

Harvia

Leisure Products | Finland | MCAP MEUR 746

Investment summary

We rate Harvia HOLD with a 12-month target price of EUR 44.23, implying 11% upside from the current share price of EUR 39.90. Harvia is a high-quality compounder with attractive long-term prospects, but the current share price already reflects much of this strength.

Harvia holds a leading position in the sauna and spa equipment market, with a global footprint across North America, Continental Europe, Northern Europe and APAC & MEA. The company has demonstrated strong growth in underpenetrated regions, particularly North America and APAC & MEA, supported by continued international expansion and favourable demand trends within the global wellness industry.

Our thesis is that the market marginally underestimates Harvia's long-term growth runway, but not enough to justify a BUY rating. We forecast revenue growth of 11% per annum during 2026–2035, modestly above management's sustainable long-term growth target of 10%. We also assume a stable EBIT margin of approximately 20%, reflecting Harvia's strong profitability profile, pricing power and scalable business model.

We anchor our target price on the DCF, which captures Harvia's ability to sustain above-market growth while maintaining structurally high margins. However, the upside to our target price remains limited, and the valuation is sensitive to sustained double-digit growth and margin resilience. We therefore recommend HOLD.

Recommendation: HOLD

Target price: 44.23

Price: 39.90

Upside: +11%

Ticker: HARVIA

Date: 18 June 2026

52-week price range: 31.05-52.40



Analysts

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Key figures (MEUR)	2024A	2025A	2026E	2027E
Revenue	175.21	198.90	220.78	245.07
Growth	16.4%	13.5%	11.0%	11.0%
EBITDA	42.59	44.33	51.88	57.59
EBIT	36.42	37.54	44.16	49.01
NOPAT	28.78	30.76	35.32	39.21

Company Overview

Company Description: Harvia Plc is a Finnish industrial company specializing in sauna, spa, and wellness solutions, designing and selling products such as sauna heaters, prefabricated saunas, hot tubs, steam products, and accessories. The company operates globally with a mainly B2B business model, selling through a wide network of distributors and retailers, with limited direct-to-consumer sales and no meaningful recurring service or installation revenue.

Harvia's product portfolio is centered on heating equipment (electric and wood-burning stoves), which forms the core of the business, complemented by saunas and Scandinavian hot tubs as more complete system solutions, while steam products, accessories, and spare parts serve as supporting categories. Revenue is heavily driven by heating equipment (54%), followed by saunas and hot tubs (24%), with the remaining share split across smaller product lines.

Geographically, Harvia operates in nearly 100 countries across four reporting segments, with North America as the largest market (38%), followed by Continental Europe (28%) and Northern Europe (23%), while APAC & MEA (11%) is the smallest. Overall, the company has a broadly diversified geographic footprint. Its customer base consists mainly of distributors and retailers, with occasional direct sales to project customers such as hotels and spas. Customer relationships are generally long-term, though contracts are typically short-term, and no single customer accounts for a dominant share of revenue.

Industry & Competitive Position

Market structure: Harvia operates in the global spa and wellness market, a large industry driven by demand for health, relaxation, and wellbeing products and services. Within this broader market, the company is active in more specific sub-segments, particularly the sauna and sauna equipment market, as well as closely related areas such as hot tubs and spa-environment related systems and accessories. The global spa and wellness market is estimated to be valued at approximately \$75–80 billion as of 2025, while the sauna market represents a smaller subsegment of approximately \$4–5 billion, depending on market definition (Global Market Insights, 2025).

Market dynamics: Following the COVID-19 pandemic, the spa and wellness industry has experienced steady growth, with an estimated CAGR of approximately 4–9%, varying across different segments and geographical regions. The sauna market has shown slightly stronger growth in certain regions, with an estimated CAGR of around 6%. Key growth drivers include increasing levels of urban stress and growing consumer focus on health and mental well-being. In addition, rising demand for home wellness, as well as increased integration of sauna and spa facilities in hotels, gyms, and resorts, continues to support market expansion. The market is expected to continue growing steadily over the coming years, with industry estimates suggesting a CAGR of approximately 4–9% from 2026 to 2032, driven by an increasing demand for a wellness-oriented lifestyle and stress management.

