

# REPORT ON THE THIRD QUARTER 2016

## THIRD QUARTER

- Net sales for the third quarter totaled SEK 3,142 million (2,885), an increase of 9%, of which 8% was organic growth.
- Operating profit (EBIT) before items affecting comparability amounted to SEK 426 million (362), representing a margin of 13.6% (12.6%).
- Operating profit (EBIT) amounted to SEK 426 million (367).
- Cash flow for the period totaled SEK 423 million (64). Operating cash flow totaled SEK 535 million (388).
- Profit for the third quarter was SEK 311 million (112).
- Earnings per share: SEK 1.05.

## FIRST NINE MONTHS OF THE YEAR

- Net sales for the January-September 2016 period totaled SEK 9,602 million (8,962), an increase of 7%, of which 7% was organic growth.
- Operating profit (EBIT) before items affecting comparability amounted to SEK 1,411 million (1,212), representing a margin of 14.7% (13.5%).
- Operating profit (EBIT) amounted to SEK 1,400 million (1,253).
- Cash flow for the period totaled SEK 316 million (-77). Operating cash flow totaled SEK 945 million (767).
- Profit for the period was SEK 1,059 million (471).
- Earnings per share: SEK 3.58.

## FINANCIAL OVERVIEW (SUMMARY CONSOLIDATED FINANCIAL INFORMATION)

	Q3	Q3	YTD	YTD	LTM	FY
SEK million	2016	2015	2016	2015	2016	2015
Net sales	3,142	2,885	9,602	8,962	12,126	11,486
EBITDA	501	441	1,620	1,472	1,875	1,727
% of net sales	16.0%	15.3%	16.9%	16.4%	15.5%	15.0%
Operating profit (EBIT)	426	367	1,400	1,253	1,583	1,436
% of net sales	13.6%	12.7%	14.6%	14.0%	13.1%	12.5%
Operating profit (EBIT) before items affecting comparability	426	362	1,411	1,212	1,611	1,412
% of net sales	13.6%	12.6%	14.7%	13.5%	13.3%	12.3%
Profit for the period	311	112	1,059	471	1,620	1,032
Earnings per share, SEK	1.05	–	3.58	–	–	3.49
Cash flow for the period	423	64	316	-77	631	238
Operating cash flow <sup>(1)</sup>	535	388	945	767	1,568	1,390
Core working capital	2,879	2,607	2,879	2,607	2,879	2,104
Capital expenditure in fixed assets	-60	-58	-157	-188	-209	-240
RoOC	33%	36%	33%	36%	33%	36%

<sup>(1)</sup>Net cash flow from operations after investments in fixed assets and excluding income tax paid.

CEO comments

## 8% ORGANIC GROWTH AND FURTHER MARGIN IMPROVEMENT

The third quarter showed overall solid performance. It is encouraging to see that our aftermarket business is performing particularly well, and that the Marine business is showing strong development.

Reported sales were up 9% in the third quarter, whereof 8% was organic. EBIT before i.a.c. increased by 18% and the margin improved from 12.6% to 13.6%. Cash flow was solid and debt leverage is now at 1.8x, for the first time better than our mid- to long-term target of around 2x.

EMEA continued its robust performance with double-digit growth in both RV and CPV. Aftermarket sales also remained strong. In the quarter, several of the big European RV exhibitions took place, with a record number of visitors.

In Americas, we saw strong earnings improvement but with growth below the RV industry. Excluding the phased-out architectural business, the total sales increase was 6% in the quarter.

APAC exhibited sales growth of 11%, of which 6% was organic. The margin decreased in the quarter mainly due to currency and hedging impact. There are no fundamental changes to the underlying business.

In the quarter we have taken further steps in preparation for the new Dometic visual identity, set to launch by the end of November. This is an important part of our strategic focus 'One Dometic'. The change involves consolidation of our brands and enhancement of our digital platform in order to create a more accessible and modern Dometic.

We continue to pursue improvement initiatives throughout the company, which have produced results in the quarter. Our effort to optimize the distribution network in North America continues, in order to be well-prepared for the peak season in 2017.

The class action complaint process in the US, which was initiated in April, has not involved any major events in the quarter. We remain firm in our position that the allegations are without merit.

Items related to rebranding, legal fees and inventory write-downs have had a negative impact on the result in the third quarter in the amount of some SEK 28 million.

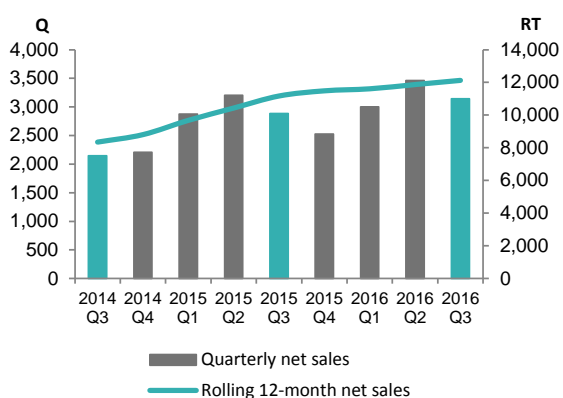
After the end of the quarter, we have signed an agreement to divest the seating and chassis component business of Atwood, including a production site in Elkhart, Indiana. The sale is yet another result of our active portfolio management.

I would also like to announce a leadership change in Americas, where we have appointed Scott Nelson as new President. Scott has previously been President of the Bobcat Company and joins Dometic from Sullair where he currently is President. Scott will start on December 1.

