

HARVIA PLC

**HALF-YEAR FINANCIAL
REVIEW
JANUARY–JUNE 2024**

HARVIA

Sauna & Spa

Healing with heat

HARVIA Q2 2024: SIGNIFICANT SALES GROWTH AND STRONG PROFITABILITY

HIGHLIGHTS OF THE REVIEW PERIOD

APRIL–JUNE 2024:

- Revenue increased by 20.7% to EUR 43.2 million (35.8). At comparable exchange rates, revenue increased by 20.3% to EUR 43.0 million. Organic revenue growth was 20.1%.
- Operating profit was EUR 8.9 million (7.8), making up 20.7% (21.9%) of the revenue.
- Adjusted operating profit was EUR 9.4 million (8.0), making up 21.8% (22.3%) of the revenue. At comparable exchange rates, the adjusted operating profit was EUR 9.4 million (21.8% of the revenue).
- Operating free cash flow amounted to EUR 5.5 million (9.1) and cash conversion was 50.0% (96.1%). The change in net working capital decreased the operating free cash flow and cash conversion.
- Harvia announced its updated strategy and long-term financial targets on 29 May 2024, when the company held its first Capital Markets Day.

JANUARY–JUNE 2024:

- Revenue increased by 10.9% to EUR 85.5 million (77.2). At comparable exchange rates, revenue increased by 10.8% to EUR 85.5 million. Organic revenue growth was 10.4%.
- Operating profit was EUR 18.8 million (17.0), making up 22.0% (22.1%) of the revenue.
- Adjusted operating profit was EUR 19.5 million (17.3), making up 22.8% (22.4%) of the revenue. At comparable exchange rates, the adjusted operating profit was EUR 19.5 million (22.8% of the revenue).
- Operating free cash flow amounted to EUR 16.6 million (20.8) and cash conversion was 73.2% (102.2%). The change in net working capital decreased the operating free cash flow and cash conversion.
- Net debt amounted to EUR 32.6 million (45.8) and leverage, calculated as net debt divided by last 12 months' adjusted EBITDA, was 0.8 (1.2).
- Equity ratio was 49.8% (46.3%).
- Earnings per share were EUR 0.71 (0.62).

KEY FIGURES

EUR million	4–6/2024	4–6/2023	Change	1–6/2024	1–6/2023	Change	1–12/2023
Revenue	43.2	35.8	20.7%	85.5	77.2	10.9%	150.5
EBITDA	10.5	9.4	12.3%	22.0	20.1	9.2%	39.3
% of revenue	24.4%	26.2%		25.7%	26.1%		26.1%
Items affecting comparability *	0.5	0.1	263.2%	0.7	0.2	237.2%	0.6
Adjusted EBITDA **	11.0	9.5	15.9%	22.7	20.4	11.7%	39.9
% of revenue	25.6%	26.6%		26.6%	26.4%		26.5%
Operating profit	8.9	7.8	13.9%	18.8	17.0	10.2%	33.0
% of revenue	20.7%	21.9%		22.0%	22.1%		21.9%
Adjusted operating profit **	9.4	8.0	18.2%	19.5	17.3	13.1%	33.7
% of revenue	21.8%	22.3%		22.8%	22.4%		22.4%
Basic EPS (EUR)	0.31	0.28	10.5%	0.71	0.62	15.3%	1.25
Operating free cash flow	5.5	9.1	-39.6%	16.6	20.8	-20.0%	44.6
Cash conversion	50.0%	96.1%		73.2%	102.2%		111.7%
Investments in tangible and intangible assets	-0.5	-0.9	-36.7%	-2.8	-1.2	140.1%	-3.1
Net debt	32.6	45.8	-28.8%	32.6	45.8	-28.8%	37.6
Leverage	0.8	1.2		0.8	1.2		0.9
Net working capital	33.0	36.5	-9.6%	33.0	36.5	-9.6%	36.1
Adjusted return on capital employed (ROCE)	51.7%	47.7%		51.7%	47.7%		44.2%
Equity ratio	49.8%	46.3%		49.8%	46.3%		51.0%
Number of employees at end of period	683	619	10.3%	683	619	10.3%	605

* 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.

** Adjusted by items affecting comparability.

FINANCIAL TARGETS AND OUTLOOK

The company has set long-term targets related to growth, profitability and leverage. In May 2024, Harvia's long-term financial targets were adjusted to reflect the company's growth ambitions. 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.

MATIAS JÄRNEFELT, CEO:

I am pleased with Harvia's performance in the second quarter of 2024, as we achieved significant sales growth and maintained strong profitability.

In the second quarter, our revenue reached EUR 43.3 million, increasing by 20.7% from the comparison period. The revenue growth was driven especially by the strong performance in North America as well as in Asia-Pacific and the Middle East. The strikes in Finland in March postponed some deliveries from Finland from the first quarter to the second one, also impacting the revenue positively. Organic growth was 20.1%.

