

Harvia Plc Financial statements bulletin | January–December 2024

STRONG REVENUE GROWTH AND EXCELLENT CASH FLOW IN Q4 2024 – FULL YEAR GROWTH AND PROFITABILITY ON LONG-TERM TARGET LEVEL

Matias Järnefelt, CEO | Ari Vesterinen, CFO
13 February 2025

Welcome!

Agenda for today



Matias Järnefelt, CEO

- Highlights of Q4/2024 business and financial performance
- Strategy implementation



Ari Vesterinen, CFO

- Financial performance details in Q4/2024 and full year 2024

Q4 2024 highlights

Strong growth and all-time high quarterly revenue

- Revenue increased by 29.3% and amounted to EUR 51.0 million. Organic revenue growth was 21.7%.
- Very strong growth in North America and APAC & MEA. Modest growth in Europe.
- Growth in all product groups. Steam products category grew nearly 300% boosted by the ThermaSol acquisition.

Excellent cash flow, profitability somewhat below long-term target level

- Adjusted operating profit of EUR 8.7 million, or 17.1% of revenue.
- Profitability impacted by high share of lower margin campaign sales in the United States, partially one-off sales and marketing actions, as well as strengthening the organization, portfolio and innovation to secure continued growth.
- Cash conversion excellent at 140.3%, driven especially by favorable development in accounts receivable and accounts payable.

Strong full year 2024

- The Group achieved all of the updated long-term financial targets in 2024; Double-digit growth, strong profitability and solid balance sheet.
- Launch of updated strategy in May, execution started well. ThermaSol acquisition in strengthened position in steam, digital and USA. Exciting new products introduced, innovation pipeline developing well.
- Harvia is well positioned for future success as it continues to implement its market leadership strategy.

Q4 2024 key figures

Revenue

51.0

(39.4)
EUR million

+29.3%

YoY growth

Organic revenue growth: **21.7%**

Growth at comparable exchange rates: **28.0%**

Adjusted operating profit

8.7

(9.5)
EUR million

17.1%

(24.2%)
of net sales

Adjusted operating profit growth: **-8.6%**

Operating free cash flow

15.0

(15.5)
EUR million

140.3%

(138.9%)
cash conversion

January–December 2024 key figures



Revenue

175.2

(150.5)
EUR million

+16.4%

YoY growth

Organic revenue growth: **12.9%**
Growth at comparable exchange rates: **16.2%**

Adjusted operating profit

37.1

(33.7)
EUR million

21.2%

(22.4%)
of net sales

Adjusted operating profit growth: **10.2%**

Operating free cash flow

35.0

(44.6)
EUR million

79.4%

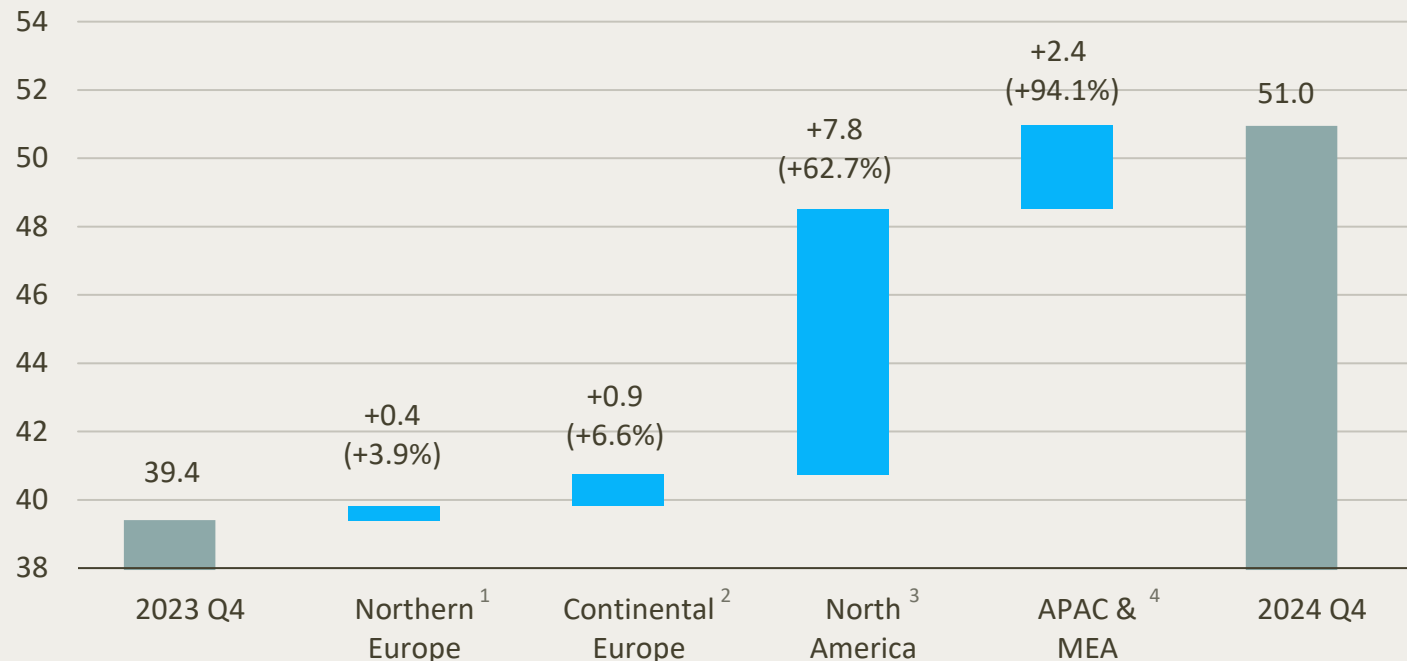
(111.7%)
cash conversion

Q4 2024: Growth in all sales regions, but especially in North America and APAC & MEA

Harvia has adjusted its revenue reporting. Starting from the first quarter of 2024, Harvia reports its revenue as presented below.

Revenue by sales region 10–12/2023 vs 10–12/2024

EUR million



- Total revenue **grew by 29.3%** to EUR 51.0 million in Q4/2024.
- Revenue **increased in all sales regions**, but the total revenue growth was driven primarily by the strong growth in **North America** as well as in **APAC & MEA**.

1) Finland, Sweden, Denmark, Norway, Iceland, Estonia, Latvia, Lithuania

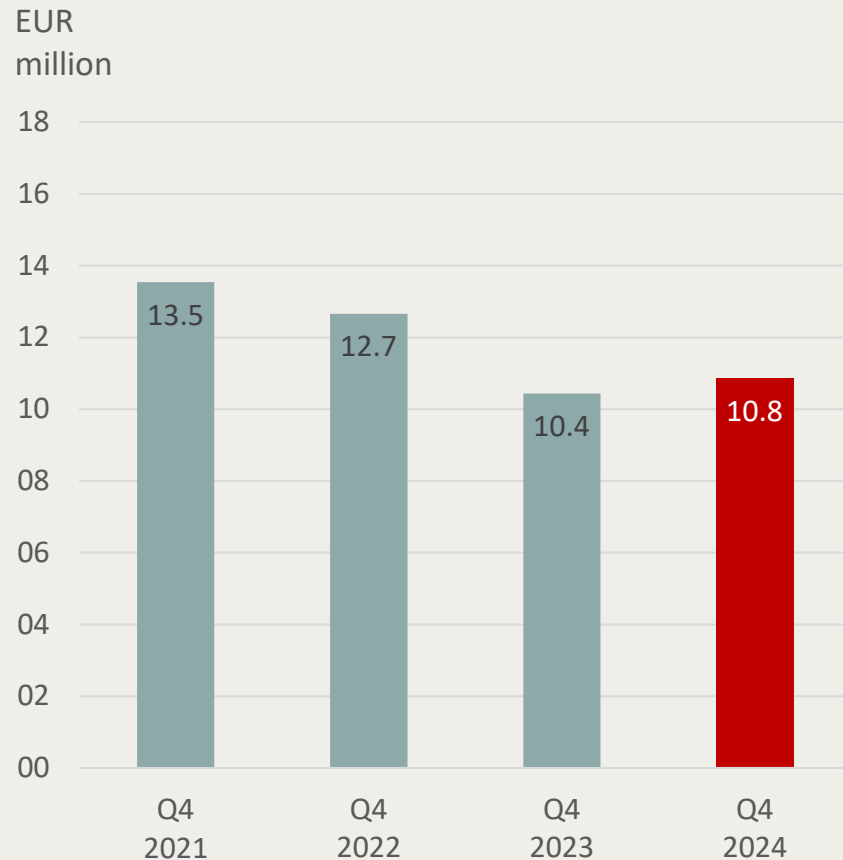
2) Europe excluding countries specified as Northern Europe

3) The United States and Canada

4) The region Asia-Pacific, Middle East, Africa, and all other countries excluding above

