

## Alternative performance measures and financial definitions

Alternative performance measures are used to describe the development of operations and to enhance comparability between periods. These are not defined under IFRS but correspond to the methods applied by executive management and Board of Directors to measure the company's financial performance. Alternative performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS but rather as a complement.

### Definition and motivation of use

### Calculation at quarterly report January-March 2018

<p><b>Available liquidity</b> Liquid funds and short-term investments along with unutilized credit facilities. Shows the Group's available liquidity.</p>	<p style="text-align: right;">MSEK</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Liquid funds</td> <td style="text-align: right;">289</td> </tr> <tr> <td>Unutilized credit facilities</td> <td style="text-align: right;">4,200</td> </tr> <tr> <td>Available liquidity</td> <td style="text-align: right; border-top: 1px solid black;">4,489</td> </tr> </table>	Liquid funds	289	Unutilized credit facilities	4,200	Available liquidity	4,489				
Liquid funds	289										
Unutilized credit facilities	4,200										
Available liquidity	4,489										
<p><b>Equity per share</b> Equity attributable to shareholders in parent company divided by the number of outstanding shares at the end of the period.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Equity, MSEK</td> <td style="text-align: right;">10,688</td> </tr> <tr> <td>Less equity attributable to non-controlling interests, MSEK</td> <td style="text-align: right;">-1</td> </tr> <tr> <td>Equity attributable to shareholders in parent company, MSEK</td> <td style="text-align: right; border-top: 1px solid black;">10,687</td> </tr> <tr> <td>Number of outstanding shares at the end of the period</td> <td style="text-align: right;">294,962,746</td> </tr> <tr> <td>Equity per share, SEK</td> <td style="text-align: right;">36.23</td> </tr> </table>	Equity, MSEK	10,688	Less equity attributable to non-controlling interests, MSEK	-1	Equity attributable to shareholders in parent company, MSEK	10,687	Number of outstanding shares at the end of the period	294,962,746	Equity per share, SEK	36.23
Equity, MSEK	10,688										
Less equity attributable to non-controlling interests, MSEK	-1										
Equity attributable to shareholders in parent company, MSEK	10,687										
Number of outstanding shares at the end of the period	294,962,746										
Equity per share, SEK	36.23										
<p><b>Cash flow per share</b> Cash flow per share calculated as the total of the cash flow from current operations and the cash flow from investment operations divided by the average number of outstanding shares during the period.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash flow from current operations, MSEK</td> <td style="text-align: right;">-246</td> </tr> <tr> <td>Cash flow from investment operations, MSEK</td> <td style="text-align: right;">-144</td> </tr> <tr> <td>Total cash flow before financing, MSEK</td> <td style="text-align: right; border-top: 1px solid black;">-390</td> </tr> <tr> <td>Average number of outstanding shares</td> <td style="text-align: right;">294,962,746</td> </tr> <tr> <td>Cash flow per share, SEK</td> <td style="text-align: right;">-1.32</td> </tr> </table>	Cash flow from current operations, MSEK	-246	Cash flow from investment operations, MSEK	-144	Total cash flow before financing, MSEK	-390	Average number of outstanding shares	294,962,746	Cash flow per share, SEK	-1.32
Cash flow from current operations, MSEK	-246										
Cash flow from investment operations, MSEK	-144										
Total cash flow before financing, MSEK	-390										
Average number of outstanding shares	294,962,746										
Cash flow per share, SEK	-1.32										
<p><b>Net investments</b> Change in the period of the reported value of current assets (CB-OB) plus depreciation and write-downs.</p>											

