



INTERIM PRESENTATION

Q1 2018

26 April 2018

Mobile living made easy.

 **DOMETIC**



**JUAN VARGUES,
PRESIDENT & CEO**

Mobile living made easy.

 **DOMETIC**

Q1 2018 HIGHLIGHTS

Good organic growth in all regions

- Strong growth in APAC
- Good growth in Americas and EMEA.
- Integration of SeaStar Solutions runs according to plan

EBIT improvement

- Execution on EMEA profitability improvement program
- Stronger focus on pricing
- Raw material impact

Operating cash flow

- In line with seasonal expectations

NEW CTO appointed to Group Management



Q1 2018 FINANCIAL SUMMARY

Net sales of SEK 4,442 m, +29% total growth

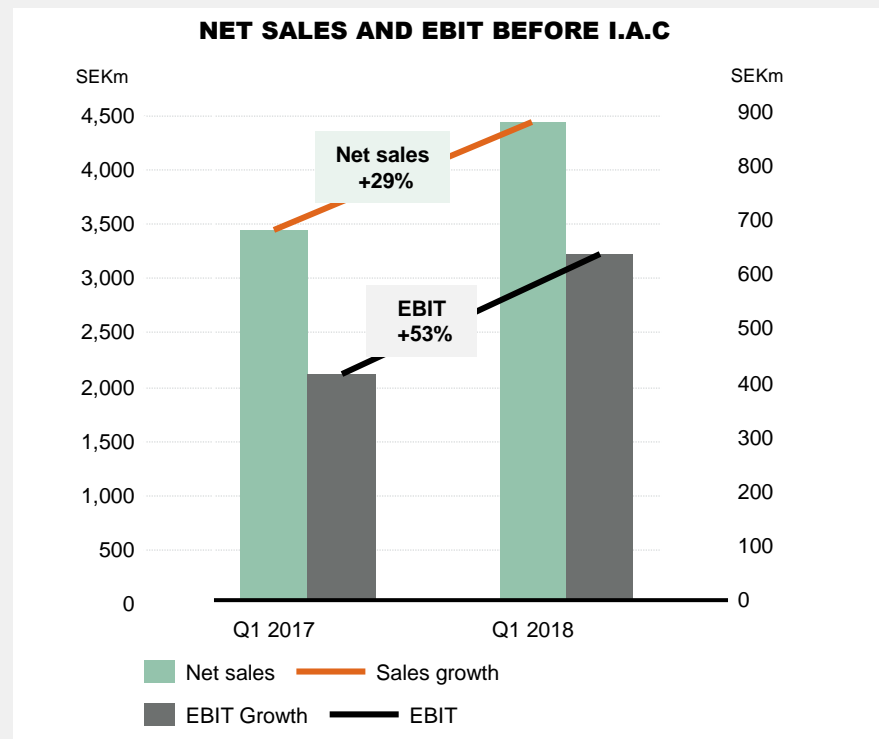
- +10% organic
- -2% FX
- +21% M&A

EBIT before i.a.c. of SEK 638 m, +53%

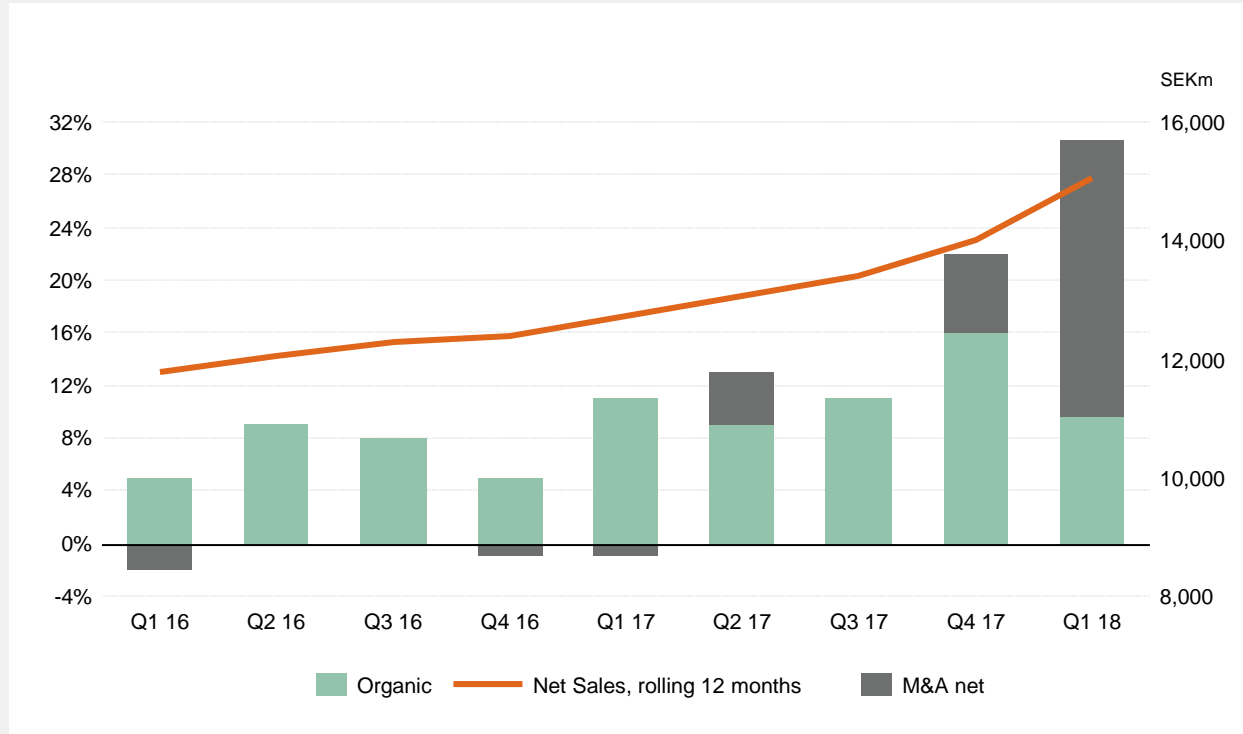
- EBIT Margin of 14.4% (12.1%)
- + Efficiency improvements and pricing
- Effects from currencies and raw materials

