

Year-end Report

January-December
2019



Year-end Report Q4, January-December 2019

October - December 2019

- Net sales decreased to SEK 568 million (603)
- Operating profit before depreciation increased to SEK 36 million (5) including IFRS 16 impact of SEK 15 million
- Operating profit increased to SEK 14 million (-85)
- Earnings after tax amounted to SEK -1 million (-123)
- Earnings per share amounted to SEK 0.00 (-0.58)
- Cash flow after investing activities amounted to SEK 55 million (-6) including IFRS 16 impact of SEK 13 million

January - December 2019

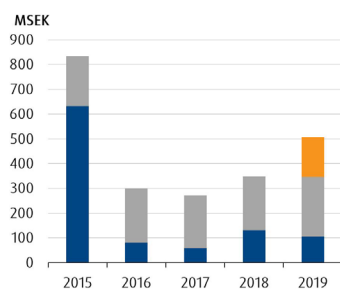
- Net sales decreased to SEK 2,166 million (2,220)
- Operating profit before depreciation increased to SEK 121 million (71) including IFRS 16 impact of SEK 59 million
- Operating profit increased to SEK 32 million (-52)
- Earnings after tax amounted to SEK -24 million (-148)
- Earnings per share amounted to SEK -0.11 (-0.71)
- Cash flow after investing activities amounted to SEK 78 million (-65) including IFRS 16 impact of SEK 51 million

Key Ratios

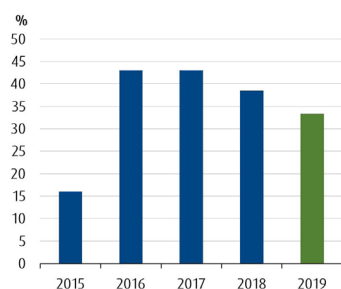
	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
MSEK				
Net sales	568	603	2 166	2 220
EBITDA ¹⁾	36	5	121	71
EBIT ¹⁾	14	-85	32	-52
Earnings before tax ¹⁾	6	-98	-10	-108
Earnings after tax ¹⁾	-1	-123	-24	-148
Earning per share, SEK ¹⁾	0.00	-0.58	-0.11	-0.71
Cash flow after investing activities ¹⁾	55	-6	78	-65
Equity/asset ratio, % ¹⁾	33.3%	38.5%	33.3%	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

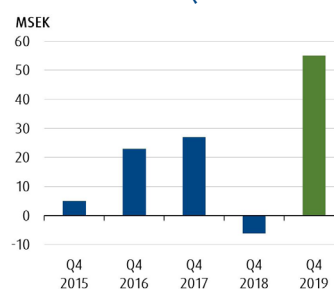


Equity ratio



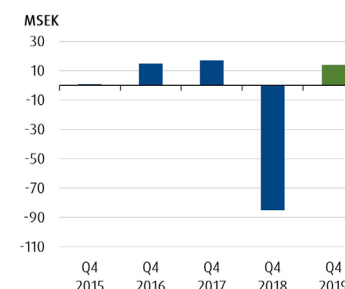
IFRS 16 impact, -1.1% pts.

Cash flow after investing activities - Q4



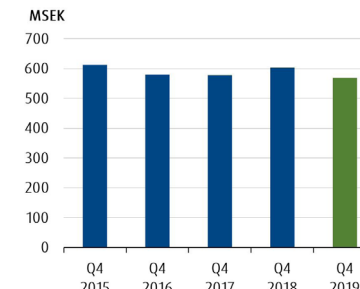
IFRS 16 impact, SEK 13 million

Operating profit/loss - Q4



IFRS 16 impact, SEK 3 million

Net sales - Q4



- 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

The drastic paper price increases of 2018 have been stopped and the raw material cost have been widely unchanged in 2019. This gave us the necessary time to stabilize our sales prices and regain our margins by passing on the price increases to our customers including long term customer contracts.

The office supply segment, which is one of our largest customer groups, is under great financial pressure due to deteriorating sales. This is especially true for the UK market. Bong has given up deliberately on some less profitable sales and turnover to limit its financial risk exposure.

Light Packaging

In the light packaging segment, the positive trend continued during 2019 with an overall currency adjusted sales increase of 6 % or SEK 37 million.

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 44% or SEK 17 million, while the sales of plastic products were decreasing. Other paper products such as All Board were also developing at a good rate.

We also profited from the increasing need for e-commerce packaging and have launched a new e-commerce packaging range end of Q4, which is tailored to the needs of internet retailers and consumers. We expect increased sales in this segment in 2020.

