



DOMESTIC



PRODUCT LEADERSHIP THROUGH INNOVATION

ANTON LUNDQVIST



WHERE WE WERE!

**PRODUCT
FRAGMENTATION**

**LOCAL PRODUCT
DEVELOPMENT**

**SMALL
PROJECTS**

**FEW COMMON
PROCESSES**

**LIMITED GLOBAL
AGENDA**

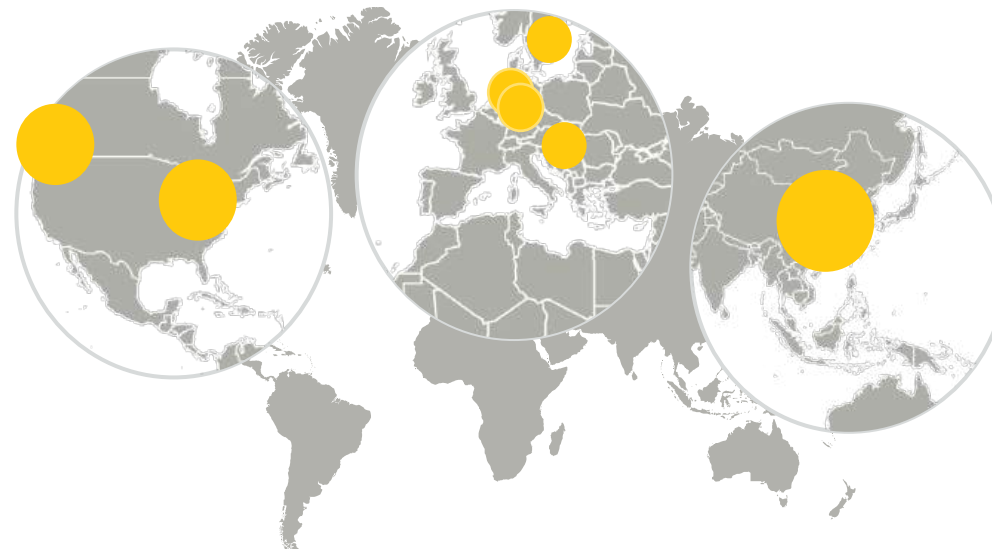
FROM - TO

FOCUSED DEVELOPMENT ORGANIZATION

**LOCAL DECISIONS WITH
LITTLE CO-ORDINATION**



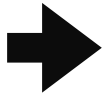
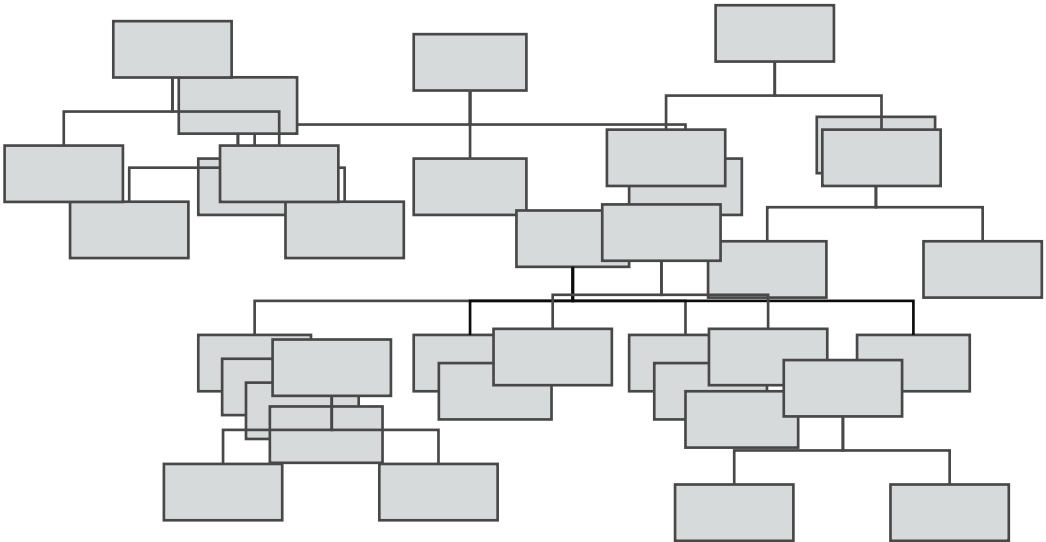
**GLOBALLY FOCUSED
ORGANIZATION**



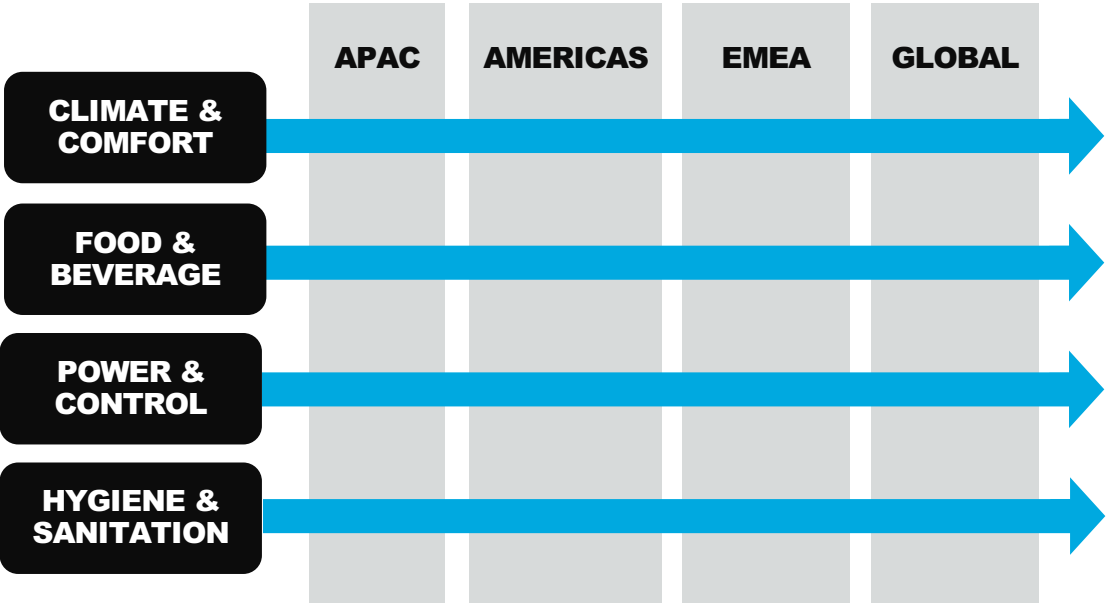
FROM - TO

GLOBAL PRODUCT MANAGEMENT

REGIONAL PRODUCT MANAGEMENT WITH DIFFERENT DEFINITIONS AND RESPONSIBILITY

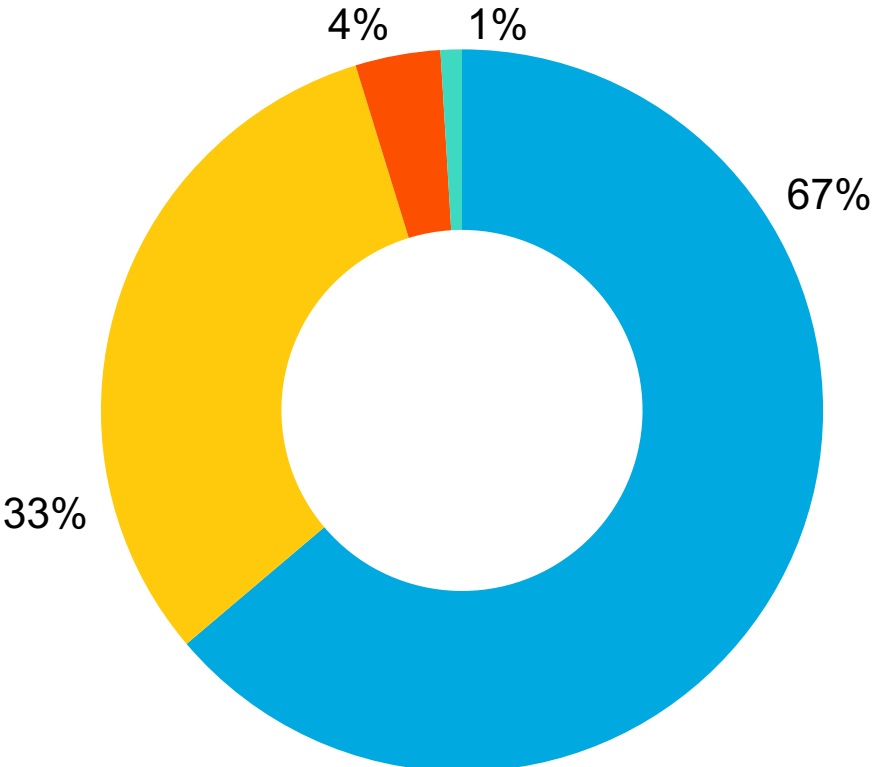
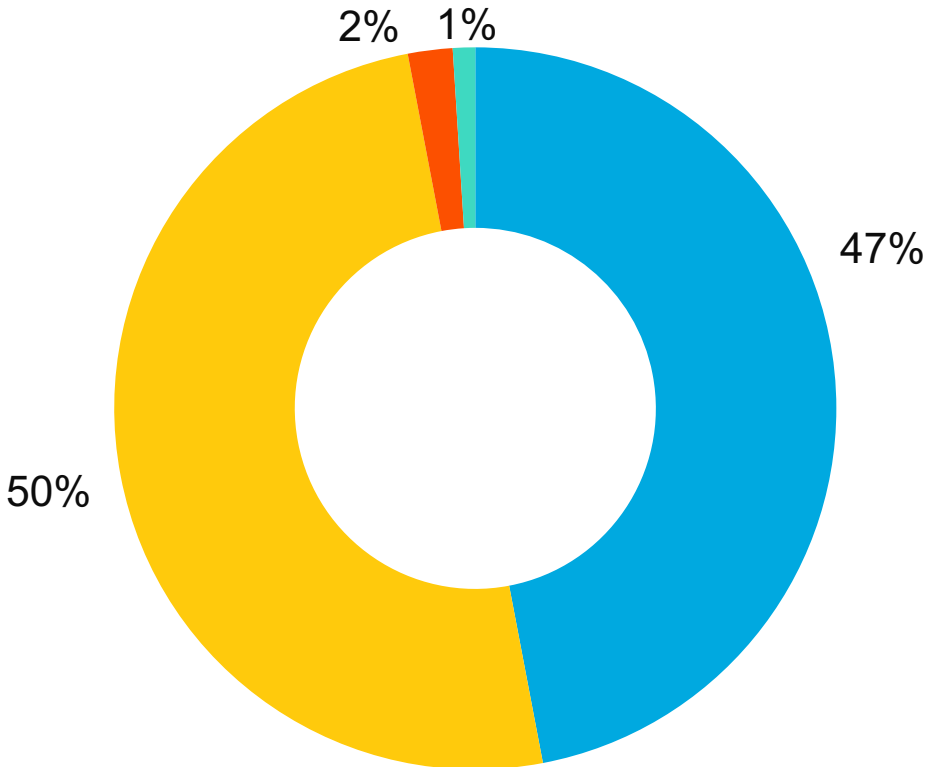


