



MUNTERS FIRST QUARTER 2019

Strong order intake. Full Potential Program on track

Agenda

First quarter 2019 results

Update on Munters Full Potential Program

Summary and outlook

Business Areas reorganised and renamed

Air Treatment



AirTech

Energy-efficient, safe and reliable climate solutions in which **control of moisture content and temperature** is **mission-critical**.



AgHort



FoodTech

Increased productivity and sustainable food production with minimal waste in feed and water. Contributes to improved **product quality, animal welfare and food safety**.



First quarter 2019 financial highlights

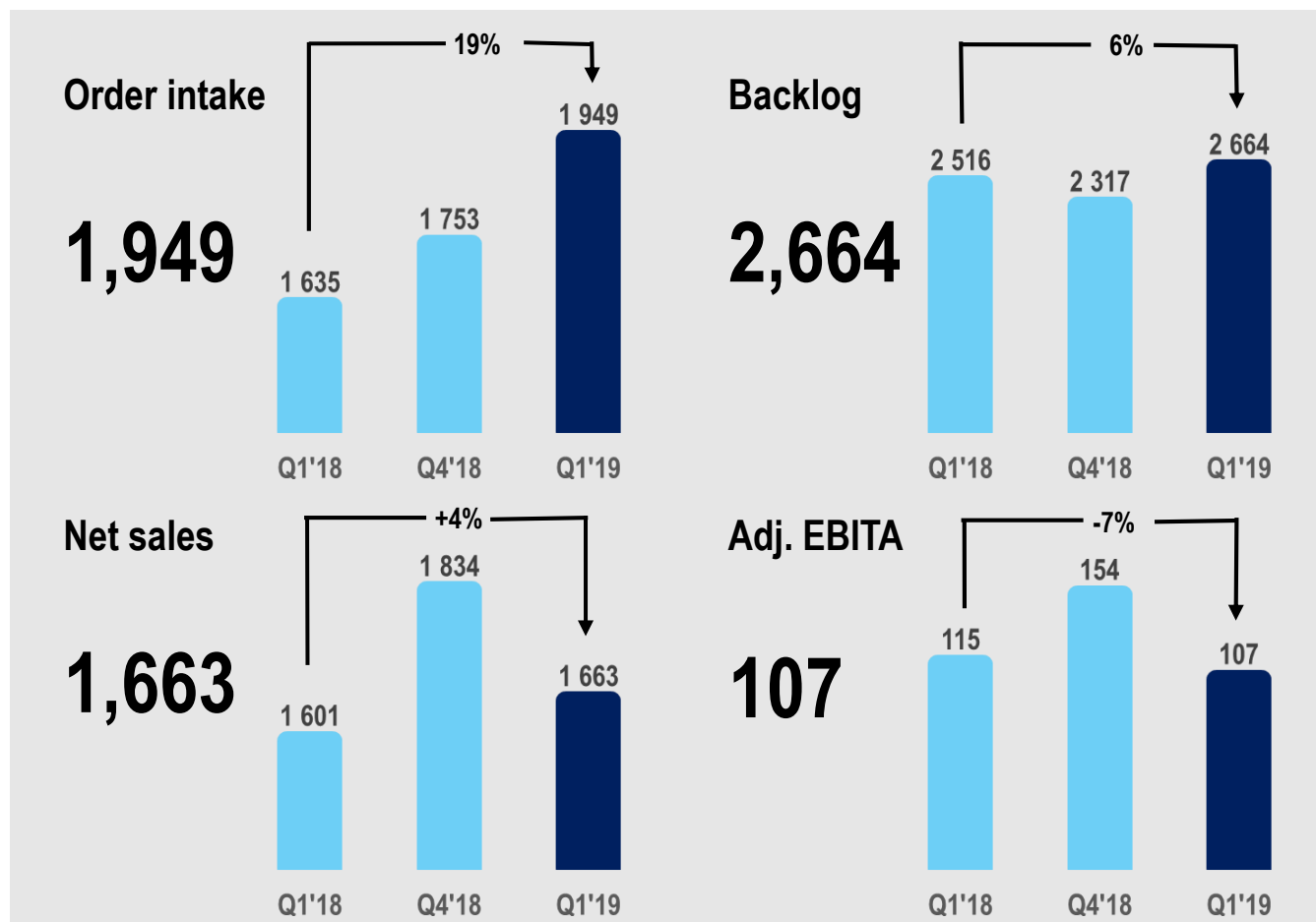
Order intake increased by 19% driven by AirTech

