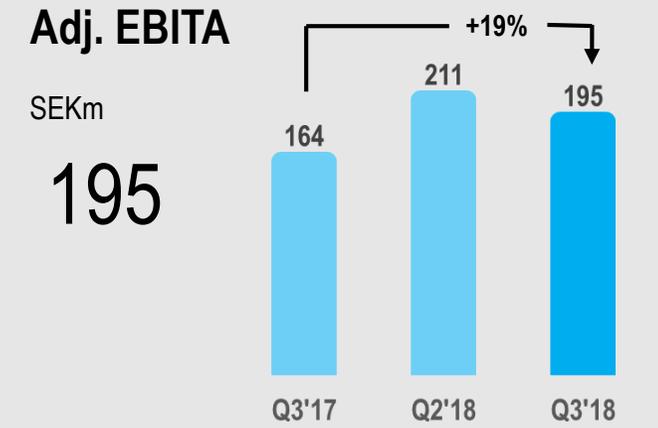
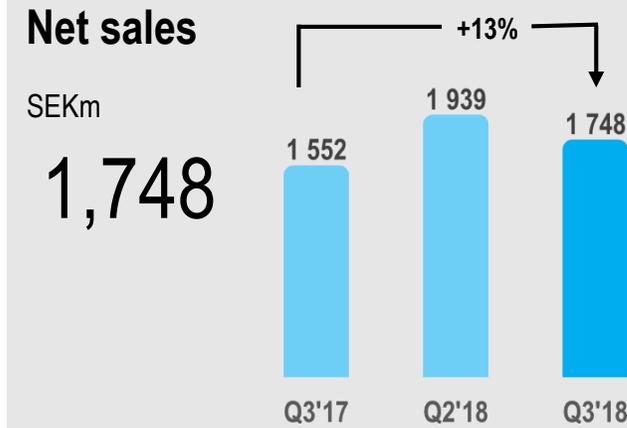
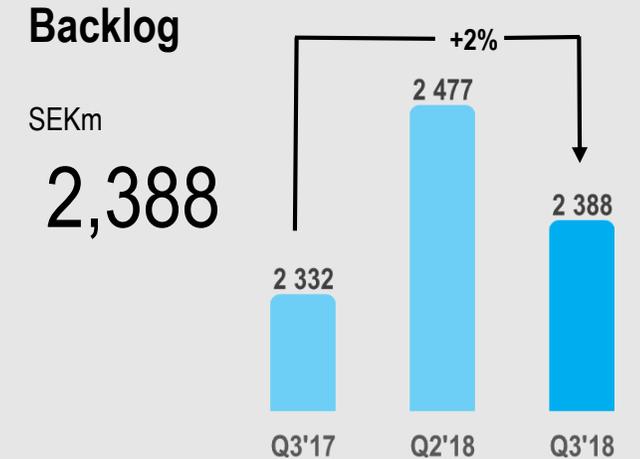
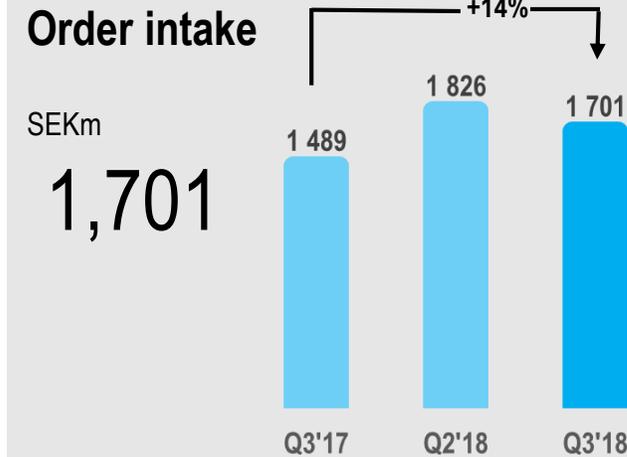


Munters third quarter 2018

Sales and earnings growth

Sales and earnings growth

- Order intake increased by 14% driven by growth in Data Centers and AgHort
- Net sales increased by 13% with strong growth in Data Centers year on year
- Adjusted EBITA increased by 19% driven by increases in all business areas except in AgHort
- Net income was SEKm 62 (51)
- Cash flow from operating activities was SEKm -38 (176)