The market conditions in the second quarter remained favorable in North America and APAC & MEA, where the awareness of sauna and its health benefits have continued to increase. In North America, market demand was high across channels and product groups, and our sales performance was excellent in both full sauna solutions and heaters. In APAC & MEA, our rapid growth reflects the systematic work we are doing to grow our business in several strategically important markets. The region's revenue was also supported by the timing of some major deliveries.



In Continental Europe, the market has shown some signs of recovery since the last quarter of 2023, and the gradual improvement continued also during the second quarter of 2024. In Northern Europe, gradual positive market development combined with our sales actions resulted in revenue growth in the region after two years of declining revenue. We expect the market in Europe to continue improving gradually, and we are working diligently to capture that growth and further strengthen our position in the market. Our overall strong sales performance was generated by the growth of all product categories except spare parts and services.

The second quarter's adjusted operating profit was EUR 9.4 million, increasing by 18.2% from the comparison period. The adjusted operating profit margin was 21.8% of revenue. We succeeded in maintaining strong profitability while simultaneously increasing investments aiming to drive growth. We have added resources especially into sales and portfolio development.

Harvia's operating free cash flow amounted to EUR 5.5 million. During the quarter, we increased our inventories. Our materials inventory in Finland normalized after inbound transportation was impacted by the strikes in the first quarter. In addition, we increased our inventories in the United States and Japan to support sales. All this was visible in our cash conversion of 50.0% for the period. For many previous quarters, the cash conversion has been exceptionally high, even above 100%. Overall, our operative performance during the quarter was robust, and I want to thank the entire Harvia team and our partners for their dedication and good work.

In May, Harvia arranged its first Capital Markets Day and updated its long-term financial targets and strategy to reflect the company's strategic role, which the company defines as "Shaping the global sauna market so that everyone has a reason to experience sauna". Harvia's updated four strategic focus areas are: 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. We want to be an active market maker to grow the global sauna market and create exciting innovations and sustainable solutions while maintaining strong profitability and operational performance.

The long-term attractiveness of the sauna market remains unchanged. In addition to capitalizing on the organic growth opportunities in different regions, Harvia intends to be an active market consolidator in the industry and grow through acquisitions when the right moment and opportunity arise. After the reporting period on 23 July, Harvia announced the acquisition of ThermaSol, a U.S. steam solutions manufacturer with net sales of USD 14.4 million in 2023. The acquisition will strengthen Harvia's position in North America and our capabilities especially in steam and digital solutions. The transaction is another significant step forward on Harvia's growth journey, further solidifying our industry leadership.

MARKET REVIEW

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. The demand arising from the need to replace sauna heaters regularly increases the resilience of the sauna market in economic downturns. This has been true especially for the more mature sauna markets, where there is already a large installed base of saunas.

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 during the summer months. However, the market growth and seasonality have varied as, for example, during the COVID-19 induced lockdowns prior to 2022, the demand growth was fast as it was fueled by increasing awareness of the health benefits of sauna and the home improvement boom. Because of this exceptional demand growth, seasonality could hardly be witnessed. The awareness of sauna and its health benefits has continued to grow also after the pandemic, supporting the overall market development. Harvia's management estimates that during the next 5 years, the global sauna market will grow faster than its historical 5% rate.

For more than two years, the sauna market in Europe has been heavily impacted by the Russian invasion of Ukraine and the wider economic development afterwards. High economic uncertainty, elevated inflation and interest rates, as well as eroded consumer confidence have widely affected the European sauna market across product segments. However, the negative impacts have not been equally strong in all European countries. From the end of 2023 onwards, the market conditions have been gradually improving in Continental Europe, even if the market has not yet fully recovered. In Northern Europe, high interest rates, challenges in the construction sector and weak consumer confidence have kept the market environment challenging for longer. However, since spring 2024, there have been some early signs of gradual market stabilization in Northern Europe, similar to the development already seen in Continental Europe.

Outside Europe, especially in North America and Asia-Pacific, the sauna market has developed favorably for the past several years. The strong growth in North America has been heavily supported by the growing awareness of sauna and its health benefits as well as strong consumer confidence and economic conditions. The demand in market areas outside Europe continues to be skewed towards more high-end products, especially compared to Finland, where sauna is seen as an everyday experience. The increase in the popularity of sauna, low but increasing sauna penetration, and resilient high-end demand continue to support market growth in the emerging sauna markets.

According to the management's estimate, Harvia's share of the sauna market has increased during the last few years. In 2023, 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

Starting from the first quarter of 2024, Harvia has reported its revenue by sales region and by product group in accordance with the tables below.

