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Press

Strong 2019 balance sheet strengthens Messe Düsseldorf

**Trade fairs central factor in economic upturn
Düsseldorf trade fair organisers optimistic about the future**



Messe Düsseldorf is well prepared in view of the effects of the Corona pandemic: Marked increases in sales and profits generated in 2019 and a year full of events bring the group's equity capital up to half a billion Euro. Messe Düsseldorf rises to the current challenges with continued responsible and sustainable governance, the development of a concept for the restart of trade fairs and through the strengthening of digital transformation of the trade fair format as well as of its own company.

Thanks to strong domestic business in 2019 and a trade fair year full of events, Messe Düsseldorf can post solid growth in its balance sheet: Messe Düsseldorf Group reports sales of EUR 378.5 million (previous year: EUR 294 million) – a 28.7% increase. The annual consolidated profit after taxes amounts to EUR 56.6 million (previous year: EUR 24.3 million). Messe Düsseldorf GmbH achieved an increase in profits of just under 32%. Revenues were up from EUR 260.4 million to EUR 344 million. The GmbH's profits more than tripled. Its annual net profits rose by 232% to EUR 50.8 million (2018: EUR 15.3 million). This results in a return on sales of 14.8% (previous year: 5.9%). This puts Messe Düsseldorf on a good footing to face the current Corona crisis: equity capital was up by 8.9% to EUR 518.6 million (Messe Düsseldorf Group) and EUR 448 million (Messe Düsseldorf GmbH). Outlining the current economic situation at his company, Werner M. Dornscheidt, President & CEO of Messe Düsseldorf GmbH, says: "In 2019 we operated extremely profitably and dispose of sufficient liquidity and high equity." He goes on to say: "Backed up by these securities we will overcome the current crisis and be able to shape the post-Corona upswing successfully and sustainably."

Forecast for the current business year 2020 revised downwards

At the Düsseldorf location the company so far had to postpone ten leading international trade fairs as a consequence of the pandemic: CARAVAN SALON, drupa, interpack, ProWein, wire, Tube, BEAUTY, TOP HAIR, ENERGY STORAGE EUROPE as well as SportsInnovation. Add to this numerous events around the globe that act as platforms for local industries. This impacts the forecast for the current business year: while Messe Düsseldorf GmbH still counted on very good numbers for 2020 on account of the trade fair cycles before the Corona crisis (sales: EUR 474 million; profit after taxes: EUR 82.2 million) the group now has to clearly revise its expectations downwards.

According to current estimates, revenues will be reduced to less than EUR 200 million, and a higher double-digit million euro loss is expected as a result. An exact forecast is not possible due to the ever changing situation. At its session on 20th May 2020, the shareholders' meeting decided to distribute a dividend of almost EUR 20 million.

Restart: Trade Fairs bring Business into Pole Position again

Messe Düsseldorf counters the negative effects of the Coronavirus by continued solid and sustainable management: the trade fair company has applied for short-time work for the period June to August included and reduced its planned investment by EUR 30 million to some EUR 40 million.

Alongside this, the company is preparing to resume trade fair operations. The new dates have been largely set. "We are cooperating closely with authorities, associations and partners to work out a concept for the re-start," reports the trade fair boss and adds: "As a trade fair company we have to ensure that the high safety and hygiene standards already in place at the Düsseldorf Exhibition Centre are constantly adapted to the latest findings. Our customers', guests' and employees' health is always our top priority." Messe Düsseldorf will provide information on these measures in a timely manner. "At the same time, we aim to keep the economic losses of all parties involved as low as possible and to give customers, partners and sectors dependent on trade fairs the highest planning security possible," says Dornscheidt.

Future-Proof Platforms with Good Growth Rates

Dornscheidt voices his optimism: "Our global No. 1 trade fairs are very well positioned on the market as international meeting points for decision-makers of various industries. The growth rates that Messe Düsseldorf posted for exhibitors, visitors and rented net space in 2019 exceeded the average numbers in the industry," says Dornscheidt. At the proprietary events held at the home-base in Düsseldorf 26,259 exhibitors (+ 2.9%) on just under 835,000 square metres of net space (+ 1.9%) presented their innovations to approximately 1.3 million trade visitors (+ 2.3%). In 2019 Messe Düsseldorf organised a total of 29 events in the state capital on the Rhine (previous year: 27), of these 18 were its own events and 11 were partner and guest events.

