

QUARTERLY REPORT

Q2 2023

Solna, July 18, 2023

CONTINUED SOLID EARNINGS AND RECORD-HIGH OPERATING CASH FLOW

SECOND QUARTER 2023

- Net sales were SEK 8,329 m (8,498); a decrease of -2%, of which -10% was organic growth.
- Operating profit (EBITA¹⁾) before items affecting comparability²⁾ was SEK 1,177 m (1,330), corresponding to a margin of 14.1% (15.7%).
- Items affecting comparability were SEK -35 m (-14).
- Operating profit (EBITA¹⁾) was SEK 1,143 m (1,316), corresponding to a margin of 13.7% (15.5%).
- Operating profit (EBIT) was SEK 985 m (1,166), corresponding to a margin of 11.8% (13.7%).
- Profit (loss) for the quarter was SEK 534 m (827).
- Earnings per share were SEK 1.67 (2.59). Adjusted earnings per share³⁾ were SEK 2.11 (2.97).
- Cash flow for the quarter was SEK 2,221 m (358). Operating cash flow was SEK 2,299 m (738).

FIRST SIX MONTHS 2023

- Net sales were SEK 15,618 m (16,016); a decrease of -2%, of which -11% was organic growth.
- Operating profit (EBITA¹⁾) before items affecting comparability²⁾ was SEK 2,024 m (2,444), corresponding to a margin of 13.0% (15.3%).
- Items affecting comparability were SEK -60 m (-173).
- Operating profit (EBITA¹⁾) was SEK 1,964 m (2,271), corresponding to a margin of 12.6% (14.2%).
- Operating profit (EBIT) was SEK 1,652 m (1,978), corresponding to a margin of 10.6% (12.3%).
- Profit for the period was SEK 868 m (1,321).
- Earnings per share were SEK 2.72 (4.13). Adjusted earnings per share³⁾ were SEK 3.55 (5.25).
- Cash flow for the period was SEK 2,184 m (-947). Operating cash flow was SEK 2,593 m (339).
- Net debt to EBITDA leverage ratio⁴⁾ at the end of the period was 3.2x (2.9x), the same level as at the end of the first quarter 2023.

FINANCIAL OVERVIEW

SEK m	Q2 2023	Q2 2022	YTD 2023	YTD 2022	LTM 2023	FY 2022
Net sales	8,329	8,498	15,618	16,016	29,366	29,764
Operating profit (EBITA ¹⁾) before items affecting comparability ²⁾	1,177	1,330	2,024	2,444	3,511	3,931
% of net sales	14.1%	15.7%	13.0%	15.3%	12.0%	13.2%
Operating profit (EBITA ¹⁾)	1,143	1,316	1,964	2,271	3,092	3,399
% of net sales	13.7%	15.5%	12.6%	14.2%	10.5%	11.4%
Operating profit (EBIT)	985	1,166	1,652	1,978	2,463	2,789
% of net sales	11.8%	13.7%	10.6%	12.3%	8.4%	9.4%
Profit (loss) for the period	534	827	868	1,321	1,331	1,784
Earnings per share, SEK	1.67	2.59	2.72	4.13	4.17	5.58
Adjusted earnings per share, SEK ³⁾	2.11	2.97	3.55	5.25	6.62	8.32
Cash flow for the period	2,221	358	2,184	-947	3,005	-127
Operating cash flow	2,299	738	2,593	339	4,521	2,268
Net debt to EBITDA leverage ratio ⁴⁾	3.2x	2.9x	3.2x	2.9x	3.2x	3.0x
RoOC, excluding goodwill and trademarks	18.5%	33.0%	18.5%	33.0%	18.5%	23.1%

¹⁾Before Amortization of acquisition-related intangible assets

²⁾See Note 6 Items affecting comparability

³⁾Excludes the impact from Amortization of acquisition-related intangible assets and items affecting comparability, for specification see note 8

⁴⁾For specification see note 9

See definitions of measures and KPIs at the end of the report. See detailed reconciliation tables on www.dometicgroup.com/investors for reconciliation of non-IFRS measures to IFRS



CEO COMMENTS

Net sales in the quarter totaled SEK 8,329 m (8,498) with a solid EBITA¹⁾ margin of 14.1 percent (15.7) despite the challenging macroeconomic situation and market conditions. Our focus on cash flow continues to generate results and we delivered a record-high operating cash flow of SEK 2.3 bn, supported by reduced inventories. Organic net sales declined by 10 percent mainly due to segment Americas where RV industry production flattened out sequentially but is 50 percent below last year. OEM related organic net sales in our other segments continued to grow. Service & Aftermarket organic net sales declined by 10 percent, a clear improvement compared with previous quarters. We expect continued gradual progress over the coming quarters as retailer inventories are consumed.

EBITA was SEK 1,177 m (1,330), corresponding to a margin of 14.1 percent (15.7). The decline was mainly attributable to segment Americas due to significantly lower net sales. The margin for segment EMEA improved sequentially but remained below last year. As communicated previously, we are taking additional action in both Americas and EMEA to improve our financial performance and expect to see continued gradual improvement. Measures include continued rightsizing activities and selective price management activities prioritizing margin improvements over volume. The previously announced global restructuring programs are continuing at high pace, and there are 11 percent fewer FTEs (full-time equivalents) in the company than a year ago. On June 30, 2023, we closed the refrigerator manufacturing in Siegen, Germany, as planned, and moved all manufacturing of refrigerators in Europe to our plant in Jászberény, Hungary.

Segment Marine delivered another robust quarter with organic net sales growth and an EBITA margin of 25.8 percent. The Marine OEM business continued to grow organically supported by product innovation and the ongoing technology shift in steering systems. The Marine Service & Aftermarket business showed a positive trend in the quarter and were stable compared with the same quarter last year.

The Igloo business continues to perform well and according to plan. Compared with a strong second quarter 2022, organic net sales showed a low-single digit decline but with an improved EBITA margin. Eighteen months on from the acquisition, we are entering the next phase of the integration and are establishing a dedicated global Mobile Cooling organization managing both the Dometic and Igloo brands that will benefit from common infrastructures. The new organization will drive further global expansion in passive and active coolers as well as drinkware and secure the targeted synergies from this strategic acquisition. The new organization will be reported as a sub-segment in segment Global from the first quarter 2024.

As expected, operating cash flow improved significantly and our inventories continued to decline. The net debt to EBITDA leverage ratio of 3.2x was flat sequentially and our financing structure is solid. While the EUR bond market remains an important long-term funding source for us, the plan is to use cash at hand to repay the bond of EUR 300 m due in September 2023. Our focus on cash flow across the Group is strong and we are committed to achieving our net debt to EBITDA leverage ratio target of around 2.5x.

The innovation index improved sequentially to 15 percent (17 percent). Our focus on reducing inventories, by driving sales on existing products, is having a temporary negative impact on the index. We are further increasing our product development investments in strategic structural growth areas such as Marine Steering Systems, Mobile Power Solutions and Mobile Cooling. Our pipeline of new products is robust and we expect to see progress towards our innovation index target of 25 percent as inventories of existing products are sold.