REVENUE BY SALES REGION

EUR thousand	4-6/2024	4-6/2023	Change	1-6/2024	1-6/2023	Change	2023
Northern Europe ¹⁾	11,584	11,119	4.2%	23,264	25,184	-7.6%	45,447
Continental Europe ²⁾	12,735	12,025	5.9%	26,326	25,517	3.2%	50,645
North America ³⁾	14,711	10,301	42.8%	28,443	21,399	32.9%	43,449
APAC & MEA ⁴⁾	4,152	2,333	78.0%	7,502	5,062	48.2%	11,007
Total	43,182	35,779	20.7%	85,535	77,163	10.9%	150,547

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	4-6/2024	4-6/2023	Change	1-6/2024	1-6/2023	Change	2023
Heating equipment *	23,200	18,390	26.2%	47,161	42,525	10.9%	82,128
Saunas and Scandinavian hot tubs	12,822	11,078	15.7%	23,919	21,652	10.5%	42,952
Steam generators	1,331	1,129	17.9%	2,374	2,288	3.8%	4,573
Accessories and heater stones	2,850	1,856	53.5%	5,771	3,969	45.4%	8,812
Spare parts and services	2,980	3,326	-10.4%	6,310	6,728	-6.2%	12,083
Total	43,182	35,779	20.7%	85,535	77,163	10.9%	150,547

* Sauna heaters, control units, IR components

APRIL-JUNE 2024

The Group's revenue increased in April-June by 20.7% to EUR 43.2 million (35.8), driven especially by the growth in North America and APAC & MEA. At comparable exchange rates, revenue increased by 20.3% to EUR 43.0 million. Organic revenue growth was 20.1%.

Revenue increased in all sales regions in the second quarter. Revenue increased significantly in North America and in the APAC & MEA region, with Northern Europe and Continental Europe also experiencing a moderate increase in demand.

During the second quarter, Harvia's revenue increased in most product groups, especially in accessories and heater stones as well as heating equipment. The growth of these product groups was driven by strong sales development in North America and APAC & MEA. The growth in North America also supported the group-level sauna room sales, as sauna rooms form the majority of sales in North America.

JANUARY-JUNE 2024

The Group's revenue increased in January-June by 10.9% to EUR 85.5 million (77.2), driven especially by the growth in North America. At comparable exchange rates, revenue increased by 10.8% to EUR 85.5 million. Organic revenue growth was 10.4%.

Revenue increased significantly in North America and in the APAC & MEA region, with Continental Europe also experiencing a slight increase in demand. The decrease in revenue in Northern Europe was driven by the difficult market

conditions, especially during the first quarter of the year, including construction sector weakness and restructuring actions at some major customers. Excluding Finland, the sales in Northern Europe grew during the review period.

Revenue increased considerably in heating equipment, saunas and Scandinavian hot tubs, and in accessories and heater stones in January–June. The growth in North America supported especially the group-level sauna room sales, as sauna rooms form the majority of sales in North America.

RESULT

APRIL–JUNE 2024

Operating profit for April–June increased to EUR 8.9 million (7.8), while the operating profit margin was 20.7% (21.9%). The operating profit included EUR 0.5 million (0.1) of items affecting comparability, mainly related to business transactions and restructuring. Changes in exchange rates strengthened the operating profit by approximately EUR 0.2 million, caused mainly by the strengthening of the U.S. dollar.

Adjusted operating profit increased to EUR 9.4 million (8.0) and the adjusted operating profit margin was 21.8% (22.3%). The net financial items for April–June were EUR -0.1 million (-0.9).

Profit before taxes was EUR 7.9 million (7.0). The Group's taxes amounted to EUR 2.0 million (1.7).

The result for April–June was EUR 5.9 million (5.3) and undiluted earnings per share were EUR 0.31 (0.28).

JANUARY–JUNE 2024

Operating profit for January–June increased to EUR 18.8 million (17.0), while the operating profit margin was 22.0% (22.1%). The operating profit included EUR 0.7 million (0.2) of items affecting comparability, mainly related to business transactions and restructuring. Changes in exchange rates had no significant impact on the operating profit.

Adjusted operating profit increased to EUR 19.5 million (17.3) and the adjusted operating profit margin was 22.8% (22.4%). The net financial items for January–June were EUR -1.1 million (-1.8).

Profit before taxes was EUR 17.7 million (15.3). The Group's taxes amounted to EUR 4.3 million (3.7).

The result for January–June was EUR 13.3 million (11.6) and undiluted earnings per share were EUR 0.71 (0.62).

FINANCIAL POSITION AND CASH FLOW

Balance sheet total at the end of June 2024 was EUR 223.6 million (30 June 2023: 209.5), of which equity accounted for EUR 110.9 million (96.6).

At the end of June 2024, the company's net debt amounted to EUR 32.6 million (45.8). Loans from credit institutions were EUR 75.4 million (75.4) and lease liabilities were EUR 2.6 million (2.1). Cash and cash equivalents at the end of the review period amounted to EUR 45.4 million (31.7). Leverage was 0.8 (1.2) at the end of the review period.

Equity ratio was 49.8% (46.3%) at the end of the review period. The adjusted return on capital employed (ROCE) was 51.7% (47.7%).

In January–June, Harvia's operating free cash flow was EUR 16.6 million (20.8) and cash conversion was 73.2% (102.2%). Especially in the second quarter, the company increased its inventories. The materials inventory in Finland normalized after inbound transportation was impacted by strikes in the first quarter. In addition, Harvia increased inventories in the United States and Japan to support sales. The increase in inventories had a negative effect on cash flow and cash conversion.

