



**INTERIM
REPORT
2022**

A large, stylized number '2' is the central focus. It is white with diagonal blue and green stripes. The '2' is set against a background of a large, multi-colored triangle (yellow, orange, blue) that has a 3D effect with shadows. The entire graphic is centered on a light green background.

**TRANS
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FORM**

EXECUTIVE SUMMARY

▶▶ **EBITDA 128 million euros (+11.3%)**

ROCE 13.8%

Total net sales according to IFRS 15: 5 525 million euros (-0.5%)

- ▶ **-6.4% Supply**
- ▶ **+16.8% Solutions**
- ▶ **+9.3% Services**

The strong performance in the new businesses compensated for the development of the consumer business in the traditional area. As a result, sales were at the same high level as in the first half of 2021. The widespread positioning of the Technology Provider and the structural and process optimisations of the past years enabled a further increase of earnings before taxes (EBT +7.3%). The company not only strengthened its ongoing business and secured it through appropriate product stockpiling; at the same time, it continued to develop the new digital platforms and invested in technology and sales specialists. On top of that, additional acquisitions were completed.

The development of the first half of 2022 has made the importance of ALSO's ecosystem and the MORE strategy even clearer. The diversification into different business models (3 S) allowed for sustainable profitable growth. Based on the M&A activities of recent years the company was also able to balance the different economic dynamics of the countries in which it operates.

Gustavo Möller-Hergt, CEO of ALSO Holding AG (SIX: ALSN): "We confirm the targets for 2022 with EBITDA between 275 and 295 million euros and ROCE above 20%. In doing so, we must of course be aware of the imponderables that may arise from changes in the political and economic situation."

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

as of June 30, 2022 (unaudited)

Condensed consolidated income statement

€ 1 000	1st half 2022		1st half 2021		Change
Total net sales	5 524 863	100.0 %	5 554 945¹⁾	100.0 %	-0.5 %
Cost of goods sold and services provided	-5 195 256	-94.0 %	-5 233 639 ¹⁾	-94.2 %	-0.7 %
Gross profit	329 607	6.0 %	321 306	5.8 %	2.6 %
Operating expenses	-202 059	-3.7 %	-206 659	-3.7 %	-2.2 %
EBITDA	127 548	2.3 %	114 647	2.1 %	11.3 %
Depreciation and amortization	-20 991	-0.4 %	-19 803	-0.4 %	6.0 %
Operating profit (EBIT)	106 557	1.9 %	94 844	1.7 %	12.3 %
Financial result	-12 499	-0.2 %	-7 212	-0.1 %	73.3 %
Profit before tax (EBT)	94 058	1.7 %	87 632	1.6 %	7.3 %
Income taxes	-30 928	-0.6 %	-22 636	-0.4 %	36.6 %
Net profit Group	63 130	1.1 %	64 996	1.2 %	-2.9 %
Attributable to shareholders of ALSO Holding AG	62 944		64 918		
Attributable to non-controlling interests	186		78		
Earnings per share in €²⁾					
Basic/diluted earnings per share	4.91		5.06		

1) Prior year figure adjusted, see note: Selected significant accounting and measurement principles

2) 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	1st half 2022	1st half 2021
Profit recognized in the consolidated income statement	63 130	64 996
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		
Remeasurement of defined benefit plans	3 789	4 678
Tax effects thereof	-481	-599
Subtotal	3 308	4 079
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		
Exchange differences	698	-75
Fair value adjustments on cash flow hedges	30 342	2 254
Tax effects thereof	-4 898	-521
Subtotal	26 142	1 658
Other comprehensive income	29 450	5 737
Total comprehensive income	92 580	70 733
Attributable to shareholders of ALSO Holding AG	92 394	70 655
Attributable to non-controlling interests	186	78

