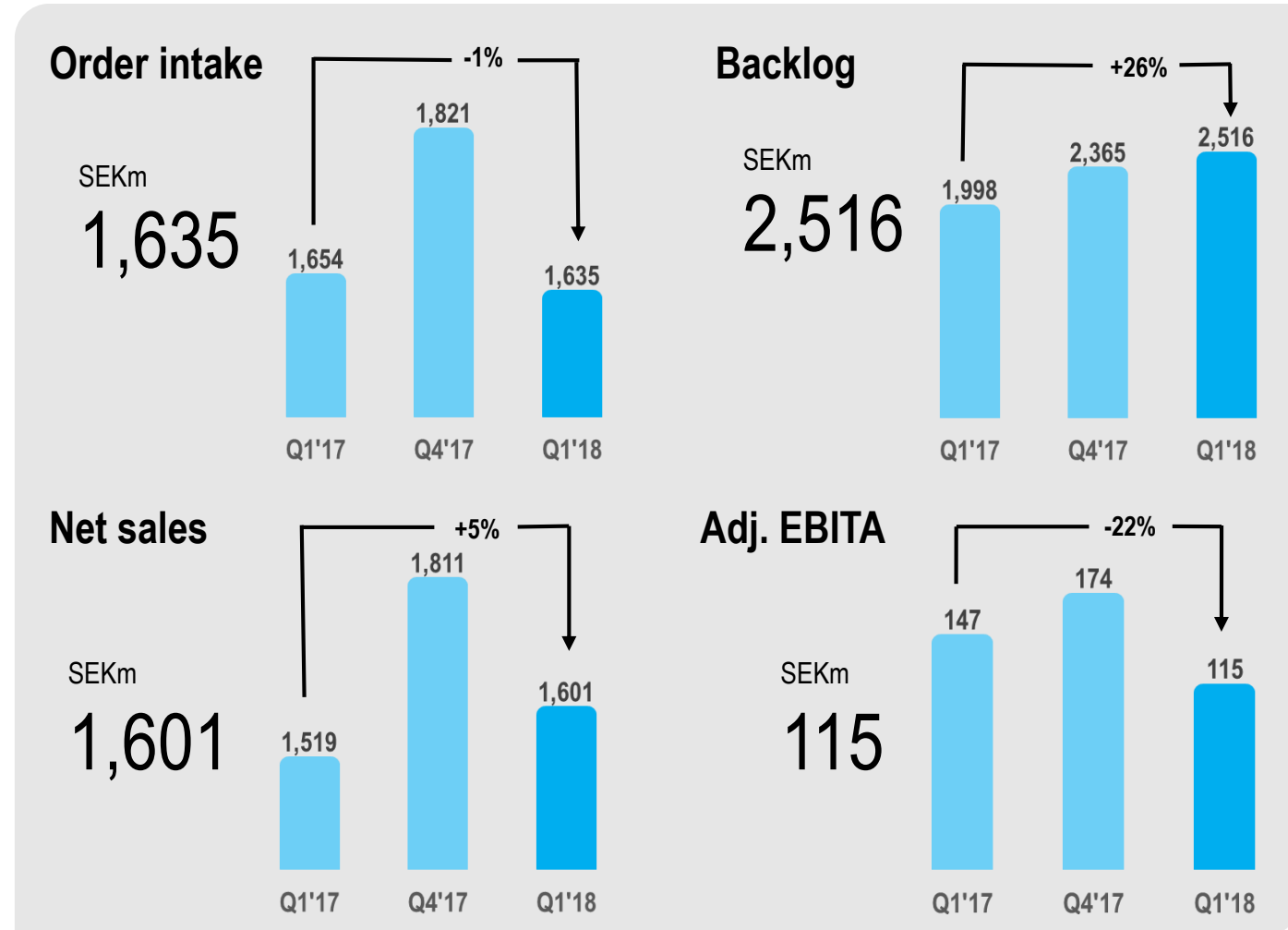


Munters first quarter 2018

Solid organic net sales growth

Solid organic net sales growth

- Order intake decreased by 1% and increased by 2% organically. Low activity level in the Data Center market during the quarter with no large orders signed
- Net sales increased by 5% and organic growth was 7%
- Adjusted EBITA decreased by 22% due to low activity level in the Supermarket end-market in Air Treatment and lower margin in Data Centers year on year
- Net income was SEKm 42 (-41)
- Cash flow from operating activities was SEKm 0 (-20)



Q1 2018 – Order intake and net sales bridge

- Organic order intake growth of 2%
- Organic net sales growth of 7%
- Negative FX impact on order intake and net sales

