Press Release

MESSE MÜNCHEN ENDS 2016 WITH A SPLENDID RECORD RESULT

- For the first time, sales of over 400 million euros and an EBITDA of around 100 million euros
- ‘Fenestration China’ is the biggest purchase in the company’s history
- All investments are financed completely from the company’s own resources

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Messe München ended the year 2016 in splendid style with new best performances. In economic terms, this was the most successful year since the foundation of the trade fair—a sales volume of over 400 million euros was attained for the first time. According to the projections, that leaves an EBITDA of around 100 million euros. In 2016, more than 210 events took place worldwide under the aegis of Messe München. To conclude this remarkable record year, Messe München executed the most important purchase in the company’s history: the acquisition of ‘Fenestration China’.

“All of which shows that our strategy of targeted growth is the correct one”, declares company boss Klaus Dittrich.

“Messe München is a thoroughly sound and financially strong company”, as Klaus Dittrich explains this success. The Chairman & CEO emphasizes: “We are one of the very few German exhibition companies with its own trade-fair center which can manage without any subsidies.” And that for many years now.

The Munich strategy is paying off. With record sales of over 400 million euros for the first time, that leaves an EBITDA—earnings before interest, taxes, depreciation and amortization—of around 100 million euros. The main shareholders of Messe München, i.e. the Free State of Bavaria and the City of Munich, receive over 50 million euros as interest on their loans for the construction of the new exhibition center. In addition, Messe München has paid about 40 million euros for its external loans.
The ‘lucky clover’ events: bauma and IFAT
The reason for this positive development was the global concurrence of the biggest world-leading shows. In Munich, these were bauma—which takes place every three years—ISPO, Expo Real and the two biennial fairs IFAT and electronica. Messe München’s own events were attended by four percent more visitors and one percent more exhibitors than at the respective previous editions.

Internationally, 2016 was the year of the ‘lucky clover’ with four construction machinery shows in Munich, Shanghai, Delhi and Moscow. And it was a fourfold year of IFAT—in Munich, Guangzhou, Shanghai and Mumbai. The trade shows abroad were booming too: in some cases, there were double-digit growth rates there.

The biggest purchases in the company’s history
For years, Messe München has been so well positioned economically that it can finance investments completely from its own resources. Within only one year, these included the two biggest investments in new events as yet: at the end of 2015, the acquisition of the construction machinery fair CTT in Moscow, Russia’s biggest trade show; and in December 2016, this record year was rounded off with the purchase of ‘Fenestration China’, the leading fair for facade elements, windows and doors in China. “It is the ideal addition to our world-leading trade fair BAU”, says Dr. Reinhard Pfeiffer, Deputy CEO of Messe München. “We are proud that BAU in Munich has developed into the world’s biggest fair for architecture and building materials. By purchasing the most important trade show for windows and facades in China, we will establish a similarly structured event in the world’s largest building market to focus on sustainability and quality in planning and building. BAU in Munich is the model for this.”

Both purchases were financed with the profits from international business. From its own resources alone, the company is also financing the construction of two new exhibition halls together with the future Conference Center North for over 105 million euros. The halls are to be finished for IFAT 2018. This concludes the construction of the new exhibition center as it was planned in the mid-1990s. It will then have 18
modern halls available with 200,000 square meters of exhibition space. Klaus Dittrich: "We’re on schedule as to time and cost."

**More than two million visitors to Munich**

Under the aegis of Messe München, a total of 213 events were organized in 2016. These included 16 of the company's own events in Munich and 28 abroad. As well as that, there were 169 congresses and guest events. "2016 was also an excellent year for congresses", as Dr. Reinhard Pfeiffer emphasizes. "With the congress of the European Association of Urology (EAS) and the annual congress of the European Association for the Study of Diabetes (EASD), two major European medical congresses once again guested here." Around 27,000 delegates came to these. Munich thus remains a popular center for big medical congresses.

The events in Munich were attended by 2.4 million visitors—an all-time high—and around 37,000 exhibitors. The international share of these has been growing continually: 50 percent of the exhibitors came from abroad and 36 percent of visitors. Messe München’s events worldwide were attended by more than three million visitors and 50,500 exhibitors.

**In demand on the world’s growth markets**

International business plays a central role in the success of Messe München. "With 13 companies abroad in Europe, Asia and Africa and around 70 representations in over 100 countries, we have the perfect network across the world", explains Stefan Rummel, the Managing Director responsible for activities abroad. Messe München currently operates internationally with more than 20 events at 17 locations in China, India, Africa, Turkey and Russia. Stefan Rummel: "We export our world-leading fairs from Munich to the most important growth markets abroad." Thus, for instance, the environmental technology fair IFAT is now greatly in demand in Asia on account of the major environmental problems there and visitor and exhibitor numbers are rapidly increasing. Air pollution control, water and refuse disposal are currently major subjects in Asia. For ISPO, it’s enormously important that China has developed into the biggest growth market for the sports industry too. That’s why ISPO is even represented at two locations there—Beijing and Shanghai.
This involvement abroad also benefits the home location of Munich. Klaus Dittrich: “Since the time we became active abroad, the numbers of exhibitors and visitors coming to Munich from these countries have steadily risen.”

Digital offensive
Digitization is of increasing importance for the exhibition business. Messe München has founded its own Digital Business Unit for January 1, Chief Digital Officer (CDO) is Dr. Markus Dirr. He will advance the company's digital strategy. The aim of the Digital Business Unit is to develop attractive digital products and services as well as new business models with additional sales. Klaus Dittrich: “To stay fit for the future, we must establish modern digital processes and products at Messe München for the long term.”

Outlook for 2017
After the series of records, 2017 will be an average year in terms of trade shows. It starts off on January 16 with BAU; in February, this is followed by ISPO (February 5 – 8) and the leisure fair f.re.e (February 22 – 26). In the year 2018, Messe München will also be operating in the USA for the first time. In Atlanta, it will organize Transportation & Logistics Americas together with American partners.

Messe München
Messe München is one of the world’s leading trade-show companies. It organizes some 50 trade shows for capital and consumer goods and key high-tech industries in Munich and abroad. Each year more than 30,000 exhibitors and some two million visitors take part in events held at the Messe München trade-fair center, the ICM – Internationales Congress Center München and the MOC Veranstaltungscenter München. In addition, Messe München organizes trade shows in China, India, Turkey, Africa, Russia and USA. Messe München has a global business presence with affiliates in Europe, Asia and Africa and more than 60 foreign representatives serving more than 100 countries.