

Press Release
14 November 2023

Interim results for the six months ended 30 September 2023

Strong Growth in Operating Profit, Excellent Acquisition Activity

- Group adjusted operating profit up 12.0% (12.2% on a constant currency basis) in the seasonally less significant first half of the year.
- Within the constant currency growth of 12.2%, organic growth was 4.4% driven by an excellent performance from DCC Energy and partially offset, as anticipated, by a decline in both DCC Healthcare and DCC Technology. M&A contributed 7.8% of the constant currency growth.
- Interim dividend increased by 5.0% to 63.04 pence per share.
- Since our prior year Final Results in May 2023, DCC has committed approximately £310 million to new acquisitions in DCC Energy, including:
 - As announced separately today, the synergistic acquisition of Progas for c.£140 million, a nationwide distributor of LPG in Germany, Europe's largest energy market; and
 - The acquisition of five energy management and services businesses to further expand our offering in this high growth sector.
- DCC continues to expect that the year ending 31 March 2024 will be another year of operating profit growth in line with expectations, and continued development activity.

Donal Murphy, Chief Executive, commented:

"We delivered strong profit growth in the first half of our financial year. Although the macro environment remains volatile, DCC continued to perform thanks to our resilient and diverse business. DCC Energy traded strongly while continuing to execute the *Cleaner Energy in Your Power* strategy we outlined earlier this year. During the period we committed to seven acquisitions aligned to our strategic priorities to give all our customers the power to choose a cleaner energy future."

Financial Highlights	2023	2022	% change	% change CC ¹
Revenue	£9.616bn	£10.837bn	-11.3%	-11.1%
Adjusted operating profit ²	£247.6m	£221.2m	+12.0%	+12.2%
DCC Energy	£170.6m	£132.5m	+28.9%	+28.9%
DCC Healthcare	£38.3m	£43.2m	-11.3%	-12.0%
DCC Technology	£38.7m	£45.5m	-15.0%	-13.4%
Adjusted earnings per share ²	149.3p	146.4p	+1.9%	+2.3%
Interim dividend	63.04p	60.04p	+5.0%	
Net debt (excl. lease creditors) ³	£1,039.1m	£782.3m		

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

² Excluding net exceptionals and amortisation of intangible assets

³ Net debt including lease creditors at 30 September 2023 was £1,386.5 million (30 September 2022: £1,118.3 million)

Contact information**Investor enquiries:**

Kevin Lucey, Chief Financial Officer

Tel: +353 1 2799 400

Rossa White, Head of Group Investor Relations

Email: investorrelations@dcc.ie**Media enquiries:**

Powerscourt (Eavan Gannon/Pete Lambie)

Tel: +44 20 7250 1446

Email: DCC@powerscourt-group.com**Presentation of results – audio webcast and conference call details**

Group management will host a live audio webcast and conference call of the presentation at 09.00 GMT today. The slides for this presentation can be downloaded from DCC's website, www.dcc.ie

The access details are as follows:

Ireland: +353 (0) 1 691 7842

UK: +44 (0) 203 936 2999

International: +44 (0) 203 936 2999

Passcode: 771225

Webcast link: <https://www.investis-live.com/dcc/6538f26037a2c50c00313f29/bwrtt>

This report, presentation slides and a replay of the audio will be made available at www.dcc.ie

About DCC plc

DCC is a leading international sales, marketing and support services group. We provide solutions the world needs across three transformative sectors: energy, healthcare and technology; where we acquire, improve and grow diverse businesses. We bring our growth mindset to our businesses in 22 countries across four continents, empowering our 16,000 employees to create long term value – for our shareholders, customers, society and the planet.

Headquartered in Dublin, DCC plc is listed on the London Stock Exchange and is a constituent of the FTSE 100. In our financial year ended 31 March 2023, DCC generated revenues of £22.2 billion and adjusted operating profit of £655.7 million. DCC has an excellent record, delivering compound annual growth of 14% in adjusted operating profit and generating an average return on capital employed of approximately 19% over 29 years as a public company.

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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.

GROUP & DIVISIONAL PERFORMANCE REVIEW

A summary of the Group's results for the six months ended 30 September 2023 is as follows:

	2023 £'m	2022 £'m	% change
Revenue	9,616	10,837	-11.3%
Adjusted operating profit¹			
DCC Energy	170.6	132.5	+28.9%
DCC Healthcare	38.3	43.2	-11.3%
DCC Technology	38.7	45.5	-15.0%
Group adjusted operating profit¹	247.6	221.2	+12.0%
Finance costs (net) and other	(52.2)	(31.9)	
Profit before net exceptionals, amortisation of intangible assets and tax	195.4	189.3	+3.2%
Net exceptional charge before tax and non-controlling interests	(12.2)	(6.6)	
Amortisation of intangible assets	(53.5)	(50.4)	
Profit before tax	129.7	132.3	
Taxation	(28.3)	(27.1)	
Profit after tax	101.4	105.2	
Non-controlling interests	(8.4)	(7.7)	
Attributable profit	93.0	97.5	
Adjusted earnings per share ¹	149.3p	146.4p	+1.9%
Dividend per share	63.04p	60.04p	+5.0%
Free cash flow ²	54.5	37.6	
Net debt at 30 September (excluding lease creditors)	(1,039.1)	(782.3)	
Lease creditors	(347.4)	(336.0)	
Net debt at 30 September (including lease creditors)	(1,386.5)	(1,118.3)	

¹ Excluding net exceptionals and amortisation of intangible assets

² After net working capital and net capital expenditure and before net exceptionals, interest and tax payments

INCOME STATEMENT REVIEW

Group revenue

Overall, Group revenue decreased by 11.3% (11.1% on a constant currency basis) to £9.6 billion, primarily due to lower revenue in DCC Energy where average commodity prices were lower than during the first six months of the prior year.

DCC Energy sold 7.2 billion litres of product in the first half, in line with the prior year. There was modest volume growth across Energy Solutions, driven by the Nordics business which recorded strong growth with aviation, commercial and industrial customers. This was offset by a modest decline in Energy Mobility, where volumes in France were disrupted by strike activity in the first quarter and competitor activity more recently. Revenue in DCC Energy declined by 12.8% to £6.9 billion, reflecting lower commodity prices. DCC Healthcare recorded revenue of £420.5m, an increase of 11.3% (10.9% on a constant currency basis) driven by the acquisition of Medi-Globe during the second half of the prior year. Organically, revenue declined by 0.9% as growth in DCC Vital was offset by reduced demand in DCC Health & Beauty Solutions. Revenue in DCC Technology was £2.3 billion, a decrease of 9.7% (9.1% on a constant currency basis), driven by weaker demand for consumer technology products in our Life Tech and Info Tech segments.

Group adjusted operating profit

Group adjusted operating profit increased by 12.0% to £247.6 million (12.2% on a constant currency basis), in the seasonally less significant first half of the year. Strong organic growth in DCC Energy was somewhat offset, as anticipated, by the more difficult trading environment across DCC Healthcare and DCC Technology.

The impact on reported Group adjusted operating profit of foreign exchange (FX) translation, M&A and organic growth was as follows:

Period	FX translation	M&A	Organic	Reported growth
H1 FY24	-0.2%	+7.8%	+4.4%	12.0%
H1 FY23	+2.3%	+12.6%	-1.9%	13.0%

The net impact of FX translation in the first half of the year was a modest headwind of 0.2%, or £0.5 million, in the reported growth in adjusted operating profit. This reflects average sterling exchange rates strengthening against most of the Group's reporting currencies during the period, offset by a modest weakening against Euro.

Acquisitions completed in the prior year and in the current period contributed 7.8% of the reported operating profit growth. The material contribution during the six-month period came from the prior year acquisitions of Medi-Globe and PVO.

The Group's organic operating profit growth was 4.4%, driven by the strong performance of DCC Energy. As expected, DCC Healthcare and DCC Technology experienced more difficult market conditions and declined organically. The inflationary environment continued to be a significant feature during the period. The organic profit growth was achieved despite a 5.3% (or c.£50 million) increase in the Group's like for like overhead cost base. Further commentary on the trading performance of each of the three divisions is detailed below.

