# **HARVIA PLC**

# HALF-YEAR FINANCIAL REVIEW JANUARY-JUNE 2025



# HARVIA Q2 2025: CONTINUED SALES GROWTH IN UNCERTAIN MARKET CONDITIONS

# HIGHLIGHTS OF THE REVIEW PERIOD

#### **APRIL-JUNE 2025:**

- Revenue increased by 9.4% to EUR 47.3 million (43.2). At comparable exchange rates, revenue increased by 12.2% to EUR 48.4 million. Organic revenue growth was 2.4%.
- Operating profit was EUR 7.6 million (8.9), making up 16.1% (20.7%) of the revenue. Operating profit was negatively impacted by the growth of employee expenses and other operating expenses, a one-off inventory adjustment and weakening of the U.S. dollar.
- Adjusted operating profit was EUR 8.2 million (9.4), making up 17.3% (21.8%) of the revenue. At comparable exchange rates, the adjusted operating profit was EUR 8.7 million (17.9% of the revenue).
- Operating free cash flow amounted to EUR 3.9 million (5.5) and cash conversion was 39.4% (50.0%)

#### JANUARY-JUNE 2025:

- Revenue increased by 16.0% to EUR 99.2 million (85.5). At comparable exchange rates, revenue increased by 16.7% to EUR 99.8 million. Organic revenue growth was 8.2%.
- Operating profit was EUR 19.5 million (18.8), making up 19.7% (22.0%) of the revenue.
- Adjusted operating profit was EUR 20.1 million (19.5), making up 20.2% (22.8%) of the revenue. At comparable exchange rates, the adjusted operating profit was EUR 20.5 million (20.5% of the revenue).
- Operating free cash flow amounted to EUR 14.1 million (16.6) and cash conversion was 59.4% (73.2%).
- Net debt amounted to EUR 57.9 million (32.6), and leverage, calculated as net debt divided by last 12 months' adjusted EBITDA, was 1.3 (0.8).
- Equity ratio was 43.6% (49.8%).
- Earnings per share were EUR 0.68 (0.71).

#### **KEY FIGURES**

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
EBITDA	9.4	10.5	-11.0%	23.2	22.0	5.4%	42.4
% of revenue	19.8%	24.4%		23.4%	25.7%		24.2%
Items affecting comparability *	0.5	0.5	8.0%	0.6	0.7	-23.4%	1.6
Adjusted EBITDA **	9.9	11.0	-10.2%	23.7	22.7	4.4%	44.1
% of revenue	21.0%	25.6%		23.9%	26.6%		25.1%
Operating profit	7.6	8.9	-14.6%	19.5	18.8	4.0%	35.5
% of revenue	16.1%	20.7%		19.7%	22.0%		20.3%
Adjusted operating profit **	8.2	9.4	-13.4%	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		0.68	0.71		1.30
Operating free cash flow	3.9	5.5	-29.2%	14.1	16.6	-15.3%	35.0
Cash conversion	39.4%	50.0%		59.4%	73.2%		79.4%
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	77.070	1.3	0.8	77.070	1.3
Net working capital	46.8	39.3	21.6%	46.8	39.3	21.6%	45.0
Adjusted return on capital employed	40.0	33.3	21.070	40.0	33.3	21.070	43.0
(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	742	683***	8.6%	742	683***	8.6%	696

<sup>\*</sup> Consists of items outside the ordinary course of business, relating to the Group's strategic development projects, acquisitions, business divestments, restructuring and loss on sale of fixed assets, and affecting comparability.

# FINANCIAL TARGETS AND OUTLOOK

The company has set long-term targets related to growth, profitability and leverage. Harvia targets an average annual revenue growth of 10%, an adjusted operating profit margin exceeding 20%, and a net debt/adjusted EBITDA below 2.5x. The future impacts of changes in IFRS accounting standards have been excluded from the net debt/adjusted EBITDA ratio target.

Harvia does not publish a short-term outlook.

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

<sup>\*\*</sup> Adjusted by items affecting comparability.

<sup>\*\*\*</sup> The comparison period does not include the personnel of ThermaSol Steam Bath LLC that was acquired in July 2024.

# **MATIAS JÄRNEFELT, CEO:**

In the second quarter of 2025, Harvia continued to grow and made significant progress in advancing our key strategic initiatives. However, revenue growth in our largest sales region North America was slower than in previous quarters, reflecting increased market uncertainty and delivery timing effects. Our overall profitability was also impacted negatively by weaker U.S. dollar and a one-off inventory adjustment during IT system upgrades in North America.

Harvia's revenue in the second quarter totaled EUR 47.3 million, representing a 9.4% increase year-on-year. Organic revenue growth was 2.4%, and at comparable exchange rates, total revenue grew by 12.2%.



In Europe, our sales were close to last year's level, and the sauna market remained rather stagnant throughout the entire first half of the year. However, there is rather high variation in performance in Europe across countries: For example, Germany showed good progress, whereas sales in some of the other markets such as Finland and Sweden declined. While the overall market in Europe only provides us with a small tailwind for the time being, turning the European sales regions into stronger growth is a key priority for us.

We achieved very strong sales growth in APAC & MEA. While the revenue was supported by timing of project deliveries, I am pleased to see strong progress and results in multiple markets in this vast and diverse sales region. Given the region's relatively small size in terms of sales volumes and the high share of project-based business, quarterly sales can fluctuate significantly. The excellent second-quarter performance follows a somewhat slower first quarter, but APAC & MEA succeeded in delivering 35.8% sales growth for the first half of the year.

Harvia's adjusted operating profit in the second quarter was EUR 8.2 million, representing 17.3% of revenue and a 13.3% decline year-on-year. Relative to the revenue, our materials and services costs stayed on a good level. However, during the quarter, sales growth did not fully keep pace with cost increases, which weakened our profitability. In North America, we made major upgrades to our IT infrastructure and business processes, which had previously lagged behind our rapid growth in the region. These improvements are already enhancing transparency and operational efficiency, and they provide a solid basis for sustained profitable growth in the region. During this successful upgrade process, we made a one-off inventory adjustment, which had a negative impact of approximately EUR 0.8 million on our adjusted operating profit. In addition, changes in exchange rates weakened the operating profit by approximately EUR 0.5 million, caused mainly by the weakening of the U.S. dollar.

As mentioned, our profitability in the second quarter was impacted especially by the fact that our indirect costs grew faster than our revenue. Going forward, we will continue to invest in many areas that are critical enablers for Harvia's long-term success. These include progressing our key recruitment plans, modernizing our IT infrastructure, and strengthening our direct-to-consumer channel and brand. However, achieving strong profitability also in the short-term is a key priority for us, and sustained revenue growth as well as operational efficiency are essential for making this happen.

Our innovation pipeline remains focused on introducing exciting and sustainable innovations to the market. A recent highlight is the introduction of the world's first hydrogen-powered sauna in June through a pioneering collaboration with Toyota. This is a testament to Harvia's strong innovation culture and strategic partnerships.

