

Half-Year Report 2024



DKSH

Delivering Growth – in Asia and Beyond.

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Key Figures

Consolidated Income Statement				At CER¹	
in CHF millions	January - June 2024	January - June 2023	Change in %	Change in %	
Net sales	5,441.1	5,623.8	(3.2)	3.3	
Core operating profit (EBIT)	163.6	162.6	0.6	8.2	
Operating profit (EBIT)	160.6	158.5	1.3	9.1	
Core profit after tax	118.2	106.4	11.1	16.7	
Profit after tax	114.8	107.1	7.2	13.2	
Free cash flow	160.8	179.0	(10.2)	n/a	

Consolidated Statement of Financial Position			
in CHF millions	June 30, 2024	December 31, 2023	
Total assets	5,538.5	5,471.2	
Equity attributable to the shareholders of DKSH Holding Ltd.	1,714.8	1,686.9	
Net operating capital (NOC)	1,738.5	1,692.4	
Net cash/(debt)	(10.2)	6.5	
Core return on net operating capital (RONOC) (in %)	19.1	18.7	
Core return on equity (ROE) (in %)	13.4	11.7	

Earnings per Share			
in CHF	January - June 2024	January - June 2023	
Basic earnings per share	1.71	1.59	
Diluted earnings per share	1.71	1.59	

Other			
	June 30, 2024	December 31, 2023	
Headcount	28,186	29,040	
Full-time equivalents	26,403	27,062	

¹ Constant exchange rates (CER): 2024 figures converted at 2023 exchange rates.

Interim Consolidated Income Statement (unaudited)

in CHF millions ¹	Note	January - June 2024	January - June 2023
Net sales	3	5,441.1	5,623.8
Other income		7.1	10.1
Goods and materials purchased and consumables used		(4,633.7)	(4,779.0)
Employee benefit expenses		(371.4)	(393.9)
Depreciation and amortization	3	(60.7)	(65.3)
Other operating expenses		(222.5)	(235.2)
Share of profit and loss of associates and joint ventures	3	0.7	(2.0)
Operating profit (EBIT)		160.6	158.5
Financial income		6.0	8.4
Financial expense		(6.8)	(16.0)
Loss on sale of subsidiaries ²		-	(1.9)
Profit before tax		159.8	149.0
Income tax expenses		(45.0)	(41.9)
Profit after tax		114.8	107.1
Attributable to			
Shareholders of DKSH Holding Ltd.		111.2	103.4
Non-controlling interest		3.6	3.7
Earnings per share for profit attributable to the shareholders of DKSH Holding Ltd.			
Basic earnings per share		1.71	1.59
Diluted earnings per share		1.71	1.59

¹ Except for earnings per share (in CHF).

² Upon classification of the assets and liabilities relating to the Consumer Goods business activities of DKSH Smollan Fieldmarketing in Thailand, Malaysia, Taiwan and Vietnam in the first six months of 2023 to Assets and Liabilities classified as held for sale, a revaluation loss of CHF 1.9 million was recorded within loss on sale of subsidiaries. The business was sold in the second half of 2023.

Interim Consolidated Statement of Comprehensive Income (unaudited)

in CHF millions	January - June 2024	January - June 2023
Profit after tax	114.8	107.1
Other comprehensive income		
Currency translation differences	40.9	(71.0)
Items that may be reclassified to profit or loss	40.9	(71.0)
Remeasurements on defined benefit plans, net of tax of CHF 0.5 million in current and CHF 0.2 million in prior period	1.8	0.7
Items that will not be reclassified to profit or loss	1.8	0.7
Other comprehensive income	42.7	(70.3)
Total comprehensive income	157.5	36.8
Attributable to		
Shareholders of DKSH Holding Ltd.	151.8	42.4
Non-controlling interest	5.7	(5.6)

