

INTERIM PRESENTATION

Q3 2021

October 22, 2021





JUAN VARGUES

PRESIDENT & CEO

Q3 2021 HIGHLIGHTS

Market development

- Continued strong demand
- Record high backlog for the period
- Retail inventory levels are low across all verticals
- Constraints in supply chain continue

Performance

- Milestone passed - SEK 20 b. LTM
- 24% sales growth
- High M&A activity – eight acquisitions announced in 2021
- EBIT margin 14.2% (15.5%)
- Timing in offsetting rising freight and raw material costs
 - New price increases implemented
- Innovation index reaching 26% (21%)
- Continued focus on cost reductions
- CO² emissions / net sales reduced -17%



Q3 2021 FINANCIAL SUMMARY

Net sales of SEK 5,545 m, +24% total growth

- +11% organic
- -2% FX
- +15% M&A

EBIT before i.a.c. of SEK 785 m, +14%

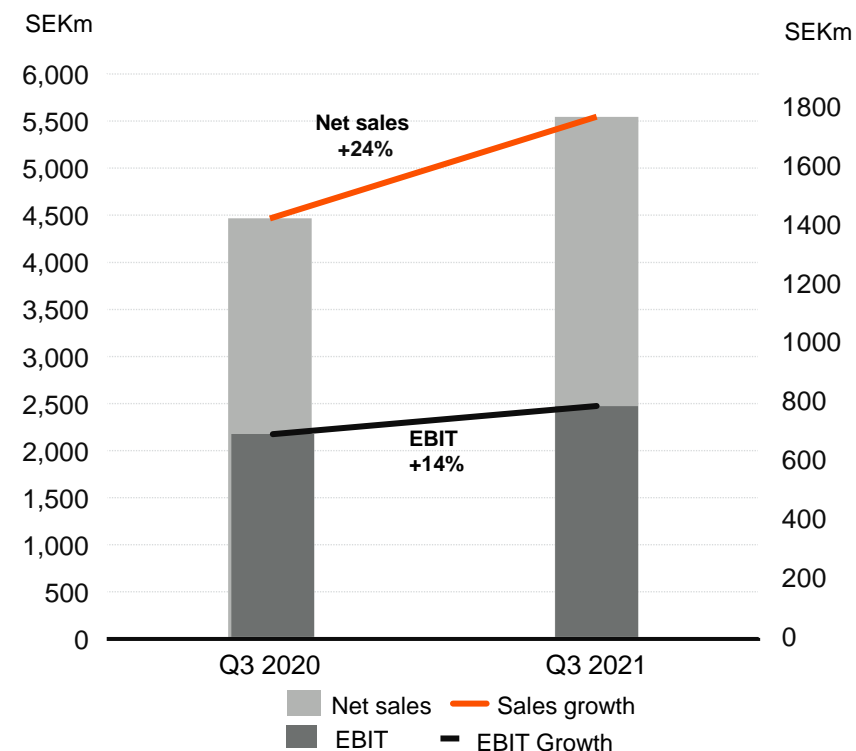
- EBIT margin of 14.2% (15.5%)

EBITDA of SEK 987 m, +14%

Operating cash flow of SEK 346 m (1,043)

Leverage 1.5x (2.8x)

EPS¹ of SEK 1.50 (0.95), +58%



¹A directed issue of 23,666,660 new shares were performed in June 2021, increasing the number of shares with appr 7.4%

YTD SEPTEMBER 2021 FINANCIAL SUMMARY

Net sales of SEK 15,974 m, +33% total growth

- +30% organic
- -5% FX
- +8% M&A

EBIT before i.a.c. of SEK 2,471 m, +68%

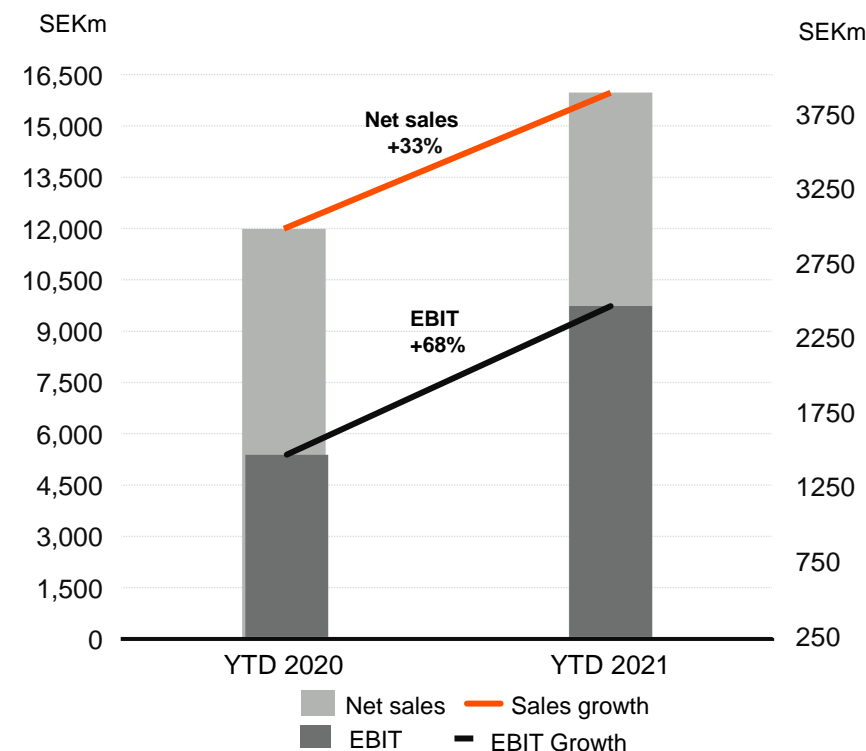
- EBIT margin of 15.5% (12.3%)

EBITDA SEK 3,004 m, +53%

Operating cash flow of SEK 1,203 m (1,534)

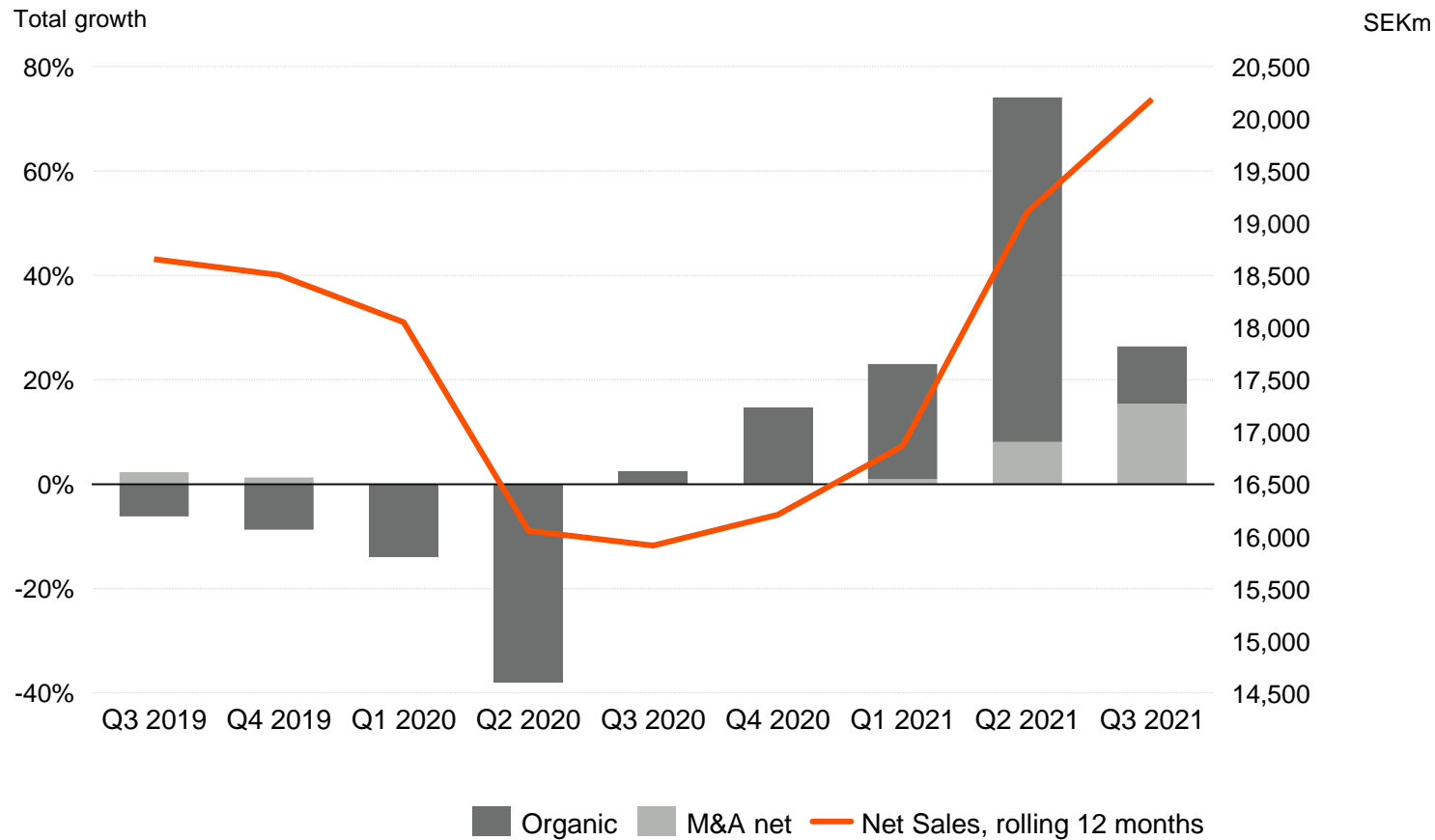
Leverage 1.5x (2.8x)