DIVISIONAL PERFORMANCE REVIEWS

DCC Energy	2023	2022	% change	% change CC
Volumes (billion litre equivalent) ¹	7.184bn	7.197bn	-0.2%	
Gross profit	£764.4m	£667.1m	+14.6%	+14.6%
Operating profit	£170.6m	£132.5m	+28.9%	+28.9%
Operating profit per litre	2.38ppl	1.84ppl		

- DCC Energy delivered an excellent performance in the seasonally less significant first half of the financial year. Operating profit increased by 28.9% (28.9% constant currency). Both Energy Solutions (up 33.3%) and Energy Mobility (up 22.5%) delivered very strong growth. Organic growth was 21.1%, with M&A contributing 7.8%.
- We continue to execute the strategy outlined at our Energy 'Insights Day' on 6 September 2023. In the first half, we increased the share of operating profits from services, renewables and other products ('SRO') to 46%, up from 39% in the same period a year ago (SRO revenues are not seasonal so this percentage will be lower for the full year²). DCC Energy's Scope 3 emissions were unchanged versus the prior period as aviation volumes recovered. The carbon intensity of our profits declined by 22% versus prior year.
- DCC Energy committed £310.5 million to acquisitions in the first half. Five of the seven acquisitions were in energy management services. We have now built strong capability in energy management services in France, the UK, Ireland, Norway and the Netherlands. We also made two LPG acquisitions. The larger of the two, Progas, significantly increases our scale in Germany, Europe's largest energy market.

DCC Energy Solutions	2023	2022	% change	% change CC
Volumes (billion litre equivalent)	4.829bn	4.816bn	+0.3%	
Operating profit	£104.1m	£78.1m	+33.3%	+32.1%
Operating profit per litre	2.16ppl	1.62ppl		

DCC Energy Solutions grew its operating profit by 33.3% (32.1% constant currency). This reflected very strong organic growth in energy management services (and SRO products), the contribution from acquisitions, good procurement and cost management. Volumes of traditional fuels and lower carbon LPG were very modestly ahead of the prior year. We sold 48 million litres of HVO biofuel, up from 27 million litres in the same period last year.

There are four operating regions within DCC Energy Solutions: Continental Europe, UK & Ireland, the Nordics and North America. DCC Energy's excellent organic performance was driven primarily by Continental Europe and the Nordics.

¹ Billion litres equivalent provides a standard metric for the different products and solutions that DCC Energy sells. Metric tonnes and kilowatts of power are converted to litres. A lot of the services and renewables do not have associated volumes such as solar installations, heat pump solutions, fleet services and energy efficiency services. Overall, c.30% of DCC Energy's operating profit has no direct volume (litres equivalent) attached to it.

² Services, renewables and other ('SRO') products are not seasonally weighted whereas our traditional and lower carbon activities are second half weighted, so the share of DCC Energy operating profit from SRO is larger in the first half of the financial year.

In Continental Europe, volumes were in line with the prior year although the experience was mixed across different geographies and customer groups. We grew volumes to commercial and industrial customers, and had notable customer wins, but experienced softer end-markets in the domestic sector. Following a difficult first half in the prior year, our on-grid gas and power business recovered strongly. We also expanded our energy management business organically and through acquisitions.

In the UK & Ireland, volume and operating profit was in line with the prior year. The economic environment in the UK was less favourable, however our LPG business performed well and continued to grow its market share. The fuels market was more difficult, and we saw increased competition through the summer months. We continued to grow our energy management business, highlighted by the acquisition of Centreco, the market-leading commercial and industrial solar business in the UK and Alternative Energy Ireland (AEI), the second-largest player in Ireland.

In the Nordics, we grew very strongly driven by demand from commercial and industrial customers for LPG. We continued to develop the market for sustainable aviation fuel in Denmark and we delivered strong growth in aviation generally. We also expanded our services and renewables solutions by acquiring Solcellekraft, one of Norway's largest Solar PV businesses.

In North America our business primarily serves domestic and small commercial heating customers, so it is particularly seasonal. Trading in the region was in line with the prior year. We have made good progress in building out our regional centre in Chicago and are investing in technology and digital capability which will enable the further scaling of the business. During the period we acquired San Isabel Services Propane in Colorado. We believe there will be further opportunities to consolidate within the fragmented US LPG market in the years to come.

DCC Energy Mobility	2023	2022	% change	% change CC
Volumes (billion litre equivalent)	2.354bn	2.381bn	-1.1%	
Operating profit	£66.5m	£54.4m	+22.5%	+24.4%
Operating profit per litre	2.83ppl	2.28ppl		

DCC Energy Mobility grew its operating profit by 22.5% (24.4% constant currency). All of the growth was organic. Our UK and Nordics businesses performed ahead of expectations, whereas France was modestly behind expectations. Renewable/bio volumes were up 8% compared to the same period in the prior year. We have continued to invest in EV charging across the network. We have added EV capability to 122 sites in total, almost doubling the number of sites from 64 a year ago. We will look to deploy EV charging on 300-400 of our retail sites by 2030.

Our UK business grew strongly and ahead of expectations, helped by a good performance from our convenience operations. We also grew our fuel card and HGV services operating profit very strongly. We continue to expand our range of digital solutions in this area; it is an important growth area in our strategy we communicated in September 2023.

Operating profit grew modestly in France and Luxembourg in what was a challenging market environment. The market saw widespread disruption due to strike action early in the first half of the year and in more recent weeks the market has been very competitive. Our Nordic businesses performed strongly; each business in the region (Denmark, Sweden and Norway) traded ahead of expectations.

DCC Healthcare	2023	2022	% change	% change CC
Revenue	£420.5m	£377.7m	+11.3%	+10.9%
Gross profit	£130.8m	£113.6m	+15.2%	+14.7%
Operating profit	£38.3m	£43.2m	-11.3%	-12.0%
Operating margin	9.1%	11.4%		

- Operating profit declined by 11.3% (12.0% constant currency) and by 28.3% organically, due to the challenging market conditions experienced by DCC Health & Beauty Solutions.
- DCC Vital performed well and delivered strong profit growth, driven by the prior year acquisition of Medi-Globe and a good trading performance. Operating profit in DCC Health & Beauty Solutions declined, impacted by weak market conditions principally as a result of the sustained period of market destocking which began in the second quarter of the prior year and which endured longer than expected. In recent months, we have seen an uptick in order intake levels across most of our businesses. In addition, the latest market data indicates improving consumer demand trends.
- The long-term growth opportunity in the nutritional products market remains attractive for DCC Health & Beauty Solutions. We continued to invest during the period to enhance the capability of the business, including completing a new state-of-the-art gummy production facility in Florida, which positions the business to capitalise on higher margin complex formulation products.

Divisional revenue

DCC Healthcare recorded revenue of £420.5 million, an increase of 11.3%. Organically, revenue declined by 0.9% as growth in DCC Vital was offset by reduced demand in DCC Health & Beauty Solutions.

DCC Vital

DCC Vital delivered strong growth in the first half of the financial year driven by the benefit of the acquisition of Medi-Globe which performed strongly during the period along with a strong trading performance in the Irish market.

In Medical Devices, the business delivered good organic growth and benefited from the first-time contribution of Medi-Globe. The integration of Medi-Globe is progressing well, including cross-selling Medi-Globe products into our existing DCC Vital sales platform. In the UK, the business generated good revenue growth despite the challenging market environment which was impacted by NHS budgetary constraints and industrial action by healthcare practitioners.

In Primary Care, we generated growth in the DACH region, but conditions were more difficult in the UK for our market leading business due to NHS funding constraints. We continued to invest during the period in our technology platform to enhance e-commerce and digital capability which will drive further growth and efficiency for the business in the coming years.

DCC Health & Beauty Solutions

Consistent with the second half of the prior year, DCC Health & Beauty Solutions continued to operate in a challenging market context and our operating profit declined materially. The revenue decline and relatively higher fixed cost base resulted in negative operating leverage. The destocking, which began in the second quarter of the prior year, endured much longer than DCC or other market participants

and experts expected. During the first half of the year, end-consumers, retailers and customers in both Europe and the US continued to work through their elevated stock positions. The business has not seen any material customer attrition. During the first half, we experienced increased engagement with customers on new product development. As the second quarter progressed, we saw an uptick in orders across most of our businesses which has continued into the early weeks of the second half of the year. In addition, the latest market data indicates improving consumer demand trends.

Given the difficult market context, DCC Health & Beauty Solutions has been particularly focused on operational efficiency. During the first half, we combined two of our US businesses and consolidated their manufacturing activities into one site in Florida, generating scale and efficiency benefits. We also invested to enhance our product offering, recently completing a new state-of-the-art gummy facility in Florida which enhances our capability in this attractive product format.

