

Annette Kumlien, Group Vice President and CFO



Agenda Capital Market Update 2021

Munters – a global leader in climate solutions

Strategy execution

Driving value

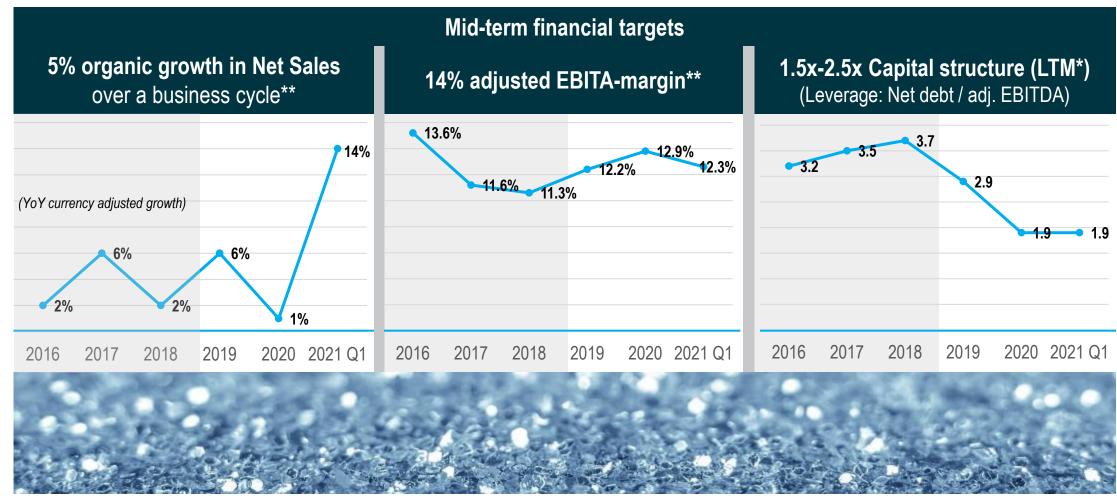
Business areas

Summary and Q&A





Munters journey towards improved profitable cash-generating growth



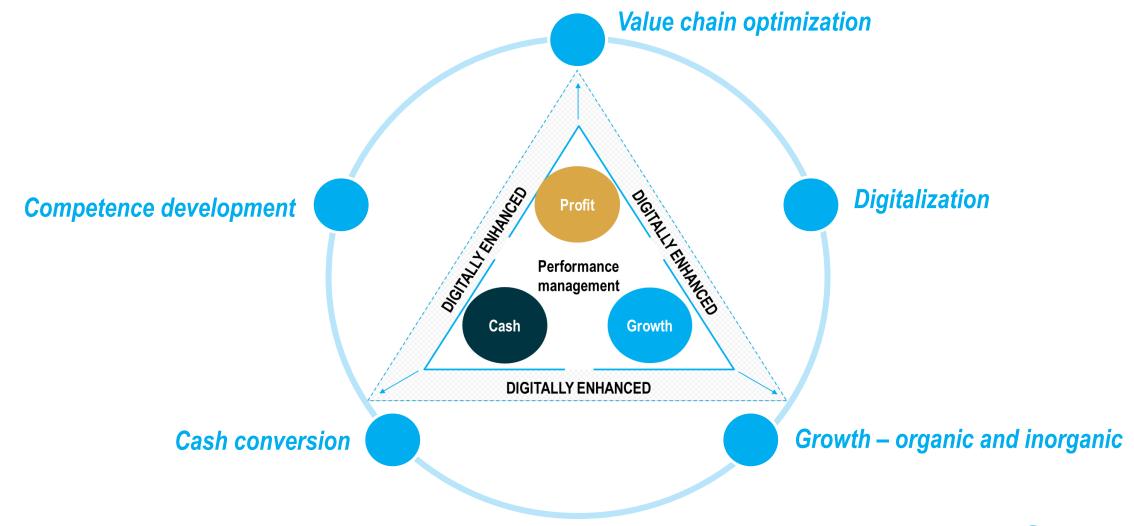
^{*}LTM = Last Twelve Months



^{**}Net sales and adjusted EBITA-margins are excluding discontinued operations (i.e. Data Centers operations in Dison, Belgium).



