

DOMETIC ACQUIRES SEASTAR SOLUTIONS

NOVEMBER 22, 2017



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AGENDA

1	ACQUISITION OVERVIEW
2	SEASTAR SOLUTIONS OVERVIEW
3	STRATEGIC FIT
4	SUMMARY
5	Q&A

ACQUISITION OVERVIEW

SEASTAR SOLUTIONS

- North American market leader in vessel control systems and aftermarket products
- Focused on the attractive sports and leisure boats industry
- Expected 2017 sales of USD 320m* and EBITDA of USD 85m*

RATIONALE

- Creates a powerful platform for future growth in the marine segment
- Complements Dometic's existing product offering and distribution network

TRANSACTION

- Purchase price of USD 875m on a cash and debt free basis
- Fully financed via cash and committed bank facilities

FINANCIAL IMPACT

- Immediately accretive to EBIT and EPS
- Return on investment to be above cost of capital within 3 years
- Sales and cost synergies of USD 20m per annum fully realized within 3 years

TIMING

- Closing subject to customary conditions and regulatory approval
- Expected in Q4 2017

A man with long hair, wearing green shorts, is captured mid-air, diving from the side of a white yacht into clear turquoise water. The yacht's railing and part of its deck are visible in the foreground. In the background, there are other boats and a lush, green coastline under a bright sky with scattered clouds.

SEASTAR SOLUTIONS OVERVIEW

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SEASTAR SOLUTIONS OVERVIEW

- North American market leader in vessel control systems and aftermarket products
- Nr 1 position in all key product categories
- Expected 2017 sales of USD 320m*
- Expected 2017 EBITDA of USD 85m*
- Expected 2017 Capex 2% of sales*
- 1,250 employees, 8 facilities



