

INTERIM PRESENTATION

Q4 2017

FEBRUARY 8, 2018



Mobile living made easy.

 **DOMETIC**

PRESENTERS

JUAN VARGUES
PRESIDENT & CEO



PER-ARNE BLOMQUIST
CFO



JUAN VARGUES, PRESIDENT & CEO

Q4 2017 HIGHLIGHTS

- Net sales of SEK 3,252 million, corresponding to 17% total growth, of which 16% organic growth and -5% FX and 6% M&A.
- EBIT before i.a.c. of SEK 310 million, representing a margin of 9.5% (7.5%).
- Sales growth in 7 out of 8 businesses and improved EBIT in 6 out of 8 businesses.
- Americas: Continued high demand in RVOEM. Strong improvements in profitability.
- EMEA: Growth in all OEM businesses and improved margins.
- APAC: Good performance in Aftermarket. Raw material and product mix affected profitability.
- Acquisition of SeaStar Solutions, an important step to expand within Marine.
- Operating cash flow of SEK 536 million (352).



■ OEM, 67% (65%)
■ AM, 33% (35%)



■ Americas, 47% (45%)
■ EMEA, 38% (39%)
■ APAC, 15% (16%)



■ RV, 64% (66%)
■ Marine, 13% (9%)
■ CPV, 12% (15%)
■ Retail, 8% (7%)
■ Lodging, 3% (3%)

Q4 2017 GROWTH SPLIT

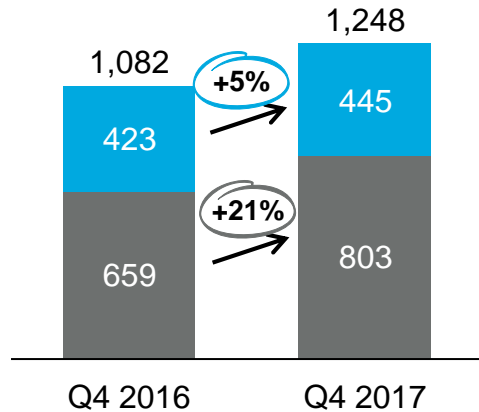
Group

Total sales: SEK 3,252 million

Growth in constant currency: 23% (AM 17%, OEM 26%)

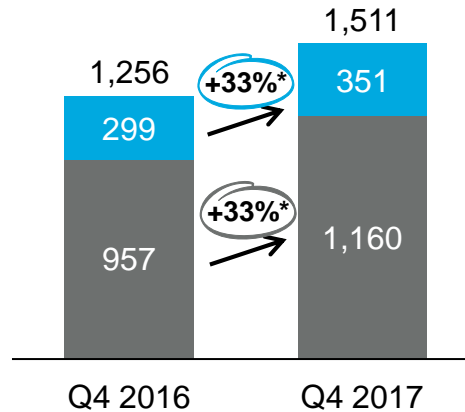
EMEA

Growth in constant currency: **14%**



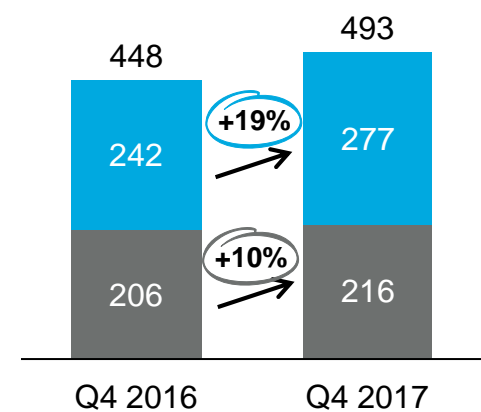
Americas

Growth in constant currency: **33%***



APAC

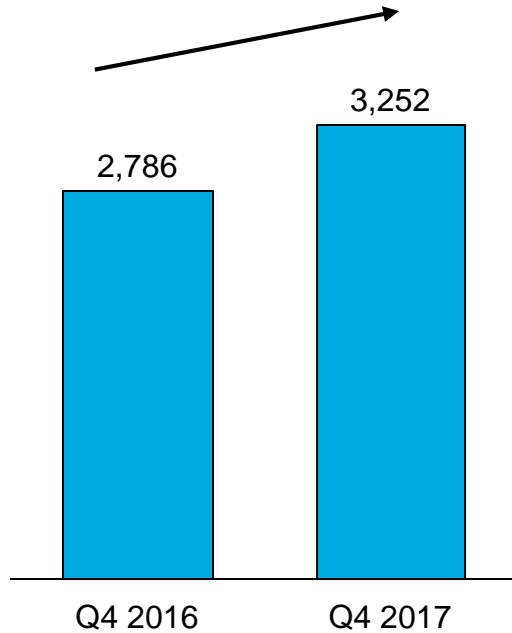
Growth in constant currency: **15%**



Q4 2017

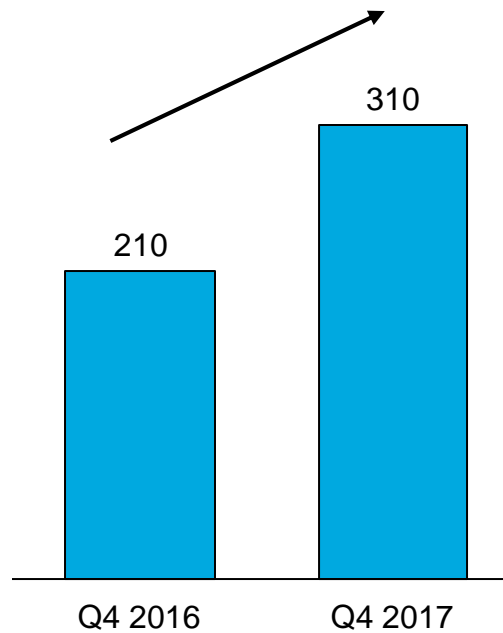
Sales (MSEK)

17% (23% in constant currency)

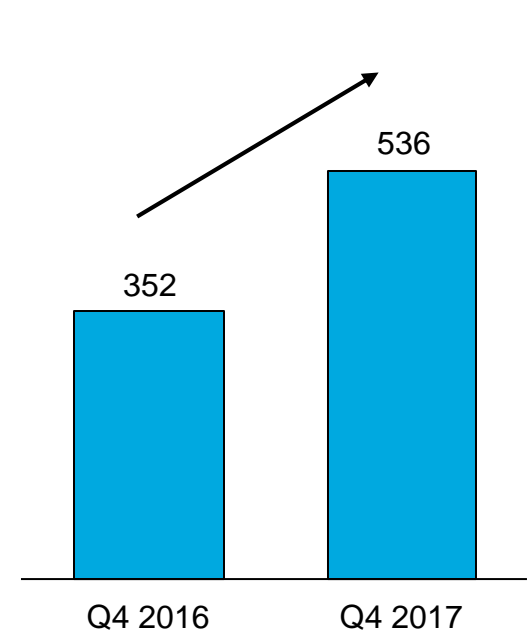


EBIT bef i.a.c (MSEK)

48% (69% in constant currency)



Operating Cash Flow (MSEK)



MARKET HIGHLIGHTS

Dometic RV Drop-in cooktop - Americas

- Launched at the RVIA tradeshow in December
- Ease of use and ease of installation

Dometic glazing dome Midi-Heki - EMEA

- Launched in October
- Noise reduction and higher reliability

Dometic RV RUC refrigerator - APAC

- Launched in December for the Australian market
- Absorption and compressor versions interchangeable

Dometic awarded 2 iF design awards - APAC

- Slide-out kitchen
- Cool Ice boxes

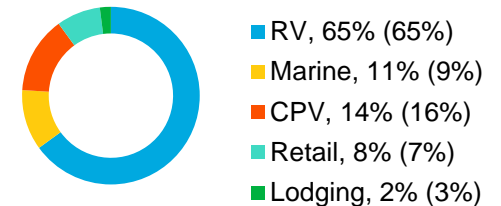
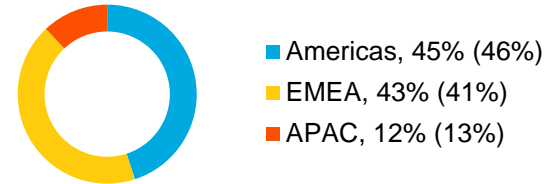
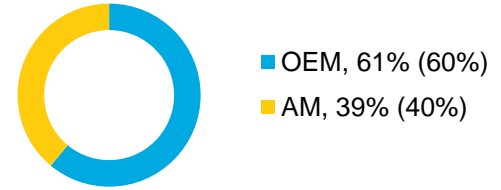
Dometic wins European Innovation Award - EMEA

- Awarded Best Vehicle Equipment



FULL YEAR 2017 HIGHLIGHTS

- Net sales of SEK 14,044 million, corresponding to 13% total growth, of which 12% organic growth and 0% FX and 1% M&A.
- EBIT before i.a.c. of SEK1,860 million, +15% growth. Margin of 13.2% (13.1%).
- Sales growth in 6 out of 8 businesses and improved EBIT in 7 out of 8 businesses.
- Americas: All time high levels for RV shipments. Strong improvement in profitability.
- EMEA: RV market back to levels before the financial crisis. Strong growth in OEM businesses. Margins under pressure and efficiency program implemented.
- APAC: RV OEM growth despite soft Australian market. Double-digit Aftermarket growth. Margin pressure from raw material prices and product mix.
- 3 acquisitions; SeaStar Solutions, Oceanair and IPV.
- Operating cash flow of SEK 1,727 million (1,296).
- Proposed dividend of SEK 2.05 (1.85) per share.



