



Munters

Capital Markets Update, 11 May, 2021

Global leader of energy-efficient and sustainable climate solutions



Klas Forsström, President and CEO

Agenda - Capital Market Update 2021

Munters – a global leader in climate solutions

Strategy execution

Driving value

Business areas

Summary and Q&A



MUNTERS PURPOSE

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FOR CUSTOMER SUCCESS AND A HEALTHIER PLANET

Curiosity and an ambition to create pioneering technologies are a part of our DNA. Our climate solutions are mission-critical for our customers' success and contribute to a more sustainable planet.

We make a difference in the world



Munters is a market leader in securing a dry environment for the global lithium battery production



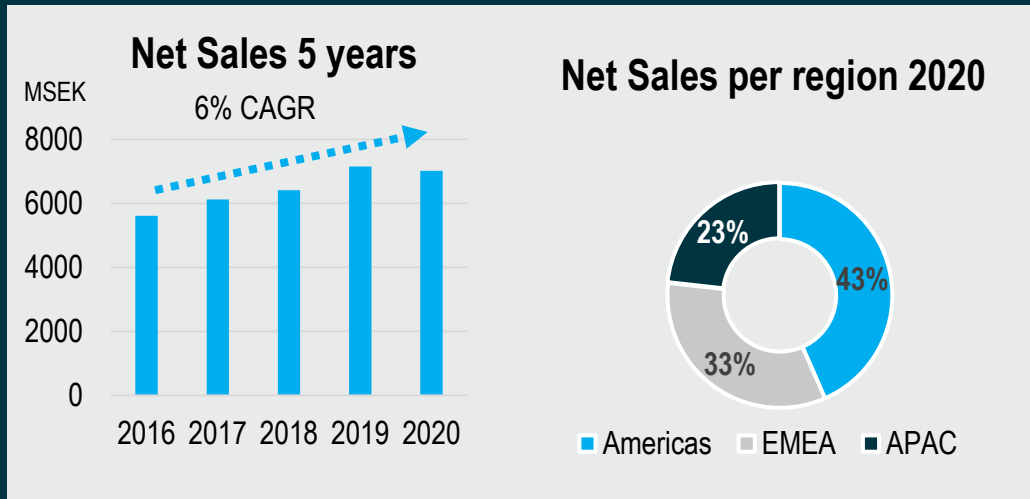
Munters systems reduce 99% of sulphur oxides from coal-fired power plants



1 in 7 meals worldwide has been made from food produced in farms where Munters controls the climate

Global leader in climate solutions

- Around 3,500 employees
- Two business areas AirTech and FoodTech
- 17 plants, 4 assembly hubs
- Sales offices in approx. 30 countries around the world



Munters on a journey



2019

- Former business area structure into two business areas: AirTech and FoodTech
- CEO and CFO recruited
- Strategic review of Data Centers and Mist Elimination
- Data Centers Europe closed

2020

- New strategic priorities launched
- Organizational re-design: business areas to own full value chain
- Efficiency improvement initiatives
 - Working capital focus
- Management team expanded
- Reduction of product portfolio initiated
- AirTech strategic review

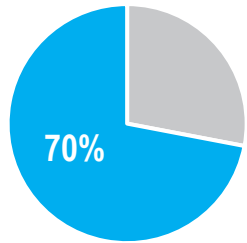
2021

- Efficiency improvement initiatives continues
 - Major project to secure end-to-end information/value chain efficiency across all Munters
 - Working capital focus
- Increased focus on R&D
- AirTech delivery on strategic review 2020
- FoodTech strategy review

Munters two business areas

AirTech

Share of Sales



Energy-efficient, safe and reliable climate solutions for industrial applications where control of moisture content and temperature in production are mission critical.

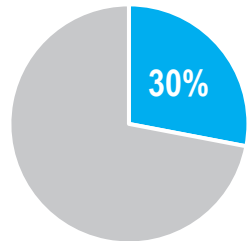
AirTech organization:

Regions: Americas, EMEA and APAC;
in addition (outside of the regional matrix):
Data Centers and Mist Elimination



FoodTech

Share of Sales



We provide innovative, energy-efficient climate solutions for livestock farming and greenhouses around the world, as well as software for controlling and optimizing the entire food production value chain.

