

EUROVENT MARKET INTELLIGENCE

Key market data for your business

SPECIAL ANNUAL REPORT 2021

EUROPEAN HVAC&R MARKET: POST-PANDEMIC TRENDS AND KEY CHALLENGES

OCTOBER 2021



SPECIAL ANNUAL REPORT - HVAC&R MARKET: Post-pandemic trends and key challenges

Compiled by: EUROVENT MARKET INTELLIGENCE (EMI)

Date: 15 October 2021

Number of pages: 114

Authors: Yannick COTRELLE
Inna COLLET
Beyza AYKURT

Version: 1.1

This report must not be reproduced except in full without the written approval of EMI. It is only intended to be used within the context described in the text.

Eurovent Market Intelligence can not be held liable for any reason whatsoever for the decisions made by a manufacturer on the basis of statistics or any other information that have been provided.

You are not authorized to provide the results to any third person neither publish any information publicly. You have a right to use the information for internal use only, but some data may be published with the agreement of Eurovent Market Intelligence and mentioning them as source.

Eurovent Market Intelligence

50 rue de la Victoire

75009 Paris - France

Tel: +33 1 75 44 71 77/78/79

E-mail: statistics@eurovent-marketintelligence.eu

I. Introduction	4	17. United Kingdom	72
II. About EMI	5	VIII. HVAC applications	
III. Methodology	6	1. Overview	75
IV. Guidelines	7	2. Agriculture	76
V. Executive summary	9	3. Data center	77
VI. Market by product		4. Education	78
1. Overview	15	5. Health	79
2. Air curtains	16	6. Hotels	80
3. Air Filters	18	7. Leisure & Entertainment	81
4. Air Handling Units	20	8. Industry process	82
5. Chilled beams	22	9. Offices	83
6. Chillers	24	10. Residential	84
7. Cooling Towers	26	11. Retail	85
8. Domestic Heat Pumps	28	12. Transport	86
9. Fan Coils	30	13. Warehouse / storage	87
10. Heat Exchangers	32	IX. Refrigeration	
11. IT Cooling	34	1. Overview	89
12. Rooftops	36	2. Commercial refrigeration	90
13. VRF	38	3. Energy & Process Cooling	91
VII. Market by country		4. Heating, ventilation, climate	92
1. Overview	41	5. IT Cooling	93
2. Austria	42	6. Industrial Refrigeration	94
3. Belgium	44	X. Market drivers	
4. Czechia	46	1. Overview	96
5. France	48	2. Heating and cooling	97
6. Germany	50	3. Ventilation	98
7. Italy	52	4. Terminals	99
8. Netherlands	54	5. IT Cooling & refrigeration	100
9. Norway	56	XI. Key challenges	102
10. Poland	58	XII. Appendix	
11. Portugal	60	1. Definitions	107
12. Russia	62	2. Respondents of the survey	108
13. Spain	64	3. Results of the survey	109
14. Sweden	66	4. Main trends	113
15. Switzerland	68	5. Contacts	114
16. Turkey	70		

Almost two years after the onset of the pandemic, which has claimed nearly 5 million lives, we are finally beginning to enter a "post-covid" world, with all that this brings with new challenges.



This crisis does not resemble the previous ones by its nature: it is not a question of war, nor of stock market crash, nor of the bursting of a speculative bubble, but of an economy which has very suddenly ceased to operate during one or two quarters, then restarted just as abruptly in the following quarters, supported by incentives and subsidies, and according to new rules still unclear.

Some manufacturers have lost a lot during this time, others have on the contrary gained, but all are now facing new challenges. Some of them were not even imaginable a year before: shortages of raw materials and electronic components, insufficient maritime transport to meet demand, dramatic cost increase in energy and in all areas impacted by shortages.

We must also anticipate the change in mentalities: of course, home office will not return as low as to its pre-crisis level, but to what level will it return? and in what form? Will global tourism continue to grow as in the past? Will it also change its nature? E-commerce, which has supplanted traditional retail during the hours of confinement, will it continue its momentum or go back?

In addition, there are also concerns about European regulations and their new upcoming revisions, as well as the orientation of public subsidies, because their decisions will have an impact on both the design of the product (energy efficiency, refrigerant, etc.) and on market opportunities (ventilation, heat pumps, etc.).

We hope this annual report - the second published by Eurovent Market Intelligence since the emergence of Covid-19 - will help you see things more clearly. It is organized by product, country, application, and this year we have added the market drivers and key challenges, always with the aim of better helping you to find your way in this uncertain world.

Yannick Cotrelle
Market Intelligence Manager

Eurovent Market Intelligence is a brand of Eurovent Services Company.

Eurovent Market Intelligence (EMI) is the European Statistics Office on the HVAC&R market and it provides key market data since 1994. The guiding principle of EMI is to establish a detailed map of the European, Middle Eastern and African market with the participation of the manufacturers in the data collections.

The single sales data collected from the participants remain confidential and the overall results can be received by the participants only. EMI provides the manufacturers with the annual and quarterly results, market trends and analyses, and also presents reassessed data to non-manufacturers. EMI tripled its number of participants in the last 6 years, and today, it reaches more than 400 manufacturers worldwide within 16 different programmes.

