Messer and CVC Close Linde/Praxair US Assets
Buy

At the beginning of March, Messer Industries, new joint venture of Germany-based industrial gases producer Messer and private equity group CVC Capital Partners, completed the acquisition of the majority of Linde’s gases business in North America, along with certain Linde and Praxair business activities in South America.

The largest German player and the largest US gases market player are in the process of merging to become the world’s largest industrial gases producer, passing France’s Air Liquide.

Messer said it plans to invest about $3.6 billion (€3.2 billion) in the jv, to which it will contribute the majority of its West European subsidiaries. These include businesses in Benelux, Denmark, Germany, France, Spain, Switzerland and Portugal as well as Algeria. The companies with some 830 employees had sales of €339 million and EBITDA of €54 million in 2018.

Being able to acquire the assets Linde was forced to divest in exchange for regulatory approval of the merger with its US rival is a “once-in-a-lifetime opportunity” for his company, said CEO and owner Stefan Messer. The deal included 45 air separation plants, 18 carbon dioxide plants, 12 helium filling stations, a hydrogen liquefaction unit and 12 filling and distribution facilities for industrial and specialty gases.

The new partnership with CVC will allow the German gases producer to return to the North and South American markets and again become a global player while at the same time consolidating its position as the largest family-run industrial gases specialist worldwide, Messer said.

With some 5,400 employees, the Linde activities Messer is acquiring in the US, Canada, Brazil and Colombia, along with Praxair’s Chilean operation, generated sales of $1.8 billion (€1.6 billion) and EBITDA of around $408 (€359 million) in 2018.
Dede Williams, Freelance Journalist

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