Munters

Q3 2024

Strong growth and profits, but continued weak battery outlook

July-September

- Order intake increased +21% (+18% organic) with strong growth in Data Center Technologies (DCT), offset by negative organic development in AirTech as well as FoodTech. In AirTech, the battery sub-segment was weaker in all regions. DCT had a good level of smaller and mid-sized orders in North and Latin America. FoodTech was at a lower level mainly driven by weaker demand in Climate solutions.
- Net sales grew +6% (+5% organic). AirTech declined organically, primarily due to the continued weaker battery sub-segment in APAC and Americas. In DCT successful deliveries on large orders announced last year continued to contribute to stable growth. FoodTech grew strongly, with strong contributions from both Climate and Digital solutions.
- The adj. EBITA margin improved driven by strong net sales growth in DCT and FoodTech whereas the margin in AirTech was negatively impacted by lower net sales and thereby lower production utilization in all regions.
- Cash flow from operating activities was at a lower level primarily because of a negative impact on operating working capital in the quarter driven by consumption of advances, mainly related to project completions in AirTech. OWC/net sales improved to 11.3%, within our target range of 13-10%.
- Net debt in relation to adj. EBITDA was 1.9x where the slight increase in the third quarter compared to end of June was mainly a result of the acquisition of AEI and the included lease liabilities related to a new facility in Ireland (DCT).
- The second instalment of the dividend was paid out in September, amounting to MSEK 119.
- Earnings per share, before and after dilution, was SEK 1.44 (1.42) in the third quarter.

Currency adjusted growth

+10%

Adj. EBITA margin

16.2%

Operating working capital/net sales

11.3%

Events after the close of the period

- In the beginning of October, the acquisition of Geoclima, an Italian manufacturer of air- and water-cooled chillers was closed. Geoclima's product offering completes DCTs cooling portfolio, enhancing the ability to offer full solutions to the total data center cooling market.
- In October, Munters announced that an agreement has been signed for business area FoodTech to acquire Hotraco, a Dutch developer of control systems and sensors for the agricultural sector. The acquisition is in line with the strategy to create a digital ecosystem to support a more efficient and sustainable food production.

Financial summary	Q3			Jan-Sep			LTM	Full-year
MSEK	2024	2023	Δ%	2024	2023	Δ%	Oct-Sep	2023
Order intake	3,007	2,494	21	9,911	8,465	17	15,562	14,116
Net sales	3,761	3,560	6	11,089	10,271	8	14,748	13,930
Growth	6%	35%		8%	39%		11%	34%
of which organic growth	5%	28%		5%	31%		-	27%
of which acquisitions and divestments	5%	3%		5%	2%		-	3%
of which currency effects	-4%	4%		-2%	7%		-	5%
Operating profit (EBIT)	509	454	12	1,499	1,211	24	1,874	1,586
Operating margin, %	*13.5*	*12.8*		*13.5*	*11.8*		*12.7*	*11.4*
Adjusted EBITA	611	503	21	1,782	1,371	30	2,249	1,839
Adjusted EBITA margin, %	*16.2*	*14.1*		*16.1*	*13.3*		*15.2*	*13.2*
Net income	275	264	4	844	734	15	901	792
Earnings per share before dilution, SEK	1.44	1.42		4.44	4.00		4.74	4.30
Earnings per share after dilution, SEK	1.44	1.42		4.44	4.00		4.74	4.30
Cash flow from operating activities	329	554		1,544	396		2,214	1,066
OWC/Net Sales	11.3%	13.7%		11.3%	13.7%		11.3%	14.2%
Net debt	4,968	4,399		4,968	4,399		4,968	4,620
Net debt/Adjusted EBITDA, LTM	1.9	2.2		1.9	2.2		1.9	2.1

Klas Forsström
President and CEO

"A quarter with strong growth & profits. We continued to see strong demand in most of our end-user segments, with weak outlook in the battery market."

CEO comments

Strong demand in most of our end-user segments, but the battery market continued to show weak outlook and our capacity expansion is on track

To summarize our achievements for the quarter, I would first like to highlight that we continue to see strong demand for our data center cooling technologies, driven by the mega-trend of digitalization. This will remain for the foreseeable future. The strong market demand resulted in substantial growth in order intake for DCT, where we for the second consecutive quarter observed robust order intake in small- and mid-sized orders. In Cork, Ireland, the expansion of our manufacturing footprint in Europe through the build of our new DCT facility, is on track to be inaugurated during the fourth quarter.

In AirTech organic order intake was negative, mainly driven by the weaker battery market. This market has seen delays in investments across all regions, resulting in significantly decreased demand over the past quarter and aggressive price pressure. We anticipate these challenging conditions to remain in 2025; however, the long-term outlook remains strong. Our new build of the manufacturing site in Amesbury for AirTech, is on track. We will start to move in at the beginning of 2025, running two sites in parallel during the first months of 2025. The new facility will significantly increase capacity and be the largest in Munters. This site, as well as the DCT facility in Cork are designed to support Munters' goal of reducing Scope 1 & 2.

Order intake in FoodTech was weaker, mainly driven by Climate solutions where seasonal effects and timing of orders received had a negative effect. Despite slightly lower order intake in Digital solutions we continue to see strong demand for our software and controllers, driven by the megatrend of sustainability where the need to optimize the value chain for food production and reduce emissions and waste, is high.

Solid growth & robust profits driven by strong net sales

Secondly, net sales grew, with a significant increase in FoodTech, driven by strong growth of equipment sales across all segments in Climate solutions. Digital solutions in Americas saw growth in both software implementations and SaaS revenue (ARR*), with the latter increasing by more than 50 per cent in the quarter. DCT also saw strong growth driven by the good progression of deliveries to customers. AirTech had lower organic net sales mainly related to the weaker battery market, which was partly offset by growth in the rest of the Industrial segment in EMEA and APAC.

Thirdly, I am very pleased that we continue to deliver a strong EBITA-margin, with both DCT and FoodTech delivering very strong margins driven by good net sales growth. In AirTech, lower production utilization due to lower net sales had a negative impact, partly offset by a positive product mix as deliveries on a major order were finalized. As the outlook for the battery market in 2025 remains weak, we have taken further mitigating actions in the quarter to counter future potential lower volumes and under-absorption. We will continue to monitor this situation closely.

All business areas continued to work with operational efficiency initiatives, such as lean, resulting in an increased flexibility.

Strengthened market position through M&A and partnerships

In the quarter, we closed the acquisition of a majority share in Automated Environments (AEI), which accelerates our digital journey in FoodTech as we add control systems for the layer industry to our offering. In addition, after the quarter closed, we announced an agreement to acquire the Dutch company Hotraco within FoodTech, offering control technology for the livestock, crop storage and greenhouse sectors. This is in line with our strategy to build a digital ecosystem to support a more sustainable and efficient food industry. Also, after the quarter closed, we announced the acquisition of Geoclima, an Italian manufacturer of air- and water-cooled chillers, and the strategic alliance for data center cooling innovation with ZutaCore, aiming at tackling the challenges of managing AI-generated heat more efficiently and sustainably. Munters and ZutaCore, will integrate Munters SyCool systems with ZutaCore's advanced 2-phase liquid cooling technology.

