



**MUNTERS**

**January-March 2005**

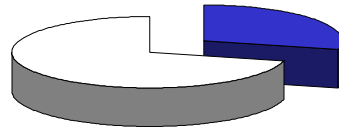
## Highlights Q1-2005

- Order intake growth 4% (currency adjusted)
- Sales growth 11% (currency adjusted)
- EBIT margin 5.9% (6.4% )
  
- Dehumidification strong
- MCS flat
- HumiCool lower margins
  
- Europe earnings down
- Americas strong but weak orders
- Asia slightly improved earnings



# Dehumidification

- Industrial - Food, Pharma
- Commercial – DesiCool



30% of Munters 2005





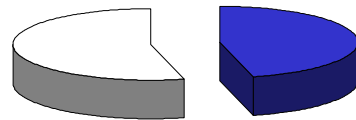
## Dehumidification Q1-2005

- Europe
  - Strong sales. High manufacturing and R&D costs, product launches
- Americas
  - Continued good development,
  - DesiCool strong
  - Zeol weak orders, good quote activity
- Asia
  - Strong trend and improved earnings



# Moisture Control Services

- Water damage restoration
- Fire damage restoration
- Industry Rental



45% of Munters 2005





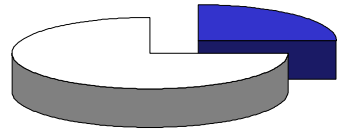
## MCS Q1-2005

- Europe
  - Flat to last year
  - Upturn in Q4 did not continue
  - Selective new action plans, previous plan done
- Americas
  - Weak trend after the Q3 and Q4 hurricanes
  - Soft demand, mild winter
- Asia
  - The strong trend continued



# HumiCool

- AgHort
- Comfort Cooling
- Utilities



25% of Munters 2005





## HumiCool Q1-2005

- Europe
  - Strong orders and sales
  - Relocation in Germany finalized in Q4
  - Relocation to Italy finalized end Q1, some start-up cost
  - USD/EUR related competition and steel price effects continue to press margins
- Americas
  - Strong sales
  - Significant margin improvement
  - Mexico factory in full production
- Asia
  - Avian flu, weak demand

## Financial overview by quarter

| MSEK           | 2005         | 2004 <sup>1</sup> |       |       | Adjusted growth <sup>2</sup> |            |
|----------------|--------------|-------------------|-------|-------|------------------------------|------------|
|                | Q1           | Q4                | Q3    | Q2    |                              | Q1         |
| Order intake   | <b>1 184</b> | 1 089             | 1 161 | 1 181 | <b>1 167</b>                 | <b>4%</b>  |
| Net sales      | <b>1 079</b> | 1 270             | 1 127 | 1 150 | <b>996</b>                   | <b>11%</b> |
| EBIT           | <b>64</b>    | 104               | 82    | 85    | <b>63</b>                    | <b>4%</b>  |
| EBIT margin, % | <b>5,9</b>   | 8,2               | 7,2   | 7,4   | <b>6,4</b>                   |            |
| Net earnings   | <b>37</b>    | 65                | 49    | 50    | <b>36</b>                    | <b>6%</b>  |
| Op. cash flow  | <b>32</b>    | 47                | 9     | 37    | <b>28</b>                    |            |

<sup>1</sup> Previous year is recalculated due to the transition to IFRS.

<sup>2</sup> Adjusted for currency fluctuations.

# Correction of Cash Flow Statement

|  | 2005<br>Jan-Mar<br>3 months | 2004/2005<br>Apr-Mar<br>12 months |
|--|-----------------------------|-----------------------------------|
| Cash flow from current operations<br>before changes in working capital (unchanged) | 71                          | 335                               |
| <i>Cash flow from changes in working capital</i>                                   |                             |                                   |
| Changes in inventories etc (unchanged)   | -26                         | -43                               |
| <b>Changes in accounts receivable (changed)</b>                                    | <b>45</b>                   | <b>-148</b>                       |
| <b>Changes in other receivables (changed)</b>                                      | <b>-19</b>                  | <b>-17</b>                        |
| Changes in accounts payable (unchanged)  | -19                         | 20                                |
| Changes in other liabilities (unchanged)   | 2                           | 65                                |
| Cash flow from current operations (unchanged)                                      | 54                          | 212                               |

## Regional analysis Q1

| MSEK     | Net sales | Adjusted growth <sup>1</sup> | Margin <sup>2</sup> 2005 | Margin <sup>2,3</sup> 2004 |
|----------|-----------|------------------------------|--------------------------|----------------------------|
| Europe   | 656       | 7%                           | 4,3%                     | 5,0%                       |
| Americas | 324       | 15%                          | 10,3%                    | 9,5%                       |
| Asia     | 117       | 25%                          | 8,7%                     | 10,4%                      |
| Group    | 1 079     | 11%                          | 5,9%                     | 6,4%                       |

<sup>1</sup> Current Group structure adjusted for currency fluctuations.

