

# Half-Year Report 2022



Delivering Growth – in Asia and Beyond.

# Contents

<b>3</b>	<b>Key Figures</b>
<b>4</b>	<b>Interim Consolidated Income Statement</b>
<b>5</b>	<b>Interim Consolidated Statement of Comprehensive Income</b>
<b>6</b>	<b>Interim Consolidated Statement of Financial Position</b>
<b>7</b>	<b>Interim Consolidated Statement of Changes in Equity</b>
<b>8</b>	<b>Interim Consolidated Cash Flow Statement</b>
<b>10</b>	<b>Notes to the Interim Consolidated Financial Statements</b>
<b>16</b>	<b>Alternative Performance Measures</b>

# Key Figures

<b>Consolidated Income Statement</b>				<b>At CER<sup>1</sup></b>	
in CHF millions	January - June 2022	January - June 2021	Change in %	Change in %	
Net sales	5,596.2	5,487.9	2.0	3.7	
Operating profit (EBIT)	153.3	131.5	16.6	19.9	
Profit after tax	105.7	86.7	21.9	24.5	

<b>Consolidated Statement of Financial Position</b>			
in CHF millions	June 30, 2022	December 31, 2021	
Total assets	5,433.3	5,347.4	
Equity attributable to the shareholders of DKSH Holding Ltd.	1,772.6	1,808.8	
Net operating capital (NOC)	1,520.4	1,489.9	
Net cash	306.3	367.3	
Return on net operating capital (RONOC) (in %)	20.4	19.8	
Return on equity (ROE) (in %)	11.6	12.4	

<b>Earnings per Share</b>			
in CHF	January - June 2022	January - June 2021	
Basic earnings per share	1.58	1.28	
Diluted earnings per share	1.58	1.28	

<b>Other</b>			
	June 30, 2022	December 31, 2021	
Headcount	32,854	33,099	
Full-time equivalents	31,160	31,453	

<sup>1</sup> Constant exchange rates (CER): 2022 figures converted at 2021 exchange rates.



# Interim Consolidated Income Statement (unaudited)

in CHF millions <sup>1</sup>	Note	January - June 2022	January - June 2021
Net sales	3	5,596.2	5,487.9
Other income		19.2	8.7
Goods and materials purchased and consumables used		(4,764.2)	(4,692.6)
Employee benefit expenses		(391.1)	(359.2)
Depreciation and amortization	3	(63.3)	(63.8)
Other operating expenses		(243.2)	(250.0)
Share of profit and loss of associates and joint ventures		(0.3)	0.5
<b>Operating profit (EBIT)</b>		<b>153.3</b>	<b>131.5</b>
Financial income		1.3	0.5
Financial expense		(7.2)	(7.1)
<b>Profit before tax</b>		<b>147.4</b>	<b>124.9</b>
Income tax expenses		(41.7)	(38.2)
<b>Profit after tax</b>		<b>105.7</b>	<b>86.7</b>
<b>Attributable to</b>			
Shareholders of DKSH Holding Ltd.		102.8	83.1
Non-controlling interest		2.9	3.6
<b>Earnings per share for profit attributable to the shareholders of DKSH Holding Ltd.</b>			
Basic earnings per share		1.58	1.28
Diluted earnings per share		1.58	1.28

<sup>1</sup> Except for earnings per share (in CHF).

# Interim Consolidated Statement of Comprehensive Income (unaudited)

in CHF millions	January - June 2022	January - June 2021
<b>Profit after tax</b>	<b>105.7</b>	<b>86.7</b>
<b>Other comprehensive income</b>		
Currency translation differences	(10.6)	4.5
<b>Items that may be reclassified to profit or loss</b>	<b>(10.6)</b>	<b>4.5</b>
Remeasurements on defined benefit plans, net of tax of CHF 1.9 million in current and CHF 1.3 million in prior period <sup>1</sup>	7.2	5.0
Net losses on equity instruments at fair value through other comprehensive income, net of tax of CHF 0.0 million in current and in prior period	(0.1)	(0.2)
<b>Items that will not be reclassified to profit or loss</b>	<b>7.1</b>	<b>4.8</b>
<b>Other comprehensive income</b>	<b>(3.5)</b>	<b>9.3</b>
<b>Total comprehensive income</b>	<b>102.2</b>	<b>96.0</b>
<b>Attributable to</b>		
Shareholders of DKSH Holding Ltd.	100.1	91.8
Non-controlling interest	2.1	4.2

<sup>1</sup> The increase of remeasurements in the first six months of 2022 principally relates to the change in discount rate from 0.2% to 1.9%.

