

Year-end Report

January-December
2016



” The fourth quarter result was fairly strong, both within envelopes and light packaging, generating a strong cash flow. We can conclude that our increased focus towards sales of light packaging during 2016 has now started to show result in terms of growth. The focus towards light packaging will be intensified during 2017 and we will also continue our work to make the envelope business more efficient in order to be even more competitive in the market. The strong cash flow, especially in Q4, enable us to carry on with this strategy, says Bong’s CEO Håkan Gunnarsson. ”

October – December 2016

- Net sales decreased with 6 percent to SEK 579 million (613)
- Operating profit before depreciation increased to SEK 28 million (25)
- Non-recurring items amounted to SEK -11 million (-12)
- Adjusted EBIT before depreciation increased to SEK 39 million (37)
- Operating profit increased to SEK 15 million (1)
- Earnings after tax amounted to SEK -1 million (-13)
- Earnings per share amounted to SEK -0.01 (-0.08)
- Cash flow after investing activities amounted to SEK 23 million (5)

January – December 2016

- Net sales decreased with 9 percent to SEK 2,135 million (2,345)
- Operating profit before depreciation decreased to SEK 61 million (70)
- Non-recurring items amounted to SEK -18 million (-36)
- Adjusted EBIT before depreciation decreased to SEK 79 million (106)
- Operating profit increased to SEK 9 million (-5)
- Earnings after tax amounted to SEK 297 million (-64)
- Earnings per share amounted to SEK 1.42 (-0.41)
- Cash flow after investing activities amounted to SEK 30 million (-75)

Key Ratios

MSEK	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Net sales	579	613	2,135	2,345
EBITDA	28	25	61	70
Non-recurring items	-11 ¹⁾	-12 ²⁾	-18 ³⁾	-36 ⁴⁾
Adjusted EBITDA	39	37	79	106
Adjusted EBITDA - margin, %	6.8%	6.0%	3.7%	4.5%
EBIT	15	1	9	-5
Non-recurring items, financial net	-	-	430 ⁵⁾	-
EBT	0	-15	393	-60
Earnings after tax	-1	-13	297	-64
Earning per share, SEK	-0.01	-0.08	1.42	-0.41
Cash flow after investing activities	23	5	30	-75
Equity/ asset ratio, %	43.3%	16.4%	43.3%	16.4%

1) Restructuring cost SEK -13 million, reversal of write down of Interests in other companies SEK +2 million

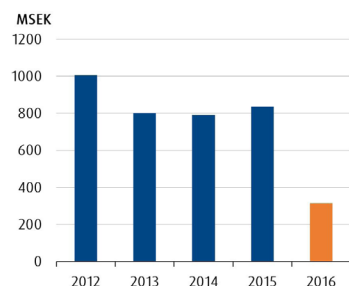
2) Restructuring cost SEK +1 million, capital loss building/ land SEK -13 million

3) Restructuring cost SEK -18 million

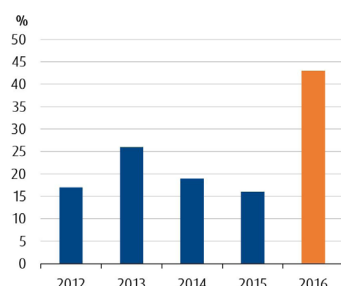
4) Restructuring cost SEK -20 million, capital loss building/land SEK -16 million

