Munters

Q2 2022

Strong growth in a quarter marked by continued challenges

April-June

- Strong order intake driven by business area Data Center Technologies (DCT) in Americas and in Battery and Service in business area AirTech.
- Net sales increased driven mainly by DCT in Americas and by good growth in Battery and Service in AirTech, offset by a continued weak market in China for business area FoodTech.
- In adj. EBITA our price increases compensated for inflationary pressure, however offset mainly by costs due to component shortages, business mix change in DCT, lower volumes for FoodTech in EMEA and APAC and operational challenges.
- Leverage increased mainly as a result of the increased working capital resulting from strong volume growth, dividend payout and exchange-rate effects as the SEK weakened against several currencies.
- Strong order intake led to an increase of working capital and lower cash flow from operating activities. This is driven mainly by preparations for project deliveries over the coming 18 months in the Battery sub-segment in AirTech and DCT.

January-June

- Order intake increased mainly driven by DCT and in Battery and Service in AirTech. DCT signed Munters largest order ever received in January. FoodTech had good growth in Americas and signed a large SaaS deal in the subsidiary MTech in the first quarter.
- In the first quarter Munters suspended all business activities with Russia due to the war in Ukraine.
- Net sales increased in all business areas with strong growth in AirTech and DCT. FoodTech experienced weakened markets in EMEA and China, slightly offset by growth in the US.
- In adj. EBITA our price increases compensated for inflationary pressure, however offset mainly by costs due to component shortages, business mix change in DCT, lower volumes for FoodTech in EMEA and APAC and operational challenges.
- Leverage increased mainly due to the acquisition of Edpac at the beginning of the year, working capital build-up as a consequence of the strong volume growth and exchange-rate effects.
- Strong order intake led to an increase of working capital and lower cash flow from operating activities.

Order intake
reported growth
+51%

Net sales
organic growth
+25%

Adj. EBITA-margin
10.4%

Leverage
2.9

Financial summary	Q2			Jan-Jun			LTM*	Full-year
MSEK	2022	2021	Δ%	2022	2021	Δ%	Jul-Jun	2021
Order intake	3,200	2,118	51	7,333	4,113	78	12,233	9,013
Net sales	2,610	1,822	43	4,731	3,434	38	8,645	7,348
Growth	43%	3%		38%	3%		22%	5%
of which organic growth	25%	13%		21%	13%		14%	10%
of which acquisitions and divestments	4%	-		4%	-		2%	-
of which currency effects	14%	-10%		12%	-11%		6%	-5%
Operating profit (EBIT)	220	147	50	354	369	-4	738	753
Adjusted EBITA	272	259	5	473	457	4	906	889
Adjusted EBITA margin, %	10.4	14.2		10.0	13.3		10.5	12.1
Net income	166	84	98	268	244	10	540	515
Earnings per share before dilution, SEK	0.93	0.46		1.51	1.33		2.99	2.81
Earnings per share after dilution, SEK	0.93	0.45		1.51	1.33		2.98	2.81
Cash flow from operating activities	105	159		79	247		352	519
Net debt	3,241	2,209		3,241	2,209		3,241	2,389
Net debt/Adjusted EBITDA, LTM				2.9	1.9		2.9	2.2

* Last twelve months

CEO comments

Klas Forsström
President and CEO

" We are growing strongly. To lay the foundation for an effective execution of our growth strategy going forward, we are investing for scalability."

Strong growth in a quarter marked by continued challenges

The second quarter showed solid growth as we continue to benefit from the strong megatrends of digitization, electrification and increased demand for sustainable solutions.

Growth was mainly driven by DCT and Battery and Service in AirTech. Lockdowns related to Covid-19 outbreaks in China impacted both AirTech and FoodTech. A continued weak Chinese swine market also had a negative impact on FoodTech.

Price increases implemented in previous quarters compensated for inflationary pressure. We continue to adjust prices in all regions to secure coverage for increasing costs. Simultaneously efforts to secure components have intensified during the year and more work goes in to manage lead times. This is particularly noticeable in DCT where we also had a negative business mix in the quarter. Lower volumes for FoodTech in EMEA and APAC had a negative impact on the margin in the quarter. The operational challenges in a production unit in AirTech, that started in the fourth quarter last year, continued to have a negative impact on the margin. Operating working capital increased as the order backlog includes some larger orders received in the first half of the year with deliveries scheduled to start in the fourth quarter this year.

Increased investments to capture market opportunities

To lay the foundation for an effective execution of our growth strategy and become more efficient and scalable, we are continuing to increase our strategic investments into digitization and automation. Focused investments are made to reduce costs, decrease lead times, improve quality and become more scalable. These investments will enable Munters to improve and align processes, systems, information flows and master data management.

To meet growing demand, we are also expanding our capacity with two new manufacturing plants this year, which will be inaugurated in the third quarter. One is dedicated to the battery segment, located in the Czech Republic, and one in the US for business area DCT.

Execution on long-term strategy for value-creating growth

DCT has experienced strong growth in recent years and entered Europe at the beginning of this year through the acquisition of Ireland-based Edpac. Continued investments in scalable production and innovation builds for profitable growth in this area and as of June 30, it is reported as a separate business area.

It's encouraging to see the increased demand in especially the battery and data center areas and the dedicated work of our employees to balance global market challenges while enhancing our operational efficiency. I'm confident in Munters' ability to deliver on our growth strategy and proud of all employees' constant ambition to exceed customer expectations.

Midterm financial targets

Net sales growth:	Annual organic growth of net sales of 5% *Performance Q2 2022: +25% (13)*
Adjusted EBITA-margin:	An adjusted EBITA-margin of 14%. *Performance Q2 2022: 10.4% (14.2)*
Capital structure:	A ratio of net debt to adjusted EBITDA of 1.5x to 2.5x and may temporarily exceed this level (e. g. as a result of acquisitions). *Performance Q2 2022: 2.9x (1.9x)*
Dividend policy:	Munters aim to pay an annual dividend corresponding to 30-50% of its consolidated income after tax for the period. For 2021 a dividend of SEK 0.85 (30% of income after tax) was paid in the second quarter, totaling MSEK 154.

For full description of the dividend policy, see the Annual and Sustainability report 2021, page 10 or at www.munters.com.

Sustainability

To maintain a sustainable and profitable business, Munters has integrated sustainability in every aspect of the business strategy.

Highlights second quarter 2022:

- Mandatory training for all non-production employees of our Code of Conduct policy which provides transparency and understanding of behaviors expected at Munters. It also illustrates when to escalate issues and who to turn to for support to create an environment where people feel safe to come forward with concerns and questions.
- Updated sustainability scorecard for new products which helps determine the impact categories: raw materials, production, use phase and end-of-life.
- Opening of Munters Academy, a place for colleagues to gather and learn about the latest air treatment systems and technologies in both theory and practice.

See the Munters Annual and Sustainability report 2021, pages 40-49, for further information on goals and outcome or at www.munters.com.

Financial performance

As of June 30 2022 Munters Group AB report its operations in three business areas: AirTech, Data Center Technologies (DCT) and FoodTech. Historical financial information is presented on Munters Group ABs homepage, munters.com/investors.