Net sales increased 4% supported by positive currency effects

Adjusted EBITA was SEKm 107 (115)

Net income was SEKm -22 (42) incl. one-time items

Cash flow from operating activities was SEKm 14 (0).
Leverage at end of quarter 3.6x net debt/EBITDA



Q1 2019 in AirTech – strong order intake

- Order intake increased by 30% of which 22% organically
- Net sales increased by 4%. Organic decrease of 4%
- Net sales growth in sub-segments Industrials and Mist Elimination. Negatively impacted by Data Centers
- 17% net sales growth in Services in the quarter of which 8% organic driven by service contracts and spare parts sales
- Adjusted EBITA increased significantly excluding the loss related to the Data Center factory in Dison. All time high in a first quarter for AirTech, excl. Data Centers

SEKm	Q1		
	2019	2018	Δ%
Order intake	1 460	1 123	30
Net sales	1 208	1 160	4
Operating profit (EBIT)	58	83	-31
Adjusted EBITA	86	88	-2
Adjusted EBITA margin, %	7,1	7,5	

Q1 2019 in FoodTech – lower growth but stable earnings

- First quarter is always seasonally weak
- Order intake decreased by 4% (decrease of 11% organically) impacted by African Swine Fever in China
- Net sales grew by 4% in the quarter (decrease of 3% organically)
- Stable market in Europe. Positive development in US Layer sub-segment
- Adjusted EBITA and margin slightly higher vs. last year due to cost control

SEKm	Q1		
	2019	2018	Δ%
Order intake	500	520	-4
Net sales	466	448	4
Operating profit (EBIT)	24	41	-42
Adjusted EBITA	46	43	6
Adjusted EBITA margin, %	9,9	9,7	

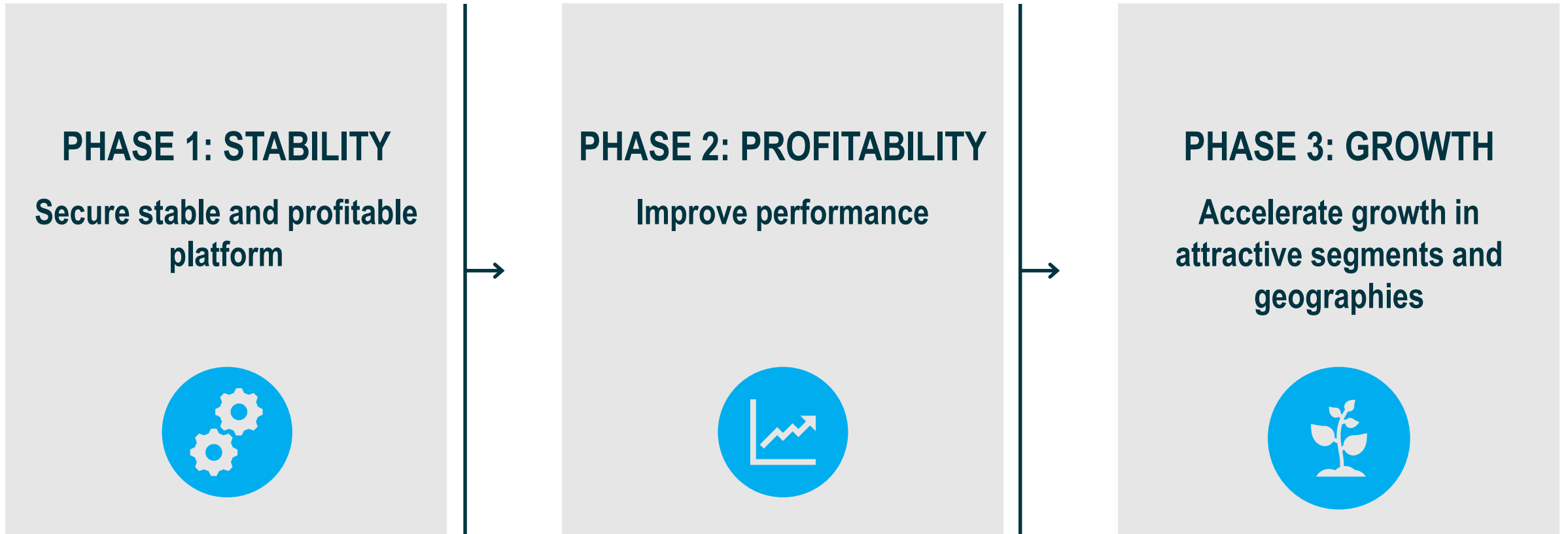
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Munters Full Potential Program

