

## Record order intake confirms strong offer and position

### July-September

- Record high order intake driven by business area Data Center Technologies (DCT) in Americas and the battery sub-segment in business area AirTech. Business area FoodTech grew in Americas, offset by weakened markets in EMEA and China.
- AirTech and DCT had strong organic net sales growth, whereas FoodTech had a flat development with weakened markets in China, offset by growth in US and EMEA.
- Price increases were offset mainly by business mix change in DCT, lower volumes for FoodTech in China and increased material and freight costs.
- Leverage increased mainly because of the increased IFRS 16 debt related to leases of new factories in Virginia, US, and the Czech Republic as well as a negative impact from exchange rates, mainly in SEK to USD. This was partly offset by a positive effect from increased operating earnings.
- Cash flow from operating activities was at a higher level as operating earnings increased and operating working capital was at a lower level.

### January-September

- Order intake increased mainly driven by DCT and the battery sub-segment and Service in AirTech. FoodTech had good growth in Americas, offset by a weak development in EMEA and China.
- In the first quarter Munters suspended all business activities with Russia due to the war in Ukraine.
- AirTech and DCT had strong organic net sales growth, whereas FoodTech had a flat development with weakened market in China, offset by growth in US and EMEA.
- Net price increases were offset mainly by business mix change in DCT, lower volumes for FoodTech in China, costs due to component shortages, and operational challenges.
- Leverage increased mainly due to the acquisition of Edpac at the beginning of the year, an increase in IFRS 16 debt related to leases, a negative impact from exchange rates, working capital build-up as a consequence of the strong volume growth and the dividend payout.

Order intake  
reported growth

+177%

Net sales  
organic growth

+22%

Adj. EBITA-margin

11.1%

Leverage

3.0

### Financial summary

MSEK	Q3			Jan-Sep			LTM*	Full-year
	2022	2021	Δ%	2022	2021	Δ%	Oct-Sep	2021
Order intake	6,354	2,295	177	13,688	6,407	114	16,293	9,013
Net sales	2,644	1,857	42	7,375	5,291	39	9,432	7,348
Growth	42%	1%		39%	2%		32%	5%
of which organic growth	22%	3%		21%	10%		18%	10%
of which acquisitions and divestments	3%	-		4%	-		3%	-
of which currency effects	18%	-2%		14%	-7%		11%	-5%
Operating profit (EBIT)	271	194	40	626	563	11	815	753
Adjusted EBITA	293	215	36	766	672	14	983	889
Adjusted EBITA margin, %	11.1	11.6		10.4	12.7		10.4	12.1
Net income	178	138	28	446	382	17	579	515
Earnings per share before dilution, SEK	0.97	0.75		2.47	2.09		3.20	2.81
Earnings per share after dilution, SEK	0.97	0.75		2.47	2.08		3.20	2.81
Cash flow from operating activities	266	-142		345	105		761	519
Net debt	3,654	2,536		3,654	2,536		3,654	2,389
Net debt/Adjusted EBITDA, LTM				3.0	2.2		3.0	2.2

\* Last twelve months



**Klas Forsström**  
President and CEO

*"We are carrying out a transformation of the group to become more efficient, more flexible, and even more innovative."*

# CEO comments

## Record orders in the quarter confirm our strong position and offer

In the quarter, we signed our largest orders ever in both the data center and battery areas as well as several other large orders. This is clear proof that we both have a solid market position with a highly appealing offer and that we operate in markets with strong underlying growth. The increasing demand for our high-performance, energy efficient solutions for indoor climate control and cooling is driven by the market transformation resulting from electrification as well as increasing digitization.

As a result of these megatrends, our strong position as well as our price increases over the year sales increased 22 percent organically in the quarter, driven by business areas AirTech and DCT. The development in our third business area, FoodTech, was negatively impacted by weaker demand in China.

## Continued stable margin despite increased investments for growth

The adjusted EBITA margin improved from the previous quarter. The margin was impacted by business mix change in mainly DCT compared to last year. In addition, profitability in FoodTech was affected by lower volumes in China. The EBITA margin was also in this quarter negatively impacted by certain shortage of components and consequently, longer lead times, especially noticeable in DCT. The inflationary pressure continues, and we adjust our prices to compensate for this. Operating working capital was also in this quarter on a high level as a consequence of strong order intake.

## Increased capacity to meet growing demand

I'm very proud of the two new manufacturing plants we inaugurated in the quarter to meet the strong demand in the battery and data center markets. The new plant that targets the battery market is located in the Czech Republic and the one that serves data centers in the US. These new units add production capacity and increases manufacturing efficiency to secure deliveries of our leading climate solutions to European and American customers. FoodTech is continuing its strategic work to enhance its digital solutions and connect the entire food production value chain. In the quarter, a strategic partnership was initiated with US-based BarnTools where we will collaborate in developing unique IoT-solutions and sensors for farmers and food producers.

## Clear strategy for value-creating growth

At Munters around the world, a fantastic job is done every day to improve, exceed customers' expectations and simultaneously deal with the challenges of inflation and component shortages. At the same time, we are carrying out a transformation of the group to become more efficient, more flexible, and even more innovative. The result is strong growth, a strengthened position and confidence that Munters will continue to create value for its investors, employees, and society.

## Midterm financial targets

<b>Net sales growth:</b>	Annual organic growth of net sales of 5% Performance Q3 2022: +22% (3)
<b>Adjusted EBITA-margin:</b>	An adjusted EBITA-margin of 14%. Performance Q3 2022: 11.1% (11.6)
<b>Capital structure:</b>	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 Q3 2022: 3.0x (2.2x)
<b>Dividend policy:</b>	Munters aim to pay an annual dividend corresponding to 30-50% of its consolidated income after tax for the period. Dividend 2021: 30% (SEK 0.85 per share, totaling MSEK 154).

For full description of the dividend policy, see the Annual and Sustainability report 2021, page 10 or at [www.munters.com](http://www.munters.com).

## Sustainability

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

Highlights third quarter 2022:

- Two new factories ISO 14001:2015 and ISO 45001:2018 certified. We have set a goal to certify all production facilities and by the end of 2022 all production facilities will be ISO 9001:2015 certified for quality management.
- Factory Scope 1&2 emissions decreased compared to same period prior year, mainly due to increased renewable electricity and reduced natural gas consumption. Volume growth drives waste from factories, Scope 3 increased in H1.\*
- Vehicle fleet average emissions factor decreases and is now down by 16% vs. base line December 2020 (target -30% by 2023).

\*Emissions reported in accordance to the GHG Protocol.

See the Q3 report or Munters Annual and Sustainability report 2021, pages 40-49, for further information on goals and outcome or at [www.munters.com](http://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](https://munters.com/investors).