FULL YEAR 2017 GROWTH SPLIT

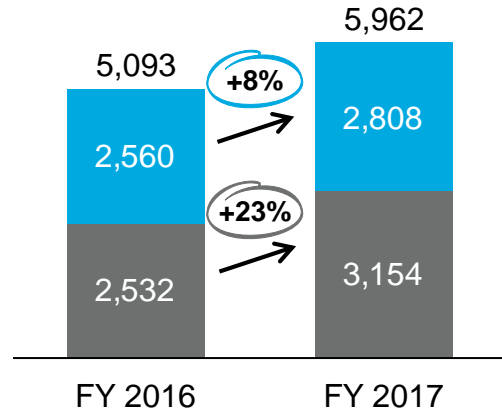
Group

Total sales: 14,044 SEKm

Growth in constant currency: 13% (AM 9% OEM 16%)

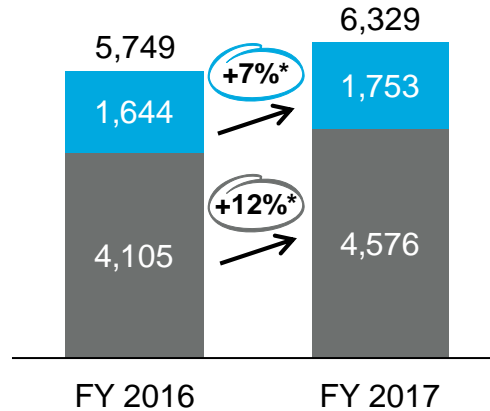
EMEA

Growth in constant currency: **15%**



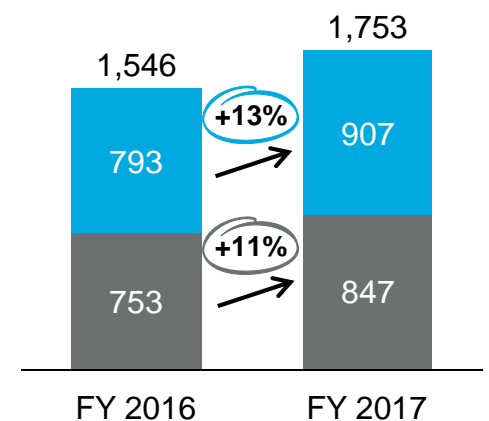
Americas

Growth in constant currency: **11%***



APAC

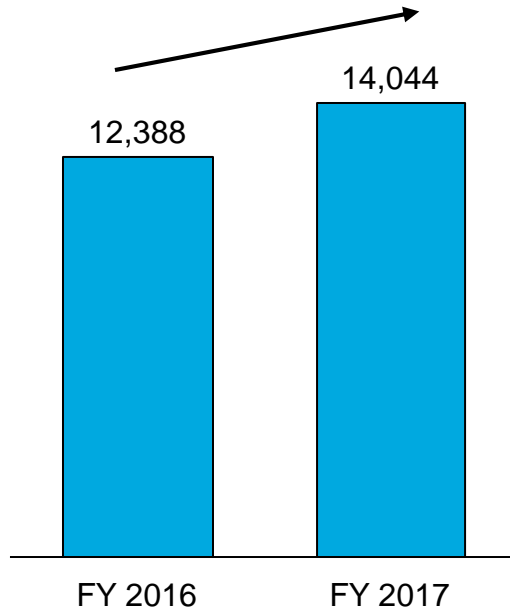
Growth in constant currency: **12%**



FULL YEAR 2017

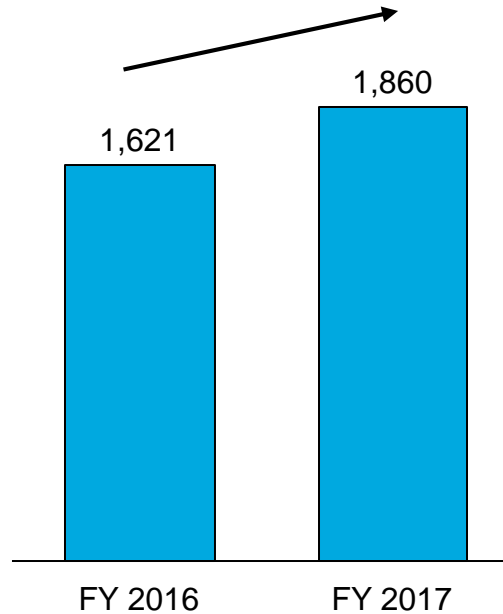
Sales (MSEK)

13% (13% constant currency)

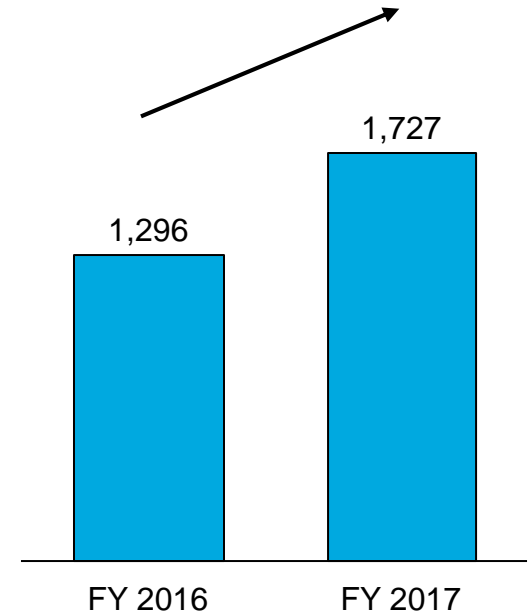


EBIT bef i.a.c (MSEK)

15% (15% constant currency)

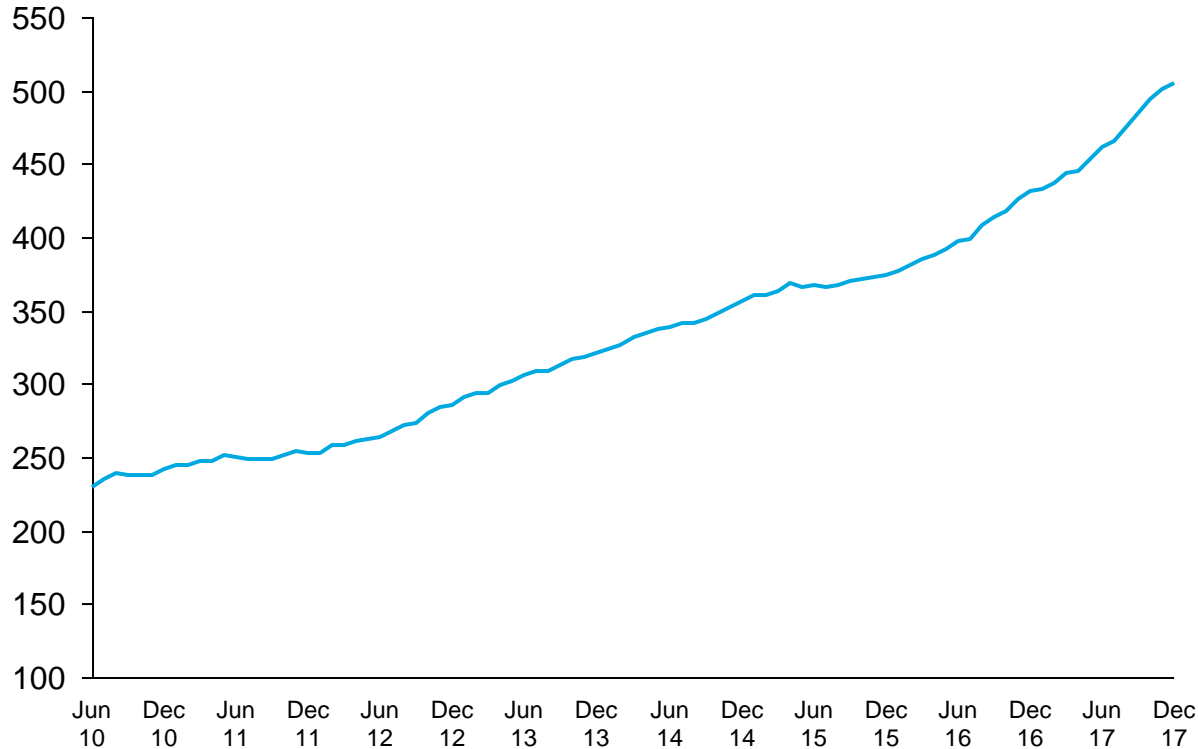


Operating Cash Flow (MSEK)



US RV MARKET – OEM SHIPMENTS

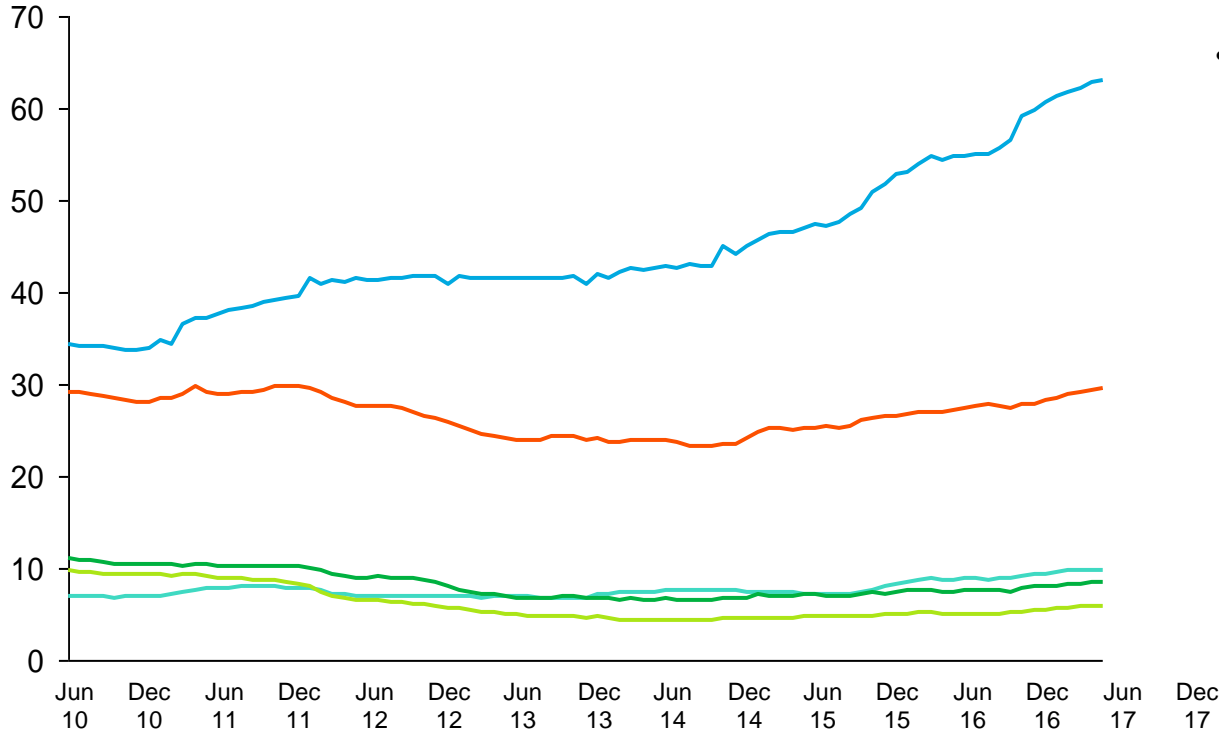
ROLLING TWELVE MONTHS (000S UNITS)



