

INTERIM REPORT 2016



ALSO 

▶ ALSO GROUP INCREASES NET PROFIT BY 14 PERCENT IN THE 1st HALF YEAR

ALSO Group concludes the first six month of 2016 with Group net profit of 27.8 million euros and thus increases its results by around 14 percent compared to the previous-year period. Profit before taxes (EBT) jumped up by around 12 percent to 40.3 million euros. Net sales rose by roughly 3 percent to 3771 million euros.

“We are very pleased with our performance in the first six month of 2016. We have again been able to increase profit significantly stronger than net sales, although we decisively invested in our business. We have developed our business in Poland and the Benelux and we will keep on expanding our activities”, said Gustavo Möller-Hergt, CEO of ALSO Holding AG.

CENTRAL EUROPE MARKET SEGMENT

While net sales softened by 2 percent to 2 304 million euros Central Europe market segment showed a considerably stronger EBT margin of 1.5 percent compared to 2015 (0.9 percent). This is amongst others due to successful measurements which ALSO Switzerland and ALSO France conducted to stabilise profit. In addition business in Germany succeeded remarkably above average.

Previous-year period results for market segments have been revised since ALSO International B.V. as well as ALSO Nederland B.V. (Benelux) have newly been allocated to the Northern/Eastern Europe market segment and are no longer part of Central Europe market segment.

NORTHERN/EASTERN EUROPE MARKET SEGMENT

In the Northern/Eastern Europe market segment net sales increased by 11 percent to 1 467 million euros while the EBT margin dropped to 0.4 percent from 1.2 percent in the first half year 2015. This decrease is especially due to initial investments in business expansion in Poland and the Benelux as well as investment in a warehouse in Finland which will reduce costs.

INTERNATIONAL EXPANSION

International expansion remains central pillar of ALSO's growth strategy. During the last six month ALSO opened up markets in Slovenia and Belgium. ALSO Polska, founded in 2015, is as expected still in its development phase. Pirkkala, Finland recently witnessed the opening of ALSO's latest and state of the art logistics center.

In addition to that, business development was taken forward by new strategic partnerships and cooperations. Microsoft is being supported by ALSO in building its business area „Workplace as a Service“. Together with Logicom ALSO brings cloud-based software services to its customers in Southern Europe and the Middle East.

OUTLOOK ON 2016

ALSO is well under way to increase Group net profit for the whole year of 2016 compared to 2015.

Prof. Dr. Gustavo Möller-Hergt
Chairman of the Board of Directors of ALSO Holding AG

▶ CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2016 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1 000	1st half 2016		1st half 2015		Change
TOTAL NET SALES	3771037	100.0 %	3670276	100.0 %	2.7 %
Cost of goods sold and service expenses	-3531665	-93.7 %	-3426076	-93.3 %	3.1 %
GROSS PROFIT	239372	6.3 %	244200	6.7 %	-2.0 %
Operating expenses	-180352	-4.7 %	-185367	-5.1 %	-2.7 %
EBITDA	59020	1.6 %	58833	1.6 %	0.3 %
Depreciation and amortization	-9307	-0.3 %	-15158	-0.4 %	-38.6 %
OPERATING PROFIT (EBIT)	49713	1.3 %	43675	1.2 %	13.8 %
Financial result	-9681	-0.2 %	-7793	-0.2 %	24.2 %
Share of income of associates	282	0.0 %	282	0.0 %	0.0 %
PROFIT BEFORE TAX (EBT)	40314	1.1 %	36164	1.0 %	11.5 %
Income taxes	-12465	-0.4 %	-11746	-0.3 %	6.1 %
NET PROFIT GROUP	27849	0.7 %	24418	0.7 %	14.1 %
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of defined benefit plans	-7555		-6244		
Tax effects	942		777		
SUBTOTAL	-6613		-5467		
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences	842		4605		
Adjustment to market value of cash flow hedges	-208		671		
Tax effects	-16		323		
SUBTOTAL	618		5599		
OTHER COMPREHENSIVE INCOME	-5995		132		
TOTAL COMPREHENSIVE INCOME	21854		24550		
Net profit Group is attributable to:					
Shareholders of ALSO Holding AG	28026		24680		
Non-controlling interests	-177		-262		
Total comprehensive income is attributable to:					
Shareholders of ALSO Holding AG	22031		24812		
Non-controlling interests	-177		-262		
NET PROFIT PER SHARE IN EUR					
Basic net profit per share	2.19		1.92		
Diluted net profit per share	2.19		1.92		

