HARVIA

8/7/2026 09:40 am EEST

This is a translated version of ”USA-vetoinen kasvu jatkuu” report, published on 8/7/2026

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

US-driven growth continues

Harvia reported stronger-than-expected Q2 figures, driven by strong growth in North America. We believe the company's growth and value creation prospects remain strong. The expected return is supported by our estimated annual earnings growth of around 15%. We reiterate our Accumulate recommendation and raise our target price to EUR 47 (was EUR 44) due to higher estimates.

Q2 was a strong quarter considering the production stoppage

Harvia's revenue grew by 12% (fully organically) to almost 53 MEUR, while our estimate was only 50 MEUR. The company stated that due to the production stoppage in Muurame, approximately 4 MEUR of revenue was deferred, mainly to Q3. Considering this, revenue would have been ~57 MEUR, representing growth of about 20%. The growth came entirely from North America, which grew by an impressive 40%. Other segments were slightly down from the comparison period (a decrease of 0-5%), which was affected by the production stoppage in Muurame (especially in Europe) and delays/cancellations in Middle East deliveries due to the war in Iran (in the APAC & MEA region).

Harvia's adjusted EBIT amounted to 8.6 MEUR, slightly exceeding the weak comparison period (8.2 MEUR). However, the result exceeded our expectations (7.3 MEUR). This was due to stronger-than-expected revenue growth and, in our assessment, lower costs related to the production stoppage. The changes in Muurame are now behind us, and production has returned to normal. The CEO commented that without the impact of the production stoppage, the adjusted EBIT would have been around 20%, in line with the company's targets. Overall, we believe the result was good given the circumstances.

Headwinds from the Middle East, otherwise strong outlook

Harvia does not typically provide guidance, but generally speaking, its demand outlook still appears strong. Q3 will be supported by deliveries postponed from Q2, which Harvia expects to be largely realized in Q3. On the other hand, the company's comments on ongoing project postponements/cancellations in the Middle East are slightly hindering revenue development (~2 MEUR at the full-year level). However, the comparison figures for the APAC & MEA region are weaker in H2 than in Q2, which is why we believe that, despite the headwinds, this region will also grow in H2.

In coming years, we expect progress to be in line with 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 the company's increased expansion in steam and infrared products. We believe this will allow Harvia to gain further market share in the US. We also believe that the growth of the APAC&MEA region will increasingly support the Group's overall growth as the region's share of revenue increases (11% in 2025). We expect Harvia's profitability to remain at the target level of 20-22%. However, we estimate that continuous growth investments will be reflected in the margin, which, despite strong growth, will not scale up significantly in our forecasts.

Earnings growth as the main driver of expected return

We believe Harvia's current year multiples (EV/EBIT 20x, P/E 25x) appear high in absolute terms, but acceptable given 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 in the coming years. We believe that Harvia's capital allocation will continue to be value-creating, and thus channeling cash either to acquisitions or larger dividends would support the investor's expected return. We also see Harvia as a viable acquisition target. The expected return of the share is driven primarily by annual earnings growth of around 15%, with the role of dividends and multiple revisions being less significant.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 47.00
(was EUR 44.00)

Share price:
EUR 44.35

Business risk

Valuation risk

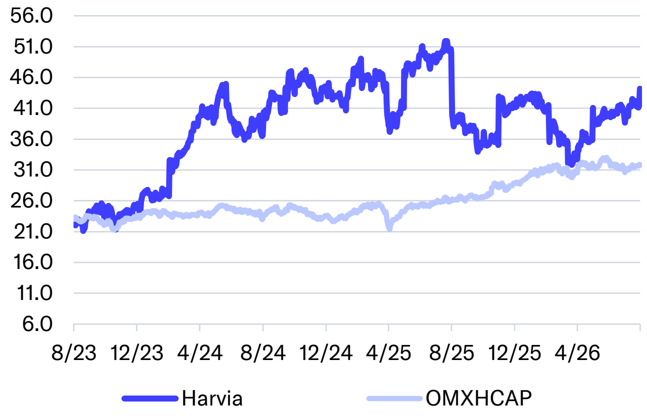
	2025	2026e	2027e	2028e
Revenue	199	227	250	275
growth-%	14%	14%	10%	10%
EBIT adj.	39.1	45.7	53.4	58.1
EBIT-% adj.	19.7 %	20.2 %	21.3 %	21.1 %
Net income	26.4	32.6	39.4	43.8
EPS (adj.)	1.46	1.75	2.09	2.33
P/E (adj.)	29.4	25.4	21.2	19.0
P/B	6.2	5.6	4.9	4.2
Dividend yield-%	1.8 %	1.8 %	2.3 %	3.2 %
EV/EBIT (adj.)	22.1	19.5	16.4	14.8
EV/EBITDA	18.9	16.6	14.2	12.6
EV/S	4.3	3.9	3.5	3.1

Source: Inderes

Guidance (Unchanged)

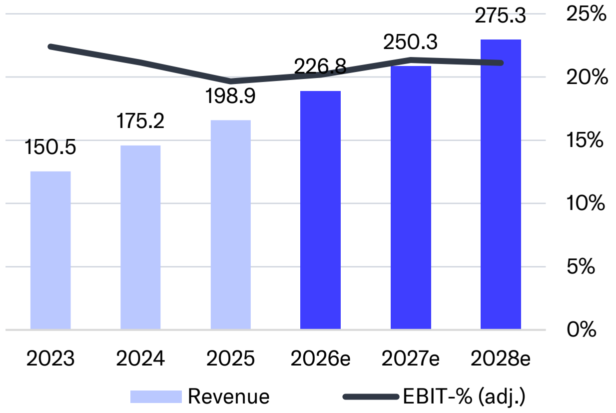
Harvia does not publish a short-term outlook.