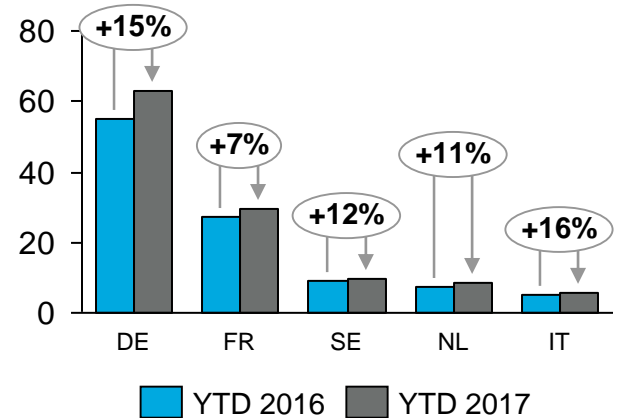
- Rolling three months
December 2017*:
126,600 units (106,400) +19%
- Full Year 2017*:
504,600 units (430,700) +17%
- Full Year 2018 outlook*
525,000 units +4%

EUROPE RV MARKET REGISTRATIONS

ROLLING TWELVE MONTHS (000S UNITS)

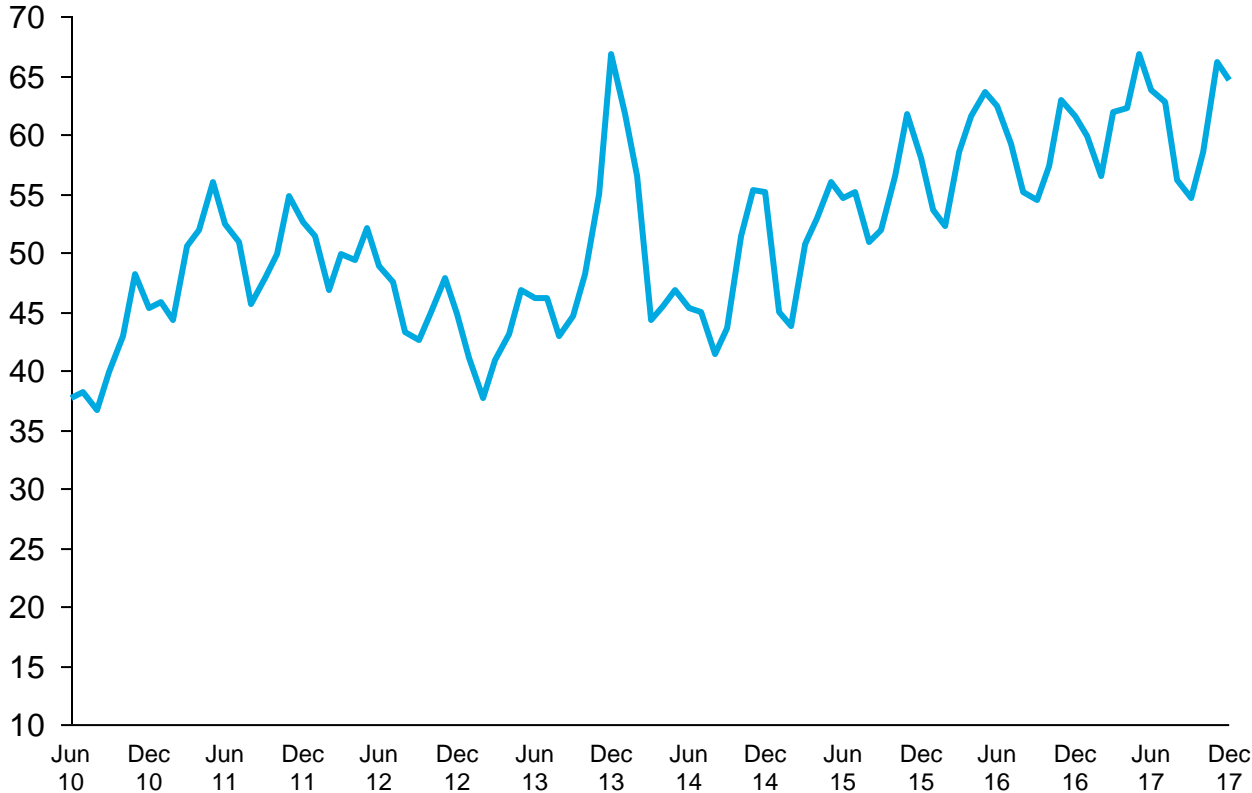


- Rolling three months
December 2017*:
15,000 units (12,600) +19%
- Full Year 2017:
 - 124,400 units (108,800) +13%
 - 190,565 units +13%**



EUROPE TRUCKS (ABOVE 16 TONS) REGISTRATIONS

ROLLING THREE MONTHS (000S UNITS)

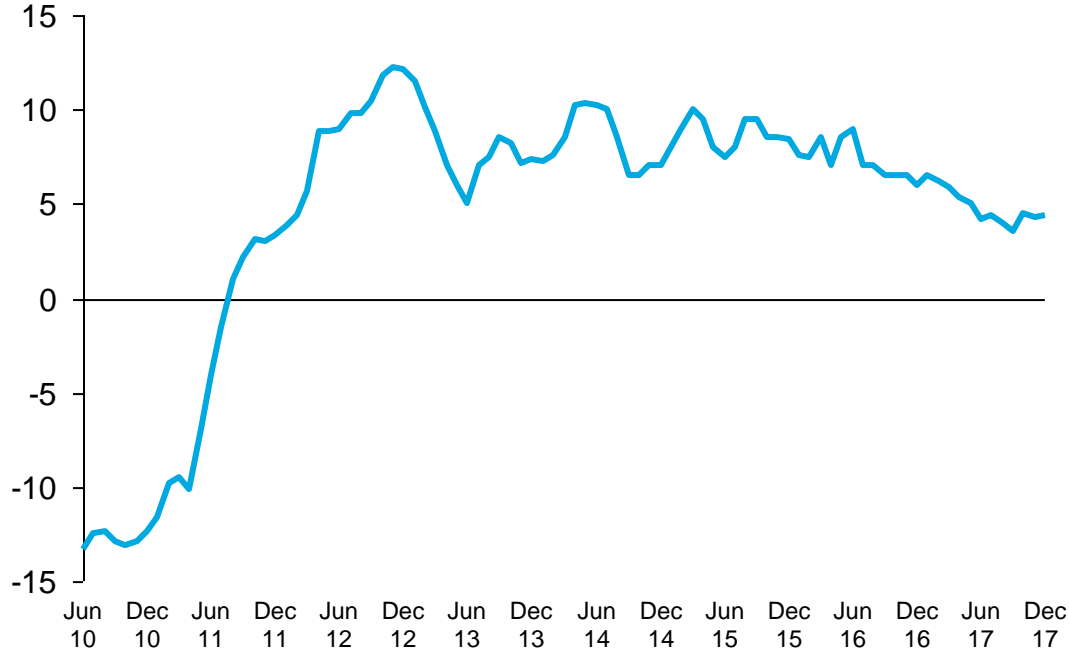


- Rolling three months
December 2017:
64,500 units (63,600) +1%
- Full Year 2017:
244,700 units (241,400) +1%

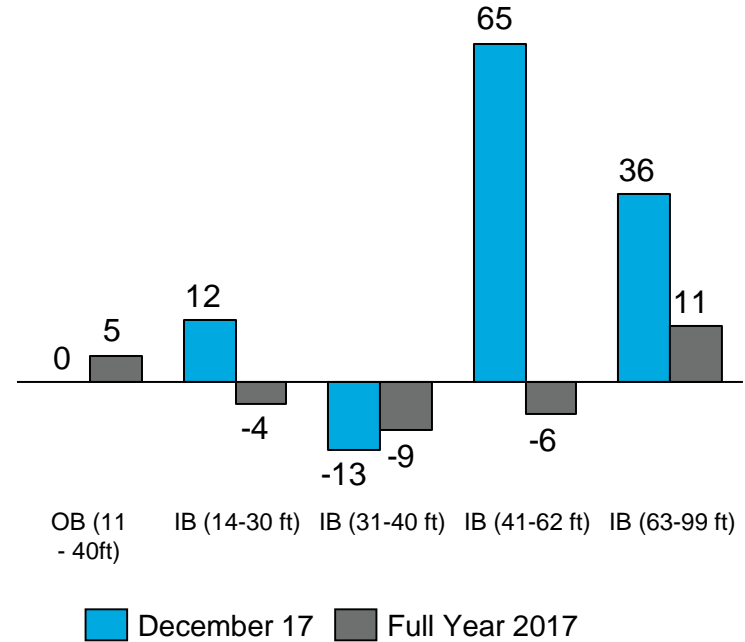
US POWER BOAT SALES

ROLLING TWELVE MONTHS (000S UNITS)

Full Year 2017: 4.4%



Power boat category (%)



Source: Info-link and Baird Equity Research

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

Mobile living made easy.

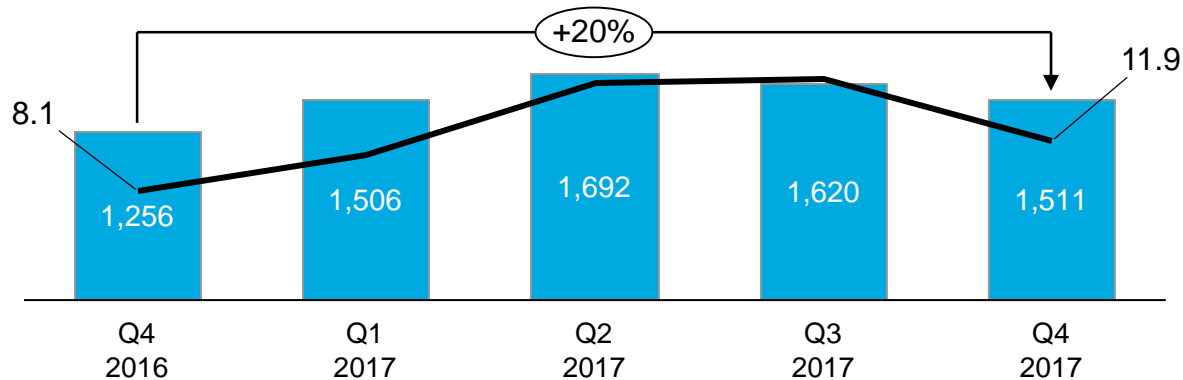


AMERICAS

Q4 Highlights

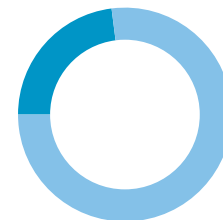
- Net sales of SEK 1,511 million. Sales growth in constant currency of 33%.
- EBIT of SEK 180 million, representing a margin of 11.9% (8.1%).
- Strong RV OEM sales of +30% growth in constant currency.
- Margin improvement of 3.8 percentage units to 11.9%.
- Acquisition of SeaStar Solutions.

