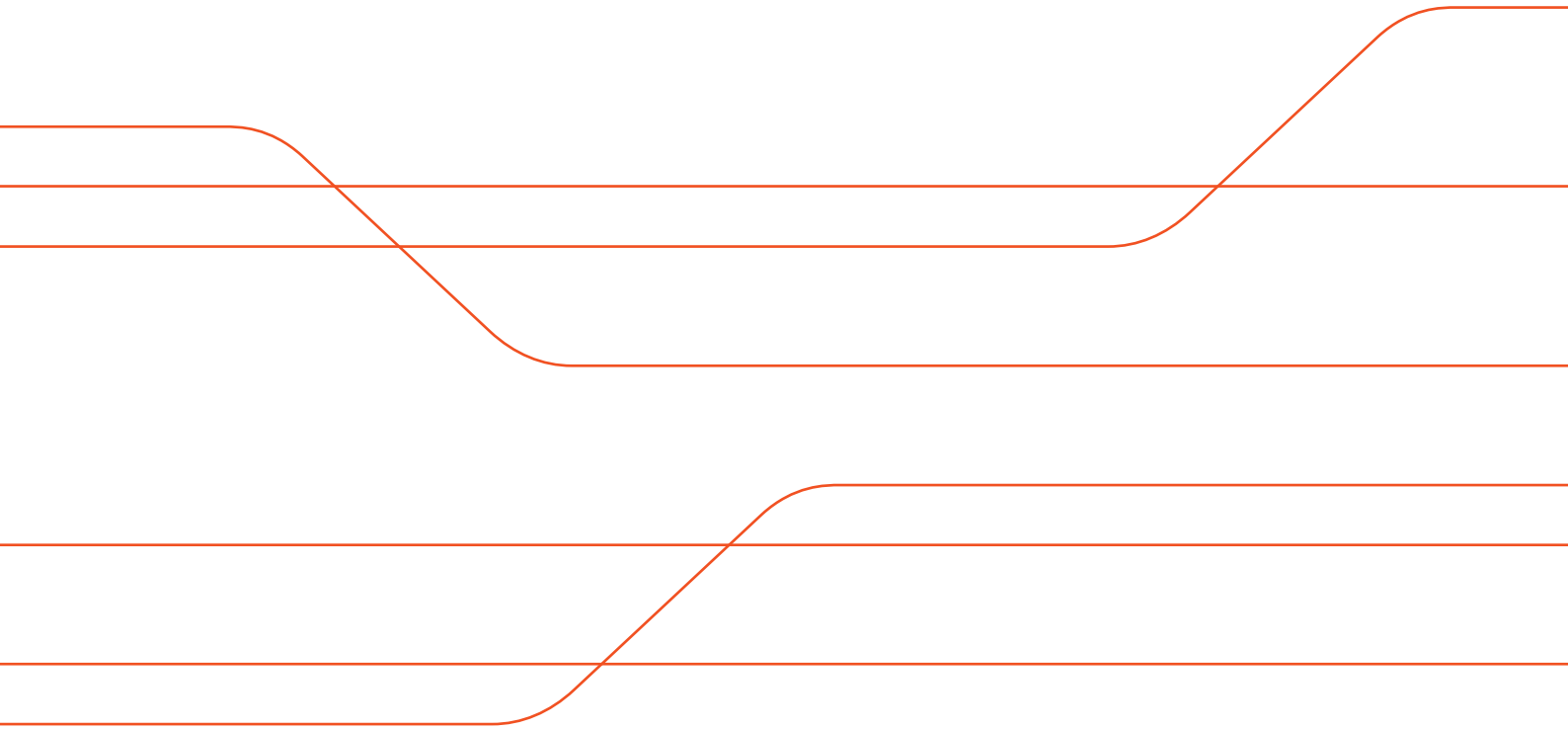


# Directive on the Use of Alternative Performance Measures

(Directive Alternative Performance Measures, DAPM)

Dated 20 March 2018  
Entry into force: 1 January 2019



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## I General provisions

### Art. 1 Purpose

The purpose of this directive is to promote the clear and transparent use of alternative performance measures.

