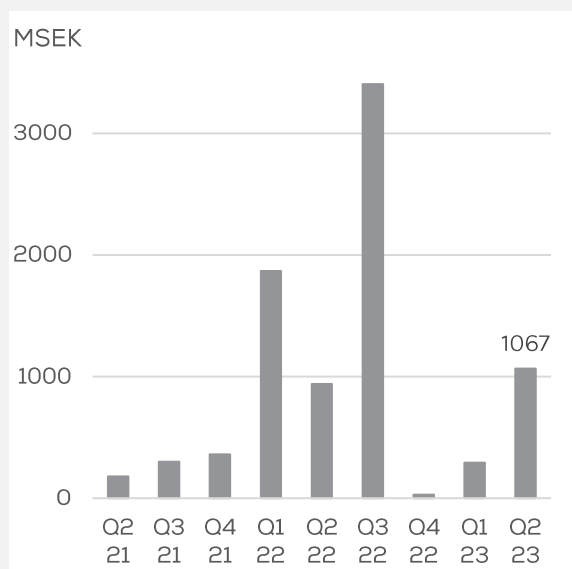
Order intake per region



■ Americas ■ EMEA ■ APAC

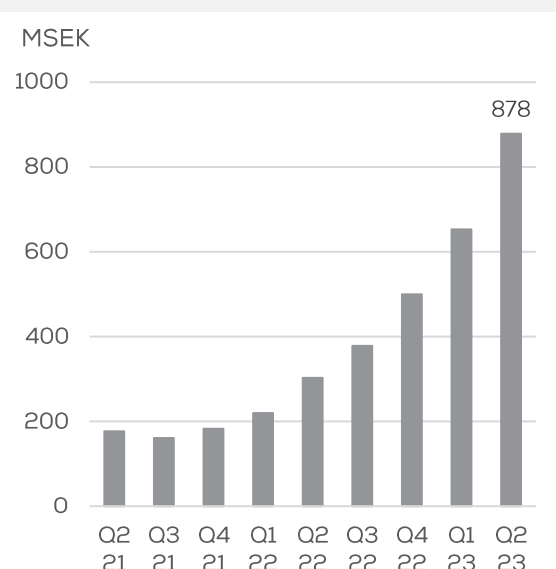
Order intake, MSEK*

4,796



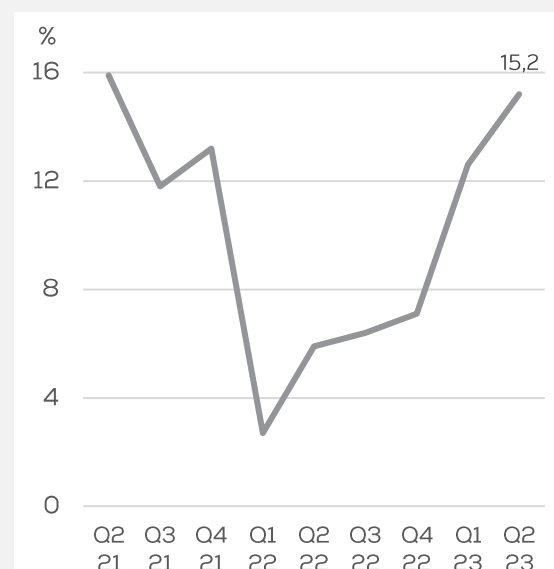
Net sales, MSEK*

2,408










Adjusted EBITDA margin*

11.4%



Q2 - Good underlying demand & strong order backlog

 > 5%
  ~ 1-5%
  ± 0 -1%
  neg

Customer segment	% order intake Q2 2023	Market Outlook *
Hyperscalers	0%	
Colocation	98%	
Telco & enterprises	2%	

→ Order Intake increased 14%;

- strong long-term outlook driven by digitization & energy-efficient cooling solutions
- MUSD 88 (MSEK 955) order from US colocation operator, deliveries Q4 2024 – Q4 2025

- **Hyperscalers** – increased activity both for their own facilities and colocation leasing. General growth as well as increased data traffic from AI driving significant growth in cloud sales
- **Colocation** – continued strong demand in both regions due to increased build outs and investments, driven by increased leasing demand
- **Telco & enterprises** – limited growth in segment due to enterprise operators focus their servers in either colocation or cloud data centers

