

HARVIA

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INDERES CORPORATE CUSTOMER COMPANY REPORT



Broad-based growth

Harvia's Q3 earnings were clearly better than our expectations, as revenue grew broadly faster than estimates. However, the estimates changes for the coming years remained moderate, and with the price rally, we again consider the valuation high (e.g., 2026 P/E 25x). We raise the target price to EUR 43 (was EUR 40) with increased medium-term forecasts, but we lower the recommendation to Reduce (was Accumulate).

Strong growth pushed Q3 earnings above expectations

Harvia's revenue growth (19%) in Q3 was broad-based, with all four segments growing by over 10% and exceeding our estimate. In our view, strong revenue growth also means continued market share gains, even though there is no precise information available. North America returned to a robust 24% growth after a weaker Q2. We estimate that organic growth in local currencies was over 20%, while in Q2 it was close to zero. The growth trend of the sauna market and Harvia in the US, thus, appears to be firmly on track, as we expected. The APAC&MEA area grew by 36% and there was broad-based growth within the area. Harvia also grew over 10% in Europe, and European demand appears to have turned to a growth trend, although we do not expect as strong growth figures in the future.

The only negative point in the report was the weakening of the material margin from an exceptionally high over 69% in the comparison period to under 63%. Harvia explained this with currency changes and tariffs, both of which affect heaters shipped from Finland to the USA. Harvia compensates for these effects with price increases at the end of the year and early next year. Fixed costs continued to grow as the company continues its investments to support growth. With strong revenue growth, the company's adjusted EBIT was 8.8 MEUR, practically at the comparison period's level (8.9 MEUR), clearly exceeding both our (7.3 MEUR) and consensus estimates (8.1 MEUR).

Estimates raised, especially regarding growth

With Harvia's strong growth figures and good Q3 earnings, our earnings estimates for this year naturally rose by 4%, even though there were no significant revisions to our Q4 estimates. We believe strong growth will continue in the coming years, and we raised our revenue estimates throughout our forecast period. The earnings estimates for the next few years changed by only 0-2%.

We believe Harvia will continue to gain market share and achieve its targets

Harvia's targets include annual sales growth of 10% (incl. acquisitions) and an EBIT margin of over 20%. We believe it will reach these targets in the coming years through organic growth alone. As in recent years, growth in our estimates is driven by non-European regions, with growth in the US, in particular, supported by increased expansion in steam and infrared products. We believe this will allow Harvia to gain further market share in the US. Growth of the APAC&MEA region also increasingly supports the Group's overall growth as the region's share of revenue increases (now around 12%). We also expect Harvia to maintain profitability at the target level of 20-23%. However, growth investments are reflected in the margin, which is not scaled up significantly in our forecasts despite the growth.

Valuation jumped high again

Following the post-earnings price rally, Harvia's valuation level for next year remains clearly above our accepted multiples (EV/EBIT 19x, P/E 25x). We consider the company's return on capital and cash flow generation capabilities excellent, and multiples will moderate 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. We also see Harvia as a potential acquisition target, but with the current valuation, we find it quite expensive for the buyer.

Recommendation

Reduce
(was Accumulate)

Target price:

EUR 43.00
(was EUR 40.00)

Share price:

EUR 42.95

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	175	198	219	243
growth-%	16%	13%	11%	11%
EBIT adj.	37.1	40.2	44.6	52.3
EBIT-% adj.	21.2 %	20.3 %	20.3 %	21.6 %
Net Income	24.2	27.1	32.2	38.9
EPS (adj.)	1.38	1.49	1.74	2.08
P/E (adj.)	33.4	28.9	24.7	20.6
P/B	7.0	5.9	5.3	4.6
Dividend yield-%	1.6 %	2.0 %	2.3 %	2.8 %
EV/EBIT (adj.)	25.0	21.4	19.0	15.9
EV/EBITDA	21.8	18.4	16.2	13.7
EV/S	5.3	4.3	3.9	3.4

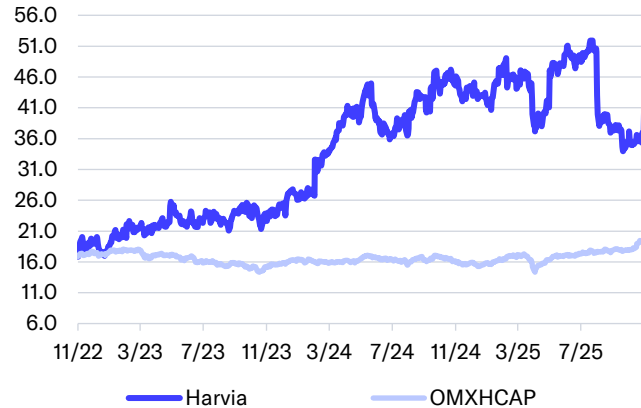
Source: Inderes

Guidance

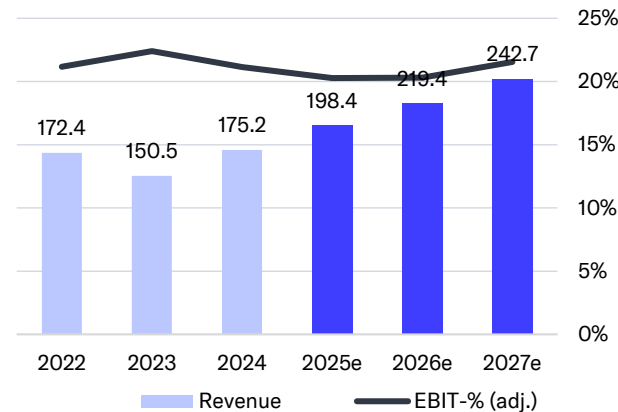
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Harvia does not publish a short-term outlook.

