

INTERIM PRESENTATION

Q3 2019

October 24, 2019





**JUAN VARGUES,
PRESIDENT & CEO**

Mobile living made easy.

 **DOMETIC**

Q3 2019 HIGHLIGHTS

Market development

- Continued good growth in EMEA
- Weak market in APAC but improving
- Challenging RV market in Americas

Growth

- 2% total growth and 6% Aftermarket growth
- Additional investments in Product Development
- Strong focus on new growth initiatives

Performance

- Improvement in innovation index and complexity reduction
- Opening of larger site in Mexico
- Group-wide, major manufacturing footprint program introduced



Q3 2019 FINANCIAL SUMMARY

Net sales of SEK 4,605 m, +2% total growth

- -6% organic
- +6% FX
- +2% M&A

EBIT before i.a.c. of SEK 619 m, -12%

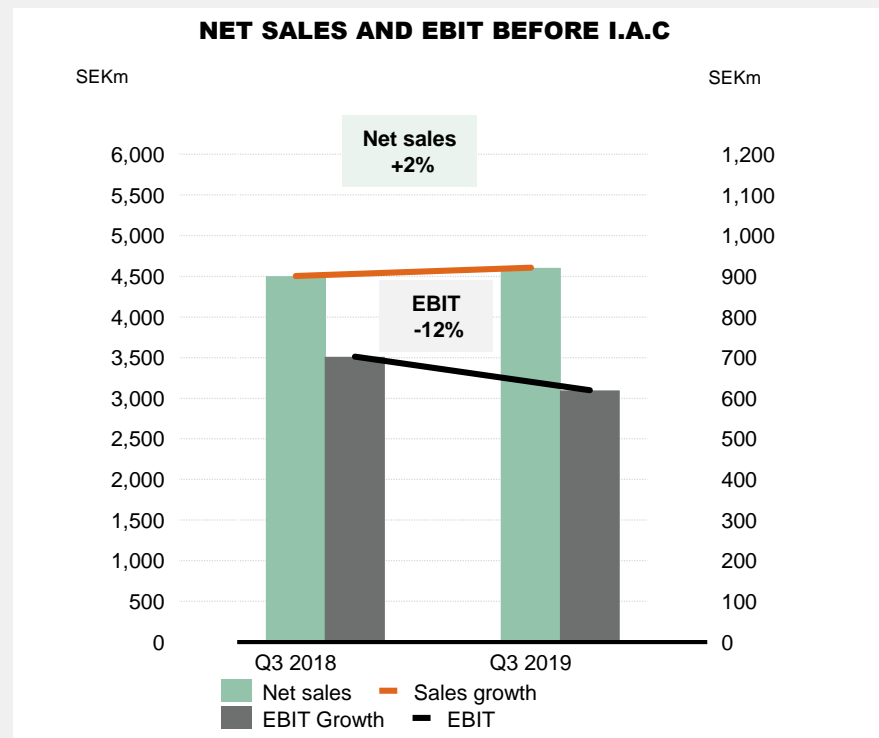
- EBIT margin of 13.5% (15.6%)
 - + Efficiency improvements, capacity reduction and pricing
 - Continuous significant lower volumes in RV
 - Impact of new additional tariffs of 25%

EBITDA before i.a.c. of SEK 829 m, -1%

- EBITDA margin of 18.0% (18.6%)

Operating cash flow of SEK 1,301 m, +54%

EPS of SEK 1.26, -15%



FIRST 9 MONTHS 2019 FINANCIAL SUMMARY

Net sales of SEK 14.584 m, +3% total growth

- -6% organic
- +6% FX
- +3% M&A

EBIT before i.a.c. of SEK 2.138 m, -5%

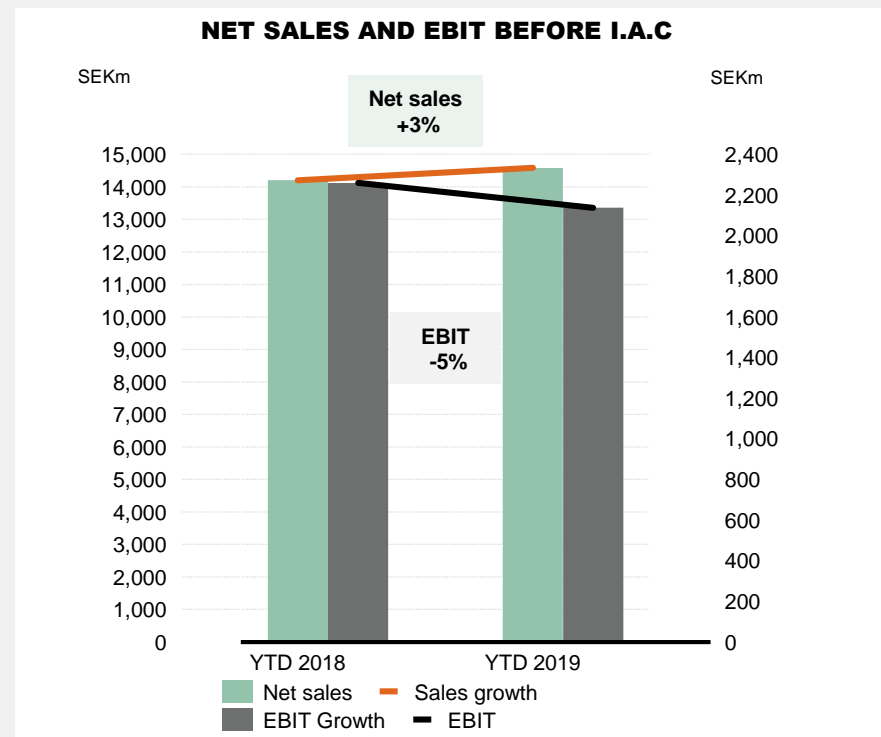
- EBIT margin of 14.7% (15.9%)
 - + Efficiency improvements, capacity reduction and pricing
 - Continuous significant lower volumes in RV
 - Tariff impact

EBITDA before i.a.c. of SEK 2.747 m, +4%

- EBITDA margin of 18.8% (18.6%)

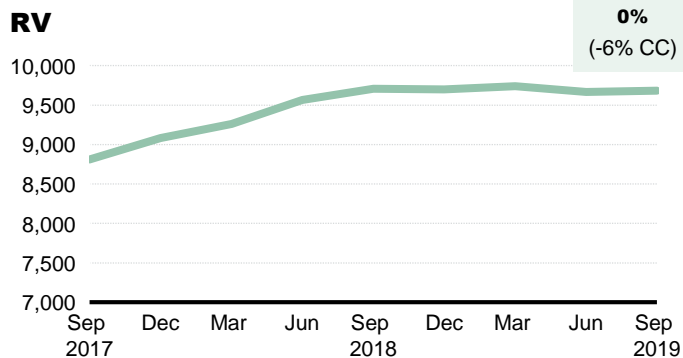
Operating cash flow of SEK 2.804 m, +60%

