



# Interim Report

January-September  
2020



# Interim Report Q3, January-September 2020

## July - September 2020

- Net sales decreased to SEK 421 million (520)
- Operating profit before depreciation decreased to SEK 23 million (29)
- Operating profit decreased to SEK 3 million (6)
- Earnings after tax amounted to SEK -8 million (-8)
- Earnings per share amounted to SEK -0.04 (-0.04)
- Cash flow after investing activities amounted to SEK 4 million (-7)

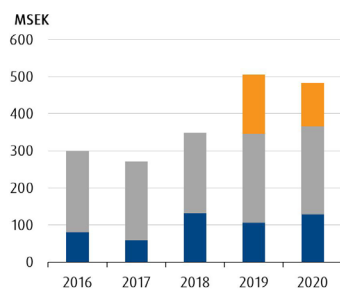
## January - September 2020

- Net sales decreased to SEK 1,338 million (1,598)
- Operating profit before depreciation decreased to SEK 56 million (84)
- Operating profit decreased to SEK -11 million (18)
- Earnings after tax amounted to SEK -46 million (-23)
- Earnings per share amounted to SEK -0.22 (-0.11)
- Cash flow after investing activities amounted to SEK 19 million (23)
- Repurchase of Bonds, nominal value SEK 18 million (per October 14th, 2020)

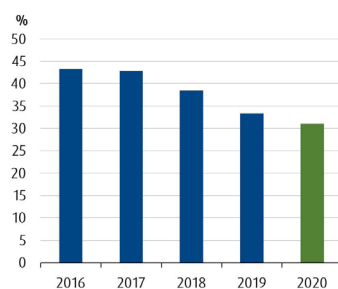
## Key Ratios

MSEK	Jul-Sept 2020	Jul-Sept 2019	Jan-Sept 2020	Jan-Sept 2019	Oct 2019- Sept 2020	Jan-Dec 2019
Net sales	421	520	1,338	1,598	1,906	2,166
EBITDA	23	29	56	84	93	121
EBIT	3	6	-11	18	2	32
Earnings before tax	-6	-6	-39	-16	-34	-10
Earnings after tax	-8	-8	-46	-23	-48	-24
Earning per share, SEK	-0.04	-0.04	-0.22	-0.11	-0.22	-0.11
Cash flow after investing activities	4	-7	19	23	74	78
Equity/asset ratio, %	31.0%	32.7%	31.0%	32.7%	31.0%	33.3%

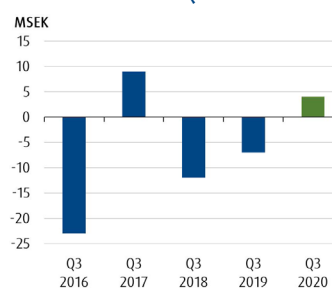
### Net debt



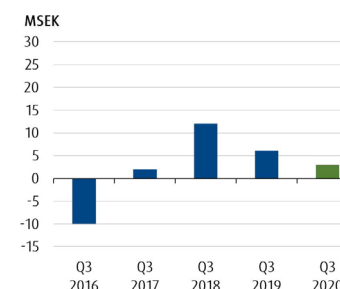
### Equity ratio



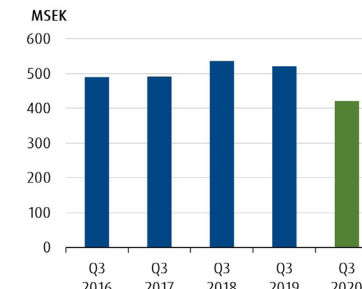
### Cash flow after investing activities - Q3



### Operating profit/loss - Q3



### 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 billion and about 1,200 employees in 13 countries. Bong has strong market positions in most of the important markets in Europe and the Group sees interesting possibilities for continued development. Bong is a public limited company and its shares are listed on Nasdaq Stockholm (Small Cap).

# This is Bong

Envelopes  
and Light  
Packaging

From the  
forest to you  
since 1737

The  
customer is  
our passion



1,200  
Employees

Located in  
13  
countries



Double digit  
growth in  
Retail

# Letter to the shareholders

” Despite the continued challenging economic environment as a result of the COVID-19 pandemic Bong delivered an improved Q3 2020 compared to Q2 2020. I am pleased to see that our efforts on cost savings are progressing well and even though the full effects of COVID-19 and the rate of recovery are uncertain the growth opportunities remain strong from our new e-commerce packaging range, says Bong’s CEO Kai Steigleder. ”

## MARKET AND INDUSTRY

The worldwide negative impact caused by the Covid-19 pandemic is a huge challenge to all European countries with long term economic consequences. The results can be seen in lower purchasing power, reduced consumer confidence and tighter financial conditions. For 2020 the global economy is now experiencing a deep recession with annual double digit GDP declines in many countries and a surge in unemployment. For 2021 a slow and gradual recovery is projected.