When reviewing our results for the first half of 2025, I am pleased to note that Harvia achieved 16.0% revenue growth and maintained a strong adjusted operating profit margin of 20.2%, despite the increased uncertainty and volatility in the market conditions. I want to thank Team Harvia and our partners for their committed work to our success. Importantly, I remain confident in our ability to deliver strong results and in the long-term attractiveness and growth potential of the global sauna market. While we stay focused on consistently delivering solid quarterly performance, we also continue to look actively for both organic and inorganic growth opportunities that further strengthen our position as the global sauna market leader.

# **MARKET REVIEW**

#### Sauna market in April-June 2025

The sauna market in Europe remained rather stable but challenging as macroeconomic weaknesses and uncertainty continued. In Continental Europe, market conditions have been improving for several quarters, but the market demand was slow in the second quarter. The challenging macroeconomic conditions in several key markets continued to affect demand negatively throughout product segments. However, there were significant differences between markets. In Northern Europe, weak consumer spending and a sluggish construction sector continued to keep overall sauna market demand at a rather stable and low level, especially in Finland and in Sweden. The market demand remained stronger in the Baltic countries. Saunas received significant publicity and interest especially in Finland and Sweden related to the Finnish KAJ representing Sweden in the Eurovision Song Contest in May with a sauna-themed song and to the promotional campaigns that followed.

In **North America**, sauna market demand experienced significant volatility during the second quarter, reflecting the large changes in general economic sentiment, trade policies and consumer confidence. The developments were primarily negative during the quarter, as both consumers and B2B customers postponed their buying decisions in an uncertain market environment. The high uncertainty during the quarter somewhat stabilized towards the end of the quarter and the overall fundamentals of the sauna market, including the general interest and positive sentiment towards sauna and its health benefits, remained unchanged.

The region of **APAC & MEA** consists of several unique sauna markets, and the characteristics of the sauna market vary significantly between countries. During the quarter, the sauna market grew in most key countries in the region. Interest in saunas and their health benefits also continued to rise, as observed for several quarters.

#### Sauna market in general

According to Harvia's estimate, the global sauna market is approximately EUR 3.5 billion in value and there are over 18 million saunas in the world. The total market value is driven by both the growing installed base of saunas as well as the significant aftermarket for saunas and sauna heaters. Over half of the global installed base are in the few largest sauna markets: Finland, Germany, Russia, and the United States. Traditional saunas make up most of the sauna market globally and especially in Europe, whereas infrared and steam saunas form a significant part of the market especially in North America and Asia.

Historically, the sauna market has grown annually by an average of 5% and has witnessed some seasonality with slightly stronger demand in the early and late part of the year and lower demand during the summer months. However, the market growth and seasonality have varied over time and by region. Harvia's management estimates that during the next 5 years, the global sauna market will grow faster than its historical average annual rate of 5%, supported by the increasing awareness of sauna and its health benefits. In the short term, market growth can be impacted by developments in macroeconomic conditions, trade policies, and geopolitical tensions.

According to the management's estimate, Harvia's share of the sauna market has increased during the last few years. This development was estimated to have continued also in 2024 and in the first half of 2025, driven both by Harvia's organic growth and the acquisition of ThermaSol in July 2024. In 2024, Harvia's share of the sauna market was estimated to be approximately 5%. The company's share of the sauna heater and sauna component market is estimated to be over 20%. The company's management estimates that Harvia has the leading position in the global sauna market.

#### **REVENUE**

Harvia reports its revenue by sales region and by product group in accordance with the tables below.

#### **REVENUE BY SALES REGION**

EUR thousand	4-6/2025	4-6/2024	Change %	1-6/2025	1-6/2024	Change %	2024
Northern Europe 1)	11,507	11,584	-0.7%	23,378	23,264	0.5%	43,757
Continental Europe 2)	12,758	12,735	0.2%	27,238	26,326	3.5%	52,686
North America 3)	16,604	14,711	12.9%	38,417	28,443	35.1%	62,049
APAC & MEA 4)	6,381	4,152	53.7%	10,189	7,502	35.8%	16,714
Total	47,251	43,182	9.4%	99,223	85,535	16.0%	175,206

- 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

#### **REVENUE BY PRODUCT GROUP**

EUR thousand	4-6/2025	4-6/2024	Change %	1-6/2025	1-6/2024	Change %	2024
Heating equipment*	25,131	23,200	8.3%	52,805	47,161	12.0%	94,012
Saunas and Scandinavian hot tubs	10,937	12,822	-14.7%	23,753	23,919	-0.7%	46,758
Steam products**	4,691	1,331	252.5%	9,569	2,374	303.1%	10,675
Accessories and heater stones	3,089	2,850	8.4%	6,500	5,771	12.6%	12,060
Spare parts and services	3,401	2,980	14.1%	6,594	6,310	4.5%	11,700
Total	47,251	43 182	9.4 %	99,223	85,535	16.0 %	175,206

<sup>\*</sup> Sauna heaters, control units, IR components

# **APRIL-JUNE 2025**

The Group's revenue increased in April-June by 9.4% to EUR 47.3 million (43.2). At comparable exchange rates, revenue increased by 12.2% to EUR 48.4 million. Organic revenue growth was 2.4%.

In the first quarter, revenue increased very significantly in APAC & MEA and moderately in North America. Revenue from APAC & MEA was supported by large project deliveries. The growth in North America was driven by the acquisition of ThermaSol in 2024. The broader economic uncertainty, lower confidence and weakened U.S. dollar had all a negative impact to the region's revenue growth. In addition, revenue in the comparison period was supported by the timing of deliveries, as last year, some winter season orders were delayed and shipped during the second quarter. In Northern Europe and Continental Europe, revenue was close to the comparison period's level as the market conditions stayed rather stagnant. However, there were significant differences in performance between different markets.

During the second quarter, Harvia's revenue increased in all product groups excluding saunas and Scandinavian hot tubs. The decrease in the category was mostly due to the sales decline in saunas in North America. The high growth in steam products was driven by the acquisition of ThermaSol in 2024, as the company sells mostly steam generators and other steam equipment.

<sup>\*\*</sup> Including steam generators and other steam equipment

#### **JANUARY-JUNE 2025**

The Group's revenue increased in January–June by 16.0% to EUR 99.2 million (85.5), driven especially by the growth in North America. At comparable exchange rates, revenue increased by 16.7% to EUR 99.8 million. Organic revenue growth was 8.2%.

During the period, revenue increased in all sales regions. The revenue increase was significant in North America and APAC & MEA and modest in Continental Europe. Revenue in Northern Europe increased slightly but was close to the level of the comparison period.

Harvia's revenue increased in all product groups excluding saunas and Scandinavian hot tubs, where revenue declined slightly but was close to the level of the comparison period. The high growth in steam products was driven by the acquisition of ThermaSol in 2024.

