

HARVIA PLC
FINANCIAL
STATEMENTS
BULLETIN
2020



HARVIA Q4: SIGNIFICANT GROWTH OF REVENUE AND PROFITABILITY CONTINUED, DRIVEN BY EXCEPTIONAL DEMAND

HIGHLIGHTS OF THE REVIEW PERIOD

OCTOBER–DECEMBER 2020:

- Revenue increased by 70.0% to EUR 35.2 million (20.7). At comparable exchange rates, revenue increased by 76.7% to EUR 36.6 million. Organic revenue growth was 39.1%.
- Adjusted operating profit increased to EUR 8.8 million (4.2), making up 24.9% (20.1) of the revenue. At comparable exchange rates, the adjusted operating profit increased to EUR 9.0 million (24.6% of the revenue).
- Operating profit was EUR 8.7 million (3.9), making up 24.7% (18.9) of the revenue.
- Operative free cash flow amounted to EUR 10.3 million (7.0).

JANUARY–DECEMBER 2020:

- Revenue increased by 47.3% to EUR 109.1 million (74.1). At comparable exchange rates, revenue increased by 49.9% to EUR 111.1 million. Organic revenue growth was 28.0%.
- Adjusted operating profit was EUR 24.4 million (13.9), making up 22.4% (18.7) of the revenue. At comparable exchange rates, the adjusted operating profit increased by 78.5% to EUR 24.8 million (22.3% of the revenue).
- Operating profit was EUR 22.4 million (13.3), making up 20.5% (18.0) of the revenue.
- Operating free cash flow amounted to EUR 28.7 million (15.2).
- Net debt amounted to EUR 31.9 million (28.3) and leverage was 1.1 (1.7).
- On April 30, 2020, Harvia completed the acquisition of the German EOS Group majority. The financial figures of EOS Group have been consolidated with Harvia's figures starting from the completion of the acquisition.
- Equity ratio was 42.0% (56.6). During the review period, Harvia took out a new long-term loan of EUR 20 million for financing the acquisition of EOS Group.
- The Board of Directors' dividend proposal is EUR 0.39 per share, to be paid in two instalments. In addition, a dividend of EUR 0.12 is paid to celebrate Harvia's 70-year anniversary.
- Harvia has taken special measures in all of its operating countries to ensure the safety of its personnel and safeguard the continuity of its operations and services in the exceptional situation caused by the COVID-19 pandemic. Despite the pandemic, we have maintained our operative and customer service capabilities close to their regular level.

KEY FIGURES

EUR million	10-12/2020	10-12/2019	Change %	1-12/2020	1-12/2019	Change %
Revenue	35.2	20.7	70.0%	109.1	74.1	47.3%
EBITDA	9.9	4.7	110.0%	26.7	16.4	62.5%
% of revenue	28.0%	22.7 %		24.5%	22.2%	
Items affecting comparability *	0.1	0.2	-76.1%	2.1	0.6	274.9%
Adjusted EBITDA **	9.9	5.0	100.7%	28.8	17.0	69.4%
% of revenue	28.2%	23.9%		26.4%	22.9%	
Operating profit	8.7	3.9	122.1%	22.4	13.3	67.9%
% of revenue	24.7%	18.9%		20.5%	18.0%	
Adjusted operating profit **	8.8	4.2	110.3%	24.4	13.9	76.2%
% of revenue	24.9%	20.1%		22.4%	18.7%	
Basic EPS (EUR)	0.31	0.16	98.4%	0.83	0.51	61.3%
Operating free cash flow	10.3	7.0	47.2%	28.7	15.2	89.1%
Cash conversion	104.1%	141.9%		99.7%	89.3%	
Investments in tangible and intangible assets	-0.8	-0.4	117.8%	-2.6	-1.8	42.1%
Net debt	31.9	28.3	12.7%	31.9	28.3	12.7%
Leverage	1.1	1.7		1.1	1.7	
Net working capital	18.0	16.8	6.6%	18.0	16.8	6.6%
Adjusted return on capital employed (ROCE)	73.3%	38.2%		73.3%	38.2%	
Equity ratio	42.0%	56.6%		42.0%	56.6%	
Number of employees at end of period	617***	395	56.2%	617***	395	56.2%

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

** Adjusted by items affecting comparability.

*** Includes the personnel of EOS Group, totaling 160 employees on December 31, 2020.

FINANCIAL TARGETS AND OUTLOOK

Harvia does not publish its short-term outlook. However, the company has set long-term targets related to growth, profitability and leverage. The company's management estimates that due to the special circumstances caused by the COVID-19 pandemic, the sauna and spa market has experienced exceptionally high demand. This, however, is not expected to have an impact on the long-term growth expectations of the sauna and spa market, nor on Harvia's long-term targets.

The company targets an average annual revenue growth of more than 5%, adjusted operating profit margin of 20% and a net debt/adjusted EBITDA between 1.5x–2.5x in the long term. The future impacts of changes in IFRS reporting standards have been excluded in the net debt/adjusted EBITDA ratio target.

Harvia targets a regularly increasing dividend with a bi-annual dividend payout of at least 60 percent of Group net income, in total.

TAPIO PAJUJARJU, CEO:

One could hardly hope for a better performance on Harvia's work-filled 70-year anniversary: Harvia's business continued to pick up pace towards the end of the year, and the full year turned out exceptionally strong. When it comes to net sales, Harvia has reached a position at par with the largest player in the industry.

Sales were very strong in the fourth quarter of the year: revenue increased by 70.0 percent to EUR 35.2 million with organic revenue growth standing at 39.1 percent. At the same time, our full year figures exceeded EUR 100 million as our full-year revenue landed at EUR 109.1 million.