<sup>2</sup> Regions: operating margin, Group: EBIT margin.

<sup>3</sup> Previous year for the Group is recalculated due to the transition to IFRS.

## Net sales analysis Q1

|                           |              |           |
|---------------------------|--------------|-----------|
| <b>Net sales, Q1-2004</b> | <b>996</b>   |           |
| Currency effect           | -23          | -2%       |
| Organic growth            | 106          | 11%       |
| <b>Net sales, Q1-2005</b> | <b>1 079</b> | <b>8%</b> |

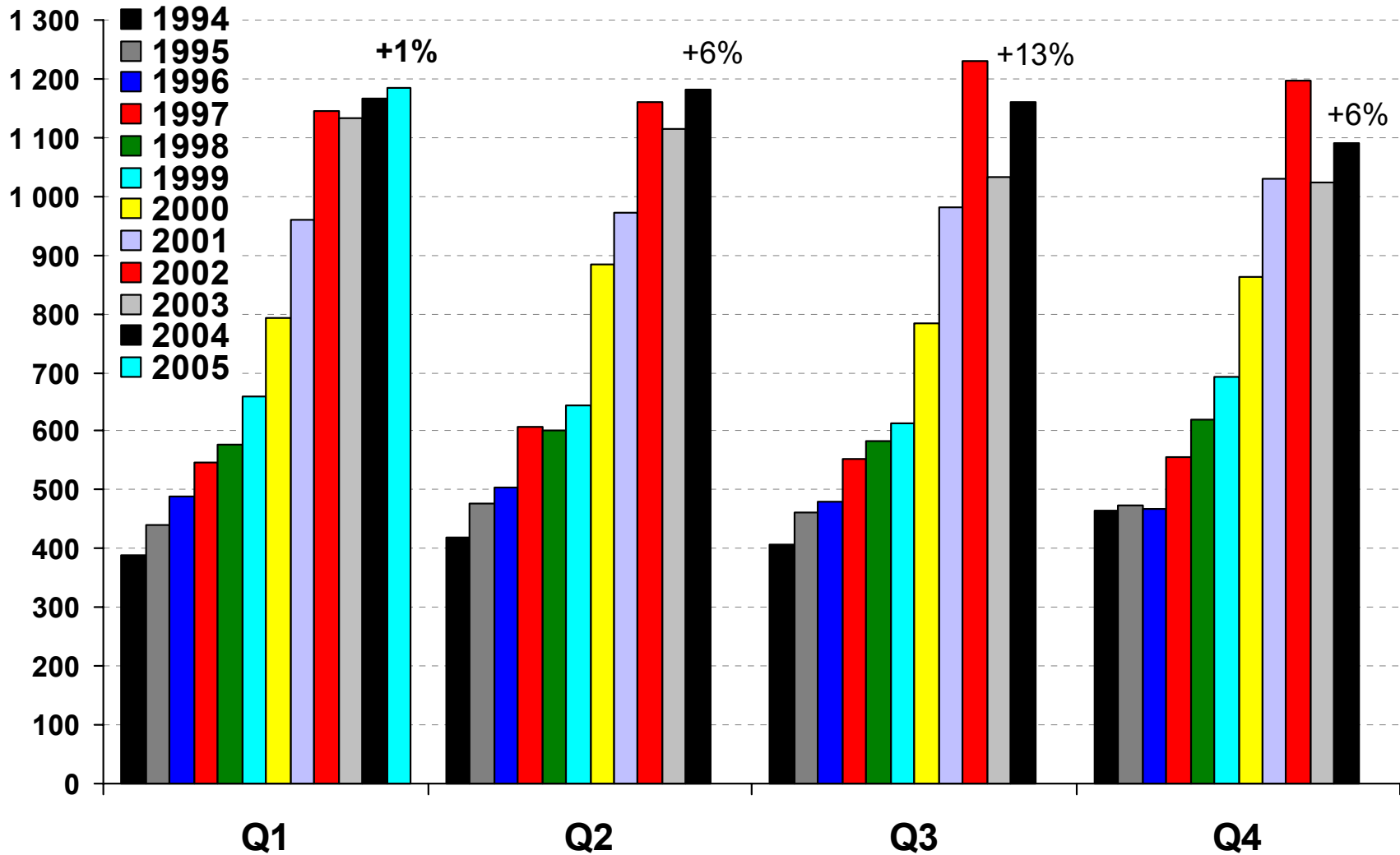
# EBIT analysis Q1

|                                   |           |           |
