

QUARTERLY REPORT

Q3 2023

Solna, October 26, 2023

IMPROVED EBITA MARGIN AND STRONG CASH FLOW

THIRD QUARTER 2023

- Net sales were SEK 6,830 m (7,576); a decrease of -10%, of which -12% was organic growth.
- Operating profit (EBITA¹⁾) before items affecting comparability²⁾ was SEK 973 m (1,057), corresponding to a margin of 14.3% (14.0%).
- Items affecting comparability were SEK -33 m (-326).
- Operating profit (EBITA¹⁾) was SEK 940 m (731), corresponding to a margin of 13.8% (9.6%).
- Operating profit (EBIT) was SEK 788 m (575), corresponding to a margin of 11.5% (7.6%).
- Profit for the quarter was SEK 412 m (436).
- Earnings per share were SEK 1.29 (1.36). Adjusted earnings per share³⁾ were SEK 1.71 (2.53).
- Cash flow for the quarter was SEK -1,961 m (488). A bond of EUR 300 m was repaid using cash at hand. Operating cash flow was SEK 2,125 m (812).

FIRST NINE MONTHS 2023

- Net sales were SEK 22,448 m (23,591); a decrease of -5%, of which -12% was organic growth.
- Operating profit (EBITA¹⁾) before items affecting comparability²⁾ was SEK 2,997 m (3,501), corresponding to a margin of 13.4% (14.8%).
- Items affecting comparability were SEK -94 m (-499).
- Operating profit (EBITA¹⁾) was SEK 2,904 m (3,002), corresponding to a margin of 12.9% (12.7%).
- Operating profit (EBIT) was SEK 2,440 m (2,553), corresponding to a margin of 10.9% (10.8%).
- Profit for the period was SEK 1,281 m (1,757).
- Earnings per share were SEK 4.01 (5.50). Adjusted earnings per share³⁾ were SEK 5.26 (7.78).
- Cash flow for the period was SEK 223 m (-459). Operating cash flow was SEK 4,718 m (1,151).
- Net debt to EBITDA leverage ratio⁴⁾ at the end of the period was 2.9x (3.0x), compared to 3.2x at end of the second quarter 2023.

FINANCIAL OVERVIEW

SEK m	Q3 2023	Q3 2022	YTD 2023	YTD 2022	LTM 2023	FY 2022
Net sales	6,830	7,576	22,448	23,591	28,620	29,764
Operating profit (EBITA ¹⁾) before items affecting comparability ²⁾	973	1,057	2,997	3,501	3,428	3,931
% of net sales	14.3%	14.0%	13.4%	14.8%	12.0%	13.2%
Operating profit (EBITA ¹⁾)	940	731	2,904	3,002	3,301	3,399
% of net sales	13.8%	9.6%	12.9%	12.7%	11.5%	11.4%
Operating profit (EBIT)	788	575	2,440	2,553	2,676	2,789
% of net sales	11.5%	7.6%	10.9%	10.8%	9.3%	9.4%
Profit for the period	412	436	1,281	1,757	1,308	1,784
Earnings per share, SEK	1.29	1.36	4.01	5.50	4.09	5.58
Adjusted earnings per share, SEK ³⁾	1.71	2.53	5.26	7.78	5.80	8.32
Cash flow for the period	-1,961	488	223	-459	556	-127
Operating cash flow	2,125	812	4,718	1,151	5,834	2,268
Net debt to EBITDA leverage ratio ⁴⁾	2.9x	3.0x	2.9x	3.0x	2.9x	3.0x
RoOC, excluding goodwill and trademarks	20.3%	27.3%	20.3%	27.3%	20.3%	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

We are pleased to announce the third quarter results with an improved EBITA¹⁾ margin of 14.3 percent (14.0) and our second best quarterly operating cash flow ever of SEK 2.1 b (0.8), despite the challenging macroeconomic situation and market conditions. The net debt to EBITDA leverage ratio improved sequentially to 2.9x and we are heading towards our target of around 2.5x.

Net sales in the quarter totaled SEK 6,830 m (7,576), which represents an organic net sales decline by 12 percent. The situation in the Service & Aftermarket sales channel continues to improve gradually and organic net sales declined by 5 percent compared to a decline by 10 percent in the second quarter. Organic net sales in the Distribution sales channel declined by 13 percent as retailers are re-balancing their inventories with a temporary negative impact on the Igloo business. Net sales in the OEM sales channel declined by 16 percent organically due to lower net sales in the Marine segment and lower RV OEM net sales in Americas.

The improved EBITA margin was driven by segments EMEA, Global and APAC, where selective pricing and cost reduction measures are generating results. While RV production in the US remains significantly below last year, segment Americas delivered a positive EBITA for the quarter supported by efficiency improvements and organic net sales growth in Service & Aftermarket. The Igloo business delivered a margin on a par with last year despite lower net sales. It is encouraging to see how our integration activities are generating results, and following several customer meetings introducing the 2024 Mobile cooling portfolio, we feel highly optimistic about the future.

Segment Marine saw organic net sales decline by 15 percent due to lower industry boat production. After three years of strong organic growth, we experienced a slowdown in the quarter. The robust EBITA margin of 23.8 percent (25.7) shows how continuous efficiency improvements and investments in product innovation are generating results. Net sales in the Marine Service & Aftermarket sales channel were stable giving further resilience to the EBITA margin.

Our short-term focus on adjusting capacity and improving cash flow is generating results and operating cash flow improved significantly supported by continued inventory reductions. Compared to a year ago, inventories have declined by more than SEK 2 b. and we expect further reduction going forward.

The innovation index improved sequentially to 16 percent compared to 15 percent in the second quarter. Our short-term focus on reducing inventories, by driving sales on existing products, is having a temporary negative impact on the index. The 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. We are increasing product development investments, most specifically in strategic structural growth areas such as Marine Steering Systems, Mobile Power Solutions and Mobile Cooling. In addition we are strengthening our organization around Sustainability, and the Sustainability KPIs are progressing towards our 2024 targets.

