

↗ DOMETIC
MOBILE LIVING
MADE EASY.

SEB NORDIC SEMINAR, JANUARY 10, 2017, COPENHAGEN

MARKET DEFINITION



TARGET GROUP



PRODUCTS



THE GLOBAL LEADER IN MOBILE LIVING

- Branded solutions for Mobile Living in the areas of **Climate, Hygiene & Sanitation** and **Food & Beverage**
- Primary targets are Recreational Vehicle ("RV"), pleasure **boats** and Commercial and Passenger Vehicles ("CPV")
- Active in c. **100 markets** across the Americas, EMEA and APAC
- **75%** of net sales from markets in which Dometic is market leader or second placed
- Two synergistic sales channels – original equipment manufacturers ("**OEM**") and aftermarket ("**AM**")
- More than **50%** of EBIT generated in aftermarket channel
- **85%** of products manufactured in-house in 22 facilities world-wide

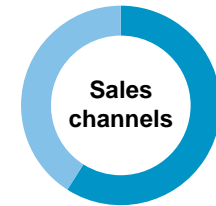
DIVERSIFICATION

Across geographies, products and customers⁽¹⁾



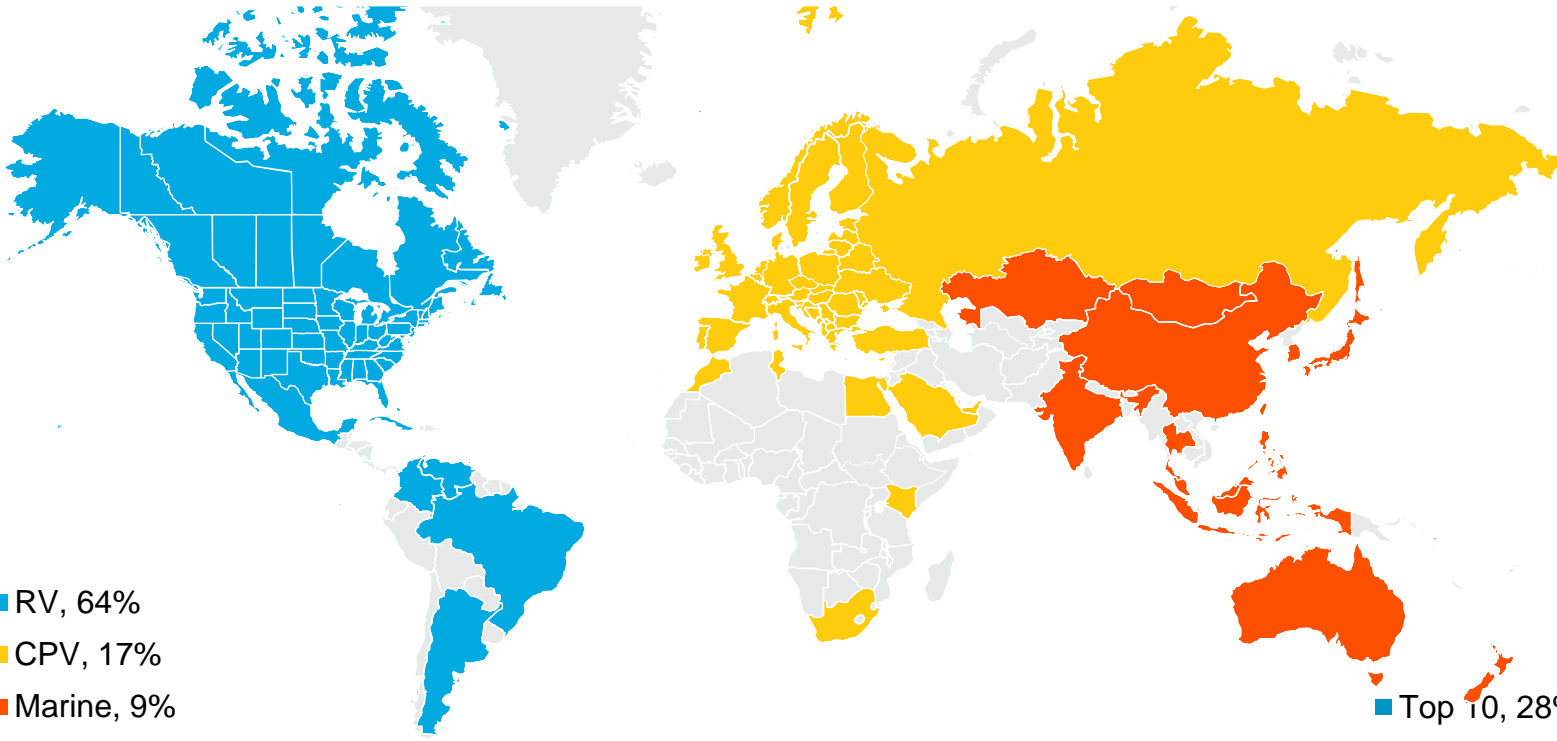
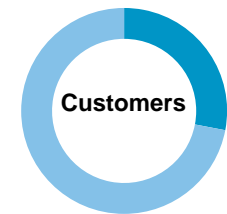
- Americas, 47%
- EMEA, 41%
- APAC, 12%

- OEM, 59%
- AM, 41%



- RV, 64%
- CPV, 17%
- Marine, 9%
- Other, 10%⁽²⁾

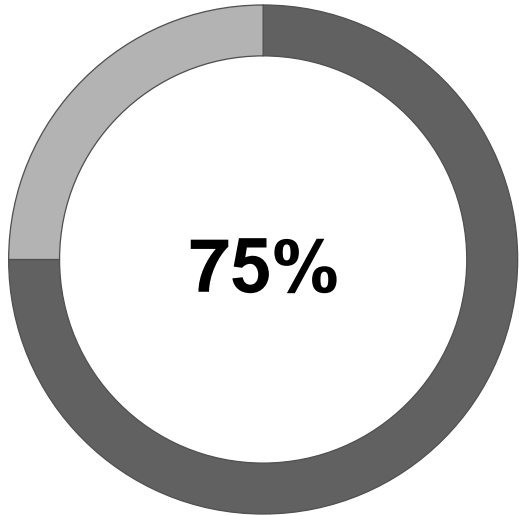
- Top 10, 28%
- Other, 72%



¹⁾ All values are based on net sales January – September 2016. ²⁾ Other: lodging and retail

STRONG POSITION IN ATTRACTIVE NICHES

Leading market positions⁽¹⁾...

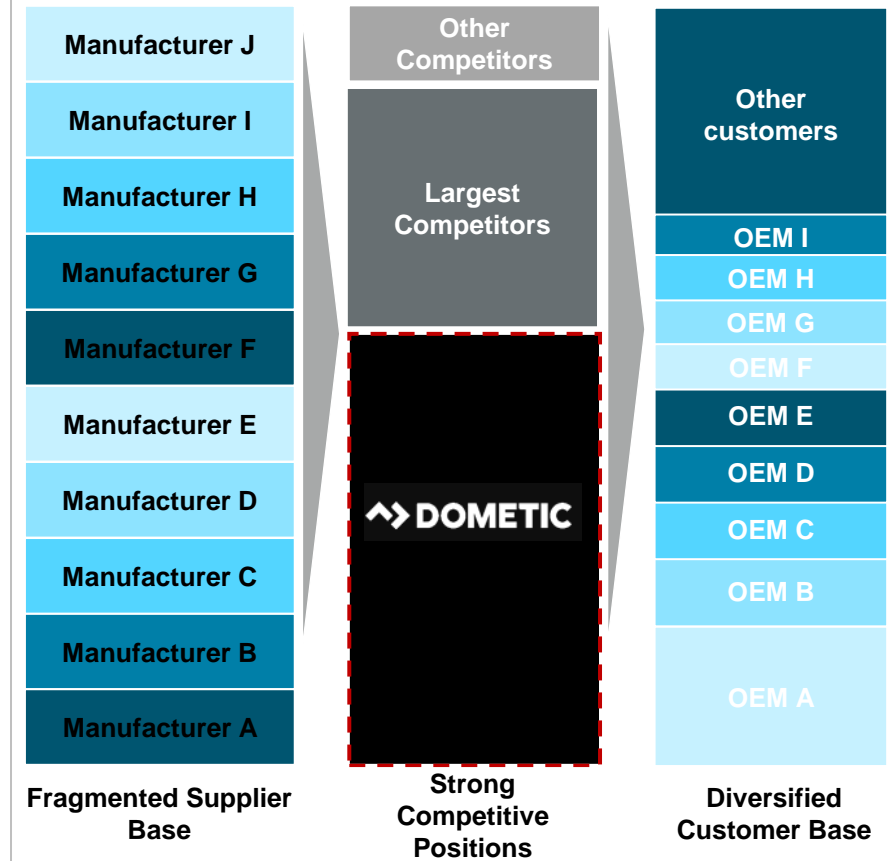


75% OF NET SALES AS NO. 1 OR 2

... High barriers to entry ...

