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12/07/2017

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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 Q9]

Subject Matter
Concept of Prominence; Paragraph 35 and 36 of the APM Guidelines.

Question
How should an issuer apply the principle of “prominence” as included in the APMs Guidelines?

ESMA Answer

16-02-2026

Original language

[ESMA32-51-370 APM Q9 - last revised: 12/07/2017]

As the APMs Guidelines do not define the concept of prominence, issuers should use their judgment when complying with this principle. This judgement should be made on a case-by-case basis depending on the documents where the APMs are included.

The notion of prominence is, in essence, qualitative and not merely quantitative. Therefore, counting the number of APMs and measures directly stemming from financial statements may not suffice. When applying its judgement, the issuer should ensure that the measures stemming from financial statements are not displayed with less prominence, emphasis or authority than APMs.

The following factors, among others, could help issuers when exercising their judgement:

- Attention paid to APMs in comparison with measures directly stemming from financial statements;
- Location of APMs within the document;
- Frequency of use;
- Use of bold letters, font size, italic;
- Length of analysis of APMs.

The following illustrative examples may help understand disclosure of APMs being more prominent than disclosure of measures stemming directly from financial statements:

- Presenting an analysis of the income statement only with APMs;

- Omitting comparable measures stemming directly from financial statements in an earnings result release headline or in their key messages;

- Presenting an APM using a style of presentation (e.g. bold, font size) that overly emphasises the APM used over the comparable measure stemming directly from financial statements;

- Presenting an APM significantly before the most directly comparable measure directly stemming from financial statements (e.g. including the APM in the 1st page of a document and the comparable measure/figure directly stemming from financial statements in the last page);

- Describing an APM as, for example, "record performance" or "exceptional" without at least an equally prominent descriptive characterisation of the comparable measure directly stemming from financial statements;

- Providing tabular disclosure of APMs without (i) preceding/accompanying it with an equally prominent tabular disclosure of the comparable measures stemming from financial statements or (ii) including the comparable measures stemming from financial statements in the same table;

- Providing a discussion and/or analysis of an APM without any reference to the comparable measure/figure stemming directly from financial statements.

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

Answer: As the APMs Guidelines do not define the concept of prominence, issuers should use their judgment when complying with this principle. This judgement should be made on a case- by-case basis depending on the documents where the APMs are included.

The notion of prominence is, in essence, qualitative and not merely quantitative. Therefore, counting the number of APMs and measures directly stemming from financial statements

may not suffice. When applying its judgement, the issuer should ensure that the measures stemming from financial statements are not displayed with less prominence, emphasis or authority than APMs.

When applying the principles included in paragraphs 35 and 36, only measures that are defined or specified in the applicable financial reporting framework should be considered as measures directly stemming from financial statements.

The following factors, among others, could help issuers when exercising their judgement:

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- Location of APMs within the document;
- Frequency of use;
- Use of bold letters, font size, italic;
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stemming from financial statements;

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