



# DOMETIC Q3 2024 REPORT



**JUAN VARGUES**  
**PRESIDENT AND CEO**



# Q3 2024 HIGHLIGHTS

## Market development

- Continued challenging macroeconomic situation and market conditions, including high interest rates and lower consumer spend
- Retail inventories are lower than last year; however customers are cautious building inventories ahead of the low season
- OEM remain weak across all industry verticals

## Performance

- **-14% organic sales growth**
  - Service & Aftermarket -11%. Decline in all segments except Land Vehicles EMEA
  - Distribution -10%. Slow quarter for Mobile Cooling Solutions
  - OEM -20%. Accelerated decline in Land Vehicles EMEA and Land Vehicles APAC
- **EBITA margin before i.a.c. declined to 8.6% (14.3%)**
  - Effect from lower sales
  - Additional volume drop leading to lower efficiency
  - Will accelerate strategy implementation
- **Robust operating cash flow of SEK 1.3 b (2.1)**
  - Leverage 3.0x (2.9x)

# Q3 2024 FINANCIAL SUMMARY

## Net sales of SEK 5,647 m, -17% total growth

- -14% Organic
- -3% FX
- 0% M&A

## EBITA before i.a.c. of SEK 483 m, -50%

- EBITA margin of 8.6% (14.3%)

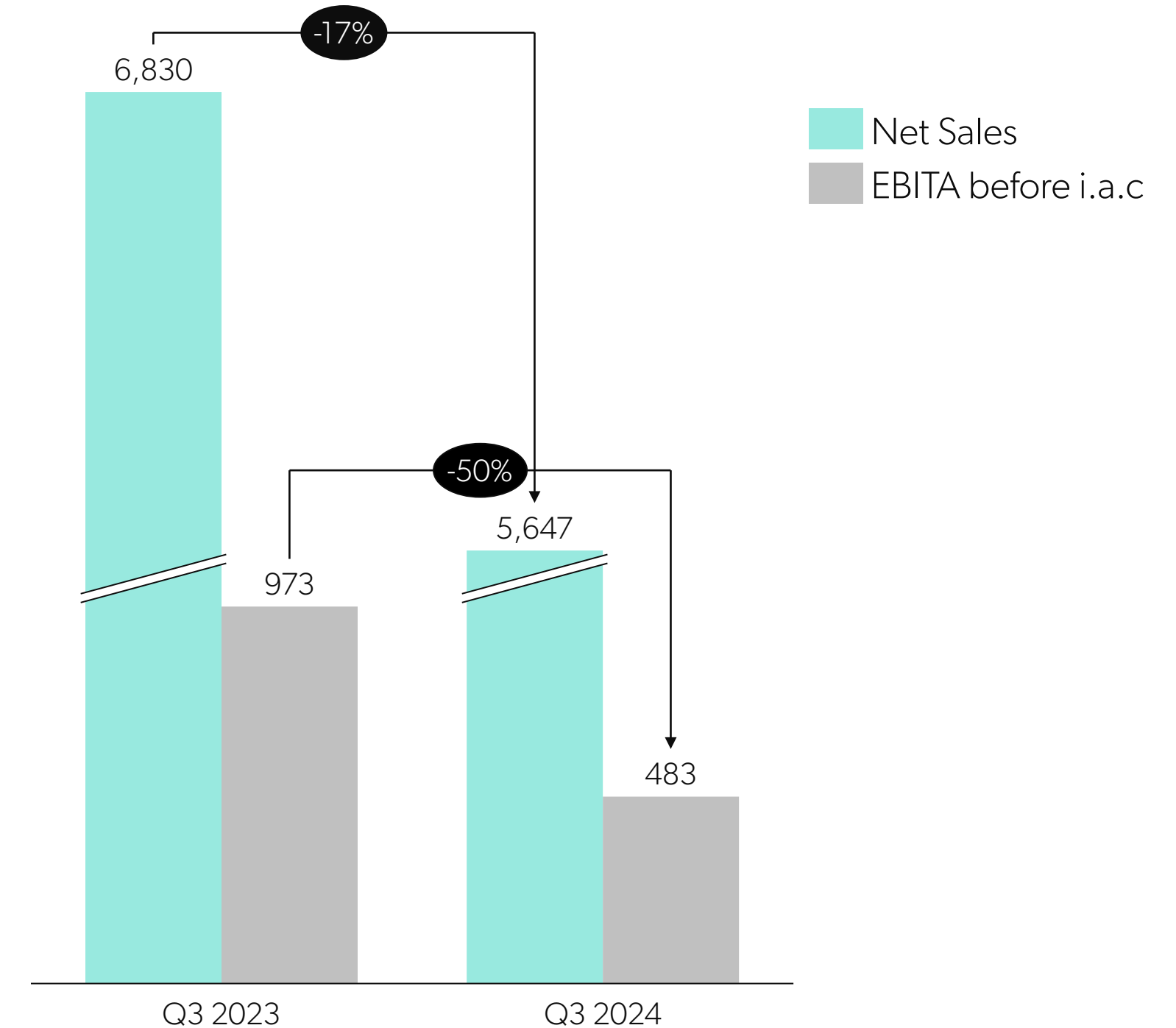
## EPS of SEK -6.01 (1.29)

- Includes non-cash impairment of SEK 2.0 b

## Adjusted EPS of SEK 0.59 (1.71)

## Operating cash flow of SEK 1,269 m (2,125)

## Leverage 3.0x (2.9x)



# YTD SEPTEMBER 2024 FINANCIAL SUMMARY

## Net sales of SEK 19,835 m, -12% total growth

- -11% Organic
- 0% FX
- 0% M&A

## EBITA before i.a.c. of SEK 2,321 m, -23%

- EBITA margin of 11.7% (13.4%)

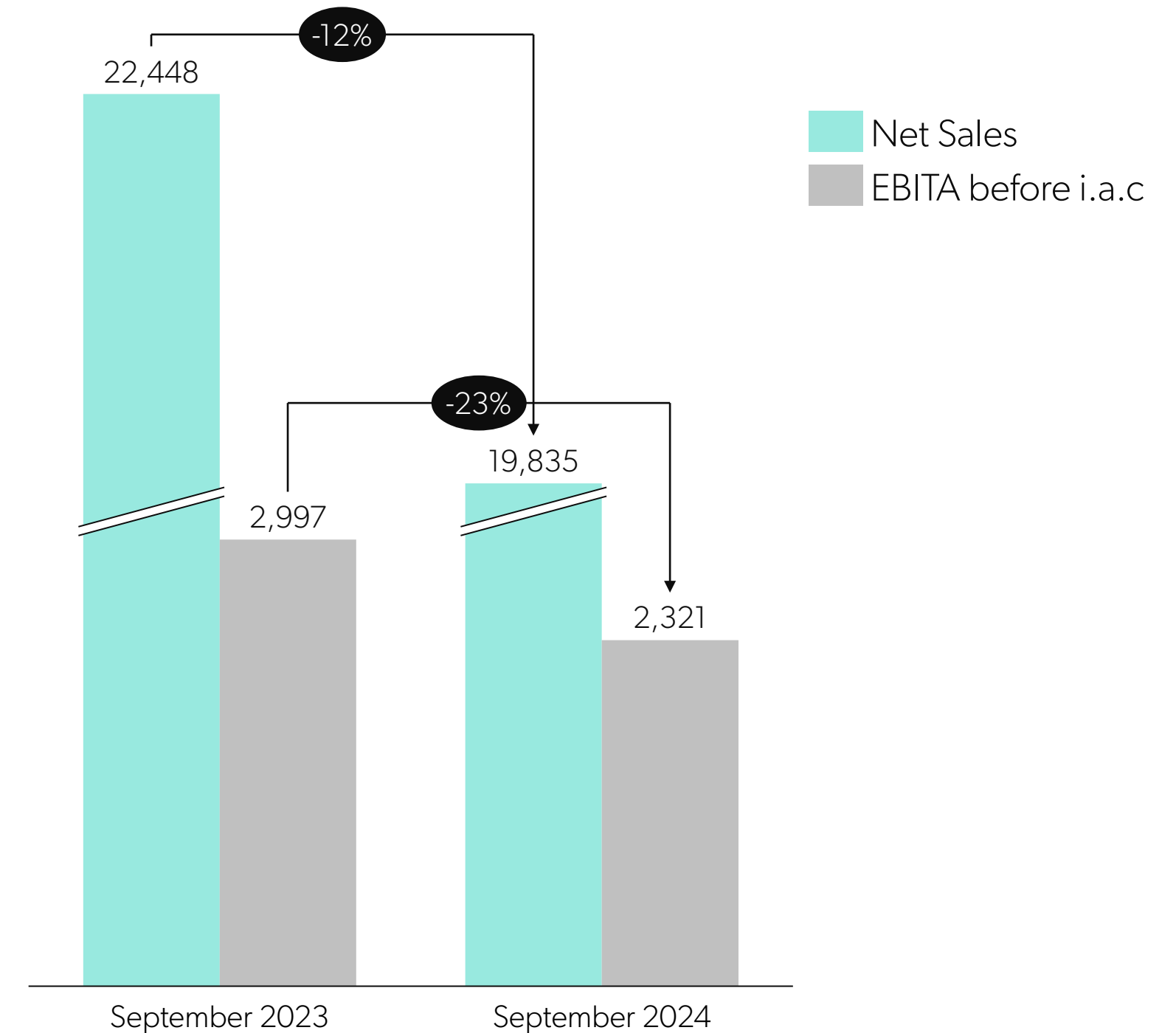
## EPS of SEK -3.77 (4.01)