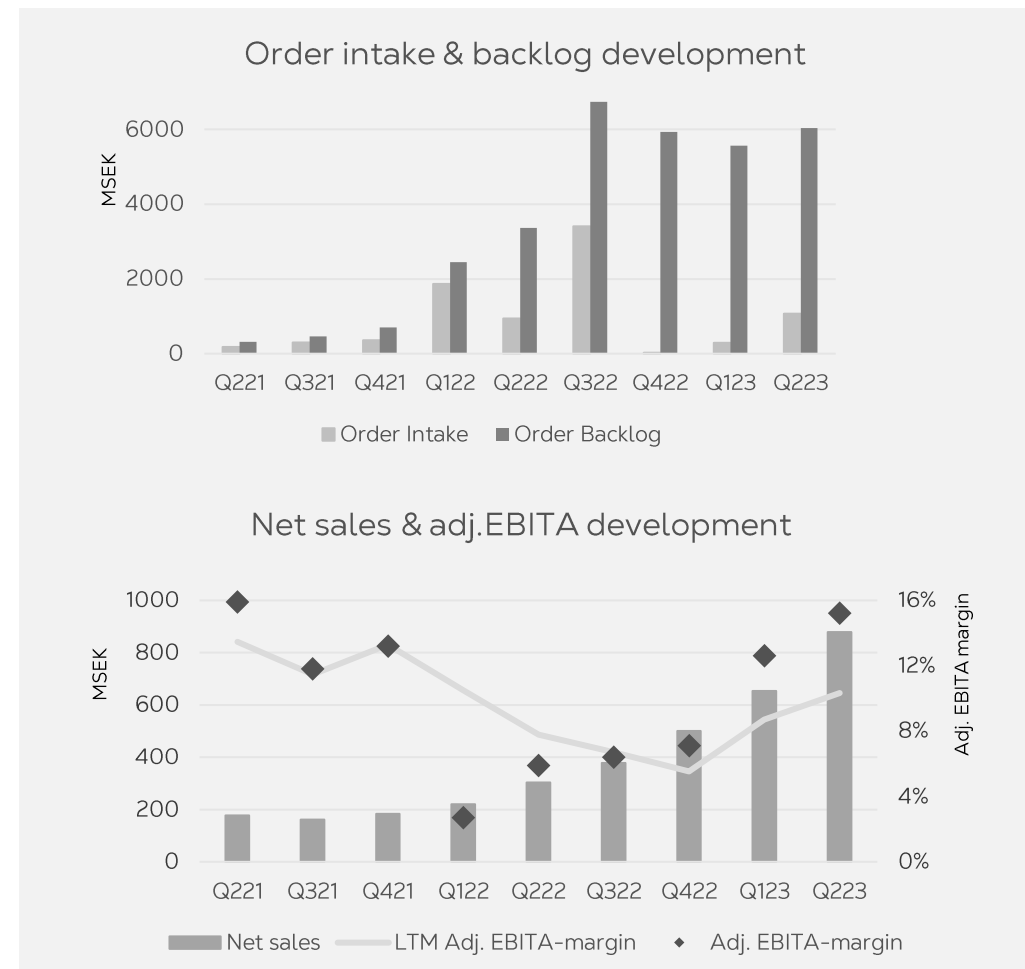


Q2 - Strong sales & margin growth

MSEK	Q2 2023	Q2 2022	Change (%)		
			Organic	Structural*	FX-effects
Order intake	1,067	939	10	-	4
Order backlog	6,037	3,369			
Net sales	878	303	168	-	22
Adj. EBITA	133	18			
Adj. EBITA (%)	15.2	5.9			

→ **Adj. EBITA margin** significant increase, impacted by;

- + strong volume increase
- + ramp-up in production in the US
- + net price increases
- + capex spending in relation to net sales at low level, expected to ramp-up slightly during the remainder of the year