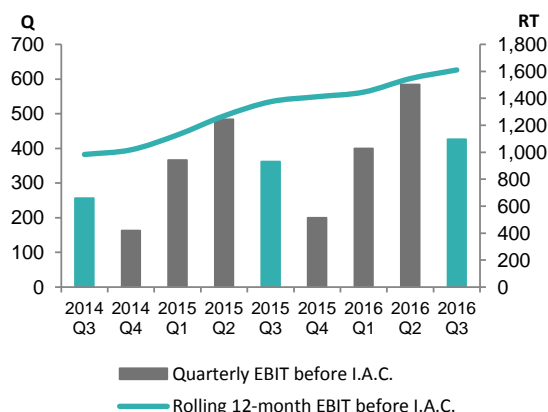
Finally, the global outlook for the RV markets remains positive, with Europe continuing to show particularly strong growth. We remain confident for the rest of 2016 and expect the positive dynamics in our main markets to continue into 2017.

Roger Johansson  
President and CEO

**NET SALES (SEK MILLION)**



**OPERATING PROFIT (EBIT) BEFORE I.A.C. (SEK MILLION)**



SEK million	Q3	Q3	Change (%)		YTD	YTD	Change (%)		LTM	FY
	2016	2015	Rep.	Adj. <sup>(1)</sup>	2016	2015	Rep.	Adj. <sup>(1)</sup>	2016	2015
Americas	1,526	1,461	4%	3%	4,493	4,334	4%	2%	5,697	5,538
EMEA	1,237	1,082	14%	14%	4,011	3,552	13%	13%	4,938	4,479
Asia Pacific	379	342	11%	6%	1,098	1,007	9%	9%	1,491	1,400
Medical division <sup>(2)</sup>	-	-	-	-	-	69	-	-	-	69
<b>Total net sales</b>	<b>3,142</b>	<b>2,885</b>	<b>9%</b>	<b>8%</b>	<b>9,602</b>	<b>8,962</b>	<b>7%</b>	<b>6%</b>	<b>12,126</b>	<b>11,486</b>
Americas	223	180	24%	22%	654	551	19%	17%	753	650
EMEA	133	90	48%	47%	523	394	33%	33%	529	400
Asia Pacific	70	92	-24%	-26%	234	239	-2%	-2%	329	334
Medical division	-	-	-	-	-	28	-	-	-	28
<b>Total operating profit (EBIT)<sup>(3)</sup></b>	<b>426</b>	<b>362</b>	<b>18%</b>	<b>16%</b>	<b>1,411</b>	<b>1,212</b>	<b>16%</b>	<b>16%</b>	<b>1,611</b>	<b>1,412</b>
Americas	14.6%	12.3%			14.6%	12.7%			13.2%	11.7%
EMEA	10.8%	8.4%			13.0%	11.1%			10.7%	8.9%
Asia Pacific	18.5%	26.8%			21.3%	23.7%			22.1%	23.9%
Medical division	-	-			-	40.6%			-	40.6%
<b>Total operating profit %</b>	<b>13.6%</b>	<b>12.6%</b>			<b>14.7%</b>	<b>13.5%</b>			<b>13.3%</b>	<b>12.3%</b>

<sup>(1)</sup>Represents change in comparable currency. <sup>(2)</sup>Medical division was divested in Q1-2015. <sup>(3)</sup>Before i.a.c.

## FINANCIAL SUMMARY – THIRD QUARTER

**Net sales** in the three months ending September 30, 2016, totaled SEK 3,142 million, representing an increase of 9% compared with SEK 2,885 million in the same period last year. This is made up of 8% organic growth and 1% currency translation.

**Operating profit (EBIT)** before i.a.c., totaling SEK 426 million in Q3 2016, displayed a 18% increase compared with SEK 362 million in Q3 2015. The EBIT margin improved from 12.6% to 13.6%.

**Items affecting comparability** totaled SEK 0 million (5).

**Financial items** amounted to a net expense of SEK 37 million (206), including SEK 29 million in interest on external bank loans (164) and SEK 2 million for amortization of capitalized long-term financing expenses (35). Other expense items amounted to SEK 7 million (7) and financial income of SEK 1 million (0).

**Taxes totaled** SEK -78 million (-49), including current tax of SEK -47 million (-44) and deferred tax of SEK -31 million (-5). The total tax charge amounted to 20% of profit before tax (30%).

**Net profit for the period** totaled SEK 311 million (112).

**Earnings per share** amounted to SEK 1.05.

**Operating cash flow** of SEK 535 million (388). The increase is mainly due to positive development of trade receivables and payables.

**Financial position.** Leverage in Q3 2016 was 1.8 compared with 5.1 in Q3 2015. At year-end 2015, leverage was 2.4.

## FINANCIAL SUMMARY – FIRST NINE MONTHS

**Net sales** in the first nine months of 2016 totaled SEK 9,602 million, representing an increase of 7% compared with SEK 8,962 million in the same period last year. This is made up of 7% organic growth, -1% divestments and 1% currency translation.

**Operating profit (EBIT)** before i.a.c. totaled SEK 1,411 million in the first nine months of 2016 (1,212). The EBIT margin improved from 13.5% to 14.7%.

**Items affecting comparability** totaled SEK -11 million (41).

**Financial items** amounted to a net expense of SEK 110 million (563), including SEK 89 million in interest on external bank loans (512) and SEK 5 million for amortization of capitalized long-term financing expenses (75). Other expense items amounted to SEK 20 million (-23) and financial income of SEK 4 million (1).

**Taxes** amounted to SEK -231 million (-219), which corresponds to 18% (32%) of profit before tax. Current tax amounts to SEK -163 million (-144) and deferred tax SEK -68 million (-75).

