DOMETIC Q1 2024 REPORT


JUAN VARGUES
PRESIDENT AND CEO
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Q1 2024 HIGHLIGHTS

Market development

- Macro environment and market conditions remain challenging
- Retailer inventories in Service & Aftermarket and Distribution on the way down, however most customers are optimizing inventories
- Decline in OEM driven by Marine and RV industry in APAC. RV OEM production volumes in North America remain on a low level

Performance

- **-12% organic sales growth**
  - Service & Aftermarket -10%. A rainy March and an early Easter had an impact. In addition, customers are cautious building inventories ahead of high season
  - Distribution -13%. An improvement compared to -20% in Q4. Positive trend in Mobile Cooling Solutions
  - OEM -13%. Decline in all segments with the exception of Land Vehicles EMEA
- **EBITA margin before i.a.c. improved to 11.8% (11.6%) despite lower net sales**
  - A balanced business mix and efficiency improvements are generating results
- **Solid operating cash flow and leverage 3.0x (3.2x)**
  - Increased leverage compared to Q4 2023 due to FX and normal seasonality

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Q1 2024 FINANCIAL SUMMARY

Net sales of SEK 6,527 m, -10% total growth

- -12% Organic
- 2% FX
- 0% M&A

EBITA before i.a.c. of SEK 769 m, -9%

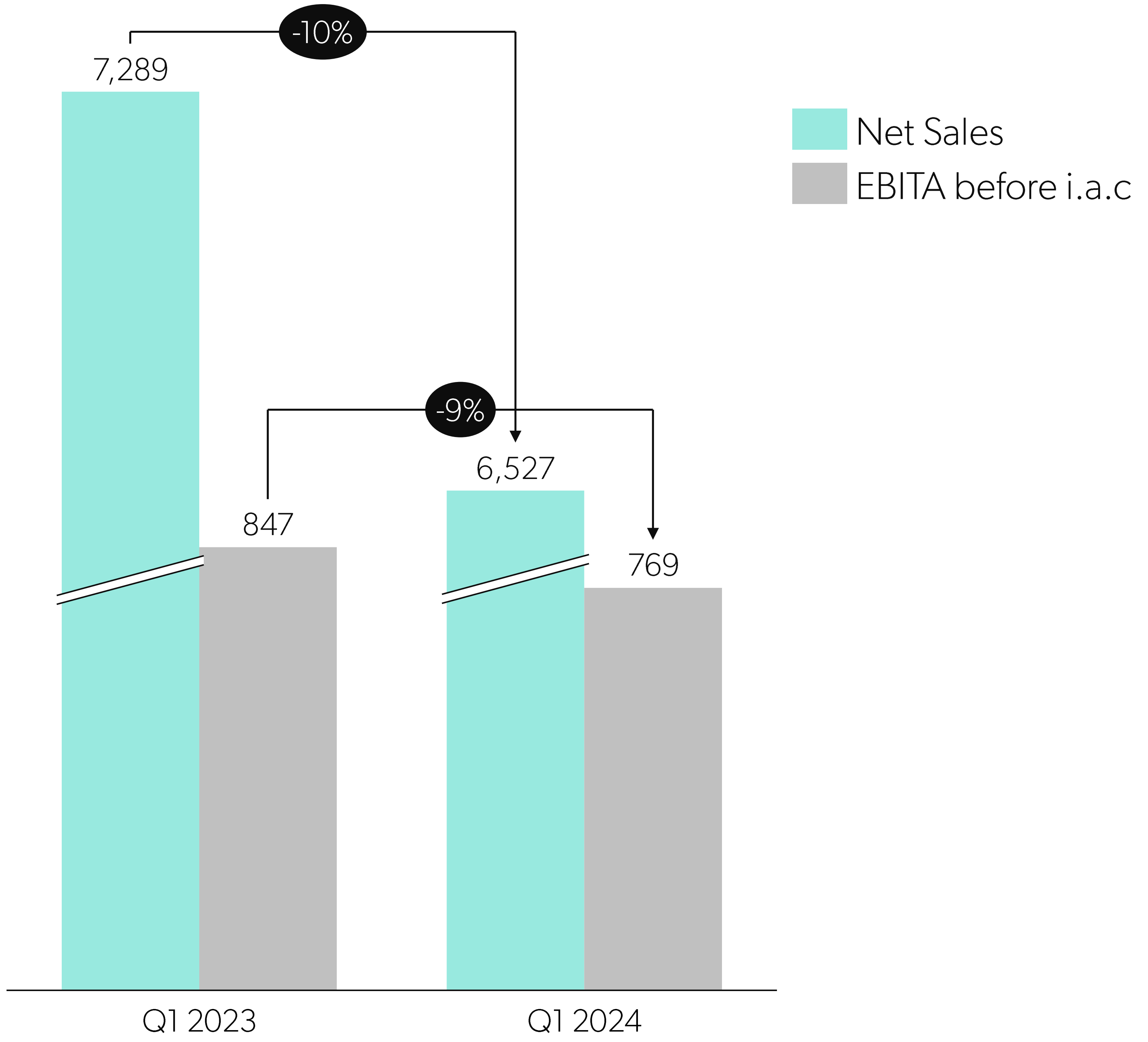
- EBITA margin of 11.8% (11.6%)

Operating cash flow SEK 212 m (294)

Leverage 3.0x (3.2x)

EPS of SEK 0.85 (1.04)

Adjusted EPS 1.21 (1.44)



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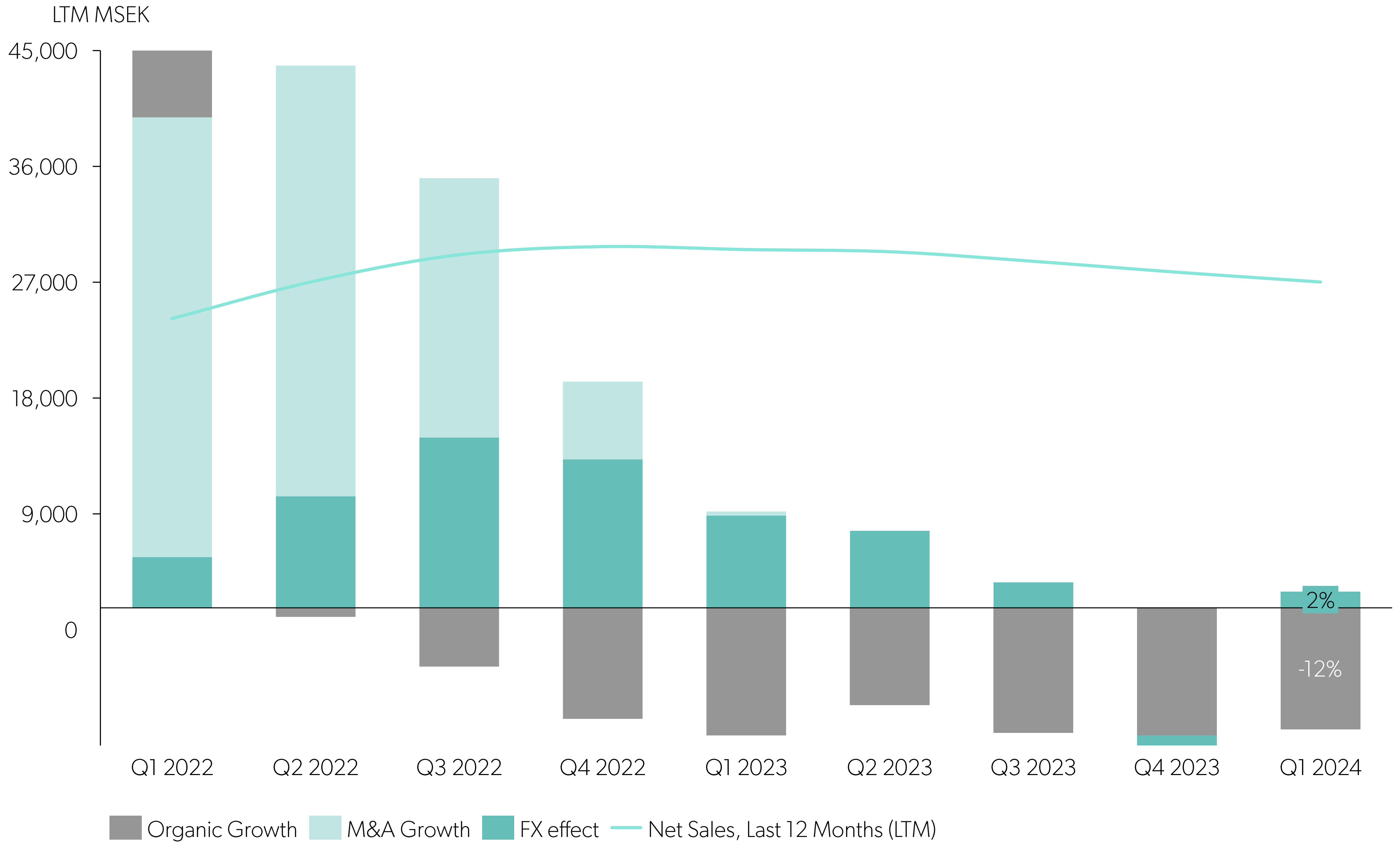
NET SALES DEVELOPMENT



Q1 2024

Net Sales SEK 6,527 m

Total growth -10%

- LV (Land Vehicles) Americas -19%
- LV EMEA -4%
- LV APAC -8%
- Marine -12%
- Mobile Cooling Solutions -14%
- Global Ventures -2%

Organic growth -12%

- LV Americas -20%
- LV EMEA -7%
- LV APAC -5%
- Marine -13%
- Mobile Cooling Solutions -16%
- Global Ventures -4%