- Includes non-cash impairment of SEK 2.0 b

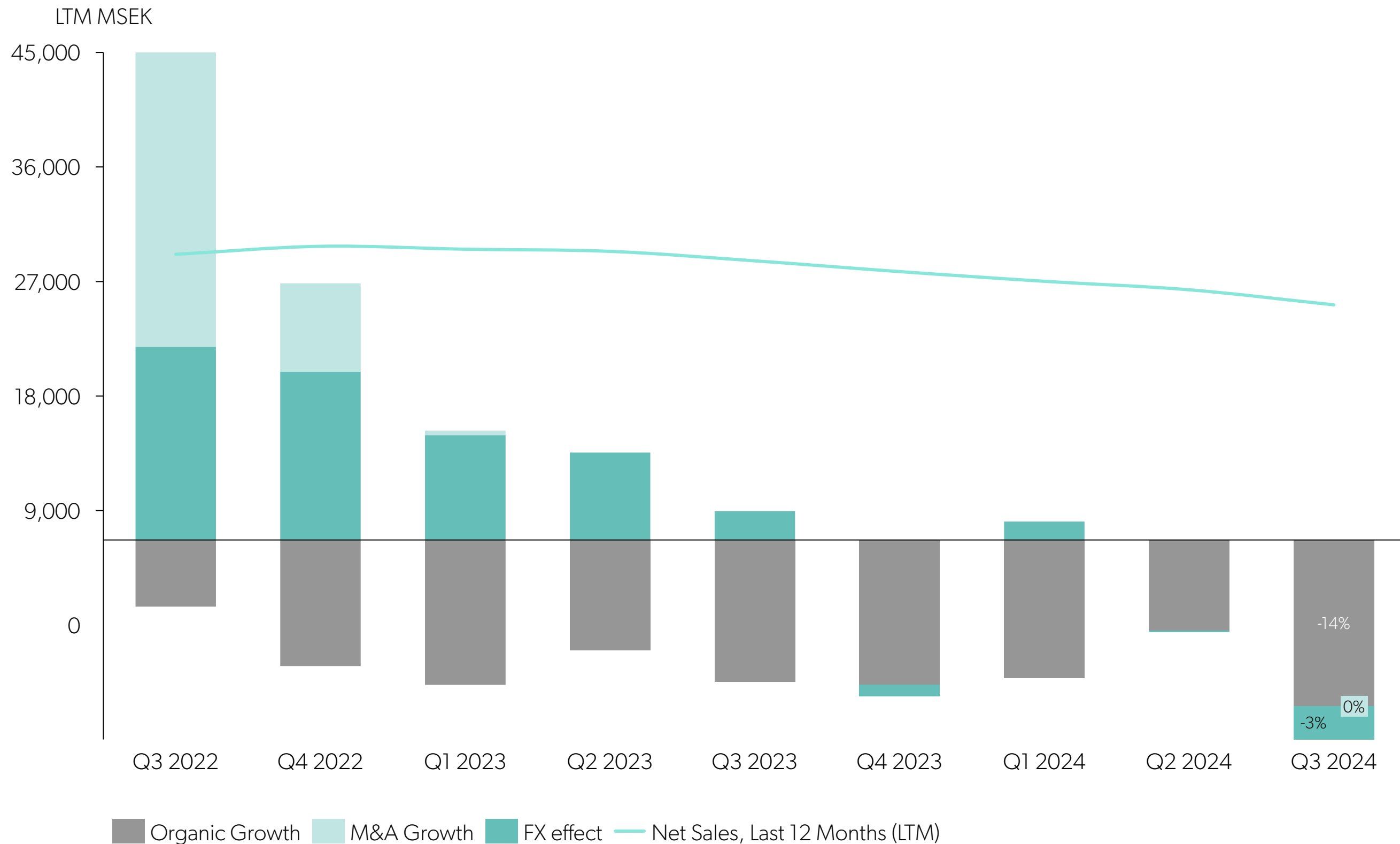
## Adjusted EPS of SEK 3.56 (5.26)

## Operating cash flow of SEK 3,445 m (4,718)

## Leverage 3.0x (2.9x)



# NET SALES DEVELOPMENT



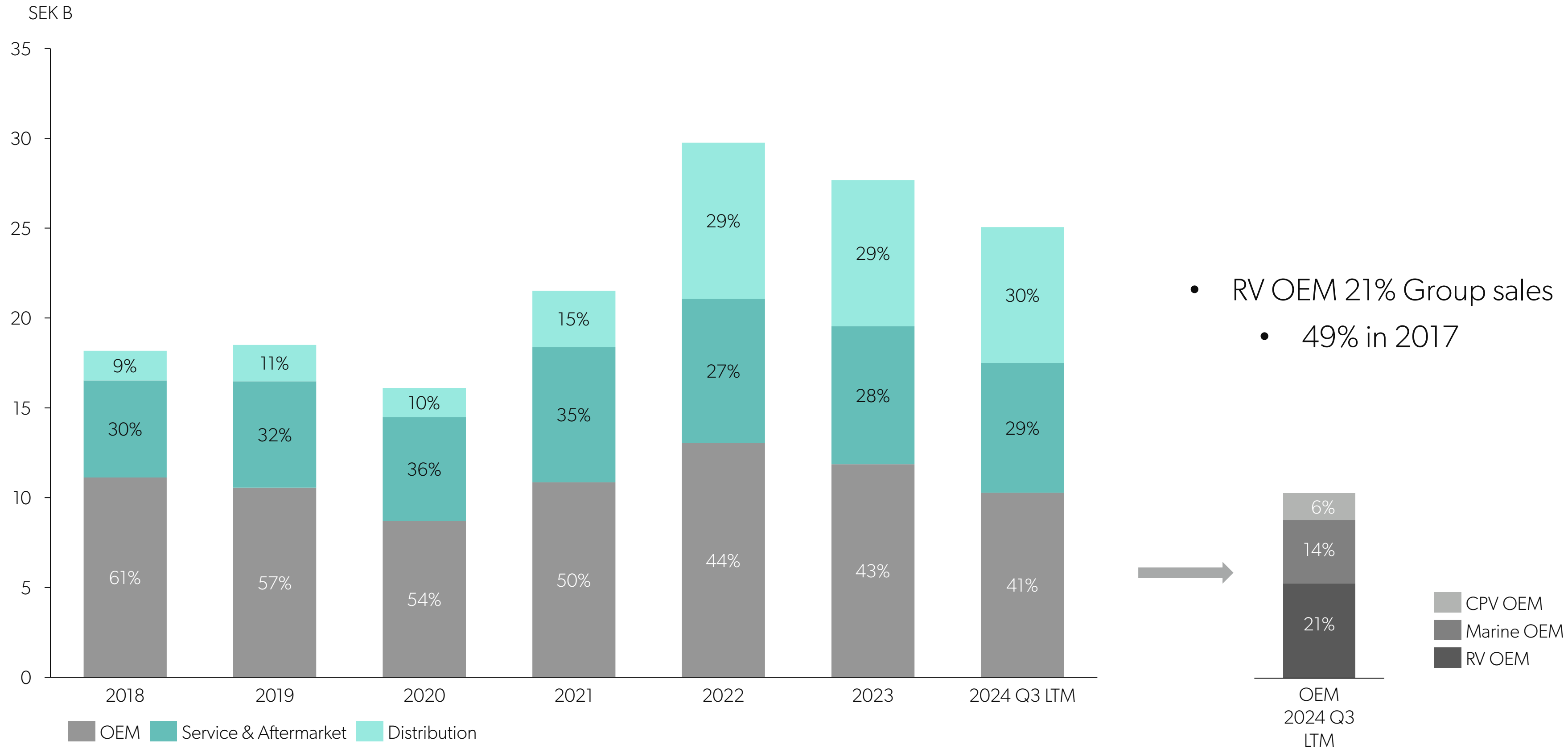
## Q3 2024

**Net Sales SEK 5,647 m**

**Organic growth -14%**

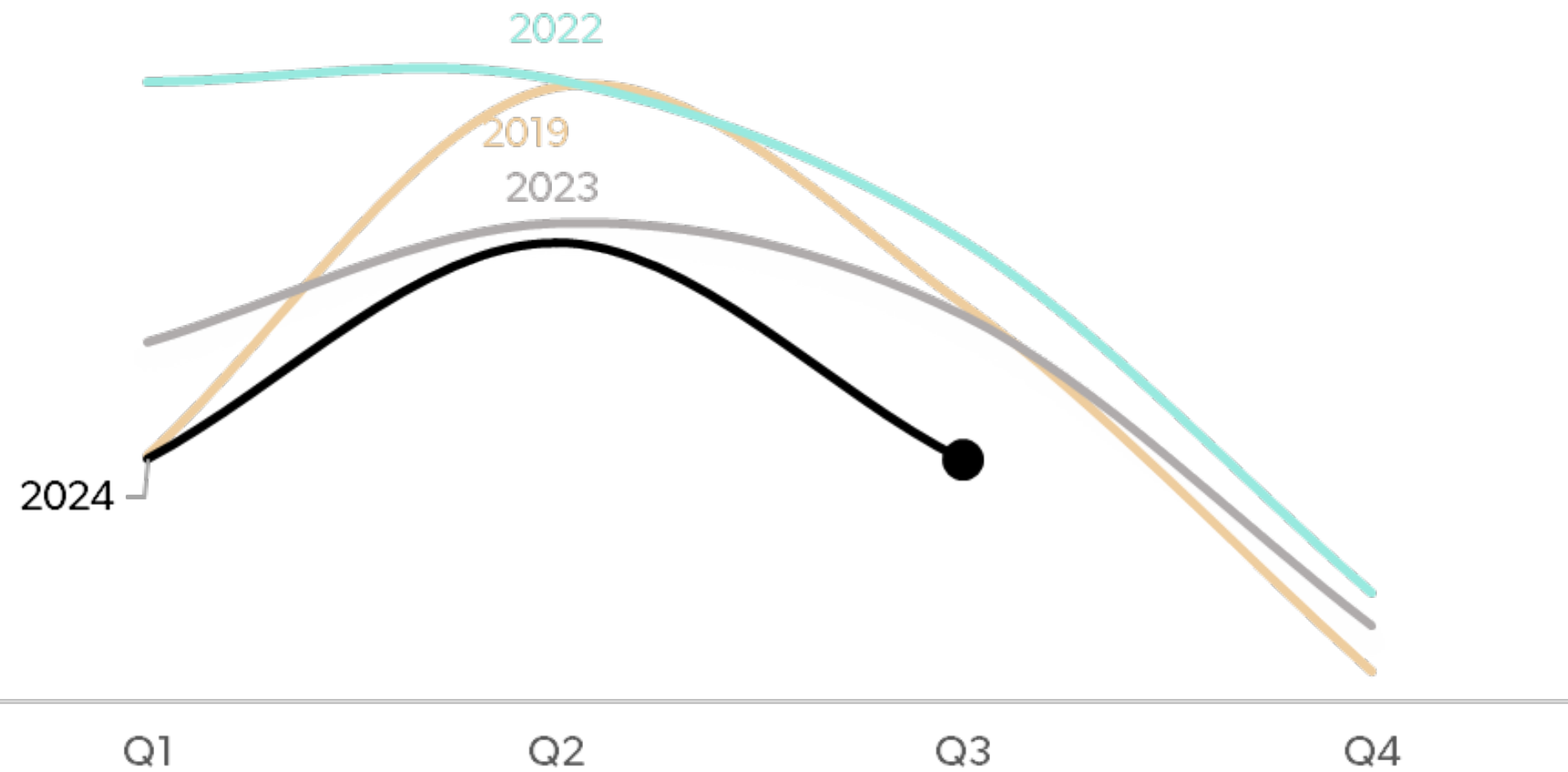
- LV Americas -23%
- LV EMEA -12%
- LV APAC -19%
- Marine -13%
- Mobile Cooling Solutions -9%
- Global Ventures -19%

