HARVIA

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Rauli Juva
+358 50 588 0092
rauli.juva@inderes.fi

INDERES CORPORATE CUSTOMER

COMPANY REPORT

Valuation cooled, but growth outlook remains hot

While Harvia's Q4 result fell short of our expectations, we believe that the company will continue on its path of strong profitable growth and clear value creation, and its growth prospects for the coming years are excellent. This, combined with the decline in valuation following the fall in the share price, makes the expected return attractive in our view. We revise our target price to EUR 44 (previously EUR 43) and raise our recommendation to Buy (previously Reduce).

Q4 results improved year-on-year, but missed our expectations

Harvia's comparison period was exceptionally strong in terms of revenue in Q4, with organic growth of over 30% in North America in Q4'24, supported by campaign deliveries. Nevertheless, this pushed profitability to an exceptionally low level relative to the company's standing. As expected, the strong comparison period in Q4'25 slowed down revenue growth, which was roughly in line with our forecasts at 5%. Harvia's material margin increased to 63% from just under 60% in the comparison period, aligning with the company's typical range (currently around 63-65% in our opinion). This was slightly weaker than our forecast of 63.5%. However, the company's fixed costs, particularly other operating expenses, were higher than expected, resulting in an adjusted operating profit of 10.5 MEUR, which was significantly lower than our forecast of 11.6 MEUR. Reported earnings per share fell short of our forecast by the same 10%. The adjusted EBIT margin for both Q4 and the full year fell slightly short of the company's 20% target. However, we still consider the company's investments in growth to be sensible and value-creating, so we are not particularly concerned about the margin falling below our expectations in Q4.

Only positives in the outlook

With revenue in Northern Europe having turned to growth, we believe Harvia's outlook for 2026 is positive across all its geographical regions. The US and APAC&MEA have been growth drivers for years and continue to show strong double-digit growth in our estimates, while the European segments are growing at around 5%. This leads to an annual growth rate of approximately 10% in our estimates, in line with the company's target. The CEO specifically mentioned that the outlook for the US is good for Q1, as there are still deliveries to be made during the new year from campaigns at the end of last year. However, this was also the case in the comparison period. He also mentioned that orders in Finland have been growing, which we believe supports continued growth in Northern Europe this year.

In terms of profitability, we believe that the outlook is stabilizing, as there will be no additional headwinds from tariffs this year compared to Q4. To our knowledge, the company has implemented price increases at the beginning of the year, at least in the US, to offset factors such as a weakening dollar and normal cost inflation. We expect the company to continue investing in long-term growth in the coming years. In our forecasts, this means that its fixed costs will grow at roughly the same rate as its revenue. Therefore, we estimate the adjusted EBIT margin for 2026 to be around 20%, in line with the company's target. We did not make any substantial changes to our earnings estimates in this report.

Valuation is attractive

Harvia's valuation has clearly decreased following the post-earnings share price decline. This year's multiples (EV/EBIT 16x, P/E 21x) appear favorable rather than expensive for the first time in a long while, considering the company's quality and growth profile. We consider the company's return on capital and cash flow generation capabilities excellent, and multiples will moderate further in the coming years. We believe that Harvia's capital allocation will continue to be value-creating, and thus channeling cash either to acquisitions and/or larger dividends would support the investor's expected return. The company already hinted at the possibility of acquisitions in the near future. We also see Harvia as a viable acquisition target.

Recommendation

Buy
(was Reduce)

Target price:

EUR 44.00
(was EUR 43.00)

Share price:

EUR 35.50

Business risk

●●○○○

Valuation risk

●●●○○

	2025	2026e	2027e	2028e
Revenue	199	220	243	267
growth-%	14%	10%	10%	10%
EBIT adj.	39.1	44.7	51.8	58.2
EBIT-% adj.	19.7 %	20.3 %	21.3 %	21.8 %
Net Income	26.4	31.9	38.1	43.8
EPS (adj.)	1.46	1.72	2.03	2.33

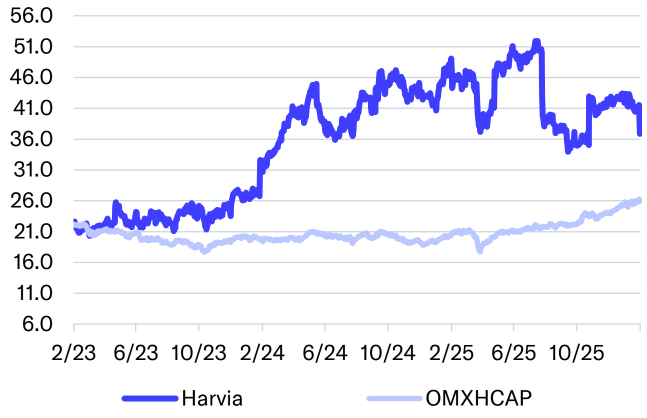
P/E (adj.)	29.4	20.7	17.5	15.2
P/B	6.2	4.5	3.9	3.4
Dividend yield-%	1.8 %	2.3 %	2.8 %	3.9 %
EV/EBIT (adj.)	22.1	16.2	13.7	11.9
EV/EBITDA	18.9	13.8	11.8	10.2
EV/S	4.3	3.3	2.9	2.6

Source: Inderes

Guidance (Unchanged)

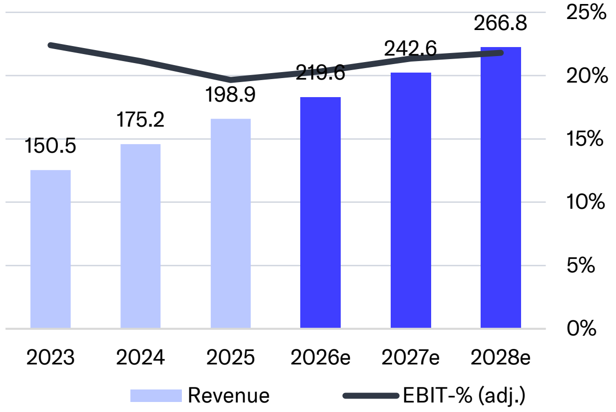
Harvia does not publish a short-term outlook.

Share price



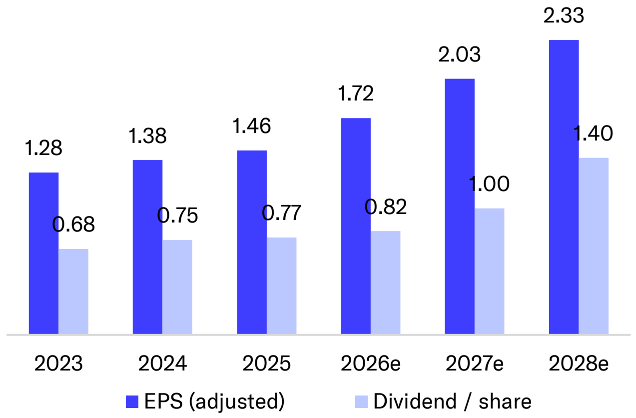
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Stably growing sauna and spa market in the longer term
- Leading market position and best profitability in the sector
- Strong cash flow and low investment need
- Revenue growth through complementing acquisitions and expansion of the reseller network

Risk factors

- Dependence on the Muurame plant
- Changes in the competitive field or position
- Economic fluctuations and fluctuations on the construction market may slow down growth
- Successful integration of acquisitions
- Weakening global demand trend for saunas

Valuation	2026e	2027e	2028e
Share price	35.5	35.5	35.5
Number of shares, millions	18.8	18.8	18.8
Market cap	667	667	667
EV	722	709	693
P/E (adj.)	20.7	17.5	15.2
P/E	20.9	17.5	15.2
P/B	4.5	3.9	3.4
P/S	3.0	2.8	2.5
EV/Sales	3.3	2.9	2.6
EV/EBITDA	13.8	11.8	10.2
EV/EBIT (adj.)	16.2	13.7	11.9
Payout ratio (%)	48.3 %	49.4 %	60.0 %
Dividend yield-%	2.3 %	2.8 %	3.9 %

Source: Inderes

Q4 result fell short of expectations but improved significantly year-on-year

Revenue grew as expected from a strong comparison period

Harvia's comparison period was exceptionally strong in terms of revenue in Q4, with organic growth of over 30% in North America in Q4'24, supported by campaign deliveries. Nevertheless, this pushed profitability to an exceptionally low level relative to the company's standing. As expected, the strong comparison period in Q4'25 slowed down revenue growth, which was roughly in line with our forecasts at 5%.

