

Ad hoc

Media release

Phoenix Mecano to strengthen Mechanical Components division with acquisition in Asia

Stein am Rhein/Kloten, 22 October 2018. The Phoenix Mecano Group, a leading technology company active in the production of enclosures and industrial components, plans to acquire a majority stake in China-based Mei Hui Machinery Co., Ltd. The transaction is expected to close in 2019, subject to regulatory approvals.

Phoenix Mecano intends to acquire 80% of the Chinese metalworking specialist as part of its strategy to boost local value added in growth regions.

Its plan is to manufacture functional parts and complete assemblies from sheet steel for the Mechanical Components division at the company's qualified production facility in Zhejiang Province.

Mei Hui Machinery Co., Ltd. meets the Phoenix Mecano Group's stringent technology, productivity and quality requirements and is expected to make a positive contribution to the Group's EBITDA as early as 2019. The company generated sales of around €25 million in 2017.

The parties have agreed not to disclose the purchase price.

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