

Harvia Plc Half-year financial review | January-June 2025

CONTINUED SALES GROWTH IN UNCERTAIN MARKET CONDITIONS

Matias Järnefelt, CEO | Ari Vesterinen, CFO 7 August 2025



Welcome!

HARVIA

Agenda for today



Matias Järnefelt, CEO

- Highlights of Q2/2025 business and financial performance
- Strategy implementation



Ari Vesterinen, CFO

• Financial performance details in Q2/2025

Growth continued, but slowed down especially in North America

- Revenue increased by 9.4% to EUR 47.3 million. Organic growth at 2.4%.
- Growth in North America slower than in past quarters due to volatility in the market environment, timing of deliveries, and weaker U.S. dollar.
- APAC & MEA continued strong sales growth, revenue in Continental Europe and Northern Europe close to comparison period.

Profitability impacted negatively by operating expenses growing faster than sales

- Adjusted operating profit EUR 8.2 million, representing 17.3% of revenue.
- Harvia's personnel and other operating expenses increased faster than sales. Profitability was also impacted by a one-off inventory adjustment of approximately EUR 0.8 million and weakening of U.S. dollar.
- Relative to the revenue, our materials and services costs remained on a good level.

Overall, strong H1 with significant progress in advancing strategic initiatives

- H1 strong with 16.0% revenue growth and 20.2% adjusted operating profit margin.
- In Q2, successful upgrade of U.S. IT infrastructure and investments in multiple facilities. Good progress also in our innovation pipeline.
- Looking ahead, we continue to invest into building long-term growth. At the same time, we remain focused on strong short-term profitability with continued sales growth and operational efficiency playing a key role.
- The long-term attractiveness and growth potential of the global sauna market remains solid with several organic and inorganic growth opportunities.



Revenue

47.3

(43.2) EUR million

+9.4%

YoY growth

Organic revenue growth: 2.4%

Growth at comparable exchange rates: 12.2%

Adjusted operating profit

8.2

(9.4) EUR million

17.3%

(21.8%) of revenue

Adjusted operating profit growth: -13.3%

Operating free cash flow

3.9

(5.5) EUR million

39.4%

(50.0%) cash conversion

H1 2025 key figures



Revenue

99.2

(85.5) EUR million

+16.0%

YoY growth

Organic revenue growth: 8.2%

Growth at comparable exchange rates: 16.7%

Adjusted operating profit

20.1

(19.5) EUR million

20.2%

(22.8%) of revenue

Adjusted operating profit growth: 2.9%

Operating free cash flow

14.1

(16.6) EUR million

59.4%

(73.2%) cash conversion

Q2 2025: Revenue growth driven by growth in APAC & MEA and acquisition of ThermaSol



Revenue by sales region 4–6/2024 vs 4–6/2025



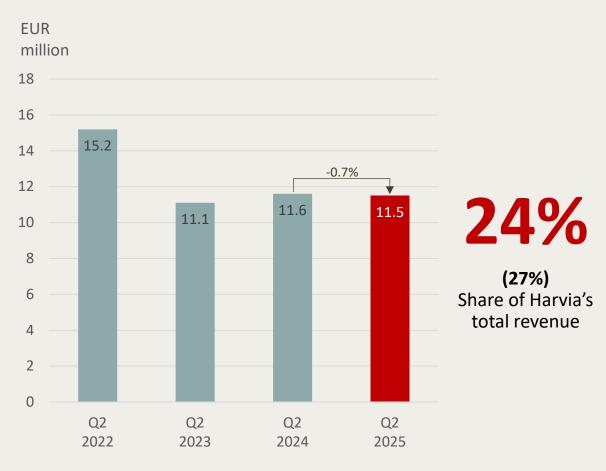
- Total revenue grew by 9.4% to EUR 47.3 million in Q2/2025.
- Growth was largely driven by the acquisition of ThermaSol and growth in APAC & MEA.
- Growth in North America was slower than in the previous quarters, which lowered overall growth.

