

Epta and Viessmann Join Forces to Expand EU Footprint

Date: 14 August 2023



By – Ilana Koegelenberg

To meet the increasing natural-refrigerant demand in the EU, Epta approached Viessmann Refrigeration Solutions (VRS) for a joint venture, scaling up to a one-stop-shop provider of energy-efficient and sustainable refrigeration solutions.

The aim is to become a leading player in Commercial Refrigeration (for retail, hotels, restaurants, and cafes); and Food & Beverage sectors across Central and Northern Europe. This will allow customers to manage the entire life cycle of highly technological natural refrigeration systems, ensuring optimal performance and reliability.



"The new joint venture, led by Epta, represents a further step in our path to consolidate our status as a global player in the sector, thanks to an increase in production capacity and a strengthened international footprint," said Marco Nocivelli, President and CEO of Epta.



"The joint venture with Epta provides us with more industrial size and scale, a larger manufacturing footprint, a larger solutions portfolio, and a broader service coverage – to the benefit of customers," added Frank Winters, CEO of VRS, in an interview with Refrigeration Industry. "With the joint venture, we combine the best of both worlds: highly energy-efficient state-of-the-art solutions with scale and manufacturing power."

How Will It Work?

The companies will combine their respective commercial businesses to strengthen their offering and presence in the region. Epta's business activities in Western and Southern Europe, the Middle East, Latin America, the U.S., as well as Asia Pacific and Oceania are not affected by this joint-venture agreement.

The transaction also does not include VRS's clean and cold room solutions activities. VRS's production site in Hof (Germany), the related sales companies, and Viessmann Technologies will fully remain within the Viessmann Group.

The shareholding structure will reflect the governance of the joint venture – Epta will own 70% of the joint venture, while VRS will own 30%. Upon closing the deal, Epta will fully consolidate the company into its Group financial statements. The new joint venture will have consolidated revenues of more than €400 million euros and over 1,600 employees.

(Natural) Future Trends

According to Epta, the EU's refrigeration market is experiencing a significant surge in growth, primarily fueled by the regulations mandating a shift towards sustainable technologies. To meet the ambitious targets set by the EU F-Gas Regulation in particular, which includes a drastic reduction in the use of synthetic refrigerants by 2030 to cope with the quota reduction, the industry is resolutely focused on adopting more eco-friendly alternatives.



"Notably, some regions within Europe are witnessing faster growth than others, but overall, there is substantial demand for natural refrigeration systems and technologies, particularly in the Retail and Food & Beverage sectors," said William Pagani, Chief Marketing Officer (CMO) of Epta in an interview with Refrigeration Industry. "Hence the golden opportunity for this joint venture to make a measurable impact."

VRS has also noticed a growing demand for energy-efficient and natural-refrigerant-based solutions supported by the EU legislation, contributing to overall stable market growth. A second trend is an increasingly competitive landscape where size and scale have become critical success factors. "Our joint venture with Epta is built to seize the opportunities both of these trends entail," said Winters.