MOLLER
marine products

xtreme

Seastar

OPTIMUS360
SEASTAR

sierra
Marine Products and Services

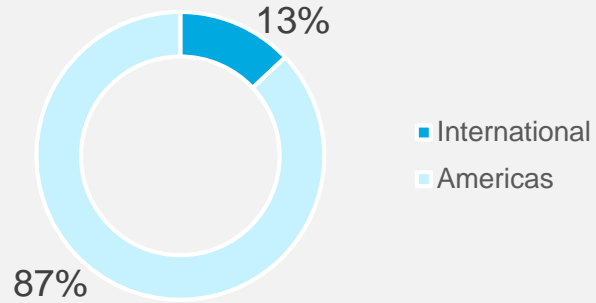
BayStar



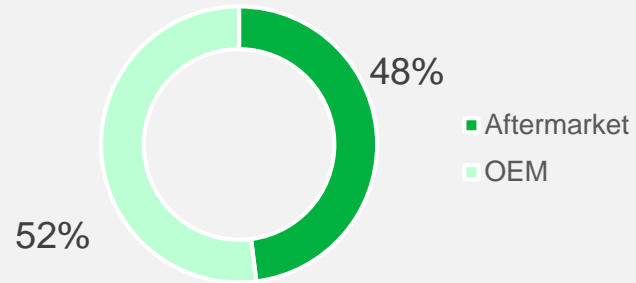
SEASTAR SOLUTIONS – SALES OVERVIEW

SALES SPLIT 2016

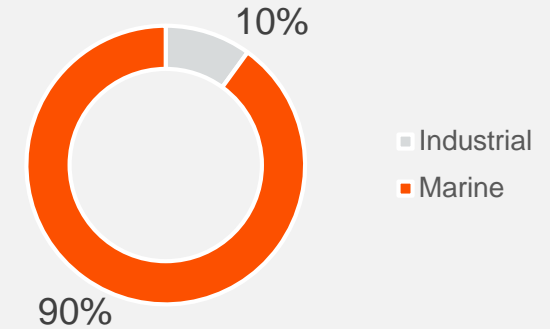
GEOGRAPHY



CHANNEL



BUSINESS AREA



ELECTRONIC & HYDRAULIC STEERING

MECHANICAL STEERING

FUEL SYSTEMS

MECHANICAL CONTROLS

SHIFT & THROTTLE CABLES

REPLACEMENT ENGINE PARTS

SELECTED PRODUCTS



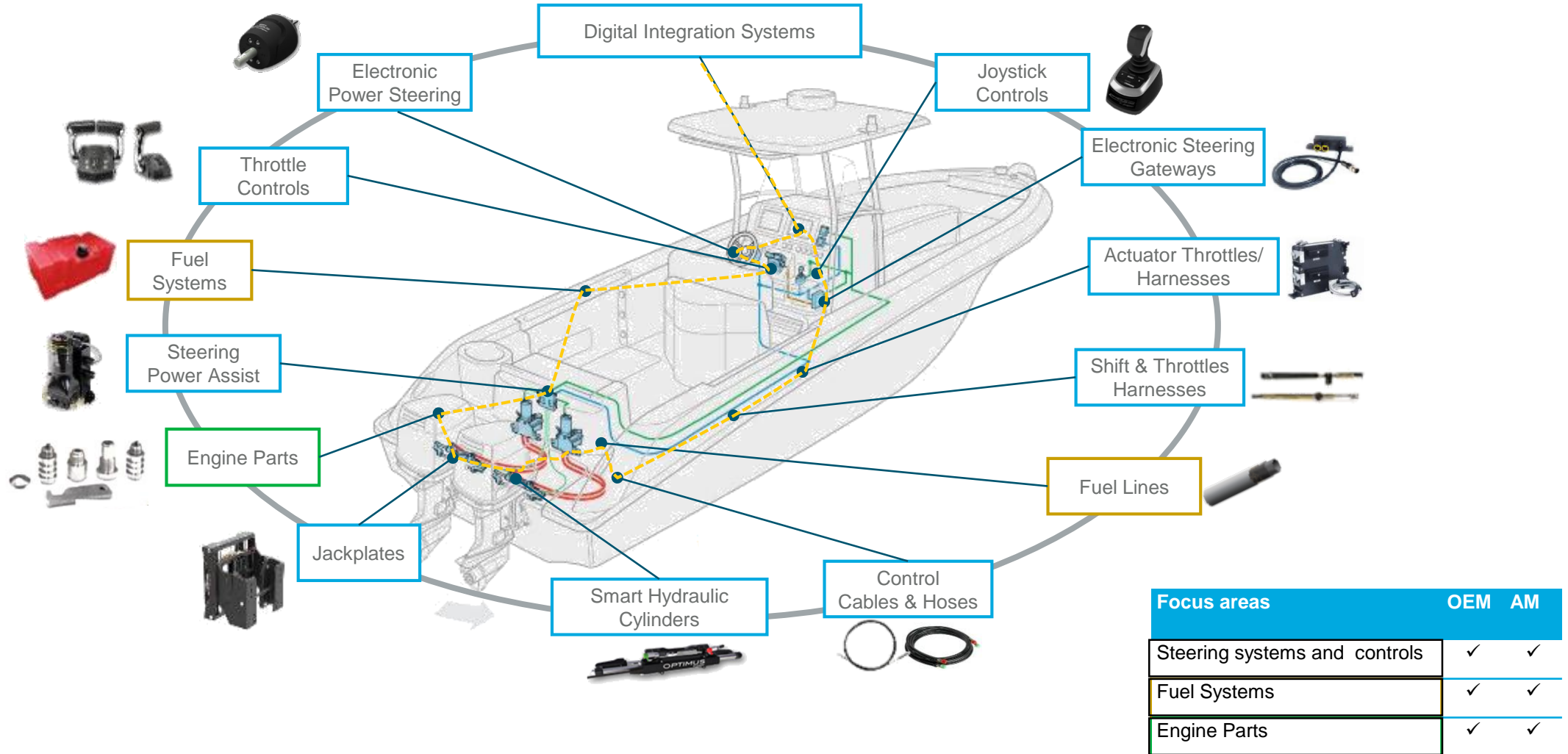
KEY BRANDS



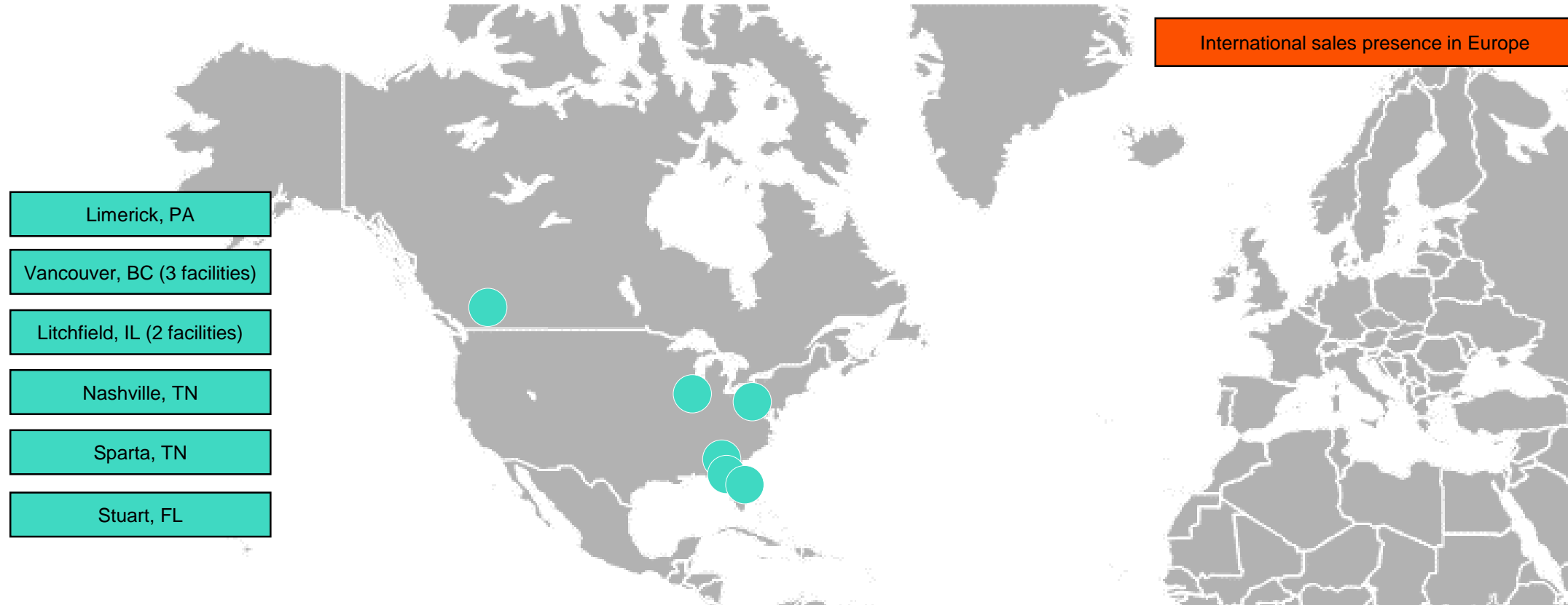
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SEASTAR SOLUTIONS – KEY PRODUCTS



SEASTAR SOLUTIONS – OPERATIONAL FOOTPRINT



	Vancouver, BC	Limerick, PA	Litchfield, IL	Sparta, TN	Nashville, TN	Stuart FL
Division	■ Hydraulic	■ Mechanical	■ Sierra	■ Moeller	■ Fuel systems	■ MDI
Employees	■ 388	■ 165	■ 332	■ 251	■ 41	■ 17

MARKET OVERVIEW

- Matti Olsson | <mo@translator-scandinavia.se
- U.S Outboard market primary exposure
 - 161,000 units sold 2016 (8% growth CAGR 2010-2017)
 - Total fleet of about 7,9m vessels as potential aftermarket customers
 - Favourable market dynamics
 - 36% of U.S household boating participation
 - Increasing millennials participation*
 - Technology shift toward more advanced steering systems and integrated controls
 - Increased technology value per vessel
 - Trend towards Increased number of outboard engines per boat






