

Dometic presents financial targets at its Capital Markets Day

Stockholm, May 28, 2019 – Concluding today's Capital Markets Day in Stockholm, Dometic (DOM-B.ST) presented the company's financial targets over a business cycle.

Juan Vargues, Dometic's CEO, and his management team presented the company's financial targets over a business cycle aiming at an annual net sales growth of 10% (including acquisitions) and an EBIT-margin before items affecting comparability of 16-17%. The aim is that the Net Debt/EBITDA ratio should be around 2x. The dividend policy entails an ambition to pay back at least 40% of the annual net profit to the shareholders as dividend.

As published Tuesday morning the company also presented its revised strategy covering profitable growth, product leadership and cost reduction.

Profitable growth

"We have grown our net sales, improved our margin and delivered strong cash flow over the last five years. We are now in a good position to open the door to an even greater future. By leveraging on our deep knowledge of the company's core technologies and addressing application areas instead of vertical segments we want to reposition the company. We believe this strategy will offer great growth opportunities, Juan Vargues said.

Product leadership

Innovation is crucial to drive organic growth and the company set a target that 25% of sales should derive from products launched in the past three years. The company presented several initiatives to achieve product leadership including the introduction of common processes for product development and innovation and a coordinated approach in order to increase future performance. Plans to open excellence centers, establish innovation teams and teams with global responsibility for certain product areas and technologies were also presented.

Cost reductions

Dometic stated its clear intention to industrialize the company with ambitious targets to reduce costs in all parts of the organization. The ambition is that the Company's cost increase should be 0,5 pp below the general inflation rate. The aspiration is to lower complexity by reducing SKU's by 40%, suppliers by 50% and increasing low cost country sourcing to 80%. Cost related to Dometic's digital agenda, is estimated to SEK 50m annually until 2023.

"Our aim is to accelerate the profitable expansion, to become an innovation leader in our application areas and to build a larger industrial company with a focus on delivering both leisure and professional solutions to the market", Juan Vargues, said.

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ABOUT DOMETIC

Dometic is a global market leader in branded solutions for mobile living in the areas of Food & Beverage, Climate, Power & Control and Other applications. Dometic operates in the Americas, EMEA and Asia Pacific, providing products for use in recreational vehicles, pleasure and workboats, trucks and premium cars and for a variety of other uses. Our motivation is to create smart and reliable products with outstanding design. We operate 28 manufacturing/assembly sites in eleven countries and sell our products in approximately 100 countries. We have a global distribution and dealer network in place to serve the aftermarket. Dometic employs approximately 8,000 people worldwide, had net sales of approximately SEK 18.0 billion in 2018 and is headquartered in Stockholm, Sweden.