**Net profit for the period** totaled SEK 1,059 million (471).

**Earnings per share** amounted to SEK 3.58.

**Operating cash flow** of SEK 945 million (767).

**Events after the quarter.** On October 27, it was announced that Dometic will divest the seating and chassis component business of its subsidiary Atwood to Lippert Components.

On October 31, it was announced that Scott Nelson has been named new President of the Americas region. He joins from Sullair and will start on December 1, 2016.

**AMERICAS**

SEK million	Q3		Change (%)		YTD 2016	YTD 2015	Change (%)		LTM 2016	FY 2015
	2016	2015	Rep.	Adj. <sup>(1)</sup>			Rep.	Adj. <sup>(1)</sup>		
Net sales	1,526	1,461	4%	3%	4,493	4,334	4%	2%	5,697	5,538
Operating profit (EBIT) <sup>(2)</sup>	223	180	24%	22%	654	551	19%	17%	753	650

<sup>(1)</sup>Represents change in comparable currency. <sup>(2)</sup>Before i.a.c

**NET SALES AND OPERATING PROFIT (EBIT)**

Americas, which accounted for 49% of sales in Q3 2016, reported net sales of SEK 1,526 million. This equals sales growth of 4%, of which 1% is related to currency. Adjusted for the phased-out business, underlying growth was 6%.

Operating profit (EBIT) before i.a.c. of SEK 223 million was 24% higher than last year. The EBIT margin improved from 12.3% to 14.6%.

Net sales for the first nine months of the year amounted to SEK 4,493 million, an increase of 4%, of which 2% was organic and 2% related to currency translation. Adjusted for the phased-out business, underlying growth was 4%.

The phased-out business refers to architectural products in the US, for which full-year 2015 net sales amounted to USD 18.8 million.

**Americas markets**

In the US, growth in the volume of RV shipments from OEM manufacturers to dealers is persisting. The past three months displayed 18.9% growth in volumes.

The slowdown in the pleasure boat sector levelled out during the summer.

**Business highlights**

In Americas, Q3 sales to OEMs increased by 2% and aftermarket sales grew by 6%, in constant currency. Adjusted for the phased out architectural products, OEM growth was 4% and AM 10%.

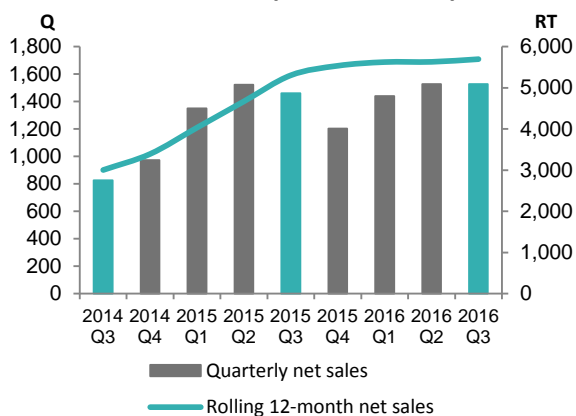
Sales in the RVOEM business, excluding architectural products, increased by 7%.

The Marine OEM business reported sales growth, mainly driven by increased sales of air conditioners.

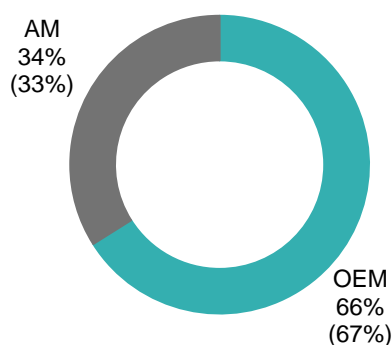
CPVOEM business sales continued to decline in the third quarter, as a result of the soft truck market.

Aftermarket sales increased owing to growth in the RV aftermarket, based on underlying market growth combined with new products. The Lodging and Marine aftermarkets also showed sales increases in the quarter.

**NET SALES (SEK MILLION)**



**SALES SPLIT AM/OEM**



**EMEA**

SEK million	Q3	Q3	Change (%)		YTD	YTD	Change (%)		LTM	FY
	2016	2015	Rep.	Adj. <sup>(1)</sup>	2016	2015	Rep.	Adj. <sup>(1)</sup>	2016	2015
Net sales	1,237	1,082	14%	14%	4,011	3,552	13%	13%	4,938	4,479
Operating profit (EBIT) <sup>(2)</sup>	133	90	48%	47%	523	394	33%	33%	529	400

<sup>(1)</sup>Represents change in comparable currency. <sup>(2)</sup>Before i.a.c.

**NET SALES AND OPERATING PROFIT (EBIT)**

EMEA, which represented 39% of sales in Q3 2016, reported net sales of SEK 1,237 million. This equates to a sales increase of 14%, of which 14% was organic compared with Q3 2015.

Operating profit (EBIT) before i.a.c. of SEK 133 million represented an increase of 48% compared with the previous year. The EBIT margin improved from 8.4% to 10.8%.

Net Sales for the first nine months amounted to SEK 4,011 million; an increase of 13%, of which 13% was organic.

**EMEA markets**

In the third quarter 2016, RV registrations in the larger European markets increased by 17% compared with the same period last year. The largest markets in Europe (Germany, France, Sweden, the Netherlands and Italy) had approximately 21,600 new RV registrations during Q3 2016 compared with approximately 18,500 in Q3 2015.

Heavy truck registrations in the last three months increased by 8% compared with the same period last year.

**Business highlights**

Third quarter sales in EMEA in the OEM channels increased by 10% and aftermarket channels reported 17% growth, in constant currency.

