INTERIM PRESENTATION

Q1 2021

April 23, 2021

DOMETIC

JUAN VARGUES

PRESIDENT & CEO

Mobile living made easy.

DOMETIC

Q1 2021 HIGHLIGHTS

Market development

- Market demand remains strong
  - All time high backlog
  - All vertical end-markets showing strength but Hospitality
- Strong development in all segments
- COVID-19 outbreak continues to create uncertainty
- Critical components and freight capacity remain bottlenecks

Performance

- Organic sales growth 22%
  - Distribution +29%, Service and Aftermarket +34%
  - OEM +15%
- EBIT margin improved to 15.0% (10.0%)
  - Improvements in all segments
- Innovation index reaching 23% (18%)
- Continued focus on cost reductions






Q1 2021 FINANCIAL SUMMARY

Net sales of SEK 4,858 m, +16% total growth

- +22% organic
- -7% FX
- +1% M&A

EBIT before i.a.c. of SEK 731 m, +74%

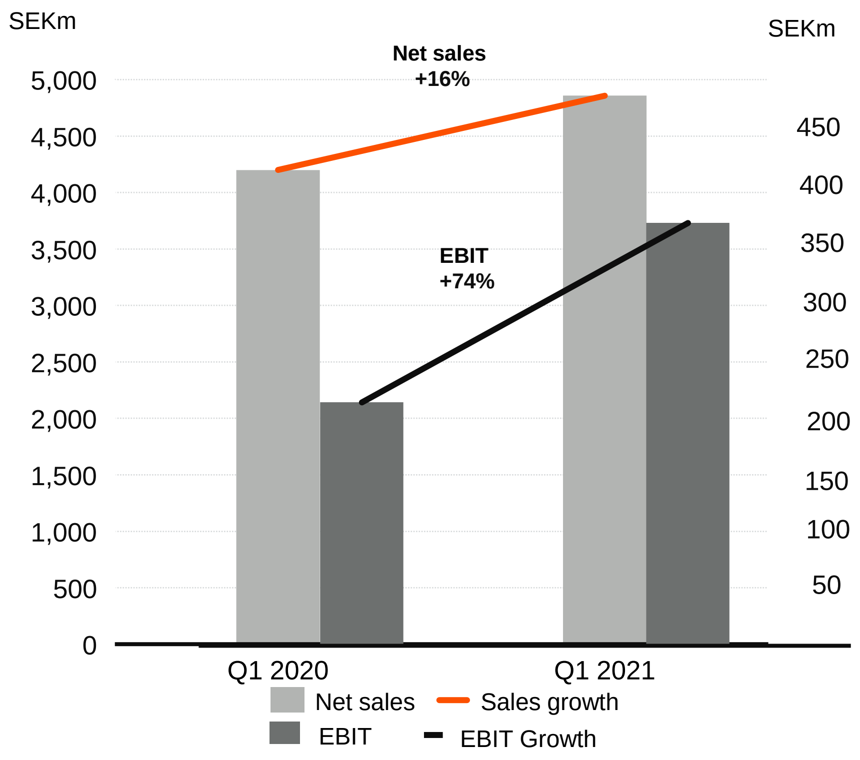
- EBIT margin of 15.0% (10.0%)

EBITDA of SEK 917 m, +54%

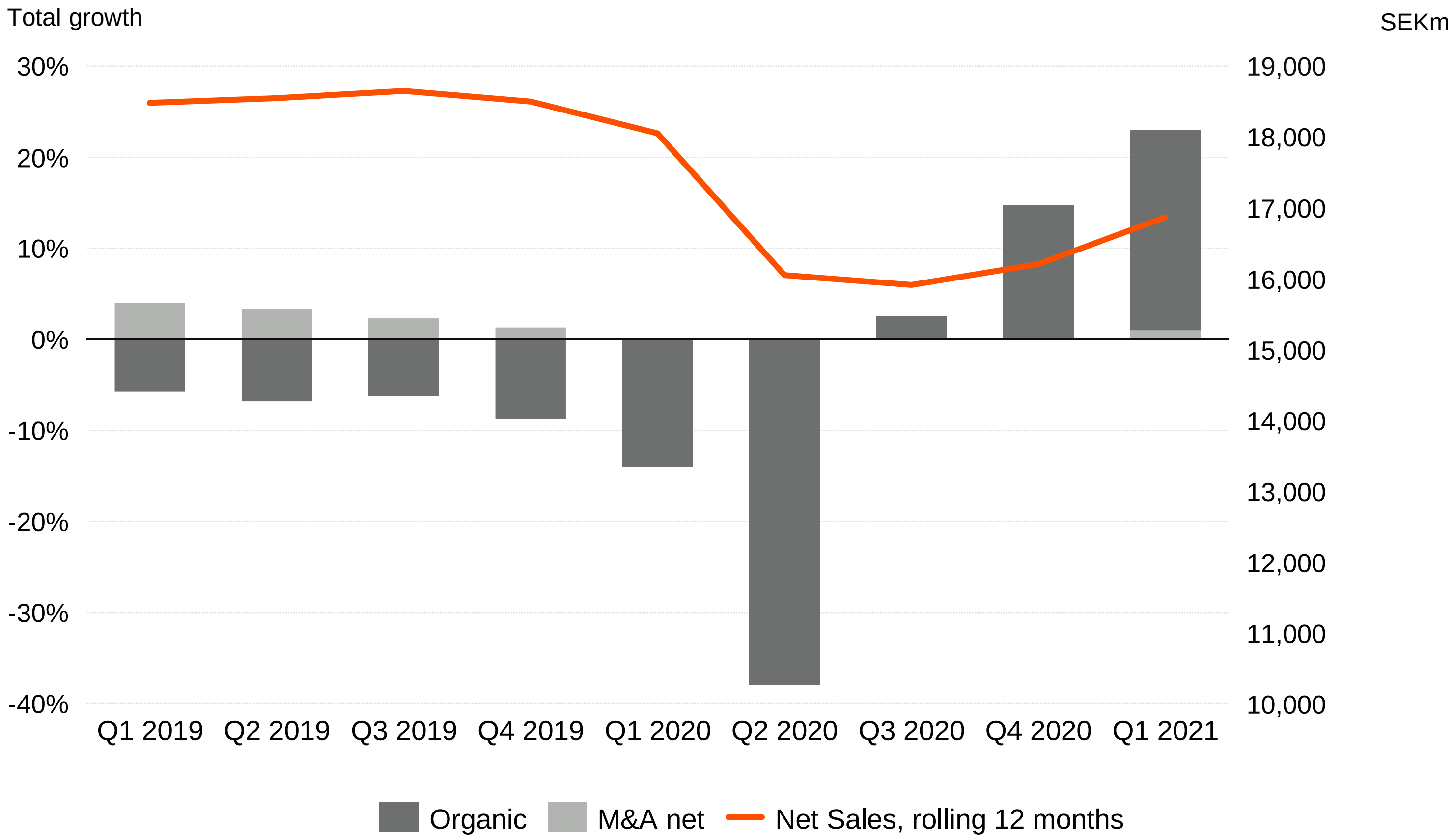
Operating cash flow of SEK -20 m, -111%

Leverage 2.3x (2.8x)

EPS of SEK 1.66, +140%



SALES GROWTH



Q1 2021

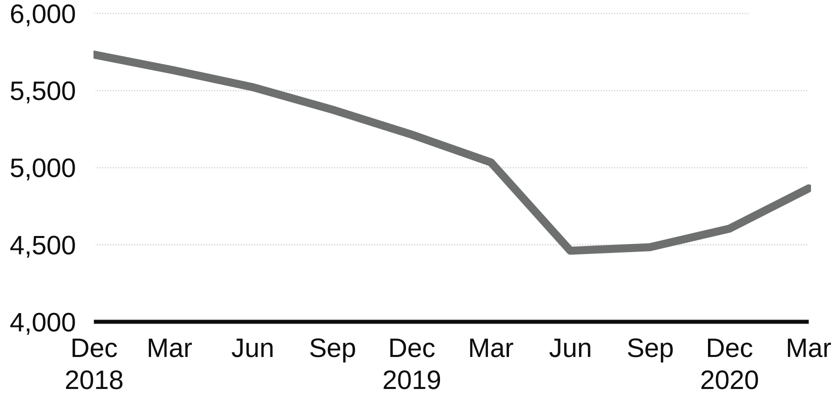
SEK 4,858 m, +22% organic growth

- Americas +26%
- EMEA +13%
- APAC +33%
- Global +27%

APPLICATION AREAS

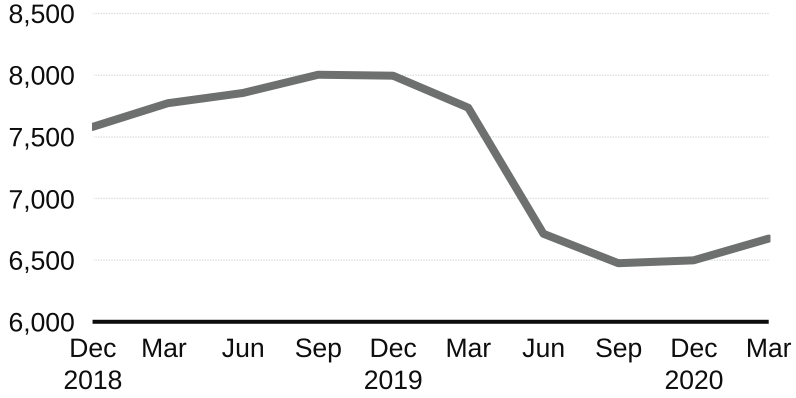
FOOD & BEVERAGE

+22%
(+30%)



