

9 November 2021

## DCC Delivers Strong Growth in First Half

DCC, the leading international sales, marketing and support services group, today announces its results for the six months ended 30 September 2021.

| Financial highlights:                               | 2021            | 2020            | % change      | % change CC <sup>1</sup> |
|-----------------------------------------------------|-----------------|-----------------|---------------|--------------------------|
| <b>Revenue</b>                                      | <b>£7.518bn</b> | <b>£5.931bn</b> | <b>+26.8%</b> | <b>+29.7%</b>            |
| <b>Adjusted operating profit<sup>2</sup></b>        | <b>£195.8m</b>  | <b>£176.1m</b>  | <b>+11.2%</b> | <b>+15.5%</b>            |
| DCC LPG                                             | £48.4m          | £45.6m          | +6.2%         | +9.6%                    |
| DCC Retail & Oil                                    | £70.0m          | £65.2m          | +7.4%         | +9.5%                    |
| DCC Healthcare                                      | £50.2m          | £39.8m          | +26.0%        | +29.8%                   |
| DCC Technology                                      | £27.2m          | £25.5m          | +6.5%         | +19.0%                   |
| <b>Adjusted earnings per share<sup>2</sup></b>      | <b>134.2p</b>   | <b>117.9p</b>   | <b>+13.8%</b> | <b>+18.3%</b>            |
| <b>Interim dividend</b>                             | <b>55.85p</b>   | <b>51.95p</b>   | <b>+7.5%</b>  |                          |
| <b>Net debt (excl. lease creditors)<sup>3</sup></b> | <b>£54.1m</b>   | <b>£137.2m</b>  |               |                          |

- DCC delivered strong growth in the seasonally less significant first half of the year, a very good performance given the strong growth in the comparative period. Operating profit increased by 11.2% (15.5% on a constant currency basis) to £195.8 million and more than half of the constant currency growth was organic. Adjusted earnings per share increased 13.8% to 134.2 pence per share.
- All divisions delivered growth, despite the global volatility in commodity pricing, supply chains and inflation.
- Interim dividend increased by 7.5% to 55.85 pence per share.
- DCC's financial position remains very strong, with net debt (excluding lease creditors) at 30 September 2021 of £54.1 million.
- DCC continues to grow and develop organically and through acquisition activity. Since the Group's prior year results announcement in May 2021, DCC has committed approximately £80 million to bolt-on acquisitions, with activity across each division. In the energy sector, acquisitions included the Irish marketing operations of Naturgy, a supplier of renewable power, natural gas and energy services to large commercial and industrial customers and a synergistic, convenience-led, retail mobility business in Luxembourg. DCC Healthcare also completed its first German primary care bolt-on, following its initial market entry through the acquisition of Wörner in April 2021.
- Notwithstanding the adverse impact of currency translation and the significantly increased wholesale cost of energy products, DCC continues to expect that the year ending 31 March 2022 will be another year of strong operating profit growth and continued development activity, and in line with current market consensus expectations.

<sup>1</sup> Constant currency ('CC') represents the retranslation of foreign denominated current year results at prior year exchange rates

<sup>2</sup> Excluding net exceptionals and amortisation of intangible assets

<sup>3</sup> Net debt including lease creditors at 30 September 2021 was £390.3 million (2020: £441.0 million)

### **Sustainability:**

- Sustainability is embedded in DCC's strategy, business model and culture. DCC released its first standalone Sustainability Report in July 2021. Amongst other items, the report outlines the key metrics the Group will use to track progress against its sustainability objectives. DCC is rated AAA by MSCI.
- DCC is making good progress towards achieving a 20% reduction in its own carbon emissions by 2025 from a 2019 base.
- Progress is being achieved through multiple proactive initiatives. For example, during the first half, DCC has scaled its biofuel usage in a number of businesses for its own truck fleet. DCC is also investing in renewable electricity generation on its sites. For example, DCC Healthcare's soft-gel facility in south Wales generates 50% of its electricity on-site through wind and solar power and utilises its leading sustainability position to attract new customers.

### **Energy transition:**

- Leading energy consumers on their transition to renewable or low carbon energy products is central to DCC's purpose, sustainability objectives and strategy. DCC continues to introduce innovative energy solutions for its commercial and industrial, residential, and mobility customers. For example, since May 2021, DCC has:
  - Accelerated the growth of the recently-acquired solar offering in France, beginning to cross-sell other energy solutions to those customers;
  - Launched an energy management service for French B2B power customers, to help customers better understand, monitor and lower their energy usage and also launched an 'on-premise' electric vehicle ('EV') charging offering for office and apartment buildings;
  - Further increased the scale of renewable energy solutions provided in the Irish market through the recent acquisition of Naturgy. All of the electricity DCC sells to customers in Ireland is renewable;
  - Launched a new offering to trial a 100% biofuel solution for residential heating in Britain this winter, which can offer customers an c.85% reduction in carbon; and
  - Recently announced a new partnership with ENGIE to roll out EV fast-charging across DCC's French motorway network.
- DCC is investing in its capability in new energy solutions. As a result, DCC has a strong pipeline of initiatives right across its energy activities. Together with existing offerings, these will provide energy consumers with further solutions to assist with the decarbonisation of their energy usage into the future.

### **Donal Murphy, Chief Executive, commented:**

***"I am pleased to report a strong performance in the seasonally less significant first half, which builds on the growth recorded during the first half of the prior year. Each of our four divisions has delivered good growth, underlining the resilience of our business model and our ability to adapt to the very volatile macro environment. Sustainability is core to how we do business, and we continue to make good progress across each of our four sustainability pillars, including within energy transition. During the period we have developed a number of new partnerships with energy suppliers, bringing innovative and lower-carbon solutions to our customers. DCC is well positioned to lead our customers through their energy transition."***

***"With the strength of our market positions and an active acquisition pipeline, DCC has the capability and financial strength to continue the growth and development of the Group across the energy, healthcare and technology sectors."***

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### **DCC website:**

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### **Presentation of results – audio webcast and conference call details:**

DCC will host a live audio webcast and conference call of the presentation at 09.00 today. The slides for this presentation can be downloaded from DCC's website, [www.dcc.ie](http://www.dcc.ie). The access details for the live presentation are as follows:

Ireland: +353 (0) 1 506 0650  
UK: +44 (0) 2071 928 338  
International: +44 (0) 2071 928 338  
Passcode: 7839245  
Webcast Link: <https://edge.media-server.com/mmc/p/uihow8cz>

This report, presentation slides and a replay of the audio will be made available at [www.dcc.ie](http://www.dcc.ie).

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## Divisional Performance Reviews

| DCC LPG                    | 2021    | 2020    | % change | % change CC |
|----------------------------|---------|---------|----------|-------------|
| Volumes (thousand tonnes)  | 918.4kT | 726.3kT | +26.4%   |             |
| Operating profit           | £48.4m  | £45.6m  | +6.2%    | +9.6%       |
| Operating profit per tonne | £52.67  | £62.72  |          |             |

DCC LPG delivered strong operating profit growth in the seasonally less significant first half of the financial year, notwithstanding the substantial increase in the wholesale cost of product during the period. Operating profit increased by 6.2% (9.6% ahead on a constant currency basis) to £48.4 million and over half of the constant currency growth was organic.

As anticipated, volumes recovered across most markets during the first half of the year, driven by the reopening of economies and the corresponding increase in commercial activity. DCC LPG sold 918.4k tonnes of product in the first half, a 26.4% increase on the prior year. As expected, operating profit per tonne reduced due to the mix impact of the significant increase in lower margin commercial and industrial customer demand, the impact of the UPG acquisition in the US and the higher cost of product.

The French business performed in line with expectations, benefiting from continued good cylinder and domestic demand. The recently acquired solar photovoltaic businesses have performed well since acquisition and experienced strong demand for their design, build and maintenance solutions. These acquisitions have continued to broaden the energy solutions the business offers to customers in France and are delivering strong returns on capital employed. The B2B gas and power business also expanded its customer base and the range of energy solutions it provides during the first half, although, as with the LPG sector, the higher cost of energy was a headwind throughout the period.

In Britain and Ireland, the business experienced a strong recovery in commercial volumes. The growth in commercial volumes was supported by momentum in Britain in oil to LPG conversions, relative to the pandemic-affected prior year. Oil to LPG customer volumes are well ahead of where they were prior to the pandemic, as commercial and industrial customers are increasingly attracted to solutions that significantly reduce their carbon footprint. In Ireland, similar to the experience in France, the on-grid gas and power business has faced significant volatility and increases in wholesale prices for natural gas and electricity. DCC LPG recently agreed to acquire Naturgy's power and gas marketing operations in Ireland, a business supplying renewable power, gas and energy services to large energy users. The acquisition enhances DCC's presence in the Irish electricity and gas markets and represents an important step in its strategy to expand its energy solutions offering across the island of Ireland.

In the US, the business recorded very strong volume growth, driven by the acquisitions of NES Group (September 2020) and UPG (January 2021). The integration of both businesses has progressed well, and they have traded in line with expectations. The business continued to build its market position during the period and recently acquired another small business in Denver, Colorado. DCC LPG now has a substantial business in the US, operating across 22 states. Overall, the business in the US performed in line with expectations during the first half.

In Benelux, the business completed the acquisition of Primagaz in June of this year, following receipt of competition authority approval. Integration is progressing well, and the acquisition significantly increases DCC LPG's position in the market, by adding over 10,000 customers. The business in Germany benefited from three small bolt-on acquisitions completed during the first half of the year, one in refrigerants and two in LPG, as it expands its footprint in the sizeable and fragmented German market.

| <b>DCC Retail &amp; Oil</b>       | <b>2021</b>    | <b>2020</b> | <b>% change</b> | <b>% change CC</b> |
|-----------------------------------|----------------|-------------|-----------------|--------------------|
| <b>Volumes (billion litres)</b>   | <b>5.681bn</b> | 4.8.76bn    | <b>+16.5%</b>   |                    |
| <b>Operating profit</b>           | <b>£70.0m</b>  | £65.2m      | <b>+7.4%</b>    | <b>+9.5%</b>       |
| <b>Operating profit per litre</b> | <b>1.23ppl</b> | 1.34ppl     |                 |                    |

Following a very strong performance in the first half of the prior year, DCC Retail & Oil again delivered strong growth. Operating profit increased by 7.4% (9.5% on a constant currency basis), almost all of which was organic, driven by the recovery in commercial and transport volumes. DCC Retail & Oil also made good progress in expanding the range of products and services it offers to its customers and continued to build capability in lower emissions fuels, EV fast-charging and related services.

DCC Retail & Oil sold 5.681 billion litres of product in the first half, a 16.5% increase on the prior year. Commercial, industrial and transport volumes increased significantly, particularly in the first quarter, as the easing of Covid-19 restrictions led to economic activity recovering, relative to the prior year. The business continues to broaden its product and service offering to customers, which has benefited operating margins generally in recent years. Operating profit per litre decreased modestly due to the mix impact of the recovery in lower-margin, higher-volume commercial activity.

The business in Britain and Ireland recorded very strong organic operating profit growth, in part due to the recovery in commercial activity, which drove fuel and fuel card usage. The business also delivered good growth in its expanded network of company operated retail sites and stores. The increased range of customer solutions is becoming more material, and in the first half of the year, good growth was achieved across lubricants, truck stop, roadside services and heating services. The business in Britain also recently completed the acquisitions of two small bolt-on acquisitions which will improve its digital capability and further expand the roadside services offerings. The business in Ireland delivered strong organic growth in the first half of the year and benefited from the integration of two modest acquisitions completed during the last twelve months.

The Scandinavian business performed robustly following an excellent performance in the prior year. The business in Denmark in particular performed well and generated good growth across the retail, agricultural and commercial sectors. In Scandinavia generally, the business continued to deploy capital into expanding its presence in lower emissions fuels and EV charging infrastructure, including winning a tender for a transport mobility hub in Norway.

In France, the business recorded very strong growth, as restrictions lifted and retail mobility consumers were increasingly active. It has also made good progress in offering new products and solutions to mobility customers. The business has entered into a partnership with ENGIE to deploy EV chargers on 14 motorway sites, while rolling out the infrastructure to enable the sale of E85 fuel across its network. E85 offers a lower carbon alternative product for retail mobility customers. In September 2021, the business also acquired a synergistic network of 19 convenience-led retail forecourts in Luxembourg. The acquisition will be fully integrated into DCC Retail & Oil's existing mobility operating platform and, although modest, will add a good company-operated convenience retailing capability.

| <b>DCC Healthcare</b>   | <b>2021</b>    | <b>2020</b> | <b>% change</b> | <b>% change CC</b> |
|-------------------------|----------------|-------------|-----------------|--------------------|
| <b>Revenue</b>          | <b>£384.2m</b> | £322.0m     | <b>+19.3%</b>   | <b>+22.9%</b>      |
| <b>Operating profit</b> | <b>£50.2m</b>  | £39.8m      | <b>+26.0%</b>   | <b>+29.8%</b>      |
| <b>Operating margin</b> | <b>13.1%</b>   | 12.4%       |                 |                    |

DCC Healthcare delivered another excellent performance in the first half of the financial year, generating operating profit growth of 26.0% (29.8% on a constant currency basis), approximately two-thirds of which was organic. DCC Vital generated excellent organic profit growth and benefited from the acquisition earlier in the year of Wörner, a leading primary care supplier in Germany and Switzerland. DCC Health & Beauty Solutions also performed well, growing its operating profit and building on the excellent growth in the first half of the prior year.

DCC Health & Beauty Solutions, which provides outsourced solutions to international nutrition and beauty brand owners, achieved good profit growth, driven by strong growth in Europe. The performance in Europe was driven by strong growth in sales of ‘beauty from within’ nutrition and premium skincare products. Sales growth in the US market was more modest, following excellent growth in the prior year, as consumer demand normalised towards longer-term growth trends.

DCC Health & Beauty Solutions continued to invest in its management resources during the period, particularly in the US where a new divisional team has been established. It also expanded its capacity and capability across its manufacturing facilities, including recently adding nutritional gummy manufacturing in Britain.

DCC Vital, which is focused on the sales and marketing of medical products to healthcare providers, generated excellent revenue and operating profit growth. In the British and Irish markets DCC Vital is well positioned to benefit from an increase in routine hospital procedures and in-person GP consultations, which have yet to normalise as the pandemic continues to impact healthcare systems. The business continued to service the healthcare systems with the supply of pandemic-related PPE and related products.