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1 000	06.30.2016		12.31.2015		06.30.2015	
Cash and cash equivalents	16 817		40 000		10 626	
Other current assets	1 353 927		1 464 765		1 432 845	
TOTAL CURRENT ASSETS	1 370 744	84 %	1 504 765	86 %	1 443 471	85 %
Deferred tax assets	9 440		8 139		6 558	
Other non-current assets	244 070		246 853		257 079	
TOTAL NON-CURRENT ASSETS	253 510	16 %	254 992	14 %	263 637	15 %
TOTAL ASSETS	1 624 254	100 %	1 759 757	100 %	1 707 108	100 %
Current financial liabilities	57 009		67 063		54 374	
Other current liabilities	826 683		964 186		946 107	
TOTAL CURRENT LIABILITIES	883 692	55 %	1 031 249	59 %	1 000 481	59 %
Non-current financial liabilities	192 782		189 229		200 128	
Other non-current liabilities	54 343		46 465		47 292	
TOTAL NON-CURRENT LIABILITIES	247 125	15 %	235 694	13 %	247 420	14 %
EQUITY	493 437	30 %	492 814	28 %	459 207	27 %
TOTAL LIABILITIES AND EQUITY	1 624 254	100 %	1 759 757	100 %	1 707 108	100 %

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1 000	Share capital	Capital reserves	Treasury shares	Other reserves*	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total
JANUARY 1, 2016	9960	184231	-1194	-17226	317482	493253	-439	492814
Net profit Group	0	0	0	0	28026	28026	-177	27849
Other comprehensive income	0	0	0	-5995	0	-5995	0	-5995
TOTAL COMPREHENSIVE INCOME	0	0	0	-5995	28026	22031	-177	21854
Distributions to shareholders	0	-22335	0	0	0	-22335	0	-22335
Remeasurement of put options on shares of non-controlling interests	0	0	0	0	379	379	725	1104
JUNE 30, 2016	9960	161896	-1194	-23221	345887	493328	109	493437
JANUARY 1, 2015	9960	203525	-1194	-15688	257762	454365	-414	453951
Net profit Group	0	0	0	0	24680	24680	-262	24418
Other comprehensive income	0	0	0	132	0	132	0	132
TOTAL COMPREHENSIVE INCOME	0	0	0	132	24680	24812	-262	24550
Distributions to shareholders	0	-19294	0	0	0	-19294	0	-19294
Remeasurement of put options on shares of non-controlling interests	0	0	0	0	-161	-161	161	0
JUNE 30, 2015	9960	184231	-1194	-15556	282281	459722	-515	459207

* See note: Other reserves

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1 000	1st half 2016	1st half 2015
NET PROFIT GROUP	27849	24418
Depreciation and amortization	9307	15158
Change in provisions and employee benefits	-3483	134
Other non-cash items	5123	5703
SUBTOTAL	38796	45413
Change in net working capital	-27565	-45789
CASH FLOW FROM OPERATING ACTIVITIES	11231	-376
Net cash flow from acquisitions of subsidiaries*	-3348	0
Adjustments to consideration transferred from acquisition of subsidiaries	0	1000
Net investments in property, plant & equipment	-4706	-5288
Net investments in intangible assets	-1572	-1265
CASH FLOW FROM INVESTING ACTIVITIES	-9626	-5553
Distribution to shareholders	-22335	-19294
Net cash flow from the acquisition of non-controlling interests	0	-699
Change in financial liabilities	-2281	12221
CASH FLOW FROM FINANCING ACTIVITIES	-24616	-7772
EXCHANGE DIFFERENCES	-172	171
CHANGE IN CASH AND CASH EQUIVALENTS	-23183	-13530
Cash and cash equivalents at January 1	40000	24156
Cash and cash equivalents at June 30	16817	10626

* In 2016, part of the purchase price for the acquisition of PC Factory-Group was paid. Regarding acquisition of PC Factory-Group, reference should be made to page 106 of the annual report for 2015. An additional purchase price payment (earn-out) for the acquisition of NRS in 2012 also became due.

