

Alternative performance measures' disclosure quality in the 2024 press release and management report

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Abstract

This study examines the disclosure quality of alternative performance measures (APMs) in 2024 press releases and management reports. Based on the ESMA guidelines on APMs, we established a disclosure index to capture the disclosure quality amongst European listed companies. We find the disclosure quality in the management report to be significantly better than the disclosure quality in the press release while, notably, these press releases are often published before the external audit of the financial statements is completed. Moreover, it is not always clear from the press releases whether the GAAP financial information has been audited or not. Our study further showed that almost all companies applied APMs on their first page of their Q4 press releases and management reports. In addition, the effects of the forthcoming IFRS 18 standard are discussed in this study.

Relevance to practice

The outcomes of this study underpin the need for improvement disclosures of the use of APMs, particularly in press releases presenting financial results. The study can be relevant for, amongst others, issuers of financial statements, financial reporting standard setters and authoritative bodies. The study analyses selected high quality disclosures of APMs.

Keywords

Alternative performance measures, ESMA, IFRS 18, management performance measures, press release

1. Introduction

Alternative performance measures (APMs) are frequently used by companies in financial statements and other public communications such as press releases (AFM 2024). The value relevance of APMs is however often debated. On the one hand, recent studies indicate that companies present APMs to meet the demand for additional, value-relevant information from the market (Veenman 2024). On the other hand, the Dutch Financial Markets Authority (AFM) points at the potential pitfalls of APMs and warns users to maintain a critical view of these alternative disclosures (AFM 2024). In this regard, the European Securities and Markets Authority (ESMA) considered already in 2015 that a common approach to APMs is necessary to en-

sure consistent, efficient and effective supervisory practices and a uniform and consistent application of the Transparency and Market Abuse Directive¹ (ESMA 2015).

In its 2024 market watch publication, the AFM concludes that the disclosure principles set out in the ESMA Guidelines are still frequently not adhered to, causing a threat to the transparency of financial reporting and an obstacle to users of financial information, including investors and analysts. Based on examples of misleading measures and adjustments and examples of more prominently disclosed APMs² than GAAP measures, also the SEC staff published in December 2022 updated guidance on how it evaluates APM measures.³

An additional motivation for this research is the publication in April 2024 of IFRS 18 *Presentation and Disclosure in financial statements*. IFRS 18 supersedes the existing IAS 1 standard and is effective for reporting periods beginning on or after 1 January 2027, with earlier application permitted. One of the key concepts introduced by IFRS 18 is the introduction of so-called management-defined performance measures (MPMs) which effectively are a subset of APMs. The inclusion of MPMs within an IFRS standard means also that some APMs and respective disclosures (such as required reconciliations) must be included inside audited financial statements in the future. In a statement in 2024 (ESMA 2024), the ESMA encourages security issuers to start assessing the effects of the implementation of IFRS 18 on the APMs disclosed in communication documents, press releases, management reports and prospectuses and, where necessary, consider adjusting their reporting processes and systems to enable a smooth implementation of the standard.

This study investigates the quality of the APM disclosures in press releases accompanying the 2024 financial results and the 2024 financial statements. We limited our scope of the study to only identify APMs applied by companies based on the first page of the press release or management report as we considered the first page typically highlights the most important metrics and hence capture the most important APMs. Furthermore, this study reflects on the involvement of the external auditor in the press release through examining whether GAAP financial information in the press release is audited or not and analyzing the timing difference between the press release and the auditors' opinion. The article is structured as follows; section 2 covers a description of the relevant guidance and regulatory framework related to APMs and the forthcoming IFRS 18 standard; in section 3 the sample is described and further descriptive sample analyses are performed; section 4 covers an empirical research on the quality and use of APM disclosures. Concluding remarks and recommendations are provided in section 5.

2. Alternative performance measures

As mentioned in the introduction, the ESMA has published guidelines on APMs for listed issuers (ESMA 2015). In this publication ESMA defines an APM as 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. The guidelines stipulate 7 disclosure requirements regarding APMs:

- Presentation
- Reconciliations
- Explanation on the use of the APMs
- Prominence and presentation of APMs
- Comparatives
- Consistency
- Compliance by reference

We refer to Appendix 2 for a further explanation of these presentation and disclosure requirements. Regarding the legal status of these ESMA guidelines, it is good to note that these are in principle non-binding but have to be considered as 'soft law' administrative rules (Jana and McMeeking 2021).⁴ National competent authorities must make efforts to review the adherence to these guidelines in the interest of investors as is evidenced by the AFM Market Watch publication (AFM 2024). In this publication the status of the guidelines is clearly to be considered as additional listing rules as the AFM urges all security issuers under their supervision to adhere to the guidelines.

The AFM also mentions the importance of the role of the auditors and advisers as both should play a pivotal role in ensuring that APMs do not obscure the transparency of financial information. The AFM urges auditors and advisers to strengthen their role in the wider corporate communication activities of their clients by discussing the use of APMs both for the documents in which they have an active role and for other corporate reporting activities. Regarding the latter, we point especially to the Q4 press release that is often issued some weeks before the audited financial statements are published. This Q4 press release contains also information for the whole financial year that is released for the first time to the financial markets and is considered to be highly value relevant (Chambers and Penman 1984; Marseille and Vergoossen 2005; Neuhierl et al. 2013).

2.1. Forthcoming IFRS 18

As mentioned earlier, one of the key concepts introduced by IFRS 18 is the introduction of so-called management-defined performance measures (MPMs). IFRS 18 requires entities to disclose information to help users of financial statements to understand the aspects of financial performance that are communicated by means of a MPM measure and how the MPM measure compares with the measures defined by IFRS standards.

MPMs are defined by IFRS 18 as a subtotal of income and expenses that an entity uses in public communications outside financial statements to communicate management's view of an aspect of the financial performance of the entity as a whole to users.⁵ This definition, hence, specifically excludes subtotals required by an IFRS accounting standard, including newly to be introduced subtotals from IFRS 18 itself. It should also be noted that the scope of the MPM definition is limited to a subtotal of income and expenses, while ESMA's APM definition also refers to the financial position and to cash flows. The introduced disclosure requirements for MPMs should be presented in a single note in the financial statements. If an entity also discloses other information in that note, the information in the note shall be labelled in a way that clearly distinguishes the required MPM-disclosures from the other information.

In the context of this study, it is relevant to understand the meaning of 'public communications' as described in

IFRS 18.⁶ Public communication includes management commentary, press releases and investor presentations but excludes oral communications, written transcripts of oral communications and social media posts. Despite this latter exclusion, the scope can be considered broad and includes in any case the Q4 press release of results but also the investor presentation deck in which the results are often summarized. It should be noted that the public communications referenced to in IFRS 18 are not governed itself by IFRS 18. However, here the ‘soft law’ of the market authorities (AFM, ESMA, SEC) takes over and creates another layer of rules that should be adhered to if the listed companies fall under the supervision of these authorities.