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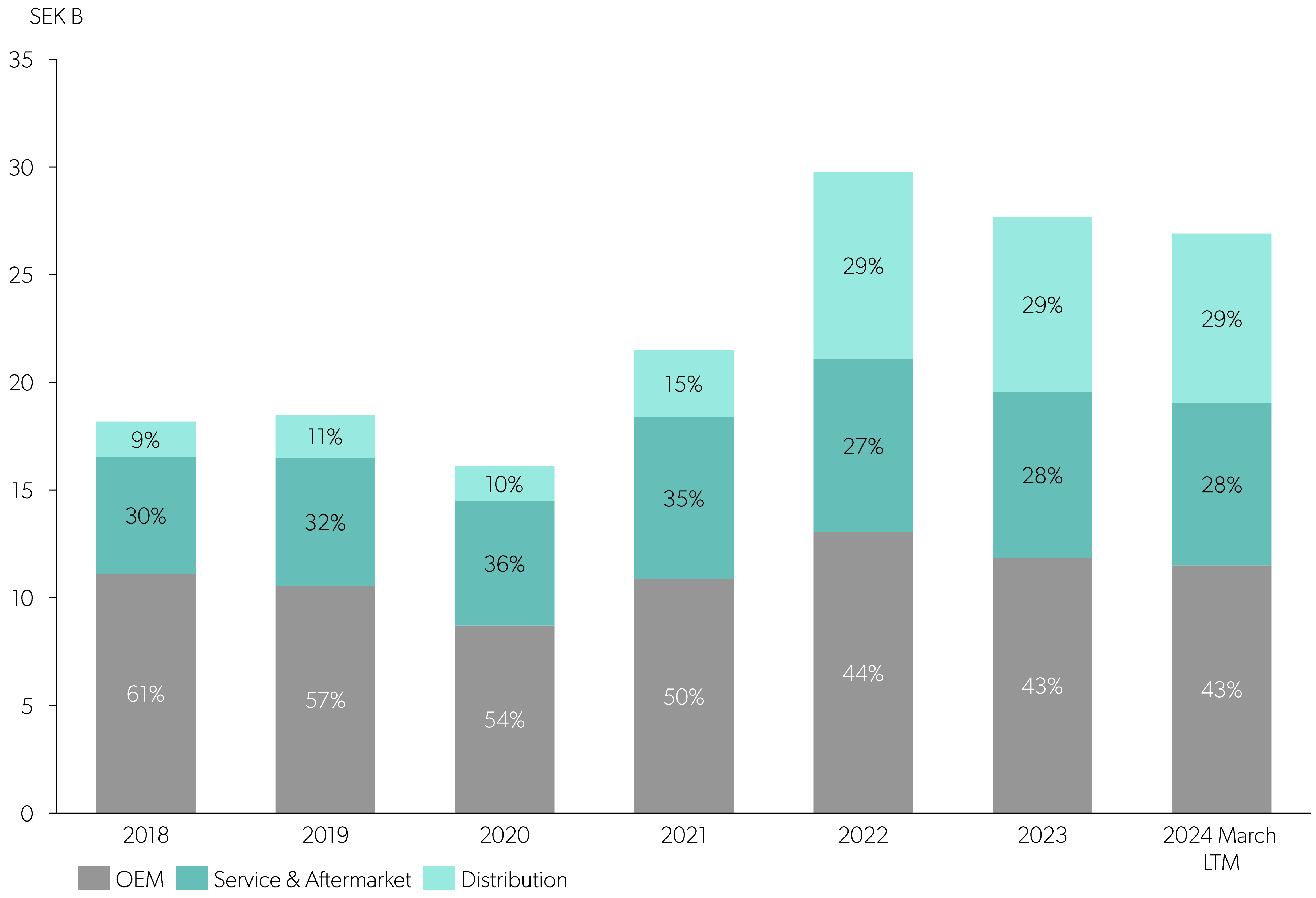
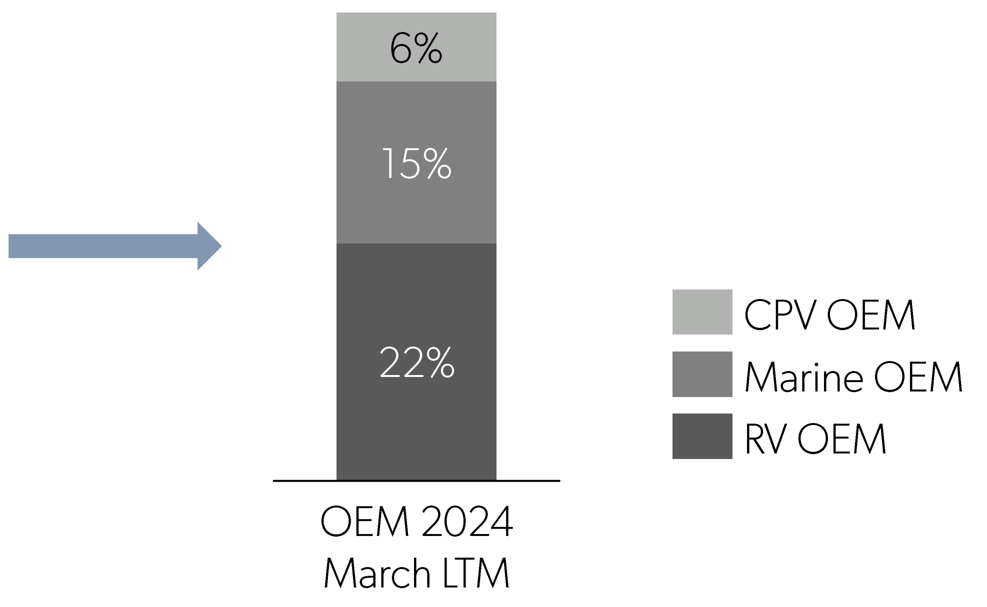
NET SALES BY SALES CHANNEL



- RV OEM 22% Group sales
  - 49% in 2017



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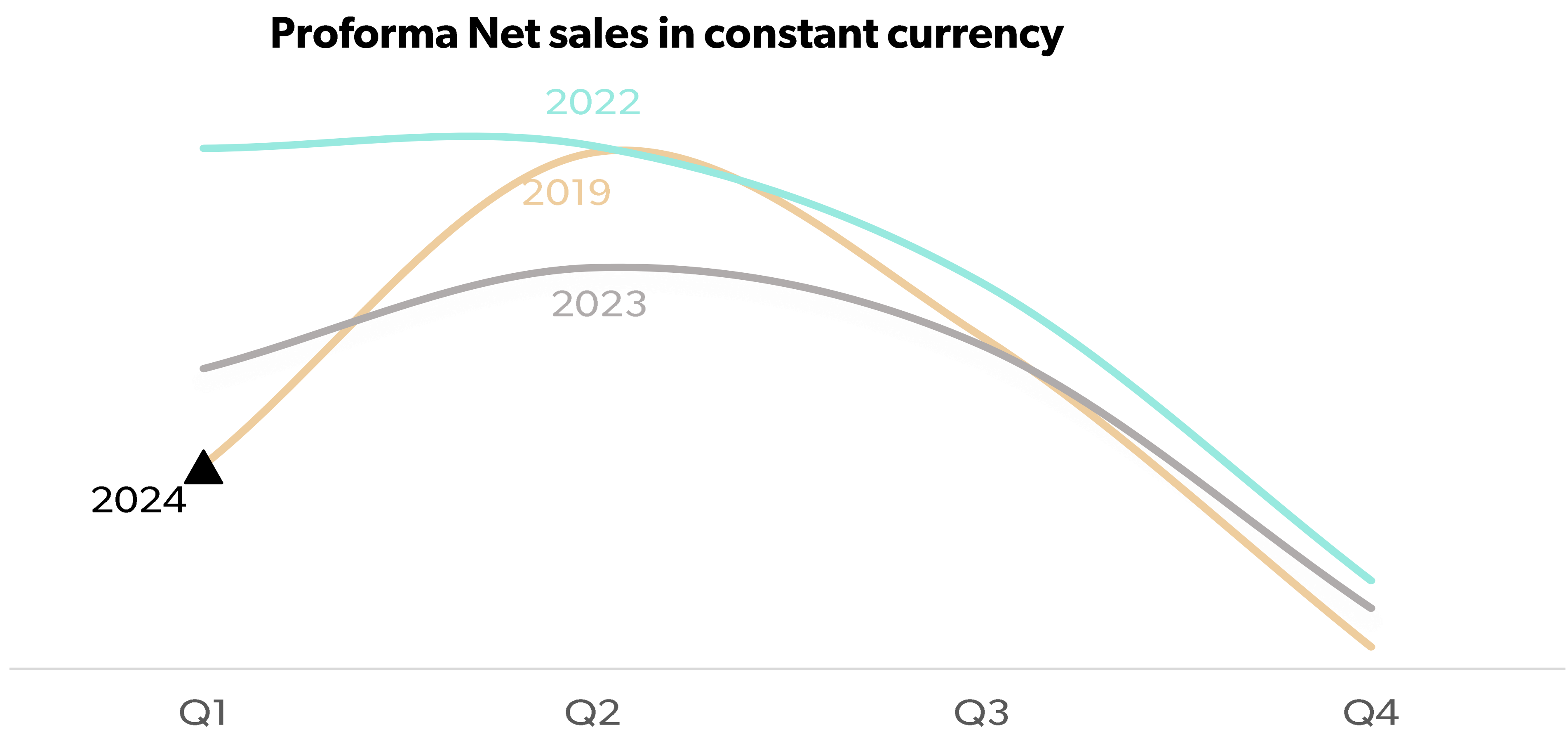
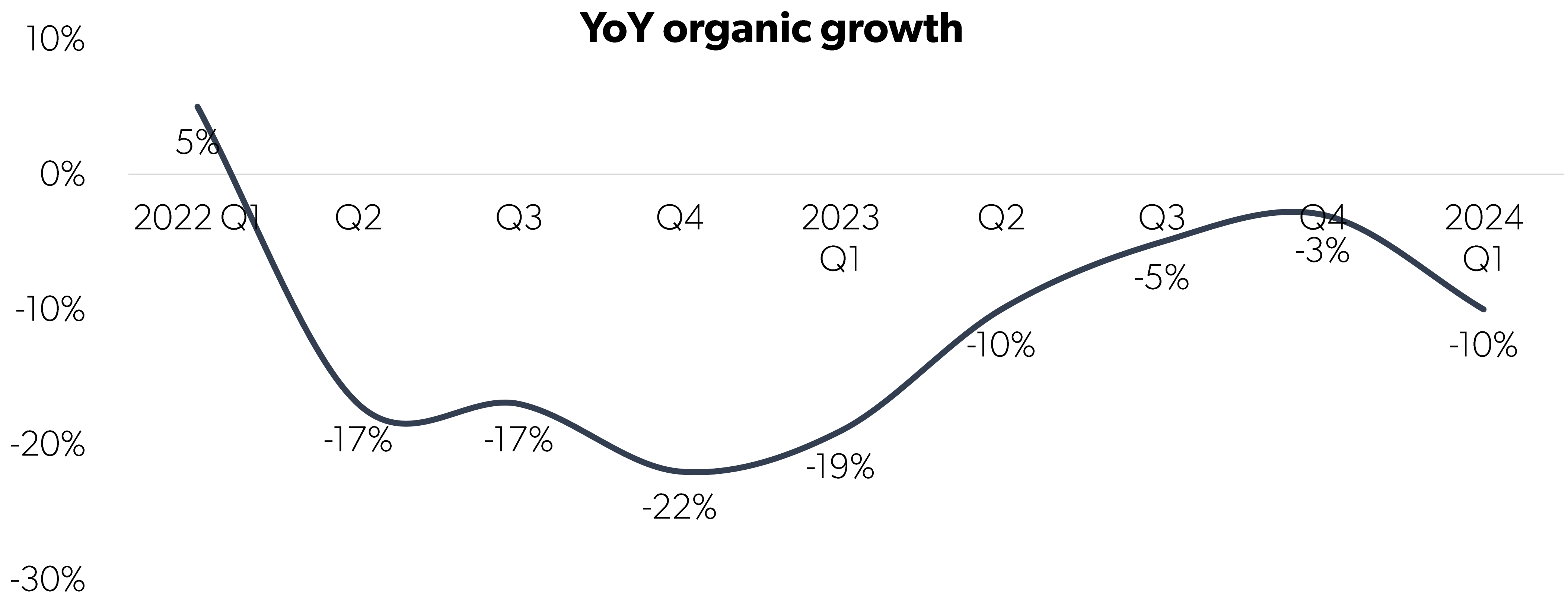
SERVICE & AFTERMARKET NET SALES

