

QUARTERLY REPORT

Q2 2021

Solna, July 16, 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).

FIRST SIX MONTHS 2021

- Net sales were SEK 10,428 m (7,527); an increase of 39%, of which 41% was organic growth.
- Operating profit before depreciation and amortization (EBITDA) was SEK 2,017 m (1,100), representing a margin of 19.3% (14.6%).
- Operating profit (EBIT) before items affecting comparability was SEK 1,686 m (783), representing a margin of 16.2% (10.4%).
- Items affecting comparability were SEK -63 m (-93).
- Operating profit (EBIT) was SEK 1,623 m (690), representing a margin of 15.6% (9.2%).
- Profit for the period was SEK 1,050 m (330).
- Earnings per share were SEK 3.50 (1.12).
- Cash flow for the period was SEK -537 m (1,919). Operating cash flow was SEK 857 m (491).
- Net debt leverage at the end of the period was 1.4x (3.1x)

FINANCIAL OVERVIEW

	Q2	Q2	YTD	YTD	LTM	FY
SEK m	2021	2020	2021	2020	2021	2020
Net sales	5,571	3,329	10,428	7,527	19,107	16,207
EBITDA	1,100	504	2,017	1,100	3,586	2,669
% of net sales	19.8%	15.1%	19.3%	14.6%	18.8%	16.5%
Operating profit (EBIT) before items affecting comparability ⁽¹⁾	955	361	1,686	783	2,842	1,939
% of net sales	17.2%	10.9%	16.2%	10.4%	14.9%	12.0%
Operating profit (EBIT)	898	300	1,623	690	2,813	1,880
% of net sales	16.1%	9.0%	15.6%	9.2%	14.7%	11.6%
Profit (loss) for the period	560	125	1,050	330	1,171	451
Earnings per share, SEK	1.85	0.42	3.50	1.12	3.90	1.52
Cash flow for the period	1,644	2,031	-537	1,919	1,210	3,666
Operating cash flow ⁽²⁾	875	311	857	491	2,624	2,258
Core working capital	4,670	3,828	4,670	3,828	4,670	2,952
Net debt leverage	1.4	3.1	1.4	3.1	1.4	2.0
RoOC	41.9%	19.4%	41.9%	19.4%	41.9%	26.9%

⁽¹⁾See Note 5 Items affecting comparability.

⁽²⁾Net cash flow from operations after investments in fixed assets and excluding income tax paid. Paid interest/received interest is a part of the net cash flow of financing.



CEO COMMENTS

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 innovation index improved to 24 percent (18) and we are seeing a high demand for our recently launched drinkware and passive cooling boxes for the outdoor market. Our focus on developing more sustainable products is giving results and in the quarter we launched the new innovative HiPro Minibar which reduces energy consumption by a substantial 40% compared to previous versions.

It is also encouraging to see the uptake of sales through our new B2C platform. The global deployment is proceeding as planned and following the earlier launch in the US, the platform has now also been successfully launched in Australia.

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.

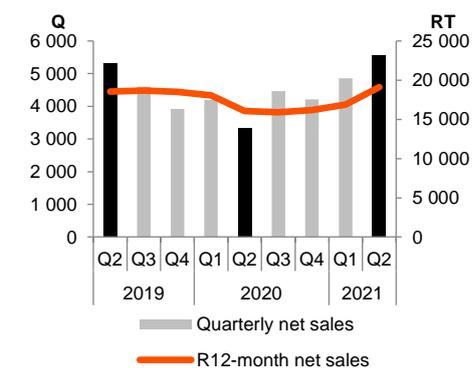
Operating cash flow for the quarter improved to SEK 875 m (311) and our Net debt leverage ratio was 1.4x (3.1x).

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.

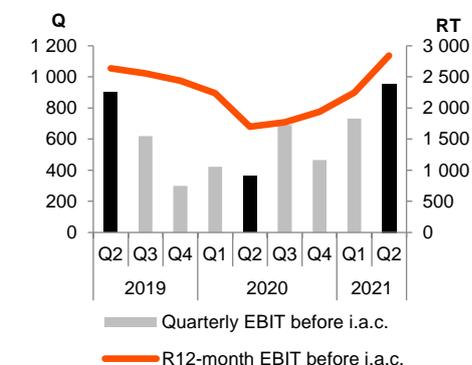
We are encouraged by our results for the first six months of 2021 and the important steps we have taken on our strategic journey. We remain optimistic about the long-term trends in the Mobile Living industry and will continue to drive our strategic agenda to deliver on our financial targets.

Juan Vargues, President and CEO

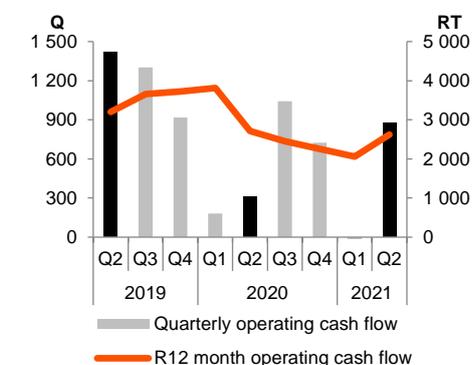
Net Sales, SEK m



Operating profit (EBIT) before i.a.c., SEK m



Operating cash flow, SEK m



FINANCIAL SUMMARY – SECOND QUARTER 2021

Net sales were SEK 5,571 m (3,329), an increase of 67% compared with the same quarter last year, which was largely impacted by COVID-19 pandemic related lockdowns. This comprised 66% organic growth, -7% currency translation and 8% M&A.

Gross profit was SEK 1,744 m (881) corresponding to 31.3% (26.5%) of net sales.

Sales and administrative expenses totaled SEK -640 m (-464).

Research and development expenses were SEK -100 m (-69). In addition, Research & development expenses of SEK -2 m (-5) were capitalized in the quarter. In total, this corresponds to 1.8% (2.2%) of net sales.

Other operating income and expenses were SEK 33 m (90). The quarter was positively impacted by hedge effects and a gain from a sale of fixed assets of SEK 21 m. This was partly offset by M&A transaction costs. The second quarter 2020 was positively impacted by the release of other non-current liabilities related to an earn-out regarding the Kampa acquisition of SEK 98 m.

Operating profit before depreciation and amortization (EBITDA) was SEK 1,100 m (504). The EBITDA margin was 19.8% (15.1%).

Operating profit (EBIT) before items affecting comparability was SEK 955 m (361). The EBIT margin before items affecting comparability was 17.2% (10.9%). The gross impact from tariffs was SEK -44 m (-33).

Items affecting comparability totaled SEK -58 m (-61) of which restructuring costs for the global restructuring program amounted to SEK -24 m (-61). In addition, certain M&A transaction costs were included in the quarter.

Operating profit (EBIT) was SEK 898 m (300). The EBIT margin was 16.1% (9.0%).

