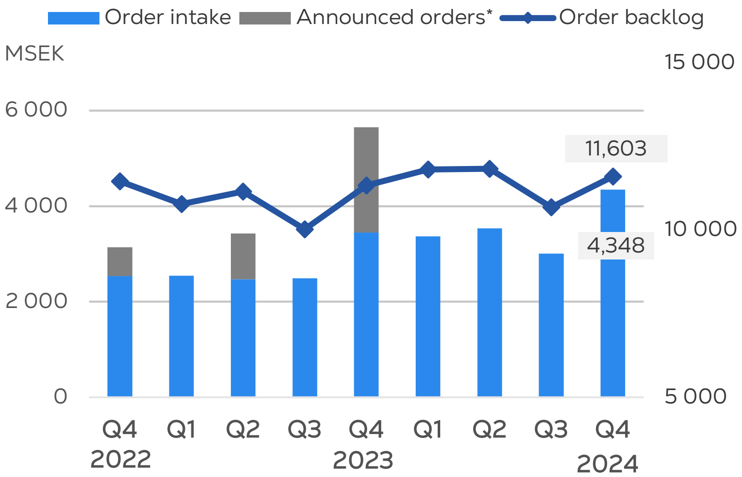
# Munters

## Q4 and full-year report 2024

Klas Forsström, President and CEO
Katharina Fischer, GVP and CFO
Line Dovärn, Head of Investor Relations

# Record overall performance achieved for the full year

## Q4: Mixed picture for order intake



**Q4: Order intake, -23%** (-29% org)

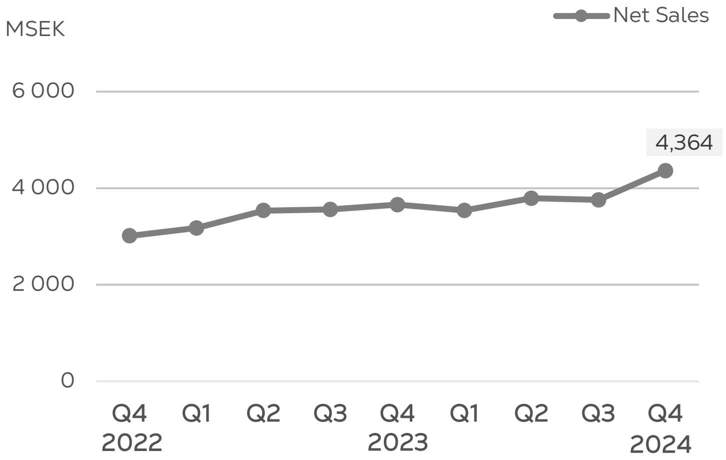
- AT - decline, weaker battery in all regions
- DCT - strong underlying demand, org. growth of 60% in small- and mid sized orders (last year incl. 2 large orders)
- FT – increase, strong growth in Digital solutions

**Q4: Order backlog, +2%**

- Mainly orders in DCT- delivered throughout 2025 & 2026

**FY: Order intake, +1%** (-4% org.)

## Q4: Positive net sales



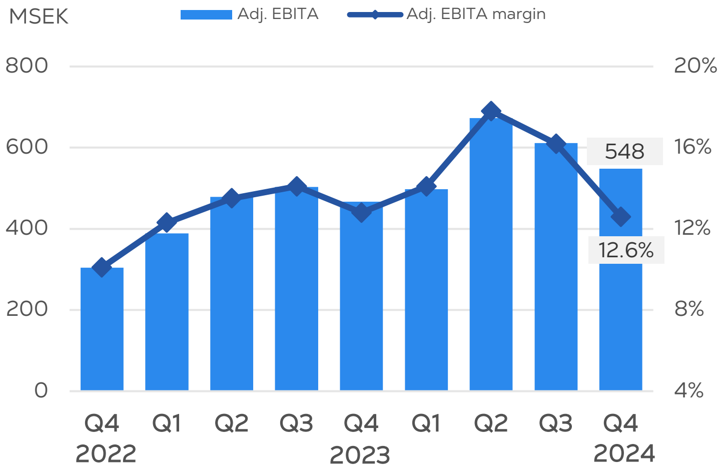
**Q4: Net sales, +19%** (+10% org)

- AT – flat, weak battery in Americas offset by growth in EMEA
- DCT – increase, successful deliveries on large orders
- FT – grew strongly, strong contributions from both Digital solutions & Equipment

**Book-to-bill Q4: 1.00**

**FY: Net sales, +11%** (org. +5%)
**Book-to bill, 0.92**

## Q4: Stable profitability



**Q4: Adj. EBITA-margin: 12.6%**

- \+ DCT & FT: strong net sales growth
- \+ all BA:s: effects from lean practices & other operational efficiency initiatives
- – AT: under-absorption due to lower demand from battery

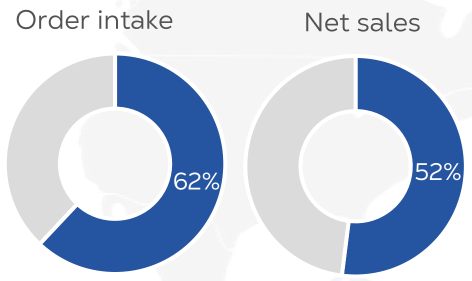
**FY: Adj. EBITA-margin, 15.1%**

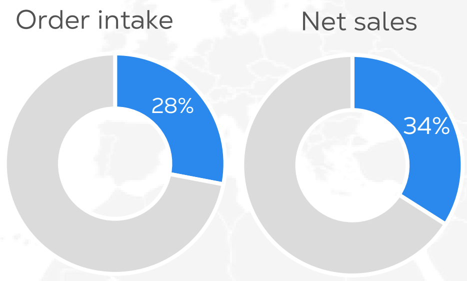
AT = AirTech, DCT = Data Center Technologies, FT = FoodTech, BA = business areas

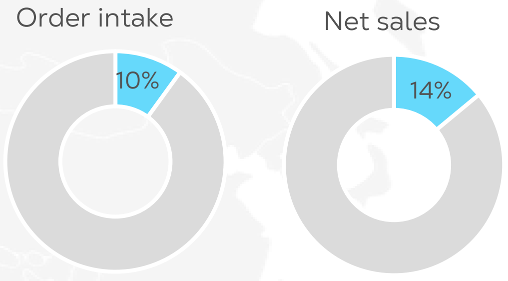
*Large orders announced through press releases

# Americas main driver of growth

## Regional share Q4







### Americas - order intake

(FY – OI: 56%, NS: 59%)

- AirTech – negative contributions from Industrial (incl. battery) and Service & Commercial, positive development Components
- DCT – strong underlying demand; increased hyperscaler orders
- FoodTech – good contributions from DS, both software & controllers. Equipment flat, affected by seasonality

### EMEA - order intake

(FY – OI: 30%, NS: 28%)

- AirTech –good contributions from food and pharma
- DCT – slower development; first combined order of CRAH units and Geoclima's chillers
- FoodTech – good contributions DS, from controllers. Equipment grew, fueled by broiler & plants sub-segments

### APAC- order intake

(FY – OI: 14%, NS: 13%)

- AirTech – Industrial stable, Components declined, positive effect from food
- FoodTech – continued weak demand in Equipment

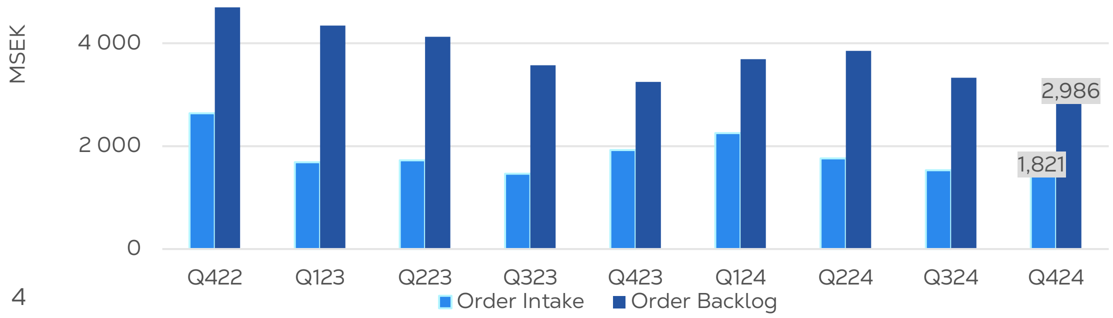
All figures as reported, not currency adjusted.
OI: Order intake, NS: Net sales
DS – Digital solutions

# Order intake affected by weaker battery market

→ **Org. Order Intake** declined due to weaker battery sub-segment in all regions;

- Industrial (excl. battery) – declined offset by good growth in food across all regions
- Battery - continued headwinds all regions, driven by delayed greenfield investments, customers placing orders closer to delivery, reduced project volumes and intensified competition
- Commercial – declined, weaker performance in Americas
- CT[1] – declined, mainly within VOC technology, due to weaker battery
- Components – grew in Americas, increased demand of evaporative pads for the data center market

→ **Order Backlog** decreased



↗ > 5 % ↗ ~ 1-5 % → ± 0 -1% ↘ neg

| Customer segment | % order intake Q4 2024 | Market Outlook * |
|---|---|---|
| Industrial | 46% | ↗ |
| …whereof battery | 12% | ↘ |
| …whereof food processing | 9% | ↗ |
| …whereof commercial | 10% | ↗ |
| …whereof other | 15% | ↗ |
| Clean Technologies | 11% | → |
| Service & components | 43% | ↗ |
| …whereof service | 19% | ↗ |
| …whereof components** | 24% | ↗ |

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

** Dehumidification rotors and humidification pads sold through OEM channels

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[1] Clean Technologies

AirTech

# Investments and lower volumes affecting margin

→ Org. Net Sales flat, battery weak in Americas, offset by EMEA;

- Industrial (excl. battery) – declined, primarily in Americas, partially offset by good growth in EMEA and stable APAC
- Battery – growth EMEA, offset by Americas
- Commercial – flat, growth primarily in Americas
- Components – declined in all regions, due to weaker battery
- Service – stable growth, led by Americas

→ Adj. EBITA margin declined;

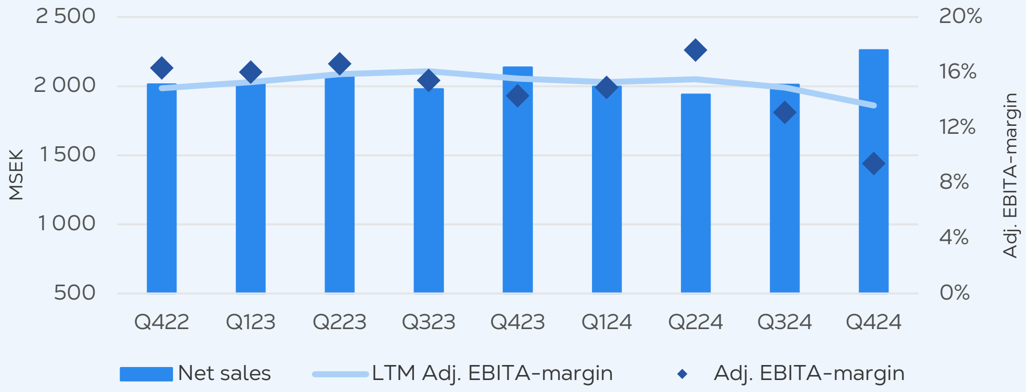
– lower net sales in battery leading to decreased production utilization in all regions, negative effect of approx. -3%

