Results H1 2022

October 2021 - March 2022

logista

Good results during the first six months:

- The business has grown in a difficult geopolitical and macroeconomic scenario
- Increased operating margin thanks to continuous efficiency improvement measures, despite inflationary pressures
- Capital gains from the sale of two non-operating assets
- Negative impact of the sale of Supergroup on Net Profit

Corporate transactions during the period:

- Acquisition of Speedlink, a Dutch express courier company.
- Sale of Supergroup, a subsidiary in France classified as an asset held for sale at year-end 2021.

Financial highlights

M€	1 Oct. 2021 – 31 Mar. 2022	1 Oct. 2020 – 31 Mar. 2021	% Change
Revenues	5,453.8	5,169.1	+5.5%
Economic Sales[1]	597.4	580.2	+3.0%
Adjusted Operating Profit[1]	149.4	140.6	+6.3%
Margin on Economic Sales[1]	25.0%	24.2%	+80 b.p.
Operating Profit	128.3	113.0	+13.5%
Net Profit	87.9	87.8	+0.1%

Estimated impact of COVID-19 on business performance and results

During the first half 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 same months during 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 half-year 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. The net effect of COVID-19 on results for the first half-year is considered to be nil.

Business trend and income statement highlights for the first half-year

The general context in which the first six 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.

[1] *See appendix "Alternative Performance Measures"*

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.

Additionally, in the last weeks of March some transport sector associations in Spain also staged a stoppage that caused significant disruptions to the economy.

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

The Group's **Revenue** rose by 5.5% against the previous year thanks to growth across all businesses in Iberia and Italy.

Economic Sales[1] rose by 3% to €597.4 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 Sales[1] growth was achieved in the convenience product distribution business in Italy.

Thanks to our business model and the cost containment measures routinely adopted by the Group, total operating costs[1] have increased by 1.9% despite the strong upward trend in inflation observed in the first half-year.

Adjusted Operating Profit[1] amounted to €149.4 million after rising by 6.3% on the previous year. The Adjusted Operating Profit margin on Economic Sales[1] was 25% as compared with 24.2% in H1 2021.

Changes in inventory valuation due to tax and tobacco price movements during the half-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 costs[1] were slightly lower than in H1 2021 at €3 million (€4.2 million in the same period in the previous year).

In the first half of the year capital gains amounted to €5.8 million, compared to €1.1 million in the same period of the previous year. These capital gains mainly arose from the sale of two non-operational assets in Spain.

EBIT amounted to €128.3 million, an increase of 13.5%.

Net Financial Income fell sharply, due primarily to interest received in H1 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 half of the current year amounted to €7.6 million, as compared with €10.9 million in the same period of the previous year.

The effective tax rate has remained practically stable, at 26.8% in the first half-year and 26.6% in the first half of 2021.

Net profit from continuing activities rose by 9.4% to €99.5 million, while a net loss of €-11.5 million was posted on discontinued operations, as compared with €-3 million in the first half of the previous year.

As a result, **Net profit** rose 0.1% to reach €87.9 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 – 31 Mar 2022	1 Oct. 2020 – 31 Mar. 2021	% Change
Iberia	**1,750.9**	**1,567.3**	**11.7%**
Tobacco and Related Products	1,504.4	1,339.1	12.3%
Transport	220.6	205.8	7.2%
Pharmaceutical distribution	104.1	90.1	15.5%
Other Businesses	9.4	9.2	2.4%
Adjustments	(87.6)	(76.8)	(14.0)%
Italy	**1,899.1**	**1,653.3**	**14.9%**
Tobacco and Related Products	1,899.1	1,653.3	14.9%
France	**1,829.0**	**1,970.0**	**(7.2)%**
Tobacco and Related Products	1,829.0	1,970.0	(7.2)%
Adjustments	**(25.2)**	**(21.4)**	**(17.6)%**
Total Revenues	**5,453.8**	**5,169.1**	**5.5%**

Changes in Economic Sales[1] (by segment and business)

M€	1 Oct. 2021 – 31 Mar. 2022	1 Oct. 2020 – 31 Mar. 2021	% Change
Iberia	**337.4**	**313.9**	**7.5%**
Tobacco and Related Products	160.0	144.5	10.7%
Transport	154.7	148.6	4.1%
Pharmaceutical distribution	44.5	41.2	8.0%
Other Businesses	9.0	8.7	3.2%
Adjustments	(30.8)	(29.1)	(5.7)%
Italy	**156.3**	**158.5**	**(1.3)%**
Tobacco and Related Products	156.3	158.5	(1.3)%
France	**105.6**	**109.9**	**(3.9)%**
Tobacco and Related Products	105.6	109.9	(3.9)%
Adjustments	**(2.0)**	**(2.1)**	**6.8%**
Total Economic Sales[1]	**597.4**	**580.2**	**3.0%**

