

# Interim Report

January-March  
2019



# Interim Report Q1, January-March 2019

## January - March 2019

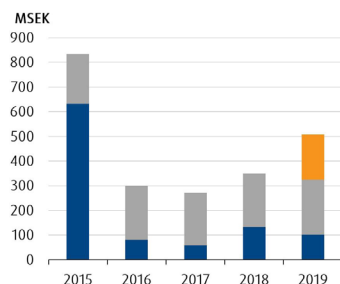
- Net sales increased to SEK 571 million (538)
- Operating profit before depreciation increased to SEK 37 million (23)
- Operating profit increased to SEK 15 million (12)
- Earnings after tax amounted to SEK 2 million (-4)
- Earnings per share amounted to SEK 0.01 (-0.02)
- Cash flow after investing activities amounted to SEK 42 million (-1)

## Key Ratios

	Jan-Mar 2019	Jan-Mar 2018	Apr 2018- Mar 2019	Jan-Dec 2018
MSEK				
Net sales	571	538	2,253	2,220
EBITDA <sup>1)</sup>	37	23	85	71
EBIT <sup>1)</sup>	15	12	-48	-52
Earnings before tax <sup>1)</sup>	5	1	-105	-108
Earnings after tax <sup>1)</sup>	2	-4	-142	-148
Earning per share, SEK <sup>1)</sup>	0.01	-0.02	-0.67	-0.71
Cash flow after investing activities <sup>1)</sup>	42	-1	-22	-65
Equity/asset ratio, % <sup>1)</sup>	33.1%	42.8%	33.1%	38.5%

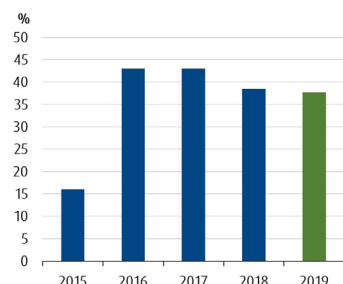
1) This metric has been affected by IFRS 16 'Leases' as of 1 January 2019. Comparative figures have not been restated.

## Net debt



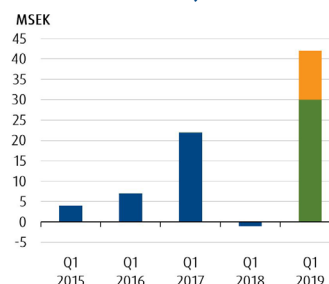
- Adjusted net debt
- Pension liabilities
- IFRS 16

## Equity ratio



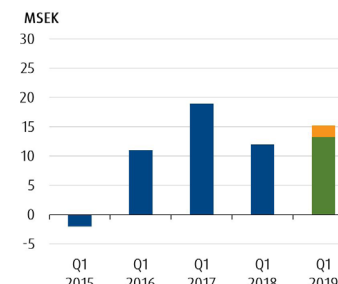
IFRS 16 impact, -4.6% pts.

## Cash flow after investing activities - Q1



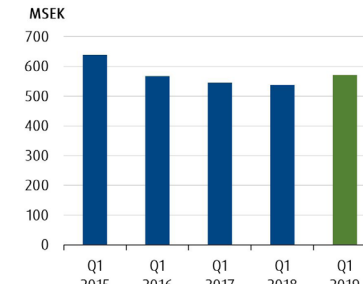
IFRS 16

## Operating profit/loss - Q1



IFRS 16

## Net sales - Q1



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

During the first quarter of 2019, FEPE statistics showed that the European envelope market volume had decreased by approximately 4% compared to the same period previous year. Bong's volumes also decreased by 4% during the first quarter, in line with the market.

Raw material prices have increased continuously since 2016 as a direct result of the decreased capacity at the paper suppliers, and the price increase of pulp. Continued price increases by Bong into the market is therefore necessary, in order to compensate for the increase of raw material costs. Bong has been successful in compensating for these increases in the past.

