



Media release

Basel, 19 September 2019

MCH Group: Strategic focus and investments in innovations

- **Concentration on future-oriented, nationally and internationally leading platforms for selected theme areas.**
- **Investment in innovation, digitisation and internationalisation.**
- **Evaluation of different strategic options for the "Live Marketing Solutions" business segment.**
- **Improving occupation rate of venues in Basel and Zurich.**

In its future strategic alignment, the MCH Group will be focusing on the organisation of future-oriented, nationally and internationally leading platforms such as exhibitions, events and congresses. Over the next few years, it is intending to make investments in the further development of existing events and the development of new formats. The investment resources are to be made available through cost-saving measures and will be deployed primarily on promoting innovations, digitisation and internationalisation.

The MCH Group is looking into different strategic options for the division "Live Marketing Solutions" – including selling it. This division offers solutions for experience marketing all over the world, from strategy (Reflection Marketing) and full-service agency solutions (MCH Global) to the construction of temporary structures, such as exhibition stands and pavilions (Expomobilia and MC² Group). The aim is to ensure that the existing growth potential can also be tapped in this area.

In the operation and marketing of the group's own infrastructure in Basel and Zurich, the focus is to be placed on maximising capacity utilisation of the exhibition and congress facilities. The most suitable ownership and operating structure for this will be determined over the medium term.

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Securing sustainable profitability

The Board of Directors of the MCH Group has decided on these strategic parameters following comprehensive market and potential analyses together with the Executive Board over the past few months. The aim of this strategic realignment is to achieve an appropriate level of profitability again and to secure this in the long term.

The MCH Group will be finalising the detailed strategies and the future organisational structures by the end of the year and will make a start on implementing them at the beginning of January 2020. The organisation will be tailored to the future business activity and to ensuring the greatest possible efficiency. The current cost base is to be significantly reduced. This can be achieved primarily through the corresponding measures in procurement and, to a lesser extent, through personnel costs. In this latter case, measures were already decided on and initiated at the beginning of the current year.

Focus on the core business of leading platforms

The new strategic alignment concentrates on a clearly defined core business in order to tailor it to future customer needs and exploit its potential. "With our Own Exhibitions and Live Marketing Solutions divisions, we have two business segments that offer major development opportunities. In the light of our limited investment resources, however, we are only able to concentrate on one of these", explains Dr. Ulrich Vischer, Chairman of the Board of the MCH Group. "We consider there to be great potential in the organisation of future-oriented national and international platforms and we wish to exploit this. At the same time, we have recognised that, in the current situation, we do not have the resources for further developing the – similarly well-positioned – Live Marketing Solutions business and are therefore examining various options for it, including in particular a possible sale."

Leading national and international platforms

The MCH Group is convinced that live events will continue to gain importance, since the different live marketing disciplines will become even more crucial for acquiring, looking after, involving and inspiring customers. "New ideas will be required, however, since customers' needs are undergoing a fundamental change", says Bernd Stadlwieser, CEO of the MCH Group. "We must therefore invest in innovations, digitisation and internationalisation and will be expanding our competence in these areas by hiring additional specialists. Our aim is to build communities that go beyond the physical event, to create unique values for them and to generate clear added value for our customers in this way."

In doing this, the MCH Group wishes both to further develop existing formats and build up new formats, taking the different markets and needs into account. Art Basel, Baselworld, Swissbau, Powertage and Smart Suisse are good examples of this, Bernd Stadlwieser explains. "We already have a strong community for Art Basel and we

wish to extend this with additional offerings. For Baselworld, we are intending to establish an extended industry community and are thus considering further events abroad, which is a matter of concern for many customers. In the case of our national exhibitions, we wish to adopt different approaches depending on their particular needs. In the case of national events, the trend will increasingly move towards nationally leading industry platforms, special interest events, festivals or similar new formats."

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The MCH Group is a leading international live-marketing company group. Its business activity takes in the operation of the exhibition sites in Basel and Zurich, the staging of some 35 exhibitions of its own and comprehensive services in the field of experience marketing. In summer 2018, the MCH Group initiated a far-reaching transformation process aimed at repositioning itself in the exhibition and event sector that is undergoing fundamental change.

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