

A smiling man with dark curly hair and a beard, wearing a black zip-up jacket with the Munters logo on the left chest. He is standing in front of a white Munters trailer. The background is slightly blurred, showing more of the trailer and some greenery.

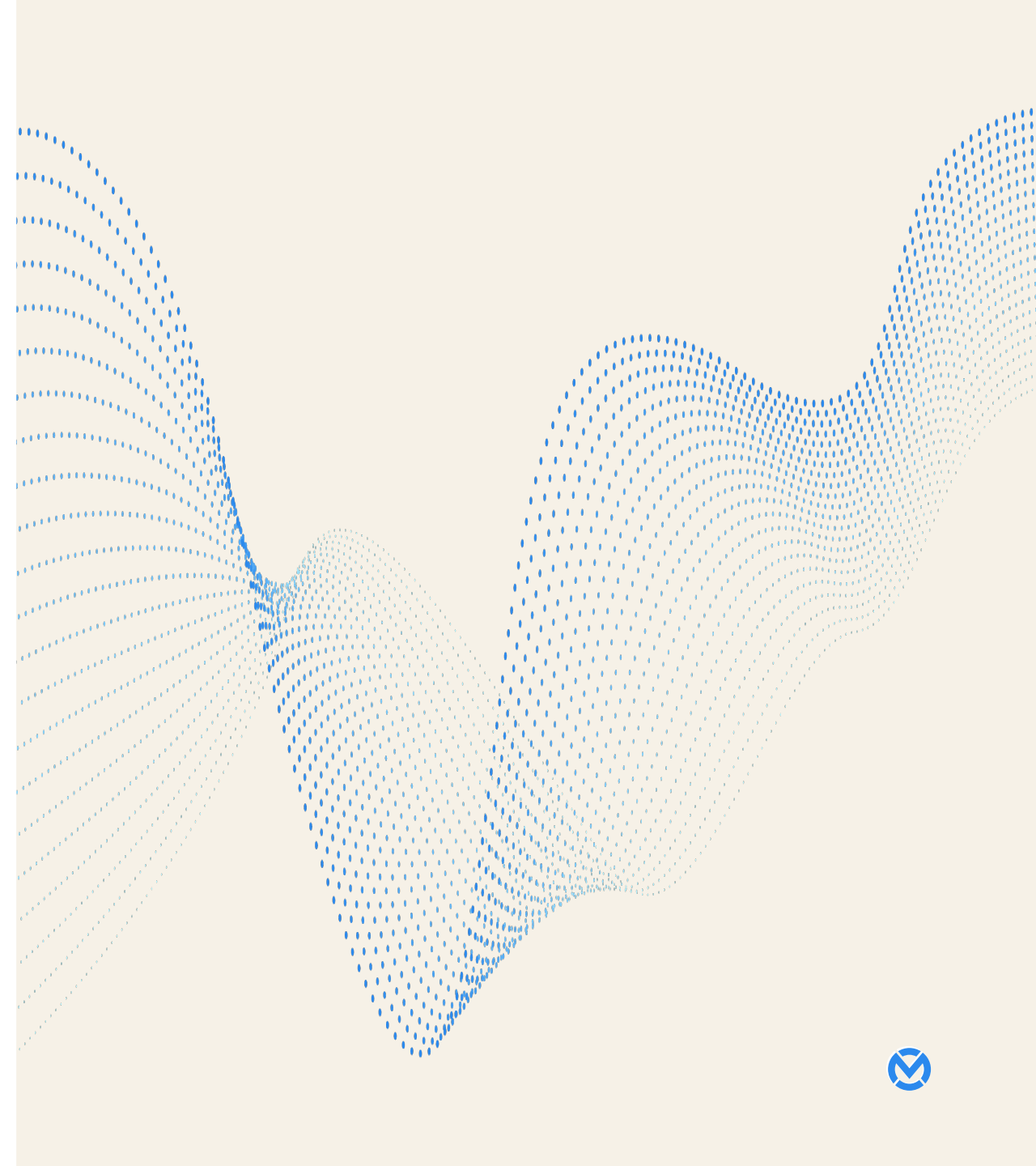
Munters – Investor Presentation

April 2024

Investor Relations

Agenda

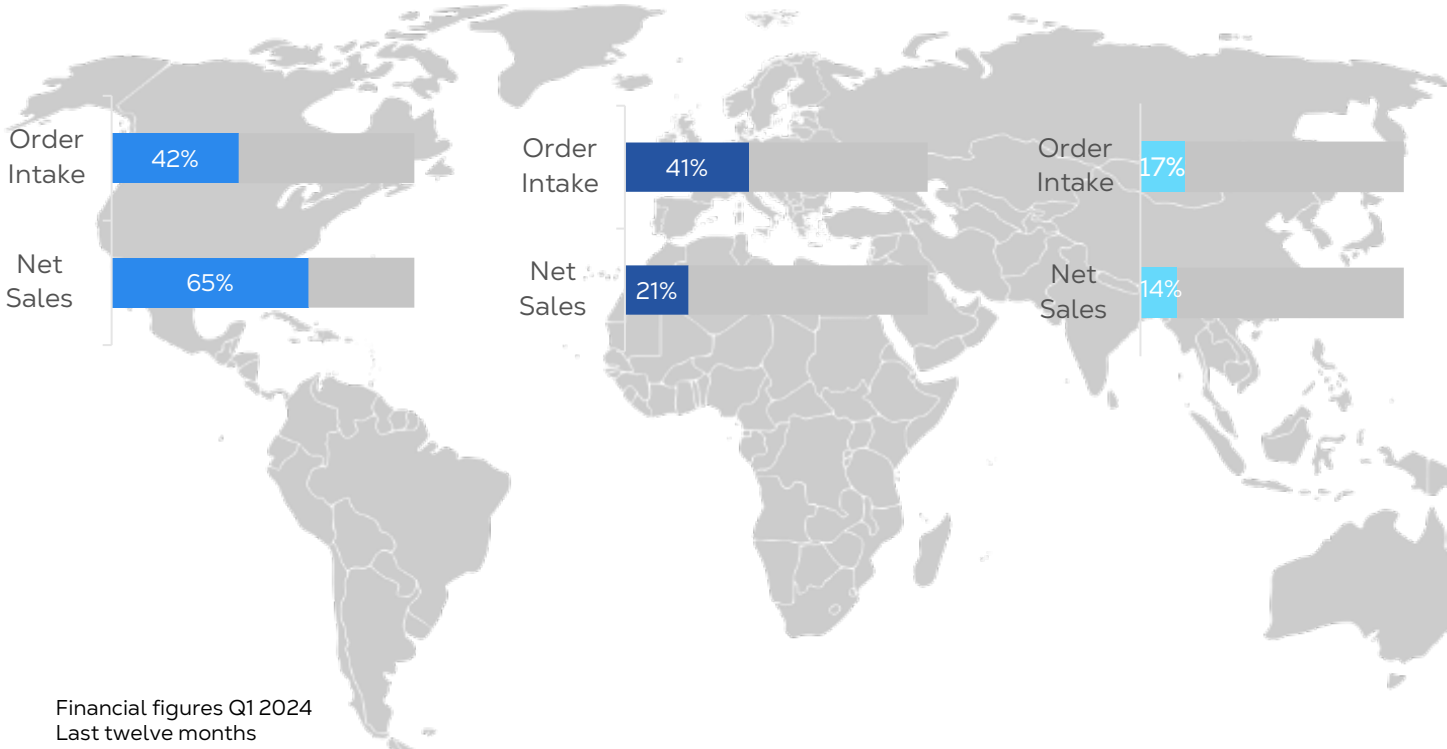
- Introduction
- Quarterly highlights
- AirTech
- Data Center Technologies
- FoodTech
- Appendix



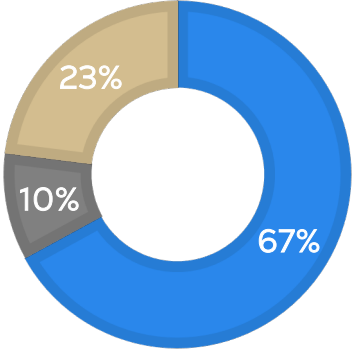
World leader in energy-efficient climate solutions

Munters offers climate solutions where controlling indoor humidity, temperature and energy efficiency is mission-critical

Regional share Q1



Order Intake per business area



- AT- AirTech
- DCT - Data Center Technologies
- FT- FoodTech

Sales and production in number of countries

>45

Sales MSEK*

14,294

Number of production plants

22

Adj. EBITA margin*

13.6

Number of employees

~5,000



Business critical solutions to a broad range of industries



Dry air for battery production



Clean Technology solutions for a healthier planet



Constant humidity solutions for the pharmaceutical industry



Climate & hygiene control for the food production industry

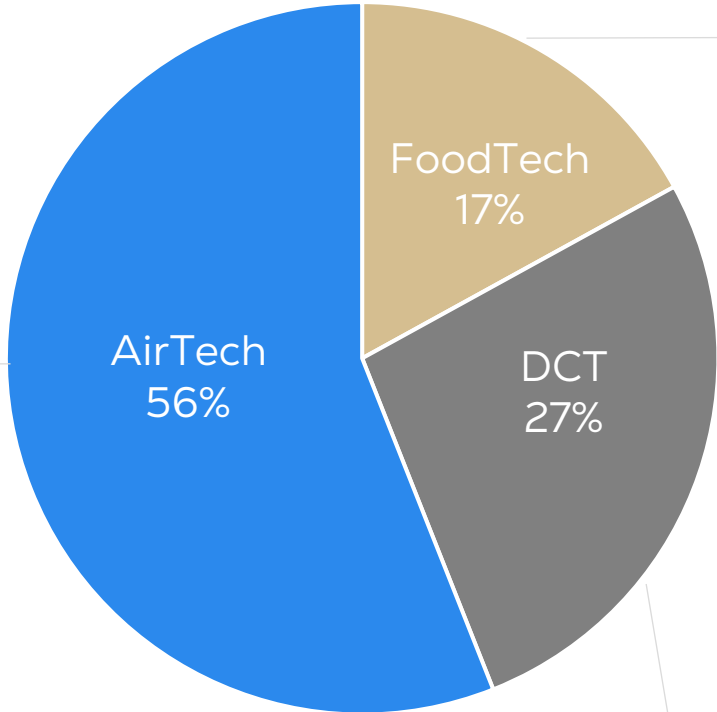


Leading supplier of Rotors & other components



Service offering to a broad range of customers

Distribution net sales Q1 2024



Indoor climate solutions for agriculture and greenhouses



Sensors & Controllers for farmers



Software solutions for food producers



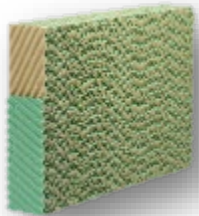
Data Center cooling solutions



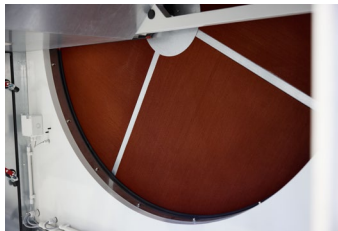
Core technologies – dehumidification and evaporative cooling

Core Technologies

Evaporative cooling pads



Rotors with desiccant drying wheel



AirTech offering

Dehumidifiers

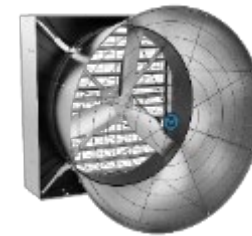


Climate systems



FoodTech offering

High-efficiency fans



Air inlets



DataCenter Technologies offering

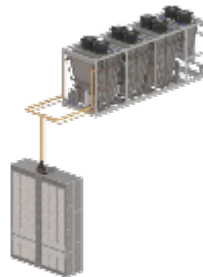
Packaged air economizers



Chilled Water CRAH¹



SyCool Split



Service



Controllers & sensors

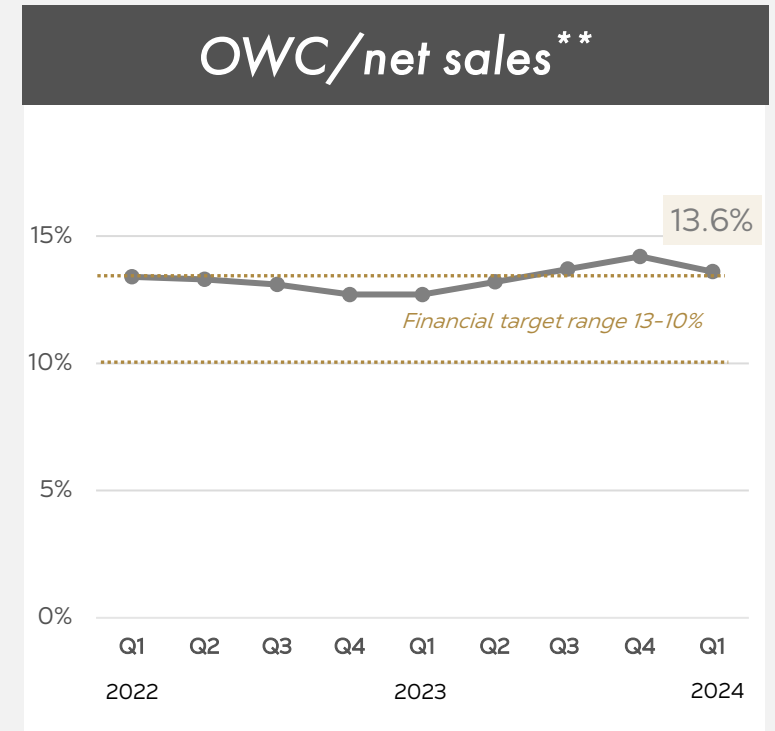
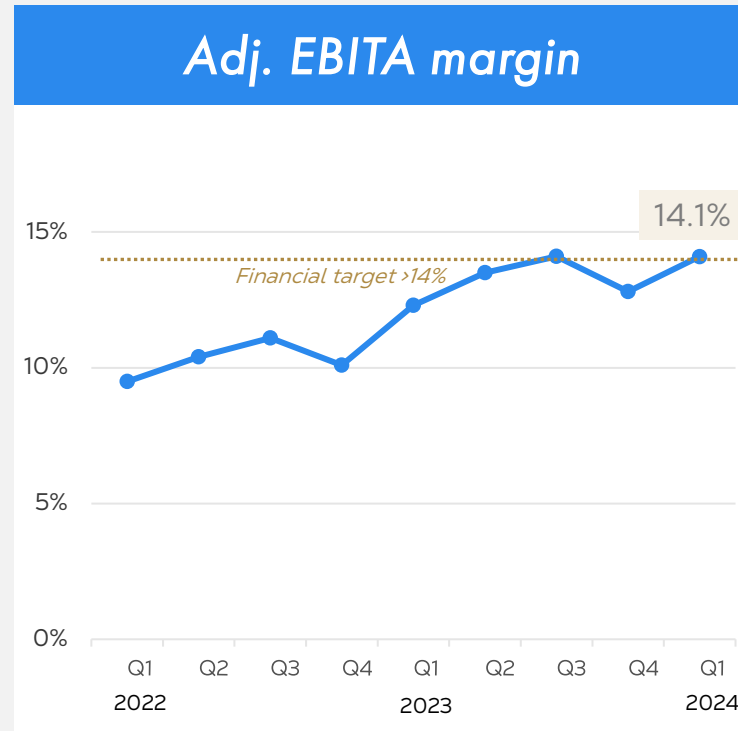
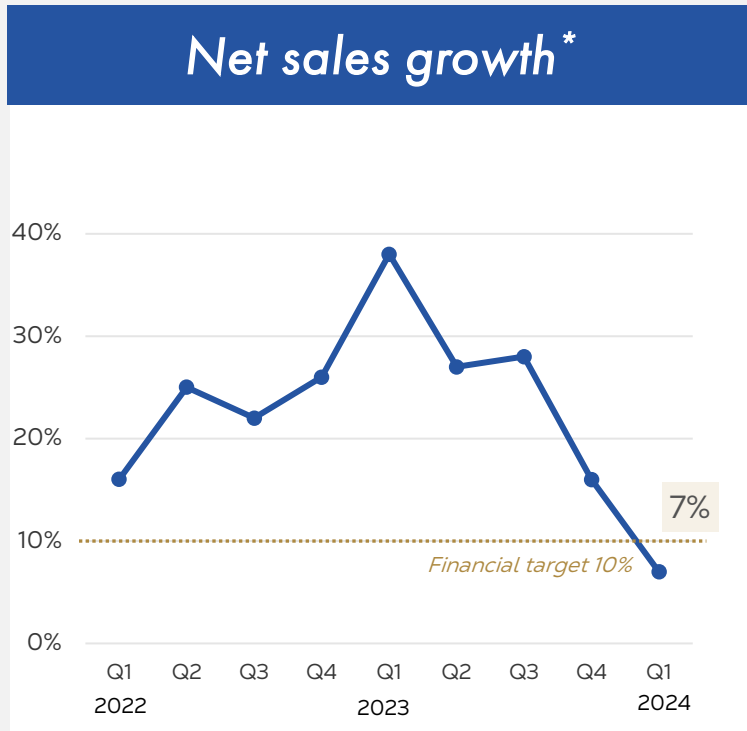


