

Remarks by

**Wolfgang Marzin, Detlef Braun and Uwe Behm**

Messe Frankfurt Executive Board

at the Press Conference

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## **Wolfgang Marzin**

Messe Frankfurt is not only of great economic importance but its business position is also very strong indeed. In recent years, the Group has developed continually worldwide, its sustainable commercial successes also safeguarding and enhancing the positive socio-economic effects.

In the trade fair business, the parameters against which we measure our success are exhibitor count, visitor count, sales and earnings. Although a cyclically weak event year, 2017 has been a successful one for Messe Frankfurt: We will increase our sales to over €660 million and will set a new record with approximately 95,000 exhibitors. These healthy figures can be attributed to our ongoing investments – we also make a point of investing counter-cyclically when we deem this to be the right strategic approach. We are investing in events and products, in digitisation and in optimising the design and capacity utilisation of our exhibition grounds. And last but not least: We are investing in our people. The common denominator in all of this: Messe Frankfurt has remained on course in 2017, reporting on excellent business activities all over the world. We are approaching the next steps in our strategic implementation with a view to continuing this success story.

Performance indicators for trade fairs and exhibitions held under the Messe Frankfurt umbrella are extremely positive. Some 95,000 exhibitors (2016: 90,878, 2015: 90,772) – more than ever before – confirm the great success of our broad-based event portfolio. The constant increase in companies exhibiting at the worldwide innovation platforms under the Messe Frankfurt Group umbrella is, of course, also a testament to the important role played by Messe Frankfurt in international business. At the 148 trade fairs and exhibitions held in 2017 (2016: 134, 2015: 133), we welcomed just under 4.3 million visitors (2016: approx. 3.5 million; 2015: approx. 4.2 million).

Let us now turn to the central financial figures. Please note that all of the financial and event figures for 2017 that follow are preliminary figures. Messe Frankfurt will end financial year 2017 with revenues of around €661 million (2016: approx. €647 million; 2015: approx. €648 million). This is an increase of two percent year-on-year. In Germany, an estimated €390 million was generated in sales (2016: approx. €398 million; 2015: €401 million). Outside Germany, the Group recorded sales of over €271 million (2016: approx. €248 million; 2015: approx. €247 million). Sales outside Germany now account for 41 percent of Group sales (2016: 38.4 percent; 2015: 38.1 percent). Based on the business performance to date, we currently expect a healthy consolidated annual net income in the region of €40 million (2016: €49.8 million, 2015: €38.2 million). Operating earnings are reflected in the figure for EBITDA

(earnings before interest, taxes, depreciation and amortisation). As things currently stand and in view of the positive performance to date, this is set to pass the €100 million mark (2016: approx. €124.5 million; 2015: approx. €109.3 million). However, special effects such as exchange rate changes that are outside our influence can ultimately lead to contrary effects.

The Messe Frankfurt Group has 2,508 active employees on its books in the reporting year. All in all, this is 201 more than in 2016.

As in the past years, the overall result means that we will once again be able to distribute a share of profits to our shareholders.

Messe Frankfurt's strategic decisions are based on long-term concepts that are geared towards the needs of our customers and towards technical progress. To ensure the best possible response on our part, we are primarily active in regions that are of central importance for us – we also spread our risk and expand our market share via a deliberately counter-cyclical approach

### **Detlef Braun**

Messe Frankfurt's expertise is in great demand all over the world. In financial year 2017, we have further developed our successful trade fairs and added new formats to the mix. We are expanding our portfolio in our key target regions, including in challenging markets. This has served us well in the past, as can be seen in Argentina where we held our ground even when the local economic situation was difficult. Our Buenos Aires-based subsidiary Indexport Messe Frankfurt is one of the leading event organisers in South America. It is also making a name for itself by organising and running major international congresses and other events, such as the WTO Congress with 5,000 participants. This is clear, among other things, from the sales revenue of our subsidiary, which has more than tripled this year.

Messe Frankfurt is continuing its counter-cyclical investment approach, for example in Russia. In spite of the difficult environment there, the country remains one of the key global markets for the trade fair sector and harbours great potential for economic growth. We have pushed ahead with our acquisition strategy here in recent years. This decision, which always had the full support of our shareholders, was the right one from a strategic perspective.

Messe Frankfurt is one of the main event organisers in Russia; our sales grew by more than half in 2017. Our events are among the leading trade fairs in Russia and the CIS states and are going from strength to strength – for example Automechanika, Interlight powered by

Light + Building or Modern Bakery, which most recently recorded an eleven percent increase in visitor count. With Comtrans, we have the second-largest commercial vehicle trade fair in the world in our portfolio. The Moscow office organises two national Chinese trade fairs that were initiated by the government of the People's Republic Of China – the China Commodity Fair and the China Machinery Fair. We have many other projects lined up and intend to further expand our market share. We will seize opportunities wherever in the world they present themselves. Argentina and Russia are just two examples.

Digitisation and networking are key driving forces in our sectors. We observe this across all business fields – from textiles to energy, buildings and Industry 4.0 to the logistics, mobility, infrastructure, traffic and transport sectors, where a major change is currently taking place.

Challenges to which Messe Frankfurt wishes to respond at its events, including with event formats such as the Hypermotion platform, a mixture of exhibition, tech talks and conferences. All 2,100 participants agreed that the interactive concept was a resounding success. Between 20 and 22 November, we had a high-calibre knowledge-based platform with strong representatives from the realms of business and politics, including the Federal Ministry of Transport and Digital Infrastructure (BMVI) with partners Logistics Alliance Germany. Featuring inventors and technicians, start-ups and seasoned players, Hypermotion has shown that all of these can have an active role in driving forward future trends, creating space for new cooperations and even initiating new innovations themselves.