I would like to extend my sincere appreciation to all our dedicated employees for their diligent efforts and commitment.

*ARR = Annualized Recurring software Revenues

Midterm financial targets

Net sales growth:	Annual currency adjusted net sales growth above 14% Performance Q3 2024: 10% (31)
Adjusted EBITA margin:	An adjusted EBITA margin above 14%. Performance Q3 2024: 16.2% (14.1)
OWC/net sales:	Average (LTM) operating working capital in the range of 13-10 % of net sales. Performance Q3 2024: 11.3% (13.7)
Dividend policy:	Aim to pay an annual dividend corresponding to 30-50% of net income for the year Dividend 2024: 30% (SEK 1.30 per share, totaling MSEK 237) paid in two instalments.

Sustainability results Q3 2024

Environment	**Target: Reduce CO_2 emissions** Performance Q3 2024, Renewable electricity: 79 (80)
Social	**Target: Gender equity** Performance Q3 2024, Women leaders: 22% (21)
Governance	**Target: Code of Conduct compliance** Performance Q3 2024, Supplier CoC: 98%
Service & Components:	Performance Q3 2024: 23% (24)

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

	Q3			Jan-Sep			LTM	Full-year
MSEK	2024	2023	Δ%	2024	2023	Δ%	Oct-Sep	2023
Order intake	3,007	2,494	21	9,911	8,465	17	15,562	14,116
AirTech	1,529	1,463	4	5,544	4,875	14	7,466	6,796
DCT	898	404	122	2,301	1,764	30	5,485	4,948
FoodTech	590	651	-9	2,117	1,878	13	2,673	2,433
Corporate & elim.	-10	-24	-	-52	-50	-	-63	-61
Net sales	3,761	3,560	6	11,089	10,271	8	14,748	13,930
AirTech	2,011	1,978	2	5,944	6,090	-2	8,080	8,226
DCT	1,012	953	6	3,077	2,483	24	4,002	3,408
FoodTech	758	650	16	2,117	1,745	21	2,734	2,363
Corporate & elim.	-19	-21	-	-48	-48	-	-68	-67
Adjusted EBITA	611	503	21	1,782	1,371	30	2,249	1,839
AirTech	264	305	-13	901	974	-7	1,206	1,278
DCT	235	160	47	659	375	76	804	519
FoodTech	142	80	77	347	162	114	407	222
Corporate & elim.	-32	-42	-	-126	-140	-	-167	-181
Adjusted EBITA margin, %	16.2	14.1		16.1	13.3		15.2	13.2
AirTech	13.1	15.4		15.2	16.0		14.9	15.5
DCT	23.3	16.8		21.4	15.1		20.1	15.2
FoodTech	18.8	12.4		16.4	9.3		14.9	9.4

Order intake

July-September 2024

Order intake amounted to MSEK 3,007 (2,494), (organic development of +18%, structural +8%, currency effects -5%), with strong growth in DCT offset by a negative organic development in AirTech as well as FoodTech.

In AirTech order intake had a negative organic development, mainly due to the weaker battery sub-segment in all regions. APAC and Americas had a negative development and the EMEA region showed slight growth. Order intake in DCT was strong, with a good level of smaller and mid-sized orders in North and Latin America. Order intake in FoodTech decreased, primarily due to weaker demand in Climate solutions.

January-September 2024

Order intake during the first nine months of the year amounted to MSEK 9,911 (8,465), (organic development of +13%, structural +6%, currency effects -2%) with good growth in all business areas, especially DCT.

The order backlog at the end of the period amounted to MSEK 10,685 compared to MSEK 10,025 in the third quarter 2023, corresponding to a 7% increase.

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

Net sales

July-September 2024

Net sales grew to MSEK 3,761 (3,560) (organic growth +5%, structural +5%, currency effects -4%). In AirTech net sales declined organically, primarily due to the continued weaker battery sub-segment in APAC and Americas. In DCT successful deliveries on large orders announced last year continued to contribute to stable growth. FoodTech grew strongly, with contributions from both Climate and Digital solutions.

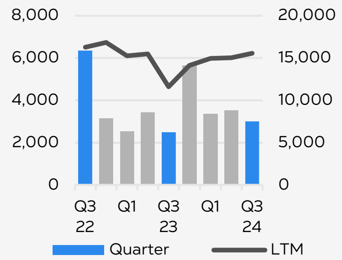
Munters has an ambition to reach a service and components level of more than one third of net sales in the long-term. Service is defined as after-market service plus Software-as-a-Service (Saas) revenues. Service and components amounted to 23% of net sales, with an organic growth of 2%. Service accounted for 16% of total net sales with an organic growth of 9%.

January-September 2024

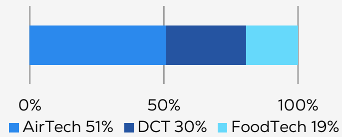
Net sales grew to MSEK 11,089 (10,271) (organic growth +5%, structural +5%, currency effects -2%).

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

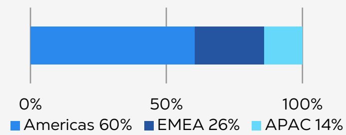
Quarterly order intake (MSEK)



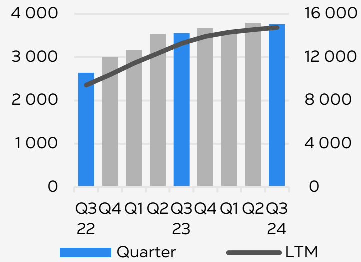
Order intake per Business Area Q3, 2024



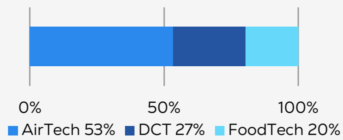
Order intake per region Q3, 2024



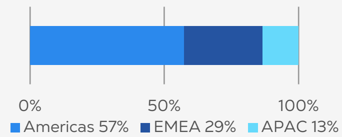
Quarterly net sales, (MSEK)



Net sales per Business Area Q3, 2024



Net sales per region Q3, 2024



Results

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

July-September 2024

The gross margin amounted to 35.1% (32.1).

Adjusted EBITDA amounted to MSEK 709 (587), corresponding to an adjusted EBITDA margin of 18.9% (16.5). Depreciation of tangible assets amounted to MSEK -99 (-84), whereof depreciation of leased assets was MSEK -53 (-48).

Adjusted EBITA amounted to MSEK 611 (503), corresponding to an adjusted EBITA margin of 16.2% (14.1). The margin improved due to strong net sales growth in DCT and FoodTech. In AirTech the product mix had a positive impact as deliveries on a major order were finalized, offset by lower production utilization due to lower net sales. All business areas continued to work with operational efficiency initiatives, such as lean and similar initiatives, resulting in an increased flexibility.

Operating profit (EBIT) was MSEK 509 (454), corresponding to an operating margin of 13.5% (12.8). Amortization of intangible assets were MSEK -65 (-41), where MSEK -15 (-13) related to amortization of intangible assets from acquisitions.

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

January-September 2024

The gross margin amounted to 35.4% (31.5).

