



THE
TECHNOLOGY
PROVIDER

Interim Report 2023



NEXT LEVEL

EXECUTIVE SUMMARY

ALSO Holding AG once again delivers convincing results:

- **ADJUSTED EBITDA 116 MILLION EUROS (+6.4%)**
- **ROCE 30% (+113.8%)**
- **CASH 612 MILLION EUROS (+713.4%)**
- **TARGETS CONFIRMED**

This result was achieved by optimising the business model, customer, and vendor mix. Positive one-off effects from 2022 due to the sale of a property and negative ones from 2023 caused by a series of measures to increase operational excellence are not included in the **EBITDA** comparison.

ROCE was also significantly increased by optimising inventories. Despite the investment of 100 million euros in the share buyback and a further raise of the dividend, the **cash** balance could be improved considerably.

Gustavo Möller-Hergt, CEO of ALSO Holding AG (SIX: ALSN): “Our broad ecosystem, continued improvement of the business model mix and increased operational excellence enabled us to continue our track record in the first half of 2023. The development in the cloud business is satisfactory: 4.1 million unique users represent a growth of 21 percent compared to H1 2022; we were able to increase net sales by approximately 200 million euros, a plus of 66 percent. Subject to the increasing political and economic volatility since the beginning of the year, we confirm our short- and medium-term **targets**, which already include the effect mentioned above.”

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

as of June 30, 2023 (unaudited)

Condensed consolidated income statement

€ 1 000	1 st half 2023		1 st half 2022		Change
Total net sales	4 829 162	100.0%	5 524 863	100.0%	-12.6%
Cost of goods sold and services provided	-4 494 972		-5 195 256		
Gross profit	334 190	6.9%	329 607	6.0%	1.4%
Personnel expenses	-134 637		-132 690		
Other operating expenses	-97 864		-96 913		
Other operating income	9 846		27 544		
EBITDA	111 535	2.3%	127 548	2.3%	-12.6%
Depreciation and amortization	-22 372		-20 991		
Operating profit (EBIT)	89 163	1.8%	106 557	1.9%	-16.3%
Financial result	-15 843		-12 499		
Profit before tax (EBT)	73 320	1.5%	94 058	1.7%	-22.0%
Income taxes	-20 634		-30 928		
Net profit Group	52 686	1.1%	63 130	1.1%	-16.5%
Attributable to shareholders of ALSO Holding AG	52 532		62 944		
Attributable to non-controlling interests	154		186		
Earnings per share in €¹					
Basic/diluted earnings per share	4.24		4.91		

¹ Attributable to the shareholders of ALSO Holding AG

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

Condensed consolidated statement of comprehensive income

€ 1 000	1 st half 2023	1 st half 2022
Profit recognized in the consolidated income statement	52 686	63 130
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		
Remeasurement of defined benefit plans	– 150	3 789
Tax effects thereof	25	– 481
Subtotal	– 125	3 308
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		
Exchange differences	940	698
Fair value adjustments on cash flow hedges	– 5 693	30 342
Tax effects thereof	708	– 4 898
Subtotal	– 4 045	26 142
Other comprehensive income	– 4 170	29 450
Total comprehensive income	48 516	92 580
Attributable to shareholders of ALSO Holding AG	48 362	92 394
Attributable to non-controlling interests	154	186

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

Condensed consolidated statement of financial position

€ 1 000	30.06.2023		31.12.2022	
Cash and cash equivalents	612 058		478 718	
Trade receivables	589 478		803 251	
Inventories	910 086		981 396	
Other current assets	509 128		441 677	
Total current assets	2 620 750	85%	2 705 042	86%
Deferred tax assets	19 594		18 420	
Other non-current assets	440 522		430 055	
Total non-current assets	460 116	15%	448 475	14%
Total assets	3 080 866	100%	3 153 517	100%
Trade payables	1 339 292		1 407 804	
Current financial liabilities	73 573		80 504	
Other current liabilities	409 117		342 822	
Total current liabilities	1 821 982	59%	1 831 130	58%
Non-current financial liabilities	218 603		240 742	
Other non-current liabilities	54 987		41 232	
Total non-current liabilities	273 590	9%	281 974	9%
Equity	985 294	32%	1 040 413	33%
Total liabilities and equity	3 080 866	100%	3 153 517	100%

