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# Commercial Refrigeration Equipment

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US Industry Study with Forecasts for **2014 & 2019**

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*Consumers' busy lifestyles will continue to spur gains in refrigeration equipment, as retailers offer a wider range of convenient "grab and go" options, as well as more variety of frozen foods.*

## US demand to grow 7.2% annually through 2014

US demand for commercial refrigeration equipment is forecast to rebound through 2014, rising 7.2 percent per year (including price increases) to \$6.6 billion. Demand in 2009 was drastically impacted by the US recession, which caused food industry participants to postpone capital improvements and expansions. Advances will result from an improving capital investment outlook, as economic recovery encourages end users to renovate or expand existing facilities. Consumers' busy lifestyles will also continue to spur gains, as retailers offer a wider range of convenient "grab and go" options, as well as a broader variety of frozen foods. Shipments of commercial refrigeration equipment from US facilities are forecast to rise 4.5 percent annually through 2014, limited by competition from imports both in domestic and export markets.

## Transportation equipment to be fastest growing

Growth will be strongest for transportation refrigeration equipment, which will post double-digit gains. Even more so than other categories, demand for these products was devastated by the poor capital investment environment in 2009. Fleet operators, faced with narrow profit margins, postponed fleet expansions and upgrades due to the high per-unit cost of new equipment. Demand for beverage refrigeration equipment and ice machines will benefit from the rising

## US Commercial Refrigeration Equipment Demand, 2009 (\$6.6 billion)

Transportation Systems  
15%

Beverage Refrigeration  
15%

Display Cases  
10%

Reach-Ins  
10%

Other Equipment  
50%



number of eating and drinking establishments. Display cases, especially models that offer mobility and flexibility, will post improved gains. Demand in all product categories serving food related markets will be strongest for equipment that is energy efficient, as companies throughout the entire food industry will seek to reduce operation costs. Rising medical research expenditures will spur demand for cryogenic equipment.

## Distribution market to post strongest gains

The distribution market will post the strongest gains of any segment through 2014, reflecting recovery in fixed investment levels by fleet operators. Foodser-

vice is expected to remain the largest market for commercial refrigeration equipment through 2014, as Americans will continue to spend nearly one-half of their food budget outside the home. Opportunities in the retail market will result from the rising number of food retailers. In addition, the average amount of floor space at food retail outlets will rise, creating potential for more refrigeration equipment per store. The busy lifestyles of many Americans, as well as consumers' growing desire to try new foods, will fuel continued gains in the number of restaurants. The aftermarket segment, which consists of repair and replacement of currently used equipment, is important, and comprised over 70 percent of demand in 2009.

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## Sample Text, Table & Chart

### MARKETS

#### Transportation Refrigeration Systems

Demand for transportation refrigeration equipment is expected to rise as the industry recovers from the recession. The outlook for the industry is positive, with growth expected in the coming years. The impact of the Mad Cow Disease scare, will also boost gains.

More so than any other product category, transportation refrigeration equipment was adversely impacted by the US recession. The high cost of this equipment relative to many other types of commercial refrigeration equipment has discouraged investment on the part of fleet operators. Low profit margins and unpredictable fuel costs also caused fleet operators to postpone equipment upgrades. The low consumer visibility of these products (compared to equipment such as vending machines and display cases) lends itself to delaying purchases during difficult economic times.

Demand is expected to benefit tremendously from the US economic recovery. By 2014 fleet operators will invest in replacement of existing equipment. Delayed replacement during the 2008-2010 period will boost the stock of aging equipment that will need to be replaced by 2014. In addition to replacement demand, opportunities will exist for new equipment. Many fleet operators will expand their fleets due to rising food and beverage production. The ongoing trend toward consolidation of warehouse and production facilities will also spur gains. Consolidations are designed to decrease overhead, improve productivity and increase profits. This trend will continue to boost demand for transportation refrigeration equipment, since it will result in more equipment for refrigerated goods from the production site to the end user.

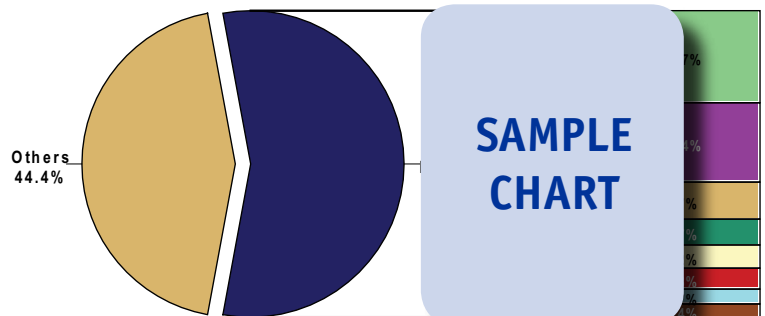
TABLE IV-1

### COMMERCIAL REFRIGERATION EQUIPMENT SUPPLY & DEMAND (million dollars)

Item	1999	2004	2009	2014	2019
Food & Beverage Shipments (bil \$)	400	400	400	400	400
\$ refrig equip/000\$ food & bev	4	4	4	4	4
Commercial Refrig Equip Demand	0	0	0	0	0
Transportation Systems	0	0	0	0	0
Beverage Refrigeration	0	0	0	0	0
Display Cases	5	5	5	5	5
Reach-Ins	0	0	0	0	0
Walk-Ins	0	0	0	0	0
Ice Machines	0	0	0	0	0
Vending Machines	0	0	0	0	0
Cryogenic	0	0	0	0	0
Liquid Chillers	0	0	0	0	0
Parts	5	5	5	5	5
Other	0	0	0	0	0
-net imports	0	0	0	0	0
Commercial Refrigeration Equip Shpmts	0	0	0	0	0
price deflator (2005=100)	1	1	1	1	1
Comm Refrig Equip Shpmts (mil 2005\$)	6	6	6	6	6