## Light Packaging

Bong’s Light packaging segment recovered in Q3 compared to Q2 2020 with a currency adjusted increase of 0,3% after a 6,8% decline in Q2. The overall currency adjusted year to date increase amounts still to 0,4%.

Reasons for the flat development in Q3 2020 was the very difficult UK market that was economically suffering the most in Europe. In addition our Retail Gift Bags were negatively affected from store lockdowns causing economic difficulties for some retail chains. The very positive development in Paper Carrier bags (+50% in Q3) resulted from new contracts with some customers.

With the strongest quarter of the year in retail business ahead, a continued higher need for e-commerce packaging and the two new production machines starting to run in Q4 we are quite optimistic to show a recovery of our Light Packing segment in Q4.

## Envelope

After a drastic decline of sales in Q2 2020 we were seeing a slow but continuous recovery of the European envelope market in Q3.

Bong’s own Q3 development in the envelope segment also recovered in comparison to Q2 but still not back at a normal rate in terms of sales and earnings.

## OPERATING PROFIT

The Group’s currency-adjusted sales decreased by 16% compared with previous year also due to the Covid-19 effect. Bong’s gross margin is on the same level as last year. Operating profit decreased to SEK - 11 million (18). The operating profit in Q3 2020 was affected negatively by restructuring cost of SEK 16 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 33 million (42). Adjusted net debt/adjusted EBITDA according to Bong’s Bond loan amounts to 3.25.

## RESTRUCTURING AND SAVING INITIATIVES

The initiated restructuring in UK and in France as well as the saving efforts in all countries are all developing according to plan. The achieved savings were already helping us in Q3 but we will see the main effects in Q4 2020 and in 2021. We expect only minor restructuring costs in Q4 2020 at the moment.

## FOCUS AND STRATEGY

I am pleased to see that our efforts on cost savings are progressing well and even though the full effects of COVID-19 and the rate of recovery are uncertain the growth opportunities remain strong from our new e-commerce packaging range.



We are convinced to be on the right track with the strategic focus on our new e-commerce packaging range and to emerge stronger from the crisis. A decision on further investments in this potential growth segment will be made in Q4.

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

**Kai Steigleder**

Chief Executive Officer



# Financial overview

## Sales and profit

January – September 2020

Consolidated sales for the period reached SEK 1,338 million (1,598). Exchange rate fluctuations had no impact (40) on sales compared with 2019.

Operating profit decreased to SEK -11 million (18). The Group's gross margin is on the same level compared to previous year. During the period operating profit was affected positively by a realized capital gain of SEK 7 million (1) attributable to the sale of machines. Operating profit was also affected negatively by restructuring costs of 16 (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 4 million in UK. Exchange rate fluctuations for the period had a negative impact on operating profit of SEK -1 million (1).

Net financial items for the period amounted to SEK -28 million (-34).

Earnings before tax amounted to SEK -39 million (-16) and reported earnings after tax were SEK -46 million (-23).

Bong's total envelope sales amounted to SEK 1,002 million (1,262). Currency fluctuations had no significant impact on envelope sales (32) compared with the corresponding period in 2019.

Bong's total light packaging sales amounted to SEK 336 million (336). Currency fluctuations had a negative impact on light packaging sales of SEK 1 million (8) compared with the corresponding period in 2019.

## Sales and profit

July – September 2020

Consolidated sales for the period reached SEK 421 million (520). Exchange rate fluctuations had a negative impact on sales of SEK -8 million (15) compared with 2019.

Operating profit decreased to SEK 3 million (7). The Group's gross margin is on the same level as previous year. 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 restructuring costs of SEK 10 million (1). Exchange rate fluctuations had an impact in the period of SEK -1 million (-1).

Net financial items for the period amounted to SEK -9 million (-12).

Earnings before tax amounted to SEK -6 million (-6) and reported earnings after tax were SEK -8 million (-8).