- 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 the above



Northern Europe: Flat sales as slow market demand continued

Q2 revenue in Northern Europe, 2022–2025



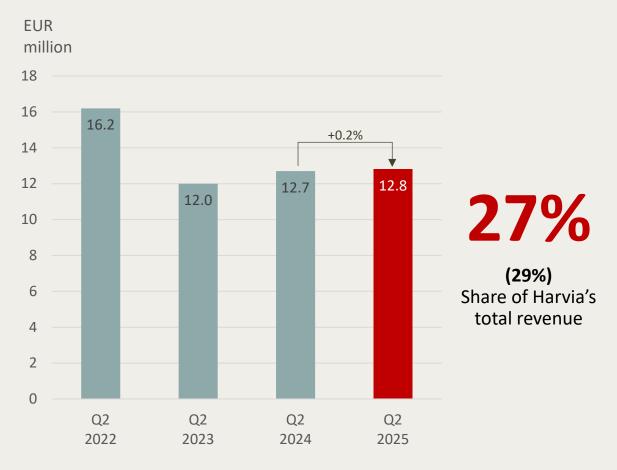
- Revenue decreased by 0.7% to EUR 11.5 million in Q2.
- Market in Finland continues to be challenging due to weakness in overall economy.
- Positive performance continued especially in the Baltic countries.





Continental Europe: Revenue close to last year's level

Q2 revenue in Continental Europe, 2022–2025



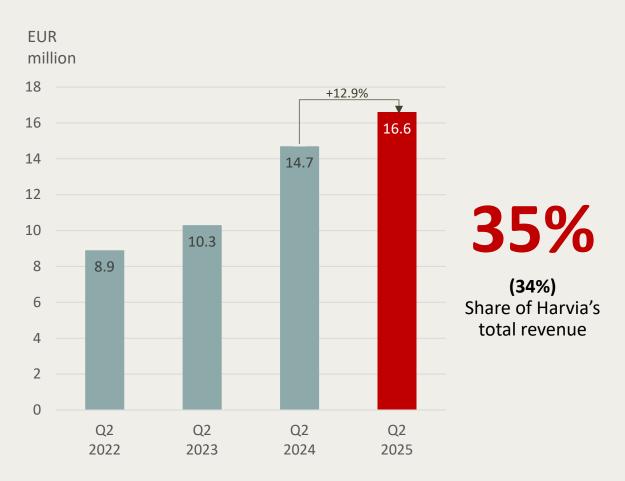
- Revenue grew by 0.2% to EUR 12.8 million in Q1.
- Despite small overall growth, good progress seen in several markets, for example in Germany.
- New Head of Region Continental Europe, Ivan Sabato, started in his position on 1 April.



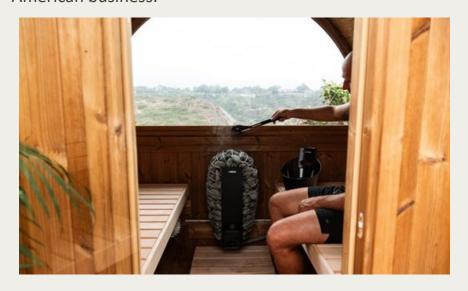


North America: Slower growth due to increased market uncertainty

Q2 revenue in North America, 2022–2025



- Revenue grew by 12.9% to EUR 16.6 million in Q2.
- **Slower growth** than in previous quarters due to market conditions, timing of deliveries and weaker U.S. dollar.
- Overall economical uncertainty increased rapidly during Q2 and impacted B2B and consumer demand negatively, but conditions showed signs of stabilization towards quarter end.
- Growth driven by ThermaSol acquisition in July 2024; ThermaSol is working well as a core part of the North American business.





APAC & MEA: Strong growth continued

Q2 revenue in APAC & MEA, 2022–2025



* Revenue from Russia was EUR 2.6 million in Q2/2022. Harvia did not had any revenue from Russia in Q1/2023 or afterwards, since the company exited the market completely.

- Revenue grew by **53.7% to EUR 6.4 million** in Q2.
- Revenue **growth supported by timing of project deliveries** the growth rate in the region that is Harvia's smallest saleswise fluctuates more easily than in other regions.
- Steady progress in driving sales in multiple markets with encouraging results.





