

Agenda – platform for today and the future

CEO – Munters Towards Full Potential

- A strong company – but disappointing performance since IPO
- Global player in niche markets
- Full Potential Program to seize opportunities

Global Operations – Building a customer-oriented and scalable platform

AirTech – Sustainable solutions for demanding industrial applications

FoodTech – Sustainable solutions for demanding agricultural applications

CFO – Delivering the numbers

CEO wrap-up – Confident in our targets



23 bn

A photograph showing a pair of hands gently holding a small, fluffy white chick. The background is a soft-focus field of golden wheat. The lighting is warm and natural, suggesting an outdoor setting.

FoodTech – We help to
feed the world by changing
the way we farm

Leading industry player with a solid growth over last years

Business Area overview

The only global supplier offering a **full suite of climate control solutions** for poultry, greenhouse, dairy and swine industry

Global leader in markets that accounted for **almost 2/3 of Net Sales** in FY2018

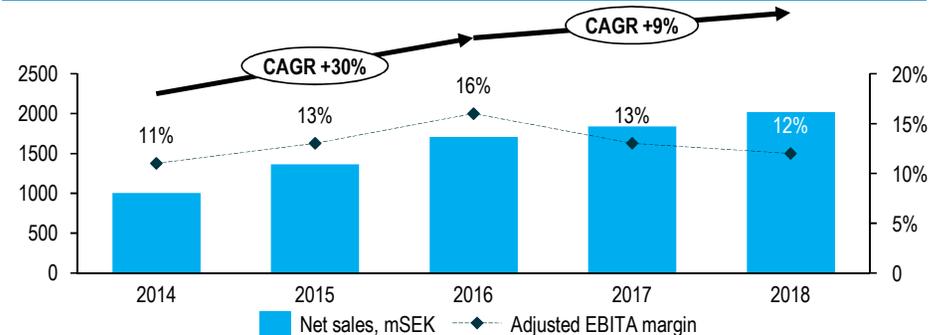
Industry-leading solutions for **connecting the supply chain and software offering** for food producers across the globe

Global reach through extensive network of distributors

Selected customers

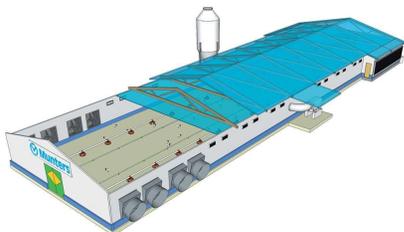


Financial performance (Net Sales, mSEK)



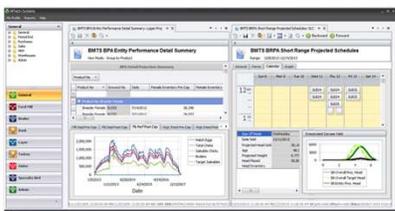
Supporting our customers with climate and data-based optimization

A Create the perfect climate



Offer equipment and solutions to create the **optimal climate** for livestock and greenhouse production, including both **hardware and know-how/design**