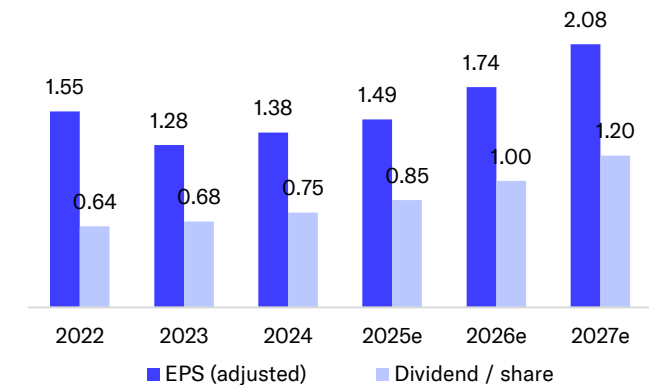
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



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	2025e	2026e	2027e
Share price	43.0	43.0	43.0
Number of shares, millions	18.7	18.7	18.7
Market cap	802	802	802
EV	862	848	830
P/E (adj.)	28.9	24.7	20.6
P/E	29.6	24.9	20.6
P/B	5.9	5.3	4.6
P/S	4.0	3.7	3.3
EV/Sales	4.3	3.9	3.4
EV/EBITDA	18.4	16.2	13.7
EV/EBIT (adj.)	21.4	19.0	15.9
Payout ratio (%)	58.6 %	58.0 %	57.6 %
Dividend yield-%	2.0 %	2.3 %	2.8 %

Source: Inderes

Q3 figures well above our estimates

Revenue grew strongly and exceeded our expectations in every segment

Harvia's Q3 revenue growth was broad-based, with all four segments growing by more than 10% and exceeding our estimates. In our view, strong revenue growth also means continued market share gains, even though there is no precise information available.

North America returned to a strong 24% growth after a weaker Q2, which was supported for one month by last year's ThermaSol acquisition, but on the other hand, was weakened by 6 pp due to the weakening USD. We estimate that organic growth in local currencies was over 20%, while in Q2 it was close to zero. The growth trend of the sauna market and Harvia in the US, thus, appears to be firmly on track, as we expected.

In Europe, both segments saw growth of over 10%, which has not happened since the COVID years. Continental Europe has been on a growth trend for some time, which

strengthened in Q3. The strong quarter in Northern Europe is partly explained by the summer season's sales being more heavily weighted towards Q3, and the CEO stated in our interview that such growth figures should not be expected in the future. For the nine-month period, Northern Europe has also clearly turned to growth (4%), and we believe the growth trend will continue during the rest of the year and in the coming years.

The APAC&MEA region grew by 36% and there was broad-based growth within the region. APAC&MEA has already grown into a significant region for Harvia, and individual project deliveries do not materially affect its volatility. For the entire year to date, growth was also 36%, and the revenue growth prospects look good.

More pressure on material margin than we expected, growth pushed EBIT above estimates

The only negative point in the report was the weakening of the material margin from the exceptionally high over 69%

in the comparison period to below 63%. Harvia explained this with currency changes and tariffs, both of which affect heaters shipped from Finland to the USA. Harvia has implemented price increases to compensate for these effects, but we believe the effects were not yet fully visible in Q3. Thus, in Q4, there may still be some pressure on margins from the same issues, but over time, we believe Harvia's strong pricing power will enable these to be compensated.

Fixed costs continued to grow as the company continues its investments to support growth. However, costs increased slightly less than we expected. According to the CEO, costs had been somewhat reined in after the weaker Q2 earnings, which was reflected in the figures.

With strong revenue growth, the company's adjusted EBIT was 8.8 MEUR, practically at the comparison period's level, clearly exceeding both our and consensus estimates.

Estimates	Q3'24	Q3'25	Q3'25e	Q3'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. Inderes	Inderes
Revenue	38.7	46.0	42.9	42.8	42.1 - 42.9	7%	198
EBIT (adj.)	8.9	8.8	7.3	8.1	7.3 - 8.8	20%	40.2
EBIT	8.3	8.7	7.3	8.1	7.3 - 8.8	19%	39.5
EPS (reported)	0.29	0.33	0.26	0.28	0.24 - 0.34	25%	1.45
Revenue growth-%	14.0 %	18.9 %	10.9 %	10.6 %	8.8 % - 10.9 %	8 pp	13.3 %
EBIT-% (adj.)	22.9 %	19.1 %	17.1 %	18.9 %	17.3 % - 20.5 %	2 pp	20.3 %

Source: Inderes & Modular Finance, 6 analysts (consensus)

Growth forecasts upwards

Growth ties capital, but the balance sheet remained good

Harvia's operational cash flow was zero in Q3, and surprisingly, as much as 5 MEUR was used for investments during the quarter. However, Q3 is seasonally weak for cash flow, as inventories are built up for the peak winter season and, naturally, a rapidly growing business otherwise ties up working capital. Despite this, the company's net debt was at the previous year's level, and net debt/EBITDA remained stable at a low 1.4x.