INVESTMENTS, RESEARCH AND PRODUCT DEVELOPMENT

Harvia Group's investments in tangible and intangible assets in January–June amounted to EUR 2.8 million (1.2). During the review period, Harvia purchased 8.7 hectares of land around the production facility in West Virginia to secure strategic growth opportunities for the fast-growing North American market. Additionally, the company made several add-on investments in its production facilities, including the ramp-up of an upgraded, more automated production line for woodburning heaters in the Muurame factory.

The Group's research and development expenditure recognized as expenses in January–June amounted to EUR 1.0 million (1.1). In 2024, Harvia's research and development activities will build 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.

CORPORATE RESPONSIBILITY

Sustainability is a part of everyday life at Harvia – the company's operations and products have been developed sustainably already for over 70 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's corporate responsibility and the commitments are presented in more detail in the Annual Report 2023.

Harvia follows its sustainability targets with various KPIs, and management remuneration is tied to the company's sustainability targets. During the first half of the year, Harvia continued to identify sustainability topics in accordance with CSRD reporting. Harvia will report according to the CSRD for the financial year 2024.

PERSONNEL

The number of personnel employed by the Group at the end of June 2024 was 683 (619) and averaged 635 (621) in January–June. Of the personnel at the end of June, 293 (262) worked in Finland, 117 (114) in Germany, 103 (69) in the United States, 60 (75) in Romania, 55 (60) in China and Hong Kong, 36 (31) in Austria, 11 (0) in Italy, 6 (6) in Estonia and 2 (2) in Sweden. The continuing strong growth in North America is reflected in the increasing personnel in the United States but also in Finland, as the majority of the company's heaters sold in North America are manufactured in the Muurame factory.

SHARES AND SHAREHOLDERS

Harvia's registered share capital is EUR 80,000 and at the end of June 2024, the company had 18,694,236 (18,694,236) fully paid shares. The share trading volume in January–June was EUR 198.1 million (106.4) and 5,435,928 shares (4,881,668). The share's volume weighted average price during the review period was EUR 36.45 (21.79), the highest price was EUR 45.35 (25.96) and the lowest EUR 25.18 (17.41). The closing price of the share at the end of June 2024 was EUR 36.80 (23.10). The market value of the share capital on 30 June 2024 was EUR 687.9 million (431.8) including treasury shares. At the end of June 2024, Harvia Plc held a total of 4,207 own shares, corresponding to 0.02% of the total number of shares.

At the end of June 2024, the number of registered shareholders was 34,808 (43,945), including nominee registers. At the end of the review period, nominee-registered and direct foreign shareholders held 48.0% (43.0%) of the company's shares. The ten largest shareholders held a total of 21.8% (20.7%) of Harvia's shares and votes at the end of June 2024.

GOVERNANCE

Changes in management and organization

Harvia's new organizational structure took effect as of 1 January 2024. The new organization consists of four geographical sales regions: North America, Northern Europe, Continental Europe, and APAC & MEA. It also encompasses five Group functions: Marketing & Brand, Products & Solutions, Innovation & Technology, Operations, as well as Support functions. Additionally, there is a Management Team position for the Head of EOS Brand and Products.

On 26 January 2024, Harvia announced the appointment of Jennifer Thayer as Head of Region North America and President of Harvia US Inc, and a member Harvia's Management Team. In her role, Thayer is responsible for leading the North American commercial organization and driving the growth and profitability of Harvia's business in the region. Thayer assumed her position on 1 February 2024.

On 3 June 2024, Harvia announced the appointment of Philipp Krauth as Managing Director of EOS, Head of EOS Brands and Products, and a member of Harvia's Management Team. In his role, Krauth will be responsible for leading EOS Group and ensuring a distinct and exciting identity for Harvia Group's highest-end solutions that are sold under the EOS brand. Krauth will assume his position on 12 August 2024. Rainer Kunz, current Managing Director of EOS Group and a member of Harvia's Management Team, will continue to work full time for Harvia until the end of August 2024 and will support the transition after that on consulting basis.

Long-term Performance Share Plan

On 27 March 2024, 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 2024–2026. In the performance period 2024–2026, the plan has 27 participants at most and the targets for the performance period relate to the company's total shareholder return, revenue growth, CO₂ emissions and EBIT margin. The number of shares to be paid based on the performance period 2024–2026 is a maximum of 68,100 Harvia Plc shares. This number of shares represents the gross earning, 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 2024–2026 will be paid out during spring 2027.

Annual General Meeting

The Annual General Meeting of Harvia, held on 26 April 2024, approved the financial statements and discharged the members of the Board of Directors and the company's CEO from liability for the financial year 2023. The Annual General Meeting approved in an advisory decision the remuneration report for the governing bodies. The Annual General Meeting resolved to reject the revised remuneration policy for the company's governing bodies. The resolution made is advisory.