Net sales & EBIT %



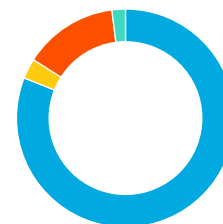
Breakdown of sales

By sales channel



■ AM, 23% ■ OEM, 77%

By business area



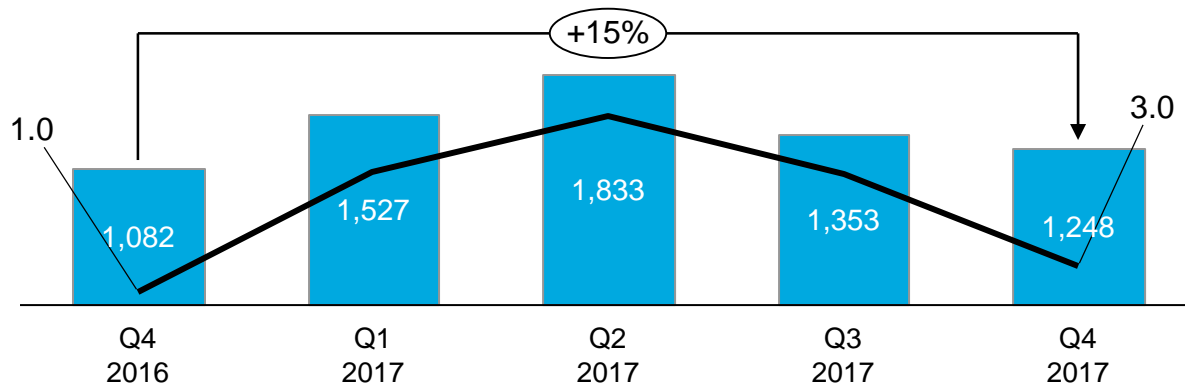
■ RV, 81% ■ CPV, 3%
■ Marine, 14% ■ Other, 2%

EMEA

Q4 Highlights

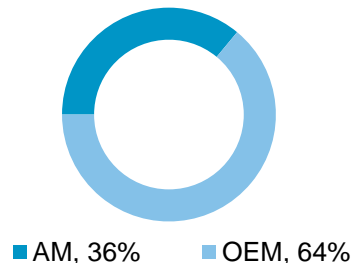
- Net sales of SEK 1,248 million. Sales growth in constant currency of 14%.
- EBIT of SEK 38 million, representing a margin of 3.0% (1.0%).
- 21% OEM growth in constant currency.
- Higher profitability mainly driven by improvements in the RV business.
- Roll-out of profitability improvement program proceeds as planned. Costs of SEK -61 million charged in Q4 (i.a.c).

Net sales & EBIT %

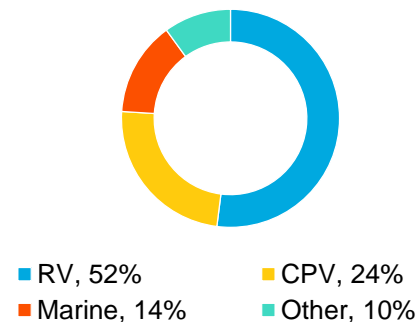


Breakdown of sales

By sales channel



By business area

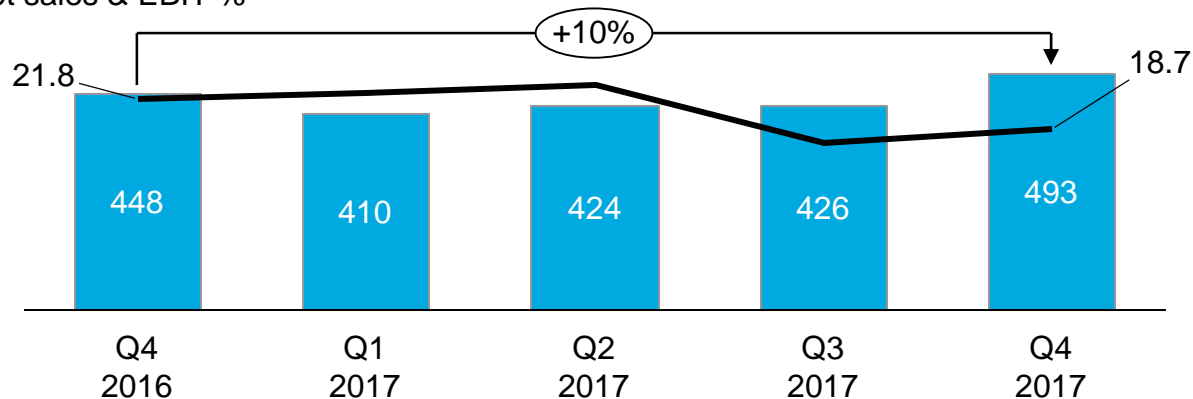


APAC

Q4 Highlights

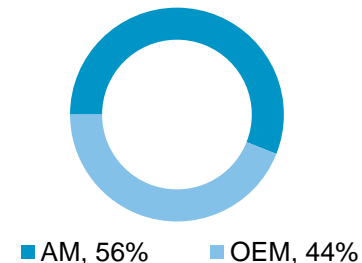
- Net sales of SEK 493 million. Sales growth in constant currency of 15%.
- EBIT of SEK 92 million. Representing a margin of 18.7% (21.8%).
- Aftermarket growth of 19% in constant currency, driven by Retail and RV AM.
- Profitability negatively affected by raw material prices and product mix.
- Strong sales development in China, +40%.

Net sales & EBIT %

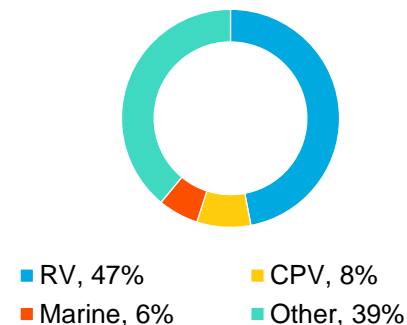


Breakdown of sales

By sales channel



By business area

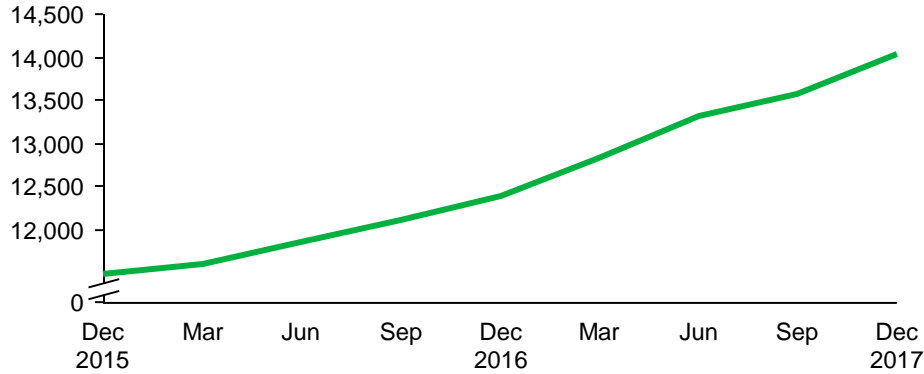


17

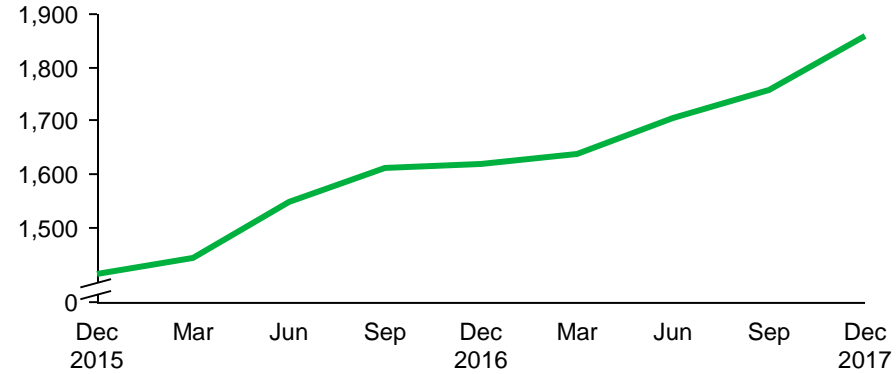
PER-ARNE BLOMQUIST, CFO

DOMETIC GROUP TRENDS

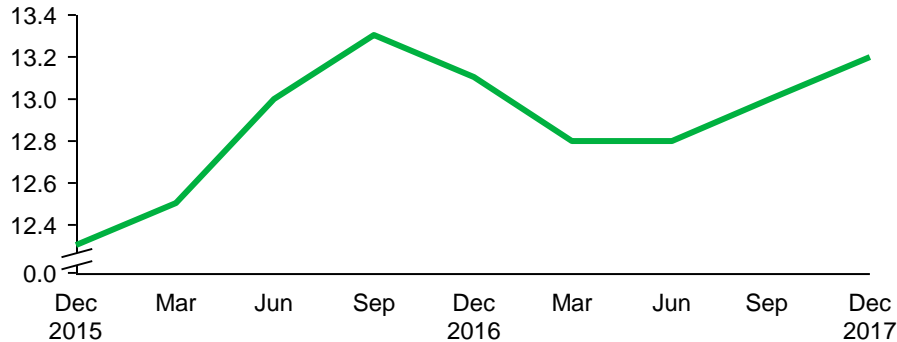
Sales (SEKm)



