



## Media release

Basel, 22 March 2019

### **MCH Group: 2018 result within the forecast range**

- **Increase in sales to CHF 522.8 million**
- **Operating loss of CHF -17.6 million**
- **Extraordinary depreciations on exhibition buildings of CHF -132.3 million**
- **Special charges for restructuring of CHF -40.5 million**

The MCH Group is reporting a loss from operating activities of CHF -17.6 million for the 2018 financial year. In addition to this come extraordinary depreciations of CHF -132.3 million for the further value adjustment required on the exhibition buildings and special charges for restructuring measures totalling CHF -40.5 million, all of which lead to a group loss of CHF -190.4 million. The special charges for restructuring measures relate chiefly to the capitalisation and amortisation of the goodwill for Winkler Livecom AG, which was sold on 31 December 2018, depreciation of tangible fixed assets for Baselworld and Grand Basel and provisions for structural and organisational measures that have already been initiated.

The balance sheet total as per 31 December 2018 is CHF 498.2 million. As a result of the special measures, the equity has fallen from CHF 233.7 million to CHF 56.9 million, and the equity ratio from 34.0% to 11.4%. The special measures do not have any impact on the cash and cash equivalents. Through the CHF 100-million bond issue, it was possible to pay back state loans of some CHF 65.0 million, and cash and cash equivalents have increased slightly.

The 2018 result is within the forecast range published on 3 December 2018. It must be viewed with consideration to a number of different factors. Consolidation of the American MC<sup>2</sup> Group for a full year for the first time, the group's participation in the successful Masterpiece London, plus the strong Art Basel shows and the Swissbau trade fair all made a key contribution to increasing operating income over

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the previous year by just under 6% to CHF 522.8 million. These positive factors have not, however, been able to offset the financial burden due to the downscaling of Baselworld 2018, the high costs for the development and launch of Grand Basel and the declining trends for various products and services on the national exhibition and event market.

The Board of Directors will propose to the General Meeting of 2 May 2019 that no dividend be paid.

The major changes coming about in the exhibition and event sector necessitate a far-reaching restructuring of the MCH Group. The necessary stabilisation and transformation process were initiated in the second half of 2018. The first phase focused on the necessary stabilisation of the company. In addition to different cost-saving and cost-cutting measures, this included prioritising the strategic initiatives and performing initial reorganisations to boost efficiency in the group's organisational structure. The continuing restructuring process will be geared to the future corporate strategy which is currently undergoing in-depth analysis and will be redefined.

This process will take a certain amount of time and will also negatively impact the result of the current 2019 financial year. The MCH Group forecasts further restructuring costs and a further loss in operating activities in the 2019 financial year.

**Media releases:** <https://www.mch-group.com/en-US/news/medienmitteilungen.aspx>

**2018 Reports online (also available to download):** <https://www.mch-group.com/en-US/news/reports.aspx>

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The MCH Group is a leading international live-marketing company group. It creates effective platforms and provides customised solutions in all the different areas of live marketing. The MCH Group's business activity consists in running the exhibition sites in Basel and Zurich, staging around 35 of its own exhibitions and providing customised services in the fields of marketing consulting, full-service experience marketing and exhibition and event structures. In 2018, the MCH Group organised or hosted 74 exhibitions and 871 further events and took charge of almost 3,000 projects in the field of live marketing solutions.

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