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

► NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2016 (UNAUDITED)

CORPORATE INFORMATION

The basis of ALSO's business models are the two customer categories "providers" and "buyers". The ALSO Group has a portfolio of more than 350 vendors in the various ICT product categories of hardware, software, and IT services, including all global market leaders. We offer the vendors access to a broad spectrum of buyers, who can call up further customized services in the logistics, finance, IT, and digital services sectors, as well as traditional distribution services. ALSO offers services along the entire value chain from a single source.

On the basis of a European B2B marketplace, the customers are enabled to sustainably shape and develop their businesses.

BASIS OF PREPARATION

The unaudited condensed interim consolidated financial statements of ALSO Holding AG inclusive all of its directly and indirectly controlled subsidiaries for the six months ended June 30, 2016 have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". These condensed interim consolidated financial statements are presented in EUR (reporting currency), since the majority of revenues are generated in the euro area. The condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements as of December 31, 2015.

SELECTED SIGNIFICANT ACCOUNTING AND MEASUREMENT PRINCIPLES

The accounting and measurement principles used in the preparation of the condensed interim consolidated financial statements are consistent with those used in the consolidated financial statements for the year ended December 31, 2015 except for standards that became newly applicable from January 1, 2016. The accounting and measurement principles used are fully described from page 98 of the Annual Report 2015.

As from January 1, 2016, ALSO adopted the following new and amended standards and interpretations for the first time:

- IFRS 14 Regulatory Deferral Accounts
- Annual improvements 2012 to 2014
- Accounting for Acquisitions of Interests in Joint Operations
- Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- Equity Method in Separate Financial Statements (Proposed amendments to IAS 27)
- Investment Entities: Applying the Consolidated Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
- Disclosure Initiative (Amendments to IAS 1)

The individual changes do not have any material effect on the financial position, performance or cash flow situation of ALSO.

The Group has not early adopted any other standard, interpretation, or amendment that has been issued but is not yet effective. No further changes are known that will become effective for the consolidated financial statements 2016.

The preparation of these condensed interim consolidated financial statements requires management to make certain assumptions and estimates about the future that influence the amounts presented in this report. Actual results may vary from these estimates.

CHANGES IN THE SCOPE OF THE CONSOLIDATION

The following companies were acquired in the first half of 2016 and were included in the scope of consolidation:

Country	Domicile	Company name	Voting interest
Slovenia	Ljubljana	ALSO d.o.o.	100 %
Latvia	Riga	ALSO Cloud Latvia SIA	100 %

Furthermore, ALSO acquired in 2016 the remaining voting shares of Medium GmbH.

In 2015, the ALSO Group acquired several entities. Detailed information about those transactions and their effects on the consolidated financial statements for the year ended December 31, 2015 can be found from page 106 of the Annual Report 2015.

EXCHANGE RATES

For preparation of the interim financial statements the following exchange rates were applied:

EXCHANGE RATES (TO EURO)

		Average rate		Closing date rate		
		1st half 2016	1st half 2015	06.30.16	12.31.15	06.30.15
USA	USD	1.1159	1.1158	1.1102	1.0887	1.1189
Switzerland	CHF	1.0960	1.0567	1.0867	1.0835	1.0413
Norway	NOK	9.4197	8.6483	9.3008	9.6030	8.7910
Denmark	DKK	7.4497	7.4562	7.4393	7.4626	7.4604
Sweden	SEK	9.3019	9.3401	9.4242	9.1895	9.2150
Poland	PLN	4.3688	4.1409	4.4362	4.2639	4.1911