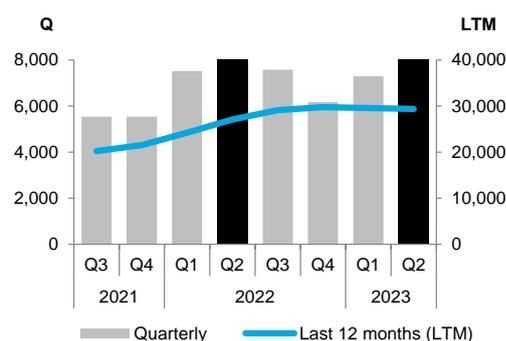
Long-term trends in the Mobile Living industry are strong. Our broad and continuously enhanced product offering, combined with our global presence, means we are well positioned to benefit from these trends. It remains difficult to predict how the current macroeconomic situation and market conditions will impact the business in the short term, but the last quarters results show that we have transformed Dometic into a more diversified, effective and resilient company. We anticipate a continued recovery in demand in the Service & Aftermarket sales channel over the coming quarters. In the OEM sales channel we foresee a gradual weakening in demand over the coming quarters, with the exceptions of RV Americas where we expect to see a stabilization by the end of the year and CPV where we expect to see continued strong demand. In the Distribution sales channel we foresee a weakening demand coming few quarters as retailers are re-balancing their inventories, while we expect the positive margin development year-over-year to continue.

We will continue to drive our strategic agenda to deliver on our targets, while at the same time remaining agile to quickly respond to short-term market trends.

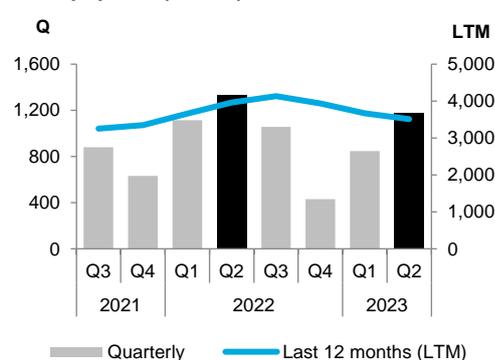
Juan Vargas, President and CEO

¹ unless stated otherwise, EBITA refers to EBITA before items affecting comparability.

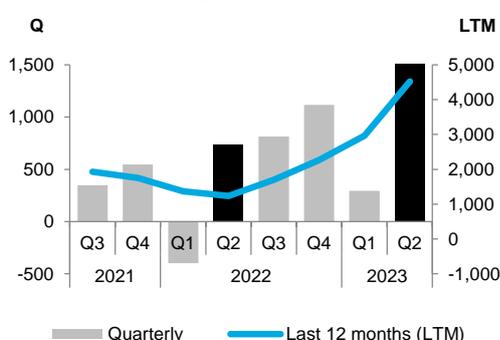
Net Sales, SEK m



Op. profit (EBITA) before i.a.c. SEK m



Operating cash flow, SEK m



FINANCIAL SUMMARY – SECOND QUARTER 2023

Net sales were SEK 8,329 m (8,498), a decrease of -2% compared with the same quarter last year. This comprised -10% organic growth, 8% currency translation and 0% M&A.

Gross profit was SEK 2,334 m (2,324) corresponding to 28.0% (27.3%) of net sales. The gross profit was positively impacted by a one-time positive effect of SEK 33 m in segment Global.

Sales and administrative expenses totaled SEK -1,004 m (-926) negatively impacted by currency effects. Investments in strategic structural growth areas continued. Sales and administrative expenses in percent of net sales was 12.1% (10.9%).

Research and development expenses were SEK -160 m (-141) negatively impacted by currency effects and investments in strategic structural growth areas. In addition, Research and development expenses of SEK -7 m (-4) were capitalized in the quarter. In total, this corresponds to 2.0% (1.7%) of net sales.

Other operating income and expenses were SEK 7 m (74). The deviation compared with the same quarter last year was mainly due to lower positive currency hedge effects.

Operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 1,177 m (1,330). The corresponding margin was 14.1% (15.7%). The decline was mainly attributable to segment Americas due to significantly lower net sales in the OEM and Service & Aftermarket sales channels. The margin for segment EMEA declined impacted by the sales mix with a lower share of Service & Aftermarket and Distribution net sales. In addition, EMEA continued to be negatively impacted by extraordinary logistics-related costs and inefficiencies in manufacturing, linked to the factory transfer from Germany to an existing site in Hungary. The margin for segments APAC and Marine declined somewhat, with a negative impact from the sales mix. The margin for segment Global improved driven by the Igloo business. In addition, a one-time positive effect of SEK 33 m had a positive effect on the margin for segment Global. Currency effects in total, mainly translation effects, had a positive impact on the operating profit.

Amortization of acquisition-related intangible assets were SEK -158 m (-150).

Items affecting comparability totaled SEK -35 m (-14) and were mainly related to activities in the previously announced global restructuring programs.

Operating profit (EBIT) was SEK 985 m (1,166). The corresponding margin was 11.8% (13.7%).

Financial items totaled a net amount of SEK -260 m (-77), whereof SEK -233 m (-123) in interest on external bank and bond loans. Other FX revaluations and other items amounted to SEK -49 m (44) and financial income amounted to SEK 22 m (2).

Taxes totaled SEK -190 m (-261), corresponding to 26% (24%) of profit before tax. Current tax amounted to SEK -167 m (-322) and deferred tax to SEK -23 m (62). Paid tax was SEK -209 m (-252).

Profit (loss) for the period was SEK 534 m (827).

Earnings per share were SEK 1.67 (2.59). Adjusted earnings per share were SEK 2.11 (2.97).

Operating cash flow was SEK 2,299 m (738). The improvement compared with the same quarter last year was driven by reduced inventories, partly offset by lower operating profit.

Cash flow was SEK 2,221 m (358) supported by an improved operating cash flow. Net cash flow from investments was SEK -539 m (-115) of which SEK -418 m (3) payments of deferred

considerations related to acquisitions completed previous years and SEK -122 m (-114) investments in fixed assets.

Net cash flow from financing was SEK 548 m (-127), including dividend paid SEK -415 m (-783) and the net of paid and received interest -258 (-148) m. A 3.5 year floating rate term loan of USD 44 m with Svensk Exportkredit was signed in the first quarter 2023 and drawn down in the second quarter 2023. In addition, a SEK 750 m private placement bond of 3.25 years at a rate of 6.25% was signed and drawn down in the second quarter 2023.

Global restructuring programs. Dometic has two programs running. The first program was initiated 2019 targeting an annual saving of SEK 400 m to be fully realized by mid 2023 with a total cost estimated to SEK 750 m. An additional program was announced in the second quarter 2022, targeting an annual saving of SEK 200 m to be fully realized by the end of 2023 with a total cost estimated to SEK 200 m. During the quarter total costs related to the two programs amounted to SEK -31 m (-13).