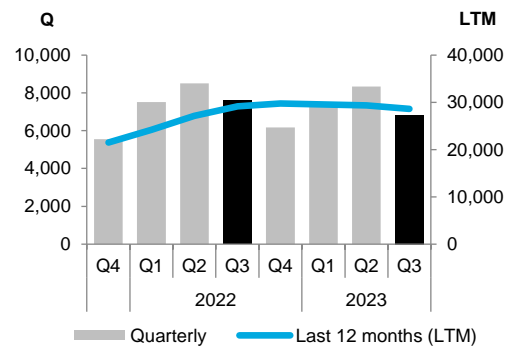
The long-term trends in the Mobile Living industry are strong, however it remains difficult to predict how the current macroeconomic situation and market conditions will impact the business in the short term. We anticipate the recovery in demand in the Service & Aftermarket sales channel to continue. In the Distribution sales channel we expect a somewhat softer demand for a few quarters as retailers are re-balancing their inventories, and expect the positive margin development year-on-year in Distribution to continue. In the OEM sales channel we foresee a continued 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 good demand.

While we will continue to be impacted by normal sales seasonality, the results in the last quarters show that we are transforming Dometic into a more diversified, effective and resilient consumer-oriented company. We will continue to relentlessly drive our strategic agenda to deliver on our targets, prioritize margins before volumes, and at the same time remain agile to quickly respond to short-term market trends.

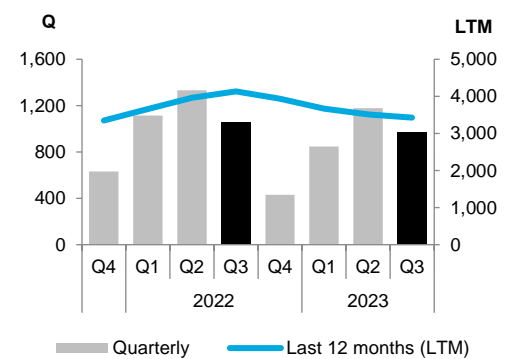
Juan Vargues, President and CEO

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

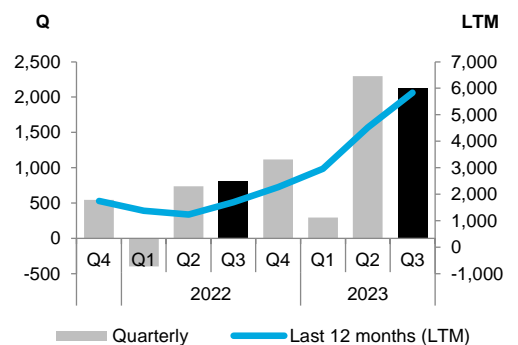
Net Sales, SEK m



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



Operating cash flow, SEK m



FINANCIAL SUMMARY – THIRD QUARTER 2023

Net sales were SEK 6,830 m (7,576), a decrease of -10% compared with the same quarter last year. This comprised -12% organic growth, 3% currency translation and 0% M&A.

Gross profit was SEK 2,083 m (2,059) corresponding to 30.5% (27.2%) of net sales. The improvement was supported by cost reductions, price management and a sales mix with a higher share of Service & Aftermarket net sales.

Sales and administrative expenses totaled SEK -916 m (-914) negatively impacted by currency effects and investments in strategic structural growth areas. Sales and administrative expenses in percent of net sales was 13.5% (12.1%).

Research and development expenses were SEK -145 m (-142) negatively impacted by currency effects and investments in strategic structural growth areas. In addition, Research and development expenses of SEK -9 m (-5) were capitalized in the quarter. In total, this corresponds to 2.3% (1.9%) of net sales.

Other operating income and expenses were SEK -48 m (54). The deviation compared with the same quarter last year was mainly due to currency hedge effects.

Operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 973 m (1,057). The corresponding margin improved to 14.3% (14.0%) despite negative currency effects. The improved margin was driven by segments EMEA, Global and APAC where selective pricing and cost reduction measures are generating results. This was partly offset by reduced margins in segments Americas and Marine driven by lower net sales.

Amortization of acquisition-related intangible assets were SEK -152 m (-156).

Items affecting comparability totaled SEK -33 m (-326) and were mainly related to activities in the previously announced global restructuring programs. The third quarter of 2022 included a provision related to the closure of the manufacturing operations in Siegen, Germany.

Operating profit (EBIT) was SEK 788 m (575). The corresponding margin was 11.5% (7.6%). The improved margin was driven by reduced items affecting comparability and an improved EBITA²⁾ margin.

Financial items totaled a net amount of SEK -184 m (20), whereof SEK -246 m (-146) in interest on external bank and bond loans impacted by higher interest rates. Other FX revaluations and other items amounted to SEK 13 m (160) and financial income amounted to SEK 48 m (6).

Taxes totaled SEK -192 m (-159), corresponding to 32% (27%) of profit before tax. The increased tax rate was due to a country mix with more taxable profits in higher tax jurisdictions and increased non-tax deductible interest costs. The year to date tax rate of 29% is the estimated full year tax rate. Current tax amounted to SEK -133 m (-404) and deferred tax to SEK -59 m (245). Paid tax was SEK -176 m (-190).

Profit for the period was SEK 412 m (436).

Earnings per share were SEK 1.29 (1.36). Adjusted earnings per share were SEK 1.71 (2.53).

Operating cash flow was SEK 2,125 m (812). The improvement compared with the same quarter last year was driven by reduced working capital.

Cash flow was SEK -1,961 m (488), supported by an improved operating cash flow. Net cash flow from investments was SEK -224 m (-164) of which SEK -107 m (-29) payments of deferred considerations related to acquisitions completed previous years and SEK -118 m (-141) investments in fixed assets.