DCC Vital also benefited from the first-time contribution of Wörner, acquired in April 2021. This acquisition establishes a continental European growth platform for DCC Vital in primary care and builds on DCC Vital’s leadership position in this sector in Britain. Wörner performed ahead of expectations in the first half of the financial year, benefiting from the distribution of antigen tests into the nursing home sector. The business also completed a small bolt-on acquisition in the first quarter, further expanding its footprint in the German market.

| <b>DCC Technology</b>   | <b>2021</b>     | <b>2020</b> | <b>% change</b> | <b>% change CC</b> |
|-------------------------|-----------------|-------------|-----------------|--------------------|
| <b>Revenue</b>          | <b>£1.985bn</b> | £1.969bn    | <b>+0.8%</b>    | <b>+3.7%</b>       |
| <b>Operating profit</b> | <b>£27.2m</b>   | £25.5m      | <b>+6.5%</b>    | <b>+19.0%</b>      |
| <b>Operating margin</b> | <b>1.4%</b>     | 1.3%        |                 |                    |

DCC Technology delivered good profit growth in the first half of the year, despite the well-documented global supply chain disruption being experienced by the technology industry and its impact on product availability. The business recorded operating profit growth of 6.5% (19.0% on a constant currency basis) in the seasonally less significant first half of the financial year and approximately one-third of the constant currency growth was organic. The business performed very strongly in North America across both the consumer and B2B sectors, where the economy reopened earlier than in Europe. This very strong performance more than compensated for a challenging environment for the UK business.

Overall, the business recorded modest revenue growth in the period. Trading conditions in higher-margin B2B sectors, such as Pro AV products, improved as economies re-opened. Demand for higher-volume, lower-margin consumer and working-from-home products generally remained relatively robust, although activity was somewhat constrained by supply disruption, particularly in the UK.

The North American business performed very strongly in the first half of the year and delivered very good organic revenue and profit growth across Pro Audio, Pro AV and consumer products. As expected, the B2B Pro AV sector recovered strongly as Covid-19 restrictions eased and activity in areas such as corporate hospitality, education and healthcare returned towards pre-pandemic levels. The business also benefited from the first-time contribution from the two modest bolt-on acquisitions completed in the prior year, both of which have performed well since acquisition.

In the UK, revenue and operating profit declined. The UK business is experiencing the most product supply disruption, with labour availability and logistics challenges also being most acute in this market. The business was also impacted by the planned implementation of a new warehouse management system in the second quarter. In Ireland, the business recorded good organic revenue and operating profit growth in the first half of the financial year. It also moved to a new, larger, warehouse and office facility during the period, which will facilitate the continued growth and development of the business in the Irish market.

In Continental Europe, DCC Technology generated good revenue and profit growth in the period. As in North America, the business has experienced a recovery in the demand environment for B2B products generally, although the rate of recovery has varied across markets. The business performed well in the Benelux region and delivered good growth in the Nordics, where it also recently acquired a modest bolt-on acquisition in the AV sector. The performance in the B2B sector benefited from the completion of the acquisition of Azenn during the period, a French distributor of structured cabling solutions and network devices to the French installation market. Azenn, which has performed well since acquisition, is complementary to the existing French B2B offering.

## Group Financial Review

A summary of the Group's results for the six months ended 30 September 2021 is as follows:

|                                                                                  | <b>2021</b>          | 2020          |                 |
|----------------------------------------------------------------------------------|----------------------|---------------|-----------------|
|                                                                                  | <b>£'m</b>           | £'m           | <b>% change</b> |
| <b>Revenue</b>                                                                   | <b><u>7,518</u></b>  | <u>5,931</u>  | <b>+26.8%</b>   |
| <b>Adjusted operating profit<sup>1</sup></b>                                     |                      |               |                 |
| DCC LPG                                                                          | <b>48.4</b>          | 45.6          | +6.2%           |
| DCC Retail & Oil                                                                 | <b>70.0</b>          | 65.2          | +7.4%           |
| DCC Healthcare                                                                   | <b>50.2</b>          | 39.8          | +26.0%          |
| DCC Technology                                                                   | <b><u>27.2</u></b>   | <u>25.5</u>   | +6.5%           |
| <b>Group adjusted operating profit<sup>1</sup></b>                               | <b>195.8</b>         | 176.1         | <b>+11.2%</b>   |
| <b>Finance costs (net) and other</b>                                             | <b><u>(26.9)</u></b> | <u>(30.2)</u> |                 |
| <b>Profit before net exceptionals, amortisation of intangible assets and tax</b> | <b>168.9</b>         | 145.9         | <b>+15.7%</b>   |
| <b>Net exceptional items before tax</b>                                          | <b>(17.3)</b>        | (13.3)        |                 |
| <b>Amortisation of intangible assets</b>                                         | <b><u>(36.6)</u></b> | <u>(30.5)</u> |                 |
| <b>Profit before tax</b>                                                         | <b>115.0</b>         | 102.1         |                 |
| <b>Taxation</b>                                                                  | <b><u>(24.3)</u></b> | <u>(18.5)</u> |                 |
| <b>Profit after tax</b>                                                          | <b>90.7</b>          | 83.6          |                 |
| <b>Non-controlling interests</b>                                                 | <b><u>(6.2)</u></b>  | <u>(5.0)</u>  |                 |
| <b>Attributable profit</b>                                                       | <b><u>84.5</u></b>   | <u>78.6</u>   |                 |
| <b>Adjusted earnings per share<sup>1</sup></b>                                   | <b>134.2 pence</b>   | 117.9 pence   | <b>+13.8%</b>   |
| <b>Dividend per share</b>                                                        | <b>55.85 pence</b>   | 51.95 pence   | <b>+7.5%</b>    |
| <b>Free cash flow<sup>2</sup></b>                                                | <b>12.3</b>          | 120.7         |                 |
| <b>Net debt at 30 September (excluding lease creditors)</b>                      | <b>54.1</b>          | 137.2         |                 |
| <b>Lease creditors</b>                                                           | <b><u>336.2</u></b>  | <u>303.8</u>  |                 |
| <b>Net debt at 30 September (including lease creditors)</b>                      | <b><u>390.3</u></b>  | <u>441.0</u>  |                 |

<sup>1</sup> Excluding net exceptionals and amortisation of intangible assets  
<sup>2</sup> After net working capital and net capital expenditure but before net exceptionals, interest and tax payments

## **Income Statement Review**

### **Reporting currency**

The Group's financial statements are presented in sterling, denoted by the symbol '£'. The principal exchange rates used for the translation of results into sterling are set out in note 4, Reporting Currency, on page 23.

The net impact of currency translation on the Group income statement versus the prior period was relatively significant, accounting for a headwind of approximately 4% to the reported growth in operating profit. Average sterling exchange rates strengthened against most relevant currencies, including the US dollar and euro.

### **Revenue**

Overall, Group revenue increased by 26.8% (29.7% increase on a constant currency basis) to £7.518 billion.

DCC LPG sold 918.4k tonnes of product in the first half of the year, a 26.4% increase versus the prior year. Volumes recovered across all markets, driven by the reopening of economies and the corresponding increase in commercial and industrial activity.

DCC Retail & Oil sold 5.7 billion litres of product in the first half, a 16.5% increase versus the prior year driven by the recovery of commercial, industrial and transport volumes, particularly in the first quarter.

Combined revenue in DCC Healthcare and DCC Technology was £2.4 billion, an increase of 3.4% reflecting a strong revenue performance in DCC Healthcare and DCC Technology's North American businesses.

### **Group adjusted operating profit**

Group adjusted operating profit increased by 11.2% to £195.8 million (15.5% ahead on a constant currency basis), in the seasonally less significant first half of the year. More than half of the constant currency growth was organic, a strong performance in the context of well-documented challenges in global commodity prices, supply chain shortages and labour availability.

DCC LPG traded strongly during the first half of the year, particularly given the significant increase in the cost of product. Operating profit increased by 6.2% (9.6% ahead on a constant currency basis) to £48.4 million, over half of which was organic.

Operating profit in DCC Retail & Oil was well ahead of the prior year driven by the anticipated recovery in commercial and transport volumes. Operating profit increased 7.4% to £70.0 million (9.5% ahead on a constant currency basis), almost all of which was organic.

DCC Healthcare delivered another excellent performance in the first half of the year, generating operating profit growth of 26.0% to £50.2 million (29.8% on a constant currency basis), approximately two-thirds of which was organic. DCC Vital generated very strong organic growth and benefited from the acquisition of Wörner in April 2021.

DCC Technology traded strongly, and operating profit increased 6.5% to £27.2 million (19.0% ahead on a constant currency basis) and approximately one-third of the constant currency growth was organic. The growth was driven by the consumer and B2B sectors in North America, which performed very well.

### **Finance costs (net) and other**

Net finance and other costs decreased to £26.9 million (2020: £30.2 million). The decrease primarily reflects a lower interest charge due to lower average gross debt balances, following a private placement debt repayment in May 2021. Average net debt, excluding lease creditors, in the period was £211 million,

compared to an average net debt of £223 million in the prior year. The slight decrease in average net debt excluding lease creditors reflects lower levels of working capital across the first six months of the year.

#### **Profit before net exceptional items, amortisation of intangible assets and tax**

Profit before net exceptional items, amortisation of intangible assets and tax increased by 15.7% to £168.9 million.

#### **Net exceptional items and amortisation of intangible assets**

The Group recorded a net exceptional charge after tax of £17.5 million in the first six months of the year as follows:

|                                                     | <b>£'m</b>         |
|-----------------------------------------------------|--------------------|
| Adjustments to contingent acquisition consideration | 8.0                |
| Acquisition and related costs                       | 5.8                |
| Restructuring and integration costs and other       | 4.5                |
| IAS 39 mark-to-market gain                          | <u>(1.0)</u>       |
|                                                     | 17.3               |
| Tax attaching to exceptional items                  | <u>0.2</u>         |
| <b>Net exceptional charge</b>                       | <b><u>17.5</u></b> |

Adjustments to contingent acquisition consideration reflects an increase in the provision for deferred consideration likely payable in respect of two acquisitions in DCC Technology where the trading performance in North America has been very strong and ahead of expectations. In accordance with IFRS 3, this increase in the fair value of contingent consideration is recognised as a charge in the Income Statement.

Acquisition and related costs include the professional fees and tax costs relating to the evaluation and completion of acquisition opportunities and amounted to £5.8 million.

Restructuring and integration costs and other of £4.5 million relates to the restructuring and integration of operations across a number of businesses and acquisitions. The most material item relates to DCC LPG, where a project is underway in France to enhance the efficiency of its operating infrastructure.

The level of ineffectiveness calculated under IAS 39 on the hedging instruments related to the Group's US private placement debt is charged or credited as an exceptional item. In the six months ended 30 September 2021, this amounted to an exceptional non-cash gain of £1.0 million. The cumulative net exceptional credit taken in respect of IAS 39 ineffectiveness is £0.3 million. This, or any subsequent similar non-cash charges or gains, will net to zero over the remaining term of this debt and the related hedging instruments.

The charge for the amortisation of acquisition related intangible assets increased to £36.6 million from £30.5 million in the prior year, with the increase primarily reflecting acquisitions completed during the second half of the prior year.

#### **Profit before tax**

Profit before tax increased to £115.0 million.

#### **Taxation**

The effective tax rate for the Group in the first half of the year of 18.0% is based on the anticipated mix of profits for the full year and compares to a full year effective tax rate in the prior year of 17.0%.

**Adjusted earnings per share**

Adjusted earnings per share increased by 13.8% to 134.2 pence, reflecting the increase in profit before exceptional items and goodwill amortisation.

**Dividend**

The Board has decided to pay an interim dividend of 55.85 pence per share, which represents a 7.5% increase on the prior year interim dividend of 51.95 pence per share. This dividend will be paid on 10 December 2021 to shareholders on the register at the close of business on 19 November 2021.

## Cash Flow, Development & Financial Position

### Cash flow

As with its operating profit, the Group's operating cash flow is significantly weighted towards the second half of the year. The cash flow of the Group for the six months ended 30 September 2021 can be summarised as follows:

| Six months ended 30 September                                                   | 2021<br>£'m           | 2020<br>£'m    |
|---------------------------------------------------------------------------------|-----------------------|----------------|
| <b>Group operating profit</b>                                                   | <b>195.8</b>          | 176.1          |
| Increase in working capital                                                     | <b>(183.2)</b>        | (28.4)         |
| Depreciation (excluding ROU leased assets) and other                            | <b><u>70.2</u></b>    | <u>63.8</u>    |
| <b>Operating cash flow</b> (pre add-back for depreciation on ROU leased assets) | <b>82.8</b>           | 211.5          |
| Capital expenditure (net)                                                       | <b><u>(67.0)</u></b>  | <u>(87.6)</u>  |
|                                                                                 | <b>15.8</b>           | 123.9          |
| Depreciation on ROU leased assets                                               | <b>32.4</b>           | 29.9           |
| Repayment of lease creditors                                                    | <b><u>(35.9)</u></b>  | <u>(33.1)</u>  |
| <b>Free cash flow</b>                                                           | <b>12.3</b>           | 120.7          |
| Interest and tax paid, net of dividend from equity accounted investments        | <b><u>(53.4)</u></b>  | <u>(42.0)</u>  |
| <b>Free cash flow (after interest and tax)</b>                                  | <b>(41.1)</b>         | 78.7           |
| Acquisitions                                                                    | <b>(162.4)</b>        | (98.5)         |
| Dividends                                                                       | <b>(106.8)</b>        | (92.5)         |
| Exceptional items                                                               | <b>(9.8)</b>          | (19.2)         |
| Share issues                                                                    | <b><u>0.4</u></b>     | <u>-</u>       |
| <b>Net outflow</b>                                                              | <b>(319.7)</b>        | (131.5)        |
| Opening net debt                                                                | <b>(150.2)</b>        | (367.1)        |
| Translation and other                                                           | <b><u>79.6</u></b>    | <u>57.6</u>    |
| <b>Closing net debt</b> (including lease creditors)                             | <b><u>(390.3)</u></b> | <u>(441.0)</u> |
| <b>Analysis of closing net debt (including lease creditors):</b>                |                       |                |
| Net debt at 30 September (excluding lease creditors)                            | <b>(54.1)</b>         | (137.2)        |
| Lease creditors at 30 September                                                 | <b><u>(336.2)</u></b> | <u>(303.8)</u> |
|                                                                                 | <b><u>(390.3)</u></b> | <u>(441.0)</u> |

The working capital performance of the Group continues to be strong, with the working capital position at 30 September 2021 comparing favourably to the prior year and in line with expectations. The absolute value of working capital at 30 September 2021 was a negative £25.2 million versus £1.0 million (positive) at 30 September 2020.