DCC Technology	2023	2022	% change	% change CC
Revenue	£2.294bn	£2.541bn	-9.7%	-9.1%
Gross profit	£288.6m	£296.9m	-2.8%	-2.0%
Operating profit	£38.7m	£45.5m	-15.0%	-13.4%
Operating margin	1.7%	1.8%		

- Operating profit declined by 15.0% (13.4% organic constant currency) in the first half of the year. As expected, there was lower market demand for consumer technology products. This continued the trend seen in the second half of the prior year, although our business maintained market share during the period.
- Pro Tech demand was robust, and we saw good growth in Pro Audio products in particular. Divisionally, the areas of weakness were the consumer-focused Info Tech in Europe and Life Tech in the US, where declining consumer spending impacted demand. North America, where we have businesses in Pro Tech and Life Tech, accounted for most of the operating profit of DCC Technology in the first half.
- Given significant cost inflation, we implemented a range of cost reduction measures which maintained overhead costs in line with the prior year. The strong focus on operational improvement in our Info Tech business in the UK continued and delivered improved profitability in the first half.

Divisional revenue

Divisional revenue declined by 9.7%, driven by weaker demand for consumer technology products in our Life Tech and Info Tech segments. Revenue was 9.1% lower organically.

Pro Tech

In Pro Tech, DCC Technology is the leading specialist distributor of AV products globally, with a particularly strong presence in North America. The Pro Tech segment delivered a good performance in the first half, driven by strong growth in Pro Audio in North America. The strong performance in this higher margin specialist category was beneficial to the division's margin mix. Demand for AV products was robust. After a strong performance in the prior year, we maintained our market share in North America. In Europe, we experienced mixed levels of demand across the region. There was reasonable demand for AV and related products, but weaker demand for enterprise level products.

Info Tech

Our Info Tech business distributes high-volume consumer and business IT products to the retail and reseller channels in Europe, with a particularly strong presence in the UK, Ireland and the Nordics. Despite the weak market and related revenue decline, our business in the UK continued to recover strongly in the first half of the year. Operational improvements contributed to a better gross margin and cost performance. We are continuing to focus on these improvements, including the consolidation of a secondary warehouse facility into one national location in the north of England. The business in Ireland continued to perform well and in line with expectations in the first half of the year.

Across the rest of our European Info Tech markets, which have a largely consumer focus, our Nordic business performed robustly. We experienced weaker demand in France and the Benelux where operating profit declined.

Life Tech

In Life Tech we distribute consumer appliances and lifestyle technology products to the retail and etail channels in North America. During the first half of the year, performance in Life Tech declined as a result of weaker demand for consumer electronics, music products, appliances and increased discounting in certain overstocked segments. We increased our investment in digital marketing and this resulted in improved product visibility and market share on key etail platforms.

INCOME STATEMENT REVIEW (CONTINUED)

Finance costs (net) and other

Net finance costs and other, which includes the Group's net financing costs, lease interest and the share of profit/loss of associated businesses, increased to £52.2 million (2022: £31.9 million). As in the second half of the prior year, the increase in the period primarily reflects increased net financing costs due to the much higher interest rate environment.

The substantial change in the global interest rate environment from summer 2022 onwards impacted the cost of the floating rate element of the Group's gross debt. The net impact of the rising interest rate environment amounted to approximately £17 million. Presently, approximately 40% of the Group's gross debt is at floating rates.

Average net debt, excluding lease creditors, in the period was £1.2 billion, compared to an average net debt of £883 million in the prior year. The increase in average net debt excluding lease creditors reflects the substantial acquisition activity during the current period and the second half of the prior year.

Net exceptional items and amortisation of intangible assets

The Group recorded a net exceptional charge after tax of £12.2 million in the first six months of the year as follows:

	£'m
Restructuring and integration costs and other	(8.4)
Acquisition and related costs	(3.8)
IAS 39 mark-to-market gain	-
	(12.2)
Tax attaching to exceptional items	-
Net exceptional charge	(12.2)

Restructuring and integration costs and other of £8.4 million relates to the restructuring of operations across a number of businesses and recent acquisitions. Most of the cost relates to optimisation and integration of operations in the Technology division. Acquisition and related costs include the professional fees and tax costs relating to the evaluation and completion of acquisition opportunities and amounted to £3.8 million.

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 2023 this was not material and at the reporting date the cumulative net exceptional credit taken in respect of IAS 39 ineffectiveness was £1.4 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 £53.5 million from £50.4 million in the prior period, with the increase reflecting acquisitions completed in the prior year.

Taxation

The effective tax rate for the Group in the first half of the year of 20.3% is based on the anticipated mix of profits for the full year. It compares to a full year effective tax rate in the prior year of 19.3%. The higher tax rate reflects corporation tax increases in a number of jurisdictions and the increasingly international footprint of the Group.

Adjusted earnings per share

Adjusted earnings per share increased by 1.9% to 149.3 pence, reflecting the increase in profit before exceptional items and goodwill amortisation.

Dividend

The Board has decided to pay an interim dividend of 63.04 pence per share, which represents a 5.0% increase on the prior year interim dividend of 60.04 pence per share. This dividend will be paid on 15 December 2023 to shareholders on the register at the close of business on 24 November 2023.

CASH FLOW, CAPITAL DEPLOYMENT & FINANCIAL STRENGTH

Cash flow

As with its operating profit, the Group's operating cash flow is significantly weighted towards the second half of the financial year. The cash flow of the Group for the six months ended 30 September 2023 can be summarised as follows:

Six months ended 30 September	2023 £'m	2022 £'m
Group operating profit	247.6	221.2
Increase in working capital	(154.1)	(151.3)
Depreciation (excluding ROU leased assets) and other	76.9	76.0
Operating cash flow (pre add-back for depreciation on ROU leased assets)	170.4	145.9
Capital expenditure (net)	(111.4)	(103.9)
	59.0	42.0
Depreciation on ROU leased assets	39.9	35.6
Repayment of lease creditors	(44.4)	(40.0)
Free cash flow	54.5	37.6
Interest and tax paid, net of dividend from equity accounted investments	(88.6)	(59.5)
Free cash flow (after interest and tax)	(34.1)	(21.9)
Acquisitions	(151.8)	(41.7)
Dividends	(126.9)	(117.2)
Exceptional items	(7.8)	(2.5)
Share issues	0.2	0.3
Net outflow	(320.4)	(183.0)
Opening net debt (including lease creditors)	(1,113.9)	(756.6)
Translation and other	47.8	(178.7)
Closing net debt (including lease creditors)	(1,386.5)	(1,118.3)
Analysis of closing net debt (including lease creditors):		
Net debt at 30 September (excluding lease creditors)	(1,039.1)	(782.3)
Lease creditors at 30 September	(347.4)	(336.0)
	(1,386.5)	(1,118.3)

Free cash flow generation

Free cash flow in the six months ended 30 September 2023 of £54.5 million compares to £37.6 million in the prior year. On a rolling 12-month basis (i.e., H1 FY24 and H2 FY23 cumulatively), free cash flow conversion remained strong at 86%.

Working capital

As expected, working capital increased by £154.1 million in the first half of the financial year, reflecting the typical seasonal outflow across the Group. The net investment through the period in working capital reflects the scale of the Group's activities and seasonal working capital requirements, particularly in DCC Technology and within DCC Energy Solutions. The absolute value of working capital at 30 September 2023 was in line with the prior year at £440.2 million (£448.8 million at 30 September 2022), a good performance given the lower utilisation of supply chain financing within DCC Technology (see below). Overall working capital days at 30 September 2023 was 7.4 days sales (2022: 6.8 days sales) reflecting recently completed acquisitions.

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. The level of supply chain financing at 30 September 2023 reduced materially compared with the prior year to £122.8 million (2022: £159.3 million). Supply chain financing had a positive impact on Group working capital days of 2.1 days (30 September 2022: 2.4 days).

Net capital expenditure

Net capital expenditure for the six months of £111.4 million (2022: 103.9 million) was net of disposal proceeds (£3.4 million) and government grants received (£2.7 million) and reflects continued investment in development initiatives across the Group.

	2023 £'m	2022 £'m
DCC Energy	89.7	87.1
DCC Healthcare	17.7	12.3
DCC Technology	4.0	4.5
Total	111.4	103.9

Capital expenditure in DCC Energy primarily comprised expenditure on tanks, cylinders and installations, with a focus on supporting new and existing LPG customers in Energy Solutions. In Mobility, there was investment to maintain our retail sites and upgrades across the business, including adding further lower emission product capability, EV fast charging and related forecourt services in the Nordics and France in particular. In DCC Healthcare, the spending primarily related to increased manufacturing capability and capacity across DCC Health & Beauty Solutions. The business recently commissioned its gummy line in Florida and is in the process of expanding effervescent capacity at its Minnesota operations. Net capital expenditure for the Group exceeded the depreciation charge of £76.4 million (excluding right-of-use leased assets) in the period by £35.0 million.

Total cash spend on acquisitions in the six months to 30 September 2023

The total cash spend on acquisitions in the six months ended 30 September 2023 was £151.8 million. This included the completion of the acquisition of AEI, Hafod Renewables and O'sitoit in DCC Energy which were announced in the prior year Results Announcement in May 2023. Payment of deferred and contingent acquisition consideration previously provided amounted to £30.5 million.

Committed acquisitions

Committed acquisitions in the period amounted to £310.5 million as follows:

	2023 £'m	2022 £'m
DCC Energy	310.5	90.6
DCC Healthcare	-	213.0
Total	310.5	303.6

DCC continues to be very active from a development perspective. The Group's recent acquisitions include:

DCC Energy

DCC Energy has committed approximately £310 million to seven new acquisitions which support its strategy to build a leading energy management business and further expand its offering in the distribution of lower-carbon LPG products. The largest of these transactions was the agreement to acquire Progas, which is set out in further detail below. In addition, the division completed the following acquisitions:

- In July 2023, DCC Energy acquired Centreco, a market-leading Solar PV and energy consultancy business in the UK, which services commercial and industrial customers nationally, and SLER40, a French Solar PV and heat pump business servicing domestic and commercial customers with design, installation, and maintenance services.
- In August 2023, DCC Energy acquired Isolatiespecialist, a leading provider of energy efficiency and insulation services to domestic and commercial customers in the Netherlands, and San Isabel Services Propane, a US LPG distributor which services both domestic and commercial customers in Colorado.
- DCC Energy acquired Solcellekraft in September 2023, one of Norway's largest Solar PV businesses, servicing commercial and domestic customers.
- In November 2023, DCC Energy acquired DTGen, a leading UK-based provider of power solutions, with a particular focus on emergency power solutions. DTGen offers a comprehensive service from design to supply, installation, and continuous maintenance, catering to a diverse range of sectors, including data centres, utilities, and healthcare.

Progas

In September 2023, DCC Energy agreed to acquire Progas GmbH ("Progas"), a leading distributor of LPG in Germany, for an enterprise value of approximately £140 million, subject to customary regulatory approval. The synergistic acquisition will represent DCC Energy's largest acquisition to date in Germany, Europe's largest energy market, and considerably expands DCC Energy's customer base in the market to over 100,000 customers. The acquisition is expected to generate a mid-teen return on capital employed in the first year of ownership. The transaction is expected to complete by the end of the financial year. A separate stock exchange announcement was issued on the acquisition this morning.

Financial strength

DCC has always maintained a strong balance sheet which enables the implementation of the Group's strategy. A strong balance sheet provides many strategic and commercial benefits, enabling DCC to take advantage of acquisitive or organic development opportunities as they arise. At 30 September 2023, the Group had net debt (including lease creditors) of £1.4 billion, net debt (excluding lease creditors) of £1.0 billion, cash resources (net of overdrafts) of £842 million and undrawn committed facilities of over £765 million.

Substantially all of the Group's term debt has been raised in the US private placement market and has an average maturity of 5.1 years. In April 2023, DCC repaid £223.3 million of maturing US private placement notes from cash resources.

DCC has taken a pro-active approach to the credit markets since going public. The Group has been active in the US private placement debt market since 1996 and has built up a robust and well-diversified funding portfolio, with a balanced maturity profile. DCC's long term banking partners, investors and suppliers have always appreciated the strong credit quality of the Company. In November 2023 S&P Global Ratings issued a BBB rating and Fitch issued a BBB rating for DCC in the first public credit rating opinions of the Company. These investment grade ratings combined with our strong balance sheet, resilient business model, cashflow and a strong track record in the private debt markets, gives access to an increased array of funding instruments to enable the continued growth and development of the Group.

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 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 80 to 83 of the 2023 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 in place in relation to identified risks are designed to provide a reasonable and proportionate, and not an absolute, level of protection against the impact of the events in question.

GROUP INCOME STATEMENT

For the six months ended 30 September 2023

	Notes	Unaudited 6 months ended 30 September 2023			Unaudited 6 months ended 30 September 2022			Audited year ended 31 March 2023		
		Pre exceptionals £'000	Exceptionals (note 6) £'000	Total £'000	Pre exceptionals £'000	Exceptionals (note 6) £'000	Total £'000	Pre exceptionals £'000	Exceptionals (note 6) £'000	Total £'000
Revenue	5	9,615,978	-	9,615,978	10,837,130	-	10,837,130	22,204,846	-	22,204,846
Cost of sales		(8,432,158)	-	(8,432,158)	(9,759,622)	-	(9,759,622)	(19,800,114)	-	(19,800,114)
Gross profit		1,183,820	-	1,183,820	1,077,508	-	1,077,508	2,404,732	-	2,404,732
Administration expenses		(364,396)	-	(364,396)	(341,072)	-	(341,072)	(629,510)	-	(629,510)
Selling and distribution expenses		(583,143)	-	(583,143)	(523,803)	-	(523,803)	(1,157,642)	-	(1,157,642)
Other operating income/(expenses)		11,361	(12,201)	(840)	8,540	(9,045)	(505)	38,082	(32,528)	5,554
Adjusted operating profit		247,642	(12,201)	235,441	221,173	(9,045)	212,128	655,662	(32,528)	623,134
Amortisation of intangible assets		(53,512)	-	(53,512)	(50,405)	-	(50,405)	(111,146)	-	(111,146)
Operating profit	5	194,130	(12,201)	181,929	170,768	(9,045)	161,723	544,516	(32,528)	511,988
Finance costs		(60,270)	-	(60,270)	(41,469)	-	(41,469)	(96,735)	-	(96,735)
Finance income		7,923	12	7,935	10,185	2,504	12,689	16,111	892	17,003
Equity accounted investments' profit/loss after tax		137	-	137	(606)	-	(606)	(692)	-	(692)
Profit before tax		141,920	(12,189)	129,731	138,878	(6,541)	132,337	463,200	(31,636)	431,564
Income tax expense	7	(28,325)	(15)	(28,340)	(26,630)	(498)	(27,128)	(87,526)	2,764	(84,762)
Profit after tax for the financial period		113,595	(12,204)	101,391	112,248	(7,039)	105,209	375,674	(28,872)	346,802
Profit attributable to:										
Owners of the Parent Company		105,233	(12,204)	93,029	104,474	(6,948)	97,526	362,683	(28,661)	334,022
Non-controlling interests		8,362	-	8,362	7,774	(91)	7,683	12,991	(211)	12,780
		113,595	(12,204)	101,391	112,248	(7,039)	105,209	375,674	(28,872)	346,802
Earnings per ordinary share										
Basic earnings per share	8			94.20p			98.83p			338.40p
Diluted earnings per share	8			94.14p			98.77p			338.04p
Adjusted basic earnings per share	8			149.27p			146.42p			456.27p
Adjusted diluted earnings per share	8			149.19p			146.32p			455.79p

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2023

	Unaudited 6 months ended 30 Sept. 2023 £'000	Unaudited 6 months ended 30 Sept. 2022 £'000	Audited year ended 31 March 2023 £'000
Group profit for the period	101,391	105,209	346,802
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Currency translation	(27,569)	166,078	43,280
Movements relating to cash flow hedges	59,931	(59,784)	(164,422)
Movement in deferred tax liability on cash flow hedges	(11,567)	10,089	30,374
	20,795	116,383	(90,768)
Items that will not be reclassified to profit or loss			
Group defined benefit pension obligations:			
- remeasurements	1,839	3,685	2,811
- movement in deferred tax asset	(373)	(719)	(800)
	1,466	2,966	2,011
Other comprehensive income for the period, net of tax	22,261	119,349	(88,757)
Total comprehensive income for the period	123,652	224,558	258,045
Attributable to:			
Owners of the Parent Company	116,772	214,010	243,242
Non-controlling interests	6,880	10,548	14,803
	123,652	224,558	258,045

GROUP BALANCE SHEET

As at 30 September 2023

	Notes	Unaudited 30 Sept. 2023 £'000	Unaudited 30 Sept. 2022 £'000	Audited 31 March 2023 £'000
ASSETS				
Non-current assets				
Property, plant and equipment		1,369,547	1,333,779	1,354,806
Right-of-use leased assets		333,975	326,306	336,221
Intangible assets and goodwill		3,050,965	2,791,596	2,957,629
Equity accounted investments		45,770	46,864	47,789
Deferred income tax assets		68,836	58,924	69,053
Derivative financial instruments		52,021	143,547	89,199
		4,921,114	4,701,016	4,854,697
Current assets				
Inventories		1,335,355	1,454,627	1,192,803
Trade and other receivables		2,015,679	2,218,757	2,312,269
Derivative financial instruments		71,107	178,101	59,258
Cash and cash equivalents		882,923	1,258,065	1,421,749
		4,305,064	5,109,550	4,986,079
Total assets		9,226,178	9,810,566	9,840,776
EQUITY				
Capital and reserves attributable to owners of the Parent Company				
Share capital		17,422	17,422	17,422
Share premium		883,873	883,652	883,669
Share based payment reserve	10	58,190	50,960	54,596
Cash flow hedge reserve	10	84	36,073	(48,280)
Foreign currency translation reserve	10	102,442	250,485	128,529
Other reserves	10	932	932	932
Retained earnings		1,909,099	1,766,614	1,941,223
Equity attributable to owners of the Parent Company		2,972,042	3,006,138	2,978,091
Non-controlling interests		86,789	75,661	80,219
Total equity		3,058,831	3,081,799	3,058,310
LIABILITIES				
Non-current liabilities				
Borrowings		1,600,671	1,851,052	1,933,759
Lease creditors		274,607	270,188	275,388
Derivative financial instruments		39,305	51,789	40,585
Deferred income tax liabilities		261,312	259,590	263,623
Post employment benefit obligations	12	(13,482)	(11,761)	(11,721)
Provisions for liabilities		294,957	306,536	301,067
Acquisition related liabilities		110,195	72,680	86,172
Government grants		2,914	352	446
		2,570,479	2,800,426	2,889,319
Current liabilities				
Trade and other payables		2,944,129	3,250,559	3,279,898
Current income tax liabilities		79,849	64,268	85,324
Borrowings		375,804	379,746	320,856
Lease creditors		72,763	65,770	71,158
Derivative financial instruments		29,385	79,426	42,341
Provisions for liabilities		53,770	62,137	52,349
Acquisition related liabilities		41,168	26,435	41,221
		3,596,868	3,928,341	3,893,147
Total liabilities		6,167,347	6,728,767	6,782,466
Total equity and liabilities		9,226,178	9,810,566	9,840,776
Net debt included above (excluding lease creditors)	11	(1,039,114)	(782,300)	(767,335)

GROUP STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Attributable to owners of the Parent Company					Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Other reserves	Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2023	17,422	883,669	1,941,223	135,777	2,978,091	80,219	3,058,310
Profit for the period	-	-	93,029	-	93,029	8,362	101,391
Other comprehensive income:							
Currency translation	-	-	-	(26,087)	(26,087)	(1,482)	(27,569)
Group defined benefit pension obligations:							
- remeasurements	-	-	1,839	-	1,839	-	1,839
- movement in deferred tax asset	-	-	(373)	-	(373)	-	(373)
Movements relating to cash flow hedges	-	-	-	59,931	59,931	-	59,931
Movement in deferred tax liability on cash flow hedges	-	-	-	(11,567)	(11,567)	-	(11,567)
Total comprehensive income	-	-	94,495	22,277	116,772	6,880	123,652
Re-issue of treasury shares	-	204	-	-	204	-	204
Share based payment	-	-	-	3,594	3,594	-	3,594
Dividends	-	-	(126,619)	-	(126,619)	(310)	(126,929)
At 30 September 2023	17,422	883,873	1,909,099	161,648	2,972,042	86,789	3,058,831

For the six months ended 30 September 2022

	Attributable to owners of the Parent Company					Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Other reserves	Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2022	17,422	883,321	1,783,033	221,408	2,905,184	65,379	2,970,563
Profit for the period	-	-	97,526	-	97,526	7,683	105,209
Other comprehensive income:							
Currency translation	-	-	-	163,213	163,213	2,865	166,078
Group defined benefit pension obligations:							
- remeasurements	-	-	3,685	-	3,685	-	3,685
- movement in deferred tax asset	-	-	(719)	-	(719)	-	(719)
Movements relating to cash flow hedges	-	-	-	(59,784)	(59,784)	-	(59,784)
Movement in deferred tax liability on cash flow hedges	-	-	-	10,089	10,089	-	10,089
Total comprehensive income	-	-	100,492	113,518	214,010	10,548	224,558
Re-issue of treasury shares	-	331	-	-	331	-	331
Share based payment	-	-	-	3,524	3,524	-	3,524
Dividends	-	-	(116,911)	-	(116,911)	(266)	(117,177)
At 30 September 2022	17,422	883,652	1,766,614	338,450	3,006,138	75,661	3,081,799

GROUP CASH FLOW STATEMENT

For the six months ended 30 September 2023

	Notes	Unaudited 6 months ended 30 Sept. 2023 £'000	Unaudited 6 months ended 30 Sept. 2022 £'000	Audited year ended 31 March 2023 £'000
Cash flow from operating activities				
Profit for the period		101,391	105,209	346,802
Add back non-operating expenses/(income):				
- Tax		28,340	27,128	84,762
- share of equity accounted investments' (profit)/loss		(137)	606	692
- net operating exceptionals	6	12,201	9,045	32,528
- net finance costs		52,335	28,780	79,732
Group operating profit before exceptionals		194,130	170,768	544,516
Share-based payments expense		3,594	3,524	7,160
Depreciation (including right-of-use leased assets)		116,329	105,223	219,681
Amortisation of intangible assets		53,512	50,405	111,146
Profit on disposal of property, plant and equipment		(580)	(1,872)	(12,346)
Amortisation of government grants		(208)	(9)	(114)
Other		(2,387)	4,703	4,654
Increase in working capital		(154,082)	(151,302)	(13,951)
Cash generated from operations before exceptionals		210,308	181,440	860,746
Exceptionals		(7,810)	(2,492)	(23,780)
Cash generated from operations		202,498	178,948	836,966
Interest paid (including lease interest)		(57,548)	(39,575)	(82,576)
Income tax paid		(45,586)	(34,668)	(97,485)
Net cash flow from operating activities		99,364	104,705	656,905
Investing activities				
Inflows:				
Proceeds from disposal of property, plant and equipment		3,404	7,797	22,643
Government grants received in relation to property, plant and equipment		2,672	-	216
Dividends received from equity accounted investments		1,234	-	-
Interest received		8,003	10,137	15,535
		15,313	17,934	38,394
Outflows:				
Purchase of property, plant and equipment		(117,434)	(111,671)	(229,440)
Acquisition of subsidiaries and equity accounted investments	13	(121,298)	(31,335)	(318,486)
Payment of accrued acquisition related liabilities		(30,460)	(10,378)	(21,987)
		(269,192)	(153,384)	(569,913)
Net cash flow from investing activities		(253,879)	(135,450)	(531,519)
Financing activities				
Inflows:				
Proceeds from issue of shares		204	331	348
Net cash inflow on derivative financial instruments		64,951	-	-
Increase in interest-bearing loans and borrowings		-	-	603,054
		65,155	331	603,402
Outflows:				
Repayment of interest-bearing loans and borrowings		(270,836)	-	(393,469)
Net cash outflow on derivative financial instruments		-	(8,188)	(57,902)
Repayment of lease creditors (principal)		(39,143)	(35,396)	(74,219)
Dividends paid to owners of the Parent Company	9	(126,619)	(116,911)	(177,843)
Dividends paid to non-controlling interests		(310)	(266)	(129)
		(436,908)	(160,761)	(703,562)
Net cash flow from financing activities		(371,753)	(160,430)	(100,160)
Change in cash and cash equivalents		(526,268)	(191,175)	25,226
Translation adjustment		(2,517)	42,588	19,376
Cash and cash equivalents at beginning of period		1,371,206	1,326,604	1,326,604
Cash and cash equivalents at end of period		842,421	1,178,017	1,371,206
Cash and cash equivalents consists of:				
Cash and short-term bank deposits	11	882,923	1,258,065	1,421,749
Overdrafts	11	(40,502)	(80,048)	(50,543)
		842,421	1,178,017	1,371,206

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

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 2023 have been prepared in accordance with International Financial Reporting Standards ('IFRS'), the International Financial Reporting Interpretations Committee ('IFRIC') and in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The Group condensed interim financial statements have also been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 and the related Transparency rules of the Irish Financial Services Regulatory Authority.

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 2023 and the comparative figures for the six months ended 30 September 2022 are unaudited and have not been reviewed by the Auditors. The summary financial statements for the year ended 31 March 2023 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 2023 Annual Report and are described in those financial statements on pages 213 to 223.

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:

- Disclosure of Accounting Policies – Amendments to IAS 1
- Definition of Accounting Estimates – Amendments to IAS 8
- Insurance Contracts – IFRS 17
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

3. Going Concern

Having reassessed the principal risks facing the Group (as detailed on pages 80 to 83 of the 2023 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.