- ✓ **High product requirements** – Noiseless, harsh environments, alternative power source
- ✓ **Tailored product dimensions**
- ✓ **Strong brands** in several attractive markets and product groups
- ✓ **Clear economies of scale**
- ✓ **Strong established relationships**
- ✓ **Small niches** – under the radar of large appliance manufacturers

... And ideal position in the value chain



Source: Company information, Amadeus, Capital IQ, company filings, management estimates

Note: Converted to SEK applying period-end FX rates

(1) Considered leading when Dometic has number 1 or 2 position

TWO SYNERGISTIC SALES CHANNELS

Targeting four markets

OEM
60% of net sales

- 3 businesses (RV OEM, CPV OEM, Marine OEM)
- Attractive margins



Most OEM products are also sold through Aftermarket channel

AFTERMARKET
40% of net sales and >50% of EBIT



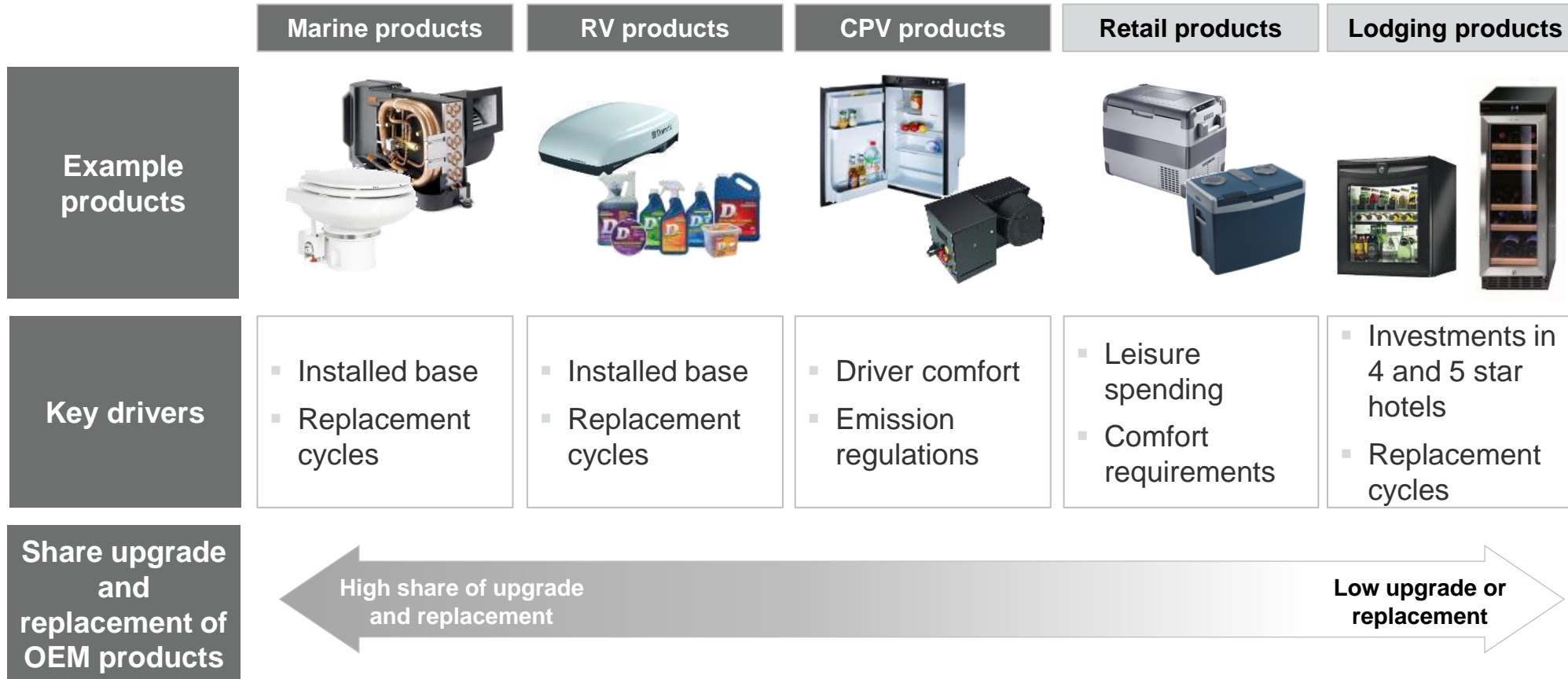
Targeted addressable market

	AFTERMARKET	RV OEM	MARINE OEM	CPV OEM
Addressable market size	c. SEK 29bn	c. SEK 11bn	c. SEK 3bn ⁽²⁾	c. SEK 3bn
Dometic market share ⁽¹⁾	c. 15%	c. 45%	c. 25%	c. 25%

Source: Company information. Products shown above is a selection of key products only and does not represent an exhaustive list
 (1) Net Sales LTM 1609 2) Pleasure boats only

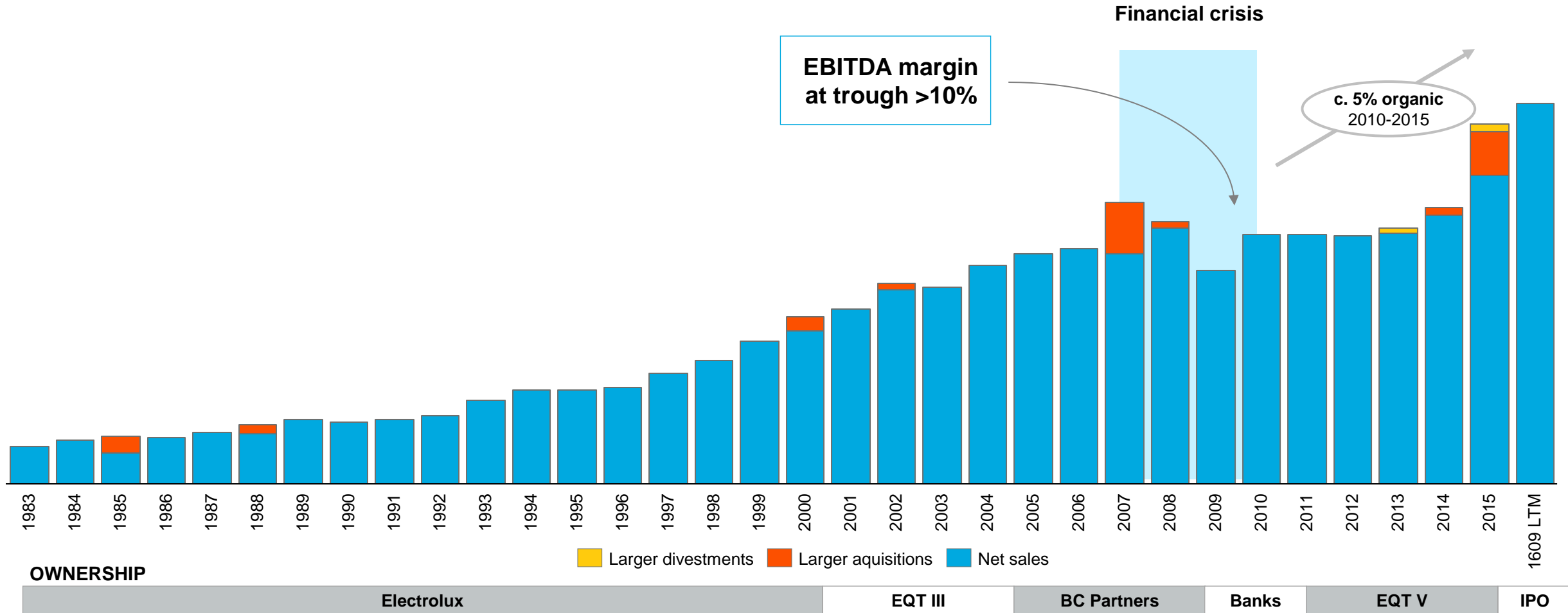
OUR AFTERMARKET OFFERING

Combination of OEM products and stand alone AM products



LONG TERM GROWTH

Net sales and illustrative impact from larger acquisitions



Source: Company information

Note: The chart is for illustrative purposes only

GROWTH STRATEGY WITH LARGE UPSIDE POTENTIAL

<h3>Strengthen OEM</h3>	<p>Growth</p>	<h3>Grow Aftermarket Business</h3>	<p>Growth + Margins</p>	<h3>Accelerate New Geographies</h3>	<p>Growth</p>
<ul style="list-style-type: none"> Product leadership Selective product expansion Americas and APAC focus Workboats Product expansion 		<ul style="list-style-type: none"> Larger dealers and retailers Core product categories and selective new expansion Leverage product and customer base 	<p>Value accretive acquisitions</p>	<ul style="list-style-type: none"> China growth Positions for future growth in Brazil and Russia 	<p>Margins</p>
					

