

REPORT ON THE FIRST QUARTER 2021

RECORD START TO THE YEAR

FIRST QUARTER 2021

- Net sales were SEK 4,858 m (4,199); an increase of 16%. Organic growth was 22%.
- Operating profit before depreciation and amortization (EBITDA) was SEK 917 m (597), representing a margin of 18.9% (14.2%).
- Operating profit (EBIT) before items affecting comparability was SEK 731 m (421), representing a margin of 15.0% (10.0%).
- Items affecting comparability were SEK -5 m (-32).
- Operating profit (EBIT) was SEK 725 m (389), representing a margin of 14.9% (9.3%).
- Profit for the period was SEK 490 m (204).
- Earnings per share were SEK 1.66 (0.69).
- Cash flow for the period was SEK -2,181 m (-112) impacted by a bond repayment, a tax settlement for a foreign dispute related to previous years and the acquisition of Twin Eagles. Operating cash flow was SEK -20 m (181).
- Net debt leverage at the end of the quarter was 2.3x (2.8x)
- Continued progress towards the 2021 sustainability targets and a new climate target to reduce CO2 emissions by 50% set for 2030.

CEO COMMENT

"The positive trends in the Mobile Living industry and strong market demand for Dometic's products and solutions continued into the first quarter. We delivered organic net sales growth of 22 percent and the record high EBIT margin for a first quarter shows that our persistent focus on strategy execution is yielding results.

We continue to add capacity to our supply chain to meet strong customer demand and the order backlog remains substantially higher than we have seen historically for the same period. However, global shortages of critical components and freight capacity continue to impact us with longer than normal lead-times.

EBIT margin before items affecting comparability improved to 15.0 (10.0) percent despite negative currency effects, high freight costs and increasing raw material prices. Our strategy to expand net sales and profitability by developing the Distribution and Service & Aftermarket businesses is paying off. Organic net sales growth was 34% in Service & Aftermarket and 29% in Distribution. Profitability was also positively impacted by price management, cost reductions and lower tariff costs, an effect of our decisions to transfer part of our manufacturing from China to Mexico.

The new customer focused segment structure is leading to a deeper understanding of end user needs, and to greater innovation. This is achieved by assigning dedicated teams to the various end markets, and via closer relationships with end users. Profitability in all segments increased compared to a year ago, with the most significant improvement in Segment Americas where EBIT margin before items affecting comparability was 7.0 percent (-4.5).

The innovation index improved to 23 percent (18) and Q1 saw the launch of several new products, including a new range of tents and drinkware products for the Outdoor arena. As proof of our progress, Dometic was awarded the 'Fastest Growing Equipment Accessories Brand in the US Outdoor Industry' by US Data analytics company NPD Group. Our new B2C platform was successfully launched in the US and net sales through our B2C channel have more than doubled since.

Our work to drive the sustainability agenda towards a more resource-efficient industry continues at high pace. To show our commitment, we are starting to communicate our progress as part of the quarterly report (see page 6). In addition, we have established a challenging climate target to reduce CO2 emissions in relation to net sales by 50 percent by 2030 and implemented sustainability targets in our Long Term Incentive program.

Cash flow for the quarter was negative due to the planned repayment of a bond and the settlement of a foreign tax dispute related to previous years as communicated in the fourth quarter of 2020. Working capital increased, driven by strong market demand and the need to build up inventory levels in order to secure deliveries for forthcoming quarters. Our cash position remains solid and our net debt leverage was 2.3x (2.8x) at the end of the quarter.

Acquisitive growth continues to be a priority on our strategic agenda. The Twin Eagles acquisition was finalized on February 19 giving us a new growth platform in the Residential Outdoor market in the US. On April 22 we announced the agreement to acquire Valterra Products. In line with our strategy, Valterra will strengthen our Service and Aftermarket position in North America and increase our presence on the fast-growing market for mobile solar power solutions. The transaction is expected to close during the second quarter of 2021.

While the COVID-19 pandemic continues to create uncertainty, we are positive regarding the outlook for forthcoming quarters and remain optimistic about the long-term trends in the Mobile Living industry. Encouraged by our momentum, we will continue to deliver on our strategic direction and remain fully committed to delivering on our long-term financial targets."

Juan Vargues President and CEO

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 6,500 people worldwide, had net sales of approximately SEK 16.2 billion in 2020 and is headquartered in Stockholm, Sweden.

PRESENTATION OF THE REPORT

Analysts and media are invited to participate in a telephone conference at 10.00 (CEST) April 23, 2021, during which President and CEO, Juan Vargues, and CFO, Stefan Fristedt, will present the report and answer questions.

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Webcast URL and presentation are available at www.dometic.com/en/se/about-us/investors

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FOR FURTHER INFORMATION, PLEASE CONTACT

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