Software



The above products are examples of products in the Munters offering
¹CRAH – Computer Room Air Handler

Progression towards our financial targets



* Organic growth p.a. over a business cycle

** Average OWC (Operating Working Capital) last twelve months as % of net sales for the same period



Advancement towards our sustainability goals

End of March 2024

Goal

Scope 1 & 2	Renewable electricity, factories	78% (79)
	Energy efficiency, factories ¹	0.57 (0.51)
	Recycling rate (LTM)	47% (49)

Net zero emissions by 2030

Health & Safety	TRIR ² (LTM)	1.4 (2.0)
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Zero accidents

Diversity	% of women in workforce	22% (23)
	% of women in salary-setting positions	22% (22)

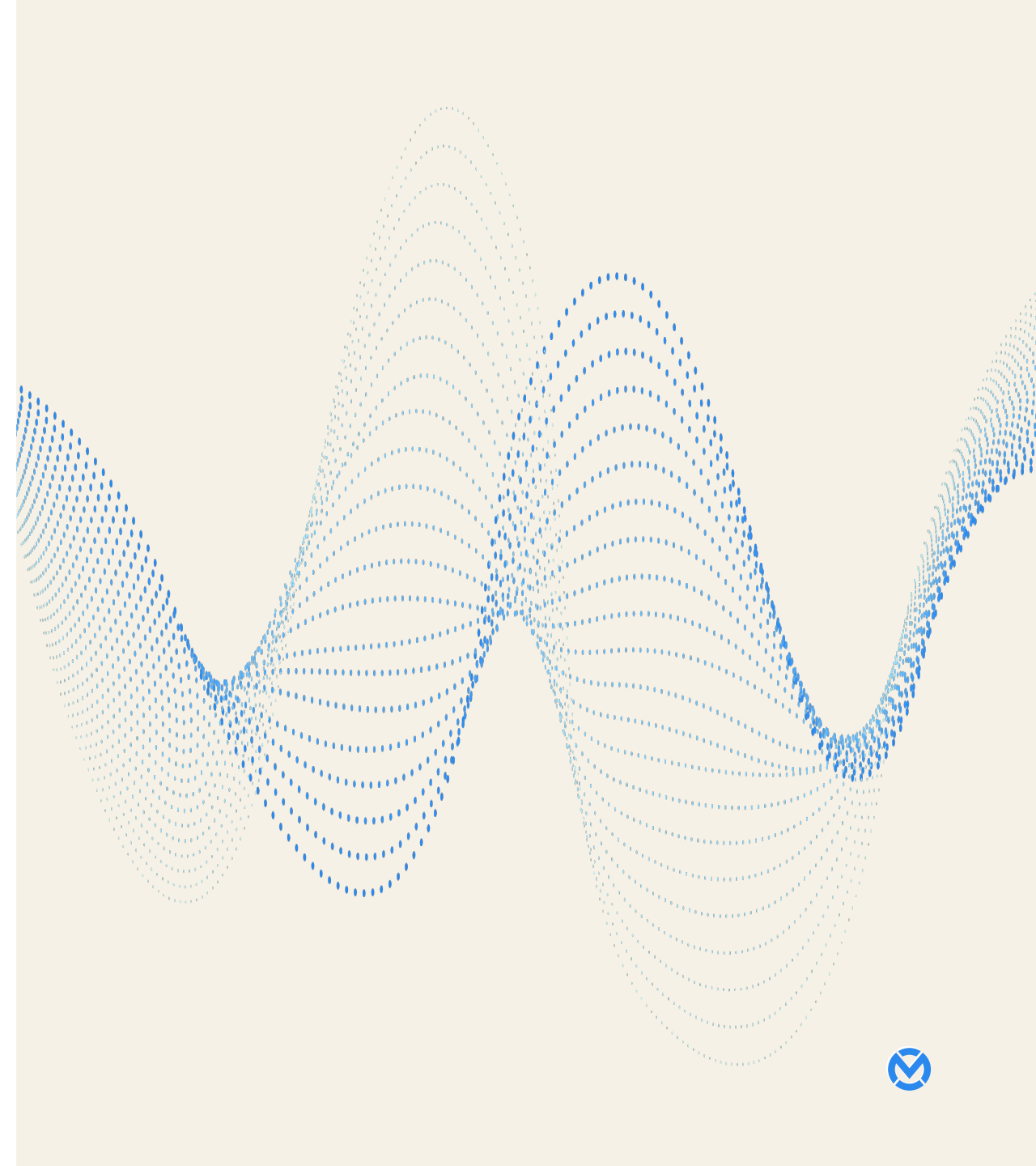
30% women leaders by 2025

¹ Electricity in relation to production output,
²Total Recordable Incident rate



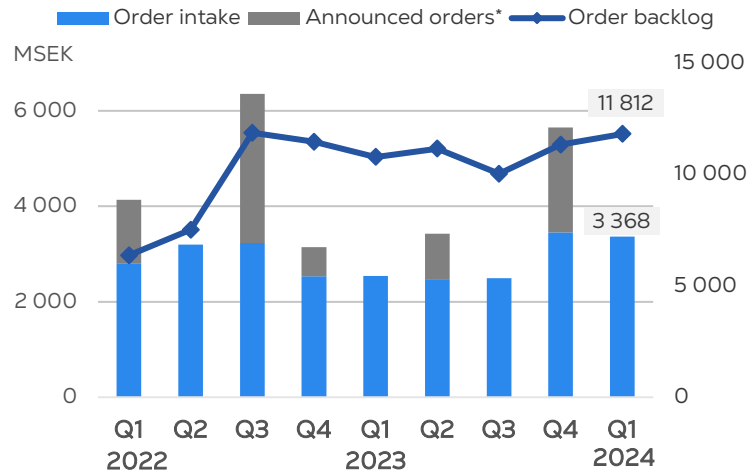
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High demand and profitable growth

Continued high demand...



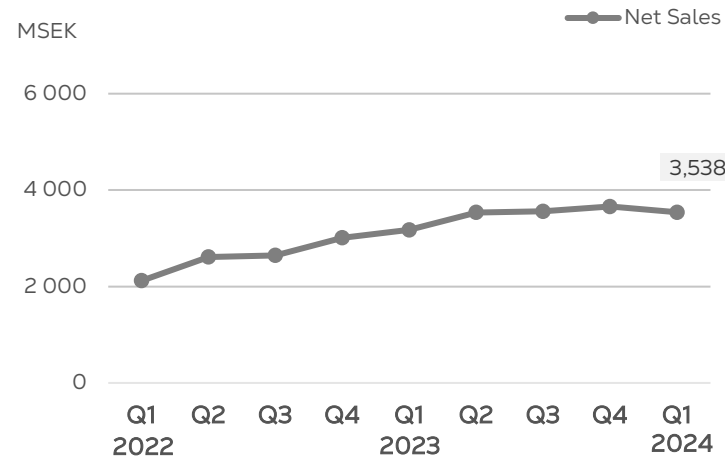
Q1 Order intake, +32% (+29% org)

- strong in all business areas
- AT good demand, esp. battery EMEA
- DCT solid development in Americas
- FT positive, mainly Americas & EMEA

Q1: Order backlog, +10%

- mainly large orders in DCT & AT, to be delivered throughout 2025

... drives stable net sales and...

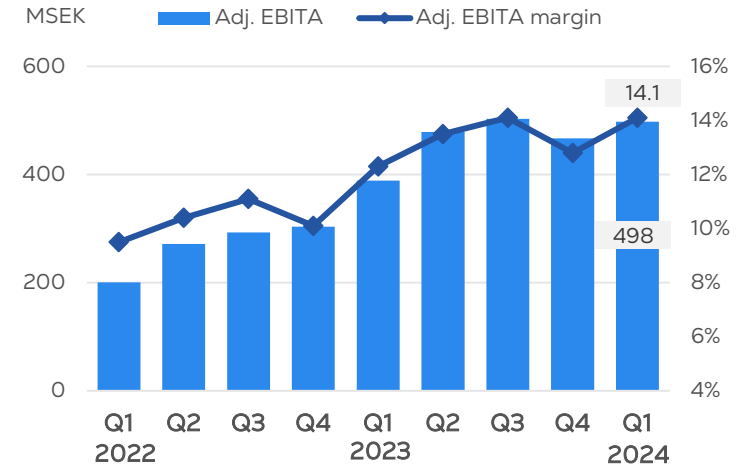


Q1: Net sales, +11% (+7% org)

- DCT - good deliveries
- FT - Climate solutions Americas strong, and very strong Digital solutions US
- AT - decreased. Growth mainly in Americas, offset by weaker APAC & EMEA

Book-to-bill Q1: 0.95

... enhanced profitability

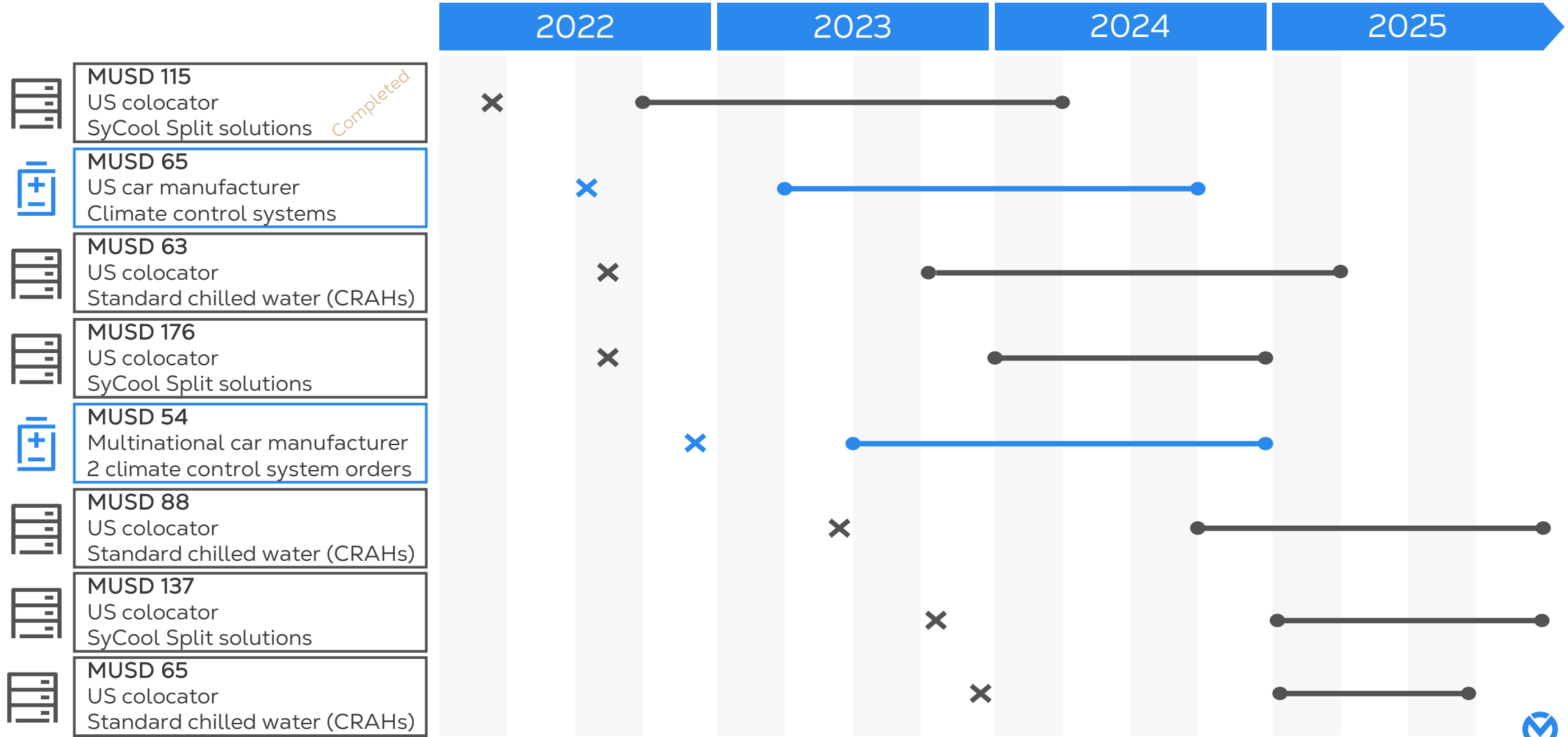


Adj. EBITA-margin, Q1 14.1%

- + solid growth, net price increases and strong operational delivery
- accelerated investments to create a platform for long-term sustainable growth in all business areas
- = resulting in margin improvements and good cashflow



Solid order backlog – large orders supportive into 2025



x Order received
● Expected delivery period



Enhanced profitability, good cash flow & improved leverage

- **Net Sales** increased;
 - very strong growth in DCT
 - strong growth in both segments in FT
- **Adj. EBITA margin** improved;
 - mainly increased sales and price increases in DCT & FT, efficiency improvement efforts in all business areas
- Improved **cash flow**;
 - improved earnings & reduction in working capital, mainly driven by customer advances in DCT Americas
- **Net debt** increased:
 - mainly as a result of acquisitions financed through debt during the recent year

	MSEK	Q1 2024	Q1 2023	Change (%)		
				Organic growth	Structural growth*	Currency effects
Order intake		3,368	2,544	29	6	-2
Order backlog		11,812	10,783			
Net sales		3,538	3,175	7	6	-2
Operating profit (EBIT)		412	349			
Adj. EBITA		498	389	25	6	-2
Adj. EBITA-margin		14.1	12.3			
Net income		227	214			
Cash flow from operating activities		553	-168			
OWC/net sales (%) ¹		13.6	12.7			
Net debt		4,557	4,175			
Net debt/Adj. EBITDA ²		2.0	2.7			

¹ Average OWC (Operating Working Capital) last twelve months as % of net sales for the same period