Competitive Cost Base

- Product cost
- Plant productivity
- SG&A including logistics

One Dometic

- One value ground
- One operating model
- One product promise
- One look

KEY INVESTMENT HIGHLIGHTS

1

The global market leader with a **strong brand** in highly **attractive Mobile Living niches**

2

Favourable macro and customer trends supporting **long term growth**

3

Large and profitable **aftermarket with growth potential**

4

Well-invested business with strong profitability and returns

5

Diversification across geographies, products and customers **adds resilience**

6

Growth strategy with large **upside potential**



FIRST NINE MONTHS 2016

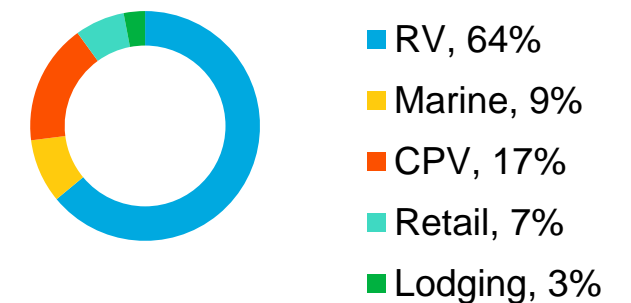
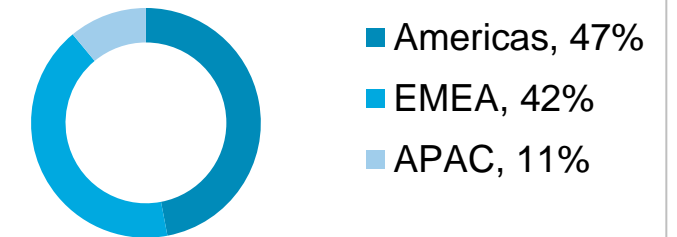


Mobile living made easy.

 **DOMETIC**

FIRST NINE MONTHS 2016 HIGHLIGHTS

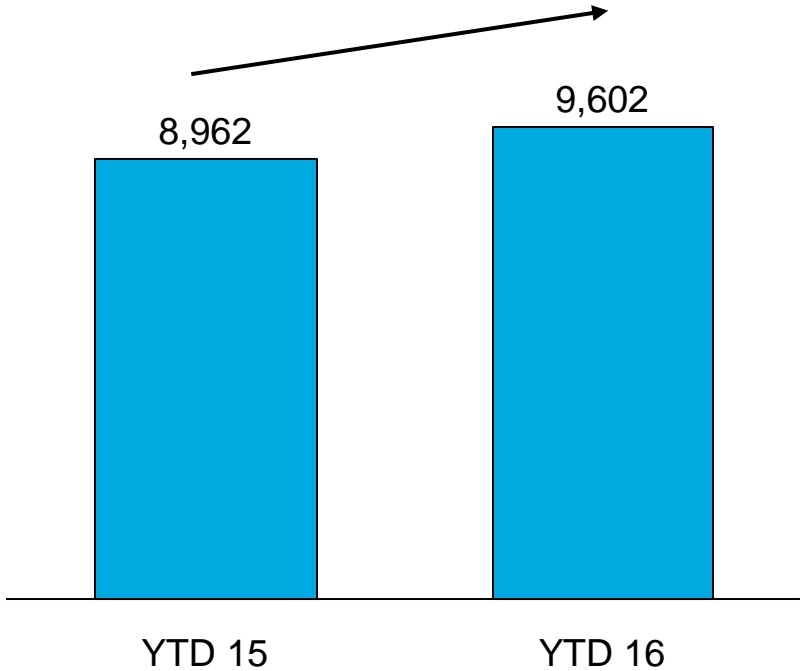
- Organic growth 7% and EBIT improvement of 16%.
- Aftermarket +10% and OEM +5%.
- Robust performance in EMEA with RV and CPV double-digit growth.
- Strong earnings improvement but soft topline growth in Americas.
- Lower margins in Q3 in APAC but stable underlying business.
- Rebranding, inventory write-downs and legal fees of SEK 28 million.
- Operating cash flow SEK 945 million (767).
- Improved leverage 1.8x EBITDA (5.1).
- Phase out Atwood architectural business in Q2 and sale of Atwood seating and chassis business after end of Q3.
- New Presidents in all Regions.



FIRST NINE MONTHS 2016

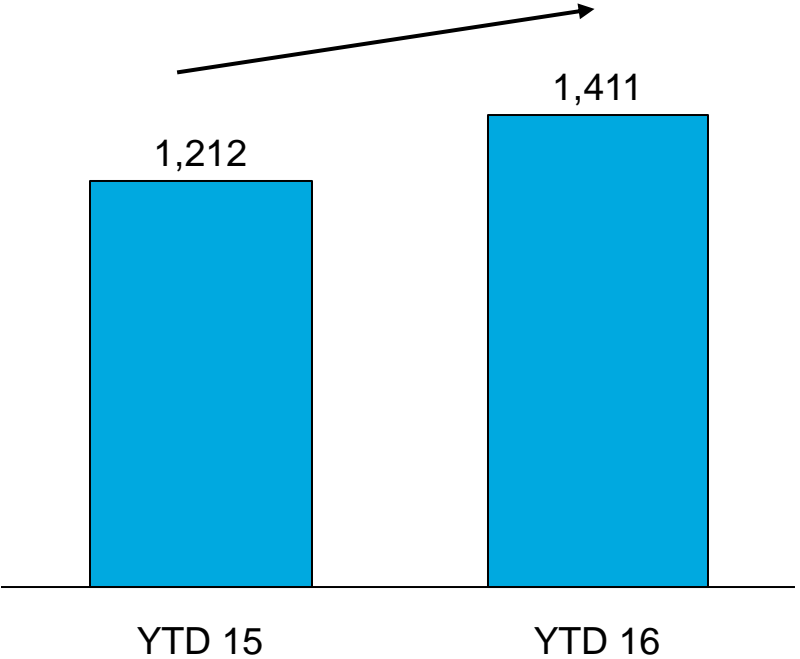
Sales (SEKm)

7% (6% comparable currency)
Organic: 7%

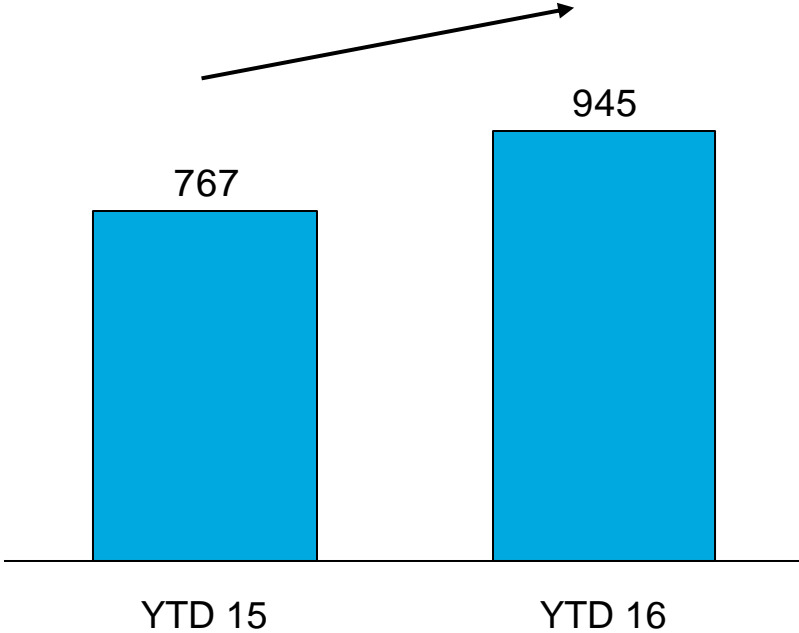


EBIT bef. i.a.c (SEKm)

