Q4

2017

Munters Group AB (publ)

"Strong order intake driven by Data Centers and Air Treatment. Earnings impacted by operational challenges "

Fourth quarter 2017

Order intake increased by 22% to SEKm 1,821 (1,491) and 23% organically. The quarter included a SEKm 450 Data Center order received in November 2017.

Net sales decreased by 1% to SEKm 1,811 (1,823) while organic growth was flat, impacted by lower net sales in Data Centers.

The order backlog increased by 36% to SEKm 2,365 (1,741).

Operating profit (EBIT) decreased by 44% to SEKm 127 (228), mainly due to lower earnings in Data Centers.

Adjusted EBITA decreased by 36% to SEKm 174 (274), corresponding to an adjusted EBITA margin of 9.6% (15.0).

Net income was SEKm 152 (105).

Cash flow from operating activities was SEKm -8 (114).

Earnings per share before and after dilution were SEK 0.83 (6.32).

January - December 2017

Order intake increased by 13% to SEKm 7,197 (6,373), of which 10% organically.

Net sales increased by 9% to SEKm 6,604 (6,040), of which 6% organically.

Operating profit (EBIT) decreased by 22% to SEKm 453 (577), mainly due to lower profitability in Data Centers.

Adjusted EBITA decreased by 14% to SEKm 675 (781), corresponding to an adjusted EBITA margin of 10.2% (12.9).

Net income was SEKm 173 (85).

Cash flow from operating activities decreased to SEKm 235 (277).

Earnings per share before and after dilution were SEK 1.45 (5.08).

The Board of Directors proposes that a dividend of SEK 0.30 per share be paid for the financial year 2017.

Events after period end

Katarina Lindström was appointed President Global Operations and will assume her position during the spring of 2018.

FINANCIAL SUMMARY

	Q4			Jan-Dec		
SEKm	**2017**	**2016**	**∆%**	**2017**	**2016**	**∆%**
Order backlog	2,365	1,741	36	2,365	1,741	36
Order intake	1,821	1,491	22	7,197	6,373	13
Net sales	1,811	1,823	-1	6,604	6,040	9
Operating profit (EBIT)	127	228	-44	453	577	-22
Adjusted EBITA	174	274	-36	675	781	-14
Adjusted EBITA margin, %	9.6	15.0		10.2	12.9	
Net income	152	105	45	173	85	104
Earnings per share before and after dilution, SEK	0.83	6.32	-87	1.45	5.08	-71
Cash flow from operating activities	-8	114		235	277	-15
Net debt	2,661	2,724	-2	2,661	2,724	-2
Net debt/adjusted EBITDA, LTM				3.5x	3.2x	

Some of the above presented numbers are so called alternative performance measures. Definitions are presented on page 25.

Munters

Your Perfect Climate

Comments from the CEO

SOLID GROWTH DURING THE YEAR, EARNINGS IMPACTED BY OPERATIONAL CHALLENGES

Order intake in the fourth quarter increased by 23% organically, driven by good momentum in the Data Centers and Air Treatment businesses. Group net sales was flat organically in the fourth quarter with growth in Air Treatment and AgHort but with lower net sales in Data Centers and Mist Elimination. The fourth quarter adjusted EBITA came in lower year on year, mainly due to negative earnings in our Data Centers business caused by a low level of deliveries in the first half of the quarter and high project startup costs.

Continued growth in our targeted niche market segments
Summarizing the year 2017, Group net sales grew 9% of which 6% organic. I am pleased to conclude that we managed to grow well in line with the overall market growth in our targeted niche segments and geographies during the year.

In Air Treatment, net sales showed healthy growth during the year in line with the anticipated overall market growth and with strong performance in both the Industrial and Commercial sub-segments. Specifically, within electronics, our early involvement in many Lithium battery production projects, with usually long lead-times, has resulted in us being able to win significant orders in all regions.

Data Centers net sales grew in line with the market in 2017 with a healthy order backlog going into 2018. Demand remains volatile and somewhat unpredictable with the order lumpiness causing manufacturing inefficiencies. In order to enhance our leading position, we continue to develop new products to meet customers´ different needs and operational environments.

In AgHort, net sales showed some growth despite the cyclically weaker market environment during the year. We expect customers´ investment levels in the important US layer market segment to begin to pick up during the first six months of 2018. During the fourth quarter, we received an order for process control in the broiler segment in the US based on our new software and connectivity solution, called Echo/Sonar, developed together with MTech Systems, which we acquired in the beginning of 2017. This launch and order is of strategic importance and holds the potential of transforming the industry enabling increased efficiency and control throughout the broiler production chain.

Our Mist Elimination business has faced some market headwinds during the year driven by low demand in the markets for Coal FGD. Net sales decreased during the year, and as a response to this development, we are accelerating our shift towards the process industry and marine exhaust gas cleaning markets where we see more sustainable and healthier growth levels.

Munters Service business grew with 11% during the year driven by further penetration of our installed base with our existing service solutions including service contracts, as well as introducing new upgrade and rental solutions. We expect services to be one of our fastest growing businesses going forward.

Further to our emerging market growth strategy, we are also happy to conclude that group order intake in China grew 34% during the year.

Action plan to increase profitability
Group adjusted EBITA for the year decreased to SEKm 675 (781) corresponding to an adjusted EBITA margin of 10.2% (12.9), which was well below our own expectations. 2017 earnings were negatively impacted by operational inefficiencies in two areas, Data Centers and Mexico. During the year, we have faced operational challenges in our high growth Data Center business including project postponements, project delays and manufacturing inefficiencies. These orders are large and complex and have involved significant engineering and development work. The project start-up costs in some of the projects have also been higher than expected. Going forward, we need to manage the lumpy nature and operational challenges in this high growth business in a much more efficient way.

In December, we implemented an action plan to gradually improve profitability in the Data Center business area during 2018 and onwards. A re-design of the production work flow was initiated in January, temporarily slowing down the production pace but will result in improved productivity going forward. As previously stated, the first quarter 2018 will be impacted by some remaining project cost overruns.

Some of our evaporative pad production lines in Monterrey Mexico have faced challenges in production yield and efficiency during 2017. This has caused delays and has become costly. Our improvement activities have been successful and the production yields have gradually improved. In order to meet the high market demand and improve efficiency further, we have decided to develop a new production process for our glass fiber based products and to invest in a new production development lab in the US.

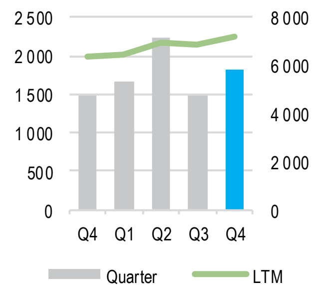
Munters ahead – our roadmap for further growth
Munters is responding to some of the global mega trends in our selected niche markets including the need for increased energy efficiency, sustainability, connectivity and stricter requirements for our customers' production environments. Our business plan for 2018 includes several exciting product launches in our AgHort, AirTreatment and Data Centers businesses, enhanced IoT-offering, sales initiatives in our targeted niche segments, further development and penetration of our services offering in our installed base as well as operational improvements.

Looking into 2018, we expect continued favorable market conditions in most of our market segments and the programs we are running will improve the company's performance during 2018. On a quarterly basis, we expect lower Group adjusted EBITA during the first quarter 2018 compared to the same period last year due to less favorable sales mix in Air Treatment and lower margin in Data Centers but we expect to see Group adjusted EBITA improvements for the remainder of 2018. We remain confident in that the steps we are taking will result in us achieving our mid-term financial targets.

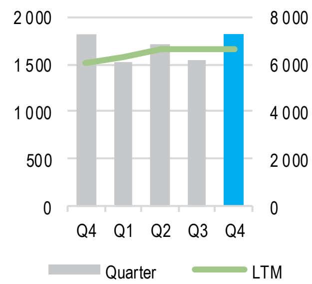
John Peter Leesi, CEO

Group financial performance

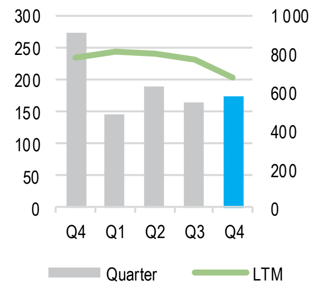
Order intake (SEKm)



Net sales (SEKm)



Adjusted EBITA (SEKm)



ORDER INTAKE AND NET SALES

	Order intake				Net sales			
SEKm	**Q4**	**Δ%**	**Jan-Dec**	**Δ%**	**Q4**	**Δ%**	**Jan-Dec**	**Δ%**
Current period	**1,821**		**7,197**		**1,811**		**6,604**	
Previous period	**1,491**		**6,373**		**1,823**		**6,040**	
Change	**330**	**22**	**825**	**13**	**-13**	**-1**	**564**	**9**
Organic growth	349	23	667	10	-6	-0	380	6
Currency effects	-76	-5	26	0	-66	-4	23	0
Structural effects	57	4	131	2	59	3	160	3

Order intake for the fourth quarter increased by 22% to SEKm 1,821 (1,491) and 23% organically. Air Treatment and Data Centers showed strong organic growth in the quarter at 7% and 185%, respectively. For AgHort, the layer market in the US continued to be weak during the quarter. Mist Elimination experienced a significant decline in FGD (Flue Gas Desulphurization) in China in the fourth quarter resulting in negative organic growth. Structural effects amounted to 4% and included the acquisitions of MTech Systems, Kevin and Edata.

Order intake for the full year 2017 increased by 13% to SEKm 7,197 (6,373) of which 10% organically. The increase was mainly due to strong order intake in Air Treatment and Data Centers. AgHort reported minor organic growth during the year despite the current market decline.

