FINANCIAL REPORT
2023

DATWYLER

DATWYLER FINANCIAL REPORT 2023

Consolidated Financial Statements

Group Financial Review

CONSOLIDATED INCOME STATEMENT DATWYLER GROUP

In 2023, the Datwyler Group generated net revenue of CHF 1'151.5 million (previous year CHF 1'150.6 million). This corresponds to an increase of 0.1%. The effect of the companies acquired in the previous year amounted to CHF 55.0 million or 4.8%. The negative exchange rate effect due to consolidation in Swiss francs amounted to -4.4%. Adjusted for these factors, there was an organic decrease of –0.3%.

Change in net revenue

in CHF millions	2023	%	2022	%
Acquisition/disposal of subsidiaries	55.0	4.8%	–26.2	–2.4%
Foreign currency translation to CHF	–50.4	–4.4%	–23.7	–2.2%
Organic change	–3.7	–0.3%	98.8	9.0%
Total change in net revenue	**0.9**	**0.1%**	**48.9**	**4.4%**

The gross profit margin fell to 20.9% (previous year 22.2%). Gross profit was negatively impacted by negative currency translation effects of –5.6% and higher raw material prices of 1.8%. The remaining organic change in gross profit amounted to –2.1%.

Change in gross profit

in CHF millions	2023	%	2022	%
Acquisition/disposal of subsidiaries	9.3	3.6%	–23.5	–8.4%
Foreign currency translation to CHF	–14.3	–5.6%	–7.8	–2.8%
Impact raw material purchases	–4.7	–1.8%	–30.5	–10.9%
Other organic change	–5.3	–2.1%	37.8	13.5%
Total change in gross profit	**–15.0**	**–5.9%**	**–24.0**	**–8.6%**

In 2023, the operating result (EBIT) amounted to CHF 120.4 million (previous year CHF 149.2 million) and the EBIT margin was 10.5% (previous year: 13.0%), with this change occurring as follows:

Change in operating result

in CHF millions	2023	%	2022	%
Acquisition/disposal of subsidiaries	4.3	2.9%	–78.2	–33.4%
Foreign currency translation to CHF	–6.6	–4.4%	–5.9	–2.5%
Other organic change	–26.5	–17.8%	–0.9	–0.4%
Total change in operating result	**–28.8**	**–19.3%**	**–85.0**	**–36.3%**

The operating result includes the profit from the sale of property, plant and equipment of CHF 0.5 million (previous year CHF 0.2 million).

With higher interest expenses of CHF 14.6 million (previous year CHF 8.4 million), the financial result shows a higher net expense of CHF 28.7 million (previous year CHF 12.3 million) compared to the previous year. The income tax expense fell to CHF 24.9 million (previous year CHF 32.1 million) and the tax rate rose to 27.2% (previous year 23.4%). The weighted average income tax rate for the Group is 22.5% (previous year 22.1%). The net result amounted to CHF 66.8 million (previous year CHF 104.8 million).

CONSOLIDATED BALANCE SHEET DATWYLER GROUP

Total assets decreased by CHF –98.2 million compared to the previous year to CHF 1'200.8 million (previous year CHF 1'299.0 million). Trade receivables fell to CHF 227.2 million (previous year CHF 250.3 million) and inventories decreased to CHF 166.7 million (previous year CHF 209.0 million). With trade payables of CHF 81.6 million (previous year CHF 95.6 million), net current assets decreased by –14.1% to CHF 312.3 million (previous year CHF 363.7 million). Cash and cash equivalents increased by CHF 21.1 million.

Equity decreased by CHF –17.4 million compared to the previous year to CHF 386.2 million (previous year CHF 403.6 million). This corresponds to an equity ratio of 32.2% (previous year 31.1%). The main changes in equity were the net result of CHF 66.8 million (previous year CHF 104.8 million), the dividend payment of CHF –54.4 million (previous year CHF –71.4 million), the offsetting of goodwill of CHF –0.5 million (previous year CHF –552.6 million) and negative currency translation differences of CHF –27.7 million (previous year CHF –22.3 million) on the equity of foreign subsidiaries.

Current and non-current liabilities to banks decreased by CHF –101.9 million year-on-year to CHF 52.0 million (previous year CHF 153.9 million). Cash and cash equivalents and money market investments amounted to CHF 122.5 million at the end of the reporting year (previous year CHF 101.3 million). Taking into account the bonds of CHF 389.6 million (previous year CHF 389.5 million) and the loans granted by Pema Holding of CHF 198.0 million (previous year CHF 154.0 million), the net debt position amounted to CHF 517.1 million (previous year CHF 596.1 million).

Current assets decreased by –4.8% to CHF 574.7 million (previous year CHF 603.9 million). Fixed assets fell by –9.9% to CHF 626.1 million (previous year CHF 695.1 million).

CONSOLIDATED CASH FLOW STATEMENT DATWYLER GROUP

With a net result of CHF 66.8 million (previous year CHF 104.8 million), the Datwyler Group achieved a net cash flow from operating activities of CHF 194.9 million (previous year CHF 118.6 million). This cash flow was used to pay for investments in property, plant and equipment in the amount of CHF 51.8 million (previous year CHF 90.0 million). This corresponds to an investment ratio (investments as a % of net sales) of 4.5% (previous year 7.8%). The repayment of bank liabilities amounted to CHF 93.7 million net (previous year net borrowings of CHF 148.8 million). Loans amounting to CHF 44.0 million (previous year CHF 154.0 million) were granted by Pema Holding AG. In addition, a 2.1% bond for CHF 240.0 million was placed in the previous year. The cash inflows and outflows resulted in a net change in cash and cash equivalents of CHF 27.0 million (previous year CHF -116.1 million). This resulted in cash and cash equivalents of CHF 122.4 million (previous year CHF 101.3 million).

ADDITIONAL INFORMATION

Comments on the main events of the current financial year can be found in the Letter to Shareholders and in the Business Areas section of the Annual Report.

Full-time equivalents
The average number of full-time equivalents for the year was 8,303 (previous year: 8,104).

Risk assessment
As part of its duty to oversee the management of the Group, the Board of Directors of Daetwyler Holding Inc. conducts a systematic risk assessment at least once a year. At the meeting on 29 September, 2023, the Board of Directors took note of the management report on Group-wide risk management and approved the measures proposed therein

Financial risk management
The Datwyler Group's global operations expose it to various financial risks such as currency risk, interest rate risk, credit risk, liquidity risk and market price risk. The nature of these risks has not changed significantly compared to the previous year. The Group's financial risk management, which remains unchanged from the previous year, is aimed at minimizing potential negative effects on the financial result that may arise from unforeseeable developments on the financial markets. To this end, derivative financial instruments are also used to economically hedge risks and positions..

Liquidity reserves

in CHF millions	2023	2022
Cash and cash equivalents	122.4	101.3
Money market investments	0.1	–
Available credit lines	313.5	341.6
Total liquidity reserves	**436.0**	**442.9**

Net cash surplus

in CHF millions	2023	2022
Cash and cash equivalents	122.4	101.3
Money market investments	0.1	–
Less short-term bank debt	–5.9	–10.7
Net cash surplus	**116.6**	**90.6**

Order intake and backlog
Orders received amounted to CHF 1,082.6 million (previous year CHF 1,107.9 million) and orders on hand at the end of the year totalled CHF 400.8 million (previous year CHF 485.4 million).

Research and development expenses
Research and development expenses are disclosed in the consolidated income statement. Research and development activities relate to various projects for customers and products.

Exceptional events
Acquisition and sale of subsidiaries are disclosed in note 31, other business transactions are presented in note 2 of the notes to the consolidated financial statements.

Future outlook
The estimates relating to the future outlook are presented in the letter to the shareholders and in the chapter Business Areas of the annual report.

Consolidated Income Statement

in CHF millions	Note	2023	2022
Net revenue	3	**1'151.5**	**1'150.6**
Cost of goods sold		–911.3	–895.4
Gross profit		**240.2**	**255.2**
Research and development expenses		–41.5	–35.7
Marketing and selling expenses		–32.6	–34.4
General and administrative expenses		–66.9	–56.9
Other operating income	4	21.6	21.2
Other operating expenses		–0.4	–0.2
Operating result	3	**120.4**	**149.2**
Net finance result	8	–28.7	–12.3
Earnings before tax (EBT)		**91.7**	**136.9**
Income tax expenses	9	–24.9	–32.1
Net result		**66.8**	**104.8**
Net result per bearer share (in CHF)	24	**3.93**	**6.16**

For both years, there were no dilutive effects affecting the net result per share.
The accompanying notes on pages F10 to F36 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

Assets

in CHF millions	Note	31.12.2023	31.12.2022
Cash and cash equivalents	10	122.4	101.3
Money market investments	10	0.1	–
Trade accounts receivable	11	227.2	250.3
Inventories	12	166.7	209.0
Other receivables	13	43.7	29.4
Prepayments made and accrued income		14.6	13.9
Current assets		**574.7**	**603.9**
Property, plant and equipment	14	536.7	607.5
Intangible assets: Software	15	31.4	31.8
Deferred income tax assets	22	56.1	53.8
Miscellaneous financial assets	16	1.9	2.0
Non-current assets		**626.1**	**695.1**
Total assets		**1'200.8**	**1'299.0**

Liabilities and equity

in CHF millions	Note	31.12.2023	31.12.2022
Trade accounts payable	19	81.6	95.6
Short-term bank debt	17	5.9	10.7
Short term bonds	18	150.0	–
Current provisions	21	11.9	13.1
Other current liabilities	20	31.2	40.2
Accrued expenses and deferred income		34.2	30.6
Current liabilities		**314.8**	**190.2**
Long-term bank debt	17	46.1	143.2
Long-term interest-bearing liabilities due to Pema Holding AG	32	198.0	154.0
Long term bonds	18	239.6	389.5
Long-term provisions	21	4.3	5.5
Deferred income tax liabilities	22	9.1	8.6
Pension liabilities	6	2.5	2.9
Other long-term liabilities	20	0.2	1.5
Long-term liabilities		**499.8**	**705.2**
Total liabilities		**814.6**	**895.4**
Share capital	23	0.9	0.9
Treasury shares	25	–	–
Additional paid-in capital		205.1	205.1
Goodwill offset against equity	15	–838.7	–838.2
Retained earnings		1'157.8	1'147.0
Cumulative translation adjustments		–138.9	–111.2
Equity		**386.2**	**403.6**
Total liabilities and equity		**1'200.8**	**1'299.0**