5) Refinancing transaction SEK 430 million

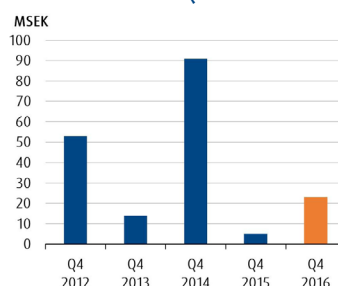
Net debt



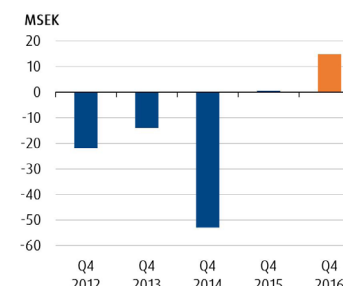
Equity ratio



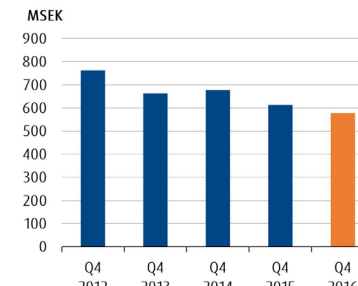
Cash flow after investing activities - Q4



Operating profit/loss - Q4



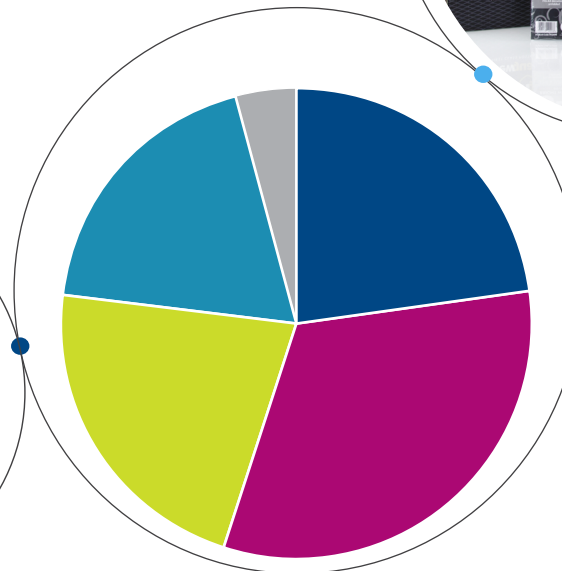
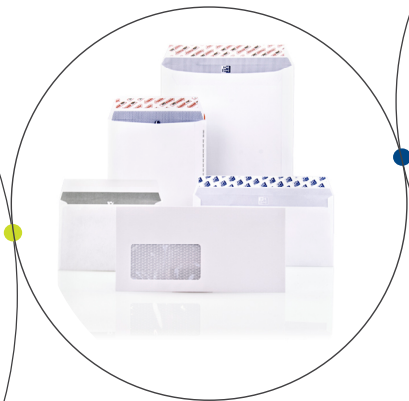
Net sales - Q4



This is the Bong Group

Bong is one of the leading providers of specialty packaging and envelope products in Europe and 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 2.1 billion and about 1,500 employees in 15 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).



Sales to geographical areas 2016

- Nordic/Baltics/Russia, 23%
- Central Europe, 33%
- France and Spain, 23%
- United Kingdom, 18%
- Others, 3%



- Production and sales
- ▨ Sales

Market and industry

During the fourth quarter of 2016, FEPE statistics shows that the European envelope market volume have decreased by approximately 5% compared to the same period previous year. This decline is in line with Bong's decline in sales during the fourth quarter and Bongs estimation is that this decline will continue in the same pace during 2017.

The restructuring process and consolidation of the industry will continue, but at a slower pace than the market decline. Large overcapacity will remain.

While the envelope market continues to decline the light packaging market, where Bong is present, is still growing and is a large and fragmented market. Bong has during the second half of 2016 invested in machines for producing paper carrier bags with high quality printing, which are now installed and producing. Bong see large opportunities for these products within the retail segment due to the EU-legislation that will ban usage of plastic bags in Europe within a few years. This ban has already been implemented in a number of European countries.

Sales and profit

January – December 2016

Consolidated sales for the period reached SEK 2,135 million (2,345). Exchange rate fluctuations had a negative impact on sales of SEK -36 million compared with 2015. The main reason for the drop in sales is the continued downturn in the envelope market, which resulted in both lower volumes and pricing pressures which had a negative impact on Bong's gross earnings.

