

Sustainability drives sales: Messe Frankfurt aiming for €400 million

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Messe Frankfurt is back on the international trade fair stage, including at its Frankfurt base. Since April, we have been able to hold events without any restrictions whatsoever. In spite of the difficult economic situation in financial years 2020 and 2021 owing to the pandemic, the company continued to invest and took important strategic decisions for its future. In addition to digitalisation, Messe Frankfurt is working to make its business practices even more sustainable.

Speaking at the Corporate Press Conference earlier today, Wolfgang Marzin, President and Chief Executive Officer of Messe Frankfurt, was optimistic: “The high level of interest in events held under the Messe Frankfurt umbrella, both in Germany and internationally, permits us to look to the future with confidence and optimism. If everything goes according to plan, if we are free to organise trade fairs – and, in turn, if the event business continues to return to normal – we expect sales for the current financial year to be more than €400 million.” Messe Frankfurt has had to contend with the challenges of the pandemic over financial years 2020 and 2021. Due to the cancelled spring events, sales in financial year 2021 (around €154 million) were even lower than in financial year 2020 (2020: approx. €257 million; 2019: approx. €736 million). Marzin: “By taking extensive measures – with the active support of our shareholders – we succeeded in providing the Group with sufficient liquidity.” As things currently stand, this will keep Messe Frankfurt fully financed until the end of 2023. As the global economy is faced with new conditions and challenges, industry and commerce have high expectations of their sector platforms and new perspectives. Over the past two years, Messe Frankfurt has greatly expanded its digital expertise both in its company and at its events. Customised formats were developed for each sector and a content mix of different communication formats was geared towards the relevant target groups.

Sustainable for future generations

The Messe Frankfurt Group is continuing to drive forward sustainability as a central pillar of its corporate strategy and part of its corporate DNA. As Wolfgang Marzin emphasised: “Messe Frankfurt pursues an integral sustainability approach in our responsibility towards the environment and as a socially responsible company with sustainable business practices.” The Group, which has been a member of UN Global Compact – the world’s most important initiative for sustainable corporate management – since 2010, has continued to lay important groundwork for a green future this year. With the Sustainability Board, it set up a company body that includes senior management from different disciplines and that drives forward sustainable development at Messe Frankfurt – from goals and measures to ultimate implementation by the relevant departments. As Wolfgang Marzin explained: “We have defined areas of activity and formalised them in a Messe

Frankfurt Sustainability Governance Code. The Code is based on the specifications of the UN Global Compact and on the accepted general standards with regard to sustainability and climate protection.” The Code will apply for the entire Group. Marzin: “Our company aims to generate profits in a socially and environmentally compatible way so that future generations will be able to engage in responsible business development as well.”

Space and capacity for new ventures

As Detlef Braun, Member of the Executive Board of Messe Frankfurt, stressed: “Messe Frankfurt believes that it is far better to be active than passive. Our core brands are assets with which we generate growth. Every now and then, we also need to undertake some ‘hygiene measures’ to keep our events healthy.” This also involves parting company with subject areas that have no future in the sector and on the market, as was decided in the case of Musikmesse recently. The consumer goods fairs at the company’s Frankfurt base are being strategically restructured. As of February 2023, Ambiente, Christmasworld and Creativeworld will be grouped together under one roof. Paperworld will be merged with this new format. Outside Germany, the brand will be continued in Dubai, India and China. Braun: “With this reorientation, we are creating a one-stop shop for the global consumer goods ordering season – the only one of its kind in the world to date.” Messe Frankfurt rounds off the physical events relating to its consumer goods portfolio with the digital products and services from Nextrade and Conzoom Solutions.

The powerhouse textile trio Techtexil, Texprocess and Heimtextil Summer Special was successfully restarted at the company’s Frankfurt base. With its flagship events within the exhibition grounds and the new Neonyt Lab – held as a consumer event this year – and the activities in the city during Frankfurt Fashion Week, there have been synergies that are unique anywhere in the world. And these synergies affect the processes and products from the entire value chain in the international textile and fashion industry. With around 60 textile events in all, Messe Frankfurt is helping to increase the visibility of the UN’s Sustainable Development Goals. As part of its Texpertise network, the company has been working closely together with the Conscious Fashion and Lifestyle Network and the United Nations Office for Partnerships since 2019.

Messe Frankfurt is expecting more people to attend its Nordstil Summer in early July than in the previous year. Similarly, Automechanika – which will be held between 13 and 17 September – is well on its way back to a size befitting an international event. An estimated 2,500 exhibiting companies are expected. 80 percent of manufacturers are coming from outside Germany – including the most important key accounts.

Location investments

Uwe Behm, Member of the Executive Board of Messe Frankfurt, stressed: “Scientific studies have shown that events can still be held safely with state-of-the-art air-conditioning technology, careful monitoring and additional safety and hygiene measures, even during challenging pandemic times. Together with RWTH Aachen and Heinz Trox Wissenschafts gGmbH, Messe Frankfurt conducted a study on air quality in halls, which demonstrated that the indoor air in the tested halls was safe. Up until the end of the year, Messe Frankfurt’s event calendar in Frankfurt and around the world is well filled with both its own events and a wide range of guest events. Behm: “We can once again play host to around 200 trade fairs, congresses and other events in Frankfurt. We will be opening our doors to a major premiere in July with Eurobike, the central platform for the bike and future mobility universe. This means that Frankfurt will be a showcase for sustainable and

alternative mobility solutions for the future. Due to the great demand, the exhibition area around Hall 9.1 was expanded so that we have around 150,000 square metres of total exhibition space at our disposal.” There are also major events scheduled for next year, including the Ball des Sports, which is returning to the Festhalle after a long break.

As Uwe Behm explains: “We are investing in our diverse locations, in a wide service portfolio and in sustainability – this has long been a constant necessity rather than an optional extra. Thanks to its flexible infrastructure, the Frankfurt exhibition grounds can accommodate several different events at the same time. Behm also emphasised that it had been the right decision not to interrupt the construction work on Hall 5 during the past two pandemic years: “Within the scope of our general contractor agreement, it was possible to keep costs under control; these are not affected by the sudden rise in construction prices either.” This also means that construction work on Hall 5 can be completed earlier than planned. The hall will be going into operation for the first time in early February 2023 with the spring trade fairs. Progress is also being made with the construction project around the Messeplatz entrance and the Sparda Bank Tower at the south side of the Frankfurt exhibition grounds on Europaallee. Once it has been completed as planned in 2025, the Frankfurt exhibition grounds will have a four-storey entrance on a surface area of 5,000 square metres. This will offer customers ideal connections and reachability from the south as well and will further optimise its inner-city location, which is unique the world over.

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Background information on Messe Frankfurt

The Messe Frankfurt Group is one of the world's leading trade fair, congress and event organisers with their own exhibition grounds. With a workforce of some 2,200 people at its headquarters in Frankfurt am Main and in 28 subsidiaries, it organises events around the world. As in the previous year, annual sales for 2021 were significantly lower owing to the COVID-19 pandemic: approximately €154 million compared with Group sales as high as €736 million in pre-pandemic 2019. We serve our customers' business interests efficiently within the framework of our Fairs & Events, Locations and Services business fields. Sustainable business practices are a central pillar of our corporate strategy and strike a healthy balance between ecological and economic interests, social responsibility and diversity. Another of Messe Frankfurt's strengths is its powerful and closely knit global sales network, which covers around 180 countries in all regions of 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 using our digital expertise to develop new business models. 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