GLOBAL PRODUCT AREAS WITH LEADERSHIP IN THE SEGMENTS



FROM - TO

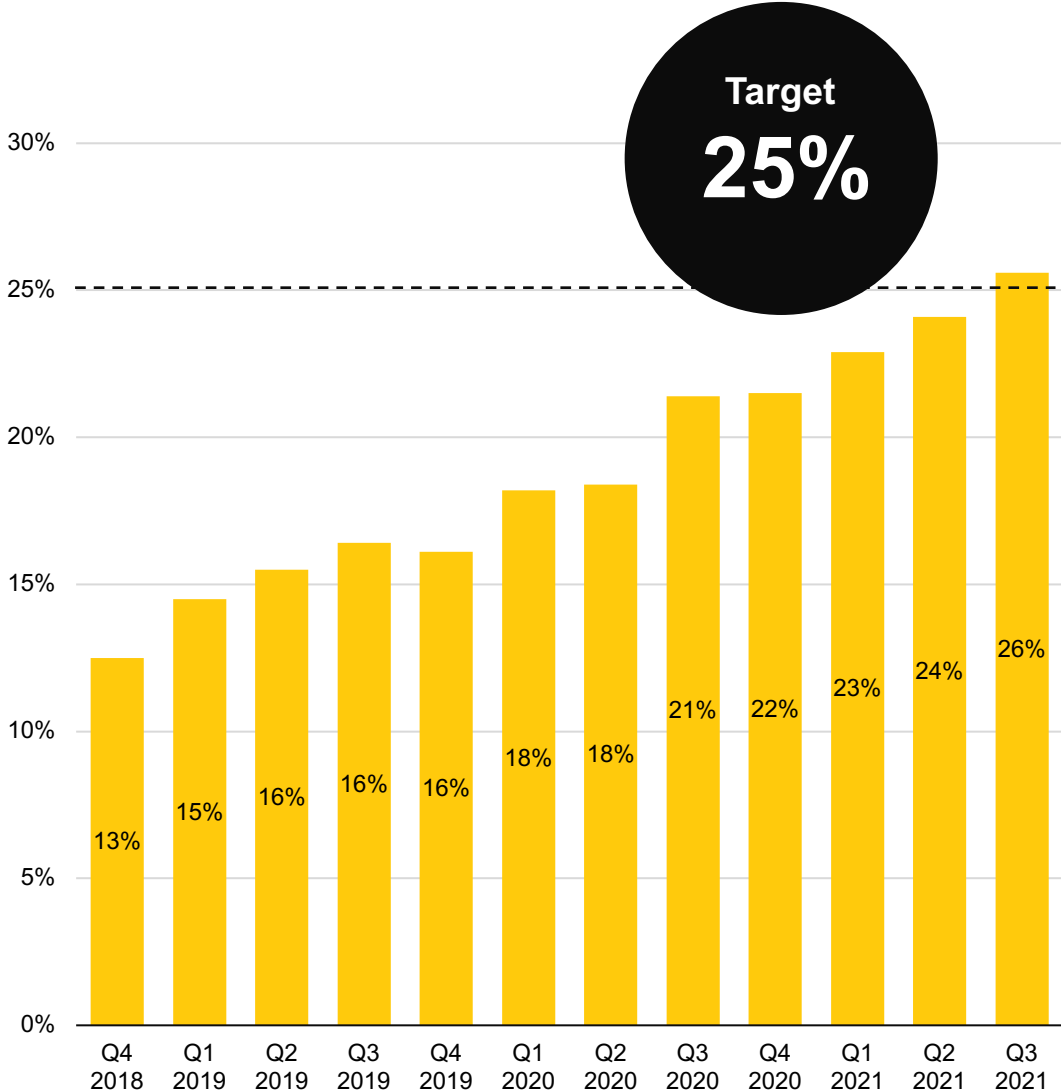
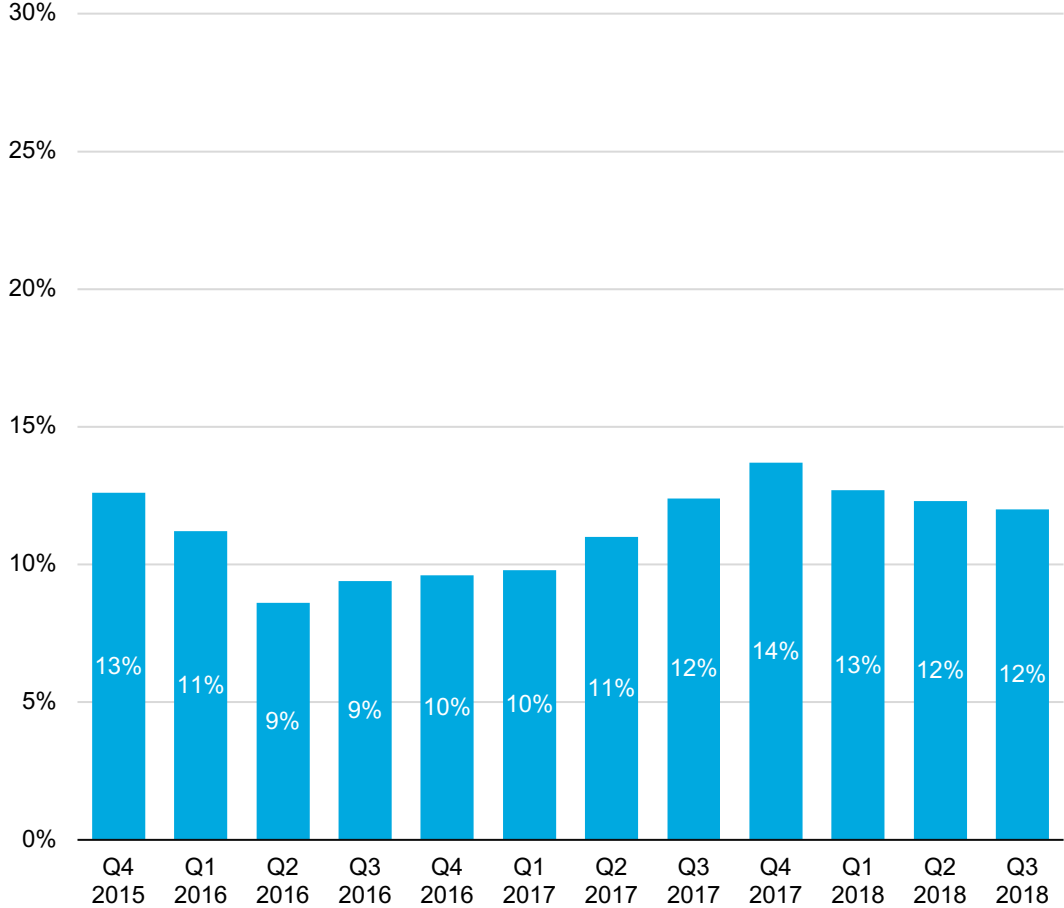
MORE TIME SPENT ON PRODUCT DEVELOPMENT



- NEW PRODUCT DEVELOPMENT
- CUSTOMER ORDERS
- MAINTENANCE/IMPROVEMENTS
- PRIMARY DEVELOPMENT

FROM - TO

STEP CHANGE IN INNOVATION INDEX*



*Innovation index based on the sales of products launched the the last 3 years

FROM - TO



GLOBAL PLATFORMS



CONNECTIVITY PREPARED



NEW APPLICATIONS AND MARKETS



MAINTAIN TECHNICAL LEADERSHIP



NEW ACQUISITIONS



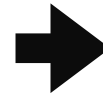
WHAT WE SET OUT TO DO.



WHAT WE DID!



reddot design award





OPEN THE WORLD

OUTDOOR VEHICLE BASED ACTIVITIES

Maintain excellence and grow market in core categories with an attractive offering that can also reach new customer categories

- Mobile Cooling Solutions
- Mobile Cooking Solutions
- Mobile Power Solutions
- Mobile Storage and Rest Solutions



HEATING, VENTILATION AND A/C FOR RV'S

OUR LARGEST PROGRAM – EVER!



CONNECTIVITY PREPARED



Fast heat up
Low energy consumption
Improved experience



Active heat exchanger
to save energy and
improve air quality



Remote controlling



More aerodynamic to
reduce noise at high speed



Variable speed, reduced
energy consumption and
noise



New functionality



Improved performance
Reduced energy consumption
New refrigerants

HEATING

VENTILATION

A/C

OUTDOOR AND ELECTRIFICATION

Electrification of vehicles will bring changes

- Energy flexibility
- Energy efficiency
- More flexible product solutions for smaller vehicles

Dometic opportunities

- Mobile Power Solutions
Batteries, solar panels and Power Electronics
- Existing product range:
Variable speed compressor technology, gas/liquid fuelled cooking, refrigeration and heating, DC operated appliances
- Connected products
Simplify for the end-user with smart functionality and proper energy management to also support new customer groups



SUSTAINABILITY

Sustainability is efficiency

- Reduce climate impact
- Increase resource efficiency
- Improve circularity

An integrated part of all we do – every day

- Internal ambition levels in all projects
- Targets on energy reduction
- Focus on new materials
- Develop internal and external standards
- Link to our Service and Aftermarket
- Increase co-operation with supplier and 3rd party experts

VARIABLE SPEED A/C

Silent and efficient



Up to
40% less
current
draw

MINIBAR PLATFORM

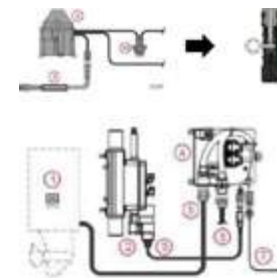
*3 cooling technologies
one platform*



Up to
40% energy
reduction

ELECTRIC STEERING REPLACING HYDRAULIC

80% less power draw



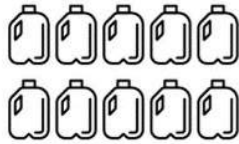
More
than 50%
material
reduction

SUSTAINABILITY

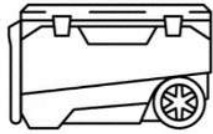
RENEWABLE & RECYCLED MATERIALS

- More opportunities together with IGLOO
- Increased focus as we are becoming more consumer oriented
- Packages and Products as part of circularity focus

A first step towards circularity



116,000 lbs. of Recycled Yogurt Cups & Milk Jugs



First Production Run of ECOCOOL



Saved the Landfill Space of 10 Football Fields



PLASTIC BOTTLE



RECYCLED AND SORTED



CHOPPED AND FLAKED



MELTED AND SPUN



WOVEN



It's a solution. The material never. Reduce, reusing. Thoughtful. Make it the responsible construction of our new strategy. Save and.



THIS DOMETIC LEGGERA AIR REDUX 260 USES APPROXIMATELY 22 METRES OF MATERIAL

=220 

THAT MEANS 220 BOTTLES HAVE BEEN RECYCLED TO MAKE THIS AWNING.

SERVICE AND AFTERMARKET

The opportunity

- Improve the experience
- Sustainability through circularity
- New product opportunities

Integrated in our development

- Ensure backward compatibility
- Find opportunities in the installed base
- Work with competitors products
- Integrate connectivity
- Digitalize information



THREE KEY TAKEAWAYS

INNOVATION

Step change in innovation and added opportunities to drive more innovation and continue to reduce complexity

Outdoor – Vehicle Based Activity products with special focus on mobile power solutions