This good performance reflects a very strong underlying working capital performance in DCC Retail & Oil, which benefited from the increased activity levels. The uncertain supply chain environment saw both the Healthcare and Technology divisions invest in working capital versus the prior year to ensure service levels to customers. Overall working capital days at 30 September 2021 were negative 0.5 days sales, a slight improvement on the prior year (2020: 0.0 days sales). DCC Technology selectively uses supply chain financing solutions to sell, on a non-recourse basis, a portion of its receivables relating to certain larger supply chain/sales and marketing activities. As anticipated, the level of supply chain financing at 30 September 2021 was lower than the prior year at £125.9 million (2020: £223.4 million), with the decrease reflecting the lower volume throughput in the UK business following the warehouse system upgrades and product supply disruption. Supply chain financing had a positive impact on Group working capital days of 2.0 days (30 September 2020: 5.2 days).

As expected, working capital increased by £183.2 million over the six-month period from 31 March 2021 due to the reversal of approximately £80 million of one-off timing benefits which were highlighted in the Results Announcement in May 2021, lower utilisation of supply chain financing and the investment in the Group's typical seasonal working capital requirements.

Net capital expenditure for the six months amounted to £67.0 million (2020: £87.6 million), was net of disposal proceeds of £11.1 million, and reflects continued investment in development initiatives across the Group.

Capital expenditure in DCC LPG primarily comprised development expenditure on tanks, cylinders and installations, supporting new business, the conversion of oil customers to LPG, and the continued rollout of bioLPG cylinders and 'Click and Collect' services. There was also continued development spend in relation to the Avonmouth LPG storage facility in the UK. In the Retail & Oil division, there was continued investment in new retail sites and site upgrades, including adding further lower emission product capability, EV fast charging and related services. It also included capital expenditure in relation to the ongoing project to optimise the depot network in the UK to bring greater network and capital efficiency over time. In DCC Healthcare, the capital expenditure primarily related to increased manufacturing capability across DCC Health & Beauty Solutions in both Europe and the US, to facilitate the strong growth in customer demand. The majority of the capital expenditure in DCC Technology related to the new warehouse management system which is now live in the UK, along with development spend in Ireland to relocate to a new, larger, office and warehouse facility during the period.

Net capital expenditure was broadly in line with the depreciation charge of £68.9 million (excluding right-of-use leased assets) in the period.

Free cash flow in the six months ended 30 September 2021 of £12.3 million compares to £120.7 million in the prior year, with the reduction substantially due to the reversal of the one-off timing benefits to working capital at 31 March 2021.

#### **Total cash spend on acquisitions in the six months to 30 September 2021**

The total cash spend on acquisitions in the six months ended 30 September 2021 was £162.4 million. This included the completion of the acquisition of Wörner in DCC Healthcare, Primagaz and Solewa in DCC LPG, Jones Ireland in DCC Retail & Oil and Azenn in DCC Technology which were announced in the prior year Results Announcement in May 2021. Payment of deferred and contingent acquisition consideration previously provided amounted to £21.1 million.

### Committed acquisition and capital expenditure

Committed acquisition and capital expenditure in the period amounted to £144.8 million as follows:

|                  | Acquisitions       | Capex              | Total               |
|------------------|--------------------|--------------------|---------------------|
|                  | £'m                | £'m                | £'m                 |
| DCC LPG          | 33.9               | 36.3               | 70.2                |
| DCC Retail & Oil | 36.8               | 16.7               | 53.5                |
| DCC Healthcare   | 5.8                | 7.0                | 12.8                |
| DCC Technology   | <u>1.2</u>         | <u>7.1</u>         | <u>8.3</u>          |
| <b>Total</b>     | <b><u>77.7</u></b> | <b><u>67.1</u></b> | <b><u>144.8</u></b> |

### Acquisition activity

The Group continues to be active from a development perspective. Acquisition expenditure committed by the Group since the prior year results announcement on 18 May 2021 amounted to £77.7 million and included:

#### **DCC LPG**

##### **Naturgy Ireland**

In November 2021, DCC LPG agreed to acquire Naturgy's Irish power and gas marketing operations, subject to competition approval in Ireland. The business is a service-led supplier of electricity and gas to large B2B energy customers and also provides a range of services including demand side management, lighting as a service, solar PV and PPA management. Founded in 2004, the business has a long track record of sourcing and supplying renewable power to industrial and commercial customers and was the first company in Ireland to supply 100% renewable electricity. The acquisition enhances DCC's presence in the Irish electricity and gas markets and represents an important step in its strategy to expand its energy solutions offering across the island of Ireland. The acquisition is expected to complete by the end of the calendar year.

DCC LPG recently completed a small bolt-on acquisition in the Denver region of Colorado, further expanding its presence in the US propane market and also completed a number of modest acquisitions in the German and Austrian markets.

#### **DCC Retail & Oil**

##### **Luxembourg retail convenience network**

DCC Retail & Oil acquired a network of 19 retail sites in Luxembourg in September 2021. The sites will be managed by DCC's existing French management team and the network and operations centre in Ireland. Most of the sites are Gulf branded, with established convenience retail operations under the leading Cactus Shoppi brand, which DCC will operate. The network contains well-located, urban sites, suitable for investment in EV fast charging infrastructure in the future.

In Britain, DCC Retail & Oil completed a number of complementary bolt-on acquisitions including a HGV service business, offering multiple services to hauliers including secure parking, fuel provision, truck washing facilities and accommodation.

DCC Retail & Oil also completed a small bolt-on acquisition in the bulk fuels and lubricants market in Norway.

#### **DCC Healthcare**

In June 2021, DCC Healthcare completed its first primary care bolt-on acquisition in Germany following its initial market entry through the Wörner acquisition in April 2021.

#### **DCC Technology**

DCC Technology recently acquired a small business in the Nordics which distributes AV and security camera equipment, further enhancing DCC Technology's service offering to its customers in the region.

**Financial strength**

An integral part of the Group's strategy is the maintenance of a strong and liquid balance sheet which, among other benefits, enables it to take advantage of development opportunities as they arise. The increasing scale and geographic diversity of DCC will enable the Group to evolve its approach somewhat into the future, leveraging a broader array of funding options and, over time, reducing relative levels of gross cash on the balance sheet. At 30 September 2021, the Group had net debt (excluding lease creditors) of £54.1 million, cash of approximately £1.3 billion and undrawn committed bank facilities of £400 million. Lease creditors at the same date amounted to £336.2 million.

The Group's outstanding term debt at 30 September 2021, which has been raised in the US private placement market, had an average maturity of 5.0 years, with an implied average credit margin of 1.65% over Euribor/Libor.

**Outlook**

Notwithstanding the adverse impact of currency translation and the significantly increased wholesale cost of energy products, DCC continues to expect that the year ending 31 March 2022 will be another year of strong operating profit growth and continued development activity, and in line with current market consensus expectations.

**Forward-looking statements**

This announcement contains some forward-looking statements that represent DCC's expectations for its business, based on current expectations about future events, which by their nature involve risk and uncertainty. DCC believes that its expectations and assumptions with respect to these forward-looking statements are reasonable; however, because they involve risk and uncertainty as to future circumstances, which are in many cases beyond DCC's control, actual results or performance may differ materially from those expressed in or implied by such forward-looking statements.

**Principal risks and uncertainties**

The Board of DCC is responsible for the Group's risk management and internal control systems, which are designed to identify, manage and mitigate potential material risks to the achievement of the Group's strategic and business objectives. The Board has approved a Risk Management Policy which sets out delegated responsibilities and procedures for the management of risk across the Group.

The principal risks and uncertainties facing the Group in the short to medium term, as set out on pages 85 to 89 of the 2021 Annual Report (together with the principal mitigation measures), continue to be the principal risks and uncertainties facing the Group for the remaining six months of the financial year.

This is not an exhaustive statement of all relevant risks and uncertainties. Matters which are not currently known to the Board or events which the Board considers to be of low likelihood could emerge and give rise to material consequences. The mitigation measures that are maintained in relation to these risks are designed to provide a reasonable and not an absolute level of protection against the impact of the events in question.

# Group Income Statement

| Unaudited 6 months ended<br>30 September 2021  |                              |                                   |                | Unaudited 6 months ended<br>30 September 2020 |                                   |                | Audited year ended<br>31 March 2021 |                                   |                |              |
|------------------------------------------------|------------------------------|-----------------------------------|----------------|-----------------------------------------------|-----------------------------------|----------------|-------------------------------------|-----------------------------------|----------------|--------------|
| Notes                                          | Pre<br>exceptionals<br>£'000 | Exceptionals<br>(note 6)<br>£'000 | Total<br>£'000 | Pre<br>exceptionals<br>£'000                  | Exceptionals<br>(note 6)<br>£'000 | Total<br>£'000 | Pre<br>exceptionals<br>£'000        | Exceptionals<br>(note 6)<br>£'000 | Total<br>£'000 |              |
| Revenue                                        | 5                            | 7,518,329                         | -              | 7,518,329                                     | 5,931,094                         | -              | 5,931,094                           | 13,412,450                        | -              | 13,412,450   |
| Cost of sales                                  |                              | (6,621,722)                       | -              | (6,621,722)                                   | (5,140,742)                       | -              | (5,140,742)                         | (11,592,970)                      | -              | (11,592,970) |
| Gross profit                                   |                              | 896,607                           | -              | 896,607                                       | 790,352                           | -              | 790,352                             | 1,819,480                         | -              | 1,819,480    |
| Administration expenses                        |                              | (280,674)                         | -              | (280,674)                                     | (250,582)                         | -              | (250,582)                           | (499,812)                         | -              | (499,812)    |
| Selling and distribution expenses              |                              | (430,615)                         | -              | (430,615)                                     | (375,131)                         | -              | (375,131)                           | (814,758)                         | -              | (814,758)    |
| Other operating income/(expenses)              |                              | 10,463                            | (18,305)       | (7,842)                                       | 11,459                            | (14,703)       | (3,244)                             | 25,333                            | (40,495)       | (15,162)     |
| Adjusted operating profit                      |                              | 195,781                           | (18,305)       | 177,476                                       | 176,098                           | (14,703)       | 161,395                             | 530,243                           | (40,495)       | 489,748      |
| Amortisation of intangible assets              |                              | (36,566)                          | -              | (36,566)                                      | (30,534)                          | -              | (30,534)                            | (66,898)                          | -              | (66,898)     |
| Operating profit                               | 5                            | 159,215                           | (18,305)       | 140,910                                       | 145,564                           | (14,703)       | 130,861                             | 463,345                           | (40,495)       | 422,850      |
| Finance costs                                  |                              | (39,355)                          | -              | (39,355)                                      | (45,070)                          | -              | (45,070)                            | (85,639)                          | -              | (85,639)     |
| Finance income                                 |                              | 12,056                            | 967            | 13,023                                        | 14,819                            | 1,406          | 16,225                              | 26,253                            | 1,384          | 27,637       |
| Equity accounted investments' profit after tax |                              | 390                               | -              | 390                                           | 62                                | -              | 62                                  | 233                               | -              | 233          |
| Profit before tax                              |                              | 132,306                           | (17,338)       | 114,968                                       | 115,375                           | (13,297)       | 102,078                             | 404,192                           | (39,111)       | 365,081      |
| Income tax expense                             | 7                            | (24,089)                          | (184)          | (24,273)                                      | (18,254)                          | (226)          | (18,480)                            | (66,382)                          | 4,104          | (62,278)     |
| Profit after tax for the financial period      |                              | 108,217                           | (17,522)       | 90,695                                        | 97,121                            | (13,523)       | 83,598                              | 337,810                           | (35,007)       | 302,803      |
| Profit attributable to:                        |                              |                                   |                |                                               |                                   |                |                                     |                                   |                |              |
| Owners of the Parent Company                   |                              | 102,029                           | (17,522)       | 84,507                                        | 92,137                            | (13,523)       | 78,614                              | 327,626                           | (35,007)       | 292,619      |
| Non-controlling interests                      |                              | 6,188                             | -              | 6,188                                         | 4,984                             | -              | 4,984                               | 10,184                            | -              | 10,184       |
|                                                |                              | 108,217                           | (17,522)       | 90,695                                        | 97,121                            | (13,523)       | 83,598                              | 337,810                           | (35,007)       | 302,803      |
| Earnings per ordinary share                    |                              |                                   |                |                                               |                                   |                |                                     |                                   |                |              |
| Basic earnings per share                       | 8                            |                                   |                | 85.71p                                        |                                   |                | 79.83p                              |                                   |                | 297.04p      |
| Diluted earnings per share                     | 8                            |                                   |                | 85.66p                                        |                                   |                | 79.70p                              |                                   |                | 296.62p      |
| Adjusted basic earnings per share              | 8                            |                                   |                | 134.24p                                       |                                   |                | 117.93p                             |                                   |                | 386.62p      |
| Adjusted diluted earnings per share            | 8                            |                                   |                | 134.16p                                       |                                   |                | 117.74p                             |                                   |                | 386.07p      |

## Group Statement of Comprehensive Income

|                                                                      | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2021<br>£'000 | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2020<br>£'000 | Audited<br>year<br>ended<br>31 March<br>2021<br>£'000 |
|----------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| Group profit for the period                                          | 90,695                                                      | 83,598                                                      | 302,803                                               |
| <b>Other comprehensive income:</b>                                   |                                                             |                                                             |                                                       |
| <b>Items that may be reclassified subsequently to profit or loss</b> |                                                             |                                                             |                                                       |
| Currency translation                                                 | 17,481                                                      | 19,388                                                      | (53,527)                                              |
| Movements relating to cash flow hedges                               | 105,035                                                     | 54,668                                                      | 67,961                                                |
| Movement in deferred tax liability on cash flow hedges               | (19,065)                                                    | (9,294)                                                     | (11,554)                                              |
|                                                                      | <u>103,451</u>                                              | <u>64,762</u>                                               | <u>2,880</u>                                          |
| <b>Items that will not be reclassified to profit or loss</b>         |                                                             |                                                             |                                                       |
| Group defined benefit pension obligations:                           |                                                             |                                                             |                                                       |
| - remeasurements                                                     | (2,747)                                                     | (1,950)                                                     | 254                                                   |
| - movement in deferred tax asset                                     | 494                                                         | 332                                                         | 159                                                   |
|                                                                      | <u>(2,253)</u>                                              | <u>(1,618)</u>                                              | <u>413</u>                                            |
| <b>Other comprehensive income for the period, net of tax</b>         | <u>101,198</u>                                              | <u>63,144</u>                                               | <u>3,293</u>                                          |
| <b>Total comprehensive income for the period</b>                     | <u>191,893</u>                                              | <u>146,742</u>                                              | <u>306,096</u>                                        |
| <b>Attributable to:</b>                                              |                                                             |                                                             |                                                       |
| Owners of the Parent Company                                         | 185,077                                                     | 140,021                                                     | 298,172                                               |
| Non-controlling interests                                            | 6,816                                                       | 6,721                                                       | 7,924                                                 |
|                                                                      | <u>191,893</u>                                              | <u>146,742</u>                                              | <u>306,096</u>                                        |