MSEK	Q3			Jan-Sep			LTM Full-year	
	2022	2021	Δ%	2022	2021	Δ%	Oct-Sep	2021
Order intake	6,354	2,295	177	13,688	6,407	114	16,293	9,013
AirTech	2,453	1,504	63	5,757	4,093	41	7,506	5,842
DCT	3,406	300	1,034	6,216	690	801	6,576	1,051
FoodTech	507	502	1	1,759	1,657	6	2,267	2,166
Corporate & elim.	-11	-11	-	-44	-33	-	-57	-46
Net sales	2,644	1,857	42	7,375	5,291	39	9,432	7,348
AirTech	1,684	1,181	43	4,817	3,284	47	6,197	4,664
DCT	378	161	134	901	519	74	1,084	702
FoodTech	594	527	13	1,697	1,519	12	2,206	2,028
Corporate & elim.	-12	-13	-	-40	-30	-	-55	-46
Adjusted EBITA	293	215	36	766	672	14	983	889
AirTech	242	155	56	684	492	39	874	682
DCT	24	19	27	48	68	-29	72	92
FoodTech	53	61	-14	124	180	-31	155	210
Corporate & elim.	-26	-20	-	-91	-67	-	-119	-95
Adjusted EBITA margin, %	11.1	11.6		10.4	12.7		10.4	12.1
AirTech	14.4	13.2		14.2	15.0		14.1	14.6
DCT	6.4	11.8		5.3	13.1		6.7	13.2
FoodTech	8.8	11.6		7.3	11.8		7.0	10.4

## Order intake

### July-September 2022

Order intake increased by +145% FX-adjusted (organic +139%, structural +6%, FX-effect +32%) mainly driven by strong growth in business area DCT and the battery sub-segment in business area AirTech. Order backlog increased +237% to MSEK 11,866 (3,525) (an organic increase of +180% and currency effects +52%). Price increases in the quarter contributed to approximately +9% of the organic growth.

Order intake in AirTech increased by +46% FX-adjusted (organic +46%, FX-effects +17%) with growth in all regions, driven especially by the sub-segment battery and Service. The battery sub-segment in Americas had strong growth and received an order from a large car manufacturer in the US valued at approximately MUSD 65 in the quarter. Battery also showed good growth in APAC and EMEA. Clean Technologies (CT) grew primarily in APAC, in the process industries. Services had good growth, driven mainly by Americas. Price increases in the quarter contributed to approximately +8% of the organic growth.

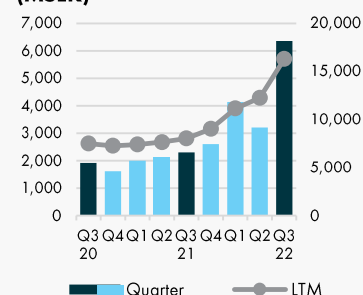
Order intake in DCT increased by +858% FX-adjusted (organic +812%, structural +46%, FX-effects +176%). For the second time this year DCT received Munters largest order ever in the quarter, with a value of approximately MUSD 176, for SyCool split systems from a leading Data Center colocation operator in the US. Also in the quarter, DCT received multiple orders with a combined value of approximately MUSD 63 from a US-based colocation data center company. Price increases in the quarter contributed to approximately +9% of the organic growth.

Order intake in FoodTech declined by -12% FX-adjusted (organic -12%, FX-effects +13%). In region APAC, China continued to have a weak development in the swine market. In EMEA, the underlying market situation was continued weak due to inflationary pressure. In Americas, Digital Solutions grew, and Climate Solutions had good growth in the broiler and swine segments. Price increases in the quarter contributed to approximately +10% of the organic growth.

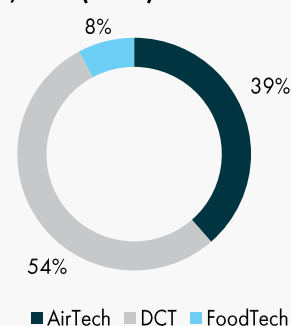
### January-September 2022

The order intake in the first nine months increased by +92% FX-adjusted (organic +88%, structural +4%, FX-effects +22%), mainly driven by DCT. During the first nine months of the year, DCT have received several large orders from colocation operators in the US. In AirTech the battery sub-segment and Service have experienced strong growth. In FoodTech

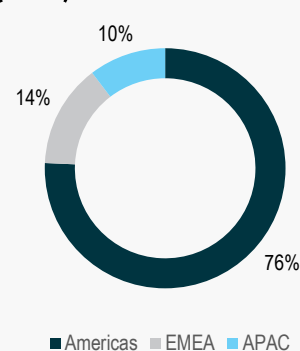
Quarterly order intake (MSEK)



Order intake per Business Area Q3, 2022 (MSEK)



Order intake per region Q3, 2022 (MSEK)



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, whereas Climate Solutions had a weak development in APAC and EMEA.

## Net sales

### July-September 2022

Net sales increased by +25% FX-adjusted (organic +22%, structural +3%, FX-effects +18%) driven mainly by DCT in Americas and by good growth in the battery sub-segment and the Component segment in AirTech. Service net sales amounted to 14% of total net sales. Price increases in the quarter contributed to approximately +6% of the organic growth.

AirTech increased by +25% FX-adjusted (organic +25%, FX-effects +17%) with good growth in all regions. The battery sub-segment had strong growth in all three regions, especially APAC. CT grew especially strong in Americas driven by the process and the VOC segment. Components showed good growth in all regions, especially APAC. Net sales to the food segment grew in all regions, with strong growth in Americas, partly offset by a decline in net sales in Pharma. Service showed growth in all regions, especially in Americas and APAC. Service net sales amounted to 23% of net sales in AirTech. Price increases contributed to approximately +5% of the organic growth in the quarter.

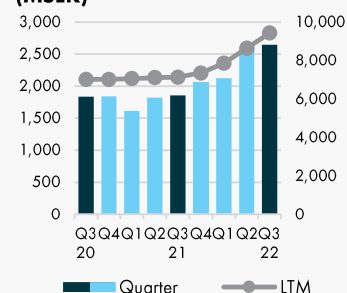
DCT increased by +98% FX-adjusted (organic +66%, structural +32%, FX-effects +36%) with strong growth driven by colocation customers in both Americas and EMEA. Price increases contributed to approximately +3% of the organic growth in the quarter.