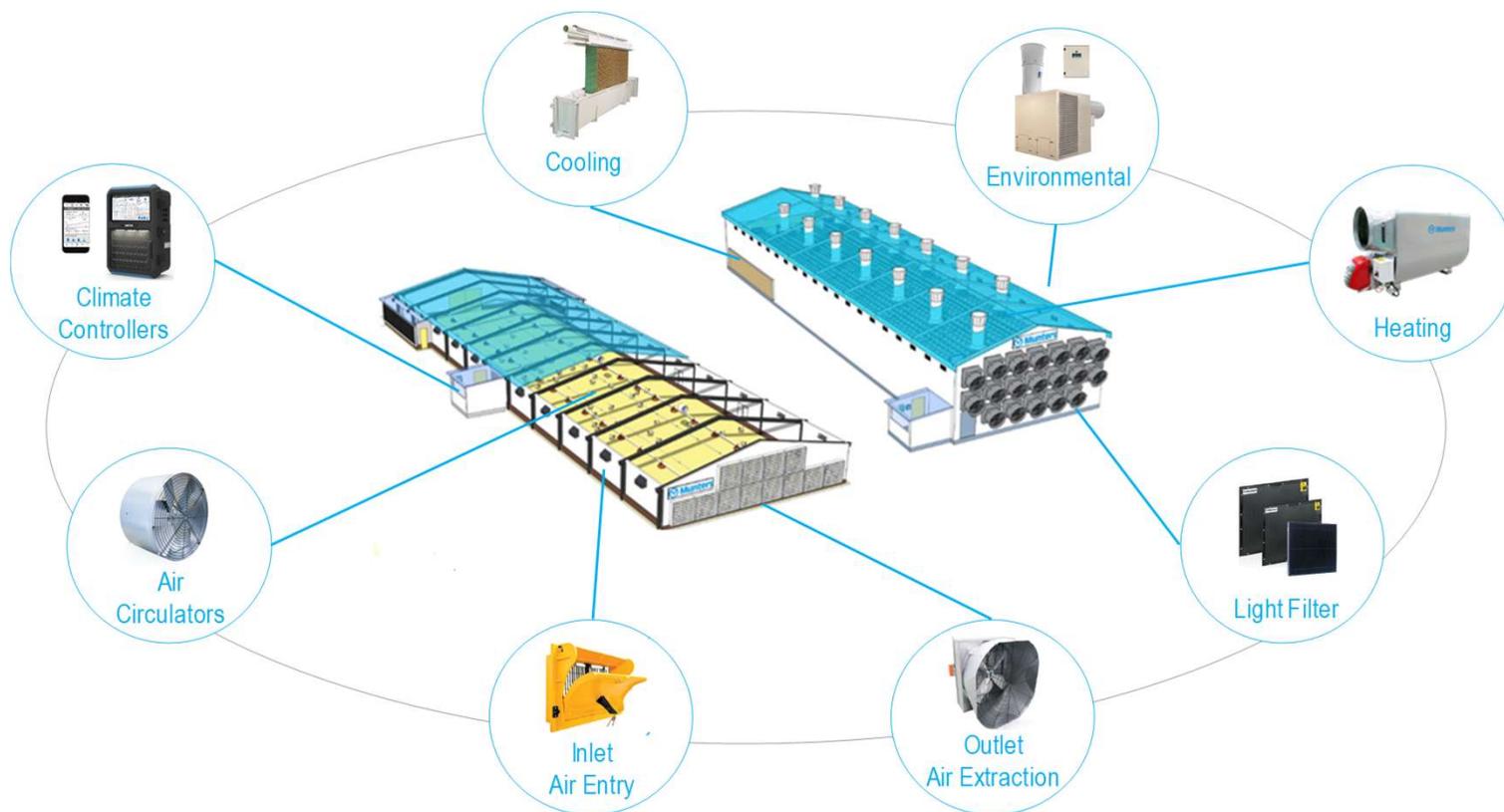
B Guide customers through data



Offer services and **software** to support food producers to **optimize their whole value chain**, including both live operations and processing