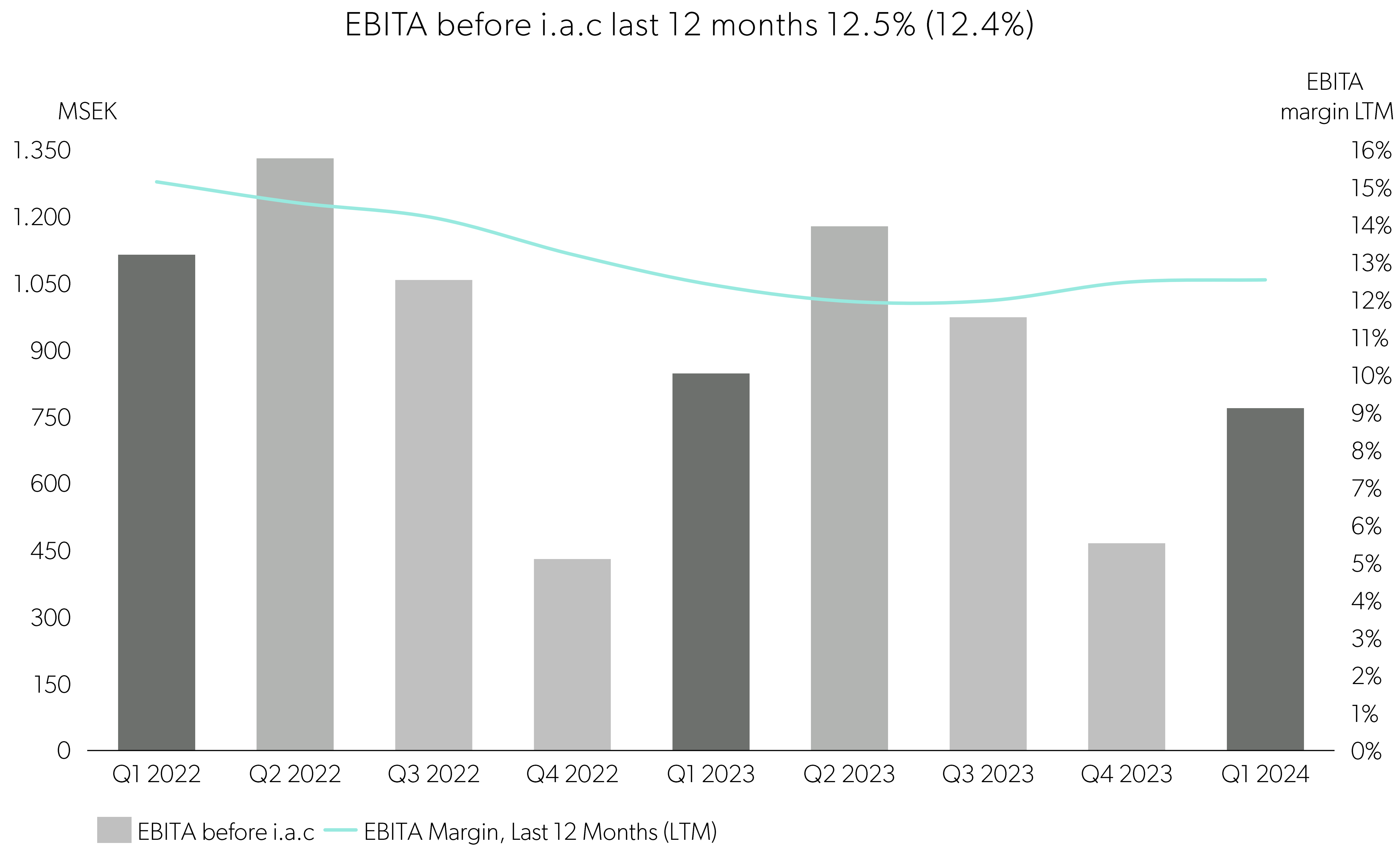




- Retailer destocking after high consumer demand and large purchases in 2021 and Q1 2022
- Moving into normal seasonal trend
- Q1 2023 was a tougher comparison, well above 2019

- Q1 2024 organic growth -10%
- A rainy March and an early Easter had an impact
- Additionally, customers continue to be cautious building inventories ahead of high season
- Retailer inventories are declining

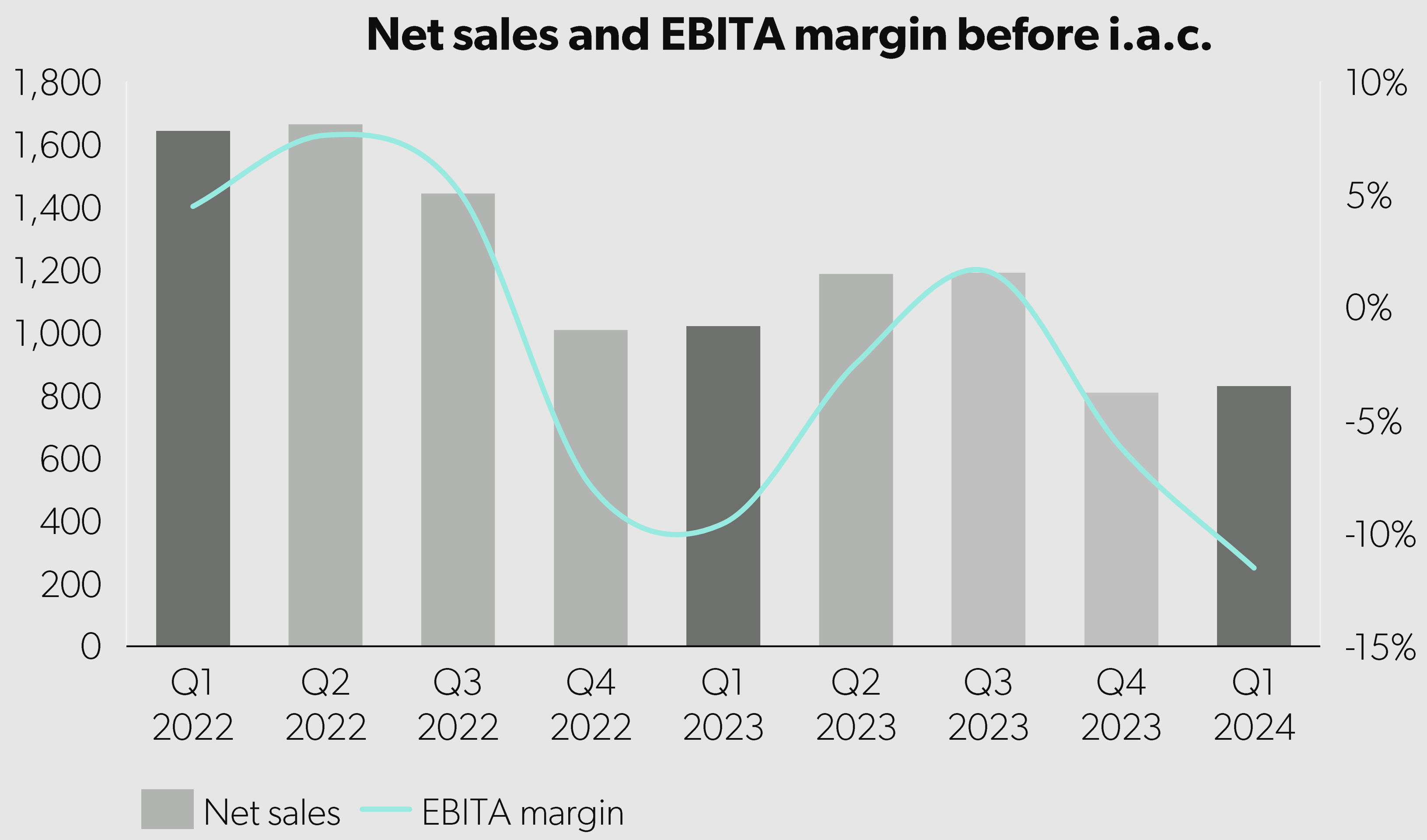
EBITA MARGIN BEFORE I.A.C.



Q1 2024

EBITA before i.a.c margin 11.8% (11.6%)

- Trend from 2H 2023 continues with YoY improvements
- Improved margin in:
  - Land Vehicles EMEA
  - Mobile Cooling Solutions
  - Global Ventures
- Land Vehicles APAC in line with last year
- Reduced, but robust margin in Marine
- Significant losses in Land Vehicles Americas



LV AMERICAS Q1 2024

Net sales SEK 829 m, -19%

- Organic growth -20%
- Decline in Service & Aftermarket
- Relatively low RV volumes on a highly competitive market
- Prioritizing margin before volume

EBITA before i.a.c. SEK -96 m (-98)

- EBITA Margin -11.5% (-9.6%)
- Negative impact from sales decline partly offset by cost reductions
- New mgmt. and subsegment structure in place. Working actively on sales and operational actions to improve the performance