Operating cash flow of SEK -27 m, +38%

EPS of SEK 1.27, +27%

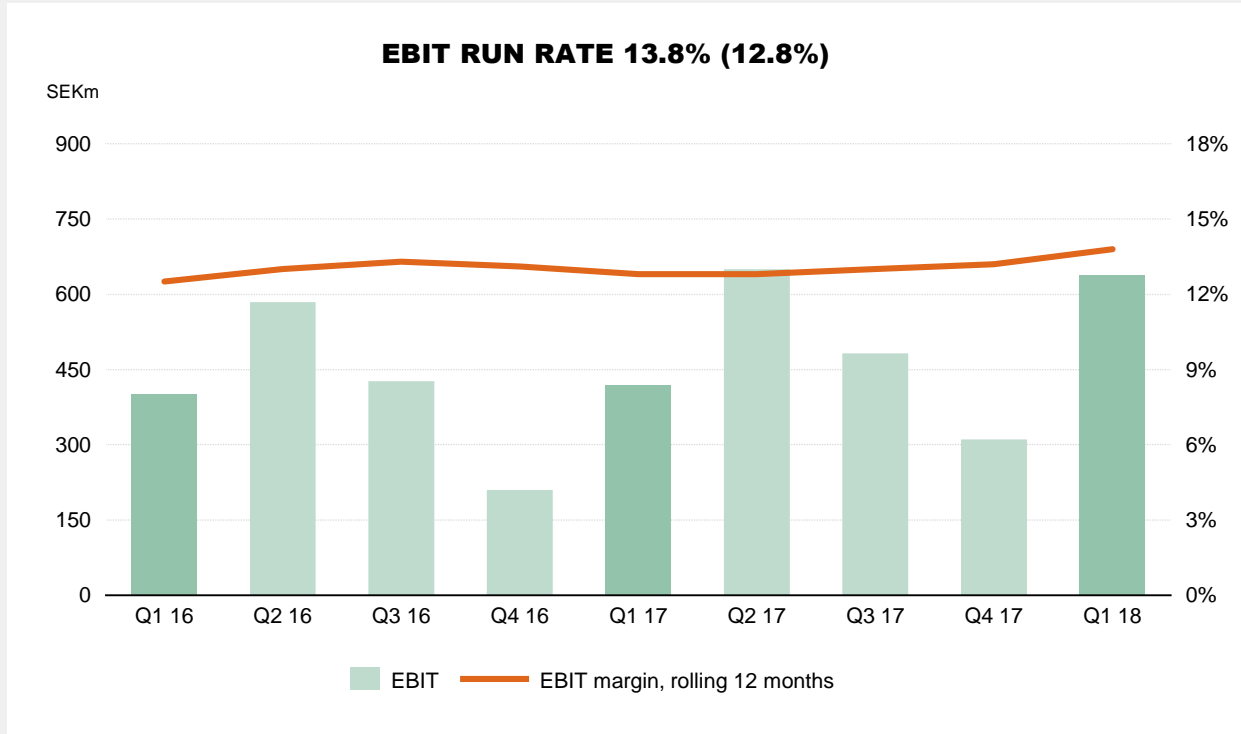


SALES GROWTH IN CONSTANT CURRENCY



- Strong sales trend
- 13% CAGR sales growth
- 9% average quarterly organic growth

EBIT AND EBIT MARGIN BEFORE I.A.C



- Underlying improvements
- 1%-point EBIT improvement YoY rolling 12 months
- 26% CAGR EBIT growth
- Continued focus on reaching 15% target

RV - GLOBAL MARKET

Americas

Rolling three months: 121,706 units, +15%,
Rolling twelve months: 516,791 units, +18%

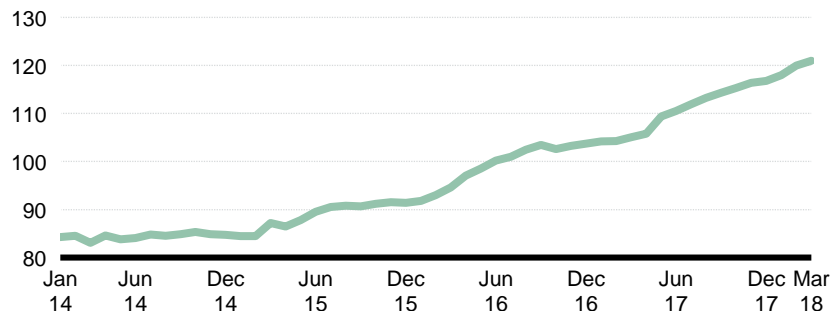
EMEA

Rolling three months: 30,722 units, +16%,
Rolling twelve months: 120,955 units, +15%

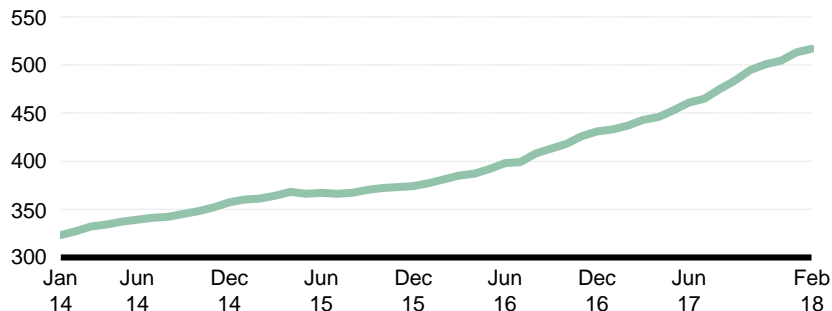
Australia

Rolling three months: 4,650 units +10%,
Rolling twelve months: 22,716, +5%

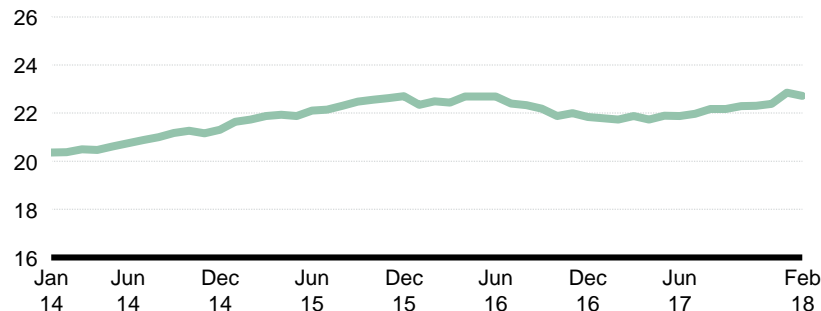
EMEA - ROLLING TWELVE MONTHS REGISTRATIONS (000S UNITS)



AMERICAS - ROLLING TWELVE MONTHS SHIPMENTS (000S UNITS)

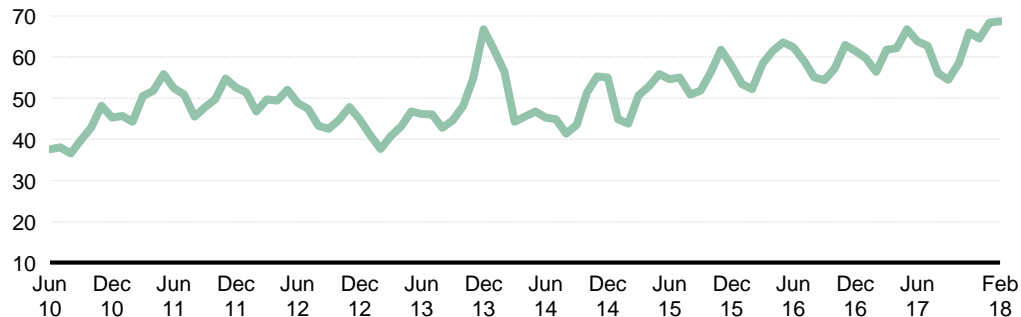


AUSTRALIA - ROLLING TWELVE MONTHS PRODUCTION (000S UNITS)