As part of this study we will also include annual result press releases (the release of the Q4 results and the full reporting year) in our research and the adherence to the APM disclosure requirements in these releases. In this regard we will also investigate the period between the date of the annual result press release and the date of publication of the audited financial statements. Additionally our expectation is that the (vast) majority of the press releases include unaudited financial information which is further investigated in section 4.4 of this article.

3. Sample

The sample of this study consists of European listed companies. The population has been derived from the STOXX Europe 600 index.⁷ From this listing we removed:

- firms operating in the real estate investment sector because of specific sector reporting requirements such as specific APMs requested by the European Public Real Estate Association (EPRA) for real estate entities;
- companies within the financial sector due to the distinct nature of their financial performance metrics;
- companies from the United Kingdom (UK) since they are no longer subject to ESMA supervision;
- companies which had a group relationship with other companies within the sample in which case only the parent company of the group was selected;
- companies for which the press release for the 2024 results or the financial statements of the reporting year 2024 were not available by 30 April 2025.

Subsequently, the 125 largest companies based on revenues were selected. In Table 1, the descriptive statistics of the sample are presented.

4. Empirical research

4.1. Alternative performance measurements disclosure quality construct

We developed a self-constructed disclosure index to capture the quality of APM disclosures. The overall alternative performance measurement disclosure quality (APMDQ) construct is determined by the ESMA APM disclosure guidelines (Appendix 2). In this study the construct APMDQ is based on five of the seven principles of the ESMA guidance (ESMA 2015): *Presentation, Reconciliations, Explanations on use, Prominence, and Comparatives*. The principle *consistency* is excluded as this study focuses solely on the 2024 press release and financial statement (management report) information and no longitudinal information is captured. The principle *compliance through reference*⁸ is not captured as a separate quality indicator but *if* a reference to another document was made, the APMDQ assessment was based on the documents (original and referred to) together. The APMDQ construct is determined based on the following formula.

$$APMDQ_i = \frac{\sum_{j=1}^{n_i} \sum_{k=1}^5 \text{principle}_{kj}}{n_i \times 5}$$

In this formula, n_i represents the number of APMs disclosed by firm i , and principle kj denotes the k -th of five disclosure quality principles (APMDQ) assessed for each APM j .

The data collection process consisted of a two-step approach. In the first step, APMs were identified based on the first page of the press releases and the first page of the management reports⁹ for each company. We considered that the first page typically highlights the most important metrics and hence captures the most important APMs. We chose to limit the scope of the APM identification process to solely financial performance measures and excluded non-financial performance measures (such as order book information or customer satisfaction scores) because we considered that several APM principles are less relevant for the non-financial performance measure categories

Table 1. Descriptive statistics of the population.*

| Revenues (× €1.000) | Communication | Consumer ^a | Energy | Health care | Industrials | Information technology | Materials | Utilities | Total |
|------------------------|---------------|-----------------------|-------------|-------------|-------------|---------------------------|------------|------------|-------------|
| Average | 29.702.139 | 48.330.398 | 102.109.106 | 22.206.184 | 21.671.424 | 16.446.937 | 22.165.591 | 45.189.000 | 32.632.103 |
| Median | 11.708.352 | 19.390.000 | 91.214.000 | 18.021.000 | 11.098.400 | 18.194.500 | 12.112.911 | 44.715.500 | 17.026.000 |
| Minimum | 4.353.201 | 193.527 | 56.713.000 | 2.627.939 | 988.875 | 472.074 | 3.833.500 | 3.548.000 | 193.527 |
| Maximum | 115.769.000 | 324.656.000 | 198.253.558 | 65.485.936 | 84.186.000 | 34.176.000 | 65.260.000 | 80.119.000 | 324.656.000 |
| Standard deviation | 35.434.099 | 68.606.047 | 50.186.235 | 19.247.301 | 22.166.132 | 10.398.895 | 20.130.579 | 26.499.480 | 43.931.461 |
| N | 8 | 30 | 5 | 17 | 37 | 10 | 12 | 6 | 125 |

* The industry Consumer is tabulated from the STOXX 600 Europe 600 index industries consumer discretionary and consumer staples

(such as the principles *Reconciliations* and *Prominence*). Furthermore, we excluded alternative performance measures related to disaggregated financial information.¹⁰ In the second step we scored each individually identified APM against the five disclosure principles of the alternative performance measurements construct.

4.2. Disclosure index

In this section we discuss the disclosure quality of APMs for the population divided in four subsections. Firstly, we discuss the overall quality derived from the disclosure index quality disaggregated per sector and per reporting principle (section 4.2.1). Secondly, we analyse the average number of identified APMs, nature of the APMs and use of compliance through referencing (section 4.2.2). Thirdly, we compare disclosure quality between press releases and management reports (section 4.3). Lastly, we reflect on the external auditors' role related to press releases (section 4.4).

4.2.1. Overall disclosure quality

From our empirical data (Table 2) we observe the average overall disclosure quality is 70% with relative high dispersion across the population (standard deviation of 19%). Particularly, the information technology sector stands out positively with an average score of 91% whilst the lowest average score (61%) was identified across the utilities sector.

Table 2. Disclosure index quality APMs per sector.

| Relative score | Communication | Consumer | Energy | Health care | Industrials | Information technology | Materials | Utilities | Total |
|--------------------|---------------|----------|--------|-------------|-------------|------------------------|-----------|-----------|-------|
| Average | 70% | 65% | 77% | 73% | 67% | 91% | 72% | 61% | 70% |
| Median | 75% | 66% | 90% | 78% | 69% | 94% | 74% | 60% | 71% |
| Minimum | 32% | 26% | 40% | 8% | 23% | 73% | 49% | 46% | 8% |
| Maximum | 94% | 100% | 97% | 98% | 100% | 100% | 94% | 78% | 100% |
| Standard deviation | 23% | 20% | 24% | 24% | 16% | 10% | 16% | 12% | 19% |
| N | 8 | 30 | 5 | 17 | 37 | 10 | 12 | 6 | 125 |

Table 3 depicts the relative score per reporting principle. In the next part of this section, we provide additional normative observations from our empirical studies structured per reporting principle. We provide further reflections on differences between the press release and the management report in section 4.3 of the study.

Table 3. Disclosure index quality per APM principle.

| Relative score | Press release | Management report | Total |
|-------------------------|---------------|-------------------|-------|
| Presentation | 72% | 94% | 84% |
| Reconciliations | 54% | 81% | 68% |
| Explanations on the use | 43% | 57% | 50% |
| Prominence | 51% | 69% | 60% |
| Comparatives | 87% | 95% | 91% |

Presentation

We observe the reporting principle *presentation* had an average score of 84%. Hence, generally APMs are accompanied with definitions in a clear and readable way and are meaningful (i.e. not misleading). In this respect we note this *meaningful* criterion is more judgmental. Based on the ESMA (2015) guidance¹¹ particularly non-recurring (adjusting) items should not be misleading. To operationalize this reporting principle our study evaluated whether the APM is clearly defined and understandable (not misleading) rather than a specific evaluation of the presented individual non-recurring (adjusting) items.¹² From our empirical assessment of the data, we, however, did observe a frequent use of non-recurring items such as restructuring items and/or impairment losses for which the APM figures are adjusted. An interesting area for further research would be to further investigate the specific nature of non-recurring (adjusting) items and specifically assess whether APM labels are not overly optimistic or positive (as set forth in paragraph 22 of the ESMA (2015) guidance. We further refer to section 5 of this research.