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

Condensed consolidated statement of financial position

€ 1 000	06.30.2022		12.31.2021	
Cash and cash equivalents	75 245		617 245	
Other current assets	2 348 783		2 074 357	
Total current assets	2 424 028	86 %	2 691 602	87 %
Deferred tax assets	19 457		22 838	
Other non-current assets	381 650		370 062	
Total non-current assets	401 107	14 %	392 900	13 %
Total assets	2 825 135	100 %	3 084 502	100 %
Current financial liabilities	179 307		146 549	
Other current liabilities	1 395 269		1 707 612	
Total current liabilities	1 574 576	56 %	1 854 161	60 %
Non-current financial liabilities	234 247		243 965	
Other non-current liabilities	27 996		36 877	
Total non-current liabilities	262 243	9 %	280 842	9 %
Equity	988 316	35 %	949 499	31 %
Total liabilities and equity	2 825 135	100 %	3 084 502	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	Capital reserves	Treasury shares	Other reserves ¹⁾	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total
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
January 1, 2021	9 960	30 605	- 1 822	- 17 950	800 190	820 983	342	821 325
Net profit Group	-	-	-	-	64 918	64 918	78	64 996
Other comprehensive income	-	-	-	5 737	-	5 737	-	5 737
Total comprehensive income	-	-	-	5 737	64 918	70 655	78	70 733
Distributions to shareholders ²⁾	-	-30 605	-	-	-12 966	-43 571	-	-43 571
Remeasurement of put options on shares of non-controlling interests	-	-	-	-	-	-	-7	-7
June 30, 2021	9 960	-	- 1 822	- 12 213	852 142	848 067	413	848 480

1) See note: Other reserves

2) As last year's distribution to shareholders in 2021 repaid the capital reserves resulting from the reverse acquisition in 2011, the remaining distribution to shareholders was made from retained earnings. Refer to the Annual Report 2021 for the reserve from foreign capital contributions of ALSO Holding AG.

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

Condensed consolidated statement of cash flows

€ 1 000	1st half 2022	1st half 2021
Net profit Group	63 130	64 996
Depreciation and amortization	20 991	19 803
Change in provisions and employee benefits	3 412	812
Other non-cash items	-6 378	5 595
Subtotal	81 155	91 206
Change in net working capital	-619 921	-148 361
Cash flow from operating activities	-538 766	-57 155
Net cash flow from acquisitions of subsidiaries	-	-808
Payment of contingent consideration from acquisitions of subsidiaries	-263	-730
Net cash inflow from the disposal of subsidiaries	-	1 827
Additions to property, plant and equipment	-3 343	-2 492
Disposals to property, plant and equipment	31 107	162
Net investments in intangible assets	-1 653	-1 172
Net investments in financial assets	8	7
Cash flow from investing activities	25 856	-3 206
Distribution to shareholders	-53 763	-43 571
Change in financial liabilities	24 922	-30 103
Cash flow from financing activities	-28 841	-73 674
Exchange differences	-249	-2 729
Change in cash and cash equivalents	-542 000	-136 764
Cash and cash equivalents at January 1	617 245	483 162
Cash and cash equivalents at June 30	75 245	346 398

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, 2022 (unaudited)

Corporate information

ALSO was founded in 1984 and has evolved into one of the leading technology providers in Europe over the last decade. 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 Services, 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, 2022 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, 2021.

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, 2021 except for amended standards that became newly applicable from January 1, 2022. The accounting and measurement principles used are fully described from [page 82 of the Annual Report 2021](#).

As from January 1, 2022, ALSO adopted the following amendments for the first time:

- ▶ Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)
- ▶ Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- ▶ Annual Improvements to IFRS Standards 2018–2020
- ▶ Reference to the Framework (Amendments to IFRS 3)
- ▶ Principal versus Agent: Software-Reseller (IFRS 15 Revenue from Contracts with Customers) – Agenda decision

Changes in accounting – Significant effects principal versus agent: Software resellers (IFRS 15 Revenue from contracts with customers)

ALSO's sales include the sale of software licenses to wholesaler and resellers. The presentation of this revenue depends on whether ALSO acts as principal and obtains control over the promised service before it is transferred, or as agent and accordingly does not obtain control over the service. In case of the principal, the sales and the cost of materials are to be presented gross. In case of the agent, a netting is performed and the net amount is recognized as sales. The assessment of whether ALSO is a principal or an agent is based on the specific circumstances and may involve significant judgment.

In May 2022, the IFRS Interpretations Committee published an agenda decision on principal versus agent for resellers of software licenses. In the agenda decision, the IFRS Interpretations Committee sets out how a reseller might apply the requirements of IFRS 15 on principal versus agent to the specific circumstances. In particular, it clarifies that consulting services provided by the reseller before the contract is entered, do not constitute an implied performance promise. According to the agenda decision, whether the reseller controls the software license prior to the transfer is to be assessed in the specific facts on the license and not on a combined performance promise of consulting services and license.

