Munters

Data Center Technologies - ahead of the curve

Stefan Aspman, President DCT & GVP

Capital Markets Day 2024

Retrospect from CMD 2022

Key figures at the time*

~ 355	13%	2	1,401
Employees (FTEs)	of Group Net Sales	factories	Total Net Sales (MSEK)

6%	84	
Adjusted EBITA Margin	Adjusted EBITA (MSEK)	Only air cooling

Prioritized areas communicated at the CMD:

- Making the trend our friend
- Growing Production Capacity
- Growing the addressable market
- Securing process to scale

* Source: Munters FY Report 2022

DCT´s development so far

707	27%	3	3,712*
~ 355	13%	2	1,401
Employees (FTEs)	of Group Net Sales	factories	Total Net Sales (MSEK)

16.7%*	619*	Air AND Liquid
6%	84	Only air cooling
Adjusted EBITA margin	Adjusted EBITA (MSEK)	

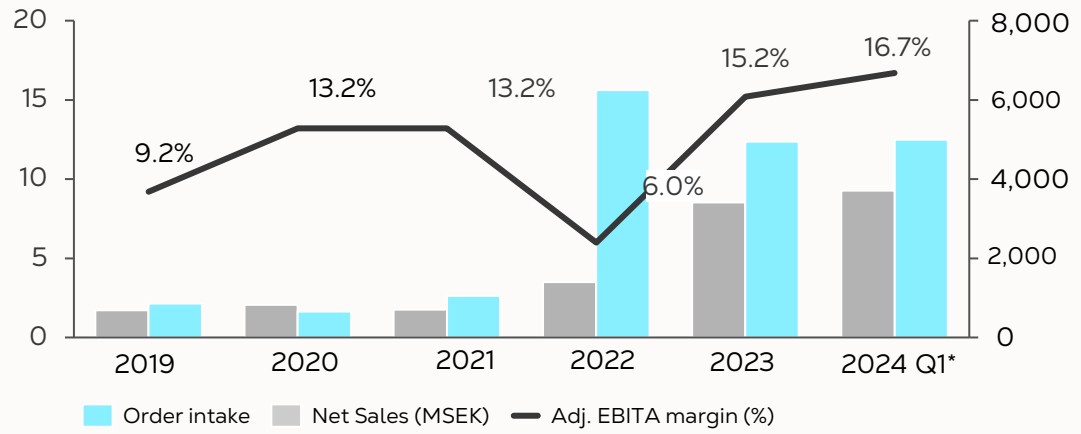
Source: Interim Report Q1 2024
* Last twelve months

DCT – high level snapshot

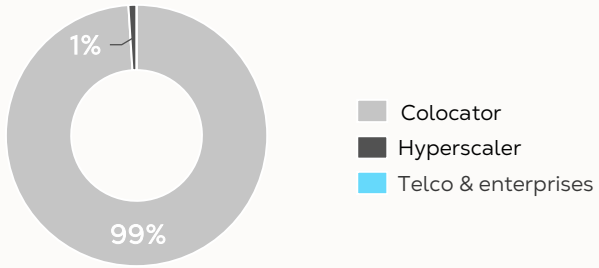
Key figures Q1 2024

707	27%	19%	3
full time employees	of Group Net Sales	adj. EBITA margin	production locations

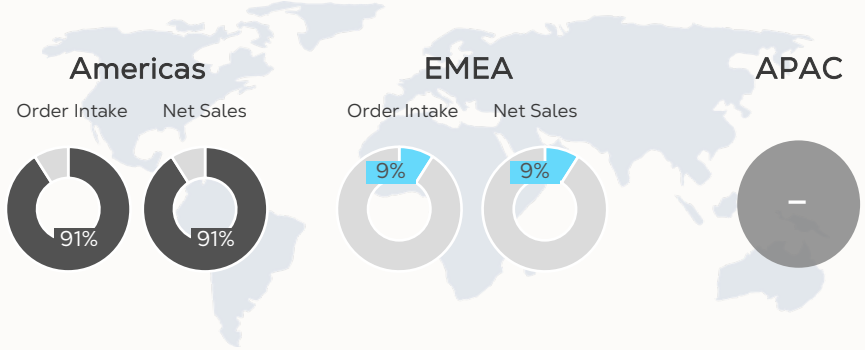
Growth & Profitability



Customer distribution order intake Q1 2024



Regional distribution Q1 2024



Source: Munters Interim Report Q1 2024
* Last twelve months

What we do

we enable digital transformation by engineering cutting-edge cooling solutions for data centers worldwide