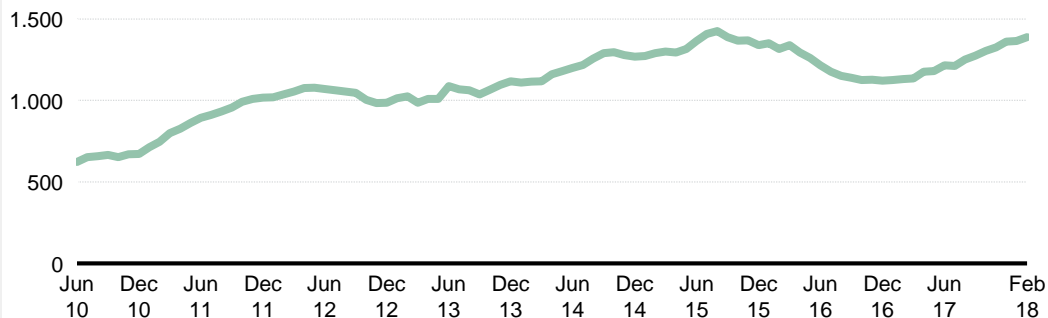
CPV - HEAVY TRUCKS

EUROPE – ROLLING THREE MONTHS REGISTRATIONS (000S UNITS)



Europe – above 16 tons
Rolling three months
December 2017 – February 2018: +3%

AMERICAS – ROLLING THREE MONTHS SALES (000S UNITS)



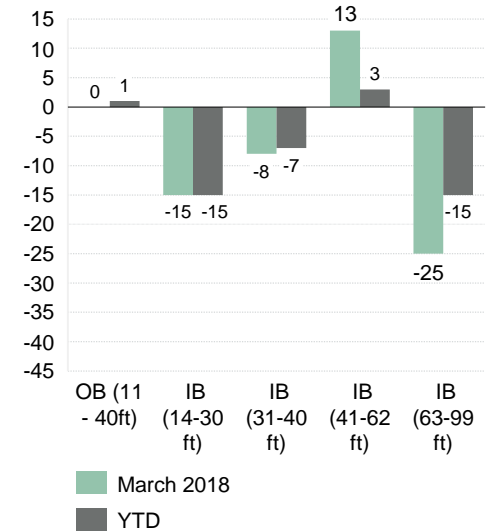
Americas – heavy trucks
Rolling three months
December 2017 – February 2018: +23%

MARINE - US POWER BOAT SALES

ROLLING TWELVE MONTHS (Y-O-Y % CHANGE)



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

MARKET HIGHLIGHTS



E-MAGAZINE IN AUSTRALIA

- Outdoor lifestyle magazine for mobile living enthusiasts
- First issue released at industry tradeshow in February



GREAT TRADESHOW ATTENDANCE

- Victorian Caravan, Camping and Touring Supershow
- Florida RV Supershow
- Miami Boat Show
- Unlimited Off-Road Expo in Texas
- Easter Jeep Expo in Moab, Utah
- China Trade Fair – Beijing RV Show



PRODUCT HIGHLIGHTS



AMERICAS

PowerChannel Hardware Rail

- Awnings rail for smart accessories

Mojave Small Furnace

- Compact heater, reduced air turbulence
- Can be placed vertically or horizontally



EMEA

Palm Beach Navireceiver

- Integrated control for RV & CPV
- New design and functionality

New Inverter Range, SinePower

- Reliable operation of low-power devices
- Integrated protection to prevent damage



APAC

RV Refrigerator

- New narrow design and adjustable shelves
- Market leading performance and Control panel functionality

AMERICAS

Net sales of SEK 2,287 m, +12% organic

- Strong RV market continues
- SeaStar performing according to plan
- Good traction for cooling boxes

EBIT before i.a.c. of SEK 334 m, +104%

- EBIT Margin of 14.6% (10.9%).
 - + Improvements in distribution and logistics
 - + FX
 - Raw material impact

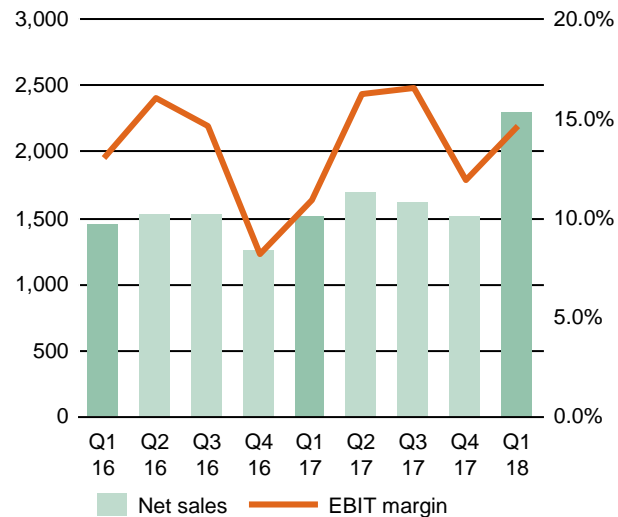


OEM, 76%
AM, 24%



Americas, 52%
Rest of Group, 48%

NET SALES AND EBIT MARGIN BEFORE I.A.C.



EMEA

Net sales of SEK 1,696 m, +6% organic

- Strong growth in Germany
- Growth in South Europe
- Easter effect with 1 less working day

EBIT before i.a.c. of SEK 209 m, +29%

- EBIT Margin of 12.3% (10.6%)
 - + Profitability program
 - + Pricing
 - Raw material and FX

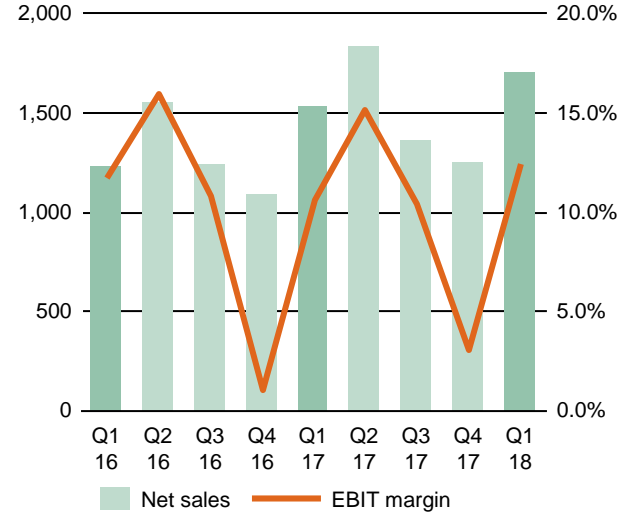


OEM, 54%
AM, 46%



EMEA, 38%
Rest of Group, 62%

NET SALES AND EBIT MARGIN BEFORE I.A.C.