ALSO has included the consulting services as a significant performance obligation in its previous assessment and has thus concluded to be the principal for any software license sales. Based on the agenda decision, ALSO has analyzed its software licenses sales to determine whether ALSO obtains control over the promised good prior to its transfer, despite the omission of the consulting services as a significant performance obligation, and is therefore the principal or agent if control is not obtained. In this context, ALSO has come to the conclusion that in the case of a software license sale, control over the promised performance is predominantly not obtained prior to its transfer and ALSO therefore acts as agent in these transactions. ALSO continues to act as principal in individual cases of software license sales, if the software license is sold in combination with hardware as a distinct bundle or if the software license is physically delivered to the customer.

As an agent, ALSO recognizes the net sales as the net amount of the transaction at the time of transfer of the performance obligation. The performance obligation from ALSO's perspective as agent is the arrangement of the provision of the electronic software licenses by the other party acting as principal.

The change in accounting policy has been recognized retrospectively and net sales have been adjusted accordingly. The net assets, financial position, performance or cash flows are not affected.

€ 1 000	1st half 2021 Adjusted	Adjustment	1st half 2021 Reported
Total net sales	5 554 945	-368 387	5 923 332
Cost of goods sold and services provided	-5 233 639	368 387	-5 602 026
Gross profit	321 306		321 306
EBITDA	114 647		114 647
Operating profit (EBIT)	94 844		94 844
Net profit Group	64 996		64 996
Basic/diluted earnings per share	5.06		5.06

Application of other changes

The other 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 2022.

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 2022.

In 2021, ALSO Group acquired several entities. Detailed information on these transactions and their effects on the consolidated financial statements for the year ended December 31, 2021 are presented starting on page 92 of the Annual Report 2021. The provisional purchase price allocation of Daquas spol. S r.o. was completed in the first half of 2022. There were no changes in the valuation of the acquired assets.

Business combinations

Purchase price payment AllThingsTalk NV

In the first half 2022 a purchase price payment of T€ 263 was due for the acquisition of AllThingsTalk. The purchase price payment due in 2021 amounted to T€ 730. The purchase price liability for 2022 was measured at a fair value of T€ 417 as of December 31, 2022.

Segment information

€ 1 000	Central Europe		Northern/Eastern Europe		Reconciliation		Group	
	1st half 2022	1st half 2021	1st half 2022	1st half 2021	1st half 2022	1st half 2021	1st half 2022	1st half 2021
Net sales to third parties	2 627 901	2 753 990 ¹⁾	2 896 847	2 800 839 ¹⁾	115	116	5 524 863	5 554 945 ¹⁾
Net sales to other segments	77 508	98 567	115 894	104 990	-193 402	-203 557	-	-
Total net sales	2 705 409	2 852 557¹⁾	3 012 741	2 905 829¹⁾	-193 287	-203 441	5 524 863	5 554 945¹⁾
EBITDA	80 523	59 584	45 181	54 038	1 844	1 025	127 548	114 647
<i>As % of total net sales</i>	3.0%	2.1%	1.5%	1.9%			2.3%	2.1%
Profit before tax (EBT)	63 546	45 753	27 124	40 202	3 388	1 677	94 058	87 632
<i>As % of total net sales</i>	2.3%	1.6%	0.9%	1.4%			1.7%	1.6%
Segment assets	1 553 471	1 463 438	1 481 858	1 309 342	-210 194	-137 215	2 825 135	2 635 565
Segment liabilities	1 111 774	1 092 655	1 107 485	977 800	-382 440	-283 370	1 836 819	1 787 085
Full-time equivalent positions on reporting date	2 037	1 997	1 992	1 940	137	134	4 166	4 071

1) Prior year figure adjusted, see notes: Selected significant accounting and measurement principles

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	1st half 2022	1st half 2021	Change
Nettoerlös aus Lieferung und Leistung	5 524 863	5 554 945	-0.5 %
davon Supply	3 841 017	4 105 769	-6.4 %
davon Solutions	1 556 738	1 332 906	16.8 %
davon Services	127 108	116 270	9.3 %

The significant change in accounting policy [see Changes in accounting – Significant effects principal versus agent: Software resellers \(IFRS 15 Revenue from contracts with customers\)](#) has been recognized retrospectively and net sales have been adjusted accordingly. This leads to an adjustment of the prior-year figures in the supply, solutions and services business models.