EPS¹ of SEK 4.99 (2.07), +141%



¹)A directed issue of 23,666,660 new shares were performed in June 2021, increasing the number of shares with appr 7.4%

SALES GROWTH Q3 2021



Q3 2021

SEK 5,545 m, +11% organic growth

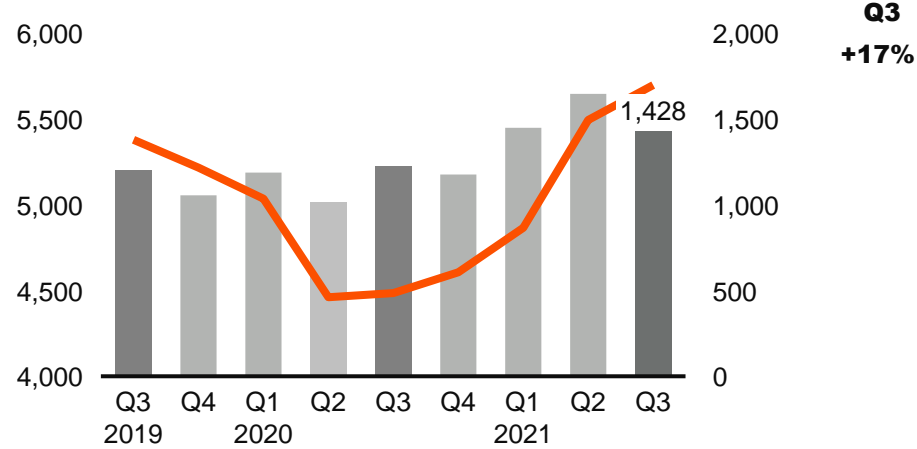
- Americas +9%
- EMEA +10%
- APAC +54%
- Global +6%

20% growth compared to Q3 2019

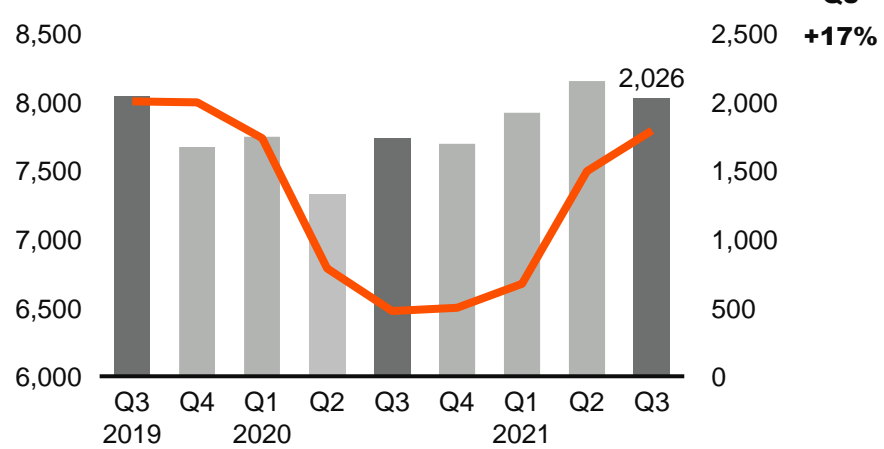
- Organic +13%
- FX -8%
- M&A +15%

APPLICATION AREAS

FOOD & BEVERAGE



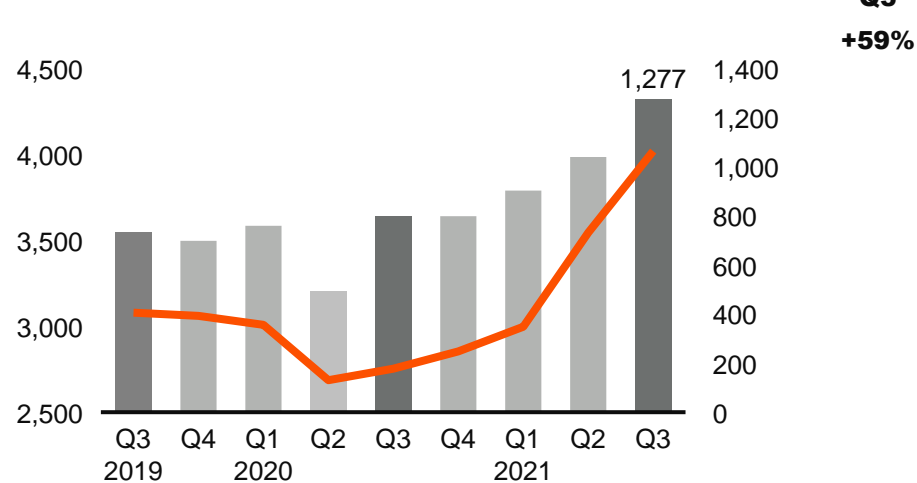
CLIMATE



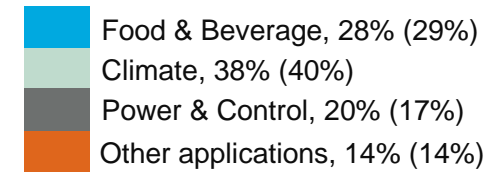
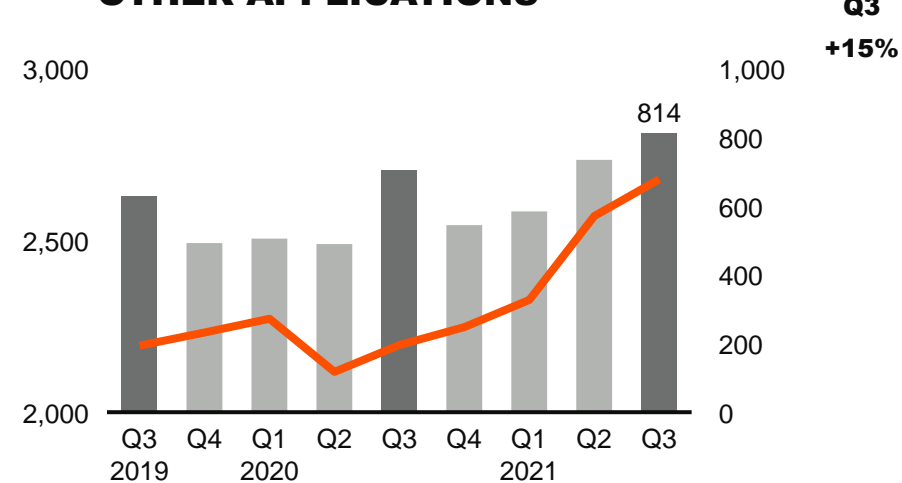
SALES SPLIT, APPLICATION AREA*