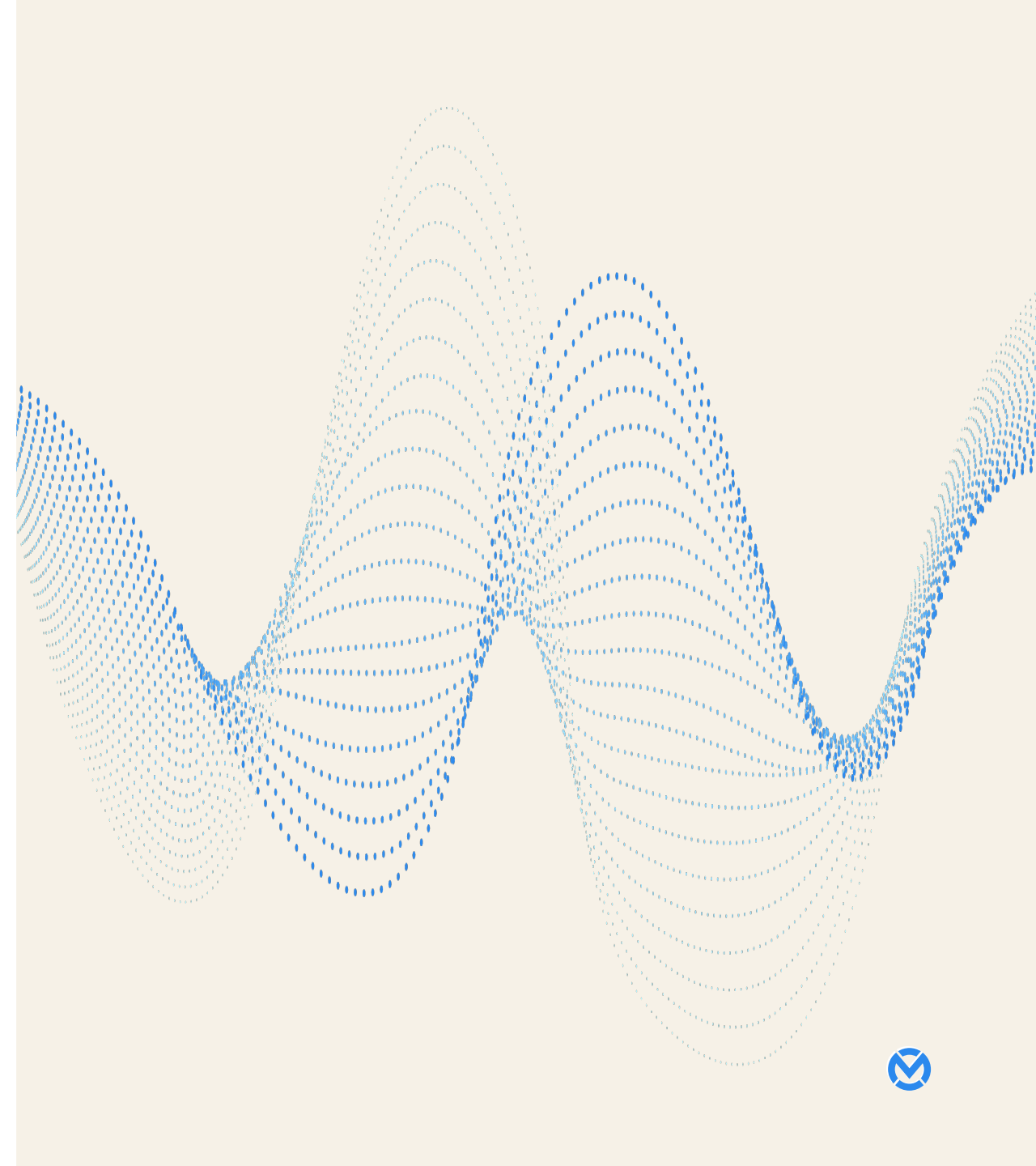
² Last twelve months

* Acquisitions & divestments



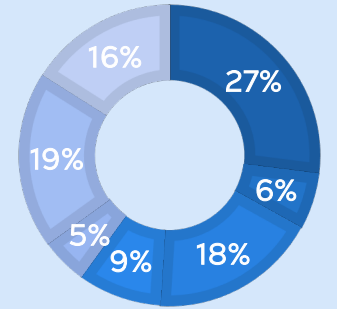
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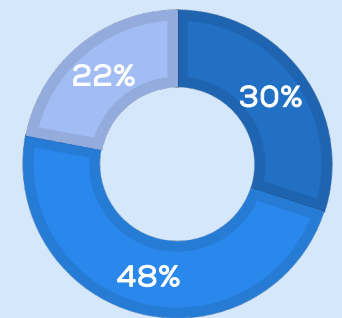
Global leader in air treatment for industry

Customer segments of order intake



- Battery
- Food processing
- Other Industrial
- Commercial
- Clean Technologies
- Service
- Components

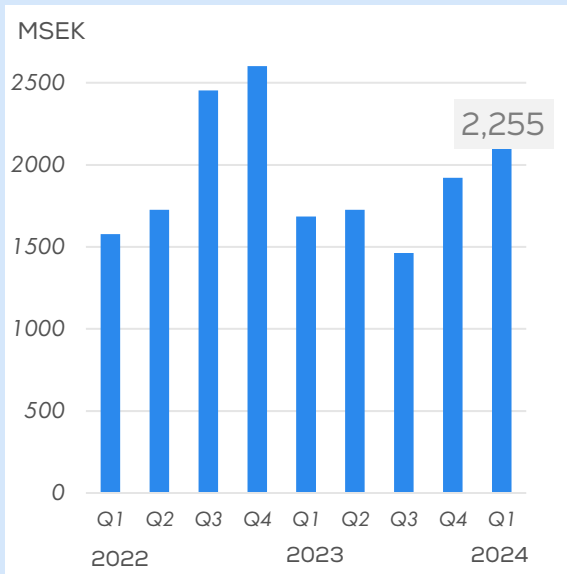
Order intake per region



- Americas
- EMEA
- APAC

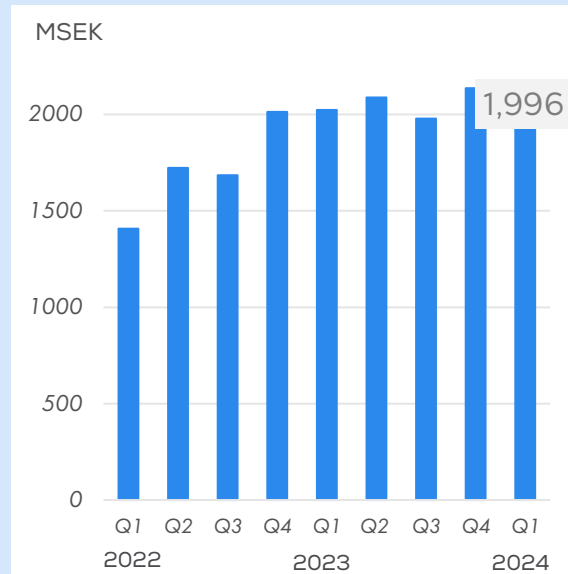
Order intake, MSEK

2,255



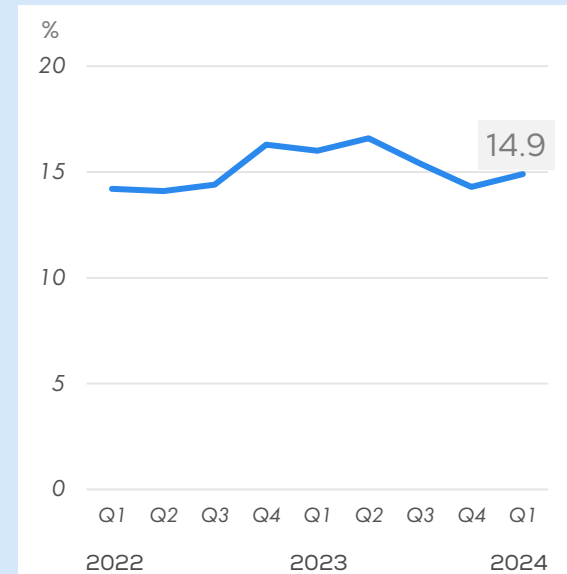
Net sales, MSEK

1,996



Adjusted EBITA margin

14.9%



Financial figures Q1 2024










All segments - stable order intake trends

→ **Order Intake** increased primarily EMEA but also Americas, whereas APAC lower;

- Industrial- good growth especially in EMEA. Battery in EMEA very strong, whereas cont. weak in APAC & Americas
- Commercial – good growth in Americas & APAC (acq. Zeco)
- CT¹- declined, due to strong comparable Q1 2023
- Components – Americas & EMEA good growth, APAC weaker due to lower component replacements in the Chinese battery market
- Service – growth mainly Americas but also EMEA, offset by APAC

→ **Order Backlog** slight decrease



Customer segment	% order intake Q1 2024	Market Outlook *
Industrial	60%	
...whereof battery	27%	
...whereof food processing	7%	
...whereof commercial	9%	
...whereof other	18%	
Clean Technologies	5%	
Service & components	35%	
...whereof service	19%	
...whereof components**	16%	

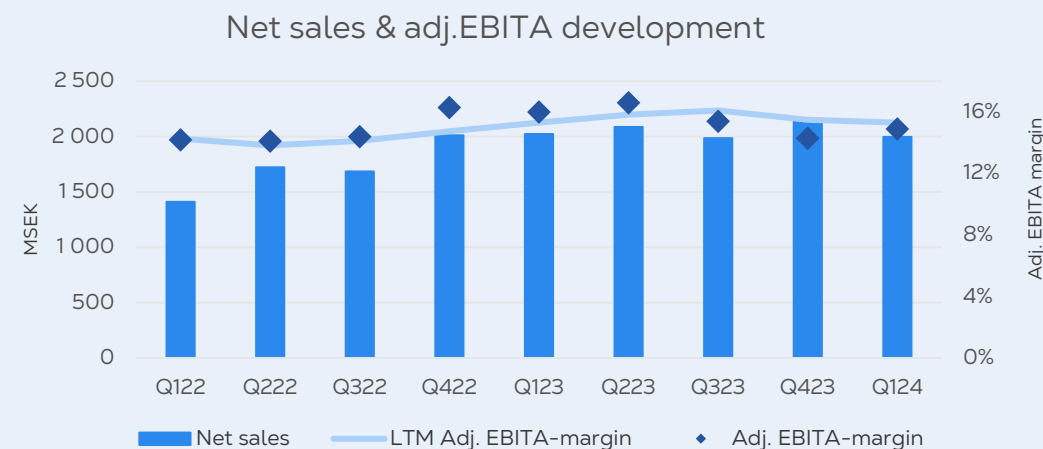
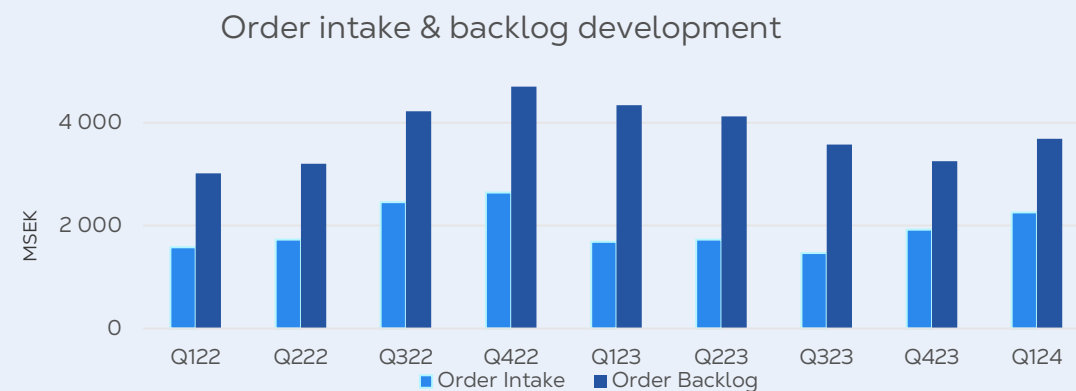


Q1 - Lower volumes & investments affecting margin





































MSEK	Q1 2024	Q1 2023	Change (%)		
			Org.	Struct*	FX
Order intake	2,255	1,686	29	7	-3
Order backlog	3,688	4,341			
Net sales	1,996	2,023	-7	7	-2
Adj. EBITA	296	323	-12	6	-2
Adj. EBITA (%)	14.9	16.0			

→ Adj. EBITA margin decreased;

- lower volumes
- increased investments in sustainability, operational efficiency & innovation
- + cont. efficiency improvements, slightly offset by lower production utilization rate in EMEA & APAC



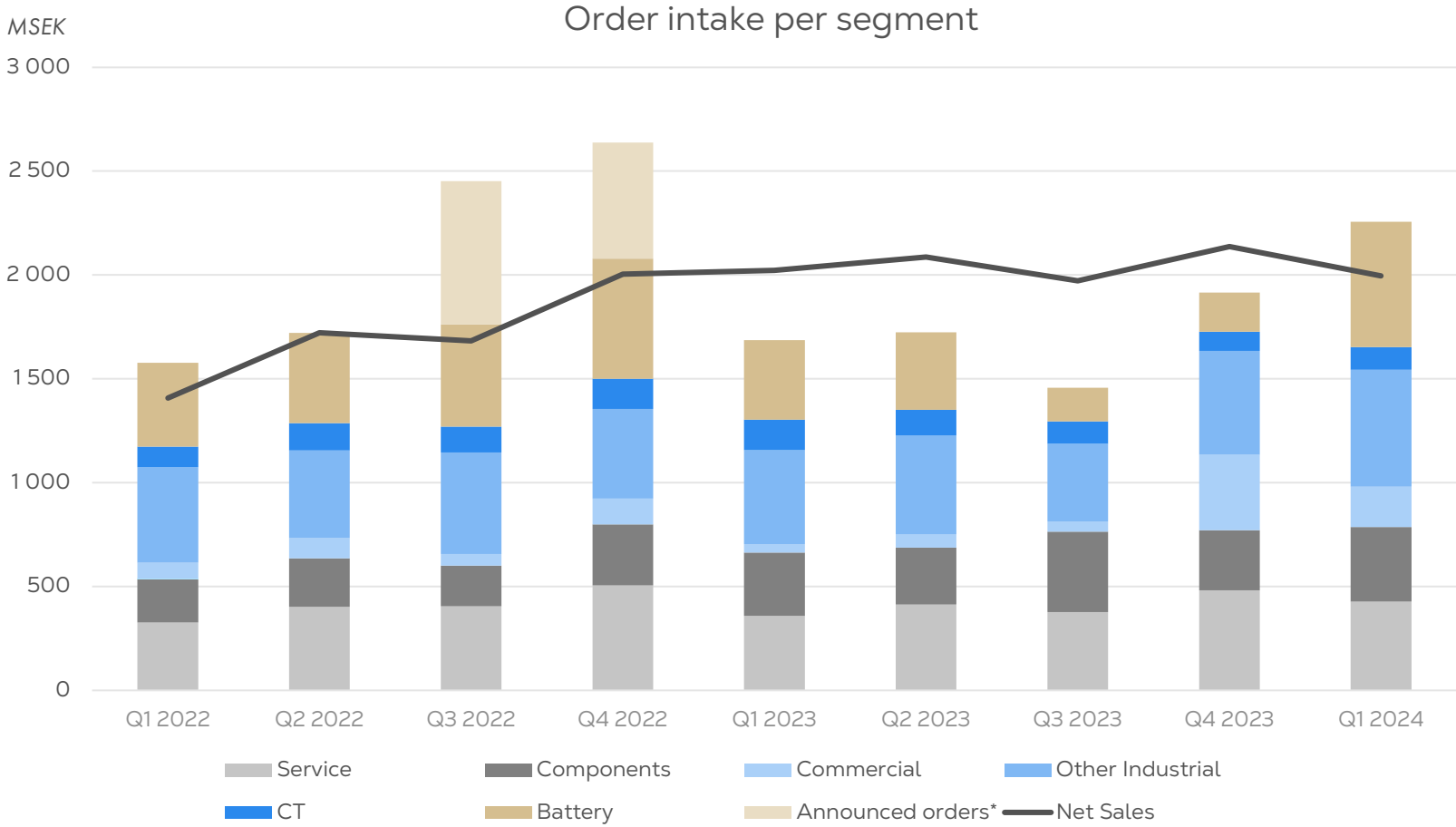
Selection of market players - mainly small local players

		Small (<1 BSEK)				Medium (1-2 BSEK)	Large (2-10 BSEK)	Extra Large (>10 BSEK)
Humidity Control Technologies	Dehumidification	 AM	 AS	 AS	 AM	  AM/AS/EU	 ★ AS	
		 AM/AS	 AM	 EU/AM	 AM		 ★ AM	
		 AM	 EU	 AS	 AS		 ★ AS	
		 AS	 AS	  AS	 EU			
Clean Technologies	Humidification	 AS	 AM	 AS	 EU/AS	 EU/AS/AM		
		 EU	 EU	 EU	 AM		 EU/AS/AM	
		 EU	 AM	 AM/AS/EU		 EU/AS/AM		