Northern Europe: Slight growth in continuing challenging market conditions

Q4 revenue in Northern Europe, 2021–2024



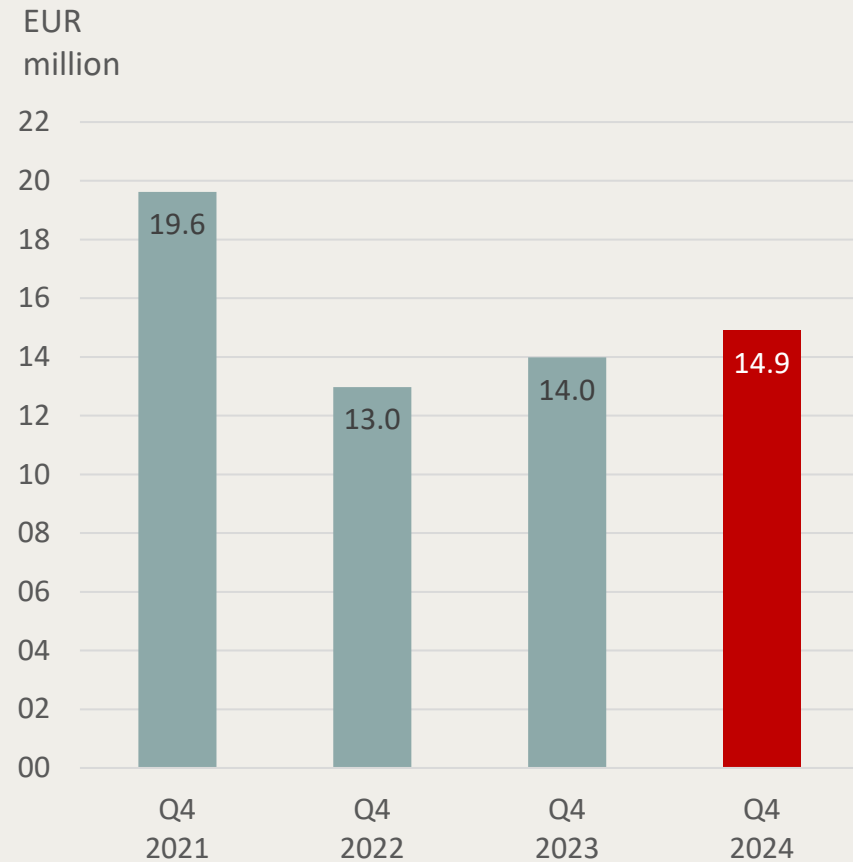
21%
(26%)
Share of Harvia's
total revenue

- Revenue increased by 3.9% to EUR 10.8 million in Q4.
- Market in Finland has been challenging due to weak construction and property market.
- Sales development more positive in Baltic countries and in Scandinavia, where distribution also strengthened.



Continental Europe: Gradual recovery continued

Q4 revenue in Continental Europe, 2021–2024



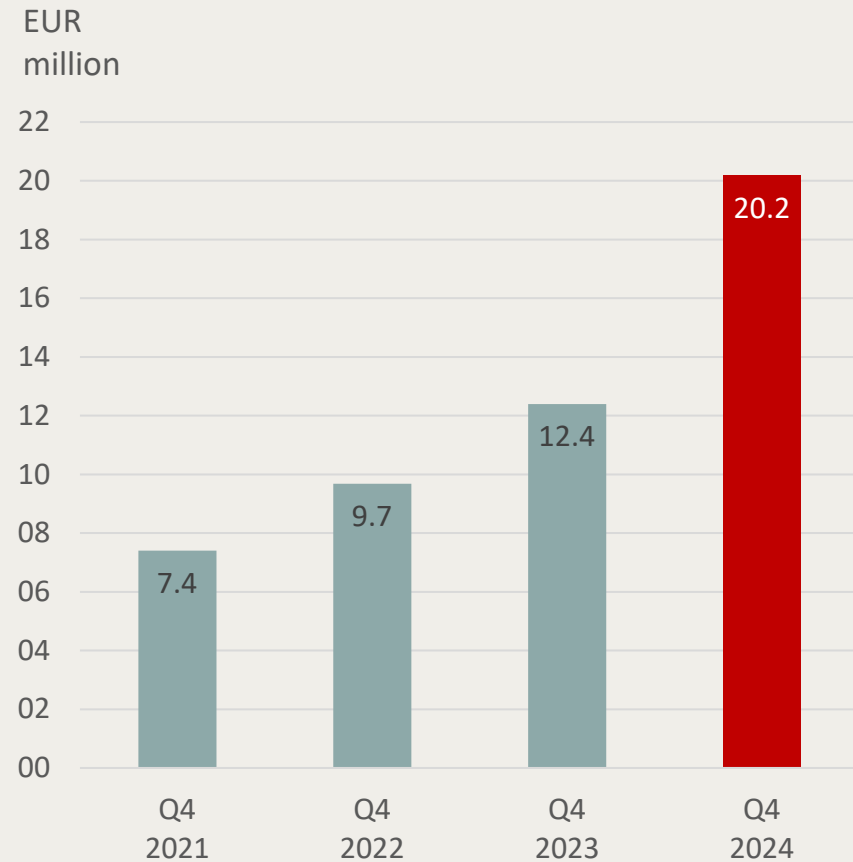
29%
(35%)
Share of Harvia's
total revenue

- Revenue **grew by 6.6% to EUR 14.9 million** in Q4.
- Gradual sales recovery continued, even though challenging economic conditions in key markets, such as Germany, continued to affect sales negatively.
- Good growth of **EOS-branded products** in the professional and high-end segments.



North America: Significant revenue growth boosted by high-season campaigns and ThermaSol acquisition

Q4 revenue in North America, 2021–2024



40%

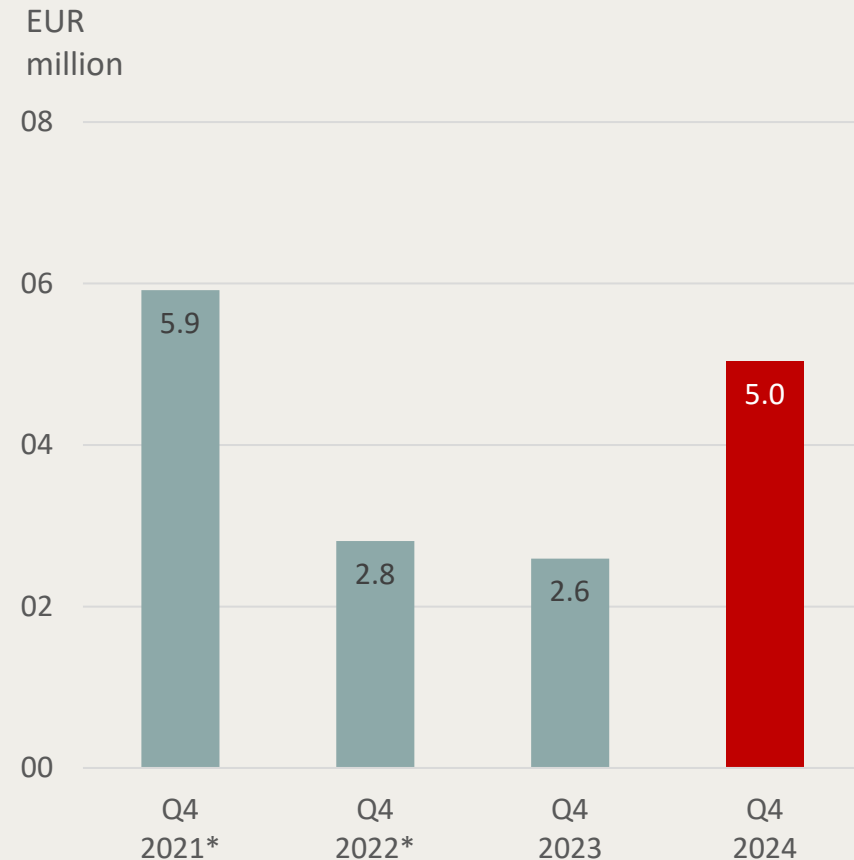
(31%)
Share of Harvia's
total revenue

- Revenue grew by 62.7% to EUR 20.2 million in Q4.
- Overall **strong market demand**; very strong order-intake during key high-season **campaigns** such as Black Friday.
- **ThermaSol** integration progressing well – realization of identified synergies takes some time, as expected.



APAC & MEA: Continuing strong performance in several key markets

Q4 revenue in APAC & MEA, 2021–2024



10%
(7%)
Share of Harvia's
total revenue

- Revenue grew by **94.1% to EUR 5.0 million** in Q4.
- Growth boosted by continuing strong market development in **several countries**, but also by timing of large **project deliveries**.
- Overall, the importance of APAC & MEA for Harvia continues to grow – region now 10% of the company's total sales.



