



CAPITAL MARKETS DAY 2019

Towards Full Potential

Agenda – platform for today and the future

CEO – Munters Towards Full Potential

- A strong company – but disappointing performance since IPO
- Global player in niche markets
- Full Potential Program to seize opportunities

Global Operations – Building a customer-oriented and scalable platform

AirTech – Sustainable solutions for demanding industrial applications

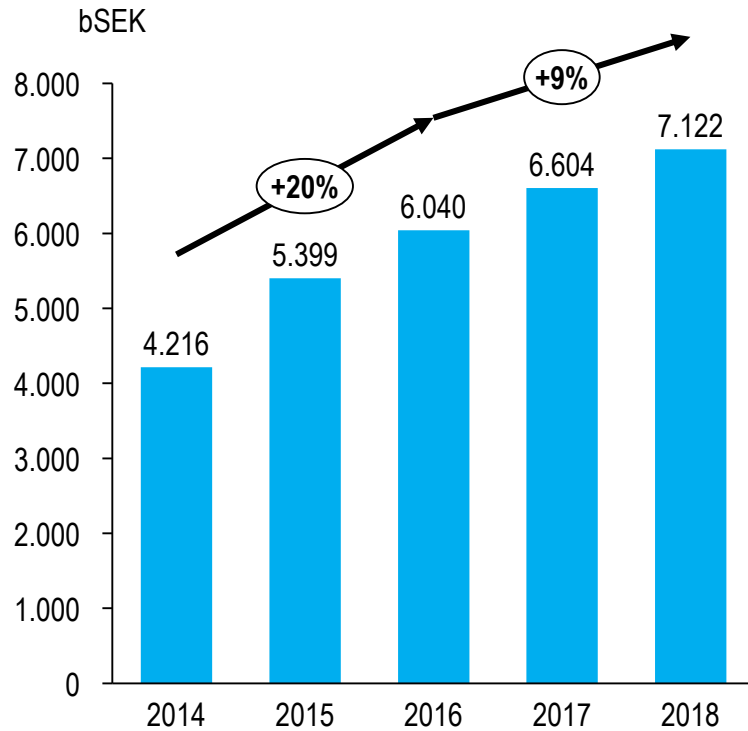
FoodTech – Sustainable solutions for demanding agricultural applications

CFO – Delivering the numbers

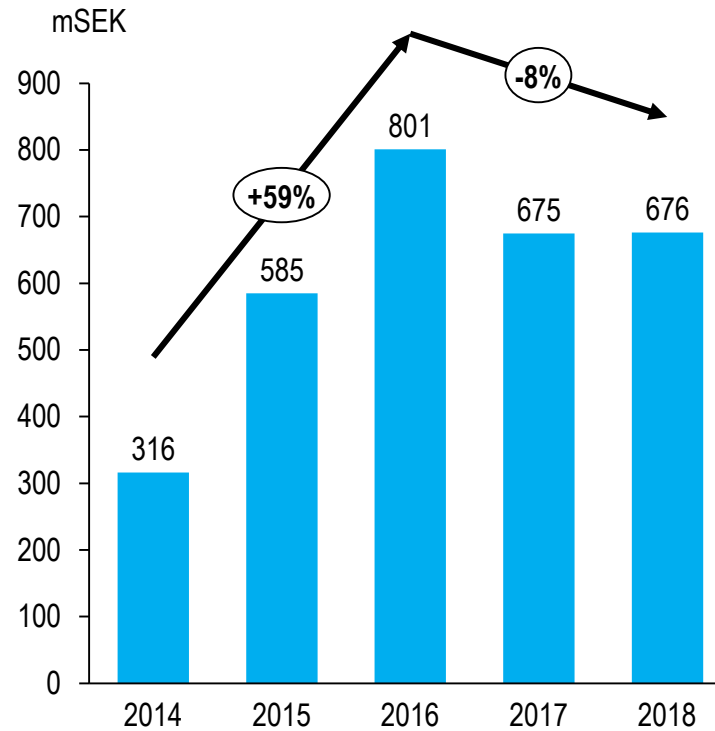
CEO wrap-up – Confident in our targets

Disappointing development since the IPO in 2017

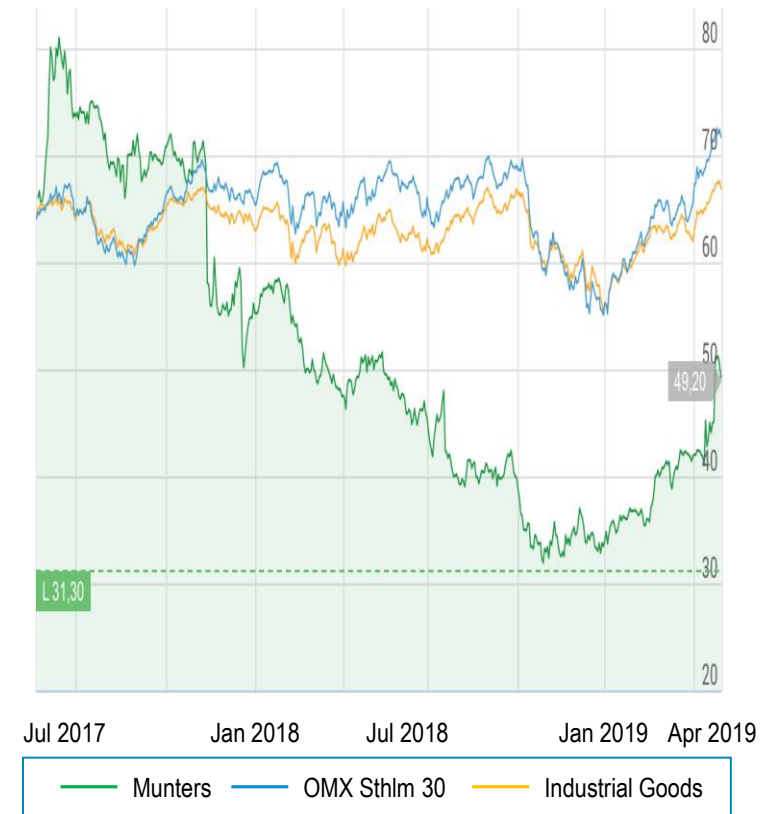
Net Sales – solid growth over period



EBITA – weak performance since 2017



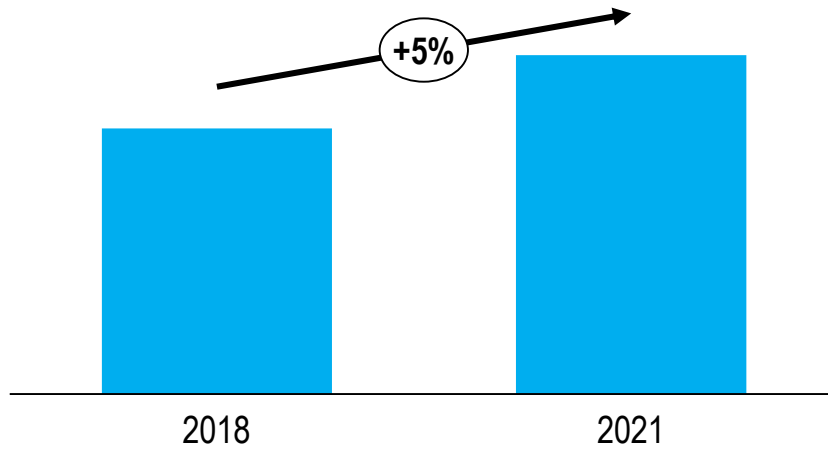
Share price development below peers



In Munters, I saw a company with a great proposition, and potential...

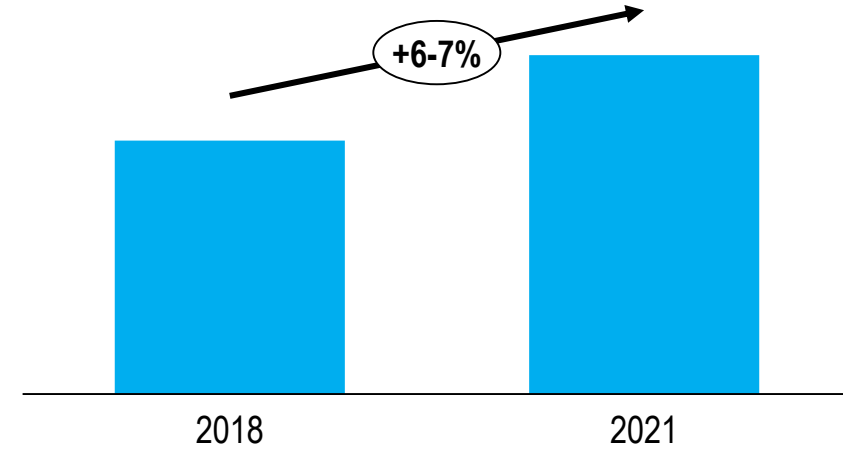
AirTech

Size of core markets (CAGR):



FoodTech

Size of core markets (CAGR):



- | | | | |
|----|--------------|----|------------------------|
| #1 | Lithium | #1 | Processing (food etc.) |
| #1 | Supermarkets | #2 | Pharma |

- | | | | |
|----|---------------|----|-------|
| #1 | Broiler | #1 | Layer |
| #1 | Food chain SW | #2 | Swine |

...however a number of internal constraints hindered our performance

Suboptimal prioritization of resources and capital

Suboptimal organizational structure

Dispersed product portfolio

Insufficient customer focus

Unclear performance culture

Overly centralized structures

Executing the Full Potential Program our top-most priority



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Sustainable climate solutions for demanding industrial and agricultural applications



Sustainable climate solutions

Our goal is to provide energy-efficient, safe and reliable climate solutions where control of moisture content and temperature in production are mission critical.

Munters helps leading companies around the world maximize their opportunities while minimizing their global carbon emission footprint.



Critical to customers' success

Munters' customers operate in complex, demanding environments. We provide the right connected products and the solutions that are critical to our customers' success.

We make sure that our customers' industrial or agricultural applications are in line with production requirements while creating value and contributing to society at large.



Munters

We make a difference for the world

“2 of every 3 stents used to relieve heart conditions are manufactured in stable environments enabled by Munters technology



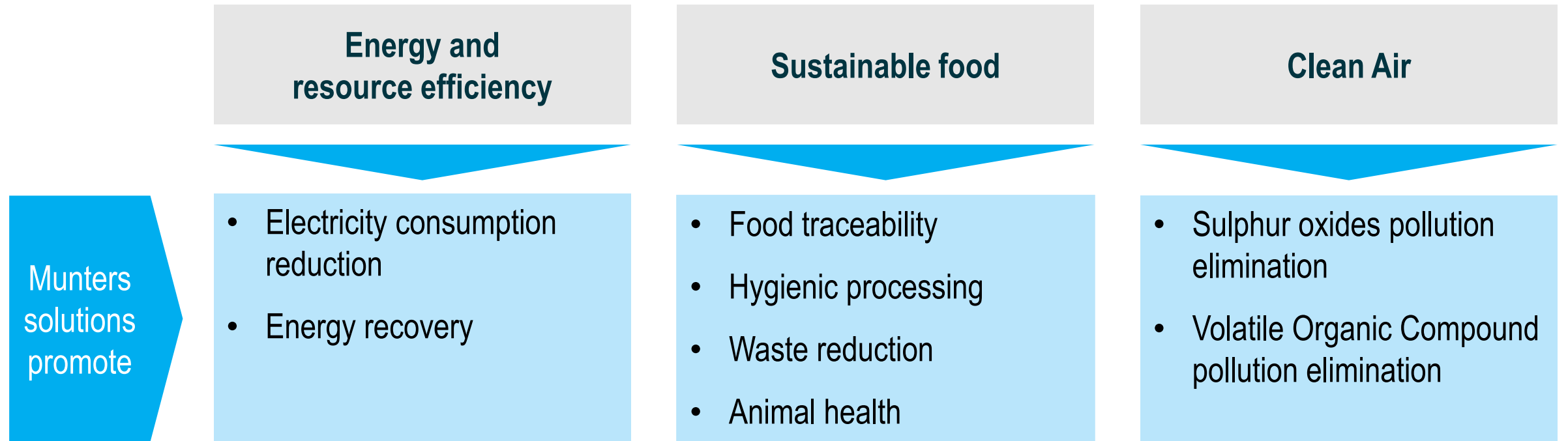
“Munters climate solutions contribute to more than 1 of 7 meals around the world



“Munters’ climate solutions are behind half of the world’s batteries for electric vehicles



Munters' growth opportunity is fuelled by strong megatrends for sustainability



- **5% market growth** expected in **core AirTech** markets
- **6-7% market growth** expected in **core FoodTech** markets

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Full Potential Program in three phases – focus on the first