By segment, Northern Europe grew more than our estimate, growing by over 10% for the second consecutive quarter (+12% vs. 5%). Continental Europe grew by 5%, as we had forecast. The US grew slightly in EUR terms but by over 10% in local currencies despite the strong comparison period. The APAC&MEA segment was a clear disappointment in Q4, with growth remaining at zero, while our estimate was 25%. This was largely due to a strong comparison period that included major deliveries in the Middle East (over 0.5 MEUR). The segment's other regions (APAC) had strong growth in Q4 and were the company's fastest-growing segment for the full year with growth of around 25%. In the product segments, the decrease in steam products stood out to us, but it was largely explained by the aforementioned factors: the weakening of the US dollar and the timing of project deliveries in the Middle East. These two geographic areas are where the company currently sells most of its steam products.

Result improved clearly but missed expectations

Harvia's material margin increased to 63% from just under 60% in the comparison period, aligning with the company's typical range (currently around 63-65% in our opinion). This was slightly weaker than our forecast of 63.5%. However, the company's fixed costs, particularly other operating expenses, were higher than expected, resulting in an adj. operating profit of 10.5 MEUR, which was significantly lower than our forecast of 11.6 MEUR. The increase in costs is largely related to the company's investments to support long-term growth. We therefore believe that they are justified. Reported earnings per share fell short of our forecast by the same 10%.

Dividend rose only slightly, actively seeking acquisitions

Harvia only increased its dividend by 2 cents, to EUR 0.77, whereas we had expected a more substantial increase. However, we believe the company aims to steadily increase its dividend and strengthen its balance sheet for acquisitions, which warrants a lower-than-expected dividend. During our interview, the CEO mentioned that the company already came close to completing its next acquisition last year. It is therefore quite possible that we will hear about the company's next deal already this year, and historically, these deals have created value. We believe now is a good time to make a purchase because it has been 1.5 years since the Thermasol acquisition and the integration is largely complete.

The company's net debt/total EBITDA was 1.2x at the end of the year, compared to the company's target of less than 2.5x. Therefore, the balance sheet has considerable firepower for a takeover, and this is constantly being strengthened by good cash flow.

Estimates MEUR / EUR	Q4'24 Comparison	Q4'25 Actualized	Q4'25e Inderes	Q4'25e Consensus	Difference (%) Act. vs. inderes	2025 Tot.
Revenue	50.9	53.7	53.2	56.1	1%	199
EBIT (adj.)	8.7	10.5	11.6	11.7	-10%	39.1
EBIT	8.4	10.4	11.6	0.0	-10%	38.3
EPS (reported)	0.29	0.40	0.44	0.44	-10%	1.41
DPS	0.75	0.77	0.85	0.80	-9%	0.77
Revenue growth-%	29.2 %	5.5 %	4.6 %	10.2 %	0.9 pp	13.5 %
EBIT-% (adj.)	17.1 %	19.6 %	21.8 %	20.9 %	-2.2 pp	19.7 %

Source: Inderes & Modular Finance, 7 analysts (consensus)

No substantial estimate revisions

Outlook is positive in all regions

With revenue in Northern Europe having turned to growth, we believe Harvia's outlook for 2026 is positive across all its geographical regions. The US and APAC&MEA have been growth drivers for years and continue to show strong double-digit growth in our estimates while the European segments are growing at around 5%. This leads to an annual growth rate of approximately 10%, in line with the company's target.

The CEO commented separately that the outlook for the US is good for Q1, as there are still deliveries to be made during the new year from campaigns at the end of last year. However, this was also the case in the comparison period. He also mentioned that orders in Finland have been growing, which we believe supports continued growth in Northern Europe this year.

In terms of profitability, we believe that the outlook is stabilizing, as there will be no additional headwinds from tariffs compared to Q4. To our knowledge, the company has implemented price increases at the beginning of the year, at least in the US, to offset factors such as the impact of the weakening dollar and normal cost inflation.

Nevertheless, the company will continue investing in long-term growth in the coming years. In practice, this means that its fixed costs will grow at roughly the same rate as its revenue. For 2026, we therefore estimate the adj. EBIT margin to be around 20%, in line with the company's target, whereas in 2025, it remained about half a percentage point below the target.

Dividend estimates down

We did not make any substantial changes to our earnings estimates for the coming years. The company's lower-than-targeted growth and slightly lower profitability in Q4 were largely due to strong comparison figures. In our view, continuing growth investments are sensible for creating long-term value, even though they led to a weaker-than-expected result in Q4. On the other hand, the company itself was quite pleased with the result, meaning that, to some extent, our margin estimates were also set too high. Due to a lower dividend payout than we had predicted, we lowered our dividend estimates. However, as stated above, we view it as fundamentally positive if the company has opportunities to preferentially reinvest capital in its business operations or acquisitions.

During its Q4 earnings call, the company mentioned that its investment level will be somewhat higher than previously estimated in the coming years. In our view, this is due to more substantial investments in intangible assets than previously expected, such as IT systems, as well as the capitalization of product development costs. Naturally, these investments will eventually be reflected in higher depreciation, which will also burden earnings. We updated our medium-term estimates accordingly, but the changes had a relatively small impact on our fair value estimate.

Estimate revisions MEUR / EUR	2025 Inderes	2025 Actualized	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	198	199	0%	219	220	0%	243	243	0%
EBITDA	46.8	45.8	-2%	52.3	52.2	0%	60.7	60.0	-1%
EBIT (exc. NRIs)	40.2	39.1	-3%	44.6	44.7	0%	52.3	51.8	-1%
EBIT	39.5	38.3	-3%	44.3	44.4	0%	52.3	51.8	-1%
EPS (excl. NRIs)	1.47	1.46	-1%	1.74	1.72	-2%	2.08	2.03	-3%
DPS	0.85	0.77	-9%	1.00	0.82	-18%	1.20	1.00	-17%

Source: Inderes

Harvia Plc, Webcast, Q4'25

Valuation turned attractive

Valuation summary – level is attractive

We expect Harvia to grow significantly starting from this year, long into the 2030s, and the company has proven its quality even during the difficult years of 2022-23. Although we find Harvia's multiples relatively high for the next few years, we expect the company's earnings growth and good cash flow to push multiples down over the years. The current cash flow level and strong earnings growth offer an expected return of about 20% for years to come. Following the decline in the share price, we believe the multiples are moderate or even favorable, considering the company's quality and outlook, making the expected return attractive.