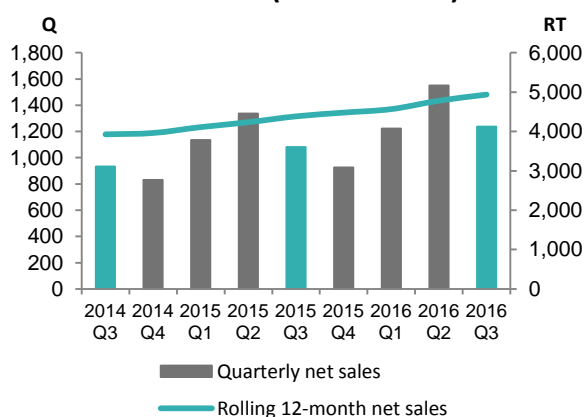
The RVOEM business area reported solid sales growth in the quarter, driven by the market momentum combined with strong volumes for Windows and Doors.

The Marine OEM business exhibited growth in the three main territories (UK, France and Italy). The UK-based OEMs have been benefitting from favorable GBP rates to EUR and USD.

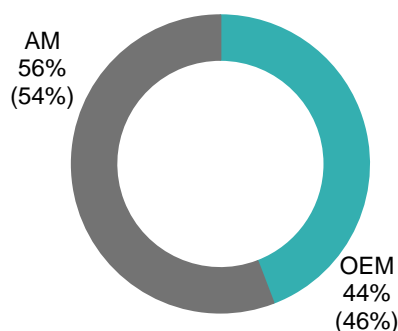
Sales in the CPVOEM business were stable, with growth in sales to truck OEMs, while a slowdown was reported in sales to premium car OEMs.

Aftermarket reported an overall increase in sales, with the most significant growth in CPV, RV and Marine aftermarket. The main contributors to the growth were AC service stations, windows, doors and air conditioners.

**NET SALES (SEK MILLION)**



**SALES SPLIT AM/OEM**



**APAC**

SEK million	Q3	Q3	Change (%)		YTD	YTD	Change (%)		LTM	FY
	2016	2015	Rep.	Adj. <sup>(1)</sup>	2016	2015	Rep.	Adj. <sup>(1)</sup>	2016	2015
Net sales	379	342	11%	6%	1,098	1,007	9%	9%	1,491	1,400
Operating profit (EBIT) <sup>(2)</sup>	70	92	-24%	-26%	234	239	-2%	-2%	329	334

<sup>(1)</sup>Represents change in comparable currency. <sup>(2)</sup>Before i.a.c.

**NET SALES AND OPERATING PROFIT (EBIT)**

APAC, which accounted for 12% of sales in Q3 2016, reported net sales of SEK 379 million. This corresponds to a sales increase of 11%, of which 6% was organic and 5% related to currency translation.

Operating profit (EBIT) before i.a.c. of SEK 70 million represented a decrease of 24% on last year. The EBIT margin was 18.5% vs. 26.8% in Q3 2015. The margin decreased mainly due to currency and hedging impact.

Net sales for the first nine months of 2016 amounted to SEK 1,098 million, representing growth of 9% of which 9% was organic and 0% related to currency translation.

**APAC markets**

Statistics on Australian domestic RV production showed a decrease of 5% over the past three months ending July, compared with the same period the previous year.

**Business highlights**

Sales in the OEM channels for Q3 in APAC increased by 5%, while the aftermarket grew by 6%, in constant currency.

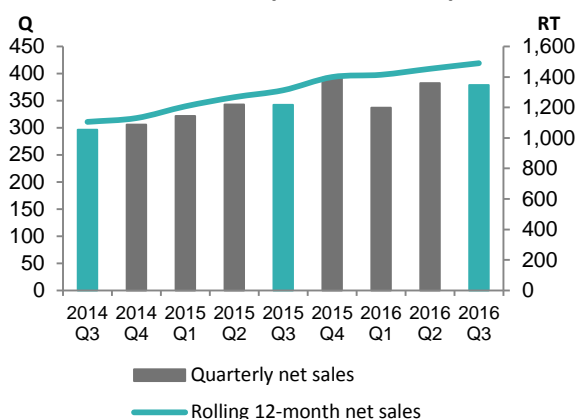
In the RVOEM business, sales showed slight growth, despite a softer market in Australia. Sales to smaller RV markets such as Japan and China increased in the quarter.

The Marine OEM business reported a sales increase compared to last year driven by sales of air conditioners in South East Asia.

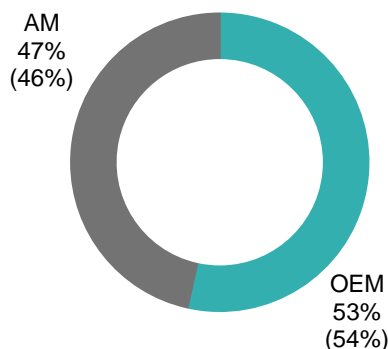
Sales in the CPVOEM business, which comprises only a small part of total APAC sales, increased based on new products to local Chinese premium car manufacturers.

The aftermarket business continued to report strong growth in the third quarter, with retail leading the way. The CFX cooling boxes continue to gain market share in Australia.

**NET SALES (SEK MILLION)**



**SALES SPLIT AM/OEM**



**PARENT COMPANY DOMETIC GROUP AB**

The Parent Company Dometic Group AB comprises the functions of the Group's head office, such as Group-wide management and administration. The Parent Company invoices its costs to Group companies.

For the third quarter 2016, the Parent Company had an operating profit (loss) of SEK 2 million (0), including administrative expenses of SEK 34 million (5) and other operating income of SEK 36 (5), of which the full amount relates to income from Group companies.

Profit (loss) from financial items totaled SEK -104 million (-4), including interest income from Group companies of SEK 26 million (75) and interest expenses to Group companies of SEK 0 million (2).

Profit (loss) for the third quarter amounted to SEK -102 million (4).

