

## **ESMA reminds issuers Alternative Performance Measures Guidelines come into force on 3 July 2016**

The European Securities and Markets Authority (ESMA) wishes to remind listed issuers and persons responsible for drawing up prospectuses that its [Guidelines](#) on Alternative Performance Measures (APMs) come into force on 3 July 2016. ESMA published the Guidelines in October 2015 to allow sufficient time for their implementation.

### **What is an APM?**

An APM is a financial measure of historical or future financial performance, financial position, or cash flows other than a financial measure defined or specified in the applicable financial reporting framework.

Examples of APMs most commonly used include EBIT (Earnings Before Interest & Tax), EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation), free cash flow, and underlying profit or net-debt.

### **Purpose**

The purpose of the APM Guidelines is to promote the usefulness and transparency of APMs included in prospectuses, financial reports and market disclosures, which qualify as regulated information. The guidelines set out the principles that issuers should follow when presenting APMs in documents; these principles address the labelling, calculation, presentation and comparability of the information.

### **Application and supervision**

The APM Guidelines apply to issuers with securities traded on regulated markets and persons responsible for drawing up a prospectus.

National regulators and other bodies in the EU with responsibilities under the Transparency Directive, Prospectus Directive or Market Abuse Regulation will monitor compliance with these guidelines.