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Record-breaking year 2019: Koelnmesse achieves sales of over 400 million euro for the first time

Into the crisis from a strong position - serious losses in 2020

Koelnmesse has again surpassed itself with new records in 2019: at 412.7 million euro, sales are more than 15 percent up on the previous record year 2017, which, as an odd-numbered Cologne trade fair year with a comparable portfolio, sets the benchmark. The net income for the year of 30.5 million euro after taxes is one of the strongest results in the company's history and is 9.2 million euro above target. "We set ourselves high goals for 2019 and ultimately achieved them. We therefore continued our long-running drive towards growth," explains Koelnmesse CEO Gerald Böse, who believes that it is well equipped for the future despite the major losses foreseeable in the corona crisis: "The pandemic has hit us in a position of strength. We want to get back to business with our trade fairs from September."

"In recent years, Koelnmesse has managed itself wisely," emphasises Henriette Reker, Mayor of the City of Cologne and Chair of the Supervisory Board. This is evidenced by equity capital of over 255.3 million euro, a debt-free balance sheet and a liquidity cushion of around 120 million euro at the end of 2019. "Koelnmesse and its teams are rising to the new challenges in the current situation with flexibility and great motivation."

The main reason for the excellent 2019 result is the very good development of Koelnmesse's own events and guest events at the trade fair location Cologne and in the most important markets worldwide, as well as the further expansion of the service business. In addition, the guest events of Koelnmesse Ausstellungen GmbH have developed much better than planned.

Record number of exhibitors: Around 45,000 companies

The 78 trade fairs and exhibitions held worldwide in 2019 featured more than 45,000 exhibiting companies from 120 countries and some 2.3 million visitors from 218 countries. In addition, there were around 124,000 participants at congresses outside the trade fairs. 25 Koelnmesse events and 24 guest events as well as four special events took place in Germany.

In terms of exhibitors, visitors and stand area, a large part of Koelnmesse's own programme developed better than the average calculated by the Association of the German Trade Fair Industry (AUMA) in 2019. Seven trade fairs even saw increases across all three parameters, including the supplier trade fairs ProSweets Cologne in the food sector and interzum in the furnishing sector, as well as Anuga.

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Chairwoman of the Supervisory

Board: Mayor of the City of Cologne

Henriette Reker

Headquarters and

place of jurisdiction: Cologne

District Court Cologne, HRB 952

Premieres and anniversaries

Last year, CCXP COLOGNE - Comic Con Experience - celebrated a successful trade fair premiere with a great deal of media attention. The 100th anniversary of Anuga was a special event in the trade fair scene. The 60th anniversary of interzum and the 50th anniversary of COLOGNE FINE ART & DESIGN were also on the agenda. In February 2020, ISM, another traditional trade fair in the food sector, celebrated its 50th anniversary.

International business closes with a significant rise

Koelnmesse was able to further strengthen and expand its international business in 2019 with 25 events abroad. International sales from trade fairs, exhibitions and participations were up 2.4 percent on 2018, reaching 37.7 million euro in 2019. The 25 international trade fairs included the premiere of ANUFOOD Brazil in São Paulo. Examples of particularly positive developments in 2019 were Cibus Tec in Italy in the field of food technology and THAIFEX - World of Food Asia in Thailand.

Koelnmesse 3.0 on schedule

The Koelnmesse 3.0 investment programme has made tremendous progress, including the construction of the Hall 1plus, which is set for completion before the end of 2020. The 10,000 m² of additional space offer new long-term opportunities for trade fairs, exhibitions and special shows with up to 4,000 participants and can be variably connected to other exhibition halls. The first trade fair in the new venue will be LivingKitchen at the beginning of 2021, in parallel with imm cologne. In the existing exhibition center, the southern hall renovations continued on schedule during ongoing trade fair operations.

Digital transformation on the right track

Koelnmesse has been investing in digital transformation for years: with state-of-the-art equipment for its staff and improved internal processes, digital services and infrastructure, as well as the gradual digitalisation of its events, Koelnmesse has made great strides in recent years and created a solid foundation for the challenges posed by the current situation.

Huge impact of the corona crisis

The corona crisis is having serious consequences for Koelnmesse: due to the global pandemic, all trade fairs scheduled from March to August had to be postponed or canceled: a total of ten Koelnmesse events and eight guest trade fairs in Cologne, twelve abroad. These included, in Cologne, the Hardware Fair, ART COLOGNE, photokina, THE TIRE COLOGNE and CCXP COLOGNE. Gamescom at the end of August will take place in a purely digital format.

“It is our declared objective to host trade fairs again in the fall,” emphasises Koelnmesse CEO Gerald Böse. On May 6, the state of North Rhine-Westphalia set the course for this and allowed trade fairs and congresses to restart under certain conditions. Koelnmesse has developed a detailed concept: with the help of a simulation matrix, it is checking each trade fair to determine which measures must be taken at which locations to ensure hygiene standards and minimum distances are complied with. Additional hygiene measures will be introduced for on-site catering. The guidelines for stand operation and stand construction are also being adapted.

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Koelnmesse is offering its exhibitors special terms during the current crisis: it has extended lots of registration deadlines and, if it has to cancel or postpone events, Koelnmesse will refund all payments made. “With these and other measures, we are playing our part in helping our industries return to the trade fairs,” explains Oliver Frese, Chief Operating Officer at Koelnmesse since January 2020.

Outlook

Koelnmesse had expected to generate sales of over 360 million euro in the current financial year. Trade fair cancellations and postponements have already resulted in a loss of sales and revenues totaling hundreds of millions of euro. It is already clear that Koelnmesse will close 2020 with a serious loss. How the figures develop now depends on when and in what dimension trade fair events can start up again permanently. As a precautionary measure, Koelnmesse has agreed a credit line with its shareholder, the City of Cologne, which provides the company with additional liquidity in the form of cash pooling. This cash pooling is also a condition of the European Investment Bank for the granting of agreed loans to finance pending investments.

According to Herbert Marner, Koelnmesse Chief Financial Officer, “under the existing conditions, it will be years before we reach the level originally planned again. But, thanks to our good starting position, we are very confident that in 2021 - even if sales are below the previous targets as expected - we will be able to turn a profit and generate a positive operating cash flow again. Even though losses may well return in the coming even-numbered years, we will still make cumulative profits in the medium term up to 2024.”

Despite the loss of revenue, Koelnmesse is, for the most part, still implementing the Koelnmesse 3.0 investment programme planned for 2020 totaling almost 100 million euro. Investments include the completion of the new Hall 1plus as well as renovation work in Halls 10 and 2. “Along with the Supervisory Board, I expressly support Koelnmesse’s strategic will to further strengthen its competitiveness by sticking to the planned investments,” Henriette Reker emphasises. Koelnmesse is still building what it can afford - from its own resources and via the capital market.