Net sales for the fourth quarter decreased by 1% to SEKm 1,811 (1,823) and organic growth was flat. Air Treatment and AgHort showed positive growth while the other business areas had negative organic growth. Data Centers net sales during the quarter was lower than the previous year due to production inefficiencies in Europe.

Net sales for the full year 2017 increased by 9% to SEKm 6,604 (6,040) and 6% organically. The increase was due to revenue growth in Air Treatment and Data Centers while AgHort and Mist Elimination showed negative organic growth. Structural effects in net sales were 3% comprising of the acquisitions.

Services net sales for the full year 2017 increased by 11% to SEKm 718 (649), driven by strong growth in service contracts, spare parts, plug fan upgrades and a developing Rental business.

OPERATING PROFIT (EBIT)

Operating profit (EBIT) in the fourth quarter decreased by 44% to SEKm 127 (228), including depreciations of SEKm -22 (-20) and amortizations SEKm -47 (-49), whereof SEKm -42 (-44) was related to surplus values derived through acquisitions.

Operating profit (EBIT) for the full year 2017 decreased by 22% to SEKm 453 (577), including depreciations of SEKm -79 (-75) and amortizations SEKm -209 (-187), whereof SEKm -189 (-169) was related to surplus values derived through acquisitions.

ADJUSTED EBITA

Adjusted EBITA in the fourth quarter decreased by 36% to SEKm 174 (274), corresponding to an adjusted EBITA margin of 9.6% (15.0).

Business area Air Treatment reported growth in adjusted EBITA during the quarter but was negatively affected by continued production inefficiencies in our Mexican production unit. Data Centers was negatively affected by lower than planned deliveries and production inefficiencies in Europe. For AgHort the adjusted EBITA increased as a result of organic net sales growth and structural effects. Mist Elimination adjusted EBITA decreased, mainly impacted by lower net sales from Coal FGD (Flue Gas Desulphurization) in China.

Adjusted EBITA for the full year 2017 decreased by 14% to SEKm 675 (781), corresponding to an adjusted EBITA margin of 10.2% (12.9).

NET FINANCE ITEMS AND PROFIT/RESULT AFTER FINANCIAL ITEMS

Financial income and expenses for the fourth quarter amounted to SEKm -28 (-116). The improvement compared to the same quarter last year was due to better terms on the external financing and that interest cost related to the former shareholder loan has ceased after the conversion to equity in May 2017. The total average weighted interest rate including fees per end of the quarter was 3.5% (6.8).

TAXES

Income taxes for the fourth quarter amounted to SEKm 53 (-8.0).

Impact of the US tax reform (Tax Cuts & Jobs Act) for the fourth quarter was a one-off net income effect of SEKm 74.5, deriving from revaluation of deferred tax liability, mainly related to prior acquisitions, at the lower tax rate.

The tax cost in the fourth quarter was also negatively impacted by SEKm -5.9 related to revaluation of deferred tax asset in Belgium and China due to decrease in tax rate for 2018. The one-off tax effects have not impacted the cash flow in the fourth quarter.

The effective tax for the full year 2017, excluding the mentioned one-off effect related to the US tax reform, was 35% (45%). The tax cost was negatively impacted by the non-deductible interest costs relating to the shareholder loans prior to the conversion in May, amounting to SEKm -16. It was also positively impacted by the settlement of the HB earn-out in the second quarter, amounting to SEKm 12.

The effective tax rate in 2017 was also driven by higher tax rate in some of the jurisdictions where the group operates, mainly the US. However, as a result of the decreased tax rate in the US from 1 January 2018 the effective tax rate is expected to decrease further in 2018.

CASH FLOW AND CAPITAL EMPLOYED

Cash flow from operating activities amounted to SEKm -8 (114) in the fourth quarter and was negatively affected by an increase of working capital corresponding to SEKm -174 (-52) mainly related to decreased advance payments from customers and increased accounts receivables expected to be paid in the beginning of 2018. Year to date cash flow from operating activities amounted to SEKm 235 (277). A customer payment of EURm 26 was received in the beginning of 2018.

Cash flow from financing activities in the fourth quarter amounted to SEKm -6 (133).

Average capital employed for the year amounted to SEKm 6,501 (6,066). Return on capital employed (ROCE) for the year was 9% (10).

Return on capital employed (ROCE), where EBIT is adjusted for items affecting comparability and capital employed adjusted for goodwill, for the year was 25% (30).

SIGNIFICANT EVENTS DURING THE YEAR

Market listing

Munters Group AB was listed on Nasdaq Stockholm on May 19, 2017. The price per share in the Offering was SEK 55, corresponding to a total value of the number of outstanding shares in Munters of SEKm 10,098.

The Offering consisted of 73,439,120 shares, of which 1,872,728 new shares were issued by the Company. The remaining 71,566,392 existing shares were offered mainly by the principal shareholders: Nordic Capital Fund VII and Five Arrows. The Offering of new shares provided Munters with gross proceeds of SEKm 103.

After full exercise of the Over-Allotment Option, the value of the Offering amounted to approximately SEKm 4,524 corresponding to approximately 44.8% of the total number of outstanding shares in Munters upon completion of the Offering.

As a result of the set-off issue and the new cash share issue carried out by Munters Group AB in connection with the recent initial public offering, the number of shares and votes in the company has increased by 166,799,454 since the first day of trading on Nasdaq Stockholm.

As of 31 December 2017, the number of shares and votes in Munters Group AB was a total of 183,597,802.

Share Capital

In connection with the listing of Munters shares on Nasdaq Stockholm, all preference shares and all common shares of the company were converted into one class of common shares outstanding. Furthermore, a directed set off issue of new common shares was made to the selling shareholders against set-off of shareholder loans to the company. The extraordinary general meeting held on 7 May 2017 resolved on the following corporate actions to effect the share conversion and the set off issue.

1. A conversion of each outstanding preference share (preference shares of class A and class B) and each common share (common shares of class A and class B) into one new common share (common shares class B).
2. A directed set-off issue of new common shares is, with deviation from shareholders´ preferential rights, given to the selling shareholders against set-off of shareholder loans to the company. The aggregate value of the shareholder loans and accrued interest thereon amounted to SEKm 2,553 and SEKm 251, respectively, as of 19 May 2017. The set-off issue comprised an issuance of up to 164,926,726 shares.

Incentive program

At the extraordinary general meeting on 7 May 2017, it was resolved to issue warrants as part of an incentive program for certain members of the Group management (the “participants”). In total, the incentive program comprises 8 individuals and not more than 5,222,000 warrants. The participants may subscribe for warrants at a market value corresponding to in total not more than SEKm 17.99. The maximum number of warrants that could be subscribed for by the participants corresponded to approximately 2.77% of the Company’s share capital following completion of the offering and assuming full exercise of the warrants.

The warrants will be issued in two separate series. Each participant subscribes for an equal number of warrants of both series. This number of warrants per participant and series depends on the participant’s position within the Group and the number of shares held by the participant at the time of the commencement of the program. Series 2017/2019 comprises up to 2,611,000 warrants that may be exercised during the following subscription period; 19 May to 19 November 2019, with the exception of the thirty-day period preceding (a) the day of the announcement of the company’s interim report for the second quarter of 2019, and (b) the day of the announcement of the company’s interim report for the third quarter of 2019. The exercise price for series 2017/2019 corresponds to 121.22% of the offer price.

Series 2017/2020 comprises up to 2,611,000 warrants that may be exercised during the following subscription period; 19 May to 19 November 2020, with the exception of the thirty-day period preceding (a) the day of the announcement of the company’s interim report for the second quarter of 2020, and (b) the day of the announcement of the Company’s interim report for the third quarter of 2020. The exercise price for series 2017/2020 corresponds to 130.91% of the offer price.

The Company has reserved the right to repurchase warrants for example if the participant's employment with the company is terminated.

More information on the programs is provided on https://www.munters.com/en/corporate-governance/management/share-related-incentive-program/

Changes in Munters Board of Directors

Helen Fasth Gillstedt was elected as a member of the Board and as Chairman of the Audit Committee at an extraordinary general meeting on February 3 2017. At the Annual General Meeting, held on 28 March 2017, Lena Olving was elected as member of the Board. Kristian Sildeby was elected as Board member at the extraordinary general meeting held on 7 May 2017. More information about Munters Board of Directors is provided on https://www.munters.com/en/corporate-governance/board-of-directors/

Changes in Munters Group Management

On March 17, Sara Punkki was appointed Group Vice President Corporate Social Responsibility (CSR) and member of Group Management. On 11 July 2017, Munters announced the following changes in Group Management. Wolf Frank was appointed President Business Area Mist Elimination from 1 August 2017, a position he holds in addition to his current responsibility as President Munters China. Wolf has successfully managed a number of different businesses in Munters during the past years, most recently growing Munters business in China. Per Hedebäck left Munters during the third quarter 2017 to pursue other career opportunities. Ola Carlsson left his position as President Global Operations during the fourth quarter 2017 to pursue other career opportunities.

SIGNIFICANT EVENTS AFTER PERIOD END

Katarina Lindström has been appointed President Global Operations and member of the Group Management team. Katarina currently holds a position as Senior Vice President International Manufacturing at Volvo Group. She has more than 20 years of experience within Volvo Group and has held a number of highly qualified positions at Volvo Group in Operations, Product Planning and Product Management. Katarina will assume her position during spring of 2018.

SEASONAL VARIATIONS

The seasonal profile of net sales differs by business area. In general, Q1 is the slowest quarter as the number of projects typically is lower in the period.

Demand for Air Treatment products is seasonally stronger in the summer, due to higher construction activity in general and seasonal increase in humidity levels, which leads to strong invoicing in Q2 and Q3. Generally, Q3 and Q4 can be impacted by fiscal planning, with customers looking to utilize budgeted funds and take delivery before year end, which typically leads to a higher net sales level in Q4. The low point in order intake is typically November to February when project activity is lower and customers are in the process of planning for the next fiscal year.

