

INTERIM PRESENTATION

Q4 2022

January 27, 2023





JUAN VARGUES

PRESIDENT & CEO

Q4 2022 HIGHLIGHTS

Market development

- Challenging macroeconomic environment
- Channel inventories remained high

Performance

- 11% sales growth, -11% organic
 - Marine strong, +11% organic
 - Service & Aftermarket -22% organic
 - OEM -6% organic, driven by RV OEM in the US
 - Other OEM businesses are growing
- EBITA margin before i.a.c. 7.0% (11.4%)
 - Decline driven by EMEA and Americas
 - Igloo margin in line with last year. Seasonally weak quarter
- Significantly improved operating cash flow. Inventory reduced



Q4 2022 FINANCIAL SUMMARY

Net sales of SEK 6,172 m, +11% total growth

- -11% Organic
- 15% FX
- 8% M&A

EBITA before i.a.c. SEK 430 m, -32%

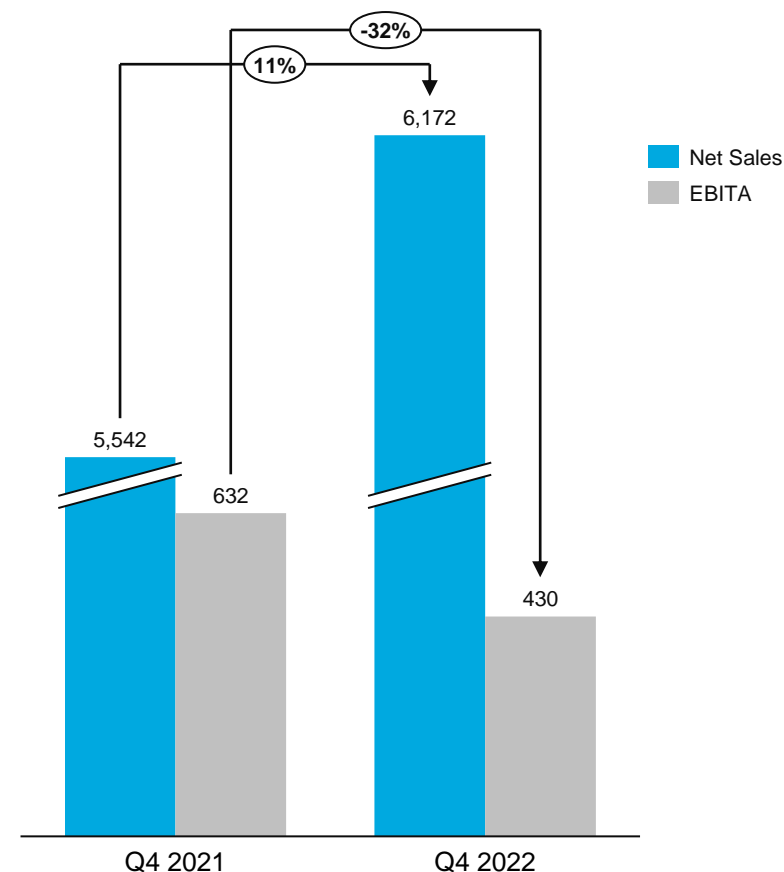
- EBITA margin 7.0% (11.4%)

Adjusted EPS SEK 0.54 (0.98)

Operating cash flow SEK 1,117 m (546)

Leverage 3.0x (2.6x), same as in Q3 2022

Dividend of SEK 1.30 (2.45) proposed by the Board



EBITA before items
affecting comparability

FULL YEAR 2022 FINANCIAL SUMMARY

Net sales of SEK 29,764 m, +38% total growth

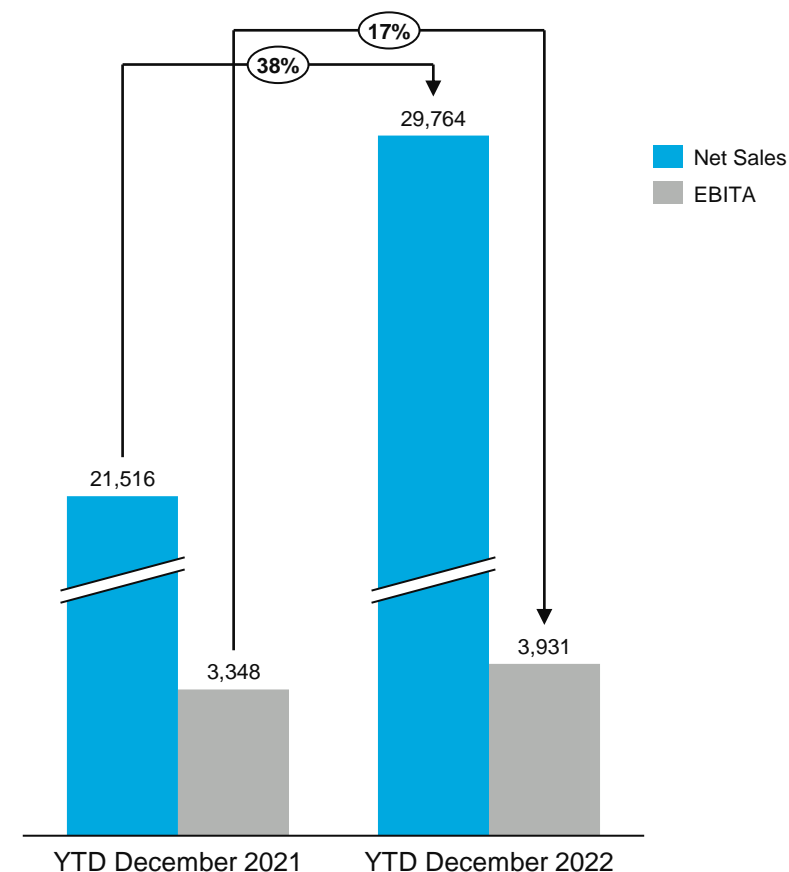
- -3% Organic
- 11% FX
- 30% M&A

EBITA before i.a.c. SEK 3,931 m, +17%

- EBITA margin of 13.2%% (15.6%)

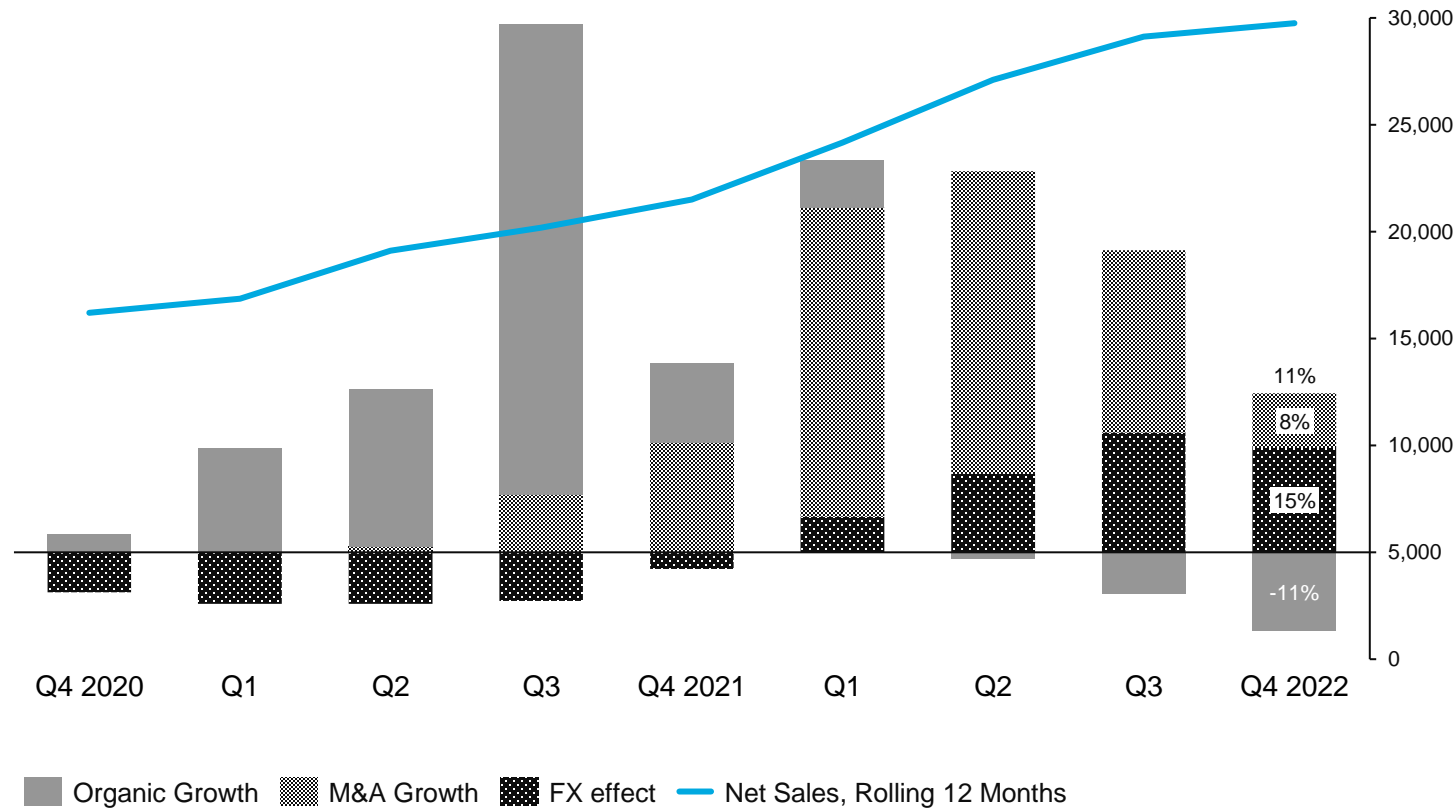
Adjusted EPS SEK 8.32 (6.75)

Operating cash flow SEK 2,268 m (1,749)