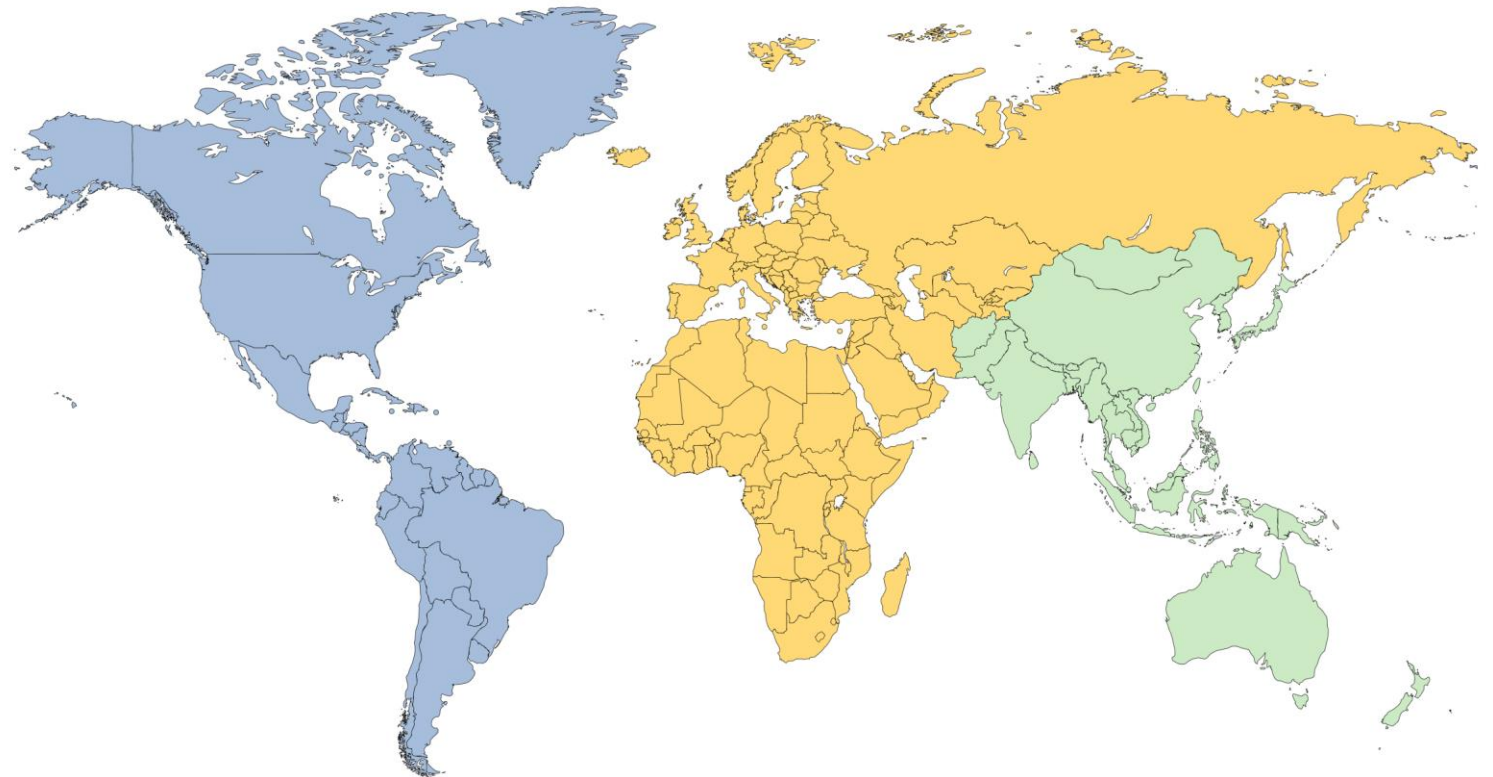
Order intake, SEKm	Q1	Δ%	Net sales, SEKm	Q1	Δ%
2018	1,635		2018	1,601	
2017	1,654		2017	1,519	
Change	-19	-1	Change	82	+5
Organic growth	28	+2	Organic growth	110	+7
Currency effects	-60	-4	Currency effects	-47	-3
Structural effects	13	+1	Structural effects	18	+1

Orders received – local currency

- APAC growing 40%, mainly driven by China
- Order intake in Americas down 12% mainly related to the Commercial sub-segment in Air Treatment
- In EMEA, the Air Treatment market was strong. In AgHort, Eastern Europe and the Middle East continued to be weak

Share of orders received R12, %
YTD vs. last year, %

Americas	EMEA	APAC
36%	43%	21%
-12%	+5%	+40%



Business Area Overview (LTM)



Air Treatment

- **53%** of net sales
- **12.5%** adj. EBITA margin

Global leader in energy efficient air treatment solutions for industrial and commercial applications used in mission critical processes



Data Centers

- **13%** of net sales
- **-3.8%** adj. EBITA margin

Global leader in climate control systems for medium and large scale Data Centers, primarily in the fast growing air economizer market



AgHort

- **28%** of net sales
- **13.4%** adj. EBITA margin

Energy efficient climate control systems for the growth and development of agriculture and greenhouse applications



Mist Elimination

- **6%** of net sales
- **8.7%** adj. EBITA margin

Global leader in mechanical gas and liquid separation. Our mist eliminators are key components in scrubbers to reduce emissions

Q1 2018 business highlights and market comments

Significant orders

- Two large lithium-ion battery orders in Europe and China
- Several large orders in AgHort Swine segment in China

Product launches

- New energy efficient indirect Data Center cooling solution, SyCool, without the need for water