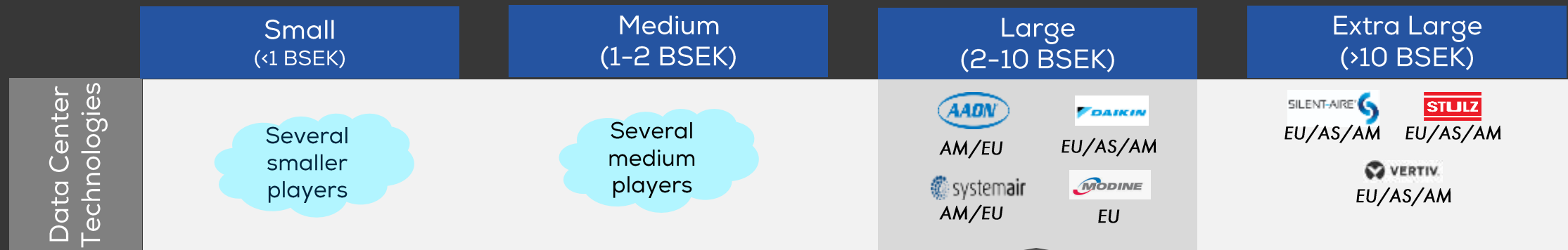


* Acquisitions & divestments



Selection of market players – Munters well positioned for growth

→ An order in DCT generally consists of several equipment deliveries







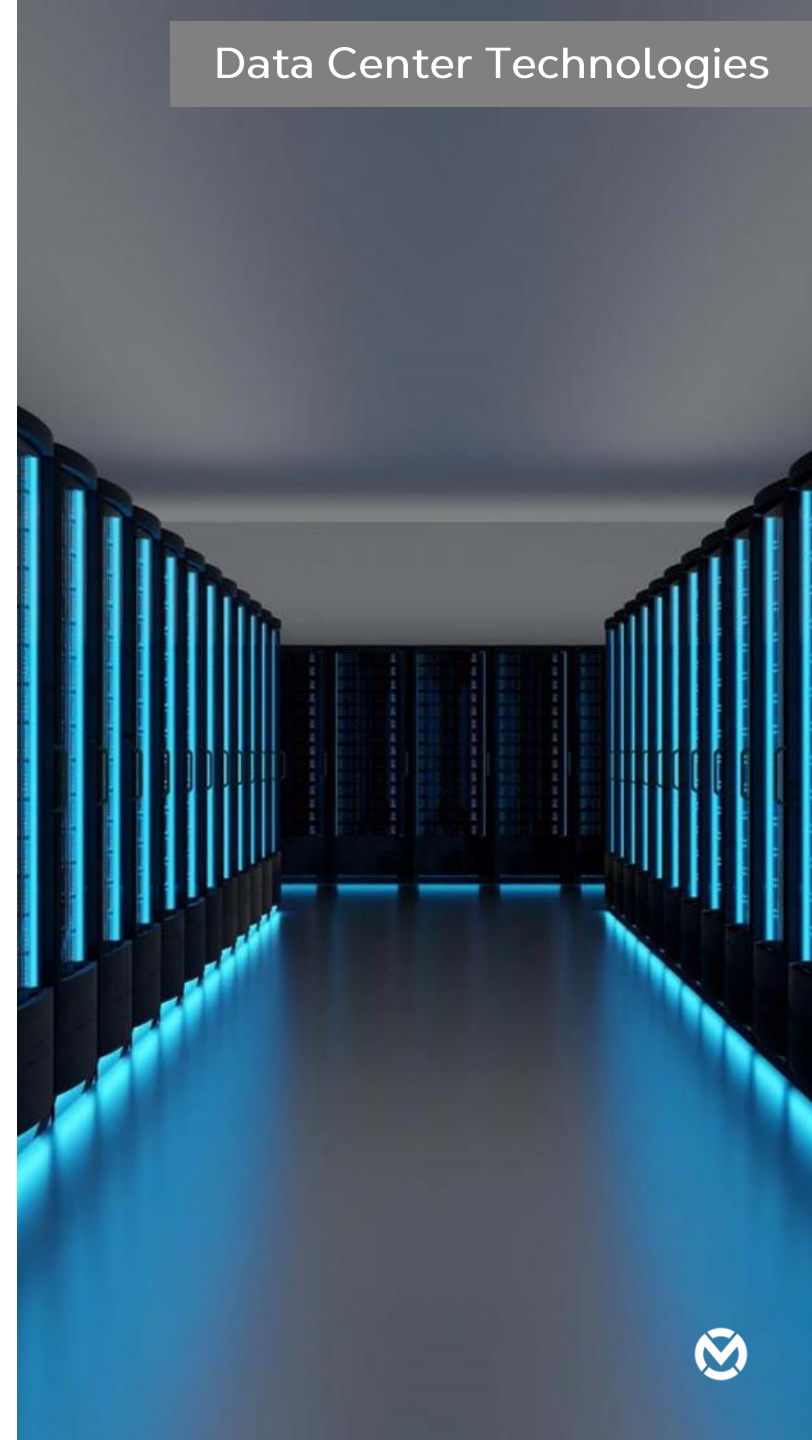
Record orders confirm our strong position & offer

- **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 company