[1] See appendix *"Alternative Performance Measures"*

Changes in Adjusted EBIT[1] (by segment)

M€	1 Oct. 2021 – 31 Mar. 2022	1 Oct. 2020 – 31 Mar. 2021	% Change
Iberia	77.4	62.5	23.9%
Italy	46.7	48.2	(3.1)%
France	25.3	29.9	(15.6)%
Total Adjusted EBIT[1]	**149.4**	**140.6**	**6.3%**

Adjusted Operating Profit[1] (or, interchangeably, Adjusted EBIT[1]) 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 costs[1] and the Group's margins. Set out below is the reconciliation of Adjusted EBIT[1] and EBIT for H1 2022 and H1 2021:

M€	1 Oct. 2021 – 31 Mar. 2022	1 Oct. 2020 – 31 Mar. 2021
Adjusted Operating Profit[1]	**149.4**	**140.6**
(-) Restructuring Costs[1]	(3.0)	(4.2)
(-) Amortisation of Assets Logista France	(26.1)	(26.1)
(+/-) Result of Disposal and Impairment	5.8	1.1
(+/-) Result by Equity Method and Others	2.2	1.6
Operating Profit	**128.3**	**113.0**

[1] See appendix *"Alternative Performance Measures"*

Performance by segment

A. Iberia: Spain, Portugal and Poland

Iberia **Revenue** totalled €1,751 million, having risen 11.7% against the previous year. **Economic Sales**[1] amounted to €337.4 million, 7.5% above the €313.9 million recorded in H1 2021.

Revenue in the **Tobacco and related products** business line rose by 12.3%, 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 3.7% in H1 2022 compared with H1 2021, rising in both Spain and Portugal.

In the first half of the year, some tobacco manufacturers raised the retail selling prices of certain products by €0.15 per pack, without there having been any changes in tobacco excise duties, so 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 at the start of the year.

Revenues from convenience product distribution grew double-digit in the first half-year, with an upward trend among new customers taken on in the previous year through which we have gained access to new channels, as well as an increase in distribution to Repsol service stations and tobacconists.

Economic Sales[1] of Tobacco and related products in Iberia rose by 10.7% 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 Sales[1] of convenience products in Iberia.

In mid-March 2022, part of the transport sector in Spain, mainly self-employed workers, went on strike to demand public assistance in the face of rising fuel prices. Although this stoppage did not have a significant impact on the Group's results in the first half-year and had hardly any impact on Logista Freight's activity, it did have a minor impact on Logista Parcel's and Nacex's business and resulted in a slight slowdown in the rate of revenue growth and Economic Sales in the Transport business in the first half-year.

Revenue from the **Transport** business line grew by 7.2% to €220.6 million, while Economic Sales rose by 4.1% to €154.7 million.

The parcel delivery business (Nacex) recorded a slight increase in the first six 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 H1 2021.

The development of the Nacex network of delivery and collection points, which now exceed 2,300 points in Spain, has resulted in the number of deliveries through this network almost doubling the figure for the previous year, leading to greater efficiency and sustainability in deliveries.

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 half-year. Deliveries in the pharmaceutical sector performed well, while the recovery achieved in the first five months in the food sector slowed slightly at the end of the half-year due to the impact of the self-employed transport workers' strike in March.

Revenue from long-distance transport (Logista Freight) has shown double-digit growth, with a positive performance in all the sectors we serve. Economic Sales[1] were affected by the inflationary pressures to which the sector is subject and declined slightly compared with H1 2021. This situation, which had a greater impact on results for the first quarter of the year, was reversing in the second quarter and is expected to be offset during the rest of the year as customer rates are updated.

Revenue from **Pharmaceutical distribution** rose 15.5% up to €104.1 million, while Economic Sales[1] grew by 8% to €44.5 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, in the first half-year 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 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 Sales[1] that rose by 3.2% to reach €9 million.

Total operating costs[1] in Iberia climbed 3.3% during the period.

Adjusted EBIT[1] totalled €77.4 million, having increased 23.9% on the first half of the previous year.

Restructuring costs[1] have been similar over both years (€1.6 million in the current year and €1.7 million in the previous year). However, capital gains on asset sales were higher than in H1 2021 (€6 million and €1.2 million, respectively). **EBIT** therefore rose by 32.2% to €84 million, as compared with €63.6 million in H1 2021.

