

INTERIM PRESENTATION

Q2 2017

JULY 18, 2017



Mobile living made easy.

 **DOMETIC**

PRESENTERS

ROGER JOHANSSON
PRESIDENT & CEO



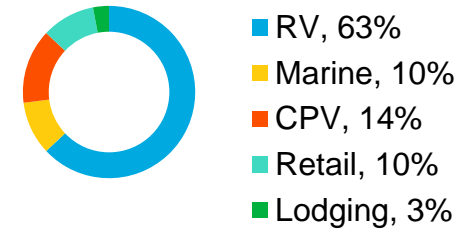
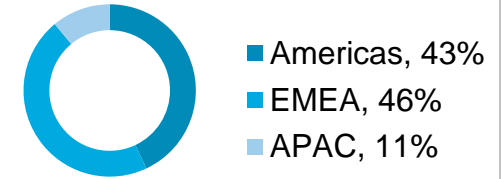
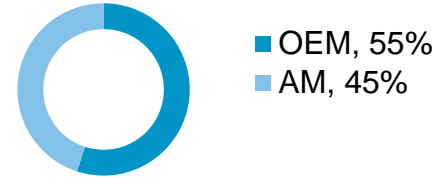
PER-ARNE BLOMQUIST
CFO



ROGER JOHANSSON, PRESIDENT & CEO

Q2 2017 HIGHLIGHTS

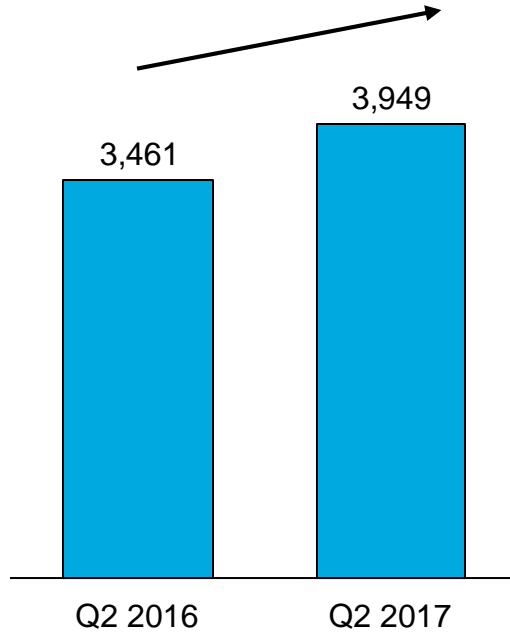
- Sales growth of 14%, whereof 9% organic with contribution from all regions.
- Sales growth in 6 out of 8 businesses and profit improvement in 7 out of 8.
- Stable gross profit of 33.2%.
- EBIT +11% incl. SEK 29 million related to class action legal costs.
- Americas: Strong quarter with improved profitability.
- EMEA: RVOEM continues to outperform the market.
- APAC: Strong sales in China and Japan, outperforming RV market in Australia.
- Operating cash flow of SEK 570 million (511).
- Leverage 1.7x EBITDA (2.1x).
- Consolidation of operations in China.



Q2 2017

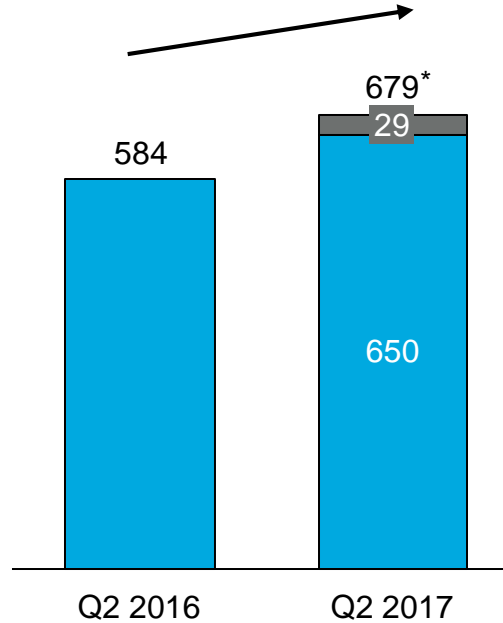
Sales (MSEK)

14% (10% comparable currency)

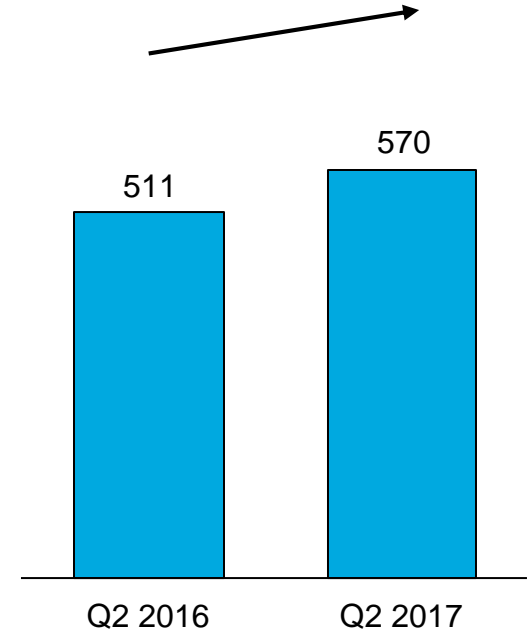


EBIT bef i.a.c (MSEK)

Actual: 11% (7% comparable currency)
Adjusted*: 16% (11% comparable currency)

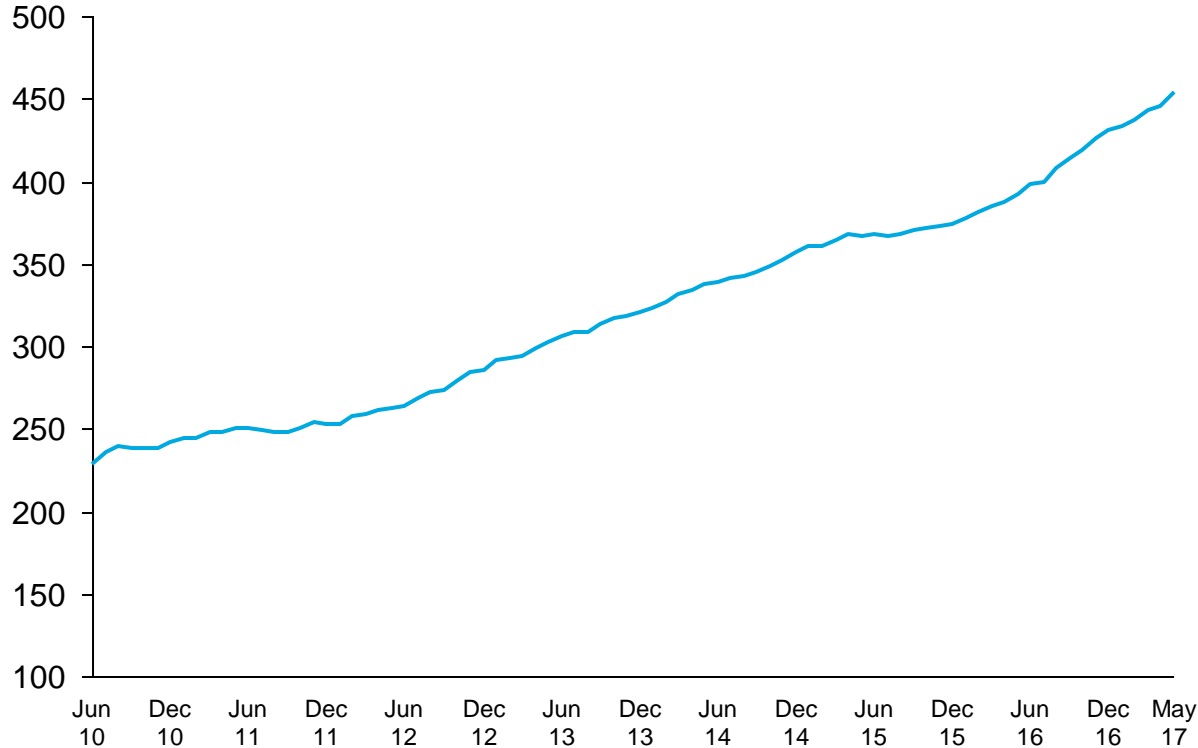


Operating Cash Flow (MSEK)



