

Results Q3 2022

October 2021 - June 2022

Good results during the first nine months of this fiscal year:

- The business has grown in a difficult geopolitical and macroeconomic scenario.
- Increased operating margin, despite inflationary pressures.
- Capital gains from the sale of three non-operating assets.
- Negative impact of the sale of Supergroup on Net Profit.

Corporate transactions closed or announced during the period:

- Acquisition of Speedlink, a Dutch express courier company.
- Announcement of the agreement to acquire 60% of Transportes El Mosca, closing of the transaction is expected to occur at the beginning of the fiscal year 2023.
- Sale of Supergroup, a subsidiary in France classified as an asset held for sale at year-end 2021.

Financial highlights

M€	1 Oct. 2021 – 30 June 2022	1 Oct. 2020 – 30 June 2021	% Change
Revenues	8,412	7,885	+6.7%
Economic Sales ¹	911	877	+3.9%
Adjusted Operating Profit ¹	229	217	+5.2%
Margin on Economic Sales ¹	25.1%	24.8%	+30 b.p.
Operating Profit	199	176	+13.0%
Net Profit	143	137	+4.3%

Estimated impact of COVID-19 on business performance and results

From the beginning of the year there have been new waves of the pandemic due to the appearance of variants of the virus which, although more contagious than previous variants, have had much milder effects on infected persons. This, together with a high vaccination rate and hygiene measures, has allowed a more normal level of activity to be maintained than in the first nine months of the previous year.

The situation resulting from COVID-19 in the countries in which Logista operates is virtually back to normal at the end of the third quarter except for, among other things, the recovery of factors such as tourism.

Any negative impact that COVID-19 may have had on results in the period, as was the case in the previous year, has been offset by cost-cutting measures and by bolstering business lines that performed better during the pandemic.

¹ See appendix "Alternative Performance Measures"

Business trend and income statement highlights for the first nine months of the year

The general context in which the first nine months of the year have unfolded has been difficult due to a combination of various factors, some at international level and others in the countries in which we operate.

The post-pandemic economic recovery has been accompanied by worldwide inflation, which has had a significant impact on fuel and electricity prices in Europe. The conflict between Russia and Ukraine that broke out at the end of February and the economic sanctions imposed on Russia by the international community have exacerbated this trend and have increased uncertainty concerning the pace of economic recovery in the coming months.

Despite all this, Logista has achieved good results and improvements in its main income statement headings.

The Group's **Revenue** rose by 6.7% against the previous year thanks to growth across all businesses in Iberia and Italy and the distribution of convenience products in France.

Economic Sales¹ rose by 3.9% to €911.2 million due to improvements in tobacco distribution, Transport, Pharmaceutical Distribution and Publications distribution in Iberia, as well as in the distribution of convenience products in Iberia and Italy. Double-digit Economic Sales¹ growth was achieved in the convenience product distribution business in Italy.

Our business model and the cost containment measures routinely adopted by the Group allowed so far an increase of 3.4% of total operating costs¹ despite the strong upward trend in inflation observed in the first nine months of the year.

Adjusted Operating Profit¹ amounted to €228.5 million after rising by 5.2% on the previous year. The Adjusted Operating Profit margin on Economic Sales¹ was 25.1% as compared with 24.8% in Q3 2021.

Changes in inventory valuation due to tax and tobacco price movements during the year had a positive net impact on results of around €8 million, while for the same period in 2021 the impact is estimated at around €3 million.

Restructuring costs¹ were higher than in Q3 2021 at €8 million (€5 million in the same period in the previous year).

In the first nine months of the year capital gains amounted to €15 million, compared to €1.2 million in the same period of the previous year. These capital gains mainly arose from the sale of three non-operational assets in Spain.

EBIT amounted to €199.2 million, an increase of 13%.