During 2018 a significant restructuring of the envelope market has taken place. In the Nordic market InterMail has taken the decision to close its envelope production and enter into an agreement with Bong where Bong will help to continue to serve InterMail customers. GNE has left the UK market after being acquired by Encore. Pocheo in France were making a substantial amount of their capacity and employees redundant as a result of the continued decrease in the market. Restructuring measures are also taken in Germany by Mayer Group as they were closing a factory in Düren. Bong's estimation is that the restructuring process and consolidation of the industry will continue.

### Light Packaging

The light packaging market is a large and fragmented market which is growing. Light packaging represents approximately 23% of Bong's quarterly sales 2019 and during the first quarter of 2019 Bong's sales of light packaging products, adjusted for currency effects, has increased with 5% compared with the same period previous year. Within e-commerce Bong sales of air bubble bags are increasing. The benefit of these products is that the goods can be placed directly into the letter box of the recipient instead of being collected at the distribution centers. This reduces the shipping cost and at the same time increases the customer benefit. Bong is engaged in product development within e-commerce in order to develop additional product solutions that will satisfy the customer needs.

Within Retail (for example clothing- and cosmetic stores), Bong is mainly selling gift bags and paper carrier bags with exclusive and customer unique prints. Sales of paper carrier bags benefit from the EU-directive from 29 April 2015 aimed at reducing the use of plastic bags in Europe. Many customers are replacing their plastic bags with paper carrier bags and during the first quarter 2019 sales increased with approximately 96%.

### OPERATING PROFIT

Despite a 4% decrease in volume, the Group's currency-adjusted sales increased by 2% compared with the corresponding period in 2018. Due to passing on price increases to customers Bong's gross margin has stabilized and is at the same level as last year. Operating profit increased to SEK 15 million (12).

### IMPROVED CASH FLOW AND STABLE ADJUSTED NET DEBT/ADJUSTED EBITDA

Cash flow from operating activities amounted to SEK 44 million (-5). Adjusted for the impact of IFRS 16, the cash flow amounts to SEK 30 million. Adjusted net debt/adjusted EBITDA according to Bong's Bond loan amounts to 1.46, note 10.

### BREXIT

Bong's operations in the UK are well prepared for any changes that may occur due to Brexit including the supply of paper for the production. Impact on other units in the group are limited.

### FOCUS AND STRATEGY

In the near future one focus will be on regaining profitability by running a factory efficiency program to reduce fixed costs and paper waste as well as to optimize our raw material usage in general. Our other focus will be on Light Packaging, pushing a double digit annual growth during the next five years in our Retail business unit, and to launch a new range of sustainable, environmentally friendly, light weight E-commerce bags in Q3-2019.

### Kai Steigleder

Chief Executive Officer



# Financial overview

## Sales and profit

January – March 2019

Consolidated sales for the period reached SEK 571 million (538). Exchange rate fluctuations had a positive impact on sales of SEK 20 million compared with 2018.

Operating profit increased to SEK 15 million (12). The Group's gross margin has stabilized and is at the same level as previous year. During the period operating profit was affected positively by a realized capital gain of SEK 2 million attributable to the sale of machines. The effect of IFRS 16 had a positive impact on operating profit of SEK 2 million. Exchange rate fluctuations for the period had a positive impact on operating profit of SEK 1 million.

Net financial items for the period amounted to SEK -11 million (-11). The effect of IFRS 16 had a negative impact on the financial net of SEK -2 million.

Earnings before tax amounted to SEK 5 million (1) and reported earnings after tax were SEK 2 million (-4). The effect of IFRS 16 had a positive impact on earnings before tax of SEK 0.5 million.

Bong's total light packaging sales amounted to SEK 106 million (97). Currency fluctuations had a positive impact on light packaging sales of SEK 4 million compared with the corresponding period in 2018.