EBITA before items
affecting comparability

SALES GROWTH Q4 2022



Q4 2022

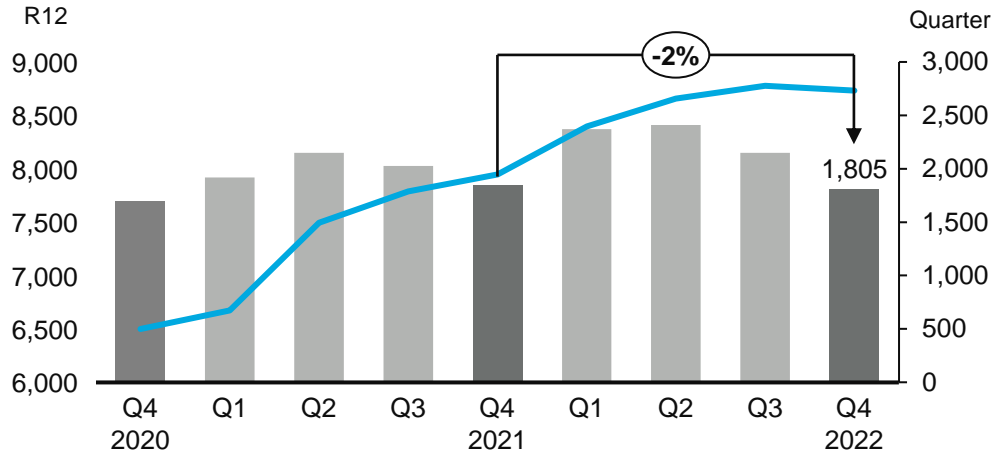
Net Sales SEK 6,172 m

▪ Total Growth +11%

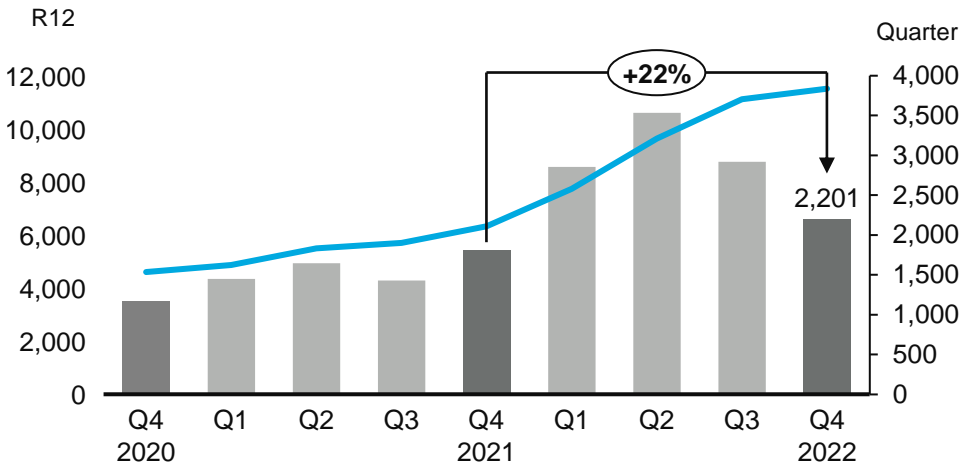
- Americas -21%
- EMEA +5%
- APAC +6%
- Marine +30%
- Global +66%

APPLICATION AREAS Q4 2022

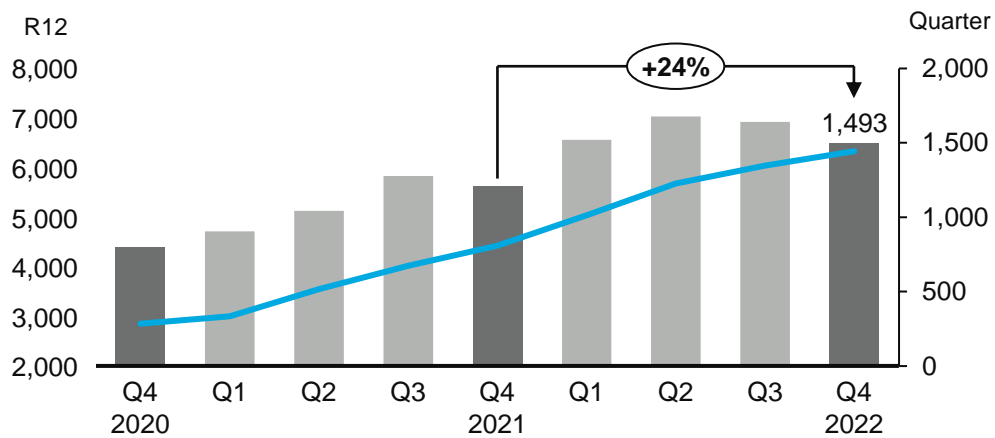
Climate



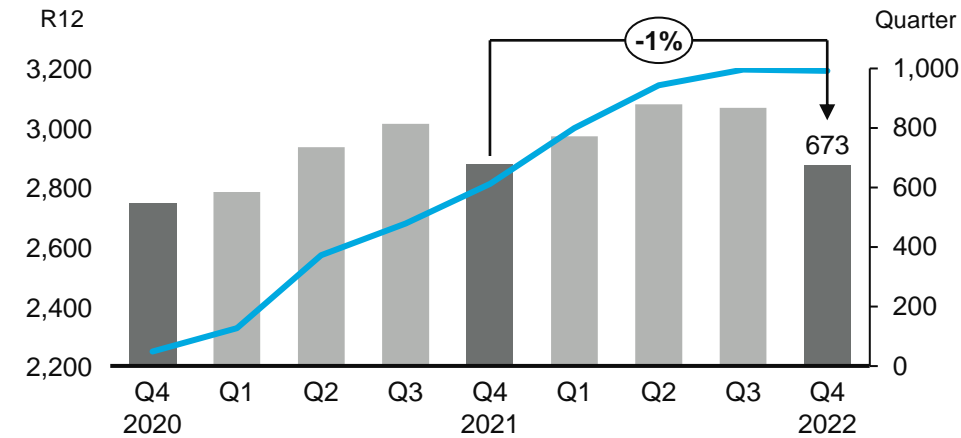
Food & Beverage



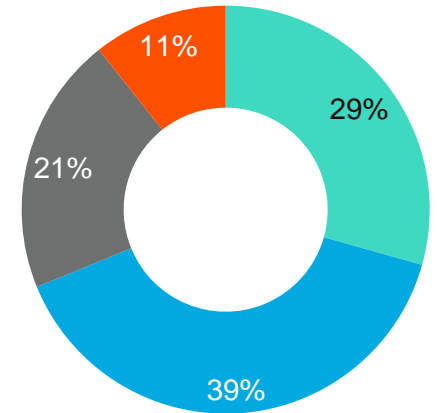
Power & Control



Other Applications



SALES SPLIT FY 2022



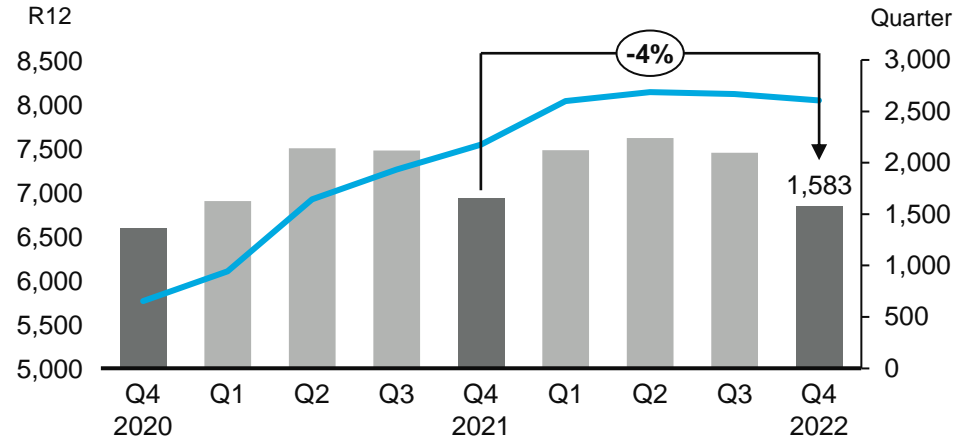
(Previous year)

- Climate (37%)
- Food & Beverage (29%)
- Power & Control (21%)
- Other Applications (13%)

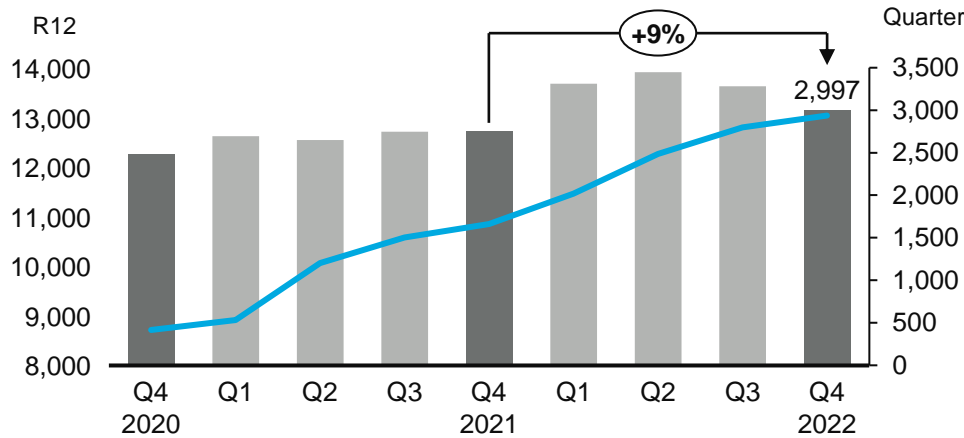
— Actual currency rolling 12 months ■ Actual currency quarter