Data Centers' sales are driven by larger projects where the seasonality is less transparent. Order intake and net sales are likely to fluctuate to a higher degree than in our other business areas quarter by quarter due to lumpiness of larger projects.

Seasonality in Mist Elimination is mostly driven by seasonal fluctuations of activity in the coal-fired power industry. The pattern is typically similar to Air Treatment with relatively high net sales in Q4 and limited activity in early Q1.

AgHort's sales are relatively stable over the year. In general, customer project activity is lower during the winter in Europe and the US, which normally affects the business area's sales during Q1 and Q4 negatively.

FINANCIAL POSITION AND LIQUIDITY

Munters primary financing is through bank loans with a group of Scandinavian banks as lenders. The facilities consist of a Term Loan of USDm 250 and a Revolving Credit Facility of EURm 185. The facilities have no mandatory amortization requirement. The final maturity date is in May 2022. The loan agreement has one financial covenant (consolidated net debt in relation to Adjusted EBITDA). Of the Revolving Credit Facility, EURm 20 is allocated to ancillary facilities made available for overdraft- and guarantee purposes. Available unutilized credit facilities as of December 31 amounted to SEKm 811 (68). Interest-bearing liabilities amounted to SEKm 2,855 (5,661) at the end of the quarter. Cash and cash equivalents amounted to SEKm 402 (432) as of December 31, 2017.

ITEMS AFFECTING COMPARABILITY

	2017					2016				
SEKm	**Q4**	**Q3**	**Q2**	**Q1**	**Jan-Dec**	**Q4**	**Q3**	**Q2**	**Q1**	**Jan-Dec**
Other										
Exit preparation costs	-	-2	-44	-27	-73	-27	-26	-	-	-53
Divestment Cooler business	-	-	-	-	-	-	7	-	-	7
Business area Air Treatment										
Property sale	-	-	-	7	7	-	-	-	-	-
Final Earn out HB Group	-	-	53	-	53	-	-	-	-	-
Business area AgHort										
Final Earn out Reventa	-	-	-	-	-	30	-	-	-	30
Total	**-**	**-2**	**9**	**-20**	**-13**	**3**	**-20**	**-**	**-**	**-17**

There were no events of items affecting comparability (IAC) in Q4. The IAC´s in Q3 comprised of exit preparation costs amounting to SEKm 2. Settlement of the HB Group acquisition earn-out resulted in a gain of SEKm 53 in Q2.

In 2016, the largest IAC item refers to external costs in relation to Munters and owners' review of strategic exit-alternatives, which amounted to SEKm 53. Munters also benefitted from two positive effects during the year that have been adjusted for. Firstly, the effect from the early settlement of the Reventa acquisition earn-out of SEKm 30 and, secondly, SEKm 7 related to a provision reversal for the Cooler divestment that took place in 2015.

PARENT COMPANY AND OWNERSHIP

Munters Group AB engages only in group supporting functions. The Company only holds shares in subsidiaries, cash and accounts payable. 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 SEKm 134 (44). The Parent Company has no employees.

On May 19th the shares in Munters Group AB were listed on Nasdaq Stockholm. The Offering consisted of 73,439,120 shares, of which 1,872,728 new shares were issued by the Company. The remaining 71,566,392 existing shares were offered mainly by the principal shareholders: Nordic Capital Fund VII and Five Arrows (the "Principal Owners"). The Offering of new shares provided Munters with gross proceeds of SEK 103 million.

As of December 31, Nordic Capital remained as the biggest shareholder (50.1%) followed by FAM (11.4%), AMF (6.9%), Alecta (5.0%) and Första AP-fonden (4.5%).

ACQUISITIONS

Acquisition of 60% of the shares in MTech Systems was completed on February 1. The purchase price amounted to SEKm 222. See page 23 for additional information.

On April 1, Munters completed the acquisition of Kevin Enterprises Private Limited, a privately owned company headquartered in Mumbai, India. The acquisition was structured as an asset deal, acquiring company being Munters India Humidity Control Private Limited (Munters India). See page 24 for additional information.

On May 30, Munters announced the acquisition of Brazilian-based Edata specializing in key software for food processing plants, primarily for poultry production. See page 24 for additional information.

FINANCIAL TARGETS AND DIVIDEND POLICY

Net sales growth

Munters objective is to achieve an annual organic revenue growth of between 7-10% per year, supplemented by selective acquisitions.

Profitability

Munters' mid-term target is to have an adjusted EBITA margin of 14%.

Capital structure

Munters aims to maintain 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).

Dividend policy

Munters aims to pay an annual dividend corresponding to 30-50% of the net income for the period. The pay-out decision will be based on the Company's financial position, investment needs, acquisitions and liquidity position.

Munters business areas

Munters is organized in four business areas, which are Air Treatment, Data Centers, AgHort and Mist Elimination. From 2017 the Data Centers' cooling business, previously a part of Air Treatment, is reported as a separate business area. Each of these business areas addresses a set of customer industries and applications, with an offering based on Munters' technologies and services. The application areas which Munters targets typically show a large degree of specialization, with substantial commonalities across geographical regions.

AIR TREATMENT

Air Treatment is a global leader in energy efficient air treatment solutions for industrial and commercial applications. Munters' systems provide precise humidity and temperature control and are used by clients in mission critical processes, and can have a major impact on production safety, product quality, operating efficiency, and financial viability. Our offering includes evaporative cooling, heating, VOC abatement, and dehumidification through desiccant rotors, evaporative cooling pads, and polymer heat exchangers. The underlying market is estimated to deliver 8% annual growth in 2017-2020.

DATA CENTERS

Data Centers is a global leader in climate control systems for medium and large scale Data Centers. Munters' solutions are recognized as being robust and durable in demanding conditions and have a best-in-class track record of reliability and energy efficiency. Munters is mainly active in the fastest growing part of the air economizer data center market (direct and indirect evaporative cooling) which is estimated to grow by approximately 27% annually in 2017-2020. Our dedicated teams have the ability to configure, manufacture, support and deliver data center cooling projects across the globe.

AGHORT

AgHort develops and manufactures energy efficient climate control systems for the growth and development of agriculture and greenhouse applications. By providing the perfect climate, our solutions enable farms to operate and produce under optimum conditions. Our innovative product range includes ventilation, cooling, heating and cutting-edge control systems. Munters always strives to be the premium partner for our customers and is a global supplier offering a full suite of climate control products for agricultural and greenhouse applications. The underlying market is estimated to deliver 6% annual growth in 2017-2020. Demand is underpinned by global factors such as population and GDP growth, and further accelerated by food and industry trends (e.g. productivity and safety issues).

MIST ELIMINATION

Mist Elimination is a globally leading provider of mechanical gas and liquid separation. Our mist eliminators are key components in scrubbers to reduce emissions from power plants and ships across the world. Our highly efficient mist eliminators also create optimum operating conditions and protect equipment in process industries, windmills, gas turbines and ships. Our dedicated team of experts helps customers find the perfect solution to their mist elimination needs. The underlying market is estimated to deliver a 3-6% annual growth 2017-2020 and will benefit from the introduction of the 0.5% sulphur cap in shipping industry with effect from 2020.

FUNCTIONS ACROSS THE BUSINESS AREAS

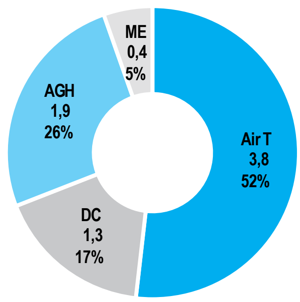
Munters equipment often plays a mission critical role in customers' operations. Munters provides a range of services for its products, including installation supervision, commissioning, spare parts sales, repairs and performance optimization. The Service business recorded year to date growth, up 11% compared to previous year.

Operations continued to generate savings within procurement, cost out programs and implementation of lean principles across the factories.

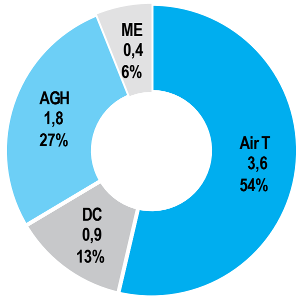
OTHER

Other refers to group related functions and costs that are not allocated to the different business areas.

Order intake per business area and LTM (SEKbn)



Net sales per business area and LTM (SEKbn)



Air Treatment

- Strong organic order and net sales growth in the fourth quarter at +7% respectively. Strong growth in the Industrial sub-segment was offset by a decline in the Commercial sub-segment, partially as a result of the decision to exit non-strategic Commercial applications.
- Lower adjusted EBITA margin in the fourth quarter due to production inefficiencies in Mexico and lower net sales in the Supermarket end-market.

FINANCIAL SUMMARY

	Q4			Jan-Dec		
SEKm	2017	2016	∆%	2017	2016	∆%
External order backlog	1,079	959	12	1,079	959	12
Order intake	862	840	3	3,787	3,385	12
Net sales	988	961	3	3,588	3,294	9
Operating profit (EBIT)	129	162	-21	511	437	17
Adjusted EBITA	131	166	-21	461	448	3
Adjusted EBITA margin, %	13.3	17.2		12.9	13.6	

Order intake and net sales

Order intake increased by 3% during the quarter and 7% organically. Currency effects had a negative impact of 5%. Order growth was robust in the Industrial sub-segment, particularly in pharmaceutical and other industrial applications. Significant orders in the fourth quarter included a project for the aerospace industry in the US. Order intake declined in the Supermarket end-market and also in other commercial sub-segments, mainly due to the strategic decision to exit general air handling solutions. Components orders increased in the quarter on improved demand in Europe and Asia, while solid growth in Services was primarily driven by Americas and Asia.