PHASE 1: STABILITY

Secure stable and profitable platform



PHASE 2: PROFITABILITY

Improve performance



PHASE 3: GROWTH

Accelerate growth in attractive segments and geographies



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

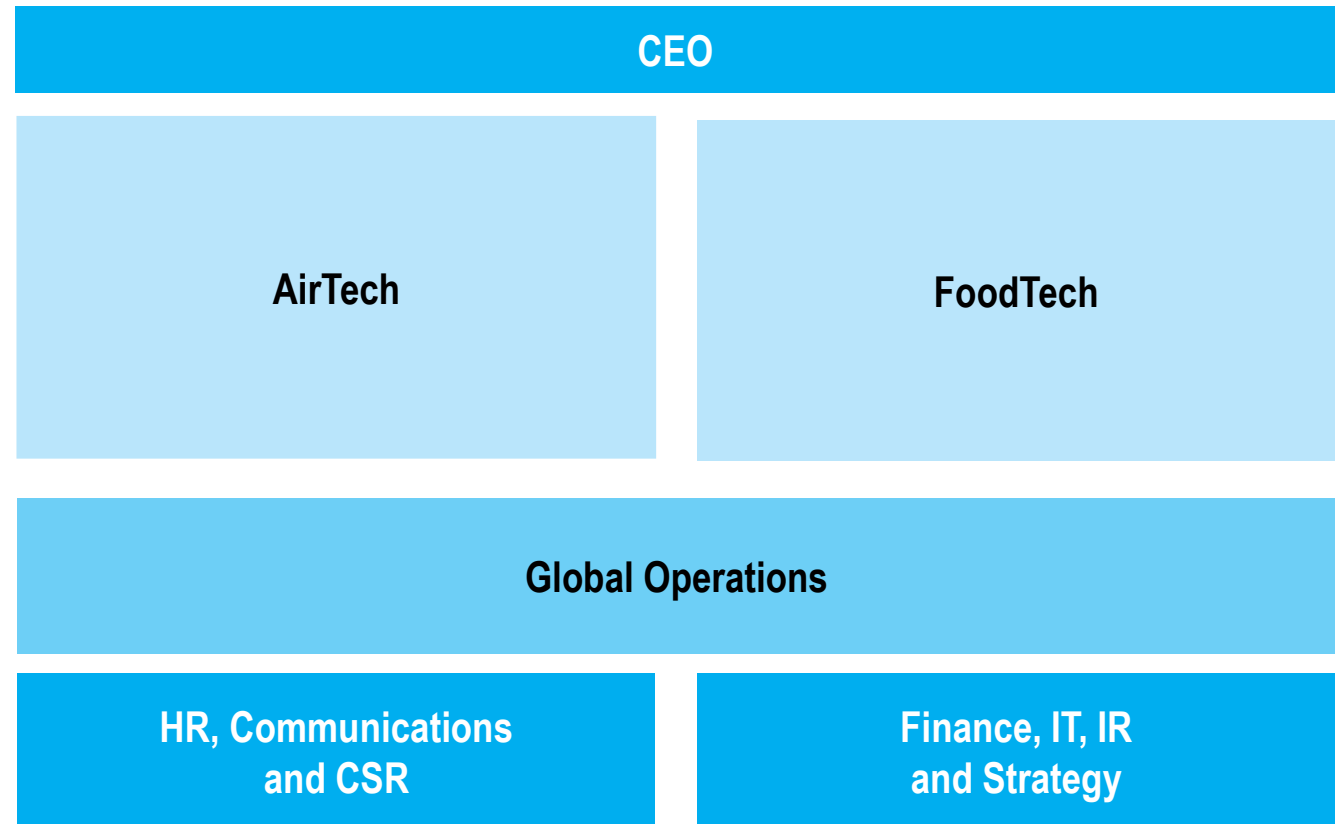
- **Klas Forsström appointed new President and CEO** effective no later than mid-October 2019
 - 20 years of senior management positions at Sandvik (including President of Sandvik Hard Materials and Sandvik Coromant.)
 - M.Sc. in Materials Physics and an MBA from Uppsala University Advanced management studies at INSEAD
- New organization and management team in place
 - Two strong business areas
 - New group management (6 members vs. previously 13)





2 Business Areas – under 1 vision – with a shared operations platform

“Sustainable climate solutions for demanding industrial and agricultural applications”





Governance and accountability strengthened in Business Areas

Strengthened **regional management teams**

Clarified **strategic priorities** and strengthened **accountability**

Launched **quarterly follow-up** on Business Unit level (i.e. country organization) with senior management

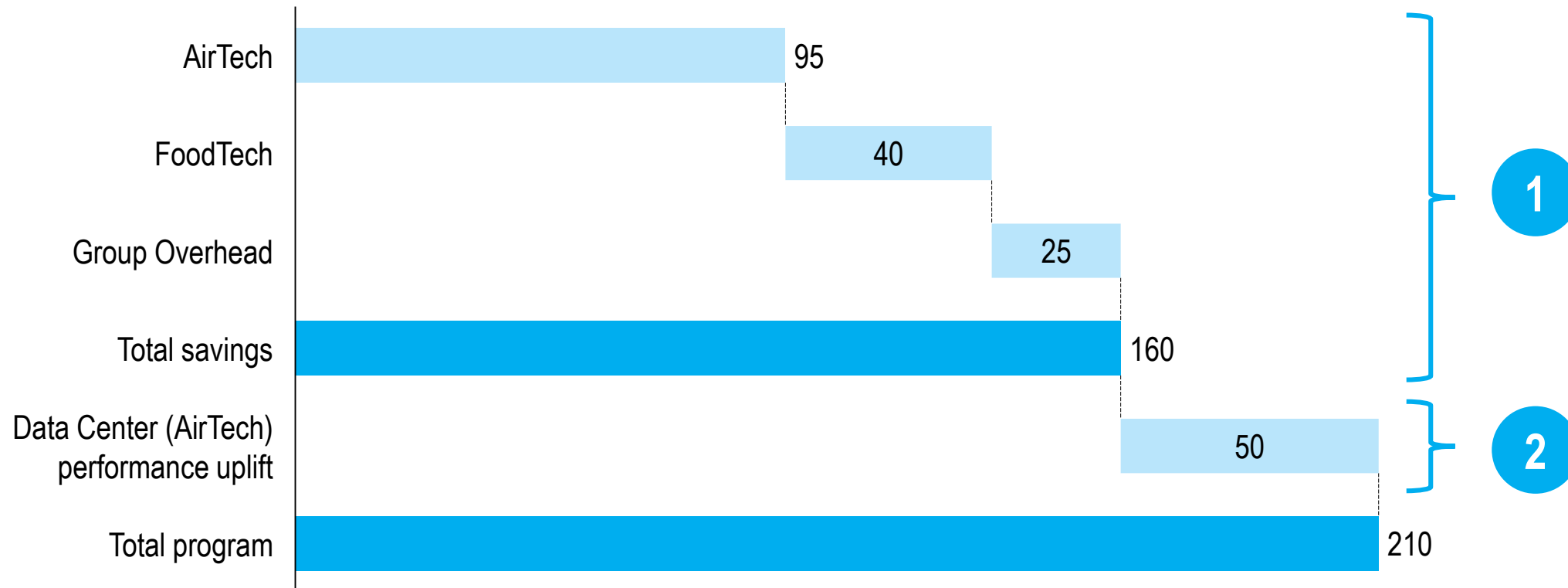
Strengthened team in **key positions**, e.g. new Sales VPs AirTech Americas and EMEA

More **result-oriented** and **effective** Business Area organizations



Full program target EBITA improvement of 210 mSEK run-rate 2019E

Full Potential Program EBITA run-rate impact (mSEK)





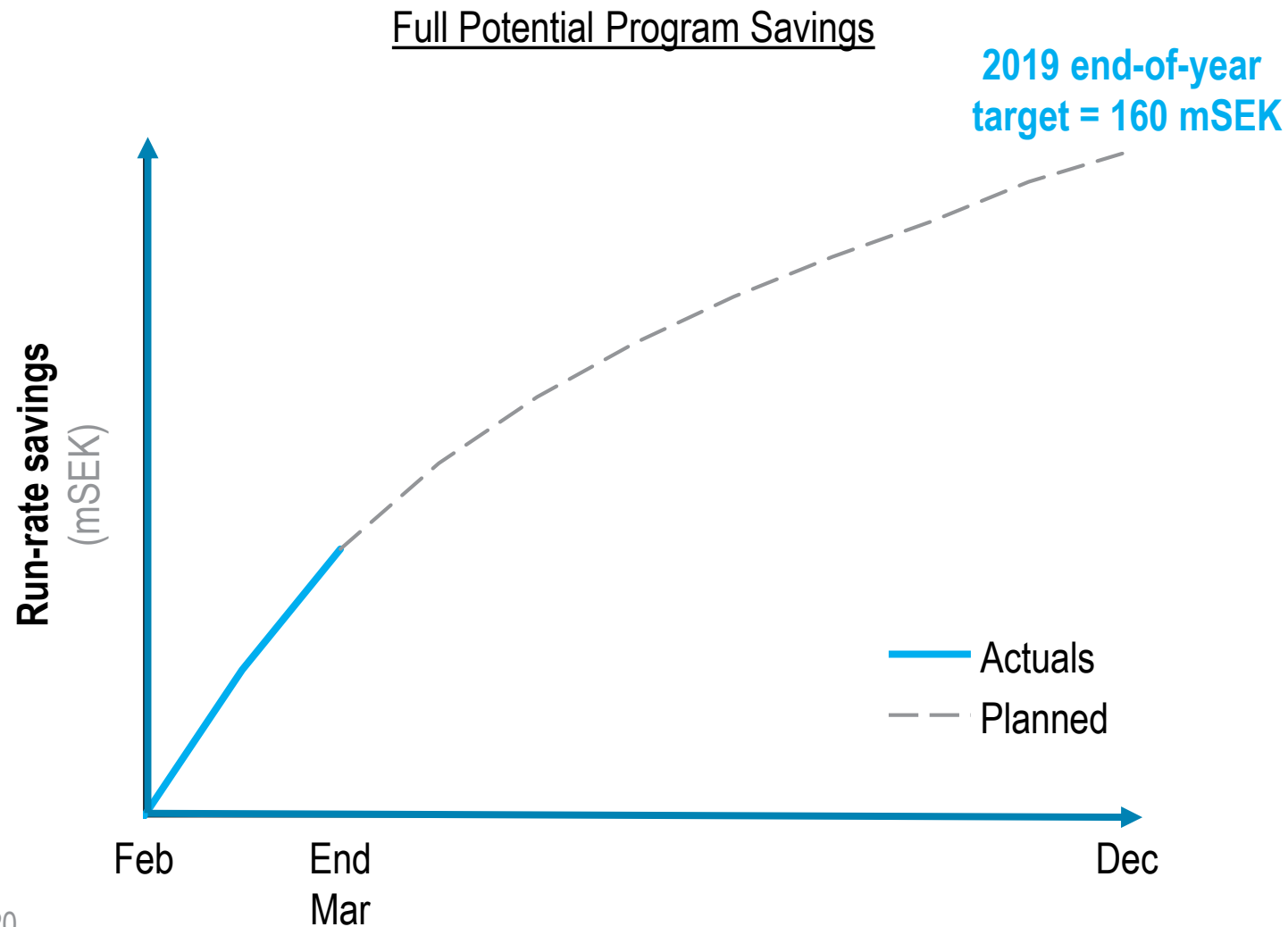
Full impact expected in 2020

Program	2019 adj. EBITA impact	2020 adj. EBITA impact – equals ongoing annual run-rate	One-time costs	Cash pay-back time
Total program impact	mSEK +105	mSEK +210	mSEK -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.



Savings progressing according to plan



- FTE reductions and other cost savings according to plan
- One-time costs of 61 mSEK according to plan



Data Center profit uplift progressing according to plan

Europe







- **Union consultations ongoing** according to the so-called “Renault process” regarding intended **closure of Dison plant**
- Production in the Dison factory following schedule with minor and manageable delays

Americas

- **Order backlog in Americas is 139%** higher than at the end of Q1 last year
- Orders come for a wider range of customers and from a wider range of solutions – which caters for **more stability** in the business
- Production in the first quarter following schedule

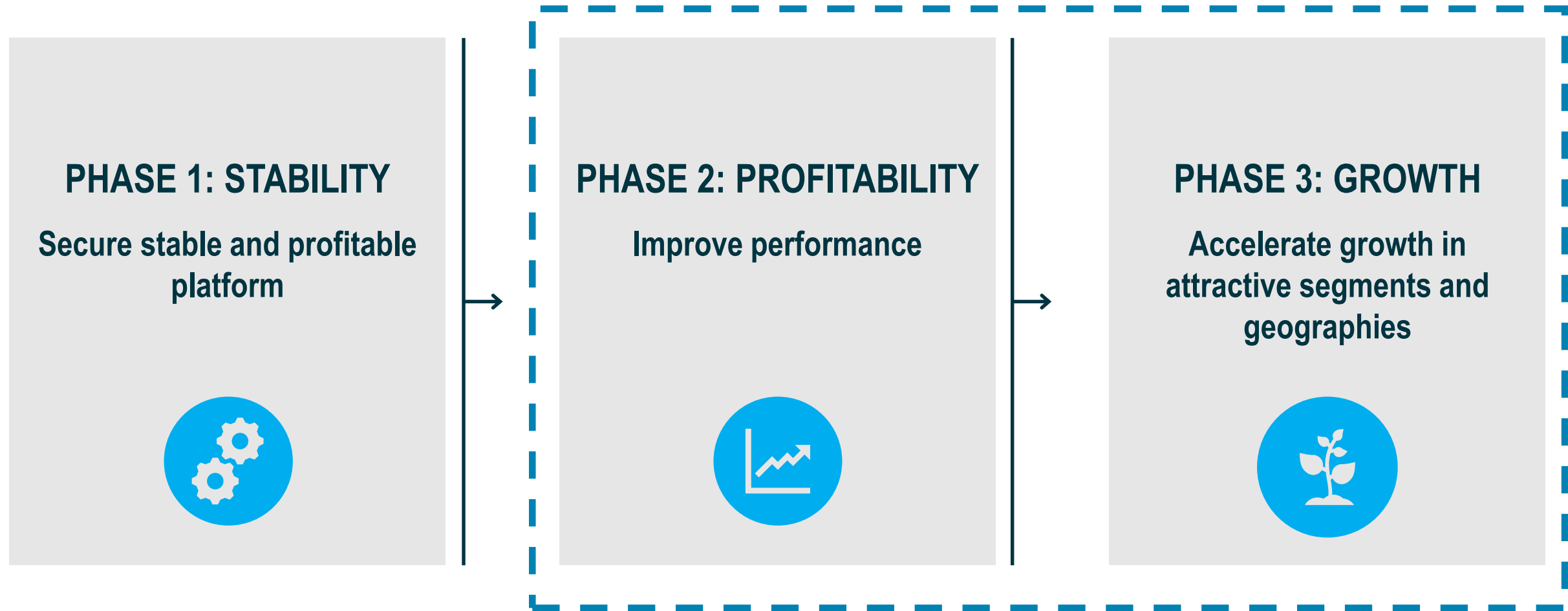


Strategic alternatives for ME and DC being evaluated

	Data Center	Mist Elimination
Underlying market growth?	 10-15% expected CAGR in years to come	 Up to 10% expected CAGR in years to come
Competitiveness of Munters business?	 Leading technological solution and one of the leading players in economizer solutions	 Leading technological solutions and the leader in FGD and Marine markets
Munters being the “best” owner for the business?	 A range of operational issues over the last years	 Business of limited scale and relatively non-adjacent from rest of Munters