– investments in our global footprint

+ operational & commercial excellence initiatives

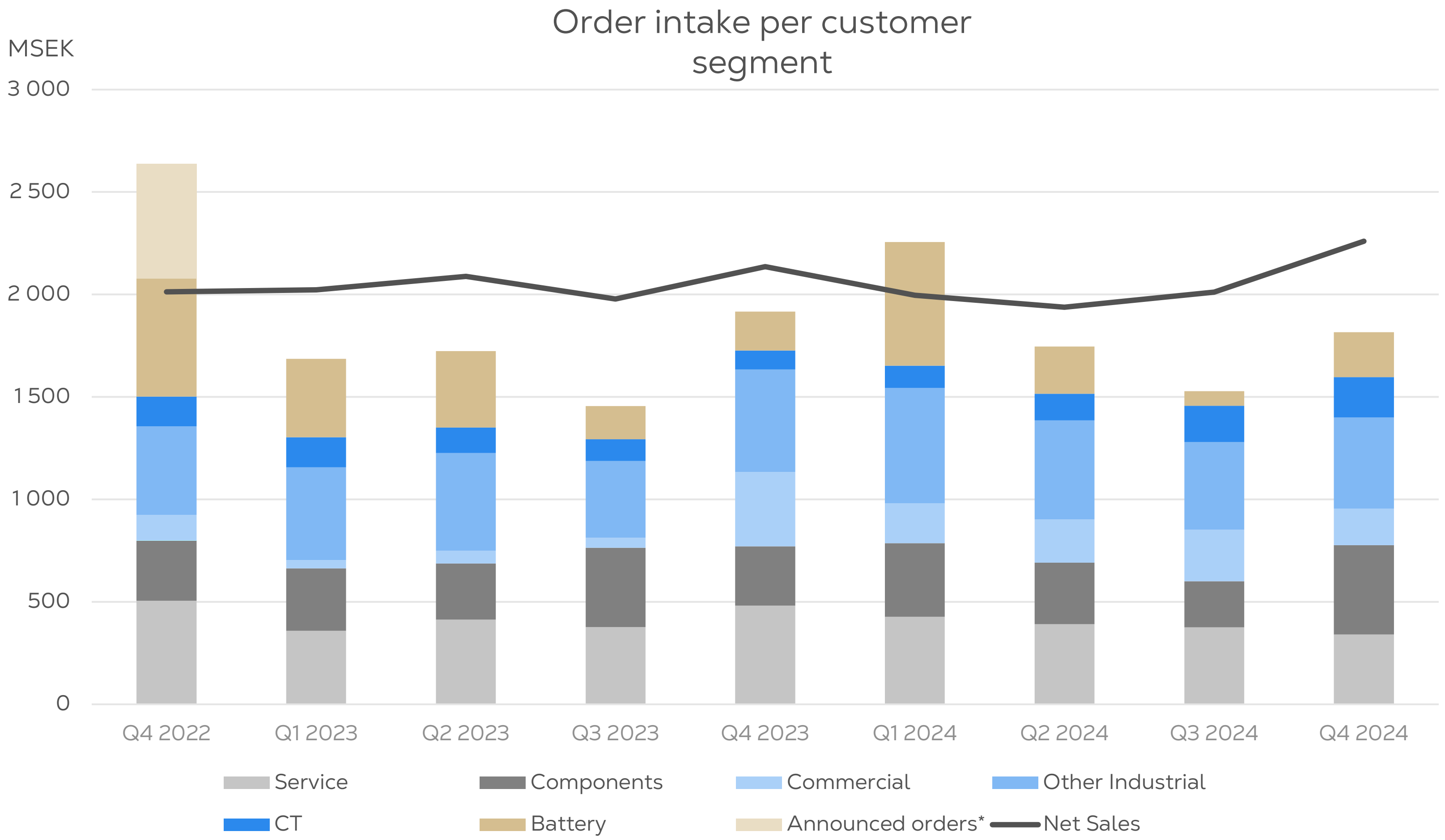
→ FY: Order intake flat, net sales decreased, adj. EBITA margin declined

| *MSEK* | Q4 2024 | Q4 2023 | Change (%) | | | FY 24 | FY 23 |
|---|---|---|---|---|---|---|---|
| | | | Org. | Struct* | FX | | |
| Order intake | 1,821 | 1,922 | -10 | 5 | 0 | 7,365 | 6,796 |
| Order backlog | 2,986 | 3,250 | | | | 2,986 | 3,250 |
| Net sales | 2,260 | 2,136 | -1 | 7 | 0 | 8,204 | 8,226 |
| Adj. EBITA | 212 | 305 | -40 | 9 | 1 | 1,113 | 1,278 |
| Adj. EBITA (%) | 9.4 | 14.3 | | | | 13.6 | 15.5 |



* Acquisitions & divestments

# Solid development in several customer segments



## Development Q4 2022 – Q4 2024

- Battery – Second half of 2024, customers started placing orders closer to delivery, delays in greenfield investments combined with more aggressive competitive environment & price pressure
- CT- stable development, acq. of Airprotech in Q2 2024
- Other industrial – good development, mainly in EMEA
- Commercial – stable growth, acq. of Zeco in Q4 2023
- Components - growth of evaporative pads to the data center market, impacted by lower battery replacements
- Service – stable development

*Large orders announced through press releases

# Mission-critical spray drying in food production

→ Italian food producer seeking innovative spray drying solutions to enhance production capabilities

→ Munters offering:

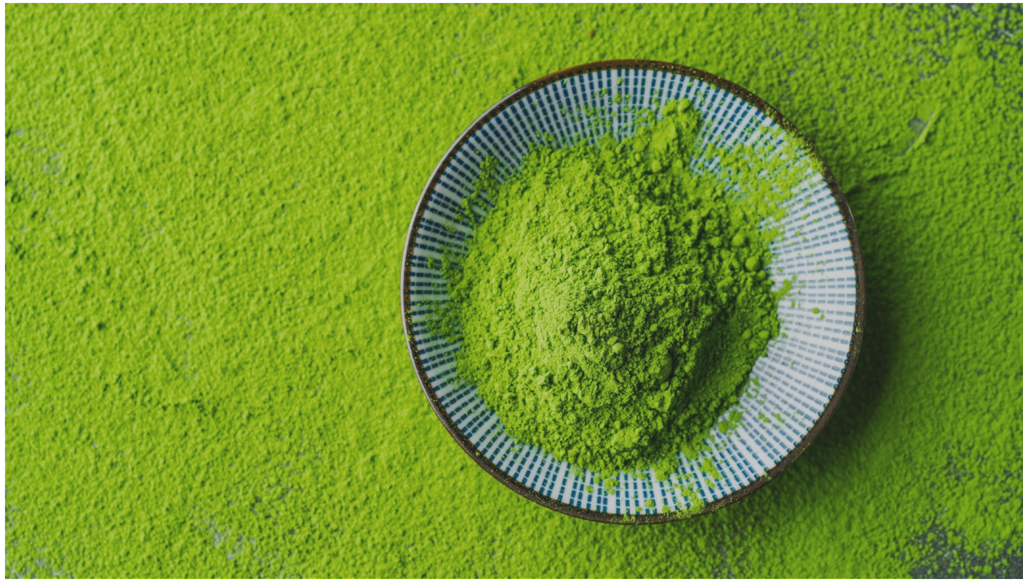
PureSystem 4000 dehumidification system:

- specifically developed for spray drying applications
- energy efficient design, food-safe plastics & reliability for maximum uptime

VariMax IFRG heater:

- air heating essential in spray drying process, ideal technology - delivers contaminant free process air
- standard heat transfer efficiencies of up to 90% by circulating combustion gases in a separate loop

Spray drying is a key food production technology, efficiently removing moisture while preserving quality and nutrition. It is widely used to produce powdered ingredients like dairy, flavors, and proteins for consumer and industrial use.



PureSystem 4000

VariMax IFRG

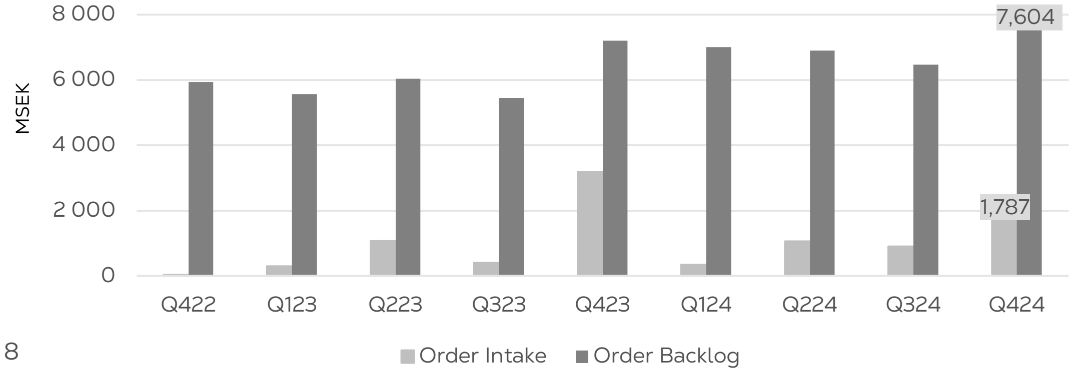
# Underlying demand strong & increased order backlog

## → Order Intake declined;

- the underlying demand for our cooling solutions remains strong across key markets -> 60% organic increase in small & medium-sized orders
- two large orders of approximately BSEK 2.2 in Q4 2023
- increased hyperscaler orders in Americas
- higher-density data centers and regulations shorten lead times, with customers ordering closer to delivery

## → Order Backlog increased;

- orders to be delivered throughout 2025 & 2026



**Data Center Technologies**

↗ > 5 %  ↗ ~ 1-5 %  → ± 0 -1%  ↘ neg

| Customer segment | Order Intake Q4 2024 | Market Outlook * |
|---|---|---|
| Hyperscaler | 64% | ↗ |
| Co-locator | 36% | ↗ |
| Telco & enterprise | 0% | ↗ |

- Hyperscalers –need massive amounts of server space and rely on colocation providers to grow rapidly
- Colocation – continued strong demand due to increased build outs and investments, driven by increased leasing demand from hyperscalers
- Telco & enterprises - moving away from own facilities, market growth but lower pace

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

Data Center Technologies

# Continued strong profitability

→ Net Sales increased;

