

# Applus+ Group H1 2022 Results Presentation

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26 July 2022

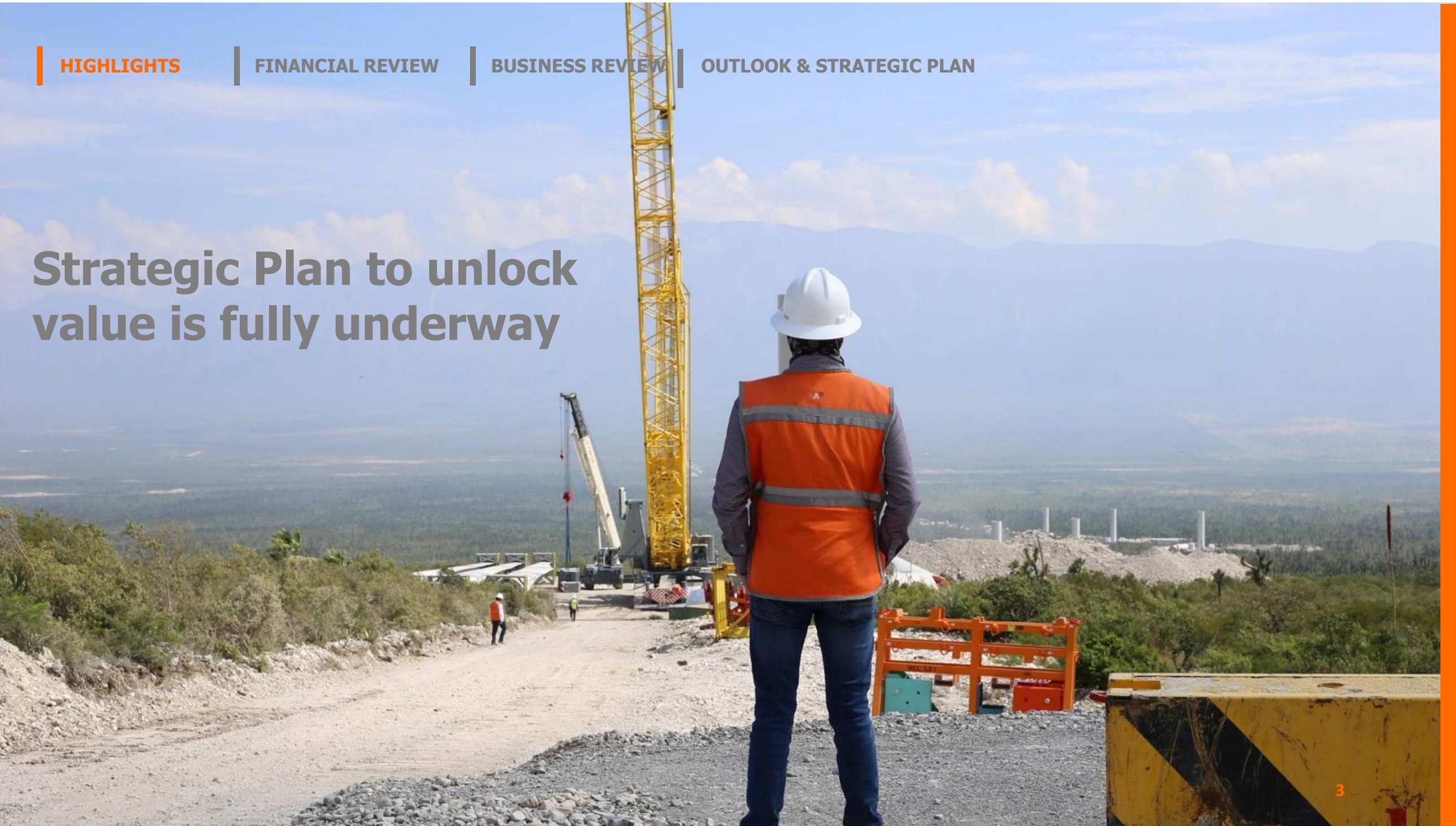
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# Strategic Plan to unlock value is fully underway



## H1 2022: Highlights

**1** Strong first half with all divisions performing well

**2** High single digit organic revenue growth and mid single digit inorganic contribution

**3** Acquisitions aligned with the Strategic Plan with five made in 2022

**4** Statutory vehicle inspection contracts in Galicia, Massachusetts and Buenos Aires extended; Costa Rica terminated

### Revenue

€986.7 million up 17.0% (+8.6% organic<sup>1</sup>)

### Operating profit <sup>2</sup>

€97.1 million up 21.0% (+10.2% organic<sup>1</sup>)

### Operating profit margin <sup>2</sup>

9.8% (9.5% in H1 2021)