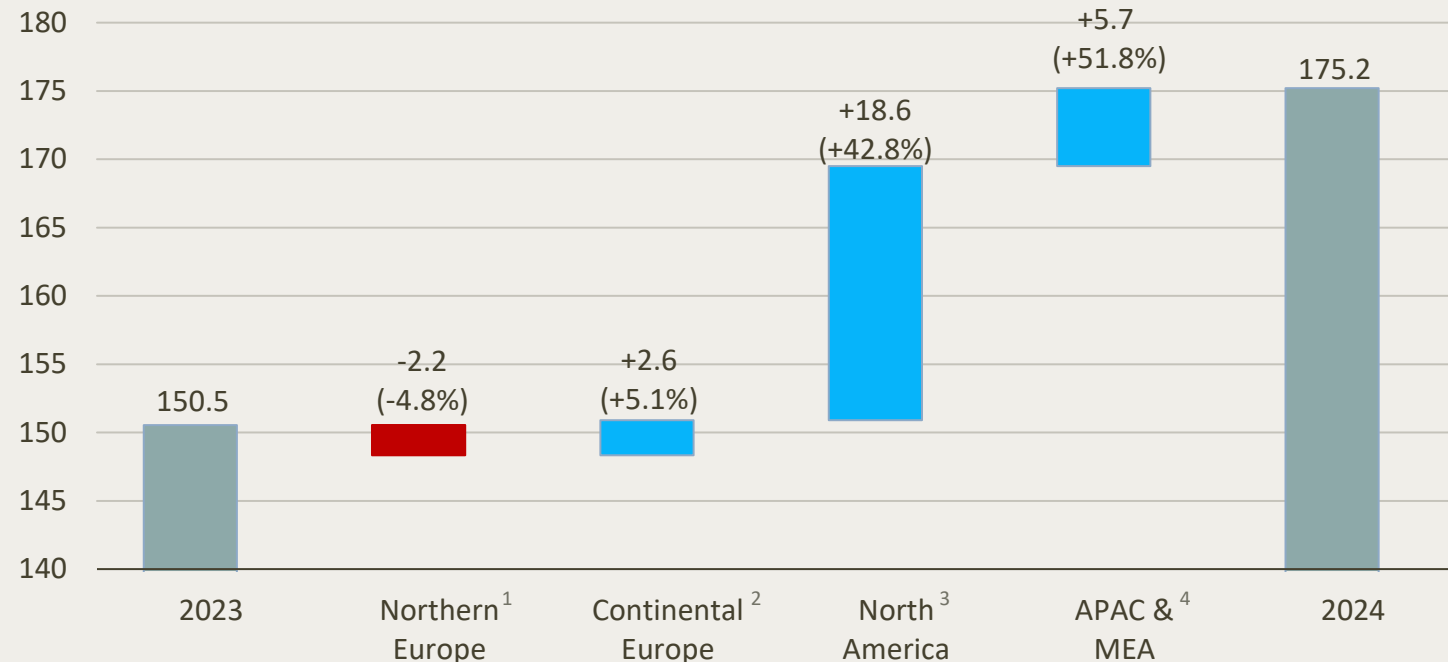
* Revenue from Russia was EUR 0.9 million in Q4/2022 and EUR 3.7 million in Q4/2021, but there was no revenue from Russia in Q4/2023

January–December 2024: Growth in all regions except Northern Europe

Harvia has adjusted its revenue reporting. Starting from the first quarter of 2024, Harvia reports its revenue as presented below.

Revenue by sales region 1–12/2023 vs 1–12/2024

EUR million



- Total revenue grew by 16.4% to EUR 175.2 million.
- Revenue growth was driven especially by North America and APAC & MEA, with ThermaSol acquisition in July boosting growth in North America further.
- Difficult market conditions in Northern Europe continued throughout 2024 and are visible in revenue decline.
- Continental Europe continued gradual recovery during the year.

1) Finland, Sweden, Denmark, Norway, Iceland, Estonia, Latvia, Lithuania

2) Europe excluding countries specified as Northern Europe

3) The United States and Canada

4) The region Asia-Pacific, Middle East, Africa, and all other countries excluding above

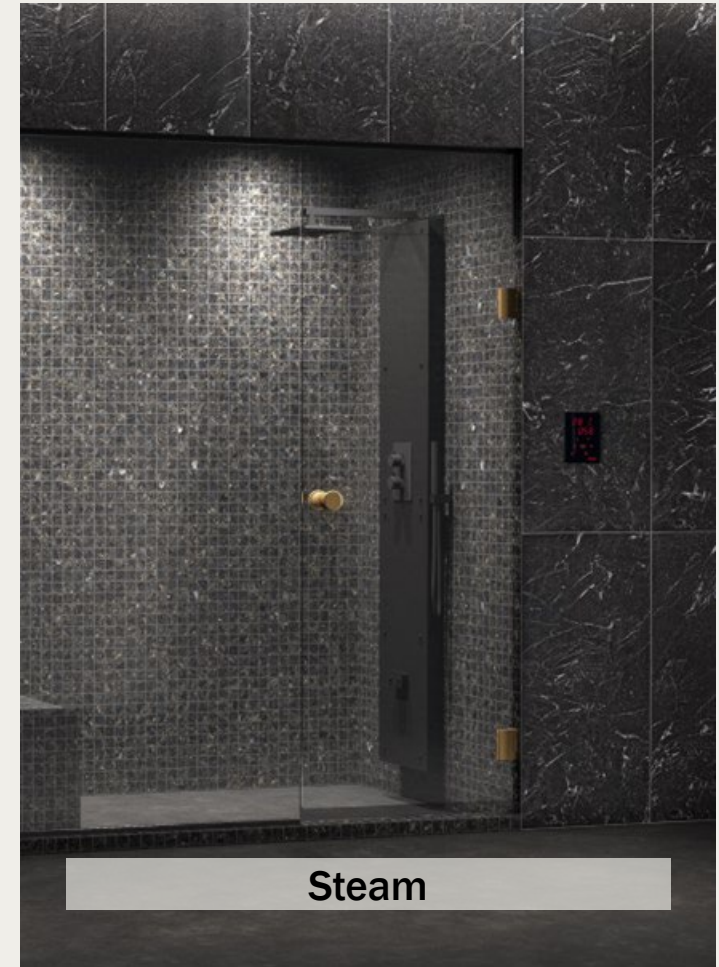
Harvia offers products and solutions for all sauna types and cultures, for both private and professional customers



Traditional sauna



Infrared

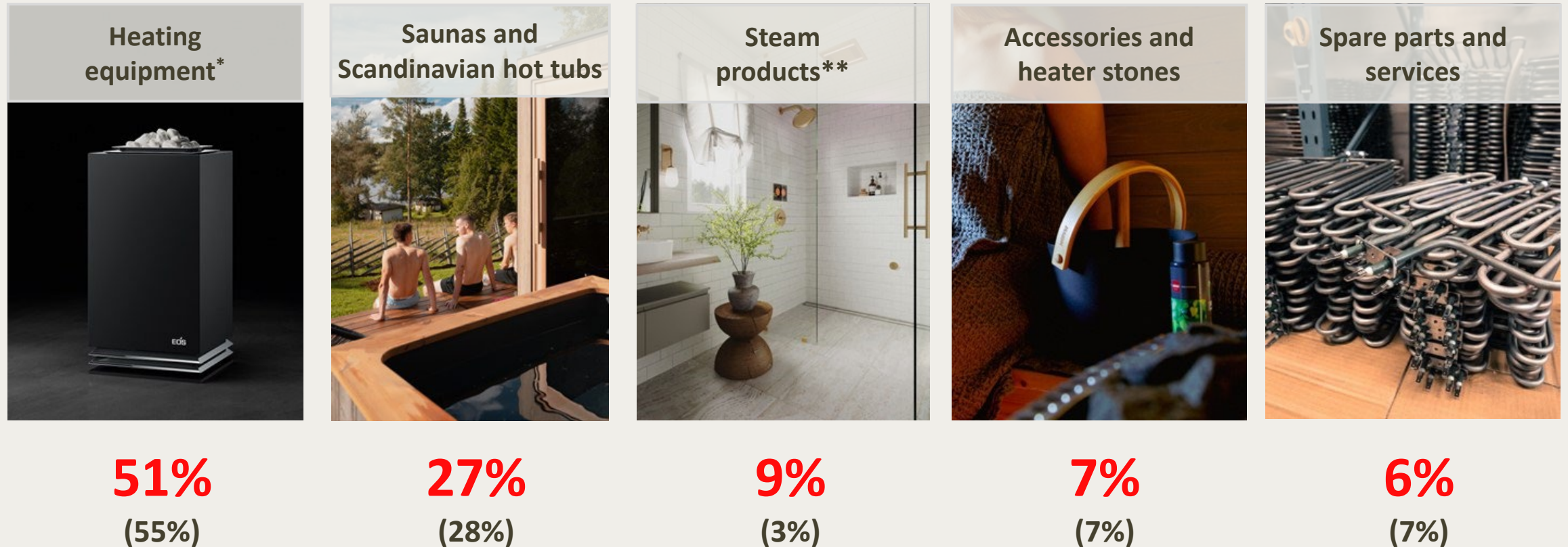


Steam

Heating equipment and Saunas and Scandinavian hot tubs are Harvia's largest reported product groups

Harvia has adjusted its revenue reporting. Starting from the first quarter of 2024, Harvia reports its revenue as presented below.