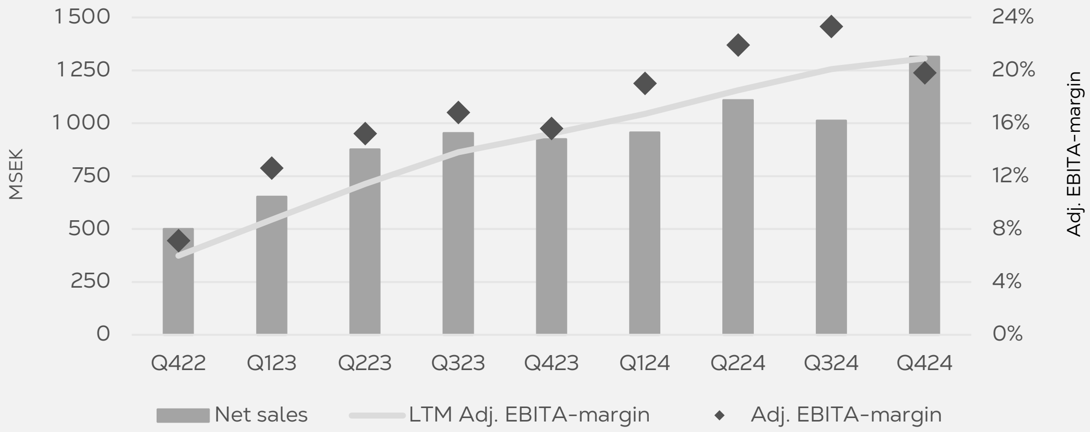
- successful execution on deliveries of large orders
- growth in EMEA primarily attributable to acq. of Geoclima

→ Adj. EBITA margin remain strong;

- \+ strong volume growth
- \+ benefits from lean practices and high production utilization as well as net price increases
- − product mix shifts, organizational ramp-up and integration of Geoclima

→ FY: Order intake decreased, net sales increased, adj. EBIT margin improved strongly

| *MSEK* | Q4 2024 | Q4 2023 | Change (%) | | | FY 24 | FY 23 |
|---|---|---|---|---|---|---|---|
| | | | Org. | Struct * | FX | | |
| Order intake | 1,787 | 3,184 | -48 | 4 | 0 | 4,088 | 4,948 |
| Order backlog | 7,607 | 7,206 | | | | 7,604 | 7,206 |
| Net sales | 1,315 | 925 | 33 | 9 | 0 | 4,392 | 3,408 |
| Adj. EBITA | 260 | 144 | 67 | 13 | 1 | 920 | 519 |
| Adj. EBITA (%) | 19.8 | 15.6 | | | | 20.9 | 15.2 |



* Acquisitions & divestments

# Strong order backlog to be delivered throughout 2025 & 2026

**MUSD 63**
US colocator
Standard chilled water (CRAHs)
*Completed*

**MUSD 176**
US colocator
SyCool Split solutions
*Completed*

**MUSD 88**
US colocator
Standard chilled water (CRAHs)

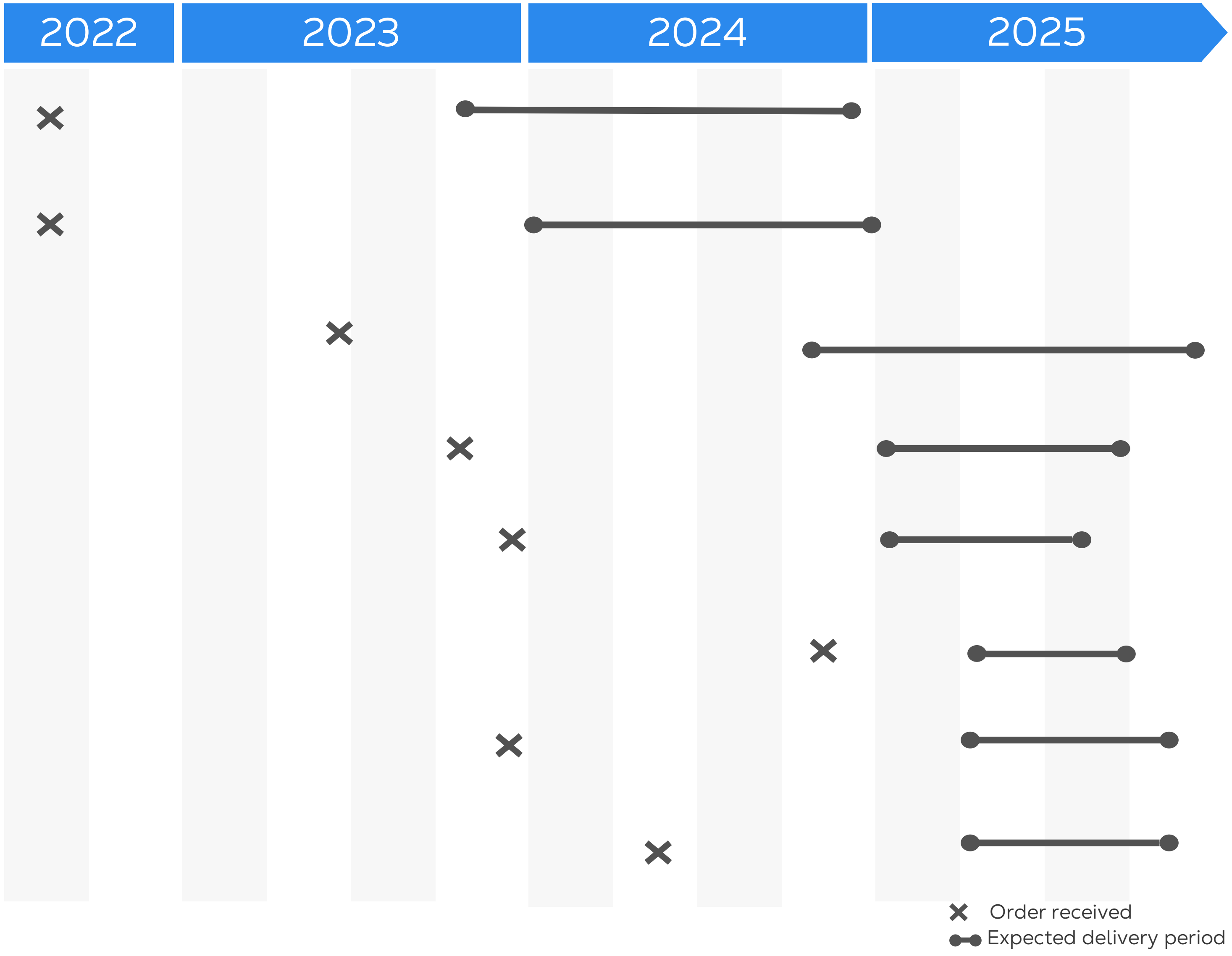
**MUSD 137**
US colocator
SyCool Split solutions

**MUSD 65**
US colocator
Standard chilled water (CRAHs)

**MUSD 35**
US colocator
LCX system (CDU)

**MUSD 60***
US colocator
Standard chilled water (CRAHs)

**MUSD 55***
US colocator
Standard chilled water (CRAHs)



☐ Communicated through news item or press release

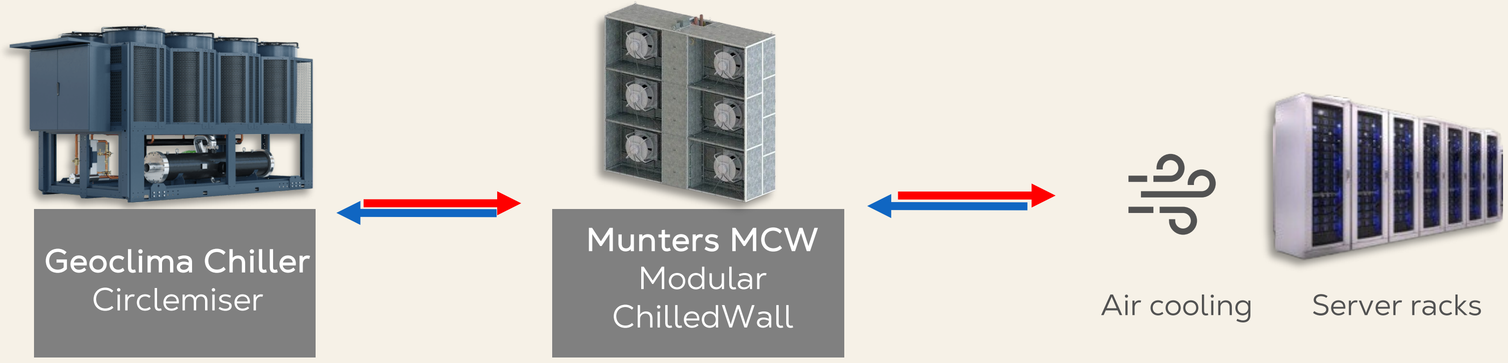
🟦 Medium sized orders **not** communicated through news item or press releases

Data Center Technologies

# Offering end-to-end cooling solutions to our customers

→ First integrated cooling order with Geoclima, received from colocator

- Combined product offering: Integration of Munters MCW unit with Geoclima's chiller delivers a complete and efficient air-cooling solution
- Customer benefits: The offering enables improved energy efficiency, reduced operational costs, and a seamless solution from a single provider
- Strategic investments: driving growth and expanding our market opportunities



**Geoclima Chiller**
Circlemiser

**Munters MCW**
Modular
ChilledWall

Air cooling

Server racks

# FoodTech - a focused digital offering

Digital Solutions

Software

Controllers
(Incl. IOT & Sensors)

Equipment

Equipment
(Fans/Air Inlets/Cooling)

- In 2023, a strategic review of the Equipment business within FoodTech was initiated
- Equipment sales within FoodTech accounted for **13%** of Munters Group net sales for the full year

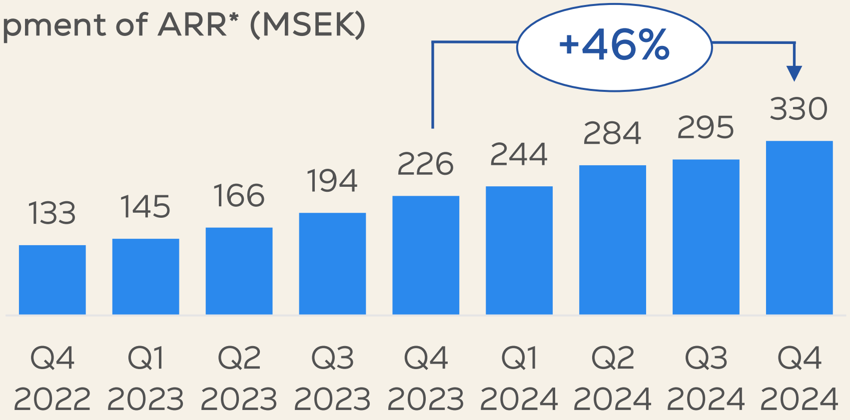
## Digital solutions

**Ambition:** become the global leader in connecting and optimizing the supply chain in the food sector

1. Developing existing segments → 2. Replicating into new segments → 3. Pioneering data driven optimization in partnership with other tech companies