## Group Balance Sheet

|                                                                          |    | Unaudited<br>30 Sept.<br>2021<br>£'000 | Unaudited<br>30 Sept.<br>2020<br>£'000 | Audited<br>31 March<br>2021<br>£'000 |
|--------------------------------------------------------------------------|----|----------------------------------------|----------------------------------------|--------------------------------------|
| Notes                                                                    |    |                                        |                                        |                                      |
| <b>ASSETS</b>                                                            |    |                                        |                                        |                                      |
| <b>Non-current assets</b>                                                |    |                                        |                                        |                                      |
| Property, plant and equipment                                            |    | 1,171,866                              | 1,132,586                              | 1,137,634                            |
| Right-of-use leased assets                                               |    | 328,432                                | 298,533                                | 308,863                              |
| Intangible assets and goodwill                                           |    | 2,343,529                              | 2,186,447                              | 2,206,735                            |
| Equity accounted investments                                             |    | 26,891                                 | 28,937                                 | 27,134                               |
| Deferred income tax assets                                               |    | 30,974                                 | 35,975                                 | 30,706                               |
| Derivative financial instruments                                         |    | 126,079                                | 178,094                                | 121,671                              |
|                                                                          |    | <u>4,027,771</u>                       | <u>3,860,572</u>                       | <u>3,832,743</u>                     |
| <b>Current assets</b>                                                    |    |                                        |                                        |                                      |
| Inventories                                                              |    | 941,545                                | 756,464                                | 685,950                              |
| Trade and other receivables                                              |    | 1,557,229                              | 1,434,777                              | 1,689,372                            |
| Derivative financial instruments                                         |    | 150,744                                | 33,389                                 | 40,181                               |
| Cash and cash equivalents                                                |    | 1,437,725                              | 1,574,329                              | 1,786,556                            |
|                                                                          |    | <u>4,087,243</u>                       | <u>3,798,959</u>                       | <u>4,202,059</u>                     |
| <b>Total assets</b>                                                      |    | <u><b>8,115,014</b></u>                | <u><b>7,659,531</b></u>                | <u><b>8,034,802</b></u>              |
| <b>EQUITY</b>                                                            |    |                                        |                                        |                                      |
| <b>Capital and reserves attributable to owners of the Parent Company</b> |    |                                        |                                        |                                      |
| Share capital                                                            |    | 17,422                                 | 17,422                                 | 17,422                               |
| Share premium                                                            |    | 883,318                                | 882,912                                | 882,924                              |
| Share based payment reserve                                              | 10 | 44,531                                 | 38,625                                 | 40,969                               |
| Cash flow hedge reserve                                                  | 10 | 99,100                                 | 2,097                                  | 13,130                               |
| Foreign currency translation reserve                                     | 10 | 77,113                                 | 129,178                                | 60,260                               |
| Other reserves                                                           | 10 | 932                                    | 932                                    | 932                                  |
| Retained earnings                                                        |    | 1,607,747                              | 1,466,814                              | 1,631,797                            |
| <b>Equity attributable to owners of the Parent Company</b>               |    | <u><b>2,730,163</b></u>                | <u><b>2,537,980</b></u>                | <u><b>2,647,434</b></u>              |
| Non-controlling interests                                                |    | 66,582                                 | 61,486                                 | 58,210                               |
| <b>Total equity</b>                                                      |    | <u><b>2,796,745</b></u>                | <u><b>2,599,466</b></u>                | <u><b>2,705,644</b></u>              |
| <b>LIABILITIES</b>                                                       |    |                                        |                                        |                                      |
| <b>Non-current liabilities</b>                                           |    |                                        |                                        |                                      |
| Borrowings                                                               |    | 1,568,450                              | 1,716,427                              | 1,553,200                            |
| Lease creditors                                                          |    | 275,859                                | 256,747                                | 261,617                              |
| Derivative financial instruments                                         |    | -                                      | 687                                    | 652                                  |
| Deferred income tax liabilities                                          |    | 198,237                                | 186,612                                | 183,220                              |
| Post employment benefit obligations                                      | 13 | (5,517)                                | (5,604)                                | (8,024)                              |
| Provisions for liabilities                                               |    | 282,641                                | 265,880                                | 279,492                              |
| Acquisition related liabilities                                          |    | 74,942                                 | 67,804                                 | 62,549                               |
| Government grants                                                        |    | 367                                    | 324                                    | 373                                  |
|                                                                          |    | <u>2,394,979</u>                       | <u>2,488,877</u>                       | <u>2,333,079</u>                     |
| <b>Current liabilities</b>                                               |    |                                        |                                        |                                      |
| Trade and other payables                                                 |    | 2,548,083                              | 2,202,991                              | 2,604,177                            |
| Current income tax liabilities                                           |    | 41,744                                 | 44,517                                 | 44,081                               |
| Borrowings                                                               |    | 147,108                                | 193,999                                | 219,659                              |
| Lease creditors                                                          |    | 60,322                                 | 47,009                                 | 53,607                               |
| Derivative financial instruments                                         |    | 53,140                                 | 11,896                                 | 9,843                                |
| Provisions for liabilities                                               |    | 47,723                                 | 48,062                                 | 42,859                               |
| Acquisition related liabilities                                          |    | 25,170                                 | 22,714                                 | 21,853                               |
|                                                                          |    | <u>2,923,290</u>                       | <u>2,571,188</u>                       | <u>2,996,079</u>                     |
| <b>Total liabilities</b>                                                 |    | <u><b>5,318,269</b></u>                | <u><b>5,060,065</b></u>                | <u><b>5,329,158</b></u>              |
| <b>Total equity and liabilities</b>                                      |    | <u><b>8,115,014</b></u>                | <u><b>7,659,531</b></u>                | <u><b>8,034,802</b></u>              |
| <b>Net (debt)/cash included above (excluding lease creditors)</b>        | 11 | <u><b>(54,150)</b></u>                 | <u><b>(137,197)</b></u>                | <u><b>165,054</b></u>                |

## Group Statement of Changes in Equity

For the six months ended 30 September 2021

|                                                        | Attributable to owners of the Parent Company |                        |                            |                                      |                  | Non-controlling interests<br>£'000 | Total equity<br>£'000 |
|--------------------------------------------------------|----------------------------------------------|------------------------|----------------------------|--------------------------------------|------------------|------------------------------------|-----------------------|
|                                                        | Share capital<br>£'000                       | Share premium<br>£'000 | Retained earnings<br>£'000 | Other reserves<br>(note 10)<br>£'000 | Total<br>£'000   |                                    |                       |
| <b>At 1 April 2021</b>                                 | <b>17,422</b>                                | <b>882,924</b>         | <b>1,631,797</b>           | <b>115,291</b>                       | <b>2,647,434</b> | <b>58,210</b>                      | <b>2,705,644</b>      |
| Profit for the period                                  | -                                            | -                      | 84,507                     | -                                    | 84,507           | 6,188                              | 90,695                |
| Currency translation                                   | -                                            | -                      | -                          | 16,853                               | 16,853           | 628                                | 17,481                |
| Group defined benefit pension obligations:             |                                              |                        |                            |                                      |                  |                                    |                       |
| - remeasurements                                       | -                                            | -                      | (2,747)                    | -                                    | (2,747)          | -                                  | (2,747)               |
| - movement in deferred tax asset                       | -                                            | -                      | 494                        | -                                    | 494              | -                                  | 494                   |
| Movements relating to cash flow hedges                 | -                                            | -                      | -                          | 105,035                              | 105,035          | -                                  | 105,035               |
| Movement in deferred tax liability on cash flow hedges | -                                            | -                      | -                          | (19,065)                             | (19,065)         | -                                  | (19,065)              |
| <b>Total comprehensive income</b>                      | -                                            | -                      | <b>82,254</b>              | <b>102,823</b>                       | <b>185,077</b>   | <b>6,816</b>                       | <b>191,893</b>        |
| Re-issue of treasury shares                            | -                                            | 394                    | -                          | -                                    | 394              | -                                  | 394                   |
| Share based payment                                    | -                                            | -                      | -                          | 3,562                                | 3,562            | -                                  | 3,562                 |
| Non-controlling interest arising on acquisition        | -                                            | -                      | -                          | -                                    | -                | 2,058                              | 2,058                 |
| Dividends                                              | -                                            | -                      | (106,304)                  | -                                    | (106,304)        | (502)                              | (106,806)             |
| <b>At 30 September 2021</b>                            | <b>17,422</b>                                | <b>883,318</b>         | <b>1,607,747</b>           | <b>221,676</b>                       | <b>2,730,163</b> | <b>66,582</b>                      | <b>2,796,745</b>      |

For the six months ended 30 September 2020

|                                                        | Attributable to owners of the Parent Company |                        |                            |                                      |                  | Non-controlling interests<br>£'000 | Total equity<br>£'000 |
|--------------------------------------------------------|----------------------------------------------|------------------------|----------------------------|--------------------------------------|------------------|------------------------------------|-----------------------|
|                                                        | Share capital<br>£'000                       | Share premium<br>£'000 | Retained earnings<br>£'000 | Other reserves<br>(note 10)<br>£'000 | Total<br>£'000   |                                    |                       |
| <b>At 1 April 2020</b>                                 | <b>17,422</b>                                | <b>882,887</b>         | <b>1,482,288</b>           | <b>104,096</b>                       | <b>2,486,693</b> | <b>54,765</b>                      | <b>2,541,458</b>      |
| Profit for the period                                  | -                                            | -                      | 78,614                     | -                                    | 78,614           | 4,984                              | 83,598                |
| Currency translation                                   | -                                            | -                      | -                          | 17,651                               | 17,651           | 1,737                              | 19,388                |
| Group defined benefit pension obligations:             |                                              |                        |                            |                                      |                  |                                    |                       |
| - remeasurements                                       | -                                            | -                      | (1,950)                    | -                                    | (1,950)          | -                                  | (1,950)               |
| - movement in deferred tax asset                       | -                                            | -                      | 332                        | -                                    | 332              | -                                  | 332                   |
| Movements relating to cash flow hedges                 | -                                            | -                      | -                          | 54,668                               | 54,668           | -                                  | 54,668                |
| Movement in deferred tax liability on cash flow hedges | -                                            | -                      | -                          | (9,294)                              | (9,294)          | -                                  | (9,294)               |
| <b>Total comprehensive income</b>                      | -                                            | -                      | <b>76,996</b>              | <b>63,025</b>                        | <b>140,021</b>   | <b>6,721</b>                       | <b>146,742</b>        |
| Re-issue of treasury shares                            | -                                            | 25                     | -                          | -                                    | 25               | -                                  | 25                    |
| Share based payment                                    | -                                            | -                      | -                          | 3,711                                | 3,711            | -                                  | 3,711                 |
| Dividends                                              | -                                            | -                      | (92,470)                   | -                                    | (92,470)         | -                                  | (92,470)              |
| <b>At 30 September 2020</b>                            | <b>17,422</b>                                | <b>882,912</b>         | <b>1,466,814</b>           | <b>170,832</b>                       | <b>2,537,980</b> | <b>61,486</b>                      | <b>2,599,466</b>      |

For the year ended 31 March 2021

|                                                        | Attributable to owners of the Parent Company |                        |                            |                                      |                  | Non-controlling interests<br>£'000 | Total equity<br>£'000 |
|--------------------------------------------------------|----------------------------------------------|------------------------|----------------------------|--------------------------------------|------------------|------------------------------------|-----------------------|
|                                                        | Share capital<br>£'000                       | Share premium<br>£'000 | Retained earnings<br>£'000 | Other reserves<br>(note 10)<br>£'000 | Total<br>£'000   |                                    |                       |
| <b>At 1 April 2020</b>                                 | <b>17,422</b>                                | <b>882,887</b>         | <b>1,482,288</b>           | <b>104,096</b>                       | <b>2,486,693</b> | <b>54,765</b>                      | <b>2,541,458</b>      |
| Profit for the period                                  | -                                            | -                      | 292,619                    | -                                    | 292,619          | 10,184                             | 302,803               |
| Currency translation                                   | -                                            | -                      | -                          | (51,267)                             | (51,267)         | (2,260)                            | (53,527)              |
| Group defined benefit pension obligations:             |                                              |                        |                            |                                      |                  |                                    |                       |
| - remeasurements                                       | -                                            | -                      | 254                        | -                                    | 254              | -                                  | 254                   |
| - movement in deferred tax asset                       | -                                            | -                      | 159                        | -                                    | 159              | -                                  | 159                   |
| Movements relating to cash flow hedges                 | -                                            | -                      | -                          | 67,961                               | 67,961           | -                                  | 67,961                |
| Movement in deferred tax liability on cash flow hedges | -                                            | -                      | -                          | (11,554)                             | (11,554)         | -                                  | (11,554)              |
| <b>Total comprehensive income</b>                      | -                                            | -                      | <b>293,032</b>             | <b>5,140</b>                         | <b>298,172</b>   | <b>7,924</b>                       | <b>306,096</b>        |
| Re-issue of treasury shares                            | -                                            | 37                     | -                          | -                                    | 37               | -                                  | 37                    |
| Share based payment                                    | -                                            | -                      | -                          | 6,055                                | 6,055            | -                                  | 6,055                 |
| Non-controlling interest arising on acquisition        | -                                            | -                      | -                          | -                                    | -                | 323                                | 323                   |
| Dividends                                              | -                                            | -                      | (143,523)                  | -                                    | (143,523)        | (4,802)                            | (148,325)             |
| <b>At 31 March 2021</b>                                | <b>17,422</b>                                | <b>882,924</b>         | <b>1,631,797</b>           | <b>115,291</b>                       | <b>2,647,434</b> | <b>58,210</b>                      | <b>2,705,644</b>      |