Net sales increased by 3% during the fourth quarter and 7% organically. Currency effects had a negative impact of 4%. Net sales growth was strong in the Industrial sub-segment, where deliveries to food, pharmaceutical and electronics customers were up substantially and included partial delivery on a large order for lithium battery production in Europe.

Order intake for the full year 2017 increased by 12% and 13% organically. The Industrial sub-segment led by food, pharmaceutical and electronic applications was the main growth engine for the business area in 2017. Demand from the Supermarket end-market also increased substantially, but overall order intake in the Commercial sub-segment was in line with prior year as a result of exiting lower value-add product offerings. Services and Components showed solid growth in orders for the year.

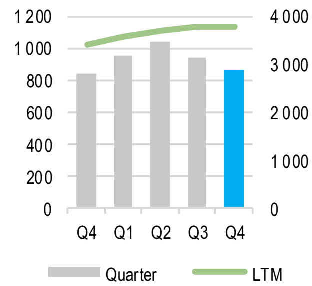
Net sales for the full year 2017 grew by 9%, all organic. The revenue growth was generated by increased deliveries to industrial customers in food, pharmaceutical, electronics, transport and aerospace industries. Revenues from Services grew in all three regions. Deliveries to OEMs were strong in Americas and Asia, boosting growth in the Components sub-segment.

Adjusted EBITA

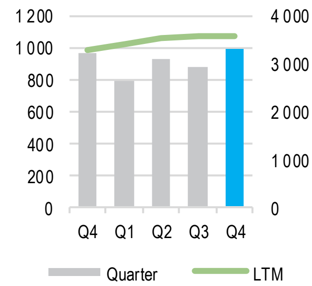
Adjusted EBITA in the fourth quarter decreased by 21% to SEKm 131 (166), which included a 3% negative currency translation effect. As expected, earnings were negatively impacted by production inefficiencies in Munters' Mexican facility. The fourth quarter last year was extraordinarily strong due to above average deliveries in the profitable Supermarket end-market. The adjusted EBITA margin in the fourth quarter 2017 was on the same level as in the third quarter or 13.3% (17.2%). Less favorable mix effects, with lower share of sales in the highly profitable Supermarket sub-segment, are expected to remain during the first quarter 2018.

Adjusted EBITA for the full year 2017 increased to SEKm 461 (448), corresponding to an increase of 3% with no currency translation effect. The production challenges in the Mexican facility during the year had a negative impact on earnings and were the main cause of the decline in Air Treatment's adjusted EBITA margin for the year.

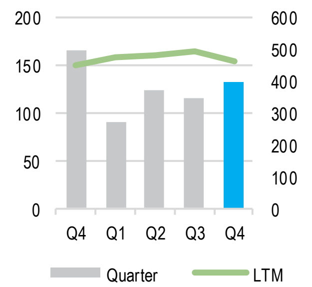
Order intake (SEKm)



Net sales (SEKm)



Adjusted EBITA (SEKm)



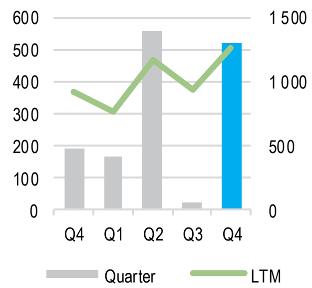
Data Centers

- Order intake was strong in Data Centers during Q4, with an increase of 178% due to the SEKm 450 order received in November 2017. The corresponding period last year included a SEKm 132 order from a major digital customer in America.
- Net sales decreased 18% year on year due to lower than planned deliveries in Europe. The order book of deliveries to come stands at SEKm 792 with large orders set for deliveries during the following quarters.
- Projects in Europe experienced slower than anticipated deliveries due to production inefficiencies and higher than expected startup costs. This has resulted in weaker margins and adjusted EBITA year on year.

FINANCIAL SUMMARY

	Q4			Jan-Dec		
SEKm	**2017**	**2016**	**∆%**	**2017**	**2016**	**∆%**
External order backlog	792	412	92	792	412	92
Order intake	519	187	178	1,261	919	37
Net sales	288	352	-18	856	685	25
Operating profit (EBIT)	-9	51		-13	54	
Adjusted EBITA	-8	51		-9	56	
Adjusted EBITA margin, %	-2.7	14.6		-1.0	8.1	

Order intake (SEKm)



Order intake and net sales

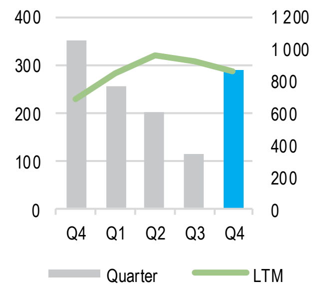
Order intake in the fourth quarter increased by 178% of which the entire increase was organic. The increase was primarily due to the SEKm 450 order from a large digital customer in Europe for two projects to be delivered during the following quarters. The order book at the end of Q4 stands at SEKm 792, which is scheduled to be delivered mainly during the first six months of 2018.

Net sales in the fourth quarter decreased by 18%, all organic. This decrease was primarily due to the delayed project start-up and slow initial production of a large European order.

Order intake for the full year 2017 increased by 37%, all organic. This increase was primarily the result of an increase in orders in Europe from a large digital customer as well as minor increases in orders from customers in Americas and APAC.

Net sales in 2017 increased by 25%, of which 24% was organic growth. Currency effects had a positive impact of 1%. The increase was related primarily to sales to large digital and co-locations customers in the US and Europe and was partially offset by a decrease in sales to co-location customers in APAC and by the delayed production of the large project in Europe.

Net sales (SEKm)



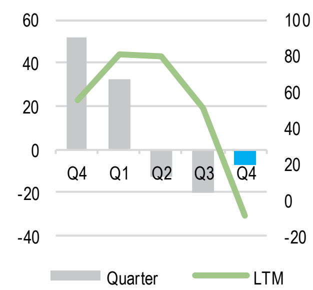
Adjusted EBITA

Adjusted EBITA in the fourth quarter was SEKm -8 (51). This decrease was related primarily to lower than planned sales volumes, which was the result of production delays in Europe. These delays were caused by production inefficiencies, especially during the first two months of the quarter and caused higher than expected start-up costs.

In December, an action plan was implemented to gradually improve profitability during 2018 and onwards. The plan includes management changes, re-design of the production work flow as well as more efficient labor planning in our European Data Center factory. Activities also includes measures to improve project phasing and project controlling to better manage the lumpy nature of this business. As previously stated, the first quarter 2018 will be impacted by some remaining project cost overruns. The re-design of the production work flow was initiated in January, temporarily slowing down the production phase but will result in improved productivity going forward.

Adjusted EBITA for the full year 2017 was SEKm -9 (56). The decrease was due to low net sales volumes in the second and third quarter of the year, mainly caused by the postponement of a large project in the US. The low factory utilization during the second and third quarter had a profit impact of approximately SEKm 40-50. The decreased profit for the full year 2017 compared to 2016 was also impacted by the production delays in Europe with lower than planned sales volumes and higher project startup costs in the third and fourth quarter of 2017.

Adjusted EBITA (SEKm)



AgHort

- Order intake growth was 3% in the quarter, driven by the acquisition of MTech Systems, while negatively impacted primarily by low investments among end-customers in the layer market in the US.
- Net sales grew 9% in the quarter, also supported by the acquisition of MTech Systems as well as strong organic growth in EMEA and Asia.
- Adjusted EBITA margins were higher year on year, mainly due to the increase in net sales.

FINANCIAL SUMMARY

	Q4			Jan-Dec		
SEKm	**2017**	**2016**	**Δ%**	**2017**	**2016**	**Δ%**
External order backlog	368	249	47	368	249	47
Order intake	394	382	3	1,866	1,704	10
Net sales	450	411	9	1,837	1,705	8
Operating profit (EBIT)	51	66	-23	225	276	-18
Adjusted EBITA	53	39	34	236	258	-8
Adjusted EBITA margin, %	11.7	9.5		12.9	15.1	

Order intake and net sales

Order intake in the fourth quarter increased by 3% and -6% organic growth. The positive structural effects from the acquisitions of MTech Systems and Edata was 13% and negative currency effects of 4%. The drop in orders was partly due to low level of projects in the layer segment. However, the US market in general is expected to start picking up again during the first six months of 2018. Order intake in Asia continued to grow but at a lower pace than seen earlier this year.

Net sales in the quarter increased 9% of which 4% was organic. The positive structural effects from MTech Systems and Edata correspondended to 11% and the currency effects was 5%. The activity in the US market continued to be low, with negative impact on sales in Americas while the growth in Asia seen earlier this year continued, even though at a slower rate. A high level of net sales was achieved in EMEA despite low season with few end-customer projects being completed in the winter, as well as low demand in markets such as Russia and the Middle East.

Order intake in 2017 increased by 10% of which 2% was organic. Strong growth was seen in Asia, primarily driven by the Chinese swine market. Order intake in Americas, excluding structural effects, declined compared to the same period 2016.

Net sales in 2017 increased by 8% compared to 2016 primarily driven by the acquisitions. The organic growth was -1%. However, the slowdown in end-user investments, which started in the third quarter 2016, has reduced the demand in many markets. The global footprint enabling the fast growth in Asia, and the expanded exposure to five different markets segments lowered the negative impact for Munters from the market slowdown.

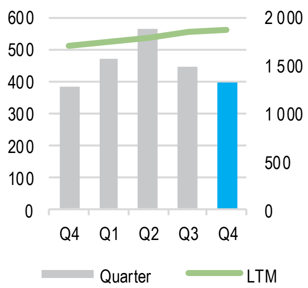
During the fourth quarter, we won our first order regarding our combined software and connectivity solutions enabling customers to control the entire value chain based on MTech Systems solutions. This is of strategic importance and and holds the potential of transforming the industry enabling increased efficiency and control throughout the broiler production chain.

