



Year-end Report

January-December
2020



Year-end Report Q4, January-December 2020

October - December 2020

- Net sales decreased to SEK 505 million (568)
- Operating profit before depreciation increased to SEK 40 million (36)
- Operating profit before write-down of goodwill increased to SEK 23 million (22)
- Operating profit decreased to SEK -8 million (14)
- Earnings after tax amounted to SEK -19 million (-1)
- Earnings per share amounted to SEK -0.09 (-0.00)
- Cash flow after investing activities amounted to SEK 12 million (55)

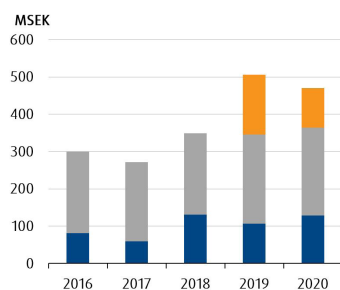
January - December 2020

- Net sales decreased to SEK 1,843 million (2,166)
- Operating profit before depreciation decreased to SEK 96 million (121)
- Operating profit before write-down of goodwill decreased to SEK 31 million (44)
- Operating profit decreased to SEK -19 million (32)
- Earnings after tax amounted to SEK -66 million (-24)
- Earnings per share amounted to SEK -0.31 (-0.11)
- Cash flow after investing activities amounted to SEK 31 million (78)
- Repurchase of Bonds, nominal value SEK 21.75 million

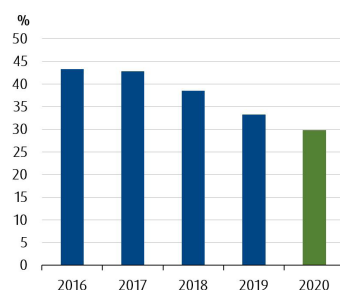
Key Ratios

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
MSEK				
Net sales	505	569	1 843	2 166
EBITDA	40	36	96	121
EBIT	-8	14	-19	32
Non-recurring items, goodwill	-31	0	-35	0
Adjusted EBIT	23	22	31	44
Earnings after tax	-19	-1	-66	-24
Earning per share, SEK	-0,09	0,00	-0,31	-0,11
Cash flow after investing activities	12	55	31	78
Equity/asset ratio, %	29,6%	33,3%	29,6%	33,3%

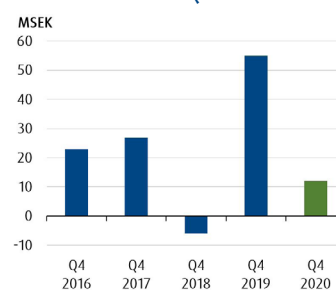
Net debt



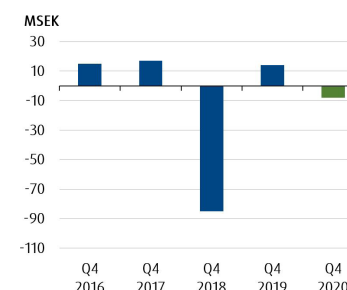
Equity ratio



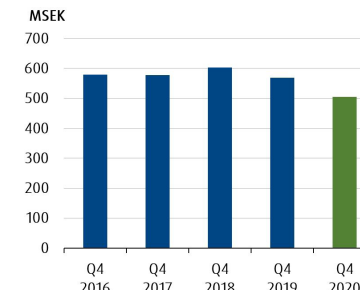
Cash flow after investing activities - Q4



Operating profit/loss - Q4*



Net sales - Q4



* Including impairment of goodwill

- Adjusted net debt
- Pension liabilities
- IFRS 16

Bong is one of the leading providers of envelope products in Europe that also offers solutions for distribution and packaging of information, advertising materials and lightweight goods. Important growth areas in the Group are packaging within retail and e-commerce and the envelope market within Eastern Europe. The Group has annual sales of approximately SEK 2 billion and about 1,200 employees in 13 countries. Bong has strong market positions in most of the important markets in Europe and the Group sees interesting possibilities for continued development. Bong is a public limited company and its shares are listed on Nasdaq Stockholm (Small Cap).