US RV MARKET – OEM SHIPMENTS

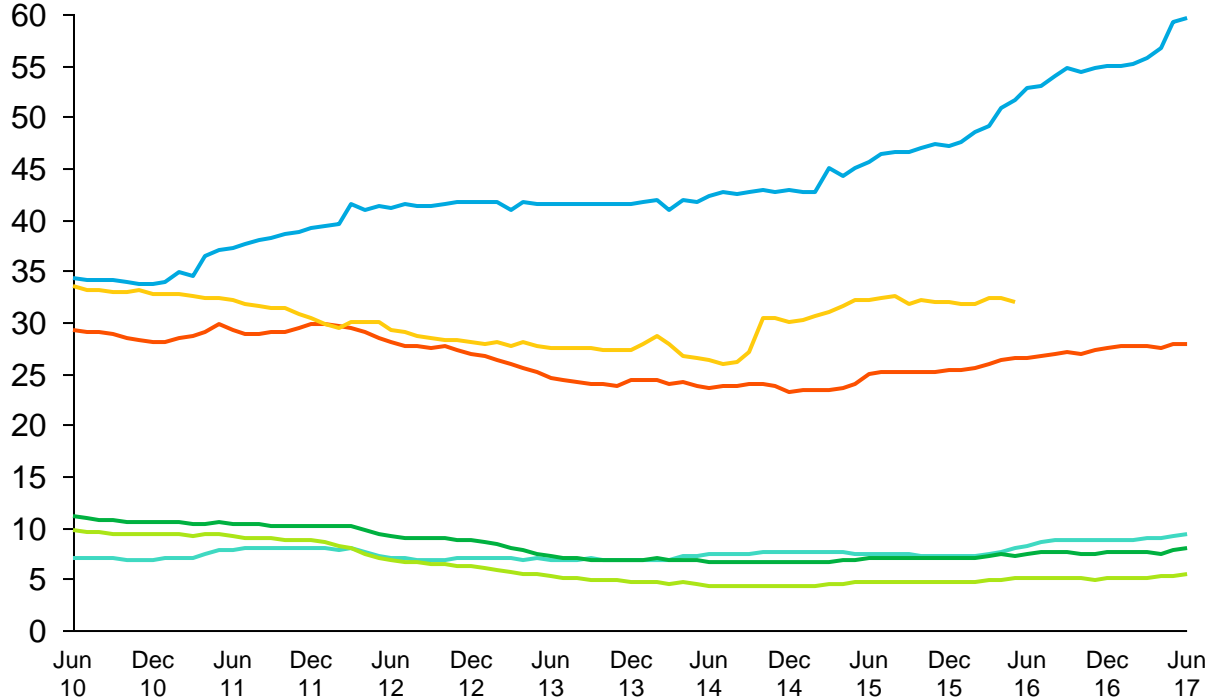
ROLLING TWELVE MONTHS (000S UNITS)



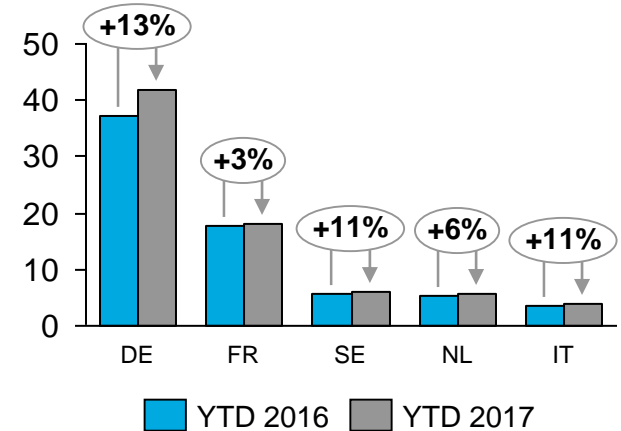
- Rolling three months
May 2017:
135,700 units (118,800) +14%
- YTD May:
209,000 units (186,200) +12%
- LTM May:
453,500 units (391,600) +16%

EUROPE RV MARKET REGISTRATIONS

ROLLING TWELVE MONTHS (000S UNITS)

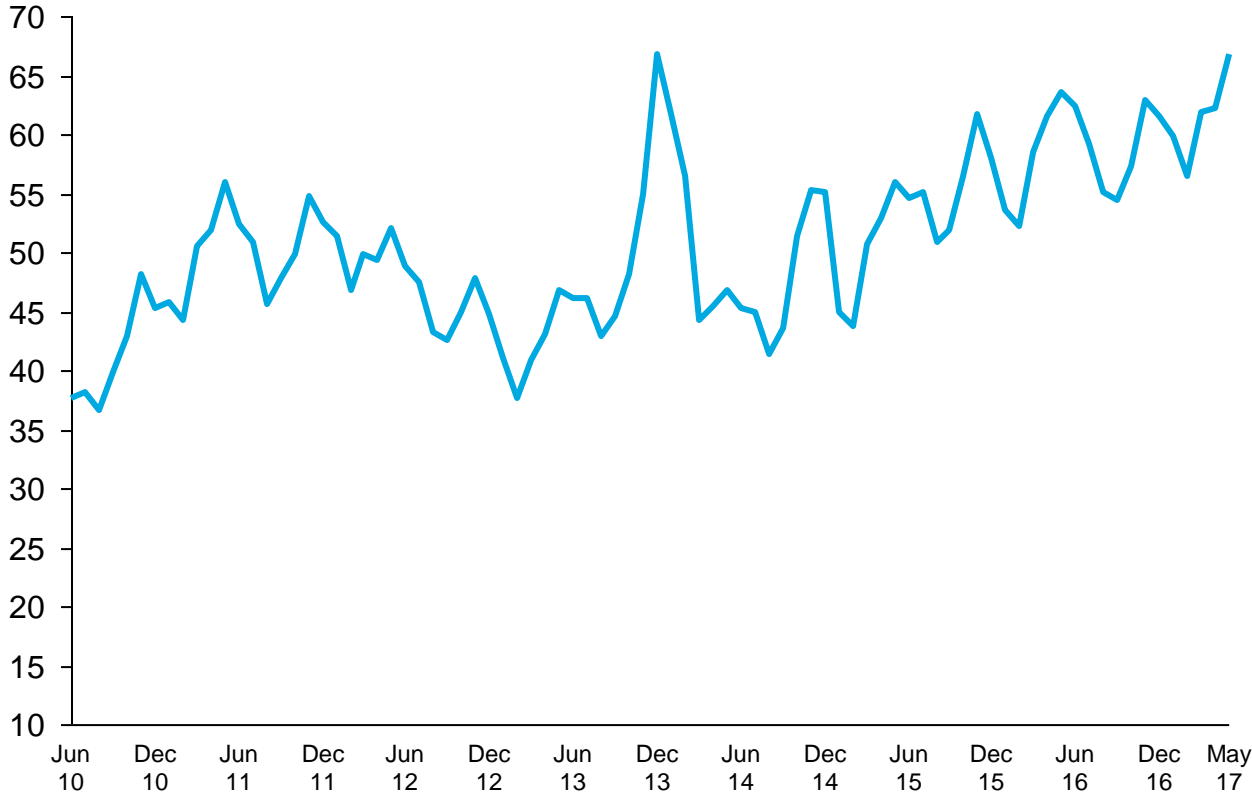


- Rolling three months
June 2017:
49,600 units (44,300) +12%*
- LTM June 2017:
110,400 units (100,200) +10%*



EUROPE TRUCKS (ABOVE 16 TONS) REGISTRATIONS

ROLLING THREE MONTHS (000S UNITS)

