



# Rethink Reporting

## Reporting KPIs that really matter

September 2025



# Agenda

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- 2 Why Rethink Reporting ...?
- 3 Sustainable KPIs and Reporting
- 4 Accounting and (much) more  
– IFRS 18
- 5 Key Takeaways
- 6 Discussion

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Today with you

# Today with you



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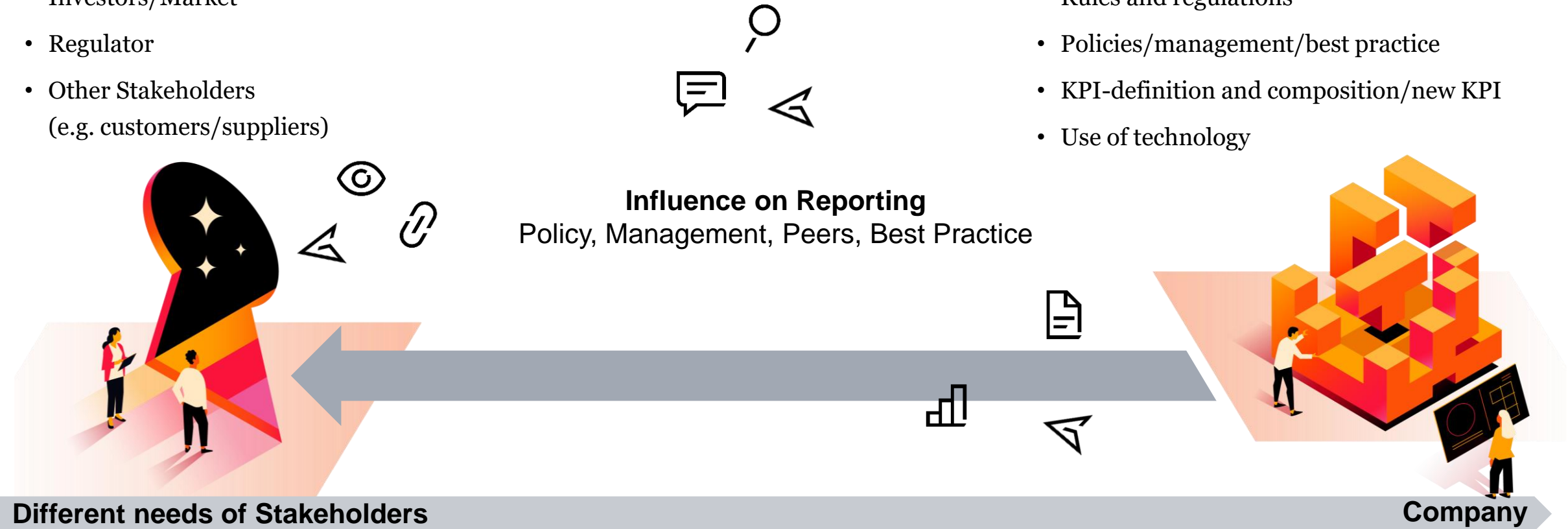
## Why Rethink Reporting ...?

