

REPORT ON THE FOURTH QUARTER 2022

STRONG OPERATING CASH FLOW

FOURTH QUARTER 2022

- Net sales were SEK 6,172 m (5,542); an increase of 11%, of which -11% was organic growth.
- Operating profit (EBITA) bef. items affecting comparability was SEK 430 m (632), corresponding to a margin of 7.0% (11.4%).
- Items affecting comparability were SEK -32 m (-37).
- Profit for the quarter was SEK 27 m (197).
- Earnings per share were SEK 0.09 (0.62). Adjusted earnings per share were SEK 0.54 (0.98).
- Cash flow for the quarter was SEK 331 m (-5,593). Operating cash flow was SEK 1,117 m (546).
- Net debt to EBITDA leverage ratio at the end of the period was 3.0x (2.6x), the same level as in the third quarter 2022.
- The Board of Directors proposes a dividend of SEK 1.30 (2.45) per share for 2022.

CEO COMMENT

"In 2022 we continued to take significant steps forward on our transformational agenda. In an extremely challenging macroenvironment impacted by geopolitical uncertainty, high inflation, increasing interest rates and high retail inventories, we delivered record-high net sales of SEK 29.8 b (21.5) with an EBITA of SEK 3.9 b (3.3). We are continuing to transition into a more diversified and resilient company with greater exposure to low-ticket discretionary spend products. Our net sales have more than doubled compared to five years ago, and Distribution and Service & Aftermarket's share has grown to 56 percent (39).

In the fourth quarter of 2022 net sales growth was 11 percent and operating cash flow more than doubled to SEK 1,117 m (546). Organic net sales declined by -11 percent mainly due to reduced Service & Aftermarket sales as retailers globally are rebalancing their inventory levels. In addition, sales to Recreational Vehicle manufacturers (RV OEM) in the US declined as expected.

EBITA before items affecting comparability was SEK 430 m (632), corresponding to a margin of 7.0 percent (11.4). The decline was mainly attributable to the EMEA and Americas segments, while the Marine segment continued to deliver strong results, with 11 percent organic net sales growth and improved EBITA margins of 25.5 percent (22.9). The sales mix, with lower share of Service & Aftermarket net sales, as well as currency movements had negative effects on the margin for the EMEA segment. In addition, the EMEA result was impacted by extraordinary logistics-related costs and by inefficiencies in manufacturing, which are expected to gradually decline in 2023. The margin for the Americas segment was negatively impacted by significantly lower net sales in both RV OEM and Service & Aftermarket. The global restructuring programs are running at high pace, and our workforce has declined by more than 1,600 resources compared to a year ago (pro forma). We are taking further measures to address the situation in EMEA and Americas and we expect to see gradual improvements during 2023.

In its seasonally weakest quarter, the Igloo business delivered a result in line with last year with a mid single-digit negative EBITA margin. The Igloo business has shown significant improvement in 2022 and the synergy activities are progressing as planned. Full-year 2022 organic net sales growth for Igloo was 16 percent, and the EBITA margin was significantly above that of last year. ACON, the seller of Igloo, has filed a lawsuit against Dometic making certain claims related to the Stock Purchase Agreement ("SPA"). We are confident that the lawsuit lacks any merit, are vehemently contesting this lawsuit and have filed a motion to dismiss the case. With respect to the class action complaint against Dometic, pending from 2016, a federal court in Florida has dismissed the case in its entirety. The case has been closed with no liability for Dometic.

Operating cash flow improved and our inventory levels declined as expected in the quarter. The net debt to EBITDA leverage ratio remained as in the third quarter at 3.0x. The focus on cash flow across the Group is strong and we are committed to achieving our net debt to EBITDA leverage ratio target of around 2.5x.

We are very proud of the results that the entire organization has achieved in an extremely challenging 2022. Thanks to our dedicated and highly professional employees, we have taken several important steps on our strategic journey, while at the same time taking necessary short-term cost reduction actions to protect margin and cash flow.

We are optimistic about the long-term trends in the Mobile Living industry, however it is difficult to predict how the current macroeconomic situation will impact the business in the short term. We anticipate a gradual recovery in demand in Service & Aftermarket over the coming quarters, and continued stable development in Distribution. In OEM we foresee persistently weakened demand over the coming quarters. In this environment we will continue to drive our strategic agenda to deliver on our targets, while at the same time remaining agile to quickly respond to the short-term market trends.

Given the current uncertain market conditions and the last two years' extensive M&A activities, the Board of Directors proposes a dividend for 2022 of SEK 1.30 (2.45)."

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 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.

PRESENTATION OF THE REPORT

Analysts and media are invited to participate in a telephone conference at 10.00 (CET) January 27, 2023, during which President and CEO, Juan Vargues, and CFO, Stefan Fristedt, will present the report and answer questions.

Webcast link: <https://dometic.videosync.fi/2023-01-27-q4-2022/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=100330>

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 08:00 CET on January 27, 2023.

FOR FURTHER INFORMATION, PLEASE CONTACT

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