

Submission Date

12/07/2017

ESMA_QA_1877

Status: Published Answer Updated

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 Q11]

Subject Matter

Definition of an APM; Paragraph 17 to 19 and 24 of the APMs Guidelines.

Question

Is 'result of operating activities' an APM for the purpose of the APMs Guidelines?

ESMA Answer

12-07-2017

Original language

[ESMA32-51-370 APM Q11]

Unless the applicable financial reporting framework defines or specifies “result of operating activities”, this measure is an APM for the purpose of the APMs Guidelines.

Despite the fact that there is a reference in paragraph 55 of the Basis for Conclusion of IAS 1 *Presentation of Financial Statements* to ‘results of operating activities’, operating results or results from operating activities are not defined or specified in IFRS.

Therefore, under the IFRS framework, measures labelled as ‘operating results’, ‘results of operating activities’ or other similar labels are within the scope of the APMs Guidelines when presented outside financial statements.

In case such APMs are presented inside and outside financial statements please refer to question ESMA_QA_1868 (historic reference *ESMA32-51-370 APM Q2*).

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

Answer: Unless the applicable financial reporting framework defines or specifies “result of operating activities”, this measure is an APM for the purpose of the APMs Guidelines.

~~Despite the fact that there is a reference in paragraph 55 of the Basis for Conclusion of IAS 1 *Presentation of Financial Statements* to ‘results of operating activities’, Given that IFRS 18 *Presentation and Disclosure in Financial Statements* specifies ‘operating profit or loss’, if the operating results or results from operating activities are calculated and presented in accordance with IFRS 18, this measure is no longer an APM ~~are not defined or specified in IFRS.~~~~

Measures labelled as ‘operating results’ or ‘results of operating activities’ that are not calculated in accordance with IFRS 18 are APMs. Therefore, if presented outside financial statements and within regulated information documents, issuers should comply

with the APM Guidelines and specifically consider the APM Guidelines requirements regarding (mis) labelling.

~~Therefore,~~ However, under other relevant applicable financial reporting framework, measures labelled as 'operating results', 'results of operating activities' or other similar labels ~~are~~ may be within the scope of the APMs Guidelines when presented outside financial statements if these are not defined or specified in such applicable financial reporting framework.

In case such APMs are presented inside and outside financial statements please refer to ESMA_QA_1868 (historic reference *ESMA32-51-370 APM Q2*).