

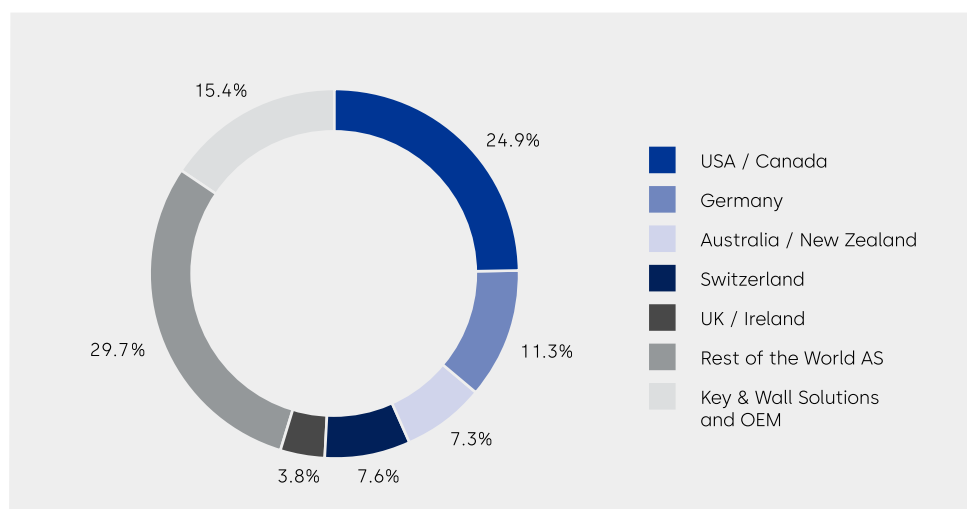
Consolidated financial statements

Key figures

CHF million, except where indicated	Reporting half-year ended 31.12.2023	%	Reporting half-year ended 31.12.2022 (restated) ¹	%
Net sales	1,376.5		1,419.8	
Change in sales	-43.3	-3.0	70.2	5.2
Of which translation exchange difference	-95.2	-6.7	-33.9	-2.5
Of which acquisition impact	0.0	0.0	29.1	2.2
Of which divestment impact	0.0	0.0	-27.6	-2.1
Of which organic sales growth	51.9	3.9	102.6	8.0
Adjusted EBITDA (Adjusted operating profit before depreciation and amortization)	200.7	14.6	184.6	13.0
Adjusted EBIT (Adjusted operating profit)	165.3	12.0	146.4	10.3
Profit before taxes	76.2	5.5	84.1	5.9
Net profit	48.5	3.5	54.3	3.8
Other key figures				
ROCE (Return on capital employed)	27.5%		23.3%	
Total assets	1,854.4		2,040.3	
Net debt	586.5		736.7	
Market capitalization	1,902.0		1,417.5	
Average number of full-time equivalent employees	15,272		15,585	

¹ Details on the restatement are disclosed in the notes to the consolidated financial statements in chapter changes in accounting principles and restatement of previous period.

Net sales per geographical markets/ business units



Consolidated income statement

CHF million, except share amounts	Reporting half-year ended 31.12.2023		Reporting half-year ended 31.12.2022 (restated) ¹	
		%		%
Net sales	1,376.5	100.0	1,419.8	100.0
Cost of goods sold	-815.8	-59.3	-860.4	-60.6
Gross margin	560.7	40.7	559.4	39.4
Sales and marketing	-256.4	-18.7	-240.3	-16.9
General administration	-128.6	-9.3	-123.7	-8.7
Research and development	-69.3	-5.0	-66.4	-4.7
Other operating income	9.0	0.7	4.8	0.3
Other operating expenses	-27.4	-2.0	-32.0	-2.3
Operating profit (EBIT)	88.0	6.4	101.8	7.1
Result from associates	11.5	0.8	-0.3	0.0
Financial expenses	-24.5	-1.8	-18.0	-1.2
Financial income	1.2	0.1	0.6	0.0
Profit before taxes	76.2	5.5	84.1	5.9
Income taxes	-27.7	-2.0	-29.8	-2.1
Net profit	48.5	3.5	54.3	3.8
Net profit attributable to minority interests	23.6		26.0	
Net profit attributable to the owners of the parent	24.9		28.3	
Basic earnings per share in CHF	5.9		6.8	
Diluted earnings per share in CHF	5.9		6.7	

¹ Details on the restatement are disclosed in the notes to the consolidated financial statements in chapter changes in accounting principles and restatement of previous period.