Most importantly, the Harvia team along with our partners has remained healthy and safe. This would not have been possible without significant efforts towards well-being and safety as well as very diligent and careful cooperation. The leap in the efficiency of the entire supply chain in a rather traditional industry is strong indication of excellent knowhow and agility. Our order book was exceptionally strong at the end of the year. This has led to somewhat longer than normal delivery times. However, due to smooth cooperation, customer satisfaction remained on its usual good level. Awesome team effort, and everyone involved deserves my warmest thanks!



Revenue growth was strong in nearly all markets and all product groups in the fourth quarter of the year. The only exceptions were Southern Europe, Asia and the Arab countries, which were clearly hit hardest by the impact of the COVID-19 pandemic. The same effect is visible in the steam generators business, where the cumulative revenue did not reach the previous year's level.

The EOS integration has proceeded well despite the travel restrictions brought on by the pandemic, and we are almost exactly on schedule. Growing the average purchase has progressed favorably, of which a great example is the strong growth of the sauna business in both Europe and the United States. The sauna heater and component business in the United States has developed favorably. On top of this, the performance of Almost Heaven Saunas' business and especially its own webstore and direct sales have been excellent. In Finland growth has been good and Harvia has improved its market position.

As recognition for our accomplishments and especially for the skills and efforts of our personnel, we received the Internationalization Award of the President of the Republic of Finland in November. It is an annual recognition given to Finnish, internationally successful companies and communities for their meritorious activities that have benefited the economy and business life.

In the Nordic countries, we are still a challenger, but our position has strengthened considerably. The German market has taken a turn to strong growth and both Harvia's sales in Central Europe and EOS's success in the premium and professional channel have been excellent. The sauna and spa market as a whole has been well supported by the health and well-being trends.

Business performance continued on a very good level and we succeeded in improving our profitability. Operating profit for the fourth quarter of the year was EUR 8.7 million (operating profit margin at 24.7%) and the operating profit for the full year reached EUR 22.4 million (20.5%). Although the sauna and spa market as a whole has experienced growth due to favorable trends, we nevertheless estimate that part of this demand is still so-called advance demand, which will level out at least partly on the medium term as the pandemic subsides.

Investments made in 2020 were started according to plan. There have been delays in machinery deliveries in the United States, and the machinery will be installed in the first quarter of 2021. However, market demand is so strong that we have accelerated screening and planning of incremental investment opportunities particularly for the AHS factory in the United States and the Harvia factory in Muurame.

In 2021, we will continue to keep our eyes focused on the cornerstones of our strategy by focusing on increasing the value of the average purchase, geographical expansion, and continuous improvement of productivity. M&A activity in the sauna and spa market increased throughout the year 2020. In line with our strategy, we continue to seek opportunities to grow in the sauna and spa market also through acquisitions.

MARKET REVIEW

The sauna and spa market has historically been resilient, due in particular to the demand arising from the need to replace sauna heaters. Typically, the first and fourth quarter of the year are strong in the sauna business. During the second and third quarter, the COVID-19 pandemic caused significant and quick fluctuations in demand in several of Harvia's key markets. On the other hand, the challenges brought on by the pandemic to Harvia's business are still evident in Southern Europe, Russia, the Arab countries and Asia. According to the company's estimate, the total impacts of the pandemic on the sauna and spa markets were positive during 2020. The company estimates that the sauna and spa industry has not been particularly sensitive to the COVID-19 pandemic, and demand has remained on a good level on average despite the COVID-19 situation.

According to Harvia's estimate, there are approximately 17 million saunas in the world. This large sauna base provides significant business arising from the replacement of saunas and sauna heaters. Historically, the sauna market has grown annually by an average of 5%, and Harvia's management estimates that the market growth will remain on the same level in the near future. According to the management's estimate, Harvia's share of the sauna and spa market is approximately 3% and its share of the sauna heater and sauna component market is approximately 13%. Together, Harvia and EOS Group are estimated to reach a market share of approximately 16% in sauna heaters and components in 2020. The company's management estimates that Harvia is now at par with the largest global player in the sauna and spa industry.

REVENUE

REVENUE BY MARKET AREA

EUR thousand	10-12/2020	10-12/2019	Change	1-12/2020	1-12/2019	Change
Finland	6,373	5,617	13.5%	27,679	24,210	14.3%
Other Scandinavia	2,058	1,199	71.7%	5,615	4,157	35.1%
Germany	7,704	2,253	241.9%	17,644	6,867	156.9%
Other European countries	9,267	5,082	82.4%	26,118	17,188	52.0%
Russia	3,002	1,509	98.9%	7,881	5,761	36.8%
North America	5,696	3,823	49.0%	20,847	11,816	76.4%
Other countries*	1,147	1,247	-8.0%	3,331	4,096	-18.7%
Total	35,249	20,731	70.0%	109,115	74,095	47.3%

* The largest of which: Arab countries and Asia.

REVENUE BY PRODUCT GROUP

EUR thousand	10-12/2020	10-12/2019	Change	1-12/2020	1-12/2019	Change
Sauna heaters	18,817	10,585	77.8%	59,003	39,740	48.5%
Sauna rooms	5,913	4,459	32.6%	20,646	14,700	40.4%
Control units	4,118	1,755	134.7%	10,217	5,918	72.6%
Steam generators	1,032	998	3.4%	3,199	3,476	-8.0%
Other product groups, spare parts and services	5,369	2,933	83.0%	16,049	10,261	56.4%
Total	35,249	20,731	70.0%	109,115	74,095	47.3%

OCTOBER–DECEMBER 2020

The Group's revenue increased in October–December by 70.0% to EUR 35.2 million (20.7). At comparable exchange rates, revenue increased by 76.7% to EUR 36.6 million. Organic revenue growth was 39.1%. Revenue growth was strong in all Harvia's key markets, especially in Germany. Growth was strong in Russia, the Nordic countries and other European countries, as well. The EOS acquisition increased the Group's revenue in Germany by EUR 3.2 million, in other European countries by EUR 2.2 million and in Russia by EUR 1.0 million. The situation in other countries continued to be challenging and the impacts of the COVID-19 pandemic were reflected on the revenue.

