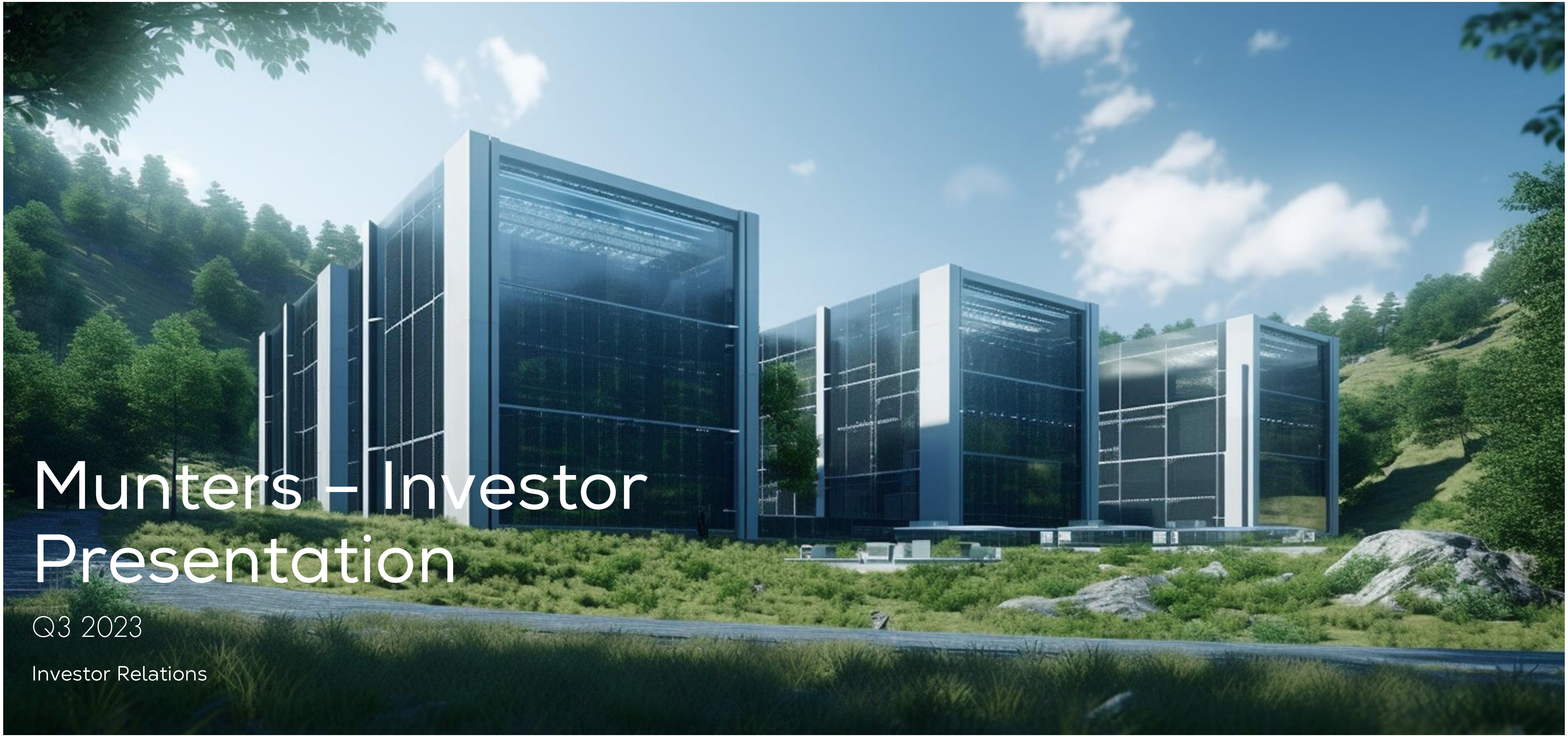
Munters



Munters – Investor Presentation

Q3 2023

Investor Relations

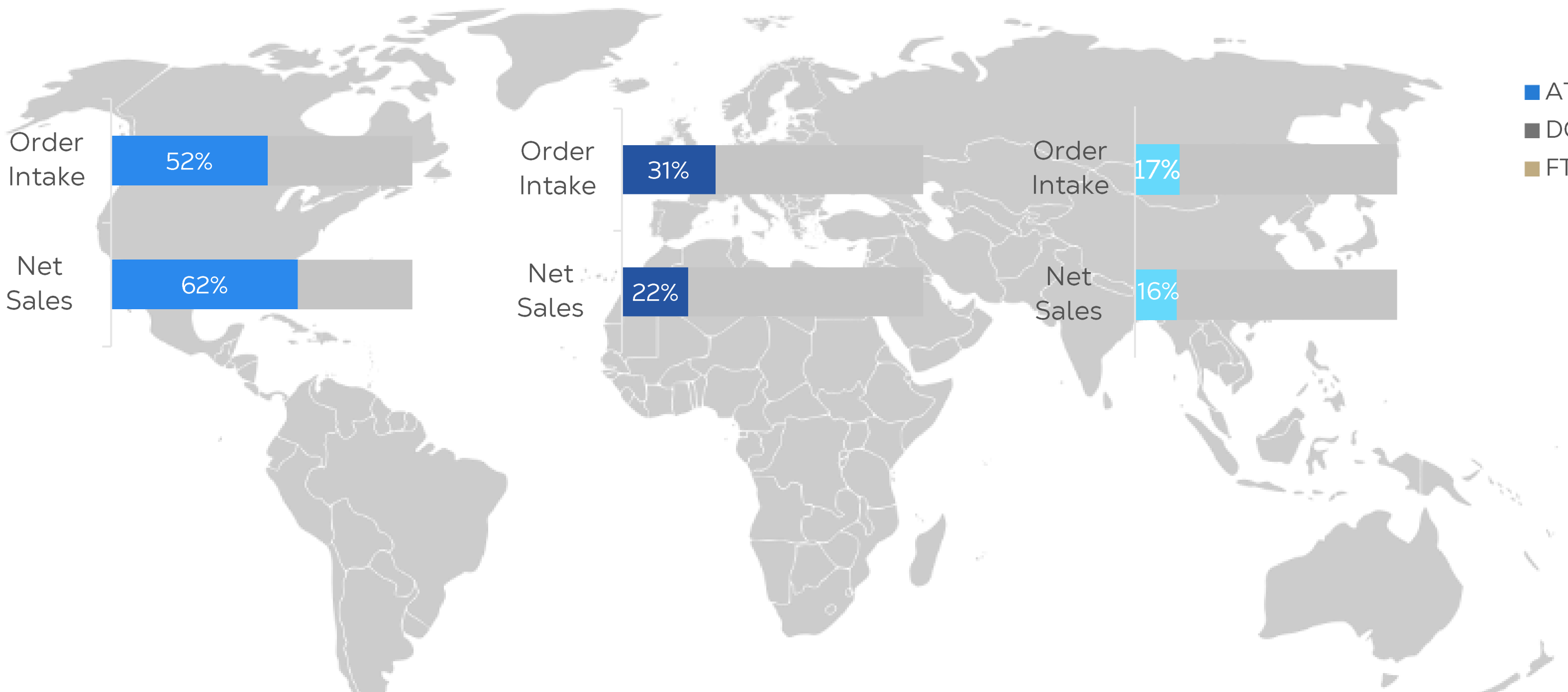
Agenda

- → Introduction
- → Q3 highlights
- → AirTech
- → Data Center Technologies
- → FoodTech
- → Customer cases
- → Appendix

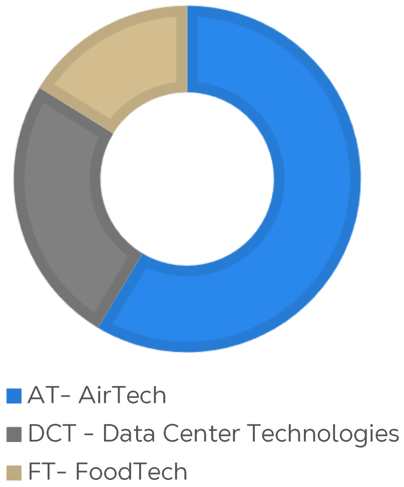
World leader in energy-efficient climate solutions

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

Regional share Q3



Order Intake per business area Q3



Sales in number of countries
>30

Sales MSEK*
13,281

Number of production plants
19

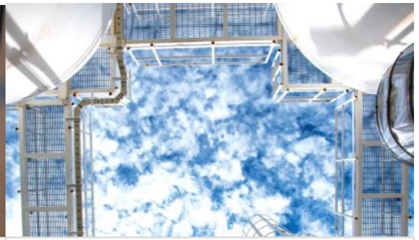
Adj. EBITA margin*
12.6

Number of employees
~4,300

Financial figures Q3 2023
*Last twelve months

Business critical solutions to a broad range of industries

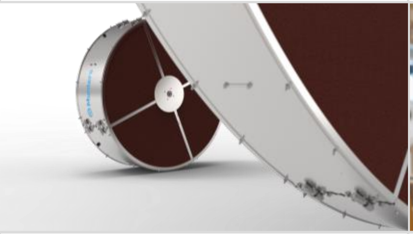
Dry air for battery production



Clean Technology solutions for a healthier planet

Constant humidity solutions for the **pharmaceutical** industry

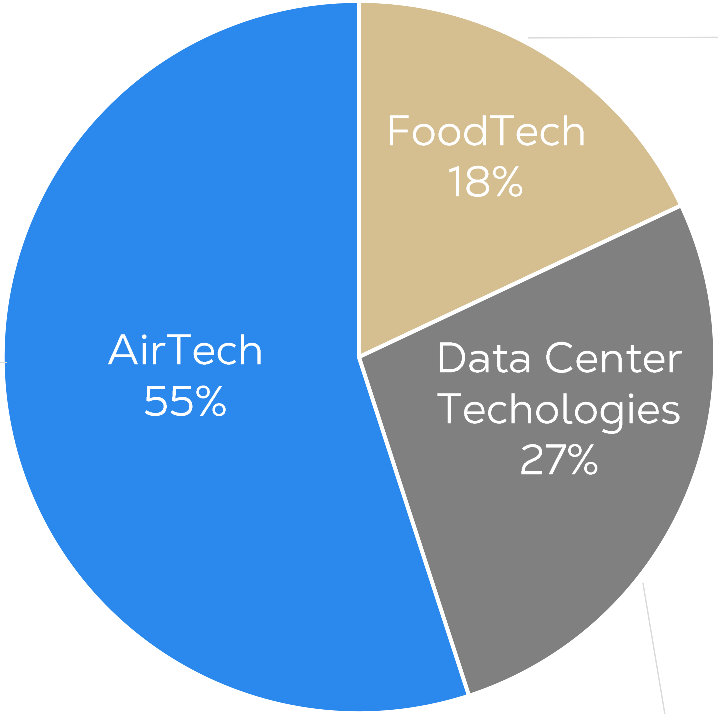
Climate & hygiene control for the **food production** industry