The Annual General Meeting approved the Board of Directors' proposal that EUR 0.68 per share be paid as dividend and that the remainder of the distributable funds be transferred to shareholders' equity. The dividend is paid in two installments. The first installment, EUR 0.34 per share, was paid to shareholders who are registered in the shareholders' register maintained by Euroclear Finland Ltd on the record date of the dividend of 30 April 2024. This instalment of the dividend was paid on 8 May 2024. The second instalment, EUR 0.34 per share, will be paid in October 2024. The record date of the dividend date would then be 21 October 2024 and the dividend payment date 28 October 2024.

The Annual General Meeting resolved that the Board of Directors consists of six members. Olli Liitola, Anders Holmén, Hille Korhonen, Heiner Olbrich, Markus Lengauer and Catharina Stackelberg-Hammarén were re-elected to the Board of Directors. Authorized Public Accounting firm Deloitte Oy was elected as the Auditor of the company and as a certification authority for the company's sustainability reporting in financial year 2024 and Authorized Public Accountant Johan Groop will act as the Responsible 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. The authorization is valid until the closing of the next Annual General Meeting, but no longer than until 30 June 2025.

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 26 April 2024. The Board of Directors elected from among its members Hille Korhonen (Chair), Anders Holmén and Markus Lengauer as members of the Audit Committee. In addition, Harvia Plc's Board of Directors decided to establish a Personnel and Remuneration Committee. The Committee's task is to assist the Board of Directors in issues related to personnel and remuneration. 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 26 April 2024.

Strategy update and adjusted long-term financial targets

On 29 May 2024, Harvia announced its updated strategy and long-term financial targets. Harvia's long-term financial targets were adjusted to reflect the company's growth ambitions. The new long-term targets are an average annual revenue growth of 10%, an adjusted operating profit margin exceeding 20% and a net debt/adjusted EBITDA below 2.5x. Harvia's updated strategic focus areas are 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.

Directed share issue

On 6 June 2024, the Board of Directors of Harvia Plc 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 concerned the performance period 2021–2023 of the company's share-based incentive program launched in 2021. In the share issue, 865 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 program-specific terms and conditions. After the transfer of shares under the incentive program, the company holds a total of 4,207 own shares.

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 postponing 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. Harvia suspended its operations in Russia at the beginning of March 2022 and completed its exit from Russia by selling its 80% share in EOS Russia in November 2022. The transaction was closed in March 2023 after receiving relevant approvals from Russian authorities. In addition to this direct impact, the ongoing war has impacted the sauna and spa market and the company's business indirectly through increased economic uncertainty and inflation, especially in Europe. Developments related to

the war in Ukraine as well as other geopolitical developments around the world can affect Harvia also in the future.

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 industrial actions, such as strikes, in key countries 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 mainly relating to the U.S. dollar. 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 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 36.5 million.

The principles of Harvia's financing risk management are described in the Consolidated Financial Statements 2023 and the general principles of risk management on the company's website at www.harviagroup.com.

EVENTS AFTER THE REVIEW PERIOD

Harvia announced on 23 July 2024 that it had signed an agreement to acquire 100% of the shares of ThermaSol Steam Bath LLC ("ThermaSol"), a leading manufacturer of high-end steam showers and steam rooms in the United States. The acquisition complements Harvia Group's sauna offering in the attractive steam segment, supporting the company's growth in the United States and its leading position as a global sauna solutions provider. The acquisition was closed in July 2024.

Established in 1958 and headquartered in Round Rock, Texas, ThermaSol is a family-owned leading manufacturer of steam solutions in the United States and one of the largest players in the U.S. residential steam solutions market. ThermaSol is primarily focused on steam rooms and steam showers, with a range of products that includes steam generators, steam and shower heads, digital control units, smart shower components, and accessories. The company is also a distributor of indoor and outdoor saunas as well as traditional sauna heaters. In these product categories, it has been a customer for Harvia Group before the acquisition. The company has its own design and assembly facilities in Texas and employs approximately 40 people in total. ThermaSol's net sales totaled USD 14.4 million in 2023. The company's operations will continue as is, and ThermaSol will continue as an independent brand within Harvia Group.

The purchase price was USD 30.4 million. Harvia financed the acquisition with a bullet loan of 20 million euros and the rest with cash funds. The acquisition is expected to create annual synergies of approximately EUR 1.7 million by the end of 2027. The identified key sources of synergy comprise sourcing and logistics, marketing, cross-sell, distribution, and common management within Harvia US companies. One-off transaction, integration and post-closing costs are estimated to total EUR 1.4 million over the years 2024–2026.

Harvia will report ThermaSol as part of Harvia's figures as of the third quarter of 2024, beginning in August 2024.

FINANCIAL RELEASES IN 2024

Harvia will publish its interim reports in 2024 as follows:

7 November 2024, January–September 2024 interim report

MUURAME, 7 AUGUST 2024

HARVIA PLC
Board of Directors

For more information, please contact:

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Ari Vesterinen, CFO, tel. +358 40 5050 440

PRESS CONFERENCE ON FINANCIAL RESULTS

Harvia will hold a webcast for analysts, investors and media on 8 August 2024 at 11:30 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 <https://harvia.videosync.fi/q2-2024/>.