Sustainability with lifecycle focus

CONTINUOUS COST REDUCTIONS

EVA KARLSSON



DEVELOP OPERATION IN STEPS

REDUCE COMPLEXITY STEP 1



REDUCE COMPLEXITY STEP 2



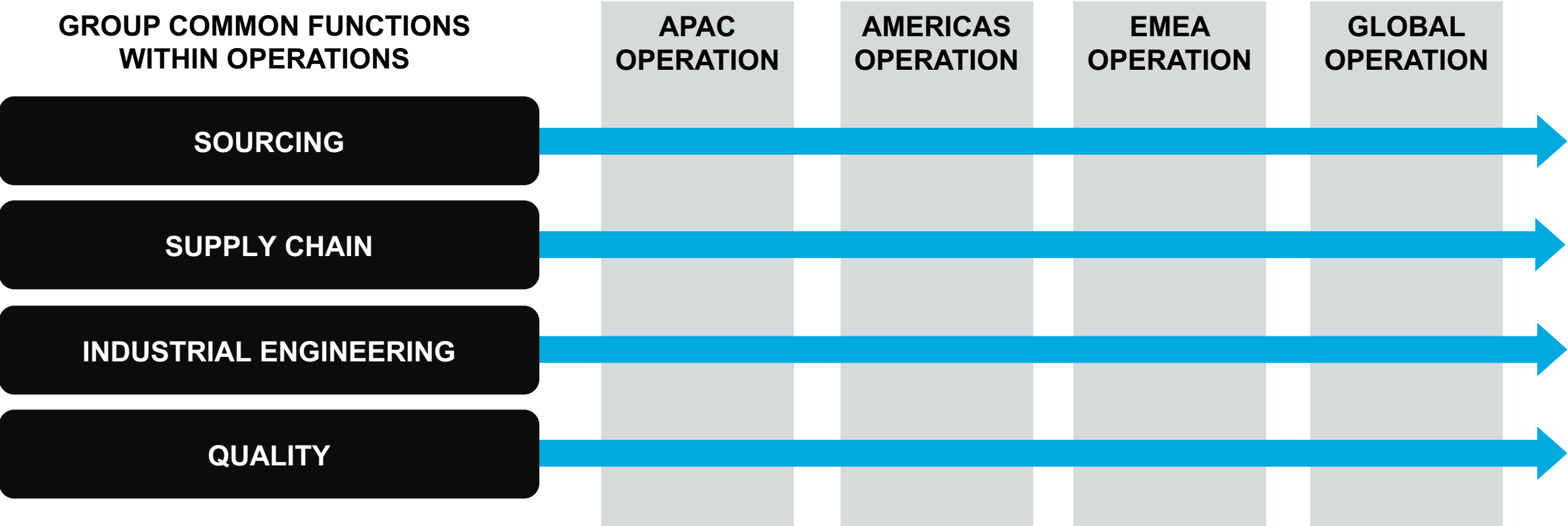
OPTIMIZATION



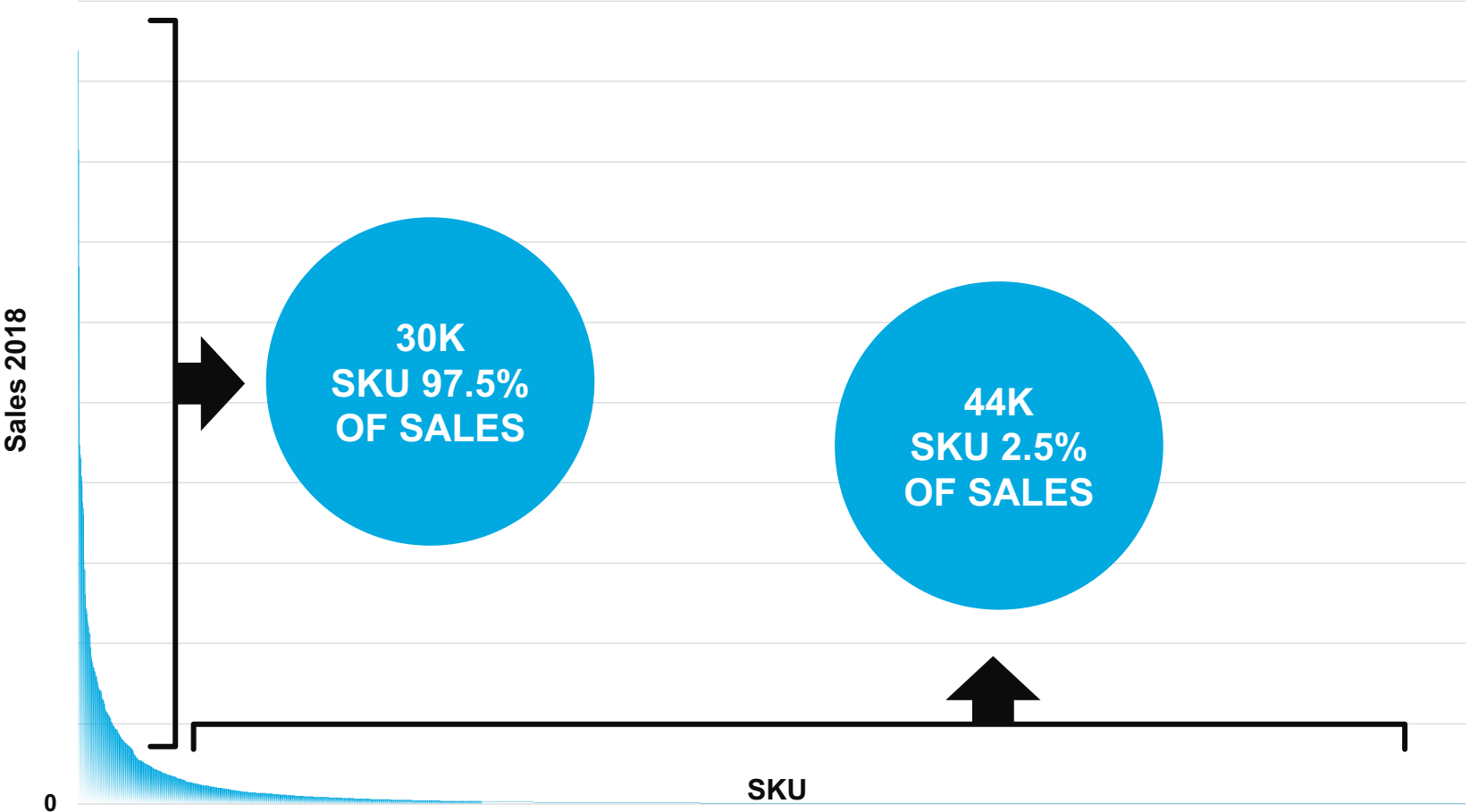
SUSTAINABILITY EXCELLENCE

PROCESS OWNERS IN OPERATIONS DRIVING THE INDUSTRIALIZATION ACROSS THE SEGMENTS

DECENTRALIZATION WITH COORDINATION



COMPLEXITY IN OUR PRODUCT OFFERING IS REDUCED



TARGET:
- 40%
SKU REDUCTION

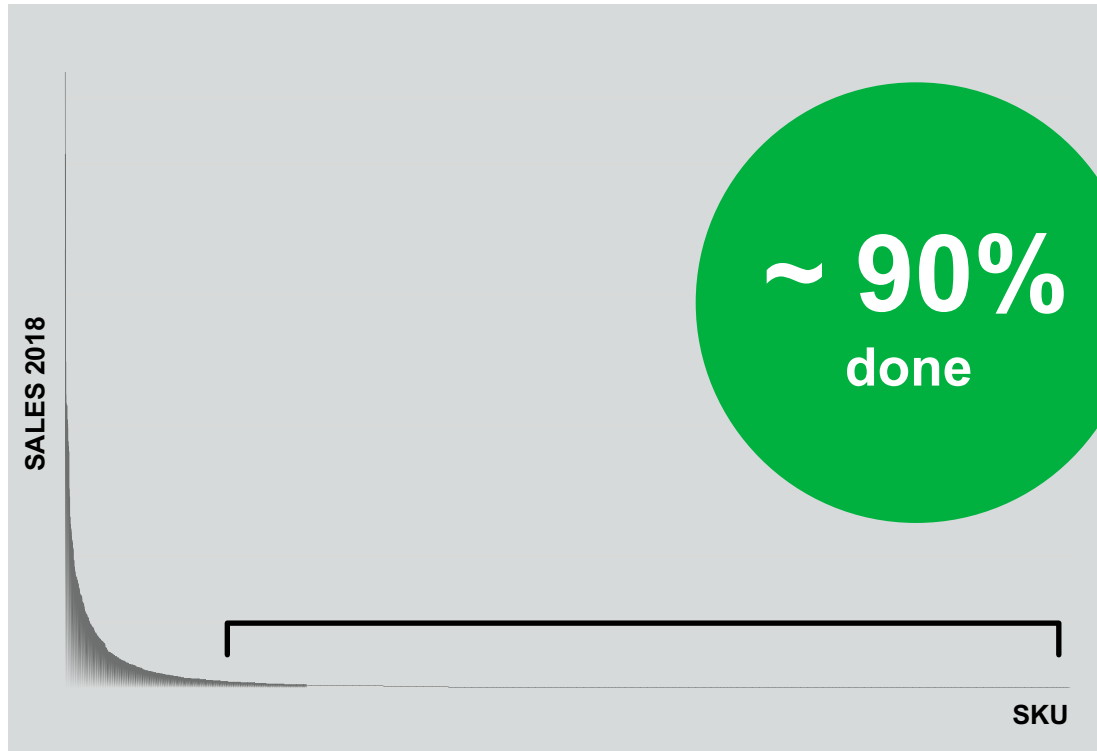
YTD 2021:
- 59%
SKU REDUCTION

*SKU = Stock keeping unit

*Acquisitions 2021 not included

SKU REDUCTION IN 2 PHASES

PHASE 1 – CUT THE TAIL!



PHASE 2 – STRUCTURAL REDUCTION

- Common processes
- Global products
- Global technologies
- Generation planning, common component platforms and modularity
- Robust product lifecycle management

ADVANTAGES FROM SKU REDUCTION

SUSTAINABILITY
EXCELLENCE

**FEWER
SUPPLIERS**

**FEWER
COMPONENTS**

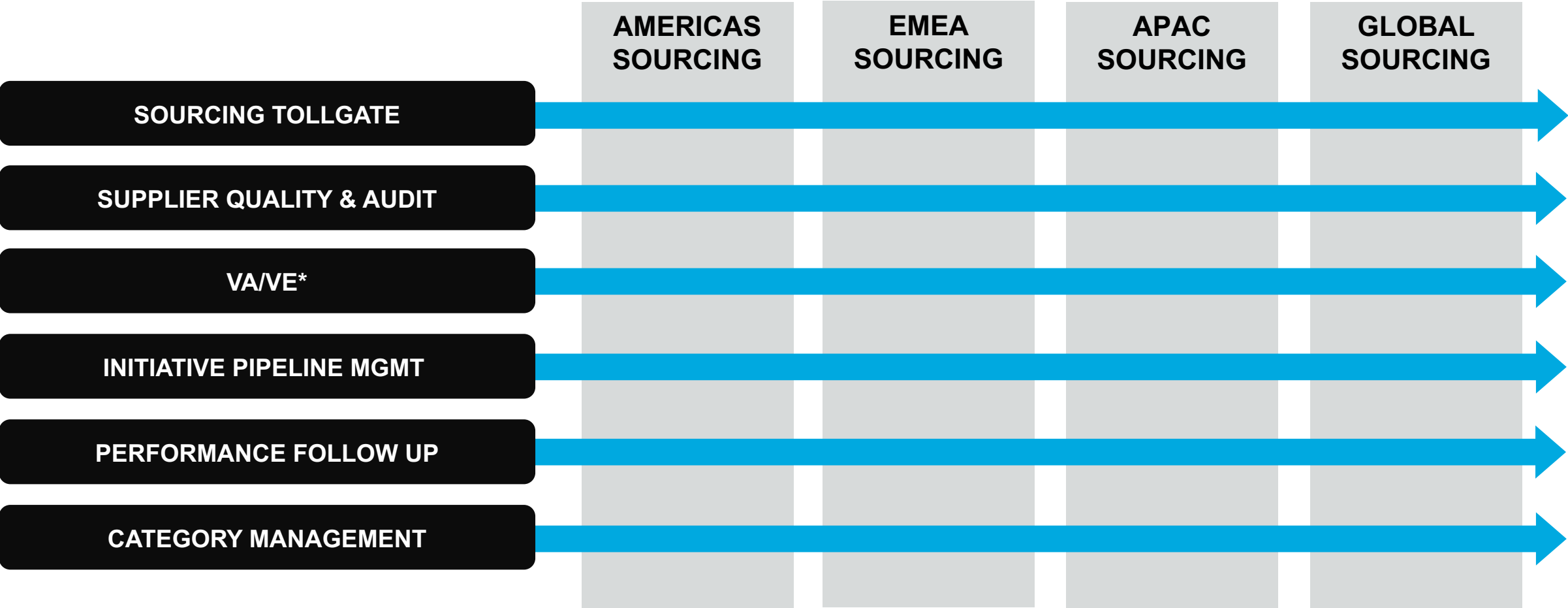
**LESS
SPACE**

**REDUCED
INVENTORY**

**REDUCED RISK OF
OBSOLESCENCE**

STRATEGIC SOURCING STARTED

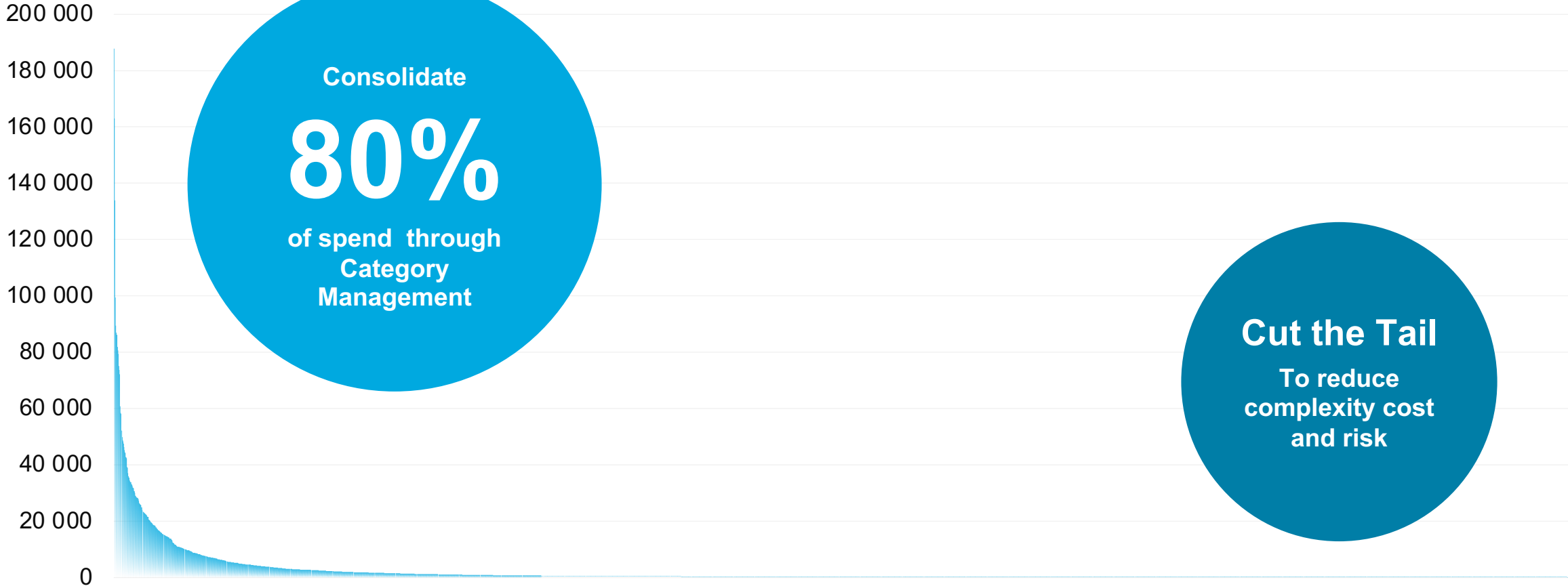
- 6 PROCESS OWNERS COORDINATING ACROSS THE GROUP



