

Half-Year Report 2023



Delivering Growth – in Asia and Beyond.

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Key Figures

Consolidated Income Statement				At CER¹	
in CHF millions	January - June 2023	January - June 2022	Change in %	Change in %	
Net sales	5,623.8	5,596.2	0.5	7.2	
Operating profit (EBIT)	158.5	153.3	3.4	12.8	
Core operating profit (Core EBIT)	162.6	153.3	6.1	15.5	
Profit after tax	107.1	105.7	1.3	9.5	
Core profit after tax	106.4	105.2	1.1	9.3	

Consolidated Statement of Financial Position			
in CHF millions		June 30, 2023	December 31, 2022
Total assets		5,739.7	5,878.7
Equity attributable to the shareholders of DKSH Holding Ltd.		1,669.1	1,758.5
Net operating capital (NOC)		1,710.8	1,837.2
Net debt		(20.7)	(42.3)
Return on net operating capital (RONOC) (in %)		17.9	19.2
Return on equity (ROE) (in %)		12.4	11.4

Earnings per Share			
in CHF		January - June 2023	January - June 2022
Basic earnings per share		1.59	1.58
Diluted earnings per share		1.59	1.58

Other			
		June 30, 2023	December 31, 2022
Headcount		31,445	32,601
Full-time equivalents		29,699	31,077

¹ Constant exchange rates (CER): 2023 figures converted at 2022 exchange rates.

Interim Consolidated Income Statement (unaudited)

in CHF millions ¹	Note	January - June 2023	January - June 2022
Net sales	3	5,623.8	5,596.2
Other income		10.1	19.2
Goods and materials purchased and consumables used		(4,779.0)	(4,764.2)
Employee benefit expenses		(393.9)	(391.1)
Depreciation and amortization	3	(65.3)	(63.3)
Other operating expenses		(235.2)	(243.2)
Share of profit and loss of associates and joint ventures		(2.0)	(0.3)
Operating profit (EBIT)		158.5	153.3
Financial income		8.4	1.3
Financial expense		(16.0)	(7.2)
Loss on sale of subsidiaries		(1.9)	-
Profit before tax		149.0	147.4
Income tax expenses		(41.9)	(41.7)
Profit after tax		107.1	105.7
Attributable to			
Shareholders of DKSH Holding Ltd.		103.4	102.8
Non-controlling interest		3.7	2.9
Earnings per share for profit attributable to the shareholders of DKSH Holding Ltd.			
Basic earnings per share		1.59	1.58
Diluted earnings per share		1.59	1.58

¹ Except for earnings per share (in CHF).

Interim Consolidated Statement of Comprehensive Income (unaudited)

in CHF millions	January - June 2023	January - June 2022
Profit after tax	107.1	105.7
Other comprehensive income		
Currency translation differences	(71.0)	(10.6)
Items that may be reclassified to profit or loss	(71.0)	(10.6)
Remeasurements on defined benefit plans, net of tax of CHF 0.2 million in current and CHF 1.9 million in prior period ¹	0.7	7.2
Net losses on equity instruments at fair value through other comprehensive income, net of tax of CHF 0.0 million in prior period	-	(0.1)
Items that will not be reclassified to profit or loss	0.7	7.1
Other comprehensive income	(70.3)	(3.5)
Total comprehensive income	36.8	102.2
Attributable to		
Shareholders of DKSH Holding Ltd.	42.4	100.1
Non-controlling interest	(5.6)	2.1

¹ The increase of remeasurements in the first six months of 2022 principally related to the change in discount rate from 0.2% to 1.9%.

Interim Consolidated Statement of Financial Position (unaudited)