# Interim Consolidated Statement of Financial Position (unaudited)

in CHF millions	June 30, 2022	December 31, 2021
Cash and cash equivalents	598.5	673.7
Trade receivables	2,000.9	2,049.1
Inventories	1,322.1	1,164.4
Prepaid expenses and contract assets	33.7	31.7
Other receivables	379.0	348.6
Current income tax receivables	36.3	30.2
<b>Current assets</b>	<b>4,370.5</b>	<b>4,297.7</b>
Intangible assets	388.3	394.8
Property, plant and equipment	160.8	155.6
Right-of-use assets	266.3	273.9
Financial assets	27.8	29.2
Investments in associates and joint ventures	124.8	119.3
Retirement benefit assets	38.4	29.8
Deferred tax assets	56.4	47.1
<b>Non-current assets</b>	<b>1,062.8</b>	<b>1,049.7</b>
<b>Total assets</b>	<b>5,433.3</b>	<b>5,347.4</b>
Borrowings	159.6	204.3
Lease liabilities	64.0	60.5
Trade payables	2,358.7	2,212.6
Current income tax liabilities	54.4	45.3
Other payables, accrued expenses and contract liabilities	513.8	533.7
Current provisions	2.5	2.6
<b>Current liabilities</b>	<b>3,153.0</b>	<b>3,059.0</b>
Borrowings	132.6	102.1
Lease liabilities	212.8	220.2
Other non-current liabilities	14.3	15.5
Deferred tax liabilities	31.2	26.3
Non-current provisions	5.3	7.9
Retirement benefit obligations	29.6	30.0
<b>Non-current liabilities</b>	<b>425.8</b>	<b>402.0</b>
<b>Total liabilities</b>	<b>3,578.8</b>	<b>3,461.0</b>
Share capital	6.5	6.5
Reserves and retained earnings	1,766.1	1,802.3
<b>Equity attributable to the shareholders of DKSH Holding Ltd.</b>	<b>1,772.6</b>	<b>1,808.8</b>
<b>Non-controlling interest</b>	<b>81.9</b>	<b>77.6</b>
<b>Total equity</b>	<b>1,854.5</b>	<b>1,886.4</b>
<b>Total equity and liabilities</b>	<b>5,433.3</b>	<b>5,347.4</b>

# 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
<b>As of January 1, 2022</b>	<b>6.5</b>	<b>(5.0)</b>	<b>(272.2)</b>	<b>234.2</b>	<b>1,845.3</b>	<b>1,808.8</b>	<b>77.6</b>	<b>1,886.4</b>
Profit after tax	-	-	-	-	102.8	102.8	2.9	105.7
Other comprehensive income	-	-	(9.8)	-	7.1	(2.7)	(0.8)	(3.5)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(9.8)</b>	<b>-</b>	<b>109.9</b>	<b>100.1</b>	<b>2.1</b>	<b>102.2</b>
Purchase of treasury shares	-	(5.0)	-	-	-	(5.0)	-	(5.0)
Vested share-based payment awards	-	4.3	-	-	(4.3)	-	-	-
Share-based payments	-	-	-	-	1.9	1.9	-	1.9
Increase of non-controlling interest <sup>1</sup>	-	-	-	-	-	-	2.2	2.2
Dividend	-	-	-	-	(133.2)	(133.2)	-	(133.2)
<b>As of June 30, 2022</b>	<b>6.5</b>	<b>(5.7)</b>	<b>(282.0)</b>	<b>234.2</b>	<b>1,819.6</b>	<b>1,772.6</b>	<b>81.9</b>	<b>1,854.5</b>

