DCC

PRESS RELEASE 14 May 2024



FULL YEAR RESULTS
31 MARCH 2024

Press Release
14 May 2024

Preliminary statement of results for the year ended 31 March 2024

Growth, Development and Strategic Momentum in DCC's 30th Year as a Public Company

- Adjusted operating profit up 4.1% (5.3% on a constant currency basis) to £682.8 million, driven by very strong growth in DCC Energy. DCC Healthcare returned to organic growth in the second half of the year.
- Excellent cash generation, with free cash flow conversion of 100%.
- Proposed increase of 5.0% in annual dividend, marking 30 consecutive years of dividend growth.
- Committed c.£490 million to acquisitions which accelerate the Group's growth and development.
- Acquisition commitments announced today include Next Energy, which materially enhances DCC Energy's energy transition capability in the domestic sector in the UK. This acquisition will add to DCC Energy's share of profits from services, renewable and other products ("SRO")[1], which reached 35% this year (2023: 28%, 2022: 22%), demonstrating progress and momentum in executing DCC Energy's *Cleaner Energy in Your Power* strategy.
- DCC expects that the year ending 31 March 2025 will be a year of strong operating profit growth and continued development activity.

Donal Murphy, Chief Executive, commented:

"We are pleased to announce that we delivered a year of growth, development and strategic progress - in our 30th year as a public company. The very strong growth delivered by DCC Energy was the highlight of the year, and it is also encouraging that DCC Healthcare returned to organic growth in the second half of the year. We are executing our *Cleaner Energy in Your Power* strategy in DCC Energy and have real momentum as we build the offerings that enable customers to make cleaner energy choices. Our growth this year is again testament to our 16,600 people who continue to go above and beyond. As we reflect on three decades of growth, we're excited about what lies ahead: the growing need for cleaner energy, lifelong health and progressive technology."

Financial Highlights	2024	2023	% change	% change CC[2]
Revenue	**£19.859bn**	**£22.205bn**	**-10.6%**	**-9.6%**
Adjusted operating profit[3]	**£682.8m**	**£655.7m**	**+4.1%**	**+5.3%**
DCC Energy	£503.0m	£457.8m	+9.9%	+10.8%
DCC Healthcare	£88.1m	£91.8m	-4.0%	-3.6%
DCC Technology	£91.7m	£106.1m	-13.6%	-10.7%
Adjusted earnings per share[3]	**455.0p**	**456.3p**	**-0.3%**	**+0.9%**
Dividend per share	**196.57p**	**187.21p**	**+5.0%**	
Free cash flow[3]	**£681.1m**	**£570.4m**		
Return on capital employed[3]	**14.3%**	**15.1%**		

[1] SRO = Services, Renewables and Other. Main elements include EMS (solar, renewable electricity), digital fleet services (fuel cards), bio/renewable fuels and non-fuel retail convenience profits

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

[3] Refer to Alternative Performance Measures on page 42 for further details

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Presentation of results – audio webcast and conference call details

Group and divisional management will host a live audio webcast and conference call of the presentation at 09.00 am BST today. The access details are as follows:

Ireland:	+353 (0) 1 691 7842
UK:	+44 (0) 20 3936 2999
International:	+44 (0) 20 3936 2999
Passcode:	361826
Webcast link:	https://www.investis-live.com/dcc/662265a15f683912008965b5/wthbx

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

About DCC plc
Invest in what the world needs

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 16,600 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 2024, DCC generated revenues of £19.9 billion and adjusted operating profit of £682.8 million. DCC has an excellent record, delivering compound annual growth of 14% in adjusted operating profit and unbroken dividend growth of 13% while maintaining high returns on capital employed over 30 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 year ended 31 March 2024 is as follows:

	2024 £'m	2023 £'m	% change
Revenue	**19,859**	22,205	**-10.6%**
Adjusted operating profit[1]			
DCC Energy	**503.0**	457.8	**+9.9%**
DCC Healthcare	**88.1**	91.8	**-4.0%**
DCC Technology	**91.7**	106.1	**-13.6%**
Group adjusted operating profit[1]	**682.8**	655.7	**+4.1%**
Finance costs (net) and other	**(104.8)**	(81.4)	
Profit before net exceptionals, amortisation of intangible assets and tax	**578.0**	574.3	**+0.6%**
Net exceptional charge before tax and non-controlling interests	**(40.2)**	(31.6)	
Amortisation of intangible assets	**(114.1)**	(111.1)	
Profit before tax	**423.7**	431.6	**-1.8%**
Taxation	**(83.2)**	(84.8)	
Profit after tax	**340.5**	346.8	
Non-controlling interests	**(14.2)**	(12.8)	
Attributable profit	**326.3**	334.0	
Adjusted earnings per share[1]	**455.0p**	456.3p	**-0.3%**
Dividend per share	**196.57p**	187.21p	**+5.0%**
Operating cash flow	**913.0**	785.5	
Free cash flow[1]	**681.1**	570.4	
Net debt at 31 March (excl. lease creditors)	**(784.7)**	(767.3)	
Lease creditors	**(362.4)**	(346.6)	
Net debt at 31 March (incl. lease creditors)	**(1,147.1)**	(1,113.9)	
Total equity at 31 March	**3,183.0**	3,058.3	
Return on capital employed (excl. IFRS 16)	**14.3%**	15.1%	
Return on capital employed (incl. IFRS 16)	**13.5%**	14.2%	

[1] Refer to Alternative Performance Measures on page 42 for further details

INCOME STATEMENT REVIEW

Group revenue

Group revenue decreased by 10.6% (9.6% on a constant currency basis) to £19.9 billion, driven by the reduced wholesale cost of energy for DCC Energy.

Revenue in DCC Energy was £14.2 billion, a decrease of 11.8% (11.0% on a constant currency basis). With like-for-like volumes modestly behind the prior year (2.6%), the significant decrease in revenue was as a result of the lower wholesale cost of energy commodities during the year.

DCC Healthcare recorded revenues of £859.4 million, an increase of 4.6% (5.2% on a constant currency basis). The revenue growth was driven by the acquisition of Medi-Globe completed in September 2023. Organically, revenue declined by 0.3% as growth in DCC Vital was offset by reduced demand in DCC Health & Beauty Solutions.

Revenue in DCC Technology was £4.8 billion, a decrease of 9.3% (7.8% on an organic constant currency basis) driven by a weaker market for consumer technology products.

Group adjusted operating profit

Group adjusted operating profit increased by 4.1% to £682.8 million. Strong organic growth in DCC Energy was 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 growth and organic growth was as follows:

Financial Year	FX translation	M&A	Organic	Reported growth
2024	**-1.2%**	**+4.5%**	**+0.8%**	**+4.1%**
2023	+3.5%	+7.6%	+0.2%	+11.3%
2022	-4.0%	+9.0%	+6.1%	+11.1%

Average sterling exchange rates versus the euro were broadly consistent during the year, but sterling strengthened against the US dollar and some Nordic currencies, which led to negative FX translation overall for the Group. The net impact of currency translation in the current year was a headwind of 1.2%, or £7.9 million, in the reported growth in adjusted operating profit.

Acquisitions completed in the current and prior year contributed 4.5% of the reported operating profit growth. The material contribution came from the prior year acquisition of Medi-Globe and the current year acquisition of Centreco.

Organic operating profit growth was modest at 0.8% and was driven by the strong organic performance of DCC Energy. As reported during the year, DCC Healthcare and DCC Technology experienced more difficult market conditions and declined organically. The inflationary environment continued as a significant feature of the year across each division, with the overall organic profit growth achieved despite the 7.5% (or £131.2 million) increase in the Group's like for like overhead cost base. Further commentary on the trading performances of each of the three divisions is detailed below.

DIVISIONAL PERFORMANCE REVIEWS

DCC Energy	2024	2023	% change	*% change CC*
Volumes (billion litre equivalent)[1]	**15.2bn**	15.5bn	**-2.2%**	
Gross profit	**£1.757bn**	£1.566bn	**+12.2%**	***+13.2%***
Operating profit	**£503.0m**	£457.8m	**+9.9%**	***+10.8%***
Operating profit per litre[2]	**3.31ppl**	2.95ppl		
Return on capital employed excl. IFRS 16	**18.7%**	19.0%		
Return on capital employed incl. IFRS 16	***17.4%***	*17.6%*		

- DCC Energy recorded operating profit of £503.0 million, up 9.9% (+10.8% constant currency). Organic profit growth was 5.9%, driven by a very strong Energy Solutions performance.
- In successfully executing our strategy, DCC Energy's share of operating profit from services, renewables and other (SRO) products increased to 35% from 28% in FY23 (FY22: 22%). DCC Energy's strong profit growth, together with a reduction in Scope 3 carbon emissions of 3.1%, reduced the carbon intensity of our profits further by 11.8%.
- We committed c.£485 million to 15 acquisitions in line with our *Cleaner Energy in Your Power* strategy. In February 2024 we significantly expanded our presence in the German liquid gas market by acquiring Progas. We committed to nine acquisitions which expand our energy management services ("EMS") offering, including in solar (Centreco in the UK and Secundo in Austria), combined heat & power units and back-up generation services (DTGen), energy efficiency and procurement services (eEnergy) and in domestic energy transition services (Next Energy, as announced today).