EPS of SEK 4.32 -11%

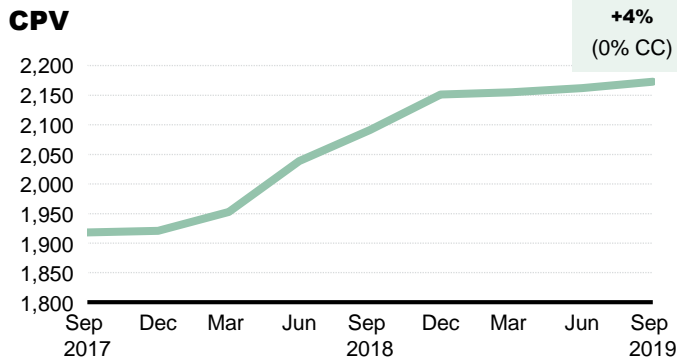


BUSINESS AREA DEVELOPMENT

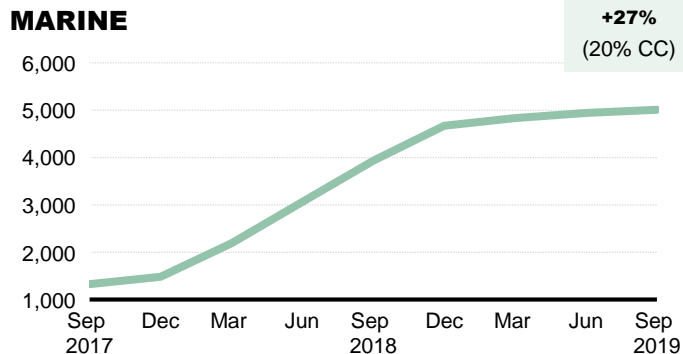
RV



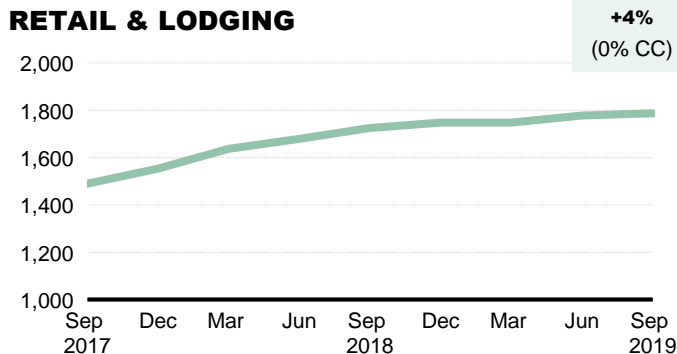
CPV



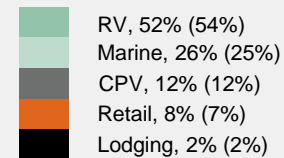
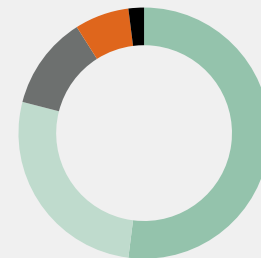
MARINE



RETAIL & LODGING

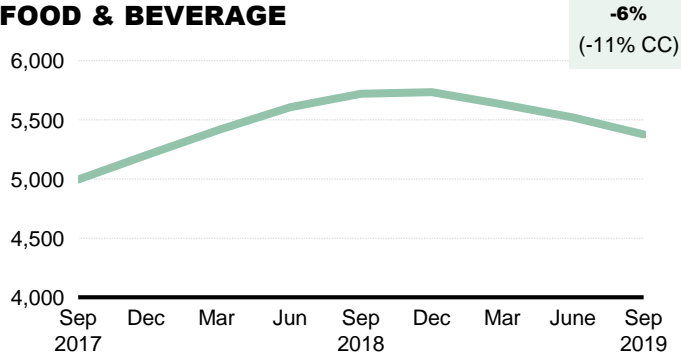


SALES SPLIT, BUSINESS AREA*

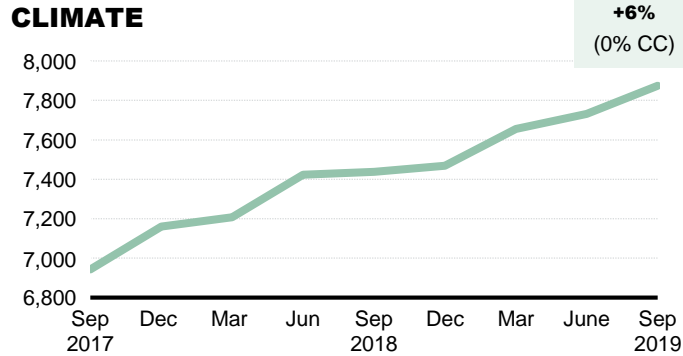


APPLICATION AREAS

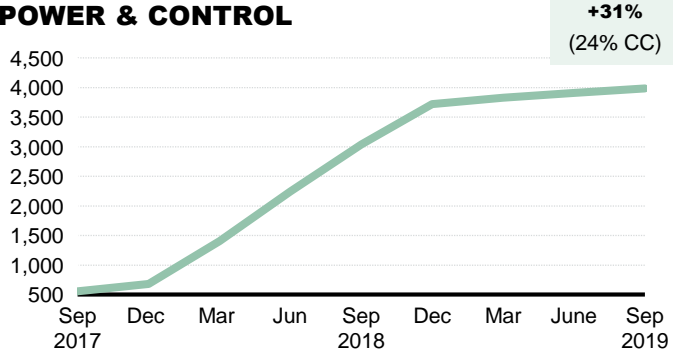
FOOD & BEVERAGE



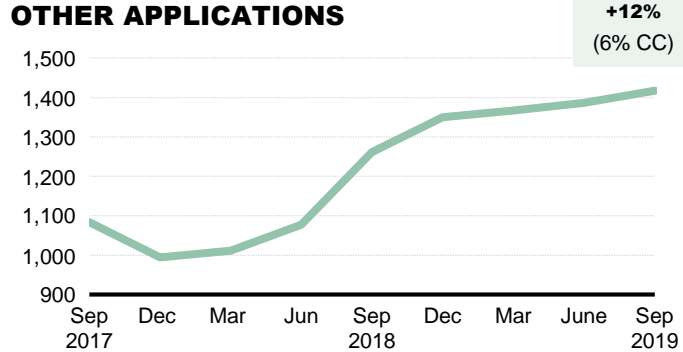
CLIMATE



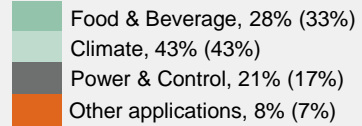
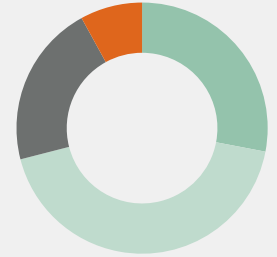
POWER & CONTROL