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

Condensed consolidated statement of changes in equity

€ 1 000	Share capital	Treasury shares	Other reserves ¹	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total
January 1, 2023	9 960	-50 776	40 869	1 039 525	1 039 578	835	1 040 413
Net profit Group	-	-	-	52 532	52 532	154	52 686
Other comprehensive income	-	-	-4 170	-	-4 170	-	-4 170
Total comprehensive income	-	-	-4 170	52 532	48 362	154	48 516
Distributions to shareholders	-	-	-	-57 106	-57 106	-	-57 106
Acquisition of treasury shares	-	-46 529	-	-	-46 529	-	-46 529
June 30, 2023	9 960	-97 305	36 699	1 034 951	984 305	989	985 294
January 1, 2022	9 960	-1 822	-395	941 228	948 971	528	949 499
Net profit Group	-	-	-	62 944	62 944	186	63 130
Other comprehensive income	-	-	29 450	-	29 450	-	29 450
Total comprehensive income	-	-	29 450	62 944	92 394	186	92 580
Distributions to shareholders	-	-	-	-53 763	-53 763	-	-53 763
June 30, 2022	9 960	-1 822	29 055	950 409	987 602	714	988 316

¹ See note: Other reserves

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

Condensed consolidated statement of cash flows

€ 1 000	1 st half 2023	1 st half 2022
Net profit Group	52 686	63 130
Depreciation and amortization	22 372	20 991
Change in provisions and employee benefits	-690	3 412
Other non-cash items	-21 029	-6 378
Subtotal	53 339	81 155
Change in net working capital	234 034	-619 921
Cash flow from operating activities	287 373	-538 766
Payment of contingent consideration from acquisitions of subsidiaries	-2 975	-263
Additions to property, plant and equipment	-5 285	-3 343
Disposals to property, plant and equipment	339	31 107
Net investments in intangible assets	-4 812	-1 653
Net investments in financial assets	-139	8
Cash flow from investing activities	-12 872	25 856
Acquisitions of treasury shares	-46 529	-
Distribution to shareholders	-57 106	-53 763
Change in financial liabilities	-39 346	24 922
Cash flow from financing activities	-142 981	-28 841
Exchange differences	1 820	-249
Change in cash and cash equivalents	133 340	-542 000
Cash and cash equivalents at January 1	478 718	617 245
Cash and cash equivalents at June 30	612 058	75 245

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, 2023 (unaudited)

CORPORATE INFORMATION

ALSO was founded in 1984 and has evolved into one of the leading technology providers in Europe over the last twelve years. In the process, the business models have been systematically expanded from a traditional ICT distributor to an end-to-end service provider, with a broad portfolio of hard- and software as well as offerings for IT solutions, cloud, IoT, and other digital platforms. The Group has a portfolio of over 700 vendors, including all major global market leaders, in the product categories of hardware, software and IT services. ALSO offers vendors access to a large number of resellers, who, can access a wide range of other services, in addition to the traditional ICT wholesale offerings, including cloud and as-a-service, logistics, finance and IT services on a tailored basis. From the development of complex IT landscapes and the provision and maintenance of hard- and software to the return, recycling, and remarketing of IT hardware in the spirit of the circular economy, ALSO offers all services from a single source. With its three business models Supply, Solutions, and Service, ALSO serves the ICT industry in two marketing channels: transactional, via the purchase of hard- and software, and subscription-based (consumptional) with cloud-based as-a-service offerings, including possible hybrid solutions.

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, 2023 have been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”. These condensed interim consolidated financial statements are presented in € (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, 2022.

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, 2022 except for amended standards that became newly applicable from January 1, 2023. The accounting and measurement principles used are fully described from page 94 of the Annual Report 2022. For other current assets and other current liabilities as of June 30, 2023 in particular refer to section 2.10 of the Annual Report 2022.