#### **RESULT**

#### **APRIL-JUNE 2025**

Operating profit for April–June decreased to EUR 7.6 million (8.9), while the operating profit margin was 16.1% (20.7%). The operating profit included EUR 0.5 million (0.5) of items affecting comparability that related mainly to business transactions and restructuring. The operating profit was negatively impacted especially by the slower sales growth in North America and a one-off inventory adjustment of 0.8 million. Changes in exchange rates weakened the operating profit by approximately EUR 0.5 million, caused mainly by the weakening of the U.S. dollar.

Adjusted operating profit decreased to EUR 8.2 million (9.4) and the adjusted operating profit margin was 17.3% (21.8%). The net financial items for April–June were EUR -2.2 million (-1,1).

Profit before taxes was EUR 5.4 million (7.9). The Group's taxes amounted to EUR 1.1 million (2.0).

The result for April–June was EUR 4.4 million (5.9) and undiluted earnings per share were EUR 0.23 (0.31).

# **JANUARY-JUNE 2025**

Operating profit for January–June increased to EUR 19.5 million (18.8), while the operating profit margin was 19.7% (22.0%). The operating profit included EUR 0.6 million (0.7) of items affecting comparability that related mainly to business transactions and restructuring. Changes in exchange rates weakened the operating profit by approximately EUR 0.4 million, caused mainly by the value changes of the U.S. dollar.

Adjusted operating profit increased to EUR 20.1 million (19.5) and the adjusted operating profit margin was 20.2% (22.8%). The net financial items for January–June were EUR -3.6 million (-1.1).

Profit before taxes was EUR 15.9 million (17.7). The Group's taxes amounted to EUR 3.2 million (4.3).

The result for January–June was EUR 12.7 million (13.3) and undiluted earnings per share were EUR 0.68 (0.71).

#### FINANCIAL POSITION AND CASH FLOW

Balance sheet total at the end of June 2025 was EUR 267.1 million (30 June 2024: 223.6), of which equity accounted for EUR 116.1 million (110.9).

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). The increase in the loans from credit institutions relates to the acquisition of ThermaSol, which was concluded in the previous financial year. Cash and cash equivalents at the end of the review period amounted to EUR 45.2 million (45.4). Leverage was 1.3 (0.8) at the end of the review period.

Equity ratio was 43.6% (49.8%) at the end of the review period. The adjusted return on capital employed (ROCE) was 48.6% (51.7%).

In January–June, Harvia's operating free cash flow was EUR 14.1 million (16.6) and cash conversion was 59.4% (73.2%).

# INVESTMENTS, RESEARCH AND PRODUCT DEVELOPMENT

Harvia Group's investments in tangible and intangible assets in January—June amounted to EUR 3.8 million (2.8). During the period, Harvia made significant investments in its IT infrastructure especially in the United States. These investments improve transparency and operational efficiency and provide a solid basis for continuing profitable growth in the region. In addition, the company continued investing in its facilities in multiple sites, including a production layout change in the Muurame factory and work to expand the facility in the Lewisburg, West Virginia. In the review period, Harvia also sold its former production site and the surrounding land area in Renick, West Virginia that had previously been used for production purposes.

The Group's research and development expenditure recognized as expenses in January–June amounted to EUR 0.9 million (1.0). In 2025, Harvia's research and development activities will focus on the company's four strategic priorities: 1. Delivering the full sauna experience; 2. Winning in strategically important markets; 3. Leading in key channels and 4. Best-in-class operations and great people. The company aims at launching new products and solutions especially in the sauna category, expanding the company's portfolio especially outside Europe and strengthening the company's digital capabilities. In addition, the company focuses on increasing automation and improving efficiency throughout its operations and ensuring its operations support the long-term growth of the company. As an example of the outcomes of research and development work during the period, the company introduced a concept for the world's first hydrogen sauna that the company has developed in co-operation with Japanese automotive manufacturer Toyota.

#### CORPORATE RESPONSIBILITY

At Harvia, operational and strategic activities have always incorporated a sustainability perspective. The company's operations and products have been developed sustainably already for 75 years, as Harvia has developed from a traditional sauna and heater manufacturer into a leading player in the international sauna market.

Harvia has a sustainability program based on four commitments: Good and Healthy Living, Responsible Experience and Enjoyment, Minimizing the Ecological Footprint and maintaining a Safe and Warm Community, which includes employees, partners, customers, and other stakeholders. Harvia also has a sustainability plan based on those commitments. Harvia follows its sustainability targets with various KPIs, and management remuneration is partially tied to the company's sustainability targets. Harvia's corporate responsibility and the commitments are presented in more detail in the Annual Report 2024 and the 2024 Sustainability Statement, prepared in accordance with the European Corporate Sustainability Reporting Directive (CSRD). Harvia will report according to the CSRD also for the financial year 2025.

Related to the target of Minimizing the Ecological Footprint, the company's work to generate more sustainable products took a significant step forward during the second quarter, as Harvia introduced a concept for world's first hydrogen sauna that it has developed in co-operation with Japanese automotive manufacturer Toyota. In addition, the installations related to TSF's hybrid thermal power plant began at Harvia Group's EOS Saunatechnik factory in Driedorf, Germany. The hybrid

thermal power plant uses modern heat pump technology, as well as thermal and solar energy. The new power plant will support Harvia's objective to reduce the greenhouse gas emissions of its operations to limit global warming and to participate in global efforts against climate change.

During the quarter, Harvia launched a global Code of Conduct training that will be rolled out for all its employees during the year. Throughout 2025, the company will celebrate its 75-year anniversary, also among its employees. As one Groupwide example, the company initiated a "75 million steps" exercise challenge for all its employees to support their health and wellbeing.

#### **PERSONNEL**

The number of personnel employed by the Group at the end of June 2025 was 742 (683) and averaged 734 (635) in January–June. Of the personnel at the end of June, 296 (293) worked in Finland, 140 (103) in the United States, 130 (117) in Germany, 60 (60) in Romania, 57 (55) in China and Hong Kong, 40 (36) in Austria, 12 (11) in Italy, 5 (6) in Estonia and 2 (2) in Sweden. In Finland, personnel numbers were on the comparison period's level but increased from the first quarter. In the United States, the acquisition of ThermaSol last year increased the personnel, while the number of employees decreased compared to the first quarter due to normal seasonal changes.

#### SHARES AND SHAREHOLDERS

Harvia's registered share capital is EUR 80,000 and at the end of June 2025, the company had 18,694,236 (18,694,236) fully paid shares. The share trading volume on Nasdaq Helsinki in January–June was EUR 143.5 million (198.1) and 3,197,771 shares (5,435,928). The share's volume-weighted average price during the review period was EUR 44.88 (36.45), the highest price was EUR 51.50 (45.35) and the lowest EUR 36.50 (25.18). The closing price of the share at the end of June 2025 was EUR 48.50 (36.80). The market value of the share capital on 30 June 2025 was EUR 906.7 million (687.9) including treasury shares. According to Harvia's knowledge, the company's shares were also traded on Cboe Europe Equities, Cboe, ITG Posit, London Stock Exchange, and Aquis Stock Exchange trading venues.

