

Transformation

The MCH Group wishes to develop its classic exhibitions and events into future-oriented platforms and communities. In order to achieve this, it is investing in digitalisation, innovation and internationalisation in order to develop both existing and new formats.

The live marketing sector is undergoing a profound change. While the importance of live events continues to increase as a means of winning customers, looking after them, involving them and inspiring them, customer requirements have undergone a change and are continuing to change still further. Traditional exhibition and event formats are no longer sufficient in many areas. The MCH Group will be realigning and repositioning itself to take account of the future requirements of the markets and customers.



Art Basel Hong Kong

In summer 2018, the MCH Group initiated the transformation process required for this. The first measures were implemented in the 2019 financial year already, including an initial restructuring and efficiency-boosting programme and the consolidation of the exhibition portfolio with, among other things, the discontinuation of the general consumer fairs (Muba, Züspa, Comptoir Suisse) and the relinquishment of holdings in regional art fairs (India Art Fair and Art Düsseldorf).

With a view to the necessary transformation, the chief focus in the 2019 financial year, however, was on the development and definition of the future strategic alignment. The strategy process has not yet been finalised in all areas. The Board of Directors took key decisions in August/September 2019, however, and implementation has started:

“ Investments in innovation, digitalisation and internationalisation. “

The MCH Group intends to develop the classic exhibition and event formats into future-oriented 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 forward by continuing to build up and expand 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 boosting the capacity utilisation of its own 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.

Platforms and communities

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 communities, create unique values for these and generate clear added value for our customers in this way.

Art & Art Related Industries



Art Basel - Art Unlimited

“ Unique added value through future-oriented platforms and communities. “

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, fostered 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 now 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.

Watch / Jewellery / Gems



Baselworld

Baselworld is the most important show for watches, jewellery and gems, but there is not yet a sufficient community outside the B2B event. There is still a need for a platform to cover the different brands and groups. The MCH Group is thus investing in the further development of the industry event in Basel and, at the same time, developing and expanding a digital platform, which will also address consumers, collectors and enthusiasts. This platform will additionally be a hub for staging new, local consumer events with top brands in the most important sales markets.

Swiss Events

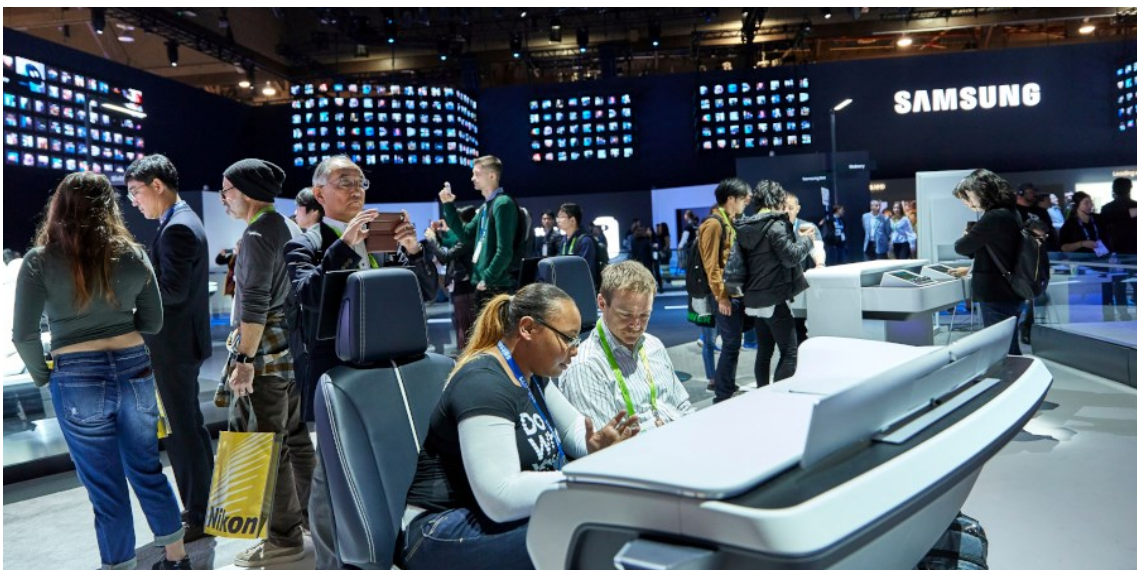


Swissbau - Innovation Lab

Following the consolidation of the national exhibition portfolio over the past few years, the MCH Group is intending to develop its Swiss portfolio into nationally leading B2B and B2C platforms. In the framework of active portfolio management, skills such as content management and community building are being selectively boosted. New trends – whether relating to topics or formats – are systematically identified and taken up.

Swissbau is a good example of the further development of traditional formats into platforms and communities. 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). Additional physical and digital platforms are to be set up here on the basis of the strong Swissbau, and a national “building industry community” created in this way.

