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Messe Düsseldorf records robust growth

2019 was a year with a large number of trade fairs for Messe Düsseldorf, resulting in significant increases in earnings and revenue.

The company is expecting a further increase in 2020, reaching an unprecedented level due to the trade fair cycle.

Thanks to its substantial domestic business in 2019, with its large numbers of trade fairs, Messe Düsseldorf can look back on some robust growth: The Messe Düsseldorf Group achieved a revenue of EUR 369 million (previous year: EUR 294 million), which is a 25.6% increase. Messe Düsseldorf GmbH recorded a revenue increase of 29.8%, while its earnings rose from EUR 260.4 million to EUR 338 million. GmbH profits grew more than threefold, and its net income for the year rose by 217%, reaching EUR 49 million (2018: EUR 15.3 million). As a result, the return on sales was 14.4% (previous year: 5.9%).

Due to trade fair cycles – with trade fairs taking place at up to four-year intervals – all leading global trade fairs between August 2019 and June 2020 will be held at the Düsseldorf Exhibition Centre. K and A+A already took place in 2019 and will be followed this year, among others, by wire, Tube, interpack and drupa. All these events ensure major growth figures for Messe Düsseldorf in its domestic business. “This trade fair season, which with CARAVAN SALON started in autumn 2019, has had the highest number of visitors so far and will finish in June 2020 with drupa, which is already booked out. So in all, in only ten months we will have welcomed around 1.6 million visitors and 35,000 exhibitors at our proprietary events in Düsseldorf alone,” says Werner M. Dornscheidt, referring to Messe Düsseldorf’s successful domestic business. The Chief Executive Officer of Messe Düsseldorf GmbH therefore sounds a consistently positive note in his summary of the past financial year: “Our 2019 earnings have more than trebled compared with the previous year. The season has been highly profitable, laying a robust foundation for future investments.”

The outlook for the future is also promising: “Prospects for the current year are more than encouraging,” says the CEO of Messe Düsseldorf. In 2020 GmbH earnings increase substantially again, as forecasters are predicting a 69.5% rise to EUR 82.2 million. According to the forecast, the revenue is set to grow 40.2%, reaching EUR 474 million. This will make the company even more profitable, with returns likely to be 17.3% in the coming year. The remaining trade fair cycles will not lead to a more quiet year until 2021.

Growth in existing and new events

In 2019 Messe Düsseldorf GmbH held a total of 29 events (previous year: 27) at its home base, the capital of North Rhine Westphalia on the River Rhine. 18 of those events were proprietary events and 11 were either partner or guest events. Proprietary events attracted 26,259 exhibitors on nearly 835,000 sqm of net exhibition space and almost 1.3 million trade visitors. "Compared with previous events, we recorded 2.9% more exhibitors and visitors and 2.3% more net space," says Dornscheidt as he explains the outstanding figures of proprietary events at the home base. Some of the biggest revenue drivers last year were the number one events K, MEDICA, A+A and ProWein, as well as the trade fair quartet The Bright World of Metals (GIFA, METEC and THERMPROCESS and NEWCAST).

"Our leading global trade fairs are growing. At the same time we are continually creating specialist exhibitions on niche subjects with major future potential," says the CEO of Messe Düsseldorf as he comments on the new additions to his company's trade fair portfolio. In 2019 persuasive two-digit growth rates among exhibitors and visitors were also recorded by the PRINT & DIGITAL CONVENTION, a convention and exhibition on multichannel and dialogue marketing, and by tasc, the world's first trade fair for automotive glass, smart repair and car detailing. In 2020 SPORTS INNOVATION will be taking place for the second time at the Düsseldorf Arena, directly next to the exhibition centre. Working in partnership with Germany's première league enterprise DFL Deutsche Fußball Liga GmbH, Messe Düsseldorf will be offering a platform for new technologies in game analysis, broadcasting and the stadium experience, to name but a few.

One new item in the portfolio will be Saw EXPO. From 2020 the trade fair on sawing technology will be managed by Messe Düsseldorf as a special pavilion at wire and Tube. In the intervening years, from 2021 onwards, it will be held as a stand-alone trade fair in Friedrichshafen. There are also plans to create a spin-off for Tube China in Shanghai in 2020.