At the end of June 2025, Harvia Plc held a total of 3,800 own shares, corresponding to 0.02% of the total number of shares and votes.

At the end of June 2025, the number of registered shareholders was 29,991 (34,808), including nominee registers. At the end of the review period, nominee-registered and direct foreign shareholders held 51.36% (48.0%) of the company's shares. The ten largest shareholders held a total of 22.1% (21.8%) of Harvia's shares and votes at the end of June 2025 in the register maintained by Euroclear Finland Ltd. Including the nominee-registered shareholders, the company's ten largest shareholders held 39.6% of the total shares outstanding. More shareholder information provided by Modular Finance AB is available on the company's website at harviagroup.com.

On 2 May 2025, Harvia announced that it had received a notification pursuant to Chapter 9, section 5 of the Securities Markets Act, according to which the total holding of Alecta Tjänstepension Ömsesidigt (Stockholm, Sweden) in Harvia Plc shares and votes had exceeded five percent and was 5.08% on 30 April 2025.

## **GOVERNANCE**

#### Directed share issue

On 25 February 2025, The Board of Directors of Harvia decided on a directed share issue without consideration for the payment of rewards earned under the company's share-based incentive program. The share payments concern the performance period 2022–2024 of the company's share-based incentive program launched in 2022. In the share issue, 9,852 own shares held by the company were transferred without consideration to the key employees participating in the share-based incentive program in accordance with the terms and conditions of the program.

On 23 May 2025 Harvia Plc transferred 1,555 own shares held by the company to the members of the Board of Directors without consideration as part of the remuneration of the members of the Board of Directors, in order to implement the decision of the Annual General Meeting of Shareholders. The number of shares to be transferred to the members of the Board of Directors was calculated by converting approximately 40% of the total monthly remuneration of a member of the Board of Directors into shares at the volume weighted average price of the share on the Nasdaq Helsinki Ltd during 21 May 2025. The transfer of own shares was based on the authorization granted by the Annual General Meeting held on 8 April 2025. After the transfer of shares, the company holds a total of 3,800 own shares.

#### **Long-term Performance Share Plan**

On 10 March 2025, The Board of Directors of Harvia Plc decided to continue the Long-term Performance Share Plan for the management team and other key employees for the performance period 2025–2027. In the performance period 2025–2027, the plan has 34 participants at most and the targets for the performance period relate to the company's total shareholder return, revenue growth, EBIT margin and CO2 emissions. The number of shares to be paid based on the performance period 2025–2027 is a maximum of 79,100 Harvia Plc's shares. This number of shares represents the gross earnings, from which the withholding of tax and possible other applicable contributions are deducted and the remaining net amount is paid in shares. However, the company has the right to pay the reward fully in cash under certain circumstances. Potential rewards from the performance period 2025–2027 will be paid out during spring 2028.

#### **Annual General Meeting**

Harvia Plc's Annual General Meeting, held on 8 April 2025, approved the financial statements and discharged the members of the Board of Directors and the company's CEO from liability for the financial year 2024. The Annual General Meeting approved in an advisory decision the remuneration report for governing bodies and the revised remuneration policy for the company's governing bodies.

The Annual General Meeting 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 instalments. The first instalment, EUR 0.38 per share, was paid 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. This instalment of the dividend was paid on 17 April 2025. The second instalment, EUR 0.37 per share, will be paid in October 2025. The record date of the dividend date would then be 21 October 2025 and the dividend payment date 28 October 2025.

In accordance with the proposal of the Board of Directors, the Annual General Meeting resolved to amend 5 § of the Articles of Association so that the maximum number of members of the Board of Directors is increased from six to seven.

The Annual General Meeting resolved that the Board of Directors consists of seven members. Heiner Olbrich, Catharina Stackelberg-Hammarén, Anders Holmén, Hille Korhonen, Markus Lengauer and Olli Liitola were re-elected to the Board of Directors and Petri Castrén was elected as a new member. Authorized Public Accounting firm Deloitte Oy was elected as the Auditor of the company and Authorized Public Accountant Johan Groop will act as the Responsible Auditor. The sustainability audit firm Deloitte Oy was elected as the company's authorized sustainability assurer for a term that lasts until the end of the company's next Annual General Meeting and Johan Groop, ASA, APA will act as the authorized sustainability auditor.

The Board of Directors was authorized to resolve on the repurchase of a maximum of 934,711 shares in the company in one or several tranches. The maximum number of shares to be repurchased represents approximately 5% of all the shares in the company on the date of the Annual General Meeting. The authorization may be used e.g. for the purposes of the company's share-based incentive systems, for the purposes of board compensation and other matters decided by the

Board of Directors. In addition, the Board of Directors was authorized to decide on the issue of shares, options and other special rights entitling to shares. The aggregate number of shares to be issued, including the shares to be received based on special rights, must not exceed 1,869,423 shares. The authorization entitles the Board of Directors to decide on all other matters related to the issuance of shares and special rights entitling to shares, including the right to deviate from the preemptive right of shareholders to subscribe to shares to be issued. The authorization may be used for the purposes of strengthening the balance sheet and financing position of the company, for the purposes of board compensation or for other purposes decided by the Board of Directors. Both authorizations are valid until the closing of the next Annual General Meeting, but no longer than until 30 June 2026.

#### Board of Directors' organizational meeting

Heiner Olbrich was elected the Chair and Catharina Stackelberg-Hammarén was elected the Vice Chair of the Board of Directors at the Board of Directors' organizational meeting on 8 April 2025. The Board of Directors elected from among its members Petri Castrén (Chair), Hille Korhonen, Anders Holmén and Markus Lengauer as members of the Audit Committee. The Board of Directors elected from among its members Heiner Olbrich (Chair), Olli Liitola and Catharina Stackelberg-Hammarén as members of the Personnel and Remuneration Committee.

The full resolutions by the Annual General Meeting as well as the decisions by the organizational meeting of the Board of Directors were published in stock exchange releases on 8 April 2025.

#### Changes in management and organization

On 1 April 2025, Ivan Sabato started in his position as Head of Region, Continental Europe, and as a member of Harvia's Management Team. He was appointed to the position on 19 December 2024.

On 16 May 2025, Harvia announced the resignation of Jennifer Thayer, Head of Region, North America and President of Harvia US Inc. Thayer continued in her position until 30 May 2025. Nick Larrick, Vice President of Operations at Harvia North America, serves as Interim Head of Region, North America, and as an interim member of Harvia's Management Team as of 1 June 2025.

## **RISKS AND UNCERTAINTIES**

Harvia's business is exposed to several risks and uncertainties. This is partly a result of the company's global presence and supply chain network, even though these factors also help Harvia to recognize and actively mitigate its risks. Harvia is familiar with operating successfully in an environment shaped by changing market conditions and risks, but the full impact of all changes in different markets is difficult to foresee, as situations often develop fast and are hard to fully predict.

