

INTERIM PRESENTATION

Q3 2022

October 26, 2022





JUAN VARGUES

PRESIDENT & CEO

Q3 2022 HIGHLIGHTS

Market development

- Challenging macroeconomic environment
- Retailers continue to rebalance their inventories
- Declining RV OEM demand

Performance

- 37% sales growth, -6% organic
 - Marine 11% organic growth
 - Decline in Service & Aftermarket and in RV OEM
 - Igloo continues to show strong growth
- EBITA margin before i.a.c. 14.0% (15.9%)
 - All segments show increased EBITA except EMEA
 - Igloo margin well above 10%
- Improved operating cash flow
- Restructuring programs progressing as planned



Q3 2022 FINANCIAL SUMMARY

Net sales of SEK 7,576 m, +37% total growth

- -6% Organic
- 15% FX
- 28% M&A

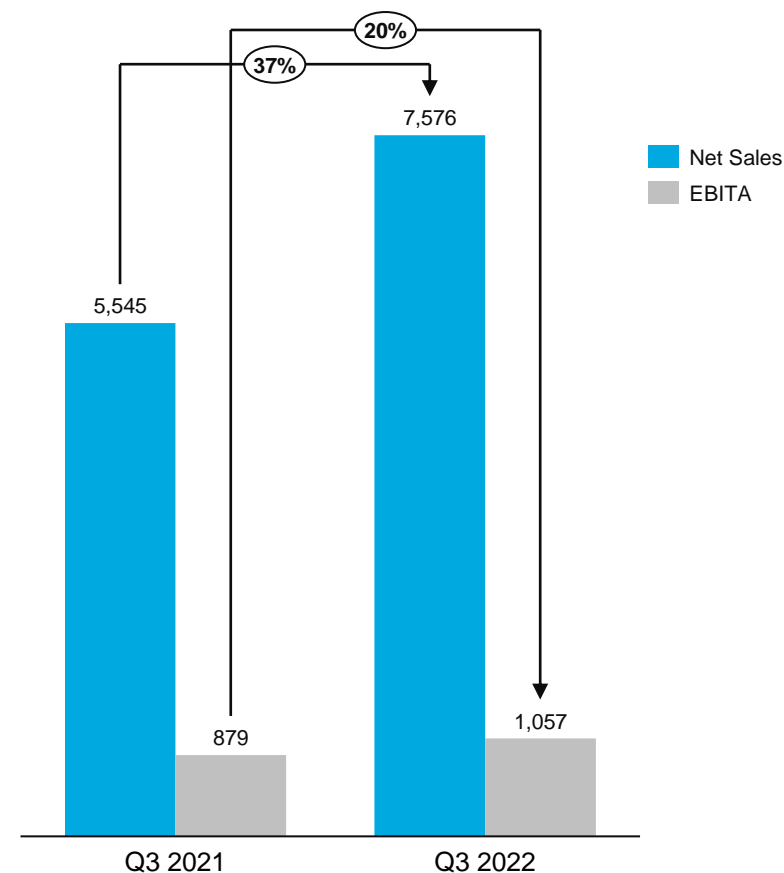
EBITA before i.a.c. of SEK 1,057 m, +20%

- EBITA margin of 14.0% (15.9%)

Adjusted EPS of SEK 2.53, +43%

Operating cash flow of SEK 812 m (346)

Leverage 3.0x (1.5x)



EBITA before items affecting comparability (i.a.c.)

YTD SEPTEMBER 2022 FINANCIAL SUMMARY

Net sales of SEK 23,591 m, +48% total growth

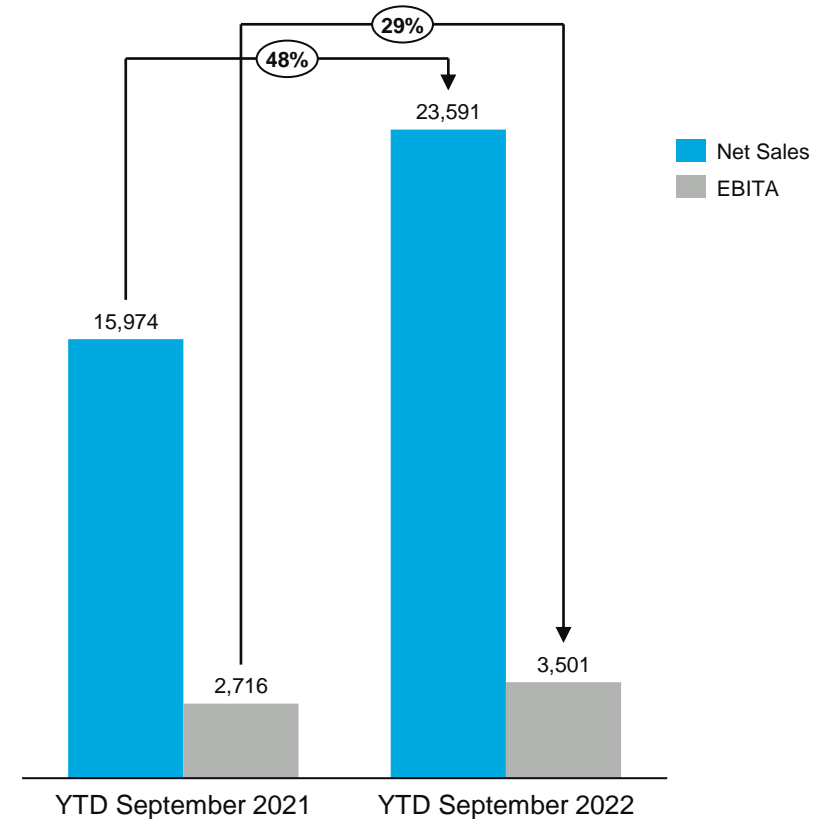
- 0% organic
- 10% FX
- 38% M&A

EBITA before i.a.c. of SEK 3,501 m, +29%

- EBITA margin of 14.8% (17.0%)

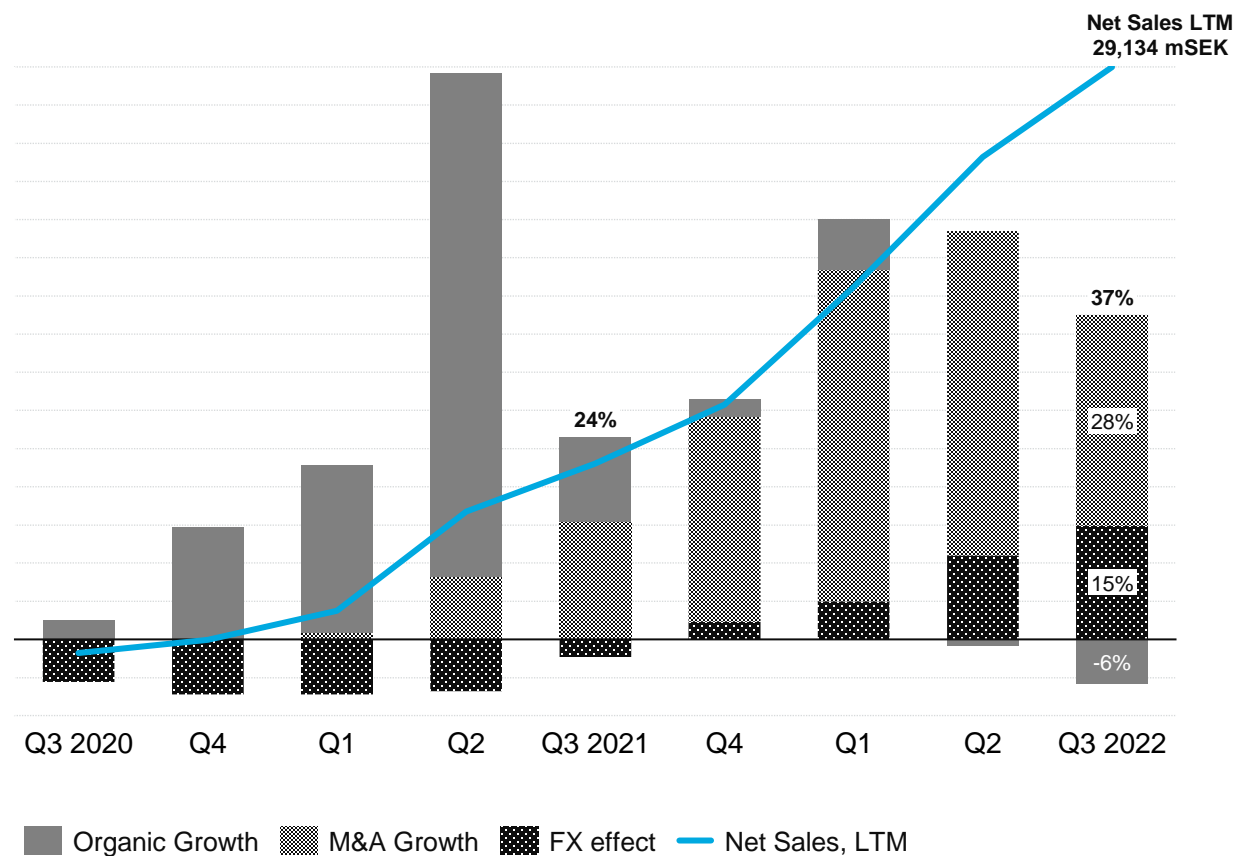
Adjusted EPS of SEK 7.78, +34%

Operating cash flow of SEK 1,151 m (1,203)



EBITA before items
affecting comparability (i.a.c.)