Leading supplier of Rotors & other components

Service offering to a broad range of customers

Distribution net sales Q3 2023



Data Center cooling solutions

Indoor climate solutions for **agriculture..**

.. and **greenhouses**

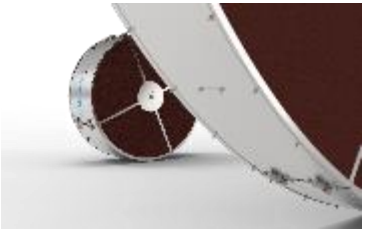
Digital solutions for farmers & food producers

Core technologies – dehumidification and evaporative cooling

Core Technologies

Evaporative cooling pads

Rotors with desiccant drying wheel



AirTech offering

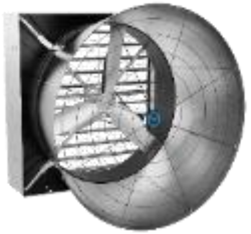
Dehumidifiers

Climate systems

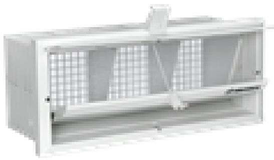
Service

FoodTech offering

High-efficiency fans



Air inlets



Controllers

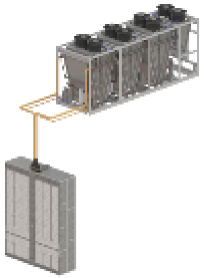
Sensors & software

DataCenter Technologies offering

Packaged air economizers

Chilled Water CRAH*

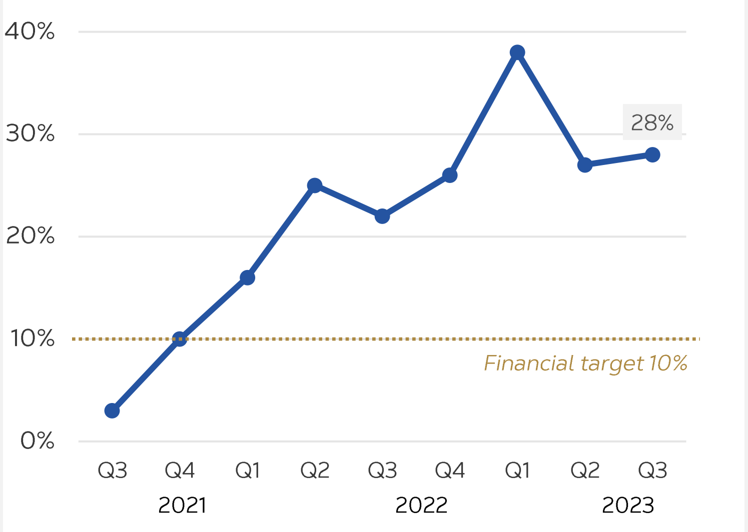
SyCool



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

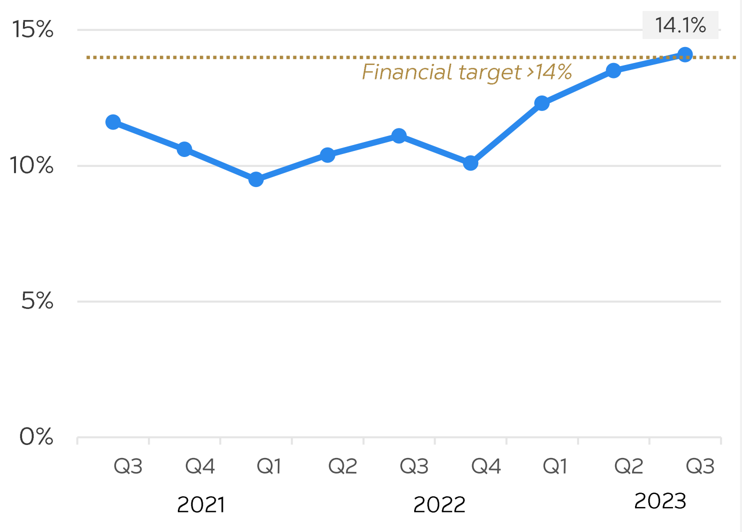
Progression towards our financial targets

Net sales growth*

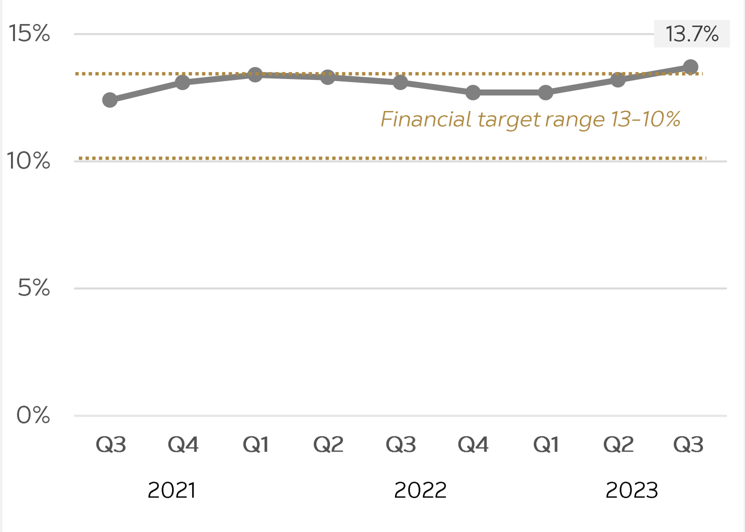


* Organic.growth p.a. over a business cycle

Adj. EBITA margin



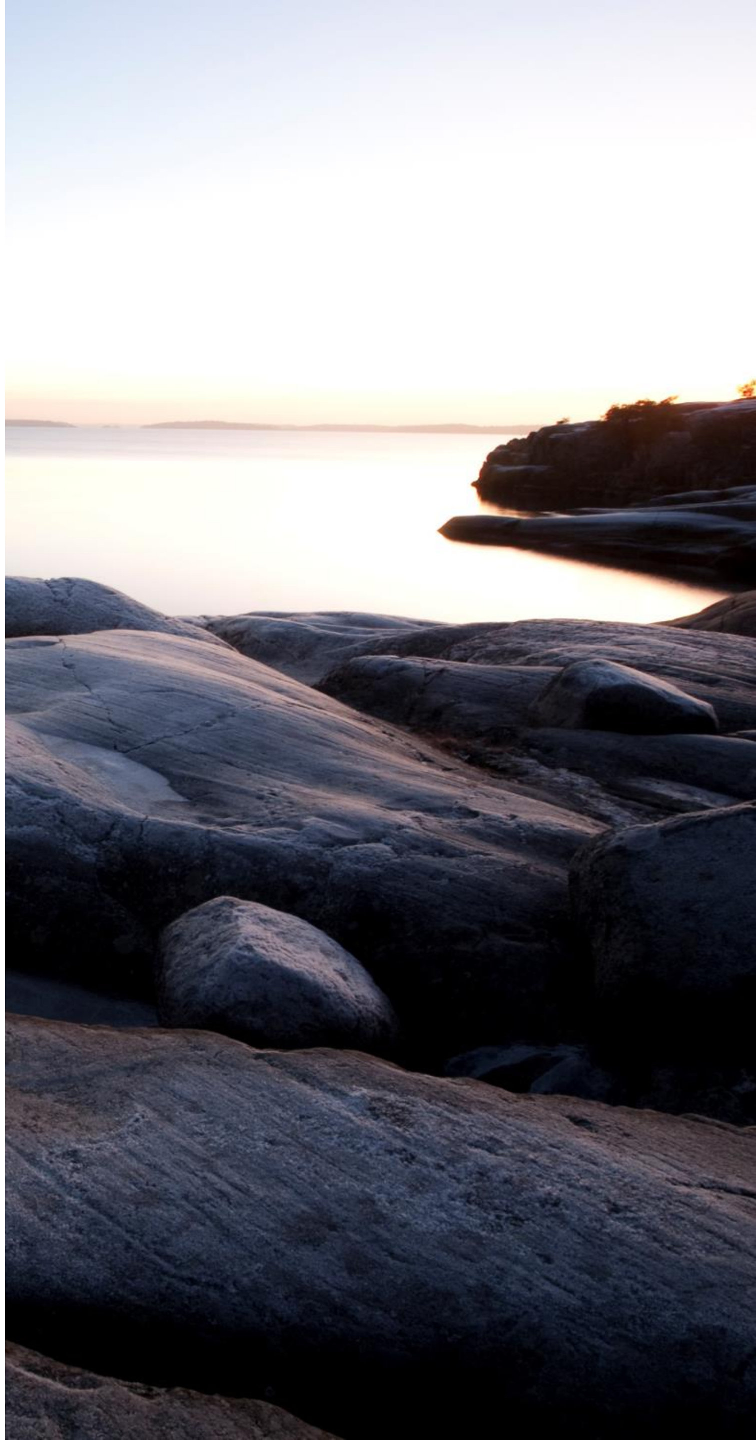
OWC/net sales**



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

Advancement towards our sustainability goals

	End of September 2023		Goal
Scope 1 & 2	Renewable electricity, factories	80% (71)	Net zero emissions by 2030
	Energy efficiency, factories*	0.51 (0.71)	
	Recycling rate (LTM)	52% (54)	
Health & Safety	TRIR** (LTM)	1.2 (1.6)	Zero accidents
Diversity	% of women in workforce	24% (22)	30% women leaders by 2026
	% of women in mgmt positions	21% (22)	

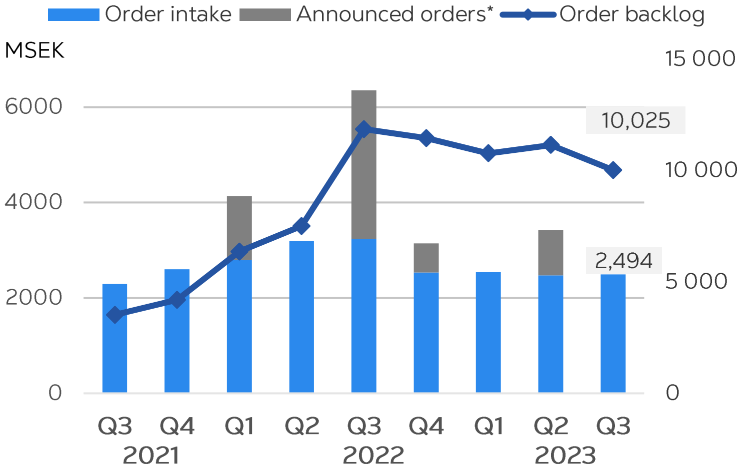


* Electricity in relation to production output, **Total Recordable Incident rate

Agenda

Strong net sales growth & profitability improvement

Stable long-term growth trends



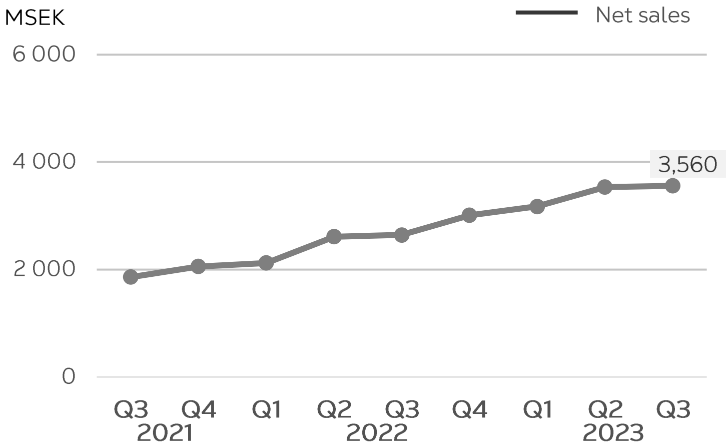
Q3 Order intake, -61%:

- no larger orders in the quarter compared to last year
- underlying strong growth drivers, short-term orders are placed closer to delivery, partly driven by the macro environment

Q3: Order backlog, -16%

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

Solid net sales growth

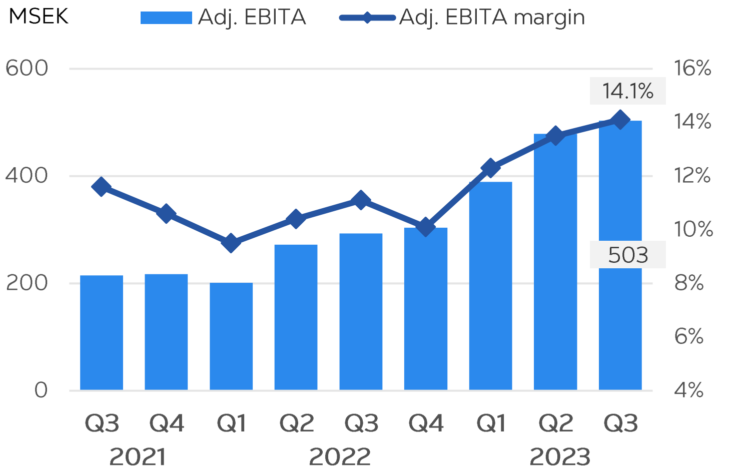


Q3: Net sales, +35%:

- org. growth of 28%
- mainly driven by DCT & battery in AT
- FT showed strong development in Americas

Book-to-bill Q3: 0.7

Continued improved profitability



Adj. EBITA-margin, Q3 14.1%:

- contributions from all business areas

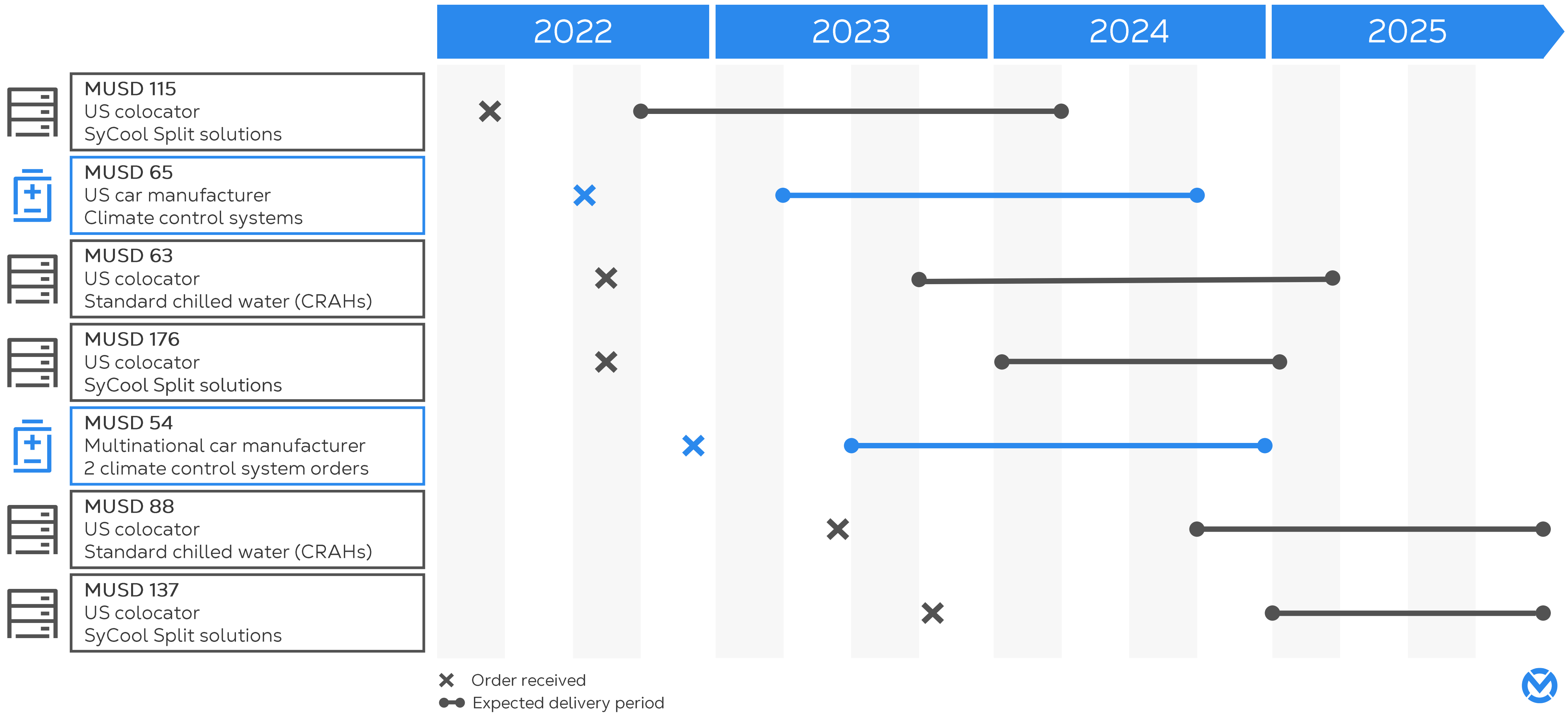
Driven by:

- increased net sales in AT & DCT
- efficiency improvements in all business areas
- well-executed project deliveries

AT = business area AirTech, DCT = Data Center Technologies, FT = FoodTech, BA = business areas

*Large orders announced through press releases

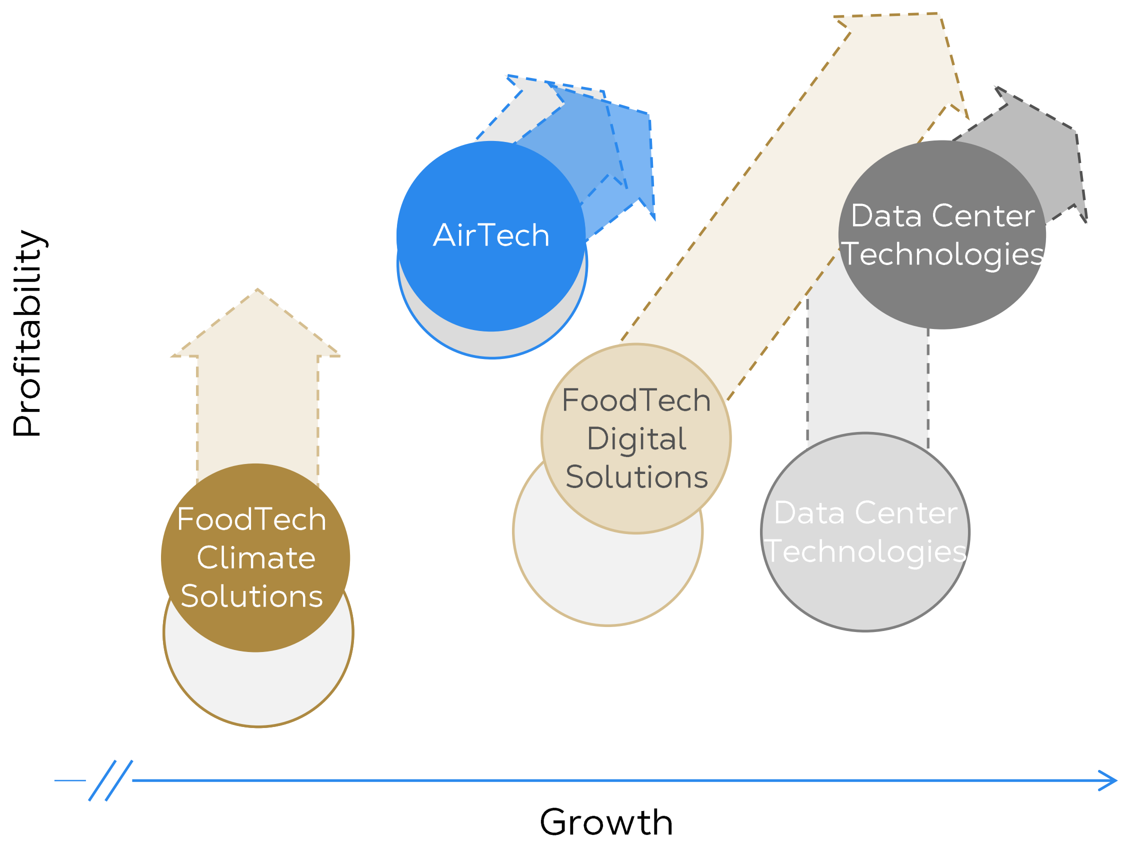
Solid order backlog – large orders supportive into 2025



Munters focus areas

ILLUSTRATIVE

Direction of positioning – 2023 and beyond



Focus areas 2023 and beyond

AirTech

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

DCT

- Maintain profitability & growth focus
- 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

*Software as a Service
Grey bubbles illustrate the direction communicated in Q4 2022

Strong net sales growth

- Net Sales strong increase;
  - Strong development DCT & battery, AT
  - Services organic growth 7% to MSEK 479, representing 13% of total net sales
- Adj. EBITA margin improved in all business areas
- Improved cash flow;
  - Stronger earnings & positive effects from changes in working capital related to customer deliveries in DCT
- Net debt increased;
  - Mainly due to acquisitions and increased working capital in the last 12 months, financed partly by debt
- Leverage decreased

MSEK	Q3 2023	Q3 2022	Change (%)		
			Organic growth	Structural growth*	Currency effects
Order intake	2,494	6,354	-64	1	2
Order backlog	10,025	11,866			
Net sales	3,560	2,644	28	3	4
Operating profit (EBIT)	454	271			
Adj. EBITA	503	293	65	4	3
Adj. EBITA-margin	14.1	11.1			
Net income	264	178			
Cash flow from operating activities	554	266			
OWC/net sales (%)[1]	13.7	13.1			
Net debt	4,399	3,654			
Net debt/Adj. EBITDA[2]	2.2	3.0			

[1] Average OWC (Operating Working Capital) last twelve months as % of net sales for the same period
[2] Last twelve months
* Acquisitions & divestments

Munters

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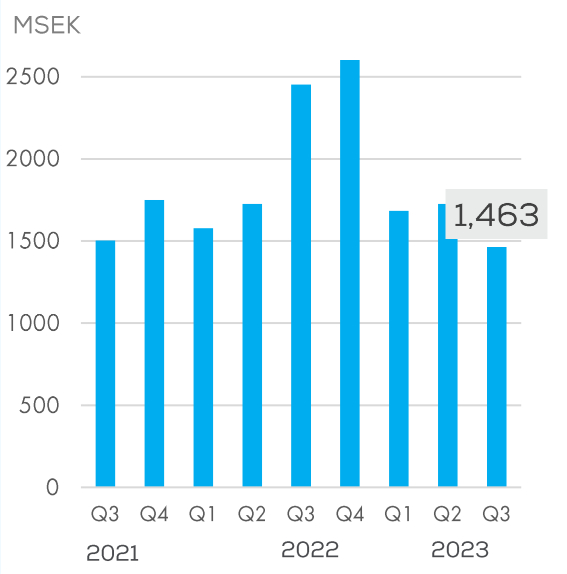
Global leader in air treatment for industry