## Software growth:

**Development of ARR* (MSEK)**



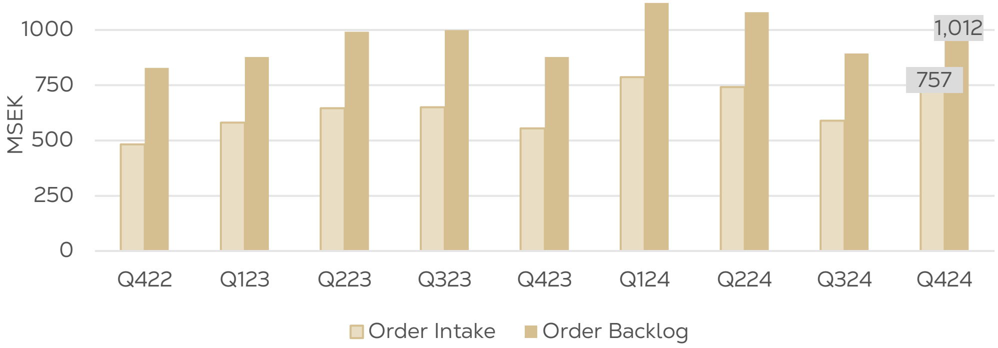
*ARR = Recurring Revenue in the quarter multiplied by four

# Strong growth from both Digital solutions & Equipment

→ **Order Intake** increased;

- DS – strong growth driven by software in Americas
- Equipment – growth, fueled by broiler and greenhouse sub-segments in EMEA

→ **Order Backlog** increased



⬈ > 5 %   ↗ ~ 1-5 %   ➡ ± 0 -1%   ⬊ neg

| Customer segment | % order intake Q4 2024 | Market Outlook * |
|---|---|---|
| Equipment | 47% | ↗ |
| ...whereof Broiler | 22% | ⬈ |
| ...whereof Swine | 5% | ➡ |
| ...whereof Layer | 10% | ⬈ |
| ...whereof Greenhouse | 4% | ↗ |
| ...whereof Dairy | 4% | ↗ |
| ...whereof Other | 2% | n/a |
| Digital solutions<br>(Software & Controllers) | 53% | ⬈ |

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

DS – Digital solutions

# Strong margin increase from both DS & Equipment

→ Net Sales increased, driven by both DS & Equipment;

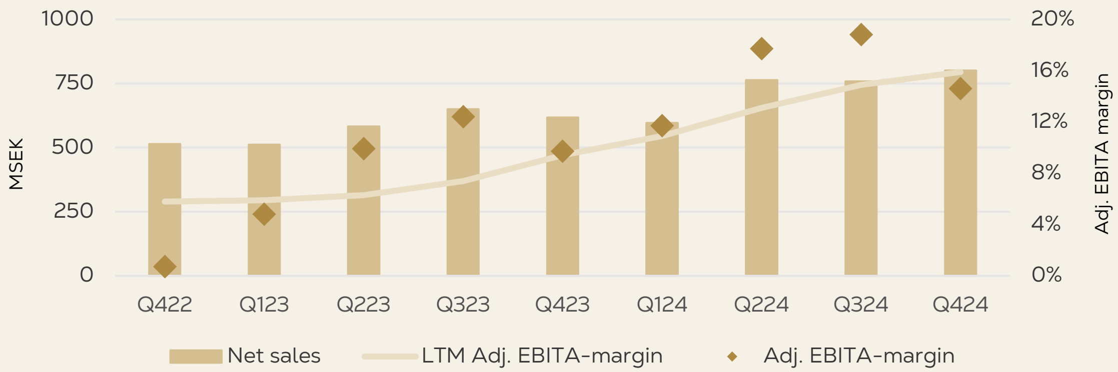
- DS – strong growth in software, driven by broiler. Significant growth controllers in EMEA & Americas supported by recent acq.
- Equipment – good growth EMEA & Americas, mainly broiler, layer and dairy sub-segments

→ Adj. EBITA margin increased significantly;

+ strong net sales growth in Equipment & DS
+ net price increases
+ integration synergies & operational improvement initiatives
– high investments in DS

→ FY: Order intake growth, net sales increased, adj. EBITA margin improved significantly

| *MSEK* | Q4 2024 | Q4 2023 | Change (%) | | | FY 24 | FY 23 |
|---|---|---|---|---|---|---|---|
| | | | Org. | Struct* | FX | | |
| Order intake | 757 | 555 | 21 | 17 | -1 | 2,874 | 2,433 |
| Order backlog | 1,012 | 877 | | | | 1,012 | 877 |
| Net sales | 801 | 617 | 13 | 18 | -1 | 2,918 | 2,363 |
| - of which SaaS | 83 | 56 | | | | 288 | 183 |
| - SaaS ARR | 330 | 226 | | | | 330 | 226 |
| Adj. EBITA | 117 | 60 | 72 | 24 | 0 | 464 | 222 |
| Adj. EBITA (%) | 14.6 | 9.7 | | | | 15.9 | 9.4 |



* Acquisitions & divestments

DS – Digital solutions

# Global expansion fueling synergies and growth

Controllers manage equipment, collect data, and connect to software for analysis, driving sustainability, efficiency, and profitability.

- Recent acquisitions of three companies – InoBram, AEI and Hotraco, spread across three continents and three segments
- Integration process has clear focus on synergy realization in terms of sourcing, ways-of-working & profitability
- In the quarter, synergies contributed positively to improved profitability

Synergies include:

Standardizations

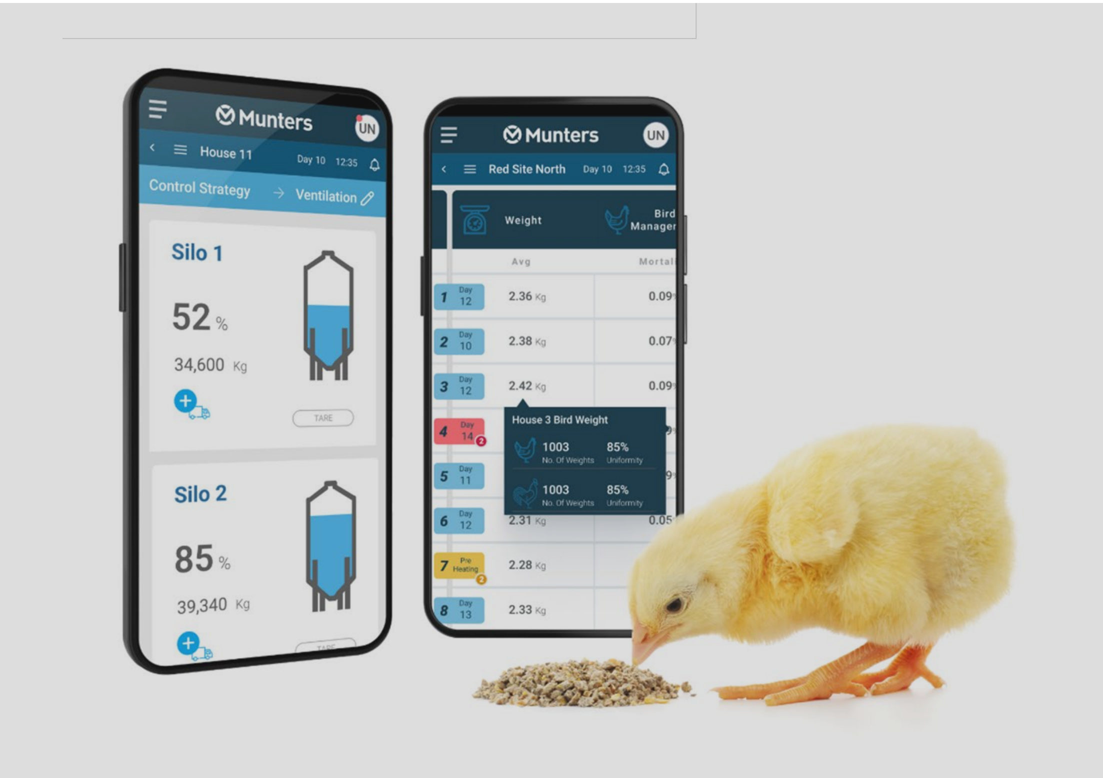
- Cloud, Sensors, Components

Customer centered footprint

- Brand agnostic service teams, assembly close to end-customer, shared sales efforts

Streamlined sourcing

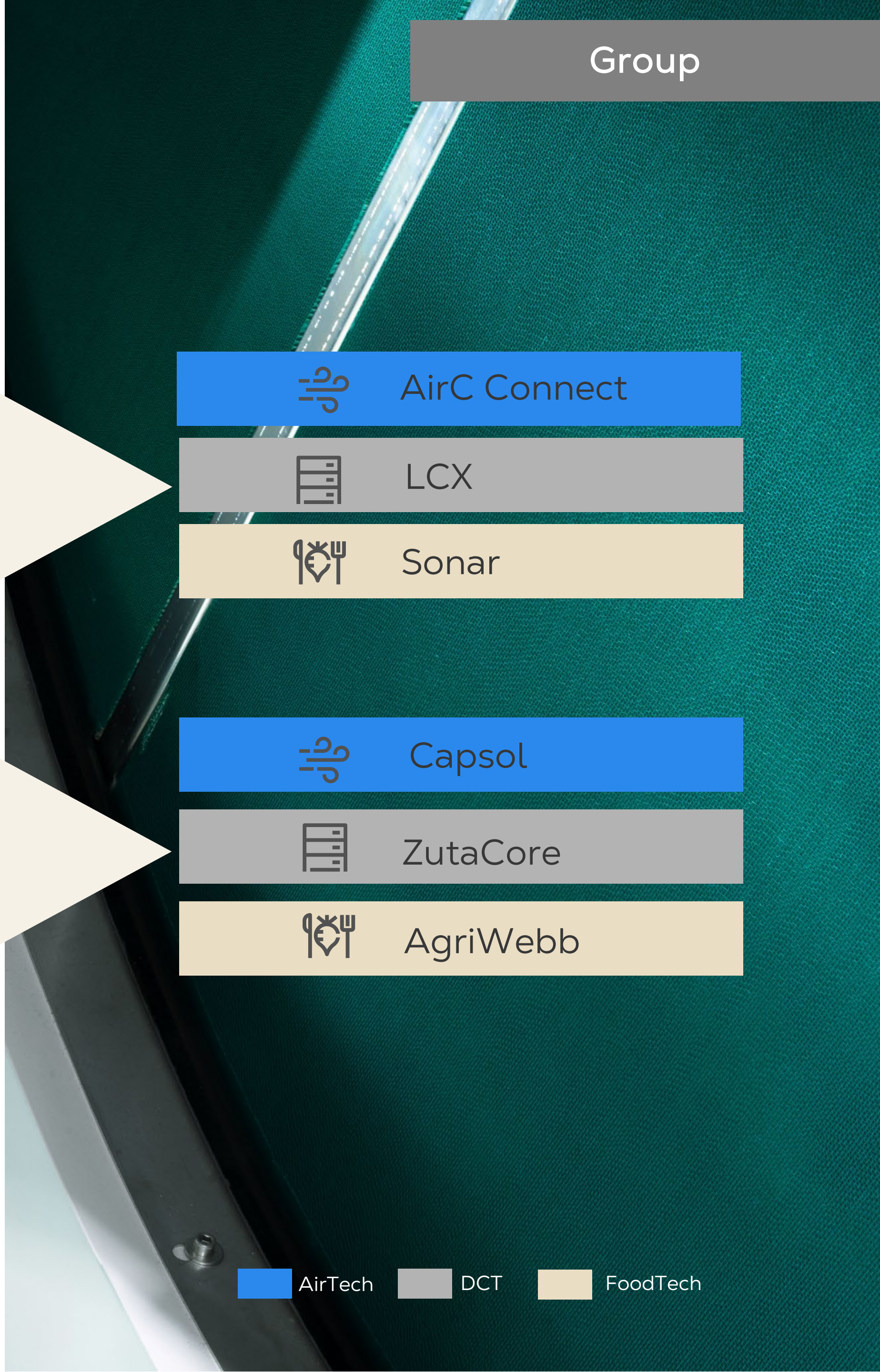
- Suppler consolidation



# Innovating for sustainable growth

In 2024, we advanced innovation through cutting-edge products, strategic partnerships, and operational excellence, driving growth and efficiency.