Share of Group's total revenue in Q4 2024



*Sauna heaters, control units, IR components

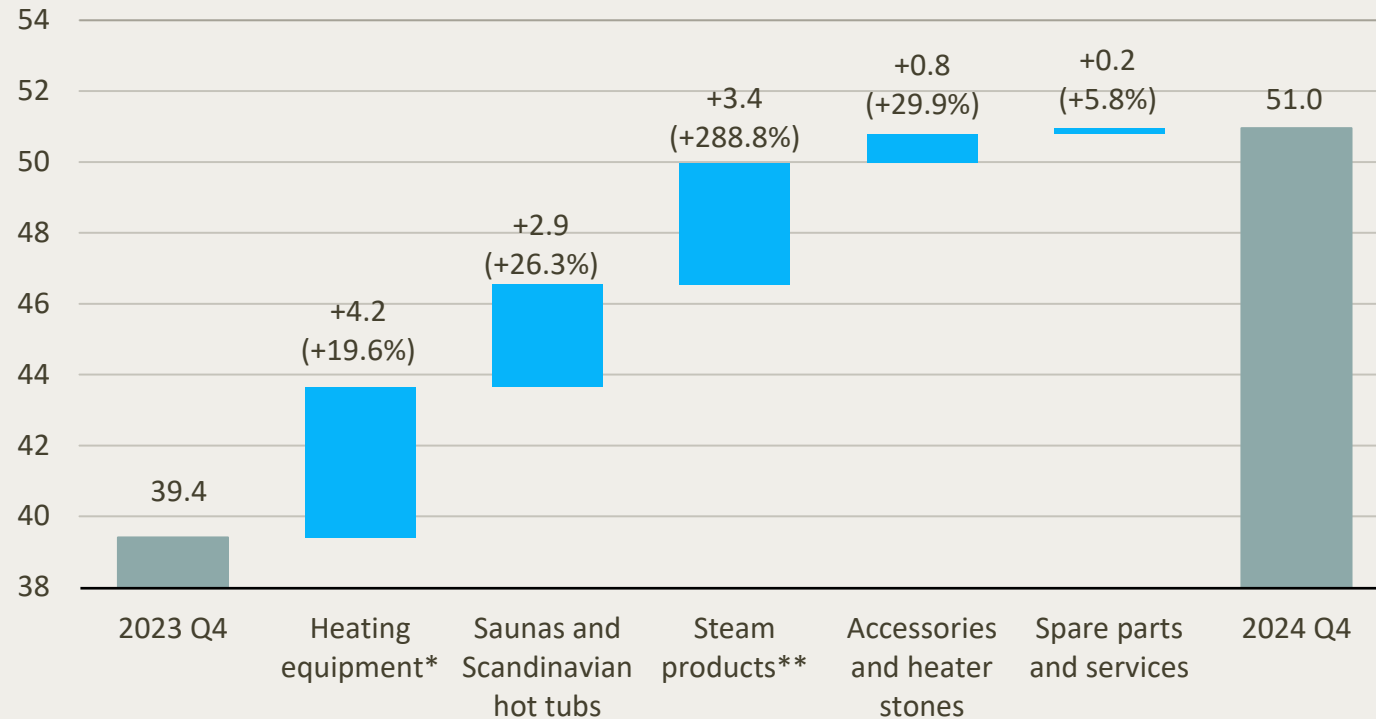
**Including steam generators and other steam equipment

Note: Figures may not add up to 100% due to rounding

Q4 2024: Growth in all product groups

Revenue by product group 10–12/2023 vs 10–12/2024

EUR million



- **Growth in all product groups** during Q4.
- The strong growth in **North America and APAC & MEA** was driven by several product groups, which is reflected also in the Group-level performance.
- The high growth in steam products was driven by the acquisition of **ThermaSol**.

* Sauna heaters, control units, IR components

** Including steam generators and other steam equipment

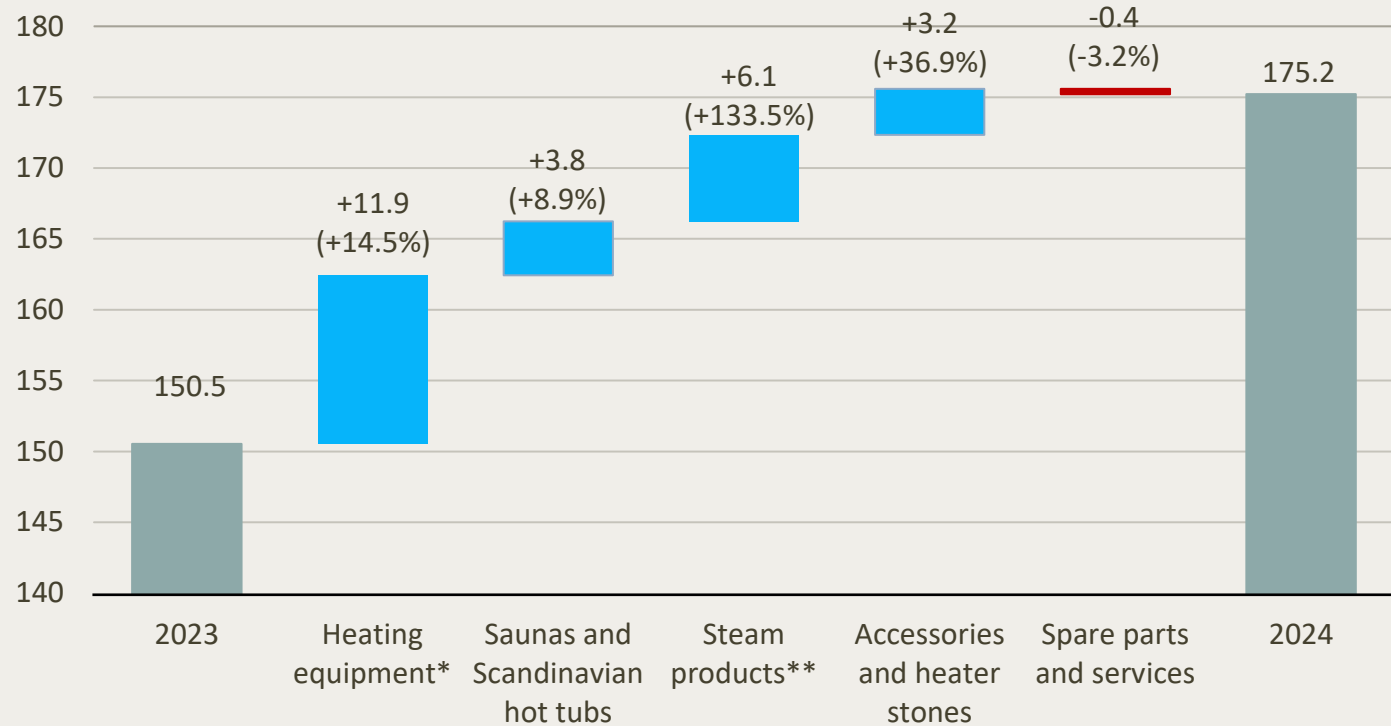
January–December 2024: Growth in most product groups



Harvia has adjusted its revenue reporting. Starting from the first quarter of 2024, Harvia reports its revenue as presented below.

Revenue by product group 1–12/2023 vs 1–12/2024

EUR million



- In 2024, revenue grew in all product groups except spare parts and services.
- Acquisition of ThermaSol in July drove the high growth of steam products.

* Sauna heaters, control units, IR components

** Including steam generators and other steam equipment

Harvia's strategic role: Shaping the global sauna market so that everyone has a reason to experience sauna

Four strategic focus areas

WHAT

Delivering
the full sauna experience

WHERE

Winning
in strategically important
markets

TO WHOM

Leading
in key channels

HOW

Best-in-class operations & great people

Executing strategic focus areas in Q4 2024

Delivering the full sauna experience

- Nordic/traditional saunas: Growing in both equipment and sauna cabins.
- Steam: Leveraging ThermaSol acquisition to accelerate.
- Strengthening innovation and differentiation: Full-touch control panel Harvia Fenix, World's first solar powered sauna cabin, woodburning version of Cilindro sauna heater.

Winning in strategically important markets

- North America: Continued very strong growth in Harvia's largest sales region.
- APAC & MEA: Very strong growth, now representing 10% of Harvia Group sales.
- Continental Europe: Continued recovery driven especially by premium and professional segment (EOS).
- Northern Europe: Expanded distribution network in Scandinavia.

Leading in key channels

- Strong progress and sales results in key channels, including significant direct-to-consumer online sales in North America.
- Ongoing work to sharpen our channel strategy and to further improve Harvia's co-operation with partners.

Best-in-class operations & great people

- Continued upgrading and maintenance investments in several locations.
- Enhancing of integration across the Group to drive synergies and best practices. ThermaSol integration progressing according to the plan.
- Ivan Sabato appointed as Head of Continental Europe and Group Management Team member. Sabato will start in his position at the latest on 1 April 2025.