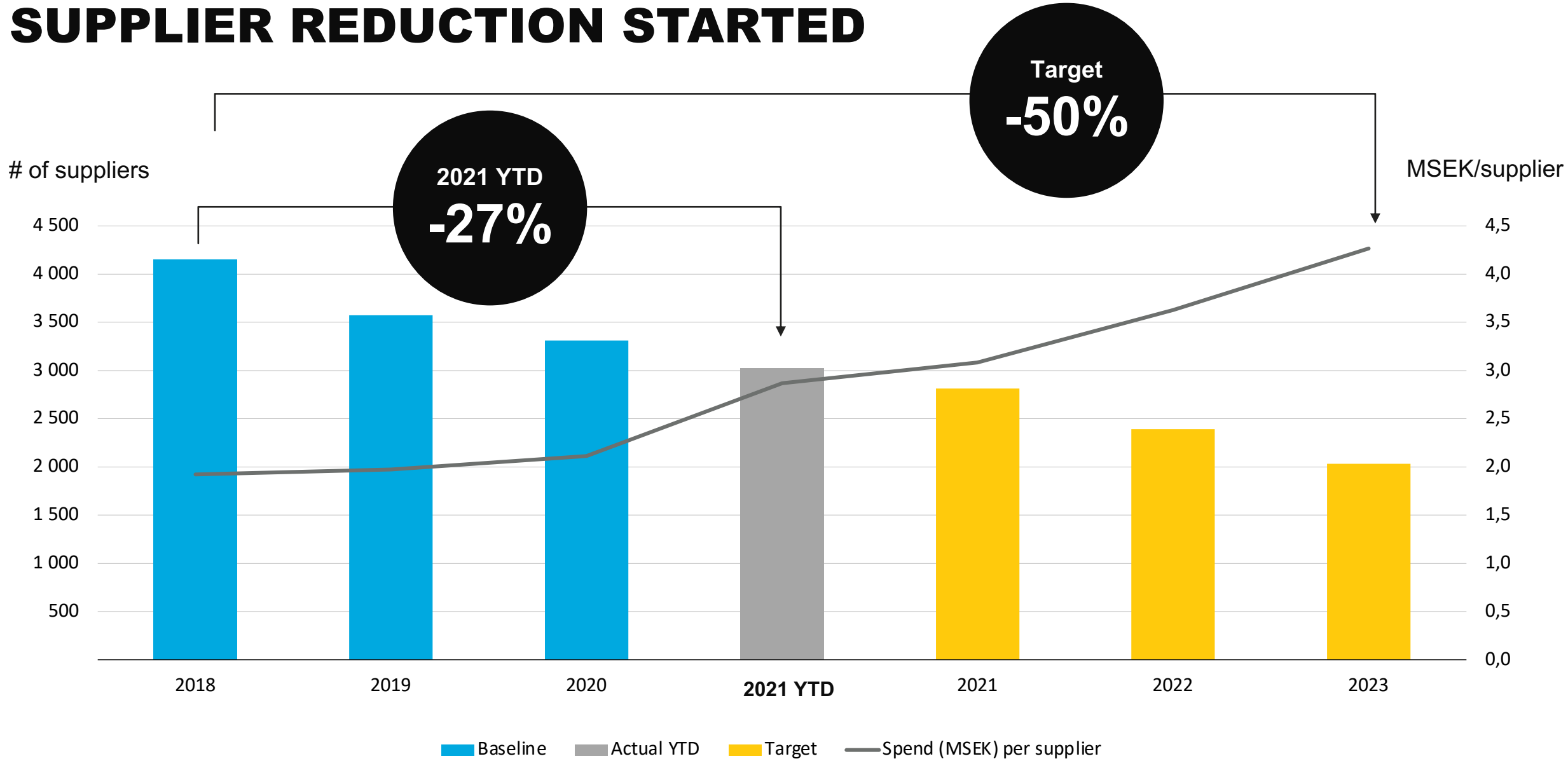
* VAVE = Value added/Value Engineering

FEWER AND BETTER DIRECT MATERIAL SUPPLIERS

Spend/Supplier (Ksek)