APAC

Net sales of SEK 459 m, +16% organic

- Strong RV and Retail in Pacific
- Good Marine in Taiwan and Retail & Lodging in Korea
- Good growth in China
- Growth in Southeast Asia

EBIT before i.a.c. of SEK 95 m, +4%

- EBIT Margin of 20.8% (22.4%)
 - + Good Aftermarket sales
 - Negative geographical mix
 - Raw materials and FX

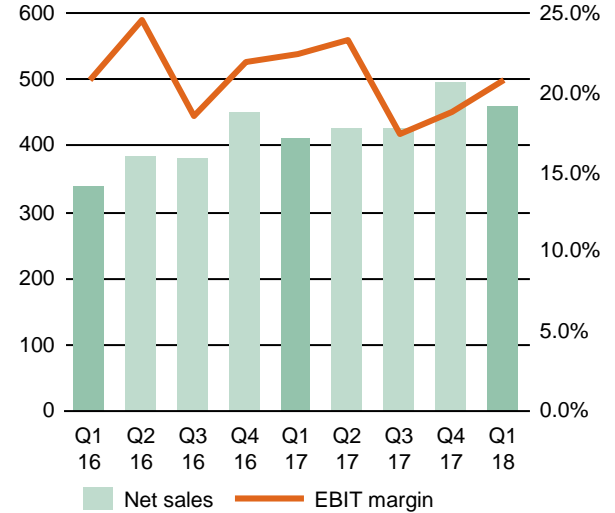


OEM, 47%
AM, 53%



APAC, 10%
Rest of Group, 90%

NET SALES AND EBIT MARGIN BEFORE I.A.C.



Q1 STRATEGY EXECUTION

1

Growth

- Solid growth outside our RV business
- Strong Aftermarket development, +22% in constant currencies
- Increased and more dedicated focus on CPV, Retail and Lodging

2

Innovation

- New CTO to improve process ownership and speed in innovation
- Global Products and Shared Technologies
- Generation planning, common platforms and modularity

3

Competitive cost base

- Continued improvements in SG&A, ~1% improvement
- Lower costs related to logistics and quality
- Common IT-platforms

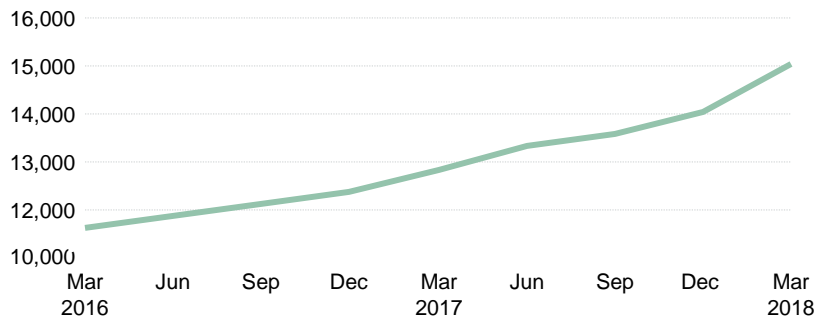




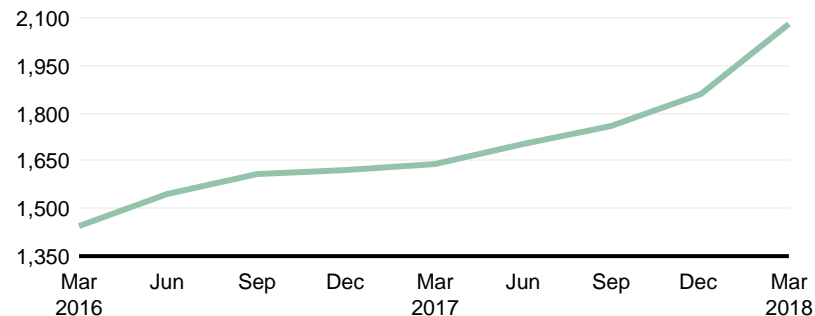
**PER-ARNE BLOMQUIST,
CFO**

DOMETIC GROUP TRENDS

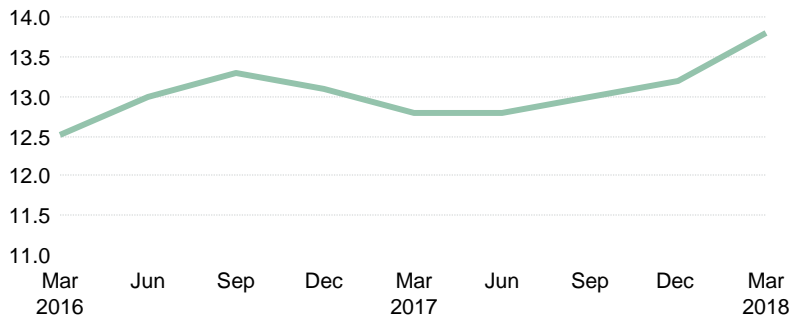
SALES (SEKm)



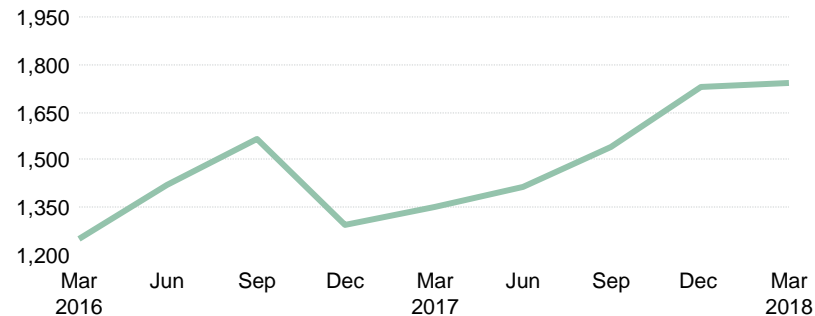
EBIT BEF. I.A.C (SEKm)



EBIT BEF. I.A.C (%)

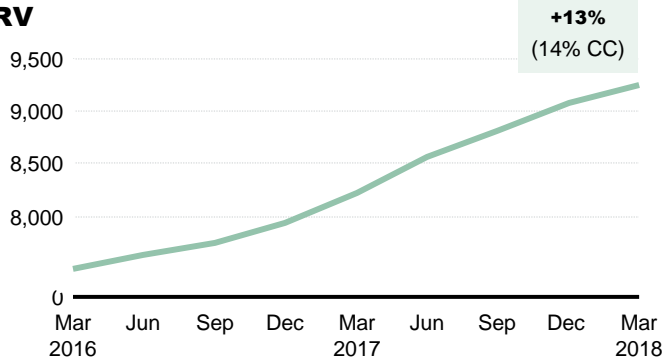


OPERATING CASH FLOW (SEKm)