in CHF millions

<b>As of January 1, 2021</b>	<b>6.5</b>	<b>(1.1)</b>	<b>(243.0)</b>	<b>234.2</b>	<b>1,741.8</b>	<b>1,738.4</b>	<b>61.2</b>	<b>1,799.6</b>
Profit after tax	-	-	-	-	83.1	83.1	3.6	86.7
Other comprehensive income	-	-	3.9	-	4.8	8.7	0.6	9.3
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>3.9</b>	<b>-</b>	<b>87.9</b>	<b>91.8</b>	<b>4.2</b>	<b>96.0</b>
Purchase of treasury shares	-	(7.3)	-	-	-	(7.3)	-	(7.3)
Vested share-based payment awards	-	1.8	-	-	(1.8)	-	-	-
Share-based payments	-	-	-	-	2.3	2.3	-	2.3
Dividend	-	-	-	-	(126.8)	(126.8)	(1.8)	(128.6)
<b>As of June 30, 2021</b>	<b>6.5</b>	<b>(6.6)</b>	<b>(239.1)</b>	<b>234.2</b>	<b>1,703.4</b>	<b>1,698.4</b>	<b>63.6</b>	<b>1,762.0</b>

<sup>1</sup> Relates to Right Base Chemicals (Note 4).

# Interim Consolidated Cash Flow Statement (unaudited)

in CHF millions	Note	January - June 2022	January - June 2021
<b>Profit before tax</b>		<b>147.4</b>	<b>124.9</b>
<b>Non-cash adjustments</b>			
Depreciation, amortization and impairments on	3		
Property, plant and equipment		15.6	16.0
Intangible assets		8.7	7.8
Right-of-use assets		39.0	40.0
Rent concessions COVID-19		(0.2)	(0.4)
Share-based payment transaction expense		1.9	2.3
Gain/Loss on sale of tangible assets, intangible assets and financial assets		(0.9)	0.1
Financial income		(1.3)	(0.5)
Financial expense		7.2	7.1
Share of profit and loss of associates and joint ventures		0.3	(0.5)
Change in provisions and other non-current liabilities		(3.6)	(0.2)
Change in other non-current assets		0.3	1.8
<b>Working capital adjustments</b>			
(Increase) in trade and other receivables and prepayments		(4.2)	(66.2)
(Increase) in inventories		(169.9)	(49.0)
Increase in trade and other payables		149.4	151.2
Interest received		0.8	0.4
Interest paid		(11.1)	(10.4)
Taxes paid		(45.2)	(53.9)
Dividend received from associates and joint ventures		-	1.0
<b>Net cash flows from operating activities</b>		<b>134.2</b>	<b>171.5</b>
Proceeds from sale of property, plant and equipment		1.4	2.9
Purchase of property, plant and equipment		(23.6)	(19.9)
Purchase of intangible assets		(3.7)	(3.5)
Proceeds from repayment of loan		-	1.4
Purchase of financial assets/loans granted		-	(1.3)
Acquisition of subsidiary net of cash	4	(2.1)	(45.5)
<b>Net cash flows used in investing activities</b>		<b>(28.0)</b>	<b>(65.9)</b>



in CHF millions	January - June 2022	January - June 2021
Proceeds from current and non-current borrowings	204.6	297.0
Repayment of current and non-current borrowings	(213.0)	(300.7)
Repayment of leases	(34.8)	(40.9)
Increase of non-controlling interest	1.3	-
Dividend paid	(133.2)	(126.8)
Dividend paid to non-controlling interest	-	(1.8)
Net payments received for net investment hedges	0.7	0.1
Purchase of treasury shares	(5.0)	(7.3)
<b>Net cash flows used in financing activities</b>	<b>(179.4)</b>	<b>(180.4)</b>
<b>Cash and cash equivalents, as of January 1</b>	<b>673.7</b>	<b>680.8</b>
Effect of exchange rate changes	(2.0)	0.3
Net decrease in cash and cash equivalents	(73.2)	(74.8)
<b>Cash and cash equivalents, as of June 30</b>	<b>598.5</b>	<b>606.3</b>

# 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, marketing, sales, distribution and 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. Since March 20, 2012 DKSH Holding Ltd.’s 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, 2022. They were approved by the Board of Directors on July 14, 2022.

## 2. Basis of Preparation and Accounting Policies

### Basis of Preparation

The interim consolidated financial statements for the six months ended June 30, 2022, are prepared in accordance with IAS 34. These interim consolidated statements do not include all of 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, 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

### Accounting Policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of amendments effective as of January 1, 2022. These amendments do not have an impact on the interim condensed consolidated financial statements of the Group.

