



First-half result 2015  
MCH Group

# MCH Group posts a gratifying first-half result

- Operating income CHF 308.5 million  
Sales only slightly below the strong and exceptional previous years, despite fewer exhibitions staged
- EBITDA CHF 84.1 million and group profit CHF 48.7 million  
Highest operating result and profit ever achieved for a year without Swissbau

The MCH Group has posted a consolidated first-half result for the reporting period from 1 January to 30 June 2015 which once again is highly gratifying for a year in which fewer exhibitions are staged and in the light of the market environment.

Given the different frequencies of the non-annual exhibitions and a number of other factors, direct comparisons with the previous years are only of limited information value. Without Swissbau, which is held in the even-numbered years, 2015 is a weak year in terms of exhibition schedules compared with the previous year. And the same reporting period in 2013, which is comparable in terms of the number of exhibitions staged, was strongly characterised by exceptional sales effects in conjunction with the first Baselworld to be held in the newly completed hall complex.

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## Stable development of sales and result

Operating income for the reporting period from 1 January to 30 June 2015 totals CHF 308.5 million. This is 8.1% below the first six months of the previous year, with its busy exhibition schedule (CHF 335.8 million) and 10.6 % below the first half of 2013, which was an exceptional year (CHF 344.9 million).

At CHF 84.1 million, the EBITDA – the operative result before interest, taxes, depreciation and amortisation – is 11.2% below the figure for this same period in 2014 (CHF 94.7 million) but 16.2% above the same six months of 2013 which is comparable in terms of the number of exhibitions staged (CHF 72.4 million).

The group's consolidated profit for the first half of 2015 is CHF 48.7 million. This is 14.1% below the same reporting period for 2014 (CHF 56.7 million) and 29.5% above the first half of 2013 (CHF 37.6 million).

The EBITDA and group profit for the first six months of 2015 are the highest values ever recorded for a year without Swissbau. While the EBITDA margin and the profit margin of 27.3% and 15.8% respectively are also slightly below the previous year, they are considerably higher than the figures for 2013.

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## Group balance sheet strengthened

The balance sheet structure as per 30 June 2015 shows a balance-sheet total of CHF 824.3 million (as per 31 December 2014, CHF 877.7 million), comprising current assets of CHF 226.7 million (CHF 257.7 million) and fixed assets of 597.6 million (CHF 620.0 million). The liabilities side shows outside capital of CHF 399.4 million (CHF 496.3 million) and equity (including minority interests) of CHF 424.9 million (CHF 381.4 million). Compared to 30 June 2014, the equity ratio was increased by 47.2% to 51.5% and the net debt reduced from CHF 213.6 million to CHF 173.8 million, thus further strengthening the group balance sheet.

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## Sales by divisions

Sales in the "Exhibitions" division (MCH Group's own exhibitions including services charged via the exhibition companies) totalled CHF 230.5 million in the first half of 2015, accounting for 74.7% of the group's consolidated operating income (CHF 265.7 million and 79.1% for the same period in 2014). The "Venues" division (third-party exhibitions, congresses, additional hall and room rentals) achieved sales of CHF 22.1 million in the first half, equivalent to 7.2% of overall operating income (CHF 19.3 million and 5.8 % for the same period in 2014). The "Event Services" division (event management, stand construction and installations, event technology), at CHF 55.9 million, accounted for 18.1% of overall operating income (CHF 50.8 million and 15.1% for the same period in 2014). Prior to consolidation, the operating income of the "Event Services" division was CHF 83.3 million, which represents 23.7% of overall income prior to consolidation (CHF 89.2 million and 22.7% for the same period in 2014).



In the light of the continuing deficits in the congress and theatre business, the MCH Group last winter decided to cease running the Congrès Beaulieu Lausanne and the Théâtre Beaulieu Lausanne and to hand these over to other operators. At the Lausanne location, the MCH Group will be concentrating fully on its core business of staging MCH and third-party exhibitions in future. The restructuring process will have been largely completed by mid-2016.

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39 exhibitions, 200 additional events  
and 750 event services projects

In the first six months of 2015, the MCH Group staged 12 exhibitions of its own. Eleven of these took place in Basel, Zurich and Lausanne, while Art Basel was staged in Hong Kong. The group also hosted 27 third-party exhibitions, which were held at the MCH Group's locations by various organisers. Some 7200 exhibiting companies took part in these 39 exhibitions, which attracted around 900,000 visitors.

Added to this, 200 other events were held in the MCH Group exhibition halls and congress/conference rooms, and the event services companies completed 750 projects.

