

## Press

**The 2016 financial year has confirmed that the Messe Düsseldorf Group was highly profitable**

**The Messe Düsseldorf Group showed a net revenue of approx. EUR 443m**

**The revenue of Messe Düsseldorf GmbH rose to around EUR 407 million due to the cyclical pattern**

**Messe Düsseldorf GmbH broke through the EUR 400 million revenue mark**

**Net revenue was clearly above plan, at EUR 443 million**

**Annual net profit after tax: nearly EUR 59 million**

**International growth offensive: Strategy 2030 clearly on course for success**

**Preparations have begun for replacement of the South Entrance and Hall 1**



As Europe's most profitable trade fair company with its own premises, the Messe Düsseldorf Group has concluded the 2016 financial year with a result that is clearly above plan. Due to the trade fair cycle, 2016 featured a large number of events, with sales revenues of EUR 442.8 million (2015: EUR 302 million). The Group as a whole achieved EUR 58.8 million net profit after tax (2015: EUR 10.3 million).

Outside Germany the Messe Düsseldorf Group generated around EUR 73.1 million (previous year: EUR 100 million). The international market with the strongest revenue was Russia again (EUR 28 million), despite its crisis, followed by China (EUR 18.6 million), Singapore (EUR 6.7 million) and the USA (EUR 6.4 million). The sale of Brno Trade Fairs and Exhibitions and the difficult economic situation in Russia temporarily reduced the international share of net Group revenues to 16.5 per cent. By pursuing a steady policy of global expansion under its corporate strategy "Messe Düsseldorf 2030", the trade fair company is planning to reach the previous year's international share of more than 30 per cent again within the next five years.

Due to a large number of trade fairs in 2016, Messe Düsseldorf GmbH's revenue rose to approx. EUR 406.9 million (previous year: approx. EUR 243 million). Proprietary events in Düsseldorf itself accounted for around EUR 354 million (2015: EUR 183 million), guest events and other income were about EUR 29 million (2015: approx. EUR 21 million). The biggest revenue drivers were the annual

number-one events MEDICA, ProWein, CARAVAN SALON and boot as well as the world's leading trade fairs drupa and K. All of these were also highlights which greatly stimulated their respective industries for future developments. The annual GmbH result after tax was approx. EUR 71 million (2015: EUR 31 million). The share of international business, implemented directly by the GmbH, was approx. EUR 32 million (2015: EUR 40 million). The revenue drivers were Collection Première Moscow, interplastica, METALLOBRABOTKA, upakovka, Chinaplas, wire CHINA, MEDICAL FAIR INDIA, Expomin and IRANPLAST.

Werner M. Dornscheidt, President and CEO of Messe Düsseldorf GmbH, sees the result as confirming the Group's strategy with its focus on the relevant industries and markets: "We are working extremely profitably," says the CEO who achieved around 17.5 per cent return on sales with the GmbH in 2016. "Our leading global trade fairs are well-known brands. They act as successful innovation exchanges for the industry throughout the world. By pursuing our corporate strategy 'Messe Düsseldorf 2030', we are going to reinforce and develop this leading position – with digital services, new trade fair models and the steady expansion of our global portfolio under the umbrella of our big number-one events in Düsseldorf." The declared aim, according to Dornscheidt, is 4 to 5 per cent annual growth, both in Germany and internationally.

### **Sustainable business secured by robust financial and asset positions**

Sustainable development without subsidies is central to the expansion of Messe Düsseldorf's national and international business and also for its future investments. Compared with the previous year, the total assets of the Messe Düsseldorf Group increased by 0.4%, reaching EUR 672 million. The assets situation is still characterised by fixed assets (63.2 per cent) and liquid funds (31.9 per cent of the balance sheet total). In all, the Group's cash and cash equivalents increased to approx. EUR 214.6 million. On the liabilities side the Group's equity rose from approx. EUR 424 million to approx. EUR 440 million. This corresponds to an equity ratio of 65.4 per cent (2015: 63.2 per cent). Due to the trade fair cycle, the Group's earnings were positively influenced by the strong trade fair year. This was balanced by disposals through the deconsolidation of Veletrhy Brno a.s. and Brno INN a.s.

The shareholders decided at their meeting that a dividend of €17m should be paid out.

### **New southern section increases service factor for customers**

As in previous years, a large proportion of the operating cash flow will be used for the further development of the global portfolio, both in content and operations, as well as for modernising the Düsseldorf Exhibition Centre. The complete refurbishment of all halls and customer space should be completed by 2030. The planned investment total for renovation and construction activities is €648m, which – like all investments – will be generated by the Group in its own strength. By the end of 2016 Messe Düsseldorf had completely redeveloped or modernised eleven out of its 19 halls.

The work on replacing the southern entrance section and Hall 1 (currently Halls 1 and 2) has been scheduled to start after interpack in May. “By building the new southern section,” says Dornscheidt, “we are giving our customers and visitors some state-of-the-art space for exhibitions, events and conventions with extremely flexible usage options and high technical standards.” The CEO continues to explain that the separately usable exhibition premises on the banks of the Rhine will increase the attractiveness of Düsseldorf as a city for conventions and events. He points out that this will also open up new dimensions of venue marketing for the Group’s subsidiary Düsseldorf Congress Sport & Event GmbH. Particularly, he says, as the Congress Center Düsseldorf – which is directly integrated into the premises – will have undergone complete renovation by 2021.