Other events during the quarter. Eva Karlsson, previously Head of Dometic Group Operations, has been appointed President of segment EMEA. Anders Fransson has been appointed new Head of Dometic Group Operations and will join Dometic on October 1, 2023. Leif Hultman has been appointed as interim Head of Dometic Group Operations until that time.

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

FINANCIAL SUMMARY – FIRST SIX MONTHS 2023

Net sales were SEK 15,618 m (16,016), a decrease of -2% compared with the same period last year. This comprised -11% organic growth, 8% currency translation and 0% M&A.

Operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 2,024 m (2,444). The corresponding margin was 13.0% (15.3%). Gross profit in percent of net sales was stable compared with the same period last year. Sales, Administrative as well as Research and development expenses increased, negatively impacted by currency effects and continued investments in strategic structural growth areas. Other operating income and expenses were SEK 18 (132) m, impacted by lower positive currency hedge effects. Currency effects in total, mainly translation effects, had a positive impact on the operating profit.

Amortization of acquisition-related intangible assets were SEK -312 m (-293).

Items affecting comparability totaled SEK -60 m (-173) and were mainly related to activities in the previously announced global restructuring programs.

Operating profit (EBIT) was SEK 1,652 m (1,978). The corresponding margin was 10.6% (12.3%). The margin was negatively impacted by a lower EBITA² margin partly offset by reduced items affecting comparability.

Financial items totaled a net amount of SEK -456 m (-204), whereof SEK -424 m (-223) in interest on external bank and bond loans. Other FX revaluations and other items amounted to SEK -66 m (1) and financial income amounted to SEK 34 m (18).

Taxes totaled SEK -327 m (-452), corresponding to 27% (26%) of profit before tax. Current tax amounted to SEK -384 m (-529) and deferred tax to SEK 57 m (76). Paid tax was SEK -408 m (-386), corresponding to a paid tax rate of 34% (22%). Paid tax was impacted by deferred tax payments related to previous years.

Profit (loss) for the period was SEK 868 m (1,321).

Earnings per share were SEK 2.72 (4.13). Adjusted earnings per share were SEK 3.55 (5.25).

Operating cash flow was SEK 2,593 m (339). The improvement compared with the same period last year was driven by reduced inventories, partly offset by lower operating profit.

Cash flow was SEK 2,184 m (-947) supported by an improved operating cash flow. Net cash flow from investments was SEK -652 m (-852), of which SEK -418 m (-625) payments related to acquisitions and SEK -232 m (-229) investments in fixed assets.

Net cash flow from financing was SEK 419 m (-277) including dividend paid SEK -415 m (-783) and the net of paid and received interest SEK -372 m (-196). Dometic has refinanced part of its credit facilities agreement with its bank group in the period and a floating rate term loan of USD 210 m previously expiring in 2024, was replaced with a USD 220 m floating rate term loan with a 3-year maturity including two 1-year extension options. In the period Dometic has also signed and drawn down a 3.5 year floating rate term loan of USD 44 m with Svensk Exportkredit. In addition, a SEK 750 m private placement bond of 3.25 years at a rate of 6.25% was signed and drawn down in the period.

Financial position. Net debt to EBITDA leverage ratio was 3.2x (2.9x) at the end of the period. The ratio remained at the same level as at the end of the first quarter 2023, where a negative impact from a weakened SEK was offset by a positive cash flow.

Return on Operating Capital (RoOC) excluding goodwill and trademarks was 18.5% (33.0%).

Global restructuring programs. During the period total costs amounted to SEK -49 m (-149). Since the start, 24 sites and 1,800 employees have been affected by the programs with a total cost of SEK -867 m.

Employees. Number of employees in terms of headcount was 8,045 (8,890) at the end of the period.

²⁾ before items affecting comparability

FINANCIAL PERFORMANCE BY SEGMENT

SEK m	Q2		Change (%)		YTD		Change (%)	
	2023	2022	Reported	Organic ⁽¹⁾	2023	2022	Reported	Organic ⁽¹⁾
Americas	1,415	1,944	-27%	-35%	2,649	3,871	-32%	-42%
EMEA	2,428	2,319	5%	-4%	4,597	4,498	2%	-5%
APAC	522	524	0%	-3%	1,022	1,059	-3%	-8%
Marine	1,922	1,750	10%	3%	3,679	3,236	14%	6%
Global	2,042	1,962	4%	-5%	3,670	3,352	9%	-1%
Net sales	8,329	8,498	-2%	-10%	15,618	16,016	-2%	-11%
Americas	-26	160			-87	290		
EMEA	312	352			498	738		
APAC	130	136			259	272		
Marine	495	485			962	856		
Global	267	197			392	288		
Operating profit (EBITA⁽²⁾) before i.a.c.⁽³⁾	1,177	1,330			2,024	2,444		
Americas	-1.8%	8.2%			-3.3%	7.5%		
EMEA	12.8%	15.2%			10.8%	16.4%		
APAC	24.8%	26.0%			25.4%	25.7%		
Marine	25.8%	27.7%			26.1%	26.5%		
Global	13.1%	10.0%			10.7%	8.6%		
Operating profit (EBITA) before i.a.c. %	14.1%	15.7%			13.0%	15.3%		

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

⁽²⁾ Before Amortization of acquisition-related intangible assets.

⁽³⁾ See note 4 for Operating profit (EBIT) by segment and note 6 for details on i.a.c. (items affecting comparability).

SEGMENT AMERICAS

SECOND QUARTER 2023 NET SALES AND OPERATING PROFIT

Segment Americas reported net sales of SEK 1,415 m (1,944), representing 17% (23%) of Group net sales. Total growth was -27%, of which -35% was organic growth, 7% currency translation and 0% M&A. Net sales declined in all application areas. The organic net sales decline was mainly due to significantly lower RV OEM net sales. The Service & Aftermarket organic net sales declined, but with an improved development compared with the first quarter 2023.

Operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK -26 m (160), corresponding to a margin of -1.8% (8.2%). The decline was driven by the significant net sales reduction. This was partly offset by cost reductions. Items affecting comparability totaled SEK -3 m (-4). Amortization of acquisition-related intangible assets totaled SEK -29 m (-29). Operating profit (EBIT) was SEK -58 m (127), corresponding to a margin of -4.1% (6.5%).

SEGMENT EMEA

SECOND QUARTER 2023 NET SALES AND OPERATING PROFIT

Segment EMEA reported net sales of SEK 2,428 m (2,319), representing 29% (27%) of Group net sales. Total growth was 5%, of which -4% was organic growth, 8% currency translation and 0% M&A. Net sales growth was driven by application area Food & Beverage. The organic net sales decline was due to lower Service & Aftermarket and Distribution net sales. This was partly offset by stronger CPV OEM and RV OEM net sales.

Operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 312 m (352), corresponding to a margin of 12.8% (15.2%). The sales mix, with a lower share of Service & Aftermarket and Distribution net sales, had a negative effect on the margin. In addition, EMEA continued to be negatively impacted by extraordinary logistics-related costs and inefficiencies in manufacturing, linked to the factory transfer from Germany to an existing site in Hungary. Items affecting comparability totaled SEK -26 m (-8). Amortization of acquisition-related intangible assets totaled SEK -19 m (-18). Operating profit (EBIT) was SEK 267 m (326), corresponding to a margin of 11.0% (14.1%).

SEGMENT APAC

SECOND QUARTER 2023 NET SALES AND OPERATING PROFIT

Segment APAC reported net sales of SEK 522 m (524), representing 6% (6%) of Group net sales. Total growth was 0%, of which -3% was organic growth, 3% currency translation and 0% M&A. Net sales growth in application area Climate was offset by decline in application area Food & Beverage. The organic net sales decline was due to lower Distribution net sales, while net sales in the OEM sales channel showed organic growth. Service & Aftermarket organic net sales growth was stable.

Operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 130 m (136), corresponding to a margin of 24.8% (26.0%). Investments in strategic structural growth areas as well as the sales mix, with a lower share of Service & Aftermarket and Distribution net sales, had a negative effect on the margin. Items affecting comparability totaled SEK -1 m (-). Amortization of acquisition-related intangible assets totaled SEK -5 m (-4). Operating profit (EBIT) was SEK 124 m (132), corresponding to a margin of 23.7% (25.1%).

SEGMENT MARINE

SECOND QUARTER 2023 NET SALES AND OPERATING PROFIT

Segment Marine reported net sales of SEK 1,922 m (1,750), representing 23% (21%) of Group net sales. Total growth was 10%, of which 3% was organic growth, 7% currency translation and 0% M&A. Net sales growth was driven by application areas Climate and Power & Control. The organic net sales growth was driven by the OEM sales channel while Service & Aftermarket organic net sales were stable.

Operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 495 m (485), corresponding to a margin of 25.8% (27.7%). The sales mix, with a lower share of Service & Aftermarket net sales, had a negative effect on the margin. The margin for the same quarter last year was strong and a tough comparison. Items affecting comparability totaled SEK - m (-). Amortization of acquisition-related intangible assets totaled SEK -55 m (-51). Operating profit (EBIT) was SEK 440 m (434), corresponding to a margin of 22.9% (24.8%).

SEGMENT GLOBAL

SECOND QUARTER 2023 NET SALES AND OPERATING PROFIT

Segment Global consists of the Igloo business and Other global verticals. Other global verticals includes the businesses of Residential, Hospitality and Mobile deliveries.

Segment Global reported net sales of SEK 2,042 m (1,962), representing 25% (23%) of Group net sales. Total growth was 4%, of which -5% was organic growth, 9% currency translation and 0% M&A. The organic net sales decline was mainly due to the Residential business. The Igloo business showed a low-single digit organic net sales decline compared to a strong second quarter of 2022.

Operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 267 m (197), corresponding to a margin of 13.1% (10.0%). A one-time positive effect in the quarter of SEK 33 m had a positive impact on the result. Both the Igloo business and Other global verticals showed improved margins compared with the same quarter last year. Items affecting comparability totaled SEK -5 m (-3). Amortization of acquisition-related intangible assets totaled SEK -50 m (-48). Operating profit (EBIT) was SEK 212 m (147), corresponding to a margin of 10.4% (7.5%).

SUSTAINABILITY UPDATE

As a pioneer in the Mobile Living arena, Dometic is committed to driving sustainability in its industry. This means offering innovative, durable, low-carbon products that inspire an active, comfortable, and responsible life in the outdoors. Dometic also provides a safe, healthy, diverse, and inclusive workplace and ensures business practices meet the highest ethical standards.

Dometic's sustainability platform consists of three focus areas – People, Planet, Governance – with strong ownership in Group management and with clear KPIs, targets and activities implemented in daily operations. Progress on all defined targets is reported externally as part of the Annual and Sustainability Report. In addition, on four of the KPIs, progress is reported on a quarterly basis.

Actual result, Baseline and Targets in the table below are excluding acquisitions in 2021 and 2022. The process of including acquired companies has started and actual result including acquisitions is included for some KPIs in the text below.

Focus area	KPI	Actual result	Previous year ⁽²⁾	Baseline (Year) ⁽³⁾	Target 2024
People	LTIFR	1.9	1.7	2.4 (2021)	<2.0
People	Share of female managers	26%	23%	24% (2021)	27% (increase 1% point per year)
Planet	Reduction in CO ₂ ton / net sales SEK m ⁽¹⁾	-43%	-31%	2.0 (2020)	-30%
Governance	Share of new suppliers being ESG audited	100%	100%	n/a	90%

⁽¹⁾Adjusted for acquisitions and currency translation effects.

⁽²⁾ Previous year refers to actual results for the same reporting period previous year. LTIFR for Q2 2022 has been corrected from 1.6 to 1.7.

⁽³⁾Baseline refers to actual results (and year) used as starting point for Dometic's targets.

LTIFR (Lost Time Injury Frequency Rate). The LTIFR for the second quarter 2023 was 1.9 (1.7) and better than the target of 2.0. The increase compared to last year is due to less total worked hours in the company as a result of significantly fewer FTE's. The number of actual injuries have decreased compared to last year supported by a continued focus on injury prevention across all segments. Including acquisitions in 2021 and 2022, the LTIFR actual result was 1.6.

Share of female managers. The share of female managers has increased to 26% (23%). The company is accelerating its efforts in this area and all segments are continuing to work on segment-specific Diversity & Inclusion targets with corresponding action plans. Including acquisitions in 2021 and 2022, the share of female managers actual result was 27%.

CO₂ ton¹⁾/net sales SEK m. Emissions in relation to net sales has decreased by -43% (-31%) compared with the baseline year (2020). Main driver for the improvement is the transition to renewable electricity supply in all European manufacturing facilities, as well as at sites in the US. The installation of rooftop solar panels was completed at one of the manufacturing facilities in APAC in the quarter. The panels are expected to cover approximately 50 percent of the facility's electricity consumption which will contribute significantly to further reducing the carbon emissions for the Group. Absolute CO₂ emissions decreased by -35% compared with the baseline year, while the share of renewable indirect energy (scope 2) LTM (last twelve months) increased to 39% compared with 6% in the baseline year.

Share of new suppliers being ESG audited. As of last year Dometic extended its proactive focus on supplier audits, ensuring that at least 90% of all new significant direct material suppliers are audited regarding ESG compliance. Year to date 2023, 100% (100%) of the new significant suppliers have been audited for ESG compliance with a satisfactory result.

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 2023

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 the Group companies.

