

Interim  
Report  
January-June  
2020



# Interim Report Q2, January-June 2020

## April - June 2020

- Net sales decreased to SEK 399 million (507)
- Operating profit before depreciation decreased to SEK 2 million (19)
- Operating profit decreased to SEK -20 million (-3)
- Earnings after tax amounted to SEK -31 million (-16)
- Earnings per share amounted to SEK -0.15 (0.08)
- Cash flow after investing activities amounted to SEK 1 million (-11)

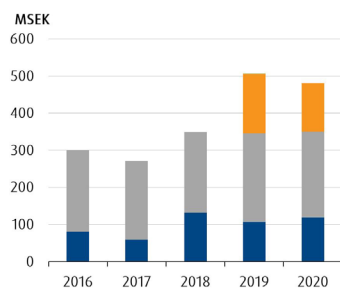
## January - June 2020

- Net sales decreased to SEK 917 million (1,078)
- Operating profit before depreciation decreased to SEK 34 million (56)
- Operating profit decreased to SEK -15 million (12)
- Earnings after tax amounted to SEK -39 million (-14)
- Earnings per share amounted to SEK -0.18 (-0.07)
- Cash flow after investing activities amounted to SEK 15 million (30)

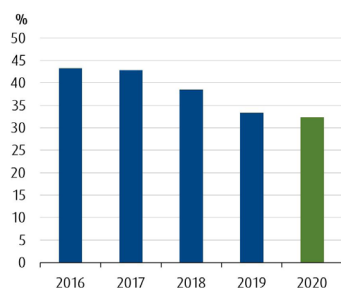
## Key Ratios

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jul,2019- Jun,2020	Jan-Dec 2019
Net sales	399	507	917	1,078	2,005	2,166
EBITDA	2	19	34	56	99	121
EBIT	-20	-3	-15	12	6	32
Earnings before tax	-30	-15	-33	-10	-33	-10
Earnings after tax	-31	-16	-39	-14	-48	-24
Earning per share, SEK	-0.15	-0.08	-0.18	-0.07	-0.23	-0.11
Cash flow after investing activities	1	-11	15	30	63	78
Equity/asset ratio, %	32.4%	33.3%	32.4%	33.3%	32.4%	33.3%

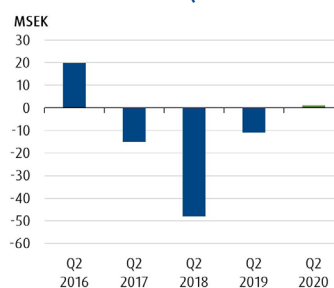
### Net debt



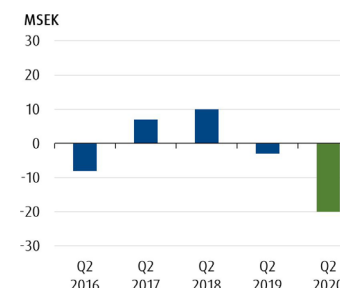
### Equity ratio



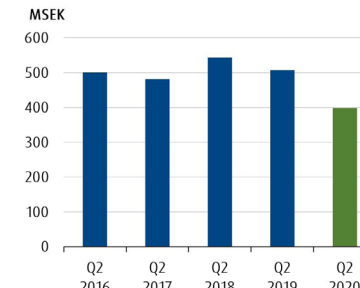
### Cash flow after investing activities - Q2



### Operating profit/loss - Q2



### Net sales - Q2



- 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 14 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  
14  
countries



Double digit  
growth in  
Retail

# Letter to the shareholders

” Bong has initiated a range of measures to surmount the crisis triggered by the COVID-19 pandemic and is further stepping up efforts in this regard. Thanks to the support of our stakeholders we will manage the necessary restructuring measures to be ahead of the market after the Corona-crisis, says Bong’s CEO Kai Steigleder. ”



## MARKET AND INDUSTRY

The Covid-19 pandemic represents a major shock for the global and EU economies with severe economic consequences. Activity in many sectors was shut down completely and travel and mobility curtailed in Q2 2020. These necessary measures have resulted in large short-term economic disruption and job losses, compounded by falling confidence and tighter financial conditions. The global economy is now experiencing a deep recession with annual double digit GDP declines in many countries and a surge in unemployment. All countries are projected to experience a deep recession in 2020 followed by a slow and gradual recovery in 2021

## Envelope

Bong’s performance in the envelope segment in the second quarter of 2020 is severely impacted by the effects of the Covid-19 pandemic with a significant decrease in sales during April and May 2020 in all countries but especially in France and the UK with reduced sales of 50% compared to the same month in the previous year.