Net cash flow from financing was SEK -3,803 m (-111). A bond of EUR 300 m due in September, 2023 was repaid using cash at hand. The net of paid and received interest was SEK -288 m (-220).

Global restructuring programs. In 2023 Dometic has two programs running. The first program was initiated 2019, targeting an annual saving of SEK 400 m at a total cost of SEK 750 m. Activities in this program was completed mid 2023. An additional program was announced in the second quarter of 2022, targeting an annual saving of SEK 200 m at a total cost of SEK 200 m, expected to be completed by the end of 2023. During the quarter, Global restructuring program costs amounted to SEK -25 m (-329).

Significant events after the quarter. As announced before, Anders Fransson joined Dometic on October 1, 2023 as new Head of Dometic Group Operations and Sustainability.

Peter Jannerö, who has been interim CMO since February 1, 2023, was appointed CMO for Dometic Group on October 1, 2023.

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

FINANCIAL SUMMARY – FIRST NINE MONTHS 2023

Net sales were SEK 22,448 m (23,591), a decrease of -5% compared with the same period last year. This comprised -12% organic growth, 7% currency translation and 0% M&A.

Operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 2,997 m (3,501). The corresponding margin was 13.4% (14.8%). Gross profit in percent of net sales improved compared with the same period last year to 28.3% (27.3%). Sales, Administrative as well as Research and development expenses increased, negatively impacted by currency effects and investments in strategic structural growth areas. Other operating income and expenses were SEK -30 m (186) m, negatively impacted by currency hedge effects. Currency effects in total, mainly translation effects, had a positive impact on the operating profit, however with a limited impact on the corresponding margin.

Amortization of acquisition-related intangible assets were SEK -463 m (-449).

Items affecting comparability totaled SEK -94 m (-499) and were mainly related to activities in the previously announced global restructuring programs.

Operating profit (EBIT) was SEK 2,440 m (2,553). The corresponding margin was 10.9% (10.8%). The margin was negatively impacted by a lower EBITA²⁾ margin, this was more than offset by reduced items affecting comparability.

Financial items totaled a net amount of SEK -641 m (-184), whereof SEK -670 m (-370) in interest on external bank and bond loans impacted by higher interest rates. Other FX revaluations and other items amounted to SEK -52 m (161) and financial income amounted to SEK 82 m (25).

Taxes totaled SEK -519 m (-611), corresponding to 29% (26%) of profit before tax. The increased tax rate was due to a country mix with more taxable profits in higher tax jurisdictions and increased non-tax deductible interest costs. The year to date tax rate of 29% is the estimated full year tax rate. Current tax amounted to SEK -518 m (-933) and deferred tax to SEK -2 m (322). Paid tax was SEK -584 m (-576), corresponding to a paid tax rate of 32% (24%). Paid tax was impacted by deferred tax payments related to previous years.

Profit for the period was SEK 1,281 (1,757).

Earnings per share were SEK 4.01 (5.50). Adjusted earnings per share were SEK 5.26 (7.78).

Operating cash flow was SEK 4,718 m (1,151). The improvement compared with the same period last year was mainly driven by reduced inventories.

Cash flow was SEK 223 m (-459) supported by an improved operating cash flow. Net cash flow from investments was SEK -877 m (-1,016), of which SEK -525 m (-653) payments of deferred considerations for acquisitions completed previous years, and SEK -350 m (-371) investments in fixed assets.

Net cash flow from financing was SEK -3,384 m (-388) including dividend paid SEK -415 m (-783) and the net of paid and received interest SEK -660 m (-416). Dometic has refinanced part of its credit facilities agreement with its bank group in the period. 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. A bond of EUR 300 m due in September 2023 was repaid using cash at hand.

Financial position. Net debt to EBITDA leverage ratio was 2.9x (3.0x) at the end of the period. The ratio improved compared to 3.2x at the end of the second quarter 2023 driven by an improved operating cash flow.

Return on Operating Capital (RoOC) excluding goodwill and trademarks was 20.3% (27.3%).

Global restructuring programs. During the period total costs amounted to SEK -74 m (-479). Since the start, 24 sites and approximately 2,000 employees have been affected by the programs with a total cost of SEK -892 m.

Employees. Number of employees in terms of headcount was 7,634 (8,366) at the end of the period.

²⁾ before items affecting comparability

FINANCIAL PERFORMANCE BY SEGMENT

SEK m	Q3		Change (%)		YTD		Change (%)	
	2023	2022	Reported	Organic ⁽¹⁾	2023	2022	Reported	Organic ⁽¹⁾
Americas	1,403	1,718	-18%	-18%	4,052	5,589	-27%	-35%
EMEA	1,885	1,871	1%	-7%	6,482	6,368	2%	-6%
APAC	536	567	-5%	-5%	1,558	1,626	-4%	-7%
Marine	1,593	1,828	-13%	-15%	5,272	5,064	4%	-2%
Global	1,414	1,592	-11%	-12%	5,084	4,945	3%	-4%
Net sales	6,830	7,576	-10%	-12%	22,448	23,591	-5%	-12%
Americas	40	100			-47	390		
EMEA	221	162			718	900		
APAC	146	151			405	423		
Marine	379	469			1,341	1,325		
Global	188	174			580	463		
Operating profit (EBITA⁽²⁾) before i.a.c.⁽³⁾	973	1,057			2,997	3,501		
Americas	2.8%	5.8%			-1.2%	7.0%		
EMEA	11.7%	8.6%			11.1%	14.1%		
APAC	27.1%	26.6%			26.0%	26.0%		
Marine	23.8%	25.7%			25.4%	26.2%		
Global	13.3%	11.0%			11.4%	9.4%		
Operating profit (EBITA) before i.a.c. %	14.3%	14.0%			13.4%	14.8%		

⁽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

THIRD QUARTER 2023 NET SALES AND OPERATING PROFIT

Segment Americas reported net sales of SEK 1,403 m (1,718), representing 21% (23%) of Group net sales. Total growth was -18%, of which -18% was organic growth, 0% currency translation and 0% M&A. The net sales decline was mainly in application areas Food & Beverage and Climate. The organic net sales decline was mainly due to lower RV OEM net sales. This was partly offset by Service & Aftermarket net sales growth.

Operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 40 m (100), corresponding to a margin of 2.8% (5.8%). The decline was driven by the net sales reduction. This was partly offset by price management, efficiency improvements and a sales mix with a higher share of Service & Aftermarket net sales. Items affecting comparability totaled SEK -3 m (-10). Amortization of acquisition-related intangible assets totaled SEK -26 m (-31). Operating profit (EBIT) was SEK 10 m (59), corresponding to a margin of 0.7% (3.4%).

SEGMENT EMEA

THIRD QUARTER 2023 NET SALES AND OPERATING PROFIT

Segment EMEA reported net sales of SEK 1,885 m (1,871), representing 28% (25%) of Group net sales. Total growth was 1%, of which -7% was organic growth, 8% currency translation and 0% M&A. The net sales growth was driven by application area Climate. 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 221 m (162), corresponding to a margin of 11.7% (8.6%). The improvement was driven by price management and efficiency improvements. 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 -25 m (-310). Amortization of acquisition-related intangible assets totaled SEK -18 m (-17). Operating profit (EBIT) was SEK 178 m (-166), corresponding to a margin of 9.4% (-8.8%).

SEGMENT APAC

THIRD QUARTER 2023 NET SALES AND OPERATING PROFIT

Segment APAC reported net sales of SEK 536 m (567), representing 8% (7%) of Group net sales. Total growth was -5%, of which -5% was organic growth, 0% currency translation and 0% M&A. The net sales decline was mainly in application areas Food & Beverage and Climate. The organic net sales decline was mainly due to lower Distribution net sales, while net sales in the OEM sales channel showed organic growth.

Operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 146 m (151), corresponding to a margin of 27.1% (26.6%). The improvement was driven by price management and efficiency improvements. Items affecting comparability totaled SEK 0 m (-4). Amortization of acquisition-related intangible assets totaled SEK -4 m (-5). Operating profit (EBIT) was SEK 141 m (142), corresponding to a margin of 26.3% (25.1%).

SEGMENT MARINE

THIRD QUARTER 2023 NET SALES AND OPERATING PROFIT

Segment Marine reported net sales of SEK 1,593 m (1,828), representing 23% (24%) of Group net sales. Total growth was -13%, of which -15% was organic growth, 2% currency translation and 0% M&A. The net sales decline was mainly in application area Power & Control. This was partly offset by growth in application area Climate. The organic net sales decline was due to lower OEM net sales while net sales in the Service & Aftermarket sales channel showed stable organic net sales.

Operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 379 m (469), corresponding to a margin of 23.8% (25.7%). The decline was driven by the net sales reduction. This was partly offset by price management, efficiency improvements and a sales mix with a higher share of Service & Aftermarket net sales. Items affecting comparability totaled SEK 0 m (0). Amortization of acquisition-related intangible assets totaled SEK -52 m (-51). Operating profit (EBIT) was SEK 328 m (418), corresponding to a margin of 20.6% (22.9%).

SEGMENT GLOBAL

THIRD 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 1,414 m (1,592), representing 21% (21%) of Group net sales. Total growth was -11%, of which -12% was organic growth, 1% currency translation and 0% M&A. The organic net sales decline was related to the Igloo business while Other global verticals showed stable organic net sales.

Operating profit (EBITA) before amortization of acquisition-related intangible assets and items affecting comparability was SEK 188 m (174), corresponding to a margin of 13.3% (11.0%). The improved margin was driven by Other global verticals while the margin for Igloo was on a par with the same period last year despite the lower net sales. Items affecting comparability totaled SEK -5 m (-1). Amortization of acquisition-related intangible assets totaled SEK -51 m (-52). Operating profit (EBIT) was SEK 132 m (121), corresponding to a margin of 9.3% (7.6%).

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	28%	24%	24% (2021)	27% (increase 1% point per year)
Planet	Reduction in CO ₂ ton / net sales SEK m ⁽⁴⁾	-46%	-34%	2.0 (2020)	-30%
Governance	Share of new suppliers being ESG audited	98%	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.

⁽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 third quarter 2023 was 1.9 (1.7) and better than the target of 2.0. The number of injuries have decreased compared to last year. The increase in LTIFR is due to less total worked hours in the Group, as a result of significantly fewer FTE's. Including acquisitions in 2021 and 2022, the LTIFR actual result was 1.6. Efforts focusing on injury prevention continues throughout the organization to stay below the target of 2.0.

Share of female managers. The share of female managers has increased to 28% (24%) and signifies the Dometic's commitment to create a more equitable workplace. The result is supported by all segments dedicated efforts to promote gender diversity and inclusion, and efforts continue throughout the organization to further increase the proportion of female managers. Including acquisitions in 2021 and 2022, the share of female managers actual result was 28%.

Reduction in CO₂ ton⁽⁴⁾/net sales SEK m. Emissions in relation to net sales has decreased by -46% (-34%) compared with the baseline year (2020). Further reductions during the third quarter was achieved through energy efficiency measures and transitioning to renewable electricity sources. Absolute CO₂ emissions decreased by -39% compared with the baseline year, while the share of renewable indirect energy (scope 2) LTM (last twelve months) increased to 41% 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, 98% (100%) of the new significant suppliers have been audited for ESG compliance with a satisfactory result.