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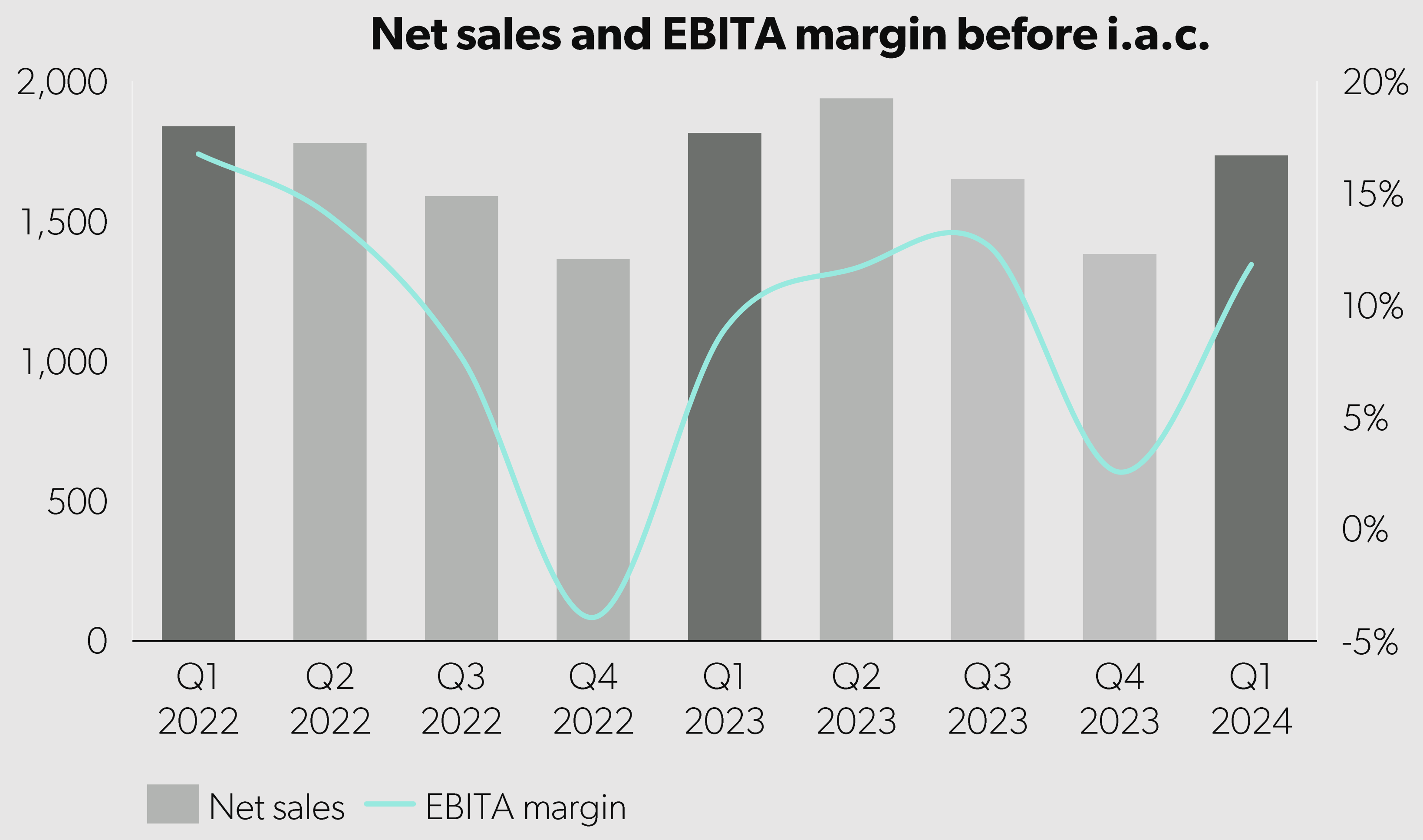
LV EMEA Q1 2024

Net sales SEK 1,734 m, -4%

- Organic growth -7%
- Decline mainly due to lower Service & Aftermarket and Distribution net sales. Positive trend compared to Q4 2023
- RV OEM net sales stable

EBITA before i.a.c. SEK 205 m (162)

- EBITA Margin 11.8% (8.9%)
- Positive impact from cost reductions, including the closure of the Siegen factory
- Partly offset by net sales decline and sales mix
- New subsegment structure in place



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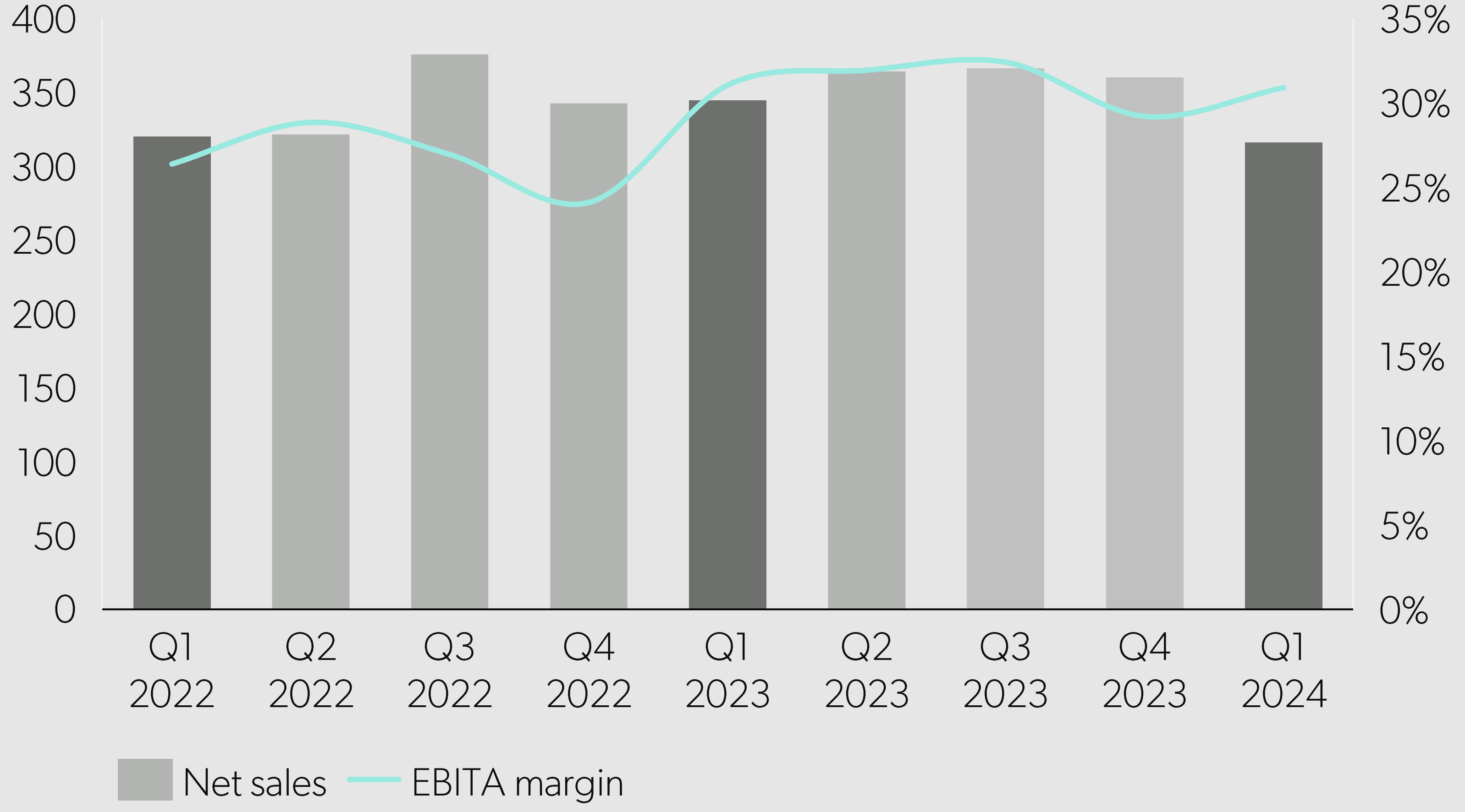
LV APAC Q1 2024

Net sales and EBITA margin before i.a.c.



Net sales SEK 316 m, -8%

- Organic growth -5%
- Service & Aftermarket below last year
- Good growth in Distribution
- OEM net sales decline due to reduced RV industry production

EBITA before i.a.c. SEK 98 m (107)

- EBITA Margin 30.9% (31.0%)
- Efficiency improvements and sales mix contributed to a stable margin

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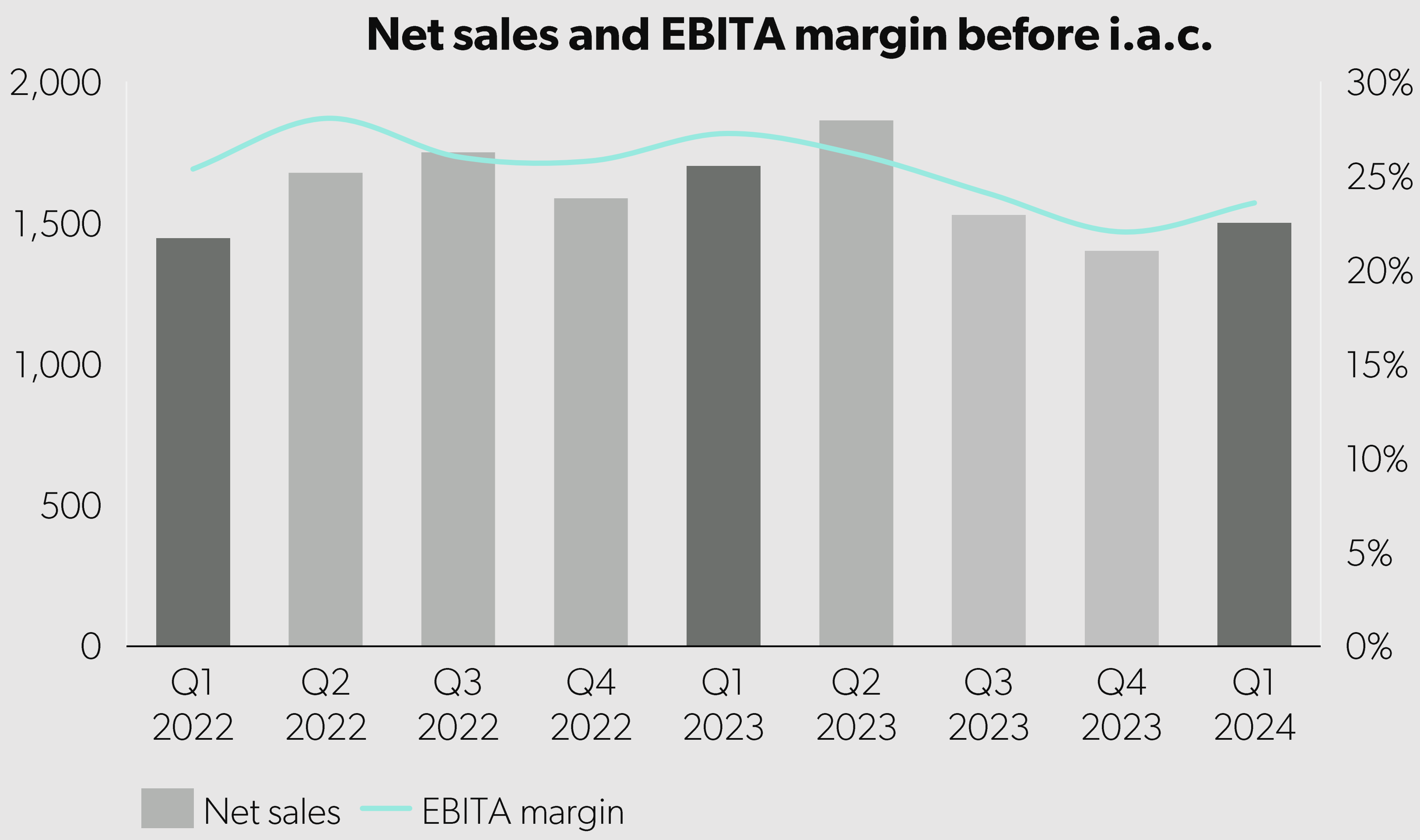
MARINE
Q1 2024



Net sales SEK 1,500 m, -12%

- Organic growth -13%
- 1H 2023 a tough comparison
- Service & Aftermarket business stable
- Lower production in the boat industry impact OEM net sales

EBITA before i.a.c. SEK 353 m (463)

- EBITA Margin 23.6% (27.2%)
- Reduction due to lower net sales
- Cost reductions, technology shift and Service & Aftermarket net sales support margin resilience

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MOBILE COOLING SOLUTIONS Q1 2024

Net sales and EBITA margin before i.a.c.

