Munters

Q4 2024

Overall record performance achieved for the year, while investing for the future

October-December

- Order intake decreased -23% (-29% organic) with strong growth in FoodTech offset by a negative organic development in AirTech and Data Center Technologies (DCT).
- Net sales grew +19% (+10% organic) through strong growth in DCT and FoodTech, whereas AirTech remained flat.
- The adj. EBITA margin was stable, supported by strong net sales growth in DCT and FoodTech whereas AirTech was negatively impacted by increased uncertainty in the battery market, resulting in under-absorption as well as ongoing investments in our global footprint.
- Cash flow from operating activities improved related to positive development of working capital. OWC/net sales improved to 10.2%, within our target range of 13-10%.
- Net debt in relation to adj. EBITDA increased to 2.3x mainly as a result of acquisitions financed through debt.
- Items affecting comparability (IAC) increased to MSEK -117 (-49). An IAC charge for restructuring activities of MSEK 66 was recorded in AirTech, reflecting various measures identified and implemented to mitigate the weaknesses in the battery sub-segment.
- Earnings per share, before and after dilution, was SEK 0.89 (0.30) in the fourth quarter.

January-December

- Order intake was flat +1% (-4% organic) driven by strong growth in FoodTech and stable development in AirTech. DCT declined due to a reduction in large orders.
- Net sales grew +11% (+5% organic) driven by strong growth in DCT and FoodTech, while AirTech showed flat development.
- The adj. EBITA margin improved due to strong net sales growth in DCT and FoodTech and a positive effect from product mix in AirTech as deliveries on major orders were finalized.
- Cash flow from operating activities improved during the year, related to increased operating earnings and positive development of working capital.
- Net debt in relation to adj. EBITDA increased slightly primarily driven by acquisitions financed through debt mitigated by strong operating cash flow.
- IAC increased to MSEK -240 (-96), mainly due to increased costs for restructuring activities and costs related to the strategic review in FoodTech, as well as M&A activities.
- Earnings per share, before and after dilution, was SEK 5.33 (4.30) for the full year.

Currency adjusted growth

+19%

Adj. EBITA margin

12.6%

Operating working capital/net sales

10.2%

Events after the close of the period

- In January 2025, the minority shareholders of MTech exercised the put option with a fair value of MSEK 1,142 per 31 December 2024. This transaction will result in Munters becoming the sole owner, 80% of the transaction price is expected to be paid in the first half of 2025 and the remaining 20% in the first half of 2026.
- The Board of Directors proposes a dividend of 1.60 SEK (1.30) per share totaling a dividend of MSEK 292 (237) to be paid in two equal installments. This represents 30% (30%) of net income in 2024.

Financial summary	Q4			Jan-Dec		
MSEK	2024	2023	Δ%	2024	2023	Δ%
Order intake	4,348	5,651	-23	14,259	14,116	1
Net sales	4,364	3,659	19	15,453	13,930	11
Growth	19%	22%		11%	34%	
of which organic growth	10%	16%		5%	27%	
of which acquisitions and divestments	9%	4%		7%	3%	
of which currency effects	-0%	1%		-1%	5%	
Operating profit (EBIT)	342	375	-9	1,841	1,586	16
Operating margin, %	*7.8*	*10.3*		*11.9*	*11.4*	
Adjusted EBITA	548	467	17	2,330	1,839	27
Adjusted EBITA margin, %	*12.6*	*12.8*		*15.1*	*13.2*	
Net income	176	58	205	1,020	792	29
Earnings per share before dilution, SEK	0.89	0.30		5.33	4.30	
Earnings per share after dilution, SEK	0.89	0.30		5.33	4.30	
Cash flow from operating activities	823	670		2,367	1,066	
OWC/Net Sales	10.2%	14.2%		10.2%	14.2%	
Net debt	6,364	4,620		6,364	4,620	
Net debt/Adjusted EBITDA, LTM	2.3	2.1		2.3	2.1	

* Definitions of key financial indicators can be found on page 20

CEO comments

Klas Forsström
President and CEO

"I am proud to report our best full-year performance ever, with record sales and earnings as well as significant achievements in strengthening our market position"

A year of progress: Strengthening the foundation for future growth

In 2024, we made significant achievements in strengthening our market position, and I sincerely thank all employees for their hard work and dedication. Our strategic focus in recent years – prioritizing growth, optimizing our footprint, and enhancing operational efficiency – have resulted in strong overall performance. Continued good demand and successful acquisitions led to an 11 percent increase in net sales for the year. Revenues reached a record high in 2024, marking our best-ever full-year performance with an adjusted EBITA margin of 15.1 percent.

Driven by higher profits and positive development of working capital, cash flow from operating activities improved. We continue to prioritize efforts to strengthen our financial resilience through enhanced cash flow management and reductions in working capital. Leverage increased slightly during the year, primarily driven by our active M&A strategy, including both acquisitions and minority investments. In AirTech, we acquired Airprotech, an Italian manufacturer of systems to abate volatile organic compounds. In DCT, we acquired Geoclima, an Italian manufacturer of air- and water-cooled chillers. In FoodTech, we made two controller related acquisitions: Automated Environments, a US-based company specializing in automated control systems for the layer industry, and Hotraco, a Dutch developer of control systems and sensors for the agricultural sector. The acquisitions in FoodTech highlight our strategic focus on growing the digital business through software, controllers, sensors and IoT in this business area going forward.

Mixed fourth quarter: Positive sales and stable margin despite weakened demand

Order intake was mixed in the fourth quarter. Overall order intake declined, except for FoodTech, which saw growth. DCTs order intake declined as the same quarter last year included large orders of approximately BSEK 2.2. However, the underlying demand for our cooling solutions within DCT remains strong across key markets, as evidenced by a 60 percent organic increase in small and medium-sized orders in the quarter. In AirTech order intake declined, mainly due to a continued weak battery sub-segment across all regions. All business areas contributed to the net sales growth of 19 percent, especially DCT and FoodTech. In FoodTech the SaaS revenue (ARR) in Digital solutions grew by 46 percent in the quarter. The adjusted EBITA-margin was at the same level as last year, supported by strong improvements in DCT and FoodTech. However, lower demand from the battery sub-segment resulted in under-absorption, adversely impacting AirTechs margin. This corresponded to a negative effect on AirTechs adjusted EBITA-margin of approximately -3 percent in the quarter.

We expect the weakness in the battery market to remain throughout 2025. In light of this, and the development in 2024, AirTech has identified and implemented various measures to strengthen the margin going forward. We anticipate that this will mitigate the weaknesses and strengthen AirTechs profitability from current levels during the second half of 2025. We will continue to monitor this situation closely, taking further measures if needed.

Investing to stay ahead of the curve

We continue to drive an ambitious growth agenda based on our firm belief in the long-term growth opportunities relating to megatrends such as electrification and digitalization. Looking ahead, we will continue to focus on strategic acquisitions to expand our technology and market reach while prioritizing investments in innovation and operational efficiency. With our strong market position and innovative solutions, we are confident in our ability to seize future growth opportunities. To support our growth journey, we are excited to expand operations with two new state-of-the-art factories in 2025 – one in Cork, Ireland for DCT and another in Amesbury, US for AirTech. These expansions will enhance our global reach, increase production capacity, improve workflows and better serve the growing needs of our customers worldwide while prioritizing energy efficiency and resource conservation. The Cork facility, which opened at the end of 2024, will ramp up production throughout 2025, while the Amesbury facility is set to open in the first half of the year. During the transition, both existing and new sites will operate in parallel at the beginning of 2025.

With a clear strategy, strategic investments, and a commitment to innovation, we are well-positioned to drive sustainable growth and create lasting value for our customers, partners, and stakeholders.

Midterm financial targets

Net sales growth:	Annual currency adjusted net sales growth above 14%. Performance Q4 2024: 19% (20)
Adjusted EBITA margin:	An adjusted EBITA margin above 14%. Performance Q4 2024: 12.6% (12.8)
OWC/net sales:	Average (LTM) operating working capital in the range of 13-10 % of net sales. Performance Q4 2024: 10.2% (14.2)
Dividend policy:	Aim to pay an annual dividend corresponding to 30-50% of net income for the year Dividend proposal 2024: 30% (SEK 1.60 per share, totaling MSEK 292) paid in two instalments.

Sustainability results Q4 2024

Environment	**Target: Reduce CO_2 emissions** Performance Q4 2024, Renewable electricity: 79 (80)
Social	**Target: Gender equity** Performance Q4 2024, Women leaders: 22% (21)
Governance	**Target: Code of Conduct compliance** Performance Q4 2024, Supplier CoC: 99%
Service & Components:	Performance Q4 2024: 22% (26)

See Munters Annual and Sustainability report (ASR) 2023, pages 61-94, for further information on goals and outcome or at www.munters.com.
For full description of the dividend policy, see the ASR 2023, page 10 or at www.munters.com.