SALES GROWTH Q3 2022



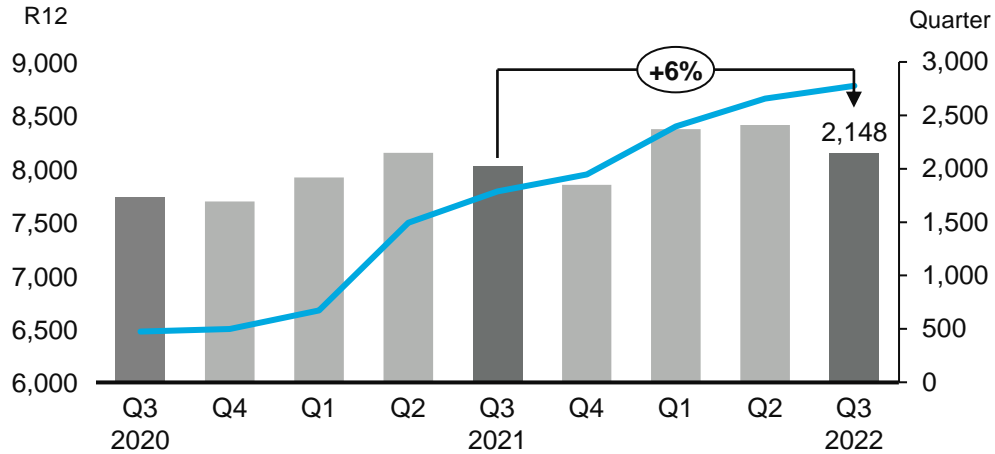
Q3 2022

Net Sales SEK 7,576 m

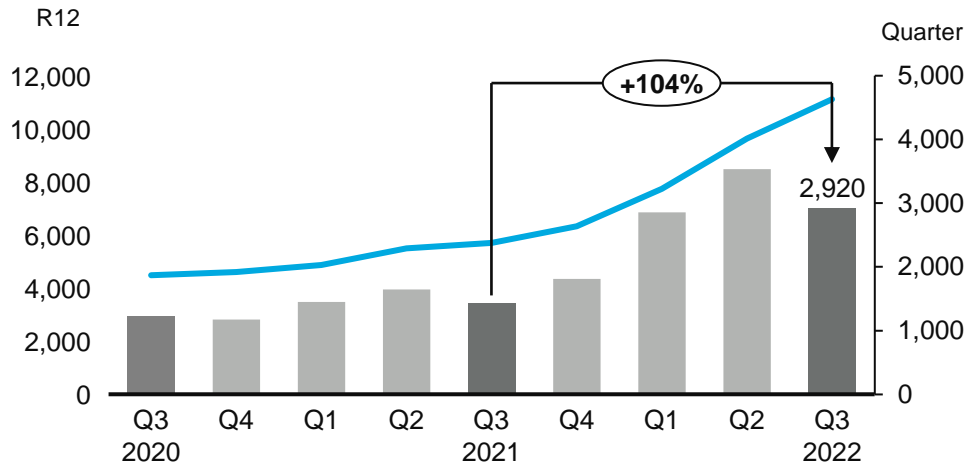
- **Total Growth** SEK 2,030 m (+37%)
 - Americas 0%
 - EMEA +8%
 - APAC +10%
 - Marine +33%
 - Global +699%
- **Organic Growth -6%**
 - Marine +11%
 - EMEA, APAC and Global. All -3%
 - Americas -23%

APPLICATION AREAS Q3 2022

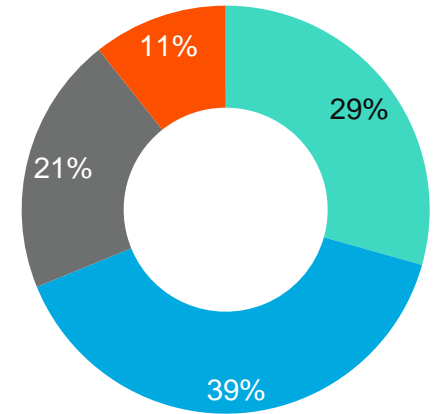
Climate



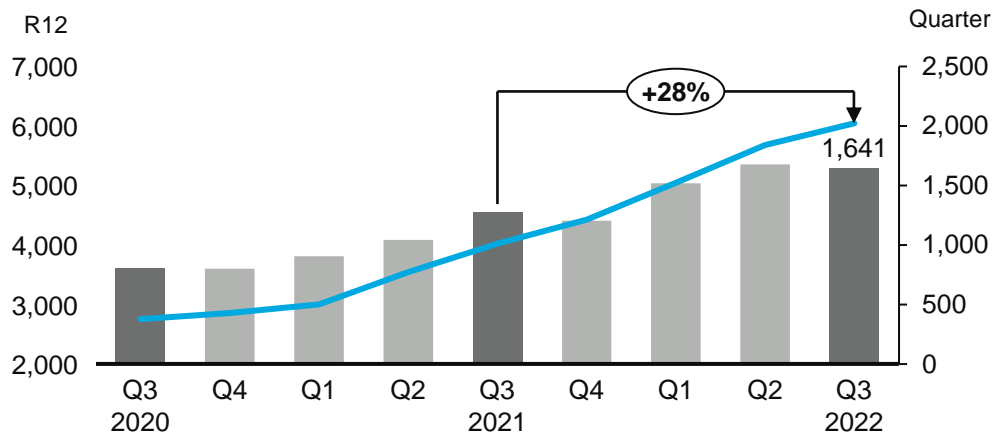
Food & Beverage



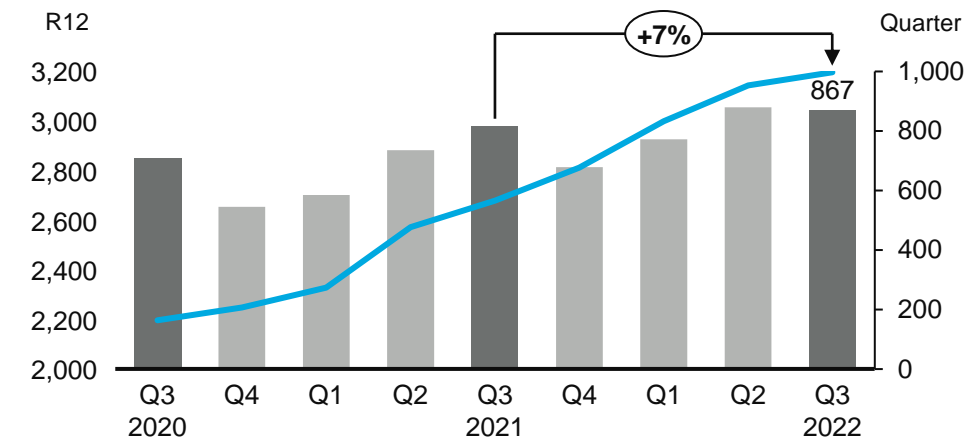
SALES SPLIT YTD, APPLICATION AREA



Power & Control



Other Applications

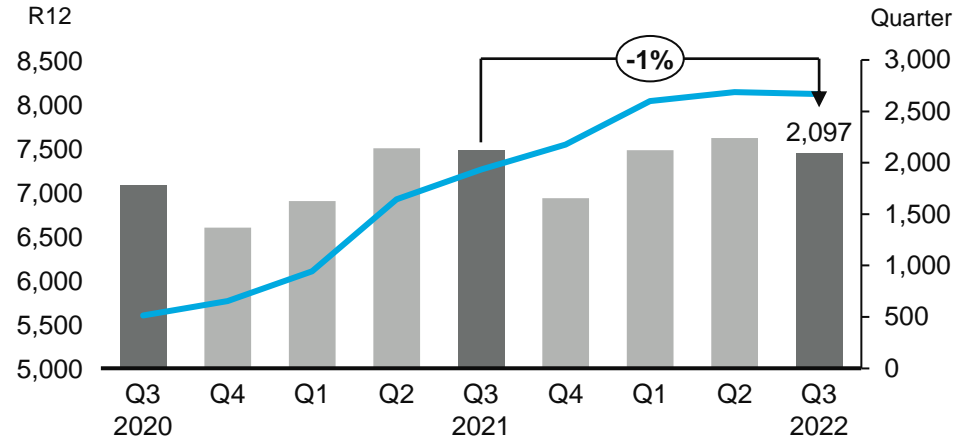


- Climate (38%)
- Food & Beverage (28%)
- Power & Control (20%)
- Other Applications (13%)

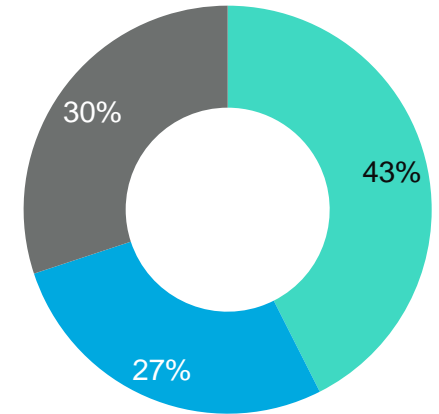
— Actual currency rolling 12 months ■ Actual currency quarter