	Q2			Jan-Jun			LTM	Full-year
MSEK	2022	2021	Δ%	2022	2021	Δ%	Jul-Jun	2021
Order intake	3,200	2,118	51	7,333	4,113	78	12,233	9,013
AirTech	1,727	1,315	31	3,305	2,589	28	6,557	5,842
DCT	939	180	421	2,809	389	621	3,471	1,051
FoodTech	554	636	-13	1,252	1,156	8	2,262	2,166
Corporate & elim.	-20	-14	-	-33	-22	-	-57	-46
Net sales	2,610	1,822	43	4,731	3,434	38	8,645	7,348
AirTech	1,723	1,088	58	3,133	2,102	49	5,694	4,664
DCT	303	177	72	523	357	46	868	702
FoodTech	599	567	6	1,104	992	11	2,139	2,028
Corporate & elim.	-15	-10	-	-28	-17	-	-56	-46
Adjusted EBITA	272	259	5	473	457	4	906	889
AirTech	242	177	37	442	336	32	788	682
DCT	18	28	-36	24	49	-51	67	92
FoodTech	50	80	-37	72	119	-40	163	210
Corporate & elim.	-39	-26	-	-65	-47	-	-112	-95
Adjusted EBITA margin, %	10.4	14.2		10.0	13.3		10.5	12.1
AirTech	14.1	16.2		14.1	16.0		13.8	14.6
DCT	5.9	15.9		4.6	13.8		7.7	13.2
FoodTech	8.4	14.1		6.5	12.0		7.6	10.4

Order intake

April-June 2022

Order intake increased by +51% (an organic growth of +33%, acquisitions and divestments +2% and currency effects +17%) mainly driven by strong growth in DCT in Americas and Battery and Service in business area AirTech. The order backlog increased +149% to MSEK 7,515 (3,018) (an organic increase of +114% and currency effects +32%). Price increases in in the quarter contributed to approximately +9% of the organic growth.

Order intake in AirTech increased by +31% (an organic increase of +19% and currency effects +12%) with growth in all regions. In APAC, lockdowns related to Covid-19 impacted negatively however offset by good growth in Battery. Battery also grew in EMEA, and in Americas Food and Components had good growth. Clean Technologies (CT) showed good growth in all regions, primarily driven by the process industries. Services also experienced good growth mainly in Americas. Price increases in the quarter contributed to approximately +9% of the organic growth.

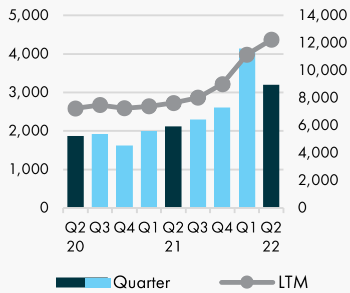
Order intake in DCT increased by +421% (an organic growth of +318%, acquisitions and divestments +18% and currency effects +85%) mainly driven by colocation customers in Americas and specifically orders for the newly launched SyCool product range. Price increases in the quarter contributed to approximately +8% of the organic growth.

Order intake in FoodTech decreased by -13% (an organic decrease of -22% and currency effects +9%). In region APAC, China continued to have a weak development with lower levels of new constructions in the swine market marked by overcapacity. Also, lockdowns related to Covid-19 impacted negatively in China. In EMEA, the underlying market situation weakened, mainly as a consequence of the war in Ukraine, supply chain constraints and increasing input costs for the farming industry. In Americas, Digital Solutions grew. Price increases in the quarter contributed to approximately +13% of the organic growth.

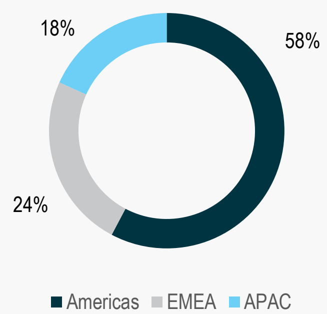
January-June 2022

The order intake in the first six months increased by +78% (an organic growth of +59%, acquisitions and divestments +3% and currency effects +16%), mainly driven by DCT. At the beginning of the year, DCT received the largest order ever for Munters from a colocation operator in the US valued at approximately MUSD 115. In AirTech Battery and Service experienced strong growth. In FoodTech Digital solutions grew in the US, mainly because a large SaaS deal in MTech was signed in March with an order value of about MUSD 19.

Quarterly order intake (MSEK)



Order intake per region Q2, 2022 (MSEK)



Net sales

April-June 2022

Net sales increased +43% (an organic growth of +25%, acquisitions and divestments +4% and currency effects +14%) driven mainly by DCT in Americas and by good growth in Battery and Services in AirTech. Services net sales amounted to14% of total net sales. Price increases in in the quarter contributed to approximately +9% of the organic growth.

AirTech increased +58% (an organic growth of +43% and currency effects +15%) with good growth in all regions. Battery had strong growth in APAC and Americas. CT grew strongly, especially in Americas. Service showed growth in all regions, with good growth in Americas. Service net sales amounted to 20% of net sales in AirTech. Price increases contributed to approximately +6% of the organic growth in the quarter.

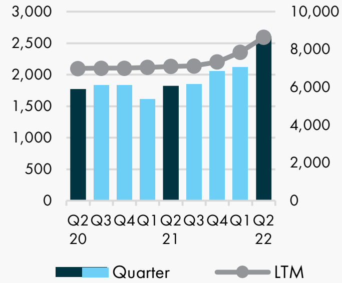
DCT increased by +72% (an organic growth +10%, acquisitions and divestments +39% and currency effects +23%) with strong growth driven by colocation customers in both EMEA and Americas. Component shortages led to extended lead times, and the business mix also changed. Price increases contributed to approximately +2% of the organic growth in the quarter.

FoodTech increased +6% (an organic decrease of -5% and currency effects +10%). Americas grew slightly driven by the Broiler and Layer segments. APAC declined due to a continued weak Swine segment and Covid-19 lock-downs in China. Supply chain constraints impacted both EMEA and APAC negatively. Region EMEA had flat development. Price increases contributed to approximately +10% of the organic growth in the quarter.

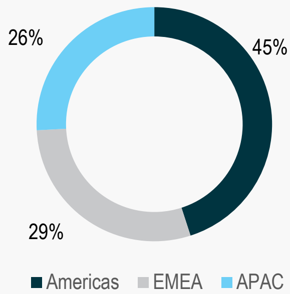
January-June 2022

Net sales in the first six months increased by +38% (an organic growth of +21%, acquisitions and divestments +4% and currency effects +12%), mainly driven by the Industrial segment in Americas and EMEA, the Battery sub-segment in APAC as well as Service in Americas in AirTech. DCT had good growth in EMEA, offset by a decline in Americas. FoodTech grew in Americas with a flat development in EMEA. Net sales in APAC declined due to Covid-19 related lockdowns and a continued weak swine market in China. Service net sales amounted to 14% of total net sales.

Quarterly net sales, (MSEK)



Net sales per region Q2, 2022 (MSEK)



Results

Adjusted EBITA excludes Items Affecting Comparability, IAC, see page 19 for disclosure of the IACs.