## Cash flow and investments

The cash flow after investing activities increased to SEK 42 million (-1) compared to previous year. Cash flow from operating activities before changes in working capital amounted to SEK 23 million (7). Working capital had a positive impact on the cash flow of SEK 21 million (-12). IFRS 16 is affecting the cash flow from operating activities with SEK 12 million.

Restructuring programs had negative impact on the cash flow of SEK -3 million (-3). Net investments in the period had a negative impact amounting to SEK -3 million (4).

## Financial position

Cash and cash equivalents at 31 March 2019 amounted to SEK 103 million (SEK 72 million at 31 December 2018, including the escrow account of SEK 1 million). The Group had unutilized credit facilities of SEK 16 million on the same date. Total available cash and cash equivalents thus amounted to SEK 119 million (SEK 85 million at 31 December 2018, including the escrow account of SEK 1 million). Consolidated equity at the end of March 2019 was SEK 565 million (SEK 570 million at 31 December 2018). The IFRS valuation had a one time effect on consolidated equity of SEK -16 million and impacted the groups profit after tax with SEK 0.4 million.

Translation of the net asset value of foreign subsidiaries to Swedish Krona and changes in the fair value of pension debt and derivative instruments increased consolidated equity by SEK 9 million. The interest bearing net loan debt amounted to SEK 509 million, whereof pension debt amounts to SEK 224 million and IFRS 16 leasing contracts amount to SEK 183 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 1,376 (1,436). The Group had 1,375 (1,444) employees at the end of March 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 1 million (0) and earnings before tax for the period were SEK -3 million (-8).

## Events after the end of the period

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

## Risks and opportunities

Business risks for the Bong Group are primarily related to market development and various types of financial risks. There has not been any change to significant risks and uncertain positions since Bong's annual report for 2018 was released. For further information, please refer to Bong's annual report and website bong.com.

## Accounting policies

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. Application was consistent with the accounting principles outlined in the 2018 annual report and the interim report should be read along with those principles.

## Kristianstad 16 May 2019

## Kai Steigleder

Chief Executive Officer

This report has not been subject to examination by the company's auditors.

## Additional information

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

## Financial Calendar:

- Interim Report January–June, 2019, 12 July 2019
- Interim Report January–September, 2019, 15 November 2019
- Year-end report 2019, 13 February 2020
- Interim Report January–March, 2020, May 2020
- Interim Report January–June, 2020, July 2020

# Income statements in summary

MSEK	Note	Jan-Mar 2019 3 month	Jan-Mar 2018 3 month	Apr 2018- Mar 2019 12 month	Jan-Dec 2018 12 month
Revenue	1	571.0	538.1	2,253.3	2,220.4
Cost of goods sold		-471.4	-445.0	-1,879.9	-1,853.5
Gross profit		99.7	93.1	373.4	366.9
Selling expenses		-50.3	-47.3	-199.7	-196.8
Administrative expenses		-35.6	-37.9	-225.3	-227.6
Other operating income and expenses		1.5	4.1	3.2	5.8
Operating profit		15.3	12.0	-48.4	-51.7 <sup>1)</sup>
Net financial items		-10.6	-10.9	-56.3	-56.6
Result before tax		4.7	1.1	-104.7	-108.3
Income tax		-2.8	-5.2	-36.9	-39.3
<b>Net result</b>		<b>1.9</b>	<b>-4.0</b>	<b>-141.7</b>	<b>-147.6</b>
1) Including non-recurring items of SEK -82 million					
<b>Total comprehensive income attributable to:</b>					
Share holders in Parent Company		1.9	-5.2	-141.7	-149.1
Non-controlling interests		0.0	1.2	0.3	1.5
Basic earnings per share		0.01	-0.02	-0.67	-0.71
Diluted earnings per share		0.01	-0.02	-0.67	-0.71
Basic earnings per share, excluding non recurring items		-	-	-0.24	-0.22
Diluted earnings per share, excluding non recurring items		-	-	-0.24	-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	251,205,058	238,538,470	211,205,058
<b>STATEMENT OF COMPREHENSIVE INCOME</b>					
MSEK		Jan-Mar 2019	Jan-Mar 2018	Apr 2018- Mar 2019	Jan-Dec 2018
Net result for the year		1.9	-4.0	-141.7	-147.6
<b>Other comprehensive income</b>					
Items that will not be reclassified to profit or loss:					
Actuarial loss on post employment benefit obligations		-6.3	-1.5	-11.1	-6.3
		-6.3	-1.5	-11.1	-6.3
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges	2	0.1	0.0	0.0	-0.1
Impact of extended equity		-2.6	-14.1	-1.0	-12.5
Exchange rate differences		16.0	45.8	9.2	38.9
Income tax relating to components of other comprehensive income		2.0	3.0	2.6	3.7
		15.5	34.7	10.8	30.0
Other comprehensive income for the period, net of tax		9.2	33.2	-0.2	23.7
<b>Total comprehensive income</b>		<b>11.1</b>	<b>29.2</b>	<b>-141.9</b>	<b>-123.9</b>
<b>Total comprehensive income attributable to:</b>					
Share holders in Parent Company		11.1	28.0	-142.2	-125.4
Non-controlling interests		0.0	1.2	0.3	1.5