POWER & CONTROL



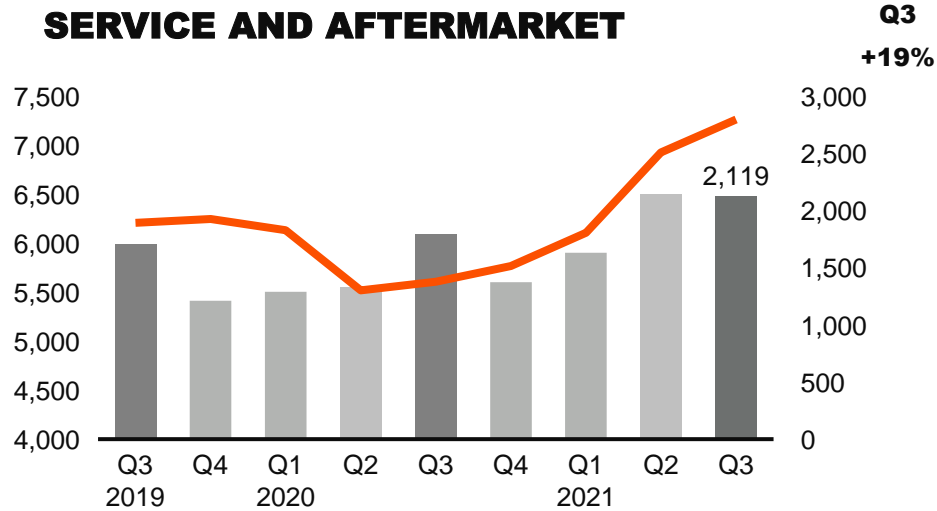
OTHER APPLICATIONS



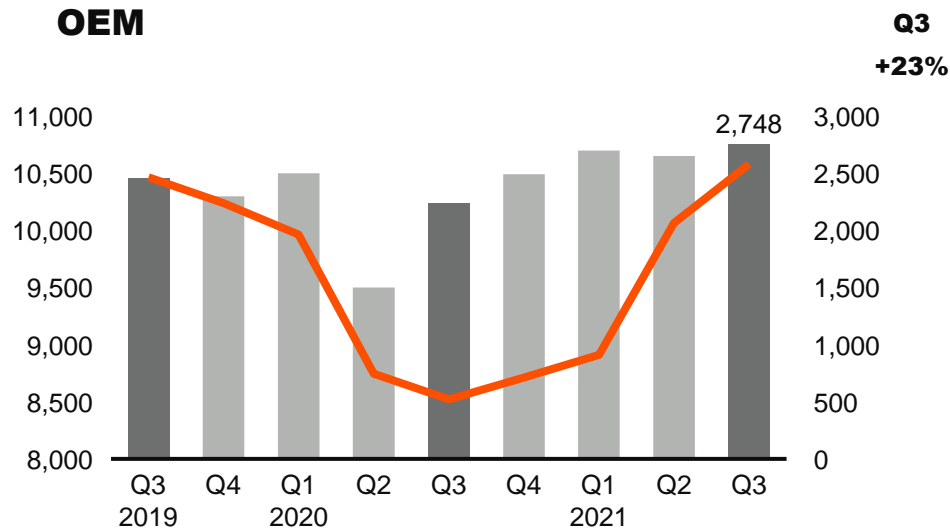
*YTD September, 2021 split

SALES CHANNELS

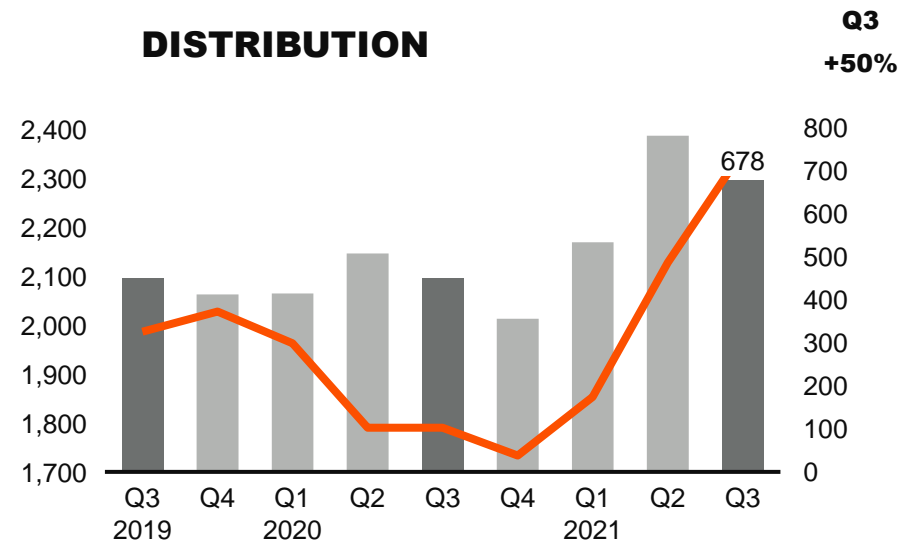
SERVICE AND AFTERMARKET



OEM



DISTRIBUTION



SALES SPLIT, SALES CHANNEL *



- OEM, 51% (52%)
- SAM, 37% (37%)
- DIST, 12% (11%)

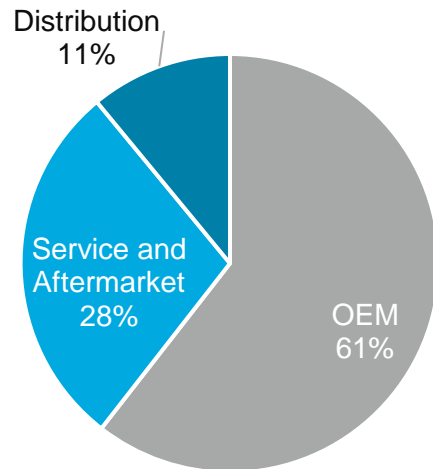
*YTD September, 2021 split

— Actual currency rolling 12 months ■ Actual currency Quarter

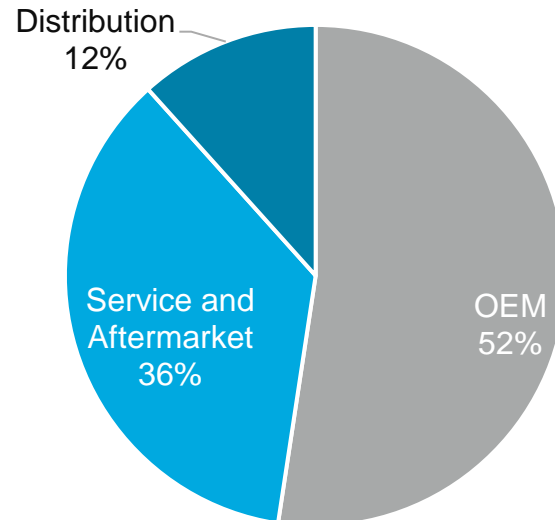
SALES CHANNEL DEVELOPMENT

DISTRIBUTION + SERVICE AND AFTERMARKET FROM 39% TO 48%

2017 Q3 rolling 12 months
Total sales SEK 13.6 b



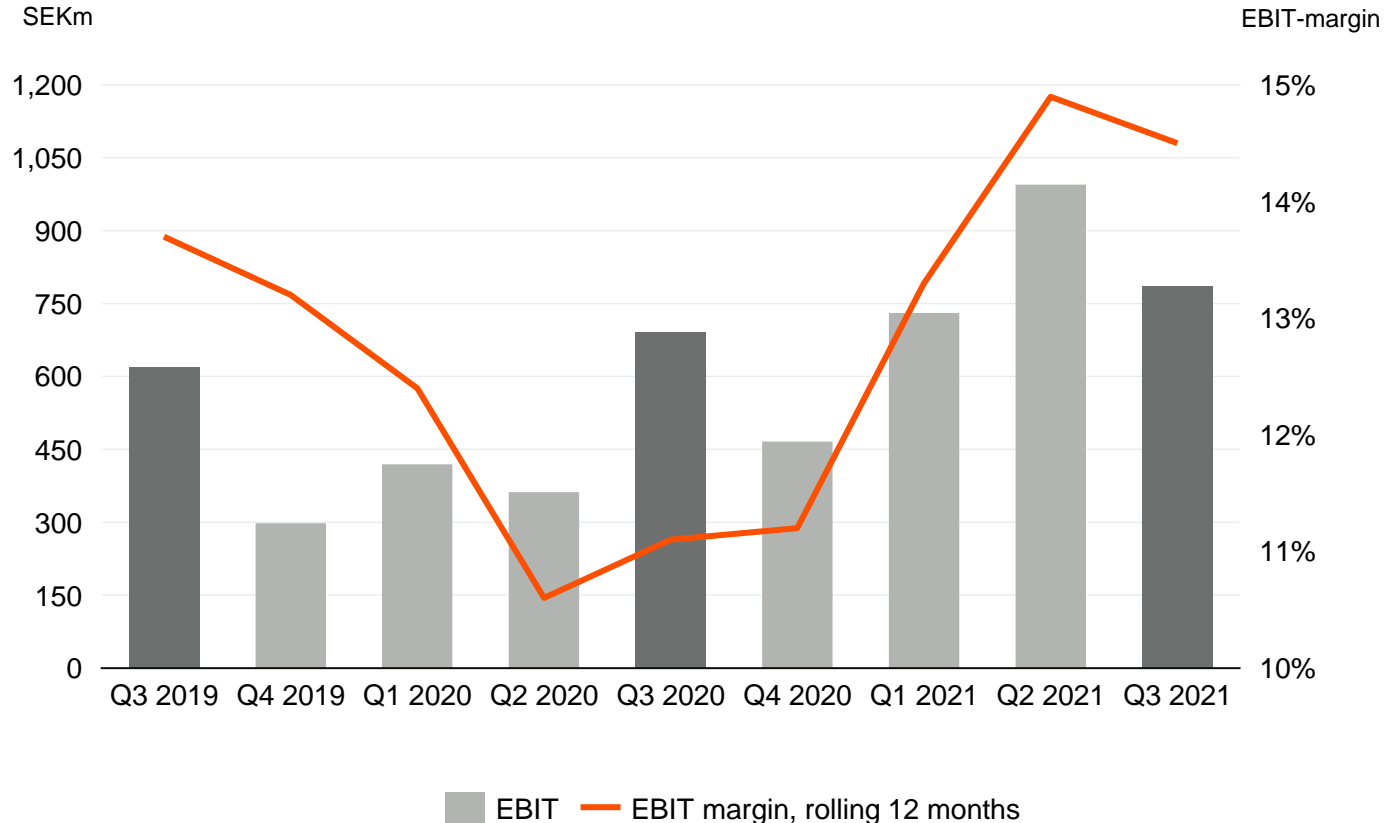
2021 Q3 rolling 12 months
Total sales SEK 20.2 b



- In line with strategy of having >50% of sales outside OEM
 - Drives margin expansion
 - Reduces sales volatility
- M&A agenda supports further increase

EBIT AND EBIT MARGIN BEFORE I.A.C

EBIT Run rate 14.5% (11.1%)



Q3 2021

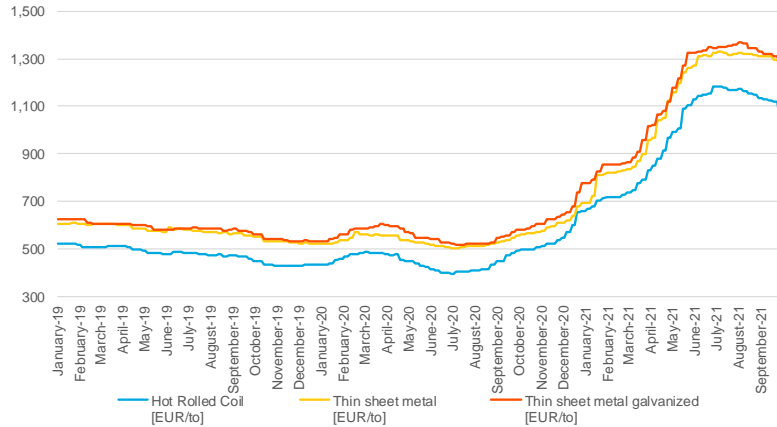
EBIT margin 14.2% (15.5%)

- + Sales growth
- + Less negative impact from US trade tariffs
- + Cost saving activities
- Sales mix with stronger sales in RV OEM
- Negative FX evolution
- Sales and marketing investments in strategic areas
- Timing in offsetting rising freight and raw material costs
- Cost base low in Q3 2020 after the pandemic lock-downs

RAW MATERIAL COST 2019 - 2021

Market Price Development - Steel (EUR/ton)