Consolidated balance sheet

Assets

CHF million	Reporting half-year ended 31.12.2023		Financial year ended 30.06.2023		Reporting half-year ended 31.12.2022 (restated) ¹	
		%		%		%
Current assets						
Cash and cash equivalents	114.4	6.2	122.1	6.3	120.3	5.9
Trade receivables	425.8	23.0	461.2	23.7	468.7	23.0
Inventories	488.1	26.3	487.7	25.1	544.4	26.6
Current income tax assets	13.6	0.7	11.4	0.5	10.3	0.5
Other current assets	75.9	4.1	68.3	3.5	81.5	4.0
Total current assets	1,117.8	60.3	1,150.7	59.1	1,225.2	60.0
Non-current assets						
Property, plant, and equipment	380.3	20.5	398.1	20.5	396.1	19.4
Intangible assets	175.8	9.5	209.9	10.8	231.9	11.4
Investments in associates	0.0	0.0	0.9	0.0	0.0	0.0
Non-current financial assets	41.0	2.2	43.9	2.3	46.0	2.3
Deferred income tax assets	139.5	7.5	143.0	7.3	141.1	6.9
Total non-current assets	736.6	39.7	795.8	40.9	815.1	40.0
Total assets	1,854.4	100.0	1,946.5	100.0	2,040.3	100.0

¹ Details on the restatement are disclosed in the notes to the consolidated financial statements in chapter changes in accounting principles and restatement of previous period.

Liabilities and equity

CHF million	Reporting half-year ended 31.12.2023		Financial year ended 30.06.2023		Reporting half-year ended 31.12.2022 (restated) ¹	
		%		%		%
Current liabilities						
Current borrowings	101.7	5.5	119.1	6.1	256.3	12.7
Trade payables	162.0	8.7	163.5	8.4	183.9	9.0
Current income tax liabilities	38.9	2.1	35.0	1.8	37.7	1.8
Accrued and other current liabilities	349.9	18.9	390.6	20.1	355.4	17.4
Provisions	39.4	2.1	18.3	0.9	21.0	1.0
Total current liabilities	691.9	37.3	726.5	37.3	854.3	41.9
Non-current liabilities						
Accrued pension and other employee benefits	244.8	13.2	254.5	13.1	253.8	12.4
Deferred income tax liabilities	31.7	1.7	31.0	1.6	24.1	1.2
Non-current liabilities	599.2	32.3	599.9	30.8	600.7	29.4
Total non-current liabilities	875.7	47.2	885.4	45.5	878.6	43.0
Total liabilities	1,567.6	84.5	1,611.9	82.8	1,732.9	84.9
Equity						
Share capital	0.4	0.0	0.4	0.0	0.4	0.0
Additional paid-in capital	811.3	43.8	811.3	41.8	811.3	39.8
Retained earnings	-499.3	-26.9	-484.6	-24.9	-502.7	-24.6
Treasury shares	-6.9	-0.4	-9.1	-0.5	-9.3	-0.5
Translation exchange differences	-79.2	-4.3	-67.3	-3.5	-63.0	-3.0
Total equity owners of the parent	226.3	12.2	250.7	12.9	236.7	11.7
Minority interests	60.5	3.3	83.9	4.3	70.7	3.4
Total equity	286.8	15.5	334.6	17.2	307.4	15.1
Total liabilities and equity	1,854.4	100.0	1,946.5	100.0	2,040.3	100.0

¹ Details on the restatement are disclosed in the notes to the consolidated financial statements in chapter changes in accounting principles and restatement of previous period.

