

REPORT ON THE SECOND QUARTER 2024

INCREASED MARGIN, STRONG OPERATING CASH FLOW AND IMPROVED LEVERAGE

SECOND QUARTER 2024

- Net sales were SEK 7,662 m (8,329); a decrease of -8%, of which -8% was organic growth.
- Operating profit (EBITA) before items affecting comparability) was SEK 1,069 m (1,177), corresponding to a margin of 14.0% (14.1%). Excluding a previously disclosed one-time positive effect of SEK 33 m in the second quarter 2023, the margin for the second quarter 2023 was 13.7%.
- Operating profit (EBIT) was SEK 903 m (985), corresponding to a margin of 11.8% (11.8%).
- Profit for the quarter was SEK 443 m (534).
- Earnings per share were SEK 1.39 (1.67). Adjusted earnings per share were SEK 1.76 (2.11).
- Operating cash flow was SEK 1,963 m (2,299). Cash flow was SEK 990 m (2,221).
- Net debt to EBITDA leverage ratio was 2.9x (3.2x) at the end of the period. Compared to the end of the first quarter 2024 the ratio improved sequentially from 3.0x, supported by a strong operating cash flow.

CEO COMMENT

“Despite persistently sluggish market conditions, high interest rates and lower consumer spend we continue to improve our performance and delivered an increased EBITA margin for the fourth quarter in a row, excluding a previously disclosed one-time positive effect of SEK 33 m in the second quarter 2023. Supported by a strong operating cash flow of SEK 2,0 b the net debt to EBITDA leverage ratio improved to 2.9x (3.2x).

Organic net sales declined 8 percent, compared to a decline of 12 percent in the first quarter of 2024. While the uncertain market situation is making customers more cautious than before in regard to inventory levels, organic net sales in the Service & Aftermarket sales channel recovered as expected, reaching -1 percent compared to the same quarter last year. Net sales in the Distribution sales channel declined 2 percent organically, a clear improvement compared to the first quarter. This was supported by the Mobile Cooling Solutions segment, in which end-user demand for our products is strong and retailer inventories have fallen. Demand in the OEM (Original Equipment Manufacturer) sales channel remained weak and organic net sales declined 17 percent.

The EBITA margin before items affecting comparability was 14.0 percent, an improvement compared to 13.7 percent for the same quarter last year, excluding the above mentioned one-time positive effect in the second quarter 2023. The margin improvement was supported by new product launches, sales mix, cost reductions and price management. The Mobile Cooling Solutions segment continues to show strong progress, with an EBITA margin of 12.0 percent, compared to 10.2 percent for the same quarter last year excluding the above mentioned one-time positive effect in the second quarter 2023. The Land Vehicles EMEA segment continued to report better margins than the same quarter last year and both the Marine and Land Vehicles APAC segments delivered robust margins despite lower net sales in the OEM sales channel. The margin for the Land Vehicles Americas segment remained negative, but improved compared to the same quarter last year. RV industry production levels in the US remain low, but Service & Aftermarket net sales recovered in the quarter, with a positive impact on segment margin.

We delivered a strong operating cash flow of SEK 1,963 m (2,299) and the net debt to EBITDA leverage ratio improved both sequentially and year-on-year to 2.9x. We expect the net debt to EBITDA leverage ratio to continue trending down during the year, and are committed to achieving our target of around 2.5x.

We are increasing research and development investments in strategic growth areas and we continue to launch new, exciting portable products for outdoor purposes. The product innovation index continues to improve and reached 19 percent (15 percent). Our Mobile Power Solutions global offering is progressing well, and during the quarter we launched PLB15, a powerful lightweight portable battery for outdoor electronic devices such as active coolers. In Mobile Cooling Solutions it is encouraging to see strong demand for our recently launched Igloo active cooling product range. In addition, we are now introducing a new series of Dometic branded active cooling boxes: the Dometic CFX2, a range expansion to our highly successful Dometic CFX3 series.

Long-term trends in the Mobile Living industry are strong, however it is difficult to predict how the current macroeconomic situation and market conditions, including delayed interest rate decreases and changed customer purchasing patterns, will affect the business in the short term. In this high interest rate environment, leading to reduced disposable income, we still anticipate a continued gradual recovery in demand in the Service & Aftermarket and Distribution sales channels. In the OEM sales channel, we foresee continued weak demand short-term.

In a market where the visibility is shorter than normal, we will remain agile and act on the short-term market development, while continuing to relentlessly drive our strategic agenda to deliver on our targets. This includes prioritizing margin expansion and reviewing our existing product portfolio.”

Juan Vargues President and CEO

ABOUT DOMETIC

Dometic is a global market leader in the mobile living industry. Millions of people around the world use Dometic products in outdoor, residential, and professional applications. Our motivation is to create smart, sustainable, and reliable products with outstanding design for an outdoor and mobile lifestyle in the areas of Food & Beverage, Climate, Power & Control, and Other Applications. Dometic employs approximately 8,000 people worldwide, had net sales of SEK 27.8 billion in 2023 and is headquartered in Solna, Sweden.

PRESENTATION OF THE REPORT

Analysts and media are invited to participate in a telephone conference at 10.00 (CEST) July 18, 2024, during which President and CEO, Juan Vargues, and CFO, Stefan Fristedt, will present the report and answer questions.

Webcast link: <https://dometic.videosync.fi/2024-07-18-q2-2024/register>

To participate in conference call to ask questions

Those who wish to participate in the conference call to ask questions in connection with the webcast are welcome to register on the link below. After the registration you will be provided phone numbers and a conference ID to access the conference.

Registration link: <https://service.flikmedia.se/teleconference/?id=5001741>

Webcast URL and presentation are also available at <https://www.dometicgroup.com/en/investors>

This information is information that Dometic Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CEST on July 18, 2024.

FOR FURTHER INFORMATION, PLEASE CONTACT

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