

Daikin reports strongest results ever worldwide on 100th anniversary

Brussels, 10th May 2024 – Daikin Industries, Ltd. has announced its group results for fiscal year 2023, ending 31 March 2024. The group achieved its best result ever in its 100 year history, with 4395.3 billion yen (28 billion euro).

Subsidiary Daikin Europe N.V. reports an annual result of 4.9 billion euro for the Europe, Middle East and Africa region, slightly below its record of previous fiscal year, mainly influenced by the challenging market for residential heat pumps.



Global results strongest ever

Daikin Industries, Ltd. is **global market leader in air conditioning, heating, ventilation and refrigeration solutions (HVAC-R)**. Founded in 1924 in Osaka, Japan, the company is celebrating its [100th anniversary](#) this year with record breaking sales results worldwide. Information on the company's performance is available on Daikin's global investor relations [webpage](#).



Daikin in Europe, the Middle East and Africa

Subsidiary **Daikin Europe N.V.** is leading in the HVAC-R industry in Europe, the Middle East and Africa (EMEA). The company reports **4.9 billion turnover in fiscal year 2023**, slightly below its record result of previous fiscal year. Sales of residential heat pumps in Europe declined, yet the group saw growth driven by Daikin's commercial and industrial business lines, as well as the turnkey service and solutions business. Sales in the company's emerging markets regions Türkiye, Middle East and Africa grew as well.

European residential heat pump sales under pressure

Daikin is market leader in the segment of low-carbon residential heating and cooling solutions in Europe. In 2023, the market fell short of expectations, particularly the one for heat pump heating. After the boom in demand in 2022, the market contracted across all types of heat pumps. Whereas the year started promising, in Daikin's last quarter of fiscal year 2023 (January-March 2024), the market demand for residential heat pump heating dropped sharply.

As low-carbon heating solutions, heat pumps are an **important enabler for Europe's energy transition to renewables**. While the speed of this transition varies across countries due to their unique dynamics and incentive programs, nonetheless, pervasive challenges such as high inflation and rising interest rates persistently impact consumer purchasing power and confidence continent-wide. Furthermore, the decrease in gas prices during 2023 has once again rendered gas boilers a financially appealing option for homeowners across Europe.

Commercial and industrial heating and cooling performing well

In Daikin's **commercial direct expansion (DX*)** segment, demand for large commercial projects in the hospitality sector and offices stagnated in several European regions. Daikin however managed to **surpass last year's results** thanks to its energy-efficient large commercial VRV ranges, including the ones with lower Global Warming Potential (GWP) refrigerant R-32. Light commercial products did well in applications such as small data centres and warehousing.



In the large commercial and industrial **applied systems** (chilled water*) segment, Daikin's business thrived by tapping into the rising demand for water-based heating and cooling systems, driven by the EU's carbon neutrality goals. Whereas the residential market for single family homes is under pressure, Daikin did grow its sales in collective housing projects. In the Middle East, the business was successful in securing several large projects.

In the **refrigeration** segment, investment activities in the food retail market are picking up from the last quarter onwards. In Southern Europe, the recovery in tourism put demand for refrigeration units in sector of restaurant and hotels back on track. Daikin's industrial refrigeration segment grew strongest in the Middle East and Africa region.

Daikin further increased sales from its **service & solutions turnkey and remote monitoring offers** for various industrial applications such as in healthcare and data centres.

Reinforcing local markets – European acquisitions in 2023

Investments were made to take steps forward to become a **total solution provider** for low-carbon HVAC-R and support the urgent need to decarbonise society. In November 2023, Daikin acquired British service company Robert Heath Heating to help meet the servicing and maintenance requirements of its residential heating customers in the UK, now and in the future.

In March 2024 Daikin Europe established Daikin Denmark by acquiring its Danish distributor BKF-Klima, formerly part of Beijer Ref, to complement its expansion strategy in Scandinavia. Together with investments in Sweden, Norway and Finland in previous years, Daikin aims to leverage its extensive **R&D expertise** and support the region's decarbonisation ambitions with solutions **for low-carbon heating and cooling in residential, commercial as well as industrial settings**.





“Daikin’s recent investments show our commitment to **driving the decarbonisation of society**. With our dedicated teams at the forefront, and together with our business partners across Europe, the Middle East and Africa, we have firm confidence in the transformative potential of our innovations and remain resolute in our mission to create a sustainable future for generations to come”, says **Toshitaka Tsubouchi, President of Daikin Europe**.

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* Direct Expansion (DX) versus Chilled Water Systems

In direct expansion systems, the refrigerant absorbs heat, evaporates at a low pressure to form a gas, which is then compressed to transfer heat to another source like ambient air. The term ‘expansion’ refers to how the refrigerant enters the cooling coil through an expansion device, cooling the air by condensation. DX systems are common in commercial buildings (hotels, offices, collective housing) and offer reliability, ease of maintenance, and can be used for heating via heat pumps.

In contrast, chilled water systems utilise chilled water as the heat transfer medium, distributing it throughout the building. Water's superior heat transfer capabilities and ability to travel long distances make it advantageous, especially for larger buildings or campuses, as well as process cooling. Inside buildings, chilled water air-handling units or fan coil units with chilled water coils are used, typically appearing in buildings which need high capacities for cooling and heating.

About

Daikin Industries Ltd.

Daikin Industries (DIL) is a worldwide leader in heat pump, air conditioning, and air filtration technology with more than 98,000 employees. Founded in Osaka in 1924, it is the only manufacturer in the world that develops and manufactures heating, ventilation, air conditioning, and refrigeration equipment, as well as compressors and refrigerants in-house. Daikin was named one of the world’s top 100 most innovative companies by Clarivate (UK) and LexisNexis (USA), recognized for its leadership in technology research and intellectual property patents. For its fiscal year 2023 Daikin reported a record sales result of € 28 billion sales (1 April 2023 – 31 March 2024).



Daikin Europe N.V.

The Daikin Europe group is the leading provider of heating, cooling, ventilation, air purification and refrigeration (HVAC-R) technology in Europe, Middle East, and Africa. Daikin designs, manufactures, and offers customers a broad portfolio of products, maintenance services as well as turnkey solutions for residential, commercial, and industrial purposes. To date, Daikin Europe has over 13,800 employees across more than 59 subsidiaries. It has 14 manufacturing sites in Belgium, the Czech Republic, Germany, Italy, Spain, Austria, the United Kingdom, Turkey, the United Arab Emirates, and the Kingdom of Saudi Arabia. Headquartered in Ostend (Belgium) for over 50 years, the Daikin Europe group is a subsidiary of the global group Daikin Industries.

Daikin Airconditioning Central Europe

Daikin Airconditioning Central Europe was founded in 1999 with headquarters in Vienna, Austria, as a subsidiary of Daikin Europe N.V. The company's portfolio comprises products and solutions for heating, cooling, ventilation, air purification and refrigeration. More than 700 employees and 2,500 partners are responsible for sales and service activities in 16 countries in Central and Eastern Europe (Austria, Albania, Bosnia Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Kosovo, Montenegro, Moldova, North Macedonia, Poland, Romania, Serbia, Slovakia and Slovenia). With Your Daikin World at the Vienna headquarters, the HVAC-R industry and the construction sector have access to a modern experience center for co-creating tailor-made solutions for hotels, retail, offices, and large commercial applications. It also includes one out of nine training centers in the region of Daikin Central Europe.

Read more on www.daikin-ce.com.

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