

REPORT ON THE FOURTH QUARTER 2023

INCREASED MARGIN AND IMPROVED NET DEBT LEVERAGE

FOURTH QUARTER 2023

- Net sales were SEK 5,327 m (6,172); a decrease of -14%, of which -13% was organic growth.
- Operating profit (EBITA) before items affecting comparability was SEK 465 m (430), corresponding to a margin of 8.7% (7.0%).
- Operating profit (EBIT) was SEK 242 m (236), corresponding to a margin of 4.5% (3.8%).
- Profit for the quarter was SEK 51 m (27).
- Earnings per share were SEK 0.16 (0.09). Adjusted earnings per share were SEK 0.67 (0.54).
- Operating cash flow for the quarter was SEK 488 m (1,117). Cash flow for the quarter was SEK -220 m (331).
- Net debt to EBITDA leverage ratio at the end of the quarter was 2.7x (3.0x), compared to 2.9x at the end of the third quarter 2023.
- The Board of Directors proposes a dividend of SEK 1.90 (1.30) per share for 2023, corresponding to a payout ratio of 46%.

CEO COMMENT

"In a challenging market environment, impacted by geopolitical and macroeconomic uncertainty in combination with high inventory levels, we continued to demonstrate that we have become a resilient, fast-moving and more effective company. Due to the tough market situation, full year 2023 organic net sales declined by 12 percent, while the EBITA-margin before items affecting comparability showed solid year-on-year improvements in the second half of the year and ended at 12.5 percent (13.2) for the full year. Reducing working capital was a top priority and operating cash flow of SEK 5.2 b (2.3) for the year was our strongest ever.

Net sales in the fourth quarter 2023 totaled SEK 5,327 m (6,172), which represents an organic net sales decline by 13 percent. In a seasonally weak quarter, organic net sales in the Distribution sales channel declined by 20 percent as most retailers re-balance their inventories with a temporary larger negative impact on the Igloo business. As expected, the situation in the Service & Aftermarket sales channel continues to improve gradually, and organic net sales declined by 3 percent compared to a decline of 5 percent in the third quarter. Net sales in the OEM sales channel declined by 14 percent organically, mainly due to lower net sales in Marine and in RV Americas.

The EBITA-margin before items affecting comparability for the quarter improved to 8.7 percent (7.0) supported by price management, cost reductions and net sales mix. Our strategy to prioritize margins before volumes is becoming increasingly visible on our margin development. Segments APAC, EMEA and Global all showed improvements compared with the same quarter last year. In segment Global, the Igloo business delivered a stronger margin despite lower net sales. EMEA's margin improved to 0.3 percent (-3.8) and cost reduction activities have started to generate results, while the sales mix continues to have a negative effect. Segment Marine's margin was robust at 21.6 percent (25.5), despite an organic net sales decline of 12 percent.

The margin for segment Americas remains under pressure and below our expectations. On January 9, Todd Seyfert was appointed as new President for the segment. Todd has a vast management experience from the Outdoor industry and I am convinced we will accelerate our transformation journey and drive efficiencies and margin improvements in the segment.

The operating cash flow was solid at SEK 488 m (1,117), compared to a strong fourth quarter 2022. Inventory levels declined in the quarter and were SEK 2 b lower than a year ago. The net debt to EBITDA leverage ratio declined to 2.7x from 2.9x at the end of the third quarter 2023. The Group has maintained a strong focus on cash flow and we are committed to achieving our net debt to EBITDA leverage ratio target of around 2.5x. Our cash position is solid and the Board of Directors proposes a dividend of SEK 1.90 (1.30) per share for 2023, corresponding to a payout ratio of 46%.

The long-term trends in the Mobile Living industry are strong, however it remains difficult to predict how the current macroeconomic situation and market conditions will impact the business in the short term. Our planning assumptions from the third quarter 2023 remain largely unchanged; We anticipate the recovery in demand in the Service & Aftermarket sales channel to continue. In the Distribution sales channel we expect a gradual recovery coming quarters as retail inventories continue to decline. In the OEM sales channel we foresee a continued weak demand coming quarters. In this environment we will continue to relentlessly drive our strategic agenda to deliver on our targets, prioritize margins before volumes, and at the same time remain agile to quickly respond to short-term market trends.

We are very proud of the results that we have achieved in a very challenging 2023. Thanks to our dedicated employees around the globe, we continued to take several important steps on our strategic transformation journey while we at the same time took necessary short-term cost reduction actions to protect margins and cash flow."

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 8,000 people worldwide, had net sales of SEK 27.8 billion in 2023 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 31, 2024, during which President and CEO, Juan Vargues, and CFO, Stefan Fristedt, will present the report and answer questions.

Webcast link: <https://dometic.videosync.fi/2024-01-31-q4-2023/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=100391>

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 31, 2024.

FOR FURTHER INFORMATION, PLEASE CONTACT

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