## Group Cash Flow Statement

|                                                                         |       | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2021<br>£'000 | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2020<br>£'000 | Audited<br>year<br>ended<br>31 March<br>2021<br>£'000 |
|-------------------------------------------------------------------------|-------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
|                                                                         | Notes |                                                             |                                                             |                                                       |
| <b>Cash flows from operating activities</b>                             |       |                                                             |                                                             |                                                       |
| Profit for the period                                                   |       | 90,695                                                      | 83,598                                                      | 302,803                                               |
| Add back non-operating expenses/(income)                                |       |                                                             |                                                             |                                                       |
| - tax                                                                   |       | 24,273                                                      | 18,480                                                      | 62,278                                                |
| - share of equity accounted investments' profit                         |       | (390)                                                       | (62)                                                        | (233)                                                 |
| - net operating exceptionals                                            |       | 18,305                                                      | 14,703                                                      | 40,495                                                |
| - net finance costs                                                     |       | 26,332                                                      | 28,845                                                      | 58,002                                                |
| <b>Group operating profit before exceptionals</b>                       |       | <b>159,215</b>                                              | <b>145,564</b>                                              | <b>463,345</b>                                        |
| Share-based payments expense                                            |       | 3,562                                                       | 3,711                                                       | 6,055                                                 |
| Depreciation (including right-of-use leased assets)                     |       | 101,428                                                     | 92,303                                                      | 192,572                                               |
| Amortisation of intangible assets                                       |       | 36,566                                                      | 30,534                                                      | 66,898                                                |
| (Profit)/loss on disposal of property, plant and equipment              |       | (3,746)                                                     | 3                                                           | (5,263)                                               |
| Amortisation of government grants                                       |       | (9)                                                         | (7)                                                         | (36)                                                  |
| Other                                                                   |       | 1,470                                                       | (2,344)                                                     | 2,418                                                 |
| (Increase)/decrease in working capital                                  |       | (183,210)                                                   | (28,375)                                                    | 177,670                                               |
| <b>Cash generated from operations before exceptionals</b>               |       | <b>115,276</b>                                              | <b>241,389</b>                                              | <b>903,659</b>                                        |
| Exceptionals                                                            |       | (10,564)                                                    | (19,257)                                                    | (29,358)                                              |
| <b>Cash generated from operations</b>                                   |       | <b>104,712</b>                                              | <b>222,132</b>                                              | <b>874,301</b>                                        |
| Interest paid (including lease interest)                                |       | (35,281)                                                    | (44,989)                                                    | (84,342)                                              |
| Income tax paid                                                         |       | (34,894)                                                    | (16,967)                                                    | (62,191)                                              |
| <b>Net cash flows from operating activities</b>                         |       | <b>34,537</b>                                               | <b>160,176</b>                                              | <b>727,768</b>                                        |
| <b>Investing activities</b>                                             |       |                                                             |                                                             |                                                       |
| Inflows:                                                                |       |                                                             |                                                             |                                                       |
| Proceeds from disposal of property, plant and equipment                 |       | 11,148                                                      | 1,056                                                       | 15,898                                                |
| Proceeds on disposal of equity accounted investment                     |       | 778                                                         | -                                                           | -                                                     |
| Government grants received in relation to property, plant and equipment |       | -                                                           | -                                                           | 89                                                    |
| Interest received                                                       |       | 12,033                                                      | 15,155                                                      | 27,930                                                |
|                                                                         |       | <b>23,959</b>                                               | <b>16,211</b>                                               | <b>43,917</b>                                         |
| Outflows:                                                               |       |                                                             |                                                             |                                                       |
| Purchase of property, plant and equipment                               |       | (78,187)                                                    | (88,615)                                                    | (162,879)                                             |
| Acquisition of subsidiaries                                             | 12    | (141,281)                                                   | (72,685)                                                    | (236,232)                                             |
| Payment of accrued acquisition related liabilities                      |       | (21,140)                                                    | (25,801)                                                    | (36,330)                                              |
|                                                                         |       | <b>(240,608)</b>                                            | <b>(187,101)</b>                                            | <b>(435,441)</b>                                      |
| <b>Net cash flows from investing activities</b>                         |       | <b>(216,649)</b>                                            | <b>(170,890)</b>                                            | <b>(391,524)</b>                                      |
| <b>Financing activities</b>                                             |       |                                                             |                                                             |                                                       |
| Inflows:                                                                |       |                                                             |                                                             |                                                       |
| Proceeds from issue of shares                                           |       | 394                                                         | 25                                                          | 37                                                    |
| Net cash inflow on derivative financial instruments                     |       | 31,475                                                      | 50,697                                                      | 68,554                                                |
| Increase in interest-bearing loans and borrowings                       |       | -                                                           | 320,000                                                     | 320,000                                               |
|                                                                         |       | <b>31,869</b>                                               | <b>370,722</b>                                              | <b>388,591</b>                                        |
| Outflows:                                                               |       |                                                             |                                                             |                                                       |
| Repayment of interest-bearing loans and borrowings                      |       | (105,166)                                                   | (439,185)                                                   | (437,612)                                             |
| Repayment of lease creditors                                            |       | (31,173)                                                    | (28,302)                                                    | (59,279)                                              |
| Dividends paid to owners of the Parent Company                          | 9     | (106,304)                                                   | (92,470)                                                    | (143,523)                                             |
| Dividends paid to non-controlling interests                             |       | (502)                                                       | -                                                           | (4,802)                                               |
|                                                                         |       | <b>(243,145)</b>                                            | <b>(559,957)</b>                                            | <b>(645,216)</b>                                      |
| <b>Net cash flows from financing activities</b>                         |       | <b>(211,276)</b>                                            | <b>(189,235)</b>                                            | <b>(256,625)</b>                                      |
| Change in cash and cash equivalents                                     |       | (393,388)                                                   | (199,949)                                                   | 79,619                                                |
| Translation adjustment                                                  |       | 11,761                                                      | 9,469                                                       | (47,496)                                              |
| Cash and cash equivalents at beginning of period                        |       | 1,716,896                                                   | 1,684,773                                                   | 1,684,773                                             |
| <b>Cash and cash equivalents at end of period</b>                       |       | <b>1,335,269</b>                                            | <b>1,494,293</b>                                            | <b>1,716,896</b>                                      |
| <b>Cash and cash equivalents consists of:</b>                           |       |                                                             |                                                             |                                                       |
| Cash and short-term bank deposits                                       | 11    | 1,437,725                                                   | 1,574,329                                                   | 1,786,556                                             |
| Overdrafts                                                              | 11    | (102,456)                                                   | (80,036)                                                    | (69,660)                                              |
|                                                                         |       | <b>1,335,269</b>                                            | <b>1,494,293</b>                                            | <b>1,716,896</b>                                      |

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2021

## 1. Basis of Preparation

The Group condensed interim financial statements which should be read in conjunction with the annual financial statements for the year ended 31 March 2021 have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency rules of the Irish Financial Services Regulatory Authority and in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses together with disclosure of contingent assets and liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis.

These condensed interim financial statements for the six months ended 30 September 2021 and the comparative figures for the six months ended 30 September 2020 are unaudited and have not been reviewed by the Auditors. The summary financial statements for the year ended 31 March 2021 represent an abbreviated version of the Group's full accounts for that year, on which the Auditors issued an unqualified audit report and which have been filed with the Registrar of Companies.

## 2. Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the Group condensed interim financial statements are consistent with those applied in the 2021 Annual Report and are described in those financial statements on pages 206 to 214.

The following changes to IFRS became effective for the Group during the period but did not result in material changes to the Group's consolidated financial statements:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Covid 19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

The Group has not applied certain new standards, amendments and interpretations to existing standards that have been issued but are not yet effective. They are either not expected to have a material effect on the consolidated financial statements or they are not currently relevant for the Group.

## 3. Going Concern

Having reassessed the principal risks facing the Group (as detailed on pages 85 to 89 of the 2021 Annual Report), the Directors believe that the Group is well placed to manage these risks successfully. No concerns or material uncertainties have been identified as part of our assessment.

The Directors have a reasonable expectation that DCC plc, and the Group as a whole, has adequate resources to continue in operational existence for the foreseeable future, a period of not less than twelve months from the date of this report. For this reason, the Directors continue to adopt the going concern basis of accounting in preparing the condensed interim financial statements.

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2021

## 4. Reporting Currency

The Group's financial statements are presented in sterling, denoted by the symbol '£'. Results and cash flows of operations based in non-sterling countries have been translated into sterling at average rates for the period, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date. The principal exchange rates used for translation of results and balance sheets into sterling were as follows:

|                  | Average rate   |                |               | Closing rate   |                |               |
|------------------|----------------|----------------|---------------|----------------|----------------|---------------|
|                  | 6 months ended | 6 months ended | Year ended    | 6 months ended | 6 months ended | Year ended    |
|                  | 30 Sept. 2021  | 30 Sept. 2020  | 31 March 2021 | 30 Sept. 2021  | 30 Sept. 2020  | 31 March 2021 |
|                  | Stg£1=         | Stg£1=         | Stg£1=        | Stg£1=         | Stg£1=         | Stg£1=        |
| Euro             | <b>1.1652</b>  | 1.1183         | 1.1182        | <b>1.1621</b>  | 1.0960         | 1.1736        |
| Danish Krone     | <b>8.6661</b>  | 8.3370         | 8.3295        | <b>8.6415</b>  | 8.1611         | 8.7282        |
| Swedish Krona    | <b>11.8445</b> | 11.7989        | 11.6205       | <b>11.8167</b> | 11.5863        | 12.0154       |
| Norwegian Krone  | <b>11.8558</b> | 12.2289        | 12.0742       | <b>11.8129</b> | 12.1666        | 11.7304       |
| US Dollar        | <b>1.3909</b>  | 1.2665         | 1.3036        | <b>1.3456</b>  | 1.2832         | 1.3760        |
| Hong Kong Dollar | <b>10.8076</b> | 9.8172         | 10.1056       | <b>10.4804</b> | 9.9454         | 10.6975       |

## 5. Segmental Reporting

DCC is an international sales, marketing and support services group headquartered in Dublin, Ireland. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as Mr. Donal Murphy, Chief Executive and his executive management team. The Group is organised into four operating segments (as identified under IFRS 8 *Operating Segments*) and generates revenue through the following activities:

**DCC LPG** is a leading liquefied ('LPG') sales and marketing business, supplying LPG in cylinder and bulk format to residential, commercial and industrial customers. In addition, DCC LPG is developing a broader customer offering through the supply of natural gas, power and renewables products, plus a range of specialty gases such as refrigerants and medical gases.

**DCC Retail & Oil** is a leading provider of transport and heating energy, lower emission fuels and biofuels, and related services to consumers and SME businesses across Europe and has a key focus on being a market leader in providing sustainable energy solutions to consumers.

**DCC Healthcare** is a leading healthcare business, providing products and services to health and beauty brand owners and healthcare providers.

**DCC Technology** is a leading route-to-market and supply chain partner for global technology brands and customers. DCC Technology provides a broad range of consumer, business and enterprise technology products and services to retailers, resellers and integrators.

The chief operating decision maker monitors the operating results of segments separately in order to allocate resources between segments and to assess performance. Segment performance is predominantly evaluated based on operating profit before amortisation of intangible assets and net operating exceptional items. Net finance costs and income tax are managed on a centralised basis and therefore these items are not allocated between operating segments for the purpose of presenting information to the chief operating decision maker and accordingly are not included in the detailed segmental analysis.

The consolidated total assets of the Group as at 30 September 2021 amounted to £8.1 billion. This figure was not materially different from the equivalent figure at 31 March 2021 and therefore the related segmental disclosure note has been omitted in accordance with IAS 34 *Interim Financial Reporting*. Intersegment revenue is not material and thus not subject to separate disclosure.

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2021

## 5. Segmental Reporting (continued)

An analysis of the Group's performance by segment and geographic location is as follows:

### (a) By operating segment

| Unaudited six months ended 30 September 2021 |                     |                              |                            |                            |                   |
|----------------------------------------------|---------------------|------------------------------|----------------------------|----------------------------|-------------------|
|                                              | DCC<br>LPG<br>£'000 | DCC<br>Retail & Oil<br>£'000 | DCC<br>Healthcare<br>£'000 | DCC<br>Technology<br>£'000 | Total<br>£'000    |
| Segment revenue                              | <u>862,268</u>      | <u>4,286,533</u>             | <u>384,224</u>             | <u>1,985,304</u>           | <u>7,518,329</u>  |
| Adjusted operating profit                    | 48,369              | 70,022                       | 50,203                     | 27,187                     | 195,781           |
| Amortisation of intangible assets            | (21,798)            | (4,255)                      | (1,804)                    | (8,709)                    | (36,566)          |
| Net operating exceptionals (note 6)          | (6,036)             | (1,631)                      | (789)                      | (9,849)                    | (18,305)          |
| Operating profit                             | <u>20,535</u>       | <u>64,136</u>                | <u>47,610</u>              | <u>8,629</u>               | <u>140,910</u>    |
| Unaudited six months ended 30 September 2020 |                     |                              |                            |                            |                   |
|                                              | DCC<br>LPG<br>£'000 | DCC<br>Retail & Oil<br>£'000 | DCC<br>Healthcare<br>£'000 | DCC<br>Technology<br>£'000 | Total<br>£'000    |
| Segment revenue                              | <u>578,314</u>      | <u>3,061,937</u>             | <u>322,009</u>             | <u>1,968,834</u>           | <u>5,931,094</u>  |
| Adjusted operating profit                    | 45,557              | 65,172                       | 39,840                     | 25,529                     | 176,098           |
| Amortisation of intangible assets            | (16,689)            | (1,681)                      | (3,150)                    | (9,014)                    | (30,534)          |
| Net operating exceptionals (note 6)          | (6,839)             | (246)                        | (326)                      | (7,292)                    | (14,703)          |
| Operating profit                             | <u>22,029</u>       | <u>63,245</u>                | <u>36,364</u>              | <u>9,223</u>               | <u>130,861</u>    |
| Audited year ended 31 March 2021             |                     |                              |                            |                            |                   |
|                                              | DCC<br>LPG<br>£'000 | DCC<br>Retail & Oil<br>£'000 | DCC<br>Healthcare<br>£'000 | DCC<br>Technology<br>£'000 | Total<br>£'000    |
| Segment revenue                              | <u>1,685,570</u>    | <u>6,588,186</u>             | <u>655,364</u>             | <u>4,483,330</u>           | <u>13,412,450</u> |
| Adjusted operating profit                    | 231,253             | 144,824                      | 81,721                     | 72,445                     | 530,243           |
| Amortisation of intangible assets            | (37,829)            | (4,926)                      | (5,504)                    | (18,639)                   | (66,898)          |
| Net operating exceptionals (note 6)          | (17,732)            | (5,261)                      | (4,229)                    | (13,273)                   | (40,495)          |
| Operating profit                             | <u>175,692</u>      | <u>134,637</u>               | <u>71,988</u>              | <u>40,533</u>              | <u>422,850</u>    |