Share price



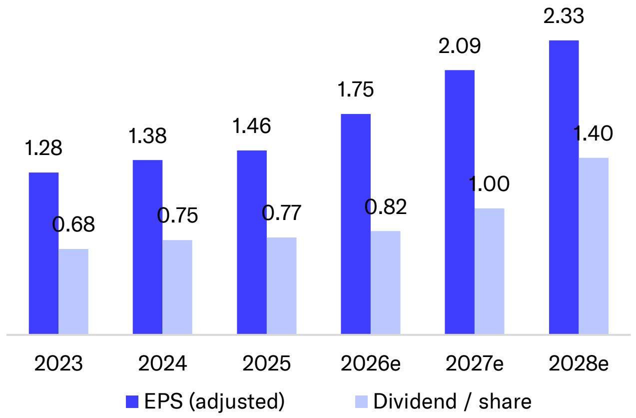
Source: Millistream Market Data AB

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	44.4	44.4	44.4
Number of shares, millions	18.8	18.8	18.8
Market cap	834	834	834
EV	891	876	860
P/E (adj.)	25.4	21.2	19.0
P/E	25.6	21.2	19.0
P/B	5.6	4.9	4.2
P/S	3.7	3.3	3.0
EV/Sales	3.9	3.5	3.1
EV/EBITDA	16.6	14.2	12.6
EV/EBIT (adj.)	19.5	16.4	14.8
Payout ratio (%)	47.3 %	47.8 %	60.1 %
Dividend yield-%	1.8 %	2.3 %	3.2 %

Source: Inderes

Fierce growth in North America; quarter overshadowed by a production outage

Revenue exceeded expectations

Harvia's revenue grew by 12% (fully organically) to almost 53 MEUR, while our estimate was only 50 MEUR. The company stated that due to the production stoppage in Muurame, approximately 4 MEUR of revenue was deferred, mainly to Q3. Considering this, revenue would have been ~57 MEUR, representing growth of about 20%.

The growth came entirely from North America, which grew by an impressive 40%. As usual, growth came from the region's main product, ready-made saunas, and was supported by both new and old distribution channels/customers. The comparison period's revenue in North America was rather subdued, but the almost 25% growth figure for H1 is also impressive and, in our opinion, indicates a strong and continuous demand trend in the US.

Other segments were slightly down from the comparison period (a decrease of 0-5%), which was affected by the production stoppage in Muurame (especially in Europe) and delays/cancellations of deliveries to the Middle East due to the war in Iran (in the APAC & MEA region). Without these factors, we estimate that other segments would also have grown. The production stoppage is temporary in nature, but the situation in the Middle East will continue to weigh on the company in H2. For the full year, the company expects a negative impact of ~2 MEUR, or about 1%, on its revenue, meaning the overall impact is limited.

Among product categories, steam product revenue decreased, similar to Q1. This was depressed by the situation in the Middle East, but also by the weakness of the US steam business. The company is taking corrective actions in this regard and believes the trend for the US will turn around already in H2. However, due to the situation in the Middle East, total steam product revenue may continue to decline in H2. In our view, steam is important for continued growth in the longer term, and the company must be able to reverse the recent weak performance in this area.

Muurame production stoppage weighed on earnings, which beat our estimates

Harvia's adjusted EBIT was 8.6 MEUR, slightly exceeding the weak comparison period. However, the result exceeded our expectations. This was due to stronger-than-expected revenue growth and, in our assessment, lower costs related to the production stoppage. On the other hand, the material margin remained at ~63%, similar to Q1, which was somewhat weaker than our forecast (64.5%). This was influenced, among other things, by strong growth in North America, where the margin for ready-made saunas is slightly weaker than for heaters.

The changes in Muurame are now behind us, and production has returned to normal. The CEO commented that without the impact of the production stoppage, the adjusted EBIT would have been around 20%, in line with the company's targets. Overall, we believe the result was good given the circumstances.

Estimates	Q2'25	Q2'26	Q2'26e	Q2'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	47.2	52.8	50.1	51.5	-		5%	227
EBITDA	9.4	10.4	9.1	-	-		14%	53.5
EBIT (adj.)	8.2	8.6	7.3	8.3	-		17%	45.7
EBIT	7.6	8.4	7.1	8.3	-		18%	45.5
EPS (reported)	0.23	0.30	0.26	0.31	-		16%	1.73
Revenue growth-%	9.3 %	11.9 %	6.2 %	9.1 %	-		5.7 pp	14.0 %
EBIT-% (adj.)	17.4 %	16.2 %	14.6 %	16.1 %			1.6 pp	20.2 %

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

Growth outlook reinforced

Q3 growth will be supported by postponed deliveries

Harvia does not typically provide guidance, but generally speaking, its demand outlook still appears strong. Q3 will be supported by deliveries postponed from Q2, which Harvia expects to be “largely” realized in Q3. On the other hand, the company's comments on continued project postponements/cancellations in the Middle East are slightly hindering revenue development. However, the comparison figures for the APAC & MEA region are weaker in H2 than in Q2, which is why we believe that region will also grow well in H2 despite the headwinds.

Overall, we expect Q3 revenue to grow by 20% and Q4 by 12%. In Q3, growth is broad-based, with delayed deliveries supporting the European markets in particular. In Q4, we believe growth will be more dependent on North America, as is customary.

Revenue estimates up

With strong Q3 revenue and especially the continued rapid growth in the US, we raised our revenue estimates throughout the forecast years and slightly for the medium term as well. This also raised our 2026-27 earnings estimates by 1-4%. However, the forecast changes were not particularly significant.

Growth investments will keep the margin close to 20% in the coming years

Harvia has repeatedly stated that it will invest in future growth for around three more years, which will increase fixed costs. At the same time, the company naturally aims to achieve a margin of over 20% in line with its targets. If the company succeeds in achieving its targeted revenue growth of ~10%, its margin would thus be slightly above 20%, which our forecasts anticipate.

Dry powder in balance sheet for M&A

The company's net cash flow from operations was just under 3 MEUR, compared to 5.5 MEUR in the comparison period. Harvia's working capital typically increases in the beginning of the year, and in Q2, this was particularly affected by the procurement of materials for inventory to meet strong demand in Q3. The investment level remained roughly at the comparison period's level, i.e., just over 5 MEUR for H1. The company will have more capacity available in the US in the fall, which, due to strong growth, we believe is needed before the seasonally stronger winter season.

