



*Harvia Plc, Inside Information, 23 July 2024 at 07:30 a.m. EEST*

## **Inside information: Harvia strengthens its position in the U.S. sauna market by acquiring steam solutions manufacturer ThermaSol**

Harvia Plc has on 22 July 2024 (U.S. Central Time) signed an agreement to acquire 100% of the shares of ThermaSol Steam Bath LLC (“ThermaSol”), a leading manufacturer of high-end steam showers and steam rooms in the United States. The acquisition complements Harvia Group’s sauna offering in the attractive steam segment, supporting the company’s growth in the United States and its leading position as a global sauna solutions provider.

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

The purchase price is USD 30.4 million, subject to normal closing adjustments. Harvia will finance the acquisition with a bullet loan of 20 million euros and cash funds.

“Harvia is very happy to announce the acquisition of ThermaSol. ThermaSol’s high-end residential steam offering is an excellent fit to our full sauna experience portfolio. The acquisition supports our strategic focus areas of delivering the full sauna experience, winning in strategically important markets, and taking an active consolidator role in the industry through M&A. In addition, the warm, family company culture combined with the ambition to provide leading solutions to the market, resonate well with our own,” says **Matias Järnefelt**, CEO of Harvia Plc.

“Further, Harvia and ThermaSol have highly complementary capabilities. We see significant potential in, for example, leveraging Harvia’s volume selling capabilities to expand the current steam offering across price points, as well as utilizing ThermaSol’s capabilities in digital offering, such as advanced control units. ThermaSol’s location near Austin also offers us an attractive hub for our commercial and customers operations in the region,” Järnefelt concludes.

“Harvia’s acquisition of ThermaSol marks a transformative milestone, creating the world’s foremost health and wellness company in the sauna market. United, we will promote relaxation, vitality, and well-being on a global scale. Harvia and ThermaSol are looking forward to continuing to deliver the



most advanced products for healthy living to our valued customers,” says ThermaSol’s owner and current CEO **Mitch Altman**.

### **Strategic rationale of the acquisition**

Harvia aims to be the leader in sauna business globally and across sauna types. The acquisition of ThermaSol gives Harvia essential market presence and capabilities to grow and develop its steam business effectively. Currently, over 90% of Harvia’s revenue comes from products and solutions for the traditional sauna.

ThermaSol has the reputation of a steam specialist providing premium products in the U.S. market. With over 65 years of experience, the company has developed strong expertise in steam solutions and is driving innovation, for example, with its smart steam showers. ThermaSol has built a nationwide distribution network of plumbing wholesalers and kitchen & bath showrooms but also reaches residential customers via its advanced online marketing capabilities. The company currently operates only in the United States.

The acquisition of ThermaSol supports Harvia’s growth strategy, fulfilling the company’s aim to accelerate its growth by driving M&As as a market consolidator. With stronger steam capabilities and offering, Harvia can make steam solutions a more sizeable part of Harvia’s business and deliver the full sauna experience. The acquisition also supports Harvia’s strategic focus area of maintaining strong growth in North America across price points, categories, and channels.

The North American sauna market size was estimated to be USD 800 million in 2023, and the steam solutions have approximately 20% market share. The U.S. steam market is forecast to grow by approximately 5% per year through 2028. (Source: International management consultancy market study in 2024, Harvia management estimate)

### **Key financials of ThermaSol**

The key figures of ThermaSol are presented below (USD million):

	<b>2021</b>	<b>2022</b>	<b>2023</b>
Net sales	15.0	14.7	14.4
Adjusted EBITDA	2.8	2.7	2.5
Adjusted EBITDA margin, %	18.4%	18.4%	17.2%

As of 31 December 2023, ThermaSol’s total assets and total liabilities were USD 9.4 million and USD 1.9 million, respectively.

As a result of the transaction, Harvia’s net debt will increase from EUR 37.6 million at the end of 2023 to EUR 64.9 million and interest-bearing debt from EUR 75.4 million to EUR 95.4 million. After the transaction, Harvia’s equity ratio will be 43.9% (51.0% at the end of 2023) and leverage will be 1.5 (0.9 at the end of 2023). Harvia’s figures presented are end of 2023 pro forma figures and ThermaSol’s figures are its adjusted figures.



The acquisition is expected to create annual synergies of approximately EUR 1.7 million by the end of 2027. The identified key sources of synergy comprise sourcing and logistics, marketing, cross-sell, distribution, and common management within Harvia US companies. One-off transaction, integration and post-closing costs are estimated to total EUR 1.4 million over the years 2024–2026.

Illustrative combined revenue of Harvia for the financial year 2023, after the ThermaSol acquisition, amounts to EUR 163.7 million and adjusted EBIT to EUR 35.9 million (21.9% of revenue).

The transaction is subject to customary closing conditions, and it is expected to be closed in July 2024. Harvia will report ThermaSol as part of Harvia's figures as of Q3/2024, beginning in August 2024.

Harvia does not publish a short-term outlook. The transaction will not have an impact on Harvia's long-term targets related to revenue, profitability, and leverage.

### **ThermaSol's management**

As part of her role as Harvia's Head of Region, North America, and President of Harvia US Inc., Jennifer Thayer will also become the CEO of ThermaSol. The seller in the transaction, ThermaSol's current CEO Mitch Altman will work for Harvia in a Strategic Adviser role and support Harvia in transitioning ThermaSol's business and managing customer relations.

Harvia will publish its half-year report for January–June 2024 on Thursday, 8 August 2024. Due to the silent period, Harvia will not give any further comments on this transaction before publishing the half-year report. Harvia will hold a webcast on the day of the results release. The participants can ask questions during the webcast.

Harvia was advised by Fredericks Michael & Co. as the financial advisor, Borenus Attorneys and Vela Wood as the legal advisors as well as Hill & Knowlton / Burson as the communications advisor in the transaction.

HARVIA PLC

Board of directors

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*Harvia is one of the leading companies operating in the sauna market globally, as measured by revenue. Harvia's brands and product portfolio are well known in the market, and the company's comprehensive product portfolio strives to meet the needs of the international sauna market of both private and professional customers.*

*Harvia's revenue totaled EUR 150.5 million in 2023. Harvia Group employs approximately 600 professionals in Finland, Germany, United States, Romania, China and Hong Kong, Austria, Italy, Estonia, and Sweden. The company is headquartered in Muurame, Finland, adjacent to its largest sauna and sauna component manufacturing facility.*

*Read more: <https://harviagroup.com>*

**Information about ThermaSol:** <https://thermasol.com>

#### **Attachment**

- [Harvia Thermasol acquisition 220724 EN](#)