A strong comparison figure slows growth in Q4

Although Harvia does not provide guidance, it has noted that Q4'24 growth figures in the US were exceptionally high due to strong campaigning. This, on the other hand, led to a clear drop in the margin. This year, the company is more cautious in its campaigns. In the comparison period, the company's organic growth in the North America

segment was around 40%, compared to an average of around 25% earlier last year. Thus, the "extra" campaign sales could be considered to have accounted for a growth of around 15%. This year, North America's organic growth has been in the range of around 15%. The weakening of the USD still has a somewhat negative impact on Q4 figures. Overall, we estimate North America to reach around the comparison period figures, as so-called trend growth compensates for the exceptional campaign sales of the comparison period.

We expect the margin to be relatively normal, with a material margin of 63.5% and an adjusted EBIT margin of just under 22%. The full-year 2025 adjusted EBIT margin thus settles in our estimates almost exactly at the company's targeted 20% level.

Revenue forecasts up, less for earnings

With Harvia's strong growth figures and good Q3 earnings,

our estimates for this year naturally increased, although there were no significant revisions to our Q4 estimates. We believe strong growth will continue in the coming years and we raised our revenue estimates throughout our forecast period. Our estimates are based on the continued strong growth of the sauna market outside Europe and a slight recovery in the European markets in the coming years. In addition, we believe Harvia will continue to take market share, supported in part by a growing product portfolio in steam products.

We believe Harvia will continue to invest heavily in revenue growth, as long as the adjusted EBIT margin remains above the targeted level of 20%, and therefore, earnings estimates for the coming years only increased slightly. However, we believe that growth investments create value when revenue growth eventually translates into earnings. As a result of higher growth estimates, our DCF value rose to EUR 43.5 (was EUR 41.5).

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	Act.	%	Old	New	%	Old	New	%
Revenue	195	198	2%	212	219	3%	233	243	4%
EBITDA	45.5	46.8	3%	52.7	52.3	-1%	59.8	60.7	1%
EBIT (excl. NRIs)	38.8	40.2	4%	44.8	44.6	0%	51.2	52.3	2%
EBIT	38.2	39.5	3%	44.5	44.3	0%	51.2	52.3	2%
EPS (excl. NRIs)	1.40	1.47	5%	1.75	1.74	0%	2.04	2.08	2%
DPS	0.85	0.85	0%	1.00	1.00	0%	1.20	1.20	0%

Source: Inderes

Harvia Plc, Webcast, Q3'25



Valuation jumped high again

Valuation summary

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 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 over 10% for years to come. However, the company's high valuation limits the expected return, especially in the short term, and the expected return falls below our required return.

Growth creates value and weighs on multiples over time

From a valuation perspective, we think our projected P/E of almost 30x and EV/EBIT of over 20x for 2025 are high. On the other hand, thanks to its strong return on capital and growth profile, Harvia is clearly capable of value-creating growth. P/E for 2027 is good 20x and EV/EBIT is down to 16x. The multiples are well above the average of the peer group, although we do not consider the peer group to be directly comparable with Harvia. In our opinion, the premium valuation is 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.

The expected return looks reasonable through earnings growth and cash flow

Outlined in terms of earnings growth and dividend (i.e., assuming the current valuation is maintained), we arrive at

an expected return of 10-15%. 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 3% based on this year's figures, burdened by high investments. In 2025-30, we estimate that the net profit will grow on average by more than 10%, so also from this perspective, the expected return is around 15%. In our opinion, however, the valuation should decrease from current levels, which limits the expected return compared to these calculations.

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 23% in terms of the EBIT margin. Our required return is 8.8% and our DCF value is about EUR 43.5, which is close to our target price.

We expect the level of investment to remain moderate, as Harvia has made significant investments in 2021 that will allow the company to grow. However, growth investments are currently being made, especially in the US, which will increase investments in 2025-26. The company's capital requirement is generally low, and the return on capital is high, which enables strong cash flow and growth. Our medium-term assumption for the company's capex/revenue ratio is around 3%, which also allows for growth, with maintenance capex closer to 2% in our view.

Valuation	2025e	2026e	2027e
Share price	43.0	43.0	43.0
Number of shares, millions	18.7	18.7	18.7
Market cap	802	802	802
EV	862	848	830
P/E (adj.)	28.9	24.7	20.6
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EV/EBITDA	18.4	16.2	13.7
EV/EBIT (adj.)	21.4	19.0	15.9
Payout ratio (%)	58.6 %	58.0 %	57.6 %
Dividend yield-%	2.0 %	2.3 %	2.8 %

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 objectives (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%

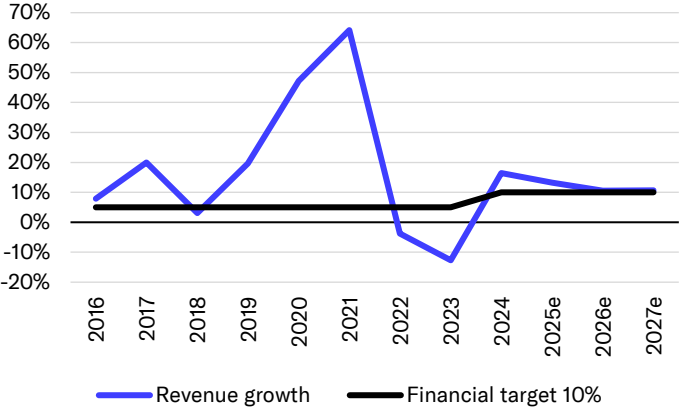
- Harvia's profitability has historically been on both sides of the target, and in recent years above the target. We believe that Harvia will continue to be able to achieve the targeted margin level
- Growth supports profitability through operational leverage, but on the other hand, the investments required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

