Pia Brantgärde Linder, Group Vice President and President business area FoodTech

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FOOD TECH

Climate solutions & Digital Solutions
for livestock farming and greenhouses, software for controlling the entire food production value chain

Leading position
in markets representing majority of FoodTech net sales

30% of Group net sales
in 2020

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For Customer Success and a Healthier Planet

We reduce the usage of feed by offering better climate and thereby lower the feed needed to produce meat

We reduce energy consumption by better designed ventilation systems and more efficient equipment

We reduce usage of antibiotic by providing better indoor climate for chickens and swine

We increase traceability and biosecurity through data collected throughout the value chain

We improve animal welfare by tracking the health and status of animals with our sensors

We reduce waste and transportations by predicting the outcome from farms in real time

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FoodTech – Overview

A global organization

- ~900 employees whereof 160 in our software business
- 4 production sites worldwide, sales offices in 14 countries, 3 software development centers
- Distributors in all major markets with livestock production

Making progress on sustainability KPIs:
- 88% of renewable energy share in 2020*
- 90% of waste recycle*
- -47% in incident rate vs. 2019 (TRIR**)
- 26% of women leaders

Geographical split of Sales by end-customer, 2020

Americas **31%**

EMEA **34%**

APAC **35%**
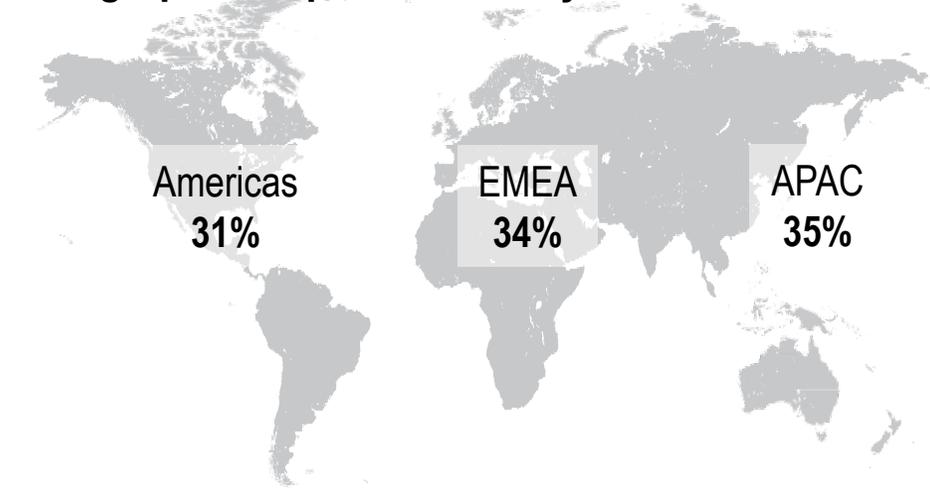
Sales per customer segment, 2020

- Broiler — 45%
- Swine — 31%
- Layer — 14%
- Greenhouse — 4%
- Dairy — 4%
- Other — 2%
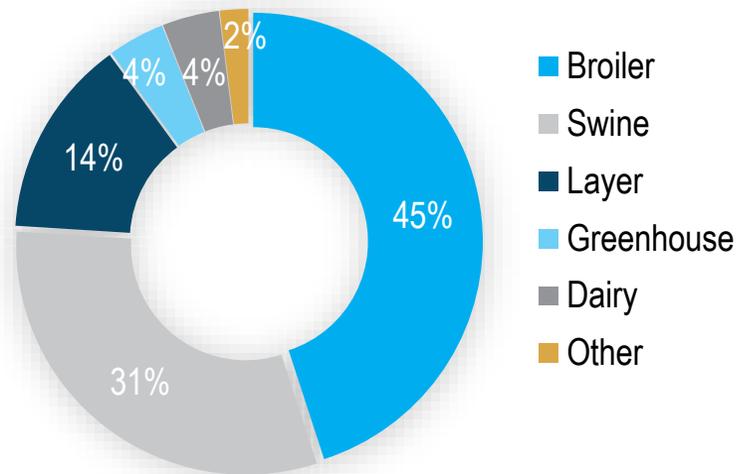
Solid growth and profitability