Financial items totaled a net amount of SEK -160 m (-132), including SEK -86 m (-93) in interest on external bank loans. Other FX revaluations and other items amounted to SEK -76 m (-39) and financial income amounted to SEK 2 m (0).

Taxes totaled SEK -178 m (-43), corresponding to 24% (25%) of profit before tax. Current tax amounted to SEK -128 m (-118) and deferred tax to SEK -50 m (75). Paid tax was 13% (32%).

Profit for the quarter was SEK 560 m (125).

Earnings per share for the quarter were SEK 1.85 (0.42).

Operating cash flow was SEK 875 m (311).

Cash flow for the quarter was SEK 1,644 m (2,031). Net cash flow from investments was SEK -1,680 m mainly due to acquisitions completed in the quarter. Cash flow from financing was SEK 2,464 m with a positive contribution from the directed share issue of approximately SEK 3.35 billion before transaction costs, partly offset by a dividend payout.

Return on Operating Capital (RoOC) was 41.9% (19.4%).

Global restructuring program. During the quarter, total costs related to the program amounted to SEK -24 m (-61). One additional site and 26 additional employees were affected.

Change in number of shares. On June 2, 2021, a directed share issue of 23,666,660 shares was carried out at a price of SEK 141.50 per share. The directed share issue provided Dometic with approximately SEK 3.35 billion before transaction costs.

Acquisitions. Three acquisitions were completed in the quarter; Valterra Products, Enerdrive and Zamp Solar. See note 10 for more details.

Other events during the quarter. Oliver Bahr joined Dometic as the new Head of Segment Americas on June 21, 2021, replacing Scott Nelson who has decided to leave the company.

Significant events after the quarter. On July 2, 2021, Dometic announced the acquisition of Büttner Elektroniks GmbH, a provider of mobile power solutions for the outdoor market with a net sales of approximately EUR 13 million in 2020.

There have been no other significant events that have impacted the financial reporting after the balance sheet date.

FINANCIAL SUMMARY – FIRST SIX MONTHS 2021

Net sales were SEK 10,428 m (7,527), an increase of 39% compared with the same period last year. This comprised 41% organic growth, -7% currency translation and 4% M&A.

Operating profit before depreciation and amortization (EBITDA) was SEK 2,017 m (1,100). The EBITDA margin was 19.3% (14.6%).

Operating profit (EBIT) before items affecting comparability was SEK 1,686 m (783). The EBIT margin before items affecting comparability was 16.2% (10.4%). The gross impact from tariffs was SEK -99 m (-109).

Items affecting comparability totaled SEK -63 m (-93) of which restructuring costs for the global restructuring program amounted to SEK -34 m (-84).

Operating profit (EBIT) was SEK 1,623 m (690). The EBIT margin was 15.6% (9.2%).

Financial items totaled a net amount of SEK -208 m (-230), including SEK -180 m (-204) in interest on external bank loans. Other FX revaluations and other items amounted to SEK -39 m (-32) and financial income amounted to SEK 11 m (6).

Taxes totaled SEK -365 m (-129), corresponding to 26% (28%) of profit before tax. Current tax amounted to SEK -305 m (-192) and deferred tax to SEK -60 m (62). Paid tax was 55% (46%) and was negatively impacted by a settlement of a foreign tax dispute related to previous years, which was provided for in 2020.

Profit for the period was SEK 1,050 m (330).

Earnings per share for the period were SEK 3.50 (1.12).

Operating cash flow for the period was SEK 857 m (491).

Cash flow for the period was SEK -537 m (1,919). Net cash flow from investments was SEK -2,118 m mainly due to acquisitions completed in the period. Cash flow from financing was SEK 1,345 m with a positive contribution from the directed share issue of approximately SEK 3.35 billion before transaction costs, partly offset by a dividend payout and by a repayment of an EMTN bond due of SEK -1,000 m. A tax payment for the settlement of a foreign tax dispute related to previous years impacted cash flow for the period negatively.

Net debt leverage was 1.4x (3.1x) at the end of the period. As communicated on June 1, 2021, the leverage target has been updated to around 2.5x (previously around 2x) over a business cycle.

Return on Operating Capital (RoOC) was 41.9% (19.4%).

Global restructuring program. During the first six months, total costs related to the program amounted to SEK -34 m (-84). One additional site and 26 additional employees have been affected during the period. Since the program started, 22 sites and 804 employees have been affected with a total cost of SEK 266 m.

Employees. Number of employees in terms of headcount was 7,683 (6,191) at the end of the period.

FINANCIAL PERFORMANCE BY SEGMENT

SEK m	Q2		Change (%)		YTD	YTD	LTM	FY
	2021	2020	Rep.	Org. ⁽¹⁾	2021	2020	2021	2020
Americas	1,438	828	74%	66%	2,730	1,954	5,223	4,447
EMEA	2,050	1,287	59%	63%	3,728	2,836	6,521	5,629
APAC	466	272	71%	65%	899	600	1,613	1,315
Global	1,616	942	72%	70%	3,072	2,138	5,750	4,816
Net sales	5,571	3,329	67%	66%	10,428	7,527	19,107	16,207
Americas	105	-12			195	-62	297	41
EMEA	343	166			581	351	877	646
APAC	138	37			240	113	398	271
Global	370	171			670	381	1,270	981
Operating profit (EBIT) before i.a.c.	955	361			1,686	783	2,842	1,939
Americas	7.3%	-1.4%			7.1%	-3.2%	5.7%	0.9%
EMEA	16.7%	12.9%			15.6%	12.4%	13.4%	11.5%
APAC	29.5%	13.7%			26.7%	18.8%	24.7%	20.6%
Global	22.9%	18.2%			21.8%	17.8%	22.1%	20.4%
Operating profit (EBIT) % before i.a.c.	17.2%	10.9%			16.2%	10.4%	14.9%	12.0%

⁽¹⁾Net sales growth excluding acquisitions/divestments and currency translation effects.

Previous periods have been restated according to the new segment structure, see note 4 for further details on the financial performance by segment.

SEGMENT AMERICAS

SECOND QUARTER 2021 NET SALES AND OPERATING PROFIT (EBIT)

Segment Americas reported net sales of SEK 1,438 m (828), representing 26% (25%) of Group net sales. Total growth was 74%, of which 66% was organic growth, -12% currency translation and 19% M&A. All application areas showed organic net sales growth compared with the second quarter 2020, which was largely impacted by COVID-19 pandemic related lockdowns. The acquisitions of Valterra Products and Zamp Solar were completed during the quarter.

Operating profit (EBIT) before items affecting comparability was SEK 105 m (-12), representing a margin of 7.3% (-1.4%). Items affecting comparability totaled SEK -15 m (-23). Operating profit (EBIT) was SEK 90 m (-35). The improved operating profit and margin were supported by net sales growth, cost reductions and pricing. The gross impact from tariffs was SEK -44 m (-33). High freight costs, increasing raw material prices and currency effects had a negative impact on operating profit.

