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"The crisis drives us!"

Koelnmesse is well prepared for re-start, but also reaches the limits of its resilience - 2020 and 2021 with a slump in turnover and extensive losses

The economic losses as a result of the pandemic are serious, but the will to persevere and the belief in the future remain unbroken. "The crisis drives us," says Koelnmesse's President and Chief Executive Officer, Gerald Böse. "It has ignited our creativity, motivated us to come up with new ideas, and accelerated digital developments." However, he cautions, "it is also taking us to our financial limits." Cologne's Mayor, Henriette Reker, has her sights firmly set on the time "when trade fair visitors will flock to our city again." As the chairwoman of the supervisory board said at the digital annual press conference, "Koelnmesse has used the time to prepare to take off after the crisis and get the company back on track as quickly as possible."

"Our exhibitors need time to plan ahead. We require concrete and reliable opening scenarios from our political leaders in Germany to succeed in motivating our customers and resuming operations. Otherwise, Germany as a trade fair hub runs the risk of losing touch with the rest of the world," explains Böse. He said the latest news from NRW's Ministry of Economic Affairs to allow trade fairs again once the incidence rate remains below 50 is a step in the right direction, which "provides our autumn trade fairs a degree of planning certainty." Like previous regulations, the state's current Corona Protection Ordinance again specifies seven square metres of exhibition space per person. "This will allow us to continue our preparations. The politicians have us on their radar again."

Ready for Re-Start: New formats and services

Koelnmesse is ready to go. During the pandemic, it has generated and implemented digital trade fair concepts and business models and developed hybrid formats and year-round concepts within a very short time. The company's #B-SAFE4business safety concept ensures that trade fairs are possible even in the time of the pandemic. It will offer its customers new digital services on the trade fair grounds as well as online in the future and has continuously strengthened the Koelnmesse team's digital fitness. The Koelnmesse 3.0 investment programme is being driven forward with the support of the company's shareholders.

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94.3 million euro turnover and 109.6 million euro net loss in 2020

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The newly published 2020 annual report with the title "Ready for Re-Start" shows massive declines. The 2020 fiscal year closed with a total turnover of 94.3 million euro and a net loss of 109.6 million euro. By comparison: In the record year of 2019, Koelnmesse had turned over 413 million euro and made a profit of more than 30 million euro. According to Chief Financial Officer, Herbert Marner, almost half of the above-average equity capital of more than 250 million euro was used up between the beginning and end of 2020. However, it would be sufficient to cover the known shortfalls to date and any further shortfalls in 2021. This also applies to the company's liquidity for the time being. "If trade fairs continue to be banned, we may need additional funding in 2022. Of course all forecasts also depend on future Corona policies," Marner continues. "As of today, assuming a re-start in the course of the second half of the year, we are planning for revenues well below 200 million euro in 2021." The company expects further significant losses in 2021.

Koelnmesse responded to the crisis situation as early as April 2020 by applying for short-time work, which has since remained in place, a strict cost-cutting policy and an extensive hiring freeze. On the annual average, Koelnmesse GmbH, Koeln-congress GmbH and the 11 foreign subsidiaries of the Group had 1,000 employees.

No more own events in Cologne since March 2020

Over 6,500 suppliers from 81 countries and more than 400,000 visitors from 169 nations took part in 16 of the company's own events and 4 guest events in 2020. 9 of its own events took place in Germany and 7 abroad. 7 were held in purely digital form. The trade fair grounds have not physically hosted one of the company's own events since March of last year. This is due to remain unchanged until the end of August, as gamescom will be held as a digital-only format for the second time from 25-27 August 2021. Abroad, on the other hand, the physical re-start has already taken place. For interzum guangzhou in March 2021, for example, the number of visitors increased by around 20 percent from 2019 to approximately 200,000. ANUFOOD China celebrated a great debut at the new Shenzhen location with almost 20,000 trade visitors – an increase of over 60 percent.

"Digital events have set new standards"

Oliver Frese, who is responsible for portfolio development at Koelnmesse as its Chief Operating Officer, sees significant changes in the structure of the events: "In recent months, we have been even more dedicated than ever to developing hybrid and digital trade show experiences all the way through to a year-round online presence for our trade fair brands. Our digital events such as gamescom, but also interzum @home, DMEXCO @home and h+h cologne @home, have set standards in their respective sectors and made us a true digital trade fair pioneer. Turnover generated with digital components currently still lags behind that of physical trade fairs. We are, however, actively working to develop even more profitable digital services for our customers in the future." The events starting in September, including Kind + Jugend, IDS and Anuga, are planned as hybrid formats.

Frese: "Even if the first on-site trade fairs do not have the same dimensions and level of global internationality as in the past, the main thing is that we return to the scene as soon as possible! Our digital offerings will compensate for a lot in terms of reach."

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Expansion of the trade fair portfolio with premieres in Asia and Cologne in 2022

An important signal that more than just regional events are possible, is the EXPO Dubai in October with the German Pavilion CAMPUS GERMANY, which Koelnmesse is organising and staging on behalf of the federal government. The building is finished and the exhibits are being installed. In addition to this, Koelnmesse is expanding into new markets with its successful brands and from its strong event portfolio. To this end, the company has announced a number of upcoming premieres. In April 2022, there will be two new trade fairs in Tokyo – ISM Japan and ORGATEC TOKYO. During the same month, Kind + Jugend ASEAN will be held in Bangkok, Thailand. May 2022 will see the premiere of polisMOBILITY in Cologne – a unique event to date, which will be consistently geared towards future-oriented mobility in the urban environment and will also include the urban surroundings of Cologne beyond the trade fair grounds.

Koelnmesse 3.0 investment programme continues

The company is largely adhering to its Koelnmesse 3.0 investment programme as a key component of securing its future. The new Hall 1 is completed and ready for business. Construction continues on Confex®, the future event location for conferences and exhibitions that will provide a blueprint for post-Corona events with maximum flexibility. Böse: "Starting in 2024, Confex® will bring events, congresses and trade fairs of a new calibre to Cologne, which the location has not been able to serve in the past. Overall, however, Koelnmesse 3.0 has been reprioritized and stretched out over a longer period of time to 2034."

Photo material for Koelnmesse:

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