SALES CHANNELS Q4 2022

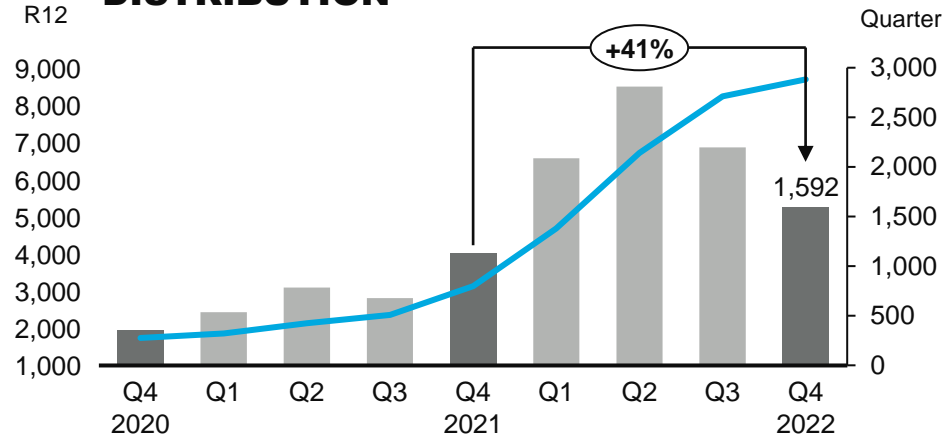
SERVICE & AFTERMARKET



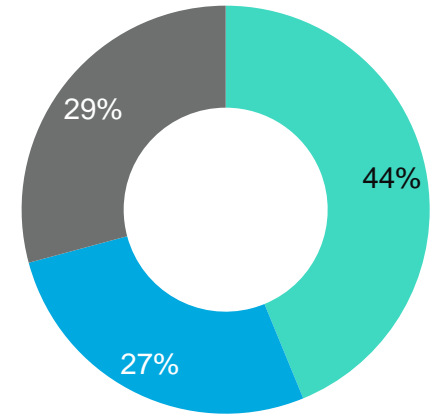
OEM



DISTRIBUTION



SALES SPLIT FY 2022



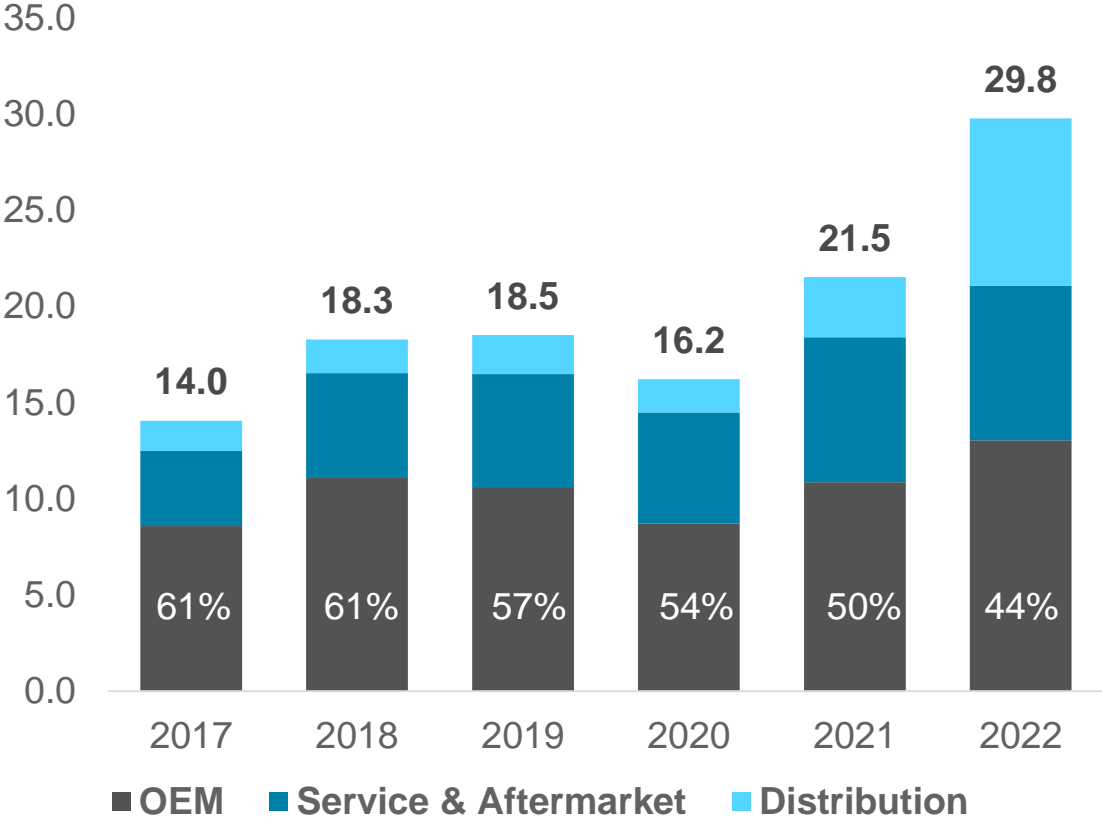
(Previous year)

- OEM (50%)
- SAM (35%)
- DIST (15%)

SALES CHANNEL DEVELOPMENT

DISTRIBUTION + SERVICE & AFTERMARKET FROM 50% TO 56% IN ONE YEAR

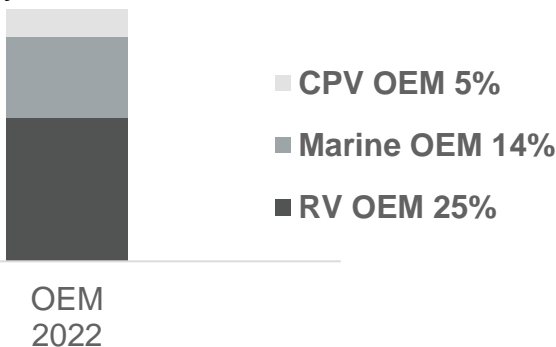
NET SALES,
SEK b



- RV OEM 25% (31%)
- M&A and divestment agenda supports continued transformation

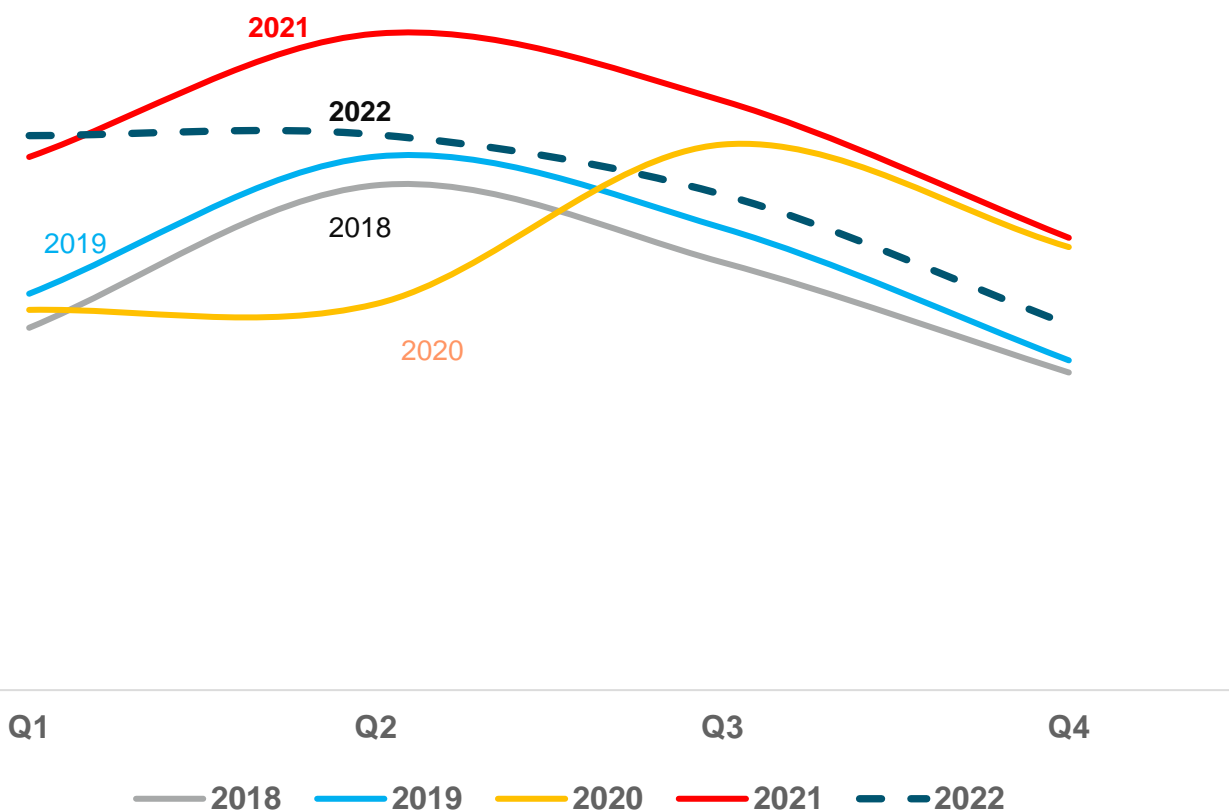


OEM sales
2022
by vertical



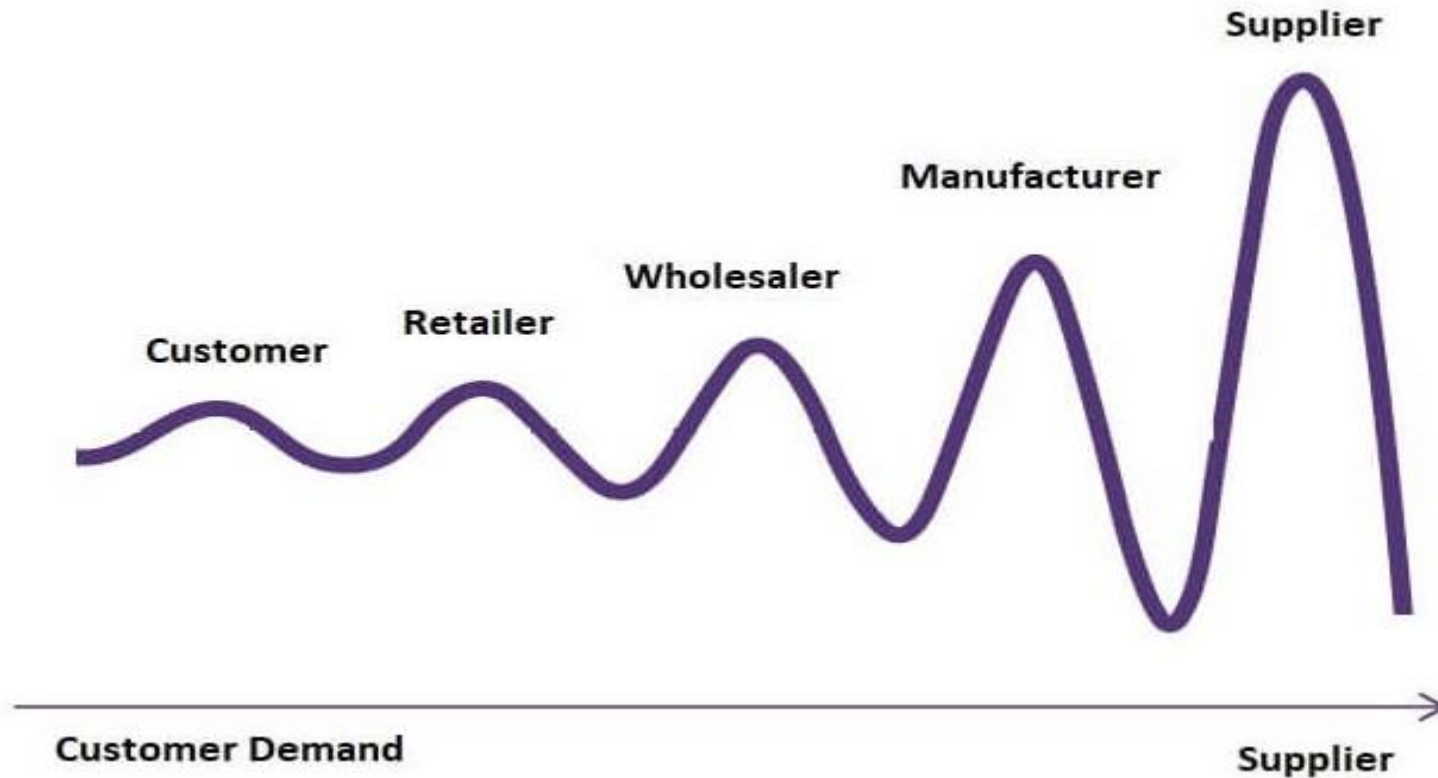
SERVICE & AFTERMARKET SALES

RETAILER DESTOCKING AFTER 2021 – Q1 2022 RALLY



- Retailers are destocking after large purchases in 2021 and Q1 2022
- Continued decline. Organic growth -22% in Q4
- 2022 above 2018-2019 levels
 - Q4 2022 shows +10% vs Q4 2019
- Gradual recovery expected coming quarters
 - Signs of recovery in Marine