Consolidated cash flow statement

CHF million	Reporting half-year ended 31.12.2023	Reporting half-year ended 31.12.2022 (restated) ¹
Net profit	48.5	54.3
Depreciation and amortization	66.1	68.8
Income tax expenses	27.7	29.8
Interest expenses	19.4	18.6
Interest income	-1.1	-0.5
(Gain) Loss on disposal of fixed assets, net	-4.4	0.1
Adjustment for other non-cash items	-8.7	4.8
Change in trade receivables	13.2	-2.7
Change in inventories	-25.0	-28.4
Change in other current assets	-3.7	-7.7
Change in trade payables	5.9	11.2
Change in accrued pension and other employee benefits	1.9	3.4
Change in accrued and other current liabilities	6.2	-14.1
Cash generated from operations	146.0	137.6
Income taxes paid	-31.2	-16.8
Interest paid	-26.1	-17.4
Interest received	1.1	0.5
Net cash from operating activities	89.8	103.9
Cash flows from investing activities		
Additions of property, plant, and equipment	-27.7	-25.2
Proceeds from sale of property, plant, and equipment	8.6	0.8
Additions of intangible assets	-15.7	-14.2
Change in non-current financial assets	0.7	-2.4
Acquisition of subsidiaries, net of cash acquired	-4.2	-12.8
Sale of subsidiaries, net of cash sold	0.2	0.0
Sale of investment in associates and joint ventures	12.1	0.0
Net cash used in investing activities	-26.0	-53.8
Free cash flow	63.8	50.1
Cash flows from financing activities		
New bonds issued	0.0	274.2
Other proceeds from (repayment of) current borrowings, net	-1.8	-218.0
Proceeds from (repayment of) non-current borrowings, net	-5.4	-1.7
Change in other non-current liabilities	-0.1	-0.3
Dividends paid to company's shareholders	-39.8	-48.1
Dividends paid to minority shareholders	-33.1	-43.1
Net cash flows from financing activities	-80.2	-37.0
Translation exchange differences	8.7	2.7
Net increase (decrease) in cash and cash equivalents	-7.7	15.8
Cash and cash equivalents at beginning of period	122.1	104.5
Cash and cash equivalents at end of period	114.4	120.3
Net increase (decrease) in cash and cash equivalents	-7.7	15.8

¹ Details on the restatement are disclosed in the notes to the consolidated financial statements in chapter changes in accounting principles and restatement of previous period.

Consolidated statement of changes in equity

CHF million	Share capital	Additional paid-in capital	Retained earnings	Goodwill offset in equity	Treasury shares	Cumul. translation adjustm.	Minority interests	Total equity
Balance at 31.12.2023	0.4	811.3	-499.3	0.0	-6.9	-79.2	60.5	286.8
Net profit for the reporting period			24.9				23.6	48.5
Currency translation adjustments						-11.9	-14.1	-26.0
Dividend paid			-39.8				-33.1	-72.9
Shares awarded (share-based compensation)			0.2		2.2		0.2	2.6
Balance at 01.07.2023	0.4	811.3	-484.6	0.0	-9.1	-67.3	83.9	334.6
Balance at 31.12.2022 (restated)¹	0.4	811.3	-502.7	0.0	-9.3	-63.0	70.7	307.4
Net profit for the reporting period			28.3				26.0	54.3
Currency translation adjustments						-9.4	-11.4	-20.8
Dividend paid			-48.1				-43.1	-91.2
Shares awarded (share-based compensation)			-1.1		6.7		-1.1	4.5
Balance at 01.07.2022 (restated)¹	0.4	811.3	-481.8	0.0	-16.0	-53.6	100.3	360.6
Effect of changes in accounting policies (restatement)	0.0	0.0	-1,811.6	1,925.8	0.0	-27.7	78.2	164.7
Balance at 01.07.2022 (before restatement)	0.4	811.3	1,329.8	-1,925.8	-16.0	-25.9	22.1	195.9

¹ Details on the restatement are disclosed in the notes to the consolidated financial statements in chapter changes in accounting principles and restatement of previous period.

Notes to the consolidated financial statements

Basis of preparation

The consolidated financial statements of dormakaba Group ("dormakaba") include the operations of dormakaba Holding AG and all direct and indirect subsidiaries in which dormakaba controls more than 50% of votes or otherwise has the power to govern the financial and operating policies. Investments in associates where dormakaba exercises significant influence, but does not have control (normally with an interest between 20% and 50%), and in joint ventures are considered for using the equity method of accounting.