We compared our results against earlier research by the ESMA (2019) based on 2018 data from ad-hoc disclosures¹³ and the management report. The results based on the management report reveal that 41% of the companies disclosed definitions for all of their APMs, 37% disclosed most of the definitions for APMs used, 13% disclosed definitions for less than half of the APMs and 9% of the

companies provided no definitions. The results for the ad-hoc disclosures are respectively 37%, 30%, 9% and 24%. Albeit the ESMA (2019) results are presented by means of different buckets and the scope of the study may not be directly comparable, our results (average score of 84%) may indicate a (slight) improvement in overall disclosure quality. Furthermore, based on our empirical data only 2 companies (2%) had an overall disclosure quality of 0% on the presentation criteria across all of the identified APMs compared against the results of ESMA (2019) of 9% and 24% respectively for the management report and ad-hoc disclosures. In 62 instances (50%) of the instances we found that companies appropriately presented the APM for all of the APMs, compared against the results of the ESMA (2019) of 41% (management report) and 37% (ad-hoc disclosures), indicative of improvements in overall quality.

Reconciliations

An average score of 68% was identified in relation to the reporting principle *reconciliations*. Consistent with the findings of the thematic review of the AFM (AFM 2024) we found that reconciliations are not always provided or reconciling items are not identified or explained. Our study did identify several good practices which include the press release of Nokia. Nokia presents next to GAAP figures (referenced to as ‘reported’ figures) also non-GAAP figures (referenced to as ‘comparable’ figures) which are intended to reflect the underlying business performance by excluding certain items of income and expenses. Nokia (Figure 1) included a separate section on APMs and included a reconciliation at the income statement account level between their non-GAAP (‘comparable’) and GAAP (‘reported’) figures. We consider this detailed breakdown to provide valuable insights and enable users to evaluate the reliability and appropriateness of the adjustments made.¹⁴

ESMA (2019) found that 50% of the companies disclosed reconciliations for all APMs (ad-hoc disclosures: 41%) and 12% of the companies disclosed no reconciliations for all of the APMs (ad-hoc disclosures: 21%). In our sample, 25% of the companies disclosed reconciliations for all the identified APMs and 6% of the companies provided no reconciliations for all the APMs. Based on

our results more mixed results are found at a company level meaning that companies provide both APMs which comply with the reconciliation principle and APMs for which no reconciliations are provided.

Explanation on the use

The reporting principle *explanation on the use* shows the lowest average score (50%) meaning that for half of the observations no clear explanation on the use was found. From the empirical assessment of the data we observed that companies frequently provide definitions for the APMs adopted (e.g. as part of a glossary) however they do not provide a specific explanation on the use of the APM or provide a generic explanation on the use.

In line with the reporting principle *reconciliations*, a best practice example was identified in the press release of Nokia. As can be evidenced from Figure 2, Nokia provides clear additional guidance on APMs in their press release by means of a separate paragraph. Next to the definitions provided, Nokia included additional explanations on the purpose of the use of the alternative performance measure. Although we observe the explanations provided by Nokia why the APMs are useful (additional to GAAP measures) can be even more specific, we find the tabular presentation and clear distinction between definition and purpose to be a best practice example.

Figure 1. Nokia press release, p 34.

Comparable to reported reconciliation

Q4'24

| EUR million | Cost of sales | Research and development expenses | Selling, general and administrative expenses | Other operating income and expenses | Operating profit | Share of results of associates and joint ventures | Financial income and expenses | Income tax expense | Profit from continuing operations |
|---|----------------|-----------------------------------|--|-------------------------------------|------------------|---|-------------------------------|--------------------|-----------------------------------|
| Comparable | (3 158) | (1 129) | (638) | 83 | 1 142 | 2 | 61 | (227) | 977 |
| Restructuring and associated charges | (63) | 2 | (55) | (6) | (121) | — | — | 23 | (98) |
| Amortization of acquired intangible assets | — | (5) | (74) | — | (79) | — | — | 20 | (59) |
| Transaction and related costs | — | — | (22) | — | (22) | — | — | — | (22) |
| Impairment and write-off of assets, net of reversals | (2) | (4) | (1) | — | (6) | — | — | 1 | (5) |
| Divestment of associates | — | — | — | 4 | 4 | — | — | — | 4 |
| Fair value changes of current equity investments | — | — | — | — | — | — | (30) | — | (30) |
| Change in financial liability to acquire NSB non-controlling interest | — | — | — | — | — | — | (1) | — | (1) |
| Changes in the recognition of deferred tax assets | — | — | — | — | — | — | — | (20) | (20) |
| Items affecting comparability | (65) | (7) | (151) | (1) | (225) | — | (32) | 25 | (231) |
| Reported | (3 223) | (1 136) | (789) | 82 | 917 | 2 | 29 | (202) | 746 |

Figure 2. Nokia press release, p 33.

| Performance measure | Definition | Purpose |
|--|--|--|
| Comparable measures | Comparable measures exclude intangible asset amortization and other purchase price fair value adjustments, goodwill impairments, restructuring related charges and certain other items affecting comparability. Reconciliation of reported and comparable consolidated statement of income is presented below. | We believe that our comparable results provide meaningful supplemental information to both management and investors regarding Nokia's underlying business performance by excluding certain items of income and expenses that may not be indicative of Nokia's business operating results. Comparable operating profit is used also in determining management remuneration. |
| Constant currency net sales / Net sales adjusted for currency fluctuations | When net sales are reported on a constant currency basis / adjusted for currency fluctuations, exchange rates used to translate the amounts in local currencies to euro, our reporting currency, are the average actual periodic exchange rates for the comparative financial period. Therefore, the constant currency net sales / net sales adjusted for currency fluctuations exclude the impact of changes in exchange rates during the current period in comparison to euro. | We provide additional information on net sales on a constant currency basis / adjusted for currency fluctuations in order to better reflect the underlying business performance. |
| Comparable return on invested capital (ROIC) | Comparable operating profit after tax, last four quarters / Invested capital, average of last five quarters' ending balances. Calculation of comparable return on invested capital is presented below. | Comparable return on invested capital is used to measure how efficiently Nokia uses its capital to generate profits from its operations. |
| Comparable operating profit after tax | Comparable operating profit - (comparable operating profit x (-comparable income tax expense / comparable profit before tax)) | Comparable operating profit after tax indicates the profitability of Nokia's underlying business operations after deducting the income tax impact. We use comparable operating profit after tax to calculate comparable return on |

ESMA (2019) found that 34% of the companies disclosed explanations for all APMs (ad-hoc disclosures: 35%) and 23% of the companies disclosed no reconciliations for all of the APMs (ad-hoc disclosures: 38%). A slightly lower score was identified by the AFM (2024) across a sample of Dutch companies (23%). In our sample, 27% of the companies disclosed explanations on the use for all the identified APMs and 30% of the companies disclosed no explanation on the use for all the APMs. Hence, our results are relatively in line with earlier observations from the ESMA (2019) and the AFM (2024) and there is no indication of a (significant) improvement or deterioration of the *explanation on the use* principle.