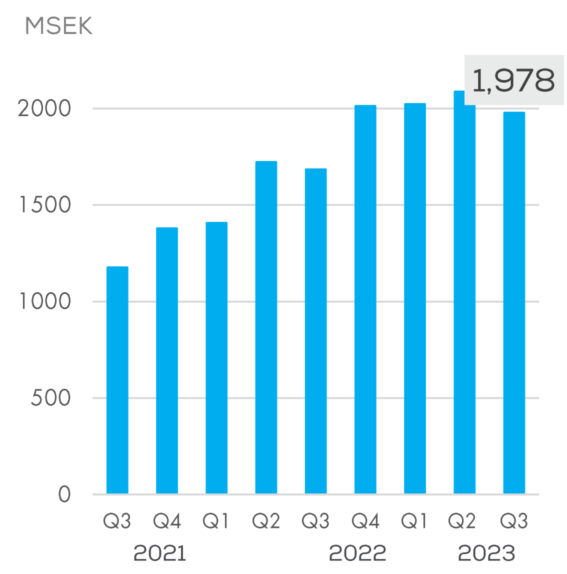
Order intake, MSEK*

7,517



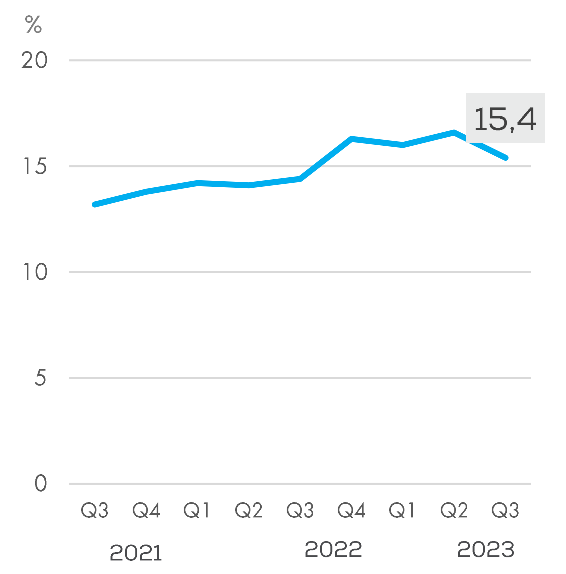
Net sales, MSEK*

8,103



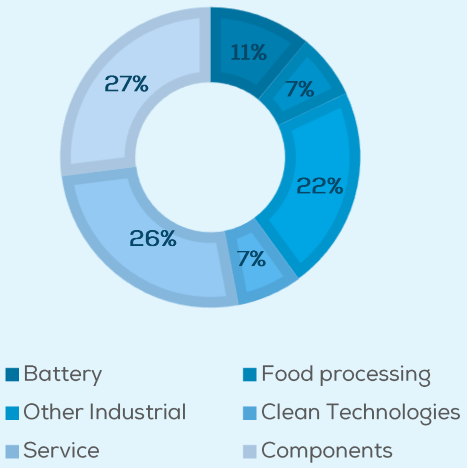
Adjusted EBITA margin*

16.1%

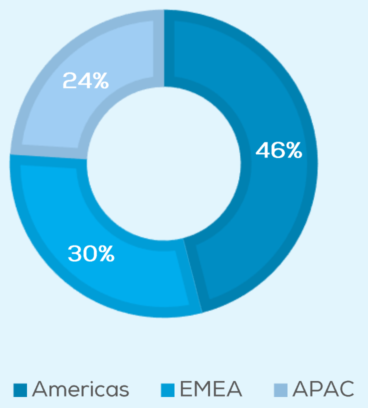


AirTech

Customer segments of order intake



Order intake per region



Financial figures Q3 2023
* LTM

Q3 - Stable long-term growth trends

↗ > 5 % ↗ ~ 1-5 % → ± 0 -1% ↘ neg

Customer segment	% order intake Q3 2023	Market Outlook *
Industrial	40%	↗
...whereof battery	11%	↗ ***
...whereof food processing	7%	→
...whereof commercial	3%	→
...whereof other	19%	→
Clean Technologies	7%	↗
Service & components	53%	↗
...whereof service	26%	↗
...whereof components**	27%	↗

→ Order Intake decreased -45% org.;

- excl. large order of MUSD 65 received in Q3 2022, decrease -17% org.
- Battery – customers ordering closer to delivery in all regions, cont. consolidation of battery market in China
- Clean Technologies- declined due to delays in customer investment decisions
- Components – good growth in all regions
- Service – EMEA good growth, Americas & APAC weaker

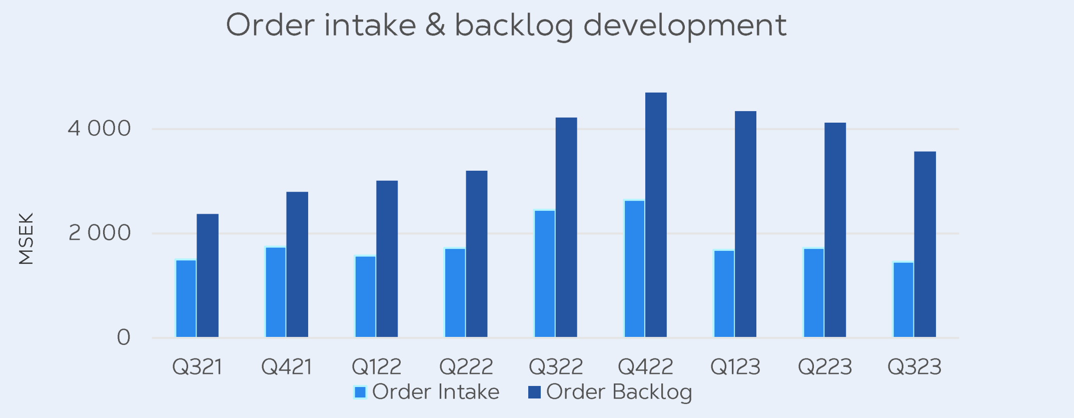
* Market outlook and comments are indicative and refer to the coming six months
** Dehumidification rotors and humidification pads sold through OEM channels
*** Market outlook for Battery is strong with growth above 10 per cent

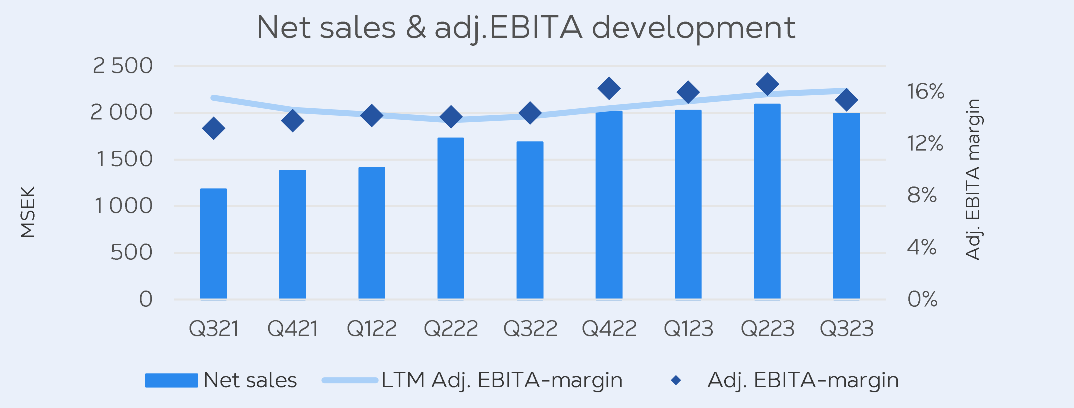
Q3 - Positive sales growth in all segments

MSEK	Q3 2023	Q3 2022	Change (%)		
			Org.	Struc-tural*	FX-effects
Order intake	1,463	2,453	-45	2	2
Order backlog	3,572	4,219			
Net sales	1,978	1,684	12	3	3
Adj. EBITA	305	242			
Adj. EBITA (%)	15.4	14.4			

→ Adj. EBITA margin improved;

