

Interim Report

January-September
2019



Interim Report Q3, January-September 2019

July - September 2019

- Net sales decreased to SEK 520 million (536)
- Operating profit before depreciation increased to SEK 29 million including IFRS 16 impact of SEK 15 million (22)
- Operating profit decreased to SEK 6 million (12)
- Earnings after tax amounted to SEK -8 million (-4)
- Earnings per share amounted to SEK -0.04 (-0.02)
- Cash flow after investing activities amounted to SEK -7 million including IFRS 16 impact of SEK 13 million (-12)

January - September 2019

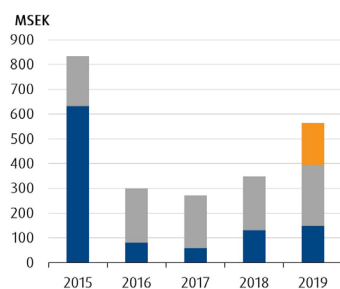
- Net sales decreased to SEK 1,598 million (1,617)
- Operating profit before depreciation increased to SEK 84 million including IFRS 16 impact of SEK 44 million (66)
- Operating profit decreased to SEK 18 million (33)
- Earnings after tax amounted to SEK -23 million (-25)
- Earnings per share amounted to SEK -0.11 (-0.12)
- Cash flow after investing activities amounted to SEK 23 million including IFRS 16 impact of SEK 38 million (-59)

Key Ratios

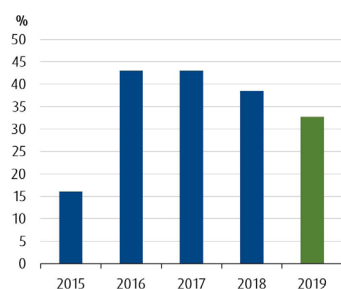
	Jul-Sept 2019	Jul-Sept 2018	Jan-Sept 2019	Jan-Sept 2018	Oct 2018- Sept 2019	Jan-Dec 2018
Net sales	520	536	1,598	1,617	2,201	2,220
EBITDA ¹⁾	29	22	84	66	90	71
EBIT ¹⁾	6	12	18	33	-67	-52
Earnings before tax ¹⁾	-6	1	-16	-11	-114	-108
Earnings after tax ¹⁾	-8	-4	-23	-25	-146	-148
Earnings per share, SEK ¹⁾	-0.04	-0.02	-0.11	-0.12	-0.69	-0.71
Cash flow after investing activities ¹⁾	-7	-12	23	-59	17	-65
Equity/asset ratio, % ¹⁾	32.7%	42.4%	32.7%	42.4%	32.7%	38.5%

¹⁾ This metric has been affected by IFRS 16 'Leases' as of 1 January 2019. Comparative figures have not been restated.

Net debt

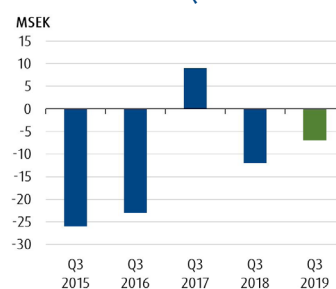


Equity ratio



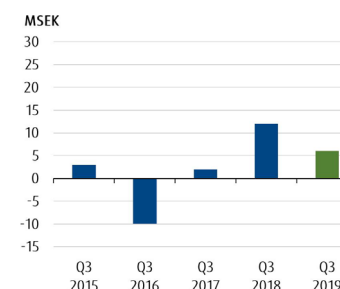
IFRS 16 impact, -4.2% pts.

Cash flow after investing activities - Q3



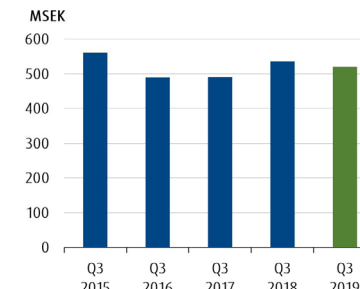
IFRS 16 impact, SEK 13 million

Operating profit/loss - Q3



IFRS 16 impact, SEK 3 million

Net sales - Q3



- 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 2.2 billion and about 1,400 employees in 12 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



1,400
Employees

Located in
12
countries



Double digit
growth in
Retail

Letter to the shareholders

MARKET AND INDUSTRY

Envelope

Raw material cost have been widely unchanged in the third quarter. This gave us the necessary time to stabilize our sales prices and regain some of our sales margins. I estimate that the raw material cost will remain unchanged or slightly decrease also in the fourth quarter 2019.