"Especially in times of crisis it is important to set a stage for companies to present their novelties, innovations and trends. Players must have the possibility to exchange and jointly chart the course for the future," stresses Dornscheidt. "This is why we receive such a high rate of approval for our leading international trade fairs and want to set important impulses for the individual sectors of industry as well as the economy as a whole." Against this background, Messe Düsseldorf is constantly developing the content of its events: at the previous A+A – initially a trade fair for occupational health

and safety – a Highlight-Route was installed focusing on the future of work. Here exhibitors showcased smart solutions for personal protection, but also new workplace concepts as well as new ideas for working structures, to name but a few exhibits. At MEDICA, a trade fair that specifically provides a platform for the digital future of medicine, just the two forums on Digital Health themes, the CONNECTED HEALTHCARE FORUM, and the HEALTH IT FORUM, alone registered more than 10,000 visitors. “Furthermore, we establish special-interest trade fairs on niche themes with a high potential in the future,” says Dornscheidt. More recent events such as the congress trade fair PRINT & DIGITAL CONVENTION for multi-channel and dialogue marketing or tasc, the world’s first trade fair for Automotive Glass, Smart Repair and Car Detailing, posted convincing double-digit growth rates for both exhibitors and visitors in 2019.

Trade Fairs as a Platform for Societal Challenges

“Trade fairs are undergoing change. Alongside sector-specific themes, ecological, economic and social questions are increasingly moving centre stage and calling for answers,” says Dornscheidt. With its leading international trade fairs, he adds, the group provides industries with platforms where they can present their solutions to the current challenges and discuss them with experts. At K 2019 the industry covered all the facets of a future circular economy at various special shows. Marine conservation and climate protection are very much on the agenda at boot. As part of the “love your ocean” initiative” organised by Messe Düsseldorf, Deutsche Meeresstiftung and Prince Albert II. Foundation, enterprises, associations and institutions demonstrated how they are working towards clean bodies of water on a special area.

Digital Transformation: Investment in the Future

“In addition to the further development of content we are continuing to extend the digital presentation options for our customers,” says Dornscheidt and adds: “Via our online portals our trade fairs are already on 365 days a year today.” Here Messe Düsseldorf allows its exhibitors to present themselves and their products in a multi-media way and make contact with other industry representatives. “We are constantly further developing these formats to make our customers’ content even more attractive and user-friendly.” For example, drupa is planning a digital preview in autumn, at which numerous exhibitors will present themselves online, to prepare for the world's leading trade fair for printing technologies, which has been postponed to 2021. Düsseldorf Congress, the subsidiary specialising in congresses, meetings and events has also launched offers for virtual conferences, general assemblies and webcasts. It offers all the relevant facilities, technical equipment and know-how. Dornscheidt emphasises: “Beyond the

digitalisation of the format that is trade fair we have also pushed ahead with the digital transformation of the company as a whole. This pays off during and after Covid-19.”

Optimisation of Premises: Added Value for Customers and Environment

With a view to also remaining competitive and attractive for customers in future, Messe Düsseldorf also keeps its premises and facilities up to date – in terms of technology, functionality, convenience and architecture. After autumn 2019 saw Hall 1 being commissioned with more than 12,000 square metres, this year the new Süd/South entrance will be completed with its 20 metres high canopy roof measuring 7,800 square metres. “Right in time for the re-start of our trade fairs we will have a new architectural highlight at the ready,” delights Dornscheidt. Until the lock-down in March the adjacent Hall 1 had been fully booked up from the outset. Other construction measures – forming part of the Masterplan Messe Düsseldorf 2030 setting out the modernisation of all exhibition halls by the end of the decade – were temporarily postponed in view of the current situation.