# NET SALES BY SALES CHANNEL

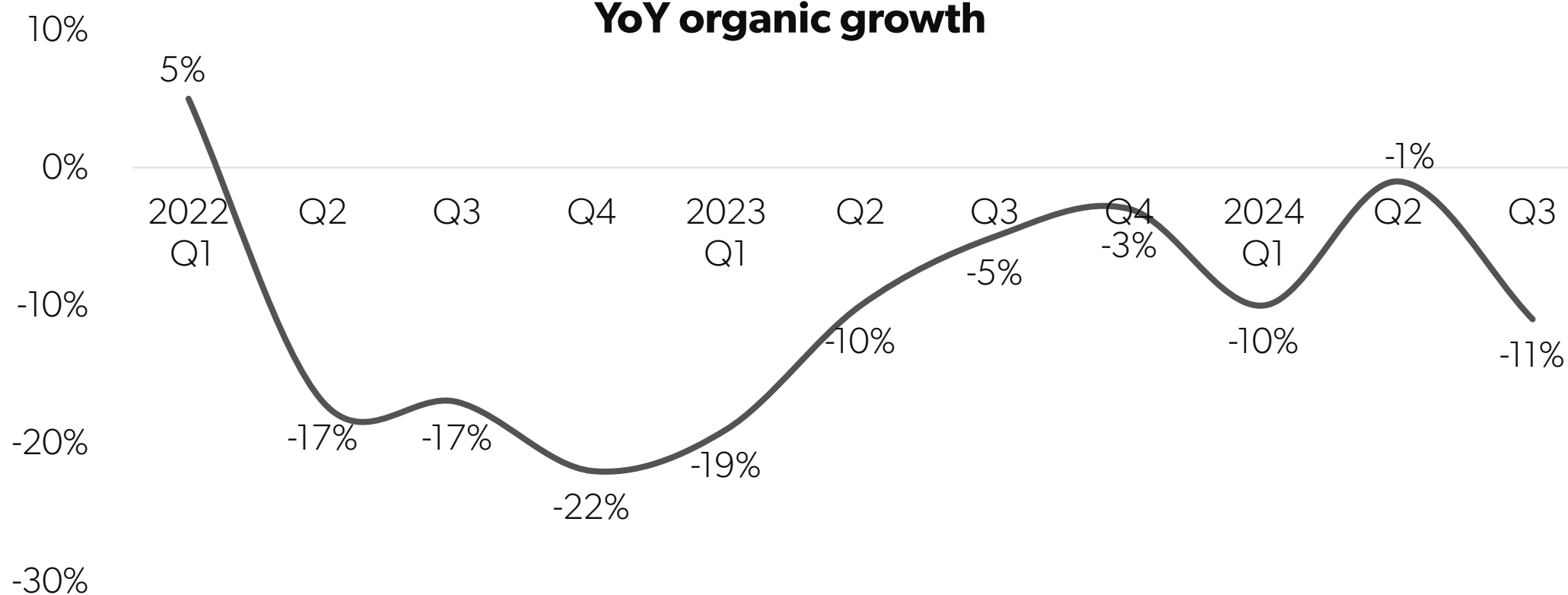


# SERVICE & AFTERMARKET NET SALES

Proforma Net sales in constant currency



YoY organic growth

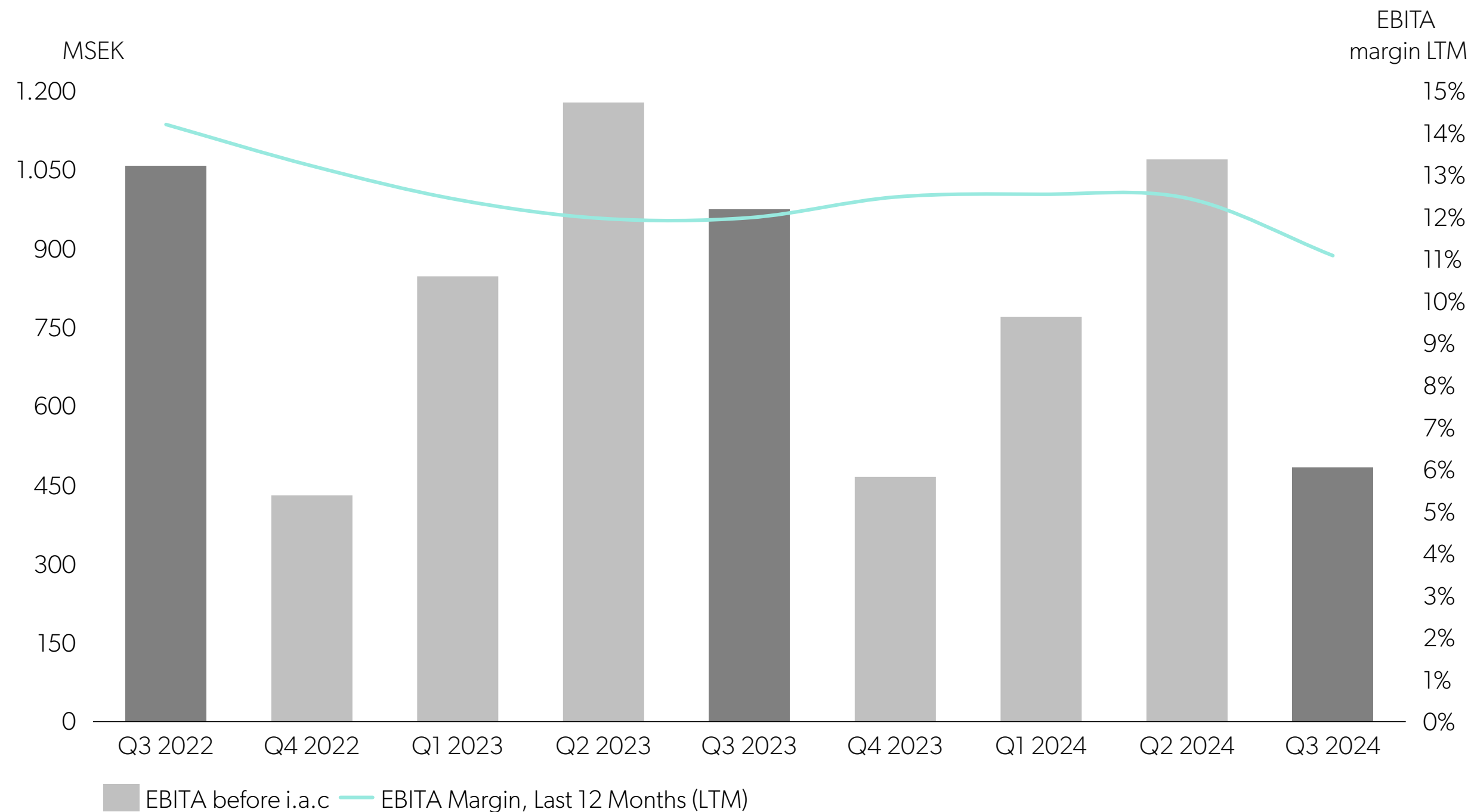


- Year to date organic growth -7%
- Q3 organic growth -11%
- Decline in all segments but Land Vehicles EMEA
- Dealers continue to be cautious building inventories ahead of the low season
- Usage of RVs and boats is high, however consumers are focusing on essential repairs and are deferring upgrades to a larger extent



# EBITA AND EBITA MARGIN BEFORE I.A.C

EBITA before i.a.c last 12 months 11.1% (12.0%)



## Q3 2024

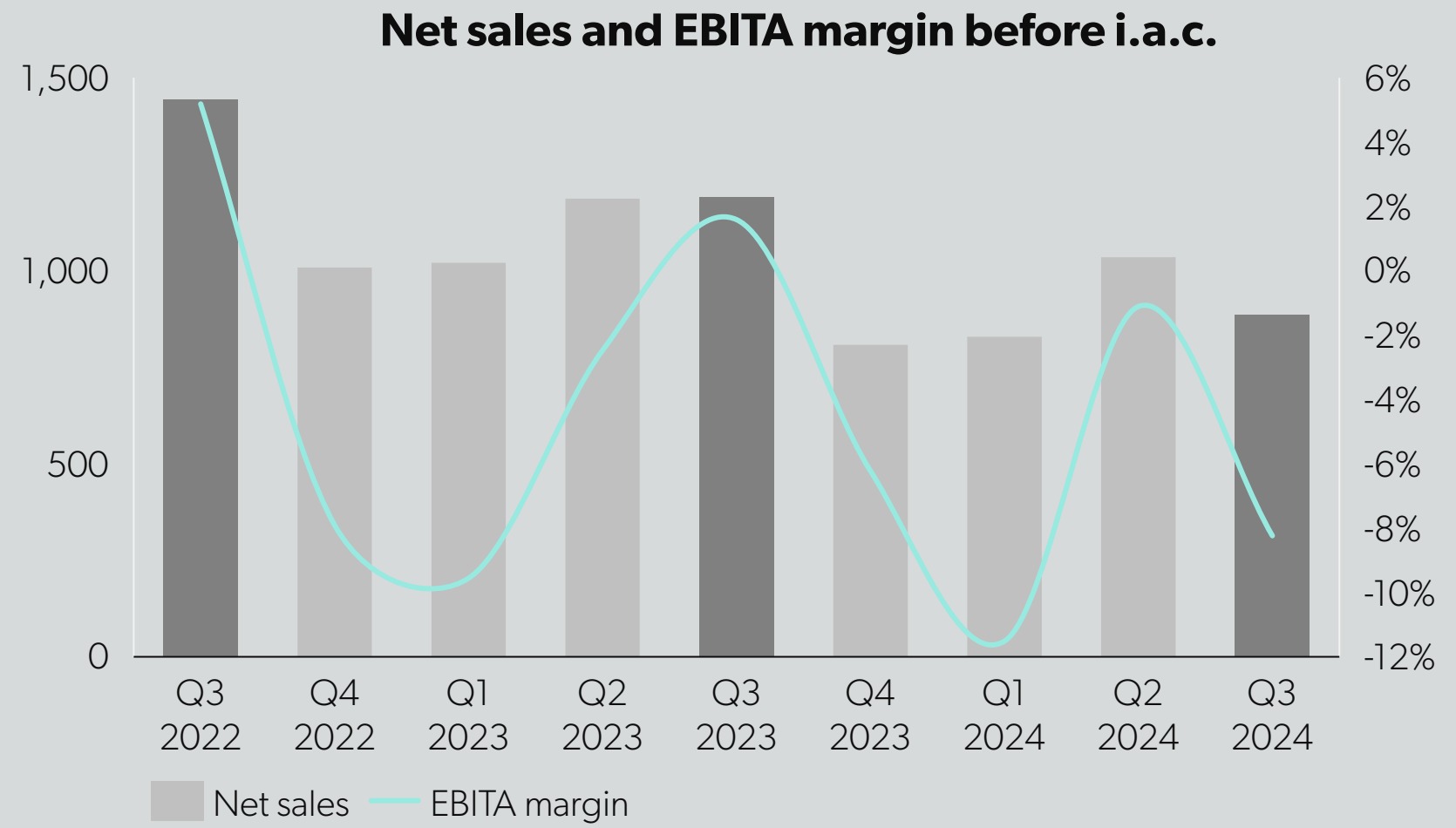
**EBITA before i.a.c margin 8.6% (14.3%)**