In June 2020 the overall trend in terms of sales and earnings has clearly been more positive compared to April and May 2020 due to the unwinding of restrictive measures in most countries but especially UK is still far behind Pre-Covid-19 levels.

## Light Packaging

Bong’s Light packaging development is also impacted but to a lesser extent by the effects of the Covid-19 pandemic due to the shutdowns in most European countries. After a solid currency adjusted growth of 7,5% in the first quarter sales extremely suffered in April and May 2020.

Even though the development in June 2020 was quite positive with a currency adjusted increase of sales of 9,7% the overall currency adjusted ytd increase in Light Packaging after Q 2 amounts to only +0,4%.

During Q2 2020 paper products such as All Board but also Bubble Mailers were developing at a good rate due to higher demand in e-commerce packaging whereas the positive development of Paper Carrier Bags did not continue as a result of Covid-19 closure of retail shops.

The higher need for e-commerce packaging will continue in 2020. We expect increased sales in this segment in 2020 with our new e-commerce packaging range, which is tailored to the needs of internet retailers and consumers.

## OPERATING PROFIT

The Group’s currency-adjusted sales decreased by 15% compared with previous year also due to the Covid-19 effect. Bong’s gross margin has slightly decreased compared to last year. Operating profit decreased to SEK - 14 million (12). The operating profit in Q2 2020 was affected negatively by restructuring cost of SEK 7 million (3) and an impairment of Goodwill of SEK 4 million (0) related to the closure of the envelope production in Estonia.

## REDUCED CASH FLOW BUT STABLE ADJUSTED NET DEBT / ADJUSTED EBITDA

Cash flow from operating activities amounted to SEK 18 million (38). Adjusted net debt/adjusted EBITDA according to Bong’s Bond loan amounts to 2.71.

## ORGANIZATIONAL CHANGES

The move of envelope production in Estonia to our production sites in Sweden, Poland and Germany was finalized according to plan.

## FOCUS AND STRATEGY

Bong has initiated a range of measures to overcome the crisis triggered by the COVID-19 pandemic and is further stepping up efforts in this regard. We will increase our restructuring efforts in all countries but especially in UK and France in Q3 and Q4 2020 to adapt to the current and future market conditions in the envelope market.

Even though we have seen a better performance in our Light Packaging business before the Covid-19 outbreak, Covid-19 is slowing things down. But we will try to keep a fast pace on the development of Light Packaging. Two new production machines will be up and running latest end of Q3. This will enable us to increase our product portfolio and also our margins.

Last but not least I am particularly thanking all our hard working employees in production as well as in other departments who are ensuring our vital infrastructure and serve our customers during the last months.

## Kai Steigleder

Chief Executive Officer

# Financial overview

## Sales and profit

January – June 2020

Consolidated sales for the period reached SEK 917 million (1,078). Exchange rate fluctuations had a positive impact on sales of SEK 11 million (31) compared with 2019.

Operating profit decreased to SEK -15 million (12). The Group's gross margin has slightly decreased compared to previous year. During the period operating profit was affected positively by a realized capital gain of SEK 6 million (1) attributable to the sale of machines. Operating profit was also affected negatively by restructuring costs of 7 (3) MSEK and write-down of goodwill of SEK 4 million attributable to the closure of operations in Estonia as well as a write-down of receivables of SEK 5 million in UK. Exchange rate fluctuations for the period had a negative impact on operating profit of SEK -0.6 million (0).

Net financial items for the period amounted to SEK -19 million (-22).