Prominence

For the majority of the identified APMs (60%) no more prominence is given to the APM than the closest IFRS figure. Typically, we observe press releases are presented by means of a number of bullets in which the key results are presented. To objectively assess the prominence criteria we concluded a violation to the reporting principle *prominence* would arise if an APM is presented as part of the bullets presenting the key results whilst the closest IFRS figure is not presented in this key result section. As part of our study also several best practices were identified in which companies clearly made a distinction between IFRS and non-IFRS figures.

An example contains the press release of *DSM Firminech* (Figure 3). In our view this press release stood out positively due to the non-IFRS figures displayed with no more prominence, emphasis or authority than the IFRS figure. Furthermore the company made a clear distinction between IFRS and non-IFRS figures so that users clearly understand what figures constitute the APM.

Our study also revealed that in 40% of the instances non-IFRS figures were provided with more prominence than the closest IFRS figure which means there is room for improvement in this area. ESMA (2019) found that in 66% of the APMs in the management report were disclosed with no more prominence than the comparing IFRS figures (ad-hoc disclosures: 61%). These results are comparable to our observations (60%).

Comparatives

In order for an APM to be meaningful it requires to be accompanied with comparing figures. Our study reveals that for the vast majority (91%) companies did provide comparative figures to the APM. As a normative finding we observed that comparatives are frequently provided throughout the press release or management report but not always directly accompanying the APM figure. For the purpose of the operationalization of our disclosure index, we concluded the reporting principle *comparatives* to be fulfilled if comparatives are provided in the press release or management report but not necessarily directly accompanying the APM figure.¹⁵ We are of the opinion that a best practice disclosure however would be to provide accompanying figures directly accompanied with the APM figure, particularly when the APM figure is provided on the first page and the comparative figures provided at a later page. We reiterate and underpin the comment made by the AFM that a good practice for an APM disclosure would be to include an easy-to-analyse table that provides an overview of the APMs used (AFM 2024).

ESMA (2019) found that 89% of the companies disclosed APMs in the management report including comparatives for all of the APMs (ad-hoc disclosures: 87%) and 1% of the companies disclosed no comparatives for all of the APMs (ad-hoc disclosures: 5%). The AFM (2024) found that only 41% of the Dutch companies investigated provided comparatives for all the APMs disclosed. In our sample, 57% of the companies disclosed comparatives for all the identified APMs and 0% of the companies provided no comparatives for all of the identified APMs. Interestingly, compared against the ESMA (2019) results, the companies which provided comparatives for all of the APMs significantly declined, indicative of a deterioration of overall disclosure quality. However, this observation should be viewed in the light of the very high (91%) overall score on this reporting principle.

An example of a good practice disclosure was found in the press release of *Stellantis* which provided IFRS and non-GAAP financial figures in tabular form including comparative figures.

Figure 3. DSM Firminech press release, P1.

Key figures

| in € millions | FY 2024 | Pro forma FY 2023 ¹ | % Change | Q4 2024 | Q4 2023 | % Change |
|--------------------------|---------|-----------------------------------|----------|---------|---------|----------|
| Sales | 12,799 | 12,310 | 4 | 3,257 | 3,112 | 5 |
| Organic sales growth (%) | 6 | | | 7 | | |
| Adj. EBITDA | 2,118 | 1,777 | 19 | 601 | 439 | 37 |
| Adj. EBITDA margin (%) | 16.5 | 14.4 | | 18.5 | 14.1 | |
| Core adj. net profit | 849 | 555 | 53 | | | |

¹ Represents the figures on a pro forma basis, including the Firminech results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations - please also refer to the section Definitions.

Key figures on an IFRS basis

| in € millions | FY 2024 | FY 2023 ² | % Change |
|---------------------------------------|---------|----------------------|----------|
| Sales | 12,799 | 10,627 | 20 |
| Net profit from continuing operations | 280 | (636) | 144 |
| Net profit (total group) | 280 | 2,153 | (87) |

² Represents the figures on an IFRS basis, including the Firminech results as of the merger date May 8, 2023.

Figure 4. Stellantis press release, p 1.

| (€ million) | | 2024 | 2023 | Change | FY 2025 GUIDANCE Net Revenue Growth: Positive Adjusted operating income margin⁽²⁾: Mid-Single Digits Industrial free cash flows⁽³⁾: Positive |
|---------------------------------|---|---------|---------|-----------|--|
| I F R S | Net revenues | 156,878 | 189,544 | (17)% | |
| | Net profit | 5,520 | 18,625 | (70)% | |
| | Diluted EPS | 1.84 | 5.94 | (69)% | |
| | Cash flows from operating activities | 4,008 | 22,485 | (82)% | |
| N O N - C A P | Adjusted operating income ⁽¹⁾ | 8,648 | 24,343 | (64)% | |
| | Adjusted operating income margin ⁽²⁾ | 5.5% | 12.8% | (730) bps | |
| | Adjusted diluted EPS ⁽³⁾ | 2.48 | 6.42 | (61)% | |
| | Industrial free cash flows ⁽³⁾ | (6,045) | 12,858 | (147)% | |

4.2.2. Average number, nature of APMs and compliance through referencing

In this section we reflect on the average number of APMs identified, the nature of the APMs and whether the company has adopted compliance through referencing. Table 4 shows that on average five APMs were identified on the first page of the press release and the management report. Our conclusion from this observation is that APMs are frequently adopted which underpins the relevance of adhering to the APM guidance. The highest number of APMs identified on the first page of the press release is 11 which is amongst others identified in the press release of Akzo Nobel. In this respect we note that AkzoNobel made use of compliance through referencing by including a specific reference to a note to the condensed financial statements including reconciliation to the closest IFRS figure and explanations on the use. We will discuss the adoption of compliance through reference in the next part of this section.

As also pointed out by the AFM (AFM 2024), the use of a high number of APMs increases the risk that issuers do not adhere to the ESMA guidance. Furthermore, 123 out of the 125 issuers in our sample used one or more APMs on the first page of the press release and 121 companies used one or more APMs on the first page of the management report. For all issuers we identified one or more APMs either on the first page of the press release or management report. We furthermore compared the average number of APMs per sector to the average APM disclosure quality and observed the Energy sector (N = 5) on average has the lowest number of APMs and has an above average (77%) APM disclosure quality score. Results should however be cautiously interpreted as the average N per sector is relatively low. Another outlier identified is the relatively high

score of the information technology sector (N = 10), however this seems not be explained by an above or below average number of APMs.

