



CEO's review

Matias Järnefelt, CEO

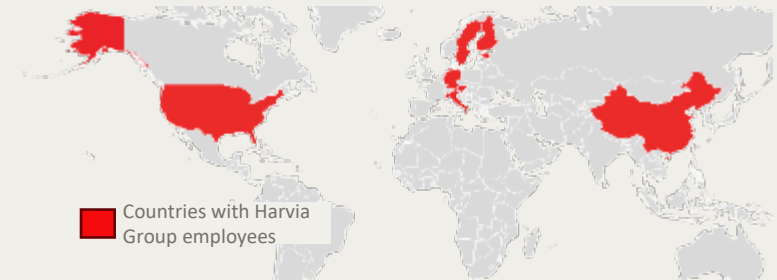
Today, we are the global sauna and spa market leader with solutions for professionals and consumers



GLOBAL SAUNA AND SPA MARKET LEADER

€150.5M
REVENUE 2023

~90 COUNTRIES
600+ EMPLOYEES



SOLUTIONS FOR ALL SAUNA TYPES AND USERS WITH 2 GLOBAL BRANDS HARVIA AND EOS



SOLID TRACK RECORD OF STRONG PROFITABILITY & ALSO INORGANIC GROWTH

22.4%
OPERATING PROFIT (ADJ.) 2023

KEY M&A 2016-2023



Harvia's story: A long history of international growth



1950
Harvia's story began in 1950 when a Finnish sauna enthusiast, Tapani Harvia sought healing and warmth after a plane accident from the most natural source Finns can imagine – sauna.



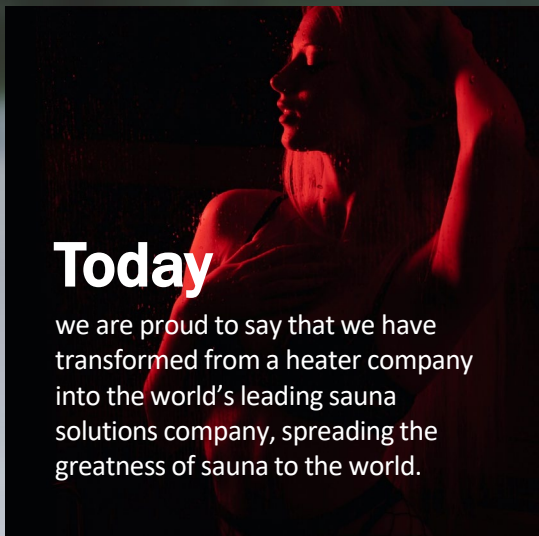
The company was led by **Harvia family** for over six decades, forming a unique culture driven by entrepreneurial mindset, passion, and long-term commitment.



Over the years, with a strong international market focus since the beginning, the company has **grown successfully** organically and through M&A, introducing new members to the Harvia Group.



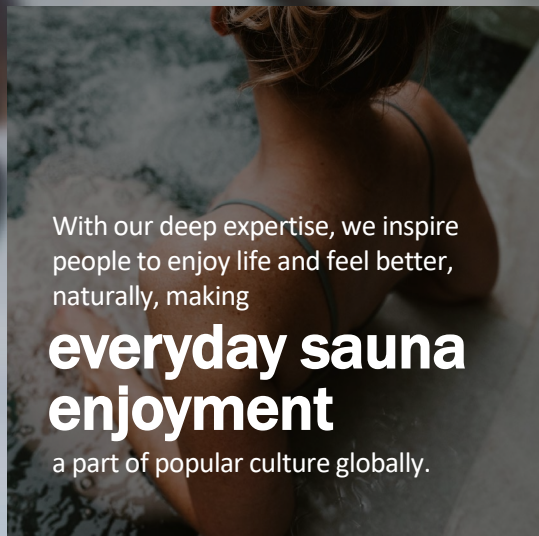
2018  Nasdaq
To fuel the growth ambitions, Harvia Group was listed to Nasdaq Helsinki in 2018.



Today
we are proud to say that we have transformed from a heater company into the world's leading sauna solutions company, spreading the greatness of sauna to the world.