We will only invest in businesses where we optimise our deployment of capital – to be determined if DC and ME fulfil that criteria

Full Potential Program – starting to look into future phases



Our aspiration for 2021

- **World leading** position in selected **growing markets** where the Perfect industrial and agricultural Climate is mission-critical
- **Customer** see us as the most **innovative** partner of **energy-efficient** solutions – built around deep **application expertise**, leading technologies, a combined service and equipment offering and new generations of **digital solutions**
- **Effective organization** with clear governance and **focus on the customer** – securing stability in performance over time
- **Employees** with a **passion** for creating the **Perfect Climate** for our customers – and for being part of solving some of the worlds biggest challenges



We are confident we can deliver on our financial targets

- We operate in **attractive markets** driven by strong **sustainability** oriented global trends
- We pursue **leading positions** in selected market segments
- We have a plan to turn around the company short-term with the **Full Potential Program** – and a **strategy for long-term** profitable growth



Net Sales growth of 5%

Adjusted EBITA Margin of 14% mid-term

Net Debt/adjusted EBITDA ratio of 1.5-2.5

Dividends of 30-50% of Net Income

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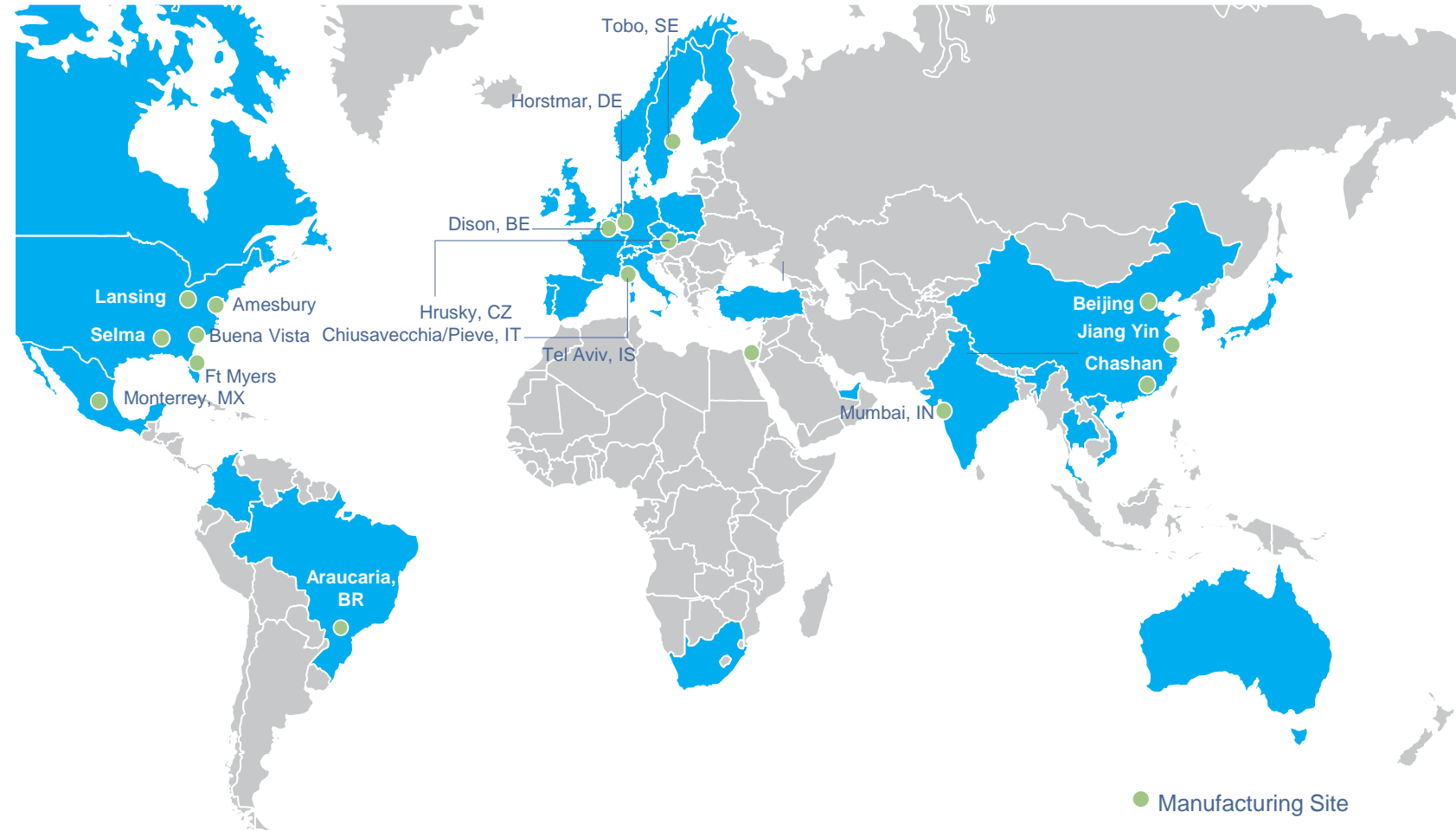
FoodTech – Sustainable solutions for demanding agricultural applications

CFO – Delivering the numbers

CEO wrap-up – Confident in our targets

Operations - Global scale and regional agility

- 18 plants and spare part distribution centers
- 7 assembly and logistic hubs
- ~1800 Employees
- Global leverage and regionally optimized supplier base



Our improvement journey continues

1955-2011

Distributed Manufacturing
and Sourcing

- Local optimization and local processes
- Scattered Supplier-base
- Common IT platforms initiated

2011-2018

Global Operations
Reduce Cost

- Growth through acquisitions
- Global sourcing - Category wave execution
- Capacity investments
- Lean Journey started (MPS)
- Main focus on Ad Hoc Cost reduction, sometimes increasing Loss and Waste.

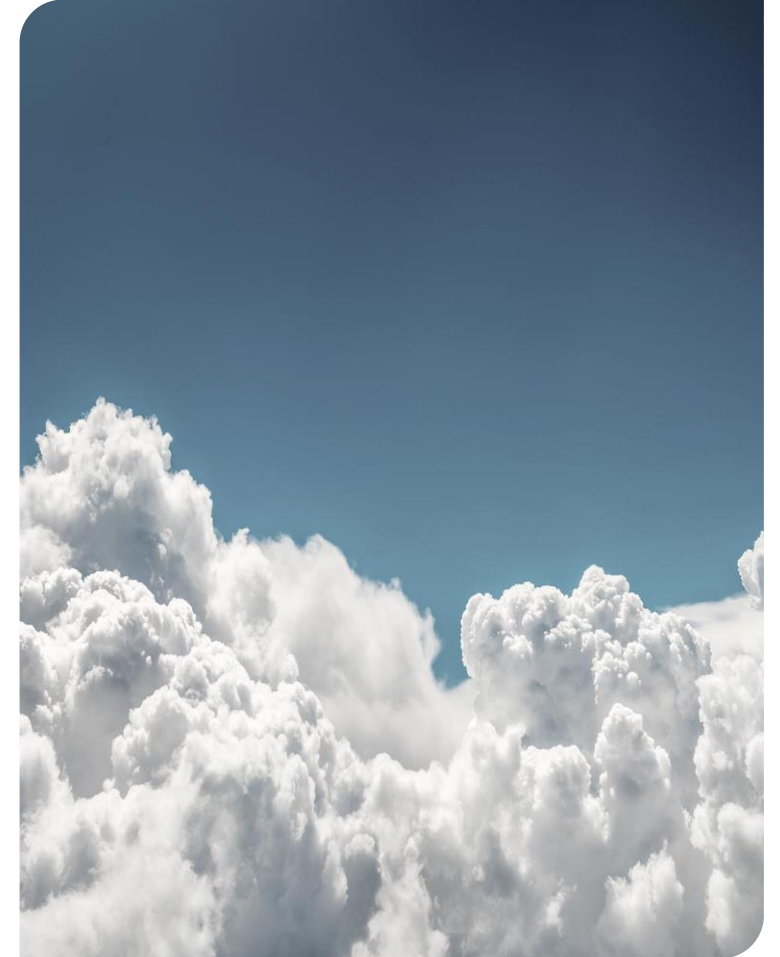
2019 → future

Enable Business
OPERATIONAL PERFORMANCE

- A** Customer needs comes first!
- B** Scalability to support Profitable Growth through Stability in Performance, Solid processes supported with IS/IT, Sourcing and Manufacturing leverage
- C** Towards World Class performance with Munters Production System
- D** Working Capital Excellence

Customer needs come first

- Quality **ZERO defect mindset** to protect Customers
- **Customization excellence** - supporting full product lifecycle
 - Product project readiness and early involvement in projects – Right from start!
 - Optimized workflow for Standard, Configured and Customer Engineered products
- **Optimized Supply-chain** based on well defined customer and market needs (e.g. lead-time) supported by S&Op process
- Determined to **deliver** according to **customers expectations**
- **Clear, honest**, immediate and fact based **communication**



Create operational scalability to support profitable growth

PHASE 1: STABILITY



- Define and implement known **best practice** with rigor
- Secure **quality improvements** and **production stability**
- Define **clear roles** and responsibilities
- Ensure **Master Data Quality**
- Synchronized demand and supply (**S&Op**)

PHASE 2: PROFITABILITY



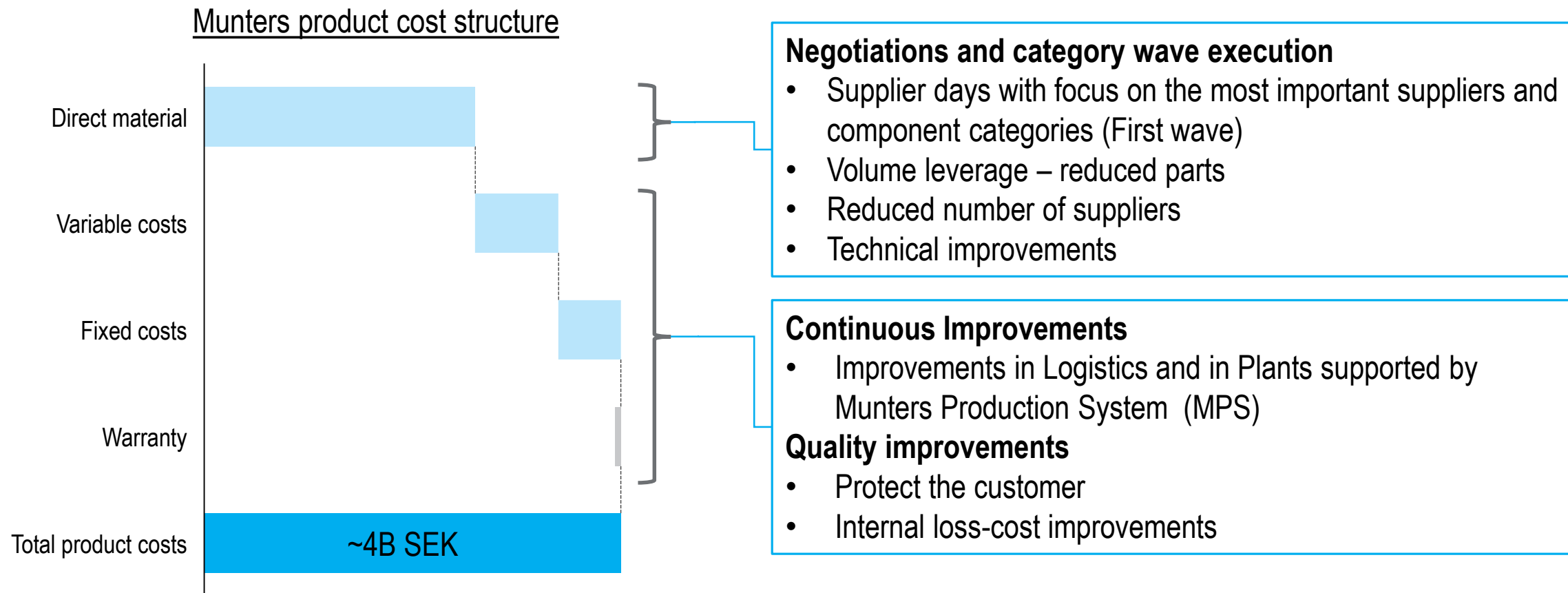
- **Leverage volume** of scale in Sourcing and Manufacturing
- Extensive **supplier and part number reduction**
- Digitalized End to End Supply Chain - **One Information Chain**

