

## 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 2019										
<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;">1,156</td> </tr> <tr> <td>Unutilized credit facilities</td> <td style="text-align: right;">5,070</td> </tr> <tr> <td>Available liquidity</td> <td style="text-align: right; border-top: 1px solid black;">6,226</td> </tr> </table>	Liquid funds	1,156	Unutilized credit facilities	5,070	Available liquidity	6,226				
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<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;">11,665</td> </tr> <tr> <td>Less equity attributable to non-controlling interests, MSEK</td> <td style="text-align: right;">-2</td> </tr> <tr> <td>Equity attributable to shareholders in parent company, MSEK</td> <td style="text-align: right; border-top: 1px solid black;">11,663</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;">39.54</td> </tr> </table>	Equity, MSEK	11,665	Less equity attributable to non-controlling interests, MSEK	-2	Equity attributable to shareholders in parent company, MSEK	11,663	Number of outstanding shares at the end of the period	294,962,746	Equity per share, SEK	39.54
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<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;">642</td> </tr> <tr> <td>Cash flow from investment operations, MSEK</td> <td style="text-align: right;">-83</td> </tr> <tr> <td>Total cash flow before financing, MSEK</td> <td style="text-align: right; border-top: 1px solid black;">559</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;">1.90</td> </tr> </table>	Cash flow from current operations, MSEK	642	Cash flow from investment operations, MSEK	-83	Total cash flow before financing, MSEK	559	Average number of outstanding shares	294,962,746	Cash flow per share, SEK	1.90
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<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 2019**

<b>Net debt</b> Interest-bearing liabilities including provisions for pensions less liquid funds and interest-bearing assets.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right; vertical-align: bottom;">MSEK</td> </tr> <tr> <td>Interest-bearing long-term liabilities</td> <td style="text-align: right;">5,758</td> </tr> <tr> <td>Interest-bearing current liabilities</td> <td style="text-align: right;">1,454</td> </tr> <tr> <td>- Interest-bearing long-term receivables</td> <td style="text-align: right;">-1,253</td> </tr> <tr> <td>- Interest-bearing current receivables</td> <td style="text-align: right;">-454</td> </tr> <tr> <td>- Liquid funds</td> <td style="text-align: right;">-1,156</td> </tr> <tr> <td style="border-top: 1px solid black;">Net debt</td> <td style="text-align: right; border-top: 1px solid black;">4,349</td> </tr> <tr> <td>- Additional IFRS 16 Leasing</td> <td style="text-align: right;">-815</td> </tr> <tr> <td style="border-top: 1px solid black;">Net debt, excluding additional IFRS 16 liabilities</td> <td style="text-align: right; border-top: 1px solid black;">3,534</td> </tr> </table>		MSEK	Interest-bearing long-term liabilities	5,758	Interest-bearing current liabilities	1,454	- Interest-bearing long-term receivables	-1,253	- Interest-bearing current receivables	-454	- Liquid funds	-1,156	Net debt	4,349	- Additional IFRS 16 Leasing	-815	Net debt, excluding additional IFRS 16 liabilities	3,534
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<b>Orders received</b> The sum of orders received during the period. Measures how new orders replace produced work.																			
<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.																			
<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.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Profit for the period, MSEK</td> <td style="text-align: right;">224</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 style="border-top: 1px solid black;">Profit for the period attributable to shareholders in parent company, MSEK</td> <td style="text-align: right; border-top: 1px solid black;">224</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;">0.76</td> </tr> </table>	Profit for the period, MSEK	224	Less profit for the period attributable to non-controlling interests, MSEK	0	Profit for the period attributable to shareholders in parent company, MSEK	224	Average number of outstanding shares	294,962,746	Earnings per share, SEK	0.76								
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<b>Return on equity</b> Profit of the rolling 12 month 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 create efficient business and a rational capital structure and show how the Group has increased shareholders equity.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Profit for the period, MSEK</td> <td style="text-align: right;">2,106</td> </tr> <tr> <td>Average equity, MSEK</td> <td></td> </tr> <tr> <td>Q1 2019</td> <td style="text-align: right;">11,663</td> </tr> <tr> <td>Q4 2018</td> <td style="text-align: right;">11,347</td> </tr> <tr> <td>Q3 2018</td> <td style="text-align: right;">10,733</td> </tr> <tr> <td>Q2 2018</td> <td style="text-align: right;">10,152</td> </tr> <tr> <td></td> <td style="text-align: right;">43,895 / 4</td> </tr> <tr> <td style="border-top: 1px solid black;">Return on equity, %</td> <td style="text-align: right; border-top: 1px solid black;">10,974 19.2</td> </tr> </table>	Profit for the period, MSEK	2,106	Average equity, MSEK		Q1 2019	11,663	Q4 2018	11,347	Q3 2018	10,733	Q2 2018	10,152		43,895 / 4	Return on equity, %	10,974 19.2		
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**Definition and motivation of use**
**Calculation at quarterly report January-March 2019**