Earnings before tax amounted to SEK -33 million (-10) and reported earnings after tax were SEK -39 million (-14).

Bong's total light packaging sales amounted to SEK 214 million (211). Currency fluctuations had a positive impact on light packaging sales of SEK 2 million (6) compared with the corresponding period in 2019.

## Sales and profit

April – June 2020

Consolidated sales for the period reached SEK 399 million (507). Exchange rate fluctuations had a positive impact on sales of SEK 3 million (19) compared with 2019.

Operating profit decreased to SEK -20 million (-3). The Group's gross margin has decreased compared to previous year due to Covid-19. During the period operating profit was affected positively by a realized capital gain of SEK 3 million attributable to the sale of machines and negatively by a write-down of receivables of SEK 5 million in UK. Exchange rate fluctuations had no impact in the period (0).

Net financial items for the period amounted to SEK -10 million (-11).

Earnings before tax amounted to SEK -30 million (-10) and reported earnings after tax were SEK -31 million (-16).

Bong's total light packaging sales amounted to SEK 99 million (105). Currency fluctuations had a positive impact on light packaging sales of SEK 1 million (4) compared with the corresponding period in 2019.

## Cash flow and investments

The cash flow after investing activities decreased to SEK 15 million (30) compared to previous year. Cash flow from operating activities before changes in working capital amounted to SEK -1 million (-11). Working capital had a positive impact on the cash flow of SEK 18 million (-2).

Restructuring programs had negative impact on the cash flow of SEK -11 million (-6). Net investments in the period had a negative impact amounting to SEK -3 million (-7).

## Financial position

Cash and cash equivalents at 30 June 2020 amounted to SEK 116 million (SEK 101 million at 31 December 2019, including the escrow account of SEK 0 million). The Group had unutilized credit facilities of SEK 13 million on the same date. Total available cash and cash equivalents thus amounted to SEK 129 million (SEK 115 million at 31 December 2019). Consolidated equity at the end of June 2020 was SEK 488 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 increased consolidated equity by SEK -2 million. The interest bearing net loan debt amounted to SEK 481 million, whereof pension debt amounts to SEK 230 million and IFRS 16 leasing contracts amount to SEK 130 million (SEK 506 million at 31 December 2019, whereof pension debt amounts to SEK 239 million).

## Employees

The average number of employees during the period was 1,234 (1,364). The Group had 1,187 (1,345) employees at the end of June 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 1.7 million (1.7) and earnings before tax for the period were SEK -3 million (-4).

## 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. Bong notes that the negative financial

impact during the second quarter has increased. 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.

The contributions received from the governments shown as Other operating income amount to 12 MSEK for the Group. Other government fee reductions have reduced the social fees with 1 MSEK. Loan with guarantee from the government amounts to 37 MSEK with a duration of one year. The Group may, at its discretion, prolong the duration of the loan between 1 and 5 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 in 2020 and upcoming years including write-offs due to impairments of assets and goodwill. All countries are projected to experience a deep recession in 2020 followed by a slow and gradual recovery in 2021. In this scenario it is not unlikely that Bong needs to make an impairment on its goodwill in a range of 20-60 MSEK.

## 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.

Kristianstad 15 July 2020

**Christian Paulsson**  
Chairman of the Board

**Stéphane Hamelin**  
Member of the Board

**Mikael Ekdahl**  
Member of the Board

**Eric Joan**  
Member of the Board

**Stefan Lager**  
Member of the Board

**Helena Persson**  
Member of the Board

**Per Åhlgren**  
Member of the Board

**Mats Persson**  
Member of the Board

**Kai Steigleder**  
Chief Executive Officer

#### Additional information

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

#### Financial Calendar:

- Interim Report January–September 2020, 12 November 2020
- Year-End Report 2020, 11 February 2021
- Interim Report January–March 2021, May 2021
- Interim Report January–June 2021, July 2021
- Interim Report January–September 2021, November 2021