Net sales SEK 1,473 m, -14%

- Organic growth -16%
- An improvement compared to -25% in Q4 2023
- Retailer inventories in the US are declining, 20% below last year
- Retailer sell-through of hard side coolers in US market +7,2% year to date
- Igloo continues to gain market shares, up 2.7% last 12 months

EBITA before i.a.c. SEK 113 m (120)

- EBITA Margin 7.7% (7.0%)
- Improved margin despite lower net sales
- Sales initiatives, product innovation and cost reductions are contributing

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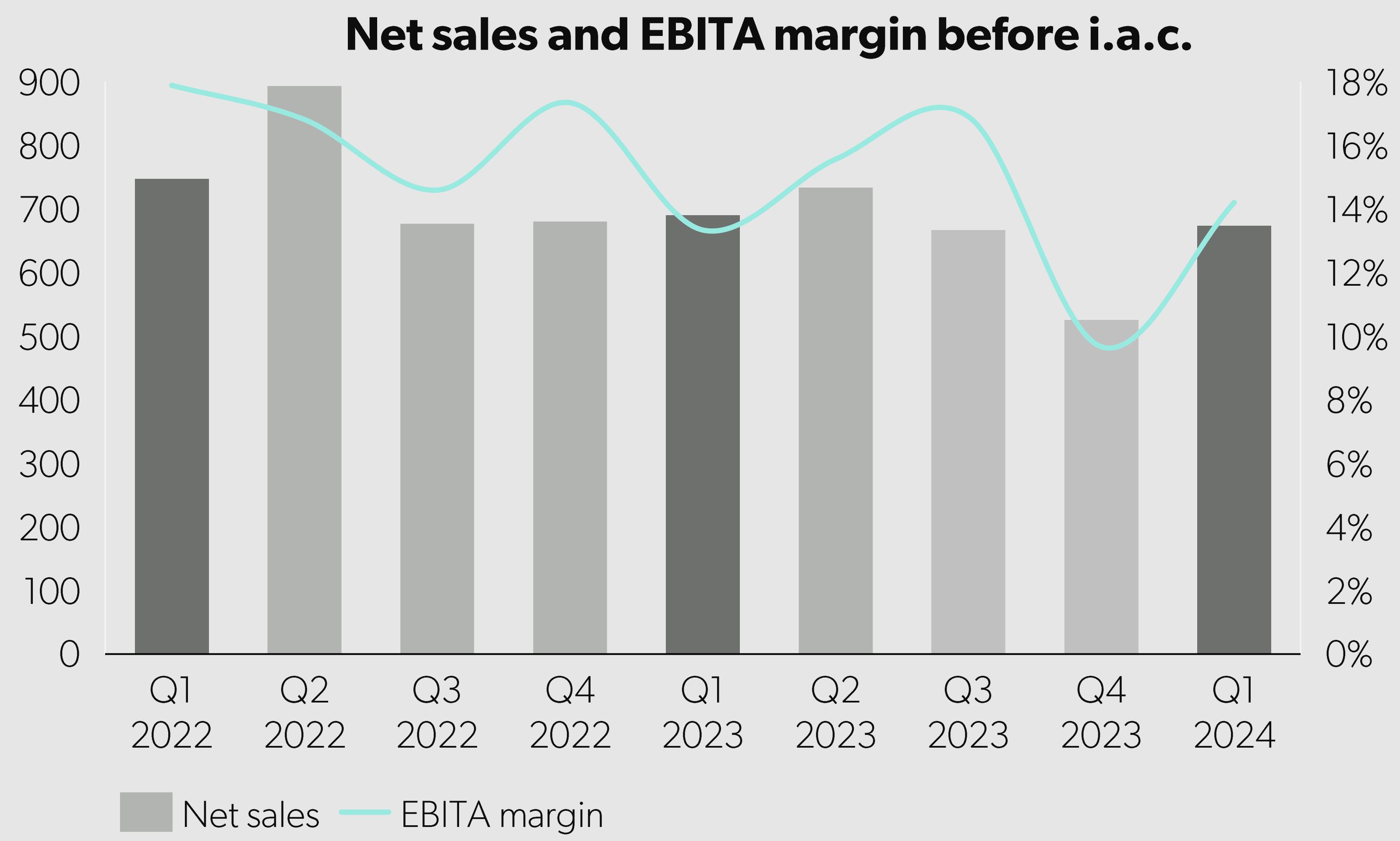
Market data source: NPD February

DOMETIC CFX SERIES

IGLOO ICF SERIES

EXPANDING ACTIVE COOLING IN THE US

- Distribution wins with active coolers in more than 600 stores across several large retailers
- Igloo ranked as the #8 Consumer Goods brand in Newsweek's Most Trustworthy Companies in America 2024 ranking



GLOBAL VENTURES Q1 2024

Net sales SEK 674 m, -2%

- Organic growth -4%
- Subsegment Mobile Power Solutions stable
- Subsegment Other Global Verticals:
  - Stable Hospitality business
  - Decline in Residential

EBITA before i.a.c. SEK 96 m (92)

- EBITA Margin 14.2% (13.3%)
- Improvement driven by subsegment Mobile Power Solutions

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MOBILE POWER SOLUTIONS + CLIMATE

AC solution made by integration of MPS

Showcasing new Climate solutions powered by Dometic Mobile Power solutions at a trade show in US.

By integrating Dometic Mobile Power solutions with Dometic Climate solutions, we can offer innovative, robust and energy efficient solutions for the consumer.

SUSTAINABILITY AND INNOVATION

LTIFR[1] better than target

- Efforts focusing on injury prevention continue throughout the organization

Female representation in management rose to 29%

- Driven by increased focus on diversity, equity and inclusion initiatives

CO_2 ratio reduced 44%, better than 2024 target

- Scope 1 & 2 emissions reduced by transitioning to renewable electricity

ESG audits at 93%, above target of >90%

- Remaining suppliers are scheduled to be audited during Q2

Product innovation index improved to 18% (14%)

- Product innovation is one of the major drivers for reducing CO_2 emissions

KPI	Focus area	Actual	Actual last year	Target
LTIFR[1]	People	1.7	1.6	<2.0
Share of female managers	People	29%	26%	27%
CO_2 ton / Net sales SEK m	Planet	-44%	-41%	-30%
ESG audits of new suppliers	Governance	93%	94%	>90%
Product Innovation Index	Planet	18%	14%	25%

OUR FOCUS AREAS AND AMBITIONS

PEOPLE
Offer a safe, inclusive, diverse and dynamic workplace – allowing every employee to reach their full potential for the best of the company as a whole

PLANET
Offer innovative, durable and low-carbon products that support circularity

GOVERNANCE
Safeguard human rights at all times while pursuing fair business and labor practices

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LTIFR: Lost Time Injury Frequency Rate

STEFAN FRISTEDT

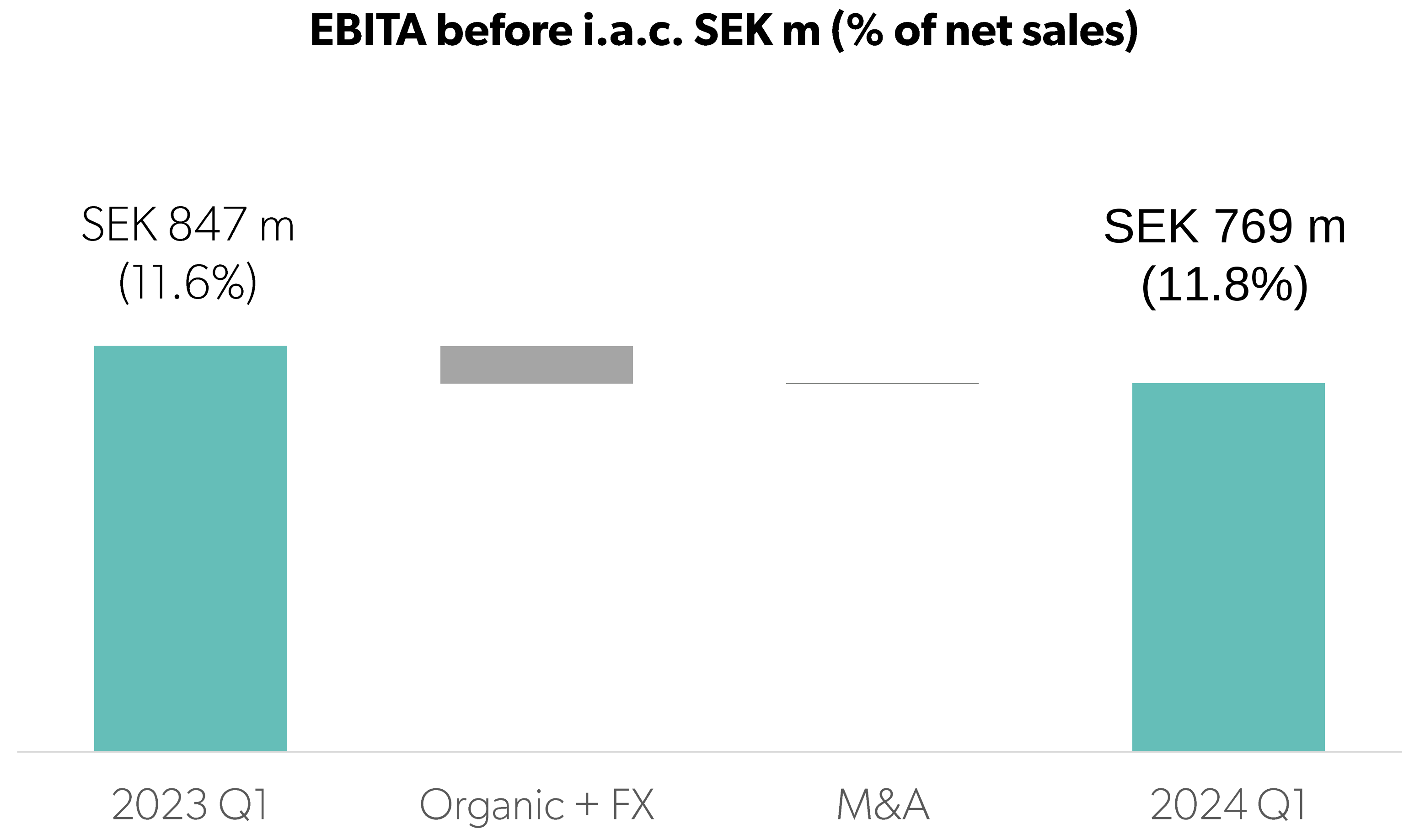
CFO

Q1 2024 EBITA DEVELOPMENT

Organic + FX

- **Negative organic growth**
- **Gross margin improved to 27.9% (26.5%)**
  - Efficiency improvements including the closure of the manufacturing in Siegen
  - Gradually declining negative effect from extra logistic costs
  - Lower raw material costs
  - Price management
  - Minor impact from the Red Sea situation
- **R&D and SG&A expenses 16.2% (15.0%) of sales**
  - Continued R&D investments in structural growth areas
  - Partly offset by cost reductions in SG&A
- **Limited YoY impact from FX on the margin**