★ A small business within a large company/conglomerate



Solid development in several segments

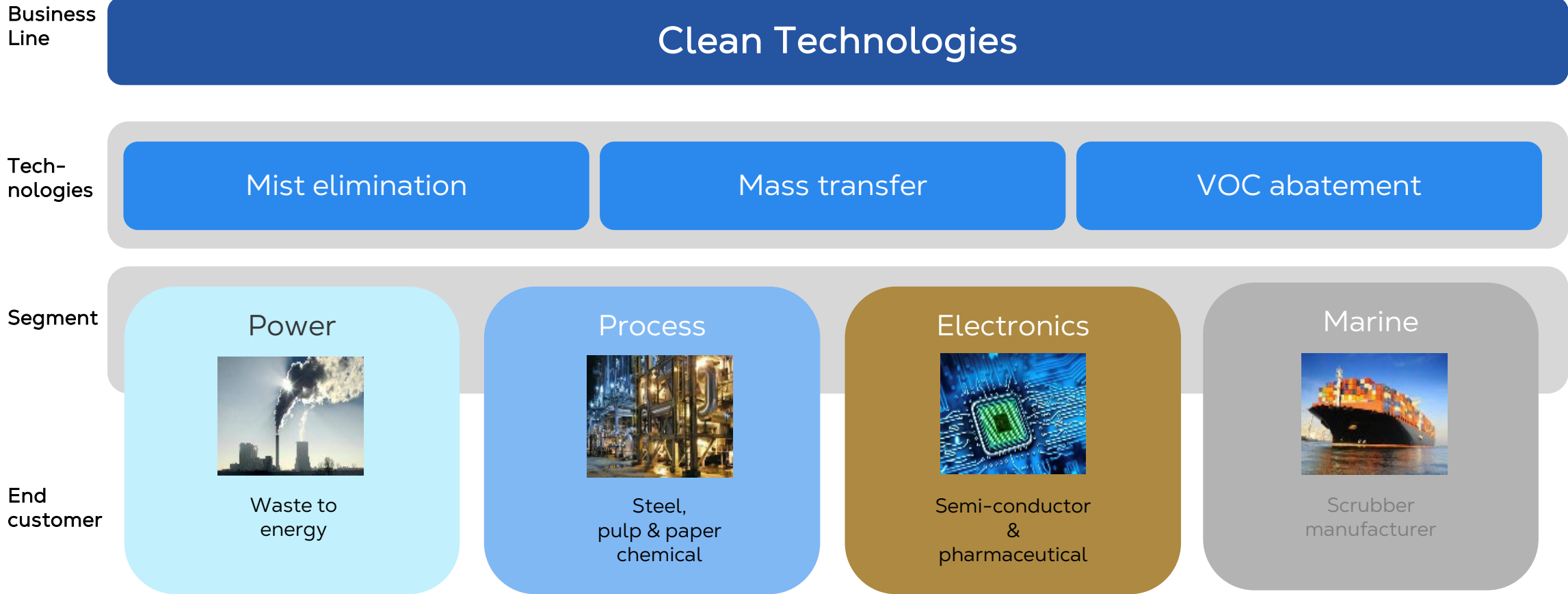


- Variations in large orders i.e., batteries
- Other industrial good growth
- CT steady development
- Commercial increase through Zeco acquisition
- Service & Components stable and growing

*Large orders announced through press releases

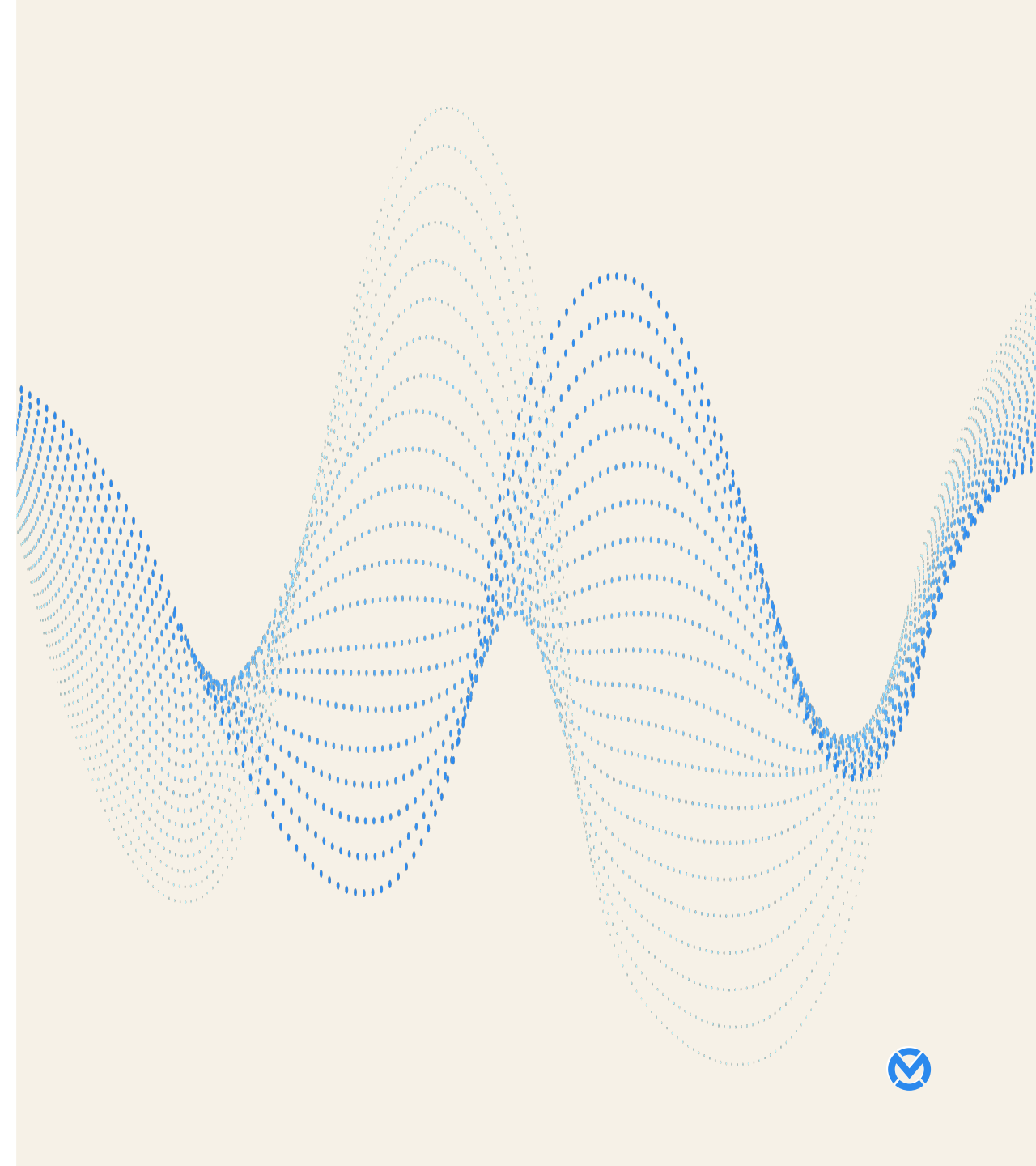


Clean Technologies – solutions for a healthier planet



Agenda

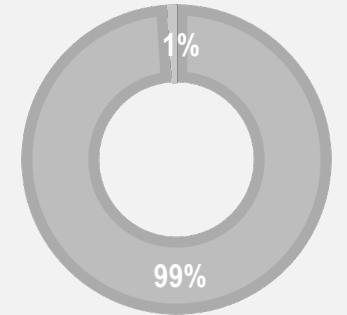
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Sustainable cooling solutions that facilitate digitization

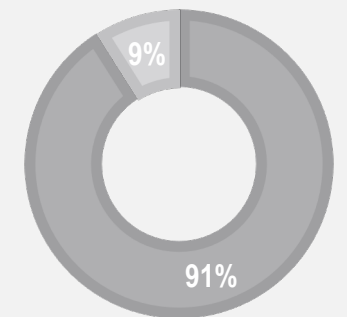
Data Center Technologies

Customer distribution of order intake



- Hyperscalers
- Colo
- Telco & enterprises

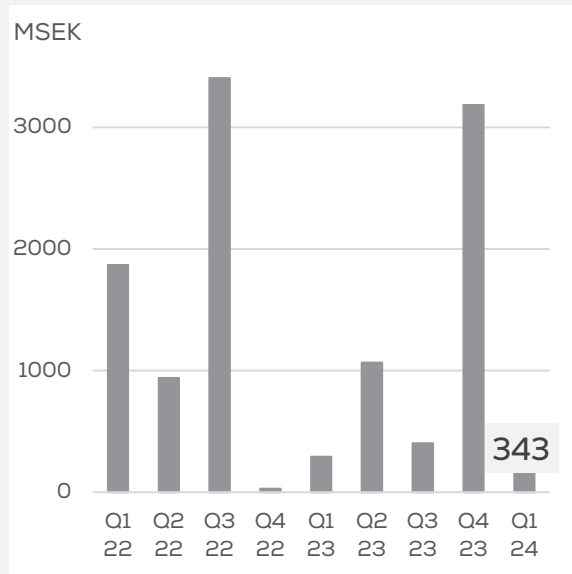
Order intake per region



- Americas
- EMEA

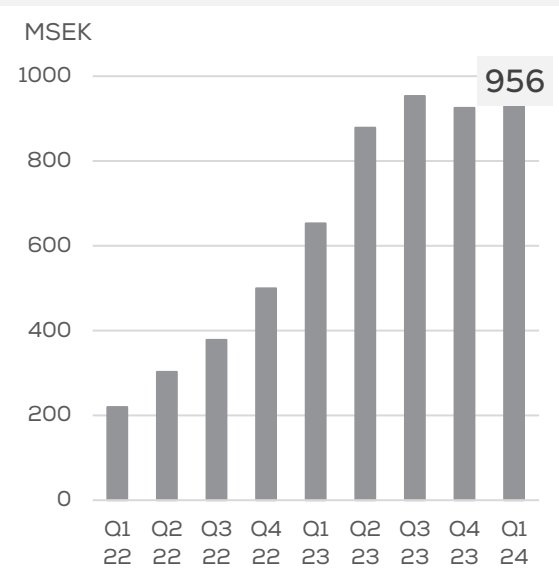
Order intake, MSEK

343



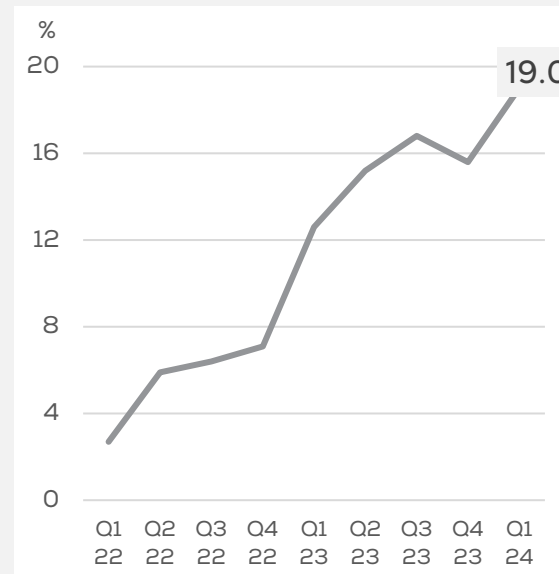
Net sales, MSEK

956



Adjusted EBITA margin

19.0%



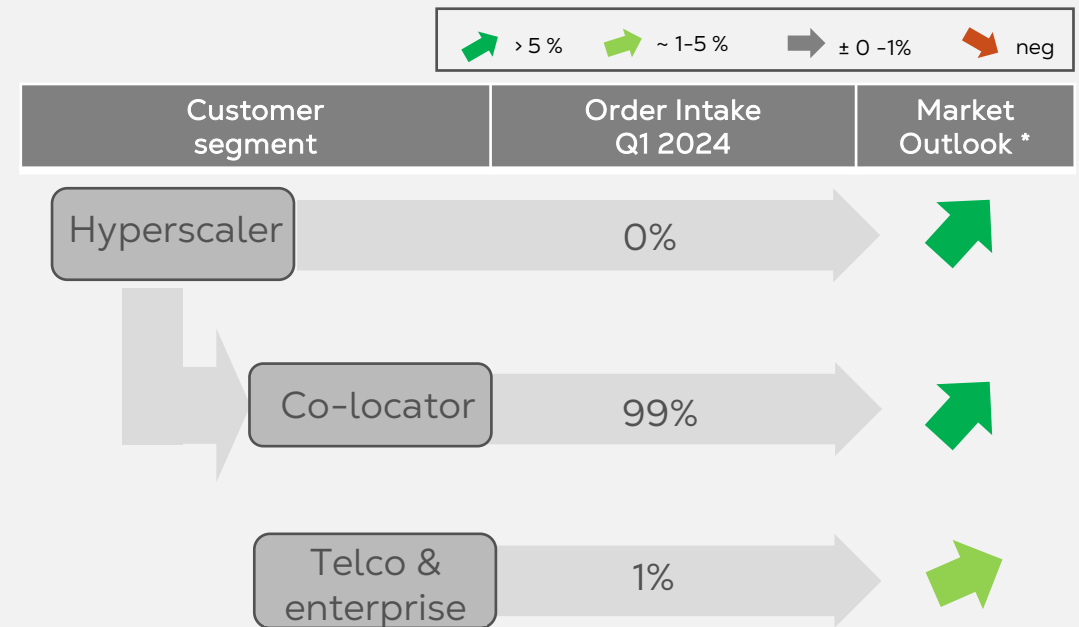
Q1 - Increased demand & strengthened order backlog

→ Order Intake increased;

- mainly co-locator segment, Americas
- underlying demand remains very strong

→ Order Backlog increased;

- majority attributable to large orders to be delivered throughout 2025



- **Hyperscalers** – increased activity both for own facilities & colocation leasing. AI driving significant growth, increased need for server space & higher density cooling requirements
- **Colocation** – continued strong demand due to increased build outs and investments, driven by increased leasing demand from hyperscalers
- **Telco & enterprises** – moving away from own facilities, market growth but lower pace



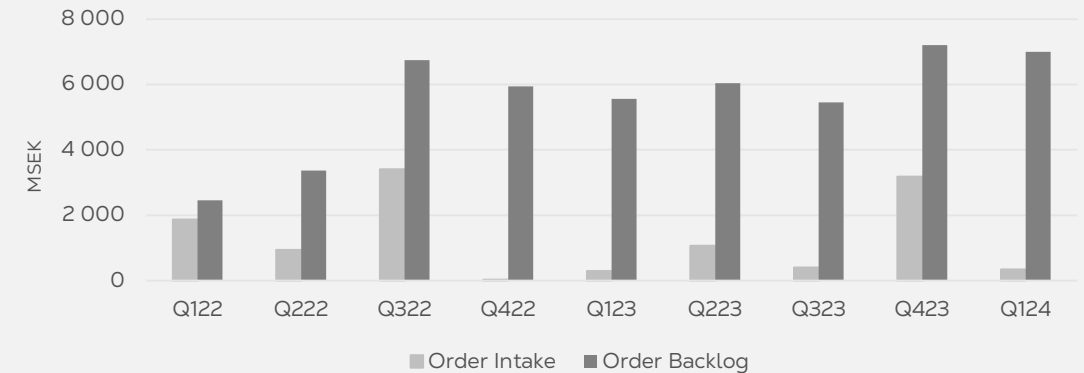
Q1 – Significant profitability increase

MSEK	Q1 2024	Q1 2023	Change (%)		
			Org.	Struct*	FX
Order intake	343	293	17	0	0
Order backlog	7,003	5,564			
Net sales	956	653	47	0	-1
Adj. EBITA	181	82	122	0	-1
Adj. EBITA (%)	19.0	12.6			

→ Adj. EBITA margin significant increase;

- + strong volume growth
- + net price increases
- + high utilization rate in production
- + operational efficiency improvements
- investments in competence and resources expected to increase to capture growth

Order intake & backlog development



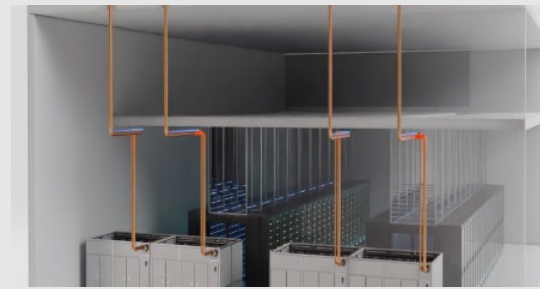
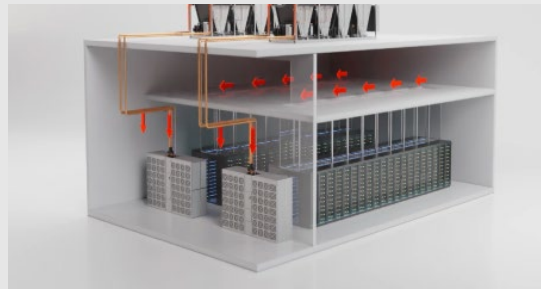
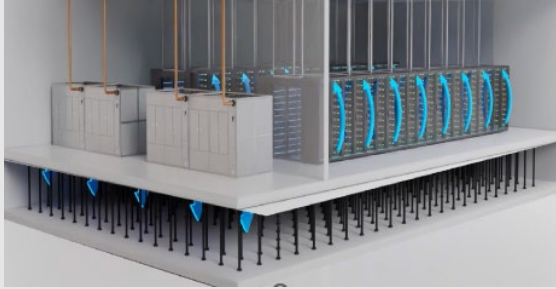
Net sales & adj. EBITA development



Market players can be divided into four main categories



The basic steps of cooling and heat rejection



1. DISSIPATION (INSIDE THE SERVER)

Heat sinks, on-board fans or liquid cooling solutions dissipate heat away from the components

2. CAPTURE (INSIDE THE DC)

Heat is captured by air flow, containment, air handlers, or Cooling Distribution Units etc.