Net Financial Income fell due primarily to interest received in Q3 2021 on the excess corporate income tax interim payments made in Spain in 2017 and 2018, based on a Constitutional Court judgement. Net financial income for the first nine months of the current year amounted to €11.5 million, as compared with €14.3 million in the same period of the previous year.

In both years, the effective tax rate has remained stable, at 26.8%.

Net profit from continuing activities rose by 10.5% to €154.2 million, while a net loss of €-11.5 million was posted on discontinued operations, as compared with €-2.9 million in the first nine months of the previous year.

As a result, **Net profit** rose 4.3% to reach €142.5 million.

¹ See appendix "Alternative Performance Measures"

NOTE ON COMPARABILITY BETWEEN FINANCIAL YEARS

At the end of 2021, a number of changes were made to the Group's financial reporting that affected comparability, so the figures for that year were restated. The changes consisted of the consideration of the Supergroup subsidiary (formerly the Other Business France sub-segment) as a held-for-sale asset, the separate reporting of the Logista Pharma business (now the Pharmaceutical Distribution Iberia sub-segment, formerly part of Other Businesses Iberia) and the inclusion of the Polish business in the Tobacco and Related Products Iberia sub-segment (formerly in the Corporate and Other segment). Finally, the Corporate and Other segment has been eliminated and corporate expenses have been distributed among the remaining three segments.

Changes in Revenues (by segment and business)

M€	1 Oct. 2021 – 30 June 2022	1 Oct. 2020 – 30 June 2021	% Change
Iberia	2,716.1	2,399.1	13.2%
Tobacco and Related Products	2,344.9	2,056.7	14.0%
Transport	340.0	309.4	9.9%
Pharmaceutical distribution	154.9	137.1	13.0%
Other Businesses	13.7	13.6	0.9%
Adjustments	(137.3)	(117.8)	(16.6)%
Italy	2,936.8	2,572.4	14.2%
Tobacco and Related Products	2,936.8	2,572.4	14.2%
France	2,797.8	2,946.8	(5.1)%
Tobacco and Related Products	2,797.8	2,946.8	(5.1)%
Adjustments	(39.2)	(33.7)	(16.2)%
Total Revenues	8,411.5	7,884.5	6.7%

Changes in Economic Sales¹ (by segment and business)

M€	1 Oct. 2021 – 30 June 2022	1 Oct. 2020 – 30 June 2021	% Change
Iberia	513.6	473.1	8.6%
Tobacco and Related Products	243.4	220.4	10.5%
Transport	237.3	221.2	7.3%
Pharmaceutical distribution	67.3	62.7	7.4%
Other Businesses	13.1	13.0	1.3%
Adjustments	(47.6)	(44.1)	(8.0)%
Italy	240.5	239.6	0.4%
Tobacco and Related Products	240.5	239.6	0.4%
France	160.3	168.0	(4.6)%
Tobacco and Related Products	160.3	168.0	(4.6)%
Adjustments	(3.1)	(3.5)	10.4%
Total Economic Sales¹	911.2	877.2	3.9%

¹ See appendix "Alternative Performance Measures"

Changes in Adjusted EBIT¹ (by segment)

M€	1 Oct. 2021 – 30 June 2022	1 Oct. 2020 – 30 June 2021	% Change
Iberia	115.8	96.2	20.4%
Italy	72.5	72.5	0.0%
France	40.2	48.5	(17.2)%
Total Adjusted EBIT¹	228.5	217.2	5.2%

Adjusted Operating Profit¹ (or. interchangeably. Adjusted EBIT¹) is the main indicator employed by Group Management to analyse and measure business performance. This indicator is essentially calculated by discounting from EBIT costs that are not directly related to the Group's revenue in each period, which facilitates the analysis of the trends in operating costs¹ and the Group's margins. Set out below is the reconciliation of Adjusted EBIT¹ and EBIT for Q3 2022 and Q3 2021:

M€	1 Oct. 2021 – 30 June 2022	1 Oct. 2020 – 30 June 2021
Adjusted Operating Profit¹	228.5	217.2
(-) Restructuring Costs ¹	(8.0)	(5.0)
(-) Amortisation of Assets Logista France	(39.1)	(39.2)
(+/-) Result of Disposal and Impairment	15.0	1.2
(+/-) Result by Equity Method and Others	2.8	2.1
Operating Profit	199.2	176.4

¹ See appendix "Alternative Performance Measures"

Performance by segment

A. Iberia: Spain, Portugal and Poland

Iberia **Revenue** totalled €2,716 million, having risen 13.2% against the previous year. **Economic Sales**¹ amounted to €513.6 million. 8.6% above the €473.1 million recorded in 2021.

Revenue in the **Tobacco and related products** business line rose by 14%, primarily due to increased prices and tobacco volumes distributed.

Volumes distributed of cigarettes plus RYO and other (including heated tobacco units) in Iberia increased by 5.3% in Q3 2022 compared with Q3 2021, rising in both Spain and Portugal.

From the beginning of the year, some tobacco manufacturers have change the retail selling prices of certain products, being the most relevant movement the increase by €0.15 per pack, without there having been any changes in tobacco excise duties. As a consequence, an impact in results from the variation in value of inventories of around €8 million was recorded. There were no material impacts for this item during the same period in the previous year.

Business in Poland performed well from the start of the year.

Revenues from convenience product distribution grew double-digit, with an upward trend in: the distribution to tobacconists, among new customers taken on in the previous year through which we have gained access to new channels, in distribution to service stations for existing clients and the addition of new clients (medium sized oil companies).

Economic Sales¹ of Tobacco and related products rose by 10.5% on the previous year thanks to the increase in tobacco volumes distributed, the value-added services billed to tobacco manufacturers, and the increase in Economic Sales¹ of convenience products in Iberia.

In mid-March 2022, part of the transport sector in Spain, mainly self-employed workers, went on strike for three weeks to demand public assistance in the face of rising fuel prices. This stoppage did not have a significant impact on the Group's results and had hardly any impact on Logista Freight's activity, it did have a minor temporary impact on Logista Parcel's and Nacex's business. This negative impact was compensated at the beginning of the third quarter which allowed to recover the rate of revenue growth and Economic Sales¹ in the Transport business.

Revenue from the **Transport** business line grew by 9.9% to €340 million, while Economic Sales¹ rose by 7.3% to €237.3 million.

The parcel delivery business (Nacex) recorded a high single-digit increase in the first nine months of the year. The growth in deliveries and the good performance in tariffs in the B2B business line offset the impact of the reduction in the number of B2C e-commerce deliveries following the significant increase in 2021.

On 16 February 2022, Logista announced the acquisition of 70% of Speedlink Worldwide Express, a Dutch company specialising in B2B time critical deliveries that are sent to or from Belgium and the Netherlands, as well as an agreement to acquire the remaining 30% in the coming three years. The maximum payment for this 70% purchase, to be made in cash, would be €18.5 million depending on the targets achieved.

¹ See appendix "Alternative Performance Measures"

This acquisition will facilitate Nacex's international expansion in the Netherlands, the country with the largest number of distribution centres in Europe, strengthen the services offered by Logista to its customers in medical/healthcare distribution, and provide a platform for the development of Logista's other businesses in the region.

In addition, the gradual recovery of the industrial parcel business (Logista Parcel) since the beginning of the year has led to mid-to-high single-digit growth in the first nine months of the year. Deliveries in the pharmaceutical and food sectors performed well.

Revenue from long-distance transport (Logista Freight) has shown double-digit growth, with a positive performance in all the sectors we serve. Economic Sales¹ were affected by the inflationary pressures to which the sector is subject and declined slightly compared with 2021. This situation, which had a greater impact on results for the first quarter of the year, was reversing in the second and third quarters and is expected to be offset in the next quarters as customer rates are updated.