|-----------------------------------|-----------|-----------|
| <b>EBIT, Q1-2004</b> <sup>1</sup> | <b>63</b> |           |
| Action plans                      | 0         |           |
| Currency effect                   | -2        | -3%       |
| HumiCool Asia                     | -5        |           |
| HumiCool Americas                 | 5         |           |
| AgHort Europe start up effects    | -2        |           |
| Other units                       | 5         | 8%        |
| <b>EBIT, Q1-2005</b>              | <b>64</b> | <b>1%</b> |

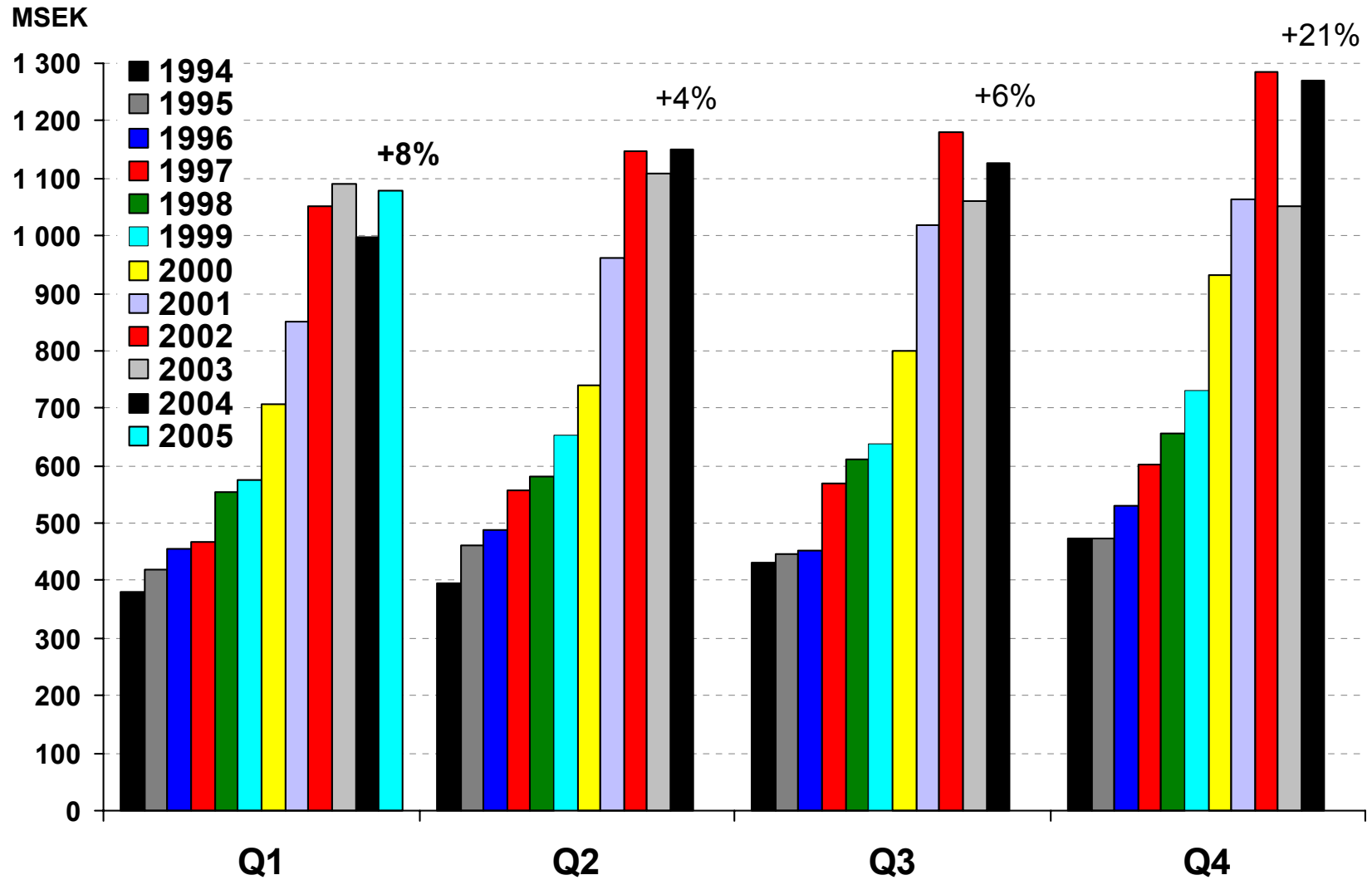
<sup>1</sup> Previous year is recalculated due to the transition to IFRS.

