Crises, turbulence, change – from global player to “100 per cent Messer” (1993–2004/5)

Following Hans Messer’s retirement from senior management, both the long-standing harmonious arrangement between Messer Industrie GmbH and Hoechst AG and the family’s position in the company came under severe threat from several directions as the 1990s progressed.

In 1993, Hans Messer passed the responsibility for running the company to Herbert Rudolf, a family outsider who had a good track record in managing Messer’s USA subsidiary.

Under Herbert Rudolf’s leadership, Messer Griesheim embarked on an aggressive course of globalisation which was ultimately to end in failure. The numerous and, in some cases, highly speculative acquisitions and start-ups of foreign companies and subsidiaries led to a massive deficit which, just before the millennium, would provoke the dismissal of Herbert Rudolf and a sharp correction in the company’s overall policy. But that wasn’t all: following Hans Messer’s departure, practices that had long been regarded as fundamental in the development of the company were now called into question by the new man in charge. It was Herbert Rudolf’s clear intention to eradicate family influence on the running of the company altogether.

Debts and passiveness

During the 1990s, the business policies of Messer Griesheim became closely linked to the strategic goals of the Hoechst Group. From 1994 onwards, Hoechst’s prime focus was on their core businesses of pharmaceuticals, agrochemicals and industrial chemicals and they were now keen to divest themselves of their two-thirds majority share in Messer Griesheim. There followed many years of debate about the future ownership structure of the Messer Griesheim Group and a remarkably passive attitude on the part of the Hoechst board towards the spiralling Messer deficit. Early warnings emanating from the Messer family about the imminent collapse of the company were brushed aside and Herbert Rudolf was given virtual carte blanche.

After the stock market flotation failed and the much touted sale to Linde AG fell through at the last minute because of complications arising from anti-trust legislation, the Hoechst/Aventis shares in Messer Griesheim were finally transferred to the financial investment companies Goldman Sachs and Allianz Capital Partners in April 2001. They also took on two thirds of the net deficit which by spring 2001 had reached the not inconsiderable figure of 1.72 billion euros.

Resignation and investment

However, disputes within the family were also endangering the continued existence of the company. For example, Thomas Messer, the eldest son of Hans Messer, declined to take “any further responsibility for the maintenance and development of the family business” as he wished to chart his own future. In December 1996, Thomas Messer resigned from Messer Industrie GmbH and gave away the greater part of his MIG shares to the charitable Adolf Messer Foundation.

When, in the second half of the 1990s, the fate of Messer Griesheim was hanging in the balance, Stefan Messer – second son of Hans Messer, who died in 1997 – made his view quite clear that the family should retain their long-term influence over the company. In 1999, he purchased the Messer Cutting & Welding subsidiary from Messer Griesheim GmbH on behalf of the family.

One year later, under the direction of American financial investors Carlyle, the company's Cutting and Welding division merged with the Swiss company Castolin Eutectic to form the Messer Eutectic Castolin Group – a new company with the Messer family holding 36 per cent of the shares.

Restructuring and a new beginning

At Messer Griesheim, where control of the far bigger industrial gases side of the business still lay, the financial investors' prime focus after 2000 was on restructuring and debt relief. Messer Griesheim divested itself of a number of its holdings, concentrated on certain core regions and successfully completed its "slimming down" process. When discussions about the future of Messer resurfaced after autumn 2003, one section of the family led by Stefan Messer resolved to take responsibility for the company back into their own hands (much to the surprise of the financial investors). They withdrew from operations in Germany, the USA and the UK and acquired the shares held by Goldman Sachs and Allianz Capital Partners.

Since May 2004, the former Messer Griesheim Group has once again become an owner-managed industrial gases company operating under the name of Messer Group. Finally, in early 2005, Stefan Messer also bought out financial investor Carlyle's holding in the Messer Eutectic Castolin Group, thus restoring to family control what his grandfather Adolf Messer had founded more than a century earlier and what his father Hans Messer had built up after the Second World War – a company with a global reach operating in the industrial gases and cutting & welding technology sectors.

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