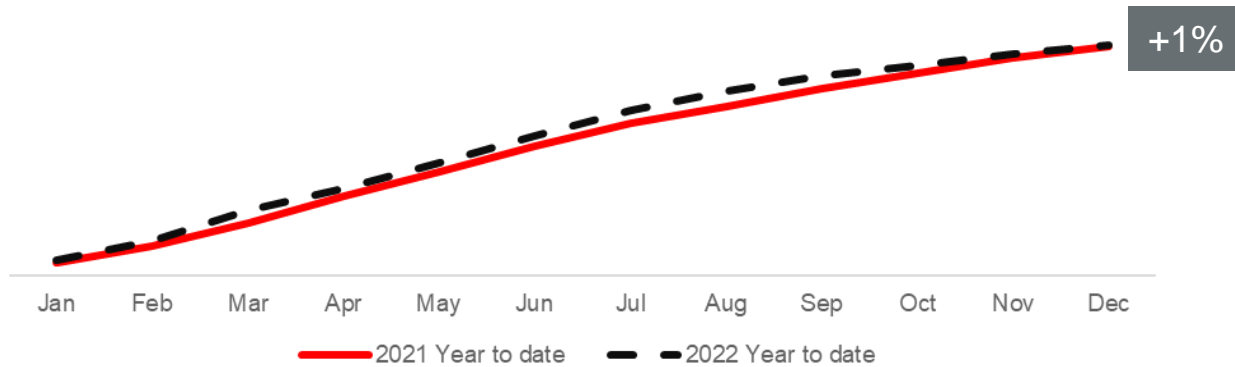
“THE BULLWHIP EFFECT”



SERVICE & AFTERMARKET SALES

DECLINE DUE TO HIGH INVENTORY LEVELS AMONG 3-STEP PARTNERS

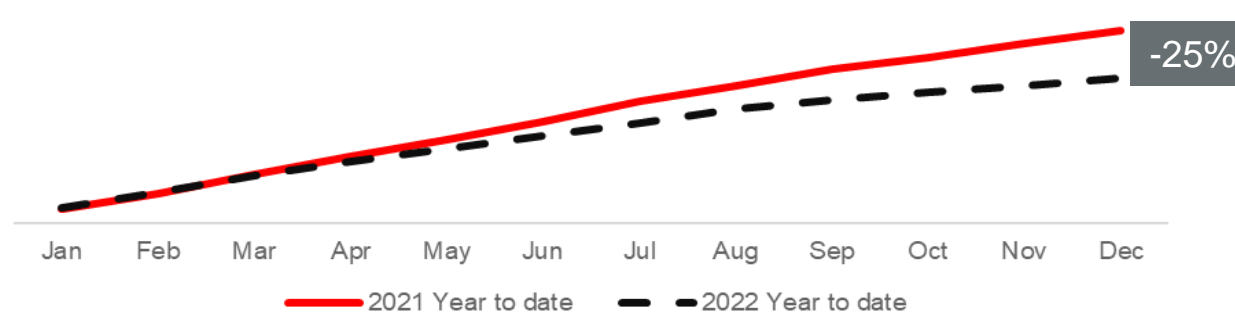
Net sales to Retail and Dealers
Americas and EMEA



2-step (Retailers and Dealers)

- Leaner inventories
- Sales to Retailers and Dealers indicates continued traffic in stores
- Strategy to increase share of 2-step sales
 - Increased visibility of end-user demand
 - Increased margins

Net sales to Wholesale and Distributors
Americas and EMEA

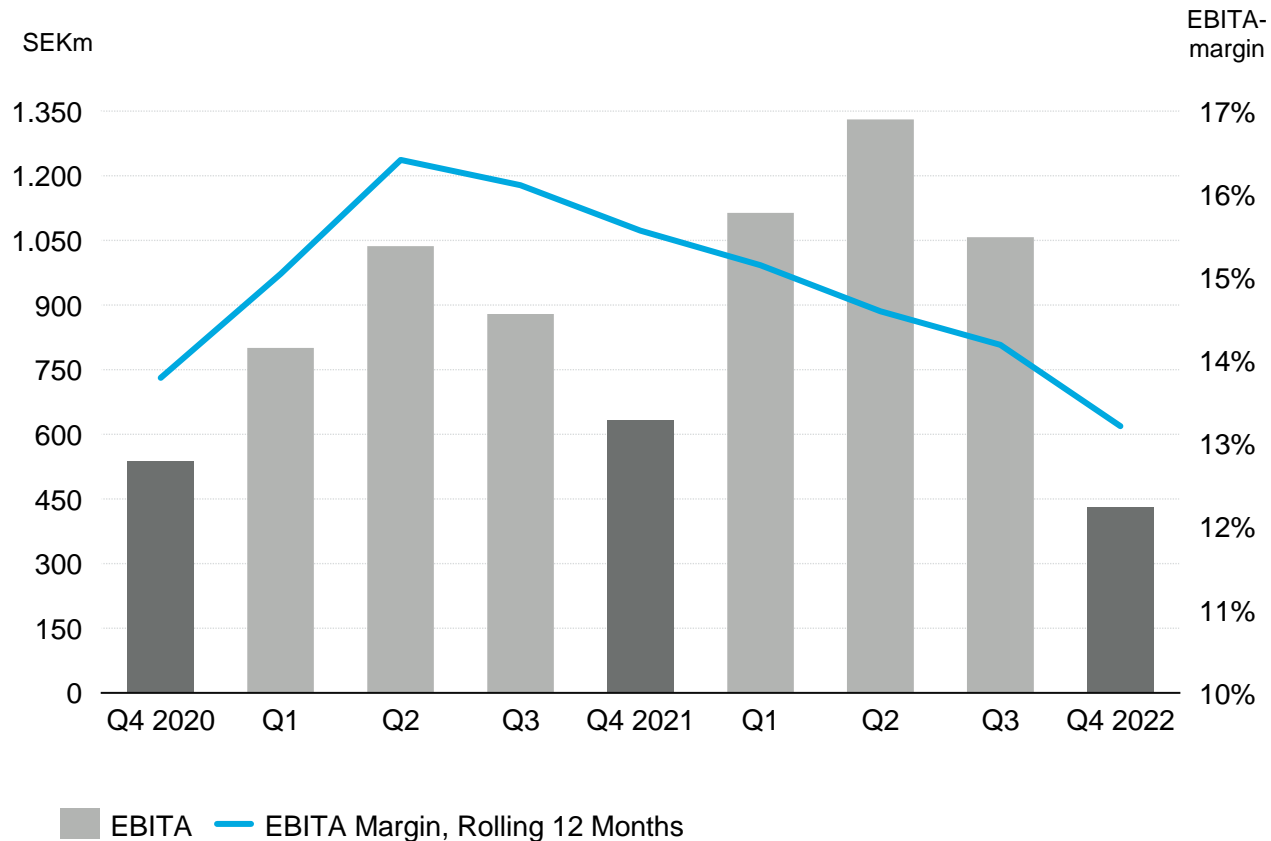


3-step (Wholesale and Distributors)

- Significant sales decline in 2H 2022 after a strong 2021 and 1H 2022
- Built up inventory levels, gradual recovery expected during coming quarters

EBITA AND EBITA MARGIN BEFORE I.A.C

EBITA Run rate +13.2% (+15.6%)



Q4 2022

EBITA margin 7.0% (11.4%)

- Igloo margins lower than Group average
- Decline mainly related to segments Americas and EMEA
- Sales mix, decline in Service & Aftermarket
- Significantly reduced FX tailwind compared to previous quarters.
- + Marine performance
- + Cost reductions

FULL YEAR 2022

EBITA margin 13.2% (15.6%)

14.5% (16.0%) excluding Igloo

AMERICAS Q4 2022

Net sales SEK 1,192 m, -21%

- Organic growth -41%
- Significant reduction in RV OEM as anticipated
- Growth in CPV OEM
- Service & Aftermarket declined compared to a strong 2021 as retailers are rebalancing inventory levels

EBITA before i.a.c. SEK -60m (72)

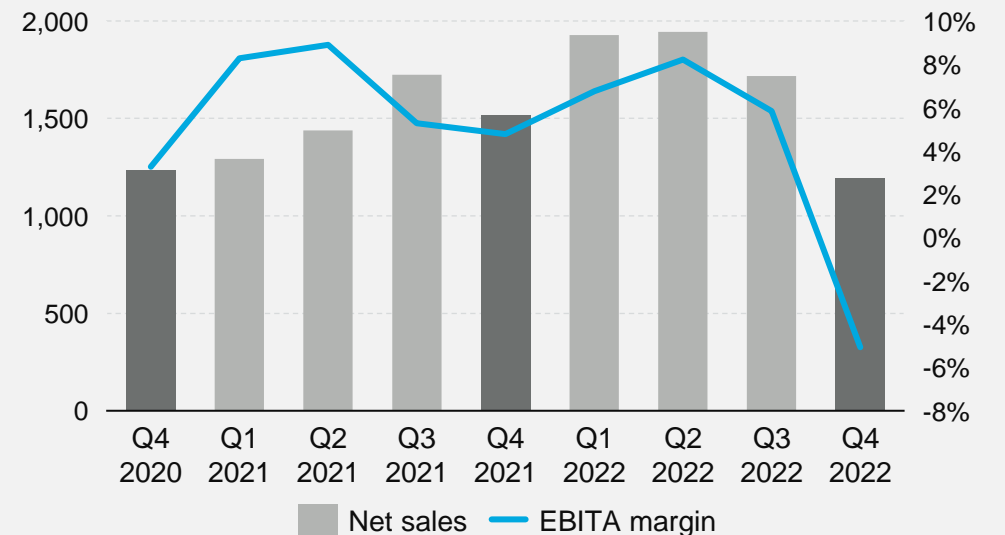
- EBITA Margin -5.1% (4.7%)
- Negative impact from significant sales decline

Strategic highlights

- Acquired businesses show stable double-digit margins



Net sales and EBITA margin before i.a.c.



EMEA Q4 2022

Net sales SEK 1,602 m, +5%

- Organic growth -6%
- Growth in OEM driven by CPV customers, RV OEM business stable
- Service & Aftermarket declined compared to a strong 2021 as retailers are rebalancing inventory levels

EBITA before i.a.c. SEK -62 m (93)

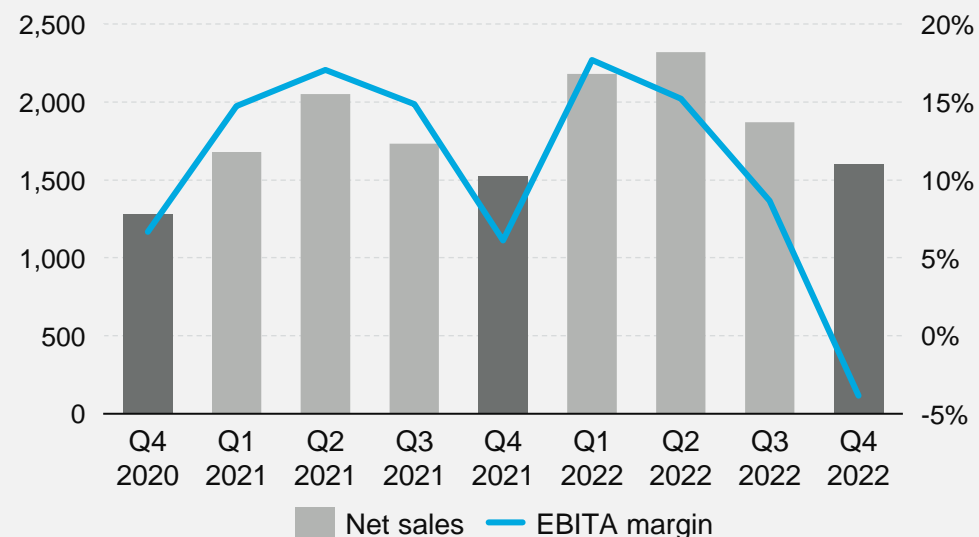
- EBITA Margin -3.8% (6.1%)
- Negative sales channel mix and FX
- Inefficiencies in manufacturing and extraordinary logistic costs – gradual improvements expected in 2023

Strategic highlights

- Closure of Siegen manufacturing mid-2023, progressing as planned



Net sales and EBITA margin before i.a.c.