Bong's total envelope sales amounted to SEK 299 million (396). Currency fluctuations had a negative impact on envelope sales of SEK -6 million (12) compared with the corresponding period in 2019.

Bong's total light packaging sales amounted to SEK 122 million (124). Currency fluctuations had a negative impact on light packaging sales of SEK -2 million (3) compared with the corresponding period in 2019.

## Cash flow and investments

The cash flow after investing activities decreased to SEK 19 million (23) compared to previous year. Cash flow from operating activities before changes in working capital amounted to SEK 11 million (57). Working capital had a positive impact on the cash flow of SEK 22 million (-16). The main part, SEK 16 million, is related to postponed taxes and social fees.

Restructuring programs had negative impact on the cash flow of SEK -24 million (-5). Net investments in the period had a negative impact amounting to SEK -14 million (-18).

## Financial position

Cash and cash equivalents at 30 september 2020 amounted to SEK 121 million (SEK 100 million at 31 December 2019). The Group had unutilized credit facilities of SEK 13 million on the same date. Total available cash and cash equivalents thus amounted to SEK 134 million (SEK 117 million at 31 December 2019). Consolidated equity at the end of September 2020 was SEK 477 million (SEK 529 million at 31 December 2019).

Translation of the net asset value of foreign subsidiaries to Swedish Krona and changes in the fair value of pension debt and derivative instruments decreased consolidated equity by SEK -5 million. The interest bearing net loan debt amounted to SEK 484 million, whereof pension debt amounts to SEK 237 million and IFRS 16 leasing contracts amount to SEK 118 million (SEK 506 million at 31 December 2019, whereof pension debt amounts to SEK 239 million and IFRS 16 leasing contracts SEK 160 million).

## Employees

The average number of employees during the period was 1,213 (1,350). The Group had 1,155 (1,304) employees at the end of September 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 2.6 million (2.4) and earnings before tax for the period were SEK -4 million (-6).

## 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 third quarter has decreased. The development in terms of sales and earnings in our operations in UK and France has been drastically negative caused by the Covid-19 pandemic. In these countries restructuring programs has immediately been started.

The contributions received from the governments shown as Other operating income amount to 15 MSEK for the Group. Other government fee reductions have reduced the social fees with 1 MSEK. Loan with guarantee from the government amounts to 48 MSEK with a duration of one year. The Group may, at its discretion, prolong the duration of the loan between 1 and 5 years. Loan with guarantee from the government amounts to 8 MSEK with a duration of 10 years. The Group has no substantial losses on account receivables related to Covid-19.

Bong will monitor the development to assess any effects on the valuation of goodwill or on non-financial assets or financial assets. It is currently not possible to predict with sufficient reliability over what period and to what extent Bong will face further impacts 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 during the fourth quarter 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 12 November 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:

- Year-End Report 2020, 11 February 2021
- Interim Report January–March 2021, 12 May 2021
- Annual General Meeting 2021, 12 May, 2021, Malmö/digital
- Interim Report January–June 2021, July 2021
- Interim Report January–September 2021, November 2021

## Auditor's report

### Introduction

We have reviewed the condensed interim financial information (interim report) of Bong AB as of 30 September 2020 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, 12 november 2020