General economic, social and political conditions impact Harvia's operating environment. Economic uncertainty and rapid developments in Finland, Europe, North America or more widely across the globe can affect the company's business in many ways and make accurate predictions and planning of future business more difficult than usual. Changes in consumer confidence and the resulting demand implications directly impact Harvia's business. Especially in the direct-to-consumer market, deteriorating consumer confidence can result in individual consumers postponing investments in new saunas and components, and to a lesser extent, in postponed replacement demand. In addition, the availability of energy and energy prices may impact consumer confidence and the frequency of sauna usage.

Geopolitical events and uncertainties can affect Harvia either directly or indirectly through, for example, deteriorating market conditions. A notable example of this is the Russian invasion of Ukraine in February 2022, after which Harvia suspended its operations in Russia in March 2022 and later completed its exit from the market. The indirect impacts of the invasion have related especially to decreased economic growth and caution in consumers' discretionary spending across Europe. Developments related to the war in Ukraine as well as other geopolitical developments around the world can affect Harvia also in the future.

Geopolitical tensions often give rise to or are fueled by tightening trade policies, including increasing tariffs and other hindrances of international trade. When involving Harvia's key countries, such as the United States, tariffs may have an impact on Harvia, either directly or through weakening general market conditions. In the first half of 2025, the tensions in international trade and tariffs between the United States and several of its key trade partners increased, and the overall

predictability of trade policies decreased significantly. This had negative impacts also on consumer spending and sauna market demand during the second quarter especially in North America. The high pace of changes and significant uncertainty in trade policies and global economy in general may continue to affect both the sauna market and Harvia, and developments in the area can be very rapid and difficult to foresee.

Harvia's advantage in the United States is that around 70% of the end products it sells there are manufactured domestically, which reduces the company's exposure to U.S. tariffs, especially compared to many of its key competitors. Harvia can also shift production between its factories as well as change its suppliers for many key materials and components. During the first half of the year, the company carried out actions in its supply chain to mitigate potential future impacts, including increasing the readiness to move some production from China to Finland. Harvia actively monitors the developments related to the situation and can usually react to changes in an agile manner, but the very high unpredictability and speed of changes may occasionally cause challenges for the company to react and fully mitigate the potential negative impacts. Further deteriorating consumer confidence in the United States and high uncertainty in tariff policies may have a negative impact on consumers' buying behavior and make U.S. B2B customers more hesitant to place orders that may become subject to significant tariffs.

Overall, the self-sufficiency of the Group's manufacturing process, the backup supplier system for materials and the widely dispersed customer base balance potential strategic risks. Production is based on the company's own design and patents, and these are used to manage potential operational risks. Damage risks are covered with insurances where possible, and their coverage is assessed annually together with the insurance company. However, disruptions in Harvia's global supply chain or logistics network as well as significant strikes and other industrial actions in key countries, such as Finland, can have a negative impact on the company's business.

The increase in cyber threats worldwide alongside the growing dependency on digital infrastructure cause risks to Harvia's business and its critical data. The impacts of these risks can occur either directly by disrupting or endangering Harvia's daily operations or compromising data or indirectly through attacking Harvia's suppliers or customers, and thus can potentially result in financial, operational or reputational damage to the company. The company continuously takes actions to prepare for these risks by protecting its digital infrastructure, operations and people against them. In addition to having various technical solutions, the company focuses on training its personnel to recognize potential threats and to mitigate cyber risks with their own actions.

Harvia has business operations in several countries and is exposed to transaction and translation risks. These risks relate mostly to the U.S. dollar, where the exchange rate changes can affect the company either positively or negatively. Harvia has not protected itself from these risks with currency derivatives. The Group's loans consist of long-term liabilities. The loans include covenants, which in unfavorable business conditions may require new financing negotiations with the bank. The company protects itself from interest risks arising from bank loans with interest rate swaps amounting to EUR 56.5 million.

The principles of Harvia's financing risk management are described in the Consolidated Financial Statements 2024 and the general principles of risk management on the company's website at <a href="https://www.harviagroup.com">www.harviagroup.com</a>.

#### **EVENTS AFTER THE REVIEW PERIOD**

Harvia had no significant events after the reporting period.

# **FINANCIAL RELEASES IN 2025**

Harvia will publish its interim reports in 2025 as follows:

6 November 2025 January–September 2025 interim report

MUURAME, 6 AUGUST 2025

HARVIA PLC
Board of Directors

For more information, please contact:

Matias Järnefelt, CEO, tel. +358 40 5056 080 Ari Vesterinen, CFO, tel. +358 40 5050 440

PRESS CONFERENCE ON FINANCIAL RESULTS

Harvia will hold a webcast for analysts, investors and media on 7 August 2025 at 11:00 a.m. EEST. The conference will be held in English. Harvia's CEO Matias Järnefelt and CFO Ari Vesterinen will host the event. The webcast can be followed at <a href="https://harvia.events.inderes.com/q2-2025">https://harvia.events.inderes.com/q2-2025</a>.

A recording of the webcast will be available after the event on the company's website <a href="https://harviagroup.com/reports-and-presentations/">https://harviagroup.com/reports-and-presentations/</a>.

# HARVIA PLC HALF-YEAR FINANCIAL REVIEW JANUARY-JUNE 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand Not	e <b>4-6/2025</b>	4-6/2024	1-6/2025	1-6/2024	1-12/2024
Lon thousand Hot	4 0/2023	4 0/2024	1 0/2023	1 0/2024	1 12/2024
Revenue 2.	1 <b>47,251</b>	43,182	99,223	85,535	175,206
Other operating income	282	138	571	260	1,001
Materials and services	-16,234	-15,191	-33,795	-30,178	-62,602
Employee benefit expenses	-11,152	-8,971	-21,632	-16,985	-35,213
Other operating expenses 2.	,	-8,617	-21,192	-16,637	-35,929
Depreciation and amortization	-1,748	-1,611	-3,648	-3,212	-6,976
Operating profit	7,630	8,931	19,527	18,783	35,486
Share in profits and losses of associated companies	0	-11	0	-21	-76
Finance income	265	356	566	838	1,959
Finance costs	-2,072	-1,046	-3,771	-2,031	-4,601
Changes in fair values	-399	-362	-389	86	-887
Financial items	-2,206	-1,064	-3,593	-1,128	-3,605
Profit before income taxes	5,424	7,867	15,934	17,655	31,880
Income taxes	-1,050	-1,998	-3,195	-4,309	-7,638
Profit for the period	4,374	5,869	12,738	13,346	24,242
Attributable to:					
Owners of the parent	4,383	5,869	12,775	13,346	24,242
Non-controlling interests	-9	0	-37	0	0
Other comprehensive income					
Items that may be reclassified to profit or loss in subsequent periods:					
Translation differences	-4,897	443	-6,975	897	2,778
Items that will not be reclassified to profit or loss:	1,037	113	0,373	037	2,770
Actuarial gains and losses					-156
Gains and losses on cash flow hedges	-49		-45		-4
Other comprehensive income, net of tax	-4,946	443	-7,020	897	2,618
Total comprehensive income	-572	6,312	5,718	14,243	26,860
·		•	•	•	
Attributable to:					
Owners of the parent	-563	6,312	5,755	14,243	26,860
Non-controlling interests	-903	0,312	-37	14,243	20,800
Ton controlling interests	-9		-37	J	U
Earnings per share for profit attributable to the					
owners of the parent: 2.					
Basic EPS (EUR) 2.		0.31	0.68	0.71	1.30
Diluted EPS (EUR) 2.	0.23	0.31	0.68	0.71	1.29