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



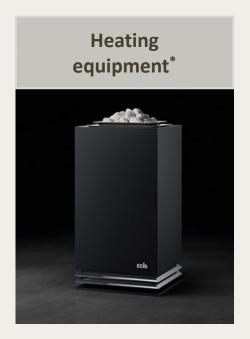




Heating equipment continues as the largest product group, share of Steam products boosted by ThermaSol acquisition



Share of Group's total revenue in Q2 2025











53% (54%)

23% (30%)

10% (3%)

7% (7%)

7% (7%)

^{*}Sauna heaters, control units, IR components

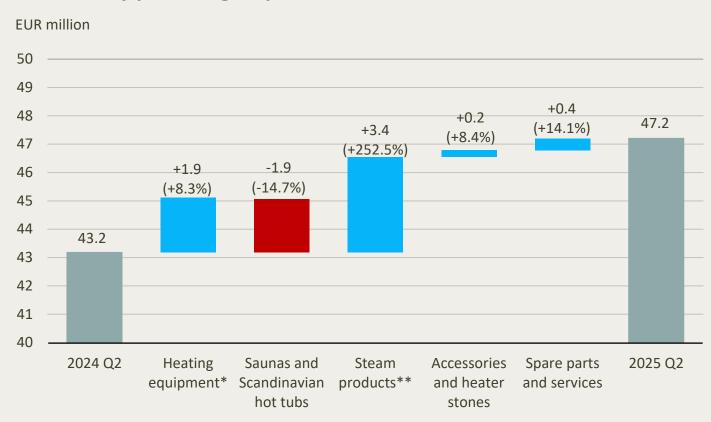
^{**}Including steam generators and other steam equipment
Note: Figures may not add up to 100% due to rounding

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Q2 2025: Growth in most product groups

Revenue by product group 4–6/2024 vs 4–6/2025



- The high growth in steam products was driven by the acquisition of ThermaSol in July 2024.
- Slower sales growth in North America reflected in the overall decline of Saunas and Scandinavian hot tubs.

[•] Growth in majority of product groups.

^{*} 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 Q2 2025

Deliveringthe full sauna experience

- Nordic/traditional saunas: Strong market position maintained in, among others, key European markets.
- Steam and premium: Good progress in strengthening position in North America with ThermaSol.
- Innovation pipeline showing great progress, including the world's first hydrogen-powered concept sauna.

Winning in strategically important markets

- North America: Adjusting fast to changing conditions, building future growth systematically.
- APAC & MEA: Continuing strong growth, supported by large deliveries.
- Continental Europe: Encouraging results in several markets, including Germany.
- Northern Europe: Good results continued in Baltic countries.

Leading in key channels

- Deepening co-operation with old and new channel partners in for example Sweden and U.S. premium saunas.
- Work progressing to accelerate growth in the direct-to-consumer channel.
- Good results in project business in APAC & MEA, reflecting the entire region's strong performance.

Best-in-class operations & great people

- Successful upgrade of IT architecture in the United States.
- Several investments in facilities in for example Muurame and Lewisburg, West Virginia.
- Changes in the Management Team: Ivan Sabato started as Head of Region Continental Europe, Jennifer Thayer resigned from her position as Head of Region North America recruitment of successor ongoing.



Q2 innovation news: Harvia and Toyota teamed up to produce world's first hydrogen-powered sauna

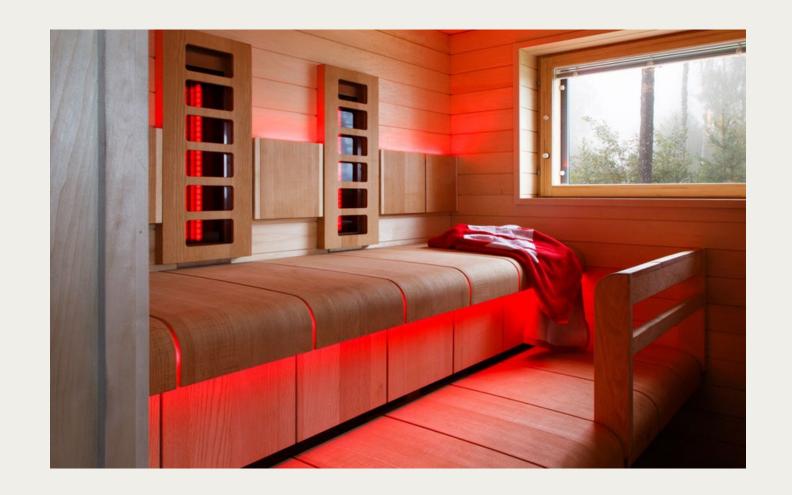
- Harvia partnered with Toyota, and the companies together developed the world's first hydrogen-powered sauna.
- The collaboration represents a step toward a more sustainable future for saunas by combining Harvia's sauna expertise with Toyota's hydrogen combustion technology.
- Concept model of the sauna was introduced to the public in Jyväskylä, Finland in June 2025.