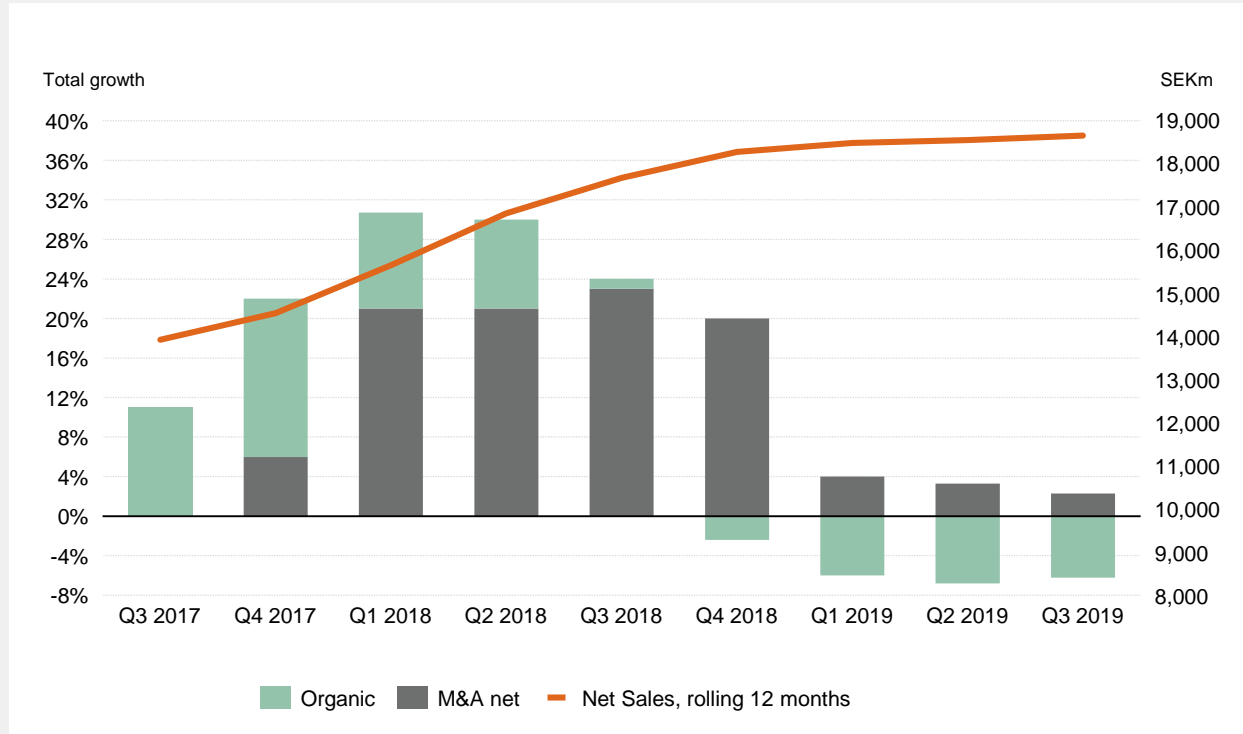
OTHER APPLICATIONS



SALES SPLIT, APPLICATION AREA*

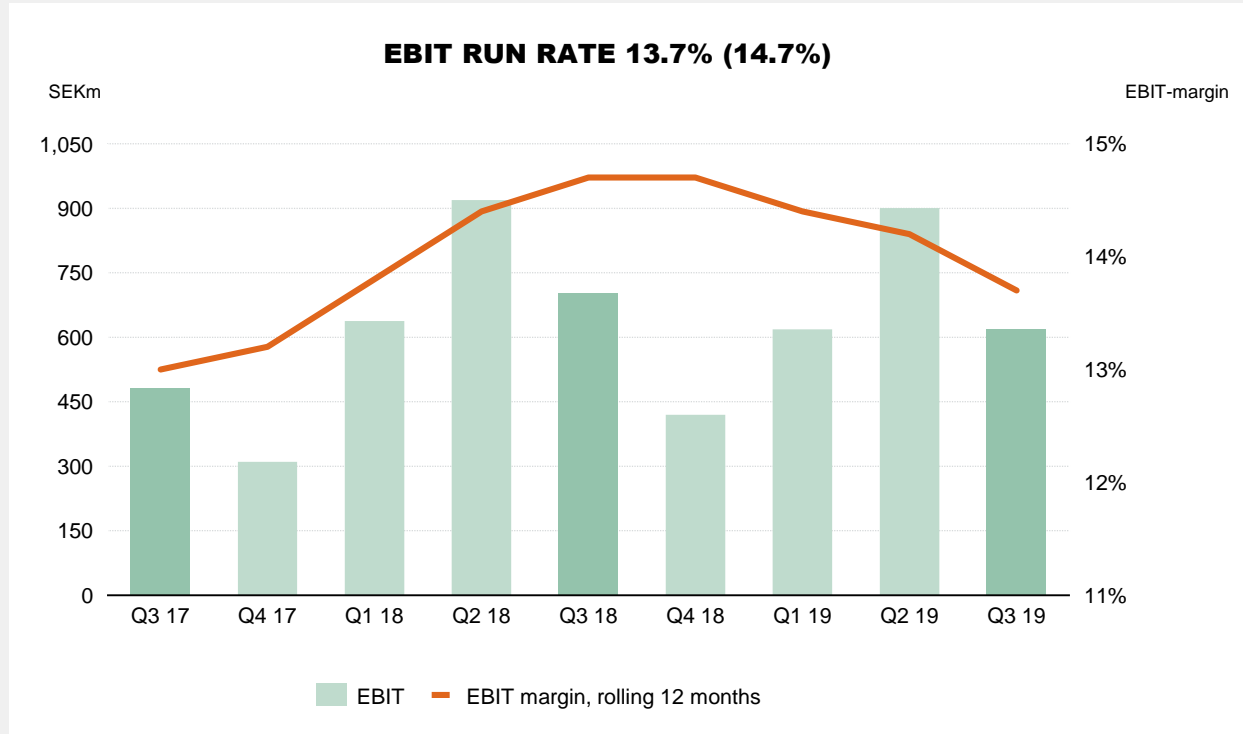


SALES GROWTH IN CONSTANT CURRENCY



- Average quarterly organic growth of 3% Q3 17 – Q3 19

EBIT AND EBIT MARGIN BEFORE I.A.C



- 1% point EBIT margin decline rolling 12 months

FOCUS ON DRIVING INNOVATION



Dometic CoolAir SPX1200 Parking Cooler

- The slimmest product on the market, designed for trucks with no possibility to install a classic roof parking cooler
- Variable speed compressor inverter technology creates a boost in cooling capacity while current consumption kept low



Dometic DM-Drawer Minibar wins award

- Dometic receives the "Best Brand of the Year 2019" and "Best Product 2019" awards for its minibars, presented by the "Plus X Award".
- Awarded for their high quality, extraordinary design and ease of use

AMERICAS

Net sales of SEK 2,472 m, -12% organic

- Food & Beverage reported negative growth driven by weak RV OEM. Strong double digit growth for mobile cooling.
- Climate reported negative growth driven by weak RV OEM.
- Power & Control reported good growth.
- Other Applications reported strong growth.