Despite lower sales, operating profit amounted to SEK 9 million (-5), due to the new lower cost structure after the restructuring programs. Non-recurring items reduced the result by SEK -18 million (-36)

Net financial items for the period, excluding non-recurring items, amounted to SEK -46 million (-55). Non-recurring items, related to the refinancing transaction, amounted to SEK 430 million, note 1.

Earnings before tax were SEK 393 million (-60) and reported earnings after tax were SEK 297 million (-64).

Bong's total light packaging sales amounted to SEK 399 million (398). Currency fluctuations had a negative impact on light packaging sales of SEK -7 million compared with the corresponding period in 2015.

Sales and profit

October – December 2016

Consolidated sales for the fourth quarter reached SEK 579 million (613). Exchange rate fluctuations had a positive impact on sales of SEK 1 million compared with 2015. The main reason for the drop in sales is the continued downturn in the envelope market, which resulted in both lower volumes and pricing pressures which had a negative impact on Bong's gross earnings. The operating profit was SEK 15 (1). Non recurring items reduced the result by SEK -11 (-12) million.

Net financial items for the period, excluding non-recurring items, amounted to SEK -15 million (-16).

Earnings before tax were SEK 0 million (-15) and reported earnings after tax were SEK -1 million (-13).

Bong's total light packaging sales amounted to SEK 124 million (115). Currency fluctuations had a negative impact on light packaging sales of SEK -1 million compared with the corresponding period in 2015.

Cash flow and investments

The cash flow after investing activities improved to SEK 30 million (-75). The improvement of SEK 105 million is explained below:

- Improvement of operating activities +82 MSEK
- Decreased payments of restructuring cost +54 MSEK
- No extraordinary items 2016 +30 MSEK
- Improvement of other working capital +38 MSEK
- Decreased sales of building/land -99 MSEK

Restructuring programs had negative impact of SEK -25 million (-79). Investments, primarily in machines for production of paper carrier bags, had a negative impact amounting to SEK -28 million (-28). Only minor asset sales of SEK 3 million (102) were made in the period.

Furthermore, the final payment for acquiring the former banks claims had a negative effect on the cash flow in the second quarter with SEK -15 million.

Financial position

Cash and cash equivalents at 31 December 2016 amounted to SEK 78 million, net of the escrow account amounting to SEK 12 million (SEK 64 million at 31 December 2015, net of the escrow account amounting to SEK 180 million). The Group had unutilized credit facilities of SEK 9 million on the same date. Total available cash and cash equivalents thus amounted to SEK 87 million, net of the escrow account amounting to 12 MSEK (92 million at 31 December 2015, net of the escrow account amounting to SEK 180 million). Consolidated equity at the end of December 2016 was SEK 697 million (SEK 317 million at 31 December 2015). 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 10 million. The interest bearing net loan debt decreased during the period by SEK -522 million to SEK 315 million (SEK 837 million at 31 December 2015).

Employees

The average number of employees during the period was 1,556 (1,752). The Group had 1,507 (1,653) employees at the end of December 2016. 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 0.9 million (0.9) and earnings before tax for the period were SEK 310 million (-72). Non-recurring items, related to the refinancing transaction, amounted to SEK 229 million.

Events after the end of the period

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

Risks and opportunities

Business risks for the Bong Group are primarily related to market development and various types of financial risks. There has not been any change to significant risks and uncertain positions since Bong's annual report for 2015 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 2015 annual report and the interim report should be read along with those principles. Please refer to Bong's 2015 annual report for a specification of the new amendments, interpretations and standards that took effect 1 January 2016.

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 2016. No dividend was paid for 2015.

Annual General Meeting

The annual general meeting will be held on 17 May 2017 at 4 p.m. in Kristianstad. The January- March 2017 interim report will be published in connection with the AGM. The annual report will be available no later than 30 April 2017.