 - Value of ~ MUSD 64 (incl. standard chilled water computer room air handlers (CRAHs), at multiple data centers in the US)
 - Deliveries from Q4 2024 to Q1 2025

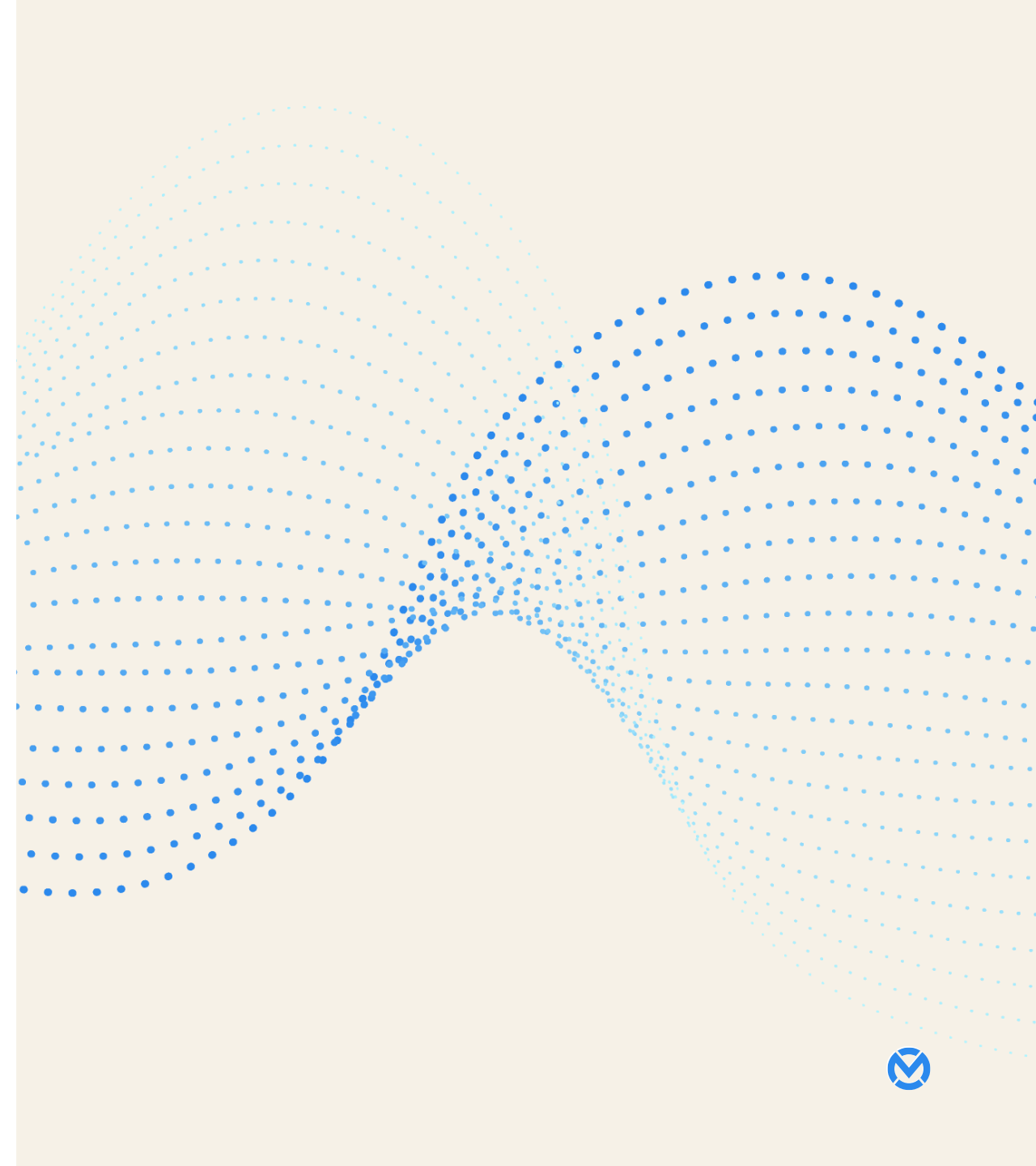
- **July 2022** – **largest SyCool Split order ever** to a leading data center colocation company in the US
 - Value of ~ MUSD 176 (incl. SyCool Split systems & field service work)
 - Deliveries throughout all 2024