CLIMATE

+10%
(+18%)



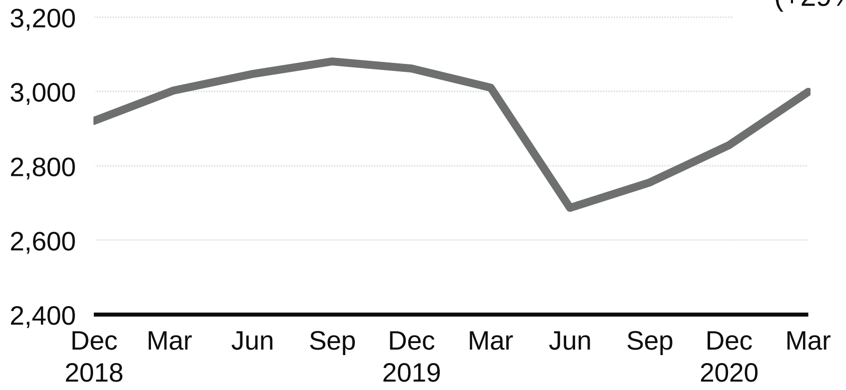
SALES SPLIT, APPLICATION AREA*

Food & Beverage, 30% (28%)
Climate, 39% (42%)
Power & Control, 19% (18%)
Other applications, 12% (12%)

*YTD March, 2021 split

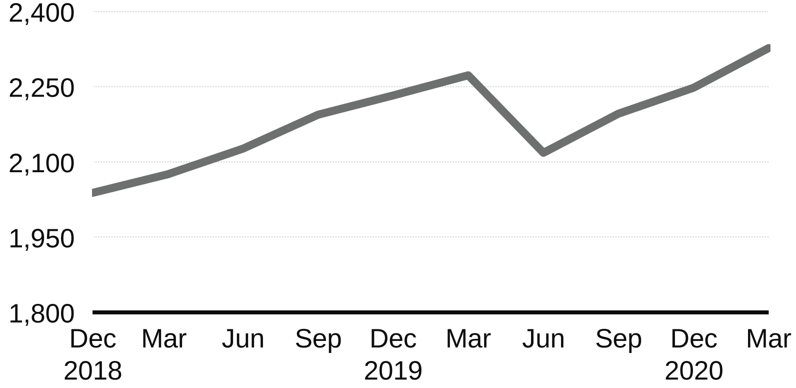
POWER & CONTROL

+19%
(+29%)



OTHER APPLICATIONS

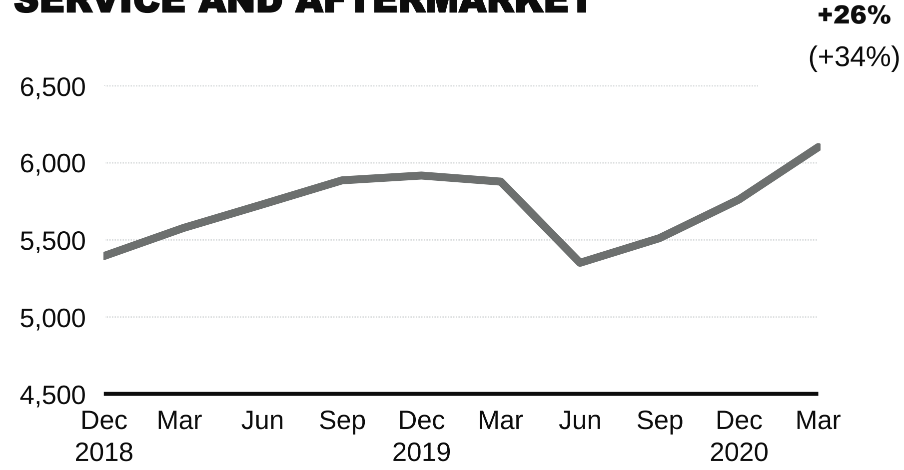
+16%
(+27%)



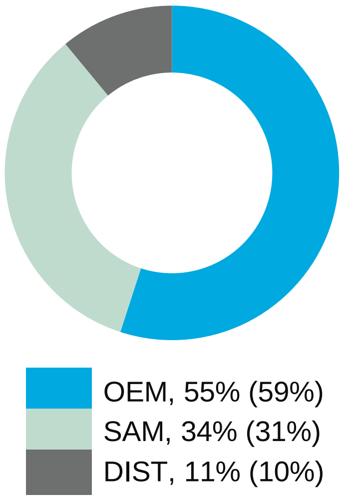
Actual currency rolling 12 months (CC)

