

# REPORT ON THE FIRST QUARTER 2018

## NET SALES

# 4,442

SEK MILLION

(3,443)

## OPERATING PROFIT (EBIT)

# 638

SEK MILLION

(418)

## OPERATING CASH FLOW

# -27

SEK MILLION

(-44)

## FIRST QUARTER

- Net sales for the quarter totaled SEK 4,442 m (3,443); an increase of 29%, of which 10% organic, -2% currency translation and 21% M&A.
- Operating profit (EBIT) for the quarter amounted to SEK 638 m (418), an increase of 53% including SeaStar. This represents a margin of 14.4% (12.1%). Excluding SeaStar, EBIT increased by 26%.
- There were no items affecting comparability in the quarter.
- Cash flow for the quarter improved to SEK -116 m (-384).
- Operating cash flow for the quarter improved to SEK -27 m (-44).
- Profit for the quarter increased by 27%, to SEK 375 m (296).
- Earnings per share increased by 27%, to SEK 1.27 (1.00).

## FINANCIAL OVERVIEW

SEK m	Q1	Q1	LTM	FY
	2018	2017	2018	2017
Net sales	4,442	3,443	15,043	14,044
EBITDA	761	495	2,494	2,228
% of net sales	17.1%	14.4%	16.6%	15.9%
Operating profit (EBIT)	638	418	2,127	1,907
% of net sales	14.4%	12.1%	14.1%	13.6%
Operating profit (EBIT) before items affecting comparability	638	418	2,081	1,860
% of net sales	14.4%	12.1%	13.8%	13.2%
Profit for the period	375	296	1,574	1,495
Earnings per share, SEK	1.27	1.00	5.32	5.05
Cash flow for the period	-116	-384	-149	-417
Operating cash flow <sup>(1)</sup>	-27	-44	1,744	1,727
Core working capital	4,298	3,239	4,298	3,376
Capital expenditure in fixed assets	-78	-63	-321	-306
RoOC	32.3%	31.2%	32.3%	33.0%

<sup>(1)</sup>Net cash flow from operations after investments in fixed assets and excluding income tax paid.

# HEALTHY START TO 2018



Dometic had a positive start to the year, with our efficiency and pricing initiatives beginning to generate results. Sales were strong, despite fewer working days due to Easter and cold weather in Americas and EMEA. Total sales growth was 29 percent, of which 10 percent was organic. The EBIT margin grew by 2.3 percentage points, whereof 0.4 percentage points were contributed by SeaStar. The integration of SeaStar is progressing according to plan and performance is in line with expectations.

Americas showed strong RV development and a good performance from SeaStar. Total sales growth was 52 percent, of which 12 percent was organic. The EBIT margin improved by 3.7 percentage points, of which 0.2 percentage points related to SeaStar. The outlook for the RV and Marine markets remains positive.

EMEA reported organic growth of 6 percent and an EBIT margin improvement of 1.7 percentage points. I am especially pleased to see positive effects from our efficiency and pricing improvements in the region. Aftermarket performed well, particularly in RV AM and Retail.

APAC reported organic growth of 16 percent. The EBIT margin declined by 1.6 percentage points, mainly due to the geographical mix. We saw strong development in China, Korea and Taiwan, all growing at double-digit rates driven by RV, Retail and Lodging.

Cash flow was in line with our expectations. Leverage was at 3.4x at the end of the quarter and we will now begin deleveraging based on the seasonally strong cash flow in the coming quarters.

Our short-term priorities are to improve margins through further efficiency gains, compensate the commodity cost increases through pricing, focus on cash flow and deleveraging.

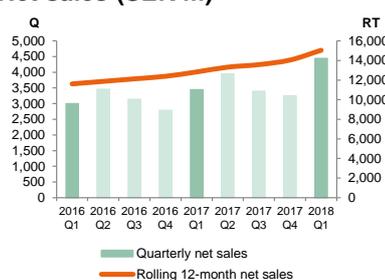
Strategically, we are currently emphasizing three areas: growth, innovation and competitive cost base. We have initiated a number of activities to support further growth and improved profitability.

During the quarter we appointed a new CTO, an important step as part of our ambition to improve process ownership and increase speed and efficiency in product development and innovation.

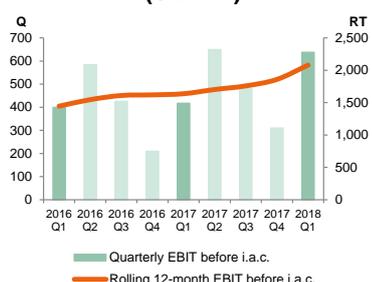
The outlook for our combined businesses remains positive with an estimated organic growth in line with our target of 5 percent. With the acquisition of SeaStar, combined with continued efficiency improvements, we are aiming at reaching our target of 15 percent EBIT margin during 2018. Leverage is expected to be around 2.5x by the end of 2018.

*Juan Vargues, President and CEO*

## Net sales (SEK m)



## Operating profit (EBIT) before i.a.c (SEK m)



**FINANCIAL SUMMARY – FIRST QUARTER**

**Net sales** totaled SEK 4,442 m (3,443), an increase of 29% compared to the same quarter the previous year. This is made up of 10% organic growth, -2% currency translation and 21% M&A.

**Operating profit (EBIT)** totaled SEK 638 m (418), an increase of 53% compared to the same quarter the previous year. The EBIT margin was 14.4% (12.1%).

**Items affecting comparability** totaled SEK 0 m (0).

**Financial items** amounted to a net of SEK -127 m (-31), including SEK -96 m in interest on external bank loans (-26) and SEK 1 m for revaluation of unrealized exchange gains on cash (6). Other FX revaluations and other items amounted to SEK -35 m (-11) and financial income to SEK 3 m (0).

**Taxes** totaled SEK -136 m (-91), corresponding to 27% (24%) of profit before tax. Current tax amounted to SEK -66 m (-52) and deferred tax to SEK -70 m (-39). Paid tax of 19% is higher compared to the same quarter the previous year, mainly due to withholding tax on a dividend distribution from Hong Kong and higher paid tax in SeaStar's Canadian business.

**Profit for the quarter** totaled SEK 375 m (296).

**Earnings per share** amounted to SEK 1.27 (1.00).

**Operating cash flow** totaled SEK -27 m (-44). The improvement mainly derives from stronger operating profit.

**Cash flow for the quarter** of SEK -116 m (-384) includes a positive impact of SEK 62 m related to the final payment from relocation of a manufacturing facility in China in the third quarter of 2017. During the first quarter, a deposit of SEK 233 m has been made for an ongoing tax audit in Hong Kong.

