



First-half result 2014  
MCH Group

# MCH Group posts an excellent first-half result

- Operating income CHF 335.8 million – 2.6 % below the exceptional previous year
- EBITDA CHF 94.7 million and group profit CHF 56.7 million – 30.8 % and 50.8 % above previous year
- Seasonal fluctuations and different exhibition frequencies – group profit 2014 expected to be in the same range as for previous year

The MCH Group with its head office in Basel, which takes in MCH Messe Basel, MCH Messe Zürich, MCH Beaulieu Lausanne and a number of event services companies, has once again posted a highly gratifying consolidated first-half result for the reporting period from 1 January to 30 June 2014:

Operating income stands at CHF 335.8 million; this is 2.6 % below the same period for the exceptional previous year of 2013 (CHF 344.9 million) and 26.1 % above the first half of 2012 – a comparable year in terms of the exhibitions staged (CHF 266.2 million).

The operating result (EBITDA) is CHF 94.7 million and marks a new record value in the company's history. This is 30.8 % above the first half of 2013 (CHF 72.4 million) and 42.0 % above the same period for 2012 (CHF 66.7 million). At 28.2 %, the EBITDA margin has been stepped up considerably by comparison with previous years.

The group profit is CHF 56.7 million and similarly marks a new record. This was boosted by 50.8 % compared with the same period for 2013 (CHF 37.6 million) and by 43.5 % compared with the first half of 2012 (CHF 39.5 million). The profit margin of 16.9 % represents an exceptional value for the exhibition and event business.

The balance sheet structure as per 30 June 2014 shows a balance-sheet total of CHF 869.9 million (as per 31 December 2013 CHF 930.0 million), comprising current assets of CHF 244.7 million (CHF 283.5 million) and fixed assets of CHF 625.2 million (CHF 646.5 million). The liabilities side shows outside capital of CHF 459.1 million (CHF 573.7 million) and equity (including minority interests) of CHF 410.8 million (CHF 356.3 million).

---

## Multi-year comparisons

Given the schedules of a number of exhibitions which are only staged every two years, and in the light of other factors too, direct comparisons with the previous year are only of limited information value. Since Swissbau is only held in the even years, the first half of the even years will always be stronger than the first half of the odd years.

The first half of 2014 thus counts as a strong year in terms of exhibition schedules. This is, however the first year in which the higher depreciations and financial outlay for the new hall complex in Basel have affected the reporting period in its entirety. When comparing the first six months of 2014 with the corresponding period in 2013, it must also be borne in mind that, while 2013 was a weak year in terms of exhibition schedules, Baselworld 2013 had an exceptional impact on sales – especially in the stand construction business too – which was not repeated to the same extent in 2014. And when drawing comparisons with the first six months of 2012, with its comparable exhibition schedule, it must be remembered that, among other factors, exceptional expenditure was incurred in 2012 through the switchover of the pension fund from a defined benefit to a defined contribution scheme.



---

#### Strong earning power

The MCH Group is extremely satisfied with the first-half result for 2014, although it still sees scope for optimisation in a number of company areas. Thanks to its earning power and the strong exhibition schedules, it is able to offset the higher depreciations and interest incurred in conjunction with the new hall complex completed in 2013.

---

#### Sales by divisions

Sales in the “Exhibitions” division (MCH Group’s own exhibitions including services charged via the exhibition companies) totalled CHF 236.9 million in the first half of 2014, accounting for 70.6 % of the group’s consolidated operating income (CHF 249.5 million and 72.3 % for the same period in 2013). The “Venues” division (third-party exhibitions, congresses, additional hall and room rentals) achieved sales of CHF 12.2 million in the first half, equivalent to 3.6 % of overall operating income (CHF 12.6 million and 3.7 % for the same period in 2013). The “Event Services” division (event management, stand construction and installations, event technology), at CHF 86.7 million, thus accounted for 25.8 % of overall operating income (CHF 82.8 million and 24.0 % for the same period in 2013).

In the first six months of 2014, the MCH Group staged 11 exhibitions of its own, with ten of these taking place in Basel, Zurich and Lausanne, and Art Basel in Hong Kong. The group was also involved in three joint ventures and hosted 28 third-party exhibitions, which various organisers held at the MCH Group’s locations. Some 8000 exhibiting companies took part in these 42 exhibitions, which attracted more than a million visitors.

---

#### Expectations for 2014

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. This seasonal fluctuation is further aggravated in the even years by Swissbau, which takes place in the first half, while the second half of the odd years is somewhat stronger than the even years on account of Igeho. In addition, the Holz and Ilmac exhibitions which are staged every three years (second half of 2013, 2016, etc.) produce an additional rota-based positive or negative impact in the second six months of the year and the annual result.