### Free cash flow <sup>2</sup>

€71.5 million up 71.5%

### Net debt/EBITDA ratio <sup>3</sup>

2.7x and liquidity of €494 million

### EPS <sup>2</sup>

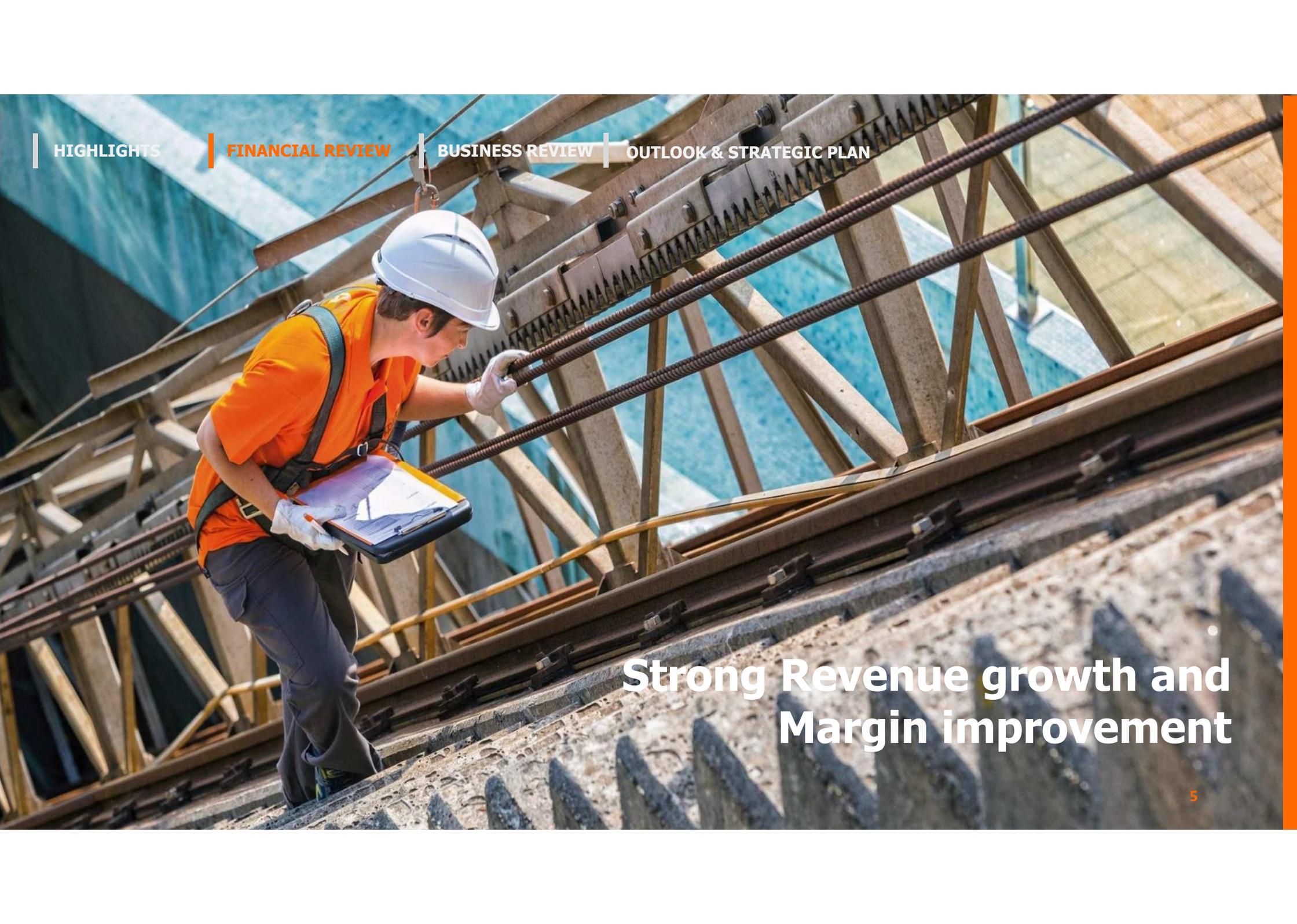
0.38 up 26.9%

## Strategic Plan to unlock value is fully underway

<sup>1</sup> Organic is at constant exchange rates

<sup>2</sup> Adjusted for Other Results and amortisation of acquisition intangibles