▲ 2021 YTD / 2020 FY: 108%



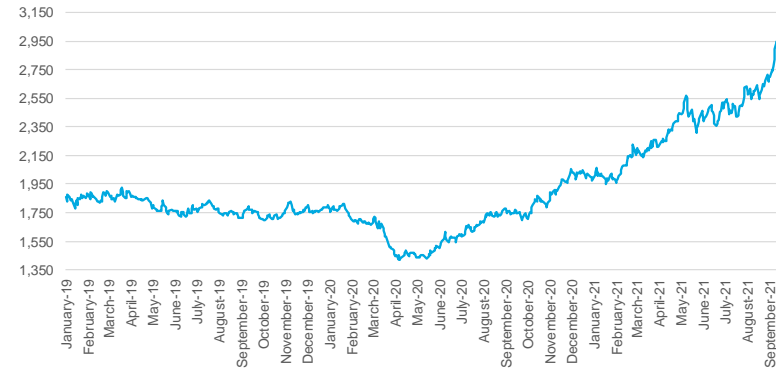
<http://www.mbi-metalsource.com/>

Steel

- Year to date increase 108%
- Used in coils, tubes, shelves, other metal parts

Market Price Development - Aluminum (USD/ton)

▲ 2021 YTD / 2020 FY: 40%



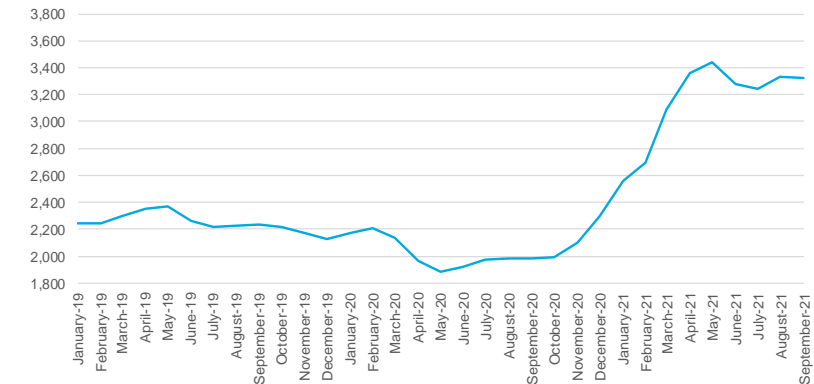
<http://www.lme.com/metals/reports/averages/>

Aluminum

- Year to date increase 40%
- Used in awnings, refrigerators, windows

Market Price Development - Plastic parts

▲ 2021 YTD / 2020 FY: 53%



<http://www.kweb.de>

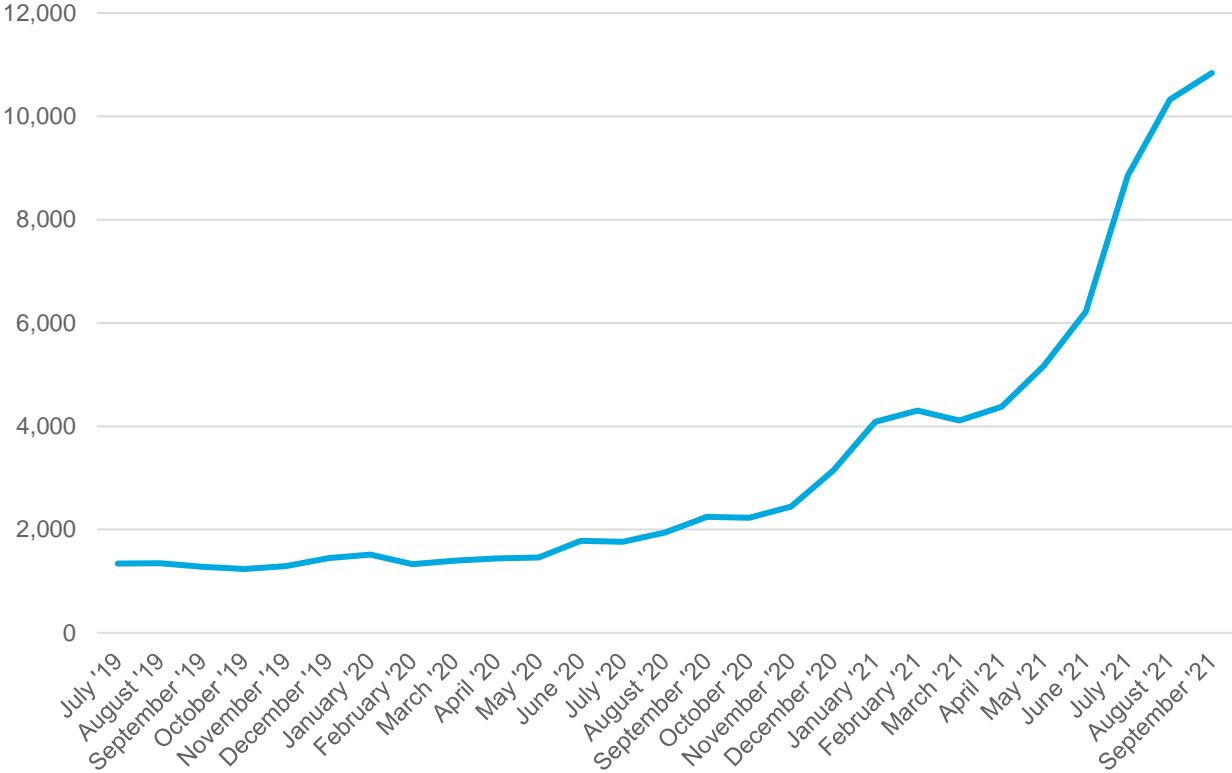
Plastic parts (ABS KI)

- Year to date increase 53%
- Plastic equipment and accessories

FREIGHT COSTS

GLOBAL CONTAINER FREIGHT RATE INDEX FROM JULY 2019 TO SEPTEMBER 2021 (IN U.S. DOLLARS)

- Acceleration during the third quarter
- Average price +74% in three months
- Shipment lead-times more than doubled in one year



Source: Statista. Freightos: The index represents a market rate for freight for any given shipping lane for a 40' container.

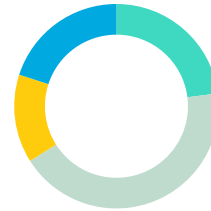
AMERICAS Q3

Net sales of SEK 1,724 m, +9% organic

- Growth driven by Power & Control and Other applications
- Strong performance in OEM in all verticals
- Continued strong growth in Distribution and Service & Aftermarket supported by the acquisitions of Valterra and Zamp Solar

EBIT before i.a.c. of SEK 61 m (79)

- EBIT Margin of 3.5% (6.3%)
 - + Sales growth
 - + Lower US trade tariffs
 - + Efficiency improvements
 - Timing in offsetting rising freight and raw material costs
 - Supply chain constraints
 - FX effects

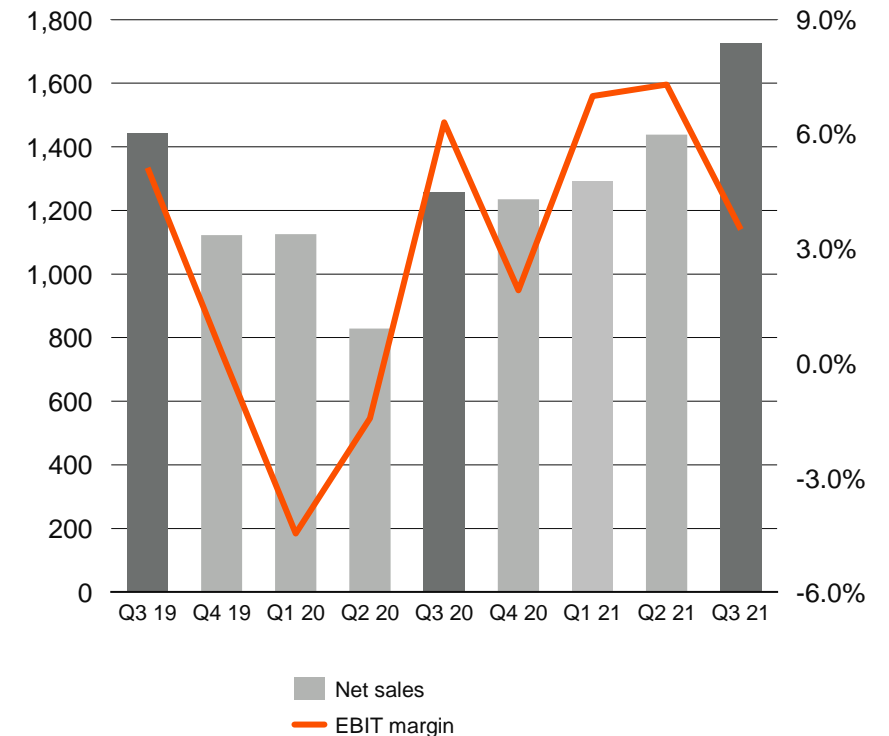


- Climate, 43%
- Food & Beverage, 23%
- Power & Control, 14%
- Other, 20%



- Americas, 31%
- Rest of Group, 69%

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



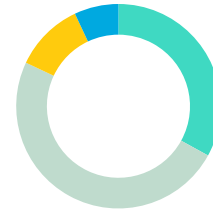
EMEA Q3

Net sales of SEK 1,733 m, +10% organic

- Growth driven by application areas Climate and Power & Control
- Strong performance in RV OEM
- CPV OEM impacted by customer production stops
- Acquisitions of Front Runner and Büttner completed and the acquisition of Cadac announced

EBIT before i.a.c. of SEK 243 m (218)