Q3 2018 – Order intake and net sales bridge

<u>Order intake, SEKm</u>	<u>Q3</u>	<u>Δ%</u>
2018	1,701	
2017	1,489	
Change	212	+14
Organic growth	74	+5
Currency effects	135	+9
Structural effects	3	+0

<u>Net sales, SEKm</u>	<u>Q3</u>	<u>Δ%</u>
2018	1,748	
2017	1,552	
Change	196	+13
Organic growth	74	+5
Currency effects	120	+8
Structural effects	3	+0

Business Area Overview Q3



Air Treatment

- **53%** of net sales
- **13.3%** adj. EBITA margin

Energy efficient air treatment solutions for industrial and commercial applications used in mission critical processes



AgHort

- **29%** of net sales
- **14.7%** adj. EBITA margin

Energy efficient climate control systems for the growth and development of agriculture and greenhouse applications



Data Centers

- **13%** of net sales
- **-6.4%** adj. EBITA margin

Climate control systems for medium and large scale Data Centers, primarily in the fast growing air economizer market



Mist Elimination

- **5%** of net sales
- **16.3%** adj. EBITA margin

Mechanical gas and liquid separation. Our mist eliminators are key components in scrubbers to reduce emissions

Q3 2018 business highlights

Significant orders

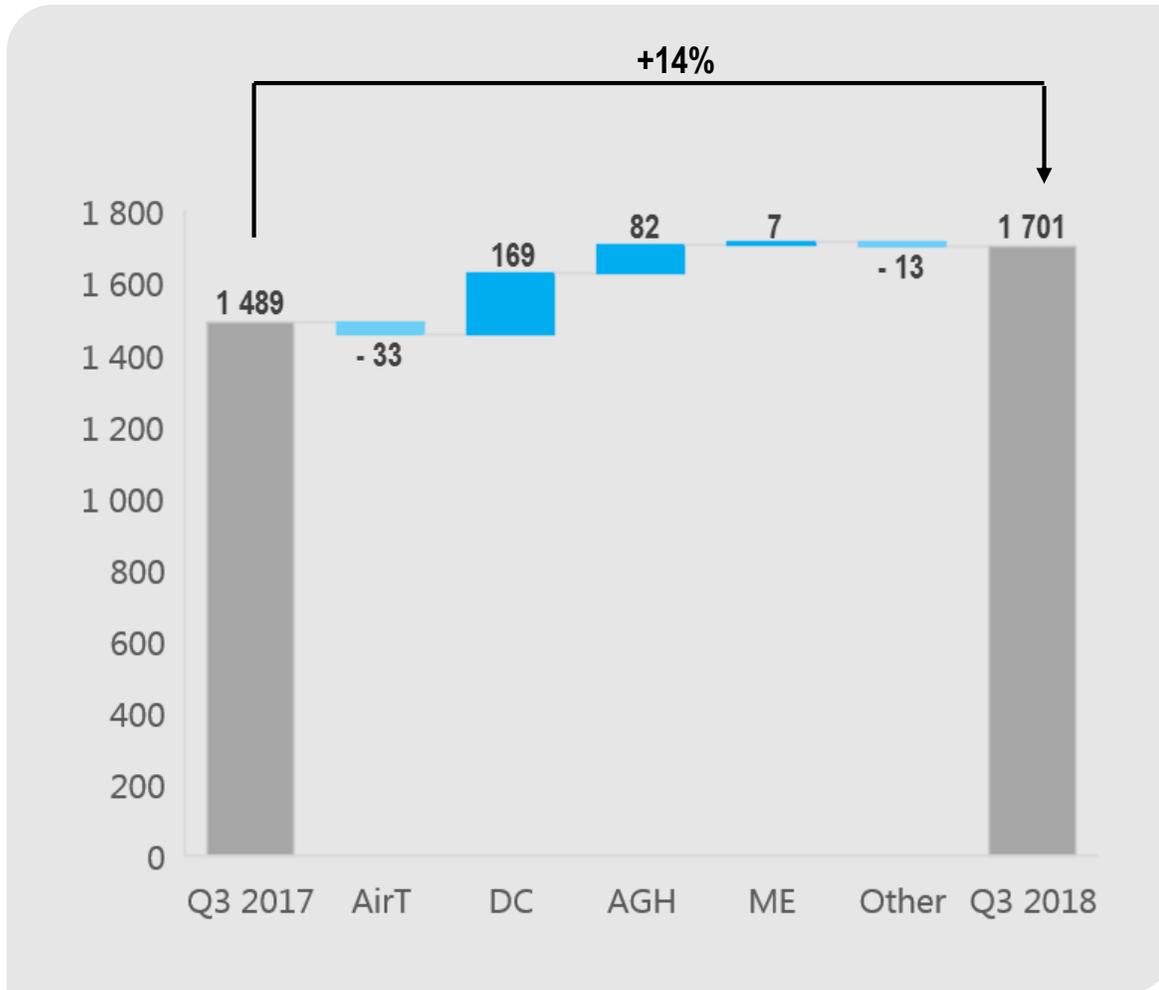
- Large order for SonarEcho, connected farm solution, in AgHort US
- Data Center order signed for NTT Facilities in Japan
- Several orders in Mist Elimination's focus areas Process and Marine sub-segments