April-June 2022

The gross margin amounted to 28.5% (34.7). The net price increase was offset by increasing work to secure components and to manage lead times in all business areas, a changed business mix in DCT, lower volumes in EMEA and APAC for FoodTech and operational challenges.

Adjusted EBITDA amounted to MSEK 332 (311), corresponding to an adjusted EBITDA-margin of 12.7% (17.1). Depreciation of tangible assets amounted to MSEK -60 (-53), whereof depreciation of leased assets was MSEK -30 (-26).

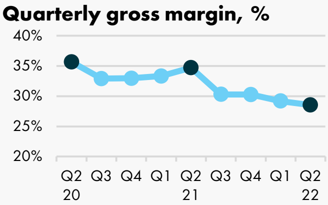
Adjusted EBITA amounted to MSEK 272 (259), corresponding to an adjusted EBITA-margin of 10.4% (14.2).

Adjusted EBITA for business area AirTech amounted to MSEK 242 (177), corresponding to an adjusted EBITA-margin of 14.1% (16.2). Our price increases compensated for inflationary pressure. Amplified component shortages in the quarter led to more work to manage lead times. The operational challenges in a production unit, that started in the fourth quarter last year, continued to have a negative impact on the margin.

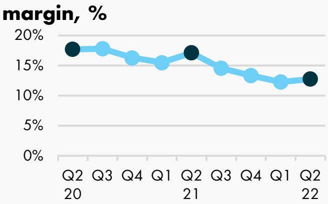
Adjusted EBITA for business area DCT amounted to MSEK 18 (28), corresponding to an adjusted EBITA-margin of 5.9% (15.9). Increasing work related to component shortages in the quarter led to increased lead times and increased costs. Also, the business mix changed in the quarter.

Adjusted EBITA in business area FoodTech was MSEK 50 (80), corresponding to an adjusted EBITA-margin of 8.4% (14.1). The margin declined partly due to lower volumes in China as well as continued investments in Digital Solutions. Also, the war in Ukraine has led to uncertainties on the market and resulted in lower volumes in EMEA. This has led to operational challenges in a production unit that had a negative impact on the margin.

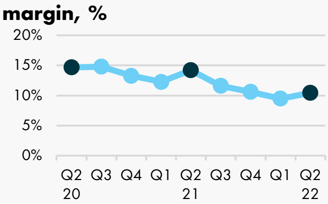
Quarterly gross margin, %



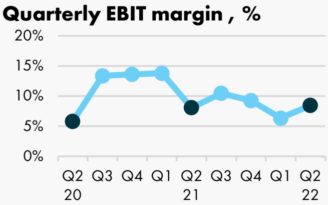
Quarterly adjusted EBITDA margin, %



Quarterly adjusted EBITA margin, %



Quarterly EBIT margin , %



Adjusted EBITA for Corporate amounted to MSEK -39 (-26). Enhanced investments into digitization and automation to create a scalable business to capture growth led to higher costs. Investments will continue to increase and in the second half of this year, the implementation of a Human Capital Management system will intensify.

Operating profit (EBIT) was MSEK 220 (147), corresponding to an operating margin of 8.4% (8.0). Amortization and write-downs of intangible assets in the second quarter were MSEK -24 (-21), where MSEK -9 (-7) related to amortization of intangible assets from acquisitions.

January-June 2022

The gross margin for the first six months was 28.8% (34.1). Net price increases were offset by increasing work to manage lead times, a changed business mix in DCT and lower net sales in APAC and EMEA for FoodTech. Also, a production unit in AirTech continued to experience operational challenges which had a negative impact on the margin.

Adjusted EBITDA at MSEK 592 (561), corresponding to an adjusted EBITDA-margin of 12.5% (16.3). Depreciation of tangible assets amounted to MSEK -119 (-105), whereof depreciation of leased assets was MSEK -58 (-52).

Adjusted EBITA at MSEK 473 (457), corresponding to an adjusted EBITA-margin of 10.0% (13.3).

Operating profit (EBIT) was MSEK 354 (369), corresponding to an operating margin of 7.5% (10.7). Amortization and write-downs of intangible assets for the first six months was MSEK -47 (-38), where MSEK -18 (-14) related to amortization of intangible assets from acquisitions.

Items affecting comparability (IAC)

Items affecting comparability totaled MSEK -28 (-91) in the second quarter of which costs related to the on-going strategy implementations in mainly AirTech and FoodTech amounted to MSEK -16 (-89). In addition, IACs of MSEK -9 were recorded in the quarter as a consequence of Munters having stopped all business activities in Russia.

For the first six months IACs totaled MSEK -72 (-50) including strategy implementation costs of MSEK -44 (-101). IACs related to close-down of business activities in Russia amounted to MSEK -27 and include mainly costs for write-down of inventory and right-sizing severance provisions. No additional IACs related to Russia are expected. In addition, other IAC of MSEK -1 (51) were recorded in the first six months.

Financial items

Financial income and expenses for the second quarter amounted to MSEK -14 (-25). Foreign exchange rate effects have had a positive impact as the SEK has weakened against several currencies, offset by increasing interest expenses compared to last year. Interest expenses grew due to increasing loans and interest rates. Interest expense on lease liabilities amounts to MSEK -4 (-4) in the second quarter.

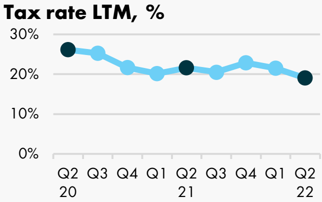
Financial income and expenses for the first six months amounted to MSEK -37 (-50). Interest expense on lease liabilities amounts to MSEK -7 (-8) in the first six months. The average weighted interest rate including fees per end of June was 3.6% (2.1).

Taxes

Income taxes for the second quarter was MSEK -39 (-37). The effective tax rate in the second quarter was 19% (31). Income taxes for the first six months was MSEK -49 (-75). The effective tax rate for the first six months was 15% (24).

The lower effective tax rate is mainly driven by tax related to previous years and a revaluation effect on deferred taxes in Sweden.

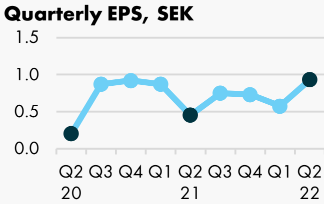
Tax rate LTM, %



Earnings per share

Net income attributable to Parent Company's ordinary shareholders amounted to MSEK 169 (83) for the second quarter. Earnings per share, before dilution, in the second quarter 2022 was SEK 0.93 (0.46). Earnings per share, after dilution, in the second quarter 2022 was SEK 0.93 (0.45).

Quarterly EPS, SEK



The average number of outstanding ordinary shares in the second quarter, for the purpose of calculating earnings per share, was 181,616,912 before dilution and 181,760,257 after dilution.

Financial position

Interest-bearing liabilities, including lease liabilities, increased by MSEK 268 in the quarter and amounted to MSEK 3,468 (2,629). Cash and cash equivalents decreased by MSEK 106 in the quarter and amounted to MSEK 459 (680) as of June 30.

