

A man and a woman are on a red boat named 'Paradise' on a lake. The woman is wearing an orange top and blue shorts, and the man is wearing a grey long-sleeve shirt and colorful shorts. They are both smiling and looking at each other. The boat is docked at a pier. In the background, there are mountains and a clear blue sky. The text 'INTERIM PRESENTATION' is overlaid in large white letters.

INTERIM PRESENTATION

Q2 2018

18 July 2018

Mobile living made easy.

 **DOMETIC**



**JUAN VARGUES,
PRESIDENT & CEO**

Mobile living made easy.

 **DOMETIC**

Q2 2018 HIGHLIGHTS

Good organic growth

- Strong growth in Americas
- Good growth in EMEA and APAC

Continued market growth

- Aftermarket growth of 7-8% for RV and CPV
- RV demand remained positive on most key markets
- Retail and CPV focus yield results

EBIT improvement in all regions

- Pricing and efficiencies to compensate for raw materials

Strong operating cash flow

New Head of Group Operations appointed



Q2 2018 FINANCIAL SUMMARY

Net sales of SEK 5,260 m, +33% total growth

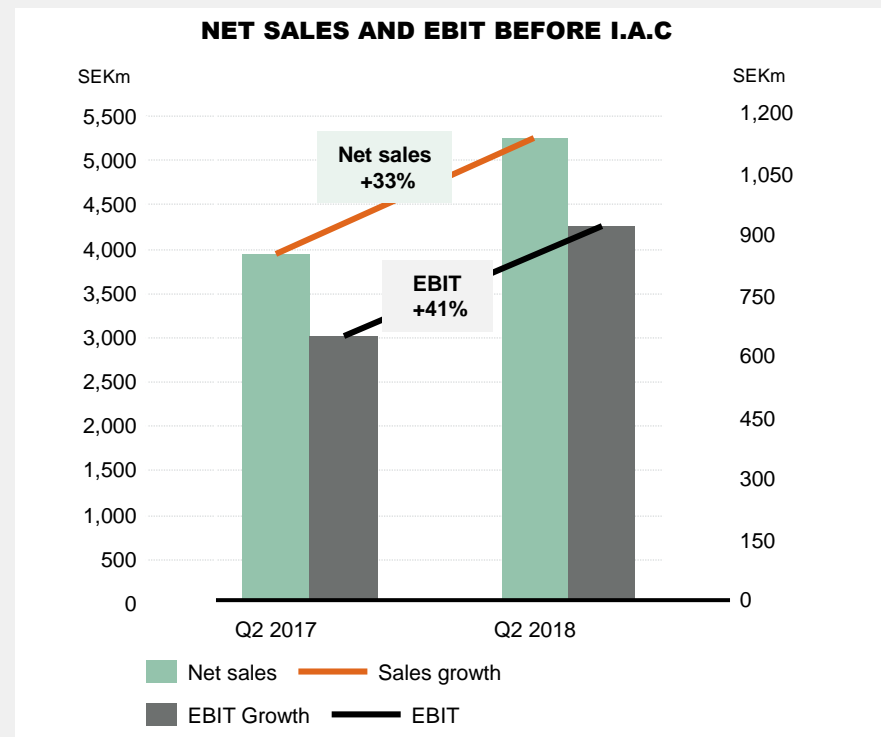
- +9% organic
- +3% FX
- +21% M&A

EBIT before i.a.c. of SEK 919 m, +41%

- EBIT margin of 17.5% (16.5%)
 - + Efficiency improvements and pricing
 - Effects from raw materials

Operating cash flow of SEK 943 m, +65%

EPS of SEK 2.13, +33%



FIRST 6 MONTHS 2018 FINANCIAL SUMMARY

Net sales of SEK 9,703 m, +31% total growth

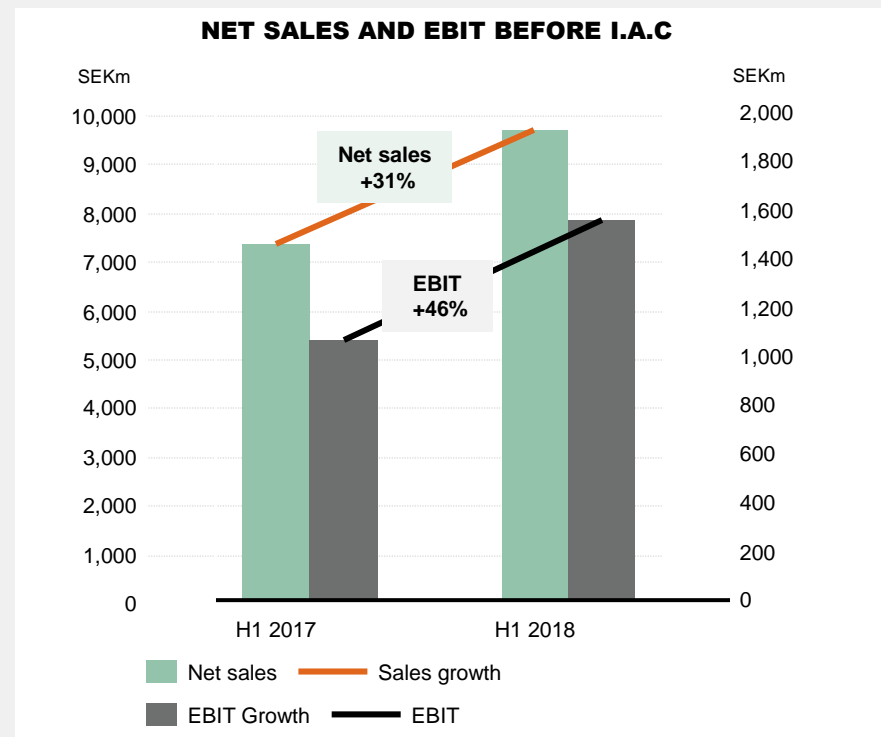
- +9% organic
- +1% FX
- +21% M&A

EBIT before i.a.c. of SEK 1,557 m, +46%

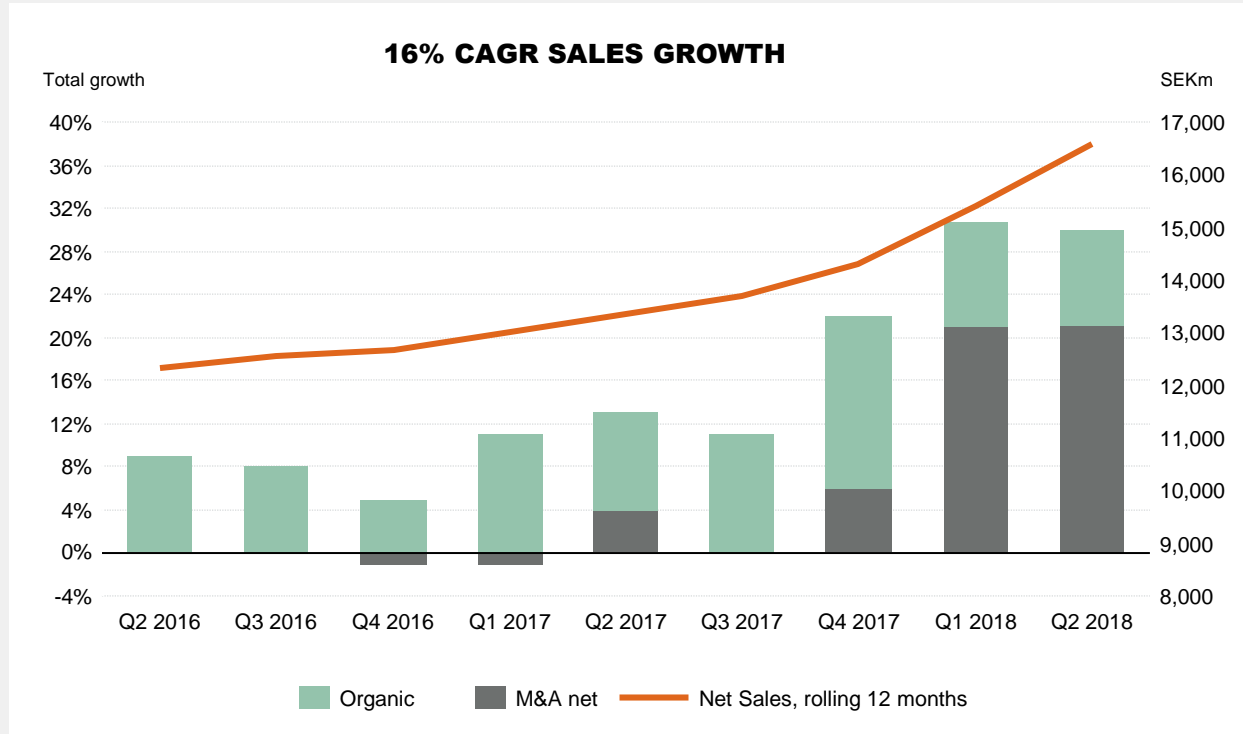
- EBIT margin of 16.0% (14.4%)
 - + Efficiency improvements and pricing
 - Effects from currencies and raw materials