Strong growth in Services

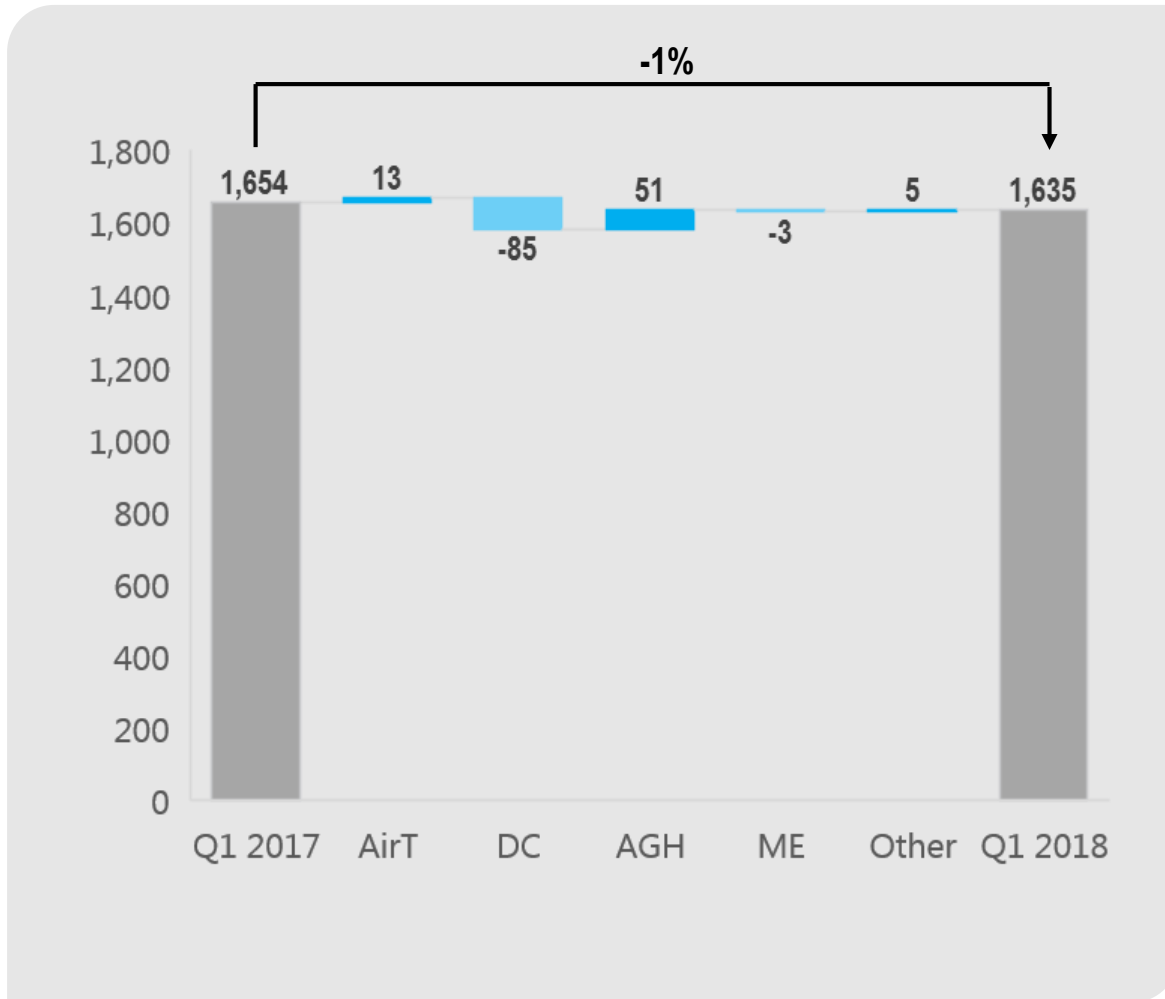
- Continued service contract penetration of the installed base, +8% order intake growth and +9% net sales growth

Other

- Gradual improvements in Data Center operational efficiency
- Increased raw material prices and continued FX headwind