APAC Q4 2022

Net sales SEK 586 m, +6%

- Organic growth -2%
- OEM shows stable growth
- Lower sales in Distribution and Service & Aftermarket as retailers are rebalancing inventory levels

EBITA before i.a.c. SEK 129 m (149)

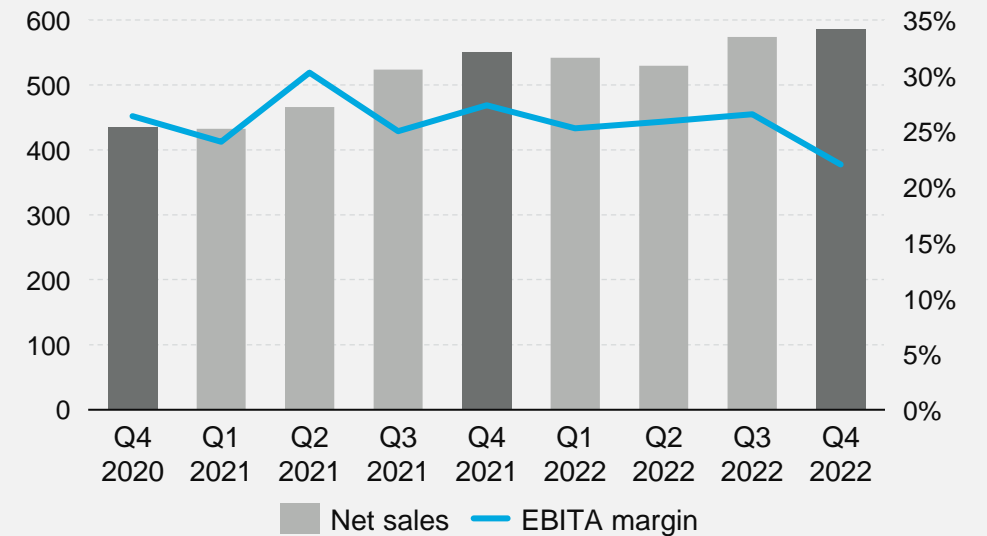
- EBITA Margin 22.0% (27.3%)
- Negative impact from sales mix
- Negative FX effects compared to last year
- Higher logistic costs

Strategic highlights

- Reduced manufacturing-resources in Chinese operations



Net sales and EBITA margin before i.a.c.



MARINE Q4 2022

Net sales SEK 1,651 m, +30%

- Organic growth +11%
- Growth driven by OEM - continued technology shift
- Service & Aftermarket declined compared to a strong 2021 as retailers are rebalancing inventory levels

EBITA before i.a.c. SEK 422 m (292)

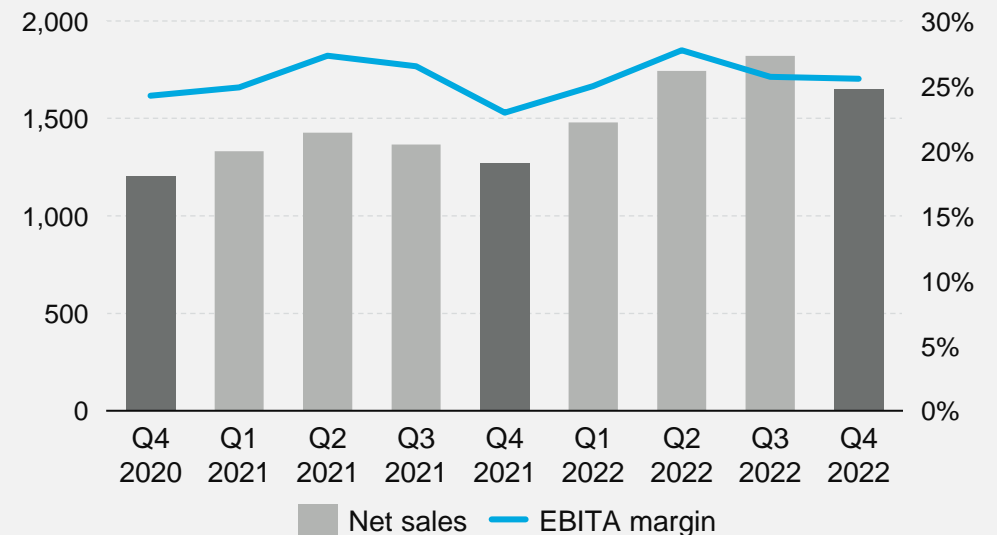
- EBITA Margin 25.5% (22.9%)
- Sales growth drives higher margin despite negative sales mix

Strategic highlights

- Continued strong performance from the acquired Treeline business



Net sales and EBITA margin before i.a.c.



GLOBAL Q4 2022

Net sales SEK 1,142 m, +66%

- Organic growth -3%
- Organic sales decline in Residential. Hospitality business stable
- Igloo business stable

EBITA before i.a.c. SEK 1 m (25)

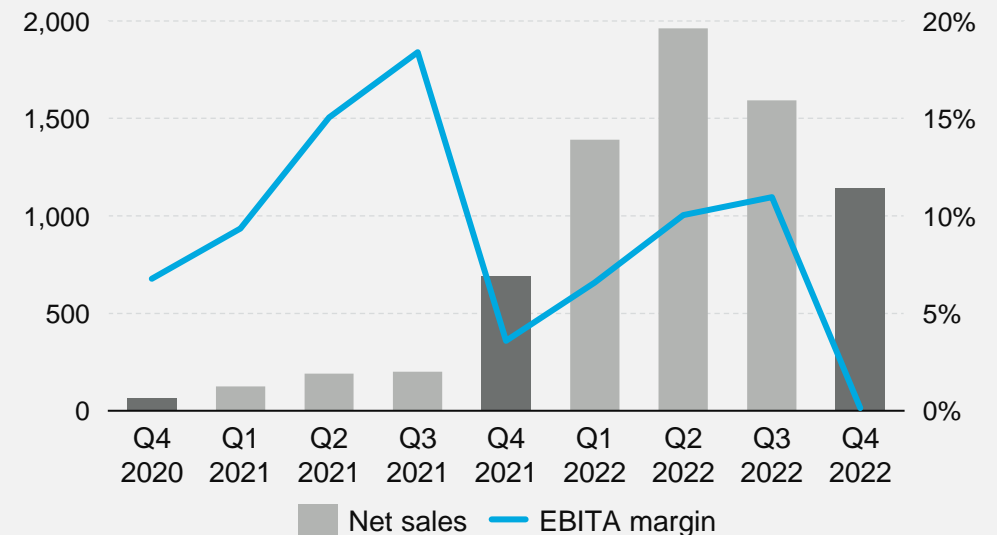
- EBITA Margin 0.1% (3.6%)
- Igloo has dilutive impact on segment margin
- Igloo EBITA margin in line with last year – negative mid single-digit in a seasonally weak quarter

Strategic highlights

- Igloo integration progress as planned – new management in place



Net sales and EBITA margin before i.a.c.

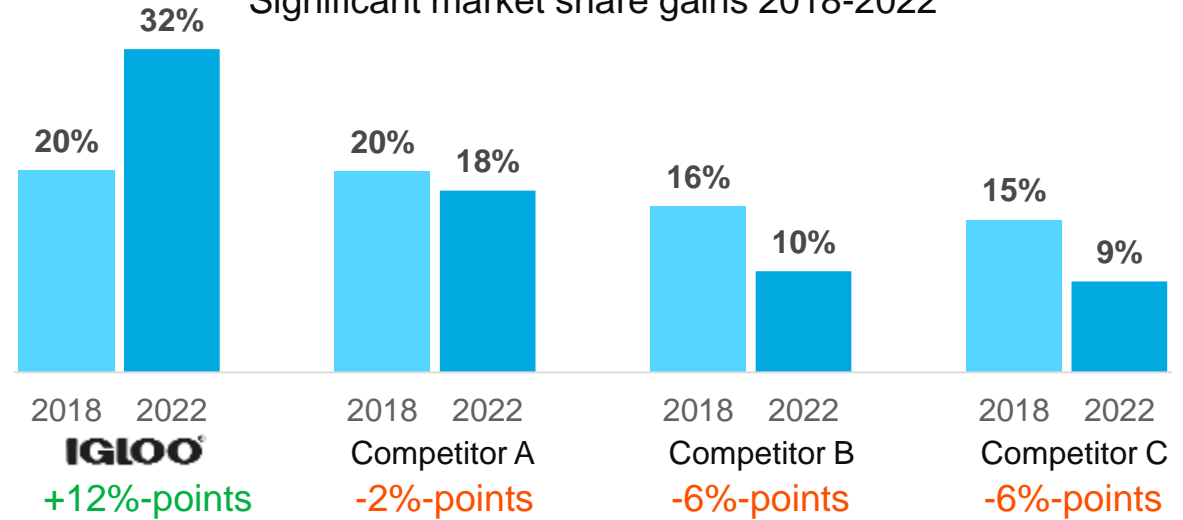


IGLOO PERFORMANCE

2022 full year financial performance

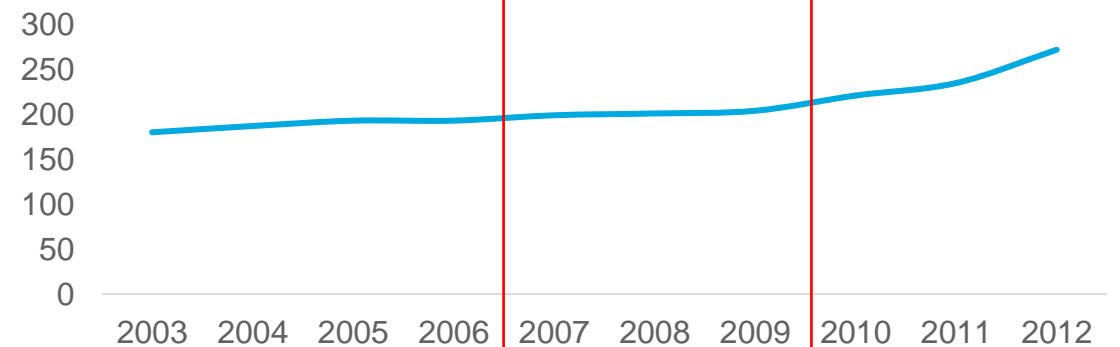
- Proforma organic sales growth 16%
 - Resilient business
 - Continues to gain market shares
 - Retailer inventory week-of-sales below 2019-2020 levels
- EBITA significantly improved
 - Product innovation and segmentation
 - Cost control
 - Resin costs stabilized
- Lawsuit filed by sellers of Igloo. Confident it lacks any merit