Light Packaging

We are actively pushing sales of paper products to replace plastics. Our main focus which is high end Paper Carrier Bags has increased at a rate of 52%, amounting to SEK 39 million, while the sales of plastic products were decreasing. Other paper products such as All Board were also developing at a good rate.

OPERATING PROFIT

Despite a 10% decrease in volume, the Group's currency-adjusted sales decreased by only 3% compared with the corresponding period in 2018. Due to passing on price increases to customers Bong's gross margin has stabilized and is slightly better than last year. Operating profit decreased to SEK 18 million (33). Operating profit 2018 was affected by capital gains of approximately SEK 9 million.

The drop in Q3 is part of the usual seasonality in our business. We have a stronger Q1 and Q4 and are weaker in Q2 and Q3. Additionally, the Q3 was affected by the specific UK situation where we deliberately gave up on parts of our sales in our office supply segment, which is our main distribution channel.

IMPROVED CASH FLOW AND STABLE ADJUSTED NET DEBT/ADJUSTED EBITDA

Cash flow from operating activities amounted to SEK 42 million (-57). Adjusted for the impact of IFRS 16, the cash flow after investment activities amounts to SEK -15 million. Adjusted net debt/adjusted EBITDA according to Bong's Bond loan amounts to 2.89, note 10.

ENVIRONMENTAL INVESTIGATION

In 2018, a responsibility study was prepared by the County Administrative Board in Västra Götaland regarding emissions in areas where active industry, during the period 1918-2018, made identified emissions. In 1997, Bong

acquired a company that operated in the area during the period 1918-1972. Thus, Bong has never been active in the area in question. Bong will be involved in and to a smaller extent finance a coming project "Preparation for action" which will be implemented over a three-year period.

BREXIT

Since the decision of the Brexit was postponed and the approach of the British government towards this issue is unclear, the UK economy is currently not stable. This leads to investment uncertainty and consumer resistance. Bong's operations are also affected by that. The impact of this specific UK situation on other units of the Bong group is limited.

FOCUS AND STRATEGY

The move of Overprint from Finland to Sweden and the move of Light Packaging production from Sweden to France are on track and will be accomplished in Q4.

Both of our new subsidiaries, Bong Africa in Tunisia and Bong Italy, became operational in Q3.

Kai Steigleder

Chief Executive Officer



Financial overview

Sales and profit

January – September 2019

Consolidated sales for the period reached SEK 1,598 million (1,617). Exchange rate fluctuations had a positive impact on sales of SEK 40 million (80) compared with 2018.

Operating profit decreased to SEK 18 million (33). The Group's gross margin has stabilized and is slightly higher compared to previous year. During the period operating profit was affected positively by a realized capital gain of SEK 1 million (4) attributable to the sale of machines. The effect of IFRS 16 had a positive impact on operating profit of SEK 7 million. Exchange rate fluctuations for the period had a positive impact on operating profit of SEK 0.6 million (2).

Net financial items for the period amounted to SEK -34 million (-44). The effect of IFRS 16 had a negative impact on the financial net of SEK -6 million.

Earnings before tax amounted to SEK -16 million (-10) and reported earnings after tax were SEK -23 million (-25). The effect of IFRS 16 had a positive impact on earnings before tax of SEK 2 million.

Bong's total light packaging sales amounted to SEK 336 million (315). Currency fluctuations had a positive impact on light packaging sales of SEK 8 million (15) compared with the corresponding period in 2018.

Sales and profit

July – September 2019

Consolidated sales for the period reached SEK 520 million (536). Exchange rate fluctuations had a positive impact on sales of SEK 15 million (33) compared with 2018.