Operating cash flow of SEK 916 m, +74%

EPS of SEK 3.39, +30%

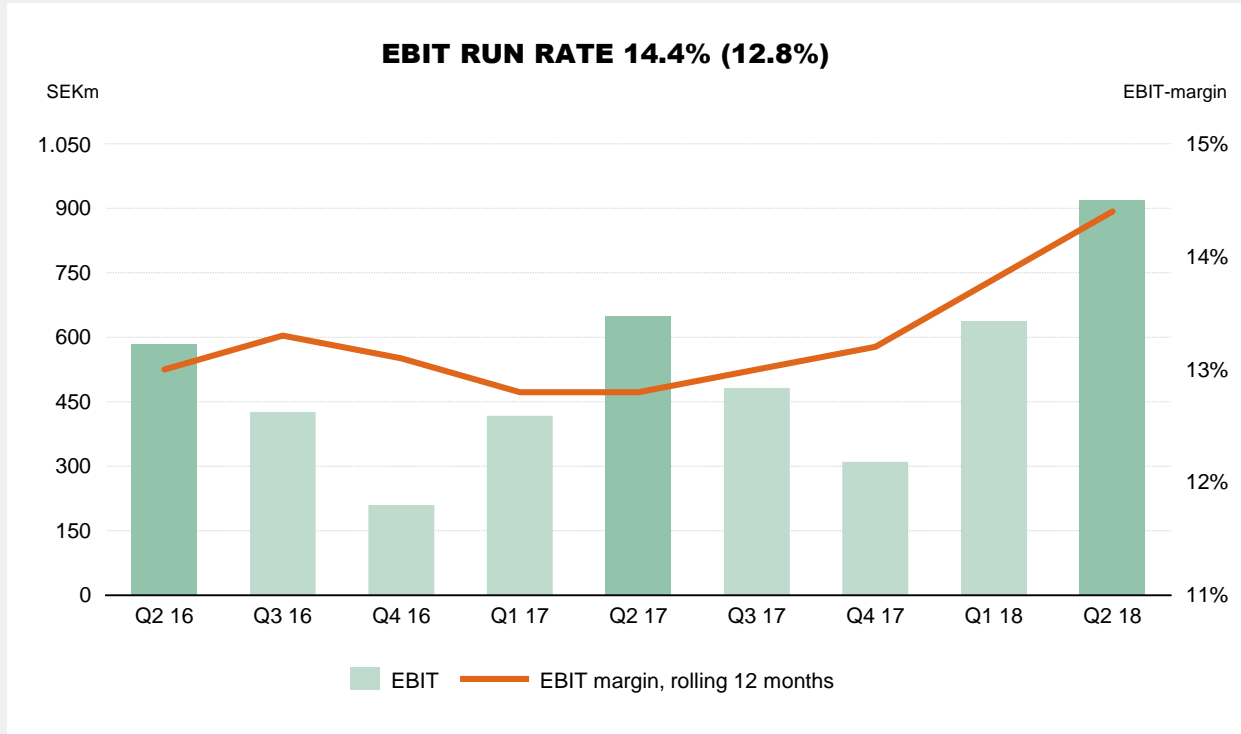


SALES GROWTH IN CONSTANT CURRENCY



- Average quarterly organic growth of 10%

EBIT AND EBIT MARGIN BEFORE I.A.C



- 1.6% point EBIT margin improvement rolling 12 months
- 25% CAGR EBIT growth

RV - GLOBAL MARKET

MARKET TRENDS

Americas

- R12M: 525,000 units, +16%
- Positive underlying demand. Inventory correction in May.

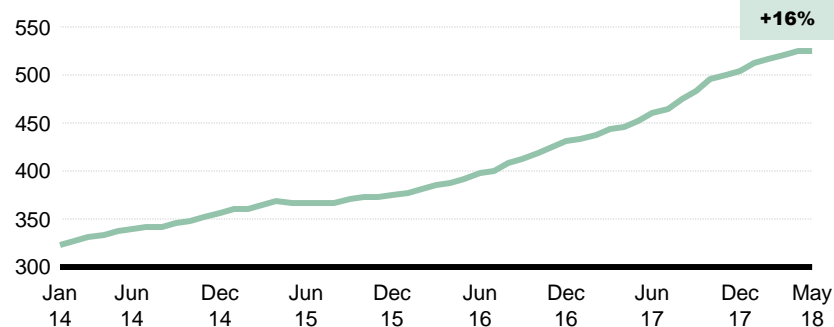
EMEA

- R12M: 122,000 units, +11% (6 countries)
- Continued demand in key markets

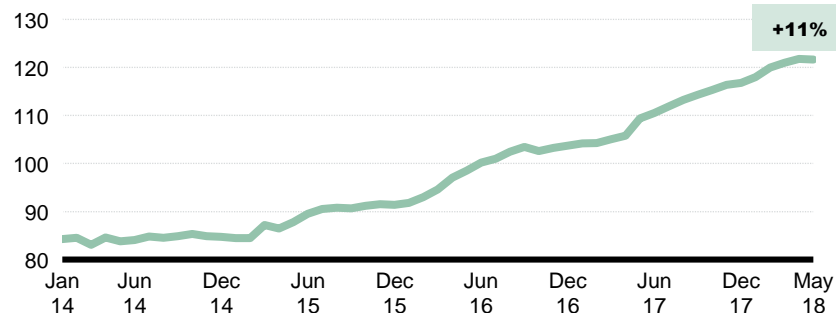
Australia

- R12M: 22,000 units 3%
- Dometic outperforms in weaker Australian market

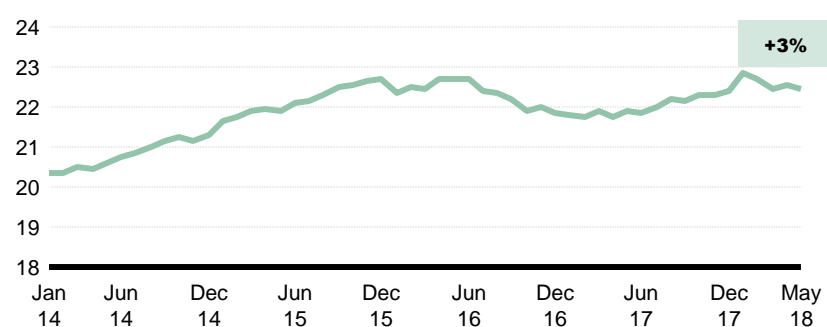
AMERICAS - ROLLING TWELVE MONTHS SHIPMENTS (000S UNITS)



EMEA - ROLLING TWELVE MONTHS REGISTRATIONS (000S UNITS)

