

Alternative performance metrics



Alternative performance metrics	Definition and terms	Reconciliation of values		Relevance of use
		31 December 2021	31 December 2020	
EBITDA	Operating profit	Euros 3,529 million	Euros 3,449 million	Measure of earnings before interest, taxes, depreciation and amortization and provisions
Ordinary EBITDA	EBITDA - Non-ordinary items	Euros 3,983 million = 3,529 + 454	Euros 3,714 million = 3,449 + 265	EBITDA corrected of impacts like restructuring costs and other non-ordinary items considered relevant for a better understanding of the underlying results of the Group
OPEX	Personnel costs + own work capitalised + other operating expenses (Taxes not included)	Euros 2,171 million = 940 + 77 + 1,315 - 161	Euros 1,682 million = 798 + 77 + 1,180 - 373	Amount registered in the income statement corresponding to operating expenses excluding taxes
Ordinary Net income	Attributable net income of the period - Non-ordinary items	Euros 1,231 million = 1,214 + 17	Euros 872 million = -347 + 1,219	Attributable Net Income corrected of impacts like assets write-down, discontinued operations, restructuring costs and other non-ordinary items considered relevant for a better understanding of the underlying results of the Group
Investments (CAPEX)	Investments in intangible assets + Investments in property, plant & equipment	Euros 1,484 million = 288 + 1,196	Euros 1,279 million = 187 + 1,092	Realized investments in property, plant & equipment and intangible assets
Net Investments (net CAPEX)	CAPEX - Other proceeds/(payments) of investments activities	Euros 1,423 million = 1,484 - 61	Euros 1,228 million = 1,279 - 51	Total investments net of the cash received from divestments and other investing receipts
Gross financial debt	"Non-current financial liabilities" + "Current financial liabilities"	Euros 16,812 million = 15,114 + 1,698	Euros 17,539 million = 14,968 + 2,571	Current and non-current financial debt
Net financial debt	Gross financial debt - "Cash and cash equivalents" - "Derivative financial assets"	Euros 12,831 million = 16,812 - 3,965 - 16	Euros 13,612 million = 17,539 - 3,927 - 0	Current and non-current financial debt less cash and cash equivalents and derivative financial assets
Leverage (%)	Net financial debt / (Net financial debt + "Net equity")	59.1% = 12,831 / (12,831 + 8,873)	54.7% = 13,612 / (13,612 + 11,265)	The ratio of external funds over total funds
Cost of net financial debt	Cost of financial debt - "Interest revenue"	Euros 491 million = 510 - 19	Euros 498 million = 515 - 17	Amount of expense relative to the cost of financial debt less interest revenue
EBITDA/Cost of net financial debt	EBITDA / Cost of net financial debt	7.2x = 3,529 / 491	6.9x = 3,449 / 498	Ratio between EBITDA and cost of net financial debt
Net financial debt/EBITDA	Net financial debt / EBITDA	3.6x = 12,831 / 3,529	3.9x = 13,612 / 3,449	Ratio between net financial debt and EBITDA
Market Cap.	Number of shares (in thousands) outstanding at the end of the period * Price at the end of the period	Euros 27,760 million = 969,614 * Euros 28.63	Euros 18,384 million = 969,614 * Euros 18.96	Total enterprise value based on its market cap
Free Cash Flow after minorities	Free Cash Flow + Dividends and other + Acquisitions of treasury shares + Inorganic investments payments	Euros 2,113 million = 1,149 + 1,278 + 3 - 317	Euros 1,626 million = 79 + 1,359 + 184 + 4	Cash flow generated by the Company available to pay to the shareholders (dividends or treasury shares), the payment of inorganic investments and debt payments
Net Free Cash Flow	Cash flow generated from operating activities + Cash flows from investing activities + Cash flow generated from financing activities - Receipts and payments on financial liability instruments	Euros 1,149 million = 1,001 + 1,896 + 0 - 2,851 + 1,103	Euros 79 million = 3,432 - 1,142 - 190 - 388 - 1,633	Cash flow generated by the Company available to pay the debt