In view of the seasonal fluctuations and the influence of the different exhibition frequencies, it is impossible to extrapolate the half-year result on a linear basis and draw conclusions regarding the expected result for 2014. In addition, in the second half of 2013 and 2012, prior stand construction services for the subsequent Baselworld produced positive effects that will not be repeated to the same extent in the second half of 2014. For 2014, the MCH Group is thus expecting a result in the region of the result for the exceptional 2013 financial year.

## Group income statement and balance sheet for the first-half result for 2014

Group income statement (abridged)	01.01.–30.06.2014		01.01.–30.06.2013		01.01.–30.06.2012	
	CHF million	%/ income	CHF million	%/ income	CHF million	%/ income
Operating income	335.8		344.9		266.2	
Operating expenses	-272.5		-302.3		-224.2	
Operating result	63.3		42.6		42.0	
Financial result net	-3.4		-1.6		-1.0	
Result from ordinary activities	59.9		41.0		41.0	
Result of associated companies	0.0		0.0		0.0	
Earnings before taxes	59.9		41.0		41.0	
Taxes	-2.4		-2.4		-0.1	
Earnings after taxes	57.5		38.6		40.9	
Minority interests	-0.8		-1.0		-1.4	
<b>Group profit</b>	<b>56.7</b>	<b>16.9</b>	<b>37.6</b>	<b>10.9</b>	<b>39.5</b>	<b>14.8</b>
EBITDA	94.7	28.2	72.4	21.0	66.7	25.1
EBIT	63.2	18.8	43.1	12.5	42.4	15.9

  

Operating income by divisions	01.01.–30.06.2014		01.01.–30.06.2013		01.01.–30.06.2012	
	CHF million	%	CHF million	%	CHF million	%
Exhibitions	236.9	70.6	249.5	72.3	206.4	77.5
Venues	12.2	3.6	12.6	3.7	14.3	5.4
Event Services	86.7	25.8	82.8	24.0	45.5	17.1
<b>Total operating income</b>	<b>335.8</b>	<b>100.0</b>	<b>344.9</b>	<b>100.0</b>	<b>266.2</b>	<b>100.0</b>

  

Group balance sheet (abridged)	30.06.2014		31.12.2013	
	CHF million	%	CHF million	%
Current assets	244.7	28.1	283.5	30.5
Non-current assets	625.2	71.9	646.5	69.5
<b>Total assets</b>	<b>869.9</b>	<b>100.0</b>	<b>930.0</b>	<b>100.0</b>
Short-term liabilities	138.0	15.9	254.1	27.3
Long-term liabilities	321.1	36.9	319.6	34.4
Total liabilities	459.1	52.8	573.7	61.7
Shareholders' equity	410.8	47.2	356.3	38.3
<b>Total equity and liabilities</b>	<b>869.9</b>	<b>100.0</b>	<b>930.0</b>	<b>100.0</b>

# Notes

## to the first-half result for 2014

---

### 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 2014. The abridged first-half financial statements have been drawn up in accordance with the current guidelines of the Swiss GAAP FER 12 professional recommendations.

---

### 2. Sales by divisions

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.

---

### 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 2014 event calendar were held in the first six months of the year – especially Baselworld and Swissbau – which is why, in the first-half result for MCH Swiss Exhibition (Basel) Ltd., the depreciation of the fixed assets at the Basel location has been increased in proportion to the actual physical wear and tear incurred.

In addition to this, the summer months with very few events come in the second half of the year, which means that the second half will 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 in the region of the result for the 2013 financial year.

---

### 4. Assets from employer contribution reserves

The human resources expenditure for the first half of 2014 does not include any exceptional expenditure relating to the dissolution of assets from employer contribution reserves (previous year, exceptional expenditure of CHF 1.9 million).

---

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.

Pay a visit to the MCH Group’s blog too, and subscribe to the contributions. You will then be kept up-to-date with interesting information on the MCH Group.  
<http://blog.messe.ch>

You will also find the MCH Group on:



---

#### Dates

---

1 April 2015  
Financial result for 2014 and Annual Report 2014  
MCH Group

---

4 May 2015  
Annual General Meeting MCH Group Ltd.

---

Basel, 9 September 2014

---

MCH Group Ltd., 4005 Basel  
+41 58 200 20 20  
[info@mch-group.com](mailto:info@mch-group.com)  
[www.mch-group.com](http://www.mch-group.com)