



## Media release

Basel, 26 March 2020

### **MCH Group: Significant improvement in the result for the 2019 financial year**

- **Clear increase in the EBITDA despite a decline in sales**
- **Severe losses due to the corona crisis, but company group not at risk**
- **Strategy implementation and the assessment of financing options being intensively pursued**

The 2019 financial year for the MCH Group was marked by key decisions in respect of the stabilisation and future strategic orientation of the company. A start has been made on implementing the strategy – the development of exhibitions into platforms and communities. It has also proved possible to substantially improve the operating result. This is clearly above the result for the previous year and the forecast issued in conjunction with the first-half results.

#### **Clear increase in profitability**

The EBITDA is CHF 22.1 million and CHF 18.1 million above the previous year (CHF 4.0 million). The loss for the year prior to special measures amounts to CHF -3.2 million (previous year CHF -17.6 million) and after special measures CHF -9.9 million (previous year CHF -190.4 million). No further extraordinary depreciations were necessary in the 2019 financial year, and the restructuring costs were considerably lower than in the previous year.

The consolidated operating income in 2019 totals CHF 445.2 million and is CHF 77.6 million below the previous year. The decline in sales is due first and foremost to the weaker exhibition cycle without Swissbau, the realignment of Baselworld and the sale of Winkler Livecom AG. Cash and cash equivalents increased by CHF 8.8 million to CHF 138.3 million, due essentially to a positive cash flow from the operating activity.

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### **Major sales losses due to the corona crisis**

The measures necessary to stop the spread of the coronavirus have led to the postponement and cancellation of a large number of exhibitions and events since February 2020. The MCH Group is working intensively on finding appropriate and fair solutions with the affected customers and partners. Despite different cost-cutting measures, the corona crisis will have a strong impact on the business result for 2020. Sales losses in the region of CHF 130-170 million are expected for the group.

### **Continuity of the company group guaranteed**

“The stability of the company group is not at risk, despite these negative influences”, stresses Dr. Ulrich Vischer, Chairman of the Board of the MCH Group. “We have strong liquidity.” Following a careful analysis of different scenarios, the management and the Board of Directors have reached the conclusion that the holding company has sufficient reserves in its liquidity and equity base for the different scenarios. This has been examined by the company’s statutory auditors.

### **Focus on stabilisation and strategy implementation**

“We have been working intensively on the stability of the company for many weeks”, explains Bernd Stadlwieser, CEO of the MCH Group. “And we are also working flat out on the further implementation of the strategy launched over the past few months and on assessing the financing options for the necessary investments.” The development of classic exhibition and event formats into platforms and communities has now been made even more urgent, Bernd Stadlwieser stresses. “This is geared to the time after the corona crisis and is thus being intensively pursued.”

One of many initiatives in the framework of the strategy implementation has already been successfully launched. The first “Online Viewing Rooms” for Art Basel from 18 to 25 March 2020 have been extremely well received by the Art Basel community.

### **Note regarding the Ordinary General Meeting on 24 April 2020**

The Board of Directors has taken the decision to hold the Ordinary General Meeting on 24 April 2020 in the form of a virtual meeting – without the shareholders being physically present. The invitation with the agenda and motions as well as the information on exercising the shareholder rights will be sent out on 1 April 2020.