For the quarter, the Parent Company had an operating profit (loss) of SEK -5 m (-6), including administrative expenses of SEK -56 m (-78) and other operating income of SEK 52 m (72), of which the full amount relates to income from Group companies.

Profit (loss) from financial items totaled SEK -597 m (262), including interest income from Group companies of SEK 220 m (99) and other financial income and expenses of SEK -817 m (163). Other financial income and expenses were negative due to decreased FX gain on intercompany receivables.

Group contributions were SEK 602 m (-).

Profit (loss) for the quarter amounted to SEK - m (256).

First six months 2023

For the period, the Parent Company had an operating profit (loss) of SEK -2 m (-7), including administrative expenses of SEK -107 m (-138) and other operating income of SEK 105 m (131), of which the full amount relates to income from Group companies.

Profit (loss) from financial items totaled SEK -707 m (307), including interest income from Group companies of SEK 423 m (171) and other financial income and expenses of SEK -1,129 m (135). Other financial income and expenses were negative due to decreased FX gain on intercompany receivables.

Group contributions were SEK 709 m (-).

Profit (loss) for the period amounted to SEK -4 m (300).

For further information, please refer to the Parent Company's condensed financial statements on page 12.

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 18, 2023

Fredrik Cappelen
Chairman of the Board

Heléne Vibbleus
Board member

Rainer E. Schmückle
Board member

Jacqueline Hoogerbrugge
Board member

Erik Olsson
Board member

Peter Sjölander
Board member

Mengmeng Du
Board member

Patrik Frisk
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	Q2	YTD	YTD	FY
	2023	2022	2023	2022	2022
Net sales	8,329	8,498	15,618	16,016	29,764
Cost of goods sold	-5,995	-6,174	-11,355	-11,642	-21,883
Gross Profit	2,334	2,324	4,262	4,373	7,880
Sales expenses	-593	-566	-1,155	-1,090	-2,185
Administrative expenses	-411	-360	-798	-708	-1,376
Research and development expenses	-160	-141	-304	-264	-531
Other operating income and expenses	7	74	18	132	143
Items affecting comparability	-35	-14	-60	-173	-532
Amortization of acquisition-related intangible assets	-158	-150	-312	-293	-611
Operating profit	985	1,166	1,652	1,978	2,789
Financial income	22	2	34	18	45
Financial expenses	-282	-80	-490	-223	-396
Net financial expenses	-260	-77	-456	-204	-351
Profit (loss) before tax	725	1,088	1,196	1,773	2,438
Taxes	-190	-261	-327	-452	-654
Profit (loss) for the period	534	827	868	1,321	1,784
Profit (loss) for the period attributable to owners of the Parent Company	534	827	868	1,321	1,784
Earnings per share before and after dilution, SEK - Owners of the Parent Company	1.67	2.59	2.72	4.13	5.58
Average number of shares, million	319.5	319.5	319.5	319.5	319.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Q2	Q2	YTD	YTD	FY
	2023	2022	2023	2022	2022
Profit (loss) for the period	534	827	868	1,321	1,784
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit pension plans, net of tax	15	62	17	183	178
	15	62	17	183	178
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges, net of tax	-21	21	-15	16	-73
Gains/losses from hedges of net investments in foreign operations, net of tax	-546	529	-594	680	573
Exchange rate differences on translation of foreign operations	2,100	1,436	1,897	2,101	2,289
	1,533	1,987	1,288	2,796	2,788
Other comprehensive income for the period	1,548	2,048	1,305	2,979	2,966
Total comprehensive income for the period	2,082	2,876	2,173	4,300	4,751
Total comprehensive income for the period attributable to Owners of the Parent Company	2,082	2,876	2,173	4,300	4,751

CONSOLIDATED BALANCE SHEET (IN SUMMARY)

SEK m	Jun 30, 2023	Jun 30, 2022	Mar 31, 2023	Dec 31, 2022
ASSETS				
Non-current assets				
Goodwill and trademarks	29,200	29,146	27,813	28,107
Other intangible assets	7,670	7,880	7,410	7,580
Tangible assets	2,597	2,485	2,507	2,540
Right-of-use assets	1,300	1,018	1,319	972
Deferred tax assets	612	657	626	513
Other non-current assets	182	173	175	168
Total non-current assets	41,560	41,359	39,850	39,879
Current assets				
Inventories	8,418	9,486	8,994	9,314
Trade receivables	4,259	4,537	4,045	2,807
Current tax assets	124	38	116	109
Derivatives, current	160	264	77	147
Other current receivables	555	437	425	506
Prepaid expenses and accrued income	257	225	247	289
Cash and cash equivalents	6,614	3,585	4,356	4,399
Total current assets	20,387	18,572	18,260	17,572
TOTAL ASSETS	61,947	59,931	58,109	57,451
EQUITY AND LIABILITIES				
EQUITY	28,173	25,965	26,506	26,415
LIABILITIES				
Non-current liabilities				
Liabilities to credit institutions, non-current	17,284	18,166	15,357	15,304
Deferred tax liabilities	3,211	3,239	3,114	3,113
Other non-current liabilities	55	3,347	52	90
Leasing liabilities, non-current	1,036	802	1,053	740
Provisions for pensions	537	574	528	528
Other provisions, non-current	234	283	260	255
Total non-current liabilities	22,356	26,411	20,365	20,030
Current liabilities				
Liabilities to credit institutions, current	3,542	-	3,382	3,339
Trade payables	3,104	4,203	3,054	2,978
Current tax liabilities	296	645	314	296
Advance payments from customers	49	50	47	47
Leasing liabilities, current	398	336	387	351
Derivatives, current	112	56	71	111
Other provision, current	581	405	599	594
Other current liabilities*	1,655	255	1,790	1,919
Accrued expenses and prepaid income	1,680	1,605	1,594	1,371
Total current liabilities	11,418	7,556	11,239	11,007
TOTAL LIABILITIES	33,774	33,967	31,604	31,037
TOTAL EQUITY AND LIABILITIES	61,947	59,931	58,109	57,451

* As from Sep 30, 2023 Other current liabilities includes short-term considerations not yet paid.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IN SUMMARY)

SEK m	YTD 2023	YTD 2022	FY 2022
Opening balance for the period	26,415	22,447	22,447
Profit (loss) for the period	868	1,321	1,784
Other comprehensive income for the period	1,305	2,979	2,966
Total comprehensive income for the period	2,173	4,300	4,751
Transactions with owners			
Dividend paid to shareholders of the Parent Company	-415	-783	-783
Total transactions with owners	-415	-783	-783
Closing balance for the period	28,173	25,965	26,415

