

TABLE 1 IMPACT ON FINANCIAL STATEMENTS OF LESSEES

Income statement	Impact of IFRS 16
Revenue	-
Operating cost <i>(excluding depreciation and amortisation)</i>	-
EBITDA	↑
Depreciation <i>and</i> amortisation	Amortisation
Operating profit	↑
Finance costs	Interest
Profit before tax	↔
Balance sheet	
Right of use assets	↑
Financial liabilities	↑
Equity*	↓
Cash flow statement	
Operating cash flow	↑
Financing cash flow	↓
Total cash flow	↔

*Carrying value of asset will typically reduce more quickly than carrying value of lease liabilities

TABLE 2 RESULT UNDER IAS 17 AND IFRS 16 FOR EBITDA AND PBIT*

Industry sector	EBITDA (in millions of US\$)		Profit before interest and tax / total revenue		Increase in profit margin % before interest and tax (percentage points)
	Reported (IAS 17)	If all leases on balance sheet (IFRS 16)	Reported (IAS 17)	If all leases on balance sheet (IFRS 16)	
Airlines	51,624	73,849	6.33%	7.69%	1.36 (= 136 basis points)
Retailers	270,403	347,716	6.01%	6.66%	0.65
Travel and leisure	50,299	63,279	11.80%	13.15%	1.35
Transport	71,177	87,580	10.00%	10.70%	0.70
Telecommunications	399,328	434,452	13.18%	13.80%	0.63
Energy	688,370	745,273	8.11%	8.42%	0.31
Media	118,156	128,959	17.70%	18.29%	0.59
Distributors	29,350	35,047	3.70%	3.94%	0.24
Information technology	298,653	312,392	18.28%	18.50%	0.22
Healthcare	254,616	265,181	15.41%	15.63%	0.22
Others	1,162,512	1,228,643	10.63%	10.83%	0.20
Total	3,394,490	3,722,371	10.19%	10.58%	0.39

* From http://www.ifrs.org/Current-Projects/IASB-Projects/Leases/Documents/IFRS_16_effects_analysis.pdf

TABLE 3 OFF BALANCE SHEET OBLIGATIONS†

Industry sector	Number of companies	Total assets (in millions of US\$)	Future payments for off balance sheet leases <small>(undiscounted)</small> (in millions of US\$)	Future payments for off balance sheet leases / total assets	Present value of future payments for off balance sheet leases <small>(interest)</small> (in millions of US\$)	Present value of future payments for off balance sheet leases / total assets
Airlines	50	526,763	151,549	28.8%	119,384	22.7%
Retailers	204	2,019,958	571,812	28.3%	431,473	21.4%
Travel and leisure	69	403,524	115,300	28.6%	83,491	20.7%
Transport	51	585,964	90,598	15.5%	68,175	11.6%
Telecommunications	56	2,847,063	219,178	7.7%	172,644	6.1%
Energy	99	5,192,938	400,198	7.7%	287,858	5.5%
Media	48	1,020,317	71,743	7.0%	55,764	5.5%
Distributors	26	581,503	31,410	5.4%	25,092	4.3%
Information technology	58	1,911,316	69,870	3.7%	56,806	3.0%
Healthcare	55	1,894,933	72,149	3.8%	54,365	2.9%
Others	306	13,959,223	401,703	2.9%	306,733	2.2%

† From http://www.ifrs.org/Current-Projects/IASB-Projects/Leases/Documents/IFRS_16_effects_analysis.pdf