US Market share (in value)
Significant market share gains 2018-2022



Source NPD. Retail sales. 2022 November YTD

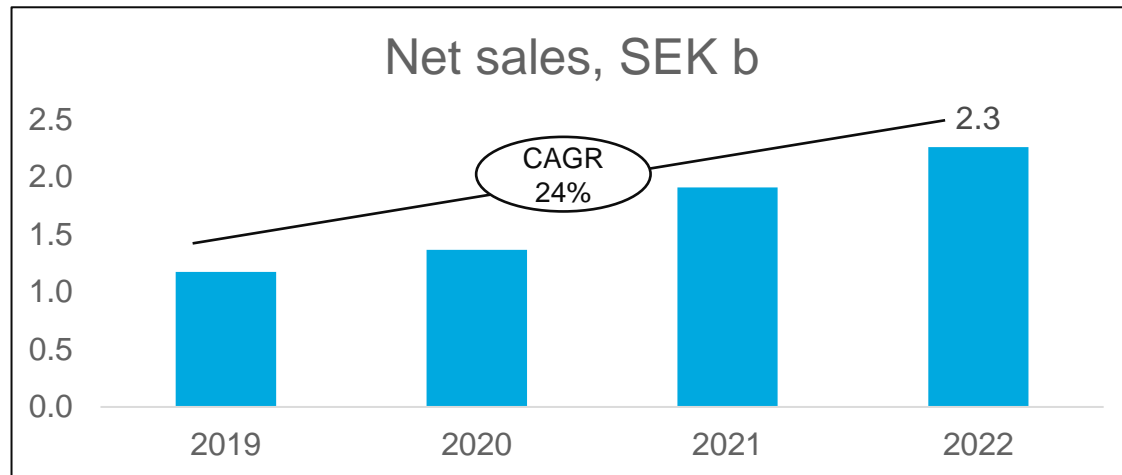
Igloo net sales, USD m
Growth during financial crisis 2007-2009



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 well above Dometic average



Pro forma



NEW MARINE PRODUCTS

- Expanding the offering with new innovative products
- Close cooperation with boat and engine manufacturers
- Investing in electrification and connectivity
- The technology shift continues



**DOMETIC
MARINE
GATEWAY**



**OPTIMUS
ELECTRIC
POWER
STEERING
FOR INBOARD
POWERED
WAKE BOATS**





NEW SMART AND PATENTED VENTILATION SYSTEM

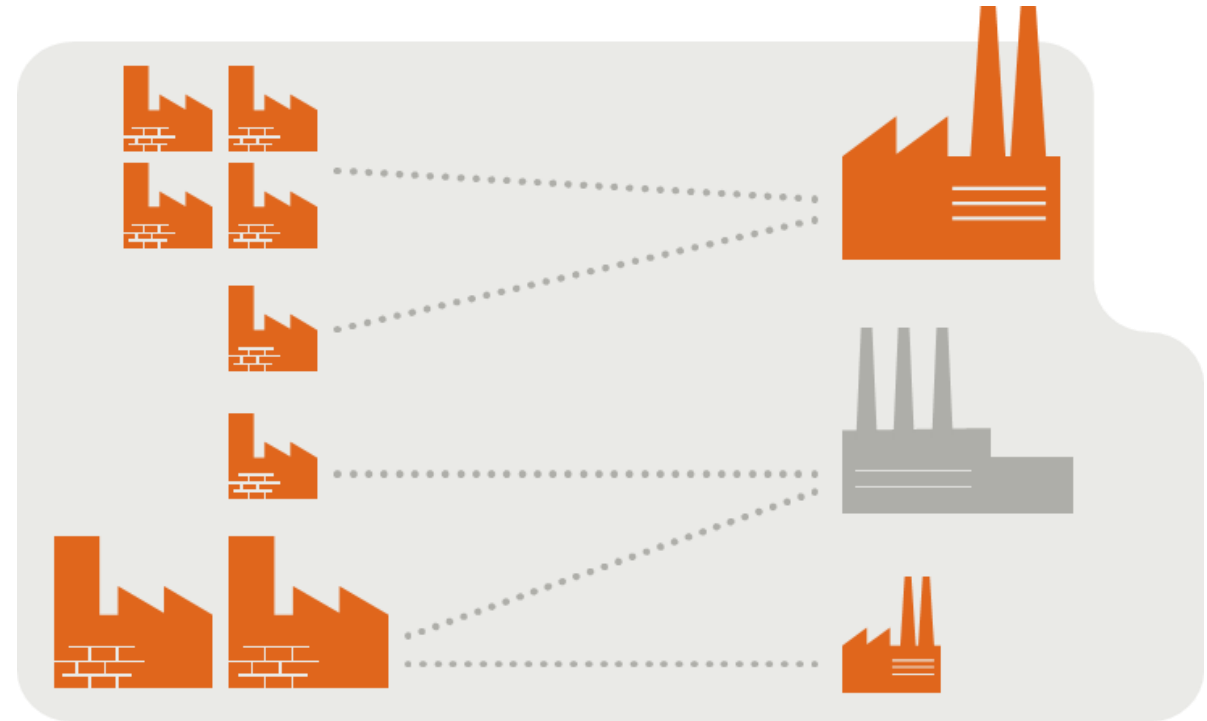
DOMETIC ACC3000 HEAT RECOVERY SYSTEM FOR THE RV MARKET

- Entry product for consumers requiring air conditioning solutions
- Saves energy for air conditioning and heating
- Ensures proper air exchange while keeping the cabin temperature
- Prevents energy waste using a heat recovery system and a sensor-controlled dual fan



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 20 m
 - Ongoing closure of the manufacturing in Siegen, Germany. Provision booked in the third quarter
- Total cost of SEK 817 m since start. More than 1,700 employees affected
- Combined runrate saving as of Q4 2022 SEK 325 m



2022 STRATEGY EXECUTION

1 Profitable expansion

- 2022 sales growth 38%, organic -3%
- Distribution and Service & Aftermarket share of sales 56% (50%)
- Strong organic sales growth in Mobile Power Solutions - SEK 2.3 b annual revenues with above group average EBITA margins
- Increasing share of DTC sales

2 Product leadership

- Innovation index 17% (26%) - recovery started in Q4. Component supply issues are 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 – continue to stay agile and adjust cost structure with current demand
- 1,600 fewer FTE's than a year ago (pro forma)



SUSTAINABILITY

- **LTIFR¹⁾ reduced 35% compared to the same period last year**
 - Implementation of Health & Safety guidelines continues

- **Share of female managers 24%**
 - Improvement compared to Q3

- **CO₂ ratio reduced 38% compared to baseline year 2020**
 - Driven by transition to renewable electricity supply

- **ESG audits of new suppliers 100%**
 - Satisfactory results across all segments

KPI	Focus area	Actual	2024 Target
LTIFR ¹⁾	People	1.5	<2.0
Share of female managers	People	24%	27%
CO ₂ tonne / Net sales SEK m	Planet	-38%	-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
see Q4 report for definitions



STEFAN FRISTEDT

CFO

Q4 EBITA DEVELOPMENT

▪ Organic + FX

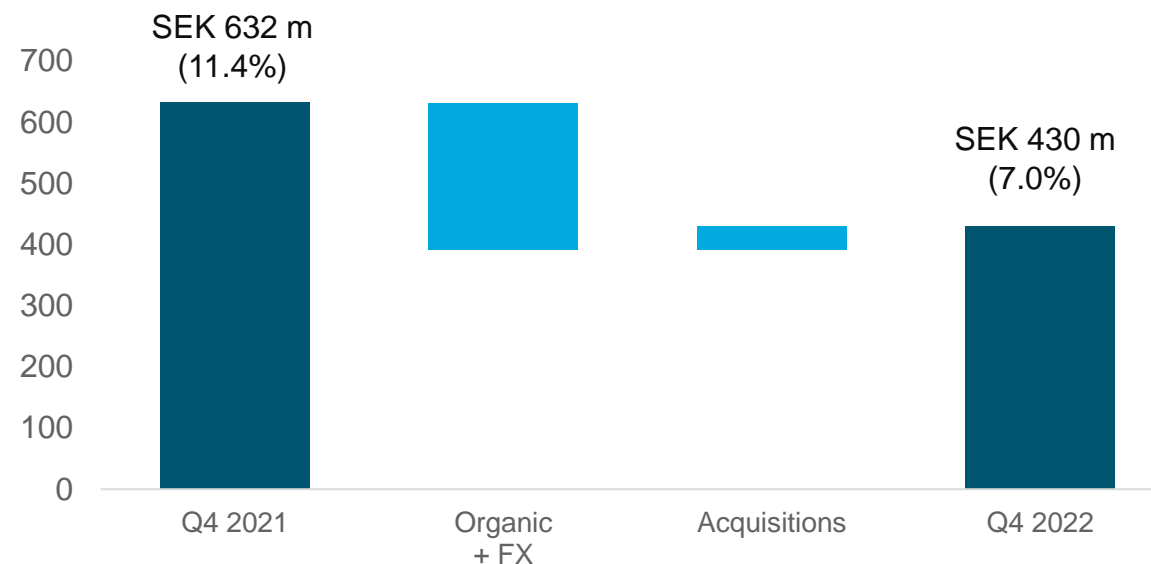
- Decline mainly related to segments Americas and EMEA
- Negative sales mix, -22% organic sales decline in Service & Aftermarket
- Cost reductions contributes positively