HARVIA

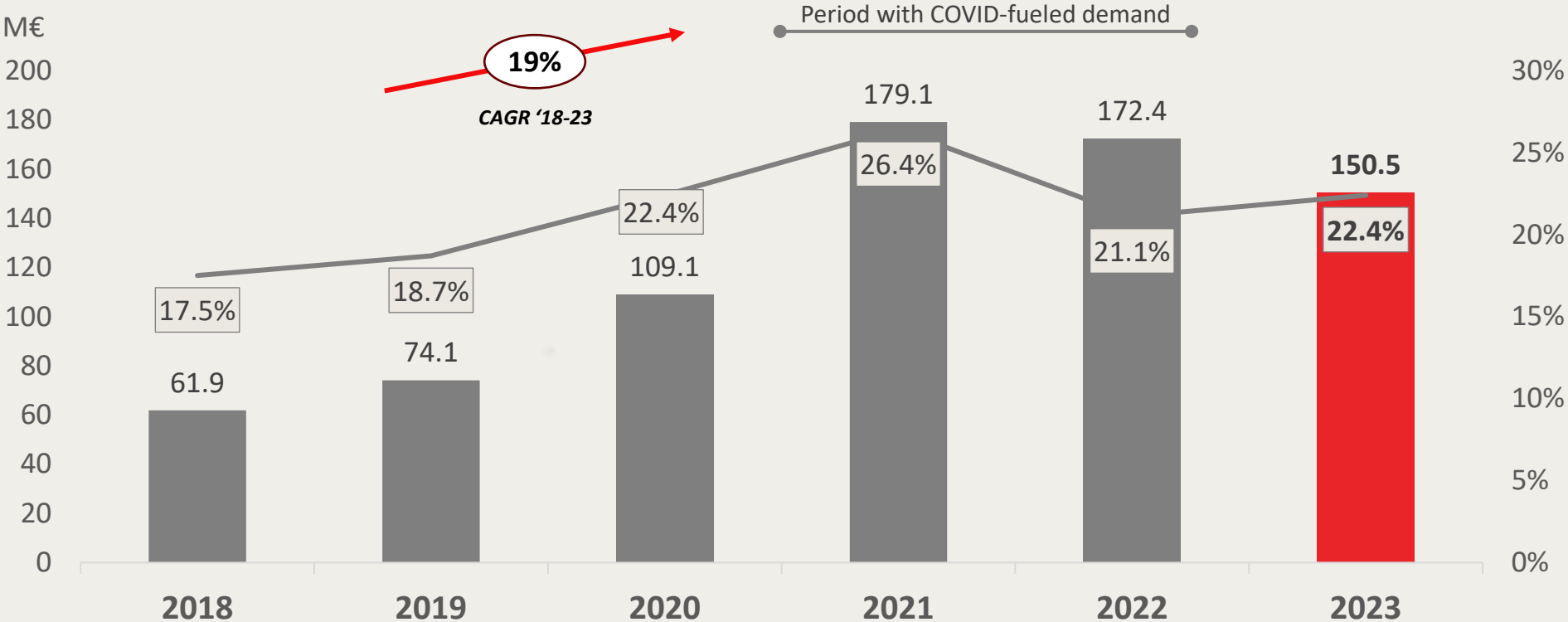


With our deep expertise, we inspire people to enjoy life and feel better, naturally, making **everyday sauna enjoyment** a part of popular culture globally.

Harvia has a solid track record in growing profitably, both organically and inorganically



Revenue and Adjusted operating profit-%



Key M&A activity



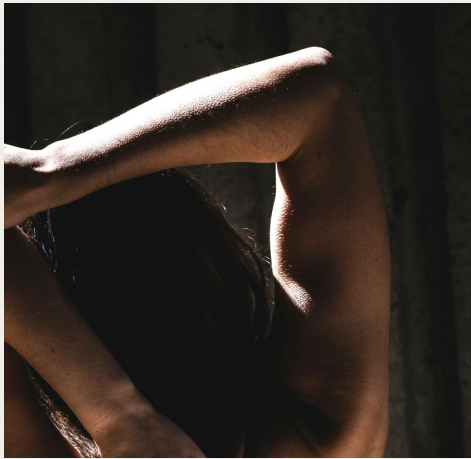
1. Harvia acquired 78.6% of EOS Group's German operations in March 2020, rest 21.4% were acquired in July 2022

Megatrends build strong momentum for sauna – we lead the category development globally



MEGATREND

Health and wellbeing



We take an active lead in growing the global sauna market through spreading the word on the health and wellbeing benefits of sauna.