FoodTech had a flat development -1% FX-adjusted (organic -1%, currency effects +13%). In general price increases have compensated for increased material and freight costs in all regions. Americas grew in all segments, especially the Broiler and Swine segments. APAC declined mainly due to a continued weak swine market in China, slightly offset by growth in the Greenhouse and Broiler segments. EMEA grew mainly driven by strong deliveries in the Middle East. Price increases contributed to approximately +9% of the organic growth in the quarter.

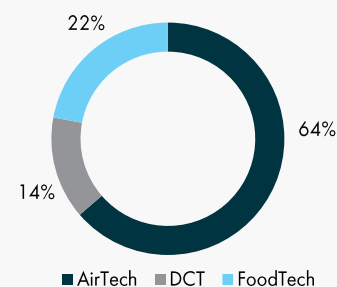
### January-September 2022

Net sales in the first nine months increased by +25% FX-adjusted (organic +21%, structural +4%, FX-effects +14%), mainly driven by the Industrial battery sub-segment as well as Service in AirTech. DCT had very strong growth in both Americas and EMEA. FoodTech grew in Americas and EMEA, offset by a weaker development in China. Service net sales amounted to 14% of total net sales.

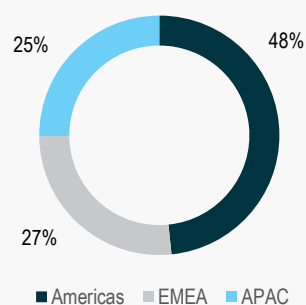
Quarterly net sales, (MSEK)



Net sales per Business Area Q3, 2022 (MSEK)



Net sales per region Q3, 2022 (MSEK)



## Results

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

### July-September 2022

The gross margin amounted to 29.3% (30.3). Price increases were offset mainly by business mix change in DCT, lower volumes for FoodTech in China and increased material and freight costs.

Adjusted EBITDA amounted to MSEK 359 (270), corresponding to an adjusted EBITDA-margin of 13.6% (14.6). Depreciation of tangible assets amounted to MSEK -66 (-67), whereof depreciation of leased assets was MSEK -34 (-27).

Adjusted EBITA amounted to MSEK 293 (215), corresponding to an adjusted EBITA-margin of 11.1% (11.6).

Adjusted EBITA for business area AirTech amounted to MSEK 242 (155), corresponding to an adjusted EBITA-margin of 14.4% (13.2). Net price increases were offset by a high level of work to secure component shortages and to manage lead times, however at a lower level than in previous quarter. Actions to resolve the operational challenges in a production unit, that started in the fourth quarter last year, are progressing.

Adjusted EBITA for business area DCT amounted to MSEK 24 (19), corresponding to an adjusted EBITA-margin of 6.4% (11.8). The margin was impacted by business mix change compared to last year as well as increased material and freight costs. In addition, component shortages continued to have a negative effect on margins in both regions as it resulted in increased lead times as well as increased production costs.

Adjusted EBITA in business area FoodTech was MSEK 53 (61), corresponding to an adjusted EBITA-margin of 8.8% (11.6). The margin declined mainly due to lower volumes in China. Price increases has offset increased material and freight costs. In the second quarter, consequences from the Ukraine war on the supply chain and market demand led to operational challenges in a production unit in EMEA. Since then, activities to resolve these operational challenges and lower volumes are under way.

Adjusted EBITA for Corporate amounted to MSEK -26 (-20). Enhanced investments into digitization and automation to create a scalable business to capture growth led to higher costs.

Operating profit (EBIT) was MSEK 271 (194), corresponding to an operating margin of 10.3% (10.5). Amortization and write-downs of intangible assets in the third quarter were MSEK -28 (-18), where MSEK -9 (-8) related to amortization of intangible assets from acquisitions.

### January-September 2022

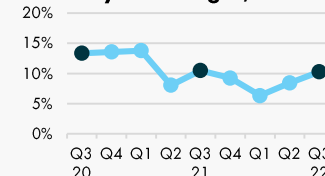
The gross margin for the first nine months was 29.0% (32.7). The margin was impacted by business mix change in mainly DCT compared to last year. Net price increases were offset by increasing work to secure components and to manage lead times in all business areas, especially DCT and lower volumes in EMEA and APAC for FoodTech. Also, a production unit in AirTech experienced operational challenges, mainly in the first half year, which had a negative impact on the margin.

Adjusted EBITDA at MSEK 951 (831), corresponding to an adjusted EBITDA-margin of 12.9% (15.7). Depreciation of tangible assets amounted to MSEK -186 (-172), whereof depreciation of leased assets was MSEK -92 (-78).

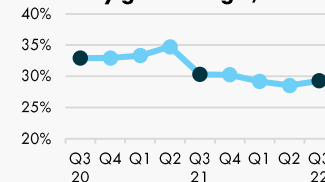
Adjusted EBITA at MSEK 766 (672), corresponding to an adjusted EBITA-margin of 10.4% (12.7).

Operating profit (EBIT) was MSEK 626 (563), corresponding to an operating margin of 8.5% (10.6). Amortization and write-downs of intangible assets for the first nine months was MSEK -75 (-56), where MSEK -27 (-23) related to amortization of intangible assets from acquisitions.

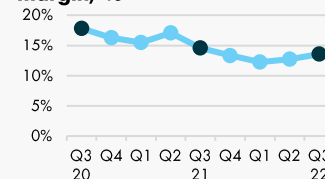
Quarterly EBIT margin, %



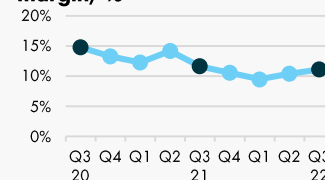
Quarterly gross margin, %



Quarterly adjusted EBITDA margin, %



Quarterly adjusted EBITA margin, %



## Items affecting comparability (IAC)

Items affecting comparability totaled MSEK 6 (-3) in the third quarter of which costs related to the on-going restructuring activities in mainly AirTech and FoodTech amounted to MSEK 8 (-3). The positive impact in the quarter is explained by a capital gain from sale of a building as part of the restructuring activities. Other IACs, mainly M&A related costs, of MSEK -2 (0) were also recorded in the quarter.

For the nine-month period IACs totaled MSEK -65 (-53) including restructuring activities of MSEK -36 (-104). IACs related to Munters decision to end business activities with Russia amounted to MSEK -27 and include mainly costs for write-down of inventory and right-sizing severance provisions. No additional IACs related to this are expected. In addition, other IAC of MSEK -2 (51) were recorded in the period January-September.

## Financial items

Financial income and expenses for the third quarter amounted to MSEK -41 (-20). Currency exchange rate effects had a positive impact as the SEK 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 amounted to MSEK -5 (-4) in the third quarter.

