

Press Release

"People are yearning for face-to-face interaction"

Hamburg, 10 February 2021 – The coronavirus year 2020, originally expected to produce the strongest business outcome in company history, turned out to be the weakest fiscal year Hamburg Messe und Congress GmbH had ever seen, with preliminary sales revenues of 20.1 m euros and a bottom line of minus 58.2 m euros. Beginning in March of last year, postponements and cancellations accumulated, ending in an almost total exhibition lockdown. In particular, the cancellations of Hamburg's three flagship trade fairs, INTERNORGA, SMM and WindEnergy Hamburg, as on-site physical exhibitions rendered it impossible to achieve the envisioned record sales figure of 111.2 m euros.

"The good news from the past fiscal year is: business sectors, exhibitors and visitors are anxiously waiting for physical trade fairs and congresses to resume," said Bernd Aufderheide (61), President and CEO, during the start-of-year press conference of Hamburg Messe und Congress GmbH. "People are yearning for face-to-face interaction. We hear it again and again in videoconferences and telephone conversations."

Following a strong start with a total of 18 HMC-managed and quest events in January and February of 2020, Hamburg Messe und Congress had every reason to believe it was right on target: Its own trade fairs, such as NORTEC, home², oohh! Die FreizeitWelten der Hamburg Messe and the debut of HAMBURG OPEN, an exhibition for broadcast and AV technology professionals, along with well-attended third-party events, all met or exceeded expectations.

During the weekend of 21 to 23 February, the enormous flexibility of the exhibition campus and its many possible uses were highlighted once again, with three wellattended public guest events taking place - the motorcycle event Hamburger Motorrad Tage, BABYWELT and Hamburger Tattoo Tage - while the Media Centre for the Hamburg parliamentary election opened its doors in Hall A2. Around the same time, Hamburg was short-listed as one of the top-three applicants for the future international mobility exhibition IAA, out of a total number of seven cities.

But then, INTERNORGA – planned for 13 to 17 March 2020 – was the first HMC trade fair that had to be rescheduled, then cancelled entirely because HMC would not have been able to ensure the health of visitors, exhibitors and employees at such an event. This was followed by postponements and cancellations of as many as 21 HMC- and third-party organised events, 28 CCH events and 26 joint stand participations of German companies at exhibitions around the world.

The sales revenues from HMC-managed events dropped significantly, from a planned 71.2 m euros to 8.3 m euros. In the guest events segment, sales revenues were approximately cut in half, plunging from the planned 16.7 m euros to 7.8 m euros. Some of the trade fair cancellations were compensated by short-term new acquisitions, including film recordings and university examinations.

It was mainly the popular trade fairs during the first two months of the year, such as oohh! Die FreizeitWelten der Hamburg Messe and Hamburger Motorrad Tage, each attracting more than 75,000 visitors, that accounted for the total number of 306,413

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attendees HMC was able to welcome during the past fiscal year. That total included 26,300 students who were able to take their written final exams in the exhibition halls at the required social distance.

There was a glimmer of hope in early September when the buyers' fair Nordstil took place as one of very few physical exhibitions held in Germany during the second half of the year. Shortly thereafter HMC decided to hold WindEnergy Hamburg, which had already been rescheduled for early December, as an exclusively digital event. "Our experience has confirmed our view that digital formats will play a much more important role in supporting physical trade fairs in future but cannot fully replace them," said Aufderheide.

As a result of the restrictions resulting from the pandemic, a large portion of HMC's employees have been working short-time since May 2020. A decision has been made to continue this until the end of the 2021 summer holidays in Hamburg. A series of major events will follow, such as the debut of the PHOTOPIA Hamburg Festival. Numerous photography experts and hobby photographers will be invited to rediscover the city as a backdrop for photos and videos. "We have developed a magnificent concept and are very much hoping that the event will be able to take place in 2021," said Bernd Aufderheide.

A forecast of sales revenues for the current year is not possible in the present situation. "It would boil down to reading tea leaves," said Aufderheide. He expects somewhat normal conditions to return as of 2023. "But it will be a different kind of normality than what we knew before the coronavirus pandemic: The entire exhibition and congress business is undergoing profound change." The pandemic has accelerated the digital transformation enormously. Future event formats will be more hybrid, multifaceted and interactive. "Attractive cities such as Hamburg with exhibition halls and a congress centre right in the middle will benefit from this development," Bernd Aufderheide is certain. "We are using this time to better position ourselves digitally and are looking forward to the day we will be able to fully resume our business activities."

For a selection of photos for downloading go <u>here</u> (at Hamburg Messe_Jahresauftakt-Pressegespräch 2021 / Press Conference 2021).

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