The basics steps | of cooling and heat rejection

1. DISSIPATION
(INSIDE THE SERVER)

2. CAPTURE
(INSIDE THE DC)

3. TRANSFER

4. RELEASE
(OUTSIDE THE DC)

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

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

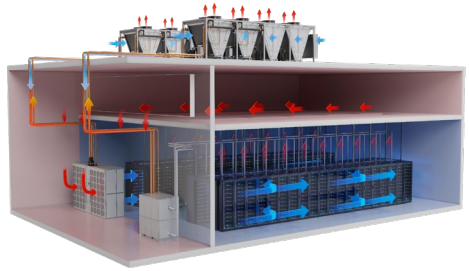
Air, water or other refrigerant carries heat away

Outdoor condensers, cooling towers, or heat exchangers release the heat and loop back to the data hall

Our main scope

Innovative solutions and our project model are key

Based on a broad set of technology platforms, we tailor to optimize energy efficiency and reduce environmental impact for each unique project. Tailored, adaptable, sustainable.



Components → **Products** → **Complete Systems** → **Services**

← Sold to **OEMs** → ← Typically sold to end customers →

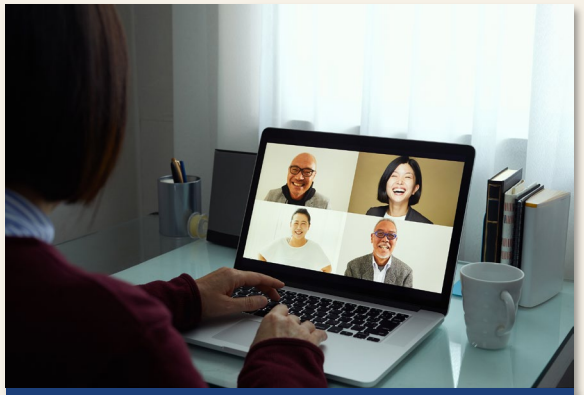
Our value proposition					
	Product customization	*Resource efficiency*	*Product quality & performance*	*Each order treated as a project*	*Application & solution expertise*

← What → ← How →

DCT Footprint

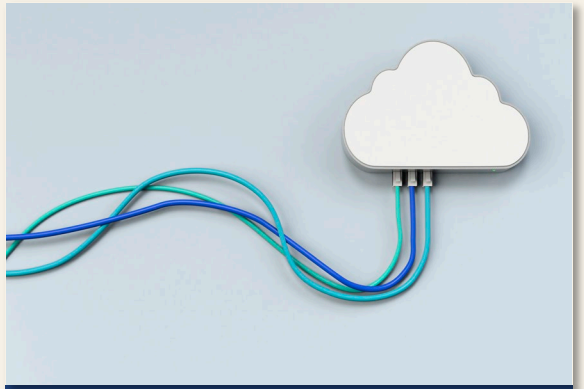
Underlying demand and growth drivers

1.



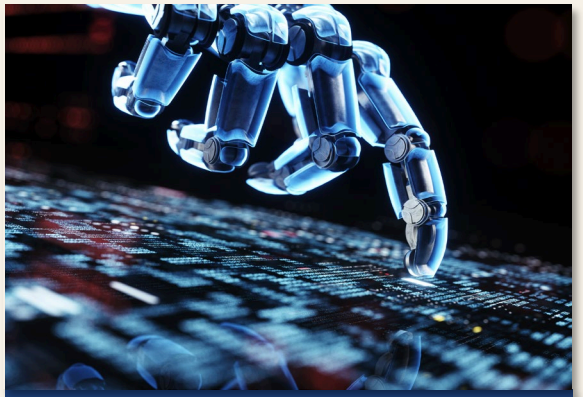
Digitalization propels forward as an unstoppable force

2.



Cloud computing continues to be the bedrock of digital transformation

3.



AI is the catalyst accelerating digitalization

Customer pain points and challenges

1.

Expansion challenges due to grid restrictions and power constrains

2.

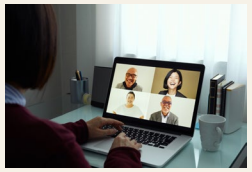
Pressure on Sustainability increase as regulations tighten

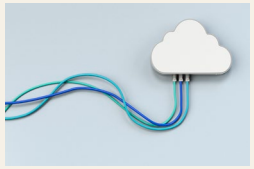
3.