OPERATING PROFIT

The Group's currency-adjusted sales decreased by only 5% compared with previous year. This was caused by continuous digitalization in the Envelope market across Europe. Due to passing on price increases to customers Bong's gross margin has stabilized and are on same level as last year. Operating profit increased to SEK 32 million (-52). Operating profit 2018 was affected by capital gains of approximately SEK 9 million as well as write down of Goodwill of SEK 75 million.

IMPROVED CASH FLOW

Cash flow from operating activities amounted to SEK 102 million (-58). Adjusted for the impact of IFRS 16, the cash flow after investment activities amounts to SEK 26 million.

ORGANIZATIONAL CHANGES

In 2019 the move of Overprint from Finland to Sweden and the move of Light Packaging production from Sweden to France have been accomplished. This will improve our efficiency and cost situation in the other factories. Our new subsidiaries Bong Africa (in Tunisia) and Bong Italy became operational.

BREXIT

We have experienced a negative effect on the business climate caused by Brexit uncertainty. Given the uncertainty surrounding BREXIT, the market is volatile. This led to investment uncertainty and consumer resistance. Our UK operations have been affected by this but on other units in the group the impact is limited.

GOALS FOR THE COMING YEARS

One of our most important development areas will be the e-commerce segment, which is expected to continue its growth. Bong will focus on e-commerce packaging which is sustainable, material- and volume-saving, flexible and customer-oriented. This includes large mailing bags for parcel shipments as well as letterbox mailers which correspond to postal tariffs.

We will also continue to push our retail solutions, such as high-end carrier bags, gift bags and paper bags to be used in large retail chains to replace plastic bags.

The development of environmentally friendly packaging will remain a high priority at Bong. Our goal is to provide paper-based packaging solutions, which can replace products made from non-renewable raw materials. Although plastic packaging products are not yet part of the EU directive on single-use plastic, we believe we need to support the approach of reducing plastics and recyclability.



At all our production sites we will continue our efforts to reduce emissions, water and waste, which goes hand in hand with the factory efficiency program which has been launched in 2019. We decided during January 2020 to move our envelope production in Estonia to production sites in Sweden, Poland and Germany.

Kai Steigleder

Chief Executive Officer

Financial overview

Sales and profit

January – December 2019

Consolidated sales for the period reached SEK 2,166 million (2,220). Exchange rate fluctuations had a positive impact on sales of SEK 57 million (106) compared with 2018.

Operating profit increased to SEK 32 million (-52). The Group's gross margin has stabilized and is on the same level as previous year. During the period operating profit was affected positively by a realized capital gain of SEK 2 million (4) attributable to the sale of machines and negatively by restructuring costs of -12 MSEK (-5). The effect of IFRS 16 had a positive impact on operating profit of SEK 10 million. Exchange rate fluctuations for the period had a positive impact on operating profit of SEK 0.1 million (3).

Net financial items for the period amounted to SEK -42 million (-56). The effect of IFRS 16 had a negative impact on the financial net of SEK -8 million.

Earnings before tax amounted to SEK -10 million (-108) and reported earnings after tax were SEK -24 million (-148). 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 490 million (453). Currency fluctuations had a positive impact on light packaging sales of SEK 12 million (21) compared with the corresponding period in 2018.

Sales and profit

October – December 2019

Consolidated sales for the period reached SEK 568 million (603). Exchange rate fluctuations had a positive impact on sales of SEK 19 million (31) compared with 2018.

Operating profit decreased to SEK 14 million (-85). 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 impact on operating profit of SEK -0.5 million (1).

Net financial items for the period amounted to SEK -8 million (-13). 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 (-98) and reported earnings after tax were SEK -1 million (-123). The effect of IFRS 16 had an impact on earnings before tax of SEK 0.7 million.

Bong's total light packaging sales amounted to SEK 155 million (138). Currency fluctuations had a positive impact on light packaging sales of SEK 5 million (7) compared with the corresponding period in 2018.

Cash flow and investments

The cash flow after investing activities increased to SEK 78 million (-65) compared to previous year. Cash flow from operating activities before changes in working capital amounted to SEK 87 million (-10). Working capital had a positive impact on the cash flow of SEK 14 million (-49). IFRS 16 is affecting the cash flow from operating activities with SEK 51 million.

Restructuring programs had negative impact on the cash flow of SEK -9 million (-8). Net investments in the period had a negative impact amounting to SEK -23 million (-6).