IMPLICATION TO OUR BUSINESS

Spending on experiences



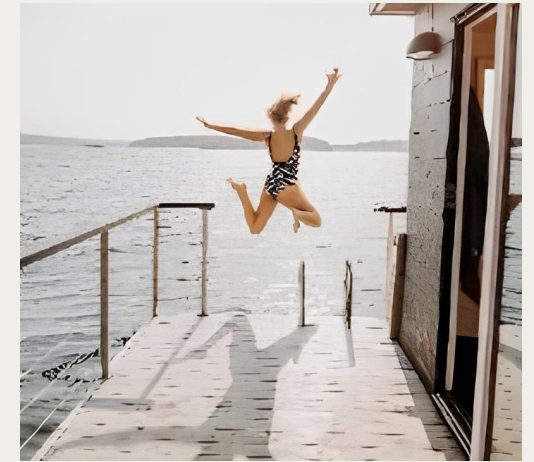
We make sauna experiences desirable and available globally for different cultures, ensuring a variety of options to cater for a variety of needs.

Technology-enriched experiences



Technology enables us to create unique sauna experiences, serving personal preferences and wellness needs, offering multisensory experiences and ease of use.

Demand for sustainable solutions



We ensure that everyone has access to good and healthy living through sauna – safety and energy efficiency maximized through innovations.

HARVIA

Sauna & Spa

Highlights of 2023

Highlights of 2023 – strong profitability continued while foundations for future growth were strengthened

Mixed market environment visible in sales performance

- Overall revenue in EUR 150.5 million, -12.7% compared to 2022
- Decline in sales driven primarily by economic uncertainty in Europe and complete exit from Russia in 2022
- Strong growth outside Europe: North America revenue growth 20.3%
- Revenue turned into growth in the last quarter of 2023

Strong profitability continued

- Profitability was strong throughout the year, 2023 adjusted operating profit EUR 33.7 million (22.4% of revenue)
- Cash flow also strong, supported by successful net working capital management
- Pricing and capacity adjusted well to changing conditions, some easing in inflation pressures
- Overall, a very good operative performance from team Harvia in many fronts
- Phoenix El-Mec, a manufacturer of electromechanical timers for sauna heaters, acquired in September 2023 to improve supply chain resilience

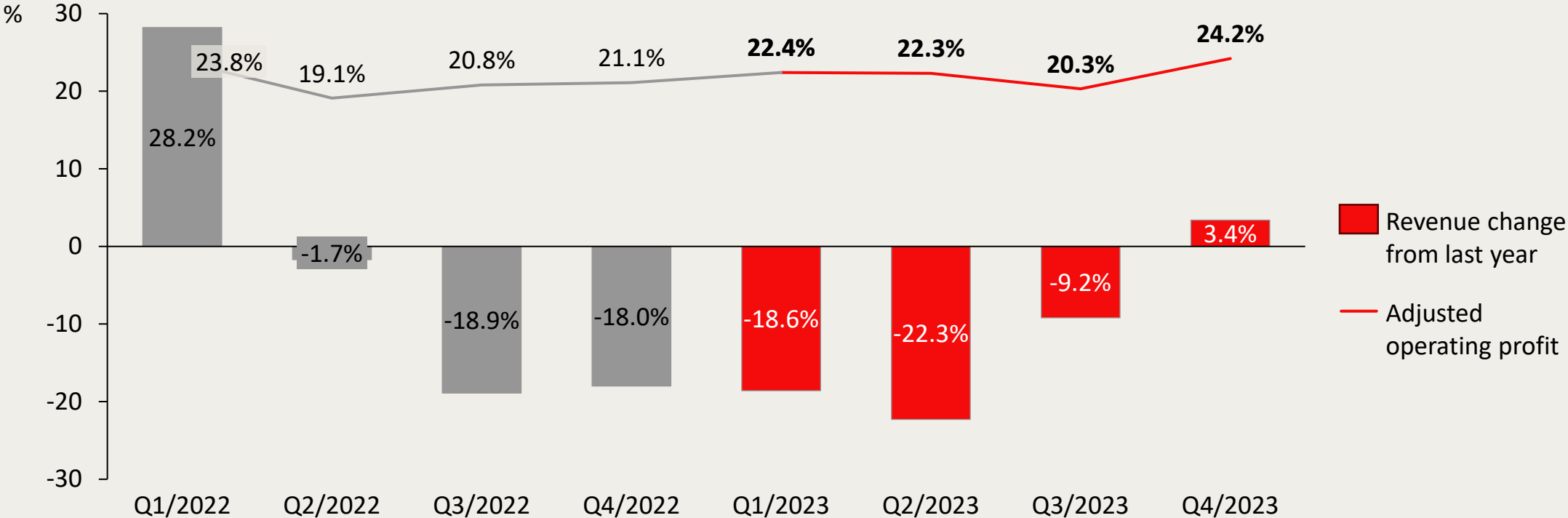
Foundations for future growth strengthened