# Order intake

MSEK

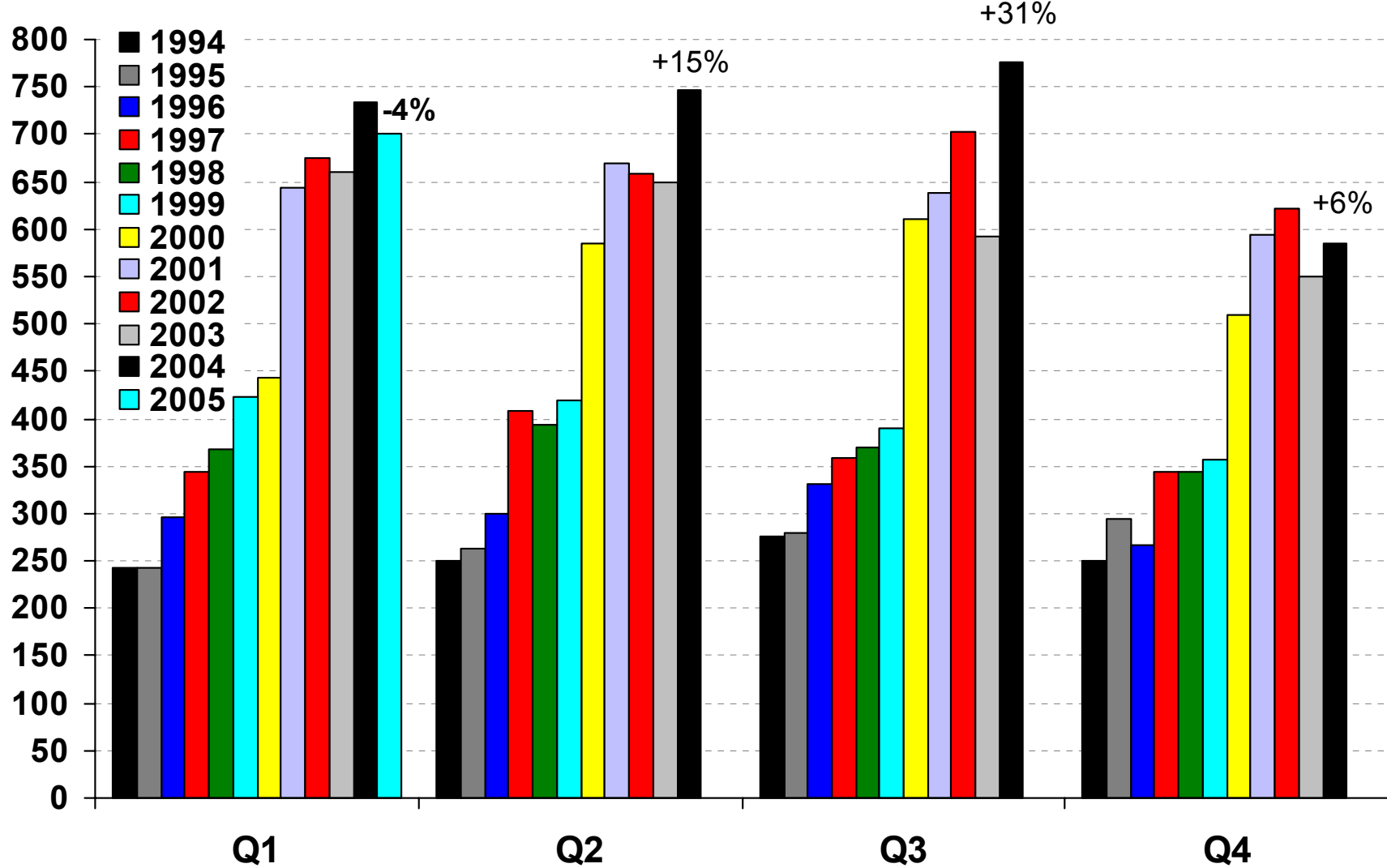


# Net sales



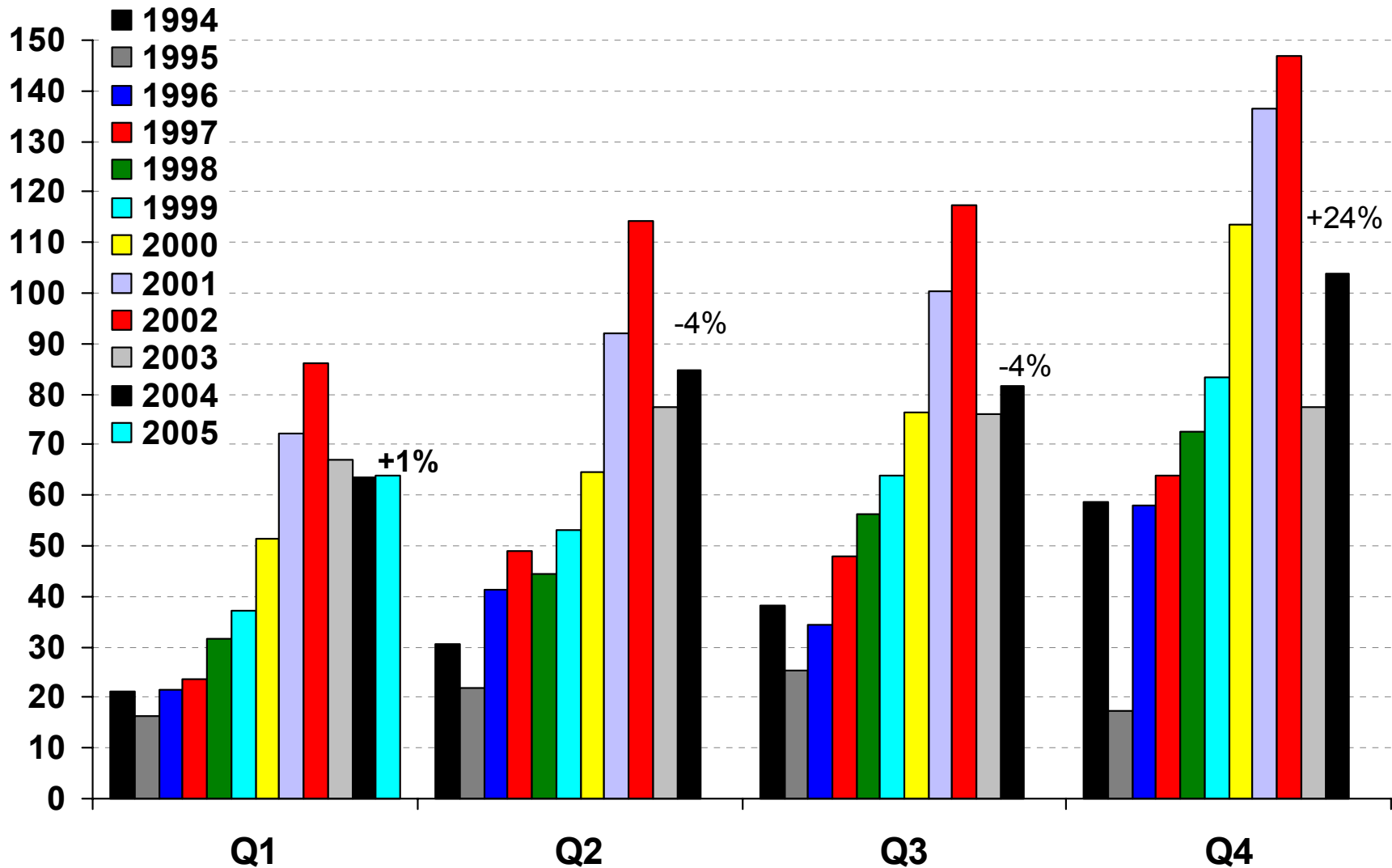