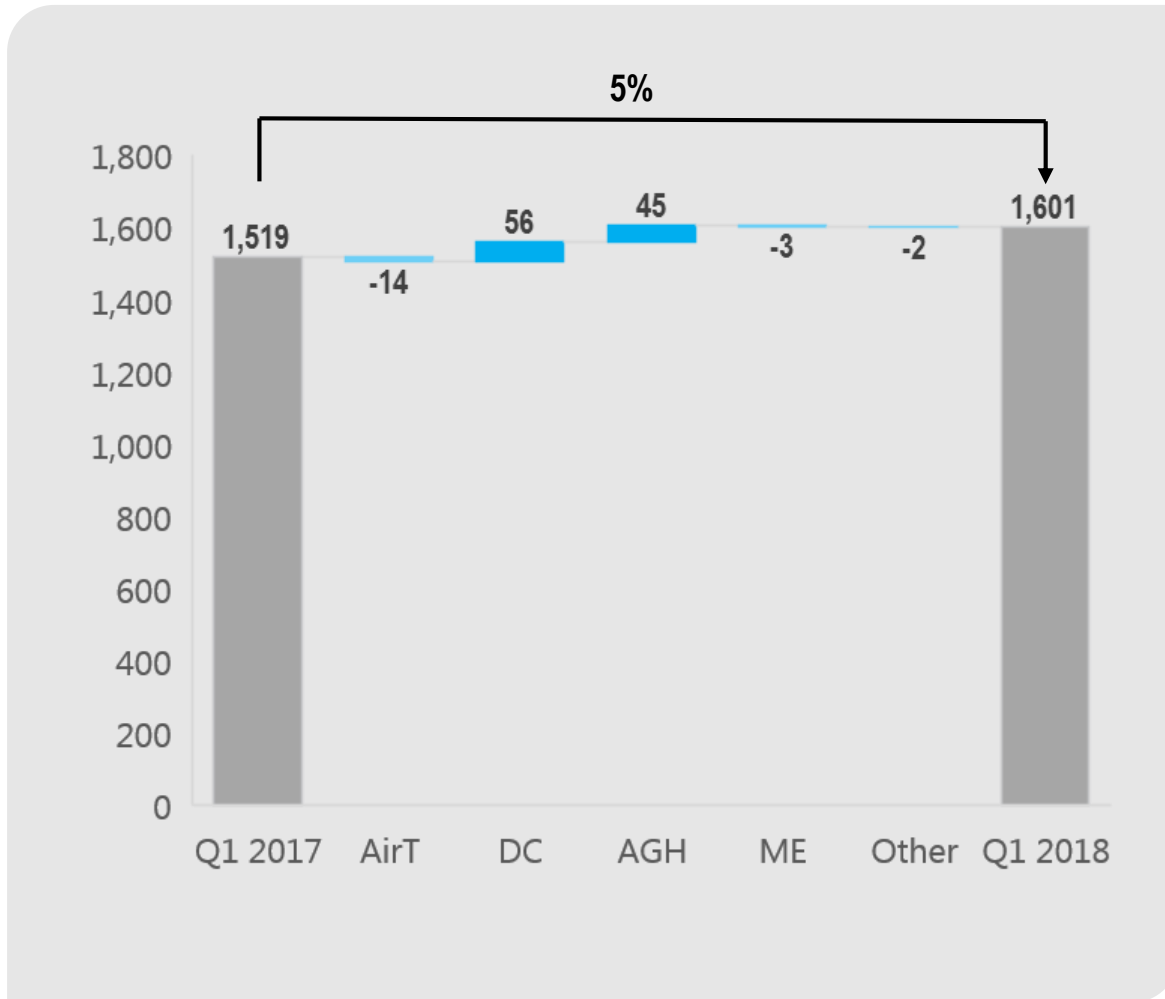


Q1 2018 – Bridge order intake, SEKm



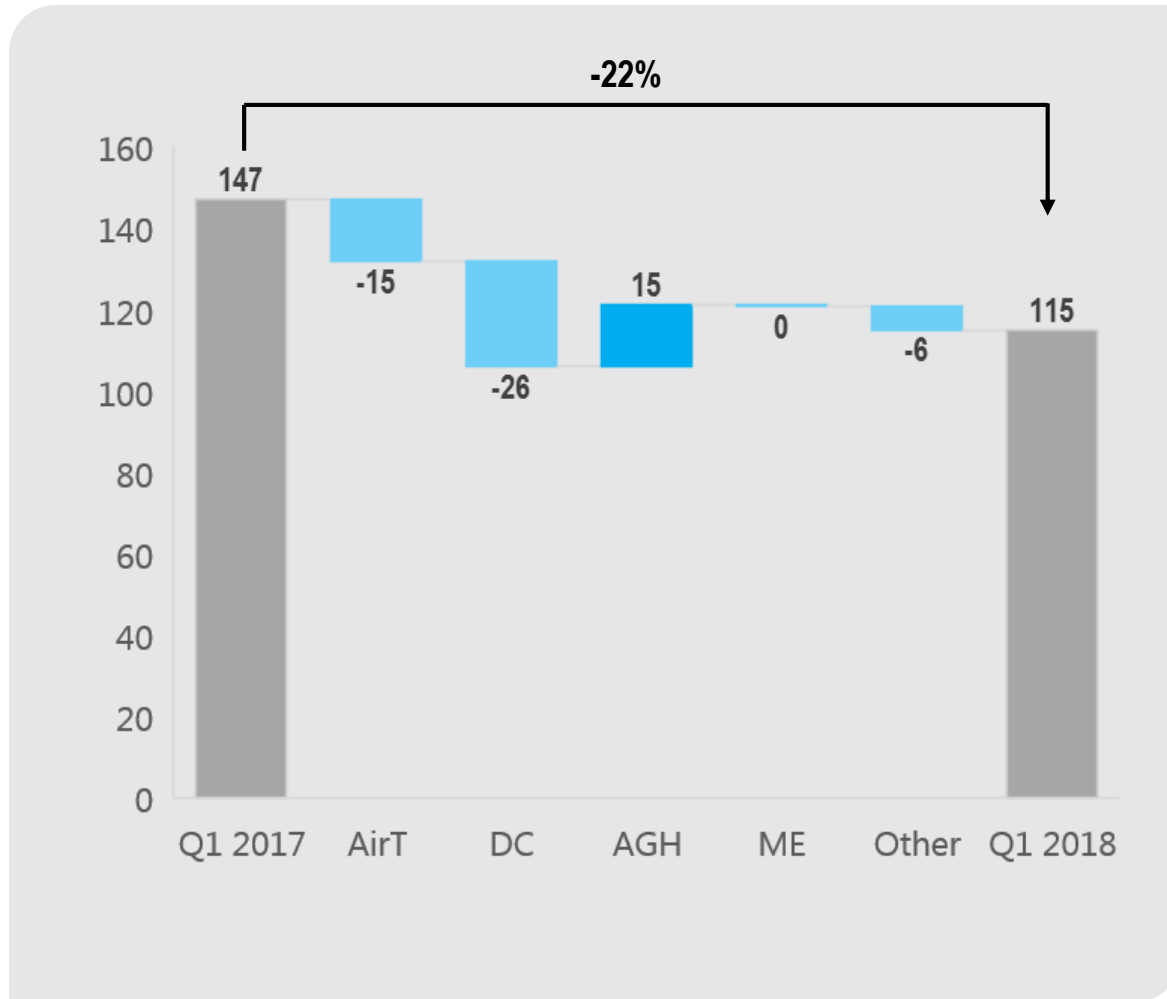
- Order intake declined by 1% (+2% organic)
 - Good growth in Air Treatment (+5% organic) and AgHort (+13% organic)
 - Slow overall Data Center market in the quarter with no large orders signed (SEKm 82 order in Q1 2017)