SALES CHANNELS Q3 2022

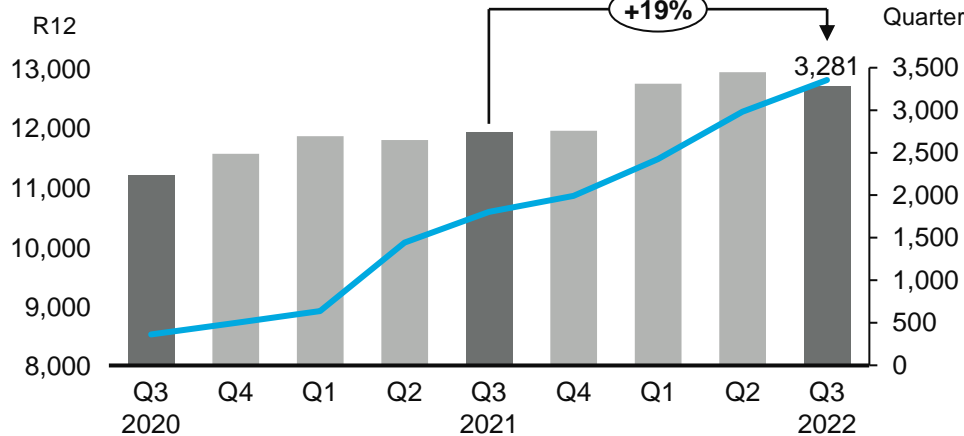
SERVICE AND AFTERMARKET



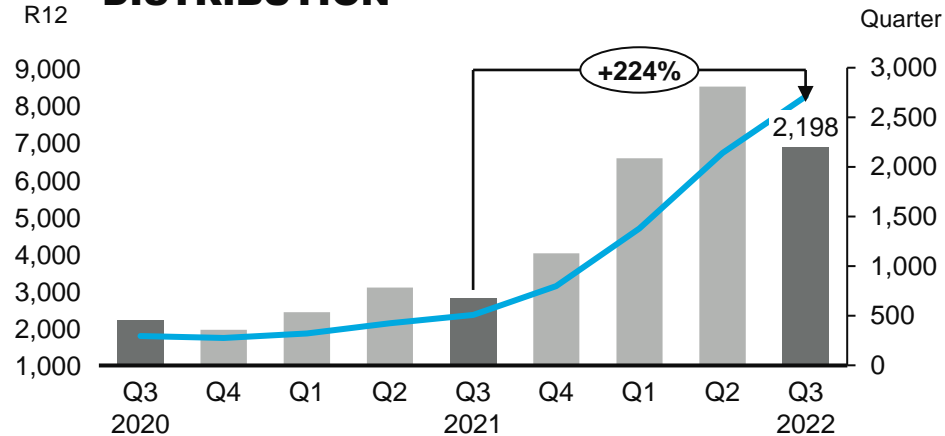
SALES SPLIT YTD, SALES CHANNEL



OEM



DISTRIBUTION



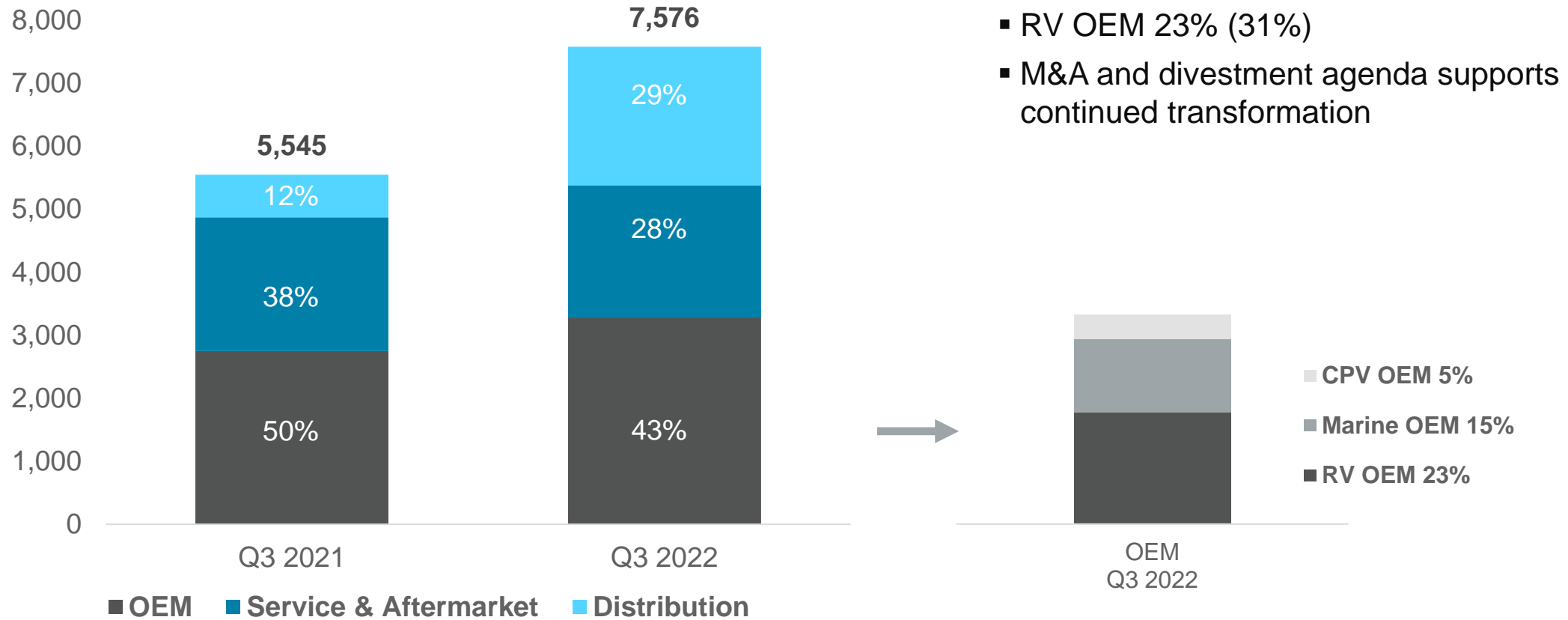
- OEM (51%)
- SAM (37%)
- DIST (13%)

— Actual currency rolling 12 months ■ Actual currency quarter

SALES CHANNEL DEVELOPMENT

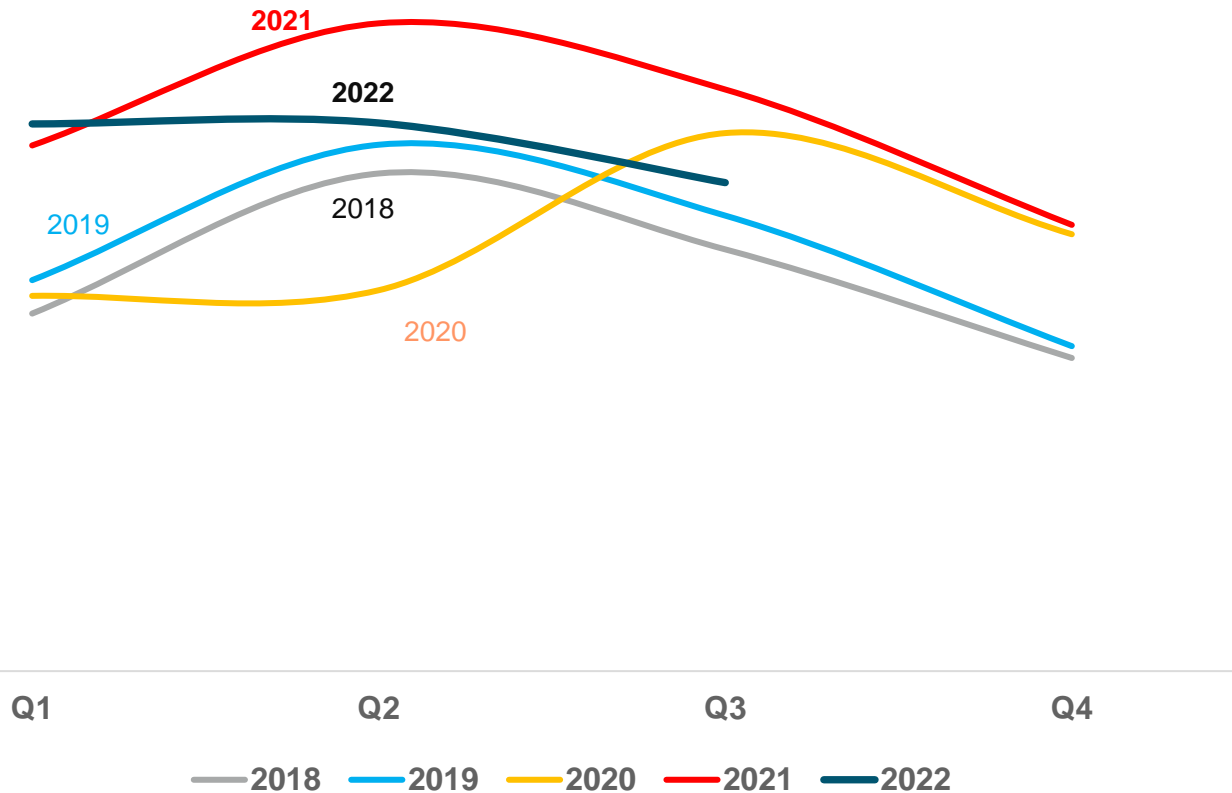
DISTRIBUTION + SERVICE & AFTERMARKET FROM 50% TO 57% IN ONE YEAR

NET SALES,
SEK m



SERVICE & AFTERMARKET SALES

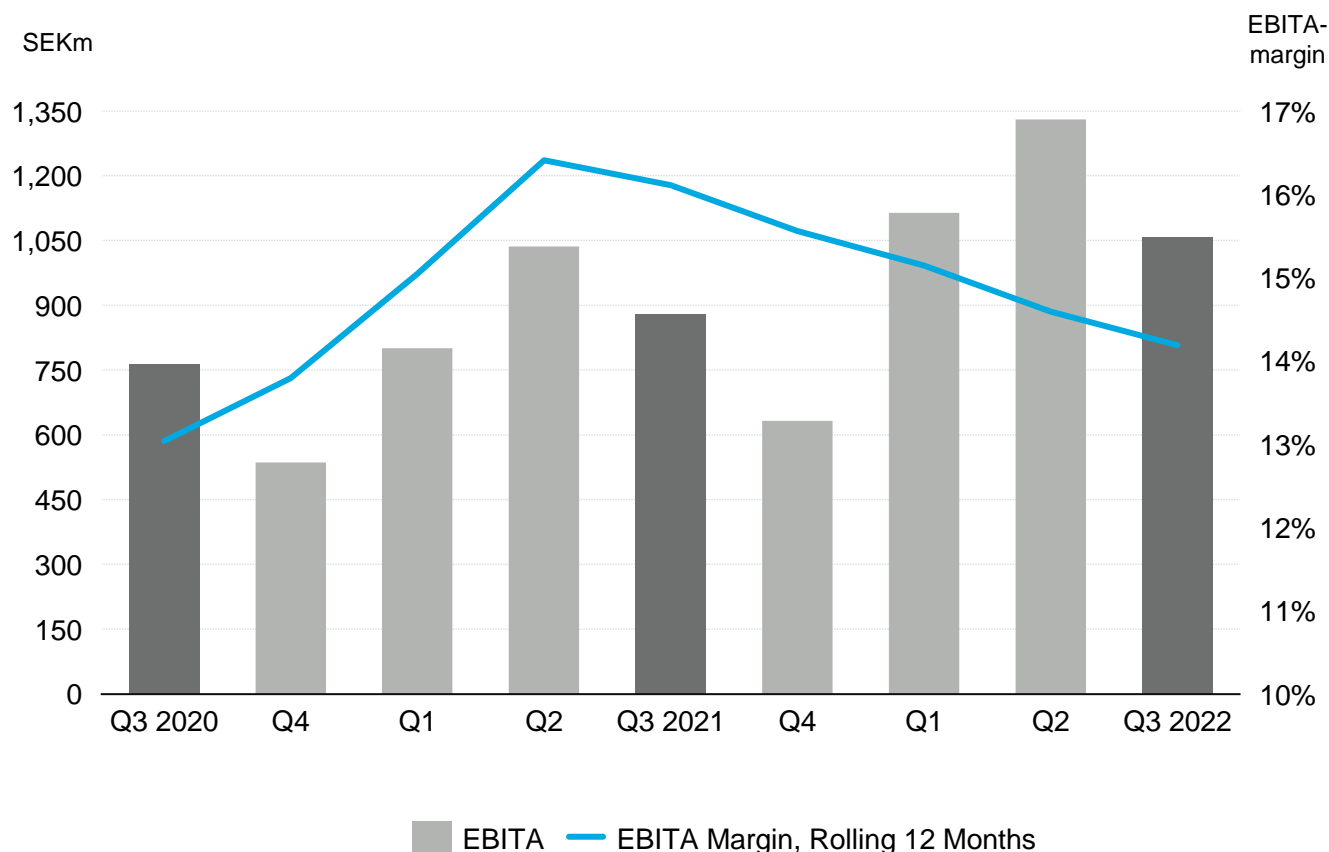
RETAILER DESTOCKING AFTER 2021 – Q1 2022 RALLY



- Retailers are destocking after large purchases in 2021 and Q1 2022
- 2022 above 2018-2019 levels
- Gradual recovery expected coming quarters