## Balance sheet in summary

MSEK	Note	31 Mar 2019	31 Mar 2018	31 Dec 2018
<b>Assets</b>				
Intangible assets	3,4	541.9	622.8	535.5
Tangible assets		339.0	208.7	179.2
Financial assets	5	118.6	149.1	111.2
Inventories		210.4	215.9	195.5
Current receivables	6	390.2	369.5	387.4
Cash and cash equivalents	7	103.0	127.5	72.4
<b>Total assets</b>		<b>1,703.1</b>	<b>1,693.5</b>	<b>1,481.2</b>
<b>Equity and liabilities</b>				
Equity		564.6	724.6	569.6
Non-current liabilities	8	587.2	447.7	450.4
Current liabilities	9	551.3	521.2	461.2
<b>Total equity and liabilities</b>		<b>1,703.1</b>	<b>1,693.5</b>	<b>1,481.2</b>

### CHANGES IN EQUITY

MSEK	Note	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Opening balance for the period		569.6	696.2	696.2
Change in accounting principles- IFRS 16 Lease		-16.1	-	-
Bond loan / Convertible loan		-	-0.8	-3.2
Non-controlling interests		0.0	-	0.5
Total comprehensive income		11.1	29.2	-123.9
<b>Closing balance for the period</b>		<b>564.6</b>	<b>724.6</b>	<b>569.6</b>