CONSOLIDATED STATEMENT OF CASH FLOW

SEK m	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Cash flow from operating activities					
Operating profit	985	1,166	1,652	1,978	2,789
<i>Adjustment for non-cash items</i>					
Depreciation and amortization	384	358	749	692	1,477
Other non-cash items	189	205	221	244	421
<i>Changes in working capital</i>					
Changes in inventories	1,005	-611	1,312	-1,495	-1,247
Changes in trade receivables	-33	-173	-1,266	-1,461	231
Changes in trade payables	-57	-1	17	598	-609
Changes in other working capital*	-51	-91	140	12	-200
Income tax paid	-209	-252	-408	-386	-991
Net cash flow from operations	2,212	600	2,417	182	1,869
Cash flow from investments					
Acquisition of operations, net of cash acquired*	-418	3	-418	-625	-847
Investments in fixed assets	-122	-114	-232	-229	-593
Proceeds from sale of fixed assets	0	2	1	2	4
Other investing activities	1	-6	-3	-1	10
Net cash flow from investments	-539	-115	-652	-852	-1,426
Cash flow from financing					
Borrowings from credit institutions	3,478	1,000	3,478	1,000	1,000
Repayment of loans to credit institutions	-2,172	-	-2,172	-	-
Payment of lease liabilities related to lease agreements	-87	-82	-175	-160	-343
Paid interest	-284	-148	-402	-197	-492
Received interest	26	-	30	1	3
Other financing activities	1	-115	74	-138	45
Dividend paid to shareholders of the Parent Company	-415	-783	-415	-783	-783
Net cash flow from financing	548	-127	419	-277	-570
Cash flow for the period	2,221	358	2,184	-947	-127
Cash and cash equivalents at beginning of period	4,356	3,138	4,399	4,408	4,408
Exchange differences on cash and cash equivalents	37	89	31	124	117
Cash and cash equivalents at end of period	6,614	3,585	6,614	3,585	4,399

*As from Q4 2022 the cash flow effect from paid deferred considerations is classified within Cash flow from investments on row Acquisition of operations, net of cash acquired.

PARENT COMPANY INCOME STATEMENT

SEK m	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Administrative expenses	-56	-78	-107	-138	-228
Other operating income	52	72	105	131	225
Operating profit (loss)	-5	-6	-2	-7	-3
Interest income from Group companies	220	99	423	171	509
Interest expenses to Group companies	-	-	-	-	-
Other financial income and expenses	-817	163	-1,129	135	-503
Profit (loss) from financial items	-597	262	-707	307	6
Group contributions	602	-	709	-	-
Profit (loss) before tax	0	256	-0	300	3
Taxes	-	-	-4	-	-14
Profit (loss) for the period	0	256	-4	300	-11

PARENT COMPANY BALANCE SHEET (IN SUMMARY)

SEK m	Jun 30, 2023	Jun 30, 2022	Mar 31, 2023	Dec 31, 2022
ASSETS				
Non-current assets				
Shares in subsidiaries	16,228	16,228	16,228	16,228
Other non-current assets	4,916	12,330	4,672	12,521
Total non-current assets	21,144	28,558	20,900	28,749
Current assets				
Current assets	11,809	2,418	10,431	2,462
Total current assets	11,809	2,418	10,431	2,462
TOTAL ASSETS	32,953	30,976	31,331	31,212
EQUITY	11,640	12,370	12,056	12,060
PROVISIONS				
Provisions	92	102	108	104
Total provisions	92	102	108	104
LIABILITIES				
Non-current liabilities				
Non-current liabilities	17,284	18,166	15,357	15,304
Total non-current liabilities	17,284	18,166	15,357	15,304
Current liabilities				
Current liabilities	3,937	338	3,810	3,745
Total current liabilities	3,937	338	3,810	3,745
TOTAL LIABILITIES	21,313	18,606	19,275	19,152
TOTAL EQUITY AND LIABILITIES	32,953	30,976	31,331	31,212

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 2022 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 1–12 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 2023 adopted by the Group

A detailed description of the accounting and valuation principles for new or amended accounting policies for 2023 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 2023, of the 2022 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. Dometic’s risks and risk management are described on pages 63-67 and on pages 94-97 in the 2022 Annual and Sustainability Report, available at www.dometicgroup.com.

As communicated before, ACON, the seller of Igloo, has filed a lawsuit against Dometic in the fourth quarter 2022, making certain claims related to the Stock Purchase Agreement (“SPA”).

Dometic is confident that the lawsuit lacks any merit, is vehemently contesting this lawsuit and has filed a motion to stay the proceedings and compel ACON’s compliance with the dispute resolution provisions of the SPA. Additionally, Dometic has filed counterclaims against ACON related to its conduct under, and non-compliance with, the SPA.

NOTE 3 | FINANCIAL INSTRUMENTS

The Group uses currency forward contracts to hedge part of its exposure to forecasted purchases and sales in foreign currency as well as to hedge receivables and payables in foreign currency.

The fair values of Dometic’s derivative assets and liabilities were SEK 160 m (264) and SEK 112 m (56). 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

	Balance sheet	Financial	Financial	Derivatives used
Jun 30, 2023	carrying amount	instruments at	instruments at	for hedging
		amortized cost	fair value	
Per category				
Derivatives	160	-	126	35
Financial assets	11,610	11,610	-	-
Total financial assets	11,770	11,610	126	35
Derivatives	112	-	40	73
Financial liabilities	25,640	24,484	1,156	-
Total financial liabilities	25,752	24,484	1,196	73

NOTE 4 | SEGMENT INFORMATION

CONSOLIDATED OPERATING SEGMENTS

SEK m	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Net sales, external					
Americas	1,415	1,944	2,649	3,871	6,780
EMEA	2,428	2,319	4,597	4,498	7,970
APAC	522	524	1,022	1,059	2,231
Marine	1,922	1,750	3,679	3,236	6,695
Global	2,042	1,962	3,670	3,352	6,086
Total net sales, external	8,329	8,498	15,618	16,016	29,764
Operating profit (EBITA) before items affecting comparability					
Americas	-26	160	-87	290	330
EMEA	312	352	498	738	838
APAC	130	136	259	272	555
Marine	495	485	962	856	1,743
Global	267	197	392	288	464
Total operating profit (EBITA) before items affecting comparability	1,177	1,330	2,024	2,444	3,931
Operating profit (EBITA) before items affecting comparability %					
Americas	-1.8%	8.2%	-3.3%	7.5%	4.9%
EMEA	12.8%	15.2%	10.8%	16.4%	10.5%
APAC	24.8%	26.0%	25.4%	25.7%	24.9%
Marine	25.8%	27.7%	26.1%	26.5%	26.0%
Global	13.1%	10.0%	10.7%	8.6%	7.6%
Total operating profit (EBITA) before items affecting comparability %	14.1%	15.7%	13.0%	15.3%	13.2%
Amortization of acquisition-related intangible assets					
Americas	-29	-29	-59	-56	-118
EMEA	-19	-18	-38	-38	-74
APAC	-5	-4	-10	-10	-21
Marine	-55	-51	-105	-97	-202
Global	-50	-48	-99	-92	-196
Total amortization of acquisition-related intangible assets	-158	-150	-312	-293	-611
Items affecting comparability					
Americas	-3	-4	-4	-135	-151
EMEA	-26	-8	-44	-35	-370
APAC	-1	-	-3	-	-4
Marine	-	-0	-	-0	-1
Global	-5	-3	-10	-3	-7
Total items affecting comparability	-35	-14	-60	-173	-532
Operating profit (EBIT)					
Americas	-58	127	-150	99	61
EMEA	267	326	416	664	394
APAC	124	132	246	261	531
Marine	440	434	857	759	1,541
Global	212	147	283	194	262
Total operating profit (EBIT)	985	1,166	1,652	1,978	2,789
Operating profit (EBIT) %					
Americas	-4.1%	6.5%	-5.7%	2.6%	0.9%
EMEA	11.0%	14.1%	9.1%	14.8%	4.9%
APAC	23.7%	25.1%	24.1%	24.7%	23.8%
Marine	22.9%	24.8%	23.3%	23.5%	23.0%
Global	10.4%	7.5%	7.7%	5.8%	4.3%
Total operating profit (EBIT) %	11.8%	13.7%	10.6%	12.3%	9.4%
Financial income	22	2	34	18	45
Financial expenses	-282	-80	-490	-223	-396
Taxes	-190	-261	-327	-452	-654
Profit (loss) for the period	534	827	868	1,321	1,784