EBITA AND EBITA MARGIN BEFORE I.A.C

EBITA Run rate +14.2% (+16.1%)



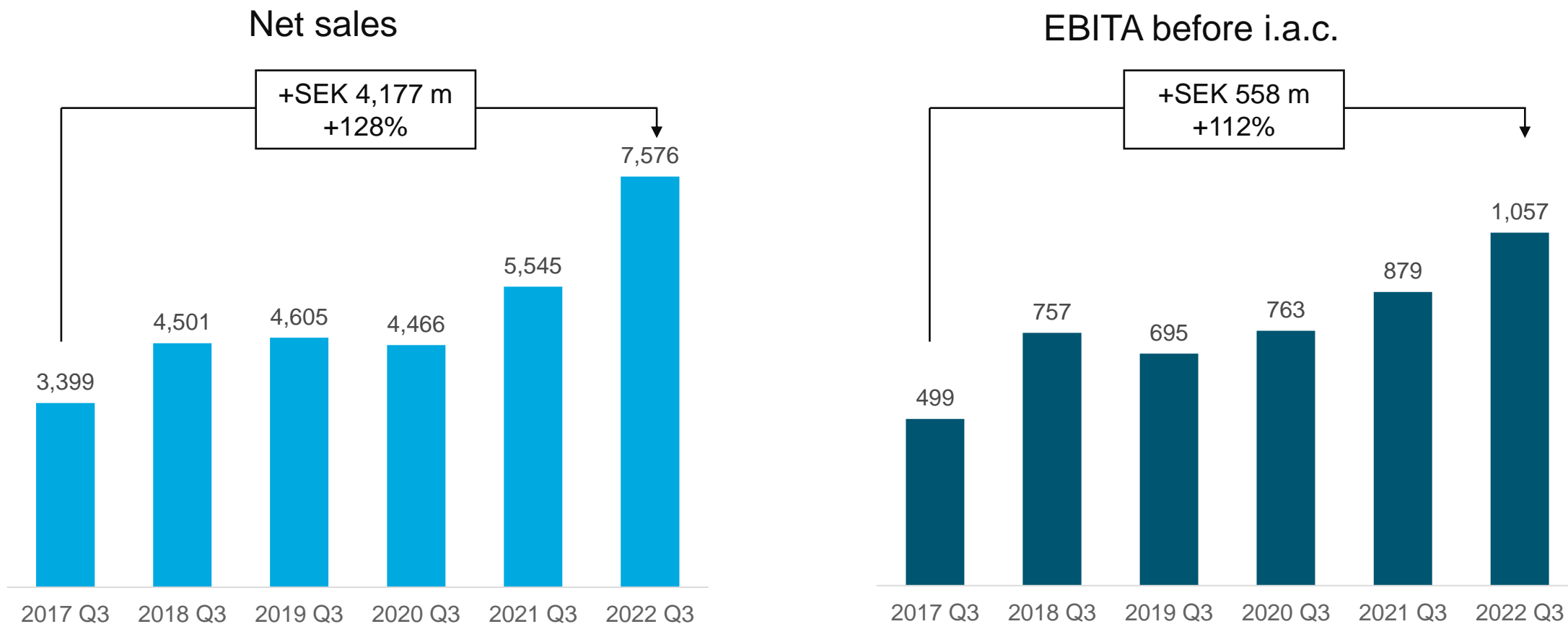
Q3 2022

EBITA margin 14.0% (15.9%)

- Igloo margins lower than Group average
- Major impact from sales channel mix
- Extraordinary logistic-related costs in EMEA
- Raw materials
- + Sales growth supported by acquired companies
- + Price management
- + Cost saving activities
- + Currency effects

SALES AND EBITA DEVELOPMENT 2017 - 2022

SEK M



SEGMENT AMERICAS

Q3 2022

Net sales SEK 1,718 m, 0% growth

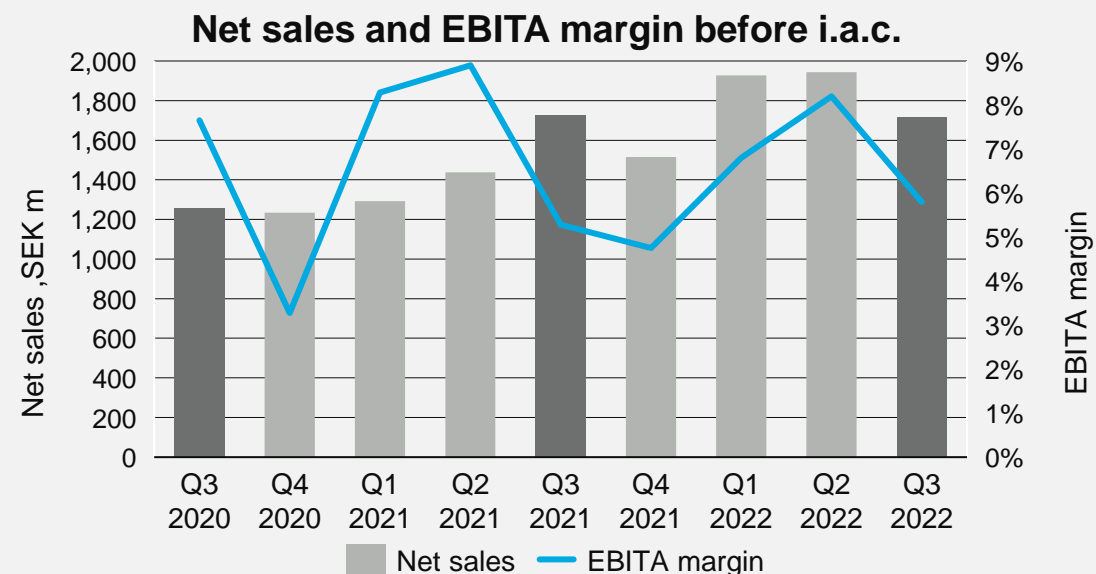
- -23% organic growth
- RV OEM reduced as anticipated
- Service & Aftermarket declined compared to a strong 2021 as retailers are rebalancing inventory levels

EBITA before i.a.c. SEK 100 m (91)

- EBITA Margin 5.8% (5.3%)
- Support from lower tariff costs and FX
- Negative impact from channel mix

Strategic highlights

- 2021 acquisitions show improved margins



EBITA: Before amortization of acquisition-related intangible assets and items affecting comparability

SEGMENT EMEA

Q3 2022

Net sales SEK 1,871 m, +8%

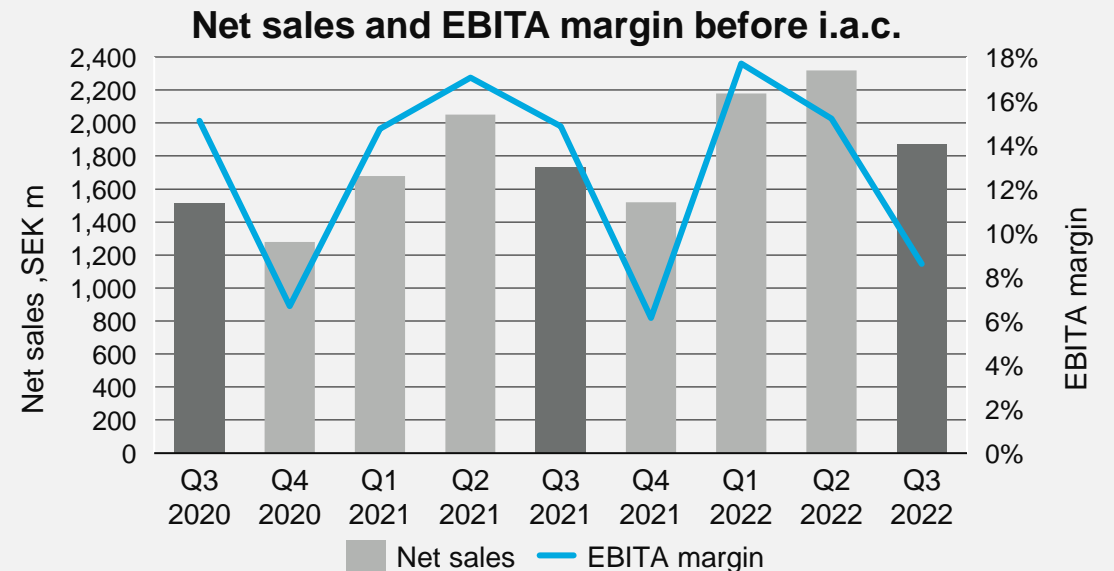
- Organic growth -3%
- Decline in Service & Aftermarket as retailers are rebalancing inventory levels
- Growth in OEM business driven by CPV customers

EBITA before i.a.c. SEK 162 m (257)

- EBITA Margin 8.6% (14.8%)
- Extraordinary logistic costs of SEK -35 m. Expected to gradually decline coming two quarters
- Negative sales channel mix and inefficiencies in manufacturing

Strategic highlights

- Closure of manufacturing site in Siegen – to be completed mid 2023



EBITA: Before amortization of acquisition-related intangible assets and items affecting comparability

SEGMENT APAC

Q3 2022

Net sales SEK 567 m, +10%

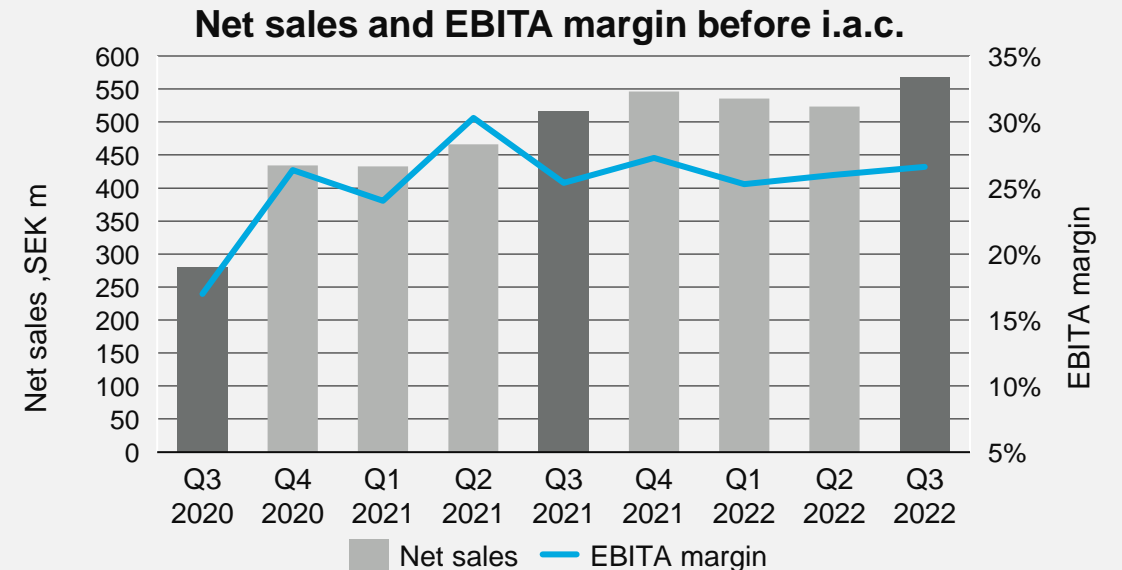
- Organic growth -3%
- Lower sales in Distribution and Service & Aftermarket
- Strong momentum in Mobile Power Solutions