### (b) By geography

The Group has a presence in 20 countries worldwide. The following represents a geographical revenue analysis about the country of domicile (Republic of Ireland) and countries with material revenue representing over 10% of Group revenue.

|                     | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2021<br>£'000 | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2020<br>£'000 | Audited<br>year<br>ended<br>31 March<br>2021<br>£'000 |
|---------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| Republic of Ireland | 588,902                                                     | 370,466                                                     | 901,802                                               |
| United Kingdom      | 3,122,439                                                   | 2,637,784                                                   | 5,932,234                                             |
| France              | 1,383,777                                                   | 1,051,881                                                   | 2,442,082                                             |
| Other               | 2,423,211                                                   | 1,870,963                                                   | 4,136,332                                             |
|                     | <u>7,518,329</u>                                            | <u>5,931,094</u>                                            | <u>13,412,450</u>                                     |

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2021

## 5. Segmental Reporting (continued)

### (c) Disaggregation of revenue

The following table disaggregates revenue by primary geographical market, major revenue lines and timing of revenue recognition. The use of revenue as a metric of performance in the Group's LPG and Retail & Oil segments is of limited relevance due to the influence of changes in underlying oil product costs on absolute revenues. Whilst changes in underlying oil product costs will change percentage operating margins, this has little relevance in the downstream energy distribution market in which these two segments operate where profitability is driven by absolute contribution per tonne/litre of product sold, and not a percentage margin. Accordingly, management review geographic volume performance rather than geographic revenue performance for these two segments as country-specific GDP and weather patterns can influence volumes. The disaggregated revenue information presented below for DCC Healthcare and Technology, which can also be influenced by country-specific GDP movements, is consistent with how revenue is reported and reviewed internally.

|                                           | Unaudited six months ended 30 September 2021 |                              |                            |                            |                  |
|-------------------------------------------|----------------------------------------------|------------------------------|----------------------------|----------------------------|------------------|
|                                           | DCC<br>LPG<br>£'000                          | DCC<br>Retail & Oil<br>£'000 | DCC<br>Healthcare<br>£'000 | DCC<br>Technology<br>£'000 | Total<br>£'000   |
| Republic of Ireland (country of domicile) | 73,411                                       | 289,173                      | 60,088                     | 166,230                    | 588,902          |
| United Kingdom                            | 167,833                                      | 1,780,427                    | 208,998                    | 965,181                    | 3,122,439        |
| France                                    | 376,626                                      | 848,666                      | -                          | 158,485                    | 1,383,777        |
| Other                                     | 244,398                                      | 1,368,267                    | 115,138                    | 695,408                    | 2,423,211        |
|                                           | <u>862,268</u>                               | <u>4,286,533</u>             | <u>384,224</u>             | <u>1,985,304</u>           | <u>7,518,329</u> |
| LPG and related products                  | 862,268                                      | -                            | -                          | -                          | 862,268          |
| Oil and related products                  | -                                            | 4,286,533                    | -                          | -                          | 4,286,533        |
| Nutrition and health & beauty products    | -                                            | -                            | 179,759                    | -                          | 179,759          |
| Medical and pharmaceutical products       | -                                            | -                            | 204,465                    | -                          | 204,465          |
| Technology products and services          | -                                            | -                            | -                          | 1,985,304                  | 1,985,304        |
|                                           | <u>862,268</u>                               | <u>4,286,533</u>             | <u>384,224</u>             | <u>1,985,304</u>           | <u>7,518,329</u> |
| Products transferred at point in time     | <u>862,268</u>                               | <u>4,286,533</u>             | <u>384,224</u>             | <u>1,985,304</u>           | <u>7,518,329</u> |

  

|                                           | Unaudited six months ended 30 September 2020 |                              |                            |                            |                  |
|-------------------------------------------|----------------------------------------------|------------------------------|----------------------------|----------------------------|------------------|
|                                           | DCC<br>LPG<br>£'000                          | DCC<br>Retail & Oil<br>£'000 | DCC<br>Healthcare<br>£'000 | DCC<br>Technology<br>£'000 | Total<br>£'000   |
| Republic of Ireland (country of domicile) | 41,988                                       | 142,456                      | 46,537                     | 139,485                    | 370,466          |
| United Kingdom                            | 120,744                                      | 1,194,942                    | 192,747                    | 1,129,351                  | 2,637,784        |
| France                                    | 273,222                                      | 643,211                      | -                          | 135,448                    | 1,051,881        |
| Other                                     | 142,360                                      | 1,081,328                    | 82,725                     | 564,550                    | 1,870,963        |
|                                           | <u>578,314</u>                               | <u>3,061,937</u>             | <u>322,009</u>             | <u>1,968,834</u>           | <u>5,931,094</u> |
| LPG and related products                  | 578,314                                      | -                            | -                          | -                          | 578,314          |
| Oil and related products                  | -                                            | 3,061,937                    | -                          | -                          | 3,061,937        |
| Nutrition and health & beauty products    | -                                            | -                            | 176,369                    | -                          | 176,369          |
| Medical and pharmaceutical products       | -                                            | -                            | 145,640                    | -                          | 145,640          |
| Technology products and services          | -                                            | -                            | -                          | 1,968,834                  | 1,968,834        |
|                                           | <u>578,314</u>                               | <u>3,061,937</u>             | <u>322,009</u>             | <u>1,968,834</u>           | <u>5,931,094</u> |
| Products transferred at point in time     | <u>578,314</u>                               | <u>3,061,937</u>             | <u>322,009</u>             | <u>1,968,834</u>           | <u>5,931,094</u> |

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2021

## 5. Segmental Reporting (continued)

### (c) Disaggregation of revenue (continued)

|                                           | Audited year ended 31 March 2021 |                              |                            |                            | Total<br>£'000    |
|-------------------------------------------|----------------------------------|------------------------------|----------------------------|----------------------------|-------------------|
|                                           | DCC<br>LPG<br>£'000              | DCC<br>Retail & Oil<br>£'000 | DCC<br>Healthcare<br>£'000 | DCC<br>Technology<br>£'000 |                   |
| Republic of Ireland (country of domicile) | 130,842                          | 340,285                      | 103,364                    | 327,311                    | 901,802           |
| United Kingdom                            | 330,907                          | 2,699,344                    | 373,413                    | 2,528,570                  | 5,932,234         |
| France                                    | 767,199                          | 1,348,429                    | -                          | 326,454                    | 2,442,082         |
| Other                                     | 456,622                          | 2,200,128                    | 178,587                    | 1,300,995                  | 4,136,332         |
|                                           | <u>1,685,570</u>                 | <u>6,588,186</u>             | <u>655,364</u>             | <u>4,483,330</u>           | <u>13,412,450</u> |
| LPG and related products                  | 1,685,570                        | -                            | -                          | -                          | 1,685,570         |
| Oil and related products                  | -                                | 6,588,186                    | -                          | -                          | 6,588,186         |
| Nutrition and health & beauty products    | -                                | -                            | 373,824                    | -                          | 373,824           |
| Medical and pharmaceutical products       | -                                | -                            | 281,540                    | -                          | 281,540           |
| Technology products and services          | -                                | -                            | -                          | 4,483,330                  | 4,483,330         |
|                                           | <u>1,685,570</u>                 | <u>6,588,186</u>             | <u>655,364</u>             | <u>4,483,330</u>           | <u>13,412,450</u> |
| Products transferred at point in time     | <u>1,685,570</u>                 | <u>6,588,186</u>             | <u>655,364</u>             | <u>4,483,330</u>           | <u>13,412,450</u> |

## 6. Exceptionals

|                                                            | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2021<br>£'000 | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2020<br>£'000 | Audited<br>year<br>ended<br>31 March<br>2021<br>£'000 |
|------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| Restructuring and integration costs                        | (5,344)                                                     | (12,657)                                                    | (26,724)                                              |
| Acquisition and related costs                              | (5,782)                                                     | (1,921)                                                     | (13,604)                                              |
| Adjustments to contingent acquisition consideration        | (8,000)                                                     | 27                                                          | 27                                                    |
| Other operating exceptional items                          | 821                                                         | (152)                                                       | (194)                                                 |
| Net operating exceptional items                            | <u>(18,305)</u>                                             | <u>(14,703)</u>                                             | <u>(40,495)</u>                                       |
| Mark to market of swaps and related debt                   | 967                                                         | 1,406                                                       | 1,384                                                 |
| Net exceptional items before taxation                      | <u>(17,338)</u>                                             | <u>(13,297)</u>                                             | <u>(39,111)</u>                                       |
| Income tax (charge)/credit attaching to exceptional items  | (184)                                                       | (226)                                                       | 4,104                                                 |
| Net exceptional items attributable to owners of the Parent | <u>(17,522)</u>                                             | <u>(13,523)</u>                                             | <u>(35,007)</u>                                       |

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2021

## 6. Exceptionals (continued)

Adjustments to contingent acquisition consideration reflects an increase in the provision for deferred consideration likely payable in respect of two acquisitions in DCC Technology where the trading performance in North America has been very strong and ahead of expectations. In accordance with IFRS 3, this increase in the fair value of contingent consideration is recognised as a charge in the Income Statement.

Acquisition and related costs include the professional fees and tax costs (such as stamp duty) relating to the evaluation and/or completion of acquisition opportunities and amounted to £5.782 million.

Restructuring and integration costs of £5.344 million primarily relates to the restructuring and integration of operations across a number of businesses and acquisitions. The most material item relates to DCC LPG, where a project is underway in France to enhance the efficiency of its operating infrastructure.

Most of the Group's debt has been raised in the US private placement market, denominated in US dollars, euro and sterling. Long-term interest and cross currency interest rate derivatives have been utilised to achieve an appropriate mix of fixed and floating rate debt across the three currencies. The level of ineffectiveness calculated under IAS 39 on the fair value and cash flow hedge relationships relating to this debt is charged or credited as an exceptional item. In the six months ended 30 September 2021, this amounted to an exceptional non-cash gain of £0.967 million. Following this credit, the cumulative net exceptional credit taken in respect of the Group's outstanding US Private Placement debt and related hedging instruments is £0.300 million. This, or any subsequent similar non-cash charges or gains, will net to zero over the remaining term of this debt and the related hedging instruments.

## 7. Taxation

The taxation expense for the interim period is based on management's best estimate of the weighted average tax rate that is expected to be applicable for the full year. The Group's effective tax rate for the period was 18% (six months ended 30 September 2020: 17% and year ended 31 March 2021: 17%).

## 8. Earnings per Ordinary Share

|                                                              | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2021<br>£'000 | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2020<br>£'000 | Audited<br>year<br>ended<br>31 March<br>2021<br>£'000 |
|--------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| Profit attributable to owners of the Parent                  | 84,507                                                      | 78,614                                                      | 292,619                                               |
| Amortisation of intangible assets after tax                  | 30,328                                                      | 23,994                                                      | 53,234                                                |
| Exceptionals after tax                                       | 17,522                                                      | 13,523                                                      | 35,007                                                |
| Adjusted profit after taxation and non-controlling interests | <b>132,357</b>                                              | <b>116,131</b>                                              | <b>380,860</b>                                        |

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2021

## 8. Earnings per Ordinary Share (continued)

### Basic earnings per ordinary share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Parent Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares. The adjusted figures for basic earnings per ordinary share (a non-GAAP financial measure) are intended to demonstrate the results of the Group after eliminating the impact of amortisation of intangible assets and net exceptionals.

|                                                                 | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2021<br>pence | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2020<br>pence | Audited<br>year<br>ended<br>31 March<br>2021<br>pence |
|-----------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| Basic earnings per ordinary share                               | 85.71p                                                      | 79.83p                                                      | 297.04p                                               |
| Amortisation of intangible assets after tax                     | 30.76p                                                      | 24.37p                                                      | 54.04p                                                |
| Exceptionals after tax                                          | 17.77p                                                      | 13.73p                                                      | 35.54p                                                |
| Adjusted basic earnings per ordinary share                      | <u>134.24p</u>                                              | <u>117.93p</u>                                              | <u>386.62p</u>                                        |
| Weighted average number of ordinary shares in issue (thousands) | <u>98,596</u>                                               | <u>98,472</u>                                               | <u>98,510</u>                                         |

### Diluted earnings per ordinary share

Diluted earnings per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Share options and awards are the Company's only category of dilutive potential ordinary shares. The adjusted figures for diluted earnings per ordinary share (a non-GAAP financial measure) are intended to demonstrate the results of the Group after eliminating the impact of amortisation of intangible assets and net exceptionals.

Employee share options and awards, which are performance-based, are treated as contingently issuable shares because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. These contingently issuable shares are excluded from the computation of diluted earnings per ordinary share where the conditions governing exercisability would not have been satisfied as at the end of the reporting period if that were the end of the vesting period.

The adjusted figures for diluted earnings per ordinary share (a non-GAAP financial measure) are intended to demonstrate the results of the Group after eliminating the impact of amortisation of intangible assets and net exceptionals.

|                                                                           | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2021<br>pence | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2020<br>pence | Audited<br>year<br>ended<br>31 March<br>2021<br>pence |
|---------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| Diluted earnings per ordinary share                                       | 85.66p                                                      | 79.70p                                                      | 296.62p                                               |
| Amortisation of intangible assets after tax                               | 30.74p                                                      | 24.33p                                                      | 53.96p                                                |
| Exceptionals after tax                                                    | 17.76p                                                      | 13.71p                                                      | 35.49p                                                |
| Adjusted diluted earnings per ordinary share                              | <u>134.16p</u>                                              | <u>117.74p</u>                                              | <u>386.07p</u>                                        |
| Weighted average number of ordinary shares in issue (dilutive, thousands) | <u>98,654</u>                                               | <u>98,634</u>                                               | <u>98,650</u>                                         |

## Notes to the Condensed Financial Statements

for the six months ended 30 September 2021

### 8. Earnings per Ordinary Share (continued)

The earnings used for the purposes of the diluted earnings per ordinary share calculations were £84.507 million (six months ended 30 September 2020: £78.614 million) and £132.357 million (six months ended 30 September 2020: £116.131 million) for the purposes of the adjusted diluted earnings per ordinary share calculations. The weighted average number of ordinary shares used in calculating the diluted earnings per ordinary share for the six months ended 30 September 2021 was 98.654 million (six months ended 30 September 2020: 98.634 million). A reconciliation of the weighted average number of ordinary shares used for the purposes of calculating the diluted earnings per ordinary share amounts is as follows:

|                                                                           | <b>Unaudited<br/>6 months<br/>ended<br/>30 Sept.<br/>2021<br/>'000</b> | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2020<br>'000 | Audited<br>year<br>ended<br>31 March<br>2021<br>'000 |
|---------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|
| Weighted average number of ordinary shares in issue                       | <b>98,596</b>                                                          | 98,472                                                     | 98,510                                               |
| Dilutive effect of options and awards                                     | <b>58</b>                                                              | 162                                                        | 140                                                  |
| Weighted average number of ordinary shares for diluted earnings per share | <b>98,654</b>                                                          | 98,634                                                     | 98,650                                               |

### 9. Dividends

|                                                                                                     | <b>Unaudited<br/>6 months<br/>ended<br/>30 Sept.<br/>2021<br/>£'000</b> | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2020<br>£'000 | Audited<br>year<br>ended<br>31 March<br>2021<br>£'000 |
|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| Interim - paid 51.95 pence per share on 9 December 2020                                             | -                                                                       | -                                                           | 51,045                                                |
| Final - paid 107.85 pence per share on 22 July 2021<br>(paid 95.79 pence per share on 23 July 2020) | <b>106,304</b>                                                          | 92,470                                                      | 92,478                                                |
|                                                                                                     | <b>106,304</b>                                                          | 92,470                                                      | 143,523                                               |

On 8 November 2021, the Board approved an interim dividend of 55.85 pence per share (£55.074 million). These condensed interim financial statements do not reflect this dividend payable.