DCC Energy Solutions	2024	2023	% change	*% change CC*
Volumes (billion litre equivalent)	**10.7bn**	10.9bn	**-2.4%**	
Operating profit	**£383.4m**	£335.7m	**+14.2%**	***+15.0%***
Operating profit per litre	**3.60ppl**	3.07ppl		

DCC Energy Solutions had an excellent year, growing operating profit by 14.2% (15.0% constant currency) to £383.4 million. Our Solutions business is managed across four operating regions: continental Europe, UK & Ireland, North America and the Nordics.

Our Solutions business in continental Europe delivered very strong growth during the year. In France, our largest market, we delivered strong growth. The natural gas and power sector recovered from difficult market conditions in the prior year, and we also delivered very strong growth in our EMS (particularly solar) offering. We continue to build a more integrated customer offering in the French market and during the year we launched our umbrella brand 'WeWise' to highlight our nationwide offering for French commercial and industrial customers – a sector where we have built a market leadership position. In Germany we also delivered good growth and in February 2024 acquired Progas, which when combined with our existing business, gives us scale and a leading position in the liquid gas

[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.

[2] c.25% (£124m) of DCC Energy's operating profit has no associated volumes such as solar installations, heat pump solutions, fleet services, energy efficiency services, lubricants, and refrigerants. Operating profit per litre based on the remaining 75% is 2.49ppl (2023: 2.22ppl).

market. We plan to build on this strong foundation in the market and add an EMS customer offering in Germany in due course.

Our UK & Ireland business recorded strong growth during the year. The mild winter conditions and cost of living concerns were a headwind for the business, particularly in the domestic fuels sector. However, this was more than offset by a recovery in the natural gas and power sector in Ireland, increased market share in the liquid gas sector with commercial and industrial customers and strong growth in our EMS offering to customers in both the UK and Ireland. During the year we commissioned the Avonmouth storage facility and recently added a new supply point in Teeside, both of which have improved the robustness of our supply chain. In the Irish natural gas and power market, we increased our customer numbers and the business benefited from our procurement strategy. We completed five acquisitions in the UK and Ireland which strengthen our offerings in EMS, energy transition services and renewable fuels and these have performed well since acquisition.

While all regions saw mild winter weather conditions the impact was most material in North America, where domestic heating constitutes a large proportion of the business. This resulted in profits declining in North America. We continue to make progress in developing our sales and marketing capability in the region and completed a further bolt on acquisition in the attractive Colorado market.

We achieved very strong profit growth in Scandinavia. The growth was driven by a very strong performance by our liquid gas business in Sweden and Norway. The business has grown market share and attracted large commercial and industrial customers seeking greater energy independence, given the volatile energy markets of recent years.

DCC Energy Mobility	**2024**	2023	**% change**	***% change CC***
Volumes (billion litre equivalent)	**4.5bn**	4.6bn	**-1.6%**	
Operating profit	**£119.6m**	£122.1m	**-2.1%**	***-0.7%***
Operating profit per litre	**2.64ppl**	2.65ppl		

Our **Mobility** business performed robustly and in line with expectations**,** with operating profit broadly in line with the prior year on a constant currency basis. Following a strong first half, the business was impacted, particularly in the third quarter, by competitive headwinds in the French market. We achieved good growth across the rest of the business. Our digital, truckstop and other fleet services performed well during the year. We again delivered strong growth in fuelcard and through our technology-enabled SNAP service offering to fleet customers.

In France, where we have an extensive retail network, market conditions were difficult during the second half of the year and particularly in the third quarter. Very competitive promotional pricing in the market impacted volumes and profitability. Our team responded well to this challenging environment and both the volume and profit trajectory improved materially during the fourth quarter of the year, as promotional pricing eased. We continued to invest in the network in France, increasing our electric vehicle (EV) chargers to 134 across 28 sites.

In the Nordic region, the business performed strongly. We recorded very good growth in Sweden, where the business recovered from a weaker performance in the prior year. In Norway, the business also recorded strong growth. We continued to invest in both our convenience and EV offering where we now have EV charging capability on 25% of our Norwegian sites. Our ‘mobility hub’ concept, where we offer traditional fuel, low carbon biofuel, as well as EV charging, has attracted significant market attention. In May 2024, our site at Mandal won ‘Best EV Hub in the World’ in an international industry competition.

DCC Healthcare	2024	2023	% change	*% change CC*
Revenue	**£859.4m**	£821.5m	**+4.6%**	***+5.2%***
Gross profit	**£244.6m**	£220.3m	**+11.0%**	***+11.3%***
Operating profit	**£88.1m**	£91.8m	**-4.0%**	***-3.6%***
Operating margin	**10.3%**	11.2%		
Return on capital employed excl. IFRS 16	**10.2%**	13.0%		
Return on capital employed incl. IFRS 16	***9.9%***	*12.5%*		

- DCC Healthcare returned to organic profit growth in the second half of the financial year, following a challenging first half. Operating profit for the year declined by 4.0% (3.6% constant currency) to £88.1 million, a decline of 11.3% organically.
- DCC Vital recorded good profit growth. DCC Healthcare's operating profit decline was driven by DCC Health & Beauty Solutions, where reduced demand from customers was a feature of the first nine months of the year. Market conditions for DCC Health & Beauty Solutions improved gradually during the second half of the financial year, and the business returned to organic growth.
- DCC Healthcare has made significant capital investment in recent years, both in acquisitions (in DCC Vital) and capital expenditure (in DCC Health & Beauty Solutions). We are well positioned to increase profitability and returns in the coming years, given our investments in capacity and the improved performance in the second half of the year, and attractive long-term market growth fundamentals.

Divisional Revenue

DCC Healthcare recorded revenue of £859.4 million, an increase of 4.6%. Organically, revenue declined by 0.3% as growth in DCC Vital was offset by reduced demand in DCC Health & Beauty Solutions.

DCC Vital: Patient Health

DCC Vital delivered good operating profit growth, benefiting from the prior year acquisition of Medi-Globe. The business performed well across most regions, other than the UK, where difficult market conditions - NHS budgetary constraints, clinical staff shortages and industrial action by front line medical personnel - impacted activity levels.

Following the complementary acquisition of Medi-Globe, we now have a material international growth platform in medical devices. DCC Vital enjoys strong market positions in medical devices in Ireland, the UK, France and Germany, in addition to a number of other markets. The business delivered good organic growth in the year, with particularly good performances in Ireland, France and Germany, including in the gastroenterology and urology product categories.

In primary care, we performed well in Germany, in line with expectations, and generated very strong growth in Switzerland, driven by market share gains. The British business experienced weaker demand as previously mentioned. We continued our strategic investment in technology (ERP, digital sales and AI) to provide an enhanced platform for growth in primary care, improved customer experience and efficiency.

DCC Health & Beauty Solutions: Consumer Health

DCC Health & Beauty Solutions experienced a continuation of the challenging market conditions seen in the prior year, especially during the first half of the financial year. The exceptional surge in demand during the pandemic led ultimately to an extended period of market destocking, which persisted longer than market participants anticipated. Demand from our brand-owner customers improved gradually as the second half of the year progressed, albeit at a slower pace than we expected at the start of the year. Given the market conditions, we focused on driving efficiency during the year across the business, including the consolidation of our smallest US facility into one of our larger sites in Florida.

DCC Health & Beauty Solutions addresses a market that is underpinned by positive long-term consumer trends towards lifelong health. Nutritional supplements has been a long-term growth market and industry analysts project it to return to mid-single digit growth. We have invested with that positive future in mind: completing two gummy manufacturing lines during the last 12 months and enhancing our capability in stick packs, a key packaging format for the growing powder nutrition category. During the year, we also enhanced our leadership and demand creation teams to leverage our enhanced product format capability and expanded capacity.

DCC Technology	2024	2023	% change	% change CC
Revenue	**£4.774bn**	£5.264bn	**-9.3%**	***-7.8%***
Gross profit	**£596.0m**	£618.4m	**-3.6%**	***-1.7%***
Operating profit	**£91.7m**	£106.1m	**-13.6%**	***-10.7%***
Operating margin	**1.9%**	2.0%		
Return on capital employed excl. IFRS 16	**7.6%**	8.7%		
Return on capital employed incl. IFRS 16	***7.2%***	*8.3%*		

- DCC Technology recorded operating profit of £91.7 million, a decline of 13.6% (10.7% organic constant currency) principally due to the ongoing trend of lower market demand for consumer technology products.
- Although operating in a challenging market, DCC Technology maintained market share in key segments such as retail within Info Tech in the UK and AV within Pro Tech in North America.
- A strong focus on operational improvements resulted in costs being below prior year levels which limited the impact of negative operating leverage from weak demand in most of our markets. Our transformation plan in the UK delivered profit growth and created capability for the long term. DCC Technology remains focused on operational improvement in the year ahead. We've recently created a single North American leadership team and launched a commercial and operational excellence programme to drive organic profit growth.

Divisional revenue

Revenue declined by 9.3% (7.8% organic constant currency), driven by a weaker market for consumer technology products. The UK and European regions were weakest, with revenue delivery in North America impacted to a lesser extent.

Pro Tech

DCC Technology is the leading specialist distributor of AV products globally, having a particularly strong presence in North America. Pro Tech performed robustly, led by good growth in Pro Audio in North America. We continued to make market share gains in core AV categories and experienced strong growth in other specialist AV categories. In Europe, our performance was mixed. We recorded good growth in Enterprise products, which was offset by a more challenging market elsewhere in our European business. We completed two bolt-on acquisitions in the year in North America and Europe, further strengthening our existing specialisms within AV.