in CHF millions	June 30, 2023	December 31, 2022
Cash and cash equivalents	627.5	636.4
Trade receivables	1,878.1	2,030.9
Inventories	1,354.9	1,277.3
Prepaid expenses and contract assets	32.8	25.0
Other receivables	351.1	365.6
Current income tax receivables	36.7	32.7
Assets classified as held for sale ¹	31.1	18.0
Current assets	4,312.2	4,385.9
Intangible assets	791.9	825.4
Property, plant and equipment	147.7	154.6
Right-of-use assets	290.0	317.4
Financial assets	38.9	31.4
Investments in associates and joint ventures	92.6	99.3
Retirement benefit assets	11.7	10.9
Deferred tax assets	54.7	53.8
Non-current assets	1,427.5	1,492.8
Total assets	5,739.7	5,878.7
Borrowings	190.8	155.3
Lease liabilities	56.4	66.1
Trade payables	2,333.3	2,233.2
Current income tax liabilities	50.5	52.8
Other payables, accrued expenses and contract liabilities	527.5	588.7
Current provisions	2.0	2.3
Liabilities classified as held for sale ¹	7.7	-
Current liabilities	3,168.2	3,098.4
Borrowings	457.4	523.4
Lease liabilities	248.8	267.8
Other non-current liabilities	75.7	100.5
Deferred tax liabilities	27.9	27.0
Non-current provisions	6.8	6.7
Retirement benefit obligations	25.9	28.6
Non-current liabilities	842.5	954.0
Total liabilities	4,010.7	4,052.4
Share capital	6.5	6.5
Reserves and retained earnings	1,662.6	1,752.0
Equity attributable to the shareholders of DKSH Holding Ltd.	1,669.1	1,758.5
Non-controlling interest	59.9	67.8
Total equity	1,729.0	1,826.3
Total equity and liabilities	5,739.7	5,878.7

¹ In addition to the investment in Bovet, reclassified as per year end 2022, the Group has reclassified the assets and liabilities relating to the Consumer Goods business activities of DKSH Smollan Fieldmarketing in Thailand, Malaysia, Taiwan and Vietnam at June 30, 2023. Upon reclassification a loss of CHF 1.9 million was recorded within loss on sale of subsidiaries. The Group expects to close the disposals in the second half of 2023.

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, 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

in CHF millions

As of January 1, 2022	6.5	(5.0)	(272.2)	234.2	1,845.3	1,808.8	77.6	1,886.4
Profit after tax	-	-	-	-	102.8	102.8	2.9	105.7
Other comprehensive income	-	-	(9.8)	-	7.1	(2.7)	(0.8)	(3.5)
Total comprehensive income	-	-	(9.8)	-	109.9	100.1	2.1	102.2
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 ¹	-	-	-	-	-	-	2.2	2.2
Dividend	-	-	-	-	(133.2)	(133.2)	-	(133.2)
As of June 30, 2022	6.5	(5.7)	(282.0)	234.2	1,819.6	1,772.6	81.9	1,854.5

¹ Relates to Right Base Chemicals (Note 4).

Interim Consolidated Cash Flow Statement (unaudited)

in CHF millions	Note	January - June 2023	January - June 2022
Profit before tax		149.0	147.4
Non-cash adjustments			
Depreciation, amortization and impairments on	3		
Property, plant and equipment		15.7	15.6
Intangible assets		12.3	8.7
Right-of-use assets		37.3	39.0
Rent concessions COVID-19		-	(0.2)
Share-based payment transaction expense		2.4	1.9
Gain/Loss on sale of tangible assets, intangible assets and financial assets		(0.5)	(0.9)
Financial income		(8.4)	(1.3)
Financial expense		16.0	7.2
Share of profit and loss of associates and joint ventures		2.0	0.3
Loss on sale of subsidiaries		1.9	-
Change in provisions and other non-current liabilities		0.2	(3.6)
Change in other non-current assets		(1.4)	0.3
Working capital adjustments			
Decrease/(increase) in trade and other receivables and prepayments		46.0	(4.2)
(Increase) in inventories		(147.7)	(169.9)
Increase in trade and other payables		177.2	149.4
Interest received		1.9	0.8
Interest paid		(19.2)	(11.1)
Income taxes paid		(49.2)	(45.2)
Net cash flows from operating activities		235.5	134.2
Proceeds from sale of property, plant and equipment		1.0	1.4
Purchase of property, plant and equipment		(14.0)	(23.6)
Purchase of intangible assets		(7.3)	(3.7)
Acquisition of subsidiary net of cash	4	(8.2)	(2.1)
Net cash flows used in investing activities		(28.5)	(28.0)

in CHF millions	January - June 2023	January - June 2022
Proceeds from current and non-current borrowings	426.3	204.6
Repayment of current and non-current borrowings	(433.6)	(213.0)
Repayment of leases	(40.1)	(34.8)
Increase of non-controlling interest	-	1.3
Dividend paid	(139.6)	(133.2)
Dividend paid to non-controlling interest	(3.7)	-
Net payments received for net investment hedges	-	0.7
Purchase of treasury shares	(6.2)	(5.0)
Net cash flows used in financing activities	(196.9)	(179.4)
Cash and cash equivalents, as of January 1	636.4	673.7
Effect of exchange rate changes	(15.0)	(2.0)
Net increase/(decrease) in cash and cash equivalents	10.1	(73.2)
Cash and cash equivalents, as of June 30¹	631.5	598.5

¹ As of June 30, 2023, Cash and cash equivalents of CHF 4.0 million are reclassified to assets held for sale.