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2021

## 10. Other Reserves

For the six months ended 30 September 2021

|                                                        | Share based<br>payment<br>reserve<br>£'000 | Cash flow<br>hedge<br>reserve<br>£'000 | Foreign<br>currency<br>translation<br>reserve<br>£'000 | Other<br>reserves<br>£'000 | Total<br>£'000 |
|--------------------------------------------------------|--------------------------------------------|----------------------------------------|--------------------------------------------------------|----------------------------|----------------|
| <b>At 1 April 2021</b>                                 | <b>40,969</b>                              | <b>13,130</b>                          | <b>60,260</b>                                          | <b>932</b>                 | <b>115,291</b> |
| Currency translation                                   | -                                          | -                                      | 16,853                                                 | -                          | 16,853         |
| Movements relating to cash flow hedges                 | -                                          | 105,035                                | -                                                      | -                          | 105,035        |
| Movement in deferred tax liability on cash flow hedges | -                                          | (19,065)                               | -                                                      | -                          | (19,065)       |
| Share based payment                                    | 3,562                                      | -                                      | -                                                      | -                          | 3,562          |
| <b>At 30 September 2021</b>                            | <b>44,531</b>                              | <b>99,100</b>                          | <b>77,113</b>                                          | <b>932</b>                 | <b>221,676</b> |

For the six months ended 30 September 2020

|                                                        | Share based<br>payment<br>reserve<br>£'000 | Cash flow<br>hedge<br>reserve<br>£'000 | Foreign<br>currency<br>translation<br>reserve<br>£'000 | Other<br>reserves<br>£'000 | Total<br>£'000 |
|--------------------------------------------------------|--------------------------------------------|----------------------------------------|--------------------------------------------------------|----------------------------|----------------|
| <b>At 1 April 2020</b>                                 | <b>34,914</b>                              | <b>(43,277)</b>                        | <b>111,527</b>                                         | <b>932</b>                 | <b>104,096</b> |
| Currency translation                                   | -                                          | -                                      | 17,651                                                 | -                          | 17,651         |
| Movements relating to cash flow hedges                 | -                                          | 54,668                                 | -                                                      | -                          | 54,668         |
| Movement in deferred tax liability on cash flow hedges | -                                          | (9,294)                                | -                                                      | -                          | (9,294)        |
| Share based payment                                    | 3,711                                      | -                                      | -                                                      | -                          | 3,711          |
| <b>At 30 September 2020</b>                            | <b>38,625</b>                              | <b>2,097</b>                           | <b>129,178</b>                                         | <b>932</b>                 | <b>170,832</b> |

For the year ended 31 March 2021

|                                                        | Share based<br>payment<br>reserve<br>£'000 | Cash flow<br>hedge<br>reserve<br>£'000 | Foreign<br>currency<br>translation<br>reserve<br>£'000 | Other<br>reserves<br>£'000 | Total<br>£'000 |
|--------------------------------------------------------|--------------------------------------------|----------------------------------------|--------------------------------------------------------|----------------------------|----------------|
| <b>At 1 April 2020</b>                                 | <b>34,914</b>                              | <b>(43,277)</b>                        | <b>111,527</b>                                         | <b>932</b>                 | <b>104,096</b> |
| Currency translation                                   | -                                          | -                                      | (51,267)                                               | -                          | (51,267)       |
| Movements relating to cash flow hedges                 | -                                          | 67,961                                 | -                                                      | -                          | 67,961         |
| Movement in deferred tax liability on cash flow hedges | -                                          | (11,554)                               | -                                                      | -                          | (11,554)       |
| Share based payment                                    | 6,055                                      | -                                      | -                                                      | -                          | 6,055          |
| <b>At 31 March 2021</b>                                | <b>40,969</b>                              | <b>13,130</b>                          | <b>60,260</b>                                          | <b>932</b>                 | <b>115,291</b> |

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2021

## 11. Analysis of Net Debt

|                                                    | Unaudited<br>30 Sept.<br>2021<br>£'000 | Unaudited<br>30 Sept.<br>2020<br>£'000 | Audited<br>31 March<br>2021<br>£'000 |
|----------------------------------------------------|----------------------------------------|----------------------------------------|--------------------------------------|
| <b>Non-current assets:</b>                         |                                        |                                        |                                      |
| Derivative financial instruments                   | 126,079                                | 178,094                                | 121,671                              |
| <b>Current assets:</b>                             |                                        |                                        |                                      |
| Derivative financial instruments                   | 150,744                                | 33,389                                 | 40,181                               |
| Cash and cash equivalents                          | 1,437,725                              | 1,574,329                              | 1,786,556                            |
|                                                    | <b>1,588,469</b>                       | <b>1,607,718</b>                       | <b>1,826,737</b>                     |
| <b>Non-current liabilities:</b>                    |                                        |                                        |                                      |
| Derivative financial instruments                   | -                                      | (687)                                  | (652)                                |
| Unsecured Notes                                    | (1,568,450)                            | (1,716,427)                            | (1,553,200)                          |
|                                                    | <b>(1,568,450)</b>                     | <b>(1,717,114)</b>                     | <b>(1,553,852)</b>                   |
| <b>Current liabilities:</b>                        |                                        |                                        |                                      |
| Derivative financial instruments                   | (53,140)                               | (11,896)                               | (9,843)                              |
| Bank borrowings                                    | (102,456)                              | (80,036)                               | (69,660)                             |
| Unsecured Notes                                    | (44,652)                               | (113,963)                              | (149,999)                            |
|                                                    | <b>(200,248)</b>                       | <b>(205,895)</b>                       | <b>(229,502)</b>                     |
| <b>Net (debt)/cash (excluding lease creditors)</b> | <b>(54,150)</b>                        | <b>(137,197)</b>                       | <b>165,054</b>                       |
| Lease creditors - non-current                      | (275,859)                              | (256,747)                              | (261,617)                            |
| Lease creditors - current                          | (60,322)                               | (47,009)                               | (53,607)                             |
| Total lease creditors                              | <b>(336,181)</b>                       | <b>(303,756)</b>                       | <b>(315,224)</b>                     |
| <b>Net debt (including lease creditors)</b>        | <b>(390,331)</b>                       | <b>(440,953)</b>                       | <b>(150,170)</b>                     |

An analysis of the maturity profile of the Group's net debt (including lease creditors) at 30 September 2021 is as follows:

|                                                    | Less than<br>1 year<br>£'000 | Between<br>1 and 2<br>years<br>£'000 | Between<br>2 and 5<br>years<br>£'000 | Over<br>5 years<br>£'000 | Total<br>£'000   |
|----------------------------------------------------|------------------------------|--------------------------------------|--------------------------------------|--------------------------|------------------|
| <b>At 30 September 2021</b>                        |                              |                                      |                                      |                          |                  |
| Cash and short-term deposits                       | 1,437,725                    | -                                    | -                                    | -                        | 1,437,725        |
| Overdrafts                                         | (102,456)                    | -                                    | -                                    | -                        | (102,456)        |
| Cash and cash equivalents                          | 1,335,269                    | -                                    | -                                    | -                        | 1,335,269        |
| Unsecured Notes                                    | (44,652)                     | (255,330)                            | (626,845)                            | (686,275)                | (1,613,102)      |
| Derivative financial instruments - Unsecured Notes | 6,995                        | 34,803                               | 77,200                               | 14,076                   | 133,074          |
| Derivative financial instruments - other           | 90,609                       | -                                    | -                                    | -                        | 90,609           |
| <b>Net debt (excluding lease creditors)</b>        | <b>1,388,221</b>             | <b>(220,527)</b>                     | <b>(549,645)</b>                     | <b>(672,199)</b>         | <b>(54,150)</b>  |
| Lease creditors                                    | (60,322)                     | (51,354)                             | (103,073)                            | (121,432)                | (336,181)        |
| <b>Net debt (including lease creditors)</b>        | <b>1,327,899</b>             | <b>(271,881)</b>                     | <b>(652,718)</b>                     | <b>(793,631)</b>         | <b>(390,331)</b> |

The Group's Unsecured Notes fall due between 24 March 2022 and 4 April 2034 with an average maturity of 5.0 years at 30 September 2021. The full fair value of a hedging derivative is allocated to the time period corresponding to the maturity of the hedged item.

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2021

## 12. Business Combinations

A key strategy of the Group is to create and sustain market leadership positions through acquisitions in markets it currently operates in, together with extending the Group's footprint into new geographic markets. In line with this strategy, the principal acquisitions completed by the Group during the period, together with percentages acquired, were as follows:

- The acquisition by DCC Healthcare in June 2021 of Wörner Medizinprodukte Holding GmbH ("Wörner"), a leading supplier of medical and laboratory products to the primary care sector in Germany and Switzerland. Wörner sells a broad product range to approximately 20,000 customers annually, including general practitioners, primary care centres, specialist medical centres and laboratories;
- The acquisition by DCC LPG of 100% of Primagaz from SHV Energy in July 2021. The business focuses on the bulk and cylinder LPG markets, and serves approximately 10,000 customers annually; and
- The acquisition by DCC Retail & Oil in September 2021 of a network of 19 retail forecourt sites in Luxembourg. Most of the sites are Gulf branded with established convenience retail operations under the Cactus Shoppi brand which DCC will operate.

The acquisition data presented below reflects the fair value of the identifiable net assets acquired (excluding cash and cash equivalents acquired) in respect of acquisitions completed during the six months ended 30 September 2021.

|                                                 | 6 months<br>ended<br>30 Sept.<br>2021<br>£'000 | 6 months<br>ended<br>30 Sept.<br>2020<br>£'000 |
|-------------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>Assets</b>                                   |                                                |                                                |
| <b>Non-current assets</b>                       |                                                |                                                |
| Property, plant and equipment                   | 29,840                                         | 6,867                                          |
| Right-of-use leased assets                      | 21,793                                         | -                                              |
| Deferred income tax assets                      | 376                                            | 7                                              |
| Total non-current assets                        | 52,009                                         | 6,874                                          |
| <b>Current assets</b>                           |                                                |                                                |
| Inventories                                     | 23,262                                         | 100                                            |
| Trade and other receivables                     | 26,999                                         | 617                                            |
| Total current assets                            | 50,261                                         | 717                                            |
| <b>Liabilities</b>                              |                                                |                                                |
| <b>Non-current liabilities</b>                  |                                                |                                                |
| Lease creditors                                 | (18,617)                                       | -                                              |
| Provisions for liabilities and charges          | (7,879)                                        | -                                              |
| Total non-current liabilities                   | (26,496)                                       | -                                              |
| <b>Current liabilities</b>                      |                                                |                                                |
| Trade and other payables                        | (54,630)                                       | (251)                                          |
| Current income tax liability                    | (1,337)                                        | (195)                                          |
| Lease creditors                                 | (3,176)                                        | -                                              |
| Total current liabilities                       | (59,143)                                       | (446)                                          |
| Identifiable net assets acquired                | 16,631                                         | 7,145                                          |
| Non-controlling interest arising on acquisition | (2,058)                                        | -                                              |
| Intangible assets - goodwill                    | 152,471                                        | 67,330                                         |
| <b>Total consideration</b>                      | <b>167,044</b>                                 | <b>74,475</b>                                  |
| <b>Satisfied by:</b>                            |                                                |                                                |
| Cash                                            | 152,865                                        | 82,341                                         |
| Cash and cash equivalents acquired              | (11,584)                                       | (9,656)                                        |
| Net cash outflow                                | 141,281                                        | 72,685                                         |
| Acquisition related liabilities                 | 25,763                                         | 1,790                                          |
| <b>Total consideration</b>                      | <b>167,044</b>                                 | <b>74,475</b>                                  |

# Notes to the Condensed Financial Statements

for the six months ended 30 September 2021

## 12. Business Combinations (continued)

None of the business combinations completed during the period were considered sufficiently material to warrant separate disclosure of the fair values attributable to those combinations.

There were no adjustments made to the carrying amounts of assets and liabilities acquired in arriving at their fair values. The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis in respect of a number of the business combinations above given the timing of closure of these transactions. Any amendments to these fair values within the twelve-month timeframe from the date of acquisition will be disclosable in the Group's condensed interim financial statements for the six months ending 30 September 2022 as stipulated by IFRS 3.

The principal factors contributing to the recognition of goodwill on business combinations entered into by the Group are the expected profitability of the acquired business and the realisation of cost savings and synergies with existing Group entities.

Acquisition and related costs included in other operating expenses in the Group Income Statement amounted to £5.782 million (six months ended 30 September 2020: £1.921 million).

No contingent liabilities were recognised on the acquisitions completed during the financial period or the prior financial years.

The gross contractual value of trade and other receivables as at the respective dates of acquisition amounted to £27.431 million. The fair value of these receivables is £26.999 million (all of which is expected to be recoverable).

None of the goodwill recognised in respect of acquisitions completed during the period is expected to be deductible for tax purposes.