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 challenging consumer environment which saw revenue decline, our UK business delivered good profit growth. We continued our optimisation programme, which has improved performance: we increased our market share in the retail segment, reduced costs and improved margins. As reported earlier in the year, we also consolidated a secondary warehouse facility to optimise the output from our National Distribution Centre. Our Irish business traded robustly and in line with expectations. In Europe, operating profit declined as a result of weak consumer demand for consumer technology products.

Life Tech

In Life Tech, we distribute consumer appliances and lifestyle technology products to the retail and etail channels in North America. There was mixed performance across our product categories. We increased market share in consumer electronics, especially in audio categories. However, as reported earlier in the year, we experienced weaker demand for music products and home comfort appliances, where we also saw price discounting in certain overstocked segments. We increased our investment in digital marketing and this led to 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 £104.8 million (2023: £81.4 million). The expected increase in the year 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 continued to impact the cost of the floating rate element of the Group's gross debt, offset somewhat by an increased return on the Group's gross cash. Approximately 40% of the Group's gross debt is at floating rates.

Average net debt, excluding lease creditors, was £1.2 billion, compared to an average net debt of £1.0 billion in the prior year, and reflects the substantial acquisition activity during year. Interest was covered 8.9 times[1] by Group adjusted operating profit before depreciation and amortisation of intangible assets (2023: 11.2 times).

Net exceptional charge and amortisation of intangible assets

The Group incurred a net exceptional charge after tax and non-controlling interests of £33.3 million (2023: net exceptional charge of £28.7 million) as follows:

	£'m
Restructuring and integration costs and other	(28.1)
Acquisition and related costs	(14.4)
Adjustments to contingent acquisition consideration	3.2
IAS 39 mark-to-market charge	(0.9)
	(40.2)
Tax and non-controlling interest attaching to exceptional items	6.9
Net exceptional charge	**(33.3)**

Restructuring and integration costs and other of £28.1 million relates to the restructuring and integration of operations across a number of businesses and acquisitions. Most of the cost relates to optimisation and integration of operations in DCC Technology as well as costs incurred in DCC Healthcare to merge operations in North America.

Acquisition and related costs include the professional fees and tax costs relating to the evaluation and completion of acquisition opportunities and amounted to £14.4 million.

Adjustments to contingent acquisition consideration of £3.2 million reflects movements in provisions associated with the expected earn-out or other deferred arrangements that arise through the Group's corporate development activity. The credit in the year primarily reflects a decrease in contingent

[1] Using the definitions contained in the Group's lending agreements

consideration payable in respect of acquisitions in DCC Health & Beauty Solutions where recent trading performance has been behind expectations.

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 year ended 31 March 2024, this amounted to an exceptional non-cash charge of £0.9 million. The cumulative net exceptional credit taken in respect of IAS 39 ineffectiveness is £0.5 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.

There was a net cash outflow of £13.3 million relating to exceptional items.

The charge for the amortisation of acquisition-related intangible assets increased to £114.1 million from £111.1 million in the prior year reflecting acquisitions completed in the prior and current year.

Taxation

The effective tax rate for the Group increased to 19.7% (2023: 19.3%). The Group's effective tax rate is influenced by the geographical mix of profits arising in any year and the tax rates attributable to the individual jurisdictions. The higher tax rate reflects corporation tax increases in a number of jurisdictions, including the increase in the UK corporation tax rate effective from 1 April 2023.

Adjusted earnings per share

Adjusted earnings per share decreased by 0.3% (+0.9% on a constant currency basis) to 455.01 pence, reflecting the operating profit growth offset, as expected, by higher financing costs and the increase in the effective tax rate in the year.

Dividend

The Board is proposing a 5.0% increase in the final dividend to 133.53 pence per share, which, when added to the interim dividend of 63.04 pence per share, gives a total dividend for the year of 196.57 pence per share. This represents a 5.0% increase over the total prior year dividend of 187.21 pence per share. The dividend is covered 2.3 times by adjusted earnings per share (2023: 2.4 times). It is proposed to pay the final dividend on 18 July 2024 to shareholders on the register at the close of business on 24 May 2024.

Over its 30 years as a listed company, DCC has an unbroken record of dividend growth at a compound annual rate of 13.2%.

CASH FLOW, CAPITAL DEPLOYMENT & RETURNS AND CAPITAL EMPLOYED ("ROCE")

Cash flow

The Group generated excellent operating and free cash flow during the year as set out below:

Year ended 31 March	2024 £'m	2023 £'m
Group operating profit	**682.8**	655.7
Decrease/(increase) in working capital	**56.6**	(14.0)
Depreciation (excluding ROU leased assets) and other	**173.6**	143.8
Operating cash flow (pre add-back for depreciation on ROU leased assets)	**913.0**	785.5
Capital expenditure (net)	**(221.0)**	(206.6)
	692.0	578.9
Depreciation on ROU leased assets	**82.8**	75.2
Repayment of lease creditors	**(93.7)**	(83.7)
Free cash flow	**681.1**	570.4
Interest and tax paid, net of dividend from equity accounted investments	**(214.8)**	(155.0)
Free cash flow (after interest and tax)	**466.3**	415.4
Acquisitions	**(338.5)**	(340.5)
Dividends	**(189.1)**	(178.0)
Exceptional items/disposals	**(13.3)**	(23.8)
Share issues	**0.2**	0.3
Net outflow	**(74.4)**	(126.6)
Opening net debt	**(1,113.9)**	(756.6)
Translation and other	**41.2**	(230.7)
Closing net debt (including lease creditors)	**(1,147.1)**	(1,113.9)
Analysis of closing net debt (including lease creditors):		
Net debt at 31 March (excluding lease creditors)	**(784.7)**	(767.3)
Lease creditors at 31 March	**(362.4)**	(346.6)
	(1,147.1)	(1,113.9)

Free cash flow generation and conversion

The Group's free cash flow amounted to £681.1 million versus £570.4 million in the prior year, representing an excellent 100% conversion of adjusted operating profit into free cash flow.

The material components of the conversion of adjusted operating profit to free cash flow are set out below.

Working capital

Working capital decreased by £56.6 million (2023: £14.0 million increase), a very good performance given the continued volatile supply chain environment. Working capital decreased in DCC Energy, reflecting, in particular, the reduced wholesale cost of natural gas and power. There was a net investment in working capital in certain newer product lines, such as renewable fuels, but this was more than offset by a strong underlying performance across the remainder of the Solutions and Mobility business units. DCC Technology also recorded a good working capital performance, with reducing inventory levels a particular area of focus for the business, given reduced market demand.

DCC Technology selectively uses supply chain financing solutions to sell, on a non-recourse basis, a portion of its receivables relating to certain higher volume supply chain/sales and marketing activities. The level of supply chain financing at 31 March 2024 decreased by £5.7 million to £145.4 million (2023: £151.1 million), due to the reduction in revenue year on year. Supply chain financing had a positive impact on Group working capital days of 2.5 days (31 March 2023: 2.3 days).

The absolute value of working capital in the Group at 31 March 2024 was £228.0 million. Overall working capital days were 4.0 days sales, compared to 4.1 days sales in the prior year.

Net capital expenditure

Net capital expenditure amounted to £221.0 million for the year (2023: £206.6 million) and was net of disposal proceeds (£6.7 million) and government grants received (£2.7 million). The level of net capital expenditure reflects continued investment in organic initiatives across the Group, supporting the Group's continued growth and development. Net capital expenditure for the Group exceeded the depreciation charge of £157.4 million (excluding right-of-use leased assets) in the period by £63.6 million.

	2024 £'m	2023 £'m
DCC Energy	**177.6**	173.1
DCC Healthcare	**34.0**	24.6
DCC Technology	**9.4**	8.9
Total	**221.0**	206.6

Capital expenditure in DCC Energy primarily comprised expenditure on tanks, cylinders and installations, with a focus on supporting new and existing liquid gas customers in Energy Solutions. In Mobility, there was investment to maintain and upgrade our retail sites 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 spend primarily related to increased manufacturing capability and capacity across DCC Health & Beauty Solutions. The business commissioned its gummy line in Florida earlier this year and is in the latter stages of a project to expand effervescent capacity at its Minnesota operations with expected completion in the coming financial year.

DCC Technology capital expenditure included continued ERP investment in Europe and ongoing maintenance spend.

Total cash spend on acquisitions for the year ended 31 March 2024

The total cash spend on acquisitions in the year was £288.2 million. The spend primarily reflects acquisitions committed to and completed during the current year, but also includes some smaller acquisitions in DCC Energy (AEI, Hafod Renewables and O'sitoit) which were announced in the prior year Results Announcement in May 2023. Payment of deferred and contingent acquisition consideration previously provided amounted to £50.3 million.

Committed acquisitions

DCC has committed £489.6 million to new acquisitions since the prior year Results Announcement.

	2024 £'m	2023 £'m
DCC Energy	**485.8**	137.3
DCC Healthcare	**-**	224.4
DCC Technology	**3.8**	-
Total	**489.6**	361.7

DCC continues to be very active from a development perspective, committing approximately £490 million to 17 new acquisitions during the period. Recent acquisition activity of the Group includes:

DCC Energy

DCC Energy has committed approximately £485 million to 15 new acquisitions which support its strategy to build a leading energy management services business and further expand its offering in the distribution of lower-carbon liquid gas. The largest of these transactions was the previously announced acquisition of Progas, and the acquisition of Next Energy announced today.