Financial performance

MSEK	Q4 2024	Q4 2023	Δ%	Jan-Dec 2024	Jan-Dec 2023	Δ%
Order intake	4,348	5,651	-23	14,259	14,116	1
AirTech	1,821	1,922	-5	7,365	6,796	8
DCT	1,787	3,184	-44	4,088	4,948	-17
FoodTech	757	555	36	2,874	2,433	18
Corporate & elim.	-15	-10	-	-68	-61	-
Net sales	4,364	3,659	19	15,453	13,930	11
AirTech	2,260	2,136	6	8,204	8,226	-0
DCT	1,315	925	42	4,392	3,408	29
FoodTech	801	617	30	2,918	2,363	24
Corporate & elim.	-13	-20	-	-61	-67	-
Adjusted EBITA	548	467	17	2,330	1,839	27
AirTech	212	305	-30	1,113	1,278	-13
DCT	260	144	81	920	519	77
FoodTech	117	60	96	464	222	109
Corporate & elim.	-41	-41	-	-167	-181	-
Adjusted EBITA margin, %	12.6	12.8		15.1	13.2	
AirTech	9.4	14.3		13.6	15.5	
DCT	19.8	15.6		20.9	15.2	
FoodTech	14.6	9.7		15.9	9.4	

Order intake

October-December 2024

Order intake amounted to MSEK 4,348 (5,651), (organic development of -29%, structural +6%, currency effects +0%), with strong growth in FoodTech offset by a negative organic development in AirTech and DCT.

In AirTech order intake had a negative organic development, mainly due to a continued weak battery sub-segment across all regions. Order intake in DCT declined. When excluding two large orders of appr. BSEK 2.2 received in the same period 2023, organic growth was 60%, indicating a continued strong underlying demand. In FoodTech order intake increased, primarily driven by strong performance in Digital solutions with support from Equipment.

January-December 2024

Order intake during the year amounted to MSEK 14,259 (14,116), (organic development of -4%, structural +6%, currency effects -1%), driven by strong growth in FoodTech and stable development in AirTech. DCT declined, driven by a reduction in large orders compared to last year, as customers increasingly shift to ordering small and mid-sized orders with shorter delivery times.

The order backlog at the end of the period amounted to MSEK 11,603 compared to MSEK 11,333 in the fourth quarter 2023, corresponding to a +2% increase.

For more information on the order intake, see the business area comments on pages 6, 7, 8 and 9.

Net sales

October-December 2024

Net sales grew to MSEK 4,364 (3,659) (organic growth +10%, structural +9%, currency effects 0%). In AirTech organic net sales remained flat, impacted by the weak battery sub-segment in Americas, offset by good growth in EMEA. In DCT successful deliveries on large orders announced during earlier years contributed to increased growth. FoodTech grew strongly, with contributions from both Digital solutions and Equipment.

Munters has an ambition to reach a Service and Components level of more than one third of net sales in the long-term. Service is defined as after-market service plus Software-as-a-Service (Saas) revenues. Service and Components amounted to 22% (26) of net sales, with an organic development of -3%. Service accounted for 16% (17) of total net sales with an organic growth of 8%.

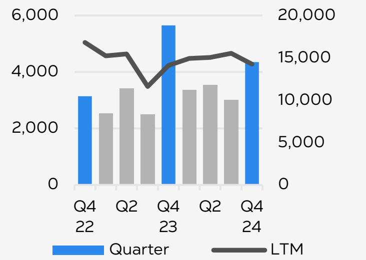
January-December 2024

Net sales grew to MSEK 15,453 (13,930) (organic growth +5%, structural +7%, currency effects -1%), through strong growth in DCT and FoodTech, whereas AirTech remained flat.

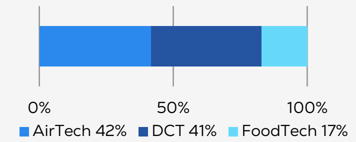
Service and components for the full year amounted to 24% (24) of net sales, with an organic growth of 10%. Service accounted for 17% (15) of total net sales with an organic growth of 19%.

For more information on the net sales, see the business area comments on pages 6, 7, 8 and 9.

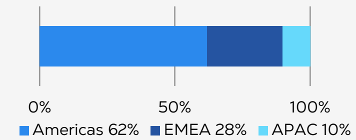
Quarterly order intake (MSEK)



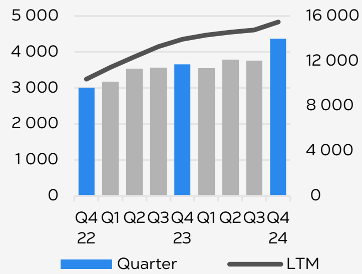
Order intake per Business Area Q4, 2024



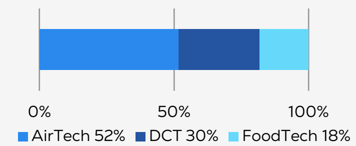
Order intake per region Q4, 2024



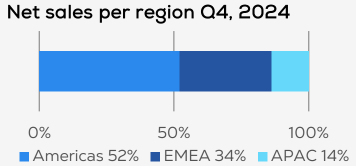
Quarterly net sales, (MSEK)



Net sales per Business Area Q4, 2024



Net sales per region Q4, 2024



Results

Adjusted EBITDA and EBITA excludes Items Affecting Comparability, IAC, see page 18 for disclosure of the IACs.

October-December 2024

The gross margin amounted to 32.1% (32.6).

Adjusted EBITDA amounted to MSEK 662 (556), corresponding to an adjusted EBITDA margin of 15.2% (15.2). Depreciation of tangible assets amounted to MSEK -114 (-88), whereof depreciation of leased assets was MSEK -64 (-47).

Adjusted EBITA amounted to MSEK 548 (467), corresponding to an adjusted EBITA margin of 12.6% (12.8). The margin was at the same level as last year, supported by strong net sales growth in DCT and FoodTech. In AirTech the margin declined, impacted by under-absorption due to lower demand from the battery sub-segment across all regions. This corresponded to a negative effect on AirTechs adjusted EBITA-margin of approximately -3 percent in the quarter. In AirTech ongoing investments in our global footprint also had a negative impact on the margin. All business areas continued to work with operational efficiency initiatives, such as lean and similar, resulting in increased flexibility.

Operating profit (EBIT) was MSEK 342 (375), corresponding to an operating margin of 7.8% (10.3). Amortization of intangible assets were MSEK -89 (-44), where MSEK -19 (-7) related to amortization of intangible assets from acquisitions.

For more information on the results, see the business area comments on pages 6, 7, 8 and 9.

January-December 2024

The gross margin amounted to 34.4% (31.7).

Adjusted EBITDA amounted to MSEK 2,724 (2,166), corresponding to an adjusted EBITDA-margin of 17.6% (15.5). Depreciation of tangible assets amounted to MSEK -394 (-327), whereof depreciation of leased assets was MSEK -210 (-183).

Adjusted EBITA amounted to MSEK 2,330 (1,839), corresponding to an adjusted EBITA margin of 15.1% (13.2). The margin improved due to strong net sales growth in DCT and FoodTech and a positive effect from product mix in AirTech and DCT, as deliveries on major orders were finalized. Also, all business areas had positive effects from lean practices and other efficiency improvements initiatives.

Operating profit (EBIT) was MSEK 1,840 (1,586), corresponding to an operating margin of 11.9% (11.4). Amortization of intangible assets were MSEK -250 (-156), where MSEK -61 (-45) related to amortization of intangible assets from acquisitions.

Items affecting comparability (IAC)

Items affecting comparability totaled MSEK -117 (-49) in the fourth quarter, including costs for restructuring activities of MSEK -66 (-22) and costs for M&A activities of MSEK -25 (-15). Other IACs totaled MSEK -26 (-12) and relate mainly to costs for the strategic review of the Equipment offering in FoodTech.

Cost for restructuring was mainly related to measures taken in AirTech as a result from the weak demand in the battery market in 2024. Measures identified as necessary to mitigate the lower demand involve workforce reduction as well as manufacturing optimization.

For the full year, IACs totaled MSEK -240 (-96) including restructuring activities of MSEK -94 (-34) and costs for M&A activities of MSEK -52 (-29). Other IACs, mainly related to the strategic review, amounted to MSEK -93 (-32).

Financial items

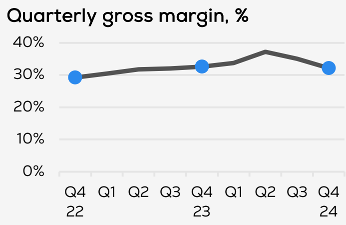
Financial income and expenses for the fourth quarter amounted to MSEK -79 (-99). Compared to same period last year interest expense was impacted by higher debt, offset by lower interest rates, together with a positive impact from FX. Interest expense on lease liabilities amounts to MSEK -16 (-11) in the fourth quarter mainly due to the new lease in Ireland.