Q1 2018 – Bridge net sales, SEKm



- Net sales increased by 5% (7% organic)
 - Organic growth was reported for all Business Areas except Mist Elimination
 - Services net sales increased by 9% driven by strong growth in rotors and project start-ups

Q1 2018 – Bridge Adj. EBITA, SEKm



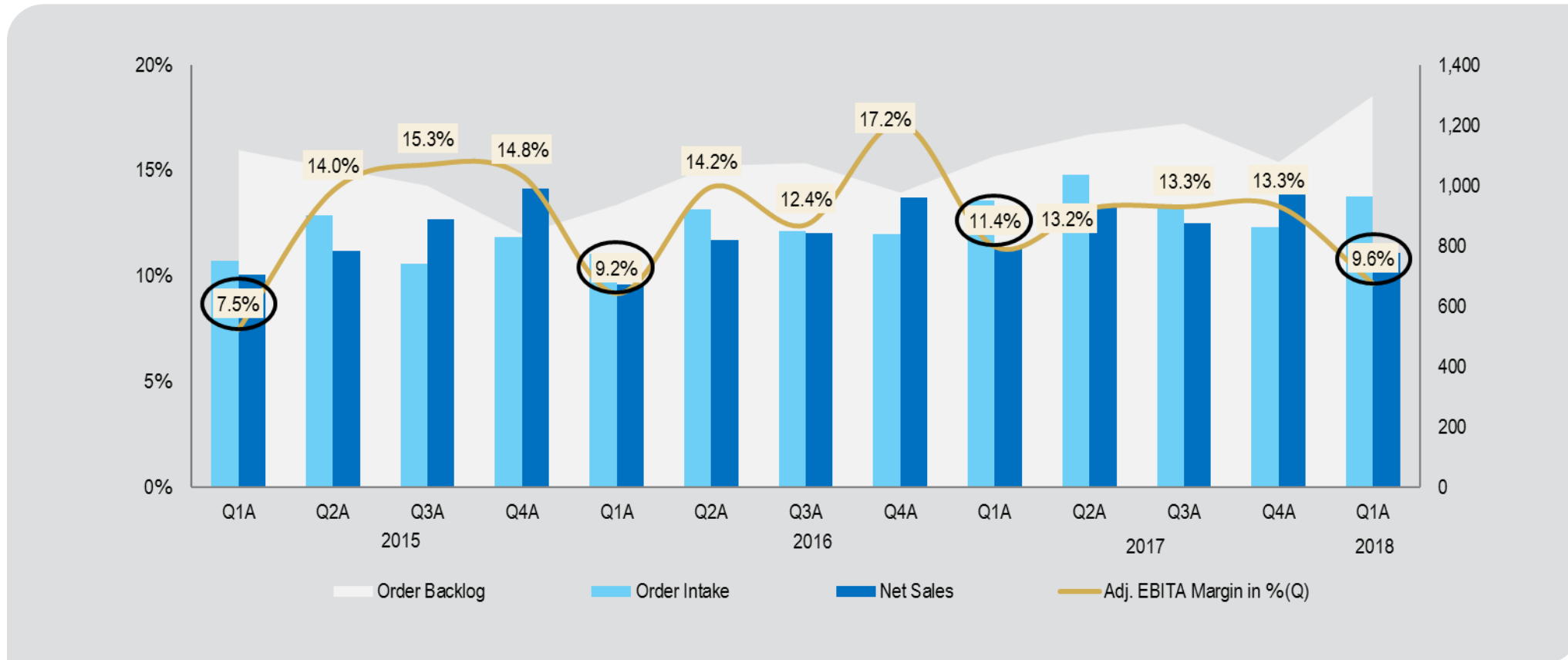
- Adjusted EBITA decreased by 22%
- Lower adjusted EBITA in the Air Treatment segment due to slightly lower net sales and negative product mix effects
- Increased earnings in AgHort due to higher volumes and supported by acquisitions
- Data Centers impacted by remaining project costs and redesign of production work flow
- FX headwinds (SEKm -7)
- Increased investments in sales organization and R&D to drive future growth