NET SALES BY APPLICATION AREAS

SEK m	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Segment Americas					
Food & Beverage	243	426	499	866	1,494
Climate	615	862	1,105	1,709	2,970
Power & Control	208	281	406	577	1,032
Other applications	349	374	639	718	1,284
Segment Americas net sales, external	1,415	1,944	2,649	3,871	6,780
Segment EMEA					
Food & Beverage	975	900	1,778	1,664	2,871
Climate	1,073	1,061	2,099	2,125	3,763
Power & Control	251	252	492	507	925
Other applications	128	107	228	202	412
Segment EMEA net sales, external	2,428	2,319	4,597	4,498	7,970
Segment APAC					
Food & Beverage	189	202	371	431	919
Climate	190	176	365	353	734
Power & Control	106	110	213	202	431
Other applications	36	36	75	73	147
Segment APAC net sales, external	522	524	1,022	1,059	2,231
Segment Marine					
Food & Beverage	49	65	102	116	217
Climate	427	311	818	591	1,262
Power & Control	1,127	1,033	2,188	1,909	3,939
Other applications	319	341	572	621	1,278
Segment Marine net sales, external	1,922	1,750	3,679	3,236	6,695
Segment Global					
Food & Beverage	2,017	1,939	3,620	3,312	6,009
Climate	2	1	3	2	4
Power & Control	0	1	0	1	3
Other applications	23	21	47	37	71
Segment Global net sales, external	2,042	1,962	3,670	3,352	6,086
Net sales, external					
Food & Beverage	3,473	3,533	6,369	6,389	11,509
Climate	2,308	2,409	4,389	4,780	8,732
Power & Control	1,692	1,677	3,299	3,196	6,331
Other applications	855	879	1,561	1,651	3,191
Total net sales, external	8,329	8,498	15,618	16,016	29,764

Inter-segment sales were as follows.

SEK m	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Segment Americas	48	42	114	78	170
Segment EMEA	55	94	123	196	340
Segment APAC	737	1,026	1,306	2,021	3,316
Segment Marine	10	14	20	28	49
Segment Global	-	-	-	-	-
Eliminations	851	1,176	1,562	2,322	3,875

NOTE 5 | NET SALES BY SALES CHANNEL

SEK m	Q2	Q2	Change (%)		YTD	YTD	Change (%)	
	2023	2022	Reported	Organic ⁽¹⁾	2023	2022	Reported	Organic ⁽¹⁾
Net sales, external								
OEM	3,279	3,447	-5%	-12%	6,450	6,756	-5%	-13%
Distribution	2,868	2,811	2%	-6%	5,058	4,898	3%	-6%
Service & Aftermarket	2,181	2,241	-3%	-10%	4,110	4,362	-6%	-14%
Total net sales, external	8,329	8,498	-2%	-10%	15,618	16,016	-2%	-11%

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

NOTE 6 | ITEMS AFFECTING COMPARABILITY

SEK m	Q2	Q2	YTD	YTD	FY
	2023	2022	2023	2022	2022
Global restructuring program	-31	-13	-49	-149	-499
Other	-4	-1	-11	-24	-33
Total	-35	-14	-60	-173	-532

The table below specifies items affecting comparability by function and other operating income and expenses.

Global restructuring program	Q2	Q2	YTD	YTD	FY
SEK m	2023	2022	2023	2022	2022
Cost of goods sold	-30	-9	-45	-144	-476
Sales expenses	2	-	-2	-	-3
Administrative expenses	-	-	-	-	-8
Research and development expenses	-	-	-	-	-11
Other operating income and expenses	-3	-4	-3	-5	-2
Total	-31	-13	-49	-149	-499

Other	Q2	Q2	YTD	YTD	FY
SEK m	2023	2022	2023	2022	2022
Cost of goods sold	-	-	-	-	-
Sales expenses	1	-	1	-22	-21
Administrative expenses	-	-	-	-	-1
Research and development expenses	-	-	-	-	-
Other operating income and expenses	-5	-1	-12	-2	-11
Total	-4	-1	-11	-24	-33

Total	Q2	Q2	YTD	YTD	FY
SEK m	2023	2022	2023	2022	2022
Cost of goods sold	-30	-9	-45	-144	-476
Sales expenses	3	-	-1	-22	-24
Administrative expenses	-	-	-	-	-8
Research and development expenses	-	-	-	-	-11
Other operating income and expenses	-8	-4	-15	-6	-13
Total	-35	-14	-60	-173	-532

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	2023	-	-	-18	-3	-21
	Q2	2022	-	-	-18	-0	-19
	YTD	2023	-	-	-36	-3	-40
	YTD	2022	-	-	-35	-1	-36
	FY	2022	-	-	-74	-1	-75
Sales expenses							
	Q2	2023	-20	-117	-	-	-137
	Q2	2022	-22	-109	-	-	-131
	YTD	2023	-43	-229	-	-	-272
	YTD	2022	-44	-213	-	-	-257
	FY	2022	-91	-444	-	-	-535
Total Amortization of acquisition-related intangible assets							
	Q2	2023	-20	-117	-18	-3	-158
	Q2	2022	-22	-109	-18	-0	-150
	YTD	2023	-43	-229	-36	-3	-312
	YTD	2022	-44	-213	-35	-1	-293
	FY	2022	-91	-444	-74	-1	-611

NOTE 8 | ADJUSTED EARNINGS PER SHARE

Specification of Adjusted earnings per share. Adjusted earnings per share excludes the impact from amortization of acquisition-related intangible assets and items affecting comparability.

