



Annette Kumlien, Group Vice President and CFO

Agenda Capital Market Update 2021

Munters – a global leader in climate solutions

Strategy execution

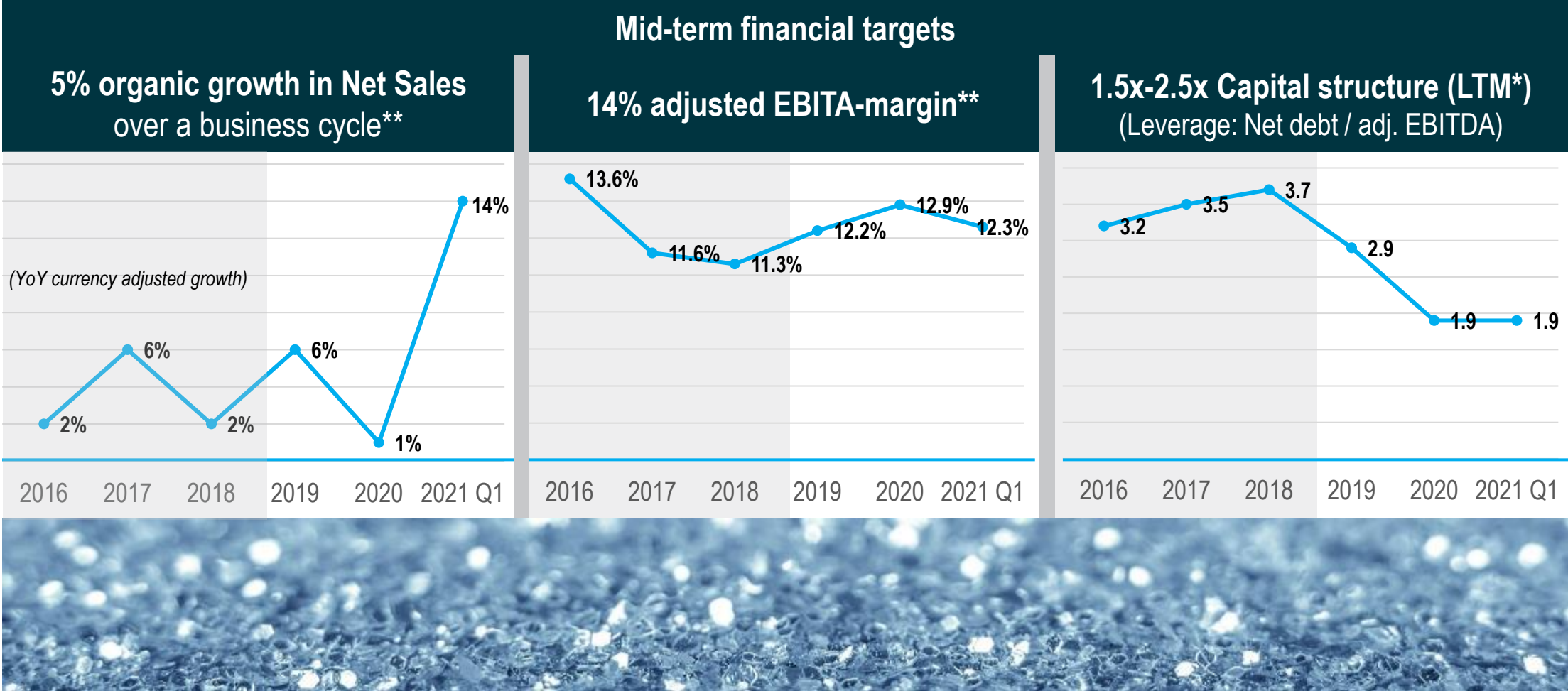
Driving value

Business areas

Summary and Q&A