The Parent Company's operating profit (loss) for the first nine months of the year totaled SEK -3 million (0), including administrative expenses of SEK 94 million (30) and other operating income of SEK 91 million (30), of which the full amount relates to income from Group companies.

Profit (loss) from financial items amounted to SEK -220 million (2), including interest income from Group companies of SEK 45 million (216), interest expenses to Group companies of SEK 0 million (-5) and other financial income and expenses of SEK -265 million (-209).

Profit (loss) for the period amounted to SEK -224 million (2).

For further information, please refer to the Parent Company's condensed financial statements on page 12.

**ANNUAL GENERAL MEETING 2017**

Dometic Group's Annual General Meeting will be held on Friday April 7, 2017, in Stockholm.

**NOMINATION COMMITTEE – ANNUAL GENERAL MEETING 2017**

In accordance with the resolution taken by the 2016 AGM, the Nomination Committee ahead of the 2017 AGM has been elected based on the shareholder structure as of September 30, 2016. More details about the nomination committee are available on our website. [www.dometicgroup.com](http://www.dometicgroup.com)

Solna, October 31, 2016

Roger Johansson  
President and CEO

**REVIEW**

This report has not been audited.

**QUARTERLY FINANCIAL STATEMENTS  
CONSOLIDATED INCOME STATEMENT**

	Q3	Q3	YTD	YTD	FY
SEK million	2016	2015	2016	2015	2015
Net sales	3,142	2,885	9,602	8,962	11,486
Cost of goods sold	-2,099	-2,020	-6,496	-6,285	-8,127
<b>Gross Profit</b>	<b>1,043</b>	<b>865</b>	<b>3,106</b>	<b>2,677</b>	<b>3,359</b>
Sales expenses	-440	-369	-1,230	-1,077	-1,433
Administrative expenses	-151	-134	-421	-376	-510
Other operating income and expenses	-9	17	8	39	64
Items affecting comparability	0	5	-11	41	24
Amortization of customer relationship	-17	-17	-52	-51	-68
<b>Operating profit</b>	<b>426</b>	<b>367</b>	<b>1,400</b>	<b>1,253</b>	<b>1,436</b>
Financial income	1	0	4	1	2
Financial expenses	-38	-206	-114	-564	-1,104
<b>Loss from financial items</b>	<b>-37</b>	<b>-206</b>	<b>-110</b>	<b>-563</b>	<b>-1,102</b>
<b>Profit before income tax</b>	<b>389</b>	<b>161</b>	<b>1,290</b>	<b>690</b>	<b>334</b>
Taxes	-78	-49	-231	-219	698
<b>Profit for the period</b>	<b>311</b>	<b>112</b>	<b>1,059</b>	<b>471</b>	<b>1,032</b>
Profit for the period attributable to owners of the parent	311	112	1,059	471	1,032
Earnings per share before and after dilution effects, SEK - Owners of the parent	1.05	-	3.58	-	3.49
Number of shares, million	295.8	-	295.8	-	295.8

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Q3	Q3	YTD	YTD	FY
SEK million	2016	2015	2016	2015	2015
Profit for the period	311	112	1,059	471	1,032
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit pension plans, net of tax	0	0	-3	3	19
	<b>0</b>	<b>0</b>	<b>-3</b>	<b>3</b>	<b>19</b>
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges, net of tax	-3	-5	-13	-2	-18
Gains/losses from hedges of net investments in foreign operations, net of tax	-46	27	-99	-28	-66
Exchange rate differences on translation of foreign operations	319	-104	598	-2	-9
	<b>270</b>	<b>-82</b>	<b>486</b>	<b>-32</b>	<b>-93</b>
<b>Other comprehensive income for the period</b>	<b>270</b>	<b>-82</b>	<b>483</b>	<b>-29</b>	<b>-74</b>
<b>Total comprehensive income for the period</b>	<b>581</b>	<b>30</b>	<b>1,542</b>	<b>442</b>	<b>958</b>
Total comprehensive income for the period attributable to owners of the parent	581	30	1,542	442	958



**QUARTERLY FINANCIAL STATEMENTS  
CONSOLIDATED BALANCE SHEET**

SEK million	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill and trademarks	12,447	11,895	11,907
Other intangible assets	1,033	1,075	1,058
Tangible assets	1,574	1,597	1,567
Deferred tax assets	1,071	101	1,092
Derivatives	7	66	34
Other non-current assets	50	44	46
<b>Total non-current assets</b>	<b>16,182</b>	<b>14,778</b>	<b>15,704</b>
<b>Current assets</b>			
Inventories	2,488	2,197	2,199
Trade receivables	1,411	1,246	906
Receivables related parties	–	22	–
Current tax assets	17	13	27
Other current assets	274	235	179
Prepaid expenses and accrued income	94	100	111
Cash and cash equivalents	1,160	522	833
<b>Total current assets</b>	<b>5,444</b>	<b>4,335</b>	<b>4,255</b>
<b>TOTAL ASSETS</b>	<b>21,626</b>	<b>19,113</b>	<b>19,959</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>	<b>13,422</b>	<b>6,901</b>	<b>11,883</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Liabilities to credit institutions	4,337	8,778	4,353
Deferred tax liabilities	585	524	554
Provisions for pensions	508	508	476
Other provisions	112	100	74
<b>Total non-current liabilities</b>	<b>5,542</b>	<b>9,910</b>	<b>5,457</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	287	85	462
Trade payables	1,020	835	1,000
Current tax liabilities	275	226	207
Advance payments from customers	17	19	14
Derivatives	35	33	39
Other provisions	211	252	243
Other current liabilities	198	197	174
Accrued expenses and prepaid income	619	655	480
<b>Total current liabilities</b>	<b>2,662</b>	<b>2,302</b>	<b>2,619</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>21,626</b>	<b>19,113</b>	<b>19,959</b>

