



## Media release

Basel, 30 September 2020

### **MCH Group: First half result 2020 amid COVID-19**

- **Business activity brought almost to a standstill results in a pronounced decline in sales and a first-half loss.**
- **Required restructuring measures have a high priority.**
- **Transformation and implementation of the strategy being intensively pursued.**

Following the clear improvement in its operating business result in the 2019 financial year, the MCH Group started the 2020 financial year with a successful Swissbau and well-filled order books for the Live Marketing Solutions division. Progress was being made on the projects launched in autumn 2019 to transform the company and implement the strategy adopted. Unfortunately, business activity was brought to an abrupt halt by the COVID-19 pandemic and the restrictions and bans imposed by the authorities.

As its top priority, the management took a series of immediate measures to ensure the stabilisation of the company. Fair solutions were then sought and found with the customers and suppliers affected by the exhibition cancellations. In parallel to this, the teams worked on different projects which would enable them to react to customers' new requirements at short notice. Among other things, it proved possible to offer the first Online Viewing Rooms for Art Basel in March already, and these were then continually improved and further developed over the months that followed. These and other activities have allowed Art Basel to further strengthen its leading role in the art market. In the Live Marketing Solutions field, a large number of digital congresses and product presentations and also virtual exhibitions were implemented in the first half of 2020 already. The LMS team is today able to offer customers hybrid project solutions for combined live-marketing brand activations in both the digital and the real world.

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## **Income statement and balance sheet**

In the reporting period from 1 January to 30 June 2020, consolidated operating income fell by 55% compared to the first half of 2019 to stand at CHF 121.6 million. The consolidated operating result is CHF -21.7 million (a decline of CHF - 29.4 million compared with the first half of the previous year), and the first-half loss CHF -24.4 million (CHF -28.0 million).

The biggest drop in earnings compared with the previous year was recorded for MCH exhibitions, at -73%. The comparatively moderate decline in earnings of -31% for Live Marketing Solutions is due primarily to the fact that the USA was only affected by the impact of the pandemic in the second quarter.

## **Prospects**

In March 2020, contingency plans were immediately drawn up and implemented across all the business segments, and have been continuously updated since then. These are based on different scenarios, including the situation where almost no large-scale events are held in 2020. As communicated at the end of July, the MCH Group is expecting a decline in sales of CHF 230 to 270 million in the 2020 financial year compared with the previous year and an annual loss in the upper double-digit million range.

In the context of the financial statements for 2019, it was already determined and confirmed by the auditors that the continued existence of the company into 2021 is not endangered. This finding is still valid. To guarantee the continued existence of the group beyond the year 2021, however, it will be necessary to implement the measures decided on at the Extraordinary General Meeting of 3 August 2020. The Board of Directors is working intensively with all stakeholders on solutions to enable the necessary capital measures to be implemented as soon as possible.

The MCH Group is expecting a clear improvement in the business situation as of the second quarter of 2021. Despite the enormous impact of the short-term loss of a large part of the company's operating business, it is thus working intensively on implementing the strategy adopted in 2019, so that it ultimately emerges stronger from this unprecedented crisis for the live marketing industry.

**Report on the first-half result:** <https://www.mch-group.com/en/investors/reports/>

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