- EBIT Margin of 14.0% (14.4%)
 - + Sales growth
 - + Efficiency improvements
 - Timing in offsetting rising freight and raw material costs
 - Supply chain constraints
 - FX effects and M&A transaction costs

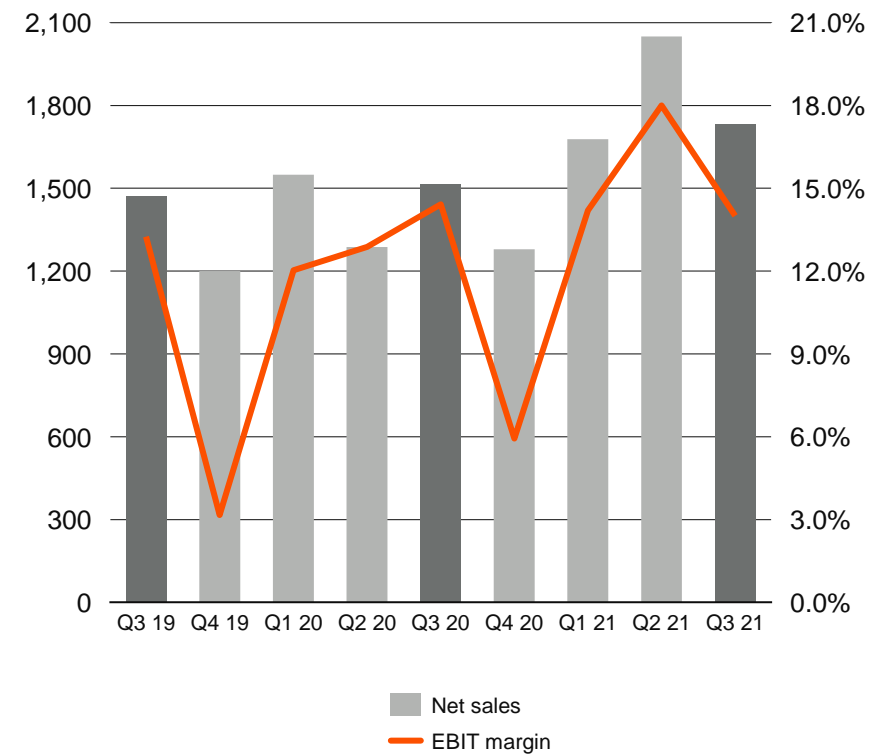


- Climate, 49%
- Food & Beverage, 33%
- Power & Control, 11%
- Other, 7%



- EMEA, 31%
- Rest of Group, 69%

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



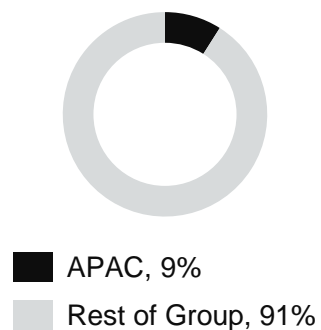
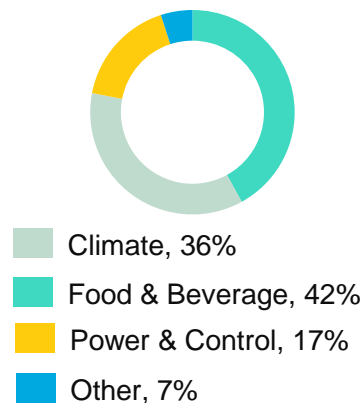
APAC Q3

Net sales of SEK 516 m, +54% organic

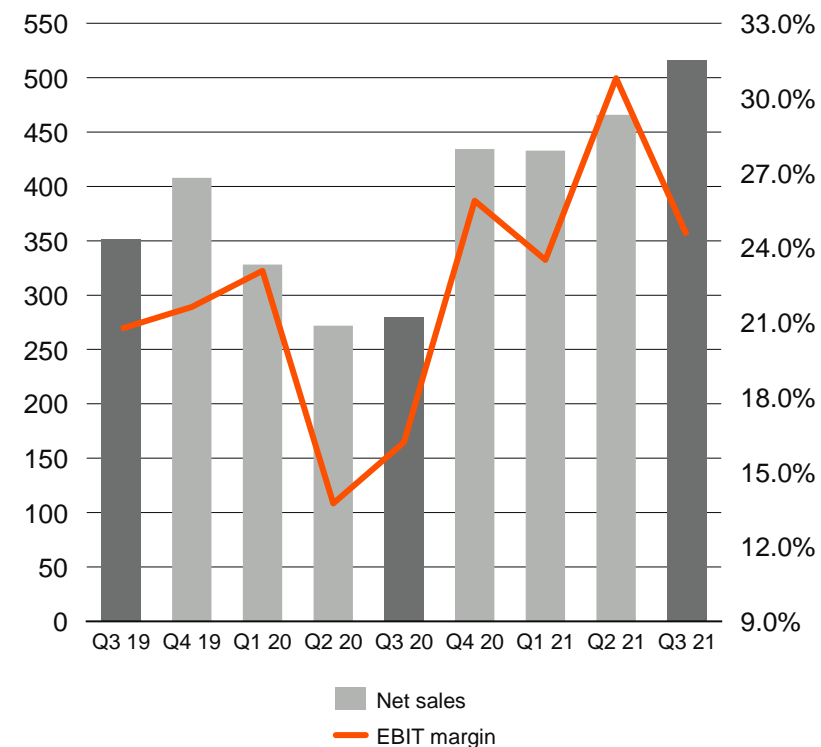
- Growth in all application areas compared to Q3 2020 largely impacted by lock-downs in Australia.
- All sales channels showing strong growth
- All time high backlog

EBIT before i.a.c. of SEK 126 m (45)

- EBIT Margin of 24.5% (16.2%)
 - + Sales growth
 - + Geographical mix
 - + Efficiency improvements
 - Timing in offsetting rising freight and raw material costs
 - Supply chain constraints
 - FX effects



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



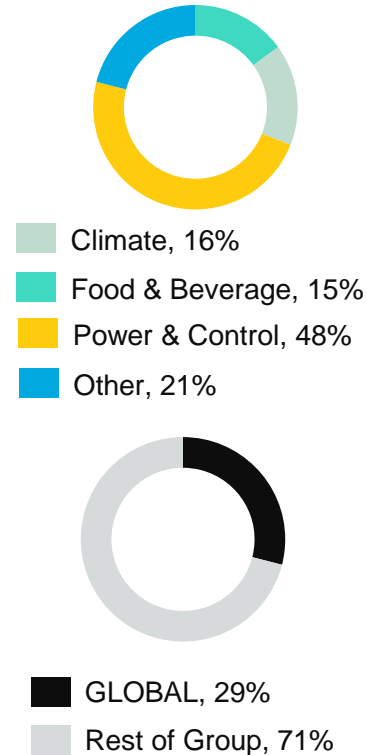
GLOBAL Q3

Net sales of SEK 1,573 m, +6% organic

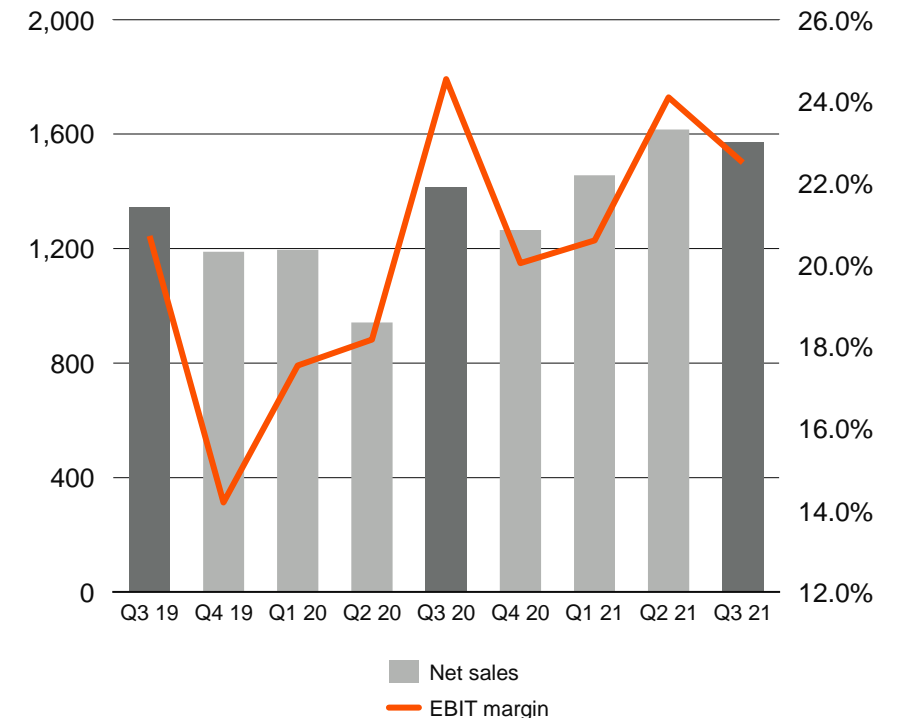
- Growth driven by application areas Food & Beverage and Power & Control
- Backlog all time high
- Hospitality business picking up
- Strong demand for the Dometic Residential offering

EBIT before i.a.c. of SEK 354 m (347)

- EBIT Margin of 22.5% (24.5%)
 - + Sales growth
 - + Efficiency improvements
 - Timing in offsetting rising freight and raw material costs
 - Supply chain constraints
 - Sales mix



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



2021 STRATEGY EXECUTION

1 Profitable expansion

- Strong growth in Distribution and Service and Aftermarket, LTM sales share 48% (39% in LTM Q3 2017)
- Eight acquisitions year to date
- B2C platform implementation ongoing in Europe after successful launches in US and Australia