**QUARTERLY FINANCIAL STATEMENTS**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

SEK million	Attributable to owners of the parent			
	Share capital	Other reserves	Retained earnings	Total equity
<b>Opening balance Jan 1, 2015</b>	<b>1</b>	<b>1,097</b>	<b>5,361</b>	<b>6,459</b>
Profit for the period			471	471
<b>Other comprehensive income</b>				
Remeasurements of defined benefit pension plans, net of tax			3	3
Cash flow hedges, net of tax		-2		-2
Gains/losses from hedges of net investments in foreign operations, net of tax		-28		-28
Exchange rate differences on translation of foreign operations		-2		-2
<b>Total comprehensive income</b>		<b>-32</b>	<b>474</b>	<b>442</b>
<b>Transactions with owners</b>				
Shareholders' contribution			-	-
<b>Total transactions with owners</b>			<b>-</b>	<b>-</b>
<b>Closing balance Sep 30, 2015</b>	<b>1</b>	<b>1,065</b>	<b>5,835</b>	<b>6,901</b>

SEK million	Attributable to owners of the parent			
	Share capital	Other reserves	Retained earnings	Total equity
<b>Opening balance Jan 1, 2016</b>	<b>1</b>	<b>1,004</b>	<b>10,878</b>	<b>11,883</b>
Profit for the period			1,059	1,059
<b>Other comprehensive income</b>				
Remeasurements of defined benefit pension plans, net of tax			-3	-3
Cash flow hedges, net of tax		-13		-13
Gains/losses from hedges of net investments in foreign operations, net of tax		-99		-99
Exchange rate differences on translation of foreign operations		598		598
<b>Total comprehensive income</b>		<b>486</b>	<b>1,056</b>	<b>1,542</b>
<b>Transactions with owners</b>				
Costs related to the shareholders contribution, net of tax			-3	-3
<b>Total transactions with owners</b>			<b>-3</b>	<b>-3</b>
<b>Closing balance Sep 30, 2016</b>	<b>1</b>	<b>1,490</b>	<b>11,931</b>	<b>13,422</b>

**QUARTERLY FINANCIAL STATEMENTS  
CONSOLIDATED CASH FLOW**

SEK million	Q3 2016	Q3 2015	YTD 2016	YTD 2015	FY 2015
<b>Cash flow from operations</b>					
Operating profit	426	367	1,400	1,253	1,436
<i>Adjustment for other non-cash items</i>					
Depreciation and amortization	75	74	221	219	291
Adjustment for result from sale of subsidiaries	–	1	–	-83	-83
Adjustments for other non-cash items	12	12	46	-10	17
<i>Changes in working capital</i>					
Changes in inventories	10	-1	-225	-187	-203
Changes in trade receivables	241	161	-459	-378	-47
Changes in trade payables	-125	-184	61	65	180
Changes in other working capital	-44	16	58	76	39
Income tax paid	-26	-43	-91	-78	-89
<b>Net cash flow from operations</b>	<b>569</b>	<b>403</b>	<b>1,011</b>	<b>877</b>	<b>1,541</b>
<b>Cash flow from investments</b>					
Acquisition of operations	–	-2	–	-12	-13
Investments in fixed assets	-60	-58	-157	-188	-240
Proceeds from sale of fixed assets	23	2	24	3	1
Proceeds from sale of subsidiaries	–	-1	–	657	657
Other investing activities	-2	2	-2	2	0
<b>Net cash flow from investments</b>	<b>-39</b>	<b>-57</b>	<b>-135</b>	<b>462</b>	<b>405</b>
<b>Cash flow from financing</b>					
Shareholders contribution/Paid costs related to the shareholders contribution	–	–	-74	–	4,500
Borrowings from credit institutions	8	50	33	54	4,827
Repayment of loans to credit institutions	-101	-97	-426	-861	-10,110
Paid interest	-10	-216	-69	-567	-847
Received interest	1	–	2	0	14
Other financing activities	-5	-19	-26	-42	-92
<b>Net cash flow from financing</b>	<b>-107</b>	<b>-282</b>	<b>-560</b>	<b>-1,416</b>	<b>-1,708</b>
<b>Cash flow for the period</b>	<b>423</b>	<b>64</b>	<b>316</b>	<b>-77</b>	<b>238</b>
Cash and cash equivalents at beginning of period	730	462	833	592	592
Exchange differences on cash and cash equivalents	7	-4	11	7	3
<b>Cash and cash equivalents at end of period</b>	<b>1,160</b>	<b>522</b>	<b>1,160</b>	<b>522</b>	<b>833</b>

**QUARTERLY FINANCIAL STATEMENTS  
PARENT COMPANY INCOME STATEMENT**

	Q3	Q3	YTD	YTD	FY
SEK million	2016	2015	2016	2015	2015
Administrative expenses	-34	-5	-94	-30	-54
Other operating income	36	5	91	30	48
<b>Operating profit</b>	<b>2</b>	<b>0</b>	<b>-3</b>	<b>0</b>	<b>-6</b>
Interest income subsidiaries	26	75	45	216	257
Interest expenses subsidiaries	0	-2	0	-5	-7
Other financial income and expenses	-130	-77	-265	-209	-365
<b>Profit (loss) from financial items</b>	<b>-104</b>	<b>-4</b>	<b>-220</b>	<b>2</b>	<b>-115</b>
Group contributions	-	-	-	-	293
<b>Profit (loss) before income tax</b>	<b>-102</b>	<b>-4</b>	<b>-223</b>	<b>2</b>	<b>172</b>
Taxes	0	-	-1	-	-36
<b>Profit (loss) for the period</b>	<b>-102</b>	<b>-4</b>	<b>-224</b>	<b>2</b>	<b>136</b>