As from January 1, 2023, ALSO adopted the following amended standards for the first time:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17
- Disclosure of Accounting Policies
(Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimate (Amendments to IAS 8)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 13 Income Taxes)
- International tax reform – Pillar Two Model Rules
(Amendments to IAS 12)

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 2023.

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

There were no changes in the scope of consolidation in the first half of 2023.

In 2022, ALSO Group acquired several entities. Detailed information on these transactions and their effects on the consolidated financial statements for the year ended December 31, 2022 are presented starting on page 109 of the Annual Report 2022. The provisional purchase price allocations of ALSO Portugal Unipessoal Lda, Integrated Inspiring Solutions Lda, and ALSO Ramiris Kft. were completed in the first half of 2023. There were no changes in the measurement of the acquired net assets.

BUSINESS COMBINATIONS

Purchase price payment AllThingsTalk NV

In the first half 2023 the last purchase price payment of T€ 263 was due for the acquisition of AllThingsTalk. The purchase price payment due in 2022 amounted to T€ 263. These amounts had already been taken into account in the purchase price allocation as of December 31, 2019.

Payment of retention amount ALSO Portugal

In the first half of 2023, part of the retention amount of T€ 1 712 for the acquisition of ALSO Portugal was due. The amount was included in the purchase price allocation as of December 31, 2022.

Payment of retention amount Daquas

In the first half of 2023, the retention amount of T€ 1 000 for the acquisition of Daquas spol. S r.o. became due. The amount was included in the purchase price allocation as of December 31, 2021.

SEGMENT INFORMATION

€ 1 000	Central Europe		Northern/Eastern Europe		Reconciliation		Group	
	1 st half 2023	1 st half 2022	1 st half 2023	1 st half 2022	1 st half 2023	1 st half 2022	1 st half 2023	1 st half 2022
Net sales to third parties	2 375 047	2 627 901	2 454 037	2 896 847	78	115	4 829 162	5 524 863
Net sales to other segments	84 216	77 508	110 393	115 894	-194 609	-193 402	-	-
Total net sales	2 459 263	2 705 409	2 564 430	3 012 741	-194 531	-193 287	4 829 162	5 524 863
EBITDA	66 103	80 523	43 932	45 181	1 500	1 844	111 535	127 548
<i>As % of total net sales</i>	2.7%	3.0%	1.7%	1.5%			2.3%	2.3%
Profit before tax (EBT)	42 713	63 546	20 293	27 124	10 314	3 388	73 320	94 058
<i>As % of total net sales</i>	1.7%	2.3%	0.8%	0.9%			1.5%	1.7%
Segment assets	1 774 018	1 553 471	1 479 298	1 481 858	-172 450	-210 194	3 080 866	2 825 135
Segment liabilities	1 310 144	1 111 774	1 093 517	1 107 485	-308 089	-382 440	2 095 572	1 836 819
Full-time equivalent positions on reporting date	2 042	2 037	1 877	1 992	135	137	4 054	4 166

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.

DISAGGREGATED NET SALES

€ 1 000	1 st half 2023	1 st half 2022	Change
Total net sales	4 829 162	5 524 863	-12.6%
thereof Supply	3 257 366	3 841 017	-15.2%
thereof Solutions	1 431 991	1 556 738	-8.0%
thereof Services	139 805	127 108	10.0%

EXCHANGE RATES

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

Exchange rates

to €	Average rate		Closing date rate			
	1 st half 2023	1 st half 2022	06.30.2022	12.31.2022	06.30.2022	
USA	USD	1.0807	1.0934	1.0866	1.0666	1.0387
Switzerland	CHF	0.9856	1.0319	0.9788	0.9847	0.9960
Norway	NOK	11.3195	9.9817	11.7040	10.5138	10.3485
Denmark	DKK	7.4462	7.4402	7.4474	7.4365	7.4392
Sweden	SEK	11.3329	10.4796	11.8055	11.1218	10.7300
Poland	PLN	4.6244	4.6354	4.4388	4.6808	4.6904

