

## Industrials - Definitions

### Definitions of terminology used in the financial summary table

The financial summary table on page 2 of Citi Research's company reports is generated by dataCentral, Citi Research's proprietary database.

This document contains the definitions for the items used in the financial summary table for industrial companies.

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# Industrials

## **Accounts Payable**

Amounts owed to suppliers for goods or services received but not yet paid for for trading activities.

## **Accounts Receivable**

Amounts owed by customers for goods delivered/services rendered for trading activities, less an estimate made for doubtful receivables.

## **Amortization**

Amortization of goodwill and other intangibles.

## **Associates**

Share of the profit or loss of joint ventures and associates.

## **BVPS**

Book value per share. Period end common shareholders' equity divided by period end ordinary shares.

## **Capex**

Gross investment in property plant and equipment and intangible operating assets during the period.

## **Cash & cash equiv.**

Cash and highly liquid investments that can be immediately convertible to known amounts of cash.

## **CFPS**

Cash flow per share. Operating cash flow divided by weighted average diluted shares.

## **Core EPS**

Core earnings per share. Analyst adjusted earnings divided by weighted average diluted shares.

## **Core EPS growth**

Year over year percentage change of core earnings per share.

## **Core NPAT**

Reported net income plus analyst's adjustment to earnings.

## **Core NPAT growth**

Year over year percentage change of reported net income plus analyst's adjustment to earnings.

## **Cost of sales**

Costs directly incurred in producing the goods sold or services provided from continuing operations.

## **Depreciation**

Depreciation expense incurred on property, plant and equipment.

## **Dividend yield**

Dividends per share divided by price per share.

## **Dividends paid**

Ordinary and preferred dividends paid during the period.

**DPS**

Dividends per share. Dividends divided by number of ordinary shares.

**EBIT**

Earnings before interest and taxes.

**EBIT growth**

Year over year percentage change of operating earnings before interest and taxes.

**EBIT Margin**

Earnings before interest and taxes divided by sales revenue.

**EBITDA**

Earnings before interest, taxes, depreciation and amortization.

**EBITDA Margin**

Earnings before interest, taxes, depreciation and amortization divided by sales revenue.

**EV/EBITDA**

Enterprise value divided by earnings before interest, taxes, depreciation and amortization.  
Enterprise value approximates the market value of a company by combining the value of its equity, net debt, provisions, and minority interest, less cash and non-core assets.

**Extraord./Min.Int./Pref.div.**

Extraordinary items, items that are both unusual in nature and infrequent, plus minority interest portion of the profit or loss after tax that is attributable to interests outside of the ownership group of the parent, plus dividends from preferred shares.

**FCF yield**

Free cash flow yield. Free cash flow per share divided by price per share.

**FCFPS**

Free cash flow per share. Operating cash flow less capital expenditures divided by weighted average diluted shares.

**Financial & other assets**

Investments plus other financial assets

**Financing cashflow**

Cash from financing activities.

**Free cashflow to s/holders**

Free cash flow to shareholders. Operating cash flow less capital expenditures.

**Goodwill & intangibles**

Goodwill, the acquisition price of share of subsidiary less fair value of share of subsidiary's net assets at time of acquisition, any impairment charges, and accumulated amortization, plus total other intangible assets.

**Gross profit**

Gross profit. Sales revenue less cost of sales.

**Gross Margin**

Gross profit divided by sales revenue

**Inventory**

Items that are raw materials, work in progress, and finished products available for sale.

**Investing cashflow**

Cash from investing activities.

**Long-term debt**

Long-term debt

Includes:

- Non-current (typically > 365 days) interest-bearing debt
- Non-current (typically > 365 days) borrowings and debentures
- Non-current (typically > 365 days) debt-like instruments (i.e. convertible debt)
- Non-current (typically > 365 days) finance lease liabilities
- Preferred equity that is effectively debt

**Minority interests**

Portion of consolidated group's total equity attributable to minority shareholders.

**Net acq/disposals**

Acquisitions less proceeds from disposals.

Includes:

- Sales of fixed assets
- Purchases/sales of businesses
- Purchases/sales of investments

**Net change in cash**

Change in cash during the period.

**Net debt**

Net debt includes short term debt plus long term debt less cash and marketable securities.

**Net debt to equity**

Net debt divided by total equity.

**Net fixed & other tangibles**

Net fixed assets at cost or revalued amount plus total other non current tangible assets

**Net interest**

Interest income recognized on cash or loans made to other parties or from interest earning investments less financing costs on debt.

**Net Margin**

Reported net income divided by sales revenue.

**Non-op/Except**

Non-operating items peripheral to the company's trading operations but of a recurring nature, such as dividend and rental income plus exceptional items generally of a capital, as opposed to an operating, nature that are unusual or infrequent, but not both.

**Operating cashflow**

Cash from operations.

**Payout ratio**

Dividend payout ratio. Dividends per share divided by analyst adjusted earnings per share.

**PB**

Price to book value per share. See BVPS for definition of book value per share.

**PE**

Price to earnings per share. Price divided by analyst adjusted earnings per share.

**Pre-tax profit**

Profit before tax.

**Provisions & other liab**

Non-current provisions recognized where firm has a present, probable legal or constructive obligation that can be reliably estimated, including all debt-deemed obligations plus other current and non-current liabilities plus other current and non-current liabilities.

**Reported EPS**

Reported earnings per share. Reported earnings divided by weighted average diluted shares.

**Reported net profit**

Reported net income.

**ROE**

Return on common shareholders' equity. Reported net income divided by the average book value of current and prior period.

**Sales revenue**

Revenue from sales of core trading operations.

**Sales revenue growth**

Year over year percentage change of sales revenue.

**Shareholders' equity**

Shareholders' equity

Includes:

- Share capital attributable to preferred shareholders
- Share capital attributable to ordinary shareholders (par value plus additional paid in capital)
- The increment of equity attributable to revaluation reserves for revalued assets
- Other reserves and retained profits (earnings retained in the business and other reserves)
- Unrealized gains/losses on investments
- Other equity (i.e. treasury shares, convertible debt equity)

**Short-term debt**

Short-term debt

Includes:

- Current (typically < 365 days) interest bearing debt
- Current portion (typically < 365 days) of long-term debt
- Bank overdraft

**Tax**

Tax attributable to pretax profit.

**Total assets**

Total assets.

**Total equity**

Shareholders' equity plus minority interest.

**Total liabilities**

Total liabilities.

**Working capital**

Year over year change in current assets and current liabilities excluding cash and debt.

**Wtd avg ord shares**

Number of ordinary shares outstanding weighted by the portion of the period they were outstanding adjusted historically for corporate actions.

**Wtd avg diluted shares**

Number of diluted shares outstanding weighted by the portion of the period they were outstanding adjusted historically for corporate actions.

# **Appendix A-1**

## **Section 1.01**