# Why Rethink Reporting ...?

## KPI reporting based on Stakeholder needs

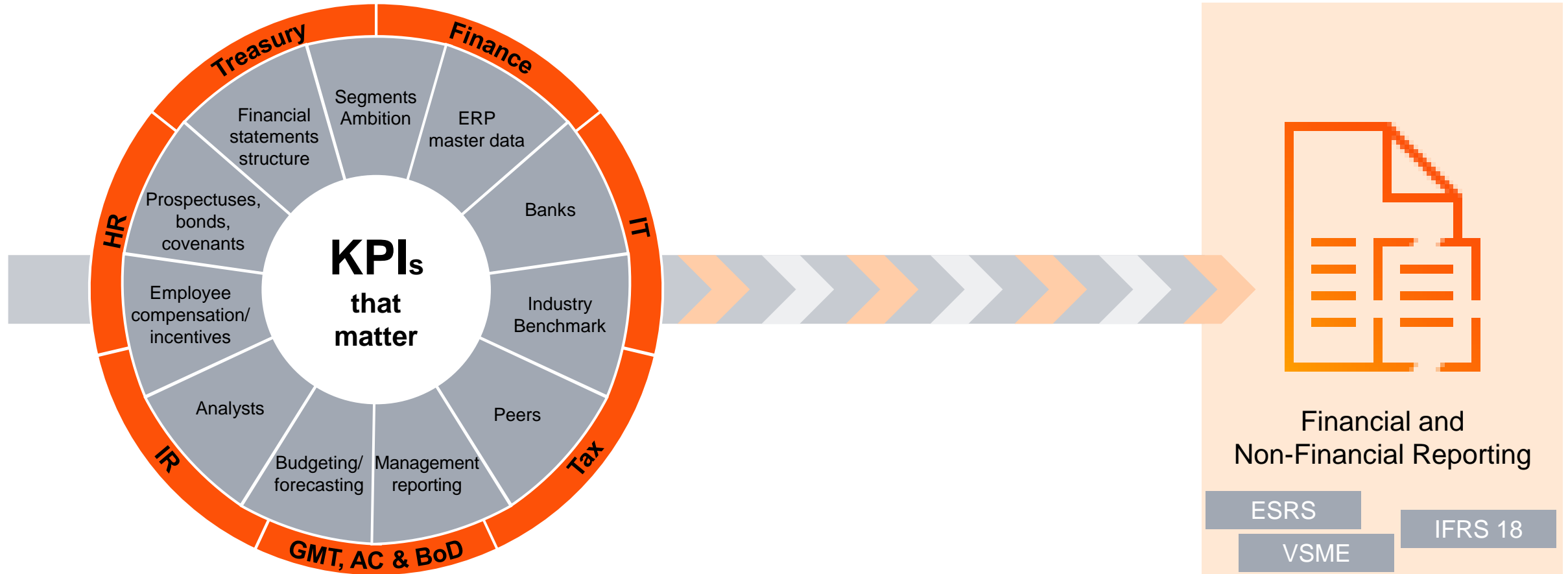
- Investors/Market
- Regulator
- Other Stakeholders  
(e.g. customers/suppliers)

- Rules and regulations
- Policies/management/best practice
- KPI-definition and composition/new KPI
- Use of technology



# Why Rethink Reporting ...?

Various KPIs feeding into financial and non-financial reporting





# Sustainability KPIs and Reporting



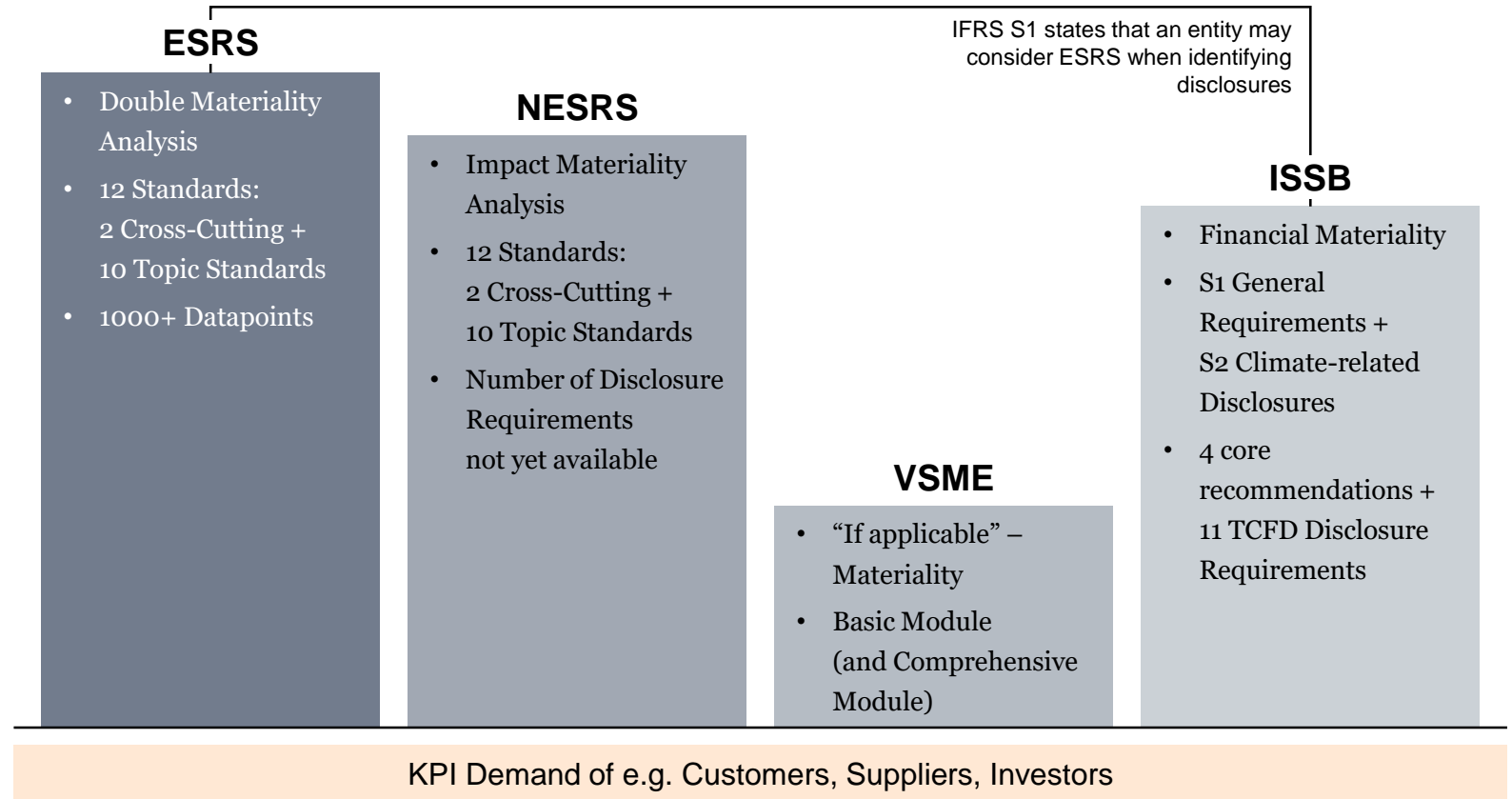
# Sustainability Reporting Landscape 2025