Competitive advantage assessment: Harvia has a range of competitive advantages, with the most recognizable being its in-house production of heaters and sauna-related parts. This enables stricter quality control, lower production costs, and more efficient product development. Due to the size of the company, Harvia has a strong position in negotiations with suppliers, as well as a low production cost per unit produced. Lastly, Harvia is a globally recognizable brand that creates brand awareness and builds a sense of trust and loyalty among customers, strengthening its market position and making it more difficult for competitors to gain market share.

Competitive landscape: The sauna equipment market is fragmented, with Harvia being the only publicly listed pure-play sauna company globally. Harvia's main competitors consist of KLAFS, SAWO, and HUUM, all of which are privately held and therefore limit a direct comparables analysis.

Investment Thesis

Thesis 1: The market marginally underestimates Harvia's long-term growth runway in underpenetrated markets

We believe the market underestimates Harvia's ability to sustain double-digit revenue growth over the long term, particularly through continued market share gains in North America and increasing sauna adoption in APAC and MEA. Management targets annual revenue growth of approximately 10%, while we forecast an 11% revenue CAGR during 2026–2035, supporting our target price of €44.23 and 11% upside to the current share price.

Our view is supported by Harvia's track record of growing faster than its underlying markets. In Europe, the company delivered an estimated 11% revenue CAGR during 2018–2025 despite both pandemic-related demand swings and geopolitical headwinds. In North America, Harvia generated an estimated 30% revenue CAGR during 2020–2025, yet sauna penetration remains low compared with Nordic markets and wellness-related demand continues to grow. We forecast North American revenue to grow at around 15% CAGR during 2026–2035, implying a market share of approximately 20% by 2035.

APAC and MEA provide an additional long-term growth opportunity. The segment grew at an estimated 31% CAGR during 2024–2025, from a still-low base, and sauna adoption remains underpenetrated. We therefore forecast approximately 15% CAGR in APAC and MEA during 2026–2035. Together with stable European growth, these regions support our group revenue CAGR forecast of 11% over the forecast period.

Thesis 2: Structural profitability makes the growth case valuable

We do not view profitability as the main source of upside, as the market already recognizes Harvia's strong margin profile. However, we believe concerns about material margin deterioration are overstated. Harvia maintained EBIT margins between 18.3% and 22.7% during 2018–2025, showing that profitability has remained resilient through both exceptional demand and subsequent normalization.

We expect EBIT margins to remain around 20% throughout the forecast period, supported by Harvia's leading market position, pricing power, scale benefits and fragmented competitive landscape. The 2024 acquisition of ThermaSol further strengthens the North American platform through local manufacturing capacity, supporting both growth and profitability.

As a result, our thesis is not simply that Harvia can grow, but that it can convert growth into earnings while maintaining attractive margins. This margin resilience supports our long-term DCF assumptions and limits downside risk if revenue growth normalizes more gradually than expected.

Valuation

We value Harvia primarily on a DCF basis, cross-checked against peer multiples. The DCF is the most relevant method because it allows us to explicitly model our key thesis: Harvia's ability to sustain above-market revenue growth in underpenetrated regions while maintaining structurally high EBIT margins.

Discounted cash flow. Our base case assumes 11% annual revenue growth during 2026–2035. This is based on regional assumptions of approximately 15% CAGR in North America and APAC & MEA, supported by low sauna penetration and continued wellness demand, while Europe gradually converges toward the estimated industry growth rate of around 5.5%. Although our 11% group CAGR is only slightly above management's long-term target of approximately 10%, the difference is material in the DCF because the higher growth rate compounds across the full forecast period.

We forecast EBIT margin at approximately 20% throughout 2026–2035. This is supported by Harvia's historical margin range of 18.3–22.7% during 2018–2025, its leading market position, pricing power, economies of scale and fragmented competitive landscape. The 2024 acquisition of ThermaSol also strengthens the North American

platform through local manufacturing capacity. Together, our revenue and margin assumptions result in a DCF value of €44.23 per share, implying 11% upside from the current share price of €39.90.