Adjusted EBITDA amounted to MSEK 2,062 (1,610), corresponding to an adjusted EBITDA-margin of 18.6% (15.7). Depreciation of tangible assets amounted to MSEK -281 (-239), whereof depreciation of leased assets was MSEK -146 (-136).

Adjusted EBITA amounted to MSEK 1,782 (1,371), corresponding to an adjusted EBITA margin of 16.1% (13.3). The 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. Also, all business areas had positive effects from lean practices and other efficiency improvements initiatives.

Operating profit (EBIT) was MSEK 1,499 (1,211), corresponding to an operating margin of 13.5% (11.8). Amortization of intangible assets were MSEK -160 (-113), where MSEK -41 (-38) related to amortization of intangible assets from acquisitions.

Items affecting comparability (IAC)

Items affecting comparability totaled MSEK -37 (-7) in the third quarter, including costs for restructuring activities of MSEK -4 (0) and costs for M&A activities of MSEK -11 (-7). Other IACs totaled MSEK -22 (0) and relate to costs for the strategic review of the equipment offering in FoodTech.

For the nine months period, IACs totaled MSEK -122 (-47) including restructuring activities of MSEK -28 (-12) and costs for M&A activities of MSEK -27 (-15). Other IACs, mainly related to the strategic review, amounted to MSEK -67 (-20).

Financial items

Financial income and expenses for the third quarter amounted to MSEK -98 (-93). Compared to the same period last year interest expenses increased mainly due to higher outstanding debt. Interest expense on lease liabilities amounts to MSEK -14 (-11) in the third quarter.

Financial income and expenses for the first nine months amounted to MSEK -276 (-232).

Taxes

Income taxes for the third quarter were MSEK -135 (-98) with an effective tax rate of 33% (27). Income taxes for the first nine months were MSEK -379 (-245) with an effective tax rate of 31% (25).

The tax rate for the third quarter and the first nine months are negatively impacted by tax losses not recognized in Sweden and Germany.

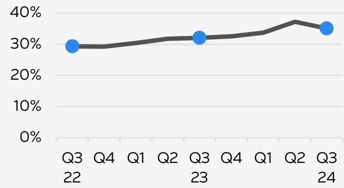
Earnings per share

Net income attributable to Parent Company's shareholders amounted to MSEK 263 (260) in the third quarter.

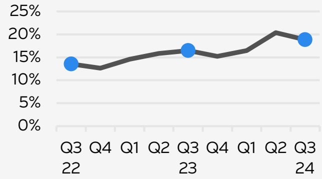
Earnings per share, before and after dilution, was SEK 1.44 (1.42) in the third quarter and SEK 4.44 (4.00) for the nine months period.

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

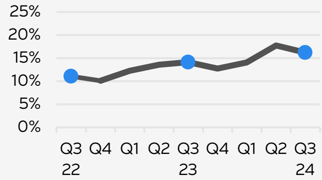
Quarterly gross margin, %



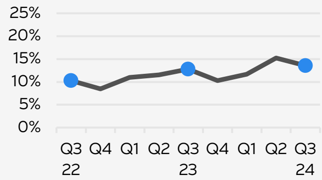
Quarterly adjusted EBITDA margin, %



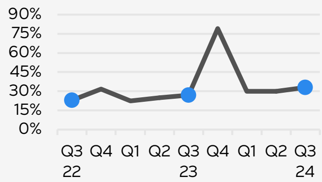
Quarterly adjusted EBITA margin, %



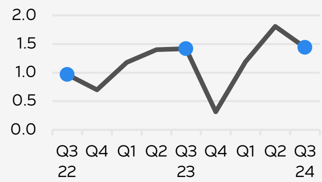
Quarterly EBIT margin, %



Tax rate per quarter, %



Quarterly EPS, SEK



Financial position

Net debt as of September 30 amounted to MSEK 4,968 compared to MSEK 4,447 at the end of June 2024 and MSEK 4,399 at the end of September 2023. The increase in net debt in the third quarter mainly relates to negative cash flow and included lease liabilities related to a new facility in Ireland (DCT). Net debt in relation to adjusted EBITDA was 1.9x compared to 1.8x at end of June 2024 and 2.2x at the end of September 2023.

Interest-bearing liabilities, including lease liabilities, as of September 30 amounted to MSEK 6,028 compared to MSEK 5,937 at the end of June 2024 and MSEK 5,345 at the end of September 2023. The increase compared to September 30, 2023 is mainly driven by acquisitions financed through debt executed during the recent year.

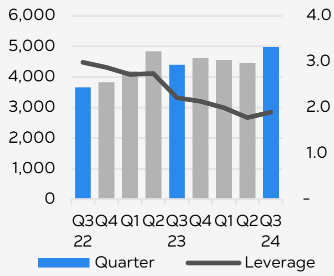
The Group's interest-bearing liabilities have an average maturity of 2.2 years.

During the last 12 months Munters has closed acquisitions of the Indian air handling equipment company ZECO, Airprotech, an Italian manufacturer of Volatile Organic Compounds (VOC) abatement systems and Automated Environments a US-based company specializing in automated control systems for the layer industry. In addition, Munters participated in capital increases in two minority investments, made two new minority investments and one investment in associated companies.

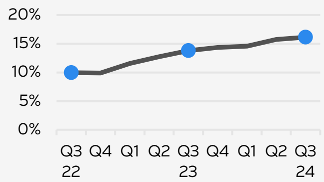
Cash and cash equivalents decreased MSEK -382 in the third quarter compared to 30 June, 2024, and amounted to MSEK 1,393 (1,165).

Average capital employed for the last twelve months was MSEK 11,883 (10,737). Return on capital employed (ROCE) for the last twelve months increased to 16.1% (13.8) mainly because of an increase in operating profits.

Net debt per quarter



ROCE, %



Cash flow

Cash flow from operating activities amounted to MSEK 329 (554) in the third quarter and MSEK 1,544 (396) for the first nine months of 2024.

Cash flow from changes in working capital had a negative impact of MSEK -144 (110) in the third quarter, where the operating working capital increased mainly driven by consumption of advances, largely related to project completions in AirTech. For the first nine months cash flow from changes in working capital has a positive impact of MSEK 244 (-724) driven mainly by an increase of customer advances in DCT as well as a decrease in inventory and accrued income.

Cash flow from investing and financing activities for the third quarter amounted to MSEK -698 (-96) as a result mainly of acquisitions closed in the period, increased capital expenditures, mainly related to the new DCT facility in Ireland as well as the new AirTech facility in Amesbury, US, and payment of dividend. In the first nine months it amounted to MSEK -1,688 (-143) as a result mainly of acquisitions closed in the period, increased capital expenditures, and payment of two installments of dividend to external shareholders in March and September.

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.