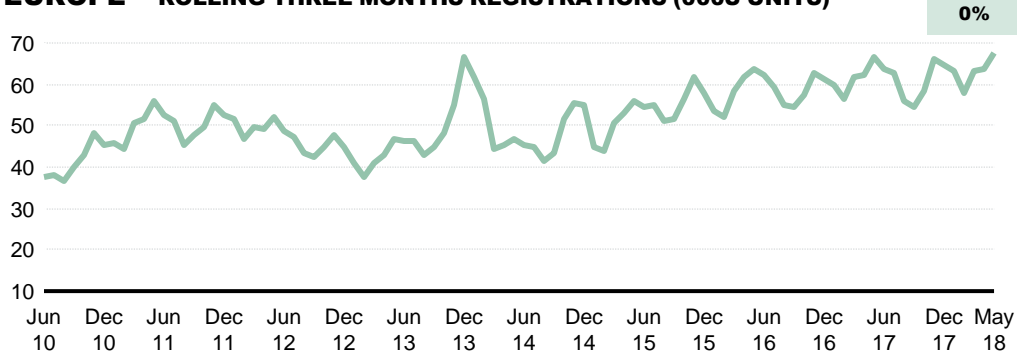


AUSTRALIA - ROLLING TWELVE MONTHS PRODUCTION (000S UNITS)

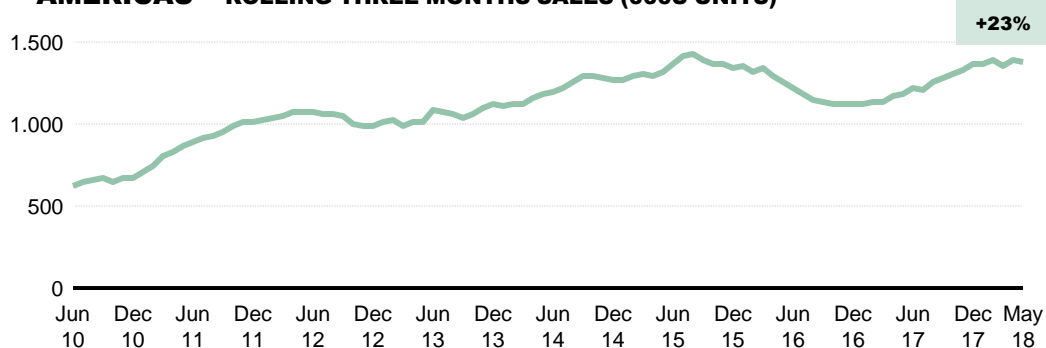


CPV - HEAVY TRUCKS

EUROPE – ROLLING THREE MONTHS REGISTRATIONS (000S UNITS)



AMERICAS – ROLLING THREE MONTHS SALES (000S UNITS)



MARKET TRENDS

EMEA

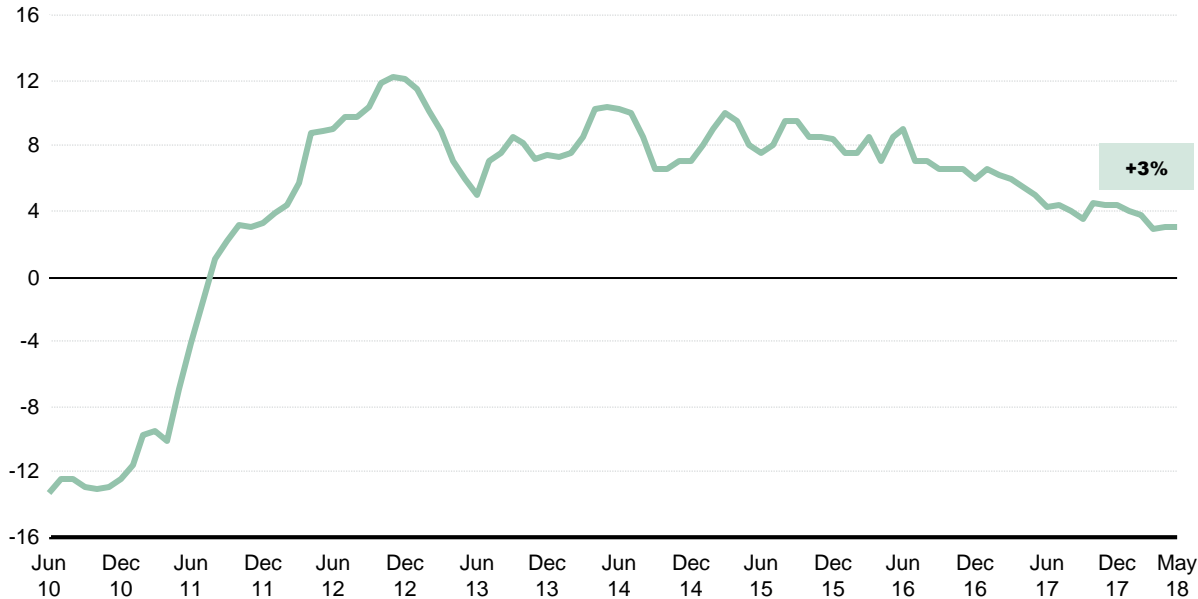
- Heavy trucks registrations flat
- Interest for active cooling compartments is growing

Americas

- Continued high demand for heavy trucks
- Dometic has increased focus on US CPV-market. Good interest in the market for both trucks and passenger vehicles.

MARINE - US POWER BOAT SALES

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



MARKET TRENDS

Americas

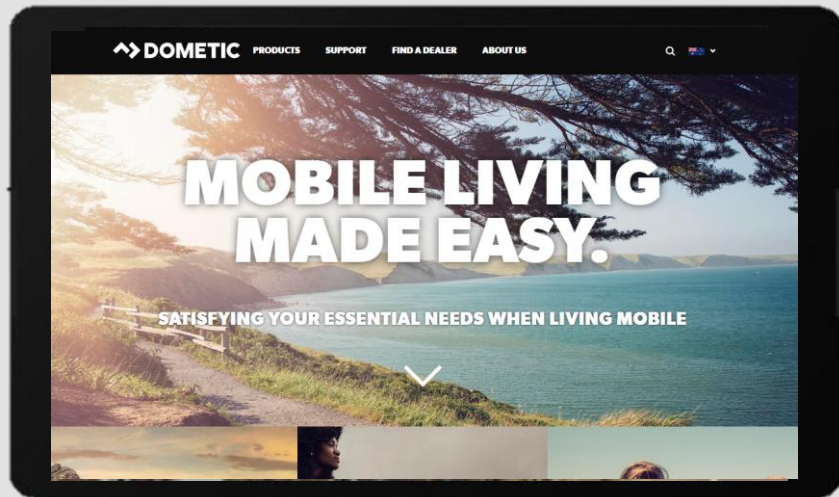
- 2% growth for outboard boats 11-40ft
- SeaStar outperforms underlying market

EMEA

- 25% EU tariffs on US boats – effects remain to be seen

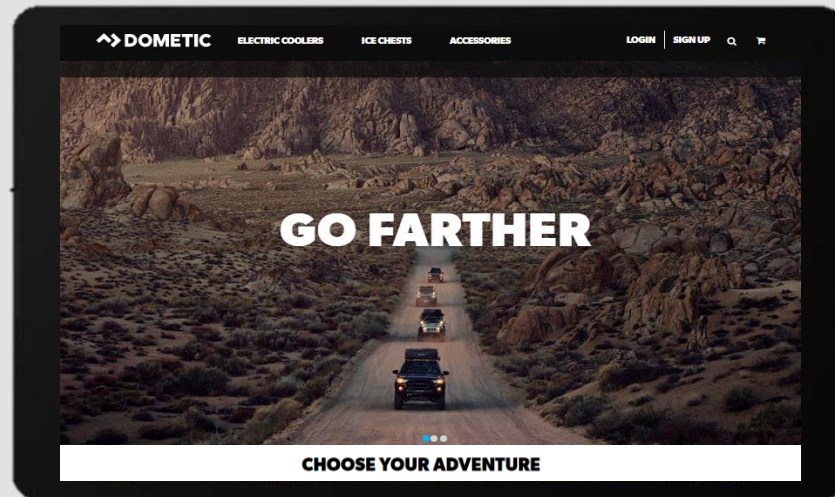
MARKETING HIGHLIGHTS Q2

DIGITAL ACCELERATION



DOMETIC.COM

- Industry leading online presence
- Organic online visitor growth YTD:
 - Americas +59%
 - EMEA + 51%
 - APAC +120%