- Further actions to drive strategic growth, for example establishing joint venture Harvia Japan Limited
- New organizational structure, effective from 1 January 2024, implemented to support our strategy and growth
- Awareness of sauna and its health benefits grew in 2023, we expect that to continue also in the future
- Sauna and spa industry remains attractive and offers also inorganic growth opportunities for Harvia

Harvia's sales turned into growth in the last quarter of 2023, strong profitability maintained throughout year



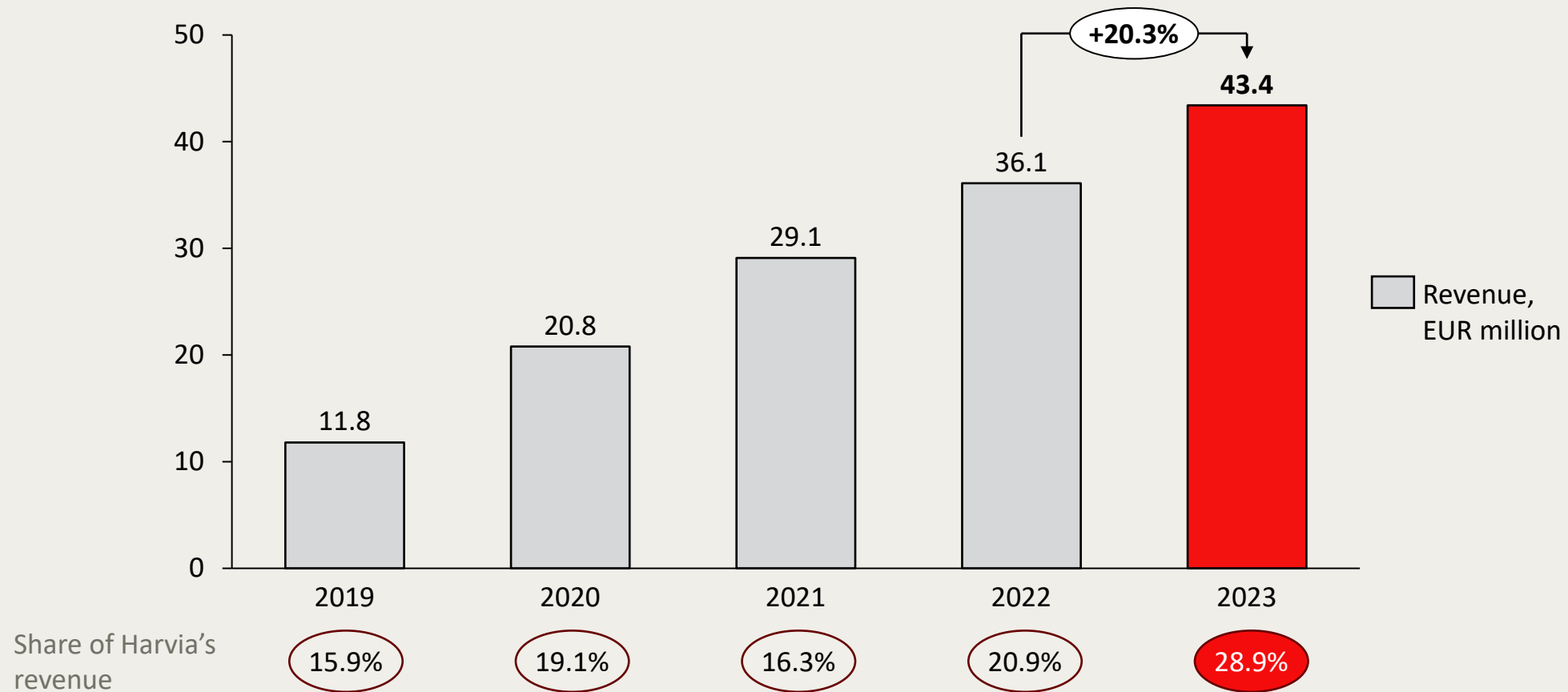
Quarterly revenue change and adjusted operating profit