Harvia's balance sheet remained strong, with net debt/adj. EBITDA at 1.2x. Thus, the company's balance sheet provides ample opportunities to continue acquisitions, which it is seeking, at least in infrared saunas. We believe the company is quite active in this regard, as acquiring an infrared company would give it access to the most significant sauna category in the US. At the same time, it would gain expertise in the third sauna category, in addition to traditional saunas and steam saunas, where Harvia is already present.

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	223	227	2%	246	250	2%	270	275	2%
EBITDA	52.7	53.5	1%	59.5	61.6	4%	68.2	68.1	0%
EBIT	44.7	45.5	2%	51.3	53.4	4%	58.2	58.1	0%
PTP	41.5	41.9	1%	48.4	50.5	4%	56.3	56.2	0%
EPS (excl. NRIs)	1.73	1.74	1%	2.01	2.09	4%	2.33	2.33	0%
DPS	0.82	0.82	0%	1.00	1.00	0%	1.40	1.40	0%

Source: Inderes

Harvia Plc, Webcast, Q2'26

Valuation is justifiably highish

Valuation summary

We expect Harvia to grow significantly starting from this year, long into the 2030s, and the company has proven its quality, for example, 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 15% for years to come.

Growth creates value and weighs on multiples over time

For 2026, our projected P/E is ~25x and EV/EBIT is 20x, which are relatively high in absolute terms. Thanks to its strong return on capital and growth profile, Harvia is clearly capable of value-creating growth, and given the strong growth profile, we believe the multiples are justifiable. P/E for 2027 is of around 20x and EV/EBIT 16x. The multiples are clearly above the average of the peer group, although we do not consider the peer group to be directly comparable with Harvia. Harvia's valuation is currently among the highest in its peer group, alongside companies like Nibe. We believe the premium valuation is well deserved compared to the entire peer group, given Harvia's excellent return on capital and growth outlook.

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 15%

Outlined in terms of earnings growth and dividend (i.e., assuming the current valuation is maintained), we arrive at an expected return of close to 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 the company has a strong track record (more on this in our extensive report). According to our estimate, free cash flow yield is approximately 2.5% 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 almost 20%. We believe the current valuation has a slight downside rather than upside, so we estimate the total expected return to be approximately 15%.

The DCF model value increased to EUR 47

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 at 10% until 2033. In this report, we slightly raised our medium-term growth assumption (9.5% -> 10%). 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. Our required return is 8.8% and our DCF value is roughly EUR 47 (was EUR 45), which is in line with our target price. 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	44.4	44.4	44.4
Number of shares, millions	18.8	18.8	18.8
Market cap	834	834	834
EV	891	876	860
P/E (adj.)	25.4	21.2	19.0
P/E	25.6	21.2	19.0
P/B	5.6	4.9	4.2
P/S	3.7	3.3	3.0
EV/Sales	3.9	3.5	3.1
EV/EBITDA	16.6	14.2	12.6
EV/EBIT (adj.)	19.5	16.4	14.8
Payout ratio (%)	47.3 %	47.8 %	60.1 %
Dividend yield-%	1.8 %	2.3 %	3.2 %

Source: Inderes

Investment profile

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

- **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%

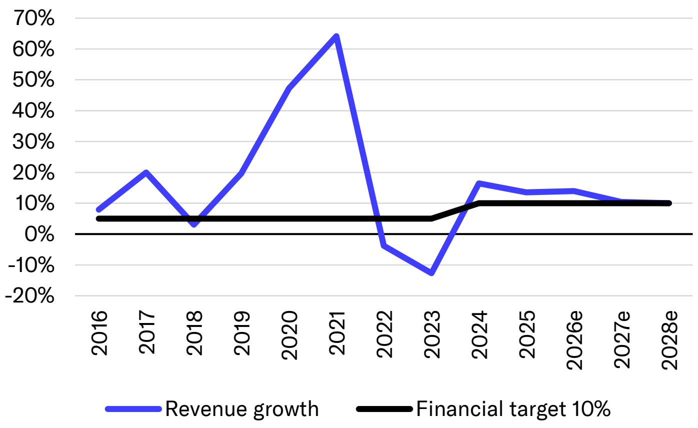
- Harvia's profitability has historically been on both sides of the target, and in recent years above the target. We believe that Harvia will continue to be able to achieve the targeted margin level
- Growth supports profitability through operational leverage, but on the other hand, the investments required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

Net debt/adjusted EBITDA <2.5x

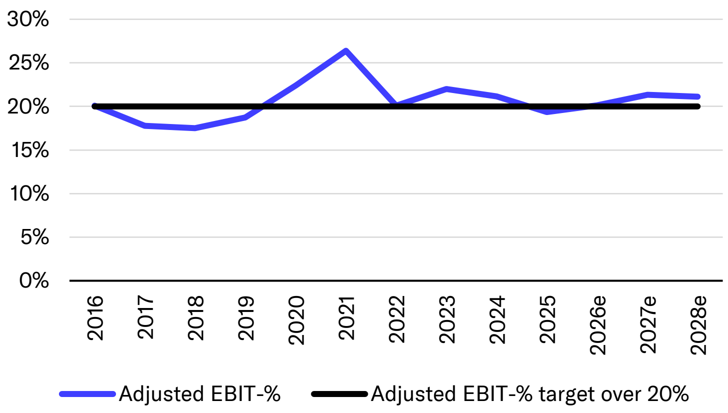
- Harvia's cash flow is strong and its investment needs are low, which means that the company can easily repay its debt under normal circumstances, and the ratio will increase mainly due to potential acquisitions
- At the end of Q2'26, the level was 1.2x, and we believe Harvia will continue to meet its 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.