On 17 June 2022, Logista announced the agreement to acquire Transportes El Mosca, Spanish company specialised in the transport and warehousing of goods as well as frozen or refrigerated transport, mainly for the food industry. Additionally, Transportes El Mosca has consolidated its position as a national and international maritime transport company, with high specialization both for the treatment of dry goods and controlled temperature. The Company recorded sales in 2021 of approximately 250 million euros with a 60% coming from international activity and EBITDA of 25 million euros.

Through this acquisition, Logista expands its services portfolio, incorporating complementary capabilities in controlled temperature among which is worth mentioning the maritime transport of refrigerated containers to the Balearic and Canary Islands or international markets, as well as a groupage service especially focused on the fruit & vegetable sector.

The agreement reached contemplates the purchase of 60% of the capital of the Company, which will be paid with cash, for a maximum price of 106 million euros and the acquisition of the remaining 40% over the course of the next three years. The net financial debt at the end of 2021 amounted to approximately 23 million euros. Closing of the transaction is expected to occur at the beginning of the fiscal year 2023, once the necessary authorizations and approvals have been received from national authorities and the European Union.

Revenue from **Pharmaceutical distribution** rose 13% up to €154.9 million, while Economic Sales¹ grew by 7.4% to €67.3 million.

The constant incorporation of new customers and the increase in business activity with current customers via new services have allowed us to maintain double-digit growth in revenues, despite the fact that the improvement in the overall pandemic situation has led to a significant decrease in the volumes managed associated with medical supplies, particularly medicines that are critical against COVID-19 compared with the same period of the previous year. It is worth highlighting the new customers that focus on distribution to pharmacies, as well as the distribution of COVID-19 self-tests to pharmacies and other healthcare centres, and the upturn in vaccine distribution linked to the third shot campaign.

During this period, two services in particular have been promoted for our customers:

- distribution of medicines to patients' homes from the hospital pharmaceutical service, an activity that is now part of the portfolio of general services offered to the sector. and
- distribution of veterinary medicines due to the upbeat pet sector and the legislative change that came into effect in January, which tightens requirements for the distribution of medicines for animal use. We have increased and strengthened our distribution services to veterinary clinics

¹ See appendix "Alternative Performance Measures"

and, in particular, to pharmacies, where we expect an increase in the market share of medicines for animal use.

Revenue from the distribution of publications (**Other businesses**) grew slightly, as did Economic Sales¹ that rose by 1.3% to reach €13.1 million.

Total operating costs¹ in Iberia climbed 5.4% during the period.

Adjusted EBIT¹ totalled €115.8 million, having increased 20.4% on the first nine months of the previous year.

Restructuring costs¹ have been similar over both years (€2.1 million in the current year and €1.7 million in the previous year). However, capital gains on asset sales were higher than in 2021 (€15.2 million and €1.2 million, respectively). **EBIT** therefore rose by 34.8% to €131.8 million, as compared with €97.8 million in 2021.

B. Italy

Revenue in Italy grew by 14.2% to €2.937 million thanks to increases in revenue from the distribution of convenience products and tobacco in relation to the same period of 2021.

Volumes distributed of cigarettes plus RYO and other (including heated tobacco units) climbed 4.4% on the first nine months of the previous year due to the sound performance of the new product categories, and the practical stability in cigarette volumes (-0.5%).

During the current year there have been no changes in excise duties on traditional tobacco, although as from 1 January 2022 an automatic annual update of excise duties was implemented based on the weighted average price for 2021. Tobacco manufacturers did not make significant changes to retail prices of traditional tobacco products in order to pass on this tax update, although in some cases they did increase the price of heating tobacco products above the tax increase.

Changes in prices and excise duties as a whole had a non-significant net impact in the first nine months of the current year, while they had a positive net impact of between €4 million and €5 million on the results for the same period in the previous year

The solid performance in tobacco volumes distributed and the increase in revenue from value-added services to manufacturers and from convenience product distribution allowed to compensate mitigated the impact of this year-on-year difference, resulting in a slight increase in **Economic Sales**¹ in Italy, which grew by 0.4% to €240.5 million.

Growth in new tobacco product categories in Italy remains strong, contributing to the positive trend in value-added service revenues in all categories.

In addition, the improvement in convenience product distribution in previous periods has been confirmed in the current fiscal year, and Economic Sales¹ in convenience product distribution have continued to increase at double-digit rates.

The strong sales performance, despite the persistence of the pandemic, was thanks to two key drivers:

- our commercial offer was widened with the incorporation of new products/categories (for example, in beverages via the sale of new leading brands) and in addition,
- the process of dynamising the sales force helped to achieve sales targets and continue to grow the customer base, with new points of sale also being secured through the HORECA channel.

¹ See appendix "Alternative Performance Measures"

At the same time, the launch of new services designed for manufacturers, as an evolution of our traditional business model, has enabled us to start expanding our activities into new proximity channels.

Total operating costs¹ in Italy increased by 0.5% compared to the same period in the previous year, with **Adjusted EBIT**¹ was stable in €72.5 million.

Restructuring costs¹ this year were higher than in the previous year (€4.7 million as compared with €2.4 million in the first nine months of 2021) mainly due to the provisions related to the reorganization of the distribution network that will involve the closure of one of the warehouses, located in the south of the country.

Operating Profit stood at €67.8 million recording a slight decline on the €70.1 million recorded in the previous year.

C. France

Revenue in France fell by 5.1% to €2,798 million mainly due to a decline in revenue from the distribution of convenience products and tobacco in relation to the same period of 2021.

The reduction in tobacco volumes distributed compared to the period 1 October 2020 – 30 June 2021 which was 7.7% for cigarettes plus RYO and others (including heating tobacco units), was the main reason for the decline in revenue, as there were no significant changes in tobacco prices during the period, compared to the increase in the same period of the previous year due to the latest tax increase planned by the French government as part of its aim to reach a price of €10 per pack of 20 cigarettes by 2020.

Movements in tobacco taxes and prices did not have a material impact during the period. However, in the first nine months of 2021 they did have an adverse impact on results of around €2 million.

Economic Sales¹ in France fell 4.6% to reach €160.3 million. Growth in the distribution of electronic transactions offset the poor Economic Sales¹ in tobacco and convenience product distribution.

Performance in convenience product distribution has been inconsistent, depending on the categories involved. There were increases in the food and drugstore product category, as well as in electronic cigarettes, that mitigated the decline in products more directly related to rolling tobacco (RYO) consumption, particularly rolling paper.

Total operating costs¹ in France increased by 0.6%, and **Adjusted EBIT**¹ fell by 17.2% to €40.2 million, as compared with €48.5 million in the first nine months of the previous year.

Restructuring costs¹ reached €1.2 million and €0.8 million respectively in the first nine months of 2022 and 2021 and the depreciation charge of €39.1 in 2022 and €39.2 million in 2021 was recognised on the assets arising from the acquisition of the business in France. **EBIT** fell to €-0.3 million, down from the previous-year figure of €8.4 million.

¹ See appendix "Alternative Performance Measures"

Financial overview

A. Overview of Financial Result

The Group has a reciprocal credit line agreement with its majority shareholder (Imperial Brands Plc.), whereby cash surpluses are lent daily up to a limit of €2,600 million or the cash needed to meet payment obligations is received.

Interest in this contract accrues on these balances at the European Central Bank's base rate plus a spread of 75 basis points. The European Central Bank's base rate was 0% in the first nine months of both financial years. Although it has no effect on the results of the period, it should be noted that the European Central Bank has announced its intention to increase at its meeting on 21 July 2022 the basic reference rate to be applied as of that date. Therefore, since then, the remuneration received by Logista for the balances lent to its majority shareholder will increase in line with the adopted decision.