EBITA before i.a.c. SEK 151 m (131)

- EBITA Margin 26.6% (25.4%)
- Supported by sales growth and strong development in Mobile Power Solutions

Strategic highlights

- Reduced manufacturing-resources in Chinese operations



EBITA: Before amortization of acquisition-related intangible assets and items affecting comparability

SEGMENT MARINE

Q3 2022

Net sales SEK 1,828 m, +33%

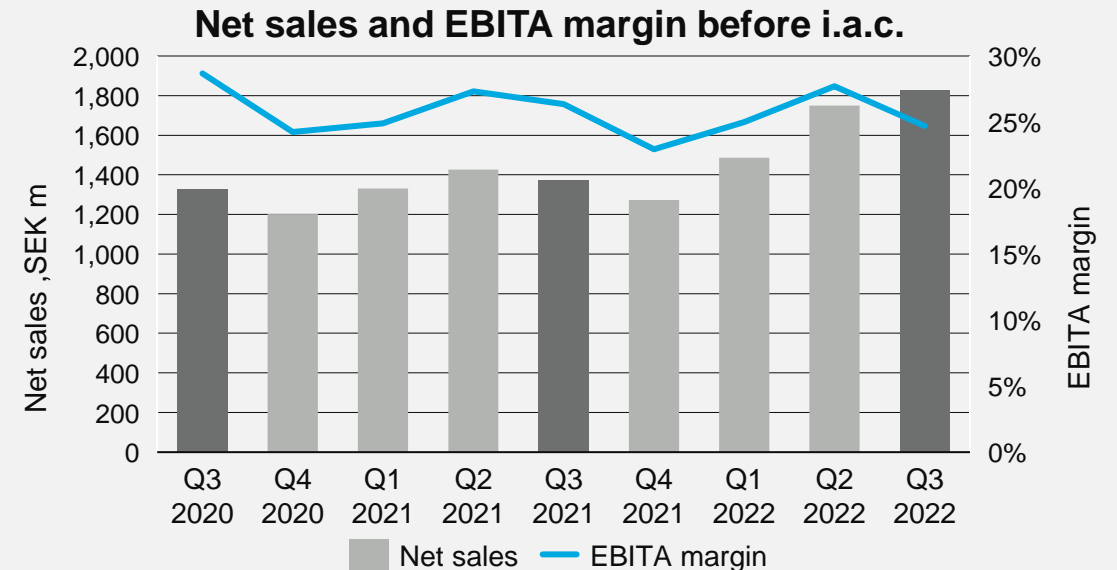
- Organic growth +11% driven by OEM
- Backlog in line with last year
- Continued technology shift towards more electronic steering systems

EBITA before i.a.c. SEK 469 m (362)

- EBITA Margin 25.7% (26.4%)
- Negative channel mix

Strategic highlights

- Continued strong performance from the acquired Treeline business



EBITA: Before amortization of acquisition-related intangible assets and items affecting comparability

SEGMENT GLOBAL Q3 2022

Net sales SEK 1,592 m, +699%

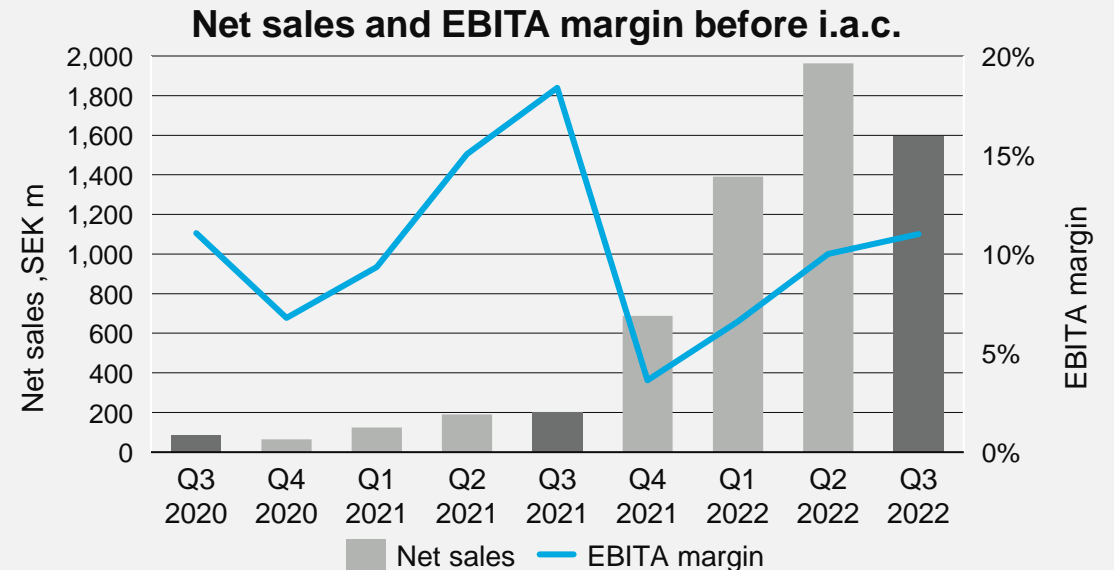
- Organic growth -3%, decline in Residential
- Strong growth in Hospitality
- Igloo - continued double-digit growth (pro forma)

EBITA before i.a.c. SEK 174 m (37)

- EBITA Margin 11.0% (18.4%). Igloo has dilutive impact on segment margin
- Igloo EBITA margin improved and well above 10%

Strategic highlights

- Igloo integration progress as planned



EBITA: Before amortization of acquisition-related intangible assets and items affecting comparability

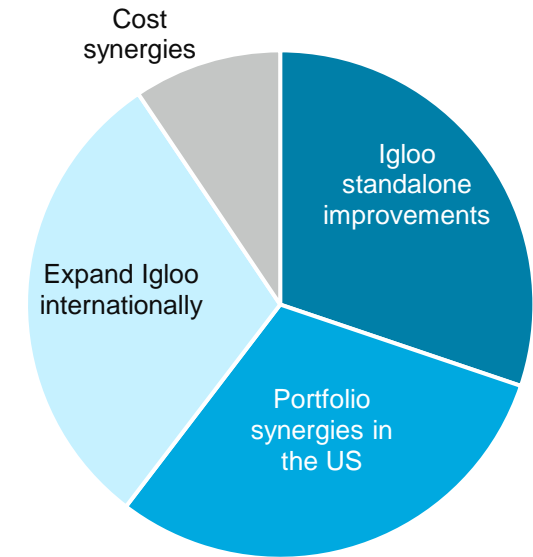
IGLOO PERFORMANCE

IGLOO STANDALONE IMPROVEMENTS ARE GENERATING RESULTS

Year to date financial performance

- Proforma sales growth close to 20%
 - Resilient business
 - Continues to gain market shares
 - Retailer inventory week-of-sales below 2019-2020 levels
- EBITA more than doubled
 - Product innovation and segmentation
 - Cost control
 - Resin costs stabilized

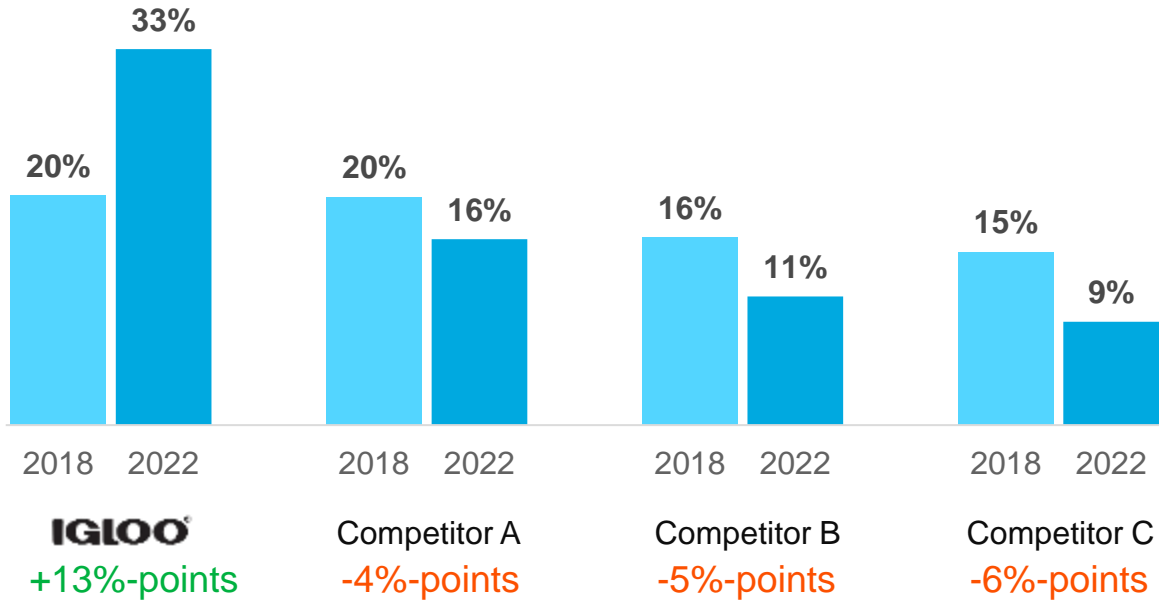
Synergies of USD 50 m to be realized within 5 years from date of transaction



