Alternative Performance Measures (APM)

The Hera Group adopts alternative performance measures (APM) in order to present more efficiently the information concerning the financial performance of the Hera Group’s business, as well as its financial position. Such indicators are included in the consolidated half-year management report as at 30 June 2016 under the section concerning the analysis of the operating results and investments, as well as under the section concerning the analysis of the financial structure and investments.

In compliance with Consob Communication No. 92543/2015, below are explained the content and the criteria used to construct each of the APMs adopted, as well as a reconciliation with the schedules adopted and presented in the consolidated half-year financial statements as at 30 June 2016 and the explanatory notes.

The EBITDA is an operating performance indicator, calculated as “EBIT” plus “Amortization, depreciation and provisions”.

The Net investments are calculated as investments on property, plant and equipment, intangible assets and non-controlling interests net of capital contributions, as may be inferred by the information included in the explanatory notes.

The Net non-current assets are determined as the sum of:
- property, plant and equipment;
- intangible assets and goodwill;
- non-controlling interests;
- deferred tax assets and liabilities.

The Net working capital are calculated as the sum of:
- inventories;
- trade receivables and payables;
- current tax assets and liabilities;
- other current assets and liabilities;
- current assets and liabilities for commodity derivatives.

The Funds are calculated as the sum of “Post-employment and other benefits” and e “Provisions for risks and charges”.

The Net invested capital is determined by the sum of “Net non-current assets”, “Net working capital” and “Funds”.

The Net borrowings is an indicator of the financial structure and is determined in compliance with Consob Communication No.15519/2006, with the addition of the non-current financial assets. Such indicator is therefore determined as the sum of:
- Current and non-current financial assets;
- Cash and cash equivalents;
- Current and non-current financial liabilities;
- Current and non-current assets and liabilities for derivatives on interest rates and exchange rates.

The Source of financing are calculated as the sum of the “Net borrowings” and “Equity”. 