Munters primary financing facilities consists of a term loan of MUSD 165 and a Revolving Credit Facility (RCF) of MEUR 250 with final maturity date in June 2026. The facilities are granted by a group of six banks and have no mandatory amortization requirement. Since November 2021 Munters has linked sustainability targets to the loan facilities to support the ambition for an environmentally and socially sustainable growth. The primary financing facilities have one financial covenant, consolidated net debt in relation to adjusted EBITDA, with some adjustments made in accordance with the loan agreement. The accounting standard for leases, IFRS 16, does not affect the covenant calculation according to the loan agreement definition and neither does the net pension liability.

Munters also has a backup facility of MSEK 750 maturing in 2023 which is secured by a guarantee from EKN (The Swedish Export Credit Agency).

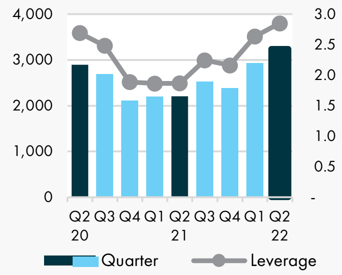
Net debt as of June 30 amounted to MSEK 3,241 compared to 2,938 at the end of March 2022 and MSEK 2,389 at the end of December 2021.

Net debt in relation to Adjusted EBITDA was 2.9x compared to 2.6x at end of March 2022 and 2.2x at the end of December 2021. The leverage ratio increased as a consequence of build-up of working capital because of the strong growth in order intake, the acquisition of Edpac funded by debt, dividend pay-out and a negative impact from exchange rates, mainly in SEK to USD.

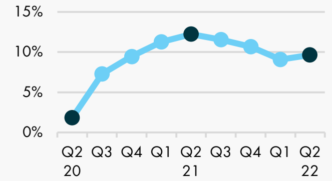
At quarter end the term loan facility of MUSD 165 was fully drawn. Of the RCF of MEUR 250 an amount of MEUR 132 (86) was utilized in EUR and SEK. Unutilized of the RCF as of June 30 amounted to MEUR 118 (164). Along with the primary loan facilities, an amount of MSEK 26 (5) in local debt is outstanding in i.e. Ireland, Brazil, and India. The backup facility with EKN was unutilized.

Average capital employed for the last twelve months was MSEK 7,699 (7,042). Return on capital employed (ROCE) for last twelve months was 9.6% (12.2). Adjusted ROCE where EBIT plus financial income is adjusted for items affecting comparability (IAC) and average capital employed adjusted for goodwill, for the last twelve months was 25.1% (30.0). ROCE decreased mainly because of a slightly higher capital employed and a reduced operating margin.

Net debt per quarter



ROCE, %



Cash flow

Cash flow from operating activities amounted to MSEK 105 (159) in the second quarter and MSEK 79 (247) for the first six months of 2022. The lower cash flow is due to a lower level of operating earnings compared to 2021, as well as a negative impact from working capital.

Cash flow from changes in working capital had a negative impact of MSEK -101 (39) in the second quarter and a negative impact of MSEK -303 (-99) for the first six months of 2022. The negative effect both in the quarter and in the first six months of 2022 is mainly driven by the strong order intake growth leading to increased inventory levels and accrued income, partly offset by increased advances from customers.

Total cash flow for the second quarter amounted to MSEK -115 (-233) and MSEK -235 (-304) for the first six months of 2022. The total cash flow for the first six months were impacted by acquisitions of MSEK -302, dividend payment in May 2022 of MSEK -156, whereof MSEK 2 to and external minority in one of the subsidiaries and increased external borrowing of MSEK 436.

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 (2).

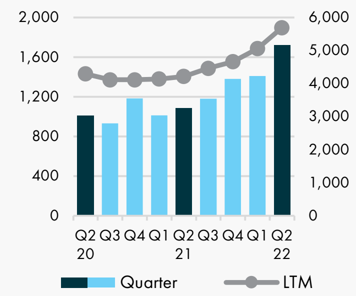
AirTech

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.

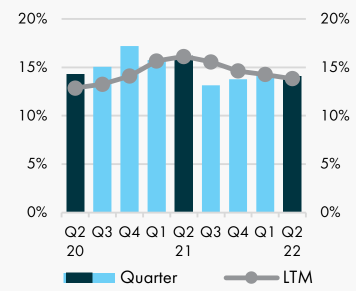
	Q2			Jan-Jun			LTM	Full-year
MSEK	2022	2021	Δ%	2022	2021	Δ%	Jul-Jun	2021
External order backlog	3,204	1,998	60	3,204	1,998	60	3,204	2,796
Order intake	1,727	1,315	31	3,305	2,589	28	6,557	5,842
Growth	31%	31%		28%	22%		34%	31%
Net sales	1,723	1,088	58	3,133	2,102	49	5,694	4,664
Growth	58%	8%		49%	5%		35%	13%
of which organic growth	43%			36%				
of which acq. and div.	-			-				
of which currency effects	15%			13%				
Operating profit (EBIT)*	228	158	45	409	306	34	739	635
Amortization of intang. asset	-6	-5		-11	-11		-22	-22
Items affecting comparability	-9	-14		-22	-20		-13	-11
Re-allocation of int. services	-	-		-1	-		-13	-12
Adjusted EBITA	242	177	37	442	336	32	788	682
Adjusted EBITA margin, %	14.1	16.2		14.1	16.0		13.8	14.6

**A reclassification in regards to amortization has been made between the business areas in periods prior to Q1-22 impacting EBIT.*

Quarterly net sales - AirTech, (MSEK)



Quarterly adjusted EBITA margin % - AirTech,

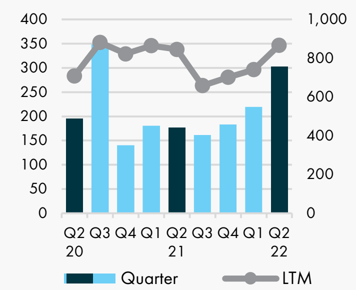


Data Center Technologies

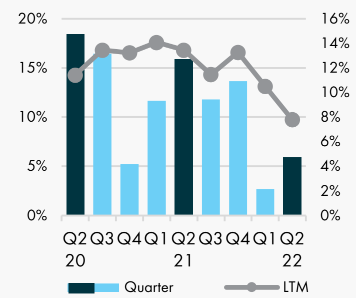
Data Center Technologies (DCT) is a leading supplier of advanced climate cooling solutions using a wide range of heat rejection technologies. Our solutions produce significant energy savings for data centers compared with traditional cooling solutions. With a diversified product portfolio and extensive application knowledge, we create sustainable climate solutions for data center operators worldwide. In the first quarter of 2022 Edpac was acquired, an Ireland-based manufacturer of data center cooling equipment and air handling systems. The acquisition strengthens the presence in Europe.