STRATEGIC FIT

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OUR STRATEGY FOR PROFITABLE GROWTH

Strengthen OEM Growth

- Product leadership 
- Selective product expansion
- Truck driver comfort 
- Refrigeration solutions in Americas passenger and commercial vehicles
- Broaden leisure boat presence - <30f, >100f 
- Broaden product offering in leisure boats

Grow Aftermarket Business Growth + Margins

- Mobile cooling and outdoor
- Develop and broaden on- and offline retail sales
- B2C brand building and marketing
- Spare parts

Accelerate New Geographies Growth

- China Growth
- Growth in Southeast Asia
- Positions for future growth in Brazil and Russia

Value accretive acquisitions

Margins

Competitive Cost Base

- Direct material purchasing and plant productivity
- Logistic and warehousing
- SG&A

One Dometic

- One set of values
- One product promise
- One operating model
- One look

COMPELLING STRATEGIC FIT

MISSION

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SEGMENT FOCUS

SEGMENT	D	S	D+S
RV	65%	-	55%
Marine	10%	90%	22%
CPV	14%	-	12%
Other*	11%	10%	11%

PRODUCT PROMISE

“Smart, reliable products with outstanding design”

PRODUCT NICHE “DNA”

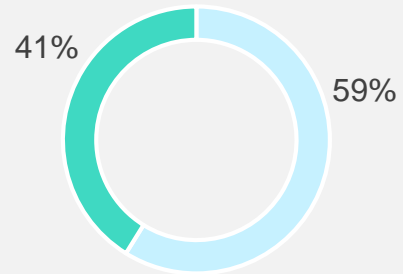
NICHE “DNA”	D	S
Consolidated market	✓	✓
No 1 or 2 position	✓	✓
Technology content	✓	✓
Differentiation opportunities	✓	✓
Barriers to enter	✓	✓
Cust./Suppl. fragmentation	✓	✓

Assumptions: Based on expected 2017 sales
 D refers to Dometic before the acquisition
 S refers to SeaStar Solutions before the acquisition
 D+S refers to the combined Dometic and SeaStar Solutions Group
 * Includes Lodging and Retail business area