European Sustainability Reporting Standard (**ESRS**)

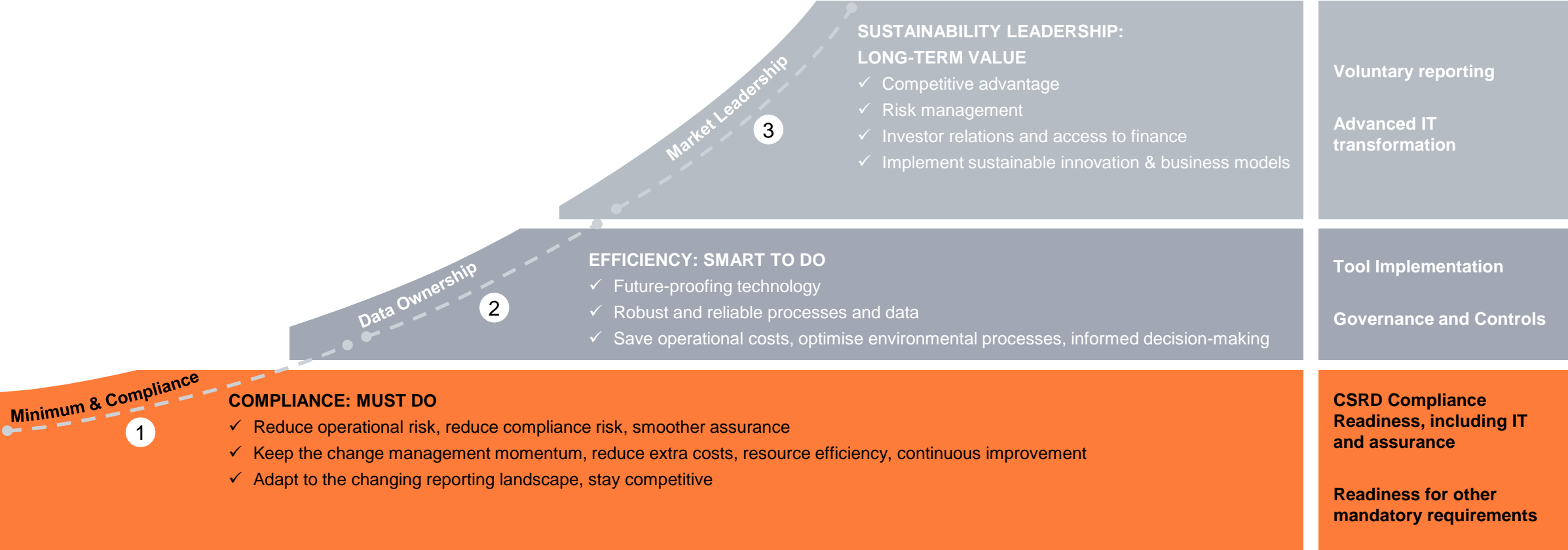
European Sustainability Reporting Standards for Non-EU Groups (**NESRS**)

Voluntary reporting standard for SMEs (**VSME**)