Adjusted EBITA

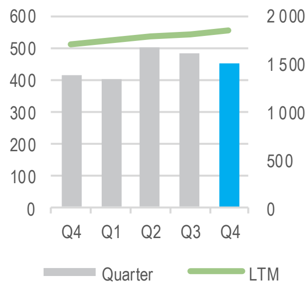
Adjusted EBITA in the fourth quarter was SEKm 53 (39), an increase of 34%, which included a negative currency translation effect of 7%. The increase was partly due to growth in net sales, both organic and from the acquisition of MTech. The adjusted EBITA was negatively impacted by additional costs related to the production inefficiencies in Mexico. During the fourth quarter, investments in the IoT offering continued including further buildup of the MTech Systems organization.

Adjusted EBITA in 2017 was SEKm 236 (258). In addition to the margin pressure and cost increases seen in the full year result, earnings included cost of SEKm 7 related to the acquisition of MTech Systems and Edata, as well as costs related to the production issues in Mexico. The shift of net sales volumes from the US (Layer sub-segment) to China (Swine segment) has led to additional costs for building up the AgHort organization in China and a less favorable sales mix.

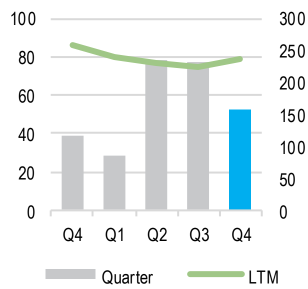
Order intake (SEKm)



Net sales (SEKm)

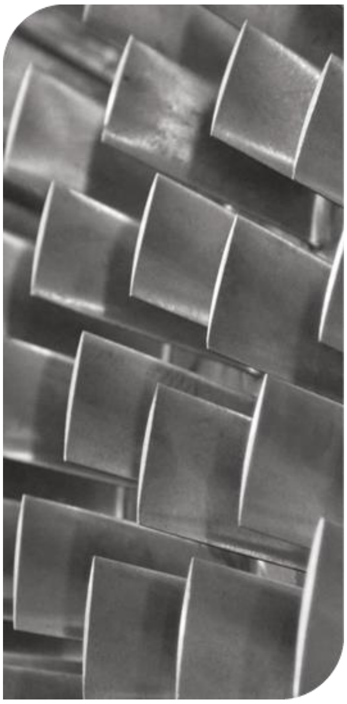


Adjusted EBITA (SEKm)



Mist Elimination

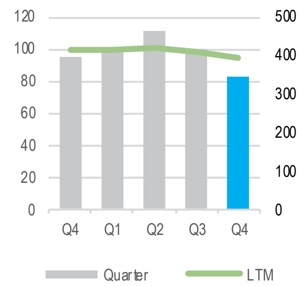
- Order intake in the fourth quarter decreased by 13%, mainly due to the continued weak market situation in China Coal FGD (Flue Gas Desulphurization).
- Net sales in the fourth quarter were 5% lower due to few project deliveries in China Coal FGD which was only partly offset by increased net sales in Coal FGD in the US.
- Adjusted EBITA amounted to SEKm 14 (22), a decrease driven mainly by lower volumes and an unfavorable sales mix.



FINANCIAL SUMMARY

	Q4			Jan-Dec		
SEKm	2017	2016	Δ%	2017	2016	Δ%
External order backlog	127	121	5	127	121	5
Order intake	83	95	-13	394	416	-5
Net sales	110	116	-5	406	437	-7
Operating profit (EBIT)	14	21	-35	34	69	-51
Adjusted EBITA	14	22	-34	35	69	-49
Adjusted EBITA margin, %	13.0	18.6		8.7	15.9	

Order intake (SEKm)



Order intake and net sales

Order intake in the fourth quarter decreased by 16% organically, after adjustment for negative currency impact of 6% and positive structure impact of 8%. There was a significant decline of Coal FGD projects in China. Order intake in Marine (emission gas cleaning for ships) increased slightly in the quarter.

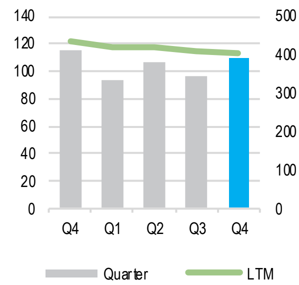
Net sales in the quarter decreased by 13% organically, after adjustment for negative currency impact of 5% and positive structure impact of 13%. The decline was mainly driven by lower volumes of Coal FGD project deliveries in China during the quarter. Coal FGD sales in the US increased in the quarter, mainly due to a set of larger replacement projects being delivered.

Order intake for the full year 2017 decreased by 5% with no currency impact but positive structural effects of 6% (Kevin acquisition). The main reason for the weak organic order intake during 2017 has been the slowdown within Coal FGD in China.

Net sales for the full year 2017 decreased by 7% with no currency impact but positive structure impact of 7%. The main drivers were lower full-year Coal FGD volumes in the US and in China.

Mist Elimination is in a transition period where new business opportunities other than Coal FGD are being actively pursued, for example within Marine (emission gas cleaning for ships) and Process industries. To support this, the acquisition of Kevin Enterprises was made in April 2017.

Net sales (SEKm)

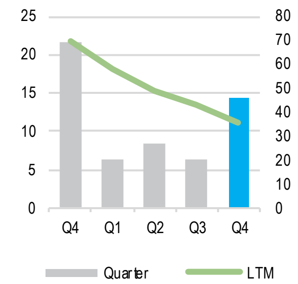


Adjusted EBITA

Adjusted EBITA in the quarter was SEKm 14 (22), including structural effects with a positive impact of SEKm 2 and negative currency effects of SEKm 1. The main reason for the decreased earnings was the low volumes in China, coupled with an unfavorable project mix in Europe.

Adjusted EBITA for the full year 2017 was SEKm 35 (69), with no currency impact and structure impacting negatively by SEKm 1. The key reasons for the accumulated decline are unfavorable mix impacts, with lower volumes of high-margin FGD projects in the US, and the limited volumes of Coal FGD projects in China in Q4. A set of low-margin projects in Europe, mainly in Q4, also impacted full year results negatively.

Adjusted EBITA (SEKm)



Consolidated accounts

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Q4		Jan-Dec	
SEKm	**2017**	**2016**	**2017**	**2016**
Net sales	1,811	1,823	6,604	6,040
Cost of goods sold	-1,268	-1,190	-4,458	-3,931
Gross profit/loss	**542**	**633**	**2,146**	**2,109**
Selling expenses	-248	-225	-978	-913
Administrative costs	-129	-176	-588	-512
Research and development costs	-42	-33	-167	-138
Other operating income and expenses	4	28	39	31
Operating profit	**127**	**228**	**453**	**577**
Financial income and expenses	-28	-116	-301	-424
Profit/Loss after financial items	**99**	**113**	**152**	**153**
Tax	53	-8	21	-69
Net income	**152**	**105**	**173**	**85**
Attributable to Parent Company shareholders	**153**	**106**	**174**	**85**
Attributable to non-controlling interests	-1	-2	-1	-0
Average number of outstanding shares before dilution	183,597,802	16,798,348	119,658,011	16,798,348
Average number of outstanding shares after dilution	183,597,802	16,798,348	119,720,995	16,798,348
Earnings per share before dilution, SEK	0.83	6.32	1.45	5.08
Earnings per share after dilution, SEK	0.83	6.32	1.45	5.08
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange-rate differences on translation of foreign operations	76	61	-89	198
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Actuarial gains and losses on defined-benefit pension obligations, incl. payroll tax	-13	-17	-13	-17
Income tax effect not to be reclassified to profit or loss	3	4	3	4
Other comprehensive income, net after tax	**66**	**48**	**-99**	**185**
Comprehensive income for the year	**218**	**153**	**74**	**270**
Attributable to Parent Company shareholders	220	154	75	270
Attributable to non-controlling interests	-2	-2	-2	-0

Consolidated accounts

CONDENSED STATEMENT OF FINANCIAL POSITION – ASSETS

SEKm	2017/12/31	2016/12/31
ASSETS		
NON-CURRENT ASSETS		
Goodwill	4,251	4,227
Patents, licenses, brands, and similar rights	1,456	1,550
Buildings and land	155	156
Plant and machinery	219	172
Equipment, tools, fixtures and fittings	142	133
Construction in progress	48	69
Financial assets	14	24
Deferred tax assets	242	242
Total non-current assets	**6,526**	**6,574**
CURRENT ASSETS		
Raw materials and consumables	386	321
Products in process	135	123
Finished products and goods for resale	243	208
Projects in progress	16	8
Advances to suppliers	18	17
Accounts receivable	1,204	1,094
Prepaid expenses and accrued income	106	76
Derivative instruments	2	2
Current tax assets	35	32
Other receivables	126	103
Cash and cash equivalents	402	432
Total current assets	**2,672**	**2,417**
TOTAL ASSETS	**9,198**	**8,991**

Consolidated accounts

CONDENSED STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

SEKm	2017/12/31	2016/12/31
EQUITY AND LIABILITIES		
EQUITY		
Shareholders' equity	3,748	756
Non-controlling interests	0	11
Total equity	**3,748**	**767**
NON-CURRENT LIABILITIES		
Shareholder loan	-	2,688
Interest-bearing liabilities	2,848	2,544
Provisions for pensions and similar commitments	207	179
Other provisions	22	30
Other liabilities	137	15
Deferred tax liabilities	394	525
Total non-current liabilities	**3,607**	**5,981**
CURRENT LIABILITIES		
Interest-bearing liabilities	7	429
Advances from customers	382	315
Accounts payable	581	530
Accrued expenses and deferred income	486	565
Derivative instruments	2	4
Current tax liabilities	52	53
Other liabilities	212	232
Provisions for pensions and similar commitments	8	5
Other provisions	114	110
Total current liabilities	**1,843**	**2,243**
TOTAL EQUITY AND LIABILITIES	**9,198**	**8,991**