The unaudited consolidated half-year financial statements cover the period from 1 July 2023 until 31 December 2023 and are prepared in accordance with the rules of the Swiss GAAP FER 31 ("Complementary Recommendation for Listed Public Companies") relating to interim financial reporting (Generally Accepted Accounting Principles/ FER = Fachempfehlungen zur Rechnungslegung). The accounting policies have been applied consistently by Group companies with the exception of the goodwill accounting policy choice. Please refer to chapter changes in accounting principles and restatement of previous period.

The consolidated half-year report should be read in conjunction with the consolidated financial statements compiled for the financial year ended 30 June 2023, as it represents an update of the last complete financial statements and therefore does not contain all information and disclosures required in year-end consolidated financial statements. The consolidated financial statements are prepared in accordance with Swiss GAAP FER and comply with the provisions of the listing rules of the SIX Swiss Stock Exchange as well as the Swiss company law.

The operational performance and the market development are described in the chapter [business performance](#) and should be read in conjunction with this consolidated half-year report.

Income tax expense is recognized based upon the best estimate of the weighted average annual income tax rate expected for the full financial year. The preparation of the consolidated half-year financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and disclosure of contingent liabilities at the date of the consolidated half-year financial statements. If in future such estimates and assumptions, which are based on management's best judgment at the date of the consolidated half-year financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the reporting period in which the circumstances change.

dormakaba treats transactions with minority interests that do not result in a loss of control as transactions with equity owners of dormakaba. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and minority interests to reflect their relative interests in the subsidiary.

Changes in accounting principles and restatement of previous period

The Board assessed the implication of the revised standard of Swiss GAAP FER 30 ("Consolidated financial statements") and decided to change the standard's accounting policy choice regarding goodwill accounting to increase transparency and improve comparability regarding acquired businesses.

Previously, goodwill was offset in equity at the date of the acquisition. As a result, amortizations and impairments of goodwill did not affect the income statement; they were disclosed in the notes to the consolidated financial statements, while only the sale or discontinuation of the respective business activities led to a recycling through the income statement.

Making use of the accounting policy choice provided in Swiss GAAP FER 30 – Consolidated financial statements – goodwill is capitalized and amortized in the income statement to better reflect the economic reality. Since this is a change to the former accounting principles, the prior period has been restated accordingly.

The financial impact of this change in accounting policy choices within the requirements of Swiss GAAP FER is disclosed in chapter [restatement of previous year financial information](#).

Segment reporting

	Reporting half-year ended 31.12.2023	Reporting half-year ended 31.12.2022	Reporting half-year ended 31.12.2023	Reporting half-year ended 31.12.2022	Reporting half-year ended 31.12.2023	Reporting half-year ended 31.12.2022
CHF million	Access Solutions		Key & Wall Solutions and OEM		Corporate	
Net sales third parties	1,164.1	1,195.9	212.4	223.9	0.0	0.0
Intercompany sales	3.0	2.6	21.7	28.2	0.0	0.0
Total sales	1,167.1	1,198.5	234.1	252.1	0.0	0.0
Adjusted EBIT (Adjusted operating profit)	149.0	132.4	38.0	35.0	-21.7	-21.0
as % of sales	12.8%	11.0%	16.2%	13.9%	0.0%	0.0%
Adjusted depreciation and amortization	28.1	30.5	6.1	6.8	1.2	0.9
Adjusted EBITDA (Adjusted operating profit before depreciation and amortization)	177.1	162.9	44.1	41.8	-20.5	-20.1
as % of sales	15.2%	13.6%	18.8%	16.6%	0.0%	0.0%
Net working capital	602.0	663.0	84.8	100.2	-15.2	-21.1
Capital Expenditure	29.5	24.5	4.7	4.5	9.2	10.4
Average number of full time equivalent employees	11,636	11,785	3,170	3,306	466	494

	Eliminations		Group			
Net sales third parties			0.0	0.0	1,376.5	1,419.8
Intercompany sales			-24.7	-30.8	0.0	0.0
Total sales			-24.7	-30.8	1,376.5	1,419.8
Adjusted EBIT (Adjusted operating profit)			0.0	0.0	165.3	146.4
as % of sales			0.0%	0.0%	12.0%	10.3%
Adjusted depreciation and amortization			0.0	0.0	35.4	38.2
Adjusted EBITDA (Adjusted operating profit before depreciation and amortization)			0.0	0.0	200.7	184.6
as % of sales			0.0%	0.0%	14.6%	13.0%
Net working capital			0.0	0.0	671.6	742.1
Capital Expenditure			0.0	0.0	43.4	39.4
Average number of full time equivalent employees			-	-	15,272	15,585