A recording of the webcast will be available after the event on the company's website <https://harviagroup.com/investor-relations/>.

HARVIA PLC HALF-YEAR FINANCIAL REVIEW JANUARY–JUNE 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Note	4–6/2024	4–6/2023	1–6/2024	1–6/2023	1–12/2023
Revenue	2.1	43,182	35,779	85,535	77,163	150,547
Other operating income		138	133	260	235	864
Materials and services		-15,191	-12,538	-30,178	-28,455	-56,101
Employee benefit expenses		-8,971	-7,395	-16,985	-14,857	-28,919
Other operating expenses	2.2	-8,617	-6,594	-16,637	-13,953	-27,093
Depreciation and amortization		-1,611	-1,544	-3,212	-3,094	-6,254
Operating profit		8,931	7,841	18,783	17,040	33,044
Share in profits and losses of associated companies		-11	-167	-21	-232	-242
Finance income*		356	153	838	285	795
Finance costs*		-1,046	-866	-2,031	-1,798	-3,929
Changes in fair values		-362	5	86	-42	-136
Financial items		-1,064	-874	-1,128	-1,787	-3,511
Profit before income taxes		7,867	6,967	17,655	15,252	29,533
Income taxes		-1,998	-1,650	-4,309	-3,674	-6,253
Profit for the period		5,869	5,316	13,346	11,579	23,280
Attributable to:						
Owners of the parent		5,869	5,312	13,346	11,572	23,271
Non-controlling interests**		0	4	0	7	10
Other comprehensive income						
Items that may be reclassified to profit or loss in subsequent periods:						
Translation differences		443	-805	897	-1,582	-1,785
Items that will not be reclassified to profit or loss:						
Actuarial gains and losses						124
Other comprehensive income, net of tax		443	-805	897	-1,582	-1,662
Total comprehensive income		6,312	4,511	14,243	9,997	21,619
Attributable to:						
Owners of the parent		6,312	4,507	14,243	9,991	21,609
Non-controlling interests**		0	4	0	7	10
Earnings per share for profit attributable to the owners of the parent:						
Basic EPS (EUR)	2.3	0.31	0.28	0.71	0.62	1.25
Diluted EPS (EUR)	2.3	0.31	0.29	0.71	0.62	1.24

* Amended financial income and expense derived from interest swap to correspond to disclosure in financial statements. No impact on net financial items.

** Kirami AB non-controlling interests.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	Note	30-Jun-2024	30-Jun-2023	31-Dec-2023
ASSETS				
Non-current assets				
Intangible assets		7,713	9,595	8,704
Goodwill		73,434	73,419	73,402
Property, plant and equipment		27,925	26,174	26,904
Right-of-use assets		2,328	1,859	2,488
Investments in associated companies		440	495	460
Derivative financial instruments	4.1	1,955	3,202	1,869
Deferred tax assets		834	1,373	1,045
Total non-current assets		114,629	116,115	114,872
Current assets				
Inventories	3	38,665	40,649	35,480
Trade and other receivables	3	23,858	19,700	18,697
Income tax receivables		1,117	1,320	4,634
Cash and cash equivalents	4	45,381	31,726	40,581
Total current assets		109,021	93,394	99,392
Total assets		223,650	209,510	214,264
EQUITY AND LIABILITIES				
Equity				
Share capital		80	80	80
Other reserves		33,876	32,099	32,414
Retained earnings		62,373	51,816	51,810
Profit for the period		13,346	11,572	23,271
Equity attributable to owners of the parent		109,675	95,567	107,575
Non-controlling interests		1,244	1,079	1,082
Total equity		110,919	96,646	108,656
Liabilities				
Non-current liabilities				
Loans from credit institutions	4	75,414	75,412	75,404
Lease liabilities	4	1,908	1,629	1,981
Deferred tax liabilities		946	1,420	1,182
Employee benefit obligations		1,845	1,897	1,671
Other non-current liabilities		214	3,781	202
Provisions		232	296	277
Total non-current liabilities		80,559	84,435	80,716
Current liabilities				
Loans from credit institutions	4	6	12	6
Lease liabilities	4	670	470	760
Employee benefit obligations		176	174	176
Income tax liabilities		1,569	3,634	5,662
Trade and other payables	3	29,547	23,881	18,045
Provisions		202	258	242
Total current liabilities		32,171	28,430	24,891
Total liabilities		112,730	112,864	105,607
Total equity and liabilities		223,650	209,510	214,264

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 2023	80	32,562	865	63,766	97,273	1,072	98,345
Share-based incentive plan		414			414		414
Dividend distribution				-11,951	-11,951		-11,951
Share-based payments		-160			-160		-160
Total transactions with shareholders		254		-11,951	-11,697		-11,697
Profit for the period				11,572	11,572	7	11,579
Other comprehensive income			-1,582		-1,582		-1,582
Total comprehensive income			-1,582	11,572	9,991	7	9,997
Equity at 30 June 2023	80	32,815	-717	63,387	95,567	1,079	96,646