Operating profit decreased to SEK 6 million (12). The Group's gross margin has stabilized and is at the same level as previous year. The effect of IFRS 16 had a positive impact on operating profit of SEK 3 million. Exchange rate fluctuations for the period had minor impact on operating profit (1).

Net financial items for the period amounted to SEK -12 million (-10). The effect of IFRS 16 had a negative impact on the financial net of SEK -2 million.

Earnings before tax amounted to SEK -6 million (1) and reported earnings after tax were SEK -8 million (-4). The effect of IFRS 16 had a positive impact on earnings before tax of SEK 0.6 million.

Bong's total light packaging sales amounted to SEK 124 million (113). Currency fluctuations had a positive impact on light packaging sales of SEK 3 million (7) compared with the corresponding period in 2018.

Cash flow and investments

The cash flow after investing activities increased to SEK 23 million (-59) compared to previous year. Cash flow from operating activities before changes in working capital amounted to SEK 57 million (4). Working capital had a negative impact on the cash flow of SEK -16 million (-60). IFRS 16 is affecting the cash flow from operating activities with SEK 38 million.

Restructuring programs had negative impact on the cash flow of SEK -5 million (-7). Net investments in the period had a negative impact amounting to SEK -18 million (-2).

Financial position

Cash and cash equivalents at 30 September 2019 amounted to SEK 63 million (SEK 72 million at 31 December 2018, including the escrow account of SEK 1 million). The Group had unutilized credit facilities of SEK 11 million on the same date. Total available cash and cash equivalents thus amounted to SEK 74 million (SEK 85 million at 31 December 2018, including the escrow account of SEK 1 million). Consolidated equity at the end of September 2019 was SEK 538 million (SEK 570 million at 31 December 2018). The IFRS valuation had a one-time impact on consolidated equity of SEK -16 million and impacted the group's profit after tax with SEK 1 million.

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 8 million. The interest bearing net loan debt amounted to SEK 564 million, whereof pension debt amounts to SEK 246 million and IFRS 16 leasing contracts amount to SEK 170 million (SEK 349 million at 31 December 2018, whereof pension debt amounts to SEK 217 million).

Employees

The average number of employees during the period was 1,350 (1,412). The Group had 1,303 (1,348) employees at the end of June 2019. 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 2.5 million (2.8) and earnings before tax for the period were SEK -6 million (-15).

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 2018 was released. 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 2018 annual report and the interim report should be read along with those principles.

Kristianstad 15 November 2019

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:

- Year-end report 2019, 13 February 2020
- Interim Report January–March, 2020, 14 May 2020
- Annual General Meeting 2020, 14 May 2020, Malmö
- Interim Report January–June, 2020, July 2020
- Interim Report January–September, 2020, November 2020

Auditor's report

Introduction

We have reviewed the condensed interim financial information (interim report) of Bong AB as of 30 September 2019 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, 15 November 2019