Munters journey towards improved profitable cash-generating growth

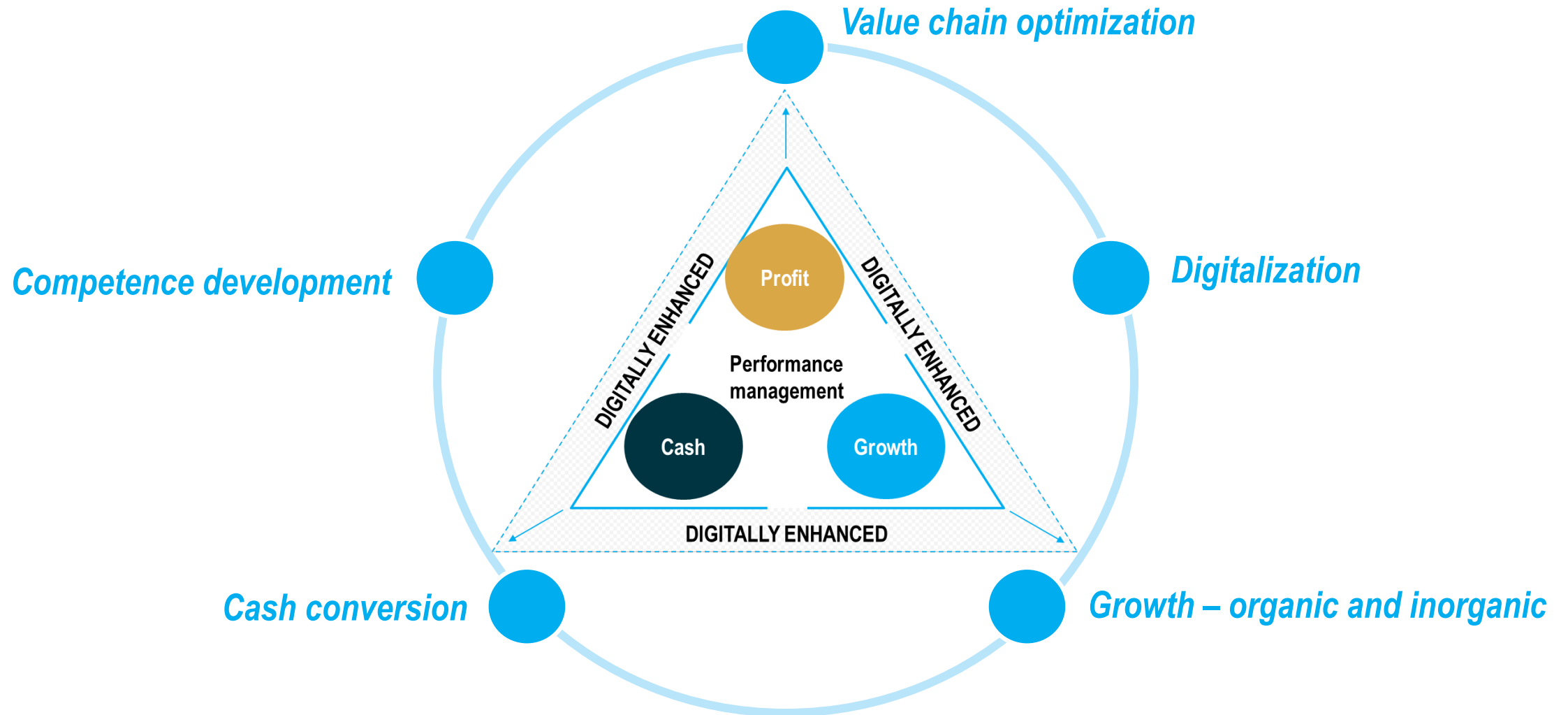


*LTM = Last Twelve Months

**Net sales and adjusted EBITA-margins are excluding discontinued operations (i.e. Data Centers operations in Dison, Belgium).