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties

€ 1 000	1 st half 2023	1 st half 2022
Transactions with main shareholders and other related parties		
Net sales to Droege Group	43	210
Net sales to ALSO Financial Services	955	535
Operating expenses Droege Group	-1 516	-1 529
Operating expenses ALSO Financial Services	-1	-5
Trade receivables Droege Group	149	304
Trade receivables ALSO Financial Services	340	334
Loan to ALSO Financial Services	5 000	5 000
Trade payables Droege Group	-669	-321
Sale of land and building to Droege Group	0	31 069
Liabilities with ALSO pension fund		
ALSO Holding AG	0	10
ALSO Schweiz AG	346	358

For the first half of 2023, transactions with key management correspond with those transactions disclosed in the consolidated financial statements 2022.

The distributions of T€ 30 226 (CHF 4.60 per share) to Droege that were decided at the General Meeting of March 17, 2023 were paid on March 23, 2023.

OTHER RESERVES

€ 1 000	Cash flow hedge reserve	Exchange differences	Remeasurement of defined benefit plans	Total other reserves
January 1, 2023	38 399	2 922	-452	40 869
Net profit Group	-	-	-	-
Other comprehensive income	-4 748	703	-125	-4 170
Total comprehensive income	-4 748	703	-125	-4 170
Distributions to shareholders	-	-	-	-
Acquisition of treasury shares	-	-	-	-
June 30, 2023	33 651	3 625	-577	36 699
January 1, 2022	-4 255	4 213	-353	-395
Net profit Group	-	-	-	-
Other comprehensive income	25 444	698	3 308	29 450
Total comprehensive income	25 444	698	3 308	29 450
Distributions to shareholders	-	-	-	-
June 30, 2022	21 189	4 911	2 955	29 055

FINANCIAL INSTRUMENTS

Fair value of the financial instruments

€ 1 000	Level 1	Level 2	Level 3	Fair value 06.30.2023	Level 1	Level 2	Level 3	Fair value 12.31.2022
FINANCIAL ASSETS								
Current derivative financial instruments		1 398		1 398		222		222
<i>Forward exchange contracts</i>		271		271		222		222
<i>Interest rate swaps</i>		1 126		1 126				
Non-current derivative financial instruments		42 855		42 855		49 668		49 668
<i>Interest rate swaps</i>		36 982		36 982		43 439		43 439
<i>Interest rate options</i>		5 873		5 873		6 229		6 229
FINANCIAL LIABILITIES								
Contingent consideration from acquisitions of subsidiaries							-263	-263
Current derivative financial instruments		-698		-698		-1 129		-1 129
<i>Forward exchange contracts</i>		-368		-368		-798		-798
<i>Interest rate options</i>		-331		-331		-331		-331
Non-current derivative financial instruments		-943		-943		-943		-943
<i>Interest rate options</i>		-943		-943		-943		-943
Total financial instruments level 3							-263	

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

Reconciliation of financial instruments within Level 3

€ 1 000	1 st half 2023	2022
January 1	-263	-2 594
Fair value adjustments of contingent consideration recognized in financial result	-	2 068
Payments contingent consideration	263	263
June 30/December 31	-	-263

In the first half of 2023 and financial year 2022 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

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 and interest rate options 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.

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.

MATERIAL TRANSACTIONS

In the first half of 2022, the land and building of ALSO Mobility Service GmbH, which was recognized as an asset held for sale as of December 31, 2021, was sold with a gain of T€ 19 710. The other operating income is allocated to the Central Europe segment.

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, 2023, the shareholders of ALSO Holding AG decided to distribute CHF 4.60 per registered share from the foreign capital contribution reserve (CHF 0.89 per share) and retained earnings (CHF 3.71 per share) to the shareholders of ALSO Holding AG, payable from March 23, 2023.

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, 2023.

ALTERNATIVE PERFORMANCE MEASURES

This report contains certain Alternative Performance Measures which are not accounting measures as defined by IFRS. These measures should not be used instead of the IFRS-based consolidated financial statements, but as a supplement.

NET SALES BEFORE PVA (PRINCIPAL VERSUS AGENT) ADJUSTMENT

Net sales before PVA is an alternative performance indicator introduced by ALSO due to the change in the recognition of net sales. The net sales before PVA describes the gross view of the net sales without the adjustment due to the change in the recognition of revenue from software licenses.