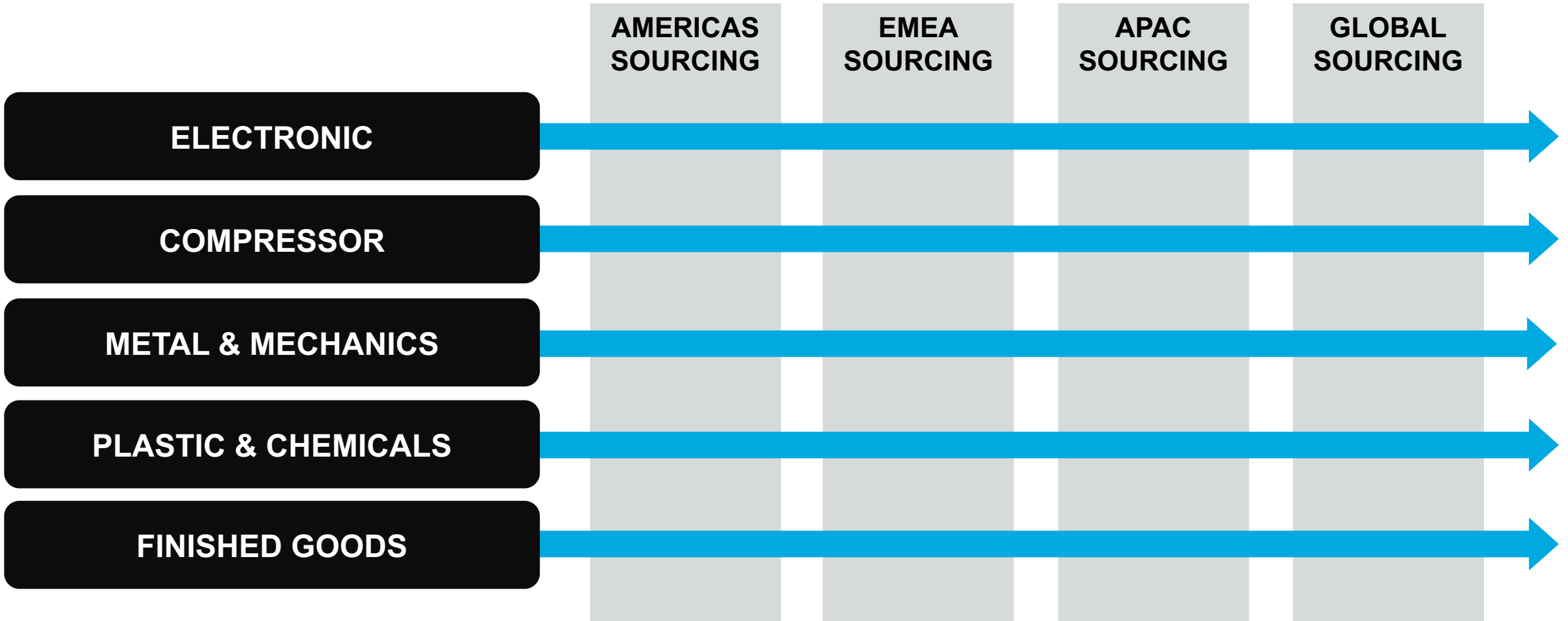
SUPPLIER REDUCTION STARTED



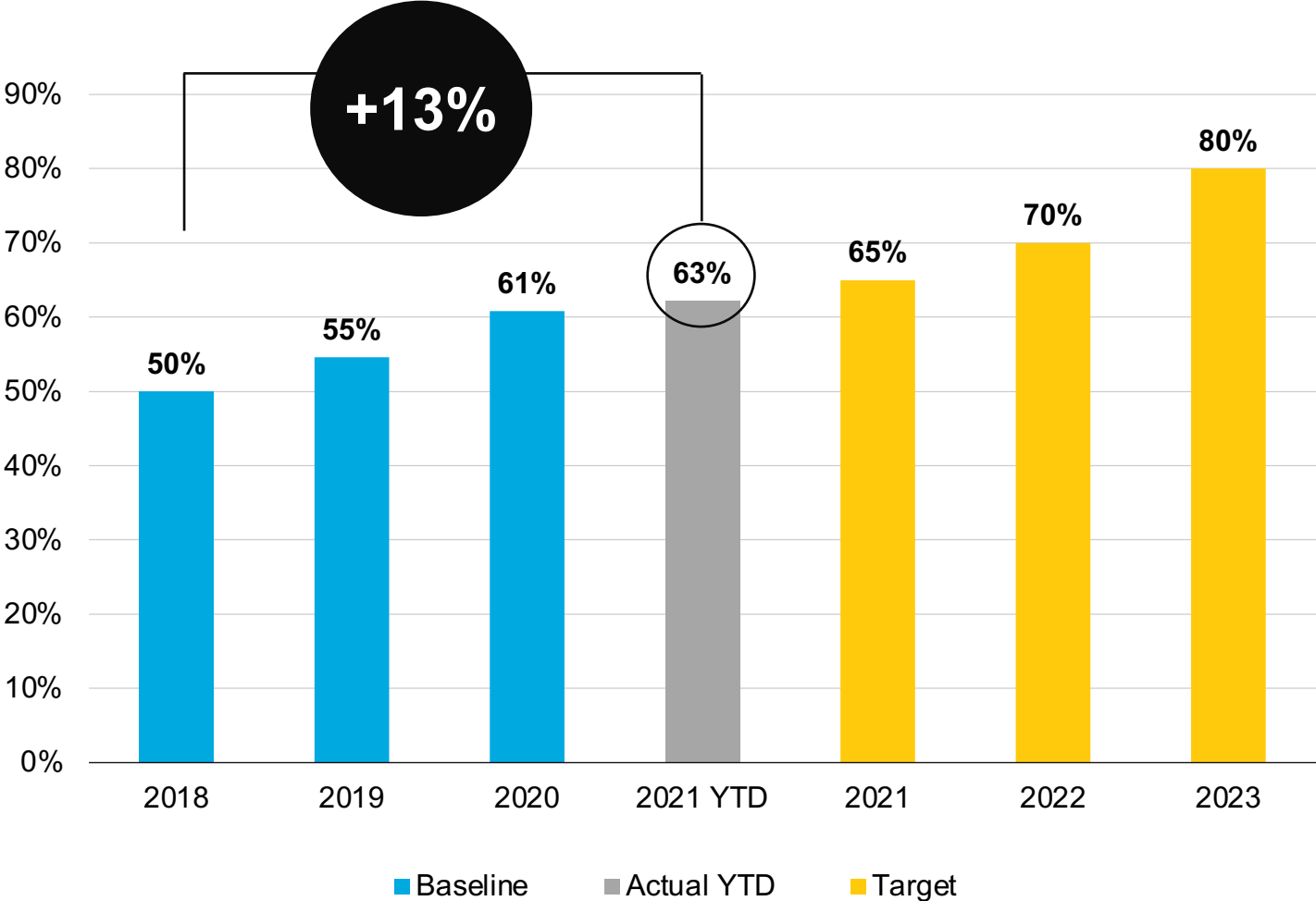
*Acquisitions 2021 not included

CATEGORY MANAGEMENT, THE WAY TO CONSOLIDATE

- 5 CATEGORY MANAGERS COORDINATING ACROSS THE GROUP



DIRECT MATERIAL IN LOW COST COUNTRIES (LCC) SHARE TO BE > 80%



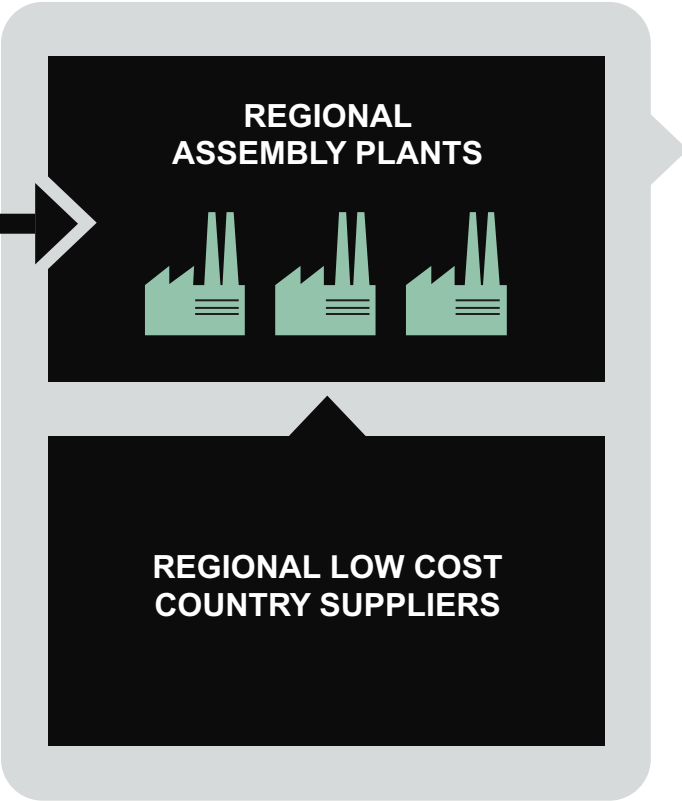
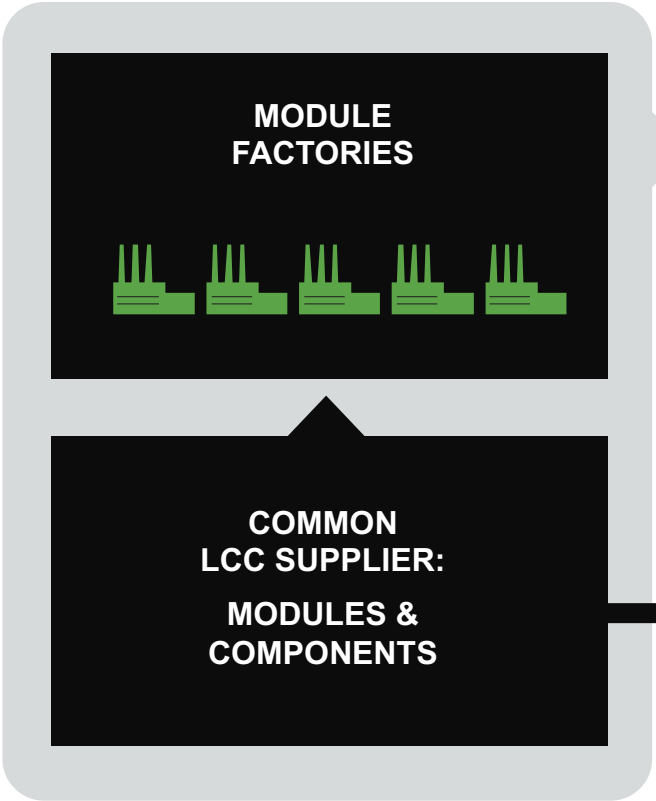
We have strengthened our Sourcing Organization in Low Cost Countries

Share of Sourcing Headcount in Low Cost Countries moved from 30% to 64%

*Acquisitions 2021 not included

OUR MANUFACTURING FOOTPRINT STRATEGY

LOW COMPONENT VARIETY



HIGH PRODUCT VARIETY



RESTRUCTURING PROGRAM LAUNCHED Q3 2019

Site:

- 22 sites affected so far

Employees

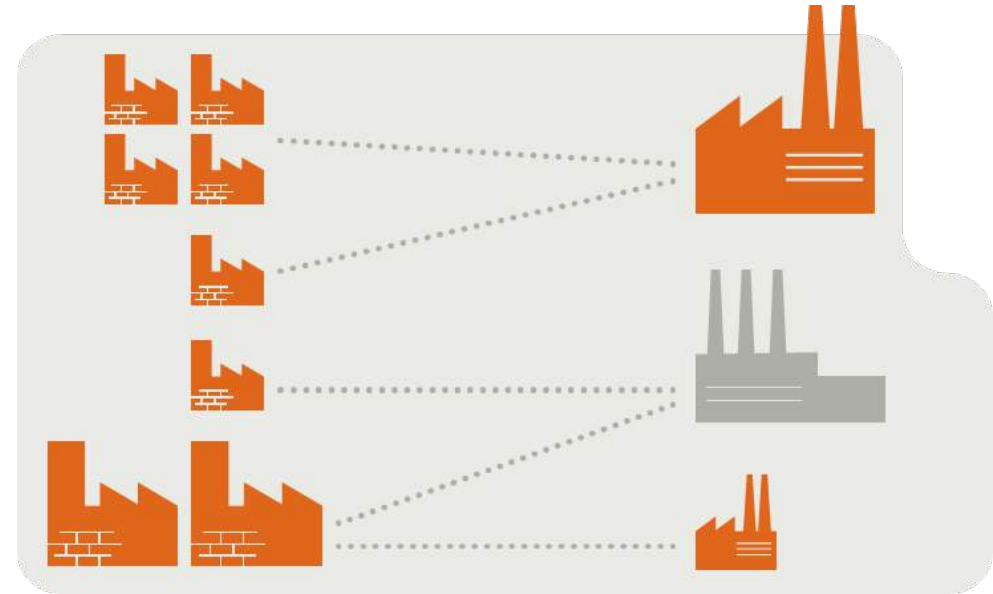
- 804 employees affected so far

Costs

- SEK 283 m so far vs target 750 m

Savings

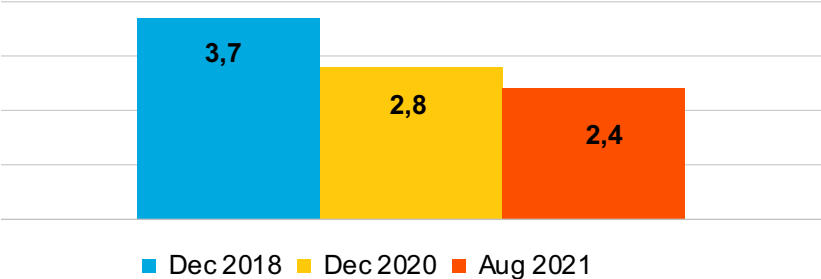
- SEK 150 m so far vs target 400 m



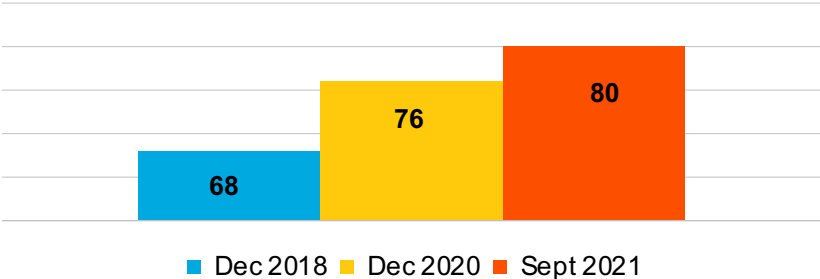
- COVID-19 related travel restrictions combined with strong market demand has slowed down some projects
- Full program effect estimated till mid 2023

GOOD PROGRESS IN ALL SUSTAINABILITY KPI'S

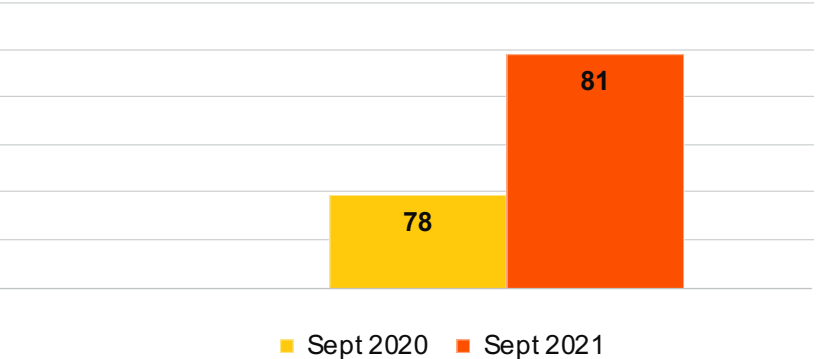
Workplace injury rate LTIFR



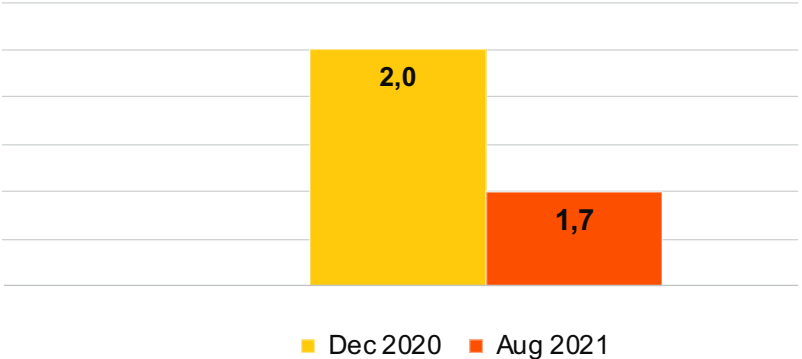
% waste recycled



% audited spend in LCC



% CO2 ton / net sales SEKm

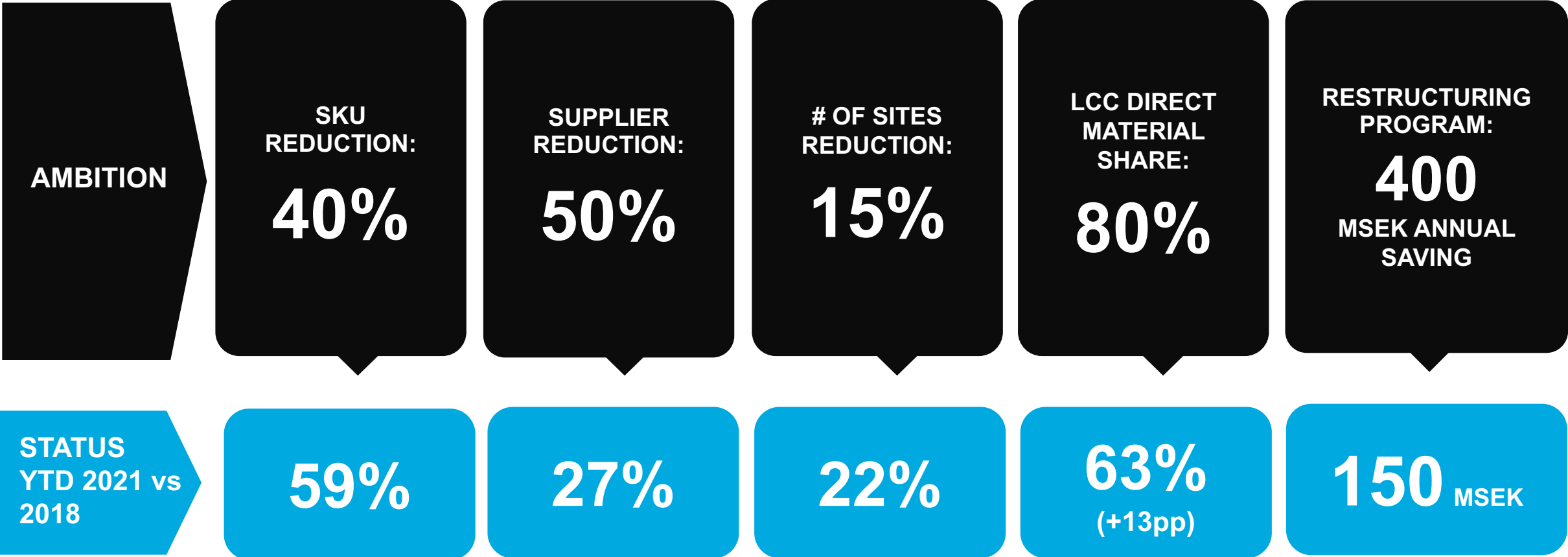


Target 2030
Reduce CO₂
emissions* / SEKm by
50%

* Emissions from energy use in manufacturing and warehouses.

KPI's excluding 2021 acquisitions

RESULT SO FAR COMPLEXITY & COST REDUCTION



THREE KEY TAKEAWAYS

COST REDUCTION

Good Progress in Complexity reduction, will never end

Cost reduction program one third done and full focus to complete

Good progress on sustainability.
Will continue to be part of everything we do.