Growth creates value and weighs on multiples over time

In terms of valuation, our estimated P/E for 2026 is just over 20x and EV/EBIT is 16x, which we consider to be favorable, rather than expensive, multiples. Thanks to its strong return on capital and growth profile, Harvia is clearly capable of value-creating growth. For 2027, the P/E is 18x, and the EV/EBIT falls to below 14x, which already sounds very moderate. The multiples are about 20% above the average of the peer group, although we do not consider the peer group to be directly comparable with Harvia. In our opinion, an even higher premium valuation would be justified considering Harvia's excellent return on capital and growth prospects, for example.

Harvia's competitors Sauna 360 and Klafs have been bought by large US companies in recent years. We also believe that Harvia is a potential acquisition target for viable players of this type. The current valuation already sets the price quite high for a potential bid, which would also require a premium to the current price.

Annual expected return of approximately 20%

Outlined in terms of earnings growth and dividend (i.e., assuming the current valuation is maintained), we arrive at an expected return of approximately 20% over the next three years. It is also worth noting that our projections keep Harvia's net debt/EBITDA low (less than 1x), while the target is below 2.5x. This will allow the company to either distribute more profits or make acquisitions, which we believe will support expected returns. Harvia will likely seek to make acquisitions in the future, in which it has a strong history (more about this in our extensive report). According to our estimate, free cash flow yield is approximately 4% based on this year's figures. In 2025-30, we estimate that the net profit will grow on average by around 15%, so also from this perspective, the expected return is at almost 20%. We believe the current valuation has slight upside rather than downside, so we expect the total return to reach around 20%.

DCF model

With a stable industry, steady profitability and a fairly predictable business, we believe that the DCF model is a relevant valuation method for Harvia. We expect growth to remain close to 10% until 2033. Our growth assumption in the terminal period is 3.0%. In the medium term, we expect profitability to rise to 22.5% in terms of the EBIT margin (previously 23%). Our required return is 8.8% and our DCF value is about EUR 44, which aligns with our target price.

As mentioned above, Harvia's investment level will be somewhat higher in the coming years than it has been historically and than we previously forecast. However, the company's capital requirement is generally low, and the return on capital is high, which enables strong cash flow and growth.

Valuation	2026e	2027e	2028e
Share price	35.5	35.5	35.5
Number of shares, millions	18.8	18.8	18.8
Market cap	667	667	667
EV	722	709	693
P/E (adj.)	20.7	17.5	15.2
P/E	20.9	17.5	15.2
P/B	4.5	3.9	3.4
P/S	3.0	2.8	2.5
EV/Sales	3.3	2.9	2.6
EV/EBITDA	13.8	11.8	10.2
EV/EBIT (adj.)	16.2	13.7	11.9
Payout ratio (%)	48.3 %	49.4 %	60.0 %
Dividend yield-%	2.3 %	2.8 %	3.9 %

Source: Inderes

Investment profile 1/2 – Harvia's competitive advantages

Harvia has clear competitive advantages

In our opinion, Harvia has several clear competitive advantages that support the profitable growth and value creation of the company. We also discuss these elsewhere in the report but give a summary of them here. The company's competitive advantages are of great importance for long-term success and thus crucial for share development. Regarding competitive advantages, we note that they are slightly different for Harvia's traditional product areas of wood/electric heaters and their components (just over 60% of Harvia's sales) than for complete saunas or steam products.

Vertical integration and own design

Harvia designs and manufactures almost all the products it sells, as well as most of the components itself, i.e. it is vertically more integrated than a typical competitor. We believe this is one of Harvia's important competitive advantages, since broader supply chain management gives Harvia a larger share of the overall product margin than its competitors and enables unique and more efficient technical solutions. Related expertise has accumulated in Harvia over the decades, and we believe that it is not easy to copy. Own design and efficient manufacturing also require some resources that small companies probably cannot afford. This is particularly true for the production of traditional stoves.

We do not believe that Harvia has such an advantage in selling complete saunas, although sauna construction can be seen as a continuation of vertical integration. Harvia has also brought its own industrial expertise to Almost Heaven Saunas (acquired in the US in 2018), which has supported production efficiency. When it comes to steam products, ThermaSol, which Harvia acquired last year, is also more of an assembly company in terms of production structure and does not differ significantly from its competitors in this respect.

Economies of scale

Partly related to the previous point, Harvia's large production volumes also bring efficiency to production, which smaller competitors are unlikely to be able to achieve. This enables good profitability for Harvia also in lower price segment products.

In the US, Harvia has a relatively large number of saunas compared to its competitors and a new, efficient production plant. In addition, some competitors import products/components from abroad, in which case Harvia is supported by the domestic manufacturer's label and avoids tariffs. In other words, we think Harvia has a competitive advantage in the US for saunas as well, at least for the time being. In other areas, we believe the scale of sauna production is not currently ahead of competitors.

Strong brands

The Harvia brand is well known, especially in the traditional and larger sauna markets, both among consumers and among professionals in general. Since the decision-maker for purchasing a sauna heater is often someone other than the end user/consumer, brand awareness is important among professionals (wholesalers, electricians, architects, etc.). Harvia's long history and strong position, especially in electric and wood-burning heaters directed at consumer use, guarantee its brand's reputation. Acquired brands, especially EOS, are strong in the professional heater segment, ThermaSol in the US steam product market and Almost Heaven Saunas in the US consumer market.

In ready-made saunas, Harvia should be able to utilize its relatively well-known brand, especially in Europe. However, the importance of the brand in sauna construction in general is supposedly less important than in heaters, which also reduces the importance of this competitive advantage for saunas.

Extensive and long-term distribution relationships

As the products in Harvia's product groups are primarily sold through distributors, the distribution network and distributor relationships are important. With its long history and wide product range, Harvia has an extensive distribution network and often decades-long customer relations. Compared to competitors in the industry, we see this more as a result of Harvia's other competitive advantages. However, the barrier to entry in the industry, at least on a larger scale, is hampered by the well-established positions of existing operators in the main sales channels.

We also see, e.g., the quality of the company's management, acquisitions and the strategy and its implementation as good things, but we do not include them in this list, as we believe competitive advantages should be more permanent and long-term issues related to the company. We will discuss the success of acquisitions separately later.

Investment profile 2/2

1. Strong market position and well-known brands
2. Vertical integration and scale support high profitability
3. Moderate investment need supports creation of strong free cash flow
4. The company's ROIC is high and well above the required return, i.e. the company creates value
5. Good market growth outlook, especially outside Europe
6. Expanding into new categories increases growth potential

Potential

- Continued growth in the US, supported by market growth
- Expanding the product range more strongly into steam and infrared products (in steam, with the help of the ThermaSol acquisition)
- Complementing acquisitions: We believe Harvia will continue making complementing acquisitions, in which it has a good track record, should suitable targets be found.

Risks

- Demand recovery in Europe after the current weaker period Demand in Europe has been subdued following the strong demand during the COVID period
- Dependence on the Muurame plant, although the expanded production network has mitigated this risk
- Acquisition risks: Price paid in possible future acquisitions and integration of operations generate their own operational risk
- Weakening of the global “sauna trend”. The use of and demand for saunas is currently on a clear upward trend worldwide. A slowdown or reversal of this trend would have a negative impact on Harvia's demand prospects.