Financials

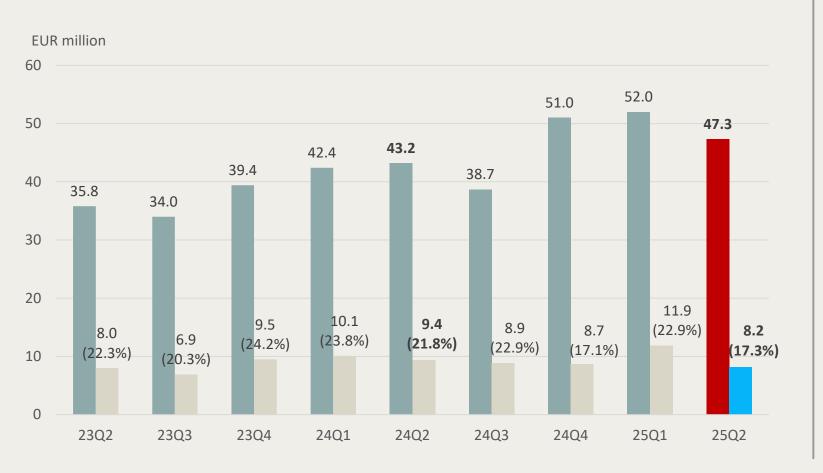
Ari Vesterinen, CFO





Revenue continued to grow also in Q2, profitability slightly below typical strong level

Revenue and adjusted operating profit



- Harvia achieved again year-on-year growth, even though the previous two high-demand winter season quarters had slightly higher sales.
- Harvia's adjusted operating profit margin in Q2 was slightly below the typical strong level of above 20%.
- Historically, market seasonality has resulted in lower demand during the summer months.



Harvia's key figures in the review period

EUR million	4-6/2025	4-6/2024	Change	1-6/2025	1-6/2024	Change	1-12/2024
Revenue	47.3	43.2	9.4%	99.2	85.5	16.0%	175.2
Adjusted EBITDA*	9.9	11.0	-10.1%	23.7	22.7	4.4%	44.1
% of revenue	21.0%	25.6%		23.9%	26.6%		25.2%
Adjusted operating profit*	8.2	9.4	-13.3%	20.1	19.5	2.9%	37.1
% of revenue	17.3%	21.8%		20.2%	22.8%		21.2%
Basic EPS (EUR)	0.23	0.31	-25.3%	0.68	0.71	-4.3%	1.30
Operating free cash flow	3.9	5.5	-29.2%	14.1	16.6	-15.3%	35.0
Investments in tangible and intangible assets	-3.8	-0.5	583.4%	-5.8	-2.8	107.5%	-6.1
Net debt	57.9	32.6	77.6%	57.9	32.6	77.6%	57.2
Leverage	1.3	0.8		1.3	0.8		1.3
Net working capital	46.8	33.0	41.9%	46.8	33.0	41.9%	45.0
Adjusted return on capital employed (ROCE)	48.6%	51.7%		48.6%	51.7%		45.5%
Equity ratio	43.6%	49.8%		43.6%	49.8%		47.2%
Number of employees at end of period	728**	683	6.6%	728**	683	6.6%	696**

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

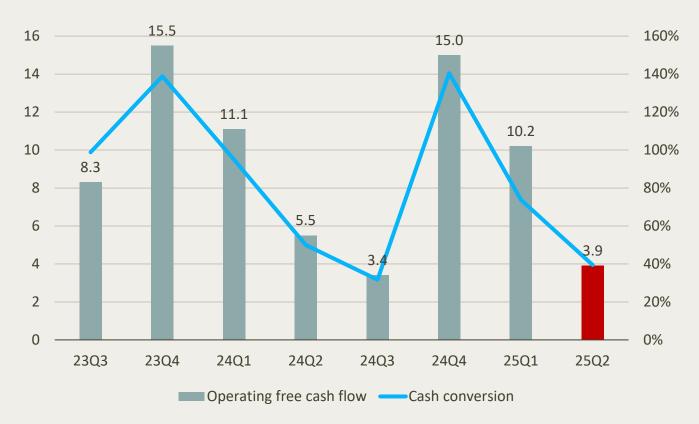
^{**}Includes the personnel of ThermaSol Steam Bath LLC, totaling 38 employees on 30 June 2025.