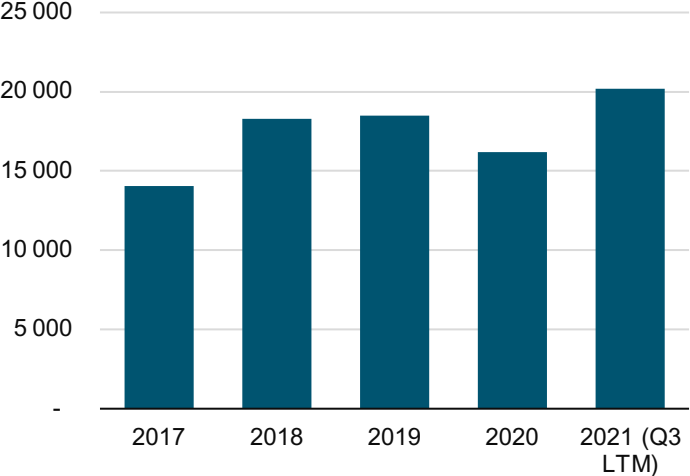
FINANCIAL UPDATE AND TARGETS

STEFAN FRISTEDT



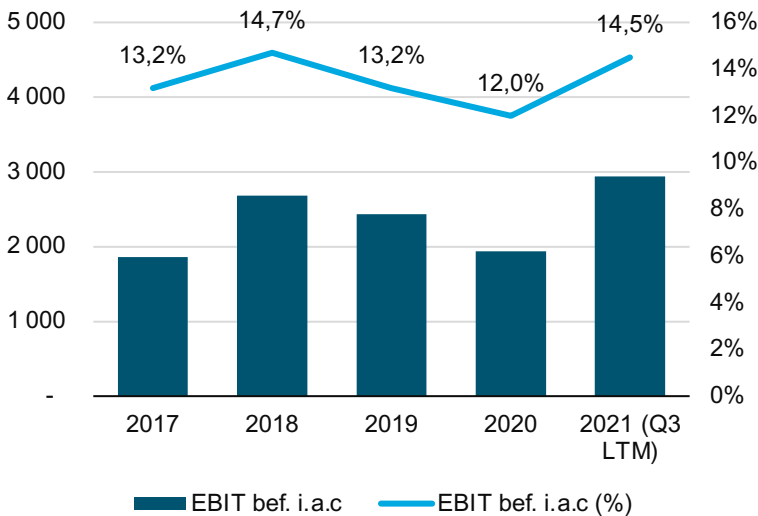
FINANCIAL TRENDS OVERVIEW

Net sales



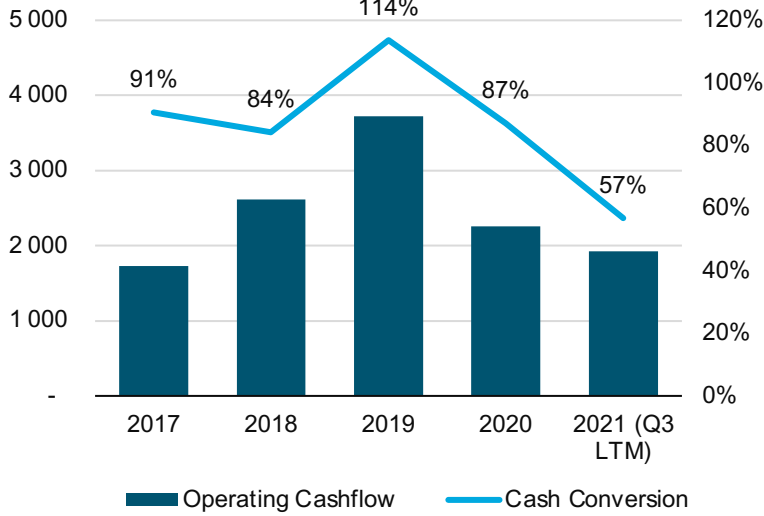
- Net Sales CAGR 9.5%
- Organic sales CAGR 4.3%

EBIT



- Implementation of strategic actions
- Negative impact from FX and tariffs

Operating Cash Flow



- Working Capital % of Net Sales improved to 21% (23% in 2017)
- 2021 working capital impacted by volume growth and supply constraints

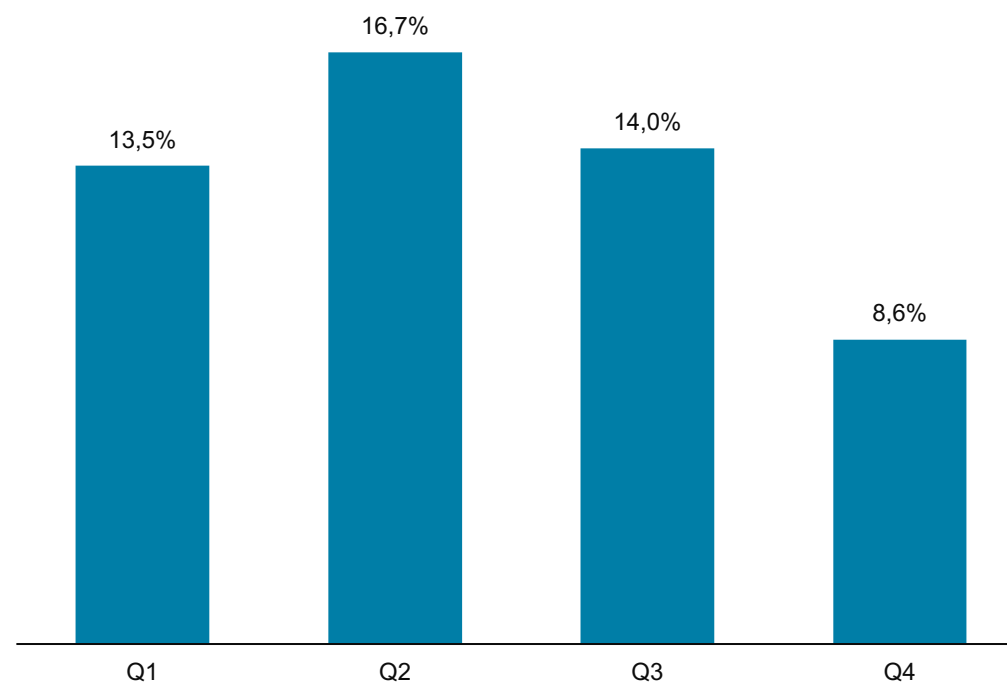
Organic sales CAGR: Average Organic growth 2017 to 2021 Q3 LTM), excl 2020
 Cash Conversion: Net cash flow from operations / Operating profit adj for non-cash items

SEASONALITY AND BUSINESS MIX

- Expansion in Outdoor and Service and Aftermarket will reduce cyclicalit
- Dometic business will continue to be seasonal - quarterly margin impacted by sales and business mix

Average 2015-2021 ¹	Q1	Q2	Q3	Q4
Share of annual sales	25%	28%	25%	22%
OEM share in business mix	High	Lowest	Low	Highest

EBIT Margin Before i.a.c.
Average 2015-2021¹

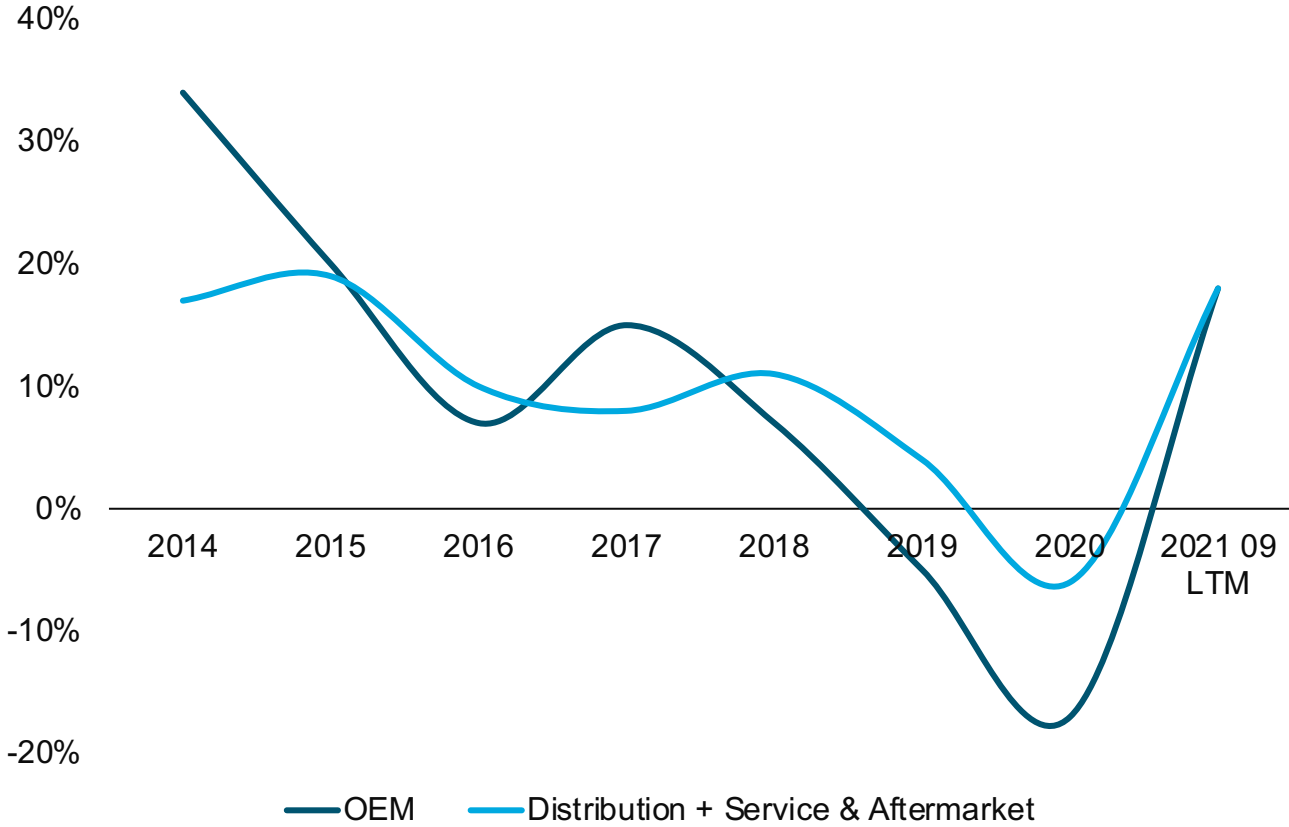


¹) Excl 2020 due to the COVID-19 impact on quarterly sales

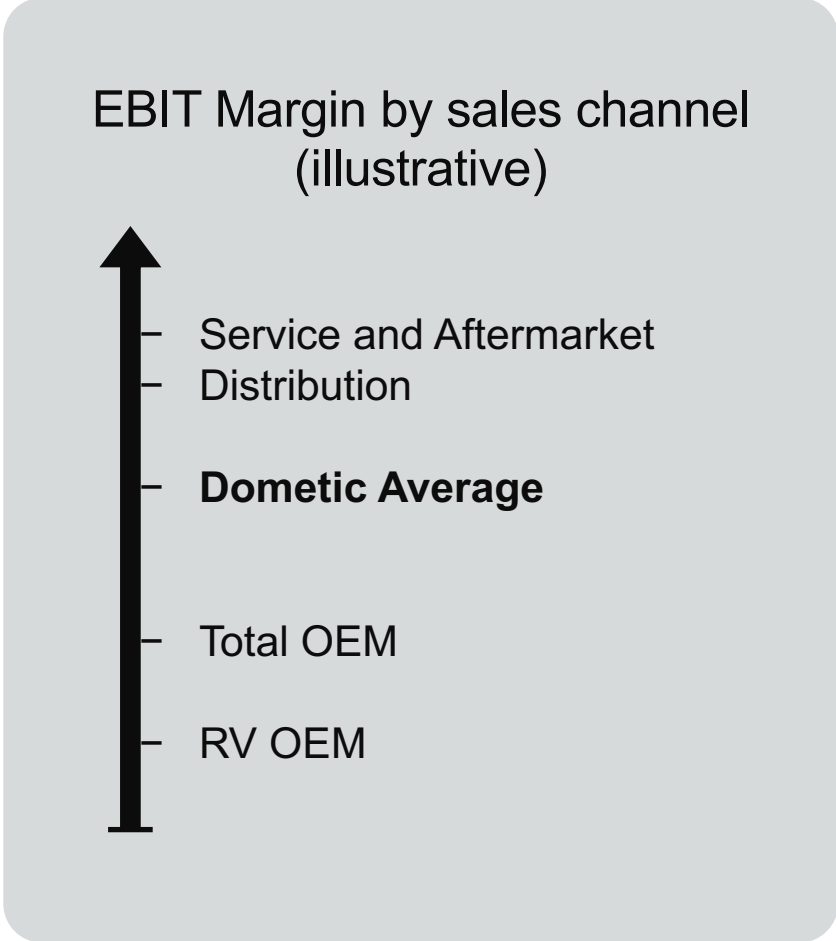
EXPANSION IN OUTDOOR AND SERVICE & AFTERMARKET