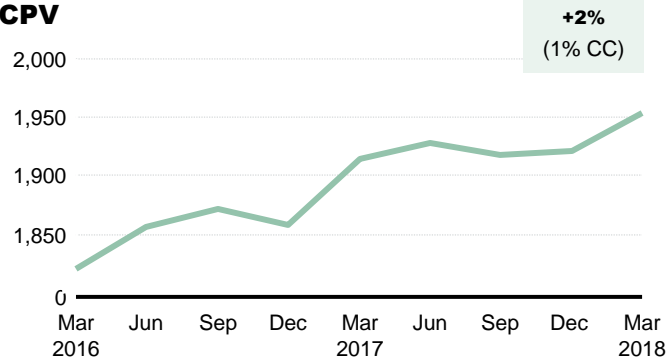


BUSINESS AREA DEVELOPMENT

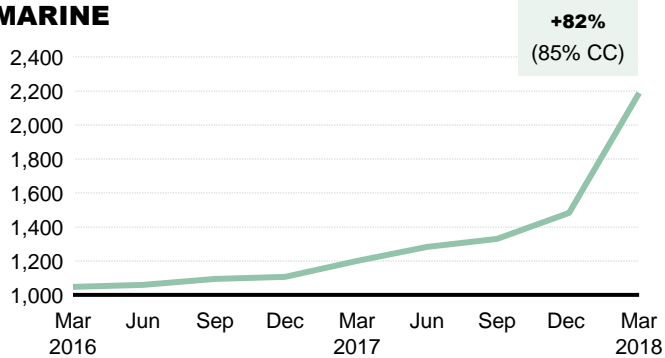
RV



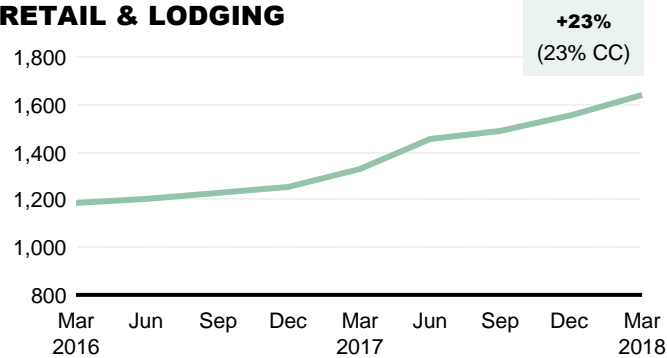
CPV



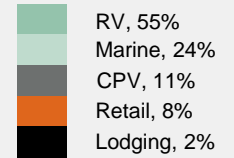
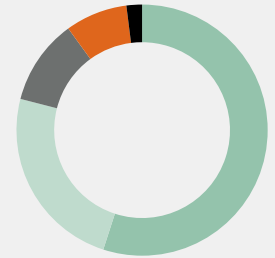
MARINE