PHASE 3: GROWTH

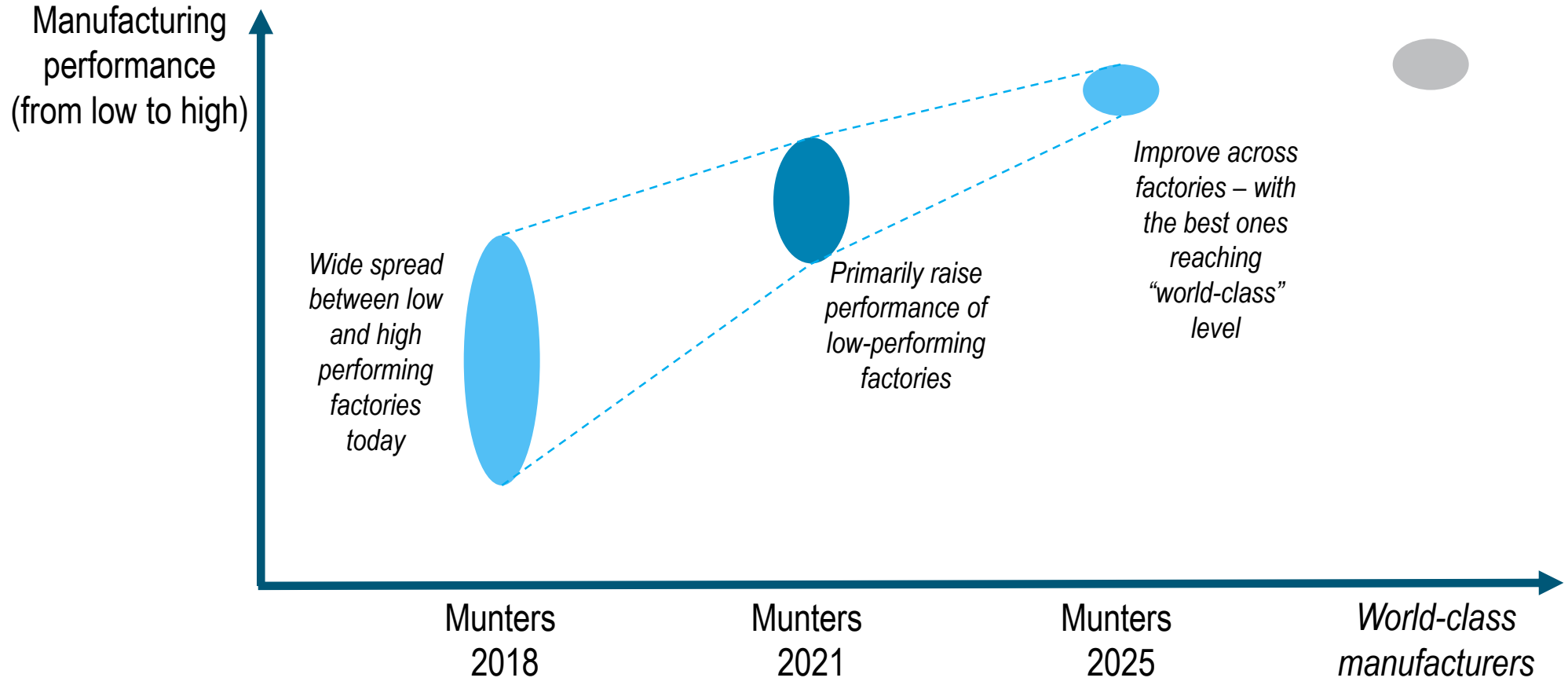


- **Leverage improvements** across larger volumes
- Implement prioritized **Expansion and Localization** projects

Towards World Class: Focused improvements targeting cost savings to counter inflation and more every year



We are aiming towards world-class level of manufacturing



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CFO – Delivering the numbers

CEO wrap-up – Confident in our targets

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



AirTech is a global leader with a blue-chip customer base

Business Area overview

Global leader in dehumidification and cooling solutions for demanding industrial applications

#1 position in markets representing majority of AirTech FY2018 net sales

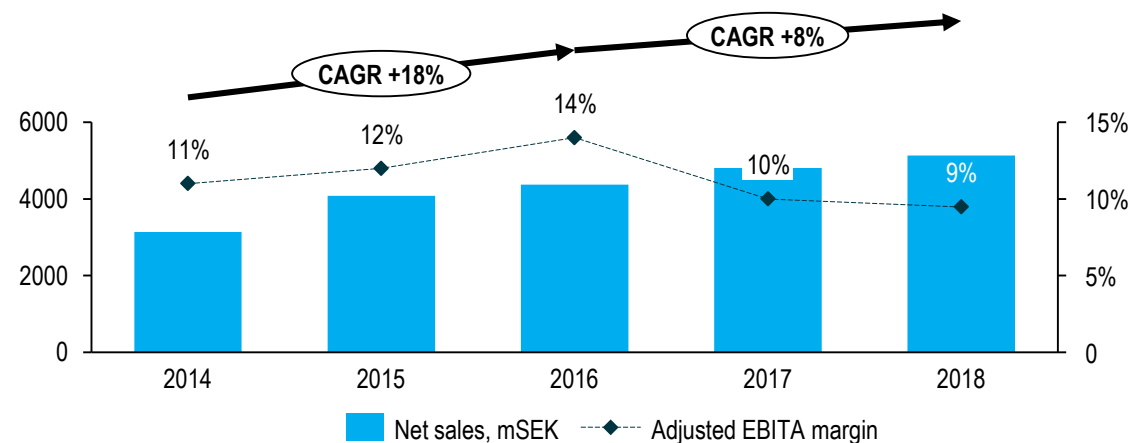
Multi-year relationships with diverse blue-chip customer base

Strong Net Sales growth




Selected customers



Financial performance (Net Sales, mSEK)

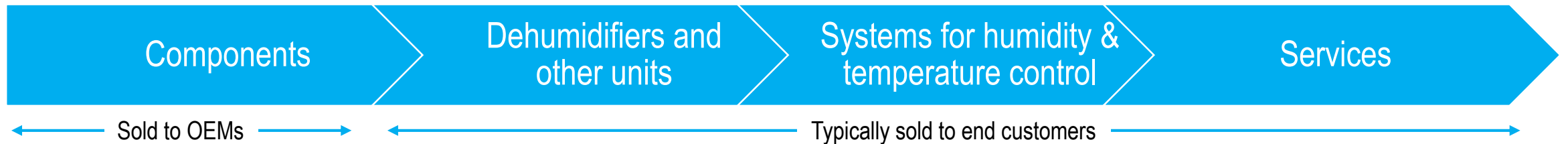
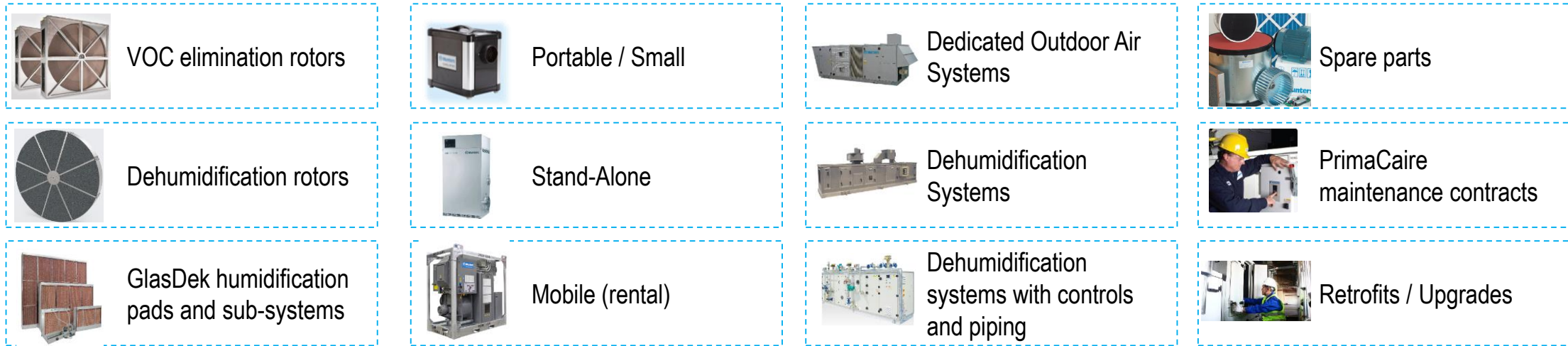


Getting the perfect, sustainable climate is mission-critical across a range of industries

	Poor humidity and climate control cause...	With perfect climate...
 Lithium Battery mfg.	<ul style="list-style-type: none">- Low battery performance- Production safety issues	<ul style="list-style-type: none">- High quality batteries- Low energy consumption and safe production
 Pharma mfg.	<ul style="list-style-type: none">- Clogging of powder- Non-compliant production (scrap batches)	<ul style="list-style-type: none">- Consistently high product quality- Efficient and sustainable production
 Processing (food etc.)	<ul style="list-style-type: none">- Mould and bacteria growth- Low product quality and scrap	<ul style="list-style-type: none">- Food safety assurance- Efficient and sustainable production

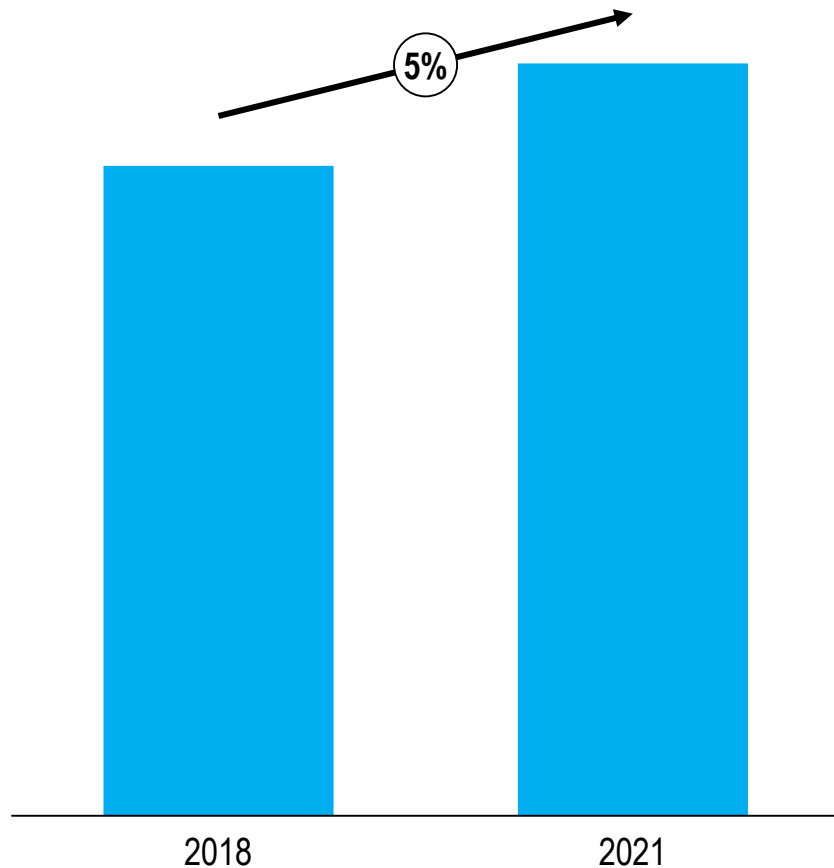
Munters stand out among competitors by having leading, energy-efficient technologies and superior application expertise

We provide a broad offering of sustainable solutions



Strong underlying demand growth – in niches where we are leaders

Key end Market Growth CAGR in 2018-2021



Key end market Outlook

- **Industrial: Lithium-ion Batteries** – Investment in R&D and production facilities to support Electric Vehicles, Energy Storage and consumer goods
- **Industrial: Processing of e.g. food** – Stable growth tied to population increase, urbanisation and affluence across Asian countries
- **Industrial: Pharma** – Stable growth from increased life expectancy and developing countries trending towards Western medicine
- **Industrial: Other** – Continued stable growth with a continued demand for production efficiency
- **Commercial: Supermarkets** – Main growth driver will come from retrofit and replacement business with support of DOAS technology and trends

Munters position



Business portfolio overview – AirTech with several strong positions

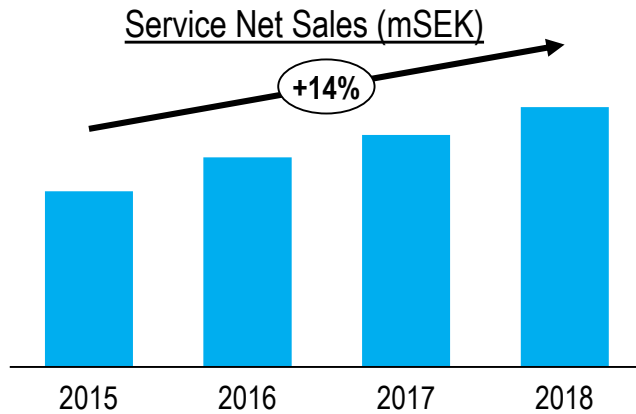
Business	Size in Munters	Our performance	Market attractiveness	Opportunities
Industrial	XL			<ul style="list-style-type: none"> - Drive growth globally, with a focus on niches and geographies with a special potential
Commercial/Supermarkets	M			<ul style="list-style-type: none"> - Business is almost a “US-only” business - Secure profitability as top-most priority
Components to OEMs	M			<ul style="list-style-type: none"> - Supported by strong underlying growth (e.g. LiBat for rotors and Data Center for pads) – continue to drive growth
Services	L			<ul style="list-style-type: none"> - Continue to drive growth globally

Strategic priorities/opportunities for the future

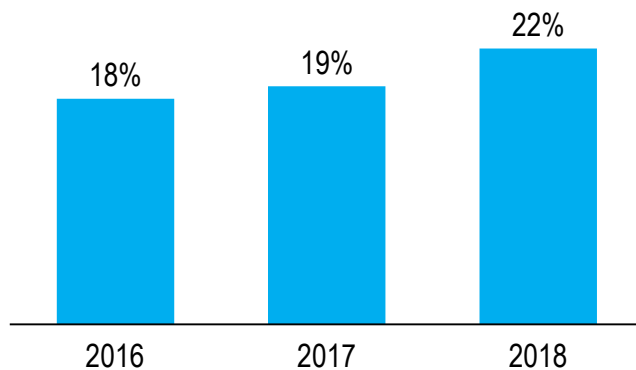


We have successfully grown the Service business – and we see more growth opportunities

We have proven success



Installed base penetration (%)



We are confident we can do much more...

- Installed base penetration is still relatively modest
- Customers increasingly see benefit of “**peace-of-mind**” and **reliability**
- Opportunities for new services with **connected products**

...and we have actions in place to pursue profitable growth

1. Grow the core

- Continue Service **technicians hiring**
- Roll out Service **sales training**

2. Transform the core

- Implement new Field Service Management (**FSM**) **system**
- Product Management to improve customer centric positioning
- Implement **separate Spare Parts inventory**

3. Scale the New

- Develop new Service products including **connected/IoT offerings** and upgrades of non-Munters equipment
- Capture the rental and **Climate as a Service (CaaS)** market

Identify and pursue growth in markets with attractive opportunities

Market (example)	Current performance	Why we find it attractive	Key activities to drive growth
Lithium battery manufacturing	<p>Net Sales (mSEK)</p> <p>2015 2016 2017 2018</p>	<ul style="list-style-type: none"> • Market growth at double-digit pace driven by battery boom • Strict humidity requirements – and need for reliable and sustainable solutions • Munters already a leading player with strong customer base 	<ul style="list-style-type: none"> • Dedicated expert supporting all countries • Development of new products • R&D development of new technology
China	<p>Net Sales (mSEK)</p> <p>2015 2016 2017 2018</p>	<ul style="list-style-type: none"> • Above market-average growth • Increasing understanding of importance of humidity control • Scattered market where Munters holds a leading position 	<ul style="list-style-type: none"> • Local management team focused on China • Development of new products for specific region • Product Management and Marketing focus for specific region

We continuously monitor markets to identify upcoming opportunities in our end markets

We are continuously investing in R&D to stay ahead of competition

Prioritizing key R&D areas

1. Launch next generation of core components within pads and rotors
2. Launch connected offerings
3. Launch smarter products through new hardware platform and future-proof software

A range of important product launches



DryCool® Focus
A combination of **desiccant dehumidification and total energy recovery** leading to reduced cool and re-heat.