SEGMENT EMEA

SECOND QUARTER 2021 NET SALES AND OPERATING PROFIT (EBIT)

Segment EMEA reported net sales of SEK 2,050 m (1,287), representing 37% (39%) of Group net sales. Total growth was 59%, of which 63% was organic growth, -4% currency translation and 0% M&A. All application areas showed organic net sales growth compared with the second quarter 2020, which was largely impacted by COVID-19 pandemic related lockdowns.

Operating profit (EBIT) before items affecting comparability was SEK 343 m (166), representing a margin of 16.7% (12.9%). Items affecting comparability totaled SEK -11 m (-14). Operating profit (EBIT) was SEK 332 m (152). The improved operating profit and margin were supported by net sales growth, cost reductions and pricing, partly offset by high freight costs, increasing raw material prices and negative currency effects. In addition, there was a negative impact from a business mix with a higher share of OEM net sales and from M&A transaction costs.

SEGMENT APAC

SECOND QUARTER 2021 NET SALES AND OPERATING PROFIT (EBIT)

Segment APAC reported net sales of SEK 466 m (272), representing 8% (8%) of Group net sales. Total growth was 71%, of which 65% was organic growth, -2% currency translation and 8% M&A. All application areas showed organic net sales growth compared with the second quarter 2020, which was largely impacted by COVID-19 pandemic related lockdowns. The acquisition of Enerdrive was completed during the quarter.

Operating profit (EBIT) before items affecting comparability was SEK 138 m (37), representing a margin of 29.5% (13.7%). Items affecting comparability totaled SEK - m (-22). Operating profit (EBIT) was SEK 138 m (15). The improved operating profit and margin were supported by net sales growth, cost reductions, pricing and regional mix, partly offset by high freight costs, increasing raw material prices and M&A transaction costs. A gain of SEK 21 m related to a sale of fixed assets had a positive impact on the operating profit in the quarter.

SEGMENT GLOBAL

SECOND QUARTER 2021 NET SALES AND OPERATING PROFIT (EBIT)

Segment Global reported net sales of SEK 1,616 m (942), representing 29% (28%) of Group net sales. Total growth was 72%, of which 70% was organic growth, -8% currency translation and 10% M&A. All application areas showed organic net sales growth compared with the second quarter 2020, which was largely impacted by COVID-19 pandemic related lockdowns. The acquisition of Twin Eagles was completed in the first quarter of 2021.

Operating profit (EBIT) before items affecting comparability was SEK 370 m (171), representing a margin of 22.9% (18.2%). Items affecting comparability totaled SEK -33 m (-2). Operating profit (EBIT) was SEK 338 m (169). The improved operating profit and margin were supported by net sales growth, cost reductions and pricing, partly offset by high freight costs and increasing raw material prices.

SUSTAINABILITY UPDATE



Focus area	KPI	Same period		
		Actual	Prev. year	Target 2021
People	LTIFR (Injury rate per million working hours)	2,8	3,6	2,0
People	% Female managers	24%	24%	26%
Ethics	% Audited spend in LCC	84%	77%	90%
Environment	CO ₂ ton / net sales SEK m ⁽¹⁾	-12%	-	-5%

⁽¹⁾Adjusted for acquisitions and currency translation effects.

For definitions of KPIs, please see Definitions and Key ratios on page 19. See the Dometic Annual and Sustainability report 2020 and the Q1 2021 interim report for details on targets and baselines of KPIs.

BACKGROUND AND SIGNIFICANT EVENTS DURING THE SECOND QUARTER 2021

As a pioneer in the Mobile Living area, Dometic is committed to driving sustainability in its market. This means providing smart, reliable, and safe products designed with a life-cycle perspective to reduce the environmental footprint throughout a product's life cycle. Dometic also strives to provide a safe, healthy, diverse and inclusive workplace and ensures business practices meet the highest ethical standards. Four focus areas have been defined – Ethics, People, Products and Environment – with strong ownership in Group management and with clear KPIs, targets and activities implemented in daily operations. Progress on all defined KPIs is reported externally as part of the 2020 Annual and Sustainability Report, but in addition Dometic has chosen to report its progress on a quarterly basis on four of the defined KPIs. Starting from 2021, Dometic has implemented sustainability targets as part of the Long-term Incentive (LTI) program. The targets are on CO₂ emission reduction, injury rate and percentage of female managers.

Dometic has defined a long-term climate target to reduce CO₂ emissions from operations¹⁾ in relation to net sales by 50% by 2030. To achieve this reduction Dometic will continue to implement the manufacturing footprint project and increase energy efficiency in operations. Much of the reduction will come from switching to a renewable electricity supply. In the second quarter the share of renewable indirect energy (scope 2) increased to 11.9% (5.8%) and three additional sites have switched to renewable electricity supply.

KPI UPDATE

LTIFR (Lost Time Injury Frequency Rate) declined by 23% compared to the same period last year, driven by improved health and safety processes in the Marine sub-segment. The implementation of the Dometic Health & Safety Guidelines is continuing, with a focus on ergonomics in the Americas and Global segments, and with a focus on safety awareness in EMEA. The injury severity rate has decreased slightly compared to the same period last year.

% female managers remains at the same level as the previous year. In 2020, all segments started to work on their own Diversity & Inclusion targets with three-year action plans to support diversity and inclusion, including gender diversity at managerial levels. During the first two quarters of 2021, a Diversity and Inclusion campaign was rolled out globally to further raise awareness throughout the organization.

% audited spend in LCC increased to 84% (77%) despite the challenges caused by Covid-19 related travel restrictions. Dometic has piloted a partnership with third-party auditors to assess a selection of suppliers, with a focus on business ethics, social conditions and environmental compliance. This will enable supplier access during travel restrictions, strengthen due diligence and evaluate the effectiveness of internal supplier assessment processes.

CO₂ ton / net sales SEK m. decreased by 12% compared to the baseline year (2020), a result that is already exceeding the full-year 2021 target. The implementation of a roadmap for switching to renewable electricity in operations will support further reductions and target fulfillment. The absolute CO₂ emissions increased by 4.9% compared to the same period last year due to higher business activity. The share of renewable indirect energy (scope 2) increased to 11.9% (5.8%) and in the second quarter of 2021, two additional sites in EMEA and one additional site in the US switched to renewable electricity supply.

¹⁾ Scope 1 and 2 emissions represented by fuel combustion, electricity and district heating used on operation sites.

PARENT COMPANY DOMETIC GROUP AB (PUBL)

Second quarter 2021

The Parent Company Dometic Group AB (publ) comprises the functions of the Group's head office, such as Group management and administration. The Parent Company invoices its costs to subsidiaries.