Kristianstad 16 February 2017

Håkan Gunnarsson

Chief Executive Officer

Additional information

Håkan Gunnarsson, CEO for Bong AB. Tel +46 44-20 70 00 (switchboard)

Financial Calendar:

- Interim Report January–March 2017, 17 May 2017
- Annual General Meeting, Kristianstad, 17 May 2017
- Interim Report January–June 2017, 12 July 2017
- Interim Report January–September, 2017, 16 November 2017
- Year End Report 2017, 15 February 2018

Income statement in summary

MSEK	Note	Okt-Dec 2016 3 month	Okt-Dec 2015 3 month	Jan-Dec 2016 12 month	Jan-Dec 2015 12 month
Revenue		579.0	612.8	2,134.5	2,345.1
Cost of goods sold		-462.2	-497.0	-1,761.7	-1,938.8
Gross profit		116.8	115.9	372.9	406.3
Selling expenses		-53.5	-51.4	-191.4	-217.9
Administrative expenses		-38.0	-50.3	-155.2	-172.6
Other operating income and expenses		-10.5	-13.7	-17.4	-20.8
Operating profit		14.8	0.6	8.8	-5.0
Net financial items		-14.6	-15.8	-45.8	-54.9
Non-recurring items, financial net	1	-	-	429.9	-
Result before tax		0.2	-15.3	392.9	-60.0
Income tax		-0.9	2.1	-95.8	-4.3
Net result		-0.7	-13.2	297.1	-64.3
Total comprehensive income attributable to:					
Share holders in Parent Company		-1.7	-13.2	295.2	-64.6
Non-controlling interests		0.9	0.0	1.9	0.3
Basic earnings per share		-0.01	-0.08	1.42	-0.41
Diluted earnings per share		-0.01	-0.08	1.26	-0.41
Basic earnings per share, excluding non-recurring items		-0.01	-	-0.64	-
Diluted earnings per share, excluding non-recurring items		-0.01	-	-0.64	-
Average number of shares, basic		211,205,058	156,659,604	207,417,179	156,659,604
Average number of shares, diluted		251,205,058	183,932,331	246,533,341	183,932,331
STATEMENT OF COMPREHENSIVE INCOME					
MSEK		Okt-Dec 2016	Okt-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Net result for the year		-0.7	-13.2	297.1	-64.3
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Actuarial loss on post employment benefit obligations		7.9	1.1	-19.2	13.9
		7.9	1.1	-19.2	13.9
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges	2	0.0	0.0	-0.9	2.8
Hedging of net investments		0.7	10.8	-11.3	11.6
Exchange rate differences		-4.6	-19.7	15.9	-19.2
Income tax relating to components of other comprehensive income		-3.1	-5.6	6.4	-6.1
		-7.0	-14.4	10.1	-11.0
Other comprehensive income for the period, net of tax		0.9	-13.3	-9.1	2.9
Total comprehensive income		0.2	-26.5	288.0	-61.4
Total comprehensive income attributable to:					
Share holders in Parent Company		-0.8	-26.5	286.1	-61.7
Non-controlling interests		1.0	0.0	1.9	0.3

Balance sheet in summary

MSEK	Note	31 Dec 2016	31 Dec 2015
Assets			
Intangible assets	3	600.7	604.3
Tangible assets		228.8	234.9
Financial assets	4	147.1	240.5
Inventories		186.5	211.8
Current receivables		356.2	393.6
Cash and cash equivalents	5	89.9	244.3
Total assets		1,609.2	1,929.4
Equity and liabilities			
Equity	6	697.3	317.1
Non-current liabilities	7	430.1	907.6
Current liabilities	8	481.8	704.7
Total equity and liabilities		1,609.2	1,929.4

CHANGES IN EQUITY

MSEK	Note	Jan-Dec 2016	Jan-Dec 2015
Opening balance for the period		317.1	377.3
New share issue		99.1	-
Bond loan / Convertible loan		6.6	-2.5
Dividend		-1.5	-
Transaction cost		-12.0	-
Non-controlling interests		0.0	3.7
Total comprehensive income		288.0	-61.4
Closing balance for the period	9	697.3	317.1

