

# Alternative Performance Measures

October 2020 – September 2021

# Logista

- **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 Revenues figure.

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

€ million	1 Oct. 2020 – 30 Sept. 2021	1 Oct. 2019 – 30 Sept. 2020
Revenues	10,816.8	10,407.7
Raw materials and consumables	(9,637.3)	(9,290.5)
<b>Gross profit</b>	<b>1,179.5</b>	<b>1,117.2</b>

- **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 Revenues 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.

€ million	1 Oct. 2020 – 30 Sept. 2021	1 Oct. 2019 – 30 Sept. 2020
<b>Adjusted operating profit</b>	<b>297.5</b>	<b>262.9</b>
(-) Restructuring costs	(9.3)	(11.1)
(-) Depreciation of Logista France assets	(52.2)	(52.2)
(+/-) Profit/(loss) on disposal and impairment	2.1	12.7
(+/-) Equity-accounted profit/(loss) and other	2.2	0.8
<b>Operating profit</b>	<b>240.3</b>	<b>213.1</b>

- **Adjusted EBIT margin on 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.

€ million	1 Oct. 2020 – 30 Sept. 2021	1 Oct. 2019 – 30 Sept. 2020	% Variation
Economic sales	1,179.5	1,117.2	5.6%
Adjusted operating profit	297.5	262.9	13.2%
<b>Economic sales margin</b>	<b>25.2%</b>	<b>23.5%</b>	<b>+170 bp</b>

- **Operating costs:** 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.

- **Reconciliation with Annual Accounts:**

€ million	1 Oct. 2020 – 30 Sept. 2021	1 Oct. 2019 – 30 Sept. 2020
Logistics network costs	808.2	781.7
Commercial expenses	48.1	48.0
Research expenditure	2.5	2.6
Central office expenses	84.6	85.3
(-) Restructuring costs	(9.3)	(11.1)
(-) Depreciation of Logista France assets	(52.2)	(52.2)
<b>Operating costs or expenses in management accounts</b>	<b>882.0</b>	<b>854.3</b>

- **Non-recurring costs:** 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 costs:** 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.