- **June 2023** – major order to a US-based colocation company
 - Value of ~ MUSD 88 (chilled water air handlers (CRAH), at >10 data center facilities in the US)
 - Deliveries during Q4 2024 – Q4 2025



Agenda

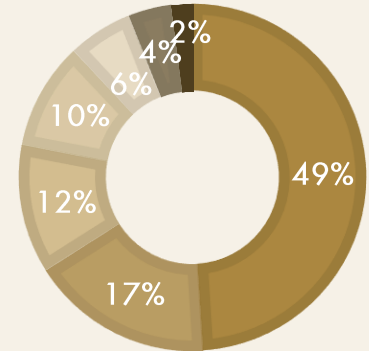
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A world leader in climate control systems for food production

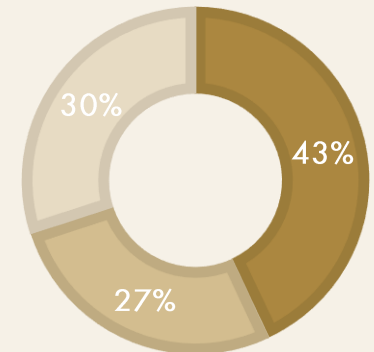
FoodTech

Customer segments, net sales 2022



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

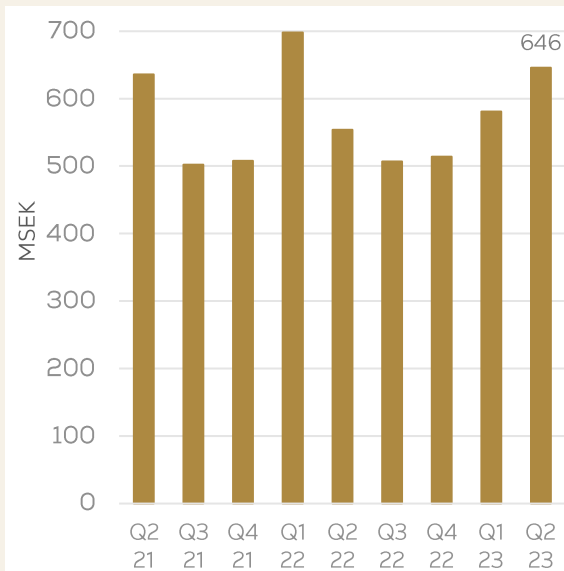
Order intake by region



- Americas
- EMEA
- APAC

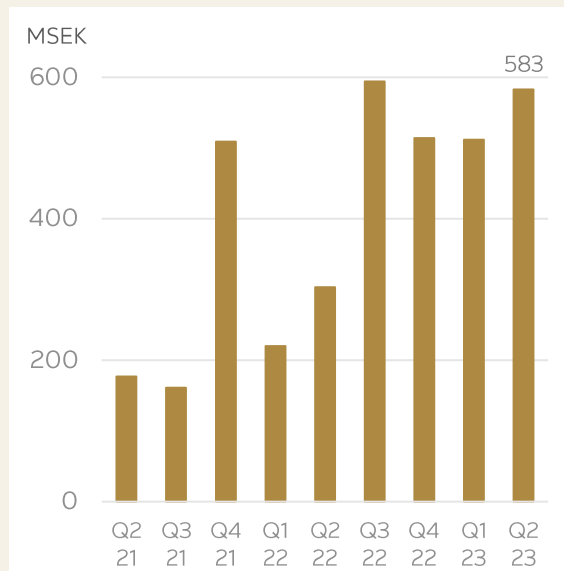
Order intake, MSEK*

2,216



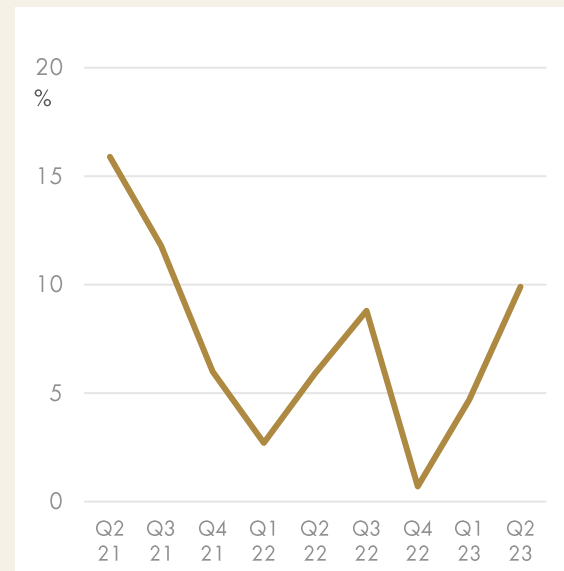
Net sales, MSEK*

2,203



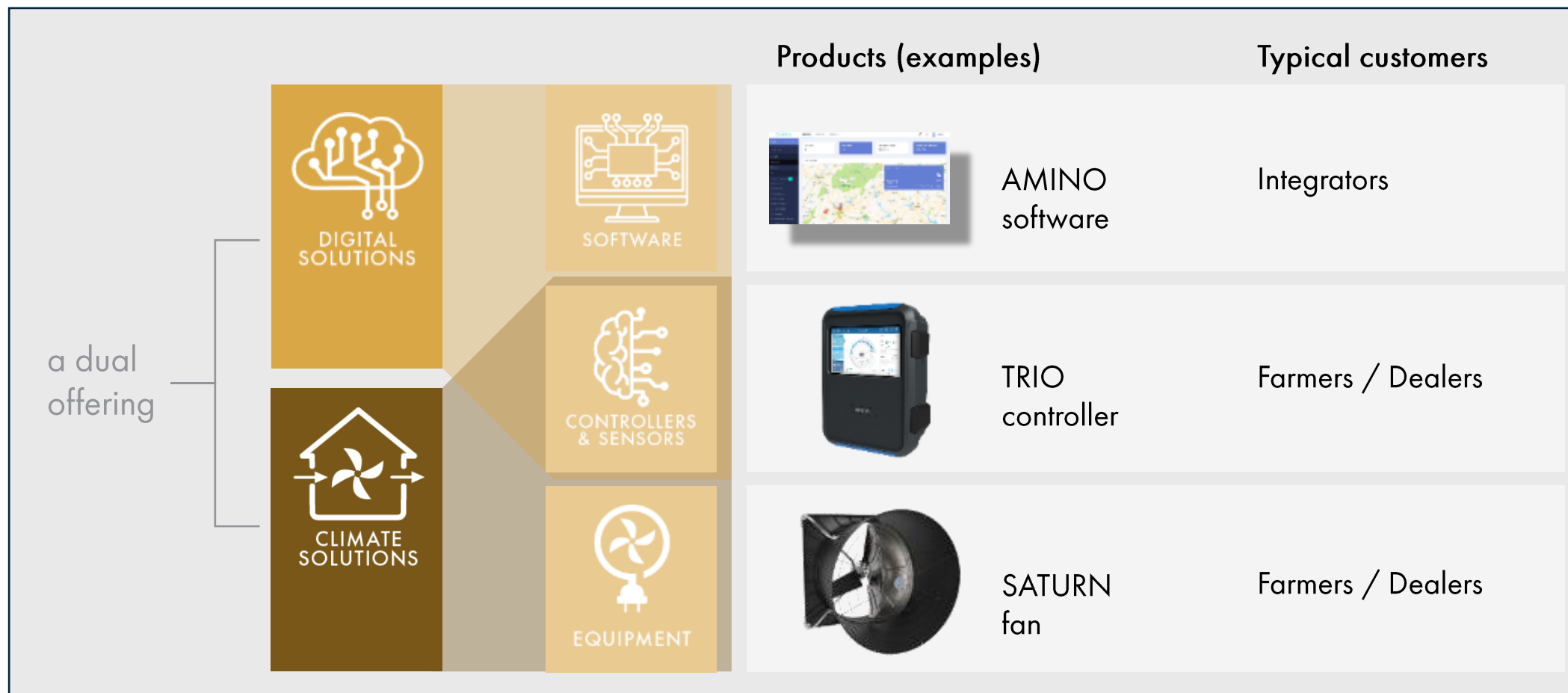
Adjusted EBITDA-margin*

6.3%



*Financial figures FY 2022

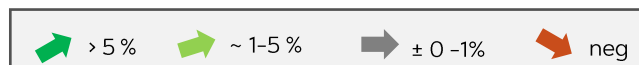
FoodTech - a leading dual offering










FoodTech stands on two pillars, climate solutions and digital solutions



Q2- Increasing demand, mainly in Americas



Customer segment	% order intake Q2 2023	Market Outlook *
Climate Solutions (incl. Controllers)	93%	
...whereof Broiler	48%	
...whereof Swine	14%	
...whereof Layer	18%	
...whereof Greenhouse	5%	
...whereof Dairy	6%	
...whereof Other	2%	n/a
Digital Solutions	7%	

→ Order Intake increased +17%

- mainly driven by CS & DS in the US
- CS - mixed development, most positive outlooks in Broiler & Greenhouse
- DS - strong trend all regions through increased data usage aiming at increasing yield, improving animal welfare and sustainability