Trade fairs as platforms for challenges in society

"We are expanding our portfolios, and continuing to develop the content of our events," says Dornscheidt. "Trade fairs are in a state of flux. In addition to specific industry topics, we are seeing an increased focus on environmental, economic and social issues which require answers. With our leading global trade fairs we offer the various industries platforms where they can present solutions to the current challenges of our time and discuss

them with specialists.” At K2019, for example, the industry used a range of special exhibitions to highlight the various facets of a future cyclical economy. As part of the SAVE FOOD initiative, set up in 2011, Messe Düsseldorf and its packaging trade fairs (interpack alliance) send clear signals against worldwide food loss and waste. During interpack 2020 it will be holding the SAVE FOOD Festival in the city of Düsseldorf, with start-ups interactively presenting information, ideas and solutions to protagonists along the entire food value chain, right down to the end user. At the same time interpack will be holding its own conference entitled Life without Packaging. Marine and climate protection will once again be on the agenda at boot, the Düsseldorf boat show. Run under the *Love Your Ocean* initiative by Messe Düsseldorf, the German Ocean Foundation and the Prince Albert II Foundation, a range of companies, associations and institutions will be showcasing their activities to help clean up the sea, in a specially created space.

“Investments in internationalisation, the modernisation of the exhibition centre and digital transformation are just as important for our long-term success as the ongoing development of each trade fair,” emphasises the CEO of Messe Düsseldorf, “and we raise all the required funds without any assistance from elsewhere.”

Expanding the international network to strengthen sales

Having opened its new international office in Colombo, Sri Lanka, on 1 January 2019, Messe Düsseldorf now has 77 such offices – including seven international subsidiaries – in 141 countries. “We are continuing to expand our international activities for a number of reasons,” says Dornscheidt. “Firstly, we want to meet the demands of the market in an increasingly globalised economy. Secondly, we want to attract more international exhibitors and visitors to our leading global trade fairs here at home in Düsseldorf. And thirdly, we’re aiming to improve our ability to cushion cyclical fluctuations through our robust international business.” Of the approximately EUR 67 million achieved by the Group internationally in 2019, EUR 33 million was made in Russia, EUR 14 million in China and EUR 10 million in Singapore.

“International operations are a tradition for Messe Düsseldorf,” says Dornscheidt. In 2019 Messe Düsseldorf celebrated the 40th anniversary of its Moscow base. However, its operations go back to 1963, when Messe Düsseldorf was the first foreign trade fair company to operate in Russia. The CEO of Messe Düsseldorf emphasises that “we’ve been continually represented in Moscow since 1979, even during difficult political and economic times. Today Russia is our biggest international market with 14 proprietary and joint trade fairs in Moscow, Novokuznetsk, Kazan, Ufa and Yekaterinburg.”

Anniversaries were also celebrated by the subsidiaries in China, which is the second biggest international market for Messe Düsseldorf: 20 years of Messe Düsseldorf China in Hong Kong, the company that looks after Chinese exhibitors at the worldwide events of the Messe Düsseldorf Group, and 10 years of Messe Düsseldorf Shanghai, which currently runs 16 trade fairs in China.

Trade fairs as stimulants for growth markets

In all, the Messe Düsseldorf Group held 57 proprietary and joint events outside Germany. The group is particularly expanding its international business in dynamic future markets with major potential for growth, such as in Africa, South America and the Middle East. This is under the umbrella of Düsseldorf's four major leading global trade fairs – interpack (Processing & Packaging), MEDICA (Health & Medical Technologies), K (Plastics & Rubber) and wire and Tube (Metals & Flow Technologies). New international events in 2019 included the FAMDENT Show in Mumbai, one of the leading professional Indian events on dentistry, pacprocess Middle East Africa in Cairo, a member of the interpack alliance, and Pack Print Plas (PPP) Philippines in Manila as part of Portfolios Print Technologies, created in the wake of the leading global trade fair drupa. 2020 will be the first year for two medical engineering trade fairs: MEDICAL FAIR BRASIL in São Paulo and Meditech Colombia in Bogotá.

Internationalism strengthens home base in Düsseldorf

The positive impact of internationalisation on Düsseldorf as a trade fair venue confirms the company's globalisation strategy. The proportion of international guests has been rising for many years now. In 2019, 73.4% of all exhibitors at proprietary events in Düsseldorf came from outside Germany (previous events: 71.3%), while the share of international visitors was 37.1% (previous events: 36.6%). This percentage was particularly high for Düsseldorf's leading global trade fairs in its four global portfolios, which saw nearly 70% of trade visitors coming from outside Germany in 2019. Dornscheidt is pleased: "Our proprietary events in Düsseldorf therefore reached new records that are unique for German industrial goods trade fairs."

Modernising the exhibition centre: added value for customers and the environment

To stay competitive and attractive to future customers, Messe Düsseldorf is keeping its exhibition space and premises abreast of the times, continually improving its technology, convenience, amenities and architecture. A new Hall 1 was opened in autumn 2019,

after two years of construction. Covering over 12,000 square metres, it has enough space for 10,000 people. In addition, it has six glass-enclosed meeting rooms on the upper floor, each of them 200 sqm, as well as the foyer offering event space of over 2,112 sqm.