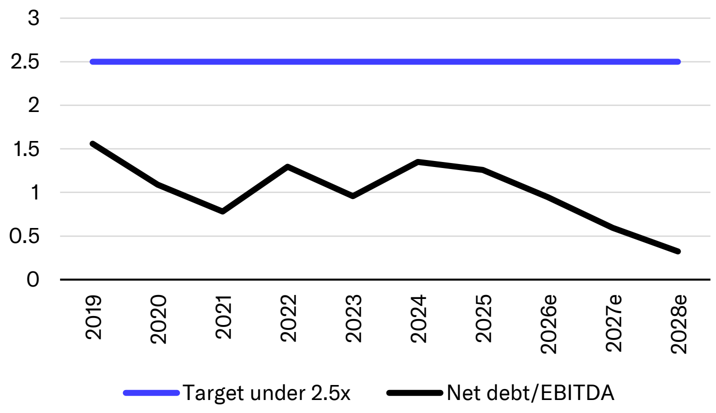
Revenue growth target



EBIT-% target



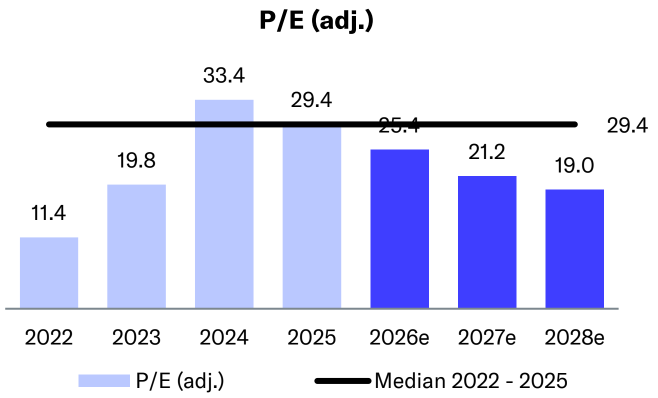
Net debt/adj. EBITDA target

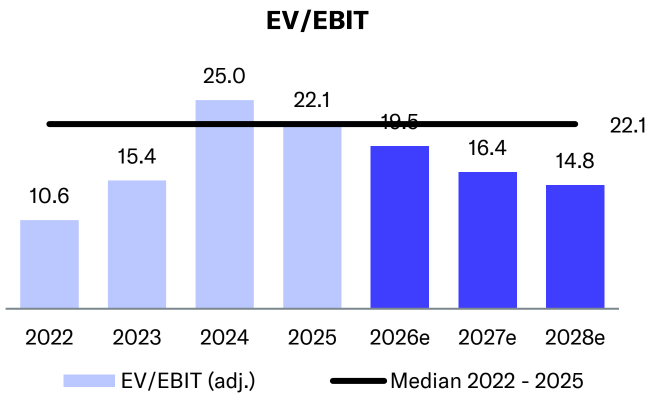


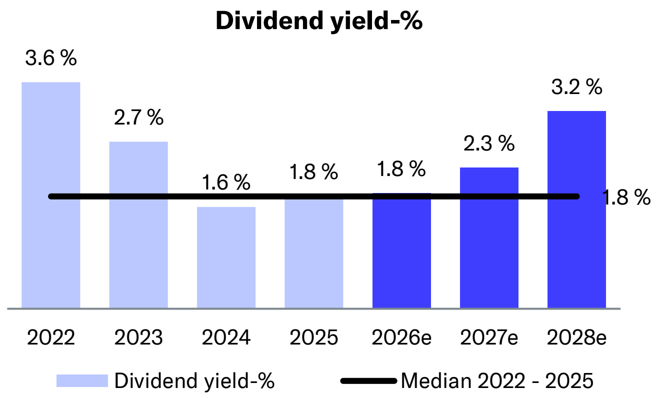
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	58.7	17.7	25.5	46.1	42.9	**44.4**	**44.4**	**44.4**	**44.4**
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	**834**	**834**	**834**	**834**
EV	1181	388	518	926	865	**891**	**876**	**860**	**848**
P/E (adj.)	31.7	11.4	19.8	33.4	29.4	**25.4**	**21.2**	**19.0**	**17.2**
P/E	32.4	12.2	20.4	35.6	30.3	**25.6**	**21.2**	**19.0**	**17.2**
P/B	13.5	3.4	4.4	7.0	6.2	**5.6**	**4.9**	**4.2**	**3.8**
P/S	6.1	1.9	3.2	4.9	4.0	**3.7**	**3.3**	**3.0**	**2.7**
EV/Sales	6.6	2.3	3.4	5.3	4.3	**3.9**	**3.5**	**3.1**	**2.8**
EV/EBITDA	22.5	9.2	13.2	21.8	18.9	**16.6**	**14.2**	**12.6**	**11.3**
EV/EBIT (adj.)	24.9	10.6	15.4	25.0	22.1	**19.5**	**16.4**	**14.8**	**13.1**
Payout ratio (%)	33%	44%	55%	58%	54%	**47%**	**48%**	**60%**	**60%**
Dividend yield-%	1.0 %	3.6 %	2.7 %	1.6 %	1.8 %	**1.8 %**	**2.3 %**	**3.2 %**	**3.5 %**

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	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**
Thule Group AB	2149	2521	15.5	13.8	12.9	11.6	2.6	2.5	19.1	16.7	4.1	4.7	3.1
Nobia AB	223	516	15.5	10.9	7.6	5.8	1.0	1.0	87.2	8.4	2.9	2.9	1.1
Dometic Group AB	722	1726	9.9	8.1	6.6	5.8	0.9	0.9	7.8	5.8	3.9	4.9	0.4
Nokian Tyres plc	2088	2903	23.8	17.1	10.8	9.0	2.0	1.8	24.9	17.1	2.0	2.6	1.7
Rapala VMC Oyj	50	149	12.2	11.9	6.3	6.2	0.6	0.6	25.7	16.1		0.8	0.4
Husqvarna AB	2130	2982	10.9	8.9	5.7	5.0	0.7	0.7	14.5	10.9	3.3	4.3	0.9
Inwido AB	944	1216	13.5	11.4	9.4	8.2	1.3	1.2	16.7	13.7	3.4	3.7	1.8
Nibe Industrier AB	7392	8971	20.3	17.8	13.7	12.4	2.3	2.1	25.0	21.5	1.2	1.4	2.5
Technogym SpA	2800	2714	16.2	14.3	12.0	10.8	2.5	2.3	22.6	20.0	3.0	3.3	7.4
Rockwool A/S	6305	6473	12.6	11.6	8.0	7.5	1.7	1.6	16.2	15.1	1.9	2.1	2.1
Kingspan Group PLC	15106	17458	17.3	15.6	13.1	11.8	1.8	1.6	20.3	17.8	0.7	0.8	3.1
Electrolux AB	2313	4494	15.1	9.7	6.0	4.6	0.4	0.4	24.8	9.0	0.6	3.1	1.3
De' Longhi SpA	6294	5845	10.7	10.1	8.6	8.2	1.5	1.4	16.9	15.9	2.5	2.7	2.7
Tulikivi	32	39	39.3	19.6	9.8	7.9	1.2	1.2	53.4	17.8		3.8	1.8
Harvia (Inderes)	**834**	**891**	**19.5**	**16.4**	**16.6**	**14.2**	**3.9**	**3.5**	**25.4**	**21.2**	**1.8**	**2.3**	**5.6**
Average			**16.6**	**12.9**	**9.3**	**8.2**	**1.5**	**1.4**	**26.8**	**14.7**	**2.5**	**2.9**	**2.2**
Median			**15.3**	**11.8**	**9.0**	**8.0**	**1.4**	**1.3**	**21.4**	**16.0**	**2.7**	**3.0**	**1.8**
Diff-% to median			**28%**	**39%**	**85%**	**77%**	**187%**	**171%**	**18%**	**33%**	**-32%**	**-25%**	**212%**