MSEK (left axis): 1000 – 2200
MSEK (right axis): 0 – 350

Years: 2016, 2017, 2018, 2019, 2020

Net Sales | Adj EBITA
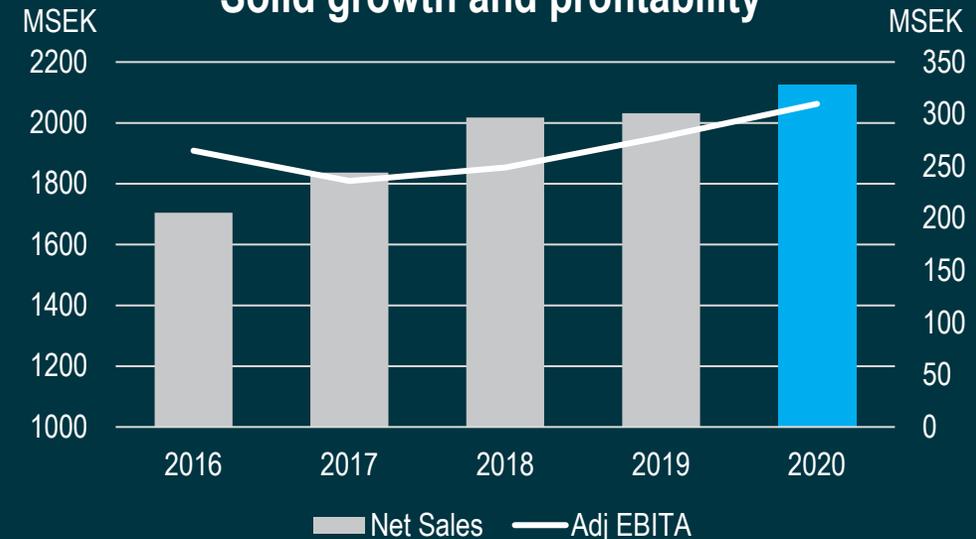
*Measured for production locations
**Total recordable incident rate

4

FoodTech has a dual offering to our customers

	Products (examples)	Typical customers
SOFTWARE	AMINO software	Integrators
CONTROLLERS & SENSORS	TRIO controller	Farmers / Dealers
EQUIPMENT	SATURN fan	Farmers / Dealers