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand Not	30.6.2025	30.6.2024	31.12.2024
ASSETS			
Non-current assets			
Intangible assets	17,532	7,713	16,874
Goodwill	88,929	73,434	91,046
Property, plant and equipment	27,665	27,925	28,173
Right-of-use assets	7,500	2,328	8,092
Investments in associated companies	0	440	0
Derivative financial instruments 4.	593	1,955	982
Deferred tax assets	1,159	834	841
Total non-current assets	143,379	114,629	146,007
Current assets			
Inventories	52,958	38,665	49,151
Trade and other receivables	24,908	23,858	22,278
Income tax receivables	661	1,117	626
Cash and cash equivalents	45,198	45,381	46,447
Total current assets	123,726	109,021	118,502
Total assets	267,104	223,650	264,509
EUR thousand Not	30.6.2025	30.6.2024	31.12.2024
EQUITY AND LIABILITIES			
Share capital	80	80	80
Other reserves	29,196	33,876	35,935
Retained earnings	72,808	62,373	62,583
Profit for the period	12,775	13,346	24,242
Equity attributable to owners of the parent	114,860	109,675	122,840
Non-controlling interests	1,207	1,244	1,244
Total equity	116,067	110,919	124,085
Liabilities			
Non-current liabilities			
	95,416	75,414	95,400
	6,665	1,908	7,307
Derivative financial instruments	48	0	4
Deferred tax liabilities	2,284	946	2,773
Employee benefit obligations	1,760	1,845	1,754
Other non-current liabilities	2,428	214	2,965
Provisions	910	232	979
Total non-current liabilities	109,512	80,559	111,182
Command linkilidia			
	1	_	-
	1 046	6	5
Lease liabilities	1,046	670	951
Employee benefit obligations	159	176	159
	2,198	1,569	1,359
Trade and other payables	37,817	29,547	26,475
Provisions  Total current liabilities	300	202	295
Total current liabilities	41,526	32,171	29,243
Total liabilities	151,037	112,730	140,425
Total equity and liabilities	267,104	223,650	264,509

EUR thousand	Share capital	Fair value reserve	Invested unrestricted equity reserve	Translation differences	earnings	Equity attributable to owners of the parent	Non- controlling interests	Total
Equity at 1 January 2024	80		33,334	-921	75,081	107,575	1,082	108,656
Share-based incentive plan			596			596		596
Dividend distribution					-12,709	-12,709		-12,709
Share-based payments			-30			-30		-30
Total transactions with								
shareholders			566		-12,709	-12,143		-12,143
Profit for the period				007	13,346	13,346		13,346
Translation differences				897		897		897
Other comprehensive income							163	163
Total comprehensive income				897	13,346	14,243	163	14,406
Equity at 30 June 2024	80		33,900	-25	75,718	109,675	1,244	110,919
Equity at 1 January 2024	80		33,334	-921	75,081	107,575	1,082	108,656
Share-based incentive plan			1,430			1,430		1,430
Dividend distribution					-12,709	-12,709		-12,709
Prior year adjustment					210	210		210
Repurchase of own shares			-483			-483		-483
Share-based payments			-43			-43		-43
Total transactions with sharehol	ders		903		-12,498	-11,595		-11,595
Profit for the period					24,242	24,242		24,242
Acquisitions Gains and losses on cash flow he net of tax	edges,	-4				4	163	163 -4
		-4	156			-4 156		-
Actuarial gains and losses  Translational differences			-156	2 770		-156		-156
-		4	15.0	2,778	24 242	2,778	162	2,778
Total comprehensive income Equity at 31 December 2024	80	-4 - <b>4</b>	-156 <b>34,081</b>	2,778 <b>1,857</b>	24,242 <b>86,825</b>	26,860 <b>122,840</b>	163 <b>1,244</b>	27,023 <b>124,085</b>
Equity at 1 January 2025	80	-4	34,081	1,857	86,825	122,840	1 244	124.085
Share-based incentive plan	80	-4	767	1,037	00,023	767	1,244	767
Dividend distribution			, 3,		-14,017	-14,017		-14,017
Transfer of own shares			73		,	73		73
Share-based payments			-558			-558		-558
Total transactions with					14.017			
shareholders  Profit for the period			281		-14,017	-13,736 12,775	27	-13,736
Profit for the period					12,775	12,775	-37	12,738
Gains and losses on cash flow hedges, net of tax		-45				-45		-45
Translational differences		-43		-6,975		-6,975		-6,975
Total comprehensive income		-45		-6,975	12,775	5,755		5,718
Equity at 30 June 2025	80	-48	34,363	-5,119	85,584	114,860	1,207	116,067

# CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand No	te	4-6/2025	4-6/2024	1-6/2025	1-6/2024	1-12/2024
Cash flows from operating activities						
Profit before taxes		5,424	7,867	15,934	17,655	31,880
Adjustments		-,	,	-,	,	- ,
Depreciation and amortisation		1,748	1,611	3,648	3,212	6,976
Finance income and finance costs		2,206	1,064	3,593	1,128	3,605
Other adjustments		1,032	450	533	671	163
Cash flows before changes in working		· ·				
capital		10,388	10,992	23,708	22,666	42,625
Change in working capital						
Increase (-) / decrease (+) in trade and						
other receivables	3	1,028	-2,468	-2,871	-4,683	-589
Increase (-) / decrease (+) in inventories Increase (+) / decrease (-) in trade and	3	-4,966	-3,297	-6,113	-2,894	-8,745
other payables	3	1,683	798	5,128	4,274	6,418
Cash flows from operating activities		0.422	6.006	40.053	40.004	20.700
before financial items and taxes		8,132	6,026	19,852	19,364	39,709
Interest and other finance costs paid		-291	97	-534	-65	-56
Interest and other finance income received		16	261	86	261	188
Income taxes paid/received		-2,377	-5,140	-3,197	-4,910	-8,173
Net cash from operating activities		5,481	1,243	16,206	14,649	31,668
Cash flows from investing activities		2.752	540	F 702	2 702	6.4.40
Purchases of tangible and intangible assets		-3,752	-549	-5,793	-2,792	-6,149
Sale of tangible and intangible assets		470	7	470	7	34.000
Acquisition of subsidiaries, net of cash acquired		-300		-300		-24,908
Closure of an associated company, net of cash		2.42		400		61
Interest and other finance costs received		242		490	2 707	938
Net cash from investing activities		-3,340	-542	-5,132	-2,785	-30,050
Cash flows from financing activities						
Proceeds from non-current loans	4					20,000
Repayment of non-current liabilities	4	-8	-5	-12	-18	71
Proceeds from current loans	4		1		1	
Repayment of current liabilities	4					-1
Repayment of lease liabilities	4	-323	-1	-633	-207	-927
Interest and other finance costs paid	4	-1,410	-672	-3,464	-806	-2,727
Dividends paid		-7,102	-6,354	-7,102	-6,354	-12,709
Net cash from financing activities		-8,843	-7,032	-11,211	-7,384	3,708
Net change in cash and cash equivalents		6 702	£ 221	-137	4,480	E 22E
Cash and cash equivalents  Cash and cash equivalents at beginning of		-6,702	-6,331	-137	4,480	5,325
period		52,771	51,514	46,447	40,581	40,581
Exchange gains/losses on cash and cash		,	/	,,,	- /	-,
equivalents		-870	198	-1,111	320	540
Cash and cash equivalents at end of period		45,198	45,381	45,198	45,381	46,447

