

# REPORT ON THE SECOND QUARTER 2021

## ALL-TIME HIGH SALES AND EBIT

### SECOND QUARTER 2021

- Net sales were SEK 5,571 m (3,329); an increase of
- 67%, of which 66% was organic growth.
- Operating profit before depreciation and amortization (EBITDA) was SEK 1,100 m (504), representing a margin of 19.8% (15.1%).
- Operating profit (EBIT) before items affecting comparability was SEK 955 m (361), representing a margin of 17.2% (10.9%).
- Items affecting comparability were SEK -58 m (-61)
- Operating profit (EBIT) was SEK 898 m (300), representing a margin of 16.1% (9.0%).
- Profit for the quarter was SEK 560 m (125).
- Earnings per share were SEK 1.85 (0.42).
- Cash flow for the quarter was SEK 1,644 m (2,031). Operating cash flow was SEK 875 m (311).

## CEO COMMENT

"Net sales in the quarter totaled SEK 5,571 m (3,329), a new quarterly record for Dometic despite the continuously challenging supply chain disturbances around the world. Organic net sales growth was 66% compared to the second quarter 2020, which was largely impacted by COVID-19 pandemic related lockdowns.

EBIT before items affecting comparability reached an all-time high of SEK 955 m (361), corresponding to 17.2 (10.9) percent of net sales. Increased net sales, price management and cost reductions made a positive contribution to profitability, while there was a negative impact from currency effects, as well as from increasing raw material prices and freight costs. We continue to adapt our pricing to compensate for the increasing raw material prices and freight costs.

In line with our strategy, sales through Distribution and Service & Aftermarket continue to perform strongly. Rolling-12 month net sales' share via these two sales channels is 47% compared to 39% for the same period 2018.

On July 2, we announced our sixth acquisition this year. Four of the acquisitions are in the area of mobile power solutions, where market demand for sustainable and effective off-grid products is rapidly increasing as more and more people spend time outdoors using a vehicle or boat as their base. We strive to lead the development in this fast-growing market and combined with our own developed offering, these acquisitions give us an extensive product portfolio, additional know-how, scale and a larger distribution network in the major markets around the world.

We continue to look for opportunities to expand in the fast-growing "vehicle based activity" outdoor market and thereby increase our exposure to the consumer driven, repetitive and profitable Distribution business, as well as to Service and Aftermarket opportunities. The pipeline of potential future acquisitions remains strong, and during the quarter we successfully performed a directed share issue to support continued acquisition activities.

The cost reduction program continues with high activity. One additional site and 26 employees were affected during the quarter.

Our efforts to drive the sustainability agenda towards a more resource-efficient industry continues at pace. A further three of our sites switched over to renewable electricity supply in the second quarter and we are fully committed to our target of reducing CO2 emissions in relation to net sales by 50 percent by 2030.

Operating cash flow for the quarter improved to SEK 875 m (311) and our Net debt leverage ratio was 1.4x (3.1x).

Our order backlog is record high for the period and we are optimistic about the demand outlook for forthcoming quarters, despite current uncertainty caused by global shortages of critical components, freight capacity and new pandemic breakouts. Retail inventory levels are low across all vertical end markets, and we believe that the inventory restocking period will be extended due to the global shortages.

We are encouraged by our results for the first six months of 2021 and the important steps we have taken on our strategic journey. We remain optimistic about the long-term trends in the Mobile Living industry and will continue to drive our strategic agenda to deliver on our financial targets."

*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 16, 2021, during which President and CEO, Juan Vargues, and CFO, Stefan Fristedt, will present the report and answer questions.

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

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Webcast URL and presentation are available at <https://www.dometicgroup.com/en/investors>

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**FOR FURTHER INFORMATION, PLEASE CONTACT**

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