# Income statements in summary

MSEK	Note	Apr-Jun 2020 3 month	Apr-Jun 2019 3 month	Jan-Jun 2020 6 month	Jan-Jun 2019 6 month	Jul 2019- Jun 2020 12 month	Jan-Dec 2019 12 month
Revenue	1	398.8	507.1	917.1	1,078.1	2,004.8	2,165.8
Cost of goods sold		-349.2	-425.6	-771.4	-896.9	-1,676.1	-1,801.8
Gross profit		49.6	81.5	145.7	181.2	328.7	364.0
Selling expenses		-41.8	-48.2	-93.6	-98.6	-187.5	-192.5
Administrative expenses		-26.1	-32.7	-65.3	-68.3	-125.7	-128.7
Other operating income and expenses		-1.4	-4.0	-1.3	-2.5	-9.9	-11.1
Operating profit		-19.7	-3.4	-14.5	11.8	5.6	31.7
Net financial items		-10.2	-11.2	-18.6	-21.8	-38.7	-41.9
Result before tax		-29.9	-14.6	-33.1	-10.0	-33.1	-10.2
Income tax		-1.3	-1.5	-5.6	-4.3	-15.1	-13.9
<b>Net result</b>		<b>-31.2</b>	<b>-16.1</b>	<b>-38.7</b>	<b>-14.3</b>	<b>-48.2</b>	<b>-24.1</b>
1) Including non-recurring items of SEK -4 million							
<b>Total comprehensive income attributable to:</b>							
Share holders in Parent Company		-31.2	-16.1	-38.7	-14.3	-47.7	-23.6
Non-controlling interests		0.0	0.0	0.0	0.0	-0.5	-0.5
Earnings per share		-0.15	-0.08	-0.18	-0.07	-0.23	-0.11
Earnings per share, excluding non recurring items		-0.15	-0.08	-0.18	-0.07	-0.23	-0.11
Average number of shares		211,205,058	211,205,058	211,205,058	211,205,058	211,205,058	211,205,058
<b>STATEMENT OF COMPREHENSIVE INCOME</b>							
MSEK		Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jul 2019- Jun 2020	Jan-dec 2019
Net result for the year		-31.2	-16.1	-38.7	-14.3	-48.2	-24.1
<b>Other comprehensive income</b>							
Items that will not be reclassified to profit or loss:							
Actuarial loss on post employment benefit obligations		-3.3	-8.6	5.6	-14.9	-4.1	-24.6
Items that may be reclassified subsequently to profit or loss:							
Cash flow hedges	2	0.0	0.0	0.0	0.1	0.0	0.1
Impact of extended equity		11.3	-0.8	0.9	-3.4	-0.3	-4.5
Exchange rate differences		-44.2	7.3	-6.7	23.3	-8.6	21.3
Income tax relating to components of other comprehensive income		-1.6	2.4	-1.5	4.4	1.2	7.1
		-34.6	8.9	-7.3	24.4	-7.7	24.0
Other comprehensive income for the period, net of tax		-38.0	0.3	-1.7	9.5	-11.8	-0.6
<b>Total comprehensive income</b>		<b>-69.2</b>	<b>-15.8</b>	<b>-40.4</b>	<b>-4.8</b>	<b>-60.0</b>	<b>-24.7</b>
<b>Total comprehensive income attributable to:</b>							
Share holders in Parent Company		-69.2	-15.9	-40.4	-4.8	-59.5	-24.1
Non-controlling interests		0.0	0.0	0.0	0.0	-0.5	-0.5

## Balance sheet in summary

MSEK	Note	30 Jun 2020	30 Jun 2019	31 Dec 2019
<b>Assets</b>				
Intangible assets	3,4	527.8	543.9	538.5
Tangible assets		279.0	334.3	314.8
Financial assets	5	106.9	121.5	114.6
Inventories		197.7	219.2	200.4
Current receivables	6	280.7	348.2	317.6
Cash and cash equivalents	7	115.5	78.6	99.7
<b>Total assets</b>		<b>1,507.6</b>	<b>1,645.7</b>	<b>1,585.6</b>
<b>Equity and liabilities</b>				
Equity		488.3	548.6	528.7
Non-current liabilities	8	571.9	590.9	576.1
Current liabilities	9	447.4	506.2	480.8
<b>Total equity and liabilities</b>		<b>1,507.6</b>	<b>1,645.7</b>	<b>1,585.6</b>

