

## EPTA FORMS U.S. COMPANY WITH KYSOR WARREN PURCHASE

Kysor Warren Epta US Corp. positions Epta to its CO<sub>2</sub> systems to North and Central American markets, following its acquisition of Lennox subsidiary

– By Michael Garry

**I**talian OEM Epta S.p.A announced the acquisition of Kysor Warren from U.S. conglomerate Lennox International on April 1, and said the acquisition will result in the creation of a new company called Kysor Warren Epta US Corp.

The \$49 million cash deal closed on March 29, 2019, according to Lennox.

Columbus, Ga.-based Kysor Warren, previously a division of Lennox subsidiary Heatcraft Worldwide Refrigeration, manufactures refrigerated merchandisers and systems – including transcritical CO<sub>2</sub> and ammonia/CO<sub>2</sub> cascade systems – for grocery and convenience stores, with applications in other retail and foodservice sectors.

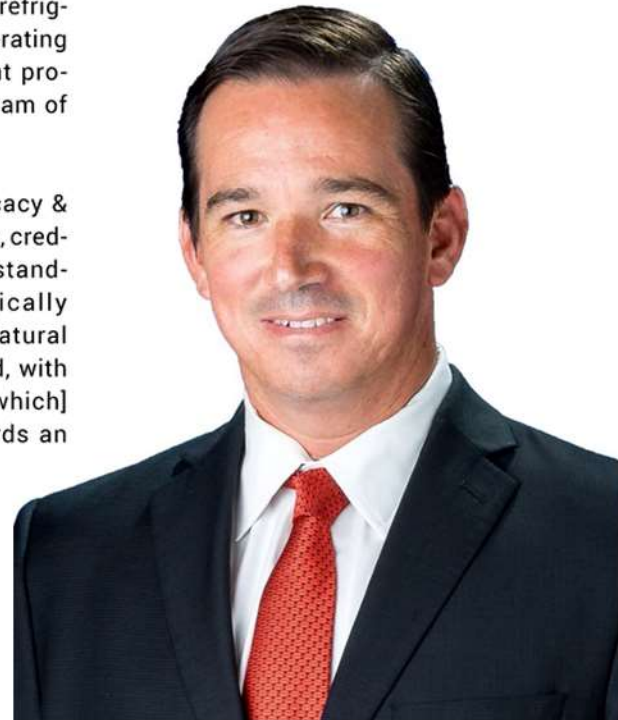
Kysor Warren has over 500 employees, with operations in the U.S. and Mexico. Epta has over 5,000 employees, 11 manufacturing plants and a worldwide sales and technical service network; in 2017 it recorded sales of 888 million euros (\$995 million).

Epta has been a leading manufacturer of CO<sub>2</sub> refrigeration systems in Europe, and has expanded its marketing of CO<sub>2</sub> technology to Australia, South America and Southeast Asia. With the Kysor Warren acquisition, Epta gains a foothold in North and Central America.

“The establishment of Kysor Warren Epta US Corp. is a milestone for the Group,” said Marco Nocivelli, president and CEO of Milan, Italy-based Epta, in a statement. “We have risen to the challenge and we are ready to enter a geographical area that is highly competitive, innovative and with significant numbers: North and Central America are worth over one-third of the world refrigeration market.

“This operation,” he continued, “will allow us to accelerate our growth plans thanks to the reputation of the Kysor Warren brand that boasts a prominent role nationally, innovative natural refrigerant systems such as those operating with CO<sub>2</sub>, structured and efficient production facilities and a strong team of motivated experts.”

Francesco Mastrapasqua, advocacy & regulatory affairs manager at Epta, credited Kysor Warren with “a long-standing experience in technologically advanced systems, even with natural refrigerants.” That aligns, he said, with the “pillars of Epta’s success, [which] are a strong commitment towards an



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eco-friendly approach to refrigeration, along with constant investments and a solid know-how in performing and energy-saving systems adopting low-GWP natural refrigerants.”

The acquisition, added Mastrapasqua, “will thus result in an even higher focus on sustainability and efficiency, raising awareness on the need of the commercial refrigeration sector to accelerate the green transition.”

Epta said the transaction is in line with its expansion strategy, which aims to grow through a combination of organic expansion and mergers/acquisitions.

Commented Parke Adamson, former general manager of Kysor Warren: “Epta and Kysor Warren have a shared vision and highly compatible cultures, founded on similar values, such as quality, sustainability, innovation, design and efficiency. The across-the-board skills of the Epta Group and its know-how in the development of natural refrigerant systems will dovetail with our long-established experience serving North American retailers.

“This is a synergy that will further strengthen the Kysor Warren brand, which will allow us to grasp, with renewed strength, the opportunities in a dynamic, continuously evolving market,” added Adamson.

### Multiple brands

Epta’s commercial refrigeration brands also include Costan, Bonnet N  v  , George Barker, Eurocryor, Misa, Iarp and Knudsen K  ling. Epta describes itself as a “turnkey partner able to manufacture and provide complete refrigeration systems through the integration of specific product lines such as traditional refrigerator cabinets, vertical and semi-vertical chillers, vertical and horizontal freezers, plug-in units for Retail and F&B, medium and large capacity refrigeration systems and cold rooms.”



Marco Nocivelli, Epta

Epta has gained attention as a CO<sub>2</sub> innovator. In 2017, the company launched its Full Transcritical Efficiency (FTE) solution for improving the efficiency of CO<sub>2</sub> refrigeration systems in warmer climates. Epta has also developed its EptaBlue CO<sub>2</sub> integrated water-loop system for medium-sized and small supermarkets.

Kysor Warren has also made news with its natural refrigerant systems. In 2015, the company installed an ammonia/CO<sub>2</sub> cascade refrigeration system at a Piggly Wiggly outlet in Columbus, Ga., which has reported energy savings compared to an HFC system running in the same store.

In 2018, Kysor Warren installed a transcritical CO<sub>2</sub> system at a Casa Ley store that it called the first supermarket installation of transcritical CO<sub>2</sub> in Mexico.

Following its sale of Kysor Warren, Lennox International Chairman and CEO Todd Blueborn, said in a statement that divesting the Kysor Warren refrigerated display case business “enables us to focus on our commercial refrigeration businesses where we have strong market positions in North America and Europe and that fit our growth profile.”

In a report on its fourth-quarter and full year 2018 results issued on February 5, Lennox announced its plans to sell Kysor Warren, adding that it was aiming to close the sale in the first quarter.

Lennox purchased Kysor Warren from the Manitowoc Company in 2011.

The announcement of the sale of Kysor Warren follows the sale last year of Lennox’s refrigeration businesses in Australia, Asia and South America. ■ MG