16% (16% comparable currency)



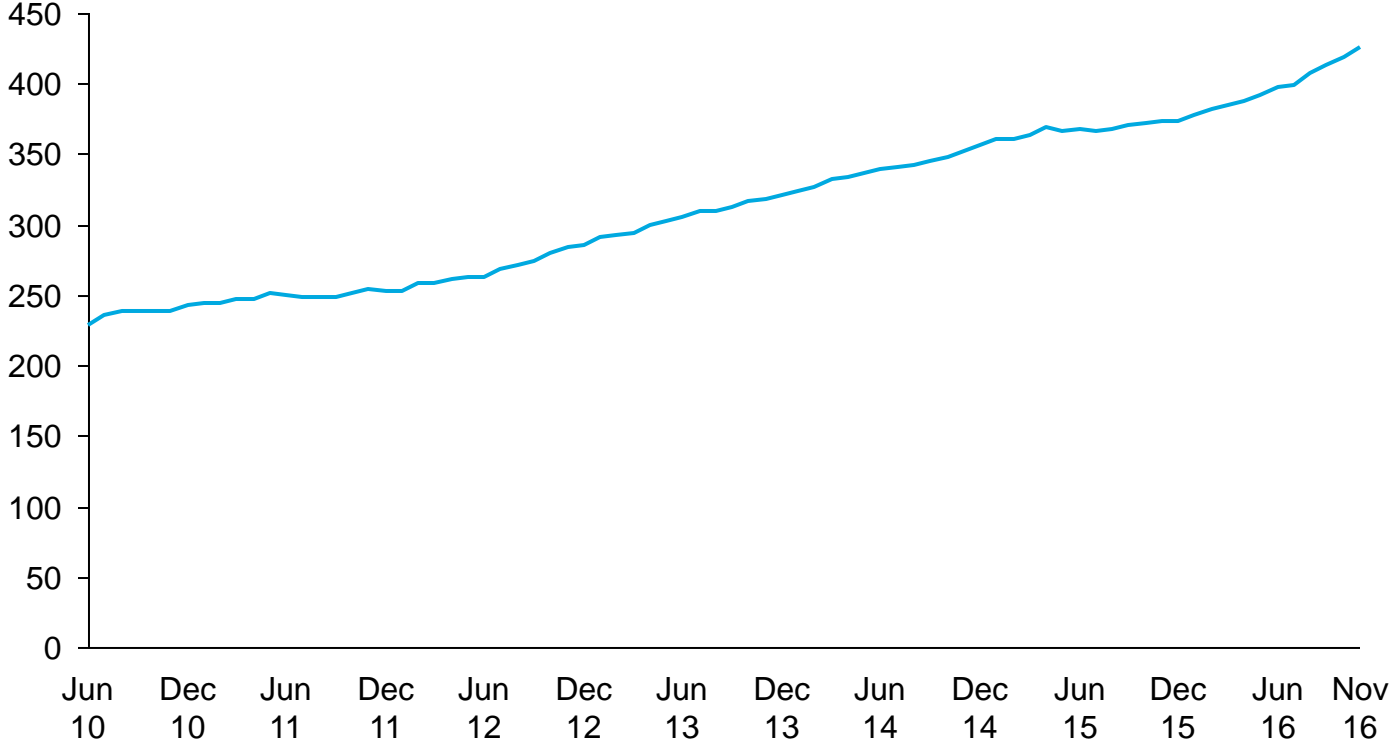
Operating Cash Flow (SEKm)



¹ Operating Cash Flow before items affecting comparability

US RV MARKET – OEM SHIPMENTS

Rolling Twelve Months (000s units)



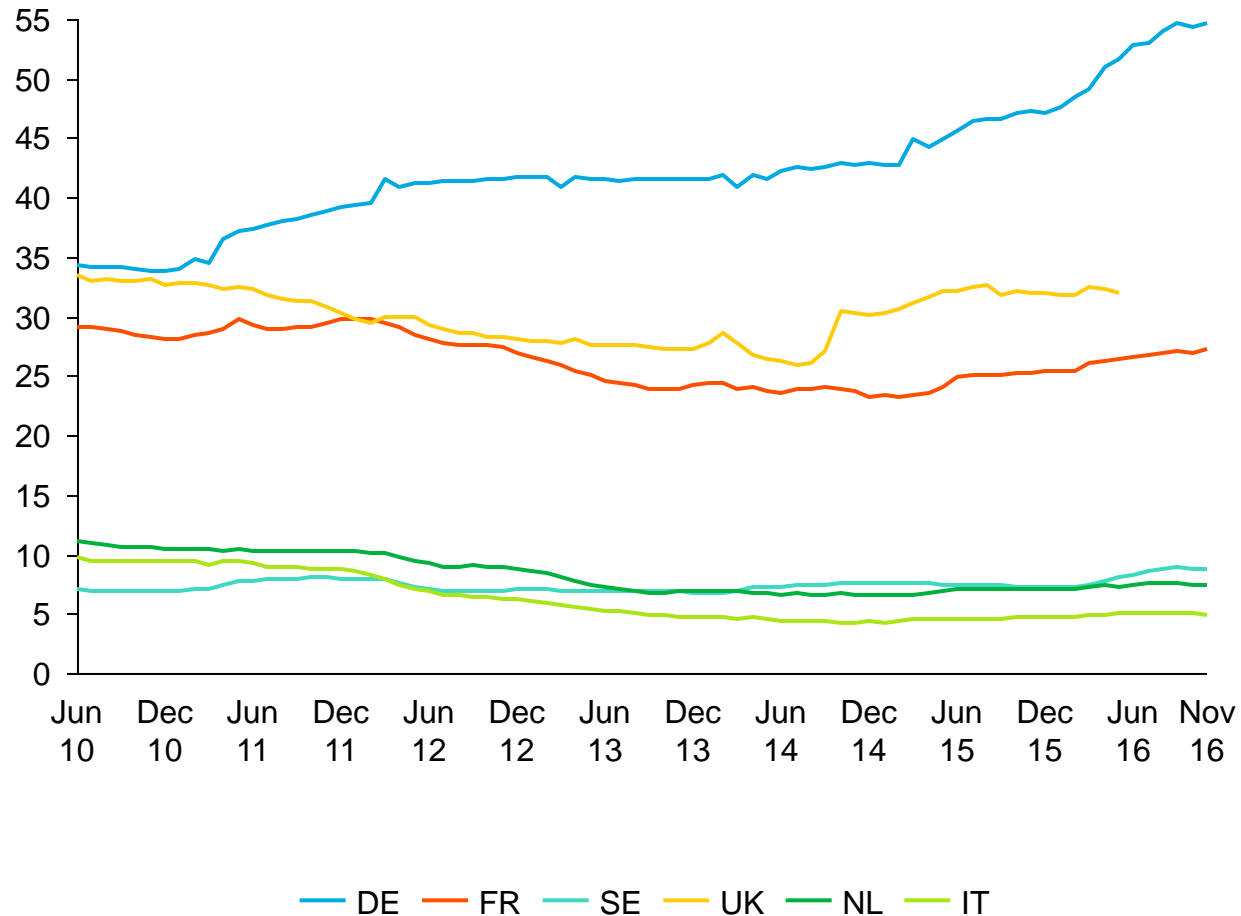
- Rolling three months November: 107,100 units (89,100) +20%
- YTD November: 397,700 units (346,200) +15%
- LTM November: 425,700 units (373,000) +14%

Source: RVIA

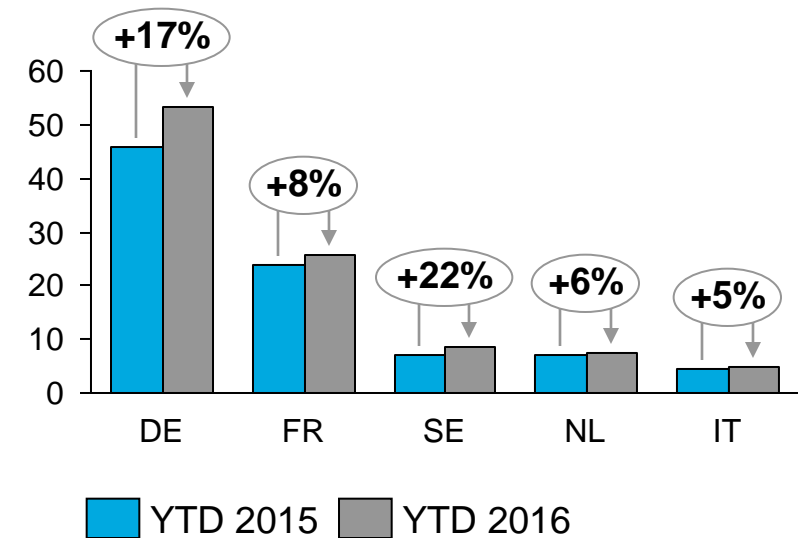
— OEM Shipments

EUROPE RV MARKET REGISTRATIONS

Rolling Twelve Months (000s units)