**Financial position.** Leverage was 3.4x (1.8) at the end of the first quarter of 2018.

**EVENTS AFTER THE QUARTER.**

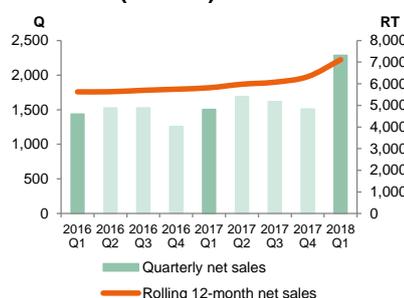
At the 2018 Annual General Meeting held on April 10, Fredrik Cappelen was re-elected as member and Chairman of the Board. Jacqueline Hoogerbrugge, Rainer E. Schmückle, Erik Olsson, Peter Sjölander, Heléne Vibbleus and Magnus Yngen were re-elected as members of the Board of Directors. The proposed dividend of SEK 2,05 per share was adopted.

<b>SEK m</b>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>Change (%)</b>		<b>LTM 2018</b>	<b>FY 2017</b>
			<b>Rep.</b>	<b>Adj.<sup>(1)</sup></b>		
Americas <sup>(3)</sup>	2,287	1,506	52%	63%	7,110	6,329
EMEA	1,696	1,527	11%	7%	6,131	5,962
Asia Pacific	459	410	12%	17%	1,802	1,753
<b>Net sales</b>	<b>4,442</b>	<b>3,443</b>	<b>29%</b>	<b>31%</b>	<b>15,043</b>	<b>14,044</b>
Americas <sup>(3)</sup>	334	164	104%	120%	1,055	885
EMEA	209	162	29%	26%	665	618
Asia Pacific	95	92	4%	9%	360	357
<b>Operating profit (EBIT) bef. i.a.c.<sup>(2)</sup></b>	<b>638</b>	<b>418</b>	<b>53%</b>	<b>58%</b>	<b>2,081</b>	<b>1,860</b>
Americas <sup>(3)</sup>	14.6%	10.9%			14.8%	14.0%
EMEA	12.3%	10.6%			10.8%	10.4%
Asia Pacific	20.8%	22.4%			20.0%	20.4%
<b>Operating profit % bef. i.a.c.<sup>(2)</sup></b>	<b>14.4%</b>	<b>12.1%</b>			<b>13.8%</b>	<b>13.2%</b>

<sup>(1)</sup>Represents change in comparable currency. <sup>(2)</sup>Before items affecting comparability. <sup>(3)</sup>Including SeaStar Solutions.

# AMERICAS

## Net sales (SEK m)



## NET SALES AND OPERATING PROFIT (EBIT)

### First quarter 2018

Americas reported net sales of SEK 2,287 m (1,506), representing 52% of Group sales. Total growth was 52%, of which 12% was organic, -7% currency translation and 47% M&A.

Operating profit (EBIT) before i.a.c. totaled SEK 334 m (164); an increase of 104% compared to the same quarter the previous year. The EBIT margin was 14.6% (10.9%).

### Market development

In the US, growth in the volume of RV shipments from OEM manufacturers to dealers remains strong. For the January – February period 2018, RV shipments increased by 17% to 85,479 units compared with the same period the previous year. For the rolling three-months December 2017 – February 2018, RV shipments increased by 15% to 121,706 units.

Sales of US power boats increased by 3% for the rolling 12-months period from April 2017 – March 2018.

### Business highlights, Q1

Total OEM growth was 53%, of which growth in constant currency adjusted for the acquisition of SeaStar was 18%.

Total Aftermarket growth was 48%, of which growth in constant currency adjusted for the acquisition of SeaStar was -6%.

RV OEM reported strong sales. High growth for refrigerators and air conditioners.

Marine OEM excluding SeaStar reported slightly negative growth.

CPV OEM reported modest growth.

Aftermarket excluding SeaStar reported negative growth, mainly because RV AM sales was impacted by cold weather. Retail and Lodging showed strong growth.

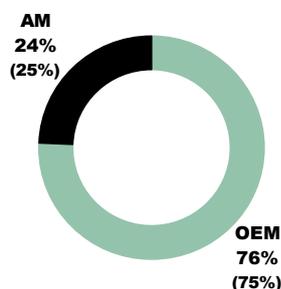
Proceedings related to the putative class action complaints continue. During the quarter, Dometic was successful in defeating the plaintiffs' request for multi-district litigation in California. The California courts then granted Dometic's requests to transfer the cases pending in California to the Southern District of Florida.

Consequently, the proceedings filed in California are now only pending in the Southern District of Florida in front of the same judge who previously granted summary judgment for Dometic. Dometic awaits a decision from this judge as to whether the cases will be consolidated for unified proceedings.

During the quarter, Dometic was reimbursed for a certain portion of its defense costs related to the class actions complaints. Total reimbursement from the insurance company amounted to SEK 29 m, with a net positive net effect on EBIT of SEK 22 m.

We remain firm in our position that the allegations in the cases are without merit.

## Sales split AM/OEM



## Q1

### NET SALES

# 2,287

SEK MILLION  
(1,506)

### OPERATING PROFIT (EBIT)<sup>1</sup>

# 334

SEK MILLION  
(164)

### OPERATING MARGIN (EBIT%)<sup>1</sup>

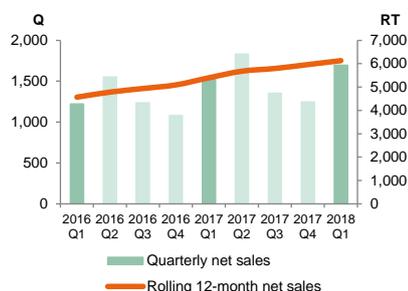
# 14.6%

(10.9%)

<sup>1</sup> Before i.a.c.

# EMEA

## Net sales (SEK m)



## NET SALES AND OPERATING PROFIT (EBIT)

### First quarter 2018

EMEA reported net sales of SEK 1,696 m (1,527), representing 38% of Group sales. Total growth was 11%, of which 6% was organic, 4% currency translation and 1% M&A.

Operating profit (EBIT) before i.a.c. totaled SEK 209 m (162); an increase of 29% compared to the same quarter the previous year. The EBIT margin was 12.3% (10.6%). The EMEA profitability improvement program is progressing according to plan.

### Market development

During the January 2018 – March 2018 period, RV registrations in the largest European markets, excluding the UK and Spain, increased by 16% to 30,722 units.