DSS – Desiccant System Solution
A new and improved **desiccant system** with a range of pre and post treatment options.



GreenDry®
Newly designed air-handler with double wall construction providing **hygienic interior**.

2017



FreeDry™
A new and improved unit specifically designed for **ice-rinks**.

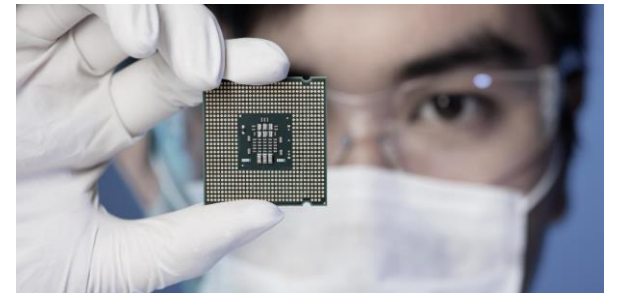
2018



MCC – Munters Connected Climate®
This is Munters newest addition in the **digital world**. It enables our units to be connected to the cloud and to **control our units remotely**

We are confident about the future for AirTech

- Active in markets with **solid growth** driven by pursuit for **sustainability** and productivity
- **Market leading** position in most of our customer industries with a strong **brand** and **blue-chip customer** base
- Strengthened organization and **improved governance** with **clearer responsibility** for the regions to drive the business
- **Prioritizing resources** to identified markets and sub-segments where we see the **highest growth** – including continued focus on our **service** business



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CEO wrap-up – Confident in our targets



23



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A close-up photograph of a person's hands gently holding a small, fluffy white chick. The chick is perched on the person's fingers. The background is a soft-focus field of golden-brown crops, likely wheat or corn, under warm lighting. A dark teal rectangular box is overlaid on the left side of the image, containing white text.

FoodTech – We help to
feed the world by changing
the way we farm

Leading industry player with a solid growth over last years

Business Area overview

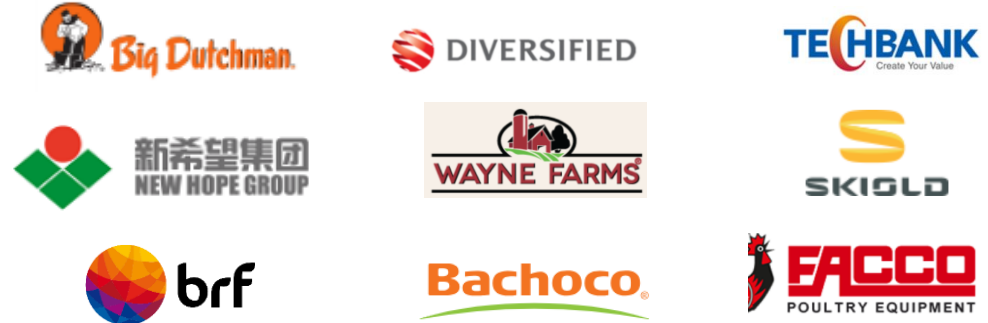
The only global supplier offering a **full suite of climate control solutions** for poultry, greenhouse, dairy and swine industry

Global leader in markets that accounted for **almost 2/3 of Net Sales** in FY2018

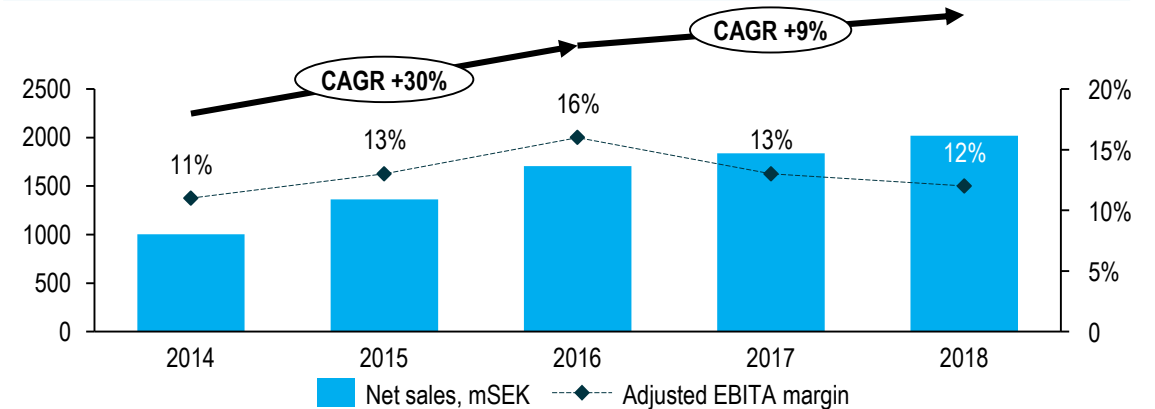
Industry-leading solutions for **connecting the supply chain** and **software offering** for food producers across the globe

Global reach through extensive network of distributors

Selected customers

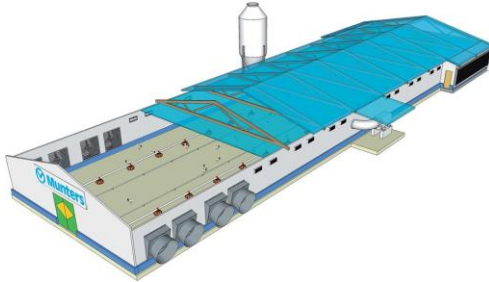


Financial performance (Net Sales, mSEK)



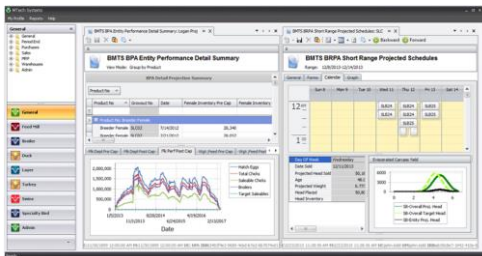
Supporting our customers with climate and data-based optimization

A Create the perfect climate



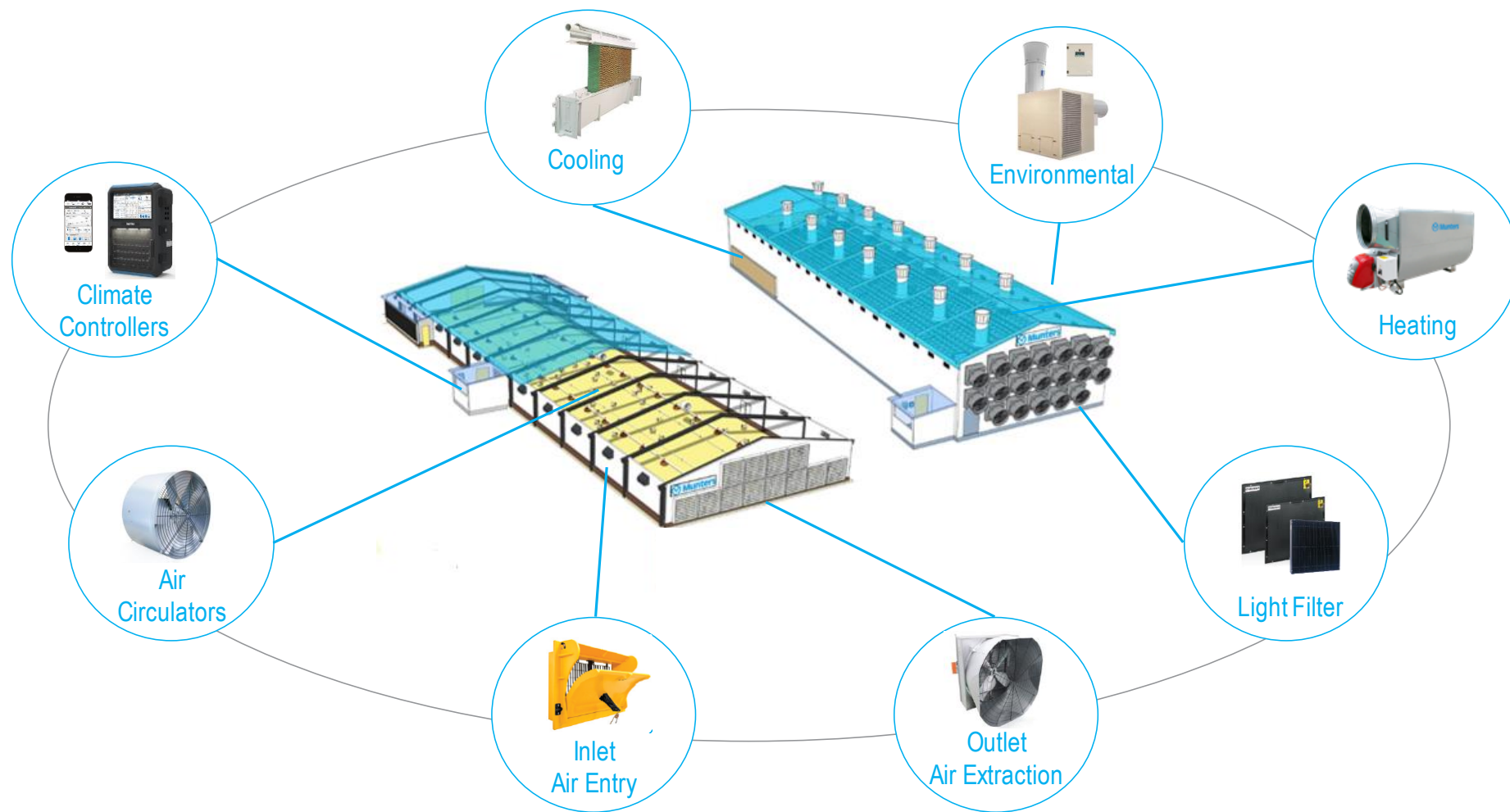
Offer equipment and solutions to create the **optimal climate** for livestock and greenhouse production, including both **hardware and know-how/design**

B Guide customers through data



Offer services and **software** to support food producers to **optimize their whole value chain**, including both live operations and processing

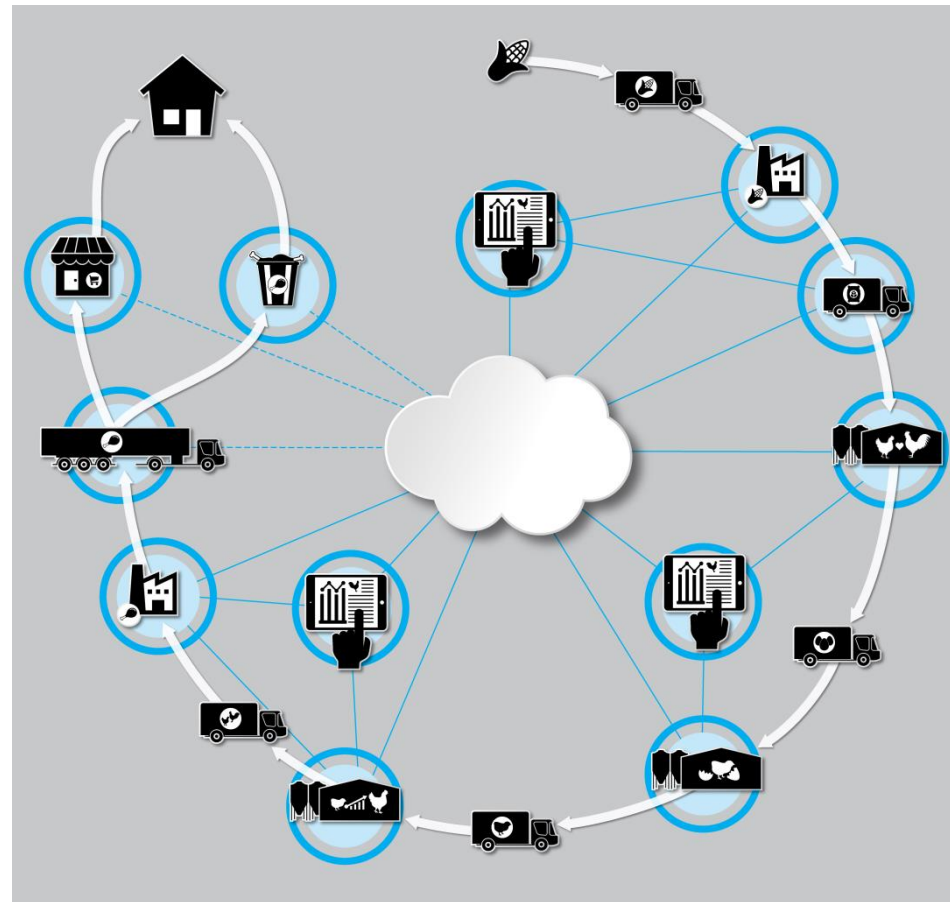
We create the perfect climate with the help of a broad product portfolio



We guide our customers with the help of world leading software

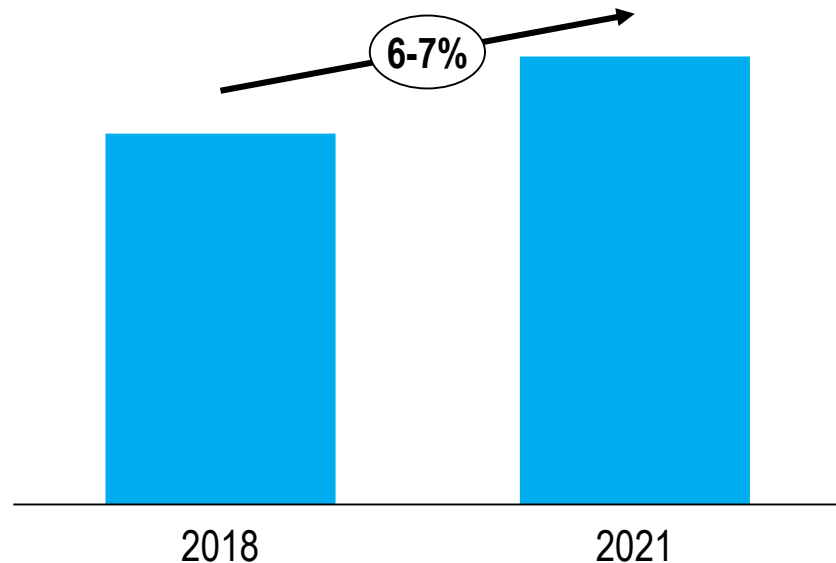
Software for managing the supply chain of food producers