Harvia's business in North America has grown strongly in the past years, also after the pandemic



Development of revenue in North America and share of Harvia's revenue in 2019-2023 (after Almost Heaven Saunas acquisition)





Changes in Harvia Group management in 2023 and early 2024



- In June 2023, Matias Järnefelt started as the new CEO of Harvia Group, following Tapio Pajuharju who had led Harvia from 2016.
- In October 2023, Harvia announced that it will implement a new organizational structure and changes to the management team, effective from 1 January 2024.
- The new organization structure consists of four geographical sales regions, five Group functions and EOS Brands and Products.
- On 26 January 2024, Harvia announced the appointment of Jennifer Thayer as Head of Region North America. She started in the position on 1 February 2024.

Novelties of 2023 – key examples



HARVIA SPIRIT

Harvia Spirit electric heaters are designed and manufactured in Finland and meet the regulations and local requirements for electric heaters in the United States.



HARVIA SÖPÖ

The Söpö sauna cabins are designed for the utmost comfort and have an innovative design for easy assembly.



EOS STRUCTURE

With its unique shape and distinctive rod structure, the EOS Structure sauna heater is a true design statement. It is colored elegant matte black from top to bottom.



HYBRID SAUNA

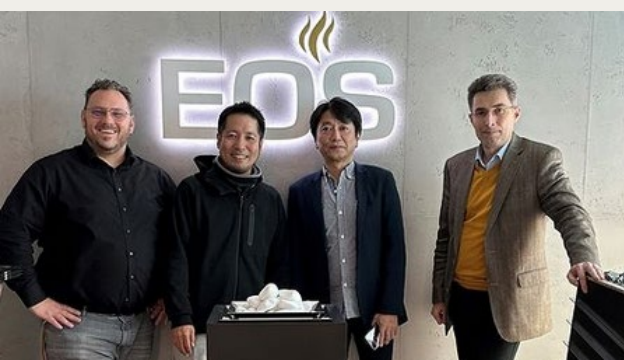
Almost Heaven Saunas launched first hybrid saunas, combining traditional and infrared, that are manufactured in North America.



HARVIA FROSTY

The oval shaped Harvia Frosty cold tub is made of high-quality materials that are safe to use, feel comfortable on the skin, and are easy to maintain. Comes with an insulated cover.

Excellent work in 2023 by team Harvia



Key figures for 2023

Revenue

150.5

(172.4)
EUR million

Adjusted operating profit

33.7

(36.5)
EUR million

Operating free cash flow

44.6

(34.0)
EUR million

Earnings per share

1.25

(1.45)
EUR

Cash conversion

111.7%

(79.1)

Equity ratio

51.0%

(47.3)

Number of employees
(end of year)

605

(633)