Heavy truck registrations increased by 3% in the rolling three-months period from December 2017 – February 2018, compared with the same period the previous year.

### Business highlights, Q1

Total OEM growth was 11%, of which growth in constant currency was 7%. Total Aftermarket growth was 11%, of which growth in constant currency was 7%.

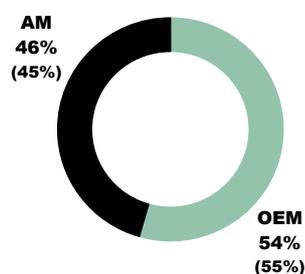
RV OEM reported good sales growth. Demand remained positive on key European markets.

Marine OEM reported good sales growth. Positive impact from the Oceanair acquisition in Q1 2017.

CPV OEM reported strong sales growth. High demand in the passenger vehicle segment and a solid performance in the commercial vehicle segment.

Aftermarket reported strong growth, mainly due to good performance in Retail, and RV AM.

## Sales split AM/OEM



## Q1

### NET SALES

**1,696**  
SEK MILLION  
(1,527)

### OPERATING PROFIT (EBIT)<sup>1</sup>

**209**  
SEK MILLION  
(162)

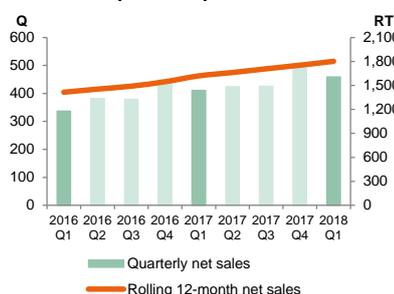
### OPERATING MARGIN (EBIT%)<sup>1</sup>

**12.3%**  
(10.6%)

<sup>1</sup> Before i.a.c.

# APAC

## Net sales (SEK m)



## NET SALES AND OPERATING PROFIT (EBIT)

### First quarter 2018

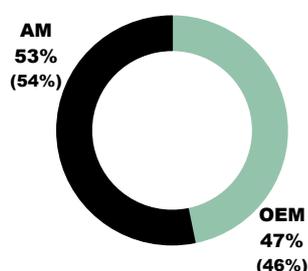
APAC reported net sales of SEK 459 m (410), representing 10% of Group sales. Total growth was 12%, of which 16% was organic, -4% currency translation and 0% M&A.

Operating profit (EBIT) before i.a.c. totaled SEK 95 m (92); an increase of 4% compared to the same quarter the previous year. The EBIT margin was 20.8% (22.4%).

### Market development

For the January – February 2018 period, statistics on Australian domestic RV production showed an increase of 12% to 3,127 units. RV production increased by 10% to 4,650 units in the rolling three-months period from December 2017 – February 2018.

## Sales split AM/OEM



### Business highlights, Q1

Total OEM growth was 14%, of which growth in constant currency was 19%. Total Aftermarket growth was 10%, of which growth in constant currency was 15%.

RV OEM reported strong growth. Performance was particularly good in China. Continued good performance in Australia.

Marine OEM reported high growth. General good performance across the region and especially strong in Taiwan.

CPV OEM reported very high growth, driven by continued strong sales in China.

Aftermarket reported strong development. Growth was mainly driven by the Retail, RV AM and lodging business.

## Q1

### NET SALES

# 459

SEK MILLION  
(410)

### OPERATING PROFIT (EBIT)<sup>1</sup>

# 95

SEK MILLION  
(92)

### OPERATING MARGIN (EBIT%)<sup>1</sup>

# 20.8%

(22.4%)

<sup>1</sup> Before i.a.c.

**PARENT COMPANY DOMETIC GROUP AB  
(PUBL)***First quarter*

The Parent Company Dometic Group AB (publ) comprises the functions of the Group's head office, such as Group-wide management and administration. The Parent Company invoices its costs to Group companies.

For the first quarter of 2018, the Parent Company had an operating profit of SEK 0 m (-4), including administrative expenses of SEK -37 m (-36) and other operating income of SEK 37 m (32), of which the full amount relates to income from Group companies.

Profit (loss) from financial items totaled SEK -206 m (15), including interest income from Group companies of SEK 56 m (25), interest expenses to Group companies of SEK 0 m (0) and other financial income and expenses of SEK -263 m (-10).

Profit (loss) for the period totaled SEK -1 m (11).

For further information, please refer to the Parent Company's condensed financial statements on page 11.

Solna, April 26, 2018

Juan Vargues  
President and CEO

**REPORT OF REVIEW OF INTERIM FINANCIAL  
INFORMATION REPORT**

Dometic Group AB (publ) reg. no. 556829-4390

*Introduction*

We have reviewed the condensed interim financial information (interim report) of Dometic Group AB (publ) as of 31 March 2018 and the three-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

*Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 26 April 2018

PricewaterhouseCoopers AB

Anna Rosendal  
Authorized Public Accountant  
Auditor in charge

## CONSOLIDATED INCOME STATEMENT

<b>SEK m</b>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>FY 2017</b>
Net sales	4,442	3,443	14,044
Cost of goods sold	-3,064	-2,359	-9,599
<b>Gross Profit</b>	<b>1,378</b>	<b>1,084</b>	<b>4,445</b>
Sales expenses	-527	-451	-1,791
Administrative expenses	-191	-188	-667
Other operating income and expenses	30	-9	-52
Items affecting comparability	0	0	47
Amortization of acquisition related intangible assets	-51	-18	-76
<b>Operating profit</b>	<b>638</b>	<b>418</b>	<b>1,907</b>
Financial income	3	0	6
Financial expenses	-130	-31	-212
<b>Loss from financial items</b>	<b>-127</b>	<b>-31</b>	<b>-206</b>
<b>Profit before tax</b>	<b>511</b>	<b>387</b>	<b>1,700</b>
Taxes	-136	-91	-206
<b>Profit for the period</b>	<b>375</b>	<b>296</b>	<b>1,495</b>
Profit for the period attributable to owners of the Parent Company	375	296	1,495
Earnings per share before and after dilution effects, SEK - Owners of the Parent Company	1.27	1.00	5.05
Number of shares, million	295.8	295.8	295.8