# Backlog

MSEK



# EBIT

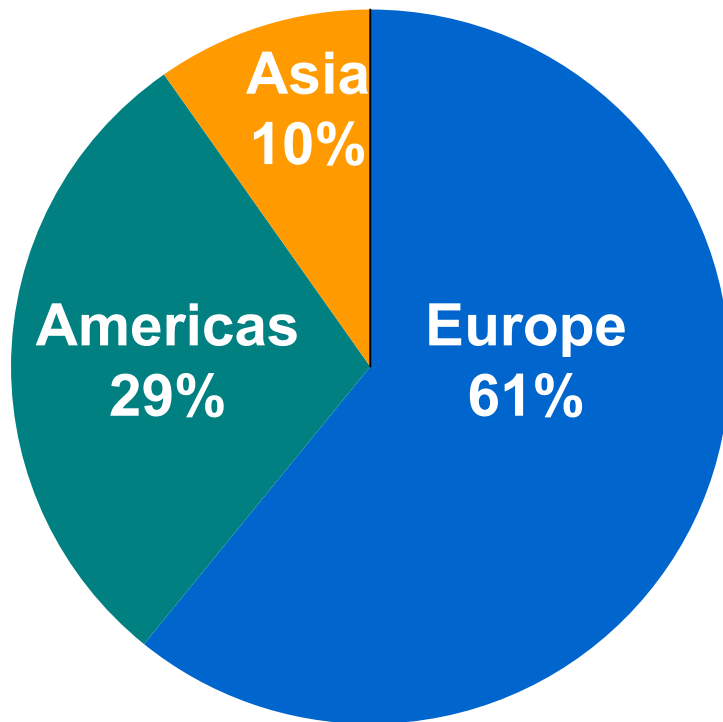
MSEK



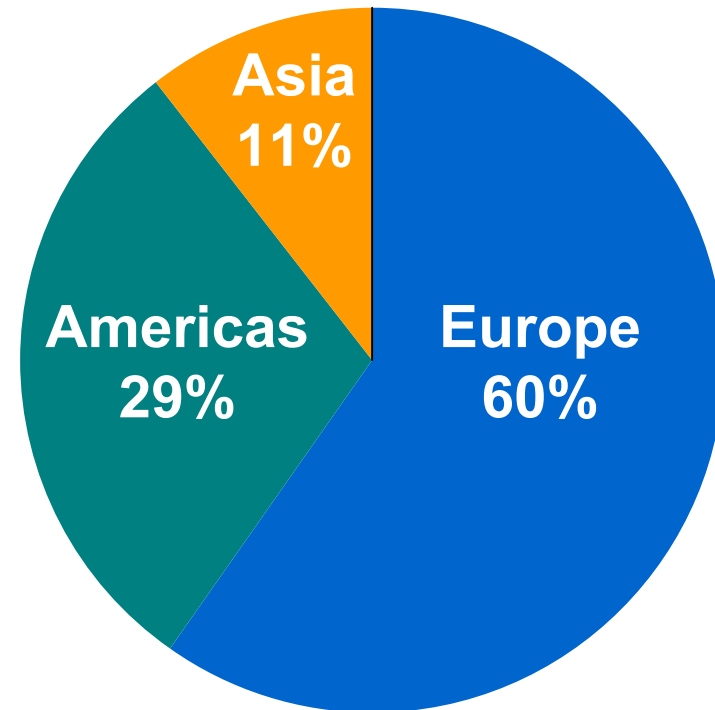
Previous year is recalculated due to the transition to IFRS. However, growth rate figure previous year is as reported last year.