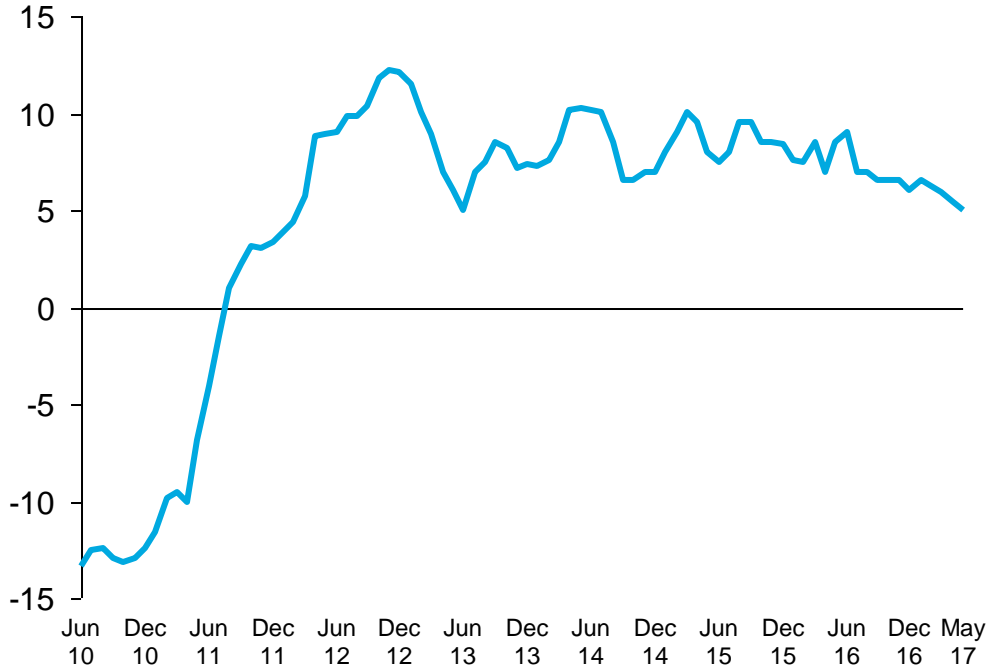


- Rolling three months
May 2017:
66,800 units (63,600) +5%
- YTD May 2017:
103,600 units (99,200) +4%
- LTM May 2017:
242,300 units (228,400) +6%

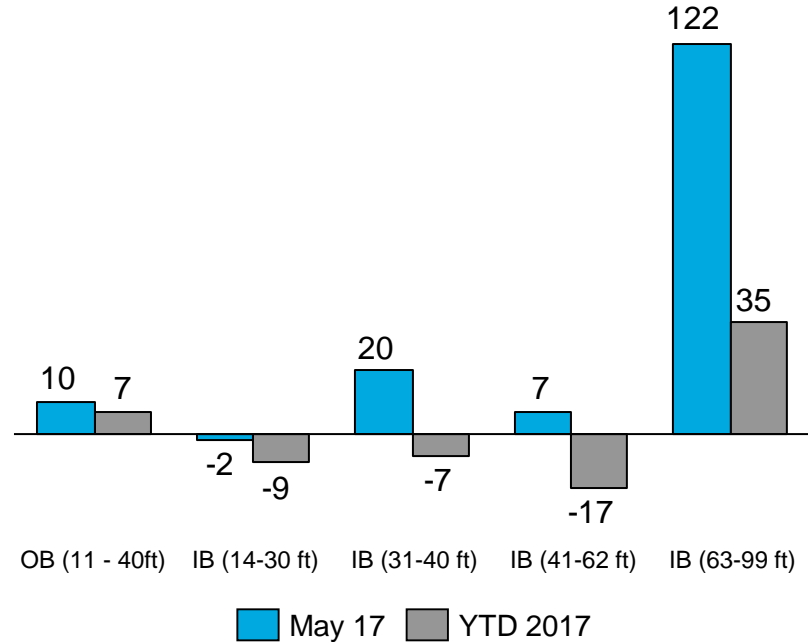
US POWER BOAT SALES

ROLLING TWELVE MONTHS (000S UNITS)

LTM May 2017: 5.0%



Power boat category (%)



Source: Info-link and Baird Equity Research

Mobile living made easy.

Note: OB is outboard engine and IB is inboard engine and Bellwether states are geographically dispersed states representing roughly half of the US boat market

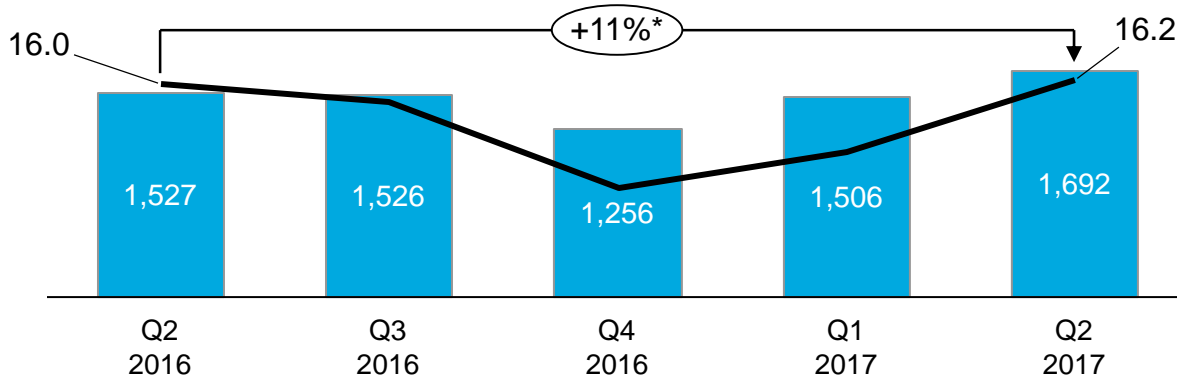


AMERICAS

Q2 Highlights

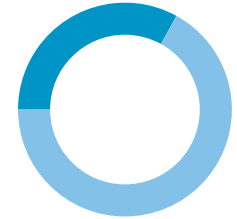
- Organic sales growth 11%.
- EBIT margin increase from 16.0% to 16.2%, incl. SEK 29 million in class action legal costs.
- Strong RVOEM sales +12%. Closing the gap to the market growth.
- Improved efficiencies in logistics.
- +50% growth for mobile coolers.

Net sales & EBIT %



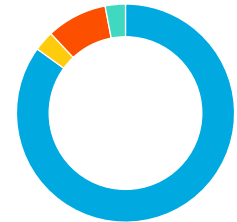
Breakdown of sales

By sales channel



■ AM, 33% ■ OEM, 67%

By business area

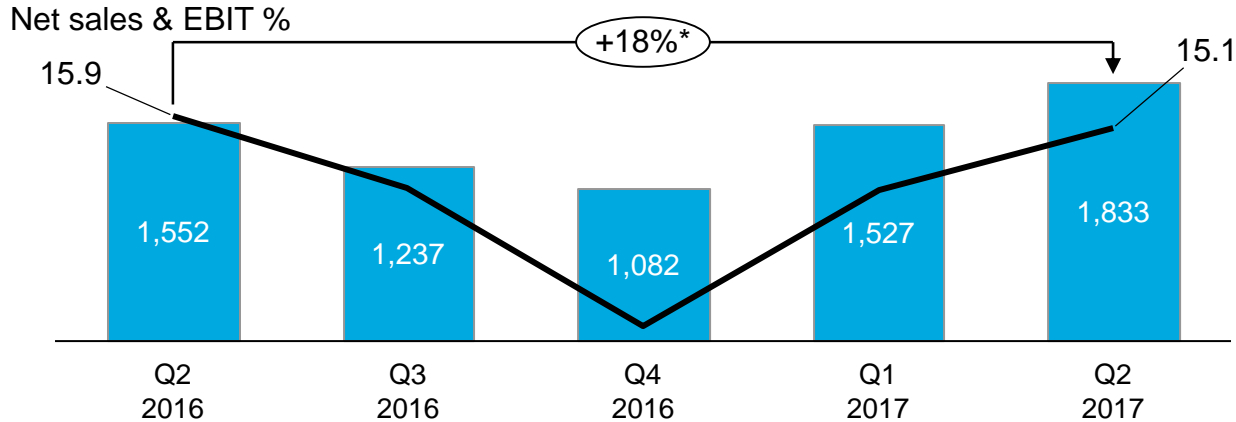


■ RV, 85% ■ CPV, 3%
 ■ Marine, 9% ■ Other, 3%

EMEA

Q2 Highlights

- Organic sales growth of 8%.
- EBIT margin of 15.1% (15.9).
- Strong RVOEM sales growth of +15%.
- Initiatives initiated addressing profitability within RVOEM, including pricing.
- Aftermarket growth in all businesses, particularly in RV, Lodging and Marine.