Harvia has introduced lately several new exciting products

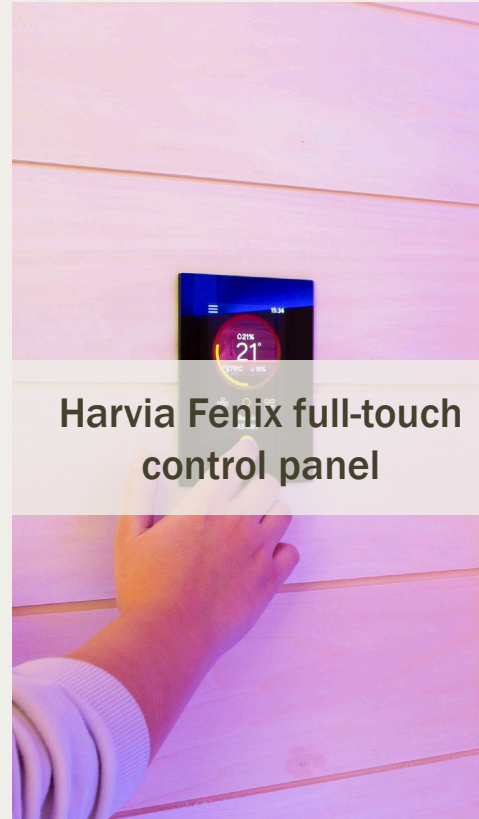
KEY EXAMPLES



Woodburning version of Cilindro heater



Kirami Tile – world's first solar-powered outdoor electric sauna



Harvia Fenix full-touch control panel



BlackWater Cube Sauna by Almost Heaven Saunas

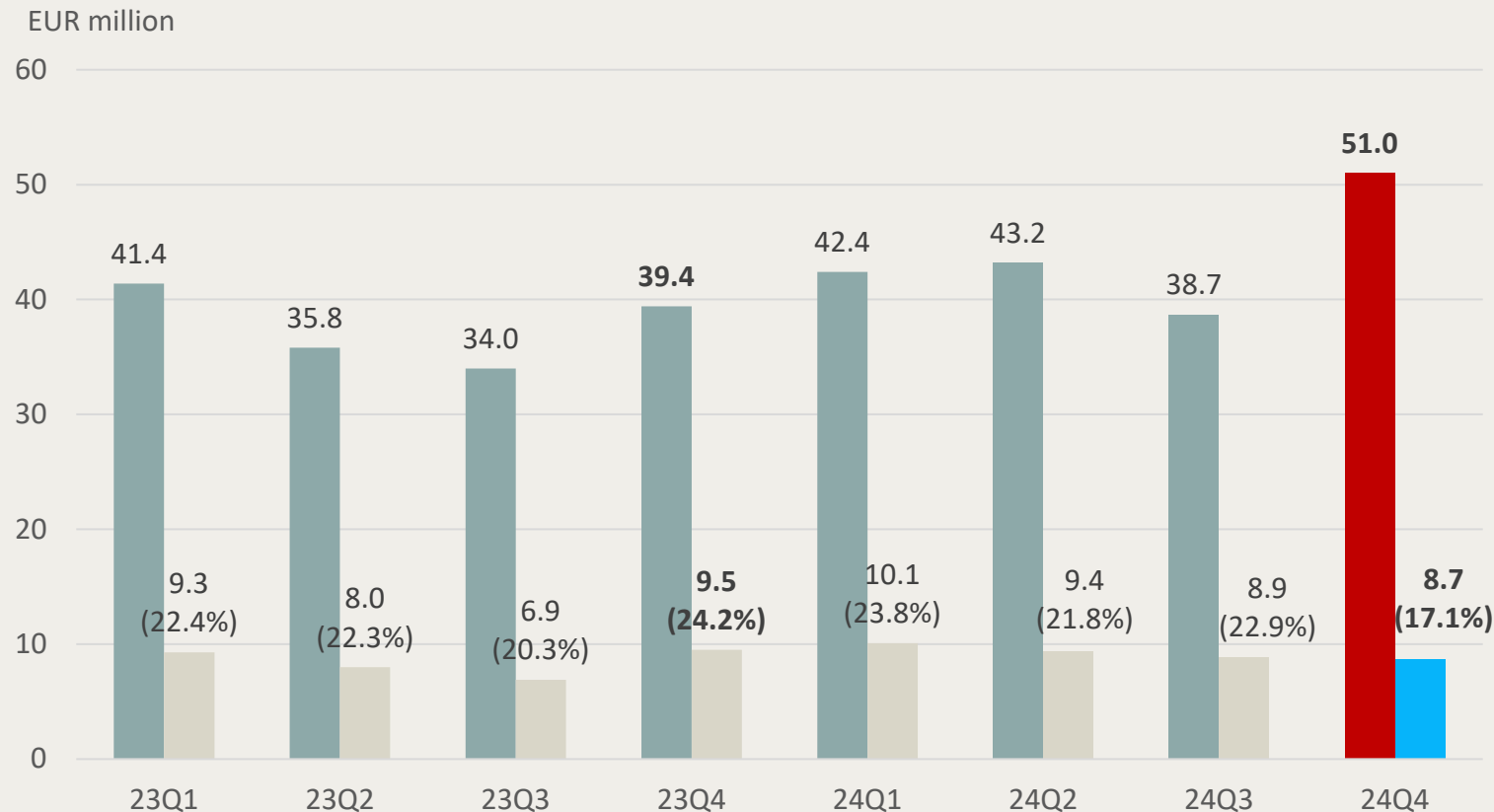
Financials

Ari Vesterinen, CFO



All-time high sales quarter Q4/2024, relative profitability under long-term target

Revenue and adjusted operating profit



- During 2024, Harvia had good organic and inorganic growth – and an all-time high sales quarter in Q4.
- In Q4, Harvia’s adjusted operating profit fell below its long-term financial target of 20%, but full year 2024 was significantly stronger profitability-wise.
- Historically, market seasonality has had some positive impacts on sales during winter months and this was realized in Q4.

Harvia's key figures in the review period

EUR million	10-12/2024	10-12/2023	Change	1-12/2024	1-12/2023	Change
Revenue	51.0	39.4	29.3%	175.2	150.5	16.4%
Adjusted EBITDA*	10.7	11.1	-4.1%	44.1	39.9	10.4%
% of revenue	21.0%	28.3%		25.1%	26.5%	
Adjusted operating profit*	8.7	9.5	-8.6%	37.1	33.7	10.2%
% of revenue	17.1%	24.2%		21.2%	22.4%	
Basic EPS (EUR)	0.29	0.39	-24.7%	1.30	1.25	4.2%
Operating free cash flow	15.0	15.5	-3.1%	35.0	44.6	-21.5%
Investments in tangible and intangible assets	-1.8	-1.4	27.2%	-6.1	-3.1	96.8%
Net debt	57.2	37.6	52.3%	57.2	37.6	52.3%
Leverage	1.3	0.9		1.3	0.9	
Net working capital	45.0	36.1	24.4%	45.0	36.1	24.4%
Adjusted return on capital employed (ROCE)	45.5%	44.2%		45.5%	44.2%	
Equity ratio	47.2%	51.0%		47.2%	51.0%	
Number of employees at end of period	696**	605	15.0%	696**	605	15.0%

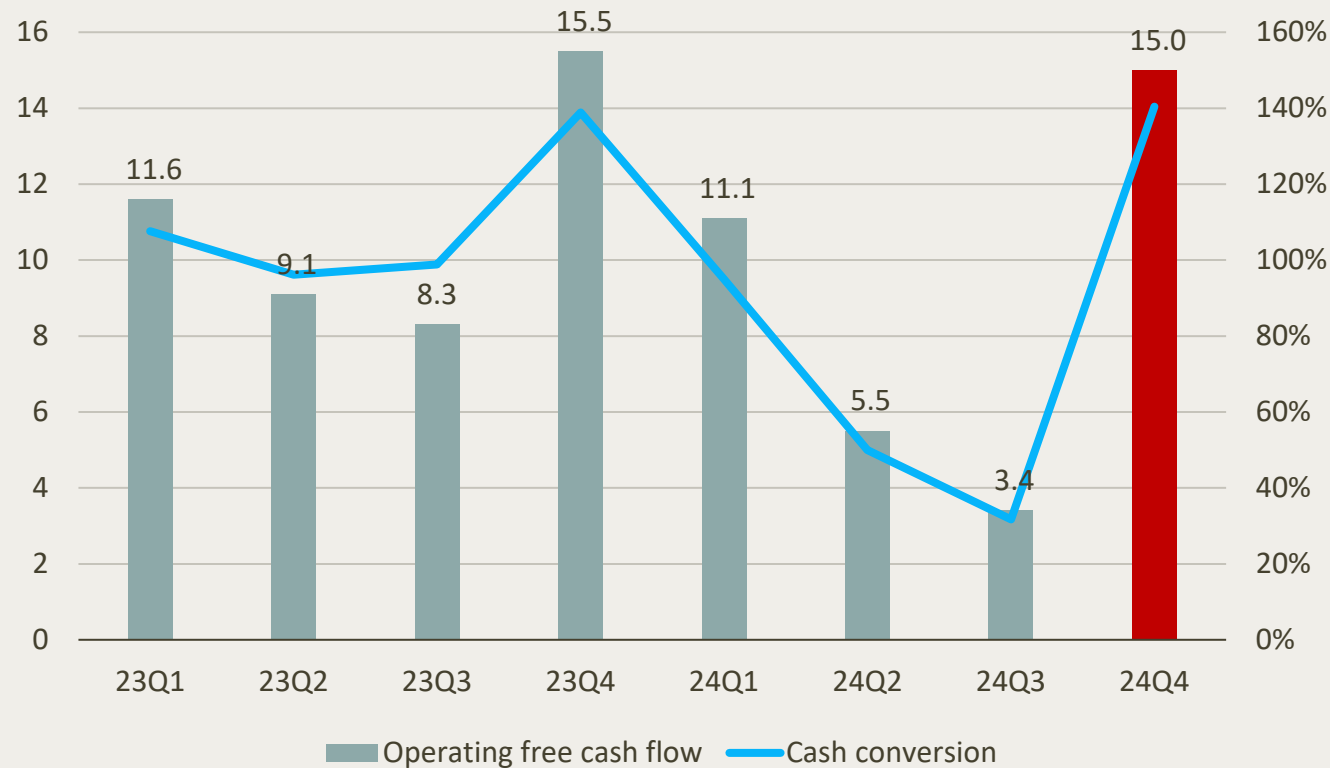
*Adjusted by items affecting comparability related mainly to acquisitions, divestments of subsidiaries and restructuring.