SEGMENT INFORMATION

EUR 1 000	Central Europe		Northern/Eastern Europe		Reconciliation		Group	
	1st half 2016	1st half 2015	1st half 2016	1st half 2015	1st half 2016	1st half 2015	1st half 2016	1st half 2015
Net sales to third parties	2 303 759	2 348 872	1 467 232	1 321 349	46	55	3 771 037	3 670 276
Net sales to other segments	35 740	85 000	112 023	10 483	-147 763	-95 483	0	0
TOTAL NET SALES	2 339 499	2 433 872	1 579 255	1 331 832	-147 717	-95 428	3 771 037	3 670 276
EBITDA	45 996	38 369	12 157	20 550	867	-86	59 020	58 833
<i>As % of total net sales</i>	<i>2.0 %</i>	<i>1.6 %</i>	<i>0.8 %</i>	<i>1.5 %</i>			<i>1.6 %</i>	<i>1.6 %</i>
PROFIT BEFORE TAX (EBT)	35 598	22 511	6 506	16 463	-1 790	-2 810	40 314	36 164
<i>As % of total net sales</i>	<i>1.5 %</i>	<i>0.9 %</i>	<i>0.4 %</i>	<i>1.2 %</i>			<i>1.1 %</i>	<i>1.0 %</i>
Segment assets	1 088 334	1 269 379	722 293	646 305	-186 373	-208 576	1 624 254	1 707 108
Segment liabilities	764 710	938 467	540 324	470 749	-174 217	-161 315	1 130 817	1 247 901
Full-time equivalent positions on reporting date	2 162	2 665	1 163	1 002	141	138	3 466	3 805

ALSO International B.V. and ALSO Nederland B.V. have now been assigned to the Northern/Eastern Europe segment, having formerly been part of the Central Europe segment. The figures for the previous year were adjusted accordingly.

The reconciliation of the segment results to the consolidated results contains centralized activities of the holding companies in Switzerland, Finland and Germany (headquarter activities) which are not allocated to the segments. The allocation of the net sales is determined by the place where invoicing occurs. Revenues as well as assets and liabilities (mainly trade receivables and payables) between the segments are eliminated in the "Reconciliation" column.

TRANSACTIONS WITH RELATED PARTIES

EUR 1 000	1st half 2016	1st half 2015
TRANSACTIONS WITH MAIN SHAREHOLDERS AND OTHER RELATED PARTIES		
Net sales	377	7 950
Operating and financial expenses	4 939	3 759
Trade receivables	2	1 469
Trade payables	496	903
TRANSACTIONS WITH ALSO PENSION FUND		
Other liabilities (outstanding contributions):		
ALSO Holding AG	16	14
ALSO Schweiz AG	271	291

For the first half of 2016, transactions with key management correspond with those transactions disclosed in the consolidated financial statements 2015.

OTHER RESERVES

EUR 1 000	Cash flow hedge reserve	Exchange differences	Remeasurement of defined benefit plans	Total other reserves
JANUARY 1, 2016	-4 884	2 871	-15 213	-17 226
Net profit Group	0	0	0	0
Other comprehensive income	-224	842	-6 613	-5 995
TOTAL COMPREHENSIVE INCOME	-224	842	-6 613	-5 995
Distributions to shareholders	0	0	0	0
Remeasurement of put options on shares of non-controlling interests	0	0	0	0
JUNE 30, 2016	-5 108	3 713	-21 826	-23 221
JANUARY 1, 2015	-5 339	1 038	-11 387	-15 688
Net profit Group	0	0	0	0
Other comprehensive income	666	4 933	-5 467	132
TOTAL COMPREHENSIVE INCOME	666	4 933	-5 467	132
Distributions to shareholders	0	0	0	0
Remeasurement of put options on shares of non-controlling interests	0	0	0	0
JUNE 30, 2015	-4 673	5 971	-16 854	-15 556

FINANCIAL INSTRUMENTS

FAIR VALUE OF THE FINANCIAL INSTRUMENTS

EUR 1 000	Level 1	Level 2	Level 3	Fair value 06.30.2016
FINANCIAL ASSETS				
Current derivative financial instruments		350	1 564	1 914
<i>Forward exchange contracts</i>		350		350
<i>Call options</i>			1 564	1 564
FINANCIAL LIABILITIES				
Contingent consideration from acquisitions of subsidiaries			-2 762	-2 762
Current derivative financial instruments		-386		-386
<i>Forward exchange contracts</i>		-386		-386
Non-current derivative financial instruments		-6 985	-2 044	-9 029
<i>Interest rate swaps</i>		-6 985		-6 985
<i>Put options on non-controlling interests</i>			-2 044	-2 044
TOTAL FINANCIAL INSTRUMENTS LEVEL 3			-3 242	

EUR 1 000	Level 1	Level 2	Level 3	Fair value 06.30.2015
FINANCIAL ASSETS				
Current derivative financial instruments		136	1 248	1 384
<i>Forward exchange contracts</i>		136		136
<i>Call options</i>			1 248	1 248
FINANCIAL LIABILITIES				
Contingent consideration from acquisitions of subsidiaries			-1 639	-1 639
Current derivative financial instruments		-267	-153	-420
<i>Forward exchange contracts</i>		-267		-267
<i>Put options on non-controlling interests</i>			-153	-153
Non-current derivative financial instruments		-6 549		-6 549
<i>Interest rate swaps</i>		-6 549		-6 549
TOTAL FINANCIAL INSTRUMENTS LEVEL 3			-544	

The carrying amount of the financial instruments is essentially the fair value.