CHF million	Reporting half-year ended 31.12.2023	Reporting half-year ended 31.12.2022
Net sales third parties per geographical markets/business units		
USA/Canada	343.4	358.3
Germany	154.9	147.0
Australia/New Zealand	100.1	109.9
Switzerland	104.5	103.3
UK/Ireland	52.6	56.0
Rest of the World Access Solutions	408.6	421.4
Total Access Solutions	1,164.1	1,195.9
Key & Wall Solutions and OEM	212.4	223.9
Group	1,376.5	1,419.8

Reconciliation of operational figures to the consolidated financial statement

CHF million	Reporting half-year 31.12.2023			Reporting half-year 31.12.2022 (restated ²)		
	Adjusted	IAC ¹	Unadjusted	Adjusted	IAC ¹	Unadjusted
Operating profit before depreciation and amortization (EBITDA)	200.7	-46.6	154.1	184.6	-14.0	170.6
Depreciation and amortization	-35.4	-30.7	-66.1	-38.2	-30.6	-68.8
Operating profit (EBIT)	165.3	-77.3	88.0	146.4	-44.6	101.8

¹ Content of items affecting comparability (IAC) is described in the note alternative performance measures (APM).

² Details on the restatement are disclosed in chapter changes in accounting principles and restatement of previous period.

Business acquisitions and divestments

Business acquisitions

The following table summarizes all considerations paid for businesses, as well as the assets and liabilities acquired and recognized at fair value as at the acquisition date in the first half-year 2023/24 and for the full financial year 2022/23 in comparison.

CHF million	Reporting half-year ended 31.12.2023	Financial year ended 30.06.2023
	Total	Total
Total consideration	-0.1	8.9
Cash paid	4.2	8.7
Deferred payment	-4.3	0.0
Acquisition-related costs	0.0	0.2
Identifiable assets and liabilities	0.0	0.8
Cash and cash equivalents	0.0	1.1
Trade receivables	0.0	0.7
Property, plant, and equipment	0.0	0.1
Trade payables	0.0	-0.3
Accrued and other current liabilities	0.0	-0.8
Goodwill	-0.1	8.1

In the period reported, no acquisitions were made. The cash payment relates to earn-out payments from acquisitions of previous years.

In the previous year, dormakaba acquired Alldoorco based in Nijkerk (NL) as per 1 August 2022. Alldoorco contributed CHF 2.7 million to the net sales in the half year ended 31 December 2022 and generated net sales of CHF 0.5 million from 1 July 2022 until the acquisition date.

Business divestments

In the period reported and in the previous year, no material divestments were made.

Restatement of previous year financial information

The following tables bridge the previous year's disclosed consolidated income statement and consolidated balance sheet, showing the impact of the change in goodwill accounting policy choice.

CHF million	Reporting half-year ended 31.12.2022 (restated)	Goodwill accounting restatement	Reporting half-year ended 31.12.2022
Net sales	1,419.8	0.0	1,419.8
Cost of goods sold	-860.4	0.0	-860.4
Gross margin	559.4	0.0	559.4
Sales and marketing	-240.3	0.0	-240.3
General administration	-123.7	0.0	-123.7
Research and development	-66.4	0.0	-66.4
Other operating income ¹	4.8	0.0	4.8
Other operating expenses ¹	-32.0	30.6	-1.4
Operating profit (EBIT)	101.8	30.6	132.4
Result from associates	-0.3	0.0	-0.3
Financial expenses	-18.0	0.0	-18.0
Financial income	0.6	0.0	0.6
Ordinary result	0.0	0.0	0.0
Extraordinary result	0.0	0.0	0.0
Profit before taxes	84.1	30.6	114.7
Income taxes	-29.8	0.0	-29.8
Net profit	54.3	30.6	84.9
Net profit attributable to minority interests	26.0	14.6	40.6
Net profit attributable to the owners of the parent	28.3	16.0	44.3
Basic earnings per share in CHF	6.8	3.8	10.6
Diluted earnings per share in CHF	6.7	3.8	10.5
Adjusted EBITDA (Adjusted operating profit before depreciation and amortization)	184.6	0.0	184.6

¹ Other operating income, net and result from sale of subsidiaries were allocated to other operating income and expenses.