Strategy and financial targets (1/2)

Harvia's strategic focus areas (announced in May 2024)

Delivering the full sauna experience

- Increasing sales of end-to-end systems and solutions
- Being a leader in all sauna types by increasing the share of steam and infrared saunas
- Bringing new innovations to market, including design, user experience, and digital solutions

Winning in strategically important markets

Market-specific targets:

- In North America, continued growth across all price points, product groups and channels;
- Strengthening its position in Europe and growth in the short term as the market recovers;
- APAC & MEA market development in 'high potential countries'
- Harvia also wants to be an active consolidator

Leading in key channels

- "the right product in the right channel"
- For resellers (B2B), the best long-term partner
- Strengthening the direct consumer channel
- Supporting end-users over the product life cycle

Best-in-class operations and great people

- Automation of operations and strong capacity growth in fast-growing markets
- Enhancing group integration to support productivity and growth
- Developing employees' abilities and supporting their well-being
- Continuous improvement of sustainability in operations and supply chains

Inderes' comments on Harvia's focus areas

- Increasing sales of complete solutions is a logical goal, and Harvia has demonstrated its ability to achieve good margins while expanding its portfolio
- In order to increase the share of steam saunas, Harvia has made an acquisition, which we see as a very good strategic move. Adding more steam and infrared to the company's portfolio will significantly increase its growth potential and is, in our view, a very sensible direction to take
- Innovations are a normal part of any company's business. In Harvia's market, products change rather slowly, so we do not see the introduction of major innovations as critical for Harvia

- The company has clearly stated that its geographical coverage is already sufficient and that it now needs to focus particularly on markets with significant potential – we believe this is a good approach
- We believe that the company's strong brand and good products also support expansion opportunities in newer sauna markets
- We believe that the development of cross-selling through acquisitions can support sales growth, e.g., in steam and professional products
- However, there are a limited number of good acquisition targets, so even if we continue to see takeovers, they may be few and far between.

- To our understanding, the strengthening of the direct-to-consumer channel is at this stage mainly related to the US market, where it already represents a significant part of the company's sales. With the exception of the Nordic countries, we believe that other regions also have the potential to take greater control of their sales channels
- In some product groups, such as traditional sauna heaters, Harvia has a very broad product range, while in others there are clear gaps in the market. Clarifying the product range and targeting the right markets and channels sounds like a good way to develop the range without having to increase it significantly

- The efficiency of Harvia's production and other operations is already at an excellent level, but we see further room for improvement in this area, for example by better integrating the production and operations of previously acquired companies
- Continuously improving efficiency and taking care of employees is part of the normal business of any company
- We believe that the company will continue to expand its capacity, especially in the fast-growing North American market, while the Muurame factory (traditional heaters and saunas), for example, will be able to produce significantly higher volumes only by increasing the number of shifts

Strategy and financial targets 2/2

Financial targets (updated in May 2024, previously issued at the time of the IPO in 2018)

Annual organic revenue growth on average 10%

- The target includes the impact of acquisitions
- However, Harvia expects the market to grow by more than 5% in the coming years and the company will continue to gain market share, which should bring organic growth close to 10%
- We expect Harvia's average growth for 2024-28 to be 10% (CAGR), supported somewhat by the ThermaSol acquisition made last year, but organic growth will also average 9% per year

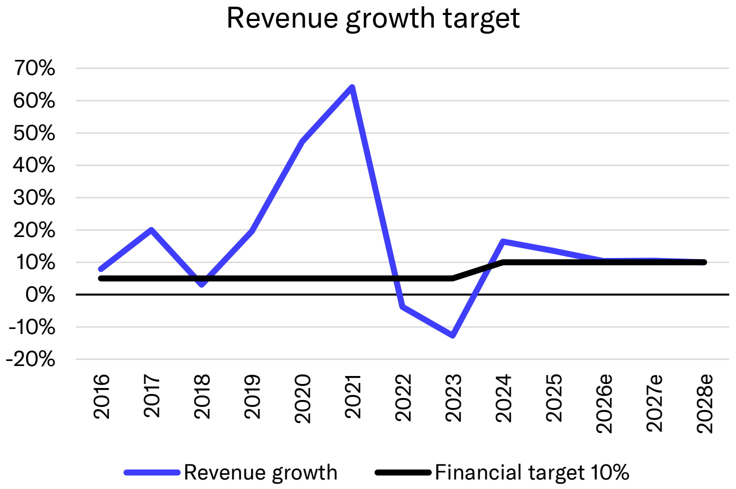
Adjusted EBIT margin over 20%

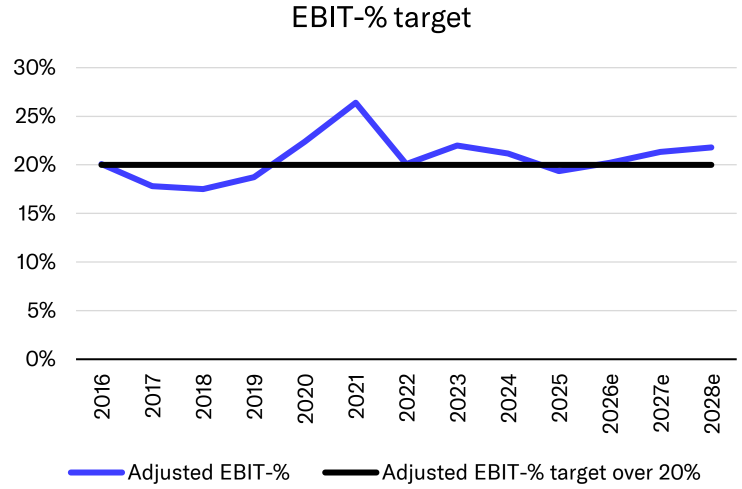
- Harvia's profitability has historically been on both sides of the target, and in recent years above the target. We believe that Harvia will continue to be able to achieve the targeted margin level
- Growth supports profitability through operational leverage, but on the other hand, the investments required for growth (increase in fixed costs) and the potential negative impact of acquisitions limit margin increases

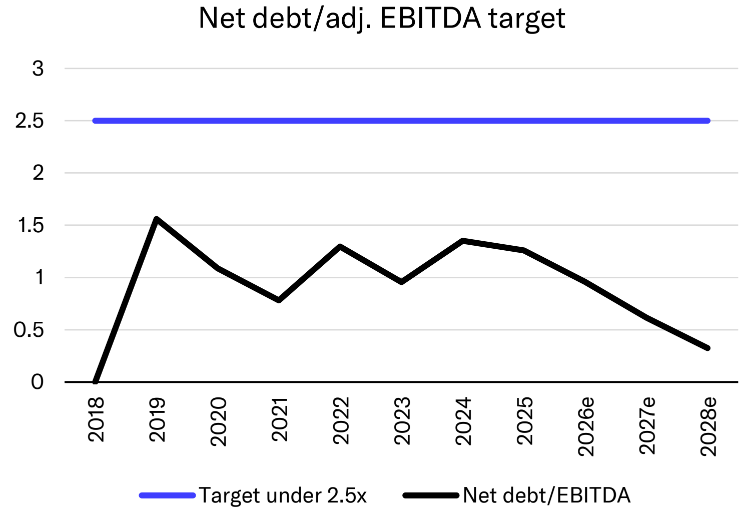
Net debt/adjusted EBITDA <2.5x

- Harvia's cash flow is strong and its investment needs are low, which means that the company can easily repay its debt under normal circumstances, and the ratio will increase mainly due to potential acquisitions
- At the end of Q4'25, the level was 1.2x, and we believe Harvia will continue to meet its target as the current balance sheet situation leaves ample opportunity for new acquisitions
- Our forecast does not include any acquisitions, which means debt will fall towards zero in the coming years