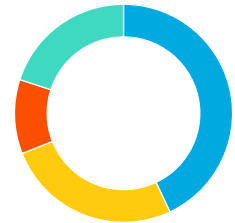
Breakdown of sales

By sales channel



■ AM, 55% ■ OEM, 45%

By business area



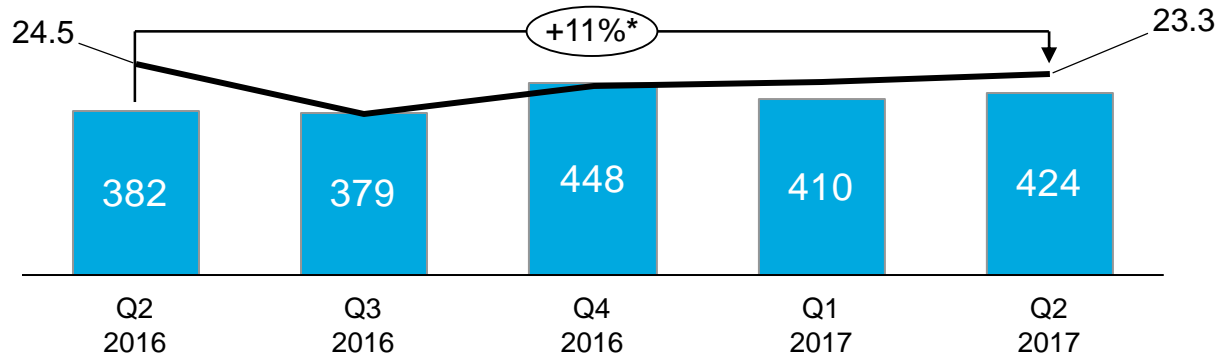
■ RV, 43% ■ CPV, 26%
■ Marine, 11% ■ Other, 20%

APAC

Q2 Highlights

- Organic sales growth 6%.
- Continued high EBIT margin of 23.3% (24.5).
- Increased market share in a soft Australian RV market.
- Strong sales development in Japan (+25%) and China (+32%).
- Aftermarket growth driven by strong RV, CPV and Lodging.

Net sales & EBIT %



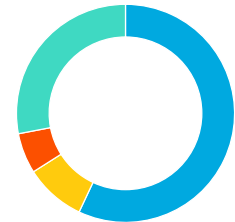
Breakdown of sales

By sales channel



■ AM, 48% ■ OEM, 52%

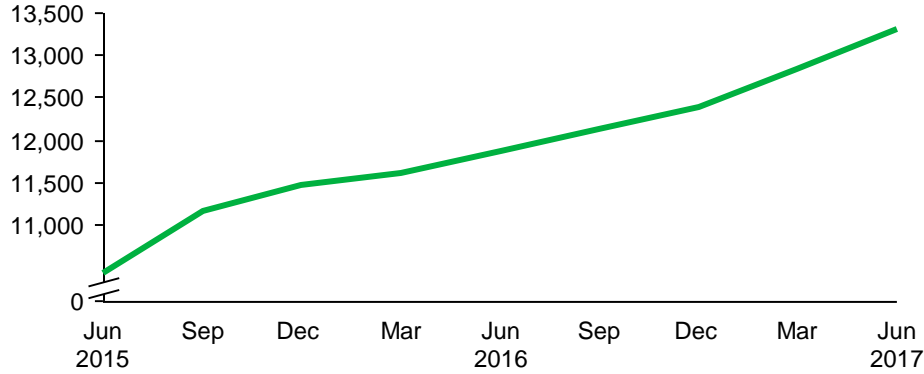
By business area



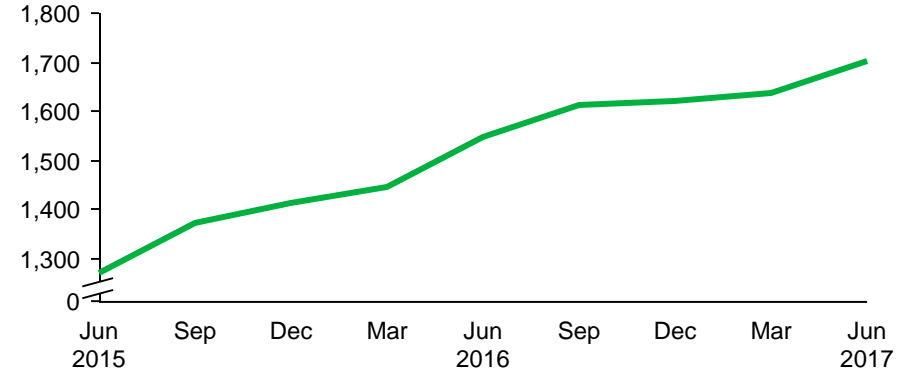
■ RV, 57% ■ CPV, 9%
■ Marine, 6% ■ Other, 28%

DOMETIC GROUP TRENDS

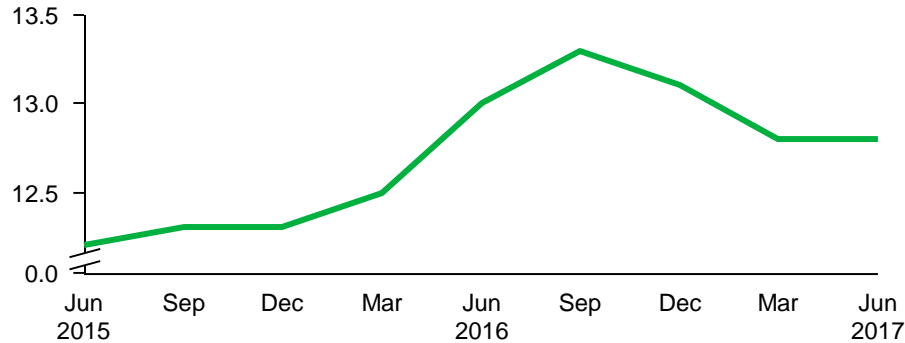
Sales (SEKm)



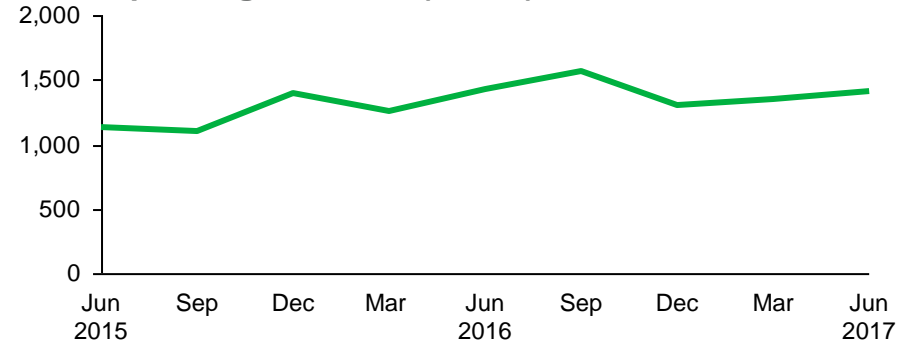
EBIT bef. i.a.c (SEKm)



