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Dometic: Dometic Strengthens Position in Marine Industry with Acquisition of SeaStar Solutions

Dometic has entered into an agreement to acquire SeaStar Solutions, a leading provider of vessel control systems and aftermarket products to the leisure marine industry, for US\$875million from affiliates of American Securities LLC. The closing is expected to take place in the fourth quarter.

The acquisition strengthens and expands Dometic's position as a global supplier to the marine industry through new product areas, and a broader distribution network and market presence.

SeaStar Solutions is a leading, global provider of vessel control, fuel systems and system integration to the marine industry. SeaStar Solutions is the market leader in its key product areas with strong market shares. The company today operates some of the strongest brands in the market, such as SeaStar, Xtreme, MOELLER, Optimus and Sierra. The Sierra aftermarket platform is the world's largest independent marine aftermarket supplier. The company is expected to report sales of US\$320 million and EBITDA of US\$85 million in 2017[1]. OEM accounts for approximately 52% of revenue, whilst aftermarket sales account for approximately 48% of revenue. Capex as a per cent of sales is forecasted to be around 2% for 2017[2] and is expected to remain on this level going forward. SeaStar Solutions is based in North America, operates 8 facilities and employs approximately 1,250 people.

"I warmly welcome SeaStar Solutions to Dometic. The acquisition is an excellent strategic fit and greatly reinforces our position in the marine business. The company has market leading positions in several attractive product segments and is a strategic corner stone in our ambition to build a broader global leadership. I welcome SeaStar Solutions and its employees to Dometic," says Roger Johansson, President and CEO of Dometic.

With the acquisition of SeaStar Solutions, Dometic significantly broadens the marine offering in North America and creates a strong, global platform for further expansion in an industry with good potential for profitable growth. The US outboard boat market in which SeaStar Solutions primarily operates has seen an average growth rate of 8 per cent annually 2010-2016[3]. The combination of Dometic's existing strong position in marine air conditioners, refrigeration and sanitation, with SeaStar Solutions's leadership in vessel control, fuel systems and system integration, will enable the enlarged Dometic to develop and provide an unrivalled offering to the market and fully utilize the broad network of distributors and strong relationships with manufacturers.

Expanding in the marine industry has been a strategic priority for Dometic, as it offers attractive market dynamics, strong earnings potential and good opportunities for further expansion. SeaStar Solutions fulfils all prerequisites that Dometic has set for acquired expansion, with proven profitable growth, leading market positions and strong management.

The acquisition of SeaStar Solutions is also a strategically important step in Dometic's ambition to increase its presence in new attractive areas to

complement the strong Recreational Vehicle business.

"We are very pleased that Dometic has selected SeaStar Solutions to play a key role in their Marine expansion strategy. Dometic's long-term vision and commitment to be the product leader and number one in the market is very much in line with our existing goals and company culture. The combined businesses will allow us to operate from a very strong platform for further successful expansion and profitable growth," says Yvan Cote, President, and CEO of SeaStar Solutions.

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About Dometic

Dometic enriches people's experiences when away from home by providing smart, reliable products with outstanding design for mobile living in the areas of Climate, Hygiene & Sanitation and Food & Beverage. Dometic manufactures and sells products within these areas for use in mainly recreational vehicles, trucks and premium cars, cruisers and work boats, and for a variety of other uses. Dometic operates 22 manufacturing/assembly sites in North America, South America, Europe and Asia-Pacific. Dometic products are sold in more than 100 countries. Dometic has 6,500 employees and is listed on NASDAQ Stockholm.

For more information on Dometic, please visit: dometic.com.