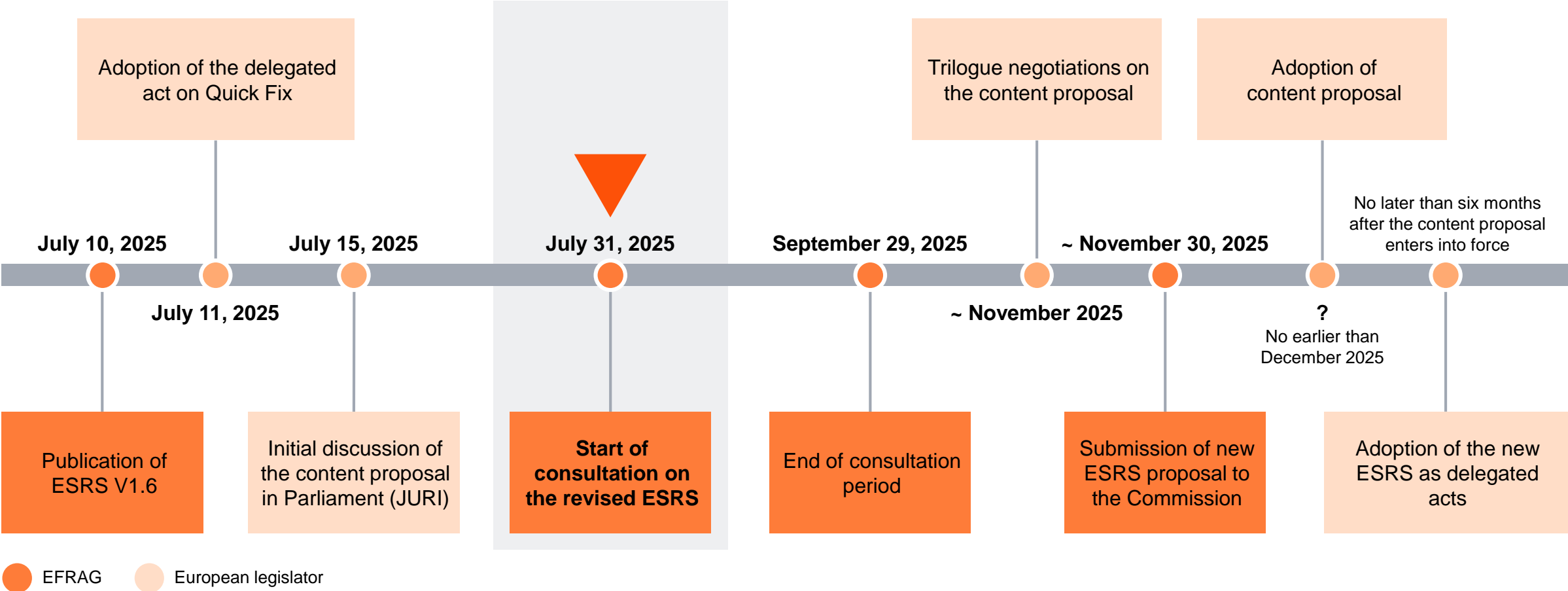
International Sustainability Standards Board (**ISSB**)



# Explore the Benefits of Sustainability Reporting/KPIs



# Next Steps Timeline for CSRD/ESRS



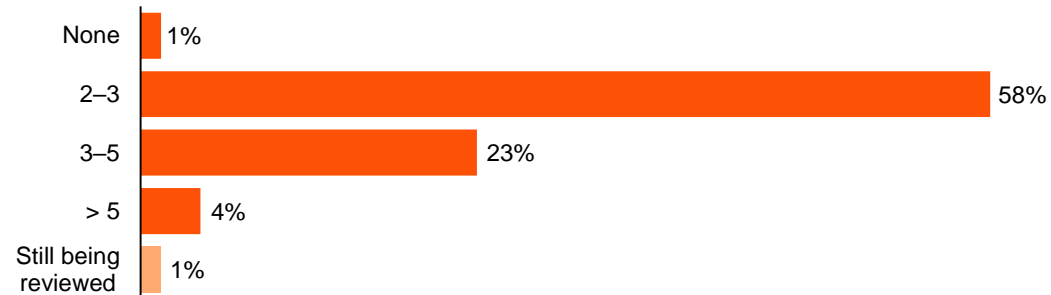
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Accounting and  
(much) more