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[1] *See appendix "Alternative Performance Measures"*

B. Italy

Revenue in Italy grew by 14.9% to €1,899 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 4.2% on the first half of the previous year due to the sound performance of the new product categories, and the practical stability in cigarette volumes (-0.8%).

During the current half-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 half 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 mitigated the impact of this year-on-year difference, resulting in a slight decline in **Economic Sales**[1] in Italy, which fell by 1.3% to €156.3 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 first half-year, and Economic Sales[1] 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.

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 costs[1] in Italy decreased by 0.6% compared to the same period in the previous year, with **Adjusted EBIT**[1] falling 3.1% to €46.7 million, as compared with €48.2 million in H1 2021.

Restructuring costs[1] related to the gradual improvement in operational efficiency were below the previous-year figure (€0.9 million as compared with €2.3 million in H1 2021).

Operating Profit stood at €45.8 million in the first half-year, virtually identical to the same period in the previous year.

[1] *See appendix "Alternative Performance Measures"*

C. France

Revenue in France fell by 7.2% to €1,829 million 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 with H1 2021, which was 7.3% 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 first half 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 H1 2021 they did have an adverse impact on results of around €2 million.

Economic Sales[1] in France fell 3.9% to reach €105.6 million. Growth in the distribution of electronic transactions offset the poor Economic Sales[1] 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 costs[1] in France decreased by 0.5%, and **Adjusted EBIT**[1] fell by 15.6% to €25.3 million, as compared with €29.9 million in the first half of the previous year.

Restructuring costs[1] were not significant in the first half of 2022 and 2021 and the same depreciation charge of €26.1 million was recognised on the assets arising from the acquisition of the business in France. **EBIT** fell to €-1.5 million, down from the previous-year figure of €3.6 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 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 H1 of both financial years.

Cash resources for the first half of the current year averaged €2,158 million, as compared with €2,256 million in the same period of the preceding year.

Net financial income/(expense) in the first six months of the year stood at €7.6 million, well below H1 2021 (€10.9 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 costs[1] recognised in the current year were lower than in the first half of the previous year (€3 million v. €4.2 million) and capital gains were higher (€5.8 million) than in the previous year (€1.1 million), which amply offset the lower net financial income. This, together with the sterling business performance, led to a 9.7% increase in Pre-Tax Profit up to €135.9 million.

The effective tax rate was very similar to H1 2021 at 26.8%. In the previous year, the effective tax rate was 26.6%.

Profit from continuing operations in H1 increased to reach €99.5 million, which is 9.4% higher than the H1 2021 figure of €91 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 costs (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 H1 2022 and €-3 million in H1 2021.

On 2 February 2022, the sale of the company to Benoît & Co., a French family-owned 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 €87.9 million, up 0.1% on the first half of the previous year.

Basic earnings per share amounted to €0.67 in both periods, the number of shares remaining the same. At 31 March 2022, the Company holds 876,450 treasury shares (0.7% of share capital). Most of these shares were purchased to cover future commitments to deliver shares under long-term executive

[1] *See appendix "Alternative Performance Measures"*

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 half of the year resulted in a 6.7% 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 net financial income/(expense) and
- the greater amount of normalised taxes,

resulting in a normalised cash generation that was 17.6% lower than in the previous year, at €101.3 million.

The change in working capital at the end of H1 had a much lower negative impact on cash generation for the period than that recorded at the end of H1 2021, since in that period it reflected the impact of the finalisation of the temporary change in excise duty payment conditions in certain countries. However, the collection of the reimbursement of the excess interim corporate income tax payments of 2020 (€59.9 million) largely offset the working capital variation

Free cash flow generation at 31 March 2022 was positive, at €108.5 million.

D. Dividend policy

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 27 August 2021, the total dividend for 2021 amounted to €164 million (€1.24 per share), entailing an increase of 5.1% on the previous year and representing 95% of Net Profit for the year.

E. Outlook

In view of the current market situation and business performance in the first six months of the year, we may expect that by end-2022 Adjusted Operating Profit[1] 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 small/medium companies to leverage synergies. In any case, Logista will prioritise the same dividend policy applied to date.