<sup>3</sup> Excluding IFRS 16



HIGHLIGHTS

**FINANCIAL REVIEW**

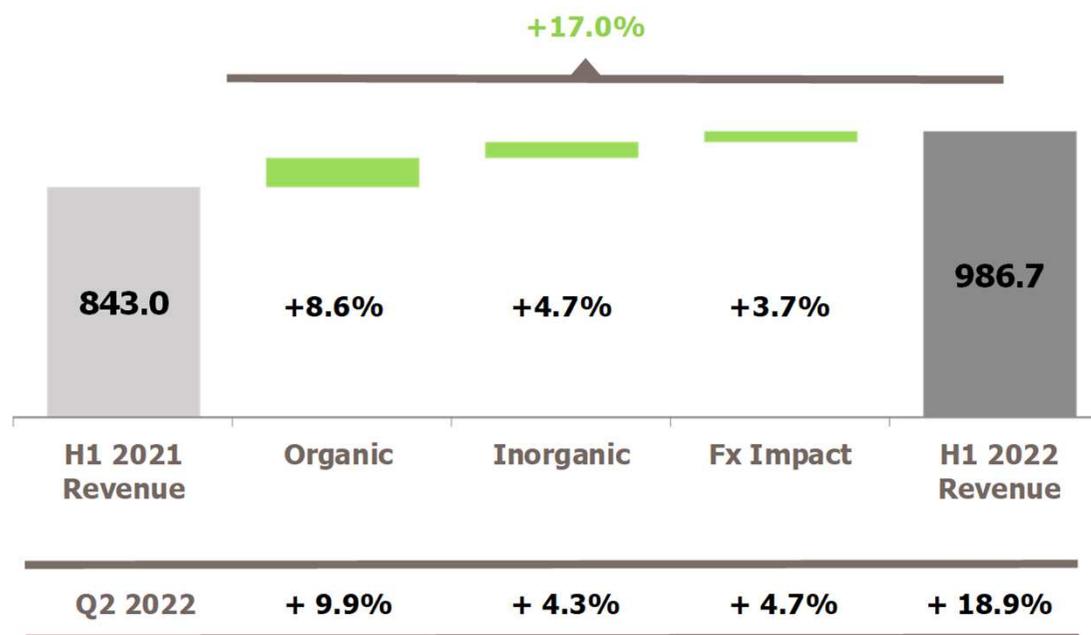
BUSINESS REVIEW

OUTLOOK & STRATEGIC PLAN

**Strong Revenue growth and  
Margin improvement**

## H1 2022: Revenue Bridge

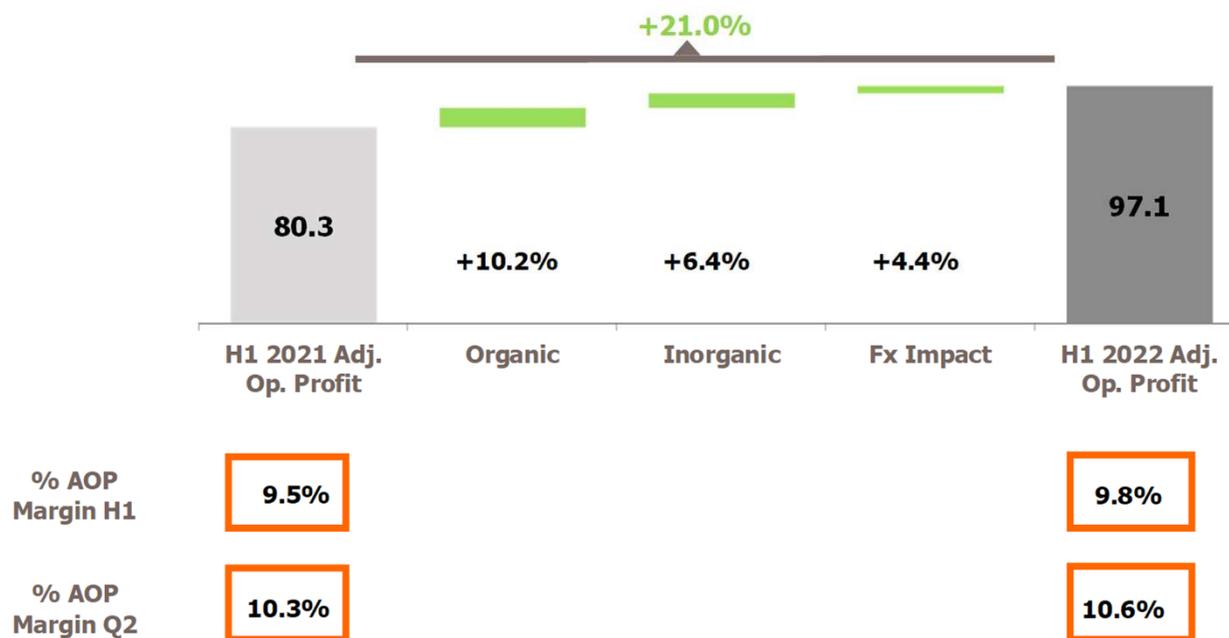
EUR Million



- Strong organic and inorganic growth with FX tailwind
- Price increases in line with cost inflation
- All divisions performing well

## H1 2022: Adjusted Operating Profit Bridge

EUR Million



- Margin up 30bps year on year

## H1 2022: Income Statement

EUR Million

	H1		
	2022	2021	Change
Revenue	986.7	843.0	17.0%
Adj. Operating Profit	97.1	80.3	21.0%
<i>Adj.Op.Profit margin</i>	<i>9.8%</i>	<i>9.5%</i>	
PPA Amortisation	(34.3)	(31.1)	
Other results	(3.8)	(3.4)	
<b>Operating profit</b>	<b>59.1</b>	<b>45.8</b>	
Finance Results	(12.8)	(11.4)	
<b>Profit before tax</b>	<b>46.3</b>	<b>34.3</b>	
Income taxes	(15.8)	(11.3)	
<b>Net Profit</b>	<b>30.5</b>	<b>23.0</b>	
Minorities	(8.7)	(8.3)	
<b>Net Profit Group</b>	<b>21.8</b>	<b>14.7</b>	<b>47.9%</b>
<b>Adjusted Net Profit Group</b>	<b>53.3</b>	<b>43.3</b>	<b>23.0%</b>
<b>EPS in €</b>	<b>0.16</b>	<b>0.10</b>	<b>52.5%</b>
<b>Adjusted EPS in €</b>	<b>0.38</b>	<b>0.30</b>	<b>26.9%</b>
# Shares (M)	138.7 <sup>(1)</sup>	143.0	

- **Strong Adjusted EPS growth of 27% supported by share buyback**

(1) Share buyback of 7.1m shares from 1 Feb to 13 May has reduced the average share count for EPS calculations by 4.3m shares to give an average period share count of 138.7m

## H1 2022: Cash Flow

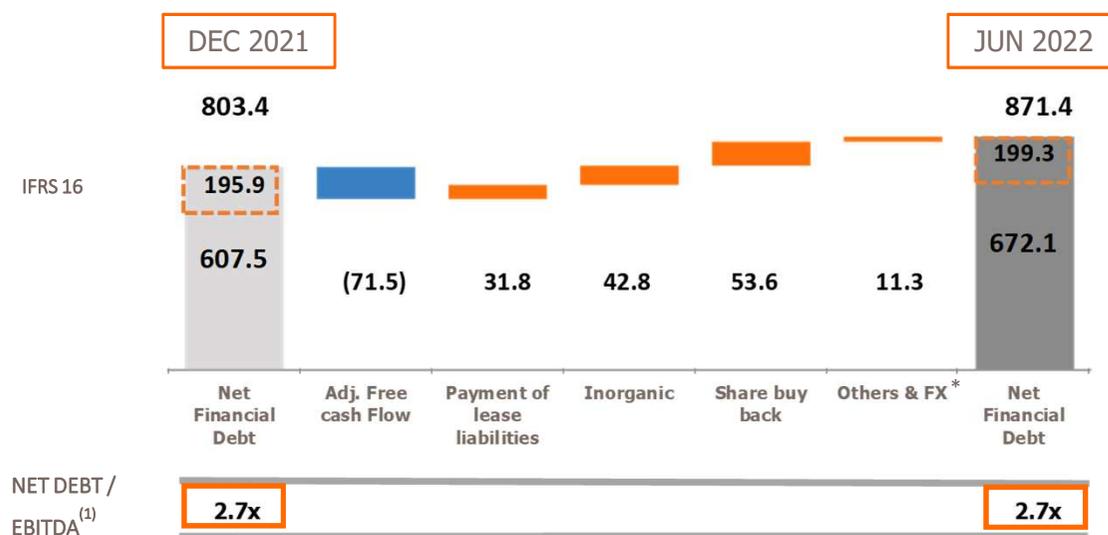
EUR Million

	H1			
	2022	2021	Change	
<b>Adjusted Ebitda</b>	<b>156.4</b>	<b>134.3</b>	<b>22.2</b>	<b>16.5%</b>
Change in Working Capital	(35.3)	(52.3)		
Capex	(24.0)	(18.0)		
<b>Adjusted Operating Cash Flow</b>	<b>97.2</b>	<b>64.0</b>	<b>33.2</b>	<b>52.0%</b>
Taxes paid	(18.4)	(16.4)		
Interest paid	(7.2)	(5.8)		
<b>Adjusted Free Cash Flow</b>	<b>71.5</b>	<b>41.7</b>	<b>29.8</b>	<b>71.5%</b>
Extraordinaries & Others	(4.5)	(1.1)		
Dividends to Minorities	(1.9)	(8.1)		
<b>Operating Cash Generated</b>	<b>65.1</b>	<b>32.6</b>	<b>32.5</b>	<b>99.8%</b>
Acquisitions	(42.8)	(60.5)		
<b>Cash b/Changes in Financing &amp; FX</b>	<b>22.3</b>	<b>(27.9)</b>		
Payments of lease liabilities (IFRS 16)	(31.8)	(29.6)		
Other changes in financing	46.9	15.2		
5% Share buyback	(53.6)	0.0		
Treasury Shares for LTIP	(1.4)	0.0		
Currency translations	6.1	1.9		
<b>Cash Increase/(decrease)</b>	<b>(11.5)</b>	<b>(40.4)</b>		