Summary and outlook

Munters Full Potential Program - overview



Phase 1: Secure a stable and profitable platform

STABILITY

Secure stable
and profitable
platform



- ✓ Strengthen leadership team
- ✓ Simplify Munters structure into two decentralized Business Areas
- ✓ Drive leaner structures and cash efficiency
- ✓ Drive Data Center performance uplift through focus towards US market



New organization and leadership team in place

- Klas Forsström, currently the President of Sandvik Machining Solutions Business area, appointed new President and CEO of Munters effective no later than mid-October 2019
- CFO recruitment ongoing
- New organization and management team in place
 - Two strong business areas
 - New group management (6 members vs. previously 13)



Recap: Combined initiatives expected to deliver SEKm 210 annualized profit improvement

Program	2019 adj. EBITA impact	2020 adj. EBITA impact – equals ongoing annual run-rate	One-time costs	Cash pay-back time
Total program impact	SEKm +105	SEKm +210	SEKm -350 costs (60% during H1 and 40% during H2 2019)	Approx. 2 years

Timing and ultimate cost of program may vary from current estimates based on final timetable and subject to information and consultation with the relevant employee representative bodies.

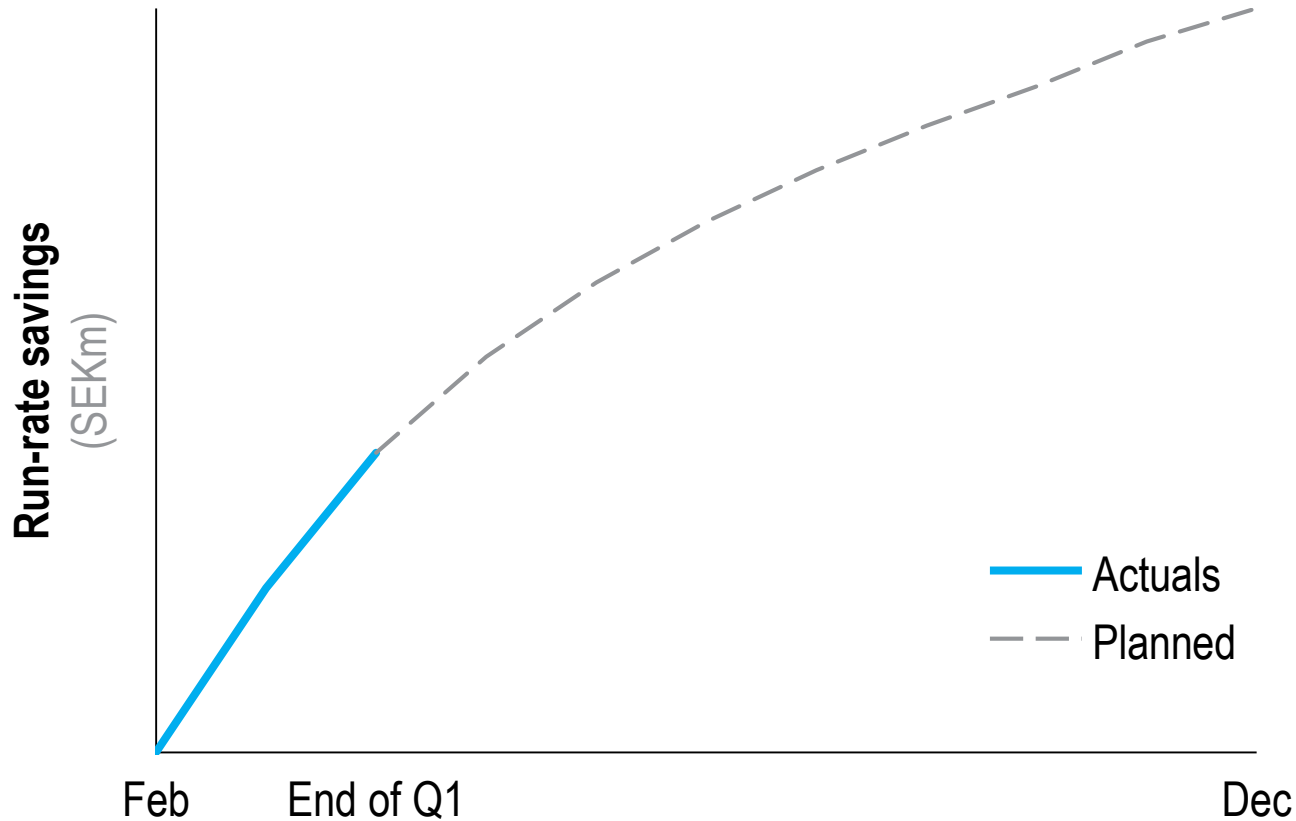