For the quarter, the Parent Company had an operating profit (loss) of SEK 6 m (4), including administrative expenses of SEK -101 m (-47) and other operating income of SEK 107 m (51), of which the full amount relates to income from subsidiaries.

Profit (loss) from financial items totaled SEK 16 m (227), including interest income from subsidiaries of SEK 38 m (46), interest expenses to subsidiaries of SEK -1 m (-) and other financial income and expenses of SEK -22 m (182).

Profit (loss) for the quarter amounted to SEK 17 m (-5).

First six months 2021

For the period, the Parent Company had an operating profit (loss) of SEK 0 m (5), including administrative expenses of SEK -158 m (-98) and other operating income of SEK 157 m (104), of which the full amount relates to income from subsidiaries.

Profit (loss) from financial items totaled SEK -90 m (-152), including interest income from subsidiaries of SEK 79 m (102), interest expenses to subsidiaries of SEK -1 m (-) and other financial income and expenses of SEK -168 m (-254).

Profit (loss) for the period amounted to SEK -95 m (-6).

For further information, please refer to the Parent Company's condensed financial statements on page 11.

Juan Vargues
President and CEO

Solna, July 16, 2021

SIGNATURES OF THE BOARD OF DIRECTORS

The Board of Directors and the President and CEO certify that the interim report gives a true and fair overview of the Parent Company's and the Group's operations, their financial position and results of operations, and describes the significant risks and uncertainties facing the Parent Company and other companies in the Group.

Solna, July 16, 2021

Fredrik Cappelen
Chairman of the Board

Heléne Vibbleus
Board member

Rainer E. Schmückle
Board member

Jacqueline Hoogerbrugge
Board member

Magnus Yngen
Board member

Erik Olsson
Board member

Peter Sjölander
Board member

Mengmeng Du
Board member

Juan Vargues
President and CEO

REVIEW

This interim report has not been subject to review by Dometic Group AB (publ)'s external auditor.

CONSOLIDATED INCOME STATEMENT

SEK m	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Net sales	5,571	3,329	10,428	7,527	16,207
Cost of goods sold	-3,827	-2,448	-7,157	-5,474	-11,571
Gross Profit	1,744	880	3,271	2,053	4,636
Sales expenses	-384	-248	-734	-609	-1,214
Administrative expenses	-256	-216	-491	-468	-915
Research and development expenses	-100	-69	-202	-159	-336
Other operating income and expenses	33	90	-8	119	64
Items affecting comparability	-58	-61	-63	-93	-59
Amortization of acquisition-related intangible assets	-81	-76	-151	-153	-296
Operating profit	898	300	1,623	690	1,880
Financial income	2	0	11	6	7
Financial expenses	-162	-132	-219	-236	-538
Net financial expenses	-160	-132	-208	-230	-532
Profit (loss) before tax	738	169	1,415	460	1,348
Taxes	-178	-43	-365	-129	-897
Profit (loss) for the period	560	125	1,050	330	451
Profit (loss) for the period attributable to owners of the Parent Company	560	125	1,050	330	451
Earnings per share before and after dilution, SEK - Owners of the Parent Company	1.85	0.42	3.50	1.12	1.52
Average number of shares, million	303.4	295.8	299.6	295.8	295.8

Previous periods have been restated in line with Company communication March 15, 2021. Logistic costs have moved from Sales expenses to Cost of goods sold and Product development have moved from Cost of goods sold to Research & Development expenses.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Profit (loss) for the period	560	125	1,050	330	451
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit pension plans, net of tax	-45	-83	60	-131	-14
	-45	-83	60	-131	-14
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges, net of tax	20	-52	61	-81	-62
Gains/losses from hedges of net investments in foreign operations, net of tax	68	170	-11	-27	130
Exchange rate differences on translation of foreign operations	-389	-885	581	-184	-1,667
	-300	-767	630	-292	-1,599
Other comprehensive income for the period	-346	-851	691	-423	-1,613
Total comprehensive income for the period	214	-725	1,741	-93	-1,162
Total comprehensive income for the period attributable to Owners of the Parent Company	214	-725	1,741	-93	-1,162

CONSOLIDATED BALANCE SHEET (IN SUMMARY)

SEK m	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
ASSETS			
Non-current assets			
Goodwill and trademarks	18,997	18,804	17,204
Other intangible assets	4,536	4,376	3,853
Tangible assets	1,590	2,024	1,474
Right-of-use assets	712	546	630
Deferred tax assets	515	636	597
Derivatives, long-term	-	-	-
Other non-current assets	113	106	95
Total non-current assets	26,464	26,492	23,853
Current assets			
Inventories	4,385	3,263	3,133
Trade receivables	2,836	2,154	1,839
Current tax assets	41	68	48
Derivatives, short-term	78	16	88
Other current receivables	443	649	618
Prepaid expenses and accrued income	112	155	123
Cash and cash equivalents	7,392	6,190	7,913
Total current assets	15,287	12,495	13,762
TOTAL ASSETS	41,751	38,987	37,615
EQUITY AND LIABILITIES			
EQUITY	20,593	17,270	16,201
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions, long-term	12,651	13,339	12,455
Deferred tax liabilities	1,726	1,834	1,666
Derivatives, long-term	-	21	2
Other non-current liabilities	321	58	0
Leasing liabilities, long-term	631	419	601
Provisions for pensions	744	958	797
Other provisions, long-term	220	217	213
Total non-current liabilities	16,293	16,846	15,734
Current liabilities			
Liabilities to credit institutions, short-term	-	996	1,000
Trade payables	2,551	1,588	2,019
Current tax liabilities	243	438	944
Advance payments from customers	46	40	59
Leasing liabilities, short-term	190	150	139
Derivatives, short-term	38	73	140
Other provisions, short-term	288	288	264
Other current liabilities	250	325	209
Accrued expenses and prepaid income	1,260	973	906
Total current liabilities	4,865	4,871	5,680
TOTAL LIABILITIES	21,158	21,717	21,414
TOTAL EQUITY AND LIABILITIES	41,751	38,987	37,615

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IN SUMMARY)

SEK m	YTD 2021	YTD 2020	FY 2020
Opening balance for the period	16,201	17,363	17,363
Profit (loss) for the period	1,050	330	451
Other comprehensive income for the period	691	-423	-1,613
Total comprehensive income for the period	1,741	-93	-1,162
Transactions with owners			
New share issue	3,332	-	-
Dividend paid to shareholders of the Parent Company	-680	-	-
Total transactions with owners	2,651	-	-
Closing balance for the period	20,593	17,270	16,201