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#### Consolidation on the national exhibition market

The high level of market saturation, Switzerland's declining importance as a sales market and the consequences of the sustained strength of the Swiss franc have intensified the necessary trend towards consolidation on the national exhibition market. MCH Group and Easyfairs Switzerland GmbH last March agreed to merge the two trade fairs of Pack&Move (MCH Group, Basel) and Transport&Logistics (Easyfairs, Bern) in a new concept. As of 2016, the new trade fair is being staged by Easyfairs at Messe Zürich.

Last April, the MCH Group took the decision, on economic grounds, to discontinue its cooperation with the Worlddidac Association and to no longer organise the two education platforms of Worlddidac Basel and Didacta Schweiz Basel as of autumn 2016.

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#### Extending the range of services offered

With the acquisition of marketing agency Reflection Marketing AG in Wallisellen and the 20% holding in German stand construction company, metron Vilshofen GmbH, MCH Group has further expanded its range of services in the event services sector in the first half of 2015. The partial acquisition of metron Vilshofen GmbH will make it possible to work the key German market more actively.

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#### Expectations for 2015

The MCH Group's exhibition schedule in the first half of the year is always more tightly packed and generates more income than in the second half, which similarly takes in the summer months when no events are held. A large number of national trade fairs are also being staged in autumn 2015 which will feel the consequences of the EUR-CHF exchange rate more keenly than the big international trade fairs and consumer shows which took place in the spring. It is also to be assumed that the strong franc will further influence the course of business in the events services sector, having an increasingly negative effect.

In view of the seasonal fluctuations and the influence of the different exhibition frequencies, as well as the increasingly negative influence of the strong franc, it is impossible to linearly extrapolate the half-year result and draw conclusions regarding the expected result for 2015. The MCH Group is expecting a result for 2015 that will be substantially below both the result for 2014 with its strong exhibition schedule and the exceptional financial year of 2013.

## Group income statement and balance sheet for the first-half result for 2015

Group income statement (abridged)	01.01.–30.06.2015		01.01.–30.06.2014		01.01.–30.06.2013	
	CHF million	%/income	CHF million	%/income	CHF million	%/income
Operating income	308.5		335.8		344.9	
Operating expenses	-253.5		-272.5		-302.3	
Operating result	55.0		63.3		42.6	
Financial result net	-4.2		-3.4		-1.6	
Result from ordinary activities	50.8		59.9		41.0	
Result of associated companies	0.1		0.0		0.0	
Ergebnis vor Steuern	50.9		59.9		41.0	
Taxes	-2.4		-2.4		-2.4	
Earnings after taxes	48.5		57.5		38.6	
Minority interests	0.2		-0.8		-1.0	
<b>Group profit</b>	<b>48.7</b>	<b>15.8</b>	<b>56.7</b>	<b>16.9</b>	<b>37.6</b>	<b>10.9</b>
EBITDA	84.1	27.3	94.7	28.2	72.4	21.0
EBIT	52.9	17.1	63.2	18.8	43.1	12.5

Earnings per share (diluted / undiluted)	01.01.–30.06.2015		01.01.–30.06.2014		01.01.–30.06.2013	
	CHF		CHF		CHF	
	8.10		9.43		6.26	

Operating income by divisions	01.01.–30.06.2015		01.01.–30.06.2014		01.01.–30.06.2013	
	Mio. CHF	%	Mio. CHF	%	Mio. CHF	%
Exhibitions (MCH exhibitions)	230.5	74.7	265.7	79.1	245.1	71.1
Venues (third-party events)	22.1	7.2	19.3	5.8	16.4	4.7
Event Services	55.9	18.1	50.8	15.1	83.4	24.2
<b>Total operating income</b>	<b>308.5</b>	<b>100.0</b>	<b>335.8</b>	<b>100.0</b>	<b>344.9</b>	<b>100.0</b>

The MCH Group is dispensing with the presentation of the segment results, since detailed reporting of the company's cost and earnings structure could produce competitive disadvantages compared with rivals.