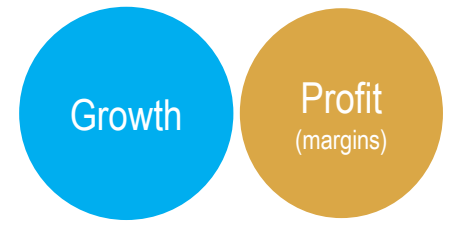


Priorities for driving value



Excellence in everything we do

Key activities driving growth and profits



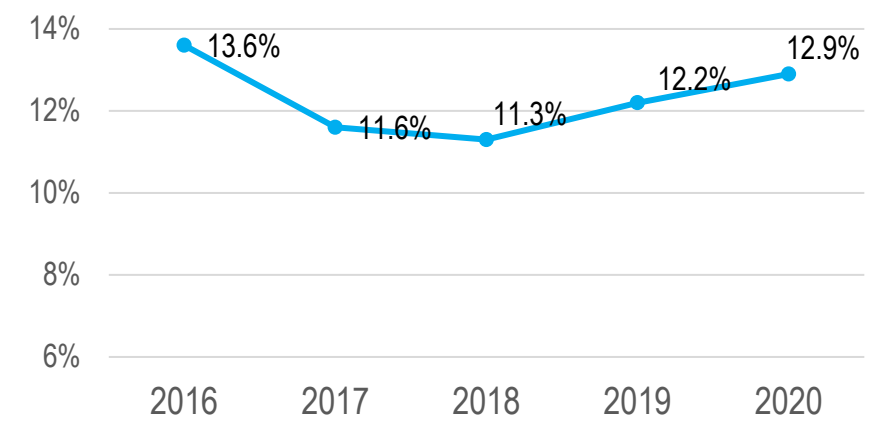
Operational leverage

- Value based selling and active pricing strategies
- Digitalized and connected offering
- Targeted CAPEX to realize the strategy
- Continuous performance reviews / evaluations

Efficiency improvements

- Munters Production System
- Footprint optimization
- Information connected throughout the value chain
- Digitalization - Process automation, AI, Robotics

