



Press Release
Pratteln, August 13, 2020

Half-Year Report 2020

Highlight Event and Entertainment AG delivers significant improvement in results

Highlight Event and Entertainment AG, an international leader in the areas of film, sport and event marketing, and sport, which is listed on SIX and is headquartered in Pratteln (Switzerland), closed the first half of fiscal 2020 with significant improvements in its results. Although the impacts of the Covid-19 pandemic led to a 26.9% reduction in consolidated sales to CHF 172 million, the Group was able to improve its EBIT from CHF 6.4 million in the prior-year period to CHF 11.0 million in the reporting period as a result of its strict cost management and lean structures. Consolidated net profit also increased significantly to CHF 1.1 million in the first half of 2020, compared to CHF -12.6 million in the prior-year period.

With a -30.4% decrease in sales to CHF 98.0 million, the Film segment was very severely impacted by Covid-19. The pandemic primarily affected sales in the area of theatrical distribution and service productions, which were largely suspended. The digital forms of distribution (productions for Netflix, Amazon, E-Disney, etc.) saw further growth. The importance of this sub-segment has increased significantly as a result of changes in media consumption. Accordingly, the traditional home entertainment market (DVD and Blu-ray) continued to experience declines.

While the Sport- and Event-Marketing segment (marketing of major international sporting events) saw a slight reduction in sales – which fell by CHF 1.7 million to CHF 31.2 million – due to currency translation effects, the Sport segment (primarily the Sport 1 Group) recorded a -28.2% decrease in sales to CHF 43.2 million. This decline was mainly attributable to falling advertising revenues following the cancellation of sporting events due to Covid-19.

In this operating environment shaped by the corona crisis, Highlight Event and Entertainment AG delivered an extraordinary performance in terms of income generation, with EBIT rising by CHF 17.4 million from CHF -6.4 million in the prior-year period to CHF 11.0 million. This significant improvement was mainly driven by the Film segment, which contributed CHF 8.8 million to the result in the first half of 2020 after posting a loss of CHF -2.5 million in the prior-year period. This development primarily reflected lower costs – especially due to the corona-related cancellation or interruption of film and TV service productions.

Consolidated net profit of CHF 1.1 million increased significantly compared to the figure of CHF -12.6 million for the prior-year period. Consolidated net profit attributable to HLEE

shareholders totaled CHF 0.4 million (prior-year period: CHF -5.8 million), corresponding to earnings per share of CHF 0.05 (prior-year period: CHF -0.68).

At CHF 357.9 million, equity declined by CHF 2.5 million compared to the end of 2019, partly reflecting currency translation effects.

Bernhard Burgener, President and Delegate of the Board of the HLEE Group, commented: "As a result of its rapid and decisive actions, the HLEE Group has done an excellent job so far in overcoming the impacts of the corona pandemic. Thanks to its decentralized management structures, the Group was able to find and successfully implement optimal solutions for every segment."

The detailed Half-Year Report 2020 is available at: <https://www.hlee.ch/en/Interim-reports.htm>

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The HLEE Group at a glance

Group figures according to IFRS

CHF million	1H/2020	1H/2019	Change in %
Sales	172.3	235.8	-26.9
EBIT	11.0	-6.4	n/a
Consolidated net profit (after tax)	1.1	-12.6	n/a
Consolidated net profit attributable to shareholders	0.4	-5.8	n/a
Earnings per share (in CHF)	0.05	-0.68	n/a
Segment revenues			
Film	98.0	140.9	-30.4
Sport- and Event-Marketing	31.2	32.9	-5.2
Sport	43.2	60.2	-28.2
Event Marketing		1.7	
Segment earnings			
Film	8.8	-2.5	n/a
Sport- and Event-Marketing	14.7	16.2	-9.3
Sport	-10.3	-18.8	n/a
Event Marketing		0.4	
CHF million	30.6.2020	31.12.2019	Change in %
Total assets	942.0	973.5	-3.2
Equity	357.9	360.4	-0.7
Equity ratio (%)	37.9	37.0	0.9 points
Current financial liabilities	164.3	139.1	18.1
Cash and cash equivalents	39.0	55.3	-29.4