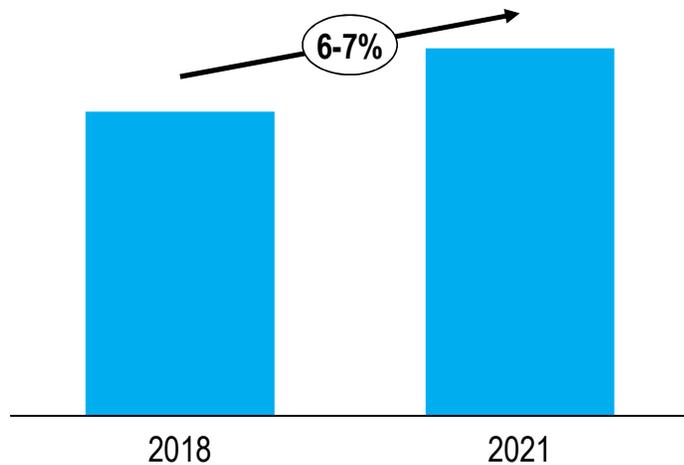
A

We create the perfect climate with the help of a broad product portfolio



Global trends supporting the growth in the FoodTech market

Key end Market Growth CAGR in 2018-2021



Key end market Outlook

- **Underlying megatrends** drive demand
 - A growing world **population**
 - **Increasing GDP** (richer people eat more meat and vegetables)
 - **Land scarcity** – need for increased efficiency with more advanced technology
- Layer - Trend towards **cage-free** egg production
- Within swine segment, low growth in consumer demand, but production moves to production with advanced ventilation
- **Greenhouse** segment is **growing >10%** with shift to more advanced technology / climate control

Munters position

- #1 Broiler
- #1 Layer
- #1 Food Chain SW
- #2 Swine

Munters stand out among competitors by having leading, energy-efficient **technologies** and superior **application expertise**



Business portfolio overview – FoodTech with several strong positions

	Business	Size in Munters	Our performance	Market attractiveness	Opportunities
Create Your Perfect Climate	Poultry (broiler and layer)	L	●	●	<ul style="list-style-type: none"> Leverage strong position in layer segment where there is an ongoing shift to cage-free egg production requiring investments in new barns
	Swine	M	●	●	<ul style="list-style-type: none"> Shift to more advanced climate control including use of positive pressure (where Munters is market leader)
	Greenhouse	S	●	●	<ul style="list-style-type: none"> Grow share of wallet (develop more products and/or acquisitions)
Guide customers through data	Software	S	●	●	<ul style="list-style-type: none"> Grow in new segment (small and medium size customers) with the new generation cloud-based software Amino

Negative impact from African Swine Fever – but it can create opportunities for Munters long-term

New cases of ASF still being discovered

- The outbreak of African Swine Fever (ASF) in China officially **started in August 2018** and new outbreaks are still confirmed even though **less cases than in Q4** last year
- The outbreak is likely to **reduce the Chinese pig production with 30%**, which is the largest in the world
- The outbreak have lead to a **sharp decrease in investments** in infrastructure for Swine production in China

The impact is difficult to predict, but not only negative

- Due to the reduced production in China, **pig prices have increased** rapidly since March
- The impact from ASF could last for a long time and consequences are difficult to predict – but changes in the industry could be positive for Munters:
 - Industry **consolidation** - large modern farms replace small
 - Shift of trade with **more export to China** from other countries
 - Increase the demand for other protein in China, primarily chicken

Negative outlook on short term, however medium to long term, the industry consolidation and shift to more modern farms are likely to create opportunities for continued growth

FoodTech growth enabled through enlargement of the portfolio, expansion into new geographies and by acquisitions

Key achievements over last five years

Geographic expansion

- Increased the share of **sales from Asia from 14% to 25%**, primarily in China



Portfolio expansion

- Added **new product lines**, e.g., inlets, direct driven fans, heat exchangers etc.
- Launched offering (next generation controllers, sensors and communication hubs) for **connecting the supply chain**
- Developed next generation **software to be sold as Software as a Service**



Strategic acquisitions

- **Acquired companies** that strengthened our offering - **Reventa** (products for cold climate), **MTech Systems** (software for integrators)