a dual offering

DIGITAL SOLUTIONS
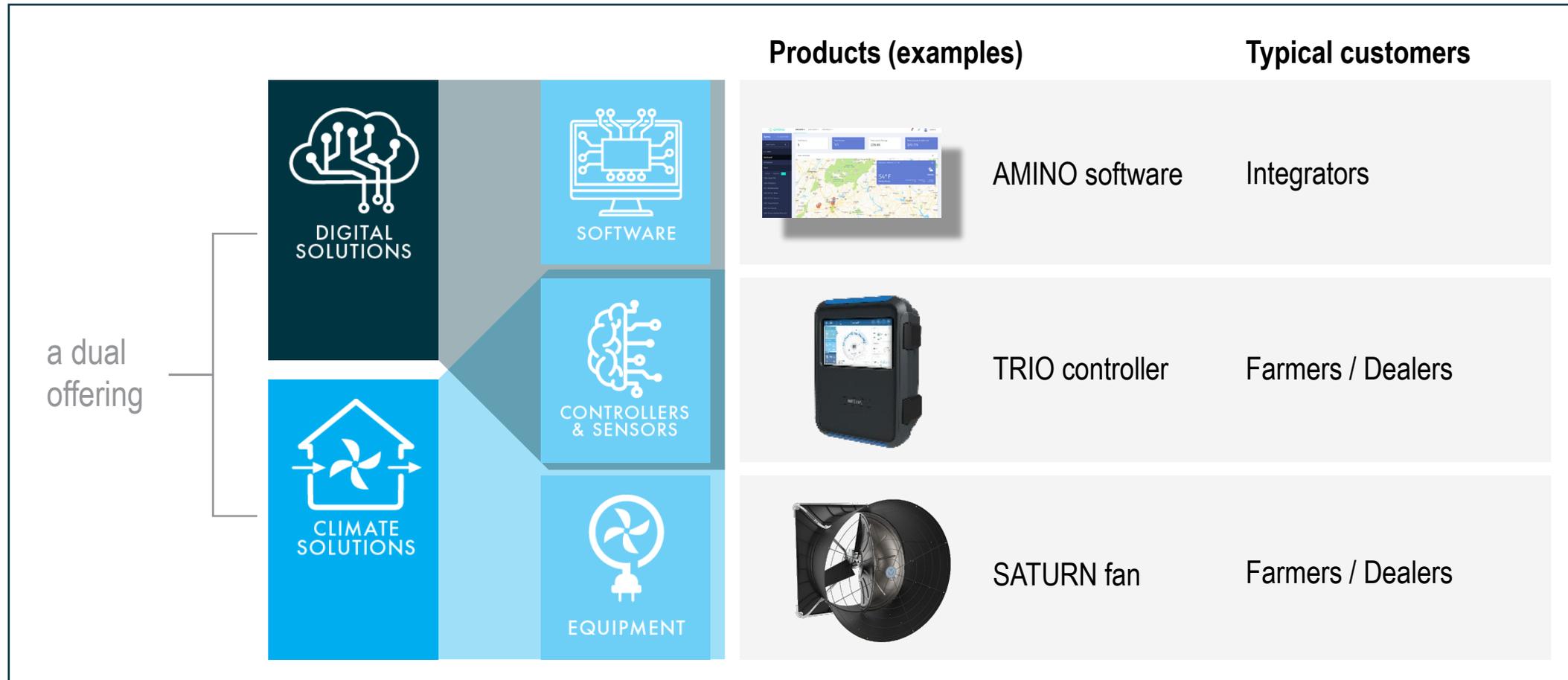
CLIMATE SOLUTIONS

Today, as well as in the future, FoodTech stands on two pillars, climate solutions and digital solutions

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The FoodTech World
Broiler example

Integrators
Software for managing and optimize operations

Feed mills
Software
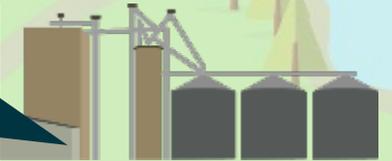
Breeder farms
Full solutions for climate control, Connected controllers, Software
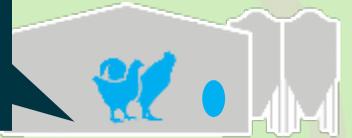
Hatcheries
Software

Processing plants
Software for planning
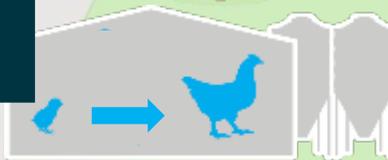
Broiler farms
Full solutions for climate control, Connected controllers, Software

SUPERMARKET

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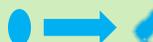
FoodTech Strategy - With a leading position in both digital and climate solutions, we will be able to establish a vertical position that creates unique customer value

In a vertical position we will…

Connect equipment with software	Connect integrators with farmers	Connect the whole supply chain	Create unique customer value

Connect to create value
Build a unique 'vertical' position
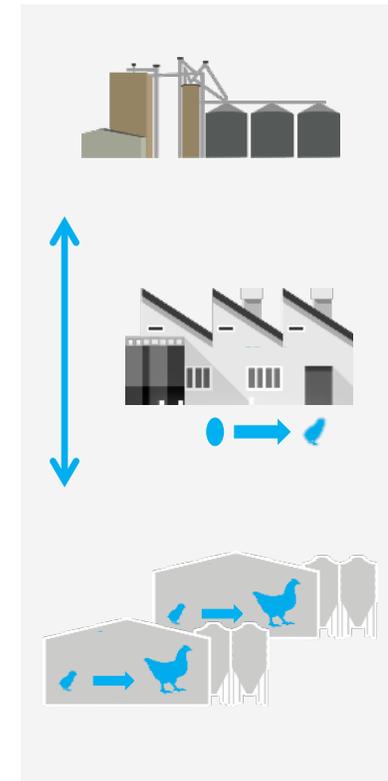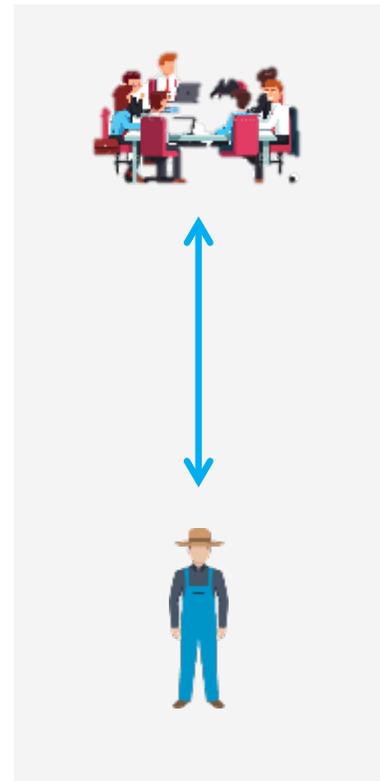
- Improved animal welfare through fact-based climate solutions