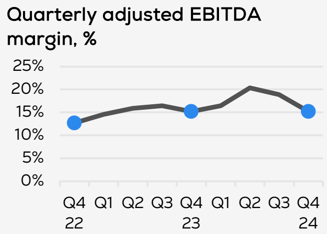
Financial income and expenses for the full year amounted to MSEK -355 (-331). Compared to the same period last year interest expense increased mainly due to higher debt.

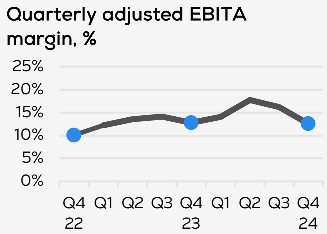
Taxes

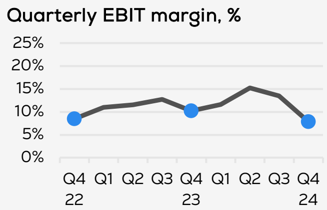
Income taxes for the fourth quarter were MSEK -86 (-218) with an effective tax rate of 33% (79). Income taxes for the full year were MSEK -465 (-463) with an effective tax rate of 31% (37).

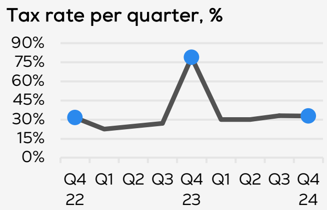
In the fourth quarter of 2023, a deferred tax expense of MSEK 80 attributable to impairment of deferred tax assets on loss carry-forwards was recognized, explaining the high effective tax rate in the quarter and for the full year 2023. The impairment loss had no cash flow impact.











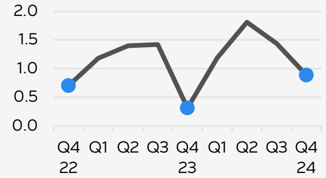
Earnings per share

Net income attributable to Parent Company's shareholders amounted to MSEK 162 (54) in the fourth quarter and for the full year 2024 net income amounted to MSEK 973 (784). Net income in the fourth quarter increased to MSEK 176 (58).

Earnings per share, before and after dilution, was SEK 0.89 (0.30) in the fourth quarter. Earnings per share for the full year, before and after dilution, was SEK 5.33 (4.30).

The average number of outstanding ordinary shares in the fourth quarter, for the purpose of calculating earnings per share, was 182,541,440 before dilution and after dilution. The average number of outstanding ordinary shares in the full year, for the purpose of calculating earnings per share, was 182,537,692 before dilution and after dilution.

Quarterly EPS, SEK



Financial position

Net debt as of December 31 amounted to MSEK 6,364 compared to MSEK 4,968 at the end of September 2024 and MSEK 4,620 at the end of December 2023. Net debt in relation to adjusted EBITDA was 2.3x compared to 1.9x at end of September 2024 and 2.1x at the end of December 2023.

Interest-bearing liabilities, including lease liabilities, as of December 31 amounted to MSEK 7,597 compared to MSEK 6,028 at the end of September 2024 and MSEK 5,850 at the end of December 2023. The increase in both the quarter and the year is mainly driven by acquisitions financed through debt.

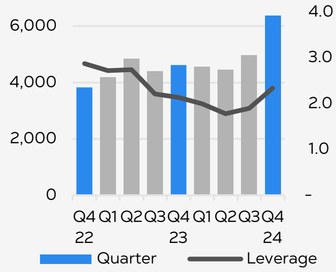
The Group's interest-bearing liabilities have an average maturity of 1.6 years compared to 2.2 years at the end of September 2024.

In 2024 Munters has closed acquisitions of Airprotech, an Italian manufacturer of Volatile Organic Compounds (VOC) abatement systems, Automated Environments a US-based company specializing in automated control systems for the layer industry, Geoclima, an Italian manufacturer of air- and water-cooled chillers and Hotraco, based in the Netherlands, a leading developer of control systems and sensors for the agricultural sector. In addition, Munters participated in capital increases in two minority investments, made three new minority investments and one investment in associated companies.

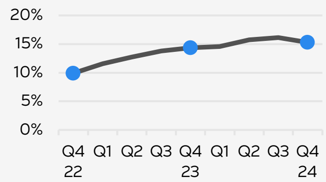
Cash and cash equivalents amounted to MSEK 1,530 compared to MSEK 1,393 at the end of September 2024 and MSEK 1,532 at the end of December 2023.

Average capital employed for the last twelve months was MSEK 12,325 (11,230). Return on capital employed (ROCE) for the last twelve months increased to 15.3% (14.4) mainly because of an increase in operating profits.

Net debt per quarter



ROCE, %



Cash flow

Cash flow from operating activities amounted to MSEK 823 (670) in the fourth quarter and MSEK 2,367 (1,066) for the full year 2024. The positive cash flow for the year is related to an increase in operating earnings and a positive development of working capital.

Cash flow from changes in working capital had a positive impact of MSEK 500 (389) in the fourth quarter and MSEK 744 (-335) for the full year. The positive development in working capital is mainly driven by DCT in the US.

Cash flow from investing and financing activities for the fourth quarter amounted to MSEK -710 (-265) impacted by acquisitions closed in the period, increased capital expenditures, mainly related to the new AirTech facility in Amesbury, US as well as the new DCT facility in Ireland. In the full year 2024 it amounted to MSEK -2,398 (-408) impacted by acquisitions and investments in associated and other companies of MSEK -1,806, investments in tangible and intangible assets of MSEK -1,060, payment of two installments of dividend to external shareholders in March and September of MSEK -237 in total and net increased external borrowing of MSEK 868.

Parent company

The parent company for the Group is Munters Group AB. The parent company does not engage in sales of goods and services to external customers. Cash and cash equivalents at the end of the period amounted to MSEK 0 (3).

AirTech

Business area AirTech is a global leader in energy-efficient air treatment for industrial and commercial applications. We offer solutions for mission-critical processes that require exact control of moisture and temperature, with a focus on energy-efficiency and sustainable climate systems. Our climate systems also provide better indoor air quality and comfort, as well as increased production capacity.

	Q4			Jan-Dec		
MSEK	2024	2023	Δ%	2024	2023	Δ%
External order backlog	2,986	3,250	-8	2,986	3,250	-8
Order intake	1,821	1,922	-5	7,365	6,796	8
Growth	-5%	-27%		8%	-19%	
Net sales	2,260	2,136	6	8,204	8,226	-0
Growth	6%	6%		0%	20%	
of which organic growth	-1%	0%		-7%	13%	
of which acq. and div.	7%	5%		8%	3%	
of which currency effects	-0%	1%		-1%	4%	
Operating profit (EBIT)	121	264	-54	949	1,190	-20
Operating margin, %	*5.4*	*12.4*		*11.6*	*14.5*	
Amortization of intang. asset	-13	-4		-49	-39	
Items affecting comparability	-78	-36		-114	-49	
Adjusted EBITA	212	305	-30	1,113	1,278	-13
Adjusted EBITA margin, %	*9.4*	*14.3*		*13.6*	*15.5*	

October - December 2024

Order intake

Organic order intake declined -10%, primarily due to continued weakness within the battery sub-segment across all regions as well as in the Service and Commercial segments in Americas.

- The Industrial segment (excl. battery) declined, though the food sub-segment across all regions showed good growth. As anticipated, the battery sub-segment faced challenges across all regions. Delayed greenfield investments, customers placing orders closer to delivery and reduced project volumes impacted the market. Furthermore, intensified competition and aggressive price pressure from new market entrants created a challenging environment. While these challenges are expected to persist throughout 2025, the long-term growth potential of the battery market remains strong.
- The Commercial segment declined, mainly driven by weaker performance in Americas.
- Clean Technologies (CT) declined, mainly within VOC technology, due to the weaker battery market.
- The Components segment grew in Americas, primarily through increased demand of evaporative pads to the data center market, partially offset by lower rotor replacements in the battery market in APAC.
- The Service segment declined, mainly in Americas due to strong prior-year comparisons.

Net sales

Net sales remained flat, -1% organically, impacted by the weak battery sub-segment in Americas, offset by good growth in EMEA. Service accounted for 20% (20) and Components 11% (16) of AirTech's net sales.

- The Industrial segment (excl. battery) declined primarily in Americas, partially offset by growth in areas such as preservation in EMEA and stable development in APAC.
- The Commercial segment remained flat, with growth primarily in Americas related to supermarkets.
- The Components segment declined across all regions, due to weaker demand in the battery market.
- The Service segment showed stable growth, led by the Americas region.

Adjusted EBITA

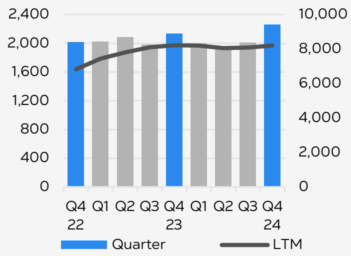
The adjusted EBITA margin declined, primarily due to effects from increased uncertainty in the battery market leading to reduced production utilization across all regions, corresponding to a negative effect on the adjusted EBITA-margin of approximately -3 percent in the quarter. Also, ongoing investments in our global footprint had a negative impact on the margin.