Interim Consolidated Statement of Financial Position (unaudited)

in CHF millions	June 30, 2024	December 31, 2023 - restated ¹
Cash and cash equivalents	501.6	687.2
Trade receivables	1,860.9	1,840.7
Inventories	1,267.7	1,138.0
Prepaid expenses and contract assets	45.0	32.0
Other receivables	383.1	330.9
Current income tax receivables	40.0	36.5
Current assets	4,098.3	4,065.3
Intangible assets	819.7	785.6
Property, plant and equipment	145.6	143.6
Right-of-use assets	250.8	261.5
Financial assets	42.6	39.0
Investments in associates and joint ventures ¹	103.0	98.2
Retirement benefit assets	25.1	22.9
Deferred tax assets	53.4	55.1
Non-current assets	1,440.2	1,405.9
Total assets	5,538.5	5,471.2
Borrowings	89.1	211.9
Lease liabilities	56.4	54.2
Trade payables	2,275.3	2,025.3
Current income tax liabilities	57.2	55.8
Other payables, accrued expenses and contract liabilities	545.6	566.8
Current provisions	1.1	1.5
Current liabilities	3,024.7	2,915.5
Borrowings	422.7	468.8
Lease liabilities	213.9	223.3
Other non-current liabilities	37.4	62.9
Deferred tax liabilities	33.7	28.3
Non-current provisions	7.3	6.6
Retirement benefit obligations	27.9	27.9
Non-current liabilities	742.9	817.8
Total liabilities	3,767.6	3,733.3
Share capital	6.5	6.5
Reserves and retained earnings	1,708.3	1,680.4
Equity attributable to the shareholders of DKSH Holding Ltd.	1,714.8	1,686.9
Non-controlling interest	56.1	51.0
Total equity	1,770.9	1,737.9
Total equity and liabilities	5,538.5	5,471.2

¹ Upon further delay of the sales process the investment in Bovet has been reclassified to Investments in associates. For the previous period, CHF 18.0 million has been reclassified from Assets classified as held for sale to Investments in associates and joint ventures. There is no restatement of the Consolidated Income Statement based on materiality assessment.

Interim Consolidated Statement of Changes in Equity (unaudited)

in CHF millions	Share capital	Treasury shares	Currency translation	Other reserves	Retained earnings	Total equity attributable to shareholders of DKSH Holding Ltd.	Non-controlling interest	Total equity
As of January 1, 2024	6.5	(6.8)	(486.1)	234.2	1,939.1	1,686.9	51.0	1,737.9
Profit after tax	-	-	-	-	111.2	111.2	3.6	114.8
Other comprehensive income	-	-	38.8	-	1.8	40.6	2.1	42.7
Total comprehensive income	-	-	38.8	-	113.0	151.8	5.7	157.5
Purchase of treasury shares	-	(3.1)	-	-	-	(3.1)	-	(3.1)
Vested share-based payment awards	-	4.7	-	-	(4.7)	-	-	-
Share-based payments	-	-	-	-	1.8	1.8	-	1.8
Changes related to put options for non-controlling interests	-	-	-	-	23.5	23.5	(0.6)	22.9
Dividend	-	-	-	-	(146.1)	(146.1)	-	(146.1)
As of June 30, 2024	6.5	(5.2)	(447.3)	234.2	1,926.6	1,714.8	56.1	1,770.9

in CHF millions

As of January 1, 2023	6.5	(7.0)	(346.1)	234.2	1,870.9	1,758.5	67.8	1,826.3
Profit after tax	-	-	-	-	103.4	103.4	3.7	107.1
Other comprehensive income	-	-	(61.7)	-	0.7	(61.0)	(9.3)	(70.3)
Total comprehensive income	-	-	(61.7)	-	104.1	42.4	(5.6)	36.8
Purchase of treasury shares	-	(6.2)	-	-	-	(6.2)	-	(6.2)
Vested share-based payment awards	-	6.4	-	-	(6.4)	-	-	-
Share-based payments	-	-	-	-	2.4	2.4	-	2.4
Changes related to put options for non-controlling interests	-	-	-	-	11.6	11.6	1.4	13.0
Dividend	-	-	-	-	(139.6)	(139.6)	(3.7)	(143.4)
As of June 30, 2023	6.5	(6.8)	(407.8)	234.2	1,843.0	1,669.1	59.9	1,729.0