Harvia's revenue increased in all product groups during October–December. Sauna heater sales improved in both electric and wood burning heaters, especially in Germany and other European countries. The solid growth of sauna room sales continued especially in North America and in Central Europe. The revenue from control units developed favorably particularly in Germany and Central Europe. The EOS acquisition increased the revenue particularly in electric heaters, control units and steam generators. Sales of other product groups, spare parts and services also developed very favorably.

JANUARY–DECEMBER 2020

The Group's revenue increased in January–December by 47.3% to EUR 109.1 million (74.1). At comparable exchange rates, revenue increased by 49.9% to EUR 111.1 million. Organic revenue growth was 28.0%. Revenue growth was strong especially in Germany, North America and other European countries. Revenue developed favorably in Finland, Russia and the Nordic countries, as well. The EOS acquisition increased the Group's revenue in Germany by EUR 6.6 million, in other European countries by EUR 5.1 million and in Russia by EUR 2.3 million. The negative impacts of the COVID-19 pandemic were reflected in the revenue development of the Other countries market area during the review period.

Revenue increased particularly in the sauna heater product group. Sales of sauna rooms also continued to increase steadily, boosted in particular by the positive development in sauna room sales in North America and strong demand in Central Europe. The sales of control units and other product groups developed favorably. The EOS acquisition increased particularly the revenue from electric heaters, control units and steam generators in the review period. The cumulative revenue from steam generators declined due to the COVID-19 situation in the Arab countries and Asia.

RESULT

OCTOBER–DECEMBER 2020

Operating profit for October–December increased to EUR 8.7 million (3.9) and the operating profit margin was 24.7% (18.9). The operating profit included EUR 0.1 million (0.2) of items affecting comparability, mainly related to business acquisitions. Adjusted operating profit increased to EUR 8.8 million (4.2) and the adjusted operating profit margin was 24.9% (20.1). The interest expenses of the new long-term loan drawn during the review period increased financing expenses during the fourth quarter, and the financing expenses were EUR -0.8 million (-0.4).

Profit before taxes was EUR 7.9 million (3.6). The Group's taxes amounted to EUR -1.8 million (-0.6).

The result for the fourth quarter was EUR 6.1 million (2.9) and undiluted earnings per share were EUR 0.31 (0.16). Changes in exchange rates weakened the operating profit by approximately EUR 0.4 million.

JANUARY–DECEMBER 2020

Operating profit for January–December was EUR 22.4 million (13.3) and the operating profit margin was 20.5% (18.0). The operating profit included EUR 2.1 million (0.6) of items affecting comparability, mainly related to business acquisitions. Adjusted operating profit increased to EUR 24.4 million (13.9) and the adjusted operating profit margin was 22.4% (18.7). The net financing expenses for the review period were EUR -2.0 million (-1.3).

Profit before taxes was EUR 20.4 million (12.1). The Group's taxes amounted to EUR -4.4 million (-2.5).

The result for the review period was EUR 16.0 million (9.6) and undiluted earnings per share were EUR 0.83 (0.51). Changes in exchange rates weakened the operating profit by approximately EUR 0.5 million.

FINANCIAL POSITION AND CASH FLOW

Balance sheet total at the end of December 2020 was EUR 165.6 million (December 31, 2019: 121.8), of which equity accounted for EUR 68.9 million (68.8).

At the end of December 2020, the company's net debt amounted to EUR 31.9 million (28.3). Long-term liabilities were EUR 58.8 million (38.7) and cash and cash equivalents at the end of the review period amounted to EUR 27.3 million (10.9). Leverage was 1.1 (1.7) at the end of the review period.

Equity ratio was 42.0% (56.6) at the end of the year. The adjusted return on capital employed (ROCE) was 73.3% (38.2).

In January–December, Harvia's operating free cash flow was EUR 28.7 million (15.2) and cash conversion was 99.7% (89.3). The operating cash flow was improved by expedited terms of payment of trade receivables and related arrangements in addition to favorable profit development.

INVESTMENTS, RESEARCH AND PRODUCT DEVELOPMENT

The Group's investments in January–December amounted to EUR 2.6 million (1.8). In 2020, Harvia invested in production machinery in Muurame, Finland as well as China and Romania. The Group invested approximately EUR 0.6 million in increasing the production capacity of AHS saunas in the United States. The Group's research and development expenditure recognized as expenses amounted to EUR 1.7 million (1.2).

In 2021, Harvia will continue its investments to increase production capacity in the United States and at the Muurame factory, among others. The investment level of 2021 is estimated to exceed that of the preceding year.

ACQUISITIONS

At the end of April, Harvia completed the acquisition of the German EOS Group majority. EOS is the technology leader for professional and premium sauna & spa products with a revenue of EUR 17.3 million in 2019. The acquisition complements Harvia's professional and premium sauna offering well and strengthens Harvia's leading position as a professional global sauna and spa experience brand. Harvia owns 78.6 percent of the German operations of EOS Group and 80.0 percent of its Russian operations, and the company holds an option entitling to purchase the minority shares in the future.

The purchase price was EUR 19.7 million and it was based on the debt-free valuation of EUR 25.5 million for the entire EOS Group at the time of the signing of the deal. Harvia financed the acquisition by interest-bearing debt and its own cash funds.

In the EOS Group acquisition, fixed assets amounting to EUR 2.6 million, net working capital items amounting to EUR 3.6 million, cash and cash equivalents amounting to EUR 1.7 million and pension liabilities amounting to EUR 3.0 million were transferred. The preliminary purchase price allocation pertaining to the acquisition includes intangible assets amounting to EUR 7.0 million with annual amortization of approximately EUR 1.2 million. Valuation of inventory to fair value increased inventory by EUR 1.3 million, which is amortized in calculations in 12 months.

