

Alternative performance measures.

Definitions and calculations of alternative performance measures

The company presents alternative performance measures in the annual report that are not defined according to IFRS nor the Swedish annual accounts act. These financial measures should not be regarded as substitutes for measures defined according to IFRS. The company considers that these measures provide valuable supplementary information for investors and company management, as they enable an assessment of the company's performance, the ability to carry through strategic investments and fulfil financial obligations.

Below the definitions and calculations of the alternative performance measures on page 43 in the company's Annual Report 2020 are presented. Unless otherwise stated, the amounts refer to millions of Swedish krona (MSEK).

Definition	Calculation	2020	2019	2018	2017	2016
EBITDA	Operating profit	1,781	1,649	2,067	2,161	1,929
Operating profit plus depreciation, amortisation and impairment	Depreciation, amortisation and impairment	1,833	2,200	2,121	2,046	2,016
	EBITDA	3,614	3,848	4,188	4,207	3,946
Items affecting comparability	Gains/losses from sales of fixed assets	6	-	0	1	-
Gains/losses from sales of fixed assets, scrapping of fixed assets and restructuring costs	Scrapping of fixed assets	-51	-57	-29	-24	0
	Restructuring costs	-	-3	-10	-	-
	Items affecting comparability	-45	-59	-39	-23	0
Comparable EBITDA	EBITDA	3,614	3,848	4,188	4,207	3,946
EBITDA less items affecting comparability	Items affecting comparability	45	59	39	23	0
	Comparable EBITDA	3,659	3,908	4,227	4,230	3,946
External financial items	External interest income	1	2	2	1	1
Net of external financial interest income and interest expense plus other financial expenses excluding transaction costs related to financing activities	External interest expense	-1,141	-1,138	-1,755	-1,340	-1,094
	Other financial expenses	-16	-16	-30	-43	-72
	Transaction costs related to financing activities	36	35	87	154	289
	External financial items	-1,118	-1,118	-1,696	-1,228	-876
External financial items, Class A	External financial items	-1,118	-1,118	-1,696	-1,228	-876
External financial items less Class B interest expense	Interest expense, Class B	99	89	78	-	-
	External financial items, Class A	-1,019	-1,029	-1,618	-1,228	-876
Free cash flow	Cash flow from operating activities	4,100	4,859	4,676	4,117	3,463
Cash flow from operating activities less paid capital expenditure	Capital expenditure in property, plant and equipment	-3,226	-3,706	-2,508	-2,305	-2,002
	Capital expenditure in intangible assets	-223	-191	-102	-64	-55
	Free cash flow	651	962	2,065	1,748	1,406
Capital expenditure	Capital expenditure in tangible fixed assets	3,192	3,809	2,767	2,332	2,021
Cost incurred during the year related to capital expenditure	Capital expenditure in intangible assets	223	191	103	49	55
	Capital expenditure	3,415	4,000	2,870	2,381	2,076
Adjusted cash	Cash and cash equivalents	14	20	56	10	55
Cash and cash equivalents less customer deposits	Customer deposits	-13	-13	-11	-9	-9
	Adjusted cash	1	7	45	1	46
External net debt	Bond loans	32,309	32,757	32,732	29,749	19,099
External interest-bearing liabilities excluding transaction cost related to financing activities less adjusted cash	Liabilities to credit institutions	6,829	5,922	5,747	5,514	14,643
	Transaction cost related to financing activities	205	220	215	266	379
	Adjusted cash	-1	-7	-45	-1	-46
	External net debt	39,342	38,892	38,649	35,528	34,075
External net debt, Class A	External net debt	39,342	38,892	38,649	35,528	34,075
External net debt less Class B debt	Class B debt	-4,018	-2,985	-2,982	-	-
	External net debt, Class A	35,324	35,907	35,666	35,528	34,075
Interest cover ratio	Comparable EBITDA	3,659	3,908	4,227	4,230	3,946
Comparable EBITDA less income tax paid divided by external financial items	Income tax paid	-13	-69	-107	-199	-364
	Total	3,646	3,839	4,121	4,030	3,581
	External financial items	1,118	1,118	1,696	1,228	876
	Interest cover ratio (times)	3.3	3.4	2.4	3.3	4.1
Interest cover ratio, Class A	Comparable EBITDA	3,659	3,908	4,227	4,230	3,946
Comparable EBITDA less income tax paid divided by external financial items, Class A	Income tax paid	-13	-69	-107	-199	-364
	Total	3,646	3,839	4,121	4,030	3,581
	External financial items, Class A	1,019	1,029	1,618	1,228	876
	Interest cover ratio, Class A (times)	3.6	3.7	2.5	3.3	4.1
Leverage ratio	External net debt	39,342	38,892	38,649	35,528	34,075
External net debt divided by comparable EBITDA	Comparable EBITDA	3,659	3,908	4,227	4,230	3,946
	Leverage ratio (times)	10.8	10.0	9.1	8.4	8.6
Leverage ratio, Class A	External net debt, Class A	35,324	35,907	35,666	35,528	34,075
External net debt, Class A divided by comparable EBITDA	Comparable EBITDA	3,659	3,908	4,227	4,230	3,946
	Leverage ratio, Class A (times)	9.7	9.2	8.4	8.4	8.6
Adjusted equity	Total equity	9,101	7,605	7,361	6,201	5,923
Total equity plus 78 percent of the untaxed reserves	78 percent of the untaxed reserves	1,032	1,024	935	834	611
	Adjusted equity	9,101	8,629	8,296	7,035	6,534
Equity/assets ratio	Adjusted equity	9,101	8,629	8,296	7,035	6,534
Adjusted equity divided by total assets multiplied with 100	Total assets	89,253	86,459	83,543	80,048	76,968
	Equity/assets ratio (%)	10.2	10.0	9.9	8.8	8.5