Net debt/adjusted EBITDA <2.5x

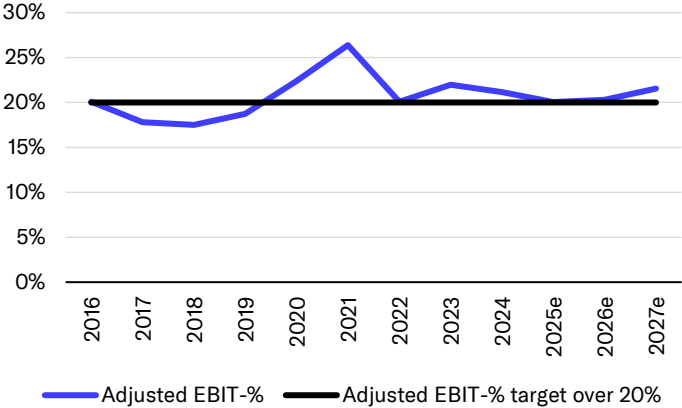
- Harvia's cash flow is strong and its investment needs are low, which means that the company can easily repay its debt under normal circumstances, and the ratio will increase mainly due to potential acquisitions
- At the end of Q2'25, the level was 1.3x, and we believe Harvia will continue to meet its 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.

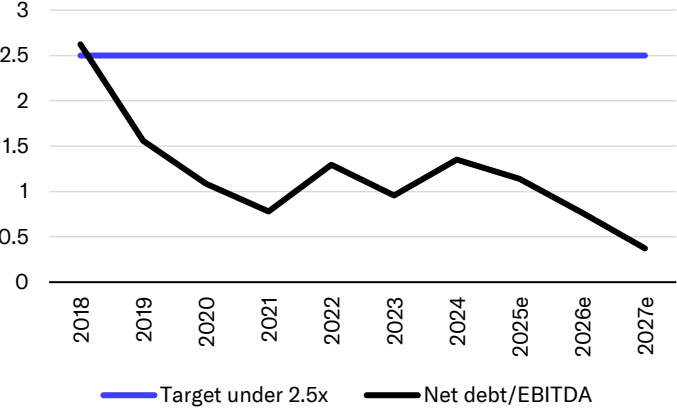
Revenue growth target



EBIT-% target



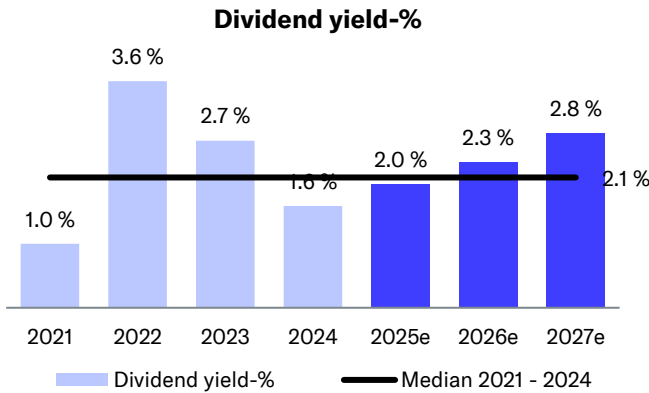
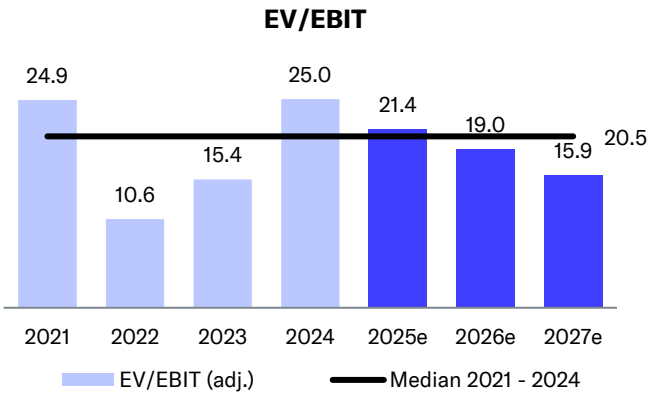
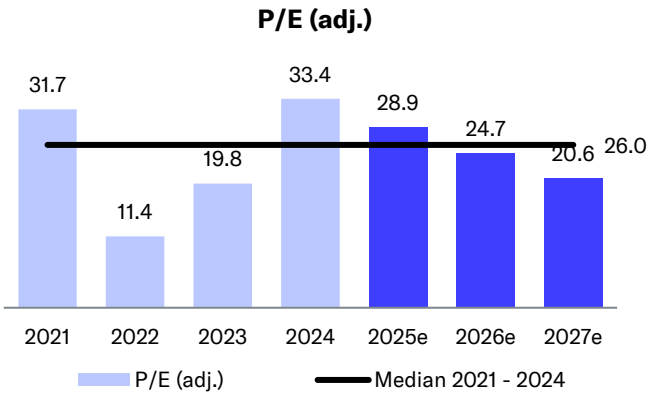
Net debt/adj. EBITDA target



Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	24.5	58.7	17.7	25.5	46.1	43.0	43.0	43.0	43.0
Number of shares, millions	18.6	18.6	18.7	18.7	18.7	18.7	18.7	18.7	18.7
Market cap	457	1091	330	476	860	802	802	802	802
EV	503	1181	388	518	926	862	848	830	812
P/E (adj.)	26.0	31.7	11.4	19.8	33.4	28.9	24.7	20.6	17.5
P/E	29.5	32.4	12.2	20.4	35.6	29.6	24.9	20.6	17.5
P/B	6.9	13.5	3.4	4.4	7.0	5.9	5.3	4.6	4.1
P/S	4.2	6.1	1.9	3.2	4.9	4.0	3.7	3.3	3.0
EV/Sales	4.6	6.6	2.3	3.4	5.3	4.3	3.9	3.4	3.0
EV/EBITDA	18.8	22.5	9.2	13.2	21.8	18.4	16.2	13.7	11.7
EV/EBIT (adj.)	20.5	24.9	10.6	15.4	25.0	21.4	19.0	15.9	13.4
Payout ratio (%)	61%	33%	44%	55%	58%	59%	58%	58%	60%
Dividend yield-%	2.1 %	1.0 %	3.6 %	2.7 %	1.6 %	2.0 %	2.3 %	2.8 %	3.4 %

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		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
Thule Group AB	2388	2713	17.8	15.4	14.5	13.5	2.9	2.7	22.7	19.1	3.4	4.0	3.4
Nobia AB	237	682	32.2	14.5	7.7	5.8	0.8	0.7		12.0		2.6	0.6
Dometic Group AB	1289	2358	12.5	10.1	8.1	7.2	1.2	1.2	14.6	9.6	3.3	4.0	0.6
Nokian Tyres plc	1161	2148	33.8	18.0	9.9	8.0	1.5	1.4	30.9	16.2	3.5	3.8	0.9
Rapala VMC Oyj	48	138	14.6	12.9	6.6	6.6	0.6	0.6				0.8	0.4
Husqvarna AB	2336	3055	10.4	9.3	5.4	5.1	0.7	0.7	12.8	11.1	3.6	4.9	1.0
Inwido AB	733	853	11.2	9.8	7.7	7.0	1.1	1.0	14.1	12.4	4.4	4.8	1.4
Nibe Industrier AB	6763	8604	22.1	18.5	15.0	13.0	2.3	2.2	29.1	21.6	1.2	1.6	2.3
Technogym SpA	3167	3091	21.0	18.4	15.0	13.5	3.1	2.9	29.1	25.9	2.3	2.6	9.1
Rockwool A/S	6182	5902	9.5	9.1	6.6	6.3	1.5	1.5	13.1	12.4	2.7	2.8	1.9
Kingspan Group PLC	11855	14288	15.7	14.0	11.8	10.7	1.5	1.4	17.2	15.2	0.9	1.0	2.5
Electrolux AB	1550	4409	14.8	10.2	5.4	4.6	0.4	0.4	17.0	6.7	1.3	6.0	1.6
De' Longhi SpA	4666	4458	9.5	8.9	7.4	7.0	1.2	1.1	13.6	12.8	3.4	3.2	2.3
Tulikivi	27	34	17.1	17.1	8.6	6.9	1.1	1.0	45.0	15.0	2.2	4.4	1.4
Harvia (Inderes)	802	862	21.4	19.0	18.4	16.2	4.3	3.9	28.9	24.7	2.0	2.3	5.9
Average			17.3	13.3	9.3	8.2	1.4	1.3	21.6	14.6	2.7	3.3	2.1
Median			15.2	13.5	7.9	7.0	1.2	1.2	17.1	12.8	3.0	3.5	1.5
Diff-% to median			41%	41%	133%	132%	262%	233%	69%	93%	-34%	-34%	293%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	151	42.4	43.2	38.7	50.9	175	52.0	47.2	46.0	53.2	198	219	243	267
Northern Europe	0.0	11.7	11.6	9.6	10.9	43.8	11.9	11.5	11.1	11.3	45.8	47.2	49.1	50.6
Continental Europe	0.0	13.6	12.7	11.5	14.9	52.7	14.5	12.7	12.6	15.6	55.4	58.3	61.2	64.3
North America	43.5	13.7	14.7	13.5	20.1	62.0	21.8	16.6	16.6	20.0	75.0	86.2	99.2	114
APAC & MEA	11.0	3.4	4.2	4.1	5.0	16.7	3.8	6.4	5.7	6.3	22.2	27.7	33.2	38.2
EBITDA	39.3	11.5	10.5	10.1	10.4	42.4	13.8	9.4	10.2	13.4	46.8	52.3	60.7	69.1
Depreciation	-6.3	-1.6	-1.6	-1.8	-2.0	-7.0	-1.9	-1.8	-1.8	-1.8	-7.3	-8.0	-8.4	-8.3
EBIT (excl. NRI)	33.7	10.1	9.4	8.9	8.7	37.1	11.9	8.2	8.5	11.6	40.2	44.6	52.3	60.8
EBIT	33.0	9.9	8.9	8.3	8.4	35.5	11.9	7.6	8.4	11.6	39.5	44.3	52.3	60.8
Net financial items	-3.5	-0.1	-1.0	-1.5	-1.0	-3.6	-1.4	-2.2	-0.8	-1.0	-5.4	-3.0	-2.5	-2.0
PTP	29.5	9.8	7.9	6.8	7.4	31.8	10.5	5.4	7.6	10.6	34.1	41.3	49.8	58.8
Taxes	-6.3	-2.3	-2.0	-1.3	-2.0	-7.6	-2.1	-1.1	-1.9	-2.3	-7.4	-9.1	-11.0	-12.9
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	23.3	7.5	5.8	5.5	5.4	24.2	8.4	4.4	5.7	8.3	26.8	32.2	38.9	45.9
EPS (adj.)	1.28	0.41	0.34	0.32	0.31	1.38	0.45	0.27	0.31	0.44	1.47	1.74	2.08	2.46
EPS (rep.)	1.25	0.40	0.31	0.29	0.29	1.30	0.45	0.23	0.31	0.44	1.45	1.73	2.08	2.46