According to the preliminary purchase price allocation, goodwill amounts to EUR 10.8 million. The estimated non-controlling interests' redemption liability of EUR 9.5 million pertaining to the acquisition has been entered as liability and decrease in shareholders' equity. The redemption liability is presented in non-interest-bearing liabilities. The preliminary purchase price allocation pertaining to the acquisition is presented in Note 5.1.

The acquisition is expected to create annual synergies of at least EUR 2.2 million, which are expected to be realized in full by 2024. Costs relating to the acquisition in January–December 2020 were EUR 1.8 million. The integration costs were EUR 0.1 million in 2020 and are expected to be less than the previously estimated EUR 0.8 million in 2021.

The transaction has no impact on Harvia’s long-term targets related to growth, profitability and leverage.

CORPORATE RESPONSIBILITY

Sustainability is a part of everyday life at Harvia – our operations and products have been developed sustainably already for 70 years, as Harvia has developed from a traditional sauna and heater manufacturer into a leading player in the international sauna and spa market.

Harvia manufactures durable and safe products in a sustainable manner. For a long time, we have invested in taking environmental aspects into consideration all the way from design to production, logistics, use and recycling of the products. In 2020, Harvia invested in the environmental sustainability of the plant in Muurame by building a solar power plant on the roof of the factory and installing electric car charging points. In 2019, we compiled an environmental manual and summarized sustainability at Harvia into four areas: environmental impacts of production, personnel, products and a responsible code of conduct. Harvia’s corporate responsibility is presented in more detail in the Annual Report 2020.

PERSONNEL

The number of personnel employed by the Group at the end of the December 2020 was 617 (395) and averaged 534 (395) in January–December. During the review period, the acquisition of EOS Group and recruitments particularly to the Muurame factory significantly impacted the increase in personnel numbers.

Of the personnel, 33% (45) worked in Finland, 22% (0) in Germany, 14% (17) in Romania, 11% (16) in China and Hong Kong, 8% (10) in the United States, 6% (8) in Austria, 4% (0) in Russia and 2% (4) in Estonia.

SHARES AND SHAREHOLDERS

Harvia’s registered share capital is EUR 80,000 and at the end of 2020, the company had 18,694,236 (18,694,236) fully paid shares. The share trading volume in the review period was EUR 115.5 million (65.4) and 8,496,186 shares (8,951,484). The share’s volume weighted average price during the review period was EUR 13.59 (7.32), the highest price during the review period was EUR 25.10 (11.15) and the lowest EUR 7.02 (5.50). The closing price of the share at the end of December 2020 was EUR 24.50 (10.45). The market value of the share capital on December 31, 2020 was EUR 458.0 million (195.4). At the end of the review period, Harvia Plc held a total of 50,000 own shares, corresponding to 0.27% of the total number of shares.

The number of registered shareholders at the end of the year 2020 was 13,551 (5,249), including nominee registers. At the end of year, nominee-registered and direct foreign shareholders held 44.8% (53.1) of the company’s shares. The ten largest shareholders held a total of 29.4% (30.2) of Harvia’s shares and votes at the end of 2020.

Harvia did not receive any flagging notifications during the fourth quarter.

GOVERNANCE

On April 2, 2020, the Annual General Meeting of Harvia Plc approved the 2019 Financial Statements. The members of the Board of Directors and the CEO were discharged from liability for 2019.

Based on the proposal by the Board of Directors, the Annual General Meeting resolved that a dividend of EUR 0.19 per share (totaling EUR 3,551,904.84) be distributed based on the approved Financial Statements for 2019. The dividend was paid to shareholders registered in the shareholders' register maintained by Euroclear Finland Oy on the dividend's date of record, April 6, 2020. The dividend was paid on April 15, 2020.

The Annual General Meeting decided to authorize the Board of Directors to resolve, at its discretion, on distributing an extra dividend amounting to a maximum of EUR 0.19 per share. The Board of Directors decided on the payment of a EUR 0.19 per share extra dividend (EUR 3,551,904.84 in total) at its meeting held on October 16, 2020. The dividend was paid to shareholders registered in the company's shareholder register maintained by Euroclear Finland Ltd on the record date for the dividend, October 20, 2020. The dividend was paid on October 27, 2020.

The number of ordinary members in the company's Board of Directors was resolved to be five. Olli Liitola, Ja Adlercreutz and Ari Hiltunen were re-elected to the Board of Directors. Kalle Kekkonen and Sanna Suvanto-Harsaae were elected as new members of the Board. The term of the Board of Directors expires at the end of the Annual General Meeting following its election. The organizational meeting of the Board of Directors elected Olli Liitola as Chairman of the Board. Olli Liitola (Chairman), Kalle Kekkonen and Sanna Suvanto-Harsaae were elected as members of the Audit Committee.

PricewaterhouseCoopers Oy was elected as the company's auditor, with APA Markku Launis as the responsible auditor.

The Board of Directors was authorized to resolve on the repurchase of a maximum of 934,711 treasury shares using the company's unrestricted equity. The purchase will be carried out as a directed purchase. The authorization is valid until the next Annual General Meeting of the company, however until June 30, 2021 at the latest.

The Board of Directors was authorized to decide on the issue of new shares and special rights entitling to shares as referred to in chapter 10, section 1 of the Finnish Limited Liability Companies Act, in one or more instalments, either against payment or without payment. The aggregate number of shares issued, including the shares received based on special rights, must not exceed 1,869,423 shares. The company can issue either new shares or possible treasury shares held by the company. The authorization is valid until the closing of the next Annual General Meeting, but no longer than until June 30, 2021.

The Annual General Meeting approved the remuneration policy for the different bodies of the company.