PricewaterhouseCoopers AB

### Lars Nilsson

Auditor in Charge  
Authorized Public Accountant

### Patrik Larsson

Authorized Public Accountant

# Income statements in summary

MSEK	Note	Jul-Sept 2020 3 month	Jul-Sept 2019 3 month	Jan-Sept 2020 9 month	Jan-Sept 2019 9 month	Oct 2019- Sept 2020 12 month	Jan-Dec 2019 12 month
Revenue	1	420.9	519.8	1,338.0	1,597.9	1,905.9	2,165.8
Cost of goods sold		-348.2	-432.4	-1,119.6	-1,329.7	-1,591.8	-1,801.8
Gross profit		72.7	87.4	218.4	268.2	314.1	364.0
Selling expenses		-37.4	-47.0	-131.0	-145.6	-177.8	-192.5
Administrative expenses		-23.6	-33.3	-88.7 <sup>1)</sup>	-101.5	-116.0 <sup>1)</sup>	-128.7
Other operating income and expenses		-8.7 <sup>2)</sup>	-0.6 <sup>3)</sup>	-10.0 <sup>4)</sup>	-3.1 <sup>5)</sup>	-18.0 <sup>6)</sup>	-11.1 <sup>7)</sup>
Operating profit		3.0	6.5	-11.3	18.0	2.3	31.7
Net financial items		-9.4	-12.3	-27.9	-34.1	-35.8	-41.9
Result before tax		-6.4	-5.8	-39.2	-16.1	-33.5	-10.2
Income tax		-1.4	-2.5	-7.0	-6.8	-14.1	-13.9
<b>Net result</b>		<b>-7.8</b>	<b>-8.3</b>	<b>-46.2</b>	<b>-22.9</b>	<b>-47.6</b>	<b>-24.1</b>
<sup>1)</sup> Including non-recurring items of SEK -4 million Whereof restructuring costs: <sup>2)</sup> SEK -10 million, <sup>3)</sup> SEK -1 million, <sup>4)</sup> SEK -16 million, <sup>5)</sup> SEK -4 million, <sup>6)</sup> SEK -25 million, <sup>7)</sup> SEK -12 million							
<b>Total comprehensive income attributable to:</b>							
Share holders in Parent Company		-7.5	-8.3	-45.8	-22.8	-46.9	-23.6
Non-controlling interests		-0.3	0.0	-0.4	-0.1	-0.7	-0.5
Earnings per share		-0.04	-0.04	-0.22	-0.11	-0.22	-0.11
Earnings per share, excluding non recurring items		-	-	-0.20	-	-0.20	-0.22
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		Jul-Sept 2020	Jul-Sept 2019	Jan-Sept 2020	Jan-Sept 2019	Oct 2019- Sept 2020	Jan-dec 2019
Net result for the year		-7.8	-8.3	-46.2	-22.9	-47.6	-24.1
<b>Other comprehensive income</b>							
Items that will not be reclassified to profit or loss:							
Actuarial loss on post employment benefit obligations		-7.7	-14.0	-2.1	-28.9	2.2	-24.6
Items that may be reclassified subsequently to profit or loss:							
Cash flow hedges	2	-0.2	0.0	-0.2	0.1	-0.2	0.1
Impact of extended equity		-1.5	-1.9	-0.6	-5.3	0.3	-4.5
Exchange rate differences		3.8	10.1	-2.6	33.4	-14.7	21.3
Income tax relating to components of other comprehensive income		1.9	4.2	0.5	8.6	-1.0	7.1
		4.0	12.4	-2.9	36.8	-15.8	24.0
Other comprehensive income for the period, net of tax		-3.7	-1.6	-5.0	7.9	-13.6	-0.6
<b>Total comprehensive income</b>		<b>-11.5</b>	<b>-9.9</b>	<b>-51.2</b>	<b>-15.0</b>	<b>-61.2</b>	<b>-24.7</b>
<b>Total comprehensive income attributable to:</b>							
Share holders in Parent Company		-11.2	-9.9	-50.8	-14.9	-60.5	-24.2
Non-controlling interests		-0.3	0.0	-0.4	-0.1	-0.7	-0.5

## Balance sheet in summary

MSEK	Note	30 Sept 2020	30 Sept 2019	31 Dec 2019
<b>Assets</b>				
Intangible assets	3,4	529.1	547.2	538.5
Tangible assets		272.5	329.3	314.8
Financial assets	5	109.4	124.4	114.6
Inventories		202.9	222.1	200.4
Current receivables	6	302.8	360.8	317.6
Cash and cash equivalents	7	120.7	63.4	99.7
<b>Total assets</b>		<b>1,537.4</b>	<b>1,647.2</b>	<b>1,585.6</b>
<b>Equity and liabilities</b>				
Equity		477.2	538.4	528.7
Non-current liabilities	8	583.7	595.1	576.1
Current liabilities	9	476.5	513.7	480.8
<b>Total equity and liabilities</b>		<b>1,537.4</b>	<b>1,647.2</b>	<b>1,585.6</b>

### CHANGES IN EQUITY

MSEK	Note	Jan-Sept 2020	Jan-Sept 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		-0.3	0.0	-
Total comprehensive income		-51.2	-15.0	-24.7
<b>Closing balance for the period</b>		<b>477.2</b>	<b>538.4</b>	<b>528.7</b>