EBIT before i.a.c. of SEK 296 m, -31%

- EBIT Margin of 12.0% (16.7%)
 - + Adjustment of cost base
 - Volume decline in RV OEM
 - Additional tariffs

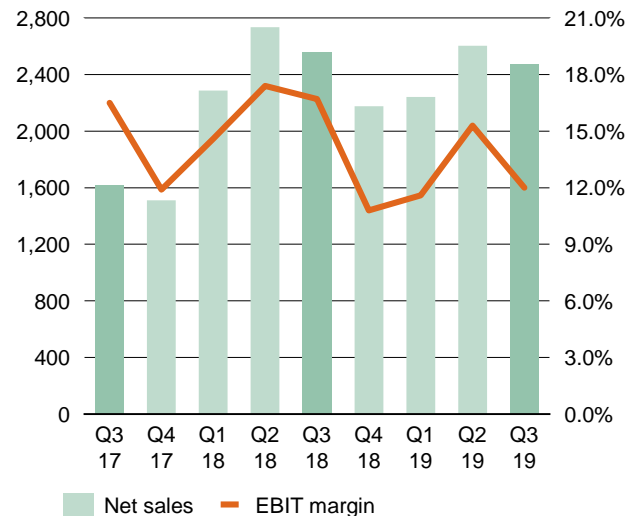


OEM, 61%
AM, 39%



Americas, 54%
Rest of Group, 46%

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



EMEA

Net sales of SEK 1,732 m, +3% organic

- Food & Beverage reported growth. Strong, double digit growth for mobile cooling.
- Climate reported strong growth. Strong, workshop equipment and climate control.
- Power & Control reported strong growth, driven by new product launches.
- Other Applications reported negative growth.

EBIT before i.a.c. of SEK 239 m, +31%

- EBIT Margin of 13.8% (12.0%)
 - + Dedicated organizations
 - + Efficiency improvements
 - + Pricing

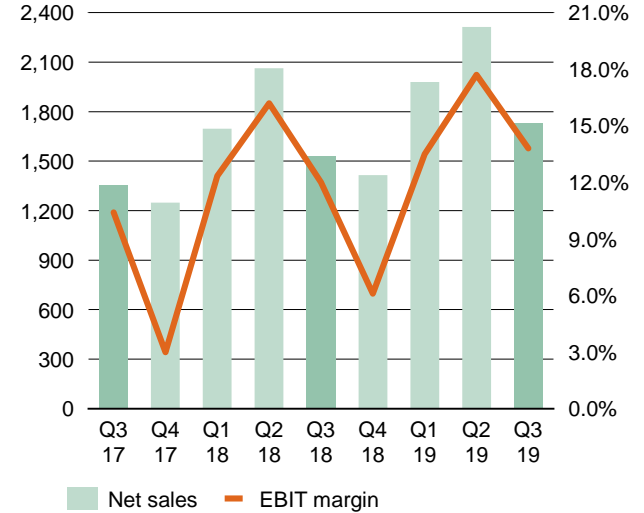


OEM, 47%
AM, 53%



EMEA, 37%
Rest of Group, 63%

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

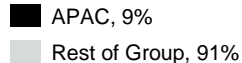
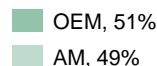


Net sales of SEK 402 m, -7% organic

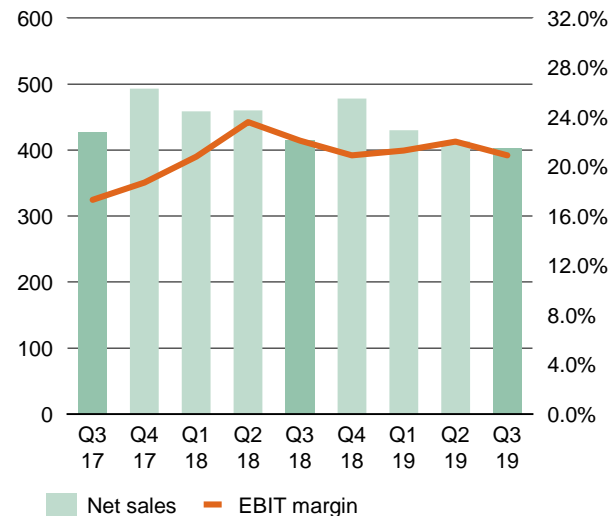
- Food & Beverage reported negative growth. Weak evolution driven by RV OEM and Retail.
- Climate reported good growth. Strong climate control driven by new product launches.
- Power & Control reported strong growth. Strong growth for generators and battery products.
- Other Applications reported negative growth.

EBIT before i.a.c. of SEK 84 m, -8%

- EBIT Margin of 20.9% (22.1%)
 - + Pricing
 - Volume decline
 - Geographical mix
 - Product mix



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



RESTRUCTURING PROGRAM

Savings

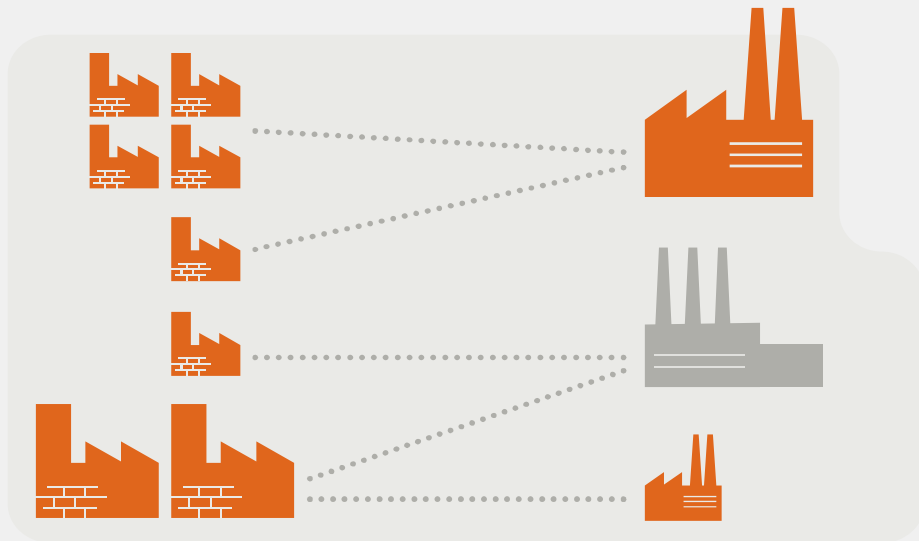
- SEK 400 M in annual savings
- Gradual effects as from 2021
- Full effects mid 2022

Costs

- Total cost of SEK 750 M
- SEK 37 M booked in Q3 2019
- Majority of the costs will fall within the coming 18 months

Focus areas

- 20 locations affected, including manufacturing, warehouses and offices
- 1,500 employees today work in the affected sites



Q3 STRATEGY EXECUTION

1

Profitable expansion

- Positive evolution of Kampa
- Key hirings in place to drive new growth areas
- Specialization driving future growth in Americas
- Increased focus on Aftermarket growth

2

Product leadership

- Key hirings in place to lead global technology areas
- Increased investments in Product Development
- Improvement of Innovation Index to 16% (12%)
- 14% (7%) SKU reduction year to date

3

Cost reductions

- Global restructuring program launched
- New, larger site in Mexico and reduction of tariff impact
- Key hirings in place to drive Sourcing Excellence
- Good progress on inventory reduction