**Includes the personnel of ThermaSol Steam Bath LLC, totaling 39 employees on 31 December 2024.

Excellent operating free cash flow and cash conversion in Q4

Operating free cash flow and cash conversion*

EUR million



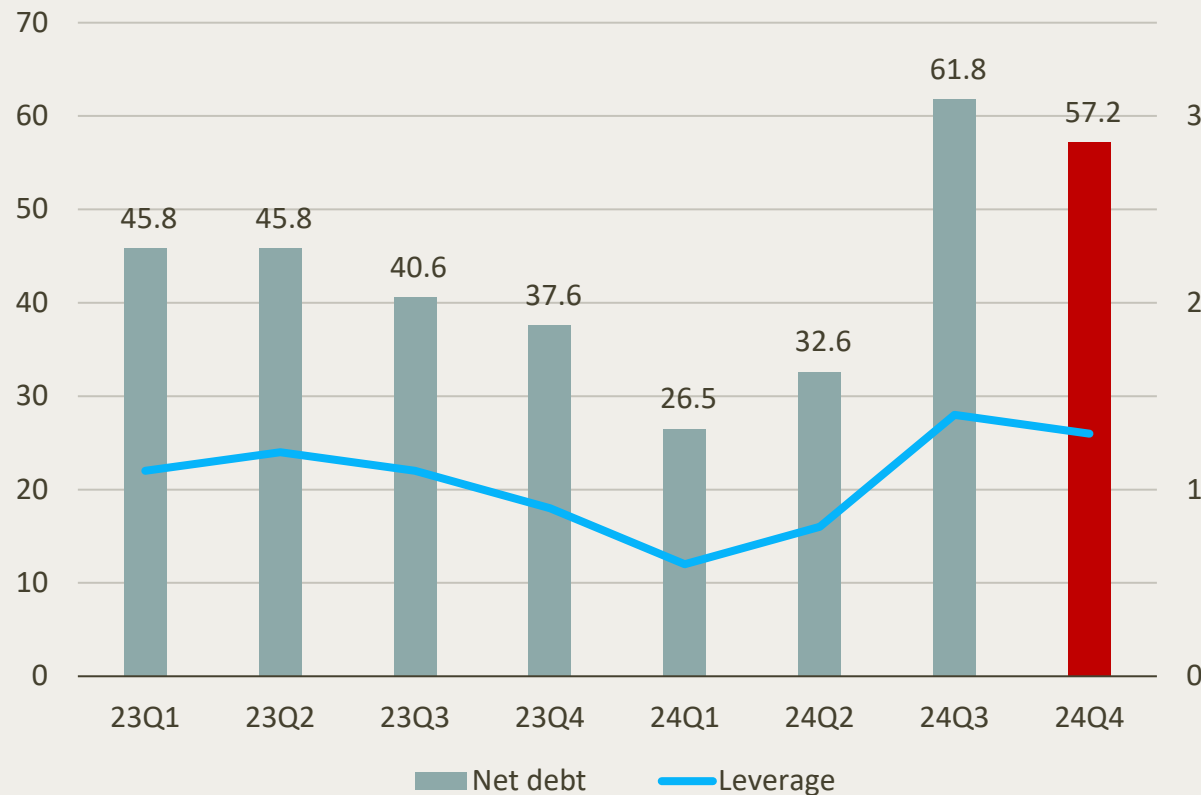
* Cash conversion defined as operating free cash flow divided by adjusted EBITDA

- In the review period, the company’s operating free cash flow was EUR 15.0 million (15.5) and cash conversion 140.4% (138.9%).
- Cash conversion was supported by the decrease of trade and other receivables and increase of trade and other payables.
- Inventories grew in the beginning of the quarter but started decreasing in December as the high-selling season and shipments in the United States started. At the end of the December, inventories were still slightly higher than at the end of Q3.

Small decline in net debt after Q3 increase due to the ThermaSol acquisition

Net debt and leverage

EUR million

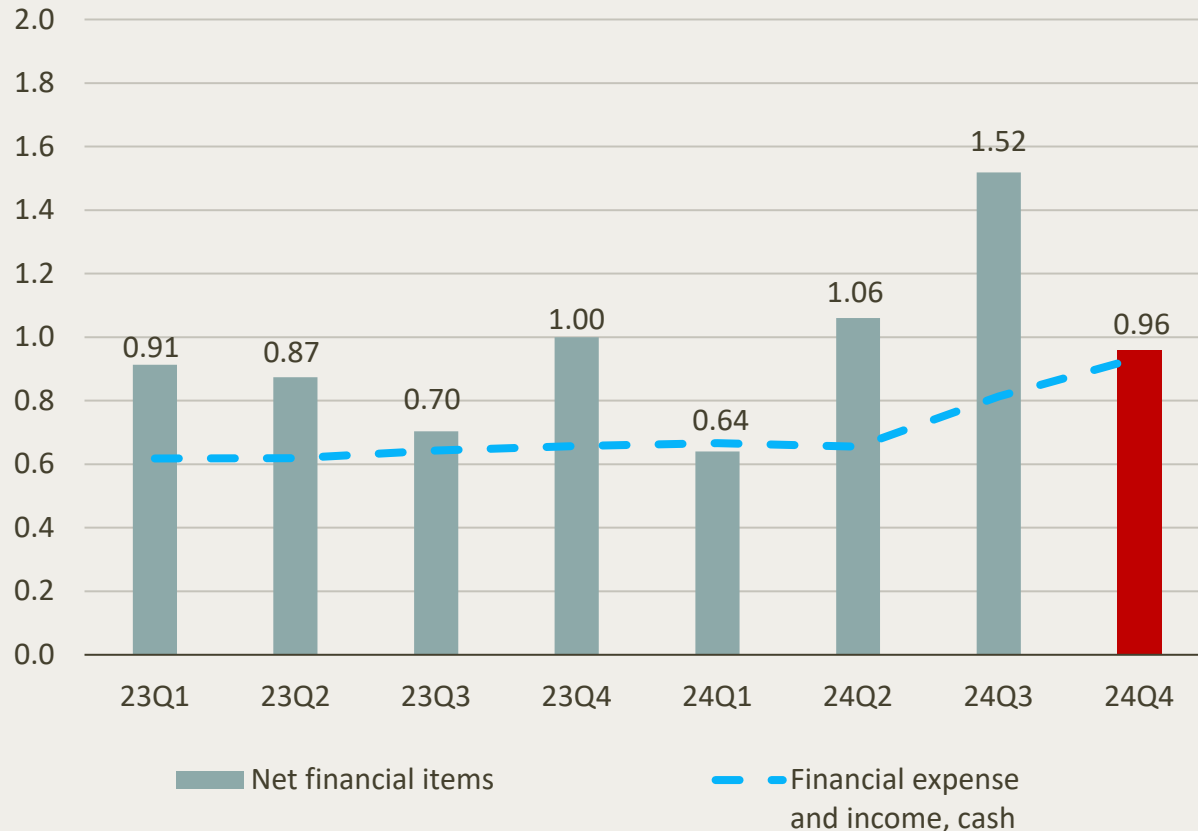


- At the end of December 2024, the company's net debt amounted to EUR 57.2 million (37.6). Loans from credit institutions were EUR 95.4 million (75.4) and lease liabilities were EUR 8.3 million (2.7). Cash and cash equivalents were EUR 46.4 million (40.6).
- Leverage was 1.3 (0.9). The acquisition of ThermaSol increased the net debt and leverage in Q3. However, the leverage stayed still well below the company's long-term financial target of under 2.5.

Acquisition of ThermaSol in Q3 increased net financial items, but in Q4, the impact was offset by exchange rate gains

Net financial items

EUR million

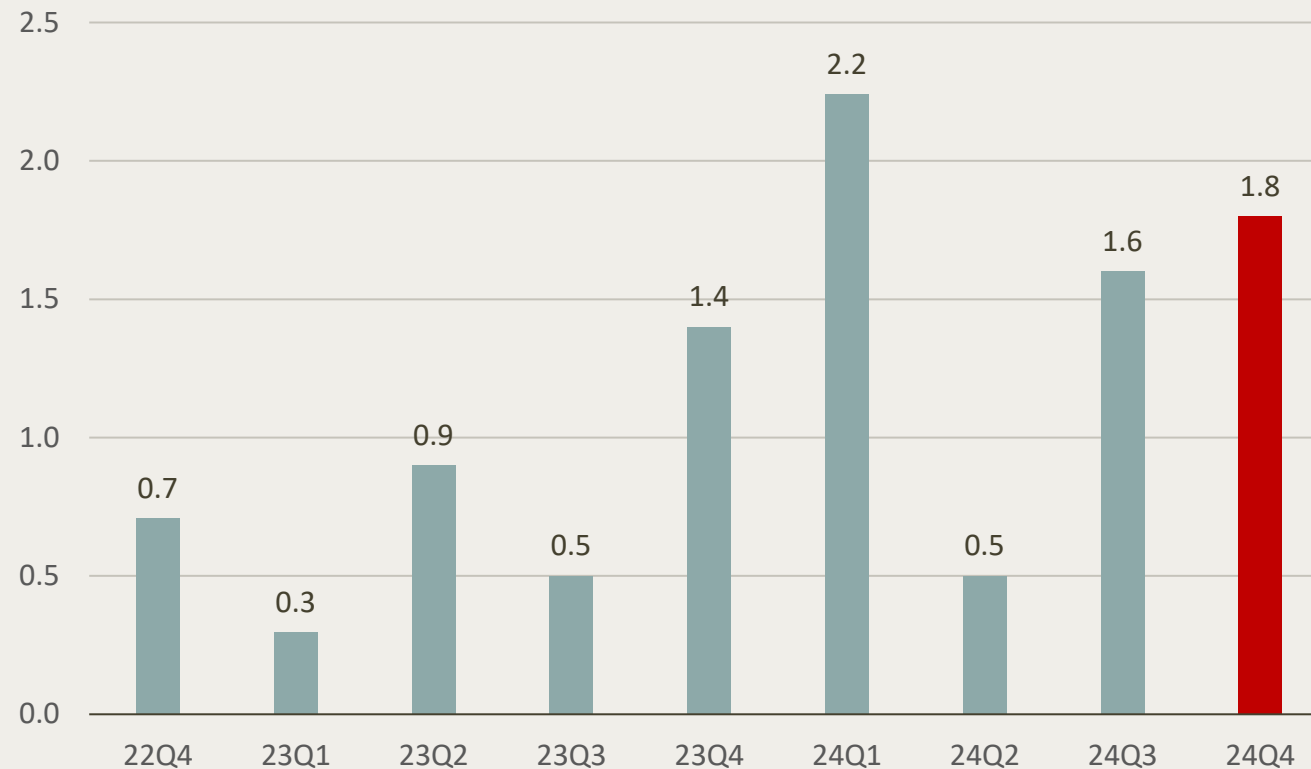


- The increase in financial expenses due to ThermaSol acquisition in the third quarter was offset by the positive impact of exchange rate gains on foreign currency bank accounts in Q4.
- Harvia has two interest rate swap agreements. A significant portion of the fluctuation in net financial items is typically due to changes in the fair value of the swaps. These changes in fair value have no cash flow impact.