- Software for integrators **covering the whole supply chain** including e.g., production of feed, genetics, processing, and logistics
- Software modules include e.g., functionality for
 - Managing **inventory** (e.g., eggs, feed)
 - Forecast input and output
 - **Production planning**
 - **Cost calculations**
 - Analyzing **real-time farm data**
- Projects often include software, implementation and maintenance and include the sharing of best practice from the industry
- Ongoing shift from perpetual licenses and on-site installations **towards cloud-based solutions and Software as a Service**



Global trends supporting the growth in the FoodTech market

Key end Market Growth CAGR in 2018-2021



Key end market Outlook

- **Underlying megatrends** drive demand
 - A growing world **population**
 - **Increasing GDP** (richer people eat more meat and vegetables)
 - **Land scarcity** – need for increased efficiency with more advanced technology
- Layer - Trend towards **cage-free** egg production
- Within swine segment, low growth in consumer demand, but production moves to production with advanced ventilation
- **Greenhouse** segment is **growing >10%** with shift to more advanced technology / climate control

Munters position

#1	Broiler
#1	Layer
#1	Food Chain SW
#2	Swine

Munters stand out among competitors by having leading, energy-efficient **technologies** and superior **application expertise**

Business portfolio overview – FoodTech with several strong positions

	Business	Size in Munters	Our performance	Market attractiveness	Opportunities
Create Your Perfect Climate	Poultry (broiler and layer)	L	●	●	<ul style="list-style-type: none"> Leverage strong position in layer segment where there is an ongoing shift to cage-free egg production requiring investments in new barns
	Swine	M	●	●	<ul style="list-style-type: none"> Shift to more advanced climate control including use of positive pressure (where Munters is market leader)
	Greenhouse	S	●	●	<ul style="list-style-type: none"> Grow share of wallet (develop more products and/or acquisitions)
Guide customers through data	Software	S	●	●	<ul style="list-style-type: none"> Grow in new segment (small and medium size customers) with the new generation cloud-based software Amino

Negative impact from African Swine Fever – but it can create opportunities for Munters long-term

New cases of ASF still being discovered

- The outbreak of African Swine Fever (ASF) in China officially **started in August 2018** and new outbreaks are still confirmed even though **less cases than in Q4** last year
- The outbreak is likely to **reduce the Chinese pig production with 30%**, which is the largest in the world
- The outbreak have lead to a **sharp decrease in investments** in infrastructure for Swine production in China

The impact is difficult to predict, but not only negative

- Due to the reduced production in China, **pig prices have increased** rapidly since March
- The impact from ASF could last for a long time and consequences are difficult to predict – but changes in the industry could be positive for Munters:
 - Industry **consolidation** - large modern farms replace small
 - Shift of trade with **more export to China** from other countries
 - Increase the demand for other protein in China, primarily chicken

Negative outlook on short term, however medium to long term, the industry consolidation and shift to more modern farms are likely to create opportunities for continued growth

FoodTech growth enabled through enlargement of the portfolio, expansion into new geographies and by acquisitions

Key achievements over last five years

Geographic expansion

- Increased the share of **sales from Asia from 14% to 25%**, primarily in China



Portfolio expansion

- Added **new product lines**, e.g., inlets, direct driven fans, heat exchangers etc.
- Launched offering (next generation controllers, sensors and communication hubs) for **connecting the supply chain**
- Developed next generation **software to be sold as Software as a Service**



Strategic acquisitions

- **Acquired companies** that strengthened our offering - **Reventa** (products for cold climate), **MTech Systems** (software for integrators)

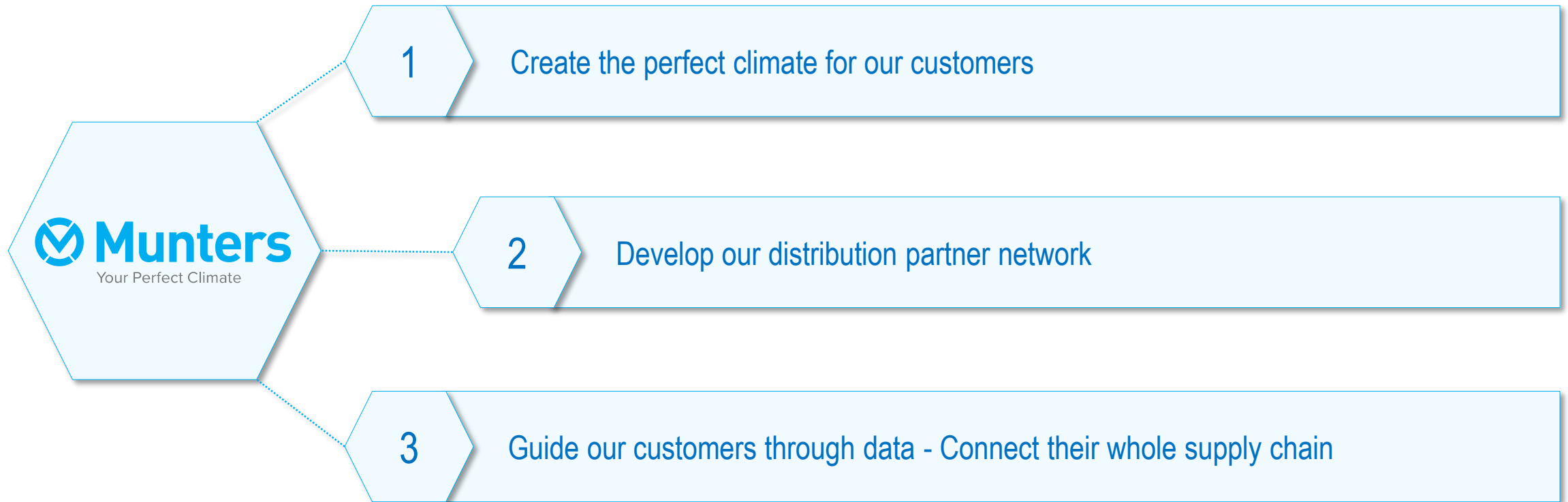


a Munters company



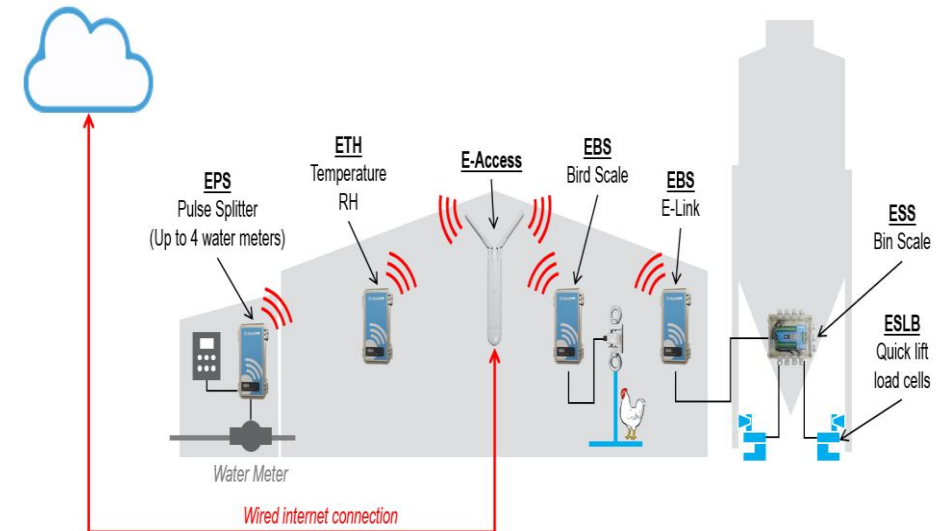
a Munters company

Strategic priorities for the future



SonarEcho is fundamental for connecting (real-time) the whole supply chain for food producers effectively

- Our existing software offering enables **food producers to connect, control and manage their supply chain**, e.g., manage inventory of feed, medicine, and finished products, but also plan and forecast the production
- Adding our SonarEcho hardware (sensors and communication hubs) to farms **enable real-time data** from the whole supply chain
- Benefits for the food producers include
 - **Reduced waste** of feed
 - Optimized **logistics**
 - More **precise planning** of production
 - Reduced need for farm visits
 - Benchmarking and **better control** of high and low performing farms



We are confident about the future for FoodTech

- Active in markets with **solid growth** driven by the need for increased productivity, food safety, animal welfare and sustainable food production
- Over the last years, we have successfully **expanded geographically** and **expanded our offering**
- We are now in a **market leading** position with a comprehensive offering to **control the climate** in a farm as well as software for **managing and optimizing the whole supply chain** of food producers
- We will further develop our offering and offer the **Perfect Climate**, and we see opportunities to grow in the **greenhouse** segment, **advanced climate control** and through **new services based on collected data** from the supply chain



Agenda – platform for today and the future

CEO – Munters Towards Full Potential

- A strong company – but disappointing performance since IPO
- Global player in niche markets
- Full Potential Program to seize opportunities

Global Operations – Building a customer-oriented and scalable platform

AirTech – Sustainable solutions for demanding industrial applications

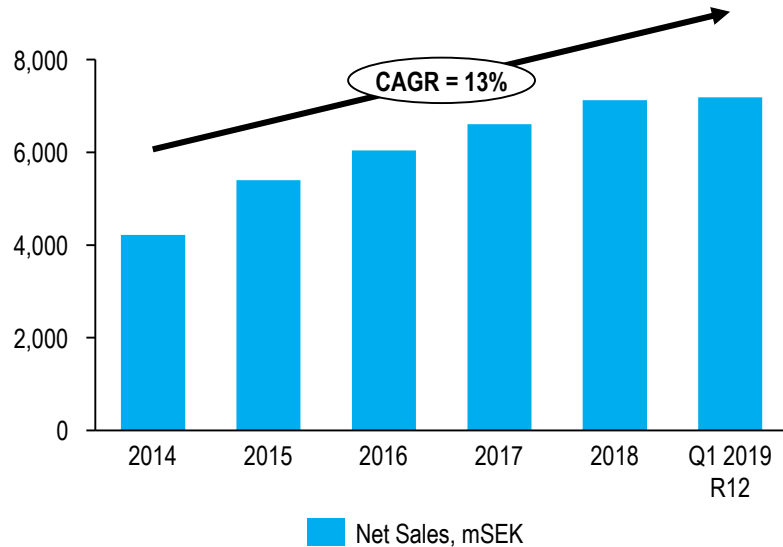
FoodTech – Sustainable solutions for demanding agricultural applications