The authors



Yannick COTRELLE - *Market Intelligence Manager*

Yannick Cotrelle was born in 1979. He studied Economics and Marketing respectively at the University of Nancy2 in France and the University of Florence in Italy. He ended his education with a master degree diploma in Management at the University of Paris XII.

He worked as statistician in the observatory of Nancy2 and as sales man and marketing manager in an electronic manufacturer.

He joined Eurovent Market Intelligence in June 2009.

He speaks French, English, and Italian.



Inna COLLET - *Market Intelligence Analyst*

Inna Collet was born in 1981. She studied International Economics at Saint-Petersburg State University of Economics and Finance in Russia. She ended her education with Global MBA degree at Essec Business School in France. Inna worked as management consultant and market analyst in various industries.

She joined Eurovent Market Intelligence in September 2018.

She speaks English, French, and Russian.



Beyza AYKURT - *Market Intelligence Analyst*

Beyza Aykurt was born in 1994. She studied Psychology at Ege University in Izmir, Turkey. She ended her education with a master's degree diploma in Economics and Psychology from the University Paris 1 Panthéon-Sorbonne. She conducted many statistical data analysis projects during her education including her two research theses.

She joined Eurovent Market Intelligence in December 2019.

She speaks English, French, and Turkish.

The survey and analysis were conducted in the period from 5 August to 14 October 2021 with more than **200 HVAC&R responses received from 19 countries***.

The survey concerned **12 types of products**:

- HVAC (Air filters, Air curtains, AHU, Chilled beams, Chillers, Domestic Heat Pumps, Fan Coil Units, IT Cooling, Rooftops, VRF);
- Refrigeration (Heat exchangers and Cooling towers).

Survey's objectives: to make a data-based forecast of HVAC&R market development in 2021-2024, to identify the key challenges, development trends and market drivers.

**More information on the geographical origin of the participants available in appendix.*

Survey methodology

The survey was based on primary and secondary research:

1. Primary research:

- 1.1. The questionnaire on the sales results in 1H2021 and prospects in 2H2021, as well as expectations for next years (filled in by all the respondents).
- 1.2. A profound interview with the respondents for qualitative clarifications of their market situation and vision (conducted with over 30 respondents).

2. Secondary research:

- 1.1. Analysis of the macroeconomic statistics on the economic development by country.
- 1.2. Analysis of the information in press article on countries' economy in 2021 and forecasts about their further development, key challenges and the situation in the most important industries (construction, tourism, health, etc.).

Forecast methodology

The forecast for 2021-2024 was made by product, by country and by application. The forecast was based on the following information:

1. 2021 forecast:

- results of market evolution in Q1-Q3 2021 for 4 products (chillers, fan coils, AHU, rooftops), based on the quarterly survey regularly conducted by EMI;
- performance evolution in 1H2021 in comparison to 1H2020 for 8 other products, based on the questionnaires;
- sales forecast for 2H2021 for all products, based on the questionnaires.

2. 2022-2024 forecast:

- expectations of the respondents for the market evolution;
- analysis of the macroeconomic situation by country and by the industry/application of HVAC&R products.

Important note

The results regarding the questions about the sales performance in 1H2021 and sales forecast in 2H2021 in the report are presented in weighted average and takes into account the size of the respondent (factual or estimated sales of the corresponding products). The unweighted results of the survey (distribution according to the simple number of participants) can be found in appendix.

Post-pandemic situation of the HVAC-R market is investigated from different perspectives in this report. The main information in every chapter is a synthesis of qualitative survey results from the HVAC-R manufacturers, macroeconomic data, and EMI data including forecasts.

MARKET BY PRODUCT

- An overview page where the analysed products were compared to each other
- A single subchapter on 12 different products which consists of:
 - Evolution of product sales in Europe and forecasts by EMI
 - Survey results regarding the sales performance in the first half of 2021 and the forecasts for the second half of 2021 and upcoming years; the comparison by countries and applications

MARKET BY COUNTRY

- An overview page where the analysed countries are compared to each other
- A subchapter for each 16 single countries in Europe which consists of:
 - Evolution of sales in the area and forecasts by EMI
 - Survey results regarding the performance in the first half of 2021 and the expectations for the second half of 2021
 - Macroeconomic summary of the country and the national post-pandemic situation

MARKET BY APPLICATION

- Divided into two parts: HVAC applications and refrigeration
- An overview page for each application type where their applications are compared
- A subchapter for every single application (HVAC and refrigeration) which consists of:
 - Evolution of sales to the concerned industry and forecasts by EMI
 - Survey results regarding the performance in the first half of 2021 and the expectations for the second half of 2021

MARKET DRIVERS

- An overview page of market drivers by product and key findings
- One summary paragraph for each product group which consists of:
 - The primary and secondary market drivers

KEY CHALLENGES

- One synthesis page for the key challenges of HVAC-R industry focuses on:
 - The post-pandemic developments, the supply chain problems, European regulations, and other challenges