



MESSE
MÜNCHEN

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Upswing after the pandemic

Messe München has new growth markets in its sights

- Back in the black with 123 million EBITDA in 2022
- Success continuing in 2023: Restart was no flash in the pan
- Unexpected records for exhibitors and visitors
- Strong interest in visiting in-person trade fairs
- Coronavirus boosted the digitalization trend
- Trade fairs are systemically relevant

Trade fair business in Munich has found its former dynamism again. Following the shock-induced paralysis of the pandemic, the events have not emigrated to the Internet. Quite the opposite: The principle of live trade fairs won out. Messe München made an even better new start to 2022 than the projections in December suggested: EBITDA improved by 156 million euros after the pandemic deficit, from minus 33 million euros in 2021 to a plus of 123 million for 2022. That means Messe München is back in the black and making a profit of 52 million euros. It is above the market average with revenue of 413 million euros. This success is also continuing in 2023, setting new records.

“Trade fairs are simply systemically relevant,” say Dr. Reinhard Pfeiffer and Stefan Rummel, the co-CEOs of Messe München: “For exhibitors, they continue to be an indispensable marketing and sales tool that can’t be replaced digitally.” That’s also confirmed by the impressive balance sheet figures for 2022, when trade fairs were allowed again. While Messe München posted a deficit of 33 million euros during the coronavirus-impacted year 2021 due to the closures, it achieved an EBITDA result (before interest, taxes, depreciation and amortization) in 2022 with a plus of 123 million euros: a leap of 156 million euros into the black, leaving a profit of 52 million euros. “We want to strategically invest this profit in personnel, digitalization, the exhibition grounds and in debt reduction,” as Dr. Reinhard Pfeiffer and Stefan Rummel explain.

At the new start in 2022, we had a packed trade fair calendar with 17 of our own events in Germany, 21 abroad, and 88 guest events. In 2022, the exhibitors and visitors came back stronger than expected to the 126 events in total in Munich and abroad: 29,000 exhibitors and 1.4 million visitors to Munich, and 2,800 exhibitors and 162,000 visitors to the events abroad. It was clearly noticeable that exhibitors and visitors from Russia, Ukraine and China stayed away due to the coronavirus

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restrictions in China and the Russian war of aggression against Ukraine. In addition, Messe München suspended its operations in Russia.

The upward trend is also continuing in 2023

This restart of trade fairs in 2022 was no flash in the pan, since the upward trend is continuing seamlessly in this year, as confirmed by the highly successful start to 2023. It's also tangible that everyone has a need to catch up. "The first trade fairs of 2023 ended in Munich and abroad with record figures for exhibitors and visitors that we hadn't expected so soon," according to the co-CEOs. Their plus points: Messe München is a platform for drivers of innovation. What's more, it is a sought-after partner worldwide and reliable service provider for trade fairs and major conferences. Here's how 2023 got underway:

- Back in February, f.re.e made an impressive comeback with 900 exhibitors from more than 50 countries and a record number of visitors: More than 160,000 came to Bavaria's largest travel and leisure trade fair, being held for the first time in parallel with the motorcycle trade fair IMOT. Dr. Reinhard Pfeiffer and Stefan Rummel are thrilled: "It was the strongest f.re.e of all time. The huge number of visitors and the satisfaction of the exhibitors show that public trade fairs are also in demand and needed."
- After a break of more than four years, BAU, the world's leading trade fair for architecture, materials and systems, took up all 19 halls and registered a record number of exhibitors (2,260 from 45 countries). Around 190,000 visitors came. Unfortunately, token strikes at German airports and in the regional and long-distance public transport system curbed the positive visitor trend on the first few days of the trade fair. The new BAU Insights 365-days industry platform, set up just two months before, had up to 40,000 users every day. An excellent start for the new online portal for the construction industry.
- In February 2020, ISPO in Beijing was the first trade fair worldwide that had to be canceled due to coronavirus. In February 2023, it was the first trade fair that was allowed to take place in Beijing after coronavirus, and drew huge numbers of exhibitors and visitors. Our other trade fairs in China also boomed: With 820 exhibitors, productronica China was bigger than ever. The environmental technology trade fair IE expo filled all 17 halls of the Shanghai New International Expo Centre for the first time with record attendance.
- transport logistic and the integrated air cargo Europe had three records in May: more visitors than ever before (75,000 from over 120 countries), more international visitors than ever before (more than 50 percent), and more nations among the exhibitors than ever before.
- For Outdoor by ISPO in June, the MOC in Munich-Freimann was fully booked (35,000 square meters). Growth at this separate Messe München location came primarily from overseas, particularly from the U.S. and China. Outdoor by ISPO

thus confirmed its position as the global platform for the outdoor industry and community.

“People’s appetite for trade fairs is great, as is their desire to present themselves on platforms like trade fairs and to visit them,” according to Messe München co-CEOs Dr. Reinhard Pfeiffer and Stefan Rummel, commenting on the positive trend: “Trade fairs have a core expertise. They continue to be in demand when complex topics are involved that require explanation. When it comes to that, in-person trade fairs and face-to-face conversations are unbeatable.”