Other

- Continued service contract penetration of the installed base, 8% net sales growth
- Increased raw material prices. Will also impact the fourth quarter 2018
- Increased uncertainty for the AgHort business caused by trade war between the US and China
- Delayed orders in AgHort due to African swine fever

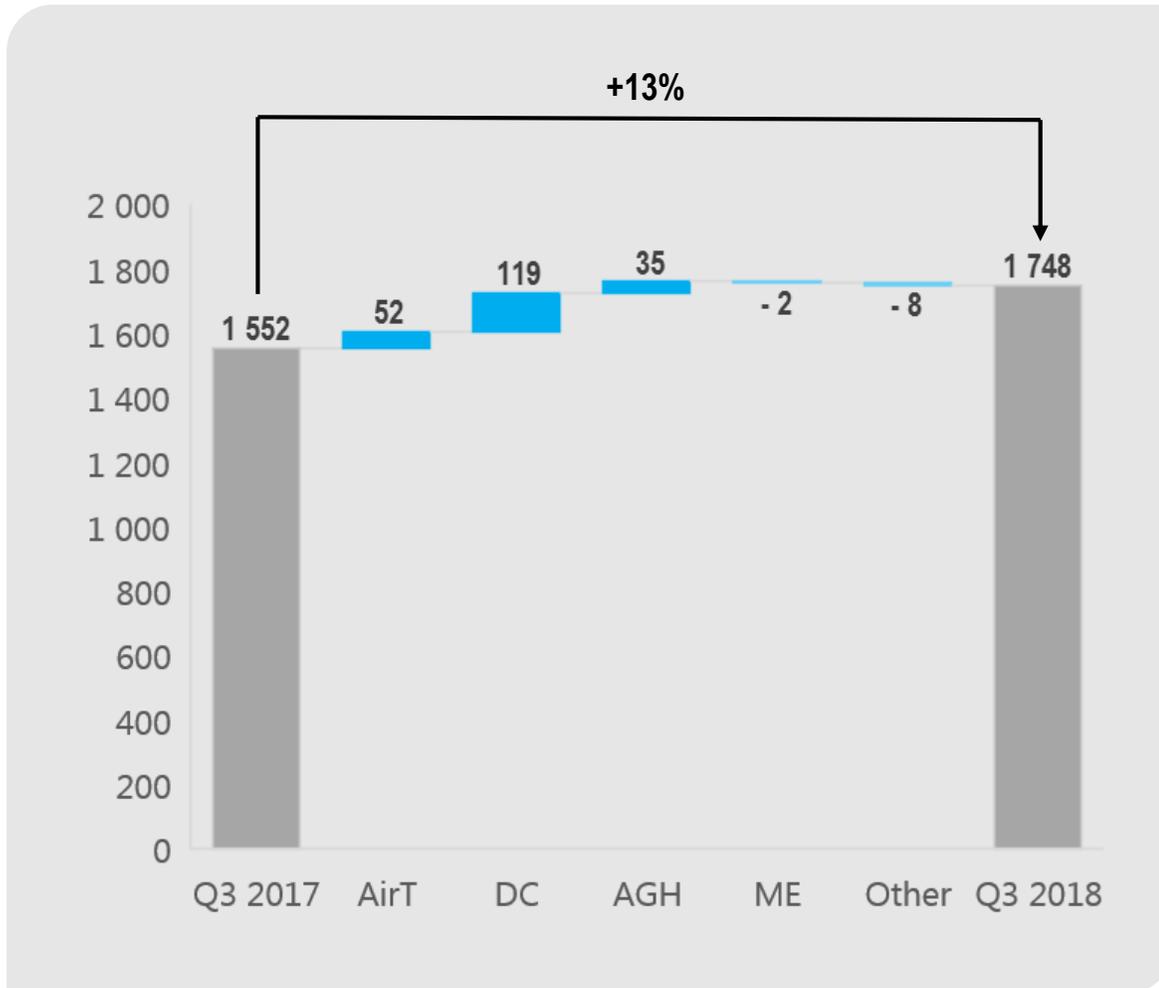


