

Alternative performance metrics



Alternative performance metrics	Definition and terms	Reconciliation of values		Relevance of use
		31 March 2022	31 March 2021	
EBITDA	Operating profit	Euros 1,074 million	Euros 982 million	Measure of earnings before interest, taxes, depreciation and amortization and provisions
Ordinary EBITDA	EBITDA - Non-ordinary items	Euros 1,072 million = 1,074 - 2	Euros 1,029 million = 982 + 47	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
Ordinary Net income	Attributable net income of the period - Non-ordinary items	Euros 354 million = 347 + 7	Euros 323 million = 383 - 60	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 259 million = 66 + 193	Euros 196 million = 39 + 157	Realized investments in property, plant & equipment and intangible assets
Net Investments (net CAPEX)	CAPEX - Other proceeds/(payments) of investments activities	Euros 248 million = 259 - 11	Euros 187 million = 196 - 9	Total investments net of the cash received from divestments and other investing receipts
Gross financial debt	"Non-current financial liabilities" + "Current financial liabilities"	Euros 16,738 million = 14,838 + 1,900	Euros 16,812 million <sup>(1)</sup> = 15,114 + 1,698	Current and non-current financial debt
Net financial debt	Gross financial debt - "Cash and cash equivalents" - "Derivative financial assets"	Euros 13,062 million = 16,738 - 3,624 - 52	Euros 12,831 million <sup>(1)</sup> = 16,812 - 3,965 - 16	Current and non-current financial debt less cash and cash equivalents and derivative financial assets
Leverage (%)	Net financial debt / (Net financial debt + "Net equity")	63.5% = 13,062 / (13,062 + 7,499)	59.1% <sup>(1)</sup> = 12,831 / (12,831 + 8,873)	The ratio of external funds over total funds
Cost of net financial debt	Cost of financial debt - "Interest revenue"	Euros 121 million = 128 - 7	Euros 240 million <sup>(1)</sup> = 246 - 6	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	8.9x = 1,074 / 121	7.2x <sup>(1)</sup> = 3,529 / 491	Ratio between EBITDA and cost of net financial debt
Net financial debt/EBITDA	Net financial debt / EBITDA	3.6x = 13,062 / 3,621	3.6x <sup>(1)</sup> = 12,831 / 3,529	Ratio between net financial debt and EBITDA
Free Cash Flow after minorities	Free Cash Flow + Dividends and other + Acquisitions of treasury shares + Inorganic investments payments	Euros 316 million = -171 + 481 + 0 + 6	Euros 535 million = 313 + 605 + 0 - 383	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 -171 million = 748 - 419 - 728 + 228	Euros 313 million = 770 + 153 - 810 + 200	Cash flow generated by the Company available to pay the debt
Average cost of financial gross debt	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)	2,6% = (128 - 21 - 8) * (365/90) / 15,334	2,5% <sup>(1)</sup> = (510 - 92 - 29) / 15,751	Indicator of financing cost in interest rate
Liquidity	Cash and cash equivalents + Undrawn committed credit lines	Euros 9,152 million = 3,624 + 5,528	Euros 9,424 million <sup>(1)</sup> = 3,965 + 5,459	Indicator of liquid resources available to meet any payment
Economic value distributed	Procurement + Other operating expenses (including Taxes) + Income tax payments + Personnel costs + Own work capitalized + Financial expenses + Dividend paid by parent company + Expenses from discontinued operations	Euros 7,892 million = 6,660 + 354 + 98 + 138 + 15 + 146 + 481 + 0	Euros 4,880 million = 3,246 + 337 - 58 + 169 + 17 + 144 + 605 + 420	Provides a basic indication of the economic value generated by the activity of the Group for all stakeholders

Note:  
1. As of 31 December 2021