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**175**	**52.0**	**47.2**	**46.0**	**53.7**	**199**	**58.6**	**52.8**	**55.1**	**60.2**	**227**	**250**	**275**	**304**
Northern Europe	43.8	11.9	11.5	11.1	12.1	46.6	13.9	11.3	13.3	12.7	51.2	53.3	54.9	56.5
Continental Europe	52.7	14.5	12.7	12.6	15.8	55.6	15.3	12.4	14.5	16.5	58.8	61.7	64.8	68.0
North America	62.0	21.8	16.6	16.6	20.8	75.8	24.4	23.0	20.8	24.8	93.0	107	123	141
APAC & MEA	16.7	3.8	6.4	5.7	5.1	21.0	4.9	6.1	6.6	6.1	23.7	28.4	32.7	37.6
EBITDA	**42.4**	**13.8**	**9.4**	**10.2**	**12.4**	**45.8**	**14.8**	**10.4**	**13.8**	**14.4**	**53.5**	**61.6**	**68.1**	**75.0**
Depreciation	-7.0	-1.9	-1.8	-1.8	-2.0	-7.5	-2.0	-2.0	-2.0	-2.0	-8.0	-8.2	-10.0	-10.5
EBIT (excl. NRI)	**37.1**	**11.9**	**8.2**	**8.5**	**10.5**	**39.1**	**12.9**	**8.6**	**11.8**	**12.4**	**45.7**	**53.4**	**58.1**	**64.5**
EBIT	**35.5**	**11.9**	**7.6**	**8.4**	**10.4**	**38.3**	**12.8**	**8.4**	**11.8**	**12.4**	**45.5**	**53.4**	**58.1**	**64.5**
Net financial items	-3.6	-1.4	-2.2	-0.5	-1.1	-5.1	-0.7	-1.3	-0.8	-0.8	-3.6	-3.0	-2.0	-2.2
PTP	**31.8**	**10.5**	**5.4**	**8.0**	**9.3**	**33.2**	**12.1**	**7.1**	**11.0**	**11.6**	**41.9**	**50.5**	**56.2**	**62.3**
Taxes	-7.6	-2.1	-1.1	-1.9	-1.7	-6.8	-2.8	-1.5	-2.4	-2.6	-9.3	-11.1	-12.4	-13.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Net earnings	**24.2**	**8.4**	**4.4**	**6.1**	**7.6**	**26.4**	**9.3**	**5.6**	**8.6**	**9.1**	**32.6**	**39.4**	**43.8**	**48.6**
EPS (adj.)	**1.38**	**0.45**	**0.27**	**0.33**	**0.41**	**1.46**	**0.50**	**0.31**	**0.46**	**0.48**	**1.74**	**2.09**	**2.33**	**2.58**
EPS (rep.)	**1.30**	**0.45**	**0.23**	**0.33**	**0.41**	**1.42**	**0.49**	**0.30**	**0.46**	**0.48**	**1.73**	**2.09**	**2.33**	**2.58**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	16.4 %	22.6 %	9.3 %	18.9 %	5.5 %	13.5 %	12.8 %	11.9 %	19.8 %	12.1 %	14.0 %	10.4 %	10.0 %	10.3 %
Adjusted EBIT growth-%	9.9 %	17.8 %	-12.7 %	-3.8 %	20.3 %	5.5 %	8.4 %	4.3 %	39.0 %	18.7 %	17.0 %	16.8 %	8.8 %	10.9 %
EBITDA-%	24.2 %	26.5 %	19.9 %	22.2 %	23.0 %	23.0 %	25.2 %	19.7 %	25.1 %	24.0 %	23.6 %	24.6 %	24.7 %	24.7 %
Adjusted EBIT-%	21.2 %	22.9 %	17.4 %	18.5 %	19.5 %	19.7 %	22.0 %	16.2 %	21.5 %	20.6 %	20.2 %	21.3 %	21.1 %	21.3 %
Net earnings-%	13.8 %	16.1 %	9.2 %	13.2 %	14.2 %	13.3 %	15.8 %	10.6 %	15.6 %	15.1 %	14.4 %	15.7 %	15.9 %	16.0 %

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**	**162**	**167**
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	40.8	42.6	44.1
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**	**132**	**118**	**130**
Inventories	49.2	52.1	56.7	60.1	66.1
Other current assets	0.6	0.8	0.8	0.8	0.8
Receivables	22.3	24.6	29.5	32.5	35.8
Cash and equivalents	46.4	45.2	45.4	25.0	27.5
Balance sheet total	**265**	**271**	**288**	**281**	**298**