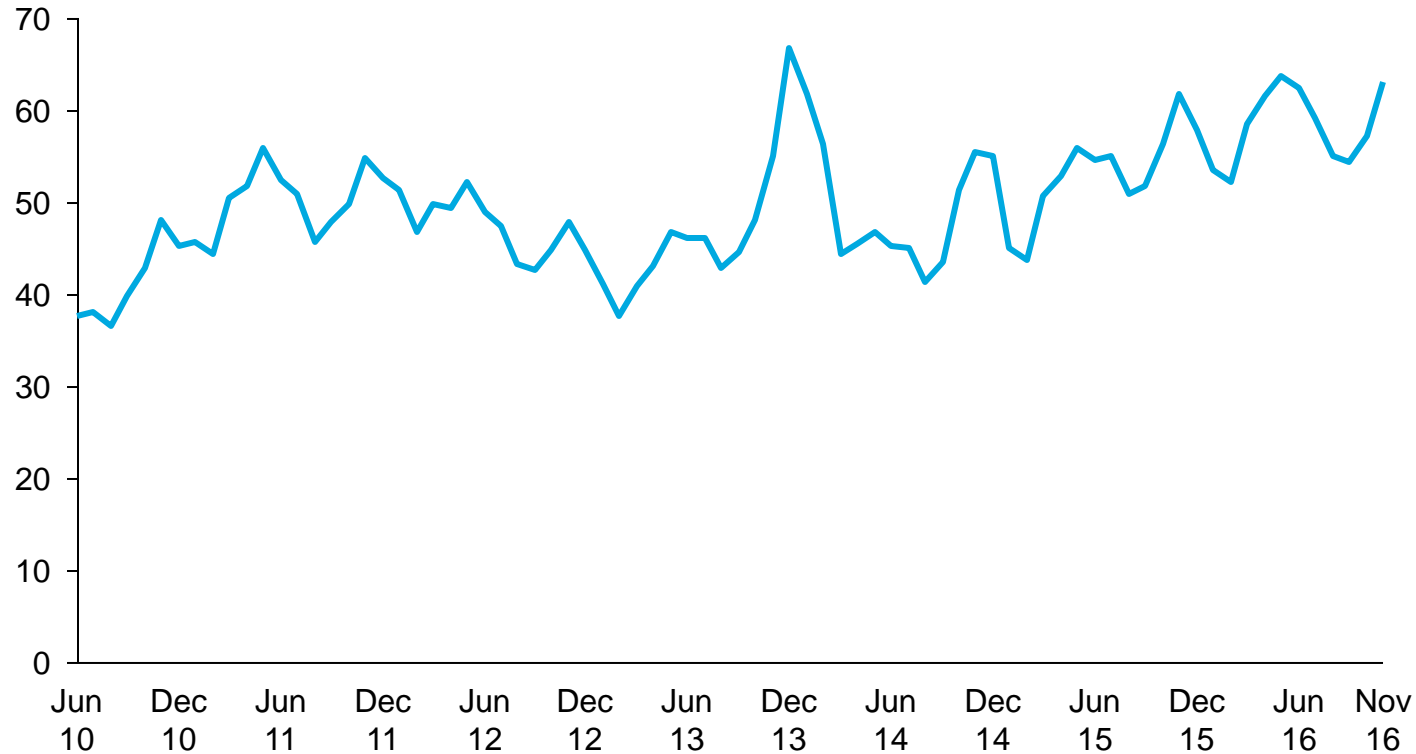
- Rolling three months November: 14,000 units (13,300) +6%*
- YTD November: 100,000 units (88,300) +13%*
- LTM November: 103,200 units (91,600) +13%*



* Excluding UK, no available data

EUROPE TRUCKS (ABOVE 16 TONS) REGISTRATIONS

Rolling Three Months (000s units)



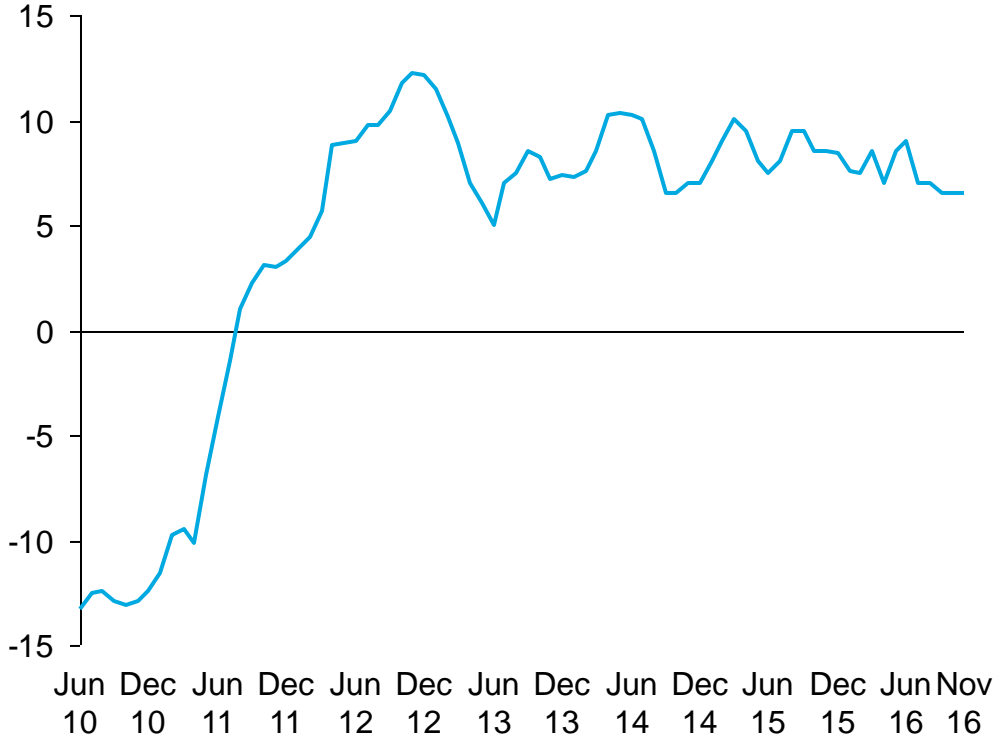
- Rolling three months November: 62,900 units (61,900) +2%
- YTD November: 217,100 units (198,700 units) +9%
- LTM November: 233,800 units (212,700) +10%