We apply a 3.0% terminal growth rate. While the long-term sauna and wellness market is expected to grow faster than this, we do not assume elevated industry growth continues in perpetuity. Instead, terminal growth reflects long-term nominal growth slightly above inflation, supported by Harvia's remaining expansion opportunities in North America and APAC & MEA.

Relative valuation. Our peer group includes De'Longhi, Tulikivi, NIBE, Electrolux and Technogym. On peer multiples, the implied value is €35.56 per share, or 10.9% below the current share price. However, we treat this as a conservative cross-check rather than the basis for our target price, because the peer group does not fully capture Harvia's superior profitability, growth profile and category leadership.

Harvia trades at a premium to the peer median EV/EBITDA multiple, but this premium is partly justified by its 24.1% EBITDA margin compared with a peer median of 16.2%, and estimated revenue growth of 10.4% compared with a peer median of 5.6%. Harvia also trades at a lower P/E than NIBE despite stronger profitability and growth. We therefore do not view the peer-implied value as evidence that the DCF is too optimistic; rather, it shows that traditional peer multiples may understate Harvia's fair value due to the lack of directly comparable listed peers.

The relative valuation therefore provides a useful downside reference, but we anchor our target price on the DCF, which better captures Harvia's company-specific growth runway and margin resilience. On this basis, we set a target price of €44.23 per share, implying 11% upside.

Company	EV/EBITDA	P/E	EBIT Margin (%)	Rev Growth (%)
De'Longhi	7.4x	14.6x	16.1	5.6
Tulikivi	15.4x	N/A	9.6	3.5
NIBE Industrier	13.5x	24.4x	16.9	7.2
Electrolux B	4.9x	12.3x	6.5	4.0
Technogym	16.5x	31.0x	21.8	8.2
Harvia	15.0x	22.8x	24.1	10.4

Sensitivity analysis. Harvia's valuation is highly sensitive to WACC and terminal growth. Our base case uses an 8.9% WACC and 3.0% terminal growth rate, resulting in a DCF value of €44.23 per share. At the same terminal growth rate, increasing WACC to 9.3% reduces fair value to €40.94, close to the current share price of €39.90, while a 9.8% WACC lowers fair value to €37.38. This supports our HOLD rating: the base case implies upside, but the margin of safety is limited and depends on Harvia sustaining both high growth and approximately 20% EBIT margins.

	2,7 %	2,9 %	3,0 %	3,2 %	3,3 %
8,0 %	51,30	52,43	53,63	54,90	56,25
8,4 %	47,12	48,06	49,06	50,11	51,22
8,9 %	42,67	43,43	44,23	45,08	45,96
9,3 %	39,61	40,26	40,94	41,65	42,40
9,8 %	36,28	36,82	37,38	37,96	38,58

Risks

Downside risk: North American growth matures earlier than expected. North America is the key driver of our long-term growth forecast. Our base case assumes the region can grow revenue at around 15% CAGR during 2026–2035, supported by low sauna penetration, rising wellness demand and Harvia’s strengthened local platform following the ThermaSol acquisition. The main risk is that recent demand proves to be partly post-pandemic driven, particularly in infrared and wellness-related solutions, rather than a durable structural trend. If North American growth were to converge toward the broader industry CAGR of around 5% by 2030, Harvia’s group revenue CAGR for 2026–2035 would fall from 11% to approximately 7%. In this scenario, our implied share price would decline from €44.23 to €31.54, implying around 21% downside and a materially weaker investment case.

Downside risk: increased competition pressures margins. Harvia currently benefits from a fragmented competitive landscape, particularly in North America, where its scale, brand position and broad sauna and spa product offering support pricing power. The ThermaSol acquisition has also strengthened the company’s local manufacturing and steam-product platform. However, if the North American market becomes more concentrated and larger competitors emerge, pricing pressure could increase and Harvia’s ability to sustain 20% EBIT margins may weaken. A reduction in our 2026–2035 EBIT margin assumption from 20% to 19% would lower our implied share price to €41.48, while an 18% margin would imply €38.72. This would not break the investment case as severely as a slowdown in revenue growth, but it would reduce the margin of safety and weaken the justification for upside.