- Gross margin negatively impacted by lower net sales and corresponding inefficiencies in the supply chain
- Impact from lower net sales in the Service & Aftermarket sales channel
- Reduction in operating expenses , increased in percent of net sales
- All segments below last year



# LV AMERICAS Q3 2024

- **Net sales SEK 886 m, -26%**
  - Organic growth -23%
  - Significant decline in Service & Aftermarket compared to a strong Q3 2023
  - Continued challenging situation in OEM
  
- **EBITA before i.a.c. SEK -73m (20)**
  - EBITA Margin -8.2% (1.7%)
  - Will accelerate actions to turn the business around



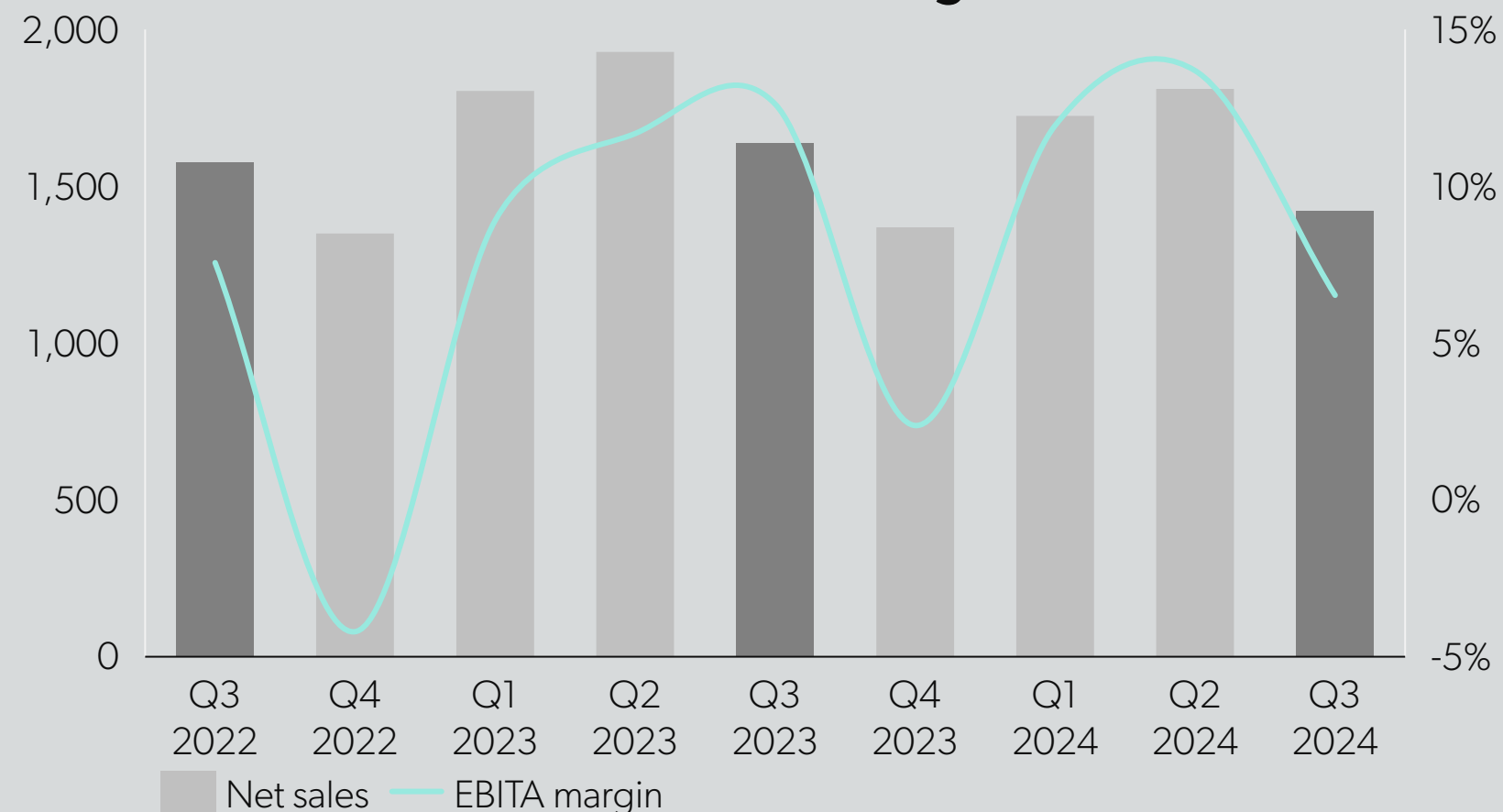


# LV EMEA Q3 2024

- **Net sales SEK 1,421 m, -13%**
  - Organic growth -12%
  - Service & Aftermarket stable
  - Accelerated decline in OEM

- **EBITA before i.a.c. SEK 93 m (207)**
  - EBITA Margin 6.5% (12.6%)
  - Inefficiencies in supply chain following significant volume reduction in OEM

**Net sales and EBITA margin before i.a.c.**

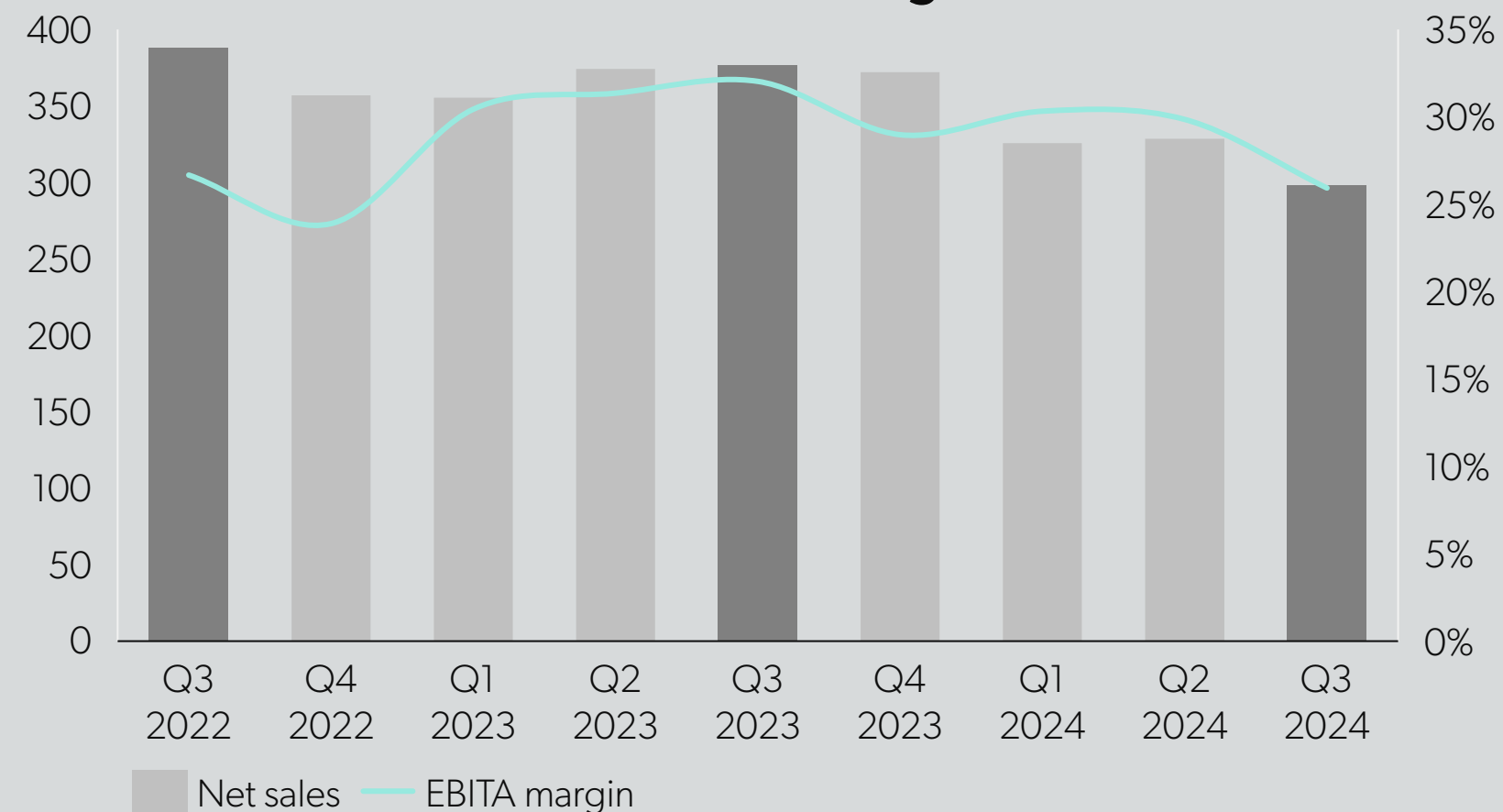




# LV APAC Q3 2024

- **Net sales SEK 298 m, -21%**
  - Organic growth -19%
  - Significant decline in Service & Aftermarket
  - Accelerated slowdown in OEM business
    - Reduced RV production in Australia
- **EBITA before i.a.c. SEK 77 m (121)**
  - EBITA Margin 25.9% (32.1%)
  - Robust margin development compared to a strong Q3 2023
    - Negative impact from lower net sales

**Net sales and EBITA margin before i.a.c.**





# MARINE Q3 2024

- **Net sales SEK 1,277 m, -16%**
  - Organic growth -13%
  - Single digit decline in Service & Aftermarket
  - OEM remain significantly below last year despite easier comps

**Net sales and EBITA margin before i.a.c.**



- **EBITA before i.a.c. SEK 247 m (367)**
  - EBITA Margin 19.3% (24.0%)
  - Reduction mainly due to lower net sales
  - Margin resilience supported by product innovation and sales mix

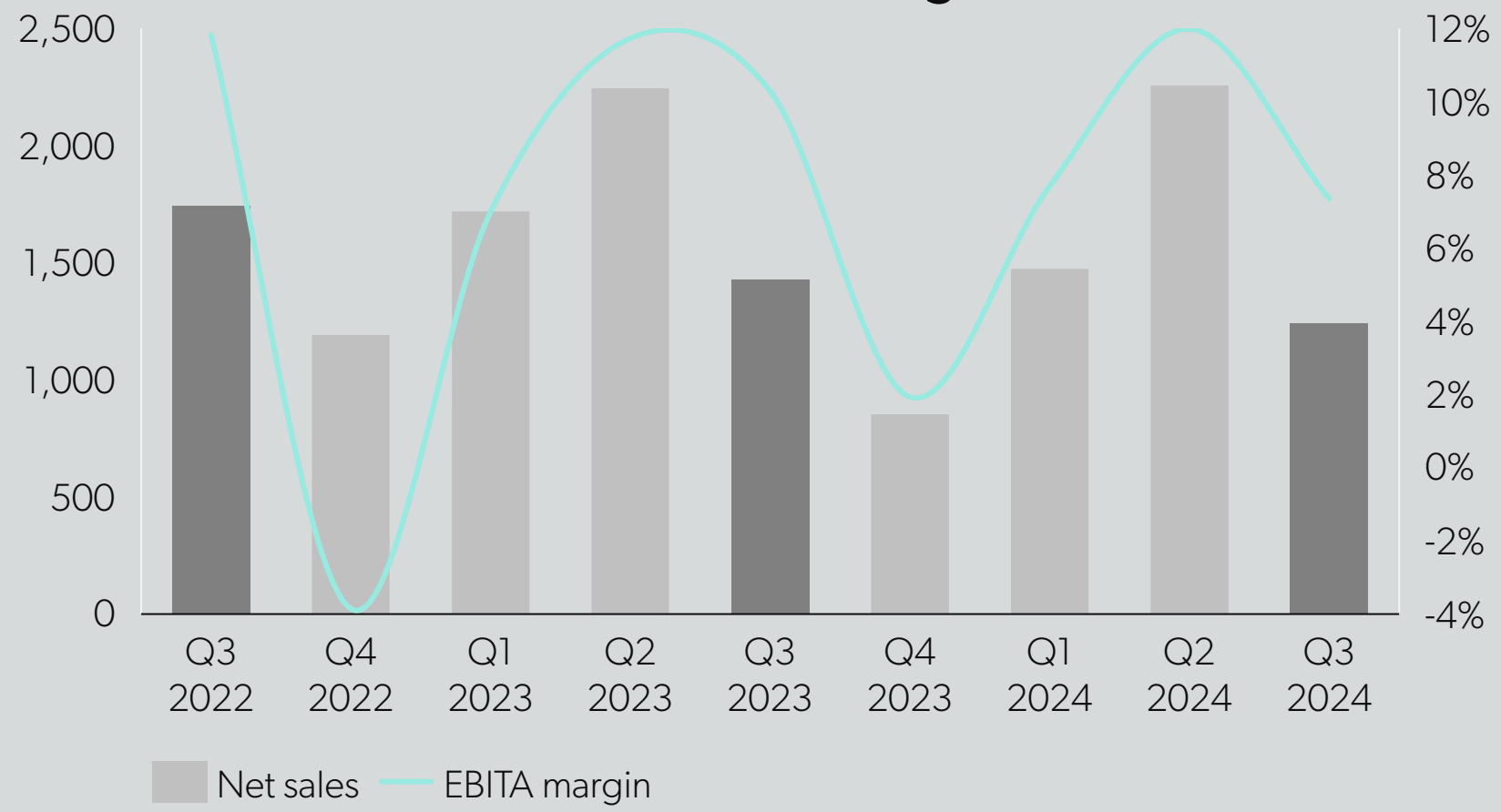


# MOBILE COOLING SOLUTIONS

## Q3 2024

- **Net sales SEK 1,242 m, -13%**
  - Organic growth -9%
  - Temporarily lower sell through combined with retailers focus on managing inventories.
  - Igloo continues to gain market shares
- **EBITA before i.a.c. SEK 91 m (145)**
  - EBITA Margin 7.3% (10.2%)
  - Impact from lower net sales
  - Several new products ramping up, and more products to be launched

**Net sales and EBITA margin before i.a.c.**





# GLOBAL VENTURES Q3 2024

- **Net sales SEK 522 m, -22%**
  - Organic growth -19%
  - Decline in the Residential business
  - Mobile Power Solutions negatively impacted by lower RV and boat production
- **EBITA before i.a.c. SEK 48 m (113)**
  - EBITA Margin 9.2% (16.9%)
  - Q3 2023 a tough comparison
  - Solid EBITA margin in Hospitality
  - Continued investments in R&D and sales capabilities in Mobile Power Solutions

**Net sales and EBITA margin before i.a.c.**



# MOBILE COOLING SOLUTIONS

## PREMIUM ACTIVE COOLER – CFX5

- Our best performing electric cooler to date
- Combines cutting-edge insulation technology and most powerful compressor
- Light-weight and energy efficient
- Launched initially in the US and Australia with global availability in Q1 2025





# MOBILE COOLING SOLUTIONS

## DOMETIC SOFT COOLER – PSC SERIES

- First soft cooler of new generation with Dometic brand
- High-performance insulation, leakproof and airtight seal, with a modern, spacious design
- Available in various models, from carry bags to backpacks
- Already available globally



# VEHICLE BASED ACTIVITIES

## PARTNERSHIP WITH VOLKSWAGEN

- Partner with Volkswagen Commercial Vehicles (VWCV) for their new California World concept.
- Dometic camping gear in the California App and its website.
- Dometic gear will also available via participating VWCV dealers and online.



# SUSTAINABILITY AND INNOVATION

## Q3 2024

### LTIFR<sup>1)</sup> better than target

- Efforts focusing on injury prevention continue throughout the organization

### Female representation in management 30%

- Driven by increased focus on diversity, equity and inclusion initiatives

### CO<sub>2</sub> ratio reduced 45%, better than 2024 target

- Scope 1 & 2 emissions reduced by transitioning to renewable electricity

### ESG audits at 87%, temporarily below target

- Remaining suppliers are scheduled to be audited during Q4

### Product innovation index improved to 20% (16%)

- Product innovation is a major driver for reducing CO<sub>2</sub> emissions

KPI	Focus area	Actual	Actual last year	Target
LTIFR <sup>1)</sup>	People	1.9	1.9	<2.0
Share of female managers	People	30%	28%	27%
CO <sub>2</sub> ton / Net sales SEK m	Planet	-45%	-46%	-30%
ESG audits of new suppliers	Governance	87%	98%	>90%
Product Innovation Index	Planet	20%	16%	25%

### OUR FOCUS AREAS AND AMBITIONS



#### PEOPLE

Offer a safe, inclusive, diverse and dynamic workplace – allowing every employee to reach their full potential for the best of the company as a whole

#### PLANET

Offer innovative, durable and low-carbon products that support circularity

#### GOVERNANCE

Safeguard human rights at all times while pursuing fair business and labor practices



# STEFAN FRISTEDT

CFO

# Q3 2024 INCOME STATEMENT

- **Gross profit margin 27.4% (30.5%)**
  - Lower volumes leading to supply chain inefficiencies including increased factory cost variances and logistic costs
- **Operating expenses SEK -1,065 m (-1,110)**
  - Increased in percent of net sales
  - Cost reductions in SG&A
  - Continued R&D investments in strategic growth areas
- **Amortization and impairment SEK -2,148 m (-152)**
  - Goodwill impairment of SEK -2,000 m related to segment Land Vehicles Americas
- **Net financial expenses SEK -188 m (-184)**
  - Net interest bank loans and financial income SEK -154 m (-198)
  - FX revaluation and other items SEK -34 m (13)
- **Taxes SEK -60 m (-192)**
  - Tax rate impacted by impairment loss
  - Adjusted year to date tax rate 32% (29%) due to a country mix and non-tax-deductible interest costs

## SEK m

Net sales  
Gross Profit

Operating Expenses

## EBITA befi.a.c.

Items affecting comparability

Amortization and impairment of acquisition-related IA

## EBIT

Net financial expenses

Taxes

## Net profit

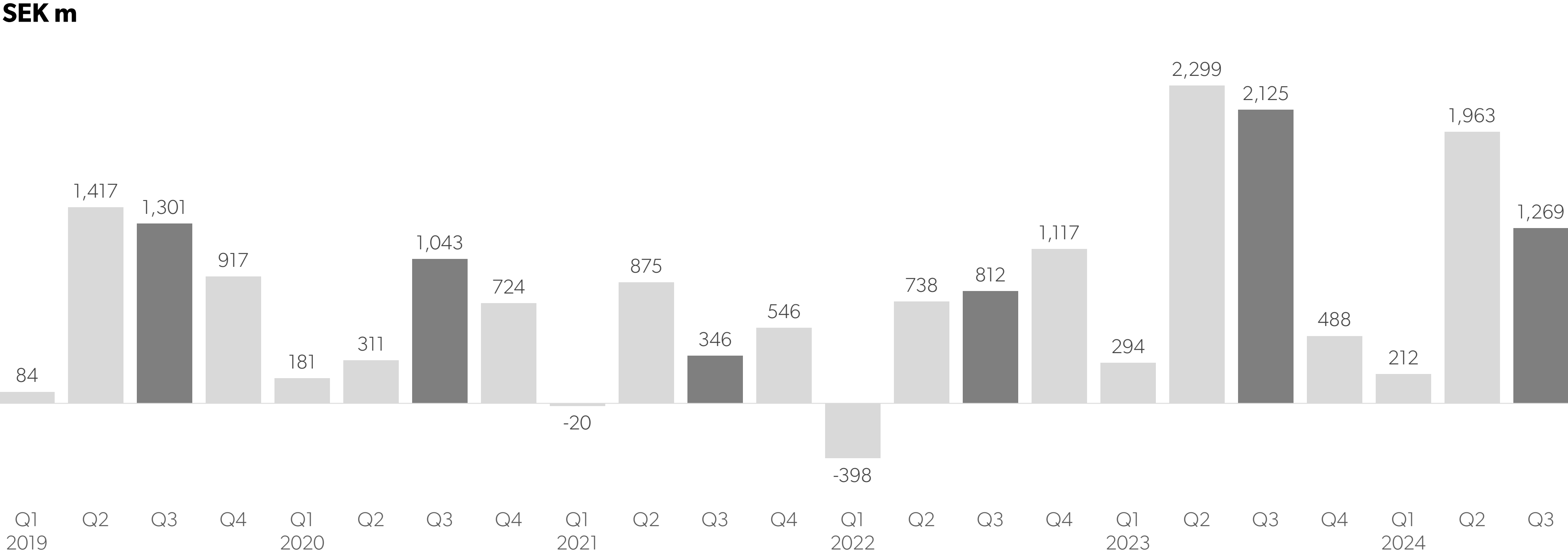
	Q3 2024	Q3 2023
Net sales	5,647	6,830
Gross Profit	1,547	2,083
	27.4%	30.5%
Operating Expenses	-1,065	-1,110
	-18.9%	-16.2%
<b>EBITA befi.a.c.</b>	<b>483</b>	<b>973</b>
	8.6%	14.3%
Items affecting comparability	-8	-33
Amortization and impairment of acquisition-related IA	-2,148	-152
<b>EBIT</b>	<b>-1,673</b>	<b>788</b>
	-29.6%	11.5%
Net financial expenses	-188	-184
Taxes	-60	-192
<b>Net profit</b>	<b>-1,921</b>	<b>412</b>

# CASH FLOW

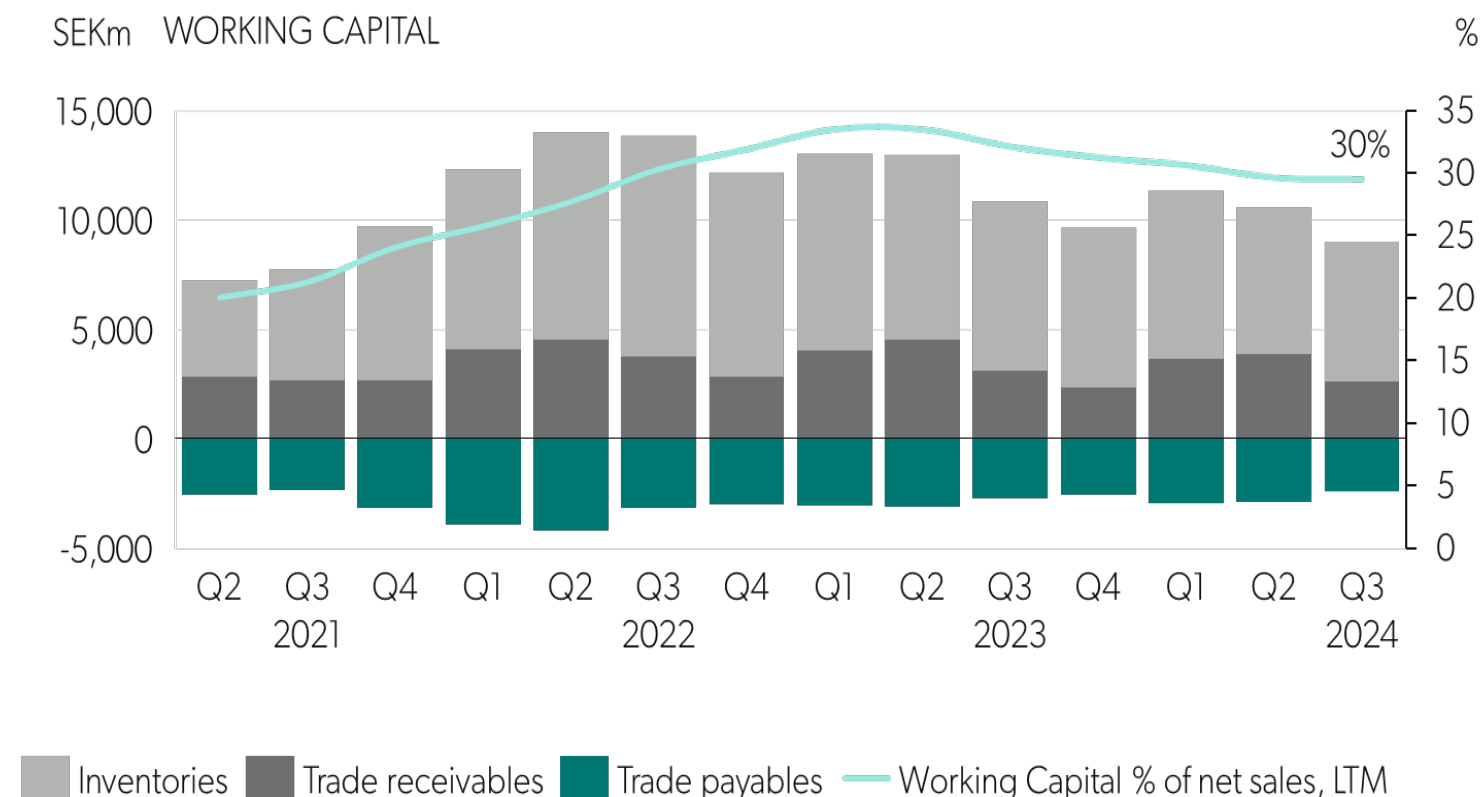
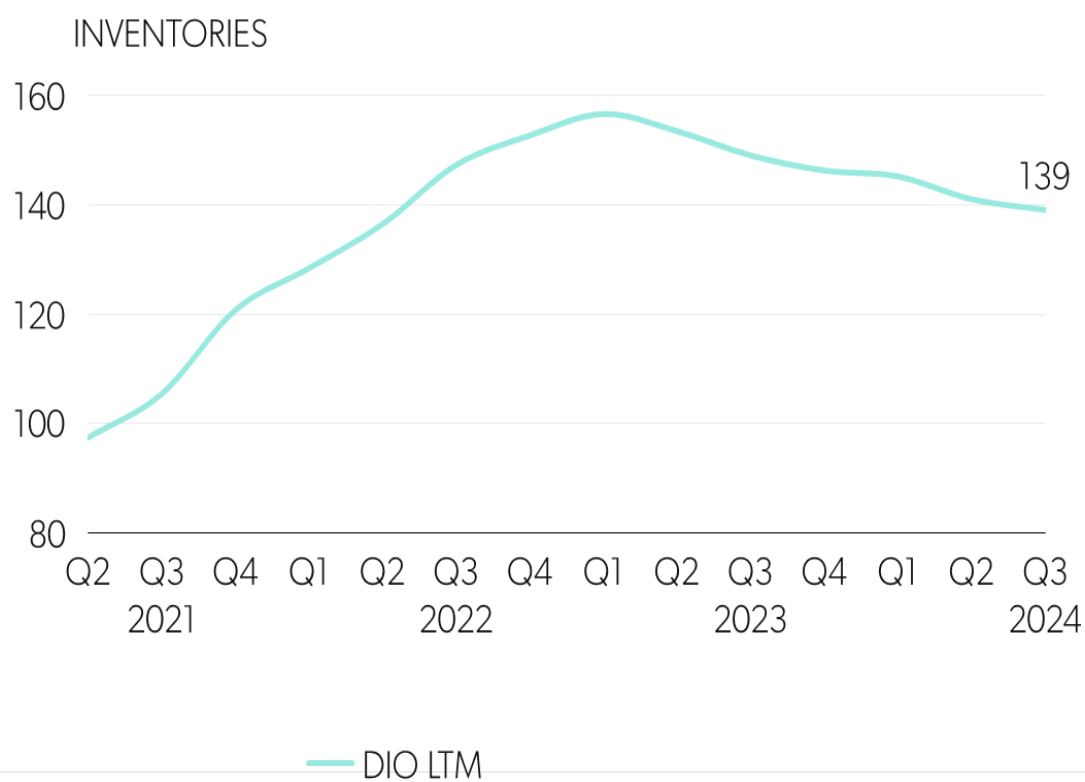
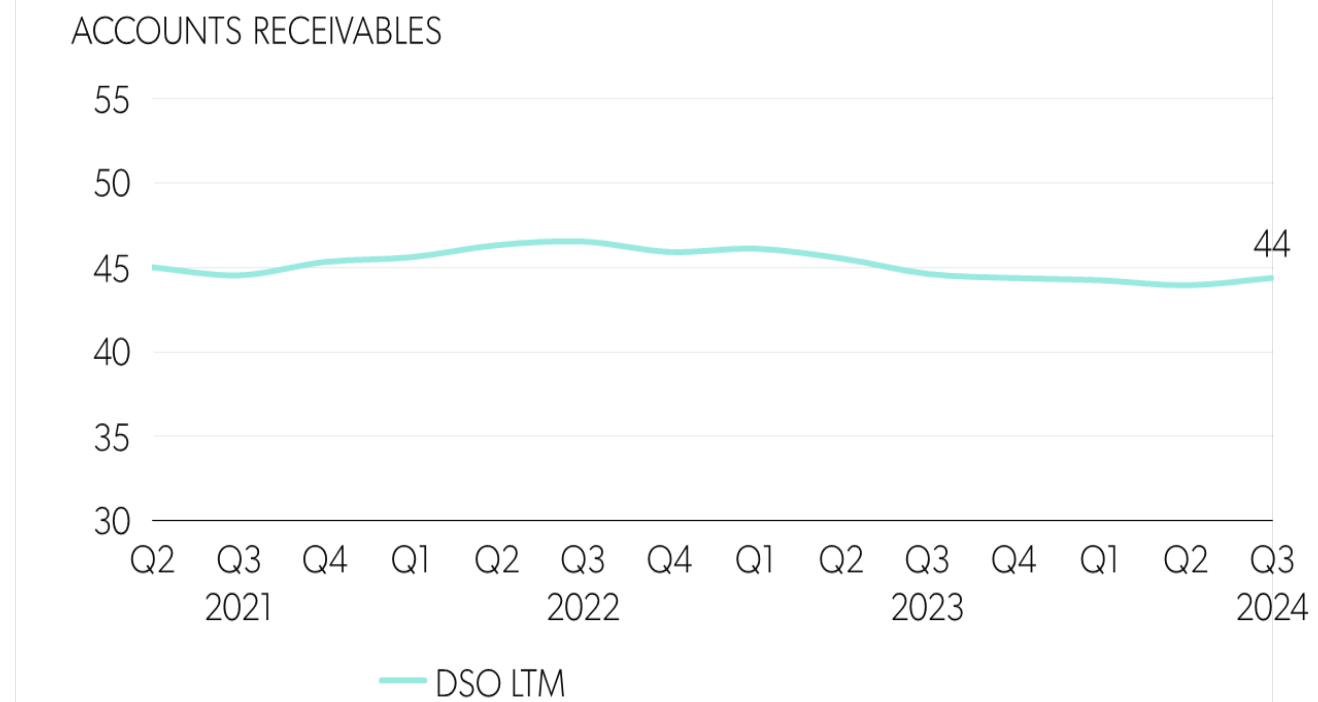
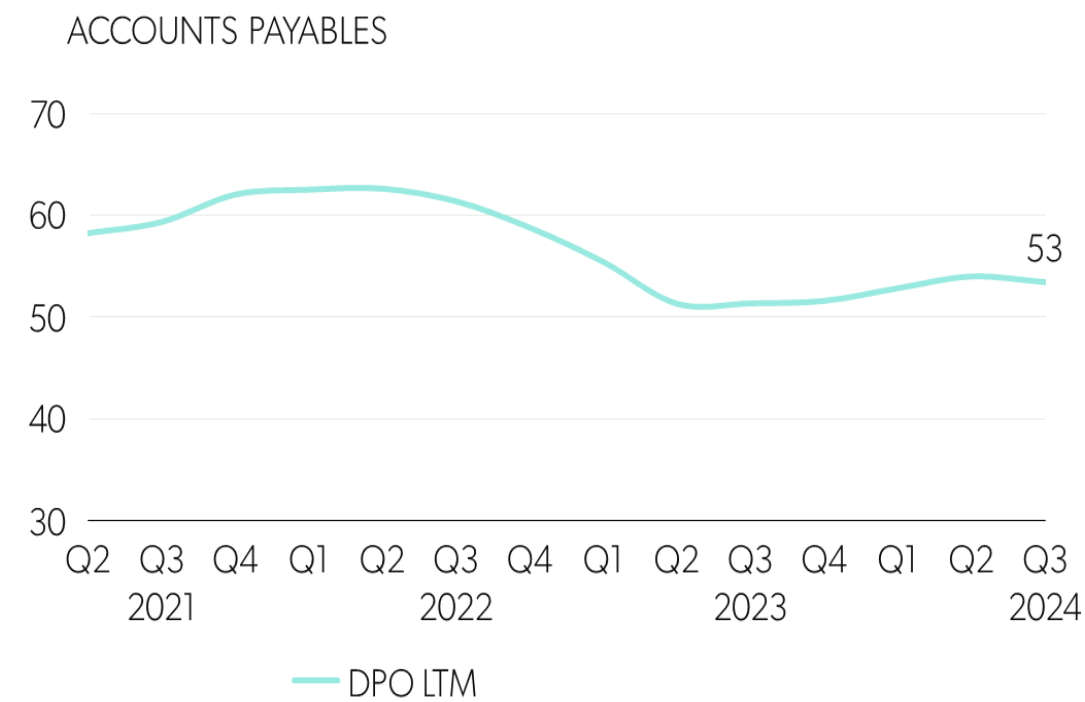
- **Operating cash flow SEK 1,269 m (2,125)**
  - Robust performance supported by working capital improvements
- **Income tax paid SEK -237 m (-176)**
  - Timing of payments. Year to date below last year
- **Acquisitions/divestments SEK -56 m (-107)**
  - Payment related to previous acquisition (not Igloo)
- **Financing SEK – 1,484 m (-3,803)**
  - A term loan was amortized by USD 100 m in the third quarter 2024.
  - A bond of EUR 300 m was repaid in the third quarter 2023.

SEK m	Q3 2024	Q3 2023
EBIT	-1,673	788
Adjustments for non-cash items	2,179	337
Changes in Working Capital	873	1,118
Investments in fixed assets	-110	-118
<b>Operating cash flow</b>	<b>1,269</b>	<b>2,125</b>
Income tax paid	-237	-176
Acquisitions/divestments net	-56	-107
Other	2	1
Net cash flow from financing	-1,484	-3,803
<b>Cash flow for the period</b>	<b>-506</b>	<b>-1,961</b>

# ROBUST OPERATING CASH FLOW COMPARED TO A STRONG Q3 2023



# WORKING CAPITAL DAYS



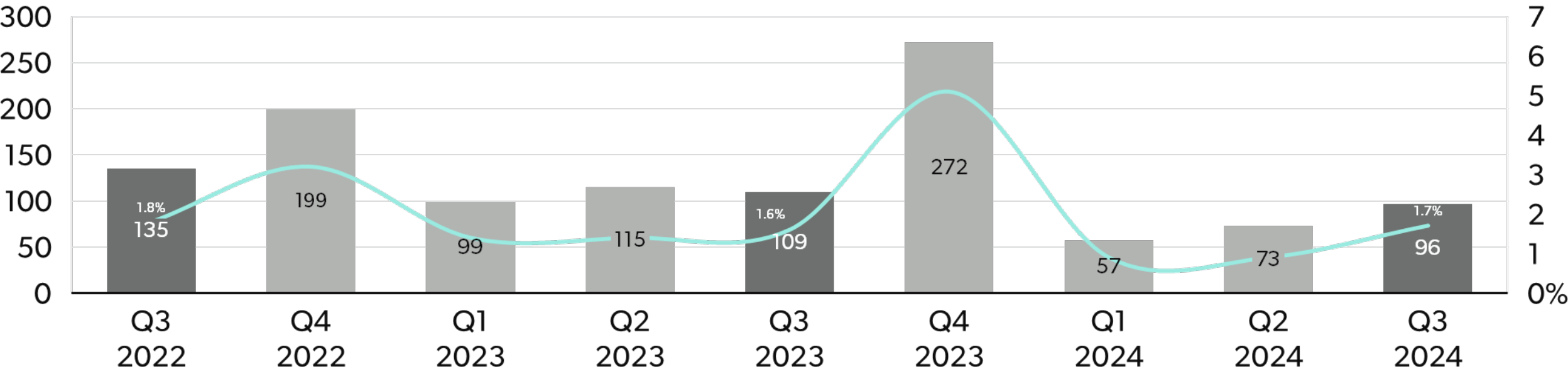
- Working capital last 12 months 30% (32%) of net sales
- Inventory balance SEK 6.3 b (7.8)
- Number of days 139 (146), gradually decreasing
- Continuous actions to optimize Working capital towards target 20% of net sales

CWC = Core Working Capital  
LTM = Last 12 Months



# CAPEX AND RESEARCH & DEVELOPMENT

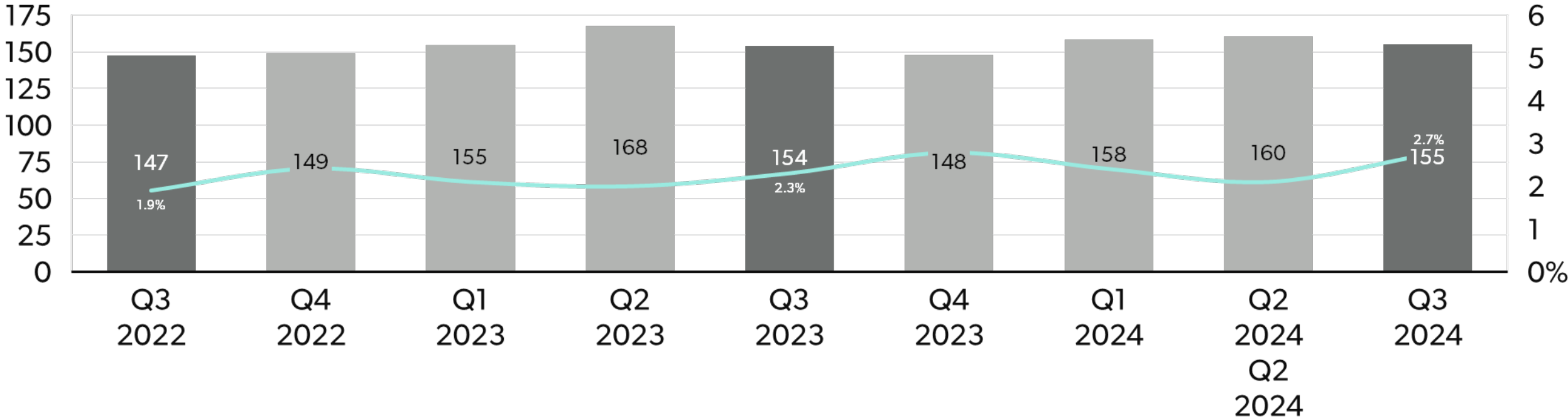
## CAPEX



**Q3 2024 CAPEX 1.7% (1.6%) of net sales**

- Last 12 months: 2.0% of net sales

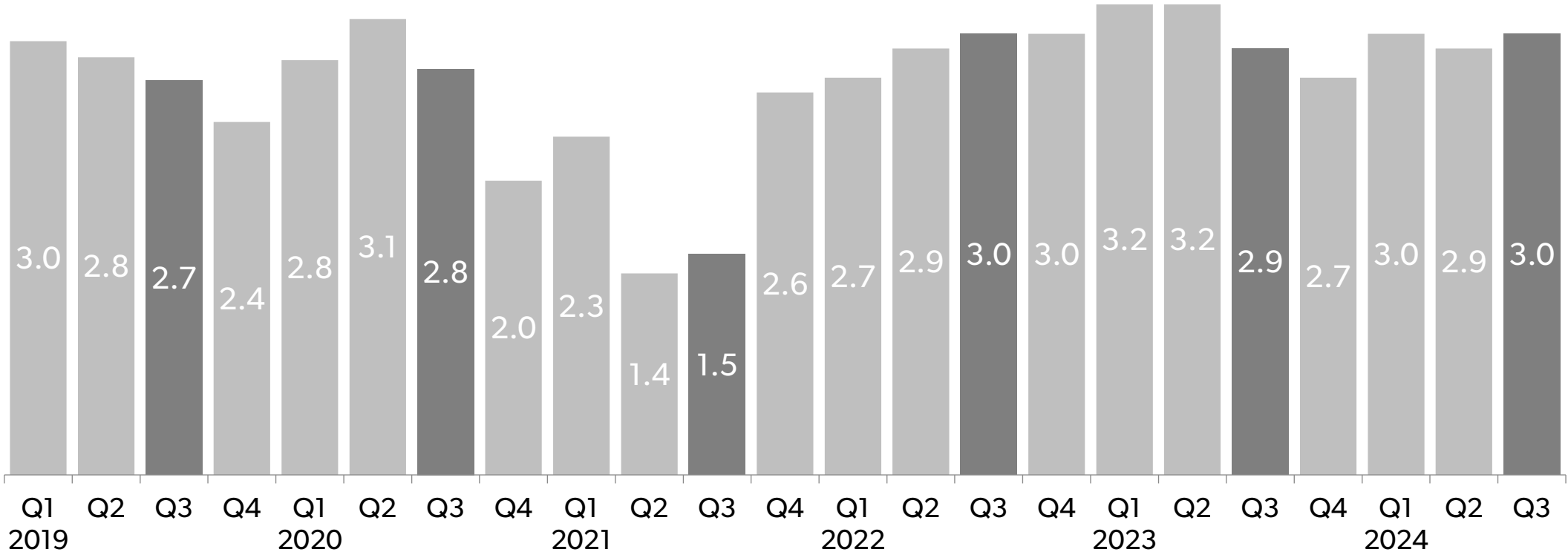
## R&D



**Q3 2024 R&D 2.7% (2.3%) of net sales**

- Includes capitalized development expenses of SEK 13 m
- Investments in structural growth areas
- Last 12 months: 2.5% of net sales

# NET DEBT TO EBITDA LEVERAGE RATIO

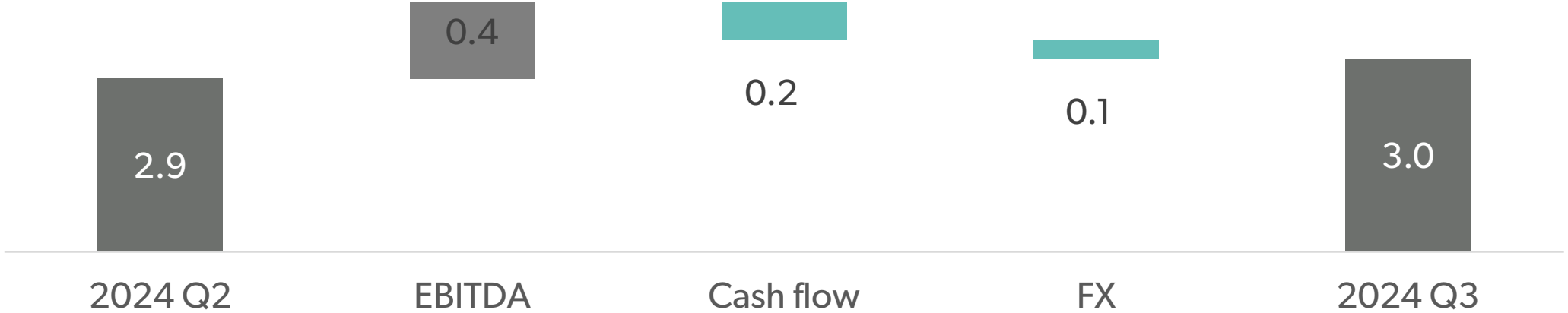


**Net debt leverage ratio 3.0x (2.9x) and compared to 2.9x in Q2 2024**

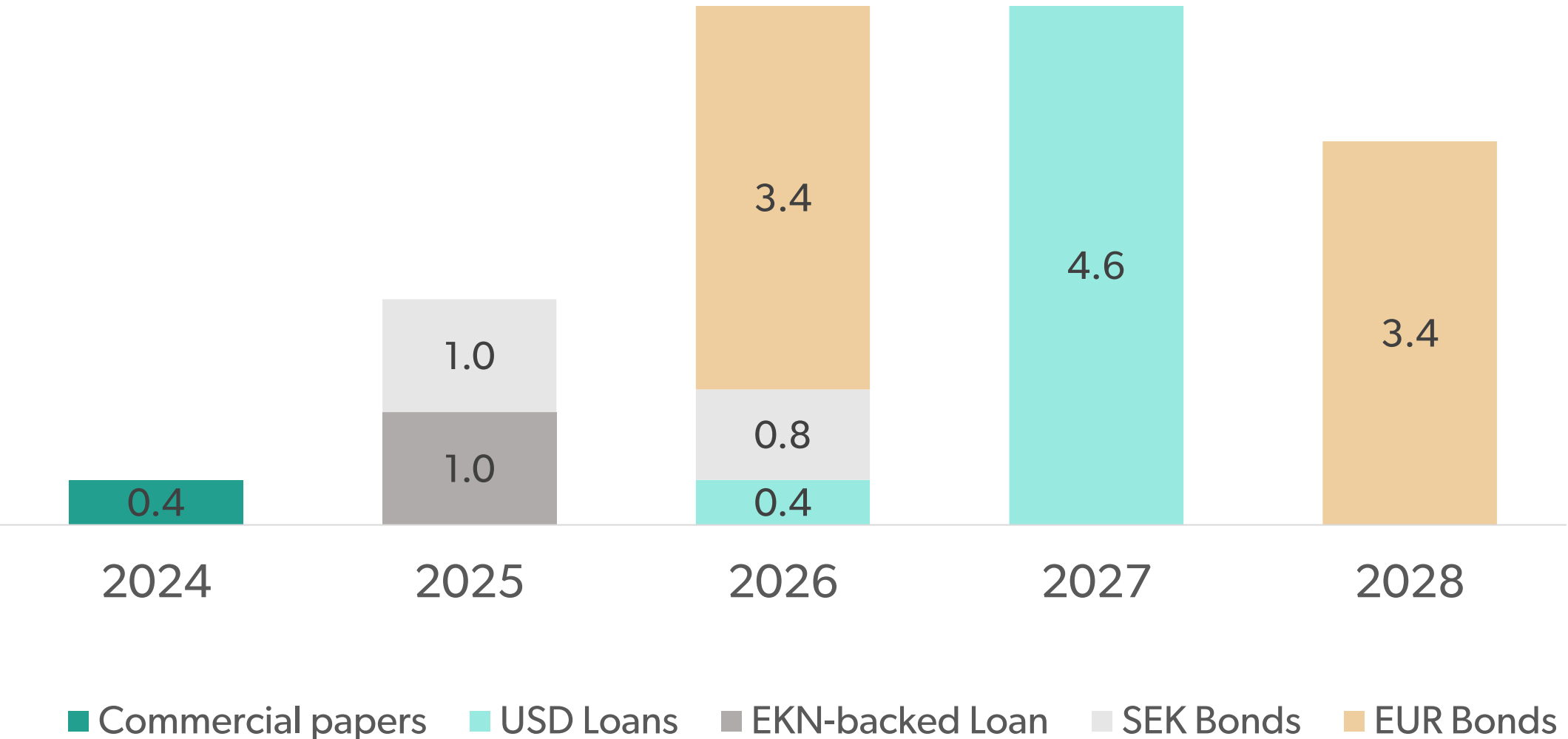
- Reduced EBITDA partly offset by robust cash flow
- High focus across the organization on protecting margin and reducing working capital

**Committed on achieving our leverage target of around 2.5x**

Q2 2024 to Q3 2024 development



# DEBT MATURITY PROFILE



- Amortized USD 100 m on July 1, 2024
- Average maturity rate 2.3 years (2.8). 2.7 years including extension options
- Average interest rate 4.9%

# ACCELERATING STRATEGY IMPLEMENTATION

WILL SUPPORT MARGIN EXPANSION AND RELEASE RESOURCES FOR CONTINUED INVESTMENTS IN STRATEGIC GROWTH AREAS

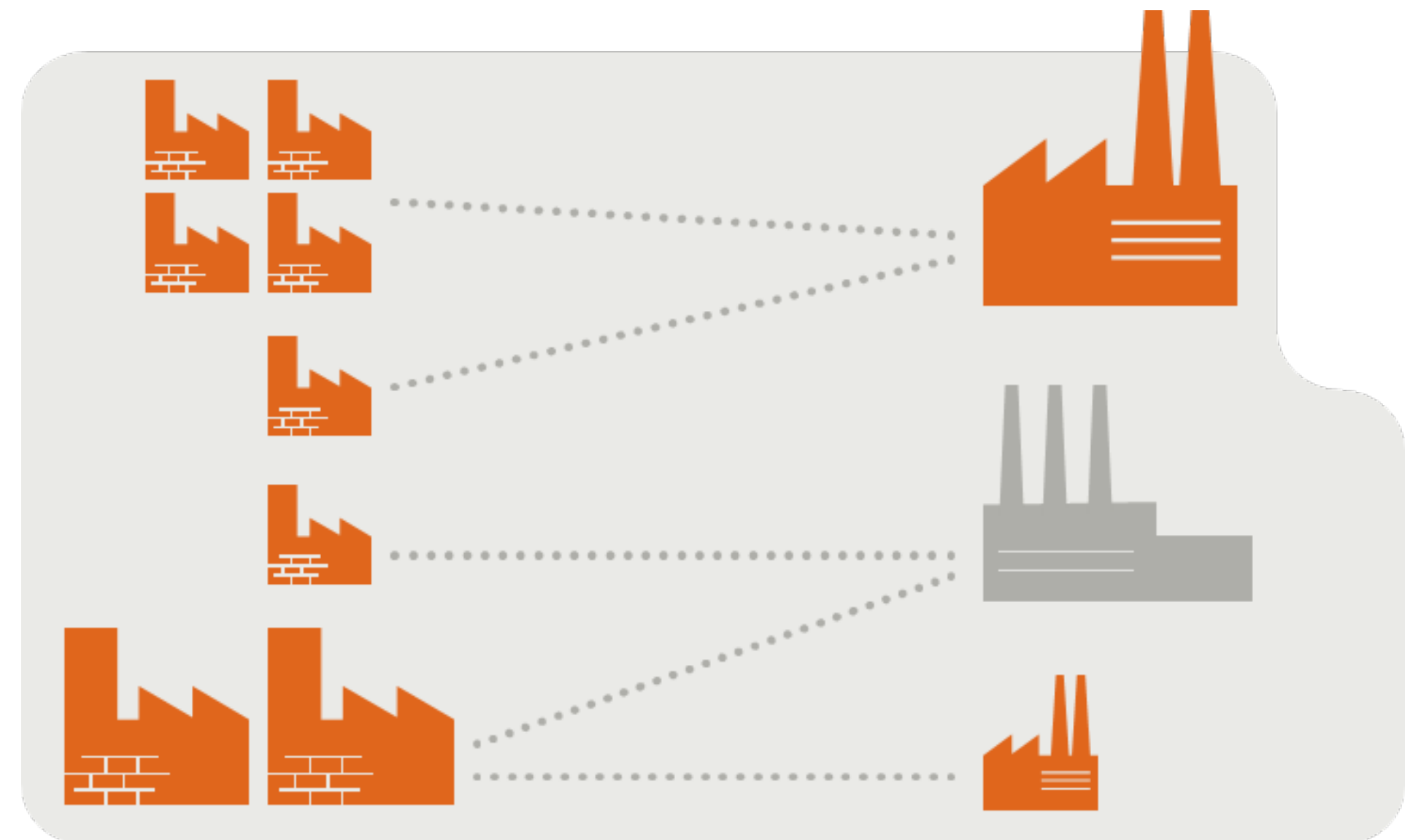
## Committed to our strategic agenda - taken significant steps on our transformation journey

- Significantly changed sales mix
- Growing Product innovation Index
- From 28 to 23 manufacturing and assembly sites
- More than 3,000 fewer FTEs than three years ago

## Next step - Restructuring program being assessed

- Structural cost reductions
- Intensified focus to divest or exit non-strategic parts

Will come back with details before or in conjunction with the Q4 report



# Q3 2024 SUMMARY

## Business highlights

- Market remains challenging
- Expected to remain tough throughout the year
- Retailer inventories are coming down and consumer usage of boats and RVs remains high
- Unsatisfied with current profitability levels

## Strategic highlights

- Investing in structural growth areas. Product innovation index 20% (16%)
- Accelerating strategy implementation, will share more detailed information before or in conjunction with the Q4 results



# Q&A

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