- Investments in prioritized technologies and digitalization for production & product optimization
- Efficiency improvements, digital transformation, and streamlined processes, driving productivity
- Minority investments to bolster innovation, fostering new technologies, strategic collaborations, and market expansion



AirC Connect

LCX

Sonar

Capsol

ZutaCore

AgriWebb

🟦 AirTech ⬜ DCT 🟨 FoodTech

Munters vitality index*

~40%

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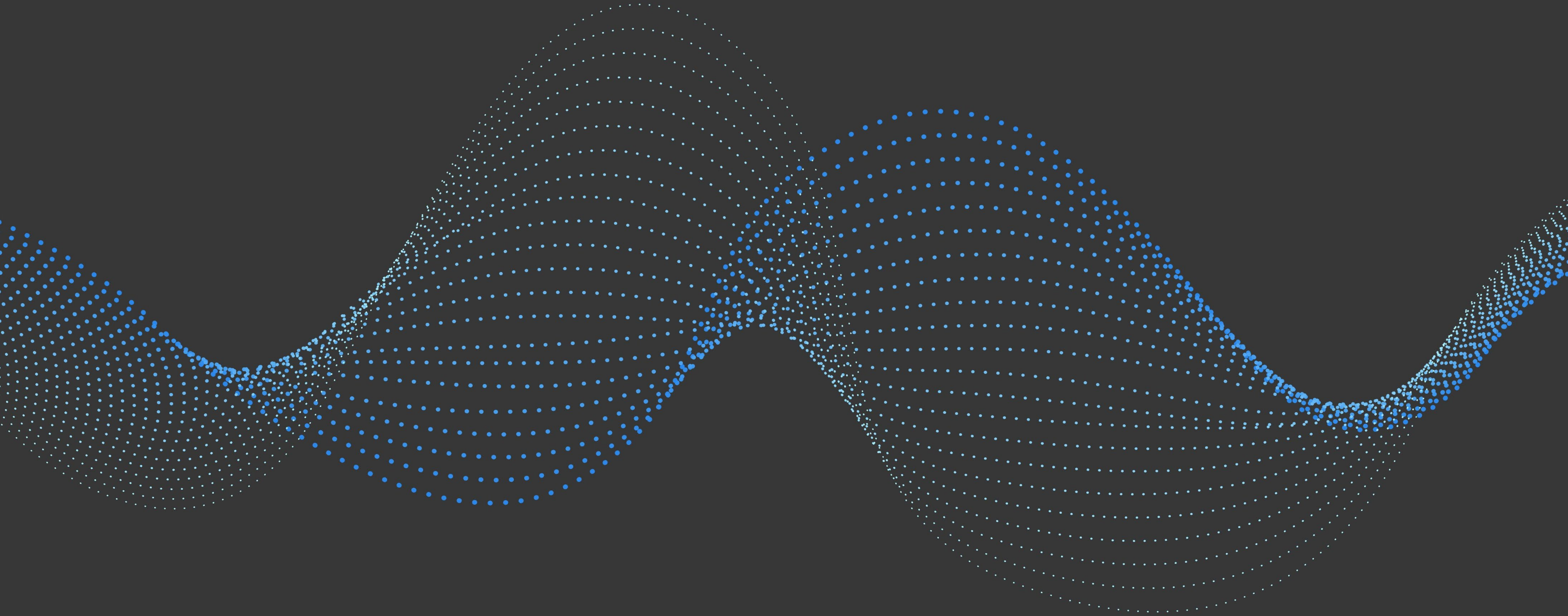
* Excl. Equipment



# Financial highlights

# FY - Record overall performance

- Net Sales increased;
  - AT - flat, impacted by weak battery sub-segment, good growth EMEA
  - DCT – strong growth, through successfully delivering on earlier announced orders
  - FT – grew strongly, driven by both Digital solutions and Equipment
- Adj. EBITA margin stable;
  - strong net sales growth in DCT & FT
  - AT negatively impacted by under-absorption due to lower demand from battery and investments in footprint
- Net income increased by 205%
- Increased cash flow from operating activities;
  - related to positive development of working capital
- OWC/net sales;
  - within our target range of 13-10%
- Net debt increased;
  - acquisitions financed through debt
- 2024 – flat order intake, net sales growth, flat order backlog, stable profitability & improved OWC/net sales

| *MSEK* | Q4 2024 | Q4 2023 | Change (%) | | | FY 24 | FY 23 |
|---|---|---|---|---|---|---|---|
| | | | Organic growth | Structural growth* | Currency effects | | |
| Order intake | 4,348 | 5,651 | -29 | 6 | 0 | 14,259 | 14,116 |
| Order backlog | 11,603 | 11,333 | | | | 11,603 | 11,333 |
| Net sales | 4,364 | 3,659 | 10 | 9 | 0 | 15,453 | 13,930 |
| Operating profit (EBIT) | 342 | 375 | | | | 1,841 | 1,586 |
| Adj. EBITA | 548 | 467 | 3 | 13 | 1 | 2,330 | 1,839 |
| Adj. EBITA-margin | 12.6 | 12.8 | | | | 15.1 | 13.2 |
| Net income | 176 | 58 | | | | 1,020 | 792 |
| Cash flow from operating activities | 823 | 670 | | | | 2,367 | 1,066 |
| OWC/net sales (%)[1] | 10.2 | 14.2 | | | | 10.2 | 14.2 |
| Net debt | 6,364 | 4,620 | | | | 6,364 | 4,620 |
| Net debt/Adj. EBITDA[2] | 2.3 | 2.1 | | | | 2.3 | 2.1 |

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

[2] Last twelve months

* Acquisitions & divestments

# Stable profitability supported by strong volume growth in FoodTech and DCT

| Group adj. EBITA margin impact | |
|---|---|
| **Q4 2023<br>adj. EBITA %** | 12.8 |
| Volume | ++ |
| Product mix and net pricing | = |
| Operational excellence | - |
| Strategic initiatives | - |
| **Q4 2024<br>adj. EBITA %** | 12.6 |

## Main factors affecting adj. EBITA margin in Q4:

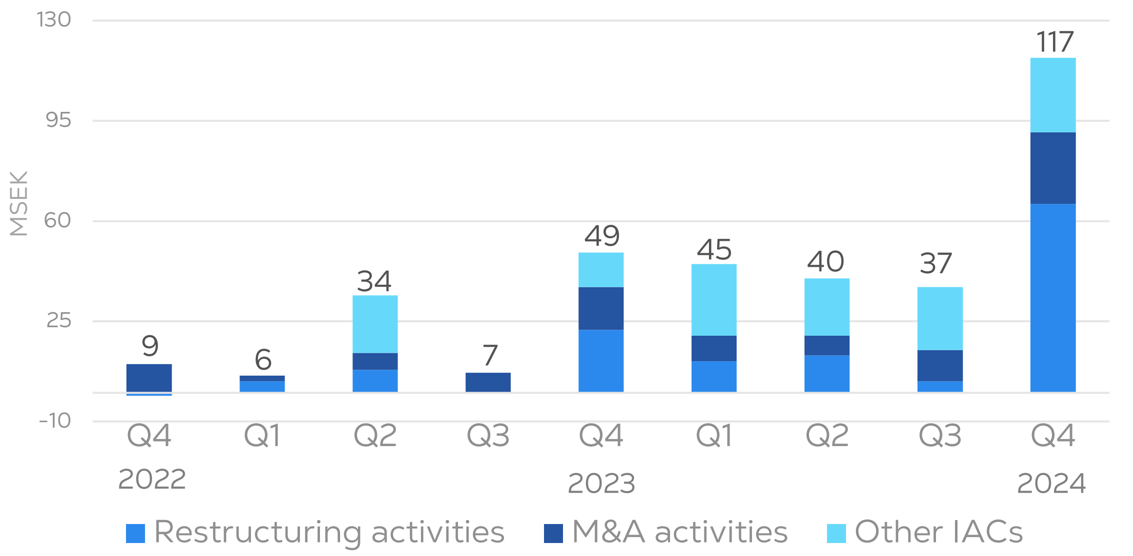
- Volume had a positive impact, strong net sales growth in DCT & FT. Whereas AT was impacted by weak battery sub-segment
- Good net price increases in DCT & FT, whereas DCT was somewhat negatively affected by product mix shifts
- Negative operational excellence effects due to under-absorption in AT, offset by positive contributions in all business areas from lean & similar initiatives
- Strategic initiatives for scalability in digitization and automation continues

## Adj EBITA margin of 15.1% for the full year

- positive effects from volume growth in DCT & FT as well as product mix in AT & DCT

# IACs related to our strategic portfolio management

## IACs quarterly, MSEK



→ IACs for the quarter:

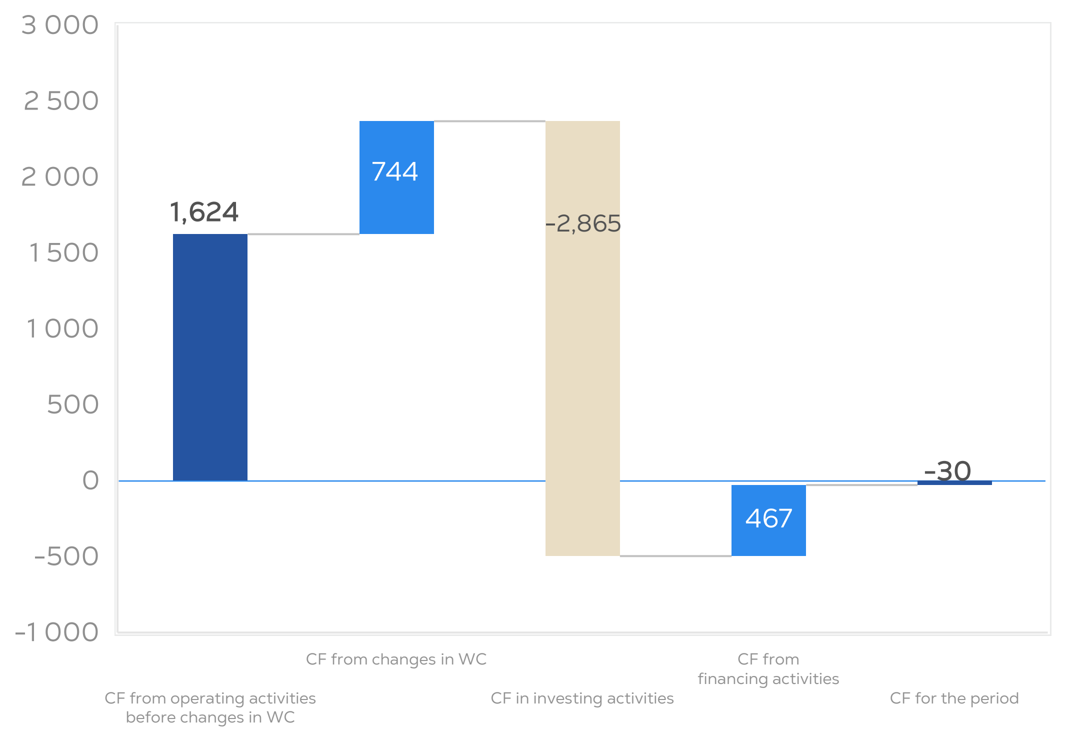
- Restructuring activities MSEK -66,
  - mainly related to measures taken in AirTech as a result of the weak demand in the battery market
- M&A activities MSEK -25
  - driven by the active M&A agenda
- Other IACs totaled MSEK -26
  - mainly costs for the strategic review of the Equipment offering in FoodTech

→ IACs for the full year MSEK -240

IAC - Items affecting comparability

# Enhanced cash flow management

## Group Cash Flow FY, MSEK



## Cash flow from changes in working capital

| | Q4 2024 | Q4 2023 |
|---|---|---|
| Change in accounts receivable | -209 | 149 |
| Change in inventory | 194 | 188 |
| Change in accrued income | 263 | 11 |
| Change in accounts payable | 333 | 111 |
| Change in advances from customers | -130 | -126 |
| Change in other working capital | 49 | 56 |
| CF from changes in working capital | 500 | 389 |

→ Q4: Cash flow for the period, mainly impacted by

- positive development of working capital
- acquisitions & increased capital expenditures

# Investments supporting the next growth wave

→ Continued investments aiming at strengthening competences, upgrades, digitalize & automize

- DCT: new plant in Cork, Ireland Q4 2024. Ramp-up during H1 2025
- AirTech: new major plant in Amesbury, US during H1 2025

→ Capital allocation priorities to drive growth agenda – organic and M&A:

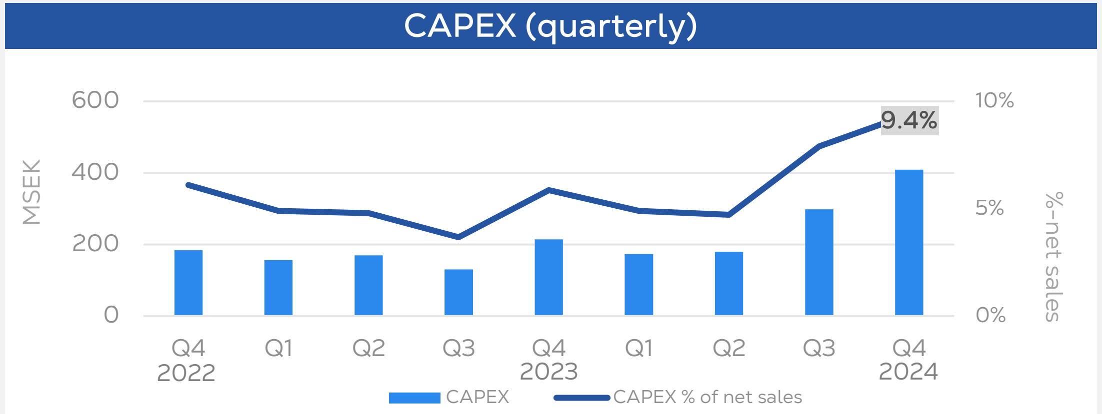
- innovation and plan for $CO_2$ reduction
- operational and commercial excellence
- M&A and minority investments
- dividends

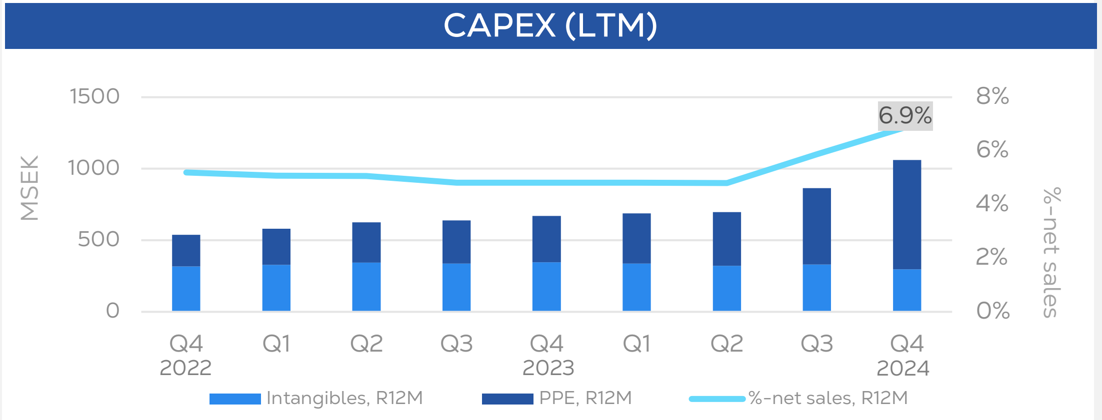
$CO_2$ reduction

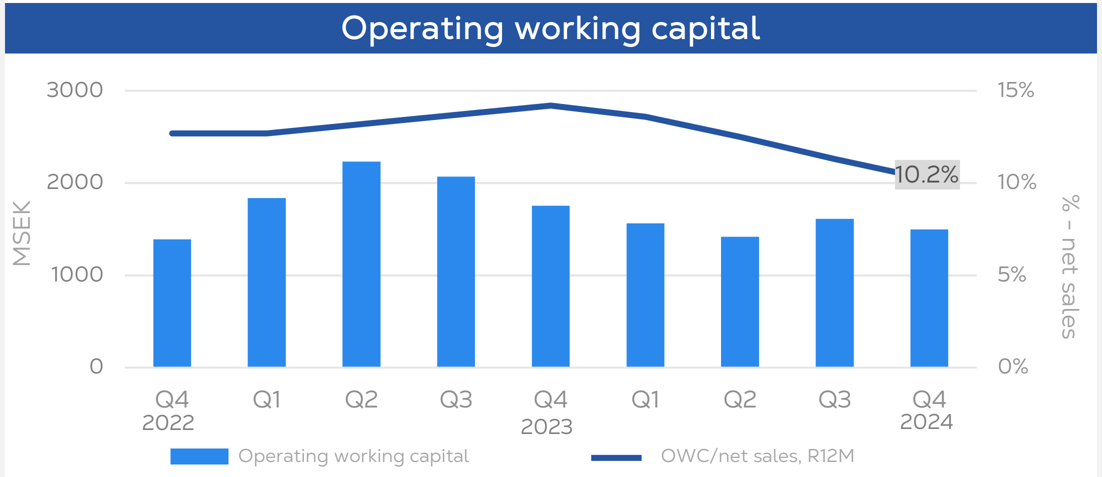
Integrated operations

Fully digital

Talent & Leadership

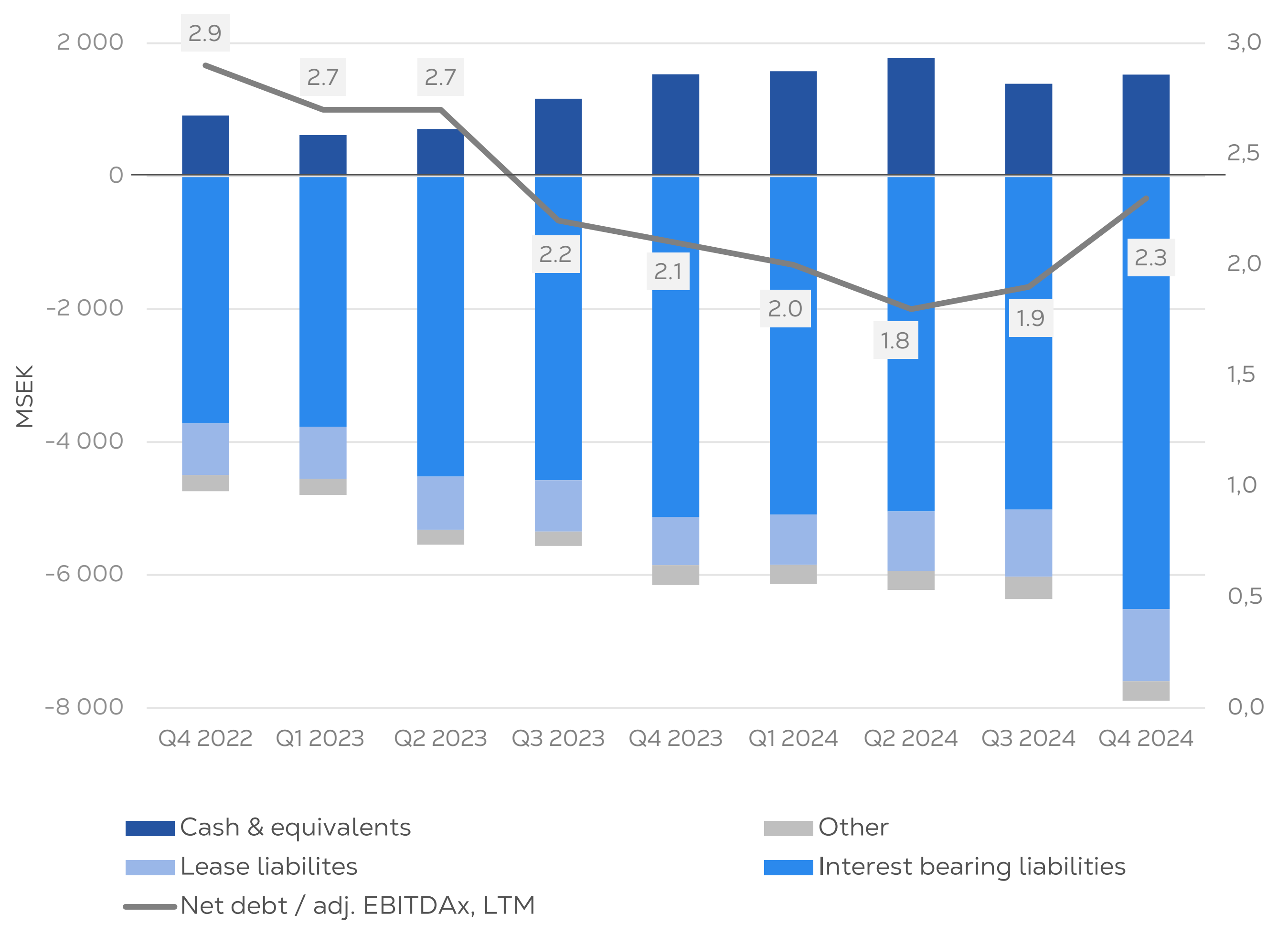

CAPEX (quarterly)