PricewaterhouseCoopers AB

Lars Nilsson

Auditor in Charge
Authorised Public Accountant

Christer Olausson

Authorised Public Accountant

Income statements in summary

MSEK	Note	Jul-Sept 2019 3 month	Jul-Sept 2018 3 month	Jan-Sept 2019 9 month	Jan-Sept 2018 9 month	Oct 2018- Sept 2019 12 month	Jan-Dec 2018 12 month
Revenue	1	519.8	536	1,597.9	1,617.2	2,201.1	2,220.4
Cost of goods sold		-432.4	-445.5	-1,329.7	-1,349.5	-1,833.6	-1,853.5
Gross profit		87.4	90.5	268.2	267.7	367.5	366.9
Selling expenses		-47.0	-48.5	-145.6	-143.1	-199.4	-196.8
Administrative expenses		-33.3	-35.8	-101.5	-109.9	-219.3	-227.6
Other operating income and expenses		-0.6	5.5	-3.1	18.8	-16.0	5.8
Operating profit		6.5	11.7	18.0	33.5	-67.2	-51.7
Net financial items		-12.3	-10.4	-34.1	-43.9	-46.8	-56.6
Result before tax		-5.8	1.3	-16.1	-10.4	-114.0	-108.3
Income tax		-2.5	-5.2	-6.8	-14.5	-31.5	-39.3
Net result		-8.3	-3.9	-22.9	-24.9	-145.5	-147.6
1) Including non-recurring items of SEK -82 million							
Total comprehensive income attributable to:							
Share holders in Parent Company		-8.3	-3.9	-22.8	-26.3	-145.4	-149.1
Non-controlling interests		0.0	0.0	-0.1	1.4	-0.1	1.5
Basic earnings per share		-0.04	-0.02	-0.11	-0.12	-0.69	-0.71
Diluted earnings per share		-0.04	-0.02	-0.11	-0.12	-0.69	-0.71
Basic earnings per share, excluding non recurring items		-	-0.02	-	-0.06	-0.25	-0.22
Diluted earnings per share, excluding non recurring items		-	-0.02	-	-0.06	-0.25	-0.22
Average number of shares, basic		211,205,058	211,205,058	211,205,058	211,205,058	211,205,058	211,205,058
Average number of shares, diluted		211,205,058	251,205,058	211,205,058	251,205,058	211,205,058	211,205,058
STATEMENT OF COMPREHENSIVE INCOME							
MSEK		Jul-Sept 2019	Jul-Sept 2018	Jan-Sept 2019	Jan-Sept 2018	Oct 2018- Sept 2019	Jan-Dec 2018
Net result for the year		-8.3	-3.9	-22.9	-24.9	-145.5	-147.6
Other comprehensive income							
Items that will not be reclassified to profit or loss:							
Actuarial loss on post employment benefit obligations		-14.0	2.3	-28.9	-3.9	-31.3	-6.3
		-14.0	2.3	-28.9	-3.9	-31.3	-6.3
Items that may be reclassified subsequently to profit or loss:							
Cash flow hedges	2	0.0	0.0	0.1	0.0	0.0	0.1
Impact of extended equity		-1.9	4.4	-5.3	-14.1	-3.6	-12.5
Exchange rate differences		10.0	-13.5	33.3	46.1	26.1	38.9
Income tax relating to components of other comprehensive income		4.2	-1.3	8.6	3.1	9.2	3.7
		12.4	-10.4	36.8	35.1	31.6	30.0
Other comprehensive income for the period, net of tax		-1.6	-8.1	7.9	31.2	0.3	23.7
Total comprehensive income		-9.9	-12.0	-15.0	6.3	-145.2	-123.9
Total comprehensive income attributable to:							
Share holders in Parent Company		-9.9	-12.0	-15.0	4.9	-145.1	-125.4
Non-controlling interests		0.0	0.0	-0.1	1.4	-0.1	1.5

Balance sheet in summary

MSEK	Note	30 Sept 2019	30 Sept 2018	31 Dec 2018
Assets				
Intangible assets	3,4	547.2	617.1	535.5
Tangible assets		329.3	187.5	179.2
Financial assets	5	124.4	144.1	111.2
Inventories		222.1	221.6	195.4
Current receivables	6	360.8	410.7	388.0
Cash and cash equivalents	7	63.4	68.3	72.4
Total assets		1,647.2	1,649.3	1,481.8
Equity and liabilities				
Equity		538.4	700.0	569.6
Non-current liabilities	8	595.1	450.8	451.0
Current liabilities	9	513.7	498.5	461.2
Total equity and liabilities		1,647.2	1,649.3	1,481.8

CHANGES IN EQUITY

MSEK	Note	Jan-Sept 2019	Jan-Sept 2018	Jan-Dec 2018
Opening balance for the period		569.6	696.2	696.2
Change in accounting principles- IFRS 16 Lease		-16.1	-	-
Bond loan / Convertible loan		-	-2.5	-3.2
Non-controlling interests		0.0	0.0	0.5
Total comprehensive income		-15.0	6.3	-123.9
Closing balance for the period		538.4	700.0	569.6