- An IAC charge of MSEK 66 was recorded in the fourth quarter, related to measures taken in AirTech resulting from the weak demand in the battery segment in 2024. Measures identified as necessary to mitigate the lower demand involve workforce reduction as well as manufacturing optimization.
- Positive contributions from operational excellence initiatives.

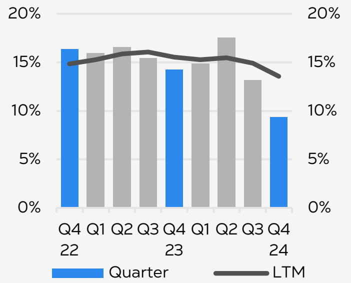
January- December 2024

- Organic order intake remained flat, +1%, with a decline in the battery sub-segment in APAC and Americas. Partially offset by growth in the Industrial segment in EMEA, particularly in the food and battery sub-segments. Good demand for evaporative pads within the Components segment in Americas and EMEA.
- Net sales decreased -7% organically, mainly due to the weaker battery sub-segment in APAC. Partially offset by growth in the Industrial segment (incl battery) in EMEA and the Commercial and Service segments in Americas. For the full year Service accounted for 21% (20) and Components 14% (15) of AirTech's net sales.
- The adjusted EBITA margin declined, due to lower volumes related to the weaker battery sub-segment. This was partially offset by a favorable product mix through finalization of deliveries on major orders as well as net price increases and operational excellence initiatives.

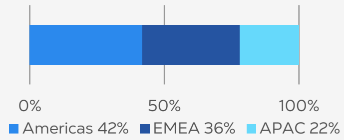
Quarterly net sales - AirTech, (MSEK)



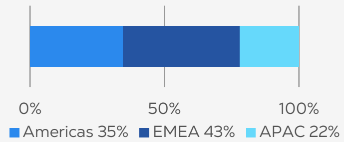
Quarterly adjusted EBITA margin % - AirTech



Order intake per region Q4, 2024 - AirTech



Net sales per region Q4, 2024 - AirTech



Data Center Technologies

Business area Data Center Technologies (DCT) is a leading supplier of advanced climate cooling solutions using a wide range of heat rejection technologies. Our solutions produce significant energy savings for data centers compared with traditional cooling solutions. With a diversified product portfolio and extensive application knowledge, we create sustainable climate solutions for data center operators worldwide. DCT has operations in Virginia and Texas in the US, Ireland, Italy as well as in Thailand.

	Q4			Jan-Dec		
MSEK	2024	2023	Δ%	2024	2023	Δ%
External order backlog	7,604	7,206	6	7,604	7,206	6
Order intake	1,787	3,184	-44	4,088	4,948	-17
Growth	-44%	n.m.		-17%	-21%	
Net sales	1,315	925	42	4,392	3,408	29
Growth	42%	85%		29%	143%	
of which organic growth	33%	81%		27%	131%	
of which acq. and div.	9%	-		2%	-	
of which currency effects	0%	4%		-1%	12%	
Operating profit (EBIT)	245	139	76	884	497	78
Operating margin, %	*18.6*	*15.0*		*20.1*	*14.6*	
Amortization of intang. asset	-8	-5		-24	-22	
Items affecting comparability	-7	0		-12	-	
Adjusted EBITA	260	144	81	920	519	77
Adjusted EBITA margin, %	*19.8*	*15.6*		*20.9*	*15.2*	

October - December 2024

Order intake

Order intake decreased -48% organically compared to last year, which included two large orders of appr. BSEK 2.2. Excluding these orders, organic growth was +60%, indicating continued strong underlying demand. Growth in Americas was supported by a solid level of small and mid-sized orders to colocators in North and Latin America.

- During the quarter hyperscaler orders increased in Americas, particularly for our CRAH (Computer Room Air Handler) units.
- In Europe, the first combined order of CRAH units and Geoclima chillers was received, highlighting the strategic value of the recent acquisition.
- The rise in small to mid-sized orders, along with customers ordering closer to delivery, is driven by technological advancements and changing regulations, requiring precise planning and scenario analysis.

Net sales

Net sales increased +33% organically, supported by successful deliveries of large orders announced during earlier years. Executions on these orders are progressing as planned. Service accounted for 8% (9) of DCTs net sales.

- Net sales growth in EMEA is primarily attributable to the acquisition of Geoclima finalized in the quarter.

Adjusted EBITA

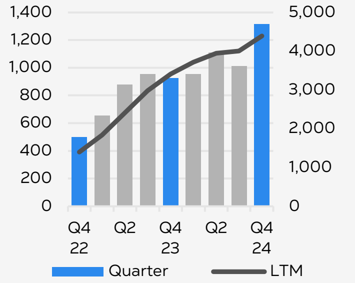
A combination of initiatives continued to contribute to a strong adjusted EBITA margin, including strong volume growth, benefits from lean initiatives, net price increases and high production utilization.

- The adjusted EBITA margin remained strong, though it was somewhat impacted by product mix shifts, the ongoing integration of Geoclima and the organizational ramp-up.
- Construction of the site in Ireland has been completed and will ramp up production throughout 2025.

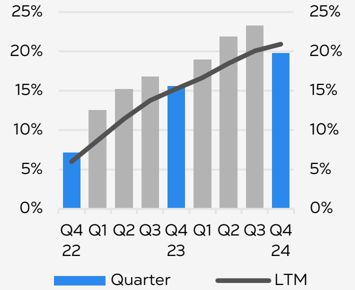
January- December 2024

- Order intake decreased -20% organically, driven by a reduction in large orders compared to last year, as customers increasingly shift to small and mid-sized orders. Both EMEA and the Americas demonstrated solid growth during the year.
- Net sales increased +27% organically, supported by strong deliveries of large orders announced during previous years and ramped-up production. For the full year Service accounted for 6% (4) of DCT's net sales.
- The adjusted EBITA margin improved strongly due to increased net sales, high production utilization, positive product mix, net price increases and efficiency gains from lean practices.

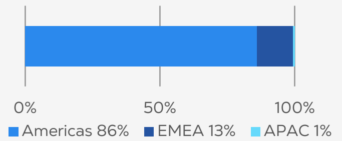
Quarterly net sales - DCT, (MSEK)



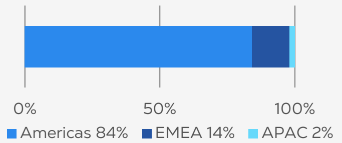
Quarterly adjusted EBITA margin % - DCT



Order intake per region Q4, 2024 – DCT



Net sales per region Q4, 2024 - DCT



FoodTech

Business area FoodTech is one of the world's leading suppliers of innovative, energy-efficient climate systems for livestock farming and greenhouses, as well as software for controllers for optimizing the entire food production value chain. Our solutions increase productivity while contributing to sustainable food production, where strict requirements are placed on quality, animal health and food safety. In July 2023 Munters announced a strategic review of FoodTech's Equipment business. The conclusion of this review is our intention to divest this business. FoodTech reports Digital solutions (including controllers and software) and Equipment separately.

	Q4			Jan-Dec		
MSEK	2024	2023	Δ%	2024	2023	Δ%
External order backlog	1,012	877	15	1,012	877	15
Order intake	757	555	36	2,874	2,433	18
Growth	36%	15%		18%	38%	
Net sales	801	617	30	2,918	2,363	24
of which SaaS	83	56	46	288	183	58
SaaS ARR	330	226	46	330	226	46
Growth	30%	20%		24%	7%	
of which organic growth	13%	16%		17%	1%	
of which acq. and div.	18%	6%		8%	3%	
of which currency effects	-1%	-1%		-2%	4%	
Operating profit (EBIT)	19	21	-9	215	107	101
Operating margin, %	*2.4*	*3.5*		*7.4*	*4.5*	
Amortization of intang. asset	-53	-26		-122	-80	
Items affecting comparability	-45	-12		-127	-35	
Adjusted EBITA	117	60	96	464	222	109
Adjusted EBITA margin, %	*14.6*	*9.7*		*15.9*	*9.4*	

Q4	Digital Solutions		Equipment		Eliminations		Business Area FoodTech	
MSEK	2024	2023	2024	2023	2024	2023	2024	2023
Order intake	393	199	373	359	-10	-3	757	555
Net sales	354	195	458	426	-10	-4	801	617
Operating profit (EBIT)	11	15	8	6	-	-	19	21
Operating profit (EBIT), %	*3.2%*	*7.9%*	*1.8%*	*1.4%*			*2.4%*	*3.5%*
Amortization of intangible assets	-47	-22	-6	-4	-	-	-53	-26
Items Affecting Comparability	-16	3	-29	-15	-	-	-45	-12
Adjusted EBITA	74	34	43	26	-	-	117	60
Adjusted EBITA margin, %	*21.0%*	*17.4%*	*9.3%*	*6.0%*			*14.6%*	*9.7%*

Jan-Dec	Digital Solutions		Equipment		Eliminations		Business Area FoodTech	
MSEK	2024	2023	2024	2023	2024	2023	2024	2023
Order intake	1,007	666	1,889	1,779	-22	-12	2,874	2,433
Net sales	1,015	682	1,925	1,696	-22	-15	2,918	2,363
Operating profit (EBIT)	121	57	94	50	-	-	215	107
Operating profit (EBIT), %	*11.9%*	*8.4%*	*4.9%*	*2.9%*			*7.4%*	*4.5%*
Amortization of intangible assets	-102	-60	-20	-19	-	-	-122	-80
Items Affecting Comparability	-16	3	-111	-39	-	-	-127	-35
Adjusted EBITA	238	114	226	108	-	-	464	222
Adjusted EBITA margin, %	*23.5%*	*16.7%*	*11.7%*	*6.4%*			*15.9%*	*9.4%*

October - December 2024

Order intake

Order intake increased +21% organically, primarily driven by strong performance in Digital solutions with support from Equipment.