### CHANGES IN EQUITY

MSEK	Note	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Opening balance for the period		528.7	569.6	569.6
Change in accounting principles- IFRS 16 Lease		-	-16.2	-16.2
Bond loan / Convertible loan		-	-	-
Non-controlling interests		0.0	-	-
Total comprehensive income		-40.4	-4.8	-24.7
<b>Closing balance for the period</b>		<b>488.3</b>	<b>548.6</b>	<b>528.7</b>

## Cash flow statement

MSEK	Note	Apr-Jun 2020 3 month	Apr-Jun 2019 3 month	Jan-Jun 2020 6 month	Jan-Jun 2019 6 month	Jul 2019- Jun 2020 12 month	Jan-Dec 2019 12 month
<b>Operating activities</b>							
Operating profit/loss		-19.7	-3.4	-14.4	11.9	5.4	31.7
Depreciation, amortisation, and impairment losses		21.8	22.2	48.2	43.9	93.1	88.8
Interest received		0.0	0.0	0.0	0.0	0.1	0.1
Interest paid		-7.1	-7.8	-14.3	-15.2	-29.0	-29.9
Financial expenses		-1.3	-1.6	-0.2	-2.6	-2.0	-4.4
Tax paid		1.3	8.5	-0.1	7.7	-3.3	4.5
Other items not affecting liquidity		-3.2	-1.0	-19.7	-6.0	-18.0	-4.3
<b>Cash flow from operating activities before changes in working capital</b>		<b>-8.2</b>	<b>16.9</b>	<b>-0.5</b>	<b>39.7</b>	<b>46.3</b>	<b>86.5</b>
<b>Changes in working capital</b>							
Inventories		5.4	-7.7	0.0	-18.9	18.8	-0.1
Current receivables		27.7	67.9	21.6	63.7	36.6	78.7
<b>Current operating liabilities</b>		<b>-25.2</b>	<b>-83.6</b>	<b>-3.3</b>	<b>-46.8</b>	<b>-21.1</b>	<b>-64.6</b>
<b>Cash flow from operating activities</b>		<b>-0.3</b>	<b>-6.5</b>	<b>17.8</b>	<b>37.7</b>	<b>80.6</b>	<b>100.5</b>
<b>Cash flow from investing activities</b>							
Acquisition of intangible and tangible assets incl. advanced payments to suppliers		-1.1	-4.7	-8.5	-9.0	-24.4	-24.9
Disposal of intangible and tangible assets		2.4	0.0	5.5	1.8	5.9	2.2
<b>Cash flow from investing activities</b>		<b>1.3</b>	<b>-4.7</b>	<b>-3.0</b>	<b>-7.2</b>	<b>-18.5</b>	<b>-22.7</b>
<b>Cash flow after investing activities</b>		<b>1.0</b>	<b>-11.2</b>	<b>14.8</b>	<b>30.5</b>	<b>62.1</b>	<b>77.8</b>
<b>Cash flow from financing activities</b>							
Change in credit facilities		0.0	-0.3	0.0	-0.1	0.0	-0.1
Change in other long-term debt		38.2	-0.0	28.6	-0.2	28.4	-0.4
IFRS-16 lease payment		-13.3	-12.9	-26.5	-25.2	-52.6	-51.3
<b>Cash flow from financing activities</b>		<b>24.9</b>	<b>-13.2</b>	<b>2.1</b>	<b>-25.5</b>	<b>-24.2</b>	<b>-51.8</b>
<b>Cash flow for the period</b>		<b>25.9</b>	<b>-24.4</b>	<b>16.9</b>	<b>5.0</b>	<b>37.9</b>	<b>26.0</b>
Cash and cash equivalents at beginning of period		93.9	103.0	99.7	72.4	78.6	72.4
Exchange rate difference in cash and cash equivalents		-4.3	-0.0	-1.1	1.2	-1.0	1.3
<b>Cash and cash equivalents at end of period</b>		<b>115.5</b>	<b>78.6</b>	<b>115.5</b>	<b>78.6</b>	<b>115.5</b>	<b>99.7</b>