Financial position

Cash and cash equivalents at 31 December 2019 amounted to SEK 100 million (SEK 72 million at 31 December 2018, including the escrow account of SEK 1 million). The Group had unutilized credit facilities of SEK 17 million on the same date. Total available cash and cash equivalents thus amounted to SEK 117 million (SEK 85 million at 31 December 2018, including the escrow account of SEK 1 million). Consolidated equity at the end of December 2019 was SEK 529 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 2 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 decreased consolidated equity by SEK -1 million. The interest bearing net loan debt amounted to SEK 506 million, whereof pension debt amounts to SEK 239 million and IFRS 16 leasing contracts amount to SEK 160 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 1,334 (1,446). The Group had 1,265 (1,368) employees at the end of December 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 3 million (5) and earnings before tax for the period were SEK -95 million (-114).

Events after the end of the period

A decision has been made to close operations in Estonia. Since the company mainly produced for sale from sister companies, the impact on earnings for the Group is marginal and limited to costs in connection with the liquidation during the first half of 2020.

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.

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 2019. No dividend was paid for 2018.

Annual General Meeting

The annual general meeting will be held on 14 May 2020 at 4 p.m. in Malmö. The January-March 2020 interim report will be published in connection with the AGM. The annual report will be available no later than 30 April 2020.

Kristianstad 13 February 2020

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–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

Income statements in summary

MSEK	Note	Oct-Dec 2019 3 month	Oct-Dec 2018 3 month	Jan-Dec 2019 12 month	Jan-Dec 2018 12 month
Revenue	1	567.9	603.2	2,165.8	2,220.4
Cost of goods sold		-472.1	-504.0	-1,801.8	-1,853.5
Gross profit		95.8	99.2	364.0	366.9
Selling expenses		-46.9	-53.7	-192.5	-196.8
Administrative expenses		-27.2	-117.7	-128.7	-227.6
Other operating income and expenses		-8	-13	-11.1	5.8
Operating profit		13.7	-85.2	31.7	-51.7 ¹⁾
Net financial items		-7.8	-12.8	-41.9	-56.6
Result before tax		5.9	-98	-10.2	-108.3
Income tax		-7.1	-24.7	-13.9	-39.3
Net result		-1.2	-122.7	-24.1	-147.6
1) Including non-recurring items of SEK -82 million					
Total comprehensive income attributable to:					
Share holders in Parent Company		-0.8	-122.7	-23.6	-149.1
Non-controlling interests		-0.4	0.0	-0.5	1.5
Basic earnings per share		0.00	-0.58	-0.11	-0.71
Diluted earnings per share		0.00	-0.58	-0.11	-0.71
Basic earnings per share, excluding non recurring items		0.00	-0.14	-0.11	-0.22
Diluted earnings per share, excluding non recurring items		0.00	-0.14	-0.11	-0.22
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	211,205,058	211,205,058	211,205,058
STATEMENT OF COMPREHENSIVE INCOME					
MSEK		Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net result for the year		-1.2	-122.7	-24.1	-147.6
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Actuarial loss on post employment benefit obligations		4.3	-2.4	-24.6	-6.3
		4.3	-2.4	-24.6	-6.3
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges	2	0.0	-0.1	0.1	-0.1
Impact of extended equity		0.7	1.6	-4.5	-12.5
Exchange rate differences		-11.9	-7.1	21.4	38.9
Income tax relating to components of other comprehensive income		-1.5	0.5	7.1	3.7
		-12.8	-5.0	24.0	30.0
Other comprehensive income for the period, net of tax		-8.5	-7.4	-0.6	23.7
Total comprehensive income		-9.7	-130.1	-24.7	-123.9
Total comprehensive income attributable to:					
Share holders in Parent Company		-9.3	-130.1	-24.3	-125.4
Non-controlling interests		-0.4	0.0	-0.5	1.5

Balance sheet in summary

MSEK	Note	31 Dec 2019	31 Dec 2018
Assets			
Intangible assets	3,4	538.5	535.5
Tangible assets		314.8	179.2
Financial assets	5	114.5	111.2
Inventories		200.4	195.4
Current receivables	6	317.7	388.0
Cash and cash equivalents	7	99.7	72.4
Total assets		1,585.6	1,481.8
Equity and liabilities			
Equity		528.7	569.6
Non-current liabilities	8	576.1	451.0
Current liabilities	9	480.8	461.2
Total equity and liabilities		1,585.6	1,481.8

CHANGES IN EQUITY

MSEK	Note	Jan-Dec 2019	Jan-Dec 2018
Opening balance for the period		569.6	696.2
Change in accounting principles- IFRS 16 Lease		-16.2	-
Bond loan / Convertible loan		-	-3.2
Non-controlling interests		-	0.5
Total comprehensive income		-24.7	-123.9
Closing balance for the period		528.7	569.6

Cash flow statement

MSEK	Note	Oct-Dec 2019 3 month	Oct-Dec 2018 3 month	Jan-Dec 2019 12 month	Jan-Dec 2018 12 month
Operating activities					
Operating profit/loss		13.6	-85.2	31.7	-51.7
Depreciation, amortisation, and impairment losses		22.6	90.4	88.8	123.1
Interest received		0.1	0.0	0.1	0.1
Interest paid		-6.4	-6.6	-29.9	-17.5
Financial expenses		0.9	-8.7	-4.4	-10.9
Tax paid		-2.5	-1.9	4.5	-11.2
Other items not affecting liquidity		0.8	-1.3	-4.4	-41.8
Cash flow from operating activities before changes in working capital		29.1	-13.3	86.5	-9.9
Changes in working capital					
Inventories		19.3	24.9	-0.2	-8.0
Current receivables		49.2	30.2	78.7	1.1
Current operating liabilities		-38.7	-43.8	-64.6	-41.7
Cash flow from operating activities		58.9	-2.0	100.5	-58.5
Cash flow from investing activities					
Acquisition of intangible and tangible assets incl. advanced payments to suppliers		-4.6	-4.9	-24.9	-19.7
Disposal of intangible and tangible assets		0.3	1.0	2.2	13.5
Cash flow from investing activities		-4.3	-3.9	-22.7	-6.2
Cash flow after investing activities		54.6	-5.9	77.8	-64.7
Cash flow from financing activities					
Change in credit facilities		-5.6	0.0	-0.1	0.2
Change in other long-term debt		-0.2	10.3	-0.4	10.0
IFRS-16 lease payment		-13.1	-	-51.2	-
Cash flow from financing activities		-18.8	10.4	-51.8	10.2
Cash flow for the period		35.8	4.4	26.0	-54.5
Cash and cash equivalents at beginning of period		64.8	68.3	72.4	124.1
Exchange rate difference in cash and cash equivalents		-0.8	-0.3	1.3	2.8
Cash and cash equivalents at end of period		99.7	72.4	99.7	72.3

Notes

(MSEK)

Note 1 - Net sales and asset by geographical area

Net sales	Oct-Dec 2019		Oct-Dec 2018		Jan-Dec 2019		Jan-Dec 2018	
	Envelope	Light Packaging	Envelope	Light packaging	Envelope	Light packaging	Envelope	Light packaging
Sweden	42	19	40	21	151	56	146	53
Nordic and Baltics	37	16	45	13	152	49	186	45
Central Europe	150	55	158	51	590	172	597	163
South Europe	95	36	121	28	398	108	424	90
UK	72	21	82	21	306	77	324	78
Russia	0	0	0	0	0	0	17	3
Other	18	8	20	4	79	29	73	21
Total	413	155	466	138	1,676	490	1,767	453

Note 1 - cont'd

Assets	2019-12-31	2018-12-31
Sweden	174	169
Nordic and Baltics	57	49
Central Europe	253	203
South Europe	230	221
UK	138	73
Russia	-	-
Other	2	0
Total	853	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.

2019-12-31	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
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

	2019-12-31	2018-12-31
Goodwill	529.9	518.4
Other intangible assets	8.6	17.1
Total	538.5	535.5

Note 4 - Goodwill

	2019-12-31	2018-12-31
Opening costs	518.4	574.6
Purchase/acquisition	-	-
Write-down	-	-75.7
Exchange rate differences	11.5	19.5
Closing costs	529.9	518.4

Impairment test from 2019 show that write down of goodwill is not necessary.

Note 5 - Financial assets

	2019-12-31	2018-12-31
Deferred tax	113.4	110.1
Other financial assets	1.1	1.1
Total	114.5	111.2

Note 6 - Current assets

	2019-12-31	2018-12-31
Receivables	223.2	288.6
Other current assets	94.5	99.4
Total	317.7	388.0

Note 7 - Cash and cash equivalent

	2019-12-31	2018-12-31
Cash/Bank	99.6	71.0
Cash/Bank escrow account	0.1	1.4
Total	99.7	72.4

Note 8 - Non-current liabilities

	2019-12-31	2018-12-31
Interest-bearing loans	206.4	204.4
Leasing contracts - IFRS 16	106.2	-
Pension debt	239.4	217.1
Deferred tax	10.1	14.0
Other liabilities	14.1	15.5
Total	576.1	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.