RETAIL & LODGING

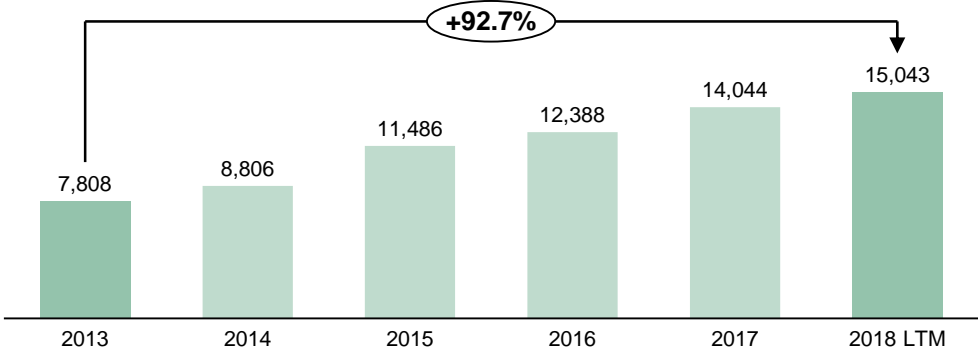


SALES SPLIT, BUSINESS AREA

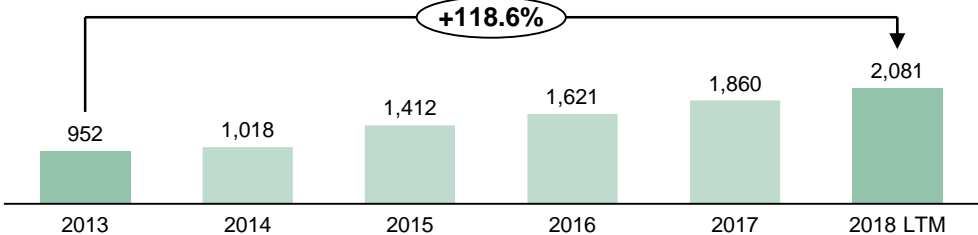


5 YEARS SALES AND EBIT DEVELOPMENT

NET SALES



EBIT BEFORE I.A.C



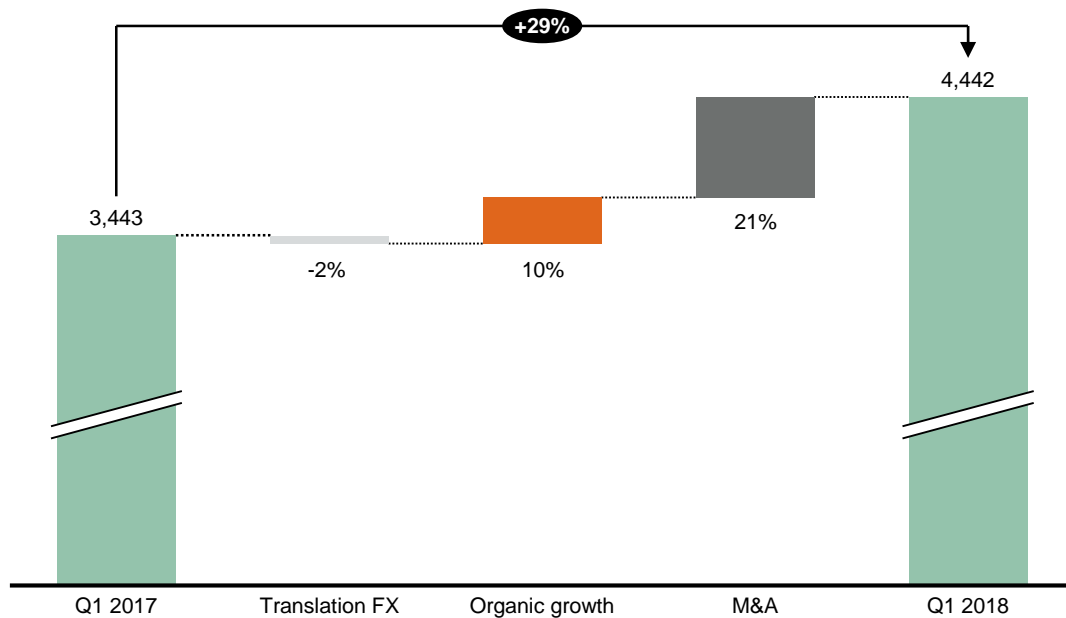
KEY RATIOS

SEKm		Q1 2018	Q1 2017	LTM 2018	FY 2017
Sales	Net sales	4,442	3,443	15,043	14,044
	Growth	29.0%	14.8%	17.2%	13.4%
	Organic growth, %	9.7%	11.3%	10.9%	11.5%
Profitability	EBIT before i.a.c	638	418	2,081	1,860
	EBIT before i.a.c., %	14.4%	12.1%	13.8%	13.2%
	EBITDA before i.a.c	761	495	2,447	2,181
	EBITDA before i.a.c., %	17.1%	14.4%	16.3%	15.5%
Capital efficiency	Core working capital, to sales, %*	23.3%	22.8%	23.3%	23.1%
	Return on operating capital	32.3%	31.2%	32.3%	33.0%
Cashflow	Operating cash flow	-27	-44	1,744	1,727
EPS	Earnings per share	1.27	1.00	5.32	5.05

* Average CWC/LTM net sales including SeaStar. Excluding SeaStar: 21.6%.

DOMETIC GROUP

NET SALES BRIDGE Q1 SEKm



TRANSLATION FX DETAILS

	Net sales	Share of impact
USD	-100	170%
EUR	58	-99%
AUD	-12	20%
HKD	-3	6%
GBP	1	-1%
CNY	0	0%
Other	-3	5%
Total	-59	

REGIONAL RESULTS

SEK million	Q1 2018	Q1 2017	Change (%)		LTM 2018	FY 2017
			Rep.	Adj. ¹⁾		
Americas ³⁾	2,287	1,506	52%	63%	7,110	6,329
EMEA	1,696	1,527	11%	7%	6,131	5,962
Asia Pacific	459	410	12%	17%	1,802	1,753
Net sales	4,442	3,443	29%	31%	15,043	14,044
Americas ³⁾	334	164	104%	120%	1,055	885
EMEA	209	162	29%	26%	665	618
Asia Pacific	95	92	4%	9%	360	357
Operating profit (EBIT) bef. i.a.c.²⁾	638	418	53%	58%	2,081	1,860
Americas ³⁾	14.6%	10.9%			14.8%	14.0%
EMEA	12.3%	10.6%			10.8%	10.4%
Asia Pacific	20.8%	22.4%			20.0%	20.4%
Operating profit % bef. i.a.c.²⁾	14.4%	12.1%			13.8%	13.2%

¹⁾ Represents change in comparable currency.

²⁾ Before items affecting comparability.

³⁾ Including SeaStar Solutions.

HIGHLIGHTS

- Organic growth in all regions
 - Americas +12% organic
- EBIT margin improvement
 - 14.4%
 - 14.0% exc SeaStar
- EMEA efficiency program yields results

EARNINGS PER SHARE - Q1

SEKm

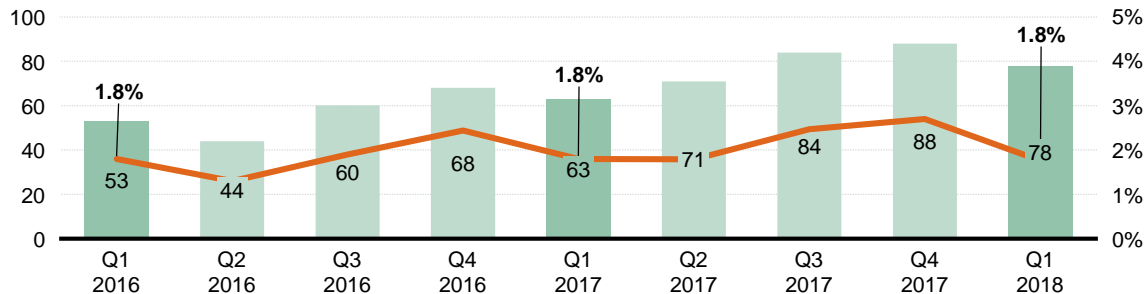
Total Group	2018	EPS	2017	EPS
Net Sales	4,442		3,443	
EBIT (before e.o items)	638	<i>2.16</i>	418	<i>1.41</i>
Finance net	-127	-0.43	-31	-0.10
Tax	-136	-0.46	-91	-0.31
Result for the period	375	<i>1.27</i>	296	<i>1.00</i>
No. of share	296		296	
Earnings per share	1.27		1.00	

- **Q1 2018:**
Total tax rate: 27% (24%)
Tax paid: 19% (-1%)

CAPEX & PRODUCT DEVELOPMENT

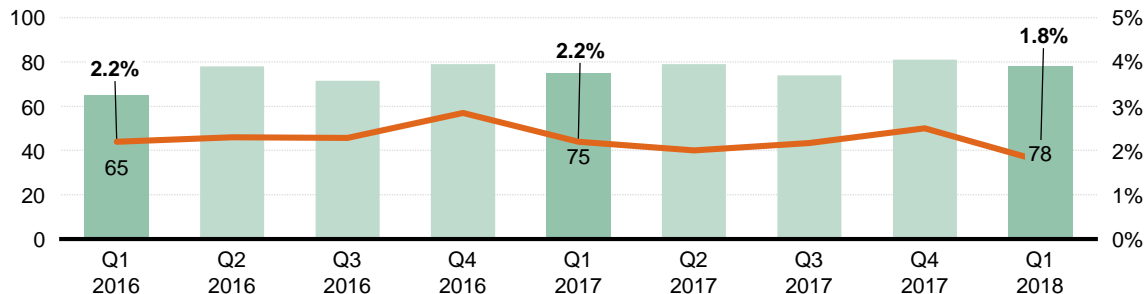
(SEKm, % OF NET SALES)