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 30 Sept. 2023 Stg£1=	6 months ended 30 Sept. 2022 Stg£1=	Year ended 31 March 2023 Stg£1=	6 months ended 30 Sept. 2023 Stg£1=	6 months ended 30 Sept. 2022 Stg£1=	Year ended 31 March 2023 Stg£1=
Euro	1.1547	1.1776	1.1597	1.1566	1.1325	1.1374
Danish krone	8.6029	8.7622	8.6304	8.6249	8.4219	8.4719
Swedish krona	13.3771	12.3516	12.4772	13.3385	12.3435	12.8304
Norwegian krone	13.4042	11.7220	11.8985	13.0158	11.9862	12.9595
US dollar	1.2566	1.2356	1.2101	1.2253	1.1040	1.2369
Canadian dollar	1.6934	1.5808	1.5934	1.6455	1.5177	1.6762
Hong Kong dollar	9.8460	9.6922	9.4837	9.5951	8.6660	9.7096

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

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 three operating segments (as identified under IFRS 8 Operating Segments) and generates revenue through the following activities:

DCC Energy operates through two business segments, Energy Solutions and Mobility. The Energy Solutions business is focused on reducing the complexity of energy transition and delivering affordable energy solutions. The Mobility business is focused on developing multi-energy networks and services for people and businesses on the move. DCC Energy is accelerating the net zero journey of energy consumers by leading the sales, marketing and distribution of low carbon energy solutions.

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 and domestic appliances and lifestyle products to retailers and consumers.

The chief operating decision maker monitors the operating results of segments separately 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 ('adjusted operating profit') and return on capital employed. 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 2023 amounted to £9.2 billion. This figure was not materially different to the equivalent figure at 31 March 2023 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 2023

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 2023			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Segment revenue	6,901,527	420,476	2,293,975	9,615,978
Adjusted operating profit	170,644	38,317	38,681	247,642
Amortisation of intangible assets	(33,544)	(5,670)	(14,298)	(53,512)
Net operating exceptionals (note 6)	(3,022)	(1,001)	(8,178)	(12,201)
Operating profit	134,078	31,646	16,205	181,929

	Unaudited six months ended 30 September 2022			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Segment revenue	7,918,151	377,651	2,541,328	10,837,130
Adjusted operating profit	132,432	43,222	45,519	221,173
Amortisation of intangible assets	(30,787)	(3,241)	(16,377)	(50,405)
Net operating exceptionals (note 6)	(6,714)	(1,479)	(852)	(9,045)
Operating profit	94,931	38,502	28,290	161,723

	Audited year ended 31 March 2023			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Segment revenue	16,119,452	821,527	5,263,867	22,204,846
Adjusted operating profit	457,815	91,742	106,105	655,662
Amortisation of intangible assets	(68,731)	(9,318)	(33,097)	(111,146)
Net operating exceptionals (note 6)	(21,603)	(4,367)	(6,558)	(32,528)
Operating profit	367,481	78,057	66,450	511,988

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

5. Segmental Reporting (continued)

(b) By geography

The Group has a presence in 22 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. Revenue from operations is derived almost entirely from the sale of goods and is disclosed based on the location of the entity selling the goods.

	Unaudited 6 months ended 30 Sept. 2023 £'000	Unaudited 6 months ended 30 Sept. 2022 £'000	Audited year ended 31 March 2023 £'000
Republic of Ireland (country of domicile)	957,401	998,903	2,255,595
United Kingdom	3,199,914	3,807,095	7,562,103
France	1,629,130	1,730,440	3,706,272
United States	971,226	1,098,101	2,189,358
Rest of World	2,858,307	3,202,591	6,491,518
	9,615,978	10,837,130	22,204,846

(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 Energy segment is of limited relevance due to the influence of changes in underlying energy product costs on absolute revenues. Whilst changes in underlying energy product costs will change percentage operating margins, this has little relevance in the downstream energy distribution market in which this segment operates 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 this segment 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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

5. Segmental Reporting (continued)

(c) Disaggregation of revenue (continued)

	Unaudited six months ended 30 September 2023			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Republic of Ireland (country of domicile)	730,753	60,438	166,210	957,401
United Kingdom	2,258,335	185,772	755,807	3,199,914
France	1,475,570	26,939	126,621	1,629,130
North America	74,135	74,710	903,337	1,052,182
Rest of World	2,362,734	72,617	342,000	2,777,351
Revenue	6,901,527	420,476	2,293,975	9,615,978
Products transferred at point in time	6,901,527	420,476	2,293,975	9,615,978
Energy solutions products and services	4,131,388	-	-	4,131,388
Energy mobility products and services	2,770,139	-	-	2,770,139
Medical and pharmaceutical products	-	249,093	-	249,093
Nutrition and health & beauty products	-	171,383	-	171,383
Technology products and services	-	-	2,293,975	2,293,975
Revenue	6,901,527	420,476	2,293,975	9,615,978

	Unaudited six months ended 30 September 2022			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Republic of Ireland (country of domicile)	767,473	52,649	178,781	998,903
United Kingdom	2,763,070	201,827	842,198	3,807,095
France	1,575,703	-	154,737	1,730,440
North America	101,716	85,206	992,754	1,179,676
Rest of World	2,710,189	37,969	372,858	3,121,016
Revenue	7,918,151	377,651	2,541,328	10,837,130
Products transferred at point in time	7,918,151	377,651	2,541,328	10,837,130
Energy solutions products and services	4,628,849	-	-	4,628,849
Energy mobility products and services	3,289,302	-	-	3,289,302
Medical and pharmaceutical products	-	192,496	-	192,496
Nutrition and health & beauty products	-	185,155	-	185,155
Technology products and services	-	-	2,541,328	2,541,328
Revenue	7,918,151	377,651	2,541,328	10,837,130

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

5. Segmental Reporting (continued)

(c) Disaggregation of revenue (continued)

	Audited year ended 31 March 2023			Total £'000
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	
Republic of Ireland (country of domicile)	1,688,901	110,766	455,928	2,255,595
United Kingdom	5,358,282	399,599	1,804,222	7,562,103
France	3,360,372	24,173	321,727	3,706,272
North America	311,521	175,757	1,875,842	2,363,120
Rest of World	5,400,376	111,232	806,148	6,317,756
Revenue	16,119,452	821,527	5,263,867	22,204,846
Products transferred at point in time	16,119,452	821,527	5,263,867	22,204,846
Energy solutions products and services	9,996,896	–	–	9,996,896
Energy mobility products and services	6,122,556	–	–	6,122,556
Medical and pharmaceutical products	–	448,931	–	448,931
Nutrition and health & beauty products	–	372,596	–	372,596
Technology products and services	–	–	5,263,867	5,263,867
Revenue	16,119,452	821,527	5,263,867	22,204,846

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

6. Exceptionals

	Unaudited 6 months ended 30 Sept. 2023 £'000	Unaudited 6 months ended 30 Sept. 2022 £'000	Audited year ended 31 March 2023 £'000
Restructuring and integration costs and other	(8,411)	(4,019)	(13,401)
Acquisition and related costs	(3,790)	(5,026)	(10,604)
Adjustments to contingent acquisition consideration	-	-	(8,523)
Net operating exceptional items	(12,201)	(9,045)	(32,528)
Mark to market of swaps and related debt	12	2,504	892
Net exceptional items before taxation	(12,189)	(6,541)	(31,636)
Income tax and deferred tax attaching to exceptional items	(15)	(498)	2,764
Net exceptional items after taxation	(12,204)	(7,039)	(28,872)
Non-controlling interests share of net exceptional items after taxation	-	91	211
Net exceptional items attributable to owners of the Parent Company	(12,204)	(6,948)	(28,661)

Restructuring and integration costs and other of £8.411 million relates to the restructuring of operations across a number of businesses and recent acquisitions. Most of the cost relates to optimisation and integration of operations in the Technology division.

Acquisition and related costs include the professional fees and tax costs relating to the evaluation and completion of acquisition opportunities and amounted to £3.790 million.

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 2023, this amounted to an exceptional non-cash gain of £12,000. 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 £1.434 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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

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 20.3% (six months ended 30 September 2022: 19.5% and year ended 31 March 2023: 19.3%).

