

## 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-September 2019

Definition and motivation of use	Calculation at quarterly report January-September 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>MSEK</p> <p>Liquid funds 261</p> <p>Unutilized credit facilities 4,059</p> <hr/> <p>Available liquidity 4,320</p>
<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>	<p>Equity, MSEK 11,735</p> <p>Less equity attributable to non-controlling interests, MSEK -2</p> <hr/> <p>Equity attributable to shareholders in parent company, MSEK 11,733</p> <p>Number of outstanding shares at the end of the period 294,962,746</p> <p>Equity per share, SEK 39.78</p>
<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>	<p>Cash flow from current operations, MSEK -669</p> <p>Cash flow from investment operations, MSEK -434</p> <hr/> <p>Total cash flow before financing, MSEK -1,103</p> <p>Average number of outstanding shares 294,962,746</p> <p>Cash flow per share, SEK -3.74</p>
<p><b>Net investments</b> Change in the period of the reported value of current assets (CB-OB) plus depreciation and write-downs.</p>	

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<p><b>Net debt</b> Interest-bearing liabilities including provisions for pensions less liquid funds and interest-bearing assets.</p>	<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;">5,942</td> </tr> <tr> <td>Interest-bearing current liabilities</td> <td style="text-align: right;">3,533</td> </tr> <tr> <td>- Interest-bearing long-term receivables</td> <td style="text-align: right;">-1,077</td> </tr> <tr> <td>- Interest-bearing current receivables</td> <td style="text-align: right;">-195</td> </tr> <tr> <td>- Liquid funds</td> <td style="text-align: right;">-261</td> </tr> <tr> <td style="border-top: 1px solid black;">Net debt</td> <td style="text-align: right; border-top: 1px solid black;">7,942</td> </tr> <tr> <td>- Additional IFRS 16 Leases</td> <td style="text-align: right;">-773</td> </tr> <tr> <td style="border-top: 1px solid black;">Net debt, excluding additional IFRS 16 Leases</td> <td style="text-align: right; border-top: 1px solid black;">7,169</td> </tr> </table>		MSEK	Interest-bearing long-term liabilities	5,942	Interest-bearing current liabilities	3,533	- Interest-bearing long-term receivables	-1,077	- Interest-bearing current receivables	-195	- Liquid funds	-261	Net debt	7,942	- Additional IFRS 16 Leases	-773	Net debt, excluding additional IFRS 16 Leases	7,169
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<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 style="width: 80%;">Profit for the period, MSEK</td> <td style="text-align: right;">1,501</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;">1,501</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;">5.09</td> </tr> </table>	Profit for the period, MSEK	1,501	Less profit for the period attributable to non-controlling interests, MSEK	0	Profit for the period attributable to shareholders in parent company, MSEK	1,501	Average number of outstanding shares	294,962,746	Earnings per share, SEK	5.09								
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<p><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 shareholder equity.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Profit for the period, MSEK</td> <td style="text-align: right;">2,207</td> </tr> <tr> <td>Average equity, MSEK</td> <td></td> </tr> <tr> <td>Q3 2019</td> <td style="text-align: right;">11,733</td> </tr> <tr> <td>Q2 2019</td> <td style="text-align: right;">11,142</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></td> <td style="text-align: right;">45,885 / 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;">11,471 19.2</td> </tr> </table>	Profit for the period, MSEK	2,207	Average equity, MSEK		Q3 2019	11,733	Q2 2019	11,142	Q1 2019	11,663	Q4 2018	11,347		45,885 / 4	Return on equity, %	11,471 19.2		
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**Calculation at quarterly report January-September 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;">2,625</td> </tr> <tr> <td>Financial expenses, MSEK</td> <td style="text-align: right;">168</td> </tr> <tr> <td>Total profit, MSEK</td> <td style="text-align: right; border-top: 1px solid black;">2,793</td> </tr> <tr> <td>Average capital employed, MSEK</td> <td></td> </tr> <tr> <td>Q3 2019</td> <td style="text-align: right;">21,210</td> </tr> <tr> <td>Q2 2019</td> <td style="text-align: right;">21,067</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></td> <td style="text-align: right; border-top: 1px solid black;">79,514 / 4</td> </tr> <tr> <td>Return on capital employed, %</td> <td style="text-align: right;">14.1</td> </tr> </table>	Pre-tax profit, MSEK	2,625	Financial expenses, MSEK	168	Total profit, MSEK	2,793	Average capital employed, MSEK		Q3 2019	21,210	Q2 2019	21,067	Q1 2019	18,877	Q4 2018	18,360		79,514 / 4	Return on capital employed, %	14.1
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<p><b>Interest coverage ratio</b></p> <p>Pre-tax profit items plus interest expenses in relation to interest expenses. The measurement shows how well interest expenses can be covered.</p>	<table> <tr> <td>Pre-tax profit, MSEK</td> <td style="text-align: right;">1,786</td> </tr> <tr> <td>Interest expenses, MSEK</td> <td style="text-align: right;">126</td> </tr> <tr> <td>Total, MSEK</td> <td style="text-align: right; border-top: 1px solid black;">1,912</td> </tr> <tr> <td>Interest coverage ratio, multiple</td> <td style="text-align: right;">15.2</td> </tr> </table>	Pre-tax profit, MSEK	1,786	Interest expenses, MSEK	126	Total, MSEK	1,912	Interest coverage ratio, multiple	15.2												
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<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.	MSEK
<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.	

  

Total assets	39,703
- Deferred tax liabilities	-138
- Other long-term liabilities	-959
- Other current liabilities	-17,396
Capital employed	21,210
- Additional IFRS 16 Leases	-770
Capital employed, excluding IFRS 16 Leases	20,440