

Alternative Performance Measures

- **Economic Sales:** this term is equivalent to Gross Profit, and is used without distinction by the Group's Management to refer to the figure resulting from subtracting Cost of Distributed Products from Ordinary Revenues.

The Group's Management considers that Gross Profit is a meaningful measure of the fee revenues generated from the performance of our distribution services, and that it provides investors with a useful view of the Group's financial performance.

	Million €	
	1 Oct. 2019 – 30 Sep. 2020	1 Oct. 2018 – 30 Sep. 2019
Revenue	10,559.1	10,148.3
Procurements	(9,402.3)	(8,999.3)
Gross Profit	1,156.8	1,149.0

- **Adjusted Operating Profit (Adjusted EBIT):** This indicator is calculated, basically, by discounting 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.

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. 2019 – 30 Sep. 2020	1 Oct. 2018 – 30 Sep. 2019
Adjusted Operating Profit	256.9	261.9
(-) Restructuring Costs	(11.6)	(11.4)
(-) Amortization of Assets Logista France	(52.2)	(52.2)
(+/-) Net Loss of Disposal and Impairment of Non-Current Assets	12.5	4.8
(+/-) Share of Results of Companies and Others	0.9	1.2
Profit from Operations	206.4	204.3

- **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 analysis and measure the profitability performance obtained by the Group's typical activity in a given period.

	Million €		
	1 Oct. 2019 – 30 Sep. 2020	1 Oct. 2018 – 30 Sep. 2019	% Change
Economic Sales	1,156.8	1,149.0	0.7%
Adjusted Operating Profit	256.9	261.9	(1.9)%
Margin over Economic Sales	22.2%	22.8%	(60) b.p.

- **Operating costs:** these include the costs of logistics networks, sales and marketing expenses, research expenses and head office expenses that are directly related to the revenue 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 amortization 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. 2019 – 30 Sept. 2020	1 Oct. 2018 – 30 Sept. 2019
Cost of logistics network	806.9	798.5
Commercial expenses	66.2	70.4
Research expenses	2.6	2.7
Head office expenses	88.0	79.1
(-) Restructuring costs	(11.6)	(11.4)
(-) Amortization of Assets Logista France	(52.2)	(52.2)
Operating Costs or Expenses in management accounts	899.9	887.1

- **Non-recurring expenses:** refers to those expenses which, although they might occur in more than one period, do not have continuity in time (as opposed to operating expenses) and affect only 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 occurred continuously and which allow the Group's activity to be sustained. They are estimated from the total operating costs minus the non-recurring costs defined in the previous point.

This figure enables 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 or commercial efficiency in our organisation, including the costs related to reorganization, dismissals and closures or transfers of warehouses or other premises.
- **Non-recurring results:** refers to the results of the year that do not have continuity during the year and only affect the accounts at a specific moment. They are included in the Operating Profit.