

REPORT ON THE FIRST QUARTER 2025

DOUBLE-DIGIT EBITA MARGIN IN A TURBULENT MACROECONOMIC ENVIRONMENT

FIRST QUARTER 2025

- Net sales were SEK 5,830 m (6,527); a decrease of -11%. Organic growth was -10%.
- Operating profit (EBITA) before items affecting comparability was SEK 606 m (769), corresponding to a margin of 10.4% (11.8%).
- Operating profit (EBIT) was SEK 465 m (611), corresponding to a margin of 8.0% (9.4%).
- Profit for the period was SEK 181 m (273).
- Earnings per share were SEK 0.57 (0.85). Adjusted earnings per share were SEK 0.88 (1.21).
- Free cash flow was SEK -406 m (-213) in a seasonally weaker quarter. Cash flow was SEK 493 m (-1,054).
- On February 5, 2025, Dometic issued SEK 2.5 billion in the Swedish krona bond market mainly to manage the debt portfolio. Bonds of SEK 1.5 billion maturing in 2025 were repaid during the quarter.

CEO COMMENT

"In a turbulent macroeconomic environment, we delivered a robust double-digit EBITA-margin for the quarter supported by sales mix, new product launches, cost reductions and speed in execution.

Net sales in the first quarter totaled SEK 5,830 m (6,527), which represents an organic net sales decline by 10 percent. Retailers continue to be cautious about building inventories, but compared to the fourth quarter of 2024 we saw some improvement in both the Service & Aftermarket and Distribution sales channels. Organic net sales in the Service & Aftermarket sales channel were down 7 percent, compared to a decline of 9 percent in the fourth quarter of 2024. Organic net sales in the Distribution sales channel were down 3 percent, compared to a decline of 6 percent in the fourth quarter of 2024. The Mobile Cooling Solutions business continued to show resilience in a challenging market supported by its broad product offering and new product launches, and subsegment Other Global Verticals achieved organic sales growth in the quarter. As anticipated, the market environment in the OEM (Original Equipment Manufacturer) sales channel remained challenging and organic net sales were down 16 percent primarily due to lower RV industry production in the EMEA and APAC regions as well as lower boat production.

The EBITA-margin before items affecting comparability for the quarter was 10.4 percent (11.8). The Land Vehicles segment reported an EBITA-margin of 5.9 percent (7.2), negatively impacted by lower net sales in EMEA and APAC. We are however encouraged by an improved financial performance in the Americas, with stable net sales development and reduced losses. The Mobile Cooling Solutions segment EBITA-margin improved to 8.6 percent (7.7) supported by cost reductions. The EBITA-margin for the Marine segment declined to 19.7 percent (23.6) due to lower net sales. We continue to invest in new Marine solutions and, during the quarter, launched the Gyro Stabilizer - a completely new product category in our Marine-offering. This product complements perfectly our world-leading steering systems, and with this launch we are entering a multi-hundred-million USD market. The product won the prestigious American boating industry Innovation Award 2025 at the Miami International Boat Show and customer feedback has been highly positive.

The Global restructuring program announced in December 2024 is progressing as planned. Since program start we have closed one manufacturing site and one distribution center. The divestment activities are progressing well and discussions with potential buyers are ongoing. We continue to invest in product innovation and sales capabilities in our strategic growth areas, and the product innovation index improved to 21 percent (18). In a seasonally weaker quarter free cash flow was SEK -0.4 b (-0.2) and as anticipated the net debt to EBITDA leverage ratio increased to 3.3x compared to 3.1x at the end of 2024. Cash flow focus remains high across the organization and inventories continue to trend down. We are committed to achieving our net debt to EBITDA leverage ratio target of around 2.5x but due to the current macroeconomic situation it is difficult to assess the timing of target achievement.

The macroeconomic situation during the last few months has been turbulent with tariff measures being announced by several countries. With approximately half of our net sales in the US we, like our competitors, are exposed to these significant tariff increases, even though a large part of our products for the marine and RV industries currently has material protection under the existing North American free trade agreement (USMCA). We have acted quickly and are implementing surcharges to offset any negative cost impact, while at the same time reviewing our supply chain setup to minimize the go-forward impact. Considering the geographical spread in our manufacturing footprint, including nine production facilities in the US, we are well positioned in the US from a competitive perspective going forward.

In this situation it is important to control what we can control and remain flexible short-term to be able to adapt to possible changing market developments. At the same time, we will continue to drive our long-term strategic agenda. It is difficult to predict how the current uncertain macroeconomic situation and market conditions will impact demand, particularly in the short term. Under normal circumstances and with current visibility on inventory levels, we expect to see a continued gradual recovery in demand in the Service & Aftermarket and Distribution sales channels during the year. In the OEM sales channel, the market conditions vary between different verticals and geographies, but we expect demand to remain under pressure during the first half of the year with possible improvements during the second half. However the ongoing trade war leads to higher uncertainty on the consumer behaviour and demand going forward.

We will continue to be proactive and act on short-term market developments while continuing to relentlessly drive our strategic agenda to deliver on our targets."

Juan Vargues President and CEO

ABOUT DOMETIC

Dometic is a global outdoor tech company on a mission to make mobile living easy. Leveraging our core expertise in cooling, heating, power & electronics, mobility, and space optimization, we empower more people to connect with nature and elevate their sense of freedom in the outdoors. We achieve this by creating smart, sustainable, and reliable products with outstanding design. Millions of people around the world use our products while camping and exploring nature with their cars, RVs, or boats. Our range of offerings includes installed products for land vehicles and boats, as well as standalone solutions for outdoor enthusiasts. We employ approximately 7,000 people globally and sell our products in more than 100 countries. In 2024, we reported net sales of SEK 25 billion (USD 2.3 billion) and are headquartered in Stockholm, Sweden.

PRESENTATION OF THE REPORT

Analysts and media are invited to participate in a telephone conference at 10.00 (CEST) April 24, 2025, during which President and CEO, Juan Vargues, and CFO, Stefan Fristedt, will present the report and answer questions.

Webcast link: <https://dometic.videosync.fi/2025-04-24-q1-2025/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://service.flikmedia.se/teleconference/?id=5006203>

Webcast URL and presentation are also available at <https://www.dometicgroup.com/en/investors>

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 07.30 CEST on April 24, 2025.

FOR FURTHER INFORMATION, PLEASE CONTACT

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