Illustrative

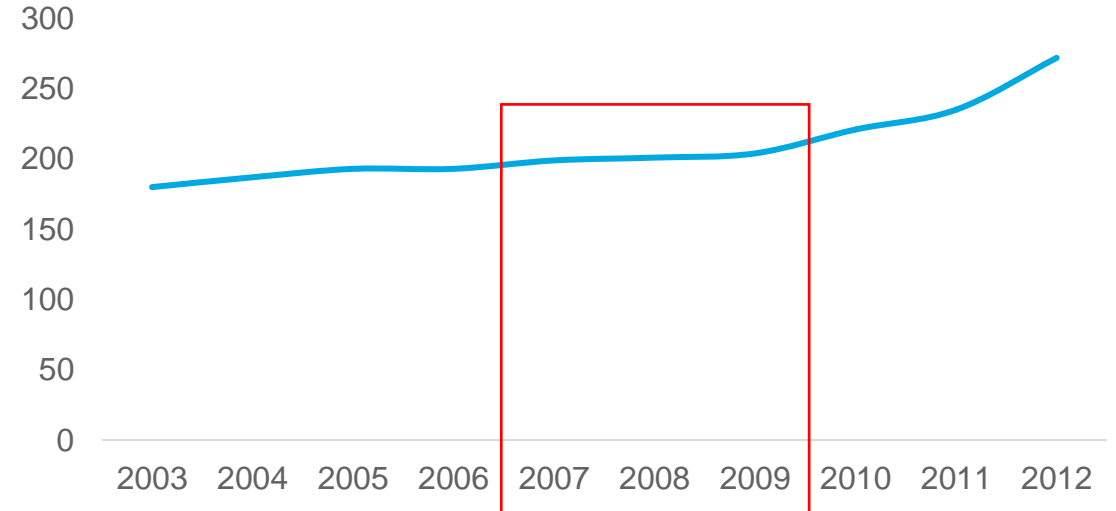
IGLOO – GAINING SHARES ON A GROWING MARKET

US Market share (in value)



- Significant market share gains 2018-2022
- The three next largest competitors all declined
- Addressing active cooling, soft coolers and drinkware as additional growth opportunities

Igloo net sales, USD m

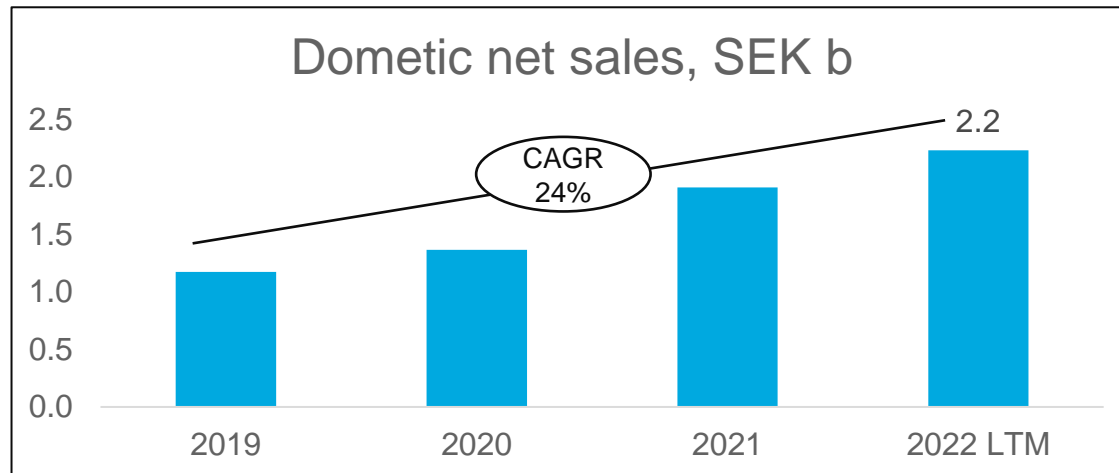


- Growth during financial crisis 2007-2009
- Low ticket discretionary spend
- Diversified customer base

MOBILE POWER SOLUTIONS

MEETING THE RAPIDLY INCREASED END-USER DEMAND FOR SUSTAINABLE AND EFFECTIVE OFF-GRID PRODUCTS

- Established a global platform of Mobile Power Solutions
- Six acquisitions completed in 2021-2022 across three geographical regions
 - Strong underlying growth driven by electrification trends
 - Great opportunity in addressing the installed base of existing vehicles and boats
- EBITA margins above Dometic average



Pro forma



NEW MOBILE POWER SOLUTIONS PORTFOLIO

USING ASSETS FROM ACQUIRED BUSINESSES

- Complete Mobile Power Solution portfolio
- Power electronics products for all vehicle sizes, demands and price ranges
 - Solar modules
 - Charging boosters & Power Unit
 - Lithium and AGM batteries
 - Inverters & battery chargers



COMMERCIAL VEHICLE SOLAR KIT

GO POWER DOMETIC PLUG-AND-PLAY SOLAR KIT

- Plug-and-play solar kits for trucks and busses
- Reduces idle time, extend battery life and eliminate service calls due to dead batteries
- Go Power Dometic product brand - 25 years of experience with >1 million solar modules in operation



INFLATABLE ROOFTOP TENT FOR PASSENGER CARS

DOMETIC TRT 140 AIR – NEW SERIES



- For weekenders who use their passenger cars for camping in the countryside
- Lightweight and easy to pitch
- Compact enough to be installed on the roof of a regular passenger car
- Small footprint giving extra space to transport kayak or bike

E-COMMERCE – DTC

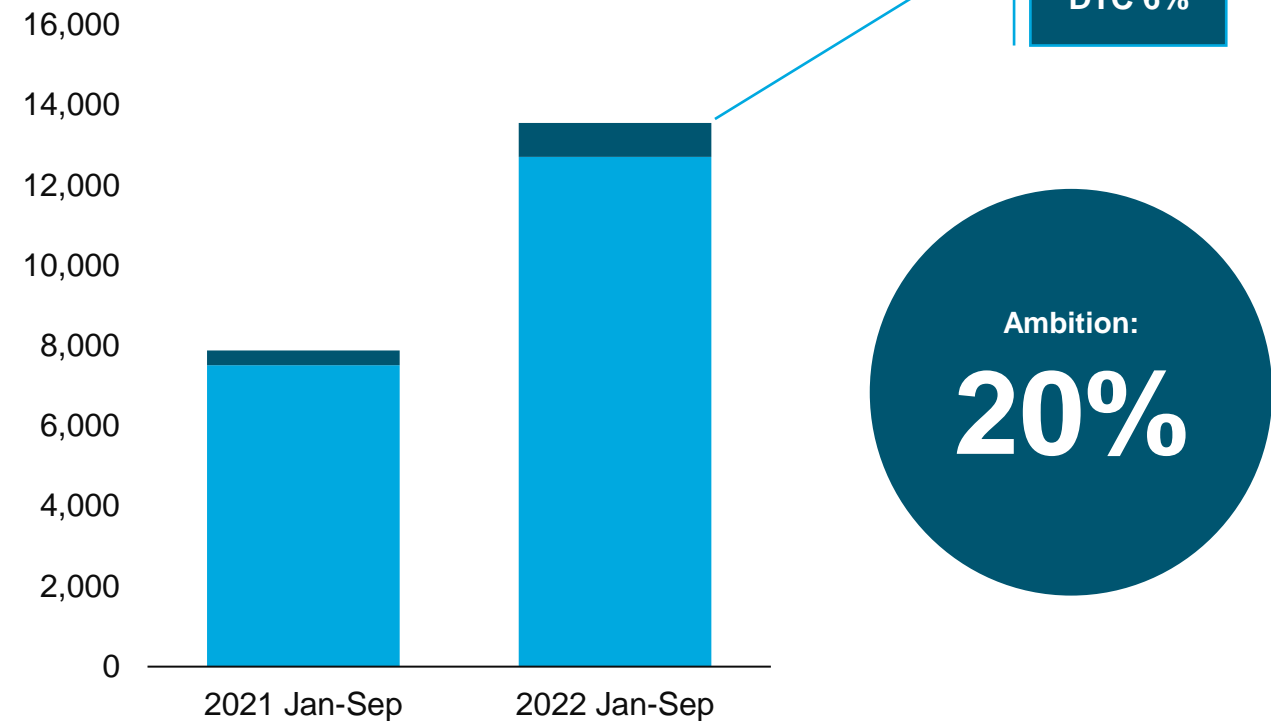
Activities

- Global platform implemented in US, Australia and Marine driving organic growth
- Implemented in eight countries in Europe
- Broadened Outdoor Stand Alone offering
- Know-how from acquisitions

Benefits

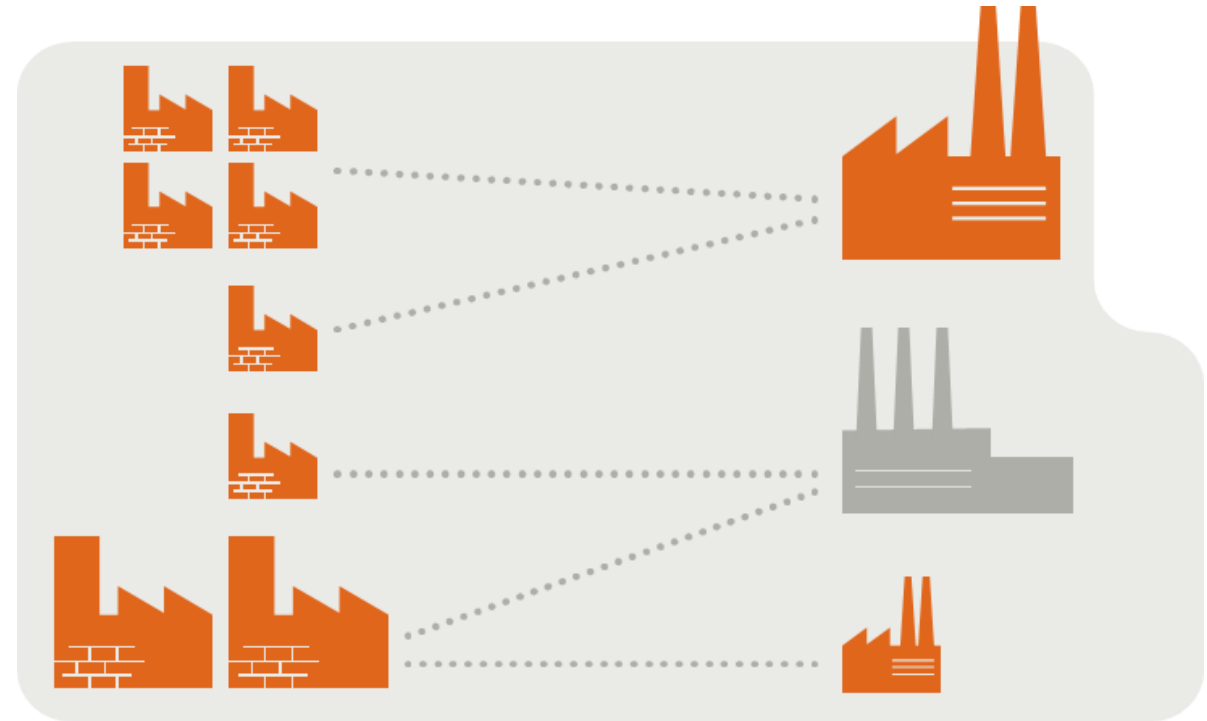
- End user interaction
- Increased end-to-end efficiency
- Profitable growth