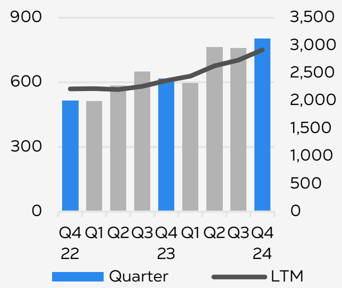
- Digital solutions achieved strong growth in software, driven by both existing and new customers in Americas. Controllers saw substantial growth mainly in EMEA and Americas, supported by the recent controller acquisitions.
- Equipment showed growth, fueled by the broiler and greenhouse sub-segments in Europe and the Middle East. Americas remained flat, affected by seasonal factors while the APAC market continued to be weak.

Net sales

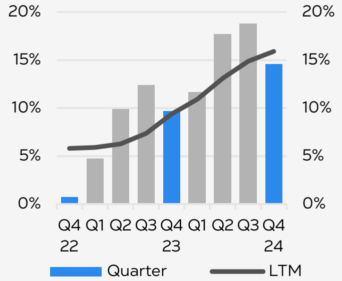
Net sales increased +13% organically, driven by both Digital solutions and Equipment. Service accounted for 18% (18) of FoodTech's net sales.

- Within Digital solutions, software experienced strong growth driven by the broiler sub-segment in Americas. Growth included software implementations and SaaS revenue, with the latter increasing by +46% to MSEK 83 (56). Controllers saw significant growth in EMEA and Americas, supported by the recent acquisitions in controller sub-segment.
- Equipment showed good growth in Europe and Americas, mainly in the broiler, layer and dairy sub-segments.

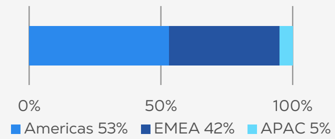
Quarterly net sales - FoodTech, (MSEK)



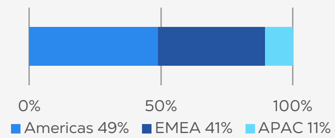
Quarterly adjusted EBITA margin % - FoodTech



Order intake per region Q4, 2024 – FoodTech



Net sales per region Q4, 2024 - FoodTech



Adjusted EBITA

The adjusted EBITA margin increased significantly with contributions from both Digital solutions and Equipment.

- Margins positively affected by increased sales in both Digital solutions and Equipment.
- Net price increases continued to drive margin improvements.
- Digital solutions maintained strong profitability, driven by an increasing number of software implementations and a steady growth in Annualized Recurring software Revenues (ARR) somewhat offset by a high level of investments.
- Positive effects from integration synergies of recent acquisitions, combined with the continued benefits of operational improvement initiatives.

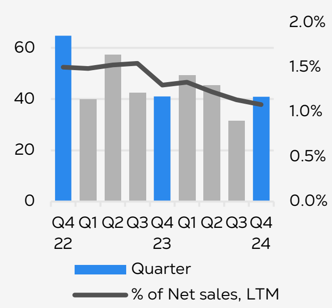
January- December 2024

- Order intake grew organically by +13%, supported by contributions from both Digital solutions and Equipment. Digital solutions expanded mainly in Americas and EMEA, while Equipment showed growth primarily in EMEA.
- Net sales increased organically by +17%, supported by a continued strong development in both Digital solutions and Equipment. Digital solutions saw strong growth in Americas and EMEA, with ARR increasing to MSEK 330 (226). Equipment achieved growth across all regions. For the full year Service accounted for 19% (16) of FoodTech's net sales.
- The adjusted EBITA margin improved significantly, related to positive effects from increased volumes, net price increases and operational improvement initiatives.

Corporate

The Corporate function reported an adjusted EBITA of MSEK -41 (-41) in the fourth quarter and MSEK -167 (-181) for the full year. The reduction in costs is related to services that previously were sourced by Corporate functions that as of the second quarter are sourced by the business areas.

Quarterly Corporate cost (MSEK)



Other information

Employees

The number of permanent FTEs (Full Time Equivalents), at December 31, 2024 was 5,412 (4,981). The amount of FTEs at December 31, 2024 in business area AirTech was 3,380 (3,345), in DCT 903 (615), in FoodTech 990 (870) and at Group functions 139 (150).

Outstanding shares

As of December 31, 2024, Munters held 1,916,377 treasury shares of the total shares of 184,457,817. Thus, the number of outstanding shares as of the balance sheet date was 182,541,440.

Dividend

The Board of Directors proposes a dividend of SEK 1.60 (1.30) per share totaling MSEK 292 (237) based on the total number of outstanding shares to be paid in two equal installments. This represents 30 (30) per cent of the net income for 2024.

Other events during the quarter

Data Center Technologies received an order for the new CDU system – In November a MSEK 375 (approximately MUSD 35) order from a new U.S.-based data center colocation provider was received. The order included Munters LCX system, a water-to-water Coolant Distribution Unit (CDU) for liquid-cooled servers. This development aligns with Munters strategic focus on the expanding data center segment. Liquid cooling, facilitated by CDUs, efficiently manages the higher thermal loads produced by servers.

Line Dovärn appointed as Head of Investor Relations – In November Line Dovärn was announced as Head of Investor Relations, effective December 1, 2024. She joined Munters in September 2021 and has since contributed to developing the company's investor relations agenda. With extensive financial experience, including investor relations and treasury management at Swedbank and Nordax Bank, she succeeds Ann-Sofi Jönsson, who departs in February 2025 for Electrolux Group.

Events after the close of the period

Exercise of MTech's put option – In 2017, Munters acquired a majority share in the US-based software company MTech Systems. The put/call option for the remaining shares have been recognized at fair value in the statement of financial position. The exercise period began on January 1, 2025, and the put option was exercised by the minority shareholders in January 2025. 80% of the transaction price is expected to be paid in the first half of 2025 and the remaining 20% in the first half of 2026. The transaction will result in Munters becoming the sole owner.

Stockholm, February 5, 2025

Klas Forsström
President and CEO

This report has not been subject to review by the company's auditors.

Ten largest shareholders

As of 31 Dec 2024	%
FAM AB	28.0
Swedbank Robur Fund	7.3
Capital Group	5.3
First Swedish National Pension Fund	5.3
ODIN Funds	3.7
Fourth Swedish National Pension Fund	3.7
Vanguard	2.7
Handelsbanken Funds	2.1
Norges Bank	1.7
Nordea Funds	1.6

Source: Modular Finance AB

About Munters

Munters is a global leader in energy-efficient and sustainable climate solutions. The solutions guarantee temperature and humidity control, which is mission-critical for customers. Munters offers solutions to many different industries where controlling temperature and humidity is mission critical. Our solutions reduce customers' climate and environmental impact through lower resource consumption, and in the process contribute to cleaner air, higher efficiency and reduced carbon emissions. Sustainability is an important part of Munters' business strategy and value creation.

Short facts

- ~ 5,400 employees (FTEs)
- ›45 countries with sales and manufacturing
- 27 production units
- 22% women leaders
- Three business areas: AirTech, Data Center Technologies and FoodTech

In Q4, AirTech generated 52%, Data Center Technologies 30% and FoodTech 18% of the total net sales of Munters

Purpose

For customer success and a healthier planet

Curiosity and the drive to create pioneering technologies are part of our DNA. Our climate solutions are mission-critical to our customers' success and contribute to a more sustainable planet.

The strategy of Munters

Munters has a strong position in the markets we operate in. We see great opportunities to improve and strengthen our market position and to achieve our mid-term financial targets and deliver on our strategy. The key to success is how we respond in working toward our goals. Our overarching strategic priorities show which areas we regard as important to our success. For each strategic priority we have clear action plans and ambitions what we want to achieve. Sustainability is a priority issue reflected in every strategic priority.

People: Our employees are central to our success. That is why their safety and well-being are top priorities, and we invest significant resources in leadership development. We constantly strive to be the most attractive employer.

Customers: We work closely with our customers to ensure optimal climate and resource utilization in their mission-critical applications. Our expertise is built on unique insights into our customers' operations and a deep understanding of their current and future needs. We aim to be an ambitious and proactive partner for climate control solutions.

