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## REPORT ON THE SECOND QUARTER 2019

- Net sales for the quarter were SEK 5,329 m (5,260); an increase of 1%, of which -7% was organic growth.
  - Operating profit before depreciation and amortization (EBITDA) for the quarter was SEK 1,100 m (1,048), representing a margin of 20.6% (19.9%).
  - Operating profit (EBIT) for the quarter was SEK 900 m (919), representing a margin of 16.9% (17.5%).
  - There were no items affecting comparability in the quarter (-).
  - Cash flow for the quarter was SEK -742 m (3). Operating cash flow was SEK 1,417 m (943).
  - Profit for the quarter was SEK 562 m (629).
  - Earnings per share: SEK 1.90 (2.13).
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### CONTINUED SOLID EARNINGS AND STRONG CASH FLOW

"The first half of 2019 was very much characterized by a continued focus on efficiency improvements and building a foundation for an even more diversified and stronger Dometic. Despite challenging RV markets and negative impact from additional US tariffs, we have managed to keep improving our cost structures and implement processes and best practices across our global organization, while investing in new opportunities.

The restructuring program launched in Q4 2018 is proceeding well, with good progress in all regions. We are well on track in expanding our presence in Mexico, and the new site is expected to be finalized in the third quarter. The SKU reduction is progressing at a good pace and we remain confident in terms of our ambition to achieve a 30 percent reduction by the end of the year. We continued to strengthen our organization, and a number of new key positions in the areas of product development and operations were added to accelerate strategic initiatives and the pace of innovation.

Net sales growth was 1 percent in the quarter with positive growth in EMEA and Asia, while conditions in Americas and Pacific continued to be challenging. EBIT and EBITDA margins held up well as we have intensified our focus on cost reductions. Given the current market situation, we are looking at additional initiatives in all three regions to protect profitability in the short term, while also building up a more efficient company in the long term.

Operating cash flow was SEK 1,417 m, an increase of 50 percent compared with the same quarter last year. Leverage improved from 3.3x by the end of Q2 2018 to 2.8x by the end of Q2 2019. Our strong cash generation and extended debt maturities create good opportunities for additional acquisitions.

Short term, we expect organic growth to be slightly positive during the second half of the year compared to the same period last year, despite the continued inventory reduction in primarily the US RV market and the revised full year shipments forecast from -5 to -14 percent published by the US RV Association (RVIA). Given this, and the negative impact from the additional US tariffs, the full year 2019 outlook is revised to negative organic growth and an EBIT margin above 14 percent. Leverage excluding acquisitions is expected to be around 2x by the end of 2019".

*Juan Vargues President and CEO*

### PRESENTATION OF THE REPORT

Analysts and media are invited to participate in a telephone conference at 10.00 (CEST) July 17, 2019, during which President and CEO, Juan Vargues and CFO, Per-Arne Blomquist, will present the report and answer questions.

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Webcast URL and presentation are available at [www.dometic.com](http://www.dometic.com).

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### FOR FURTHER INFORMATION, PLEASE CONTACT

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### ABOUT DOMETIC

Dometic is a global market leader in branded solutions for mobile living in the areas of Food & Beverage, Climate, Power & Control and Other Applications. Dometic operates in the Americas, EMEA and Asia Pacific, providing products for use in recreational vehicles, pleasure and workboats, trucks and premium cars and for a variety of other uses. Our motivation is to create smart and reliable products with outstanding design. We sell our products in approximately 100 countries and we have a global distribution and dealer network in place to serve the aftermarket. Dometic employs approximately 8,000 people worldwide, had net sales of approximately SEK 18.0 billion in 2018 and is headquartered in Stockholm, Sweden.