In order to gain a better understanding of the nature of the APMs we grouped the APMs into the following categories: profit-related APMs, revenue-related APMs, cashflow-related APMs and others. As evidenced in table 5, we found that by far profit-related APMs are most frequently identified (54%), followed by cashflow-related APMs (20%). This observation is not surprising as our expectation has been that companies often apply alternative performance measures such as ‘Adjusted EBITDA’, ‘Core earnings’ or other measures for the profitability. We also identified 10 instances in which companies disclosed a change in one or more of their APMs, or disclosed the introduction of a new APM.

As explained in section 3, the reporting principle *consistency* has been excluded from the scope of our disclosure index. Nevertheless, we did identify a good practice disclosure from one of the companies. In their 2024 press release Equinor disclosed an amendment to their adjusted operating income calculation. In accordance with the ESMA guidance¹⁶ Equinor disclosed the change, including reasons for the change, and provided restated figures. As a good practice, Equinor included in their press release a tabular presentation of the impact of the change on the comparative figures disaggregated to the reporting segments affected (Figure 5).

As evidenced in Table 6, in 29 instances (23% of sample) compliance by reference was applied. This either related to specific references from the press release to the annual report or a company website or a specific reference included in the annual report to the company website. We observed that compliance by reference in the press release is typically applied to comply with

Table 4. Average number of APMs.

| Average number of APMs | Communication | Consumer | Energy | Health care | Industrials | Information technology | Materials | Utilities | Total |
|---------------------------|---------------|----------|--------|-------------|-------------|------------------------|-----------|-----------|-------|
| Press release | 7 | 4 | 4 | 5 | 5 | 5 | 6 | 5 | 5 |
| Management report | 5 | 5 | 3 | 6 | 5 | 5 | 6 | 6 | 5 |
| Combined | 12 | 9 | 7 | 11 | 10 | 10 | 12 | 11 | 10 |
| Disclosure quality | | | | | | | | | |
| Average APMDQ | 70% | 65% | 77% | 73% | 67% | 91% | 72% | 61% | 70% |

Figure 5. Equinor press release, p 39.**Amended principles for Adjusted operating income with effect from the first quarter of 2024:**

Equinor has made the following changes to the items adjusted for within Adjusted operating income:

With effect from the first quarter of 2024, Equinor no longer adjusts for over-/underlift to arrive at adjusted operating income. Over-/underlift is presented using the sales method. The sales revenues and associated costs are reflected in adjusted operating income when the physical volumes are lifted and sold rather than when they are produced, in line with IFRS Accounting Standards. Removing this adjustment is the result of a comprehensive materiality assessment and an effort to streamline our reporting. This change is part of our ongoing commitment to improve the alternative performance measures we present, ensuring that the adjustments are meaningful to users of the financial statements and supplementary information.

These changes have been applied retrospectively to the comparative figures. This change only affects the E&P Norway and E&P International reporting segments and does not impact the comparative figures of other segments.

| Impact of change E&P Norway | Q4 2023 | | | Full year 2023 | | |
|--|-------------|--------|----------|----------------|--------|----------|
| | As reported | Impact | Restated | As reported | Impact | Restated |
| Adjusted total revenues and other income | 9,871 | (16) | 9,855 | 38,213 | 35 | 38,248 |
| Over-/underlift | 16 | (16) | - | (35) | 35 | - |
| Adjusted operating and administrative expenses | (1,018) | (40) | (1,057) | (3,730) | (29) | (3,759) |
| Over-/underlift | 40 | (40) | - | 29 | (29) | - |
| Adjusted operating income/(loss) | 7,571 | (56) | 7,515 | 29,577 | 6 | 29,583 |
| Adjusted operating income/(loss) after tax | 1,570 | (12) | 1,558 | 6,494 | 1 | 6,495 |

| Impact of change E&P International | Q4 2023 | | | Full year 2023 | | |
|--|-------------|--------|----------|----------------|--------|----------|
| | As reported | Impact | Restated | As reported | Impact | Restated |
| Adjusted total revenues and other income | 1,952 | (86) | 1,867 | 6,956 | (45) | 6,910 |
| Over-/underlift | 86 | (86) | - | 45 | (45) | - |
| Adjusted operating and administrative expenses | (559) | 19 | (540) | (1,915) | 22 | (1,893) |
| Over-/underlift | (19) | 19 | - | (22) | 22 | - |
| Adjusted operating income/(loss) | 690 | (67) | 623 | 2,863 | (23) | 2,840 |
| Adjusted operating income/(loss) after tax | 255 | (33) | 222 | 1,650 | (24) | 1,626 |

the reporting criteria *definitions* and *explanation on the use* for which is referenced to the annual report (either 2024 or comparing period 2023) or the company website. ESMA (2015) requires references to be readily and easily accessible to users. References made should direct users to the information required by the ESMA guidelines such as direct hyperlinks into the documents where the information may be accessed.¹⁷ The use of hyperlinks in the press release or management report was identified in 12 instances which is 52% of the companies applying compliance through reference. A good practice of compliance through reference is found in the press release of Straumann Group which includes specific reference to the annual report including specific page numbering.

Table 5. Nature of identified APMs (due to rounding, total does not add up to 100%).

| Description of APM | Frequency observed | % of APMs identified |
|--------------------------------------|--------------------|----------------------|
| Profit-related APMs | 650 | 54 |
| Revenue-related APMs | 135 | 11 |
| Cash flow-related APMs | 237 | 20 |
| Other financial performance measures | 189 | 16 |

Table 6. Use of compliance by reference.

| Relative score | Total |
|-------------------------|-------|
| Compliance by reference | 29 |
| N | 125 |
| In % | 23% |

4.3. Press release and management report information

In line with our expectations, we observe a significant deviation in disclosure quality in press releases compared to management reports. As set forth in Table 7, an average score of 80% was realized across the five principles for APMs identified in the management report whilst only a score of 58% was realized in the press releases.¹⁸

The variation in quality between issuers was also significantly higher for the press release (standard deviation of 29%) versus the management report (standard deviation 19%). We believe this finding is troublesome because users of financial information typically rely on information in press releases as the first release of the results of the previous quarter and the reporting year. We refer to the end of section 2 of this study. In section 4.4, we provide further reflection on the external auditors' role in the press release and the timing of the press release and the auditors' opinion.