	Q2			Jan-Jun			LTM	Full-year
MSEK	2022	2021	Δ%	2022	2021	Δ%	Jul-Jun	2021
External order backlog	3,369	319	955	3,369	319	955	3,369	703
Order intake	939	180	421	2,809	389	621	3,471	1,051
Growth	421%	-21%		621%	-13%		481%	60%
Net sales	303	177	72	523	357	46	868	702
Growth	72%	-10%		46%	7%		3%	-15%
of which organic growth	10%			-13%				
of which acq. and div.	39%			41%				
of which currency effects	23%			18%				
Operating profit (EBIT)*	13	24	-46	22	104	-79	66	148
Amortization of intang. asset	-5	-2		-10	-4		-14	-8
Items affecting comparability	-0	-2		8	59		11	62
Re-allocation of int. services	-	-		-	-		1	1
Adjusted EBITA	18	28	-36	24	49	-51	67	92
Adjusted EBITA margin, %	5.9	15.9		4.6	13.8		7.7	13.2

Quarterly net sales - DCT, (MSEK)



Quarterly adjusted EBITA margin % - DCT



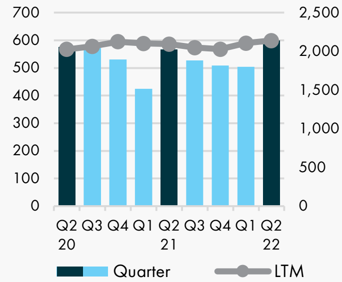
FoodTech

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 controlling and 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.

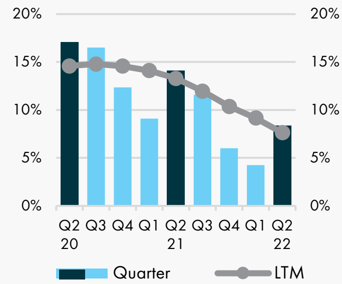
	Q2			Jan-Jun			LTM	Full-year
MSEK	2022	2021	Δ%	2022	2021	Δ%	Jul-Jun	2021
External order backlog	942	700	35	942	700	35	942	700
Order intake	554	636	-13	1,252	1,156	8	2,262	2,166
Growth	-13%	-3%		8%	-1%		4%	-1%
Net sales	599	567	6	1,104	992	11	2,139	2,028
Growth	6%	-1%		11%	-3%		2%	-5%
of which organic growth	-5%			2%				
of which currency effects	10%			10%				
Operating profit (EBIT)*	22	-8	-364	-3	21	-114	47	71
Amortization of intang. asset	-12	-13		-24	-22		-42	-40
Items affecting comparability	-16	-75		-50	-76		-71	-97
Re-allocation of int. services	-	-		-	-		-2	-2
Adjusted EBITA	50	80	-37	72	119	-40	163	210
Adjusted EBITA margin, %	8.4	14.1		6.5	12.0		7.6	10.4

**A reclassification in regards to amortization has been made between the business areas in periods prior to Q1-22 impacting EBIT.*

Quarterly net sales - FoodTech, (MSEK)



Quarterly adjusted EBITA margin % - FoodTech



Corporate

The Corporate function reported an EBITA of MSEK -39 (-26) in the second quarter. Corporate staff functions as well as minority investments are accounted for within Corporate. The increase was mainly due to expansion of corporate staff functions focusing on work with streamlining and digitalization ways of working. To further enhance Munters strategic journey we have started to make financial investments in start-ups with the aim to support innovation for the group within digitalization, technology, and sustainability. In the first six months 2022, one minority investments was made in the digital space.

Employees

The number of permanent FTEs (Full Time Equivalents), at June 30, 2022 was 3,654 (3,274). The amount of FTEs at June 30, 2022 in business area AirTech was 2,403 (2,184), in DCT 340 (193), in FoodTech 826 (813) and at Group functions 85 (84). The increase in DCT is mainly explained by the acquisition of Edpac which contributed with about 150 employees.

Outstanding shares

As of June 30, 2022, Munters held 2,804,611 treasury shares of the total outstanding shares of 184,457,817.

Dividend

A dividend of SEK 0.85 (0.70) per share was paid in May 2022, in total MSEK 154 (127). This represented 30 per cent of the net income 2021.

Other events during the quarter

Webinar focused on Data Centers – On May 16 Investor Relations hosted a webinar focused on the Data Center cooling market, a prioritized growth market for Munters. The webinar provided an overview of the market as well as Munters strategy and operations. The event is available for viewing on-demand on Munters Investor Relations website.

Henrik Teiwik appointed President Business Area AirTech – On May 11 it was announced that Henrik Teiwik has been appointed Group Vice President and President for business area AirTech and will join Munters' management team. Henrik has extensive leadership experience as CEO of Handicare Group and before that as Vice President at Alimak Group. Those roles included an IPO process, M&A processes, board assignments as well as other areas. He has previously held a number of highly qualified positions such as Associate Principal at McKinsey & Company, mainly focused on the industrial sector, with broad international experience. Henrik has lived in the US, Germany and Australia and has worked globally. He has a Master of Science in Business Administration from the Stockholm School of Economics. Henrik will assume his position on 15 August 2022.

Annual general meeting 2022 - The annual general meeting was held on Wednesday, May 18. The Annual General Meeting was held without the physical presence of shareholders, representatives or third parties. More information around main resolutions made at the Annual General Meeting can be found on www.munters.com.

New business area Data Center Technologies – On May 25 an organizational change was announced, Data Center Technologies becomes a new business area. Data centers is a prioritized and growing market segment for Munters, which has achieved high traction and strong growth. Our data center solutions, technologies and customer projects are specialized for the segment and will benefit from increased focus in the organization. The change also aims to decentralize business responsibility and simplify the way we work. Stefan Aspman, currently Group Vice President and Head of Commercial Excellence and Strategic Marketing at Munters, has been appointed President of business area Data Center Technologies. Initially, Stefan will combine this new role with his current assignment. With the organizational changes, Munters will have three business areas: AirTech, FoodTech and Data Center Technologies. Like the other business areas, Data Center Technologies will be responsible for its own profit and loss and the full value chain to enable profitable growth.

Events after the close of the period

No major events occurred after the close of the period.

Ten largest shareholders

As of 30 Jun	Total (%)
FAM AB	28.0
ODIN Funds	9.0
Forth Swedish National Pension Fund	7.9
First Swedish National Pension Fund	7.2
Swedbank Robur Fund	3.9
Columbia Threadneedle	3.2
La Financière de l'Echiquier	2.7
C WorldWide Asset Management	2.6
Vanguard	2.0
Capital Group	1.5

Source: Monitor

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

- ~3,700 employees (FTEs)
- >30 countries with sales and manufacturing
- 18 production units
- 23% women in management
- Three business areas: AirTech, Data Center Technologies and FoodTech

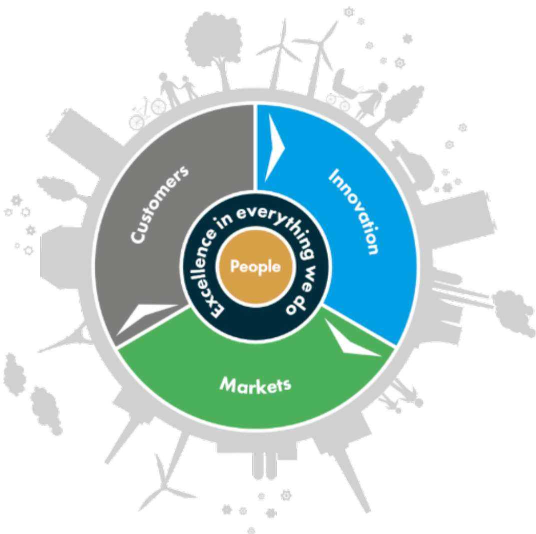
In 2021, AirTech generated 63%, Data Center Technologies 10% and FoodTech 27% of the total net sales of Munters

Purpose

For customer success and a healthier planet

Curiosity and a 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 most of our markets. 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: Employees are the hub of our business and their safety and health is a priority. Diversity and inclusion are important to us, since we are convinced that diversity leads to stronger innovation. Through collaboration and a passion for creating energy-efficient solutions for our customers and partners, we contribute to our customers' success and a better world

Customers: We help our customers succeed by supplying high-quality climate solutions that make them more sustainable. Our success is built on close, long-term relationships and a deep understanding of the customer's business and future needs. Our strategy is to continue to build customer insight and utilize our broadbased expertise on applications, technology and components to supply attractive solutions and services.