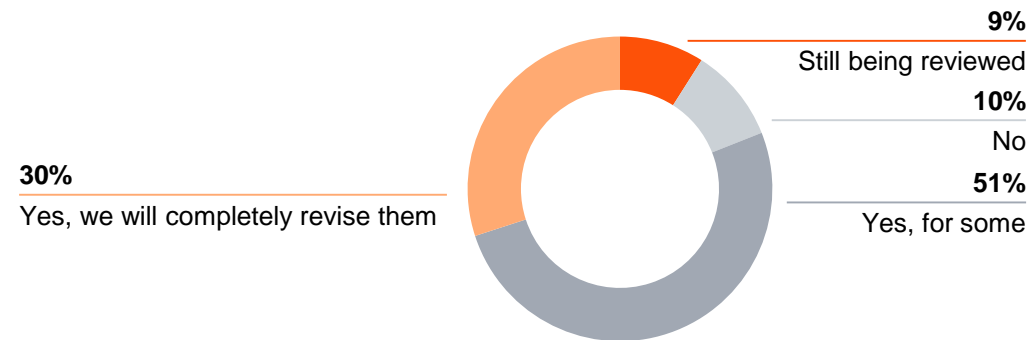
IFRS 18

# Views from the applicants

**How many potential management-defined performance measures (MPMs) do you expect to identify?**



**Are you considering adjusting your results-based key performance measures (e.g. adjusted EBITDA) so that these correspond to defined subtotals as presented in the P&L structure?**



**Over 80% are considering adjusting their results-based performance measures.**

Excerpt from PwC study  
Conducted in February/  
March 2025 Survey of  
around 200 companies  
(IFRS accounting)

Source for requesting  
the study: [Link](#)

# IFRS 18 | Changes impacting KPI reporting

To be reported starting in financial year 2026

## Profit and Loss statement Exemplary IAS 1 Structure – by function

|  |          |
|--|----------|
| Revenue  | X        |
| Cost of sales                                    | (X)      |
| <b>Gross profit</b>                              | <b>X</b> |
| Other income                                     | X        |
| Distribution costs                               | (X)      |
| Administrative expenses                          | (X)      |
| Other expenses                                   | (X)      |
| Finance costs                                    | (X)      |
| Share of profit of associates                    | X        |
| <b>Earnings before Interest and Taxes (EBIT)</b> | <b>X</b> |
| Interest income                                  | X        |
| Interest expenses                                | (X)      |
| <b>Profit before taxes</b>                       | <b>X</b> |
| Income tax expenses                              | (X)      |
| <b>Profit or loss from continuing operations</b> | <b>X</b> |
| Loss from discontinued operations                | (X)      |
| <b>Profit for the year</b>                       | <b>X</b> |

**EBIT as a key performance indicator will only in rare cases qualify as a subtotal reported on the face of the income statement under IFRS 18.**



## Simplified IFRS 18 structure for a general manufacturing entity – by function

|   |  |          |
|---|--|----------|
| Operating   | Revenue  | X        |
|   | Cost of sales  | (X)      |
|   | Other operating income                                   | X        |
|   | Selling expenses   | (X)      |
|   | Research and development expenses                        | (X)      |
|   | General and administrative expenses                      | (X)      |
|   | Goodwill impairment loss                                 | (X)      |
|   | Other operating expenses                                 | (X)      |
| <b>Operating profit (or loss)</b>                       |  | <b>X</b> |
| Investing   | Other investing income                                   | X        |
|   | Share of profit or loss of associated and joint ventures | X        |
|   | Other investing expenses                                 | (X)      |
| <b>Profit (or loss) before financing and income tax</b> |  | <b>X</b> |
| Financing   | Other finance income                                     | X        |
|   | Interest expenses on borrowings and lease liabilities    | (X)      |
|   | Interest expenses on pension liabilities and provisions  | (X)      |
|   | Other finance expenses                                   | (X)      |
| <b>Profit (or loss) before taxes</b>                    |  | <b>X</b> |
| Income tax  | Income tax expense                                       | (X)      |
| <b>Profit (or loss) from continuing operations</b>      |  | <b>X</b> |
| Discontinued operations                                 | Loss from discontinued operations                        | (X)      |
| <b>Profit (or loss) for the year</b>                    |  | <b>X</b> |

# Management-defined performance measures (MPMs)

## Definition and disclosure

**A management-defined performance measure is a subtotal of income and expenses that:**

- (a) an entity uses in public communications **outside** financial statements;
- (b) an entity uses to communicate to users of financial statements **management's view** of an aspect of the financial performance of the **entity as a whole**; and
- (c) is **not specifically excluded** from being an MPM or specifically required to be presented or disclosed by IFRS Accounting Standards.