The Annual General Meeting decided on establishing a Shareholders' Nomination Board to prepare proposals concerning the election and remuneration of the Board Members, as well as the remuneration of the members of the various Board committees, to be submitted to future Annual General Meetings and to any Extraordinary General Meetings where necessary. The Shareholders' Nomination Board consists of representatives appointed by the company's four largest shareholders. The Shareholders' Nomination Board must submit its proposal to the company's Board of Directors on an annual basis and at the latest on January 31 preceding the applicable Annual General Meeting.

The established Shareholders' Nomination Board will operate until further notice, i.e. until the General Meeting decides otherwise. The term of office of the members of the Shareholders' Nomination Board will end upon the appointment of the members of the new Shareholders' Nomination Board.

The company announced the composition of the Shareholders' Nomination Board on September 14, 2020 and informed of a change in the composition on October 7, 2020. The members of the Shareholders' Nomination Board are:

Juho Lipsanen, Onvest Oy, Member of the Board
Heikki Savolainen, WestStar Oy, Managing Director
Antti Katajisto, SEB Investment Management AB, Helsinki Branch, Director
Pertti Harvia, Tiipeti Oy, Chairman of the Board

In addition, Olli Liitola, the Chairman of the Board of Directors of Harvia, serves as an expert in the Nomination Board without being a member.

The Board of Directors of Harvia Plc decided on November 24, 2020 to start repurchasing the company's own shares on the basis of the authorization given by the Annual General Meeting on April 2, 2020. In December, Harvia completed the repurchase of own shares, which started on December 4, 2020 and ended on December 14, 2020. During that time, Harvia acquired a total of 50,000 own shares for an average price of EUR 20,52 per share. The shares were acquired in public trading organized by Nasdaq Helsinki Ltd at market rate of the time of purchase. Following the repurchase, Harvia Plc holds a total of 50,000 own shares, corresponding to 0.27% of the total number of shares.

The Board of Directors of Harvia Plc decided on November 24, 2020 to continue the Long-term Performance Share Plan for the Management Team and other key employees for the performance period 2020–2022. In the performance period 2020–2022, the plan has 15 participants at most and the targets for the performance period relate to company's total shareholder return, revenue growth and EBIT margin. The number of shares to be paid based on the performance period 2020–2022 corresponds to a maximum of 50,300 shares of Harvia Plc. 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 2020–2022 will be paid out during spring 2023.

RISKS AND UNCERTAINTIES

As a global sauna and spa company, the health and well-being of our employees, partners and customers is our top priority also in the COVID-19 situation. All Harvia offices and production facilities follow the guidelines set by local health authorities to contain the spread of the pandemic. In accordance with our contingency plan, we have taken special measures to ensure the safety of our personnel as well as the continuity of our production and services in the exceptional situation caused by the coronavirus.

The company is constantly assessing the COVID-19 situation in terms of its business. In 2020, the pandemic increased demand in the sauna and spa market. According to the company's assessment, a part of this demand may be so-called advance demand. So far, Harvia has been able to maintain full operational capability, but if the need to restrict operations arises, this may have a negative impact on the company's business volume, result or financial performance. If the exceptional circumstances caused by the pandemic prove to be long-lasting, the general economic situation may have a dampening effect on the demand in the industry.

General economic, social and political conditions impact Harvia's operating environment. Economic uncertainty in Finland, Europe, Russia, North America or more widely can affect the company's business in many ways and make accurate predictions and planning of future business more difficult.

The self-sufficiency of the Group's manufacturing processes, 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 with the insurance company.

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.

Harvia has business operations in several countries. Harvia is exposed to transaction and translation risks mainly relating to the US dollar and the Russian ruble. Exchange rate risks have thus far not been significant for the Group, and Harvia has not protected itself from these risks with currency derivatives.

The principles of Harvia's financing risk management are described in the Consolidated Financial Statements and the general principles of risk management on the company's website at www.harviagroup.com.

THE BOARD OF DIRECTORS' PROPOSAL ON THE USE OF PROFITS

Harvia Plc's total unrestricted equity amounts to EUR 64,653,008 in total, of which profit for the period accounts for EUR 9,929,748. Harvia targets a regularly increasing dividend with a bi-annual dividend payout of at least 60 percent of Group net income, in total. In order to determine the amount of dividend, the Board of Directors has assessed the company's solvency and financial standing after the end of the period.

Harvia's Board of Directors proposes to the Annual General Meeting that after the Annual General Meeting in April 2021, the company distributes a dividend of EUR 0.20 per share for the financial period ended December 31, 2020 as well as an additional dividend of EUR 0.12 per share to celebrate Harvia's 70-year anniversary. In addition, the Board of Directors requests that the Annual General Meeting authorizes the Board to distribute a maximum dividend of EUR 0.19 per share in October 2021. Therefore, based on the Board of Directors' proposal, the dividend distributed by Harvia Plc for the financial period 2020 would amount to a maximum of EUR 0.51 per share, i.e. a maximum of EUR 9,570,600 in total. The proposed dividend is 60.0% of the Group's profit for the financial period 2020.

EVENTS AFTER THE REVIEW PERIOD

On December 17, 2020, Nasdaq reported on an annual assessment of market cap segments, which was carried out based on the average market caps in November 2020. In connection with the assessment, Harvia Plc's market cap segment changed from Small Cap to Mid Cap. The change came into effect on January 4, 2021.

On January 29, 2021, Harvia announced the proposals of the Shareholders' Nomination Board to the Annual General Meeting 2021. The Shareholders' Nomination Board proposes that five members be elected to the company's Board of Directors and that Ja Adlercreutz, Olli Liitola and Sanna Suvanto-Harsaae be reappointed. The Nomination Board proposes that Anders Holmén and Hille Korhonen be appointed as new members of the Board of Directors. All proposed persons have given their consent to the appointment and are independent of the company and of the major shareholders of the company.

