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Additional Information

Level 1 Regulation
Transparency Directive (TD) Directive 2004/109/EC

Level 3 Regulation
Guidelines on Alternative Performance Measures

Topic
Alternative Performance Measures (APM)

Historic Question Reference
[ESMA32-51-370 APM Q2]

Subject Matter
Measures presented simultaneously inside and outside financial statements; Paragraphs 4, 17, 19, 29, 35 to 36 and 45 to 48 of APMs Guidelines.

Question

Paragraph 4 of the APMs Guidelines excludes from its scope the APMs disclosed in the financial statements (as defined in section II). Do the APMs Guidelines apply to APMs simultaneously presented inside and outside financial statements?

ESMA Answer

16-02-2026

Original language

[ESMA32-51-370 APM Q2 - Last revised 27/01/2017]

Yes. The APMs Guidelines apply to all financial measures which fall within the definition set out in paragraphs 17 to 19 of the APM Guidelines and are disclosed outside financial statements but in documents within the scope of regulated information.

The definition of an APM excludes from its scope financial measures defined or specified in the applicable financial reporting framework. Therefore, financial measures (e.g. subtotals or totals) which are not defined or specified in the applicable financial reporting framework fall under the scope of application of the APMs Guidelines irrespective of whether these financial measures are also disclosed in financial statements.

Where APMs directly identifiable from financial statements are also disclosed outside financial statements, the issuer or the persons responsible for the prospectus:

(i) Do not need to provide a reconciliation between the APM used and the most directly reconcilable line item, total or subtotal presented in financial statements (paragraph 29);

(ii) Where applicable, may use the compliance by reference principle (paragraphs 45 to 48 of the APMs Guidelines) and refer to the specific page or section in the financial statements, where this information is readily and easily accessible to users.

[16/02/2026] This is the revised Q&A version which will be effective from 1 January 2027:

Answer: Yes. The APMs Guidelines apply to all financial measures which fall within the definition set out in paragraphs 17 to 19 of the APM Guidelines and are disclosed outside financial statements but in documents within the scope of regulated information.

The definition of an APM excludes from its scope financial measures defined or specified in the applicable financial reporting framework. Therefore, financial measures (e.g. subtotals or totals) which are not defined or specified in the applicable financial reporting framework fall under the scope of application of the APMs Guidelines irrespective of whether these financial measures are also disclosed in financial statements.

Where APMs directly identifiable from financial statements are also disclosed outside financial statements, the issuer or the persons responsible for the prospectus:

(i) Do not need to provide a reconciliation between the APM used and the most directly reconcilable line item, total or subtotal presented in financial statements (paragraph 29);

(ii) Should not display APMs with more prominence, emphasis or authority than measures defined or specified in the applicable financial reporting framework (paragraph 35 of the APM Guidelines)

(iii) Where applicable, may use the compliance by reference principle (paragraphs 45 to 48 of the APMs Guidelines) and refer to the specific page or section in the financial statements, where this information is readily and easily accessible to users.

With the entry into force of IFRS 18 Presentation and Disclosure in Financial Statements, Management-defined Performance Measures (MPMs) must be included in IFRS financial statements in a single note. ESMA and European enforcers consider that issuers should not display MPMs with more prominence than measures defined or specified by IFRS if presented outside financial statements and within regulated information documents and/or prospectuses. Therefore, when applying the principles included in paragraphs 35 and 36 of the APM Guidelines, issuers should consider 'measures directly stemming from financial statements' as 'measures that are defined or specified' in the applicable financial reporting framework (in this case IFRS).