**PARENT COMPANY BALANCE SHEET**

SEK million	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
<b>ASSETS</b>			
Shares in subsidiaries	13,563	6,983	13,563
Other non-current assets	11	2,952	9
<b>Total non-current assets</b>	<b>13,574</b>	<b>9,935</b>	<b>13,572</b>
Current assets	2,392	379	2,875
<b>TOTAL ASSETS</b>	<b>15,966</b>	<b>10,315</b>	<b>16,447</b>
<b>EQUITY</b>	<b>11,355</b>	<b>6,983</b>	<b>11,583</b>
<b>LIABILITIES</b>			
Provisions	10	7	9
Non-current liabilities	4,337	3,098	4,353
<b>Total non-current liabilities</b>	<b>4,347</b>	<b>3,105</b>	<b>4,362</b>
Current liabilities	264	227	502
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15,966</b>	<b>10,315</b>	<b>16,447</b>

## CONDENSED NOTES ASSOCIATED WITH QUARTERLY FINANCIAL STATEMENTS

### NOTE 1 - ACCOUNTING PRINCIPLES

Dometic Group AB (publ) applies International Financial Reporting Standards (IFRS), as adopted by the EU. This consolidated Interim Financial Report has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board, have been applied for the Parent Company.

The accounting principles applied correspond to those described in the 2015 Annual report.

There are no changes to Dometic Group's accounting and valuation principles compared with the accounting and valuation principles described in Notes 2 and 4 of the 2015 Annual Report.

For a detailed description of the accounting and valuation policies applied by the Group, see Notes 1, 2 and 4 of the 2015 Annual Report. The Annual Report is available at [www.dometicgroup.com](http://www.dometicgroup.com), under Investors.

### Note 2 – RISKS AND UNCERTAINTIES

Dometic Group is a global company selling its products in almost 100 countries, and as such is exposed to a number of commercial and financial risks. Accordingly, risk management is an important process for Dometic Group in its efforts to achieve established targets.

Dometic Group is subject to transaction risks at the time of purchasing and selling, as well as when conducting financial transactions. Transaction exposure is primarily related to the currencies EUR, USD and AUD. As the majority of the Group's profit is generated outside Sweden, the Group is also exposed to translational risks in all the major currencies.

Efficient risk management is a continual process conducted within the framework of business control, and is part of the ongoing review of operations and forward-looking assessment of operations.

In the preparation of financial reports, the Board of Directors and Group management are required to make estimates and judgments. These estimates and judgments impact the income statement and balance sheet, as well as the disclosures. The actual outcome may differ from these estimates and judgments under different circumstances and conditions.

Dometic Group's future risk exposure is assumed not to deviate from the inherent exposure associated with Dometic Group's ongoing business operations. For a more in-depth analysis of risks, please refer to Dometic Group's 2015 Annual Report.

### NOTE 3 – FINANCIAL INSTRUMENTS

Dometic Group uses interest rate swaps to hedge senior facility term loans to move from a floating interest rate to a fixed interest rate. The Group also uses currency forward agreements to hedge part of its cash flow exposure. Valuation principles and principles for hedge accounting, as described in Note 3 of the 2015 Annual Report have been applied throughout the reporting period.

The fair values of Dometic Group's derivative assets and liabilities were SEK 7 million (Q3 2015: SEK 66 million) and SEK 35 million, (Q3 2015: SEK 33 million).

The value of derivatives is based on published prices in an active market. No transfers between levels of the fair value hierarchy have occurred during the period.

For financial assets and liabilities other than derivatives, fair value is assumed to be equal to the carrying amount.

**NOTE 3 – FINANCIAL INSTRUMENTS**

Sep 30, 2016	Balance sheet carrying amount	Financial instruments at amortized cost	Financial instruments at fair value	Derivatives used for hedging
<b>Per category</b>				
Derivatives	7	–	0	7
Financial assets	2,895	2,895	–	–
<b>Total financial assets</b>	<b>2,902</b>	<b>2,895</b>	<b>0</b>	<b>7</b>
Derivatives	35	–	6	29
Financial liabilities	5,842	5,842	–	–
<b>Total financial liabilities</b>	<b>5,877</b>	<b>5,842</b>	<b>6</b>	<b>29</b>

**NOTE 4 – SEGMENT INFORMATION**

SEK million	Q3 2016	Q3 2015	YTD 2016	YTD 2015	FY 2015
<b>Net sales, external</b>					
Americas	1,526	1,461	4,493	4,334	5,538
EMEA	1,237	1,082	4,011	3,621	4,548
Asia Pacific	379	342	1,098	1,007	1,400
<b>Total net sales, external</b>	<b>3,142</b>	<b>2,885</b>	<b>9,602</b>	<b>8,962</b>	<b>11,486</b>
<b>Operating profit (EBIT)</b>					
Americas	223	170	654	528	598
EMEA	133	105	544	486	502
Asia Pacific	70	92	202	239	336
<b>Total operating profit (EBIT)</b>	<b>426</b>	<b>367</b>	<b>1,400</b>	<b>1,253</b>	<b>1,436</b>
Financial income	1	0	4	1	2
Financial expenses	-38	-206	-114	-564	-1,104
Taxes	-78	-49	-231	-219	698
<b>Profit for the period</b>	<b>311</b>	<b>112</b>	<b>1,059</b>	<b>471</b>	<b>1,032</b>

Segment performance is primarily assessed based on sales and operating profit. Information regarding income for each region is based on where customers are located. Management follow-up is based on the integrated result in each segment. For further information, please refer to Note 5 of the 2015 Annual Report.

