Messer China – an extraordinary success story
SGC Virtual Roundtable on “Experiences of German FDI in China”

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We do this all along the line

**Air separation unit**

**Products**
- Argon, Xenon, Krypton 1%
- Oxygen 21%
- Nitrogen 78%

**Sales**
- Hardware, others 4%
- Cylinders 24%
- Bulk 44%
- Pipeline, on site 28%

**Customer segments**
- Automotive
- Construction
- Environmental technology
- Food and beverages
- Industry, production and manufacturing
- Medicine and pharmaceuticals
- Metallurgy/steel, iron/glass and ceramics
- (Petro)chemicals, rubber, plastics
- Welding and cutting
Messer Group / Messer Industries: LTM Financials

North America
- Sales: 343m (€)
- EBITDA: 1,332m (€)

South America
- Sales: 86m (€)
- EBITDA: 343m (€)

EMEA
- Sales: 1,744m (€)
- EBITDA: 786m (€)

APAC
- Sales: 618m (€)
- EBITDA: 195m (€)

Sales: +0%  
EBITDA: +9%

as per August 2020
Development of Messer China

establish a footprint

Phase II (2004 – 2012)
grow with existing partners

Phase III (2012 – 2022)
diversify the business
Development of Messer China

establish a footprint

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diversify the business

Market entry in the 1990ies

• Messer came a little late. The coastal areas were already occupied by competitors.

• The Chinese steel industry offered outsourcing opportunities.

• The GO WEST POLICY created a lot of business opportunities.
Development of Messer China

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Business Expansion
Development of Messer China

establish a footprint

Phase II (2004 – 2012)
grow with existing partners

Phase III (2012 – 2022)
diversify the business

Messer China Diversification Strategy

• Diversify the business by:
  • Developing non-steel on-site business
  • Expanding the liquid business
  • Growing the specialty gases business
  • Entering the CO2 market
  • Developing cylinder business

• while pushing continuous expansion with existing customers and partners
Development of Messer China

establish a footprint

Phase II (2004 – 2012)
grow with existing partners

Phase III (2012 – 2022)
diversify the business

Diversification of Product Lines 2012-2020

- **2012**
  - Sales: CNY 2.4 bn.
  - Pipeline (steel): 63%
  - Bulk: 47%
  - Cylinder: 0%
  - Other: 0%

- **2020**
  - Sales: CNY 4.1 bn.
  - Pipeline (steel): 39%
  - Bulk: 47%
  - Cylinder: 5%
  - Other: 1%

Pipeline (non steel):
- 2012: 4%
- 2020: 8%
Where we are in China