Upside risk: wellness adoption accelerates further. Our base case assumes 11% group revenue CAGR during 2026–2035, already slightly above management’s long-term target of approximately 10%. If the wellness trend strengthens further, especially in North America and APAC & MEA, Harvia could sustain faster revenue growth than we forecast. A one percentage point increase in our group revenue CAGR assumption from 11% to 12% would raise the implied upside to around 20%, which would support a more positive recommendation. This upside case would likely require stronger-than-expected sauna adoption in underpenetrated markets, continued demand for infrared and steam solutions, and successful execution of Harvia’s international expansion strategy.

Appendix

Company	Ticker	Share Price	Diluted Shares	Market Cap	(+) Debt	(-) Cash	Enterprise Value	Revenue LTM	Revenue '26E	Revenue '27E	EBITDA LTM	EBITDA '26E	EBITDA '27E	EPS '26E
Tulikivi	TULAV-FI	0,58	59,87	34,96	11,80	0,50	46,26	29,70	31,40	32,50	1,70	3,00	3,50	N/M
De'Longhi	DLG-IT	35,08	150,37	5275,15	529,30	998,40	4806,05	3801,50	3979,00	4201,00	625,20	646,00	688,00	2,40
NIBE Industrier	NIBE.B-SE	3,66	2016,07	7386,13	2053,10	504,10	8935,13	3733,40	3916,00	4196,00	545,40	662,00	728,00	0,15
Electrolux B	ELUX.B-SE	4,54	270,50	1226,73	4018,00	1461,00	3783,73	11730,00	11860,00	12336,00	658,50	776,00	976,00	0,37
Technogym	TGYM.IT	20,74	199,29	4133,30	57,70	214,72	3976,28	1016,50	1105,00	1196,00	210,00	241,00	265,00	0,67

Max		35,08	2016,07	7386,13	4018,00	1461,00	8935,13	11730,00	11860,00	12336,00	658,50	776,00	976,00	2,40
75th Percentile		20,74	270,50	5275,15	2053,10	998,40	4806,05	3801,50	3979,00	4201,00	625,20	646,00	688,00	1,10
Median		4,54	199,29	4133,30	529,30	504,10	3976,28	3733,40	3916,00	4196,00	545,40	646,00	688,00	0,52
25th Percentile		3,66	150,37	1226,73	57,70	214,72	3783,73	1016,50	1105,00	1196,00	210,00	241,00	265,00	0,32
Min		0,58	59,87	34,96	11,80	0,50	46,26	29,70	31,40	32,50	1,70	3,00	3,50	0,15
Mean		12,92	539,22	3611,25	1333,98	635,74	4309,49	4062,22	4178,28	4392,30	408,16	465,60	532,10	0,90

Harvia	HARVIA-FI	39,40	18,76	739,14	102,91	45,18	796,87	205,51	222,70	245,90	47,87	53,70	60,90	1,75
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Company	Ticker	Mkt Cap	EV	Net Debt / EBITDA	Debt / Cap	LTM	EV / Revenue			EV / EBITDA		
							'26E	'27E	LTM	'26E	'27E	LTM
Tulikivi	TULAV-FI	34,96	46,26	3,8x	25,2%	1,6x	1,5x	1,4x	27,2x	15,4x	13,2x	
De'Longhi	DLG-IT	5275,15	4806,05	-0,7x	9,1%	1,3x	1,2x	1,1x	7,7x	7,4x	7,0x	
NIBE Industrier	NIBE.B-SE	7386,13	8935,13	2,3x	21,8%	2,4x	2,3x	2,1x	16,4x	13,5x	12,3x	
Electrolux B	ELUX.B-SE	1226,73	3783,73	3,3x	76,6%	0,3x	0,3x	0,3x	5,7x	4,9x	3,9x	
Technogym	TGYM.IT	4133,30	3976,28	-0,7x	1,4%	3,9x	3,6x	3,3x	18,9x	16,5x	15,0x	