Source: ACEA for EU15 and EFTA

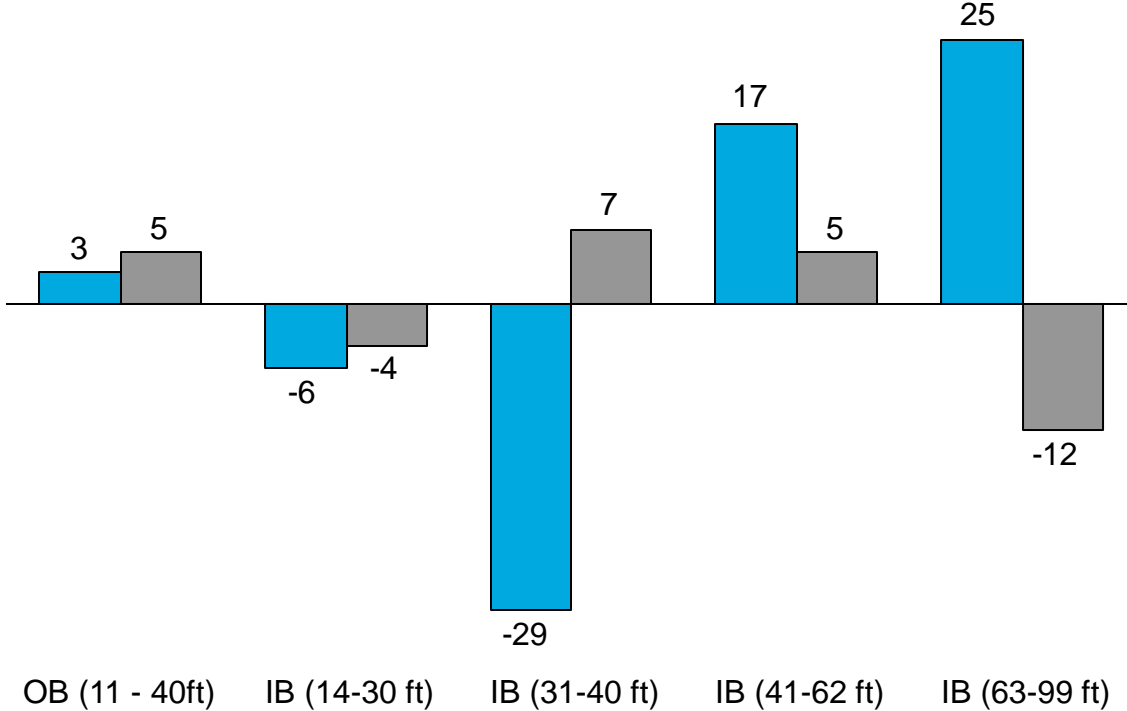
US POWERBOAT SALES

Rolling Twelve Months Change (%)

- LTM November 2016: 6.5%



Power boat category (%)



■ November 16 ■ YTD 2016

Source: Info-link and Baird Equity Research

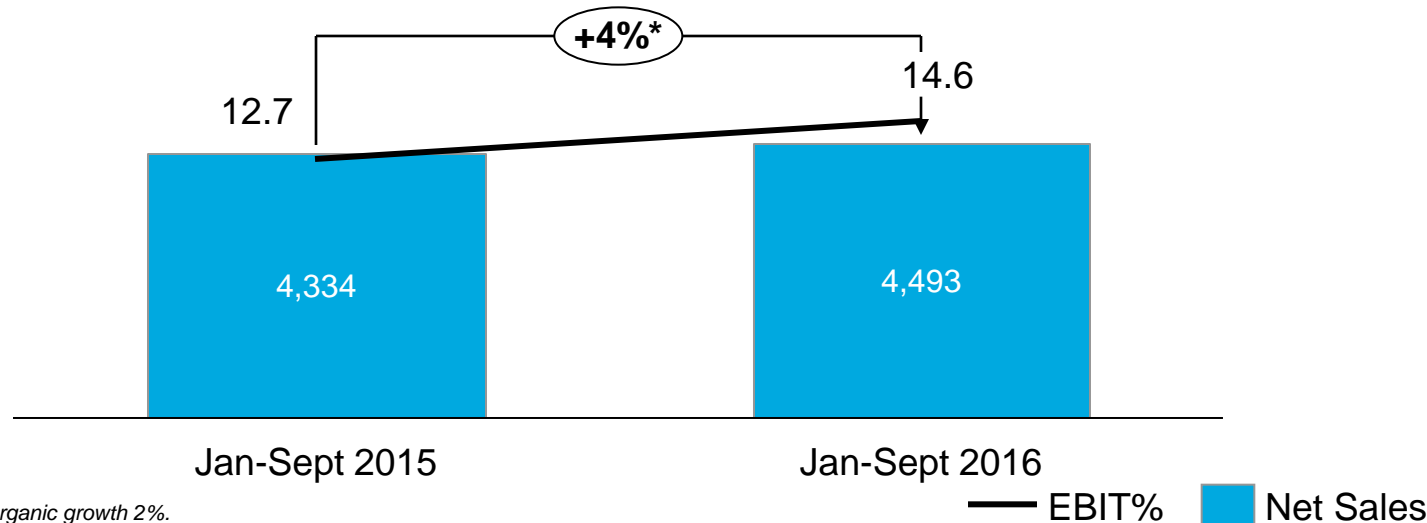
Note: OB is outboard engine and IB is inboard engine and Bellwether states are geographically dispersed states representing roughly half of the US boat market

AMERICAS

First nine months 2016

- Continued margin improvement (+1.9 % units).
- RVOEM sales +7% and persistent strong RV market.
- Favorable aftermarket development.
- High focus on improving the distribution network.
- Phased out architectural business in Q2, divested seating and chassis in October.
- Scott Nelson appointed new President of the Region, started December 1, 2016.

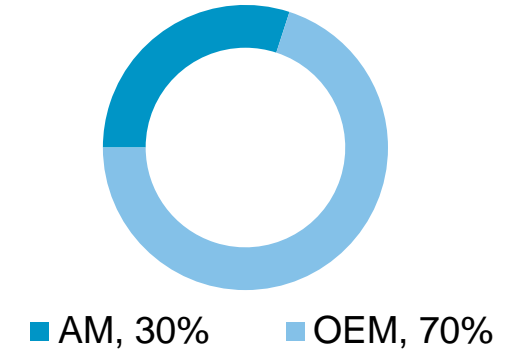
Net sales & ebit %



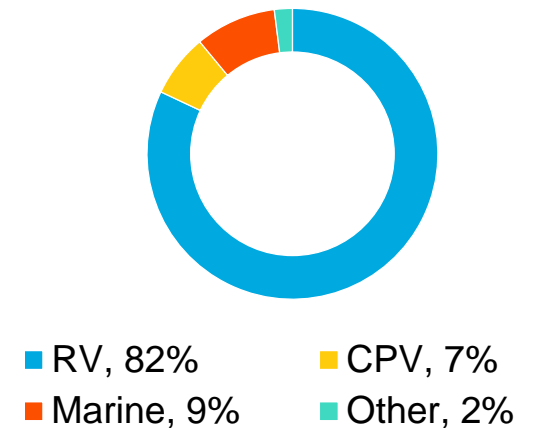
* First nine months +4%, of which organic growth 2%.

Breakdown of sales

By sales channel



By business area

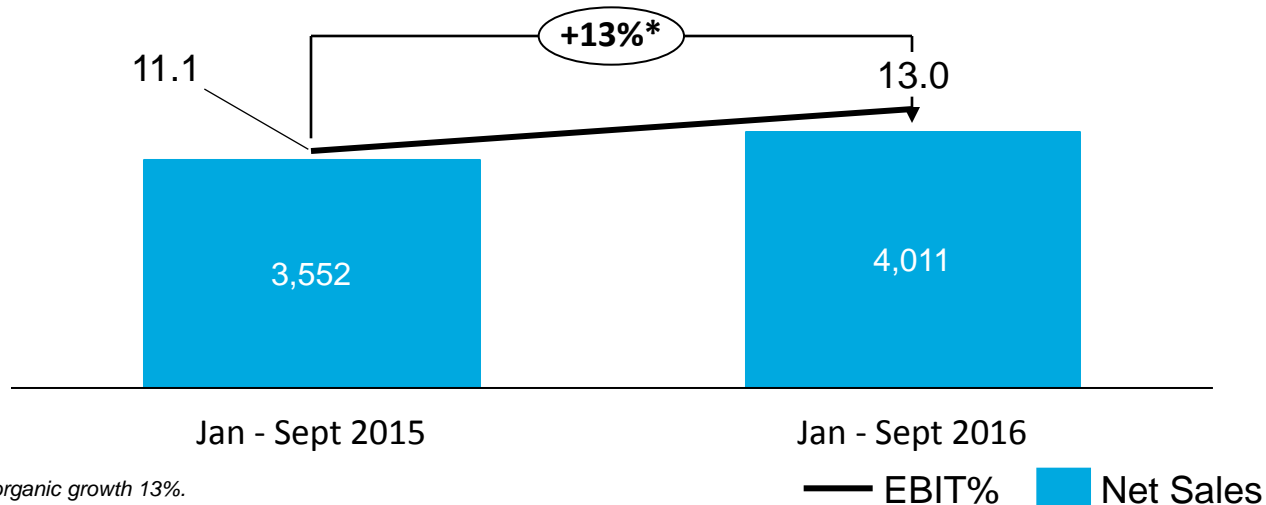


EMEA

First nine months 2016

- Sales +13%, EBIT +33%
- Continued strong momentum in the RV market.
- Aftermarket sales growth 14%.
- AC service stations sales still strong.
- Encouraging progress in the Marine business.
- Bengt Thorsson appointed new President of the Region, started September 1, 2016.