This is Bong

Envelopes
and Light
Packaging

From the
forest to you
since 1737

The
customer is
our passion



1,200
Employees

Located in
13
countries



Double digit
growth in
Retail

Letter to the shareholders

” Despite the challenging economic environment as a result of the COVID-19 pandemic, Bong delivered a sound result in Q4 2020 before impairment of goodwill. Further investments in the production capacity for light packaging products will be made in 2021 to continue and accelerate our growth in light packaging” said CEO Kai Steigleder ”



MARKET AND INDUSTRY

The Covid-19 pandemic has led to profound changes in operating environments across markets and countries. The global economy has entered a recession, supply chains have been suffering and consumer behavior has changed at a rapid pace. Q4 was dominated by the second wave of the pandemic with hard lockdowns in most of the European countries. Now that vaccinations have started, we see light at the end of the tunnel. It will still take time, however, before all negative effects of the pandemic become evident.

Light Packaging

Bong's Light packaging sales recovered in Q4 compared to Q2 and Q3 2020 with a currency adjusted increase of 4,1% after an increase of 0,3% in Q3 and a 6,8% decline in Q2. The overall currency adjusted increase for 2020 compared to 2019 amounts to 1,6%.

The very positive development in Paper Carrier bags continued in Q4 and we almost doubled our sales compared to Q4 2019 (+99% currency adjusted). Due to increased need for e-commerce packaging our Bubble mailers increased at a currency adjusted rate of 41% compared to Q4 2019. With hard lockdowns in most European countries in November and December 2020 with non-essential shops completely closed our Retail Gift Bags were again negatively affected with a currency adjusted 20% decline in sales compared to Q4 2019.

We are confident that our positive development will continue in 2021 as the growth opportunities remain strong from our new e-commerce packaging range and the existing products in our portfolio that are used in e-commerce. But also our products in the Retail business should continue their growth path and especially Retail Gift Bags should see a positive development when shops are reopening again.

We will further invest in our production capacity for light packaging products in 2021. One machine was already ordered at the end of 2020 and we expect the machine to be up and running at the beginning of Q3 2021.

Envelope

After a drastic decline of sales in Q2 2020 and a slow but continuous recovery of the European envelope market in Q3 2020, we have seen a Q4 2020 that is following more the long-term trend.

Bong's own Q4 development in envelope sales is in line with the market development. Especially the month of December was showing sales and earnings at moderate reduced levels.

OPERATING PROFIT

The Group's currency-adjusted sales decreased by 14% compared with previous year also due to the Covid-19 effect. Bong's gross margin has slightly increased compared to last year. Operating profit decreased to SEK - 19 million (32). The operating profit in 2020 was affected negatively by restructuring cost of SEK 15 million (12) and an impairment of Goodwill of SEK 35 million (0).

REDUCED CASH FLOW BUT STABLE ADJUSTED NET DEBT / ADJUSTED EBITDA

Cash flow from operating activities amounted to SEK 34 million (102). Adjusted net debt/adjusted EBITDA according to Bong's Bond loan amounts to 2.70.

FOCUS AND STRATEGY

We are convinced to be on the right track with the strategic focus on our new e-commerce packaging range and to emerge stronger from the crisis.

To strengthen and accelerate the growth in light packaging we will further invest in our production capacity in 2021 and in the upcoming years

In 2020 we have repurchased 21,75 MSEK of our own bond loan with an outstanding nominal amount of 210 MSEK and we will try to reduce this amount further. In February 2021 1,5 MSEK were repurchased.

Last but not least I am particularly thanking all our hard working and dedicated employees as well as our stakeholders and shareholders for their support in these difficult times.

Kai Steigleder
Chief Executive Officer

Financial overview

Sales and profit

January – December 2020

Consolidated sales for the period reached SEK 1,843 million (2,166). Exchange rate fluctuations had a negative impact of SEK -22 million (57) on sales compared with 2019.

Operating profit decreased to SEK -19 million (32). The Group's gross margin is slightly better compared to previous year. During the period operating profit was affected positively by a realized capital gain of SEK 10 million (2) attributable to the sale of machines. Operating profit was also affected negatively by restructuring costs of 15 (12) MSEK and write-down of goodwill of SEK 35 million (0). Exchange rate fluctuations for the period had a negative impact on operating profit of SEK -0.3 million (0.1).

Net financial items for the period amounted to SEK -37 million (-42).

Earnings before tax amounted to SEK -56 million (-10) and reported earnings after tax were SEK -66 million (-24).

Bong's total envelope revenues amounted to SEK 1,351 million (1,676). Currency fluctuations had a negative impact on envelope sales of SEK -16 million (42) compared with the corresponding period in 2019.