Q3 2018 – Bridge order intake, SEKm



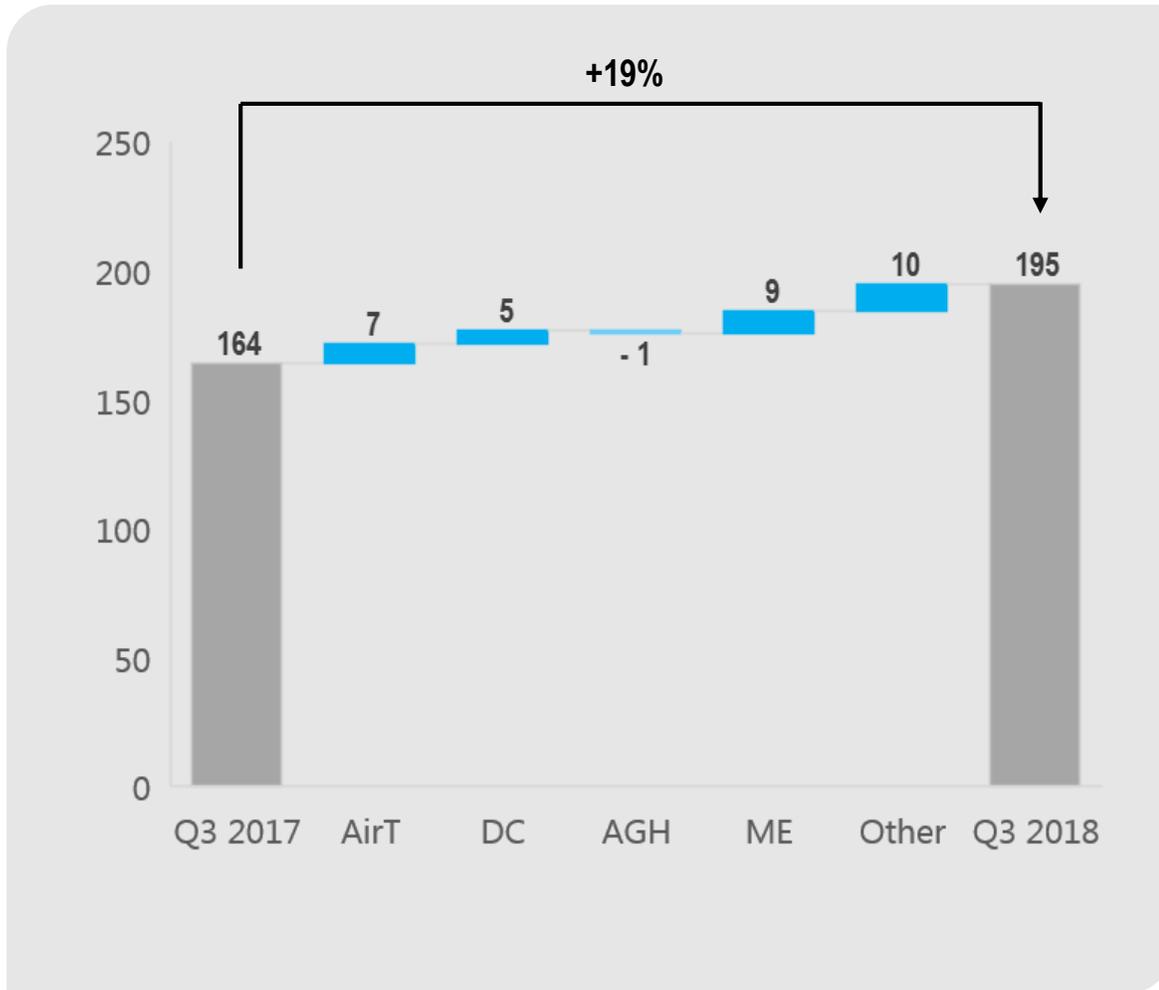
- Order intake grew by 14% (5% organic)
 - Good growth in AgHort (11% organic) and in Data Centers (795% organic)
 - Lower order intake in Air Treatment
- Major data center order won in Japan
- SonarEcho order in AgHort for connected farms