The 2023 trade fair calendar is full: 15 events in Germany (ten of them in the first half of the year), 40 abroad, and 91 guest events at the main exhibition grounds, the ICM International Congress Center München, or the MOC in Freimann.

Many challenges for trade fair business

Coronavirus was not the only challenge for trade fair business in Germany and abroad: the war of aggression against Ukraine, inflation, disrupted supply chains, or political events in China. “These effects have an impact on our company, our customers, the value chains in industries, and hence also our trade fairs,” according to the co-CEOs Dr. Reinhard Pfeiffer and Stefan Rummel: “After all, trade fairs are also seismographs of political, economic and social developments.”

Messe München is responding to that by focusing on its core business and on digitalization, and a broader focus on new growth markets abroad. These include Southeast Asia, the U.S., and South America. Dr. Reinhard Pfeiffer and Stefan Rummel: “China is and will remain an important growth market for Messe München. Overall, one of the lessons learned from the new challenges is that we need to avoid dependencies, which is why we are diversifying our international strategy.”

Strengthening our own trade fairs

Messe München is focusing on organic growth, in other words, on strengthening its own trade fairs and acquiring new guest events.

- In 2024, for example, the environmental technology trade fair IFAT will be going for the first time to South America: to São Paulo in Brazil.
- IFAT is also entering into cooperation with the Singapore International Water Week, the most important event on the topic of water in Southeast Asia.
- Singapore is the gateway to the Southeast Asian region, which is why Messe München is holding the first multimodal trade fair for logistics services there in 2023 in the shape of transport logistic and air cargo Southeast Asia.
- Also new are the trade fairs transport logistic Americas & air cargo forum Miami, which were held for the first time in November 2022.

- As far as the guest events are concerned, The smarter E Europe has extended its contract in Munich through 2028. It is the world's leading trade fair for the solar industry.
- New to Munich will be the International AIDS Conference in 2024, and the ISAKOS medical congress in 2025.

Coronavirus boosted the digitalization trend

One positive effect of the pandemic years is that coronavirus is a trend booster that has placed greater focus on digitalization and sustainability. "We view digitalization as an addition before, during and after trade fairs," according to both co-CEOs: "We believe in trade fairs in person and will expand them digitally, for example, with industry platforms. After all, digitalization provides us with an opportunity to further improve and personalize the customer experience."

Examples of industry platforms are BAU Insights, the first personalized and interactive information platform for the construction industry. It extends the physical trade fair BAU to 365 days a year. Or digitalBAU, a conference and network platform. Dr. Pfeiffer and Rummel know: "Trade fair organizers used to be space rental companies. Today, we are multifunctional and reliable service partners for the customer journey."

Starting the second half of 2023 with a bang

In this favorable situation, Messe München is optimistic as it moves into the second half of 2023.

- The world-leading trade fair automatica is still to come in June (June 27 to 30) with the central topics "Digitalization and AI", "Sustainable Production" and "Future of Work".
- IAA MOBILITY (September 5 to 10) will once again draw global attention, offering test tracks for bicycles for the first time in the English Garden.
- The international real estate trade fair EXPO REAL (October 4 to 6).
- And ISPO at the end of the year (November 28 to 30).

"Trade fairs create experiences and show the world of tomorrow today. Competition is intensifying and, in light of the global challenges, we need to remain very vigilant," say both CEOs Dr. Reinhard Pfeiffer and Stefan Rummel in summing up: "Our exhibitions play an important role when it comes to connecting people with their ideas and wishes, driving forward innovations, and promoting economic growth. The trade fairs offer unparalleled opportunities: the chance to meet in person, share knowledge, present products and services, and enter into long-term partnerships – trade fairs are simply systemically relevant."

Messe München

Messe München is a leading international networking platform – in Munich and around the world, for trade fairs conducted in person or online. In a reflection of the slogan “Connecting Global Competence,” Messe München serves as a global networking platform and brings together decision makers from all parts of the world. Messe München’s portfolio comprises more than 50 trade fairs for capital and consumer goods as well as new technologies that focus on the latest social issues. These exhibitions include the world-leading trade fairs bauma, BAU, IFAT and ISPO Munich. The more than 200 events organized by Messe München each year attract about 50,000 exhibitors and around three million visitors. Since 2021, IAA Mobility has been held by the German Association of the Automotive Industry e.V. (VDA) in collaboration with Messe München GmbH.

Messe München has one of the world’s most modern exhibition grounds. With its four locations, the entire exhibition grounds in Riem, the ICM – International Congress Center Messe München, the CCN – Conference Center North Messe München and the MOC – Event Center Messe München, it is able to fulfill all of its customers’ requirements individually. Messe München is very successful in its domestic market in Munich as well as in other countries. It is active in all important growth markets: China, India, Brazil and Turkey. Overall, with its network of associated companies and offices worldwide, Messe München is present in more than 100 countries.