Net sales, SEK m
Distribution and Service & Aftermarket



COST REDUCTIONS

- Two ongoing programs
 - Initial program announced 2019
 - Target saving of SEK 400 m by mid 2023
 - Cost of SEK 750 m
 - Next phase announced Q2 2022
 - Target saving of SEK 200 m by the end of 2023
 - Cost of SEK 200 m
- Cost in the quarter SEK 329 m, 500 employees affected
 - Provision for the closure of manufacturing in Siegen, Germany
- Total cost of SEK 797 m since start. 1,700 employees affected
- Combined runrate saving as of Q3 2022 SEK 300 m



2022 STRATEGY EXECUTION

1 Profitable expansion

- Year to date sales growth 48%
- Acquisitions contribute with profitable growth
- Distribution and Service & Aftermarket share of sales 57% (50%)

2 Product leadership

- Innovation index 15% (26%) - component supply issues affecting new product launches
- Increased investments in product development - several new products are in the pipeline to be launched coming quarters
- Number of IP rights >3.000 and more than doubled in four years

3 Cost reductions

- SKU reduction 65%
- 2019 and 2022 restructuring programs progressing as planned
- 1,200 fewer FTE's than a year ago (pro forma)



SUSTAINABILITY

- **LTIFR¹⁾ reduced 29% compared to the same period last year**
 - Implementation of Health & Safety guidelines continues

- **Share of female managers 23%**
 - Temporary reduction, three-year action plans being implemented

- **CO₂ ratio reduced 34% compared to baseline year 2020**
 - Driven by transition to renewable electricity supply

- **ESG audits of new suppliers 100%**
 - Expanding the focus, new measurement implemented

KPI	Focus area	Actual	2024 Target
LTIFR ¹⁾	People	1.7	<2.0
Share of female managers	People	23%	27%
CO ₂ tonne / Net sales SEK m	Planet	-34%	-30%
ESG audits of new suppliers	Governance	100%	90%

OUR FOCUS AREAS AND AMBITIONS



PEOPLE

Offer a safe, inclusive, diverse and dynamic workplace – allowing every employee to reach their full potential for the best of the company as a whole.



PLANET

Sustainable Innovation
– Offer innovative, durable, circular, low carbon products
Sustainable Operation
– Minimize climate impact, increase resource efficiency & support circularity.



GOVERNANCE

Safeguard human rights at all times while pursuing fair business and labor practices.

¹⁾ LTIFR = Lost time injury frequency rate



STEFAN FRISTEDT

CFO

EBITA DEVELOPMENT

- **Organic + FX**

- + Currency translation and transaction effects
- + Cost reductions
- Organic sales decline
- Sales channel mix
- Extraordinary logistic-costs in EMEA
- Investments in R&D

Neutral impact from Price vs Material cost

- **Igloo**

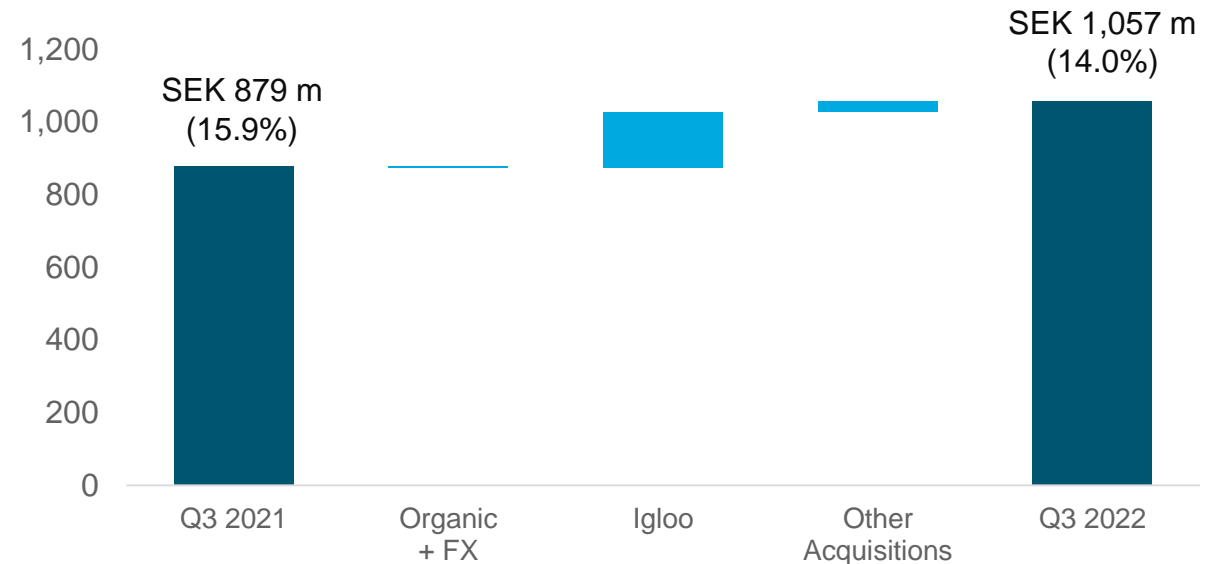
- Margins better than last year and well above 10%

- **Other acquisitions**

(Cadac, NDS, Treeline, partly Front Runner)

- Accretive to Dometic margins

EBITA bef i.a.c. SEK m (% of sales)



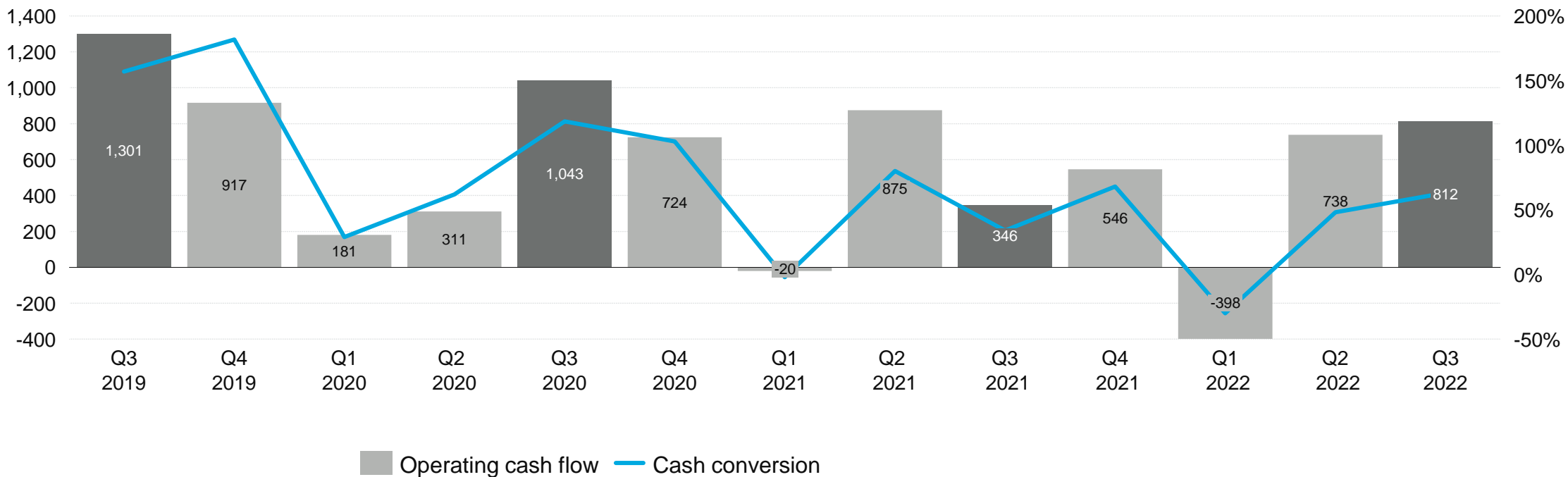
CASH FLOW FOR THE PERIOD

SEK m	Q3 2022	Q3 2021
EBIT after items affecting comparability	575	762
Adjustments for non-cash items	744	155
Changes in Working Capital	-366	-473
Investments in fixed assets	-141	-98
Operating cash flow	812	346
Income tax paid	-190	-97
Acquisitions/divestments net	-29	-549
Other	6	21
Net cash flow from financing	-111	2,830
Cash flow for the period	488	2,550

- Operating cash flow SEK 812 m (346)
 - Adjustments for non-cash items relates to Provisions, Depreciation, Amortization and FX
 - Working capital impacted by reduced Accounts Payables
 - Increased investments in fixed assets related to Mobile cooling
- Net cash from financing
 - 2021 included EUR 300 m issued on the European bond market