Q3 2018 – Bridge net sales, SEKm



- Net sales increased by 13% (5% organic)
 - Growth reported in all Business Areas except Mist Elimination supported by FX tailwind
 - Strong growth for Data Centers in Europe
 - Services net sales increased by 8%

Q3 2018 – Bridge Adj. EBITA, SEKm



- Adjusted EBITA increased by 19%
- Increased adj. EBITA in all business areas except in AgHort with earnings at same level as in prior year
- Positive impact from strong FX tailwinds
- Earnings negatively impacted by organizational restructuring costs of SEKm 7

First nine months 2018 – summary

SEKm	Q3			Jan-Sep		
	2018	2017	Δ	2018	2017	Δ
Order backlog	2,388	2,332	+2%	2,388	2,332	+2%
Order intake	1,701	1,489	+14%	5,161	5,377	-4%
Net sales	1,748	1,552	+13%	5,288	4,794	+10%
Operating profit	144	108	+33%	390	326	+20%
Adj. EBITA	195	164	+19%	521	501	+4%
Adj. EBITA margin	11.1%	10.6%		9.9%	10.4%	
Net income	62	51	12	227	20	206
Cash flow from operating activities	-38	176	-214	0	242	-242

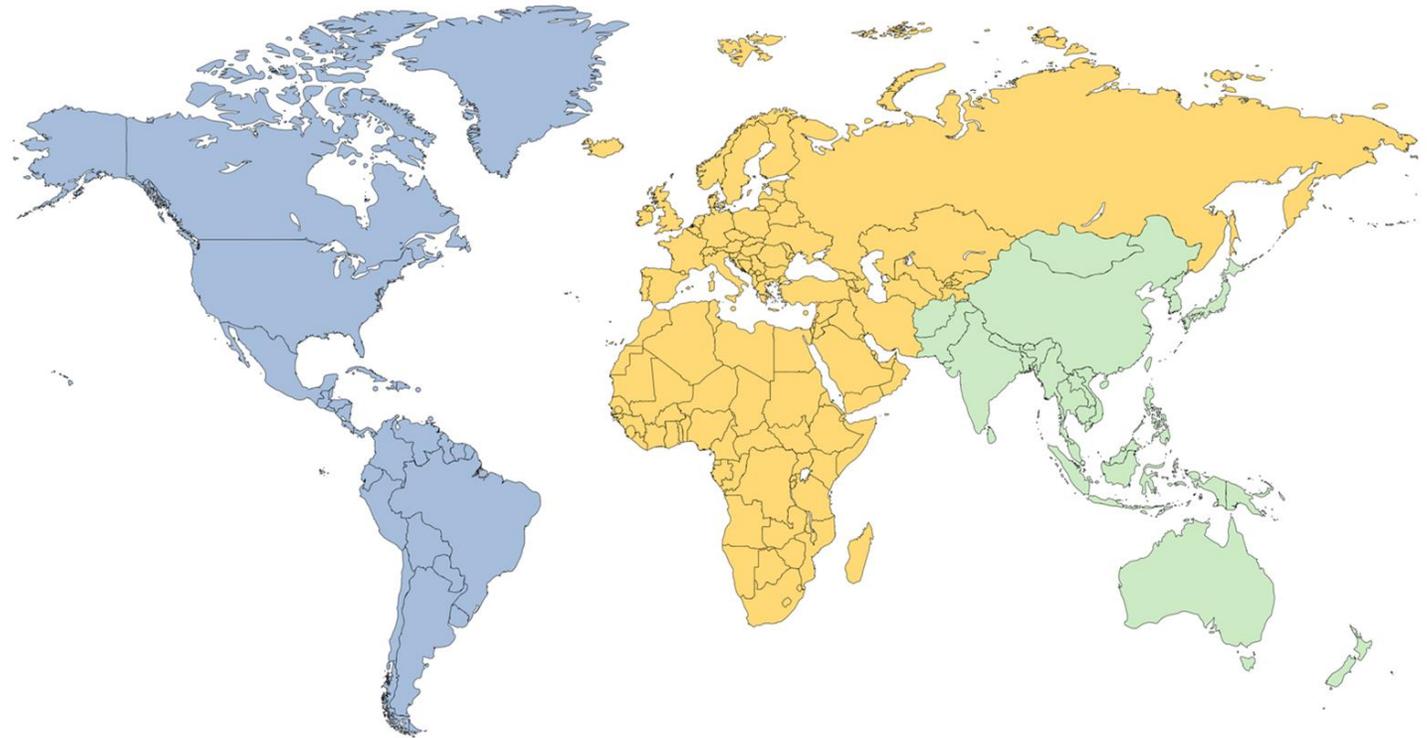
- Order intake decreased 4%
- Net sales increased 10%
- Adjusted EBITA increased 4% to SEKm 521 (501), corresponding to an adjusted EBITA margin of 9.9% (10.4)
- Weak cash flow as an effect of time lag between revenue recognition and invoicing in Data Centers

