

Alternative performance metrics



Alternative performance metrics	Definition and terms	Reconciliation of values		Relevance of use
		30 September 2022	30 September 2021	
EBITDA	Operating profit = Net sales (2) - Procurements (2) + Other operating income (2) - Personnel expenses (2) - Other operating expenses (2) + Results from the sale of fixed assets (2) + Allocation of grants relating to fixed assets and others (2)	Euros 3,502 million	Euros 2,560 million	Measure of earnings before interest, taxes, depreciation and amortization and provisions
Investments (CAPEX)	Investments in intangible assets (4) + Investments in property, plant & equipment (4)	Euros 1,119 million = 211 + 909	Euros 890 million = 168 + 722	Realized investments in property, plant & equipment and intangible assets
Net Investments (net CAPEX)	CAPEX (5) - Other proceeds/(payments) of investments activities (3)	Euros 1,068 million = 1,119 - 51	Euros 850 million = 890 - 40	Investments (CAPEX) net of other cash received from investment activities (cessions and contributions)
Gross financial debt ⁽⁷⁾	"Non-current financial liabilities" (1) + "Current financial liabilities" (1)	Euros 16,741 million = 14,595 + 2,146	Euros 16,812 million = 15,114 + 1,698	Current and non-current financial debt
Net financial debt ⁽⁷⁾	Gross financial debt (5) - "Cash and cash equivalents" (1) - "Derivative financial assets associated with debt" (4)	Euros 10,252 million = 16,741 - 6,244 - 245	Euros 12,831 million = 16,812 - 3,965 - 16	Current and non-current financial debt less cash and cash equivalents and derivative financial assets
Leverage (%) ⁽⁷⁾	Net financial debt (5) / (Net financial debt (5) + "Net equity" (1))	61.4% = 10,252 / (10,252 + 6,433)	59.1% = 12,831 / (12,831 + 8,873)	The ratio of external funds over total funds
Cost of net financial debt	Cost of financial debt (4) - "Interest revenue" (4)	Euros 379 million = 411 - 32	Euros 491 million = 510 - 19	Amount of expense relative to the cost of financial debt less interest revenue
EBITDA/Cost of net financial debt	EBITDA (5) / Cost of net financial debt (5)	9.2x = 3,502 / 379	7.2x = 3,529 / 491	Ratio between EBITDA and cost of net financial debt
Net financial debt/EBITDA ⁽⁷⁾	Net financial debt (5) / Last twelve months EBITDA (5)	2.3x = 10,252 / 4,471	3.6x = 12,831 / 3,529	Ratio between net financial debt and EBITDA
Average cost of financial gross debt ⁽⁷⁾	Annualized financial expenses of the operations included in gross financial debt, except for those corresponding to IFRS16 debt and other refinancing expenses / weighted monthly average of the gross financial debt (including financial liabilities derivatives instruments and excluding IFRS16 debt)	2.9% = (411 - 65 - 21) * (365 / 270) / 15,131	2.5% = (510 - 92 - 29) / 15,751	Indicator of financing cost in interest rate
Liquidity ⁽⁷⁾	Cash and cash equivalents (1) + Undrawn committed credit lines (4)	Euros 11,782 million = 6,244 + 5,538	Euros 9,424 million = 3,965 + 5,459	Indicator of liquid resources available to meet any payment
Economic value distributed	Procurement (2) + Other operating expenses (including Taxes) (2) + Income tax payments (3) + Personnel costs (2) + Own work capitalized (4) + Financial expenses (2) + Dividends paid by parent company to third parties (4) + Expenses from discontinued operations (4)	Euros 25,461 million = 22,284 + 1,005 + 281 + 402 + 51 + 669 + 769 + 0	Euros 14,671 million = 10,376 + 919 + 343 + 830 + 57 + 432 + 894 + 820	Provides a basic indication of the economic value generated by the activity of the Group for all stakeholders

Note:

- (1) Caption of the Consolidated Balance Sheet
- (2) Caption of the Consolidated Profit and Loss Account
- (3) Caption of the Consolidated Cash-Flow Statement
- (4) Magnitude detailed in the Consolidated Annual Statements
- (5) Magnitude detailed in the MAR
- (6) Magnitude detailed in the Management Report
- (7) Comparative information as of 31 December 2021