We are looking forward to the coming financial year with confidence and optimism. Our event year is set to begin on a very promising note with Heimtextil. As the event is already booked out and will feature big names in the high-grade segment as well as a new exhibition area and a whole host of new themes, we expect Heimtextil to be very strong indeed.

### **Uwe Behm**

From trainers to rocket engines, there is hardly any branch of modern industry that does not make use of additive manufacturing. With Formnext, Messe Frankfurt's portfolio boasts an international platform that is growing together with its dynamic market and which, with its third event, has clearly defined itself as a leading trade fair. This is shown to impressive effect by the ever-growing exhibitor figures – including the leading international names – by the high international component and by the visitor count of 21,000, up 60 percent on the previous event. We have no doubt that Formnext will show much more of its potential over the next few years. One new addition to our portfolio of activities is RosMould in Moscow.

With the acquisition of this international trade fair for mould-making, prototyping and 3-D technologies, we are strengthening our expertise in the field of moulding technologies. Rosmould is the perfect addition for establishing this state-of-the-art production technology even more firmly in Russia and Eastern Europe as well. A successful counterpart to Rosmould that has been established since 2007 is Asiamold in Guangzhou.

The flagship event for industrial automation is SPS IPC Drives, organised by our subsidiary Mesago Messe Frankfurt. It is traditionally held in Nuremberg, where it is now the largest guest event. Here, too, all signs are pointing to further growth. Just a few weeks ago, we held the largest SPS IPC Drives of all time, with 1,675 exhibitors and some 70,300 trade visitors.

Needless to say, digital transformation is now part of our everyday business. As far as future investments in our exhibition grounds are concerned, the enormous momentum of technical advancement will give rise to a whole host of new possibilities, for example with regard to changes in communication technology. This is an area in which Messe Frankfurt has already broken new ground in the past. In a second step, we further optimised our digital traffic management in time for the IAA and, together with traffic management organisation Hessen Mobil, once again improved the traffic flow to and from our events. It will be possible to guide exhibitors and visitors to the right entrance gates or parking spaces with great precision in future, based on the event and timing in question.

We offer our customers solutions in their customer journeys 365 days a year – before, during and after trade fairs. Today, some 90 percent of our exhibitors already use Messe Frankfurt's digital channels to showcase their companies and products in word and image. 20,000 companies currently present themselves on our websites. We see the enormous momentum of technical advancement as an opportunity and as a means of shaping customer interactions even more effectively – with our products, with our services and in our business processes. Throughout the world, we are making substantial investments in processes and products and in our international marketing tools. The newly created position of Chief of Information Technology on the Extended Board of Management, held by Dr. Andreas Winckler, is a logical move given the strategic relevance of digitisation within the Group.

Hall 12: Our major project is now on the home stretch. The façade has largely been completed and the extension measures are in full swing. The connections to the Portalhaus and to the Via Mobile moving walkway leading to Hall 8 have been prepared. The official opening is scheduled for late summer 2018, when Automechanika will be the first event to use the hall.

We are making significant long-term and sustainable investments in our Frankfurt base. This not only strengthens our international brands but also makes us an extremely attractive proposition for guest events. All in all, 2017 was a very healthy guest event year with over 230 events, including many new additions but also the return of old favourites like CPhI or Food Ingredients, organised by UK trade fair organiser UBM. The most important trade fair in the pharmaceutical industry, CPhI, is not only one of the undisputed market leaders in its sector, but – with a gross floor area of around 170,000 square metres – is one of the largest and most international guest events in the exhibition venue, after ACHEMA and IAA Cars. Allow me to hand you back to Wolfgang Marzin now.

### **Wolfgang Marzin**

Business interactions are our core business. And Frankfurt remains at the heart of these interactions. The location is synonymous with textiles, with consumption, with Mobility & Logistics and with all facets of technology. We will continue to invest, including in capital goods events. Next year, we will be supplementing our expertise in building technology with the field of elevator and escalator technologies. E2 Forum Frankfurt (Elevator and Escalator), in collaboration with the trade association VDMA, will be launched on 18 and 19 September initially as a conference format, but with plans for an accompanying trade exhibition. With the International Elevator and Escalator Expo in Mumbai, India, we already have one of the largest elevator and escalator trade fairs in the world in our portfolio. E2 Forum Milan is held in Italy every year.

We are expanding our “Safety, Security & Fire” industry segment. In 2018, security technology will be one of the main areas of focus at Light + Building, primarily concentrated in Hall 9.1 for the first time. We will be further developing the third Intersec Forum by rendering it more international and by extending the forum from two to five days. Be it Smart Home, Smart Building, Smart Living or Smart Cities: the future for forward-looking technologies, intelligent and networked solutions for infrastructure and buildings, for climate protection technology, energy efficiency, resource protection and electromobility can all be found here on our Frankfurt exhibition grounds.

To conclude, let me sum everything up in brief:

- In 2017, Messe Frankfurt set a new sales record, passing the €660 million mark for the first time with an estimated €661 million.
- With some 95,000 exhibitors and 4.3 million visitors, we played host to more customers than ever before at our trade fairs and exhibitions around the world.

- Our Frankfurt base remains the centre of our group.  
We are expanding our sector expertise, including in events in the field of capital goods.
- As a global player with local responsibility, Messe Frankfurt has strong roots in the region. As the new ifo study showed us today, the symbiosis between the city of Frankfurt and Messe Frankfurt promises continued success for the region.