CFO – Delivering the numbers

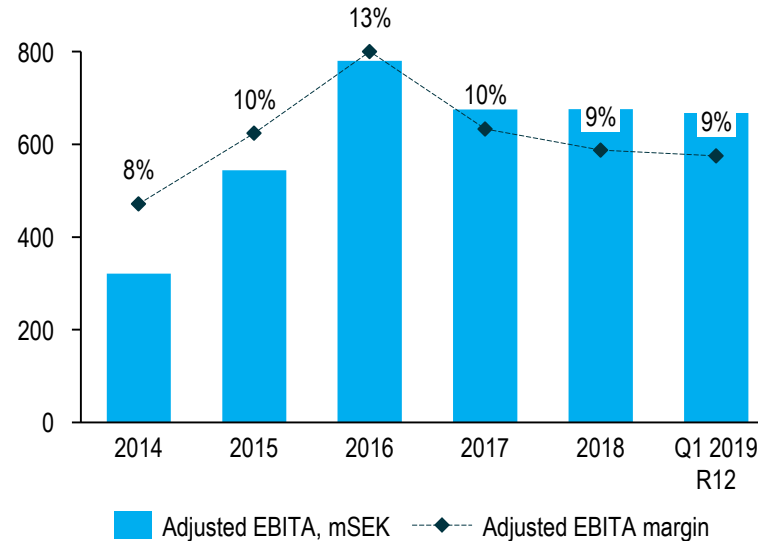
CEO wrap-up – Confident in our targets

Attractive financial profile, but we have not met our financial targets

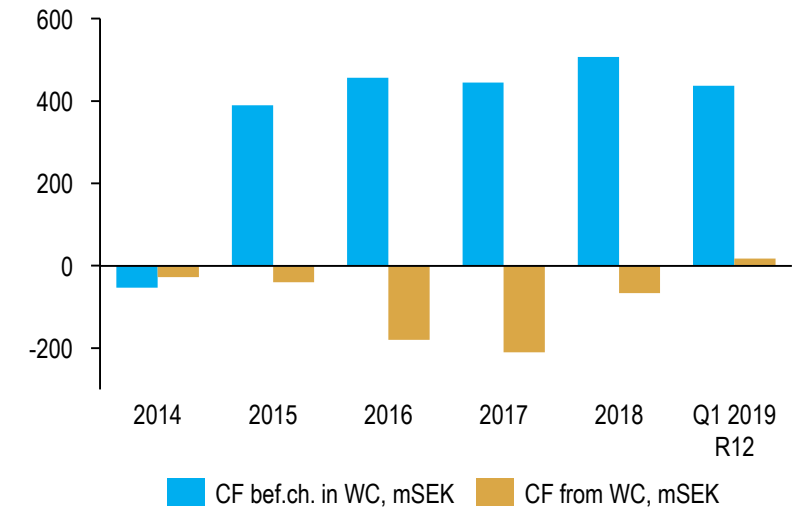
Strong Net Sales growth



Profitability negatively impacted by DC



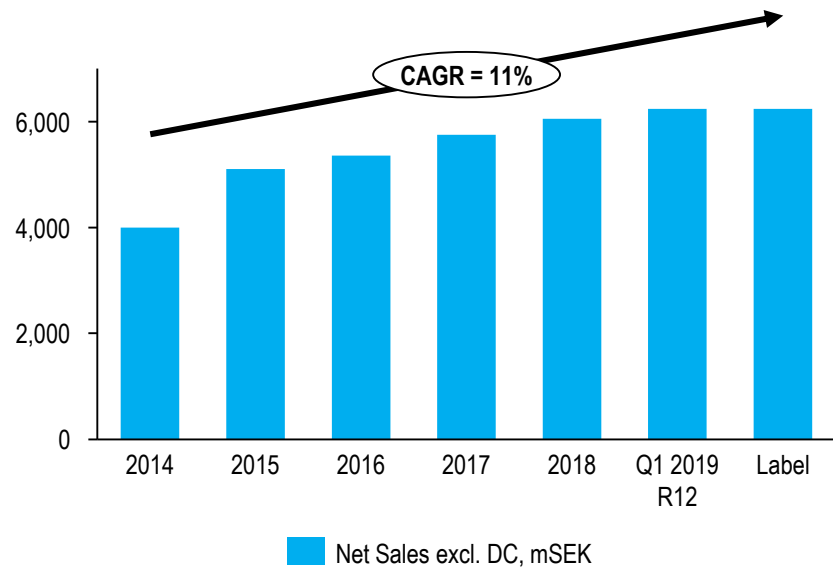
Consistent high cash generation



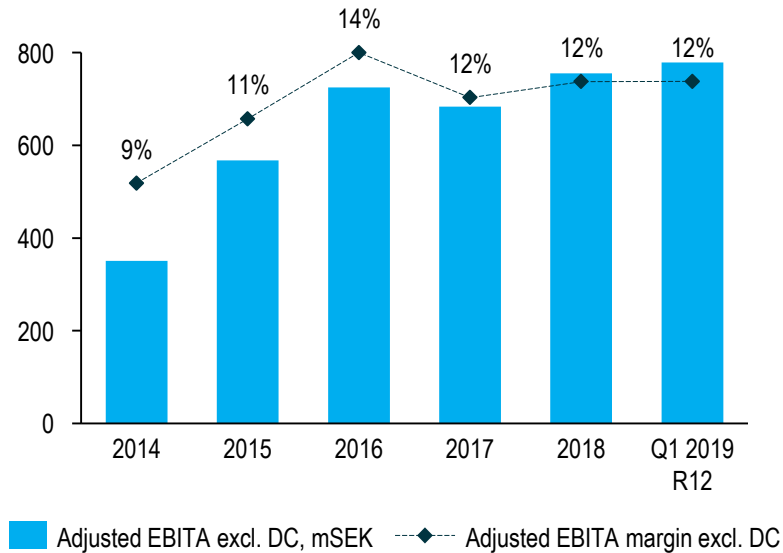
- Strong Net Sales growth over period
- High cash generation
- Lower profitability caused by DC lumpiness, production inefficiencies and customer mix

Financial profile is better when excluding Data Centers – moderate slower sales growth but firmer margin

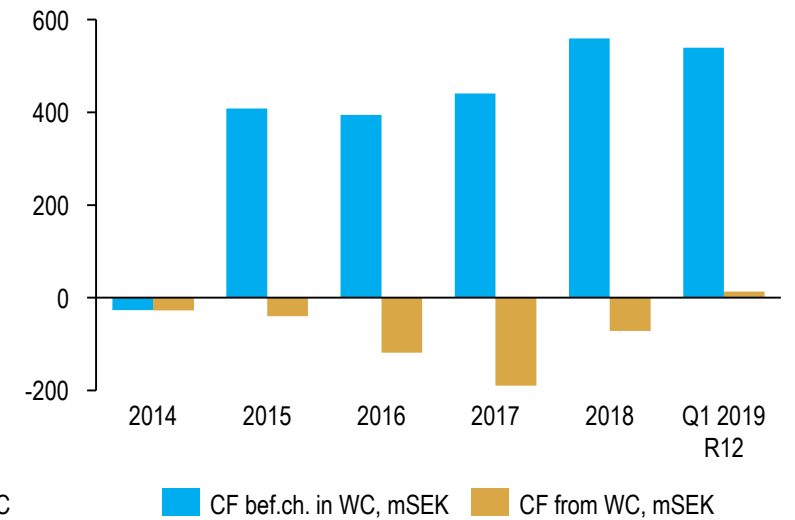
Net Sales growth 2 p.p. lower without DC



Margins 3 p.p. higher without DC (2018, Q1 2019)



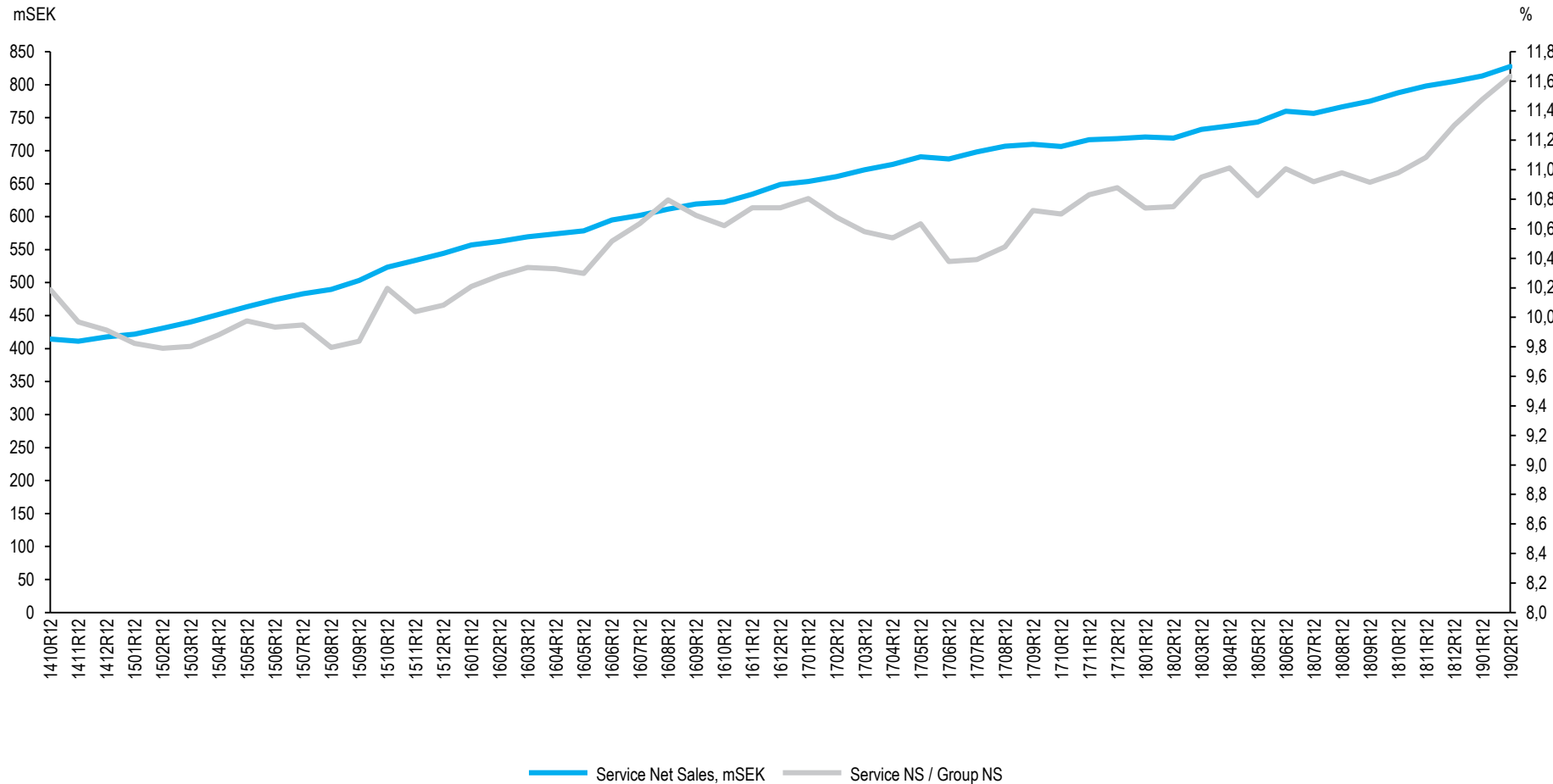
Consistent high cash generation



- Large projects in DC EMEA with poor profitability and poor NWC profile, impacting overall Munters performance

Services is a high margin activity, with large potential to be captured

Service Net Sales 2014-2019



- **High growth of 17% CAGR between 2014-2018:**
 - Consistent growth
 - Resilient to Munters lumpiness
- **Large potential still to be captured in service contract:**
 - Large installed base
 - Still low penetration rate

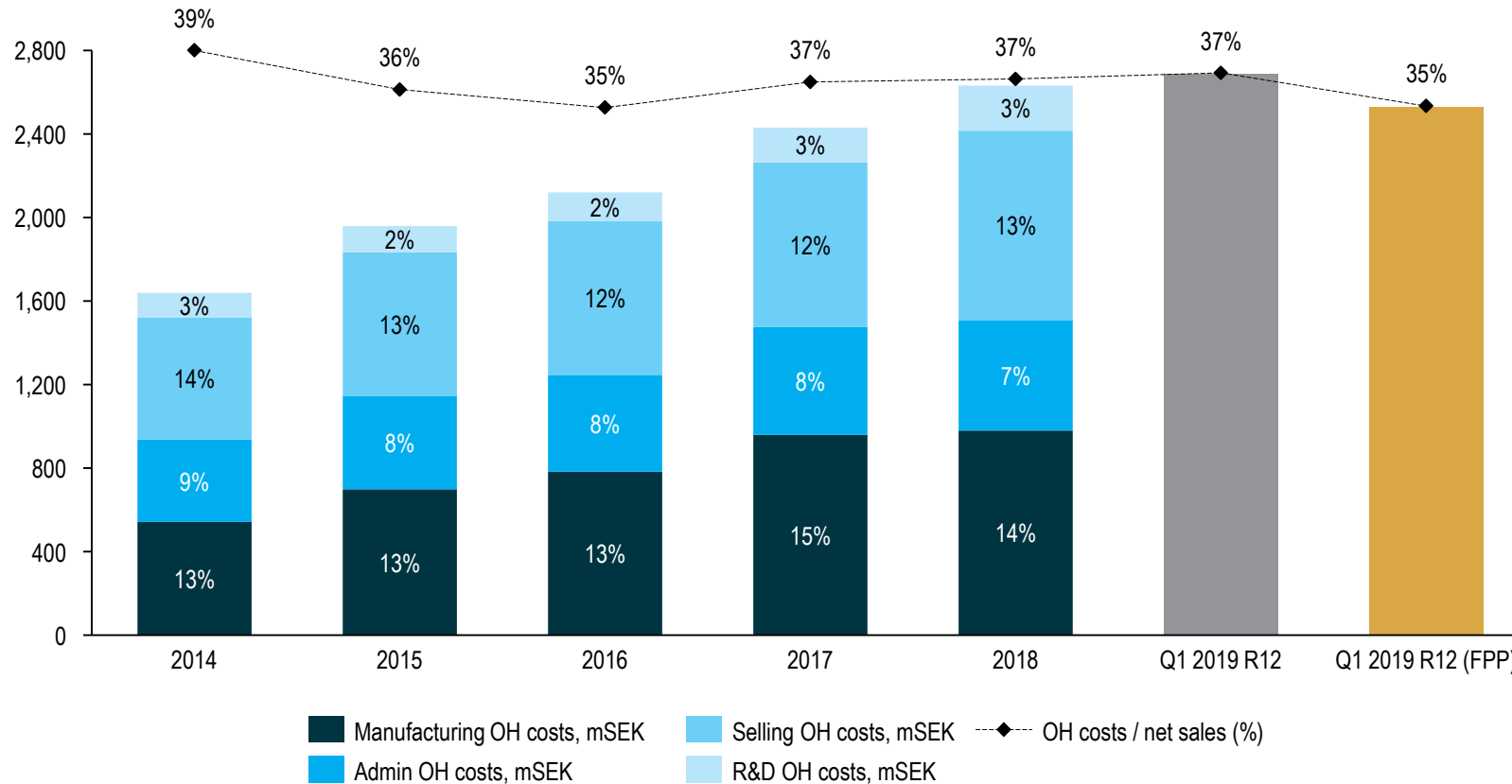
Full potential program (FPP) - full impact expected in 2020

Program	2019 adj. EBITA impact	2020 adj. EBITA impact – equals ongoing annual run-rate	One-time costs	Cash pay-back time
Total program impact	mSEK +105	mSEK +210	mSEK -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.