SALES CHANNELS

SERVICE AND AFTERMARKET

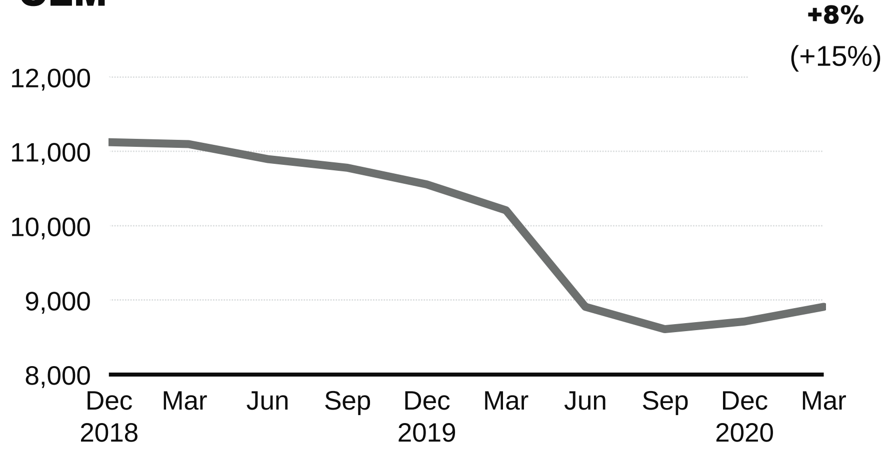


SALES SPLIT, SALES CHANNEL*

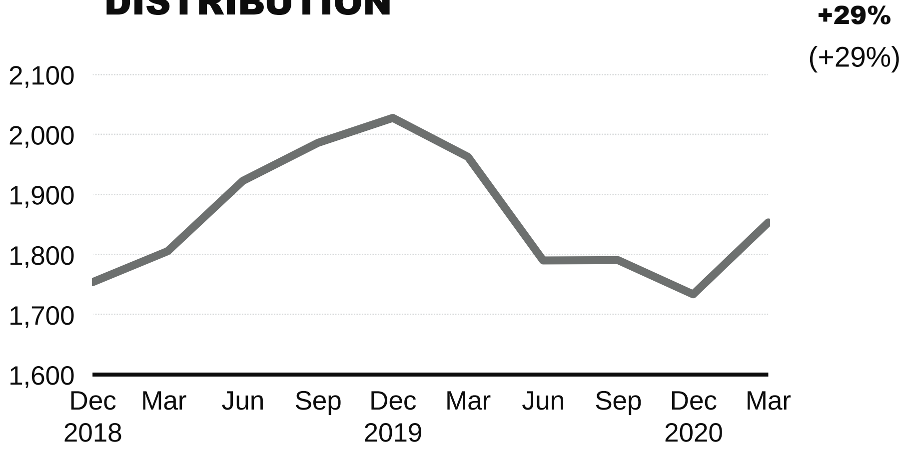


*YTD March, 2021 split

OEM



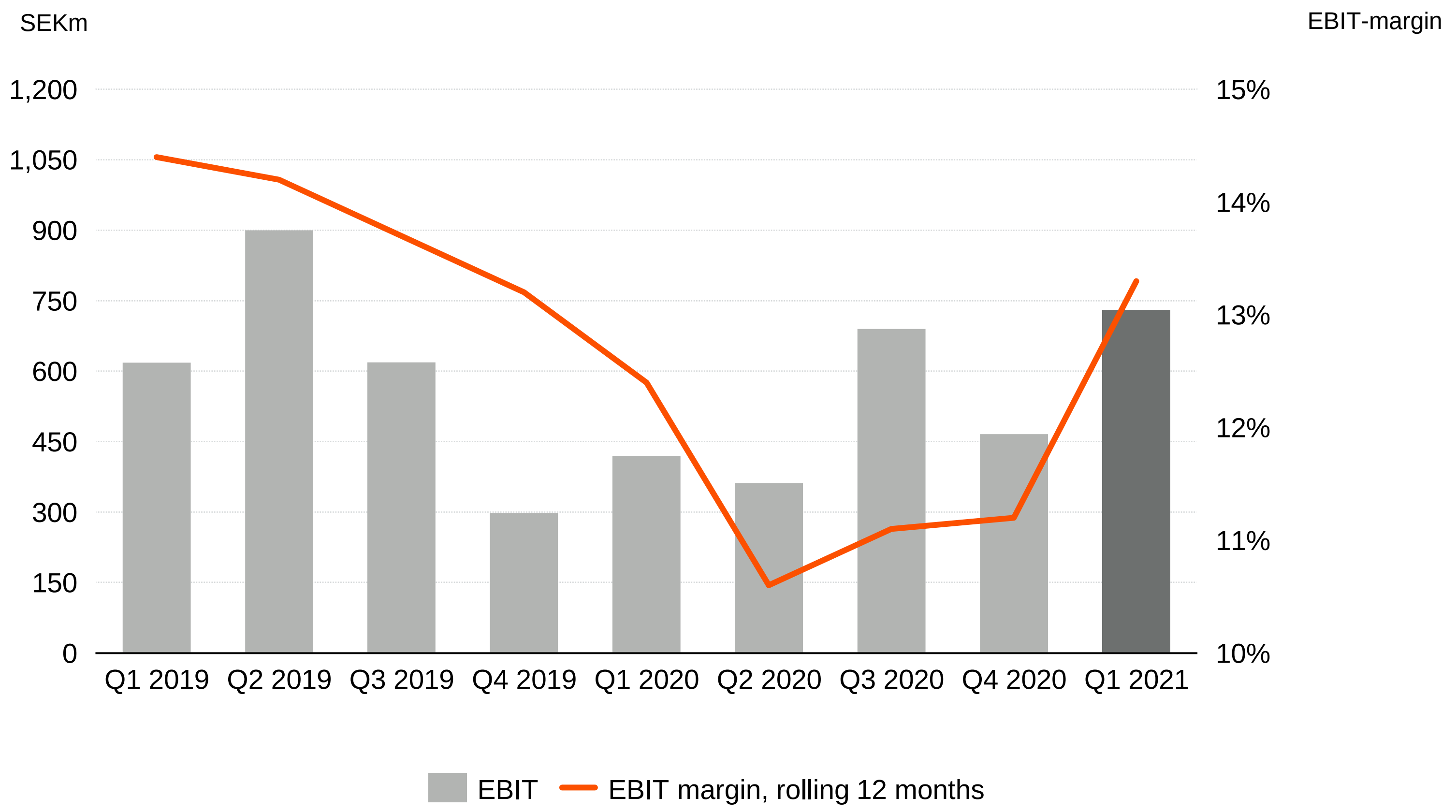
DISTRIBUTION



Actual currency rolling 12 months (OG)

EBIT AND EBIT MARGIN BEFORE I.A.C

EBIT Run rate 13.3% (12.4%)



Quarter 1 2021

EBIT margin 15.0% (10.0%)

- + Strong quarter in all sales channels
- + Sales channel mix
- + Pricing
- + Less negative impact from US trade tariffs
- + Cost saving activities
- – Supply constraints and COVID-19 outbreaks in manufacturing
- – Negative FX evolution
- – Freight costs and raw material prices

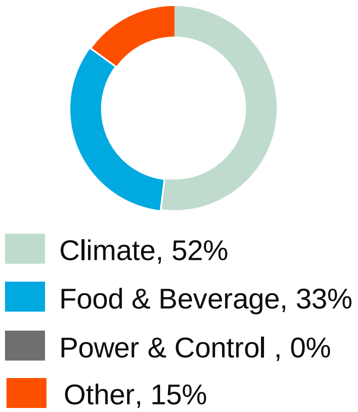
AMERICAS Q1

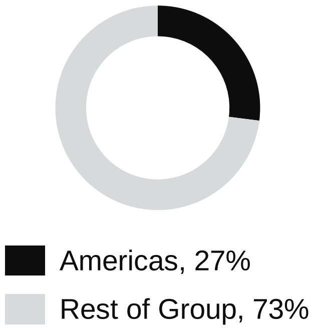
Net sales of SEK 1,292 m, +26% organic

- Growth in all application areas
- Continued strong development in Distribution and Service and Aftermarket
- Good progress in CPV OEM contracts
- Order backlog remain strong

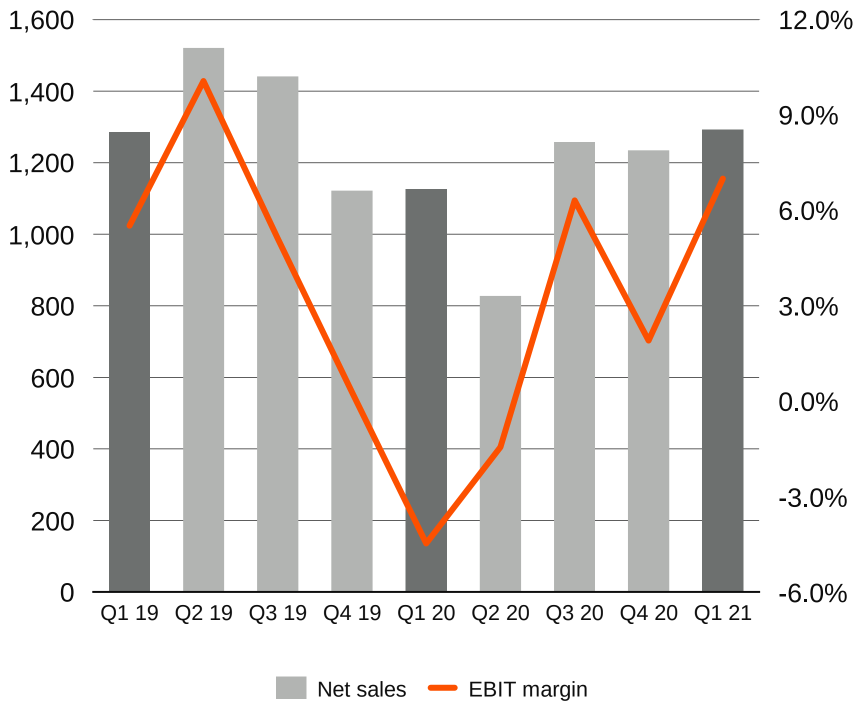
EBIT before i.a.c. of SEK 90 m, +278%

- EBIT margin of 7.0% (-4.5%)
  - \+ Sales growth and sales channel mix
  - \+ Lower US trade tariffs
  - \+ Efficiency improvements
  - \+ Pricing
  - − Supply constraints and COVID-19 outbreaks in manufacturing
  - − Freight costs and raw material prices





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



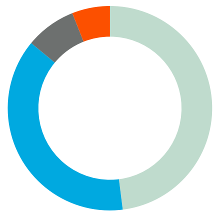
EMEA Q1

Net sales of SEK 1,678 m, 13% organic

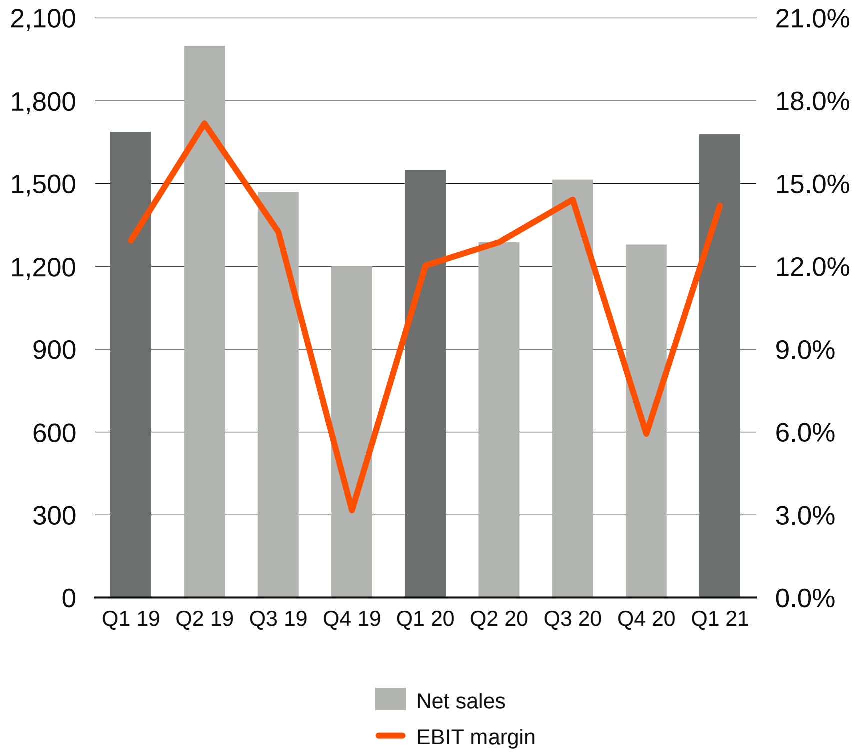
- Sales growth driven by Food & Beverage and Climate
- Strong development in all sales channels
- Order backlog significantly up

EBIT before i.a.c. of SEK 239 m, +28%

- EBIT Margin of 14.2% (12.0%)
  - \+ Sales growth
  - \+ Efficiency improvements
  - \+ Pricing
  - − Supply constraints and COVID-19 outbreaks in manufacturing
  - − Negative FX effect
  - − Freight costs and raw material prices
  - − Sales channel mix



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



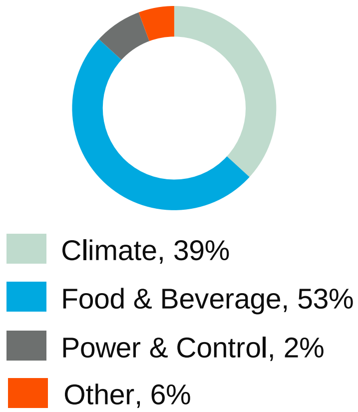
APAC Q1

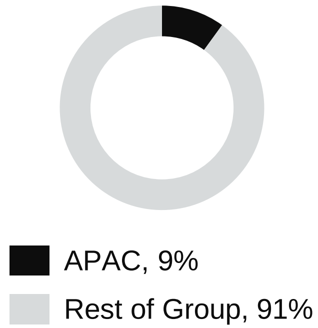
Net sales of SEK 433 m, +33% organic

- Strong sales growth in all application areas
- All sales channels show strong development
- All time high order backlog