REDUCED CYCLICALITY AND HIGHER MARGINS

Sales Growth by Sales Channel

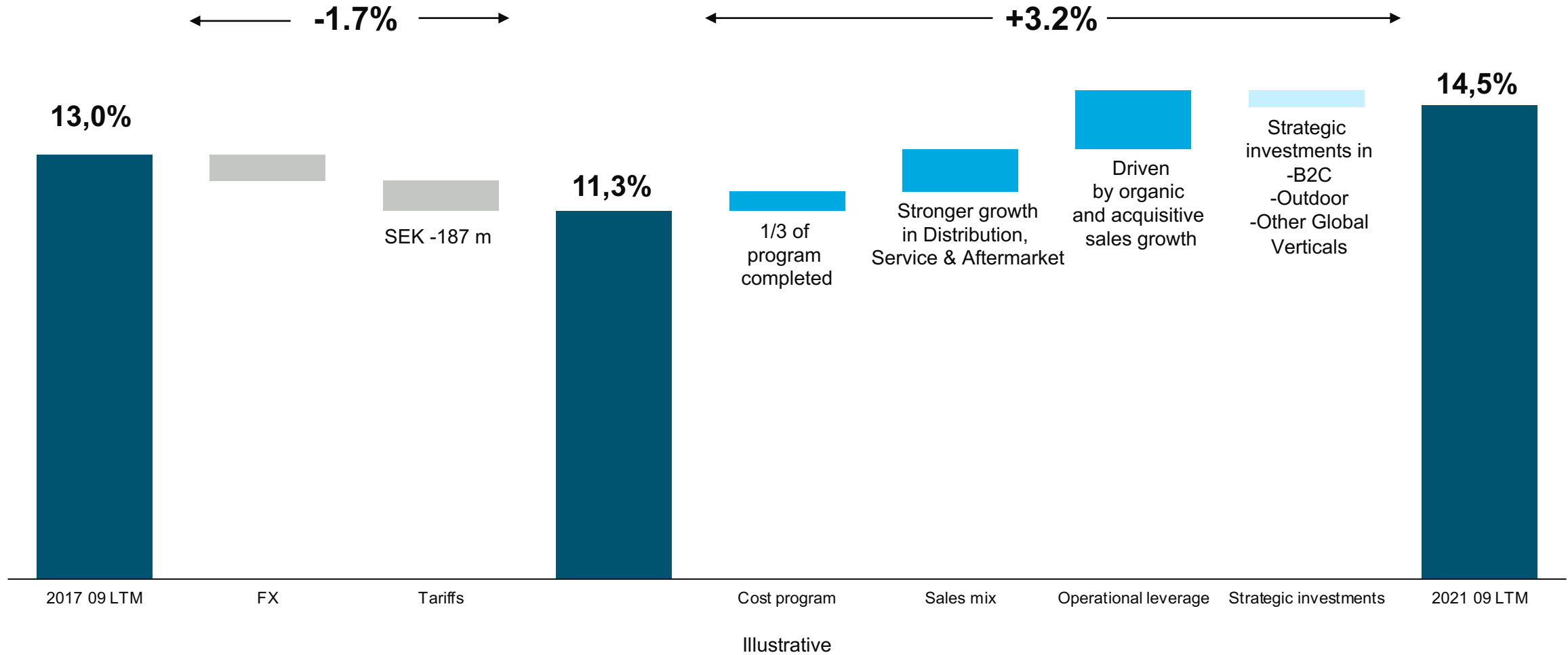


EBIT Margin by sales channel (illustrative)



TRACKING TOWARDS OUR FINANCIAL TARGETS

UNDERLYING IMPROVEMENTS DRIVEN BY STRATEGIC ACTIONS



NET DEBT LEVERAGE

TARGET AROUND 2.5X OVER A BUSINESS CYCLE

June

- New shares issue SEK 3.4 b
- EKN loan SEK 2 b prolonged with 2 years

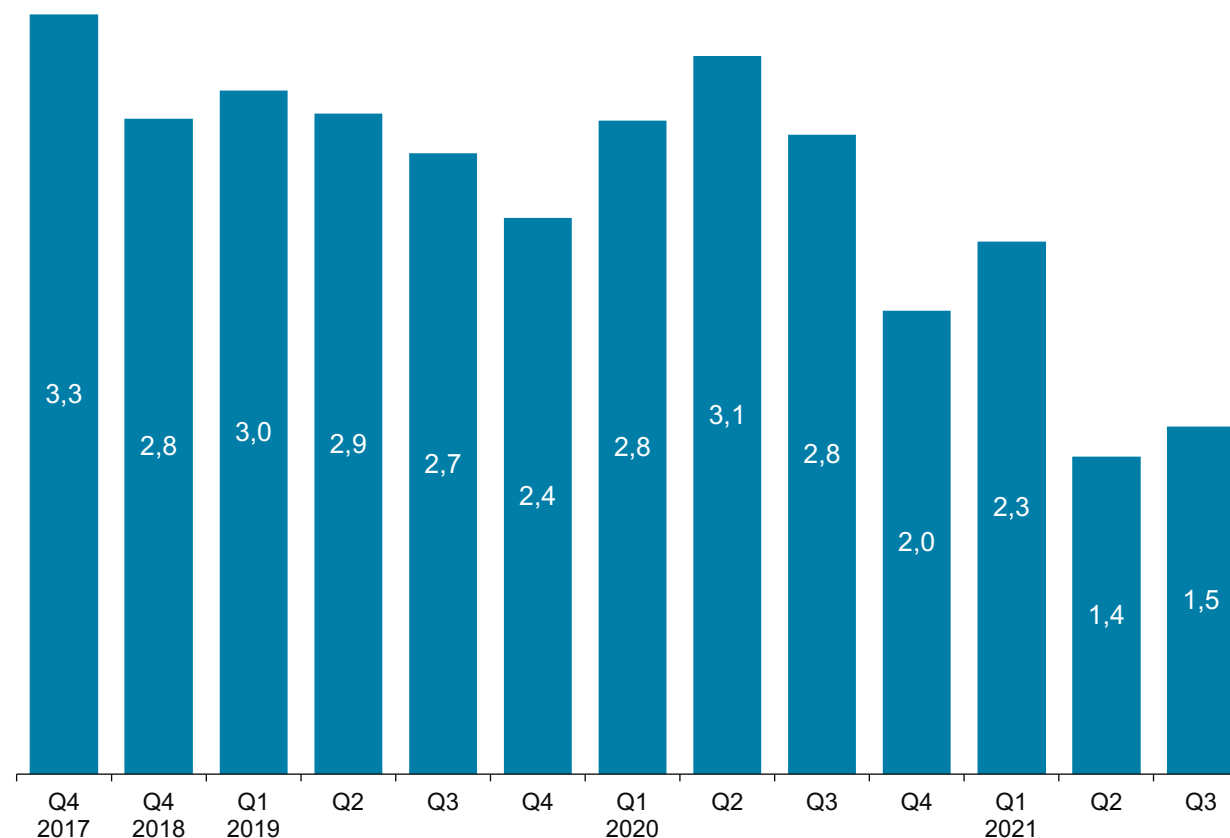
September

- Issued 7-year Bond EUR 300 m

Going forward

- Igloo and Cadac adds ~1.3x in Q4 2021
- Average annual de-leverage 0.6x to 0.8x driven by positive operational cash flow

Net Debt Leverage



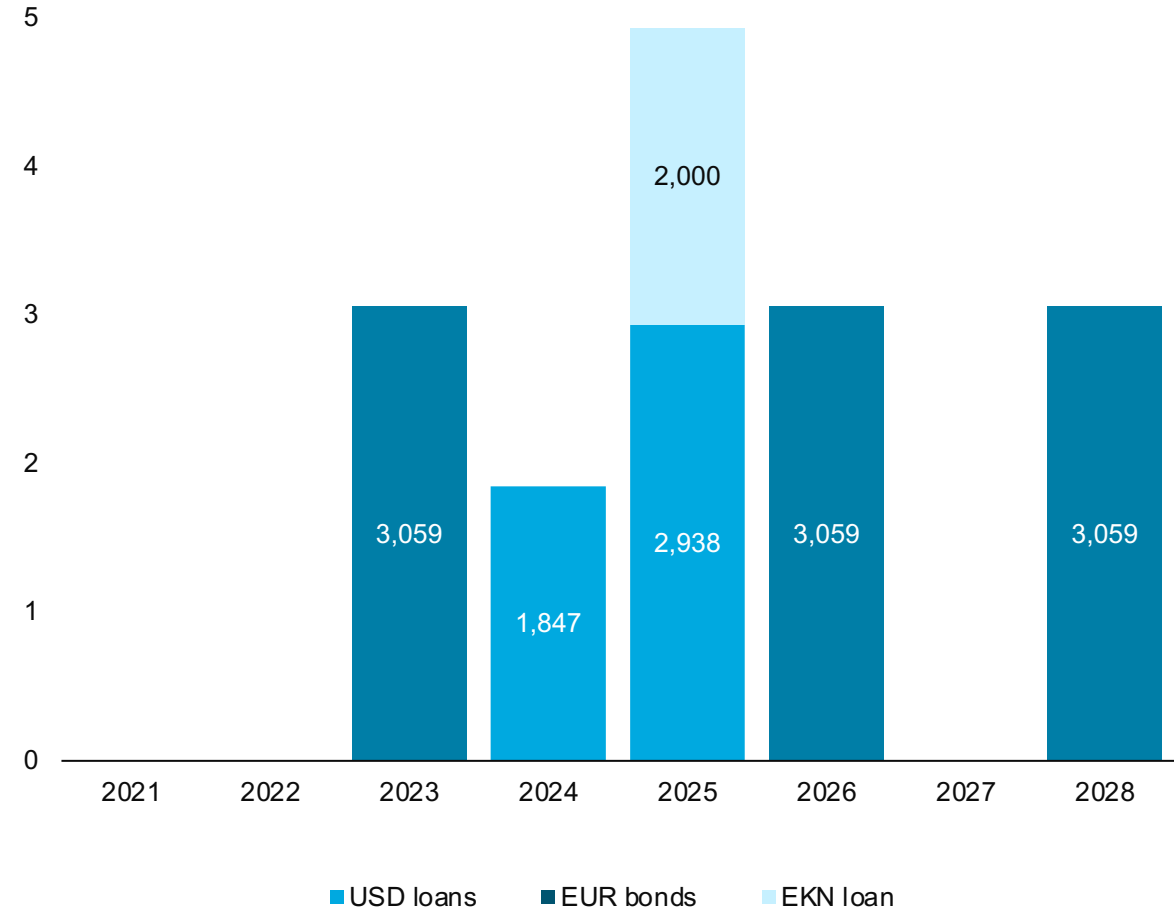
HEALTHY DEBT MATURITY PROFILE

- **Average maturity 4.3 years**
 - Compared to 2.6 years in 2018
- **Average interest rate 2.34%**
 - New 7-year bond issued Sep 2021, rate 2,00%

Diversified funding facilities in place

- EMTN program EUR 1,500 m (60% used)
- Undrawn revolving credit facility EUR 200 m
- Bank facilities USD 543 m
- Certificate program SEK 2 b
- EKN loan SEK 2 b

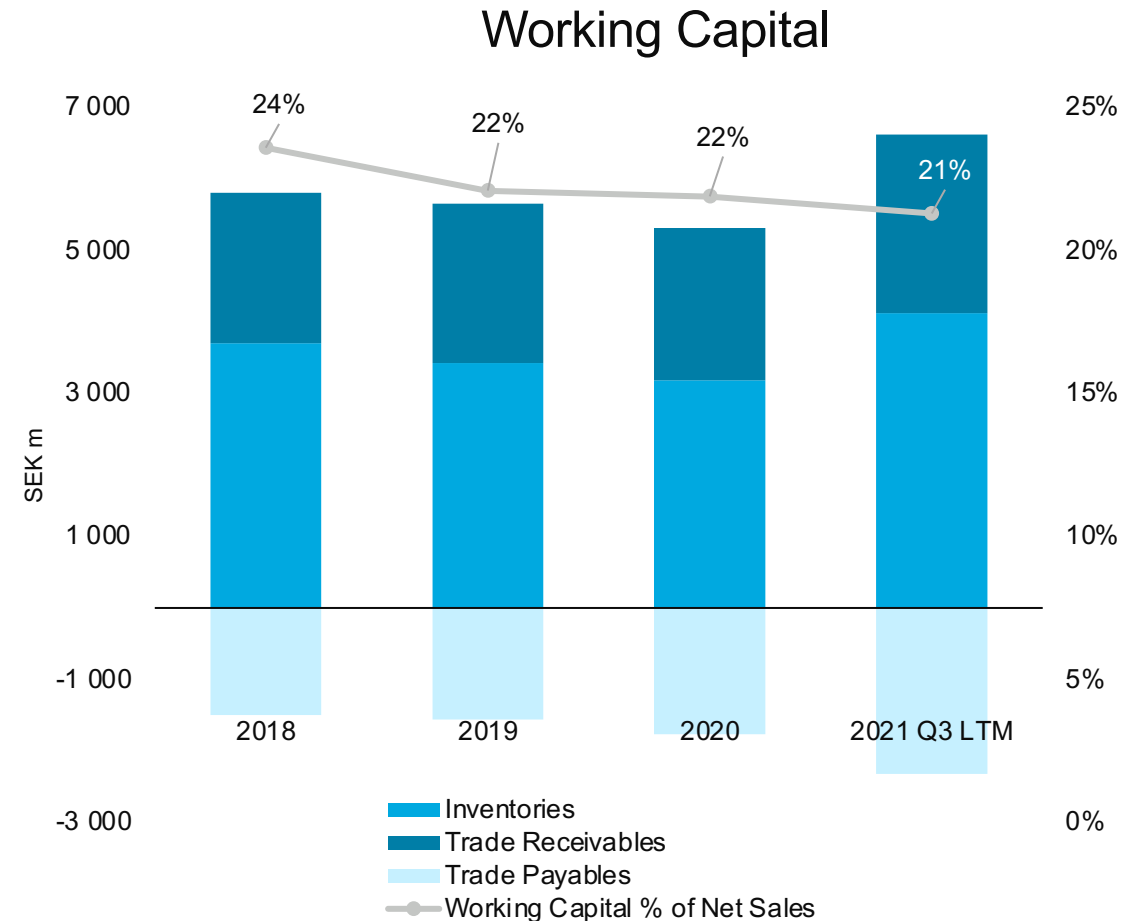
Debt Maturity Profile, SEK m



WORKING CAPITAL

WORKING CAPITAL AMBITION – 20% OF NET SALES

- 2021 impacted by volume-driven working capital build up and by supply chain constraints
- Ongoing activities to reduce Working Capital
 - Strategy to focus on lower vertical integration and higher level of regionalization
 - Incentive scheme in operational units to drive cash flow focus
 - Strengthened supply organization and re-engineered S&OP process
 - Continuous process improvements in Trade Receivables
 - Extended payment terms for Trade Payables incl utilizing bank promisory notes