[1] *See appendix "Alternative Performance Measures"*

Appendix

Profit & Loss Account

M€	1 Oct. 2021 – 31 Mar .2022	1 Oct. 2020 – 31 Mar. 2021	% Change
Revenues	**5,453.8**	**5,169.1**	**5.5%**
Economic Sales[1]	**597.4**	**580.2**	**3.0%**
(-) Distribution Operating Costs[1]	(380.6)	(374.4)	(1.7)%
(-) Sales and Marketing Operating Expenses[1]	(25.5)	(24.0)	(6.1)%
(-) Research and G&A Operating Expenses[1]	(42.0)	(41.2)	(1.8)%
Total Operating Costs[1]	**(448.0)**	(439.6)	**(1.9)%**
Adjusted EBIT[1]	**149.4**	**140.6**	**6.3%**
Margin[1] *%*	*25.0%*	*24.2%*	*80 b.p.*
(-) Restructuring Cost[1]	(3.0)	(4.2)	28.1%
(-) Amort. of Assets Logista France	(26.1)	(26.1)	0.1%
(+/-) Disposals and Impairments	5.8	1.1	416.9%
(+/-) Share of Results of Companies and Others	2.2	1.6	34.8%
Operating Profit	**128.3**	**113.0**	**13.5%**
(+) Financial Income	8.6	12.7	(32.5)%
(-) Financial Expenses	(0.9)	(1.8)	48.4%
Profit before Taxes	**135.9**	**123.9**	**9.7%**
(-) Corporation Tax	(36.4)	(32.9)	(10.5)%
Effective Tax Rate	*26.8%*	26.6%	*+20 b.p.*
(+/-) Result of Discontinued Operations	(11.5)	(3.0)	(278.7)%
(+/-) Other Income / (Expenditure)	-	-	n.r.
(-) Minority Interests	(0.2)	(0.1)	(16.7)%
Net Profit	**87.9**	**87.8**	**0.1%**

[1] *See the appendix 'Alternative Performance Measures'*

Cash flow statement

M€	1 Oct. 2021 – 31 Mar. 2022	1 Oct. 2020 – 31 Mar. 2021	Change
EBITDA	**184.8**	**173.2**	**11.6**
Restructuring & Other Payments	(6.8)	(7.6)	0.8
Financial Result	8.7	11.9	(3.2)
Normalised Taxes	(42.1)	(38.8)	(3.3)
Net Investments	(43.3)	(16.2)	(27.1)
Normalised Cash Flow	**101.3**	**122.5**	**(21.2)**
Variation in Working Capital	(46.7)	(725.3)	678.6
Effect of cut-off date on taxes	53.9	44.8	9.2
Free Cash Flow	**108.5**	**(558.1)**	**666.6**

Balance sheet

M€	31 March 2022	30 September 2021
Tangible Assets and other Fixed Assets	322.8	320.6
Net Long-Term Financial Assets	22.5	19.8
Net Goodwill	937.1	920.8
Other Intangible Assets	326.9	354.0
Deferred Tax Assets	12.4	14.5
Net Inventory	1,389.2	1,467.1
Net Receivables and Others	1,852.8	2,150.7
Cash & Cash Equivalents	2,257.0	2,298.7
Assets available for sale	0.1	41.6
Total Assets	**7,120.8**	**7,587.8**
Equity	500.4	523.6
Minority interests	1.2	0.8
Non-Current Liabilities	135.5	137.1
Deferred Tax Liabilities	233.6	239.3
Short-Term Financial Debt	49.0	72.4
Short-Term Provisions	6.8	7.3
Trade Debtors and Other Accounts Payable	6,194.3	6,566.0
Liabilities linked to assets available for sale	0.0	41.3
Total Liabilities	**7,120.8**	**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 – 31 Mar. 2022	1 Oct. 2020 – 31 Mar. 2021
Revenue	5,453.8	5,169.1
Procurements	(4,856.4)	(4,588.9)
Gross Profit	**597.4**	**580.2**

- **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 – 31 Mar. 2022	1 Oct. 2020 – 31 Mar. 2021
Adjusted Operating Profit	**149.4**	**140.6**
(-) Restructuring Costs	(3.0)	(4.2)
(-) Amortisation of Assets Logista France	(26.1)	(26.1)
(+/-) Disposals and Impairments	5.8	1.1
(+/-)Share of Results of Companies and Others	2.2	1.6
Operating Profit	**128.3**	**113.0**

- **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 – 31 Mar. 2022	1 Oct. 2020 – 31 Mar. 2021	% Change
Economic Sales	597.4	580.2	3.0%
Adjusted Operating Profit	149.4	140.6	6.3%
Margin over Economic Sales	**25.0%**	**24.2%**	**+80 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.

- **Reconciliation with Interim Consolidated Financial Statements**

M€	1 Oct. 2021 – 31 Mar. 2022	1 Oct. 2020 – 31 Mar. 2021
Logistics network costs	409.0	401.3
Commercial expenses	25.5	24.3
Research expenditure	0.9	1.3
Central office expenses	41.8	43.0
(-) Restructuring costs	(3.0)	(4.2)
(-) Depreciation of Logista France assets	(26.1)	(26.1)
Operating costs or expenses in management accounts	**448.0**	**439.6**

- **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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