

# REPORT ON THE FOURTH QUARTER 2024

## IMPROVED OPERATING CASH FLOW AND EBITA MARGIN IN LINE WITH OUR EXPECTATIONS

### FOURTH QUARTER 2024

- Net sales were SEK 4,785 m (5,327); a decrease of -10%, of which -13% was organic growth.
- Operating profit (EBITA) before items affecting comparability was SEK 349 m (465), corresponding to a margin of 7.3% (8.7%). The margin was positively impacted by a one-time positive effect of SEK 63 m in the Mobile Cooling Solutions segment.
- Items affecting comparability were SEK -1,164 m (-73) and were mainly related to the Global restructuring program announced on December 12, 2024. Completion of the program is expected within 24 months from the day of the announcement with a gradual effect from the first quarter 2025.
- Operating profit (EBIT) was SEK -964 m (242), corresponding to a margin of -20.1% (4.5%). The margin was 4.2% (5.9%) excluding items affecting comparability.
- Profit for the quarter was SEK -1,098 m (51).
- Earnings per share were SEK -3.44 (0.16). Adjusted earnings per share were SEK -0.35 (0.67).
- Operating cash flow was SEK 784 m (488). Cash flow was SEK 379 m (-220).
- Net debt to EBITDA leverage ratio was 3.1x (2.7x) at the end of the year. At the end of the third quarter 2024 the ratio was 3.0x.
- The Board of Directors proposes a dividend of SEK 1.30 (1.90) per share for 2024.

### CEO COMMENT

"2024 was a difficult year impacted by restrained consumer spending and customers continuing to be cautious with their inventory levels. Due to these challenging market conditions, full year organic net sales declined 12 percent. In this environment we have continuously been adapting our capacity, and we are today 15 percent fewer FTEs (Full Time Equivalents) than a year ago. Investments in product development and sales capabilities in strategic growth areas have been prioritized, and the product innovation index improved to 21 percent (17) supported by a large number of product launches. As a result, we delivered a robust full year EBITA margin before items affecting comparability of 10.8 percent (12.5) despite the lower volumes.

Considering the lower market demand in recent years and increased competition in certain product categories, specifically for the Land Vehicle Americas segment, we decided to execute a strategic review of our product portfolio and on December 12, 2024, we announced a Global restructuring program. The program includes both portfolio changes and structural cost reductions and will have an annual positive impact on EBITA estimated to SEK 750 m when fully implemented at the end of 2026. After program completion, and assuming current market conditions, we are targeting an EBITA margin before items affecting comparability of 14 percent for the full year 2027. If the market conditions improve, we feel confident on delivering a margin above this level supported by sales growth and sales mix. As a natural step on our journey, in order to simplify the organizational structure and to secure synergy realization across the different geographies, we are planning to change our Land Vehicles organizational structure. Our three Land Vehicles segments will be consolidated into one Global Land Vehicles segment. A recruitment process for a Global Land Vehicles segment head has been initiated and I will be acting as interim Segment head until we have a new leader in place. For transparency reasons we will continue to disclose net sales and EBITA for Land Vehicles Americas, EMEA and APAC until the Global restructuring program is finalized.

Organic net sales in the fourth quarter declined by 13 percent compared to the same quarter last year. In the Service & Aftermarket sales channel organic net sales were down 9 percent as consumers focused on repairing equipment instead of upgrading or replacing. In addition, customers remained cautious of building inventories in a seasonally slower quarter. Organic net sales in the Distribution sales channel declined by 6 percent, an improvement compared to a double-digit decline in the third quarter supported by the ramp up of our new Mobile Cooling Solutions products. Net sales in the OEM (Original Equipment Manufacturer) sales channel were down 18 percent with declines in all segments. Compared to the third quarter, we saw less of a decline in OEM net sales across the Land Vehicles Americas and Marine segments. This was partly offset by the Land Vehicles EMEA and Land Vehicles APAC segments where RV (Recreational Vehicles) industry production slowed in the quarter.

The EBITA margin before items affecting comparability for the fourth quarter was 7.3 percent (8.7), negatively impacted by lower net sales. We continue to invest in product development and sales capabilities in strategic growth areas, and operating expenses in percent of net sales increased as a consequence while the gross profit in percent of net sales was more stable. Total restructuring charges for the Global restructuring program are estimated to SEK 1.2 billion and were reported in full in the quarter as items affecting comparability.

Operating cash flow for the fourth quarter was strong at SEK 0.8 b (0.5). The full year operating cash flow of SEK 4.2 b (5.2) was our second strongest ever supported by continued working capital reductions. The net debt to EBITDA leverage ratio was 3.1x compared to 3.0x at the end of the third quarter 2024, negatively impacted by a weakened Swedish Krona. 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.

Despite the challenging market conditions, and thanks to the efforts and dedication of our employees around the globe, we have continued to take several important steps on our strategic transformation journey in 2024. As we enter 2025 it is difficult to predict how the current uncertain macroeconomic situation and market conditions will impact demand, particularly in the short term. Retailer inventory levels are below last year in all sales channels, and we expect the demand to gradually recover in the Service & Aftermarket and Distribution sales channels during the first half of the year. In the OEM sales channel, the

### ABOUT DOMETIC

Dometic is a global outdoor tech company on a mission to make mobile living easy. Leveraging our core expertise in cooling, heating, power & electronics, mobility, and space optimization, we empower more people to connect with nature and elevate their sense of freedom in the outdoors. We achieve this by creating smart, sustainable, and reliable products with outstanding design. Millions of people around the world use our products while camping and exploring nature with their cars, RVs, or boats. Our range of offerings includes installed products for land vehicles and boats, as well as standalone solutions for outdoor enthusiasts. We employ approximately 7,000 people globally and sell our products in more than 100 countries. In 2024, we reported net sales of SEK 25 billion (USD 2.3 billion) and are headquartered in Solna, Sweden.

market conditions varies between different verticals and geographies, but we expect demand to remain under pressure during the first half of the year with improvements during the second half.

The Board of Directors proposes a dividend of SEK 1.30 (1.90) per share for 2024, corresponding to 40 percent of Adjusted earnings per share. The proposed dividend reflects a balanced view of Dometic's financial position, business outlook and the current market conditions.

Long-term trends in Mobile Living are strong as a growing number of consumers are enjoying the outdoors globally. We will continue to be proactive and act on short-term market developments while continuing to relentlessly drive our strategic agenda to deliver on our targets."

*Juan Vargues President and CEO*

## PRESENTATION OF THE REPORT

Analysts and media are invited to participate in a telephone conference at 10.00 (CET) January 29, 2025, during which President and CEO, Juan Vargues, and CFO, Stefan Fristedt, will present the report and answer questions.

Webcast link: <https://dometic.videosync.fi/2025-01-29-q4-2024/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=5007936>

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. The information was submitted for publication, through the agency of the contact person set out above, at 07:30 CET on January 29, 2025.

## FOR FURTHER INFORMATION, PLEASE CONTACT

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