Source: Inderes

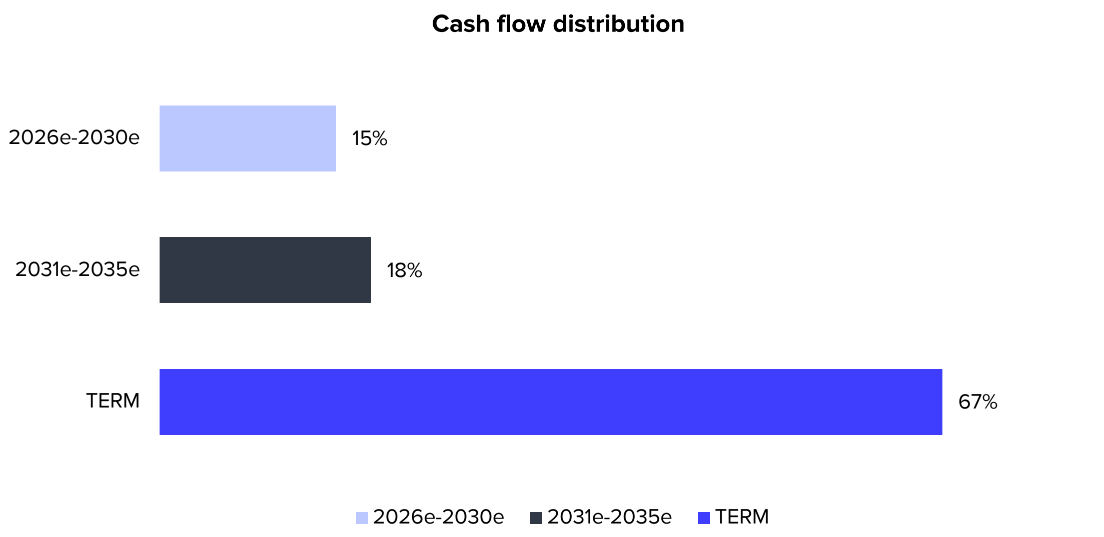
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**124**	**130**	**149**	**173**	**198**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	86.8	99.1	117	141	166
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	35.9	30.2	30.2	30.2	30.2
Minorities	1.2	1.1	1.1	1.1	1.1
Non-current liabilities	**111**	**107**	**89.7**	**54.8**	**45.2**
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	84.2	49.3	39.7
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**	**49.5**	**53.5**	**54.8**
Interest bearing debt	1.0	1.3	11.9	12.3	9.9
Payables	26.4	28.6	34.0	37.5	41.3
Other current liabilities	1.9	3.6	3.6	3.6	3.6
Balance sheet total	**264**	**271**	**288**	**281**	**298**

DCF calculation

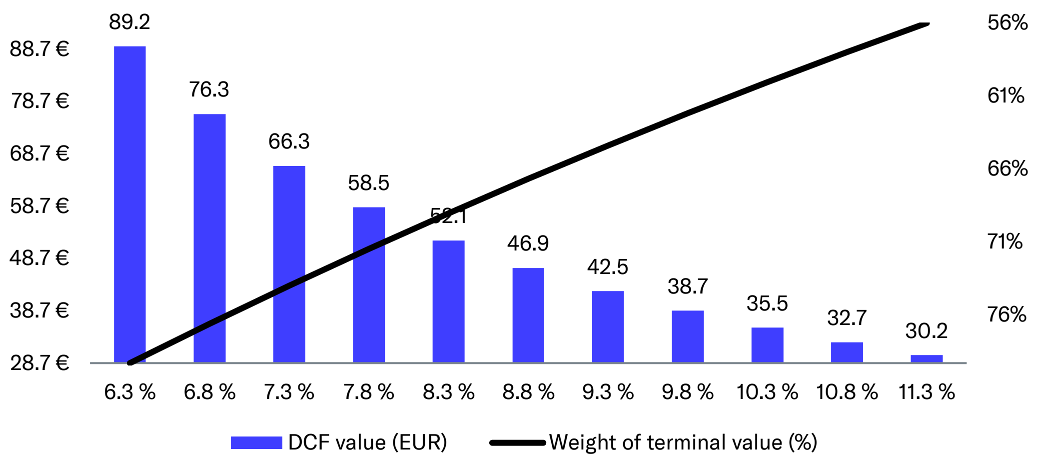
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	13.5 %	14.0 %	10.4 %	10.0 %	10.3 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	3.0 %	3.0 %
EBIT-%	19.3 %	20.1 %	21.3 %	21.1 %	21.3 %	22.5 %	22.5 %	22.5 %	22.5 %	22.5 %	22.5 %	22.5 %
EBIT (operating profit)	**38.3**	**45.5**	**53.4**	**58.1**	**64.5**	**75.1**	**82.6**	**90.9**	**100.0**	**110**	**113**	
+ Depreciation	7.5	8.0	8.2	10.0	10.5	12.5	12.9	13.4	14.0	14.8	15.9	
- Paid taxes	-7.9	-9.3	-11.1	-12.4	-13.7	-16.2	-18.0	-20.0	-22.0	-24.2	-24.9	
- Tax, financial expenses	-1.1	-0.8	-0.7	-0.4	-0.5	-0.4	-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	-4.1	-2.9	-5.5	-6.2	-6.7	-7.3	-8.1	-8.9	-9.8	-3.2	
Operating cash flow	**35.4**	**39.4**	**46.9**	**49.8**	**54.6**	**64.4**	**70.0**	**76.2**	**83.1**	**90.8**	**101**	
+ 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	-14.1	-15.0	-16.0	-17.1	-18.3	-21.9	-20.4	
Free operating cash flow	**23.6**	**24.4**	**31.9**	**34.8**	**40.4**	**49.4**	**53.9**	**59.1**	**64.8**	**68.9**	**80.6**	
+/- 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	24.4	31.9	34.8	40.4	49.4	53.9	59.1	64.8	68.9	80.6	1422
Discounted FCFF		**23.5**	**28.3**	**28.4**	**30.3**	**34.0**	**34.1**	**34.4**	**34.6**	**33.8**	**36.4**	**642**
Sum of FCFF present value		960	936	908	879	849	815	781	746	712	678	642
Enterprise value DCF		**960**										
- Interest bearing debt		-103										
+ Cash and cash equivalents		45										
+ Associated companies		0										
-Minorities		-6										
-Dividend/capital return		-14										
Equity value DCF		**881**										
Equity value DCF per share		**46.9**										