⁽⁴⁾ Scope 1 and 2 emissions represented by fuel combustion, electricity and district heating used on operation sites.

PARENT COMPANY DOMETIC GROUP AB (PUBL)

Third 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 of SEK -1 m (7), including administrative expenses of SEK -61 m (-57) and other operating income of SEK 59 m (64), of which the full amount relates to income from Group companies.

Profit from financial items totaled SEK 146 m (335), including interest income from Group companies of SEK 237 m (132) and other financial income and expenses of SEK -91 m (202). Other financial income and expenses were negative mainly due to decreased FX gain on intercompany receivables.

Group contributions were SEK -145 m (-).

Profit for the quarter amounted to SEK -8 m (342).

First nine months 2023

For the period, the Parent Company had an operating profit of SEK -4 m (0), including administrative expenses of SEK -168 m (-195) and other operating income of SEK 164 m (195), of which the full amount relates to income from Group companies.

Profit from financial items totaled SEK -560 m (641), including interest income from Group companies of SEK 659 m (304) and other financial income and expenses of SEK -1,220 m (338). Other financial income and expenses were negative mainly due to decreased FX gain on intercompany receivables.

Group contributions were SEK 564 m (-).

Profit for the period amounted to SEK -12 m (642).

For further information, please refer to the Parent Company's condensed financial statements on page 13.

Solna, October 26, 2023

Juan Vargues
President and CEO

AUDITORS' REVIEW REPORT (translation of Swedish original)

Dometic Group AB (publ) reg. no. 556829-4390

Introduction

We have reviewed the condensed interim financial information (interim report) of Dometic Group AB (publ) as of 30 September 2023 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, October 26, 2023

PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant
Auditor in charge

Anna Rozhdestvenskaya
Authorized Public Accountant

ANNUAL GENERAL MEETING 2024

Dometic Group's Annual General Meeting will be held on April 11, 2024, in Stockholm.

NOMINATION COMMITTEE – ANNUAL GENERAL MEETING 2024

In accordance with the resolution adopted by the 2023 Annual General Meeting (AGM), the Nomination Committee ahead of the 2024 AGM shall be composed of the Chairman of the Board of Directors together with one representative from each of the three largest shareholders, based on the ownership structure at August 31, 2023. Further details about the Nomination Committee are available on the website. www.dometicgroup.com

CONSOLIDATED INCOME STATEMENT

SEK m	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Net sales	6,830	7,576	22,448	23,591	29,764
Cost of goods sold	-4,747	-5,517	-16,103	-17,160	-21,883
Gross Profit	2,083	2,059	6,345	6,432	7,880
Sales expenses	-540	-554	-1,694	-1,643	-2,185
Administrative expenses	-377	-360	-1,174	-1,068	-1,376
Research and development expenses	-145	-142	-449	-406	-531
Other operating income and expenses	-48	54	-30	186	143
Items affecting comparability	-33	-326	-94	-499	-532
Amortization of acquisition-related intangible assets	-152	-156	-463	-449	-611
Operating profit	788	575	2,440	2,553	2,789
Financial income	48	6	82	25	45
Financial expenses	-232	14	-722	-209	-396
Net financial expenses	-184	20	-641	-184	-351
Profit before tax	604	595	1,800	2,368	2,438
Taxes	-192	-159	-519	-611	-654
Profit for the period	412	436	1,281	1,757	1,784
Profit for the period attributable to owners of the Parent Company	412	436	1,281	1,757	1,784
Earnings per share before and after dilution, SEK - Owners of the Parent Company	1.29	1.36	4.01	5.50	5.58
Average number of shares, million	319.5	319.5	319.5	319.5	319.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Profit for the period	412	436	1,281	1,757	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	35	64	52	248	178
	35	64	52	248	178
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges, net of tax	35	-41	20	-25	-73
Gains/losses from hedges of net investments in foreign operations, net of tax	156	540	-438	1,220	573
Exchange rate differences on translation of foreign operations	-605	1,084	1,292	3,184	2,289
	-415	1,583	874	4,379	2,788
Other comprehensive income for the period	-380	1,647	926	4,627	2,966
Total comprehensive income for the period	33	2,083	2,206	6,384	4,751
Total comprehensive income for the period attributable to Owners of the Parent Company	33	2,083	2,206	6,384	4,751

CONSOLIDATED BALANCE SHEET (IN SUMMARY)

SEK m	Sep 30, 2023	Sep 30, 2022	Jun 30, 2023	Dec 31, 2022
ASSETS				
Non-current assets				
Goodwill and trademarks	28 795	30 456	29 200	28 107
Other intangible assets	7 462	8 147	7 670	7 580
Tangible assets	2 541	2 590	2 597	2 540
Right-of-use assets	1 213	1 051	1 300	972
Deferred tax assets	513	729	612	513
Other non-current assets	183	172	182	168
Total non-current assets	40 707	43 145	41 560	39 879
Current assets				
Inventories	7 751	10 090	8 418	9 314
Trade receivables	3 083	3 752	4 259	2 807
Current tax assets	117	42	124	109
Derivatives, current	57	239	160	147
Other current receivables	532	504	555	506
Prepaid expenses and accrued income	250	225	257	289
Cash and cash equivalents	4 633	4 093	6 614	4 399
Total current assets	16 423	18 945	20 387	17 572
TOTAL ASSETS	57 130	62 090	61 947	57 451
EQUITY AND LIABILITIES				
EQUITY	28 205	28 048	28 173	26 415
LIABILITIES				
Non-current liabilities				
Liabilities to credit institutions, non-current	17 066	15 560	17 284	15 304
Deferred tax liabilities	3 178	3 364	3 211	3 113
Other non-current liabilities	0	255	55	90
Leasing liabilities, non-current	966	817	1 036	740
Provisions for pensions	494	545	537	528
Other provisions, non-current	232	295	234	255
Total non-current liabilities	21 937	20 836	22 356	20 030
Current liabilities				
Liabilities to credit institutions, current	0	3 279	3 542	3 339
Trade payables	2 738	3 165	3 104	2 978
Current tax liabilities	238	869	296	296
Advance payments from customers	70	48	49	47
Leasing liabilities, current	379	361	398	351
Derivatives, current	116	191	112	111
Other provision, current	497	673	581	594
Other current liabilities*	1 417	3 047	1 655	1 919
Accrued expenses and prepaid income	1 533	1 574	1 680	1 371
Total current liabilities	6 988	13 206	11 418	11 007
TOTAL LIABILITIES	28 924	34 042	33 774	31 037
TOTAL EQUITY AND LIABILITIES	57 130	62 090	61 947	57 451