Financial income and expenses for the first nine months amounted to MSEK -78 (-70). Interest expense on lease liabilities amounted to MSEK -13 (-11) in the first nine months. The average weighted interest rate including fees per end of September was 4.9% (2.1).

## Taxes

Income taxes for the third quarter was MSEK -53 (-35). The effective tax rate in the third quarter was 23% (20). Income taxes for the first nine months was MSEK -102 (-110). The effective tax rate for the first nine months was 19% (22).

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

## Earnings per share

Net income attributable to Parent Company's ordinary shareholders amounted to MSEK 176 (138) for the third quarter. Earnings per share, before dilution, in the third quarter 2022 was SEK 0.97 (0.75). Earnings per share, after dilution, in the third quarter 2022 was SEK 0.97 (0.75).

The average number of outstanding ordinary shares in the third quarter, for the purpose of calculating earnings per share, was 181,795,436 before dilution and 182,049,874 after dilution.

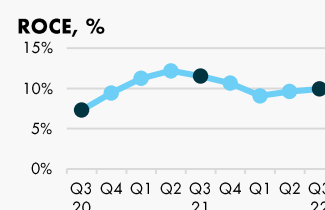
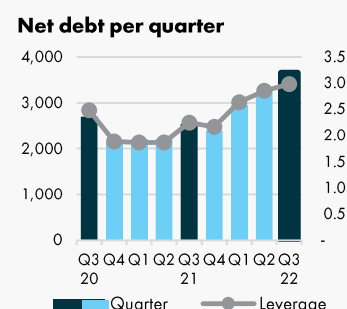
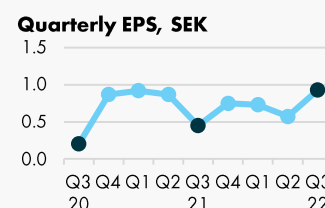
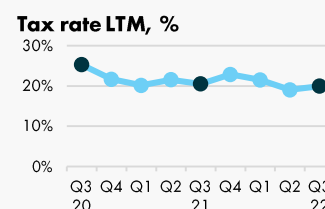
## Financial position

Interest-bearing liabilities, including lease liabilities, increased by MSEK 687 in the quarter and amounted to MSEK 4,155 (2,693), whereof lease liabilities increased by MSEK 364. Lease liabilities increased as a result of IFRS 16 debt related to leases of new factories in Virginia, US, and the Czech Republic. Cash and cash equivalents increased by MSEK 239 and amounted to MSEK 698 (440) as of September 30.

Munters primary financing facilities consists of a term loan of MUS\$ 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 September 30 amounted to MSEK 3,654 compared to MSEK 3,241 at the end of June 2022 and MSEK 2,389 at the end of December 2021.



Net debt in relation to Adjusted EBITDA was 3.0x compared to 2.9x at end of June 2022 and 2.2x at the end of December 2021. The increased ratio in the third quarter resulted from an increased IFRS 16 debt related to leases of new factories in Virginia, US, and the Czech Republic as well as a negative impact from exchange rates, mainly in SEK to USD. The ratio increased compared to end of December as a result from the above as well as the acquisition of Edpac funded by debt and an increase in working capital because of strong growth in order intake. This was partly offset by a positive effect from increased operating earnings.

At quarter end the term loan facility of MUS\$ 165 was fully drawn. Of the RCF of MEUR 250 an amount of MEUR 145 (87) was utilized in EUR and SEK. Along with the primary loan facilities, an amount of MSEK 39 (12) 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 8,255 (7,030). Return on capital employed (ROCE) for last twelve months was 9.9% (11.5). 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 24.6% (28.6). ROCE decreased mainly because of a slightly higher capital employed and a reduced operating margin.

## Cash flow

Cash flow from operating activities amounted to MSEK 266 (-142) in the third quarter and MSEK 345 (105) for the first nine months of 2022. The cash flow was positively impacted by higher operating earnings in the third quarter as well as a lower level of working capital as customer advances increased.

Cash flow from changes in working capital had a positive impact of MSEK 30 (-308) in the third quarter and a negative impact of MSEK -273 (-407) for the first nine months of 2022. The negative effect in the first nine 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 third quarter amounted to MSEK 225 (-244) and MSEK -9 (-548) for the first nine months of 2022. The total cash flow for the first nine months were impacted by acquisitions of MSEK -302, dividend payment in May 2022 of MSEK -156, whereof MSEK 2 to an external minority in a subsidiary and increased external borrowing of MSEK 586.

## 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 (0).

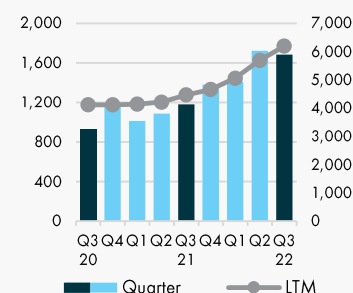
# AirTech

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.

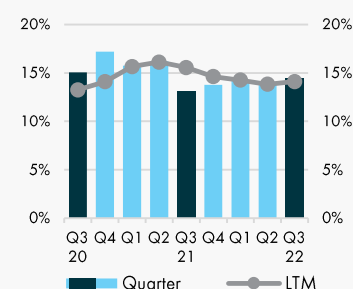
MSEK	Q3			Jan-Sep			LTM Full-year	
	2022	2021	Δ%	2022	2021	Δ%	Oct-Sep	2021
External order backlog	4,219	2,372	78	4,219	2,372	78	4,219	2,796
Order intake	2,453	1,504	63	5,757	4,093	41	7,506	5,842
Growth	63%	15%		41%	19%		47%	31%
Net sales	1,684	1,181	43	4,817	3,284	47	6,197	4,664
Growth	43%	27%		47%	12%		39%	13%
of which organic growth	25%			32%				
of which acq. and div.	-			-				
of which currency effects	17%			14%				
Operating profit (EBIT)*	247	153	62	657	459	43	833	635
Amortization of intang. asset	-7	-6		-17	-17		-23	-22
Items affecting comparability	14	14		-8	-6		-13	-11
Re-allocation of int. services	-2	-10		-3	-10		-5	-12
Adjusted EBITA	242	155	56	684	492	39	874	682
Adjusted EBITA margin, %	14.4	13.2		14.2	15.0		14.1	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

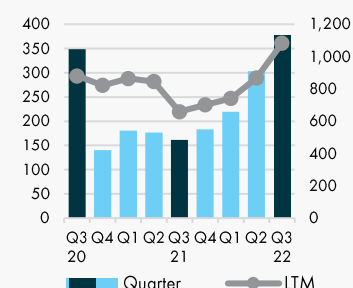


# Data Center Technologies

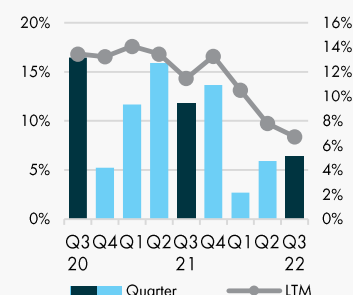
Data Center Technologies (DCT) is a leading supplier of advanced climate cooling solutions using a wide range of heat rejection technologies. Our solutions produce significant energy savings for data centers compared with traditional cooling solutions. With a diversified product portfolio and extensive 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.