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



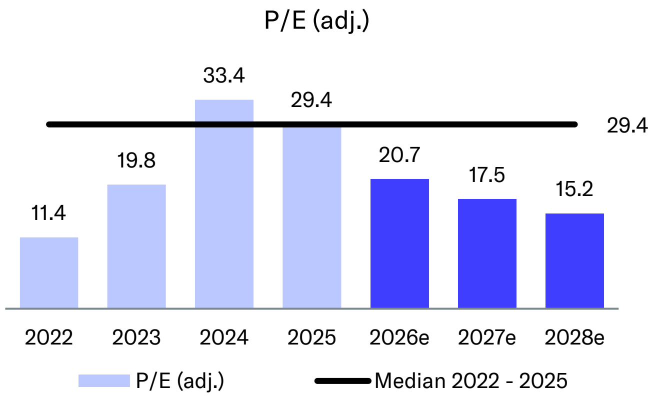


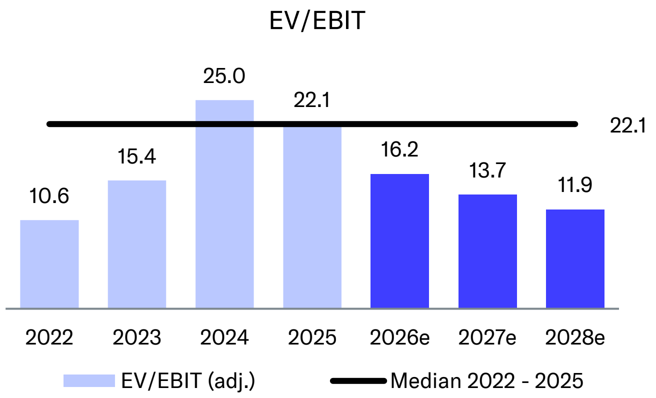


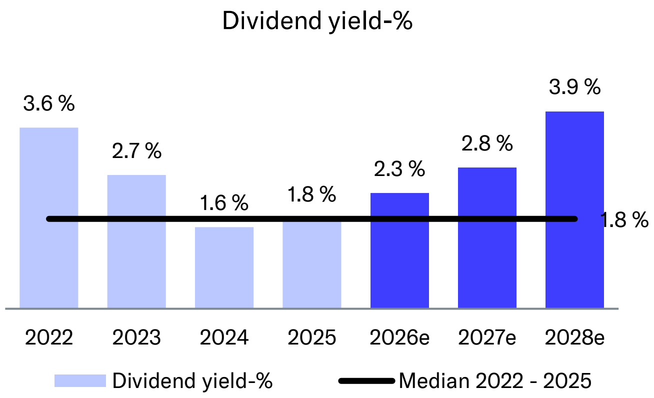
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	58.7	17.7	25.5	46.1	42.9	35.5	35.5	35.5	35.5
Number of shares, millions	18.6	18.7	18.7	18.7	18.7	18.8	18.8	18.8	18.8
Market cap	1091	330	476	860	801	667	667	667	667
EV	1181	388	518	926	865	722	709	693	679
P/E (adj.)	31.7	11.4	19.8	33.4	29.4	20.7	17.5	15.2	13.5
P/E	32.4	12.2	20.4	35.6	30.3	20.9	17.5	15.2	13.5
P/B	13.5	3.4	4.4	7.0	6.2	4.5	3.9	3.4	3.1
P/S	6.1	1.9	3.2	4.9	4.0	3.0	2.8	2.5	2.3
EV/Sales	6.6	2.3	3.4	5.3	4.3	3.3	2.9	2.6	2.3
EV/EBITDA	22.5	9.2	13.2	21.8	18.9	13.8	11.8	10.2	8.9
EV/EBIT (adj.)	24.9	10.6	15.4	25.0	22.1	16.2	13.7	11.9	10.4
Payout ratio (%)	33%	44%	55%	58%	54%	48%	49%	60%	60%
Dividend yield-%	1.0 %	3.6 %	2.7 %	1.6 %	1.8 %	2.3 %	2.8 %	3.9 %	4.4 %

Source: Inderes







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT 2026e	 2027e	EV/EBITDA 2026e	 2027e	EV/S 2026e	 2027e	P/E 2026e	 2027e	Dividend yield-% 2026e	 2027e	P/B 2026e
Thule Group AB	2432	2814	16.1	14.5	13.4	12.2	2.8	2.6	19.8	17.6	3.9	4.4	3.2
Nobia AB	237	656	14.7	11.4	6.0	5.3	0.8	0.8	14.5	8.3	1.8	1.8	1.1
Dometic Group AB	1251	2351	11.0	11.5	7.6	7.1	1.2	1.2	10.7	8.7	3.5	4.2	0.6
Nokian Tyres plc	1623	2287	19.7	13.7	8.7	7.1	1.5	1.4	25.1	15.1	2.6	3.2	1.3
Rapala VMC Oyj	48	137	12.8	10.3	6.4	5.6	0.6	0.6	81.7	14.4		2.5	0.4
Husqvarna AB	2470	3458	11.4	9.9	5.9	5.4	0.8	0.8	13.9	11.3	3.1	3.9	1.0
Inwido AB	899	1103	12.2	11.0	8.6	7.9	1.2	1.2	14.8	12.9	3.7	4.0	1.6
Nibe Industrier AB	7030	8847	19.1	17.0	13.2	12.2	2.2	2.1	23.9	20.8	1.4	1.6	2.2
Technogym SpA	3553	3469	20.3	18.2	15.0	13.7	3.2	2.9	28.4	25.4	2.3	2.5	8.7
Rockwool A/S	6539	6707	12.9	11.9	8.4	7.8	1.8	1.7	16.5	15.3	2.1	2.3	2.3
Kingspan Group PLC	14865	16999	16.8	15.1	12.8	11.5	1.7	1.6	19.4	16.9	0.8	0.9	2.9
Electrolux AB	2333	4943	10.5	9.2	5.0	4.6	0.4	0.4	9.4	8.1	2.5	4.4	2.1
De' Longhi SpA	5831	5562	10.7	10.0	8.4	8.0	1.4	1.3	15.6	14.6	3.0	3.2	2.6
Tulikivi	31	38	19.2	12.8	9.6	7.7	1.2	1.2	26.3	17.5	1.9	3.8	1.6
Harvia (Inderes)	667	722	16.2	13.7	13.8	11.8	3.3	2.9	20.7	17.5	2.3	2.8	4.5
Average			14.8	12.6	9.2	8.3	1.5	1.4	22.8	14.8	2.5	3.0	2.3
Median			13.8	11.7	8.5	7.7	1.3	1.2	18.0	14.9	2.5	3.2	1.9
Diff-% to median			17%	17%	62%	53%	153%	136%	15%	18%	-8%	-12%	143%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	175	52.0	47.2	46.0	53.7	199	56.6	52.7	50.8	59.6	220	243	267	294
Northern Europe	43.8	11.9	11.5	11.1	12.1	46.6	12.5	12.1	11.4	12.7	48.7	50.7	52.2	53.7
Continental Europe	52.7	14.5	12.7	12.6	15.8	55.6	15.1	13.7	13.1	16.7	58.5	61.5	64.5	67.8
North America	62.0	21.8	16.6	16.6	20.8	75.8	24.0	19.9	19.1	23.8	86.8	99.8	115	132
APAC & MEA	16.7	3.8	6.4	5.7	5.1	21.0	5.1	7.0	7.1	6.4	25.6	30.7	35.3	40.6
EBITDA	42.4	13.8	9.4	10.2	12.4	45.8	14.3	11.3	11.5	15.0	52.2	60.0	68.2	76.0
Depreciation	-7.0	-1.9	-1.8	-1.8	-2.0	-7.5	-1.9	-1.9	-2.0	-2.0	-7.8	-8.2	-10.0	-10.5
EBIT (excl. NRI)	37.1	11.9	8.2	8.5	10.5	39.1	12.5	9.6	9.5	13.0	44.7	51.8	58.2	65.5
EBIT	35.5	11.9	7.6	8.4	10.4	38.3	12.4	9.4	9.5	13.0	44.4	51.8	58.2	65.5
Net financial items	-3.6	-1.4	-2.2	-0.5	-1.1	-5.1	-0.9	-0.9	-0.8	-0.8	-3.4	-3.0	-2.0	-2.1
PTP	31.8	10.5	5.4	8.0	9.3	33.2	11.5	8.5	8.7	12.2	41.0	48.8	56.2	63.4
Taxes	-7.6	-2.1	-1.1	-1.9	-1.7	-6.8	-2.5	-1.9	-1.9	-2.7	-9.0	-10.7	-12.4	-14.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	24.2	8.4	4.4	6.1	7.6	26.4	9.0	6.6	6.8	9.5	31.9	38.1	43.8	49.5
EPS (adj.)	1.38	0.45	0.27	0.33	0.41	1.46	0.48	0.36	0.36	0.51	1.72	2.03	2.33	2.63
EPS (rep.)	1.30	0.45	0.23	0.33	0.41	1.42	0.48	0.35	0.36	0.51	1.70	2.03	2.33	2.63