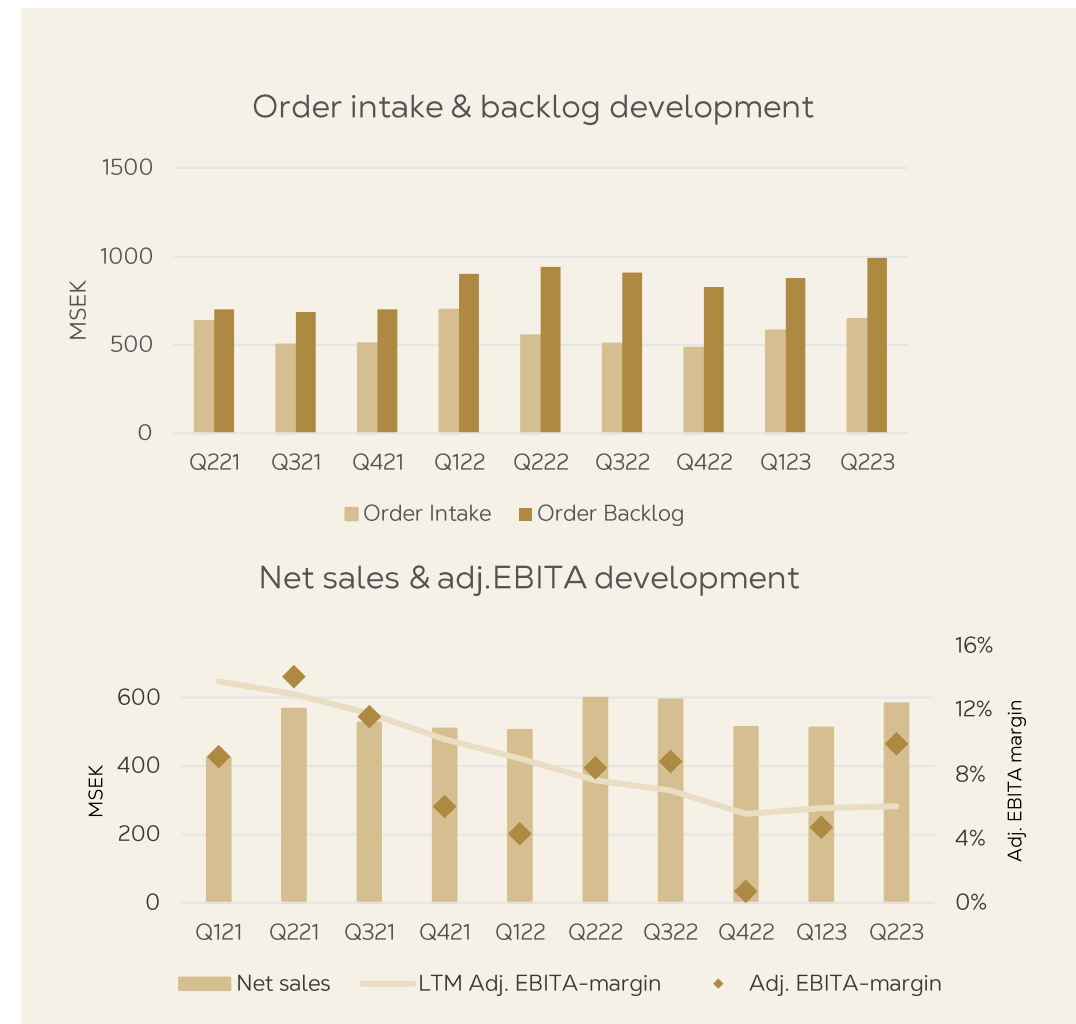
* Market outlook and comments are indicative and refer to the coming six months

Q2 - Positive margin contribution

MSEK	Q2 2023	Q2 2022	Change (%)		
			Organic	Structural*	FX-effects
Order intake	646	554	11	-	5
Order backlog	992	942			
Net sales	583	599	-8	-	5
- of which SaaS	42	28			
- SaaS ARR	166	112			
Adj. EBITA	58	50			
Adj. EBITA (%)	9.9	8.4			

→ Adj. EBITA margin increased;





























- + commercial excellence initiatives, including net price increases
- + improved profitability in DS
- + actions to mitigate negative effects from lower net sales in EMEA and APAC
- cont. declining net sales in EMEA & APAC
- cont. high investments in DS



* Acquisitions & divestments



Selection of market players within Climate Solutions

Fans	 EU/AS/AM	 EU/AS/AM	 EU	 EU	 EU/AS/AM	 China	 EU/AS	Fans
Cooling	 EU/AS/AM	 AS	 EU	 AM	 AS	 Middle East	 AM	Cooling
Inlets	 EU/AS/AM	 EU	 EU	 EU	 AM			Inlets
Controllers	 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