€ 1 000	1st half 2021 Adjusted	Adjustment	1st half 2021 Reported
Nettoerlös aus Lieferung und Leistung	5 554 945	-368 387	5 923 332
davon Supply	4 105 769	-14 806	4 120 575
davon Solutions	1 332 906	-176 151	1 509 057
davon Services	116 270	-177 430	293 700

Exchange rates

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

Exchange rates

to €		Average rate		Closing date rate		
		1st half 2022	1st half 2021	06.30.2022	12.31.2021	06.30.2021
USA	USD	1.0934	1.2053	1.0387	1.1326	1.1884
Switzerland	CHF	1.0319	1.0946	0.9960	1.0331	1.0980
Norway	NOK	9.9817	10.1759	10.3485	9.9888	10.1717
Denmark	DKK	7.4402	7.4368	7.4392	7.4364	7.4362
Sweden	SEK	10.4796	10.1308	10.7300	10.2503	10.1110
Poland	PLN	4.6354	4.5374	4.6904	4.5969	4.5201

Transactions with related parties

€ 1 000	1st half 2022	1st half 2021
TRANSACTIONS WITH MAIN SHAREHOLDERS AND OTHER RELATED PARTIES		
Net sales to Droege Group	210	50
Net sales to ALSO Financial Services	535	955
Operating expenses Droege Group	-1 529	-1 741
Operating expenses ALSO Financial Services	-5	-5
Trade receivables Droege Group	304	437
Trade receivables ALSO Financial Services	334	393
Loan to ALSO Financial Services	5 000	5 000
Trade payables Droege Group	-321	-463
Sale of land and building to Droege Group	31 069	-
LIABILITIES WITH ALSO PENSION FUND		
ALSO Holding AG	10	7
ALSO Schweiz AG	358	320

For the first half of 2022, transactions with key management correspond with those transactions disclosed in the consolidated financial statements 2021.

The distributions of T€ 27 643 to Droege that were decided at the General Meeting of March 18, 2022 were paid on March 23, 2022.

Other reserves

€ 1 000	Cash flow hedge reserve	Exchange differences	Remeasurement of defined benefit plans	Total other reserves
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
January 1, 2021	-8 287	759	-10 422	-17 950
Net profit Group	-	-	-	-
Other comprehensive income	1 733	-75	4 079	5 737
Total comprehensive income	1 733	-75	4 079	5 737
Distributions to shareholders	-	-	-	-
Changes in the scope of consolidation	-	-	-	-
June 30, 2021	-6 554	684	-6 343	-12 213

Financial instruments

Fair value of the financial instruments

€ 1 000	2022				2021			
	Level 1	Level 2	Level 3	Fair value 06.30.2022	Level 1	Level 2	Level 3	Fair value 12.31.2021
FINANCIAL ASSETS								
Current derivative financial instruments		1 912		1 912		59		59
<i>Forward exchange contracts</i>		1 912		1 912		59		59
Non-current derivative financial instruments		15 555		15 555		1 007		1 007
<i>Interest rate options</i>		15 555		15 555		1 007		1 007
FINANCIAL LIABILITIES								
Contingent consideration from acquisitions of subsidiaries			-2 331	-2 331			-2 594	-2 594
Current derivative financial instruments		-631		-631		-829		-829
<i>Forward exchange contracts</i>		-300		-300		-498		-498
<i>Interest rate options</i>		-331		-331		-331		-331
Non-current derivative financial instruments		-1 246		-1 246		-6 652		-6 652
<i>Interest rate swaps</i>						-5 406		-5 406
<i>Interest rate options</i>		-1 246		-1 246		-1 246		-1 246
Total financial instruments level 3			-2 331				-2 594	

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

Reconciliation of financial instruments within Level 3

€ 1 000	1st half 2022	2021
January 1	-2 594	-5 127
Fair value adjustments of contingent consideration recognized in financial result	-	1 803
Payments contingent consideration	263	730
June 30/December 31	-2 331	-2 594

In the first half of 2022 and financial year 2021 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 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.

The fair value of contingent considerations from the acquisition of subsidiaries 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

€ 1 000	1st half 2022	2021
5% increase in the expected future results	-	-
5% reduction in the expected future results	1 790	1 790

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 year 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. This 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 18, 2022, the shareholders of ALSO Holding AG decided to distribute CHF 4.30 per registered share from the foreign capital contribution reserve to the shareholders of ALSO Holding AG, payable from March 23, 2022.

