

Press release

Frankfurt am Main,
9 December 2020

€250 million in sales in spite of the coronavirus crisis

Markus Quint
Tel. +49 69 75 75-59 05
press@messefrankfurt.com
www.messefrankfurt.com

Mayor and Messe Frankfurt Supervisory Board Chairman Feldmann:

The coronavirus pandemic has affected the entire trade fair sector at a fundamental level and brought it to a virtual standstill. Thanks to its extensive global presence and longstanding digital expertise, Messe Frankfurt still managed to hold more than 150 events worldwide in 2020. The company generated Group sales of approximately €250 million. In spite of its liquidity-oriented business management, the Group is continuing to invest in the future viability of its business model.

Mayor Peter Feldmann, Chairman of the Messe Frankfurt Supervisory Board, was full of praise for the company's Executive Board: "In these extremely difficult times, combining business interests with responsibility for customers shows a high degree of responsibility and solidarity towards sectors, industry and trade." He sees Messe Frankfurt as an important part of the fabric of the city, setting an example for the many other companies in which the City of Frankfurt holds a stake: "Over the past decades, the Group has performed very well, has distributed a respectable share of profits to our shareholders, and has established itself as a diverse employer and a global player in the international trade fair sector."

After ten years of continual growth and an all-time high in financial year 2019, Messe Frankfurt has been forced to hit the emergency brakes owing to the coronavirus pandemic. On presenting the Group's preliminary figures for 2020, Wolfgang Marzin, President and Chief Executive Officer of Messe Frankfurt, said: "Ongoing travel restrictions with constant modifications by the individual governments have brought the trade fair business – which has proved its worth for decades on end – to a virtual standstill." This meant that, in the reporting year, it was only possible to hold around a third of all events around the globe compared with financial years before the outbreak of the coronavirus. Nonetheless, the company succeeded in generating Group sales of approximately €250 million.

Marzin: "We have a stable equity base and, thanks to our financial strength in recent years, have been able to secure additional funds on the capital markets, thus allowing us to safeguard liquidity. Our shareholders have pledged their full support. With a rigorous cost-saving plan, we aim to overcome this crisis using our own resources as far as

possible.” Messe Frankfurt has a medium-term bridging strategy that can be adapted to each individual situation. As before, the company is eager to avoid redundancies. A new works agreement has been signed with employee representatives, based on a socially responsible reduction of personnel costs with a view to safeguarding jobs. As Wolfgang Marzin emphasised: “For their part, our employees are foregoing variable remuneration components until 2022.” The company will no longer advertise positions externally and will continue to make use of the government’s short-time work programme.

Even in the current situation, Messe Frankfurt is benefiting from its strong brands and its diversification. Events can be held in Germany, throughout Europe and throughout the world. Here, having a strong network of 30 subsidiaries and over 50 sales partners is a key competitive advantage. A total of 153 events took place under the Messe Frankfurt umbrella in spite of very difficult conditions – these included 52 trade fairs and exhibitions with more than 33,100 exhibiting companies and around 1.3 million visitors. International business in China recovered impressively, with enormous exhibitor and visitor counts at Messe Frankfurt events there, in many cases on a par with pre-coronavirus years. As Detlef Braun, Member of the Executive Board of Messe Frankfurt, explained: “People need face-to-face interaction and want to meet up in person – that is hardwired in our DNA.” In order to provide its customers with globally networked platforms for their business, particularly in these difficult times, the company put together new communication packages, focusing primarily on business matchmaking, lead generation and reach optimisation. Braun: “In this way, we are building on our longstanding digital expertise and, of course, are able to meet our customers’ new information needs.” The way for digital supplementary formats was being paved even before the coronavirus pandemic with digital order platform Nextrade. The B2B marketplace for Ambiente and Tendence’s home and living sector has been supplementing the consumer goods fairs as a 24/7/365 order platform since 2019. Over 200 suppliers from 30 countries and more than 300,000 products now come together here with more than 3,000 buyers from some 80 different nations. For the very first time, the B2B marketplace is now also being opened for Heimtextil, Creativeworld and Christmasworld companies.

