

# REPORT ON THE THIRD QUARTER 2024

## WEAKENED MARKET CONDITIONS IMPACTED FINANCIAL PERFORMANCE

### THIRD QUARTER 2024

- Net sales were SEK 5,647 m (6,830); a decrease of -17%, of which -14% was organic growth.
- Operating profit (EBITA) before items affecting comparability was SEK 483 m (973), corresponding to a margin of 8.6% (14.3%).
- Operating profit (EBIT) was negatively impacted by a non-cash goodwill impairment of SEK 2,000 m.
- Operating profit (EBIT) was SEK -1,673 m (788), corresponding to a margin of -29.6% (11.5%). The margin was 5.8% (11.5%) excluding the goodwill impairment.
- Profit for the quarter was SEK -1,921 m (412).
- Earnings per share were SEK -6.01 (1.29). Adjusted earnings per share were SEK 0.59 (1.71).
- Operating cash flow was SEK 1,269 m (2,125). Cash flow was SEK -506 m (-1,961). A loan was amortized by USD 100 m in the quarter.
- Net debt to EBITDA leverage ratio was 3.0x (2.9x) at the end of the period. At the end of the second quarter 2024 the ratio was 2.9x.
- A restructuring program to accelerate strategy implementation is being assessed, details will be communicated before or in conjunction with the publication of the report for the fourth quarter 2024.

### CEO COMMENT

“As previously communicated our financial performance was severely impacted by weakened market conditions in the quarter. Despite the current market conditions, we remain committed to our strategic agenda. We continue to invest in product development and sales capabilities in strategic structural growth areas. At the same time we have reduced our workforce by more than 3,000 FTEs (Full time equivalents) over the past three years to improve efficiency. We will now accelerate the implementation of strategic improvements to take the next step on our transformation journey and a restructuring program is being assessed. Improvement activities will include cost reductions as well as an intensified focus to divest or exit non-strategic parts of our existing product portfolio. This will support margin expansion and release resources to invest and drive profitable growth and value creation in our strategic structural growth areas. We will come back with more detailed information about the program before or in conjunction with the publication of the report for the fourth quarter 2024.

Organic net sales in the third quarter declined by 14 percent compared to the same quarter last year. The EBITA margin before items affecting comparability fell to 8.6 percent (14.3), while operating cash flow was robust at SEK 1.3 b (2.1) compared to a strong third quarter 2023. The net debt to EBITDA leverage ratio was in line with expectations at 3.0x (2.9x). The cash flow focus remains high across the organization, and we are committed to achieving our net debt to EBITDA leverage ratio target of around 2.5x.

In the Service & Aftermarket sales channel organic net sales declined by 11 percent compared to the same quarter last year. Retail inventories are lower than last year; however customers are cautious about building inventories ahead of the low season. Usage of boats and Recreational Vehicles (RVs) remains high, but in the current macroeconomic situation we are seeing more consumers focusing on essential repairs and deferring upgrades to a greater extent. Service & Aftermarket net sales in the Land Vehicles EMEA segment remained stable while there was a decline in the other segments.

Organic net sales in the Distribution sales channel fell by 10 percent compared to the same quarter last year. Net sales in the Mobile Cooling Solutions segment slowed down during the quarter, negatively impacted by a lower sell through to consumers combined with retailers' focus on managing inventories. We continue to keep our strong market leading position, and with several new products ramping up, and more products in the pipeline, we will be in a strong position when the high season starts in 2025. During the quarter we launched two new series of Dometic branded Mobile Cooling boxes.

Demand in the OEM (Original Equipment Manufacturer) sales channel remained weak driven by the existing destocking situation globally. Organic net sales declined by 20 percent compared to the same quarter last year. As expected, we experienced an accelerated negative development in the quarter in the Land Vehicles EMEA and Land Vehicles APAC segments.

The EBITA margin before items affecting comparability fell to 8.6 percent (14.3) as a consequence of lower net sales. In addition there was a significant negative impact on margin due to the decline in our Service & Aftermarket business. As a consequence of the macroeconomic situation and weakened market conditions, a non-cash goodwill impairment of SEK 2.0 b was performed in the quarter related to the Land Vehicles Americas segment. The impairment had no impact on EBITA, cash flow or on the net debt to EBITDA leverage ratio.

Long-term trends in Mobile Living are strong as a growing number of consumers are enjoying the outdoors globally. However we expect the current challenging market conditions to remain throughout the year over a seasonally weak fourth quarter. In a market where the visibility is shorter than normal, we will stay proactive and continue to relentlessly drive our strategic agenda to deliver on our targets.”

*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.

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## PRESENTATION OF THE REPORT

Analysts and media are invited to participate in a telephone conference at 09.00 (CEST) October 23, 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/2024-10-23-q3-2024/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=100430>

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 07:30 CEST on October 23, 2024.

## FOR FURTHER INFORMATION, PLEASE CONTACT

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