- **Strong Adjusted Free Cash Flow due to Ebitda growth and working capital increase lower than last year**
- **Acquisitions relates to Lightship, Alpe and IDV**
- **5% Share buyback of €53.6 million at an average price of €7.50**

## Leverage and Liquidity at 30 June

EUR Million



### Liquidity

	H1 22
Cash	165.0
Undrawn facilities	329.2
<b>Available liquidity</b>	<b>494.2</b>

- **Consistent strong cash generation**
- **High level of liquidity to support Strategic Plan execution**

(1) Stated at annual average rates and excluding IFRS 16 as defined by bank covenant. Including IFRS 16 2.8x

(\*) Others includes Dividends to Minorities, Treasury Shares, Extraordinaries & Others, Change in IFRS 16 debt and FX

## Energy & Industry Division

The Energy & Industry Division is a leading global provider of non-destructive testing, industrial and environmental inspection, quality assurance and quality control, engineering and consultancy, vendor surveillance, certification and asset-integrity services.

The Division designs and deploys proprietary technology and industry know-how across diverse sectors, helping our clients to develop and control industry processes, protect assets and increase operational and environmental safety. The services are provided for a wide range of industries including power, construction, aerospace, telecommunications and oil and gas.



**15,371<sup>1</sup>**  
Employees



**+60**  
Countries

<sup>1</sup> FY21 number of employees

## Energy & Industry Division

EUR Million

	H1			Organic	Inorganic	FX
	2022	2021	Change			
Revenue	529.5	434.9	21.7%	10.1%	6.0%	5.6%
Adj. Op. Profit	37.5	28.4	32.1%	7.5%	14.9%	9.7%
% AOP Margin	7.1%	6.5%	+ 56 bps			



- Strong organic revenue growth driven by all end-markets and good divisional margin improvement
- Double digit growth in Renewables, O&G and Infrastructure & Construction benefiting from energy transition, resurgence of O&G market and post-pandemic infrastructure investment programmes
- Oil & Gas is just under half the revenue of the division
- By region, Southern Europe, Middle East and LatAm are strongest due to attractive end market exposures
- Acquisition in July of K2 in Colombia gives strong revenue synergies for environmental consulting & monitoring services for the infrastructure industry with €13 million annual revenue

## Automotive Division

The Automotive Division delivers statutory-vehicle-inspection services globally. The Division's programmes inspect vehicles in jurisdictions where transport and systems must comply with statutory technical-safety and environmental regulations.

The Division operates 30-plus programmes, inspecting around 17 million vehicles inspection across Spain, Ireland, Denmark, Finland, Sweden, Andorra, the United States, Argentina, Georgia, Chile, Costa Rica, Ecuador, Mexico and Uruguay in 2021. In the programme-managed services, a further 10 million inspections were delivered by third parties.



**5,271<sup>1</sup>**  
Employees



**14**  
Countries

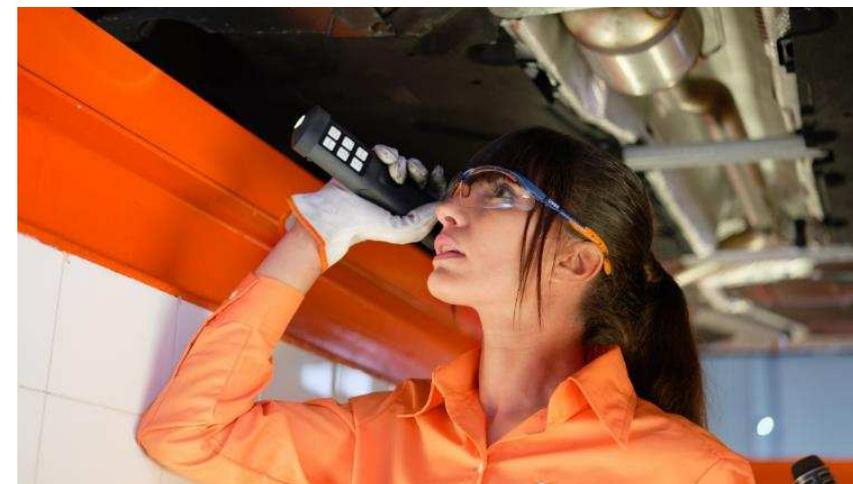
<sup>1</sup> FY21 number of employees

## Automotive Division

EUR Million

### Financial Highlights

	H1			Organic	Inorganic	FX
	2022	2021	Change			
Revenue	240.3	235.2	2.2%	1.4%	0.4%	0.4%
Adj. Op. Profit	49.8	48.3	2.9%	2.6%	0.5%	(0.2)%
% AOP Margin	20.7%	20.6%	+ 15 bps			



- Positive organic revenue growth in the period versus a strong comparative period which benefited from backlog recovery. Q2 organic revenue growth of 4.1%
- Acquisition of IDV in Madrid with 3 more stations reinforces presence in the region and country
- Costa Rica contract finished mid July. Revenue was €34 million in 2021 including €16 million in H2 2021 at above division margin
- Renewed the Galicia, Massachusetts and Buenos Aires contracts and started operations in Ecuador and Mexico compensating for loss of Connecticut
- Good pipeline of opportunities in several developing markets

## IDIADA Division

IDIADA A.T. (80% owned by Applus+ and 20% by the Government of Catalonia) has been operating under an exclusive contract from the 351-hectare technology centre near Barcelona (owned by the Government of Catalonia) since 1999. The contract to operate the business and use the assets runs until September 2024 and it has been decided that there will be a tender for a new 20 or 25 year concession.