CAPEX (LTM)


Operating working capital

# Maintaining a stable leverage ratio

Development of leverage & net debt



→ Leverage ratio increased to 2.3x

→ Net debt increased mainly related to:

- interest-bearing liabilities – driven by acquisitions financed through debt

→ During the first half of 2025;

- MTech option with a fair value of MSEK 1,142
- lease for new major plant in Amesbury, America

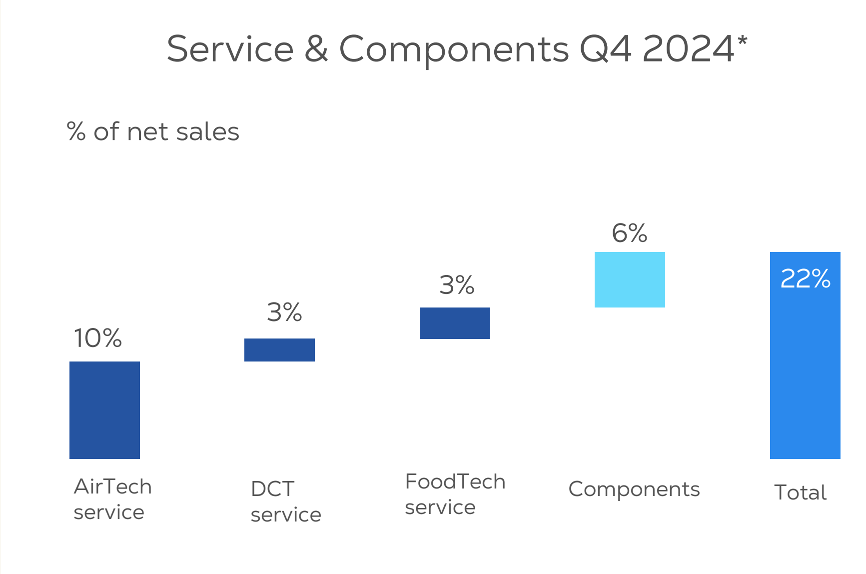
Note: Leverage ratio corresponds to net debt in relation to adj. EBITDA, LTM

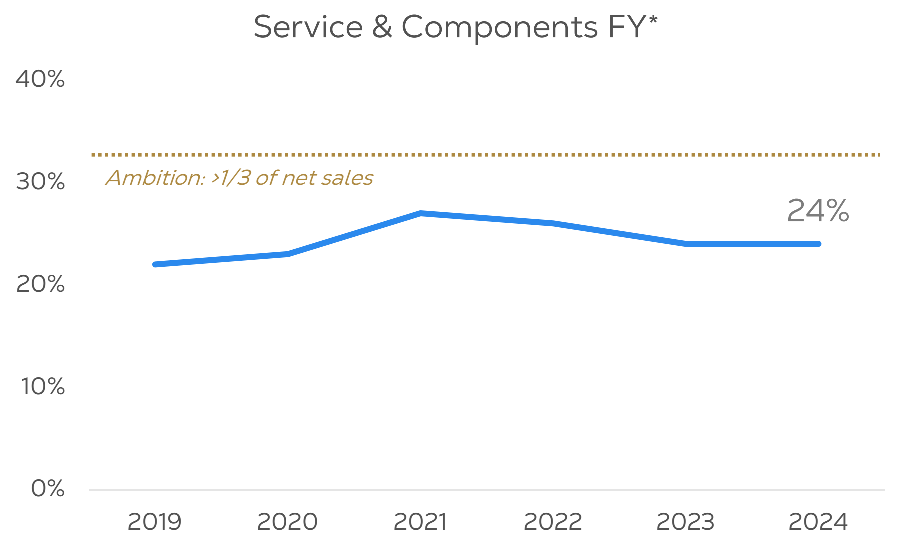
# Service & Components growth of 10% (org) during the year

**Munters ambition:**

- AirTech
  - grow our large globally installed base
  - continuous innovation
- DCT
  - develop remote service optimization
  - grow through commissioning, installation and retrofitting
- FoodTech
  - investing and developing more software to grow our portfolio

Service & Components*
>1/3 of Group net sales





* of Group net sales,

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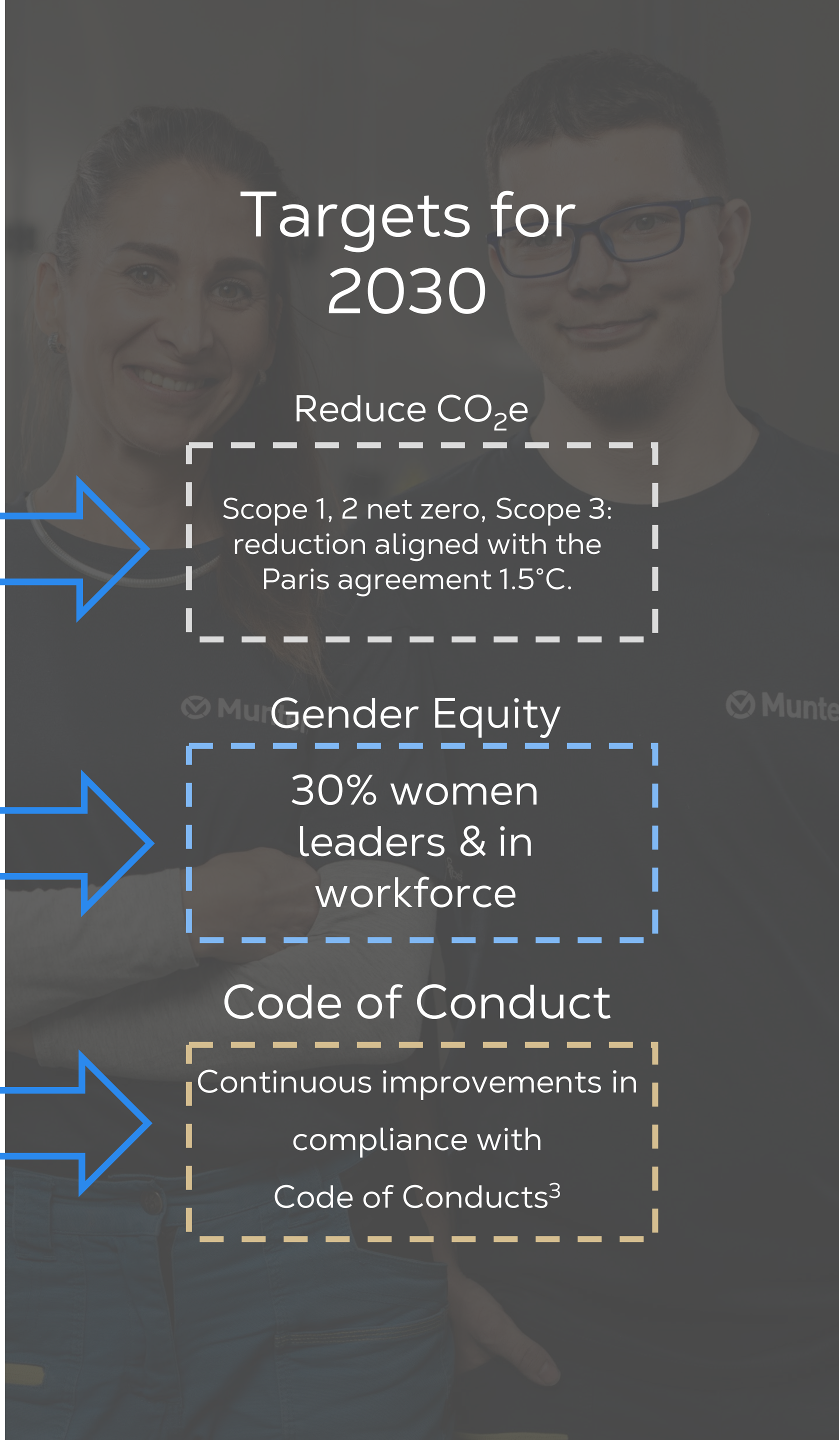
* Service includes: After-market service in all business areas (sales of spare parts, commissioning & installation, inspections & audits, repairs & other billable service) and SaaS revenues in FT
Components include: units to control moisture and cooling, sales in AT

# Advancement towards our strategic sustainability targets

| | | End of December 2024 | (2023) |
|---|---|---|---|
| E | Renewable electricity, factories | 79%[1] | (80) |
| S | % of women in workforce | 22%[2] | (22) |
| | % of women leaders | 22%[2] | (21) |
| G | Code of Conduct (CoC) | Supplier CoC - 99%<br>Munters has an Employee CoC and Supplier CoC. The Customer CoC is under development. | |



## Targets for 2030

### Reduce $CO_2e$

Scope 1, 2 net zero, Scope 3: reduction aligned with the Paris agreement 1.5°C.