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	16.4 %	22.6 %	9.3 %	18.9 %	5.5 %	13.5 %	8.9 %	11.6 %	10.3 %	10.9 %	10.4 %	10.5 %	10.0 %	10.2 %
Adjusted EBIT growth-%	9.9 %	17.8 %	-12.7 %	-3.8 %	20.3 %	5.5 %	5.1 %	16.7 %	11.9 %	24.4 %	14.2 %	16.0 %	12.4 %	12.6 %
EBITDA-%	24.2 %	26.5 %	19.9 %	22.2 %	23.0 %	23.0 %	25.3 %	21.4 %	22.7 %	25.2 %	23.7 %	24.7 %	25.6 %	25.8 %
Adjusted EBIT-%	21.2 %	22.9 %	17.4 %	18.5 %	19.5 %	19.7 %	22.1 %	18.2 %	18.8 %	21.9 %	20.3 %	21.3 %	21.8 %	22.3 %
Net earnings-%	13.8 %	16.1 %	9.2 %	13.2 %	14.2 %	13.3 %	15.9 %	12.6 %	13.4 %	16.0 %	14.5 %	15.7 %	16.4 %	16.8 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	146	149	156	163	168
Goodwill	91.1	89.3	89.3	89.3	89.3
Intangible assets	16.9	19.2	24.2	29.2	32.7
Tangible assets	36.3	38.8	41.0	42.8	44.2
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	1.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.8	1.4	1.4	1.4	1.4
Current assets	119	123	128	115	126
Inventories	49.2	52.1	54.9	58.2	64.0
Other current assets	0.6	0.8	0.8	0.8	0.8
Receivables	22.3	24.6	28.6	31.5	34.7
Cash and equivalents	46.4	45.2	43.9	24.3	26.7
Balance sheet total	265	271	284	277	294

Source: Inderes

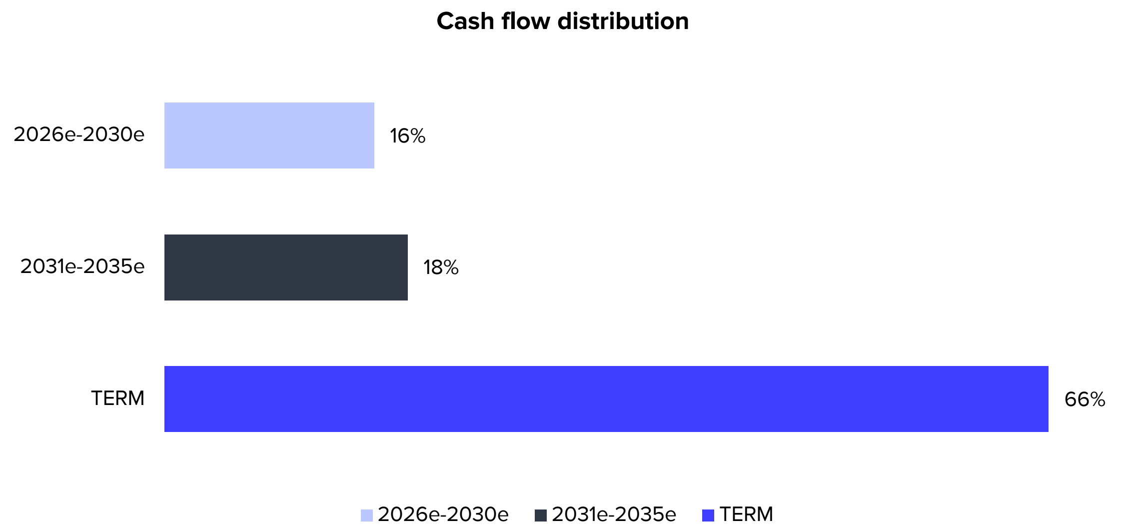
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	124	130	148	171	196
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	86.8	99.1	117	139	164
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	35.9	30.2	30.2	30.2	30.2
Minorities	1.2	1.1	1.1	1.1	1.1
Non-current liabilities	111	107	87.9	54.5	44.6
Deferred tax liabilities	2.7	2.2	2.2	2.2	2.2
Provisions	2.8	2.4	2.4	2.4	2.4
Interest bearing debt	103	102	82.4	49.0	39.1
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.0	0.9	0.9	0.9	0.9
Current liabilities	29.3	33.5	48.0	52.3	53.4
Interest bearing debt	1.0	1.3	11.5	12.2	9.8
Payables	26.4	28.6	32.9	36.4	40.0
Other current liabilities	1.9	3.6	3.6	3.6	3.6
Balance sheet total	264	271	284	277	294

