



Media release

Basel, 16 February 2018

MCH Group: Special measures lead to a loss in the 2017 financial year

- **Loss of CHF -110.0 million through extraordinary depreciation on the exhibition buildings in Basel and special provisions for structural optimisations in national business.**
- **Sales increased to CHF 493.3 million, group profit without special measures CHF 10.0 million.**
- **Diversification, internationalisation and digitisation strategy to be consistently pursued.**

For the 2017 financial year, the MCH Group is expecting a probable loss of CHF -110.0 million for the consolidated group result. This loss is due to special depreciations of CHF -102.3 million, brought about by a value adjustment for the exhibition buildings in Basel and also to special provisions of CHF -17.7 million for structural and organisational optimisations in the national exhibition and event business.

A review of the valuation of the exhibition halls in Basel conducted for the 2017 financial statements revealed that a value adjustment is necessary on account of the downscaling of Baselworld 2018. The impairment decided on, by around 25% of the value to date, is geared to the expected development of business at the Basel location in 2018 and subsequent years.

Since the balance sheet has been strengthened over the past few years, the company is in a position to absorb these special measures. They do not influence the cash and cash equivalents which amount over CHF 115 million. The equity ratio is still clearly above 30%.

Despite the 2017 financial year being a weak year in terms of exhibition cycles and despite the decline in the national exhibition and event business, sales in the 2017 financial year were increased by 12% compared with the previous year to stand at CHF 493.3 million. This is first and foremost an effect of the acquisition of American live marketing company MC² (“MC-squared”), which has not yet, however, had an impact over a full year. The expected group profit without special depreciations and special provisions is approximately CHF 10.0 million.

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It has been clear for many years that the economic climate for the national exhibition and event business is becoming increasingly difficult. MCH Group thus took measures at an early stage to diversify and internationalise its business activity. Over the past few years, the “Live Marketing Solutions” section has been expanded and the group’s international position greatly strengthened, especially through the acquisition of the American MC2 company in the 2017 financial year. With the expansion of its international position in the art market and the development of the “Collector Events Strategy” through the launch of Grand Basel and the acquisition of Masterpiece London, further future-oriented initiatives were started last year. MCH Group is pushing ahead intensively with the implementation of its strategic initiatives for the further diversification, internationalisation and digitisation of its business activity.

The special depreciations and special provisions and also the implementation of the strategy will have positive effects for the 2018 financial year, although the implementation of the strategic initiatives will also incur further development costs. The MCH Group is assuming that the 2018 financial year will be a difficult one again, but is expecting a positive result from ordinary business activity. It is assuming that the effects of the strategy implementation will lead to a positive development in earnings as of 2019.

“The MCH Group is well-positioned in both strategic and operative terms”, explains Dr. Ulrich Vischer, Chairman of the Board. With the necessary adjustments and the measures that have been introduced and, in particular, with the implementation of the strategic initiatives, we are now setting the decisive course for our future, in which we intend to build on, and, indeed, will be building on the company’s success of the past few years and decades.”

For the key figures, see the Annex.

Media conference with Dr. Ulrich Vischer and René Kamm:

Friday, 16 February 2018, 10:00, Messe Basel, Messeturm, 2nd floor, Paris meeting room.

After the media conference, Chairman of the Board Dr. Ulrich Vischer and CEO René Kamm will be available on-the-spot to answer questions and provide information for the media.

Publication of the definitive financial statements 2017 and the annual report 2017: 20 March 2018.

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The MCH Group is a leading international live-marketing company with a comprehensive services network spanning the entire exhibition and event market. With its headquarters in Basel/Switzerland, it owns the exhibition companies in Basel, Lausanne and Zurich. The group organises and hosts around 90 exhibitions. Its companies in the field of "Live Marketing Solutions" – MCH Global, Reflection Marketing, Rufener, Expomobilia, MC² and Winkler Livecom – are present all over the globe and offer customised marketing solutions in the areas of strategic and conceptual consulting, marketing consulting, event management, exhibition and event structures and multi-media.

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Result 2017 – Key Figures – Multi-Year Comparison

Provisional and unaudited result 2017 - 16.02.2018

		2017 after special measures	2017 before special measures	2016	2015
Operating income	CHF million	493.3	493.3	440.3	418.9
EBITDA	CHF million	43.8	61.5	89.0	85.3
EBITDA margin	%	8.9	12.5	20.2	20.4
EBIT	CHF million	- 104.0	16.1	41.6	40.1
EBIT margin	%	- 21.1	3.3	9.5	9.6
Group profit / loss	CHF million	- 110.0	10.0	34.3	31.0
Cash and cash equivalents	CHF million	115.9	115.9	230.8	211.1
Equity	CHF million	233.7	353.7	439.0	407.9
Equity ratio	%	34.0	44.7	47.9	44.6
Net debt	CHF million	130.7	130.7	69.1	91.9
Cash flow from operating activity	CHF million	67.9	67.9	37.9	82.0
Cash flow from investment activity	CHF million	- 128.0	- 128.0	- 14.9	- 17.5
Cash flow from financing activity / FX	CHF million	- 54.8	- 54.8	- 3.3	- 6.7
Total net cash flow	CHF million	- 114.9	- 114.9	19.7	57.7

Result 2017 – ordinary business and extraordinary items

Provisional and unaudited result 2017 - 16.02.2018

		Total	Special depreciation exhibition halls in Basel	Special provisions business Switzerland	Ordinary business
Operating income	CHF million	493.3			493.3
EBITDA	CHF million	43.8		- 17.7	61.5
EBITDA margin	%	8.9			12.5
EBIT	CHF million	- 104.0	- 102.3	- 17.7	16.1
EBIT margin	%	- 21.1			3.3
Group profit / loss	CHF million	- 110.0	- 102.3	- 17.7	10.0
Cash and cash equivalents	CHF million	115.9			115.9
Equity	CHF million	233.7	- 102.3	- 17.7	353.7
Equity ratio	%	34.0			44.7
Net debt	CHF million	130.7			130.7