### 3. Segment Information

<b>January - June 2022</b>						
in CHF millions	<b>Healthcare</b>	<b>Consumer Goods</b>	<b>Performance Materials</b>	<b>Technology</b>	<b>Other/Elimination</b>	<b>Group Total</b>
<b>Net sales</b>	<b>2,803.4</b>	<b>1,867.1</b>	<b>719.4</b>	<b>206.3</b>	-	<b>5,596.2</b>
Depreciation, amortization and impairment	17.2	27.2	3.1	5.2	10.6	63.3
of which right-of-use assets	10.0	19.1	1.2	1.9	6.8	39.0
Share of profit and loss of associates and joint ventures	-	-	-	1.4	(1.7)	(0.3)
<b>Operating profit (EBIT)</b>	<b>74.0</b>	<b>39.9</b>	<b>63.2</b>	<b>5.4</b>	<b>(29.2)</b>	<b>153.3</b>
Net finance costs						(5.9)
<b>Profit before tax</b>						<b>147.4</b>
<b>January - June 2021 (restated)</b>						
in CHF millions	<b>Healthcare</b>	<b>Consumer Goods</b>	<b>Performance Materials</b>	<b>Technology</b>	<b>Other/Elimination</b>	<b>Group Total</b>
<b>Net sales</b>	<b>2,753.0</b>	<b>1,914.3</b>	<b>633.2</b>	<b>187.4</b>	-	<b>5,487.9</b>
Depreciation, amortization and impairment	17.5	29.9	2.7	5.3	8.4	63.8
of which right-of-use assets	11.0	20.7	1.1	2.2	5.0	40.0
Share of profit and loss of associates and joint ventures	-	-	-	0.8	(0.3)	0.5
<b>Operating profit (EBIT)</b>	<b>61.8</b>	<b>35.7</b>	<b>61.1</b>	<b>2.2</b>	<b>(29.3)</b>	<b>131.5</b>
Net finance costs						(6.6)
<b>Profit before tax</b>						<b>124.9</b>

Expenses for Long Term Incentive Plans (LTIP) and share of profit and loss of associates are reclassified to be consistent with changes made in the internal reporting. Expenses for LTIP are partly reclassified from Other to the four operating segments. Share of profit and loss of associates are reclassified from segment Consumer Goods to Other. The reclassification has been applied retrospectively to the 2021 information.

## 4. Acquisitions and Disposals

### Acquisitions

Effective April 25, 2022, the Group purchased the business of Right Base Chemicals (RBC), a privately held business based in Shanghai. The selling party invested 30% into the Group entity which acquired the business via an asset deal. With a team of 31 employees RBC primarily distributes additives, resins, and colorants for coating and ink applications in the Eastern, Central, and South-Western regions of the Chinese market.

The provisional fair value of net assets acquired of CHF 3.0 million is equivalent to the purchase price for the business.

From the date of acquisition, the business of RBC contributed net sales amounting to CHF 2.8 million and a net loss of CHF 0.1 million. Assuming the business had been acquired as of January 1, 2022, the contribution for the net sales would have been CHF 4.1 million with a corresponding break even result.

### Prior Year Acquisitions

During the first six month of 2021, the Group acquired the following businesses:

in CHF millions	Total fair value recognized on acquisition of Medworkz	Total fair value recognized on acquisition of Bosung Scientific	Total fair value recognized on acquisition of Sacoa	Total fair value recognized on acquisitions
<b>Assets</b>				
Cash and cash equivalents	-	13.5	1.4	14.9
Trade receivables	-	2.1	2.7	4.8
Inventories	0.4	4.7	1.6	6.7
Other current assets	-	0.1	-	0.1
Intangible assets	0.6	6.1	8.2	14.9
Property, plant and equipment	0.3	0.2	0.1	0.6
Right-of-use assets	-	0.3	-	0.3
Other non-current assets	-	0.4	-	0.4
<b>Liabilities</b>				
Trade payables	-	(2.3)	(1.2)	(3.5)
Current borrowings	-	(0.7)	(0.3)	(1.0)
Other current liabilities	-	(2.2)	(1.5)	(3.7)
Lease liabilities	-	(0.3)	-	(0.3)
Deferred tax liabilities	(0.1)	(1.4)	(2.4)	(3.9)
<b>Net assets acquired</b>	<b>1.2</b>	<b>20.5</b>	<b>8.6</b>	<b>30.3</b>
Goodwill on acquisitions	1.0	9.9	30.5	41.4
<b>Purchase consideration</b>	<b>2.2</b>	<b>30.4</b>	<b>39.1</b>	<b>71.7</b>
Contingent consideration	(1.0)	(7.2)	(8.3)	(16.5)
<b>Purchase consideration paid in cash</b>	<b>1.2</b>	<b>23.2</b>	<b>30.8</b>	<b>55.2</b>
Cash and cash equivalents acquired	-	13.5	1.4	14.9
<b>Net cash outflow</b>	<b>(1.2)</b>	<b>(9.7)</b>	<b>(29.4)</b>	<b>(40.3)</b>