Progas

In February 2024, DCC Energy completed the acquisition of Progas GmbH ("Progas"), a leading distributor of liquid gas in Germany, for an enterprise value of approximately £140 million. The synergistic acquisition represents 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. Further details on the acquisition can be found in DCC's stock exchange announcement of 14 November 2023.

Next Energy

In April 2024, DCC Energy acquired Next Energy for an initial enterprise value of approximately £90 million. Next Energy is an energy efficiency and renewable energy services provider focused on the UK domestic sector. Founded in 2016 and employing 120 people, Next Energy is a market-leading provider of retrofit energy transition solutions with an emphasis on the government funded market. The business supports domestic customers to improve the energy ratings of their houses. Next Energy has an addressable market of c.16m homes (more than half of the UK's housing stock), of which up to c.14.5m have either full or partial funding for retrofit. Services include the installation of heat pumps, heating controls, insulation, solar PV and battery. Next Energy accelerates DCC Energy's *Cleaner Energy in Your Power* strategy for UK domestic customers, complementing existing capability. The acquisition is expected to generate a mid-teen return on capital employed in the first year of ownership.

In addition, DCC Energy committed to 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 liquid gas 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.
- DCC Energy completed the acquisition of the Energy Management division of eEnergy Group plc ("EML") in February 2024. EML provides energy management services including energy procurement, market analysis, risk management and net zero pathway consulting to industrial, commercial, and public sector customers in the UK. EML's technology and services empowers customers to identify and eliminate energy waste and reduce their carbon emissions.
- In April 2024, DCC Energy acquired Copropriétés Diagnostic, a French energy management business providing energy efficiency and renovation solutions to the multi-unit dwelling customer segment. Services include energy audit and administrative project management for subsidies and financing.
- In May 2024, DCC Energy agreed to acquire Secundo Photovoltaik, one of Austria's largest solar PV businesses serving commercial customers. The transaction remains subject to approval of the Austrian competition authority.
- Complementary bolt-on acquisitions in Austria, Ireland and a renewable fuels distributor in the UK.

DCC Technology

Recently DCC Technology completed two modest bolt-on acquisitions. The acquisitions, in France and the US, add complementary products and services in the professional AV and Audio markets.

Return on capital employed

The creation of shareholder value through the delivery of consistent, sustainable long-term returns well in excess of its cost of capital is one of DCC's core strategic aims. The return on capital employed by division was as follows:

	2024 excl. IFRS 16	2023 excl. IFRS 16	***2024 incl. IFRS 16***	*2023 incl. IFRS 16*
DCC Energy	**18.7%**	19.0%	***17.4%***	*17.6%*
DCC Healthcare	**10.2%**	13.0%	***9.9%***	*12.5%*
DCC Technology	**7.6%**	8.7%	***7.2%***	*8.3%*
Group	**14.3%**	15.1%	***13.5%***	*14.2%*

The Group continued to generate strong returns on capital employed, notwithstanding the substantial increase in the scale of the Group in recent years. The modest decrease in return on capital employed in DCC Energy reflects the substantial acquisition spend during the year and the timing of the acquisition of Progas, which occurred later in the year. Returns also reflect the organic decline in operating profit in DCC Healthcare and DCC Technology, which we expect will recover strongly in the coming years.

Financial strength

DCC has always maintained a strong balance sheet and it remains an important enabler of the Group's strategy. A strong balance sheet provides many strategic and commercial benefits, including enabling DCC to take advantage of acquisitive or organic development opportunities as they arise. At 31 March 2024, the Group had net debt (including lease creditors) of £1.1 billion, net debt (excluding lease creditors) of £784.7 million, cash resources (net of overdrafts) of £1.1 billion and total equity of £3.2 billion.

Substantially all of the Group's term debt has been raised in the US private placement market and has an average maturity of 4.5 years.

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.

Sustainability

DCC's ambition is to reduce the carbon intensity of the Group and to make progress across four sustainability pillars: climate change and energy transition, safety and environmental protection, people and social, and governance and compliance.

In 2022, the Group set a revised increased target to reduce Scope 1 and 2 carbon emissions by 50% by 2030, having achieved the previous interim target ahead of expectations. During the current year DCC lowered its Scope 1 and 2 emissions by 13.6% and by 45.6% versus the 2019 baseline.

The vast majority of the Group's Scope 3 carbon emissions derive from DCC Energy's sales of products to customers. In the year, DCC Energy reduced these emissions by 3.1%, equating to a reduction of 1.2 million tons of CO_2e in the year. The Group retained its B rating with CDP reflecting its progress on emissions reduction and delivering on DCC Energy's *Cleaner Energy in Your Power* strategy.

Related to Scope 3, DCC Energy increased the renewable content of energy supplied to customers (in Gigajoules (GJ)) to 6.7%, up from 5.7% in 2023 and 4.0% in 2022. This figure is a subset of the very low or zero carbon sales (SRO) of DCC Energy.

DCC Energy's operating profit share of services and renewables, or SRO, (with less than 10kg of CO_2e per GJ sold) increased by seven percentage points to 35% from 28% in 2023. This broader category adds operating profit from services such as solar installations and other very low or zero carbon services to DCC Energy's profit from sales of renewable energy (viz. 6.7% GJ share above). Due to strong growth in operating profit and the 3.1% reduction in Scope 3 carbon emissions, the carbon intensity of DCC Energy's operating profit reduced by 11.8%.

Looking at sustainability beyond climate change and energy transition, DCC retained an AAA rating from MSCI, remaining among the top 10% of peer companies.

	2024	2023	**% change**	**% change vs. 2019 baseline**
Scope 1 & 2 (market based) carbon emissions ($mtCO_2e$, Group)	**0.068**	0.078	**-13.6%**	**-45.6%**
Customer Scope 3 carbon emissions ($mtCO_2e$, DCC Energy)	**37.9**	39.1	**-3.1%**	**-8.7%**
Renewable share of energy sold (GJ)	**6.7%**	5.7%		

Annual General Meeting

The Company's Annual General Meeting will be held at 2.00pm on Thursday 11 July 2024 at the Powerscourt Hotel, Powerscourt Estate, Enniskerry, Co. Wicklow, A98 DR12.

GROUP INCOME STATEMENT

For the year ended 31 March 2024

	Note	2024 Pre exceptionals £'000	2024 Exceptionals (note 5) £'000	2024 Total £'000	2023 Pre exceptionals £'000	2023 Exceptionals (note 5) £'000	2023 Total £'000
Revenue	4	**19,858,763**	**–**	**19,858,763**	22,204,846	–	22,204,846
Cost of sales		**(17,261,487)**	**–**	**(17,261,487)**	(19,800,114)	–	(19,800,114)
Gross profit		**2,597,276**	**–**	**2,597,276**	2,404,732	–	2,404,732
Administration expenses		**(673,676)**	**–**	**(673,676)**	(629,510)	–	(629,510)
Selling and distribution expenses		**(1,270,666)**	**–**	**(1,270,666)**	(1,157,642)	–	(1,157,642)
Other operating income/(expenses)		**29,846**	**(39,309)**	**(9,463)**	38,082	(32,528)	5,554
Adjusted operating profit		**682,780**	**(39,309)**	**643,471**	655,662	(32,528)	623,134
Amortisation of intangible assets		**(114,075)**	**–**	**(114,075)**	(111,146)	–	(111,146)
Operating profit	4	**568,705**	**(39,309)**	**529,396**	544,516	(32,528)	511,988
Finance costs		**(121,888)**	**(873)**	**(122,761)**	(96,735)	–	(96,735)
Finance income		**16,512**	**–**	**16,512**	16,111	892	17,003
Share of equity accounted investments' profit/(loss) after tax		**604**	**–**	**604**	(692)	–	(692)
Profit before tax		**463,933**	**(40,182)**	**423,751**	463,200	(31,636)	431,564
Income tax expense		**(89,631)**	**6,418**	**(83,213)**	(87,526)	2,764	(84,762)
Profit after tax for the financial year		**374,302**	**(33,764)**	**340,538**	375,674	(28,872)	346,802
Profit attributable to:							
Owners of the Parent		**359,570**	**(33,315)**	**326,255**	362,683	(28,661)	334,022
Non-controlling interests		**14,732**	**(449)**	**14,283**	12,991	(211)	12,780
		374,302	**(33,764)**	**340,538**	375,674	(28,872)	346,802
Earnings per ordinary share							
Basic earnings per share	6			**330.24p**			338.40p
Diluted earnings per share	6			**329.85p**			338.04p
Basic adjusted earnings per share	6			**455.01p**			456.27p
Diluted adjusted earnings per share	6			**454.49p**			455.79p

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	2024 £'000	2023 £'000
Group profit for the financial year	**340,538**	346,802
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Currency translation	**(66,207)**	43,280
Movements relating to cash flow hedges	**37,117**	(164,422)
Movement in deferred tax on cash flow hedges	**(6,937)**	30,374
	(36,027)	(90,768)
Items that will not be reclassified to profit or loss		
Group defined benefit pension obligations:		
- remeasurements	**24**	2,811
- movement in deferred tax	**(117)**	(800)
	(93)	2,011
Other comprehensive income for the financial year, net of tax	**(36,120)**	(88,757)
Total comprehensive income for the financial year	**304,418**	258,045
Attributable to:		
Owners of the Parent	**292,686**	243,242
Non-controlling interests	**11,732**	14,803
	304,418	258,045