The accompanying notes on pages F10 to F36 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

in CHF millions	Note	2023	2022
Net result		**66.8**	**104.8**
Income tax expenses	9	24.9	32.1
Depreciation and amortisation	7	80.2	75.8
Share award and long-term incentive plan		2.7	2.2
Other non-cash expenses/(income)		36.5	9.9
Gain on sale of property, plant and equipment, net		–0.1	-0.0
Change in long-term provisions and pension liabilities		0.3	1.1
Interest income	8	–0.8	–0.3
Interest expense	8	14.6	8.4
Operating cash flow before changes in working capital		225.1	234.0
Change in trade accounts receivable		6.7	–45.1
Change in other receivables, prepayments made and accrued income		–15.1	–1.9
Change in inventories		29.7	–38.9
Change in trade accounts payable		–8.9	8.1
Change in other current liabilities, accrued expenses and deferred income		4.0	–3.1
Change in current provisions		–1.8	–1.8
Interest received		0.8	0.3
Interest paid		–14.9	–4.7
Income tax paid		–30.7	–28.3
Net cash from operating activities		**194.9**	**118.6**
Disbursements relating to purchases of / investments in:			
– Property, plant and equipment		–51.8	–90.0
– Intangible assets		–7.7	–10.2
– Earnout payments (previous year subsidiaries)	31	–0.5	–661.8
– Financial assets		–0.1	–0.3
– Money market investments		–0.1	–
Proceeds from sale of:			
– Property, plant and equipment		2.0	0.8
– Money market investments		–	60.0
Net cash used in investing activities		**–58.2**	**–701.5**
Repayments of/proceeds from short-term bank debt	17	–93.7	1.0
Proceeds from long-term bank debt	17	–	147.8
Net proceeds from issue of bond	18	–	239.4
Proceeds from loan payable to Pema Holding AG	32	44.0	154.0
Change in other long-term liabilities		–1.4	1.5
Purchase of treasury shares		–4.2	–5.5
Dividend paid to shareholders		–54.4	–71.4
Net cash from financing activities		**–109.7**	**466.8**
Net change in cash and cash equivalents		**27.0**	**–116.1**
Cash and cash equivalents at 1 January	10	101.3	219.6
Effect of exchange rate changes on cash and cash equivalents		–5.9	–2.2
Cash and cash equivalents at 31 December	10	**122.4**	**101.3**

The accompanying notes on pages F10 to F36 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

in CHF millions	Note	Share capital	Treasury shares	Additional paid-in capital	Goodwill offset against equity	Retained earnings	Cumulative translation adjust-ments	**Total equity**
At 1 January 2022		**0.9**	**–**	**205.1**	**–285.6**	**1'116.8**	**–88.9**	**948.3**
Net result		–	–	–	–	104.8	–	104.8
Dividends		–	–	–	–	–71.4	–	–71.4
Purchase of treasury shares	25	–	–5.5	–	–	–	–	–5.5
Share award plan	26	–	1.1	–	–	–	–	1.1
Long-term incentive plan	26	–	4.4	–	–	–3.2	–	1.2
Offset of goodwill from acquisitions	15	–	–	–	–552.6	–	–	–552.6
Currency translation differences		–	–	–	–	–	–22.3	–22.3
At 31 December 2022		**0.9**	**–**	**205.1**	**–838.2**	**1'147.0**	**–111.2**	**403.6**
Net result		–	–	–	–	66.8	–	66.8
Dividends		–	–	–	–	–54.4	–	–54.4
Purchase of treasury shares	25	–	–4.2	–	–	–	–	–4.2
Share award plan	26	–	1.4	–	–	–	–	1.4
Long-term incentive plan	26	–	2.8	–	–	–1.6	–	1.2
Offset of goodwill from acquisitions	15	–	–	–	–0.5	–	–	–0.5
Currency translation differences		–	–	–	–	–	–27.7	–27.7
At 31 December 2023		**0.9**	**–**	**205.1**	**–838.7**	**1'157.8**	**–138.9**	**386.2**

Holding company's share capital: CHF 850'000 (previous year CHF 850'000).

Cumulative translation adjustments: Arising on translation of subsidiaries' equity and income statements denominated in foreign currencies.

Total equity: At 31 December 2023 shareholders' equity includes legal reserves of CHF 279.3 million (previous year CHF 259.0 million), of which CHF 30.4 million (previous year CHF 31.0 million) are not distributable.

The accompanying notes on pages F10 to F36 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 / SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The consolidated financial statements give a true and fair view of the financial position, results of operations and cash flows of the Datwyler Group. They have been prepared in accordance with all existing accounting standards (Swiss GAAP FER) and are based on the financial statements of the subsidiaries prepared in accordance with uniform accounting policies as at December 31. The consolidated financial statements are based on the principle of historical cost and are prepared on a going concern basis. The accounting principles of Swiss GAAP FER did not change in the reporting year. Furthermore, the provisions of the Listing Rules of the SIX Swiss Exchange and Swiss company law were complied with.

On 1 January, 2024, the new standard "Swiss GAAP FER 30 - Consolidated Financial Statements" will come into force. The amendments to ARR 30 essentially specify the accounting and treatment of step acquisitions, goodwill and currency translation differences in connection with intercompany loans of equity like loans. According to the new recommendation, intangible assets not previously recognized for an acquired subsidiary that are relevant to the acquisition of control must be identified and recognized. As part of the first-time application of ARR 30, the new provisions on goodwill are not applied retrospectively. The Datwyler Group is not applying this standard early. At its meeting on 5 February, 2024, the Board of Directors of Datwyler Holding Inc. approved the consolidated financial statements for submission to the Annual General Meeting on 14 March, 2024.

Use of estimates
The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. The valuation of inventories and estimates relating to provisions involve significant exercise of judgment.

Basis of consolidation
The consolidated financial statements comprise the financial statements of Dätwyler Holding Inc. domiciled in Altdorf (Switzerland) and all subsidiaries that belonged to the Group during the year and over which Dätwyler Holding Inc. had the power to govern the financial and operating policies so as to obtain benefits from their activities. At Datwyler Group, this is achieved when more than 50% of a subsidiary's share capital or voting rights is unconditionally owned directly or indirectly by Dätwyler Holding Inc. A list of the subsidiaries included in the consolidation is presented in note 34.

Consolidation method
The reporting date for Dätwyler Holding Inc., all subsidiaries and the consolidated financial statements is 31 December except for the Indian subsidiaries (31 March).

The full consolidation method is applied to all subsidiaries included in the consolidation. Their assets, liabilities, income and expenses are incorporated in full. Minority interests are presented as a separate component of the Group's equity and net result. The purchase method of accounting is used to account for the acquisition of subsidiaries. Under this method, the carrying amount of the investment in a subsidiary is offset against the Group's share of the fair value of the subsidiary's net assets.

Intercompany transactions and balances are eliminated. Unrealised intercompany profits on goods and services supplied within the Group but not yet sold to third parties are eliminated on consolidation.

Companies over which the Group has the power to exercise significant influence, generally accompanying a shareholding of between 20% and 50% of the voting rights, are classified as associates and accounted for using the equity method. At year-end of the current reporting year, the Group had no investments classified as associates.

Companies acquired or established or those in which the Group increases its interest and thereby obtains control during the year are consolidated from the date of formation or date on which control commences. Companies are deconsolidated from the date that control effectively ceases upon disposal or a reduction in ownership interest.

Foreign currency translation

TRANSLATION FOR CONSOLIDATION PURPOSES

The financial statements of foreign subsidiaries are prepared in local currencies. For the purpose of consolidation, the local financial statements are translated into Swiss francs (CHF), which is the Group’s presentation currency. The principal exchange rates used to translate foreign currencies in the Datwyler Group were as follows:

	2023		2022	
	Closing rate at 31.12.	Average rate for the year	Closing rate at 31.12.	Average rate for the year
100 CNY	11.79	12.71	13.38	14.18
1 EUR	0.93	0.97	0.98	1.00
1 USD	0.84	0.90	0.92	0.95

For the purpose of presenting consolidated financial statements, assets and liabilities for each balance sheet are translated at the closing rate at the balance sheet date, while income statements, cash flow statements and other movements are translated at average exchange rates for the year.

Exchange differences arising from the translation of balance sheets and income statements of foreign subsidiaries are taken directly to reserves (currency translation reserve in equity) and not recognised in the income statement.

TRANSLATION OF BALANCES AND TRANSACTIONS IN THE ACCOUNTS OF SUBSIDIARIES

In preparing the financial statements of the individual subsidiaries, assets and liabilities denominated in foreign currencies are translated at the closing rates used in the consolidation. Exchange differences resulting from the settlement of foreign currency transactions and from the translation of assets and liabilities denominated in foreign currencies are recognised as foreign exchange gains or losses in the income statement. Exchange differences from the valuation of equity-like loans denominated in foreign currencies or in CHF at foreign subsidiaries are directly charged to equity.

Income statement and balance sheet

REVENUE RECOGNITION

In the Healthcare Solutions and Industrial Solutions business areas revenues are mainly generated from the sale of products from own production and from distribution of goods for resale and from rendering of services. Revenue arising from the sale of manufactured products and goods for resale is recognised when the significant risks and rewards of ownership have passed to the buyer, which generally coincides with their delivery, depending on the terms agreed for instance ex works or on arrival at the customer's destination. Revenue under long-term multiple supply contracts is recorded when each instalment is delivered, according to the quantity delivered. Revenue from services rendered is recognised by reference to the stage of completion in the period in which the services were rendered.

GROSS PROFIT

The income statement is presented using the functional format where gross profit represents net revenue less cost of goods sold.

RESEARCH AND DEVELOPMENT

Research expenditure is recognised as an expense in the period in which it is incurred. Development costs are capitalised only if it can be demonstrated that future economic benefits will be generated. Otherwise they are charged to the income statement.

INCOME TAX EXPENSE

Current income tax is calculated on taxable profits for the year and recognised on an accrual basis.

Deferred income tax is provided, using the liability method, on all temporary differences and recognised as tax liabilities or assets. Temporary differences arise between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The same method is also used to provide for differences arising on acquisitions between the fair value and tax base of the assets acquired. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right and intends to settle its current tax assets and liabilities on a net basis. Deferred tax is calculated using local tax rates that have been enacted by the balance sheet date.

Tax losses carried forward and other temporary valuation differences are recognised as deferred tax assets to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Provision is made for tax that will arise on the distribution of profits retained by subsidiaries, mainly comprising non-refundable withholding tax and income tax in the parent company, if it is intended to remit such profits in the form of dividends.

CASH AND CASH EQUIVALENTS AND MONEY MARKET INVESTMENTS

Cash and cash equivalents comprise cash in hand, deposits in postal and bank accounts, and money market investments with original maturities of three months or less. They are stated at nominal value. Money market investments with an original maturity of 91 to 360 days are also stated at nominal value and classified separately in the balance sheet.

TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT RECEIVABLES

Trade accounts receivable and other current receivables are recognised at nominal value less provision for any impairment.

Doubtful debts are provided for by way of specific provisions and taking into account the actual losses expected based on past experience. Delinquency in payment by customers, or the probability that the debtor will enter bankruptcy or financial reorganisation are considered indicators of impairment. The provision for impairment of receivables is presented separately. The amount of the provision is the difference between the receivable’s carrying amount and its current estimated recoverable amount. When receivables are no longer collectible, they are written off against the provision for impairment. Changes in the carrying amount of the provision for impairment and income from recoveries of receivables previously written off are recognised in the income statement.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Purchasing discounts received are offset against the production cost of inventories. Production cost comprises all direct material and manufacturing costs as well as those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method. Appropriate provisions are made for slow-moving inventories and obsolete inventories are fully written off. If the net realisable value of inventories is lower than their purchase price or production cost, then their carrying amount is written down as necessary.

PROPERTY, PLANT AND EQUIPMENT

Land is stated at cost. Land use rights, buildings, plant and equipment are stated at cost less depreciation, calculated on a straight-line basis to write off the assets over their estimated useful lives, and less any impairment losses. Cost comprises the purchase price and any costs directly attributable to bringing the assets into working condition for their intended use.

The estimated useful lives and depreciation periods are as follows:

	Years
Buildings:	
– Building structures	20–40
– Interiors	20
Installations, storage equipment, tanks, silos, etc.	10–20
Production equipment	10–15
Production equipment: electrical/electronic equipment	5–8
Machinery	8–10
Moulds and tools	3

Land is generally not depreciated, but any impairment loss is recognised.

Costs of maintenance and renovations, other than improvements, are charged to the income statement. Borrowing costs of long-term projects actually incurred during construction in progress are capitalised, all other financing costs are expensed as incurred.

The residual values and useful lives of property, plant and equipment are reviewed annually and adjusted, if appropriate.

LEASES

The Datwyler Group leases certain assets. Finance leasing and operating leasing agreements are treated differently. In a finance lease, the lessor transfers substantially all the risks and rewards relating to ownership of the leased asset to the Datwyler Group. The fair value of such assets or, if lower, the net present value of the future minimum lease payments is therefore recognised as a non-current asset and as a finance lease liability in the balance sheet. Assets acquired under finance leases are depreciated over the shorter of their estimated useful lives or the lease term. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

INTANGIBLE ASSETS

Intangible assets mainly include software as well as licences, patents and other intangible assets which are capitalised at cost and amortised on a straight-line basis over their estimated useful lives. Useful lives of software are between 3 and 5 years. Only the blueprints for the implementation of the enterprise resource planning system are amortised over a 10 year period.

GOODWILL

Goodwill arising on business combinations represents the excess of the cost of acquisition over the Group's interest in the fair value of the acquired assets and liabilities at the date of acquisition. Goodwill from acquisitions is fully offset against equity at the date of acquisition. The impact of the theoretical capitalisation and amortisation of goodwill is disclosed in the notes to the consolidated financial statements. On sale of an acquired subsidiary, goodwill from acquisitions formerly directly offset against equity is charged to income at original cost when calculating the gain or loss on sale. For the determination of goodwill from acquisitions, parts of the purchase price contingent on future performance are estimated best possible at the date of acquisition. Accordingly, goodwill offset against equity is modified for adjustments resulting later from the final purchase price determination. Goodwill may also arise upon investments in associates, being the excess of the cost of investment over the Group's share of the fair value of the net assets recognised.

IMPAIRMENT OF NON-CURRENT ASSETS AND GOODWILL

At every balance sheet date an assessment is made for non-current assets (in particular property, plant, equipment, intangible assets, financial assets as well as goodwill offset against equity) whether indicators for an impairment exist. If indicators for a continuous impairment exist, the recoverable amount of the asset is determined. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset belongs.

When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statement. As goodwill is fully offset against equity at the date of acquisition, an impairment of goodwill will not affect income, but only be disclosed in the notes to the consolidated financial statements.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments used for hedging balance sheet items are recognised at fair value on the date a derivative contract is entered into and are recorded as other receivables or other current liabilities. Derivatives are subsequently remeasured to their current fair value at each balance sheet date, with unrealised gains and losses recognised in the income statement. Fair values of derivative financial instruments are determined by reference to current market prices on the balance sheet date. Changes in the fair value of derivative financial instruments used to hedge future cash flows are directly recognised in equity until realised.

The Group uses forward exchange contracts and currency options to hedge its exposure to foreign currency risk.

MISCELLANEOUS FINANCIAL ASSETS

Miscellaneous financial assets include loans to third parties and minority shareholdings. Loans receivable and minority shareholdings are stated at cost less appropriate impairment losses.

TRADE ACCOUNTS PAYABLE

Trade accounts payable are recognised at nominal value.

PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. A provision for the expected costs associated with a possible restructuring is recognised when a detailed restructuring plan has been developed and the measures have been approved before the balance sheet date. For long-term provisions material discounting effects are considered.

BANK DEBT

Bank debt is recognised at nominal value. Discounts are netted with bank debt and recognised on a straight-line basis in the financial result of the income statement over the period of the respective bank loan. Bank debt is classified as current liabilities unless the Group has the right to defer settlement of the liability for at least 12 months after the balance sheet date.

BONDS

Bonds are initially recorded at issue price net of issue costs. Issue costs and any discount or premium are recognised in the financial result of the income statement over the period of the respective bond.

DIVIDENDS

Dividend payments to shareholders are recognised as a liability in the balance sheet in the period in which the dividends are approved by shareholders.

PENSION BENEFITS

Pension benefit obligations of subsidiaries are recognised in the consolidated financial statements according to legal regulations and local rules of the respective countries. The actual economic impact of pension schemes for a Group company is calculated as at balance sheet date. An economic benefit is recorded, if it will be used for future pension contributions made by the company. An economic obligation is recognised if the requirements to record a provision are met. Unrestricted employer contribution reserves are capitalised as an asset.

The Swiss subsidiaries of the Group have their own legally independent pension schemes financed by employer and employee contributions. The economic impact of a funding surplus or deficit of pension schemes for the Group, the change in employer contribution reserves and the contributions accrued for the period are charged to income as personnel expenses. The calculation of a funding surplus or deficit is made based on the annual financial statements of the respective pension schemes prepared in accordance with Swiss GAAP ARR 26.

There are no significant pension schemes in foreign countries. Certain foreign subsidiaries have unfunded pension schemes and recognise the respective benefit obligation as a provision directly in the balance sheet. Such pension liabilities are calculated using methods accepted in the respective countries with changes charged to income as personnel expenses. In addition, in certain countries there are comprehensive coverages with insurance companies where the paid insurance premiums are recorded as an expense.

SHARE AWARD PLAN AND LONG-TERM INCENTIVE PLAN

The share award plan was introduced in 2007 and from 2019 only directors have been participating in this plan, see note 26. The awarding of shares is based on a fixed monetary amount. The number of shares to be awarded, representing the fixed monetary amount, is determined based on market value. Share-based payments under the share award plan are recognised as personnel expenses in full at issue date, because the voting and dividend rights of shares awarded are transferred to the beneficiaries at issue date. The shares awarded under the share award plan may not be sold for a period of five years after issue date.

Since 2018, a long-term incentive plan for senior executives has existed, granting the participants a conditional right to receive bearer shares of Dätwyler Holding Inc. subject to fulfillment of certain conditions after completion of a three-year vesting period. Participants leaving the company before completion of the three-year vesting period usually will forfeit the right to receive shares. The number of shares to be received after completion of the vesting period is dependent on the share price performance as well as on achieving three performance targets in comparison with a peer group of companies.

CAPITAL MANAGEMENT

The Group has a solid equity base. It consequently focuses the management of its capital structure on the equity of the Group as a whole, the following objectives and policies being relevant:

- Where possible and economically viable, the Group finances its operations through equity, the objective being to maintain an equity ratio of at least 40%.
- A portion of profits generated is paid out to owners as dividends, taking into account current financing needs and compliance with legal requirements. The current dividend policy is generally to maintain a payout ratio of about 40% of the Group’s net result for the year.

2 / BUSINESS ACQUISITIONS AND DISPOSALS

Acquisitions and disposals during 2023 and 2022 are shown below, see also note 31.

Transactions 2023

MERGERS

In 2023, Quality Synthetic Rubber GmbH merged into Dätwyler Sealing Solutions Deutschland GmbH & Co. KG.

Transactions 2022

ACQUISITIONS

Q Holco LLC, headquartered in Wilmington, USA (100%) and its QSR subsidiaries, see also note 34
Yantai Xinhui Packing Co. Ltd., domiciled in Yantai, China (100%)
CTsystems AG, domiciled in Dübendorf, Switzerland (100%)

3 / SEGMENT INFORMATION

in CHF millions	Healthcare Solutions	Industrial Solutions	Eliminations	**Total Group**
2023				
Revenue from external customers	468.9	682.6	–	1’151.5
Inter-segment revenue	0.1	5.6	–5.7	–
Total net revenue	**469.0**	**688.2**	**–5.7**	**1’151.5**
Operating result	**74.4**	**46.0**	**–**	**120.4**
Operating result as % of net revenue	15.9%	6.7%	–	10.5%

in CHF millions	Healthcare Solutions	Industrial Solutions	Eliminations	**Total Group**
2022				
Revenue from external customers	520.3	630.3	–	1’150.6
Inter-segment revenue	–	5.8	–5.8	–
Total net revenue	**520.3**	**636.1**	**–5.8**	**1’150.6**
Operating result	**106.3**	**42.9**	**–**	**149.2**
Operating result as % of net revenue	20.4%	6.7%	–	13.0%

The Datwyler Group is a focused industrial supplier organised into the two business areas Healthcare Solutions and Industrial Solutions, both with leading positions in global and regional market segments.

The result of the Group management functions is allocated to the two business areas Healthcare Solutions and Industrial Solutions using a revenue-based key.

The Business Area Healthcare Solutions offers system-critical components for containers and delivery systems for injectable drugs and diagnostics in the pharmaceutical and medical markets. The significant manufacturing and distribution companies are located in Belgium, Germany, Italy, the USA, India and China.

The Business Area Industrial Solutions manufactures customised system-critical components for applications in the Mobility, Connectors, General Industry and Food & Beverage markets. The significant manufacturing and distribution companies are located in Switzerland, Germany, Italy, the Czech Republic, China, South Korea, the USA, Brazil and Mexico.

Net revenue by geographical region

in CHF millions	2023	2022
Switzerland	210.1	189.3
Rest of Europe	398.0	402.8
North and South America	316.7	332.4
Asia	219.9	219.3
Other markets	6.8	6.8
Total Group	**1'151.5**	**1'150.6**

Net revenue by geographical region corresponds to revenue from external customers by destination.

4 / ADDITIONAL INCOME STATEMENT DISCLOSURES

Material expense of CHF 395.6 million (previous year CHF 411.4 million) is included in the income statement.

Other operating income includes gain on sale of property, plant and equipment of CHF 0.5 million (previous year CHF 0.2 million) as well as ancillary revenues and rental income.

5 / PERSONNEL EXPENSES

in CHF millions	Note	2023	2022
Wages and salaries		293.7	279.5
Benefit costs		66.2	63.2
– State social security contributions		38.6	38.1
– Pension costs	6	10.0	10.0
– Other benefit costs		17.6	15.1
Other employee costs		16.8	16.5
Total personnel expenses		**376.7**	**359.2**

Since 2007, directors and senior executives receive a portion of their remuneration in the form of bearer shares of Dätwyler Holding Inc., see note 26.

6 / EMPLOYEE BENEFIT SCHEMES

Economic benefit / obligation and pension costs

in CHF millions	Funding surplus/deficit according to Swiss GAAP ARR 26	**Economic impact Group**	Economic impact Group	Changes not affecting income	Change to prior year or charge to income current year	Contributions for the period	**Pension costs in personnel expenses**	Pension costs in personnel expenses
	31.12.23	**31.12.23**	**31.12.22**				**2023**	**2022**
Welfare funds Switzerland	0.4	–	–	–	–	–	–	–
Pension schemes without funding surplus/deficit Switzerland	–	–	–	–	–	4.8	4.8	6.2
Pension schemes with funding surplus Switzerland	–	–	–	–	–	1.6	1.6	–
Pension schemes without funding surplus/deficit abroad	–	–	–	–	–	3.0	3.0	3.0
Unfunded pension schemes abroad	–	–2.5	–2.9	–0.3	–0.0	0.6	0.6	0.8
Total	**–**	**–2.5**	**–2.9**	**–0.3**	**–0.0**	**10.0**	**10.0**	**10.0**

Changes not affecting income: currency translation differences.

At year-end 2023, as at the end of the previous year, no employer contribution reserves (ECR) existed. The Swiss pension schemes calculate their pension benefit obligations using the statistical assumptions of the VZ 2020 mortality tables and a discount rate of 1.0% and 1.25%, respectively (as in the previous year). The pension conversion rates in the current year were 4.8% in both pension funds.

Summary of pension costs

in CHF millions	Switzerland	Abroad	**Total**
	2023	**2023**	**2023**
Contributions to pension schemes expensed at Group companies	6.4	3.6	10.0
Contributions to pension schemes made from employer contribution reserves (ECR)	–	–	–
Total contributions	6.4	3.6	10.0
+/– Changes in ECR due to asset performance, value adjustments, discounting, etc.	–	–	–
Contributions and changes in employer contribution reserves	**6.4**	**3.6**	**10.0**
Increase/reduction economic benefit Group from excess coverage	–	–	–
Reduction/increase economic obligation Group from insufficient coverage	–	–0.0	–0.0
Total change in economic impact from excess/insufficient coverage	–	–0.0	–0.0
= Pension costs included in personnel expenses for the period	**6.4**	**3.6**	**10.0**

in CHF millions	Switzerland	Abroad	**Total**
	2022	**2022**	**2022**
Contributions to pension schemes expensed at Group companies	6.2	3.6	9.8
Contributions to pension schemes made from employer contribution reserves (ECR)	–	–	–
Total contributions	6.2	3.6	9.8
+/– Changes in ECR due to asset performance, value adjustments, discounting, etc.	–	–	–
Contributions and changes in employer contribution reserves	**6.2**	**3.6**	**9.8**
Increase/reduction economic benefit Group from excess coverage	–	–	–
Reduction/increase economic obligation Group from insufficient coverage	–	0.2	0.2
Total change in economic impact from excess / insufficient coverage	–	0.2	0.2
= Pension costs included in personnel expenses for the period	**6.2**	**3.8**	**10.0**

7 / DEPRECIATION AND AMORTISATION

in CHF millions	Note	2023	2022
Depreciation of property, plant and equipment	14	74.2	70.1
Amortisation of intangible assets	15	6.0	5.0
Impairment charges	14	–	0.7
Total depreciation and amortisation		**80.2**	**75.8**

The impairment charges of CHF 0.7 million in the previous year related to the shutdown of the plant in the Ukraine, whe-re the remaining book values were fully written down.

8 / NET FINANCE RESULT

in CHF millions	2023	2022
Interest expense on bonds, bank and other loans	14.6	8.4
Net foreign exchange loss on financing activities	29.2	4.7
Finance charges	0.7	1.7
Total interest and finance expenses	**44.5**	**14.8**
Interest income on bank deposits and loans receivable	–0.8	–0.3
Fair value gain on forward exchange contracts	–15.0	–2.2
Total interest and finance income	**–15.8**	**–2.5**
Net finance result (expenses, net)	**28.7**	**12.3**

9 / INCOME TAX EXPENSES

in CHF millions	2023	2022
Current income tax expense	30.8	33.0
Deferred income tax expense	–5.9	–0.9
Total income tax expenses	**24.9**	**32.1**

The effective tax charge on earnings before tax, using the weighted average income tax rate of 22.5% (previous year 22.1%) of the Group, can be analysed as follows:

in CHF millions	2023	2022
Earnings before tax	91.7	136.9
Income tax expense calculated at the weighted average tax rate	20.6	30.3
Effect of current year tax losses not recognised and reassessment of tax loss carryforwards	4.3	1.4
Effect of previously unrecognised tax loss carryforwards used against taxable profits	0.0	–0.4
Change in tax rates for deferred income taxes	–2.5	1.3
Expense and income items treated differently for tax purposes	–0.4	–1.7
Non-refundable taxes on intra-group charges and dividends	2.8	1.1
Prior year tax adjustments	0.9	0.5
Other effects	–0.8	–0.4
Total (current and deferred) income tax expenses	**24.9**	**32.1**

Taxable results differing by region are responsible for changes in the weighted average tax rate.

The Datwyler Group falls within the scope of the OECD model regulations (OECD Pillar Two). The corresponding legislation was enacted in Switzerland from 1 January 2024. As the OECD Pillar Two regulations were not yet in force in the reporting period, the Datwyler Group does not yet have any associated direct tax liability.

From 1 January 2024, the Datwyler Group will be required to pay a supplementary tax on the difference between its effective tax rate per country and the minimum tax rate of 15 %. The quantitative impact of the adopted legislation cannot yet be concludingly estimated.

10 / CASH, CASH EQUIVALENTS AND MONEY MARKET INVESTMENTS

in CHF millions	2023	2022
Cash in hand and at bank	121.8	95.9
Money market investments (original maturities up to 90 days)	0.6	5.4
Total cash and cash equivalents	**122.4**	**101.3**
Money market investments (original maturities 91 to 360 days)	0.1	–
Total cash, cash equivalents and money market investments	**122.5**	**101.3**

11 / TRADE ACCOUNTS RECEIVABLE

in CHF millions	2023	2022
Trade accounts receivable from third parties, gross	228.5	251.6
Provision for impairment of trade accounts receivable	–1.3	–1.4
Total trade accounts receivable from third parties, net	**227.2**	**250.2**
Trade accounts receivable from related parties	0.0	0.1
Total trade accounts receivable, net	**227.2**	**250.3**

Aging analysis of gross trade accounts receivable from third parties

in CHF millions	2023	2022
Not yet due	189.1	213.7
Past due 1–30 days	25.1	22.7
Past due 31–60 days	7.5	7.9
Past due 61–90 days	1.9	2.2
Past due 91–180 days	3.4	4.0
Past due more than 180 days	1.5	1.1
Total trade accounts receivable from third parties, gross	**228.5**	**251.6**

Movements in the provision on trade accounts receivable

in CHF millions	2023	2022
At 1 January	1.4	1.1
Charge for the year	0.4	0.1
Unused amounts reversed	–0.4	–0.4
Receivables written off as uncollectible	0.0	–0.6
Acquisition of subsidiaries	–	1.3
Exchange differences	–0.1	–0.1
At 31 December	**1.3**	**1.4**
Of which specific provisions for impairment	1.1	0.9

12 / INVENTORIES

in CHF millions	2023	2022
Raw material, gross	55.8	77.0
Consumables, gross	28.0	32.1
Work in progress, gross	23.4	28.8
Finished goods, gross	72.9	79.8
Goods for resale, gross	8.4	12.4
Provision for impairment of inventories	–21.8	–21.1
Total inventories	**166.7**	**209.0**

13 / OTHER RECEIVABLES

in CHF millions	Note	2023	2022
Withholding, capital and value added tax receivables		4.0	6.6
Current income tax assets		10.5	9.3
Prepayments made, advances given and deposits made		3.3	3.5
Accrued interest receivable		0.0	0.1
Derivative assets: forward exchange contracts	28	20.2	6.6
Miscellaneous receivables		5.7	3.3
Total other receivables		**43.7**	**29.4**

14 / PROPERTY, PLANT AND EQUIPMENT

in CHF millions	Note	Real estate	Machinery and production equipment	Office equipment, IT infrastructure, vehicles	Assets under construction	**Total property, plant and equipment**
PROPERTY, PLANT AND EQUIPMENT 2023						
At cost						
At 1 January 2023		344.9	805.3	46.6	96.6	1’293.4
Additions		1.7	8.7	2.9	32.0	45.3
Disposals		–1.7	–11.8	–2.9	–	–16.4
Transfers		37.8	51.5	3.3	–92.6	–
Exchange differences		–24.9	–47.0	–2.8	–3.4	–78.1
At 31 December 2023		**357.8**	**806.7**	**47.1**	**32.6**	**1’244.2**
Accumulated depreciation						
At 1 January 2023		–141.5	–511.3	–33.1	–	–685.9
Depreciation expense	7	–13.6	–55.7	–4.9	–	–74.2
Disposals		1.5	10.9	2.1	–	14.5
Exchange differences		8.2	27.9	2.0	–	38.1
At 31 December 2023		**–145.4**	**–528.2**	**–33.9**	**–**	**–707.5**
Net book values						
At 1 January 2023		203.4	294.0	13.5	96.6	607.5
At 31 December 2023		**212.4**	**278.5**	**13.2**	**32.6**	**536.7**

in CHF millions	Note	Real estate	Machinery and production equipment	Office equipment, IT infrastructure, vehicles	Assets under construction	Total property, plant and equipment
PROPERTY, PLANT AND EQUIPMENT 2022						
At cost						
At 1 January 2022		325.8	730.0	43.9	89.5	1'189.2
Additions		2.0	16.1	3.1	70.4	91.6
Disposals		–0.2	–6.2	–0.7	–	–7.1
Transfers		3.7	55.1	1.2	–60.0	–
Acquisition of subsidiaries		21.0	32.5	0.7	3.4	57.6
Exchange differences		–7.4	–22.2	–1.6	–6.7	–37.9
At 31 December 2022		**344.9**	**805.3**	**46.6**	**96.6**	**1'293.4**
Accumulated depreciation						
At 1 January 2022		–132.2	–476.2	–30.2	–	–638.6
Depreciation expense and impairment charges	7	–12.5	–53.7	–4.6	–	–70.8
Disposals		0.0	5.7	0.6	–	6.3
Exchange differences		3.2	12.9	1.1	–	17.2
At 31 December 2022		**–141.5**	**–511.3**	**–33.1**	**–**	**–685.9**
Net book values						
At 1 January 2022		193.6	253.8	13.7	89.5	550.6
At 31 December 2022		**203.4**	**294.0**	**13.5**	**96.6**	**607.5**

Acquisition/disposal of subsidiaries include the additions from acquisitions, see also notes 2 and 31.

Other details of property, plant and equipment
As in the previous year, no property, plant and equipment under finance leases existed. Property, plant and equipment in the amount of CHF 8.4 million (previous year CHF 10.1 million) were pledged or assigned to secure own liabilities. Assets under construction include prepayments made in the amount of CHF 7.8 million (previous year CHF 10.5 million). Additions to property, plant and equipment include no capitalised borrowing costs (previous year none). At balance sheet date, commitments for capital expenditure on property, plant and equipment amounted to CHF 8.8 million (previous year CHF 26.3 million).

Additions include own work capitalized in the amount of CHF 0.5 million (previous year CHF 0.6 million).