FINANCIAL RELEASES IN 2021

Harvia will publish its interim reports in 2021 as follows:

May 5, 2021 January–March 2021 interim report

August 12, 2021 Half-year (January–June) 2021 financial report

November 4, 2021 January–September 2021 interim report

Harvia's electronic annual report, which contains the complete Financial Statements 2020, will be published during week 10/2021.

Harvia Plc's Annual General Meeting is planned to be held on April 8, 2021 at 10.00 a.m. in Helsinki. The exact location will be announced later.

MUURAME, FEBRUARY 10, 2021

HARVIA PLC
Board of Directors

For more information, please contact:

Tapio Pajuharju, CEO, tel. +358 50 5774 200
Ari Vesterinen, CFO, tel. +358 40 5050 440

PRESS CONFERENCE ON FINANCIAL RESULTS

Harvia will hold a webcast for analysts, investors and media on February 11, 2021 at 11:00 a.m. EET. The conference will be held in English. Harvia's CEO Tapio Pajuharju and CFO Ari Vesterinen will host the event. The webcast can be followed at <https://harvia.videosync.fi/2020-q4-results>.

You can also participate in the conference by telephone:

Finland: +358 981 710 310
Sweden: +46 856 642 651
UK: +44 333 300 0804
US: +1 631 913 1422

PIN: 28065566#

The webcast will be recorded and the recording will be available later on the company's website at <https://harviagroup.com/investor-relations/>.

HARVIA PLC FINANCIAL STATEMENTS BULLETIN JANUARY–DECEMBER 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Note	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Revenue	2.1	35,249	20,731	109,115	74,095
Other operating income		214	314	377	449
Materials and services		-13,541	-8,231	-42,033	-29,437
Employee benefit expenses		-6,601	-3,919	-21,180	-14,912
Other operating expenses	2.2	-5,437	-4,188	-19,573	-13,758
Depreciation and amortisation		-1,174	-785	-4,329	-3,113
Operating profit		8,710	3,921	22,376	13,324
Finance income		74	-90	229	159
Finance costs	4.1	-1,020	-395	-2,645	-1,600
Changes in fair values		102	126	390	178
Finance costs, net		-845	-358	-2,026	-1,263
Profit before income taxes		7,865	3,562	20,350	12,061
Income taxes		-1,754	-616	-4,399	-2,464
Profit for the period		6,111	2,946	15,951	9,597
Attributable to:					
Owners of the parent		5,842	2,946	15,475	9,597
Non-controlling interests*		269		476	
Other comprehensive income					
Items that may be reclassified to profit or loss in subsequent periods:					
Translation differences		-255	-176	-801	177
Other comprehensive income, net of tax		-255	-176	-801	177
Total comprehensive income		5,857	2,770	15,150	9,774
Attributable to:					
Owners of the parent		5,588	2,770	14,674	9,774
Non-controlling interests*		269		476	
Earnings per share for profit attributable to the owners of the parent:					
Basic EPS (EUR)	2.3	0.31	0.16	0.83	0.51
Diluted EPS (EUR)	2.3	0.31	0.16	0.82	0.51

*EOS Group Non-controlling interests

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	Note	31-Dec-20	31-Dec-19
ASSETS			
Non-current assets			
Intangible assets		10,420	4,137
Goodwill		71,018	60,200
Property, plant and equipment		16,907	14,543
Leased assets		2,683	2,580
Deferred tax assets		1,924	1,347
Total non-current assets		102,952	82,807
Current assets			
Inventories	3	20,696	13,814
Trade and other receivables	3	14,411	14,217
Income tax receivables		244	108
Cash and cash equivalents	4	27,321	10,879
Total current asset		62,673	39,018
Total assets		165,625	121,825
EQUITY AND LIABILITIES			
Equity			
Share capital		80	80
Other reserves		42,627	53,399
Retained earnings		8,254	5,761
Profit for the period		15,475	9,597
Equity attributable to owners of the parent		66,437	68,837
Non-controlling interests		2,423	
Total equity		68,859	68,837
Liabilities			
Non-current liabilities			
Loans from credit institutions	4.1	56,328	36,394
Lease liabilities		2,425	2,261
Derivative financial instruments	4.1	903	1,292
Deferred tax liabilities		1,941	
Employee benefit obligations		2,847	
Other non-current liabilities		9,616	92
Provisions		305	222
Total non-current liabilities		74,365	40,261
Current liabilities			
Loans from credit institutions	4.1	55	123
Lease liabilities		404	406
Employee benefit obligations		186	
Income tax liabilities		4,323	784
Trade and other payables	3	17,156	11,191
Provisions		277	222
Total current liabilities		22,400	12,726
Total liabilities		96,765	52,987
Total equity and liabilities		165,625	121,825

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Share capital	Invested unrestricted equity reserve	Translation differences	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total
Equity at 1 January 2019	80	53,098	-34	12,678	65,822		65,822
Share-based incentive plan		159			159		159
Dividend distribution				-6,917	-6,917		-6,917
Total transactions with shareholders		159		-6,917	-6,758		-6,758
Profit for the period				9,597	9,597		9,597
Other comprehensive income			177		177		177
Total comprehensive income			177	9,597	9,774		9,774
Equity at 31 December 2019	80	53,257	142	15,358	68,837		68,837
Equity at 1 January 2020	80	53,257	142	15,358	68,837		68,837
Share-based incentive plan		563			563		563
Dividend distribution				-7,104	-7,104		-7,104
Repurchase of own shares		-1,026			-1,026		-1,026
Total transactions with shareholders		-463		-7,104	-7,567		-7,567
Profit for the period				15,475	15,475	476	15,951
Acquisitions		-9,508			-9,508	1,947	-7,561
Other comprehensive income			-801		-801		-801
Total comprehensive income		-9,508	-801	15,475	5,166	2,423	7,589
Equity at 31 December 2020	80	43,286	-658	23,729	66,437	2,423	68,859