IDIADA A.T. provides design, testing, engineering and homologation services to the world's leading vehicle manufacturers.



**2,616<sup>1</sup>**  
Employees



**22**  
Countries

<sup>1</sup> FY21 number of employees

## IDIADA Division

EUR Million

Financial Highlights	H1			Organic	FX
	2022	2021	Change		
Revenue	129.3	107.3	20.5%	17.7%	2.8%
Adj. Op. Profit	13.5	8.5	58.8%	53.5%	5.3%
% AOP Margin	10.4%	7.9%	+ 252 bps		
Adj. Op. Profit excl. AD <sup>(1)</sup>	16.1	10.5			
% AOP Margin	12.4%	9.8%	+ 265 bps		



- Strong high-teens organic revenue growth with limited impact from the lockdowns in China
- Significant margin improvement mainly driven by Catalonia Proving Ground
- Demand for testing for EV/hybrid continues to grow strongly with increasing order book, now over half the division revenue
- Tender for concession is expected at the beginning of 2023

(1) AD is IDIADA accelerated depreciation to adapt assets useful life to contract/concession duration

## Laboratories Division

The Laboratories Division provides testing, certification and development engineering services to improve the competitiveness of its clients' products and encourage innovation. The Division has a network of multidisciplinary laboratories in Europe, Asia and North America.

Our state-of-the-art facilities and the technical knowledge of our experts allow us to offer high added-value services to a wide range of industries such as aerospace, automotive, electronics, IT and construction.



**1,792<sup>1</sup>**  
Employees



**13**  
Countries

<sup>1</sup> FY21 number of employees

## Laboratories Division

EUR Million

### Financial Highlights

	H1			Organic	Inorganic	FX
	2022	2021	Change			
Revenue	87.6	65.6	33.6%	9.1%	19.3%	5.2%
Adj. Op. Profit	11.4	9.8	16.5%	(0.6)%	11.2%	5.9%
% AOP Margin	13.0%	14.9%	-191 bps			



- Strong organic revenue growth across all segments, double digit in Q2 driven by electrification and connectivity mega-drivers
- Margin impacted by China lockdown with some recovery expected in H2, increase of energy cost and seasonality of acquisitions made in middle of last year
- Acquisition strategy continues with three transactions so far this year:
  - Cybersecurity, 2 acquisitions: Lightship in North America adding further accreditations to the global cybersecurity offering and jtsec in Spain purchased in July, adding new methods for cybersecurity assurance
  - Alpe Metrology in Spain consolidating the regional metrology and calibration market position
- Strong pipeline of potential acquisitions

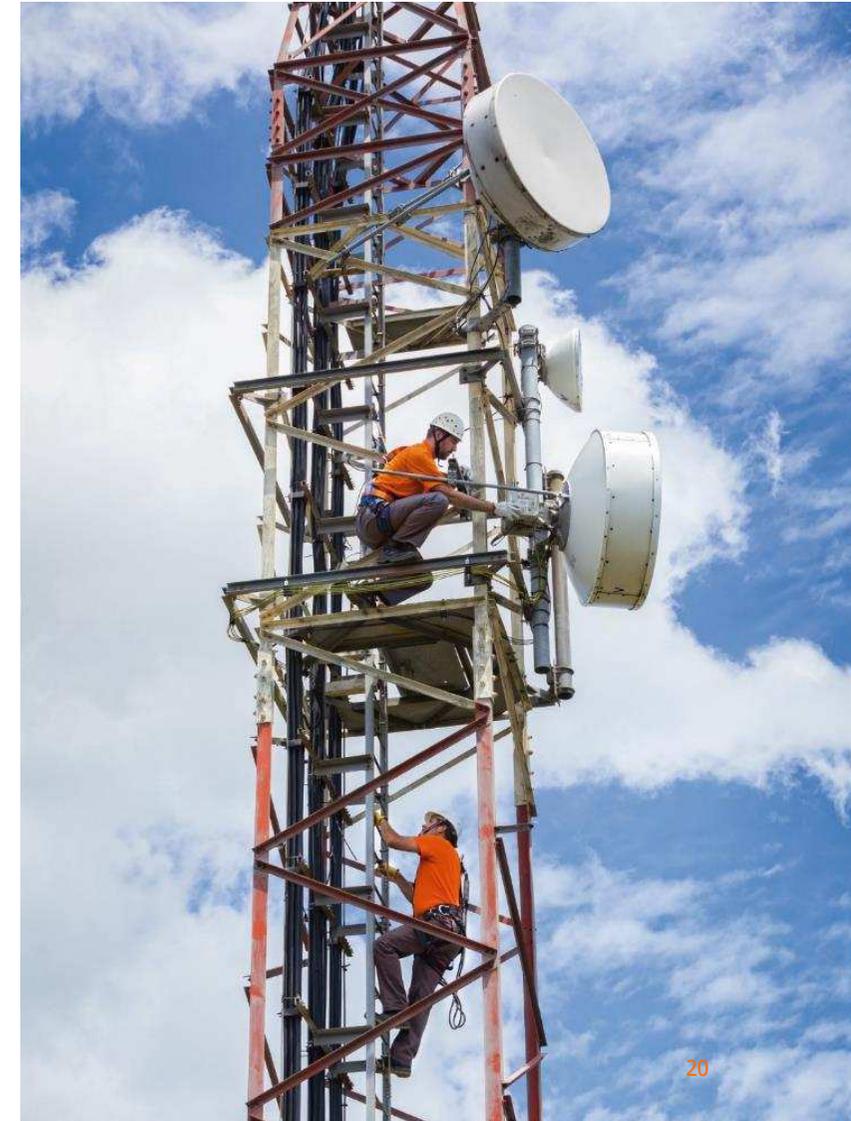


On track to deliver  
2022-2024 targets

## Outlook for 2022

- Mid to high single digit organic revenue growth
- AOP margin improvement between 30 and 40 basis points<sup>1</sup>
- Continue focus on portfolio mix quality improvement through selected divestments of some non-strategic operations and acquisitions

1. Margin improvement includes the impact of the IDIADA Accelerated Depreciation and is before taking account of the benefit of any disposals



## Unlocking value



### Portfolio evolution

towards higher growth end markets and to mitigate business risks



### Accelerate growth aligned to global megatrends

Energy transition, Electrification, Connectivity



### Continued focus on ESG

2024 targets linked to management remuneration as of 2022



### Enhance returns to shareholders

- Continuous investment in organic and inorganic growth
- Dividend distribution and share buyback

#### Higher Revenue growth

Revenue growth CAGR above 10%\*

#### Significant margin improvement

AOP margin to improve to 12%\*\*

#### Strong cash flow generation

Average cash conversion rate above 70%

#### Superior shareholders returns

ROCE 2024: >12%

Dividend distribution >20% Adjusted Net Profit (minimum 15 cts per share)

Target 5% share buyback in 2022

(\* ) Continuing operations / (\*\* ) Excluding IDIADA Accelerated Depreciation (AD).

## Progress in delivery of our 2022-2024 Strategic Plan with Additional Actions

### Strategic plan to unlock value is fully underway:

- ✓ Five acquisitions made
- ✓ Disposal programme on schedule
- ✓ Share buyback programme completed
- ✓ ESG further integrated into the business
- ✓ Outlook for 2022 in line with three-year financial targets

### Portfolio Repositioning outlook

- Portfolio evolution towards higher growth end markets and to mitigate business risks
  - + Strong acquisition pipeline
    - + Focus on M&A integration especially extracting revenue and cost synergies
  - + Progress on divestments
    - + Management dedicated to divestments



### Operational Excellence Additional Actions

- Performance culture of margin improvement and return on capital employed
  - + New Operational Excellence Senior Vice President appointed
  - + New dedicated Operational Excellence team
  - + Additional cost efficiency plan

**Focused on increasing returns to shareholders**

Applus<sup>+</sup> *Together* beyond standards

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## Adjustments to Statutory Results

EUR Million

EUR Million	H1 2022			H1 2021			+/- % Adj. Results
	Adj. Results	Other results	Statutory results	Adj. Results	Other results	Statutory results	
Revenue	986.7	0.0	986.7	843.0	0.0	843.0	17.0%
Ebitda	156.4	0.0	156.4	134.3	0.0	134.3	16.5%
Operating Profit	97.1	(38.0)	59.1	80.3	(34.5)	45.8	21.0%
Net financial expenses	(12.8)	0.0	(12.8)	(11.4)	0.0	(11.4)	
Profit Before Taxes	84.3	(38.0)	46.3	68.9	(34.5)	34.3	22.5%
Current Income tax	(22.3)	6.5	(15.8)	(17.2)	5.9	(11.3)	
Non controlling interests	(8.7)	0.0	(8.7)	(8.3)	0.0	(8.3)	
Net Profit	53.3	(31.5)	21.8	43.3	(28.6)	14.7	
Number of Shares	138,689,284		138,689,284	143,018,430		143,018,430	
EPS, in Euros	0.38		0.16	0.30		0.10	
Income Tax/PBT	(26.5)%		(34.2)%	(25.0)%		(32.9)%	

## ESG Ratings



AA Rating. Classified as a "Leader"



Score of 15.6 is classified as "Low risk". Top 11% of all companies analysed

## S&P Global

Score of 54. Average is 24. 11<sup>th</sup> best in sector (105 companies).  
Within 19% of all companies analysed



Score of B is above the average (scores rank from A to D-)