Bong's total light packaging revenues amounted to SEK 492 million (490). Currency fluctuations had a negative impact on light packaging sales of SEK -6 million (12) compared with the corresponding period in 2019.

Sales and profit

October – December 2020

Consolidated sales for the period reached SEK 505 million (568). Exchange rate fluctuations had a negative impact on sales of SEK -15 million (19) compared with 2019.

Operating profit decreased to SEK -8 million (14). The Group's gross margin is on a higher level than previous year. During the period operating profit was affected positively by a realized capital gain of SEK 8 million attributable to the sale of machines and release of restructuring provisions of SEK 1 million, and furthermore, negatively by the impairment of goodwill of SEK 31 million. Exchange rate fluctuations had an impact in the period of SEK -0.2 million (-0.5).

Net financial items for the period amounted to SEK -9 million (-8).

Earnings before tax amounted to SEK -17 million (-6) and reported earnings after tax were SEK -19 million (-1).

Bong's total envelope revenues amounted to SEK 349 million (413). Currency

fluctuations had a negative impact on envelope sales of SEK -11 million (14) compared with the corresponding period in 2019.

Bong's total light packaging revenues amounted to SEK 156 million (156). Currency fluctuations had a negative impact on light packaging sales of SEK -4 million (5) compared with the corresponding period in 2019.

Cash flow and investments

The cash flow after investing activities decreased to SEK 31 million (78) compared to previous year. Cash flow from operating activities before changes in working capital amounted to SEK 27 million (87). Working capital had a positive impact on the cash flow of SEK 7 million (14).

Restructuring programs had negative impact on the cash flow of SEK -25 million (-9). Net investments in the period had a negative impact amounting to SEK -3 million (-23).

Financial position

Cash and cash equivalents at 31 December 2020 amounted to SEK 110 million (SEK 100 million at 31 December 2019). The Group had unutilized credit facilities of SEK 12 million on the same date. Total available cash and cash equivalents thus amounted to SEK 122 million (SEK 117 million at 31 December 2019). Consolidated equity at the end of December 2020 was SEK 412 million (SEK 529 million at 31 December 2019).

Translation of the net asset value of foreign subsidiaries to Swedish Krona and changes in the fair value of pension debt and derivative instruments decreased consolidated equity by SEK -51 million. The interest bearing net loan debt amounted to SEK 471 million, whereof pension debt amounts to SEK 236 million and IFRS 16 leasing contracts amount to SEK 106 million (SEK 506 million at 31 December 2019, whereof pension debt amounts to SEK 239 million and IFRS 16 leasing contracts SEK 160 million).

Employees

The average number of employees during the period was 1,195 (1,334). The Group had 1,155 (1,265) employees at the end of December 2020. Bong has intensively worked on improving productivity and adjusting staff to meet current demand and the reduction is the result of the implemented restructuring measures.

Parent Company

The Parent Company's business extends to management of operating subsidiaries and certain Group management functions. Sales were SEK 3.5 million (3.0) and earnings before tax for the period were SEK -57 million (-95).

Covid-19

A number of different measures have been taken at Bong to mitigate the short and long term effects of the corona virus, with health and safety for employees and customers as the highest priority. We follow the development carefully and adjust our measures according to local authorities' advice and regulations, while we strive to mitigate any disruptions to the Group's operations. The development in terms of sales and earnings in our operations in UK and France has been drastically negative caused by the Covid-19 pandemic. In these countries restructuring programs has immediately been started.

The contributions received from the governments shown as other operating income amount to 16 MSEK for the Group. Other government fee reductions have reduced the social fees with 2 MSEK. Loan with guarantee from the government amounts to 43 MSEK with a duration of one year. The Group may, at its discretion, prolong the duration of the loan between 1 and 5 years. Loan with guarantee from the government amounts to 8 MSEK with a duration of 10 years. The Group has no substantial losses on account receivables related to Covid-19.

Bong will monitor the development to assess any effects on the valuation of goodwill or on non-financial assets or financial assets. It is currently not possible to predict with sufficient reliability over what period and to what extent Bong will face further impacts during upcoming years including write-offs due to impairments of assets and goodwill. All countries have experienced a deep recession in 2020 and are projected to be followed by a slow and gradual recovery in 2021. Bong has made a write-down of goodwill to the amount of SEK 35 million.

Events after the end of the period

No material events have occurred after the end of the period.