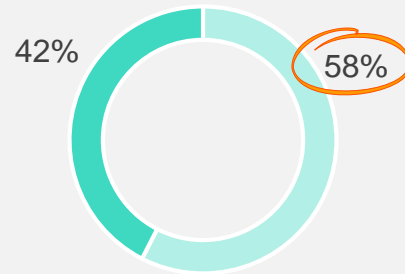
PROFILE OF COMBINATION

GROUP SALES BY DISTRIBUTION CHANNEL

DOMETIC

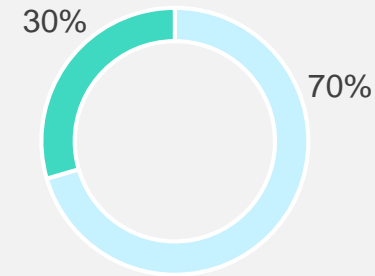


DOMETIC & SEASTAR COMBINED

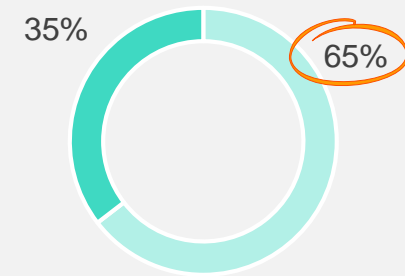


AMERICAS SALES BY DISTRIBUTION CHANNEL

DOMETIC



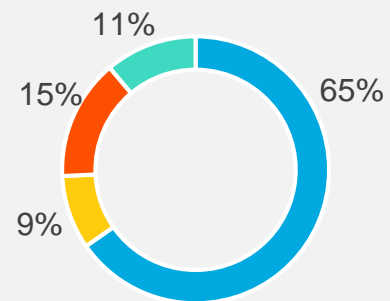
DOMETIC & SEASTAR COMBINED



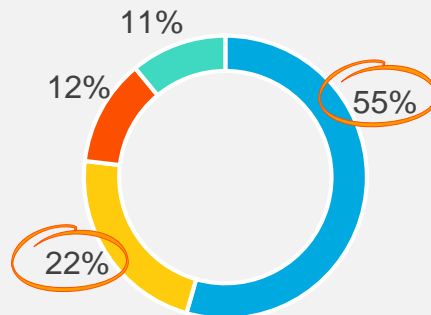
OEM
AM

GROUP SALES BY BUSINESS AREA

DOMETIC

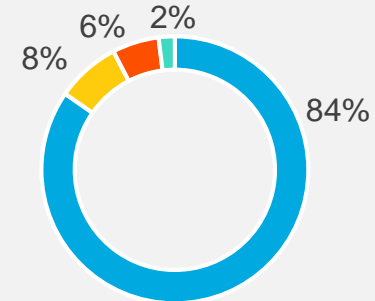


DOMETIC & SEASTAR COMBINED

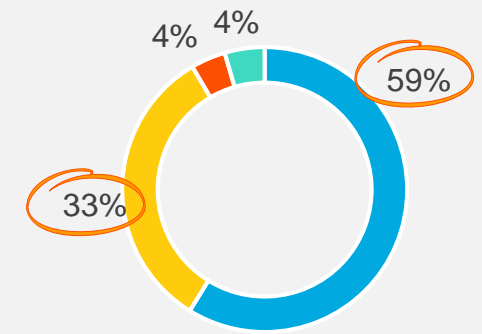


AMERICAS SALES BY BUSINESS AREA

DOMETIC



DOMETIC & SEASTAR COMBINED



RV
Marine
CPV
Other*

Assumptions: Based on expected 2017 sales
* Includes Lodging and Retail business area

SYNERGIES

TOTAL SYNERGIES OF USD 20m PER ANNUM FULLY REALIZED WITHIN 3 YEARS

COMMERCIAL SYNERGIES

- Cross-selling across marine OEM and aftermarket channels
- Utilize Dometic's network for further penetration outside North America
- Leverage SeaStar Solutions products and technology opportunities across Dometic's other segments

COST SYNERGIES

- Sourcing
- Distribution and logistics
- Manufacturing

Strong management team and cultural fit

A man in green shorts is diving from the side of a yacht into clear turquoise water. The yacht's railing is visible in the foreground. In the background, there are other boats and a lush, green coastline under a blue sky with light clouds. A semi-transparent white box is overlaid on the left side of the image, containing the word 'SUMMARY' in bold black letters.

SUMMARY

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OPERATIONAL SUMMARY

The background image shows a white boat with a wooden deck docked at a concrete pier. The boat has the name 'Caramel' written on its side. In the background, a city with buildings and hills is visible across a body of water under a cloudy sky.

Creates a powerful platform for future growth in the marine segment

Nr 1 in key product areas through strong brands and product leadership

New opportunities in the attractive market for outboard vessels

Good operating and cultural fit

Proven record of profitable growth

Strong management team and proven M&A skills

FINANCIAL SUMMARY

The background image shows a white car parked on a concrete pier next to a white motorboat. The boat has a wooden deck and orange lifebuoys. In the background, there is a body of water and a cityscape under a cloudy sky.

Immediately accretive to EBIT and EPS

Return on investment to be above cost of capital within 3 years

Fully financed via cash and committed bank facilities

Net debt / EBITDA of 3.3x at closing. Expected to within target level in 24 months

Maintained dividend policy of at least 40% of net profit

SUMMARY

✓
**MARKET
LEADING
PRODUCTS IN
ATTRACTIVE
NICHE MARKET**

✓
**STRENGTHEN
OEM**

✓
**GROW
AFTERMARKET**

✓
**ACCRETIVE
M&A**

Q&A