Hall 1 has been continually booked up from the very beginning. expopharm, Europe's biggest trade fair for the pharmaceuticals market was the guest event that marked the beginning of the hall's continuous occupation, which lasts until drupa at the end of June 2020. The first proprietary event in the new hall was K in October 2019. "This high level of utilisation right from the beginning shows that our construction policy meets the needs of our customers," says Dornscheidt. The new South Entrance with its premium quality architecture, 7,800-sqm canopy and 20 metres of headroom will be completed in spring 2020. In total, the project will have cost EUR 140 million.

The New Southern Section forms part of the Messe Düsseldorf 2030 Masterplan which, since the year 2000, has so far included Halls 6, 7a, 8a and 8b, the new North Entrance and the complete modernisation of seven halls. The next hall that is earmarked for modernisation is Hall 9. All exhibition halls are to reach state-of-the-art energy use by 2030. "We reckon we'll be investing over EUR 720 million in development projects over the next for 12 to 15 years, with the complete modernisation of the Düsseldorf Exhibition Centre. The details will be decided by our supervisory boards."

Digital transformation: an investment in the future

Messe Düsseldorf is one of the world's most important platforms for showcasing digital innovations in a range of industries. At the same time, the company itself is moving forward in the digitisation of the trade fairs themselves, as well as updating its digital infrastructure and transforming its own operations. The latest projects are the gradual relaunch of its trade fair apps and the further development of its matchmaking tool, which connects exhibitors and visitors with interested parties at the click of a button. Over 1,500 connections were facilitated in this way at MEDICA and COMPAMED in 2019. In 2020 ProWein will be taking a similar approach together with the company Bottlebooks: The sheer size of the product range makes it indispensable for buyers to gain a quick overview and to find specific products as quickly as possible. It has now become possible for exhibitors to enter their details in an online database during the run-up to a trade fair. Visitors, in turn, can find specific product groups without hassle and with perfect ease. This increases the efficiency and benefit of a trade fair for customers.

Promoting the future: leading global trade fairs as platforms for start-ups

In addition, Messe Düsseldorf also supports start-ups that have a significant impact on digitisation. Messe Düsseldorf is, among other things, a partner of digihub Düsseldorf, a competence centre for digital business ideas. All major Düsseldorf trade fairs therefore have special areas for start-ups, such as the Start-up Hub at EuroCIS 2019 and EuroShop 2020, the Start-up Zone at A+A 2019 and glasstec 2020, and also the annual MEDICA START-UP PARK. Dornscheidt is pleased, too: “Our exhibition portfolio is meeting with a good response from business start-ups. In 2020 we’ll be rolling out a new and inspiring hall setup at drupa. This new forum, entitled *drupa next age*, will be a centre of groundbreaking developments where global players, start-ups and key players of the industry can network, entering into productive conversations on new product ideas, technologies and business models.”

Reorganisation of the Board of Management

In 2020 the world’s largest trade fair for printing technologies will be the last number one event to be headed by Werner M. Dornscheidt. At the end of June the Chief Executive Officer of Messe Düsseldorf GmbH will be retiring after nearly 17 years of heading the company. He will be succeeded on 1 July by Wolfram N. Diener, who has been responsible for the business operations of several global portfolios since joining the company in 2018. Erhard Wienkamp is now the new operations manager, from 1 January 2020, as the successor of Hans Werner Reinhard, who left Messe Düsseldorf in 2019. The management team also includes Bernhard J. Stempfle who is responsible for Finance and Technology. Werner M. Dornscheidt is confident about the new management lineup: “Markets keep changing, and the world is becoming more international, digital and complex. Given their many years of experience with trade fairs, Wolfram N. Diener, Bernhard J. Stempfle and Erhard Wienkamp are ideally placed to drive Messe Düsseldorf forward and to take it into the future. They represent both innovation and continuity.” This, Dornscheidt believes, should create the best possible conditions for the further development of Messe Düsseldorf’s product portfolio, so that it can meet the needs of its customers, both in Germany and internationally, while also boosting Düsseldorf as a trade fair venue.

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The Messe Düsseldorf Group*

With a revenue of around EUR 369 million in 2019, the Messe Düsseldorf Group has maintained its position as one of Germany’s most successful trade fair companies. 29,195 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. The 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 number-one 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 365,000 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 international offices, including 7 international subsidiaries.

* All figures are subject to final accounts.

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