Effective March 3, 2021, the Group purchased the business activities of Medworkz Pte. Ltd, a privately held business based in Singapore. Medworkz represents a medical device distributor in Singapore.

From the date of acquisition until June 30, 2021, the business of Medworkz contributed net sales amounting to CHF 0.3 million and a profit after tax of CHF 0.0 million. Assuming the business had been acquired as of January 1, 2021, the contribution for the net sales would have been CHF 0.4 million with a corresponding profit after tax of CHF (0.1) million.

Effective March 31, 2021, the Group purchased the shares of Bosung Scientific Co.,Ltd, a privately held business based in South Korea. Bosung Scientific represents a life-science distributor in the local market of South Korea.

From the date of acquisition until June 30, 2021, the business of Bosung scientific contributed net sales amounting to CHF 10.2 million and a profit after tax of CHF 0.7 million. Assuming the business had been acquired as of January 1, 2021, the contribution for the net sales would have been CHF 20.4 million with a corresponding profit after tax of CHF 1.5 million.

Effective April 30, 2021, the Group purchased the shares of Sacoa Pty Ltd, a privately held business based in Western Australia. Sacoa represents a formulator and distributor of premium agricultural crop protection products in the territory of Australia.

From the date of acquisition until June 30, 2021, the business of Sacoa contributed net sales amounting to CHF 1.6 million and a profit after tax of CHF 0.2 million. Assuming the business had been acquired as of January 1, 2021, the contribution for the net sales would have been CHF 4.7 million with a corresponding profit after tax of CHF 0.7 million.

The goodwill of CHF 41.4 million relates to synergies and footprint improvements. None of the goodwill is expected to be deductible for income tax purposes.

The allocation of the SACOA purchase price was finalized within the one-year measurement period. Based on audited financial statements for the full year ending June 2021, the purchase price increased by CHF 3.1 million and was recorded against goodwill in the first six months of 2022. The cash out relating to the purchase price adjustment is expected in the third quarter of 2022.

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. The contingent consideration for Bosung depends on the separate business performance (EBITDA) during the first and second year following the closing of the transaction. The contingent consideration relating to Sacoa depends on the performance of one key brand. If the sales of 2022 exceed sales of 2021, the earnout amount representing 20% of the purchase price determined at closing, will become due, otherwise payment will be nil.

During the first six month of 2021, the Group has settled the final earnout relating to the acquisition of SPC in 2019 for an amount of CHF 5.6 million.

### Disposals

The Group did not dispose any business in 2022 and 2021.

## 5. Equity

There were no changes in share capital during the first six months of 2022 and 2021.

During the first six months of 2022, the Group purchased 64,904 treasury shares for CHF 5.0 million. The Group used 57,540 treasury shares (CHF 4.3 million) for vested share-based payment awards. The Group holds 75,681 treasury shares as of June 30, 2022.

During the first six months of 2021, the Group purchased 98,227 treasury shares for CHF 7.3 million. The Group used 24,391 treasury shares (CHF 1.8 million) for vested share-based payment awards. The Group held 90,457 treasury shares as of June 30, 2021.