Interim Consolidated Cash Flow Statement (unaudited)

in CHF millions	Note	January - June 2024	January - June 2023
Profit before tax		159.8	149.0
Non-cash adjustments			
Depreciation, amortization and impairments on	3		
Property, plant and equipment		14.3	15.7
Intangible assets		11.6	12.3
Right-of-use assets		34.8	37.3
Share-based payment transaction expense		1.8	2.4
Gain/Loss on sale of tangible assets, intangible assets and financial assets		1.1	(0.5)
Financial income		(6.0)	(8.4)
Financial expense		6.8	16.0
Share of profit and loss of associates and joint ventures	3	(0.7)	2.0
Loss on sale of subsidiaries		-	1.9
Change in provisions and other non-current liabilities		(6.9)	0.2
Change in other non-current assets		(1.5)	(1.4)
Working capital adjustments			
Decrease/(increase) in trade and other receivables and prepayments		(36.0)	46.0
(Increase) in inventories		(92.4)	(147.7)
Increase in trade and other payables		177.7	177.2
Interest received		5.1	1.9
Interest paid		(17.2)	(19.2)
Income taxes paid		(41.8)	(49.2)
Dividend received from associates and joint ventures		0.7	-
Net cash flows from operating activities		211.2	235.5
Proceeds from sale of property, plant and equipment		1.7	1.0
Purchase of property, plant and equipment		(16.7)	(14.0)
Purchase of intangible assets		(2.2)	(7.3)
Purchase of financial assets/loans granted		(3.4)	-
Acquisition of subsidiary net of cash	4	(22.3)	(8.2)
Net cash flows used in investing activities		(42.9)	(28.5)

in CHF millions	January - June 2024	January - June 2023
Proceeds from current and non-current borrowings	255.7	426.3
Repayment of current and non-current borrowings	(432.4)	(433.6)
Repayment of leases	(31.5)	(40.1)
Dividend paid	5 (146.1)	(139.6)
Dividend paid to non-controlling interest	-	(3.7)
Purchase of treasury shares	(3.1)	(6.2)
Net cash flows used in financing activities	(357.4)	(196.9)
Cash and cash equivalents, as of January 1	687.2	636.4
Effect of exchange rate changes	3.5	(15.0)
Net increase/(decrease) in cash and cash equivalents	(189.1)	10.1
Cash and cash equivalents, as of June 30¹	501.6	631.5

¹ As of June 30, 2023, Cash and cash equivalents of CHF 4.0 million relating to the DKSH Smollan Fieldmarketing business was classified as Assets and Liabilities held for sale. The business was sold in the second half of 2023.

Notes to the Interim Consolidated Financial Statements

1. General Information

DKSH (the "Group") is a Market Expansion Services Group with a focus on Asia. DKSH helps other companies and brands to grow their business in new or existing markets.

The Group offers any combination of sourcing, market insights, marketing and sales, eCommerce, distribution and logistics as well as after-sales services. It provides business partners with expertise as well as on-the-ground logistics based on a comprehensive network of unique size and depth.

Business activities are organized into four specialized Business Units that mirror the Group's fields of expertise: Healthcare, Consumer Goods, Performance Materials and Technology.

DKSH Holding Ltd. is the parent company of DKSH Group. Its shares are listed on the SIX Swiss Exchange. The address of its registered office is Wiesenstrasse 8, 8008 Zurich, Switzerland.

These interim consolidated financial statements include the consolidated financial statements of the Group and its subsidiaries as of June 30, 2024. They were approved by the Board of Directors on July 15, 2024.

2. Basis of Preparation and Accounting Policies

Basis of Preparation

The interim consolidated financial statements for the six months ended June 30, 2024, are prepared in accordance with IAS 34. These interim consolidated financial statements do not include all the information and disclosures required for the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS Accounting Standards.

Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December, 2023 except for the adoption of new standards effective as of 1 January, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amend-

ments to existing standards apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements": The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments had no impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 16: «Lease Liability in a Sale and Leaseback»: The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's interim condensed consolidated financial statements.

Amendments to IAS 1: «Classification of Liabilities as Current or Non-current»: The amendments specify the requirements for classifying liabilities as current or non-current and clarify:

- What is meant by a right to defer settlement
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

BEPS Pillar 2

As a multinational group with a turnover exceeding EUR 750.0 million, DKSH is in scope of the Pillar Two Model Rules that were issued by the OECD. The Pillar Two Model Rules

were brought into law by a significant number of jurisdictions in 2023 and take effect beginning 2024. Switzerland decided to implement Pillar Two by means of a constitutional amendment and the related Ordinance (22 December 2023) as per January 1, 2024.

The Group assessed to be exposed to BEPS Pillar 2 top-up

taxes in two countries (USA and Macau) in 2024 if the regulations had been fully implemented in 2024. However, as Switzerland has not yet introduced the Income Inclusion Rule (IIR) and the two countries not yet a Qualified Domestic Minimum Top-up Tax (QDMTT), the Group currently does not expect top-up tax exposure for the year 2024.

3. Segment Information

January - June 2024

in CHF millions	Healthcare	Consumer Goods	Performance Materials	Technology	Other/Elimination	Group Total
Net sales	2,776.6	1,703.2	708.4	252.9	-	5,441.1
Depreciation, amortization and impairment	18.6	20.6	7.8	5.1	8.6	60.7
of which right-of-use assets	9.1	16.3	2.2	1.6	5.6	34.8
Share of profit and loss of associates and joint ventures	-	-	-	1.6	(0.9)	0.7
Operating profit (EBIT)	83.9	40.5	58.6	8.6	(31.0)	160.6
Net finance costs						(0.8)
Profit before tax						159.8

January - June 2023

in CHF millions	Healthcare	Consumer Goods	Performance Materials	Technology	Other/Elimination	Group Total
Net sales	2,809.8	1,788.0	767.0	259.0	-	5,623.8
Depreciation, amortization and impairment	18.8	24.1	7.4	4.8	10.2	65.3
of which right-of-use assets	10.0	17.9	1.3	1.2	6.9	37.3
Share of profit and loss of associates and joint ventures	-	-	-	2.3	(4.3)	(2.0)
Operating profit (EBIT)	78.6	38.8	62.3	12.1	(33.3)	158.5
Net finance costs						(9.5)
Profit before tax						149.0

4. Acquisitions and Disposals

Acquisitions

During the first six months of 2024, the Group acquired the following businesses:

Business	Country of incorporation	Equity interest acquired	Effective date	Employees (FTEs)
Medipharm Sdn. Bhd.	Brunai	100%	March 1, 2024	31
Elite Organic Sdn. Bhd.	Malaysia	100%	April 30, 2024	10

Effective March 1, 2024, the Group purchased the shares of Medipharm Sdn. Bhd., a privately held business based in Brunai. Medipharm represents a pharmaceutical and medical devices distributor in the local market of Brunai. From the date of acquisition, the business of Medipharm contributed net sales amounting to CHF 16.9 million and a profit after tax of CHF 1.4 million. Assuming the business had been acquired as of January 1, 2024, the contribution to net sales would have been CHF 21.5 million with a corresponding profit after tax of CHF 2.1 million.

Effective April 30, 2024, the Group purchased the shares of Elite Organic Sdn. Bhd., a privately held business based in Malaysia. Elite Organic represents a distributor of performance materials and provides value-added ingredients and services to the pharmaceutical, food, and nutraceutical industries in the territory of Malaysia. From the date of acquisition, the business of Elite Organic contributed net sales amounting to CHF 1.0 million and a profit after tax of CHF 0.1 million. Assuming the business had been acquired as of January 1, 2024, the contribution to net sales would have been CHF 3.1 million with a corresponding profit after tax of CHF 0.3 million.