CAPEX



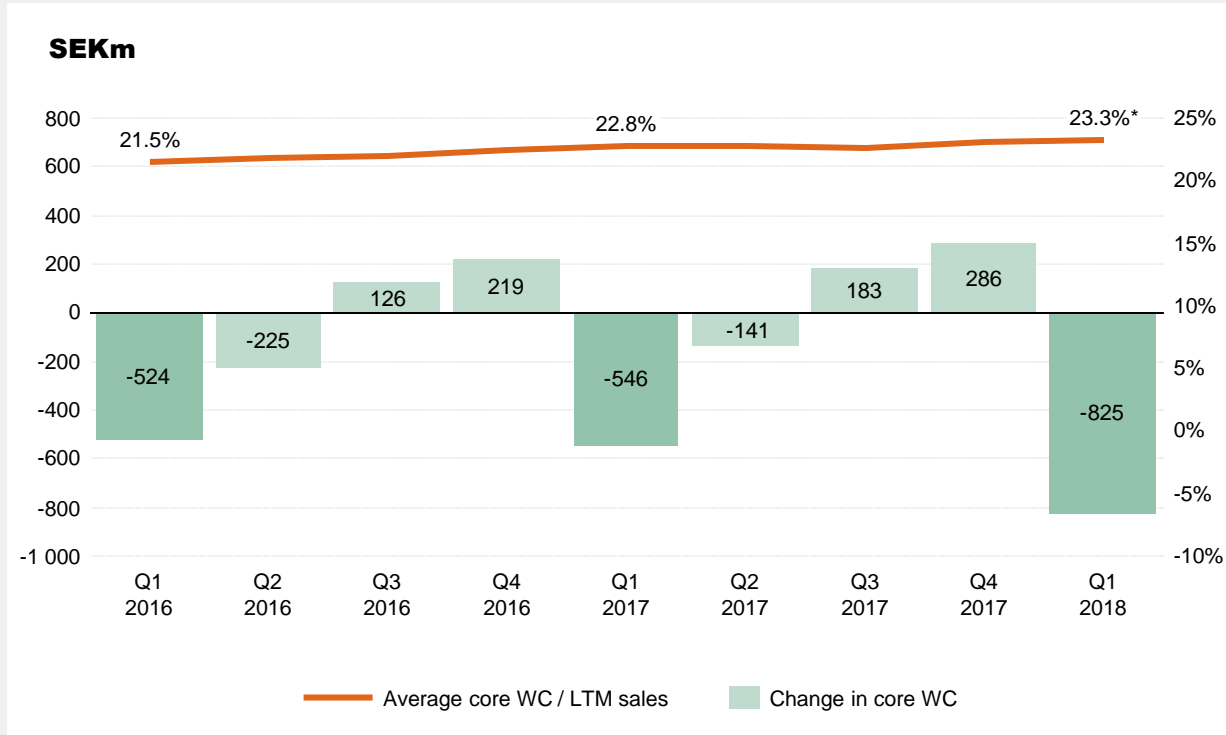
- **Q1 2018 CAPEX:** 1.8% of net sales. (1.8% in 2017)

PD



- **Q1 2018 PD:** 1.8% of net sales. (2.2% in 2017)

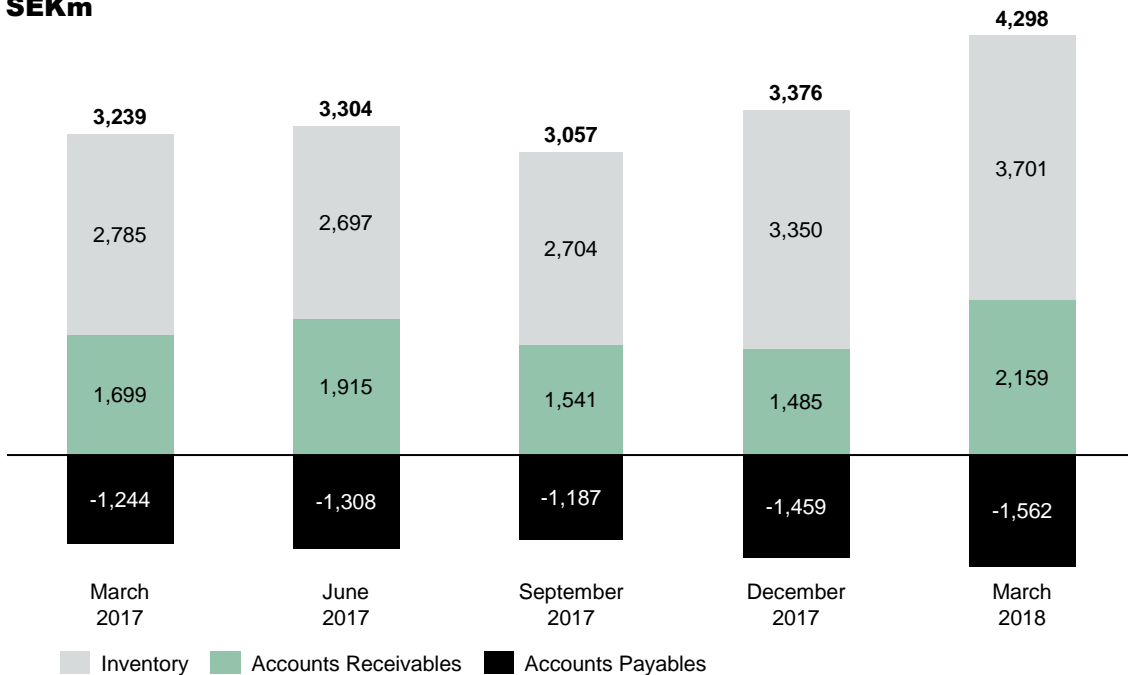
WORKING CAPITAL DEVELOPMENT



- **Average CWC/LTM net sales:**
 21.6% excluding SeaStar
 23.3% including SeaStar

WORKING CAPITAL

SEKm



Y-o-Y delta, mainly due to:

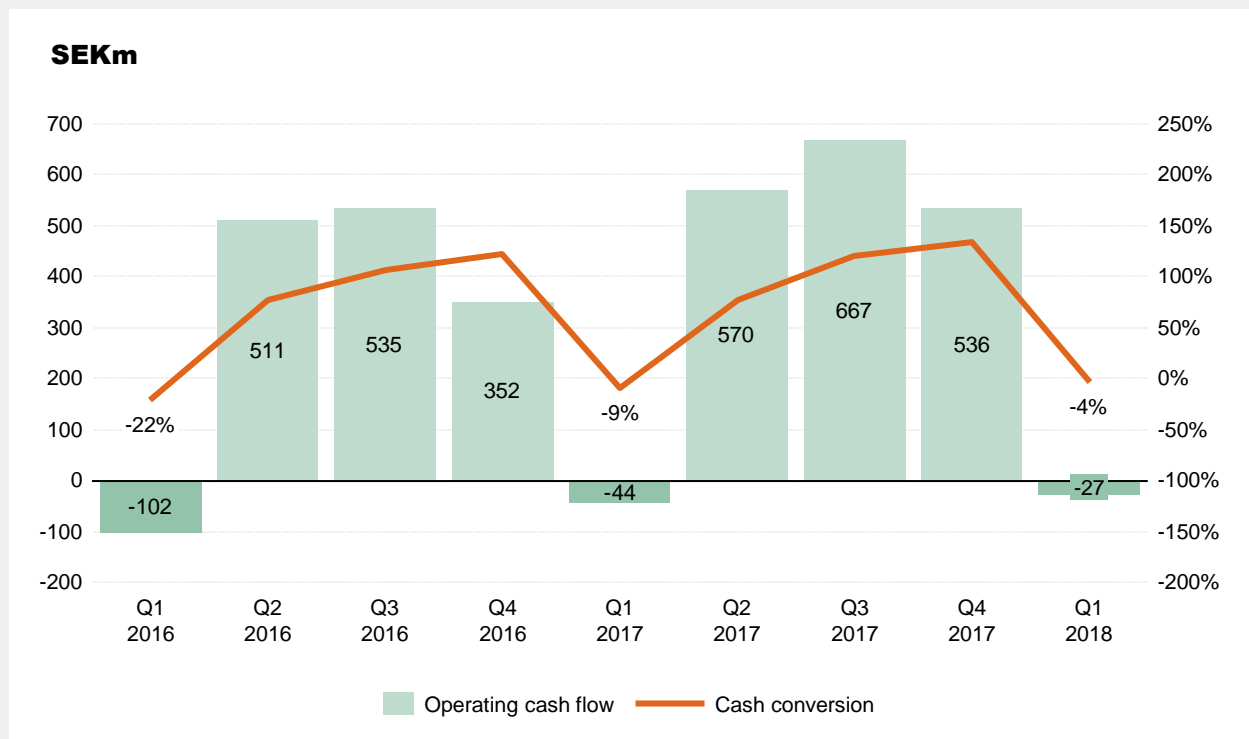
Seastar Solutions:
+SEK 442 m

Goods in transit:
+SEK 116 m

Seastar Solutions:
SEK +410 m

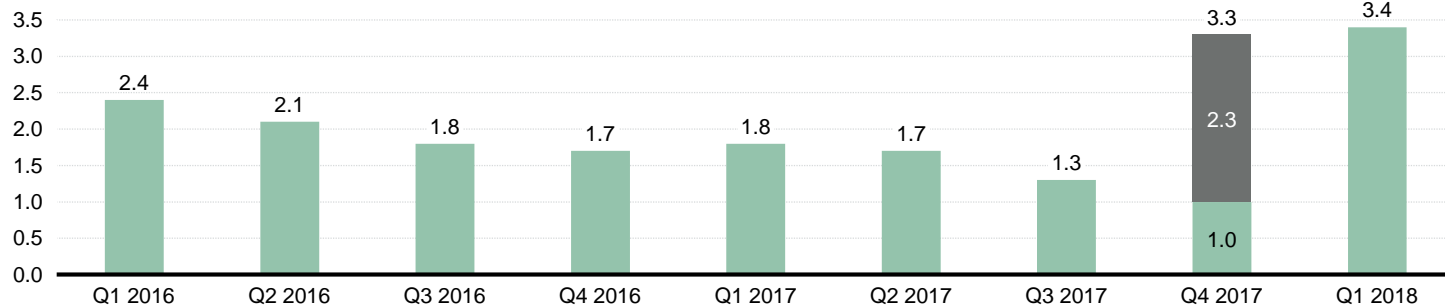
Seastar Solutions:
SEK -193 m

CASH FLOW



NET DEBT LEVERAGE AND NET DEBT DETAILS ACTUAL

NET DEBT



SEKm	Actual Q1 2016	Actual Q2 2016	Actual Q3 2016	Actual Q4 2016	Actual Q1 2017	Actual Q2 2017	Actual Q3 2017	Actual Q4 2017	Actual Q1 2018
RCF	131	0	0	0	0	0	0	0	459
Capex	0	0	0	0	0	0	0	0	0
Senior term A	988	1 016	934	958	849	824	705	2,777	2,745
Senior term B	3,457	3,558	3,632	3,727	3,714	3,604	3,523	7,693	7,889
Local facilities	49	76	86	123	116	140	130	131	104
Total debt	4,625	4,650	4,652	4,809	4,678	4,568	4,358	10,601	11,197
Cash	413	730	1,160	1,599	1,213	1,169	1,759	1,159	1,066
Net debt	4,212	3,920	3,492	3,210	3,465	3,399	2,594	9,442	10,132

FINANCIAL TARGETS

	FY 2015	FY 2016	FY 2017	Q1 2018	Mid/long term Financial target
Net Sales Growth ¹	8%	7%	12%	10%	5%
EBIT Margin ²	12.3%	13.1%	13.2%	14.4%	15%
Net Debt / EBITDA	2.4x	1.7x	3.3x	3.4x	2.0x
Dividend Policy	No dividend	40%	40%	-	40%

¹ Organic sales growth

² EBIT before I.A.C.

SUMMARY Q1 2018

- Strong organic sales growth of 10%
- Strong growth outside RV market
- Improved profitability due to good operational execution
- Integration of SeaStar proceeds according to plan
- Appointment of CTO to increase focus on innovation
- Working on additional plans to increase operational performance



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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 efficiency improvements
- Grow Aftermarket and Marine

Leverage of 2.5x by end of 2018

- Continued strong cash generation



Q&A

APPENDIX

APPENDIX A

QUARTERLY SUMMARY KEY FINANCIALS

SEK million	Q1 2017	Q1 2016	LTM 2018	FY 2017
Net sales	4,442	3,443	15,043	14,044
EBITDA	761	495	2,494	2,228
% of net sales	17.1%	14.4%	16.6%	15.9%
Operating profit (EBIT)	638	418	2,127	1,907
% of net sales	14.4%	12.1%	14.1%	13.6%
Operating profit (EBIT) before items affecting comparability	638	418	2,081	1,860
% of net sales	14.4%	12.1%	13.8%	13.2%
Profit for the period	375	296	1,574	1,495
Earnings per share, SEK	1.27	1.00	5.32	5.05
Cash flow for the period	-116	-384	85	-417
Operating cash flow ¹⁾	-27	-44	1,744	1,727
Core working capital	4,298	3,239	4,298	3,376
Capital expenditure in fixed assets	-78	-63	-321	-306
RoOC	32.3%	31.2%	32.3%	33.0%

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

APPENDIX B

GROUP P&L

SEK million	Q1 2018	Q1 2017	FY 2017
Net sales	4,442	3,443	14,044
Cost of goods sold	-3,064	-2,359	-9,599
Gross profit	1,378	1,084	4,445
Sales expenses	-527	-451	-1,791
Administrative expenses	-191	-188	-667
Other operating income and expenses	30	-9	-52
Items affecting comparability	0	0	47
Amortization of acquisition related intangible assets	-51	-18	-76
Operating profit	638	418	1,907
Financial income	3	0	6
Financial expenses	-130	-31	-212
Loss from financial items	-127	-31	-206
Profit before tax	511	387	1,700
Taxes	-136	-91	-206
Profit for the period	375	296	1,495
Profit for the period attributable to owners of the Parent Company	375	296	1,495
Earnings per share before and after dilution effects, SEK – Owners of the Parent Company	1.27	1.00	5.05
Number of shares, million	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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