Equity at 1 January 2023	80	32,562	865	63,766	97,273	1,072	98,345
Share-based incentive plan		995			995		995
Dividend distribution				-11,956	-11,956		-11,956
Share-based payments		-346			-346		-346
Total transactions with shareholders		649		-11,956	-11,307		-11,307
Profit for the period				23,271	23,271	10	23,280
Actuarial gains and losses		124			124		124
Translational differences			-1,785		-1,785		-1,785
Total comprehensive income		124	-1,785	23,271	21,609	10	21,619
Equity at 31 December 2023	80	33,334	-921	75,081	107,575	1,082	108,656

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				13,346	13,346		13,346
Translational differences			897		897	163	1,059
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

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Note	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Cash flows from operating activities						
Profit before taxes		7,867	6,966	17,655	15,252	29,533
Adjustments						
Depreciation and amortisation		1,611	1,544	3,212	3,094	6,254
Finance income and finance costs		1,064	874	1,128	1,787	3,511
Other adjustments		450	245	671	267	310
Cash flows before changes in working capital		10,992	9,630	22,666	20,401	39,608
Change in working capital						
Increase (-) / decrease (+) in trade and other receivables	3	-2,468	624	-4,683	-2,494	-1,395
Increase (-) / decrease (+) in inventories	3	-3,297	365	-2,894	4,702	10,108
Increase (+) / decrease (-) in trade and other payables	3	798	-496	4,274	-599	-912
Cash flows from operating activities before financial items and taxes		6,026	10,122	19,364	22,009	47,409
Interest and other finance costs paid		97	-25	-65	-95	-26
Interest and other finance income received		261	49	261	80	100
Income taxes paid/received		-5,140	-2,387	-4,910	-4,569	-8,343
Net cash from operating activities		1,243	7,759	14,649	17,425	39,139
Cash flows from investing activities						
Purchases of tangible and intangible assets		-549	-867	-2,792	-1,163	-3,124
Sale of tangible and intangible assets		7	89	7	89	89
Acquisition of subsidiaries, net of cash acquired						-2,801
Net cash from investing activities		-542	-778	-2,785	-1,074	-5,835
Cash flows from financing activities						
Acquisition of treasury shares						
Transactions with non-controlling interests						
Proceeds from non-current loans	4					925
Repayment of non-current liabilities	4	-5	2	-18	2	-850
Proceeds from current loans	4	1		1		
Repayment of current liabilities	4		-9		-2,015	-2,011
Repayment of lease liabilities	4	-1	-236	-207	-461	-765
Interest and other finance costs paid	4	-672	-690	-806	-1,096	-2,928
Dividends paid		-6,354	-5,975	-6,354	-5,975	-11,956
Net cash from financing activities		-7,032	-6,909	-7,384	-9,546	-17,585
Net change in cash and cash equivalents		-6,331	73	4,480	6,806	15,718
Cash and cash equivalents at beginning of period		51,514	31,908	40,581	25,310	25,310
Exchange gains/losses on cash and cash equivalents		198	-255	320	-390	-447
Cash and cash equivalents at end of period		45,381	31,726	45,381	31,726	40,581

NOTES TO THE GROUP'S HALF-YEAR FINANCIAL REVIEW 2024

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 2023 prepared in accordance with IFRS Accounting Standards. The same accounting principles have been applied to the interim information as to the consolidated financial statements. Starting from the first quarter of 2024, Harvia has reported its revenue by sales region: Northern Europe, Continental Europe, North America, and APAC & MEA.

Harvia's Board of Directors has approved this half-year financial review in its meeting on 7 August 2024. The figures in this report are not 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 that were applied in the Consolidated Financial Statements for 2023.

2. GROUP PERFORMANCE

2.1 GROUP REVENUE

Starting from the first quarter of 2024, Harvia has reported 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 generators, 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	4-6/2024	4-6/2023	Change	1-6/2024	1-6/2023	Change	2023
Northern Europe ¹⁾	11,584	11,119	4.2%	23,264	25,184	-7.6%	45,447
Continental Europe ²⁾	12,735	12,025	5.9%	26,326	25,517	3.2%	50,645
North America ³⁾	14,711	10,301	42.8%	28,443	21,399	32.9%	43,449
APAC & MEA ⁴⁾	4,152	2,333	78.0%	7,502	5,062	48.2%	11,007
Total	43,182	35,779	20.7%	85,535	77,163	10.9%	150,547

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	4-6/2024	4-6/2023	Change	1-6/2024	1-6/2023	Change	2023
Heating equipment *	23,200	18,390	26.2%	47,161	42,525	10.9%	82,128
Saunas and Scandinavian hot tubs	12,822	11,078	15.7%	23,919	21,652	10.5%	42,952
Steam generators	1,331	1,129	17.9%	2,374	2,288	3.8%	4,573
Accessories and heater stones	2,850	1,856	53.5%	5,771	3,969	45.4%	8,812
Spare parts and services	2,980	3,326	-10.4%	6,310	6,728	-6.2%	12,083
Total	43,182	35,779	20.7%	85,535	77,163	10.9%	150,547