## Cash flow statement

MSEK	Note	Jul-Sept 2020 3 month	Jul-Sept 2019 3 month	Jan-Sept 2020 9 month	Jan-Sept 2019 9 month	Oct 2019- Sept 2020 12 month	Jan-Dec 2019 12 month
<b>Operating activities</b>							
Operating profit/loss		3.0	6.3	-11.4	18.1	2.2	31.7
Depreciation, amortisation, and impairment losses		19.6	22.3	67.8	66.2	90.4	88.8
Interest received		0.0	0.0	0.0	0.0	0.1	0.1
Interest paid		-3.3	-8.4	-17.6	-23.5	-24.0	-29.9
Financial expenses		-0.5	-2.7	-0.8	-5.2	0.2	-4.4
Tax paid		-0.9	-0.6	-1.0	7.0	-3.5	4.5
Other items not affecting liquidity		-6.9	0.8	-26.5	-5.2	-25.8	-4.3
<b>Cash flow from operating activities before changes in working capital</b>		<b>11.0</b>	<b>17.7</b>	<b>10.5</b>	<b>57.4</b>	<b>39.6</b>	<b>86.5</b>
<b>Changes in working capital</b>							
Inventories		-4.1	-0.6	-4.0	-19.5	15.4	-0.1
Current receivables		-23.3	-34.2	-1.8	29.6	47.4	78.7
<b>Current operating liabilities</b>		<b>31.4</b>	<b>20.9</b>	<b>28.1</b>	<b>-25.9</b>	<b>-10.7</b>	<b>-64.6</b>
<b>Cash flow from operating activities</b>		<b>15.0</b>	<b>3.8</b>	<b>32.8</b>	<b>41.6</b>	<b>91.7</b>	<b>100.5</b>
<b>Cash flow from investing activities</b>							
Acquisition of intangible and tangible assets incl. advanced payments to suppliers		-11.2	-11.5	-19.6	-20.5	-24.0	-24.9
Disposal of intangible and tangible assets		0.2	0.3	5.7	2.1	5.8	2.2
<b>Cash flow from investing activities</b>		<b>-11.0</b>	<b>-11.2</b>	<b>-13.9</b>	<b>-18.4</b>	<b>-18.2</b>	<b>-22.7</b>
<b>Cash flow after investing activities</b>		<b>4.0</b>	<b>-7.4</b>	<b>18.9</b>	<b>23.2</b>	<b>73.5</b>	<b>77.8</b>
<b>Cash flow from financing activities</b>							
Change in credit facilities		5.0	5.6	0.0	5.5	-5.6	-0.1
Change in other long-term debt		8.4	0.0	42.0	-0.2	41.8	-0.4
IFRS-16 lease payment		-12.6	-13.0	-39.2	-38.2	-52.3	-51.3
<b>Cash flow from financing activities</b>		<b>0.8</b>	<b>-7.4</b>	<b>2.8</b>	<b>-32.9</b>	<b>-16.1</b>	<b>-51.8</b>
<b>Cash flow for the period</b>		<b>4.8</b>	<b>-14.8</b>	<b>21.7</b>	<b>-9.7</b>	<b>57.4</b>	<b>26.0</b>
Cash and cash equivalents at beginning of period		115.5	78.6	99.7	72.4	63.4	72.4
Exchange rate difference in cash and cash equivalents		0.4	-0.4	-0.7	0.7	-0.1	1.3
<b>Cash and cash equivalents at end of period</b>		<b>120.7</b>	<b>63.4</b>	<b>120.7</b>	<b>63.4</b>	<b>120.7</b>	<b>99.7</b>



# Notes

(MSEK)

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

Net sales	Jul-Sept 2020		Jul-Sept 2019		Jan-Sept 2020		Jan-Sept 2019		Oct 2019-Sept 2020		Jan-Dec 2019	
	Envelope	Light Packaging	Envelope	Light packaging	Envelope	Light packaging	Envelope	Light packaging	Envelope	Light packaging	Envelope	Light packaging
Sweden	24	14	30	13	86	37	109	37	127	56	151	56
Nordic and Baltics	28	9	33	13	97	26	115	33	134	42	152	49
Central Europe	115	42	141	47	383	120	440	117	532	174	590	172
South Europe	65	35	98	22	227	90	303	71	322	126	398	108
UK	49	15	73	19	163	44	234	56	235	64	306	77
Other	18	7	21	10	46	19	61	22	65	29	79	28
<b>Total</b>	<b>299</b>	<b>122</b>	<b>396</b>	<b>124</b>	<b>1 002</b>	<b>336</b>	<b>1 262</b>	<b>336</b>	<b>1 415</b>	<b>491</b>	<b>1 676</b>	<b>490</b>