Cash flow statement

MSEK	Okt-Dec 2016 3 month	Okt-Dec 2015 3 month	Jan-Dec 2016 12 month	Jan-Dec 2015 12 month
Operating activities				
Operating profit	14.8	0.6	8.8	-5.0
Depreciation amortisation and impairment	13.2	24.0	51.8	75.4
Financial items	-14.6	-15.8	384.1	-54.9
Tax paid	-2.1	1.8	-5.4	-6.1
Other non-cash items	7.9	-31.1	-427.4	-79.4
Cash flow from operating activities before changes in working capital	19.2	-20.6	11.9	-70.1
Changes in working capital				
Inventories	20.8	37.3	28.5	37.3
Current receivables	-6.5	-13.2	16.4	2.1
Current operating liabilities	-1.1	-31.1	-2.7	-118.5
Cash flow from operating activities	32.6	-27.6	54.2	-149.2
Cash flow from investing activities				
Aquisition of intangible and tangible assets incl. advanced payments to suppliers	-10.8	-8.4	-27.7	-28.4
Disposal of intangible and tangible assets	0.8	40.9	3.4	102.3
Cash flow from investing activities	-10.0	32.5	-24.3	73.9
Cash flow after investing activities	22.5	4.9	29.9	-75.3
Cash flow from financing activities				
Proceeds from borrowings	-2.1	196.5	10.3	224.4
Amortization of loans	0.0	-	-195.0	0.0
Dividend*	-0.7	-	-1.5	-
Cash flow from financing activities	-2.8	196.5	-186.2	224.4
Cash flow for the period	19.7	201.4	-156.3	149.1
Cash and cash equivalents at beginning of period	67.1	44.8	244.3	96.7
Exchange rate difference in cash and cash equivalents	3.0	-1.8	1.9	-1.5
Cash and cash equivalents at end of period	89.9	244.3	89.9	244.3

*Dividend to external owner in subsidiary

Notes

(MSEK)

Note 1 - Non recurring items

Bong has during the period completed the acquisition of its lending banks claims amounting to SEK 602.1 million whereof SEK 429.9 million affect the financial income and SEK 85 million have been expensed as a tax expense related to deferred tax assets on loss carried forward.

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.

2016-12-31	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	0.3
Total	0.0	0.3

2015-12-31	Assets	Liabilities
Interest rate swaps - cash flow hedges	0.0	0.3
Currency forwards - cash flow hedges	1.3	0.1
Currency forwards - held for trading	0.3	0.5
Total	1.6	0.9

* 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	Jan-Dec 2016	Jan-Dec 2015
Goodwill	563.3	557.1
Other intangible assets	37.5	47.2
Total	600.7	604.3

Impairment testing of Goodwill

For impairment testing purposes, the Group is regarded as a cash-generating unit (CGU), since the whole Group's operation is regarded as a single segment.

The recoverable amount for a CGU is determined based on a calculation of value in use. That calculation uses cash flow projections that are based on financial budgets for the business that are approved by management and cover a five-year period. Cash flow beyond the five-year period are extrapolated based on the assumption that the envelope market in Europe as a whole will have a limited growth. The cash flows are based on previous years' outcomes and management's projections of the market trend. Management has established the budgeted cash flows based on previous years' results, planned and completed efficiency-improving measures and projections of the market trend.

In calculating value in use, a discount rate of 10.3 per cent after tax (13.2 per cent before tax) has been assumed, along with a negative growth rate during the three first years of on average -3.2 per cent. The two last years have been assumed to result in a weak growth rate. A sustained growth rate of 1 per cent has been adopted. Previous year, a discount rate of 10.3 per cent (13.2 per cent before tax) and a development adjacent to this year's calculation was adopted but with a growth rate of 1 per cent at the end of the five year period.

The discount rate used is given after tax and reflects the market interest rates, risks and tax rates that apply to the different units. The average growth rate used is based on industry forecasts. Positive sales growth is expected above all in the packaging sector.