* Sauna heaters, control units, IR components

2.2 OPERATING EXPENSES

Other operating expenses for the period 1 January–30 June 2024 include items affecting comparability of EUR 735 thousand (218) that are related to the Group's strategic development projects, acquisitions, divestments or loss on sales of fixed assets, 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	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Profit for the period attributable to the owners of the parent company, EUR thousand	5,869	5,312	13,346	11,572	23,271
Weighted average number of shares outstanding during the financial period, '000	18,689	18,682	18,689	18,680	18,687
Basic earnings per share, EUR	0.31	0.28	0.71	0.62	1.25
Share-based long-term incentive plan	116	70	111	67	77
Weighted average number of shares outstanding during the year, diluted, '000	18,805	18,753	18,800	18,748	18,764
Diluted earnings per share, EUR	0.31	0.28	0.71	0.62	1.24

3. NET WORKING CAPITAL

EUR thousand	30-Jun-2024	30-Jun-2023	31-Dec-2023
Net working capital			
Inventories	38,665	40,649	35,480
Trade receivables	19,530	17,054	16,336
Other receivables	4,328	2,646	2,361
Trade payables	-12,772	-8,830	-8,690
Other payables	-16,775	-15,051	-9,355
Total	32,976	36,467	36,132
Change in net working capital in the statement of financial position	-3,156	-8,852	-9,187
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*	6,459	7,243	1,386
Change in net working capital in the statement of cash flows	3,303	-1,608	-7,801

* 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-Jun-2024	3-Jun-2023	31-Dec-2023
Interest-bearing debt	75,420	75,424	75,409
Lease liabilities	2,579	2,098	2,741
Less cash and cash equivalents	-45,381	-31,726	-40,581
Net debt	32,618	45,797	37,569

Harvia has term loans totaling EUR 75,500 thousand and a EUR 10,000 thousand revolving credit limit. Harvia has not utilized the revolving credit limit. The term loans mature in two 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 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. Hedging produces clear savings on interest payments of Harvia in terms of cash flows. Fair value of the interest rate swap fluctuates according to interest rate market expectations, and the change in value is recorded in net financial items as changes in fair value.

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	1-6/2024	1-6/2023	2023
Sales	40	49	86
Purchases	182	7	22

APPENDIX 1: KEY FIGURES AND CALCULATION OF KEY FIGURES

EUR thousand	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Key statement of comprehensive income indicators					
Revenue	43,182	35,779	85,535	77,163	150,547
EBITDA	10,542	9,385	21,995	20,134	39,298
% of revenue	24.4	26.2	25.7	26.1	26.1
Adjusted EBITDA	11,039	9,522	22,730	20,352	39,924
% of revenue	25.6	26.6	26.6	26.4	26.5
Operating profit	8,931	7,841	18,783	17,040	33,044
% of revenue	20.7	21.9	22.0	22.1	21.9
Adjusted operating profit	9,428	7,977	19,518	17,258	33,670
% of revenue	21.8	22.3	22.8	22.4	22.4
Adjusted profit before income taxes	8,364	7,103	18,390	15,470	30,159
Basic EPS (EUR)	0.31	0.28	0.71	0.62	1.25
Diluted EPS (EUR)	0.31	0.28	0.71	0.62	1.24
Key cash flow indicators					
Cash flow from operating activities	1,243	7,759	14,649	17,425	39,139
Operating free cash flow	5,523	9,147	16,635	20,797	44,601
Cash conversion	50.0%	96.1%	73.2%	102.2%	111.7%
Investments in tangible and intangible assets	-549	-867	-2,792	-1,163	-3,124
Key balance sheet indicators					
Net debt	32,618	45,797	32,618	45,797	37,569
Leverage	0.8	1.2	0.8	1.2	0.9
Net working capital	32,976	36,467	32,976	36,467	36,132
Capital employed excluding goodwill	69,563	68,759	69,563	68,759	76,129
Adjusted return on capital employed (ROCE)	51.7%	47.7%	51.7%	47.7%	44.2%
Equity ratio	49.8%	46.3%	49.8%	46.3%	51.0%
Number of employees at end of period	683	619	683	619	605
Average number of employees during the period	657	620	635	621	612

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 2023.

EUR thousand	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Operating profit	8,931	7,841	18,783	17,040	33,044
Depreciation and amortization	1,611	1,544	3,212	3,094	6,254
EBITDA	10,542	9,385	21,995	20,134	39,298
Items affecting comparability					
Business transactions related expenses	497	19	731	87	231
Restructuring expenses	0	117	4	131	395
Total items affecting comparability	497	137	735	218	626
Adjusted EBITDA	11,039	9,522	22,730	20,352	39,924
Depreciation and amortization	-1,611	-1,544	-3,212	-3,094	-6,254
Adjusted operating profit	9,428	7,977	19,518	17,258	33,670
Finance costs, net	-1,064	-874	-1,128	-1,787	-3,511
Adjusted profit before income taxes	8,364	7,103	18,390	15,470	30,159

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.



HARVIA

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