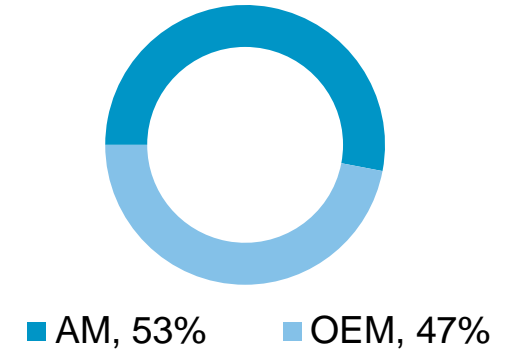
Net sales & ebit %



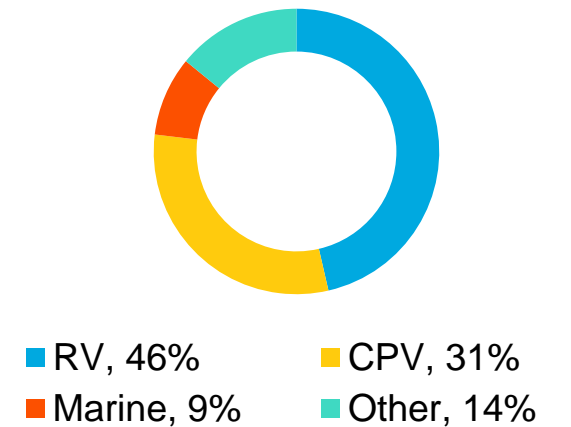
* First nine months +13%, of which organic growth 13%.

Breakdown of sales

By sales channel



By business area

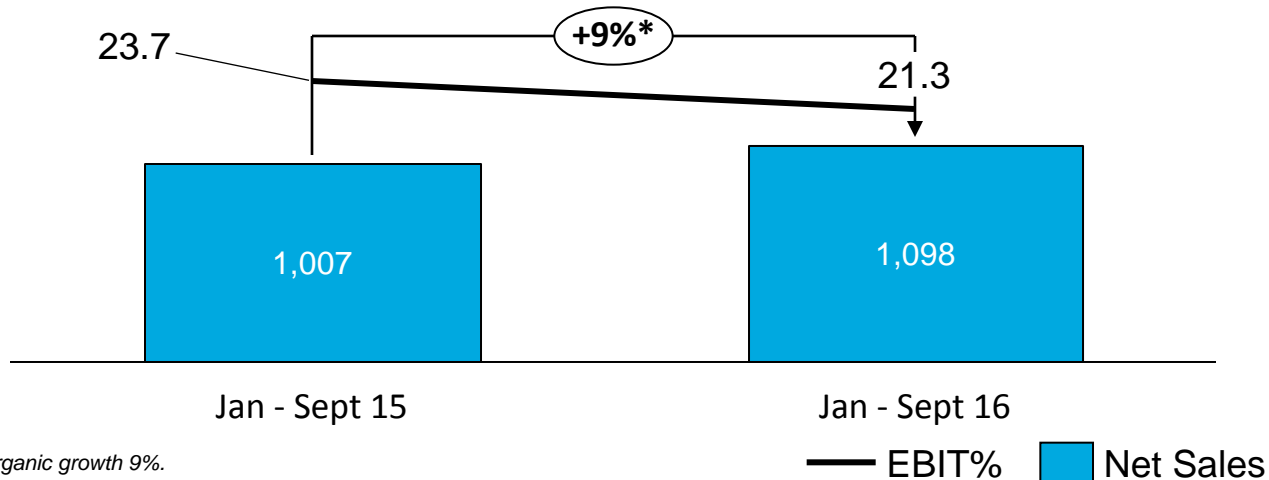


APAC

First nine months 2016

- Outpacing a rather soft RV market in Australia.
- Continued strong growth in aftermarket.
- Growing RVOEM sales in Japan and China.
- Margin decline driven by positive one-time effects in Q3 2015, currency and hedging. Stable underlying business.

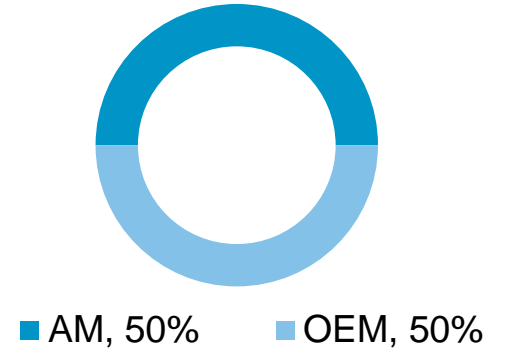
Net sales & ebit %



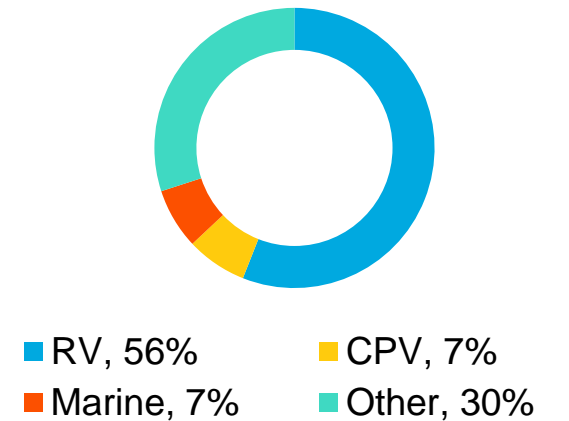
* First nine months +9%, of which organic growth 9%.

Breakdown of sales

By sales channel



By business area



REGIONAL RESULT

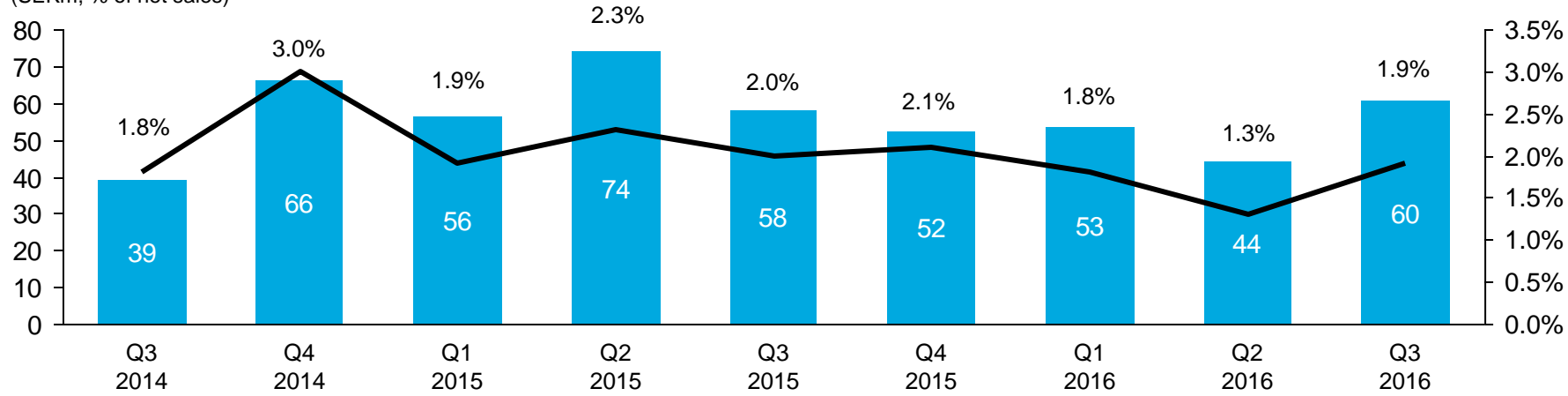
SEK million	YTD 2016	YTD 2015	Change (%) ⁽¹⁾		LTM 2016	FY 2015
			Rep.	Adj.		
Americas	4,493	4,334	4%	2%	5,697	5,538
EMEA	4,011	3,552	13%	13%	4,938	4,479
Asia Pacific	1,098	1,007	9%	9%	1,491	1,400
Medical division ⁽²⁾	-	69	-	-	-	69
Total net sales	9,602	8,962	7%	6%	12,126	11,486
Americas	654	551	19%	17%	753	650
EMEA	523	394	33%	33%	529	400
Asia Pacific	234	239	-2%	-2%	329	334
Medical division	-	28	-	-	-	28
Total operating profit (EBIT)⁽³⁾	1,411	1,212	16%	16%	1,611	1,412
Americas	14.6%	12.7%			13.2%	11.7%
EMEA	13.0%	11.1%			10.7%	8.9%
Asia Pacific	21.3%	23.7%			22.1%	23.9%
Medical division	-	40.6%			-	40.6%
Total operating profit %	14.7%	13.5%			13.3%	12.3%