**Definition and motivation of use**
**Calculation at quarterly report January-March 2018**

<p><b>Net debt</b> Interest-bearing liabilities less liquid funds and interest-bearing assets.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">MSEK</td> </tr> <tr> <td>Interest-bearing long term liabilities</td> <td style="text-align: right;">2,358</td> </tr> <tr> <td>Interest-bearing current liabilities</td> <td style="text-align: right;">1,585</td> </tr> <tr> <td>- Interest-bearing long-term receivables</td> <td style="text-align: right;">-1,382</td> </tr> <tr> <td>- Interest-bearing current receivables</td> <td style="text-align: right;">-563</td> </tr> <tr> <td>- Liquid funds</td> <td style="text-align: right;">-289</td> </tr> <tr> <td>Net debt</td> <td style="text-align: right; border-top: 1px solid black;">1,709</td> </tr> </table>		MSEK	Interest-bearing long term liabilities	2,358	Interest-bearing current liabilities	1,585	- Interest-bearing long-term receivables	-1,382	- Interest-bearing current receivables	-563	- Liquid funds	-289	Net debt	1,709		
	MSEK																
Interest-bearing long term liabilities	2,358																
Interest-bearing current liabilities	1,585																
- Interest-bearing long-term receivables	-1,382																
- Interest-bearing current receivables	-563																
- Liquid funds	-289																
Net debt	1,709																
<p><b>Orders received</b> The sum of orders received during the period. Measures how new orders replace produced work.</p>																	
<p><b>Order backlog</b> The value at the end of the period of the remaining income in ongoing production plus orders received yet to be produced.</p>																	
<p><b>Earnings per share</b> Profit for the period attributable to shareholders in parent company divided by the average number of outstanding shares during the period.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td>Profit for the period, MSEK</td> <td style="text-align: right;">218</td> </tr> <tr> <td>Less profit for the period attributable to non-controlling interests, MSEK</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Profit for the period attributable to shareholders in parent company, MSEK</td> <td style="text-align: right; border-top: 1px solid black;">218</td> </tr> <tr> <td>Average number of outstanding shares</td> <td style="text-align: right;">294,962,746</td> </tr> <tr> <td>Earnings per share, SEK</td> <td style="text-align: right;">0.74</td> </tr> </table>	Profit for the period, MSEK	218	Less profit for the period attributable to non-controlling interests, MSEK	0	Profit for the period attributable to shareholders in parent company, MSEK	218	Average number of outstanding shares	294,962,746	Earnings per share, SEK	0.74						
Profit for the period, MSEK	218																
Less profit for the period attributable to non-controlling interests, MSEK	0																
Profit for the period attributable to shareholders in parent company, MSEK	218																
Average number of outstanding shares	294,962,746																
Earnings per share, SEK	0.74																
<p><b>Return on equity</b> Profit for the rolling 12 months period attributable to shareholders in the parent company divided by the average (last four quarters) equity attributable to shareholders in the parent company. The measurement is used to make business efficient and form a rational capital structure.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td>Profit for the period, MSEK</td> <td style="text-align: right;">2,008</td> </tr> <tr> <td>Average equity, MSEK</td> <td></td> </tr> <tr> <td>Q1 2018</td> <td style="text-align: right;">10,687</td> </tr> <tr> <td>Q4 2017</td> <td style="text-align: right;">10,331</td> </tr> <tr> <td>Q3 2017</td> <td style="text-align: right;">9,755</td> </tr> <tr> <td>Q2 2017</td> <td style="text-align: right;">9,170</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">39,943 / 4</td> </tr> <tr> <td>Return on equity, %</td> <td style="text-align: right;">20.1</td> </tr> </table>	Profit for the period, MSEK	2,008	Average equity, MSEK		Q1 2018	10,687	Q4 2017	10,331	Q3 2017	9,755	Q2 2017	9,170		39,943 / 4	Return on equity, %	20.1
Profit for the period, MSEK	2,008																
Average equity, MSEK																	
Q1 2018	10,687																
Q4 2017	10,331																
Q3 2017	9,755																
Q2 2017	9,170																
	39,943 / 4																
Return on equity, %	20.1																