DCF-calculation

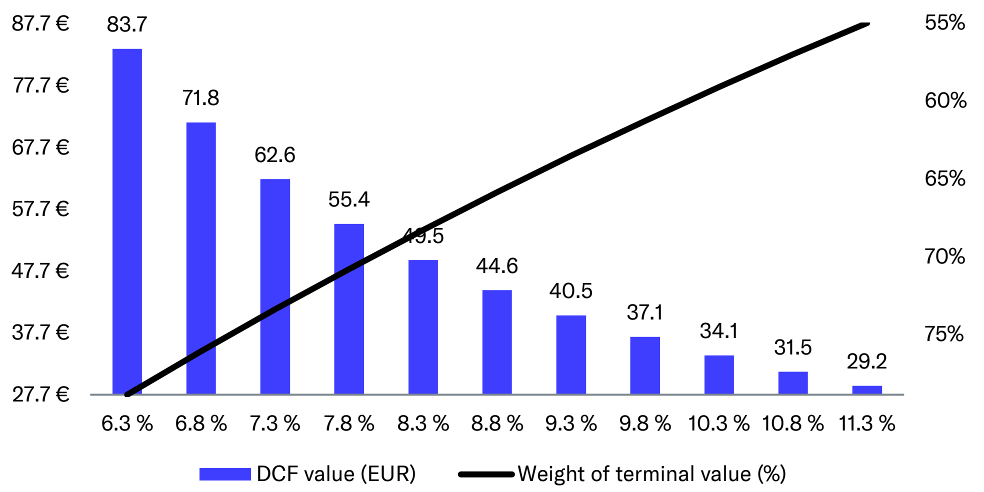
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	13.5 %	10.4 %	10.5 %	10.0 %	10.2 %	9.5 %	9.5 %	9.5 %	9.5 %	9.5 %	3.0 %	3.0 %
EBIT-%	19.3 %	20.2 %	21.3 %	21.8 %	22.3 %	22.5 %	22.5 %	22.5 %	22.5 %	22.5 %	22.5 %	22.5 %
EBIT (operating profit)	38.3	44.4	51.8	58.2	65.5	72.5	79.3	86.9	95.1	104	107	
+ Depreciation	7.5	7.8	8.2	10.0	10.5	12.4	12.8	13.2	13.8	14.4	15.2	
- Paid taxes	-7.9	-9.0	-10.7	-12.4	-14.0	-15.6	-17.3	-19.1	-20.9	-22.9	-23.6	
- Tax, financial expenses	-1.1	-0.8	-0.7	-0.4	-0.5	-0.3	-0.2	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-1.4	-2.4	-2.9	-5.3	-6.0	-6.1	-6.7	-7.4	-8.1	-8.8	-3.1	
Operating cash flow	35.4	40.0	45.7	50.1	55.6	62.8	67.9	73.6	79.9	86.9	95.9	
+ Change in other long-term liabilities	-2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-9.4	-15.0	-15.0	-15.0	-13.8	-14.7	-15.6	-16.6	-17.7	-18.8	-19.3	
Free operating cash flow	23.6	25.0	30.7	35.1	41.8	48.2	52.3	57.0	62.2	68.1	76.6	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	23.6	25.0	30.7	35.1	41.8	48.2	52.3	57.0	62.2	68.1	76.6	1351
Discounted FCFF		23.2	26.2	27.5	30.1	31.9	31.8	31.8	31.9	32.1	33.2	585
Sum of FCFF present value		884	861	835	808	778	746	714	682	650	618	585
Enterprise value DCF		884										
- Interest bearing debt		-103										
+ Cash and cash equivalents		45										
-Minorities		-5										
-Dividend/capital return		0										
Equity value DCF		822										
Equity value DCF per share		43.7										

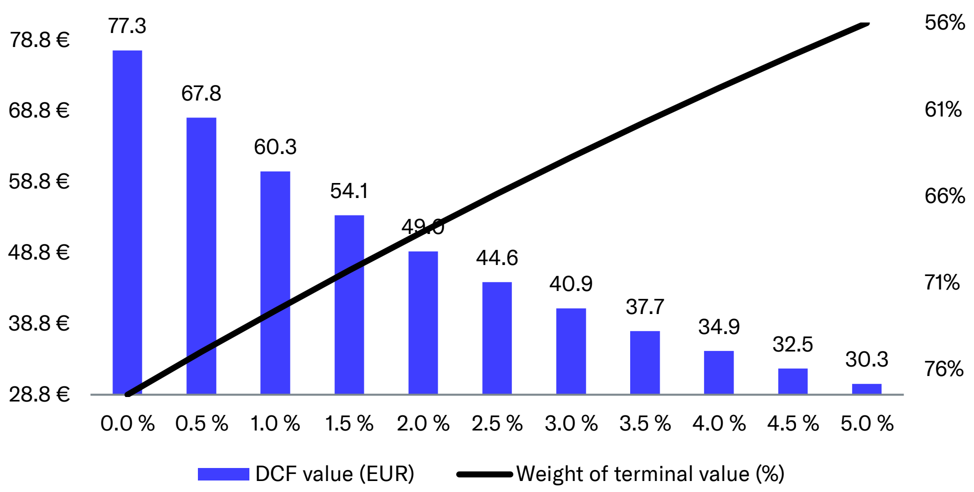
WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	5.0 %
Equity Beta	1.5
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	9.4 %
Weighted average cost of capital (WACC)	8.8 %

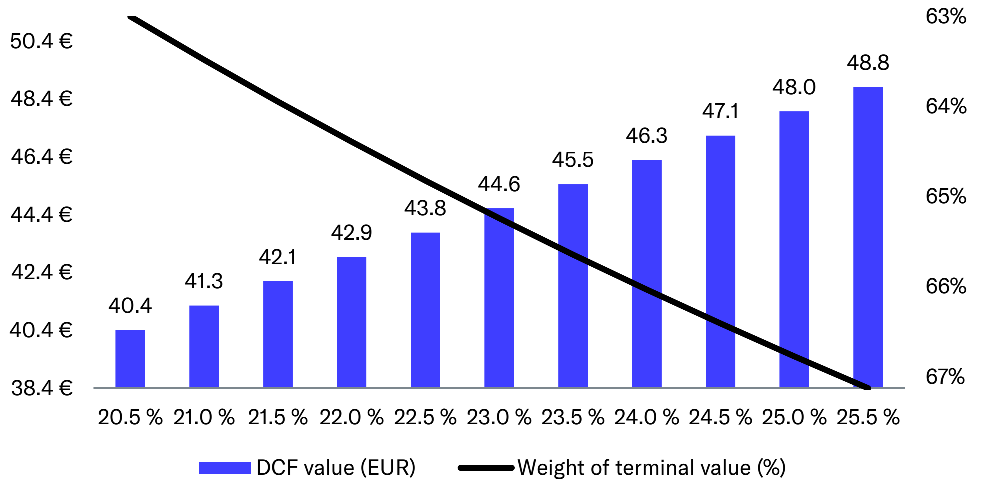
Source: Inderes

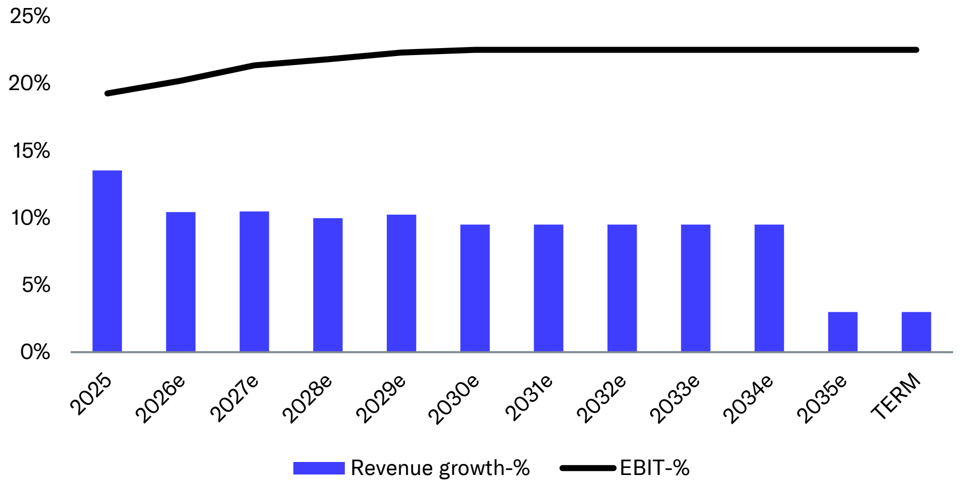


DCF sensitivity calculations and key assumptions in graphs









Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	150.5	175.2	198.9	219.6	242.6
EBITDA	39.3	42.4	45.8	52.2	60.0
EBIT	33.0	35.5	38.3	44.4	51.8
PTP	29.5	31.8	33.2	41.0	48.8
Net Income	23.3	24.2	26.4	31.9	38.1
Extraordinary items	-0.7	-1.6	-0.8	-0.3	0.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	214.3	264.6	271.3	284.0	277.5
Equity capital	108.7	124.0	130.5	148.1	170.7
Goodwill	73.4	91.1	89.3	89.3	89.3
Net debt	37.6	57.3	57.7	49.9	37.0