Innovation: Curiosity and an ambition to create pioneering technologies are part of our DNA. We will stay at the forefront of the industry's development and contribute to sustainable development through our energy- and resource-efficient climate solutions. We continue to invest in our core technologies, solutions and digitization to optimize our product portfolio and our innovative production technology.

Markets: Munters is active around the world and climate change, digitization & AI, globalization and population growth are the key markets drivers. Our resources are focused on strengthening our position in areas where we can be a market leader and growing the service business. With high-quality, resource-efficient solutions and a conscious effort to reduce our own climate impact, we contribute to sustainable development.

Excellence in everything we do: Our aim is to increase efficiency and quality in everything we do and to reduce our climate impact. Munters operations all share responsible business practices and high ethical standards with respect for human rights, diversity, and health and safety in the workplace.

Quarterly overview Group

Income Statement

	2024				2023				2022
MSEK	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Order backlog	11,603	10,685	11,834	11,812	11,333	10,025	11,153	10,783	11,463
Order intake	4,348	3,007	3,536	3,368	5,651	2,494	3,427	2,544	3,143
Net sales	4,364	3,761	3,791	3,538	3,659	3,560	3,536	3,175	3,011
Adjusted EBITDA	**662**	**709**	**771**	**582**	**556**	**587**	**561**	**462**	**381**
Depreciation tangible assets	-114	-99	-98	-84	-88	-84	-82	-73	-78
Adjusted EBITA	**548**	**611**	**673**	**498**	**467**	**503**	**479**	**389**	**304**
Amortization intangible assets from acq.	-19	-15	-14	-13	-7	-13	-13	-12	-8
Amortization other intangible assets	-70	-50	-40	-28	-36	-29	-25	-22	-30
Items affecting comparability (IAC)	-117	-37	-41	-44	-49	-7	-34	-6	-9
Operating profit (EBIT)	**342**	**509**	**578**	**412**	**375**	**454**	**408**	**349**	**255**
Financial income and expenses	-79	-98	-91	-87	-99	-93	-66	-73	-64
Tax	-86	-135	-146	-97	-218	-98	-85	-62	-61
Net income	**176**	**275**	**342**	**227**	**58**	**264**	**257**	**214**	**131**
-attributable to Parent Comp. Shareholders	162	263	330	218	54	260	256	214	128

Key performance indicators

	2024				2023				2022
MSEK	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Organic Growth, Net Sales	10%	5%	2%	7%	16%	28%	27%	38%	26%
Currency adjusted Growth, Net Sales	19%	11%	6%	13%	20%	31%	28%	40%	30%
Adjusted EBITA margin, %	12.6	16.2	17.8	14.1	12.8	14.1	13.5	12.3	10.1
Operating margin, %	7.8	13.5	15.3	11.6	10.3	12.8	11.5	11.0	8.5
Earnings per share before dilution, SEK	0.89	1.44	1.81	1.19	0.30	1.43	1.40	1.18	0.70
Earnings per share after dilution, SEK	0.89	1.44	1.81	1.19	0.30	1.42	1.40	1.17	0.70
OWC/Net Sales, %	10.2	11.3	12.5	13.6	14.2	13.7	13.2	12.7	12.7
Net Debt/Adjusted EBITDA, LTM	2.3	1.9	1.8	2.0	2.1	2.2	2.7	2.7	2.9

Net Debt

	2024				2023				2022
MSEK	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Cash and cash equivalents	-1,530	-1,393	-1,775	-1,581	-1,532	-1,165	-710	-618	-914
Interest-bearing liabilities	6,514	5,013	5,045	5,089	5,131	4,575	4,518	3,772	3,721
Lease liabilities	1,083	1,015	892	757	719	770	801	781	774
Provisions for pensions	277	306	283	262	280	197	209	217	227
Accrued financial expenses	20	28	3	29	22	21	15	24	16
Net Debt	**6,364**	**4,968**	**4,447**	**4,557**	**4,620**	**4,399**	**4,833**	**4,175**	**3,825**

Operating Working Capital

	2024				2023				2022
MSEK	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Inventory	2,283	2,192	2,108	1,902	1,726	1,965	2,153	2,071	1,956
Accounts receivable	2,567	2,090	2,275	2,306	2,038	2,245	2,167	2,035	2,020
Accounts payable	-1,789	-1,308	-1,362	-1,349	-1,294	-1,156	-1,277	-1,159	-1,288
Advances from customers	-1,821	-1,879	-2,160	-1,879	-1,355	-1,725	-1,592	-1,576	-1,715
Accrued/deferred income, net	256	516	555	583	640	741	782	466	418
Operating Working Capital	**1,497**	**1,612**	**1,417**	**1,563**	**1,755**	**2,071**	**2,233**	**1,837**	**1,390**

Condensed statement of comprehensive income

MSEK	Q4 2024	Q4 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	4,364	3,659	15,453	13,930
Cost of goods sold	-2,963	-2,467	-10,131	-9,508
Gross profit	**1,401**	**1,191**	**5,322**	**4,422**
Selling expenses	-471	-342	-1,523	-1,281
Administrative costs	-400	-300	-1,435	-1,106
Research and development costs	-134	-115	-454	-360
Other operating income and expenses	-51	-56	-58	-82
Share of earnings in associates	-3	-3	-12	-8
Operating profit	**342**	**375**	**1,841**	**1,586**
Financial income and expenses	-79	-99	-355	-331
Profit/Loss after financial items	**263**	**276**	**1,485**	**1,255**
Tax	-86	-218	-465	-463
Net income for the period	**176**	**58**	**1,020**	**792**
Attributable to Parent Company shareholders	162	54	973	784
Attributable to non-controlling interests	14	3	47	8
Average number of outstanding shares before dilution	182,541,440	182,512,107	182,537,692	182,274,370
Average number of outstanding shares after dilution	182,541,440	182,523,285	182,537,692	182,284,750
Earnings per share before dilution, SEK	0.89	0.30	5.33	4.30
Earnings per share after dilution, SEK	0.89	0.30	5.33	4.30
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Exchange-rate differences on translation of foreign operations	406	-424	449	-274
Items that will not be reclassified to profit or loss:				
Actuarial gains/losses on defined-benefit pension obligations	28	-11	16	-46
Income tax effect not to be reclassified to profit or loss	-6	2	-3	9
Other comprehensive income, net after tax	**429**	**-433**	**462**	**-311**
Total comprehensive income for the period	**605**	**-375**	**1,482**	**481**
Attributable to Parent Company shareholders	591	-376	1,436	478
Attributable to non-controlling interests	14	1	46	4

Condensed statement of financial position

MSEK	2024/12/31	2023/12/31
ASSETS		
NON-CURRENT ASSETS		
Goodwill	7,769	5,822
Other intangible assets	3,380	2,259
Property, plant and equipment	1,789	1,097
Right-of-Use assets	1,000	672
Participations in associated companies	54	25
Other financial assets	189	95
Deferred tax assets	403	292
Total non-current assets	**14,584**	**10,262**
CURRENT ASSETS		
Inventory	2,283	1,726
Accounts receivable	2,567	2,038
Derivative instruments	4	0
Current tax assets	178	84
Other receivables	240	135
Prepaid expenses and accrued income	593	954
Cash and cash equivalents	1,530	1,532
Total current assets	**7,395**	**6,469**
TOTAL ASSETS	**21,979**	**16,731**
EQUITY AND LIABILITIES		
EQUITY		
Shareholders' equity	5,894	5,257
Non-controlling interests	14	1
Total equity	**5,908**	**5,258**
NON-CURRENT LIABILITIES		
Interest-bearing liabilities	3,780	4,151
Lease liabilities	847	553
Provisions for pensions	277	280
Other provisions	90	62
Other non-current liabilities	803	636
Deferred tax liabilities	598	455
Total non-current liabilities	**6,394**	**6,135**
CURRENT LIABILITIES		
Interest-bearing liabilities	2,734	980
Lease liabilities	237	167
Other provisions	249	145
Accounts payable	1,789	1,294
Derivative instruments	3	33
Current tax liabilities	108	78
Advances from customers	1,821	1,355
Other current liabilities	1,242	92
Accrued expenses and deferred income	1,496	1,193
Total current liabilities	**9,677**	**5,337**
TOTAL EQUITY AND LIABILITIES	**21,979**	**16,731**

Condensed statement of changes in equity items

MSEK	2024/12/31	2023/12/31
Opening balance	**5,258**	**5,307**
Total comprehensive income for the period	1,482	481
Exercised share options	1	21
Acquisition of non-controlling interests	9	-
Put/call option related to non controlling interests	-604	-377
Dividends	-237	-175
Share option plan incl. deferred tax	-	1
Closing balance	**5,908**	**5,258**
Total shareholders´ equity attributable to:		
The parent company's shareholders	5,894	5,257
Non-controlling interests	14	1