GROUP BALANCE SHEET

As at 31 March 2024

	Note	2024 £'000	2023 £'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,430,513**	1,354,806
Right-of-use leased assets		**349,925**	336,221
Intangible assets and goodwill		**3,136,945**	2,957,629
Equity accounted investments		**32,825**	47,789
Deferred income tax assets		**81,258**	69,053
Derivative financial instruments	**9**	**42,760**	89,199
		5,074,226	4,854,697
Current assets			
Inventories		**1,072,061**	1,192,803
Trade and other receivables		**2,172,422**	2,312,269
Derivative financial instruments	**9**	**55,064**	59,258
Cash and cash equivalents	**9**	**1,109,446**	1,421,749
		4,408,993	4,986,079
Total assets		**9,483,219**	9,840,776
EQUITY			
Capital and reserves attributable to owners of the Parent			
Share capital		**17,422**	17,422
Share premium		**883,890**	883,669
Share based payment reserve	**8**	**63,806**	54,596
Cash flow hedge reserve	**8**	**(18,100)**	(48,280)
Foreign currency translation reserve	**8**	**64,873**	128,529
Other reserves	**8**	**932**	932
Retained earnings		**2,078,568**	1,941,223
Equity attributable to owners of the Parent		**3,091,391**	2,978,091
Non-controlling interests		**91,641**	80,219
Total equity		**3,183,032**	3,058,310
LIABILITIES			
Non-current liabilities			
Borrowings	**9**	**1,574,775**	1,933,759
Lease creditors	**9**	**284,856**	275,388
Derivative financial instruments	**9**	**27,536**	40,585
Deferred income tax liabilities		**286,217**	263,623
Post employment benefit obligations	**10**	**6,557**	(11,721)
Provisions for liabilities		**306,367**	301,067
Acquisition related liabilities		**72,009**	86,172
Government grants		**2,704**	446
		2,561,021	2,889,319
Current liabilities			
Trade and other payables		**3,054,108**	3,279,898
Current income tax liabilities		**81,095**	85,324
Borrowings	**9**	**368,743**	320,856
Lease creditors	**9**	**77,527**	71,158
Derivative financial instruments	**9**	**20,914**	42,341
Provisions for liabilities		**67,011**	52,349
Acquisition related liabilities		**69,768**	41,221
		3,739,166	3,893,147
Total liabilities		**6,300,187**	6,782,466
Total equity and liabilities		**9,483,219**	9,840,776
Net debt included above (excluding lease creditors)	**9**	**(784,698)**	(767,335)

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	Attributable to owners of the Parent						
	Share capital £'000	Share premium £'000	Retained earnings £'000	Other reserves (note 8) £'000	Total £'000	Non-controlling interests £'000	Total equity £'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 financial year	–	–	**326,255**	–	**326,255**	**14,283**	**340,538**
Other comprehensive income:							
Currency translation	–	–	–	**(63,656)**	**(63,656)**	**(2,551)**	**(66,207)**
Group defined benefit pension obligations:							
- remeasurements	–	–	**24**	–	**24**	–	**24**
- movement in deferred tax	–	–	**(117)**	–	**(117)**	–	**(117)**
Movements relating to cash flow hedges	–	–	–	**37,117**	**37,117**	–	**37,117**
Movement in deferred tax on cash flow hedges	–	–	–	**(6,937)**	**(6,937)**	–	**(6,937)**
Total comprehensive income	–	–	**326,162**	**(33,476)**	**292,686**	**11,732**	**304,418**
Re-issue of treasury shares	–	**221**	–	–	**221**	–	**221**
Share based payment	–	–	–	**9,210**	**9,210**	–	**9,210**
Dividends	–	–	**(188,817)**	–	**(188,817)**	**(310)**	**(189,127)**
At 31 March 2024	**17,422**	**883,890**	**2,078,568**	**111,511**	**3,091,391**	**91,641**	**3,183,032**

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

	Attributable to owners of the Parent						
	Share capital £'000	Share premium £'000	Retained earnings £'000	Other reserves (note 8) £'000	Total £'000	Non-controlling interests £'000	Total equity £'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 financial year	–	–	334,022	–	334,022	12,780	346,802
Other comprehensive income:							
Currency translation	–	–	–	41,257	41,257	2,023	43,280
Group defined benefit pension obligations:							
- remeasurements	–	–	2,811	–	2,811	–	2,811
- movement in deferred tax	–	–	(800)	–	(800)	–	(800)
Movements relating to cash flow hedges	–	–	–	(164,422)	(164,422)	–	(164,422)
Movement in deferred tax on cash flow hedges	–	–	–	30,374	30,374	–	30,374
Total comprehensive income	–	–	336,033	(92,791)	243,242	14,803	258,045
Re-issue of treasury shares	–	348	–	–	348	–	348
Share based payment	–	–	–	7,160	7,160	–	7,160
Dividends	–	–	(177,843)	–	(177,843)	(129)	(177,972)
Non-controlling interest arising on acquisition	–	–	–	–	–	166	166
At 31 March 2023	17,422	883,669	1,941,223	135,777	2,978,091	80,219	3,058,310

GROUP CASH FLOW STATEMENT

For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Profit for the financial year		**340,538**	346,802
Add back non-operating expenses/(income):			
- tax		**83,213**	84,762
- share of equity accounted investments' (profit)/loss		**(604)**	692
- net operating exceptionals		**39,309**	32,528
- net finance costs		**106,249**	79,732
Group operating profit before exceptionals		**568,705**	544,516
Share-based payments expense		**9,210**	7,160
Depreciation (including right-of-use leased assets)		**240,194**	219,681
Amortisation of intangible assets		**114,075**	111,146
Profit on disposal of property, plant and equipment		**(1,148)**	(12,346)
Amortisation of government grants		**(376)**	(114)
Other		**8,562**	4,654
Decrease/(increase) in working capital		**56,571**	(13,951)
Cash generated from operations before exceptionals		**995,793**	860,746
Exceptionals		**(30,934)**	(23,780)
Cash generated from operations		**964,859**	836,966
Interest paid (including lease interest)		**(118,780)**	(82,576)
Income tax paid		**(124,057)**	(97,485)
Net cash flows from operating activities		**722,022**	656,905
Investing activities			
Inflows:			
Proceeds from disposal of property, plant and equipment		**6,666**	22,643
Dividends received from equity accounted investments		**1,261**	–
Government grants received in relation to property, plant and equipment		**2,669**	216
Disposal of equity accounted investments		**17,668**	–
Interest received		**15,285**	15,535
		43,549	38,394
Outflows:			
Purchase of property, plant and equipment		**(230,354)**	(229,440)
Acquisition of subsidiaries	**11**	**(288,155)**	(318,486)
Payment of accrued acquisition related liabilities		**(50,334)**	(21,987)
		(568,843)	(569,913)
Net cash flows from investing activities		**(525,294)**	(531,519)
Financing activities			
Inflows:			
Proceeds from issue of shares		**221**	348
Net cash inflow on derivative financial instruments		**69,182**	–
Increase in interest-bearing loans and borrowings		**–**	603,054
		69,403	603,402
Outflows:			
Repayment of interest-bearing loans and borrowings		**(270,836)**	(393,469)
Net cash outflow on derivative financial instruments		**–**	(57,902)
Repayment of lease creditors		**(82,187)**	(74,219)
Dividends paid to owners of the Parent	**7**	**(188,817)**	(177,843)
Dividends paid to non-controlling interests		**(310)**	(129)
		(542,150)	(703,562)
Net cash flows from financing activities		**(472,747)**	(100,160)
Change in cash and cash equivalents		**(276,019)**	25,226
Translation adjustment		**(22,341)**	19,376
Cash and cash equivalents at beginning of year		**1,371,206**	1,326,604
Cash and cash equivalents at end of year		**1,072,846**	1,371,206
Cash and cash equivalents consists of:			
Cash and short-term bank deposits		**1,109,446**	1,421,749
Overdrafts		**(36,600)**	(50,543)
		1,072,846	1,371,206

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. Basis of Preparation

The financial information, from the Group Income Statement to note 15, contained in this preliminary results statement has been derived from the Group financial statements for the year ended 31 March 2024 and is presented in sterling, rounded to the nearest thousand. The financial information does not include all the information and disclosures required in the annual financial statements. The Annual Report will be distributed to shareholders and made available on the Company's website www.dcc.ie. It will also be filed with the Companies Registration Office.

The auditors have reported on the financial statements for the year ended 31 March 2024 and their report was unqualified. The financial information for the year ended 31 March 2023 represents an abbreviated version of the Group's statutory financial statements on which an unqualified audit report was issued, and which have been filed with the Companies Registration Office.

The financial information presented in this report has been prepared in accordance with the Listing Rules of the Financial Services Authority and the accounting policies that the Group has adopted for the year ended 31 March 2024.

2. Accounting Policies

The following changes to IFRS became effective for the Group during the year 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
- International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the year ended 31 March 2024

2. Accounting Policies (continued)

Standards, interpretations and amendments to published standards that are not yet effective

The Group has not applied certain new standards, amendments and interpretations to existing standards that have been issued but are not yet effective. These include:

- Classification of Liabilities as Current or Non-current - Amendments to IAS 1
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
- Lack of Exchangeability - Amendments to IAS 21

The impact of these new standards is not expected to result in a net material change to the Group's consolidated financial statements.