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-12.7 %	2.5 %	20.6 %	14.0 %	29.2 %	16.4 %	22.6 %	9.3 %	18.9 %	4.6 %	13.3 %	10.6 %	10.6 %	10.1 %
Adjusted EBIT growth-%	-7.6 %	8.4 %	18.0 %	29.5 %	-9.4 %	9.9 %	17.8 %	-12.7 %	-3.8 %	33.4 %	8.6 %	10.8 %	17.4 %	16.2 %
EBITDA-%	26.1 %	27.1 %	24.2 %	26.0 %	20.4 %	24.2 %	26.5 %	19.9 %	22.2 %	25.2 %	23.6 %	23.8 %	25.0 %	25.9 %
Adjusted EBIT-%	22.4 %	23.8 %	21.8 %	22.9 %	17.1 %	21.2 %	22.9 %	17.4 %	18.5 %	21.8 %	20.3 %	20.3 %	21.6 %	22.8 %
Net earnings-%	15.5 %	17.7 %	13.5 %	14.1 %	10.6 %	13.8 %	16.2 %	9.2 %	12.4 %	15.5 %	13.5 %	14.7 %	16.0 %	17.2 %

Source: Inderes

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

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	115	146	150	152	152
Goodwill	73.4	91.1	91.1	91.1	91.1
Intangible assets	8.7	16.9	17.1	17.3	17.5
Tangible assets	29.4	36.3	40.0	42.0	41.6
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	2.4	1.0	1.0	1.0	1.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	1.0	0.8	0.8	0.8	0.8
Current assets	99.4	119	97.8	104	112
Inventories	35.5	49.2	53.6	54.9	58.2
Other current assets	4.6	0.6	0.6	0.6	0.6
Receivables	18.7	22.3	25.8	28.5	31.6
Cash and equivalents	40.6	46.4	17.9	19.7	21.8
Balance sheet total	214	265	248	256	264

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	109	124	137	153	174
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	75.1	86.8	99.9	116	136
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	32.4	35.9	35.9	35.9	35.9
Minorities	1.1	1.2	1.2	1.2	1.2
Non-current liabilities	80.8	111	76.2	63.6	44.0
Deferred tax liabilities	1.2	2.7	2.7	2.7	2.7
Provisions	2.0	2.8	2.8	2.8	2.8
Interest bearing debt	77.4	103	67.7	55.2	35.6
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.2	3.0	3.0	3.0	3.0
Current liabilities	24.7	29.3	34.6	38.9	46.7
Interest bearing debt	0.8	1.0	3.5	4.7	8.9
Payables	18.0	26.4	29.8	32.9	36.4
Other current liabilities	5.9	1.9	1.4	1.4	1.4
Balance sheet total	214	264	248	256	264

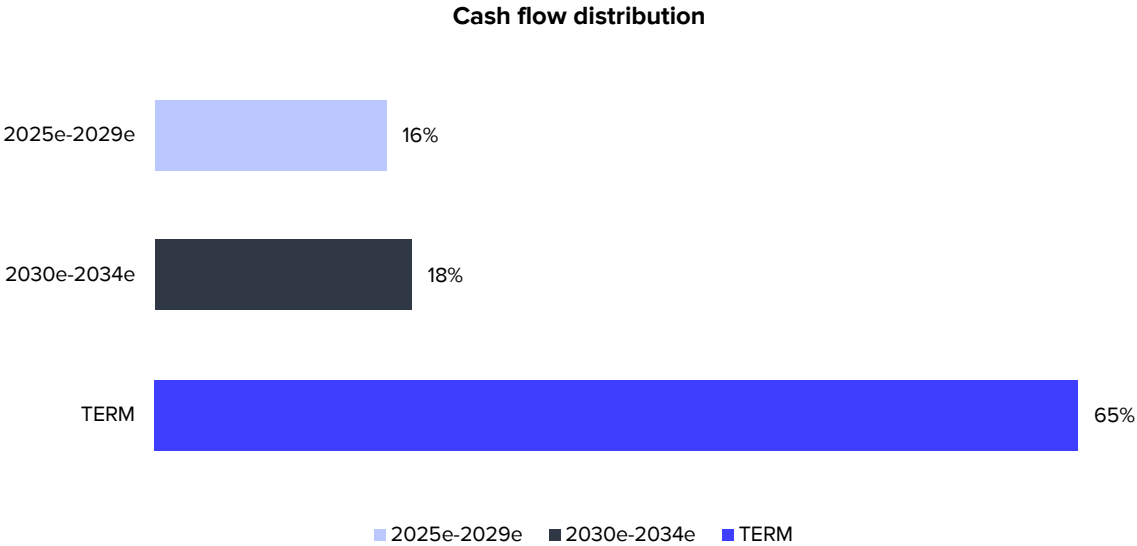
DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	16.4 %	13.3 %	10.6 %	10.6 %	10.1 %	10.0 %	9.5 %	9.0 %	9.0 %	9.0 %	3.0 %	3.0 %
EBIT-%	20.2 %	19.9 %	20.2 %	21.6 %	22.8 %	23.0 %	23.0 %	23.0 %	23.0 %	23.0 %	23.0 %	23.0 %
EBIT (operating profit)	35.5	39.5	44.3	52.3	60.8	67.6	74.0	80.7	87.9	95.8	98.7	
+ Depreciation	7.0	7.3	8.0	8.4	8.3	8.4	8.5	8.7	9.1	9.6	10.2	
- Paid taxes	-5.9	-7.4	-9.1	-11.0	-12.9	-14.6	-16.2	-17.8	-19.4	-21.1	-21.7	
- Tax, financial expenses	-0.9	-1.1	-0.7	-0.6	-0.4	-0.2	-0.1	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	-8.9	-5.0	-0.9	-2.9	-5.4	-5.9	-6.1	-6.4	-6.9	-7.6	-2.7	
Operating cash flow	26.7	33.3	41.7	46.3	50.4	55.3	60.1	65.3	70.7	76.7	84.4	
+ Change in other long-term liabilities	3.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-38.4	-11.2	-10.2	-8.2	-9.0	-9.0	-9.9	-10.7	-11.7	-12.7	-12.7	
Free operating cash flow	-8.1	22.1	31.5	38.1	41.4	46.2	50.2	54.6	59.1	64.0	71.7	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-8.1	22.1	31.5	38.1	41.4	46.2	50.2	54.6	59.1	64.0	71.7	1265
Discounted FCFF		21.8	28.6	31.7	31.7	32.5	32.5	32.4	32.2	32.1	33.0	583
Sum of FCFF present value		891	869	841	809	777	745	712	680	648	616	583
Enterprise value DCF		891										
- Interest bearing debt		-104										
+ Cash and cash equivalents		46										
-Minorities		-7										
-Dividend/capital return		-14										
Equity value DCF		813										
Equity value DCF per share		43.6										