Risks and opportunities

Business risks for the Bong Group are primarily related to market development and various types of financial risks. There has not been any change to significant risks and uncertain positions since Bong's annual report for 2019 was released except for the Covid-19 pandemic. For further information, please refer to Bong's annual report and website bong.com.

Accounting policies

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. Application was consistent with the accounting principles outlined in the 2019 annual report and the interim report should be read along with those principles.

The board of directors' proposal for dividend

Bong's current priority continues to be to reduce the debt and improve profitability. Therefore, the board proposes that no dividend will be paid to the shareholders of the parent company for 2020. No dividend was paid for 2019.

Annual General Meeting

The annual general meeting will be held on 12 May 2021 at 4 p.m. in Malmö or digitally. The January-March 2021 interim report will be published in connection with the AGM. The annual report will be available no later than 30 April 2021.

Kristianstad 11 February 2021

Kai Steigleder

Chief Executive Officer

This report has not been subject to examination by the company's auditors.

Additional information

Kai Steigleder, CEO- & Carsten Grimmer, CFO for Bong AB.
Tel +46 44-20 70 00 (switchboard)

Financial Calendar:

- Interim Report January–March 2021, 12 May 2021
- Annual General Meeting 2021, 12 May, 2021, Malmö/digital
- Interim Report January–June 2021, July 2021
- Interim Report January–September 2021, November 2021

Income statements in summary

MSEK	Note	Oct-Dec 2020 3 month	Oct-Dec 2019 3 month	Jan-Dec 2020 12 month	Jan-Dec 2019 12 month
Revenue	1	505.1	567.9	1,843.1	2,165.8
Cost of goods sold		-408.5	-472.1	-1,528.2	-1,801.8
Gross profit		96.6	95.8	314.9	364.0
Selling expenses		-46.4	-46.9	-177.3	-192.5
Administrative expenses		-59.9 ²⁾	-27.2	-148.7 ³⁾	-128.7
Other operating income and expenses		2.1 ⁴⁾	-8.0	-7.9 ⁵⁾	-11.1 ⁶⁾
Operating profit		-7.6	13.7	-19.0 ¹⁾	31.7
Net financial items		-9.3	-7.8	-37.2	-41.9
Result before tax		-16.9	5.9	-56.2	-10.2
Income tax		-2.4	-7.1	-9.4	-13.9
Net result		-19.3	-1.2	-65.6	-24.1
¹⁾ Including non-recurring items of -35 MSEK, whereof impairment of goodwill: ²⁾ -31 MSEK, ³⁾ -35 MSEK, Restructuring cost: ⁴⁾ +1 MSEK, ⁵⁾ -15 MSEK, ⁶⁾ -12 MSEK					
Total comprehensive income attributable to:					
Shareholders in Parent Company		-19.2	-0.8	-65.1	-23.6
Non-controlling interests		-0.1	-0.4	-0.5	-0.5
Earnings per share		-0.09	0.00	-0.31	-0.11
Earnings per share, excluding non recurring items		0.06	-	-0.14	-0.11
Average number of shares		211,205,058	211,205,058	211,205,058	211,205,058
STATEMENT OF COMPREHENSIVE INCOME					
MSEK		Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-dec 2019
Net result for the year		-19.3	-1.2	-65.6	-24.1
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Actuarial loss on post employment benefit obligations		-8.4	4.3	-10.5	-24.6
		-8.4	4.3	-10.5	-24.6
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges	2	0.0	0.0	-0.2	0.1
Impact of extended equity		10.4	0.7	9.8	-4.5
Exchange rate differences		-46.9	-12.0	-49.4	21.3
Income tax relating to components of other comprehensive income		-1.0	-1.5	-0.5	7.1
		-37.5	-12.8	-40.3	24.0
Other comprehensive income for the period, net of tax		-45.9	-8.5	-50.8	-0.6
Total comprehensive income		-65.2	-9.7	-116.4	-24.7
Total comprehensive income attributable to:					
Share holders in Parent Company		-65.1	-9.3	-115.9	-24.2
Non-controlling interests		-0.1	-0.4	-0.5	-0.5

Balance sheet in summary

MSEK	Note	31 Dec 2020	31 Dec 2019
Assets			
Intangible assets	3,4	468.1	538.5
Tangible assets		243.9	314.8
Financial assets	5	104.4	114.6
Inventories		181.5	200.4
Current receivables	6	285.5	317.6
Cash and cash equivalents	7	110.1	99.7
Total assets		1,393.5	1,585.6
Equity and liabilities			
Equity		411.9	528.7
Non-current liabilities	8	560.4	576.1
Current liabilities	9	421.2	480.8
Total equity and liabilities		1,393.5	1,585.6