15 / INTANGIBLE ASSETS: SOFTWARE

in CHF millions	Total
INTANGIBLE ASSETS	
At cost	
At 1 January 2023	55.3
Additions	7.7
Disposals	–0.8
Exchange differences	–3.5
At 31 December 2023	**58.7**
Accumulated amortisation	
At 1 January 2023	–23.5
Amortisation expense	–6.0
Disposals	0.8
Exchange differences	1.4
At 31 December 2023	**–27.3**
Net book values	
At 1 January 2023	31.8
At 31 December 2023	**31.4**

in CHF millions	Total
INTANGIBLE ASSETS 2022	
At cost	
At 1 January 2022	46.3
Additions	10.2
Disposals	–0.0
Acquisition/disposal of subsidiaries	0.2
Exchange differences	–1.4
At 31 December 2022	**55.3**
Accumulated amortisation	
At 1 January 2022	–18.9
Amortisation expense	–5.0
Disposals	–
Exchange differences	0.4
At 31 December 2022	**–23.5**
Net book values	
At 1 January 2022	27.4
At 31 December 2022	**31.8**

Additions include capitalized development costs of CHF 0.8 million (previous year none). Total own work capitalized amounts to CHF 2.7 million (previous year CHF 3.3 million).

Goodwill from acquisitions
Goodwill from acquisitions is fully offset against equity at the date of acquisition. The impact of the theoretical capitalisation and amortisation of goodwill is disclosed below:

Theoretical movement schedule for goodwill

in CHF millions	Note	2023	2022
At cost			
At 1 January		838.2	285.6
Additions from acquisition of subsidiaries	31	–	552.6
Adjustments from earn-out agreements		0.5	–
At 31 December		**838.7**	**838.2**
Accumulated amortisation			
At 1 January		–342.1	–241.9
Amortisation expense		–129.3	–100.2
Impairment charges		–	–
At 31 December		**–471.4**	**–342.1**
Theoretical net book values			
At 1 January		496.1	43.7
At 31 December		**367.3**	**496.1**

Goodwill is theoretically amortised on a straight-line basis usually over 5 years. The carrying amounts of goodwill existing on conversion from IFRS to Swiss GAAP ARR at 1 January 2009 have been included in the theoretical movement schedule above using the closing rates prevailing at 1 January 2009. Goodwill from new acquisitions is converted once to Swiss francs using the closing rate as at acquisition date. As a result this procedure no exchange differences occur in the movement schedule above.

Impact on income statement

in CHF millions	2023	2022
Operating result according to income statement	120.4	149.2
Amortisation of goodwill	–129.3	–100.2
Theoretical operating result incl. amortisation of goodwill	–8.9	49.0
Net result according to income statement	66.8	104.8
Amortisation of goodwill	–129.3	–100.2
Theoretical net result incl. amortisation of goodwill	–62.5	4.6

Impact on balance sheet

in CHF millions	2023	2022
Equity according to balance sheet	386.2	403.6
Theoretical capitalisation of goodwill (net book value)	367.3	496.1
Theoretical equity incl. net book value of goodwill	753.5	899.7
Equity according to balance sheet	386.2	403.6
Equity as % of total assets	32.2%	31.1%
Theoretical equity incl. net book value of goodwill	753.5	899.7
Theoretical equity incl. net book value of goodwill as % of total assets	48.1%	50.1%

16 / MISCELLANEOUS FINANCIAL ASSETS

in CHF millions	2023	2022
Long-term loans to third parties	0.5	0.6
Other financial investments	1.4	1.4
Total miscellaneous financial assets	**1.9**	**2.0**

17 / BANK DEBT

in CHF millions	2023	2022
Bank overdrafts	–	–
Current portion of long-term bank loans	5.9	10.7
Total short-term bank debt	**5.9**	**10.7**
Long-term bank loans	46.1	143.2
Total bank debt	**52.0**	**153.9**
Secured portion of short-term and long-term bank debt	5.9	6.7

The short-term bank liabilities in CNY and EUR were subject to an average interest rate of 4.8% and the long-term bank loans in USD to an average interest rate of 6.4%. A long-term loan agreement of originally USD 175.0 million was entered into for the acquisition of QSR. USD 20.0 million was repaid in the 2022 financial year and a further USD 100.0 million in the 2023 financial year. The balance in Swiss francs at the end of 2023 was CHF 46.1 million. Voluntary repayments are possible during the year under this loan agreement, but there is no repayment obligation until 2027. Furthermore, the term of this loan can be extended by a further two years until the end of 2024. In addition, a bond of CHF 240.0 million was placed in the previous year for the long-term financing of the QSR acquisition, see note 18, and a long-term loan of CHF 154.0 million was granted by Pema Holding AG, see note 32, the balance of which amounted to CHF 198.0 million at the end of 2023.

Maturity of long-term bank debt

in CHF millions	2023	2022
Within 2 years	–	0.1
Within 3 years	–	–
Within 4 years	46.1	–
Within 5 years	–	143.1
Beyond 5 years	–	–
Total long-term bank debt	**46.1**	**143.2**

18 / BONDS

On 15 June 2022, a 2.1% CHF 240.0 million bond was placed with a five-year term and annual interest payments starting on 13 July 2023. This bond was paid up on 13 July 2022 at an issue price of 100.035%. On 30 May 2018, a 0.625% CHF 150.0 million bond was placed at an issue price of 100.368%. Interest payments are due annually on 30 May and the bond is repayable on 30 May 2024.

19 / TRADE ACCOUNTS PAYABLE

Trade accounts payable include accounts payable to related parties of CHF 0.0 million (previous year CHF 0.1 million).

20 / OTHER LIABILITIES

Other current liabilities

in CHF millions	Note	2023	2022
Customer advances received		5.3	3.6
Social security liabilities		3.5	3.0
Current income tax liabilities		10.2	8.8
Capital and value added tax liabilities		0.9	2.1
Deferred earn-out obligations		1.5	2.7
Derivative liabilities: forward exchange contracts	28	0.3	1.6
Accrued interest payable		3.2	3.6
Miscellaneous current liabilities		6.3	14.8
Total other current liabilities		**31.2**	**40.2**

Other long-term liabilities
Other long-term liabilities include no long-term finance lease liabilities (previous year none) and no deferred earn-out obligations (previous year CHF 1.4 million).

21 / PROVISIONS

in CHF millions	Employees and social security	Warranty and liability claims	Other	Total
PROVISIONS 2023				
At 1 January 2023	14.3	1.3	3.0	18.6
Charges	22.2	1.7	0.5	24.4
Uses	–22.6	–0.9	–1.6	–25.1
Unused amounts reversed	–	–0.2	–0.5	–0.7
Exchange differences	–0.8	–0.2	0.0	–1.0
At 31 December 2023	**13.1**	**1.7**	**1.4**	**16.2**
Thereof current provisions	9.4	1.7	0.8	11.9
Thereof long-term provisions	3.7	–	0.6	4.3

in CHF millions	Employees and social security	Warranty and liability claims	Other	Total
PROVISIONS 2022				
At 1 January 2022	14.5	0.6	3.8	18.9
Charges	21.8	0.1	1.6	23.5
Uses	–21.6	–0.3	–1.6	–23.5
Unused amounts reversed	–	–0.2	–0.6	–0.8
Acquisition	0.1	1.1	–	1.2
Exchange differences	–0.5	–0.0	–0.2	–0.7
At 31 December 2022	**14.3**	**1.3**	**3.0**	**18.6**
Thereof current provisions	10.1	1.3	1.7	13.1
Thereof long-term provisions	4.2	–	1.3	5.5

Discounting
Long-term provisions amounting to CHF 0.9 million were discounted using discount rates between 1.0 and 7.5%.

Employees and social security
This provision covers holiday pay, overtime, statutory termination benefits, long-term employee retention plans and similar liabilities. The provisions are calculated based on actual data.

Warranty and liability claims
The Datwyler Group gives warranties in connection with the products and services it provides. These are based on local legislation or contractual arrangements as well as on past experience. The provision for liability claims is based on actual claims reported, which are generally settled within one year.

Other provisions
Other provisions among others include provisions relating to onerous contracts.

22 / DEFERRED INCOME TAX ASSETS/LIABILITIES

in CHF millions	Note	2023	2022
At 1 January:			
Deferred income tax assets		53.8	51.0
Deferred income tax liabilities		8.6	9.5
Deferred income tax (assets)/liabilities, net		**–45.2**	**–41.5**
Deferred income tax expense/(credit)		–5.9	–0.9
Acquisition of subsidiaries	31	–	–2.4
Exchange differences		4.1	–0.4
At 31 December:			
Deferred income tax assets		56.1	53.8
Deferred income tax liabilities		9.1	8.6
Deferred income tax (assets)/liabilities, net		**–47.0**	**–45.2**

Deferred income taxes are calculated at every subsidiary using the local effective income tax rates (weighted average around 23.6%, previous year around 22.1%) applicable.

Tax loss carryforwards
Total available tax loss carryforwards result in deferred income tax assets, gross, of CHF 21.8 million (previous year CHF 30.0 million), of which an amount of CHF 19.6 million (previous year CHF 28.7 million) was capitalised. Deferred income tax assets were impacted by valuation allowances for and non-capitalisation of tax loss carryforwards in the amount of CHF 2.2 million (previous year CHF 1.3 million).

23 / SHARE CAPITAL

Composition

in CHF	2023	2022
22 million registered shares of CHF 0.01 each	220'000	220'000
12.6 million bearer shares of CHF 0.05 each	630'000	630'000
Total share capital	**850'000**	**850'000**

Per share data

	2023	2022
Bearer shares		
Par value (CHF)	0.05	0.05
Number of shares issued	12'600'000	12'600'000
Proposed/approved dividend per bearer share (CHF)	3.20[1]	3.20
Registered shares		
Par value (CHF)	0.01	0.01
Number of shares issued	22'000'000	22'000'000
Proposed/approved dividend per registered share (CHF)	0.64[1]	0.64
Total par value of shares ranking for dividend (CHF)	**850'000**	**850'000**
Authorised additional share capital	none	none
Authorised contingent share capital	none	none
Registration/voting restrictions	none	none
Opting-out and opting-up provisions	none	none

[1] *See Board of Directors' proposed appropriation of retained earnings.*

24 / NET RESULT PER SHARE

Net result per share is calculated by dividing net result by the weighted average number of shares in issue and ranking for dividend, excluding the weighted average number of treasury shares. The weighted value of the 22'000'000 registered shares represents 4'400'000 bearer shares. As in the previous year, the weighted average number of bearer and registered shares outstanding was 17 million shares in total. The short-term purchase and subsequent award of treasury shares, see notes 25 and 26, had no noticeable impact on the calculation of earnings per share. The net result per share of CHF 3.93 (previous year CHF 6.16) thus arises from the simple division of the net result of CHF 66.8 million (previous year CHF 104.8 million) by the weighted average number of 17 million shares.

25 / TREASURY SHARES

In 2023, a total of 20,320 (previous year: 19,152) shares were acquired from the related party Pema Holding AG in two transactions. In April, 13,876 (previous year: 14,416) bearer shares were acquired at the current market price of CHF 199.80 (previous year: CHF 307.50) and allocated to the plan participants as part of the long-term participation plan. In June, a further 6,444 (previous year 4,736) bearer shares were acquired at the current market price of CHF 220.00 (previous year CHF 230.50) and allocated to the members of the board of directors as part of the share participation plan, see note 26. As at the end of 2023, no treasury shares were held, as at the end of the previous year.

26 / SHARE AWARD PLAN AND LONG-TERM INCENTIVE PLAN

Since 2007, directors and senior executives received a portion of their remuneration in the form of bearer shares of Dätwyler Holding Inc.

The share award plan was introduced in 2007 and since 2019 only directors have participated in this plan. The awarding of shares is based on a fixed monetary amount. The number of shares to be awarded, representing the fixed monetary amount, is determined based on current market value. Share-based payments under the share award plan are recognised as personnel expenses in full at issue date, because the voting and dividend rights of shares awarded are transferred to the beneficiaries at issue date. The shares awarded under the share award plan may not be sold for a period of five years after issue date. In June 2023, directors were awarded a total of 6'444 (previous year 4'736) bearer shares of Dätwyler Holding Inc., see also note 25. Personnel expenses relating to the share award plan amount to CHF 1.4 million (previous year CHF 1.1 million), without impact on additional paid-in capital (previous year no impact on additional paid-in capital).

Since 2018, a long-term incentive plan exists for senior executives, granting the participants a conditional right to receive bearer shares of Dätwyler Holding Inc. subject to fulfilment of certain conditions after completion of a three-year vesting period. Participants leaving the company before completion of the three-year vesting period usually will forfeit the right to receive shares. The number of shares to be received after completion of the vesting period is dependent on the share price performance as well as on achieving three performance targets in comparison with a peer group of companies. Personnel expenses for the long-term incentive plan attributable to 2023 amount to CHF 1.5 million (previous year CHF 1.4 million). Under this plan, shares were awarded April 2023, when 13'876 (previous year 14'416) bearer shares of Dätwyler Holding Inc. were distributed, see also note 25.

27 / SHAREHOLDERS

At year-end 2023, Pema Holding AG holds as in the previous year all 22'000'000 registered shares, plus 5'041'465 (previous year 5'061'785) of the total of 12'600'000 bearer shares of Dätwyler Holding Inc. This represents 78.15% (previous year 78.21%) of the voting rights and 55.54% (previous year 55.66%) of the share capital. The entire share capital of Pema Holding AG is held by Dätwyler Führungs AG, thereby indirectly possessing the majority of the voting rights in Dätwyler Holding Inc.

The Board of Dätwyler Holding Inc. is not aware of any other shareholders, or groups of shareholders subject to voting agreements, who hold 3% or more of the total voting rights.

28 / DERIVATIVE FINANCIAL INSTRUMENTS

The Group economically hedges part of its exposure to foreign currency risk on trade accounts receivable and payable as well as intercompany loans. Forward exchange contracts and currency options, which generally have maturities of less than 12 months, are used as hedging instruments.

Unsettled forward exchange contracts

in CHF millions	31.12.2023	31.12.2022
Positive fair value	20.2	6.6
Notional amounts	436.3	266.9
Negative fair value	0.3	1.6
Notional amounts	5.2	101.6

These forward exchange contracts have maturities until June 2024. Positive fair values are recorded as other receivables (see note 13), while negative fair values have been recognised in other current liabilities (see note 20).

29 / CONTINGENT LIABILITIES

In the ordinary course of business, the Group is exposed to a number of risks among others in connection with litigation cases and outstanding or disputed tax assessments which can lead to possible obligations (contingent liabilities). For most actual cases the amounts involved are insignificant. No provisions have been made where the outcome of such matters is uncertain or the risk is not quantifiable or an outflow of resources is not probable. Provisions have been recognised to the extent that the outcome can be reliably estimated and an outflow of resources is probable.

At year-end 2023, no guarantees in favour of third parties were outstanding. The Datwyler Group has not given any other guarantees in respect of its business relationships with third parties. Performance bonds and guarantees within the Group have been eliminated on consolidation. There are no subordination agreements with third parties.

In the contract for the sale of Distrelec and Nedis in December 2019, the Group issued customary contractual warranties in favor of the buyers. These warranties are generally limited to a maximum of CHF 5.0 million and, in certain cases, apply for a maximum of five years or until the respective statutory limitation period expires.

30 / COMMITMENTS

Maturities of commitments under operating leases, long-term rental and outsourcing agreements

in CHF millions	2023	2022
Less than 1 year	18.2	18.0
Between 2 and 5 years	25.9	32.4
Over 5 years	2.6	3.5
Total commitments	**46.7**	**53.9**

Total commitments include CHF 17.6 million (previous year CHF 25.2 million) relating to IT outsourcing contracts for the years 2024 to 2026. Operating lease payments recognised as an expense in the income statement amounted to CHF 6.7 million (previous year CHF 5.6 million). There are no individually significant operating leases.

31 / ACQUISITIONS OF SUBSIDIARIES

No acquisitions were made in the current year. The Acquisitions of subsidiaries in the prior year had the following effect on the Group's assets and liabilities:

At the beginning of March 2022, Yantai Xinhui Packing Co. Ltd. in Yantai (Shandong), China, were fully acquired by the Healthcare Solutions business area. The acquired companies employed 213 people and generated between March and the end of December 2022 net revenue of CHF 15.1 million. The following table shows the fair value of assets and liabilities acquired at acquisition date and the goodwill arising from this transaction.

in CHF millions	Fair value on acquisition
Cash and cash equivalents	0.5
Trade accounts receivable	3.1
Inventories	2.6
Other current assets	0.7
Property, plant and equipment	20.1
Other non-current assets	0.1
Current liabilities	–14.5
Net assets acquired at fair value	**12.6**
Goodwill including directly attributable transaction costs	46.3
Total	58.9
Less cash and cash equivalents acquired	–0.5
Net cash outflow on acquisition	**58.4**

In May 2022, QSR headquartered in Twinsburg (OH), USA, was fully acquired by the Industrial Solutions business area. The acquired companies employed 1'575 people and generated between May and the end of December 2022 net revenue of CHF 112.7 million. The following table shows the fair value of assets and liabilities acquired at acquisition date and the goodwill arising from this transaction.

in CHF millions	Fair value on acquisition
Cash and cash equivalents	5.5
Trade accounts receivable	41.6
Inventories	37.3
Other current assets	5.6
Property, plant and equipment	37.5
Other non-current assets	3.0
Current liabilities	–27.4
Long-term liabilities	–0.6
Net assets acquired at fair value	**102.5**
Goodwill including directly attributable transaction costs	505.2
Total	607.7
Less cash and cash equivalents acquired	–5.5
Net cash outflow on acquisition	**602.2**

At the end of August 2022, CTsystems AG in Dübendorf, Switzerland, was fully acquired by the Industrial Solutions business area. Total assets acquired amounted to CHF 1.2 million, including a goodwill of CHF 1.1 million.

32 / RELATED PARTY TRANSACTIONS

Pema Holding AG
Transactions with related parties include the dividend payments to Pema Holding AG of CHF 30.3 million (previous year CHF 39.8 million) and administrative costs of CHF 120'000 (previous year CHF 120'000) for administration and accounting services provided by Alvest AG. In addition, the following transactions with Pema Holding AG and its subsidiaries occurred in 2023: Net revenue none (previous year none), material expense of CHF 0.0 million (previous year CHF 0.1 million), IT and trademark service revenues and other service revenue of CHF 8.2 million in total (previous year CHF 8.1 million) and service expenses of CHF 0.7 million (previous year CHF 0.7 million). Pema Holding AG granted long-term loans to Dätwyler Holding Inc. in the amount of CHF 198.0 million (previous year proceeds amounting to CHF 154.0 million) with interest charges of CHF 1.3 million (previous year CHF 0.5 million). A total of 20'320 shares (previous year 19'152 shares) of Dätwyler Holding AG were purchased from Pema Holding AG at current market prices, see notes 25 and 26. Accounts receivable and payable with Pema Holding AG and its subsidiaries are disclosed as items with related parties in notes 11 and 19.

Pension schemes
Alvest AG charged administrative costs of CHF 0.2 million (previous year CHF 0.2 million) to the pension schemes.

Remuneration of Directors and Executive Board members
Except for the remuneration as disclosed in the remuneration report of the annual report, no further relations or transactions existed in 2023 and 2022 with the members of the Board of Directors and the Executive Board.

33 / EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors and the Executive Board are not aware of any other significant events occurring up to the date of approval of the consolidated financial statements on 5 February 2024 that would cause an adjustment of the carrying amounts of the Group's assets and liabilities.

34 / SUBSIDIARIES

Dätwyler Holding Inc. directly or indirectly owned the following fully consolidated subsidiaries at 31 December 2023, all with a capital and voting interest of 100%. There are no minority interests.

		Registered office	Original currency	Capital in original currency (in millions)	Healthcare Solutions	Industrial Solutions	Service and financial companies
SWITZERLAND	Alvest AG *	Altdorf	CHF	15.000			●
	CTsystems AG	Dübendorf	CHF	0.100		○	
	Dätwyler AG *	Altdorf	CHF	0.100			●
	Dätwyler IT Services AG *	Altdorf	CHF	0.100			●
	Dätwyler Schweiz AG *	Schattdorf	CHF	32.000		○	
	Pohl Immobilien AG	Schattdorf	CHF	1.600	●		
BELGIUM	Datwyler Pharma Packaging Belgium NV *	Alken	EUR	17.688	○		
BRAZIL	Datwyler do Brasil Ltda.	São Leopoldo	BRL	36.694		○	
CHINA	Datwyler Sealing Technologies (Anhui) Co., Ltd.	Ningguo	USD	5.000		○	
	Datwyler Sealing Technologies (Wuxi) Co., Ltd.	Wuxi	USD	5.000		○	
	Quality Synthetic Rubber (Dongguan) Co., Ltd.	Dongguan	CNY	18.401		○	
	Datwyler Pharma Packaging (Yantai) Co., Ltd.	Yantai	CNY	99.800	○		
GERMANY	Dätwyler Pharma Packaging Deutschland GmbH	Karlsbad	EUR	2.600	○		
	Dätwyler Sealing Solutions Deutschland GmbH & Co. KG	Cleebronn	EUR	2.800		○	
INDIA	Datwyler IT Services India LLP	Magarpatta, Pune	INR	0.100			●
	Datwyler Pharma Packaging India Private Limited	Kesurdi, Satara	INR	656.233	○		
HONGKONG	Quality Synthetic Rubber (Hong Kong) Limited	Hongkong	USD	0.001		○	
LATVIA	Datwyler IT Services SIA	Riga	EUR	0.003			●
ITALY	Datwyler Pharma Packaging Italy S.r.L.	Milano	EUR	2.000	○		
	Datwyler Sealing Solutions Italy S.p.A.	Viadanica	EUR	1.300		○	
MEXICO	Datwyler Sealing Technologies México S. DE R.L. DE C.V.	Silao	MXN	82.000		○	
	Q Seals de México S. DE R.L. DE C.V.	Querétaro	MXN	0.003		○	
	Qventas (México) S. DE R.L. DE C.V.	Querétaro	MXN	0.010		○	
SOUTH KOREA	Datwyler Korea Inc.	Daegu	KRW	1'131.000		○	
CZECH REPUBLIC	Datwyler Sealing Technologies CZ s.r.o.	Novy Bydzov	CZK	20.000		○	
UKRAINE	Datwyler Sealing Technologies Ukraine JSC	Malyn	UAH	12.500		○	
USA	Datwyler Parco Holdings Inc.	Wilmington	USD	0.000		●	
	Datwyler Pharma Packaging USA Inc.	Pennsauken	USD	0.001	○		
	Datwyler Sealing Solutions USA Inc.	Dayton	USD	0.153		○	
	Double-E LLC	Dallas	USD	0.000		○	
	Lexington Rubber Group Inc.	Wilmington	USD	0.000		○	
	Parco LLC	Ontario	USD	0.000		○	
	Q Holdco LLC	Wilmington	USD	0.000		●	
	TAC Materials Inc.	Bedford	USD	0.000		○	

○ *Manufacturing and sales*
● *Services/finance/real estate*

* *= Held directly by Dätwyler Holding Inc.*

Report of the Statutory Auditor on the Consolidated Financial Statements

KPMG

Statutory Auditor's Report

To the General Meeting of Dätwyler Holding AG, Altdorf

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Dätwyler Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023 and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages F06 to F36) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

REVENUE RECOGNITION

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG AG
Zurich, 5 February 2024

EXPERTsuisse Certified Company

KPMG

REVENUE RECOGNITION

Key Audit Matter

Consolidated net revenue recognized for the year ended 31 December 2023 amounted to CHF 1'151.5 million. Revenues are an important metric to evaluate the Group's business performance and are therefore considered by external and internal stakeholders.