Priorities for driving value





Key activities driving growth and profits

Operational leverage

Value based selling and active pricing strategies

Digitalized and connected offering

Targeted CAPEX to realize the strategy

Continuous performance reviews / evaluations

Efficiency improvements

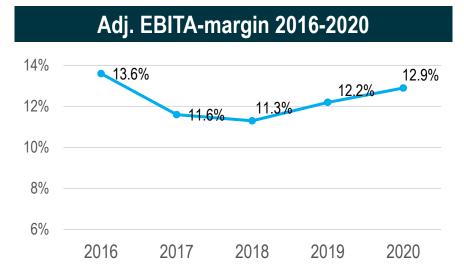
Munters Production System

Footprint optimization

Information connected throughout the value chain

Digitalization - Process automation, AI, Robotics



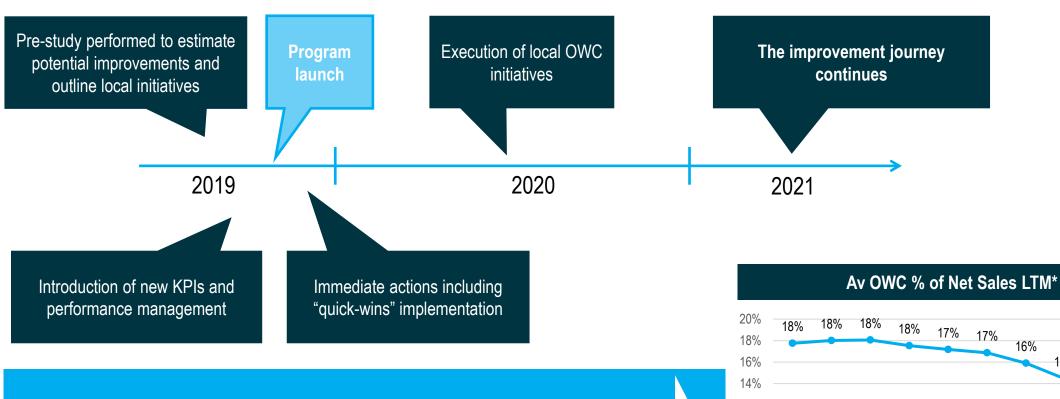




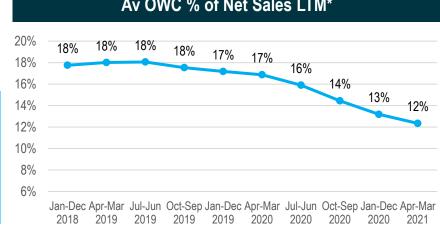


Cash

Driving cash – our cash conversion focus



Applying best practices on converting profit to cash, focus on operating working capital









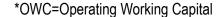
Driving cash – what's next?

Cash

Examples of OWC* initiatives:

- Continue driving best-practice ways of working and implement through group wide programs
- Improve project cash profile
- Warehouse and inventory mgmt. improvements,
 e.g. minimizing slow-moving inventories
- Lead time reductions (own production and suppliers)
- Supply Chain Financing









Value chain optimization – key enabler for our strategy

Common ways of working in E2E value chain

R&D, PM & MKT, SALES, SOURCING, OPERATIONS, SERVICE, FINANCE, HR



Increased efficiency



- GLOBAL AND SCALABLE PROCESSES AND IT SYSTEMS
- REDUCTION OF COSTS AND LEAD TIMES, QUALITY IMPROVEMENT
- CREATE A PLATFORM FOR FUTURE GROWTH, ALSO ENABLING M&A INTEGRATIONS

Focus on customer value

Profitable cash generating growth









Inorganic strategies to boost overall growth



Focused acceleration of M&AA

M&AA categories in focus



Core / Consolidation



Technology / Digital



Services – String of pearls



New growth areas

...with attention on M&AA execution excellence

Business value driven

- Strategic fit is there a clear logic?
- Business case is it financially sound?
- Risks are risks manageable?