MSEK	Q3			Jan-Sep			LTM Full-year	
	2022	2021	Δ%	2022	2021	Δ%	Oct-Sep	2021
External order backlog	6,739	466	1,347	6,739	466	1,347	6,739	703
Order intake	3,406	300	1,034	6,216	690	801	6,576	1,051
Growth	1034%	484%		801%	38%		677%	60%
Net sales	378	161	134	901	519	74	1,084	702
Growth	134%	-54%		74%	-24%		65%	-15%
of which organic growth	66%			11%				
of which acq. and div.	32%			38%				
of which currency effects	36%			25%				
Operating profit (EBIT)*	19	4	323	41	108	-62	80	148
Amortization of intang. asset	-5	-2		-15	-6		-17	-8
Items affecting comparability	0	-13		8	46		24	62
Re-allocation of int. services	-	-		-	-		1	1
Adjusted EBITA	24	19	27	48	68	-29	72	92
Adjusted EBITA margin, %	6.4	11.8		5.3	13.1		6.7	13.2

Quarterly net sales - DCT, (MSEK)



Quarterly adjusted EBITA margin % - DCT





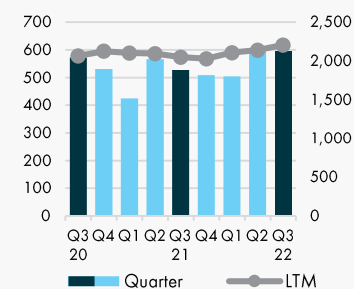
# FoodTech

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.

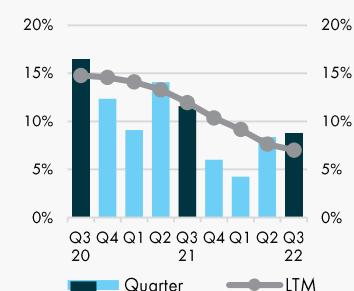
MSEK	Q3			Jan-Sep			LTM Full-year	
	2022	2021	Δ%	2022	2021	Δ%	Oct-Sep	2021
External order backlog	908	687	32	908	687	32	908	700
Order intake	507	502	1	1,759	1,657	6	2,267	2,166
Growth	1%	-13%		6%	-5%		8%	-1%
Net sales	594	527	13	1,697	1,519	12	2,206	2,028
Growth	13%	-8%		12%	-5%		8%	-5%
of which organic growth				1%				
of which currency effects				13%				
Operating profit (EBIT)*	30	43	-29	28	64	-57	35	71
Amortization of intang. asset	-15	-9		-39	-31		-48	-40
Items affecting comparability	-6	-5		-57	-81		-73	-97
Re-allocation of int. services	-1	-4		-1	-4		1	-2
Adjusted EBITA	53	61	-14	124	180	-31	155	210
Adjusted EBITA margin, %	8.8	11.6		7.3	11.8		7.0	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 -26 (-20) in the third 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 third quarter two minority investments were made in the digital space and in the first nine months 2022, three minority investments were made.

## Employees

The number of permanent FTEs (Full Time Equivalents), at September 30, 2022 was 3,755 (3,299). The amount of FTEs at September 30, 2022 in business area AirTech was 2,536 (2,229), in DCT 341 (186), in FoodTech 785 (799) and at Group functions 93 (85). The increase in DCT is mainly explained by the acquisition of Edpac which contributed with about 150 employees.

## Outstanding shares

As of September 30, 2022, Munters held 2,601,011 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.

### Ten largest shareholders

<u>As of 30 Sep</u>	<u>Total (%)</u>
FAM AB	28.0
ODIN Funds	8.2
Forth Swedish National Pension Fund	8.0
First Swedish National Pension Fund	6.7
Capital Group	4.3
Swedbank Robur Fund	3.9
Columbia Threadneedle	3.0
C WorldWide Asset Management	2.5
La Financière de l'Echiquier	2.3
Vanguard	1.9

Source: Monitor

## Other events during the quarter

**AirTech receives large order for battery segment** — In July, Munters announced the signing of a large order of climate control solutions from a large car manufacturer in the USA. The order had a value of approximately MUSD 65 and deliveries are expected to start in the second quarter of 2023 through the third quarter of 2024. The battery market segment is one of Munters prioritized areas for growth.



**DCT receives multiple orders in the US** — In August, Munters received multiple orders from a US-based colocation data center company for standard chilled water computer room air handlers (CRAHs). The value of the order amounted to approximately MUSD 63 and deliveries are expected to start in the fourth quarter of 2023 and to be finalized in the first quarter of 2025.

**DCT receives largest order ever** — In August, Munters announced an order for Sycool Split Systems from a leading Data Center colocation operator in the US with a value of approximately MUSD 176, including Munters SyCool Split systems as well as field service work. Deliveries are expected to take place over a period of up to 12 months throughout 2024, starting in January 2024.

**Webinar focused on Service** — In September, Investor Relations hosted a webinar focused on Service, a prioritized growth area for Munters. The webinar provided an overview of Munters Service offering and strategy. The event is available for viewing on-demand on Munters Investor Relations website.

**Investment and strategic partnership with BarnTools** — In September, Munters announced an investment in BarnTools based in Iowa, US. BarnTools provides wireless IoT and sensor solutions for poultry and pork producers. The investment enables business area FoodTech's strategic ambition to grow digital solutions and connect the entire food production value chain with innovative software and precision farming solutions.

**New factory opened in Hodonin, Czech Republic** — To meet growing demand from battery producers, the food industry, as well as the pharmaceutical industry a new factory for production of industrial dehumidification systems was opened in September. The factory with its 10,000 m<sup>2</sup> of workspace, will mainly produce the dehumidification system Munters DSS Pro. The new factory is designed with sustainability in mind, giving our employees the best, modern, working environments.



**New factory opened in Virginia, USA** — Also in September, a new factory for the production of advanced and energy-efficient cooling equipment for data centers was opened. The new 34,000 m<sup>2</sup> manufacturing facility is Munters' largest plant in the Americas. The factory is designed with Munters' net-zero emissions target in mind with upcoming installation of solar panels on the roof, estimated to cover a large part of the daily energy consumption.

