

REPORT ON THE SECOND QUARTER 2025

ROBUST EBITA MARGIN AND STRONG CASH FLOW IN A CHALLENGING MARKET

SECOND QUARTER 2025

- Net sales were SEK 6,269 m (7,662); a decrease of -18%. Organic growth was -11%.
- Operating profit (EBITA) before items affecting comparability was SEK 877 m (1,069), corresponding to a margin of 14.0% (14.0%).
- Operating profit (EBIT) was SEK 743 m (903), corresponding to a margin of 11.9% (11.8%).
- Profit for the period was SEK 348 m (443).
- Earnings per share were SEK 1.09 (1.39). Adjusted earnings per share were SEK 1.38 (1.76).
- Free cash flow was SEK 1,302 m (1,395) during the quarter. Cash flow was SEK 392 m (990).

CEO COMMENT

"Dometic delivered a robust double-digit EBITA1 margin and strong cash flow in the second quarter, despite a more uncertain macroeconomic environment due to the ongoing global trade conflict.

Net sales in the quarter totaled SEK 6,269 m (7,662), resulting in an organic net sales decline of 11 percent. Revenue in the Service & Aftermarket channel ended below expectations in the quarter showing a decline of 12 percent organically compared to a relatively strong quarter last year. Weaker end consumer confidence has led to a more careful approach to replacement and upgrades, leading to retailers continuing to be cautious with inventory levels, and delaying the gradual recovery we had expected to see. Organic net sales for the Distribution channel was down 7 percent impacted by generally bad weather in the US during the quarter as well as a temporary production stop in our US mobile cooling plant. We estimate that around half the decline in the quarter was attributable to the production stop. The OEM sales channel showed an organic net sales decline of 14 percent in line with expectations. However, we have seen organic net sales growth in LV Americas through the OEM sales channel for two consecutive quarters.

The EBITA margin was 14.0 percent (14.0) which is on par with the second quarter last year. Despite lower net sales, the savings generated by the ongoing Global restructuring program combined with other cost containment measures have yielded positive impacts on our profitability. The EBITA margin improvements are mainly shown in the Land Vehicles and Mobile Cooling Solutions segments, where we saw improved EBITA margins year-over-year. In the Land Vehicles segment, EMEA and Americas are driving the improvements while APAC continues to show high margins but still below last year. The Marine Segment shows a robust EBITA-margin, but below last year driven by lower net sales.

Free cash flow continued to be strong at SEK 1,302 m (1,395) primarily driven by improvements in working capital. The net debt to EBITDA leverage ratio remained flat at 3.3x and increased year-on-year by 0.4x due to weaker development of EBITDA, partially compensated by free cash flow and currency effects. We are maintaining a strong focus on profitability and cash flow across the Group and remain committed to achieving our net debt to EBITDA target of around 2.5x. Due to the current macroeconomic uncertainty it is difficult to assess the timing of when we can achieve this target.

Dometic's transformative journey is progressing positively. We have taken significant steps in shifting the focus from a regionally led approach to a global product-led approach. We continue to invest in product innovation and sales capabilities in our strategic growth areas. The product innovation index reached 22 percent in the quarter representing a year-over-year improvement from 19 percent, and demonstrating continued progress toward our 25 percent target. During the quarter we launched the Dometic Recon Series, our premium innovative stackable cooler system, strengthening our Mobile Cooling Solutions portfolio. Together with our Gyro Stabilizer, launched earlier this year in the Marine segment, we continue to deliver innovative solutions across multiple market segments. Both product launches have been very well received in early customer feedback.

We have seen cautious demand in the second quarter influenced by the ongoing global trade conflict. With approximately half of the Group's net sales in the US, we are exposed to tariffs primarily through their impact on consumer sentiment rather than direct tariff costs. Our exposure is limited as 85 percent of our US sales are from products manufactured in the US, or manufactured and sourced in Mexico and Canada with significant protection under the existing North American free trade agreement (USMCA). We have acted quickly by implementing surcharges to offset any negative cost impact and are reviewing our supply chain to minimize the go-forward impact. Considering the geographical spread of our manufacturing footprint, including nine production facilities in the US, we are well positioned from a competitive perspective.

Long-term trends in the Mobile Living industry remain strong. However, it is difficult to predict how the current macroeconomic situation and weak consumer confidence will impact the business in the short term. We are focusing on operational execution and efficiency to be able to adapt to short-term market developments, which will benefit us and further improve our margins when we achieve net sales growth. Under normal circumstances and with current visibility on inventory levels, we would expect to see a gradual recovery in the demand through the Distribution and Service & Aftermarket sales channels. While it remains difficult to predict demand patterns in the coming quarters, we are encouraged by a stabilization in order intake. Going forward the comparables are becoming more favorable, and we expect both new product launches and our restructuring program to continue to contribute positively.

We will continue to relentlessly drive our strategic agenda. With the restructuring program proceeding as planned, we are placing Dometic in a prime position to deliver on our targets while providing the highest quality of services and products to our customers."

Juan Vargas 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) July 15, 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/2025-07-15-q2-2025/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=5002812>

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

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 07.30 CEST on July 15, 2025.

FOR FURTHER INFORMATION, PLEASE CONTACT

Dometic Investor Relations

Email: ir@dometicgroup.com

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