Table 7. Disclosure index quality press release and management report.

| Relative score | Press release | Management report | Total |
|--------------------|---------------|-------------------|-------|
| Average | 58% | 80% | 70% |
| Minimum | 0% | 0% | 0% |
| Maximum | 100% | 100% | 100% |
| Standard deviation | 29% | 19% | 19% |
| N | 123 | 121 | 125 |

4.4. External auditors' role in press releases

As evidenced in Table 7, the quality of APM disclosures in press releases is significantly lower than the quality of APM disclosures in management reports. As part of our study, we investigated whether the GAAP financial information included in the press release has been audited or unaudited or whether this information has not been disclosed at all (Table 8). We find that in almost half of the observations (47%) no information is disclosed whether the financial information is audited or not. We deem these results disappointing as this means that in almost half of the cases users of the press releases are uninformed on whether the financial figures have been subject to an external audit. In 32% of the instances companies specified the financial figures are unaudited and in only 8% of the instances it is specified that the financial figures are audited. This low percentage is likely a result of the press release being issued prior to the completion of the audit of the financial statements to which we will further reflect in the next part. In 16 instances (13%) the company explained in the press release that the audit procedures regarding the consolidated financial statements have been completed or substantially completed and that the auditor¹⁹ is in the process of issuing the audit report.²⁰ In our opinion this is an interesting statement given its inherent message that there will be no material audit differences affecting the financial statements which include differences in relation to subsequent events that could lead to

an adjustment of the financial results until the date of authorization for issue of these statements.²¹

From a Dutch perspective we further refer to the NBA practice statement 1128 (NBA Handreiking 1128) which sets out the involvement of the auditor in relation to the press release. In this respect also the Dutch Corporate Governance code is relevant. The Dutch Corporate Governance Code explains that the audit committee assesses whether, and if so, how, the external auditor is involved in the content of the publication of financial reports other than the financial statements (Dutch Corporate Governance Code 2025). For the Dutch companies in the population (10 companies), Table 8 shows that 1 (10%) company discloses audited financial information in the press release, 7 (70%) disclose unaudited financial information in the press release, and 2 (20%) do not disclose whether the presented financial data have been audited. We therefore conclude that most of the companies (80%) adhere to the recommendation set forth in the NBA practice statement 1128 to inform users whether the press release included audited financial figures or not.

Table 8. Assurance press release information.

| | Full population | | Dutch companies | |
|---|-----------------|-----|-----------------|-----|
| | N | % | N | % |
| Financial figures audited | 10 | 8 | 1 | 10 |
| Financial figures unaudited | 41 | 33 | 7 | 70 |
| Audit (substantially) completed however auditors' report not yet issued | 16 | 13 | 0 | 0 |
| Undisclosed | 58 | 46 | 2 | 20 |
| Total | 125 | 100 | 10 | 100 |

In order to evaluate the implication of the significant difference in disclosure quality between the press release and management report as set forth before, we have analysed the timing difference between the press release and the auditors' report to the financial statements. Table 9 depicts the reporting gap between the Q4 press release and the auditors' opinion accompanying the financial statements 2024. In applying the auditors' opinion date, we assumed this is often the timing at which the financial statements are authorized for issue (or shortly after) which date should be disclosed according to IAS 10²². For almost half of the population (46%) the auditors' opinion accompanying the 2024 financial statements was issued before or on the same date of the press release. This observation is relevant because the International Accounting Standards Board (IASB) considered in the development of IFRS 18 that in most jurisdictions entities issue the public communications (such as press releases) before or on the same day as the financial statements are authorized for issue however sometimes public communications might not be available until after the financial statements are authorized for issue.

Our observations show that in the majority (54%) of the cases the public communication has been before the auditors' opinion. This outcome is in line with the study

of Meirkulov et al. (2024) who found that 65% of the conference calls in 2024 were held before the date of the annual report with an average time gap of 20 days across a population of Dutch listed entities. In our study the average reporting gap found is 13 days across the full population and on average 26 days across the 68 companies for which a reporting gap was identified. Possibly this reporting gap is also affected by the mandatory electronic reporting requirement (European Single Electronic Format (ESEF)²³) applicable to publicly listed entities as from financial years 2021 as few issuers specifically pointed out in their press releases that the principle outstanding procedures as identified by the auditor included the receipt of the final ESEF financial statements. Interestingly, from the 68 companies for which the audit opinion accompanying the 2024 financial statements was provided after the Q4 2024 press release, 17 companies (25%) did not disclose whether the financial figures in the press release were audited or not, 36 companies (53%) disclosed the financial information was unaudited and 15 companies (22%) disclosed the audit was (substantially) completed.

Table 9. Reporting gap auditors' opinion on financial statements and press release.

| | N | Relative |
|---|-----|----------|
| Auditors' opinion before or on the same date of press release | 57 | 46% |
| Auditors' opinion after press release (1–7 days) | 8 | 6% |
| Auditors' opinion after press release (8–30 days) | 35 | 28% |
| Auditors' opinion after press release (>30 days) | 25 | 20% |
| Total | 125 | 100% |

We believe the publication of the press release before the issuance of the auditors' opinion may form a potential risk that undue pressure is put on the external auditor, particularly if there is no information in the press release whether the information is audited or not. From the perspective of the users of the press release there may be over-reliance on the level of assurance provided with regard to the financial information in the press release. An interesting area for further study may be to what extent there is a difference in financial figures included in the public communication (press release) to the full year results and the financial statement audited by the external auditor.

We point out that IFRS 18 does not directly require additional disclosures in public communication (such as press releases) but does mandate the disclosure of MPMs in a single note in the financial statements.²⁴ This means that the lack of transparency identified in some press releases on APMs will not be (fully) resolved by the introduction of IFRS 18. We refer further to section 5.3 in which we provide a recommendation in this area.

In this regard, a good practice was identified in the press release of Ericsson B which auditor issued a review opinion over the interim report for the third and fourth quarter and also for the (summarized) year-end financial information published on 24 January 2025. Subsequently, the full annual report has been completed on 26 February 2025

accompanied by an auditors' opinion. Despite this good practice, we still conclude that annual financial information is disclosed on two separate dates which adds complexity.

5. Conclusions, areas for further research and recommendations

5.1. Conclusions

This study provides insights in the quality of APM disclosures in press releases and management report of listed European companies. As part our study we investigated the quality of APM disclosures through the construct of a disclosure index derived from the ESMA Guidance on APMs (ESMA 2015) for the following reporting principles: *presentation, reconciliations, explanations on use, prominence, and comparatives*. Our study showed that the reporting principle *comparatives* was adhered to the most (91%) whilst the principle *explanation on the use* was least adhered to (50%). Based on an average disclosure index score – covering all five investigated reporting principles – of 70%, we conclude that there is room for improvement. Furthermore, significant variation between issuers was identified as evidenced by the relatively high standard deviation found (19%).

Based on the disclosure index, we found that the quality of APM disclosures in the press release relating to the financial results (50%) is significantly lower than the quality identified in the management report (78%). The relevance of this observation is underpinned by the reporting gap identified between the date of publication of the press release related to the full year 2024 results and the date of the auditors' report accompanying the financial statements. Our research showed that in most instances (54%) the press release covering the financial results 2024 was announced earlier than the issuance of the auditors' opinion to the financial statements. Furthermore, for some companies (20%) a significant reporting gap of more than 30 days was identified.

As part of our study we reflect on the external auditors' role in press releases. Almost half of the companies (46%) did not disclose whether the financial figures included in the press release to the 2024 full year results were audited or not. We find this a disappointing result. In relation to the ten Dutch companies in the population a higher score was identified. We found that 8 out of the 10 companies did disclose whether the press release included audited or unaudited information.

As a general observation, we noted significant differences in the quality of APM disclosures amongst issuers particularly in the press release. In this regard our study also identified best practice disclosures in both the press release and the management report.