**Investment in FarmSee** — In the quarter, Munters invested in FarmSee based in Tel Aviv, Israel. FarmSee offers AI camera-based weighing sensors with continuous tracking of each individual pig in a farm. The investment enables FoodTech to grow within digital solutions as Munters becomes a distributor of FarmSee's product range and software.



## Events after the close of the period

**AirTech signs an order with Morrow Batteries** — On October 13, Munters announced an order from Morrow Batteries for climate control solutions for their battery factory in Arendal, Norway. Munters will deliver energy-efficient solutions for air treatment and climate control in this facility, which will be Morrow's first battery cell production plant in Norway. Munters has started the work already and expects to deliver the complete climate solutions in 2023. The contract is also a continuation of the collaboration with Equans, a large construction contractor in building battery factories, that Munters is working together with on several ongoing battery factory projects.

## 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

- ~3,755 employees (FTEs)
- >30 countries with sales and manufacturing
- 18 production units
- 22% women in management
- Three business areas: AirTech, Data Center Technologies and FoodTech

In Q3, AirTech generated 64%, Data Center Technologies 14% and FoodTech 22% of the total net sales of Munters

### Purpose

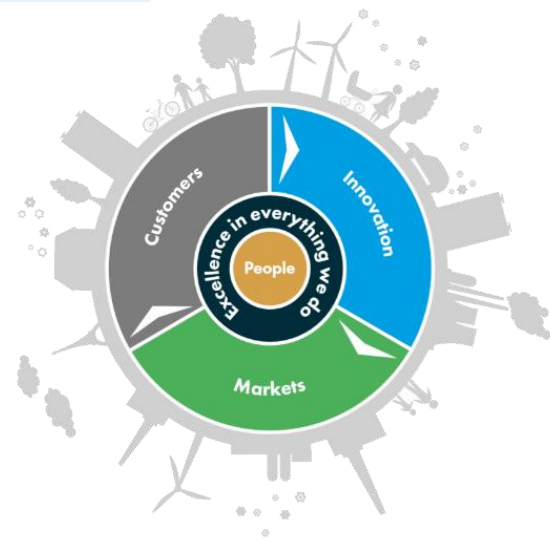
*For customer success and a healthier planet*

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

MSEK	2022			2021				2020	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Order backlog	11,866	7,515	6,367	4,198	3,525	3,018	2,769	2,253	2,664
Order intake	6,354	3,200	4,133	2,605	2,295	2,118	1,995	1,611	1,919
Net sales	2,644	2,610	2,121	2,057	1,857	1,822	1,612	1,841	1,833
<b>Adjusted EBITDA</b>	<b>359</b>	<b>332</b>	<b>260</b>	<b>274</b>	<b>270</b>	<b>311</b>	<b>250</b>	<b>300</b>	<b>326</b>
Depreciation tangible assets	-66	-60	-59	-56	-55	-53	-52	-55	-55
<b>Adjusted EBITA</b>	<b>293</b>	<b>272</b>	<b>201</b>	<b>217</b>	<b>215</b>	<b>259</b>	<b>198</b>	<b>245</b>	<b>271</b>
Amortization intangible assets from acq.	-9	-9	-9	-8	-8	-7	-7	-8	-10
Amortization other intangible assets	-19	-15	-14	-10	-10	-14	-10	-8	-20
Items affecting comparability (IAC)	6	-28	-44	-9	-3	-91	41	22	4
<b>Operating profit (EBIT)</b>	<b>271</b>	<b>220</b>	<b>134</b>	<b>190</b>	<b>194</b>	<b>147</b>	<b>222</b>	<b>250</b>	<b>245</b>
Financial income and expenses	-41	-14	-23	-14	-20	-25	-25	-45	-30
Tax	-53	-39	-10	-43	-35	-37	-38	-33	-51
<b>Net income</b>	<b>178</b>	<b>166</b>	<b>102</b>	<b>133</b>	<b>138</b>	<b>84</b>	<b>160</b>	<b>172</b>	<b>163</b>
-attributable to Parent Comp. Shareholders	176	169	104	133	138	83	160	169	161

## Key performance indicators

MSEK	2022			2021				2020	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Organic Growth, Net Sales	22%	25%	16%	10%	3%	13%	14%	8%	8%
Adjusted EBITA margin, %	11.1	10.4	9.5	10.6	11.6	14.2	12.3	13.3	14.8
Operating margin, %	10.3	8.4	6.3	9.2	10.5	8.0	13.8	13.6	13.3
Earnings per share before dilution, SEK	0.97	0.93	0.57	0.73	0.75	0.46	0.88	0.93	0.89
Earnings per share before after, SEK	0.97	0.93	0.57	0.73	0.75	0.45	0.87	0.93	0.89
Net Debt/Adjusted EBITDA, LTM	3.0	2.9	2.6	2.2	2.2	1.9	1.9	1.9	2.5

## Net Debt

MSEK	2022			2021				2020	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Cash and cash equivalents	-698	-459	-565	-674	-440	-680	-916	-970	-790
Interest-bearing liabilities	3,424	3,101	2,830	2,374	2,324	2,263	2,491	2,455	2,822
Lease liabilities	731	367	370	376	369	366	362	332	366
Provisions for pensions	187	226	298	308	279	255	261	291	288
Accrued financial expenses	10	6	5	5	4	4	10	9	9
<b>Net Debt</b>	<b>3,654</b>	<b>3,241</b>	<b>2,938</b>	<b>2,389</b>	<b>2,536</b>	<b>2,209</b>	<b>2,208</b>	<b>2,116</b>	<b>2,694</b>