Operating free cash flow and cash conversion impacted negatively especially by elevated investment level

Operating free cash flow and cash conversion*





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

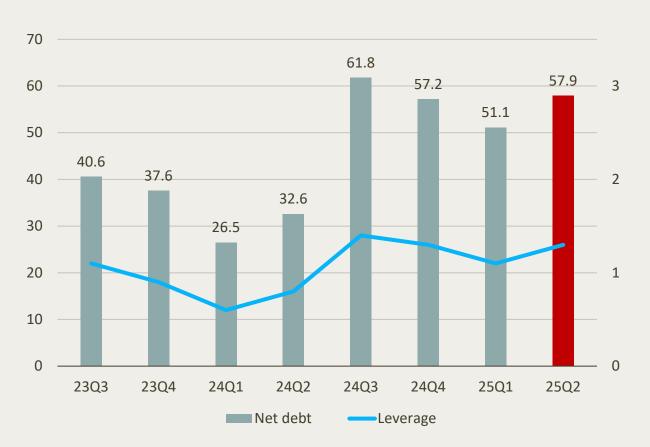
- In Q2, Harvia's operating free cash flow was EUR 3.9 million (5.5) and cash conversion was 39.4% (50.0%).
- Harvia typically has strong cash conversion, but it tends to fluctuate between quarters – in Q2, elevated investment level impacted cash conversion negatively.



Some fluctuation in net debt, but leverage overall on a very sustainable level

Net debt and leverage

EUR million

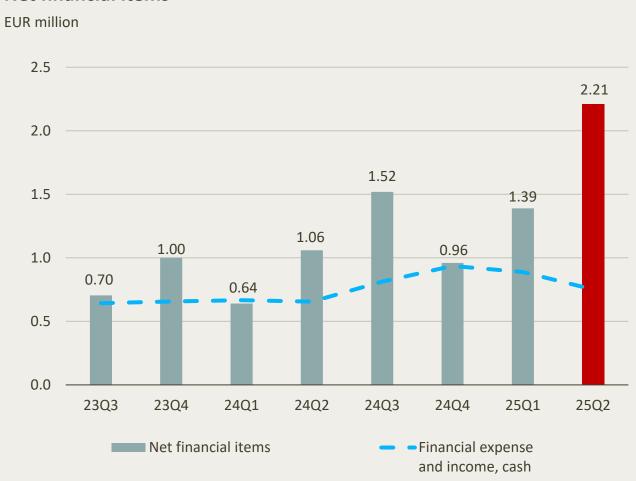


- At the end of June 2025, the company's net debt amounted to EUR 57.9 million (32.6). Loans from credit institutions were EUR 95.4 million (75.4) and lease liabilities were EUR 7.7 million (2.6). Cash and cash equivalents were EUR 45.2 million (45.4).
- Leverage was 1.3 (0.8). The acquisition of ThermaSol increased the net debt and leverage in Q3/2024. However, the leverage stayed still well below the company's long-term financial target of under 2.5.



Net financial items increased due to exchange rate changes and ThermaSol acquisition

Net financial items

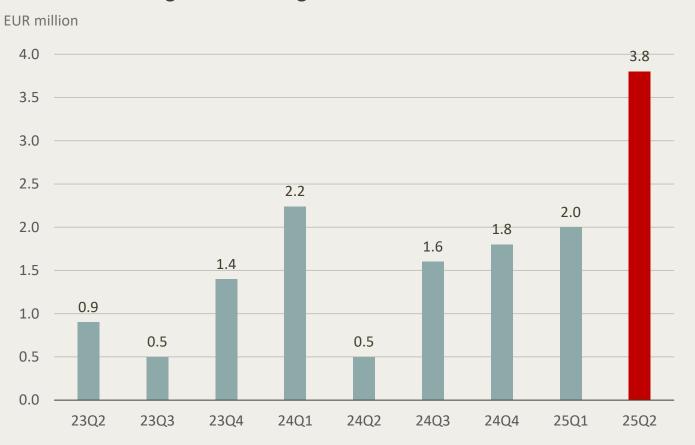


- The increase in financial expenses in Q2 is attributable to exchange rate losses resulting from recent USD fluctuations and to the ThermaSol acquisition in Q3/2024.
- Harvia has two interest rate swap agreements. A significant portion of the fluctuation in net financial items is typically due to changes in the fair value of the swaps. These changes in fair value have no cash flow impact.