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<b>SEK m</b>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>FY 2017</b>
Profit for the period	375	296	1,495
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit pension plans, net of tax	21	-2	0
	<b>21</b>	<b>-2</b>	<b>0</b>
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges, net of tax	34	5	25
Gains/losses from hedges of net investments in foreign operations, net of tax	-65	-17	66
Exchange rate differences on translation of foreign operations	303	35	-502
	<b>272</b>	<b>23</b>	<b>-411</b>
<b>Other comprehensive income for the period</b>	<b>293</b>	<b>21</b>	<b>-411</b>
<b>Total comprehensive income for the period</b>	<b>668</b>	<b>317</b>	<b>1,084</b>
Total comprehensive income for the period attributable to owners of the Parent Company	668	317	1,084

# CONSOLIDATED BALANCE SHEET (IN SUMMARY)

<b>SEK m</b>	<b>Mar 31, 2018</b>	<b>Mar 31, 2017</b>	<b>Dec 31, 2017</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill and trademarks	17,363	12,872	17,016
Other intangible assets	4,237	1,040	4,260
Tangible assets	2,016	1,588	1,952
Deferred tax assets	842	1,183	897
Derivatives, long-term	11	6	1
Other non-current assets	69	53	65
<b>Total non-current assets</b>	<b>24,538</b>	<b>16,742</b>	<b>24,191</b>
<b>Current assets</b>			
Inventories	3,701	2,785	3,350
Trade receivables	2,159	1,699	1,485
Current tax assets	188	51	180
Derivatives, short-term	152	36	90
Other current assets	586	261	418
Prepaid expenses and accrued income	148	106	132
Cash and cash equivalents	1,066	1,213	1,159
<b>Total current assets</b>	<b>8,000</b>	<b>6,151</b>	<b>6,814</b>
<b>TOTAL ASSETS</b>	<b>32,538</b>	<b>22,893</b>	<b>31,005</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>	<b>15,182</b>	<b>14,294</b>	<b>14,514</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Liabilities to credit institutions, long-term	9,962	4,332	9,810
Deferred tax liabilities	1,930	607	1,901
Other non-current liabilities	41	17	–
Provisions for pensions	681	534	687
Other provisions, long-term	148	106	131
<b>Total non-current liabilities</b>	<b>12,762</b>	<b>5,596</b>	<b>12,529</b>
<b>Current liabilities</b>			
Liabilities to credit institutions, short-term	1,182	321	733
Trade payables	1,562	1,244	1,459
Current tax liabilities	328	352	371
Advance payments from customers	29	28	23
Derivatives, short-term	34	27	45
Other provisions, short-term	302	218	289
Other current liabilities	306	181	264
Accrued expenses and prepaid income	852	632	778
<b>Total current liabilities</b>	<b>4,594</b>	<b>3,003</b>	<b>3,962</b>
<b>TOTAL LIABILITIES</b>	<b>17,356</b>	<b>8,599</b>	<b>16,491</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,538</b>	<b>22,893</b>	<b>31,005</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IN SUMMARY)

<b>SEK m</b>	<b>Jan-Mar 2018</b>	<b>Jan-Mar 2017</b>	<b>FY 2017</b>
<b>Opening balance of the period</b>	14,514	13,977	13,977
Profit for the period	375	296	1,495
Other comprehensive income for the period	293	21	-411
<b>Total comprehensive income for the period</b>	<b>668</b>	<b>317</b>	<b>1,084</b>
<b>Transactions with owners</b>			
Dividend to shareholders of the Parent Company	–	–	-547
<b>Total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>-547</b>
<b>Closing balance of the period</b>	<b>15,182</b>	<b>14,294</b>	<b>14,514</b>

## CONSOLIDATED STATEMENT OF CASH FLOW

<b>SEK m</b>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>FY 2017</b>
<b>Cash flow from operations</b>			
Operating profit	638	418	1,907
<i>Adjustment for other non-cash items</i>			
Depreciation and amortization	123	77	321
Adjustments for other non-cash items	-28	0	-99
<i>Changes in working capital</i>			
Changes in inventories	-254	-131	-361
Changes in trade receivables	-623	-638	-151
Changes in trade payables	52	223	296
Changes in other working capital	143	70	120
Income tax paid	-97	5	-105
<b>Net cash flow from operations</b>	<b>-46</b>	<b>24</b>	<b>1,928</b>
<b>Cash flow from investments</b>			
Acquisition of operations	–	-187	-7,482
Investments in fixed assets	-78	-63	-306
Proceeds from sale of fixed assets	64	–	139
Deposit	-233	–	–
Other investing activities	0	-1	-4
<b>Net cash flow from investments</b>	<b>-247</b>	<b>-251</b>	<b>-7,653</b>
<b>Cash flow from financing</b>			
Borrowings from credit institutions	542	–	6,301
Repayment of loans to credit institutions	-233	-112	-229
Paid interest	-87	-26	-99
Received interest	1	0	5
Other financing activities	-46	-19	-122
Dividend paid out to shareholders of the Parent Company	–	–	-547
<b>Net cash flow from financing</b>	<b>177</b>	<b>-157</b>	<b>5,308</b>
<b>Cash flow for the period</b>	<b>-116</b>	<b>-384</b>	<b>-417</b>
Cash and cash equivalents at beginning of period	1,159	1,599	1,599
Exchange differences on cash and cash equivalents	23	-2	-23
<b>Cash and cash equivalents at end of period</b>	<b>1,066</b>	<b>1,213</b>	<b>1,159</b>

## PARENT COMPANY INCOME STATEMENT

<b>SEK m</b>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>FY 2017</b>
Administrative expenses	-37	-36	-133
Other operating income	37	32	130
<b>Operating profit</b>	<b>0</b>	<b>-4</b>	<b>-3</b>
Interest income subsidiaries	56	25	50
Interest expenses subsidiaries	0	0	–
Other financial income and expenses	-263	-10	-77
<b>Profit (loss) from financial items</b>	<b>-206</b>	<b>15</b>	<b>-28</b>
Group contributions	205	–	-157
<b>Profit (loss) before tax</b>	<b>-1</b>	<b>11</b>	<b>-188</b>
Taxes	0	0	2
<b>Profit (loss) for the period</b>	<b>-1</b>	<b>11</b>	<b>-186</b>