	Q3			Jan-Sep			LTM	Full-year
MSEK	2024	2023	Δ%	2024	2023	Δ%	Oct-Sep	2023
External order backlog	3,327	3,572	-7	3,327	3,572	-7	3,327	3,250
Order intake	1,529	1,463	4	5,544	4,875	14	7,466	6,796
Growth	4%	-40%		14%	-15%		-1%	-19%
Net sales	2,011	1,978	2	5,944	6,090	-2	8,080	8,226
Growth	2%	17%		-2%	26%		-0%	20%
of which organic growth	-3%	12%		-8%	19%		-	13%
of which acq. and div.	8%	3%		7%	2%		-	3%
of which currency effects	-4%	3%		-2%	5%		-	4%
Operating profit (EBIT)	241	290	-17	828	926	-11	1,092	1,190
Operating margin, %	*12.0*	*14.7*		*13.9*	*15.2*		*13.5*	*14.5*
Amortization of intang. asset	-15	-14		-37	-35		-41	-39
Items affecting comparability	-9	-1		-37	-13		-73	-49
Adjusted EBITA	264	305	-13	901	974	-7	1,206	1,278
Adjusted EBITA margin, %	*13.1*	*15.4*		*15.2*	*16.0*		*14.9*	*15.5*

July-September 2024

Order intake

Organic order intake declined (-4%), mainly due to weaker battery sub-segment in all regions. APAC and Americas had a negative development and the EMEA region showed slight growth.

- The Industrial segment (excl. battery) showed good development in Americas and EMEA, while the APAC region developed flat. Within the battery sub-segment the APAC region continued to show weak demand, especially in China. In EMEA and Americas greenfield investments were delayed as well as customers placing orders closer to delivery. At the same time the competitive environment and price pressure has become more aggressive as several new players have entered the market in recent years.
- The Commercial segment showed good growth driven by supermarket customers in Americas, offset by weaker development in APAC.
- The Components segment declined in all regions, impacted by lower component replacements in the battery market.
- Service showed stable growth, primarily driven by the EMEA region.

Net sales

Net sales had a negative organic development (-3%), primarily due to the weaker battery sub-segment in APAC and Americas. Service accounted for 21% (21) of AirTech's net sales.

- The Industrial segment (excl. battery) increased, driven by good growth in EMEA as well as positive development in APAC, slightly offset by Americas. The battery sub-segment showed growth in EMEA, offset by weaker development in APAC and Americas.
- The Commercial segment declined mainly in the APAC region, offset by growth in Americas.
- Clean Technologies grew in EMEA driven mainly by the acquisition of Airprotech.
- The Components segment declined due to weaker demand in APAC, whereas EMEA showed growth mainly driven by increased sales of evaporative pads to the data center market.
- The Service segment grew, driven by the EMEA and Americas regions.

Adjusted EBITA

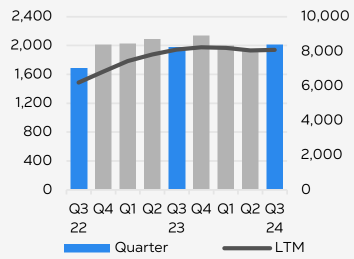
The adjusted EBITA margin was lower, mainly due to lower net sales and thereby lower production utilization in all regions. This was partly offset by a positive impact from product mix in Americas, where a major order was finalized in the quarter.

- Operational and commercial excellence initiatives generated good results in the quarter, with a positive impact on the adjusted EBITA-margin from net price increases.

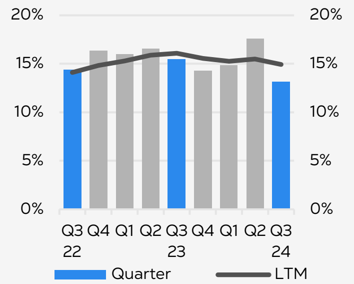
January-September 2024

- Order intake increased 7% organically, with growth primarily in the Industrial segment in EMEA during the beginning of the of the year. As well as good growth in the Commercial segment in Americas.
- Net sales decreased -8% organically, mainly due to the weaker battery sub-segment in APAC. In Americas the battery sub-segment has shown growth as well as Service in EMEA.
- The adjusted EBITA margin decreased slightly mainly due to the lower volumes related to the weaker battery sub-segment. Positively impacted by product mix through finalization of deliveries on major orders and good net price increases.

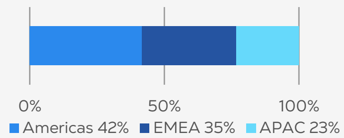
Quarterly net sales - AirTech, (MSEK)



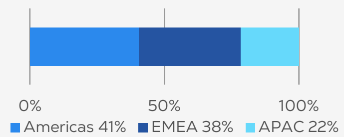
Quarterly adjusted EBITA margin % - AirTech



Order intake per region Q3, 2024 - AirTech



Net sales per region Q3, 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, as well as in Ireland.

	Q3			Jan-Sep			LTM	Full-year
MSEK	2024	2023	Δ%	2024	2023	Δ%	Oct-Sep	2023
External order backlog	6,464	5,453	19	6,464	5,453	19	6,464	7,206
Order intake	898	404	122	2,301	1,764	30	5,485	4,948
Growth	122%	-88%		30%	-72%		206%	-21%
Net sales	1,012	953	6	3,077	2,483	24	4,002	3,408
Growth	6%	152%		24%	176%		34%	143%
of which organic growth	10%	140%		25%	157%		-	131%
of which acq. and div.	-	-		-	-		-	-
of which currency effects	-4%	13%		-1%	18%		-	12%
Operating profit (EBIT)	225	154	46	638	358	78	778	497
Operating margin, %	*22.2*	*16.2*		*20.8*	*14.4*		*19.4*	*14.6*
Amortization of intang. asset	-5	-6		-16	-17		-21	-22
Items affecting comparability	-5	-		-5	-		-5	-
Adjusted EBITA	235	160	47	659	375	76	804	519
Adjusted EBITA margin, %	*23.3*	*16.8*		*21.4*	*15.1*		*20.1*	*15.2*

July-September 2024

Order intake

Order intake increased +134% organically primarily by a good level of smaller and mid-sized orders in North and Latin America. The growth is driven mainly by the colocation market growth fueled by hyperscalers increasing demand for server space.

- Overall, the industry is seeing slower development of orders in EMEA than Americas and APAC due to changes in data center designs to accommodate higher densities and adapt to new market regulations.
- Digitization and the rising demand for energy-efficient cooling solutions continue to drive strong underlying demand, both in the short and long term.

Net sales

Net sales increased +10% organically, driven by successful deliveries of large orders announced during last year. Executions on these orders are progressing according to plan. Service accounted for 4% (2) of DCTs net sales.

Adjusted EBITA

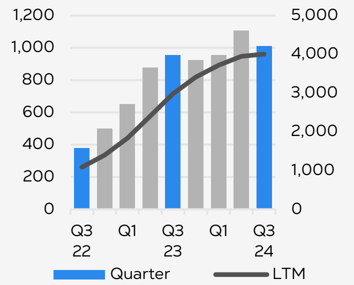
A combination of good contributions continued to improve the adjusted EBITA margin significantly such as strong volume growth, benefits from lean initiatives, positive product mix, net price increases and a high production utilization.

- Continued good progression of deliveries to customers according to plan.
- The build of the new site in Cork, Ireland is expected to be completed during the year with production starting in the first half of 2025.