# Notes

(MSEK)

## Note 1 - Net sales and asset by geographical area

Net sales	Apr-Jun 2020		Apr-Jun 2019		Jan-Jun 2020		Jan-Jun 2019		Jul 2019-Jun 2020		Jan-Dec 2019	
	Envelope	Light Packaging	Envelope	Light packaging	Envelope	Light packaging	Envelope	Light packaging	Envelope	Light packaging	Envelope	Light packaging
Sweden	27	11	37	13	62	22	79	24	134	54	151	56
Nordic and Baltics	29	8	37	9	69	16	82	21	139	45	152	49
Central Europe	117	37	138	35	267	77	299	69	558	180	590	172
South Europe	72	25	97	25	162	55	205	49	355	114	398	108
UK	43	13	75	17	114	29	162	37	259	69	306	77
Other	12	5	18	7	29	15	40	11	67	31	79	28
<b>Total</b>	<b>300</b>	<b>99</b>	<b>402</b>	<b>106</b>	<b>703</b>	<b>214</b>	<b>867</b>	<b>211</b>	<b>1 512</b>	<b>493</b>	<b>1 676</b>	<b>490</b>

## Note 1 - cont'd

Assets	2020-06-30	2019-06-30	2019-12-31
Sweden	165	182	174
Nordic and Baltics	50	61	57
Central Europe	241	267	253
South Europe	228	231	230
UK	123	136	138
Other	0	1	1
<b>Total</b>	<b>807</b>	<b>878</b>	<b>853</b>

### 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	2020-06-30	2019-06-30	2019-12-31
Goodwill	522.5	531.4	529.9
Other intangible assets	5.3	12.5	8.6
<b>Total</b>	<b>527.8</b>	<b>543.9</b>	<b>538.5</b>

Note 4 - Goodwill	2020-06-30	2019-06-30	2019-12-31
Opening costs	529.9	518.4	518.4
Purchase/acquisition	-	-	-
Write-down	-3.8	-	-
Exchange rate differences	-3.6	13.0	11.5
<b>Closing costs</b>	<b>522.5</b>	<b>531.4</b>	<b>529.9</b>

Note 5 - Financial assets	2020-06-30	2019-06-30	2019-12-31
Deferred tax	105.8	119.9	113.4
Other financial assets	1.1	1.6	1.2
<b>Total</b>	<b>106.9</b>	<b>121.5</b>	<b>114.6</b>

Note 6 - Current assets	2020-06-30	2019-06-30	2019-12-31
Receivables	183.9	250.4	223.2
Other current assets	96.8	97.8	94.4
<b>Total</b>	<b>280.7</b>	<b>348.2</b>	<b>317.6</b>

Note 7 - Cash and cash equivalent	2020-06-30	2019-06-30	2019-12-31
Cash/Bank	115.4	77.2	99.6
Cash/Bank escrow account	0.1	1.4	0.1
<b>Total</b>	<b>115.5</b>	<b>78.6</b>	<b>99.7</b>

Note 8 - Non-current liabilities	2020-06-30	2019-06-30	2019-12-31
Interest-bearing loans	234.8	205.4	206.4
Leasing contracts - IFRS 16	87.8	124.2	106.2
Pension debt	230.5	232.4	239.4
Deferred tax	8.7	13.9	10.1
Other liabilities	10.1	15.0	14.0
<b>Total</b>	<b>571.9</b>	<b>590.9</b>	<b>576.1</b>

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 first quarter to the nominal value of SEK 10 million.