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. 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, 2023. They were approved by the Board of Directors on July 17, 2023.

2. Basis of Preparation and Accounting Policies

Basis of Preparation

The interim consolidated financial statements for the six months ended June 30, 2023, are prepared in accordance with IAS 34. These interim consolidated financial 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, 2022, 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, 2022, except for the adoption of amendments effective

as of January 1, 2023. These amendments do not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 17 “Insurance Contracts”: The new standard has changed the accounting requirements for the recognition, measurement, presentation, and disclosure of insurance contracts. The Group does not have any contracts that meet the definition of insurance contracts as set out in IFRS 17.

Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”: The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to taxable and deductible temporary differences of equal amounts. Such a requirement may apply on the initial recognition of a lease liability and the corresponding right-of-use asset at the commencement of a lease. The requirement also applies in the context of decommissioning, restoration, and similar liabilities where the corresponding amounts are recognized as part of the cost of the related asset. The gross deferred tax assets and liabilities will be set off on the balance sheet if such requirements are met. The amendments have not had any significant impact on Group’s financial statements but expected to affect the disclosures in the in the Group’s annual financial statements.

Amendment to IAS 12 “International Tax Reform - Pillar Two Model Rules”: The Group has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Other amendments to IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates” and amendments to IAS 1 “Presentation of Financial Statements and IFRS Practice Statement 2 Disclosure of Accounting Policies” did not have any significant impact on the interim consolidated financial statements.

3. Segment Information

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

January - June 2022

in CHF millions	Healthcare	Consumer Goods	Performance Materials	Technology	Other/Elimination	Group Total
Net sales	2,803.4	1,867.1	719.4	206.3	-	5,596.2
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)
Operating profit (EBIT)	74.0	39.9	63.2	5.4	(29.2)	153.3
Net finance costs						(5.9)
Profit before tax						147.4

4. Acquisitions and Disposals

Acquisitions

The Group did not acquire any businesses during the first six months of 2023.

During the first six months of 2023, the Group has settled earnouts relating to the acquisitions of Bosung in 2021 and Refarmed in 2022 for an amount of CHF 3.7 million and CHF 6.4 million respectively. An amount of CHF 0.6 million is included in Net cash flows from operating activities. An expense from revaluation of the contingent consideration liability of CHF 0.2 million was recorded in financial expense.

As part of the completion of the final purchase price adjustments relating to the acquisitions of Terra Firma and Breuer, the Group has received CHF 1.3 million during the first six months of 2023.

Prior Year 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 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.

Disposals

The Group did not dispose any business in 2023 and 2022.

5. Equity

There were no changes in share capital during the first six months of 2023 and 2022.

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 holds 93'608 treasury shares as of June 30, 2023.

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.

An ordinary dividend of CHF 2.15 per registered share was paid during the 2023 interim period. Total dividend payments amounted to CHF 139.6 million. In 2022, a dividend of CHF 2.05 per registered share was paid, resulting in total dividend payments of CHF 133.2 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 ¹	June 30, 2023	December 31, 2022
Financial assets at fair value through profit and loss			
Derivative assets	2	14.5	5.5
Convertible loan	3	16.8	10.3
Total		31.3	15.8
Financial assets at amortized cost			
Cash and cash equivalents ²		627.5	636.4
Trade receivables ²		1,878.1	2,030.9
Other receivables ^{2,3}		289.0	308.6
Deposits to third party ²		19.4	21.0
Loans to third party ²		2.7	0.1
Total		2,816.7	2,997.0
Total financial assets		2,848.0	3,012.8
Financial liabilities at fair value through profit and loss			
Contingent consideration liabilities	3	36.2	46.4
Derivative liabilities	2	2.6	9.8
Total		38.8	56.2
Financial liabilities at amortized cost			
Borrowings ²		648.2	678.7
Lease liabilities ⁵		305.2	333.9
Liabilities related to put options of non-controlling interests ⁶		52.7	67.5
Trade payables ²		2,333.3	2,233.2
Other payables ^{2,4}		195.6	145.8
Total		3,535.0	3,459.1
Total financial liabilities		3,573.8	3,515.3

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 Included in other non-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, 2022	11.1	15.6
Additions / Acquisitions	-	42.8
Settlements	-	(13.1)
Fair value changes	(0.7)	1.2
Exchange differences	(0.1)	(0.1)
As of December 31, 2022	10.3	46.4
As of January 1, 2023	10.3	46.4
Settlements	-	(10.1)
Fair value changes	6.7	0.2
Exchange differences	(0.2)	(0.3)
As of June 30, 2023	16.8	36.2

7. Commitments

The Group has no material commitments requiring disclosure as of June 30, 2023.