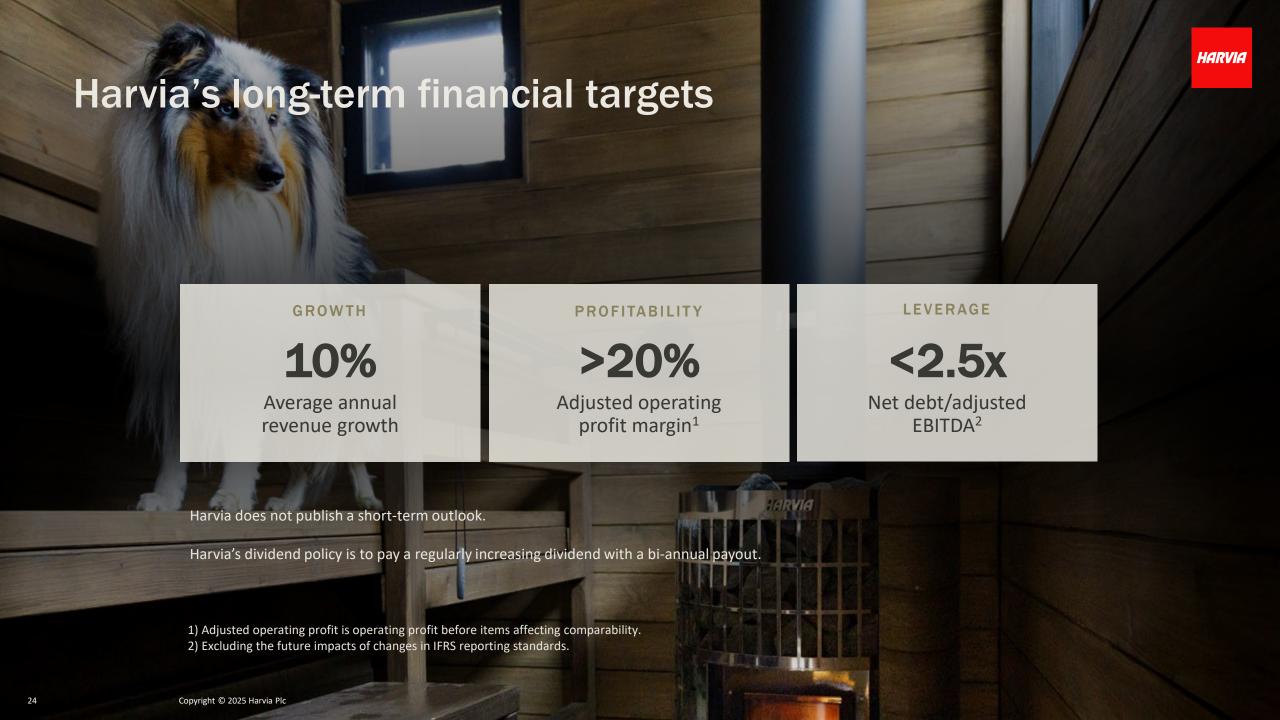


Elevated investment level in Q2 driven by upgrades in IT landscape and investments in several facilities

Investments in tangible and intangible assets

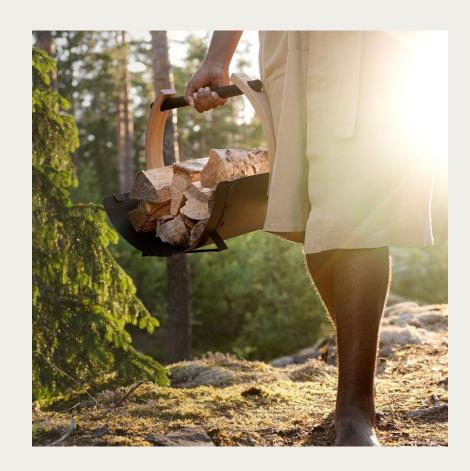


- During the review period, Harvia made significant investments especially in its IT landscape in the United States, but continued investments also in several facilities.
- In the next 2 years, investments are planned especially in North America but also related to e.g. the Group IT landscape.



Distribution of dividend





- The Annual General Meeting held on 8 April 2025 approved the Board of Directors' proposal that **EUR 0.75 per share** be paid as dividend and that the remainder of the distributable funds be transferred to shareholders' equity.
- The dividend is paid in two installments.
- The first installment, EUR 0.38 per share, was paid on 17 April 2025 to shareholders who were registered in the shareholders' register maintained by Euroclear Finland Ltd on the record date of the dividend of 10 April 2025.
- The second installment, EUR 0.37 per share, will be paid in October 2025.



