

## Alternative performance metrics



Alternative performance metrics	Definition and terms	Reconciliation of values		Relevance of use
		31 June 2022	31 June 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 2,047 million	Euros 1,678 million	Measure of earnings before interest, taxes, depreciation and amortization and provisions
Ordinary EBITDA	EBITDA - Non-ordinary items	Euros 2,184 million = 2,047 + 137	Euros 1,959 million = 1,678 + 281	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 to the parent company (2) - Non-ordinary items	Euros 717 million = 557 + 160	Euros 557 million = 484 + 73	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 (4) + Investments in property, plant & equipment (4)	Euros 721 million = 138 + 583	Euros 439 million = 90 + 349	Realized investments in property, plant & equipment and intangible assets
Net Investments (net CAPEX)	CAPEX (5) - Other proceeds/(payments) of investments activities (3)	Euros 684 million = 721 - 37	Euros 413 million = 439 - 26	Investments (CAPEX) net of other cash received from investment activities (cessions and contributions)
Gross financial debt <sup>(7)</sup>	"Non-current financial liabilities" (1) + "Current financial liabilities" (1)	Euros 16,517 million = 14,418 + 2,099	Euros 16,812 million = 15,114 + 1,698	Current and non-current financial debt
Net financial debt <sup>(7)</sup>	Gross financial debt (5) - "Cash and cash equivalents" (1) - "Derivative financial assets associated with debt" (4)	Euros 11,976 million = 16,517 - 4,365 - 176	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 (%) <sup>(7)</sup>	Net financial debt (5) / (Net financial debt (5) + "Net equity" (1))	64.4% = 11,976 / (11,976 + 6,625)	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 248 million = 265 - 17	Euros 240 million = 246 - 6	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)	8.3x = 2,047 / 248	7.2x = 3,529 / 491	Ratio between EBITDA and cost of net financial debt
Net financial debt/EBITDA <sup>(7)</sup>	Net financial debt (5) / Last twelve months EBITDA (5)	3.1x = 11,976 / 3,898	3.6x = 12,831 / 3,529	Ratio between net financial debt and EBITDA
Free Cash Flow after minorities	Net Free Cash Flow (5) + Dividends controlling company to third parties (4) + Acquisitions of treasury shares (4) + Inorganic investments payments (4)	Euros 1,460 million = 964 + 481 - 0 + 15	Euros 663 million = 401 + 605 + 0 - 343	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 (3) + Cash flows from investing activities (3) + Cash flow generated from financing activities (3) - Receipts and payments on financial liability instruments (3)	Euros 964 million = 2,429 - 801 - 1,386 + 722	Euros 401 million = 1,287 - 71 - 1,209 + 394	Cash flow generated by the Company available to pay the debt
Average cost of financial gross debt <sup>(7)</sup>	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)	2.8% = (265-42-13)/ 210 * (360/180) / 15,156	2.5% = (510 - 92 - 29) / 15,751	Indicator of financing cost in interest rate
Liquidity <sup>(7)</sup>	Cash and cash equivalents (1) + Undrawn committed credit lines (4)	Euros 9,898 million = 4,365 + 5,533	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 15,923 million = 13,841 + 716 + 194 + 267 + 33 + 391 + 481 + 0	Euros 9,540 million = 6,331 + 642 + 204 + 570 + 39 + 286 + 605 + 863	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