The impairment test shows that a write-down of goodwill is not necessary.

Sensitivity analysis

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are regarded as reasonable under the current circumstances.

The Group subjects goodwill to impairment testing every year, in accordance with the accounting policy described among the accounting policies above.

The recoverable amount has been determined by calculation of the value in use. Certain estimates must be made for these calculations.

Management has determined the forecast based on previous earnings and their expectations of the future market trend as well as external information about market trends.

A sustainable growth rate of 1.0 per cent has been used to extrapolate cash flows beyond the budget period. This growth rate is judged to be a conservative estimate. Furthermore, an average discount rate after tax of 10.3 per cent has been used (13.2 per cent before tax), which is the same as the previous year.

A sensitivity analysis has been performed for the Group as a cash-generating unit. The results of the analysis are summarised below.

- If the assumption regarding the estimated growth rate beyond the budget period had been -0.70 per cent lower, the recoverable amount had been the same as the book value of the cash-generating unit.
- If the assumption regarding growth during the forecast period had been 0.34 per cent lower then the assumption used the recoverable amount would be the same as the book value of the cash-generating unit. Furthermore, if the assumption regarding growth during the forecast period had been 0.5 per cent lower, it would mean a write-down of SEK 53 million.
- If the assumption regarding fixed costs had in relation to turnover been 0.39 per cent higher than the assumption used the recoverable amount would be the same as the book value of the cash-generating unit. Furthermore, if the assumption regarding fixed costs had been 0.5 per cent higher, it would mean a write-down of SEK 31 million. Furthermore, if the assumption regarding fixed costs had been 1 per cent higher, it would mean a write-down of SEK 174 million.
- If the assumption regarding gross margin had been 0.68 per cent lower than the assumption used the recoverable amount would be the same as the book value of the cash-generating unit. Furthermore, if the assumption regarding gross margin had been 1 per cent lower, it would mean a write-down of SEK 51 million.
- If the assumption regarding the estimated weighted cost of capital had been 1.2 per cent higher than the assumption used the recoverable amount would be the same as the book value of the cash-generating unit.

These calculations are hypothetical and should not be regarded as an indication that these factors are more or less likely to change. The sensitivity analysis should therefore be interpreted with caution. The estimated recoverable amount exceeds the book value by SEK 109 million.

Note 4 - Financial assets	Jan-Dec 2016	Jan-Dec 2015
Deferred tax	144.2	234.5
Other financial assets	2.9	6.0
Total	147.1	240.5

The deferred tax asset has been decreased with SEK 85.0 million due to the acquisition of the banks claim.

Note 5 - Cash and cash equivalent	Jan-Dec 2016	Jan-Dec 2015
Cash and cash equivalent	77.9	64.3
Escrow account	12.0	180.0
Total	89.9	244.3

Notes

(MSEK)

	Jan-Dec 2016	Jan-Dec 2015
Note 6 - Equity		
Non-controlling interests	10.5	3.7

	Jan-Dec 2016	Jan-Dec 2015
Note 7 - Non-current liabilities		
Interest-bearing loans	389.8	858.0
Deferred tax	24.5	33.3
Other liabilities	15.8	16.3
Total	430.1	907.6

In connection with the issuance 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. Thus, a total of about SEK 37.3 million of the total proceeds was allocated to shares and options, which are recognized in equity and a corresponding amount is reduced the value of the loan. The difference, compared to the principal amount of the loan at the time of issue will be accrued as an additional financial expense debit the income statement respectively the equity.

	Jan-Dec 2016	Jan-Dec 2015
Note 8 - Current liabilities		
Interest-bearing	2.9	220.0
Other current liabilities	478.8	484.7
Total	481.8	704.7

Note 9 - Changes in equity

Bong has during the period completed the aquisition of its lending banks claims amounting to SEK 602.1 million whereof SEK 95.2 million affected the equity. The number of shares at the end of the period was 211,205,058 with a quotient value of approximately SEK 1.12. The share capital amounts to approximately SEK 236,549,664.32.