# NOTES TO THE GROUP'S HALF-YEAR FINANCIAL REVIEW 2025

#### 1. BASIS OF PREPARATION

#### **Basis of preparation**

Harvia's interim information has been prepared in compliance with the IAS 34 Interim Financial Reporting standard. Interim information does not contain all the notes presented in the Consolidated Financial Statements and should therefore be read in conjunction with the Consolidated Financial Statements 2024 prepared in accordance with IFRS Accounting Standards. The same accounting principles have been applied to the interim information as to the consolidated financial statements.

Harvia's Board of Directors has approved this half-year financial review in its meeting on 6 August 2025. The figures in this report are unaudited. The figures have been rounded, and consequently, the sum of individual figures may deviate from the presented sum figure.

#### Accounting estimates and management judgements made in preparation of the interim information

The preparation of interim information requires management to make accounting estimates and judgements as well as assumptions that affect the application of the preparation principles and the accounting estimates on assets, liabilities, income, and expenses. Actual results may differ from previously made estimates and judgements. Estimates and judgements are reviewed regularly. Changes in estimates are presented in the period during which the change occurs if the change only affects one period. If it affects both the period under review and following periods, the changes are presented in the period under review and following periods.

The significant management judgements and accounting estimates concerning key uncertainty factors in connection with the preparation of this interim information are identical to those that were applied in the Consolidated Financial Statements for 2024.

# 2. GROUP PERFORMANCE

#### 2.1 GROUP REVENUE

Harvia reports its revenue by sales region and by product group. The Group's product and service offerings have been divided into five groups: heating equipment, saunas and Scandinavian hot tubs, steam products, accessories and heater stones, and spare parts and services. Each product group includes products suitable for different customer categories to meet different customer needs. The largest customer category of the Group consists of retailers and wholesale customers who sell products to builders or end customers.

#### REVENUE BY MARKET AREA

EUR thousand	4-6/2025	4-6/2024	Change %	1-6/2025	1-6/2024	Change %	2024
Northern Europe 1)	11,507	11,584	-0.7%	23,378	23,264	0.5%	43,757
Continental Europe 2)	12,758	12,735	0.2%	27,238	26,326	3.5%	52,686
North America 3)	16,604	14,711	12.9%	38,417	28,443	35.1%	62,049
APAC & MEA 4)	6,381	4,152	53.7%	10,189	7,502	35.8%	16,714
Total	47,251	43,182	9.4%	99,223	85,535	16.0%	175,206

- 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

#### REVENUE BY PRODUCT GROUP

EUR thousand	4-6/2025	4-6/2024	Change %	1-6/2025	1-6/2024	Change %	2024
Heating equipment*	25,131	23,200	8.3%	52,805	47,161	12.0%	94,012
Saunas and Scandinavian hot tubs	10,937	12,822	-14.7%	23,753	23,919	-0.7%	46,758
Steam products**	4,691	1,331	252.5%	9,569	2,374	303.1%	10,675
Accessories and heater stones	3,089	2,850	8.4%	6,500	5,771	12.6%	12,060
Spare parts and services	3,401	2,980	14.1%	6,594	6,310	4.5%	11,700
Total	47,251	43,182	9.4%	99,223	85,535	16.0%	175,206

<sup>\*</sup> Sauna heaters, control units, IR components

#### 2.2 OPERATING EXPENSES

Other operating expenses for the period 1 January–30 June 2025 include items affecting comparability of EUR 563 thousand (735) that are related to the Group's strategic development projects, acquisitions, divestments or loss on sales of fixed assets, and restructuring, and affect the comparability between the different periods. Further information on these items is given in Appendix 1 Key figures and calculation of key figures.

#### 2.3 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period attributable to the owners of the parent company by the weighted average number of shares outstanding during the financial period. Diluted earnings per share are calculated on the same basis as basic earnings per share, but they take into consideration the effects associated with any obligations of the parent company arising from a possible share issue in the future.

EUR thousand	4-6/2025	4-6/2024	1-6/2025	1-6/2024	1-12/2024
Profit for the period attributable to the owners of the parent company, EUR thousand Weighted average number of shares outstanding during the financial period,	4,383	5,869	12,775	13,346	24,240
'000	18,690	18,689	18,685	18,689	18,689
Basic earnings per share, EUR	0.23	0.31	0.68	0.71	1.30
Share-based long-term incentive plan Weighted average number of shares outstanding during the year, diluted	108	116	108	111	137
'000	18,798	18,805	18,793	18,800	18,827
Diluted earnings per share, EUR	0.23	0.31	0.68	0.71	1.29

<sup>\*\*</sup> Including steam generators and other steam equipment

#### 3. NET WORKING CAPITAL

EUR thousand	30.6.2025	30.6.2024	31.12.2024
Net working capital			
Inventories	52,958	38,665	49,151
Trade receivables	20,570	19,530	19,173
Other receivables	4,338	4,328	3,105
Trade payables	-16,295	-12,772	-13,070
Other payables	-14,766	-10,419	-13,404
Total	46,805	39,332	44,955
Net change in net working capital in the statement of financial position Items not taken into account in change in net working capital in the statement of cash flows and the effect of which is	1,850	-3,156	8,823
included elsewhere in the statement of cash flows*	2,006	6,459	-5,907
Change in net working capital in the statement of cash flows	3,856	3,303	2,916

<sup>\*</sup> The most significant items are related to finance costs, unrealized exchange rate gains and losses, acquisitions and investments.