Investments

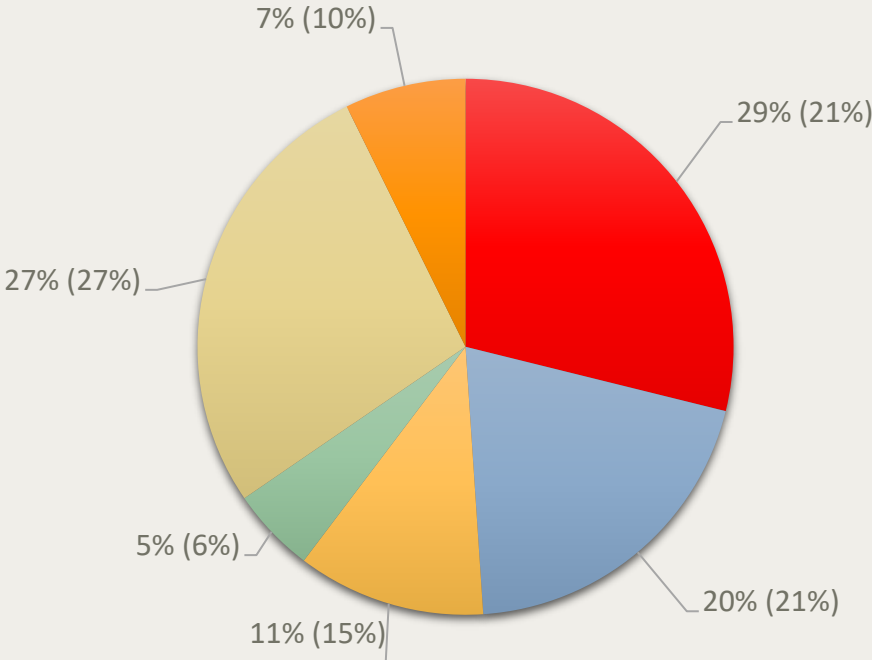
3.1

(3.6)
EUR million

North America was the largest reported market area in 2023, heating equipment represented over half of revenue

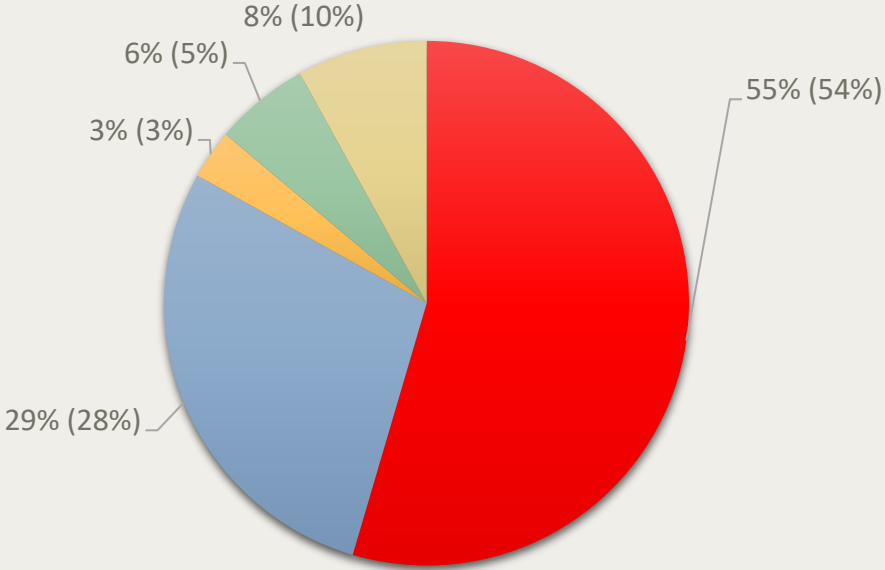


2023 revenue by market area, % (2022)



- North America
- Finland
- Germany
- Scandinavia
- Other European countries
- Other countries*

2023 revenue by product group, % (2022)



- Heating equipment*
- Saunas and Scandinavian hot tubs
- Steam generators
- Accessories and heater stones
- Spare parts and services