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 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 re-duce 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 a respect for human rights, diversity, and health and safety in the workplace

Quarterly overview Group

Income Statement

	2022		2021				2020		
MSEK	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Order backlog	7,515	6,367	4,198	3,525	3,018	2,769	2,253	2,664	2,660
Order intake	3,200	4,133	2,605	2,295	2,118	1,995	1,611	1,919	1,870
Net sales	2,610	2,121	2,057	1,857	1,822	1,612	1,841	1,833	1,773
Adjusted EBITDA	**332**	**260**	**274**	**270**	**311**	**250**	**300**	**326**	**313**
Depreciation tangible assets	-60	-59	-56	-55	-53	-52	-55	-55	-53
Adjusted EBITA	**272**	**201**	**217**	**215**	**259**	**198**	**245**	**271**	**260**
Amortization intangible assets from acq.	-9	-9	-8	-8	-7	-7	-8	-10	-10
Amortization other intangible assets	-15	-14	-10	-10	-14	-10	-8	-20	-10
Items affecting comparability (IAC)	-28	-44	-9	-3	-91	41	22	4	-138
Operating profit (EBIT)	**220**	**134**	**190**	**194**	**147**	**222**	**250**	**245**	**103**
Financial income and expenses	-14	-23	-14	-20	-25	-25	-45	-30	-50
Tax	-39	-10	-43	-35	-37	-38	-33	-51	-13
Net income	**166**	**102**	**133**	**138**	**84**	**160**	**172**	**163**	**39**
-attributable to Parent Comp. Shareholders	169	104	133	138	83	160	169	161	39

Key performance indicators

	2022		2021				2020		
MSEK	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Organic Growth, Net Sales	25%	16%	10%	3%	13%	14%	8%	8%	-6%
Adjusted EBITA margin, %	10.4	9.5	10.6	11.6	14.2	12.3	13.3	14.8	14.7
Operating margin, %	8.4	6.3	9.2	10.5	8.0	13.8	13.6	13.3	5.8
Earnings per share before dilution, SEK	0.93	0.57	0.73	0.75	0.46	0.88	0.93	0.89	0.21
Earnings per share before after, SEK	0.93	0.57	0.73	0.75	0.45	0.87	0.93	0.89	0.21
Net Debt/Adjusted EBITDA, LTM	2.9	2.6	2.2	2.2	1.9	1.9	1.9	2.5	2.7

Net Debt

	2022		2021				2020		
MSEK	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Cash and cash equivalents	-459	-565	-674	-440	-680	-916	-970	-790	-827
Interest-bearing liabilities	3 101	2 830	2 374	2 324	2 263	2 491	2 455	2 822	3 063
Lease liabilities	367	370	376	369	366	362	332	366	378
Provisions for pensions	226	298	308	279	255	261	291	288	270
Accrued financial expenses	6	5	5	4	4	10	9	9	12
Net Debt	**3 241**	**2 938**	**2 389**	**2 536**	**2 209**	**2 208**	**2 116**	**2 694**	**2 895**

Condensed statement of comprehensive income

	Q2		Jan-Jun		LTM	Full-year
MSEK	**2022**	**2021**	**2022**	**2021**	**Jul-Jun**	**2021**
Net sales	2,610	1,822	4,731	3,434	8,645	7,348
Cost of goods sold	-1,865	-1,190	-3,367	-2,265	-6,096	-4,994
Gross profit	**745**	**632**	**1,364**	**1,170**	**2,548**	**2,354**
Selling expenses	-263	-217	-501	-408	-938	-844
Administrative costs	-198	-141	-361	-276	-641	-556
Research and development costs	-52	-40	-110	-77	-195	-162
Other operating income and expenses	-12	-88	-37	-40	-36	-39
Operating profit	**220**	**147**	**354**	**369**	**738**	**753**
Financial income and expenses	-14	-25	-37	-50	-71	-84
Profit/Loss after financial items	**205**	**121**	**317**	**319**	**667**	**668**
Tax	-39	-37	-49	-75	-127	-153
Net income for the period	**166**	**84**	**268**	**244**	**540**	**515**
Attributable to Parent Company shareholders	169	83	274	243	544	513
Attributable to non-controlling interests	*-3*	*1*	*-5*	*1*	*-4*	*3*
Average number of outstanding shares before dilution	181,616,912	182,016,452	181,613,506	181,968,367	182,023,757	182,207,520
Average number of outstanding shares after dilution	181,760,257	182,798,778	181,781,139	182,701,021	182,266,620	182,548,017
Earnings per share before dilution, SEK	0.93	0.46	1.51	1.33	2.99	2.81
Earnings per share after dilution, SEK	0.93	0.45	1.51	1.33	2.98	2.81
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Exchange-rate differences on translation of foreign operations	292	-62	354	99	522	268
Items that will not be reclassified to profit or loss:						
Actuarial gains and losses on defined-benefit pension obligations, incl. payroll tax	74	8	87	44	40	-3
Income tax effect not to be reclassified to profit or loss	-15	-1	-18	-9	-9	-0
Other comprehensive income, net after tax	**350**	**-55**	**423**	**134**	**553**	**264**
Total comprehensive income for the period	**517**	**29**	**691**	**378**	**1,093**	**779**
Attributable to Parent Company shareholders	519	28	697	377	1,098	779
Attributable to non-controlling interests	-3	1	-6	0	-6	1

Condensed statement of financial position

MSEK	2022-06-30	2021-06-30	2021-12-31
ASSETS			
NON-CURRENT ASSETS			
Goodwill	4,855	4,063	4,248
Patents, licenses, brands, and similar rights	1,889	1,457	1,586
Buildings and land	282	238	239
Plant and machinery	478	469	469
Equipment, tools, fixtures and fittings	196	164	185
Construction in progress	130	60	78
Financial assets	21	19	20
Deferred tax assets	292	263	278
Total non-current assets	**8,143**	**6,733**	**7,103**
CURRENT ASSETS			
Raw materials and consumables	707	435	532
Products in process	292	165	170
Finished products and goods for resale	456	284	347
Projects in progress	27	13	11
Advances to suppliers	39	9	12
Accounts receivable	1,526	1,028	1,394
Prepaid expenses and accrued income	817	473	368
Derivative instruments	3	0	1
Current tax assets	74	39	52
Other receivables	98	64	78
Cash and cash equivalents	459	680	674
Total current assets	**4,499**	**3,189**	**3,639**
TOTAL ASSETS	12,641	9,922	10,742