CONDENSED STATEMENT OF CHANGES IN EQUITY

SEKm	2017/12/31	2016/12/31
Opening balance	**767**	**495**
Total comprehensive income for the period	**74**	**270**
Set off issue	2,803	3
Warrants	18	-
New share issue	100	-
Change in non controlling interest	-10	0
Acquisition of non controlling interests	-23	-
Put/call option related to non controlling interests	19	-
Closing balance	**3,748**	**767**
Total shareholders´equity attributable to:		
The parent company's shareholders	3,748	756
Holdings with non controlling interests	0	11

Consolidated accounts

CONDENSED CASHFLOW STATEMENT

	Q4		Jan-Dec	
SEKm	**2017**	**2016**	**2017**	**2016**
OPERATING ACTIVITIES				
Earnings before interest and tax (EBIT)	**127**	**228**	**453**	**577**
Reversal of non-cash items;				
Depreciation, amortization and impairments	69	69	288	262
Provisions	4	-29	13	-27
Other profit/loss items not affecting liquidity	15	-15	-24	-18
Cash flow before interest and tax	**215**	**254**	**730**	**793**
Paid financial items	-27	-55	-176	-206
Taxes paid	-22	-33	-109	-130
Cash flow from operating activites before changes in working capital	**166**	**166**	**445**	**457**
Cash flow from changes in working capital	**-174**	**-52**	**-210**	**-180**
Cash flow from operating activities	**-8**	**114**	**235**	**277**
INVESTING ACTIVITIES				
Business acquisitions	-	-	-268	-2
Sale of tangible fixed assets	-	-	1	-
Sale of intangible fixed assets	0	-	1	-
Business divestments	-	-	-27	-
Investment in tangible assets	-29	-51	-127	-163
Investment in intangible assets	-19	-12	-44	-20
Cash flow from investing activities	**-47**	**-63**	**-464**	**-186**
FINANCING ACTIVITIES				
New share issue	-	1	100	0
Warrants	-	-	18	-
Changes in loans	-6	132	88	-19
Cash flow from financing activities	**-6**	**133**	**205**	**-19**
Cash flow for the period	**-61**	**184**	**-25**	**72**
Cash and cash equivalents at period start	451	248	432	346
Exchange-rate differences in cash and cash equivalents	12	0	-6	14
Cash and cash equivalents at period end	**402**	**432**	**402**	**432**

Parent company

CONDENSED INCOME STATEMENT

	Q4		Jan-Dec	
SEKm	**2017**	**2016**	**2017**	**2016**
Net sales	-	-	-	-
Gross profit/loss	**-**	**-**	**-**	**-**
Administrative costs	-3	-1	-77	-5
Profit/Loss before interest and tax (EBIT)	**-3**	**-1**	**-77**	**-5**
Financial income and expenses	-1	-53	-84	-202
Profit/Loss after financial items	**-4**	**-54**	**-161**	**-207**
Group contributions	86	27	86	27
Profit/Loss before tax	**82**	**-27**	**-75**	**-180**
Tax	-15	-	-	-
Net income	**67**	**-27**	**-75**	**-180**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Q4		Jan-Dec	
SEKm	**2017**	**2016**	**2017**	**2016**
Profit/Loss for the year	67	-27	-75	-180
Other comprehensive income, net after tax	-	-	-	-
Comprehensive income for the year	**67**	**-27**	**-75**	**-180**

Parent company

CONDENSED BALANCE SHEET – ASSETS

SEKm	2017/12/31	2016/12/31
ASSETS		
NON-CURRENT ASSETS		
Participations in subsidiaries	4,086	4,086
Total non-current assets	**4,086**	**4,086**
CURRENT ASSETS		
Other current receivables	0	-
Prepaid expenses and accrued income	0	-
Receivables from subsidiaries	86	27
Cash and cash equivalents	134	44
Total current assets	**220**	**71**
TOTAL ASSETS	**4,306**	**4,157**

CONDENSED BALANCE SHEET – EQUITY AND LIABILITIES

SEKm	2017/12/31	2016/12/31
EQUITY AND LIABILITIES		
EQUITY		
Share capital	6	0
Share premium reserve	1,177	1,177
Profit brought forward	3,173	437
Income for the year	-75	-180
Total equity	**4,281**	**1,434**
NON-CURRENT LIABILITIES		
Shareholder loan	-	2,688
Total non-current liabilities	**-**	**2,688**
CURRENT LIABILITIES		
Accounts payable	1	-
Accrued expenses and deferred income	2	35
Liabilities to subsidiaries	20	-
Other liabilities	2	0
Total current liabilities	**25**	**35**
TOTAL EQUITY AND LIABILITIES	**4,306**	**4,157**

Quarterly overview Group and Segments

Group

	2017					2016				
SEKm	Q4	Q3	Q2	Q1	Jan-Dec	Q4	Q3	Q2	Q1	Jan-Dec
Order backlog	2,365	2,332	2,449	1,998	2,365	1,741	2,040	2,025	1,713	1,741
Order intake	1,821	1,489	2,234	1,654	7,197	1,491	1,577	1,688	1,617	6,373
Net sales	1,811	1,552	1,723	1,519	6,604	1,823	1,560	1,438	1,220	6,040
Operating profit (EBIT)	127	108	143	75	453	228	126	150	74	577
Financial income and expenses	-28	-32	-134	-106	-301	-116	-106	-110	-92	-424
Tax	53	-26	2	-9	21	-8	-22	-28	-10	-69
Net income	152	51	11	-41	173	105	-2	11	-29	85
Amortization (incl. surplus values)	47	54	56	53	209	49	47	45	46	187
Items affecting comparability (IAC)	-	2	-9	20	13	-3	20	-	-	17
Adjusted EBITA	174	164	190	147	675	274	193	194	119	781
Adjusted EBITA margin, %	9.6	10.6	11.0	9.7	10.2	15.0	12.3	13.5	9.8	12.9

Air Treatment

	2017					2016				
SEKm	Q4	Q3	Q2	Q1	Jan-Dec	Q4	Q3	Q2	Q1	Jan-Dec
External order backlog	1,079	1,205	1,171	1,097	1,079	959	1,076	1,067	939	959
Order intake	862	938	1,037	950	3,787	840	848	923	775	3,385
External net sales	983	872	927	787	3,569	959	842	818	670	3,288
Transactions between segments	5	4	5	6	19	2	0	2	1	6
Operating profit (EBIT)	129	115	173	94	511	162	102	114	59	437
Amortization (incl. surplus values)	3	2	3	3	10	3	3	3	3	11
Items affecting comparability (IAC)	-	-	-53	-7	-60	-	-	-	-	-
Adjusted EBITA	131	116	123	90	461	166	105	117	62	448
Adjusted EBITA margin, %	13.3	13.3	13.2	11.4	12.9	17.2	12.4	14.2	9.2	13.6

Data Centers

	2017					2016				
SEKm	Q4	Q3	Q2	Q1	Jan-Dec	Q4	Q3	Q2	Q1	Jan-Dec
External order backlog	792	538	643	321	792	412	558	455	328	412
Order intake	519	20	558	165	1,261	187	255	157	320	919
External net sales	278	114	192	249	833	352	156	57	90	655
Transactions between segments	10	1	8	4	23	0	0	29	0	30
Operating profit (EBIT)	-9	-22	-14	32	-13	51	9	-13	7	54
Amortization (incl. surplus values)	1	2	1	1	4	0	0	0	0	1
Items affecting comparability (IAC)	-	-	-	-	-	-	-	-	-	-
Adjusted EBITA	-8	-20	-13	32	-9	51	9	-12	7	56
Adjusted EBITA margin, %	-2.7	-17.4	-6.6	12.8	-1.0	14.6	5.8	-14.1	8.0	8.1

Quarterly overview Group and Segments

AgHort

	2017					2016				
SEKm	Q4	Q3	Q2	Q1	Jan-Dec	Q4	Q3	Q2	Q1	Jan-Dec
External order backlog	368	442	490	454	368	249	267	375	316	249
Order intake	394	442	561	469	1,866	382	374	520	427	1,704
External net sales	443	473	500	391	1,808	399	459	457	355	1,669
Transactions between segments	7	9	1	13	30	11	12	7	5	36
Operating profit (EBIT)	51	74	75	25	225	66	81	85	43	276
Amortization (incl. surplus values)	2	3	3	3	11	3	3	3	3	12
Items affecting comparability (IAC)	-	-	-	-	-	-30	-	-	-	-30
Adjusted EBITA	53	77	78	28	236	39	85	88	46	258
Adjusted EBITA margin, %	11.7	16.0	15.6	7.0	12.9	9.5	18.0	18.9	12.9	15.1

Mist Elimination

	2017					2016				
SEKm	Q4	Q3	Q2	Q1	Jan-Dec	Q4	Q3	Q2	Q1	Jan-Dec
External order backlog	127	146	145	126	127	121	140	129	130	121
Order intake	83	100	111	101	394	95	115	103	103	416
External net sales	106	92	104	92	395	113	103	106	106	428
Transactions between segments	4	4	3	1	11	3	3	0	3	9
Operating profit (EBIT)	14	6	8	6	34	21	12	17	18	69
Amortization (incl. surplus values)	0	0	1	0	1	0	0	0	0	1
Items affecting comparability (IAC)	-	-	-	-	-	-	-	-	-	-
Adjusted EBITA	14	6	8	6	35	22	13	18	18	69
Adjusted EBITA margin, %	13.0	6.5	7.9	6.9	8.7	18.6	11.8	16.4	16.4	15.9

Other and eliminations

	2017					2016				
SEKm	Q4	Q3	Q2	Q1	Jan-Dec	Q4	Q3	Q2	Q1	Jan-Dec
Order intake	-36	-11	-34	-31	-112	-13	-15	-14	-8	-50
External net sales	-	-	-	-	-	-	-	-	-	-
Transactions between segments	-25	-18	-17	-24	-83	-17	-15	-39	-9	-80
Operating profit (EBIT)	-58	-64	-99	-82	-303	-73	-78	-54	-53	-258
Amortization (incl. surplus values)	41	47	48	46	182	42	40	39	40	161
Items affecting comparability (IAC)	-	2	44	27	73	27	20	-	-	47
Adjusted EBITA	-16	-16	-7	-10	-49	-4	-18	-15	-13	-51

Notes

ACCOUNTING POLICIES

This report has been prepared, with regards to the Group in accordance with IAS 34 *Interim Financial Reporting*, RFR 1 and the Swedish Annual Accounts Act and with regards to the Parent Company, according to RFR 2 and the Swedish Annual Accounts Act. The accounting principles applied correspond to those presented in the Annual Report 2016 (Note 1), except for a change in segments where, as of January 1, 2017, the Data Centers, previously part of the Air Treatment segment, is presented as s separate segment. The historical numbers have been recalculated to reflect this change. Segment information can be found on pages 7 through 11 and the segment disclosures are presented on page 18-19.

IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

IFRS 9 Financial Instruments

IFRS 9 *Financial instrument*s is a new standard on accounting for financial instruments and will replace IAS 39. The standard comprises classification, valuation and impairment of financial instruments as well as hedge accounting. Munters group accounting has engaged in a project to analyze the implications of the transition to IFRS 9 to the Group's financial statements and has concluded that the only part of IFRS 9 with an impact on the Group's financial statements is the impairment model for expected credit losses, however the impact is not material since the current applied model used is similar to the requirements in IFRS 9.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 *Revenue from contracts with customers* establishes a new regulatory framework to account for revenue from contracts with customers and replaces IAS 11 Construction Contracts, IAS 18 Revenue and all revenue related IFRICs (International Financial Reporting Interpretations Committee) and SICs (Standing Interpretation Committee of the IASC, predecessor to the IFRIC).
The new standard is designed according to a control-based five-step model framework. The standard regulates commercial agreements (contracts) with customers in which delivery of goods/services is divided into separately identifiable performance obligations that are recognized independently. In certain cases, the good/service can be integrated with other obligations in the contract, whereby a package of goods/services comprises a joint obligation. The standard establishes rules for calculating the transaction price for delivery of goods and services and the manner in which this can be allocated among the various performance obligations. Revenue is recognized when control has passed to the customer by the customer being able to use or benefit from the good/service, at which point it is deemed to have been transferred. Control may be passed at a given point in time or over time. Three different criteria have been established for determining whether a performance obligation is satisfied over time. Either the customer receives and consumes all of the benefits as the obligation is performed; the company's performance enhances an asset that the customer controls; or finally the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

Transition to IFRS 15

During 2017 Munters has engaged in an IFRS 15 project to analyze the implications of the transition to IFRS 15 to the Group's financial statements. The focus has been to identify deviations between current revenue recognition principles and the new requirements under IFRS 15 as well as to prepare for implementation of the new standard within the Group. The evaluation phase included a questionnaire circulated to all business units and business areas in order to identify the various types of contracts that exists within the group. The questionnaire has been followed up with discussions between local/regional controllers and group accounting in order to understand terms and conditions in Munters' customer contracts, both general customer contracts and contracts of a more complex character.

Munters has decided to use the full retrospective approach for transition to the new revenue standard which means that prior reporting periods are to be adjusted. The overall assessment from the IFRS 15 transition project is that the new revenue standard does not have any material impact on Munters' historical consolidated financial statements. Munters will therefore not report any prior period adjustments.

Revenue recognition principles going forward

Munters provides goods such as components, equipment (units) and spare parts to customers within four business areas. Customer contracts can contain pure component/equipment (units) sales or sales of equipment (units) including activities such as installation, startup and commissioning. Both equipment (units) and installation, startup and commissioning are all distinct in accordance with the definitions in IFRS 15 meaning any bundled sales will comprise several performance obligations under IFRS 15.

Sale of goods

The majority of customer contracts within Munters business areas Air Treatment, AgHort and Mist Elimination fulfill the requirement to recognize revenue at a point in time, meaning revenue for the performance obligation to deliver equipment (units) will be recognized when this performance obligation is satisfied (when control passes of the equipment/units). Revenue is already today recognized at a point in time (when control has passed) and therefore there is no change from current principles. Contracts including installation, startup and commissioning activities include several separate performance obligations and the performance obligations to provide installation, startup and commissioning will be satisfied over time, meaning revenue related to these performance obligations will be recognized over time according to the measurement of progress towards complete satisfaction. For the majority of customer contracts revenue relating to these activities is already deferred and recognized over time as they are performed according to current principles; however, some customer contracts have recognized revenue for these activities already at equipment delivery.

Customer contracts within Data Centers fulfill the requirement to recognize revenue over time, i.e. equipment/units are highly customized and customer contract terms stipulate that cost incurred will be recovered with a reasonable profit margin should the customer decide to terminate the contract. Revenue for the performance obligation to deliver equipment/units will therefore be recognized over time using a measurement of progress towards complete satisfaction. The Group will use an output method (units produced method) for this purpose, meaning number of produced units in relation to total units in the customer contract. Data Centers customer contracts including installation, startup and commissioning supervision means several separate performance obligations and the performance obligations to provide installation, startup and commissioning supervision are performance obligations satisfied over time. Revenue relating to these performance obligations will be recognized over time according to the measurement of progress towards complete satisfaction.

Revenue from customer contracts within Data Centers is already under current principles recognized over time and therefore there is no change from current principles.

Within Air Treatment, AgHort and Mist Elimination there are a number of customer contracts that fulfills the requirement to recognize revenue over time according to the criteria's mentioned above. Revenue for the performance obligation to deliver equipment/units will therefore be recognized over time according to the measurement of progress towards complete satisfaction. The Group will use the output method (units produced method). Since revenue from equipment/units are recognized at equipment/unit delivery (at the time when control passes) already under current principles this will not be any material change.

The total transaction price will be allocated to each performance obligation according to each performance obligations relative standalone selling price. This will result in a change with the effect that a somewhat higher amount of the total transaction price being recognized at equipment/units delivery.

Rendering of service
Munters provides different kinds of services to customers such as maintenance services. Revenue from service contracts is already recognized over time as the customer simultaneously receives and consumes the benefits of the services and there will be no change from current principles.

Warranty obligations
Munters provides assurance-type warranties where the warranty is a guarantee of quality of the goods provided. These will continue to be accounted for under IAS 37 *Provision, Contingent Liabilities and Contingent Assets*. Certain contracts with customers also include extended warranty. These warranties are regarded as service-type warranties and will be accounted for as a separate performance obligation with revenue recognized over time. This is a change and will affect the timing of revenue since these warranties are currently recognized at the end of each warranty year.

Presentation and disclosure
Qualitative and quantitative disclosures will increase in volume in the Group's financial statements going forward. Disclosures will include contract terms, significant judgments (and changes in judgments) made in applying the Standard, disaggregation of revenue in to categories, information on when the Group typically satisfies its performance obligations, significant payment terms, explanations of how the timing of satisfaction of performance obligations relates to the typical timing of payment, types of warranties and related obligations, for performance obligations that an entity satisfies over time, methods used to recognize revenue, and methods used to determine and allocate the transaction price.

IFRS 16 Leases
Munters has begun to analyze the impact of IFRS 16 *Leases* on the Groups financial statements. In brief, the initial analysis shows that Munters, as an operational lessee, will be impacted by the implementation of IFRS 16. Monetary calculations of the effect of IFRS 16 and choice of transition approach have not yet been carried out. Based on the Group's preliminary review of its leases (primarily lease agreements in respect of premises), including notice periods and rental amounts, the Group currently consider that IFRS 16 will have an impact on the consolidated accounts and financial key performance indicators, primarily ratios based on gross assets and gross liabilities.

TRANSACTIONS WITH RELATED PARTIES
Munters loan from shareholders was raised in 2010. At the date of the IPO the Shareholder loan was terminated and converted into shareholders equity. At the Extraordinary General Meeting on 7 May 2017, it was resolved to issue warrants as part of an incentive program for certain members of the Group management. In total, the incentive program comprises 8 individuals and not more than 5,222,000 warrants. The Participants may subscribe for warrants at a market value corresponding to in total not more than SEKm 17.99. The maximum number of warrants that may be subscribed for by the Participants corresponds to approximately 2.77% of the Company's share capital following completion of the Offering and assuming full exercise of the warrants. For more information about the incentive programs, see page 4 in this report. For further information of transactions between Munters and related parties, see the Annual Report 2016.

EMPLOYEES
The number of permanent employees at December 31, 2017 was 3,496 (2,939), an increase of 19%. The increase in the number of employees was mainly attributable to the acquisition of MTech Systems and Kevin Enterprises as well as recruitments in Munters services business and within production.

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 Environement, 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. We achieve this through strong leadership, teamwork and our constant quest for improvement in all that we do. Munters' manufacturing facilities all over the world are committed to working with a written EHS Management Program. The EHS Program establishes procedures to ensure regulatory compliance, to actively prevent injuries, and to reduce the impact that our business has on the environment.

RISKS AND UNCERTAINTIES
Munters' products are used in complex customer processes. Quality and contract obligations are critical and could result in claims for damages. The volatility in order intake in the Data Center business may result in unpredictable production costs. Alternative technologies could constitute a risk for future demand and profitability. 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. The continued development of the global economy (including interest rate and currency risk) is an uncertainty factor.