Significantly reduced FX tailwind compared to previous quarters

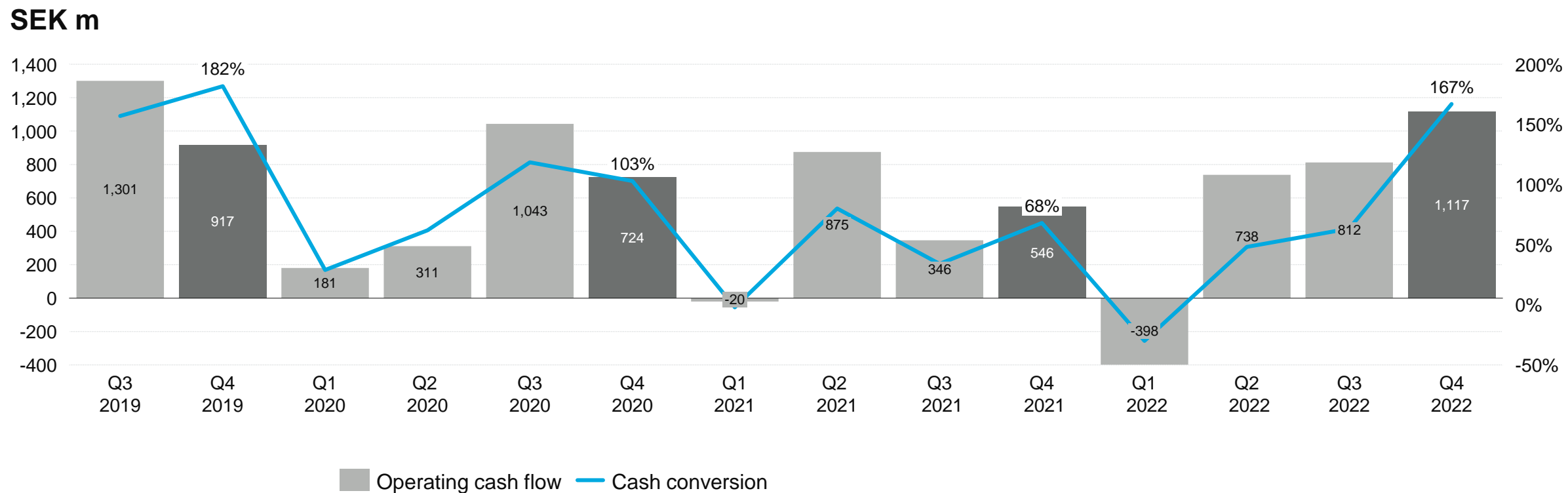
▪ Acquisitions

- Igloo margin in line with last year. Consolidated from November 2021.
- Other acquisitions (Cadac, NDS, Treeline), accretive to Dometic margins

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



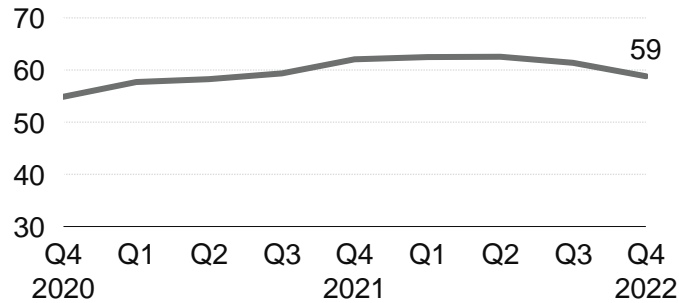
OPERATING CASH FLOW



WORKING CAPITAL DAYS

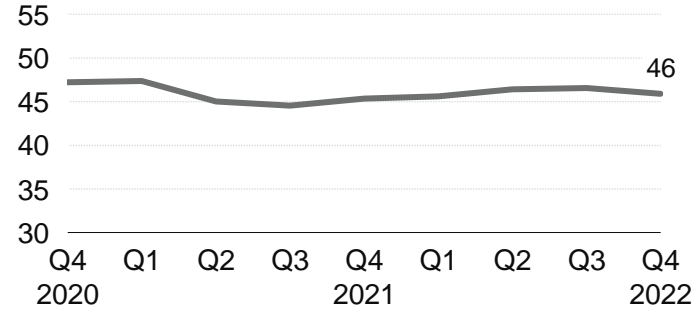
WORKING CAPITAL AMBITION: 20% OF NET SALES

ACCOUNTS PAYABLES DAYS



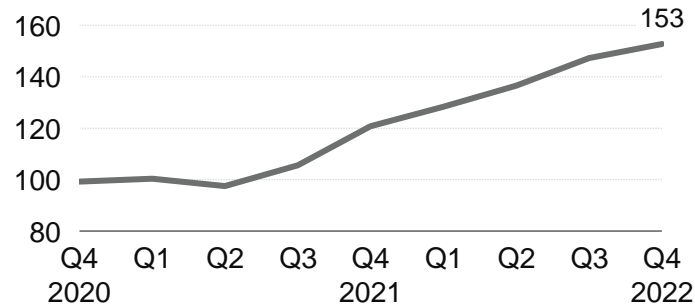
— DPO LTM

ACCOUNTS RECEIVABLES DAYS

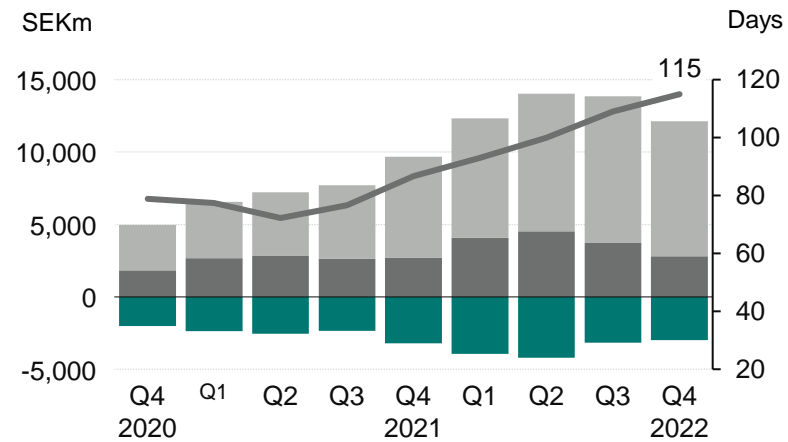


— DSO LTM

INVENTORY DAYS



— DIO LTM



Inventory Trade receivable Trade payable Days CWC LTM

Working capital 32% (24%) of net sales, increase driven by inventories

Inventories

Trending down as anticipated

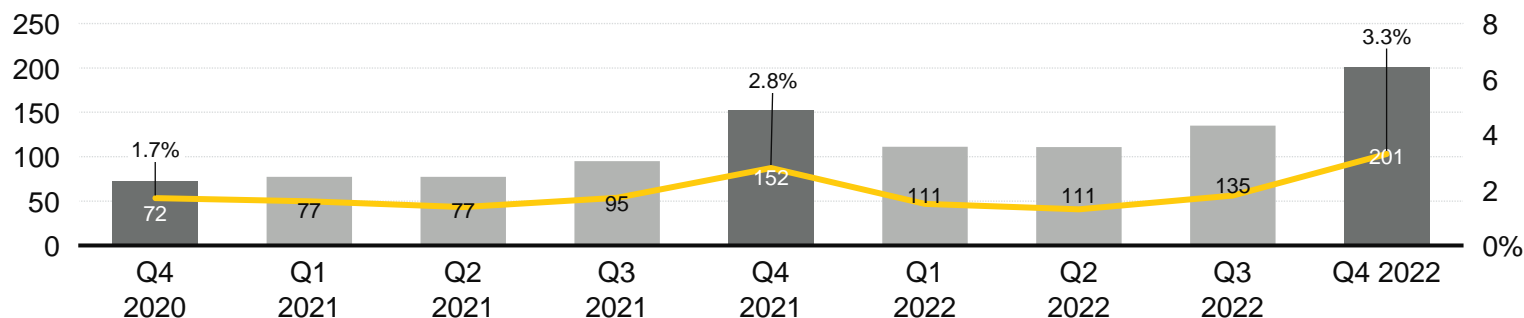
Inventory balance SEK 9.3 b (7.0), drivers behind increase:

- Acquisitions SEK 0.2 b
- FX SEK 1.0 b
- Reduced demand, raw material prices, securing critical components and longer leadtimes ~SEK 1 b

CAPEX AND RESEARCH & DEVELOPMENT

(SEK m, % OF NET SALES)

CAPEX

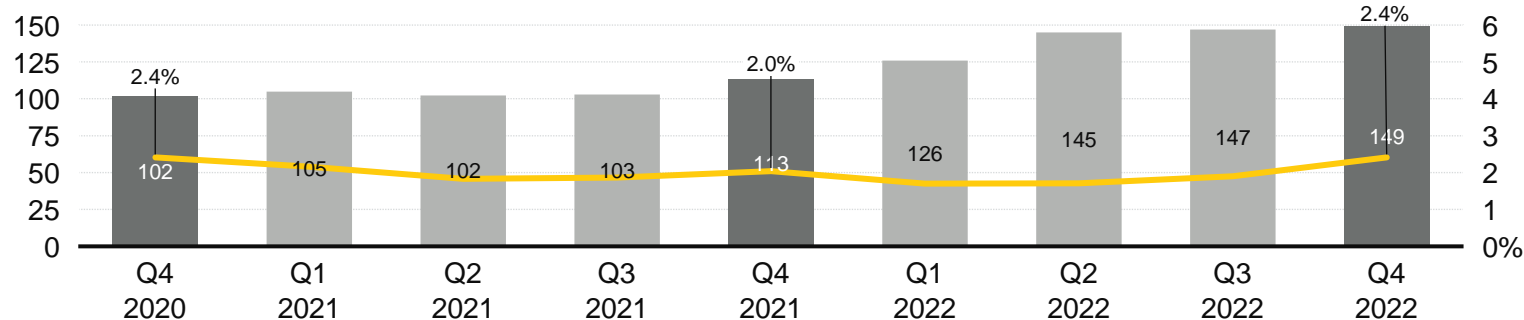


Q4 2022 CAPEX

3.3% (2.8%) of net sales

- Increased investments in Mobile Cooling and Marine
- Full year 2022: 1.9% of sales
- Ambition 2-3%

R&D

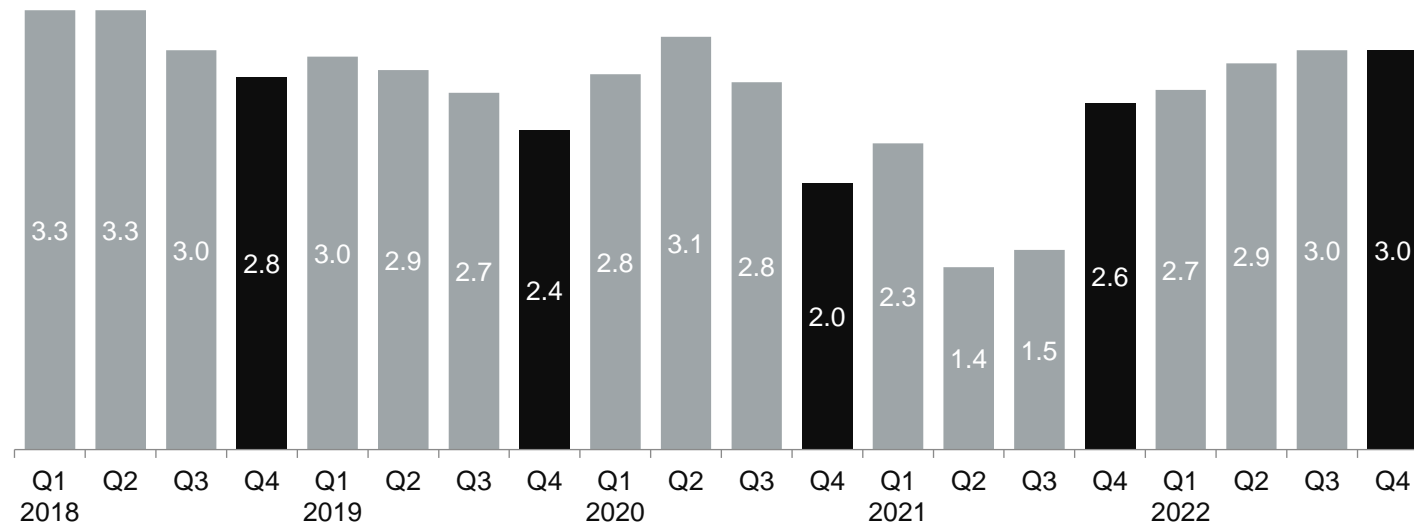


Q4 2022 R&D

2.4% (2.0%) of net sales

- Includes capitalized development expenses of SEK 23 m
- Full year 2022: 1.9% of sales
- Ambition 2-3%