An ordinary dividend of CHF 2.05 per registered share was paid during the 2022 interim period. Total dividend payments amounted to CHF 133.2 million. In 2021, a dividend of CHF 1.95 per registered share was paid, resulting in total dividend payments of CHF 126.8 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 <sup>1</sup>	June 30, 2022	December 31, 2021
<b>Financial assets at fair value through profit and loss</b>			
Derivative assets	2	20.8	7.0
Convertible loan	3	11.8	11.1
<b>Total</b>		<b>32.6</b>	<b>18.1</b>
<b>Financial assets at fair value through other comprehensive income</b>			
Other equity securities	1	1.3	1.7
<b>Total</b>		<b>1.3</b>	<b>1.7</b>
<b>Financial assets at amortized cost</b>			
Cash and cash equivalents <sup>2</sup>		598.5	673.7
Trade receivables <sup>2</sup>		2,000.9	2,049.1
Other receivables <sup>2,3</sup>		308.3	297.1
Deposits to third party <sup>2</sup>		14.5	16.1
Loans to third party <sup>2</sup>		0.2	0.3
<b>Total</b>		<b>2,922.4</b>	<b>3,036.3</b>
<b>Total financial assets</b>		<b>2,956.3</b>	<b>3,056.1</b>
<b>Financial liabilities at fair value through profit and loss</b>			
Contingent consideration liabilities	3	14.8	15.6
Derivative liabilities	2	3.4	2.7
<b>Total</b>		<b>18.2</b>	<b>18.3</b>
<b>Financial liabilities at amortized cost</b>			
Borrowings <sup>2</sup>		292.2	306.4
Lease liabilities <sup>5</sup>		276.8	280.7
Trade payables <sup>2</sup>		2,358.7	2,212.6
Other payables <sup>2,4</sup>		206.4	163.5
<b>Total</b>		<b>3,134.1</b>	<b>2,963.2</b>
<b>Total financial liabilities</b>		<b>3,152.3</b>	<b>2,981.5</b>

<sup>1</sup> 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

<sup>2</sup> Carrying amount is a reasonable approximation for fair value.

<sup>3</sup> Excluding VAT and other tax receivables and derivative financial instruments.

<sup>4</sup> Excluding VAT and other tax payables, derivative liabilities.

<sup>5</sup> No fair value disclosure required.



## 7. Commitments

On May 25, 2022, the Group signed an agreement to acquire 100% of the shares of JW Food Systems in Germany for a cash consideration of about CHF 6.0 million. JW Food Systems is a manufacturer and supplier of functional compounds for the food industry and generates net sales of about CHF 4.0 million.

On June 30, 2022, the Group signed an agreement to acquire 100% of the shares of Georg Breuer GmbH for a cash consideration of about CHF 19.1 million. Georg Breuer is a German distributor of plant-based ingredients for the food industry and generates net sales of about CHF 36.0 million.

Closing of both the transactions is expected in the third quarter of 2022 and are subject to certain conditions.

## 8. Events After Financial Reporting Date

On July 1, 2022, the Group closed the acquisition of 100% of the shares of Swiss Refarmed Group with headquarters in Switzerland for a cash consideration of CHF 75.0 million. Swiss Refarmed Group provides Active Pharmaceutical Ingredients and Finished Dosage Forms for generic drug manufacturers and generates net sales of about CHF 60.0 million.

On July 1, 2022, the Group closed the acquisition of 100% of the shares of DNIV Group with headquarters in Singapore for a cash consideration of CHF 45.0 million. DNIV Group is a leading provider of high-tech manufacturing solutions for the semiconductor and electronics industry with strong presence in Asia and generates net sales of about CHF 45.0 million.

On July 1, 2022, the Group closed the acquisition of 100% of the shares of Victa Food in Italy for a cash consideration of CHF 3.8 million. Victa Food is a specialized distributor of food and nutritional supplement ingredients in Italy and generates net sales of about CHF 1.0 million.

On July 4, 2022, the Group closed the acquisition of 100% of the shares of Acutest Systems in Malaysia for a cash consideration of CHF 5.5 million, Acutest Systems is a distributor of clinical diagnostic point-of-care testing analyzers, diagnostic and screening devices, instruments and laboratory systems in Malaysia and generates net sales of about CHF 3.0 million.