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	39.3	42.4	45.8	52.2	60.0
Change in working capital	6.9	-8.9	-1.4	-2.4	-2.9
Operating cash flow	39.1	26.7	35.4	40.0	45.7
CAPEX	-3.2	-38.4	-9.4	-15.0	-15.0
Free cash flow	32.5	-8.1	23.6	25.0	30.7

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	3.4	5.3	4.3	3.3	2.9
EV/EBITDA	13.2	21.8	18.9	13.8	11.8
EV/EBIT (adj.)	15.4	25.0	22.1	16.2	13.7
P/E (adj.)	19.8	33.4	29.4	20.7	17.5
P/B	4.4	7.0	6.2	4.5	3.9
Dividend-%	2.7 %	1.6 %	1.8 %	2.3 %	2.8 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	1.25	1.30	1.42	1.70	2.03
EPS (adj.)	1.28	1.38	1.46	1.72	2.03
OCF / share	2.09	1.43	1.90	2.13	2.43
OFCF / share	1.74	-0.44	1.26	1.33	1.63
Book value / share	5.76	6.58	6.93	7.82	9.02
Dividend / share	0.68	0.75	0.77	0.82	1.00

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-13%	16%	14%	10%	10%
EBITDA growth-%	-7%	8%	8%	14%	15%
EBIT (adj.) growth-%	-8%	10%	6%	14%	16%
EPS (adj.) growth-%	-17%	8%	5%	18%	18%
EBITDA-%	26.1 %	24.2 %	23.0 %	23.7 %	24.7 %
EBIT (adj.)-%	22.4 %	21.2 %	19.7 %	20.3 %	21.3 %
EBIT-%	21.9 %	20.2 %	19.3 %	20.2 %	21.3 %
ROE-%	22.7 %	21.0 %	20.9 %	23.1 %	24.1 %
ROI-%	18.1 %	17.1 %	16.6 %	18.7 %	21.9 %
Equity ratio	50.7 %	46.9 %	48.1 %	52.1 %	61.5 %
Gearing	34.6 %	46.2 %	44.2 %	33.7 %	21.6 %

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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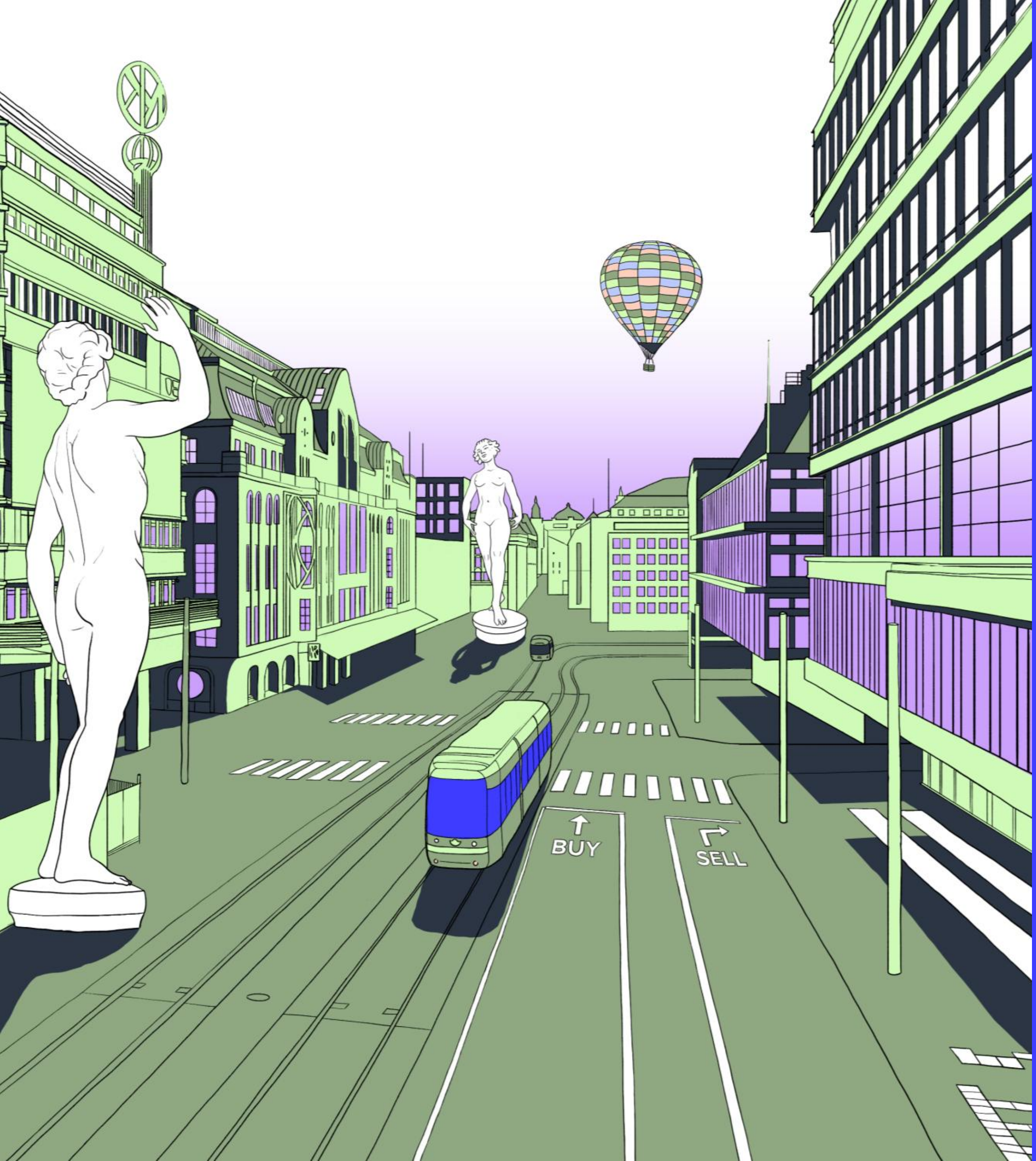
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/12/2022	Accumulate	22.00 €	19.93 €
9/9/2022	Buy	20.00 €	15.23 €
11/4/2022	Buy	20.00 €	15.46 €
12/19/2022	Accumulate	21.00 €	18.33 €
2/10/2023	Reduce	22.00 €	22.10 €
5/5/2023	Reduce	24.00 €	25.06 €
5/29/2023	Accumulate	24.00 €	22.14 €
8/11/2023	Accumulate	24.00 €	22.00 €
9/13/2023	Accumulate	25.50 €	24.00 €
11/3/2023	Accumulate	25.00 €	23.50 €
12/11/2023	Reduce	25.00 €	25.48 €
2/9/2024	Sell	28.00 €	32.60 €
5/6/2024	Sell	30.00 €	38.60 €
8/6/2024	Sell	32.00 €	36.50 €
8/9/2024	Sell	35.00 €	40.40 €
9/24/2024	Sell	37.00 €	42.45 €
11/8/2024	Sell	40.00 €	46.10 €
2/14/2025	Reduce	46.00 €	47.10 €
4/24/2025	Reduce	40.00 €	38.70 €
5/8/2025	Reduce	43.00 €	47.10 €
8/8/2025	Reduce	41.00 €	43.05 €
10/8/2025	Accumulate	40.00 €	35.15 €
11/7/2025	Reduce	43.00 €	42.95 €
2/13/2026	Buy	44.00 €	35.50 €



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Inderes democratizes financial information by connecting investors and listed companies. For investors, we are an investing community and a trusted source of financial information and equity research. For listed companies, we are a partner in delivering high-quality investor relations. Over 500 listed companies in Europe use our investor relations products and equity research services to provide better investor communications to their shareholders.

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Inderes Ab
Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

inderes.se

Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi