

Alternative Performance Measures (APM)

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA)

in CHF millions	Note	2023	2022
Revenue		1'151.5	1'150.6
Operating result (EBIT)		120.4	149.2
EBIT margin		10.5%	13.0%
Depreciation and amortisation	7	80.2	75.8
EBITDA		200.6	225.0
EBITDA margin		17.4%	19.6%

RETURN ON CAPITAL EMPLOYED (ROCE)

ROCE is calculated by dividing the operating result (EBIT) by the average capital employed. The following table illustrates the ROCE calculation:

in CHF millions	2023	2022
EBIT	120.4	149.2
EBIT margin	10.5%	13.0%
Average capital employed	896.6	848.4
Return on capital employed	13.4%	17.6%

AVERAGE CAPITAL EMPLOYED (CE)

Average capital employed according to Datwyler's definition is calculated using the average of the trade accounts receivable, inventories, property, plant and equipment excluding assets under construction, intangible assets less trade accounts payable. Averages are calculated using the balance sheet amounts per 31 December, 30 June and 31 December of the prior year divided by 3 as illustrated on the following table:

in CHF millions	31.12.2023	30.06.2023	31.12.2022	30.06.2022	31.12.2021
Trade accounts receivable	227.2	249.9	250.3	250.0	169.7
Inventories	166.7	199.4	209.0	214.6	143.4
Property, plant and equipment excluding assets under construction	504.1	542.8	510.9	507.3	461.1
Intangible assets	31.4	33.1	31.8	29.1	27.4
Trade accounts payable	-81.6	-89.7	-95.6	-95.5	-68.3
Capital employed (CE)	847.8	935.5	906.4	905.5	733.3
Average capital employed	896.6	848.4			

The average capital employed per 31 December 2023 is calculated using the capital employed per 31 December 2023, 30 June 2023 and 31 December 2022 dividing by 3 equalling CHF 896.6 million. Similarly, the average per 31 December 2022 equates the average of 31 December 2022, 30 June 2022 and 31 December 2021. The ROCE as presented for the Business Areas Healthcare Solutions and Industrial Solutions is calculated accordingly.

in CHF millions	Healthcare Solutions		Industrial Solutions	
	2023	2022	2023	2022
EBIT	74.4	106.3	46.0	42.9
Average capital employed	466.8	443.9	422.7	399.2
Return on capital employed (ROCE)	15.9%	23.9%	10.9%	10.7%

CAPITAL EXPENDITURES

Capital expenditures represent the additions to property, plant and equipment and intangible assets as presented in the tables of notes 14 and 15 of the consolidated financial statements (as opposed to the cash flow statement on page F08 where capital expenditures relate to cash payments only).

in CHF millions	Note	Healthcare Solutions		Industrial Solutions		Datwyler Group	
		2023	2022	2023	2022	2023	2022
Capital expenditures in property, plant and equipment	14	19.8	53.8	25.4	37.6	45.3	91.6
Capital expenditures in intangible assets	15	2.2	4.4	5.4	5.6	7.7	10.2
Total capital expenditures		22.0	58.2	30.8	43.2	53.0	101.8

FREE CASH FLOW AND NET CHANGE IN CASH AND CASH EQUIVALENTS

Free cash flow equals net cash from operating activities reduced by net cash used in investing activities as presented in the cash flow statement on page F08.

in CHF millions	2023	2022	2021	2020	2019
Net cash from operating activities	194.9	118.6	183.5	185.3	174.8
Net cash used in investing activities	-58.2	-701.5	-23.1	-69.6	-101.6
Free cash flow	136.7	-582.9	160.4	115.7	73.2
Net cash from financing activities	-109.7	466.8	-113.0	-132.7	-49.2
Net change in cash and cash equivalents	27.0	-116.1	47.4	-17.0	24.0