In million €	1 st half 2023	1 st half 2022	Change
Net sales before PVA	5 493.1	5 974.4	-8.1%
thereof Supply	3 268.9	3 850.9	-15.1%
thereof Solutions	1 597.2	1 702.8	-6.2%
thereof Services	627.0	420.7	49.0%

ORGANIC GROWTH

The organic growth results from the change in the net sales before PVA of all Group companies that were part of the ALSO Group at the beginning of the comparative period. The change in net sales before PVA of companies acquired in the fiscal year or in the previous year is included in the inorganic growth.

In million €	
Net sales before PVA 1 st half 2022	5 974.4
Organic growth	-582.6
Inorganic growth	101.3
Net sales before PVA 1 st half 2023	5 493.1

SUPPLY, SOLUTION AND SERVICES NET SALES

In million €	1 st half 2023	1 st half 2022	Change
Total net sales	4 829.2	5 524.9	-12.6%
thereof Supply	3 257.4	3 841.0	-15.2%
thereof Solutions	1 432.0	1 556.8	-8.0%
thereof Services	139.8	127.1	10.0%

EBITDA WITHOUT EFFECT DUE TO IFRS 16 LEASES

EBITDA is impacted by the adoption of IFRS 16. Since January 1, 2019, ALSO recognizes assets and liabilities for virtually all leases. As a result, leasing expenses are no longer reported as part of operating expenses, but as depreciation and financial expense below EBITDA. For that purpose, the recorded depreciation of right-of-use assets and the recorded interest expenses on lease liabilities were deducted from the EBITDA as reported.

In million €	1 st half 2023	1 st half 2022	Change
EBITDA as reported	111.5	127.5	-12.5%
IFRS 16 effect	13.4	13.0	
EBITDA (without IFRS 16 effect)	98.1	114.5	-14.3%

NET FINANCIAL DEBT WITHOUT EFFECT DUE TO IFRS 16 LEASES

NFD = current financial liabilities
 + non-current financial liabilities
 – cash and cash equivalents

The net financial debt is corrected for lease liabilities:

in € Mio.	06.30.2023	12.31.2022	06.30.2022
Current financial liabilities	73.6	80.5	179.3
Non-current financial liabilities	218.6	240.7	234.2
Total financial liabilities	292.2	321.2	413.5
./. Cash and cash equivalents	-612.1	-478.7	-75.2
Net financial debt as reported	-319.9	-157.5	338.3
IFRS 16 effect	-86.7	-85.7	-80.2
Net financial debt (without IFRS 16 effect)	-406.6	-243.2	258.1

FOREIGN CURRENCY EFFECT

The foreign currency effect results from the following circumstances:

- The foreign currency effect on total net sales: The sales price is calculated on the basis of the moving average of the inventories valued in a foreign currency calculated at the spot price. The difference between the moving average translated at the spot price on the reporting date and the moving average in the local currency is assessed as foreign currency impact in total net sales.
- The foreign currency effect on cost of goods sold and services provided: The currency effects relate to currency valuations from open foreign currency liabilities, realized foreign currency effects with supplier payments, valuation of open forward exchange contracts and realized foreign currency effects from forward exchange contracts.

in € Mio.	1 st half 2023	1 st half 2022
Foreign currency effect on total net sales	-6.7	10.0
Foreign currency effect on cost of goods sold and services provided	4.0	-18.0
Foreign currency effect	-2.7	-8.0

RETURN ON CAPITAL EMPLOYED (ROCE)

$$\text{ROCE} = \frac{\text{Net profit Group} + \text{Financial expense} - \text{Financial income}}{(\text{Equity} + \text{Provisions for employee benefits} + \text{Current and non-current financial liabilities} - \text{Cash and cash equivalents})}$$

At half-year, ROCE is reported on a rolling basis (July to June) and is adjusted for the effects of IFRS 16 in the components financial expenses and financial liabilities.

	June 2023	June 2022
ROCE	29.5%	13.8%

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