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

CAPEX & PMI

CAPEX

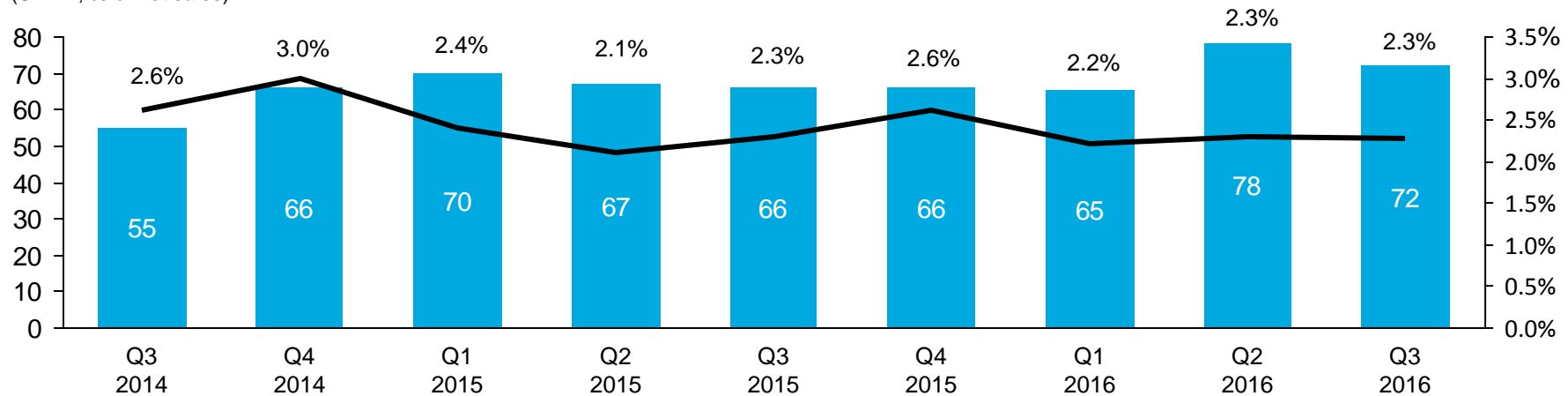
(SEKm, % of net sales)



- First nine months 2016 1.6% of net sales.

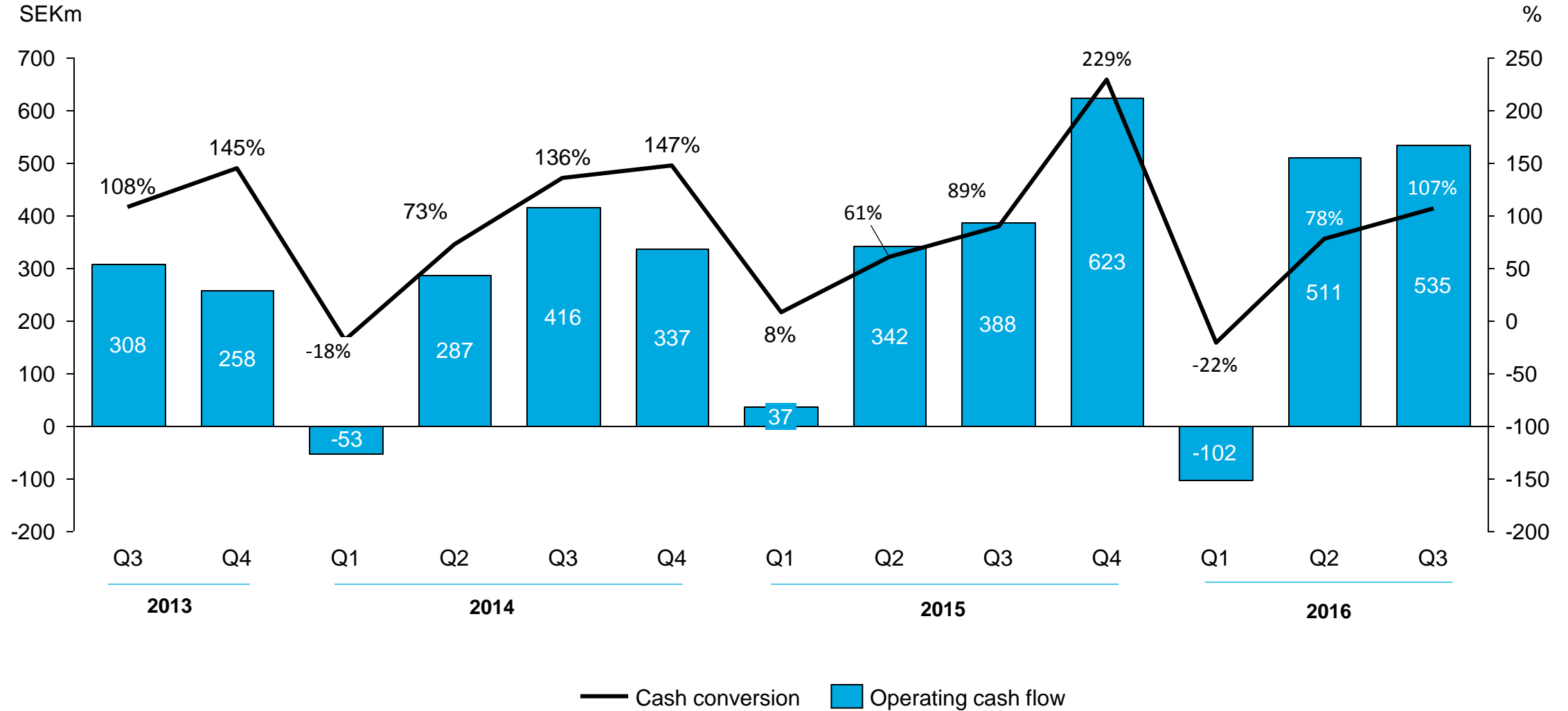
PMI

(SEKm, % of net sales)

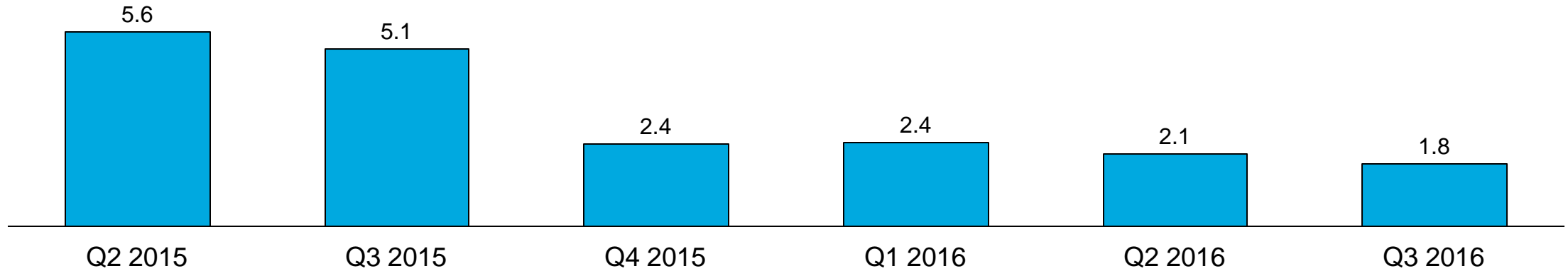


- Consistent investment in product development.
- 2.2% in first nine months 2016.

CASH FLOW (SEKM)



NET DEBT LEVERAGE AND NET DEBT DETAILS



SEK million	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
RCF	87	0	311	131	0	0
Capex	434	434	0	0	0	0
Senior term A	826	819	996	988	1,016	934
Senior term B	5,076	5,055	3,484	3,457	3,558	3,632
Local facilities	14	60	58	49	76	86
Total debt	6,438	6,368	4,849	4,625	4,650	4,652
Senior PIK notes	2,612	2,662	0	0	0	0
Cash	462	522	833	413	730	1,160
Net Debt	8,588	8,508	4,016	4,212	3,920	3,492

FINANCIAL TARGETS

	FY 2014	FY 2015	First nine months 2016	Mid/long term Financial target
Net Sales Growth ¹	5 %	8 %	7 %	5 %
EBIT Margin ²	11.6 %	12.3 %	14.7 %	15 %
Net Debt / EBITDA	7.5x	2.4x	1.8x	2.0x
Dividend Policy	-	No dividend	-	40 %

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

Q&A

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Mobile living made easy.

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