Note 9 - Current liabilities

	2019-12-31	2018-12-31
Interest-bearing loans	-	0.1
Leasing contracts - IFRS 16	54.1	-
Payables	182.1	221.4
Other liabilities	244.5	239.7
Total	480.8	461.2

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

Adjusted interest bearing net loan debt	2019-12-31	2018-12-31
Interest bearing loans, non-current liabilities	551.9	420.9
Interest bearing loans, current liabilities	54.1	0.1
Cash and cash equivalent	-99.7	-72.4
Net Debt	506.3	348.6
Pension debt	-239.4	-217.1
Leasing contracts - IFRS 16	-160.3	-
Adjusted net debt	106.6	131.5

Adjusted EBITDA 12 month rolling	2019-12-31	2018-12-31
Profit/Net result	-24.0	-147.6
Financial charges	39.5	43.8
Tax	13.9	39.3
Depreciations	88.8	123.1
Restructuring cost	7.4	5.2
Transaction cost	2.3	12.8
Gains/losses outside ordinary business	-	-3.9
Minority result	0.4	-1.8
Acquired/divested companies	-	-1.7
IFRS 16, lease payments	-59.0	-
Adjusted EBITDA	69.5	69.2

Adjusted interest bearing net loan debt/Adjusted EBITDA	1.54	1.91
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QUARTERLY DATA. GROUP

MSEK	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	2/2016	1/2016
Net Revenue	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	499.8	566.7
Operating expenses	-555.1	-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
Operating profit	12.8	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
Net financial items	-7.1	-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
Profit before tax	5.8	-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

KEY RATIOS

	Note	Jan-Dec 2019	Jan-Dec 2018
Operating margin, %		1.5	-2.3
Return on equity, %*		neg	neg
Return on capital employed, %* 1)		3.2	neg
Equity/assets ratio, %*		33.3	38.5
Net debt/equity ratio times*		0.65	0.62
Net loan debt/EBITDA*		2.87	4.91
Adjusted interest bearing net loan debt/adjusted EBITDA	10	1.54	1.91
Capital employed, MSEK*		974.4	991.2
Interest-bearing net loan debt, MSEK*		346.2	349.2
1) Return on capital employed			
Earnings after financial revenues		31.9	-51.5
Average capital employed		982.8	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-Dec 2019	Jan-Dec 2018
Basic earnings per share, SEK	-0.11	-0.71
Diluted earnings per share, SEK 2)	-0.11	-0.71
Basic earnings per share, excluding non recurring items, SEK	-0.11	-0.22
Diluted earnings per share, excluding non recurring items, SEK	-0.11	-0.22
Basic equity per share, SEK	2.50	2.70
Diluted equity per share, SEK	2.50	2.70
Basic number of shares outstanding at end of period	211,205,058	211,205,058
Diluted number of shares outstanding at end of period	211,205,058	211,205,308
Average number of shares, basic	211,205,058	211,205,058
Average number of shares, diluted	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	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	79	-65	40	30	-75
Operating margin, %	1.5	-2.3	2.2	0.4	-0.2
Capital turnover rate, times	0.0	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
Number of shares					
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
Earnings per share					
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	-
Equity per share					
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
Cash flow from operating activities per share					
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
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	0.7	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 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-Dec 2019	Jan-Dec 2018
Revenue	3.0	4.5
Gross profit	3.0	4.5
Administrative expenses	-12.2	-19.6
Operating profit/loss	-9.2	-15.1
Net financial items	-85.8	-99.7
Result	-95.0	-114.8
Income tax	-31.1	-0.2
Net result	-126.1	-115.0

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan-Dec 2019	Jan-Dec 2018
Net Result for the year	-126.1	-115.0
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	-126.1	-115.0

BALANCE SHEET IN SUMMARY

MSEK	31 Dec 2019	31 Dec 2018
Assets		
Financial assets	847.6	968.7
Current receivables	5.8	4.6
Cash and cash equivalents	0.2	1.4
Total Assets	853.6	974.7
Equity and liabilities		
Equity	418.6	544.7
Non-current liabilities	205.8	203.4
Current liabilities	229.2	226.6
Total equity and liabilities	853.6	974.7