## PARENT COMPANY BALANCE SHEET (IN SUMMARY)

<b>SEK m</b>	<b>Mar 31, 2018</b>	<b>Mar 31, 2017</b>	<b>Dec 31, 2017</b>
<b>ASSETS</b>			
Shares in subsidiaries	16,622	13,563	16,622
Other non-current assets	5,203	17	5,116
<b>Total non-current assets</b>	<b>21,825</b>	<b>13,580</b>	<b>21,738</b>
Current assets	1,274	2,628	893
<b>TOTAL ASSETS</b>	<b>23,099</b>	<b>16,208</b>	<b>22,631</b>
<b>EQUITY</b>	<b>10,843</b>	<b>11,590</b>	<b>10,845</b>
<b>PROVISIONS</b>			
Provisions	30	14	27
<b>Total provisions</b>	<b>30</b>	<b>14</b>	<b>27</b>
<b>LIABILITIES</b>			
Non-current liabilities	9,962	4,332	9,810
<b>Total non-current liabilities</b>	<b>9,962</b>	<b>4,332</b>	<b>9,810</b>
Current liabilities	2,264	272	1,949
<b>Total current liabilities</b>	<b>2,264</b>	<b>272</b>	<b>1,949</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,099</b>	<b>16,208</b>	<b>22,631</b>

# CONDENSED NOTES

## NOTE 1 | ACCOUNTING PRINCIPLES

Dometic Group AB (publ) ("Dometic") applies International Financial Reporting Standards (IFRS), as adopted by the EU. This consolidated Interim Financial Report has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board, have been applied for the Parent Company. The interim report comprises pages 1-19 and pages 1-7 are thus an integral part of this financial report (IAS 34.16A).

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is for each line item to correspond to its source, and rounding differences may therefore arise.

### New and amended accounting policies for 2018 adopted by the Group

The Group has adopted IFRS 15 Revenue from Contracts with Customers. This supersedes all current revenue recognition requirements under IFRS. The Group has chosen to use the full retrospective transition method. The standard came into effect as of January 1, 2018. The Group concluded that comparative figures for the 2017 financial year do not need to be restated since the impact is immaterial, which is why there is no effect in Q1 2018. Consequently, no transition provision was required to be disclosed at the end of December 2017. The accounting policies for the Group's main type of revenue are described below.

The standard IFRS 9 Financial instruments is also adopted and came into effect as of January 1, 2018.

### Changes in accounting policies, applicable as of January 1, 2018

As described above, the accounting principles applied correspond to those described in the 2017 Annual Report, with the exception of IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments, for which there are changes to Dometic's accounting and valuation principles compared to the principles described in Notes 2 and 4 of the 2017 Annual Report.

The detailed description of the accounting and valuation principles applied by the Group in this interim report are to be read in addition to descriptions found in Notes 1, 2 and 4 of the 2017 Annual Report, available at [www.dometic.com](http://www.dometic.com).

### Preparations for the new accounting standards

The following information should be considered in addition to the description of the new accounting standards and related activities provided in the 2017 Annual Report, Note 2.

#### IFRS 16 Leases

Dometic is currently assessing the impact of the new standard. Ongoing activities include further analysis of lease terms in agreements. Indications so far in the investigation phase, during which contracts have been compiled and analyzed at a high level, are that some impact is expected on financial reporting as of 2019. Note 8 in the Annual Report discloses the future cash flows for current operating leases. These cash flows, discounted

to present value, may provide an indication of the increase in assets and liabilities that the Group will see in the balance sheet.

The Group is not able to quantify the impact on its consolidated financial statements at this stage of the project.

For the IFRS 16 transition, Dometic has decided to use the modified retrospective approach.

The standard is effective as of January 1, 2019. Dometic will not adopt earlier application.

### Accounting principles to be read in addition to the descriptions in Notes 1, 2 and 4 of the 2017 Annual Report

#### IFRS 15 Revenue from Contracts with Customers

Revenue recognition in Dometic Group is based on IFRS 15 – Revenue from Contracts with Customers. This standard specifies the requirements for recognizing revenue from all contracts with customers, except for contracts that are within the scope of the Standards on leasing, insurance contracts and financial instruments.

Dometic is in the business of manufacturing and selling a diverse range of products within Climate, Hygiene & Sanitation, Food & Beverage, Power & Control and Safety & Security. These products are primarily for use in Recreational Vehicles, pleasure boats, work boats, trucks and premium cars.

Products in the area of Mobile living are sold via the two sales channels Original Equipment Manufacturer (OEM) and Aftermarket (AM).

The new revenue model is made up of a series of steps required to help entities determine when and how much revenue to recognize.

In the first step of the revenue model, the Group identifies the contract with a customer. This is then followed by the second step, in which the various goods and services that need to be accounted for separately, or distinct performance obligations, are identified. In the third step, the Group determines the transaction price, which is the total amount to which the Group expects to be entitled, and then in the fourth step the transaction price is allocated to the distinct performance obligations. Finally, the amount of revenue allocated to each distinct performance obligation is recognized either at a point in time or over a period of time, depending on when the customer acquires control over the promised goods or services in that performance obligation.

#### Customer contract

Purchase orders from the customer, which is the most common way of ordering goods, qualify as an IFRS 15 contract, including all enforceable rights and obligations required.

#### Distinct performance obligations

The promises are all distinct, since the customer can benefit from the goods on their own and the service (if included in a contract) together with the readily available goods. Each promise (performance obligation) is accounted for separately.

In the rare cases where the Group offers installation services, revenue for that performance obligation is recognized over the

contract period during which the service is provided. At present, the service part of the Group's revenue is immaterial, which is why revenue over time is not separately presented in the disclosures.

#### *Transaction price*

Sales are recorded based on the price specified in the customer agreements, net of the estimated discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. If the consideration includes a variable amount, the transaction price includes an estimate of what the entity will be entitled to receive. Estimated discounts are accounted for at the time of the sale and simultaneously reduce external revenue. The amount is estimated by using either the expected value or the most likely amount.

The revenue estimate is included in the transaction price only if it is highly probable that there will not be a significant reversal in the amount of cumulative revenue recognized.

#### *Revenue recognition*

Revenue is recognized when the Group has fulfilled its performance obligation, which means the Group has transferred the promised good or service to the customer. The good or service is regarded as transferred when the customer has obtained control of the good or service. Revenue from the sale of goods and services is recognized in a pattern that reflects the transfer of control of the promised good or service to the customer, and this takes place when the customer has obtained the ability to direct the use of the goods and obtained substantially all remaining benefits from the asset.

Control either transfers to the customer over time or at a point in time, and this is determined at contract inception. The assessment of whether control transfers over time or at a point in time is critical to the timing of revenue recognition, since revenue is recorded when or as control transfers.

The Group has a limited number of arrangements where the performance obligations are satisfied over time, including some services but also a small volume of customized goods constructed for customers. To achieve valid revenue timing, progress toward satisfaction of a performance obligation must be measured.