# Net sales by Region

**Jan-Mar 2004**  
**996 MSEK**

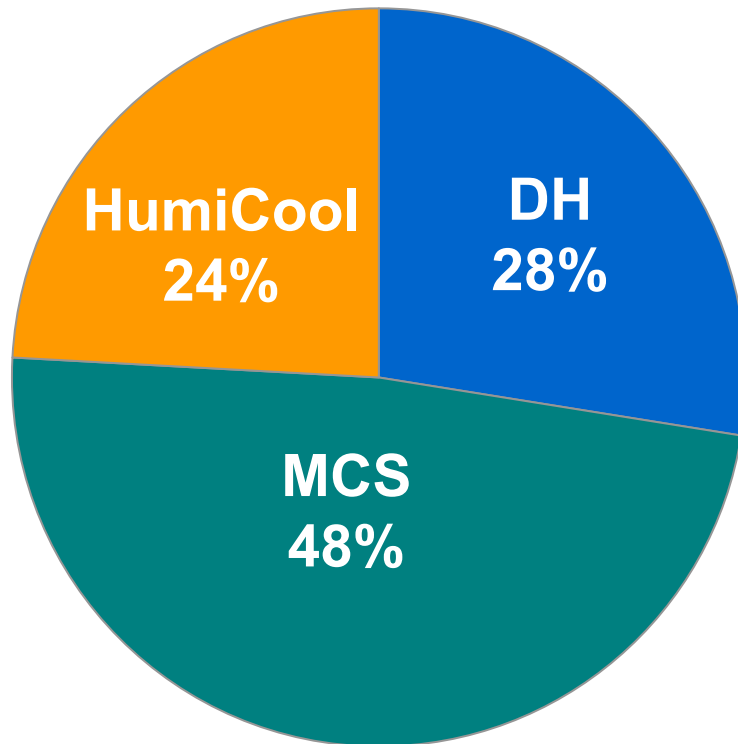


**Jan-Mar 2005**  
**1 079 MSEK**

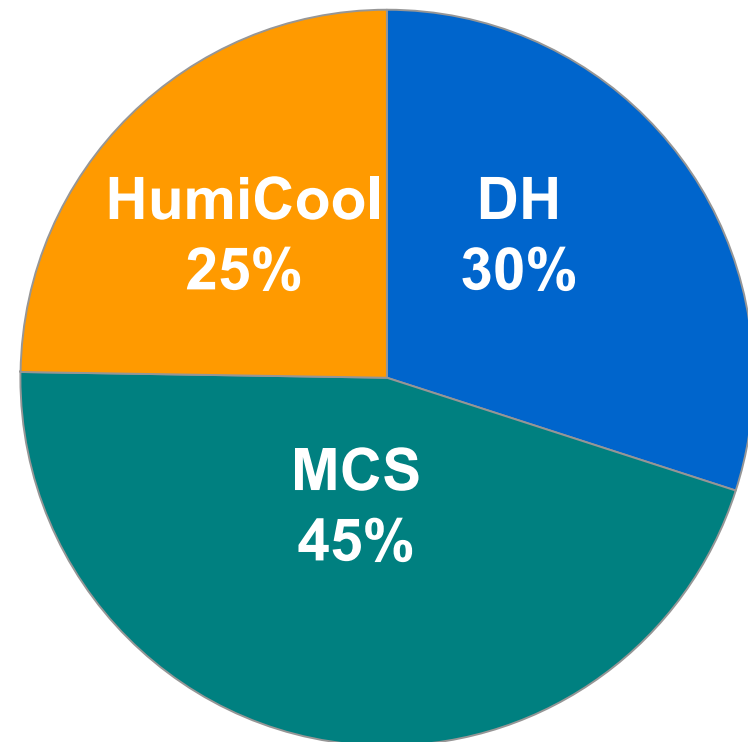


# Net sales by Product Area

**Jan-Mar 2004**  
**996 MSEK**



**Jan-Mar 2005**  
**1 079 MSEK**



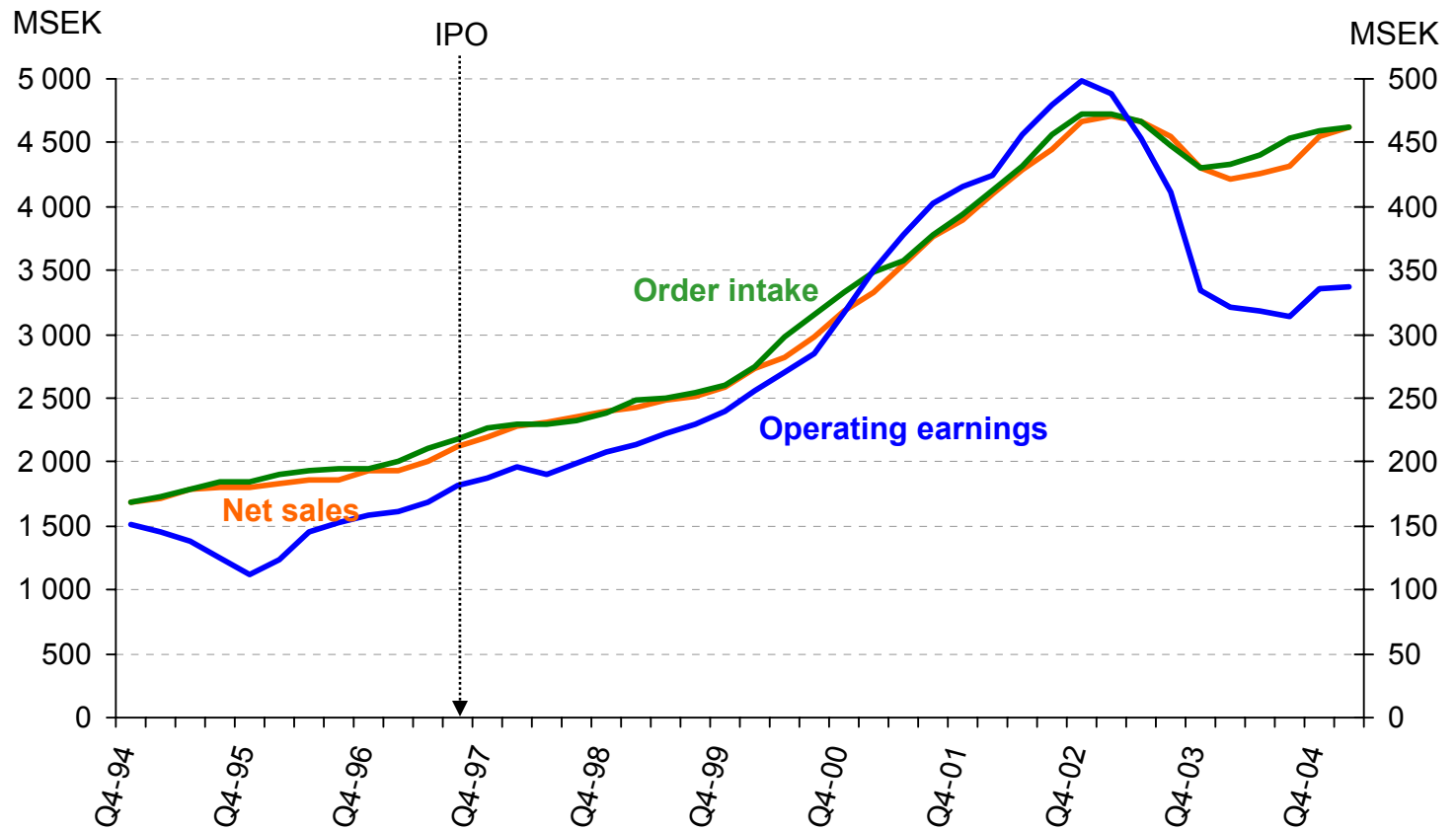
## Key ratios January-March

|  | 2005 | 2004 <sup>1</sup> |
|--|------|-------------------|
| Return on capital employed, % <sup>2</sup> | 20,6 | 19,0              |
| Interest coverage ratio, times             | 12,3 | 11,9              |
| Net debt, MSEK                             | 296  | 311               |
| Net debt/equity ratio                      | 0,23 | 0,27              |
| Earnings per share, SEK                    | 1,51 | 1,48              |

<sup>1</sup> Previous year is recalculated due to the transition to IFRS.

<sup>2</sup> Year-on-year.

# Rolling 4 quarter development



Operating earnings excluding goodwill depreciations





## The first 2 weeks of Q2

- Good Orders
- Weak Net Sales, normal at the beginning of a quarter

A blue-tinted close-up photograph of water droplets on a surface, with the text "The Humidity Expert" overlaid in white. The background shows a textured surface with numerous small, glistening water droplets of various sizes. A prominent, larger droplet is visible in the lower-left quadrant, partially obscured by the text. The overall scene is brightly lit, creating high contrast between the dark blue background and the white highlights on the water droplets.

# The Humidity Expert