

REPORT ON THE THIRD QUARTER 2021

STRONG SALES GROWTH AND SOLID MARGINS DESPITE SUPPLY CHAIN DISRUPTIONS

THIRD QUARTER 2021

- Net sales were SEK 5,545 m (4,466); an increase of 24%, of which 11% was organic growth.
- Operating profit before depreciation and amortization (EBITDA) was SEK 987 m (867), representing a margin of 17.8% (19.4%).
- Operating profit (EBIT) before items affecting comparability was SEK 785 m (690), representing a margin of 14.2% (15.5%).
- Operating profit (EBIT) was SEK 762 m (676), representing a margin of 13.7% (15.1%).
- Profit for the quarter was SEK 480 m (281).
- Earnings per share were SEK 1.50 (0.95).
- Cash flow for the quarter was SEK 2,550 m (730). Operating cash flow was SEK 346 m (1,043).

CEO COMMENT

"Net sales in the quarter totaled SEK 5,545 m (4,466), corresponding to growth of 24 percent despite the significant supply chain disturbances impacting many industries around the world. Organic net sales growth reached 11 percent in the quarter. Based on the last twelve months we achieved a new milestone, exceeding sales of SEK 20 b.

EBIT before items affecting comparability improved to SEK 785 m (690) despite negative currency effects, corresponding to a solid margin of 14.2 (15.5) percent. Supply chain disturbances, rising raw material prices and freight costs all had an adverse impact on the margin. We are continually adjusting our pricing to compensate for higher costs and safeguard profitability. Compared to a year ago we have increased investments in sales and marketing to drive growth in new strategic areas, including B2C. In addition we had a low cost base last year, still influenced by the pandemic related lock-downs.

We are continuing to make acquisitions, and in September we announced two further acquisitions targeting the outdoor market; Cadac International, a provider of premium barbecues and accessories to the vehicle-based outdoor market, and Igloo, an iconic brand and manufacturer of cooling boxes and drinkware. Igloo has a clear number one position on the cooling box market in the US and adds strong market positions and consumer experience, assets that will be very useful in the next stage of our transformation.

Strategy execution aimed at transforming Dometic into a more consumer-oriented company with lower sales cyclicality and higher margins continues at a high pace. The sales channel mix is strengthening and the share of Distribution and Service & Aftermarket was 48 percent over the last twelve months, compared to 39 percent for the same period in 2017. Our eight acquisitions year to date, all focusing on Distribution and Service & Aftermarket customers, will help to further accelerate the pace of this transformation.

The innovation index improved to 26 percent (21), reaching our target of 25 percent for the first time in the company's history. Products launched in the quarter included a broad range of new products for the marine business. Implementation of the cost reduction program continues with high activity, however still impacted by COVID-19 related effects. Number of SKUs, which are driving complexity, has been reduced by 59 percent since 2018 which is well above the initial target level.

It is also encouraging to see our progress on Sustainability. CO2 ton/net sales has decreased by 17 percent compared to 2020, which is already outperforming the full-year 2021 target. One additional site switched to a renewable electricity supply in the quarter. During the quarter we also introduced a new material, "REDUX", a lightweight polyester made from 100% recycled plastic bottles that will be used in a wide range of new products

Operating cash flow for the quarter was SEK 346 m (1,043) impacted by the component shortages and longer than normal supply lead-times. Net debt leverage ratio was 1.5x (2.8x).

We are continuously optimistic about the demand outlook for forthcoming quarters. Our order backlog is record high for the period and retail inventory levels are low across all vertical end markets. Supply remains the main uncertainty and it is difficult to predict when the situation will stabilize. In these challenging circumstances, I am proud of our employees' ability and efforts to implement mitigating actions to secure customer deliveries.

We are 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

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 aspirational design for an outdoor and mobile lifestyle in the areas of Food & Beverage, Climate, Power & Control, and Other Applications. Dometic employs approximately 7,700 people worldwide, had net sales of 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) October 22, 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 <https://www.dometicgroup.com/en/investors>

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FOR FURTHER INFORMATION, PLEASE CONTACT

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