MTech Systems secures important SaaS contract

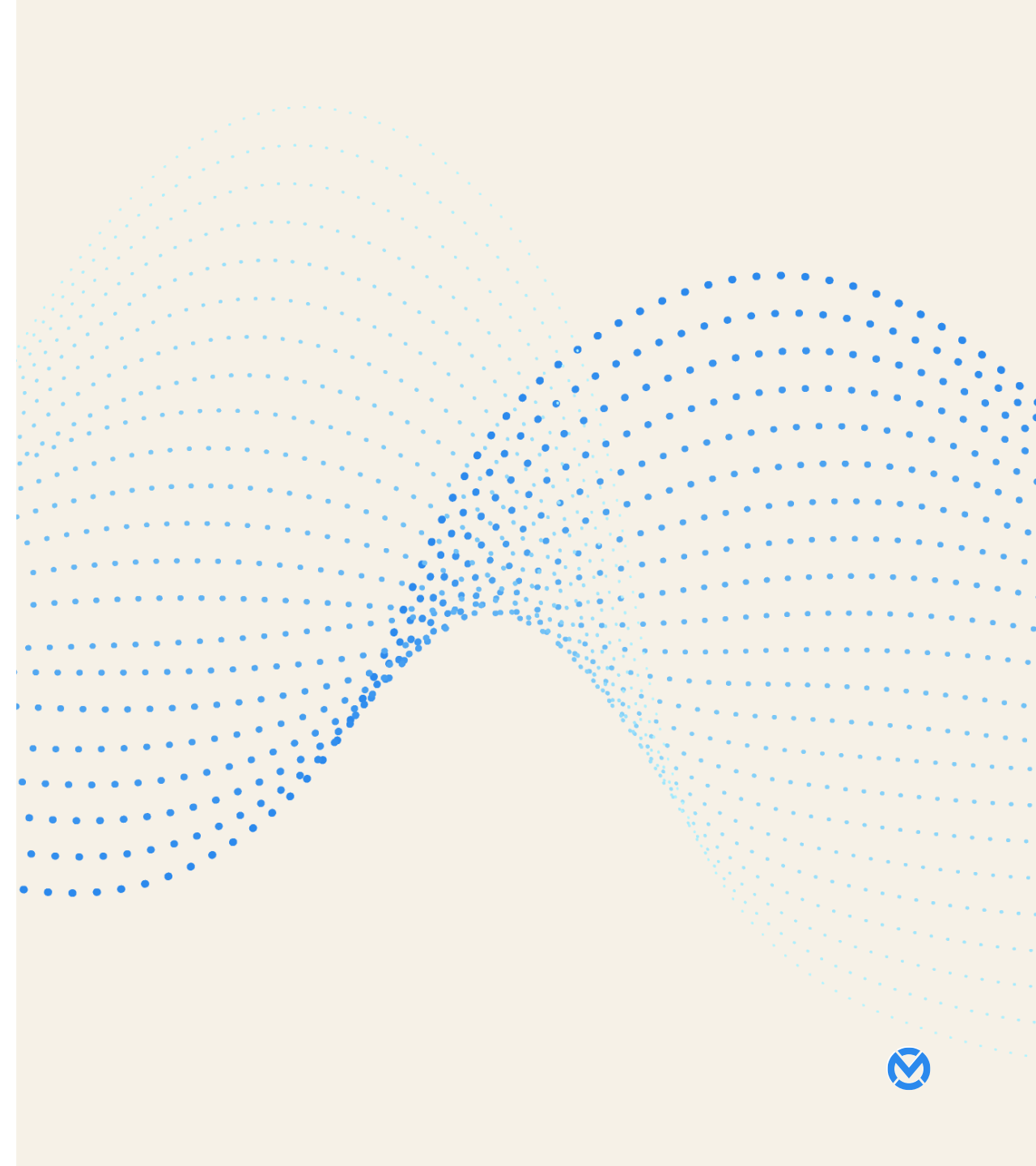
- **January 2022** - MTech Systems, within FoodTech, deliver SaaS solution to a major US integrator
- order value of ~MUSD 19
 - contributing to improved animal & human health as well as reduced energy consumption

Digital Solutions recurring revenues grew +48% in Q2



Agenda

- Introduction
- Q2 highlights
- AirTech
- Data Center Technologies
- FoodTech
- Customer cases
- Appendix