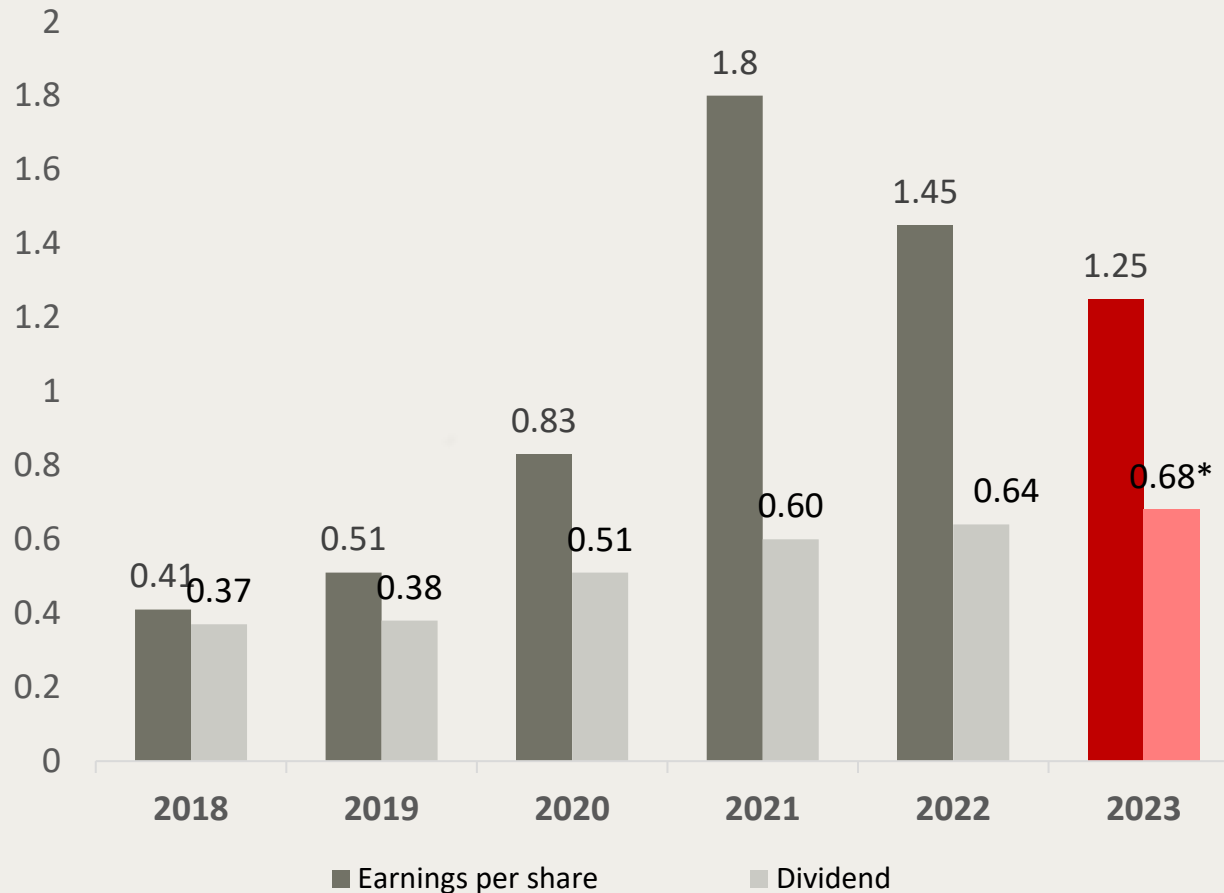
* The largest of which: Asia and Middle East and Africa. Other countries includes also Russia. There was no revenue in Russia in the reporting period, but its share of revenue was 4% in 1-12/2022.

* Sauna heaters, control units, IR components

Dividend proposal for financial year 2023 EUR 0.68



Earnings per share and Dividend per share, EUR



- Harvia's dividend policy is to pay a regularly increasing dividend with a bi-annual payout.
- The Board of Directors proposes to the Annual General Meeting that, based on the adopted balance sheet for the financial year 2023, EUR 0.68 per share be paid as dividend and that the remainder of the distributable funds be transferred to shareholders' equity. The Board of Directors proposes that the dividend is paid in two instalments.

*The Board's proposal to the Annual General Meeting

HARVIA

Sauna & Spa

Foundations for the long-term



HARVIA

Sauna & Spa

OUR PURPOSE

We are healing with heat! Our purpose is to contribute to a long and good life through healing with heat.

OUR SUSTAINABILITY COMMITMENTS



FOR GOOD AND HEALTHY LIVING

We create a positive impact on the health and longevity for people with our offering. We actively share science backed information on the health benefits of heat and promote the healthy regimen of using sauna 3 times per week for at least 15 minutes.



EVERYONE
with access
to sauna



FOR SUSTAINABLE EXPERIENCES & ENJOYMENT

We actively guide our end-users in responsible consumption of our products. We invest in research and development of products that reduce emissions and optimize energy consumption. We use sustainable and sustainably sourced materials.