- Improved feed conversion rate

- Reduced carbon footprint through optimized logistics and reduced waste

- Improved Food Safety through end-to-end traceability

DIGITAL SOLUTIONS

CLIMATE SOLUTIONS

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FoodTech Strategy - To make it happen we address 4 areas

Our Offering
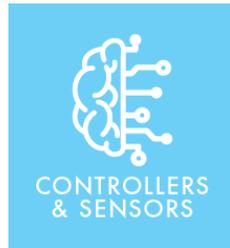
Our Strategic direction

DIGITAL SOLUTIONS

SOFTWARE

CONTROLLERS & SENSORS

CLIMATE SOLUTIONS

EQUIPMENT

Lead the software market

Connect the World's farms

Grow through climate solutions

Strengthen our equipment position
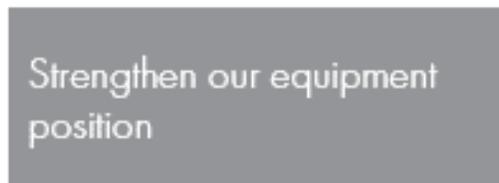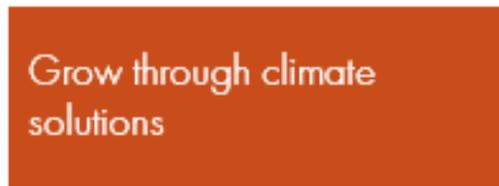
Accelerate Growth
Utilize first mover advantage, accelerate roll out and build installed base of connected farms

Strengthen & Develop
Strengthen current position in equipment and grow through connected climate solutions

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Example how we: **Grow through Climate Solutions**

We optimize the climate in Asian farms

- One of Asia's largest producer of chicken products with head quarter in China

- This customer used to buy from EPC vendor who is a dealer of other brands but not specialized within climate solutions
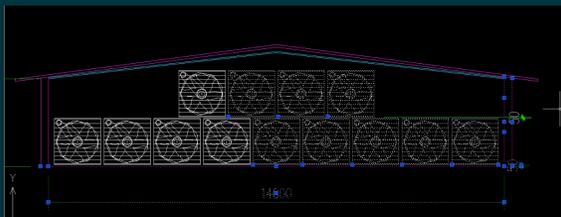
Our climate solutions

Challenge
- Customer had limited knowledge about climate control but required high standards for their breeders
- Unique size of houses and request for high air flow

Solution
- Application engineer designed customized climate control solution for the customer
- A complete Munters solution including fans, inlets, cooling, and connected controllers

Benefits
- Optimized indoor climate even during summer time which create excellent production performance
- Customer has decided to build more farms with same solution

Example how we: **Lead the software market**

We help JBS to leverage AI to improve operations

- JBS, the largest animal protein producing company in the world, partner with MTech Systems/Munters

- JBS hatch 40 million eggs per week, hatchability can vary with several percent

- MTech to provide an Artificial Intelligence (AI) supply chain platform for improving end-to-end planning of the live supply chain

- The platform will provide a centralized end-to-end planning, starting with day old pullets all the way to the delivery to the customer

Artificial intelligence in action at JBS

Challenge
- Hatchability of eggs vary and without accurate forecasting lead to a surplus or deficit of day old chickens

Solution
- Large amount of data is used by the MTech AI platform, e.g. temperature, breed, parent information, farm factors, farm and hatchery equipment, etc.
- The AI platform can predict hatchability to levels that have never been seen before

Benefits
- With more precise forecasting, JBS will be able to produce an optimal amount of eggs and chickens, reducing waste and use of resources

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More to come…

Strengthened footprint and offering

- Better coverage in fast growing region - New distribution hub in South-East Asia

- More products launched based on the modular fan platform

- Ongoing project to streamline product portfolio and increase efficiency

More farms connected

- Next generation IoT offering for connected farms being launched during 2021

- A strengthened organization for Connected farms to be launched in 2021

Accelerated software development

- Ongoing recruitments of software developers to speed up the digital journey

- Launch of next generation software for large customers, Amino, during 2021

Supported by investments to realize the market potential

- FoodTech has launched an initiative including investments and one-time costs that are expected to generate increased margins in the equipment business, to increase the number of connected farms and accelerate the growth in software sales – the pillars of our strategy