# Condensed statement of comprehensive income

MSEK	Q3		Jan-Sep		LTM	Full-year
	2022	2021	2022	2021	Oct-Sep	2021
Net sales	2,644	1,857	7,375	5,291	9,432	7,348
Cost of goods sold	-1,870	-1,295	-5,237	-3,559	-6,671	-4,994
<b>Gross profit</b>	<b>774</b>	<b>562</b>	<b>2,138</b>	<b>1,732</b>	<b>2,760</b>	<b>2,354</b>
Selling expenses	-271	-214	-772	-622	-994	-844
Administrative costs	-204	-129	-566	-405	-716	-556
Research and development costs	-58	-40	-168	-117	-213	-162
Other operating income and expenses	30	15	-7	-25	-21	-39
<b>Operating profit</b>	<b>271</b>	<b>194</b>	<b>626</b>	<b>563</b>	<b>815</b>	<b>753</b>
Financial income and expenses	-41	-20	-78	-70	-92	-84
<b>Profit/Loss after financial items</b>	<b>230</b>	<b>174</b>	<b>548</b>	<b>492</b>	<b>724</b>	<b>668</b>
Tax	-53	-35	-102	-110	-145	-153
<b>Net income for the period</b>	<b>178</b>	<b>138</b>	<b>446</b>	<b>382</b>	<b>579</b>	<b>515</b>
<b>Attributable to Parent Company shareholders</b>	176	138	449	380	582	513
<i>Attributable to non-controlling interests</i>	2	1	-3	2	-3	3
Average number of outstanding shares before dilution	181,795,436	182,758,253	181,671,444	182,221,307	181,849,554	182,207,520
Average number of outstanding shares after dilution	182,049,874	183,223,716	181,862,239	182,685,905	182,045,930	182,548,017
Earnings per share before dilution, SEK	0.97	0.75	2.47	2.09	3.20	2.81
Earnings per share after dilution, SEK	0.97	0.75	2.47	2.08	3.20	2.81
<b>Other comprehensive income</b>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange-rate differences on translation of foreign operations	289	83	643	182	728	268
<i>Items that will not be reclassified to profit or loss:</i>						
Actuarial gains and losses on defined-benefit pension obligations, incl. payroll tax	44	-21	131	23	105	-3
Income tax effect not to be reclassified to profit or loss	-9	-1	-27	-10	-17	-0
<b>Other comprehensive income, net after tax</b>	<b>324</b>	<b>61</b>	<b>747</b>	<b>195</b>	<b>816</b>	<b>264</b>
<b>Total comprehensive income for the period</b>	<b>502</b>	<b>199</b>	<b>1,193</b>	<b>577</b>	<b>1,395</b>	<b>779</b>
Attributable to Parent Company shareholders	500	198	1,197	576	1,400	779
Attributable to non-controlling interests	2	1	-4	1	-4	1

# Condensed statement of financial position

MSEK	2022-09-30	2021-09-30	2021-12-31
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	5,172	4,162	4,248
Other intangible assets	2,041	1,517	1,586
Tangible fixed assets	781	580	611
Right-of-Use assets	713	360	360
Participations in associated companies	38	0	0
Other financial assets	53	18	20
Deferred tax assets	298	252	278
<b>Total non-current assets</b>	<b>9,096</b>	<b>6,889</b>	<b>7,103</b>
<b>CURRENT ASSETS</b>			
Inventory	1,765	1,000	1,073
Accounts receivable	1,899	1,087	1,394
Derivative instruments	–	-1	1
Current tax assets	89	67	52
Other receivables	126	83	78
Prepaid expenses and accrued income	785	437	368
Cash and cash equivalents	698	440	674
<b>Total current assets</b>	<b>5,362</b>	<b>3,113</b>	<b>3,639</b>
<b>TOTAL ASSETS</b>	<b>14,459</b>	<b>10,002</b>	<b>10,742</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Shareholders' equity	5,413	4,235	4,360
Non-controlling interests	3	3	3
<b>Total equity</b>	<b>5,416</b>	<b>4,237</b>	<b>4,363</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing liabilities	3,386	2,313	2,362
Lease liabilities	610	270	273
Provisions for pensions	187	273	303
Other provisions	66	70	62
Other non-current liabilities	174	137	140
Deferred tax liabilities	459	389	405
<b>Total non-current liabilities</b>	<b>4,882</b>	<b>3,452</b>	<b>3,546</b>
<b>CURRENT LIABILITIES</b>			
Interest-bearing liabilities	37	11	11
Lease liabilities	121	99	103
Provisions for pensions	–	6	6
Other provisions	159	179	157
Accounts payable	932	589	771
Derivative instruments	3	2	–
Current tax liabilities	48	42	40
Advances from customers	1,428	503	648
Other current liabilities	163	102	100
Accrued expenses and deferred income	1,270	780	998
<b>Total current liabilities</b>	<b>4,160</b>	<b>2,313</b>	<b>2,833</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,459</b>	<b>10,002</b>	<b>10,742</b>

# Condensed cash flow statement

MSEK	Q3		Jan-Sep		LTM	Full-year
	2022	2021	2022	2021	Oct-Sep	2021
<b>OPERATING ACTIVITIES</b>						
Operating profit	271	194	626	563	815	753
<b>Reversal of non-cash items</b>						
Depreciation, amortization and impairments	94	86	260	228	335	303
Other profit/loss items not affecting liquidity	-6	9	-14	12	-8	16
<b>Change in provisions</b>						
Provisions	-26	-55	-20	-62	-55	-97
<b>Cash flow before interest and tax</b>	<b>334</b>	<b>234</b>	<b>852</b>	<b>740</b>	<b>1,088</b>	<b>974</b>
Paid financial items	-34	-18	-64	-88	-75	-99
Taxes paid	-64	-49	-171	-140	-211	-181
<b>Cash flow from operating activities before changes in working capital</b>	<b>235</b>	<b>166</b>	<b>617</b>	<b>511</b>	<b>801</b>	<b>694</b>
<b>Cash flow from changes in working capital</b>	<b>30</b>	<b>-308</b>	<b>-273</b>	<b>-407</b>	<b>-41</b>	<b>-175</b>
<b>Cash flow from operating activities</b>	<b>266</b>	<b>-142</b>	<b>345</b>	<b>105</b>	<b>761</b>	<b>519</b>
<b>INVESTING ACTIVITIES</b>						
Business acquisitions	-	-	-302	-	-302	-
Investments in associated companies	-34	-	-34	-	-34	-
Investments in participations and securities in other companies	-36	-	-39	-	-39	-
Sale of tangible fixed assets	18	1	19	2	19	2
Investment in tangible assets	-44	-36	-133	-94	-177	-138
Investment in intangible assets	-74	-45	-223	-147	-280	-204
<b>Cash flow from investing activities</b>	<b>-169</b>	<b>-79</b>	<b>-710</b>	<b>-239</b>	<b>-812</b>	<b>-341</b>
<b>FINANCING ACTIVITIES</b>						
Exercised share options	10	8	15	40	15	40
Loan raised	267	10	1,052	2,298	1,065	2,311
Amortization of loans	-117	-13	-466	-2,545	-471	-2,550
Repayment of lease liabilities	-32	-27	-88	-78	-117	-105
Repurchase of shares	-	-	-	-	-69	-69
Dividends paid	-	-	-156	-129	-156	-129
<b>Cash flow from financing activities</b>	<b>128</b>	<b>-23</b>	<b>357</b>	<b>-413</b>	<b>266</b>	<b>-503</b>
<b>Cash flow for the period</b>	<b>225</b>	<b>-244</b>	<b>-9</b>	<b>-548</b>	<b>215</b>	<b>-324</b>
Cash and cash equivalents at period start	459	680	674	970	440	970
Exchange-rate differences in cash and cash equivalents	14	4	34	18	44	28
<b>Cash and cash equivalents at period end</b>	<b>698</b>	<b>440</b>	<b>698</b>	<b>440</b>	<b>698</b>	<b>674</b>