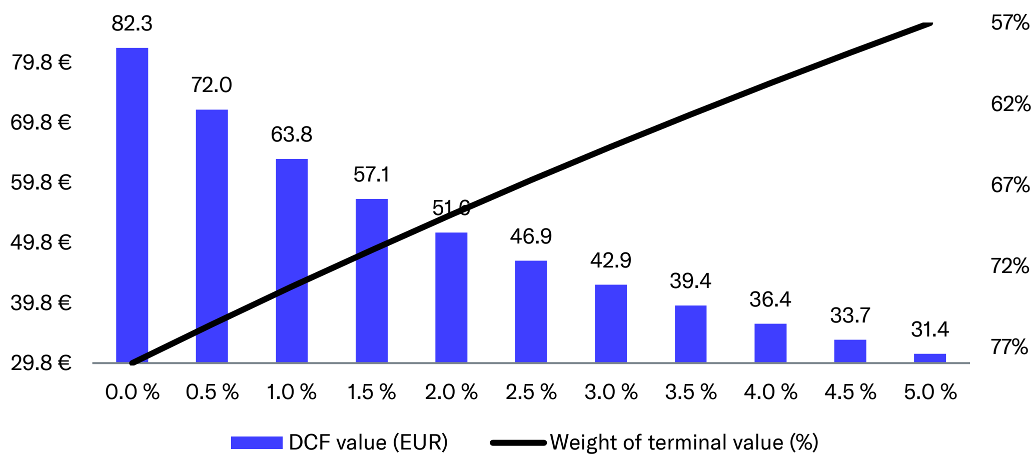
WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	5.0 %
Equity Beta	1.5
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	**9.4 %**
Weighted average cost of capital (WACC)	**8.8 %**