Integration playbook

- Integration team
- Integration clarity/focus
- Synergy realization





Digitalization at the forefront





Munters digital products and services are growing

Customers

Top 10 of Munters most ineffective processes digitally remastered gaining efficiency savings

Organization

Strong digital DNA in all parts of Munters - drives higher efficiency and innovation

Strong security function to keep Munters

business safe

World class technology and data platform to form the base for customer development and optimization



Customers

Excellence

Excellence

Innovation





Delivering on our strategic journey

2020 2021

2nd step in strategy implementation July: *Sharpening measures, mainly AirTech*

- New strategy launch in 2020, shortly after measures announced:
- Exit non-core part of the commercial business in the US
- Expand Data Centers US manufacturing in Texas
- In the Netherlands, operations to be consolidated
- In addition, several other measures to be taken to ensure execution of the strategy

- Savings MSEK 70 once realized end 2021 annual run-rate
- Total cost: est. MSEK 176
- Status Q1: Implementation running as planned

3rd step in strategy implementation May: *Accelerating the strategy implementation, FoodTech*

 New FoodTech strategy presented May 2021 aiming at creating a unique connected offering throughout the food production value chain

Measures for strategy implementation:



Accelerate the digital journey
E.g., Shift from 1st to 2nd generation IoT offering & scaling software operations

Total cost:
 est. MSEK 140

Full-year positive

impact on EBITA of

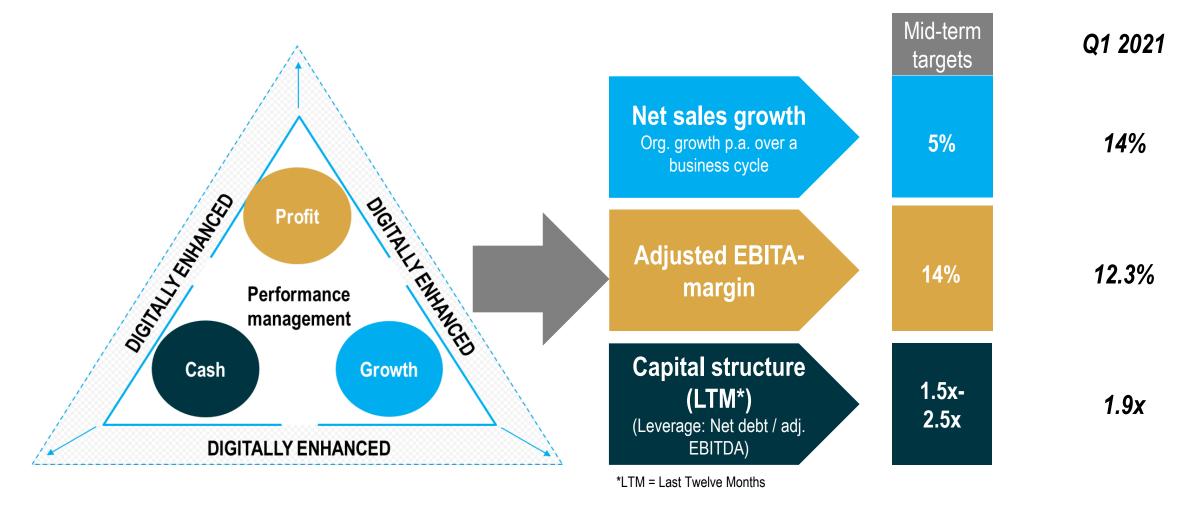
est. MSEK 70 in 2023

- Implementation starts in Q2 2021
- 2 Strengthen footprint and offering
 E.g. Set-up of distribution hub in Asia,
 improve production excellence in Americas
 and Europe as well as streamlined product
 offering in Europe



Framework contribute to delivering on mid-term targets







(2) Munters