
REPORT ON THE SECOND QUARTER 2020

- Net sales for the quarter were 3,329 m (5,329); a decrease of -38%, of which -38% was organic growth.
- Operating profit before depreciation and amortization (EBITDA) for the quarter was SEK 504 m (1,100), representing a margin of 15.1% (20.6%).
- Operating profit (EBIT) before items affecting comparability for the quarter was SEK 361 m (900), representing a margin of 10.9% (16.9%).
- Items affecting comparability for the quarter were SEK -61 m (-), of which SEK -61 m related to restructuring costs for the quarter from the global restructuring program.
- Operating profit (EBIT) for the quarter was SEK 300 m (900), representing a margin of 9.0% (16.9%).
- Cash flow for the quarter was SEK 2,031 m (-742). Operating cash flow was SEK 311 m (1,417).
- Profit for the quarter was SEK 125 m (562).
- Earnings per share for the quarter were SEK 0.42 (1.90).

CEO COMMENT

"The second quarter was extraordinary in many ways. The measures that were put in place in the first quarter when the spread of the COVID-19 started continued also in the second quarter with adapting our organization to the new conditions and actively working to ensure that we take Dometic through the pandemic in the best possible way. After the first half of the quarter with entire countries closed down, we have seen markets and businesses gradually opening up faster than expected since the middle of May.

Our efforts during the past years to build an even more diversified company with increased aftermarket focus have proven to be important during the quarter. Total net sales growth was -38 percent and estimated net sales impact due to COVID-19 was around SEK -1,9 billion in the quarter. Aftermarket held up better than OEM despite weeks of store lockdown and developed strongly in June. Our rapid and decisive actions to reduce our costs, in combination with structural efficiency measures implemented previous quarters, helped us to achieve an EBIT margin before items affecting comparability of 10.9 percent. Included in EBIT was the positive impact from the release of other non-current liability related to a potential earn-out regarding the Kampa acquisition of SEK 98 m. Excluding this, the EBIT margin was 8.0 percent, despite an impact due to COVID-19 of around SEK -600 million and a gross tariff impact of SEK -33 million.

Accelerating the implementation of our strategy is key, and we have continued to drive strategic initiatives across the organization. The SKU reduction reached 39 percent and the innovation index improved to 18 percent by the end of the quarter, bringing us closer to our targets of 40 percent and 25 percent respectively. The global restructuring program is making good progress and during the second quarter additional 3 sites and around 230 employees were affected.

Today, it is difficult to predict how the situation will develop over the coming months. We estimate that net sales and operating profit will continue to be negatively affected by the COVID-19 pandemic, although to a much lesser extent than what we saw during second quarter.

We are confident about the long-term positive trends in the Mobile Living industry and the opportunities for acquisitive growth, and we remain fully committed to deliver on our strategic direction to take Dometic to the next level".

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, 2020, 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.

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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 7,200 people worldwide, had net sales of approximately SEK 18.5 billion in 2019 and is headquartered in Stockholm, Sweden.