Cash resources for the first nine months of the current year averaged €2,199 million, as compared with €2,236 million in the same period of the preceding year.

Financial Results stood at €11.5 million, well below than in the first nine months of 2021 (€14.3 million) since in that period it included, as well as the income obtained from higher cash assets, the collection of interest on excess corporate income tax interim payments made in Spain in 2017 and 2018, based on a Constitutional Court judgement (€3.6 million).

B. Changes in Net profit

Restructuring costs¹ recognised in the current year were higher than in the previous fiscal year (€8 million v. €5 million). Capital gains were higher (€15 million) than in the previous year (€1.2 million), which amply offset the lower net financial income and the higher restructuring costs¹. This, together with the positive business performance, led to a 10.5% increase in Pre-Tax Profit up to €210.7 million.

The effective tax rate was 26.8% in both years.

Profit from continuing operations in the first nine months increased to reach €154.2 million, which is 10.5% higher than the 2021 figure of €139.6 million.

The Company decided to classify Supergroup (the Group subsidiary engaged in distributing convenience products to points of sale other than tobacconists in France) as a "held-for-sale" asset at the fiscal year end, so its results for the year and estimated restructuring costs¹ (included in 2021) are reported under discontinued operations from that point onwards. To ensure the comparability of 2022 and 2021, these figures were restated to reflect the new classification, results from discontinued operations amounting to €-11.5 million in the first nine months of 2022 and €-2.9 million in the same period of 2021.

On 2 February 2022, the sale of the company was executed following the completion of the consultation process with the unions and all other formalities that are customary in this type of transaction. The impact on Results from discontinued operations derived from operating income from this business up to the time of its sale was €-1.5 million, while the remaining €-10 million relates to contributions made to restore the company's capital position prior to its sale.

Net profit, including continuing and discontinued operations, totalled €142.5 million, up 4.3% on the first nine months of the previous year.

¹ See appendix "Alternative Performance Measures"

Basic earnings per share amounted to €1.08 and €1.03 respectively in both periods, the number of shares remaining the same. At 30 June 2022, the Company held 868.792 treasury shares (0.7% of share capital). Most of these shares were purchased to cover future commitments to deliver shares under long-term executive remuneration plans. The other shares secure the liquidity agreement entered into on 20 January 2021 with Banco Santander. S.A.

C. Cash flow

The positive performance of the business during the first nine months of the fiscal year resulted in a 4.3% increase in earnings before interest, taxes and depreciation (EBITDA) compared to the same period in the previous year. This increase has partially mitigated:

- the higher cash outflow from net investments in the period, which include the acquisition of Speedlink and the contribution to restore the balance between Supergroup's equity and capital prior to its sale,
- the lower contribution of financial results and,
- the greater amount of normalised taxes,

resulting in a normalised cash generation that was 10.7% lower than in the previous year, at €167.9 million.

The change in working capital at the end of Q3 of current fiscal year had a positive impact on cash generation for the period as opposed to the negative impact recorded at the end of Q3 2021 since in that period it reflected the effect of the finalisation of the temporary change in excise duty payment conditions in certain countries. Likewise, the collection of the reimbursement of the excess interim corporate income tax payments of 2020 has a positive impact of €37.8 million on cash generation for the period.

Free cash flow generation at 30 June 2022 was positive, at €498.5 million.

D. Dividend policy

The Board of Directors of 20 July 2022, approved the distribution of an interim dividend corresponding to fiscal year 2022 which will be paid on 24 August, amounting to 56.7 million euros (0.43 euros per share) entailing an increase of 4.9% on the previous interim dividend paid in fiscal year 2021.