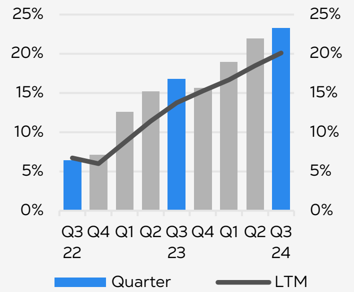
January-September 2024

- Order intake increased +32% organically mainly driven by the colocator market in Americas. Which in turn is driven by increased market activity from hyperscalers, as they lease space from colocators.
- Net sales increased +25% organically, driven by good deliveries on large orders announced during previous years and a ramp-up of production.
- The adjusted EBITA margin improved strongly because of net sales increase, high production utilization, positive product mix, net price increases and positive effects from lean practices.

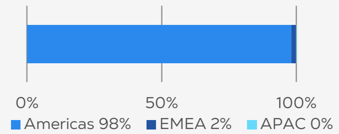
Quarterly net sales - DCT, (MSEK)



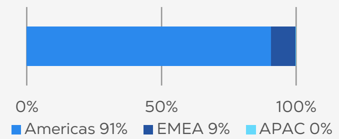
Quarterly adjusted EBITA margin % - DCT



Order intake per region Q3, 2024 – DCT



Net sales per region Q3, 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 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. In July 2023 Munters announced an initiation of a strategic review of FoodTech's equipment business. The conclusion of this review is our intention to divest this business.

	Q3			Jan-Sep			LTM	Full-year
MSEK	2024	2023	Δ%	2024	2023	Δ%	Oct-Sep	2023
External order backlog	894	999	-11	894	999	-11	894	877
Order intake	590	651	-9	2,117	1,878	13	2,673	2,433
Growth	-9%	28%		13%	7%		13%	9%
Net sales	758	650	16	2,117	1,745	21	2,734	2,363
of which SaaS	74	48	52	206	126	63	262	183
SaaS ARR	295	194	52	295	194	52	295	226
Growth	16%	10%		21%	3%		21%	7%
of which organic growth	19%	1%		19%	-4%		-	1%
of which acq. and div.	2%	5%		5%	2%		-	3%
of which currency effects	-5%	3%		-2%	5%		-	4%
Operating profit (EBIT)	92	61	52	196	86	129	217	107
Operating margin, %	*12.1*	*9.3*		*9.2*	*4.9*		*7.9*	*4.5*
Amortization of intang. asset	-28	-19		-69	-53		-95	-80
Items affecting comparability	-23	-1		-82	-24		-94	-35
Adjusted EBITA	142	80	77	347	162	114	407	222
Adjusted EBITA margin, %	*18.8*	*12.4*		*16.4*	*9.3*		*14.9*	*9.4*

July-September 2024

Order intake

Order intake decreased -8% organically, primarily due to weaker demand in Climate Solutions.

- The decline in Climate Solutions is primarily related to timing and seasonal effects, with larger orders in mainly EMEA and Americas being placed earlier in the year as well as seasonal fluctuations impacting the latter part of the quarter.
- Digital Solution in Americas declined mainly due to strong order intake with several large orders in the same quarter last year.
- Controllers saw strong growth in Americas and EMEA.

Net sales

Net sales increased +19% organically, driven by both Climate and Digital solutions. Service accounted for 18% of FoodTech's net sales.

- In Americas, Climate solutions showed strong growth of equipment sales in broiler and layer sub-segments. Digital solutions in Americas saw growth in both software implementations and SaaS revenue, with the latter increasing by +52% to MSEK 74 (48). Growth in Digital solutions mainly relates to the broiler and swine sub-segments.
- Region EMEA showed good growth in Climate solutions including both equipment and controllers in the broiler, greenhouse, swine and layer sub-segments.
- The APAC region saw a slight decline, with growth in the layer sub-segment in Climate solutions whereas the other sub-segments showed weaker development.

Adjusted EBITA

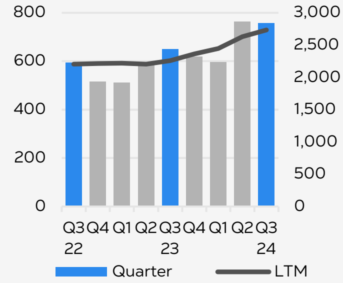
The adjusted EBITA margin increased significantly with contributions from all regions, especially EMEA and Americas.

- Margins positively affected by strong sales growth in both Climate and Digital solutions.
- Digital solutions continue to show good profitability, fueled by a growing number of software implementations and a steady increase in Annualized Recurring software Revenues (ARR).
- Net price increases continue to support margin improvements.
- Positive effects from integration synergies of Brazilian Inobram, acquired last year, coupled with the ongoing supportive impact of our operational improvement initiatives.

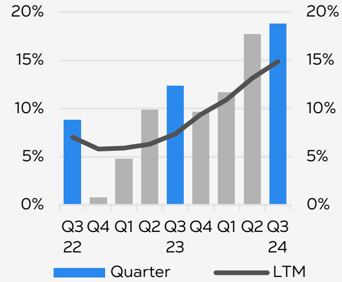
January-September 2024

- Order intake increased +11% organically, mainly due to good growth in Americas and EMEA, partly offset by continued weak development in APAC.
- Net sales increased +19% organically, driven by a continued strong development in Americas, as well as a recovery in EMEA whilst the APAC region showed softer development.
- The adjusted EBITA margin improved significantly related to positive effects from increased volumes, net price increases and operational improvement initiatives.

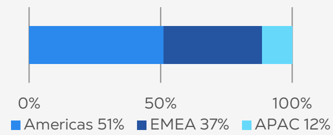
Quarterly net sales - FoodTech, (MSEK)



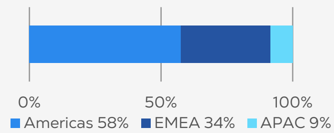
Quarterly adjusted EBITA margin % - FoodTech



Order intake per region Q3, 2024 – FoodTech



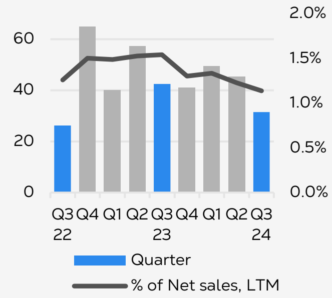
Net sales per region Q3, 2024 - FoodTech



Corporate

The Corporate function reported an adjusted EBITA of MSEK -32 (-42) in the third quarter and MSEK -126 (-140) in the first nine months. The reduction in costs is related to services that previously were sourced by Corporate functions that as of the second quarter is sourced by the business areas.

Quarterly Corporate cost (MSEK)



Other information

Employees

The number of permanent FTEs (Full Time Equivalents), at September 30, 2024 was 5,100 (4,370). The amount of FTEs at September 30, 2024 in business area AirTech was 3,333 (2,720), in DCT 747 (619), in FoodTech 873 (892) and at Group functions 147 (139).

Outstanding shares

As of September 30, 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 AGM in March resolved to pay a total dividend of 1.30 SEK (0.95), a total of MSEK 237 (173) to be paid in two equal instalments. This represented 30% of net income in 2023. A first instalment of the dividend was paid out in March and the second part was paid out September. This represents 30 (30) per cent of the net income 2023.