CONSOLIDATED STATEMENT OF CASH FLOW

SEK m	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Cash flow from operating activities					
Operating profit	898	300	1,623	690	1,880
<i>Adjustment for other non-cash items</i>					
Depreciation and amortization	201	203	393	411	789
Adjustments for other non-cash items	-65	-163	-28	-207	-305
<i>Changes in working capital</i>					
Changes in inventories	-203	-61	-772	-333	-485
Changes in trade receivables	-24	48	-748	-483	-309
Changes in trade payables	120	-76	358	283	778
Changes in other working capital	28	103	191	248	156
Income tax paid	-95	-51	-780	-213	-444
Net cash flow from operations	860	303	237	395	2,060
Cash flow from investments					
Acquisition of operations, net of cash acquired	-1,618	-	-2,123	-	-
Investments in fixed assets	-80	-43	-160	-117	-246
Proceeds from sale of fixed assets	22	-1	22	0	537
Deposit	0	-	147	-	-
Other investing activities	-4	-2	-5	-1	-1
Net cash flow from investments	-1,680	-46	-2,118	-118	289
Cash flow from financing					
New share issue	3,349	-	3,349	-	-
Borrowings from credit institutions	-	2,000	-	2,000	2,000
Repayment of loans to credit institutions	0	-	-1,000	-	-
Payment of lease liabilities related to lease agreements	-50	-41	-99	-85	-171
Paid interest	-140	-153	-198	-227	-415
Received interest	1	0	2	1	2
Other financing activities	-16	-33	-29	-47	-99
Dividend paid to shareholders of the Parent Company	-680	-	-680	-	-
Net cash flow from financing	2,464	1,774	1,345	1,642	1,318
Cash flow for the period	1,644	2,031	-537	1,919	3,666
Cash and cash equivalents at beginning of period	5,761	4,196	7,913	4,289	4,289
Exchange differences on cash and cash equivalents	-13	-37	16	-18	-43
Cash and cash equivalents at end of period	7,392	6,190	7,392	6,190	7,913

PARENT COMPANY INCOME STATEMENT

SEK m	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Administrative expenses	-101	-47	-158	-98	-199
Other operating income	107	51	157	104	190
Operating profit (loss)	6	4	0	5	-9
Interest income subsidiaries	38	46	79	102	194
Interest expenses subsidiaries	-1	-	-1	-	-
Other financial expenses	-22	182	-168	-254	-293
Profit (loss) from financial items	16	227	-90	-152	-99
Group contributions	-	-236	-	141	-
Profit (loss) before tax	22	-5	-90	-6	-108
Taxes	-5	-	-5	0	-34
Profit (loss) for the period	17	-5	-95	-6	-142

PARENT COMPANY BALANCE SHEET (IN SUMMARY)

SEK m	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
ASSETS			
Non-current assets			
Shares in subsidiaries	16,228	16,228	16,228
Other non-current assets	7,374	5,873	5,169
Total non-current assets	23,602	22,101	21,397
Current assets			
Current assets	1,894	2,540	2,299
Total current assets	1,894	2,540	2,299
TOTAL ASSETS	25,496	24,641	23,696
EQUITY	12,481	10,060	9,924
PROVISIONS			
Provisions	81	61	75
Total provisions	81	61	75
LIABILITIES			
Non-current liabilities			
Non-current liabilities	12,651	13,339	12,455
Total non-current liabilities	12,651	13,339	12,455
Current liabilities			
Current liabilities	283	1,181	1,242
Total current liabilities	283	1,181	1,242
TOTAL LIABILITIES	13,015	14,582	13,772
TOTAL EQUITY AND LIABILITIES	25,496	24,641	23,696

CONDENSED NOTES

NOTE 1 | ACCOUNTING PRINCIPLES

Dometic Group AB (publ) and its subsidiaries (together “the Dometic Group”, “Dometic” or “the Group”) applies International Financial Reporting Standards (IFRS), as endorsed by the European Union. This consolidated Interim Financial Report has been prepared in accordance with IAS 34 ‘Interim Financial Reporting’.

The accounting and valuation principles in this interim report correspond to principles applied by the Group in the 2020 Annual and Sustainability Report and should be read in conjunction with that Annual and Sustainability Report, available at www.dometicgroup.com.

The Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board, have been applied for the Parent Company. The interim report comprises pages 1–20 and pages 1–11 are thus an integral part of this financial report (IAS 34.16A).

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is for each line item to correspond to its source, and rounding differences may therefore arise.

New or amended accounting policies for 2021 adopted by the Group

A detailed description of the accounting and valuation principles for new or amended accounting policies for 2021 applied by the Group in this interim report can be found in Note 2.1.1 Changes in accounting policies, New or amended accounting policies for 2021, of the 2020 Annual and Sustainability Report available at www.dometicgroup.com.

NOTE 2 | RISKS AND UNCERTAINTIES

Risks are part of any business and as a global Group with production and distribution all over the world Dometic faces risks that can impact its ability to achieve established strategic and other objectives, including financial targets. Effective risk management of strategic, execution, compliance & regulatory and reporting risks creates opportunities and effective risk mitigation.

The key to effective risk management is identifying known risks and preparing for any unknown risks to which the Group is exposed. While mitigating risks usually comes at a cost, effective risk management adds value by establishing clear risk and process ownership combined with risk identification, assessment, prioritization and risk response i.e. risk mitigating actions as well as effective monitoring.

In line with Dometic’s Three Lines Model, Risk Management as part of the second line of responsibility constitutes an important role by providing and supporting management and the business operations with a risk framework, including a risk management process and a risk universe for identification, assessment, and prioritization of risks, and for providing risk response i.e. risk mitigating actions as well as effective monitoring.

In 2019 the risk framework was updated to increase the focus on strategic risks and to improve alignment with the Group strategic objectives and strategy toolbox for execution. Each defined tool in the strategy toolbox represents both risks and opportunities that, correctly managed, help the Group deliver on its strategy. Risks in the risk framework, and especially strategic risks are connected to the objectives defined for each of the three pillars in the Group strategy.

During 2020, extensive risk assessments were performed on Group and segment level to assess risks and related mitigating actions. Group risk assessments mainly focused on the strategic risks, and the segment risk assessments mainly focused on the execution risks, since the segments execute on the strategy and decisions made by Group Management and the Board of Directors.

The Risk Committee held meetings in connection with Group Management meetings, during which significant time was

dedicated to plan for and present results from risk assessments, as well as review of risk mitigating actions. Strategic risks are assessed top-down by Group Management, while execution, compliance & regulatory and reporting risks are assessed bottom-up by Segment Management and process and risk owners, as well as top-down by Group Management and global process and risk owners, as applicable. The Risk Committee discusses and makes decisions on risk mitigating actions and the members of Group Management act as global process and risk owners as applicable. The work of the Risk Committee is regularly reported to the Audit Committee and annually to the Board of Directors.

With strategic, execution, compliance & regulatory and reporting risks identified and assessed annually, the results thereof in terms of risk registers and risk maps help raise risk awareness and support management and the business operations at different levels of the organization in prioritization of risk mitigating actions. The annual risk assessment, including risk registers and risk maps, also serves as foundation for the Group’s control functions, such as Internal Control and Internal Audit, for their prioritization of focus areas.