8. Earnings per Ordinary Share

	Unaudited 6 months ended 30 Sept. 2023 £'000	Unaudited 6 months ended 30 Sept. 2022 £'000	Audited year ended 31 March 2023 £'000
Profit attributable to owners of the Parent Company	93,029	97,526	334,022
Amortisation of intangible assets after tax	42,192	40,007	87,690
Exceptionals after tax (note 6)	12,204	6,948	28,661
Adjusted profit after taxation and non-controlling interests	147,425	144,481	450,373

	Unaudited 6 months ended 30 Sept. 2023 pence	Unaudited 6 months ended 30 Sept. 2022 pence	Audited year ended 31 March 2023 pence
Basic earnings per ordinary share			
Basic earnings per ordinary share	94.20p	98.83p	338.40p
Amortisation of intangible assets after tax	42.72p	40.55p	88.84p
Exceptionals after tax	12.35p	7.04p	29.03p
Adjusted basic earnings per ordinary share	149.27p	146.42p	456.27p
Weighted average number of ordinary shares in issue (thousands)	98,762	98,679	98,707

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 6 months ended 30 Sept. 2023 pence	Unaudited 6 months ended 30 Sept. 2022 pence	Audited year ended 31 March 2023 pence
Diluted earnings per ordinary share			
Diluted earnings per ordinary share	94.14p	98.77p	338.04p
Amortisation of intangible assets after tax	42.70p	40.51p	88.74p
Exceptionals after tax	12.35p	7.04p	29.01p
Adjusted diluted earnings per ordinary share	149.19p	146.32p	455.79p
Weighted average number of ordinary shares in issue (thousands)	98,815	98,745	98,811

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

8. Earnings per Ordinary Share (continued)

The earnings used for the purposes of the diluted earnings per ordinary share calculations were £93.029 million (six months ended 30 September 2022: £97.526 million) and £147.425 million (six months ended 30 September 2022: £144.481 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 2023 was 98.815 million (six months ended 30 September 2022: 98.745 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:

	Unaudited 6 months ended 30 Sept. 2023 '000	Unaudited 6 months ended 30 Sept. 2022 '000	Audited year ended 31 March 2023 '000
Weighted average number of ordinary shares in issue	98,762	98,679	98,707
Dilutive effect of options and awards	53	66	104
Weighted average number of ordinary shares for diluted earnings per share	98,815	98,745	98,811

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.

9. Dividends

	Unaudited 6 months ended 30 Sept. 2023 £'000	Unaudited 6 months ended 30 Sept. 2022 £'000	Audited year ended 31 March 2023 £'000
Dividends paid per ordinary share:			
Interim – paid 60.04 pence per share on 9 December 2022	-	-	59,128
Final – paid 127.17 pence per share on 20 July 2023 (2023: paid 119.83 pence per share on 21 July 2022)	126,619	116,911	118,715
	126,619	116,911	177,843

On 13 November 2023, the Board approved an interim dividend of 63.04 pence per share (£62.265 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 2023

10. Other Reserves

For the six months ended 30 September 2023

	Share based payment reserve £'000	Cash flow hedge reserve £'000	Foreign currency translation reserve £'000	Other reserves £'000	Total £'000
At 1 April 2023	54,596	(48,280)	128,529	932	135,777
Currency translation	–	–	(26,087)	–	(26,087)
Movements relating to cash flow hedges	–	59,931	–	–	59,931
Movement in deferred tax liability on cash flow hedges	–	(11,567)	–	–	(11,567)
Share based payment	3,594	–	–	–	3,594
At 30 September 2023	58,190	84	102,442	932	161,648

For the six months ended 30 September 2022

	Share based payment reserve £'000	Cash flow hedge reserve £'000	Foreign currency translation reserve £'000	Other reserves £'000	Total £'000
At 1 April 2022	47,436	85,768	87,272	932	221,408
Currency translation	–	–	163,213	–	163,213
Movements relating to cash flow hedges	–	(59,784)	–	–	(59,784)
Movement in deferred tax liability on cash flow hedges	–	10,089	–	–	10,089
Share based payment	3,524	–	–	–	3,524
At 30 September 2022	50,960	36,073	250,485	932	338,450

For the year ended 31 March 2023

	Share based payment reserve £'000	Cash flow hedge reserve £'000	Foreign currency translation reserve £'000	Other reserves £'000	Total £'000
At 1 April 2022	47,436	85,768	87,272	932	221,408
Currency translation	–	–	41,257	–	41,257
Movements relating to cash flow hedges	–	(164,422)	–	–	(164,422)
Movement in deferred tax liability on cash flow hedges	–	30,374	–	–	30,374
Share based payment	7,160	–	–	–	7,160
At 31 March 2023	54,596	(48,280)	128,529	932	135,777

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

11. Analysis of Net Debt

	Unaudited 30 Sept. 2023 £'000	Unaudited 30 Sept. 2022 £'000	Audited 31 March 2023 £'000
Non-current assets			
Derivative financial instruments	52,021	143,547	89,199
Current assets			
Derivative financial instruments	71,107	178,101	59,258
Cash and cash equivalents	882,923	1,258,065	1,421,749
	954,030	1,436,166	1,481,007
Non-current liabilities			
Derivative financial instruments	(39,305)	(51,789)	(40,585)
Bank borrowings	(34,584)	(461,958)	(35,168)
Unsecured Notes	(1,566,087)	(1,389,094)	(1,898,591)
	(1,639,976)	(1,902,841)	(1,974,344)
Current liabilities			
Bank borrowings	(40,502)	(80,048)	(50,543)
Derivative financial instruments	(29,385)	(79,426)	(42,341)
Unsecured Notes	(335,302)	(299,698)	(270,313)
	(405,189)	(459,172)	(363,197)
Net debt (excluding lease creditors)	(1,039,114)	(782,300)	(767,335)
Lease creditors (non-current)	(274,607)	(270,188)	(275,388)
Lease creditors (current)	(72,763)	(65,770)	(71,158)
Total lease creditors	(347,370)	(335,958)	(346,546)
Net debt (including lease creditors)	(1,386,484)	(1,118,258)	(1,113,881)

An analysis of the maturity profile of the Group's net debt (including lease creditors) at 30 September 2023 is as follows:

	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total £'000
As at 30 September 2023					
Cash and short-term deposits	882,923	–	–	–	882,923
Overdrafts	(40,502)	–	–	–	(40,502)
Cash and cash equivalents	842,421	–	–	–	842,421
Bank borrowings	–	–	(34,584)	–	(34,584)
Unsecured Notes	(335,302)	(90,590)	(522,657)	(952,840)	(1,901,389)
Derivative financial instruments:					
– Unsecured Notes	45,023	15,888	(3,057)	(1,797)	56,057
– Other	(3,301)	725	957	–	(1,619)
Net debt (excluding lease creditors)	548,841	(73,977)	(559,341)	(954,637)	(1,039,114)
Lease creditors	(72,763)	(57,322)	(106,192)	(111,093)	(347,370)
Net debt (including lease creditors)	476,078	(131,299)	(665,533)	(1,065,730)	(1,386,484)

The Group's Unsecured Notes fall due between 21 April 2024 and 4 April 2034 with an average maturity of 5.1 years at 30 September 2023. 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 2023

12. Post Employment Benefit Obligations

The Group's defined benefit pension schemes' assets were measured at fair value at 30 September 2023. The defined benefit pension schemes' liabilities at 30 September 2023 were updated to reflect material movements in underlying assumptions.

The Group's post-employment benefit obligations moved from a net asset of £11.721 million at 31 March 2023 to a net asset of £13.482 million at 30 September 2023. This movement was primarily driven by an actuarial gain on liabilities arising from an increase 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 2023:

	Unaudited 6 months ended 30 Sept. 2023	Unaudited 6 months ended 30 Sept. 2022	Audited year ended 31 March 2023
Discount rate			
Republic of Ireland	4.60%	4.10%	4.10%
United Kingdom	5.60%	4.90%	4.85%
Germany	4.60%	4.10%	4.10%

13. 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 Energy of 100% of Hafod Renewables in May 2023. Hafod is a supplier and installer of renewable energy sources in the UK;
- The acquisition by DCC Energy of 100% of O'sitoit in May 2023. O'sitoit is a solar installer in central and eastern France;
- The acquisition by DCC Energy of 100% of AEI in May 2023. AEI is a leading solar installation and services business in Ireland;
- The acquisition by DCC Energy of 100% of Centreco in July 2023. Centreco is a market-leading solar PV and energy consultancy business in the UK which services commercial and industrial customers nationally;
- The acquisition by DCC Energy of 100% of SLER40 in July 2023. SLER40 is a French Solar PV and heat pump business servicing domestic and commercial customers with design, installation, and maintenance services;
- The acquisition by DCC Energy of 100% of Isolatiespecialist in August 2023. Isolatiespecialist is a leading provider of energy efficiency and insulation services to domestic and commercial customers in the Netherlands;
- The acquisition by DCC Energy of 100% of San Isabel Services Propane in August 2023. San Isabel Services Propane is a US LPG distributor which services both domestic and commercial customers in Colorado; and
- The acquisition by DCC Energy of 100% of Solcellekraft in September 2023. Solcellekraft is one of Norway's largest Solar PV businesses, servicing commercial and domestic customers.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

13. Business Combinations (continued)

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 2023.