RECONCILIATION OF FINANCIAL INSTRUMENTS WITHIN LEVEL 3

EUR 1 000	1st half 2016	1st half 2015
JANUARY 1	-8 196	-848
Fair value adjustments of contingent consideration from the acquisition of subsidiaries recognized in financial result	238	-68
Fair value adjustments of call options recognized in financial result	0	473
Fair value adjustments of put options recognized in equity	1 081	0
Fair value adjustments of put options recognized in personnel expenses	153	0
Payments contingent consideration	3 348	0
Exchange differences	134	-101
JUNE 30	-3 242	-544

In the first half of 2016 and 2015 respectively, there were no transfers of financial instruments between Level 1 and Level 2. There were also no transfers into or out of Level 3.

FAIR VALUE HIERARCHY

ALSO applies the following measurement hierarchy to determine the fair value of financial instruments:

- Level 1: Listed, unchanged market price in active markets.
- Level 2: Measurement methods in which all assumptions that have a material impact on the fair value are indirectly or directly available.
- Level 3: Measurement methods with assumptions that have a material impact on the fair value which are not publicly available.

MEASUREMENT TECHNIQUES OF FINANCIAL INSTRUMENTS WITHIN LEVEL 2 AND 3

Forward exchange contracts are measured based on observable forward rates and spot rates and are recognized at their positive or negative replacement value. Interest rate swaps are measured based on the net present value of observable forward rates and recognized in the statement of financial position at their positive or negative replacement value respectively.

The fair value of contingent considerations from the acquisition of subsidiaries, put options on shares of non-controlling interests and call options is calculated based on contractually agreed measurement methods. These calculations are based on the expected future operating profits of subsidiaries and, therefore, depend on assumptions that are neither directly nor indirectly observable in the market. The expected future operating profits are based on medium-term plans which cover a period of three years. Those plans are reviewed by the management of ALSO.

A change in the underlying expected future profits would have the following effect on the fair value:

SENSITIVITY OF FINANCIAL INSTRUMENTS WITHIN LEVEL 3

EUR 1 000	1st half 2016	1st half 2015
5% increase in the expected future results	72	68
5% reduction in the expected future results	-72	-44

SEASONALITY

The demand for products in the fields of information and communications technology and consumer electronics is seasonal. Particularly in the fourth quarter of the year, because of the Christmas trade, net revenue of the ALSO Group is higher than in the rest of the year.

INCOME TAXES

Income tax expense is recognized based on an estimate of the income tax rate expected for the full year.

DISTRIBUTIONS TO SHAREHOLDERS

At the General Meeting held on March 17, 2016, the shareholders of ALSO Holding AG decided to distribute CHF 1.90 per registered share from the reserve from contribution in kind to the shareholders of ALSO Holding AG, payable from March 24, 2016.

CONTINGENT LIABILITIES

Relative to December 31, 2015, no material changes occurred in the contingent liabilities. Detailed information about the contingent liabilities is contained on page 132 of the Annual Report 2015.

AMORTIZATION OF CUSTOMER LIST

The carrying amount of the customer list that was identified in the merger of ALSO and Actebis in 2011 was amortized for the last time in January 2016.

EVENTS AFTER THE REPORTING PERIOD

No material events occurred after the reporting period.

APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were released for publication by the Board of Directors of ALSO Holding AG on July 21, 2016.

IMPRINT

FOR FURTHER INFORMATION PLEASE CONTACT

ALSO Holding AG
Meierhofstrasse 5
CH-6032 Emmen
Tel. +41 41 266 1800
Fax +41 41 266 1870
WWW.ALSO.COM

The original German language version is binding.

EDITING/CONCEPT AND TEXT

ALSO Holding AG, Emmen, Schweiz

DESIGN AND REALISATION

Strichpunkt, Stuttgart/Berlin, Deutschland