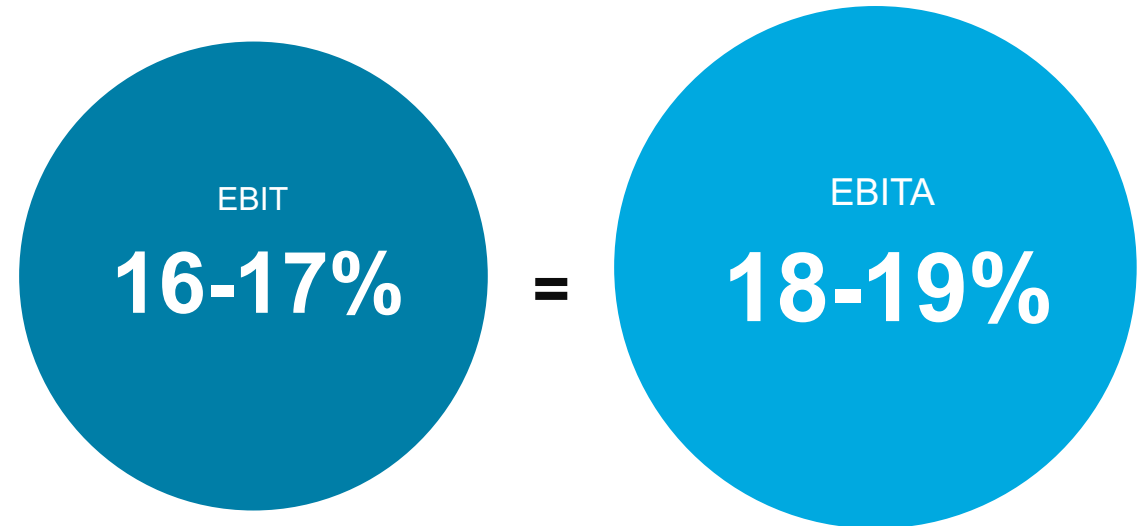


INTRODUCING EBITA

DOMETIC MARGIN TARGET – EBITA BEFORE I.A.C. 18-19%

- Changed profit margin measurement
- EBITA – better aligned with our strategic agenda
- Amortization of intangible assets fluctuates due to various life times assumed in the PPA's
- EBITA gives a better view of the actual development of the business

16-17% EBIT corresponds to 18-19% EBITA



LONG TERM EBITA TARGET

TO BE REALIZED WITHIN A BUSINESS CYCLE

Amortization

- ~1,6% of sales 2021 09 LTM
- 2022 estimate ~SEK 0.5-0.6 b.

Igloo improvements

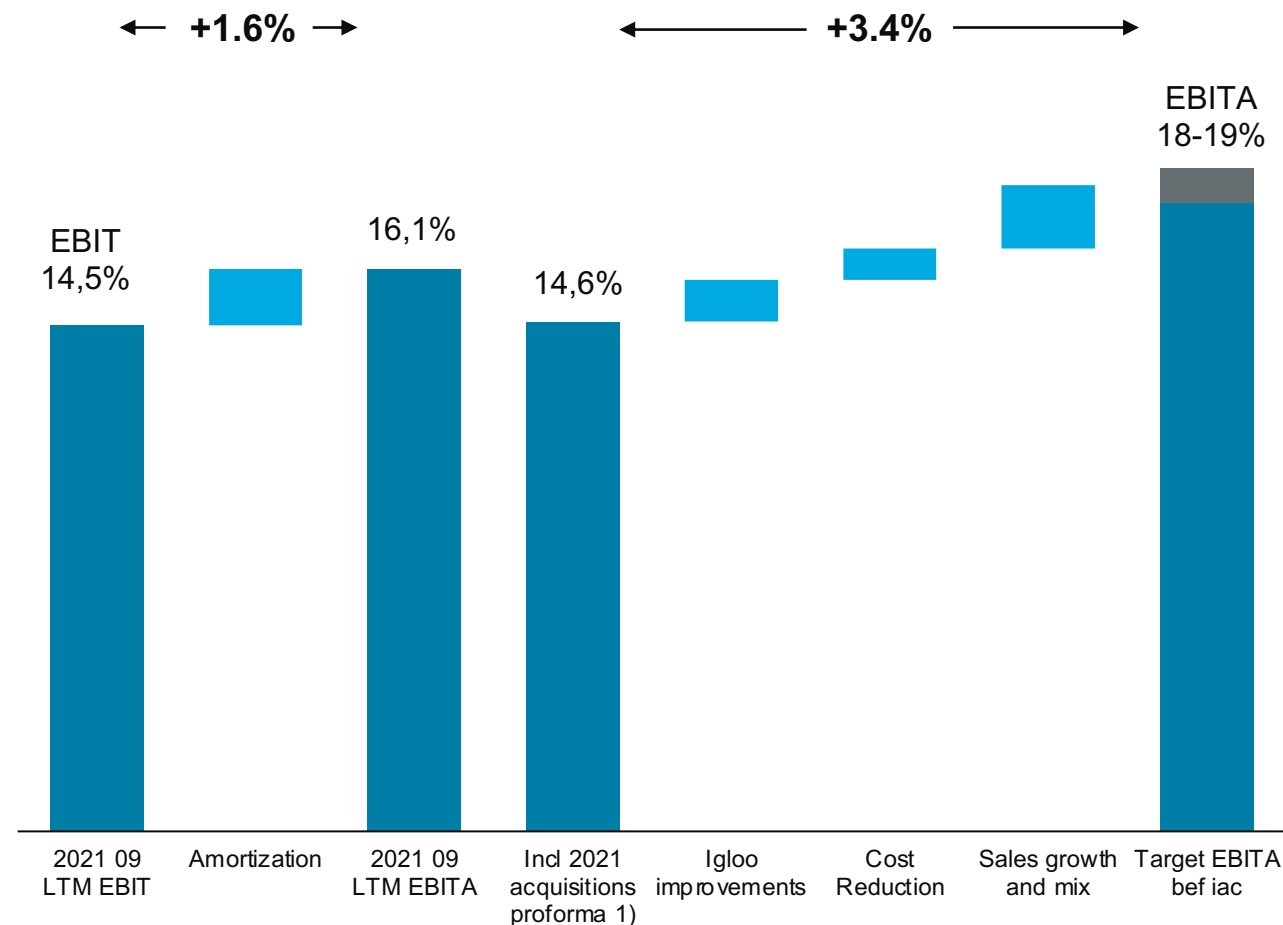
- Increased prices to offset rising resin costs
- Synergies of USD 53 m

Cost reduction

- SEK 400 m cost reduction program launched in 2019
 - SEK 150 m. accomplished to date
 - To be fully completed mid 2023

Sales growth and mix towards higher margin markets and channels

- Service and Aftermarket expansion
- Outdoor
- New growth areas



Illustrative

¹⁾ Proforma last 12 months or as announced in press releases

IGLOO FINANCIALS

AMBITION: EBITA MARGIN >15% WITHIN 5 YEARS

Transaction closed October 26

- Seasonal business, ~14% of annual sales in Q4

2021 Q3 LTM sales LTM USD 411 m. (+21%)

- Stable sales growth of 6% CAGR 2007-2021

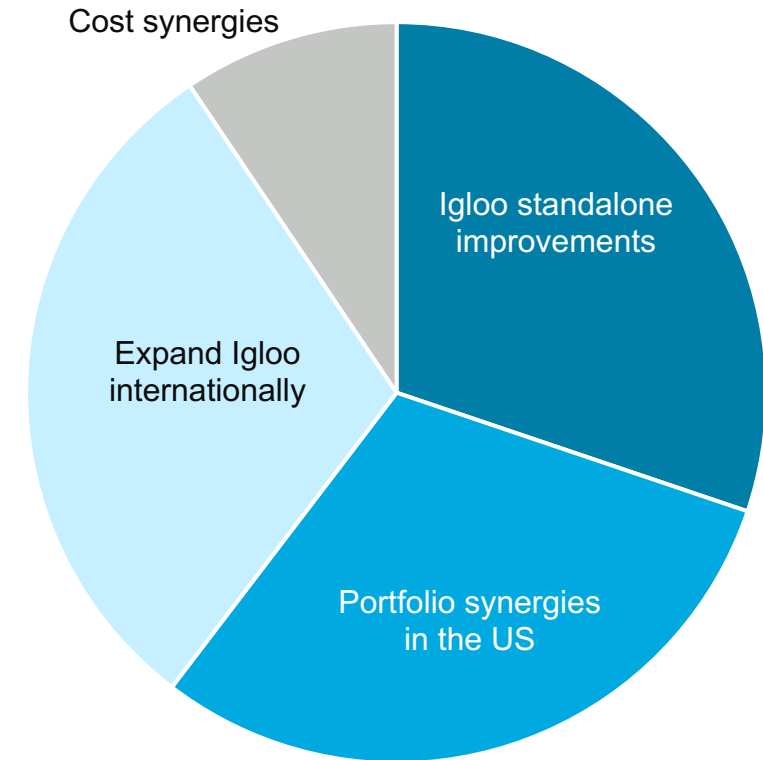
2021 Q3 LTM EBITDA margin 7.4%

- Short term impact from rising resin costs
- Rising costs will be compensated by already agreed and communicated price increases starting Q4

Synergies of USD 53 m to be realized within 5 years

- Earn-out requires significant margin improvements in 2022

Synergies USD 53 m.



Illustrative

FINANCIAL TARGETS OVER A BUSINESS CYCLE

BUSINESS CYCLE ~5 YEARS

NET SALES GROWTH

▪ 10%



- Average annual growth including organic growth and M&A

EBITA MARGIN

▪ 18-19%



- EBITA margin of 18-19%
To be achieved within a business cycle

NET DEBT / EBITDA

▪ 2.5x



- Net debt/EBITDA of around 2.5x

DIVIDEND POLICY

▪ 40%



- At least 40% of net profit

CAPITAL ALLOCATION PRINCIPLES

SUPPORT LONG TERM VALUE CREATION

	2019 – 2021 ¹	AMBITION	
CAPEX	SEK 0.9 b. 1.7% of sales	2-3% of sales	Digitalization and Igloo related investments, partly offset by manufacturing outsourcing
R&D	SEK 1.0 b. 2.0% of sales	2-3% of sales	Support innovation agenda to drive growth and efficiency
DIVIDEND	SEK 1.3 b. ~40% of net profit	40%	Target of at least 40% of net profit over a business cycle

¹) 2019 and 2020 full year, 2021 Jan - Sep

ENTERING 2022

MARKET AND INDUSTRY

- Retail inventories low
- Raw material and transport constraints
- COVID-19 restrictions
- High M&A activity in industry



CONTINUED STRATEGY EXECUTION FOR LONG-TERM VALUE CREATION

- PROFITABLE EXPANSION IN MOBILE LIVING
- PRODUCT LEADERSHIP THROUGH INNOVATION
- CONTINUOUS COST REDUCTIONS



2022 SHORT TERM ACTIVITIES

- Drive growth in strategic areas
- Balance market demand with supply capacity
- Increase activity in cost reduction program
- Secure value creation from acquisitions
- Acquisitions and divestments

THREE KEY TAKEAWAYS

FINANCIAL UPDATE AND TARGETS

Our financial results show strong improvements supported by our strategic actions

We have a solid financial position

We are committed to our financial targets and have a robust plan to get there

Q & A

JUAN VARGUES & STEFAN FRISTEDT



SUMMARY AND CLOSING REMARKS

JUAN VARGUES



SUMMARY AND CLOSING REMARKS

- We are showing strong progress in driving our strategy and improving our financial results
- Outdoor – Vehicle Based Activities, a new category of stand-alone end-user solutions puts Dometic in a unique market position
- We intend to accelerate the repositioning of the company by additional acquisitions and divestments
- Major development in product innovation both in existing areas and new areas
- By offering innovative, durable, low-carbon products, Dometic contributes to a more sustainable world
- The industrialization of the company is showing strong progress
- We are committed to, and are tracking against, our financial and sustainability targets





DOMESTIC

