# **CEO Statement**

The overriding objective of the MCH Group is to ensure its long-term business success for the benefit of all its stakeholders. One of the decisive factors for success is economic, ecological and social sustainability. Sustainable thinking and action have shaped the group's more than 100-year history and will also determine the path it adopts in future.

Over the past few years, the MCH Group has undergone a remarkable development in many respects within the national and international exhibition and event sector. It now faces major challenges in having to adapt to the fundamental changes coming about in the classic exhibition and event business. The corporate strategy, organisational structure, public-private partnership and sustainability value are central aspects in this necessary transformation process.



Hans-Kristian Hoejsgaard

## Corporate strategy

The MCH Group's aim is to transform the group's classical live event competence into an integrated experience marketing competence in both the physical and digital fields. It is a matter of striking the right balance between the measures needed to stabilise the company and the investments required for the future.

<sup>66</sup> For the MCH Group, economic, ecological and social sustainability is a key success factor and thus of major importance for strategic decisions. The group promotes sustainable behaviour in all areas and at all levels.
(Excerpt from the MCH Group's Corporate Principles) <sub>66</sub>

The main strategic thrusts of focusing, internationalisation and digitisation cannot be called into question given the market environment and the industry's development. In autumn 2018, however, the MCH Group conducted an initial prioritisation of the strategic initiatives, putting the focus on those projects that offer the greatest potential for development and success. In the 2019 financial year, the corporate strategy is to be refined and a start made on its implementation.

#### Organisational structure

The MCH Group's unique network with its three strategic divisions of "Exhibitions" (own exhibitions), "Venues" (third-party events) and "Live Marketing Solutions" (services) plays a key role in the corporate strategy. With the group's own services, it is in a position to increase the share of the added value chain in the exhibition business. At the same time, the bespoke marketing solutions allow new market potential to be tapped in the national and international exhibition and event market.

In the context of the transformation process, the many largely autonomous profit centres that have grown in number as the company has developed in the past are to be merged into an integrated corporate group so as to boost efficiency and better exploit the synergy potential. Specialist competences and support functions are to be bundled and shared to a greater extent throughout the group.

### Public-private partnership

The MCH Group is committed to Switzerland as a location and, in particular, to its infrastructure locations of Basel and Zurich as the priority venues for staging its own exhibitions. It thus safeguards the interests of the locations, securing the major economic effects that the group's activities trigger for the exhibition and congress sites.

The protection of the interests of these locations is ensured through the 49-percent share held by the cantons of Basel-Stadt, Basel-Landschaft and Zurich and also the City of Zurich in its holding company and through the representation of the public sector entities on the Board of Directors. Since the economic impact on the locations is a function of the company's success, the public sector entities support the company's success and profit-orientated alignment. They are in favour of exhibitions being staged in other locations too, as well as the company's expansion into location-independent and/or exhibition-independent activities, provided that these contribute towards the company's success and are not to the detriment of its own locations.

## Sustainability

The MCH Group's corporate activity has a high sustainability value. Its marketing platforms and solutions contribute to the success of a large number of companies and different industries. The major economic impact instigated by its activities ultimately benefits the community in the form of tax income. The operation of the exhibition sites and the staging of the events are, however, highly intensive in respect of environmental aspects. Great attention thus is thus paid to environmental issues, since these are of particular relevance for the group's local setting.

Corporate success requires a sustainable economic, ecological and social performance. The MCH Group thus endeavours to promote sustainable behaviour in all areas and at all levels and to constantly improve the sustainability indicators.

Hans-Kristian Hoejsgaard Group CEO a.i.