CHF million	Reporting half-year ended 31.12.2022 (restated)	Goodwill accounting restatement	Reporting half-year ended 31.12.2022
Intangible assets	231.9	-142.4	89.5
Investments in associates	0.0	5.4	5.4
Shareholders' equity incl. minority interests	307.4	-137.0	170.4

Alternative performance measures (APM)

Some of the key figures used by dormakaba to measure the financial performance are not defined by Swiss GAAP FER. The comparability of these figures with those of other companies might be limited. Explanations and reconciliations of these APMs are disclosed below.

EBITDA and EBIT adjusted by items affecting comparability (IAC)

Earnings before interest, taxes, depreciation, and amortization (EBITDA) corresponds to the operating result (EBIT) before depreciation and amortization. By adjusting EBITDA and EBIT for items affecting comparability (IAC), transparency is further increased and the comparability of the Group's operational performance on a period-to-period basis is improved.

CHF million, percentages of net sales	Reporting half-year ended 31.12.2023		Reporting half-year ended 31.12.2022 (restated) ¹	
		%		%
Adjusted EBITDA (Adjusted operating profit before depreciation and amortization)	200.7	14.6	184.6	13.0
Items affecting comparability (IAC) - EBITDA	-46.6	-3.4	-14.0	-1.0
EBITDA (Operating profit before depreciation and amortization)	154.1	11.2	170.6	12.0
Adjusted EBIT (Adjusted operating profit)	165.3	12.0	146.4	10.3
Items affecting comparability (IAC) - EBIT	-77.3	-5.6	-44.6	-3.2
EBIT (Operating profit)	88.0	6.4	101.8	7.1

¹ Details on the restatement are disclosed in chapter changes in accounting principles and restatement of previous period.

IACs are defined as significant costs and income that, because of their exceptional nature, cannot be viewed as inherent to the Group's underlying performance. The content of these items excluded is summarized in the table below and the reconciliation with EBIT defined by Swiss GAAP FER is disclosed in [segment reporting](#):

CHF million	Reporting half-year ended 31.12.2023	Reporting half-year ended 31.12.2022 (restated) ¹
Items affecting comparability (IAC) - EBITDA	46.6	14.0
Reorganization and restructuring expenses	50.9	14.0
(Gain) Loss on divestment of businesses	-0.4	0.0
Other exceptional items	-3.9	0.0
Items affecting comparability (IAC) - EBIT	77.3	44.6
Depreciation and amortization ²	30.7	30.6
Items affecting comparability (IAC) - EBITDA	46.6	14.0

¹ Details on the restatement are disclosed in chapter changes in accounting principles and restatement of previous period.

² In 2023/24: CHF 25.0 million relates to amortization of goodwill (previous year: CHF 30.6 million) and is included in other operating expenses.

Reorganization and restructuring comprise transformation expenses in relation to dormakaba's Shape4Growth strategy, which aims to further consolidate the global production footprint, to reduce the supplier base, to improve sourcing capabilities, to re-focus Product Development through a single global roadmap and to optimize its General & Administrative functions by leveraging shared service centers for Human Resources and Finance. Strategic IT harmonization projects to support the transformation and which are closely related to the execution of the Shape4Growth transformation, such as ERP harmonization and accelerated IT infrastructure optimization, including state-of-the-art business continuity management across applications and processes, are also included.

Other exceptional items comprise revaluation gains or losses, significant gains on sale of property, plant, and equipment, as well as other significant items that cannot be viewed as inherent to the Group's underlying performance.

Amortization mainly relates to amortized goodwill, which is treated as IAC to increase comparability with historical EBIT and with other financial statements that apply accounting policies which do not result in goodwill amortization.

Capital expenditure

Capital expenditure (Capex) consists of the additions in property, plant, and equipment and the additions of intangible assets excluding goodwill.