CHART V-1

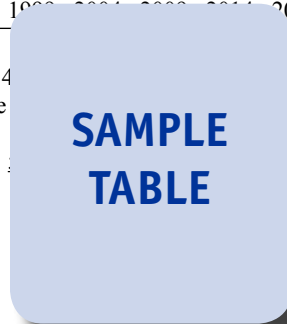
### COMMERCIAL REFRIGERATION EQUIPMENT MARKET SHARE BY COMPANY (\$6.6 billion, 2009)



## Sample Profile, Table & Forecast

**TABLE III-1**  
**COMMERCIAL REFRIGERATION EQUIPMENT DEMAND BY MARKET**  
 (million dollars)

Item	1999	2004	2009	2014	2019
Food & Beverage Shipments (bil \$)	4				2.0
\$ refrig equip/000\$ food & beverage					3.4
Commercial Refrigeration Equipment					100
Foodservice					40
Food & Beverage Retail					80
Food & Beverage Distribution					50
Food & Beverage Production					70
Other					60



### COMPANY PROFILES

#### Grindmaster-Cecilware Corporation

4003 Collins Lane  
 Louisville, KY 40245  
 502-425-4776  
<http://www.grindmaster-cecilware.com>

Annual Sales  
 Employment

Key Products



Grindmaster-Cecilware Corporation (Louisville, Kentucky), a producer of ground coffee and granita dispensers, automatic espresso machines and commercial kitchen equipment, acquired Grindmaster Corporation (Louisville, Kentucky), a producer of beverage dispensing equipment.

The Company is active in the US commercial refrigeration industry through the production of cold and frozen beverage dispensers. These items are sold via the GRINDMASTER and CECILWARE product lines. GRINDMASTER cold beverage dispensing products include CRATHCO G-COOL dispensers that are available in such styles as 5-gallon single-bowl; double-bowl types, which have two 5-gallon bowls; MINI-QUATTRO styles that have four 2.4-gallon bowls; and triple-bowl FOCUS FLAVOR models that feature one 5-gallon bowl and two 2.4-gallon bowls. The GRINDMASTER product line also features CRATHCO CLASSIC BUBBLERS premix cold beverage dispensers, which are available in one-, two- and three-bowl models with 3- or 5-gallon bowls; as well as two- and four-bowl styles that have 2.4- or 1.8-gallon bowls. CRATHCO CLASSIC BUBBLERS are available in

“Commercial refrigeration equipment demand by food distributors is expected to rise 13.8 percent annually to \$2.1 billion in 2014. Growth will outpace the industry average due to recovery from a very poor market in 2009, when food distributors curtailed investment in new equipment due to economic uncertainty. Gains will benefit from the improved fixed investment outlook, which is expected to encourage fleet operators to expand fleet sizes. In addition, advances will continue to benefit from ...”  
 --Section III, pg. 55

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**World Commercial Refrigeration Equipment**

Global demand for commercial refrigeration equipment is projected to rise 5.2% annually through 2014. Demand will benefit from an acceleration in the key US market and above-average growth in the Asia/Pacific region. Beverage equipment will post the fastest gains among products. This study analyzes the \$23.1 billion world commercial refrigeration equipment industry. It presents historical demand data and forecasts for 2014 and 2019 by product, world region and for 27 countries. The study also evaluates company market share and profiles industry participants.

#2706 ..... *January 2011* ..... \$5900

**World Pumps**

World fluid handling pump demand will rise 6.5% annually through 2014. The pace of gains will slow in most developing countries, while in industrialized nations pump sales will rebound from depressed 2009 levels. Process manufacturing will be the fastest growing market. This study analyzes the \$50.4 billion global pump industry, with forecasts for 2014 and 2019 by product, market, world region and for 34 countries. The study also evaluates company market share and profiles industry participants.

#2676 ..... *November 2010* ..... \$6100

**World Lighting Fixtures**

Global lighting fixture demand will climb 5.8% annually through 2014. China will account for one-third of all new demand, surpassing the US to become the largest market. Vehicular lighting will grow the fastest based on increasing motor vehicle output and a shift toward more expensive units. This study analyzes the \$96 billion world lighting fixture industry, with forecasts for 2014 and 2019 by product, market, world region and for 24 countries. It also evaluates company market share and profiles industry competitors.

#2684 ..... *September 2010* ..... \$6100

**World HVAC Equipment**

Global demand for HVAC equipment will rise 6.2% yearly through 2014. China will be the fastest growing market and comprise about 40% of new growth. Despite a modest outlook initially, US demand will rise 8.1% yearly. Cooling equipment will continue to outpace heating equipment worldwide. This study analyzes the \$68.9 billion world HVAC equipment industry, with forecasts for 2014 and 2019 by product, world region and for 18 countries. It also evaluates company market share and profiles industry participants.

#2637 ..... *May 2010* ..... \$5900

**HVAC Equipment**

US HVAC equipment demand will rise 4.5% annually through 2013, driven by a recovery in residential construction and incentives to buy more energy-efficient systems. Heat pumps will be the fastest growing type of heating equipment. Unitary air conditioners account for the largest share of the cooling equipment segment. This study analyzes the \$13.7 billion US HVAC equipment industry, with forecasts for 2013 and 2018 by fuel type, equipment type and market. It also evaluates market share and profiles industry players.

#2553 ..... *October 2009* ..... \$4800

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