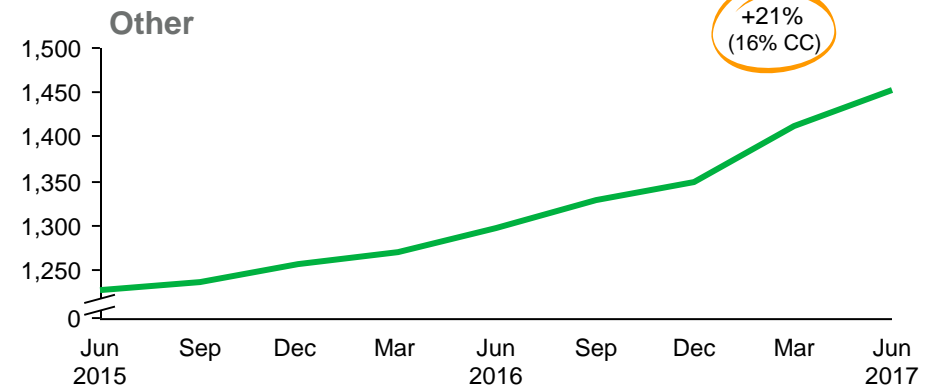
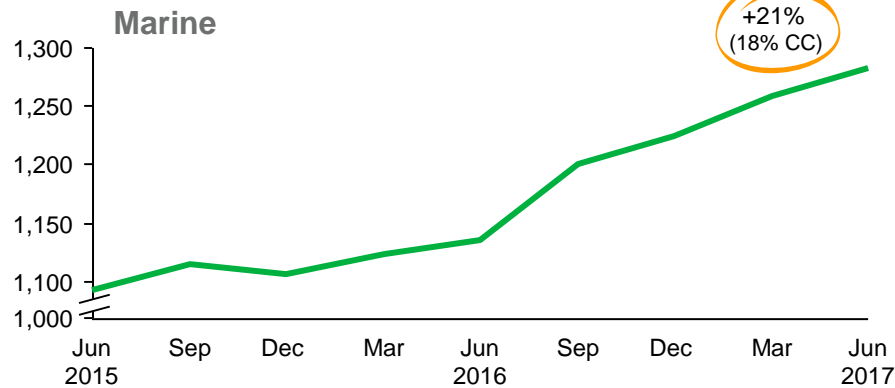
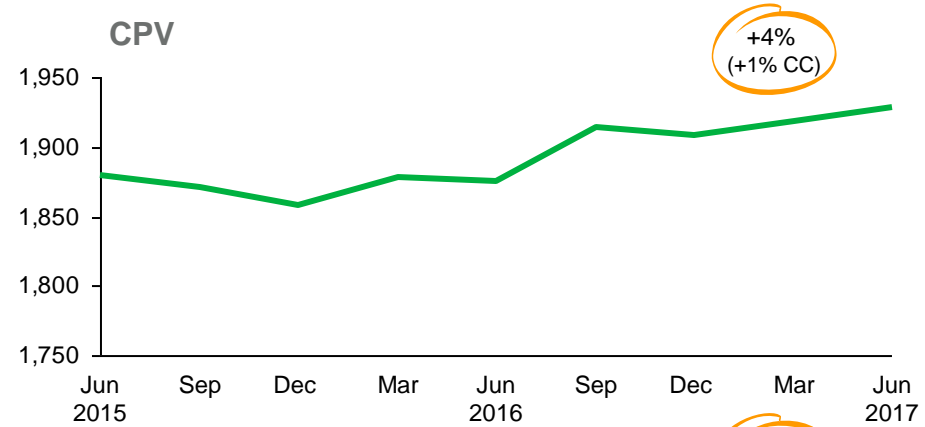
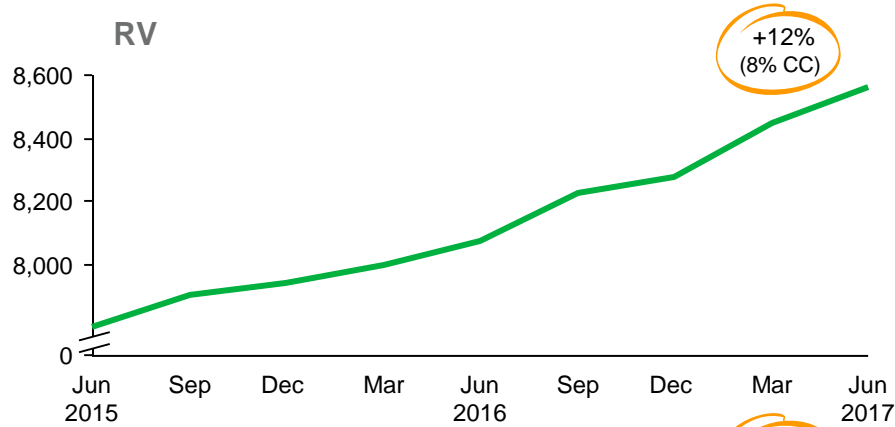
EBIT bef. i.a.c (%)



Operating cash flow (SEKm)



BUSINESS AREA DEVELOPMENT



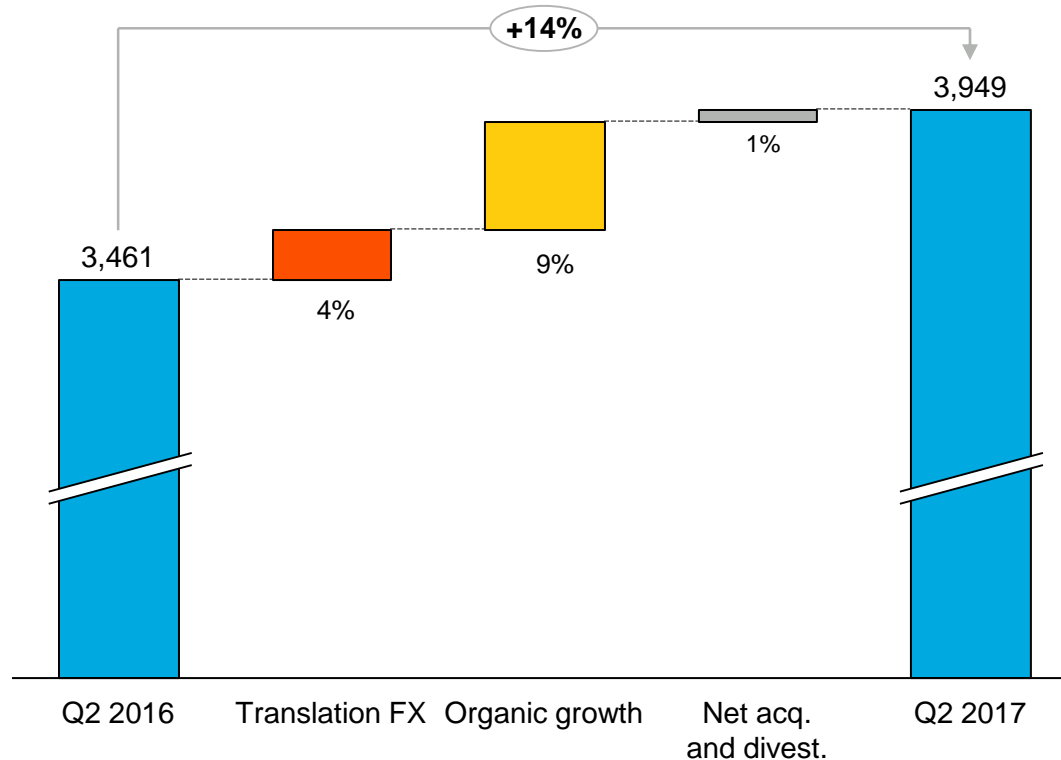
PER-ARNE BLOMQUIST, CFO

KEY RATIOS

SEKm		Q2 2017	Q2 2016	H1 2017	H1 2016	LTM 2017	FY 2016
Sales	Net sales	3,949	3,461	7,393	6,460	13,321	12,388
	Growth, %	14.1	8.1	14.4	6.3	12.2	7.9
	Organic growth, %	8.9	8.7	10.0	7.0	8.2	6.9
Profitability	EBIT before i.a.c. %	16.5	16.9	14.4	15.2	12.8	13.1
	EBITDA before i.a.c. %	18.5	19.0	16.6	17.5	15.1	15.5
Capital efficiency	Core working capital, to sales, %*	22.7	21.8	22.7	21.8	22.7	22.5
	Return on operating capital	32.4	33.4	32.4	33.4	32.4	31.6
Cash flow	Operating cash flow	570	511	526	410	1,412	1,296
EPS	Earnings per share	1.60	1.53	2.60	2.53	4.68	4.60

DOMETIC GROUP NET SALES BRIDGE Q2

(SEKm)



Translation FX details

	Net Sales	Share of impact
USD	70	49%
EUR	51	35%
AUD	16	11%
HKD	2	2%
GBP	-5	-3%
CNY	0	0%
Other	9	6%
Total	144	

REGIONAL RESULTS

SEK million	Q2		Change (%)		H1		Change (%)		LTM	FY
	2017	2016	Rep.	Adj. ⁽¹⁾	2017	2016	Rep.	Adj. ⁽¹⁾	2017	2016
Americas	1,692	1,527	11%	6%	3,198	2,967	8%	3%	5,980	5,749
EMEA	1,833	1,552	18%	14%	3,360	2,774	21%	18%	5,679	5,093
Asia Pacific	424	382	11%	5%	835	719	16%	9%	1,662	1,546
Total net sales	3,949	3,461	14%	10%	7,393	6,460	14%	10%	13,321	12,388
Americas	274	244	12%	7%	438	432	1%	-4%	762	756
EMEA	277	246	12%	8%	439	389	13%	9%	584	534
Asia Pacific	99	94	5%	1%	190	163	16%	11%	358	331
Total operating profit (EBIT)⁽²⁾	650	584	11%	7%	1,067	984	8%	4%	1,704	1,621
Americas	16.2%	16.0%			13.7%	14.5%			12.7%	13.1%
EMEA	15.1%	15.9%			13.1%	14.0%			10.3%	10.5%
Asia Pacific	23.3%	24.5%			22.8%	22.7%			21.6%	21.4%
Total operating profit %	16.5%	16.9%			14.4%	15.2%			12.8%	13.1%