Cash flow statement

MSEK	Note	Jul-Sept 2019 3 month	Jul-Sept 2018 3 month	Jan-Sept 2019 9 month	Jan-Sept 2018 9 month	Oct 2018- Sept 2019 12 month	Jan-Dec 2018 12 month
Operating activities							
Operating profit/loss		6.3	11.7	18.1	33.5	-67.0	-51.7
Depreciation, amortisation, and impairment losses		22.3	10.7	66.2	32.7	156.7	123.1
Interest received		0.0	0.0	0.0	0.1	0.0	0.1
Interest paid		-8.4	-10.3	-23.5	-10.9	-30.1	-17.5
Financial expenses		-2.7	1.1	-5.3	-2.2	-14.0	-10.9
Tax paid		-0.6	-1.2	7.0	-9.3	5.1	-11.2
Other items not affecting liquidity		0.8	-2.7	-5.2	-40.4	-6.5	-41.8
Cash flow from operating activities before changes in working capital		17.7	9.3	57.4	3.5	44.1	-9.9
Changes in working capital							
Inventories		-0.6	-6.4	-19.5	-33.0	5.5	-8.0
Current receivables		-34.2	-0.8	29.5	-29.1	59.7	1.1
Current operating liabilities		20.9	-8.3	-25.9	2.1	-69.7	-41.7
Cash flow from operating activities		3.8	-6.2	41.6	-56.5	39.6	-58.4
Cash flow from investing activities							
Acquisition of intangible and tangible assets incl. advanced payments to suppliers		-11.5	-6.3	-20.5	-14.7	-25.5	-19.7
Disposal of intangible and tangible assets		0.3	0.1	2.1	12.5	3.1	13.5
Cash flow from investing activities		-11.2	-6.2	-18.4	-2.2	-22.4	-6.2
Cash flow after investing activities		-7.4	-12.4	23.2	-58.7	17.2	-64.7
Cash flow from financing activities							
Change in credit facilities		5.6	-4.9	5.5	0.1	5.5	0.2
Change in other long-term debt		0.0	-0.1	-0.3	-0.3	10.1	10.0
IFRS-16 lease payment		-13.0	-	-38.2	-	-38.2	-
Cash flow from financing activities		-7.4	-5.0	-32.9	-0.2	-22.6	10.2
Cash flow for the period		-14.8	-17.4	-9.7	-58.9	-5.3	-54.5
Cash and cash equivalents at beginning of period		78.6	86.2	72.4	124.1	68.3	124.1
Exchange rate difference in cash and cash equivalents		-0.4	-0.5	0.7	3.1	0.4	2.8
Cash and cash equivalents at end of period		63.4	68.3	63.4	68.3	63.4	72.4

Notes

(MSEK)

Note 1 - Segment Information

Net sales	Jul-Sept 2019		Jul-Sept 2018		Jan-Sept 2019		Jan-Sept 2018		Oct 2018-Sept 2019		Jan-Dec 2018	
	Envelope	Light Packaging	Envelope	Light packaging	Envelope	Light packaging	Envelope	Light packaging	Envelope	Light packaging	Envelope	Light packaging
Sweden	30	13	31	10	109	37	106	32	149	58	146	53
Nordic and Baltics	33	13	43	12	115	33	141	32	160	47	186	45
Central Europe	141	47	150	44	440	117	439	112	598	168	597	163
South Europe	98	22	100	21	303	71	303	62	424	98	424	90
UK	73	19	81	21	234	56	242	57	316	76	324	78
Russia	0	0	0	0	0	0	18	3	0	0	17	3
Other	20	10	18	5	61	21	53	17	81	26	73	21
Total	395	124	423	113	1,262	335	1,302	315	1,728	473	1,767	453

Note 1 - Segment Information, cont'd

Assets	2019-09-30	2018-09-30	2018-12-31
Sweden	171	171	169
Nordic and Baltics	60	118	49
Central Europe	264	205	203
South Europe	236	225	221
UK	138	85	73
Russia	-	-	-
Other	1	1	-
Total	870	805	715

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.