Orders received YTD – local currency

- APAC growing 21%, mainly driven by China
- Order intake in Americas declined 16%, mainly related to Data Centers and the Industrial and Commercial sub-segments in Air Treatment
- Order intake in EMEA declined 7%, mainly related to Data Centers. Mist Elimination EMEA was strong

Share of orders received R12, %
YTD vs. last year, %

Americas	EMEA	APAC
35%	42%	23%
-16%	-7%	+21%

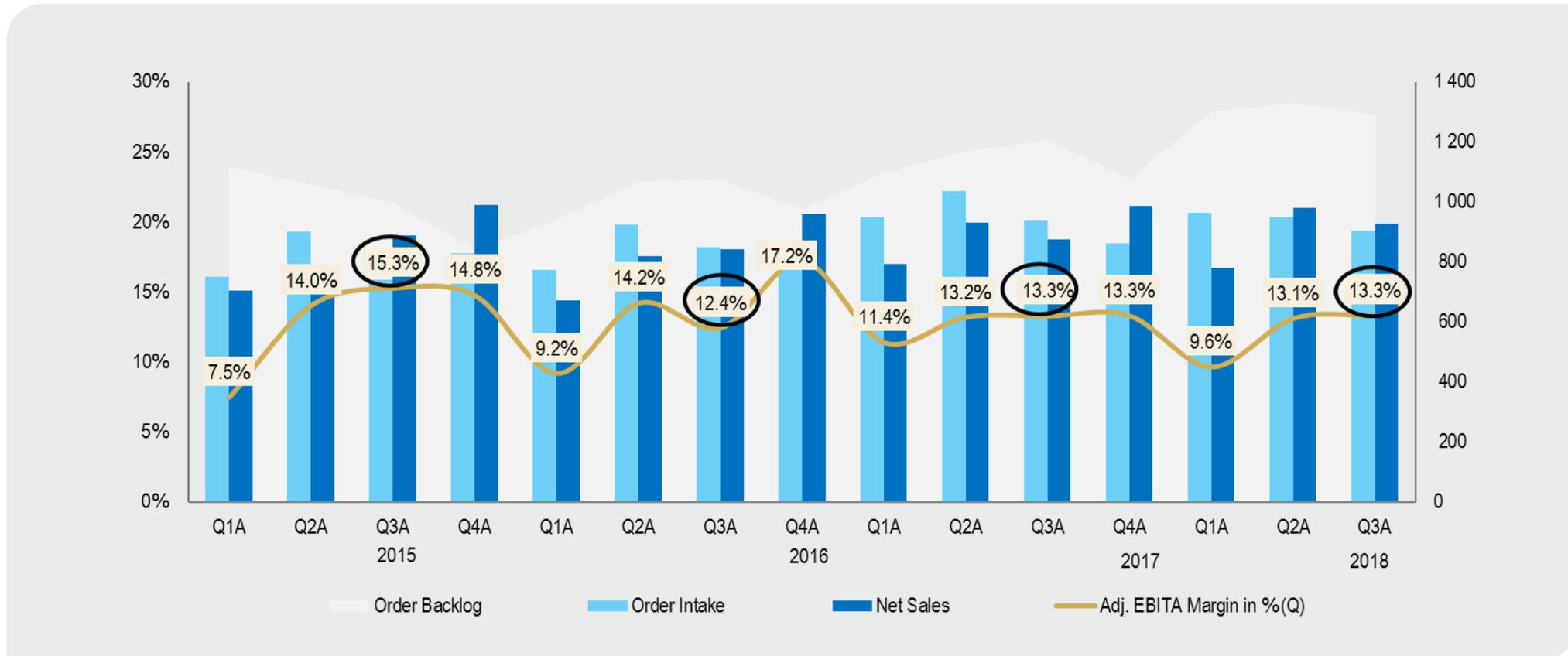


Q3 2018 – Air Treatment

- Order intake declined by 4%. The same quarter prior year included large orders won in the Industrial sub-segment. Order intake in the Supermarket end-market in the US at the same level year on year
- Net sales increased by 6%. Organically, net sales declined as a result of lower shipments to the Supermarket end-market in the US, following low order intake in Q2
- Adjusted EBITA increased by 6%, mainly due to improved gross margins

SEKm	Q3			Jan-Sep		
	2018	2017	Δ%	2018	2017	Δ%
Order intake	906	938	-4	2,819	2,926	-4
Net sales	928	876	6	2,687	2,600	3
Operating profit (EBIT)	121	115	6	320	382	-16
Adjusted EBITA	124	116	6	327	330	-1
Adjusted EBITA margin, %	13.3	13.3		12.2	12.7	