# Alternative Performance Measures

## Definitions and Financial Details

In the communication to external stakeholders, DKSH uses financial performance measures which are not defined by IFRS. 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 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 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:

<b>2022 by Business Unit</b> in CHF millions	<b>January - June 2022</b>	<b>Organic</b>	<b>M&amp;A</b>	<b>FX</b>	<b>January - June 2021</b>
Healthcare	2,803.4	74.2	12.5	(36.3)	2,753.0
Consumer Goods	1,867.1	(18.6)	2.1	(30.7)	1,914.3
Performance Materials	719.4	99.1	14.2	(27.1)	633.2
Technology	206.3	12.4	9.6	(3.1)	187.4
<b>Group Total</b>	<b>5,596.2</b>	<b>167.1</b>	<b>38.4</b>	<b>(97.2)</b>	<b>5,487.9</b>
in % of 2021		3.0	0.7	(1.7)	

<b>2021 by Business Unit</b> in CHF millions	<b>January - June 2021</b>	<b>Organic</b>	<b>M&amp;A</b>	<b>FX</b>	<b>January - June 2020</b>
Healthcare	2,753.0	111.3	0.3	(81.6)	2,723.0
Consumer Goods	1,914.3	46.2	7.5	(51.6)	1,912.2
Performance Materials	633.2	74.8	22.1	0.6	535.7
Technology	187.4	12.6	10.2	(2.4)	167.0
<b>Group Total</b>	<b>5,487.9</b>	<b>244.9</b>	<b>40.1</b>	<b>(135.0)</b>	<b>5,337.9</b>
in % of 2020		4.6	0.7	(2.5)	

### Operating Profit (EBIT) margin

Defined as Operating Profit (EBIT) divided by Net sales.

### 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 2022	January - June 2021
Net cash flows from operating activities	134.2	171.5
Repayment leases	(34.8)	(40.9)
Purchase of property, plant and equipment	(23.6)	(19.9)
Purchase of intangible assets	(3.7)	(3.5)
<b>Free cash flow</b>	<b>72.1</b>	<b>107.2</b>

### 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, 2022	December 31, 2021	December 31, 2020
Total assets	5,433.3	5,347.4	5,118.0
Financial assets	(27.8)	(29.2)	(68.5)
Cash and cash equivalents	(598.5)	(673.7)	(680.8)
Total liabilities	(3,578.8)	(3,461.0)	(3,318.4)
Current borrowings	159.6	204.3	121.2
Non-current borrowings	132.6	102.1	217.4
<b>Net operating capital (NOC)</b>	<b>1,520.4</b>	<b>1,489.9</b>	<b>1,388.9</b>

### Return on Net Operating Capital (RONOC)

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, 2022	December 31, 2021	December 31, 2020
Operating Profit (EBIT)	153.3	284.6	-
Net operating capital (NOC)	1,520.4	1,489.9	1,388.9
Average NOC current and previous period	1,505.2	1,439.4	-
<b>Return on net operating capital (RONOC)<sup>1</sup></b>	<b>20.4%</b>	<b>19.8%</b>	-

<sup>1</sup> The return on NOC is based on an annualized EBIT.

### Return on Equity (ROE)

Return on Equity is calculated from the Consolidated Income Statement and the Consolidated Statement of Financial Position as follows:

in CHF millions	June 30, 2022	December 31, 2021
Profit attributable to the shareholders of DKSH Holding Ltd.	102.8	223.9
Equity attributable to the shareholders of DKSH Holding Ltd.	1,772.6	1,808.8
<b>Return on equity (ROE)<sup>1</sup></b>	<b>11.6%</b>	<b>12.4%</b>

<sup>1</sup> The return on equity is based on an annualized Profit attributed to the shareholders of DKSH Holding Ltd.

### Equity Ratio

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

in CHF millions	June 30, 2022	December 31, 2021
Total equity	1,854.5	1,886.4
Total assets	5,433.3	5,347.4
<b>Equity ratio</b>	<b>34.1%</b>	<b>35.3%</b>

### Net Cash

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

in CHF millions	June 30, 2022	December 31, 2021
Cash and cash equivalents	598.5	673.7
Current borrowings	(159.6)	(204.3)
Non-current borrowings	(132.6)	(102.1)
<b>Net cash</b>	<b>306.3</b>	<b>367.3</b>



**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 International Financial Reporting Standards (IFRS) and presented in Swiss francs. DKSH also uses certain non-IFRS financial measures, such as NOC, RONOC, 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 and should not be viewed as alternatives to measures of operating or financial performance calculated in accordance with IFRS.

**Publisher**

DKSH Holding Ltd.  
Wiesenstrasse 8  
P.O. Box 888  
8034 Zurich  
Switzerland  
Phone +41 44 386 7272

**Investor and Media Relations**

Till Leisner  
investors@dksh.com  
Phone +41 44 386 7272