## Note 1 - cont'd

Assets	2020-09-30	2019-09-30	2019-12-31
Sweden	160	178	174
Nordic and Baltics	50	60	57
Central Europe	235	264	253
South Europe	237	236	230
UK	120	138	138
Other	0	0	1
<b>Total</b>	<b>802</b>	<b>876</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	2020-09-30	2019-09-30	2019-12-31
Goodwill	525.4	537.2	529.9
Other intangible assets	3.7	10.0	8.6
<b>Total</b>	<b>529.1</b>	<b>547.2</b>	<b>538.5</b>

Note 4 - Goodwill	2020-09-30	2019-09-30	2019-12-31
Opening costs	529.9	518.4	518.4
Purchase/acquisition	-	-	-
Write-down	-3.7	-	-
Exchange rate differences	-0.8	18.8	11.5
<b>Closing costs</b>	<b>525.4</b>	<b>537.2</b>	<b>529.9</b>

Note 5 - Financial assets	2020-09-30	2019-09-30	2019-12-31
Deferred tax	108.1	122.0	113.4
Other financial assets	1.3	2.4	1.2
<b>Total</b>	<b>109.4</b>	<b>124.4</b>	<b>114.6</b>

Note 6 - Current assets	2020-09-30	2019-09-30	2019-12-31
Receivables	203.2	242.2	223.2
Other current assets	99.6	118.6	94.4
<b>Total</b>	<b>302.8</b>	<b>360.8</b>	<b>317.6</b>

Note 7 - Cash and cash equivalent	2020-09-30	2019-09-30	2019-12-31
Cash/Bank	120.6	63.4	99.6
Cash/Bank escrow account	0.1	0.0	0.1
<b>Total</b>	<b>120.7</b>	<b>63.4</b>	<b>99.7</b>

Note 8 - Non-current liabilities	2020-09-30	2019-09-30	2019-12-31
Interest-bearing loans	249.1	205.9	206.4
Leasing contracts - IFRS 16	79.7	113.9	106.2
Pension debt	237.2	246.3	239.4
Deferred tax	8.0	13.5	10.1
Other liabilities	9.7	15.5	14.0
<b>Total</b>	<b>583.7</b>	<b>595.1</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 period to the nominal value of SEK 13 million and another SEK 5 million in October 2020.

Note 9 - Current liabilities	2020-09-30	2019-09-30	2019-12-31
Interest-bearing loans	-	5.7	-
Leasing contracts - IFRS 16	38.6	55.9	54.1
Payables	156.8	186.6	182.1
Other liabilities	281.1	265.5	244.6
<b>Total</b>	<b>476.5</b>	<b>513.7</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.

2020-09-30	Assets	Liabilities
Interest rate swaps - cash flow hedges	0.0	0.0
Currency forwards - cash flow hedges	0.3	0.6
Currency forwards - held for trading	0.0	0.0
<b>Total</b>	<b>0.3</b>	<b>0.6</b>

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
<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	0.1
Currency forwards - held for trading	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.1</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	2020-09-30	2019-12-31
Interest bearing loans, non-current liabilities	566.0	551.9
Interest bearing loans, current liabilities	38.6	54.1
Cash and cash equivalent	-120.7	-99.7
Net Debt	483.9	506.3
Pension debt	-237.2	-239.4
Leasing contracts - IFRS 16	-118.3	-160.3
<b>Adjusted net debt</b>	<b>128.4</b>	<b>106.6</b>
Adjusted EBITDA 12 month rolling	2020-09-30	2019-12-31
Profit	-47.6	-24.1
Financial charges	34.3	39.5
Tax	14.1	13.9
Depreciations	90.4	88.8
Restructuring cost	5.8	7.5
Transaction cost	1.5	2.4
Minority result	0.7	0.5
IFRS 16, lease payments	-59.5	-59.0
<b>Adjusted EBITDA</b>	<b>39.5</b>	<b>69.5</b>
<b>Adjusted interest bearing net loan debt/Adjusted EBITDA</b>	<b>3.25</b>	<b>1.54</b>

