

Press

22 June 2017

Messe Frankfurt records highest ever result in 2016

Sales of over €650 million planned in 2017

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

Trade fairs are still going from strength to strength in Frankfurt 777 years after the first event of this kind was held there. As Chairman of the Messe Frankfurt Supervisory Board, Mayor Peter Feldmann acknowledged the sterling work of President and CEO Wolfgang Marzin and the Board of Management: "Messe Frankfurt is building on its growth consistently in the 2017 financial year. If things continue in this positive vein, the company may well see sales pass the €650 million mark." This means that Messe Frankfurt is taking up seamlessly where it left off in previous years.

Speaking at the Corporate Press Conference earlier today, Wolfgang Marzin, President and Chief Executive Officer of Messe Frankfurt, said: "In 2016, we generated sales of approximately €647 million, which reached the same heights attained in 2015, our most successful year to date. A new record level of EBITDA was reached with around €124 million. New records were also set for pre-tax earnings (approx. €74 million) and annual net income (approx. €50 million). 2016 saw a total of 417 events take place under the Messe Frankfurt umbrella, attracting some 4.2 million visitors, over 3.5 million of which to its trade fairs and exhibitions."

Messe Frankfurt has five business fields and core areas of competence. Wolfgang Marzin: "We have made enormous progress in all areas and will continue to invest and grow." Messe Frankfurt intends to step up efforts to expand its Safety, Security & Fire industry segment. As Wolfgang Marzin emphasises: "At our Frankfurt base, we will also continue to expand our activities in the field of security – with respect to products, exhibitor numbers and exhibition space." With a current total of eleven events, Messe Frankfurt is the world's leading organiser of trade fairs and congresses in the international growth segment of civil security.

In the current financial year, Messe Frankfurt continues to benefit from its enviable position on the global market. As regards the company's worldwide operational activities, Executive Board member Detlef Braun commented: "Once again, we are happy to report that the event business has been very dynamic with a high level of growth. Our excellent positioning and networking in every single country around the globe helps to increase the international component at our Frankfurt base, which was already very high." He added that this boosts the export opportunities for customers and, in equal measure, the socio-economic effects in Frankfurt.

Brand development and new event formats

Detlef Braun emphasised that significant market concentrations, consolidations and digital challenges in industry and trade were having an increasing and lasting influence on the trade fair business: “At present, this is occurring above all in the consumer goods and musical instrument sectors and in the areas of mobility and logistics. I am confident that these wide-ranging developments will have a greater effect on our trade fair sector in the next three years than any that we have experienced in the past three decades.” Messe Frankfurt sees its core task as suggesting individual solutions for its customers – whether of a tangible or digital nature – and providing them with hands-on support. Because of this, Messe Frankfurt is investing extensively in Musikmesse and Tendance with a view to priming the underlying concepts of both traditional events for the future. Accordingly, the main aim of repositioning Tendance with respect to its structure, content and timing is to provide retailers with a strong sales support tool. The trade fair’s growth in existing and new product areas confirms the high acceptance of the new concept. Detlef Braun: “The number of exhibitors has increased by around 20 percent to 1,125 companies and gross exhibition space now totals 92,000 square metres – around 12 percent more than the previous event.”

As well as the further development of its core business of trade fairs and congresses, Messe Frankfurt is investing in new interaction formats. This, says Detlef Braun, allows the company to “create new incentives and synergies”. For instance, these include the Musikmesse Festival and the Connected Mobility roadshow. Next year, the Luminale lighting festival will unveil its new orientation. As a biennial of lighting and urban design, Luminale will shine a spotlight on the key themes of Light + Building together with social and urban issues as well as presenting innovative solutions for city life. Wolfgang Marzin: “The new Luminale concept is wholly unique and has met with overwhelmingly positive feedback.”

Successful foreign trade fair business for three decades

For 30 years, Messe Frankfurt has been active on behalf of its customers far beyond its Frankfurt base. At present, roughly 38 percent of Group sales can be attributed to markets outside Germany, a figure that amounted to approximately €248 million in 2016. Wolfgang Marzin: “Particularly in times of rapid change and uncertainty, our flagship events serve as communication and trading platforms, helping to improve understanding and overcome borders.” Messe Frankfurt is set on expanding its portfolio, including in a number of often challenging markets. A total of ten new events are now lined up for the current financial year.

Optimising the Frankfurt exhibition grounds

Messe Frankfurt has channelled almost one billion euros into its long-term master plan for modernising its exhibition grounds, with most of this sum having been invested over the past ten years. Hall 12 is being built at the time of writing. Uwe Behm, member of the Executive Board, stated that building work was “on time and budget”. Consisting of 33,600 square metres of space on two levels, Hall 12 will be built using state-of-the-art materials and in line with the very latest standards. As Uwe Behm emphasises: “Energy consumption will be at least 45 percent below the current German Energy-Saving Ordinance”. A third photovoltaic system is

to be installed on the roof, producing enough energy for the equivalent of approximately 400 households. In this way, Messe Frankfurt is also underlining its commitment to sustainable event management. As part of its long-term energy monitoring activities, the company aims to reduce its base load energy consumption by ten percent by 2020. Once Hall 12 has been completed in autumn 2018, work will begin on two further halls. Hall 6 is scheduled for complete renovation in 2018/2019, while Hall 5 is to be dismantled following the 2019 Frankfurt Book Fair.

Growth target

With regard to the Group's strategic orientation, Wolfgang Marzin explains: "Messe Frankfurt is reliably increasing its earnings power while sustainably reinforcing its leading position in the global market. From this strong position, we can continue to invest in developing our Group in the long term and in those precise areas where the needs of our customers exist." The company aims to invest some €150 million in its exhibition grounds and portfolio in 2017.

A video of this press conference and photographic material are available in our online newsroom at <http://m-es.se/Nb7m>

Background information on Messe Frankfurt

Messe Frankfurt is the world's largest trade fair, congress and event organiser with its own exhibition grounds. With over 2,300 employees at some 30 locations, the company generates annual sales of around €647 million. Thanks to its far-reaching ties with the relevant sectors and to its international sales network, the Group looks after the business interests of its customers effectively. A 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. The wide range of services includes renting exhibition grounds, trade fair construction and marketing, personnel and food services.

With its headquarters in Frankfurt am Main, the company is owned by the City of Frankfurt (60 percent) and the State of Hesse (40 percent).

For more information, please visit our website at:

www.messefrankfurt.com

www.congressfrankfurt.de

www.kapeuropa.de

www.festhalle.de