Water scarcity is diminishing the acceptance of Evaporative cooling

Munters DCT benefit from both sides

Customer growth drivers





- Different sizes and location of DC´s
- Split systems for urban areas with less space
- Edge computing and low latency requirements

- More mega campuses to be built, opportunities of large “program orders”

- Exponential demand
- High power densities require heat rejection compatible with liquid cooling

Customer Challenges

- Focus on energy efficiency and secondary markets outside current hotspots

- Energy efficiency bigger weight in decisions
- OPEX and long-term focus
- Low GWP refrigerants and LCA´s
- Engineering skills key to support heat reuse etc.

- Increased attractiveness of dry and closed loop systems

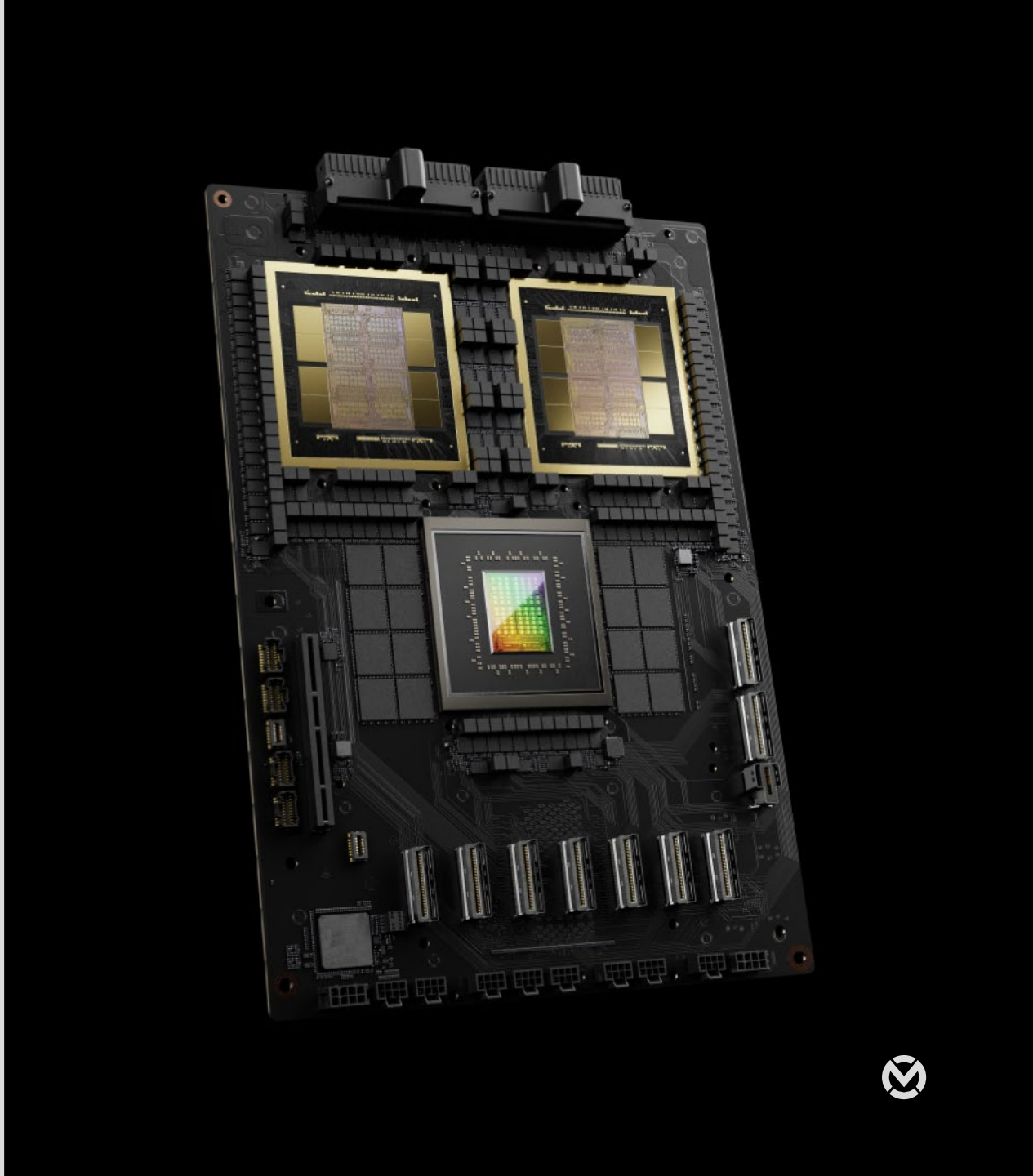
Munters

- ☑ The most energy efficient waterless split system on the planet
- ☑ Strong partnerships to both Colocation companies and Hyperscalers
- ☑ An offering of heat rejection solutions Catering to both air-and liquid cooled servers
- ☑ Recognized for engineering skills and customer centricity – each order is a project
- ☑ Offer LCA´s on 90% of our portfolio, operate with low GWP and can tailor solutions to support the customers sustainability agenda

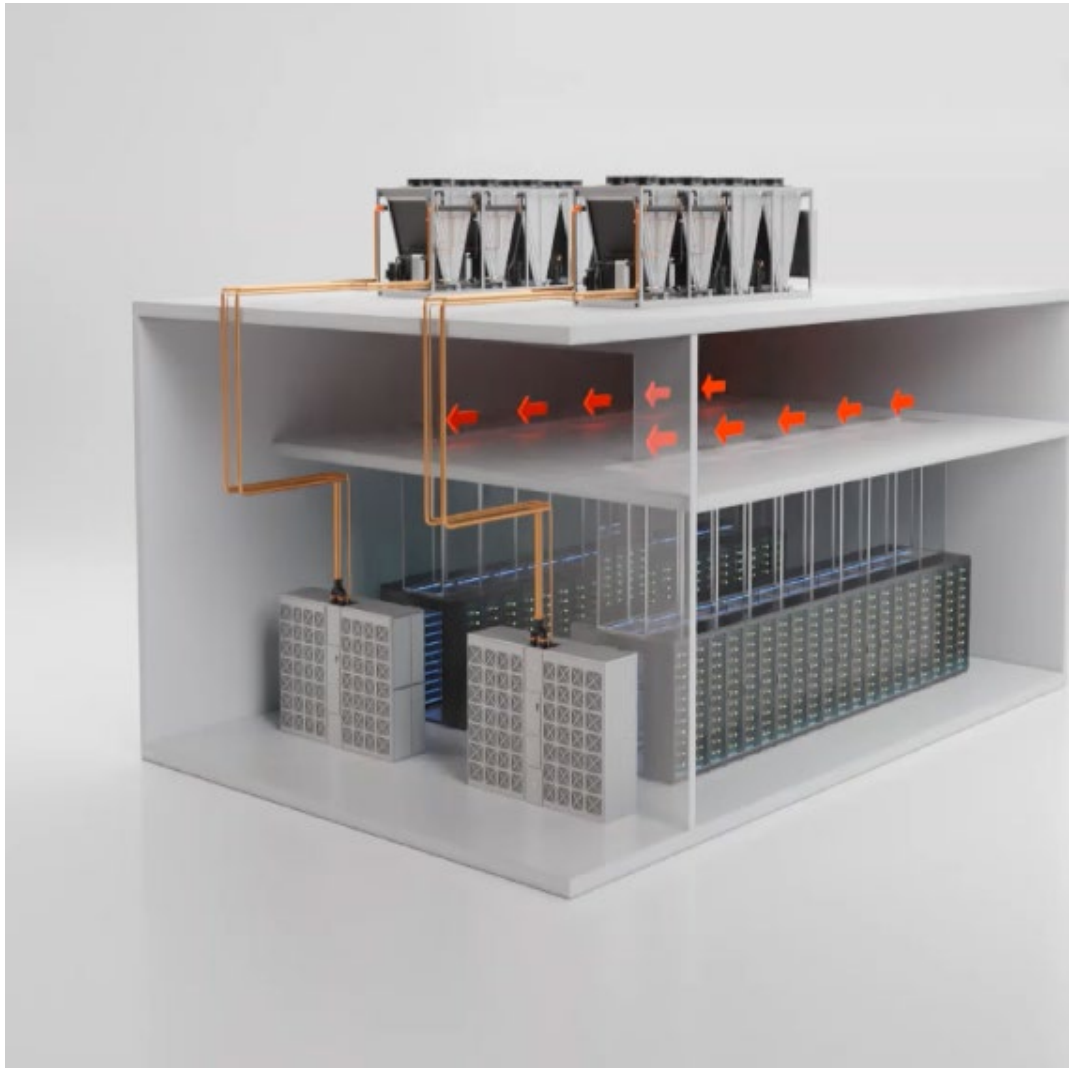
A new computing era

“A new computing era has begun. Companies worldwide are transitioning from general-purpose to accelerated computing and generative AI”