Q1 2018 – Air Treatment

- Order intake increased 1% (5% organic) with good growth in the Industrial sub-segment, Components and Services, offset by weak demand in the Supermarket end-market
- Net sales declined by 2% (2% organic increase) due to lower shipments to Supermarkets and negative impact from currency translation
- Adjusted EBITA margin decreased to 9.6% (11.4) due to product mix, continued investments in sales resources and R&D and currency headwind

SEKm	Q1		
	2018	2017	Δ%
External order backlog	1,300	1,097	18
Order intake	963	950	1
Net sales	779	793	-2
Operating profit (EBIT)	73	94	-23
Adjusted EBITA	75	90	-17
Adjusted EBITA margin, %	9.6	11.4	

Quarterly trading patterns – Air Treatment



Source: Company Information

¹ Calculated as $3 \times (\text{Net Sales in the quarter} / \text{External Order Backlog in the previous quarter})$

Q1 2018 – Data Centers

- Order intake decreased by 51% (48% organic decrease) with no large orders signed. The corresponding period last year included a SEKm 82 order from a major digital customer in Americas
- Net sales increased by 22% (24% organic increase) due to good deliveries in Europe and the US
- Adjusted EBITA was impacted by remaining project cost overruns and production workflow re-designs

SEKm	Q1		
	2018	2017	Δ%
External order backlog	581	321	81
Order intake	80	165	-51
Net sales	309	253	22
Operating profit (EBIT)	5	32	-84
Adjusted EBITA	6	32	-80
Adjusted EBITA margin, %	2.1	12.8	

Launch of new cooling technology SyCool ITC

- Launch of new product, SyCool ITC (Indirect Thermosyphon Cooling), for use where access to a suitable water supply is limited, expensive or unreliable
- SyCool uses the waste heat from the data center and a combination of gravity and a syphon effect, to drive a refrigeration cycle
- Similar level of energy efficiency as our leading Oasis indirect evaporative cooling product
- Subsequent versions of SyCool will include split systems providing an option to replace traditional chiller and CRAH (Computer Room Air Handlers) installations



Data Centre Business Roadmap

Past

- Custom Air Handling Unit manufacturer
- Polymer based heat exchanger
- Manufacturing in the US
- Small US business
- No outsourcing

Business start-up

Present

- Higher operating temperatures in DC's created opportunity for more efficient cooling technology
- Focus on the Data Center cooling market
- Manufacturing in the US and Europe
- New big digital and co-location customers
- Direct evaporative cooling growing
- Broader portfolio of economizer solutions
- Limited outsourcing