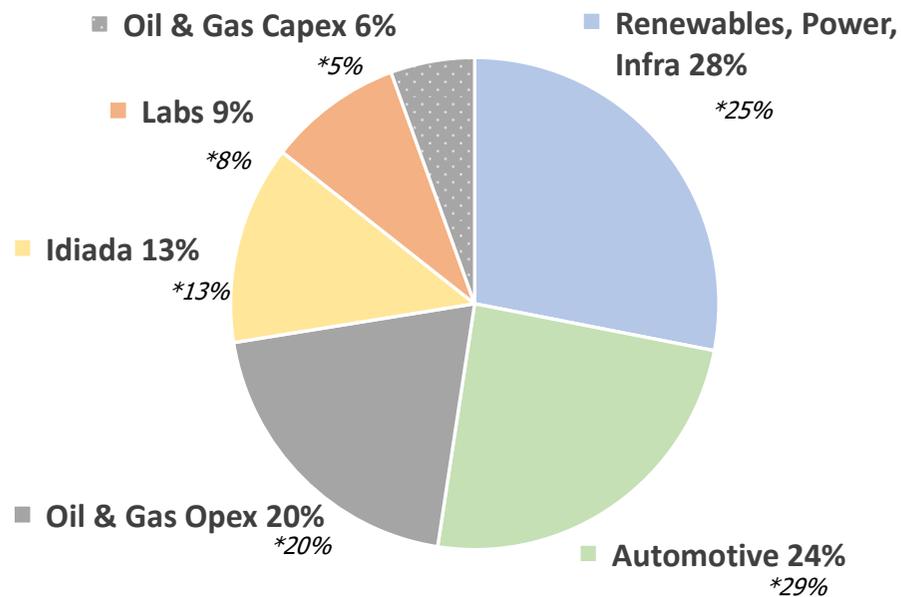
71%. Top 20% of all companies analysed



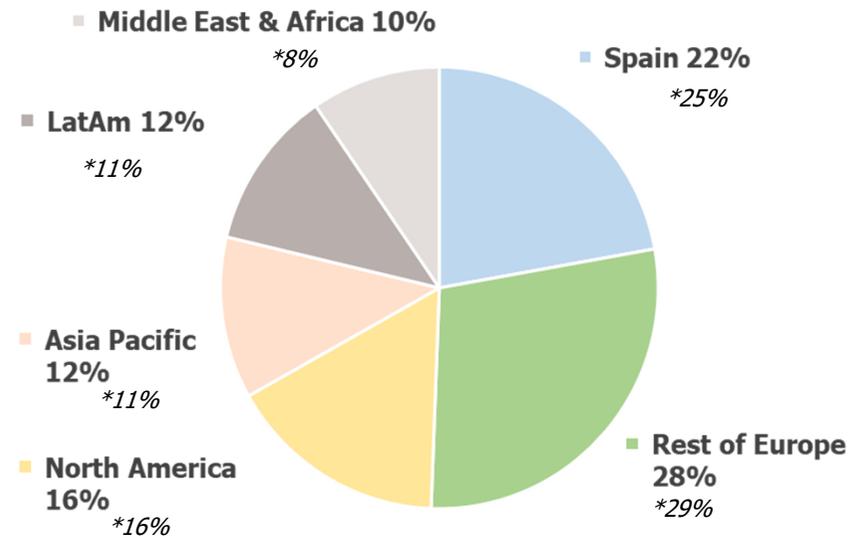
Included within FTSE4Good IBEX

## H1 2022. Splits End Market and Geography

### Revenue by Division/End Market



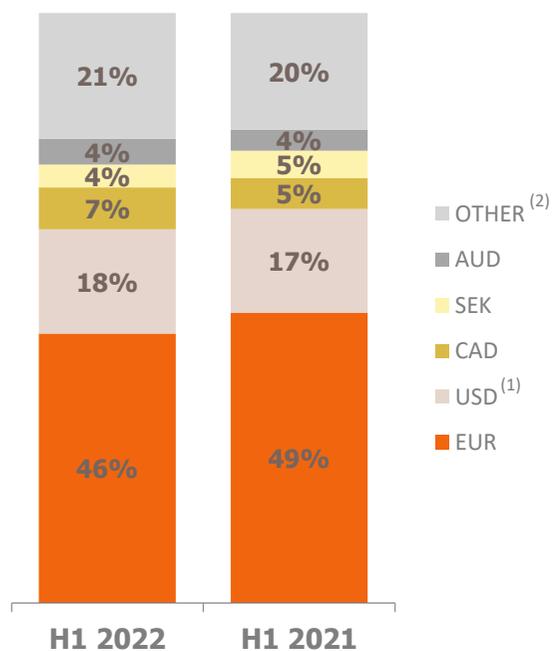
### Revenue by Geography



\* H1 2021

## Currency Exposure

% Revenue by Actual Currency



(1) Includes currencies pegged to USD

(2) None above 3%

Average FX Exchange rates vs Euro

	JAN - JUN 2022	JAN - JUN 2021	Change	JAN - DEC 2021
USD	1.094	1.205	10.2%	1.184
CAD	1.391	1.503	8.1%	1.483
SEK	10.473	10.125	(3.3)%	10.140
AUD	1.520	1.562	2.8%	1.575

## H1 2022. Revenue and Adj. Op. Profit by Division

EUR Million

Revenue	Actual 2022	Growths				Actual 2021
		Organic	Inorganic	FX	Total	
Energy & Industry	529.5	10.1%	6.0%	5.6%	21.7%	434.9
Laboratories	87.6	9.1%	19.3%	5.2%	33.6%	65.6
Auto	240.3	1.4%	0.4%	0.4%	2.2%	235.2
Idiada	129.3	17.7%	0.0%	2.8%	20.5%	107.3
<b>Total Revenue</b>	<b>986.7</b>	<b>8.6%</b>	<b>4.7%</b>	<b>3.7%</b>	<b>17.0%</b>	<b>843.0</b>

Adj. Op. Profit	Actual 2022	Growths				Actual 2021
		Organic	Inorganic	FX	Total	
Energy & Industry	37.5	7.5%	14.9%	9.7%	32.1%	28.4
Laboratories	11.4	(0.6)%	11.2%	5.9%	16.5%	9.8
Auto	49.8	2.6%	0.5%	(0.2)%	2.9%	48.3
Idiada	13.5	53.5%	0.0%	5.3%	58.8%	8.5
Holding	(15.0)					(14.7)
<b>Total Adj. Op. Profit</b>	<b>97.1</b>	<b>10.2%</b>	<b>6.4%</b>	<b>4.4%</b>	<b>21.0%</b>	<b>80.3</b>

## Q1 & Q2 2022. Revenue by Division and Adj. Op. Profit

EUR Million

	Actual 2022	Growths				Actual 2021
		Organic	Inorganic	FX	Total	
<b>Revenue</b>						
Energy & Industry	245.7	10.1%	7.3%	4.0%	21.4%	202.4
Laboratories	41.0	6.3%	19.7%	4.6%	30.6%	31.4
<b>Q1</b>						
Auto	116.0	(1.3)%	0.0%	(0.1)%	(1.4)%	117.6
Idiada	59.7	15.4%	0.0%	2.2%	17.6%	50.8
<b>Total Revenue</b>	<b>462.4</b>	<b>7.2%</b>	<b>5.3%</b>	<b>2.5%</b>	<b>15.0%</b>	<b>402.1</b>
<b>Adj. Op. Profit</b>	<b>41.5</b>	<b>8.8%</b>	<b>6.3%</b>	<b>3.3%</b>	<b>18.4%</b>	<b>35.1</b>
	Actual 2022	Growths				Actual 2021
Revenue		Organic	Inorganic	FX	Total	
Energy & Industry	283.8	10.1%	4.8%	7.1%	22.0%	232.6
Laboratories	46.6	11.6%	19.0%	5.7%	36.3%	34.2
<b>Q2</b>						
Auto	124.4	4.1%	0.8%	0.8%	5.7%	117.6
Idiada	69.6	19.8%	0.0%	3.3%	23.1%	56.5
<b>Total Revenue</b>	<b>524.3</b>	<b>9.9%</b>	<b>4.3%</b>	<b>4.7%</b>	<b>18.9%</b>	<b>440.9</b>
<b>Adj. Op. Profit</b>	<b>55.6</b>	<b>11.2%</b>	<b>6.4%</b>	<b>5.4%</b>	<b>23.0%</b>	<b>45.2</b>