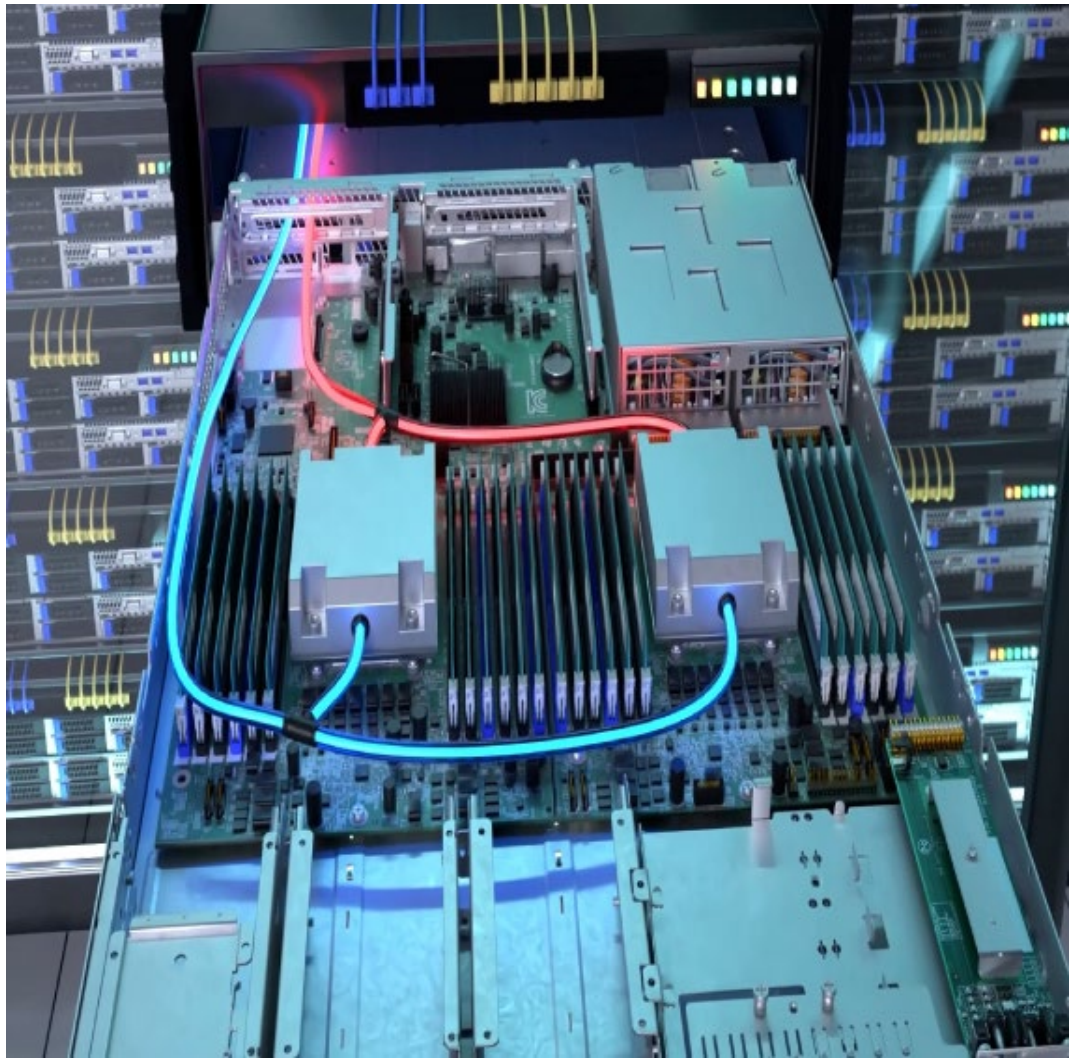
Jensen Huang, founder and CEO of NVIDIA



Air Cooling

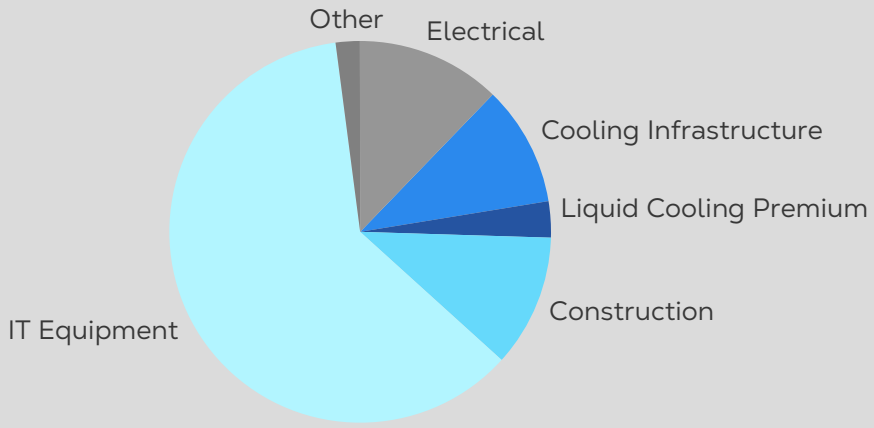


Liquid Cooling

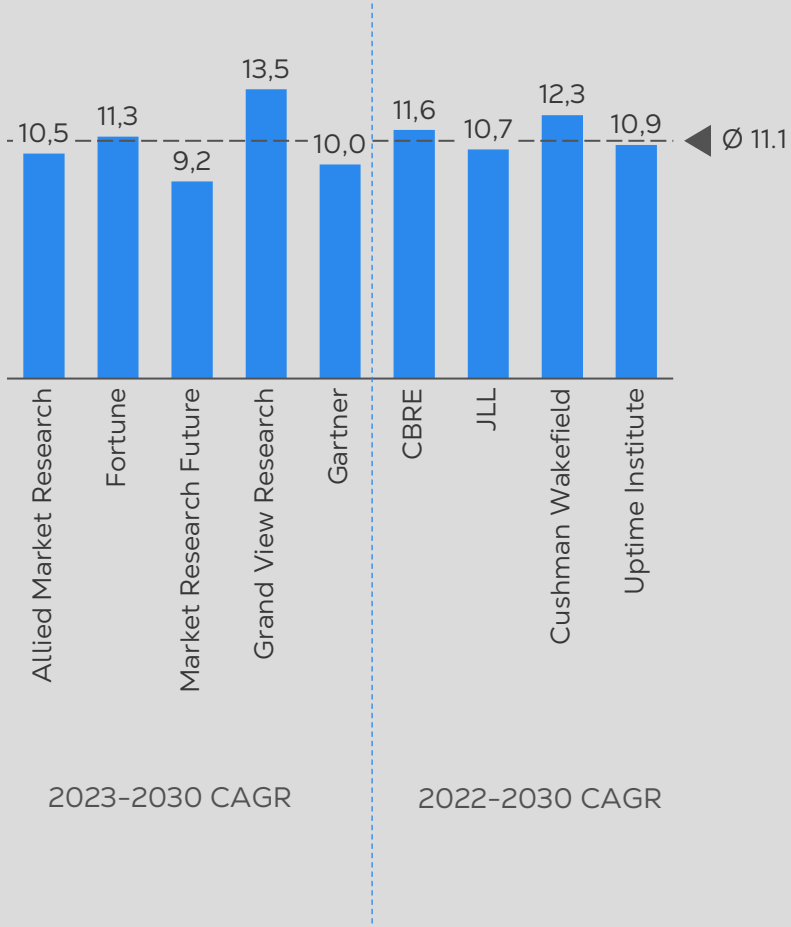


Total market growth and our addressable market

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



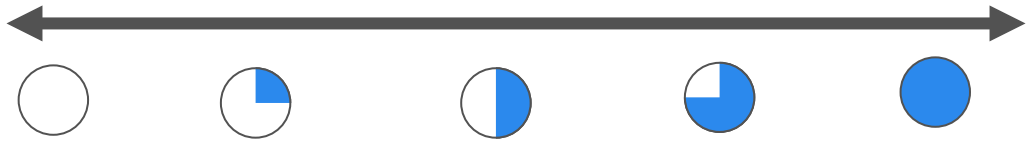
Growth rate according to industry sources