Several investments during Q4

Investments in tangible and intangible assets

EUR million



- During the review period, Harvia made several investments in its production facilities, for example, in Muurame, Sastamala and Germany.
- Purchasing land next to Harvia's facility in Lewisburg, USA in Q1/2024 is visible in investments.
- Harvia plans to increase growth investments especially in North America in the next two years.

Harvia's long-term financial targets

GROWTH

10%

Average annual revenue growth

PROFITABILITY

>20%

Adjusted operating profit margin¹

LEVERAGE

<2.5x

Net debt/adjusted EBITDA²

Harvia does not publish a short-term outlook.

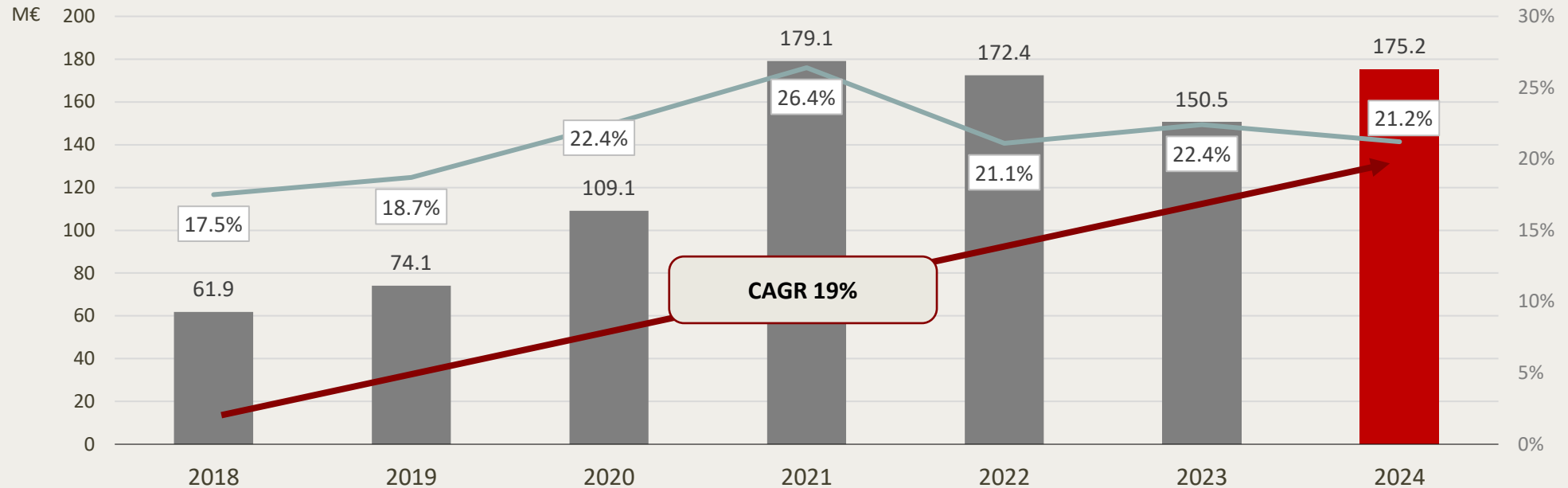
Harvia's dividend policy is to pay a regularly increasing dividend with a bi-annual payout.

1) Adjusted operating profit is operating profit before items affecting comparability.

2) Excluding the future impacts of changes in IFRS reporting standards.

In 2024, Harvia reached its long-term financial targets and grew strongly both organically and inorganically

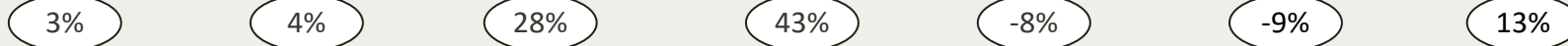
Revenue and Adjusted operating profit-%



Total growth



Organic growth



Key M&A activity

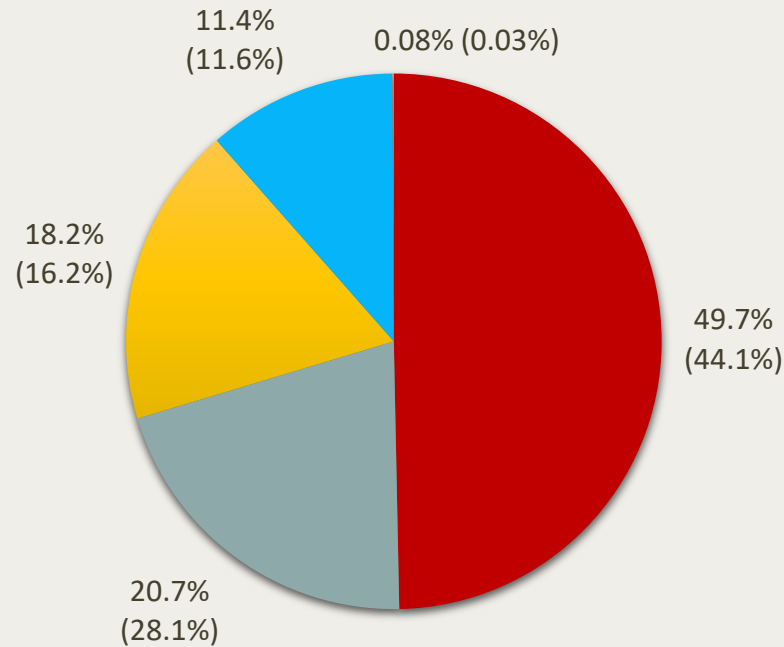


1) Harvia acquired 78.6% of EOS Group's German operations in March 2020, the remaining 21.4% were acquired in July 2022.

Harvia's shareholders (31 December 2024)

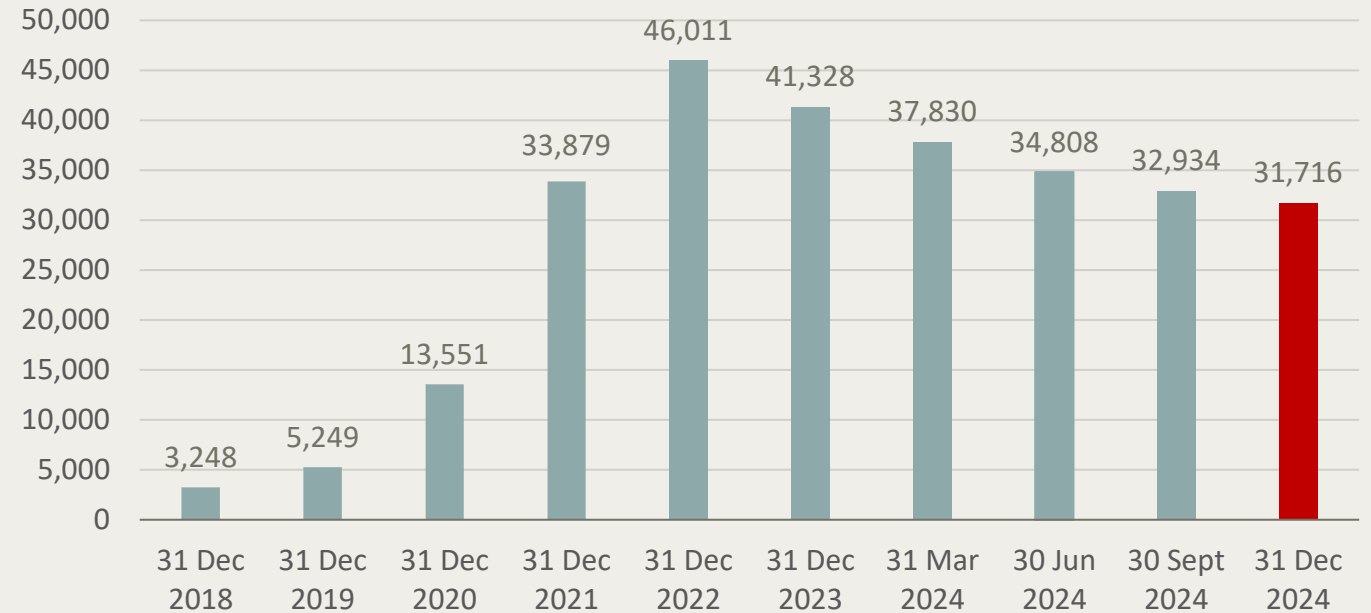


Distribution by segment



- Nominee registered and outside Finland
- Households
- Corporations
- Banks and insurance companies
- Harvia Plc's own shares

Number of shareholders



- On 31 December 2024, the number of shareholders totaled 31,716 (including nominee registers).
- Harvia held a total of 15,207 own shares. The shares correspond to 0.08% of the total number of shares.
- The shareholding of the Board of Directors, management and personnel was 3.4%.
- The market value of Harvia's share capital on 31 December 2024 was EUR 801.0 million (508.5).