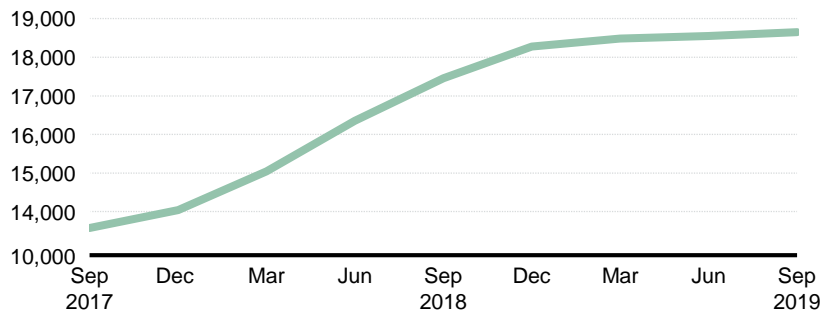




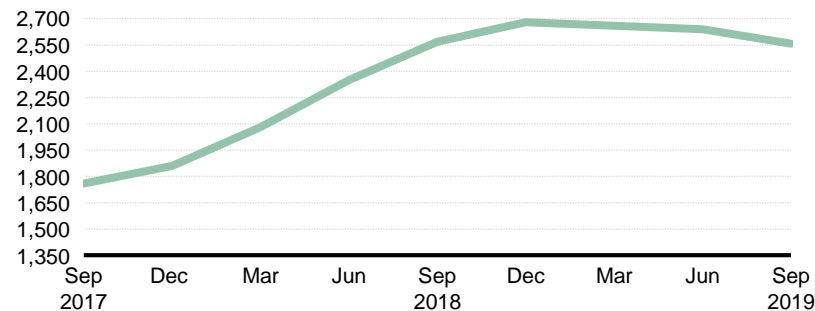
STEFAN FRISTEDT, CFO

DOMETIC GROUP TRENDS

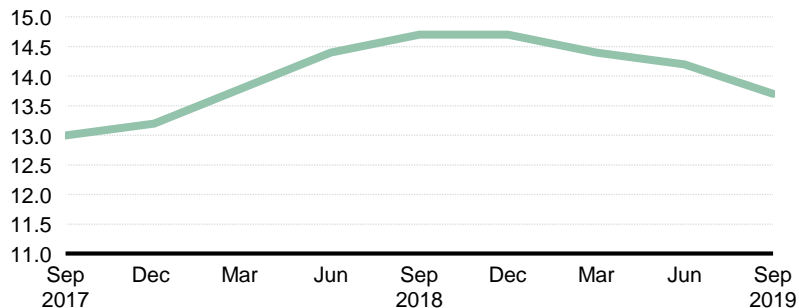
SALES (SEKm)



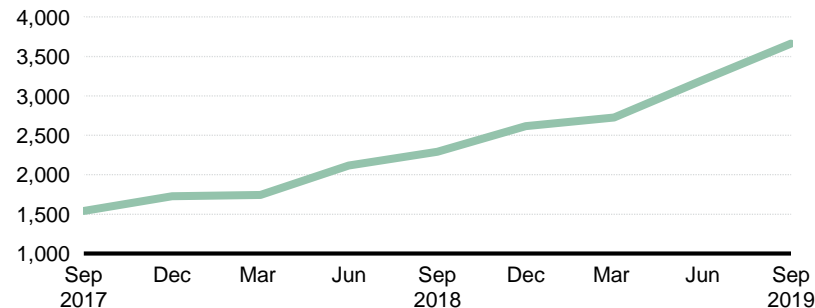
EBIT BEF. I.A.C (SEKm)



EBIT BEF. I.A.C (%)

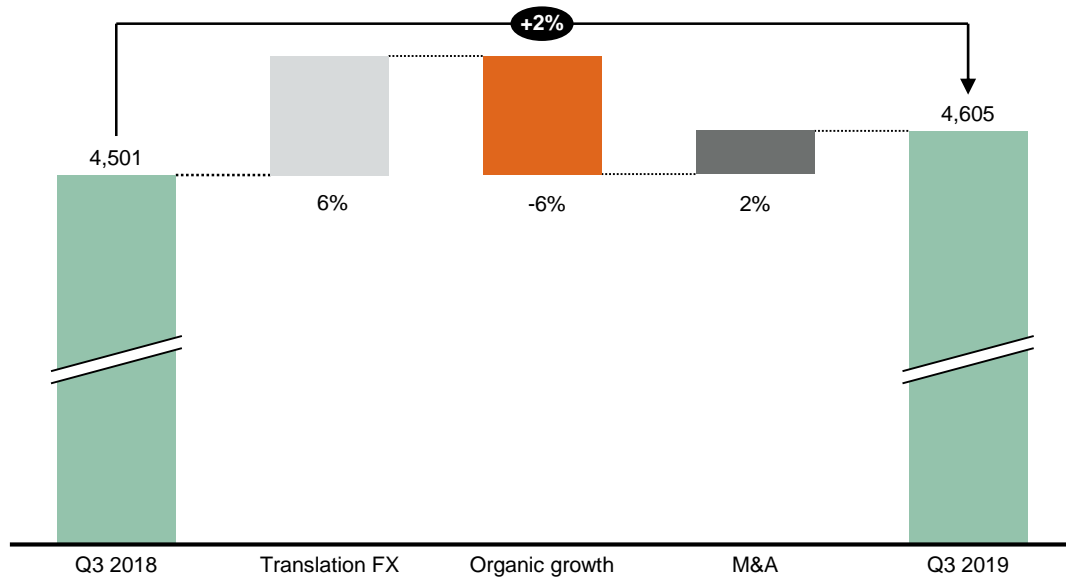


OPERATING CASH FLOW (SEKm)



DOMETIC GROUP

NET SALES BRIDGE Q3 SEKm



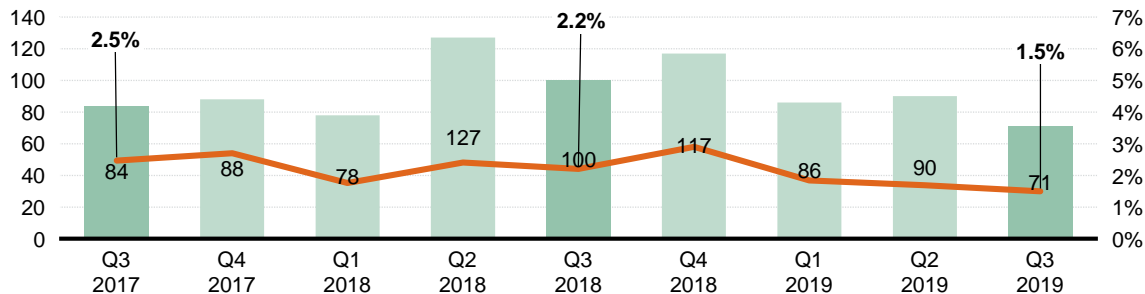
TRANSLATION FX DETAILS

	Net Sales	Share of Impact
USD	192	9%
EUR	40	3%
AUD	4	2%
HKD	5	13%
GBP	2	1%
CNY	3	6%
Other	35	6%
TOTAL	281	6%