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Note	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Cash flows from operating activities					
Profit before taxes		7,865	3,562	20,350	12,061
Adjustments					
Depreciation and amortisation		1,174	785	4,329	3,113
Finance income and finance costs		845	358	2,026	1,263
Other adjustments		650	-118	1,496	-52
Cash flows before changes in working capital		10,534	4,588	28,201	16,386
Change in working capital					
Increase (-) / decrease (+) in trade and other receivables	3	-933	-887	750	-1,898
Increase (-) / decrease (+) in inventories	3	-260	1,689	-2,449	750
Increase (+) / decrease (-) in trade and other payables	3	2,447	1,663	4,178	1,133
Cash flows from operating activities before financial items and taxes		11,788	7,053	30,681	16,371
Interest and other finance costs paid		-156	-46	-339	-69
Interest and other finance income received		5	-36	114	38
Income taxes paid/received		-904	-512	-2,376	-1,268
Net cash from operating activities		10,734	6,459	28,080	15,072
Cash flows from investing activities					
Purchases of tangible and intangible assets		-848	-389	-2,567	-1,807
Sale of tangible and intangible assets		25	28	25	34
Acquisition of subsidiaries, net of cash acquired				-18,059	
Net cash from investing activities		-823	-362	-20,602	-1,773
Cash flows from financing activities					
Acquisition of treasury shares		-1,026		-1,026	
Proceeds from non-current loans	4.1			20,000	
Repayment of non-current loans	4.1	-52	-2	-63	-14
Change in current interest-bearing liabilities	4.1	-7	-286	-61	-2,032
Repayment of lease liabilities		-142	-39	-647	-455
Interest and other finance costs paid	4.1	-769	-502	-2,186	-1,363
Dividends paid		-3,552	-3,552	-7,104	-6,917
Net cash from financing activities		-5,547	-4,382	8,914	-10,781
Net change in cash and cash equivalents		4,364	1,716	16,391	2,517
Cash and cash equivalents at beginning of period		22,943	9,190	10,879	8,268
Exchange gains/losses on cash and cash equivalents		15	-28	51	94
Cash and cash equivalents at end of period		27,321	10,879	27,321	10,879

NOTES TO THE GROUP'S FINANCIAL STATEMENTS BULLETIN

1. BASIS OF PREPARATION

Basis of preparation

Harvia's financial statements bulletin 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 for 2019 and should therefore be read in conjunction with the Consolidated Financial Statements for 2019 prepared in accordance with IFRS. 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 financial statements bulletin information in its meeting on February 10, 2021. The figures in this bulletin as well as the actual financial statements have been audited. 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 applied in the Consolidated Financial Statements for 2019.

2. GROUP PERFORMANCE

2.1 GROUP REVENUE

Harvia follows its revenue at the product group level. The Group's product and service offerings have been divided into five groups: sauna heaters, sauna rooms, control units, steam generators and spare parts, services and other products. 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	10-12/2020	10-12/2019	Change	1-12/2020	1-12/2019	Change
Finland	6,373	5,617	13.5%	27,679	24,210	14.3%
Other Scandinavia	2,058	1,199	71.7%	5,615	4,157	35.1%
Germany	7,704	2,253	241.9%	17,644	6,867	156.9%
Other European countries	9,267	5,082	82.4%	26,118	17,188	52.0%
Russia	3,002	1,509	98.9%	7,881	5,761	36.8%
North America	5,696	3,823	49.0%	20,847	11,816	76.4%
Other countries*	1,147	1,247	-8.0%	3,331	4,096	-18.7%
Total	35,249	20,731	70.0%	109,115	74,095	47.3%

* The largest of which: Arab countries and Asia.

Revenue by product groups

EUR thousand	10-12/2020	10-12/2019	Change	1-12/2020	1-12/2019	Change
Sauna heaters	18,817	10,585	77.8%	59,003	39,740	48.5%
Sauna rooms	5,913	4,459	32.6%	20,646	14,700	40.4%
Control units	4,118	1,755	134.7%	10,217	5,918	72.6%
Steam generators	1,032	998	3.4%	3,199	3,476	-8.0%
Other product groups, spare parts and services	5,369	2,933	83.0%	16,049	10,261	56.4%
Total	35,249	20,731	70.0%	109,115	74,095	47.3%

2.2 OPERATING EXPENSES

Other operating expenses for the period January 1–December 31, 2020 include items affecting comparability of EUR 2,070 thousand (552) that are related to the group's strategic development projects, acquisitions or loss on sales of fixed assets, and affect the comparability between the different periods. Further information on these items is given in Appendix 2 Key figures.

2.3 EARNINGS PER SHARE

Basic earnings per share is 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 is calculated on the same basis as basic earnings per share, but it takes into consideration the effects associated with any obligations of the parent company arising from a possible share issue in the future.

EUR thousand	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Profit for the period attributable to the owners of the parent company, EUR thousand	5,842	2,946	15,475	9,597
Weighted average number of shares outstanding during the financial period, '000	18,681	18,694	18,691	18,694
Basic earnings per share, EUR	0.31	0.16	0.83	0.51
Share-based long-term incentive plan	198	68	184	62
Weighted average number of shares outstanding during the year, diluted, '000	18,879	18,762	18,875	18,756
Diluted earnings per share, EUR	0.31	0.16	0.82	0.51

3. NET WORKING CAPITAL

EUR thousand	31-Dec-20	31-Dec-19
Net working capital		
Inventories	20,696	13,814
Trade receivables	11,826	13,167
Other receivables	2,585	1,050
Trade payables	-8,476	-5,149
Other payables	-8,679	-6,042
Total	17,952	16,840
Change in net working capital in the statement of financial position	1,112	-660
Items not taken into account in change in net working capital in the statement of cash flows and the effect of which is included elsewhere in the statement of cash flows*	-3,592	675
Change in net working capital in the statement of cash flows	-2,480	15

* The most significant items are related to finance costs, unrealised exchange rate gains and losses, acquisitions and investments.