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





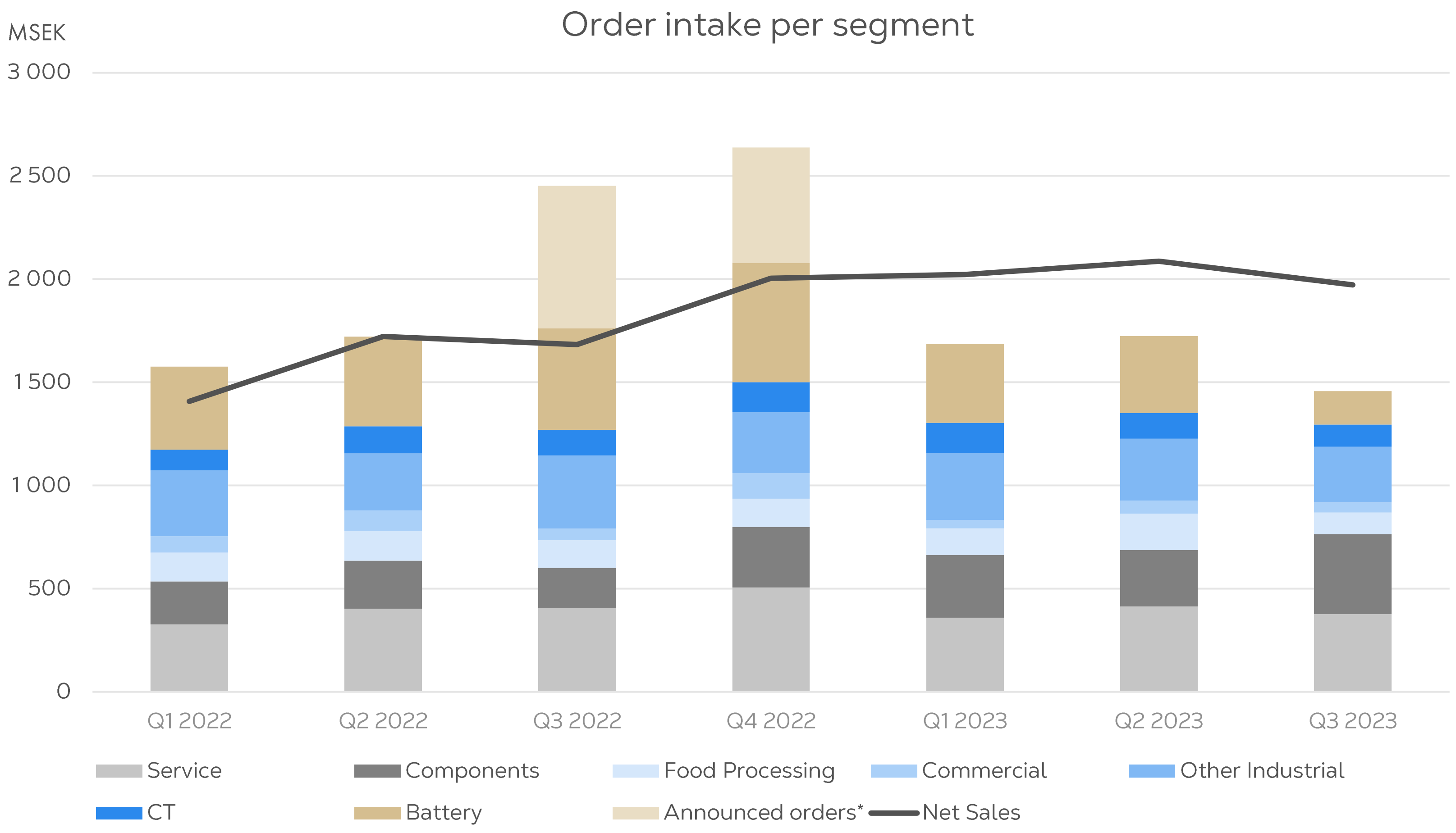
* Acquisitions & divestments

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	Innovent AM; EXLAN AS; Coobase AS; AM; Bry-Air AM/AS; NovelAire Technologies AM; fisair EU; DrySolutions AM; AirEnterprises AM; Cotes EU; Puresci AS; Dryer AS; Dryair AS; HuTek AS; Hygro Tech Engineers AS; CorroVenta EU	Seibu Giken DST AM/AS/EU	Shinsung Engineering ★ AS; evapco ★ AM ★; Nichias AS	
	Humidification	Wetmaster AS; Portacool AM; HuTek AS	condair EU/AS	Carel EU/AS/AM	
Clean Technologies		AMACS EU; Raschig EU; Ensepatec EU; Lechler EU; RPT AM; CVT AM/AS/EU		Munters	Sulzer EU/AS/AM; Koch-Glitsch EU/AS/AM

★ A small business within a large company/conglomerate

Stable market activity in several segments



- Variations in large orders i.e., batteries
- Other industrial & CT, steady development
- Service & Components stable and growing
- Secure future orders & ramp up production capacity

*Large orders announced through press releases

Agenda

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→ **Data Center Technologies**

→ FoodTech

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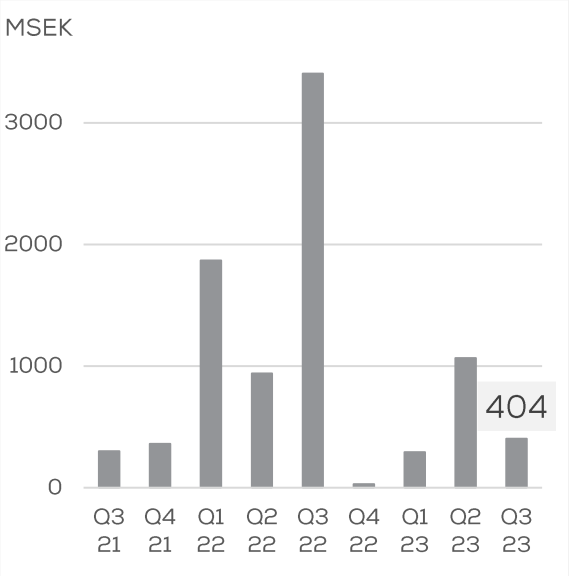
Sustainable cooling solutions that facilitate digitization

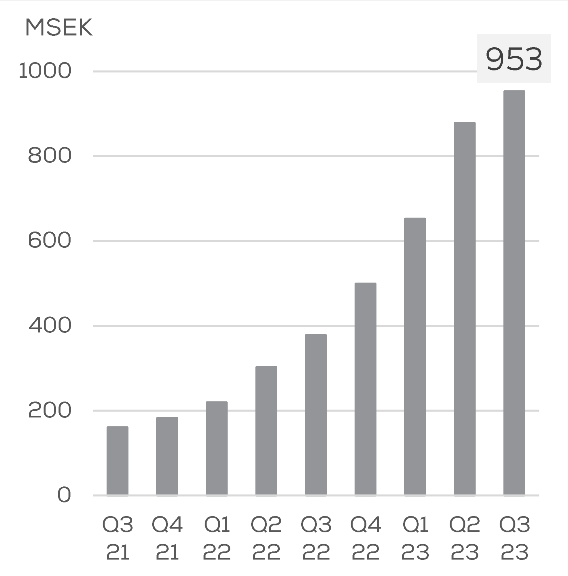
Order intake, MSEK*

1,793



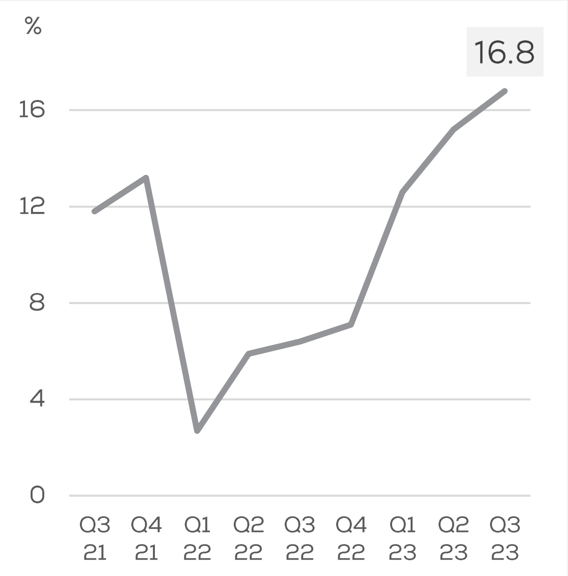
Net sales, MSEK*

2,983



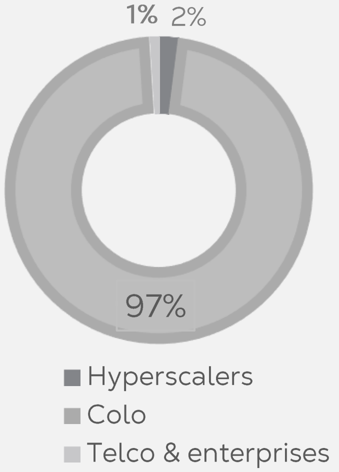
Adjusted EBITA margin*

13.8%

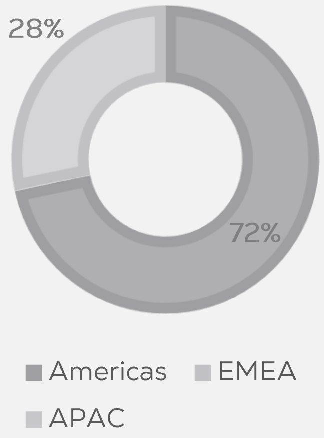


Data Center Technologies

Customer distribution of order intake



Order intake per region



Financial figures Q3 2023
*LTM

Q3 - Positive development in Europe

↗ > 5 %	↗ ~ 1-5 %	→ ± 0 -1%	↘ neg

Customer segment	% order intake Q3 2023	Market Outlook *
Hyperscalers	2%	↗ (> 5 %)
Colocation	97%	↗ (> 5 %)
Telco & enterprises	1%	↗ (~ 1-5 %)

- Hyperscalers – increased activity both for own facilities & colocation leasing. AI driving significant growth, increased need for server space & higher density cooling requirements
- Colocation – continued strong demand in both regions due to increased build outs and investments, driven by increased leasing demand
- Telco & enterprises - moving away from own facilities , lease either cloud or colocation space. Trend likely to continue with only selected data centers being built

→ Order Intake decreased -89% org.;

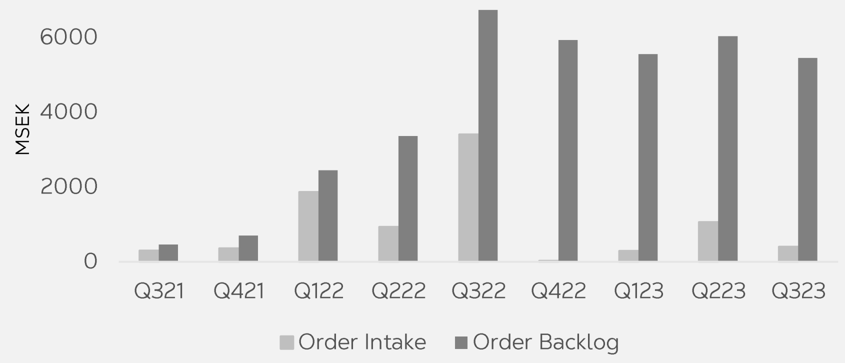
- excl. two large orders of MUSD 239 received Q3 2022, decrease -49% org.
- due to changed ordering pattern among customers
- underlying demand continued good
- good development in Europe, i.e. Oasis product

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

Q3 - Good execution on large orders

MSEK	Q3 2023	Q3 2022	Change (%)		
			Org.	Struc-tural*	FX-effects
Order intake	404	3,406	-89%	-	1%
Order backlog	5,453	6,739			
Net sales	953	378	140%	-	13%
Adj. EBITA	160	24			
Adj. EBITA (%)	16.8	6.4			

→ Adj. EBITA margin significant increase;
- + strong volume growth
- + increased utilization rate in production
- + investments in competence and resources expected to increase to capture growth



* Acquisitions & divestments

Selection of market players - Munters well positioned for growth

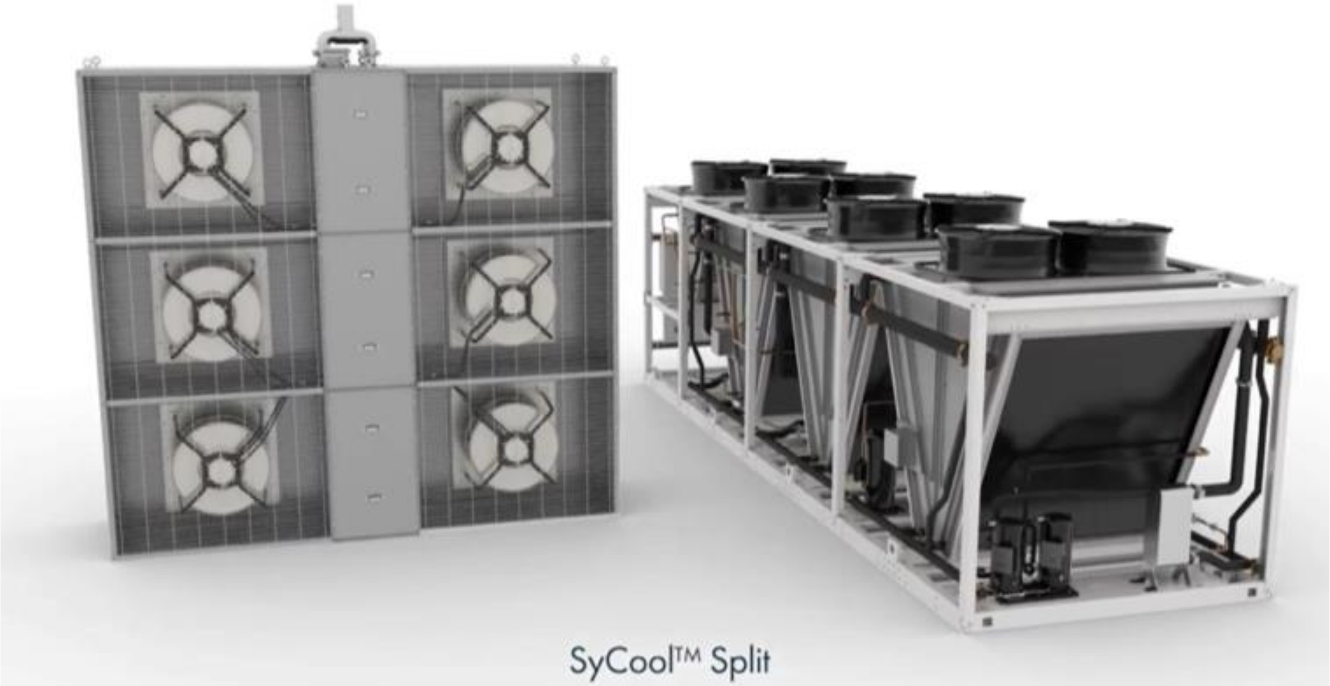
→ An order in DCT generally consists of several equipment deliveries