CAPEX & PRODUCT DEVELOPMENT

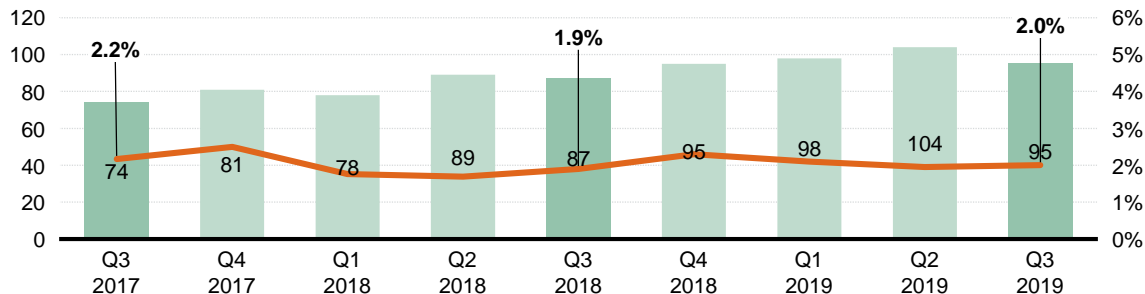
(SEKm, % OF NET SALES)

CAPEX



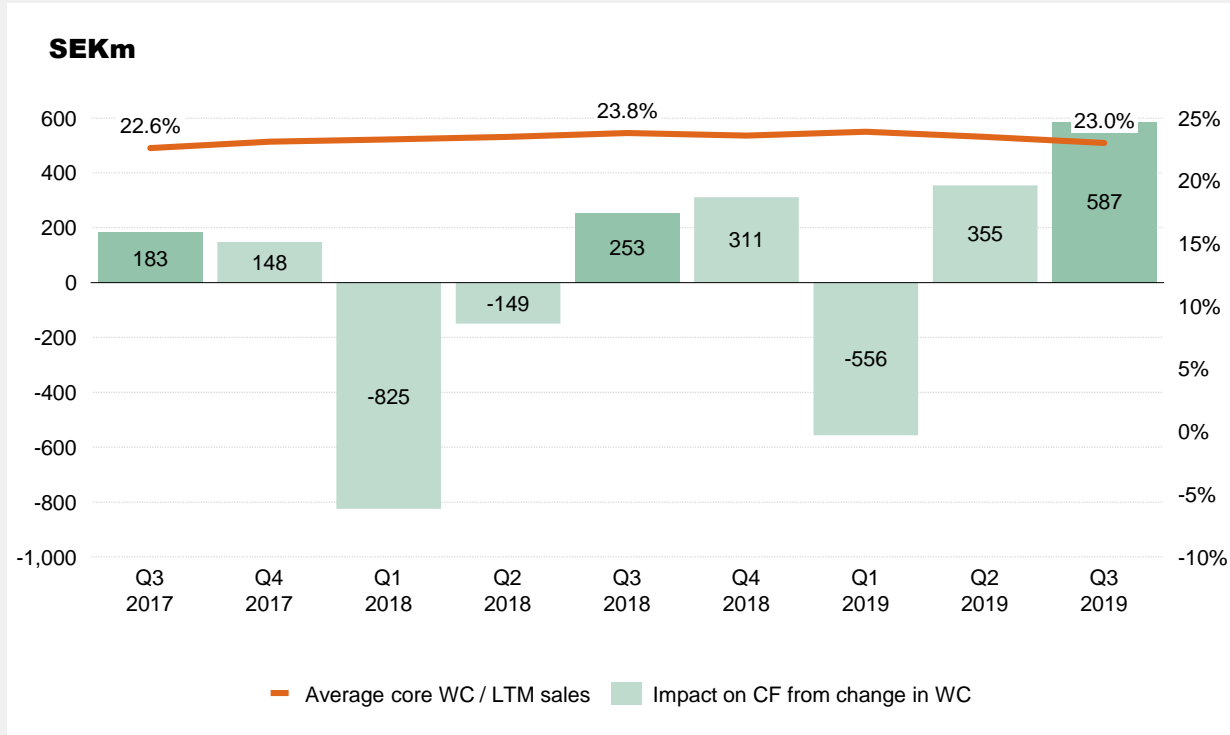
- **Q3 2019 CAPEX:**
1.5% of net sales.
(2.2% in 2018)

PD



- **Q2 2019 PD:**
2.0% of net sales.
(1.9% in 2018)

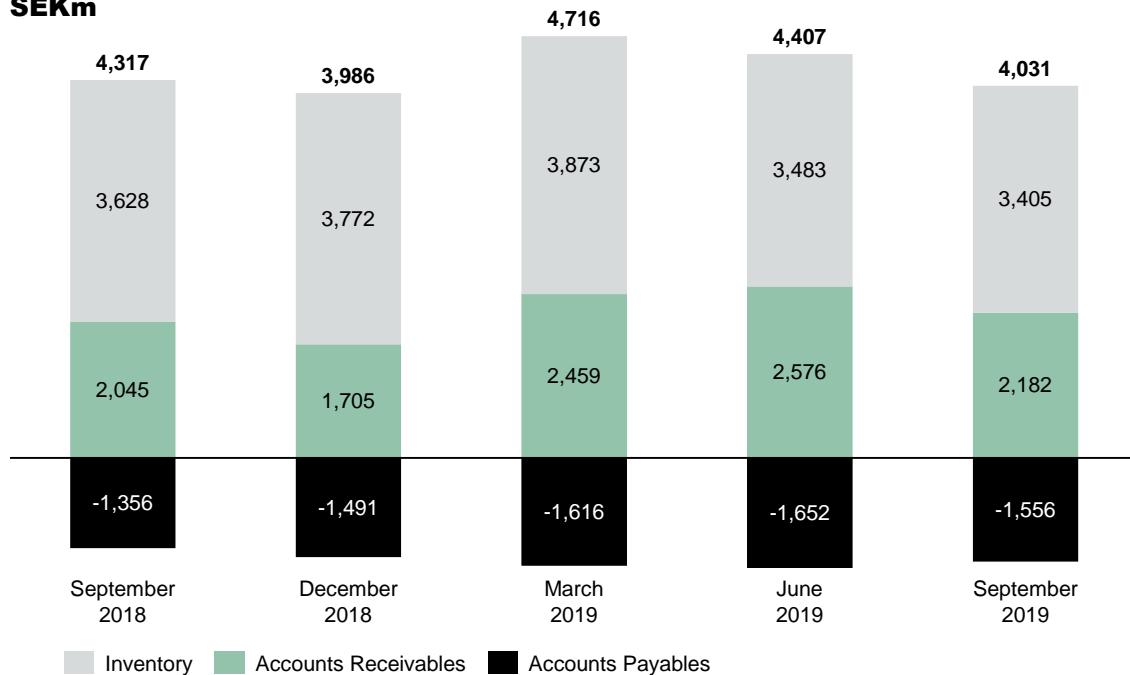
WORKING CAPITAL DEVELOPMENT



- **Average CWC/LTM net sales:**
23.0 % (22.2% Excl. Kampa)