* As from Sep 30, 2022 Other current liabilities includes short-term deferred 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 for the period	1,281	1,757	1,784
Other comprehensive income for the period	926	4,627	2,966
Total comprehensive income for the period	2,206	6,384	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	28,205	28,048	26,415

CONSOLIDATED STATEMENT OF CASH FLOW

SEK m	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Cash flow from operating activities					
Operating profit	788	575	2,440	2,553	2,789
<i>Adjustment for non-cash items</i>					
Depreciation and amortization	383	384	1,132	1,076	1,477
Other non-cash items	-46	360	174	605	421
<i>Changes in working capital</i>					
Changes in inventories	551	-62	1,864	-1,557	-1,247
Changes in trade receivables	1,079	904	-186	-557	231
Changes in trade payables	-319	-1,136	-302	-538	-609
Changes in other working capital*	-193	-72	-53	-60	-200
Income tax paid	-176	-190	-584	-576	-991
Net cash flow from operations	2,067	764	4,484	946	1,869
Cash flow from investments					
Acquisition of operations, net of cash acquired*	-107	-29	-525	-653	-847
Investments in fixed assets	-118	-141	-350	-371	-593
Proceeds from sale of fixed assets	2	1	2	3	4
Other investing activities	-1	5	-4	4	10
Net cash flow from investments	-224	-164	-877	-1,016	-1,426
Cash flow from financing					
Borrowings from credit institutions	-	-	3,478	1,000	1,000
Repayment of loans to credit institutions	-3,582	-	-5,754	-	-
Payment of lease liabilities related to lease agreements	-95	-85	-270	-245	-343
Paid interest	-335	-222	-737	-419	-492
Received interest	47	2	77	3	3
Other financing activities	163	194	237	55	45
Dividend paid to shareholders of the Parent Company	0	-	-415	-783	-783
Net cash flow from financing	-3,803	-111	-3,384	-388	-570
Cash flow for the period	-1,961	488	223	-459	-127
Cash and cash equivalents at beginning of period	6,614	3,585	4,399	4,408	4,408
Exchange differences on cash and cash equivalents	-21	19	10	143	117
Cash and cash equivalents at end of period	4,633	4,093	4,633	4,093	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	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Administrative expenses	-61	-57	-168	-195	-228
Other operating income	59	64	164	195	225
Operating profit	-1	7	-4	0	-3
Interest income from Group companies	237	132	659	304	509
Interest expenses to Group companies	-	-	-	-	-
Other financial income and expenses	-91	202	-1,220	338	-503
Net financial expenses	146	335	-560	641	6
Group contributions	-145	-	564	-	-
Profit before tax	0	342	0	642	3
Taxes	-8	-	-12	-	-14
Profit for the period	-8	342	-12	642	-11

PARENT COMPANY BALANCE SHEET (IN SUMMARY)

SEK m	Sep 30, 2023	Sep 30, 2022	Jun 30, 2023	Dec 31, 2022
ASSETS				
Non-current assets				
Shares in subsidiaries	16,228	16,228	16,228	16,228
Other non-current assets	6,575	13,371	4,916	12,521
Total non-current assets	22,803	29,599	21,144	28,749
Current assets				
Current assets	6,268	2,338	11,809	2,462
Total current assets	6,268	2,338	11,809	2,462
TOTAL ASSETS	29,071	31,937	32,953	31,212
EQUITY	11,633	12,712	11,640	12,060
PROVISIONS				
Provisions	99	111	92	104
Total provisions	99	111	92	104
LIABILITIES				
Non-current liabilities				
Non-current liabilities	17,066	18,837	17,284	15,304
Total non-current liabilities	17,066	18,837	17,284	15,304
Current liabilities				
Current liabilities	274	277	3,937	3,745
Total current liabilities	274	277	3,937	3,745
TOTAL LIABILITIES	17,438	19,225	21,313	19,152
TOTAL EQUITY AND LIABILITIES	29,071	31,937	32,953	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 1–21 and pages 1–13 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 counterclaims against ACON related to its conduct under, and non-compliance with, the SPA. The parties are currently involved in the discovery process and trial is expected to take place in the first quarter, 2025.