CHANGES IN EQUITY

MSEK	Note	Jan-Dec 2020	Jan-Dec 2019
Opening balance for the period		528.7	569.6
Change in accounting principles- IFRS 16 Lease		-	-16.2
Bond loan / Convertible loan		-	-
Non-controlling interests		-0.4	-
Total comprehensive income		-116.4	-24.7
Closing balance for the period		411.9	528.7

Cash flow statement

MSEK	Note	Oct-Dec 2020 3 month	Oct-Dec 2019 3 month	Jan-Dec 2020 12 month	Jan-Dec 2019 12 month
Operating activities					
Operating profit/loss		-7.6	13.6	-19.0	31.7
Depreciation, amortisation, and impairment losses		47.2	22.6	115.0	88.8
Interest received		0.0	0.1	0.2	0.1
Interest paid		-11.0	-6.4	-28.6	-29.9
Financial receivables		0.1	-	0.1	-
Financial expenses		-0.4	0.9	-1.2	-4.4
Tax paid		-0.3	-2.5	-1.4	4.5
Other items not affecting liquidity		-11.7	0.8	-38.1	-4.2
Cash flow from operating activities before changes in working capital		16.3	29.1	27.0	86.5
Changes in working capital					
Inventories		13.0	19.3	9.0	-0.1
Current receivables		10.6	49.2	8.8	78.7
Current operating liabilities		-38.5	-38.7	-10.4	-64.6
Cash flow from operating activities		1.4	58.9	34.3	100.5
Cash flow from investing activities					
Aquisition of intangible and tangible assets incl. advanced payments to suppliers		-3.4	-4.6	-23.1	-24.9
Disposal of intangible and tangible assets		14.0	0.3	19.7	2.2
Cash flow from investing activities		10.6	-4.3	-3.4	-22.7
Cash flow after investing activities		12.0	54.6	30.9	77.8
Cash flow from financing activities					
Amortization of loan		-0.1	-	0.2	-
Change in credit facilities		0.0	-5.6	0.0	-0.1
Change in other long-term debt		-8.3	-0.1	33.4	-0.4
IFRS-16 lease payment		-9.7	-13.1	-48.8	-51.3
Cash flow from financing activities		-18.1	-18.8	-15.3	-51.8
Cash flow for the period		-6.1	35.8	15.6	26.0
Cash and cash equivalents at beginning of period		120.7	64.8	99.7	72.4
Exchange rate difference in cash and cash equivalents		-4.5	-0.8	-5.2	1.3
Cash and cash equivalents at end of period		110.1	99.7	110.1	99.7

Notes

(MSEK)

Note 1 - Net revenue and asset by geographical area

Net sales	Oct-Dec 2020		Oct-Dec 2019		Jan-Dec 2020		Jan-Dec 2019	
	Envelope	Light Packaging	Envelope	Light packaging	Envelope	Light packaging	Envelope	Light packaging
Sweden	26	17	42	19	112	54	151	56
Nordic and Baltics	32	15	37	16	129	41	152	49
Central Europe	131	53	150	55	514	173	590	172
South Europe	88	42	95	36	315	132	398	108
UK	54	18	72	21	217	62	306	77
Other	18	11	17	9	64	30	79	28
Total	349	156	413	156	1,351	492	1,676	490

Note 1 - cont'd

Assets	2020-12-31	2019-12-31
Sweden	127	174
Nordic and Baltics	4	57
Central Europe	321	253
South Europe	193	230
UK	66	138
Other	1	1
Total	712	853

Note 2 - Financial assets and liabilities

The table below shows the Group's financial assets and liabilities in the form of derivatives measured at fair value. All financial derivatives measured at fair value are in Category 2. These include interest rate swaps and foreign exchange contracts and the valuation is based on the forward interest rates derived from observable yield curves.

2020-12-31	Assets	Liabilities
Interest rate swaps - cash flow hedges	0.0	0.0
Currency forwards - cash flow hedges	0.2	0.4
Currency forwards - held for trading	0.0	0.0
Total	0.2	0.4

2019-12-31	Assets	Liabilities
Interest rate swaps - cash flow hedges	0.0	0.0
Currency forwards - cash flow hedges	0.0	0.1
Currency forwards - held for trading	0.0	0.0
Total	0.0	0.1

For the above contracts, the following amounts are found in the hedge reserve under Total comprehensive income; interest rate swaps - cash flow hedges SEK 0.0 million, currency forwards - cash flow hedges SEK -0.2 million.