Examples:

(Adjusted) EBIT/EBITDA,

Adjusted Operating Profit, ROCE, ...



**NEW:**  
**Disclosure in the notes to the financial statements**



# EBIT as a key performance indicator

## Possible options



EBIT as a key performance indicator will only in rare cases qualify as a subtotal reported on the face of the income statement under IFRS 18.

### Possible options

- 1. Continue to use existing EBIT or adjusted EBIT as a key performance indicator.**
- 2. Introduce “Operating Profit” (or another mandatory subtotal in accordance with IFRS 18) as a new relevant performance measure to replace EBIT.**
- 3. Introduce an additional subtotal in accordance with IFRS 18 that would not be classified as MPM.**

### Considerations

- What will the Peers do? Comparability throughout industry practice should be considered.
- What do analysts expect?
- Which KPI best reflects the steering model and ensures consistency to other (cashflow and balance sheet) KPIs?
- Costs and benefits analysis: will the benefits of a change outweigh the implementation effort in systems and processes?
- Options to be coordinated with all relevant stakeholders.

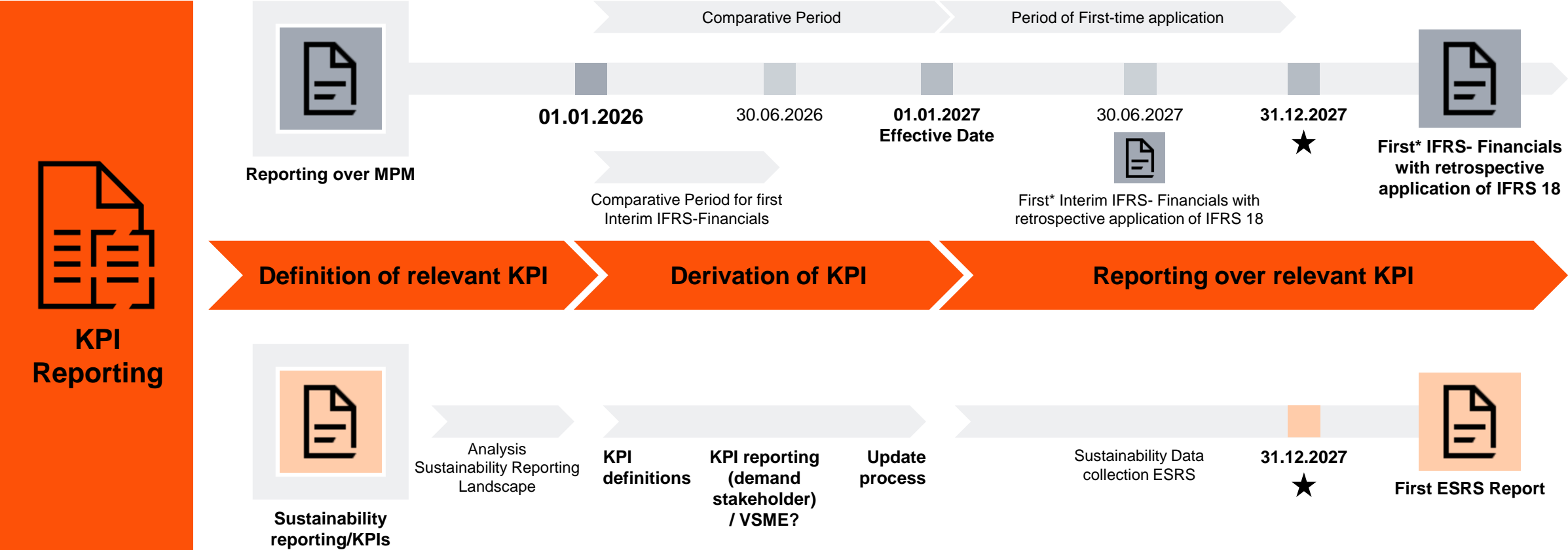


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## Key Takeaways

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The time is now ...



\* Assumption: half-year financials prepared and financial year = calendar year

# Key Takeaways

Sustainability KPIs based on company's steering concepts should be analysed and defined to fulfill demands of different stakeholder.

IFRS 18 reporting over “Management-defined performance measures” required based on steering concept as applied in 2026.

**New regulations represent an opportunity to challenge group-wide policies and steering concepts**

**Reason enough to challenge yourselves and ...**

**... Rethink Reporting**



# Thank you