

Alternative performance metrics
1Q20 results



Alternative performance metrics	Definition and terms	Reconciliation of values		Relevance of use
		31 March 2020	31 March 2019	
Ebitda	Gross operating profit = Net sales – Procurement + Other operating income – Personnel costs – Operating expenses + Own work capitalised – Taxes	944 million euro	1,119 million euro	Measure of operating profitability before interest, taxes, depreciation and amortisation and provisions
Ordinary Ebitda	Ebitda - Non-ordinary items	1,102 million euro = 944 + 158	1,167 million euro = 1,119 + 48	Ebitda corrected of impacts relating to 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	305 million euro = 199 + 106	377 million euro = 341 + 36	Attributable Net Income corrected of impacts relating to 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	201 million euro = 26 + 175	301 million euro = 31 + 270	Realised investments in property, plant & equipment and intangible assets.
Net Investments	CAPEX + Financial investments net from divestments - Other proceeds/(payments) from investment activities	166 million euro = 201 – 24 – 11	289 million euro = 301 – 0 – 12	Total investments net of the cash received from divestments and other investing receipts.
Gross financial debt	"Non-current financial liabilities" + "Current financial liabilities"	17,859 million euro = 15,744 + 2,115	17,987 million euro (1) = 15,701 + 2,286	Current and non-current financial debt
Net financial debt	Gross financial debt - "Cash and cash equivalents" - "Derivative financial assets"	15,010 million euro = 17,859 - 2,813 - 36	15,268 million euro (1) = 17,987 - 2,685 – 34	Current and non-current financial debt less cash and cash equivalents and derivative financial assets
Leverage (%)	Net financial debt / (Net financial debt + "Equity")	53.2% = 15,010 / (15,010 + 13,224)	52.2% (1) = 15,268 / (15,268 + 13,976)	The ratio of external resources over total resources
Cost of net financial debt	"Cost of financial debt" - "Interest revenue"	141 million euro = 147 - 6	156 million euro = 161 - 5	Amount of expense related to the cost of financial debt less interest revenue
Ebitda/Cost of net financial debt	Ebitda / Cost of net financial debt	6.7x = 944 / 141	7.3x (1) = 4,562 / 626	Ratio between Ebitda and net financial debt
Net financial debt/LTM Ebitda	Net financial debt / Last twelve months Ebitda	3.4x = 15,010 / 4,387	3.3x (1) = 15,268 / 4,562	Ratio between net financial debt and Ebitda
Free Cash Flow after minorities	Free Cash Flow + Dividends from the parent company + Acquisitions of treasury shares + Inorganic investments payments	809 million euro = 54 + 571 + 184 + 0	983 million euro = 280 + 560 + 135 + 8	Cash flow generated by the Company available for payment to shareholders (dividends or treasury shares), the payment of inorganic investments and debt payments.
Free Cash Flow	Cash flow from operating activities + Cash flows from investing activities + Cash flow from financing activities - Receipts/payments on financial liability instruments	54 million euro = 1,275 - 413 - 690 - 118	280 million euro = 1,628 – 625 – 493 - 230	Cash flow generated by the Company available for debt payment.

(1) As of 31 December 2019