The risk framework includes a universe of risks that could impact Dometic’s ability to achieve established strategic and other objectives including financial targets. The risks to which Dometic is exposed are classified into four main categories: strategic risks, execution risks, compliance & regulatory risks and reporting risks. Each main category has subcategories with defined underlying risks. Sustainability risks are integrated in the main categories and subcategories. Risks are mapped to strategic and other objectives including financial targets. Risk ownership is identified for each risk in the risk universe.

Strategic risks can impact Dometic’s ability to achieve strategic objectives including financial targets. Strategic risks are divided into the following subcategories; market and sales risks, product risks, manufacturing, distribution and sourcing risks, organizational risks and external risk factors. External risk factors could be political such as tariffs, climate change, weather related, hazards such as disease outbreaks and risks related to competition and external crime.

Execution risks are operational, commercial and financial risks associated with business operations.

Compliance & Regulatory risks are both internal compliance with governing documents, as well as external compliance with laws, rules and regulations.

Reporting risks are risks associated with Dometic’s reporting, information and communication, both financial and non-financial.

The COVID-19 pandemic had a negative impact on Dometic’s business and operations, primarily during the first half of 2020. Future development of the pandemic create uncertainty and external as well as internal measures to contain COVID-19 cases may negatively impact the business and operations. While an increase in end-user appetite for staycation and outdoor activities is driving demand for the company’s products across the portfolio, Dometic continues to take proactive actions to protect its employees, other stakeholders and the financial position. Dometic is actively working to balance capacity and resources with demand across the organization.

Dometic’s risks and risk management are described on pages 59-61 and on pages 86-89 in the 2020 Annual and Sustainability Report, available at www.dometicgroup.com.

NOTE 3 | FINANCIAL INSTRUMENTS

Dometic uses interest rate swaps to hedge senior facility term loans to move from a floating interest rate to a fixed interest rate. The Group also uses currency forward agreements to hedge part of its cash flow exposure.

The fair values of Dometic's derivative assets and liabilities were SEK 78 m (16) and SEK 38 m (94). The value of derivatives is

based on published prices in an active market. No transfers between levels of the fair value hierarchy have occurred during the period.

For financial assets and liabilities other than derivatives, fair value is assumed to be equal to the carrying amount.

TABLE TO NOTE 3 – FINANCIAL INSTRUMENTS

Jun 30, 2021	Balance sheet carrying amount	Financial instruments at amortized cost	Financial instruments at fair value	Derivatives used for hedging
Per category				
Derivatives	78	-	28	50
Financial assets	10,784	10,784	-	-
Total financial assets	10,862	10,784	28	50
Derivatives	38	-	1	36
Financial liabilities	15,772	15,772	-	-
Total financial liabilities	15,810	15,772	1	36

NOTE 4 | SEGMENT INFORMATION

CONSOLIDATED OPERATING SEGMENTS

As of 2021 Dometic has a new organizational structure with four segments: Segments Americas, EMEA, APAC and Global. Segment performance is primarily assessed based on net sales and operating profit. Information for each segment is based on type of customer and where customers are located. Management follow-up is based on the integrated result in each segment. For further information, please refer to Note 5 of the 2020 Annual and Sustainability Report available at www.dometicgroup.com

SEK m	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Net sales, external					
Segment Americas	1,438	828	2,730	1,954	4,447
Segment EMEA	2,050	1,287	3,728	2,836	5,629
Segment APAC	466	272	899	600	1,315
Segment Global	1,616	942	3,072	2,138	4,816
Total net sales, external	5,571	3,329	10,428	7,527	16,207
Operating profit (EBIT) bef i.a.c					
Segment Americas	105	-12	195	-62	41
Segment EMEA	343	166	581	351	646
Segment APAC	138	37	240	113	271
Segment Global	370	171	670	381	981
Total operating profit (EBIT) before i.a.c.	955	361	1,686	783	1,939
Operating profit (EBIT) bef i.a.c. %					
Segment Americas	7.3%	-1.4%	7.1%	-3.2%	0.9%
Segment EMEA	16.7%	12.9%	15.6%	12.4%	11.5%
Segment APAC	29.5%	13.7%	26.7%	18.8%	20.6%
Segment Global	22.9%	18.2%	21.8%	17.8%	20.4%
Total operating profit (EBIT) before i.a.c. %	17.2%	10.9%	16.2%	10.4%	12.0%
Items affecting comparability					
Segment Americas	-15	-23	-18	-48	-68
Segment EMEA	-11	-14	-12	-19	32
Segment APAC	-	-22	-	-23	-20
Segment Global	-33	-2	-33	-3	-3
Total items affecting comparability	-58	-61	-63	-93	-59
Operating profit (EBIT)					
Segment Americas	90	-35	177	-110	-27
Segment EMEA	332	152	569	333	678
Segment APAC	138	15	240	90	251
Segment Global	338	169	638	378	978
Total operating profit (EBIT)	898	300	1,623	690	1,880
Operating profit (EBIT) %					
Segment Americas	6.2%	-4.2%	6.5%	-5.6%	-0.6%
Segment EMEA	16.2%	11.8%	15.3%	11.7%	12.1%
Segment APAC	29.5%	5.7%	26.7%	14.9%	19.1%
Segment Global	20.9%	18.0%	20.8%	17.7%	20.3%
Total operating profit (EBIT) %	16.1%	9.0%	15.6%	9.2%	11.6%
Financial income	2	0	11	6	7
Financial expenses	-162	-132	-219	-236	-538
Taxes	-178	-43	-365	-129	-897
Profit (loss) for the period	560	125	1,050	330	451

Previous periods have been restated according to the new segment structure.

NET SALES BY APPLICATION AREAS

SEK m	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Segment Americas					
Food & Beverage	396	251	818	609	1,404
Climate	682	462	1,358	1,093	2,453
Power & Control	92	2	97	4	10
Other applications	268	114	458	247	580
Segment Americas net sales, external	1,438	828	2,730	1,954	4,447
Segment EMEA					
Food & Beverage	789	546	1,421	1,089	2,088
Climate	988	541	1,799	1,267	2,572
Power & Control	153	100	293	256	520
Other applications	120	100	216	224	449
Segment EMEA net sales, external	2,050	1,287	3,728	2,836	5,629
Segment APAC					
Food & Beverage	213	122	442	297	672
Climate	199	127	366	253	543
Power & Control	30	7	40	11	23
Other applications	24	16	50	40	76
Segment APAC net sales, external	466	272	899	600	1,315
Segment Global					
Food & Beverage	246	99	413	210	441
Climate	281	198	546	460	930
Power & Control	766	384	1,516	983	2,301
Other applications	323	261	596	485	1,143
Segment Global net sales, external	1,616	942	3,072	2,138	4,816
Net sales, external					
Food & Beverage	1,645	1,016	3,093	2,204	4,605
Climate	2,149	1,328	4,069	3,072	6,498
Power & Control	1,041	493	1,946	1,253	2,856
Other applications	735	490	1,320	996	2,248
Total net sales, external	5,571	3,329	10,428	7,527	16,207

Inter-segment sales were as follows.

