

Economic

The MCH Group's business activity consists in running the exhibition sites in Basel and Zurich (Venues), staging around 30 of its own exhibitions (Exhibitions) and providing customised services in experience marketing (Live Marketing Solutions). In 2019, the MCH Group organised or hosted 839 events and took charge of almost 3,770 projects in the field of live marketing solutions.

The past financial year was marked by key realignments aimed at the stabilisation and future strategic orientation of the company. A start has been made on implementing the strategy – the development of future-oriented physical and digital platforms and communities.



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The consolidated financial indicators for 2019 show a decline in sales compared with the previous year but a clear increase in profitability. The EBITDA is CHF 22.1 million and thus CHF 18.1 million above the comparable value for the previous year (CHF 4.0 million). The loss for the year prior to special measures totals CHF -3.2 million and is CHF 14.4 million - approx. 80% - above the comparable value for the 2018 financial year (CHF -17.6 million).

“ Our aim is to take the company forward in a manner that upholds the interests of all stakeholders. ”

The live marketing sector is undergoing a profound change. Traditional exhibition and event formats are no longer sufficient in many areas. The past few years have shown that the MCH Group must re-orientate and reposition itself if it is to meet the future requirements of its markets and customers.

In summer 2018, the MCH Group initiated the necessary transformation process. The first measures were implemented in the 2019 financial year, including an initial restructuring and efficiency-boosting programme and the consolidation of the exhibition portfolio. With a view to the necessary transformation, the prime focus in the 2019 financial year, however, was on the development and definition of the future strategic alignment. The MCH Group intends to develop the traditional exhibition and event business into a future-oriented business model with physical and digital platforms and communities. It will be investing in innovation, digitalisation and internationalisation over the next few years in order to develop the platform and community business.

Various strategic options are being examined for financing the investments and developments required for platforms and communities. One of the options is the entry of new investors at group level, which can be combined with a capital increase and changes in the shareholder structure, the shareholder rights set out in the Statutes and the composition of the Board of Directors. Evaluation of these strategic options is currently underway.

Details business year 2019:

[Annual Report 2019](#)

[Financial Report 2019](#)

Key figures

Group Income Statement in CHF million	2019	% of income	2018 before special measures	% of income	2018	% of income	2018 before special measures	% of income
Operating income	445.2	100.0	445.2	100.0	522.8	100.0	522.8	100.0
Exhibitions (MCH Exhibitions)	226.7	50.9	226.7	50.9	275.2	52.6	275.2	52.6
Venues (Third-party Events)	32.4	7.3	32.4	7.3	38.5	7.4	38.5	7.4
Live Marketing Solutions	186.1	41.8	186.1	41.8	209.1	40.0	209.1	40.0
EBITDA	22.1	5.0	26.7	6.0	4.0	0.8	28.5	5.5
Depreciation and impairments	-24.8	-5.6	-22.7	-5.1	-186.1	-34.6	-37.8	-7.2
EBIT (= Result)	-2.7	-0.6	4.0	0.9	-182.1	-34.8	-9.3	-1.8
Loss for the year	-9.9	-2.2	-3.2	-0.7	-190.4	-36.4	-17.6	-3.4

Group Balance Sheet in CHF million	31.12.2019	% of total assets	31.12.2018	% of total assets
Total current assets	255.9	53.3	250.0	50.2
Total non-current assets	224.6	46.7	248.2	49.8
Total assets	480.5	100.0	498.2	100.0
Total liabilities	432.6	90.0	441.3	88.6
Total shareholders' equity	47.9	10.0	56.9	11.4
Total liabilities and shareholders' equity	480.5	100.0	498.2	100.0
Net debt in CHF million	2019		2018	
31.12.	136.1		148.7	

2019	Number	Exhibitors	Visitors	GEA ¹⁾	Duration ²⁾
Exhibitions	28	5 976	1 254 254	638 037	141
MCH exhibitions					
Messe Basel	13	3 686	636 548	395 564	67
Messe Zürich	6	929	213 236	78 088	21
Other locations	9	1 361	404 470	164 385	53
Venues	811	10 065	1 635 254	893 469	813
All events					
Exhibitions	43	8 812	1 187 523	768 997	153
Messe Basel	22	5 052	743 160	515 944	89
Messe Zürich	21	3 760	444 363	253 053	64
Hall rentals & events	18		72 921	68 550	71
Messe Basel	7		44 221	15 280	38
Messe Zürich	11		28 700	53 270	33
Conferences & room rentals	453	1 253	120 810	55 922	589
Congress Center Basel	165	1 253	117 910	55 922	301
Conference rooms Messe Zürich	288		2 900		288
Musical Theaters	297		254 000		
Musical Theater Basel	166		116 000		
Theater 11 Zürich	131		138 000		

1) Gross exhibition area in m²

2) No. of days (without assembly/dismantling)

2019	Projects	in Switzerland	abroad
Live Marketing Solutions	3 770	306	3 464
MCH Live Marketing Solutions AG	420	306	114
MC ² Group	3 350	0	3 350

Corporate strategy

The strategy process has not yet been finalised in all areas. In August/September 2019, the Board of Directors took key decisions, however.