No effect from acquisitions



CASH FLOW

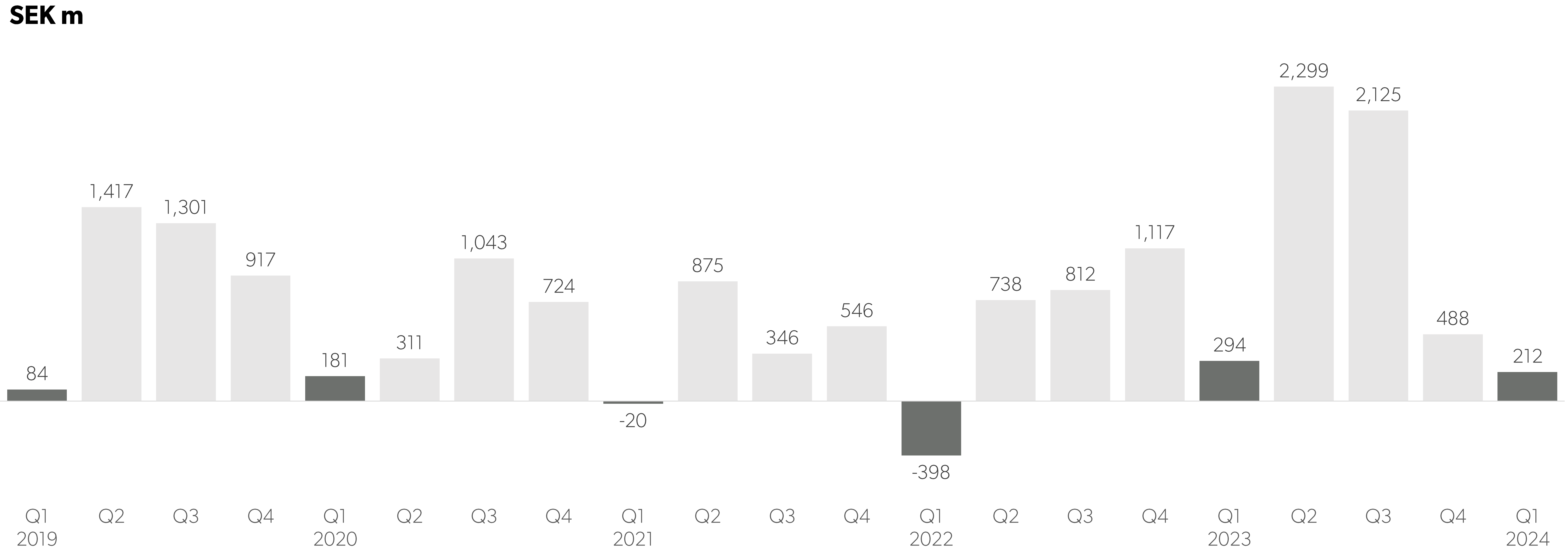
Q1 2024

- **Operating cash flow SEK 212 m (294)**
  - Solid performance in a seasonally weaker quarter
- **Income tax paid SEK -170 m (-199)**
  - Q1 2024 P&L tax rate 30% due to a country mix with more taxable profits in higher tax jurisdictions and increased non-tax deductible interest costs
- **Acquisitions/divestments net SEK -103 m (0)**
  - Earn-out related to earlier acquisition
- **Financing SEK -993 m (-129)**
  - Repaid SEK 1,000 m of an EKN-backed loan maturing in 2025
  - Commercial papers at the value of 299 MSEK issued
  - The net of paid and received interest was SEK -170 m (-114)

SEK m	**Q1 2024**	**Q1 2023**
EBIT	611	667
Adjustments for non-cash items	465	397
Changes in Working Capital	-799	-661
Investments in fixed assets	-66	-110
Operating cash flow	**212**	**294**
Income tax paid	-170	-199
Acquisitions/divestments net	-103	0
Other	-1	-4
Net cash flow from financing	-993	-129
Cash flow for the period	**-1,054**	**-37**