Other events during the quarter

Munters acquires majority share in Automated Environments (AEI) – In July, the majority share in AEI was acquired within business area FoodTech. The US-based company offers automated control systems, specializing in the layer industry. The acquisition is part of the strategy to serve food producers with an extensive portfolio of digital solutions. AEI has its headquarters in Renville, Minnesota and reported net sales of about MSEK 102 (MUSD 9.8) for FY 2023.

Munters and ZutaCore form strategic alliance for data center cooling innovation – In September, a strategic alliance was announced with ZutaCore, a leader in direct-to-chip, waterless liquid cooling for data centers. The aim is to tackle the challenges of managing AI-generated heat more efficiently and sustainably by integrating Munters' SyCool systems with ZutaCore's advanced 2-phase liquid cooling technology. The collaboration will focus on addressing the challenges of managing AI-generated heat while eliminating risks associated with water leakage.

Nomination committee for the 2025 Annual General Meeting - In September Munters announced the Nomination committee for the 2025 Annual General Meeting. It comprises the following members: Magnus Fernström, FAM, Chairman of the Nomination Committee, Celia Grip, Swedbank Robur Funds, Mats Larsson, First Swedish National pension fund and Philip Mesch, ODIN Fund Management.

Events after the close of the period

Munters announces changes in the Group Executive Management Team – In October it was announced that Stefan Måhl, Group Vice President Business Excellence and part of the Executive Management Team has decided to retire and leave the company on January 15th, 2025. Stefan has been in his current role since 2020 and worked at Munters for almost 20 years in a range of senior positions. The Business Excellence function will be placed under Group Finance & Strategy, led by Katharina Fischer, CFO & Group Vice President.

Closing of Geoclima acquisition– In the beginning of October, the acquisition of Geoclima, an Italian manufacturer of air- and water-cooled chillers was closed. Geoclima's product offering completes DCTs cooling portfolio, enhancing the ability to offer full solutions to the total data center cooling market. Geoclima has its headquarters in northern Italy with several sales offices across the world and production sites in Italy and Thailand. Geoclima's net sales for FY 2023 amounted to approx. MSEK 455 (MEUR 40.1).

Munters sign agreement to acquire of Hotraco -In October, Munters announced an agreement has been signed in business area FoodTech to acquire Hotraco, a Dutch developer of control systems and sensors for the agricultural sector. The acquisition is in line with the strategy to create a digital ecosystem built around data capture platforms and software that supports a more efficient and sustainable food production. Hotraco's net sales for FY 2023 amounted to approximately MSEK 465 (MEUR 41). The company was founded in 1974, employees 140 people and has its headquarter in the Netherlands.

Stockholm, October 22, 2024

Klas Forsström
President and CEO

Ten largest shareholders

As of 30 Sep 2024	%
FAM AB	28.0
Swedbank Robur Fund	6.2
First Swedish National Pension Fund	5.1
Capital Group	5.0
ODIN Funds	4.1
Fourth Swedish National Pension Fund	3.7
Vanguard	2.7
Handelsbanken Funds	2.0
Norges Bank	1.7
Columbia Threadneedle	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

- ~ 5,100 employees (FTEs)
- ›45 countries with sales and manufacturing
- 23 production units
- 22% women leaders
- Three business areas: AirTech, Data Center Technologies and FoodTech

In Q3, AirTech generated 53%, Data Center Technologies 27% and FoodTech 20% 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 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 broad-based 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

	2024			2023				2022	
MSEK	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Order backlog	10,685	11,834	11,812	11,333	10,025	11,153	10,783	11,463	11,866
Order intake	3,007	3,536	3,368	5,651	2,494	3,427	2,544	3,143	6,354
Net sales	3,761	3,791	3,538	3,659	3,560	3,536	3,175	3,011	2,644
Adjusted EBITDA	**709**	**771**	**582**	**556**	**587**	**561**	**462**	**381**	**359**
Depreciation tangible assets	-99	-98	-84	-88	-84	-82	-73	-78	-66
Adjusted EBITA	**611**	**673**	**498**	**467**	**503**	**479**	**389**	**304**	**293**
Amortization intangible assets from acq.	-15	-14	-13	-7	-13	-13	-12	-8	-9
Amortization other intangible assets	-50	-40	-28	-36	-29	-25	-22	-30	-19
Items affecting comparability (IAC)	-37	-41	-44	-49	-7	-34	-6	-9	6
Operating profit (EBIT)	**509**	**578**	**412**	**375**	**454**	**408**	**349**	**255**	**271**
Financial income and expenses	-98	-91	-87	-99	-93	-66	-73	-64	-41
Tax	-135	-146	-97	-218	-98	-85	-62	-61	-53
Net income	**275**	**342**	**227**	**58**	**264**	**257**	**214**	**131**	**178**
-attributable to Parent Comp. Shareholders	263	330	218	54	260	256	214	128	176

Key performance indicators

	2024			2023				2022	
MSEK	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Organic Growth, Net Sales	5%	2%	7%	16%	28%	27%	38%	26%	22%
Currency adjusted Growth, Net Sales	10%	7%	13%	20%	31%	28%	40%	30%	25%
Adjusted EBITA margin, %	16.2	17.8	14.1	12.8	14.1	13.5	12.3	10.1	11.1
Operating margin, %	13.5	15.3	11.6	10.3	12.8	11.5	11.0	8.5	10.3
Earnings per share before dilution, SEK	1.44	1.81	1.19	0.30	1.42	1.40	1.18	0.70	0.97
Earnings per share after dilution, SEK	1.44	1.81	1.19	0.30	1.42	1.40	1.18	0.70	0.97
OWC/Net Sales, %	11.3	12.5	13.6	14.2	13.7	13.2	12.7	12.7	13.1
Net Debt/Adjusted EBITDA, LTM	1.9	1.8	2.0	2.1	2.2	2.7	2.7	2.9	3.0

Net Debt

	2024			2023				2022	
MSEK	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Cash and cash equivalents	-1,393	-1,775	-1,581	-1,532	-1,165	-710	-618	-914	-698
Interest-bearing liabilities	5,013	5,045	5,089	5,131	4,575	4,518	3,772	3,721	3,424
Lease liabilities	1,015	892	757	719	770	801	781	774	731
Provisions for pensions	306	283	262	280	197	209	217	227	187
Accrued financial expenses	28	3	29	22	21	15	24	16	10
Net Debt	**4,968**	**4,447**	**4,557**	**4,620**	**4,399**	**4,833**	**4,175**	**3,825**	**3,654**

Operating Working Capital

	2024			2023				2022	
MSEK	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Inventory	2,192	2,108	1,902	1,726	1,965	2,153	2,071	1,956	1,765
Accounts receivable	2,090	2,275	2,306	2,038	2,245	2,167	2,035	2,020	1,570
Accounts payable	-1,308	-1,362	-1,349	-1,294	-1,156	-1,277	-1,159	-1,288	-932
Advances from customers	-1,879	-2,160	-1,879	-1,355	-1,725	-1,592	-1,576	-1,715	-1,428
Accrued/deferred income, net	516	555	583	640	741	782	466	418	484
Operating Working Capital	**1,612**	**1,417**	**1,563**	**1,755**	**2,071**	**2,233**	**1,837**	**1,390**	**1,460**