3. TRANSFER

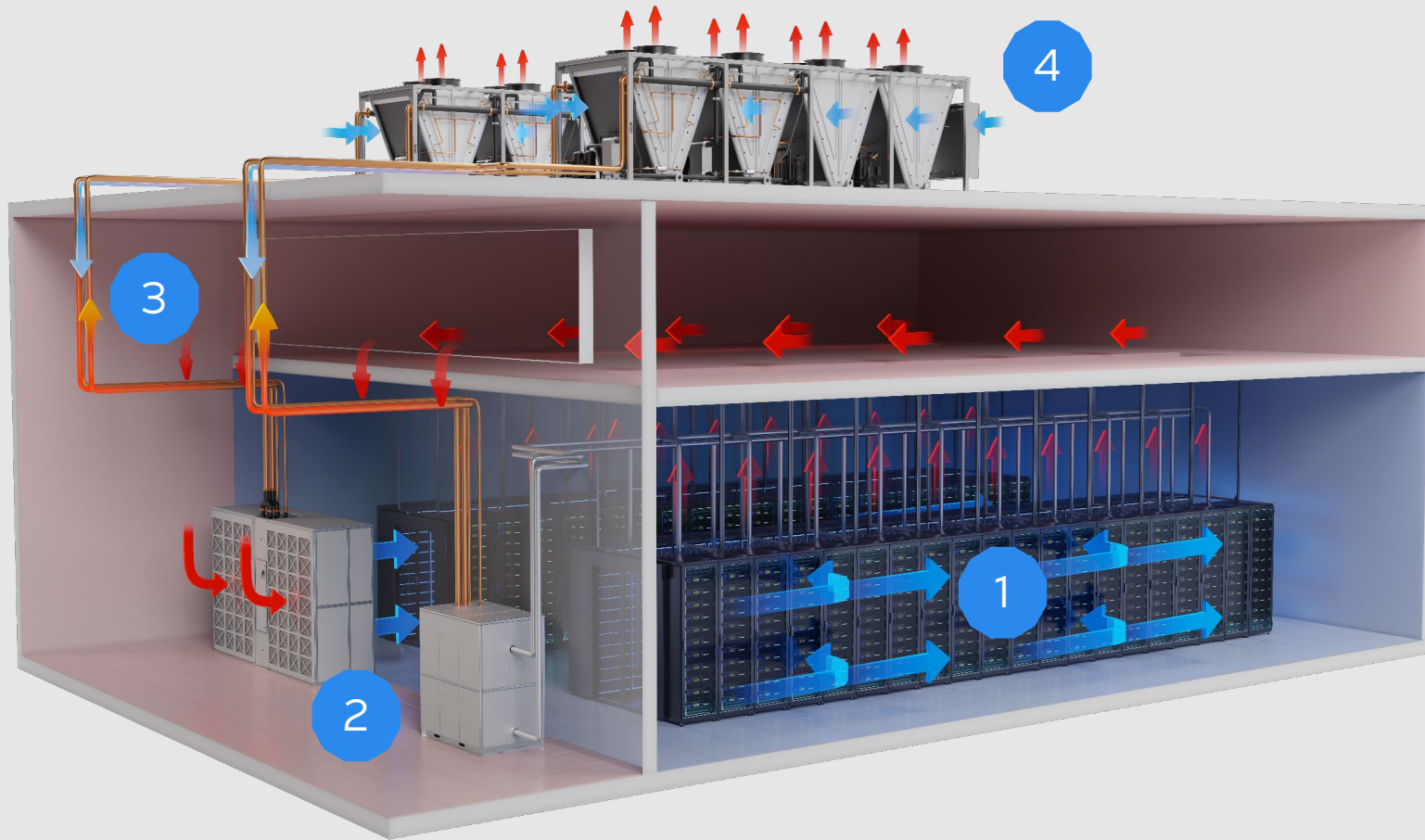
Air, water or other refrigerant carries heat away

4. RELEASE (OUTSIDE THE DC)

Outdoor condensers, cooling towers, or heat exchangers release the heat



SyCool Split - How to deal with increased power density

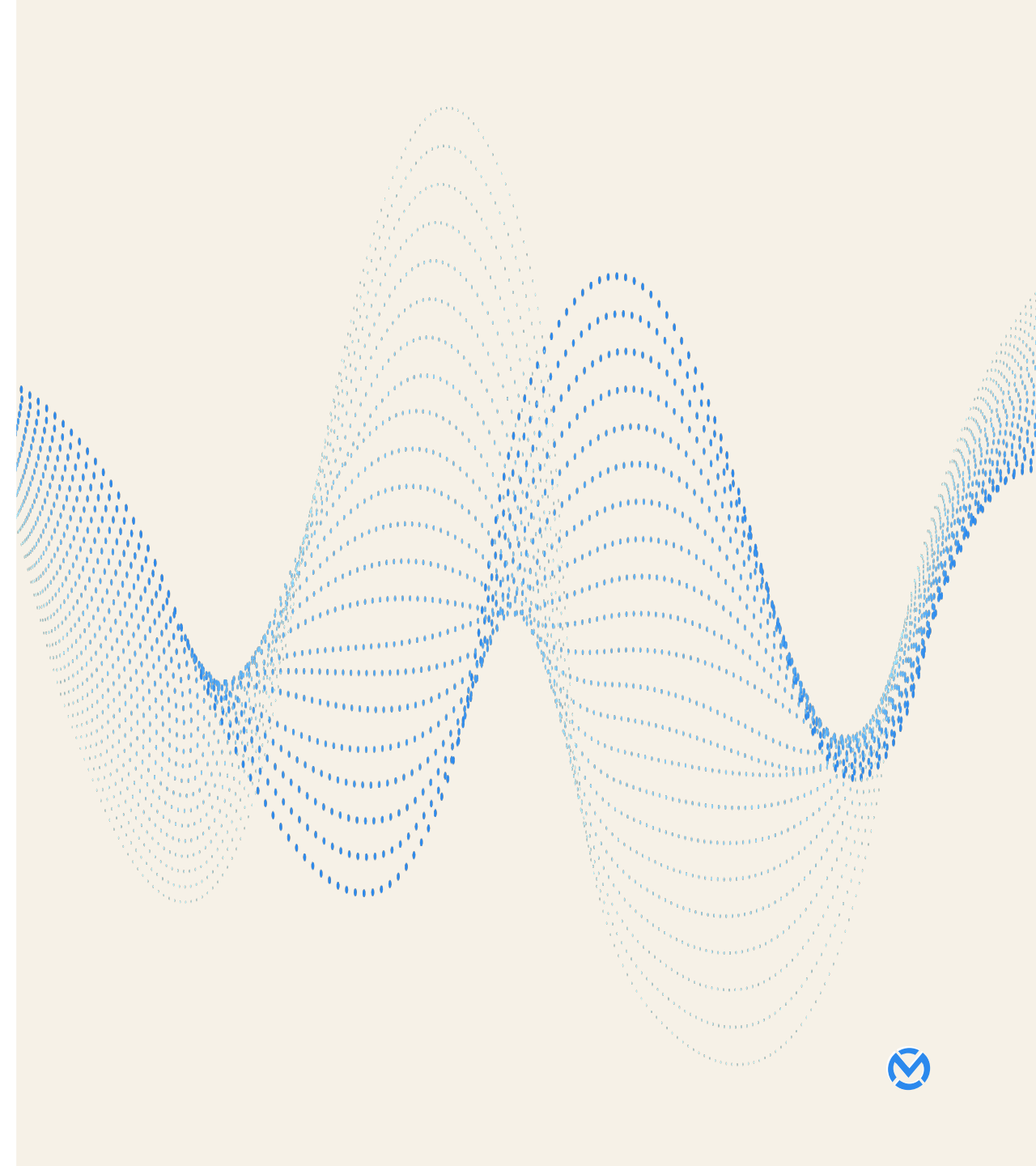


1. **Dissipation** – taking heat from the chip to the air or the liquid
2. **Capture** – heat is captured by the CRAH (air) or the CDU (liquid)
3. **Transfer** – heat energy is transported to the heat rejection equipment
4. **Release** – heat is rejected to atmosphere or to be re-used for another purpose



Agenda

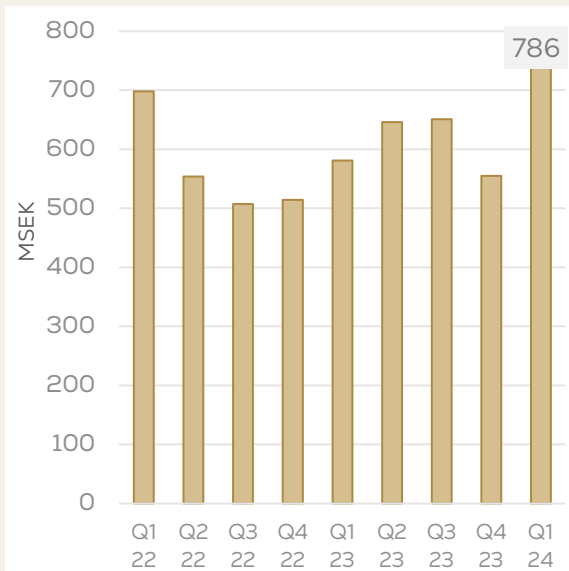
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A world leader in climate control systems for food production

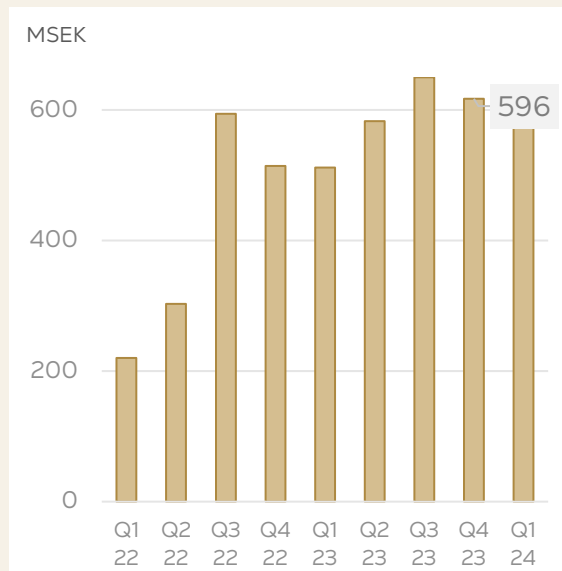
Order intake, MSEK

786



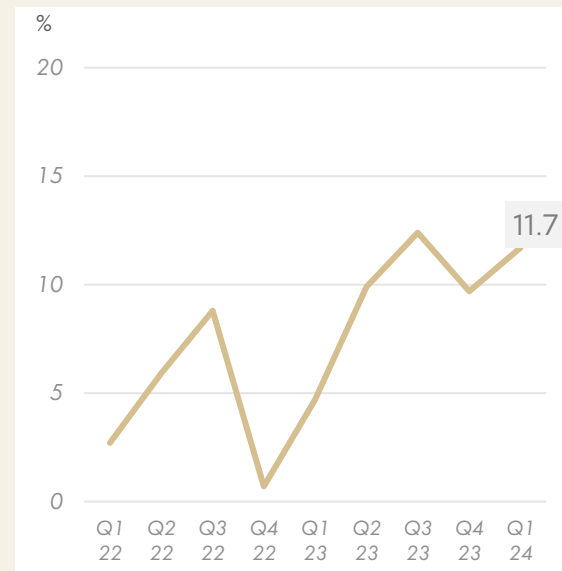
Net sales, MSEK

596



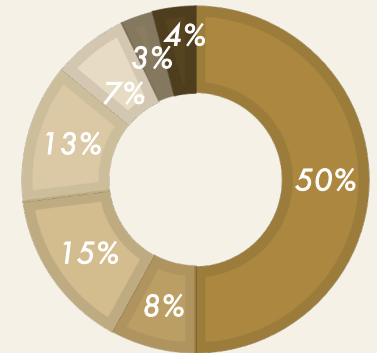
Adjusted EBITA-margin

11.7%



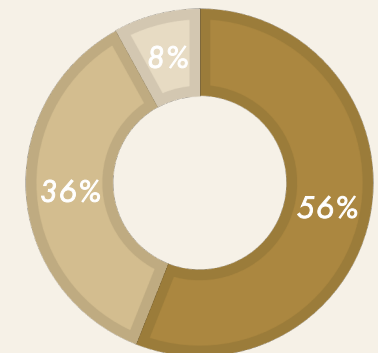
FoodTech

Customer segments, net sales



- Broiler
- Layer
- Greenhouse
- Digital Solutions
- Dairy
- Other

Order intake by region



- Americas
- EMEA
- APAC

FoodTech - a leading dual offering

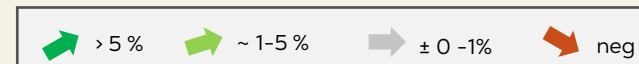









FoodTech stands on two pillars, climate solutions and digital solutions

Strong demand and strengthened order backlog

→ Order Intake increased;

- CS – primarily driven by Americas & EMEA, slightly offset by APAC
- DS – strong growth in Americas



Customer segment	% order intake Q1 2024	Market Outlook *
Climate Solutions (incl. Controllers)	87%	
...whereof Broiler	50%	
...whereof Swine	8%	
...whereof Layer	15%	
...whereof Greenhouse	7%	
...whereof Dairy	3%	
...whereof Other	4%	n/a
Digital Solutions	13%	

* Market outlook and comments are indicative and refer to the coming six months

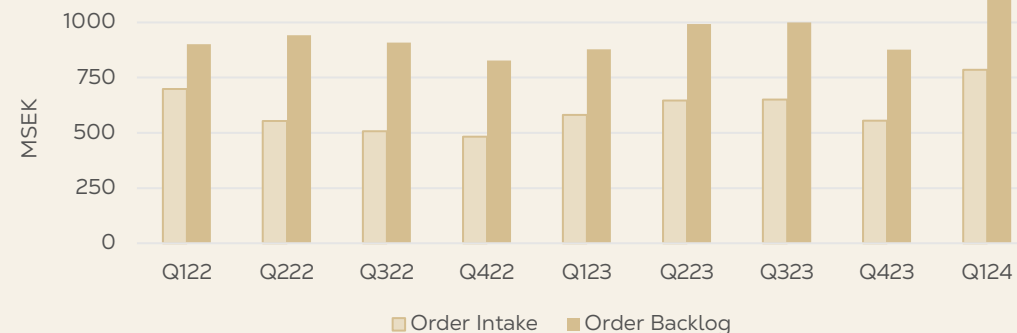


Q1 - Enhanced profitability and net sales

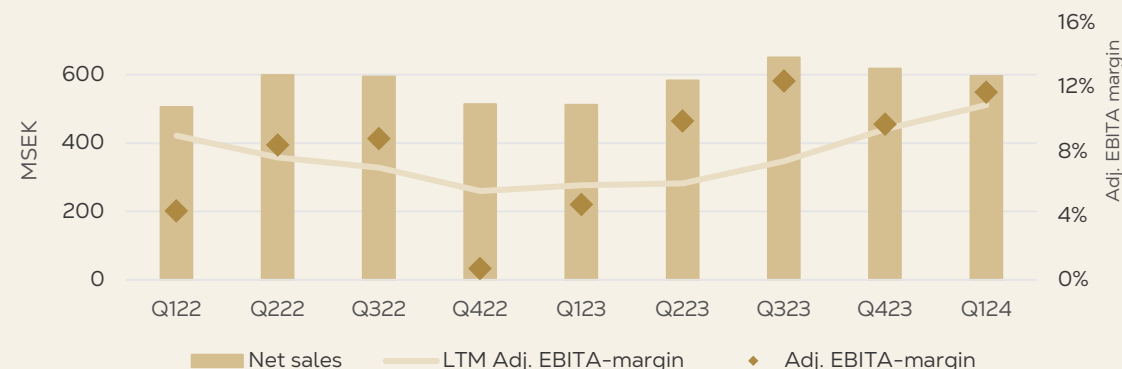
MSEK	Q1 2024	Q1 2023	Change (%)		
			Org.	Struct*	FX
Order intake	786	581	32	5	-2
Order backlog	1,122	878			
Net sales	596	512	10	8	-2
- of which SaaS	61	36			
- SaaS ARR	244	145			
Adj. EBITA	70	24	173	14	-1
Adj. EBITA (%)	11.7	4.7			