Year 2025 marks the 75th anniversary of 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.





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.

Nothing in this material constitutes investment advice, and this material shall not constitute an offer to sell or the solicitation of an offer to buy or subscribe for any securities or otherwise to engage in any investment activity.



Appendix



H1 2025: Growth in all sales regions



Revenue by sales region 1-6/2024 vs 1-6/2025



- Total revenue grew by 16.0% to EUR 99.2 million in H1/2025.
- Revenue increased in all sales regions, but the total revenue growth was driven especially by the growth in North America, and to lesser extent by the strong growth in APAC & MEA.
- Growth in North America was driven by the strong organic growth during the high-demand season in Q1 and the acquisition of ThermaSol in July 2024.

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

²⁾ Europe excluding countries specified as Northern Europe

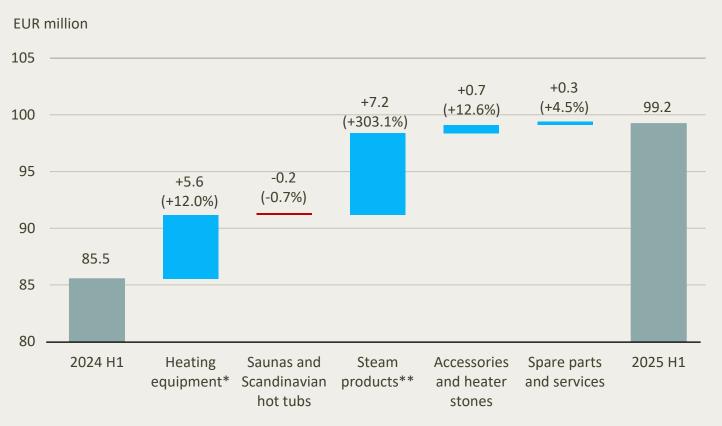
³⁾ The United States and Canada

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



H1 2025: Growth in most product groups, steam product sales accelerated by ThermaSol acquisition

Revenue by product group 1–6/2024 vs 1–6/2025



- Growth in most product groups, revenue growth driven by heating equipment and steam products.
- Slower sales growth in North America in Q2 reflected negatively in the sales of Saunas and Scandinavian hot tubs.
- The high growth in steam products was driven by the acquisition of ThermaSol in July 2024.

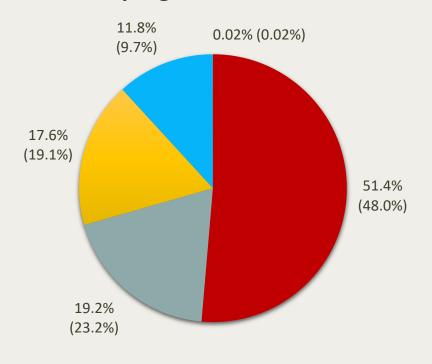
^{*} Sauna heaters, control units, IR components

^{**} Including steam generators and other steam equipment

Harvia's shareholders (30 June 2025)

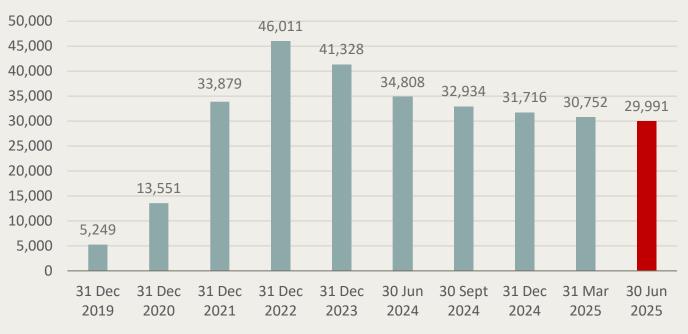


Distribution by segment



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

Number of shareholders



- On 30 June 2025, the number of shareholders totaled 29,991 (including nominee registers).
- Harvia held a total of 3,800 own shares. The shares correspond to 0.02% of the total number of shares.
- The shareholding of the Board of Directors, management and personnel was 3.3%.
- The market value of Harvia's share capital on 30 June 2025 was EUR 906.7 million (687.9).