2 Product leadership

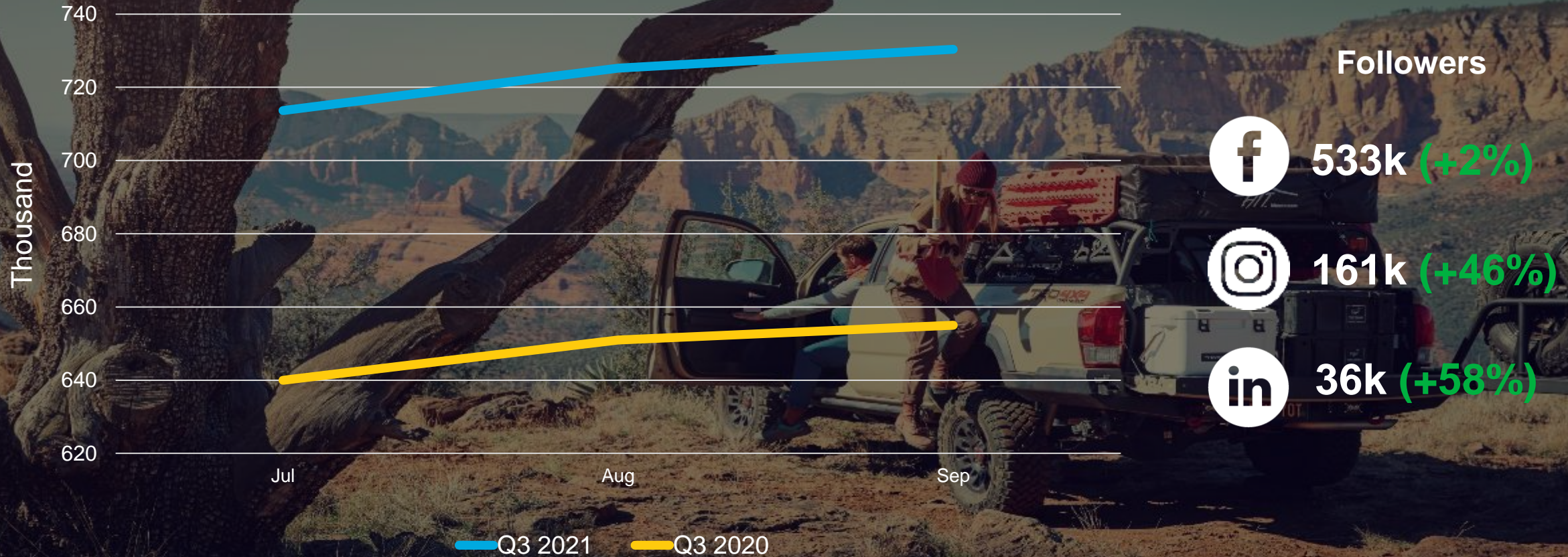
- Innovation Index 26% (21%)
- Several new products launched in the quarter
- Strong pipeline of new products

3 Cost reductions

- Complexity reduction continues
 - SKU reduction 59% vs 2018
- Ongoing implementation of the cost reduction program



STEADY INCREASE IN SOCIAL MEDIA FOLLOWERS



Graph includes Facebook, Instagram and LinkedIn

We have stopped to externally report number of visitors to Dometic.com as a consequence of the implementation of Regulations of Cookies that limits the visibility and tracking of traffic

GROWTH IN OUTDOOR DISTRIBUTION CHANNELS

In >4,300 stores worldwide

- Growing presence +42% from end 2020
- Igloo acquisition will significantly step up presence in the US

>50 pure e-tailer partners

- Presence +54% since end 2020
- Drives sales growth and reach to new potential B2C customers

dometic.com e-commerce

- New platform launched in the US and Australia
- Q3 sales growth 66%
- Deployment ongoing in Europe



ACCELERATED ACQUISITIVE JOURNEY

EIGHT ACQUISITIONS IN 2021 TARGETING THE OUTDOOR MARKET

Residential Outdoor

TWIN EAGLES | DOMETIC

Vehicle based Outdoor activities

FRONT RUNNER | DOMETIC

Announced
in September

CADAC | DOMETIC

IGLOO®

Service and Aftermarket expansion

VALTERA®

Outdoor Mobile Power Solutions

Go Power! | DOMETIC

ZAMP Z SOLAR | DOMETIC

BÜTTNER | DOMETIC

Enerdrive | DOMETIC

CADAC

COMPLEMENTS OUR OUTDOOR VEHICLE-BASED ACTIVITY OFFERING

- Provider of premium outdoor barbecues and accessories to the outdoor vehicle-based activity market
- Products are sold primarily across Europe
- Net sales in 2020 EUR 17 million with a good operating margin
- Closing is expected in Q4 2021



IGLOO

A TRANSFORMATIVE ACQUISITION

- Iconic brand with a clear number one position on the cooling box market in the US
- A perfect complement to the Dometic premium range of active coolers
- Net sales of for the previous 12 months¹⁾ is USD 401 million (+24%), with an EBITDA margin of 10.1%
- Synergies with an EBITDA impact of appr USD 50 million per annum expected within five years
- Closing is expected in Q4 2021



IGLOO®



¹⁾Aug 2020 – July 2021

OUTDOOR – VEHICLE-BASED ACTIVITIES

1. HUB SHELTER
2. LIGHTS
3. STORAGE
4. ROOFTOP TENT
5. PATROL PASSIVE COOLER
6. ROOF RACKS
7. DRINKWARE
8. PLB40 BATTERY
9. CFX3 ACTIVE COOLER
10. IGLOO PRODUCTS
11. CADAC PRODUCTS

IGLOO®



LIVE THE BRAAI LIFE



ENTERING RV HEATER MARKET IN EUROPE

DOMETIC COMBO HEATER FOR AIR AND HOT WATER

- First combo heater by Dometic
- Unique engineering with separate burners for air and water heating for improved energy efficiency, performance and full flexibility
- Full integration with the climate system with the new A/C platform
- Superior UX/UI experience



SANITATION SOLUTION FOR MARINE

HANDWAVE TOILET CONTROL SWITCH

- Contactless toilet flush switch with a capacitive touch control display
- Let users flush and refill the toilet with a simple wave of the hand
- Ideal for retrofit, easy to install



ENERGY EFFICIENT AC FOR MARINE

DOMETIC VOYAGER SERIES TX VARIABLE CAPACITY AIR CONDITIONER

- Yacht comfort now available for smaller boats
- Less noise and quieter operation
- Reduced energy costs and greater system durability for less maintenance
- Utilizing Dometic's innovative variable capacity technology combined with self-contained DX cooling technology



RESTRUCTURING PROGRAM

▪ Locations

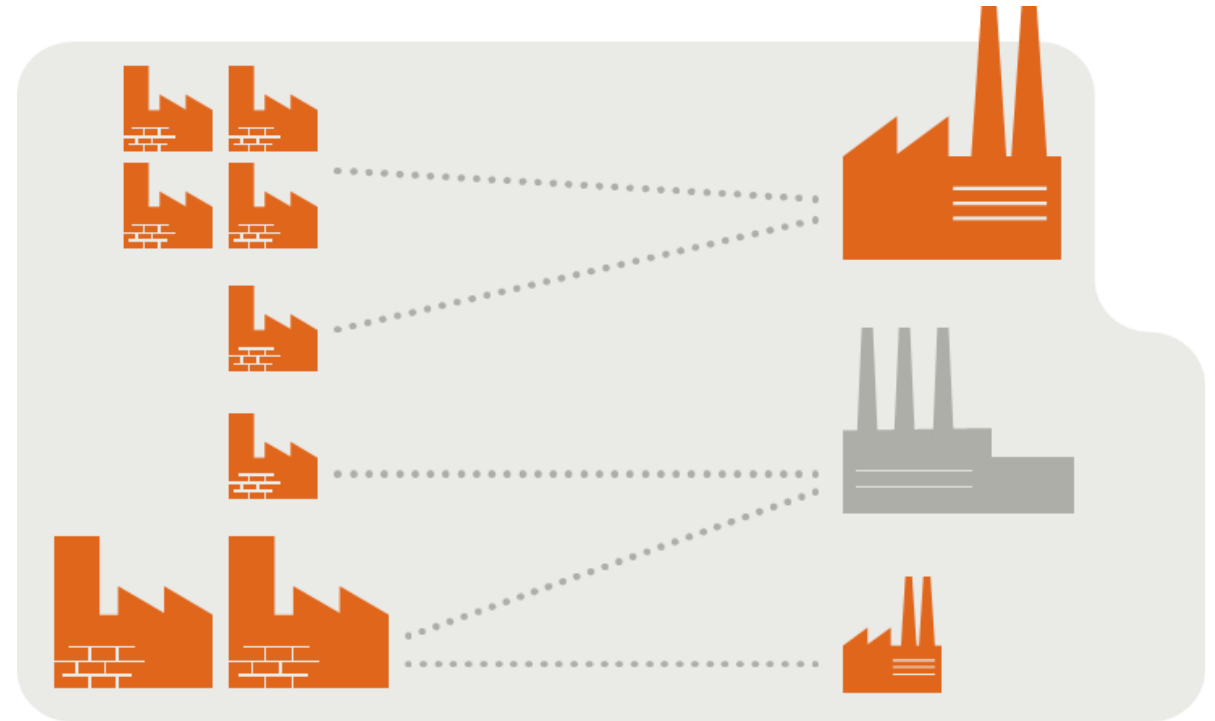
- No location affected in the quarter, 22 so far

▪ Employees

- No employees affected in the quarter, 804 so far

▪ Costs

- SEK 17 m in the quarter, SEK 283 m so far
- COVID-19 related travel restrictions combined with strong market demand are slowing down some projects



SUSTAINABILITY

COMMITTED TO DRIVE SUSTAINABILITY IN OUR INDUSTRY

- **LTIFR¹ reduced by 40%**
 - Implementation of Health & Safety guidelines continues
- **Share of female managers remain at 23%**
 - Three-year action plans being implemented in all segments since 2020
- **% audited spend in low-cost countries 81% (78%)**
 - Challenges due to COVID-19 travel restrictions
- **CO₂ ratio reduced 17%**
 - Committed to reduce by 50% to 2030
 - One additional site switched to renewable electricity supply in Q3

KPI	Focus area	Actual	Same period prev. year	2021 Target
LTIFR	People	2.4	4.0	2.0
% female managers	People	23%	23%	26%
% audited spend in LCC	Ethics	81%	78%	90%
CO ₂ tonne / Net sales SEK m	Environment	-17%	N/A	-5%



¹)LTIFR = Lost time injury frequency



STEFAN FRISTEDT

CFO

NET SALES AND EBIT BRIDGE, SEK M

Q3 2020 TO Q3 2021. EBIT BEFORE I.A.C.