Indicators for the transfer of control at a point in time for goods are if the Group has a right to payment for the goods or if the customer has legal title to the goods. Other indicators which the Group considers are if the Group has transferred physical possession of the goods and if the customer has the significant risks and rewards related to the ownership of the goods.

Additionally, the Group considers whether the customer has accepted the goods in accordance with the customer acceptance clause.

International commercial terms are important as a checkpoint, to determine when control transfers to a customer. The Group must use judgement to determine whether all relevant IFRS control factors collectively indicate that the customer has obtained control before recognizing revenue.

#### *Financing component*

If the timing of the payment of the consideration is in advance or deferred and the timing provides a significant financing benefit, the payments are adjusted for the time value of money. However, since sales are normally made with a credit term of 30-60 days, which is consistent with market practice, no element of financing is considered to exist.

#### *Right to return*

Revenue is not recognized for products expected to be returned in cases where the customer has a contractual return right. A liability for the refund (refund accrual) and an asset plus a corresponding adjustment to cost of goods sold for its right to recover products from customers on settling the refund accrual is recorded.

#### *Warranty*

Dometic offers a standard warranty, normally of between two and three years. In some cases, an extended warranty may be offered to the customer. The standard warranty is recorded as a provision and a warranty cost in the income statement, whereas the extended warranty is a separate performance obligation. The portion of the transaction price in the contract that is allocated to the extended warranty is accounted for as revenue over the term of the warranty period.

#### **IFRS 9 Financial Instruments**

IFRS 9 Financial instruments addresses the classification, recognition, measurement and impairment of financial instruments and hedge accounting. The standard replaces the earlier IAS 39 standard and is effective from January 1, 2018, although early adoption is permitted.

Dometic will apply the new standards effective from January 1, 2018, with no comparative historical adjustments as permitted by the standard.

Dometic has reviewed the standard during latter 2016 and 2017 with the conclusion presented in the Annual report 2017 that the new rules regarding classification and valuation have immaterial impact on Dometic Group. As a result of this, no material transition effects have been identified and no transition effect is recorded in the group financial statements on December 31, 2017.

Dometic determined that all existing hedge relationships that are currently designated in effective hedging relationships will continue to qualify for hedge accounting under IFRS 9.

#### *Financial assets*

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired and substantially all risks and rewards of ownership are transferred. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

Dometic classifies and measures its financial assets in the following categories: Amortized cost and fair value through profit and loss.

- a) Amortized costs: The Group's financial assets at amortized cost comprise trade receivables and other receivables as well as cash and cash equivalents in the balance sheet. The objective of holding these financial assets is to collect the contractual cash flows, thus the "hold to collect" business model. The cash flows from these assets are solely payment of principal and interest, and are therefore measured at amortized cost. Selling or trading these financial assets are not part of the business model. If a sale would occur, it would be incidental and low frequent.

Trade receivables within this category are amounts due from customers in the ordinary course of

business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

- b) Fair value through profit and loss: Financial derivatives that are not subject to hedge accounting are always recognized at fair value through profit and loss. Valuation of financial derivatives at fair value is done at the most recent updated market prices. Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category is presented in the operating result or financial net in the income statement depending on the nature of the economic relationship with the underlying asset.

Assets are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities later than 12 months after the balance sheet date.

#### *Impairment of financial assets*

The Group has revised its impairment methodology for financial assets subject to IFRS 9's impairment model for financial assets leading to a so called expected credit loss model. With start on January 1, 2018, Dometic recognizes expected credit losses over the expected life of the trade receivables. Historical information by legal entity is used regarding credit loss experience and ageing to forecast future credit losses. In addition, current and forward-looking information by legal entity is used to reflect current and expected future losses. To support and harmonize the organization, a calculation matrix for calculating expected credit losses has been developed by headquarters and distributed to the relevant functions throughout the Group.

Dometic applies the simplified approach to measure life time expected credit losses for trade receivables to provide for losses each closing. The new model changed the loss allowance immaterially.

#### *Financial liabilities*

Financial liabilities are recognized initially at fair value, net of transaction costs incurred. Liabilities to credit institutions are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates. Liabilities to credit institutions are classified as current liabilities unless the Group has the right to defer settlement of the liability for at least 12 months after the balance sheet date. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

#### *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability.

#### *Derivative financial instruments and hedging activities*

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The derivatives in Dometic hedge a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

#### *Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income, and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are accounted for in the income statement in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings are recognized in the financial net. The gain or loss relating to the ineffective portion is also recognized in the financial net. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement.

#### *Net investment hedges*

Dometic applies hedge accounting for net investment in foreign operations. Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss within other income or other expenses. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is sold.

## **NOTE 2 | RISKS AND UNCERTAINTIES**

As all businesses, Dometic is exposed to a number of risks that could have a material impact on the Group. These risks are factors that impact Dometic's ability to achieve established Group targets. This applies to both financial targets and targets in other areas outlined in Dometic's business strategy. Dometic performs an annual risk analysis by assessing each defined risk's likelihood and impact in a risk register, resulting in global and regional risk maps presented to Group management and the Board of Directors and used as a foundation for the control activities within Dometic. The risks that Dometic is exposed to are classified into four main categories (business and market risks, operational risks, compliance and regulatory risks and financial risks) where each category has underlying risks. These risks can be both internal and external. Internal risks are mainly managed and controlled by Dometic whereas external risk factors are not caused nor can be controlled by Dometic but the effects can be limited by an effective risk management.

Dometic is subject to transaction risks at the time of purchasing and selling, as well as when conducting financial transactions. Transaction exposure is primarily related to the currencies EUR, USD and AUD. As the majority of the Group's profit is generated

outside Sweden, the Group is also exposed to translational risks in all the major currencies.

Efficient risk management is a continual process conducted within the framework of business control, and is part of the ongoing review of operations and forward-looking assessment of operations. In the preparation of financial reports, the Board of Directors and Group management are required to make estimates and judgments. These estimates and judgments impact the income statement and balance sheet, as well as the disclosures. The actual outcome may differ from these estimates and judgments under different circumstances and conditions. Dometic's future risk exposure is assumed not to deviate from the inherent exposure associated with Dometic's ongoing business operations. For a more in-depth analysis of risks and risk management, please refer to Dometic's 2017 Annual Report.

### NOTE 3 | FINANCIAL INSTRUMENTS

Dometic uses interest rate swaps to hedge senior facility term loans to move from a floating interest rate to a fixed interest rate. The Group also uses currency forward agreements to hedge part of its cash flow exposure.

