

**Alternative performance metrics  
FY19 results**



Alternative performance metrics	Definition and terms	Reconciliation of values		Relevance of use
		31 December 2019	31 December 2018	
Ebitda	Operating profit (2)	Euros 4,562 million	Euros 4,019 million	Measure of earnings before interest, taxes, depreciation and amortisation and provisions
Ordinary Ebitda	Ebitda - Non-ordinary items	Euros 4,668 million = Euros 4,562 million + 106	Euros 4,413 million = Euros 4,019 million + 394	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.
OPEX	Personal expenses <sup>(4)</sup> + Own work capitalised <sup>(4)</sup> + Other operating expenses (without Taxes) <sup>(4)</sup> - Concession construction or improvements services (IFRIC 12) that are also registered as an income <sup>(4)</sup>	Euros 2,078 million = 924 + 105 + 1,476 - 360 - 67	Euros 2,436 million = 1,010 + 115 + 1,816 - 437 - 68	Amount registered in the income statement regarding to operating expenses, without considering the ones matched with income of the same amount and Taxes
Ordinary Net income	Attributable net income of the period (2) - Non-ordinary items	Euros 1,432 million = 1,401 + 31	Euros 1,245 million = 2,822 + 4,067	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 1,685 million = 222 + 1,463	Euros 2,321 million = 281 + 2,040	Realised investments in property, plant & equipment and intangible assets.
Net Investments	CAPEX (5) + Financial investments net from divestments (6) - Other proceeds/(payments) of investments activities (6)	Euros 1,303 million = 1,685 - 303 - 79	Euros -284 million = 2,321 - 2,548 - 57	Total investments net of the cash received from divestments and other investing receipts.
Gross financial debt <sup>(7)</sup>	Non-current financial liabilities (1) + "Current financial liabilities" (1)	Euros 17,987 million = 15,701 + 2,286	Euros 17,073 million = 13,352 + 2,079 + 1,642	Current and non-current financial debt
Net financial debt	Gross financial debt (5) - "Cash and cash equivalents" (1) - "Derivative financial assets" (4)	Euros 15,268 million = 17,987 - 2,685 - 34	Euros 15,309 million = 17,073 - 1,716 - 48	Current and non-current financial debt less cash and cash equivalents and derivative financial assets
Leverage (%)	Net financial debt (5) / (Net financial debt (5) + "Net equity" (1))	52.2% = 15,268 / (15,268 + 13,976)	51.2% = 15,309 / (15,309 + 14,595)	The ratio of external funds over total funds
Cost of net financial debt	Cost of financial debt (4) - "Interest revenue" (4)	Euros 626 million = 652 - 26	Euros 583 million = 557 - 19	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)	7.3x = 4,562 / 626	7.5x = 4,019 / 538	Ratio between Ebitda and net financial debt
Net financial debt/LTM Ebitda	Net financial debt (5) / Ebitda in the last four quarters (5)	3.3x = 15,268 / 4,562	3.8x = 15,309 / 4,019	Ratio between net financial debt and Ebitda
Net financial debt/LTM Ordinary Ebitda	Net financial debt (5) / Ordinary Ebitda in the last four quarters (5)	3.3x = 15,268 / 4,668	3.5x = 15,309 / 4,413	Ratio between net financial debt and Ordinary Ebitda
Market capitalisation	Number of shares (in '000) outstanding at the end of period <sup>(6)</sup> * Market price at the end of period <sup>(6)</sup>	Euros 22,044 million = 984,122 * euros 22.40	Euros 22,275 million = 1,000,689 * euros 22.26	Measure of the company's total value based on its share price
Free Cash Flow after minorities	Free Cash Flow (5) + Dividends and other (4) + Acquisitions of treasury shares (4) + Inorganic investments payments (4)	Euros 1,958 million = 238 + 1,307 + 405 + 8	Euros 3,054 million = 1,318 + 1,400 + 309 + 27	Cash flow generated by the Company available to pay to the shareholders (dividends or treasury shares), the payment of inorganic investments and debt payments.
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 238 million = 4,021 - 1,456 - 1,599 - 728	Euros 1,318 million = 2,881 - 617 - 3,759 + 2,813	Cash flow generated by the Company available to pay the debt.

(1) Consolidated balance sheet line item

(2) Consolidated income statement line item

(3) Consolidated statement of cash flows line item

(4) Figure detailed in the notes to the consolidated financial statements

(5) Figure detailed in the Alternative Performance Metrics (APM).

(6) Figure detailed in the Directors' Report

(7) As of 31/12/2018, proforma including the first impact from the application of NIIF16 (Euros 1,643 million)