

# REPORT ON THE FOURTH QUARTER 2021

## 32% SALES GROWTH AND RECORD HIGH BACKLOG

### FOURTH QUARTER 2021

- Net sales were SEK 5,542 m (4,213); an increase of 32%, of which 2% was organic growth.
- Operating profit (EBITDA) was SEK 771 m (701), representing a margin of 13.9% (16.6%).
- Operating profit (EBITA) before items affecting comparability was SEK 632 m (536), representing a margin of 11.4% (12.7%).
- Operating profit (EBIT) before items affecting comparability was SEK 507 m (466), representing a margin of 9.2% (11.1%).
- Operating profit (EBIT) was SEK 470 m (514), representing a margin of 8.5% (12.2%).
- Profit (loss) for the quarter was SEK 197 m (-160).
- Earnings per share were SEK 0.62 (-0.54).
- Cash flow for the quarter was SEK -5,593 m (1,017). Operating cash flow was SEK 546 m (724).
- Net debt leverage at the end of the quarter was 2.6x (2.0x).
- The Board of Directors proposes a dividend of SEK 2.45 (2.30) per share for 2021.

### CEO COMMENT

"2021 became a new and important milestone for Dometic. We continued to successfully drive our transformational agenda and achieved all-time high net sales and operating profit despite several new pandemic breakouts, unprecedented supply chain constraints and raw material and freight cost increases during the year.

Net sales in the quarter totaled SEK 5,542 m (4,213), corresponding to growth of 32 percent. Organic net sales growth was 2 percent. For the full year 2021, we achieved record-high net sales of SEK 21.5 b with organic growth of 23 percent.

Excluding the acquired Igloo business, EBITA before items affecting comparability in the quarter improved to SEK 644 m (536) corresponding to a margin of 12.8 percent (12.7) despite the negative impact of supply chain constraints and higher raw material prices. We continued to adjust our pricing to compensate for the increased costs and see a positive development compared to the third quarter. Sales and marketing investments have been increased compared to a year ago to drive growth in the new strategic areas. In addition, we had a low cost base in the fourth quarter 2020, still influenced by the pandemic related lock-downs. Including the Igloo business, EBITA before items affecting comparability in the quarter improved to SEK 632 m (536), corresponding to a margin of 11.4 percent (12.7).

The acquisition of Igloo, our largest and strategically important platform acquisition in the consumer orientated Outdoor field, offers Dometic new opportunities to increase our presence in the large and growing cooler and drinkware markets. The planned integration activities, including price increases and other operational improvements, are implemented to secure expected synergies.

Nine acquisitions were announced in 2021, mainly targeting the Outdoor market. End-user demand for flexible products to support Vehicle Based Outdoor Activities is accelerating, and as we enter 2022 it is encouraging to see our offering and presence on this fast-growing market. Supported by the acquisitions, the sales channel mix continues to improve in favor of less cyclical sales channels. The share of Distribution and Service & Aftermarket was 50 percent in 2021, compared with 39 percent in 2017. Further acquisitions, as well as divestments of non-strategic areas, are planned to further improve the mix and reduce the exposure to cyclical stepwise.

The innovation index improved to 26 percent (22) and the pipeline of new products to be launched remains strong. The cost reduction program remains a top priority. While COVID-19 related effects impacted the implementation pace in 2021, cost reduction activities are expected to accelerate in 2022.

Implementation of our sustainability roadmap continues, and CO2 ton/net sales has decreased by an impressive 24 percent compared with 2020, which exceeds the 2021 target level. New ambitious sustainability targets have been implemented across the organization for the 2022–2024 period.

Cash flow for the period was SEK -5,593 m (1,017), impacted by the completed acquisition of Igloo. Operating cash flow for the quarter was SEK 546 m (724), and the net debt leverage ratio was 2.6x (2.0x).

We continue to be optimistic about the demand outlook for forthcoming quarters. Our order backlog is record-high and retail inventory levels are low across all vertical end markets. The global supply chain disturbances impacting many industries remain challenging. While we are implementing mitigating actions and see improvements in several areas, it is still difficult to predict when the situation will fully stabilize.

We are very proud of the results that the entire organization has achieved in a year during which strong market demand has been balanced with an extremely challenging supply situation impacting many industries. In this environment, and thanks to our dedicated and highly professional employees, we have taken several important steps on our strategic transformation journey. We are optimistic about the long-term trends in the Mobile Living industry and will continue to drive our strategic agenda to deliver on our financial targets."

*Juan Vargues President and CEO*

### 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 aspirational design for an outdoor and mobile lifestyle in the areas of Food & Beverage, Climate, Power & Control, and Other Applications. Dometic employs approximately 9,000 people worldwide, had net sales of SEK 21.5 billion in 2021 and is headquartered in Stockholm, Sweden.

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**PRESENTATION OF THE REPORT**

Analysts and media are invited to participate in a telephone conference at 10.00 (CET) January 27, 2022, during which President and CEO, Juan Vargues, and CFO, Stefan Fristedt, will present the report and answer questions.

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

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**FOR FURTHER INFORMATION, PLEASE CONTACT**

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