Condensed statement of financial position

MSEK	2022-06-30	2021-06-30	2021-12-31
EQUITY AND LIABILITIES			
EQUITY			
Shareholders' equity	4,898	4,029	4,360
Non-controlling interests	2	4	3
Total equity	**4,901**	**4,034**	**4,363**
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	3,340	2,532	2,636
Provisions for pensions and similar commitments	248	266	324
Other provisions	46	47	41
Other liabilities	157	139	140
Deferred tax liabilities	438	381	405
Total non-current liabilities	**4,230**	**3,365**	**3,546**
CURRENT LIABILITIES			
Interest-bearing liabilities	128	97	114
Advances from customers	1,105	623	648
Accounts payable	910	662	771
Accrued expenses and deferred income	1,039	767	998
Derivative instruments	1	–	–
Current tax liabilities	36	40	40
Other liabilities	119	93	100
Provisions for pensions and similar commitments	4	9	9
Other provisions	168	232	153
Total current liabilities	**3,511**	**2,523**	**2,833**
TOTAL EQUITY AND LIABILITIES	12,641	9,922	10,742

Condensed statement of changes in equity

MSEK	2022-06-30	2021-06-30	2021-12-31
Opening balance	**4,363**	**3,751**	**3,751**
Total comprehensive income for the period	691	378	779
Exercised share options	4	32	40
Change in non-controlling interest	–	–	-1
Put/call option related to non controlling interests	–	-2	-4
Dividends paid	-156	-129	-129
Repurchase of shares	–	–	-69
Share option plan incl. deferred tax	-1	4	-5
Other	–	–	1
Closing balance	**4,901**	**4,034**	**4,363**
Total shareholders´equity attributable to:			
The parent company's shareholders	4,898	4,029	4,360
Non-controlling interests	2	4	3

Condensed cash flow statement

	Q2		Jan-Jun		LTM	Full-year
MSEK	2022	2021	2022	2021	Jul-Jun	2021
OPERATING ACTIVITIES						
Operating profit	220	147	354	369	738	753
Reversal of non-cash items						
Depreciation, amortization and impairments	85	74	166	143	326	303
Other profit/loss items not affecting liquidity	-2	8	-8	2	5	16
Change in provisions						
Provisions	-4	-2	6	-8	-83	-97
Cash flow before interest and tax	**298**	**227**	**519**	**506**	**987**	**974**
Paid financial items	-11	-50	-30	-70	-59	-99
Taxes paid	-82	-58	-107	-91	-196	-181
Cash flow from operating activites before changes in working capital	**206**	**119**	**382**	**345**	**731**	**694**
Cash flow from changes in working capital	**-101**	**39**	**-303**	**-99**	**-379**	**-175**
Cash flow from operating activities	**105**	**159**	**79**	**247**	**352**	**519**
INVESTING ACTIVITIES						
Business acquisitions	-2	-	-302	-	-302	-
Investments in participations and securities in other companies	0	-	-3	-	-3	-
Sale of tangible fixed assets	-0	0	1	1	1	2
Investment in tangible assets	-49	-36	-89	-58	-169	-138
Investment in intangible assets	-74	-67	-149	-103	-250	-204
Cash flow from investing activities	**-125**	**-102**	**-542**	**-160**	**-722**	**-341**
FINANCING ACTIVITIES						
Exercised share options	2	32	4	32	12	40
Loan raised	205	574	785	598	2,498	2,311
Amortization of loans	-117	-742	-349	-841	-2,058	-2,550
Repayment of lease liabilities	-29	-24	-56	-50	-111	-105
Repurchase of shares	-	-	-	-	-69	-69
Dividends paid	-156	-129	-156	-129	-156	-129
Cash flow from financing activities	**-95**	**-289**	**228**	**-391**	**116**	**-503**
Cash flow for the period	**-115**	**-233**	**-235**	**-304**	**-255**	**-324**
Cash and cash equivalents at period start	565	916	674	970	680	970
Exchange-rate differences in cash and cash equivalents	9	-3	20	14	34	28
Cash and cash equivalents at period end	**459**	**680**	**459**	**680**	**459**	**674**

Parent company

Condensed income statement

	Q2		Jan-Jun		LTM	Full-year
MSEK	2022	2021	2022	2021	Jul-Jun	2021
Net sales	–	–	–	–	–	–
Gross profit/loss	**0**	**–**	**0**	**–**	**0**	**–**
Administrative costs	-2	-4	-4	-4	-11	-12
Other operating expenses	-0	0	1	-1	13	11
Profit/Loss before interest and tax (EBIT)	**-2**	**-4**	**-3**	**-6**	**2**	**0**
Financial income and expenses	-1	-0	-1	0	-2	-1
Profit/Loss after financial items	**-2**	**-4**	**-4**	**-6**	**0**	**-1**
Group contributions	–	–	–	–	8	8
Profit/Loss before tax	**-2**	**-4**	**-4**	**-6**	**9**	**7**
Tax	–	-0	0	–	1	1
Net income for the period	**-2**	**-4**	**-4**	**-6**	**10**	**8**

Condensed statement of comprehensive income

	Q2		Jan-Jun		LTM	Full-year
MSEK	2022	2021	2022	2021	Jul-Jun	2021
Profit/Loss for the period	-2	-4	-4	-6	10	8
Other comprehensive income, net after tax	–	–	–	–	–	–
Comprehensive income for the period	**-2**	**-4**	**-4**	**-6**	**10**	**8**

Parent company

Condensed balance sheet

MSEK	2022-06-30	2021-06-30	2021-12-31
ASSETS			
NON-CURRENT ASSETS			
Participations in subsidiaries	4,096	4,103	4,094
Other financial assets	3	4	5
Total non-current assets	**4,099**	**4,108**	**4,100**
CURRENT ASSETS			
Prepaid expenses and accrued income	1	1	1
Current tax assets	1	1	1
Receivables from subsidiaries	18	33	13
Cash and cash equivalents	–	2	0
Total current assets	**20**	**37**	**15**
TOTAL ASSETS	4,119	4,144	4,115

MSEK	2022-06-30	2021-06-30	2021-12-31
EQUITY AND LIABILITIES			
EQUITY			
Share capital	6	6	6
Share premium reserve	4,136	4,135	4,136
Profit brought forward	-270	-61	-128
Income for the period	-4	-6	8
Total equity	**3,867**	**4,074**	**4,022**
NON-CURRENT LIABILITIES			
Provisions for pensions and similar commitments	2	2	2
Total non-current liabilities	**2**	**2**	**2**
CURRENT LIABILITIES			
Accounts payable	7	7	3
Accrued expenses and deferred income	13	16	18
Liabilities to subsidiaries	224	43	65
Other liabilities	5	3	4
Total current liabilities	**250**	**68**	**91**
TOTAL EQUITY AND LIABILITIES	4,119	4,144	4,115

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 2021 (Note 1).

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.

During 2022 the lingering Covid-19 pandemic led to continued supply chain challenges especially in region APAC and China.

As a consequence of the war in Ukraine, Munters have stopped all business activities in Russia. Annualized net sales in Russia accounted for approx. 1.5 per cent of total Group net sales and Munters had no employees in the area.

