

# Definitions

## Use of alternative performance measures

The Boule Group's financial statements are prepared in accordance with IFRS. Only a small number of performance measures are defined in IFRS. Boule applies the ESMA (European Securities and Market Authority) Guidelines for Alternative Performance Measures. In brief, an alternative performance measure is a financial measure of historical or future earnings development, financial position or cash flow that is not defined or specified in IFRS. Boule presents certain non-IFRS performance measures in order to support management and other stakeholders in their analysis of the Group's development. Management believes that use of these measures facilitates this analysis. These alternative performance measures supplement the information presented in accordance with IFRS and do not replace IFRS performance measures. Boule's definitions of non-IFRS performance measures shown below may differ from those of other companies. Calculations for all performance measures can be reconciled to line items in the income statement and balance sheet.

**Sales growth** is net sales for the period divided by net sales for the comparative period, expressed as a percentage change.

**Organic growth** is change in net sales during the current period, excluding acquisitions, divestments and currency effects in relation to the net sales in the corresponding period last year, expressed as a percentage change.

**Gross profit** is net sales less cost of sales.

**Gross margin** is gross profit divided by net sales.

**EBITDA** (Earnings before interest, taxes, depreciation and amortization) is profit before net financial items, taxes, depreciation of property, plant and equipment and amortization of intangible assets.

**EBITDA margin** is EBITDA divided by net sales.

**EBITA** (Earnings before interest, taxes and amortization) is operating profit before net financial items, taxes and amortization of intangible assets.

**EBITA margin** is EBITA divided by net sales.

**EBIT (Earnings before interest and taxes)** is operating profit before net financial items and taxes.

**EBIT margin** (Operating margin) is EBIT divided by net sales.

**Working capital** is inventories, trade receivables (current and non-current) and cash less trade payables.

**Interest coverage** ratio is operating profit plus finance income divided by finance costs.

**Return on equity** is profit after tax divided by average equity.

**Net debt (Net cash)** is interest-bearing liabilities less cash and cash equivalents and current and non-current interest-bearing receivables guaranteed by EKN.

**Net debt/equity ratio** is net debt divided by equity.

**Equity/assets ratio** is equity divided by total assets.

**Operating margin excluding non-recurring expenses** is operating profit before non-recurring expenses divided by net sales.

**Operational cash flow** is cash flow from operating activities, excluding net investments in intangible assets and

tangible fixed assets, financing, non-recurring items and restructuring expenses, but including tax paid.

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