WORKING CAPITAL

SEKm



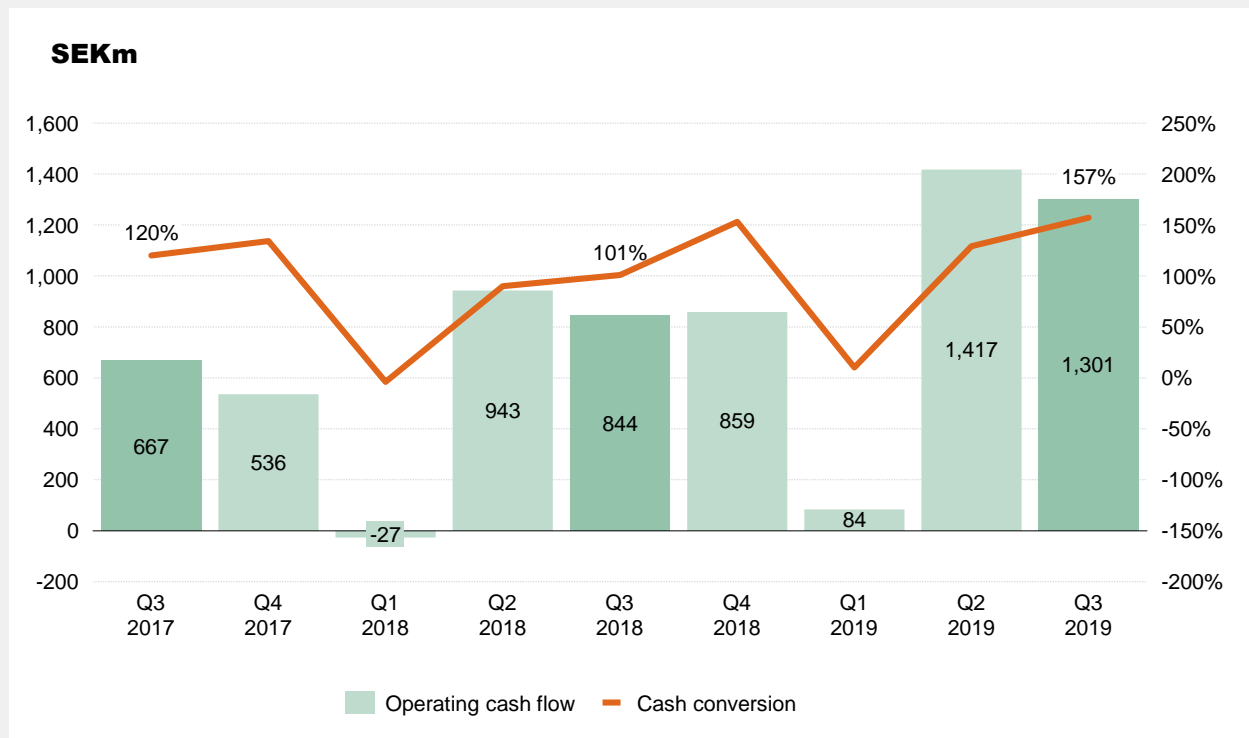
Comment:

Kampa:
+SEK 191 m

Kampa:
+SEK 63 m

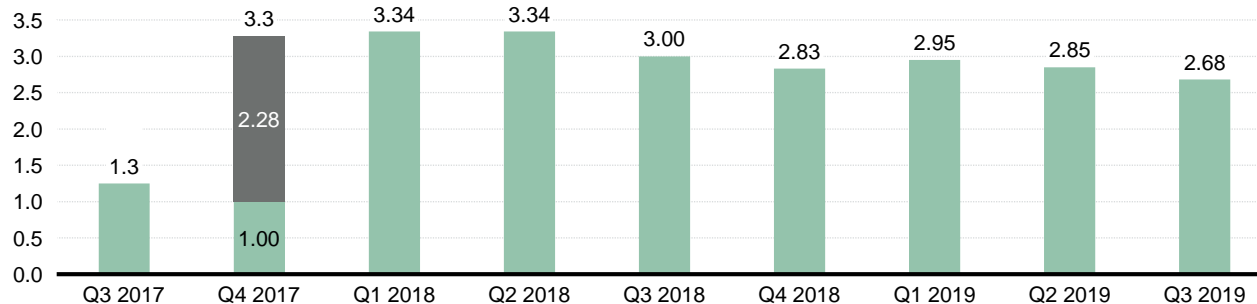
Kampa:
-SEK 17 m

CASH FLOW



NET DEBT LEVERAGE AND NET DEBT DETAILS

NET DEBT



SEKm	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
RCF	0	0	459	380	0	0	0	0	0
EuroBond	0	0	0	0	3,089	3,077	4,120	7,326	7,434
Senior term A	705	2,777	2,745	2,883	2,017	1,461	1,458	0	0
Senior term B	3,523	7,693	7,889	8,273	7,662	7,131	7,339	5,034	5,335
Certificate	0	0	0	0	0	0	499	0	0
Local facilities	130	131	104	112	0	0	0	0	0
Total debt	4,358	10,601	11,197	11,648	12,768	11,670	13,416	12,360	12,769
Cash	1,763	1,159	1,298	1,329	3,263	2,359	3,624	2,840	3,900
Net debt	2,595	9,442	9,899	10,319	9,505	9,311	9,792	9,521	8,869

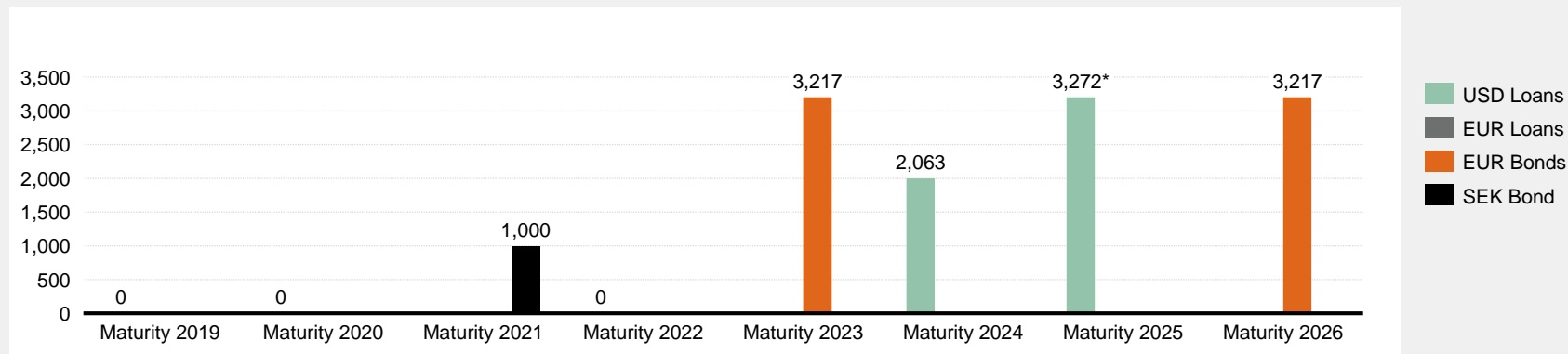
OPERATING CASH FLOW AND CASH ON HAND

CREATES FLEXIBILITY FOR M&A ACTIVITIES

SEK million	Q3 2019	Q3 2018	YTD 2019	YTD 2018
Operating cashflow	1,301	843	2,804	1,757
LTM operating cashflow	3,663	2,284	3,663	2,284
Cash on hand	3,623	3,020	3,623	3,020

In addition to cash on hand,
unutilized RCF EUR 200 m.