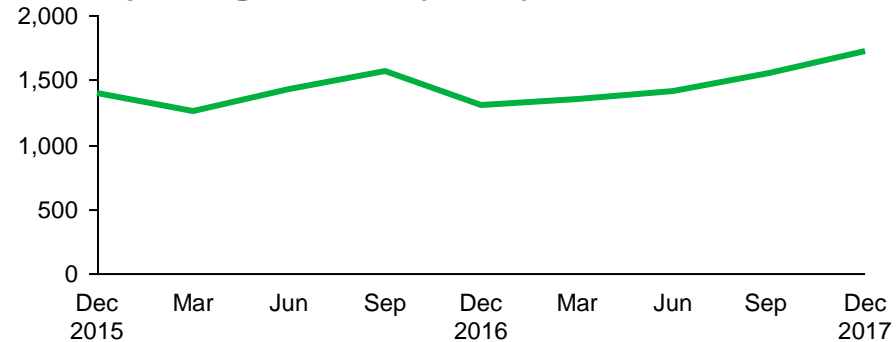
EBIT bef. i.a.c (SEKm)



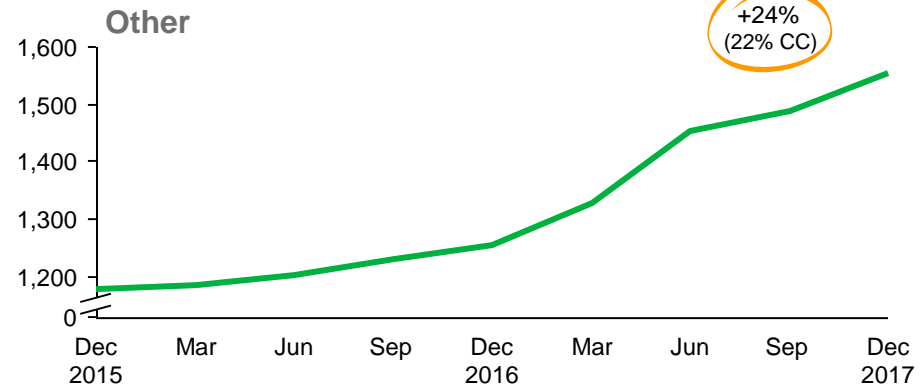
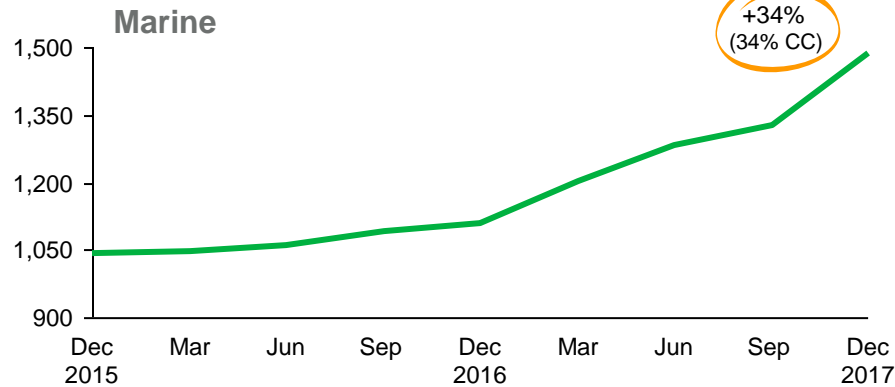
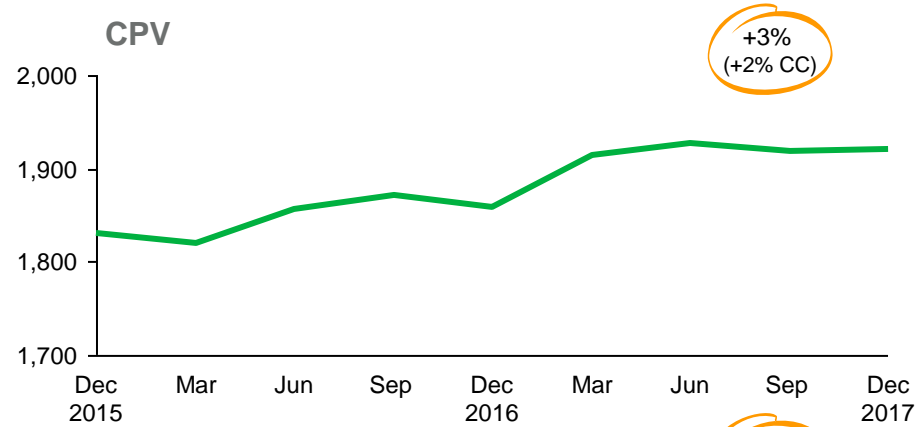
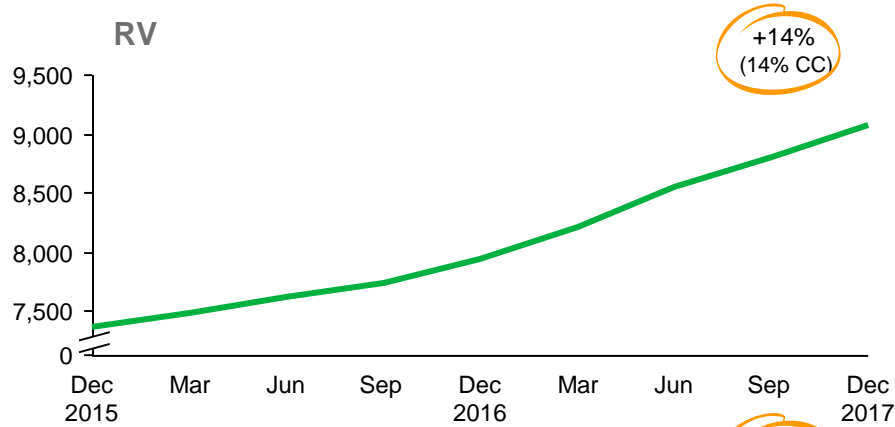
EBIT bef. i.a.c (%)



Operating cash flow (SEKm)



BUSINESS AREA DEVELOPMENT



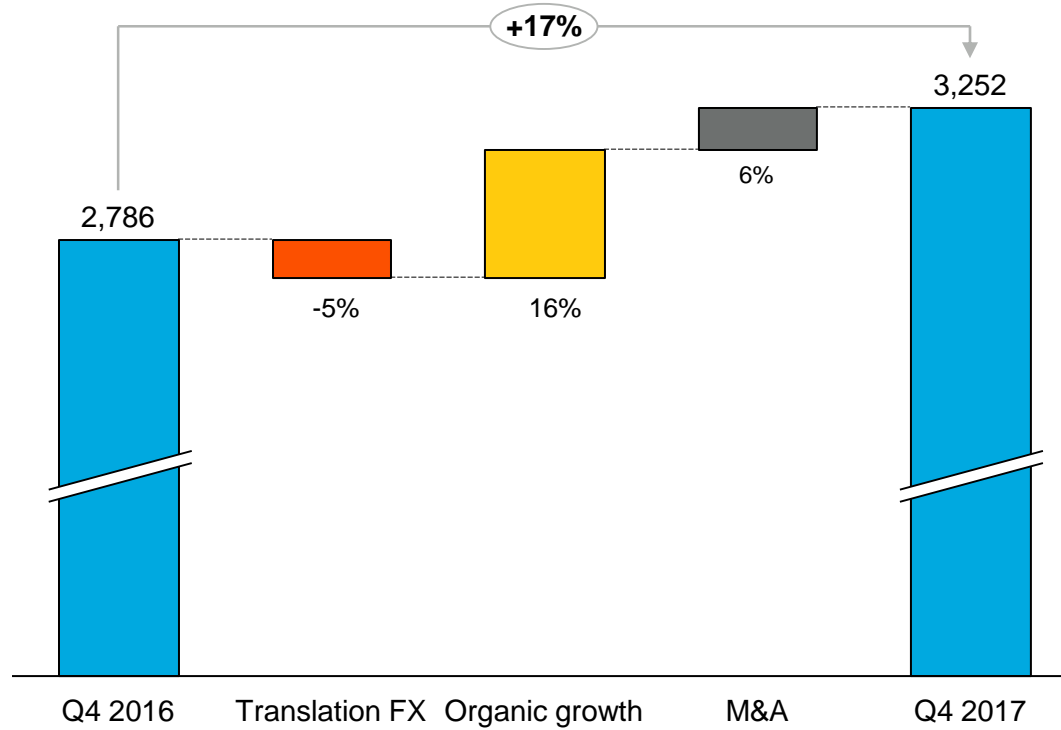
KEY RATIOS

SEKm		Q4 2017	Q4 2016	FY 2017	FY 2016
Sales	Net sales	3,252	2,786	14,044	12,388
	Growth, %	16.7	10.4	13.4	7.9
	Organic growth, %	16.2	5.3	11.5	6.9
Profitability	EBIT before i.a.c. %	9.5	7.5	13.2	13.1
	EBITDA before i.a.c. %	12.3	10.3	15.5	15.5
Capital efficiency	Core working capital, to sales, %*	22.3	22.5	22.3	22.5
	Return on operating capital	33.0	31.6	33.0	31.6
Cash flow	Operating cash flow	536	352	1,727	1,296
EPS	Earnings per share	0.94	1.02	5.05	4.60

* Average CWC/LTM net sales excluding Seastar Solutions. Including Seastar: 23.1%.