**NOTE 5 – TRANSACTIONS WITH RELATED PARTIES**

No transactions between Dometic Group and related parties that have significantly affected the company's position and earnings took place during the third quarter 2016.

**NOTE 6 – ACQUISITIONS AND DIVESTMENTS**

No transactions to report for the period.

**NOTE 7 – SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD**

On October 27, it was announced that Dometic will divest the seating and chassis component business of its subsidiary Atwood to Lippert Components.

On October 31, it was announced that Scott Nelson has been named new President of the Americas region. He joins from Sullair and will start on December 1, 2016.

## DEFINITIONS AND KEY RATIOS

### Operating profit (EBIT)

Operating profit; earnings before financial items and taxes.

### Operating profit (EBIT) margin

Operating profit divided by net sales.

### EBITDA\*

Earnings before Interest, Taxes, Depreciation and Amortization.

### EBITDA Margin\*

EBITDA divided by net sales.

### EPS – Earnings per share

Net profit for the period divided by average number of shares. NOTE! Average number of shares equals actual number of shares as the company was listed on November 25, 2015.

### Capital expenditure

Expenses related to the purchase of tangible and intangible assets.

### Core working capital\*

Consists of inventories and trade receivables less trade payables.

### Working capital

Core working capital plus other current assets less other current liabilities and provisions relating to operations.

### Operating capital excluding goodwill and trademark

Interest-bearing debt plus equity less cash and cash equivalents, excluding goodwill and trademarks.

### Operating cash flow\*

EBITDA +/- change in working capital excluding paid tax, after capital expenditure.

### Organic growth\*

Sales growth excluding acquisitions/divestments and currency translation effects. Quarters calculated at comparable currency, applying latest period average rate.

### RoOC – Return on Operating Capital\*

Operating profit (EBIT) divided by operating capital. Based on the operating profit (EBIT) for the four previous quarters, divided by the average operating capital for the previous four quarters, excluding goodwill and trademarks for the previous quarters.

### I.A.C. – Items Affecting Comparability

Represents income and expenses related to non-recurring events, occurring on an irregular basis and affecting comparability between the periods.

### Interest-bearing debt

Liabilities to credit institutions plus liabilities to related parties plus derivative financial liabilities plus provisions for pensions.

### Leverage\*

Net debt excluding pensions and accrued interest in relation to EBITDA.

### Net debt\*

Total borrowings including pensions and accrued interest less cash and cash equivalents.

### OCI

Other comprehensive income.

### RV

Recreational Vehicles.

### CPV

Commercial and Passenger Vehicles.

### OEM

Original Equipment Manufacturers.

### AM

Aftermarket.

### Q3 2016

July to September 2016 for Income Statement.

### Q3 2015

July to September 2015 for Income Statement.

### FY 2015

Financial Year ended December 31, 2015.

### YTD 2016

January to September 30, 2016.

### YTD 2015

January to September 30, 2015.

### LTM 2016

Last twelve months, October 2015 to September 2016.

### \*Reconciliation of non-IFRS measures to IFRS

Dometic Group presents some financial measures in this interim report, which are not defined by IFRS. The Company believes that these measures provide valuable additional information to investors and management for evaluating the Company's financial performance, financial position and trends in our operations. It should be noted that these measures, as defined, may not be comparable to similarly titled measures used by other companies. These non-IFRS measures should not be considered as substitutes to financial reporting measures prepared in accordance with IFRS. See Dometic's website [www.dometicgroup.com](http://www.dometicgroup.com) for the detailed reconciliation.

**PRESENTATION OF THE INTERIM REPORT**

Analysts and media are invited to participate in a telephone conference on October 31, 2016, at 10.00 (CET), during which President and CEO, Roger Johansson and CFO, Per-Arne Blomquist, will present the report and answer questions. To participate in the webcast/telephone conference, please dial in five minutes prior to the start of the conference call:

Sweden: + 46 8 566 42 666  
UK: + 44 203 008 98 17  
US: + 1 855 831 59 48

Webcast URL and presentation are available at [www.dometicgroup.com](http://www.dometicgroup.com)

**FOR FURTHER INFORMATION,  
PLEASE CONTACT****Investor Relations**

Erika Ståhl  
Phone: +46 8 501 025 24

**FINANCIAL CALENDAR**

**February 9, 2017** – Year-end report 2016

**April 7, 2017** – Annual General Meeting 2017

**April 24, 2017** – Interim report Q1 2017

**July 18, 2017** – Interim report Q2 2017

*This information is information that Dometic Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8.00 CET on October 31, 2016.*

**CONTACT DETAILS****Dometic Group AB (publ)**

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Corporate registration number 556829-4390

**ABOUT DOMETIC GROUP**

Dometic is a global market leader in branded solutions for mobile living in the areas of Climate, Hygiene & Sanitation and Food & Beverage. Dometic operates in the Americas, EMEA and Asia Pacific, providing products for use in recreational vehicles, trucks and premium cars, pleasure and workboats, and for a variety of other uses. Dometic offers products and solutions that enrich people's experiences away from home, whether in a motorhome, caravan, boat or truck. Our motivation is to create smart and reliable products with outstanding design. We operate 22 manufacturing/assembly sites in nine countries, sell our products in approximately 100 countries and manufacture approximately 85% of products sold in-house. We have a global distribution and dealer network in place to serve the aftermarket. Dometic employs approximately 6,500 people worldwide, had net sales of SEK 11.5 billion in 2015 and is headquartered in Solna, Sweden.

*This document is a translation of the Swedish version of the interim report. In the event of any discrepancy, the Swedish wording shall prevail.*