3. 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 year, 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	
	2024 Stg£1=	2023 Stg£1=	**2024 Stg£1=**	2023 Stg£1=
Euro	**1.1563**	1.1597	**1.1695**	1.1374
Danish krone	**8.6183**	8.6304	**8.7218**	8.4719
Swedish krona	**13.2851**	12.4772	**13.4780**	12.8304
Norwegian krone	**13.3529**	11.8985	**13.6814**	12.9595
US dollar	**1.2541**	1.2101	**1.2643**	1.2369
Canadian dollar	**1.6932**	1.5934	**1.7158**	1.6762
Hong Kong dollar	**9.8172**	9.4837	**9.8929**	9.7096

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the year ended 31 March 2024

4. 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 ('CODM'). The CODM has been identified as Mr. Donal Murphy, Chief Executive and his Group 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 is putting cleaner energy in the power of our customers by leading the sales, marketing, and distribution of traditional, lower carbon, and zero carbon energy solutions. DCC Energy comprises Energy Solutions and Energy Mobility. Our Energy Solutions business makes energy transition less complex for commercial and industrial customers. And we will make it simpler and more affordable for domestic customers. Our Energy Mobility business is leading in multi-energy networks and services for passenger cars and truck fleets. The adjusted operating profit of Energy Solutions represents approximately 76% of this segment's adjusted operating profit in the current year and Energy Mobility represents approximately 24%.

DCC Healthcare comprises DCC Vital and DCC Health & Beauty Solutions. DCC Vital helps to improve patient outcomes by providing medical products that enable practitioners to diagnose and treat illness. DCC Health & Beauty Solutions develop and manufacture nutritional supplements and beauty products to help maintain consumers' everyday health and wellness.

DCC Technology acts as an enabler between global technology brands and the people and businesses who use their products. DCC Technology comprises Pro Tech, Life Tech and Info Tech. Through Pro Tech, we bring professional technologies together to enhance audio and visual experiences. Through Life Tech, we provide technology to make high-quality lifestyles happen. And through Info Tech, we put the latest technology in people's hands to make faster connections happen.

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. Intersegment revenue is not material and thus not subject to separate disclosure.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the year ended 31 March 2024

4. Segmental Reporting (continued)

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

(a) By operating segment

	Year ended 31 March 2024			
	DCC Energy £'000	**DCC Healthcare £'000**	**DCC Technology £'000**	**Total £'000**
Segment revenue	**14,224,938**	**859,379**	**4,774,446**	**19,858,763**
Adjusted operating profit	**502,961**	**88,099**	**91,720**	**682,780**
Amortisation of intangible assets	**(77,236)**	**(10,550)**	**(26,289)**	**(114,075)**
Net operating exceptionals (note 5)	**(14,858)**	**(5,087)**	**(19,364)**	**(39,309)**
Operating profit	**410,867**	**72,462**	**46,067**	**529,396**

	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 5)	(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 year ended 31 March 2024

4. Segmental Reporting (continued)

(b) By geography

The Group has a presence in 22 countries worldwide. The following represents a geographical analysis of revenue and non-current assets in accordance with IFRS 8, which requires disclosure of information about the country of domicile (Republic of Ireland) and countries with material revenue and non-current assets.

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. The analysis of non-current assets is based on the location of the assets. There are no material dependencies or concentrations on individual customers which would warrant disclosure under IFRS 8.

	Revenue		Non-current assets*	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Republic of Ireland (country of domicile)	**2,082,413**	2,255,595	**230,348**	230,304
United Kingdom	**6,534,555**	7,562,103	**1,487,302**	1,319,398
France	**3,445,434**	3,706,272	**961,631**	981,757
United States	**1,965,614**	2,189,358	**860,514**	939,232
Rest of World	**5,830,747**	6,491,518	**1,410,413**	1,225,754
	19,858,763	22,204,846	**4,950,208**	4,696,445

** Non-current assets comprise property, plant and equipment, right-of-use leased assets, intangible assets and goodwill and equity accounted investments*

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the year ended 31 March 2024

4. Segmental Reporting (continued)

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 elements of profitability are driven by absolute contribution per tonne/litre of product sold, and not a percentage margin. Accordingly, management primarily 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.

	Year ended 31 March 2024			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Republic of Ireland (country of domicile)	**1,591,561**	**119,323**	**371,529**	**2,082,413**
United Kingdom	**4,501,053**	**380,877**	**1,652,625**	**6,534,555**
France	**3,115,534**	**55,218**	**274,682**	**3,445,434**
North America	**254,370**	**159,427**	**1,721,283**	**2,135,080**
Rest of World	**4,762,420**	**144,534**	**754,327**	**5,661,281**
Revenue	**14,224,938**	**859,379**	**4,774,446**	**19,858,763**
Products transferred at point in time	**14,224,938**	**859,379**	**4,774,446**	**19,858,763**
Energy solutions products and services	**8,871,109**	**–**	**–**	**8,871,109**
Energy mobility products and services	**5,353,829**	**–**	**–**	**5,353,829**
Medical and pharmaceutical products	**–**	**498,867**	**–**	**498,867**
Nutrition and health & beauty products	**–**	**360,512**	**–**	**360,512**
Technology products and services	**–**	**–**	**4,774,446**	**4,774,446**
Revenue	**14,224,938**	**859,379**	**4,774,446**	**19,858,763**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the year ended 31 March 2024

4. Segmental Reporting (continued)

Disaggregation of revenue (continued)

	Year ended 31 March 2023			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'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 year ended 31 March 2024

5. Exceptionals

	2024 £'000	2023 £'000
Restructuring and integration costs and other	**(28,142)**	(13,401)
Acquisition and related costs	**(14,347)**	(10,604)
Adjustments to contingent acquisition consideration	**3,180**	(8,523)
Net operating exceptional items	**(39,309)**	(32,528)
Mark to market of swaps and related debt	**(873)**	892
Net exceptional items before taxation	**(40,182)**	(31,636)
Income tax credit attaching to exceptional items	**6,418**	2,764
Net exceptional items after taxation	**(33,764)**	(28,872)
Non-controlling interest share of net exceptional items after taxation	**449**	211
Net exceptional items attributable to owners of the Parent	**(33,315)**	(28,661)

Restructuring and integration costs and other of £28.142 million relates to the restructuring and integration of operations across a number of businesses and acquisitions. Most of the cost relates to optimisation and integration of operations in DCC Technology as well as costs incurred in DCC Healthcare to merge operations in North America. Restructuring and integration costs and other also include impairment charges relating to property, plant and equipment (£4.140 million) and right-of-use assets (£3.032 million) arising from these restructurings.

Acquisition and related costs include the professional fees and tax costs relating to the evaluation and completion of acquisition opportunities and amounted to £14.347 million.

Adjustments to contingent acquisition consideration of £3.180 million reflects movements in provisions associated with the expected earn-out or other deferred arrangements that arise through the Group's corporate development activity. The credit in the year primarily reflects a decrease in contingent consideration payable in respect of acquisitions in DCC Health & Beauty Solutions where recent trading performance has been behind expectations.

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 year ended 31 March 2024, this amounted to an exceptional non-cash charge of £0.873 million. The cumulative net exceptional credit taken in respect of IAS 39 ineffectiveness is £0.544 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.

There was a related income tax credit of £6.418 million (2023: credit of £2.764 million) and non-controlling interest credit of £0.449 million (2023: £0.211 million) in relation to certain exceptional charges.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the year ended 31 March 2024

6. Earnings per Ordinary Share

	2024 £'000	2023 £'000
Profit attributable to owners of the Parent	**326,255**	334,022
Amortisation of intangible assets after tax	**89,957**	87,690
Exceptionals after tax (note 5)	**33,315**	28,661
Adjusted profit after taxation and non-controlling interests	**449,527**	450,373

Basic earnings per ordinary share	**2024 pence**	2023 pence
Basic earnings per ordinary share	**330.24p**	338.40p
Amortisation of intangible assets after tax	**91.06p**	88.84p
Exceptionals after tax	**33.71p**	29.03p
Adjusted basic earnings per ordinary share	**455.01p**	456.27p
Weighted average number of ordinary shares in issue (thousands)	**98,794**	98,707

Basic earnings per share is calculated by dividing the profit attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the year, 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.

Diluted earnings per ordinary share	**2024 pence**	2023 pence
Diluted earnings per ordinary share	**329.85p**	338.04p
Amortisation of intangible assets after tax	**90.95p**	88.74p
Exceptionals after tax	**33.69p**	29.01p
Adjusted diluted earnings per ordinary share	**454.49p**	455.79p
Weighted average number of ordinary shares in issue (thousands)	**98,909**	98,811

The earnings used for the purposes of the diluted earnings per ordinary share calculations were £326.255 million (2023: £334.022 million) and £449.527 million (2023: £450.373 million) for the purposes of the adjusted diluted earnings per ordinary share calculations.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the year ended 31 March 2024

6. Earnings per Ordinary Share (continued)

The weighted average number of ordinary shares used in calculating the diluted earnings per ordinary share for the year ended 31 March 2024 was 98.909 million (2023: 98.811 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:

	2024 '000	2023 '000
Weighted average number of ordinary shares in issue	**98,794**	98,707
Dilutive effect of options and awards	**115**	104
Weighted average number of ordinary shares for diluted earnings per share	**98,909**	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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the year ended 31 March 2024

7. Dividends

Dividends paid per ordinary share are as follows:	2024 £'000	2023 £'000
Final – paid 127.17 pence per share on 20 July 2023 (2023: paid 119.93 pence per share on 21 July 2022)	**126,444**	118,715
Interim – paid 63.04 pence per share on 15 December 2023 (2023: paid 60.04 pence per share on 9 December 2022)	**62,373**	59,128
	188,817	177,843

The Directors are proposing a final dividend in respect of the year ended 31 March 2024 of 133.53 pence per ordinary share (£131.998 million). This proposed dividend is subject to approval by the shareholders at the Annual General Meeting.

