

REPORT ON THE FIRST QUARTER 2022

STRONG SALES GROWTH OF 55% WITH SOLID EBITA MARGIN OF 14.8%

FIRST QUARTER 2022

- Net sales were SEK 7,518 m (4,858); an increase of 55%, of which 7% was organic growth.
- Operating profit (EBITA) before items affecting comparability was SEK 1,114 m (801), corresponding to a margin of 14.8% (16.5%).
- Items affecting comparability were SEK -159 m (-5), mainly related to an accelerated implementation of the global restructuring program.
- Operating profit (EBITA) was SEK 955 m (795), corresponding to a margin of 12.7% (16.4%).
- Operating profit (EBIT) was SEK 812 m (725), corresponding to a margin of 10.8% (14.9%).
- Profit (loss) for the quarter was SEK 494 m (490).
- Earnings per share were SEK 1.54 (1.66).
- Adjusted earnings per share were SEK 2.27 (1.85).
- Cash flow for the quarter was SEK -1,305 m (-2,181). Operating cash flow was SEK -398 m (-20).
- Net debt leverage at the end of the quarter was 2.7x (2.3x).

CEO COMMENT

“Our Q1 results show that the successful execution of our strategy is yielding results. Net sales grew 55 percent and the EBITA margin was solid at 14.8 percent. During the quarter we announced one additional acquisition, continued to invest in new product innovation and accelerated the implementation of our global restructuring program.

Net sales in the quarter totaled SEK 7,518 m (4,858). Organic net sales growth was 7 percent, with growth in all sales channels despite a challenging macroeconomic environment including new Covid-19 pandemic breakouts, semiconductor shortages and geopolitical uncertainty. Distribution and Service & Aftermarket accounted for 56 percent (45) of net sales in the quarter, which further reduces our OEM exposure, increases our resilience and supports margin expansion.

EBITA before items affecting comparability improved to SEK 1,114 m (801), corresponding to a margin of 14.8 percent (16.5). Excluding the acquired Igloo business the margin was stable compared with the same quarter last year; a strong performance considering the inefficiencies caused by supply chain constraints and increasing costs for raw material and freight. Price management, cost reductions and currency effects contributed positively and we will continue to adjust our pricing to compensate for increased costs. The Igloo business delivered a solid quarter with strong sales growth driven by increased volumes, price management and product innovation. Igloo’s above mid-single digit EBITA margin was an improvement on last year and the integration process is progressing as planned.

In its first quarter as a separate segment, Marine delivered a net sales growth of 12 percent and an EBITA margin before items affecting comparability of 25.0 percent (24.9). We aim to further grow this business globally, based on a strong market position and by driving continuous innovation. Treeline Capital LLC was acquired during the quarter, which further strengthens our offering and distribution network in mobile power solutions for the Marine Service & Aftermarket business.

As previously communicated, we are accelerating activities in our global restructuring program. On March 21, we announced the relocation of our manufacturing from Elkhart, US, to other sites in Americas. We are confident that we will achieve the cost saving target of SEK 400 m by mid 2023.

Operating cash flow for the quarter was SEK -398 m (-20) impacted by strong net sales and demand, and by the seasonality profile in acquired companies. In addition, inventories were impacted by long lead times and inventory build-up to secure availability of critical components. The net debt leverage ratio was 2.7x (2.3x).

We are deeply concerned about the tragic developments in Ukraine and stand with all the people who are suffering. We have stopped all business activities in Russia and as a consequence SEK -22 m mainly related to write down of assets were recorded in the quarter.

Supported by an underlying strong end-user demand for Outdoor activities we are optimistic about the long-term trends in the Mobile Living industry. Our order backlog remains strong and retail inventory levels remain below historical levels across several vertical end markets. However, the current macroeconomic situation brings uncertainty and it is difficult to predict how geopolitical developments and increased inflation will impact demand. While paying close attention to the short-term market development, we will continue to implement our strategic agenda to deliver on our 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 outstanding design for an outdoor and mobile lifestyle in the areas of Food & Beverage, Climate, Power & Control, and Other Applications. Dometic employs approximately 9,000 people worldwide, had net sales of SEK 21.5 billion in 2021 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) January 28, 2022, 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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