The Annual General Shareholders' Meeting held on 3 February 2022 agreed the distribution of an additional dividend for the 2021 financial year of €110 million (€0.83 per share), which was paid on 24 February 2022. Therefore, adding this payment to the interim payment for 2021 of €54 million (€0.41 per share) made on August 2021, the total dividend for fiscal year 2021 amounted to €164 million (€1.24 per share), entailing an increase of 5.1% on the previous period.

E. Outlook

In view of the current market situation and business performance in the first nine months of the fiscal year, we may expect that by end-2022 Adjusted Operating Profit¹ will achieve organic mid-single-digit growth over the figure for 2021.

In line with Logista's strategic plan, the essential focus of which is additional growth and diversification of the existing businesses, the Group continues to seek out opportunities to acquire complementary

¹ See appendix "Alternative Performance Measures"

small/medium companies to leverage synergies. In any case, Logista will prioritise the same dividend policy applied to date.

Appendix

Profit & Loss Account

M€	1 Oct. 2021 – 30 June 2022	1 Oct. 2020 – 30 June 2021	% Change
Revenues	8,411.5	7,884.5	6.7%
Economic Sales¹	911.2	877.2	3.9%
(-) Distribution Operating Costs ¹	(580.8)	(562.6)	(3.2)%
(-) Sales and Marketing Operating Expenses ¹	(39.2)	(35.8)	(9.3)%
(-) Research and G&A Operating Expenses ¹	(62.8)	(61.6)	(1.9)%
Total Operating Costs¹	(682.7)	(660.0)	(3.4)%
Adjusted EBIT¹	228.5	217.2	5.2%
<i>Margin¹ %</i>	25.1%	24.8%	30 b.p.
(-) Restructuring Cost ¹	(8.0)	(5.0)	(60.2)%
(-) Amort. of Assets Logista France	(39.1)	(39.2)	0.1%
(+/-) Disposals and Impairments	15.0	1.2	1,146.4%
(+/-) Share of Results of Companies and Others	2.8	2.1	33.6%
Operating Profit	199.2	176.4	13.0%
(+) Financial Income	13.3	17.0	(21.9)%
(-) Financial Expenses	(1.8)	(2.7)	34.1%
Profit before Taxes	210.7	190.7	10.5%
(-) Corporation Tax	(56.5)	(51.0)	(10.7)%
<i>Effective Tax Rate</i>	26.8%	26.8%	+0 b.p.
(+/-) Result of Discontinued Operations	(11.5)	(2.9)	(296.1)%
(+/-) Other Income / (Expenditure)	-	-	n.r.
(-) Minority Interests	(0.3)	(0.2)	(84.8)%
Net Profit	142.5	136.6	4.3%

¹ See the appendix 'Alternative Performance Measures'

Cash flow statement

M€	1 Oct. 2021 – 30 June. 2022	1 Oct. 2020 – 30 June. 2021	Change
EBITDA	282.0	270.3	11.7
Restructuring & Other Payments	(12.9)	(12.8)	(0.1)
Financial Result	13.0	15.8	(2.8)
Normalised Taxes	(64.9)	(59.7)	(5.3)
Net Investments	(49.3)	(25.7)	(23.7)
Normalised Cash Flow	167.9	188.1	(20.2)
Variation in Working Capital	292.8	(511.7)	804.5
Effect of cut-off date on taxes	37.8	20.3	17.5
Free Cash Flow	498.5	(303.3)	801.9

Balance sheet

M€	30 June 2022	30 September 2021
Tangible Assets and other Fixed Assets	316.4	320.6
Net Long-Term Financial Assets	21.0	19.8
Net Goodwill	937.1	920.8
Other Intangible Assets	312.7	354.0
Deferred Tax Assets	12.6	14.5
Net Inventory	1,597.1	1,467.1
Net Receivables and Others	2,073.1	2,150.7
Cash & Cash Equivalents	2,637.8	2,298.7
Assets available for sale	0.3	41.6
Total Assets	7,908.2	7,587.8
Equity	555.7	523.6
Minority interests	1.3	0.8
Non-Current Liabilities	129.8	137.1
Deferred Tax Liabilities	231.0	239.3
Short-Term Financial Debt	46.7	72.4
Short-Term Provisions	5.7	7.3
Trade Debtors and Other Accounts Payable	6,938.0	6,566.0
Liabilities linked to assets available for sale	0.0	41.3
Total Liabilities	7,908.2	7,587.8