## QUARTERLY DATA. GROUP

MSEK	3/2020	2/2020	1/2020	4/2019	3/2019	2/2019	1/2019	4/2018	3/2018	2/2018	1/2018	4/2017	3/2017	2/2017	1/2017	4/2016
Net Revenue	420.9	398.8	518.3	567.9	519.8	507.1	571.0	603.2	536.0	543.0	538.1	578.0	491.4	480.7	545.2	579.0
Operating expenses	-417.9	-418.5	-513.0	-554.2	-513.3	-510.6	-555.7	-689.5	-524.3	-533.2	-526.1	-560.9	-489.4	-473.3	-526.5	-564.2
Operating profit	3.0	-19.7	5.3	13.7	6.5	-3.5	15.3	-86.3	11.7	9.8	12.0	17.1	2.0	7.4	18.7	14.8
Net financial items	-9.4	-10.2	-8.4	-7.8	-12.3	-11.2	-10.6	-11.6	-10.4	-22.6	-10.9	-10.7	-10.3	-11.6	-11.5	-14.6
<b>Profit before tax</b>	<b>-6.4</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>

## KEY RATIOS

Note	Jan-Sept 2020	Jan-Sept 2019	Oct 2019- Sept 2020	Jan-Dec 2019
Operating margin, %	-0.8	1.1	0.1	1.5
Return on equity, %*	-	-	neg	neg
Return on capital employed, %* 1)	0.53	3.25	0.53	3.25
Equity/assets ratio, %*	31.0	32.7	31.0	33.3
Net debt/equity ratio times*	0.77	0.73	0.77	0.65
Net loan debt/EBITDA*	-	-	3.95	2.87
Adjusted interest bearing net loan debt/adjusted EBITDA*	10	-	3.25	1.54
Capital employed, MSEK*	963.5	996.3	963.5	974.5
Interest-bearing net loan debt, MSEK*	483.9	564.3	483.9	506.3
1) Return on capital employed				
Earnings after financial revenues	-	-	5.8	31.9
Average capital employed	-	-	979.9	982.9

## DATA PER SHARE

	Jan-Sept 2020	Jan-Sept 2019	Oct 2019- Sept 2020	Jan-Dec 2019
Earnings per share, SEK	-0.22	-0.11	-0.22	-0.11
Earnings per share, excluding non recurring items, SEK	-0.20	-	-0.20	-0.11
Basic equity per share, SEK	2.26	2.55	2.26	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
Average number of shares	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 13

# Definitions

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

For historical values:

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

## ADJUSTED EARNINGS PER SHARE

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

## ADJUSTED P/E RATIO, TIMES

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

## AVERAGE CAPITAL EMPLOYED

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

## AVERAGE EQUITY

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

## AVERAGE TOTAL ASSETS

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

## CAPITAL EMPLOYED

Equity plus interest-bearing liabilities.

## CAPITAL TURNOVER, TIMES

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

## EARNINGS PER SHARE

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

## EBITDA

Operating income before depreciation and amortization.

## EQUITY TO ASSETS RATIO, PER CENT

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

## ITEMS AFFECTING COMPARABILITY

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

## NET DEBT

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

## NET DEBT/EBITDA, TIMES

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

## NET DEBT TO EQUITY, TIMES

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

## OPERATING MARGIN, PER CENT

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

## P/E RATIO, TIMES

Share price divided by earnings per share.

## RETURN ON CAPITAL EMPLOYED, PER CENT

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

## RETURN ON EQUITY, PER CENT

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

## SHARE PRICE/EQUITY, PER CENT

Price per share divided by equity per share.

# Parent company

## INCOME STATEMENT IN SUMMARY

MSEK	Jan-Sept 2020	Jan-Sept 2019
Revenue	2.6	2.5
Gross profit	2.6	2.5
Administrative expenses	-8.7	-11.7
Operating profit/loss	-6.1	-9.2
Net financial items	1.8	3.2
Result	-4.3	-6.0
Income tax	0	0
<b>Net result</b>	<b>-4.3</b>	<b>-6.0</b>

## STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan-Sept 2020	Jan-Sept 2019
Net Result for the year	-4.3	-6.0
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	-	-
<b>Total comprehensive income</b>	<b>-4.3</b>	<b>-6.0</b>

## BALANCE SHEET IN SUMMARY

MSEK	30 Sept 2020	31 Dec 2019
Assets		
Financial assets	847.6	847.6
Current receivables	2.0	1.8
Cash and cash equivalents	0.1	0.1
<b>Total Assets</b>	<b>849.7</b>	<b>849.5</b>
Equity and liabilities		
Equity	414.3	418.5
Non-current liabilities	194.4	205.8
Current liabilities	241.0	225.2
<b>Total equity and liabilities</b>	<b>849.7</b>	<b>849.5</b>