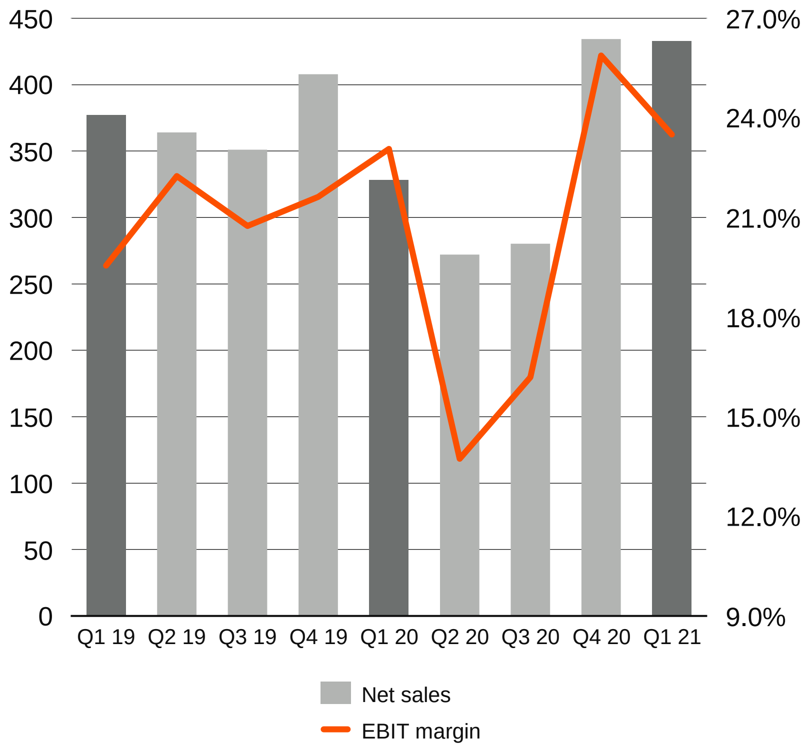
EBIT before i.a.c. of SEK 102 m, +35%

- EBIT Margin of 23.5% (23.1%)
  - \+ Sales growth
  - \+ Efficiency improvements
  - \+ Pricing
  - − Negative FX effect
  - − Supply constraints and COVID-19 outbreaks in manufacturing
  - − Freight costs and raw material prices





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



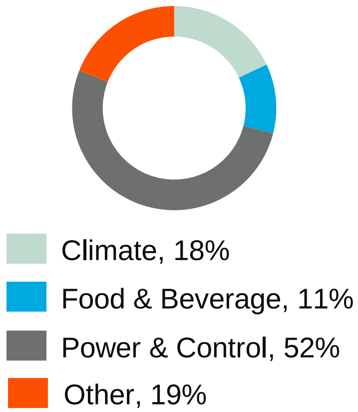
GLOBAL Q1

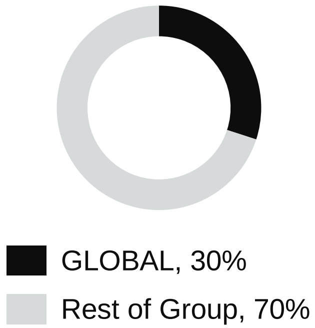
Net sales of SEK 1,456 m, +27% organic

- Strong growth driven by market demand in Marine
  - Order backlog at all time high
- Strong demand for the Dometic Residential offering
  - Twin Eagles acquired in February
- Mobile Deliveries – customer tests ongoing

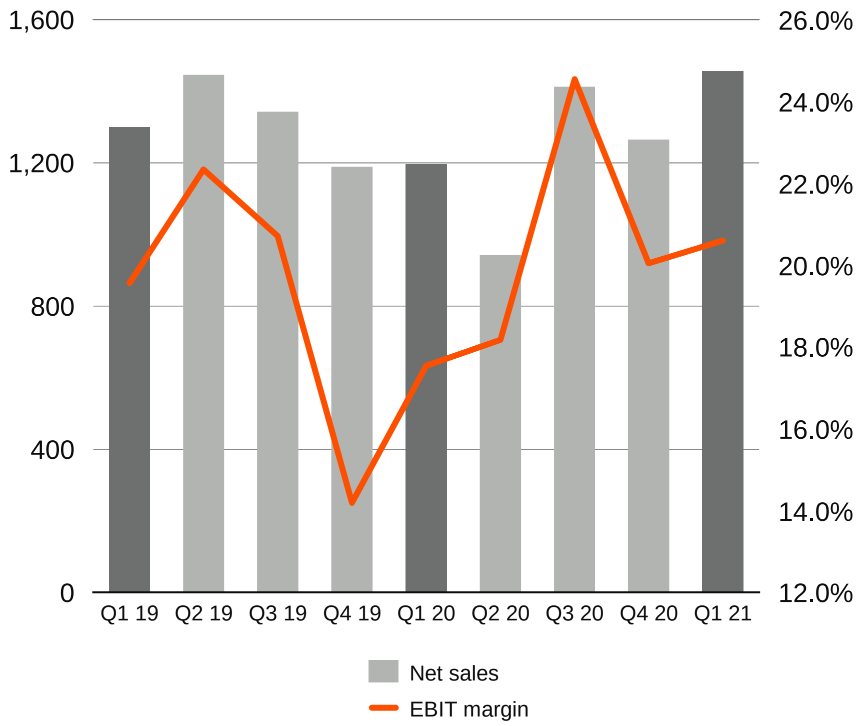
EBIT before i.a.c. of SEK 300 m, +43%

- EBIT Margin of 20.6% (17.5%)
  - + Sales growth
  - + Efficiency improvements
  - + Pricing
  - − Supply constraints and COVID-19 outbreaks in manufacturing
  - − Freight costs and raw material prices





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



2021 STRATEGY EXECUTION

1 Profitable expansion

- Strong growth in Distribution and Service and Aftermarket
- Positive market conditions and strong order backlog
- Twin Eagles acquisition completed – a growth platform for Dometic in Residential
- Implementing global e-commerce B2C solution

2 Product leadership

- Continuous improvement of Innovation Index
- Several new products launched
- Strong pipeline of product launches in 2021

3 Cost reductions

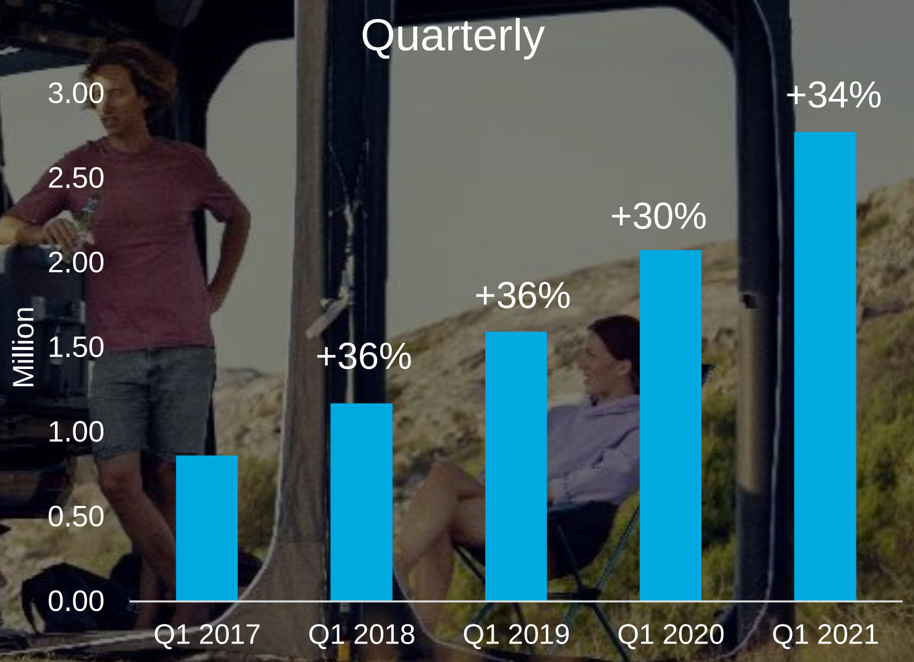
- SKU complexity continues to be reduced
- Committed to cost reduction target
  - COVID-19 related travel restrictions combined with strong market demand are slowing down some projects