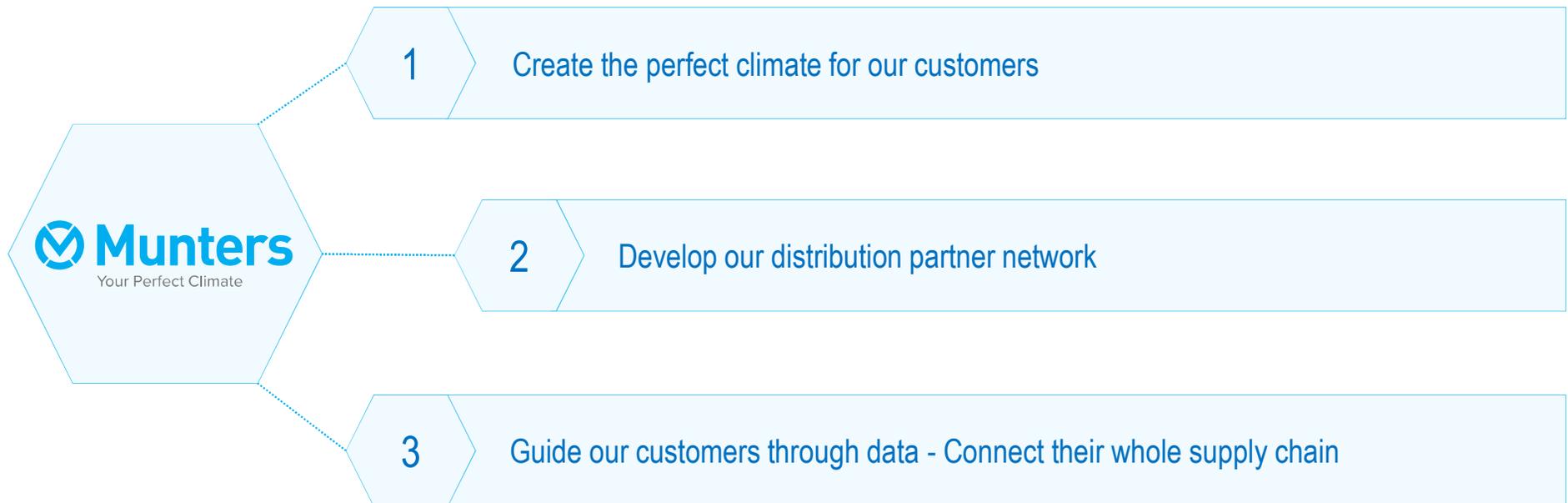
REVENTA

a Munters company

MTech Systems
a Munters company

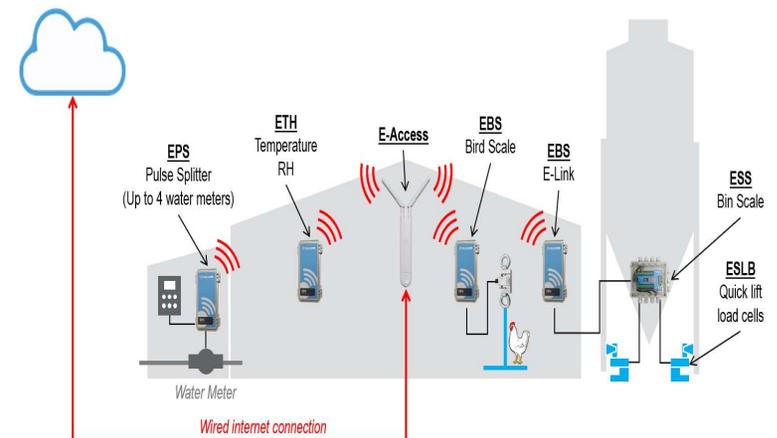
Munters

Strategic priorities for the future



SonarEcho is fundamental for connecting (real-time) the whole supply chain for food producers effectively

- Our existing software offering enables **food producers to connect, control and manage their supply chain**, e.g., manage inventory of feed, medicine, and finished products, but also plan and forecast the production
- Adding our SonarEcho hardware (sensors and communication hubs) to farms **enable real-time data** from the whole supply chain
- Benefits for the food producers include
 - **Reduced waste** of feed
 - Optimized **logistics**
 - More **precise planning** of production
 - Reduced need for farm visits
 - Benchmarking and **better control** of high and low performing farms



We are confident about the future for FoodTech

- Active in markets with **solid growth** driven by the need for increased productivity, food safety, animal welfare and sustainable food production
- Over the last years, we have successfully **expanded geographically** and **expanded our offering**
- We are now in a **market leading** position with a comprehensive offering to **control the climate** in a farm as well as software for **managing and optimizing the whole supply chain** of food producers
- We will further develop our offering and offer the **Perfect Climate**, and we see opportunities to grow in the **greenhouse** segment, **advanced climate control** and through **new services based on collected data** from the supply chain