8. Events After Financial Reporting Date

On July 3rd, 2023, the Group closed the sale of the shares of DKSH Smollan Field Marketing (Malaysia) Sdn. Bhd., which embeds the Taiwan branch, at net asset value for a consideration of CHF 1.6 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 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:

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)	

2022 by Business Unit in CHF millions	January - June 2022	Organic	M&A	FX	January - June 2021
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
Group Total	5,596.2	167.1	38.4	(97.2)	5,487.9
in % of 2021		3.0	0.7	(1.7)	

Core Operating Profit (Core EBIT)

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

2023 by Business Unit in CHF millions	Operating profit (EBIT)	Fair value ad- justment relat- ed to employee benefit expens- es	Non-recurring share of result in associates ¹	Core operating profit (Core EBIT)
Healthcare	78.6	-	-	78.6
Consumer Goods	38.8	-	-	38.8
Performance Materials	62.3	-	-	62.3
Technology	12.1	-	-	12.1
Other/Elimination	(33.3)	0.9	3.2	(29.2)
Group Total	158.5	0.9	3.2	162.6

¹ 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 the equity method of accounting.

2022 by Business Unit in CHF millions	Operating profit (EBIT)	Fair value ad- justment relat- ed to employee benefit expens- es	Non-recurring share of result in associates	Core operating profit (Core EBIT)
Healthcare	74.0	-	-	74.0
Consumer Goods	39.9	-	-	39.9
Performance Materials	63.2	-	-	63.2
Technology	5.4	-	-	5.4
Other/Elimination	(29.2)	-	-	(29.2)
Group Total	153.3	-	-	153.3

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 2023	January - June 2022
Profit after tax	107.1	105.7
Non-recurring share of result in associates	3.2	-
Fair value adjustment related to employee benefit expenses	0.9	-
Loss on sale of subsidiaries	1.9	-
Income from financial instruments ¹	(6.7)	(0.5)
Core profit after tax	106.4	105.2

¹ Relates to FVTPL revaluation gains of convertible notes issued to an associate of CHF 6.7 million (2022: CHF 0.5 million).

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 2023	January - June 2022
Net cash flows from operating activities	235.5	134.2
Repayment leases	(40.1)	(34.8)
Purchase of property, plant and equipment	(14.0)	(23.6)
Purchase of intangible assets	(7.3)	(3.7)
Purchase trademarks/licences	4.9	-
Free cash flow	179.0	72.1

Cash Conversion

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

in CHF millions	January - June 2023	January - June 2022
Free cash flow	179.0	72.1
Core profit after tax	106.4	105.2
Cash conversion	168.2%	68.5%

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, 2023	December 31, 2022	December 31, 2021
Total assets	5,739.7	5,878.7	5,347.4
Financial assets	(38.9)	(31.4)	(29.2)
Cash and cash equivalents	(627.5)	(636.4)	(673.7)
Total liabilities	(4,010.7)	(4,052.4)	(3,461.0)
Current borrowings	190.8	155.3	204.3
Non-current borrowings	457.4	523.4	102.1
Net operating capital (NOC)	1,710.8	1,837.2	1,489.9

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, 2023	December 31, 2022	December 31, 2021
Operating profit (EBIT)	158.5	319.2	-
Net operating capital (NOC)	1,710.8	1,837.2	1,489.9
Average NOC current and previous period	1,774.0	1,663.6	-
Return on net operating capital (RONOC)¹	17.9%	19.2%	-

¹ 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, 2023	December 31, 2022
Profit attributable to the shareholders of DKSH Holding Ltd.	103.4	201.1
Equity attributable to the shareholders of DKSH Holding Ltd.	1,669.1	1,758.5
Return on equity (ROE)¹	12.4%	11.4%

¹ 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, 2023	December 31, 2022
Total equity	1,729.0	1,826.3
Total assets	5,739.7	5,878.7
Equity ratio	30.1%	31.1%

Net Debt

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

in CHF millions	June 30, 2023	December 31, 2022
Cash and cash equivalents	627.5	636.4
Current borrowings	(190.8)	(155.3)
Non-current borrowings	(457.4)	(523.4)
Net debt	(20.7)	(42.3)

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.

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