E-COMMERCE WEBSITE LAUNCHED

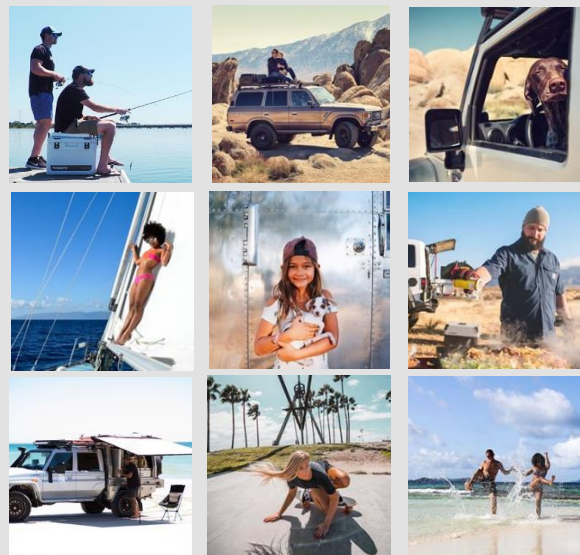
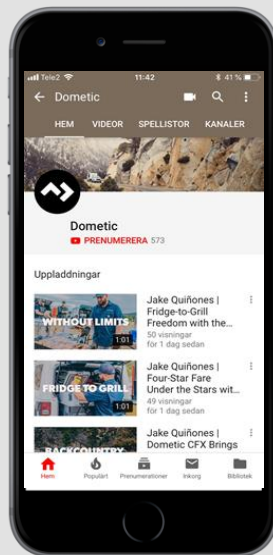
- The Mobile Cooling sales on digital platforms grew by +70%, to USD 1m LTM 2018
- E-commerce website launched in May on the US market to accelerate Mobile Cooling growth
- The digital reach for the Mobile Cooling initiative was during Q2: 5,3 m

Mobile living made easy.



MARKETING HIGHLIGHTS Q2

DIGITAL ACCELERATION



DOMETIC AMBASSADOR PROGRAM LAUNCHED

- Influencer program launched in the RV, Marine, Truck and Outdoor market
- Global, reach through social media – Facebook, Instagram & Youtube
- Product testing and endorsement
- Video lifestyle material created together with Ambassadors. Watch it [here](#)

SOCIAL MEDIA GROWTH

- Industry leading presence
- Growth YTD: Facebook +81% to 320 000, Instagram +18% to 25 000
- Now reaching more than 1,5 m social media users on monthly basis

Mobile living made easy.



PRODUCT HIGHLIGHTS



Dometic 10-series Refrigerator

- Innovative double-hinged door for more flexible fit
- Best-in-class cooling performance



Dometic 9200 Awning

- New range of awnings
- Improved design with increased torque and significant weight reduction



Dometic R-LUX Blinds system

- New range of automatic blinds system
- Cord driven with reduced noise level and improved design for maximum darkening capabilities

AMERICAS

Net sales of SEK 2,736 m, +11% organic

- 15% RV OEM growth
- SeaStar performing according to plan
- Retail +60% and CPV +10%

EBIT before i.a.c. of SEK 475 m, +73%

- EBIT Margin of 17.4% (16.2%)
 - + Continued improvements in distribution and logistics
 - Investments in RV AM, CPV and Mobile Cooling organizations
 - Raw material and labor constraints

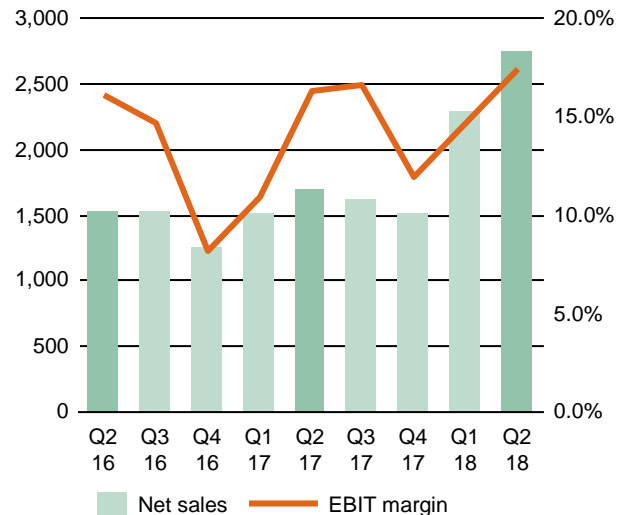


OEM, 66%
AM, 34%



Americas, 52%
Rest of Group, 48%

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



EMEA

Net sales of SEK 2,064 m, +6% organic

- High growth for CPV and Marine
- Continued good RV
- Cold weather in spring

EBIT before i.a.c. of SEK 335 m, +21%

- EBIT Margin of 16.2% (15.1%)
 - + Profitability program
 - + Pricing
 - Raw materials

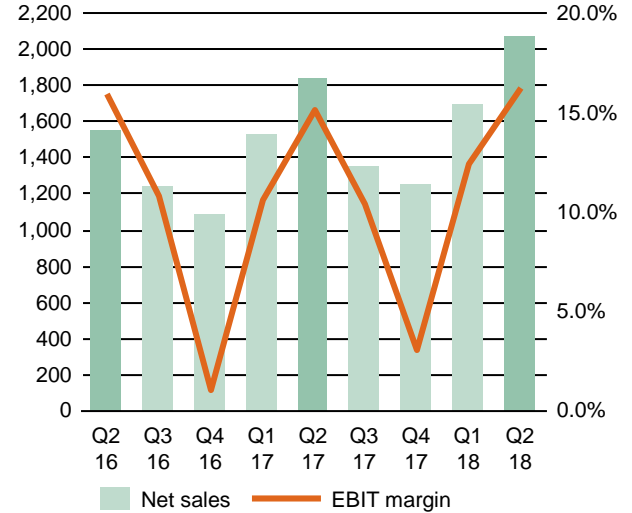


OEM, 46%
AM, 54%



EMEA, 39%
Rest of Group, 61%

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



APAC

Net sales of SEK 460 m, +7% organic

- Aftermarket +9%, driven by RV, Retail and CPV
- High growth for RV in China
- Outperforming the Australian RV market

EBIT before i.a.c. of SEK 109 m, +10%

- EBIT Margin of 23.6% (23.3%)
 - + Aftermarket sales
 - + Pruning of low profit products
 - Geographical mix and raw materials

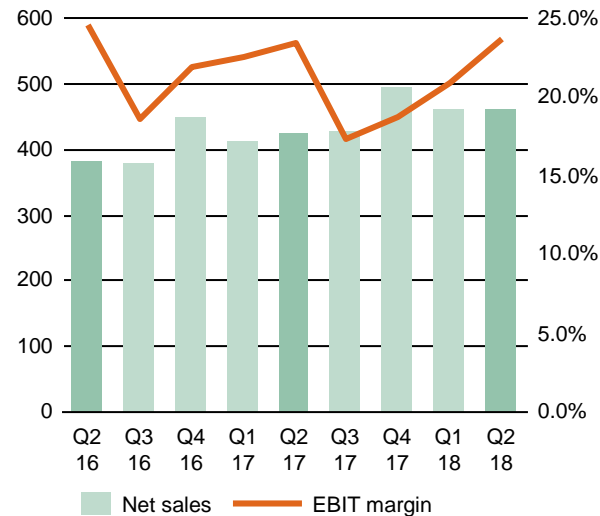


OEM, 51%
AM, 49%



APAC, 9%
Rest of Group, 91%

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



Q2 STRATEGY EXECUTION

1

Good development outside RV

- Dedicated organizations are generating very positive results, especially Retail and CPV in the US

2

R&D organization

- Formalization of action plan to build a global innovation platform
- Identification and pruning of SKUs

3

Operations and sourcing

- New Head of Group Operations appointed
- Improve sourcing organization in EMEA

4

Digitalization

- New spare part system implemented in EMEA
- New collaboration platform implemented for the Group