Max		7386,13	8935,13	3,8x	76,6%	3,9x	3,6x	3,3x	27,2x	16,5x	15,0x
75th Percentile		5275,15	4806,05	3,3x	25,2%	2,4x	2,3x	2,1x	18,9x	15,4x	13,2x
Median		4133,30	3976,28	2,3x	21,8%	1,6x	1,5x	1,4x	16,4x	13,5x	12,3x
25th Percentile		1226,73	3783,73	-0,7x	9,1%	1,3x	1,2x	1,1x	7,7x	7,4x	7,0x
Min		34,96	46,26	-0,7x	1,4%	0,3x	0,3x	0,3x	5,7x	4,9x	3,9x
Mean		3611,25	4309,49	1,6x	26,8%	1,9x	1,8x	1,7x	15,2x	11,5x	10,3x

Harvia	HARVIA-FI	739,14	796,87	1,1x	12,2%	3,9x	3,6x	3,2x	16,6x	14,8x	13,1x
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DCF	Harvia	Hist.				Proj.										
		2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	Terminal
Revenue		172,408	150,547	175,206	198,900	220,779	245,065	272,022	301,944	335,158	372,025	412,948	458,373	508,794	564,761	
% Growth			(12,7%)	16,4%	13,5%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	
EBITDA		42,750	38,596	42,589	44,325	51,883	57,590	63,925	70,957	78,762	87,426	97,043	107,718	119,566	132,719	
% Margin		25%	26%	24%	22%	23,5%	23,5%	23,5%	23,5%	23,5%	23,5%	23,5%	23,5%	23,5%	23,5%	
% Growth			(9,7%)	10,3%	4,1%	17,1%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	
EBIT		36,670	32,806	36,419	37,535	44,156	49,013	54,404	60,389	67,032	74,405	82,590	91,675	101,759	112,952	
% Margin		21%	22%	21%	19%	20,0%	20,0%	20,0%	20,0%	20,0%	20,0%	20,0%	20,0%	20,0%	20,0%	
% Growth			(10,5%)	11,0%	3,1%	17,6%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	
Tax		8,720	6,250	7,640	6,780	(8,631)	(9,803)	(10,881)	(12,078)	(13,406)	(14,881)	(16,518)	(18,335)	(20,352)	(22,590)	
Tax Rate		24%	19%	21%	18%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	
NOPAT		28	27	29	31	35	39	44	48	54	60	66	73	81	90	
% Growth			-5,0%	8,4%	6,9%	14,9%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	
(+) Depreciation & Amortization		6,080	5,790	6,170	6,790	7,727	8,577	9,521	10,568	11,731	13,021	14,453	16,043	17,808	19,767	
% Revenue		4%	4%	4%	3%	3,5%	3,5%	3,5%	3,5%	3,5%	3,5%	3,5%	3,5%	3,5%		
(-) CapEx		3,590	3,120	6,150	14,770	8,831	9,803	10,881	12,078	13,406	14,881	16,518	18,335	20,352	22,590	
% Revenue		2%	2%	4%	7%	4,0%	4,0%	4,0%	4,0%	4,0%	4,0%	4,0%	4,0%	4,0%	4,0%	
(+/-) Change in WC		42,583	(9,223)	9,030	2,952	4,416	4,901	5,440	6,039	6,703	7,441	8,259	9,167	10,176	11,295	
% Revenue		25%	(6,1%)	5%	1%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%		
Unlevered Free Cash Flow		(12)	38	20	20	30	33	37	41	45	50	56	62	69	76	

Discount Rate	8,9%	Shares Outstanding	19
Terminal Growth Rate	3,0%	Current Share Price	€39,90
		Market Cap	746
		Enterprise Value	788
Sum of PV Unlevered FCF	299		
Terminal Value	1.335		
PV of Terminal Value	570		
Implied Enterprise Value	869		
(-) Debt	95		
(+) Cash	53		
Implied Equity Value	827		

Weighted Average Cost of Capital	
Market Risk Premium	4,75 %
Beta	1,45
Risk Free Rate	2,5 %
Cost of Equity	9,39 %
Weighted Average Cost of Debt	5 %
Tax Rate	20 %
Cost of Debt	5 %
Total Equity	736,27
Total Debt	95,37
Equity/Total Capitalization	88,53 %
Debt/Total Capitalization	11,47 %
WACC	8,9 %

Source: FactSet, Analyst estimates

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