FoodTech organization:

Regions: Americas, EMEA and APAC;
in addition (outside of the regional matrix): MTech Systems



Core technologies – dehumidification and evaporative cooling

Core Technologies	AirTech offering		FoodTech offering	
<p>Evaporative cooling pads</p> 	<p>Indirect evaporative coolers (Oasis)</p> 	<p>Dedicated outdoor air systems</p> 	<p>High-efficiency fans</p> 	<p>Cooling Systems</p> 
<p>Controller concept</p>  	<p>Dehumidifiers</p> 	<p>Retrofit / Upgrades</p> 	<p>Air inlets</p> 	<p>Sensors and software</p> 

The above products are examples of products in the Munters offering.

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Munters – unique application knowledge

MEGA MARKET TRENDS

Climate change

Increased regulations

Digitalization

MUNTERS OFFERING

- Unique application knowledge
- Proven energy efficient products and solutions
- Strong global market position, with local presence
- Large installed base
- Global Services offering
- Leading position in digitalization of the food production chain

CUSTOMER NEEDS

Increased energy efficiency and higher yields

Less waste

Improved animal and human health

Focus in 2020 and beyond

Purpose:

For customer success and a healthier planet



<i>Strategic priorities:</i>	Focus areas
Customers	Improve go-to-market models and pricing strategies
Innovation	Focus investments in R&D and product portfolio alignment and adjustment
Markets	Growing in prioritized markets and strengthen Services
Excellence in everything we do	Continuous improvements, lean activities in complete value chain, manufacturing footprint and working capital
People	Leadership and competence development in line with strategic priorities

Customers



Munters ambition: Be the customers trusted adviser for energy efficient production processes related to climate control

Focus areas	2020-2021	Beyond
Customer value	<ul style="list-style-type: none"> Commercial excellence role appointed in 2020 Value based selling incl. pricing strategies being introduced and on-going analysis of go-to-market models 	<ul style="list-style-type: none"> Improved resource efficiency gains and maximizing yield from Munters solutions
Pricing strategies	<ul style="list-style-type: none"> Alignment of above strategies across the company 	<ul style="list-style-type: none"> Commercial excellence throughout the value chain
Go-to-market models	<ul style="list-style-type: none"> Way forward set for both AirTech and FoodTech 	<ul style="list-style-type: none"> Value selling integrated part of Munters culture – delivering minimum additional annual +0.5-1.0% net price change

Sustainability focus:
 Collaborating with customers is critical for us on helping them achieve their sustainability targets, including in water and energy consumption as well as animal health in food production.



Sustainable lithium battery production saves energy

- Global leader in dehumidification solutions for lithium battery production
- Dehumidification with stable climate control critical to production processes, which require dry air to increase battery quality and performance
- Advanced services to maximize the customers production times and product quality
- All top 5 Chinese manufacturers placed orders for more than MSEK 200 in Q1
- Munters collaborates with University of Birmingham on research for next generation battery production

Stable, mission-critical climate control
for battery production ensuring high energy efficiency



Munters dehumidification solution lifted up to University of Birmingham's battery research lab



Munters ambition: Create the solutions of tomorrow, today

Focus areas	2020-2021	Beyond
Focused R&D investments	<ul style="list-style-type: none"> • Focus on core technologies and sustainability • Digitalization journey on-going • Continued focus on modularization • Product portfolio (SKU) reduction of >35% • Reduction of components of appr. 5% • Increased headcount in R&D, research lab inauguration in Sweden 	<ul style="list-style-type: none"> • Target to reduce product assortment by 40% in 2022* • Ambition set to reduce components by 25% end 2023 • Core product offering modularized • Offering connected value chains for customers
Product portfolio alignment and adjustment		
Innovation process and manufacturing technology alignment		

Sustainability focus:
 Reduce the climate solutions resource consumption, which contributes to customers being able to achieve their environmental goals



*SKU – Stock keeping units



Munters ambition: Market leader in our prioritized markets and segments.