## Cash flow statement

MSEK	Note	Jan-Mar 2019 3 month	Jan-Mar 2018 3 month	Apr 2018- Mar 2019 12 month	Jan-Dec 2018 12 month
<b>Operating activities</b>					
Operating profit/loss		15.3	12.0	-48.4	-51.7
Depreciation, amortisation, and impairment losses		21.7	11.3	133.6	123.1
Interest received		0.0	0.0	0.0	0.1
Interest paid		-7.4	-0.3	-24.6	-17.5
Financial income		0.0	0.0	0.0	0.0
Financial expenses		-1.0	-1.0	-10.9	-10.9
Tax paid		-0.8	-2.3	-9.8	-11.2
Other items not affecting liquidity		-5.0	-12.6	-34.2	-41.8
<b>Cash flow from operating activities before changes in working capital</b>		<b>22.8</b>	<b>7.1</b>	<b>5.9</b>	<b>-9.9</b>
<b>Changes in working capital</b>					
Inventories		-11.2	-18.8	-0.4	-8.0
Current receivables		-4.2	-4.4	1.3	1.1
<b>Current operating liabilities</b>		<b>36.9</b>	<b>11.2</b>	<b>-16.1</b>	<b>-41.7</b>
<b>Cash flow from operating activities</b>		<b>44.3</b>	<b>-4.8</b>	<b>-9.3</b>	<b>-58.4</b>
<b>Cash flow from investing activities</b>					
Aquisition of intangible and tangible assets incl. advanced payments to suppliers		-4.3	-1.9	-22.0	-19.7
Disposal of intangible and tangible assets		1.8	5.4	9.9	13.5
<b>Cash flow from investing activities</b>		<b>-2.5</b>	<b>3.5</b>	<b>-12.2</b>	<b>-6.2</b>
<b>Cash flow after investing activities</b>		<b>41.8</b>	<b>-1.4</b>	<b>-21.5</b>	<b>-64.7</b>
<b>Cash flow from financing activities</b>					
Amortization of loan		-0.2	-	-0.2	-
Change in credit facilities		0.1	1.3	-1.0	0.2
Change in other long-term debt		-	-0.1	10.1	10.0
IFRS-16 lease payment		-12.4	-	-12.4	-
<b>Cash flow from financing activities</b>		<b>-12.4</b>	<b>1.2</b>	<b>-3.4</b>	<b>10.2</b>
<b>Cash flow for the period</b>		<b>29.4</b>	<b>-0.2</b>	<b>-24.9</b>	<b>-54.5</b>
Cash and cash equivalents at beginning of period		72.4	124.1	127.5	124.1
Exchange rate difference in cash and cash equivalents		1.2	3.6	0.5	2.8
<b>Cash and cash equivalents at end of period</b>		<b>103.0</b>	<b>127.5</b>	<b>103.0</b>	<b>72.4</b>

# Notes

(MSEK)

## Note 1 - Segment Information

Net sales	Jan-Mar 2019		Jan-Mar 2018		Apr 2018-Mar 2019		Jan-Dec 2018	
	Envelope	Light Packaging	Envelope	Light packaging	Envelope	Light packaging	Envelope	Light packaging
Sweden	42	12	31	10	156	55	146	53
Nordic and Baltics	45	11	47	9	185	48	186	45
Central Europe	161	34	149	33	609	164	597	163
South Europe	108	24	102	21	430	93	424	90
UK	87	19	79	17	332	80	324	78
Russia	0	0	14	3	3	1	17	3
Other	22	5	18	5	77	21	73	21
<b>Total</b>	<b>465</b>	<b>106</b>	<b>441</b>	<b>97</b>	<b>1,792</b>	<b>462</b>	<b>1,767</b>	<b>453</b>

## Note 1 - Segment Information, cont'd

Assets	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Sweden	187	173	169
Nordic and Baltics	61	119	52
Central Europe	260	211	203
South Europe	229	226	221
UK	143	85	70
Russia	-	17	-
Other	1	1	-
<b>Total</b>	<b>881</b>	<b>832</b>	<b>715</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.

2019-03-31	Assets	Liabilities
Interest rate swaps - cash flow hedges	0.0	0.0
Currency forwards - cash flow hedges	0.0	0.0
Currency forwards - held for trading	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>

2018-03-31	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>

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
<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.

### 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-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Goodwill	527.2	597.6	518.4
Other intangible assets	14.7	25.2	17.1
<b>Total</b>	<b>541.9</b>	<b>622.8</b>	<b>535.5</b>

## Note 4 - Goodwill

	2019-03-31	2018-03-31	2018-12-31
Opening costs	518	575	575
Purchase/acquisition	-	-	-
Write-down	-	-	-76
Exchange rate differences	9	23	19
<b>Closing costs</b>	<b>527</b>	<b>598</b>	<b>518</b>

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

## Note 5 - Financial assets

	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Deferred tax	117.5	146.9	110.1
Other financial assets	1.1	2.2	1.1
<b>Total</b>	<b>118.6</b>	<b>149.1</b>	<b>111.2</b>

## Note 6 - Current assets

	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Receivables	288.9	274.4	288.6
Other current assets	101.3	95.1	98.8
<b>Total</b>	<b>390.2</b>	<b>369.5</b>	<b>387.4</b>