Other financial assets and liabilities

Fair value of the following financial assets and liabilities is estimated to be equal to book value:

- Trade receivables and other receivables
- Other current receivables

- Cash and cash equivalents
- Long-term and short-term loans
- Trade payables and other liabilities
- Other financial assets and liabilities

Information about netting of financial assets and liabilities

The Group does not apply net recognition for any of its other significant assets and liabilities and has no netting agreements with financial counterparties.

Note 3 - Intangible assets	2020-12-31	2019-12-31
Goodwill	463.2	529.9
Other intangible assets	4.9	8.6
Total	468.1	538.5

Note 4 - Goodwill	2020-12-31	2019-12-31
Opening costs	529.9	518.4
Purchase/acquisition	-	-
Write-down	-35.1	-
Exchange rate differences	-31.6	11.5
Closing costs	463.2	529.9

Note 5 - Financial assets	2020-12-31	2019-12-31
Deferred tax	103.4	113.4
Other financial assets	1.0	1.2
Total	104.4	114.6

Note 6 - Current assets	2020-12-31	2019-12-31
Receivables	207.4	223.2
Other current assets	78.1	94.4
Total	285.5	317.6

Note 7 - Cash and cash equivalent	2020-12-31	2019-12-31
Cash/Bank	110.0	99.6
Cash/Bank escrow account	0.1	0.1
Total	110.1	99.7

Note 8 - Non-current liabilities	2020-12-31	2019-12-31
Interest-bearing loans	238.3	206.4
Leasing contracts - IFRS 16	69.7	106.2
Pension debt	236.3	239.4
Deferred tax	8.3	10.1
Other liabilities	7.8	14.0
Total	560.4	576.1

The Bond loan 2018 is booked to amortised cost which means that the nominal value of the loan SEK 210 million has been reduced for related accrued expenses which will adjust the booked value of the loan at each end of the reporting period till the due date of the loan year 2021 when the booked value will be the same as the nominal value. Repurchase of Bonds was made during the year to the nominal value of SEK 21,75 million and another SEK 1,5 million in February 2021.

Note 9 - Current liabilities	2020-12-31	2019-12-31
Interest-bearing loans	0.0	-
Leasing contracts - IFRS 16	36.6	54.1
Payables	151.0	182.1
Other liabilities	233.6	244.6
Total	421.2	480.8

Note 10 - Adjusted interest bearing net loan debt/Adjusted EBITDA

Adjusted interest bearing net loan debt	2020-12-31	2019-12-31
Interest bearing loans, non-current liabilities	544.3	551.9
Interest bearing loans, current liabilities	36.6	54.1
Cash and cash equivalent	-110.1	-99.7
Net Debt	470.8	506.3
Pension debt	-236.3	-239.4
Leasing contracts - IFRS 16	-106.3	-160.3
Adjusted net debt	128.2	106.6

Adjusted EBITDA 12 month rolling	2020-12-31	2019-12-31
Profit	-65.6	-24.1
Financial charges	36.2	39.5
Tax	9.4	13.9
Depreciations	115.6	88.8
Restructuring cost	5.7	7.5
Transaction cost	1.0	2.4
Minority result	0.5	0.5
IFRS 16, lease payments	-55.3	-59.0
Adjusted EBITDA	47.5	69.5

Adjusted interest bearing net loan debt/Adjusted EBITDA	2.70	1.54
---	------	------

QUARTERLY DATA. GROUP

MSEK	4/2020	3/2020	2/2020	1/2020	4/2019	3/2019	2/2019	1/2019	4/2018	3/2018	2/2018	1/2018	4/2017	3/2017	2/2017	1/2017
Net Revenue	505.1	420.9	398.8	518.3	567.9	519.8	507.1	571.0	603.2	536.0	543.0	538.1	578.0	491.4	480.7	545.2
Operating expenses	-512.7	-417.9	-418.5	-513.0	-554.2	-513.3	-510.6	-555.7	-689.5	-524.3	-533.2	-526.1	-560.9	-489.4	-473.3	-526.5
Operating profit	-7.6	3.0	-19.7	5.3	13.7	6.5	-3.5	15.3	-86.3	11.7	9.8	12.0	17.1	2.0	7.4	18.7
Net financial items	-9.3	-9.4	-10.2	-8.4	-7.8	-12.3	-11.2	-10.6	-11.6	-10.4	-22.6	-10.9	-10.7	-10.3	-11.6	-11.5
Profit before tax	-16.9	-6.4	-29.9	-3.1	5.9	-5.8	-14.7	4.7	-97.9	1.3	-12.8	1.1	6.4	-8.3	-4.2	7.2