100%
sustainably
sourced



FOR CARBON NEUTRALITY

We strive for carbon neutrality of our operations to limit global warming and contribute to global efforts in safeguarding the environment.



0
emissions



FOR SAFE AND WARM COMMUNITY

We believe that when we collaborate and support each other, it results in wellbeing and long relationships with everyone from our employees to customers and partners. We look after the safety, equality and competence development of our people.

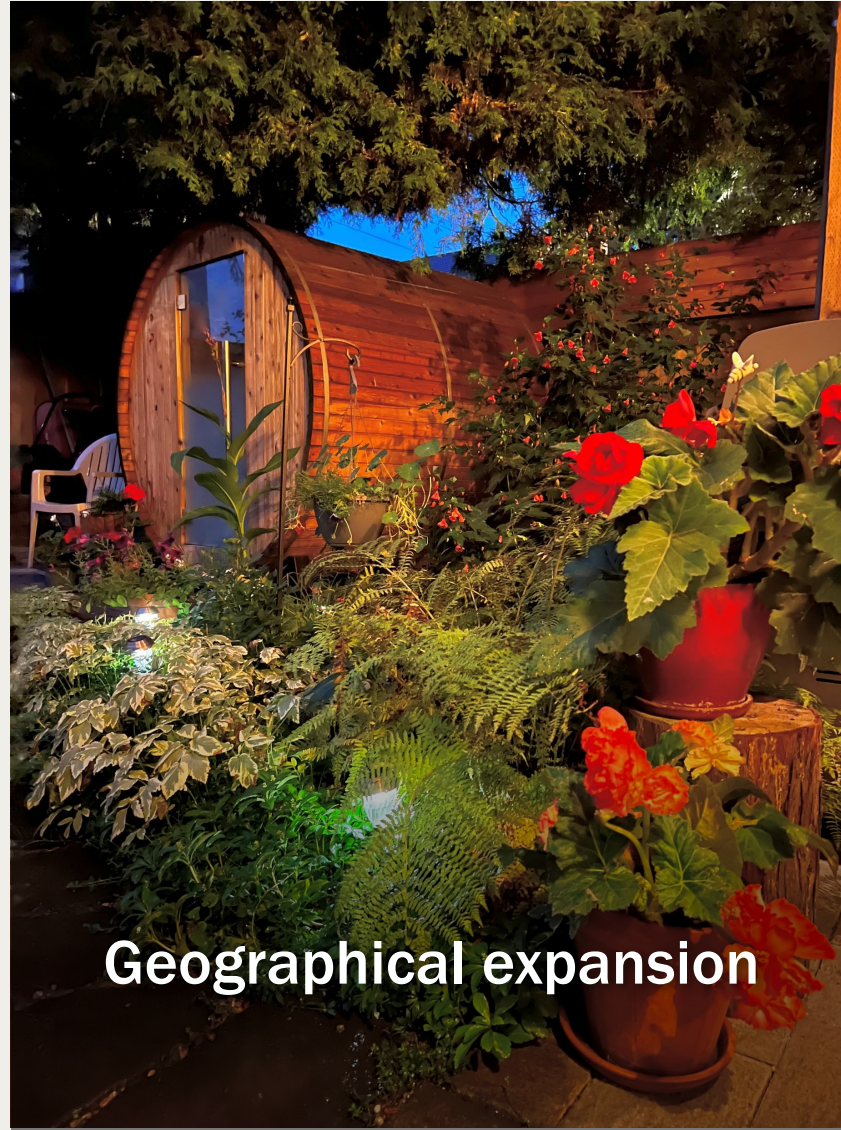


0
accidents

Harvia aims to be the leading player in the sauna and spa market



Increasing the average purchase value



Geographical expansion



Productivity improvement

A woman with long blonde hair is lying on her back on a wooden bench in a sauna. She is wearing a white towel with red stripes. The sauna has a stone wall and wooden benches. A red square overlay with the Harvia logo and text is positioned over the woman's head and upper body. In the foreground, a metal bucket with a wooden handle and a Harvia logo is visible.

HARVIA

Sauna & Spa

Healing with heat