



MAGNESIA GMBH – HIDDEN CHAMPION FROM GERMANY PLAYS SIGNIFICANT ROLE IN THE GLOBAL MARKET OF MINERAL COMPOUNDS

Magnesia is a specialist supplier of high-quality mineral compounds. Its high-grade raw materials come with a comprehensive service - from initial consultation to procurement, through to shipment of goods. Managing Directors Markus Cording and Johann Studtmann explain in an interview what Magnesia's core business is, where their roots lie and what the company is planning for the upcoming years.

With its headquarters in Lüneburg, approximately 50 kilometres south of Hamburg, the company draws on a long tradition of saltworks going back to the mid-10th century. In the early 1980s, after some 1,000 years the operation of the Lüneburg saltworks came to an end. Magnesia was founded as the successor company, re-starting the trade in mineral compounds. Today, the company employs 50 people and trades more than 15,000 metric tons of mineral compounds across the entire world.

The company is considered to be one of the top distribution partners and a point of reference for magnesium, calcium and other mineral compounds for the pharma, cosmetics, food, nutritional and technical sectors across Europe. The reasons for this position are manifold - its central location within Europe with great logistics links and - most importantly



- the combination of its special expertise and utmost customer focus. Markus Cording said: "Our comprehensive know-how regarding the markets and products, followed by the qualification processes of products and suppliers, providing a quick and personal customer service - from the enquiry to the final delivery - is what is valued most. We can leverage our experience and knowledge from the past and pass it on to new colleagues to continuously improve the level of consultancy for our customers, with the aim of finding the right compound for their applications."

Market knowledge

As its very name suggests, the company is specifically strong in magnesium oxide products, offering more than 50 different grades with different product specifications. "All these different grades are the basis for use in different industrial applications for a broad variety of industry segments," explains Johann Studtmann. "Not only the oxides but all types of compounds are carefully selected from the best manufacturers around the globe in order to present a broad variety of possible products to our customers."

This exceptional market knowledge is also one of the company's competitive advantages - to be able to provide sound advice to customers, specialisation in their fields of application is needed. Magnesia has achieved this by having established individual business units by industry segment, i.e. pharma and cosmetics, nutritional and health supplements, food and international business, technical magnesia and the recently added lightweight fillers.

"With this business structure, we are able to understand the customers' needs, to source the right products in the market and to provide fast and reliable solutions," says Mr Cording adding that as some of the markets that the company serves are highly regulated, seamless regulatory and documentary support is a part of their services.

At the forefront

Innovation is a key concept at Magnesia. Responding to evolving market requirements, the company is set to expand the product portfolio to include the "Magnesia Exclusive" range. To this end, the company added a new "Lightweight Fillers" business unit in 2020, aiming to become Europe's specialist in this type of products over the next 3-5 years.

The pandemic has accentuated another trend that was already on the rise - the focus on healthy food and healthy living. This opens the door to new opportunities as Magnesia's range of products suitable for healthy food supplements already matches the trends. "We are committed to supporting consumer health; everyday feedback from the market indicates promising potential in this segment," affirms Mr Studtmann.

Speaking of future developments, he points out that Magnesia's strategy will increasingly focus on digitisation. "Digital transformation in traditional distribution is a daily challenge that we have to accept. In this context, we are developing a white label product range. This new business model extends our current value chain and will make us into a digital hub. This will allow us to offer types of off-the-shelf products that customers can immediately sell in their existing distribution channels."

Strategy for the future

Magnesia's global success rests on its people - the company's core asset. To support business growth, the management is going to continue investing in its staff's professional development across the range of specialist departments, as well as in strengthening the team. Despite the negative consequences of the pandemic, the company increased staff numbers by 20% in 2020. "We believe that only with supported and motivated people can a company achieve its business goals and succeed," Cording added.

Reflecting on the future, he affirms that Magnesia's strategy will focus on digitisation, offering innovative solutions and exclusive partnership for new products in the pharmaceutical and nutraceutical segments. "We also need to increase our responsibility for environmental protection. Sustainability in our daily operations, in the selection of products as well as suppliers, is becoming even more important. Therefore, significantly reducing our CO2 footprint over the next 2 years will be an important part of our strategy." □



Managing Director Johann Studtmann



Managing Director Markus Cording