KEY RATIOS

Note	Jan-Dec 2020	Jan-Dec 2019
Operating margin, %	-1.0	1.5
Return on equity, %*	neg	neg
Return on capital employed, %* 1)	neg	3.25
Equity/assets ratio, %*	29.6	33.3
Net debt/equity ratio times*	1.14	0.96
Net loan debt/EBITDA*	4.91	4.18
Adjusted interest bearing net loan debt/adjusted EBITDA*	10 2.70	1.54
Capital employed, MSEK*	886.5	974.5
Interest-bearing net loan debt, MSEK*	470.8	506.3
1) Return on capital employed		
Earnings after financial revenues	-53.4	31.9
Average capital employed	930.5	982.9

For the key figures above, are those marked * considered to be APM (Alternative Performance Measures) and not follow IFRS. They are judged however by management to be important to show shareholders the Group's underlying performance, profitability and financial position. It should be noted that these measures, as defined, may not be comparable to similarly titled measures used by other companies. For definitions see page 13.

DATA PER SHARE

	Jan-Dec 2020	Jan-Dec 2019
Earnings per share, SEK	-0.31	-0.11
Earnings per share, excluding non recurring items, SEK	-0.14	-0.11
Equity per share, SEK	1.95	2.50
Number of shares outstanding at end of period	211,205,058	211,205,058
Average number of shares	211,205,058	211,205,058

Five-year summary

Key ratios	2020	2019	2018	2017	2016
Net sales, MSEK	1,843	2,166	2,220	2,095	2,135
Operating profit/loss, MSEK	-19	32	-52	45	9
Extraordinary items, financial net. MSEK	-	-	-11	-	430
Profit/loss after tax, MSEK	-66	-24	-148	-9	297
Cash flow after investing activities, MSEK	31	78	-65	40	30
Operating margin, %	-1.0	1.5	-2.3	2.2	0.4
Capital turnover rate, times	1.2	1.4	1.4	1.3	1.3
Return on equity, %	neg	neg	neg	neg	neg
Average capital employed, MSEK	931	983	1,042	1,095	1,159
Return on capital employed, %	neg	3.2	neg	0.2	1.8
Equity ratio, %	30	33	38	43	43
Net loan debt, MSEK	471	506	349	294	315
Net loan debt/equity, times	1.14	0.96	0.61	0.42	0.45
Net debt/EBITDA, times	4.9	4.2	5.0	3.2	5.2
Average number of employees	1,195	1,334	1,446	1,459	1,556
Number of shares					
Basic number of shares outstanding at end of period	211,205,058	211,205,058	211,205,058	211,205,058	211,205,058
Diluted number of shares outstanding at end of period	211,205,058	211,205,058	211,205,308	251,205,058	251,205,058
Average basic number of shares	211,205,058	211,205,058	211,205,058	211,205,058	207,417,179
Average diluted number of shares	211,205,058	211,205,058	211,205,058	251,205,058	246,533,341
Earnings per share					
Before dilution, SEK	-0.31	-0.11	-0.71	-0.06	1.42
After dilution, SEK	-0.31	-0.11	-0.71	-0.06	1.42
Earnings per share. before dilution, excluding non-recurring items	-0.14	-0.11	-0.22	-0.06	-0.64
Earnings per share. after dilution, excluding non-recurring items	-0.14	-0.11	-0.22	-0.06	-0.64
Equity per share					
Before dilution, SEK	1.95	2.50	2.70	3.30	3.30
After dilution, SEK	1.95	2.50	2.70	3.30	3.30
Cash flow from operating activities per share					
Before dilution, SEK	0.16	0.48	-0.28	0.25	0.26
After dilution, SEK	0.16	0.48	-0.28	0.25	0.26
Other data per share					
Dividend, SEK ¹⁾	0.00	0.00	0.00	0.00	0.00
Quoted market price on the balance sheet date, SEK	0.59	0.7	1.0	1.0	0.9
P/E-ratio, times	neg	neg	neg	neg	0.6
Adjusted P/E-ratio, times	-	neg	neg	neg	neg
Price/Equity before dilution, %	30	29	35	29	27
Price/Equity after dilution, %	30	29	35	29	27

1) Proposal by the board
For definitions see page 13

Definitions

This Report includes financial key data and ratios based on concepts defined in International Financial Reporting Standards (IFRS), Alternative Performance Measurements and company-specific ratios. Definitions are found below.