The goodwill of CHF 7.0 million relates to synergies and footprint improvements. None of the goodwill is expected to be deductible for income tax purposes. The allocation of the purchase price was based upon a preliminary valuation, and the estimates and assumptions used are subject to change within the one-year measurement period.

The contingent considerations are recorded at the acquisition date fair value based on the best estimate of future payments discounted with the appropriate interest rate reflecting the risk inherent in the arrangement. For both acquisitions the contingent considerations are split into a payment after year one and year two depending on the separate business performance (EBITDA) during the first and second year following the closing of the transaction. The share purchase agreement of Medipharm includes an additional payment after year two depending the continuation of the business relationship with five key suppliers while respective additional payment arrangement for Elite Organic is conditional on an accelerated business performance (EBITDA) and the continuation of the business relationship with one supplier. The purchase prices for Medipharm and Elite Organic are capped at CHF 22.2 million and CHF 9.2 million respectively.

The provisional fair values of the identifiable assets and liabilities relating to the acquisitions:

in CHF millions	Total fair value recognized on acquisition of Medipharm	Total fair value recognized on acquisition of Elite Organic	Total fair value recognized on acquisitions
Assets			
Cash and cash equivalents	3.3	1.3	4.6
Trade receivables	4.7	1.0	5.7
Inventories	5.0	0.9	5.9
Intangible assets	2.5	2.0	4.5
Property, plant and equipment	1.0	-	1.0
Liabilities			
Trade payables	(3.3)	(0.3)	(3.6)
Other current liabilities	(0.3)	(0.1)	(0.4)
Deferred tax liabilities	(0.5)	(0.4)	(0.9)
Net assets acquired	12.4	4.4	16.8
Goodwill on acquisitions	3.4	3.6	7.0
Purchase consideration	15.8	8.0	23.8
Contingent consideration	(5.0)	(1.3)	(6.3)
Purchase consideration paid in cash	10.8	6.7	17.5
Cash and cash equivalents acquired	3.3	1.3	4.6
Net cash outflow	7.5	5.4	12.9
Contingent considerations and purchase price adjustments			9.4
Acquisition of subsidiary net of cash			22.3

The finalization of the purchase price allocations for the businesses acquired in 2023 resulted in no significant adjustments. During the first six months of 2024 the Group has settled a closing payment adjustment for Bio Strategy of CHF 1.3 million.

In the first six months of 2024, the Group has settled earn-outs relating to the acquisitions of Refarmed, Georg Breuer and Medworkz for an amount of CHF 2.5 million, CHF 5.3 million and CHF 0.3 million respectively.

Relating to the acquisitions of JW Foods and Medworkz income from revaluation of the contingent consideration liability of CHF 1.3 million was recorded.

Prior Year Acquisitions

In the first 6 months of 2023, the Group did not acquire any businesses.

Disposals

The Group did not dispose any business in the first 6 months of 2024 and 2023.

5. Equity

There were no changes in share capital during the first six months of 2024 and 2023.

During the first six months of 2024, the Group purchased 50'000 treasury shares for CHF 3.1 million. The Group used 63'972 treasury shares (CHF 4.7 million) for vested share-based payment awards. The Group holds 79'004 treasury shares as of June 30, 2024.

During the first six months of 2023, the Group purchased 85'000 treasury shares for CHF 6.2 million. The Group used 83'169 treasury shares (CHF 6.4 million) for vested share-based payment awards. The Group held 93'608 treasury shares as of June 30, 2023.

An ordinary dividend of CHF 2.25 per registered share was paid during the 2024 interim period. Total dividend payments amounted to CHF 146.1 million. In 2023, a dividend

of CHF 2.15 per registered share was paid, resulting in total dividend payments of CHF 139.6 million.