WACC

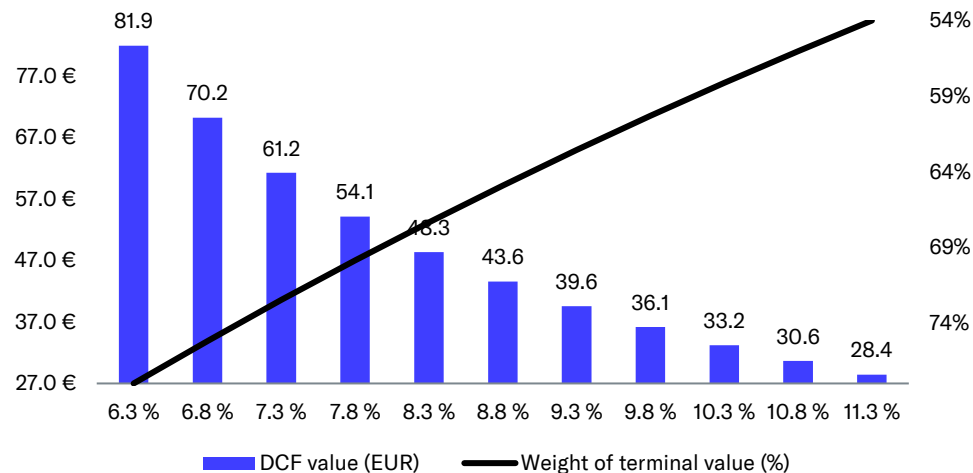
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	5.0 %
Equity Beta	1.5
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	9.4 %
Weighted average cost of capital (WACC)	8.8 %

Source: Inderes

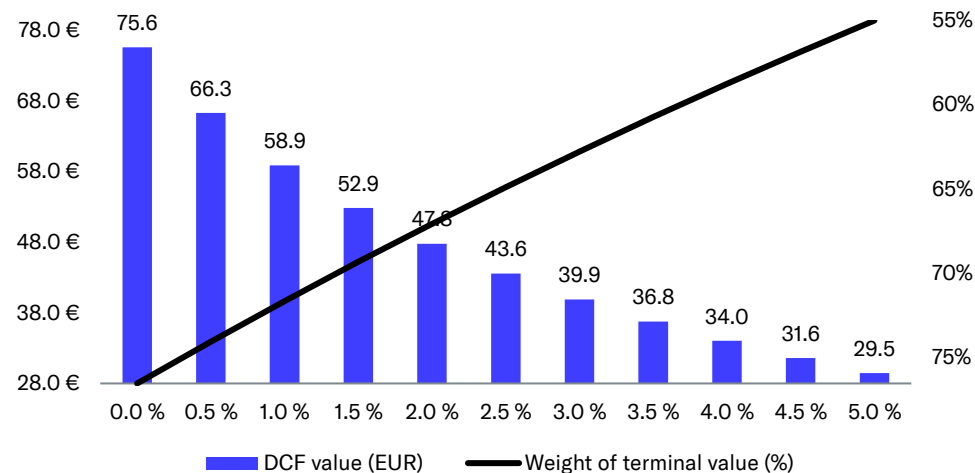


DCF sensitivity calculations and key assumptions in graphs

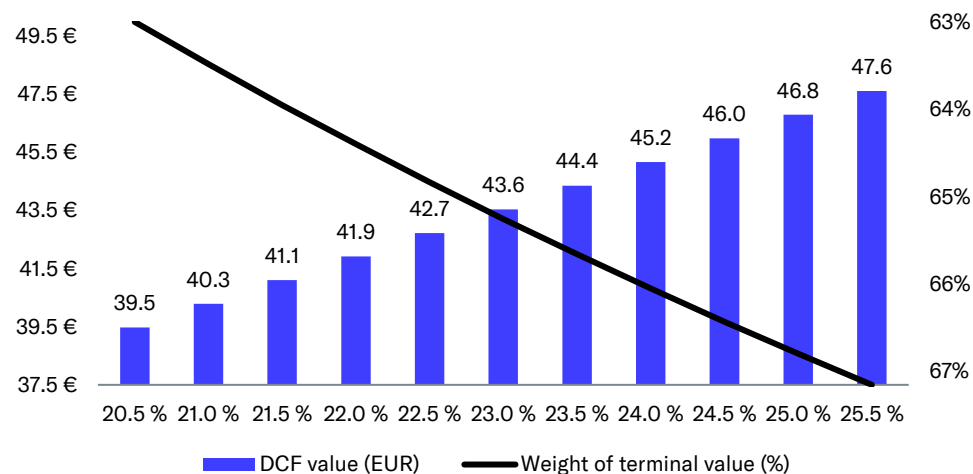
Sensitivity of DCF to changes in the WACC-%