Focus areas	2020-2021	Beyond
Prioritized markets	<ul style="list-style-type: none"> • Prioritized markets set for AirTech and FoodTech • Footprint optimization in order to serve prioritized markets better • Exit non-core Commercials in the US 	<ul style="list-style-type: none"> • Market position 1-3 in prioritized markets • Higher degree of data driven products and solutions
Services	<ul style="list-style-type: none"> • Increased focus on connectivity - data driven products and solutions • Services growth 	<ul style="list-style-type: none"> • Services represent more than 30% of net sales

Sustainability focus:
 Reduce the climate solutions resource consumption, which contributes to customers being able to achieve their environmental goals



Excellence in everything we do



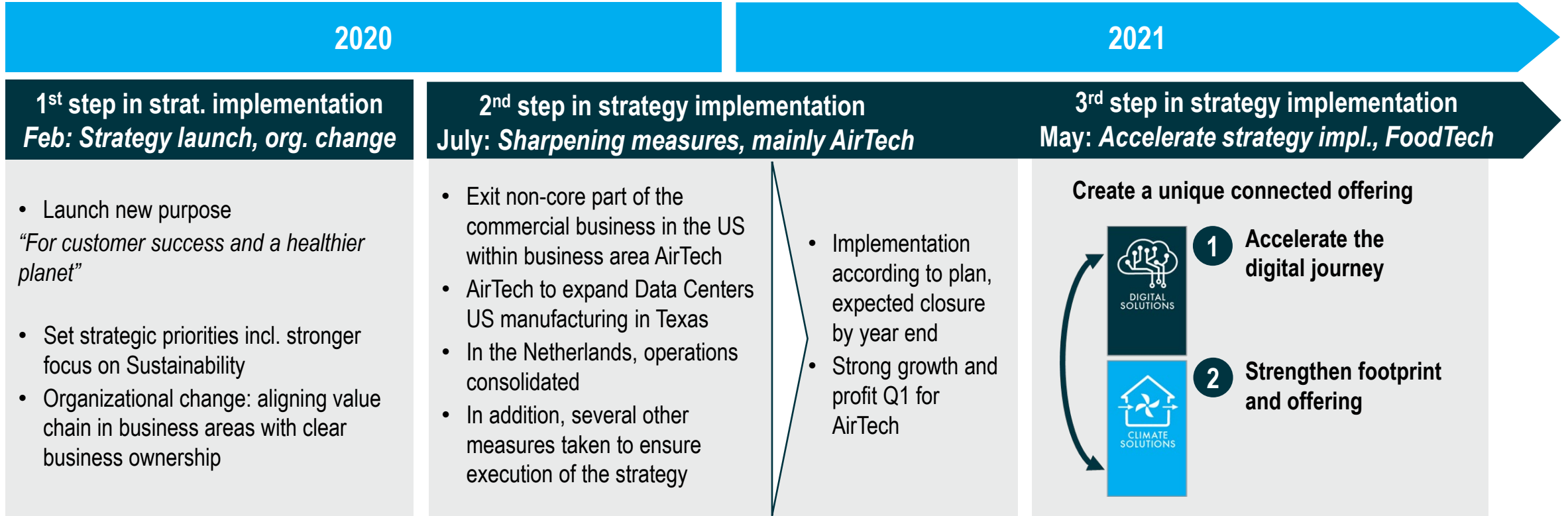
Munters ambition: Never settle for good, constantly improve and strive for excellence in every step of the value chain.

Focus areas	2020-2021	Beyond
Best practices processes	<ul style="list-style-type: none"> Action plan set for reaching leading ways-of-working processes 	<ul style="list-style-type: none"> Aligned processes throughout the whole value chain
Lean and Quality focus throughout the whole value chain	<ul style="list-style-type: none"> Focus on working capital, quality and manufacturing footprint efficiency 	<ul style="list-style-type: none"> Optimized working capital and;
Optimize manufacturing footprint	<ul style="list-style-type: none"> Actions taken to further optimize footprint efficiency, i.e. expansion of Data Centers US production in 2020 and decision about new production location Data Centers US in 2021 	<ul style="list-style-type: none"> Footprint

Sustainability focus:
 We emphasize responsible business practices, increased diversity, health and safety, lower carbon emissions and positive contributions to the communities where we live.