6. Financial Instruments

Details of the carrying amounts and fair values of financial instruments by category and hierarchy levels are as follows:

in CHF millions	Level	June 30, 2024	December 31, 2023
Financial assets at fair value through profit and loss			
Derivative assets	2	8.5	5.8
Convertible loan	3	17.7	17.0
Total		26.2	22.8
Financial assets at amortized cost			
Cash and cash equivalents ²		501.6	687.2
Trade receivables ²		1,860.9	1,840.7
Other receivables ^{2,3}		300.6	264.3
Deposits to third party ²		18.4	19.0
Loans to associates ²		6.6	3.0
Total		2,688.1	2,814.2
Total financial assets		2,714.3	2,837.0
Financial liabilities at fair value through profit and loss			
Contingent consideration liabilities	3	27.6	29.7
Derivative liabilities	2	6.6	8.0
Total		34.2	37.7
Financial liabilities at amortized cost			
Borrowings ²		511.8	680.7
Lease liabilities ⁵		270.3	277.5
Liabilities related to put options of non-controlling interests ⁶		24.1	44.8
Trade payables ²		2,275.3	2,025.3
Other payables ^{2,4}		206.3	157.4
Total		3,287.8	3,185.7
Total financial liabilities		3,322.0	3,223.4

¹ Level 1: The fair value is based on quoted prices in active markets

Level 2: The fair value is based on observable market data, other than quoted prices

Level 3: The fair value is based on valuation techniques using non-observable data

² Carrying amount is a reasonable approximation for fair value.

³ Excluding VAT and other tax receivables and derivative financial instruments.

⁴ Excluding VAT and other tax payables, derivative liabilities.

⁵ No fair value disclosure required.

⁶ Thereof CHF 22.0 million included in other non-current liabilities and CHF 2.1 million in current liabilities.

Reconciliation of Level 3 Fair Values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

in CHF millions	Convertible loan	Contingent consideration
As of January 1, 2023	10.3	46.4
Additions / Acquisitions	-	4.3
Settlements	-	(19.0)
Fair value changes	8.0	(1.0)
Exchange differences	(1.3)	(1.0)
As of December 31, 2023	17.0	29.7
Additions / Acquisitions	-	6.3
Settlements	-	(8.1)
Fair value changes	(0.4)	(1.3)
Exchange differences	1.1	1.0
As of June 30, 2024	17.7	27.6

7. Commitments

The Group has no material commitments requiring disclosure as of June 30, 2024.

8. Events After Financial Reporting Date

There are no significant events after the financial position date.

Alternative Performance Measures

Definitions and Financial Details

In the communication to external stakeholders, DKSH uses financial performance measures which are not defined by IFRS Accounting Standards. These measures are used by management to assess the performance of the Group. Some of these measures, like Operating profit (EBIT), are defined by a reconciliation in the sections of the Annual Report where they appear. The other main alternative performance measures used by DKSH are defined and/or reconciled below.

Organic Growth

Organic growth is the difference between current and previous reporting period excluding Mergers & Acquisitions (M&A) and Foreign exchange effects (FX).

Mergers & Acquisitions

M&A includes the impact of the businesses acquired in the current and previous reporting period.

Foreign Exchange Effects

FX is the difference between current period reported figures at current versus previous period exchange rates.

The reconciliation between Net sales of current and previous reporting period as per Consolidated Income Statement is as follows:

2024 by Business Unit in CHF millions	January - June 2024	Organic	M&A	FX	January - June 2023
Healthcare	2,776.6	143.6	19.1	(195.9)	2,809.8
Consumer Goods	1,703.2	20.1	16.1	(121.0)	1,788.0
Performance Materials	708.4	(20.7)	1.0	(38.9)	767.0
Technology	252.9	(12.6)	21.1	(14.6)	259.0
Group Total	5,441.1	130.4	57.3	(370.4)	5,623.8
in % of 2023		2.3	1.0	(6.5)	

2023 by Business Unit in CHF millions	January - June 2023	Organic	M&A	FX	January - June 2022
Healthcare	2,809.8	179.3	9.1	(182.0)	2,803.4
Consumer Goods	1,788.0	36.6	-	(115.7)	1,867.1
Performance Materials	767.0	(26.7)	131.7	(57.4)	719.4
Technology	259.0	50.1	20.9	(18.3)	206.3
Group Total	5,623.8	239.3	161.7	(373.4)	5,596.2
in % of 2022		4.3	2.9	(6.7)	