SEK m	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Profit (loss) before tax, reported	725	1,088	1,196	1,773	2,438
A) Adjustment for amortization of acquisition-related intangible assets	158	150	312	293	611
B) Adjustment for items affecting comparability	35	14	60	173	532
Profit (loss) before tax, adjusted	918	1,253	1,568	2,239	3,581
Taxes, reported	-190	-261	-327	-452	-654
Taxes, adjustment for A) and B)	-54	-41	-107	-111	-270
Profit (loss) for the period, adjusted	673	950	1,134	1,677	2,658
Average number of shares	319.5	319.5	319.5	319.5	319.5
Earnings per share, adjusted	2.11	2.97	3.55	5.25	8.32

NOTE 9 | NET DEBT TO EBITDA LEVERAGE RATIO

Specification of Net debt to EBITDA leverage ratio.

SEK m	Jun 30, 2023	Jun 30, 2022	Mar 31, 2023	Dec 31, 2022
Liabilities to credit institutions, non-current	17,284	18,166	15,357	15,304
Liabilities to credit institutions, current	3,542	0	3,382	3,339
Add back capitalized transaction costs	53	54	35	41
Liabilities to credit institutions excluding capitalized transaction costs	20,879	18,219	18,774	18,683
Total cash and cash equivalents	-6,614	-3,585	-4,356	-4,399
Net Debt	14,265	14,634	14,417	14,284
EBITDA before items affecting comparability (i.a.c) LTM	4,415	4,662	4,550	4,797
EBITDA Acquisitions proforma LTM	-	329	-	10
EBITDA before i.a.c. incl acquisitions proforma LTM	4,415	4,991	4,550	4,807
Net debt to EBITDA leverage ratio	3.2x	2.9x	3.2x	3.0x

NOTE 10 | RIGHT-OF-USE ASSETS

Right-of-use assets information is specified below:

Depreciation & amortization	Q2	Q2	YTD	YTD	FY
SEK m	2023	2022	2023	2022	2022
Depreciation and amortization	-384	-358	-749	-692	-1,477
Add back depreciation related to right-of-use assets	95	80	183	158	338
Total	-289	-277	-566	-535	-1,138
			Jun	Jun	Dec
Right-of-use assets			30,	30,	31,
SEK m			2023	2022	2022
Buildings			1,234	939	903
Machinery, equipment and other technical installations			66	79	68
Total			1,300	1,018	972

NOTE 11 | 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 2023.

NOTE 12 | ACQUISITIONS AND DIVESTMENTS

2023

Dometic has not made any acquisitions or divestments during the first six months 2023.

Effect on group cash flow

As from Q4 2022 the cash flow effect from paid deferred considerations is classified within Cash flow from investments on row Acquisition of operations, net of cash acquired. Cash flow effects from paid deferred consideration on previous acquisitions amounts SEK -418m for the first six months 2023.

2022

Acquisitions during the year

The purchase price allocation of Cadac International, NDS Energy and Treeline Capital are considered to be final.

Acquisition	Date of announcement	Included and controlled from	Segment	Previous year net sales⁽¹⁾	Number of employees⁽¹⁾
Cadac International	Sept 16, 2021	Jan 4, 2022	EMEA	17 MEUR	40
NDS Energy	Nov 11, 2021	Feb 1, 2022	EMEA	11 MUSD	25
Treeline Capital LLC	March 2, 2022	March 2, 2022	Marine	16 MUSD	70

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

Effect on group cash flow

Effect on group cash flow amounts to SEK -625 m.

See the Annual and Sustainability Report 2022 note 29 for details on acquisitions completed in 2022.

NOTE 13 | SIGNIFICANT EVENTS AFTER THE PERIOD

There have been no 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.

Adjusted earnings per share	Net profit for the period, excluding the impact from amortization of acquisition-related intangible assets and items affecting comparability, divided by average number of shares. See note 8.
Core working capital	Consists of inventories and trade receivables less trade payables.
EBITDA and EBITDA margin	Operating profit (EBIT) before Depreciation and Amortization. Depreciation also includes depreciation of right-of-use assets in accordance with IFRS 16 Leases. Divided by net sales gives corresponding margin
EBITA and EBITA margin	Operating profit (EBIT) before Amortization of acquisition-related intangible assets. Divided by net sales gives corresponding margin.
EBITA bef i.a.c. and EBITA bef i.a.c. margin	Operating profit (EBIT) before Amortization of acquisition-related intangible assets and items affecting comparability. Divided by net sales gives corresponding margin
Net debt	Total borrowings including provisions for pensions, accrued interest and capitalized transaction costs, less cash and cash equivalents.
Net debt to EBITDA leverage ratio	Net debt excluding provisions for pensions, accrued interest and capitalized transaction costs in relation to last twelve months EBITDA before items affecting comparability and including acquisitions proforma. Any cash deposits with tax authorities are treated as cash in the leverage calculation. See note 9.
Operating cash flow	Cash flow from operations after investments in fixed assets excluding income tax paid. Paid interest/received interest is part of net cash flow from 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) for the four previous quarters, divided by the average operating capital for the previous four quarters, excluding goodwill and trademarks.

DEFINITIONS AND KEY RATIOS

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. Excludes acquisitions made in 2021 and 2022.
CPV	Commercial and Passenger Vehicles.
EPS – Earnings per share	Net profit for the period divided by average number of shares.
FY 2022	Full Year. January to December 2022 for Income statement.
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 twelve months with 1 months delay in reporting. Excludes acquisitions made in 2021 and 2022.
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) and corresponding margin	Operating profit (EBIT) before financial items and taxes. Divided by net sales gives corresponding margin.
Q2 2023 and Q1 2022	April to June 2023 and 2022 for Income Statement.
RV	Recreational Vehicles.
Share of female managers	Percentage of female managers in the company at the end of each period. Excludes acquisitions made in 2021 and 2022.
Share of new suppliers being ESG audited	Percentage of new significant direct material suppliers that have been ESG audited (on-site, remote or 3rd party audits), with one month delay in reporting. Measuring period to be included as a new supplier is January 1, 2022 until end of 2024. Excludes acquisitions made in 2021 and 2022.
Working capital	Core working capital plus other current assets less other current liabilities and provisions relating to operations.
YTD 2023 and 2022	January-June 2023 and 2022 for Income Statement

PRESENTATION OF THE INTERIM REPORT

Analysts and media are invited to participate in a telephone conference at 10.00 (CEST), July 18, 2023, 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.

Webcast link:

<https://dometic.videosync.fi/2023-07-18-q2-2023/register>

To participate in conference call to ask questions

Those who wish to participate in the conference call to ask questions in connection with the webcast are welcome to register on the link below. After the registration you will be provided phone numbers and a conference ID to access the conference.

Registration link:

<https://events.inderes.se/teleconference/?id=100367>

FOR FURTHER INFORMATION, PLEASE CONTACT

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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 18, 2023.

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 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 8,500 people worldwide, had net sales of SEK 29.8 billion in 2022 and is headquartered in Solna, 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 26, 2023

January 31, 2024

Interim report for the third quarter 2023

Q4 and full year report 2023