

Alternative performance metrics



		Reconciliation of values		
Alternative performance metrics	Definition and terms	31 December 2024	31 December 2023	Relevance of use
EBITDA	EBITDA = Net sales (2) – Procurements (2) + Other operating income (2) – Personnel expenses, net (2) – Other operating expenses (2) + Gain/(loss) on disposals of fixed assets (2) + Release of fixed asset grants to income and other (2)	Euros 5,365 million	Euros 5,475 million	EBITDA ("Earnings Before Interest, Taxes, Depreciation and Amortization") measures the Group's operating profit before deducting interests, taxes, depreciations and amortizations. By dispensing with the financial, tax and accounting expenses magnitudes that do not entail a cash outflow, it allows evaluating the comparability of the results over time. It is an indicator widely used in the markets to compare the results of different companies.
Operating Expenses (OPEX)	Personnel expenses, net (2) + Own work capitalised (4) (Note 25) + Other operating expenses (2) – Taxes (4) (Note 26)	Euros 2,028 million = 643 + 80 + 2,001 - 696	Euros 1,929 million = 580 + 79 + 1,780 - 510	Measure of the expenses incurred by the Group to carry out its business activities, without considering taxes. Amount allowing comparability with other companies.
Capital expenditure (CAPEX)	Investment in intangible assets (4) (Note 5) + Investment in property, plant and equipment (4) (Note 6) + Investment payments (growth companies, associated and business units) (3)	Euros 2,280 million = 340 + 1,925 + 15	Restatement of 31 december 2023: Euros 2,747 million = 327 + 1,809 + 611 Restatement of 30 June 2024: Euros 947 million = 137 + 800 + 10	Measure of the investment effort of each period in assets of the different businesses, including accrued and unpaid investments. It allows to know the allocation of its resources and facilitate the comparison of the investment effort between periods. It is made up both of maintenance and growth investments (funds invested in the development or for the expansion of the Group's activities).
Net capital expenditure (Net CAPEX) (6)	CAPEX (5) - Other proceeds from investing activities (3)	Euros 1,966 million = 2,280 - 314	Restatement of 31 december 2023: Euros 2,671 million = 2,747 - 76 Restatement of 30 June 2024: Euros 711 million = 947 - 236	Measurement of the investment effort in each period in assets of the different businesses, including accrued and unpaid investments, and in assets acquired through subsidiary companies. It allows knowing the investment effort in maintenance and growth investments (resources invested in the development and growth of the Group's activities) and in investments, through the acquisition of companies.
Gross financial debt	Non-current financial liabilities (1) (Note 17) + Current financial liabilities (1) (Note 17)	Euros 18,022 million = 15,095 + 2,927	Euros 15,970 million = 13,426 + 2,544	Measure of the Group's level of financial debt. Includes current and non-current concepts. This indicator is widely used in capital markets to compare different companies.
Net financial debt	Gross financial debt (5) – Cash and cash equivalents (1) – Derivative financial assets linked to financial liabilities (4) (Note 18)	Euros 12,201 million = 18,022 - 5,626 - 195	Euros 12,090 million = 15,970 - 3,686 - 194	Measure of the Group's level of financial debt including current and non-current items, after discounting the cash and cash equivalents balance and asset derivatives linked to financial liabilities. This indicator is widely used in capital markets to compare different companies.
Leverage (%)	Net financial debt (5) / (Net financial debt (5) + Equity (1))	51.1% = 12,201 / (12,201 + 11,653)	50.3% = 12,090 / (12,090 + 11,929)	Measure of the weight of external resources in the financing of business activity. This indicator is widely used in capital markets to compare different companies.
Cost of net financial debt	Cost of borrowings(4) (Note 30) – Interest income (4) (Note 30)	Euros 490 million = 710 - 220	Euros 485 million = 675 - 190	Measure of the cost of financial debt net of income from financial interests. This indicator is widely used in capital markets to compare different companies.
EBITDA / Cost of net financial debt	EBITDA (5) / Cost of net financial debt (5)	10.9x = 5,365 / 490	11.3x = 5,475 / 485	Measure of the company's ability to generate operating resources in relation to the cost of financial debt. This indicator is widely used in capital markets to compare different companies.
Net financial debt / EBITDA	Net financial debt (5) / EBITDA (5)	2.3x = 12,201 / 5,365	2.2x = 12,090 / 5,475	Measure of the Group's ability to generate resources to meet financial debt payments. This indicator is widely used in capital markets to compare different companies.
Net free cash flow	Cash flow generated from operating activities (3) + Cash flows from investing activities (3) + Cash flows from financing activities (3) – Receipts/payments from financial liability instruments (3)	Euros 73 million = 3,992 - 1,821 - 239 - 1,859	Euros 474 million = 4,857 - 2,739 - 2,263 + 619	Measure of cash generation to assess the funds available to debt service.
Free cash flow after non-controlling interests	Net free cash flow (5) + Parent company dividends net of collected by other group companies (4) (Note 14) + Purchase of treasury shares (4) (Note 14)	Euros 1,418 million = 73 + 1,345 + 0	Restatement of 31 december 2023: Euros 1,925 million = 474 + 1,441 + 10 Restatement of 30 June 2024: Euros 671 million = 287 + 384 + 0	Measure of cash generation corresponding to operating and investment activities. It is used to evaluate funds available to pay dividends to shareholders, the payment of inorganic investments (acquisitions of companies or businesses) and to attend debt service.
Average cost of gross financial debt	Cost of borrowings (4) (Note 30) - cost of lease financial liabilities (4) (Note 30) - Other refinancing costs (4) (Note 30) / annual average of the monthly weighted average of the gross financial debt (excluding lease financial liabilities) (4) (Note 17)	4.0% = (710 - 85 - 15) / 15,251	3.9% = (675 - 84 - 29) / 14,325	Measure of the effective interest rate of financial debt. This indicator is widely used in capital markets to compare different companies.
Liquidity	Cash and other equivalent liquid (1) + Undrawn and fully committed lines of credit (4) (Note 17)	Euros 11,237 million = 5,626 + 5,611	Euros 9,237 million = 3,686 + 5,551	Measure of the Group's ability to face any type of payment.
Economic value distributed	Procurements (2) + Other operating expenses (includes Taxes) (2) + Income tax payments (3) + Personnel expenses (2) + Work carried out for fixed assets (4) (Note 25) + Financial expenses (2) + Dividends paid by the parent company (4) (Note 14) + Discontinued activities expenses (4) (Note 11)	Euros 17,173 million = 11,565 + 2,001 + 663 + 643 + 80 + 842 + 1,357 + 22	Euros 20,193 million = 15,106 + 1,780 + 377 + 580 + 79 + 817 + 1,454 + 0	Measure of the company's value considering the economic valuation generated by its activities, distributed to the different interest groups (shareholders, suppliers, employees, public administrations and society)
Market capitalisation	No. of shares ('000) outstanding at end of period(4) (Note 14) * Market price at end of period(4) (Note 14)	Euros 22,670 million = 969,614 * 23.38 euros	Euros 26,180 million = 969,614 * 27.00 euros	Measure of the company's market value based on the market price of its shares.

Note:

- (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 annual accounts.
- (5) Figure detailed in the APMs.
- (6) Figure detailed in the Directors' Report.