Adj. EBITA-margin 2016-2020

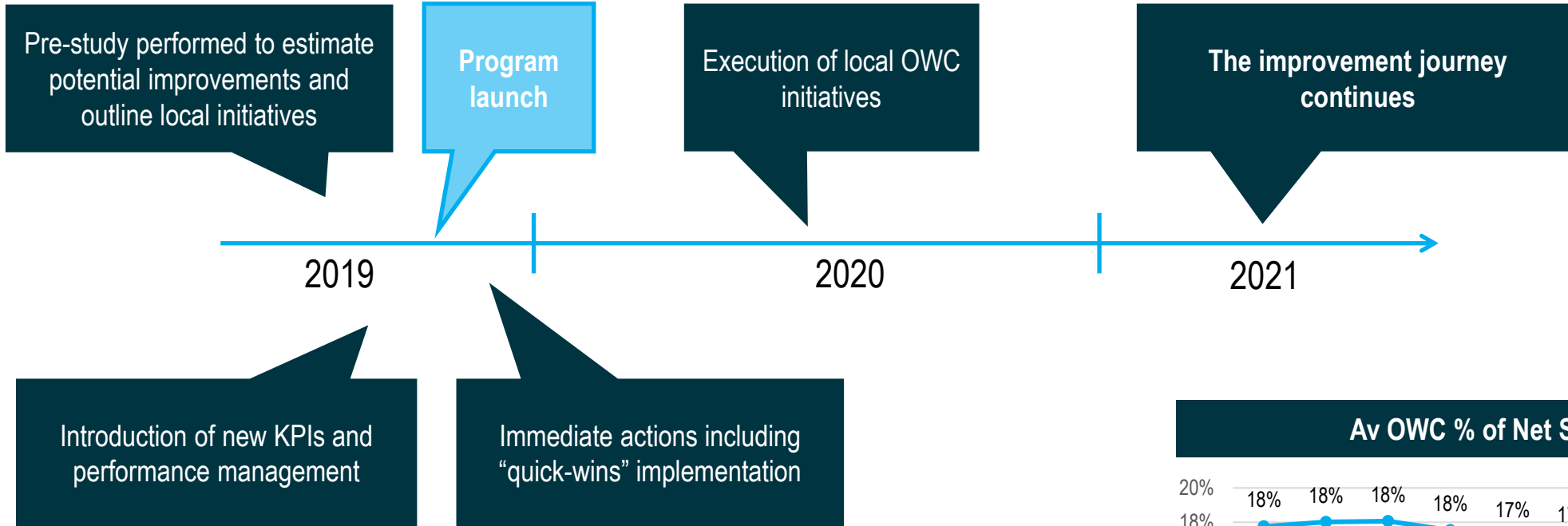


⁵ *CAPEX = Capital expenditure

Excellence in everything we do

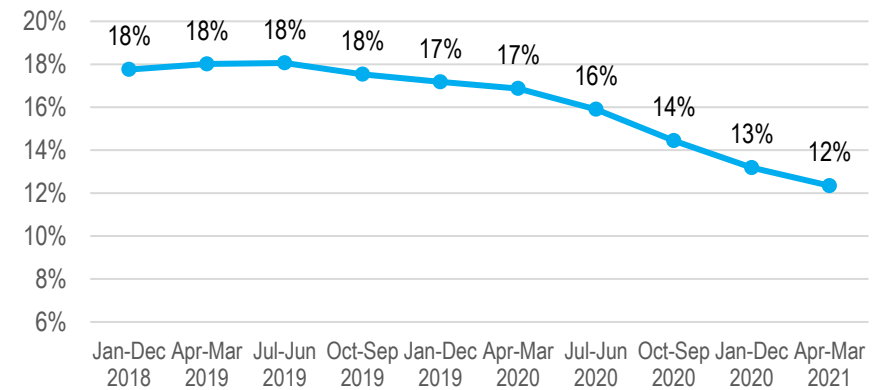


Driving cash – our cash conversion focus



Applying best practices on converting profit to cash, focus on operating working capital

Av OWC % of Net Sales LTM*



*LTM=Last Twelve Months



Excellence in everything we do

Driving cash – what's next?



Examples of OWC* initiatives:

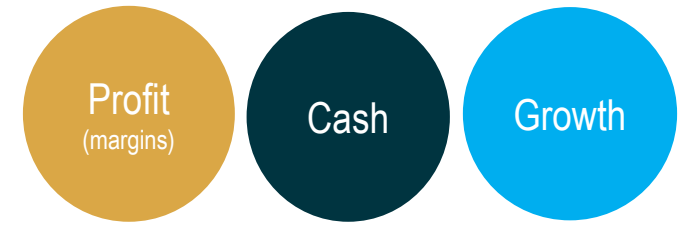
- Continue driving best-practice ways of working and implement through group wide programs
- Improve project cash profile
- Warehouse and inventory mgmt. improvements, e.g. minimizing slow-moving inventories
- Lead time reductions (own production and suppliers)
- Supply Chain Financing



*OWC=Operating Working Capital

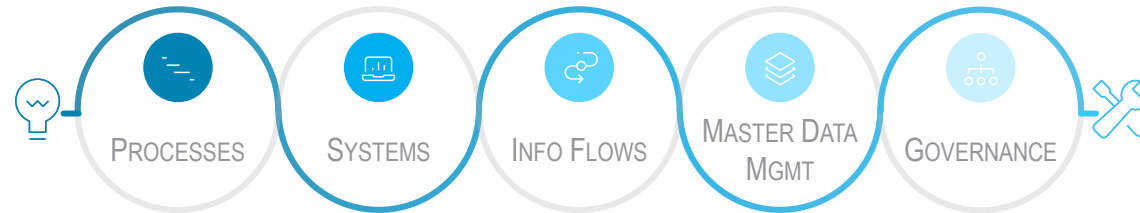
Excellence in everything we do

Value chain optimization – key enabler for our strategy



Common ways of working in E2E value chain

R&D, PM & MKT, SALES, SOURCING, OPERATIONS, SERVICE, FINANCE, HR



Increased efficiency

- GLOBAL AND SCALABLE PROCESSES AND IT SYSTEMS
- REDUCTION OF COSTS AND LEAD TIMES, QUALITY IMPROVEMENT
- CREATE A PLATFORM FOR FUTURE GROWTH, ALSO ENABLING M&A INTEGRATIONS