8. Other Reserves

For the year ended 31 March 2024

	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	**–**	**–**	**(63,656)**	**–**	**(63,656)**
Movements relating to cash flow hedges	**–**	**37,117**	**–**	**–**	**37,117**
Movement in deferred tax on cash flow hedges	**–**	**(6,937)**	**–**	**–**	**(6,937)**
Share based payment	**9,210**	**–**	**–**	**–**	**9,210**
At 31 March 2024	**63,806**	**(18,100)**	**64,873**	**932**	**111,511**

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 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 year ended 31 March 2024

9. Analysis of Net Debt

	2024 £'000	2023 £'000
Non-current assets		
Derivative financial instruments	**42,760**	89,199
Current assets		
Derivative financial instruments	**55,064**	59,258
Cash and cash equivalents	**1,109,446**	1,421,749
	1,164,510	1,481,007
Non-current liabilities		
Derivative financial instruments	**(27,536)**	(40,585)
Bank borrowings	**(34,205)**	(35,168)
Unsecured Notes	**(1,540,570)**	(1,898,591)
	(1,602,311)	(1,974,344)
Current liabilities		
Bank borrowings	**(36,600)**	(50,543)
Derivative financial instruments	**(20,914)**	(42,341)
Unsecured Notes	**(332,143)**	(270,313)
	(389,657)	(363,197)
Net debt (excluding lease creditors)	**(784,698)**	(767,335)
Lease creditors (non-current)	**(284,856)**	(275,388)
Lease creditors (current)	**(77,527)**	(71,158)
Total lease creditors	**(362,383)**	(346,546)
Net debt (including lease creditors)	**(1,147,081)**	(1,113,881)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the year ended 31 March 2024

9. Analysis of Net Debt (continued)

An analysis of the maturity profile of the Group's net cash/(debt) (including lease creditors) at 31 March 2024 is as follows:

As at 31 March 2024	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total £'000
Cash and short-term deposits	**1,109,446**	**–**	**–**	**–**	**1,109,446**
Overdrafts	**(36,600)**	**–**	**–**	**–**	**(36,600)**
Cash and cash equivalents	**1,072,846**	**–**	**–**	**–**	**1,072,846**
Bank borrowings	**–**	**–**	**(34,205)**	**–**	**(34,205)**
Unsecured Notes	**(332,143)**	**(87,796)**	**(721,596)**	**(731,178)**	**(1,872,713)**
Derivative financial instruments – Unsecured Notes	**43,698**	**14,066**	**2,690**	**(429)**	**60,025**
Derivative financial instruments – other	**(9,548)**	**(1,103)**	**–**	**–**	**(10,651)**
	774,853	**(74,833)**	**(753,111)**	**(731,607)**	**(784,698)**
Lease creditors	**(77,527)**	**(60,105)**	**(111,929)**	**(112,822)**	**(362,383)**
Net debt (including lease creditors)	**697,326**	**(134,938)**	**(865,040)**	**(844,429)**	**(1,147,081)**

The Group's Unsecured Notes fall due between 21 May 2024 and 4 April 2034 with an average maturity of 4.5 years at 31 March 2024. 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 year ended 31 March 2024

10. Post Employment Benefit Obligations

The Group's defined benefit pension schemes' assets were measured at fair value at 31 March 2024. The defined benefit pension schemes' liabilities at 31 March 2024 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 liability of £6.557 million at 31 March 2024. The movement in the net asset/liability position primarily reflects post-employment benefit obligations arising on acquisition of £18.647 million.

11. 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 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 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 liquid gas distributor which services both domestic and commercial customers in Colorado.
- 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.
- The acquisition by DCC Energy of 100% of DTGen in November 2023. DTGen is 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.
- The acquisition by DCC Energy of 100% of the Energy Management division of eEnergy Group plc ('EML') in February 2024. EML provides energy management services including energy procurement, market analysis, risk management and net zero pathway consulting to industrial, commercial, and public sector customers in the UK. EML's technology and services empowers customers to identify and eliminate energy waste and reduce their carbon emissions.
- The acquisition by DCC Energy of 100% of Progas GmbH ('Progas') in February 2024 for an enterprise value of approximately £140 million. Progas is a leading distributor of liquid gas in Germany and this synergistic acquisition represents 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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the year ended 31 March 2024

11. Business Combinations (continued)

The acquisition data presented below reflects the fair value of the identifiable net assets acquired (excluding net cash/debt acquired) in respect of acquisitions completed during the year.

	Total 2024 £'000	Total 2023 £'000
Assets		
Non-current assets		
Property, plant and equipment	**48,603**	6,273
Right-of-use leased assets	**10,563**	5,856
Intangible assets	**156,964**	131,453
Equity accounted investments	**5,530**	18,909
Deferred income tax assets	**2,467**	2,291
Total non-current assets	**224,127**	164,782
Current assets		
Inventories	**23,708**	53,329
Trade and other receivables	**59,945**	36,760
Total current assets	**83,653**	90,089
Liabilities		
Non-current liabilities		
Deferred income tax liabilities	**(41,026)**	(38,112)
Post employment benefit obligations	**(18,647)**	-
Provisions for liabilities	**(13,245)**	(161)
Lease creditors	**(6,742)**	(3,933)
Total non-current liabilities	**(79,660)**	(42,206)
Current liabilities		
Trade and other payables	**(61,022)**	(65,775)
Provisions for liabilities	**(6,919)**	(149)
Current income tax liabilities	**(8,179)**	(10,023)
Lease creditors	**(3,207)**	(2,166)
Total current liabilities	**(79,327)**	(78,113)
Identifiable net assets acquired	**148,793**	134,552
Non-controlling interests arising on acquisition	**-**	(166)
Goodwill	**222,171**	230,754
Total consideration	**370,964**	365,140
Satisfied by:		
Cash	**327,354**	319,463
Net cash and cash equivalents acquired	**(39,199)**	(977)
Net cash outflow	**288,155**	318,486
Acquisition related liabilities	**82,809**	46,654
Total consideration	**370,964**	365,140

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the year ended 31 March 2024

11. 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. The carrying amounts of the assets and liabilities acquired, determined in accordance with IFRS, before completion of the combination together with the adjustments made to those carrying values disclosed above were as follows:

Total	Book value £'000	Fair value adjustments £'000	Fair value £'000
Non-current assets (excluding goodwill)	**71,896**	**152,231**	**224,127**
Current assets	**97,667**	**(14,014)**	**83,653**
Non-current liabilities	**(38,936)**	**(40,724)**	**(79,660)**
Current liabilities	**(79,327)**	**–**	**(79,327)**
Identifiable net assets acquired	**51,300**	**97,493**	**148,793**
Goodwill arising on acquisition	**319,664**	**(97,493)**	**222,171**
Total consideration	**370,964**	**–**	**370,964**

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 fair values within the twelve-month timeframe from the date of acquisition will be disclosable in the 2025 Annual Report 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.

£9.555 million of the goodwill recognised in respect of acquisitions completed during the financial year is expected to be deductible for tax purposes.

Acquisition related costs included in other operating expenses in the Group Income Statement amounted to £14.347 million.

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the year ended 31 March 2024

11. Business Combinations (continued)

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 year range from nil to £159.8 million.

The business combinations completed during the year contributed £171.589 million to revenues and £16.091 million to profit for the financial year attributable to Owners of the Parent Company. Had all the business combinations effected during the year occurred at the beginning of the year, total Group revenue for the year ended 31 March 2024 would have been £20.148 billion and total Group profit for the financial year attributable to Owners of the Parent Company would have been £345.502 million.

12. 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.

13. Related Party Transactions

There have been no related party transactions or changes in related party transactions that could have a material impact on the financial position or performance of the Group during the 2024 financial year.

14. Events after the Balance Sheet Date

In April 2024, DCC Energy acquired Next Energy for an initial enterprise value of approximately £90 million. Next Energy is an energy efficiency and renewable energy services provider focused on the UK domestic sector. Founded in 2016 and employing 120 people, Next Energy is a market-leading provider of retrofit energy transition solutions with an emphasis on the government funded market. The business supports domestic customers to improve the energy ratings of their houses. Next Energy has an addressable market of c.16 million homes (more than half of the UK's housing stock), of which up to c.14.5 million have either full or partial funding for retrofit. Services include the installation of heat pumps, heating controls, insulation, solar PV and battery. Next Energy accelerates DCC Energy's *Cleaner Energy in Your Power* strategy for UK domestic customers, complementing existing capability.

The Group also acquired (or agreed to acquire) a number of smaller businesses post year-end including Copropriétés Diagnostic and Secundo Photovoltaik.