OPERATING CASH FLOW

SOLID PERFORMANCE IN A SEASONALLY WEAKER QUARTER



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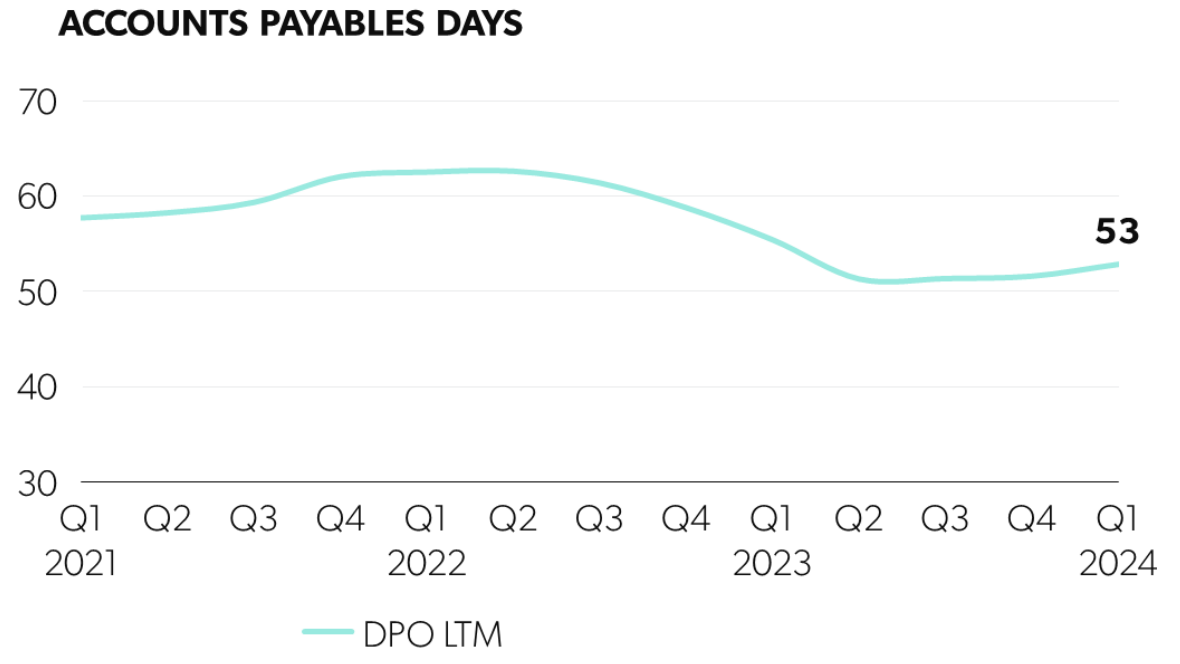
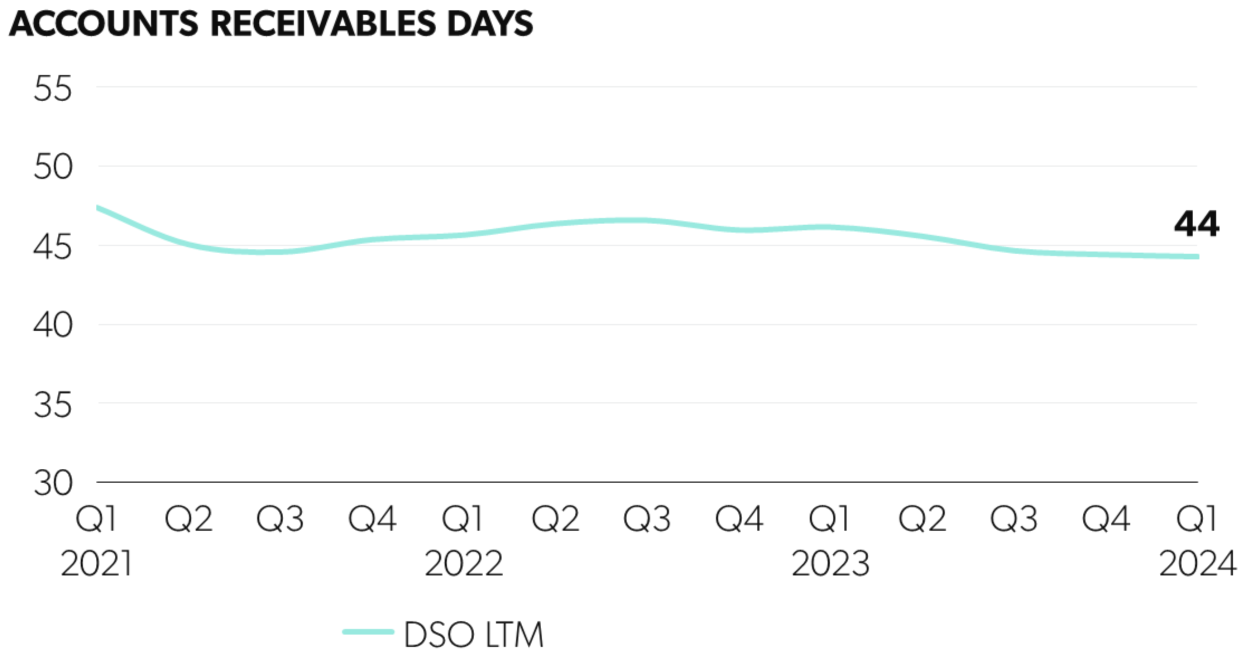
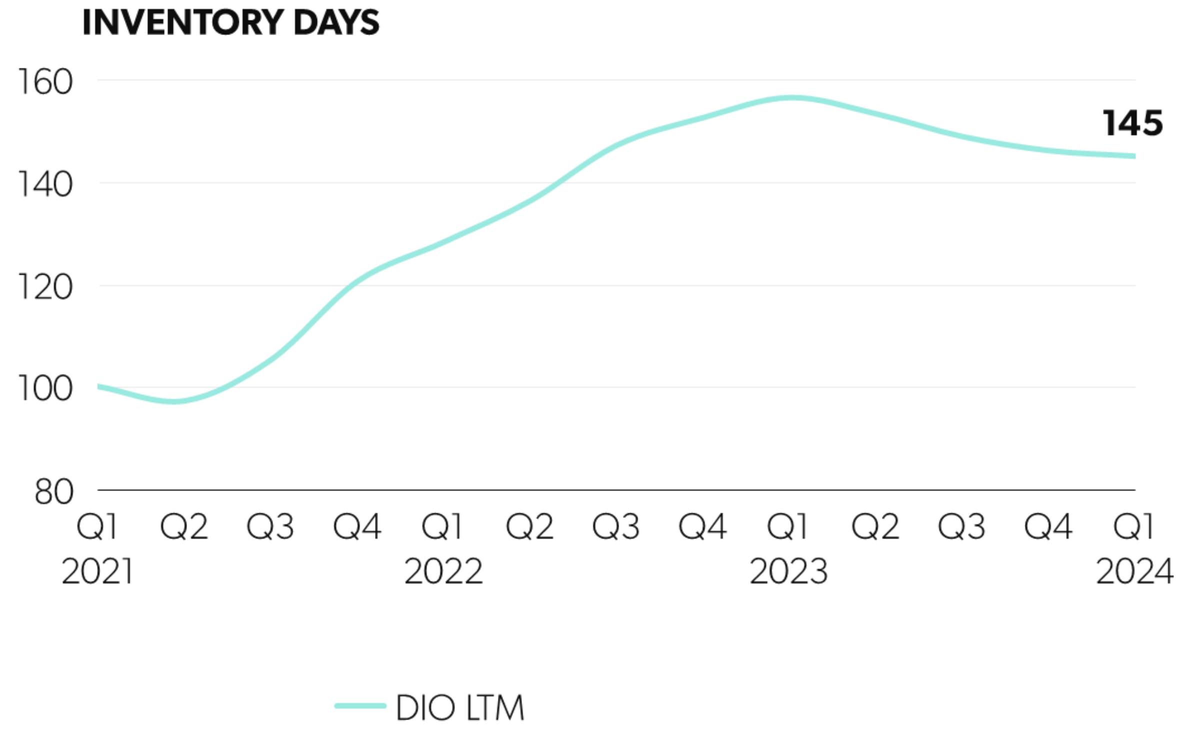
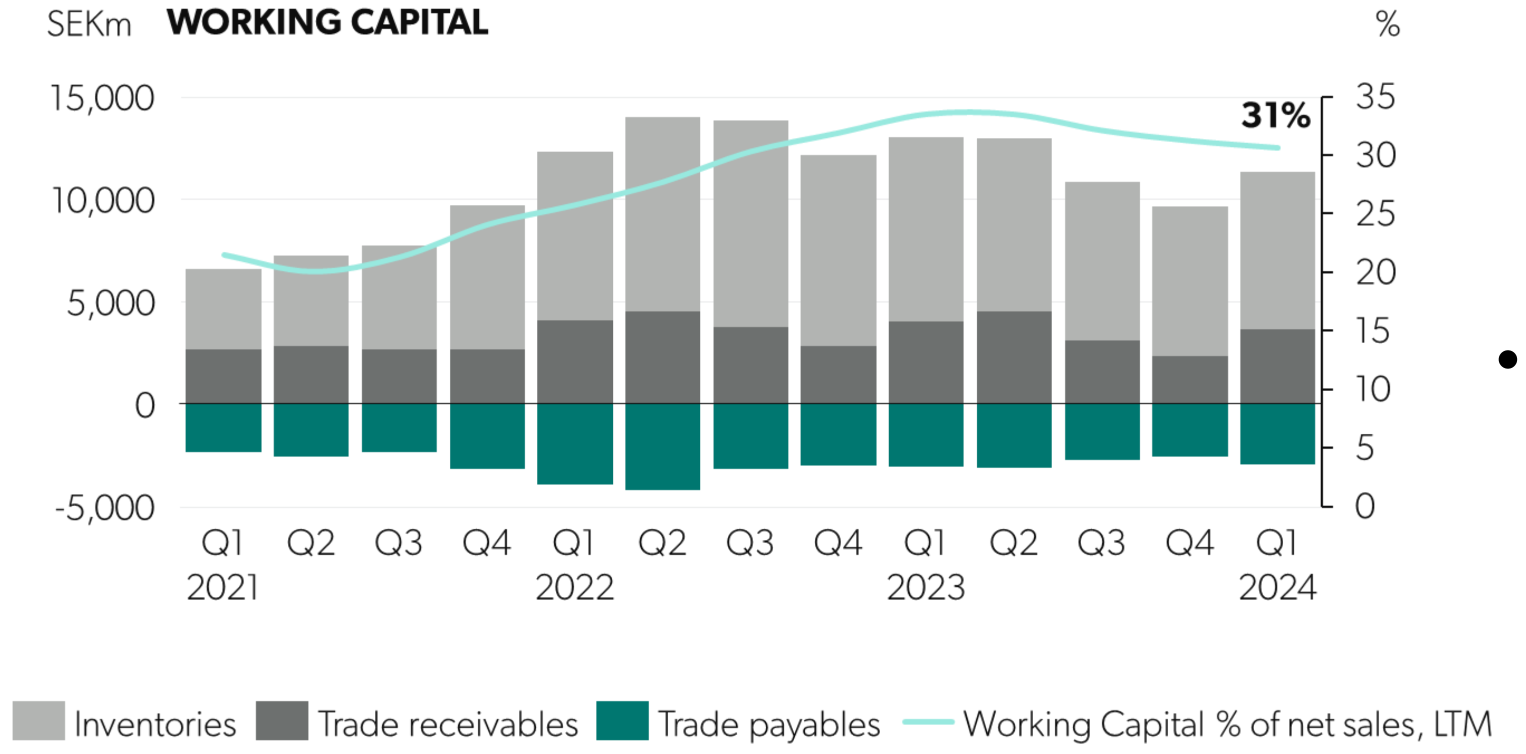
WORKING CAPITAL









CWC = Core Working Capital
LTM = Last 12 Months

- Working capital last 12 months 31% (34%) of net sales
- Inventory balance SEK 7,7 b (9,0)
  - Number of days 145 (157), gradually decreasing
  - Inventories adjusted for FX effects declined Q4 to Q1
- Continuous actions to optimize Working capital towards target 20% of net sales

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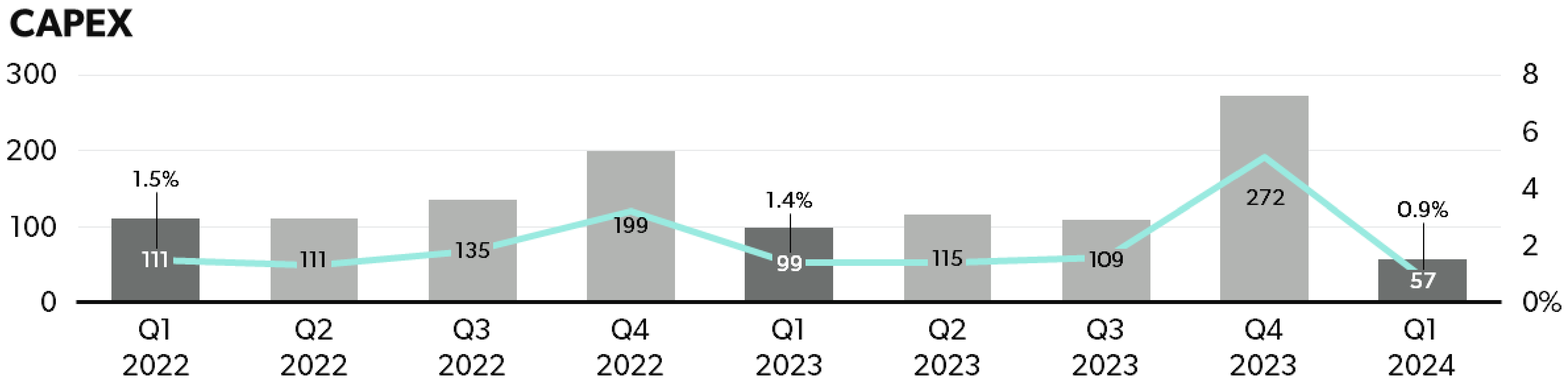
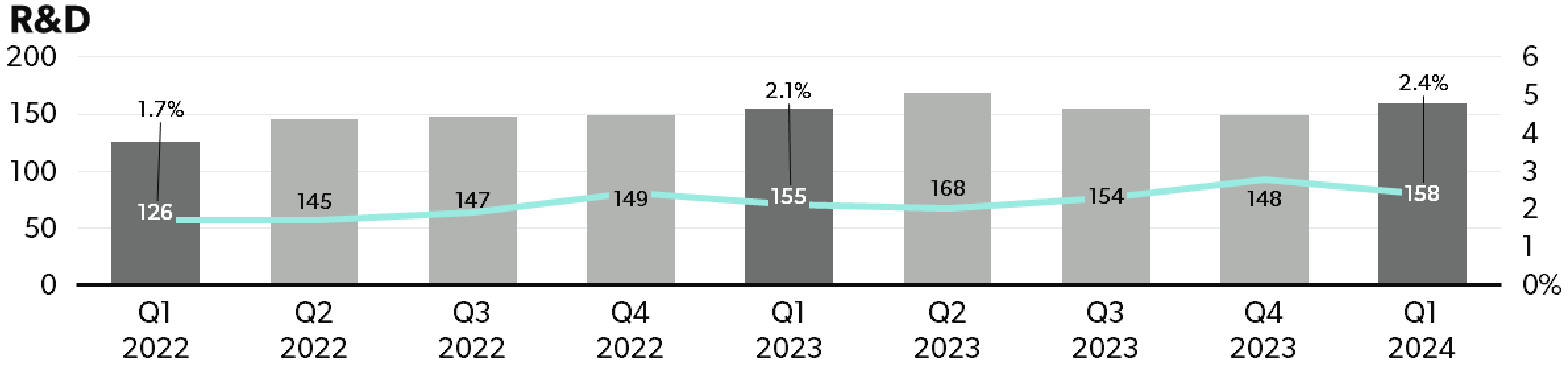
CAPEX AND RESEARCH & DEVELOPMENT