Note 9 - Current liabilities	2020-06-30	2019-06-30	2019-12-31
Interest-bearing loans	-	-	-
Leasing contracts - IFRS 16	42.7	55.2	54.1
Payables	136.7	190.1	182.1
Other liabilities	268.0	260.9	244.6
<b>Total</b>	<b>447.4</b>	<b>506.2</b>	<b>480.8</b>

## 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.

2020-06-30	Assets	Liabilities
Interest rate swaps - cash flow hedges	0.0	0.0
Currency forwards - cash flow hedges	0.0	0.0
Currency forwards - held for trading	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>

2019-06-30	Assets	Liabilities
Interest rate swaps - cash flow hedges	0.0	0.0
Currency forwards - cash flow hedges	0.0	0.0
Currency forwards - held for trading	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>

2019-12-31	Assets	Liabilities
Interest rate swaps - cash flow hedges	0.0	0.0
Currency forwards - cash flow hedges	0.0	0.0
Currency forwards - held for trading	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>

\* 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 million, currency forwards - cash flow hedges SEK 0 million.

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

Adjusted interest bearing net loan debt	2020-06-30	2019-12-31
Interest bearing loans, non-current liabilities	553.1	551.9
Interest bearing loans, current liabilities	42.7	54.1
Cash and cash equivalent	-115.5	-99.7
Net Debt	480.3	506.3
Pension debt	-230.5	-239.4
Leasing contracts - IFRS 16	-130.5	-160.3
<b>Adjusted net debt</b>	<b>119.3</b>	<b>106.6</b>
Adjusted EBITDA 12 month rolling	2020-06-30	2019-12-31
Profit	-48.4	-24.0
Financial charges	36.9	39.5
Tax	15.1	13.9
Depreciations	93.1	88.8
Restructuring cost	5.4	7.4
Transaction cost	1.8	2.3
Minority result	0.4	0.4
IFRS 16, lease payments	-60.3	-59.0
<b>Adjusted EBITDA</b>	<b>44.0</b>	<b>69.5</b>
<b>Adjusted interest bearing net loan debt/Adjusted EBITDA</b>	<b>2.71</b>	<b>1.54</b>

## QUARTERLY DATA. GROUP

MSEK	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	4/2016	3/2016
Net Revenue	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	579.0	489.0
Operating expenses	-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	-564.2	-498.9
Operating profit	-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	14.8	-9.9
Net financial items	-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	-14.6	-12.1
<b>Profit before tax</b>	<b>-29.9</b>	<b>-3.1</b>	<b>5.9</b>	<b>-5.8</b>	<b>-14.7</b>	<b>4.7</b>	<b>-97.9</b>	<b>1.3</b>	<b>-12.8</b>	<b>1.1</b>	<b>6.4</b>	<b>-8.3</b>	<b>-4.2</b>	<b>7.2</b>	<b>0.2</b>	<b>-22.0</b>

## KEY RATIOS

Note	Jan-Jun 2020	Jan-Jun 2019	Jul 2019- Jun 2020	Jan-Dec 2019
Operating margin, %	-1.6	1.1	0.3	1.5
Return on equity, %*	-	-	neg	neg
Return on capital employed, %* 1)	-	-	0.68	3.25
Equity/assets ratio, %*	32.4	33.3	32.4	33.3
Net debt/equity ratio times*	0.72	0.66	0.72	0.65
Net loan debt/EBITDA*	-	-	4.88	2.87
Adjusted interest bearing net loan debt/adjusted EBITDA*	10	-	2.71	1.54
Capital employed, MSEK*	953.6	986.3	953.6	974.5
Interest-bearing net loan debt, MSEK*	480.3	360.5	480.3	506.3
1) Return on capital employed				
Earnings after financial revenues	-	-	5.5	31.9
Average capital employed	-	-	969.9	982.9

## DATA PER SHARE

	Jan-Jun 2020	Jan-Jun 2019	Jul 2019- Jun 2020	Jan-Dec 2019
Earnings per share, SEK	-0.18	-0.07	-0.23	-0.11
Earnings per share, excluding non recurring items, SEK	-0.18	-0.07	-0.23	-0.11
Basic equity per share, SEK	2.31	2.60	2.31	2.50
Diluted equity per share, SEK				
Number of shares outstanding at end of period	211,205,058	211,205,058	211,205,058	211,205,058
Number of shares, basic	211,205,058	211,205,058	211,205,058	211,205,058

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.