DOMETIC GROUP NET SALES BRIDGE Q4

(SEKm)

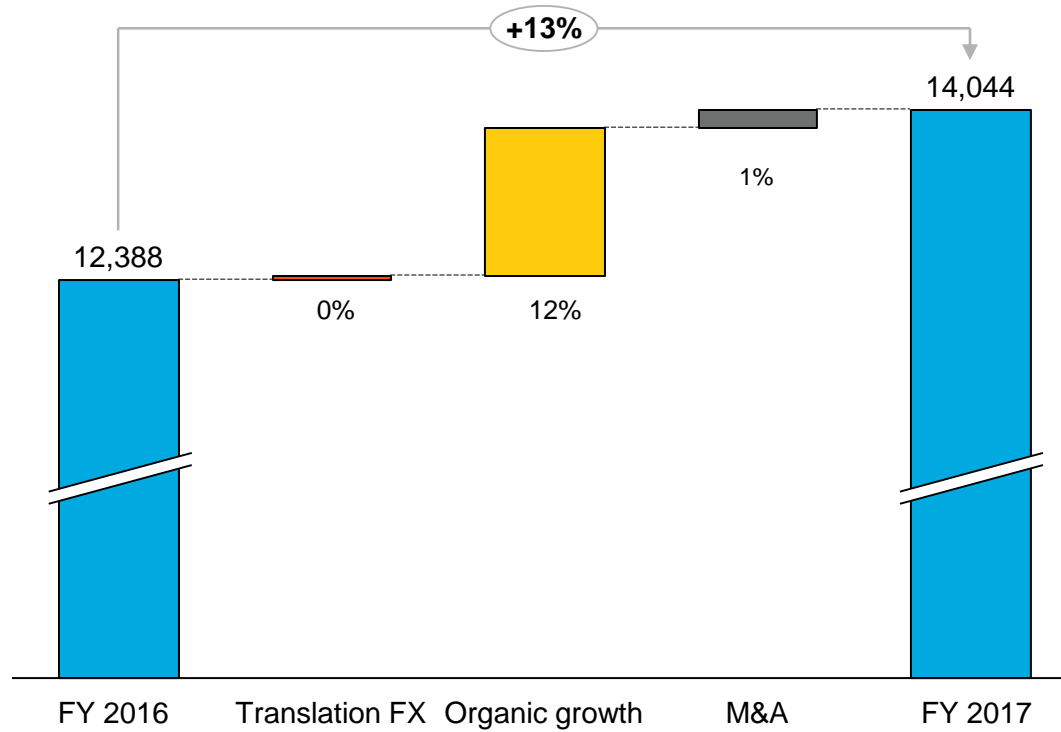


Translation FX details

	Net Sales	Share of impact
USD	-125	93%
EUR	15	-11%
AUD	-11	8%
HKD	-4	3%
GBP	-1	1%
CNY	-1	1%
Other	-7	6%
Total	-134	

DOMETIC GROUP NET SALES BRIDGE FULL YEAR

(SEKm)



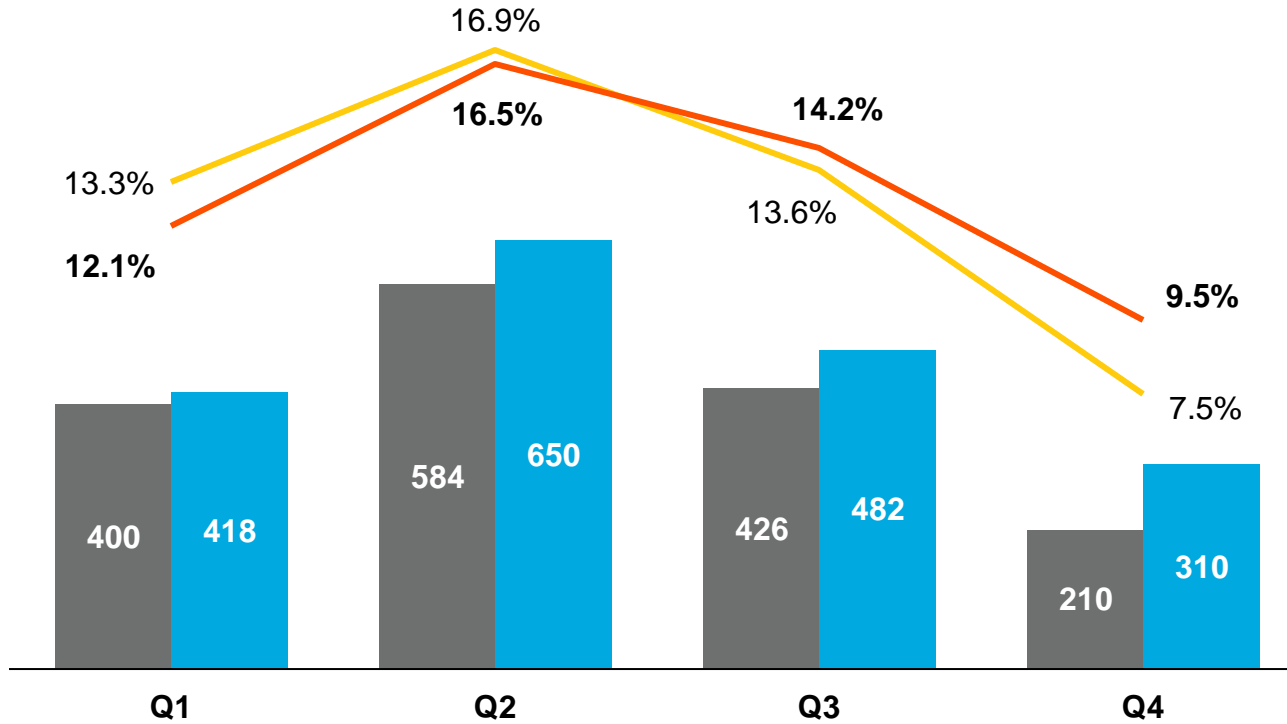
Translation FX details

	Net Sales	Share of impact
USD	-46	-90%
EUR	82	160%
AUD	26	50%
HKD	-2	-4%
GBP	-15	-28%
CNY	-3	-5%
Other	8	16%
Total	51	

REGIONAL RESULTS

SEK million	Q4	Q4	Change (%)		FY	FY	Change (%)	
	2017	2016	Rep.	Adj. ⁽¹⁾	2017	2016	Rep.	Adj. ⁽¹⁾
Americas ⁽³⁾	1,511	1,256	20%	33%	6,329	5,749	10%	11%
EMEA	1,248	1,082	15%	14%	5,962	5,093	17%	15%
Asia Pacific	493	448	10%	15%	1,753	1,546	13%	12%
Net sales	3,252	2,786	17%	23%	14,044	12,388	13%	13%
Americas ⁽³⁾	180	102	77%	114%	885	756	17%	18%
EMEA	38	11	251%	607%	618	534	16%	14%
Asia Pacific	92	97	-5%	0%	357	331	8%	8%
Operating profit (EBIT) bef. i.a.c.⁽²⁾	310	210	48%	69%	1,860	1,621	15%	15%
Americas ⁽³⁾	11.9%	8.1%			14.0%	13.1%		
EMEA	3.0%	1.0%			10.4%	10.5%		
Asia Pacific	18.7%	21.8%			20.4%	21.4%		
Operating profit %⁽²⁾	9.5%	7.5%			13.2%	13.1%		

EBIT MARGIN DEVELOPMENT



ITEMS AFFECTING THE FOURTH QUARTER RESULT

Items affecting EBIT before I.A.C

- Reimbursement of SEK 28 million related to the US class action complaints. The reimbursement covers costs incurred until year-end 2017. Going forward, 75 percent of costs for handling of certain parts of the US class action complaints will be reimbursed.

Items affecting EBIT after I.A C

- Costs of SEK -61 million related to the EMEA profitability program
- Acquisition costs of SEK – 58 million related to the acquisition of SeaStar Solutions

Tax

Due to the new US tax reform (Tax Cuts & Jobs Act), signed on December 22, 2017, the corporate tax rate in the US has decreased. This affects Dometic in two ways:

- A revaluation of Dometic's deferred tax assets in the US results in a negative effect of SEK 20 million.
- A deferred tax liability related to the acquisition of SeaStar Solutions, completed on December 15, 2017, has been revaluated to the new tax rate, which will have a positive effect of SEK 298 million.
- The one-off tax effects will not have any impact on the cash flow.

EARNINGS PER SHARE

SEKm, SEK	Q4				Full Year			
	2017	EPS	2016	EPS	2017	EPS	2016	EPS
Net sales	3,252		2,786		14,044		12,388	
Operating profit (before i.a.c)	310	1.05	210	0.71	1,860	6.29	1,621	5.48
Finance net	-87	-0.29	-9	-0.03	-206	-0.70	-118	-0.40
Tax	173	0.58	138	0.47	-206	-0.70	-93	-0.31
Result for the period	277	0.94	302	1.02	1,495	5.05	1,362	4.60
No. of shares, million	295.8		295.8		295.8		295.8	
Earnings per share, SEK	0.94		1.02		5.05		4.60	

Q4 2017

Total tax rate: -166%
Tax paid: 34%

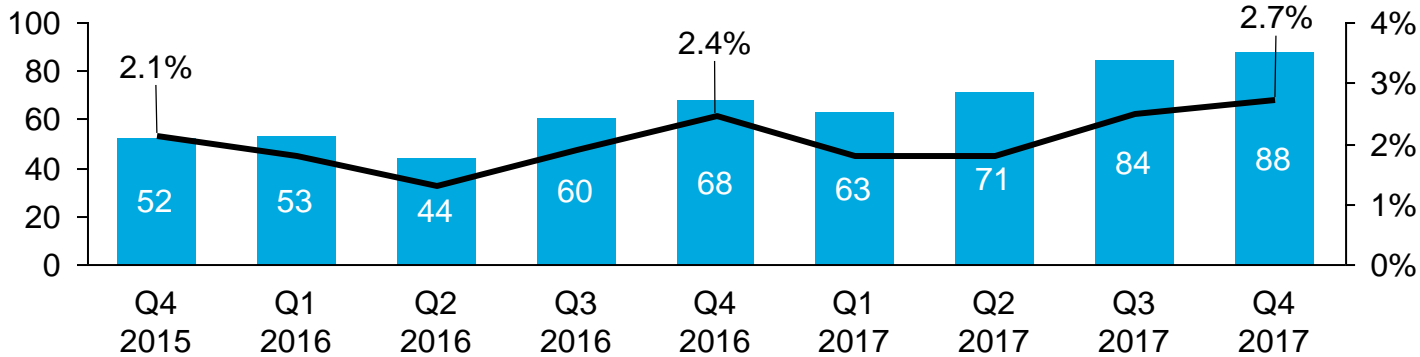
FY 2017

Total tax rate : 12%.
Tax paid: 6%

CAPEX & PMI

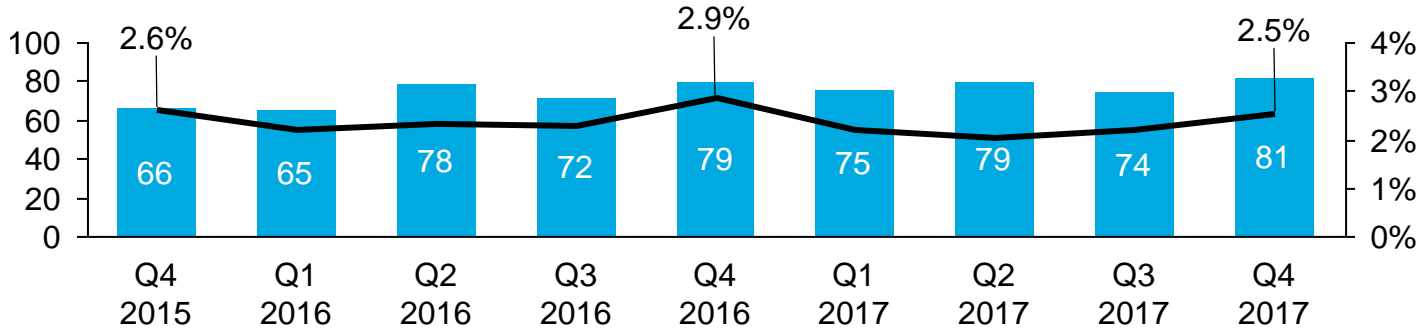
(SEKm, % OF NET SALES)