By showing some good practices derived from the companies' statements, we hope to give issuers practical examples to improve the disclosure quality of alternative performance measures in forthcoming press releases and management reports.

5.2. Areas for further research

There are several interesting areas for further research. One area is to investigate the specific nature of non-recurring (adjusting) items and specifically assess whether APM labels are not overly optimistic or positive (as set forth in paragraph 22 of the ESMA (2015) guidance).

Another interesting area for further study is to what extent there is a difference in financial figures included in the public communication (press release) to the full year results and the financial statement audited by the external auditor.

Lastly, the transition to IFRS 18, effective as per 1 January 2027, may provide relevant research topics, especially into the nature and number of the APMs used since IFRS 18 requires subtotals of income and expenses not required or specifically exempted by IFRS (MPMs) to be included and disclosed in a single note to the financial notes which content therefore becomes part of the audited information. This area of research is also interesting given the clear message of the AFM towards auditors and advisers to strengthen their role in the wider corporate communication activities of their clients by discussing the use of APMs both for the documents in which they have an active role and for other corporate reporting activities. And it is especially the information on the (reasons for) use of APMs that shows the largest area for improvement (Table 3). A logical question that might arise within the boards of the companies is whether these APMs are really needed to inform investors properly.

5.3. Recommendations

Lastly, we recommend some regulatory or infrastructural actions based on our results and practical experience.

First of all, we advise to restrict the Q4 press release (*if any*) to the interim period itself and to only publish ‘financial information over the *full reporting year* in the audited financial statements and/or specific press releases containing parts of these audited financial information. This resolves the inherent complexity of presenting annual financial information on two different dates (press release date and date of publication annual report) in the context of events after the reporting period (IAS 10) and reduces a potential risk that undue pressure is put on the external auditor if audit findings and/or subsequent events require adjustment of already published financial information. Also the possible over-reliance by users on the level of assurance provided by the auditor in published press releases where references are made to the progress of the audit is mitigated. If the company likes to respond to an investor’s demand to publish annual results simultaneously with the Q4 press release, we recommend to wait until the audit is completed and *audited* annual figures can be released.²⁵

Another recommendation is to promote the current ‘soft law’ of the ESMA statements regarding the APMs into EU-regulations or Delegated Acts with the status of law. The level of authority of the requirements relating to the MPMs to be presented in the financial statements according to IFRS 18 could then be matched to similar authoritative statements that cover other forms of communication (like press releases) in which APMs/MPMs are presented. Also the role of the auditors in these other forms of communication could be determined such as requirement to consider the relevant forms of communication as other information²⁶ or to provide (limited) assurance on certain information elements.

In our view these recommendations contribute to the aim of protecting the integrity of financial markets and enhancing investor confidence, also in line with the Market Abuse Regulation of the European Union.²⁷

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Notes

1. The Transparency and Market Abuse Directives were EU laws aimed at ensuring fair and transparent financial markets. These directives have since been replaced by the Market Abuse Regulation (MAR) (2014), which streamlined and strengthened the regulatory framework, expanded its scope to commodity derivatives, and enhanced the powers of regulators. <https://eur-lex.europa.eu/eli/reg/2014/596/oj/eng>
2. Also referenced to as non-GAAP financial measures, e.g. by the US Securities and Exchange Commission (SEC). See next note.
3. The guidance is published in the form of a question and answer (Q&A) format. See: <https://www.sec.gov/corpfin/non-gAAP-financial-measures.htm>
4. The Court of Justice of the EU (CJEU) has recognized that soft law instruments from EU authorities can be taken into account in interpretation and may influence judicial reasoning, even if formally non-binding (see e.g. *Grimaldi* case, C-322/88, which is often cited). Found at: eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX%3A61988CJ0322_SUM&utm_source=chatgpt.com
5. IFRS 18.117.
6. IFRS 18.B119.
7. Retrieved per 26 February 2025.

8. Compliance by reference means that disclosure principles set out in the ESMA guidelines may be replaced by a direct reference to other documents previously published which contain these disclosures on APMs and are readily and easily accessible to users. In this case, compliance with the guidelines is to be assessed reading the documents together.
9. Typically the financial performance description as part of the management report was included in the business review, financial review section of the management report. If no clear (comprehensive) financial performance description was provided (on the first page) of the management report, we applied the key figures summary (often references to key figures 2024 or financial highlights 2024) of the annual report.
10. E.g. APMs on a segment level or mixed measures like revenue per shop.
11. ESMA (2025), paragraph 25: Issuers or persons responsible for the prospectus should not mislabel items as non-recurring, infrequent or unusual. For example items that affected past periods and will affect future periods will rarely be considered as non-recurring, infrequent or unusual (such as restructuring costs or impairment losses).
12. Due to the lack of longitudinal data we have not been able to objectively assess whether the APMs are overly optimistic or overly positive which we believe is an interesting area for further research. As part of our study we focused on the explanation of the definition and understandability of the APM (i.e. not unclear or misleading).
13. In the context of the ESMA (2019) study defined as following: ad-hoc disclosures mean annual earnings results published to the public according to Article 17 of the Market Abuse Regulation.
14. 'NSB' in figure 1 refers to Nokia Shanghai Bell, a joint venture in China which is fully consolidated based on a call option to acquire the remaining interest. Joint venture partner China Huaxin has – in addition – the right to transfer its ownership in NSB to Nokia and, hence, Nokia recorded a financial liability representing the estimated future cash that will be required to acquire Huaxin's share.
15. In several cases companies disclosed only the *relative* change compared against the previous reporting period as the comparative figure (e.g. a company disclosed the 2024 Adjusted EBITDA figure and the percentage change of the adjusted EBITDA based on the previous reporting period). In these cases we concluded the *comparatives* principle to be met since users have the opportunity to interpret and analyse the APM measure. In other cases companies also provide relative figures as APM (e.g. organic sales growth percentage). For this figure we concluded that these should be accompanied with the comparative figures to appropriately interpret and analyse the relative figure over the years.
16. ESMA (2015) paragraph 41.
17. ESMA (2015) paragraph 45–47.
18. For few press releases or management reports we did not identify APMs on the first page resulting in a sample size of 123 and 121 for the press release and management report respectively.
19. Or auditors in case of a joint audit relevant for French companies in our sample.
20. From these 16 observations, 15 observations related to French listed companies.
21. IAS 10.18.
22. In several occasions the data of the approval of the financial statements by the board of directors was not specified. In these occasions the auditors' opinion reporting date was applied.
23. European Single Electronic Format; the mandatory electronic reporting format for annual financial reports of companies listed on EU regulated markets.
24. IFRS 18.122.
25. We refer to Market Abuse Regulation (EU) No 596/2014 Article 17 to publicly disclose inside information as soon as possible, which could happen in the case that Q4 results causes earlier expectations about the annual financial performance to change which could lead to a profit warning. In this release reference can then be made to the expected publication date of the audited financial statements in which more detail will be given.
26. ISA720.
27. EU No 596/2014.