Quarterly trading patterns – Air Treatment

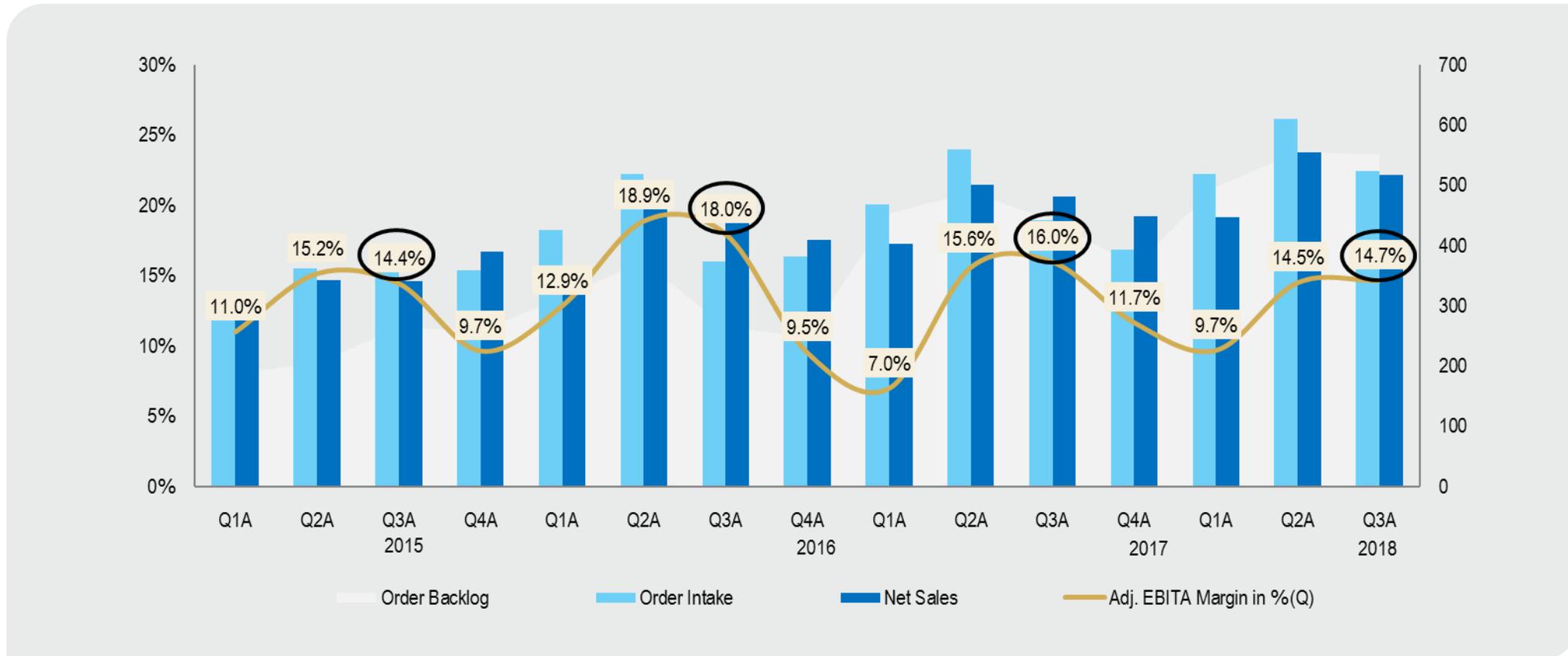


Q3 2018 – AgHort

- Order intake increased by 19% including a large SonarEcho order. Order intake in China down year on year
- Net sales grew by 7%. Some projects postponed by end-customers due to increased uncertainty caused by the trade war between the US and China and as an effect of the African swine fever
- Adjusted EBITA slightly lower than last year, partly due to a slow US market and investments in the software and digital offering

SEKm	Q3			Jan-Sep		
	2018	2017	Δ%	2018	2017	Δ%
Order intake	524	442	19	1,655	1,473	12
Net sales	517	482	7	1,521	1,387	10
Operating profit (EBIT)	73	74	-2	191	174	9
Adjusted EBITA	76	77	-2	200	184	9
Adjusted EBITA margin, %	14.7	16.0		13.1	13.2	

Quarterly trading patterns – AgHort



Q3 2018 – Data Centers

- Order intake increased in the quarter including an order from NTT Facilities in Japan
- Net sales showed strong growth due to higher volumes in Europe
- Earnings were negatively impacted by low volumes in the US and by low margins in Europe
- Low factory utilization in Europe will generate a loss in Q4
- Michael Gantert appointed new President of business area Data Centers

SEKm	Q3			Jan-Sep		
	2018	2017	Δ%	2018	2017	Δ%
Order intake	188	20	859	435	743	-41
Net sales	234	115	103	895	568	57
Operating profit (EBIT)	-24	-22		-12	-4	186
Adjusted EBITA	-15	-20		-0	-1	-79
Adjusted EBITA margin, %	-6.4	-17.4		-0.0	-0.2	

Quarterly trading patterns – Data Centers



Profit improvement program in Data Centers

- **Commercial acceleration:** Broadened product portfolio to include SyCool, a dry solution, as well as a new fan wall cooling solution offered in cooperation with a strategic partner