CHF million	Reporting half-year ended 31.12.2023	Reporting half-year ended 31.12.2022
Capital expenditure	43.4	39.4
Additions of property, plant, and equipment	27.7	25.2
Additions of intangible assets	15.7	14.2

Free cash flow and free cash flow before acquisitions/divestments

Free cash flow consists of cash flow from operating activities together with cash flow from investing activities. Free cash flow before acquisitions/divestments excludes the cash effective movements arising from acquisitions/divestments.

CHF million	Reporting half-year ended 31.12.2023	Reporting half-year ended 31.12.2022
Free cash flow before acquisitions/divestments	55.7	62.9
Acquisition of subsidiaries, net of cash acquired	-4.2	-12.8
Sale of subsidiaries, net of cash sold	0.2	0.0
Sale of investment in associates and joint ventures	12.1	0.0
Free cash flow	63.8	50.1
Net cash from operating activities	89.8	103.9
Net cash used in investing activities	-26.0	-53.8

Net debt

Net debt describes the current borrowings and non-current liabilities minus cash and cash equivalents.

CHF million	Reporting half-year ended 31.12.2023	Reporting half-year ended 31.12.2022
Net debt	586.5	736.7
Current borrowings	101.7	256.3
Non-current liabilities	599.2	600.7
Cash and cash equivalents	-114.4	-120.3

Net working capital

Net working capital is used by the Group to measure the efficiency of the segment in managing financial resources and complements the Group's performance management. dormakaba defines net working capital as trade receivables plus inventories, minus the sum of trade payables, advances from customers, and deferred income.

CHF million	Reporting half-year ended 31.12.2023	Reporting half-year ended 31.12.2022
Net working capital	671.6	742.1
Trade receivables	425.8	468.7
Inventories	488.1	544.4
Trade payables	-162.0	-183.9
Advances from customers	-49.9	-54.5
Deferred income	-30.4	-32.6

Operating cash flow margin

Operating cash flow margin is calculated as the ratio of net cash from operating activities to net sales.

CHF million	Reporting half-year ended 31.12.2023	Reporting half-year ended 31.12.2022
Operating cash flow margin	6.5%	7.3%
Net sales	1,376.5	1,419.8
Net cash from operating activities	89.8	103.9

Organic sales growth

Organic growth in sales is calculated by adjusting the current year's sales for acquisition impact and comparing it to the previous year's sales adjusted for currency translations and divestment impact.

The relative changes resulting from translation exchange differences and impacts from divestment are calculated based on the total sales for the previous period. The relative changes resulting from acquisition and organic sales growth are calculated based on the total sales for the previous year, adjusted for the effects of translation exchange differences and impacts from divestment.

CHF million, except where indicated	Reporting half-year ended 31.12.2023	%	Reporting half-year ended 31.12.2022	%
Net sales	1,376.5		1,419.8	
Change in sales	-43.3	-3.0	70.2	5.2
Of which translation exchange difference	-95.2	-6.7	-33.9	-2.5
Of which acquisition impact	0.0	0.0	29.1	2.2
Of which divestment impact	0.0	0.0	-27.6	-2.1
Of which organic sales growth	51.9	3.9	102.6	8.0

Return on capital employed (ROCE)

EBIT divided by capital employed (CE) results in ROCE. dormakaba bases the calculation on a 12-month rolling EBIT, adjusted for items affecting comparability (IAC). CE equals the sum of net working capital, property, plant, and equipment, and intangible assets excluding goodwill. For the calculation, the average of the last three published balance sheet information is considered (31 December 2023, 30 June 2023, and 31 December 2022). For the previous year comparison, the same principles were applied.

CHF million	Reporting half-year ended 31.12.2023	Reporting half-year ended 31.12.2022
ROCE (Return on capital employed)	27.5%	23.3%
Adjusted EBIT	326.4	285.0
Adjusted EBIT current half-year	165.3	146.5
Adjusted EBIT second half-year previous year	161.1	138.5
Average CE (Capital employed)	1,188.6	1,221.7
Average net working capital	391.4	726.2
Average property, plant, and equipment	702.6	407.7
Average intangible assets (excluding goodwill)	94.6	87.8