Alternative Performance Measures

- **Economic Sales:** equivalent to Gross Profit, and used without distinction by the Group's Management to refer to the figure resulting from subtracting Procurements from the Revenue figure.

The Group's Management considers that this figure is a meaningful measure of the fee revenue which we generate from performing our distribution services, and provides investors with a useful view of the Group's financial performance.

M€	1 Oct. 2021 – 30 June. 2022	1 Oct. 2020 – 30 June 2021
Revenue	8,411.5	7,884.5
Procurements	(7,500.3)	(7,007.3)
Gross Profit	911.2	877.2

- **Adjusted Operating Profit (Adjusted EBIT):** This indicator is calculated, basically, by deducting from the Operating Profit those costs that are not directly related to the revenue obtained by the Group in each period, thus facilitating the analysis of the Group's operating costs and margins.

The Adjusted Operating Profit (Adjusted EBIT) is the main indicator used by the Group's Management to analyse and measure the progress of the business.

M€	1 Oct. 2021 – 30 June 2022	1 Oct. 2020 – 30 June 2021
Adjusted Operating Profit	228.5	217.2
(-) Restructuring Costs	(8.0)	(5.0)
(-) Amortisation of Assets Logista France	(39.1)	(39.2)
(+/-) Disposals and Impairments	15.0	1.2
(+/-) Share of Results of Companies and Others	2.8	2.1
Operating Profit	199.2	176.4

- **Adjusted Operating Profit Margin over Economic Sales:** calculated as Adjusted Operating Profit divided by Economic Sales (or, Indistinctly, Gross Profit).

This ratio is the main indicator used by the Group's Management to analyse and measure the profitability obtained by the Group's typical activity in a given period.

M€	1 Oct. 2021 – 30 June 2022	1 Oct. 2020 – 30 June 2021	% Change
Economic Sales	911.2	877.2	3.9%
Adjusted Operating Profit	228.5	217.2	5.2%
Margin over Economic Sales	25.1%	24.8%	+30 b.p.

- **Operating expenses:** these include the costs of logistics networks, commercial expenses, research expenses and head office expenses that are directly related to the revenues obtained by the Group in each period. It is the main figure used by the Group's Management to analyse and measure the performance of the costs structure. It does not include restructuring costs or amortisation of the assets

derived from the acquisition of Logista France, because they are not directly related to the revenues obtained by the Group in each period.

Operating costs of each segment do not include the expenses of the corporate center. However, the expenses of the corporate center are included in the total Group's operating costs in order to show the operating behaviour of each geographical area.

- **Non-recurring expenses:** This term refers to those expenses which, although they might occur in more than one period, do not have continuity in time (unlike operating expenses) and only affect the accounts at a specific moment.

This figure helps the Group's Management to analyse and measure the performance of the Group's activity in each period.

- **Recurring operating expenses:** this term refers to those expenses which occur continuously and which allow the Group's activity to be sustained. They are calculated from the total operating costs minus the non-recurring costs defined in the previous point.

This figure helps the Group's Management to analyse and measure efficiency in the activities carried out by the Group.

- **Restructuring costs:** are the costs incurred by the Group to increase the operating, administrative and commercial efficiency in our organisation, including the costs related to re-organisation, dismissals and closures or transfers of warehouses or other installations.
- **Non-recurring results:** this term refers to the year's results that do not have continuity during the year and only affect the accounts at a specific moment. Their amount is included in the operating profit.

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