Core Operating Profit (EBIT) and Core EBITA

The reconciliation from Operating profit (EBIT), reconciled in the Consolidated Income Statement, to Core operating profit (EBIT) and Core EBITA is as follows:

2024 by Business Unit in CHF millions	Operating profit (EBIT)	Fair value ad- justment relat- ed to employee benefit expend- itures	Legal case set- tlement	Core operating profit (EBIT)	Amortization	Core EBITA
Healthcare	83.9	-	0.2	84.1	3.2	87.3
Consumer Goods	40.5	-	1.6	42.1	1.6	43.7
Performance Materials	58.6	-	-	58.6	4.7	63.3
Technology	8.6	-	-	8.6	1.3	9.9
Other/Elimination	(31.0)	1.2	-	(29.8)	0.8	(29.0)
Group Total	160.6	1.2	1.8	163.6	11.6	175.2

2023 by Business Unit in CHF millions	Operating profit (EBIT)	Fair value ad- justment relat- ed to employee benefit expend- itures	Non-recurring share of result in associates	Core operating profit (EBIT)	Amortization	Core EBITA
Healthcare	78.6	-	-	78.6	2.6	81.2
Consumer Goods	38.8	-	-	38.8	2.2	41.0
Performance Materials	62.3	-	-	62.3	4.9	67.2
Technology	12.1	-	-	12.1	1.6	13.7
Other/Elimination	(33.3)	0.9	3.2	(29.2)	1.0	(28.2)
Group Total	158.5	0.9	3.2	162.6	12.3	174.9

The fair value adjustment related to employee benefit expenses is included in Employee benefit expenses in the Consolidated Income Statement.

The legal case settlement is included in Other operating expenses in the Consolidated Income Statement.

The non-recurring share of results in associates relates to the Group's share of FVTPL revaluation losses of an associate's outstanding convertible notes included in Share of profit and loss of associates and joint ventures in the Consolidated Income Statement.

Core Operating Profit (EBIT) and Core Operating Profit Before Amortization (EBITA) margin:

Defined as Core operating profit (EBIT) divided by Net sales, respectively Core operating profit before amortization (EBITA) divided by Net sales.

Core Profit After Tax

The reconciliation from Profit after tax in the Consolidated Income Statement, to Core profit after tax is as follows:

in CHF millions	January - June 2024	January - June 2023
Profit after tax	114.8	107.1
Non-recurring share of result in associates	-	3.2
Fair value adjustment related to employee benefit expenses	1.2	0.9
Loss on sale of subsidiaries	-	1.9
Expense/(Income) from financial instruments	0.4	(6.7)
Legal case settlement	1.8	-
Core profit after tax	118.2	106.4

Expense/(Income) from financial instruments relates to FVTPL revaluation gains of convertible notes issued to an associate and is included in the Financial income and expense in the Consolidated Income Statement.

Free Cash Flow

The reconciliation from Net cash flows from operating activities in the Consolidated Cash Flow Statement to Free cash flow is as follows:

in CHF millions	January - June 2024	January - June 2023
Net cash flows from operating activities	211.2	235.5
Repayment leases	(31.5)	(40.1)
Purchase of property, plant and equipment	(16.7)	(14.0)
Purchase of intangible assets	(2.2)	(7.3)
Purchase trademarks/licences	-	4.9
Free cash flow	160.8	179.0

Cash Conversion

Cash conversion is calculated as Free cash flow as percentage of Core profit after tax:

in CHF millions	January - June 2024	January - June 2023
Free cash flow	160.8	179.0
Core profit after tax	118.2	106.4
Cash conversion	136.0%	168.2%

Net Operating Capital (NOC)