In the Business Areas Industrial Solutions und Healthcare Solutions revenues are mainly generated from the sale of products from own production. Revenue is recognised when the significant risks and rewards of ownership have passed to the buyer in accordance with the agreed terms and conditions.
Risk and rewards of ownership generally transfer with their delivery. Revenues under long-term multiple supply contracts are recorded at delivery of each instalment, according to the quantity delivered. These circumstances have to be considered when determining the appropriate time of revenue recognition. This results in a significant risk from an audit perspective.
There is a risk that Revenues may be deliberately over or understated in order for management to achieve planned results. This could for example occur by manipulating inputs in the Group's accounting system.
Based on this rationale, we consider revenue recognition as a key audit matter.

Our response

We obtained an understanding of the revenue recognition process from initiating sales orders to payment receipts. Based on this we critically assessed whether transactions are completely and accurately recorded in the consolidated financial statements.

We considered the existence (design and implementation) of the relevant controls within the Group and we tested the operating effectiveness of key controls relating to revenue recognition on a sample basis.
We assessed the appropriateness of accounting policies for revenue recognition and, specifically, for the appropriate time of revenue recognition.

In addition and among others, our procedures included the following:

- On a sample basis, we performed detailed cut-off testing of revenue transactions to either side of the balance sheet date with reference to shipping documentation and contracts. Based on that we assessed the appropriate revenue recognition based on the transfer of risks and rewards of ownership to the buyer in accordance with the agreed terms and conditions.
- On a sample basis, we obtained trade debtors confirmations and agreed the confirmations to the trade debtors balances.
- On a sample basis, we assessed the appropriateness of credit notes issued as well as the payments received after year end.
- In addition we performed analytical procedures including gross margin trend analysis on a Division level as well as on the level of various entities.

In addition to the procedures described above, we further addressed the risk of management override of controls by analysing manual journal entries related to revenue accounts.

For further information on Revenue Recognition refer to the following:

— Summary of Significant Accounting Policies on page F10

— Segment Information on page F17

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the renumeration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Toni Wattenhofer Licensed Audit Expert Auditor in Charge	Melanie Gamma Licensed Audit Expert

Zurich, 5 February 2024

Dätwyler Holding Inc.

Income Statement

in CHF	Notes	2023	2022
Dividend income from subsidiaries	2.1	72’007’976	52’216’836
Trademark income	2.2	13’757’140	14’287’000
Reversal of provisions	2.3	489’256	66’879
Personnel expenses		–2’055’970	–1’690’949
Other operating expenses	2.4	–2’151’458	–2’520’694
Income before interest and taxes		**82’046’944**	**62’359’072**
Financial expenses	2.5	–9’987’693	–6’176’091
Financial income	2.6	16’719’416	12’478’817
Earnings before taxes		**88’778’667**	**68’661’798**
Direct taxes		–1’652’241	–1’600’385
Net result		**87’126’426**	**67’061’413**

The accompanying notes are an integral part of these financial statements.

Balance Sheet

Assets

in CHF	Notes	31.12.2023	31.12.2022
Cash and cash equivalents		751’444	1’150’847
Other current receivables		13’138’782	27’503’996
– Due from third parties		483’176	595’838
– Due from subsidiaries		12’655’606	26’908’158
Total current assets		**13’890’226**	**28’654’843**
Financial assets: Long-term receivables from subsidiaries	2.7	1’190’688’000	1’100’918’600
Investments in subsidiaries	2.8	327’678’918	327’678’918
Intangible assets: Trademarks		1	1
Total non-current assets		**1’518’366’919**	**1’428’597’519**
Total assets		**1’532’257’145**	**1’457’252’362**

Liabilities and shareholders’ equity

in CHF	Notes	31.12.2023	31.12.2022
Current liabilities third parties		2’920’873	3’770’033
Short-term interest-bearing liabilities: 0.625% Bond, repayable on 30 May 2024	2.9	150’000’000	–
Current provisions		280’000	415’000
Accrued expenses and deferred income		1’258’981	1’363’109
Total current liabilities		**154’459’854**	**5’548’143**
Long-term interest-bearing liabilities due to Pema Holding AG		198’000’000	154’000’000
Long-term interest-bearing liabilities: Bond, repayable on 13 July 2027	2.9	240’000’000	390’000’000
Long-term provisions		667’646	1’301’000
Total long-term liabilities		**438’667’646**	**545’301’000**
Total liabilities		**593’127’500**	**550’849’143**
Share capital	2.10	850’000	850’000
Statutory capital reserves		83’000’000	83’000’000
Statutory retained earnings		4’000’000	4’000’000
Voluntary retained earnings	2.12	305’263’318	305’263’318
Retained earnings available for distribution		546’016’327	513’289’901
– Profit carried forward		458’889’901	446’228’488
– Net result		87’126’426	67’061’413
Total shareholders' equity		**939’129’645**	**906’403’219**
Total liabilities and shareholders' equity		**1’532’257’145**	**1'457'252'362**

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

1 / VALUATION PRINCIPLES

These Financial Statements were prepared in accordance with the provisions of the Swiss Code of Obligations concerning accounting and financial reporting standards (SCO 957 ff.). Significant balance sheet items are reported as follows.

Financial assets and investments in subsidiaries
Financial assets are measured at nominal value less necessary impairment charges. Investments in subsidiaries are measured individually at purchase price less necessary impairment charges.

Measurement of liabilities/bonds
Liabilities including bonds are carried at nominal value.

2 / EXPLANATIONS CONCERNING THE FINANCIAL STATEMENTS

Dätwyler Holding Inc. is domiciled in Altdorf.
The average number of full-time equivalents in the course of a year does not exceed ten employees.

2.1 / DIVIDEND INCOME FROM SUBSIDIARIES
Dividend income from subsidiaries comprises profit distributions from subsidiaries.

2.2 / TRADEMARK INCOME
The right to use the trademark Dätwyler is invoiced to subsidiaries and related companies.

2.3 / REVERSAL OF PROVISIONS
In 2019, a provision for onerous contracts was charged to income. In 2023 as in the previous year, a part of this provision was reversed to income.

2.4 / OTHER OPERATING EXPENSES
This item comprises Dätwyler Holding Inc.'s general costs of doing business. Dätwyler Holding Inc. has no operating costs, as these are charged in full to Alvest AG and then in turn to the subsidiaries. "Stewardship costs" (Dätwyler Holding Inc. administrative expenses) are charged to Dätwyler Holding Inc.

2.5 / FINANCIAL EXPENSES
Financial expenses mainly include interest expenses for bonds, interest to Pema Holding AG, foreign currency effects, commissions and finance charges.

2.6 / FINANCIAL INCOME
Financial income is derived primarily from interest-bearing assets of subsidiaries and foreign currency effects.

2.7 / LONG-TERM RECEIVABLES FROM SUBSIDIARIES

These are Swiss franc and Euro denominated long-term loans receivable from subsidiaries. Foreign currency balances are fully hedged.

2.8 / INVESTMENTS IN SUBSIDIARIES

Dätwyler Holding Inc.'s direct and indirect subsidiaries are disclosed in note 34 to the consolidated financial statements.

2.9 / BONDS

On 15 June 2022, a 2.1% CHF 240.0 million bond was placed with a five-year term and annual interest payments starting on 13 July 2023. This bond was paid up on 13 July 2022 at an issue price of 100.035%. On 30 May 2018, a 0.625% CHF 150.0 million bond was placed at an issue price of 100.368%. Interest payments are due annually on 30 May and the bond is repayable on 30 May 2024.

2.10 / SHARE CAPITAL

in CHF	31.12.2023	31.12.2022
22'000'000 registered shares at CHF 0.01 par	220'000	220'000
12'600'000 bearer shares at CHF 0.05 par	630'000	630'000
Share capital	**850'000**	**850'000**

Shares in Dätwyler Holding Inc. are listed on the SIX Swiss Exchange. Each registered share and each bearer share, regardless of nominal value, carries one vote at the General Meeting of Shareholders, with the exception of bearer treasury shares.

All 22'000'000 registered shares along with 5'041'465 of the total 12'600'000 bearer shares are held by Pema Holding AG, Altdorf, resulting in a percentage of capital of 55.54% and a percentage of voting shares of 78.15%.

The Board of Directors is not aware of any further shareholders or of shareholder voting pools whose interest reaches 3% of all votes.

2.11 / SHARE OWNERSHIP AND LONG-TERM INCENTIVE PLAN / TREASURY SHARES

In the current year, a total of 20'320 (previous year 19'152) bearer shares were acquired by Alvest AG in two transactions. In April, 13'876 (previous year 14'416) bearer shares were acquired at the current stock exchange price of CHF 199.80 (previous year CHF 307.50) and distributed to the participants of the long-term incentive plan of the group. In June, another 6'444 (previous year 4'736) bearer shares were acquired at the current stock exchange price of CHF 220.00 (previous year CHF 230.50) and then allocated to the members of the Board of Director within the scope of the share award plan with a total value of CHF 1'417'680 (previous year CHF 1'091'648), see Remuneration Report. At the end of 2023 and 2022, no treasury shares were held.

2.12 / VOLUNTARY RETAINED EARNINGS

The voluntary retained earnings represent a free reserve at the disposal of the General Meeting of Shareholders.

2.13 / SURETIES, GUARANTEES AND PLEDGE COMMITMENTS IN FAVOUR OF THIRD PARTIES

On joint and several liability basis, guarantees amounting to USD 55.0 million (previous year USD 155.0 million) and lines of credit in the amount of CHF 17.9 million (previous year CHF 18.1 million) were granted to various subsidiaries, of which CHF 0.5 million (previous year CHF 0.5 million) were used. In addition, no guarantees were outstanding as of the balance sheet date (previous year CHF 3.1 million for rental commitments).