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Appendix 1

Table A1. Population.

| # | Company | # | Company | # | Company |
|----|-------------------------------------|----|------------------------------------|-----|--------------------------|
| 1 | AB Inbev | 43 | Essity Class B | 85 | PANDORA |
| 2 | Accor SA | 44 | Evolution | 86 | PERNOD RICARD SA |
| 3 | ACS | 45 | FERRARI NV | 87 | PROSUS NV CLASS N |
| 4 | ADIDAS N AG | 46 | Ferrovial | 88 | Prysmian |
| 5 | AENA SME SA | 47 | FRESENIUS SE AND CO KGAA | 89 | RENAULT SA |
| 6 | AIRBUS GROUP | 48 | GEA Group SA | 90 | Repsol SA |
| 7 | Akzo Nobel NV | 49 | GEBERIT AG | 91 | Rheinmetall AG |
| 8 | Alcon AG | 50 | GENMAB | 92 | ROCHE HOLDING PAR AG |
| 9 | Alfa Laval | 51 | Givaudan SA | 93 | RWE AG |
| 10 | Amadeus | 52 | HEIDELBERG MATERIALS AG | 94 | Ryanair Holding |
| 11 | Arcelormittal SA | 53 | Henkel & KGAA PREF AG | 95 | SAAB CLASS B |
| 12 | ASM INTERNATIONAL NV | 54 | Hermes | 96 | SAFRAN SA |
| 13 | ASML HOLDING NV | 55 | Hexagon Class B | 97 | Sandoz Group AG |
| 14 | ASSA ABLOY B | 56 | HOLCIM LTD AG | 98 | SANDVIK |
| 15 | ATLAS COPCO CLASS A | 57 | Iberdrola | 99 | SANOFI SA |
| 16 | BASF | 58 | INDUSTRIA DE DISENO TEXTIL INDITEX | 100 | SAP |
| 17 | BAYER AG | 59 | INFINEON TECHNOLOGIES AG | 101 | Schindler Holding Par AG |
| 18 | Beiersdorf AG | 60 | Kering SA | 102 | Schneider Electric |
| 19 | BMW AG | 61 | KERRY GROUP PLC | 103 | SGS SA |
| 20 | Bouygues SA | 62 | Kingspan Group PLC | 104 | Siemens |
| 21 | Bureau Veritas SA | 63 | Kone | 105 | Sika AG |
| 22 | CAPGEMINI | 64 | Kongsberg Gruppen | 106 | SNAM |
| 23 | Carlsberg AS | 65 | KONINKLIJKE AHOLD DELHAIZE NV | 107 | SONOVA HOLDING AG |
| 24 | CELLNEX TELECOM SA | 66 | Koninklijke KPN NV | 108 | Stellantis |
| 25 | Chocolofabrikanten Lindt & Spruengl | 67 | KONINKLIJKE PHILIPS NV | 109 | STMICROELECTRONICS NV |
| 26 | Coloplast B | 68 | Kuehne und Nagel | 110 | Straumann Group |
| 27 | COMPAGNIE DE SAINT GOBAIN SA | 69 | LAIR LIQUIDE SOCIETE ANONYME POUR | 111 | Swisscom AG |
| 28 | Compagnie Financiere Richemont SA | 70 | LEGRAND SA | 112 | SYMRISE AG |
| 29 | Daimler Truck Holding | 71 | Lonza Group AG | 113 | Telefonica SA |
| 30 | Danone SA | 72 | L'Oreal | 114 | Telenor Group |
| 31 | DASSAULT SYSTEMES | 73 | MERCEDES-BENZ GROUP N AG | 115 | Thales SA |
| 32 | DEUTSCHE POST AG | 74 | Merck | 116 | TotalEnergies |
| 33 | DEUTSCHE TELEKOM N AG | 75 | Michelin | 117 | UCB SA |
| 34 | DSM FIRMENICH AG | 76 | MONCLER | 118 | Universal Music Group NV |
| 35 | DSV | 77 | MTU Aero Engines Holding | 119 | UPM-KYMMENE |
| 36 | E.ON N | 78 | Nestle AS | 120 | Vat Group AG |
| 37 | Engie SA | 79 | NOKIA | 121 | Veolia Environ. SA |
| 38 | ENI | 80 | NOVARTIS AG | 122 | Vestas Wind Systems |
| 39 | EPIROC CLASS A | 81 | Novo Nordisk | 123 | Volkswagen Group |
| 40 | EQUINOR | 82 | NOVONESIS B | 124 | Volvo |
| 41 | Ericsson B | 83 | Orange SA | 125 | Wolters Kluwer NV |
| 42 | Essilorluxottica SA | 84 | Orlen SA | | |

Appendix 2

Table A2. ESMA APM principle.

| Disclosure principle | Summarized requirements | Relevant authoritative guidance |
|-------------------------------------|---|---------------------------------|
| Presentation | <p>Issuers or persons responsible for the prospectus should disclose the definitions of all APMs used, in a clear and readable way.</p> <p>APMs disclosed should be given meaningful labels reflecting their content and basis of calculation in order to avoid conveying misleading messages to users.</p> | Par 21–25 |
| Reconciliations | <p>A reconciliation of the APM to the most directly reconcilable line item, subtotal or total presented in the financial statements of the corresponding period should be disclosed, separately identifying and explaining the material reconciling items.</p> <p>Issuers or persons responsible for the prospectus should also present the most directly reconcilable line item, subtotal or total presented in the financial statements relevant for that specific APM</p> | Par 26–32 |
| Explanations on the use of APMs | Issuers or persons responsible for the prospectus should explain the use of APMs in order to allow users to understand their relevance and reliability. | Par 33–34 |
| Prominence and presentation of APMs | <p>APMs should not be displayed with more prominence, emphasis or authority than measures directly stemming from financial statements.</p> <p>Presentation of APMs should not distract from the presentation of the measures directly stemming from financial statements.</p> | Par 35–36 |
| Comparatives | <p>APMs should be accompanied by comparatives for the corresponding previous periods. In situations where APMs relate to forecasts or estimations, the comparatives should be in relation to the last historical information available.</p> <p>Issuers or persons responsible for the prospectus should present reconciliations for all comparatives presented.</p> | Par 37–40 |
| Consistency | <p>The definition and calculation of an APM should be consistent over time. In exceptional circumstances where issuers or persons responsible for the prospectus decide to redefine an APM, the issuer should:</p> <ol style="list-style-type: none"> i. Explain the changes; ii. explain the reasons why these changes result in reliable and more relevant information on the financial performance, and iii. provide restated comparative figures. <p>If an issuer stops disclosing an APM, the issuer should explain the reason for considering that this APM no longer provides relevant information.</p> | Par 41–44 |
| Compliance by reference | <p>Except in the case of prospectuses which are covered by a separate regime for incorporation by reference and except for those member states which do not permit the compliance by reference, disclosure principles set out in these guidelines may be replaced by a direct reference to other documents previously published which contain these disclosures on APMs and are readily and easily accessible to users. In this case, compliance with the guidelines is to be assessed reading the documents together. However, compliance by reference should not override the other principles of these guidelines.</p> | Par 45 |