CAPEX



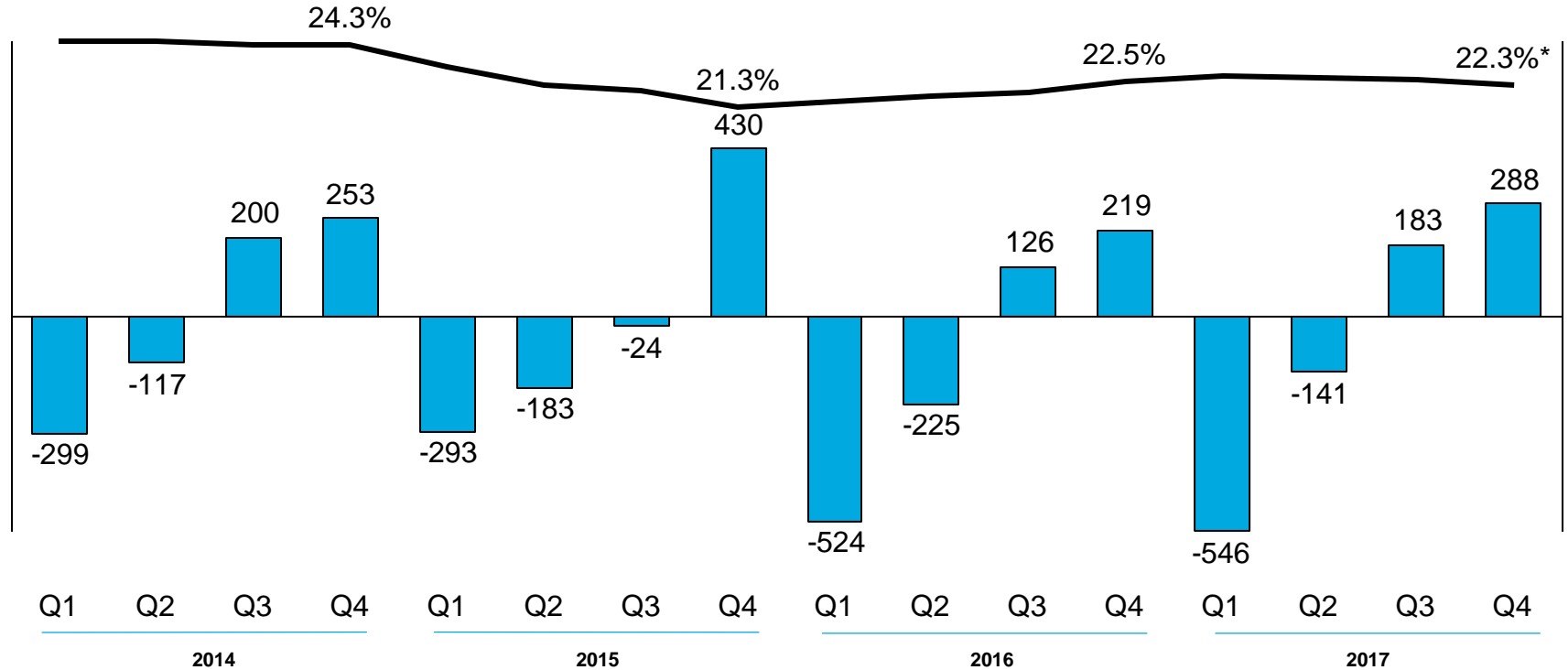
- **Q4 2017 CAPEX:**
2.7% of net sales.
(2.4% in 2016)

PMI

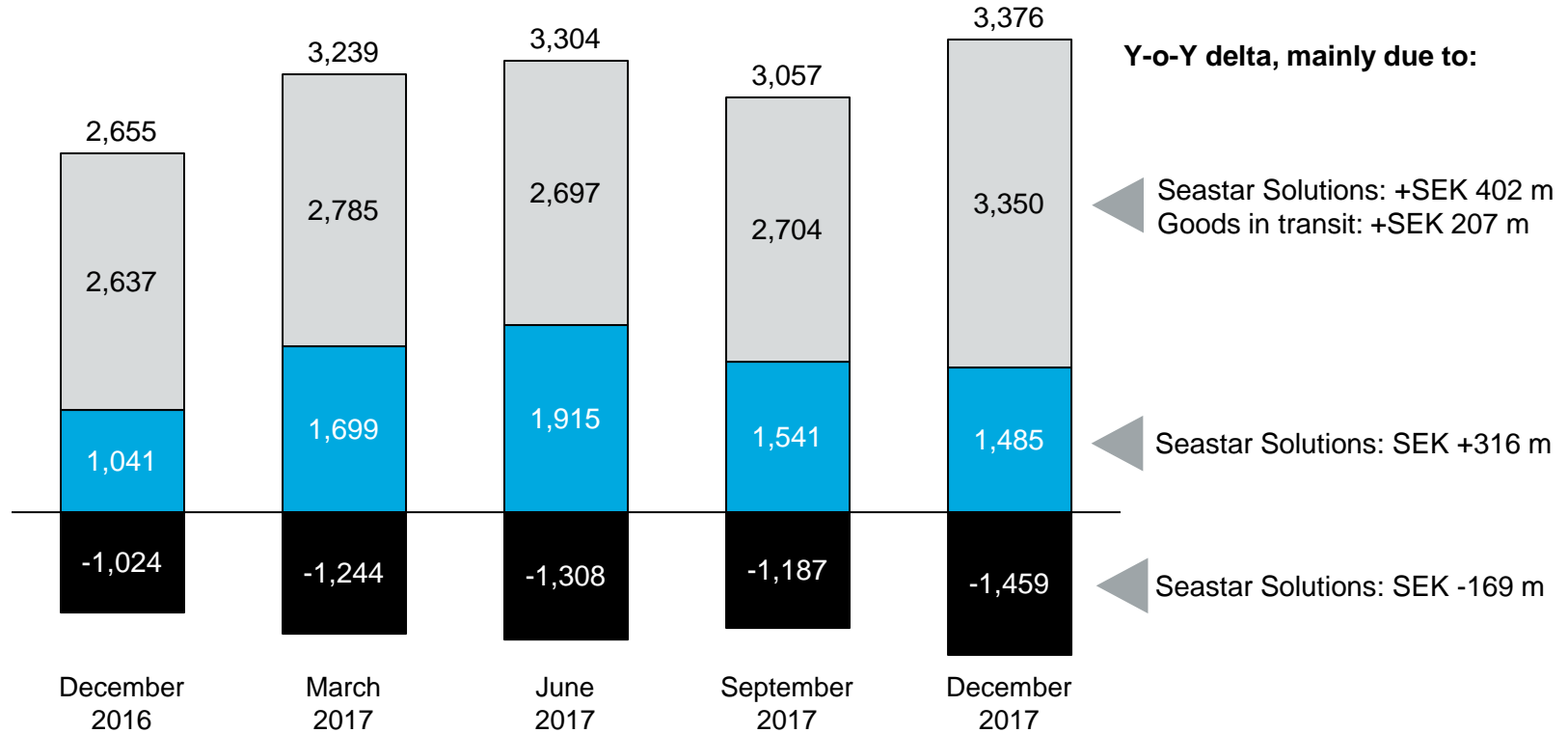


- **Q4 2017 PMI:**
2.5% of net sales.
(2.9% in 2016)