The MCH Group intends to develop the traditional exhibition and event business into a future-oriented business model with physical and digital platforms and communities. It will be investing in innovation, digitalisation and internationalisation over the next few years in order to develop the platform and community business.

In the Live Marketing Solutions division, the through-the-line strategy embarked upon in 2018 will be taken further by continuing to build up and expand on competences and services in the fields of strategy and concept.

The marketing and operation of the company's own infrastructure in Basel and Zurich is being transferred to an independent business unit with the aim of increasing the capacity utilisation of these venues.

Following the savings measures already implemented, the MCH Group has launched an additional programme to increase efficiency, with the aim of saving CHF 20 million in costs by 2024.

State-of-the-art experience platforms are hybrid formats with digital planes that supplement the physical events and extend beyond these in terms of time and content. The aim of the MCH Group is to build up communities in this way, create unique values for them and generate clear added value for customers from this. Two examples:

The three Art Basel shows in Basel, Miami Beach and Hong Kong are the most important live events in the arts sector and already have a very strong community. More than three million people are linked to Art Basel via social media. This community is to be further expanded and, in particular, maintained throughout the year by means of additional digital services. In 2019, the new "Global Guide" was introduced with information on more than 500 galleries in 130 cities worldwide. In the current financial year, online viewing rooms are being offered for the first time. These new online platforms are "open" in parallel to the shows and enable Art Basel exhibitors to present works to the public that are not on display at the show and offer them for sale.

Swissbau already comprises the three vehicles of an exhibition (exhibitors and their products and services), Swissbau Focus (event and network platform) and Swissbau Innovation Lab (special show for digital transformation). Here, additional physical and digital platforms are to be set up on the basis of our strong Swissbau and a national "building industry community" created in this way.

Value chain

In the experience marketing industry, the organisers and operators of the physical and digital platforms are positioned at the start of the value chain. For their platforms, they need the appropriate infrastructure and systems as well as further services that can be designated "live marketing solutions". The suppliers of these marketing solutions, however, not only provide their services to the organisers and operators of the platforms but, above all, to the individual actors involved, for example, to the exhibitors at fairs or sponsors at sporting events.

Within this value chain, the MCH Group provides a broad range of services, which can, however, differ greatly from case to case. These divide up into three areas:

The MCH Group organises around 30 exhibitions, supplemented by digital planes that have been developed to differing extents. The physical platforms are held at the group's own locations in Basel and Zurich and also at further locations in Switzerland and abroad.

With its "Venues" in Basel and Zurich, the MCH Group provides infrastructure for use by its own platforms and also by third-party events – exhibitions, congresses and further events that it does not organise itself.

In the area of "Live Marketing Solutions", the MCH Group is able to accompany its customers over the full experience-marketing chain – from the strategy, via concepts and creation, right through to implementation with the creation of the temporary structures. The MCH Group is thus active in all areas relating to corporate events (exhibitions, roadshows, company events, etc.) and public events (culture, sport) throughout the world.

These fields are mutually conducive. They are not dependent on each other, however, and can also function independently.

In cases where the MCH Group itself acts as a service provider, the extent to which it makes use of the supplier groups can also vary greatly. In the "Venues" field, for example, the range of services provided by the MCH Group is concentrated primarily on facility management, with the facility services generally being provided by regional suppliers.

Indirect economic impacts

Exhibitions, congresses and events generate a major direct and indirect economic benefit. A number of studies on the economic impact of exhibitions show that exhibition companies produce indirect returns that are eight to ten times greater than their own turnover. Only 20 to 25% of the expenditure incurred by an exhibiting company when it participates in an exhibition goes into the exhibition organiser's coffers. Some 75 to 80% of expenditure goes to different suppliers and service providers.

If the results of these studies are extrapolated to the current figures of the MCH Group, then the following estimates can be derived: exhibitors and visitors together spend some CHF 2.5 billion each year for their participation in an MCH event, with CHF 1.5 billion of this being spent in Switzerland. This expenditure goes to the construction and ancillary industries (20%), the hospitality industry (30%), public transport operators (16%), the retail trade (6%) and different service providers (28%). In Switzerland, these initial effects trigger overall sales of some CHF 5 billion as direct and indirect follow-on effects. The associated added value corresponds to around 25,000 jobs and tax income of some CHF 400 million for the confederation, cantons and communes.

There are also other effects that cannot be expressed in figures – in particular, the positive impact of successful marketing platforms for the corresponding industries and companies.

At the locations at which live events are staged, they frequently have a "lighthouse effect" for tourism through their reach and appeal, which are transmitted to the city or country in question. The Basel region, for instance, benefits from the fact that the globally leading events of Baselworld, Art Basel in Basel, Art Basel in Miami Beach and Art Basel in Hong Kong carry the name of their "home city" throughout the world.