The fair value of Dometic's derivative asset and liabilities were SEK 163 m (Q1 2017: SEK 42 m) and SEK 34 m, (Q1 2017: SEK 27 m). The value of derivatives is based on published prices in an active market. No transfers between levels of the fair value hierarchy have occurred during the period.

For financial assets and liabilities other than derivatives, fair value is assumed to be equal to the carrying amount.

**TABLE TO NOTE 3 – FINANCIAL INSTRUMENTS**

Mar 31, 2018	Balance sheet carrying amount	Financial instruments at amortized cost	Financial instruments at fair value	Derivatives used for hedging
<b>Per category</b>				
Derivatives	163	–	52	111
Financial assets	3,880	3,880	–	–
<b>Total financial assets</b>	<b>4,043</b>	<b>3,880</b>	<b>52</b>	<b>111</b>
Derivatives	34	–	9	25
Financial liabilities	13,012	13,012	–	–
<b>Total financial liabilities</b>	<b>13,046</b>	<b>13,012</b>	<b>9</b>	<b>25</b>

**NOTE 4 | SEGMENT INFORMATION**

<b>SEK m</b>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>FY 2017</b>
<b>Net sales, external</b>			
<b>Americas <sup>(1)</sup></b>			
OEM	1,731	1,130	4,576
Aftermarket	557	376	1,753
Americas net sales, external	2,287	1,506	6,329
<b>RV</b>	1,369	1,282	5,341
Marine	839	147	651
CPV	50	52	208
Other (Lodging and Retail)	29	26	128
Americas net sales, external	2,287	1,506	6,329
<b>EMEA</b>			
OEM	924	833	3,154
Aftermarket	772	694	2,808
EMEA net sales, external	1,696	1,527	5,962
<b>RV</b>	857	778	2,821
Marine	191	181	725
CPV	409	382	1,553
Other (Lodging and Retail)	240	186	863
EMEA net sales, external	1,696	1,527	5,962
<b>APAC</b>			
OEM	215	188	847
Aftermarket	244	222	907
APAC net sales, external	459	410	1,753
<b>RV</b>	221	209	921
Marine	33	29	109
CPV	46	39	160
Other (Lodging and Retail)	160	135	563
APAC net sales, external	459	410	1,753
<b>Net sales, external</b>			
Americas <sup>(1)</sup>	2,287	1,506	6,329
EMEA	1,696	1,527	5,962
APAC	459	410	1,753
<b>Total net sales, external</b>	<b>4,442</b>	<b>3,443</b>	<b>14,044</b>
<b>Operating profit (EBIT)</b>			
Americas <sup>(1)</sup>	334	164	827
EMEA	209	162	557
APAC	95	92	523
<b>Total operating profit (EBIT)</b>	<b>638</b>	<b>418</b>	<b>1,907</b>
Financial income	3	0	6
Financial expenses	-130	-31	-212
Taxes	-136	-91	-206
<b>Profit for the period</b>	<b>375</b>	<b>296</b>	<b>1,495</b>

<sup>(1)</sup>Including SeaStar Solutions.

Segment performance is primarily assessed based on sales and operating profit. Information regarding income for each region is based on where customers are located. Management follow-up

is based on the integrated result in each segment. For further information, please refer to Note 5 of the 2017 Annual Report.

**NOTE 5 | ITEMS AFFECTING COMPARABILITY**

<b>SEK m</b>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>FY 2017</b>
Relocation China	–	–	166
Acquisition-related costs SeaStar Solutions	–	–	-58
EMEA profitability improvement program	–	–	-61
<b>Total</b>	<b>–</b>	<b>–</b>	<b>47</b>

**NOTE 6 | TRANSACTIONS WITH RELATED PARTIES**

No transactions between Dometic and related parties that have significantly affected the company's position and earnings took place during 2018.

**NOTE 7 | ACQUISITIONS AND DIVESTMENTS 2018**

Dometic has not made any acquisitions or divestments during Q1 2018.

*Acquisition of SeaStar Solutions*

During Q1 2018 the goodwill in the preliminary purchase price allocation has been adjusted with SEK +13 million.

*Acquisition of IPV and Oceanair Marine Limited*

The purchase price allocation of IPV and Oceanair Marine Limited are considered as final. No changes have been made.

**2017***Acquisition of SeaStar Solutions*

On November 22, 2017, Dometic announced the acquisition of SeaStar Solutions, leading provider of vessel control, fuel and system integration systems to the leisure marine industry. SeaStar Solutions is based in North America and employs 1,250 people. The transaction was closed on December 15, 2017 after all approvals from relevant competition authorities was obtained, and Dometic has consolidated the company as of that date. The total cash purchase price amounted to USD 868 m (SEK 7,286 m). The summary of value adjustments recognized as a result of the preliminary purchase price allocation of SeaStar Solutions amounts in total to SEK 7,361 m, including goodwill of SEK 3,361 m, trademarks and tradenames SEK 1,376 m, other intangible assets SEK 3,365 m, tangible assets SEK 347 m, other non-current assets SEK 1 m, cash SEK 1 m, net operating assets and liabilities SEK 686 m and provisions and other non-current liabilities of SEK -1,777 m.

Goodwill is justified by new potential customers and new future technologies with SeaStar Solution's leading position in vessel control, fuel systems and system integration and strong relationships with manufacturers. Acquisition-related costs amount to SEK 58 m, reported as items affecting comparability in Q4 2017. Sales and cost synergies of USD 20 m per annum will be fully realized within 3 years. The acquisition has affected consolidated net sales from the date of the acquisition by SEK 108 m and operating profit by SEK 5 m, including step-up costs for fair value revaluation of inventory of SEK 9 m. If the acquisition had been consolidated as of January 1, 2017, the

effect on pro forma net sales would have been USD 320 m and EBITDA of USD 85 m.

While the Company uses its best estimates and assumptions as part of the purchase price allocation process to value assets acquired and liabilities assumed at the acquisition date, the purchase price allocation for acquisition is preliminary for up to 12 months after the acquisition date and is subject to refinement as more detailed analyses are completed and additional information about the fair values of the assets and liabilities becomes available.

*Acquisition of IPV and Oceanair Marine Limited*

On December 22, 2016, Dometic announced the acquisition of the assets of IPV, a Germany-based aftermarket provider of coolers and other outdoor products. The acquisition strengthens Dometic's position in the EMEA market for mobile coolers. The purchase price was EUR 3.5 m, and the transaction was closed on January 3, 2017. On February 7, 2017, Dometic acquired Oceanair Marine Limited, a UK-based market-leading manufacturer of marine blinds, screens and soft furnishings for the Leisure Marine and Super Yacht segments. The acquisition strengthens Dometic's presence in the marine market and broadens the product portfolio. The company reported revenues of GBP 11.4 m for the 2015/2016 fiscal year. The initial purchase price was GBP 14.0 m in cash, with an additional earn-out consideration of a maximum of GBP 2.5 m subject to the achievement of certain performance-related targets over the next 16 months.