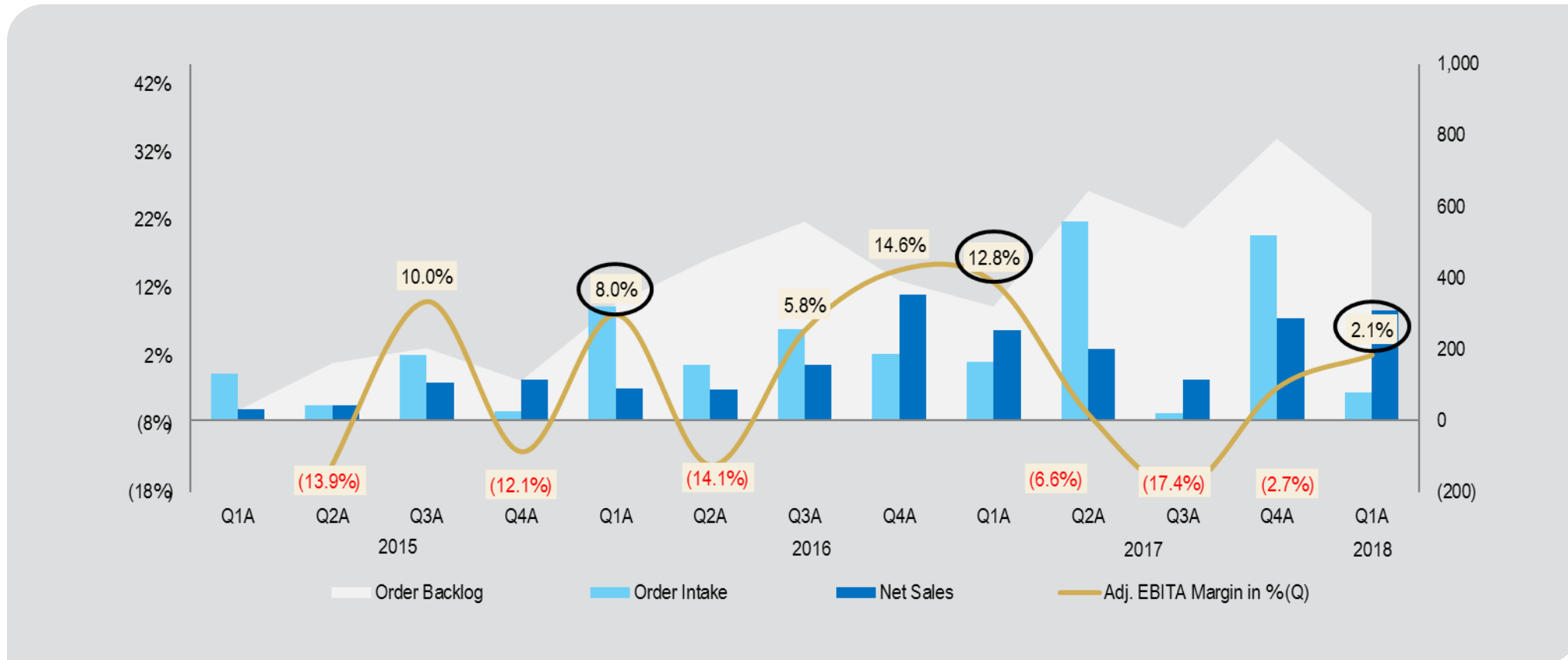
Emerging global business

Future

- New technology for indirect cooling developed
- Asia growth with local manufacturing
- Product development focused on service and replacement opportunities
- Increased outsourcing

Truly global & diversified business

Quarterly trading patterns – Data Centers



Source: Company Information

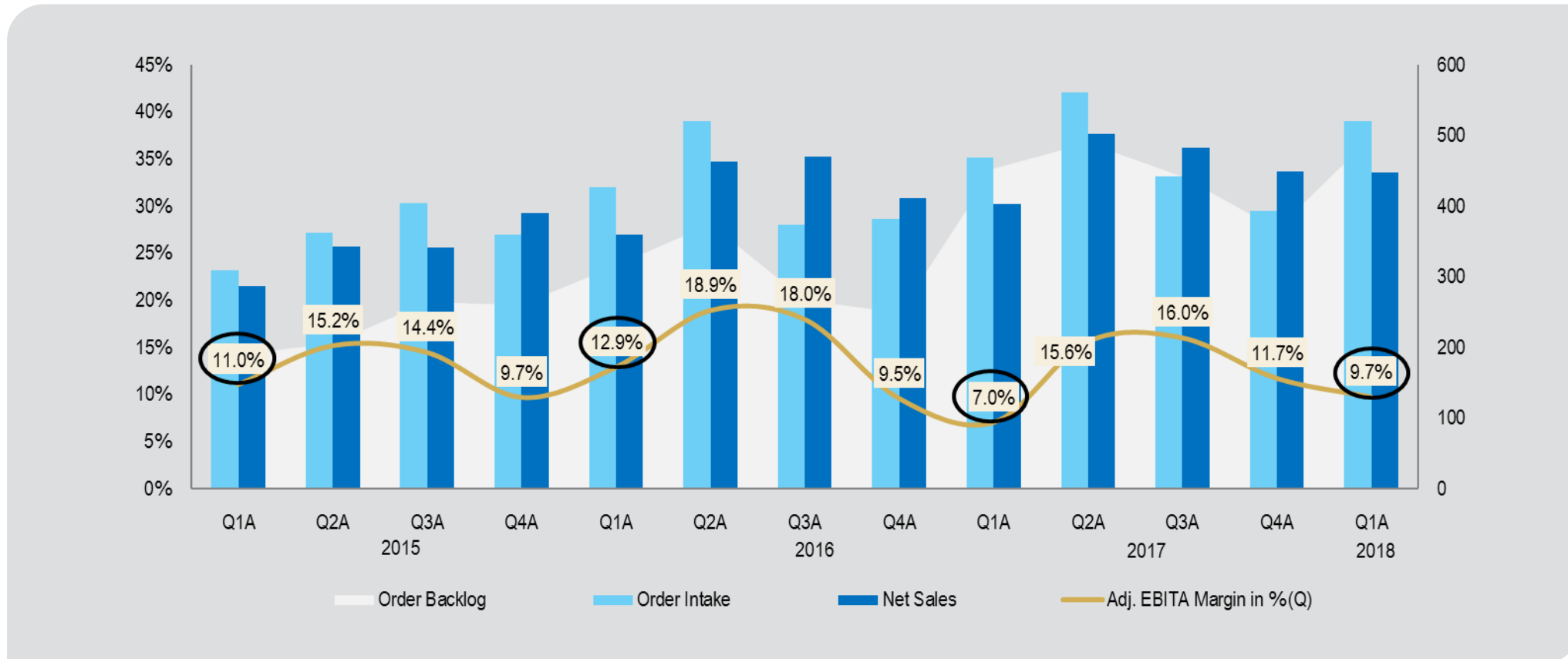
¹ Calculated as $3 / (\text{Net Sales in the quarter} / \text{External Order Backlog in the previous quarter})$

Q1 2018 – AgHort

- Order intake grew by 11% (13% organic) driven by large orders received in the Swine sub-segment in China. Continued low activity level in the US layer market during the quarter
- Net sales grew by 11% (11% organic), mainly driven by China. Most geographies were growing with US as an exception
- Adjusted EBITA margin increased, primarily due to higher volumes