WORKING CAPITAL DEVELOPMENT

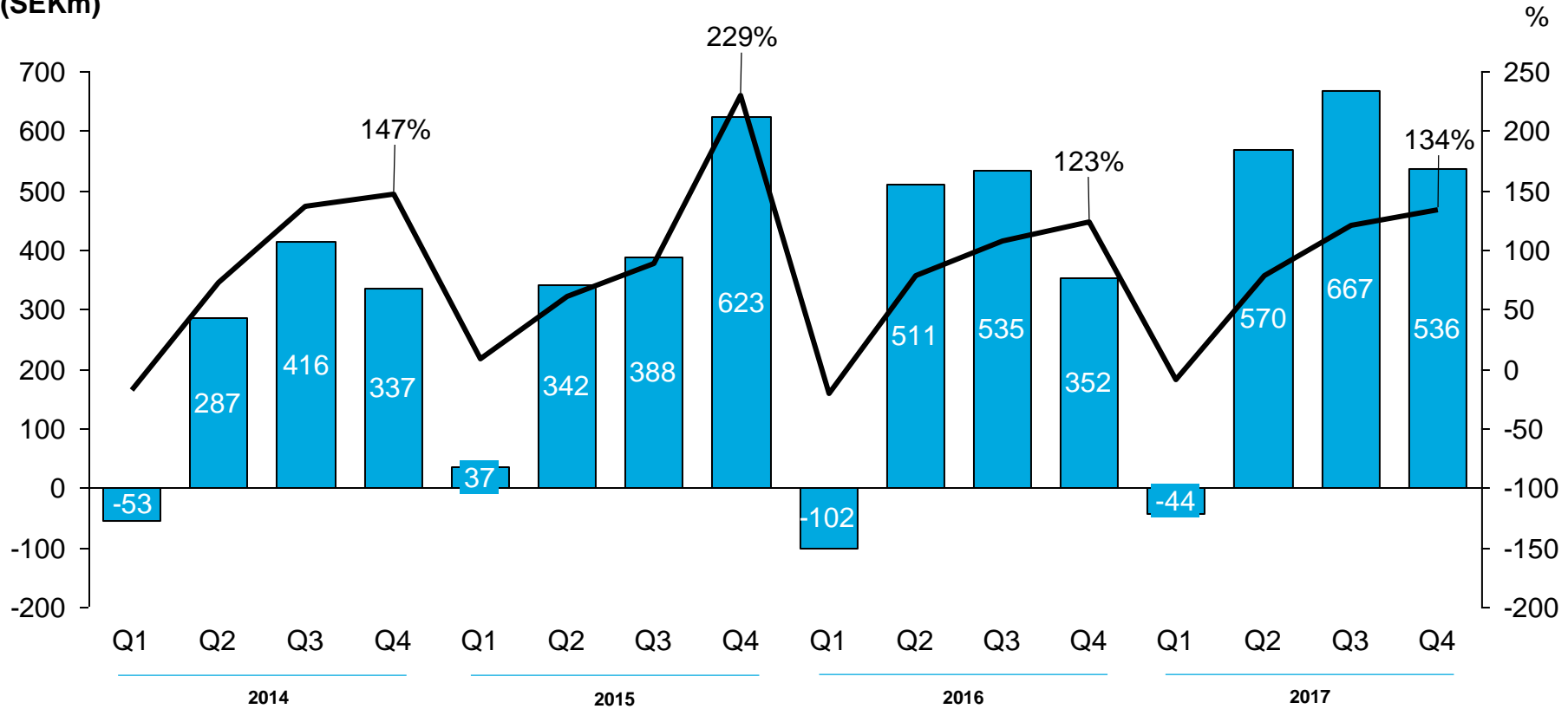


WORKING CAPITAL (SEKm)

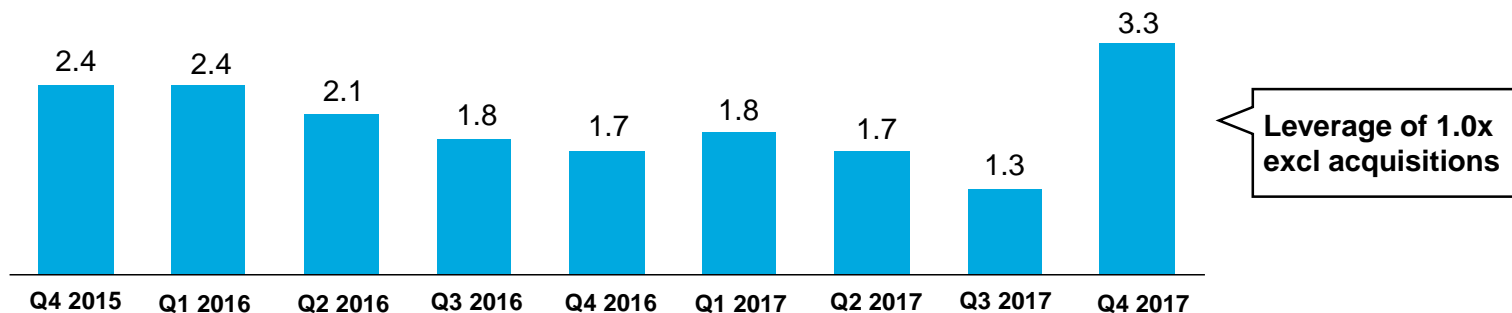


CASH FLOW

(SEKm)



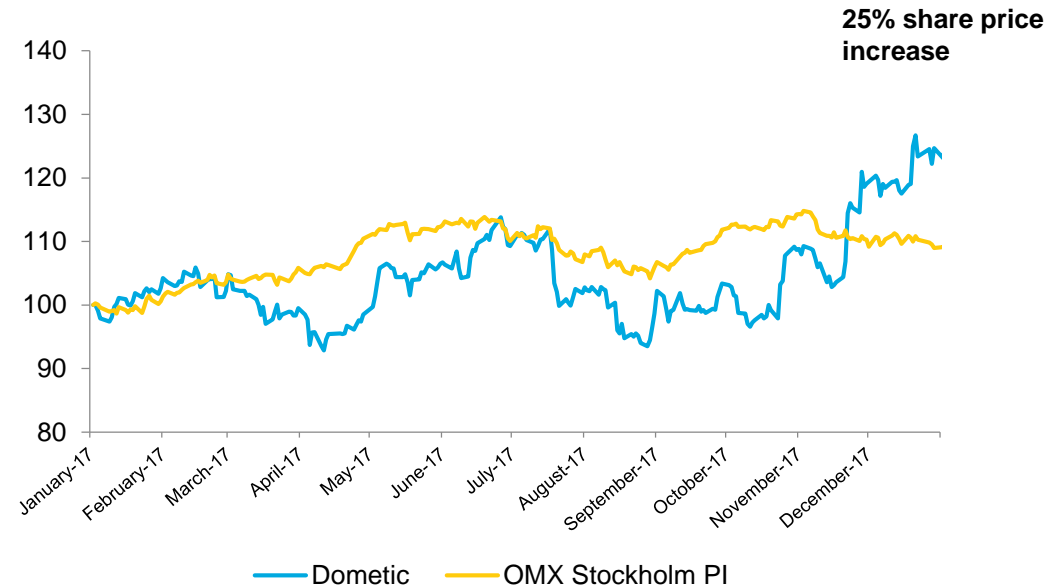
NET DEBT LEVERAGE AND NET DEBT DETAILS ACTUAL



	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
SEKm	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
RCF	311	131	0	0	0	0	0	0	0
Capex	0	0	0	0	0	0	0	0	0
Senior term A	996	988	1,016	934	958	849	824	705	2,777
Senior term B	3,484	3,457	3,558	3,632	3,727	3,714	3,604	3,523	7,693
Local facilities	58	49	76	86	123	116	140	130	131
Total debt	4,849	4,625	4,650	4,652	4,809	4,678	4,568	4,358	10,601
Cash	833	413	730	1,160	1,599	1,213	1,169	1,763	1,159
Net Debt	4,016	4,212	3,920	3,492	3,210	3,465	3,399	2,594	9,442

DIVIDEND PAY-OUT AND SHARE PRICE DEVELOPMENT

- Dometic Board of Directors will propose to the Annual Shareholders Meeting to give a cash dividend of SEK 606 million, corresponding to SEK 2.05 per share (1.85).
- The proposed dividend equals 40% of the profit for the period.



FINANCIAL TARGETS

	FY 2014	FY 2015	FY 2016	FY 2017	Mid/long term Financial target
Net Sales Growth ¹	5 %	8 %	7 %	12%	5 %
EBIT Margin ²	11.6 %	12.3 %	13.1 %	13.2%	15 %
Net Debt / EBITDA	7.5x	2.4x	1.7x	3.3x	2.0x
Dividend Policy	-	No dividend	40%	40%	40 %

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

US CLASS ACTION COMPLAINT UPDATE

- The proceedings regarding the class action complaints are pending. The actions remain effectively stayed until a transfer decision is reached.
- The company and the insurance company have reached an agreement, pursuant to which the company will be reimbursed for a certain portion of the incurred and future defense costs related to the class action lawsuits.
- We remain firm in our position that the allegations in the cases are without merit.

SUMMARY 2017

- Strong organic sales growth of 12%, primarily driven by high demand in RV OEM in Americas and EMEA.
- Improved profitability due to good operational execution in Americas.
- 3 acquisitions. SeaStar Solutions a key acquisition to build a global Marine platform.
- Profitability program launched in EMEA focusing on cost control in the region.
- Consolidation of manufacturing in China.
- Increased focus on product development, cost control and sales initiatives.
- 23% growth in emerging markets
- Juan Vargues appointed new President and CEO of Dometic, started January 8, 2018.



OUTLOOK 2018

- Organic growth in line with the financial target of 5%
 - Global lifestyle trends
 - Consumer confidence
 - Product development
 - Expansion in businesses outside of RV
- Aiming at 15% EBIT-margin during 2018
 - Continued focus on cost and efficiencies
 - Grow Aftermarket and Marine
- Leverage of 2.5x by end of 2018
 - Continued strong cash generation
- Proposed dividend of SEK 2.05 (1.85).
 - In line with target of 40% of net profit



Q&A

APPENDIX

APPENDIX A

Quarterly Summary Key Financials

SEK million	Q4 2017	Q4 2016	FY 2017	FY 2016
Net sales	3,252	2,786	14,044	12,388
EBITDA	280	250	2,228	1,871
% of net sales	8.6%	9.0%	15.9%	15.1%
Operating profit (EBIT)	191	173	1,907	1,573
% of net sales	5.9%	6.2%	13.6%	12.7%
Operating profit (EBIT) before items affecting comparability	310	210	1,860	1,621
% of net sales	9.5%	7.5%	13.2%	13.1%
Profit for the period	277	302	1,495	1,362
Earnings per share, SEK	0.94	1.02	5.05	4.60
Cash flow for the period	-612	435	-417	750
Operating cash flow ⁽¹⁾	536	352	1,727	1,296
Core working capital	3,376	2,655	3,376	2,655
Capital expenditure in fixed assets	-88	-68	-306	-225
RoOC	33.0%	31.6%	33.0%	31.6%

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

APPENDIX B

Group P&L

	Q4	Q4	FY	FY
SEK million	2017	2016	2017	2016
Net sales	3,252	2,786	14,044	12,388
Cost of goods sold	-2,301	-1,967	-9,599	-8,463
Gross Profit	951	819	4,445	3,925
Sales expenses	-460	-421	-1,791	-1,651
Administrative expenses	-145	-183	-667	-604
Other operating income and expenses	-12	13	-52	20
Items affecting comparability	-119	-37	47	-48
Amortization of acquisition related intangible assets	-24	-18	-76	-69
Operating profit	191	173	1,907	1,573
Financial income	4	1	6	6
Financial expenses	-91	-10	-212	-124
Loss from financial items	-87	-9	-206	-118
Profit before tax	104	164	1,700	1,455
Taxes	173	138	-206	-93
Profit for the period	277	302	1,495	1,362
Profit for the period attributable to owners of the Parent Company	277	302	1,495	1,362
Earnings per share before and after dilution effects, SEK - Owners of the Parent Company	0.94	1.02	5.05	4.60
Number of shares, million	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.

The financial information contained in this document has been prepared under IFRS. This financial information is unaudited and, therefore, is subject to potential future modifications.



Mobile living made easy.