- **Adj. EBITA margin** increased significantly;
- + increased net sales in both CS & DS
- + good profitability from DS through strong ARR
- + effects from operational excellence improvements
- + net price increases





























Order intake & backlog development



Net sales & adj. EBITA development



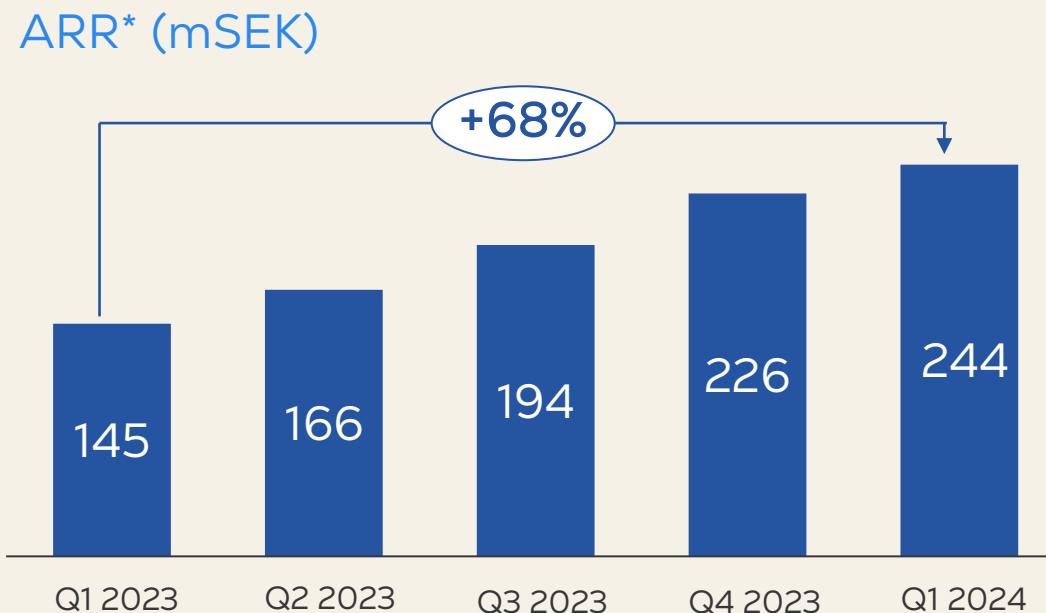
Selection of market players within Climate solutions

Fans	 EU/AS/AM	 EU/AS/AM	 EU	 KUNSTSTOFFTECHNIK EU	 EU/AS/AM	 China	 EU/AS	Fans
Cooling	 Your Agriculture Company EU/AS/AM	 AS	 EU	 AM	 HuTek (Asia) Company Ltd. AS	 Middle East	 EVAPORATIVE COOLING MEDIA AM	Cooling
Inlets	 EU/AS/AM	 forward thinking EU	 KUNSTSTOFFTECHNIK EU	 POLYTECHNIK EU	 GROUP LLL AM			Inlets
Controllers	 A Whole Farming World inside EU	 EU/AS/AM	 EU/AS/AM	 EU/AS/AM	 EU/AS/AM	 AM/AS	 EU/AS/AM	Controllers
Other	 EU/AS/AM		 KUNSTSTOFFTECHNIK EU					Other



Digital solutions - Significant SaaS growth

- ARR continued growth - new customers & conversions to our new software solution Amino
- Also, high level of software implementations

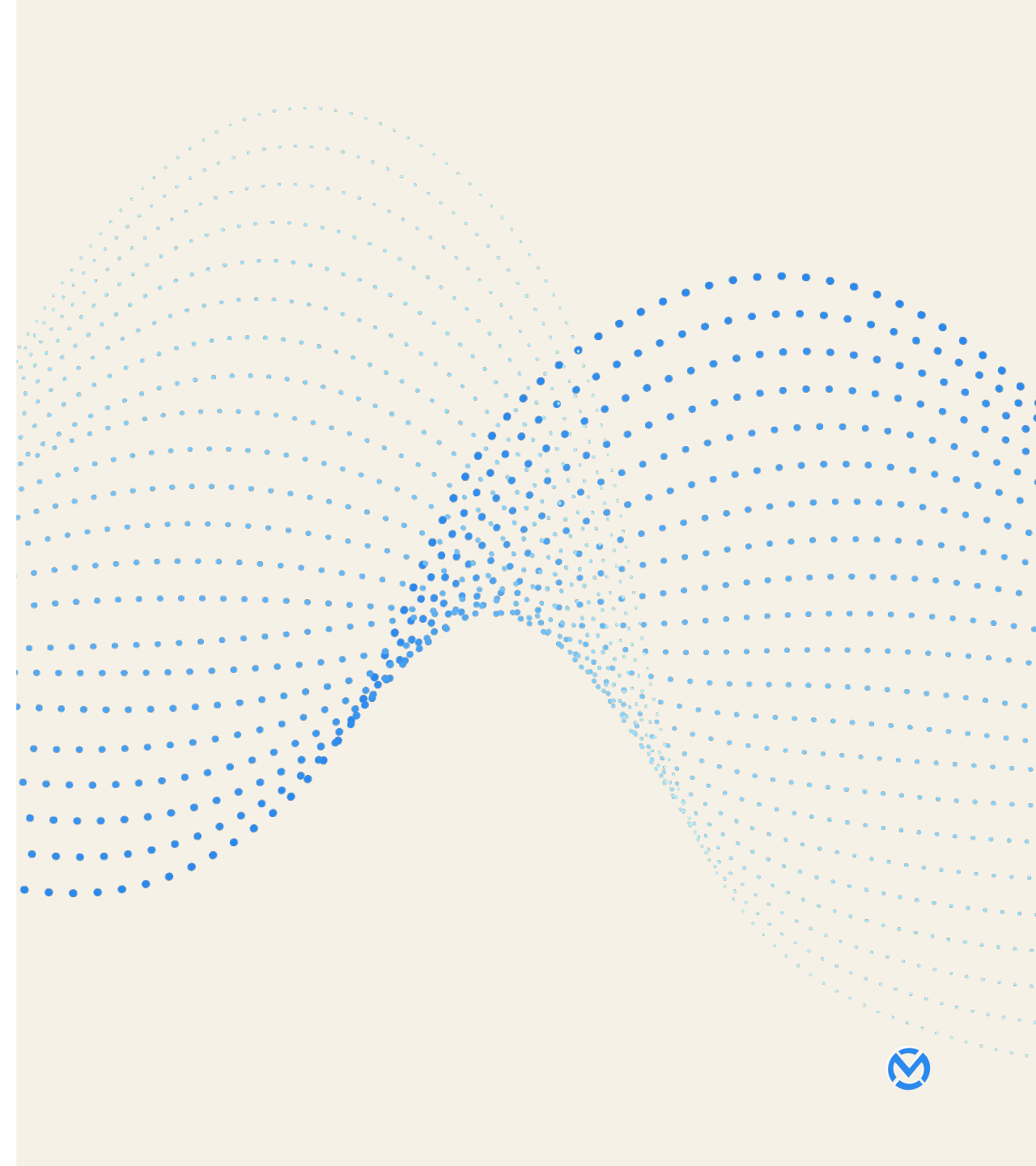


*ARR = Recurring Revenue in the quarter multiplied by four



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Enhancing our Clean Technology portfolio

→ Acquisition of Airprotech

- Italian manufacturer of Volatile Organic Compounds (VOC) abatement systems
- Enhances air purification offering and addresses growing demand for abatement services in Europe
- Positions us to offer complete systems and service to our customers, contributing to cleaner air
- Reported net sales of MSEK 330 for FY 2023
- Founded 1995, based near Milan, Italy, 52 employees
- Finalization expected in Q2 2024



Expanding DCT facilities in Ireland to meet the demand

→ DCT Europe – Expansion

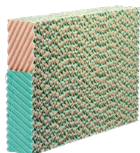
- Expansion in Cork, Ireland with the establishment of new facilities with ~11,000m² production and office space
- Initially, around 100 employees will be able to produce the full DCT product range at the site
- Located in the stunning location of Little Island, close to Cork city centre and our current facilities
- Construction underway, scheduled for completion during 2024
- Built for LEED¹ Silver sustainability certification
 - More sustainable construction and operations
 - Enhanced energy and water efficiency
 - Eliminating fossil fuel dependency



Climate solutions – EMEA good recovery in all segments

→ Greenhouse order in EMEA

- EMEA contractor, serving UAE end-users and farms
- Solution offered CELdek evaporative pads & Air circulation fans and air extraction fans
- Munters selected for the strong track record of customer satisfaction during lasting relationships with both contractor and end-user. High satisfaction with installed base of Munters equipment.



Munters CELdek®

Evaporative cooling pad



FORESTS
FOR ALL
FOREVER



Ideal for greenhouses that require high-efficiency cooling



Munters EDC

Air circulation fans

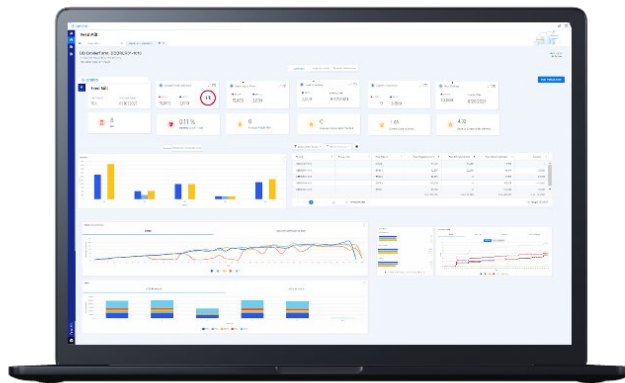
Improving air quality and combating stratification in any greenhouse and poultry application



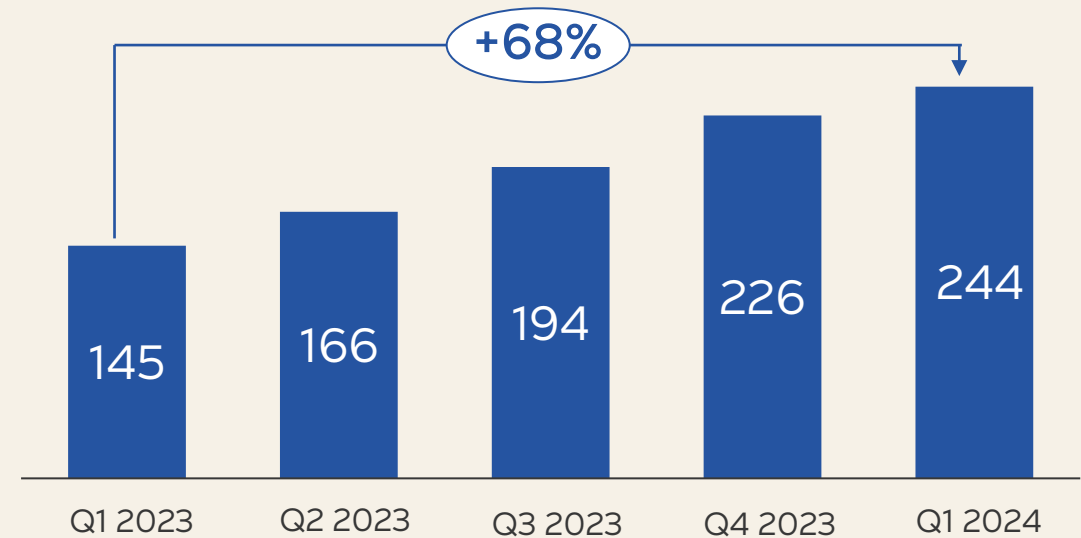
Digital solutions - Significant SaaS growth

→ Key order in Americas strengthens cloud footprint in poultry

- Large US turkey company, subsidiary of a major food corporation
- Customer experienced challenges with data security, local installation and user friendliness of previous system
- Upgraded to Amino software to move more towards IoT and connected farms



ARR* (mSEK)



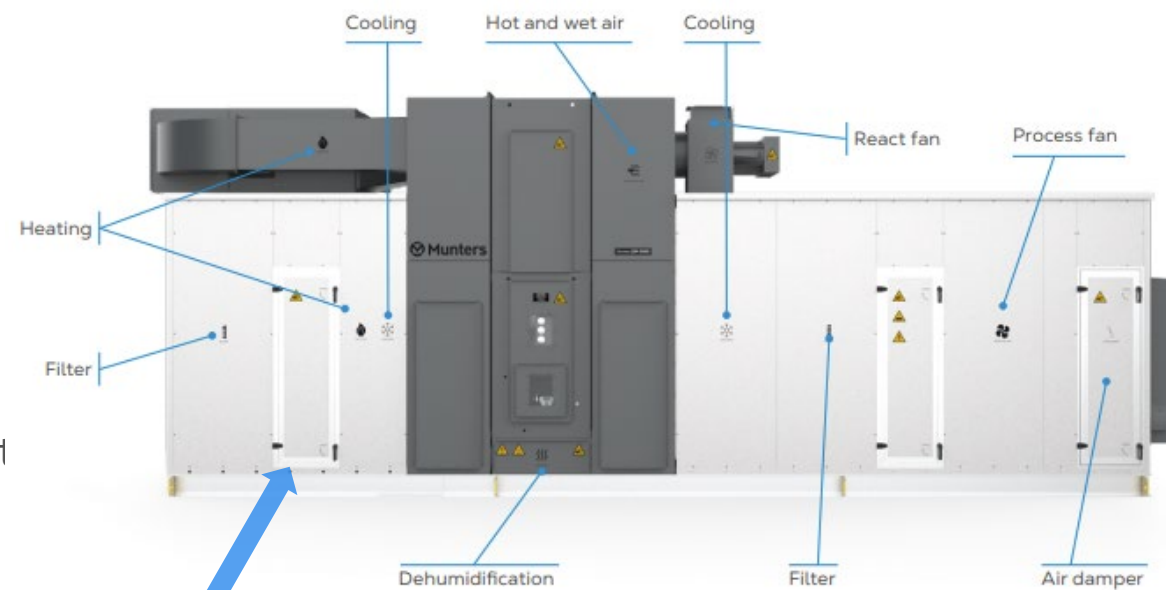
*ARR = Recurring Revenue in the quarter multiplied by four

- ARR continued growth - new customers & conversions to our new software solution Amino
- Also, high level of software implementations



New innovative dehumidification system in North America

- Specially developed for low dew point (LPD) applications such as battery producers
- Ability to maintain dry rooms at continuous low dew points
 - 40% smaller footprint vs. industry standard
 - Available for indoor and outdoor installation
 - Gas, steam or electric reactivation as standard
 - Combined pre- and post-heating and cooling coils for compact design and minimized footprint
 - Standardized cost-effective design
 - Optimized purge cycle provides 30-45% energy savings vs. industry standard purge