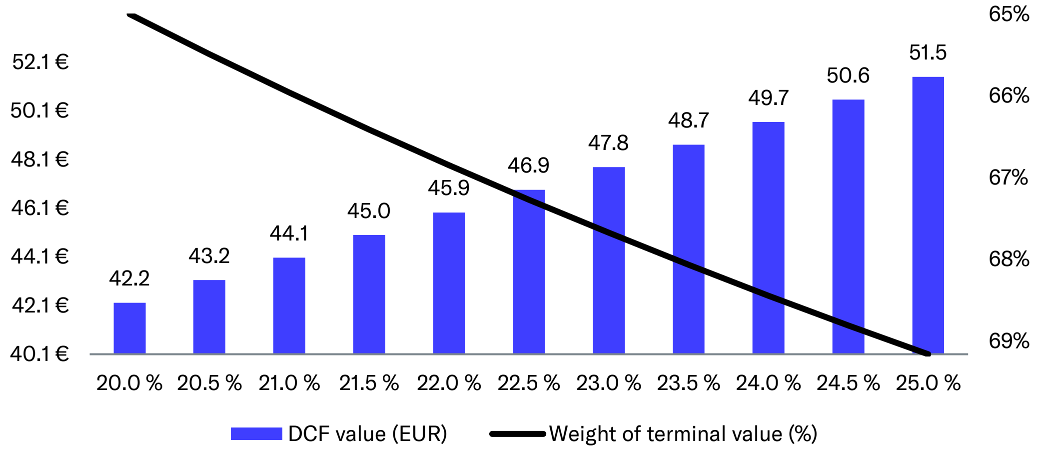
Source: Inderes

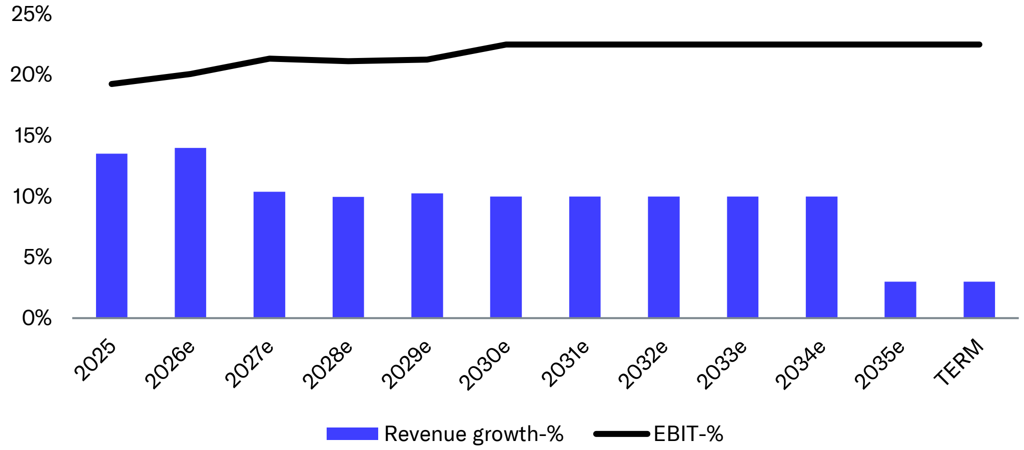


DCF sensitivity calculations and key assumptions in graphs









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	**226.8**	**250.3**
EBITDA	39.3	42.4	45.8	**53.5**	**61.6**
EBIT	33.0	35.5	38.3	**45.5**	**53.4**
PTP	29.5	31.8	33.2	**41.9**	**50.5**
Net Income	23.3	24.2	26.4	**32.6**	**39.4**
Extraordinary items	-0.7	-1.6	-0.8	**-0.2**	**0.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	214.3	264.6	271.3	**287.9**	**280.9**
Equity capital	108.7	124.0	130.5	**148.7**	**172.7**
Goodwill	73.4	91.1	89.3	**89.3**	**89.3**
Net debt	37.6	57.3	57.7	**50.7**	**36.5**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	39.3	42.4	45.8	**53.5**	**61.6**
Change in working capital	6.9	-8.9	-1.4	**-4.1**	**-2.9**
Operating cash flow	39.1	26.7	35.4	**39.4**	**46.9**
CAPEX	-3.2	-38.4	-9.4	**-15.0**	**-15.0**
Free cash flow	32.5	-8.1	23.6	**24.4**	**31.9**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	3.4	5.3	4.3	**3.9**	**3.5**
EV/EBITDA	13.2	21.8	18.9	**16.6**	**14.2**
EV/EBIT (adj.)	15.4	25.0	22.1	**19.5**	**16.4**
P/E (adj.)	19.8	33.4	29.4	**25.4**	**21.2**
P/B	4.4	7.0	6.2	**5.6**	**4.9**
Dividend-%	2.7 %	1.6 %	1.8 %	**1.8 %**	**2.3 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	1.25	1.30	1.42	**1.73**	**2.09**
EPS (adj.)	1.28	1.38	1.46	**1.75**	**2.09**
OCF / share	2.09	1.43	1.90	**2.09**	**2.50**
OFCF / share	1.74	-0.44	1.26	**1.30**	**1.70**
Book value / share	5.76	6.58	6.93	**7.85**	**9.13**
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%	**14%**	**10%**
EBITDA growth-%	-7%	8%	8%	**17%**	**15%**
EBIT (adj.) growth-%	-8%	10%	6%	**17%**	**17%**
EPS (adj.) growth-%	-17%	8%	5%	**20%**	**20%**
EBITDA-%	26.1 %	24.2 %	23.0 %	**23.6 %**	**24.6 %**
EBIT (adj.)-%	22.4 %	21.2 %	19.7 %	**20.2 %**	**21.3 %**
EBIT-%	21.9 %	20.2 %	19.3 %	**20.1 %**	**21.3 %**
ROE-%	22.7 %	21.0 %	20.9 %	**23.5 %**	**24.7 %**
ROI-%	18.1 %	17.1 %	16.6 %	**19.0 %**	**22.3 %**
Equity ratio	50.7 %	46.9 %	48.1 %	**51.7 %**	**61.5 %**
Gearing	34.6 %	46.2 %	44.2 %	**34.1 %**	**21.2 %**
Net debt/EBITDA	1.0	1.4	1.3	**0.9**	**0.6**
EBITDA/net financials	11.2	11.7	9.0	**14.9**	**20.8**

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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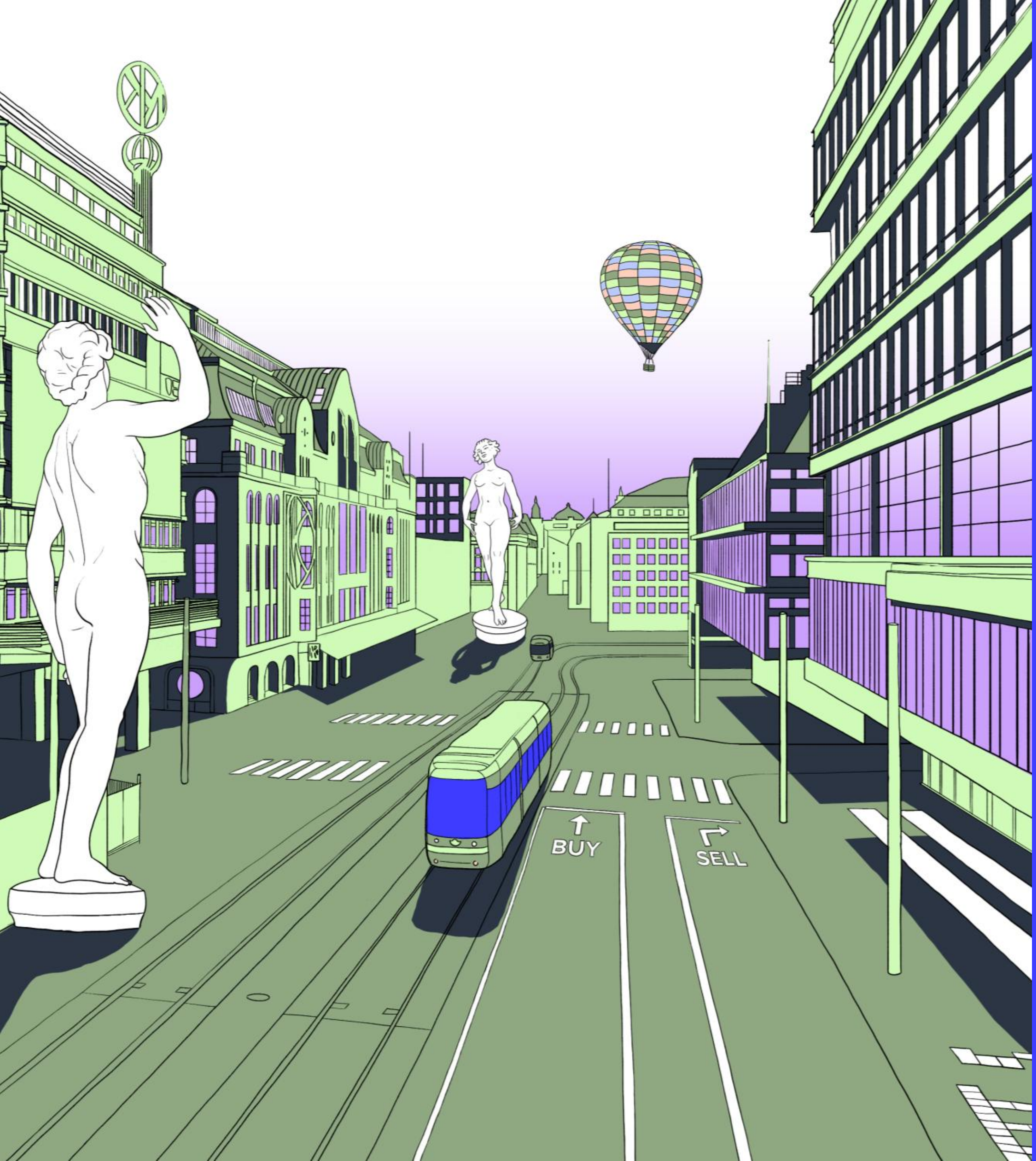
Recommendation history (>12 mo)

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 €
4/14/2026	Buy	44.00 €	34.95 €
5/8/2026	Accumulate	44.00 €	41.05 €
8/7/2026	Accumulate	47.00 €	44.35 €



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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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