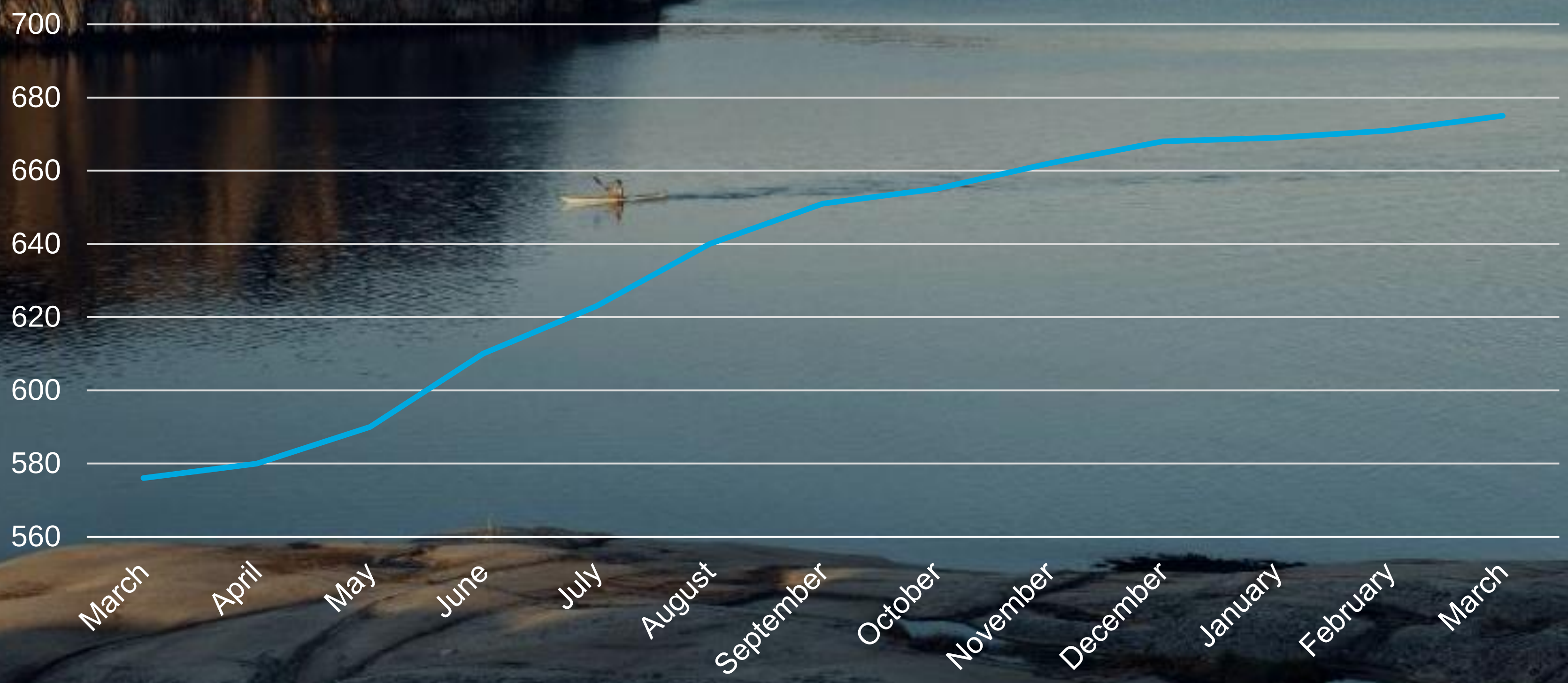

34% MORE TOTAL VISITS TO DOMETIC.COM IN Q1

ALMOST FIVE MILLION MORE VISITS TO DOMETIC.COM PER YEAR



DOMETIC

SOCIAL MEDIA GROWTH



Combined social media followers

Audience

525k (+6%)

124k (+44%)

28k (+84%)

GROWTH IN OUTDOOR DISTRIBUTION CHANNELS

In >4,000 stores worldwide

- Growing presence +33% in one year
- 400 retailers added through Twin Eagles

>40 pure e-tailer partners

- Covering our web B2C offering
- Q1 sales growth +20%

dometic.com e-commerce

- New platform successfully launched in the US
- US B2C revenues +500% since launch
- Next deployment started in Australia

NEW AWARD BRINGS ADDITIONAL RECOGNITION

FASTEST-GROWING OUTDOOR EQUIPMENT ACCESSORIES BRAND IN THE US

- **Outdoor Sports Industry Performance Awards** by US Data analytics company NPD Group
- The awards acknowledge the fastest-growing brands of 2020
- Dometic won category **Equipment Accessories Brand**
- Measured by Retail Tracking via point-of-sale (POS) data from over 600,000 retail locations, plus e-commerce and mobile platforms
- The US outdoor market generated $6.1 billion in retail sales in 2020

THE RESIDENTIAL OUTDOOR MARKET

ENTERING A GROWING MARKET WITH A STRONG PRODUCT OFFERING

THE DOMETIC MOBAR

reddot winner 2021

iF DESIGN AWARD 2021

- Received two of the world's most renown design awards
- Strong customer demand

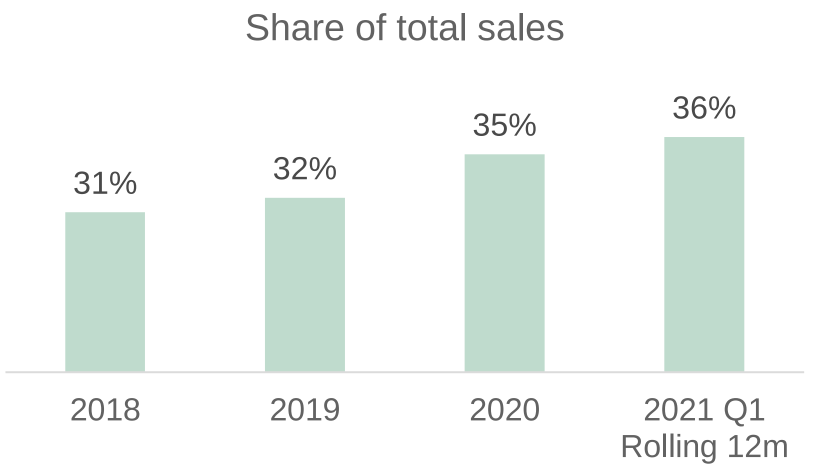
TWIN EAGLES

- Acquisition completed February 19
- More than 400 dealers added

EXPAND PRESENCE IN SERVICE AND AFTERMARKET

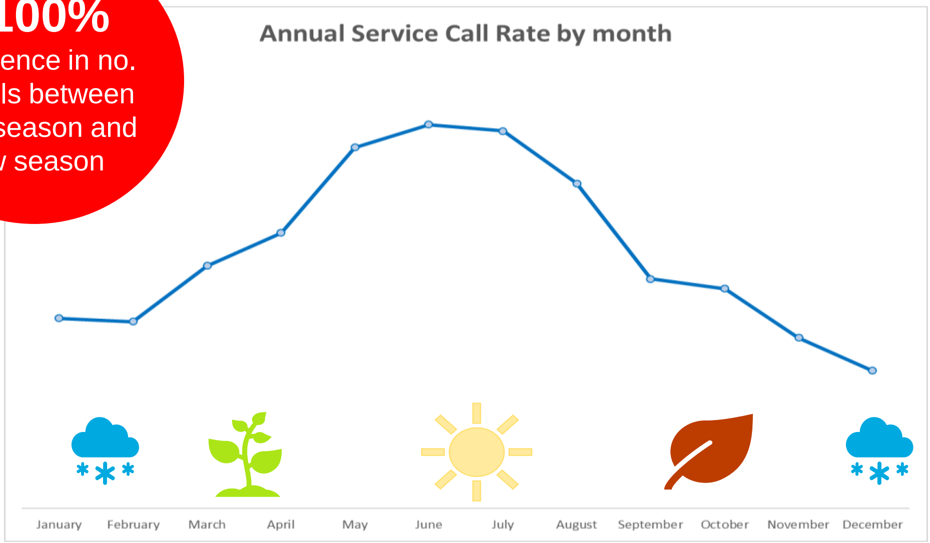
PART OF 2019 STRATEGY

- A driver for margin expansion and reduced volatility
- Industry's largest network of >35,000 partners
- Large and growing installed base of vehicles and boats



- Centrally governed project driving Service and Aftermarket across all segments and units
- Growing electronic content in our products and connectivity will increase service revenues
- Serviceability included in product development
- From reactive to proactive maintenance
- M&A an opportunity for growth

~100%
Difference in no. of calls between high season and low season



ACQUISITION OF VALTERRA PRODUCTS

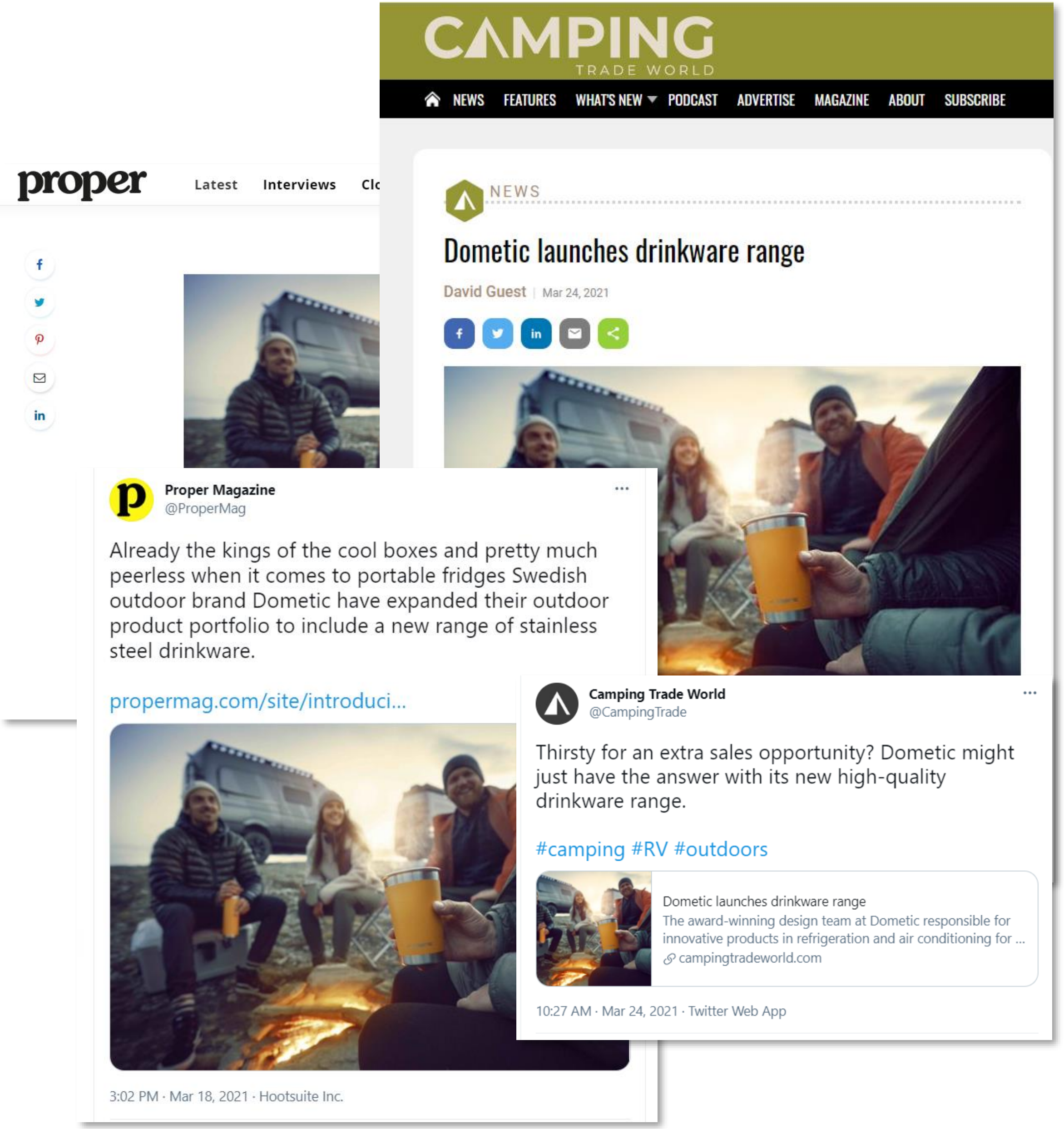
LEADING NORTH AMERICAN PROVIDER OF SERVICE AND AFTERMARKET PRODUCTS FOR THE RV AND CPV INDUSTRIES, INCLUDING SOLAR POWER SOLUTIONS

- Service and Aftermarket expansion - a strategic priority for Dometic
- Broadens the offering and presence in North America
- Increased presence in the fast-growing market for mobile solar power and other energy saving solutions
- Leading brands and market positions with a wide range of low-ticket service products
- 2020 full year sales USD 94 million (12% growth)
  - 2/3 Service and Aftermarket
- Good operating (EBIT) margin
- EPS accretive from start
- Expected closing Q2 2021 pending regulatory approvals

FIRST DRINKWARE SERIES

DOMETIC DRINKWARE

- Expanding outdoor product portfolio further into the consumer goods segment
- Designed to last: High-quality stainless-steel. Robust construction for years of use
- Easy to clean and comfortable to use for both hot and cold drinks
- Reduces the need of disposable bottles and cups, reduces plastic waste in nature
- Available on the market from March 2021
- Good media perception



CAMPING TRADE WORLD

NEWS FEATURES WHAT'S NEW PODCAST ADVERTISE MAGAZINE ABOUT SUBSCRIBE

NEWS

Dometic launches drinkware range

David Guest | Mar 24, 2021

proper

Latest Interviews Clo

Proper Magazine @ProperMag

Already the kings of the cool boxes and pretty much peerless when it comes to portable fridges Swedish outdoor brand Dometic have expanded their outdoor product portfolio to include a new range of stainless steel drinkware.

propermag.com/site/introduci...

3:02 PM · Mar 18, 2021 · Hootsuite Inc.

Camping Trade World @CampingTrade

Thirsty for an extra sales opportunity? Dometic might just have the answer with its new high-quality drinkware range.

#camping #RV #outdoors

Dometic launches drinkware range
The award-winning design team at Dometic responsible for innovative products in refrigeration and air conditioning for ...
campingtradeworld.com

10:27 AM · Mar 24, 2021 · Twitter Web App

NEW TENT OFFERINGS

INFLATABLE TENTS, AWNINGS AND SHELTER

- Strengthening the Dometic outdoor offering
- Three new ranges
  - Dometic Ace AIR Pro awnings
  - Dometic activity HUB
  - Dometic inflatable camping tents
- Air Frame technology: Light weight, easy to set-up and pack down
- Durable, Weathershield™ Pro polyester fabric for tough terrain and challenging weather conditions – longer life
- HUB fits a variety of leisure vehicles incl. SUVs
- Available in Europe since February

Dometic Ace AIR Pro

Dometic HUB

Dometic inflatable camping tents

SUSTAINABILITY

COMMITTED TO DRIVE SUSTAINABILITY IN OUR INDUSTRY

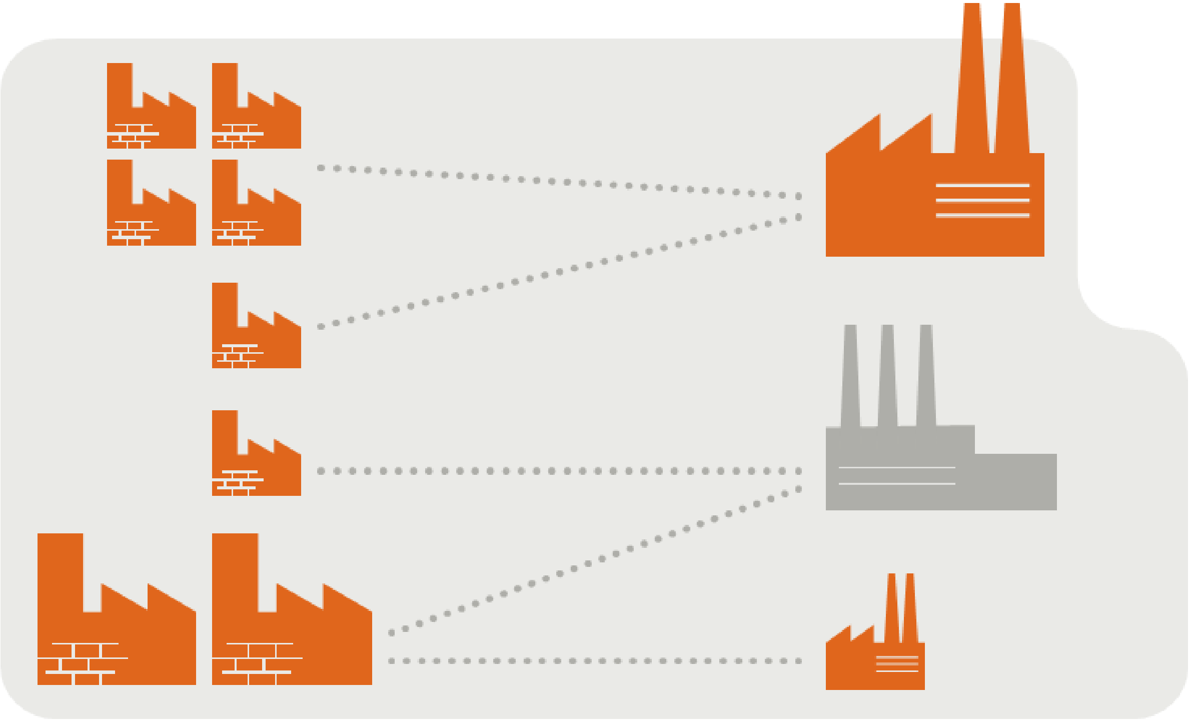
- Meet the growing demand for the Mobile Living lifestyle while reducing environmental footprint throughout the value chain
- New long-term climate target - reduce CO_2 emissions in relation to net sales by 50% by 2030[1)]
  - Absolute emissions reduced by 3% compared to last year
- Sustainability targets included in Long Term Incentive program
- Targets and activities implemented in daily operations
  - Complete reporting available in the 2020 Annual Report
  - Update in quarterly report, including progress to four targets

KPI	Focus area	Actual	2021 Target
LTIFR	People	2.9	2.0
% female managers	People	24%	26%
% audited spend in LCC	Ethics	84%	90%
CO2 tonne / Net sales SEK m	Environment	2.0	1.9

[1)]for scope 1 and 2 emissions represented by energy and electricity used in our operations

RESTRUCTURING PROGRAM

- **Locations**
  - No locations affected in the quarter, 21 so far
- **Employees**
  - No employees affected in the quarter, 778 so far
- **Costs**
  - SEK 10 m in the quarter, SEK 242 m so far
- COVID-19 related travel restrictions combined with strong market demand are slowing down some projects



STEFAN FRISTEDT

CFO

NET SALES AND EBIT BRIDGE, SEK M

EBIT BEFORE I.A.C.