QUARTERLY DATA. GROUP

MSEK	4/2016	3/2016	2/2016	1/2016	4/2015	3/2015	2/2015	1/2015	4/2014	3/2014	2/2014	1/2014	4/2013	3/2013	2/2013	1/2013
Net Revenue	579.0	489.0	499.8	566.7	612.8	560.2	532.7	639.3	676.7	600.6	593.6	662.0	664.2	594.6	627.9	676.8
Operating expenses	-564.2	-498.9	-507.3	-555.3	-612.3	-557.4	-539.0	-641.5	-729.8	-610.0	-610.2	-705.7	-677.9	-622.9	-648.1	-724.0
Operating profit	14.8	-9.9	-7.5	11.4	0.6	2.9	-6.2	-2.2	-53.1	-9.4	-16.6	-43.7	-13.7	-28.3	-20.3	-47.2
Net financial items	-14.6	-12.1	-10.2	421.0	-15.8	-12.1	-13.5	-13.6	-13.4	-13.3	-13.0	-15.8	-18.7	-15.0	-16.7	-16.3
Profit before tax	0.2	-22.0	-17.7	432.4	-15.3	-9.2	-19.7	-15.8	-66.5	-22.6	-29.6	-59.5	-32.4	-43.3	-37.0	-63.5

KEY RATIOS

	Jan-Dec 2016	Jan-Dec 2015
Operating margin, %	0.4	-0.2
Profit margin, %	-1.7	-2.6
Return on equity, %*	neg	neg
Return on capital employed, %* 1)	1.8	neg
Equity/assets ratio, %*	43.3	16.4
Net debt/equity ratio times*	0.45	2.64
Net loan debt/EBITDA*	-	11.90
Capital employed, SEK M*	1,090.0	1,398.8
Interest-bearing net loan debt, SEK M*	314.8	837.4
1) Return on capital employed		
Earnings after financial revenues	20	-4
Average capital employed	1,159	1,343

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.

Definition of Key ratios

EBT

Result before tax

EBIT

Operating profit/loss

EBITDA

Operating profit before depreciations/amortizations

Non-recurring items

Restructuring costs

Non-recurring items, financial net

Refinancing transaction cost year 2016, compare with Interim report Q1, 2016, Acquisition of the bank facilities, page 4

Adjusted EBIT

Operating result + Restructuring costs

Adjusted EBIT- margin, %

Operating result + Restructuring costs/ Net sales

Average equity

CB equity the last four quarters divided with four

Return on equity

Earnings after interest and tax adjusted for non recurring items, divided by average equity

Capital employed

Equity plus interest-bearing loans

DATA PER SHARE

	Jan-Dec 2016	Jan-Dec 2015
Basic earnings per share, SEK	1.42	-0.41
Diluted earnings per share, SEK 1)	1.26	-0.41
Basic earnings per share, excluding non-recurring items	-0.64	-
Diluted earnings per share, excluding non-recurring items	-0.64	-
Basic equity per share, SEK	3.30	2.02
Diluted equity per share, SEK	2.96	1.95
Basic number of shares outstanding at end of period	211,205,058	156,659,604
Diluted number of shares outstanding at end of period	251,205,058	183,932,331
Average number of shares basic	207,417,179	156,659,604
Average number of shares diluted	246,533,341	183,932,331

1) The dilution effect is not taken into account when it leads to a better result.