## Q1 & Q2 & H1 2022. Summary Income Statement

EUR Million

	Q1			Q2			H1		
	2022	2021	Change	2022	2021	Change	2022	2021	Change
Revenue	462.4	402.1	15.0%	524.3	440.9	18.9%	986.7	843.0	17.0%
Adj. Operating Profit	41.5	35.1	18.4%	55.6	45.2	23.0%	97.1	80.3	21.0%
<i>Adj.Op.Profit margin</i>	<i>9.0%</i>	<i>8.7%</i>		<i>10.6%</i>	<i>10.3%</i>		<i>9.8%</i>	<i>9.5%</i>	
PPA Amortisation	(17.1)	(15.6)		(17.2)	(15.6)		(34.3)	(31.1)	
Other results	(0.6)	(0.1)		(3.2)	(3.3)		(3.8)	(3.4)	
<b>Operating profit</b>	<b>23.8</b>	<b>19.4</b>		<b>35.3</b>	<b>26.3</b>		<b>59.1</b>	<b>45.8</b>	
Finance Results	(5.8)	(6.1)		(7.0)	(5.3)		(12.8)	(11.4)	
<b>Profit before tax</b>	<b>18.0</b>	<b>13.3</b>		<b>28.3</b>	<b>21.0</b>		<b>46.3</b>	<b>34.3</b>	
Income taxes							(15.8)	(11.3)	
<b>Net Profit</b>							<b>30.5</b>	<b>23.0</b>	
Minorities							(8.7)	(8.3)	
<b>Net Profit Group</b>							<b>21.8</b>	<b>14.7</b>	<b>47.9%</b>
<b>Adjusted Net Profit Group</b>							<b>53.3</b>	<b>43.3</b>	<b>23.0%</b>
<b>EPS in €</b>							<b>0.16</b>	<b>0.10</b>	<b>52.5%</b>
<b>Adjusted EPS in €</b>							<b>0.38</b>	<b>0.30</b>	<b>26.9%</b>

## H1 2022. Statutory Cash Flow

EUR Million

	H1	
	2022	2021
<b>Profit Before taxes</b>	<b>46.3</b>	<b>34.3</b>
Non cash items	100.0	97.4
Change in working capital	(32.9)	(53.6)
Taxes Paid	(18.4)	(18.1)
<b>Operating Cash Flow</b>	<b>94.9</b>	<b>60.0</b>
Capex	(24.0)	(18.0)
Business combination	3.3	4.5
Acquisitions of subsidiaries	(42.8)	(60.5)
<b>Cash Flow from Investing activities</b>	<b>(63.5)</b>	<b>(74.1)</b>
Dividends to Minorities	(1.9)	(8.1)
Interest paid	(7.2)	(5.8)
Changes in financing	13.7	(14.4)
Share buy back	(53.6)	0.0
<b>Cash Flow from Financing activities</b>	<b>(49.0)</b>	<b>(28.2)</b>
Currency translations	6.1	1.9
<b>Cash Increase / (Decrease)</b>	<b>(11.5)</b>	<b>(40.4)</b>

## H1 2022. Balance Sheet

EUR Million

	H1 2022	FY 2021
Goodwill	774.8	725.8
Other intangible assets	394.1	420.0
PPA	326.6	350.8
Other intangible assets	67.5	69.2
Rights of use	183.8	180.7
Tangible assets	258.6	253.8
Investments accounted for using the equity method	3.4	0.5
Non current Financial Assets	18.5	17.7
Deferred Tax Assets	61.9	61.0
<b>Total Non-Current Assets</b>	<b>1,695.1</b>	<b>1,659.5</b>
Inventories	13.0	11.2
Trade & Other receivables	508.1	435.2
Corporate Income Tax assets	13.0	17.7
Current financial assets	6.0	6.4
Cash & Cash equivalents	165.0	176.5
<b>Total Current Assets</b>	<b>705.1</b>	<b>647.0</b>
<b>Total Assets</b>	<b>2,400.2</b>	<b>2,306.5</b>

	H1 2022	FY 2021
<b>Equity</b>	<b>643.8</b>	<b>666.3</b>
Long Term Provisions	36.2	34.3
Bank borrowings	782.2	724.8
Leasing Liabilities	143.5	142.0
Other financial liabilities	24.0	25.8
Deferred Tax Liabilities	117.2	122.5
Deferred Tax Liabilities PPA	81.2	86.9
Deferred Tax Liabilities Others	36.0	35.6
Other non current liabilities	82.3	75.3
<b>Total Non-Current Liabilities</b>	<b>1,185.4</b>	<b>1,124.7</b>
Short term provisions	4.2	7.5
Bank borrowings	45.2	47.1
Leasing Liabilities	55.8	54.5
Trade & Other payables	436.0	379.0
Income Tax Liabilities	17.6	18.6
Other current liabilities	12.2	8.8
<b>Total Current Liabilities</b>	<b>571.0</b>	<b>515.5</b>
<b>Total Equity &amp; Liabilities</b>	<b>2,400.2</b>	<b>2,306.5</b>

## Alternative Performance Metrics

Applus' financial disclosures contain magnitudes and metrics drafted in accordance with International Financial Reporting Standards (IFRS) and others based on the Group's disclosure model referred to as Alternative Performance Metrics

- **AD - IDIADA accelerated depreciation**, to adapt assets useful life to contract/concession duration
- **Adjusted measures** are stated before other results
- **AOP**, Adjusted Operating Profit
- **CAGR**, Compounded Annual Growth Rate
- **Capex**, realized investments in property, plant & equipment or intangible assets
- **Cash conversion**, calculated as the ratio of EBITDA minus capex & change in working capital over EBITDA
- **EBITDA**, measure of earnings before interest, taxes, depreciation and amortisation
- **EPS**, Earnings per share
- **EV**, Electrical Vehicle
- **FX**, Foreign exchange
- **Free Cash Flow**, operating cash generated after capex investment, working capital variation and tax & interest payments and before leases

## Alternative Performance Metrics

- **Leverage**, calculated as Net Debt/LTM Ebitda as per bank covenant definition
- **LTM**, Last twelve months
- **Net Debt**, current and non current financial debt, other institutional debt less cash. As per bank covenant definition, calculated at annual average exchange rates and pre-IFRS16
- **Net Profit**, measure of earnings operating profit after interest, taxes and minorities
- **Operating Profit**, measure of earnings before interest and taxes
- **Other results** are those impacts corrected from the relevant measures to provide a better understanding of the underlying results of the Group, for example: amortisation of acquisition intangibles, restructuring, impairment and transaction & integration costs
- **P.A.**, per annum
- **PPA Amortisation** corresponds to the amortisation of the Purchase Price Allocation related to acquisitions, allocated to intangible assets and Goodwill reduction for finite life concessions
- **ROCE**, Net Adjusted Operating Profit After Tax/Capital Employed
- **WC**, Working Capital