Focus on customer value



Profitable cash generating growth

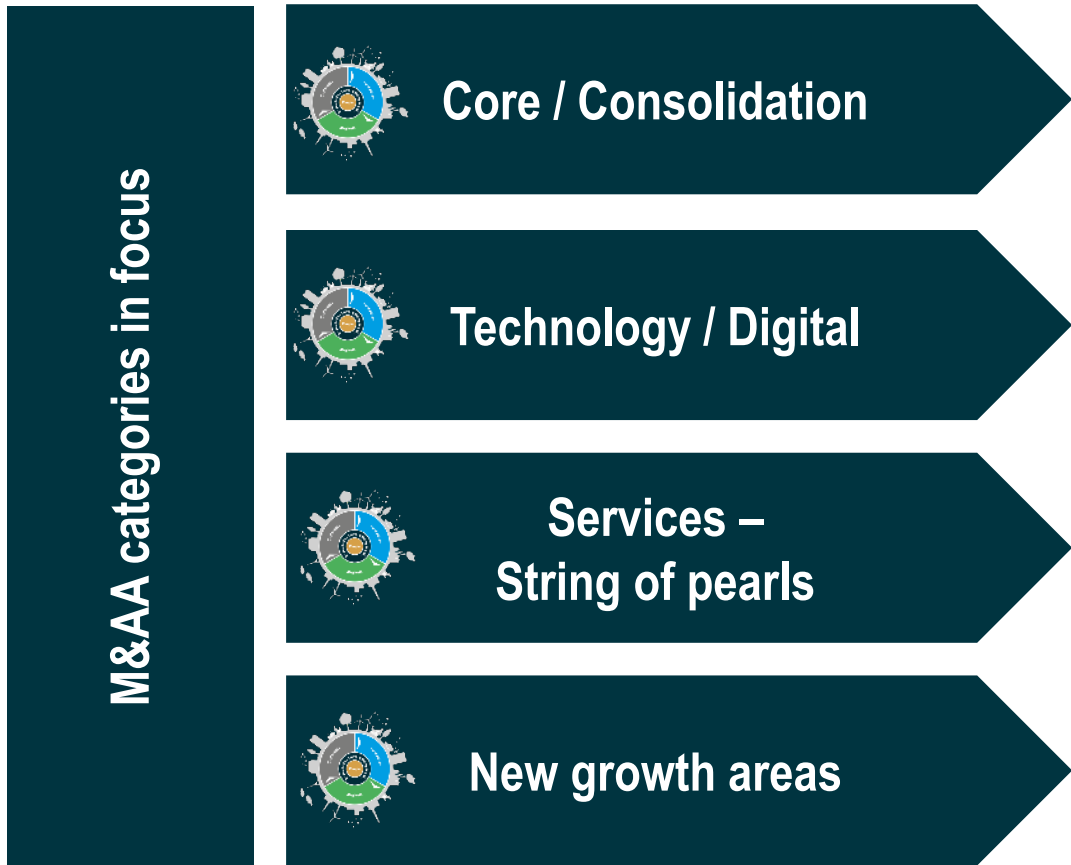


Better Munters experience



Inorganic strategies to boost overall growth

Focused acceleration of M&AA



...with attention on M&AA execution excellence

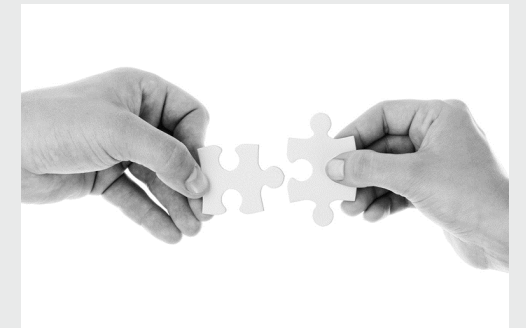
Business value driven

- Strategic fit – is there a clear logic?
- Business case – is it financially sound?
- Risks – are risks manageable?



Integration playbook

- Integration team
- Integration clarity/focus
- Synergy realization



Excellence in everything we do

Digitalization at the forefront



DIGITAL AMBITIONS



Customers

Munters digital products and services are growing

Optimization

Top 10 of Munters most ineffective processes digitally remastered gaining efficiency savings

Organization

Strong digital DNA in all parts of Munters - drives higher efficiency and innovation

Security

Strong security function to keep Munters business safe

Technology

World class technology and data platform to form the base for customer development and optimization