	6 months ended 30 Sept. 2023 £'000	6 months ended 30 Sept. 2022 £'000
Assets		
Non-current assets		
Property, plant and equipment	3,192	3,721
Right-of-use leased assets	2,725	-
Equity accounted investments	-	18,260
Total non-current assets	5,917	21,981
Current assets		
Inventories	6,374	372
Trade and other receivables	16,071	2,115
Total current assets	22,445	2,487
Liabilities		
Non-current liabilities		
Deferred income tax liabilities	(158)	(12)
Provisions for liabilities and charges	(389)	-
Lease creditors	(2,104)	-
Total non-current liabilities	(2,651)	(12)
Current liabilities		
Trade and other payables	(14,885)	(2,295)
Current income tax liability	(1,447)	(890)
Lease creditors	(621)	-
Total current liabilities	(16,953)	(3,185)
Identifiable net assets acquired	8,758	21,271
Intangible assets and goodwill	166,763	13,926
Total consideration	175,521	35,197
Satisfied by:		
Cash	126,635	32,509
Cash and cash equivalents acquired	(5,337)	(1,174)
Net cash outflow	121,298	31,335
Acquisition related liabilities	54,223	3,862
Total consideration	175,521	35,197

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

13. 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 2024 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 £3.790 million (six months ended 30 September 2022: £5.026 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 £16.942 million. The fair value of these receivables is £16.071 million (all of which is expected to be recoverable).

Approximately £12.2 million of the goodwill acquired in 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 £1.4 million to £92.4 million.

The acquisitions during the period contributed £19.6 million to revenues and £2.4 million to profit after tax. Had all the business combinations completed during the period occurred at the beginning of the period, total Group revenue for the six months ended 30 September 2023 would have been £9.7 billion and total Group profit after tax would have been £106.8 million.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

14. Seasonality of Operations

The Group's operations are significantly second-half weighted primarily due to a portion of the demand for DCC Energy's 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 2023 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 2023.

16. Events after the Balance Sheet Date

There have been no material events subsequent to 30 September 2023 which would require disclosure in this Report.

17. Board Approval

This report was approved by the Board of Directors of DCC plc on 13 November 2023.

18. Distribution of Interim Report

This report and further information on DCC is available at the Company's website 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 DIRECTOR'S RESPONSIBILITIES

We confirm that to the best of our knowledge:

- the condensed set of interim financial statements for the six months ended 30 September 2023 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

13 November 2023

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 to assess the underlying performance of our operations. In addition, neither metric forms part of Director or management remuneration targets.

	6 months ended 30 Sept. 2023 £'000	6 months ended 30 Sept. 2022 £'000	Year ended 31 March 2023 £'000
Calculation			
Operating profit	181,929	161,723	511,988
Net operating exceptional items	12,201	9,045	32,528
Amortisation of intangible assets	53,512	50,405	111,146
Adjusted operating profit ('EBITA')	247,642	221,173	655,662

SUPPLEMENTARY FINANCIAL INFORMATION

Alternative Performance Measures (continued)

Net interest before exceptional items

Definition

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

	6 months ended 30 Sept. 2023 £'000	6 months ended 30 Sept. 2022 £'000	Year ended 31 March 2023 £'000
Calculation			
Finance costs before exceptional items	(60,270)	(41,469)	(96,735)
Finance income before exceptional items	7,923	10,185	16,111
Net interest before exceptional items	(52,347)	(31,284)	(80,624)

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 adjusted operating profit less net interest before exceptional items.

	6 months ended 30 Sept. 2023 £'000	6 months ended 30 Sept. 2022 £'000	Year ended 31 March 2023 £'000
Calculation			
Adjusted operating profit	247,642	221,173	655,662
Net interest before exceptional items	(52,347)	(31,284)	(80,624)
Earnings before taxation	195,295	189,889	575,038
Income tax expense	28,340	27,128	84,762
Income tax attaching to net exceptionals	(15)	(498)	2,764
Deferred tax attaching to amortisation of intangible assets	11,320	10,398	23,456
Total income tax expense before exceptionals and deferred tax attaching to amortisation of intangible assets	39,645	37,028	110,982
Effective tax rate (%)	20.3%	19.5%	19.3%

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 ended 30 Sept. 2023 £'000	6 months ended 30 Sept. 2022 £'000
Revenue (constant currency)		
Revenue	9,615,978	10,837,130
Currency impact	21,673	-
Revenue (constant currency)	9,637,651	10,837,130

Adjusted operating profit (constant currency)

Adjusted operating profit	247,642	221,173
Currency impact	536	-
Adjusted operating profit (constant currency)	248,178	221,173

Adjusted earnings per share (constant currency)

Adjusted profit after taxation and non-controlling interests (note 8)	147,425	144,481
Currency impact	552	-
Adjusted profit after taxation and non-controlling interests (constant currency)	147,977	144,481
Weighted average number of ordinary shares in issue ('000)	98,762	98,679
Adjusted earnings per share (constant currency)	149.83p	146.42p

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.

	6 months ended 30 Sept. 2023 £'000	6 months ended 30 Sept. 2022 £'000	Year ended 31 March 2023 £'000
Calculation			
Purchase of property, plant and equipment	117,434	111,671	229,440
Government grants received in relation to property, plant and equipment	(2,672)	-	(216)
Proceeds from disposal of property, plant and equipment	(3,404)	(7,797)	(22,643)
Net capital expenditure	111,358	103,874	206,581

SUPPLEMENTARY FINANCIAL INFORMATION

Alternative Performance Measures (continued)

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.

	6 months ended 30 Sept. 2023 £'000	6 months ended 30 Sept. 2022 £'000	Year ended 31 March 2023 £'000
Calculation			
Cash generated from operations before exceptionals	210,308	181,440	860,746
Repayment of lease creditors	(44,490)	(39,954)	(83,796)
Net capital expenditure	(111,358)	(103,874)	(206,581)
Free cash flow	54,460	37,612	570,369

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. As noted in the definition of free cash flow, interest amounts relating to the repayment of lease creditors has been deducted in arriving at the Group's free cash flow and are therefore excluded from the interest paid figure in arriving at the Group's free cash flow (after interest and tax payments).

	6 months ended 30 Sept. 2023 £'000	6 months ended 30 Sept. 2022 £'000	Year ended 31 March 2023 £'000
Calculation			
Free cash flow	54,460	37,612	570,369
Interest paid (including interest relating to lease creditors)	(57,548)	(39,575)	(82,576)
Interest relating to lease creditors	5,347	4,558	9,577
Income tax paid	(45,586)	(34,668)	(97,485)
Dividends received from equity accounted investments	1,234	-	-
Interest received	8,003	10,137	15,535
Free cash flow (after interest and tax payments)	(34,090)	(21,936)	415,420

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 ended 30 Sept. 2023 £'000	6 months ended 30 Sept. 2022 £'000	Year ended 31 March 2023 £'000
Calculation			
Net cash outflow on acquisitions during the period	121,298	31,335	318,486
Net cash outflow on acquisitions which were committed to in the previous period	(17,246)	(25,377)	(26,059)
Acquisition related liabilities arising on acquisitions during the period	54,223	3,862	46,654
Acquisition related liabilities which were committed to in the previous period	(7,735)	(420)	(431)
Amounts committed in the current period	160,000	294,240	23,060
Committed acquisition expenditure	310,540	303,640	361,710

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 30 Sept. 2023 £'000	As at 30 Sept. 2022 £'000	As at 31 March 2023 £'000
Calculation			
Inventories	1,335,355	1,454,627	1,192,803
Trade and other receivables	2,015,679	2,218,757	2,312,269
Less: interest receivable	(469)	(232)	(558)
Trade and other payables	(2,944,129)	(3,250,559)	(3,279,898)
Less: interest payable	24,189	15,181	25,231
Less: amounts due in respect of property, plant and equipment	9,514	10,980	24,492
Less: government grants	20	13	31
Net working capital	440,159	448,767	274,370

SUPPLEMENTARY FINANCIAL INFORMATION

Alternative Performance Measures (continued)

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 30 Sept. 2023 £'000	As at 30 Sept. 2022 £'000	As at 31 March 2023 £'000
Calculation			
Net working capital	440,159	448,767	274,370
March revenue	1,786,999	1,986,225	2,068,648
Working capital (days)	7.4 days	6.8 days	4.1 days