### Gender Equity

30% women leaders & in workforce

### Code of Conduct

Continuous improvements in compliance with Code of Conducts[3]

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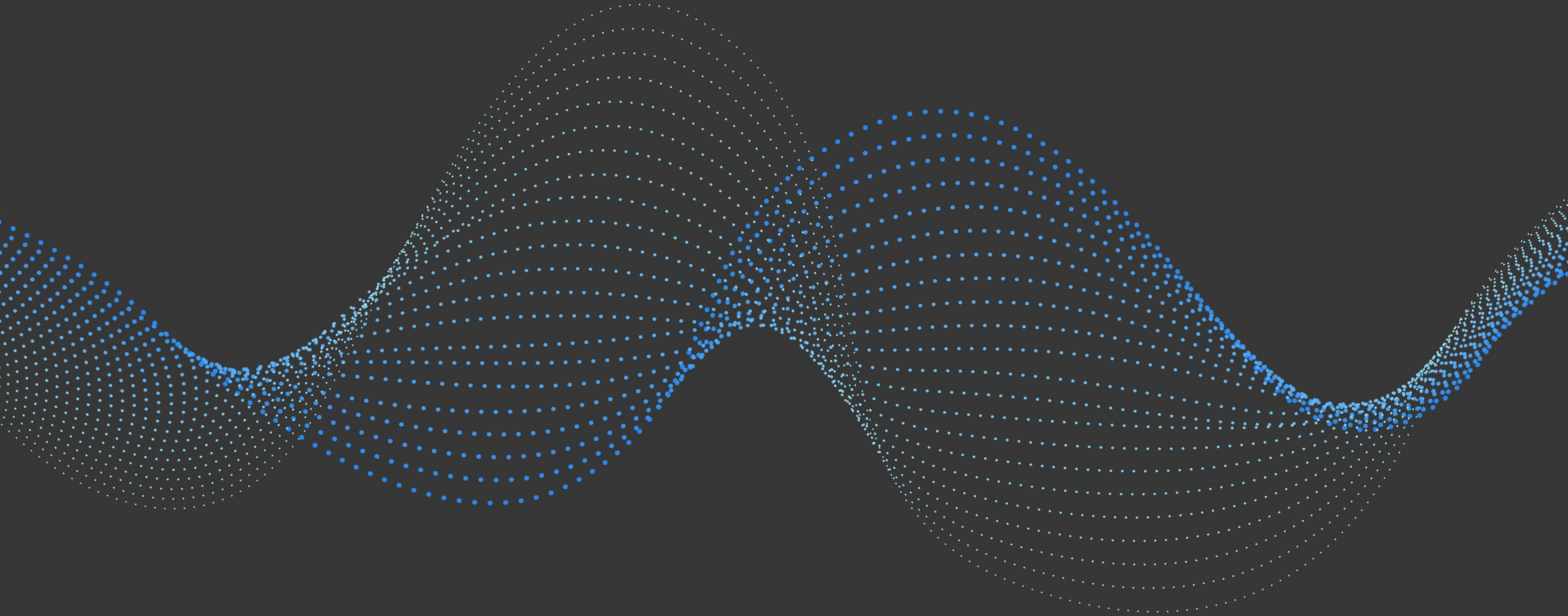
[1] Excluding acquisitions, renewable electricity in factories, amounted to 81%.

[2] Excluding acquisitions, % of women in workforce amounted to 25% and women leaders to 24%

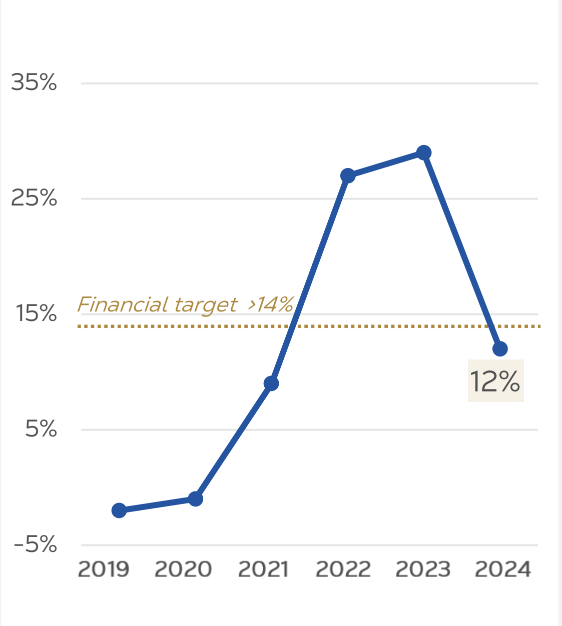
[3] 100% employee training in CoC, fulfillment measured over a two-year period, 100% compliance for the Supplier CoC (Direct material) and continuous increasing compliance for the Customer CoC



# Summary

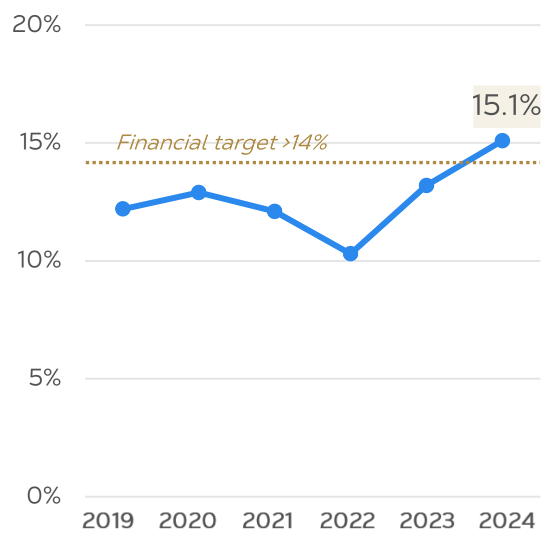
# Progression towards our financial targets & dividend policy

## Currency adj. growth

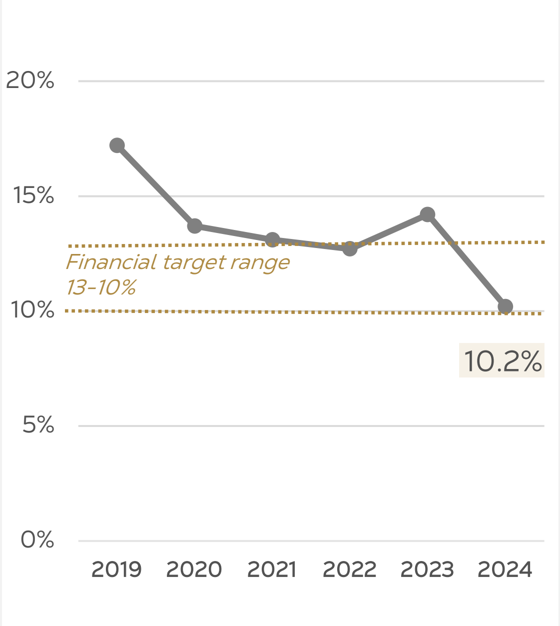


Note: Change in net sales compared to the previous period, adjusted for currency translation effects

## Adj. EBITA margin

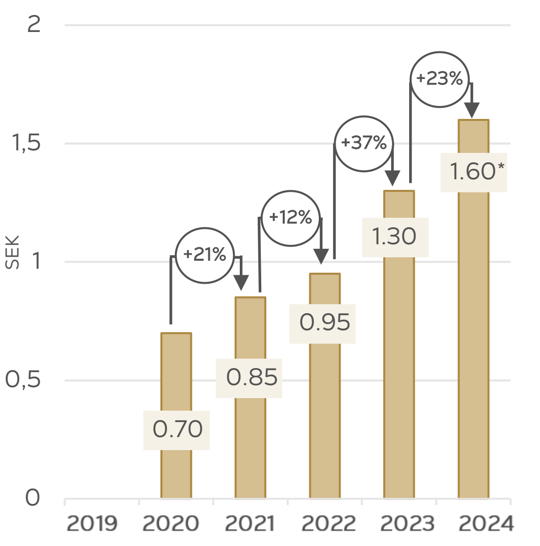


## OWC/net sales



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

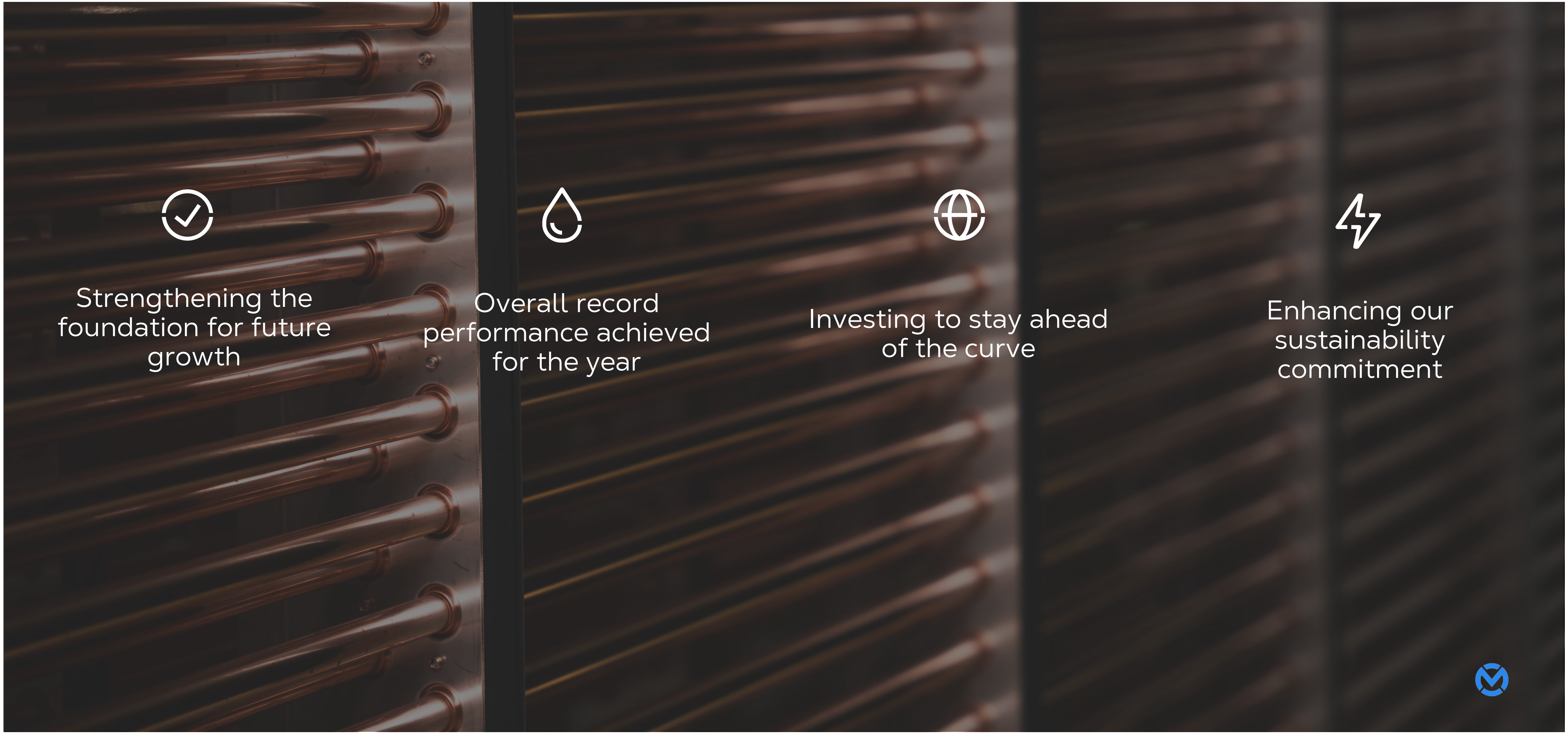
## Dividend
per share



Note: Dividend policy: aim to pay annual dividend of 30-50% of net income for the year

*Board of directors proposed dividend for 2024. Represents 30% of net income.

# Full year highlights



Strengthening the foundation for future growth

Overall record performance achieved for the year

Investing to stay ahead of the curve

Enhancing our sustainability commitment

# Q&A

Q4 and full-year report 2024

This presentation contains forward-looking statements that reflect Munters' current expectations on future events and Munters' financial and operational development. Although Munters believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such expectations prove to have been correct, as forward-looking statements are subject to both known and unknown risks and uncertainties and a variety of factors that could cause actual results or outcomes to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to, changes in economic, market, competitive and/or regulatory conditions. Forward-looking statements speak only as of the date they were made and, other than as required by applicable law, Munters undertakes no obligation to update any of them in light of new information arising or future events.