<p><b>Return on capital employed</b></p> <p>Pre-tax profit of the rolling 12 month 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 and show the Group's earning capacity independent of financing.</p>	<table> <tr> <td>Pre-tax profit, MSEK</td> <td style="text-align: right;">2,531</td> </tr> <tr> <td>Financial expenses, MSEK</td> <td style="text-align: right;">144</td> </tr> <tr> <td>Total profit, MSEK</td> <td style="text-align: right; border-top: 1px solid black;">2,675</td> </tr> <tr> <td>Average capital employed, MSEK</td> <td></td> </tr> <tr> <td>Q1 2019</td> <td style="text-align: right;">18,877</td> </tr> <tr> <td>Q4 2018</td> <td style="text-align: right;">18,360</td> </tr> <tr> <td>Q3 2018</td> <td style="text-align: right;">17,730</td> </tr> <tr> <td>Q2 2018</td> <td style="text-align: right;">16,322</td> </tr> <tr> <td></td> <td style="text-align: right;">71,289 / 4</td> </tr> <tr> <td>Return on capital employed, %</td> <td style="text-align: right;">15.0</td> </tr> </table>	Pre-tax profit, MSEK	2,531	Financial expenses, MSEK	144	Total profit, MSEK	2,675	Average capital employed, MSEK		Q1 2019	18,877	Q4 2018	18,360	Q3 2018	17,730	Q2 2018	16,322		71,289 / 4	Return on capital employed, %	15.0
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<p><b>Interest coverage ratio</b></p> <p>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;">269</td> </tr> <tr> <td>Interest expenses, MSEK</td> <td style="text-align: right;">37</td> </tr> <tr> <td>Total, MSEK</td> <td style="text-align: right; border-top: 1px solid black;">306</td> </tr> <tr> <td>Interest coverage ratio, multiple</td> <td style="text-align: right;">8.3</td> </tr> </table>	Pre-tax profit, MSEK	269	Interest expenses, MSEK	37	Total, MSEK	306	Interest coverage ratio, multiple	8.3												
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<p><b>Operating margin</b></p> <p>Operating profit as a percentage of net sales.</p>	<table> <tr> <td>Operating profit, MSEK</td> <td style="text-align: right;">265</td> </tr> <tr> <td>Net sales, MSEK</td> <td style="text-align: right;">11,359</td> </tr> <tr> <td>Operating margin, %</td> <td style="text-align: right;">2.3</td> </tr> </table>	Operating profit, MSEK	265	Net sales, MSEK	11,359	Operating margin, %	2.3														
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<p><b>Net debt/equity ratio</b></p> <p>Interest-bearing net debt in relation to equity. Shows financial position.</p>	<table> <tr> <td>Net debt, MSEK</td> <td style="text-align: right;">4,349</td> </tr> <tr> <td>Equity, MSEK</td> <td style="text-align: right;">11,665</td> </tr> <tr> <td>Net debt/equity ratio, multiple</td> <td style="text-align: right;">0.4</td> </tr> </table>	Net debt, MSEK	4,349	Equity, MSEK	11,665	Net debt/equity ratio, multiple	0.4														
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<p><b>Equity/assets ratio</b></p> <p>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;">11,665</td> </tr> <tr> <td>Total assets, MSEK</td> <td style="text-align: right;">37,014</td> </tr> <tr> <td>Equity/assets ratio, %</td> <td style="text-align: right;">31.5</td> </tr> <tr> <td>Equity, excluding additional IFRS 16 Leasing, MSEK</td> <td style="text-align: right;">11,666</td> </tr> <tr> <td>Total assets, excluding additional IFRS 16 Leasing, MSEK</td> <td style="text-align: right;">36,200</td> </tr> <tr> <td>Equity/assets ratio, excluding additional IFRS 16 Leasing, %</td> <td style="text-align: right;">32.2</td> </tr> </table>	Equity, MSEK	11,665	Total assets, MSEK	37,014	Equity/assets ratio, %	31.5	Equity, excluding additional IFRS 16 Leasing, MSEK	11,666	Total assets, excluding additional IFRS 16 Leasing, MSEK	36,200	Equity/assets ratio, excluding additional IFRS 16 Leasing, %	32.2								
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**Definition and motivation of use****Calculation at quarterly report January-March 2019****Capital employed for the Group**

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.

	MSEK
Total assets	37,014
- Deferred tax liabilities	-134
- Other long-term liabilities	-1,055
- Other current liabilities	-16,948
Capital employed	18,877
- Additional IFRS 16 Leases	-814
Capital employed, excluding IFRS 16 Leases	18,063

**Capital employed for the business areas**

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.