Condensed cash flow statement

	Q4		Jan-Dec	
MSEK	2024	2023	2024	2023
OPERATING ACTIVITIES				
Operating profit	342	375	1 841	1 586
Adjustment for:				
Depreciation, amortization and impairment losses	203	132	644	484
Other non-cash items	0	28	21	43
Changes in provisions	48	-22	76	-11
Cash flow before interest and tax	**593**	**514**	**2 581**	**2 102**
Net financial items paid	-78	-97	-334	-312
Taxes paid	-191	-136	-623	-390
Cash flow before changes in working capital	**323**	**281**	**1 624**	**1 400**
Change in accounts receivable	-209	149	-165	-11
Change in inventory	194	188	-137	271
Change in accrued income	263	11	440	-267
Change in accounts payable	333	111	293	-60
Change in advances from customers	-130	-126	191	-299
Cashflow from changes in operating working capital	**451**	**333**	**621**	**-366**
Change in other working capital	49	56	122	31
Cash flow from changes in working capital	**500**	**389**	**744**	**-335**
Cash flow from operating activities	**823**	**670**	**2 367**	**1 066**
INVESTING ACTIVITIES				
Business acquisitions	-1 270	-596	-1 680	-744
Investments in associated companies	–	–	-37	0
Investments in participations and securities in other companies	-31	-1	-89	-4
Sale of intangible assets and property, plant and equipment	1	1	1	0
Investment in property, plant and equipment	-336	-109	-762	-323
Investment in intangible assets	-73	-105	-298	-347
Cash flow from investing activities	**-1 708**	**-811**	**-2 865**	**-1 418**
FINANCING ACTIVITIES				
Exercised share options	–	7	1	21
Loan raised	1 954	814	2 664	2 268
Amortization of loans	-924	-175	-1 796	-887
Repayment of lease liabilities	-56	-39	-181	-156
Dividends paid	–	–	-237	-175
Other changes to financing activities	24	-60	18	-60
Cash flow from financing activities	**998**	**546**	**467**	**1 011**
Cash flow for the period	**113**	**405**	**-30**	**658**
Cash and cash equivalents at period start	1 393	1 165	1 532	914
Exchange-rate differences in cash and cash equivalents	24	-38	28	-40
Cash and cash equivalents at period end	**1 530**	**1 532**	**1 530**	**1 532**

Parent company

Condensed income statement

	Q4		Jan-Dec	
MSEK	2024	2023	2024	2023
Net sales	–	–	–	–
Gross profit/loss	**–**	**–**	**–**	**–**
Administrative costs	-5	0	-15	-11
Other operating income and expenses	-0	3	2	32
Operating profit	**-5**	**3**	**-13**	**21**
Financial income and expenses	-8	-6	-29	-18
Profit/Loss after financial items	**-13**	**-3**	**-41**	**3**
Group contributions	–	–	–	–
Profit/Loss before tax	**-13**	**-3**	**-41**	**3**
Tax	–	-0	–	-0
Net income for the period	**-13**	**-3**	**-41**	**3**

Condensed statement of comprehensive income

Profit/Loss for the period	-13	-3	-41	3
Other comprehensive income, net after tax	–	–	–	–
Comprehensive income for the period	**-13**	**-3**	**-41**	**3**

Condensed balance sheet

MSEK	2024/12/31	2023/12/31
ASSETS		
NON-CURRENT ASSETS		
Participations in subsidiaries	4,098	4,098
Other financial assets	4	4
Total non-current assets	**4,102**	**4,102**
CURRENT ASSETS		
Other current receivables	0	1
Prepaid expenses and accrued income	2	1
Current tax assets	1	1
Receivables from subsidiaries	17	10
Cash and cash equivalents	0	3
Total current assets	**19**	**15**
TOTAL ASSETS	**4,122**	**4,118**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	6	6
Share premium reserve	4,136	4,136
Profit brought forward	-627	-394
Income for the period	-41	3
Total equity	**3,472**	**3,750**
NON-CURRENT LIABILITIES		
Provisions for pensions and similar commitments	5	1
Total non-current liabilities	**5**	**1**
CURRENT LIABILITIES		
Accounts payable	2	3
Accrued expenses and deferred income	54	32
Liabilities to subsidiaries	581	327
Other liabilities	7	4
Total current liabilities	**644**	**366**
TOTAL EQUITY AND LIABILITIES	**4,122**	**4,118**

Other disclosures

Accounting policies

This report has been prepared, with regards to the Group, in accordance with IAS 34 *Interim Financial Reporting*, recommendation RFR 1 of the Swedish Financial Reporting Board and the Swedish Annual Accounts Act and, with regards to the Parent Company, in accordance with recommendation RFR 2 of the Swedish Financial Reporting Board and the Swedish Annual Accounts Act. The accounting principles applied correspond to those presented in the Annual- and Sustainability report 2023 (Note 1).

No new and revised standards and interpretations effective from January 1, 2024, are considered to have any material impact on the financial statements.

Environmental impact and environmental policy

Munters' operations affect the external environment through air and water emissions, the handling of chemicals and waste, transport of input goods and finished products to and from Munters factories. Munters is committed to constant vigilance regarding the environmental impact of its operations. Munters is committed to complying with all laws and to continuously promoting improvements in all Environment, Health & Safety (EHS) aspects, wherever Munters conducts business. Munters constantly seeks opportunities to reduce risk and to create a safer, healthier, more diverse and more environmentally friendly workplace for our employees, customers, communities, and the overall environment. Munters' manufacturing facilities all over the world are committed to working according to an EHS Management Program. The purpose of the EHS Program is to ensure regulatory compliance, actively prevent injuries, and reduce the impact that our business has on the environment.

Risks and uncertainties

The Group's significant risks and uncertainties can be divided into four categories; strategic, operational, financial and regulatory risks. In these categories, there are both risks due to political and macroeconomic trends and specific risks directly linked to the business carried out by the Group. A risk assessment is carried out on an annual basis and the purpose is to identify and address the most important risks.

Munters' products are used in complex customer processes. Quality and contract obligations are critical and could result in claims for damages. The Group depends to some extent on key customers and key personnel. Considering that Munters is a company with geographically widespread operations and many small organizational units, there is a risk of failure to comply with relevant regulations in the business ethics area, e.g. anti-bribery rules.

Financial risks mainly consist of currency, interest and financing risks. Munters works actively with insurance solutions, and group-wide insurances are governed by central guidelines. This includes for example coverage for general liability and product liability, property, business interruption, transportation, the liability of Board members and the CEO and employment practices liabilities.

A more detailed description of the Group's risks and how they are managed can be found in the Annual- and Sustainability report 2023 on pages 108-112.

Transactions with related parties

There have been no significant transactions with related parties during the period.

Fair value of financial instruments

Financial assets measured at fair value through profit/loss relate to financial investments and derivatives. Financial investments amounted to MSEK 164 (66) and net derivatives to MSEK 1 (-33) as of the balance sheet date.

The Group's put/call option, from the acquisition of MTech Systems, is recognized at fair value in the statement of financial position. The exercise period began on January 1, 2025, and the put option was exercised by the minority shareholders in January 2025. 80% of the transaction price is expected to be paid in the first half of 2025 and the remaining 20% in the first half of 2026.

The fair value of the option amounts to MSEK 1,142 (MSEK 562 as of 31 Dec, 2023) as of the balance sheet date.

The put/call option from the acquisition of a majority share in InoBram is recognized at fair value. Munters acquired 60 per cent of the company but the agreement includes a put/call option for Munters to acquire the remaining 40 per cent of the company in 2027. The exercise period for the sellers put option begins in March, 2026. The fair value of the option amounts to MSEK 121 (MSEK 37 as of 31 Dec, 2023) as of the balance sheet date.

MSEK	2024/12/31	2023/12/31
Opening balance	632	217
Valuation put/call options	-	73
Holdbacks	212	-
Remeasurement put/call options	567	62
Reclassifications	17	-
Payments	-29	-
Changes recognized in other operating income	-3	-
Discounting	38	18
Exchange-rate differences	64	8
Closing balance	**1,498**	**377**

The put/call options are measured according to IFRS 9 and are categorized in level 3 in the fair value hierarchy.

Munters deems that the interest rate on interest-bearing liabilities is in line with market terms on December 31, 2024, and the fair value at the end of the reporting period therefore in all material aspects corresponds to the carrying amount.