Return on capital employed

Earnings after financial revenues adjusted for non recurring items, divided by capital employed. For historical values: <http://www.bong.com/en/investors/reports/historical-values>

Interest-bearing net debt

Interest-bearing liabilities and provisions less cash on hand, bank deposits and interest-bearing receivables. For historical values: <http://www.bong.com/en/investors/reports/historical-values>

Interest bearing net debt/ Equity Ratio

Interest bearing net debt in relation to equity

Five-year summary

Key ratios	2016	2015	2014	2013	2012
Net sales, MSEK	2,135	2,345	2,533	2,564	2,946
Operating profit/loss, MSEK	9	-5	-123	-109	15
Profit after tax, MSEK	297	-64	-150	-141	-55
Cash flow after investing activities, MSEK	30	-75	94	-91	-38
Operating margin, %	0.4	-0.2	-4.8	-4.3	0.5
Profit margin, %	-1.7	-2.6	-7.0	-6.9	-1.9
Capital turnover rate, times	1.3	1.2	1.3	1.2	1.3
Return on equity, %	neg	neg	neg	neg	neg
Return on capital employed, %	1.8	neg	neg	neg	1.0
Equity ratio, %	43	16	19	26	17
Net loan debt, MSEK	315	837	790	802	1,005
Net debt/equity ratio, times	0.45	2.64	2.09	1.54	2.70
Net loan debt/EBITDA, times	5.2	11.9	neg	neg	8.6
EBITDA/net financial items, times	1.5	1.4	neg	neg	1.7
Average number of employees	1,556	1,763	1,873	2,051	2,271
Number of shares					
Basic number of shares outstanding at end of period	211,205,058	156,659,604	156,659,604	156,659,604	17,480,995
Diluted number of shares outstanding at end of period	251,205,058	183,932,331	183,932,331	183,932,331	18,727,855
Average basic number of shares	207,417,179	156,659,604	156,659,604	63,873,865	17,480,995
Average diluted number of shares	246,533,341	183,932,331	183,932,331	73,796,014	18,727,855
Earnings per share					
Basic, SEK	1.42	-0.41	-0.96	-2.20	-3.20
Diluted, SEK	1.26	-0.41	-0.96	-2.20	-3.20
Earnings per share, basic, före utspädning, excluding non-recurring items	-0.64	-	-	-	-
Earnings per share, diluted, före utspädning, excluding non-recurring items	-0.64	-	-	-	-
Equity per share					
Basic, SEK	3.30	2.02	2.41	3.33	21.25
Diluted, SEK	2.96	1.95	2.27	3.06	20.50
Cash flow from operating activities per share					
Basic, SEK	0.00	-0.95	0.62	-0.40	-0.10
Diluted, SEK	0.00	-0.81	0.53	-0.34	-0.09
Other data per share					
Dividend, SEK	0.00	0.00	0.00	0.00	0.00
Quoted market price on the balance sheet date, SEK	0.9	1.3	1.1	1.5	9.7
P/E ratio, times	0.61	neg	neg	neg	neg
Price/book value after dilution, %	26	62	46	45	45
Price/equity after dilution, %	29	65	49	49	47

Parent company

INCOME STATEMENT IN SUMMARY

MSEK	Jan-Dec 2016	Jan-Dec 2015
Revenue	0.9	0.9
Gross profit	0.9	0.9
Administrative expenses	-8.0	-121.1
Other operating income and expenses	0.0	1.0
Operating profit/loss	-7.1	-119.2
Non-recurring itemsm finance net	228.5	0.0
Net financial items	88.6	47.2
Result	310.0	-72.0
Income tax	-15.9	0.0
Net result	294.1	-72.0

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan-Dec 2016	Jan-Dec 2015
Net Result for the year	294.1	-72.0
Other comprehensive income		
Net financial items reported directly in consolidated equity:		
Cash flow hedges	0.0	0.0
Income tax relating to components of other comprehensive income	0.0	0.0
Net result, Other comprehensive income	0.0	0.0
Total comprehensive income	294.1	-72.0

BALANCE SHEET IN SUMMARY

MSEK	31 Dec 2016	31 Dec 2015
Assets		
Financial assets	1,564.0	1,324.0
Current receivables	20.5	20.4
Cash and cash equivalents	0.0	180.3
Total Assets	1,584.5	1,524.7
Equity and liabilities		
Equity	1 211.9	824.2
Non-current liabilities	175.5	553.9
Current liabilities	197.1	146.7
Total equity and liabilities	1,584.5	1,524.7