**Definition and motivation of use**
**Calculation at quarterly report January-March 2018**

<p><b>Return on capital employed</b> Pre-tax profit for the rolling 12 months period with the addition of financial expenses in percent of the average (last four quarters) capital employed. The measurement is used to measure capital efficiency and to allocate capital for new investments.</p>	<table> <tr> <td>Pre-tax profit, MSEK</td> <td style="text-align: right;">2,403</td> </tr> <tr> <td>Financial expenses, MSEK</td> <td style="text-align: right;">183</td> </tr> <tr> <td>Total profit, MSEK</td> <td style="text-align: right; border-top: 1px solid black;">2,586</td> </tr> <tr> <td>Average capital employed, MSEK</td> <td></td> </tr> <tr> <td>Q1 2018</td> <td style="text-align: right;">14,631</td> </tr> <tr> <td>Q4 2017</td> <td style="text-align: right;">14,074</td> </tr> <tr> <td>Q3 2017</td> <td style="text-align: right;">14,438</td> </tr> <tr> <td>Q2 2017</td> <td style="text-align: right;">13,874</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">57,017 / 4</td> </tr> <tr> <td>Return on capital employed, %</td> <td style="text-align: right;">18.1</td> </tr> </table>	Pre-tax profit, MSEK	2,403	Financial expenses, MSEK	183	Total profit, MSEK	2,586	Average capital employed, MSEK		Q1 2018	14,631	Q4 2017	14,074	Q3 2017	14,438	Q2 2017	13,874		57,017 / 4	Return on capital employed, %	18.1
Pre-tax profit, MSEK	2,403																				
Financial expenses, MSEK	183																				
Total profit, MSEK	2,586																				
Average capital employed, MSEK																					
Q1 2018	14,631																				
Q4 2017	14,074																				
Q3 2017	14,438																				
Q2 2017	13,874																				
	57,017 / 4																				
Return on capital employed, %	18.1																				
<p><b>Interest coverage ratio</b> Pre-tax profit items plus interest expenses in relation to interest expenses. Measured to see how well interest expenses can be covered.</p>	<table> <tr> <td>Pre-tax profit, MSEK</td> <td style="text-align: right;">256</td> </tr> <tr> <td>Interest expenses, MSEK</td> <td style="text-align: right;">22</td> </tr> <tr> <td>Total, MSEK</td> <td style="text-align: right; border-top: 1px solid black;">278</td> </tr> <tr> <td>Interest coverage ratio, multiple</td> <td style="text-align: right;">12.6</td> </tr> </table>	Pre-tax profit, MSEK	256	Interest expenses, MSEK	22	Total, MSEK	278	Interest coverage ratio, multiple	12.6												
Pre-tax profit, MSEK	256																				
Interest expenses, MSEK	22																				
Total, MSEK	278																				
Interest coverage ratio, multiple	12.6																				
<p><b>Operating margin</b> Operating profit as a percentage of net sales.</p>	<table> <tr> <td>Operating profit, MSEK</td> <td style="text-align: right;">290</td> </tr> <tr> <td>Net sales, MSEK</td> <td style="text-align: right;">11,490</td> </tr> <tr> <td>Operating margin, %</td> <td style="text-align: right;">2.5</td> </tr> </table>	Operating profit, MSEK	290	Net sales, MSEK	11,490	Operating margin, %	2.5														
Operating profit, MSEK	290																				
Net sales, MSEK	11,490																				
Operating margin, %	2.5																				
<p><b>Net debt/equity ratio</b> Interest-bearing net debt in relation to equity. Shows financial position.</p>	<table> <tr> <td>Net debt, MSEK</td> <td style="text-align: right;">1,709</td> </tr> <tr> <td>Equity, MSEK</td> <td style="text-align: right;">10,688</td> </tr> <tr> <td>Net debt/equity ratio, multiple</td> <td style="text-align: right;">0.2</td> </tr> </table>	Net debt, MSEK	1,709	Equity, MSEK	10,688	Net debt/equity ratio, multiple	0.2														
Net debt, MSEK	1,709																				
Equity, MSEK	10,688																				
Net debt/equity ratio, multiple	0.2																				
<p><b>Equity/assets ratio</b> Equity as a percentage of total assets at the end of the period. Shows financial position.</p>	<table> <tr> <td>Equity, MSEK</td> <td style="text-align: right;">10,688</td> </tr> <tr> <td>Total assets, MSEK</td> <td style="text-align: right;">32,008</td> </tr> <tr> <td>Equity/assets ratio, %</td> <td style="text-align: right;">33.4</td> </tr> </table>	Equity, MSEK	10,688	Total assets, MSEK	32,008	Equity/assets ratio, %	33.4														
Equity, MSEK	10,688																				
Total assets, MSEK	32,008																				
Equity/assets ratio, %	33.4																				

**Definition and motivation of use****Calculation at quarterly report January-March 2018**

<p><b>Capital employed for the Group</b> Total assets at the end of the period less non-interest-bearing operating liabilities and provisions. The measurement is used to measure capital utilization and its effectiveness.</p>	<p style="text-align: right;">MSEK</p> <table><tr><td>Total assets</td><td style="text-align: right;">32,008</td></tr><tr><td>- Deferred tax liabilities</td><td style="text-align: right;">-142</td></tr><tr><td>- Other long-term liabilities</td><td style="text-align: right;">-849</td></tr><tr><td>- Other current liabilities</td><td style="text-align: right;">-16,386</td></tr><tr><td>Capital employed</td><td style="text-align: right; border-top: 1px solid black;">14,631</td></tr></table>	Total assets	32,008	- Deferred tax liabilities	-142	- Other long-term liabilities	-849	- Other current liabilities	-16,386	Capital employed	14,631
Total assets	32,008										
- Deferred tax liabilities	-142										
- Other long-term liabilities	-849										
- Other current liabilities	-16,386										
Capital employed	14,631										
<p><b>Capital employed for the business areas</b> Total assets in the business areas at the end of the period reduced by deferred tax recoverables and internal receivables from the internal bank Peab Finans with deductions for non-interest-bearing liabilities, provisions and deferred tax liabilities. The measurement is used to measure capital utilization and its effectiveness for the business areas, and is only presented as a net amount per business area.</p>											