2019-09-30	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
Total	0.0	0.0

2018-09-30	Assets	Liabilities
Interest rate swaps - cash flow hedges	0.0	0.0
Currency forwards - cash flow hedges	0.1	0.1
Currency forwards - held for trading	0.0	0.0
Total	0.0	0.0

2018-12-31	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 million. currency forwards - cash flow hedges SEK 0 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	2019-09-30	2018-09-30	2018-12-31
Goodwill	537.2	597.5	518.4
Other intangible assets	10.0	19.6	17.1
Total	547.2	617.1	535.5

Note 4 - Goodwill	2019-09-30	2018-09-30	2018-12-31
Opening costs	518.4	574.6	574.6
Purchase/acquisition	-	-	-
Write-down	-	-	-75.7
Exchange rate differences	18.8	22.9	19.5
Closing costs	537.2	597.5	518.4

Since the group follows estimated values in the impairment test for 2018 no further impairment is required.

Note 5 - Financial assets	2019-09-30	2018-09-30	2018-12-31
Deferred tax	122.0	142.3	110.1
Other financial assets	2.4	1.8	1.1
Total	124.4	144.1	111.2

Note 6 - Current assets	2019-09-30	2018-09-30	2018-12-31
Receivables	242.2	299.9	288.6
Other current assets	118.6	110.8	99.4
Total	360.8	410.7	388.0

Note 7 - Cash and cash equivalent	2019-09-30	2018-09-30	2018-12-31
Cash/Bank	63.4	66.9	71.0
Cash/Bank escrow account	-	1.4	1.4
Total	63.4	68.3	72.4

Note 8 - Non-current liabilities	2019-09-30	2018-09-30	2018-12-31
Interest-bearing loans	205.9	196.4	204.4
Leasing contracts - IFRS 16	113.9	-	-
Pension debt	246.3	217.0	217.1
Deferred tax	13.5	21.6	14.0
Other liabilities	15.5	15.9	15.5
Total	595.1	450.9	451.0

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.

In connection with the issuance 2016 of the bonds, the bondholders also were awarded shares and options without consideration with a total fair value of SEK 37.3 million. This is considered to be a bundled transaction in which the proceeds from the bond issue will be allocated on the relative fair value of the respective financial instrument that the bondholder received. The loan was replaced by a new bond loan during the fourth quarter 2018.

Note 9 - Current liabilities	2019-09-30	2018-09-30	2018-12-31
Interest-bearing loans	5.7	0.1	0.1
Leasing contracts - IFRS 16	55.9	-	-
Payables	186.6	244.9	221.4
Other liabilities	265.5	253.5	239.7
Total	513.7	498.5	461.2

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

Adjusted interest bearing net loan debt	2019-09-30	2018-12-31
Interest bearing loans, non-current liabilities	566.1	420.9
Interest bearing loans, current liabilities	61.5	0.1
Cash and cash equivalent	-63.4	-72.4
Net Debt	564.3	348.6
Pension debt	-246.3	-217.1
Leasing contracts - IFRS 16	-169.8	-
Adjusted net debt	148.2	131.5

Adjusted EBITDA 12 month rolling	2019-09-30	2018-12-31
Profit/Net result	-145.4	-147.6
Financial charges	41.7	43.8
Tax	31.5	39.3
Depreciations	156.7	123.1
Restructuring cost	5.7	5.2
Transaction cost	5.1	12.8
Gains/losses outside ordinary business	-0.2	-3.9
Minority result	0.0	-1.8
Acquired/divested companies	-	-1.7
IFRS 16, lease payments	-43.8	-
Adjusted EBITDA	51.4	69.2

Adjusted interest bearing net loan debt/Adjusted EBITDA	2.89	1.91
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QUARTERLY DATA. GROUP

MSEK	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	2/2016	1/2016	4/2015
Net Revenue	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	499.8	566.7	612.8
Operating expenses	-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	-507.3	-555.3	-612.3
Operating profit	6.5	-3.5	15.3	-86.3	11.7	9.8	12.0	17.1	2.0	7.4	18.6	14.8	-9.9	-7.5	11.4	0.6
Net financial items	-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	-10.2	421.0	-15.8
Profit before tax	-5.8	-14.7	4.7	-98.0	1.3	-12.8	1.1	6.4	-8.2	-4.2	7.2	0.2	-22.0	-17.7	432.4	-15.3