SEK m	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Segment Americas	36	32	75	102	169
Segment EMEA	103	51	194	150	309
Segment APAC	871	500	1,868	1,055	2,544
Segment Global	7	0	12	1	4
Eliminations	1,017	584	2,149	1,308	3,026

NOTE 5 | NET SALES BY SALES CHANNEL

SEK m	Q2	Q2	Change (%)		YTD	YTD	FY
	2021	2020	Rep.	Org. ⁽¹⁾	2021	2020	2020
Net sales, external							
OEM	2,648	1,498	77%	79%	5,342	3,994	8,712
Distribution	783	509	54%	40%	1,319	925	1,734
Service and Aftermarket	2,140	1,322	62%	62%	3,768	2,610	5,762
Total net sales, external	5,571	3,329	67%	66%	10,428	7,527	16,207

⁽¹⁾Net sales growth excluding acquisitions/divestments and currency translation effects.

NOTE 6 | ITEMS AFFECTING COMPARABILITY

SEK m	Q2	Q2	YTD	YTD	FY
	2021	2020	2021	2020	2020
Global restructuring program	-24	-61	-34	-84	-116
Other	-34	0	-29	-9	57
Total	-58	-61	-63	-93	-59

“Other” FY 2020 includes a gain of SEK 66 m related to sale of fixed assets.

The table below specifies items affecting comparability by function and other operating income and expenses. Previous periods have been restated in line with Company communication on March 15, 2021. Logistic costs have moved from Sales expenses to Cost of goods sold and Product development have moved from Cost of goods sold to Research & development expenses.

Global restructuring program	Q2	Q2	YTD	YTD	FY
SEK m	2021	2020	2021	2020	2020
Cost of goods sold	-22	-38	-31	-59	-80
Sales expenses	-1	-0	-2	-2	-3
Administrative expenses	-1	-2	-1	-3	-9
Research and development expenses	-0	-1	0	-1	-4
Other operating income and expenses	-1	-20	-1	-20	-21
Total	-24	-61	-34	-84	-116

Other	Q2	Q2	YTD	YTD	FY
SEK m	2021	2020	2021	2020	2020
Cost of goods sold	-	-	-	-	-
Sales expenses	-	-	-	-	-
Administrative expenses	-	-	-	-	-
Research and development expenses	-	-	-	-	-
Other operating income and expenses	-34	0	-29	-9	57
Total	-34	0	-29	-9	57

Total	Q2	Q2	YTD	YTD	FY
SEK m	2021	2020	2021	2020	2020
Cost of goods sold	-22	-38	-31	-59	-80
Sales expenses	-1	-0	-2	-2	-3
Administrative expenses	-1	-2	-1	-3	-9
Research and development expenses	-0	-1	0	-1	-4
Other operating income and expenses	-35	-20	-30	-29	36
Total	-58	-61	-63	-93	-59

NOTE 7 | AMORTIZATION OF ACQUISITION-RELATED INTANGIBLE ASSETS BY FUNCTION

The table below specifies amortization of acquisition-related intangible assets by function and other operating income and expenses.

SEK m			Amortization of Customer Relationship Assets		Amortization of Technology	Amortization of intellectual property	Total
			Amortization Trademarks				
Cost of goods sold							
	Q2	2021	-	-	-11	-6	-17
	Q2	2020	-	-	-12	-6	-17
	YTD	2021	-	-	-22	-12	-34
	YTD	2020	-	-	-23	-11	-34
	FY	2020	-	-	-45	-23	-68
Sales expenses							
	Q2	2021	-13	-50	-	-	-64
	Q2	2020	-12	-46	-	-	-59
	YTD	2021	-23	-94	-	-	-117
	YTD	2020	-25	-94	-	-	-118
	FY	2020	-48	-181	-	-	-228
Total Amortization of acquisition-related intangible assets							
	Q2	2021	-13	-50	-11	-6	-81
	Q2	2020	-12	-46	-12	-6	-76
	YTD	2021	-23	-94	-22	-12	-151
	YTD	2020	-25	-94	-23	-11	-153
	FY	2020	-48	-181	-45	-23	-296

NOTE 8 | RIGHT-OF-USE ASSETS

Right-of-use assets information is specified below:

Total depreciation and amortization of SEK 201 m (203) includes depreciation of right-of-use assets of SEK -49 m (-46) Q2 2021.

Depreciation & amortization	Q2	Q2	YTD	YTD	FY
SEK m	2021	2020	2021	2020	2020
Depreciation and amortization	-201	-203	-393	-411	-789
Add back depreciation related to right-of-use assets	49	46	96	92	179
Total	-152	-157	-297	-319	-610

Right-of-use assets	Jun 30,	Jun 30,	Dec 31,
SEK m	2021	2020	2020
Buildings	674	504	591
Machinery, equipment and other technical installations	38	42	39
Total	712	546	630

NOTE 9 | TRANSACTIONS WITH RELATED PARTIES

No transactions between Dometic and related parties that have significantly affected the company's position and earnings took place during the first six months 2021.

NOTE 10 | ACQUISITIONS AND DIVESTMENTS

Announced acquisitions Jan-June 2021

Acquisition	Date of announcement	Included from	Segment	Previous year net sales⁽¹⁾	Number of employees⁽²⁾
Twin Eagles	Feb 2, 2021	Feb-21	Global	34 MUSD	130
Valterra	April 22, 2021	May-21	Americas	94 MUSD	550
Enerdrive	May 18, 2021	Jun-21	APAC	28 MAUD	45
Front Runner	May 20, 2021	TBC ⁽²⁾	EMEA	35 MUSD	320
Zamp Solar	May 26, 2021	May-21	Americas	14 MUSD	65

⁽¹⁾Annual net sales and number of employees as disclosed in the press release when announced.

⁽²⁾Not completed, expected closing during the third quarter 2021.

Acquisitions 2021

The purchase price paid amounts to SEK 2,171 m on a debt and cash free basis excluding potential earn-out elements. The total purchase price amounts to SEK 2,486 m.

In the purchase price allocation below, calculation of intangible assets and goodwill are only preliminary. The purchase price allocation for acquisitions are finalized no later than one year after the acquisition is made.

Goodwill is justified by customer relationships, market position and new future technologies. Acquisition-related costs in the consolidated income statement for the first six months amount to SEK 25 m.

Twin Eagles

Dometic has acquired Twin Eagles, a leading US manufacturer of freestanding and built-in-grills and outdoor kitchen solutions for the Residential Outdoor market. The acquisition strengthens Dometic's offering in the fast-growing Residential Outdoor area in North America.

