

Alternative performance metrics



Alternative performance metrics	Definition and terms	Reconciliation of values		Relevance of use
		30 September 2021	30 September 2020	
EBITDA	Operating profit	Euros 2,560 million	Euros 2,592 million	Measure of earnings before interest, taxes, depreciation and amortization and provisions
Ordinary EBITDA	EBITDA - Non-ordinary items	Euros 2,990 million = 2,560 + 430	Euros 2,811 million = 2,592 + 219	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 865 million = 777 + 88	Euros 675 million = 490 + 185	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 890 million = 168 + 722	Euros 827 million = 100 + 727	Realized investments in property, plant & equipment and intangible assets
Net Investments (net CAPEX)	CAPEX - Other proceeds/(payments) of investments activities	Euros 850 million = 890 - 40	Euros 792 million = 827 - 35	Total investments net of the cash received from divestments and other investing receipts
Gross financial debt	"Non-current financial liabilities" + "Current financial liabilities"	Euros 17,642 million = 15,185 + 2,457	Euros 17,539 million ⁽¹⁾ = 14,968 + 2,571	Current and non-current financial debt
Net financial debt	Gross financial debt - "Cash and cash equivalents" - "Derivative financial assets"	Euros 11,428 million = 17,642 - 6,205 - 9	Euros 13,612 million ⁽¹⁾ = 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")	54.4% = 11,428 / (11,428 + 9,564)	54.7% ⁽¹⁾ = 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 366 million = 377 - 11	Euros 372 million = 386 - 14	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	7.0x = 2,560 / 366	6.9x ⁽¹⁾ = 3,449 / 498	Ratio between EBITDA and cost of net financial debt
Net financial debt/LTM EBITDA	Net financial debt / Last twelve months EBITDA	3.3x = 11,428 / 3,417	3.9x ⁽¹⁾ = 13,612 / 3,449	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 3,221 million = 2,672 + 894 + 0 - 345	Euros 1,327 million = 265 + 878 + 184 + 0	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 2,672 million = 1,611 + 2,269 - 1,602 + 394	Euros 265 million = 2,601 - 982 + 402 - 1,756	Cash flow generated by the Company available to pay the debt

Note:
(1) Comparable information as of 31 December 2020