Net Sales by business area and region

Net Sales by business area and region in Q4

	AirTech		DCT		FoodTech		Eliminations		Group	
MSEK	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Americas	814	1,059	1,105	816	389	312	0	0	2,307	2,188
EMEA	1,033	660	235	102	365	249	-7	-12	1,626	999
APAC	498	522	26	6	102	101	-5	-5	621	624
Sales between regions	-85	-104	-51	0	-54	-46	-1	-2	-191	-152
TOTAL	2,260	2,136	1,315	925	801	617	-13	-20	4,364	3,659

Net sales by business area and region Jan-Dec

	AirTech		DCT		FoodTech		Eliminations		Group	
MSEK	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Americas	3,747	3,759	3,888	3,104	1,577	1,209	0	-1	9,211	8,072
EMEA	3,082	2,630	530	349	1,194	954	-34	-38	4,773	3,894
APAC	1,773	2,357	29	9	342	350	-21	-18	2,122	2,699
Sales between regions	-397	-520	-54	-54	-194	-151	-7	-10	-653	-734
TOTAL	8,204	8,226	4,392	3,408	2,918	2,363	-61	-67	15,453	13,930

Reconciliation of alternative performance measures and items affecting comparability

The Group presents certain financial metrics in the Interim Report that are not defined in accordance with IFRS. The Group is of the opinion that these metrics provide valuable complementary information, in that they enable an evaluation of the Group's performance. The financial metrics are calculated in accordance with the definitions presented in this interim report. A reconciliation of Adjusted EBITDA and Adjusted EBITA is found in the quarterly overview on page 12. Items affecting comparability are events or transactions with significant financial effects, which are relevant for the understanding of the financial performance when comparing the current period to previous periods. Items included are for example, restructuring activities, capital gains and losses from business divestments and M&A related costs.

Below is a break-down of items affecting comparability by period.

	Q4		Jan-Dec	
MSEK	2024	2023	2024	2023
Restructuring activities	-66	-22	-94	-34
M&A activities	-25	-15	-52	-29
Other items	-26	-12	-93	-32
Total	-117	-49	-240	-96

Business combinations

Consolidated acquisitions in 2024

Company (Country)	Business area	Month acquired	Number of employees	Net sales	Share (%)
Airprotech (IT)	AirTech	May	52	MSEK 330	100
AEI (US)	FoodTech	July	13	MSEK 102	80
Geoclima (IT)	DCT	October	165	MSEK 455	100
Hotraco (NL)	FoodTech	October	140	MSEK 465	100

The table shows approximate number of permanent full time employees at the acquisition date. Net sales refer to estimated sales in the year prior to the acquisition.

In May, Munters closed the acquisition of Airprotech, an Italian company within VOC abatement systems. The acquisition enhances Munters Clean Technology portfolio and supports cleaner production for European industries.

In July, Munters acquired a majority share in Automated Environments (AEI), a US-based company specializing in automated control systems for the layer industry. The acquisition is part of the FoodTech strategy to serve food producers with an extensive portfolio of Digital solutions. Munters will initially have an 80% share in AEI, the agreement stipulates the remaining 20% to be acquired by the end of 2026. Accordingly, 100% of AEI is consolidated as from the acquisition date.

In October, Munters closed the acquisition of Geoclima, an Italian manufacturer of air- and water-cooled chillers. Geoclima's product offering completes Munters Data Center Technologies (DCT) cooling portfolio enhancing the company's ability to offer full solutions to the total data center cooling market.

In October, Munters also acquired Hotraco, a Dutch leading developer of control systems and sensors for the agricultural sector, strengthening Munters FoodTech portfolio. It marks another step in the strategy to create a digital ecosystem built around data capture platforms and software that supports a more efficient and sustainable food production.

The table below presents an overview of paid purchase considerations and the fair value of acquired net assets for the business combinations in 2024 and 2023. As per the balance sheet date, the fair value of acquired net assets is based on preliminary purchase price allocations.

MSEK	Jan-Dec 2024	Jan-Dec 2023
Purchase price		
Cash purchase consideration paid	1,884	901
Holdback & deferred considerations	212	37
Adj. purchase price from prior years acquisition	29	-
Put/call option	-	37
Total purchase consideration	2,125	974
Fair value of acquired net assets	-595	-295
Goodwill	1,531	679
Cash flow		
Cash purchase consideration paid	-1,884	-901
Cash and cash equivalents in acquired companies	260	156
Payments related to acquisitions in prior years	-56	-
Change in the Group's cash and cash equivalents	-1,680	-744

Definition of key financial indicators

In this financial report, there are references to several performance measures. Some of the measures are defined in IFRS, others are alternative performance measures and are not disclosed in accordance with applicable financial reporting frameworks or other legislations. The performance measures are used by the Group to assist both investors and management in analyzing Munters' business. Below the performance measures found in this financial report are described and defined. The reason for the use of the performance measure is also disclosed.

Organic growth

Change in net sales compared to the previous period, excluding acquisitions and divestments and currency translation effects. The measure is used by Munters to monitor net sales growth driven by changes in volume and price between different periods.

Currency-adjusted growth

Change in net sales compared to the previous period, adjusted for currency translation effects. The measure is used by Munters to monitor changes in net sales from both organic and inorganic growth between different periods.

Order backlog

Received and confirmed sales orders not yet delivered and accounted for as net sales. Order Backlog is a useful measure to indicate the efficiency of the conversion of received and confirmed sales orders into net sales in future periods. The measure is used by Munters to monitor business performance and customer demand and adjust operations if needed.

Order intake

Received and confirmed sales orders minus cancelled orders during the reporting period. The order intake is an indicator of future revenues and, consequently, an important KPI for the management of Munters' business.

SaaS recurring revenue

Total recurring revenue from SaaS contracts (Software-as-a-Service) recognized in the period. The KPI is also presented annualized and named SaaS ARR, which is calculated by multiplying SaaS Recurring Revenue in the last quarter by four.

Operating profit (EBIT)

Earnings before interest and tax. Munters believes that EBIT shows the profit generated by the operating activities.

Adjusted EBITA

Operating profit, adjusted for amortizations, write-downs of intangible assets and items affecting comparability. Munters believes that using adjusted EBITA is helpful in analyzing our performance as it removes the impact of items considered not to be of recurring character and therefore do not reflect our core operating performance.

Adjusted EBITA margin

Adjusted EBITA as a percentage of net sales. Munters believes that Adjusted EBITA margin is a useful measure for showing the Company's profit generated by the operating activities.

Adjusted EBITDA

Operating profit adjusted for items affecting comparability and depreciations, amortizations and write-downs of tangible and intangible assets as well as Right-of-Use assets.

Adjusted EBITDA margin

Adjusted EBITDA as a percentage of net sales.

Items affecting comparability (IAC)

Items affecting comparability are events or transactions with significant financial effects, which are relevant for the understanding of the financial performance when comparing the current period to previous periods. Items included are for example, restructuring activities, capital gains and losses from business divestments and M&A related costs.

Earnings per share

Net income divided by the weighted average number of outstanding shares.

Capital employed

Capital employed is calculated as the total equity plus interest bearing liabilities.

Return on capital employed (ROCE)

Average operating profit (EBIT) plus financial income, divided by the average capital employed, where capital employed is total equity plus interest-bearing liabilities. The average capital employed is calculated based on the last 12 months.

Operating working capital

Includes accounts receivable, inventory, accrued income, accounts payable and advances from customers.

Operating working capital/net sales

Average Operating Working Capital for the last twelve months as a percentage of Net sales for the same period.

Cash and cash equivalents

Cash and bank balances plus investments in securities and the like with maturity periods not exceeding three months. This is a measure that highlights the short-term liquidity.

Net debt

Net debt calculated as interest bearing liabilities, lease liabilities, provisions for pension and accrued financial expenses, reduced by cash and cash equivalents.

Equity/assets ratio

Equity (including non-controlling interests) divided by total assets.

LTM

LTM (last twelve months) after any key indicator means that the KPI corresponds to an accumulation of previous twelve month reported numbers. The measure highlight trends in different KPIs, which is valuable in order to gain a deeper understanding of the development of the business.

Full Time Equivalents (FTE)

Number of employees is presented recalculated as full-time positions, defined as Full Time Equivalents (FTE), if not otherwise stated. Average number of employees for the year is calculated as the sum of permanent employees at the end of each of the last 13 months divided by 13.

Americas

Refers to North-, Central and South America.

Service

After-market service and software-as-a-service (SaaS) revenues.

After-market service

After-market service is defined as sales of spare parts, commissioning and installation, inspections and audits, repairs and other billable services.

Information and reporting dates

Welcome to join a webcast or telephone conference on February 5, at 9:00 CET, when President and CEO, Klas Forsström together with the Group Vice President and CFO, Katharina Fischer, will present the report.

Webcast

https://ir.financialhearings.com/munters-q4-report-2024

Conference call

If you wish to participate via teleconference, please register on the link below. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.
https://conference.financialhearings.com/teleconference/?id=50050326

This interim report, presentation material and a link to the webcast will be available on https://www.munters.com/en-se/investors/

Every care has been taken in the translation of this interim report. In the event of discrepancies, the Swedish original will supersede the English translation. The addition of the totals presented may result in minor rounding differences.

This information is information that Munters Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 07.30 AM CET on February 5, 2025.

This report 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.

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Presentation material and Annual & Sustainability Reports available for download https://www.munters.com/en-se/investors/

Financial calendar:

Release of Annual & Sustainability Report 2024	Week starting March 3, 2025
First quarter report 2025	April 29, 2025
Annual General Meeting	May 14, 2025
Second quarter report 2025	July 18, 2025
Third quarter report 2025	October 24, 2025