Events after the reporting period

Acquisition IT division Ramiris

On July 4, 2022, ALSO Holding AG, acquired through its subsidiary ALSO Ramiris Kft. the assets and liabilities of the IT division of Ramiris Europe Kft. in Budapest, Hungary, in order to further expand its presence in the Hungarian market. The consideration for the assets and liabilities acquired amounted to T€ 8 699, of which T€ 7 899 was paid out and the remaining amount is due in 2023. The preliminary fair value of the assets and liabilities amounts to approximately T€ 6 178 and the acquired goodwill amounts to approximately T€ 2 521.

Acquisitions Portugal

On July 4, 2022, ALSO Holding AG, acquired through its subsidiary ALSO Portugal, Unipessoal Lda, the assets and liabilities of the IT division of JP Sá Couto, in Lisbon, Portugal, in order to enter the Portuguese market. The consideration for the assets and liabilities acquired amounted to T€ 15 236, of which T€ 13 236 was paid out and the remaining amount is due over the second half of 2022 and 2023. The preliminary fair value of the assets and liabilities amounts to approximately T€ 5 189 and the acquired goodwill amounts to approximately T€ 10 047.

Furthermore, ALSO Holding AG acquired 100% of the voting shares of Integrated Inspiring Solutions, Lda, in Lisbon, Portugal, on July 4, 2022. The consideration for the 100% of the voting shares amounted to T€ 5 000. The preliminarily determined fair value of the net assets amounts to approximately T€ 1 040 and the goodwill to approximately T€ 3 960.

Approval of interim financial statements

These interim financial statements were released for publication by the Board of Directors of ALSO Holding AG on July 15, 2022.

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 a new alternative performance indicator introduced by ALSO due to the change in the recognition of net sales [see Changes in accounting – Significant effects principal versus agent: Software resellers \(IFRS 15 Revenue from contracts with customers\)](#). 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 €	1st half 2022	1st half 2021	Change
Net sales before PvA	5 974.4	5 923.3	0.9 %
thereof Supply	3 850.9	4 120.5	–6.5 %
thereof Solutions	1 702.8	1 509.1	12.8 %
thereof Services	420.7	293.7	43.2 %

Organic growth

The organic growth results from the change in the net sales before PvA (prior year: net sales) 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 1st half 2021	5 923.3
Organic growth	–17.0
Inorganic growth	68.1
Net sales before PvA 1st half 2022	5 974.4

Supply, Solution and Services net sales

In million €	1st half 2022	1st half 2021	Change
Total net sales	5 524.9	5 554.9	–0.5 %
thereof Supply	3 841.0	4 105.7	–6.4 %
thereof Solutions	1 556.8	1 332.9	16.8 %
thereof Services	127.1	116.3	9.3 %

The significant change in accounting policy [see Changes in accounting – Significant effects principal versus agent: Software resellers \(IFRS 15 Revenue from contracts with customers\)](#) has been recognized retrospectively and net sales have been adjusted accordingly. This leads to an adjustment of the prior-year figures in the supply, solutions and services business models.

In million €	1st half 2021 Adjusted	Adjustment	1st half 2021 Reported
Total net sales	5 554.9	–368.4	5 923.3
thereof Supply	4 105.7	–14.8	4 120.5
thereof Solutions	1 332.9	–176.2	1 509.1
thereof Services	116.3	–177.4	293.7

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 €	1st half 2022	1st half 2021	Change
EBITDA as reported	127.5	114.6	11.3 %
IFRS 16 effect	13.0	11.9	
EBITDA (without IFRS 16 effect)	114.5	102.7	11.5 %

Net financial debt without effect due to IFRS 16 leases

$$\begin{aligned} \text{NFD} = & \text{current financial liabilities} \\ & + \text{non-current financial liabilities} \\ & - \text{cash and cash equivalents} \end{aligned}$$

The net financial debt is corrected for lease liabilities:

In million €	06.30.2022	12.31.2021	06.30.2021
Current financial liabilities	179.3	146.5	88.3
Non-current financial liabilities	234.2	244.0	325.8
Total financial liabilities	413.5	390.5	414.1
./. Cash and cash equivalents	-75.2	-617.2	-346.4
Net financial debt as reported	338.3	-226.7	67.7
IFRS 16 effect	-80.2	-89.2	-94.0
Net financial debt (without IFRS 16 effect)	258.1	-315.9	-26.3

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 million €	1st half 2022	1st half 2021
Foreign currency effect on total net sales	10.0	1.4
Foreign currency effect on cost of goods sold and services provided	-18.0	-2.1
Foreign currency effect	-8.0	-0.7

Return on capital employed (ROCE)

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

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 2022	June 2021
ROCE	13.8 %	19.4 %

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