SEKm	Q1		
	2018	2017	Δ%
External order backlog	498	454	10
Order intake	520	469	11
Net sales	448	404	11
Operating profit (EBIT)	41	25	62
Adjusted EBITA	43	28	54
Adjusted EBITA margin, %	9.7	7.0	

Quarterly trading patterns – AgHort



Source: Company Information

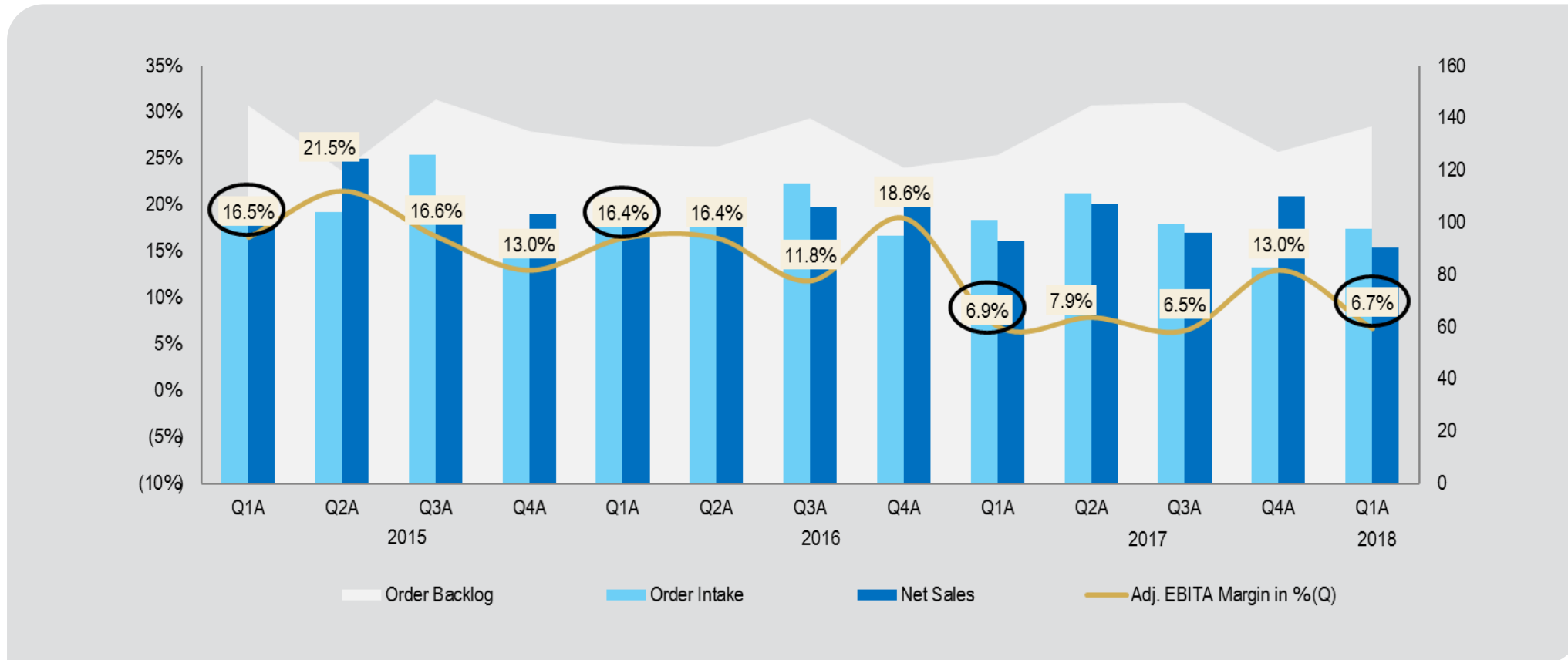
¹ Calculated as $3 / (\text{Net Sales in the quarter} / \text{External Order Backlog in the previous quarter})$

Q1 2018 – Mist Elimination

- Order intake decreased by 3% (9% organic decrease), mainly due to lower order intake for Flue Gas Desulphurization (FGD) for coal power plants in China and US
- Net sales decreased by 3% (7% organic decrease) due to few Coal FGD projects delivered in China
- Adjusted EBITA was SEKm 6 (6)
- Continued strategic transition to the Marine Exhaust Gas Cleaning (EGC) and Process industries

SEKm	Q1		
	2018	2017	Δ%
External order backlog	137	126	9
Order intake	97	101	-3
Net sales	90	93	-3
Operating profit (EBIT)	6	6	-9
Adjusted EBITA	6	6	-6
Adjusted EBITA margin, %	6.7	6.9	

Quarterly trading patterns – Mist Elimination



Source: Company Information

¹ Calculated as $3 \times (\text{Net Sales in the quarter} / \text{External Order Backlog in the previous quarter})$

Summary

- Net sales growth but softer order intake with variations across business areas
- Major operational issues handled and improvements underway
- Lower earnings (Adj. EBITA), in line with our expectations
- For the remainder of the year, we expect favorable market conditions in most of our market segments and the programs we are running will improve the company's performance and earnings during 2018