Group balance sheet (abridged)	30.06.2015		31.12.2014	
	CHF million	%	CHF million	%
Current assets	226.7	27.5	257.7	29.4
Non-current assets	597.6	72.5	620.0	70.6
<b>Total assets</b>	<b>824.3</b>	<b>100.0</b>	<b>877.7</b>	<b>100.0</b>
Short-term liabilities	86.3	10.5	186.5	21.3
Long-term liabilities	313.1	38.0	309.8	35.3
<b>Total liabilities</b>	<b>399.4</b>	<b>48.5</b>	<b>496.3</b>	<b>56.6</b>
Shareholders' equity	424.9	51.5	381.4	43.4
<b>Total equity and liabilities</b>	<b>824.3</b>	<b>100.0</b>	<b>877.7</b>	<b>100.0</b>

## Group Cash Flow Statement

Group Cash Flow Statement (abridged)	01.01.–30.06.2015	01.01.–30.06.2014
	CHF million	CHF million
Net cash flow from operating activities	-4.8	21.9
Net cash flow from investment activities	-8.7	-10.2
Net cash flow from financing operations	-3.7	-3.3
Currency translation differences	-0.2	–
<b>Net cash flow</b>	<b>-17.4</b>	<b>8.4</b>
Cash and cash equivalents at the beginning of the reporting period	153.3	147.0
Cash and cash equivalents at the end of the reporting period	135.9	155.4

The net cash flow from operating activities can be negative in the first six months on account of the exhibition schedules, since a large number of the invoices for services at the spring exhibitions (Baselworld, muba) are paid in the fourth quarter of the previous year already. For the 2014 business year, a certain amount of income from Swissbau was also entered into the books in the 4th quarter of 2013. Apart from this, in the first half of each year, a corresponding outflow is incurred in the form of setup and operating expenditure for these spring exhibitions.

## Development of Consolidated Shareholders' Equity

Development of Consolidated Shareholders' Equity (abridged)	Share capital	Capital reserves	Retained earnings	Minority interest	Total
	CHF million	CHF million	CHF million	CHF million	CHF million
As per 01.01.2014	60.1	74.3	221.4	0.5	356.3
Currency translation differences					–
Goodwill					–
Dividend 2013, paid in 2014			-3.0		-3.0
Group profit 01.01.2014 – 30.06.2014			56.7	0.8	57.5
<b>As per 30.06.2014</b>	<b>60.1</b>	<b>74.3</b>	<b>275.1</b>	<b>1.3</b>	<b>410.8</b>
As per 01.01.2015	60.1	74.3	246.6	0.3	381.3
Currency translation differences			-0.1		-0.1
Goodwill			-1.8		-1.8
Dividend 2014, paid in 2015			-3.0		-3.0
Group profit 01.01.2015 – 30.06.2015			48.7	-0.2	48.5
<b>As per 30.06.2015</b>	<b>60.1</b>	<b>74.3</b>	<b>290.4</b>	<b>0.1</b>	<b>424.9</b>

# Notes to the first-half result for 2015

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## 1. Accounting principles

The present consolidated half-year financial statement takes in the non-audited first-half result for MCH Group Ltd. and its subsidiaries for the reporting period ending 30 June 2015. The abridged first-half financial statements have been drawn up in accordance with the current guidelines of the Swiss GAAP FER 31 professional recommendations (complementary recommendation for listed companies).

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## 2. Sales by division

The operating income of the divisions is shown subsequent to consolidation. The “Exhibitions” division takes in all income from exhibitions and related services. The “Venues” division covers the rental business for the hall infrastructure (third-party events, no MCH exhibitions) and general services. The “Event Services” division covers services that are directly invoiced to the customers by the service companies.

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## 3. Seasonal fluctuation

In view of the major seasonal fluctuations in the exhibition business, it is impossible to extrapolate the first-half result on a linear basis and draw conclusions regarding the expected annual result. The biggest exhibitions in the 2015 event calendar were held in the first six months of the year (especially Baselworld), which is why, in the first-half result, the depreciation of the fixed assets at MCH Swiss Exhibition (Basel) Ltd., has been increased in proportion to the actual physical wear and tear incurred. In addition, the summer months with very few events come in the second half of the year.

The second half will thus be considerably weaker than the first one. The MCH Group is expecting an annual group profit below the figure for the first-half result and substantially below the result for the 2013 and 2014 financial years.

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## 4. Changes in consistency/regrouping

In the course of allocating operating income to the individual divisions, changes have been made in cost-group allocation between the “Exhibitions”, “Venues” and “Event Services” divisions. In particular, income from parking and external rentals, and also the facility management of the tower building at the Basel location, is now allocated to the Venues division. The corresponding sum was thus also transferred in the previous year.

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The report on the first-half result is posted on the MCH Group website under “News”/“Reports”. Printed copies will only be sent out on request.

On the MCH Group website, you can register under “MCH Group”/“Investor Relations”/“News per E-Mail” to receive all notifications of relevance to the stock exchange by e-mail in future.

You will also find the MCH Group at:



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## Dates

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16 March 2016  
Financial results and Annual Report 2015 of MCH Group

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22 April 2016  
General Meeting of MCH Group Ltd.

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Basel, 8 September 2015

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