Condensed statement of comprehensive income

	Q3		Jan-Sep		LTM	Full-year
MSEK	2024	2023	2024	2023	Oct-Sep	2023
Net sales	3,761	3,560	11,089	10,271	14,748	13,930
Cost of goods sold	-2,442	-2,418	-7,168	-7,040	-9,636	-9,508
Gross profit	**1,319**	**1,142**	**3,921**	**3,230**	**5,113**	**4,422**
Selling expenses	-373	-313	-1,053	-939	-1,395	-1,281
Administrative costs	-319	-278	-1,035	-805	-1,335	-1,106
Research and development costs	-111	-94	-320	-245	-435	-360
Other operating income and expenses	-6	0	-7	-26	-63	-82
Share of earnings in associates	-2	-3	-8	-5	-11	-8
Operating profit	**509**	**454**	**1,499**	**1,211**	**1,874**	**1,586**
Financial income and expenses	-98	-93	-276	-232	-376	-331
Profit/Loss after financial items	**410**	**362**	**1,223**	**979**	**1,499**	**1,255**
Tax	-135	-98	-379	-245	-597	-463
Net income for the period	**275**	**264**	**844**	**734**	**901**	**792**
Attributable to Parent Company shareholders	263	260	811	730	865	784
Attributable to non-controlling interests	12	4	33	5	36	8
Average number of outstanding shares before dilution	182,541,440	182,371,664	182,536,425	182,194,023	182,530,642	182,274,370
Average number of outstanding shares after dilution	182,541,440	182,405,896	182,536,425	182,225,460	182,530,642	182,284,750
Earnings per share before dilution, SEK	1.44	1.42	4.44	4.00	4.74	4.30
Earnings per share after dilution, SEK	1.44	1.42	4.44	4.00	4.74	4.30
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Exchange-rate differences on translation of foreign operations	-241	-87	19	151	-406	-274
Items that will not be reclassified to profit or loss:						
Actuarial gains/losses on defined-benefit pension obligations	-18	12	-13	35	-94	-46
Income tax effect not to be reclassified to profit or loss	4	-3	3	-7	19	9
Other comprehensive income, net after tax	**-255**	**-78**	**9**	**178**	**-480**	**-311**
Total comprehensive income for the period	**20**	**186**	**852**	**912**	**421**	**481**
Attributable to Parent Company shareholders	9	182	820	908	389	478
Attributable to non-controlling interests	11	3	32	4	32	4

Condensed statement of financial position

MSEK	2024/09/30	2023/09/30	2023/12/31
ASSETS			
NON-CURRENT ASSETS			
Goodwill	6,244	5,694	5,822
Other intangible assets	2,766	2,207	2,259
Property, plant and equipment	1,387	972	1,097
Right-of-Use assets	944	729	672
Participations in associated companies	52	30	25
Other financial assets	170	86	95
Deferred tax assets	369	382	292
Total non-current assets	**11,932**	**10,098**	**10,262**
CURRENT ASSETS			
Inventory	2,192	1,965	1,726
Accounts receivable	2,090	2,245	2,038
Derivative instruments	-	2	0
Current tax assets	94	89	84
Other receivables	174	131	135
Prepaid expenses and accrued income	802	1,069	954
Cash and cash equivalents	1,393	1,165	1,532
Total current assets	**6,745**	**6,666**	**6,469**
TOTAL ASSETS	18,677	16,764	16,731
EQUITY AND LIABILITIES			
EQUITY			
Shareholders' equity	5,402	5,976	5,257
Non-controlling interests	5	1	1
Total equity	**5,407**	**5,978**	**5,258**
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	4,984	4,568	4,151
Lease liabilities	801	594	553
Provisions for pensions	306	197	280
Other provisions	61	66	62
Other non-current liabilities	714	378	636
Deferred tax liabilities	479	443	455
Total non-current liabilities	**7,345**	**6,246**	**6,135**
CURRENT LIABILITIES			
Interest-bearing liabilities	29	7	980
Lease liabilities	213	176	167
Other provisions	192	165	145
Accounts payable	1,308	1,156	1,294
Derivative instruments	7	11	33
Current tax liabilities	84	108	78
Advances from customers	1,879	1,725	1,355
Other current liabilities	876	97	92
Accrued expenses and deferred income	1,336	1,095	1,193
Total current liabilities	**5,924**	**4,540**	**5,337**
TOTAL EQUITY AND LIABILITIES	18,677	16,764	16,731

Condensed statement of changes in equity items

MSEK	2024/09/30	2023/09/30	2023/12/31
Opening balance	**5,258**	**5,307**	**5,307**
Total comprehensive income for the period	852	912	481
Exercised share options	1	14	21
Put/call option related to non controlling interests	-467	-81	-377
Dividends	-237	-175	-175
Share option plan incl. deferred tax	-	1	1
Closing balance	**5,407**	**5,978**	**5,258**
Total shareholders´ equity attributable to:			
The parent company's shareholders	5,402	5,976	5,257
Non-controlling interests	5	1	1

Condensed cash flow statement

	Q3		Jan-Sep		LTM	Full-year
MSEK	2024	2023	2024	2023	Oct-Sep	2023
OPERATING ACTIVITIES						
Operating profit	**509**	**454**	**1,499**	**1,211**	**1,874**	**1,586**
Adjustment for:						
Depreciation, amortization and impairment losses	164	125	441	352	573	484
Other non-cash items	30	15	20	15	48	43
Changes in provisions	-4	3	28	11	6	-11
Cash flow before interest and tax	**698**	**598**	**1,988**	**1,588**	**2,502**	**2,102**
Net financial items paid	-70	-73	-256	-214	-353	-312
Taxes paid	-155	-81	-432	-254	-567	-390
Cash flow before changes in working capital	**473**	**444**	**1,300**	**1,120**	**1,581**	**1,400**
Change in accounts receivable	160	-119	44	-160	193	-11
Change in inventory	-132	161	-331	83	-143	271
Change in accrued income	20	60	177	-278	188	-267
Change in accounts payable	-34	-104	-40	-172	71	-60
Change in advances from customers	-210	109	320	-173	194	-299
Cashflow from changes in operating working capital	**-196**	**106**	**170**	**-699**	**503**	**-366**
Change in other working capital	52	4	74	-25	129	31
Cash flow from changes in working capital	**-144**	**110**	**244**	**-724**	**633**	**-335**
Cash flow from operating activities	**329**	**554**	**1,544**	**396**	**2,214**	**1,066**
INVESTING ACTIVITIES						
Business acquisitions	-259	1	-411	-148	-1,007	-744
Investments in associated companies	0	-	-37	-0	-37	-
Investments in participations and securities in other companies	-0	-4	-59	-3	-59	-4
Sale of intangible assets and property, plant and equipment	0	0	0	-1	1	0
Investment in property, plant and equipment	-224	-65	-426	-214	-535	-323
Investment in intangible assets	-75	-66	-225	-242	-330	-347
Cash flow from investing activities	**-558**	**-134**	**-1,157**	**-608**	**-1,967**	**-1,418**
FINANCING ACTIVITIES						
Exercised share options	0	11	1	14	7	21
Loan raised	100	376	709	1,454	1,523	2,268
Amortization of loans	-36	-308	-872	-712	-1,047	-887
Repayment of lease liabilities	-45	-40	-126	-117	-165	-156
Dividends paid	-119	0	-237	-175	-237	-175
Other changes to financing activities	-40	-1	-6	-0	-66	-60
Cash flow from financing activities	**-140**	**38**	**-531**	**465**	**15**	**1,011**
Cash flow for the period	**-368**	**458**	**-143**	**253**	**262**	**658**
Cash and cash equivalents at period start	1,775	713	1,532	914	1,165	914
Exchange-rate differences in cash and cash equivalents	-14	-6	4	-2	-34	-40
Cash and cash equivalents at period end	**1,393**	**1,165**	**1,393**	**1,165**	**1,393**	**1,532**