Due to the continued pandemic restrictions, Messe Frankfurt will be postponing the flagship events scheduled to take place at its Frankfurt base in the first quarter of 2021 until April and May. Braun: “With the new schedules and the extended digital character of the physical events, we can offer our customers attractive business opportunities, thereby allowing them to give their business the push they urgently need.”

Developments in the guest event business at the company’s Frankfurt base are encouraging. As Uwe Behm, Member of the Executive Board of Messe Frankfurt, explains: “Even though there is no end in sight yet, the high number of requests for the coming financial year and beyond show that event organisers are optimistic when it comes to planning the future with real platforms for interaction.” The exhibition grounds already have everything that is needed to allow visitors and exhibitors to attend trade

fairs safely, complying with all relevant safety and hygiene standards. As Uwe Behm emphasised: “This means that we use control mechanisms that go well beyond measures being implemented in the public sector.” A whole host of new guest events are scheduled to come to Frankfurt in 2021, including Veggie World, White Label Expo, Chemspec and, a textile industry highlight, Frankfurt Fashion Week. International spine convention Eurospine will be held in the Congress Center and the new Hall 5 in 2023.

As of mid-December, the exhibition grounds will play host to one of 30 COVID-19 vaccination centres in Hesse for four months or so. Around 4,000 people are to be vaccinated every day. Two Messe Frankfurt subsidiaries – in-house trade fair stand constructors Fairconstruction and Accente Gastronomie Service GmbH – are involved in constructing and operating this centre. Other services will be commissioned and coordinated by Messe Frankfurt as well.

Construction project Hall 5 is well on schedule, with all work progressing according to plan and completion scheduled for the end of 2022. As Uwe Behm emphasised: “The new Hall 5 is a cross-generational investment in the quality of our exhibition grounds and an important component for planning future events here at our Frankfurt base.” Given the current circumstances, the possibility of extending the construction time for the building was examined. However, owing to the long-term contracts involved, suspending the construction work is not a financially viable alternative at present.

Even in a crisis, Messe Frankfurt remains committed to its basic strategic orientation. In spite of its liquidity-oriented business management, the company is continuing to invest in the future viability of its business model. There are currently more than 20 new events in the Group’s portfolio up to and including 2022. Wolfgang Marzin: “It will take some time before the underlying conditions in our sector are stable enough to allow us to enjoy continual growth again.” Given the developments in the second half of 2020, it is not expected at present that pre-coronavirus levels will be reached until 2024 at the earliest. Events will also change in the wake of the coronavirus crisis. Wolfgang Marzin: “In any case, we will be focusing on key aspects and increasing quality at our events. However, personal interaction will always be the bedrock of our business model. In the future, we will remain committed to being the first choice when it comes to facilitating face-to-face business.”

Background information on Messe Frankfurt

Messe Frankfurt is the world’s largest trade fair, congress and event organiser with its own exhibition grounds. The Messe Frankfurt Group employs around 2,500* people in a total of 30 subsidiaries. The company generated annual sales of approximately €250* million in 2020. Even in difficult times caused by the coronavirus pandemic, we are globally networked with our industry sectors. We serve our customers’ business interests efficiently within the framework of our Fairs & Events, Locations and Services business fields. One of the Group’s key USPs is its closely knit global sales network, which extends throughout the world. Our comprehensive range of services – both onsite and online – ensures that customers worldwide enjoy consistently high quality and flexibility when planning, organising and running their events. We are expanding our digital expertise with new business models. The wide range of services

includes renting exhibition grounds, trade fair construction and marketing, personnel and food services. Headquartered in Frankfurt am Main, the company is owned by the City of Frankfurt (60 percent) and the Federal State of Hesse (40 percent).

For more information, please visit our website at: www.messefrankfurt.com

*Preliminary figures for 2020