Appendix

Significant margin improvement in all business areas

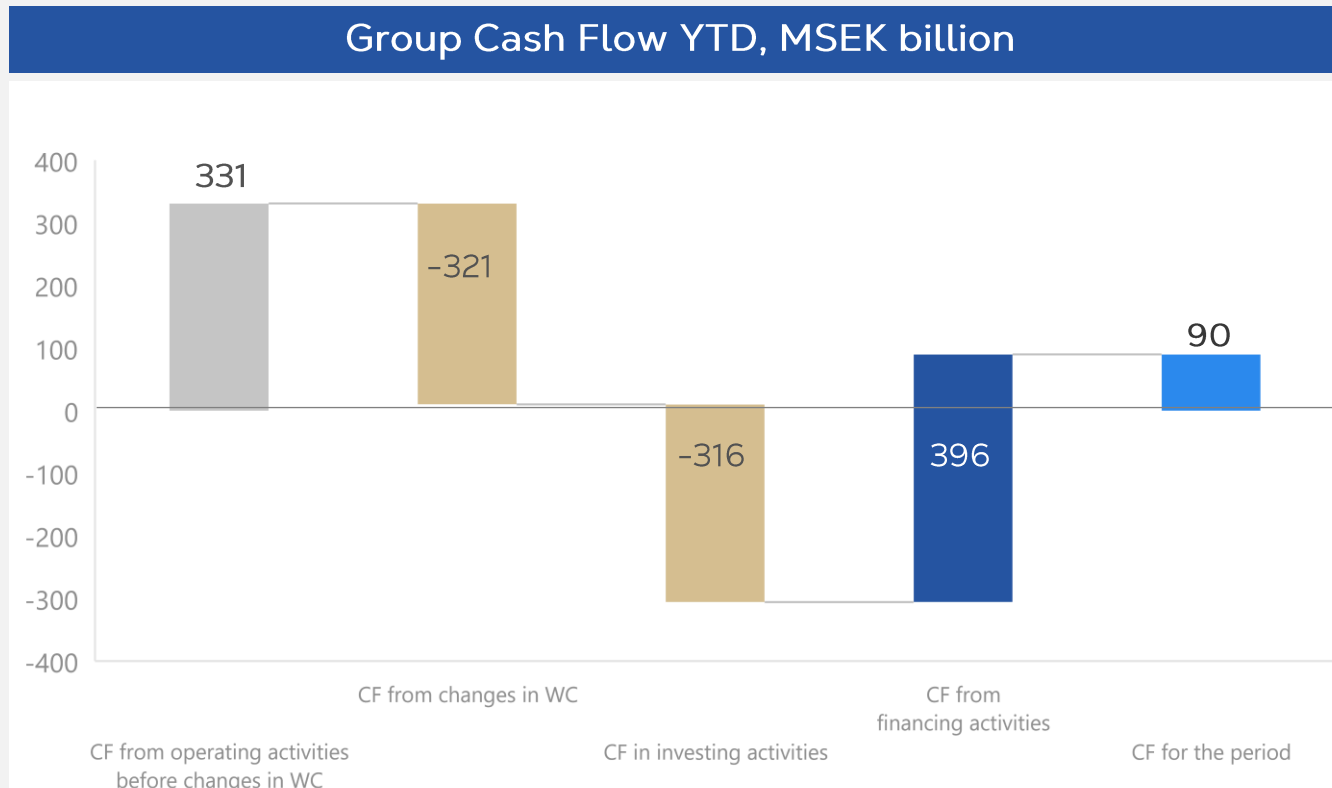
Group adj. EBITA margin impact

Adj. EBITA %	Q2 2022 10.4	Q1 2023 12.3
Volume	++	+
Net pricing	++	+
Operational excellence	+	+
Regional mix	-	=
Strategic investments	-	-
Q2 2023 adj. EBITA %	13.5	13.5

Main factors affecting adj. EBITA margin in Q2:

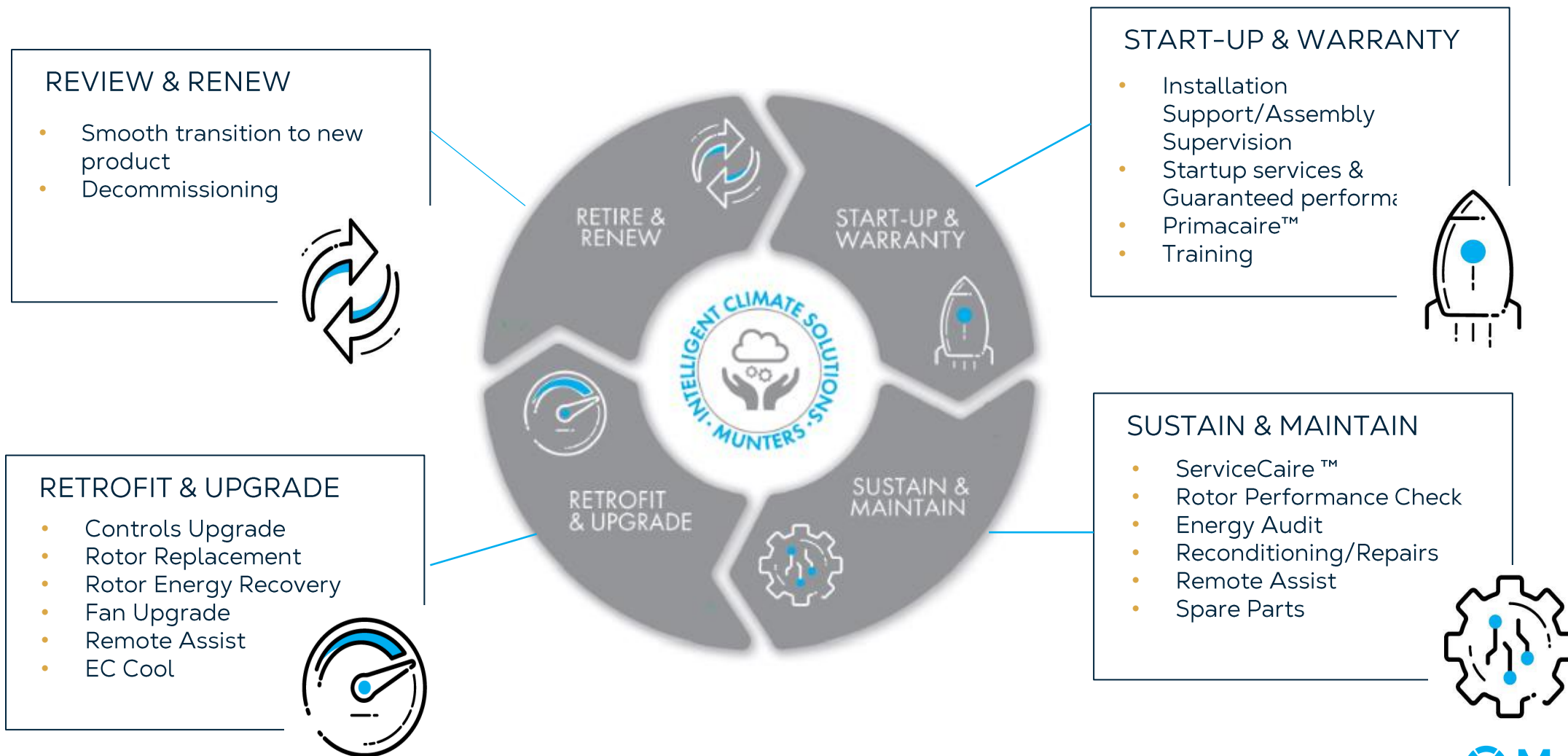
- Strong **volume** increase driven by DCT & battery in AT
- **Net price** increases in all business areas
- **Operational excellence** improvement initiatives contributed to margin improvement
- **Regional mix** in FT with weak markets in China & EMEA
- **Strategic investments** for scalability in digitization and automation continued

Large projects driving build-up in working capital



- Higher level of cash-flow from operating activities before changes in working capital
 - mainly driven by improved EBIT
- Build-up of working capital
 - mainly large projects in DCT, production continued to ramp-up, deliveries to customers ongoing
- Q2: 3 acquisitions & dividend paid

Munters Service Offering – with our customers all the way



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