

Alternative performance metrics 1Q21



Alternative performance metrics	Definition and terms	Reconciliation of values		Relevance of use
		31 March 2021	31 March 2020	
EBITDA	Operating profit	Euros 982 million	Euros 894 million	Measure of earnings before interest, taxes, depreciation and amortization and provisions
Ordinary EBITDA	EBITDA - Non-ordinary items	Euros 1,029 million = 982 + 47	Euros 1,050 million = 894 + 156	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 323 million = 383 - 60	Euros 312 million = 199 + 113	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 196 million = 39 + 157	Euros 201 million = 26 + 175	Realized investments in property, plant & equipment and intangible assets
Net Investments (net CAPEX)	CAPEX - Other proceeds/(payments) of investments activities	Euros 187 million = 196 - 9	Euros 190 million = 201 - 11	Total investments net of the cash received from divestments and other investing receipts
Gross financial debt	Non-current financial liabilities + "Current financial liabilities"	Euros 17,639 million = 15,234 + 2,405	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 13,597 million = 17,639 - 4,036 - 6	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")	54.7% = 13,597 / (13,597 + 11,243)	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 120 million = 122 - 2	Euros 123 million = 128 - 5	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	8.2x = 982 / 120	6.9x ⁽¹⁾ = 3,449 / 498	Ratio between EBITDA and net financial debt
Net financial debt/LTM EBITDA	Net financial debt / Last twelve months EBITDA	3.8x = 13,597 / 3,537	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 535 million = 313 + 605 + 0 - 383	Euros 809 million = 54 + 571 + 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 313 million = 770 + 153 - 810 + 200	Euros 54 million = 1,275 - 413 - 690 - 118	Cash flow generated by the Company available to pay the debt

Note:

1. As of 31 December 2020