Strengthening International Business

Messe Düsseldorf, which is represented by 77 foreign agents in 141 countries, is also set on course for expansion on a global scale. Especially on dynamic future markets with high growth potential such as Africa, South America and the Middle East, it is constantly expanding its international business under the umbrella of the four major Düsseldorf No.1 trade fairs interpack (Processing & Packaging), MEDICA (Health & Medical Technologies), K (Plastics & Rubber) and wire and Tube (Metals & Flow Technologies). New events held abroad in 2019 include the FAMDENT Show in Mumbai, one of the leading Indian specialist events for dental medicine, pacprocess Middle East Africa in Cairo, a member of the interpack alliance, the Pack Print Plas (PPP) Philippines in Manila as part of the Print Technologies portfolio built around the leading international trade fair drupa and ProWine in São Paulo as the new trade fair of the ProWein World family tailored to the market in Latin America. Last year, Messe Düsseldorf realised 57 of its own events and participations abroad thereby generating sales of just above EUR 70 million. As before, Russia remains the most important foreign market with sales standing at some EUR 34 million, followed by China (around EUR 17 million) and Singapore (EUR 7.4 million).

Foreign Business produces Feedback Effects for Düsseldorf

The positive feedback effects for the trade fair location Düsseldorf confirms the globalisation strategy pursued by the group. The percentage of guests from abroad has been rising for years now. In 2019 73.4% of all exhibitors at our own events in

Düsseldorf came from abroad (previous events: 71.3%); the percentage of international visitors stood at 37.1% (previous events: 36.6%). This percentage is especially high at the Düsseldorf-based No. 1 trade fairs of the four global portfolios: here just under 70% of trade visitors came from abroad in 2019. All of this impacts the business location that is Düsseldorf: according to a study of the Munich-based ifo Institute the trade fair and congress business here alone induces sales of around EUR 2.98 billion annually (in Düsseldorf EUR 1.66 billion), secures 27,692 jobs (in Düsseldorf 16,664) and generates extra tax revenue of EUR 567 million (in Düsseldorf: EUR 36.3 million). Numerous sectors of business are interrelated with the events: skilled crafts businesses, exhibition construction firms, food service, hospitality, retail, and local public transport. Dornscheidt: "We are busy resuming trade fair operations as fast as possible: for the exhibiting industries, the downstream sectors and the business locations Düsseldorf and Germany as whole."

Handing over the Baton in 2020: Board of Management Reorganised

Late June will see the President & CEO of Messe Düsseldorf GmbH retire after almost 17 years at the helm of the group. On 1 July Dornscheidt will be succeeded by Wolfram N. Diener who has been responsible for operative business of several Global Portfolios since he joined the group in 2018. Since 1 January 2020 Erhard Wienkamp has acted as the new Managing Director Operative Trade Fair Business. He succeeded Hans Werner Reinhard, who left the group in 2019. Bernhard J. Stempfle, responsible for Finance and Technology, completes the management team. Werner M. Dornscheidt is convinced about the new board appointments: "Markets are shifting, the world is getting more international, digital and complex. Hitherto unseen challenges are caused by the Covid 19 pandemic. With their longstanding trade fair experience Wolfram N. Diener, Bernhard J. Stempfle and Erhard Wienkamp are the ideal trio to lead Messe Düsseldorf through the Corona crisis and position it successfully for the future."

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The Messe Düsseldorf Group

With revenue of EUR 378.5 million in 2019, the Messe Düsseldorf Group has maintained its position as one of Germany's most successful trade fair companies. 29,222 exhibitors presented their products to 1.4 million trade visitors at events in Düsseldorf in 2019. Compared with previous events, this was an increase in the numbers of both exhibitors and visitors. Düsseldorf Exhibition Centre hosts around 50 trade fairs in five sectors of expertise: machinery, plants and equipment; the retail trade, trades and services; medicine and healthcare; lifestyle and beauty, and leisure. The trade fairs include 22 proprietary No. 1 events as well as, currently, 15 robust partner and guest events. Also, its subsidiary Düsseldorf Congress held over 1,000 conventions, corporate events, conferences and meetings in 2019, attracting around 374,000 delegates in all. In addition, the Messe Düsseldorf Group organises 75 proprietary events, joint events and contracted events in other countries and is one of the leading export platforms in the world. Proprietary events in Düsseldorf attracted around 73% international exhibitors and 37% international visitors in 2019. The group runs a global network of 77 foreign representatives for 141 countries, including 7 international subsidiaries.

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