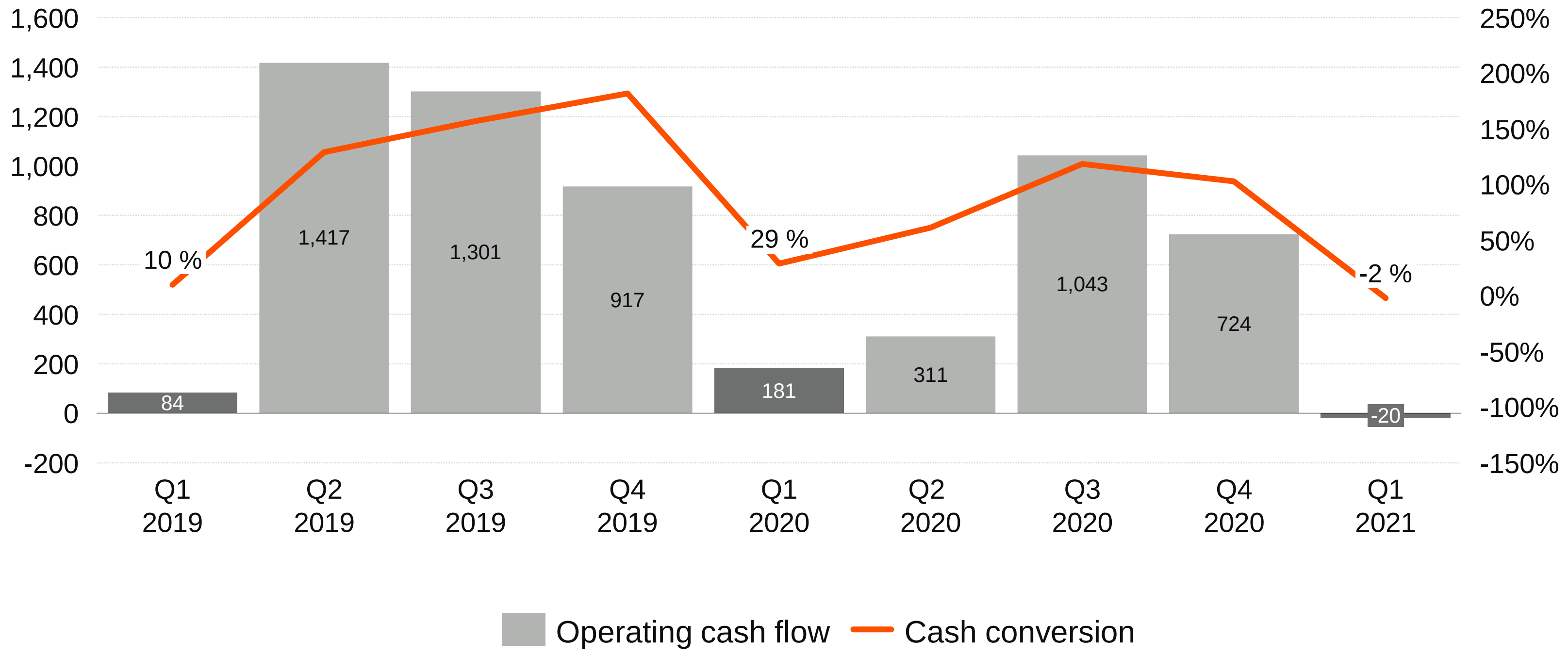
	Q1 2020	Currency	M&A	Volume, price, mix, cost, other	**Q1 2021**
Net Sales	**4,199**	-303	37	925	**4,858**
Growth %		-7%	1%	22%	**16%**
EBIT bef IAC	**421**	-94	9	395	**731**
EBIT %	**10.0%**				**15.0%**
Accretion/Dilution		-0.9%	0.1%	5.8%	

- Currency translation and transaction effects

+ Leverage from organic sales growth
+ Cost reductions
+ Sales mix
+ Tariffs SEK -56 m (-77)
+ Pricing
- Raw material and freight

OPERATING CASH FLOW

SEKm

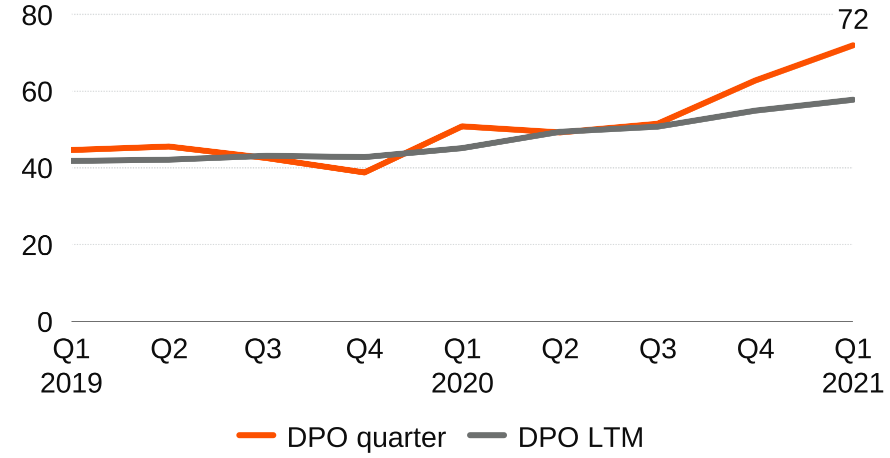


- Working capital SEK -892 m in Q1
  - Strong market demand
  - Inventory build up to secure deliveries
  - Longer leadtimes

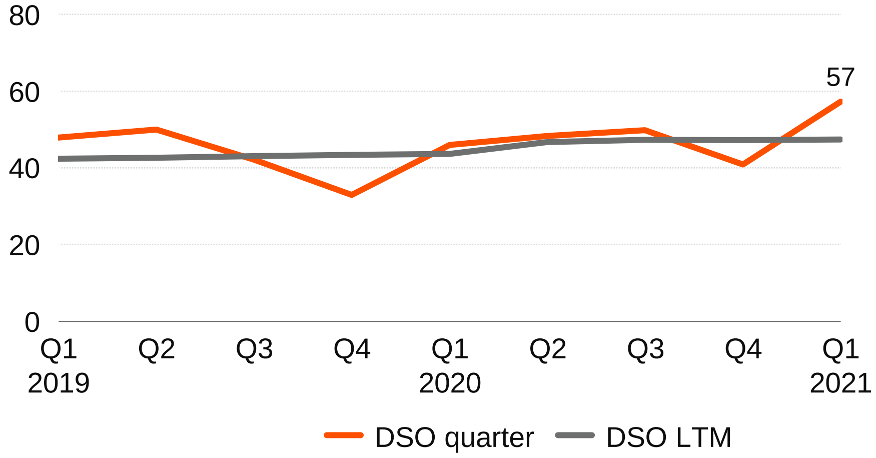
WORKING CAPITAL

DAYS, NORMAL CURRENCY

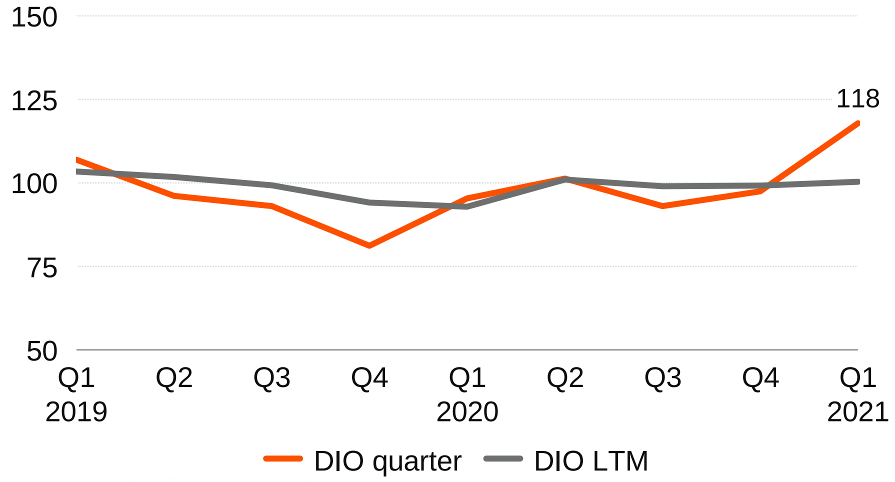
DPO



DSO



DIO



CASH FLOW FOR THE PERIOD

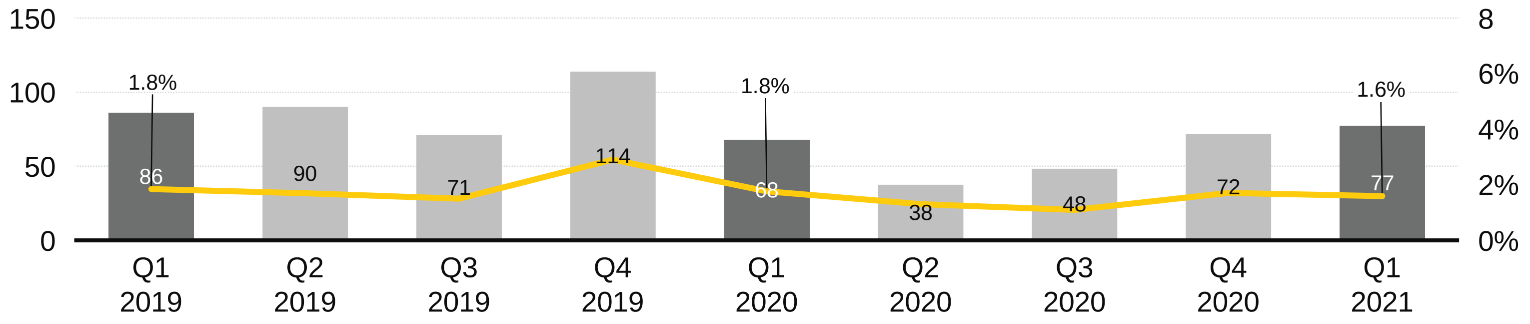
SEK m	Q1 2021	Q1 2020
EBIT	725	389
Adjustments for non-cash items	228	164
Changes in Working capital	-892	-298
Investments in fixed assets	-81	-74
Operating cash flow	**-20**	**181**
Income tax paid	-685	-162
Acquisitions/divestments net	-505	0
Other	148	1
Net cash flow from financing	-1,119	-132
Cash flow for the period	**-2,181**	**-112**

