

REPORT ON THE THIRD QUARTER 2025

EBITA MARGIN IMPROVEMENT AND GOOD CASH FLOW, DESPITE CONTINUOUS MACROECONOMIC CHALLENGES

THIRD QUARTER 2025

- Net sales were SEK 4,885 m (5,647); a decrease of -13%. Organic growth was -6%.
- Operating profit (EBITA) before items affecting comparability was SEK 506 m (483), corresponding to a margin of 10.4% (8.6%).
- Operating profit (EBIT) was SEK 375 m (-1,673 including a goodwill impairment of SEK -2,000 m), corresponding to a margin of 7.7% (-29.6%).
- Profit for the quarter was SEK 113 m (-1,921).
- Earnings per share were SEK 0.35 (-6.01). Adjusted earnings per share were SEK 0.64 (0.59).
- Free cash flow was SEK 527 m (713). Cash flow was SEK 2,643 m (-506).

CEO COMMENT

Dometic delivered strong EBITA margin improvement and good cash flow, despite continuous macroeconomic challenges.

Net sales for the third quarter totalled SEK 4,885 m (5,647), resulting in an organic net sales decline of -6 percent, reflecting a continued cautious customer behaviour. However, the lower level of decline in the quarter indicates some stabilization, compared to the levels seen in recent years. The Marine segment reported 1 percent organic growth driven both by the Service & Aftermarket and OEM sales channels, suggesting the market downturn may be bottoming out. Revenue in the Service & Aftermarket sales channel declined by -4 percent organically, also a notably slower rate of decline. Retailers remain however cautious, maintaining low inventory levels and cautious purchasing behaviour as we enter the off-season for many of our products. The Distribution sales channel declined by -6 percent where Mobile Cooling was impacted by additional retail inventory reductions and labour inefficiencies. In the OEM sales channel, the Marine segment reported net sales growth, while primarily recreational vehicle OEM net sales declined, resulting in an -8 percent decrease for the total OEM sales channel. Land Vehicles Americas reported single-digit growth. Generally, there was a positive tone and attendance increased at the major trade shows held in the quarter both in the U.S and Europe.

EBITA1) in the third quarter increased to SEK 506 m (483), driven by improved performance in the Land Vehicle segment, stable development in the Marine and Global Ventures segments, while EBITA in the Mobile Cooling segment declined. The EBITA margin showed a strong improvement of 1.8 percentage points to 10.4 percent (8.6), despite the lower sales volumes. The improvement was largely achieved due to a continued successful execution of the ongoing Global restructuring program, which is delivering savings according to plan, as well as the additional cost reduction activities driven across the Group. In parallel with the cost-reduction activities and capacity adaption in some areas, we continue to invest in strategic growth areas. The Land Vehicles, Marine, and Global Ventures segments all reported margin improvements. The lower EBITA margin in the Mobile Cooling segment was mainly a result of lower volumes as well as continued investments in new product development and in sales and marketing.

Cash generation remained good, with free cash flow in the quarter amounting to SEK 527 m (713), primarily driven by working capital management. The net debt to EBITDA leverage ratio declined sequentially but increased year-over-year to 3.2x. Net debt continues to decline, driven by the consistent cash generation, and is now down by around one third compared to three years ago. Maintaining a strict focus on earnings and cash flow, we are steadily working towards our net debt to EBITDA target of around 2.5x.

The development in order intake shows early signs of recovery in some of our markets. The Service & Aftermarket sales channel demand is still somewhat volatile, and consumer behavior is tilted towards downtrading. While there may be pent-up demand, this is partly offset by dealers' reluctance to increase inventories. In the Distribution sales channel, we're encouraged by our launch of new cooling products and a reasonably positive trend in order intake. Still, retailers continue to manage inventories aggressively. In the OEM sales channel, we seem to be nearing the bottom of the cycle, though trends vary across segments. Here, Marine and Land Vehicles Americas are leading the recovery.

We expect positive contributions from investments in new products - such as the award-winning Dometic Recon series of mobile cooling products and the Dometic DG3 Gyro boat stabilizer. The recent interest rate cuts in markets such as the U.S. and Australia are expected to improve consumer confidence, leading to improved market conditions. While we have already announced mitigating price increases to our customers, certain temporary negative effects - due to timing - will impact the fourth quarter. These include import tariffs and regulatory-driven labor cost increases in our Mobile Cooling segment, as well as negative currency effects.

Long-term trends in the Mobile Living industry remain strong and we will continue to relentlessly drive our strategic agenda. The Global restructuring program proceeds as planned, which means that we are placing Dometic in a prime position to deliver on our targets while providing highest quality of services and products to our customers.

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) October 23, 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/2025-10-23-q3-2025>

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=5009570>

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

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FOR FURTHER INFORMATION, PLEASE CONTACT

Tobias Norrby
Head of Investor Relations
E-mail: tobias.norrby@dometicgroup.com
Tel. +46 706647335

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