4. NET DEBT AND CONTINGENCIES

Interest-bearing net debt

EUR thousand	31-Dec-20	31-Dec-19
Interest-bearing debt	56,383	36,517
Lease liabilities	2,829	2,667
Less cash and cash equivalents	-27,321	-10,879
Net debt	31,891	28,305

4.1 BORROWINGS AND OTHER FINANCIAL LIABILITIES

During the review period, Harvia drew a new loan to the amount of EUR 20,000 thousand to finance the acquisition of EOS Group. Harvia had an existing term loan of EUR 36,500 thousand, the terms of which were renegotiated in connection with the new loan. Both loans will mature in one instalment on March 27, 2024. In addition, Harvia has a EUR 8,000 thousand credit limit of which EUR 0,00 was in use as at December 31, 2020. The nominal interest of the bank loan is tied to Euribor and its margin is tied to the Group's net debt / adjusted EBITDA ratio.

New bank loans include covenants according to the financing agreement, such as net debt to adjusted EBITDA ratio and interest cover ratio. Covenants are monitored quarterly. All borrowings of the group are denominated in euro.

The Group has an interest rate swap agreement with a nominal value of EUR 25,000 thousand. The current swap contract matures in March 2023.

4.2 COMMITMENTS AND CONTINGENT LIABILITIES

EUR thousand	31-Dec-20	31-Dec-19
Other guarantees:		
Pledged accounts	43	29
Customs guarantee	30	30
Total	73	59

5. OTHER NOTES

5.1 ACQUISITION OF EOS GROUP

More information on the EOS Group acquisition has been presented in section acquisitions. Preliminary purchase price allocation of the acquisition is presented in the table below:

EUR thousand	
Purchase price	19,751
Net identifiable assets acquired	
Non-current assets	
Intangible assets	7,032
Property, plant and equipment	2,647
Leased assets	278
Current assets	
Inventories	5,392
Trade and other receivables	1,386
Cash and cash equivalents	1,692
Total assets	18,427
Non-current liabilities	
Pension liabilities	3,016
Deferred tax liabilities	2,317
Lease liabilities	154
Current liabilities	
Trade and other payables	2,108
Total liabilities	7,595
Total net assets acquired 100%	10,832
Group's share of net assets	8,885
Goodwill	10,866

Resulting from the acquisition, non controlling interests' redemption liability amounting to EUR 9.5 million was booked as liability and equity decrease.

Cash flow impact

EUR thousand

Cash consideration of the acquisition	19,751
Cash balance acquired	- 1,692
Impact on cash flows – investing activities	18,059

Expenses of EUR 1,8 million related to the acquisition are presented under Other operating expenses and in operating cash flows in the consolidated statement of cash flows.

5.2 RELATED PARTY TRANSACTIONS

Transactions with related parties have been made on an arm's length basis.

The following transactions were carried out with related parties:

EUR thousand	1-12/2020	1-12/2019
Sales	2	4
Purchases	0	0

APPENDIX 1: KEY FIGURES AND CALCULATION OF KEY FIGURES

EUR thousand	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Key statement of comprehensive income indicators				
Revenue	35,249	20,731	109,115	74,095
EBITDA	9,884	4,706	26,705	16,437
% of revenue	28.0	22.7	24.5	22.2
Adjusted EBITDA	9,943	4,954	28,775	16,989
% of revenue	28.2	23.9	26.4	22.9
Operating profit	8,710	3,921	22,376	13,324
% of revenue	24.7	18.9	20.5	18.0
Adjusted operating profit	8,769	4,169	24,445	13,876
% of revenue	24.9	20.1	22.4	18.7
Adjusted profit before income taxes	7,924	3,810	22,419	12,613
Basic EPS (EUR)	0.31	0.16	0.83	0.51
Diluted EPS (EUR)	0.31	0.16	0.82	0.51
Key cash flow indicators				
Cash flow from operating activities	10,734	6,459	28,080	15,072
Operating free cash flow	10,350	7,030	28,688	15,167
Cash conversion	104.1%	141.9%	99.7%	89.3%
Investments in tangible and intangible assets	-848	-389	-2,567	-1,807
Key balance sheet indicators				
Net debt	31,891	28,305	31,891	28,305
Leverage	1.1	1.7	1.1	1.7
Net working capital	17,952	16,840	17,952	16,840
Capital employed excluding goodwill	33,337	36,301	33,337	36,301
Adjusted return on capital employed (ROCE)	73.3%	38.2%	73.3%	38.2%
Equity ratio	42.0%	56.6%	42.0%	56.6%
Number of employees at end of period	617	395	617	395
Average number of employees during the period	612	395	534	395

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. 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. 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.

EUR thousand	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Operating profit	8,710	3,921	22,376	13,324
Depreciation and amortisation	1,174	785	4,329	3,113
EBITDA	9,884	4,706	26,705	16,437
Items affecting comparability				
Strategic development projects				3
Acquisition related expenses	32	118	1,934	381
Restructuring expenses	27	130	135	167
Total items affecting comparability	59	248	2,070	552
Adjusted EBITDA	9,943	4,954	28,775	16,989
Depreciation and amortisation	-1,174	-785	-4,329	-3,113
Adjusted operating profit	8,769	4,169	24,445	13,876
Finance costs, net	-845	-358	-2,026	-1,263
Adjusted profit before income taxes	7,924	3,810	22,419	12,613

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.

A Harvia sauna heater is the central focus, featuring a metal frame filled with dark, stacked stones. A copper-colored burner is visible, with water splashing over the stones. In the background, a shirtless man wearing a grey towel is holding a showerhead, spraying water. The scene is set in a modern sauna environment with a white wall and dark trim.

HARVIA

Sauna & Spa

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HARVIA