Dividend proposal



- Harvia's Board of Directors proposes to the Annual General Meeting that the company distributes a dividend of EUR 0.75 (0.68) per share, EUR 14,020,677 in total, for the financial period ended 31 December 2024.
- The Board of Directors proposes the dividend to be paid in two instalments, EUR 0.38 in April 2025 and EUR 0.37 in October 2025.

2025 marks the 75th anniversary for Harvia

Throughout the year, Harvia will host events and activities, including webinars, podcasts, and open house events, to share its expertise and express gratitude to its global community.

Follow Harvia's 75th anniversary events and activities at harvia.com/en/harvia-75-years.



A photograph of a modern spa interior. In the foreground, two large, teardrop-shaped hanging chairs made of light-colored wicker are suspended from the ceiling. Below them is a rectangular hot tub with light-colored water. In the background, there are several white lounge beds with textured covers, a dark wood-paneled wall with a handrail, and a white door. The ceiling is made of light-colored wood panels with recessed lighting.

Q & A

Disclaimer

This material contains, or may be deemed to contain, “forward-looking statements”. These statements relate to future events or Harvia Plc’s future financial performance, for example, market growth and developments, Harvia Plc’s strategic plans, potential growth, planned operational developments, expected financial developments that involve known and unknown risks, uncertainties and other factors that may cause Harvia Plc’s or its business’ actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree. All forward-looking statements made in this material are based on information presently available to the management of Harvia Plc. Harvia Plc assumes no obligation to update or revise any forward-looking statements except to the extent legally required.

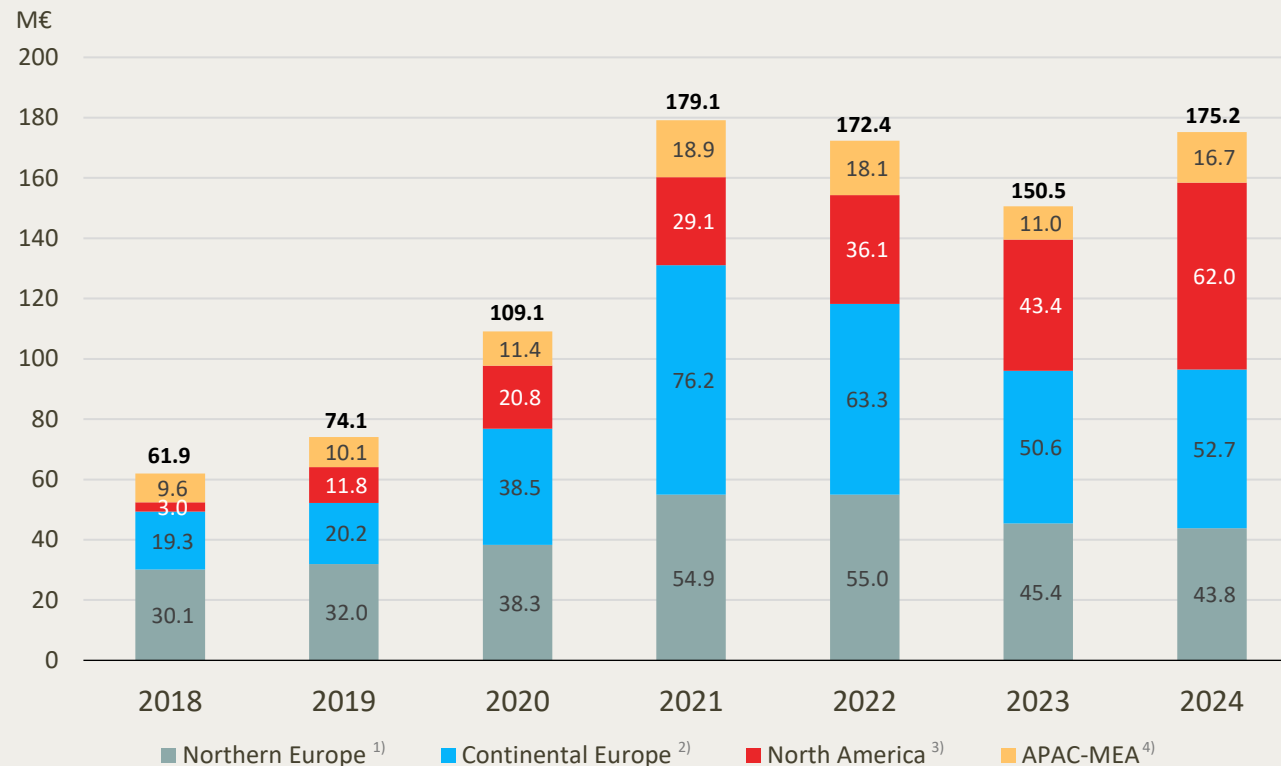
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Appendix



Harvia's business has become more global as especially North America's share of Harvia's total revenue has increased

Revenue by sales region



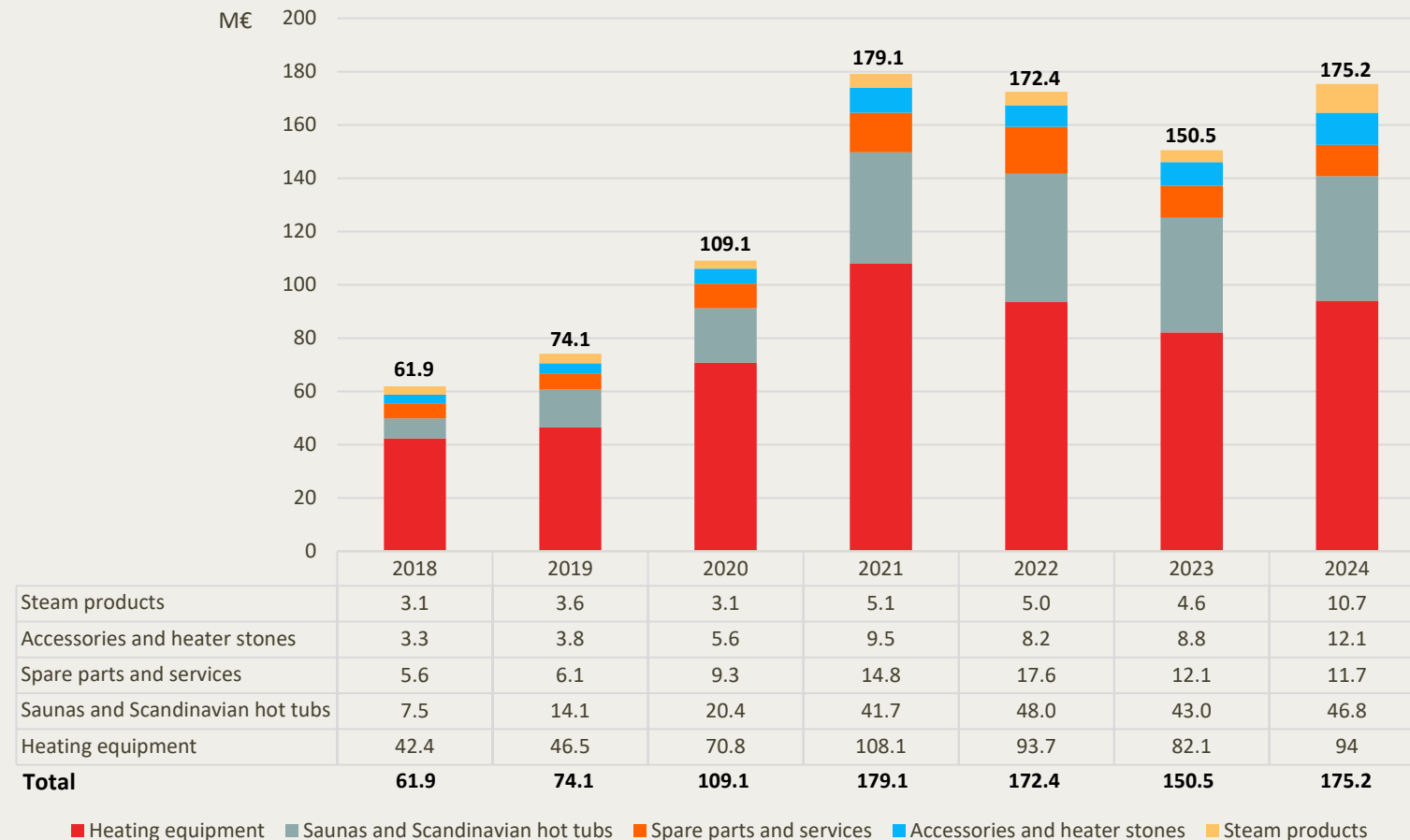
- Over past several years, business has become increasingly global – the share of Northern Europe of Harvia's revenue has declined from 49% in 2018 to 25% in 2024
- At the same time, the share of North America has risen from 5% to 35%

1) Finland, Sweden, Denmark, Norway, Iceland, Estonia, Latvia, Lithuania
 2) Europe excluding countries specified as Northern Europe
 3) USA and Canada
 4) All other countries excluding above

5) Revenue in Russia was 5.662M€ in 2018 and there was no revenue in Russia in 2023. Harvia exited Russia in 2022, and that year its revenue there was 7.454M€.

Heating equipment comprise over half of Harvia’s revenue, but especially the share of Saunas and Scandinavian hot tubs has been growing

Revenue by product group



- Heating equipment form over half of Harvia’s revenue, even if their share has declined slightly during past years.
- From 2018 to 2024, the share of Saunas and Scandinavian hot tubs rose from 21% to 27%, driven by growth in North America and the Kirami acquisition in 2021.

Heating equipment: Sauna heaters, control units, IR components.



HARVIA

Sauna & Spa

Let's sauna.