

Glossary of Alternative Performance Measures

In the reporting of financial information, the Directors have adopted various Alternative Performance Measures ("APMs"), previously termed as 'Non-GAAP measures'. APMs should be considered in addition to IFRS measurements, of which some are shown on page 120. The Directors believe that these APMs assist in providing useful information on the underlying performance of the Group, enhance the comparability of information between reporting periods, and are used internally by the Directors to measure the Group's performance.

The key APMs that the Group focuses on are as follows:

1. Like-for-like ("LFL") sales represent revenues from stores, centres and websites that have been trading for at least a year (but excluding prior year sales of stores and centres closed during the year) at constant foreign exchange rates.
2. Underlying EBIT is results from operating activities before non-underlying items, as shown in the Group Income Statement on page 120. Underlying EBITDA further removes depreciation and amortisation.
3. Underlying Profit Before Tax is profit before income tax and non-underlying items as shown in the Group Income Statement on page 120.
4. Underlying Earnings Per Share is profit after income tax before non-underlying items as shown in the Group Income Statement, as shown on page 120, divided by the number of shares in issue.
5. Net Debt is current and non-current borrowings less cash and cash equivalents, both in-hand and at bank, as shown in the Consolidated Statement of Financial Position on page 122; as reconciled below:

	FY19 £m	FY18 £m
Cash and cash equivalents	9.8	27.0
Borrowings – current	(18.5)	(20.8)
Borrowings – non-current	(73.1)	(94.0)
Net Debt	(81.8)	(87.8)

6. Net Debt to Underlying EBITDA ratio is represented by the ratio of Net Debt to Underlying EBITDA (both of which are defined above).

7. Adjusted Operating Cash Flow is defined as EBITDA plus share based payment transactions and loss on disposal of property, plant and equipment, less working capital movements and movement in provisions; as reconciled below.

	FY19 £m	FY18 £m
Underlying EBIT	62.2	74.6
Depreciation & amortisation	36.0	34.9
Underlying EBITDA	98.2	109.5
Non-underlying operating expenses	(7.8)	(4.8)
EBITDA	90.4	104.7
Share-based payment transactions	0.3	0.4
Loss on disposal of property, plant & equipment & intangibles	5.5	4.1
Working capital movements	(10.4)	(12.6)
Provisions movement & other	2.7	(1.2)
Adjusted Operating Cash Flow	88.5	95.4

8. Free Cash Flow is defined as Adjusted Operating Cash Flow (as defined above) less capital expenditure, net finance costs, taxation, exchange movement and arrangement fees on loans; as reconciled below.

	FY19 £m	FY18 £m
Adjusted Operating Cash Flow	88.5	95.4
Capital expenditure	(29.4)	(37.0)
Net finance costs	(3.1)	(1.9)
Taxation	(12.7)	(16.1)
Exchange movement	(0.3)	1.9
Arrangement fees on loans	(0.3)	(0.8)
Free Cash Flow	42.7	41.5