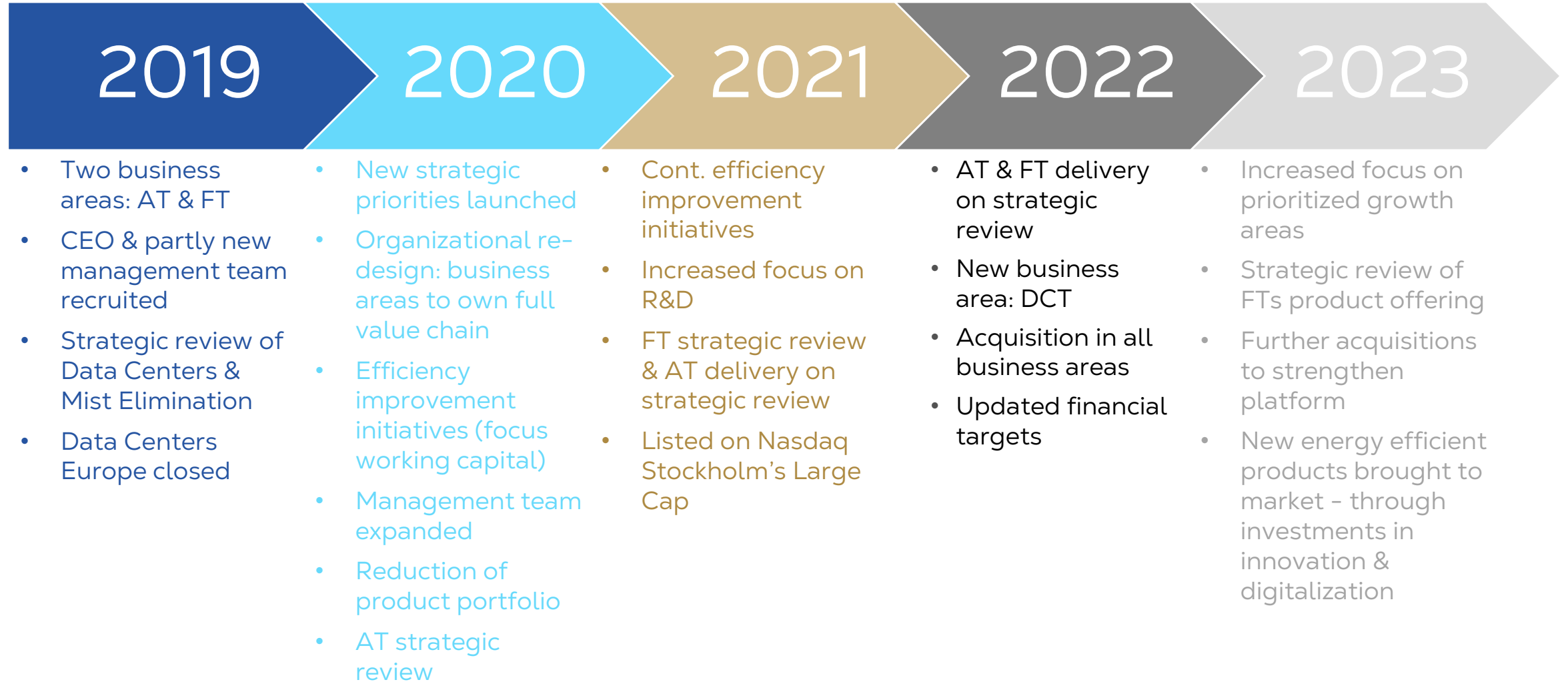


The outer frame for the door is 72" (1.82m)



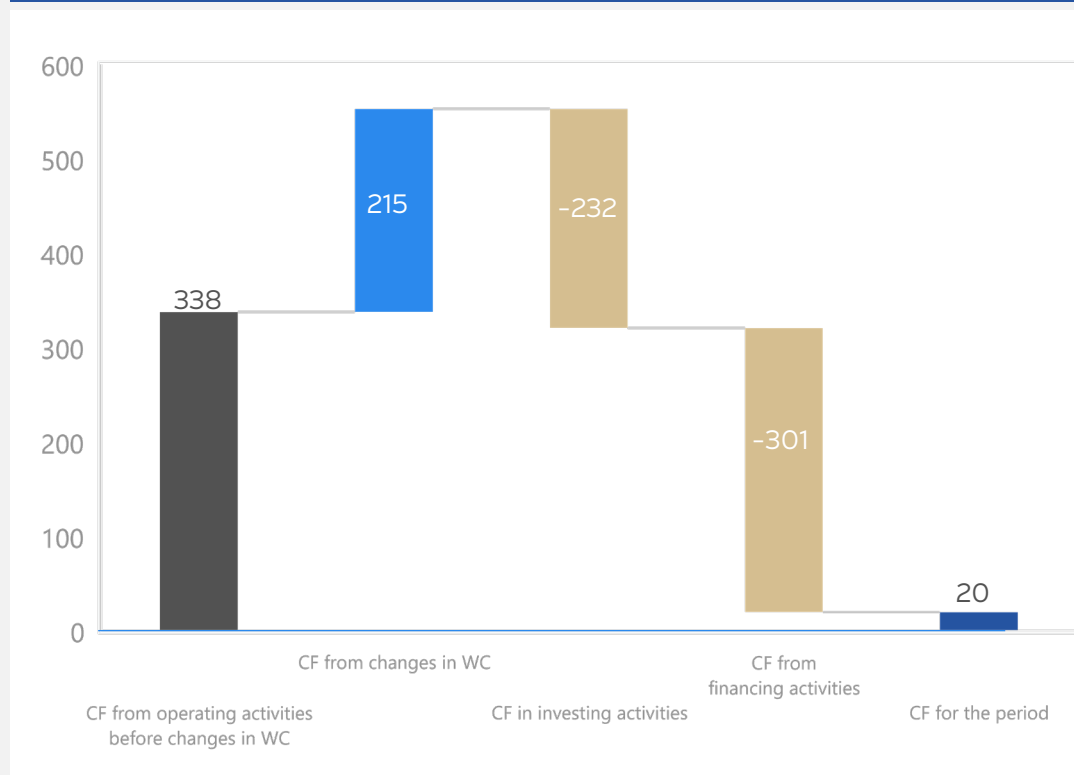
Appendix

Munters strategic journey continues



Profitable growth and cash flow generation

Group Cash Flow YTD, MSEK



Cash flow from changes in WC

	Q1 2024	Q1 2023
Change in accounts receivable	-167	-19
Change in inventory	-88	-120
Change in accrued income	115	-43
Change in accounts payable	-1	-128
Change in advances from customers	406	-138
Change in other working capital	-49	-65
CF from changes in working capital	215	-513



Strong margin improvement in FoodTech & DCT

Group adj. EBITA margin impact

Q1 2023 adj. EBITA %	12.3
<hr/>	
Volume	++
Net pricing	+
Operational excellence	+
Strategic initiatives	=
<hr/>	
Q1 2024 adj. EBITA %	14.1

Main factors affecting adj. EBITA margin in Q1:

- Strong **volume** increase driven by DCT & FT
- **Net pricing** increases contributed to margin improvement mainly in DCT & FT
- **Operational excellence** improvement in all business areas
- **Strategic initiatives** for scalability in digitization and automation continued



Investing for the future

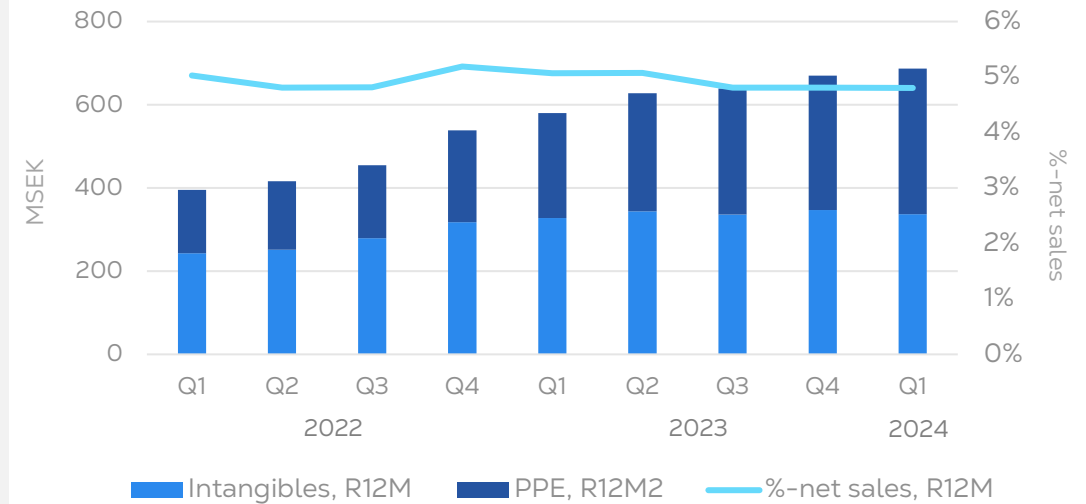
→ Investments in PPE and intangibles in 2024, to support growth:

- Investments aiming at strengthening competence, upgrade, digitalize & automatize
- AirTech: Amesbury, new major plant in Americas
- DCT: Cork, new plant in Europe

→ Decreased operating working capital

- High level of customer advances in DCT main driver

PPE & Intangibles



Operating working capital

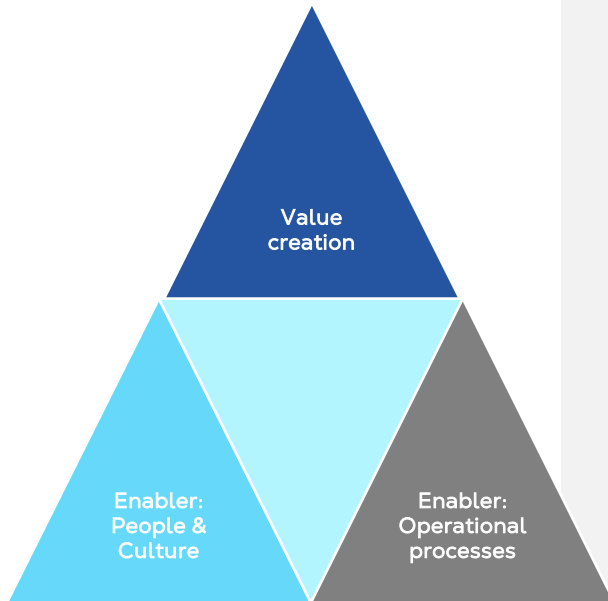


Integration critical to create value

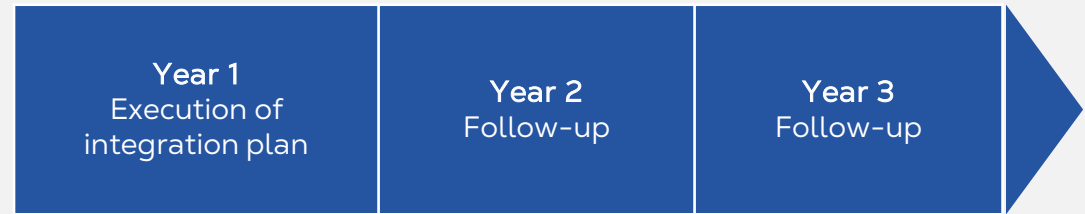


Integration - critical aspect of mergers, with three focus areas:

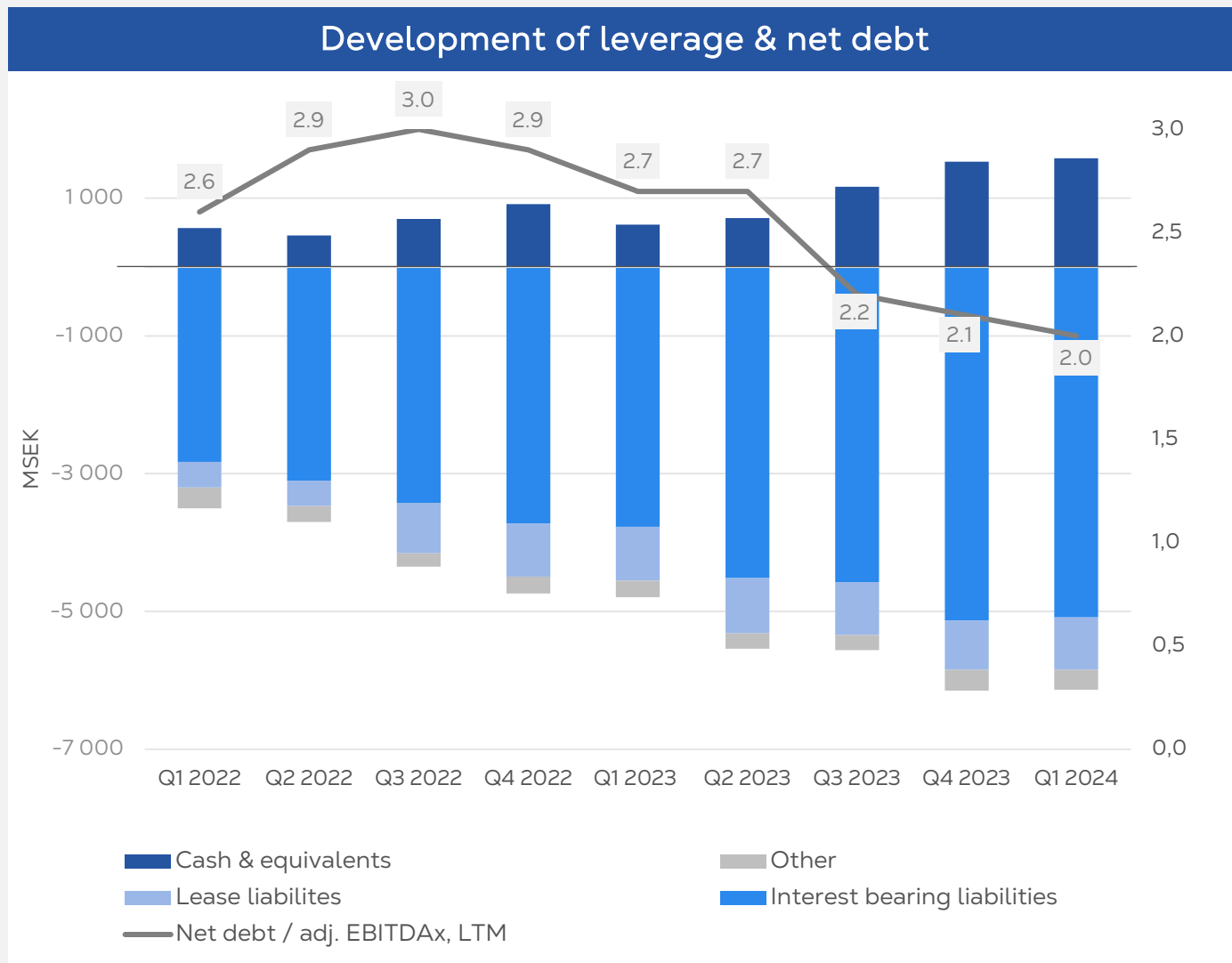
- **Value creation** - delivering on acquisition business case
- **People and culture** - creating a common culture and sense of belonging
- **Operational processes** - establishing common processes and tools (how we work together)



	Acquisitions	Facts
2023	airprotech <small>Member of the Danubius Group</small>	Net sales: MSEK 330 Employees: 52
	ZECO <small>We breathe air into your life</small>	Net sales: MSEK 510 Employees: ~1,000
	TOBO <small>COMPONENT AB</small>	Net sales: MSEK 76 Employees: 14
	sift <small>Best. Filtration. Simple to use.</small>	Net sales: MEUR 3 Employees: 17
2022	inoBram <small>AUTOMATÖES</small>	Net sales: MBRL 53 Employees: ~150 <small>(Munters has acquired a 60% share in InoBram)</small>
	ROTOR SOURCE	Net sales: MSEK 125 Employees: 30
	HYGRO MEDIA	Net sales: MEUR 17 Employees: ~150



Decreased leverage ratio 3 quarters in a row



- **Leverage** ratio decreased mainly driven by increased adj. EBITA
- **Net debt** stable, affected by:
 - acquisitions financed partly by debt during the last 4 quarters
 - increased cash flow from operating earnings