The fair value of contingent consideration recognised at the date of acquisition is calculated by discounting the expected future payment to present value at the acquisition date. In general, for contingent consideration to become payable, pre-defined profit thresholds must be exceeded. On an undiscounted basis, the future payments for which the Group may be liable for acquisitions completed during the period range from nil to £40.7 million.

The acquisitions during the period contributed £123.5 million to revenues and £5.6 million to profit after tax. The revenue and profit of the Group determined in accordance with IFRS for the period ended 30 September 2021 would not have been materially different than reported in the Income Statement if the acquisition date for all business combinations completed during the period had been as of the beginning of the period.

## 13. Post Employment Benefit Obligations

The Group's defined benefit pension schemes' assets were measured at fair value at 30 September 2021. The defined benefit pension schemes' liabilities at 30 September 2021 were updated to reflect material movements in underlying assumptions.

The Group's post employment benefit obligations moved from a net asset of £8.024 million at 31 March 2021 to a net asset of £5.517 million at 30 September 2021. This movement was primarily driven by an actuarial loss on liabilities arising from a decrease in the discount rates used to value these liabilities.

The following actuarial assumptions have been made in determining the Group's retirement benefit obligation for the six months ended 30 September 2021:

|                       | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2021 | Unaudited<br>6 months<br>ended<br>30 Sept.<br>2020 | Audited<br>year<br>ended<br>31 March<br>2021 |
|-----------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------|
| Discount rate         |                                                    |                                                    |                                              |
| - Republic of Ireland | 1.30%                                              | 1.25%                                              | 1.50%                                        |
| - United Kingdom      | 2.00%                                              | 1.75%                                              | 2.20%                                        |
| - Germany             | 1.30%                                              | 1.25%                                              | 1.50%                                        |

## Notes to the Condensed Financial Statements

for the six months ended 30 September 2021

### 14. Seasonality of Operations

The Group's operations are significantly second-half weighted primarily due to a portion of the demand for DCC's LPG and Retail & Oil products being weather dependent and seasonal buying patterns in DCC Technology.

### 15. Related Party Transactions

There have been no related party transactions or changes in the nature and scale of the related party transactions described in the 2021 Annual Report that could have had a material impact on the financial position or performance of the Group in the six months ended 30 September 2021.

### 16. Events after the Balance Sheet Date

There have been no material events subsequent to 30 September 2021 which would require disclosure in this Report.

### 17. Board Approval

This report was approved by the Board of Directors of DCC plc on 8 November 2021.

### 18. Distribution of Interim Report

This report and further information on DCC is available at the Company's website [www.dcc.ie](http://www.dcc.ie). A printed copy is available to the public at the Company's registered office at DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland.

## Statement of Directors' Responsibilities

We confirm that to the best of our knowledge:

- the condensed set of interim financial statements for the six months ended 30 September 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU; and
- the interim management report includes a fair review of the information required by:
  - Regulation 8(2) of the Transparency (Directive 2004/109/EC) Regulations 2007, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - Regulation 8(3) of the Transparency (Directive 2004/109/EC) Regulations 2007, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

Mark Breuer  
Chairman

Donal Murphy  
Chief Executive

8 November 2021

## Supplementary Financial Information

### Alternative Performance Measures

The Group reports certain alternative performance measures ('APMs') that are not required under International Financial Reporting Standards ('IFRS') which represent the generally accepted accounting principles ('GAAP') under which the Group reports. The Group believes that the presentation of these APMs provides useful supplemental information which, when viewed in conjunction with our IFRS financial information, provides investors with a more meaningful understanding of the underlying financial and operating performance of the Group and its divisions.

These APMs are primarily used for the following purposes:

- to evaluate the historical and planned underlying results of our operations;
- to set director and management remuneration; and
- to discuss and explain the Group's performance with the investment analyst community.

None of the APMs should be considered as an alternative to financial measures derived in accordance with GAAP. The APMs can have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP. These performance measures may not be calculated uniformly by all companies and therefore may not be directly comparable with similarly titled measures and disclosures of other companies.

The principal APMs used by the Group, together with reconciliations where the non-GAAP measures are not readily identifiable from the financial statements, are as follows:

#### Adjusted operating profit ('EBITA')

##### Definition

This comprises operating profit as reported in the Group Income Statement before net operating exceptional items and amortisation of intangible assets. Net operating exceptional items and amortisation of intangible assets are excluded in order to assess the underlying performance of our operations. In addition, neither metric forms part of Director or management remuneration targets.

|                                     | <b>6 months<br/>ended<br/>30 Sept.<br/>2021<br/>£'000</b> | <b>6 months<br/>ended<br/>30 Sept.<br/>2020<br/>£'000</b> | <b>Year ended<br/>31 March<br/>2021<br/>£'000</b> |
|-------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------|
| Operating profit                    | <b>140,910</b>                                            | 130,861                                                   | 422,850                                           |
| Net operating exceptional items     | <b>18,305</b>                                             | 14,703                                                    | 40,495                                            |
| Amortisation of intangible assets   | <b>36,566</b>                                             | 30,534                                                    | 66,898                                            |
| Adjusted operating profit ('EBITA') | <b>195,781</b>                                            | 176,098                                                   | 530,243                                           |

#### Net interest

##### Definition

The Group defines net interest as the net total of finance costs and finance income before interest related exceptional items as presented in the Group Income Statement.

|                                         | <b>6 months<br/>ended<br/>30 Sept.<br/>2021<br/>£'000</b> | <b>6 months<br/>ended<br/>30 Sept.<br/>2020<br/>£'000</b> | <b>Year ended<br/>31 March<br/>2021<br/>£'000</b> |
|-----------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------|
| Finance costs before exceptional items  | <b>(39,355)</b>                                           | (45,070)                                                  | (85,639)                                          |
| Finance income before exceptional items | <b>12,056</b>                                             | 14,819                                                    | 26,253                                            |
| Net interest                            | <b>(27,299)</b>                                           | (30,251)                                                  | (59,386)                                          |

## Supplementary Financial Information

### Alternative Performance Measures (continued)

#### Constant currency

##### Definition

The translation of foreign denominated earnings can be impacted by movements in foreign exchange rates versus sterling, the Group's presentation currency. In order to present a better reflection of underlying performance in the period, the Group retranslates foreign denominated current year earnings at prior year exchange rates.

|                                          | 6 months<br>ended<br>30 Sept.<br>2021<br>£'000 | 6 months<br>ended<br>30 Sept.<br>2020<br>£'000 |
|------------------------------------------|------------------------------------------------|------------------------------------------------|
| Calculation: Revenue - constant currency |                                                |                                                |
| Revenue                                  | 7,518,329                                      | 5,931,094                                      |
| Currency impact                          | 172,846                                        | -                                              |
| Revenue - constant currency              | 7,691,175                                      | 5,931,094                                      |

|                                                            | 6 months<br>ended<br>30 Sept.<br>2021<br>£'000 | 6 months<br>ended<br>30 Sept.<br>2020<br>£'000 |
|------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Calculation: Adjusted operating profit - constant currency |                                                |                                                |
| Adjusted operating profit                                  | 195,781                                        | 176,098                                        |
| Currency impact                                            | 7,618                                          | -                                              |
| Adjusted operating profit - constant currency              | 203,399                                        | 176,098                                        |

#### Effective tax rate

##### Definition

The Group's effective tax rate expresses the income tax expense before exceptionals and deferred tax attaching to the amortisation of intangible assets as a percentage of EBITA less net interest.

|                                                                                                              | 6 months<br>ended<br>30 Sept.<br>2021<br>£'000 | 6 months<br>ended<br>30 Sept.<br>2020<br>£'000 | Year ended<br>31 March<br>2021<br>£'000 |
|--------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|-----------------------------------------|
| Adjusted operating profit                                                                                    | 195,781                                        | 176,098                                        | 530,243                                 |
| Net interest                                                                                                 | (27,299)                                       | (30,251)                                       | (59,386)                                |
| Earnings before taxation                                                                                     | 168,482                                        | 145,847                                        | 470,857                                 |
| Income tax expense                                                                                           | 24,273                                         | 18,480                                         | 62,278                                  |
| Income tax attaching to net exceptionals                                                                     | (184)                                          | (226)                                          | 4,104                                   |
| Deferred tax attaching to amortisation of intangible assets                                                  | 6,238                                          | 6,540                                          | 13,664                                  |
| Total income tax expense before exceptionals and deferred tax attaching to amortisation of intangible assets | 30,327                                         | 24,794                                         | 80,046                                  |
| Effective tax rate (%)                                                                                       | 18.0%                                          | 17.0%                                          | 17.0%                                   |

## Supplementary Financial Information

### Alternative Performance Measures (continued)

#### Net capital expenditure

##### Definition

Net capital expenditure comprises purchases of property, plant and equipment, proceeds from the disposal of property, plant and equipment and government grants received in relation to property, plant and equipment.

|                                                                         | <b>6 months<br/>ended<br/>30 Sept.<br/>2021<br/>£'000</b> | <b>6 months<br/>ended<br/>30 Sept.<br/>2020<br/>£'000</b> | <b>Year ended<br/>31 March<br/>2021<br/>£'000</b> |
|-------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------|
| Purchase of property, plant and equipment                               | <b>78,187</b>                                             | 88,615                                                    | 162,879                                           |
| Government grants received in relation to property, plant and equipment | -                                                         | -                                                         | (89)                                              |
| Proceeds from disposal of property, plant and equipment                 | <b>(11,148)</b>                                           | (1,056)                                                   | (15,898)                                          |
| Net capital expenditure                                                 | <b>67,039</b>                                             | 87,559                                                    | 146,892                                           |

#### Free cash flow

##### Definition

Free cash flow is defined by the Group as cash generated from operations before exceptional items as reported in the Group Cash Flow Statement after repayment of lease creditors and net capital expenditure.

|                                                    | <b>6 months<br/>ended<br/>30 Sept.<br/>2021<br/>£'000</b> | <b>6 months<br/>ended<br/>30 Sept.<br/>2020<br/>£'000</b> | <b>Year ended<br/>31 March<br/>2021<br/>£'000</b> |
|----------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------|
| Cash generated from operations before exceptionals | <b>115,276</b>                                            | 241,389                                                   | 903,659                                           |
| Repayment of lease creditors                       | <b>(35,911)</b>                                           | (33,137)                                                  | (68,986)                                          |
| Net capital expenditure                            | <b>(67,039)</b>                                           | (87,559)                                                  | (146,892)                                         |
| Free cash flow                                     | <b>12,326</b>                                             | 120,693                                                   | 687,781                                           |

#### Free cash flow (after interest and tax payments)

##### Definition

Free cash flow (after interest and tax payments) is defined by the Group as free cash flow after interest paid (excluding interest relating to lease creditors), income tax paid, dividends received from equity accounted investments and interest received.

|                                                                | <b>6 months<br/>ended<br/>30 Sept.<br/>2021<br/>£'000</b> | <b>6 months<br/>ended<br/>30 Sept.<br/>2020<br/>£'000</b> | <b>Year ended<br/>31 March<br/>2021<br/>£'000</b> |
|----------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------|
| Free cash flow                                                 | <b>12,326</b>                                             | 120,693                                                   | 687,781                                           |
| Interest paid (excluding interest relating to lease creditors) | <b>(30,543)</b>                                           | (40,154)                                                  | (74,635)                                          |
| Income tax paid                                                | <b>(34,894)</b>                                           | (16,967)                                                  | (62,191)                                          |
| Interest received                                              | <b>12,033</b>                                             | 15,155                                                    | 27,930                                            |
| Free cash flow (after interest and tax payments)               | <b>(41,078)</b>                                           | 78,727                                                    | 578,885                                           |

## Supplementary Financial Information

### Alternative Performance Measures (continued)

#### Committed acquisition expenditure

##### Definition

The Group defines committed acquisition expenditure as the total acquisition cost of subsidiaries as presented in the Group Cash Flow Statement (excluding amounts related to acquisitions which were committed to in previous years) and future acquisition related liabilities for acquisitions committed to during the period.

|                                                                                 | 6 months<br>ended<br>30 Sept.<br>2021<br>£'000 | 6 months<br>ended<br>30 Sept.<br>2020<br>£'000 | Year ended<br>31 March<br>2021<br>£'000 |
|---------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|-----------------------------------------|
| Net cash outflow on acquisitions during the period                              | 141,281                                        | 72,685                                         | 236,232                                 |
| Net cash outflow on acquisitions which were committed to in the previous period | (112,478)                                      | (22,560)                                       | (22,388)                                |
| Acquisition related liabilities arising on acquisitions during the period       | 25,763                                         | 1,790                                          | 9,321                                   |
| Acquisition related liabilities which were committed to in the previous period  | (18,912)                                       | (417)                                          | (539)                                   |
| Amounts committed in the current period                                         | 42,081                                         | 35,500                                         | 152,000                                 |
| Committed acquisition expenditure                                               | 77,735                                         | 86,998                                         | 374,626                                 |

#### Net working capital

##### Definition

Net working capital represents the net total of inventories, trade and other receivables (excluding interest receivable), and trade and other payables (excluding interest payable, amounts due in respect of property, plant and equipment and current government grants).

|                                                               | As at<br>30 Sept.<br>2021<br>£'000 | As at<br>30 Sept.<br>2020<br>£'000 | As at<br>31 March<br>2021<br>£'000 |
|---------------------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <b>Inventories</b>                                            | 941,545                            | 756,464                            | 685,950                            |
| <b>Trade and other receivables</b>                            | 1,557,229                          | 1,434,777                          | 1,689,372                          |
| Less: interest receivable                                     | (39)                               | (98)                               | (16)                               |
| <b>Trade and other payables</b>                               | (2,548,083)                        | (2,202,991)                        | (2,604,177)                        |
| Less: interest payable                                        | 14,625                             | 10,763                             | 11,668                             |
| Less: amounts due in respect of property, plant and equipment | 9,510                              | 2,111                              | 13,554                             |
| Less: government grants                                       | 17                                 | 11                                 | 20                                 |
| Net working capital                                           | (25,196)                           | 1,037                              | (203,629)                          |

#### Working capital (days)

##### Definition

Working capital days measures how long it takes in days for the Group to convert working capital into revenue.

|                         | As at<br>30 Sept.<br>2021<br>£'000 | As at<br>30 Sept.<br>2020<br>£'000 | As at<br>31 March<br>2021<br>£'000 |
|-------------------------|------------------------------------|------------------------------------|------------------------------------|
| Net working capital     | (25,196)                           | 1,037                              | (203,629)                          |
| September/March revenue | 1,485,343                          | 1,287,071                          | 1,468,052                          |
| Working capital (days)  | (0.5 days)                         | 0.0 days                           | (4.3 days)                         |