The summary of value adjustments recognized as a result of the acquisition of Oceanair amounts in total to SEK 160 m, including goodwill of SEK 80 m, other intangible assets (trademarks and customer relationships) of SEK 100 m, and a deferred tax liability of SEK 20 m. Acquisition-related costs expensed in the consolidated income statement Q1 2017 amounts SEK 2.5 m.

The total purchase price consideration in cash for the transactions (IPV, Oceanair), less cash and cash equivalents, amounts to SEK 197 m, including earn-out paid in the third quarter 2017. The acquisitions did not have any significant impact on operating profit during 2017.

**NOTE 8 | SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD**

At the 2018 Annual General Meeting held on April 10, Fredrik Cappelen was re-elected as member and Chairman of the Board. Jacqueline Hoogerbrugge, Rainer E. Schmückle, Erik Olsson, Peter Sjölander, Heléne Vibbleus and Magnus Yngen were re-elected as members of the Board of Directors. The proposed dividend of SEK 2,05 per share was adopted.

# RECONCILIATION OF NON-IFRS MEASURES TO IFRS (ALTERNATIVE PERFORMANCE MEASURES)

Dometic presents some financial measures in this interim report, which are not defined by IFRS. The company believes that these measures provide valuable additional information to investors and management for evaluating the company's financial performance, financial position and trends in our operations. It should be noted that these measures, as defined, may not be comparable to similarly titled measures used by other companies. These non-IFRS measures should not be considered as substitutes for financial reporting measures prepared in accordance with IFRS. See Dometic's website [www.dometic.com](http://www.dometic.com) for the detailed reconciliation.

## Core working capital

Consists of inventories and trade receivables less trade payables.

## EBITDA

Operating profit (EBIT) before Depreciation and Amortization.

## EBITDA margin

EBITDA divided by net sales.

## Leverage

Net debt excluding pensions and accrued interest in relation to EBITDA.

## Net debt

Total borrowings including pensions and accrued interest less cash and cash equivalents.

## Operating cash flow

EBITDA +/- change in working capital excluding paid tax, after capital expenditure.

## Organic growth

Sales growth excluding acquisitions/divestments and currency translation effects. Quarters calculated at comparable currency, applying latest period average rate.

## RoOC – Return on Operating Capital

Operating profit (EBIT) divided by operating capital. Based on the operating profit (EBIT) for the four previous quarters, divided by the average operating capital for the previous four quarters, excluding goodwill and trademarks for the previous quarter.

## DEFINITIONS AND KEY RATIOS

### AM

Aftermarket.

### Capital expenditure

Expenses related to the purchase of tangible and intangible assets.

### CPV

Commercial and Passenger Vehicles.

### EPS – Earnings per share

Net profit for the period divided by average number of shares.

### FY 2017

Financial Year ended December 31, 2017.

### i.a.c. – items affecting comparability

Items affecting comparability are events or transactions with significant financial effects, which are relevant for understanding the financial performance when comparing profit for the current period with previous periods. Items included are for example restructuring programs, expenses related to major revaluations, gains and losses from acquisitions or disposals of subsidiaries.

### Interest-bearing debt

Liabilities to credit institutions plus liabilities to related parties plus provisions for pensions.

### Net profit

Profit (loss) for the period

### OCI

Other comprehensive income.

### OEM

Original Equipment Manufacturers.

### Operating capital excluding goodwill and trademarks

Interest-bearing debt plus equity less cash and cash equivalents, excluding goodwill and trademarks.

### Operating profit (EBIT)

Earnings before financial items and taxes.

### Operating profit (EBIT) margin

Operating profit (EBIT) divided by net sales.

### RV

Recreational Vehicles.

### Q1 2018

January to March 2018 for Income Statement.

### Q1 2017

January to March 2017 for Income Statement.

### Working capital

Core working capital plus other current assets less other current liabilities and provisions relating to operations.

# PRESENTATION OF THE INTERIM REPORT

Analysts and media are invited to participate in a telephone conference at 10.00 (CEST), April 26, 2018, during which President and CEO, Juan Vargues and CFO, Per-Arne Blomquist, will present the report and answer questions. To participate in the webcast/telephone conference, please dial in five minutes prior to the start of the conference call:

Sweden: +46 8 566 42669  
 UK: +44 20 3008 9802  
 US: +1 855 831 5945

Webcast URL and presentation are available at [www.dometic.com](http://www.dometic.com)

## CONTACT DETAILS

### Dometic Group AB (publ)

Hemvärnsgatan 15  
 SE-171 54 Solna, Sweden  
 Phone: +46 8 501 025 00  
[www.dometic.com](http://www.dometic.com)  
 Corporate registration number 556829-4390

## ABOUT DOMETIC

Dometic is a global market leader in branded solutions for mobile living in the areas of Climate, Hygiene & Sanitation, Food & Beverage, Power & Control and Safety & Security. Dometic operates in the Americas, EMEA and Asia Pacific, providing products for use in recreational vehicles, trucks and premium cars, pleasure and workboats, and for a variety of other uses. Dometic offers products and solutions that enrich people's experiences away from home, whether in a motorhome, caravan, boat or truck. Our motivation is to create smart and reliable products with outstanding design. We operate 28 manufacturing/assembly sites in eleven countries, sell our products in approximately 100 countries and manufacture approximately 85% of products sold in-house. We have a global distribution and dealer network in place to serve the aftermarket. Dometic employs approximately 8,800 people worldwide, had net sales of SEK 14.0 billion in 2017 and is headquartered in Solna, Sweden.

## FOR FURTHER INFORMATION, PLEASE CONTACT

Johan Lundin  
 Head of Investor Relations and Communications  
 Phone: +46 8 501 025 46  
 E-mail: [ir@dometic.com](mailto:ir@dometic.com)

This information is information that Dometic Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CEST on April 26, 2018.

*This document is a translation of the Swedish version of the interim report. In the event of any discrepancy, the Swedish wording shall prevail.*

## FINANCIAL CALENDAR

**18 JULY 2018:** Interim report for the second quarter 2018

**25 OCTOBER 2018:** Interim report for the third quarter 2018