Data Center Technologies	Small (<1 BSEK)	Medium (1-2 BSEK)	Large (2-10 BSEK)	Extra Large (>10 BSEK)
	Several smaller players	Several medium players	AAON AM/EU; DAIKIN EU/AS/AM; systemair AM/EU; MODINE EU	SILENT-AIRE EU/AS/AM; STULZ EU/AS/AM; VERTIV EU/AS/AM

Munters

Major order for SySCool Split in the US

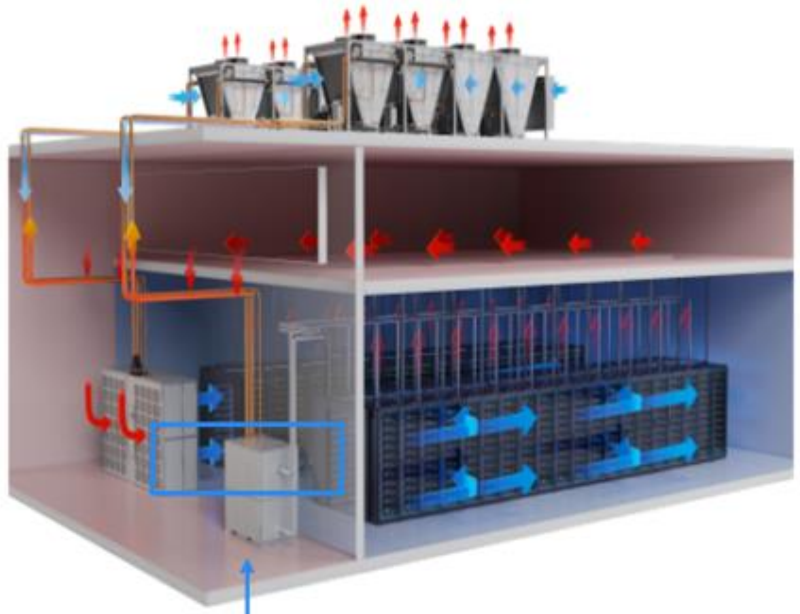
- Value of MUSD 137 (~ BSEK 1.5)
- Leading data center colocation operator in the US
- SyCool Split systems as well as field service work
- Delivered throughout 2025



"This order reaffirms our esteemed market position and showcases our expertise in cultivating lasting customer partnerships"

Munters first order to pair our heat rejection technology with liquid cooled servers

- R&D work in close collaboration with large colocation customer
- Regular SyCool split has a Computer Room Air Handler (CRAH) in the data hall, where hot air from the servers make a circuit of refrigerant evaporate, transferring heat up to condenser on roof where the heat is rejected
- To accommodate liquid cooled servers when required, CRAH can be exchanged to Liquid Cooling Evaporator (LCE)
- The liquid being used to cool the servers is run through the LCE where the hot liquid (instead of hot air as in CRAH) make the SyCool refrigerant absorb the heat, evaporate and rise to the condenser where the heat is rejected.
- The liquid cooling servers reset to a lower temperature => ready to absorb heat again



LCE (Liquid Cooling Evaporator) portion of equipment

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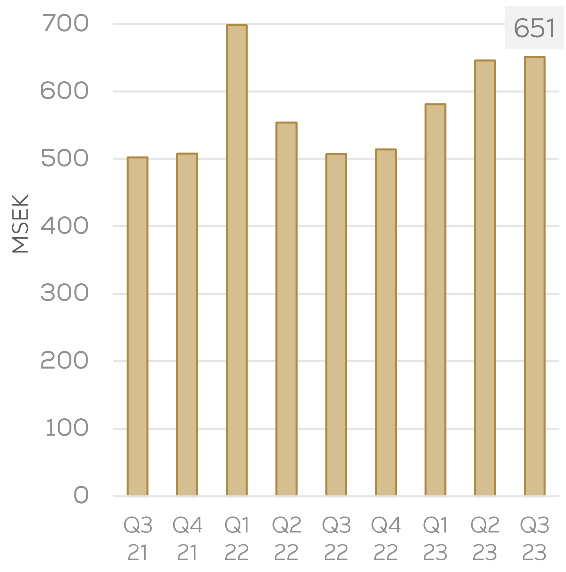
A world leader in climate control systems for food production

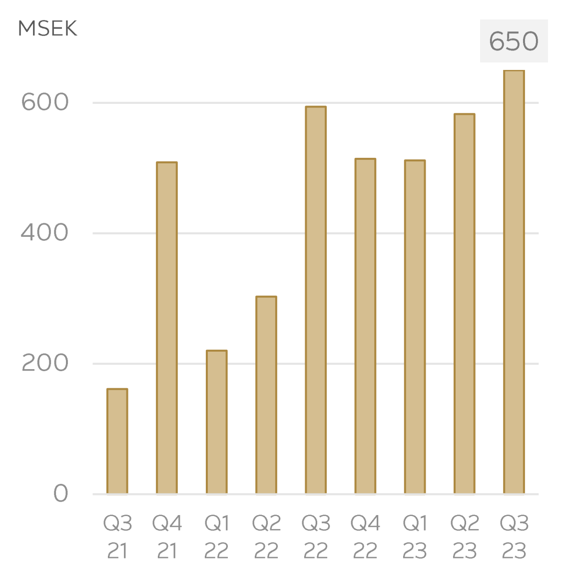
Order intake, MSEK*

2,360



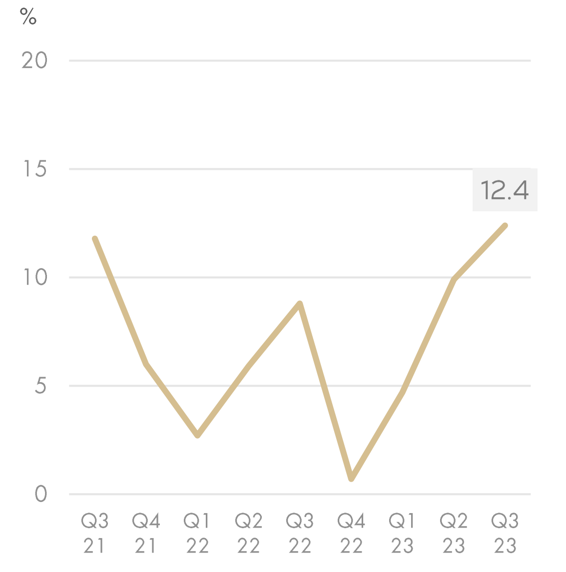
Net sales, MSEK*

2,259

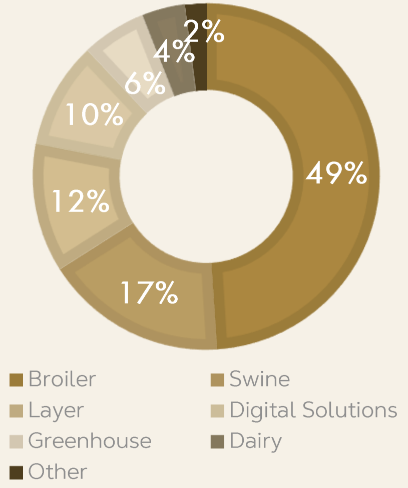


Adjusted EBITA-margin*

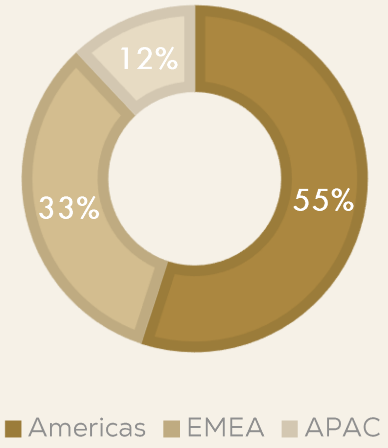
7.4%



Customer segments, net sales 2022



Order intake by region



Financial figures Q3 2023
*LTM

FoodTech - a leading dual offering

a dual offering

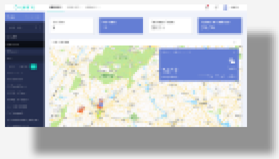
DIGITAL SOLUTIONS

SOFTWARE

CONTROLLERS & SENSORS

CLIMATE SOLUTIONS

EQUIPMENT

	Products (examples)	Typical customers
	AMINO software	Integrators
	TRIO controller	Farmers / Dealers
	SATURN fan	Farmers / Dealers

FoodTech stands on two pillars, climate solutions and digital solutions

Q3- Strong growth journey in Digital solutions

↗ > 5 % ↗ ~ 1-5 % → ± 0 -1% ↘ neg

Customer segment	% order intake Q3 2023	Market Outlook *
Climate Solutions (incl. Controllers)	85%	→
...whereof Broiler	48%	↗
...whereof Swine	10%	↘
...whereof Layer	19%	↗
...whereof Greenhouse	5%	→
...whereof Dairy	0%	→
...whereof Other	3%	n/a
Digital Solutions	15%	↗

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

→ Order Intake increased +22% org.;

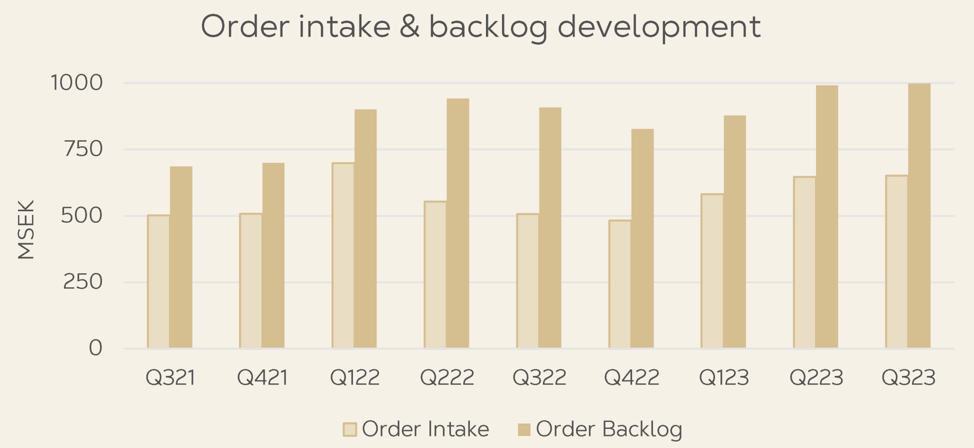
- driven by the US & improvement in EMEA
- CS - good development in the broiler & layer segments in the US. Slight recovery in APAC & EMEA led to a stable development.
- DS - strong growth journey continues