GROUP P&L Q2

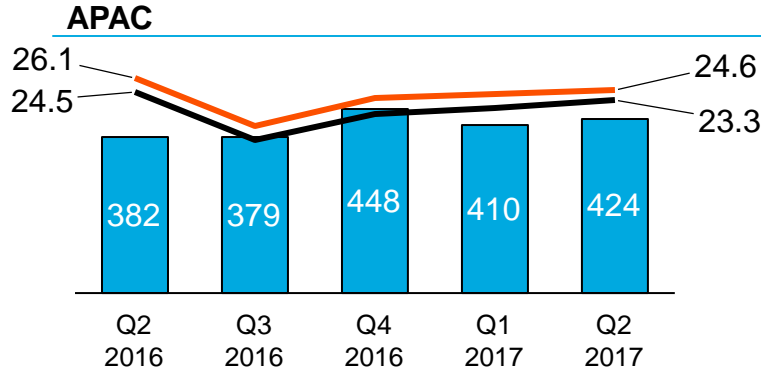
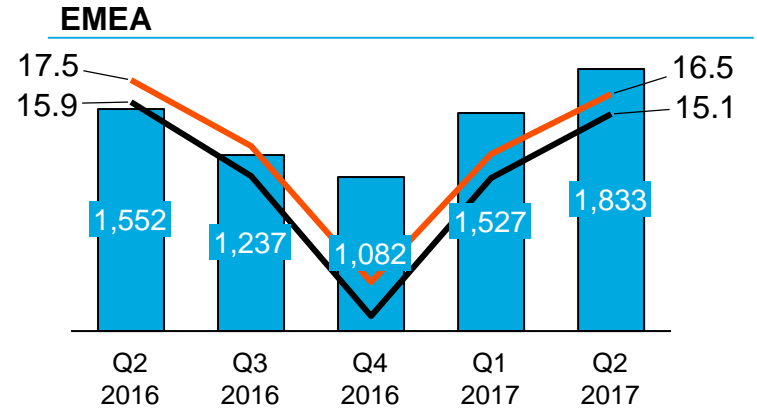
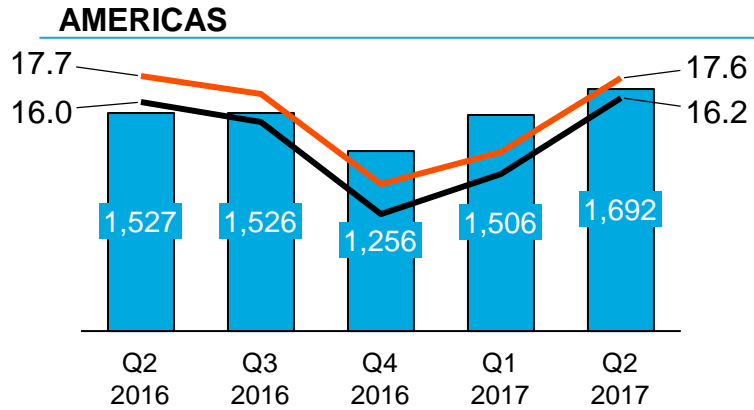
SEK million	Q2 2017	Q2 2016
Net sales	3,949	3,461
Cost of goods sold	-2,637	-2,309
Gross Profit	1,312	1,152
<i>GP%</i>	33.2%	33.3%
Sales expenses	-458	-420
Administrative expenses	-170	-133
Total SG&A	-628	-553
<i>SG&A%</i>	-15.9%	-16.0%
Other operating income and expenses	-17	2
Items affecting comparability	0	-11
Amortization of customer relationships	-17	-17
Operating profit	650	573
<i>Operating profit%</i>	16.5%	16.6%
Financial income	1	2
Financial expenses	-33	-41
Loss from financial items	-32	-39
Profit before tax	618	534
Taxes	-144	-81
Profit for the period	474	453

Comments Q2 2017

Class action and acquired
SG&A = 53 SEKm.
SG&A excl. class action 15.2%

Mainly revaluation of operational
balance sheet items

MARGIN DEVELOPMENT IN THE REGIONS



- EBIT%
- EBIT% w/o central cost
- Net Sales

EARNINGS PER SHARE

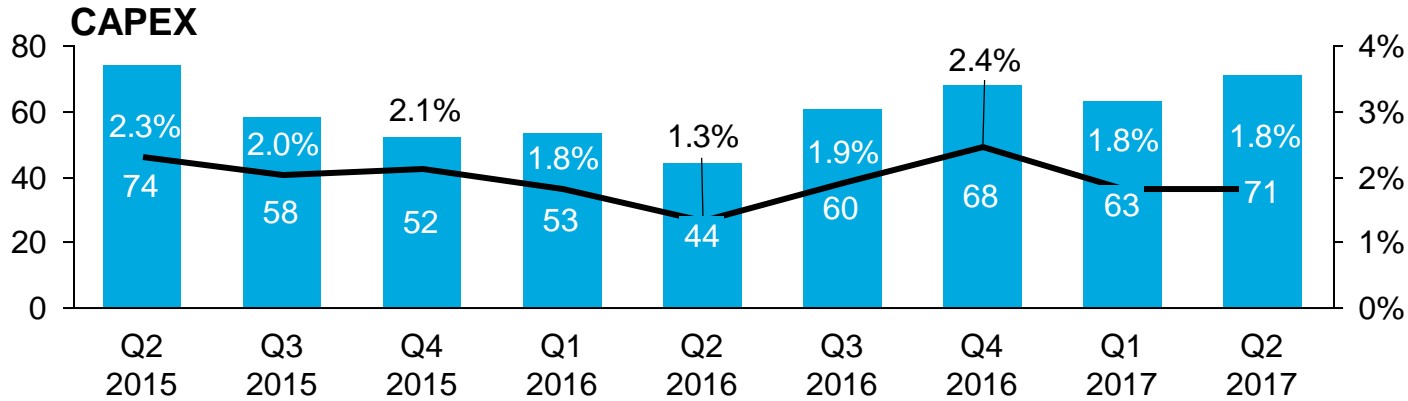
SEKm, SEK	Q2 2017	Q2 2016	Q2 2017 EPS	Q2 2016 EPS
Net sales	3,949	3,461		
Operating profit (before i.a.c)	650	584	2.20	1.97
Finance net	-32	-39	-0.11	-0.13
Tax	-144	-81	-0.49	-0.27
Result for the period	474	453	1.60	1.53
No. of shares, million	295.8	295.8		
Earnings per share, SEK	1.60	1.53		

Total tax rate Q2 2017: 23% (15%).

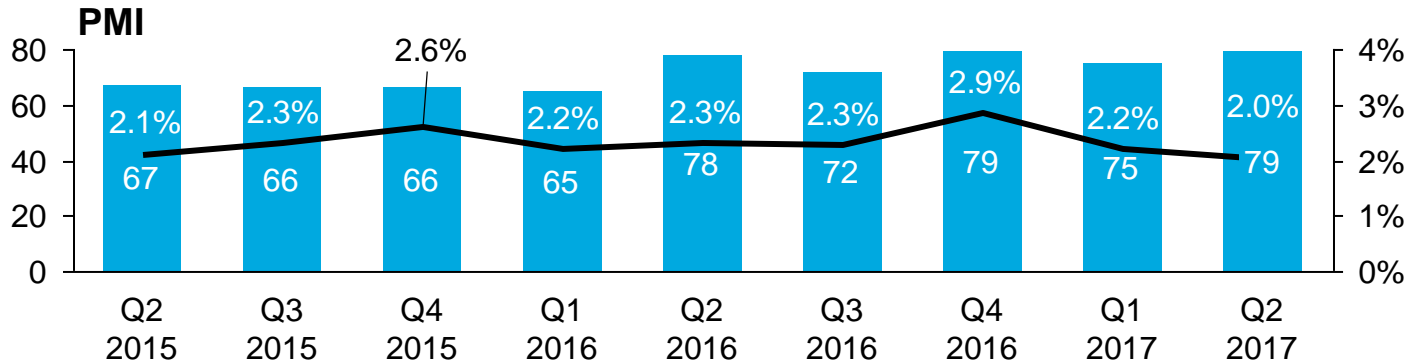
Tax paid Q2 2017: 7% (7%).