Net operating capital is the capital invested in the business and is calculated from the Consolidated Statement of Financial Position as follows:

in CHF millions	June 30, 2024	December 31, 2023	December 31, 2022
Total assets	5,538.5	5,471.2	5,878.7
Financial assets	(42.6)	(39.0)	(31.4)
Cash and cash equivalents	(501.6)	(687.2)	(636.4)
Total liabilities	(3,767.6)	(3,733.3)	(4,052.4)
Current borrowings	89.1	211.9	155.3
Non-current borrowings	422.7	468.8	523.4
Net operating capital (NOC)	1,738.5	1,692.4	1,837.2

Core Return on Net Operating Capital (RONOC)

Core return on net operating capital is calculated from the Consolidated Income Statement and the Consolidated Statement of Financial Position as follows:

in CHF millions	June 30, 2024	December 31, 2023	December 31, 2022
Core Operating profit (EBIT)	327.2	329.9	-
Net operating capital (NOC)	1,738.5	1,692.4	1,489.9
Average NOC current and previous period	1,715.5	1,764.8	-
Core return on net operating capital (RONOC)¹	19.1%	18.7%	-

¹ The return on NOC is based on an annualized EBIT.

Core Return on Equity (ROE)

The Core return on equity is calculated from the Consolidated Income Statement and the Consolidated Statement of Financial Position as follows:

in CHF millions	June 30, 2024	December 31, 2023
Core profit after tax	236.4	206.0
Non-controlling interest	(7.2)	(7.9)
Core profit attributable to the shareholders of DKSH Holding Ltd.	229.2	198.1
Equity attributable to the shareholders of DKSH Holding Ltd.	1,714.8	1,686.9
Core return on equity (ROE)¹	13.4%	11.7%

¹ The return on equity is based on an annualized Core Profit attributed to the shareholders of DKSH Holding Ltd. and annualized Non-controlling interest.

Equity Ratio

The Equity ratio is calculated from the Consolidated Statement of Financial Position as follows:

in CHF millions	June 30, 2024	December 31, 2023
Total equity	1,770.9	1,737.9
Total assets	5,538.5	5,471.2
Equity ratio	32.0%	31.8%

Net Cash/(Debt)

The reconciliation from Cash and cash equivalents in the Consolidated Statement of Financial Position to Net cash/(debt) is as follows:

in CHF millions	June 30, 2024	December 31, 2023
Cash and cash equivalents	501.6	687.2
Current borrowings	(89.1)	(211.9)
Non-current borrowings	(422.7)	(468.8)
Net cash/(debt)	(10.2)	6.5

Disclaimer

This publication may contain forward-looking statements that can be identified by words such as “expected,” “estimated,” “planned,” “potential” or similar expressions as to DKSH’s expectations concerning future developments of its business, products and the markets in which it operates and the political, economic, financial, legal and regulatory environment. A number of risks, uncertainties and other important internal and external factors could cause actual developments and results to differ materially from DKSH’s expectations or other statements expressed in such forward-looking statements. These factors include, but are not limited to, future developments in the markets in which DKSH operates or to which it is exposed; the effect of possible political, economic, financial, legal and regulatory developments; changes in accounting standards or policies, and accounting determinations or interpretations affecting the recognition of revenue, gain or loss, the valuation of goodwill and other matters; and DKSH’s ability to retain and attract key employees. In addition, DKSH’s business and financial performance could be affected by other factors identified in its past and future filings and reports, including those filed with SIX Swiss Exchange. DKSH does not undertake any obligation to update or amend its forward-looking statements contained in this publication as a result of new information, future events, or otherwise. DKSH’s financial statements are prepared in accordance with IFRS Accounting Standards and presented in Swiss francs. DKSH also uses certain non-IFRS financial measures, such as NOC, Core RONOC, Core ROE, EBIT margin, free cash flow or net debt. DKSH uses these non-IFRS financial measures as supplemental indicators of its operating performance and financial position. These measures do not have any standardized meaning prescribed by IFRS Accounting Standards and should not be viewed as alternatives to measures of operating or financial performance calculated in accordance with IFRS Accounting Standards.

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