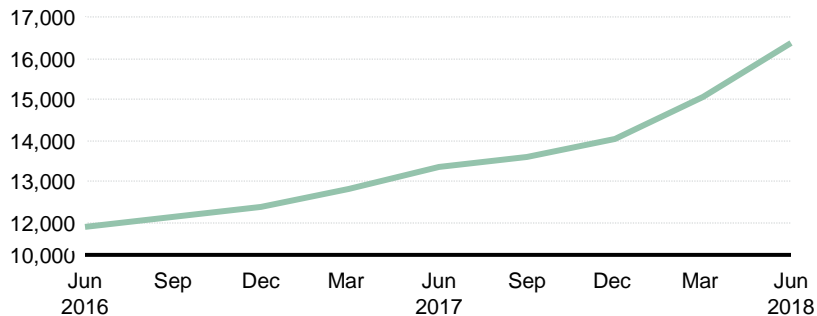




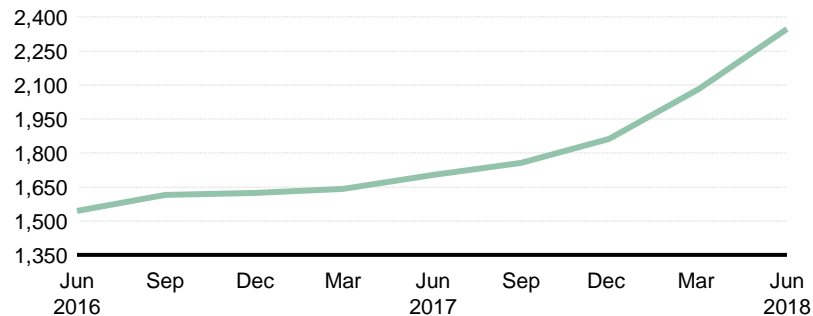
**PER-ARNE BLOMQUIST,
CFO**

DOMETIC GROUP TRENDS

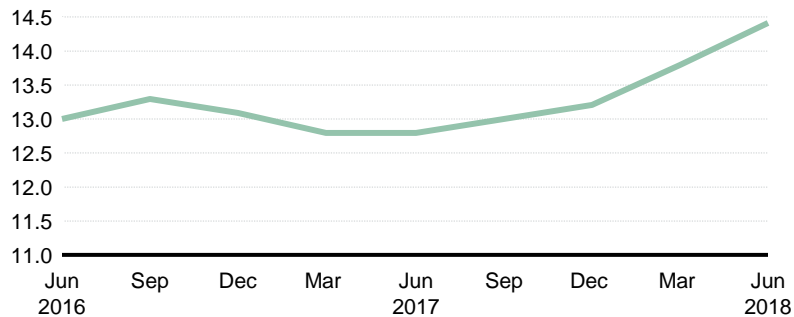
SALES (SEKm)



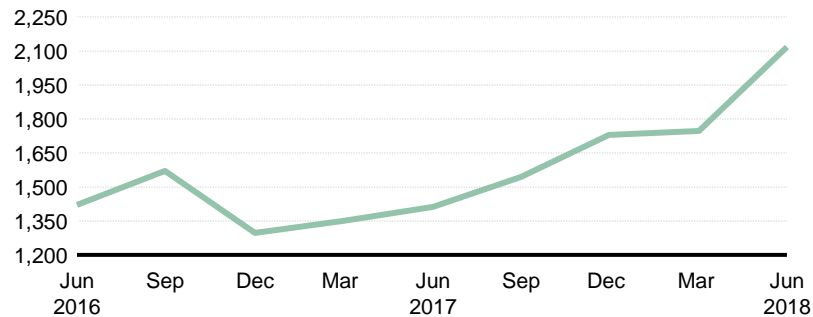
EBIT BEF. I.A.C (SEKm)



EBIT BEF. I.A.C (%)

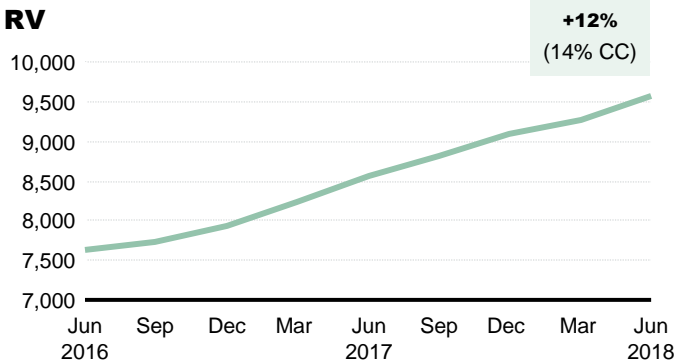


OPERATING CASH FLOW (SEKm)

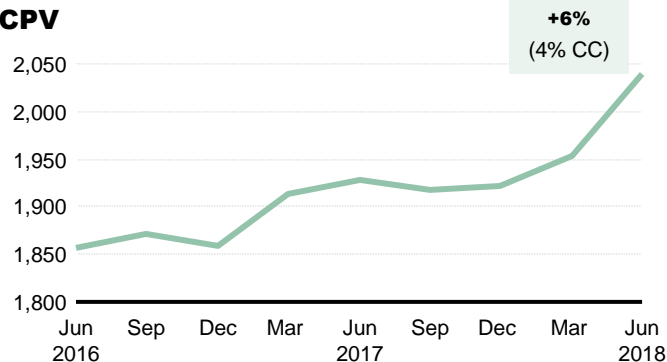


BUSINESS AREA DEVELOPMENT

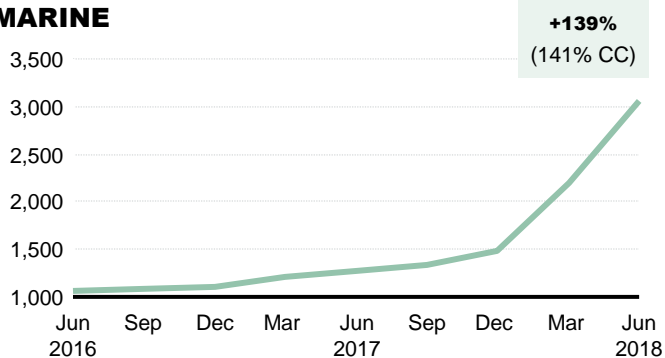
RV



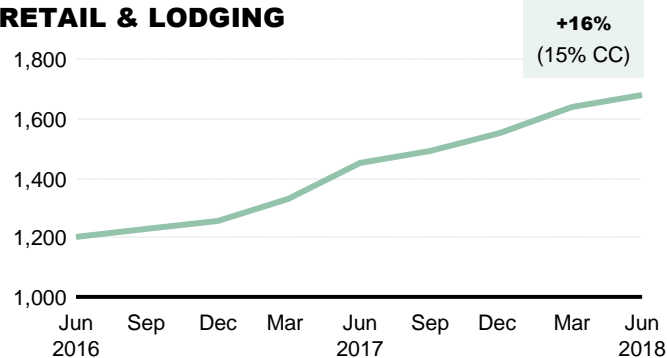
CPV



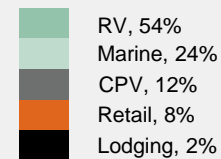
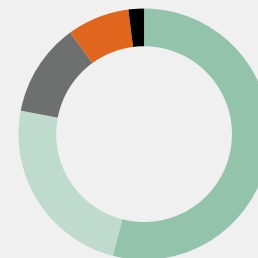
MARINE