Valterra Products

Dometic has acquired Valterra Products, a leading North American provider of service and aftermarket products to the RV and CPV industries, including solar power solutions. The acquisition of Valterra broadens Dometic's position in Service and Aftermarket through new products, a broader distribution network and strengthened market presence.

Enerdrive

Dometic has acquired Enerdrive, an Australian-based provider of mobile power products for the outdoor market. The acquisition of Enerdrive strengthens Dometic's offering of mobile power products, including solar power solutions, for the outdoor market in the Pacific region.

Zamp Solar

Dometic has acquired Zamp Solar, a leading North American manufacturer of innovative and high-quality mobile solar power solutions for the outdoor market. The acquisition of Zamp Solar broadens Dometic's position in the fast-growing market for mobile solar power solutions.

Effect on group cash flow

Effect on group cash flow amounts to SEK -2,123 m.

Purchase price allocation, preliminary

	SEK m
Trademarks and tradenames	67
Other intangible assets	621
Tangible assets	49
Right-of-use assets	25
Other non-current assets	2
Operating assets	590
Cash and cash equivalents	48
Provisions and other non-current liabilities	-5
Leasing liabilities, long- and short-term	-25
Operating liabilities	-135
Fair value of net assets	1,237
Goodwill	1,249
Purchase price	2,486
Consideration transferred	-2,171
Cash and cash equivalents in acquired companies	48
Cash flow effect on Group's cash and cash equivalents at the acquisition	-2,123

2020

Dometic did not make any acquisitions or divestments in 2020.

NOTE 11 | SIGNIFICANT EVENTS AFTER THE PERIOD

On July 2, 2021, Dometic announced the acquisition of Büttner Elektronik GmbH, a provider of mobile power solutions for the outdoor market with a net sales of approximately EUR 13 million in 2020.

There have been no other significant events that have impacted the financial reporting after the balance sheet date.

RECONCILIATION OF NON-IFRS MEASURES TO IFRS (ALTERNATIVE PERFORMANCE MEASURES)

Dometic presents some financial measures in this interim report, which are not defined by IFRS. The company believes that these measures provide valuable additional information to investors and management for evaluating the company's financial performance, financial position and trends in the company's operations. It should be noted that these measures, as defined, may not be comparable to similarly titled measures used by other companies. These non-IFRS measures should not be considered as substitutes for financial reporting measures prepared in accordance with IFRS. See Dometic's website www.dometicgroup.com for the detailed reconciliation.

Core working capital	Consists of inventories and trade receivables less trade payables.
EBITDA	Operating profit (EBIT) before Depreciation and Amortization. Depreciation also includes depreciation of right-of-use assets in accordance with IFRS 16 Leases.
EBITDA margin	EBITDA divided by net sales.
Leverage	Net debt excluding pensions, leasing and accrued interest in relation to EBITDA before items affecting comparability and including acquisitions proforma. Any cash deposits with tax authorities are treated as cash in leverage calculation.
Net debt	Total borrowings including pensions and accrued interest less cash and cash equivalents.
Operating cash flow	Cash flow from operations after investments in fixed assets excluding income tax paid. Paid interest/received interest is a part of the net cashflow of financing.
Organic growth	Sales growth excluding acquisitions/divestments and currency translation effects. Quarters are calculated at comparable currency, applying the latest period average rate.
RoOC – Return on Operating Capital	Operating profit (EBIT) divided by operating capital. Based on the operating profit (EBIT) for the four previous quarters, divided by the average operating capital for the previous four quarters, excluding goodwill and trademarks for the previous quarters.

DEFINITIONS AND KEY RATIOS

% audited spend in LCC	Percentage of spend of direct material suppliers in low-cost countries, that has been audited during the last two years.
% female managers	Percentage of female managers in the company at the end of each period, with one quarter delay in reporting.
Capital expenditure	Expenses related to the purchase of tangible and intangible assets.
CO₂ ton / net sales SEK m	CO ₂ emissions from own operations (scope 1 and 2) divided by currency adjusted net sales. Rolling 12 months with one month delay in reporting. Scope 1 = energy from fuel combustion used at operation sites (factories, warehouses, distribution centers), Scope 2 = electricity and district heating used at operation sites. (excl M&A)
EPS – Earnings per share	Net profit for the period divided by average number of shares.
FY 2020	Financial Year ended December 31, 2020.
i.a.c. – items affecting comparability	Items affecting comparability are events or transactions with significant financial effects, which are relevant for understanding the financial performance when comparing profit (loss) for the current period with previous periods. Items included are for example restructuring programs, expenses related to major revaluations, gains and losses from acquisitions or disposals of subsidiaries, or major transaction costs related to mergers and acquisitions,
Interest-bearing debt	Liabilities to credit institutions plus liabilities to related parties plus provisions for pensions.
LTIFR	Lost Time Injury Frequency Rate. Work related accidents with lost time ≥ 1 day per million working hours. Rolling 12 months with one-month delay in reporting.
LTM	Last twelve months.
Net profit	Profit (loss) for the period.
OCI	Other Comprehensive Income.
OEM	Original Equipment Manufacturers.
Operating capital excluding goodwill and trademarks	Interest-bearing debt plus equity less cash and cash equivalents, excluding goodwill and trademarks.
Operating profit (EBIT)	Operating profit (EBIT) before financial items and taxes.
Operating profit (EBIT) margin	Operating profit (EBIT) divided by net sales.
Product development costs	Research and development costs including capitalized spend.
Q2 2021	April to June 2021 for Income Statement.
Q2 2020	April to June 2020 for Income Statement.
RoOC	Return on Operating Capital, excluding goodwill and trademarks.
Working capital	Core working capital plus other current assets less other current liabilities and provisions relating to operations.
YTD 2021	Year to date. January to June 2021 for Income statement.
YTD 2020	Year to date. January to June 2020 for Income statement.

PRESENTATION OF THE INTERIM 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. To participate in the webcast/telephone conference, please dial in five minutes prior to the start of the conference call. The webcast URL and presentation are available at www.dometicgroup.com.

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This information is information that Dometic Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CEST on July 16, 2021.

This document is a translation of the Swedish version of the interim report. In the event of any discrepancy, the Swedish wording shall prevail.

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 APAC, 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 have a global distribution and dealer network in place to serve the aftermarket. Dometic employs approximately 6,500 people worldwide, had net sales of SEK 16.2 billion in 2020 and is headquartered in Stockholm, Sweden.

DISCLAIMER

Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially affected by other factors, (a) changes in economic, market and competitive conditions, (b) success of business and operating initiatives, (c) changes in the regulatory environment and other government actions, (d) fluctuations in exchange rates and (e) business risk management.

FINANCIAL CALENDAR

October 22, 2021

November 30, 2021

January 27, 2022

Interim report for the third quarter 2021

Capital Markets Update

Year-end report 2021