For historical values:

<http://www.bong.com/en/investors/reports/historical-values>

ADJUSTED EARNINGS PER SHARE

Profit after tax, excluding items affecting comparability, divided by the average number of shares before and after dilution.

ADJUSTED P/E RATIO, TIMES

Share price divided by adjusted earnings per share before and after dilution.

AVERAGE CAPITAL EMPLOYED

Capital employed at the beginning of year plus capital employed at year-end divided by two.

AVERAGE EQUITY

Shareholders' equity at beginning of year plus equity at year-end divided by two.

AVERAGE TOTAL ASSETS

Total assets at beginning of the year plus total assets at year-end divided by two.

CAPITAL EMPLOYED

Equity plus interest-bearing liabilities.

CAPITAL TURNOVER, TIMES

Net sales by average total assets. Capital turnover is a measure of how effectively the Group uses its assets.

EARNINGS PER SHARE

Profit after tax, divided by the average number of shares, before and after dilution.

EBITDA

Operating income before depreciation and amortization.

EQUITY TO ASSETS RATIO, PER CENT

Shareholders' equity divided by total assets. This ratio is a measure of the Group's financial strength.

ITEMS AFFECTING COMPARABILITY

Items of infrequent nature with significant effects, which are relevant for understanding the financial performance when comparing the current period with previous periods. Such items may include but are not limited to results from divestments of property, charges attributable to close-down or restructuring of major units or activities, significant write-downs of tangible and intangible assets and other major non-recurring costs or income.

NET DEBT

Interest-bearing liabilities and provisions less liquid funds and interest-bearing receivables.

NET DEBT/EBITDA, TIMES

Net debt divided by EBITDA. Net debt/EBITDA is a measure of the Group's financial strength.

NET DEBT TO EQUITY, TIMES

Net debt divided by equity. This ratio is a measure of the Group's financial strength.

OPERATING MARGIN, PER CENT

Operating profit divided by net sales. Operating margin is a measure of profitability. It measures how much of revenues remains after operating expenses.

P/E RATIO, TIMES

Share price divided by earnings per share.

RETURN ON CAPITAL EMPLOYED, PER CENT

Earnings after financial income divided by average capital employed. For 2016 the extraordinary net financial item has been excluded. This measure of profitability shows the return of the Group's total balance sheet, less non interest-bearing debt. It is a measure independent of indebtedness. It complements the measure return on equity.

RETURN ON EQUITY, PER CENT

Earnings after tax divided by average equity. For 2016 the extraordinary net financial item has been excluded. This measure measures the return on shareholders' funds for the year and is useful in comparisons of other investments with the same risk profile.

SHARE PRICE/EQUITY, PER CENT

Price per share divided by equity per share.

Parent company

INCOME STATEMENT IN SUMMARY

MSEK	Jan-Dec 2020	Jan-Dec 2019
Revenue	3.5	3.0
Gross profit	3.5	3.0
Administrative expenses	-11.2	-12.2
Operating profit/loss	-7.7	-9.2
Net financial items	-49.0	-85.8
Result	-56.7	-95.0
Income tax	0.0	-31.1
Net result	-56.7	-126.1

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan-Dec 2020	Jan-Dec 2019
Net Result for the year	-56.7	-126.1
Other comprehensive income		
Net financial items reported directly in consolidated equity:		
Cash flow hedges	-	-
Income tax relating to components of other comprehensive income	-	-
Net result, Other comprehensive income	-	-
Total comprehensive income	-56.7	-126.1

BALANCE SHEET IN SUMMARY

MSEK	31 Dec 2020	31 Dec 2019
Assets		
Financial assets	795.1	847.6
Current receivables	5.8	5.8
Cash and cash equivalents	0.2	0.2
Total Assets	801.1	853.6
Equity and liabilities		
Equity	361.8	418.6
Non-current liabilities	186.6	205.8
Current liabilities	252.7	229.2
Total equity and liabilities	801.1	853.6