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 57 m (239) and SEK 116 m (191). 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

Sep 30, 2023	Balance sheet carrying amount	Financial instruments at amortized cost	Financial instruments at fair value	Derivatives used for hedging
Per category				
Derivatives	57	-	5	52
Financial assets	8,430	8,430	-	-
Total financial assets	8,487	8,430	5	52
Derivatives	116	-	69	46
Financial liabilities	21,220	20,202	1,018	-
Total financial liabilities	21,336	20,202	1,087	46

NOTE 4 | SEGMENT INFORMATION

CONSOLIDATED OPERATING SEGMENTS

SEK m	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Net sales, external					
Americas	1,403	1,718	4,052	5,589	6,780
EMEA	1,885	1,871	6,482	6,368	7,970
APAC	536	567	1,558	1,626	2,231
Marine	1,593	1,828	5,272	5,064	6,695
Global	1,414	1,592	5,084	4,945	6,086
Total net sales, external	6,830	7,576	22,448	23,591	29,764
Operating profit (EBITA) before items affecting comparability					
Americas	40	100	-47	390	330
EMEA	221	162	718	900	838
APAC	146	151	405	423	555
Marine	379	469	1,341	1,325	1,743
Global	188	174	580	463	464
Total operating profit (EBITA) before items affecting comparability	973	1,057	2,997	3,501	3,931
Operating profit (EBITA) before items affecting comparability %					
Americas	2.8%	5.8%	-1.2%	7.0%	4.9%
EMEA	11.7%	8.6%	11.1%	14.1%	10.5%
APAC	27.1%	26.6%	26.0%	26.0%	24.9%
Marine	23.8%	25.7%	25.4%	26.2%	26.0%
Global	13.3%	11.0%	11.4%	9.4%	7.6%
Total operating profit (EBITA) before items affecting comparability %	14.3%	14.0%	13.4%	14.8%	13.2%
Amortization of acquisition-related intangible assets					
Americas	-26	-31	-86	-87	-118
EMEA	-18	-17	-56	-55	-74
APAC	-4	-5	-15	-16	-21
Marine	-52	-51	-157	-148	-202
Global	-51	-52	-150	-144	-196
Total amortization of acquisition-related intangible assets	-152	-156	-463	-449	-611
Items affecting comparability					
Americas	-3	-10	-8	-145	-151
EMEA	-25	-310	-68	-346	-370
APAC	-0	-4	-3	-4	-4
Marine	0	-0	0	-1	-1
Global	-5	-1	-15	-4	-7
Total items affecting comparability	-33	-326	-94	-499	-532
Operating profit (EBIT)					
Americas	10	59	-141	158	61
EMEA	178	-166	594	499	394
APAC	141	142	387	403	531
Marine	328	418	1,184	1,177	1,541
Global	132	121	415	315	262
Total operating profit (EBIT)	788	575	2,440	2,553	2,789
Operating profit (EBIT) %					
Americas	0.7%	3.4%	-3.5%	2.8%	0.9%
EMEA	9.4%	-8.8%	9.2%	7.8%	4.9%
APAC	26.3%	25.1%	24.8%	24.8%	23.8%
Marine	20.6%	22.9%	22.5%	23.2%	23.0%
Global	9.3%	7.6%	8.2%	6.4%	4.3%
Total operating profit (EBIT) %	11.5%	7.6%	10.9%	10.8%	9.4%
Financial income	48	6	82	25	45
Financial expenses	-232	14	-722	-209	-396
Taxes	-192	-159	-519	-611	-654
Profit for the period	412	436	1,281	1,757	1,784

NET SALES BY APPLICATION AREAS

SEK m	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Segment Americas					
Food & Beverage	224	388	722	1,253	1,494
Climate	644	748	1,749	2,457	2,970
Power & Control	211	267	617	844	1,032
Other applications	324	316	964	1,035	1,284
Segment Americas net sales, external	1,403	1,718	4,052	5,589	6,780
Segment EMEA					
Food & Beverage	653	686	2,432	2,350	2,871
Climate	934	870	3,033	2,995	3,763
Power & Control	180	195	672	702	925
Other applications	117	121	346	322	412
Segment EMEA net sales, external	1,885	1,871	6,482	6,368	7,970
Segment APAC					
Food & Beverage	210	220	581	651	919
Climate	185	204	550	557	734
Power & Control	105	105	318	306	431
Other applications	35	38	110	111	147
Segment APAC net sales, external	536	567	1,558	1,626	2,231
Segment Marine					
Food & Beverage	37	54	138	170	217
Climate	368	326	1,185	916	1,262
Power & Control	872	1,073	3,060	2,982	3,939
Other applications	317	375	888	995	1,278
Segment Marine net sales, external	1,593	1,828	5,272	5,064	6,695
Segment Global					
Food & Beverage	1,387	1,572	5,007	4,884	6,009
Climate	1	1	4	3	4
Power & Control	0	2	1	3	3
Other applications	25	18	72	55	71
Segment Global net sales, external	1,414	1,592	5,084	4,945	6,086
Net sales, external					
Food & Beverage	2,512	2,920	8,880	9,308	11,509
Climate	2,132	2,148	6,521	6,928	8,732
Power & Control	1,369	1,641	4,667	4,837	6,331
Other applications	818	867	2,379	2,518	3,191
Total net sales, external	6,830	7,576	22,448	23,591	29,764

Inter-segment sales were as follows.

SEK m	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Segment Americas	52	48	166	126	170
Segment EMEA	63	86	186	282	340
Segment APAC	647	700	1,952	2,722	3,316
Segment Marine	6	13	26	40	49
Segment Global	-	-	-	-	-
Eliminations	767	847	2,329	3,169	3,875

NOTE 5 | NET SALES BY SALES CHANNEL

SEK m	Q3	Q3	Change (%)		YTD	YTD	Change (%)	
	2023	2022	Reported	Organic ⁽¹⁾	2023	2022	Reported	Organic ⁽¹⁾
Net sales, external								
OEM	2,828	3,281	-14%	-16%	9,278	10,037	-8%	-14%
Distribution	1,952	2,198	-11%	-13%	7,010	7,096	-1%	-8%
Service & Aftermarket	2,051	2,097	-2%	-5%	6,160	6,459	-5%	-12%
Total net sales, external	6,830	7,576	-10%	-12%	22,448	23,591	-5%	-12%

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

NOTE 6 | ITEMS AFFECTING COMPARABILITY

SEK m	Q3	Q3	YTD	YTD	FY
	2023	2022	2023	2022	2022
Global restructuring program	-25	-329	-74	-479	-499
Other	-9	4	-20	-20	-33
Total	-33	-326	-94	-499	-532