Delivering on our strategic journey





Munters ambition: Be the employer of choice

Our values	2020-2021	Beyond
Sustainable value creation	<ul style="list-style-type: none"> New organizational structure and leadership team in place Further improvements to Munters Academy, several training courses launched for example Munters Compass* and a mentor programme 	<ul style="list-style-type: none"> Evolving the Munters culture from good to great
Passion for results	<ul style="list-style-type: none"> Code of Conduct training 	<ul style="list-style-type: none"> A high level of employee engagement and collaboration
There is always a better way	<ul style="list-style-type: none"> Employer survey 	<ul style="list-style-type: none"> An inclusive & equal work environment with focus on diversity
Team spirit	<ul style="list-style-type: none"> Education in unconscious bias, diversity, inclusion and antiracism 	<ul style="list-style-type: none"> A safe place to work

Sustainability focus:
 An inclusive & equal work environment with focus on diversity.

	2020 (2019)
Percentage of women:	21% (21)
Percentage of women in mgt:	22% (21)
TRIR**	1.2 (2.7)

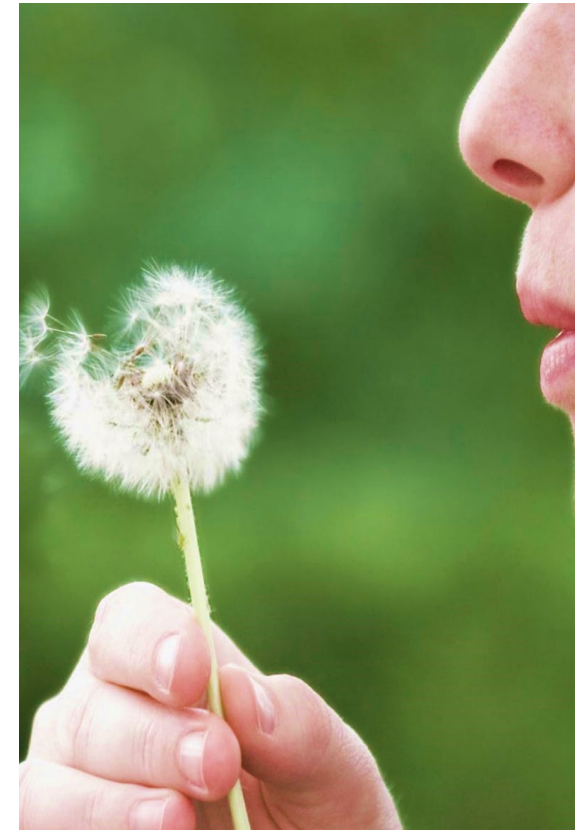
*In order to drive transformation Munters introduced change management learnings called Munters Compass to all employees which comprises of training modules (Munters Compass Toolkit) and a change champion network (the Navigator Network). ** TRIR = Total Recordable Incident Rate



Aiming towards zero impact on the planet

Sustainability is one of the most important drivers for Munters' strategy today and in the future.

Focus areas	2020-2021	Beyond
Increased focus on innovation	<ul style="list-style-type: none"> Increased use of electricity from renewable sources to 50% Expanded scope of suppliers required to sign our Code of Conduct to also include indirect material suppliers, achieved 100% Lower rate of accidents in 2020 Integrating Sustainability into overarching strategy and strengthen governance 	<ul style="list-style-type: none"> Aim towards circularity by reducing waste, improve recycling and reusability Net zero emissions from our operations by 2030 Partner with our suppliers and customers
Intelligent operations		
Create impact across our value chain		



We are part of the solution to a better world

And contribute through:

- Our offerings
- Our operations
- Our employees and culture
- Our commitment and society involvement