	Q3 2020	Currency	M&A	Volume, price, mix, cost, other	Q3 2021
Net Sales	4,466	-103	686	496	5,545
Growth %		-2%	15%	11%	24%
EBIT bef i.a.c.	690	-42	113	24	785
EBIT %	15.5%				14.2%
Accretion/Dilution		-0.5%	0.3%	-1.1%	

- Currency translation and transaction effects
- Acquisitions accretive to margins
- Volume, price, mix, cost, other
 - + Sales growth
 - + Less negative impact from US trade tariffs
 - + Cost saving activities
 - Timing in offsetting rising freight and raw material costs
 - Business mix
 - Sales and marketing investments in strategic areas
 - Cost base low in Q3 2020 after the pandemic lock-downs

2021 ACQUISITIONS

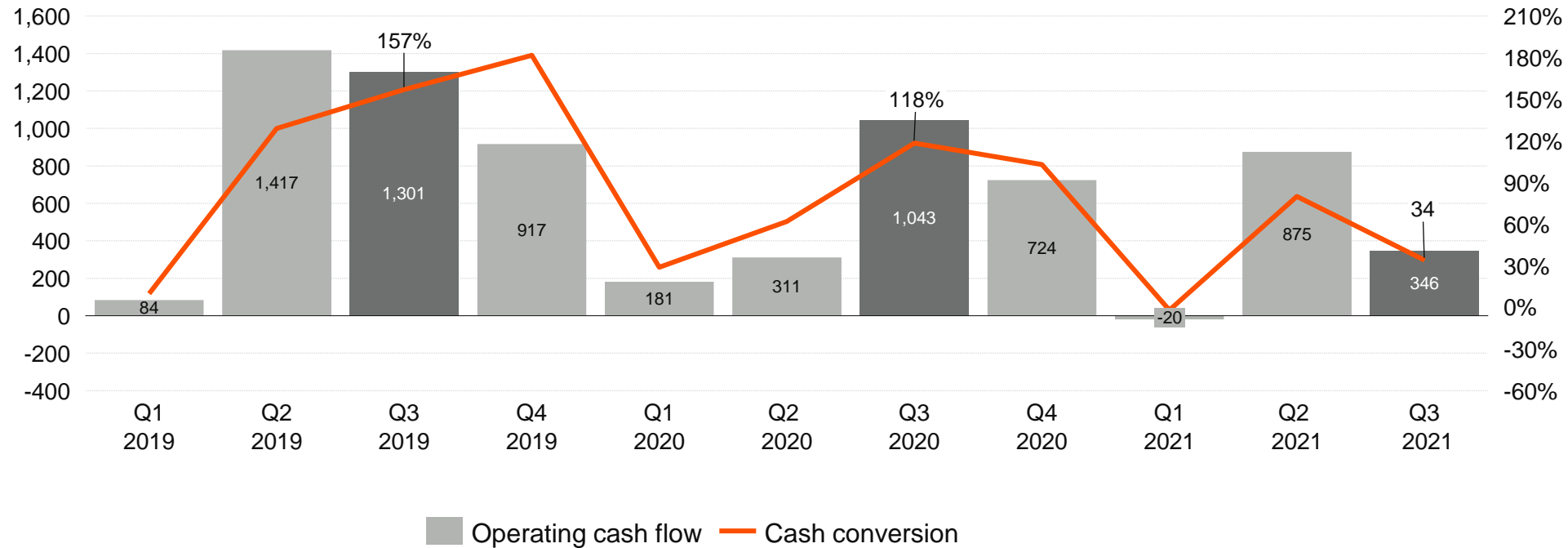
- SEK 686 m in Q3 net sales, equals to 15% growth from M&A
- EBITA margin 20.0%, which is above Dometic Group average
- Material M&A transaction costs reported as i.a.c. (SEK -6 m in the quarter)
- See interim report note 10 for more details

Q3 2021 SEK m	2021 acquisitions	Dometic total
Sales	686	5,545
EBIT bef i.a.c.	113	785
	16.5%	14.2%
Amortization of acquisition related intangible assets	24	94
EBITA bef i.a.c.	137	879
	20.0%	15.9%

	Announced	Included from	Segment
Twin Eagles	Feb 2	Feb	Global
Valterra	Apr 22	May	Americas
Enerdrive	May 18	June	APAC
Front Runner	May 20	August	EMEA
Zamp Solar	May 26	May	Americas
Büttner Elektronik	July 2	July	EMEA
Cadac International	Sep 16	Expected Q4	EMEA
Iqloo	Sep 17	Expected Q4	Global

OPERATING CASH FLOW

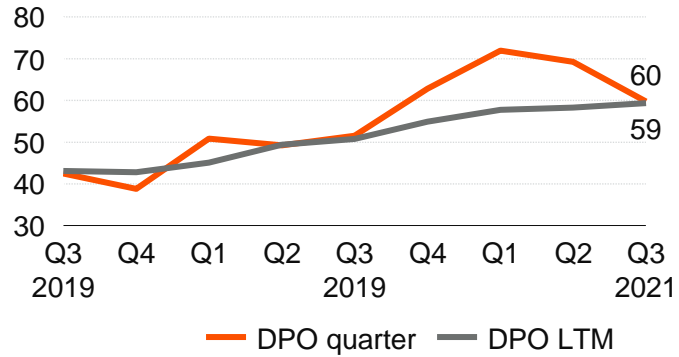
SEKm



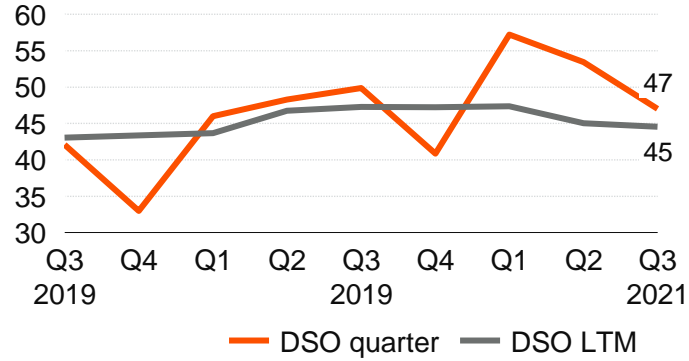
WORKING CAPITAL

DAYS, NORMAL CURRENCY

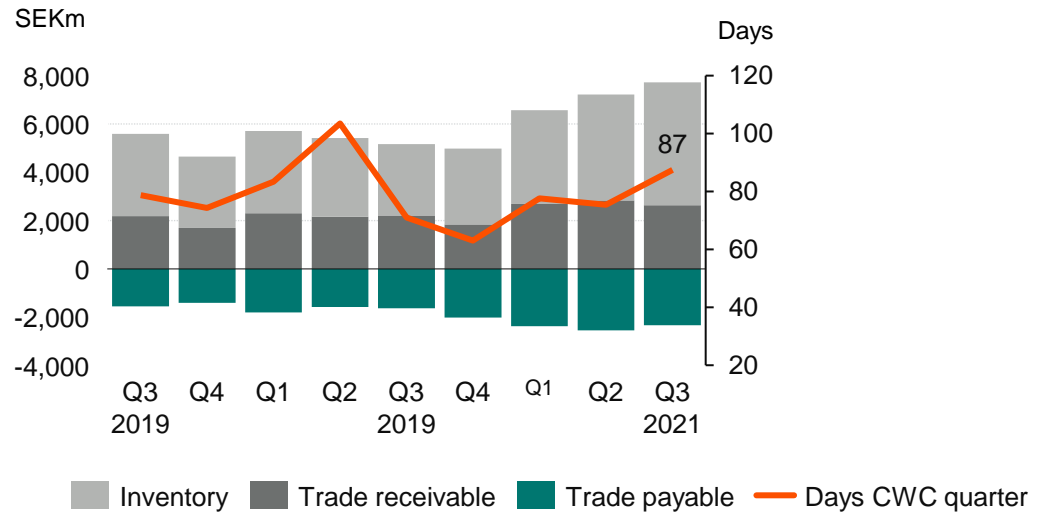
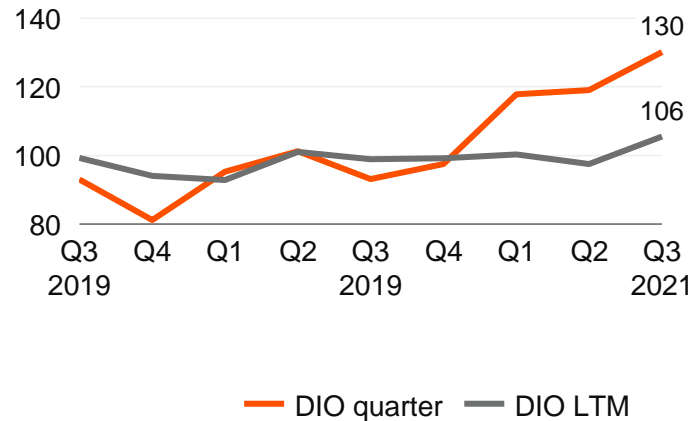
DPO



