



Media release

Basel, 3 September 2019

First-half result 2019 reflects the necessary realignment

- **First half of 2019 compared with the previous year: decline in operative income and group result due to exhibition cycles, Baselworld and structural measures.**
- **Initial positive effects of the restructuring measures, transformation process being intensively pursued.**
- **Expectation for 2019: loss announced on operating activities, without extraordinary expenditure, of the same order of magnitude as for 2018, group result considerably better than for the previous two years.**

The consolidated first-half result for the reporting period from 1 January to 30 June 2019 is, as expected, considerably below the comparable figures for the first half of the previous year. This is due primarily to the weaker exhibition cycle with no Swissbau, the declines in Baselworld and structural changes, including the sale of Winkler Livecom AG. The restructuring process initiated in 2018 and continued in the first half of 2019 is having its first positive effects.

Income statement and balance sheet

Consolidated operating income for the reporting period from 1 January to 30 June 2019 totals CHF 272.1 million. This is 23.7% below the first six months of the previous year (CHF 356.6 million). The operating expenses of CHF 252.7 million has fallen by 16.7% compared with the previous year (CHF 303.2 million). The operating result is CHF 3.1 million (CHF 25.7 million). The group result shows a loss of CHF -1.0 million (previous year a profit of CHF 21.5 million).

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The balance sheet total as per 30 June 2019 is CHF 458.0 million (as of 31 December 2018, CHF 498.2 million), comprising current assets of CHF 227.2 million and non-current assets of CHF 230.8 million. The liabilities and shareholders' equity side shows liabilities of CHF 401.6 million and shareholders' equity of CHF 56.4 million. The equity ratio is 12.3 % (as of 31 December 2018, 11.4 %). During the reporting period, cash and cash equivalents declined from CHF 129.5 million to CHF 115.5 million.

Transformation process

The transformation process launched in summer 2018 has been pursued intensively over the first half of 2019. The Board of Directors has deployed a Strategy Committee which, under the leadership of Hans-Kristian Hoejsgaard, is working in close cooperation with the Executive Board and with the support of external specialists to define the future business areas together with their strategy and organisational structure. This process is scheduled for completion by the end of 2019 so that a start can be made on implementation at the beginning of 2020.

The transformation process is well on track and has reached an advanced stage. On 19 September 2019, the MCH Group will provide key information on the future strategic alignment of the company.

Prospects

In view of the seasonal fluctuations in the event calendar and the summer months when no events are staged, it is impossible to extrapolate the half-year result on a linear basis and draw conclusions regarding the expected result for the year as a whole. The second half of 2019 will be weaker than the first half, but with Igeho, which is staged every two years, and Ilmac and Holz, staged every three years, the result will be above the second half of 2018. The savings measures already introduced and the streamlining of the exhibition portfolio will serve to reduce costs.

As already announced, the MCH Group is expecting a further loss in operating activities and further restructuring costs in the 2019 business year. The MCH Group is expecting a loss on operating activities, without extraordinary expenditure, of the same order of magnitude as for 2018. No figures can be put on the restructuring costs and the corresponding extraordinary expenditure as yet, since the restructuring process is still ongoing. No further value adjustments are expected for the exhibition buildings, which is why the group result will be considerably better than for the two previous years.

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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 experience 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 services in the fields of marketing consulting, full-service experience marketing and exhibition and event structures.

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