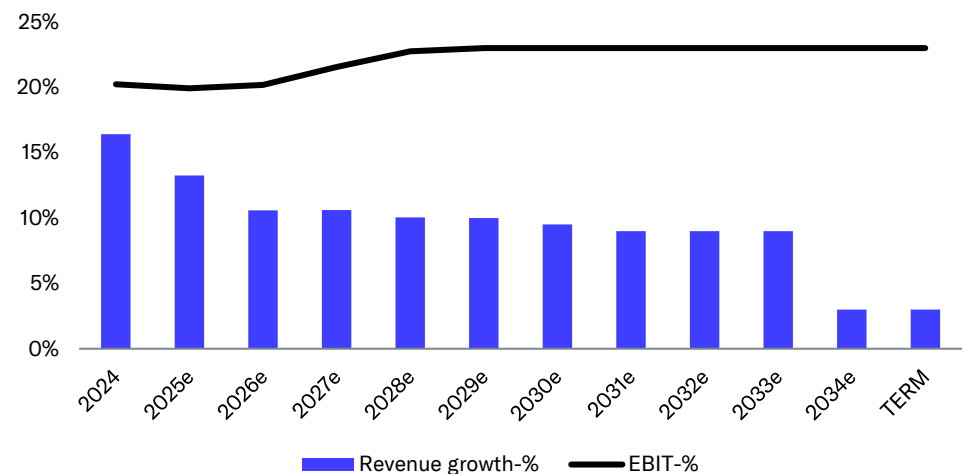
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. NB! The terminal value weight (%) is presented on a reverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	172.4	150.5	175.2	198.4	219.4	EPS (reported)	1.45	1.25	1.30	1.45	1.73
EBITDA	42.2	39.3	42.4	46.8	52.3	EPS (adj.)	1.55	1.28	1.38	1.49	1.74
EBIT	34.7	33.0	35.5	39.5	44.3	OCF / share	1.39	2.09	1.43	1.79	2.23
PTP	36.8	29.5	31.8	34.5	41.3	FCF / share	-0.32	1.74	-0.44	1.19	1.69
Net Income	27.1	23.3	24.2	27.1	32.2	Book value / share	5.21	5.76	6.58	7.28	8.15
Extraordinary items	-1.8	-0.7	-1.6	-0.7	-0.3	Dividend / share	0.64	0.68	0.75	0.85	1.00
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	208.7	214.3	264.6	247.8	255.9	Revenue growth-%	-4%	-13%	16%	13%	11%
Equity capital	98.4	108.7	124.0	137.0	153.4	EBITDA growth-%	-20%	-7%	8%	10%	12%
Goodwill	73.4	73.4	91.1	91.1	91.1	EBIT (adj.) growth-%	-23%	-8%	10%	9%	11%
Net debt	54.6	37.6	57.3	53.4	40.1	EPS (adj.) growth-%	-16%	-17%	8%	8%	17%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	24.5 %	26.1 %	24.2 %	23.6 %	23.8 %
EBITDA	42.2	39.3	42.4	46.8	52.3	EBIT (adj.)-%	21.2 %	22.4 %	21.2 %	20.3 %	20.3 %
Change in working capital	-7.5	6.9	-8.9	-5.0	-0.9	EBIT-%	20.1 %	21.9 %	20.2 %	19.9 %	20.2 %
Operating cash flow	26.0	39.1	26.7	33.3	41.7	ROE-%	30.5 %	22.7 %	21.0 %	20.9 %	22.4 %
CAPEX	-7.4	-3.2	-38.4	-11.2	-10.2	ROI-%	21.8 %	18.1 %	17.1 %	18.2 %	21.0 %
Free cash flow	-6.0	32.5	-8.1	22.1	31.5	Equity ratio	47.1 %	50.7 %	46.9 %	55.3 %	59.9 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	55.5 %	34.6 %	46.2 %	38.9 %	26.1 %
EV/S	2.3	3.4	5.3	4.3	3.9						
EV/EBITDA	9.2	13.2	21.8	18.4	16.2						
EV/EBIT (adj.)	10.6	15.4	25.0	21.4	19.0						
P/E (adj.)	11.4	19.8	33.4	28.9	24.7						
P/B	3.4	4.4	7.0	5.9	5.3						
Dividend-%	3.6 %	2.7 %	1.6 %	2.0 %	2.3 %						

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. 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 €



CONNECTING INVESTORS AND COMPANIES.

Inderes connects investors and listed companies.

We serve over 400 Nordic listed companies that want to better serve investors. The Inderes community is home to over 70,000 active investors.

We provide listed companies with solutions that enable seamless and effective investor relations. The Inderes service is built on four cornerstones for high-quality investor relations: Equity Research, Events, IR Software, and Annual General Meetings (AGM).

Inderes operates in Finland, Sweden, Norway, and Denmark and is listed on the Nasdaq First North Growth Market.

Inderes was created by investors, for investors.

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