

REPORT ON THE FIRST QUARTER 2024

CONTINUED EBITA MARGIN IMPROVEMENT AND A SOLID OPERATING CASH FLOW

FIRST QUARTER 2024

- Net sales were SEK 6,527 m (7,289); a decrease of -10%, of which -12% was organic growth.
- Operating profit (EBITA) before items affecting comparability was SEK 769 m (847), corresponding to a margin of 11.8% (11.6%).
- Operating profit (EBIT) was SEK 611 m (667), corresponding to a margin of 9.4% (9.2%).
- Profit for the period was SEK 273 m (334).
- Earnings per share were SEK 0.85 (1.04). Adjusted earnings per share were SEK 1.21 (1.44).
- Operating cash flow was SEK 212 m (294). Cash flow was SEK -1,054 m (-37). In the quarter Dometic repaid SEK 1,000 m of an EKN-backed loan maturing in 2025.
- Net debt to EBITDA leverage ratio was 3.0x (3.2x) at the end of the quarter. Compared to year end 2023 the ratio increased sequentially from 2.7x due to a weakened Swedish Krona and normal seasonality.
- Dometic has refinanced part of its credit facilities agreement with its bank group. The agreement will come into effect in July 2024 and will extend the debt maturity profile.

CEO COMMENT

"The first quarter result was further evidence of our transition to a more effective, better balanced and thereby more resilient company. We delivered an improved EBITA margin for the third consecutive quarter despite a challenging market environment impacted by geopolitical and macroeconomic uncertainty.

Net sales in the first quarter 2024 totaled SEK 6,527 m (7,289), which represents an organic net sales decline by 12 percent. Net sales in the Service & Aftermarket sales channel declined organically by 10 percent partly due to a rainier than normal March and an early Easter. In addition, the uncertain market situation is making customers more cautious than before when building up inventories ahead of the high season. Service & Aftermarket net sales in segment Marine remained stable. The retailer inventory situation for our Mobile Cooling Solutions business is gradually improving and net sales in the Distribution sales channel declined by 13 percent compared to a decline of 20 percent in the fourth quarter 2023. As expected, organic net sales in the OEM (Original Equipment Manufacturer) sales channel declined in all segments with the exception of Land Vehicles EMEA.

Despite lower net sales, the EBITA-margin before items affecting comparability for the quarter improved to 11.8 percent (11.6) supported by efficiency improvements, including the cost reduction programs completed in 2023, and continuous price management. In its first quarter as a separate segment, Mobile Cooling Solutions reported a higher margin despite lower net sales supported by sales initiatives, product innovation and cost reductions. The margin for segment Global Ventures improved to 14.2 percent (13.3) fueled by a stronger performance in subsegment Mobile Power Solutions. Segment Land Vehicles EMEA continues to show improvements compared to previous periods while segment Land Vehicles Americas EBITA margin remained under pressure. Several sales and operational initiatives were launched in the Land Vehicles Americas segment during the quarter, and I am convinced this will accelerate our transformation journey and drive efficiencies and gradual improvements. We will also continue prioritizing margins over volumes on the competitive US market where RV industry production remains at a low level.

The operating cash flow was solid at SEK 212 m (294). The net debt to EBITDA leverage ratio was 3.0x (3.2x). We are maintaining a strong focus on cash flow across the Group, and the increase compared to a ratio of 2.7x at year-end 2023 was due to a weakened Swedish Krona and normal seasonality. We expect the net debt to EBITDA leverage ratio to trend down during the year and are committed to achieving our target of around 2.5x.

The product innovation index improved to 18 percent (14 percent) and it is encouraging to see that our recently launched Igloo active cooling product range already is available in more than 600 stores across several of the large retailers in the US. This is further proof of the strength of the iconic Igloo brand. Igloo continues to gain market shares and has been rated the #8 Consumer Goods brand in Newsweek's Most Trustworthy Companies in America 2024 ranking, well ahead of any other Mobile Cooling brand.

The long-term trends in the Mobile Living industry are strong, however it remains difficult to predict how the current macroeconomic situation and market conditions will impact the business in the short term. Our planning assumptions from 2023 remain largely unchanged; we anticipate the recovery in demand in the Service & Aftermarket sales channel to continue in 2024. In the Distribution sales channel we expect a continued gradual recovery coming quarters as retail inventories decline. In the OEM sales channel we foresee a continued weak demand short-term but with an improvement towards the end of the year. In this environment we will continue to relentlessly drive our strategic agenda to deliver on our targets, prioritize margins before volumes, and at the same time remain agile to quickly respond to short-term market trends."

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) April 19, 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/2024-04-19-q1-2024/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=100404>

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 08:00 CEST on April 19, 2024.

FOR FURTHER INFORMATION, PLEASE CONTACT

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