## Condensed statement of changes in equity

MSEK	2022-09-30	2021-09-30	2021-12-31
<b>Opening balance</b>	<b>4,363</b>	<b>3,751</b>	<b>3,751</b>
Total comprehensive income for the period	1,193	577	779
Exercised share options	15	40	40
Change in non-controlling interest	-	-1	-1
Put/call option related to non controlling interests	-	-3	-4
Dividends paid	-156	-129	-129
Repurchase of shares	-	-	-69
Share option plan incl. deferred tax	2	2	-5
Other	-	1	1
<b>Closing balance</b>	<b>5,416</b>	<b>4,237</b>	<b>4,363</b>
<b>Total shareholders' equity attributable to:</b>			
The parent company's shareholders	5,413	4,235	4,360
Non-controlling interests	3	3	3



# Parent company

## Condensed income statement

MSEK	Q3		Jan-Sep		LTM	Full-year
	2022	2021	2022	2021	Oct-Sep	2021
Net sales	-	-	-	-	-	-
<b>Gross profit/loss</b>	<b>-0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
Administrative costs	0	-4	-3	-8	-7	-12
Other operating expenses	4	13	5	11	5	11
<b>Profit/Loss before interest and tax (EBIT)</b>	<b>5</b>	<b>9</b>	<b>2</b>	<b>3</b>	<b>-1</b>	<b>0</b>
Financial income and expenses	-2	-0	-3	0	-3	-1
<b>Profit/Loss after financial items</b>	<b>3</b>	<b>8</b>	<b>-1</b>	<b>2</b>	<b>-5</b>	<b>-1</b>
Group contributions	-	-	-	-	8	8
<b>Profit/Loss before tax</b>	<b>3</b>	<b>8</b>	<b>-1</b>	<b>2</b>	<b>4</b>	<b>7</b>
Tax	0	3	0	3	-1	1
<b>Net income for the period</b>	<b>3</b>	<b>11</b>	<b>-1</b>	<b>5</b>	<b>2</b>	<b>8</b>

## Condensed statement of comprehensive income

Profit/Loss for the period	3	11	-1	5	2	8
Other comprehensive income, net after tax	-	-	-	-	-	-
<b>Comprehensive income for the period</b>	<b>3</b>	<b>11</b>	<b>-1</b>	<b>5</b>	<b>2</b>	<b>8</b>

## Condensed balance sheet

MSEK	2022-09-30	2021-09-30	2021-12-31
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Participations in subsidiaries	4,097	4,096	4,094
Other financial assets	4	7	5
<b>Total non-current assets</b>	<b>4,101</b>	<b>4,103</b>	<b>4,100</b>
<b>CURRENT ASSETS</b>			
Prepaid expenses and accrued income	1	1	1
Current tax assets	1	1	1
Receivables from subsidiaries	18	29	13
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	<b>20</b>	<b>31</b>	<b>15</b>
<b>TOTAL ASSETS</b>	<b>4,122</b>	<b>4,133</b>	<b>4,115</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	6	6	6
Share premium reserve	4,136	4,135	4,136
Profit brought forward	-257	-56	-128
Income for the period	-1	5	8
<b>Total equity</b>	<b>3,883</b>	<b>4,090</b>	<b>4,022</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions for pensions and similar commitments	3	2	2
<b>Total non-current liabilities</b>	<b>3</b>	<b>2</b>	<b>2</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	2	2	3
Accrued expenses and deferred income	12	16	18
Liabilities to subsidiaries	217	18	65
Other liabilities	5	5	4
<b>Total current liabilities</b>	<b>236</b>	<b>41</b>	<b>91</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,122</b>	<b>4,133</b>	<b>4,115</b>

# 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 has 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 was 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	2022-09-30	2021-09-30	2021-12-31
Opening balance	137	121	121
Discounting	-	3	4
Exchange-rate differences	32	9	13
<b>Closing balance</b>	<b>169</b>	<b>132</b>	<b>137</b>

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 0 (-1) in financial assets and to MSEK 3 (2) 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 September 30, 2022, and the fair value at the end of the reporting period therefore in all material aspects corresponds to the carrying amount.

## 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 13 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 business 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.

MSEK	Q3		Jan-Sep		Full-year	
	2022	2021	2022	2021	LTM	Jan-Dec
Restructuring activities	8	-3	-36	-104	-55	-124
Close down of business activities in Russia	-	-	-27	-	-27	-
Other items affecting comparability	-2	0	-2	51	9	62
<b>Summa</b>	<b>6</b>	<b>-3</b>	<b>-65</b>	<b>-53</b>	<b>-74</b>	<b>-62</b>

## Business acquisitions

In January 2022, Munters acquired 100% of the shares in EDPAC, an Irish manufacturer of cooling equipment for data centers and air treatment systems, with a purchase price of 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	Acquired balances
<b>Information about acquired net assets and goodwill</b>	
Cash purchase consideration paid	303
<b>Total purchase consideration</b>	<b>303</b>
Fair value of acquired net assets	-103
<b>Goodwill</b>	<b>200</b>
<b>Acquired net assets at time of acquisition</b>	
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
<b>Total assets</b>	<b>232</b>
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
<b>Total liabilities</b>	<b>129</b>
<b>Net identifiable assets and liabilities</b>	<b>103</b>
Cash purchase consideration paid	303
Cash and cash equivalents in acquired company	1
<b>Change in the Group's cash and cash equivalents on acquisition</b>	<b>-302</b>

This is a translation from the original review report in Swedish.

## 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, 2022 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

Ernst & Young AB

Rickard Andersson  
Authorized Public Accountant

# Information and reporting dates

## Contact persons:

### Ann-Sofi Jönsson

Vice President, Investor Relations and Enterprise Risk Management

Phone: +46 (0)730 251 005

Email: [ann-sofi.jonsson@munters.com](mailto:ann-sofi.jonsson@munters.com)

### Line Dovärn

Director Investor Relations and Enterprise Risk Management

Phone: +46 (0)730 488 444

E-mail: [line.dovarn@munters.com](mailto:line.dovarn@munters.com)

You are welcome to join a webcast or telephone conference on October 21 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://ir.financialhearings.com/munters-q3-2022>

## 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:

Capital Markets Day December 8, 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.*

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 person set out above, at 07.30 AM CEST on October 21, 2022.

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