Live Marketing Solutions



MC² – Samsung – CES

“ Accompanying our customers along the entire value chain of experience marketing. “

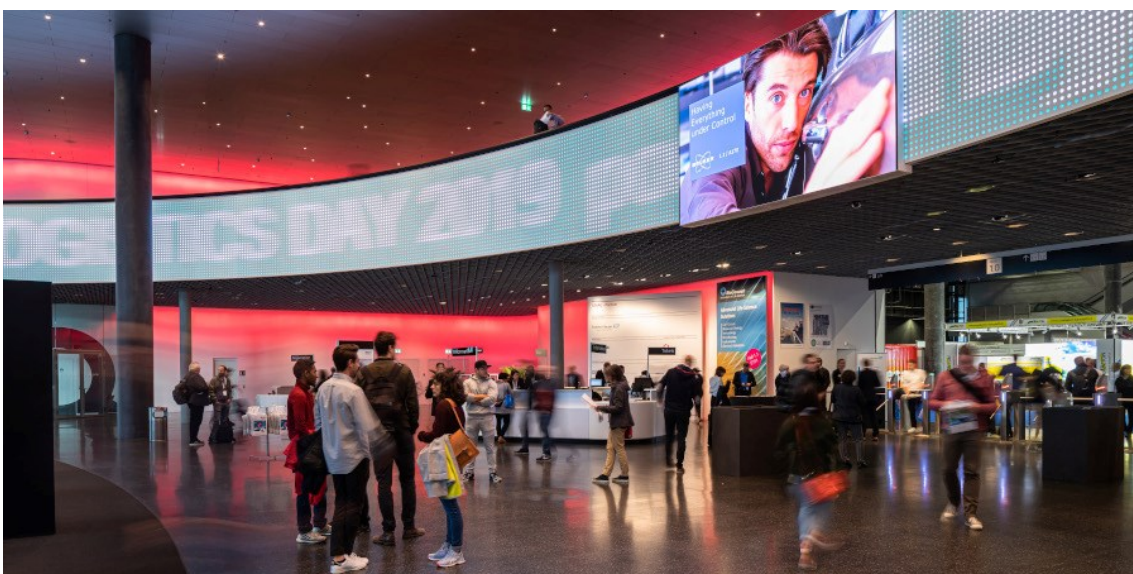
The experience economy in which we now operate is generating an increasing demand for experience marketing solutions – companies and brands are increasingly investing in experience marketing to reach their target groups emotionally and win them over. What is called for are new, innovative event formats, experience campaigns, experience festivals, roadshows, hybrid events and solutions for the point of experience (POE).

The Live Marketing Solutions division has positioned itself very favourably as an “Experience Marketing Group” in this constantly growing market. The diversification and internationalisation strategy that was launched in 2015 already was further sharpened over the past year, with the group’s competencies being further expanded and its international networking also being further stepped up. We are thus consistently pursuing our “Vision 2025” and positioning ourselves as a leading global experience marketing group.

Under the brand of MCH Global with its claim of “#nextgenerationexperiences”, we offer companies and organisers throughout the world experience-marketing solutions of the future. Our “#throughtheline” competencies provide the basis for this, with strategy, creation and implementation all offered to clients from a single source. This business model is being successively built up and enhanced by additional competencies. Trend scouting constitutes one key differentiation factor in this respect. At the end of 2019, the fourth edition of the “Experience Marketing Trend Report” was launched already.

The two brands of MC² in the USA and Germany and Expomobilia in Switzerland, UAE and China form the basis of the Live Marketing Solutions division. As general contractors, they focus primarily on experience marketing construction – with both companies constantly adapting to new customer and market requirements so as to successfully open up new market segments. Fitting examples of this are the projects awarded to the companies for the World Expo in Dubai (including the Swiss pavilion) and experience marketing roadshows for Netflix and General Motors in the USA.

Venues



Messe Basel – Ilmac

The marketing and operation of the group's venues was transferred to a separate organisational unit on 1 January 2020 in order to be able to focus more strongly on the acquisition and supervision of third-party events. Within this unit, a uniform and strengthened sales organisation is to be developed for the exhibition, event and congress infrastructure in Basel and Zurich.

The municipality of the City of Basel, as the grantor of the building lease, and the MCH Group have agreed that the municipality of the City of Basel will purchase Exhibition Hall 3 and the Musical Theater retroactively as per 1 January 2020. The MCH Group will continue to use Exhibition Hall 3 until the end of 2025.

Live Marketing Solutions

In the field of live marketing solutions, the MCH Group intends to focus on the expansion and international alignment of the strategy and concept services it provides (Reflection Marketing and MCH Global) as well as on the implementation of temporary buildings (Expomobilia, MC² and Metron).

Intensive progress has been made on the restructuring process launched in Switzerland in spring 2018. The repositioning of MCH Global was launched on 01.12.2018. The new "Agency of the Future" accompanies customers over the full length of the value chain for experience marketing – from the strategy, via the concept and creation, right through to implementation.

MCH Global, Reflection Marketing and Expomobilia are the three brands of the new Swiss company, MCH Live Marketing Solutions AG. This company was founded in November 2018 through the renaming of Expomobilia AG. In the first half of the current business year, all the Swiss live marketing solutions companies are to be merged into the new company with retroactive effect as per 01.01.2019.

The live marketing solutions companies located in Zurich all moved to joint premises in Zürich-Altstetten in autumn 2018 already.

On 31.12.2018, Winkler Livecom AG in Wohlen was sold to the management of the multimedia company and a private investor.



MC² / Expomobilia – Caterpillar – Shanghai

Financing options

Various strategic options are being examined for financing the investments and developments 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. The evaluation of these strategic options is currently underway.

“ Examining different financing options. ”

Organisation

The organisation structure was realigned on 1 January 2020. The “Global Platforms & Ecosystems” division comprises the “Art & Art Related Industries” (Art Basel, Masterpiece, Design Mimai) and “Watch, Jewellery, Gems” (Baselworld). The “Swiss Events” division covers all national B2B and B2C platforms. The “Venues” and “Live Marketing Solutions” divisions are run as independent business units. The newly formed “Digital & Innovation” business unit supports all the units in their innovation and digitalisation processes.

Over the past two years, the Executive Board’s membership has changed in its entirety. With the newly created function of Digital & Innovation Officer (CDIO) and the appointment of the Global Director of Art Basel to the Executive Board, the board has been more strongly aligned to the newly defined corporate strategy in structural terms too.