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

Market growth

0 % MARKET CAGR SPREAD >25%



Niche — General Heat rejection — Niche

Munters DCT Portfolio

Evaporative Cooling

Air handling Units

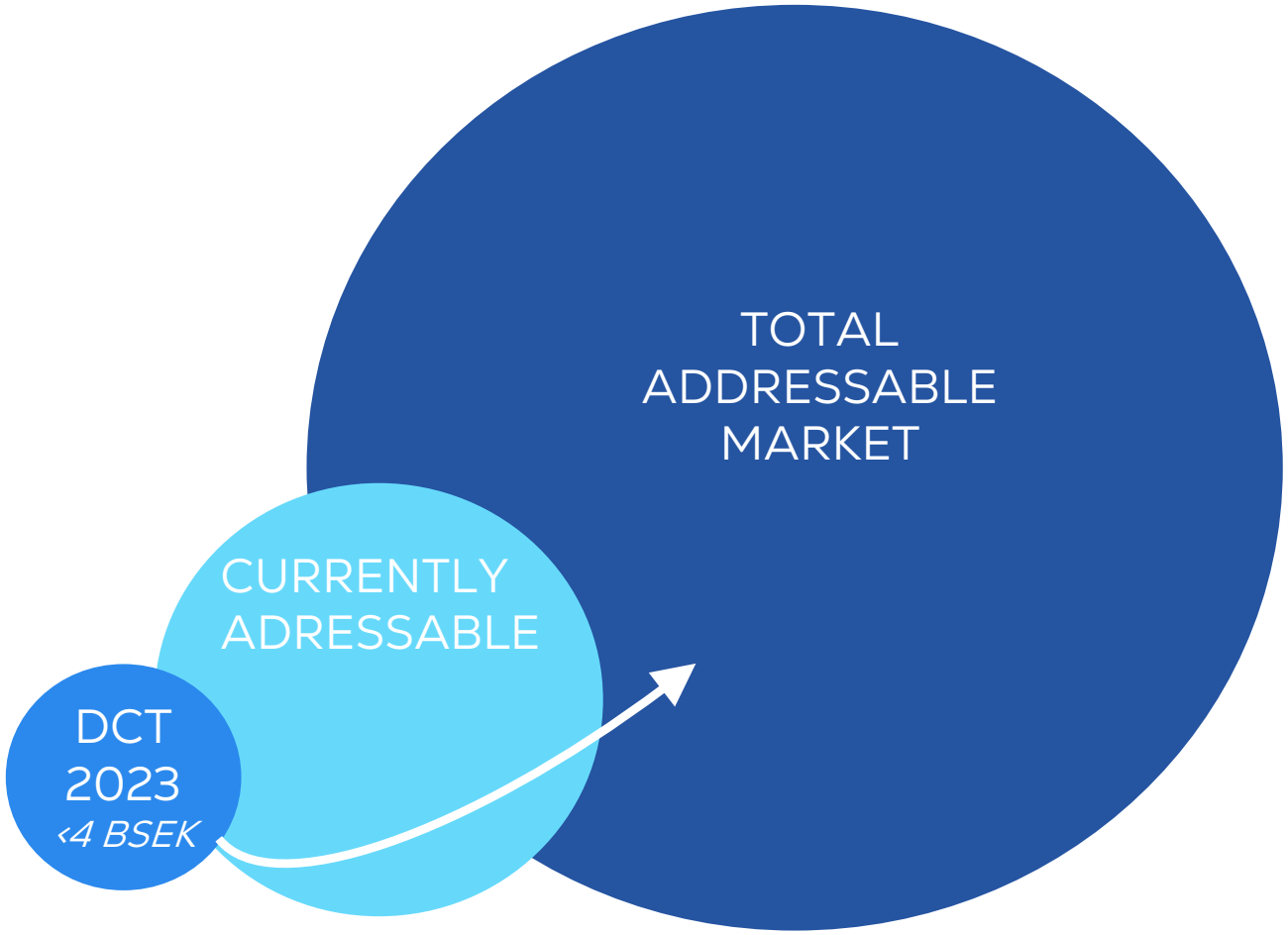
CRAC´s

SyCool in Different sizes

Modular Chilled Wall and CRAH´s

Liquid cooling evaporators, Liquid-to-liquid HX And CDU´s

Relative growth outlook



Key messages – what will set the agenda moving forward

AI & Cloud Growth

AI driving growth while the cloud is still the foundation for digital infrastructure, and we are geared towards managing that

Power density

Increased power density influences our technology and offering

Energy

Energy - in several aspects - affects our positioning and differentiation