KEY RATIOS

Note	Jan-Sept 2019	Jan-Sept 2018	Oct 2018- Sept 2019	Jan-Dec 2018
Operating margin, %	1.1	2.1	-3.1	-2.3
Return on equity, %*			neg	neg
Return on capital employed, %* 1)			neg	neg
Equity/assets ratio, %*	32.7	42.4	32.7	38.5
Net debt/equity ratio times*	0.73	0.50	0.73	0.62
Net loan debt/EBITDA*			4.40	4.91
Adjusted interest bearing net loan debt/adjusted EBITDA	10		2.89	1.91
Capital employed, MSEK*	996.3	1,113.4	996.3	991.2
Interest-bearing net loan debt, MSEK*	394.5	346.5	394.5	349.2
1) Return on capital employed				
Earnings after financial revenues			-68.2	-51.5
Average capital employed			1,055.6	1,041.6

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 12. Key ratios has been affected by IFRS-16 "leases" as of January 2019, comparative figures have not been restated.

DATA PER SHARE

	Jan-Sept 2019	Jan-Sept 2018	Oct 2018- Sept 2019	Jan-Dec 2018
Basic earnings per share, SEK	-0.11	-0.12	-0.69	-0.71
Diluted earnings per share, SEK 2)	-0.11	-0.12	-0.69	-0.71
Basic earnings per share, excluding non recurring items, SEK	-	-0.06	-	-0.22
Diluted earnings per share, excluding non recurring items, SEK	-	-0.06	-	-0.22
Basic equity per share, SEK	2.55	3.31	2.55	2.70
Diluted equity per share, SEK	2.55	2.79	2.55	2.70
Basic number of shares outstanding at end of period	211,205,058	211,205,058	211,205,058	211,205,058
Diluted number of shares outstanding at end of period	211,205,058	251,205,058	211,205,058	211,205,308
Average number of shares, basic	211,205,058	211,205,058	211,205,058	211,205,058
Average number of shares, diluted	211,205,058	251,205,058	211,205,058	211,205,058

2) The number of options amounts to maximum 40,000,000. Each option gives the right to subscribe for one share in Bong. All options were signed before 29 February 2016. Subscription for shares based on the options shall take place not later than 6 December 2018. Upon subscription, the price per share is 1.15 SEK. Bongs average share price during the period has been below 1.15 SEK which is why no dilution effect is taken into consideration. Data per share has been affected by IFRS-16 "leases" as of January 2019, comparative figures have not been restated.

Five-year summary

Key ratios	2018	2017	2016	2015	2014
Net sales, MSEK	2,220	2,095	2,135	2,345	2,533
Operating profit/loss, MSEK	-52	45	9	-5	-123
Extraordinary items, financial net. MSEK	-11	-	430	-	-
Profit/loss after tax, MSEK	-148	-9	297	-64	-150
Cash flow after investing activities, MSEK	-65	40	30	-75	94
Operating margin, %	-2.3	2.2	0.4	-0.2	-4.8
Capital turnover rate, times	1.4	1.3	1.3	1.2	1.3
Return on equity, %	neg	neg	neg	neg	neg
Average capital employed, MSEK	1,042	1,095	1,159	1,343	1,375
Return on capital employed, %	neg	0.2	1.8	neg	neg
Equity ratio, %	38.5	43	43	16	19
Net loan debt, MSEK	349	294	315	837	790
Net loan debt/equity, times	0.61	0.42	0.45	2.64	2.09
Net debt/EBITDA, times	5.0	3.2	5.2	11.9	neg
Average number of employees	1,446	1,459	1,556	1,763	1,873
Number of shares					
Basic number of shares outstanding at end of period	211,205,058	211,205,058	211,205,058	156,659,604	156,659,604
Diluted number of shares outstanding at end of period	211,205,308	251,205,058	251,205,058	183,932,331	183,932,331
Average basic number of shares	211,205,058	211,205,058	207,417,179	156,659,604	156,659,604
Average diluted number of shares	211,205,058	251,205,058	246,533,341	183,932,331	183,932,331
Earnings per share					
Before dilution, SEK	-0.71	-0.06	1.42	-0.41	-0.96
After dilution, SEK	-0.71	-0.06	1.42	-0.41	-0.96
Earnings per share. before dilution, excluding non-recurring items	-0.22	-0.06	-0.64	-	-
Earnings per share. after dilution, excluding non-recurring items	-0.22	-0.06	-0.64	-	-
Equity per share					
Before dilution, SEK	2.70	3.30	3.30	2.02	2.41
After dilution, SEK	2.70	3.30	3.30	1.95	2.27
Cash flow from operating activities per share					
Before dilution, SEK	-0.28	0.25	0.26	-0.95	0.62
After dilution, SEK	-0.28	0.25	0.26	-0.81	0.53
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	1.0	0.95	0.9	1.3	1.1
P/E-ratio, times	neg	neg	0.61	neg	neg
Adjusted P/E-ratio, times	neg	neg	neg	-	-
Price/Equity before dilution, %	35	29	27	62	46
Price/Equity after dilution, %	35	29	27	65	49