CAPEX & PMI

(SEKm, % OF NET SALES)

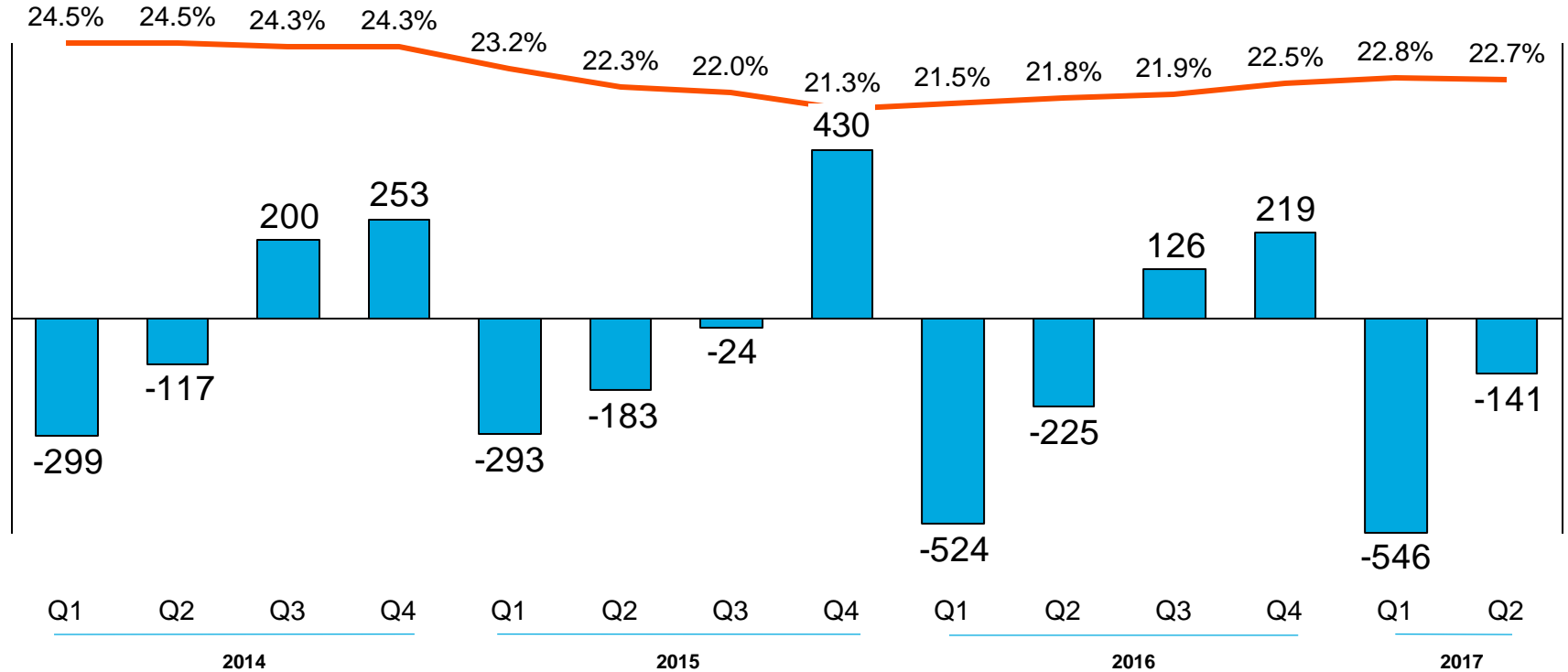


- **Q2 2017 CAPEX:**
1.8% of net sales.
(1.3% in 2016)

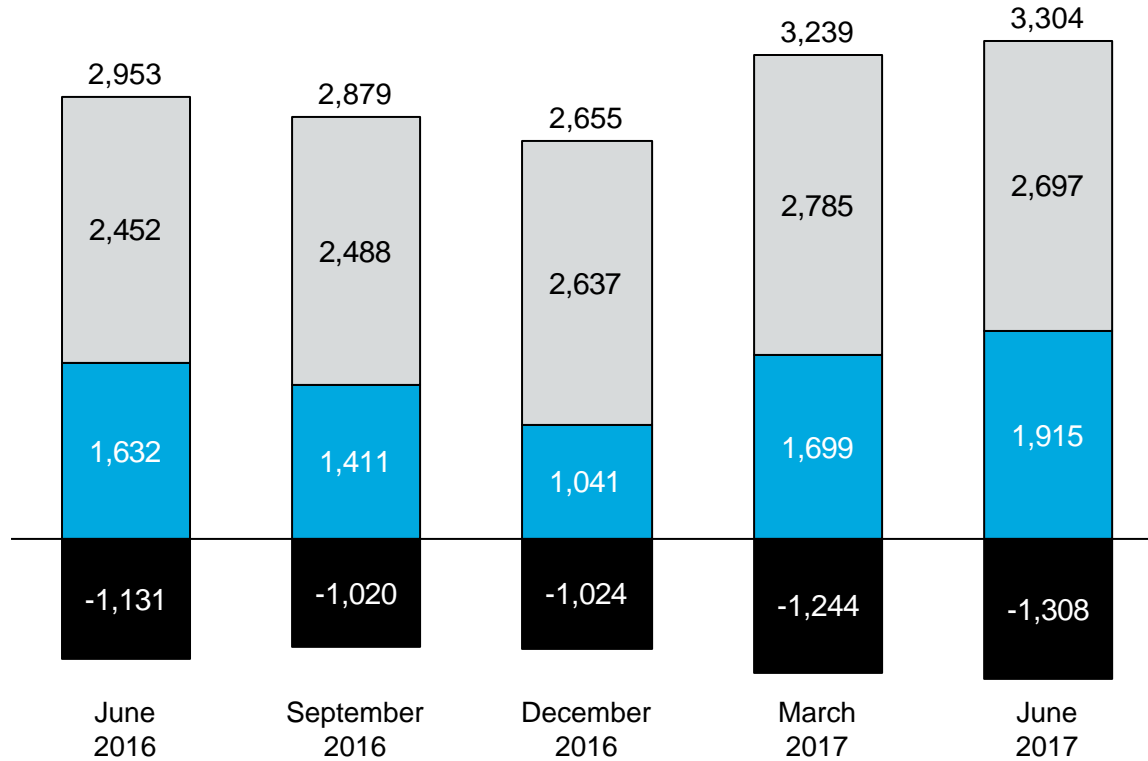


- **Q2 2017 PMI:**
2.0% of net sales.
(2.3% in 2016)