# Five-year summary

Key ratios	2019	2018	2017	2016	2015
Net sales, MSEK	2,166	2,220	2,095	2,135	2,345
Operating profit/loss, MSEK	32	-52	45	9	-5
Extraordinary items, financial net. MSEK	-	-11	-	430	-
Profit/loss after tax, MSEK	-24	-148	-9	297	-64
Cash flow after investing activities, MSEK	78	-65	40	30	-75
Operating margin, %	1.5	-2.3	2.2	0.4	-0.2
Capital turnover rate, times	1.4	1.4	1.3	1.3	1.2
Return on equity, %	neg	neg	neg	neg	neg
Average capital employed, MSEK	983	1,042	1,095	1,159	1,343
Return on capital employed, %	3.2	neg	0.2	1.8	neg
Equity ratio, %	33	38	43	43	16
Net loan debt, MSEK	506	349	294	315	837
Net loan debt/equity, times	0.91	0.61	0.42	0.45	2.64
Net debt/EBITDA, times	4.2	5.0	3.2	5.2	11.9
Average number of employees	1,334	1,446	1,459	1,556	1,763
<b>Number of shares</b>					
Basic number of shares outstanding at end of period	211,205,058	211,205,058	211,205,058	211,205,058	156,659,604
Diluted number of shares outstanding at end of period	211,205,058	211,205,308	251,205,058	251,205,058	183,932,331
Average basic number of shares	211,205,058	211,205,058	211,205,058	207,417,179	156,659,604
Average diluted number of shares	211,205,058	211,205,058	251,205,058	246,533,341	183,932,331
<b>Earnings per share</b>					
Before dilution, SEK	-0.11	-0.71	-0.06	1.42	-0.41
After dilution, SEK	-0.11	-0.71	-0.06	1.42	-0.41
Earnings per share. before dilution, excluding non-recurring items	-0.11	-0.22	-0.06	-0.64	-
Earnings per share. after dilution, excluding non-recurring items	-0.11	-0.22	-0.06	-0.64	-
<b>Equity per share</b>					
Before dilution, SEK	2.50	2.70	3.30	3.30	2.02
After dilution, SEK	2.50	2.70	3.30	3.30	1.95
<b>Cash flow from operating activities per share</b>					
Before dilution, SEK	0.48	-0.28	0.25	0.26	-0.95
After dilution, SEK	0.48	-0.28	0.25	0.26	-0.81
<b>Other data per share</b>					
Dividend, SEK <sup>1)</sup>	0.00	0.00	0.00	0.00	0.00
Quoted market price on the balance sheet date, SEK	0.7	1.0	1.0	0.9	1.3
P/E-ratio, times	neg	neg	neg	0.6	neg
Adjusted P/E-ratio, times	neg	neg	neg	neg	-
Price/Equity before dilution, %	29	35	29	27	62
Price/Equity after dilution, %	29	35	29	27	65

1) Proposal by the board  
For definitions see page 12

# 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-Jun 2020	Jan-Jun 2019
Revenue	1.7	1.7
Gross profit	1.7	1.7
Administrative expenses	-6.1	-8.3
Operating profit/loss	-4.4	-6.6
Net financial items	1.0	2.1
Result	-3.4	-4.5
Income tax	0	0
<b>Net result</b>	<b>-3.4</b>	<b>-4.5</b>

## STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan-Jun 2020	Jan-Jun 2019
Net Result for the year	-3.4	-4.5
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	-	-
<b>Total comprehensive income</b>	<b>-3.4</b>	<b>-4.5</b>

## BALANCE SHEET IN SUMMARY

MSEK	30 Jun 2020	31 Dec 2019
Assets		
Financial assets	847.6	847.6
Current receivables	2.1	1.8
Cash and cash equivalents	0.6	0.1
<b>Total Assets</b>	<b>850.3</b>	<b>849.5</b>
Equity and liabilities		
Equity	415.2	418.5
Non-current liabilities	197.1	205.8
Current liabilities	238.0	225.2
<b>Total equity and liabilities</b>	<b>850.3</b>	<b>849.5</b>