2.14 / JOINT AND SEVERAL LIABILITY

Since 1 January 2009 the company has been a member of the value-added tax group under the number CHE–116.346.605 MWST. The principal member of the group is Alvest AG, Altdorf. For the term of its membership in this group, the company bears joint and several liability pursuant to Art. 15 para. 1 lit c of the VAT Act.

2.15 / CONTINGENT LIABILITIES

In the normal course of business, risks arise in connection with such matters as legal disputes and pending or disputed tax assessments that could potentially lead to liabilities (contingent liabilities). The amount involved in most current cases is immaterial. Where the outcome of such cases is unclear or the risk is unquantifiable or the likelihood of an outflow of funds is unlikely, no provisions are being made. Provisions are being made where the outcome can be estimated or an outflow of funds is probable.

2.16 / BOARD OF DIRECTORS AND EXECUTIVE BOARD SHAREHOLDINGS

As at 31 December 2023, the individual members of the Board of Directors and Executive Management and their related parties held the following quantities of the company's equity securities:

Board of Directors shareholdings 2023

Last name, first name	Position	Number of shares	% of voting rights	Of which blocked until 2024	2025	2026	2027	2028
Hälg, Paul J.	Chairman	37'539	0.108494	2'168	2'016	1'125	1'092	1'487
Fässler, Hanspeter	Vice-Chairman	14'586	0.042156	1'511	1'406	682	662	901
Breu, Jens	Member	3'588	0.010370	986	917	512	497	676
Cornaz, Claude R.	Member	4'377	0.012650	986	917	512	497	676
Fedier, Jürg	Member	7'677	0.022188	986	917	512	497	676
Hirzel, Martin	Member	1'685	0.004870	0	0	512	497	676
Huber, Gabi	Member	10'046	0.029035	986	917	512	497	676
van Walsum, Judith	Member	1'173	0.003390	0	0	0	497	676

Share type: Bearer share, nom. CHF 0.05
Voting rights per bearer share: 0.00000289%

Executive Management shareholdings 2023

Last name, first name	Position	Number of shares	% of voting rights	Of which blocked until 2024	2025	2026	2027	2028
Lambrecht, Dirk	CEO	22'160	0.064046	0	0	0	0	0
Scherz, Walter	CFO	2'850	0.008237	0	0	0	0	0
Borghs, Dirk	COO	1'623	0.004691	0	0	0	0	0
Gérard, Sabrina	CSO	0	–	0	0	0	0	0
Schön, Frank	CTO	1'147	0.003315	0	0	0	0	0

Share type: Bearer share, nom. CHF 0.05
Voting rights per bearer share: 0.00000289%

Board of Directors shareholdings 2022

Last name, first name	Position	Number of shares	% of voting rights	Of which blocked until 2023	2024	2025	2026	2027
Hälg, Paul J.	Chairman	36'052	0.104197	1'736	2'168	2'016	1'125	1'092
Fässler, Hanspeter	Vice-Chairman	13'685	0.039552	1'210	1'511	1'406	682	662
Breu, Jens	Member	2'912	0.008416	0	986	917	512	497
Cornaz, Claude R.	Member	3'701	0.010697	789	986	917	512	497
Fedier, Jürg	Member	7'001	0.020234	789	986	917	512	497
Hirzel, Martin	Member	1'009	0.002916	0	0	0	512	497
Huber, Gabi	Member	9'370	0.027081	789	986	917	512	497
van Walsum, Judith	Member	497	0.001436	0	0	0	0	497

Share type: Bearer share, nom. CHF 0.05
Voting rights per bearer share: 0.00000289%

Executive Management shareholdings 2022

Last name, first name	Position	Number of shares	% of voting rights	Of which blocked until 2023	2024	2025	2026	2027
Lambrecht, Dirk	CEO	15'802	0.045671	0	0	0	0	0
Scherz, Walter	CFO	1'290	0.003728	250	0	0	0	0
Borghs, Dirk	COO	63	0.000182	0	0	0	0	0
Gérard, Sabrina	CSO	0	–	0	0	0	0	0
Schön, Frank	CTO	0	–	0	0	0	0	0

Share type: Bearer share, nom. CHF 0.05
Voting rights per bearer share: 0.00000289%

2.17 / SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

Proposed Appropriation of Retained Earnings

Retained earnings carried forward

in CHF	2023	2022
Profit carried forward	458’889’901	446’228’488
Net result	87’126’426	67’061’413
Retained earnings at disposal of General Meeting of Shareholders	**546’016’327**	**513’289’901**

Proposal of the Board of Directors on the appropriation of retained earnings

in CHF	2023 Proposal of the Board of Directors	2022 Resolution of the General Meeting of Shareholders
Retained earnings at disposal of General Meeting of Shareholders	**546’016’327**	**513’289’901**
Distribution of cash dividend	–54’400’000	–54’400’000
– Registered shares: CHF 0.64 (previous year CHF 0.64)	–14’080’000	–14’080’000
– Bearer shares: CHF 3.20 (previous year CHF 3.20)	–40’320’000	–40’320’000
To be carried forward	**491’616’327**	**458’889’901**

Report of the Statutory Auditor on the Financial Statements

KPMG

Statutory Auditor's Report

To the General Meeting of Dätwyler Holding AG, Altdorf

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dätwyler Holding AG (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages F44 to F50) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the renumeration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of

KPMG AG
Zurich, 5 February 2024

EXPERTsuisse Certified Company

Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Toni Wattenhofer
Licensed Audit Expert
Auditor in Charge

Melanie Gamma
Licensed Audit Expert

Zurich, 5 February 2024

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

Shareholder Information

Five Year Summary

Datwyler Group

in CHF millions	2023	2022	2021	2020	2019
Net revenue	**1’151.5**	**1’150.6**	**1’101.7**	**1’069.2**	**1’360.8**
Year-on-year change (%)	0.1	4.4	3.0	–21.4	–0.1
EBITDA[1,3]	**200.6**	**225.0**	**241.8**	**211.0**	**197.1**
Depreciation and amortisation	**80.2**	**75.8**	**66.0**	**62.4**	**68.4**
As % of net revenue	7.0	6.6	6.0	5.8	5.0
Year-on-year change (%)	5.8	14.8	5.8	–8.8	11.2
Operating result (EBIT)	**120.4**	**149.2**	**234.2**	**–315.9**	**–40.3**
As % of net revenue	10.5	13.0	21.3	–29.5	–3.0
Year-on-year change (%)	–19.3	–36.3	n/a	683.9	–123.7
Net result	**66.8**	**104.8**	**194.0**	**–346.3**	**–86.6**
As % of net revenue	5.8	9.1	17.6	–32.4	–6.4
Year-on-year change (%)	–36.3	–46.0	n/a	299.9	–171.6
Net cash from operating activities	**194.9**	**118.6**	**183.5**	**185.3**	**174.8**
As % of net revenue	16.9	10.3	16.7	17.3	12.8
Year-on-year change (%)	64.3	–35.4	–1.0	6.0	7.3
Free cash flow[1]	**136.7**	**–582.9**	**160.4**	**115.7**	**73.2**
Non-current assets	**626.1**	**695.1**	**630.5**	**609.2**	**629.8**
Year-on-year change (%)	–9.9	10.2	3.5	–3.3	–6.7
Current assets	**574.7**	**603.9**	**630.5**	**497.7**	**531.9**
Year-on-year change (%)	–4.8	–4.2	26.7	–6.4	–16.8
Total assets	**1’200.8**	**1’299.0**	**1’261.0**	**1’106.9**	**1’161.7**
Equity	**386.2**	**403.6**	**948.3**	**735.1**	**675.1**
Year-on-year change (%)	–4.3	–57.4	29.0	8.9	–18.4
As % of total assets	32.2	31.1	75.2	66.4	58.1
Total liabilities	**814.6**	**895.4**	**312.7**	**371.8**	**486.6**
Year-on-year change (%)	–9.0	186.3	–15.9	–23.6	–0.2
– Thereof current liabilities	314.8	190.2	143.7	199.6	303.0
– Thereof long-term liabilities	499.8	705.2	169.0	172.2	183.6
Capital expenditures[1]	**53.0**	**101.8**	**110.9**	**90.8**	**104.6**
Year-on-year change (%)	–47.9	–8.2	22.1	–13.2	–24.2
Personnel expenses	**376.7**	**359.2**	**321.1**	**300.8**	**375.9**
Year-on-year change (%)	4.9	11.9	6.7	–20.0	6.1
Number of employees (at year-end)	**8’178**	**8’698**	**6’909**	**6’748**	**7’995**
Year-on-year change (%)	–6.0	25.9	2.4	–15.6	–3.7

[1] *Datwyler Group uses certain financial performance measures that are not defined by Swiss GAAP. The definitions of these Alternative Performance Measures (APM) are explained on pages F60 to F62.*

[2] *In 2021/2020 before gain/loss on sale of subsidiaries, in 2019 before impairment charges.*

Dätwyler Holding Inc.

in CHF millions	2023	2022	2021	2020	2019
Finance and investment income	88.7	64.7	77.1	20.2	22.5
Net result	87.1	67.1	126.6	317.2	–359.3
Equity	939.1	906.4	910.7	838.5	572.3
Equity as % of total assets	61.3	62.2	85.6	79.7	66.4
Share capital	0.9	0.9	0.9	0.9	0.9
Distribution	54.4[1]	54.4	71.4	54.4	51.0

[1] *Board of Directors’ proposal to the Annual General Meeting.*

Share Information

		2023	2022	2021	2020	2019
Market price SIX (high/low)						
Bearer share – high	CHF	250.50	410.00	408.50	263.50	189.60
Bearer share – low	CHF	154.20	150.00	250.50	125.60	123.00
Trading volume						
Number of shares		2'761'027	3'532'073	2'586'728	6'079'477	4'831'200
Value	in CHF mio.	532	849	810	1'107	741
Gross dividend						
Bearer share	CHF	3.20[1]	3.20	4.20	3.20	3.00
Registered share	CHF	0.64[1]	0.64	0.84	0.64	0.60
Net result per share						
Bearer share	CHF	3.93	6.16	11.41	–20.37	–5.09
Registered share	CHF	0.79	1.23	2.28	–4.07	–1.02
Net cash from operating activities per share						
Bearer share	CHF	11.46	6.98	10.79	10.90	10.28
Registered share	CHF	2.29	1.40	2.16	2.18	2.06
Price/earnings ratio (average)		49.0	39.0	27.4	n/a	n/a
Equity per share						
Bearer share	CHF	23	24	56	43	40
Registered share	CHF	5	5	11	9	8
Market capitalisation						
Average for the year	in CHF mio.	3'276	4'086	5'323	3'096	2'607
As % of equity		848	1'012	561	421	386
At 31 December	in CHF mio.	3'318	3'128	6'834	4'369	3'169
As % of equity		859	775	721	594	469

The Articles of Association of Dätwyler Holding Inc. do not contain any opting-out or opting-up provisions pursuant to the Swiss Stock Exchange Act.

[1] *Board of Directors' proposal to the Annual General Meeting.*

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 calulated 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**