

Operating result (EBIT)

Operating result is reported without adjustments on page 2 of the interim report 2020, except for the loss on the sale of subsidiaries in the amount of CHF 464.5 Mio., and including adjustments on pages 3 for the Datwyler Group and on pages 4 and 5, respectively, for the Business Areas Healthcare Solutions and Industrial Solutions.

<i>in CHF million</i>	Six months ended 30 June 2020					
	Healthcare Solutions	Industrial Solutions	Technical Components	Eliminations	Datwyler Group	Continuing Operations
Revenue	201.1	212.0	135.9	-3.3	545.7	488.6
EBIT as reported	35.5	13.2	-448.1	-	-399.4	64.5
<i>EBIT-margin</i>	17.7%	6.2%	-329.7%		-73.2%	13.2%
Loss on Sale Distrelec and Nedis	-	-	456.5	-	456.5	-
Loss on Sale of Civil Engineering	-	8.0	-	-	8.0	-
EBIT adjusted for loss on sale of subsidiaries	35.5	21.2	8.4	-	65.1	64.5
<i>EBIT-margin adjusted for loss on sale of subsidiaries</i>	17.7%	10.0%	6.2%		11.9%	13.2%
Start-up cost Healthcare Solutions (Middletown)	8.1	-	-	-	8.1	8.1
EBIT adjusted	43.6	21.2	8.4	-	73.2	72.6
<i>EBIT-margin adjusted</i>	21.7%	10.0%	6.2%		13.4%	14.9%

<i>in CHF million</i>	Six months ended 30 June 2019					
	Healthcare Solutions	Industrial Solutions	Technical Components	Eliminations	Datwyler Group	Continuing Operations
Revenue	202.1	280.5	227.0	-3.3	706.3	544.7
EBIT	42.4	41.3	7.5	-	91.2	92.1
<i>EBIT-margin</i>	21.0%	14.7%	3.3%		12.9%	16.9%

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

Earnings before interest, taxes, depreciation and amortisation (EBITDA) is reported without adjustments on page 2 of the interim report 2020, except that the loss on the sale of subsidiaries in the amount of CHF 464.5 Mio. is added back.

<i>in CHF million</i>	Six months ended			
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Datwyler Group	Datwyler Group	Continuing operations	Continuing operations
Revenue	545.7	706.3	488.6	544.7
EBIT as reported	-399.4	91.2	64.5	92.1
<i>EBIT-margin</i>	-73.2%	12.9%	13.2%	16.9%
Loss on sale of subsidiaries	464.5	-	-	-
Depreciation and amortization	32.1	33.7	30.1	27.7
EBITDA before loss on sale of subsidiaries	97.2	124.9	94.6	119.8
<i>EBIT-margin</i>	17.8%	17.7%	19.4%	22.0%

Net Result

The net result in percent of sales adjusted for the loss on sale of subsidiaries is reported on the top of page 2 of the interim report 2020 and is calculated as follows:

<i>in CHF million</i>	Six months ended	
	30 June 2020	30 June 2019
	Datwyler Group	Datwyler Group
Net income as reported	-421.7	66.2
Loss on sale of subsidiaries	464.5	-
Net income adjusted	42.8	66.2
<i>Net income in percent of sales adjusted</i>	<i>7.8%</i>	<i>9.4%</i>

There were no tax effects in the books of the Datwyler Group on the sale of the subsidiaries.

Return on capital employed (ROCE)

The Datwyler Group reports the return on capital employed (ROCE) in the Highlights section of the Datwyler's interim report on pages 2 and 3. ROCE equals the EBIT divided by the average capital employed. Capital employed according to Datwyler's definition equals the average of the trade accounts receivables, inventories, fixed assets excluding assets under construction, intangible assets less trade accounts payable. Averages are calculated using the balance sheet amounts per 30 June, 31 December of the prior year and 30 June of the prior year divided by 3. The ROCE presented on page 2 is based on reported figures. The ROCE presented on page 3 includes adjustments for both, the EBIT and the capital employed. The ROCE as presented in the Highlight section on page 2 is calculated as follows:

<i>in CHF million</i>	Six months ended			
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Datwyler Group	Datwyler Group	Continuing operations	Continuing operations
EBIT (LTM)	110.7	163.2	105.9	174.7
Average capital employed	753.8	762.0	631.7	571.4
ROCE (LTM)	14.7%	21.4%	16.8%	30.6%

The ROCE using the adjusted EBIT and adjusted capital employed for the Datwyler Group as presented in the shareholder information section on page 3 is calculated as follows:

<i>in CHF million</i>	Six months ended 30 June				
	2020	2019	2018	2017	2016
	Datwyler Group				
EBIT (LTM)	110.7	163.2	173.2	144.5	140.4
Average capital employed	753.8	762.0	718.6	677.1	626.1
ROCE adjusted	14.7%	21.4%	24.1%	21.3%	22.4%

Average capital employed (CE)

Average means the balance sheet amounts per 30 June of the current year, 31 December of the prior year and 30 June of the prior year divided by 3. The following table illustrates the calculation.

	30 June 2020	31 Dec 2019	30 June 2019	31 Dec 2018	30 June 2018
<i>in CHF million</i>					
Datwyler Group					
Trade accounts receivable	157.7	188.1	210.3	198.0	215.0
Inventories	132.1	230.1	229.5	230.9	218.7
Fixed assets excluding assets under construction	429.6	413.2	383.5	391.5	356.6
Intangible assets	25.0	31.4	29.7	26.0	22.3
Trade accounts payable	-55.1	-68.8	-75.0	-76.3	-74.6
Capital employed	689.3	794.0	778.0	770.1	738.0
Average capital employed	753.8		762.0		

Capital employed at 31 December 2019 is before impairment charges.

Capital expenditures

Capital expenditures in fixed and intangible assets are reported on page 2 for the Datwyler Group and on page 8 of the interim report. Capital expenditures in connection with this note relate to additions according to the accounting records as presented in the fixed and intangible assets tables (not presented in the interim report). The net purchases of property, plant and equipment as reported in the cash flow statement on page 8 equals capital expenditures based on cash payments (less cash received on disposal of fixed and intangible assets).

	Six months ended	
	30 June 2020	30 June 2019
<i>in CHF million</i>		
	Datwyler Group	Datwyler Group
Capital expenditure in fixed assets	32.4	45.3
Capital expenditure in intangible assets	5.8	7.7
Total capital expenditures	38.2	53.0

Free cash flow and change in cash and cash equivalents

Free cash flow as reported on page 2 of the interim report equals cash flow from operating activities minus cash flow from investing activities as presented in the cash flow statement on page 8. After deducting the financing activities as per the cash flow statement from the free cash flow results in the net change in cash as per cash flow statement.

	Six months ended	
	30 June 2020	30 June 2019
<i>in CHF million</i>		
	Datwyler Group	
Cash flow from operating activities	79.1	88.3
Cash flow from investing activities	-18.5	-48.9
Free cash flow	60.6	39.4
Cash flow from financing activities	-79.8	-28.9
Net change in cash and cash equivalents	-19.2	10.5