

EUROVENT MARKET INTELLIGENCE

Key market data for your business

SPECIAL ANNUAL REPORT 2021

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

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

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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



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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