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

Global restructuring program	Q3	Q3	YTD	YTD	FY
SEK m	2023	2022	2023	2022	2022
Cost of goods sold	-17	-327	-62	-471	-476
Sales expenses	-6	-3	-8	-3	-3
Administrative expenses	-2	-1	-2	-1	-8
Research and development expenses	-	-	-	-	-11
Other operating income and expenses	1	2	-2	-3	-2
Total	-25	-329	-74	-479	-499

Other	Q3	Q3	YTD	YTD	FY
SEK m	2023	2022	2023	2022	2022
Cost of goods sold	-1	-	-1	-	-
Sales expenses	1	4	2	-18	-21
Administrative expenses	-	-	-	-	-1
Research and development expenses	-	-	-	-	-
Other operating income and expenses	-9	-1	-21	-2	-11
Total	-9	4	-20	-20	-33

Total	Q3	Q3	YTD	YTD	FY
SEK m	2023	2022	2023	2022	2022
Cost of goods sold	-18	-327	-63	-471	-476
Sales expenses	-5	1	-6	-22	-24
Administrative expenses	-2	-1	-2	-1	-8
Research and development expenses	-	-	-	-	-11
Other operating income and expenses	-8	1	-23	-5	-13
Total	-33	-326	-94	-499	-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 Intellectual Property		Total
			Amortization Trademarks		Amortization of Technology		
Cost of goods sold							
	Q3	2023	-	-	-19	1	-18
	Q3	2022	-	-	-20	-0	-20
	YTD	2023	-	-	-55	-2	-57
	YTD	2022	-	-	-55	-1	-56
	FY	2022	-	-	-74	-1	-75
Sales expenses							
	Q3	2023	-15	-119	-	-	-134
	Q3	2022	-23	-113	-	-	-136
	YTD	2023	-58	-348	-	-	-406
	YTD	2022	-67	-326	-	-	-393
	FY	2022	-91	-444	-	-	-535
Total Amortization of acquisition-related intangible assets							
	Q3	2023	-15	-119	-19	1	-152
	Q3	2022	-23	-113	-20	-0	-156
	YTD	2023	-58	-348	-55	-2	-463
	YTD	2022	-67	-326	-55	-1	-449
	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	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Profit before tax, reported	604	595	1,800	2,368	2,438
A) Adjustment for amortization of acquisition-related intangible assets	152	156	463	449	611
B) Adjustment for items affecting comparability	33	326	94	499	532
Profit before tax, adjusted	789	1,077	2,357	3,316	3,581
Taxes, reported	-192	-159	-519	-611	-654
Taxes, adjustment for A) and B)	-50	-109	-157	-220	-270
Profit for the period, adjusted	548	809	1,681	2,485	2,658
Average number of shares	319.5	319.5	319.5	319.5	319.5
Earnings per share, adjusted	1.71	2.53	5.26	7.78	8.32

NOTE 9 | NET DEBT TO EBITDA LEVERAGE RATIO

Specification of Net debt to EBITDA leverage ratio.

SEK m	Sep 30, 2023	Sep 30, 2022	Jun 30, 2023	Dec 31, 2022
Liabilities to credit institutions, non-current	17,066	15,560	17,284	15,304
Liabilities to credit institutions, current	0	3,279	3,542	3,339
Add back capitalized transaction costs	47	47	53	41
Liabilities to credit institutions excluding capitalized transaction costs	17,113	18,886	20,879	18,683
Total cash and cash equivalents	-4,633	-4,093	-6,614	-4,399
Net Debt	12,480	14,794	14,265	14,284
EBITDA before items affecting comparability (i.a.c) LTM	4,335	4,936	4,415	4,797
EBITDA Acquisitions proforma LTM	-	56	-	10
EBITDA before i.a.c. incl acquisitions proforma LTM	4,335	4,992	4,415	4,807
Net debt to EBITDA leverage ratio	2.9x	3.0x	3.2x	3.0x

NOTE 10 | RIGHT-OF-USE ASSETS

Right-of-use assets information is specified below:

Depreciation & amortization	Q3	Q3	YTD	YTD	FY
SEK m	2023	2022	2023	2022	2022
Depreciation and amortization	-383	-384	-1,132	-1,076	-1,477
Add back depreciation related to right-of-use assets	97	82	280	240	338
Total	-286	-301	-852	-836	-1,138

Right-of-use assets	Sep	Sep	Dec
SEK m	30,	30,	31,
	2023	2022	2022
Buildings	1,153	975	903
Machinery, equipment and other technical installations	60	76	69
Total	1,213	1,051	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 nine months 2023.

NOTE 12 | ACQUISITIONS AND DIVESTMENTS

2023

Dometic has not made any acquisitions or divestments during the first nine 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 -525 m for the first nine 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 -653 m for the first nine months 2022.

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

NOTE 13 | SIGNIFICANT EVENTS AFTER THE PERIOD

Anders Fransson joined Dometic on October 1, 2023 as new Head of Dometic Group Operations and Sustainability.

Peter Jannerö, who has been interim CMO since February 1, 2023, was appointed CMO for Dometic Group on October 1, 2023.

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. Dometic believes that these measures provide valuable additional information to investors and management for evaluating the Group's financial performance, financial position and trends in the 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	Net 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 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 transaction costs related to major 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.
Q3 2023 and Q3 2022	July to September 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. During 2022 there was a delay of one quarter in the reporting of actual results, this has been adjusted.
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-September 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), October 26, 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/2023-10-26-q3-2023/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=100376>

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. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CEST on October 26, 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

January 31, 2024

April 11, 2024

April 19, 2024

July 18, 2024

October 23, 2024

Q4 and full year report 2023

Annual General Meeting 2024

Interim report for the first quarter 2024

Interim report for the second quarter 2024

Interim report for the third quarter 2024