- **Operational improvements:** Enhanced product management and customization processes, enhanced controls for design and changes as well as establishing supporting systems
- **Cost reductions:** More flexible and cost-efficient manufacturing and sourcing of material and components
- **New President of Business Area Data Centers,** Michael Gantert, as of October 25, 2018
- We expect to see earnings improvements in Data Centers in 2019. Full impact of the program will be seen at the end of 2020.

Q3 2018 – Mist Elimination

- Order intake increased by 7% in the quarter. Lower order intake in FGD for coal fired power plants was compensated by an increase in the Marine and Process sub-segments
- Net sales declined by 2% due to low volume of Coal FGD projects, mainly in China, partially offset by increases in the Marine and Process sub-segments
- Adjusted EBITA increased to SEKm 15 (6), driven by reduced overhead costs

SEKm	Q3			Jan-Sep		
	2018	2017	Δ%	2018	2017	Δ%
Order intake	106	100	7	328	312	5
Net sales	94	96	-2	274	296	-7
Operating profit (EBIT)	15	6	150	29	20	45
Adjusted EBITA	15	6	146	30	21	43
Adjusted EBITA margin, %	16.3	6.5		11.0	7.1	

Quarterly trading patterns – Mist Elimination



Summary

- Good order intake in the quarter driven by AgHort and Data Centers
- Solid net sales growth driven by Data Centers
- Increased earnings (Adj. EBITA), with improvement in all business areas, except in AgHort
- Comprehensive profit improvement program initiated for commercial acceleration and improved profitability in Data Centers



Questions & Answers