- Working capital
  - Strong market demand
  - Inventory build up to secure deliveries
  - Longer leadtimes
- Taxes
  - Includes payment of settlement for previously announced foreign tax dispute
- Acquisitions SEK -505 m
- Net cash from financing
  - Repayment of due EMTN loan SEK -1,000 m

CAPEX AND RESEARCH & DEVELOPMENT

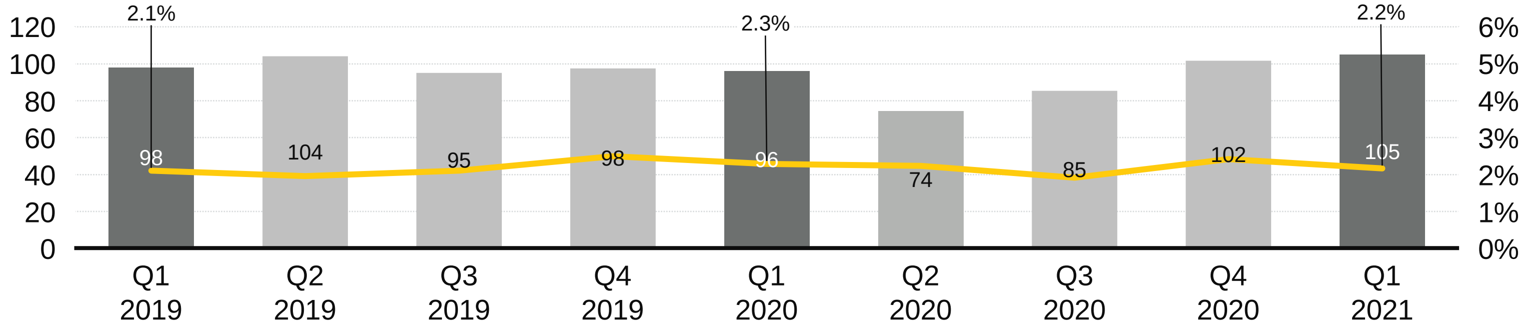
(SEK m, % OF NET SALES)

CAPEX



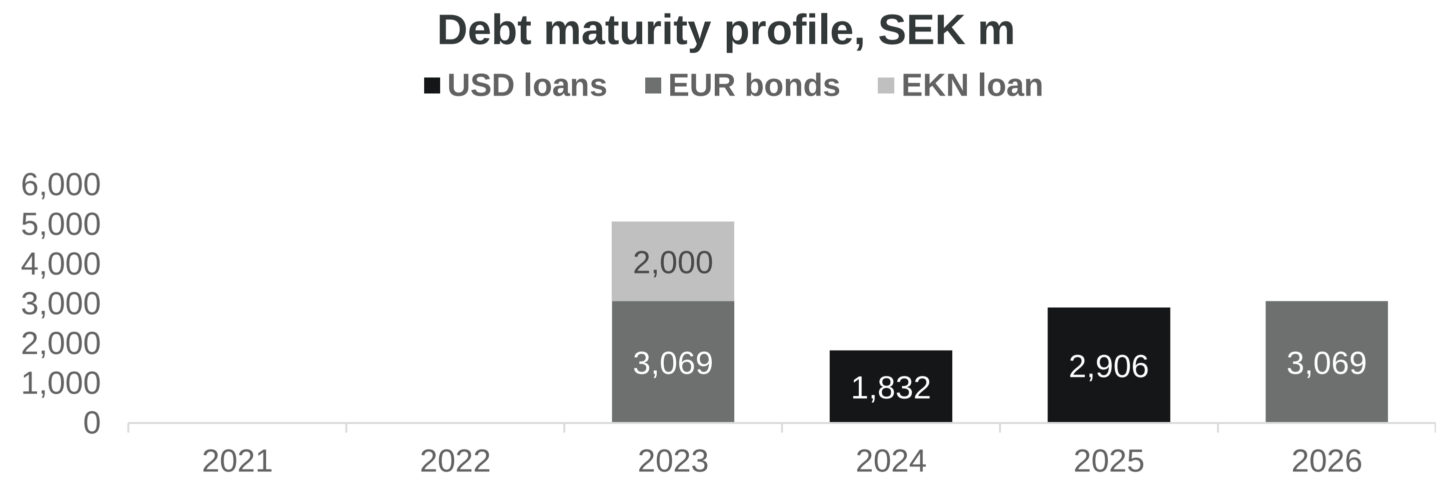
- **Q1 2021 CAPEX (excl capitalized R&D):** 1.6% of net sales. (1.8% in 2020)

R&D

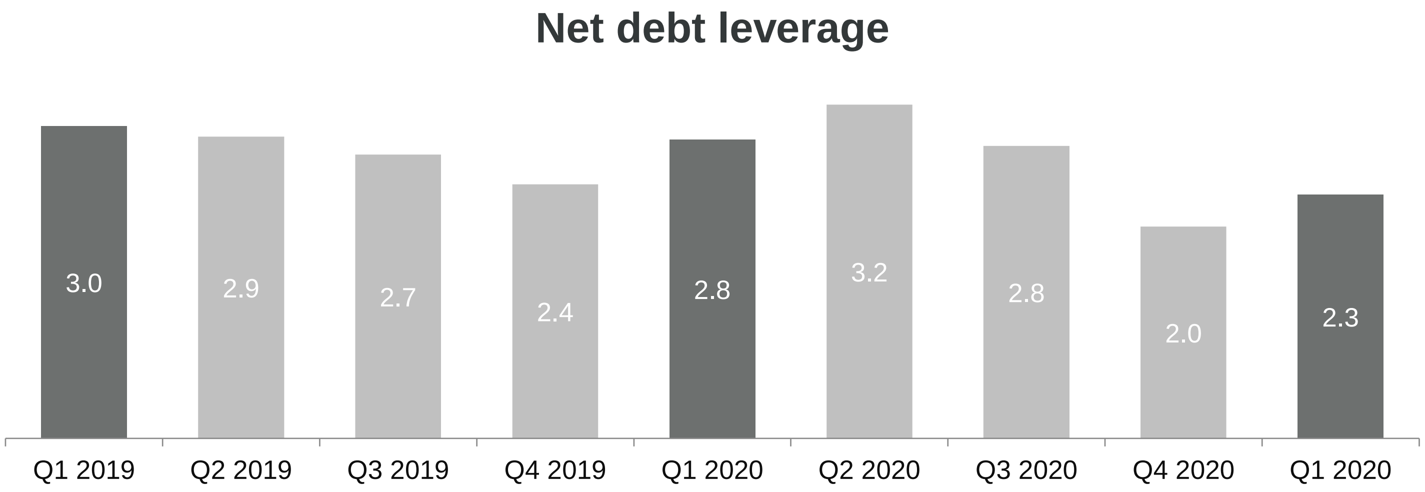


- **Q1 2021 R&D:** 2.2% of net sales. (2.3% Q1 2020)
- Includes capitalized R&D

DEBT MATURITY PROFILE AND LEVERAGE



- Repayment of SEK bond in Q1 2021, SEK 1,000 m
- Undrawn revolving credit facility of EUR 200 m



- Q1 Net debt leverage 2.3x (2.8x)

Q1 SUMMARY

Business highlights

- Record start of the year
- Organic sales growth 22% and high order backlog
- Continued strong market demand
- Foresee coming quarters to be strong despite longer than normal lead-times
- EBIT margin improvement to 15.0% (10.0%) - improvements in all segments

Strategic highlights

- Strategic initiatives are yielding results on growth and EBIT
- Innovation index up – new Outdoor products launched
- >30% growth in Service and Aftermarket
- Opportunities for acquisitive growth – Twin Eagles completed
- Complexity reductions continue and lead to higher efficiency






Q&A

DISCLAIMER

SOME STATEMENTS HEREIN ARE FORWARD-LOOKING AND THE ACTUAL OUTCOME COULD BE MATERIALLY DIFFERENT. IN ADDITION TO THE FACTORS EXPLICITLY COMMENTED UPON, THE ACTUAL OUTCOME COULD BE MATERIALLY AFFECTED BY OTHER FACTORS, (A) CHANGES IN ECONOMIC, MARKET AND COMPETITIVE CONDITIONS, (B) SUCCESS OF BUSINESS AND OPERATING INITIATIVES, (C) CHANGES IN THE REGULATORY ENVIRONMENT AND OTHER GOVERNMENT ACTIONS,
(D) FLUCTUATIONS IN EXCHANGE RATES AND (E) BUSINESS RISK MANAGEMENT.


DOMETIC