- Our program anticipates Data Centers back into profits (adjusted EBITA) by 2020
- A SEKm 300 Data Centers revenue drop expected in 2019 as previously indicated



Savings progressing according to plan

Full Potential Program Savings

2019 end-of-year
run rate target = SEKm 160



- FTE reductions and other cost savings according to plan
- One-time costs of SEKm 61 according to plan
- New organizational structures in Business Areas implemented
- 2019 end-of-year run rate target of SEKm 160 not including the savings in Data Centers

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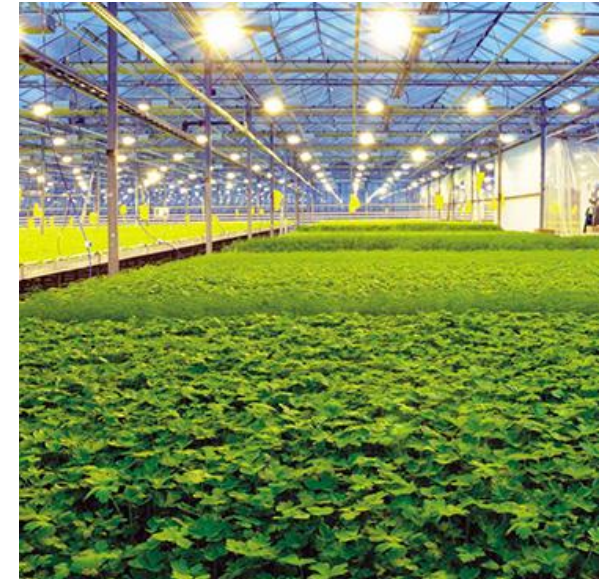
Summary and outlook

- Strong Q1 Group order intake driven by AirTech. Solid Group earnings (adj. EBITA) albeit impacted by the anticipated loss in Data Centers

Munters Full Potential Program well on track

1. Management changes completed
2. Savings in line with plan

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- Significantly improved Group adj. EBITA expected for full year 2019 with full impact from 2020 from Munters Full Potential Program
 - As previously communicated, Group leverage expected to be in line with our mid-term financial leverage target in 2020
 - Firm path towards increased earnings over the following years towards achieving updated financial targets



Questions & Answers