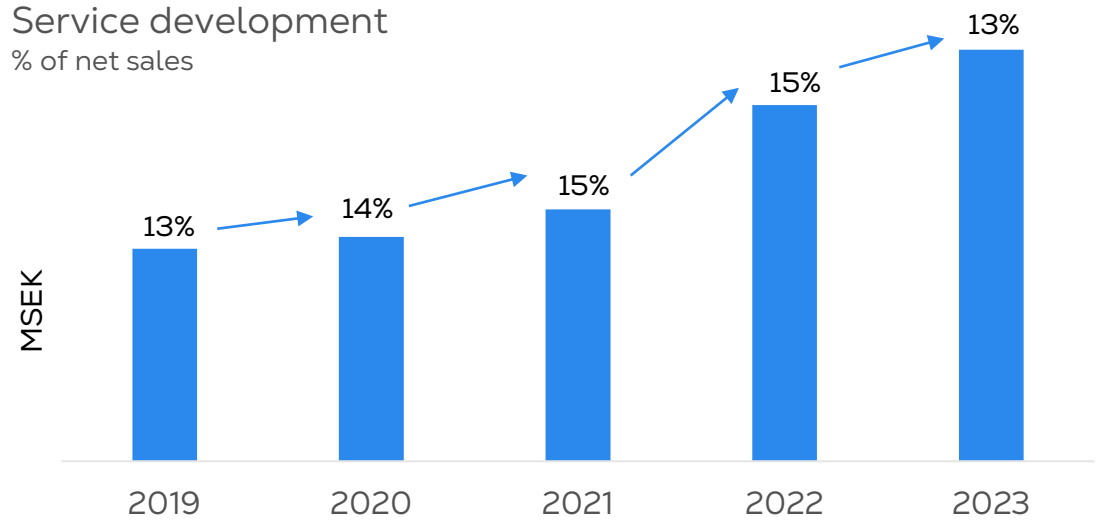
Strong service growth

- Group Q1 2024 – amounted to MSEK 15.0% of total net sales, org. growth +25%, LTM 13.6%.
- AirTech Q1 2024 24%, majority of the groups service net sales (org. growth +22%)
- DCT Q1 2024 – ~5 %, minor service sales as main part of business greenfield installations
- FT 2024 - minor service sales

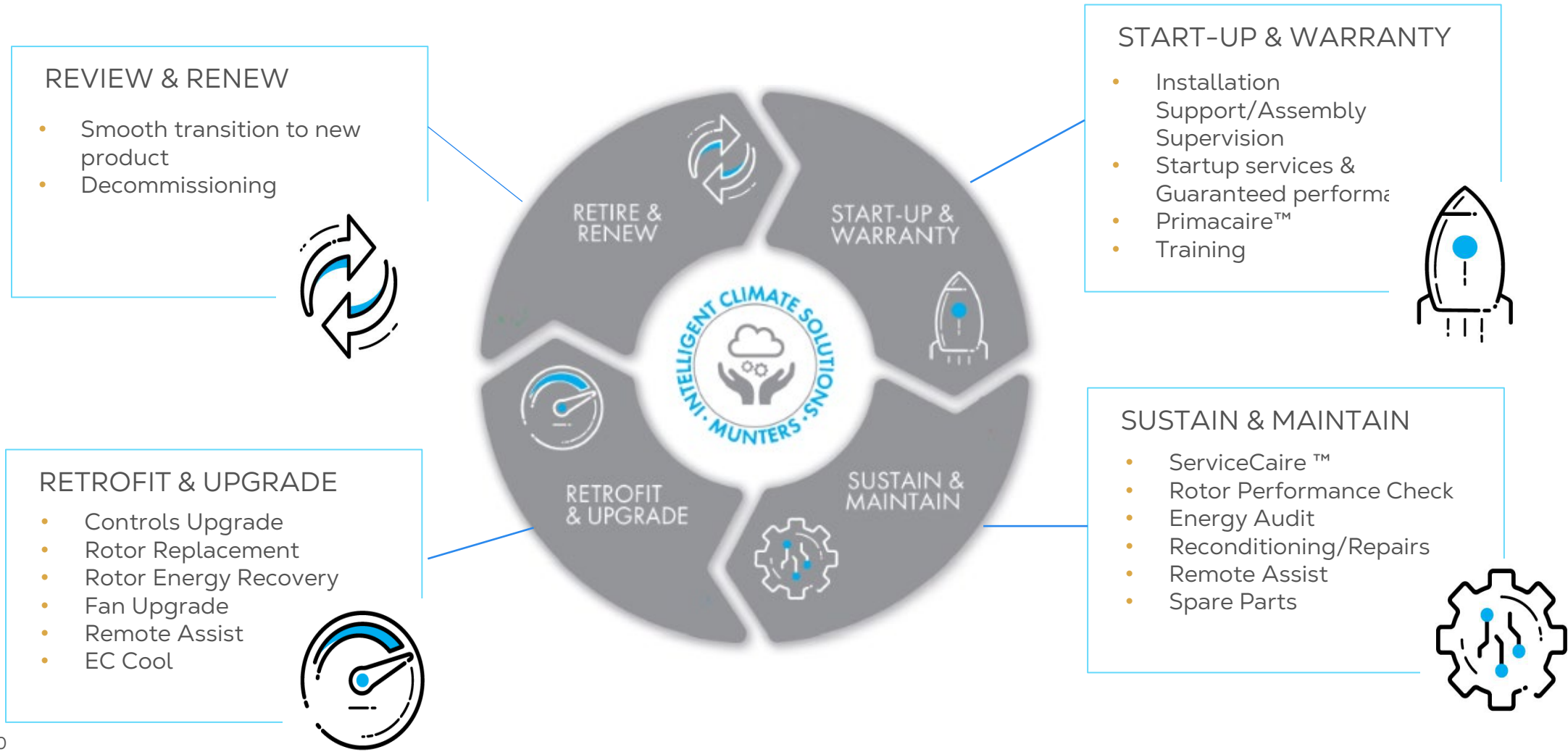
Not reported as part of service today:

- FoodTech – SaaS (Software-as-a-Service) business

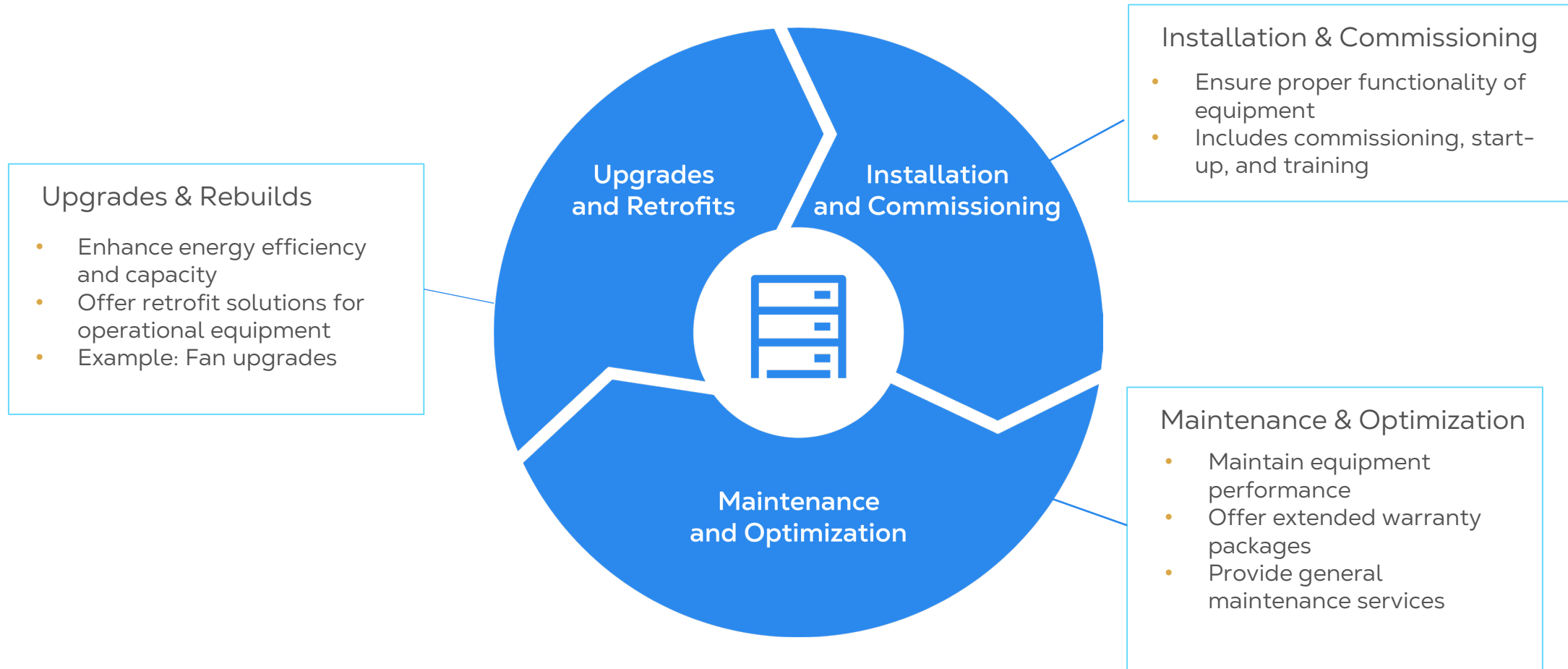
Ambition: Share of service long-term to represent 30% of Group net sales



AirTech Service Offering

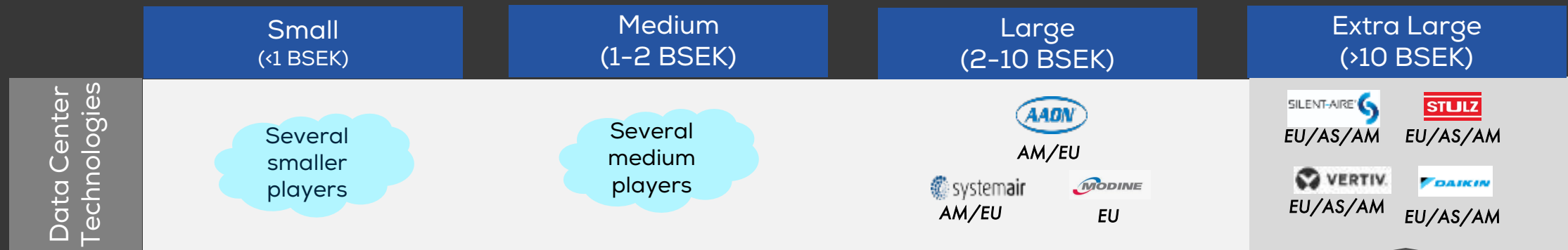


Service Offering DCT



Selection of market players – Munters well positioned for growth

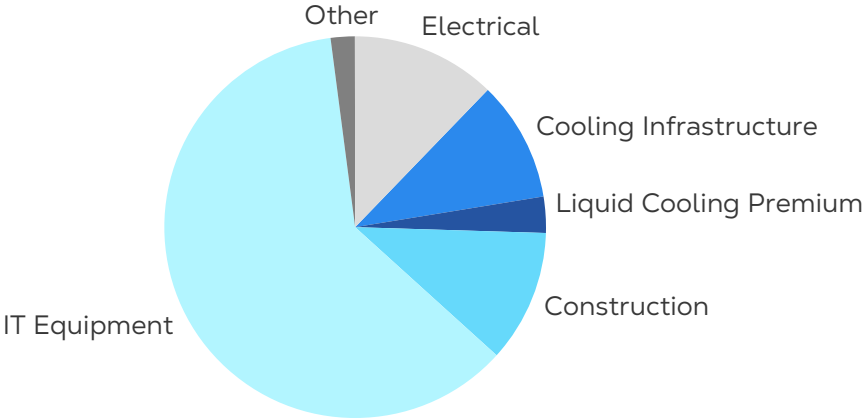
→ An order in DCT generally consists of several equipment deliveries



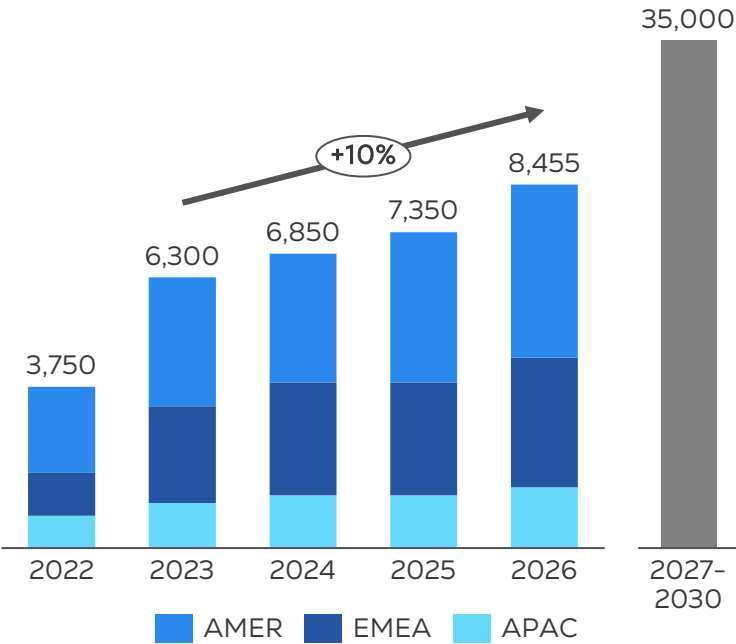
 Munters

Total market growth and our addressable market

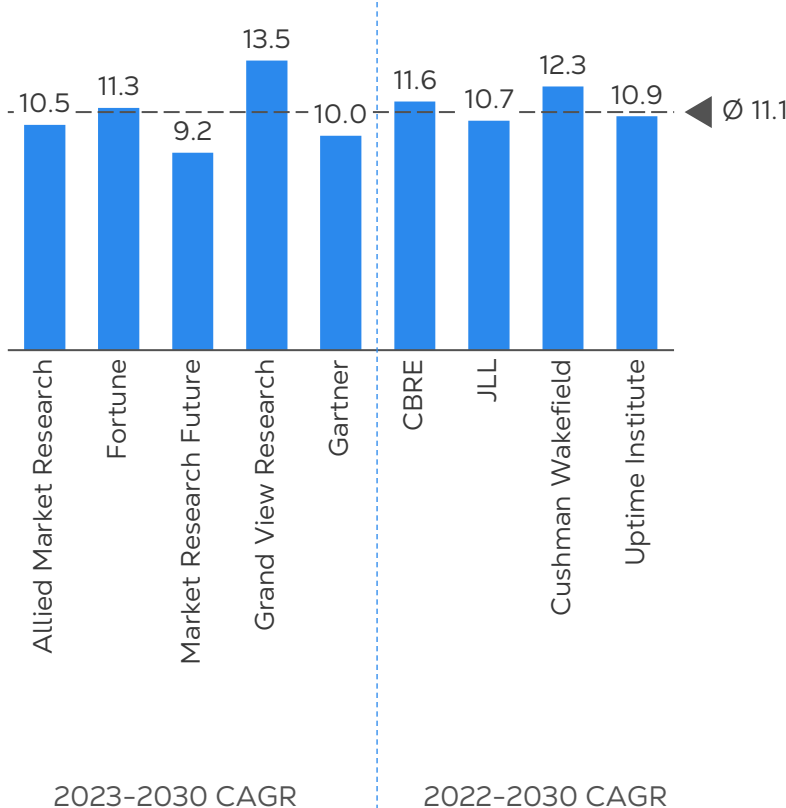
Cooling approximately 10-15% of total DC CAPEX – with a higher price point for liquid cooling due to complexity



MW of cooling for new DC deployments



Growth rate according to industry sources



Source: Market estimates from various sources (as defined in the right graph) & Munters analysis



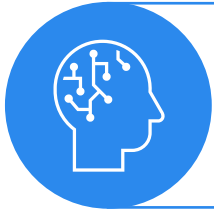
DC market key trends



AI is creating exponential demands and leading to significant planned investments



Solutions that can deploy in mass scale



Systems that are future proof for high densities, liquid cooling and edge applications



Continued focus on energy efficiency and energy recovery



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