
REPORT ON THE FOURTH QUARTER 2018

FOURTH QUARTER

- Net sales for the quarter were SEK 4,070 m (3,252); an increase of 25%, of which -2% was organic growth.
- Operating profit (EBIT) for the quarter was SEK 328 m (191), representing a margin of 8.1% (5.9%).
- Items affecting comparability totaled SEK -92 m (-119), related to restructuring charges in a group-wide initiative to optimize footprint and reduce costs.
- Operating profit (EBIT) before items affecting comparability for the quarter was SEK 420 m (310), representing a margin of 10.3% (9.5%).
- Cash flow for the quarter was SEK -906 m (-612). Operating cash flow was SEK 859 m (536).
- Profit for the quarter was SEK 136 m (277). Q4 2017 was positively affected by the US tax reform of SEK 278 m.
- Earnings per share: SEK 0.46 (0.94).
- Proposed dividend of SEK 2.15 (2.05) per share for 2018.

OPERATIONAL EXECUTION DRIVES FULL YEAR EBIT IMPROVEMENT AND GROWTH

“During 2018, sales and EBIT reached record levels with full year organic sales growth of 5 percent and an EBIT margin improvement of 1.5 percentage points, bringing us close to our long-term target of 15 percent. Additionally, a number of key activities were initiated to further improve our performance. By moving ownership and accountability closer to the business, whilst establishing common processes to leverage our full strengths as a global company, we have become even more agile to maneuver through short-term challenges and disciplined enough to stay true to our strategy.

Full year growth was primarily driven by strong performances in Aftermarket and Marine. Profitability was positively impacted by good improvements in EMEA and APAC, offsetting headwinds from raw material prices and US tariffs. The acquisition of SeaStar has proven successful and we are very satisfied with the financial performance and integration process during the year. In December, we finalized the acquisition of Kampa to strengthen our Aftermarket position. Kampa complements our product portfolio and broadens our global offering to make Dometic even more relevant to our customers and partners

Operating cash flow increased by 60 percent compared with the same quarter last year. Leverage was 2.8x at the end of the quarter, compared to 3.3x at year end 2017. At constant currency rates, excluding the acquisition of Kampa, leverage was 2.6x.

We remain committed to our long-term financial targets. Despite a negative outlook for RV OEM, 2019 organic sales growth is estimated to be slightly positive with an EBIT margin close to 15 percent. Leverage is expected to be around 2.0x by the end of 2019. The Board of Directors will propose a dividend payout of SEK 2.15 per share at the annual shareholder's meeting, corresponding to a payout ratio of 40.4 percent of net profit.”

Juan Vargues President and CEO

PRESENTATION OF THE REPORT

Analysts and media are invited to participate in a telephone conference at 10.00 (CET) February 8, 2019, during which President and CEO, Juan Vargues and CFO, Per-Arne Blomquist, will present the report and answer questions.

Sweden: +46 8 505 583 54
UK: +44 333 300 92 74
US: +1 646 722 49 56

Webcast URL and presentation are available at www.dometic.com.

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 CET on February 8, 2019.

FOR FURTHER INFORMATION, PLEASE CONTACT

Johan Lundin, Head of Investor Relations & Communications
Phone: +46 8 501 025 46, Email: ir@dometic.com

ABOUT DOMETIC

Dometic is a global market leader in branded solutions for mobile living in the areas of Food & Beverage, Climate, Power & Control, Hygiene & Sanitation and Safety & Security. Dometic operates in the Americas, EMEA and Asia Pacific, providing products for use in recreational vehicles, trucks and premium cars, pleasure and workboats, and for a variety of other uses. Dometic offer products and solutions that enrich people's experiences away from home, whether in a motorhome, caravan, boat or a truck. Our motivation is to create smart and reliable products with outstanding design. We operate 28 manufacturing/assembly sites in eleven countries and sell our products in approximately 100 countries. 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 more than SEK 18.0 billion in 2018 and is headquartered in Solna, Sweden.