Q1 2024 CAPEX

0.9% (1.4%) of net sales

2.0% Last 12 months

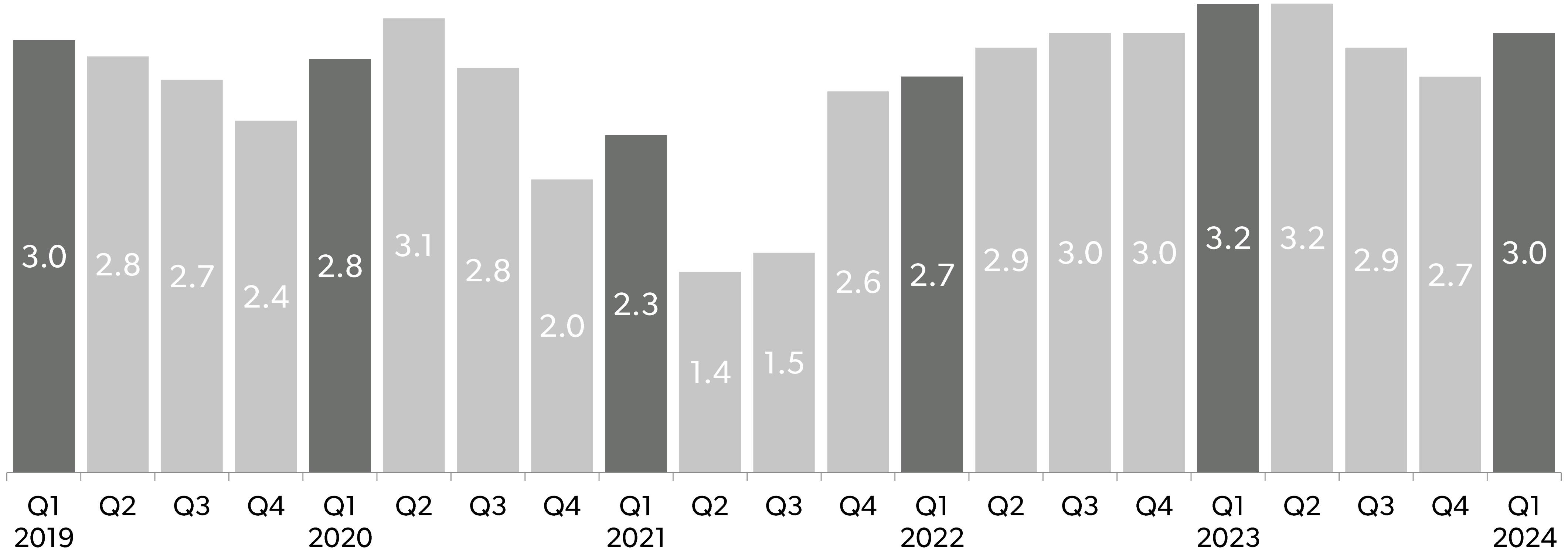
Q1 2024 R&D

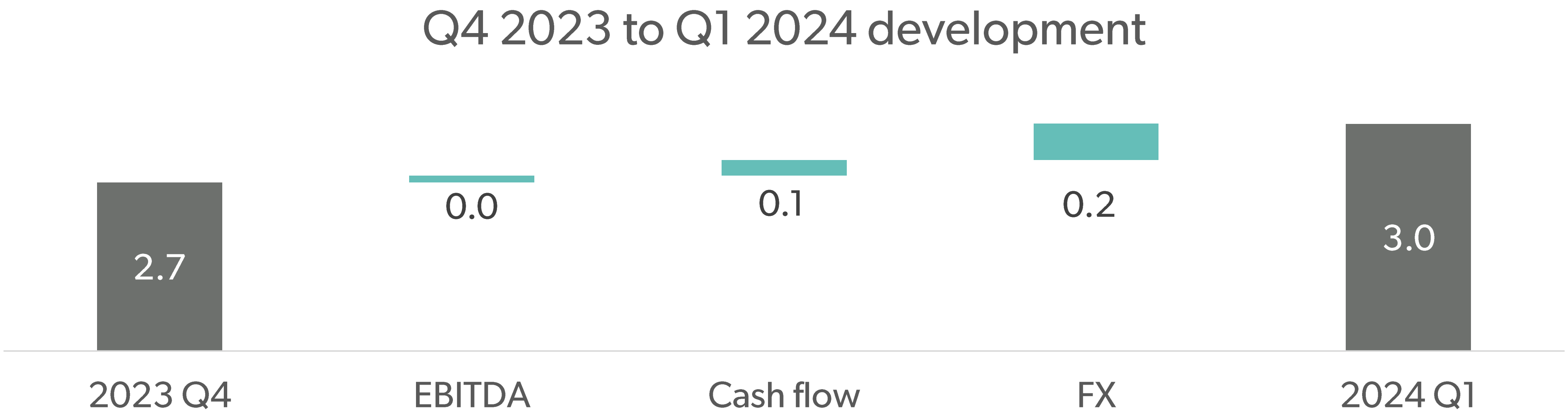
2.4% (2.1%) of net sales

- Includes capitalized development expenses of SEK 9 m
- Investments in structural growth areas

2.3% Last 12 months

NET DEBT TO EBITDA LEVERAGE RATIO





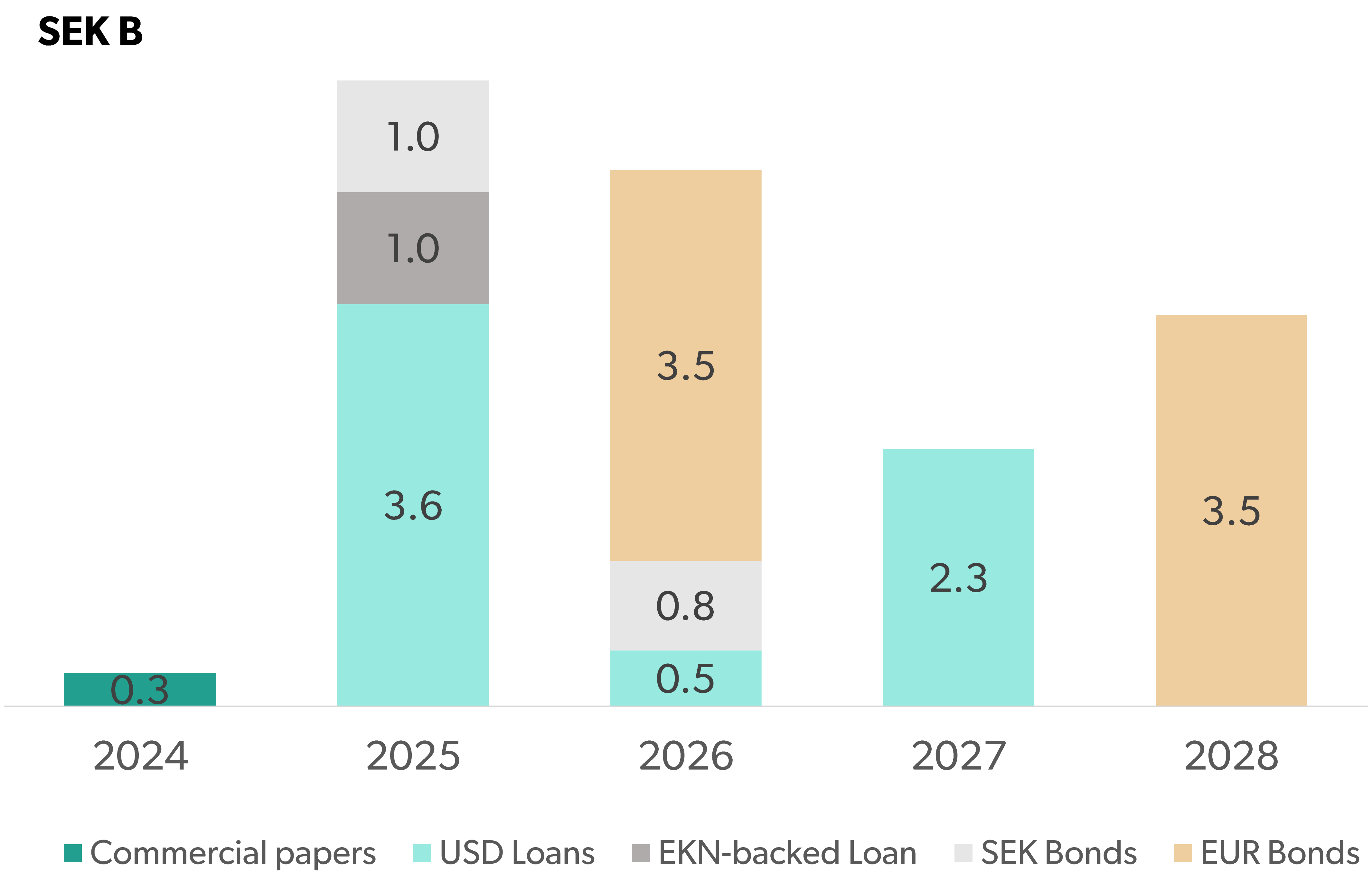
Net debt leverage ratio 3.0x (3.2x) and compared to 2.7x in Q4 2023

- Negative impact from weakened Swedish Krona compared to Q4 2023
- Normal seasonality in Q1

Committed on achieving our leverage target of around 2.5x

- Expect leverage to trend down during the year

DEBT MATURITY PROFILE - MARCH 31



- **Repaid SEK 1,000 m of an EKN-backed loan maturing in 2025**
- **Refinanced the second part of the credit facilities agreement with the bank group:**
  - The term loan of USD 333 m previously maturing in 2025, was extended until 2027 with option to extend 1+1 year. Will be amortized by USD 100 m in July 2024
  - The RCF was increased by EUR 80 m, now totals EUR 280 m
  - Both the term loan and the increase of the RCF were signed in March and will come into effect in July 2024

  In addition, the option to extend with one year was used for the first part of the credit facility including the term loan of USD 220 m and the RCF
- **SEK 299 m outstanding of Dometic's short-term commercial paper program**
- **The refinancing will increase the average maturity rate from 2.4 years to 2.6 years**

Q1 2024 SUMMARY

Business highlights

- First quarter result was further evidence of our transition to a more effective, better balanced and thereby more resilient company
- Remains difficult to predict how macroeconomic situation will impact the business in the short-term. Our planning assumptions from 2023 are largely unchanged:
  - Service & Aftermarket – continued recovery in 2024
  - Distribution – continued gradual recovery
  - OEM – continued weak demand short-term but with an improvement towards the end of the year

Strategic highlights

- Continues to drive our strategic agenda to deliver on our targets
- New segment structure in place
- Launched actions to improve performance in segment Land Vehicles Americas
- Expanding the active cooler market in US through the introduction of the first Igloo powered cooler
- Will continue prioritizing margin before volume


Q&A
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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.

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