



## **Automotive supplier PMG acquires Chinese powder metal specialist Yangzhou Leader Powder Metallurgy**

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Effective January 4, 2022, the international automotive supplier Powder Metal Goldschmidt (PMG), headquartered in Füssen, Germany, has acquired the Chinese powder metal specialist Yangzhou Leader Powder Metallurgy Co., Ltd. (LEADER), headquartered in Jiangsu, China. The Chinese automotive supplier LEADER was founded in 1997, has around 250 employees today and specializes in the production of shock absorber components made of powder metal.

### **PMG CEO Dr. Gutes: “Logical continuation of the new market strategy”**

“With the acquisition of LEADER, we are systematically continuing our strategic realignment”, Dr. Marius Gutes, CEO of PMG, explains the acquisition of the former Chinese competitor. Until now, PMG has had 8 production sites in Europe (5), USA (2) and China (1) and is a leader in the powder metal segments powertrain and shock absorbers in particular. For PMG, the strategic focus for further growth lies both in powder metallurgy as well as in additional segments within and outside of the automotive industry. In this, the growth drivers are both the existing business areas as well as product innovations. For example, PMG also produces innovative powder metal components for electric motors, electrically powered axles and alternative drive systems. “LEADER is a effective addition to our production portfolio in the dynamic Chinese market. Our joint customers in China in particular will benefit from this acquisition,” said Dr. Gutes.

### **Expansion of PMG’s presence in China: Global service portfolio, local foothold**

PMG is already established in China with its production site in Shanghai. Through the acquisition of LEADER, PMG is expanding its local presence in China. The company is strengthening its market position as a leading supplier of powder metal components and system solutions in the automotive industry.

### **Customers benefit from extensive synergies**

Through synergies at the customer, component and production strategy level, PMG is increasing their value creation for its customers through increase in competitiveness as well as being able to offer a larger global product portfolio with local tailor-made solutions around the world – in this case in China.



### **Gradual integration into PMG Group – No changes in points of contact**

PMG will gradually add LEADER to its Shock Absorbers business unit, and LEADER will remain a separate production unit. PMG is committed to not changing LEADER's DNA because PMG understands that the way LEADER has been making business until now has been successful. At the same time PMG is also committed to improving LEADER's capabilities with new technologies and its related investments in order to make LEADER the best and biggest local Chinese shock absorber powder metal supplier. Therefore, during the course of the integration, PMG will honor all of LEADER's existing supply contracts. The existing points of contact for customers will not change. The management of LEADER will remain on board. PMG is pursuing a clear growth strategy.

### **Partnership at eye level for joint success**

"We are looking forward to advancing the development and production of powder metal components under the PMG umbrella even more successfully than before," said Ms. Ge, CEO at LEADER. "PMG is going to make LEADER's dream of becoming the best and biggest shock absorber supplier in China possible" Ms. Ge continued.

### **"Passion drives us: Welcome to PMG"**

"Our success is based, first and foremost, on people – the employees in our companies. This is true for both PMG and LEADER," Dr. Gutes said. "Our claim 'Passion drives us' stands for our passion for entrepreneurial success, for best solutions for our clients, for stable partnerships with our business partners, for motivated teams, and for attractive jobs. LEADER is a very good example of entrepreneurial spirit. Therefore, and with this in mind, we warmly welcome our new colleagues from LEADER to the PMG family!" Dr. Gutes continued.

### **About Powder Metal Goldschmidt (PMG)**

The globally active Powder Metal Goldschmidt Group (PMG) has been the automotive industry's preferred partner for powder-metallurgical transmission, engine, and shock absorber components for over 60 years and is one of the leading automotive suppliers for powertrain and chassis components. With around 1,450 employees in five countries, the company produces innovative, sustainable and cost-effective powder metal components. At its current eight plants in Europe, Asia and the USA, PMG works in an integrated network for its long-standing clients. With the combined know-how of several R&D centers, the company continuously develops innovations and consistently drives the change in the automotive industry towards e-mobility, among other things. In the 2020 financial year, the PMG Group generated sales of around 230 million euros. Further information: [pmgsinter.com](http://pmgsinter.com)



### **About Yangzhou Leader Powder Metallurgy Co., Ltd. (LEADER)**

LEADER was founded in 1997 and is a specialized manufacturer of powder-metal parts mainly on ferrite parts. Based on excellent equipment like full-automatic powder compacting presses, electric furnace, heat treatment furnaces, inspection & measuring equipment and sizing machines, LEADER, with approx. 250 employees, provides a reliable guarantee to the high-quality products. LEADER mainly produces shock absorber parts. The yearly output is approx. 3000 tons.

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