1) Proposal by the board
For definitions see page 12

Definitions

This Report includes both financial ratios based on concepts defined in IFRS, APMs (Alternative Performance Measures) according to ESMA's definition and other company-specific ratios. The ratios are defined below.

For historical values:

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

ADJUSTED EARNINGS PER SHARE BEFORE AND AFTER DILUTION

Profit after tax, excluding extraordinary net financial item divided by average number of shares before and after dilution.

AVERAGE CAPITAL EMPLOYED

Capital employed at 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.

ADJUSTED EBITDA

Operating income before depreciation and amortization adjusted for restructuring cost up to 10% of adjusted EBITDA, transaction cost, gains/losses outside ordinary business, minority result, acquired/divested companies and IFRS 16, lease payments.

ADJUSTED INTEREST BEARING NET LOAN DEBT

Net debt less pension liabilities and leasing contracts - IFRS 16

ADJUSTED INTEREST BEARING NET LOAN DEBT/ADJUSTED EBITDA, TIMES

Adjusted interest bearing net loan debt divided by Adjusted EBITDA is a measure of the groups financial strength.

ADJUSTED P/E RATIO, TIMES

Share price divided by adjusted earnings per share.

AVERAGE TOTAL ASSETS

Total assets at beginning of 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 Asset turnover is a measure of how effectively the Group uses its assets.

EARNINGS PER SHARE BEFORE AND AFTER DILUTION

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

EQUITY TO ASSETS RATIO, PER CENT

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

EBITDA

Operating income before depreciation and amortization.

ESMA

The European Securities and Markets Authority. ESMA is the European Union's body for monitoring the financial markets.

EXTRAORDINARY NET FINANCIAL ITEM

Net total gain from the refinancing transactions in 2016.

IFRS

International Financial Reporting Standards. An International accounting standard that Bong applies.

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. Net debt to equity 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 shows the return of the Group's total balance sheet, excluding non-interest-bearing debt. It is a profitability measure independent of the Group's 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-Sept 2019	Jan-Sept 2018
Revenue	2.5	2.8
Gross profit	2.5	2.8
Administrative expenses	-11.6	-13.1
Other operating income and expenses	-0.1	-
Operating profit/loss	-9.2	-10.3
Net financial items	3.2	-4.8
Result	-6.0	-15.1
Income tax	-	-
Net result	-6.0	-15.1

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan-Sept 2019	Jan-Sept 2018
Net Result for the year	-6.0	-15.1
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	-6.0	-15.1

BALANCE SHEET IN SUMMARY

MSEK	30 Sept 2019	31 Dec 2018
Assets		
Financial assets	968.7	968.7
Current receivables	6.8	4.6
Cash and cash equivalents	0.1	1.4
Total Assets	975.6	974.7
Equity and liabilities		
Equity	538.7	544.7
Non-current liabilities	205.2	203.4
Current liabilities	231.7	226.6
Total equity and liabilities	975.6	974.4