### Art. 2 Scope

<sup>1</sup> This directive applies to all issuers whose equity securities are listed on SIX Swiss Exchange Ltd ("SIX Swiss Exchange") and whose registered offices are in Switzerland.

<sup>2</sup> It also applies to issuers whose registered offices are not in Switzerland but whose equity securities are listed on the SIX Swiss Exchange and not in their home country.

## II Transparency provisions

### Art. 3 Definition

<sup>1</sup> An alternative performance measure 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 recognised accounting standards.

<sup>2</sup> Examples of alternative performance measures include: operating earnings, cash earnings, earnings before non-recurring expenses, earnings before interest, tax, depreciation and amortisation (EBITDA), net debt, organic growth or similar terms designating adjustments to line items of income statements / statements of comprehensive income, balance sheets or cash flow statements.

<sup>3</sup> This definition specifically excludes:

- physical measures (e.g. number of tonnes) or non-financial performance measures;
- performance measures defined in other regulations applicable to issuers (e.g. solvency).

### Art. 4 Applicability

<sup>1</sup> This directive applies to information which is disclosed by issuers periodically or for a specific event for the purpose of maintaining listing, and which contains alternative performance measures which are not included in financial statements prepared according to the applicable accounting standards. Information which is disclosed periodically or for specific events includes, inter alia, annual reports, management commentary and press releases relating to the periodic financial reporting.

<sup>2</sup> This directive does not apply to:

- prospectuses relating to the listing of securities;
- investor presentations.

### Art. 5 Label and explanation

<sup>1</sup> Clear and comprehensible definitions must be disclosed for all of the alternative performance measures used.

<sup>2</sup> Alternative performance measures must be given a meaningful label. The label should reflect the content and basis of calculation. Misleading labels must be avoided. Whether a label (e.g. non-recurring expenses) is misleading is determined by the specific circumstances.

### Art. 6 Reconciliation statement

<sup>1</sup> For alternative performance measures that are based on a measure included in financial statements prepared in accordance with recognised accounting standards, and which have been adjusted by adding or omitting specific items, a reconciliation statement must be disclosed to a comparable measure in the financial statement according to the recognised accounting standard. Significant reconciliation items must be explained.

<sup>2</sup> No reconciliation is required if an alternative performance measure is directly apparent from the financial statements prepared according to recognised accounting standards. This is the case, for example, where an alternative performance measure represents a subtotal in the financial statements.

#### **Art. 7 Presentation**

Alternative performance measures must not be presented with more prominence than measures defined in financial statements prepared in accordance with recognised accounting standards. Companies must ensure that there is a balance between performance measures defined or specified under applicable accounting standards, and the alternative performance measures used, which are arrived at by the addition or omission of specific items.

#### **Art. 8 Consistency**

<sup>1</sup> Comparative information for the corresponding prior-year periods must be disclosed for the alternative performance measures that are used.

<sup>2</sup> The definition and calculation basis of an alternative performance measure must be used consistently over time.

<sup>3</sup> If the company deviates from the principle of consistency, it must disclose this fact and describe the type of change made to the alternative performance measure.

<sup>4</sup> Comparative information must be adjusted accordingly, or an explanation must be given as to why it was not adjusted ("comply or explain").

#### **Art. 9 Use of references**

Alternatively, the information required by this directive may be provided by means of a reference (e.g. footnote, web link) to other documents, such as an appendix to the annual report or a central document on a web page. These documents must be publicly accessible at the time the alternative performance measure is disclosed.

### **III Final provision**

#### **Art. 10 Entry into force**

This directive is applicable for the first time to annual statements for financial years beginning on or after 1 January 2019.