Customers

Excellence

People

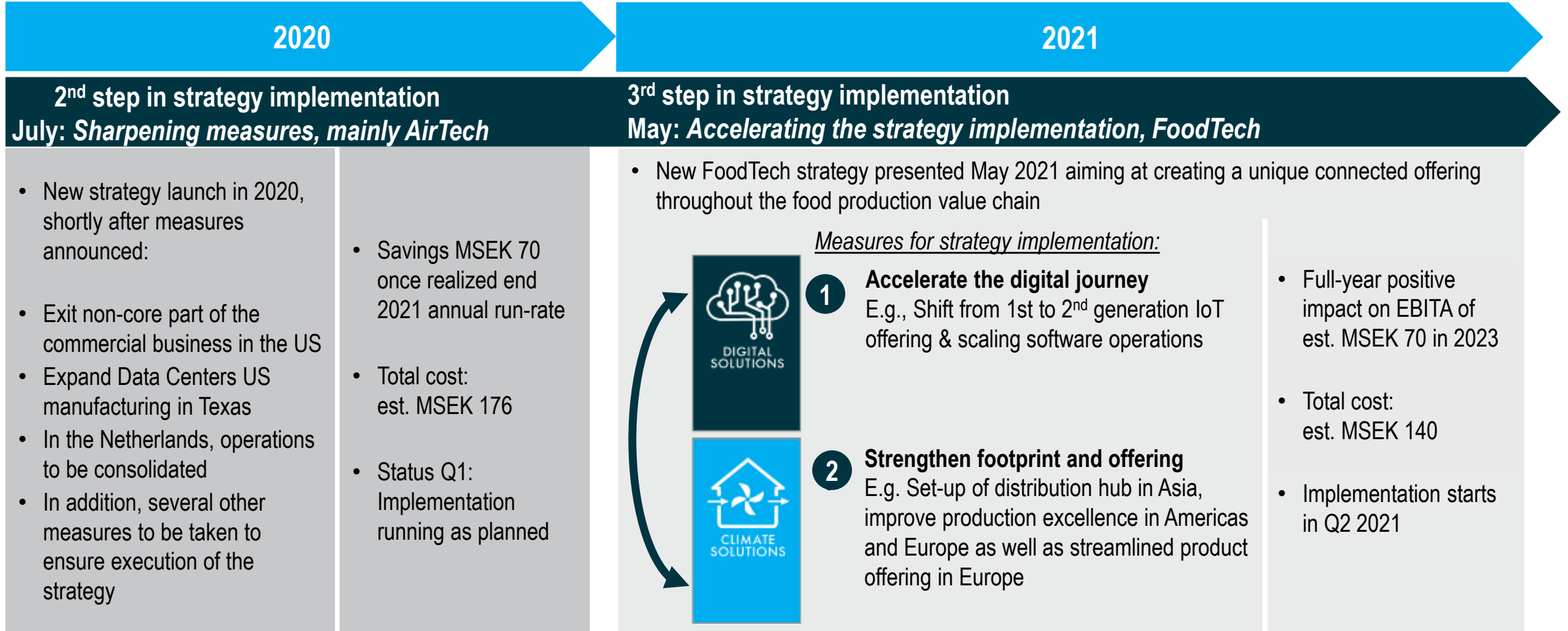
Excellence

Innovation



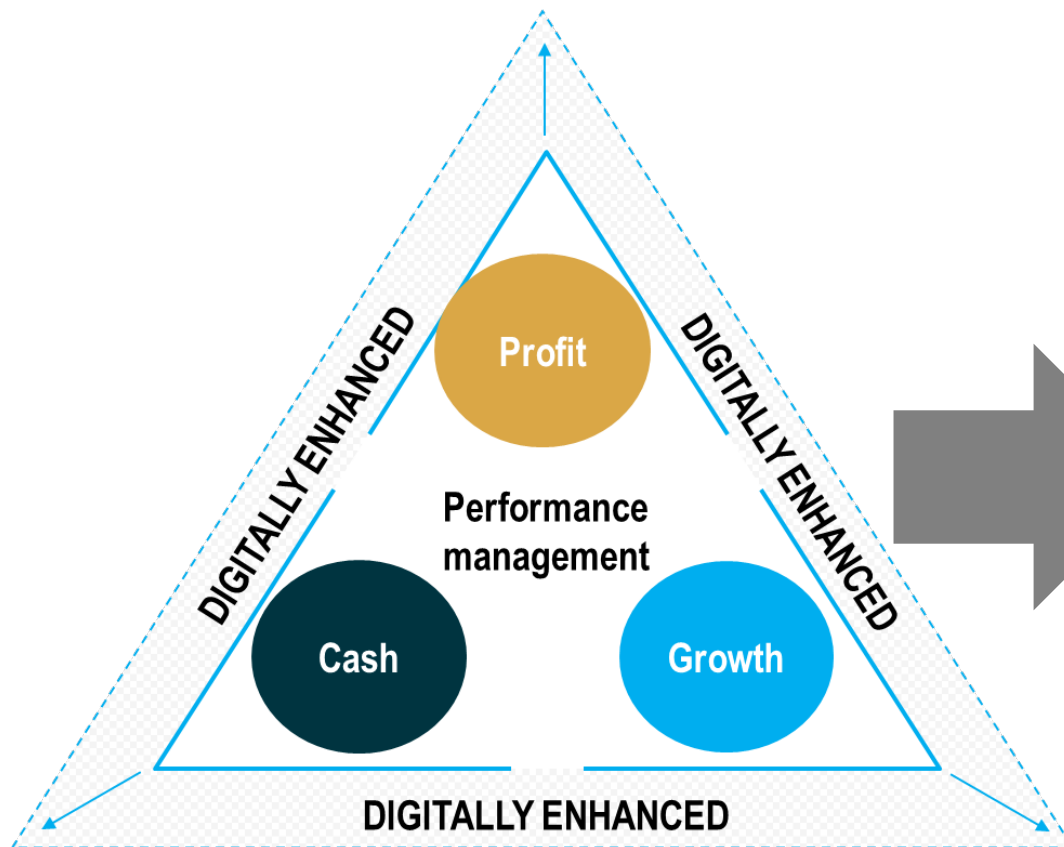


Delivering on our strategic journey





Framework contribute to delivering on mid-term targets



	Mid-term targets	Q1 2021
Net sales growth Org. growth p.a. over a business cycle	5%	14%
Adjusted EBITA-margin	14%	12.3%
Capital structure (LTM*) (Leverage: Net debt / adj. EBITDA)	1.5x-2.5x	1.9x

*LTM = Last Twelve Months



Munters