RETAIL & LODGING

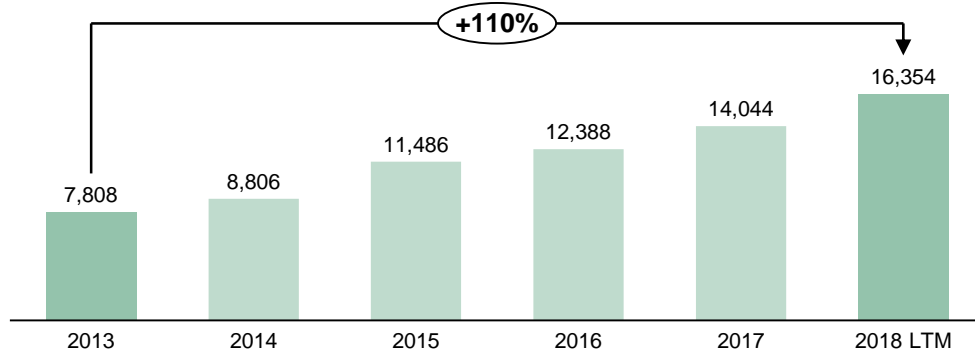


SALES SPLIT, BUSINESS AREA*

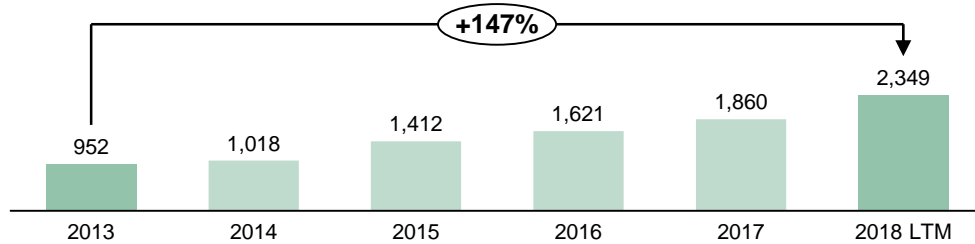


5 YEARS SALES AND EBIT DEVELOPMENT

NET SALES



EBIT BEFORE I.A.C



- Sales growth +110%
- EBIT before i.a.c +147%

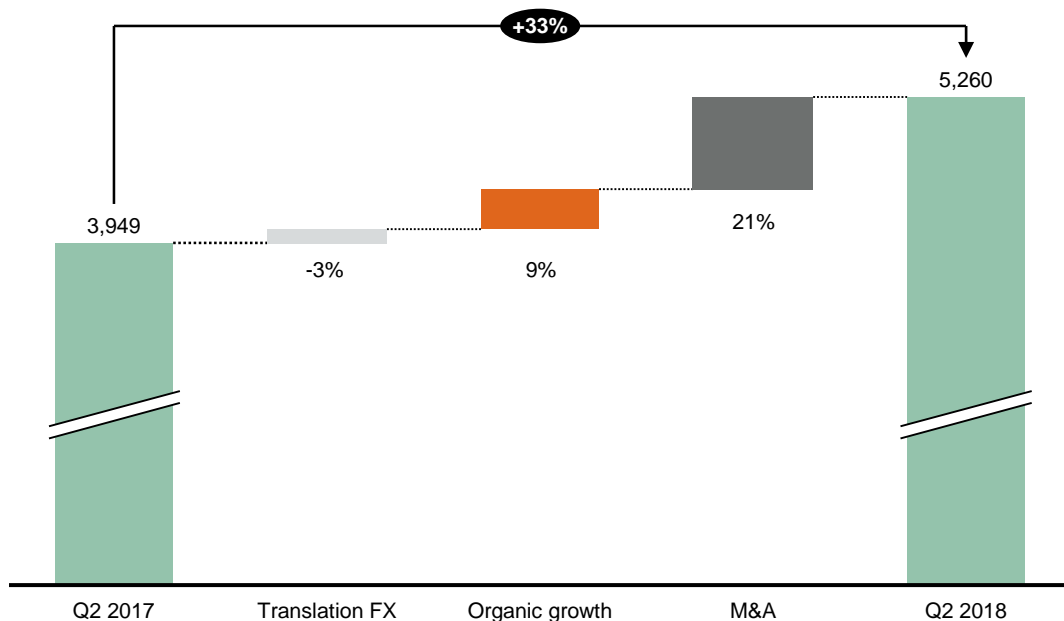
KEY RATIOS

SEKm		Q2 2018	Q2 2017	H1 2018	H1 2017	LTM 2018	FY 2017
Sales	Net sales	5,260	3,949	9,703	7,393	16,354	14,044
	Growth	33.2%	14.1%	31.3%	14.4%	22.8%	13.4%
	Organic growth, %	8.7%	8.9%	9.3%	10.0%	11.1%	11.5%
Profitability	EBIT before i.a.c	919	650	1,557	1,067	2,349	1,860
	EBIT before i.a.c., %	17.5%	16.5%	16.0%	14.4%	14.4%	13.2%
	EBITDA before i.a.c	1,048	729	1,809	1,224	2,766	2,181
	EBITDA before i.a.c., %	19.9%	18.5%	18.6%	16.6%	16.9%	15.5%
Capital efficiency	Core working capital, to sales, %*	23.5%	22.7%	23.5%	22.7%	23.5%	23.1%
	Return on operating capital	32.1%	32.4%	32.1%	32.4%	32.1%	33.0%
Cashflow	Operating cash flow	943	570	916	526	2,117	1,727
EPS	Earnings per share	2.13	1.60	3.39	2.60	5.84	5.05

* Average CWC/LTM net sales including SeaStar. Excluding SeaStar: 22.7%.

DOMETIC GROUP

NET SALES BRIDGE Q2 SEKm



TRANSLATION FX DETAILS

	Net sales	Share of impact
USD	-15	11%
EUR	101	75%
AUD	2	1%
HKD	0	0%
GBP	5	4%
CNY	3	2%
Other	9	7%
Total	135	

REGIONAL RESULTS

SEK million	Q2 2018	Q2 2017	Change (%)		H1 2018	H1 2017	Change (%)		LTM 2018	FY 2017
			Rep.	Adj. ¹⁾			Rep.	Adj. ¹⁾		
Americas ³⁾	2,736	1,692	62%	62%	5,024	3,198	57%	62%	8,154	6,329
EMEA	2,064	1,833	13%	6%	3,760	3,360	12%	7%	6,362	5,962
Asia Pacific	460	424	9%	7%	919	835	10%	12%	1,838	1,753
Net sales	5,260	3,949	33%	30%	9,703	7,393	31%	30%	16,354	14,044
Americas ³⁾	475	274	73%	74%	809	438	85%	91%	1,256	885
EMEA	335	277	21%	14%	544	439	24%	18%	723	618
Asia Pacific	109	99	10%	8%	204	190	7%	8%	370	357
Operating profit (EBIT) bef. i.a.c.²⁾	919	650	41%	37%	1,557	1,067	46%	45%	2,349	1,860
Americas ³⁾	17.4%	16.2%			16.1%	13.7%			15.4%	14.0%
EMEA	16.2%	15.1%			14.5%	13.1%			11.4%	10.4%
Asia Pacific	23.6%	23.3%			22.2%	22.8%			20.2%	20.4%
Operating profit % bef. i.a.c.²⁾	17.5%	16.5%			16.0%	14.4%			14.4%	13.2%

¹⁾ Represents change in comparable currency.

²⁾ Before items affecting comparability.

³⁾ Including SeaStar Solutions.

EARNINGS PER SHARE – Q2

SEKm

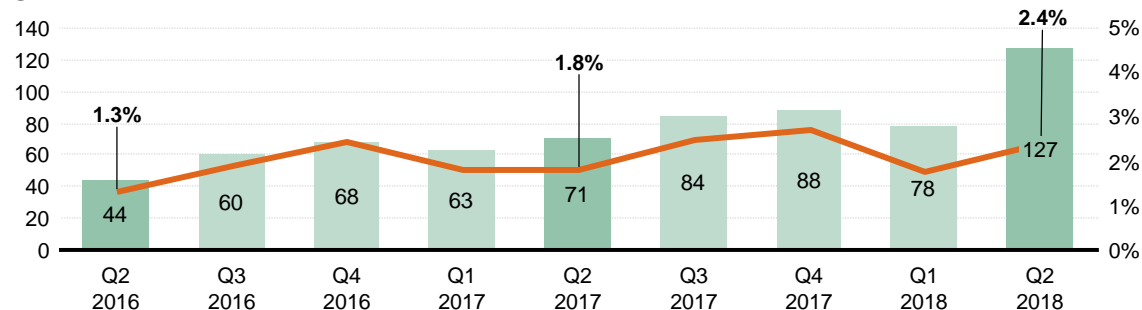
Total Group	2018	EPS	2017	EPS
Net Sales	5,260		3,949	
EBIT (before e.o items)	919	<i>3.10</i>	650	<i>2.20</i>
Finance net	-72	<i>-0.24</i>	-32	<i>-0.11</i>
Tax	-218	<i>-0.74</i>	-144	<i>-0.49</i>
Result for the period	629	<i>2.13</i>	474	<i>1.60</i>
No. of share	296		296	
Earnings per share	2.13		1.60	

