

FINANCIAL DEFINITIONS (continued)

8. Liquidity Analysis

The Net debt: EBITDA and EBITDA: Net interest ratios disclosed are calculated using an adjusted EBITDA, adjusted finance costs (net of finance income) and an adjusted net debt value to adjust for the impact of non-trading items, acquisitions net of disposals and deferred payments in relation to acquisitions.

	H1 2023 Times	H1 2022 Times
Net debt: EBITDA	1.6	2.1
EBITDA: Net interest	19.0	16.0

9. Average Capital Employed

Average capital employed is calculated by taking an average of the equity attributable to equity holders of the parent and net debt over the last three reported Balance Sheets.

	H1 2023 €'m	2022 €'m	H1 2022 €'m	2021 €'m	H1 2021 €'m
Equity attributable to equity holders of the parent	6,356.5	6,221.9	6,088.7	5,601.2	4,963.1
Net debt	1,846.5	2,217.4	2,456.3	2,124.1	1,980.6
Total capital employed	8,203.0	8,439.3	8,545.0	7,725.3	6,943.7
Average capital employed	8,395.8	8,236.5	7,738.0		

10. Return on Average Capital Employed (ROACE)

This measure is defined as profit after taxation attributable to equity holders of the parent before non-trading items (net of related tax), brand related intangible asset amortisation and finance income and costs expressed as a percentage of average capital employed. ROACE is a key measure of the return the Group achieves on its investment in capital expenditure projects, acquisitions and other strategic investments.

	12 months to H1 2023 €'m	12 months to H1 2022 €'m	FY 2022 €'m
Profit after taxation attributable to equity holders of the parent	737.0	763.6	606.4
Non-trading items (net of related tax)	(2.9)	(92.1)	124.2
Brand related intangible asset amortisation	54.3	46.9	50.9
Net finance costs	59.6	69.8	66.2
Adjusted profit	848.0	788.2	847.7
Average capital employed	8,395.8	7,738.0	8,236.5
Return on average capital employed	10.1%	10.2%	10.3%

11. Net Debt

Net debt comprises borrowings and overdrafts, interest rate derivative financial instruments, lease liabilities and cash at bank and in hand. See full reconciliation of net debt in note 10 of these Condensed Consolidated Interim Financial Statements.