Central guidelines govern the use of insurance, including coverage for general liability and product liability, property, business interruption, transportation, crimes against property, the liability of Board members and the CEO and employment practices liabilities. Several of the insurance policies are managed centrally. A more detailed description of the Group's financial risks and how they are monitored and managed is disclosed in Note 3 in the Annual Report of 2016.

EARNINGS PER SHARE

Net profit per ordinary share, before and after dilution, in the fourth quarter 2017 amounted to SEK 0.83 (6.32). Income attributable to Parent Company's ordinary shareholders amounted to SEKm 153 (106) for the fourth quarter. The average number of outstanding ordinary shares in the fourth quarter was 183,597,802 before and after dilution.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's derivatives, recognized at fair value in the statement of financial position, are measured according to IAS 39 and are categorized in level 2 in the fair value hierarchy. The derivatives amount to SEKm 2 (2) in financial assets and to SEKm 2 (4) in financial liabilities.

Per end of the quarter the Term loan was fully drawn with USDm 250 and EURm 83 of the total Revolver facility were drawn in EUR, USD and SEK. In addition, a portion of the Revolver facility was drawn as Ancillary Facilities. Along with the main loan facility an amount of SEKm 10 in local debt is outstanding in Brazil, China and Czech Republic.

The Group's contingent earn-outs and put/call acquisition options, recognized at fair value in the statement of financial position, are measured according to IAS 39 and are categorized in level 3 in the fair value hierarchy. In the table below the changes are explained, where the largest change is related to the acquisition of MTech Systems, see further description on page 23.

SEKm	2017/12/31	2016/12/31
Contingent price considerations and put/call options		
Opening balance	51	78
Fair value of put/call acquisition option	162	-
Payments	-	-9
Changes recognized in other operating income	-53	-30
Discounting	-13	7
Exchange-rate differences for the year	-11	5
Closing balance	**136**	**51**

Munters deems that the interest rate on interest-bearing liabilities is in line with market terms at December 31, 2017, and the fair value at the end of the reporting period therefore in all material aspects corresponds to the carrying amount.

ACQUISITIONS

MTech Systems

On February 1, 2017, Munters completed the acquisition of 60% of the shares in the US based software company MTech Systems. The company is operating within the business area AgHort. The purchase price amounted to SEKm 222, corresponding to a debt-free enterprise value for 100% of the company of SEKm 370. Munters also has an option to acquire the remaining 40% of the shares that are held by senior executives of MTech Systems, who also have an option to sell, starting in December 2020. The purchase consideration on exercising the option will be based on the financial result for the 12 months prior to the date of exercising the option. As a consequence of the option Munters recognize non-controlling interest initially and allocate such part of income. The Group also recognizes a liability corresponding to the discounted expected redemption price for the option whereupon non-controlling interest attributable to the option is eliminated. The difference between liabilities for the options and the non-controlling participations to which the options refer is recognized directly in equity and disclosed separately from other changes in equity.

Compared with the purchase price allocation presented in the first quarter of 2017, the value of technology has been decreased by SEKm 25 and goodwill increased with the same amount during the second quarter. Final purchase allocations have been performed during the fourth quarter and has resulted in increased goodwill of SEKm 61. The main adjustments related to deferred income which increased by SEKm 36 and other current assets which was decreased by MSEK 27.

The acquisition of MTech Systems was financed by raising bank loans. In 2016 MTech Systems had revenues amounting to approximately SEKm 140. Acquisition costs during 2016 - 2017 incurred amounts to SEKm 10. The goodwill arising from the acquisition, SEKm 223, is primarily attributable to future synergies expected through combining MTech Systems expertise in advanced data analysis with data from Munters controllers, creating a complete overview of the supply chain for poultry and swine producers. Overall this will significantly expand Munters offering to our customers in business area AgHort.

Information about acquired net assets and goodwill follows (SEKm)	According to final purchase price allocation
Cash purchase consideration paid	222
Total purchase consideration	**222**
Fair value of non-controlling interests	162
Fair value of acquired net assets	-161
Goodwill	**223**

Acquired net assets at time of acquisition	Fair values according to final purchase price allocation
Assets	
Property, plant and equipment	10
Customer relationships	29
Technology	97
Brands	19
Accounts receivable	51
Other current assets	12
Cash and cash equivalents	35
Total assets	**252**
Liabilities	
Non-current interest-bearing liabilities	0
Current interest-bearing liabilities	0
Accounts payable	1
Accrued expenses and deferred income	56
Deferred tax liabilities	22
Other current liabilities	12
Total liabilities	**91**
Net identifiable assets and liabilities	**161**

Cash purchase consideration paid	222
Cash and cash equivalents in acquired company	-35
Change in the Group's cash and cash equivalents on acquisition	**187**

Kevin Enterprises

On April 1, 2017, Munters completed the acquisition of Kevin Enterprises Private Limited, a privately owned company headquartered in Mumbai, India. The acquisition was structured as an asset deal, acquiring company being Munters India Humidity Control Private Limited, Munters India. Since April 2017, the acquired business is reported as a separate reporting unit within Munters India, and is consolidated into Business Area Mist Elimination. The purchased consideration, after preliminary net working capital and net debt adjustments, amounted to SEKm 76. Preliminary fair value of transferred net working capital and net fixed assets amounted to SEKm 18 and 35 respectively. Value of intangible assets, including goodwill, was estimated at approximately SEKm 23. Net debt items were estimated at approximately SEKm 0.2. In 2016, Kevin Enterprises generated revenues of approximately SEKm 65. Acquisition costs incurred amounts to SEKm 6.

Information about acquired net assets and goodwill follows (SEKm)	**According to final purchase price allocation**
Cash purchase consideration paid	76
Total purchase consideration	**76**
Fair value of acquired net assets	61
Goodwill	**15**

Acquired net assets at time of acquisition	**Fair value according to final purchase price allocation**
Assets	
Property, plant & equipment	35
Technology	6
Order backlog	1
Favourable contract to use Brand name	1
Inventories	11
Accounts receivable	10
Other current assets	0
Total assets	**64**
Liabilities	
Accounts payable	(3)
Accrued expenses and deferred income	(0)
Other current liabilities	(0)
Total liabilities	**(3)**
Net identified assets and liabilities	**61**
Cash purchase consideration paid	76
Change in Group's cash and cash equivalent on acquisition	**76**

Edata

On May 30, 2017, Munters Group acquired Brazilian-based Edata specializing in key software for food processing plants, primarily for poultry production. The purchased consideration amounted to SEKm 5. Edata provides software to keep track of production within food processing plants and is a long-term partner to MTech Systems, the leading supplier of software solutions to the live production industry which was acquired by Munters on Feb 1, 2017. Edata delivers form-fit solutions for tracking finished products, measuring quality and yield, and for controlling waste in the food production process. Edata's software will be fully incorporated into MTech's suite enabling Munters to integrate data from farms, hatcheries, feed mills in the food producers' production system. Edata had a turnover of approximately 15 SEKm in 2016 and had 34 employees.

Alternative performance measures

In this interim report, there are references to a number of performance measures. Some of the measures are defined in IFRS while 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 are the performance measures found in this interim report described, defined and the reason for use disclosed.

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.

Items affecting comparability ("IAC")
Items affecting comparability relates to income statement items that have an impact on operating profit and are, in our opinion, considered not to be of recurring character.

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.

Capital employed
Capital employed is calculated as the balance sheet's total assets, excluding interest-bearing assets and deferred tax assets, less total liabilities, excluding interest-bearing liabilities, pension liabilities and deferred tax liabilities.

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.

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 is used to highlight trends in different KPIs, which is valuable in order to gain a deeper understanding of the development of the business.

Net debt
Net debt calculated as interest bearing debt and pension liabilities, deducted by cash and cash equivalents. This is a measure of the ability to repay the debt if it was all due.

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

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, and is used by Munters to monitor business performance and customer demand, and adjust operations.

Order intake
Received and confirmed sales 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.

Organic growth
Change in order intake and net sales compared to the previous period, excluding currency translation effects and contributions to order intake and net sales from businesses that were acquired and/or divested during the current period and/or any comparison period. The measure is used by Munters to monitor order intake and net sales growth driven by changes in volume and price between different periods.

Return on capital employed (ROCE)
Operating profit (EBIT), divided by the average capital employed. The average capital employed for each year consists of an average of the closing capital employed in the last 13 months.

Return on capital employed (ROCE) is also presented applying EBIT adjusted for IAC and Capital employed adjusted for goodwill for the purpose of improving comparability against other industrials.

INFORMATION AND REPORTING DATES 2017/2018

Contact persons:

John Peter Leesi, President and CEO, Phone +46 (0)8 626 63 01
Jonas Ågrup, CFO, Phone +46 (0)8 626 63 01
John Womack, IR, Phone + 46 (0)70 678 24 99

Additional information may be obtained from Munters Investor Relations at phone +46 8 626 63 01 or by e-mailing info@munters.com.

The report will be presented at a webcast/teleconference on 16 February at 10:00 CET via http://www.financialhearings.com/event/10288

This information is information that Munters Group AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 CET on 16 February 2018.

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

Financial calendar 2017/2018:

26 April, publication of Annual Report 2017
26 April, Interim report, first quarter 2018
17 May, Annual General Meeting held in Stockholm at 15.00 at Clarion Hotel Sign, Östra Järnvägsgatan 35 in Stockholm
18 July, Interim report, second quarter 2018
25 October, Interim report, third quarter 2018

About Munters Group
Munters is a global leader in energy efficient air treatment and climate solutions. Using innovative technologies, Munters creates the perfect climate for customers in a wide range of industries, the largest being the food, pharmaceutical and data center sectors. Munters has been defining the future of air treatment since 1955. Today, around 3,900 employees (including temps.) carry out manufacturing and sales in more than 30 countries. Munters reports annual net sales above 6,6 billion SEK. For more information, please visit www.munters.com.

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.