Parent company

Condensed income statement

	Q3		Jan-Sep		LTM	Full-year
MSEK	2024	2023	2024	2023	Oct-Sep	2023
Net sales	–	–	–	–	–	–
Gross profit/loss	**–**	**0**	**–**	**0**	**–**	**–**
Administrative costs	-3	-4	-10	-11	-10	-11
Other operating income and expenses	0	26	2	29	5	32
Operating profit	**-3**	**22**	**-8**	**18**	**-5**	**21**
Financial income and expenses	-8	-6	-21	-12	-26	-18
Profit/Loss after financial items	**-11**	**16**	**-28**	**6**	**-31**	**3**
Group contributions	–	–	–	–	–	–
Profit/Loss before tax	**-11**	**16**	**-28**	**6**	**-31**	**3**
Tax	–	–	–	–	-0	-0
Net income for the period	**-11**	**16**	**-28**	**6**	**-31**	**3**

Condensed statement of comprehensive income

Profit/Loss for the period	-11	16	-28	6	-31	3
Other comprehensive income, net after tax	–	–	–	–	–	–
Comprehensive income for the period	**-11**	**16**	**-28**	**6**	**-31**	**3**

Condensed balance sheet

MSEK	2024/09/30	2023/09/30	2023/12/31
ASSETS			
NON-CURRENT ASSETS			
Participations in subsidiaries	4,098	4,098	4,098
Other financial assets	4	4	4
Total non-current assets	**4,102**	**4,103**	**4,102**
CURRENT ASSETS			
Other current receivables	0	0	1
Prepaid expenses and accrued income	1	–	1
Current tax assets	1	1	1
Receivables from subsidiaries	24	27	10
Cash and cash equivalents	0	3	3
Total current assets	**26**	**31**	**15**
TOTAL ASSETS	4,128	4,134	4,118
EQUITY AND LIABILITIES			
EQUITY			
Share capital	6	6	6
Share premium reserve	4,136	4,136	4,136
Profit brought forward	-627	-401	-394
Income for the period	-28	6	3
Total equity	**3,486**	**3,747**	**3,750**
NON-CURRENT LIABILITIES			
Provisions for pensions and similar commitments	5	4	1
Total non-current liabilities	**5**	**4**	**1**
CURRENT LIABILITIES			
Accounts payable	0	1	3
Accrued expenses and deferred income	36	29	32
Liabilities to subsidiaries	594	348	327
Other liabilities	7	4	4
Total current liabilities	**638**	**383**	**366**
TOTAL EQUITY AND LIABILITIES	4,128	4,134	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.

In the beginning of October, 2023 Israel declared it was at war with Hamas. Within the business area FoodTech, Munters has manufacturing of controllers in Israel located south of Tel Aviv with about 140 employees. Munters operations has so far not been impacted by the situation and we continue to monitor the situation closely in order to be able to quickly respond to any disturbances.

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 125 (65) and net derivatives to MSEK -7 (-9) 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 begins on January 1, 2025, and ends on December 31, 2025. The fair value of the option amounts to MSEK 977 (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 2026. The fair value of the option amounts to MSEK 69 (MSEK 37 as of 31 Dec, 2023) as of the balance sheet date.

MSEK	2024/09/30	2023/09/30	2023/12/31
Opening balance	632	217	217
Valuation put/call options	–	73	37
Holdbacks	53	–	37
Remeasurements	441	62	352
Payments	-29	–	–
Discounting	26	18	25
Exchange-rate differences	-22	8	-35
Closing balance	**1,102**	**377**	**632**

Both 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 September 30, 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 Q3

	AirTech		DCT		FoodTech		Eliminations		Group	
MSEK	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Americas	846	979	916	913	428	353	0	0	2,190	2,245
EMEA	809	619	94	88	294	239	-11	-13	1,185	932
APAC	439	472	1	1	78	95	-7	-6	511	562
Sales between regions	-82	-92	0	-49	-43	-36	-2	-2	-127	-180
TOTAL	2,011	1,978	1,012	953	758	650	-19	-21	3,761	3,560

Net sales by business area and region Jan-Sep

	AirTech		DCT		FoodTech		Eliminations		Group	
MSEK	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Americas	2,933	2,700	2,783	2,288	1,188	897	0	-1	6,903	5,884
EMEA	2,049	1,970	295	246	829	705	-26	-26	3,147	2,895
APAC	1,274	1,835	3	3	240	249	-16	-13	1,501	2,074
Sales between regions	-313	-416	-3	-54	-140	-105	-6	-7	-462	-582
TOTAL	5,944	6,090	3,077	2,483	2,117	1,745	-48	-48	11,089	10,271

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.

	Q3		Jan-Sep		LTM	Full-year
MSEK	2024	2023	2024	2023	Apr-Mar	2023
Restructuring activities	-4	0	-28	-12	-50	-34
M&A activities	-11	-7	-27	-15	-42	-29
Other items	-22	0	-67	-20	-79	-32
Total	-37	-7	-122	-47	-171	-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

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.

The table below presents an overview of paid purchase considerations and the fair value of acquired net assets for the business combinations in Jan-Sep 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-Sep 2024	Jan-Sep 2023
Purchase price		
Cash purchase consideration paid	514	171
Holdback & deferred considerations	53	8
Put/call option	-	63
Total purchase consideration	567	242
Fair value of acquired net assets	-160	-87
Goodwill	407	157
Cash flow		
Cash purchase consideration paid	-514	-171
Cash and cash equivalents in acquired companies	132	23
Payments related to acquisitions in prior years	-29	-
Change in the Group's cash and cash equivalents	-411	-148

The acquisition of Geoclima, the Italian manufacturer of air- and water-cooled chillers, was closed in the beginning of October. For more information related to the acquisition, see page 11.

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Review report

Munters Group AB (publ.), corporate identity number 556819-2321

Introduction

We have reviewed the condensed interim report for Munters Group AB (publ.) as per September 30, 2024 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, October 22, 2024

Ernst & Young AB

Andreas Troberg
Authorized Public Accountant

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 October 22, at 9:00 CEST, 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-q3-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=50049852

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 CEST on October 22, 2024.

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.

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

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Financial calendar:

Fourth quarter & Full year report 2024	February 5, 2025
Release of Annual & Sustainability report 2024	Week starting March 3, 2025
Annual General Meeting 2025	May 14, 2025