The direct financial impacts of leaving the Russian market totals MSEK -27 and has been recorded as items affecting comparability in the first half of 2022.

The indirect effects seen from the war are mainly related to material prices and logistics. For example, in general material prices have increased and some logistical routes have been cut off in Asia and Europe.

A more detailed description of the Group's risks and how they are managed can be found in the Annual- and Sustainability report 2021 on pages 54-58.

Transactions with related parties

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

Fair value of financial instruments

MSEK	2022-06-30	2021-06-30	2021-12-31
Opening balance	137	121	121
Discounting	–	2	4
Exchange-rate differences	18	5	13
Closing balance	**155**	**127**	**137**

The Group's derivatives, recognized at fair value in the statement of financial position, are measured according to IFRS 9 and are categorized as level 2 in the fair value hierarchy. The derivatives amounted to MSEK 3 (0) in financial assets and to MSEK 1 (0) in financial liabilities. The Group's put/call acquisition option, recognized at fair value in the statement of financial position, is measured according to IFRS 9 and is categorized in level 3 in the fair value hierarchy. The opening balance for the period relates to the put/call option from the acquisition of MTech Systems in 2017, which is based on EBITDA for the 12 months prior to execution and matures in January 2023. The change in the period relates to a currency translations on the put/call option.

Munters deems that the interest rate on interest-bearing liabilities are in line with market terms at June 30, 2022, and the fair value at the end of the reporting period therefore in all material aspects corresponds to the carrying amount.

Allocation of net sales

The majority of customer contracts within business areas AirTech and FoodTech fulfill the requirements to recognize net sales at a point in time while within DCT net sales from most customer contracts is recognized over time, as reflected in the below matrix. In addition to unit/equipment sales, Munters provides different kinds of services to customers such as installation, commissioning, startup and maintenance. Net sales from services are recognized over time as these services are performed. The services transferred over time in the matrix below is not equivalent to the net sales from Services mentioned on the business segment pages earlier in this interim report. This is due to the fact that part of the net sales within Services are recognized at a point in time, such as spare parts.

	Q2 2022				Jan-Jun 2022			
MSEK	AirTech	DCT	FoodTech	Total	AirTech	DCT	FoodTech	Total
Goods transferred at a point in time	1,248	60	515	1,823	2,348	138	933	3,419
Goods transferred over time	320	234	27	581	517	369	63	949
Services transferred over time	153	9	43	206	264	16	84	364
Total net sales	**1,722**	**303**	**585**	**2,610**	**3,128**	**523**	**1,080**	**4,731**

	Q2 2021				Jan-Jun 2021			
MSEK	AirTech	DCT	FoodTech	Total	AirTech	DCT	FoodTech	Total
Goods transferred at a point in time	818	4	487	1,309	1,596	5	859	2,461
Goods transferred over time	163	166	32	361	313	341	46	699
Services transferred over time	107	6	39	153	191	11	72	274
Total net sales	**1,087**	**177**	**558**	**1,822**	**2,100**	**357**	**977**	**3,434**

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 on page 129 in the Annual and Sustainability Report 2021.

A reconciliation of Adjusted EBITDA and Adjusted EBITA is found in the quarterly overview on page 11 in this interim report.

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 divestments and M&A related costs as well as costs for other events, such as the Covid-19 pandemic and war in Ukraine, having a significant impact on the comparability.

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

	Q2		Jan-Jun		Full-year	
MSEK	2022	2021	2022	2021	LTM	Jan-Dec
Restructuring activities	-16	-89	-44	-101	-67	-124
Close down of business activities in Russia	-9	-	-27	-	-27	-
Other items affecting comparability	-3	-2	-1	51	10	62
Summa	**-28**	**-91**	**-72**	**-50**	**-84**	**-62**

Business acquisitions

In January 2022, Munters announced the acquisition of EDPAC, an Irish manufacturer of cooling equipment for data centers and air treatment systems, with a purchase price of MEUR 31, approximately MSEK 303. EDPAC manufactures precision cooling equipment and various air handling systems and is also a manufacturing partner for Munters Oasis systems. Sales of Munters products account for approximately seven per cent of EDPAC's total revenue. The acquisition adds complementary products to Munters' existing data center offering and is part of Munters' strategy to grow in the prioritized data center segment. EDPAC reported net sales amounting to MEUR 17 and an adjusted EBITDA of MEUR 1.7 for the financial year ended April 2021. The company is headquartered in Carrigaline, Ireland, with two manufacturing facilities in the country and the number of full-time employees is approximately 150. EDPAC has a strong customer base with sales mainly in Europe and with a smaller part in the Middle East, South America and Asia. The purchase price allocation resulted in surplus values related to customer relationships of MSEK 55, trademarks of MSEK 11 and a residual goodwill of MSEK 200. Acquisition related costs including stamp duty amounted to MSEK 8. Below is a list of paid purchase price and acquired net assets.

MSEK	2022-06-30
Information about acquired net assets and goodwill	
Cash purchase consideration paid	303
Total purchase consideration	**303**
Fair value of acquired net assets	-103
Goodwill	**200**
Acquired net assets at time of acquisition	
Property, plant and equipment	46
Customer relationships	55
Trademarks	11
Inventory	35
Accounts receivable	71
Prepaid expenses and accrued income	1
Other current assets	11
Cash and cash equivalents	1
Total assets	**232**
Non-current interest-bearing liabilities	2
Current interest-bearing liabilities	50
Other provisions	2
Accounts payable	29
Accrued expenses and deferred income	35
Deferred tax liabilities	9
Current income tax	1
Total liabilities	**129**
Net identifiable assets and liabilities	103
Cash purchase consideration paid	303
Cash and cash equivalents in acquired company	1
Change in the Group's cash and cash equivalents on acquisition	**-302**

The Board of Directors and the President and CEO certify that the Interim Report gives a true and fair overview of the Parent Company's and Group's operations, their financial position and results of operations, and describes the significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 15 2022

Magnus Nicolin Chairman of the Board	**Klas Forsström** President & CEO	**Håkan Buskhe** Board Member

Helen Fasth Gillstedt Board Member	**Maria Håkansson** Board Member	**Anders Lindqvist** Board Member	**Kristian Sildeby** Board Member

Anna Westerberg Board Member	**Simon Henriksson** Board Member, employee representative	**Robert Wahlgren** Board Member, employee representative

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

Information and reporting dates

Contact persons:

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You are welcome to join a webcast or telephone conference on July 15 at 9:00 AM CEST, when President and CEO Klas Forsström, together with Group Vice President and CFO Annette Kumlien, will present the report.

Webcast
https://tv.streamfabriken.com/munters-q2-2022

Conference call
Please, dial-in using one of the numbers below and the pin code:

SE: **+46 8 505 163 86**

UK: **+44 20 319 848884**

US: **+1 412 317 6300**

Pin code: 2556601#

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

Financial calendar:

Interim report January-September 2022	October 21, 2022
Investor webinar – focus on Service	September, 2022
Full year report January-December 2022	February 9, 2023

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.

Munters Group AB, Corp. Reg. No. 556819-2321