An initial assignment of fair values to identifiable net assets acquired has not been completed given the timing of the closure of these transactions.

15. Board Approval

This report was approved by the Board of Directors of DCC plc on 13 May 2024.

SUPPLEMENTARY FINANCIAL INFORMATION

For the year ended 31 March 2024

Alternative Performance Measures

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

These APMs are primarily used for the following purposes:

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

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

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

Adjusted operating profit ('EBITA')

Definition

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

Calculation	**2024 £'000**	2023 £'000
Operating profit	**529,396**	511,988
Net operating exceptional items	**39,309**	32,528
Amortisation of intangible assets	**114,075**	111,146
Adjusted operating profit ('EBITA')	**682,780**	655,662

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For the year ended 31 March 2024

Alternative Performance Measures (continued)

Adjusted operating profit before depreciation ('EBITDA')

Definition

EBITDA represents earnings before net interest, tax, depreciation on property, plant and equipment, amortisation of intangible assets, share of equity accounted investments' profit after tax and net exceptional items. This metric is used to compare profitability between companies by eliminating the effects of financing, tax environments, asset bases and business combinations history. It is also utilised as a proxy for a company's cash flow.

Calculation	**2024 £'000**	2023 £'000
Adjusted operating profit ('EBITA')	**682,780**	655,662
Depreciation of property, plant and equipment	**157,356**	144,443
EBITDA	**840,136**	800,105

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.

Calculation	**2024 £'000**	2023 £'000
Finance costs before exceptional items	**(121,888)**	(96,735)
Finance income before exceptional items	**16,512**	16,111
Net interest before exceptional items	**(105,376)**	(80,624)

Interest cover – EBITDA Interest Cover

Definition

The EBITDA interest cover ratio measures the Group's ability to pay interest charges on debt from cash flows. To maintain comparability with the definitions contained in the Group's lending arrangements, EBITDA and net interest exclude the impact of IFRS 16.

Calculation	**2024 £'000**	2023 £'000
EBITDA	**840,136**	800,105
Less: impact of IFRS 16	**(6,970)**	(6,041)
EBITDA for covenant purposes	**833,166**	794,064
Net interest before exceptional items	**(105,376)**	(80,624)
Less: impact of IFRS 16	**11,486**	9,577
Net interest for covenant purposes	**(93,890)**	(71,047)
EBITDA interest cover (times)	**8.9x**	11.2x

SUPPLEMENTARY FINANCIAL INFORMATION

For the year ended 31 March 2024

Alternative Performance Measures (continued)

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.

Calculation	**2024 £'000**	2023 £'000
Adjusted operating profit	**682,780**	655,662
Net interest before exceptional items	**(105,376)**	(80,624)
	577,404	575,038
Income tax expense	**83,213**	84,762
Income tax attaching to net exceptionals	**6,418**	2,764
Deferred tax attaching to amortisation of intangible assets	**24,118**	23,456
Total income tax expense before exceptionals and deferred tax attaching to amortisation of intangible assets	**113,749**	110,982
Effective tax rate (%)	**19.7%**	19.3%

Dividend cover

Definition

The dividend cover ratio measures the Group's ability to pay dividends from earnings.

Calculation	**2024 pence**	2023 pence
Adjusted earnings per share	**455.01**	456.27
Dividend	**196.57**	187.21
Dividend cover (times)	**2.3x**	2.4x

SUPPLEMENTARY FINANCIAL INFORMATION

For the year ended 31 March 2024

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.

Revenue (constant currency)	2024 £'000	2023 £'000
Revenue	**19,858,763**	22,204,846
Currency impact	**204,499**	–
Revenue (constant currency)	**20,063,262**	22,204,846

Adjusted operating profit (constant currency)		
Adjusted operating profit	**682,780**	655,662
Currency impact	**7,935**	–
Adjusted operating profit (constant currency)	**690,715**	655,662

Adjusted earnings per share (constant currency)		
Adjusted profit after taxation and non-controlling interests	**449,527**	450,373
Currency impact	**5,154**	–
Adjusted profit after taxation and non-controlling interests (constant currency)	**454,681**	450,373
Weighted average number of ordinary shares in issue ('000)	**98,794**	98,707
Adjusted earnings per share (constant currency)	**460.23p**	456.27p

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.

Calculation	2024 £'000	2023 £'000
Purchase of property, plant and equipment	**230,354**	229,440
Government grants received in relation to property, plant and equipment	**(2,669)**	(216)
Proceeds from disposal of property, plant and equipment	**(6,666)**	(22,643)
Net capital expenditure	**221,019**	206,581

SUPPLEMENTARY FINANCIAL INFORMATION

For the year ended 31 March 2024

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 (including interest) and net capital expenditure.

Calculation	2024 £'000	2023 £'000
Cash generated from operations before exceptionals	**995,793**	860,746
Repayment of lease creditors	**(93,673)**	(83,796)
Net capital expenditure	**(221,019)**	(206,581)
Free cash flow	**681,101**	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).

Calculation	2024 £'000	2023 £'000
Free cash flow	**681,101**	570,369
Interest paid (including interest relating to lease creditors)	**(118,780)**	(82,576)
Interest relating to lease creditors	**11,486**	9,577
Income tax paid	**(124,057)**	(97,485)
Dividends received from equity accounted investments	**1,261**	–
Interest received	**15,285**	15,535
Free cash flow (after interest and tax payments)	**466,296**	415,420

Cash conversion ratio

Definition

The cash conversion ratio expresses free cash flow as a percentage of adjusted operating profit.

Calculation	2024 £'000	2023 £'000
Free cash flow	**681,101**	570,369
Adjusted operating profit	**682,780**	655,662
Cash conversion ratio	**100%**	87%

SUPPLEMENTARY FINANCIAL INFORMATION

For the year ended 31 March 2024

Alternative Performance Measures (continued)

Return on capital employed ('ROCE')

Definition

ROCE represents adjusted operating profit expressed as a percentage of the average total capital employed.

The Group adopted IFRS 16 Leases on the transition date of 1 April 2019 using the modified retrospective approach, meaning that comparatives were not restated. To assist comparability with prior years, the Group presents ROCE excluding the impact of IFRS 16 ('ROCE excl. IFRS 16') as well as ROCE including the impact of IFRS 16 ('ROCE incl. IFRS 16'). Total capital employed (excl. IFRS 16) represents total equity adjusted for net debt/cash (including lease creditors), goodwill and intangibles written off, right-of-use leased assets, acquisition related liabilities and equity accounted investments whilst total capital employed (incl. IFRS 16) includes right-of-use leased assets.

Similarly, adjusted operating profit is presented both excluding and including the impact of IFRS 16. 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.

ROCE (excl. IFRS 16)

Calculation	**2024 £'000**	2023 £'000
Total equity	**3,183,032**	3,058,310
Net debt (including lease creditors)	**1,147,081**	1,113,881
Goodwill and intangibles written-off	**772,034**	657,959
Right-of-use leased assets	**(349,925)**	(336,221)
Equity accounted investments	**(32,825)**	(47,789)
Acquisition related liabilities (current and non-current)	**141,777**	127,393
Total capital employed (excl. IFRS 16)	**4,861,174**	4,573,533
Average total capital employed (excl. IFRS 16)	**4,717,354**	4,294,686
Adjusted operating profit	**682,780**	655,662
Less: impact of IFRS 16 on operating profit	**(6,970)**	(6,041)
Adjusted operating profit	**675,810**	649,621
Return on capital employed (excl. IFRS 16)	**14.3%**	15.1%

SUPPLEMENTARY FINANCIAL INFORMATION

For the year ended 31 March 2024

Alternative Performance Measures (continued)

ROCE (incl. IFRS 16)

Calculation	2024 £'000	2023 £'000
Total capital employed	**4,861,174**	4,573,533
Right-of-use leased assets	**349,925**	336,221
Total capital employed (incl. IFRS 16)	**5,211,099**	4,909,754
Average total capital employed (incl. IFRS 16)	**5,060,427**	4,626,572
Adjusted operating profit	**682,780**	655,662
Return on capital employed (incl. IFRS 16)	**13.5%**	14.2%

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 year.

Calculation	2024 £'000	2023 £'000
Net cash outflow on acquisitions during the year	**288,155**	318,486
Cash outflow on acquisitions which were committed to in the previous year	**(16,651)**	(26,059)
Acquisition related liabilities arising on acquisitions during the year	**82,809**	46,654
Acquisition related liabilities which were committed to in the previous year	**(8,549)**	(431)
Amounts committed in the current year	**143,803**	23,060
Committed acquisition expenditure	**489,567**	361,710

SUPPLEMENTARY FINANCIAL INFORMATION

For the year ended 31 March 2024

Alternative Performance Measures (continued)

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 government grants).

Calculation	**2024 £'000**	2023 £'000
Inventories	**1,072,061**	1,192,803
Trade and other receivables	**2,172,422**	2,312,269
Less: interest receivable	**(1,391)**	(558)
Trade and other payables	**(3,054,108)**	(3,279,898)
Less: interest payable	**21,369**	25,231
Less: amounts due in respect of property, plant and equipment	**17,574**	24,492
Less: government grants	**36**	31
Net working capital	**227,963**	274,370

Working capital (days)

Definition

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

Calculation	**2024 £'000**	2023 £'000
Net working capital	**227,963**	274,370
March revenue	**1,767,388**	2,068,648
Working capital (days)	**4.0 days**	4.1 days