WORKING CAPITAL DEVELOPMENT

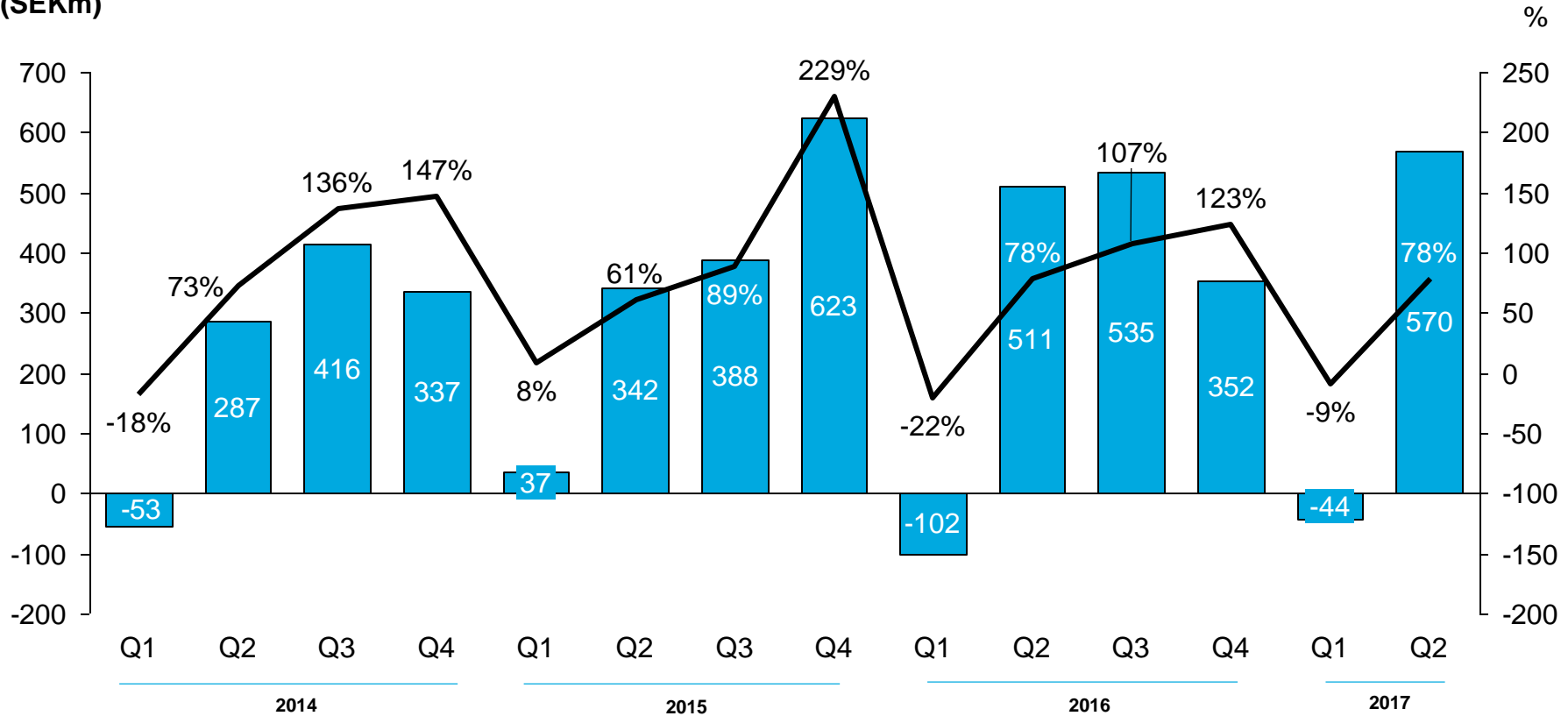


WORKING CAPITAL (SEKm)

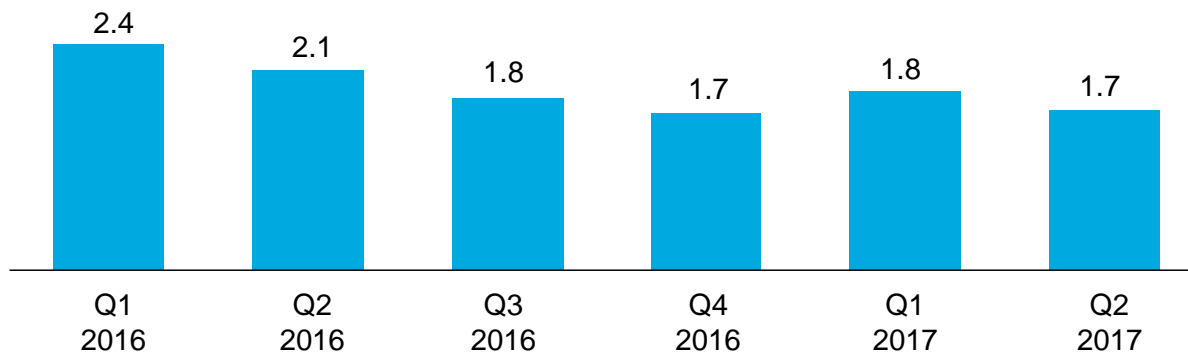


CASH FLOW

(SEKm)



NET DEBT LEVERAGE AND NET DEBT DETAILS ACTUAL



SEKm	Actual Q1 2016	Actual Q2 2016	Actual Q3 2016	Actual Q4 2016	Actual Q1 2017	Actual Q2 2017
RCF	131	0	0	0	0	0
Capex	0	0	0	0	0	0
Senior term A	988	1,016	934	958	849	824
Senior term B	3,457	3,558	3,632	3,727	3,714	3,604
Local facilities	49	76	86	123	116	140
Total debt	4,625	4,650	4,652	4,809	4,678	4,568
Senior PIK notes	0	0	0	0	0	0
Cash	413	730	1,160	1,599	1,213	1,169
Net Debt	4,212	3,920	3,492	3,210	3,465	3,399

ITEMS AFFECTING THIRD QUARTER AND SECOND HALF 2017

- Q3: Class action legal fees: SEK 15-30 million (in administrative expenses, affects **EBIT before i.a.c**)
Depending on level of activity.
- Q3: Consolidation China operations: CNY 80-100 million (affects **items affecting comparability**).
- Second half, 2017: Consolidation China operations: CNY 56 – 70 million (affects **cash flow**)

FINANCIAL TARGETS

	FY 2014	FY 2015	FY 2016	H1 2017	Mid/long term Financial target
Net Sales Growth ¹	5 %	8 %	7 %	10 %	5 %
EBIT Margin ²	11.6 %	12.3 %	13.1 %	14.4 %	15 %
Net Debt / EBITDA	7.5x	2.4x	1.7x	1.7x	2.0x
Dividend Policy	-	No dividend	40%	-	40 %

¹Organic sales growth ²EBIT before I.A.C.

US CLASS ACTION COMPLAINT UPDATE

California:

- No major development since the Q1 presentation; the parties are engaging in document discovery awaiting the court's ruling on the motion to dismiss.

Florida:

- Fact and expert discovery are closed. A motion against class certification and a motion for summary judgement are fully briefed.
- The court should decide the outstanding motions by the end of September.

- We remain firm in our position that the allegations in both cases are without merit.

SUMMARY Q2

- Strong sales and favorable market dynamics in most businesses.
- Underlying profitability improvements, excluding class action.
- Strong cash generation.
- Continued focus on product development, cost control and sales initiatives.
- The outlook remains positive in most of our businesses.



Dometic microwave



Dometic micro Heki



Dometic Coolfreeze CFX

Q&A

APPENDIX

APPENDIX A

Quarterly Summary Key Financials

	Q2	Q2	H1	H1	LTM	FY
SEK million	2017	2016	2017	2016	2017	2016
Net sales	3,949	3,461	7,393	6,460	13,321	12,388
EBITDA	729	646	1,224	1,119	1,976	1,871
% of net sales	18.5%	18.7%	16.6%	17.3%	14.8%	15.1%
Operating profit (EBIT)	650	573	1,067	973	1,667	1,573
% of net sales	16.5%	16.6%	14.4%	15.1%	12.5%	12.7%
Operating profit (EBIT) before items affecting comparability	650	584	1,067	984	1,704	1,621
% of net sales	16.5%	16.9%	14.4%	15.2%	12.8%	13.1%
Profit for the period	474	453	770	748	1,384	1,362
Earnings per share, SEK	1.60	1.53	2.60	2.53	4.68	4.60
Cash flow for the period	-29	309	-412	-107	445	750
Operating cash flow ⁽¹⁾	570	511	526	410	1,412	1,296
Core working capital	3,304	2,953	3,304	2,953	3,304	2,655
Capital expenditure in fixed assets	-71	-44	-134	-97	-262	-225
RoOC	32.4%	33.4%	32.4%	33.4%	32.4%	31.6%

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

APPENDIX B

Group P&L

SEK million	Q2	Q2	H1	H1	FY
	2017	2016	2017	2016	2016
Net sales	3,949	3,461	7,393	6,460	12,388
Cost of goods sold	-2,637	-2,309	-4,996	-4,397	-8,463
Gross Profit	1,312	1,152	2,397	2,063	3,925
Sales expenses	-458	-420	-909	-790	-1,651
Administrative expenses	-170	-133	-359	-271	-604
Other operating income and expenses	-17	2	-27	16	20
Items affecting comparability	0	-11	0	-11	-48
Amortization of customer relationships	-17	-17	-35	-34	-69
Operating profit	650	573	1,067	973	1,573
Financial income	1	2	1	3	6
Financial expenses	-33	-41	-64	-76	-124
Loss from financial items	-32	-39	-63	-73	-118
Profit before tax	618	534	1,004	900	1,455
Taxes	-144	-81	-234	-152	-93
Profit for the period	474	453	770	748	1,362
Profit for the period attributable to owners of the Parent Company	474	453	770	748	1,362
Earnings per share before and after dilution effects, SEK - Owners of the Parent Company	1.60	1.53	2.60	2.53	4.60
Number of shares, million	295.8	295.8	295.8	295.8	295.8

DISCLAIMER

This document contains statements that constitute forward looking statements. These statements appear in a number of places in this document and include statements regarding the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activity and situation relating to the Company. The forward-looking statements in this document can be identified, in some instances, by the use of words such as "expects", "anticipates", "intends", "believes", and similar language or the negative thereof or by forward-looking nature of discussions of strategy, plans or intentions.

Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and other important factors that could cause actual developments or results to differ materially from those expressed in our forward looking statements.

Analysts and investors are cautioned not to place undue reliance on those forward looking statements which speak only as of the date of this presentation. The Company undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in the Company's business strategy or to reflect the occurrence of unanticipated events. Analysts and investors are encouraged to consult the Company's public reports.

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