- **Q2 2018:**
Total tax rate: 26% (23%)
Tax paid: 16% (7%)

CAPEX & PRODUCT DEVELOPMENT

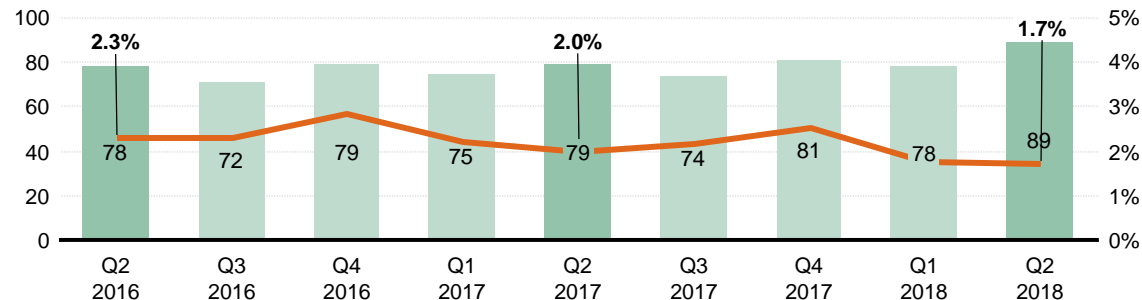
(SEKm, % OF NET SALES)

CAPEX



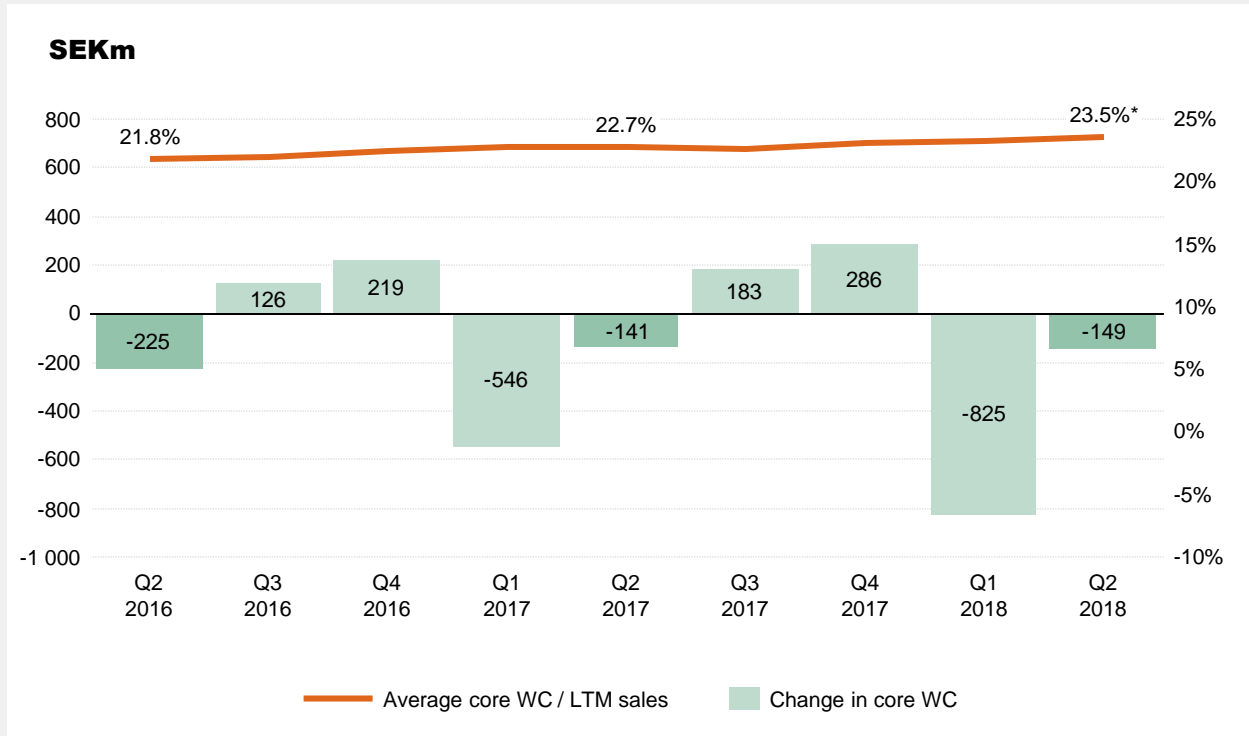
- **Q2 2018 CAPEX:**
2.4% of net sales.
(1.8% in 2017)

PD



- **Q2 2018 PD:**
1.7% of net sales.
(2.0% in 2017)

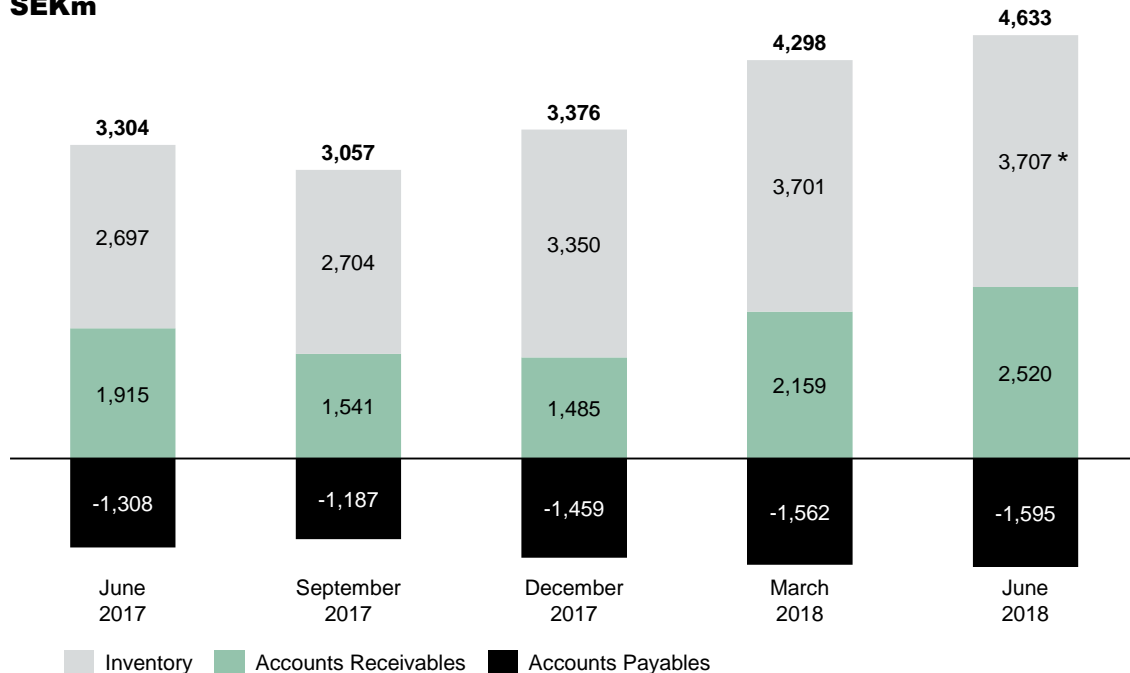
WORKING CAPITAL DEVELOPMENT



- **Average CWC/LTM net sales:**
 22.7% excluding SeaStar
 23.5% including SeaStar

WORKING CAPITAL

SEKm



*Inventory improved by SEK 169 m in constant currency in Q2 2018 compared to Q1 2018.