DEBT MATURITY PROFILE SEPTEMBER 2019



SEKm	Maturity 2019	Maturity 2020	Maturity 2021	Maturity 2022	Maturity 2023	Maturity 2024	Maturity 2025	Maturity 2026	Total
USD Loans	0	0	0	0	0	2,063	3,272*	0	5,335
EUR Loans	0	0	0	0	0	0	0	0	0
EUR Bonds	0	0	0	0	3,217	0	0	3,217	6,434
SEK Bond	0	0	1,000	0	0	0	0	0	1,000
Total	0	0	1,000	0	3,217	2,063	3,272	3,217	12,769

FINANCIAL TARGETS

	FY 2016	FY 2017	FY 2018	LTM 2019	Mid/long term Financial target
Net Sales Growth	6%	13%	26%	7%	10%
EBIT Margin ¹	13.1%	13.2%	14.7%	13.7%	16-17%
Net Debt / EBITDA	1.7x	3.3x	2.8x	2.7x	2x
Dividend Policy	40%	40%	40%	-	40%

¹ EBIT before I.A.C.

SUMMARY Q3 2019

Sales

- Good performance in EMEA
- Weak RV OEM markets in Americas and Pacific
- Actively building up acquisitive pipeline

Profitability

- Improved profitability in EMEA and strong in APAC
- Low RV volumes and additional tariffs impacting Americas
- Efficiency improvements, capacity reduction and pricing to mitigate volume drop in RV and additional tariffs

Execution on operational efficiency activities

- Adapting capacity to new market demand in RV
- Opening of larger site in Mexico
- Global restructuring program launched

Strong operational cash flow generation

Mobile living made easy.



OUTLOOK UPDATE - FULL YEAR 2019

Previous full year 2019 outlook

- Negative organic growth
- EBIT margin above 14%
- Leverage excluding acquisitions around 2x by end of 2019

New full year 2019 outlook

- Negative organic growth
- EBIT margin around 13.5%
- Leverage excluding acquisitions around 2.4x by end of 2019

Q&A

APPENDIX

APPENDIX A

QUARTERLY SUMMARY KEY FINANCIALS

	Q3	Q3	YTD	YTD	LTM	FY
SEK m	2019	2018	2019	2018	2019	2018
Net sales	4,605	4,501	14,584	14,204	18,654	18,274
EBITDA	792	835	2,710	2,644	3,179	3,113
% of net sales	17.2%	18.6%	18.6%	18.6%	17.0%	17.0%
Operating profit (EBIT)	583	702	2,101	2,259	2,429	2,587
% of net sales	12.7%	15.6%	14.4%	15.9%	13.0%	14.2%
Operating profit (EBIT) before items affecting comparability	619	702	2,138	2,259	2,558	2,679
% of net sales	13.5%	15.6%	14.7%	15.9%	13.7%	14.7%
Profit for the period	372	435	1,278	1,440	1,414	1,576
Earnings per share, SEK	1.26	1.47	4.32	4.87	4.78	5.33
Cash flow for the period	990	1,941	1,483	1,825	578	920
Operating cash flow ⁽¹⁾	1,301	843	2,804	1,757	3,663	2,616
Core working capital	4,031	4,317	4,031	4,317	4,031	3,986
Capital expenditure in fixed assets	-71	-100	-247	-305	-364	-422
RoOC	28.8%	29.3%	28.8%	29.3%	28.8%	30.5%

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

APPENDIX B

GROUP P&L

SEK m	Q3 2019	Q3 2018	YTD 2019	YTD 2018	FY 2018
Net sales	4,605	4,501	14,584	14,204	18,274
Cost of goods sold	-3,081	-2,962	-9,789	-9,529	-12,323
Gross Profit	1,525	1,539	4,795	4,675	5,951
Sales expenses	-620	-569	-1,809	-1,686	-2,259
Administrative expenses	-237	-213	-690	-631	-855
Other operating income and expenses	27	0	67	61	61
Items affecting comparability	-37	0	-37	–	-92
Amortization of acquisition related intangible assets	-75	-55	-226	-161	-219
Operating profit	583	702	2,101	2,259	2,587
Financial income	2	1	9	6	11
Financial expenses	-84	-138	-356	-341	-442
Loss from financial items	-82	-137	-347	-335	-431
Profit (loss) before tax	500	565	1,753	1,924	2,156
Taxes	-129	-130	-475	-484	-580
Profit (loss) for the period	372	435	1,278	1,440	1,576
Profit (loss) for the period attributable to owners of the Parent Company	372	435	1,278	1,440	1,576
Earnings per share before and after dilution, SEK - Owners of the Parent Company	1.26	1.47	4.32	4.87	5.33
Average number of shares, million	295.8	295.8	295.8	295.8	295.8

APPENDIX C

REGIONAL RESULTS

SEK m	Q3	Q3	Change (%)		YTD	YTD	Change (%)		LTM	FY
	2019	2018	Rep.	Adj. ⁽¹⁾	2019	2018	Rep.	Adj. ⁽¹⁾	2019	2018
Americas	2,472	2,557	-3%	-11%	7,316	7,581	-4%	-11%	9,493	9,758
EMEA	1,732	1,530	13%	10%	6,023	5,290	14%	10%	7,438	6,706
APAC	402	414	-3%	-6%	1,245	1,333	-7%	-9%	1,723	1,810
Net sales	4,605	4,501	2%	-4%	14,584	14,204	3%	-3%	18,654	18,274
Americas	296	427	-31%	-37%	953	1,236	-23%	-30%	1,187	1,470
EMEA	239	183	31%	26%	918	728	26%	21%	1,004	814
APAC	84	91	-8%	-16%	267	295	-10%	-16%	367	395
Operating profit (EBIT) bef. i.a.c.⁽²⁾	619	702	-12%	-18%	2,138	2,259	-5%	-12%	2,558	2,679
Americas	12.0%	16.7%			13.0%	16.3%			12.5%	15.1%
EMEA	13.8%	12.0%			15.2%	13.8%			13.5%	12.1%
APAC	20.9%	22.1%			21.4%	22.2%			21.3%	21.8%
Operating profit % bef. i.a.c.⁽²⁾	13.5%	15.6%			14.7%	15.9%			13.7%	14.7%

⁽¹⁾Represents change in comparable currency. ⁽²⁾Before items affecting comparability.

APPENDIX D

APPLICATION AREAS

SEK m	Q3 2019	Q3 2018	YTD 2019	YTD 2018	FY 2018
Net sales, external					
Americas					
Food & Beverage	410	545	1,335	1,684	2,135
Climate	974	1,020	2,768	3,012	3,797
Power & Control	867	809	2,611	2,367	3,161
Other applications	221	183	601	519	664
Americas net sales, external	2,472	2,557	7,316	7,581	9,758
EMEA					
Food & Beverage	608	595	2,236	2,172	2,662
Climate	861	682	2,940	2,290	2,986
Power & Control	128	112	432	404	522
Other applications	135	141	414	425	536
EMEA net sales, external	1,732	1,530	6,023	5,290	6,706
APAC					
Food & Beverage	184	207	588	661	937
Climate	174	164	526	527	685
Power & Control	9	8	24	32	38
Other applications	35	35	109	113	150
APAC net sales, external	402	414	1,245	1,333	1,810
Net sales, external					
Americas	2,472	2,557	7,316	7,581	9,758
EMEA	1,732	1,530	6,023	5,290	6,706
APAC	402	414	1,245	1,333	1,810
Total net sales, external	4,605	4,501	14,584	14,204	18,274

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.



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