Key costs / structure and early encouraging signs from FPP

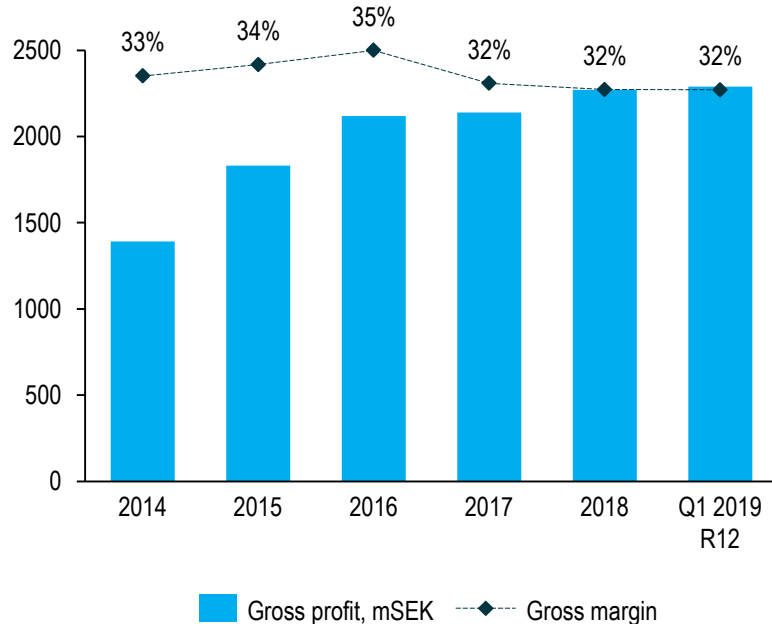
Full Potential Program brings OH down



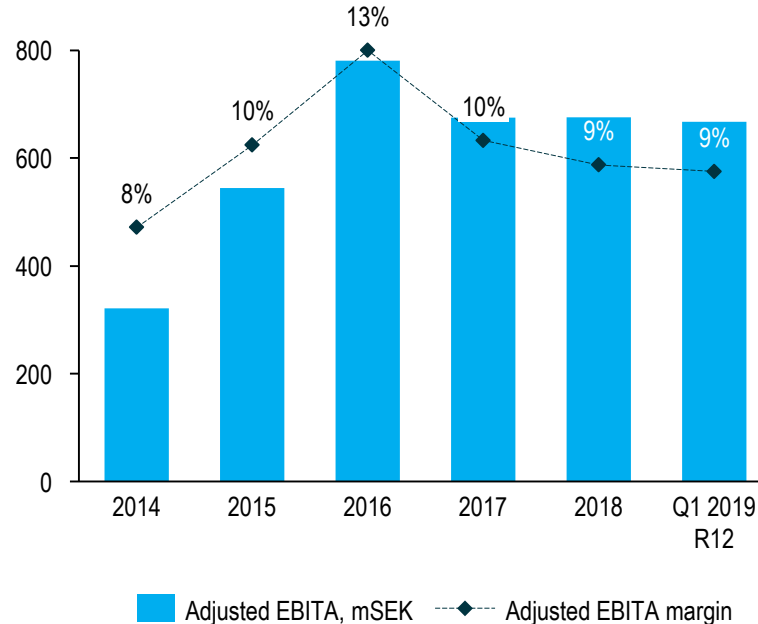
- OH cost increases mainly driven by Services, China and R&D
- FPP will generate Run-rate savings of 160 mSEK

Considerations to improve gross profit and EBITA

Gross margin flat since IPO



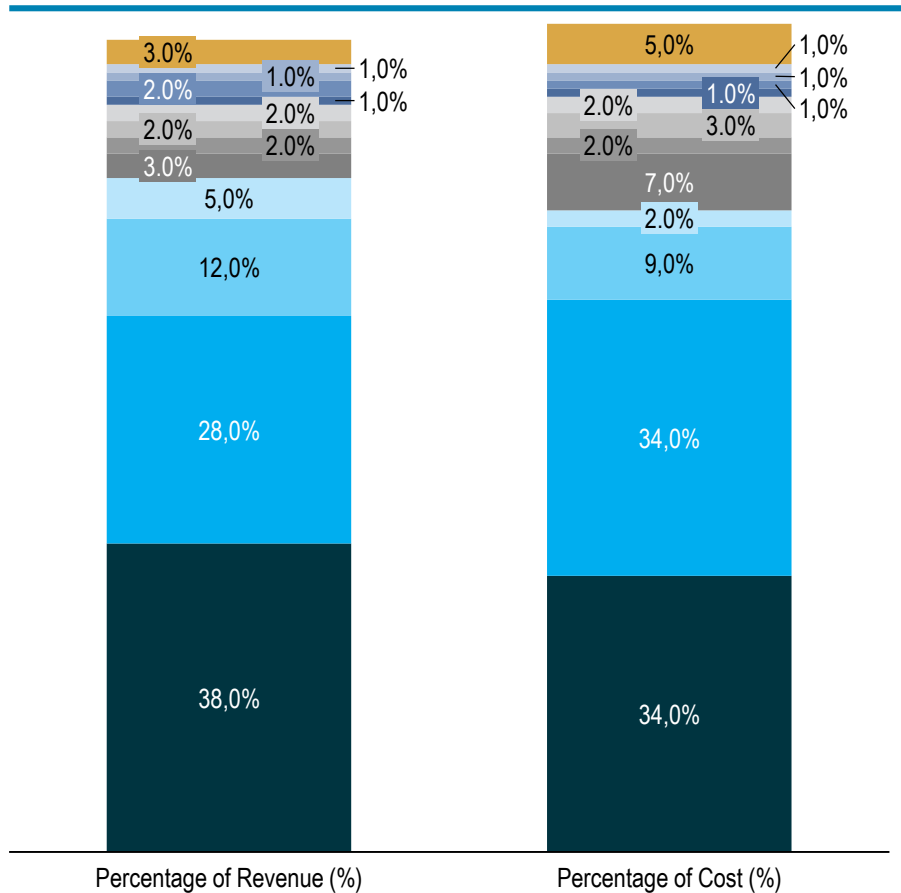
Adjusted EBITA down since IPO



- Low performance mainly driven by DC, but improvement potential across the Group
- Different initiatives under implementation in order to improve gross margin and EBITA:
 - Pricing initiatives
 - Capture of service potential
 - Procurement and Cost Out programmes
 - Operations stability
 - Scalability

Currency exposure largely naturally hedged

Currency Transaction exposure (2018)



■ USD ■ CNY ■ SEK ■ GBP ■ KRW ■ THB ■ Other
■ EUR ■ DKK ■ JPY ■ BRL ■ AUD ■ SGD

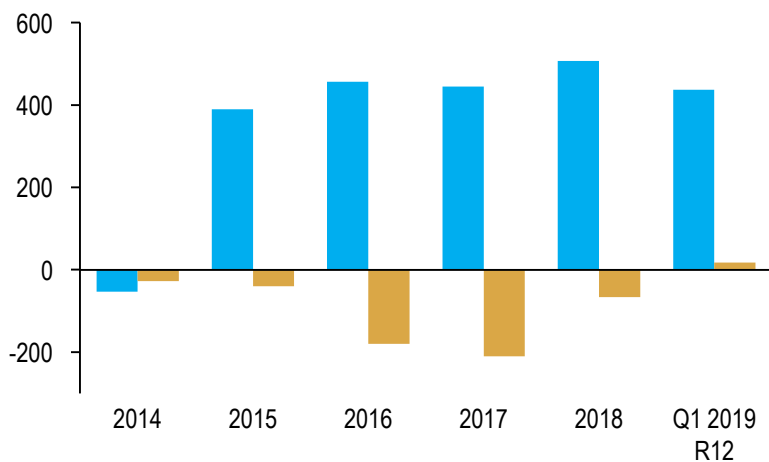
Currency Sensitivity Table

SEK +10% compared with	Estimated effect on EBIT	
	mSEK	%
USD	-54.0	-11%
CNY	-27.6	-6%
DKK	-28.1	-6%
KRW	-6.5	-1%
THB	-5.0	-1%
AUD	-4.9	-1%
SGD	-1.5	0%
CAD	-1.0	0%
TRY	-2.3	0%
CZK	3.1	1%
ILS	6.8	1%
MXN	8.6	2%
EUR	28.1	6%
Other currencies	-3.3	-1%
Sum	-87.7	-18%

- Good balance between sales and expenses in the various currencies (natural hedges)
- Minimal hedging of transaction exposure applied
- Currency exposures occur in USD, EUR and CNY
- Significant net exposures are hedged
- Operating exposure in USD and EUR is mainly hedge through Group financing arrangements

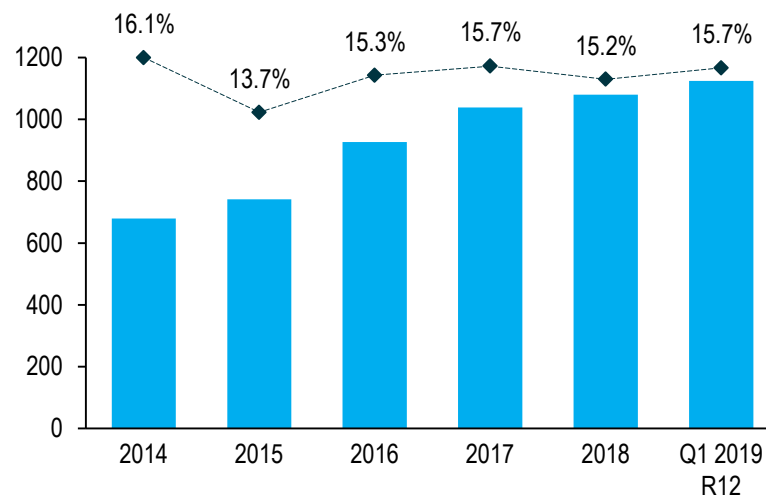
Very strong cash flow dynamics

High cash generation



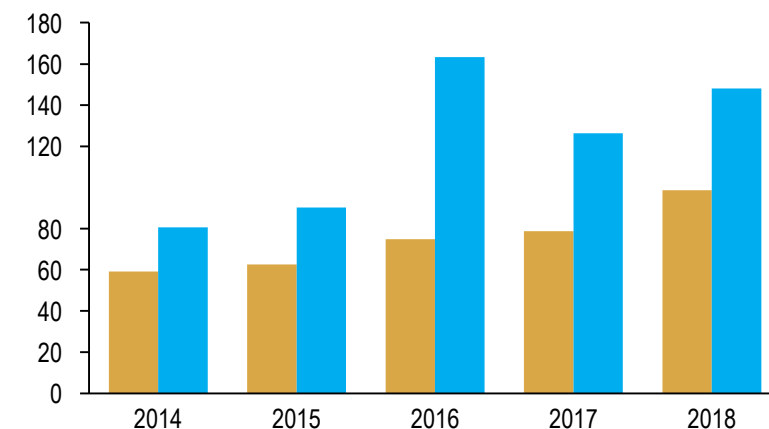
CF bef.ch. in WC, mSEK CF from WC, mSEK

Increased focus on reducing NWC



Operating WC, mSEK OWC / net sales

Munters is CapEx light, low CapEx levels in FPP

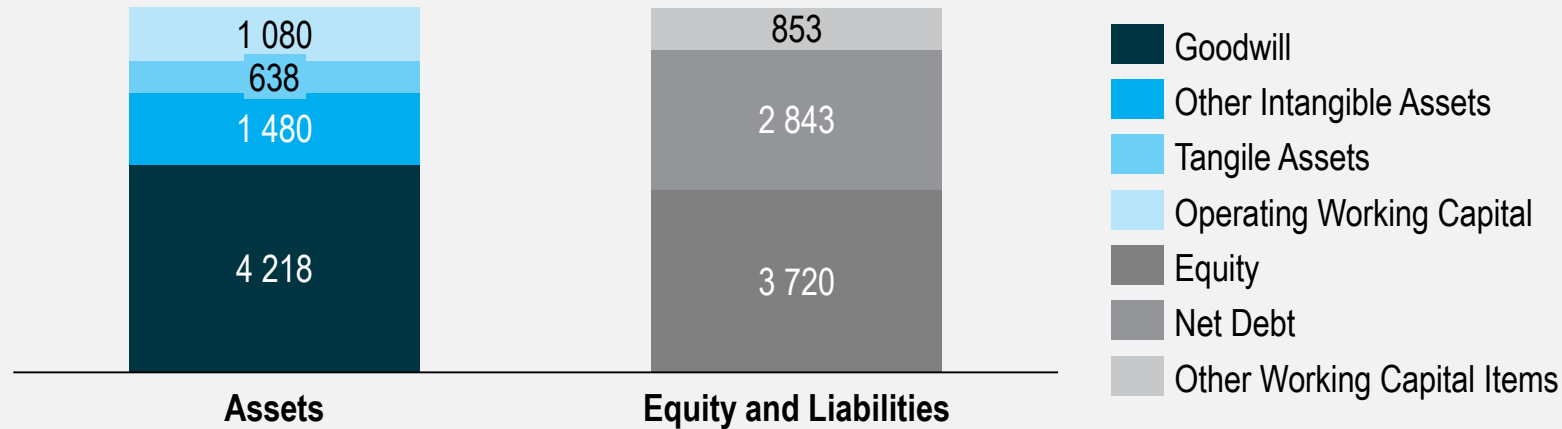


Depr, tangibles, mSEK CapEx, tangibles, mSEK

- Growth in DC and China as increased NWC
- FPP focus on reducing NWC

Capital structure allocations priorities

Current capital structure, mSEK



Key priorities for Capital Allocation

1. Achieve strong balance sheet – deleverage
2. Organic growth and cash flow to fund investments in the business
3. Reinstate dividend as FCF grows
4. Disciplined and selective M&A

Facility`	US Term Loan	EUR multicurrency RCF
Commitment	250 000 000 USD	185 000 000 EUR
Temporary increase of commitment	n.a.	19 MEUR (from 1 st of April to 31 st of Dec 2019)
Base rate	3m US Libor	3m EURIBOR (floor at 0%)
Current margin (bps)	250	230
Commitment Fee (%)	n.a.	35 % of applicable margin on RCF facility on unutilized amount
Covenant – Net debt Leverage ratio	Net Debt / LTM Adjusted EBITDA	

Financial targets

Growth

5%

“Munters’ objective is to achieve an annual organic revenue growth of 5%, supplemented by selective acquisitions”

EBITA
margin

14%

“Munters’ mid-term target is to have an adjusted EBITA margin of 14%”

Capital
structure

1.5-2.5x

“Munters’ target is to maintain a ratio of net debt to adjusted EBITDA of 1.5-2.5x, and may temporarily exceed this level e.g. as a result of acquisitions”

Dividend
policy

30-50%

“Munters aims to pay an annual dividend corresponding to 30-50% of the net profit for the period. The pay-out decision will be based on the Company’s financial position, investment needs, acquisitions and liquidity position”

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CFO – Delivering the numbers

CEO wrap-up – Confident in our targets

We are confident we can deliver on our financial targets

- We operate in **attractive markets** driven by strong **sustainability** oriented global trends
- We pursue **leading positions** in selected market segments
- We have a plan to turn around the company short-term with the **Full Potential Program** – and a **strategy for long-term** profitable growth



Net Sales growth of 5%

Adjusted EBITA Margin of 14% mid-term

Net Debt/adjusted EBITDA ratio of 1.5-2.5

Dividends of 30-50% of Net Income

Questions & Answers