

## DOMETIC ACQUIRES KAMPA, A FAST-GROWING PRODUCT INNOVATOR IN RETAIL AND AFTERMARKET

On December 3 2018, Dometic acquires Kampa, an innovative provider of Retail and Aftermarket products based in the UK. Kampa significantly broadens Dometic's Retail and Aftermarket offering in EMEA, with good potential for further expansion and profitable growth.

### Summary

- Dometic acquires Kampa, an innovative outdoor leisure company with focus on lightweight and inflatable awning room and tent technology with a leading position in the UK
- The acquisition strengthens and expands Dometic's position in Retail and Aftermarket through new product areas, a broader distribution network and strong market presence
- Cash purchase price of GBP 50 million on a debt and cash free basis excluding potential earn-out element. Fully financed via cash
- Immediately accretive to Dometic's operating margin and EPS
- Simultaneous signing and closing on December 3, 2018

### Description of Kampa

Kampa is a fast-growing outdoor leisure brand with focus on innovative awning and lightweight tent products and accessories to the outdoor living industry with a leading position in the UK.

The company is expected to report sales of GBP 40 million and EBITDA of GBP 7 million in 2018<sup>1</sup>. Aftermarket sales account for 100% of revenue. The business operates with a small fixed asset base which requires limited Capex each year.

Kampa has an asset light set up including outsourced manufacturing and a central warehouse in the Netherlands covering the distribution across Europe.

Kampa was founded in 2006 and is based in Essex, UK.

### Background and reasons for the transaction

With the acquisition of Kampa, Dometic significantly broadens the Retail and Aftermarket offering in EMEA, with good potential for further expansion and profitable growth.

Retail and Aftermarket expansion has been a strategic priority for Dometic, as it offers attractive market dynamics, strong earnings potential and good opportunities for further expansion. Kampa fulfils all prerequisites that Dometic has set for acquired expansion, with proven profitable growth, leading market positions and strong management.

"I am pleased to welcome Kampa and its employees to Dometic. The acquisition is part of our strategy of strengthening our aftermarket position through complementary products and strong market presence. Kampa complements our product portfolio and strengthens our global offer to make Dometic even more relevant to our current and future customers," says Juan Vargues, President and CEO of Dometic.

"We are today the market leader in inflatable awning room and tent technology in the UK, with a clear focus on easy use for our customers. In Dometic we have found an incredibly good home where we can build and accelerate our international expansion," says Myles Salmon, Managing Director at Kampa.

<sup>1</sup> Adjusted for items affecting comparability

## The transaction in brief

Under the terms of the agreement, Dometic pays a cash purchase price of GBP 50 million for Kampa on a cash and debt free basis. In addition, there is a maximum earn-out element of GBP 8.5 million based on delivery of financial targets in 2019 and 2020.

The transaction is immediately accretive to Dometic's operating margin and EPS. Synergies are expected to be limited.

## Acquisition financing

The acquisition is fully financed via cash on hand. Leverage will be impacted with around 0.1x. Dometic maintains its financial leverage target (net debt / EBITDA) of around 2x. Dometic intends to maintain its dividend policy to distribute at least 40 per cent of net profit.

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## 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 offer products and solutions that enrich people's experiences away from home, whether in a motorhome, caravan, boat or a truck. 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 8,800 people worldwide, had net sales of SEK 14.0 billion in 2017 and is headquartered in Solna, Sweden.