#### 4. NET DEBT

#### Interest-bearing net debt

EUR thousand	30.6.2025	30.6.2024	31.12.2024
Interest bearing debt	95,422	75,420	95,405
Lease liabilities	7,712	2,579	8,258
Less cash and cash equivalents	-45,198	-45,381	-46,447
Net debt	57,935	32,618	57,216

Harvia has term loans totaling EUR 95,500 thousand and EUR 10,000 thousand revolving credit limit. Harvia has not utilized the revolving credit limit. These term loans mature in three installments. The term loan of EUR 36,500 thousand and the revolving credit limit of EUR 5,000 thousand mature in December 2026 and the term loan of EUR 39,000 thousand and the revolving credit limit EUR of 5,000 thousand mature in March 2027. The term loan of EUR 20,000 thousand will mature in July 2027.

The nominal interest of the loans is tied to Euribor, and its margin is tied to the Group's net debt / adjusted EBITDA ratio.

#### **4.1 DERIVATIVES**

Harvia has an interest rate swap with a nominal value of EUR 36.5 million that matures on 15 December 2026 and an interest rate swap agreement for EUR 20.0 million that matures on 22 July 2027. Fair value of the interest rate swaps fluctuates according to interest rate market expectations, and the change in value is recorded per contract in either net financial items as changes in fair value, or through fair value reserve in equity.

#### 5. OTHER NOTES

#### **5.1 RELATED PARTY TRANSACTIONS**

Harvia's key management personnel, the members of the Board of Directors, and their family members are entitled to purchase sauna products from Harvia in accordance with the policy applying to the entire personnel of Harvia. Transactions with related parties have been made on an arm's length basis.

EUR thousand	4-6/2025	4-6/2024	2024
Related party transactions, sales	35	40	63
Related party transactions, purchases	23	182	242

# **APPENDIX 1: KEY FIGURES AND CALCULATION OF KEY FIGURES**

EUR thousand	4-6/2025	4-6/2024	1-6/2025	1-6/2024	1-12/2024
Key statement of comprehensive income indicators					
Revenue	47,251	43,182	99,223	85,535	175,204
EBITDA	9,379	10,542	23,175	21,995	42,460
% of revenue	19.8%	24.4%	23.4%	25.7%	24.2%
Items affecting comparability *	541	497	563	735	1,615
Adjusted EBITDA **	9,919	11,039	23,738	22,730	44,076
% of revenue	21.0%	25.6%	23.9%	26.6%	25.0%
Operating profit	7,630	8,931	19,527	18,783	35,484
% of revenue	16.1%	20.7%	19.7%	22.0%	20.3%
Adjusted operating profit **	8,171	9,428	20,090	19,518	37,099
% of revenue	17.3%	21.8%	20.2%	22.8%	21.2%
Adjusted profit before income taxes	5,965	8,364	16,497	18,390	33,493
Basic EPS (EUR)	0.23	0.31	0.68	0.71	1.30
Diluted EPS (EUR)	0.23	0.31	0.68	0.71	1.29
Key cash flow indicators					
Cash flow from operating activities	5,481	1,243	16,206	14,649	31,668
Operating free cash flow	3,911	5,523	14,089	16,635	35,011
Cash conversion	39.4%	50.0%	59.4%	73.2%	79.4%
Investments in tangible and intangible assets	-3,752	-549	-5,793	-2,792	-6,149
Key balance sheet indicators					
Net debt	57,935	32,618	57,935	32,618	57,216
Leverage	1.3	0.8	1.3	0.8	1.3
Net working capital	46,805	39,332	46,805	39,332	44,794
Capital employed excluding goodwill	77,588	69,563	77,588	69,563	81,538
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	742	683	742	683	696
Average number of employees during the period	734	657	734	635	661

#### RECONCILIATION OF CERTAIN KEY FIGURES AND CALCULATION OF KEY FIGURES

Harvia presents alternative performance measures as additional information to measures presented in the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows prepared in accordance with IFRS Accounting Standards. In Harvia's view, alternative performance measures provide the management, investors, securities market analysts and other parties with significant additional information related to the Company's results from operations, financial position and cash flows and are widely used by analysts, investors, and other parties.

The company presents its adjusted operating profit, adjusted EBITDA, adjusted return on capital employed (ROCE), operating free cash flow and cash conversion, which have been adjusted for material items outside the ordinary course of business, to improve comparability between periods.

Alternative performance measures should not be viewed in isolation or as a substitute to the measures under IFRS Accounting Standards. All companies do not calculate alternative performance measures in a uniform way, and therefore the alternative performance measures presented in this report may not be comparable with similarly named measures presented by other companies.

Alternative performance measures are unaudited except for operating profit, net cash from operating activities, investments in tangible and intangible assets, net working capital and net debt in 2024.

EUR thousand	4-6/2025	4-6/2024	1-6/2025	1-6/2024	1-12/2024
Operating profit	7,630	8,931	19,527	18,783	35,486
Depreciation and amortization	1,748	1,611	3,648	3,212	6,976
EBITDA	9,379	10,542	23,175	21,995	42,462
Items affecting comparability					
Business transactions related expenses	38	497	60	731	1,565
Restructuring expenses	503	4	503	4	50
Total items affecting comparability	541	500	563	735	1,615
Adjusted EBITDA	9,919	11,042	23,738	22,730	44,076
Depreciation and amortization	-1,748	-1,611	-3,648	-3,212	-6,976
Adjusted operating profit	8,171	9,432	20,090	19,518	37,100
Finance costs, net	-2,206	-1,064	-3,593	-1,128	-3,605
Adjusted profit before income taxes	5,965	8,367	16,497	18,390	33,495

# **CALCULATION OF KEY FIGURES**

Key figure	Definition
Operating profit	Profit before income taxes, finance income and finance costs.
EBITDA	Operating profit before depreciation and amortization
Items affecting comparability	Material items outside the ordinary course of business, which relate to i) costs related to the listing ii) strategic development projects, iii) acquisition and integration related expenses, iv) restructuring expenses and v) net gains or losses on sale of assets and grants received.
Adjusted operating profit	Operating profit before items affecting comparability.
Adjusted EBITDA	EBITDA before items affecting comparability.
Adjusted profit before income taxes	Profit before income taxes excluding items affecting comparability.
Earnings per share, undiluted	Profit for the period attributable to the owners of the parent divided by weighted average number of shares outstanding.
Earnings per share, diluted	Profit for the period attributable to the owners of the parent divided by weighted average number of shares outstanding, taking into consideration the effects associated with any parent company's obligations regarding the possible share issue in the future.
Net debt	Lease liabilities and current and non-current loans from credit institutions less cash and cash equivalents.
Leverage	Net debt divided by adjusted EBITDA (12 months).
Net working capital	Inventories, trade and other receivables less trade and other payables.
Capital employed excluding goodwill	Total equity and net debt less goodwill.
Adjusted return on capital employed (ROCE)	Adjusted operating profit (12 months) divided by average capital employed excluding goodwill.
Operating free cash flow	Adjusted EBITDA added/subtracted by the change in net working capital in consolidated statement of cash flows less investments in tangible and intangible assets.
Cash conversion	Operating free cash flow divided by adjusted EBITDA.
Equity ratio	Total equity divided by total assets less advances received.