Y-o-Y delta, mainly due to:

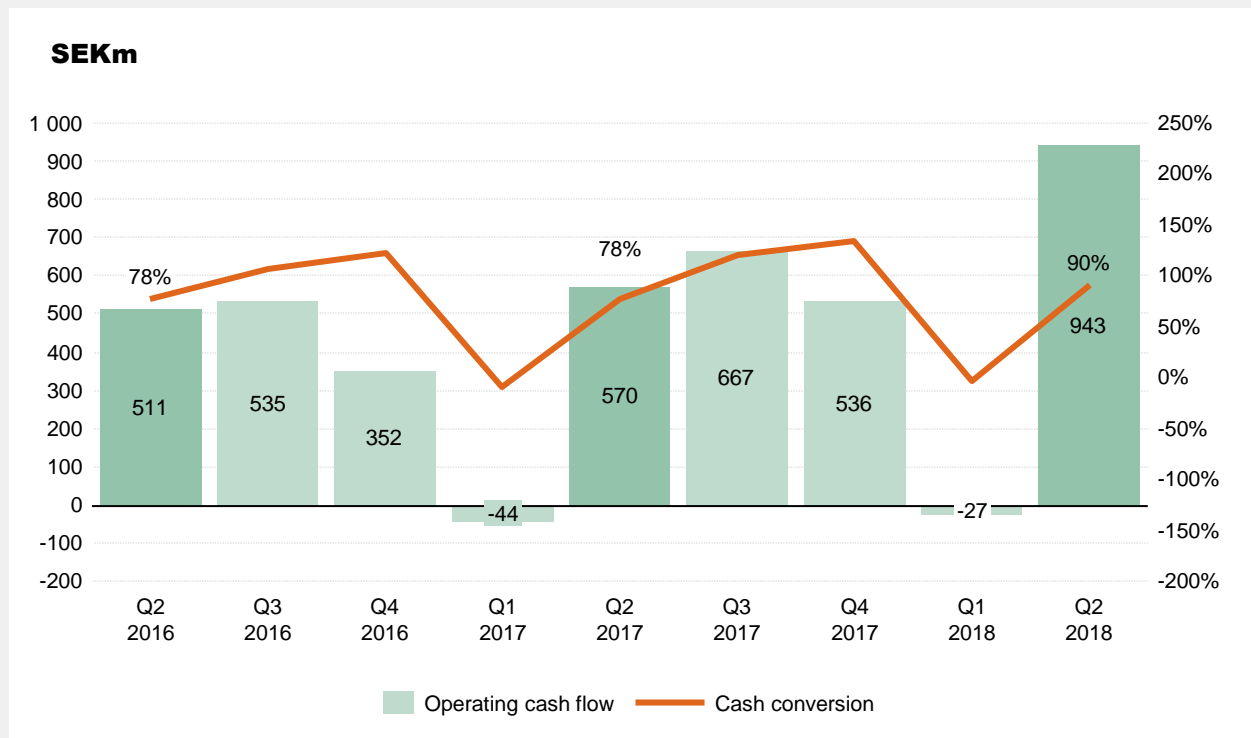
Seastar Solutions:
+SEK 502 m

Goods in transit:
+SEK 41 m

Seastar Solutions:
+SEK 446 m

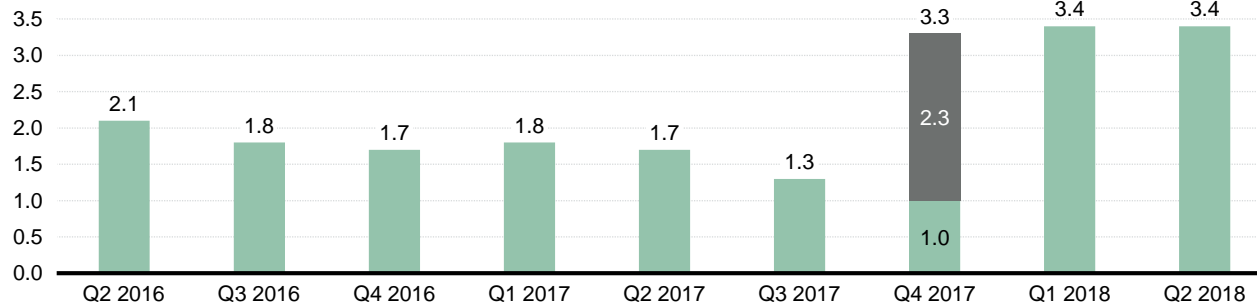
Seastar Solutions:
-SEK 156 m

CASH FLOW



NET DEBT LEVERAGE AND NET DEBT DETAILS ACTUAL

NET DEBT



- Leverage of 3.2x net debt/EBITDA in constant currency. Negative impact of 0.2x from movements in USD during Q2.

SEKm	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
RCF	0	0	0	0	0	0	0	459	380
Capex	0	0	0	0	0	0	0	0	0
Senior term A	1 016	934	958	849	824	705	2,777	2,745	2,883
Senior term B	3,558	3,632	3,727	3,714	3,604	3,523	7,693	7,889	8,273
Local facilities	76	86	123	116	140	130	131	104	112
Total debt	4,650	4,652	4,809	4,678	4,568	4,358	10,601	11,197	11,648
Cash	730	1,160	1,599	1,213	1,169	1,759	1,159	1,066	1,089
Net debt	3,920	3,492	3,210	3,465	3,399	2,594	9,442	10,132	10,559

FINANCIAL TARGETS

	FY 2015	FY 2016	FY 2017	H1 2018	Mid/long term Financial target
Net Sales Growth ¹	8%	7%	12%	9%	5%
EBIT Margin ²	12.3%	13.1%	13.2%	16.0%	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 Q2 2018

- Organic sales growth of 9%
- Good Aftermarket of 6% despite a cold spring
- Improved profitability in EMEA from good operational execution on the profitability program
- Integration of SeaStar proceeds according to plan
- Appointment of Head Group Operations



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 **DOMETIC**

OUTLOOK 2018 (UNCHANGED)

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	Q2 2018	Q2 2017	H1 2018	H1 2017	LTM 2018	FY 2017
Net sales	5,260	3,949	9,703	7,393	16,354	14,044
EBITDA	1,048	729	1,809	1,224	2,813	2,228
% of net sales	19.9%	18.5%	18.6%	16.6%	17.2%	15.9%
Operating profit (EBIT)	919	650	1,557	1,067	2,396	1,907
% of net sales	17.5%	16.5%	16.0%	14.4%	14.7%	13.6%
Operating profit (EBIT) before items affecting comparability	919	650	1,557	1,067	2,349	1,860
% of net sales	17.5%	16.5%	16.0%	14.4%	14.4%	13.2%
Profit for the period	629	474	1,004	770	1,729	1,495
Earnings per share, SEK	2.13	1.60	3.39	2.60	5.84	5.05
Cash flow for the period	3	-29	-113	-412	-118	-417
Operating cash flow ¹⁾	943	570	916	526	2,117	1,727
Core working capital	4,633	3,304	4,633	3,304	4,633	3,376
Capital expenditure in fixed assets	-127	-71	-205	-134	-377	-306
RoOC	32,1%	32.4%	32.1%	32.4%	32.1%	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	Q2 2018	Q2 2017	H1 2018	H1 2017	FY 2017
Net sales	5,260	3,949	9,703	7,393	14,044
Cost of goods sold	-3,503	-2,637	-6,567	-4,996	-9,599
Gross profit	1,757	1,312	3,136	2,397	4,445
Sales expenses	-591	-458	-1,117	-909	-1,791
Administrative expenses	-226	-170	-417	-359	-667
Other operating income and expenses	32	-17	62	-27	-52
Items affecting comparability	0	0	0	0	47
Amortization of acquisition related intangible assets	-54	-17	-105	-35	-76
Operating profit	919	650	1,557	1,067	1,907
Financial income	1	1	4	1	6
Financial expenses	-73	-33	-203	-64	-212
Loss from financial items	-72	-32	-199	-63	-206
Profit before tax	847	618	1,358	1,004	1,700
Taxes	-218	-144	-354	-234	-206
Profit for the period	629	474	1,004	770	1,495
Profit for the period attributable to owners of the Parent Company	629	474	1,004	770	1,495
Earnings per share before and after dilution effects, SEK – Owners of the Parent Company	2.13	1.60	3.39	2.60	5.05
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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