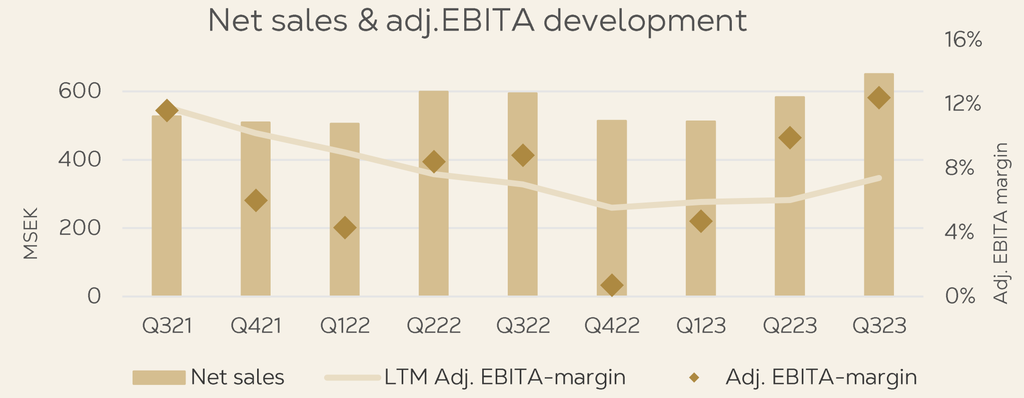
Q3 - Commercial excellence initiatives drives margin improvement

MSEK	Q3 2023	Q3 2022	Change (%)		
			Organic	Struc-tural*	FX-effects
Order intake	651	507	22%	5%	1%
Order backlog	999	908			
Net sales	650	594	1%	5%	3%
- of which SaaS	48	32			
- SaaS ARR	194	127			
Adj. EBITA	80	53			
Adj. EBITA (%)	12.4	8.8			

→ Adj. EBITA margin increased;

- \+ increased net sales
- \+ effects from operational excellence improvements
- \+ net price increases
- \+ improved profitability in DS
- – cont. weak in EMEA & APAC
- – cont. high investments in DS





* Acquisitions & divestments

Selection of market players within Climate solutions

Fans | Cooling | Inlets | Controllers | Other

- SKOV – EU/AS/AM
- Big Dutchman – EU/AS/AM
- AGCO Your Agriculture Company – EU/AS/AM
- 大牧人 Big Herdsman – AS
- PLASSON – EU/AS/AM
- Fancom forward thinking – EU
- exafan A Whole Farming World inside – EU
- CHORE-TIME – EU/AS/AM
- HOG SLAT – EU/AS/AM

Fans / Cooling

- TERMOTECNICA PERICOLI – EU
- GigolA – EU

Fans

- HSi KUNSTSTOFFTECHNIK – EU
- Multifan – EU/AS/AM
- Motor Ofee – China
- DACS – EU/AS

Cooling

- AVECLIMA – AM
- HuTek (HuTek (Asia) Company Ltd.) – AS
- TABREED – Middle East
- KUUL Evaporative Cooling Media – AM

Inlets

- HSi KUNSTSTOFFTECHNIK – EU
- TPI polytechniek – EU
- DOUBLE L GROUP LLC – AM

Controllers

- Hotraco – EU/AS/AM
- TALGIL – EU/AS/AM
- Galcon – EU/AS/AM
- MAXIMUS – AM/AS
- AgroLogic – EU/AS/AM

Other

- HSi KUNSTSTOFFTECHNIK – EU

Agenda

- → Introduction
- → Q3 highlights
- → AirTech
- → Data Center Technologies
- → FoodTech
- → Customer cases & M&A
- → Appendix

Acquisition of ZECO - strengthens our market position in India

AirTech

→ ZECO

- Indian manufacturer of air treatment solutions - adds complementary products to our core offer
- Combined offering positions us for growth
- Provides a strong platform for growth – 3 manufacturing facilities across India & several sales offices
- Reported net sales of ~ MSEK 510* and an accretive EBITA-margin to the Group
- Estimated enterprise value of MSEK 790
- Closed on 16th of October

*for FY 2022/2023, ending on the 31st of March 2023

Munters acquires Hygromedia and Rotor Source

→ Acquisitions in November 2022

- Hygromedia LLC
  - manufacturer of desiccant dehumidification medi
  - specializes in components, supplying desiccant rotor
- Rotor Source Inc
  - supplier of rotors and cassettes to original equipment manufacturers (OEM)
- located in Baton Rouge, La., US, ~30 employees
- 2021 revenue at MUSD 11.5 with accretive EBITA-margin
- Rationale for acquisition
  - Provides us with additional channels to market
  - In line with strategy to strengthen our core business
  - Strengthens our offering to customer within battery, pharmaceuticals, electronics, food processing, aerospace etc.

The acquisitions strengthen our position as a leading supplier of desiccant dehumidification technology for numerous industrial processes

AirTech

AirTech strengthened with two new acquisitions

→ Tobo Component

- Swedish manufacturer of components, working with Munters since 2005
- Deal closed in May 2023
- Net sales 2022 ~MSEK 76, ~ 14 FTE
- Expand the humidification business & gives us full process control giving additional growth opportunities

→ SIFT

- Service business within climate control & cold storage in northern France
- Deal closed June 2023
- Net sales 2022 ~MEUR 3, ~ 17 FTE
- Following the strategy to increase market share within the service business in Europe

Munters solutions support carbon capture processes

Benefits

- Carbon capture - process of removing CO_2 from large emission sources* by capturing & storing in underground geological formations
- Technology solution applicable for large facilities in many industries

Customer case

- Cement, steel and the chemical industry emit high levels of CO_2 when broken down and no green substitute exists
- Munters Clean Technologies with Mass Transfer and gas-liquid separation solutions are critical parts of the carbon capture process
- Customer estimates a yearly reduction of CO_2 emissions by > 400,000 tons by the solution

Munters role*

- Munters gas-liquid separator to be used where liquids and gases need to be separated
- Munters equipment features an advanced type of inlet distributor (IDM) that introduces liquid mixtures into a vessel or a column
- The IDM liquid removal capacity has an efficiency of ~90% and evenly distributes the onward gas flow

https://www.munters.com/en/campaigns/airt-campaigns/clean-technologies

FoodTech

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 +53% in Q3

MTech Systems
a Munters company

Strengthening the FoodTech portfolio

→ Gaya farm project, South Korea

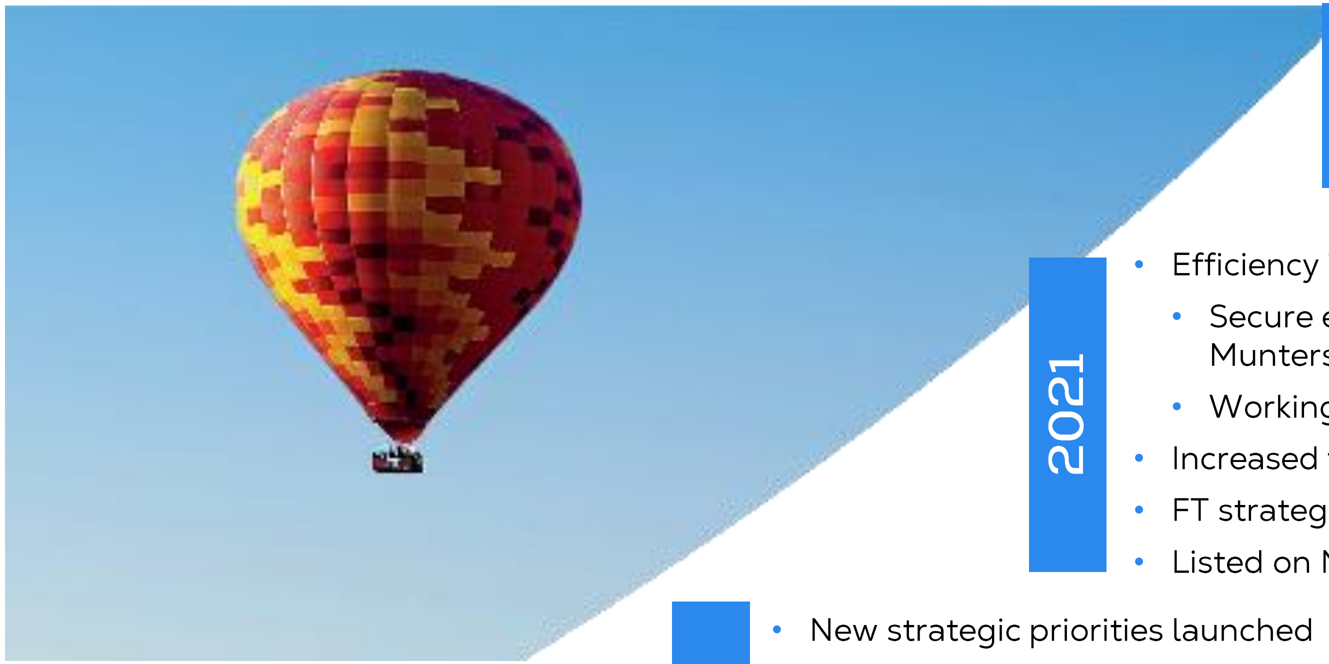
- Swine farm of 2,725 m^2
- Sold products - Trio controllers & Lavamatic
  - Lavamatic - cleans the air (inside & out)
  - Trio controllers – cloud control management for air quality & animal welfare
- Chosen for Munters innovative and sustainable technology and the precise solution for air cleaning

→ Amick farms, Americas

- Broiler producer, >400 partner farms & three poultry production complexes, managing the full production process from egg to customer
- Sold products – Amino SaaS
  - Amino – a poultry management software app helping farmers and integrators to collect, manage and analyze data more efficiently

Appendix

Munters on a journey



2022

- AT & FT delivery on strategic review
- New business area: DCT
- Acquisition in all business areas
- Updated financial targets

2021

- Efficiency improvement initiatives continue
  - Secure end-to-end information/value chain efficiency across all Munters
  - Working capital focus
- Increased focus on R&D
- FT strategy review & AT delivery on strategic review
- Listed on Nasdaq Stockholm's Large Cap

2020

- New strategic priorities launched
- Organizational re-design: business areas to own full value chain
- Efficiency improvement initiatives (Working capital focus)
- Management team expanded
- Reduction of product portfolio initiated
- AT strategic review

2019

- Two business areas: AT and FT
- CEO and CFO recruited
- Strategic review of Data Centers and Mist Elimination
- Data Centers Europe closed

All business areas contributed to improved profitability

Group adj. EBITA margin impact	
Q3 2022 adj. EBITA %	11.1
Volume	++
Net pricing	++
Operational excellence	+
Strategic initiatives	–
Q3 2023 adj. EBITA %	14.1