DSO



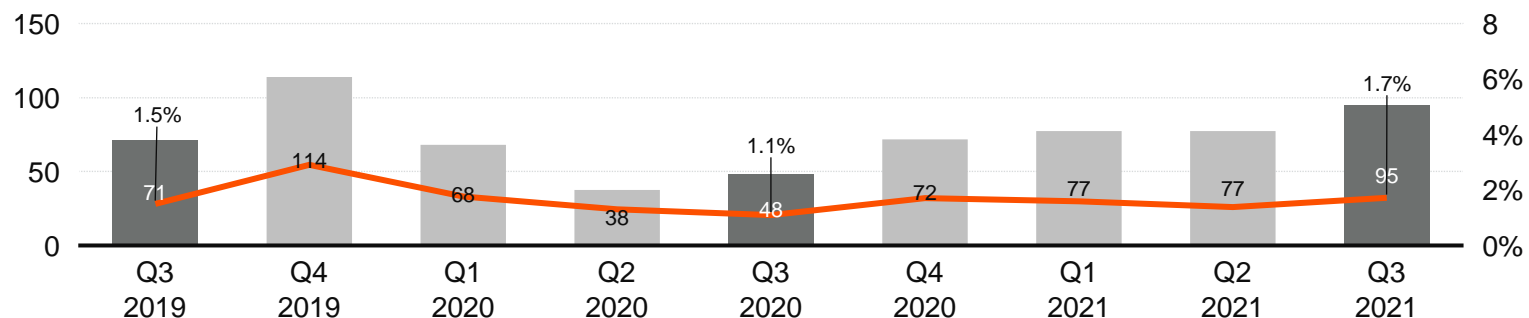
DIO



CAPEX & RESEARCH & DEVELOPMENT

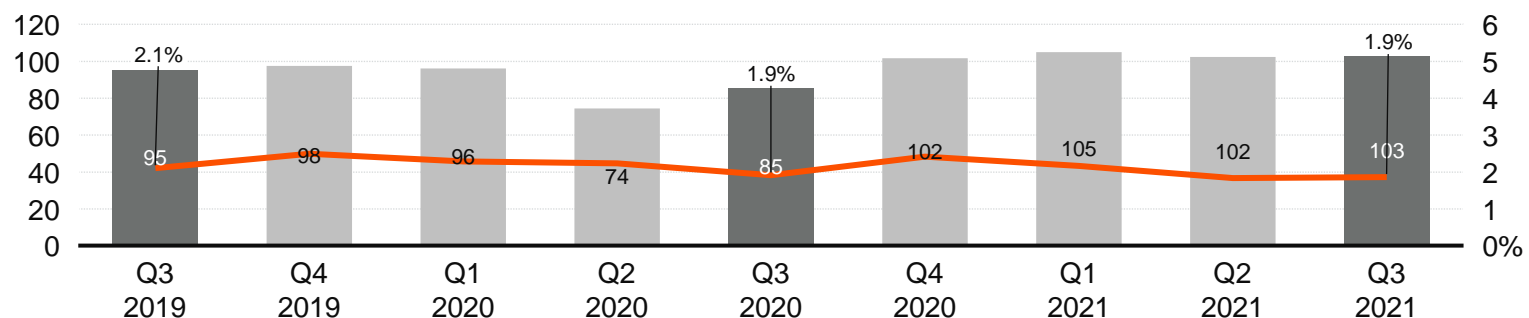
(SEK m, % OF NET SALES)

CAPEX



- **Q3 2021 CAPEX:**
1.7% of net sales
(1.1% in Q3 2020)

R&D



- **Q3 2021 R&D:**
1.9% of net sales
(2.0% in Q3 2020)
- Includes capitalized development expenses

CASH FLOW FOR THE PERIOD

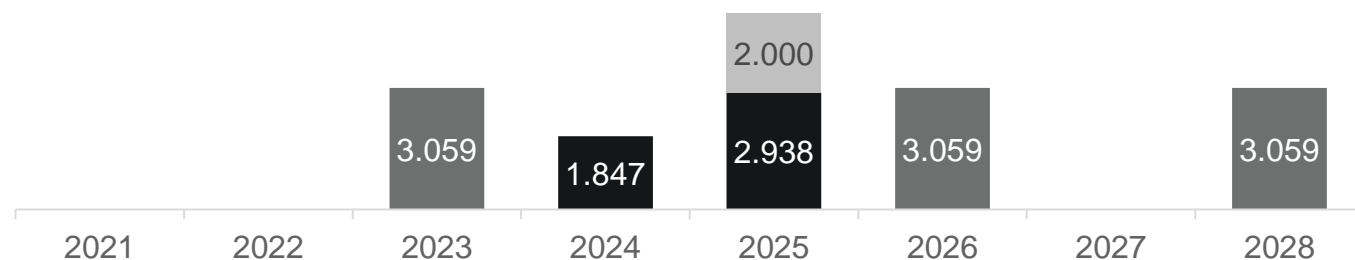
SEK m	Q3 2021	Q3 2020
EBIT	762	675
Adjustments for non-cash items	155	232
Changes in Working Capital	-474	190
Investments in fixed assets	-98	-53
Operating cash flow	346	1,045
Income tax paid	-97	-112
Acquisitions/divestments net	-549	0
Other	20	-1
Net cash flow from financing	2,830	-200
Cash flow for the period	2,550	730

- Operating cash flow SEK 346 m (1,045)
 - Impacted by supply lead-times and strong demand
- Acquisitions SEK -549 m (-)
 - Two acquisitions completed in the quarter
- Net cash flow from financing SEK 2,830 m (-200)
 - EUR 300 m successfully issued on the European bond market with a 7-year maturity

DEBT MATURITY PROFILE AND LEVERAGE

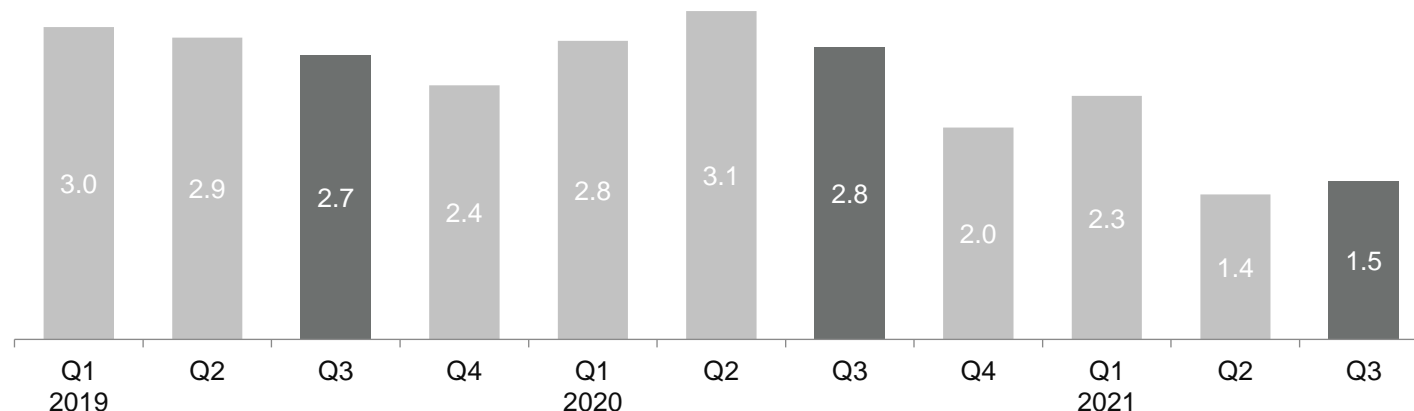
Debt maturity profile, SEK m

■ USD loans ■ EUR bonds ■ EKN loan



- New 7-year bond, rate 2,00%
- Undrawn revolving credit facility of EUR 200 m

Net debt leverage



- Q3 Net debt leverage 1.5x (2.8x)
- Target around 2.5x over a business cycle

Q3 SUMMARY

Business highlights

- Strong performance despite supply chain constraints and increasing freight and raw material prices
- Passed SEK 20 b. in LTM sales
- Record high order backlog for the period
- Low inventory levels and continued strong market demand
- Supply constraints remain the main uncertainty – difficult to predict when situation will stabilize

Strategic highlights

- Distribution and Service and Aftermarket sales share 48% LTM
- Eight acquisitions announced year to date
- Continuously improved innovation index at 26%
- High focus on costs and efficiency – SKU reduction 59%
- Continue to drive strategic agenda to deliver on our financial targets



DOMETIC CAPITAL MARKETS UPDATE


NOVEMBER 30, 2021. 14:00 – 17:30 CET. MODERNA MUSEET STOCKHOLM

Schedule

- 13:00 Registration and event opens.
Products will be on display
- 14:00 Capital Markets Update presentations
- 17:30 Event ends

More info and registration:

<https://www.dometicgroup.com/en/investors/capital-markets-day>



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.

A scenic landscape at sunset. In the foreground, a dark grey Volvo station wagon is parked on a grassy field. To its left, a green tent is set up, and two people are sitting on chairs outside it. In the background, a dark green SUV is parked on a rocky outcrop with a person standing nearby. The sky is filled with soft, golden light from the setting sun, with scattered clouds. The overall mood is peaceful and adventurous.

 **DOMETIC**