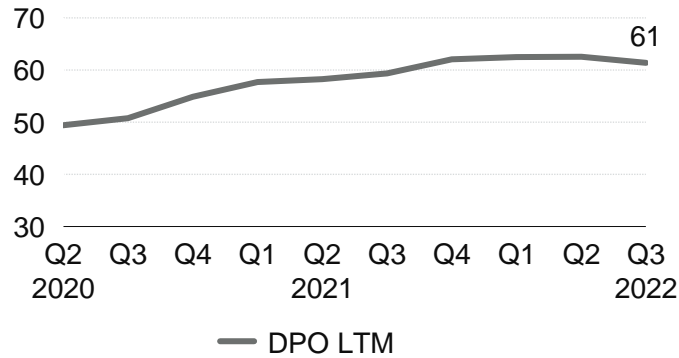
OPERATING CASH FLOW

SEK m

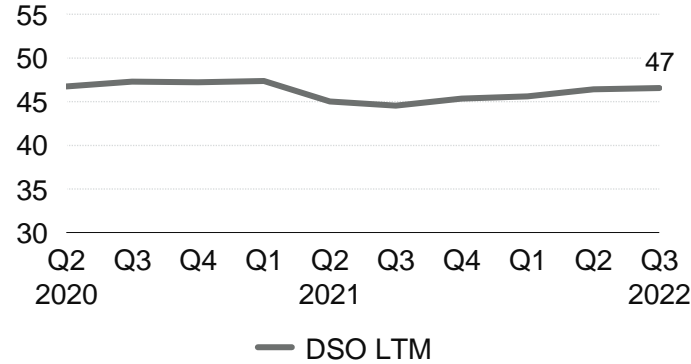


WORKING CAPITAL DAYS

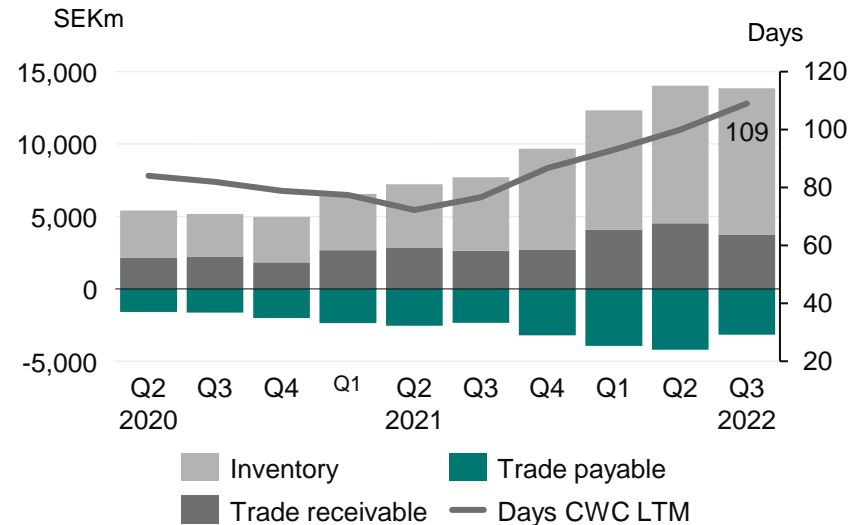
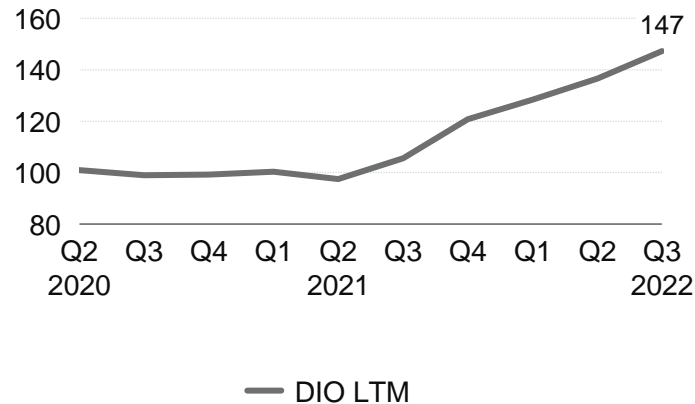
ACCOUNTS PAYABLES DAYS



ACCOUNTS RECEIVABLES DAYS



INVENTORY DAYS



Inventories

- Increase compared to Q2 due to FX
- Expect inventories to start trending down, decline in the month of September

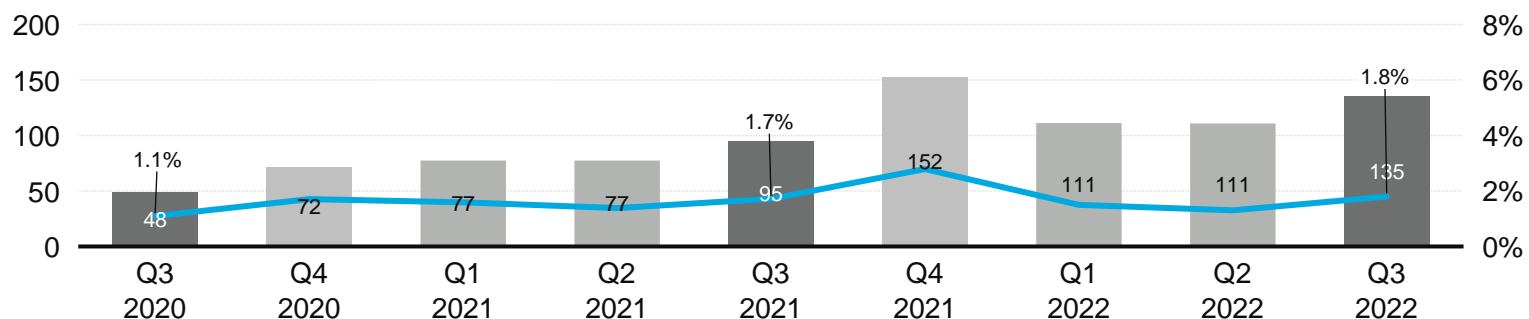
Inventory balance SEK 10.1 b (5.1), drivers behind increase:

- Acquisitions SEK 1.4 b
- FX SEK 1.7 b
- Increased raw material prices ~SEK 1 b
- Secure critical components and longer leadtimes ~SEK 1 b

CAPEX AND RESEARCH & DEVELOPMENT

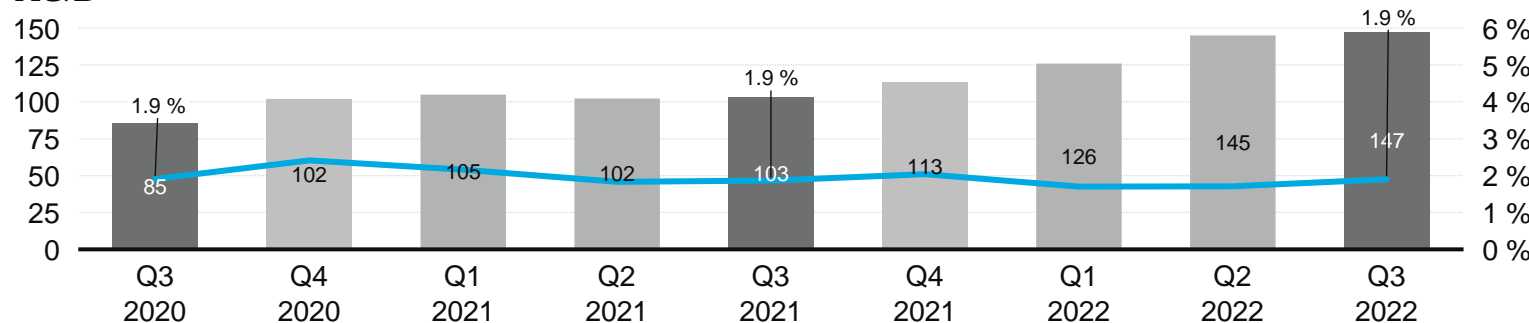
(SEK m, % OF NET SALES)

CAPEX



- **Q3 2022 CAPEX:**
1.8% of net sales
(1.7% in same period 2021)

R&D

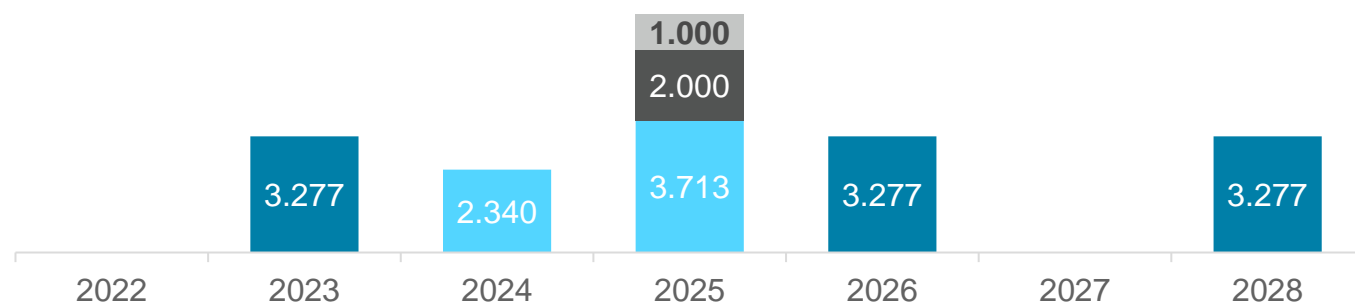


- **Q3 2022 R&D:**
1.9% of net sales
(1.9% same period 2021)
- Includes capitalized development expenses

DEBT MATURITY PROFILE AND LEVERAGE

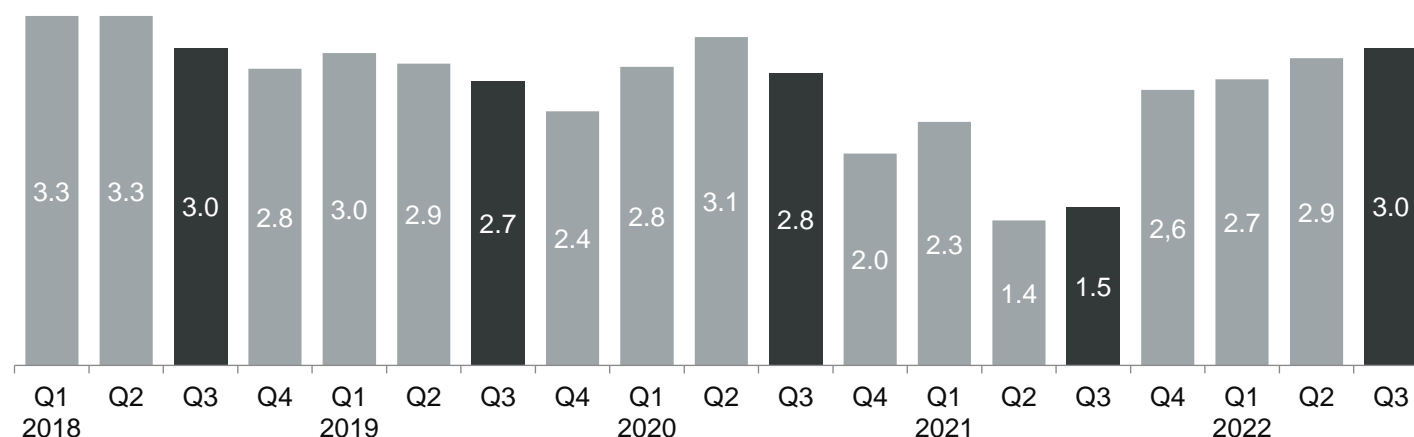
Debt maturity profile, SEK m

■ USD loans ■ EUR bonds ■ EKN loan ■ SEK bond



- Well diversified profile
- Average maturity 3,0 years
- Undrawn revolving credit facility of EUR 200 m

Net debt / EBITDA leverage



- Q3 Net debt leverage ratio 3.0x (2.96x) compared to 2.9x (2.93x) in Q2 2022
 - Improved cash position supported by operational cash flow. Impact -0.10x
 - Offset by effect on debt by stronger USD and EUR to SEK at quarter end. Impact 0.13x

Q3 SUMMARY


Business highlights

- 37% sales growth supported by Igloo and Mobile Power Solutions
- Challenging market
 - Complex macro environment
 - Continued decline in RV OEM
 - Gradual recovery in Service & Aftermarket coming quarters
 - Stable development in Distribution

Strategic highlights

- Diversified and resilient sales mix
- Acting on short-term market evolution to balance our capacity with market demand
- Optimistic about the long-term trends in the Mobile Living industry
- We will continue to implement our strategic agenda to deliver on our targets





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 on a rocky outcrop. Two people are sitting on chairs outside the tent, talking. In the background, another car is parked on a higher rocky ledge with two people 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**