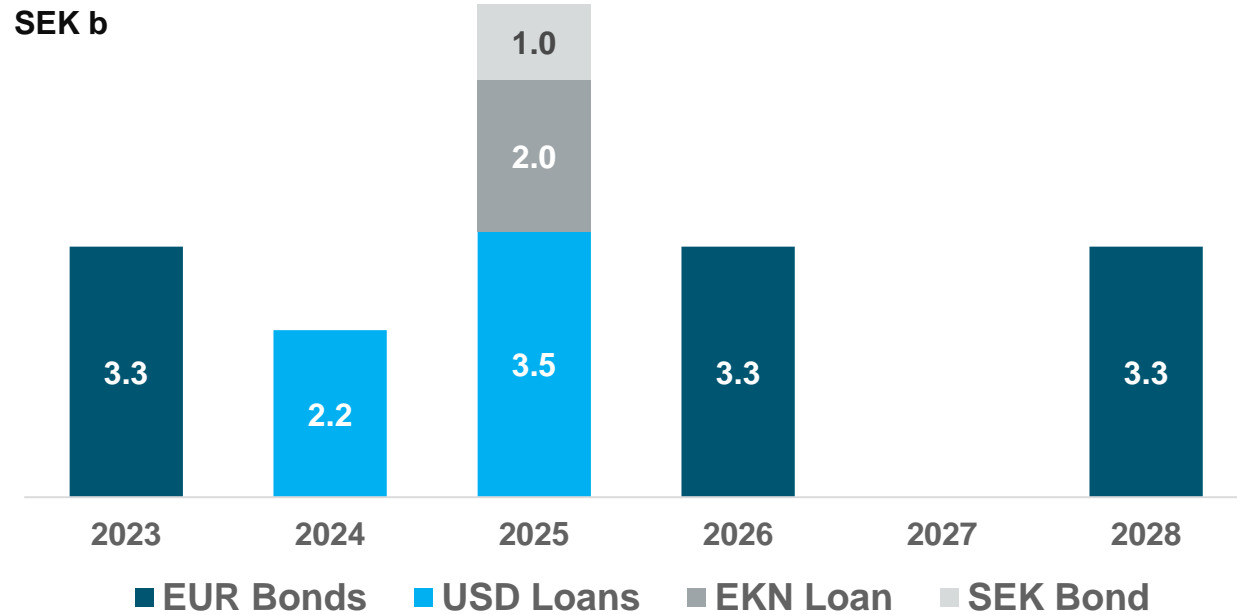
NET DEBT / EBITDA LEVERAGE



- Q4 Net debt leverage ratio 3.0x same level as end of Q3 2022
 - Improved cash position supported by operational cash flow
 - Positive effect on debt by weaker USD to SEK at quarter end
 - EBITDA LTM* reduced compared to last quarter
- Target around 2.5x

* LTM: Last Twelve Months

DEBT MATURITY PROFILE



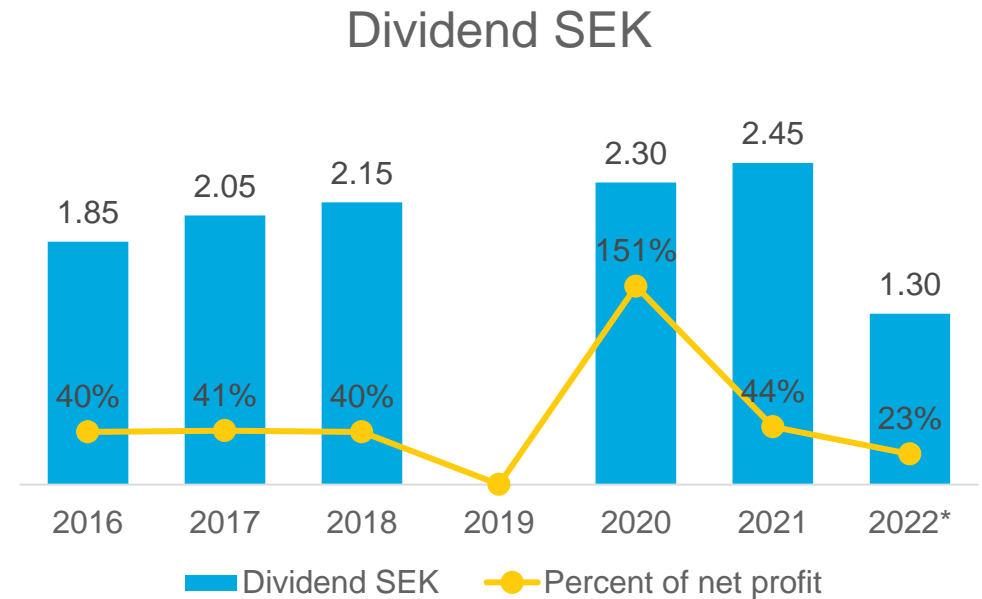
- 2023 bond expires in September
- Average maturity 2.8 years
- Undrawn revolving credit facility of EUR 200 m

2022 DIVIDEND PROPOSAL

- SEK 1.30 (2.45) per share proposed by Board of Directors
- 23% of 2022 net profit
- Given the current uncertain market conditions and the last two years' extensive M&A activities

Dividend target

- At least 40% of net profit over a business cycle



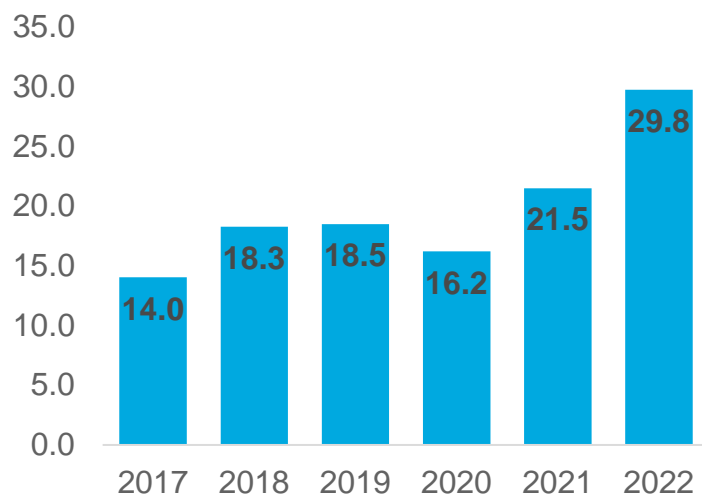
*Proposed by Board of Directors

FINANCIAL OVERVIEW

DRIVING STRATEGIC AGENDA TO DELIVER OUR FINANCIAL TARGETS

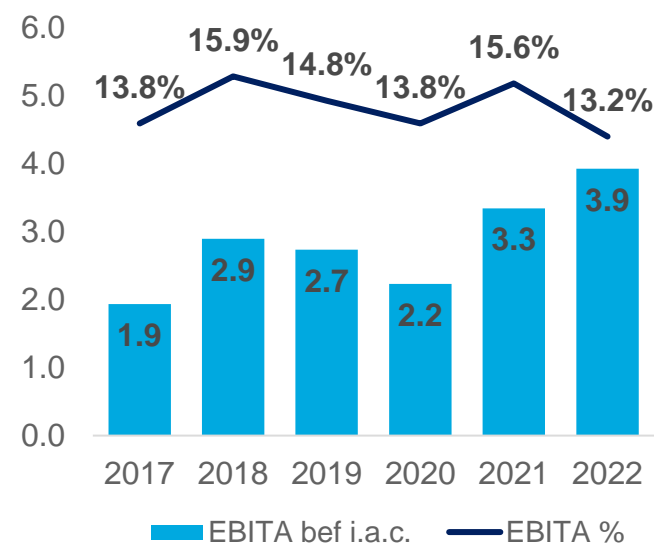
Net sales, SEK b

Target 10% growth



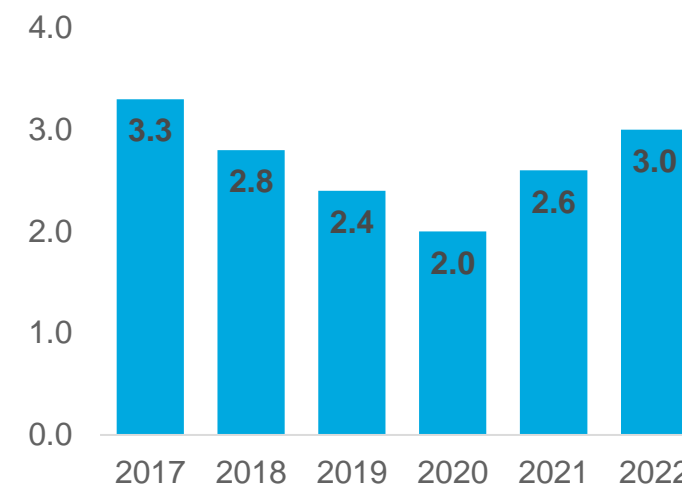
EBITA, SEK b

Target 18-19%



Net debt leverage

Target around 2.5x



- Net Sales CAGR 16%
- Average annual organic sales growth 2%

- Dilutive effect from Igloo in 2022 (14.5% excl Igloo)
- Negative impact from tariffs compared to 2017

- Increased working capital
- 10 acquisitions completed in 2021-2022

Average Organic growth 2017 to 2022

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

Q4 AND FULL YEAR SUMMARY


Business highlights

- Challenging macroenvironment impacts demand
 - Continued decline in RV OEM as anticipated
 - Gradual recovery in Service & Aftermarket coming quarters
 - Stable development in Distribution expected
- Continued highest focus on cash flow and net debt leverage - operating cash flow more than doubled in Q4
- Taking further measures to address the situation in EMEA and Americas
- Proposed dividend SEK 1.30 (2.45) per share

Strategic highlights

- More diversified and resilient sales mix
- Optimistic about the long-term trends in the Mobile Living industry
- Will continue to drive our strategic agenda to deliver on our targets, while at the same time remaining agile to quickly respond to the short-term market trends





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 dirt path. To its left, a green tent is set up on a grassy area, with two people sitting on chairs outside. In the background, a dark green SUV is parked on a rocky outcrop, with two people standing nearby. The sky is filled with soft, golden light from the setting sun, and the overall atmosphere is peaceful and adventurous.

 **DOMETIC**