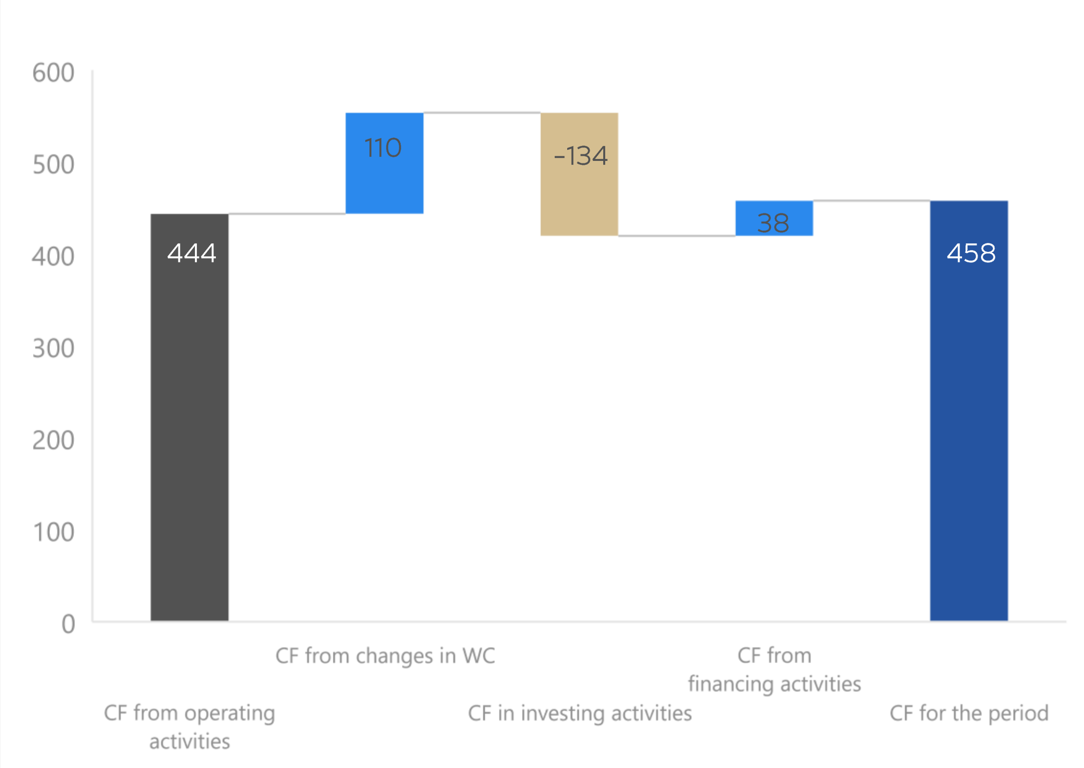
Main factors affecting adj. EBITA margin in Q3:

- Strong volume increase driven mainly by DCT & battery in AT
- Net pricing increases in all business areas
- Operational excellence improvement initiatives contributed to margin improvement
- Strategic initiatives for scalability in digitization and automation continued

Munters

Cash flow from operating activities improved in the quarter

Group Cash Flow YTD, MSEK billion

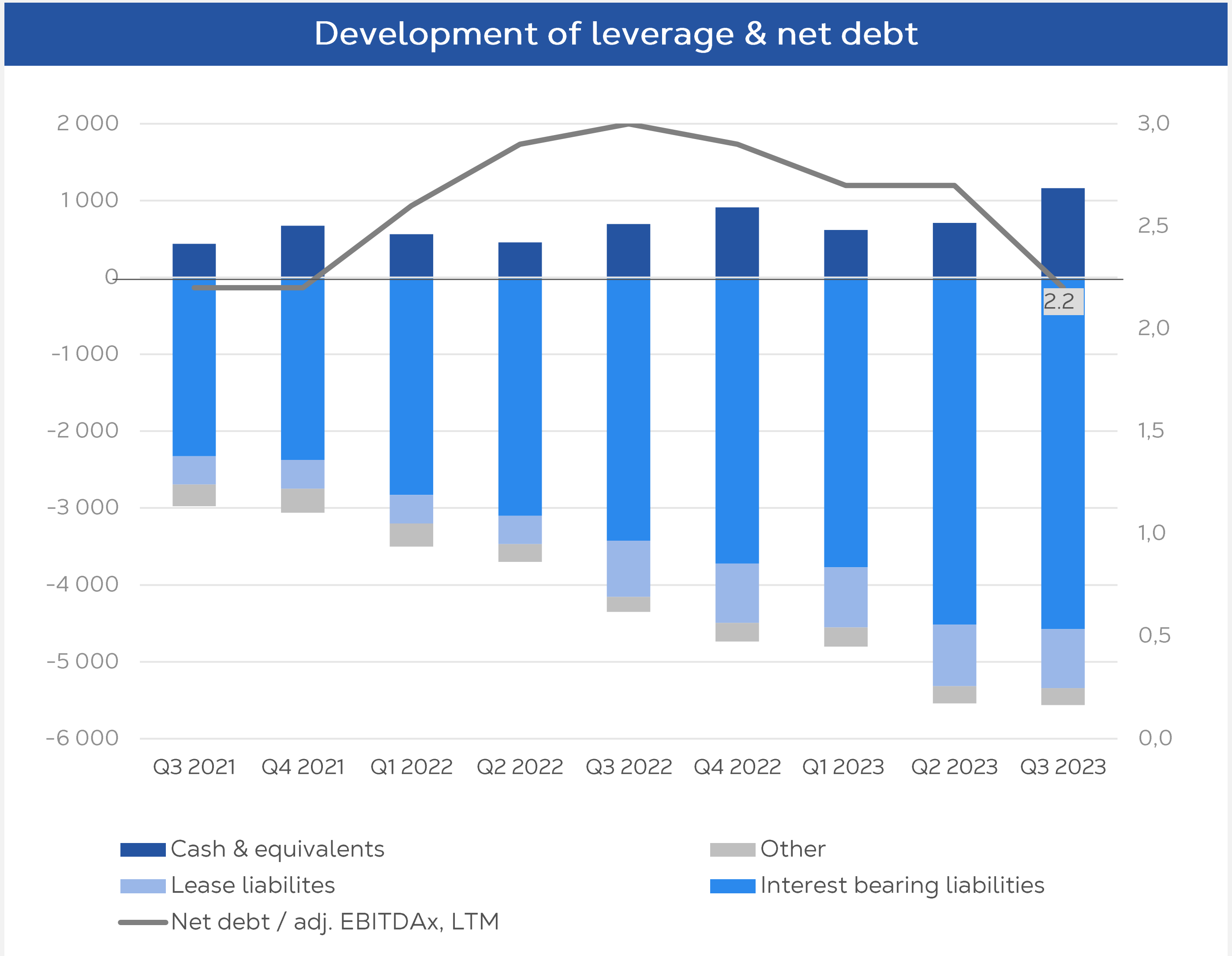


Cash flow from changes in WC

	Q3 2023	Q3 2022
Change in accounts receivable	-119	-94
Change in inventory	161	-149
Change in accrued income	60	62
Change in accounts payable	-104	-22
Change in advances from customers	109	204
Change in other working capital	4	30
CF from changes in working capital	110	30

- Higher level of CF from operating activities before changes in working capital
  - mainly driven by improved EBIT
- Reduction of working capital
  - mainly increased deliveries to customers in DCT

Decreased leverage ratio



- Leverage ratio decreased from mainly driven by increased adj. EBITA.

- Net debt increase due to:
  - acquisitions financed partly by debt during the last 4 quarters
  - increased lease liabilities related to new factories
  - offset by increased cash flow from operating earnings

Munters

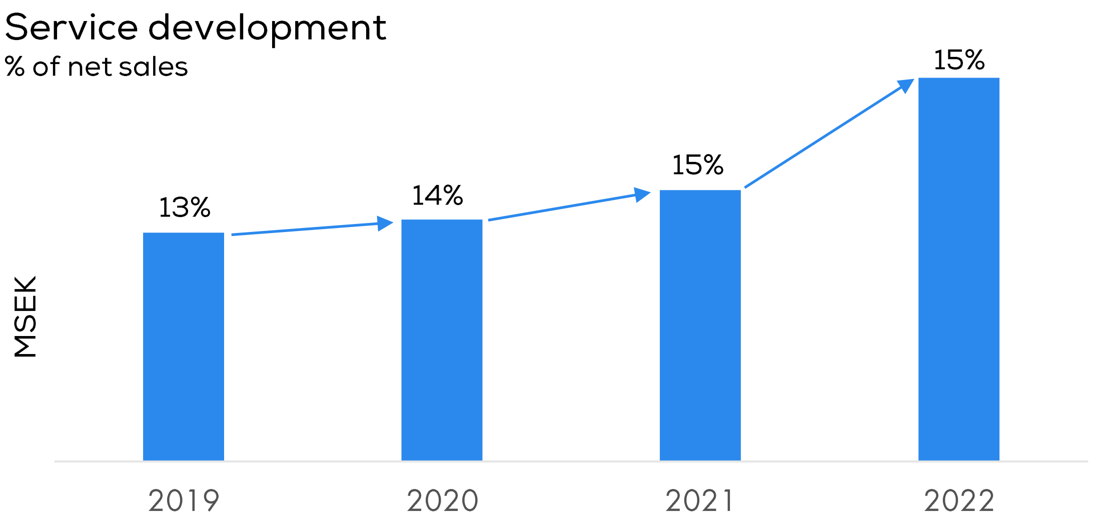
Strong service growth

Ambition: Share of service long-term to represent 30 percent of Group net sales

- Group Q3 –amounted to MSEK 479, 13% of total net sales (org. growth 7%)
- AirTech Q3 – 19%, majority of the groups Service net sales
- DCT – minor Service sales, as main part of business greenfield installations

Not reported as part of Service today:

- FoodTech – SaaS (Software-as-a-Service) business
  Q3 SaaS ARR*: MSEK 194 ,+53% growth



*ARR=Annualized Recurring Revenues

Inorganic strategies to boost overall growth

M&A categories in focus	1999-2009 Foundation FT&DCT	2010-2017 Repositioning	2017-2023 Gearing for new growth chapter
Core / Consolidation	» 1999, **Euroemme**, It (FT) » 2007, **Des Champs Technologies**, US (DCT)		» 2022, **Edpac**, Ir (DCT) » 2022, **Hygromedia** & **Rotor Source**, US (AT) » 2022, **InoBram**, Br (FT) » 2023, Tobo Components, Se (AT) » 2023, ZECO , In (AT)
Technology / Digital		» 2011, **Rotem**, Is (FT) » 2017, **MTech**, US (FT) » 2017, **Kevin ENT, In** (AT)	» 2022, 2 acquisition of IP-rights* 2022, 5 minority inv.ex: • **BarnTools**, US (IoT & sensor) • **FarmSee**, Is (AI) • **Qvantum**, SE (Heat pumps)
Services – String of pearls			» 2021, Greenfield establ. in Ireland & Norway » 2023, SIFT, FR
New growth areas			

*IP-rights - Intellectual property rights

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