### **Strategy 2030: expansion of global portfolio creates feedback effects**

“We aim to support our trade fair customers as comprehensively and globally as possible,” says Dornscheidt as he looks back to a successful financial year in the international business of Messe Düsseldorf GmbH, with 27 contracted and 18 proprietary and joint events. The largest proportion of events in 2016 were held in Russia, China and India. Dornscheidt is especially pleased that about one third of exhibitors at Düsseldorf’s worldwide leaders among trade fairs in the global portfolios are by now using at least one equivalent Messe Düsseldorf event for their business outside Germany. Again, he sees this as clear confirmation of the Group’s corporate strategy.

“We are already at home in the world’s growth markets, with around 60 spin-offs of Düsseldorf’s global brands, such as interpack, MEDICA, K and wire&Tube,” says Dornscheidt. “In 2016 we established nine new proprietary and joint events outside

Germany, including the first one in Iran.” This positive international development of events,” says the CEO, “is an important success which we’ve already achieved through our strategy ‘Messe Düsseldorf 2030’,” he says. “One major reason is that we want to break through our cyclical revenue fluctuations in Germany and ensure a steady growth in revenue for our Group, and so we will persist along this course.” As well as continually developing Düsseldorf’s leading global trade fairs and digital customer service facilities, the company is therefore pursuing an intensive expansion of its global portfolio: “Under today’s plans,” says Dornscheidt, “we are set to create 15 further spin-offs that will have their premières in 2017 and 2018.” The main focus of this growth offensive will be on the economic areas of Asia and of North and South America. “We are taking the topics of our leading global trade fairs into new markets and are thus also generating feedback effects for the Düsseldorf Exhibition Centre,” he says.

### **High level of internationalism indicates world-class quality of trade fair venue**

The growth spurt outside Germany matches the Group’s success at its home base. As before, the internationalism of the trade fairs was extremely high in 2016. The proportion of international exhibitors at proprietary events in Düsseldorf rose to around 71 per cent (previous events: 69.6 per cent) and the share of international visitors to approx. 45 per cent (previous events: 26.3 per cent). The highest proportions of international visitors were recorded at drupa (75.3 per cent) and K (70.8 per cent). Where exhibitors were concerned, a high level of internationalism was particularly in evidence at ProWein (84.4 per cent), followed by Tube (74.9 per cent), drupa (71.4 per cent) and glasstec (71.1 per cent). Dornscheidt emphasises that “70 per cent of international visitors and exhibitors at industrial goods exhibitions is an outstanding figure in Germany’s trade fair sector.”

In all, Messe Düsseldorf GmbH ran 19 proprietary and 12 guest events at its home base in 2016. 32,383 exhibitors (2015: 25,819) rented just over 1.3 million sqm of net exhibition space (previous year: 891,054 sqm) and showcased their innovations to approx. 1.6 million visitors (previous year: approx. 1.1 million). In addition, Messe Düsseldorf recorded around half a million convention delegates.

### **Forecast for 2017: consolidated revenue of approx. EUR 330 million**

Messe Düsseldorf's forecasts for the current financial year are positive. "In 2017, which should generate lower revenues under our trade fair cycle, we are expecting Group revenues of around EUR 331 million," says Dornscheidt. "The first quarter got off to a very good start. Both ProWein and EuroShop recorded very high numbers of exhibitors and visitors. Moreover, a further lucrative world's leading trade fair took place early in May: interpack. This internationally most important event in the packaging industry has both recorded the highest number of exhibitors in its history of nearly 70 years as well as a record-Level International Attendance with 74 per cent international visitors. Throughout the world there is no other trade fair in this industry that maps the entire value chain at this level of comprehensiveness. The *interpack alliance* is a label which comprises all international events within the global portfolio of packaging and processing. It does so by focusing on greater visibility and positioning itself under a single globalised and comprehensive brand strategy.

In all, 29 events are likely to take place in Düsseldorf this year. Outside Germany, the Messe Düsseldorf Group is planning more than 60 proprietary and joint events. "Our positive operating cash flow in 2017," says Dornscheidt, "will safeguard the further implementation of our strategy 'Messe Düsseldorf 2030', with the modernisation of our Düsseldorf Exhibition Centre, the expansion of our global portfolio, the continued development of our global brands at the home base and our digital customer service facilities."

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**The Messe Düsseldorf Group:**

With a revenue of around EUR 443m in 2016, the Messe Düsseldorf Group maintained its position as one of Germany's most successful trade fair companies. 32,100 exhibitors presented their products to 1.6m trade visitors at events in Düsseldorf this year. They were joined by about half a million visitors at various conventions. About 50 trade fairs were held in Düsseldorf, including 23 global leaders in five areas of expertise: machinery, plants and equipment, retail, trade and services, medicine and healthcare, fashion and lifestyle, and also leisure. In addition, there were about 70 proprietary, joint and contracted events outside Germany, demonstrating that the Messe Düsseldorf Group is a leading global platform for export. Messe Düsseldorf GmbH is the trade fair company with the highest level of internationalism in capital goods exhibitions. In 2016 Messe Düsseldorf's proprietary events in machinery, plants and equipment had approx. 72 per cent international exhibitors and trade visitors from other countries. In all, Düsseldorf trade fairs are being attended by customers from about 180 countries. The Group runs a global network of sales offices in 136 countries (73 international representations) as well as competence centres in 8 countries.