## Note 7 - Cash and cash equivalent

	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Cash/Bank	101.6	106.1	71.0
Cash/Bank escrow account	1.4	21.4	1.4
<b>Total</b>	<b>103.0</b>	<b>127.5</b>	<b>72.4</b>

## Note 8 - Non-current liabilities

	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Interest-bearing loans	204.8	188.3	203.8
Leasing contracts - IFRS 16	129.4	-	-
Pension debt	223.7	216.5	217.1
Deferred tax	13.9	23.2	14.0
Other liabilities	15.4	19.7	15.5
<b>Total</b>	<b>587.2</b>	<b>447.7</b>	<b>450.4</b>

The Bond loan 2018 is booked to amortised cost which means that the nominal value of the loan has been reduced for related accrued expenses which will adjust the booked value of the loan at each end of the reporting period till the due date of the loan year 2021 when the booked value will be the same as the nominal value.

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



<b>Note 9 - Current liabilities</b>	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Interest-bearing loans	0.3	1.3	0.1
Leasing contracts - IFRS 16	53.5	-	-
Payables	239.3	247.4	221.4
Other liabilities	258.2	272.5	239.7
<b>Total</b>	<b>551.3</b>	<b>521.2</b>	<b>461.2</b>

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

<b>Adjusted interest bearing net loan debt</b>	2019-03-31	2018-12-31
Interest bearing loans, non-current liabilities	557.9	420.9
Interest bearing loans, current liabilities	53.8	0.1
Cash and cash equivalent	-103.0	-72.4
<b>Net Debt</b>	<b>508.7</b>	<b>348.6</b>
Pension debt	-223.7	-217.1
Leasing contracts - IFRS 16	-183.0	-
<b>Adjusted net debt</b>	<b>102.0</b>	<b>131.5</b>

<b>Adjusted EBITDA 12 month rolling</b>	2019-03-31	2018-12-31
Profit/Net result	-141.7	-147.6
Financial charges	46.1	43.8
Tax	37.0	39.3
Depreciations	133.6	123.1
Restructuring cost	3.7	5.2
Transaction cost	10.2	12.8
Gains/losses outside ordinary business	-3.9	-3.9
Minority result	-0.4	-1.8
Acquired/divested companies	-0.4	-1.7
IFRS 16, lease payments	-14.1	0.0
<b>Adjusted EBITDA</b>	<b>70.1</b>	<b>69.2</b>

<b>Adjusted interest bearing net loan debt/Adjusted EBITDA</b>	<b>1.46</b>	<b>1.91</b>
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## QUARTERLY DATA. GROUP

MSEK	1/2019	4/2018	3/2018	2/2018	1/2018	4/2017	3/2017	2/2017	1/2017	4/2016	3/2016	2/2016	1/2016	4/2015	3/2015	2/2015
Net Revenue	571.0	603.2	536.0	543.0	538.1	578.0	491.4	480.7	545.2	579.0	489.0	499.8	566.7	612.8	560.2	532.7
Operating expenses	-555.7	-689.5	-524.3	-533.2	-526.1	-560.9	-489.4	-473.3	-526.5	-564.2	-498.9	-507.3	-555.3	-612.3	-557.4	-539.0
Operating profit	15.3	-86.3	11.7	9.8	12.0	17.1	2.0	7.4	18.6	14.8	-9.9	-7.5	11.4	0.6	2.9	-6.2
Net financial items	-10,6	-11.6	-10.4	-22.6	-10.9	-10.7	-10.3	-11.6	-11.5	-14.6	-12.1	-10.2	421.0	-15.8	-12.1	-13.5
Profit before tax	4,7	-98.0	1.3	-12.8	1.1	6.4	-8.2	-4.2	7.2	0.2	-22.0	-17.7	432.4	-15.3	-9.2	-19.7

## KEY RATIOS

Note	Jan-Mar 2019	Jan-Mar 2018	Apr 2018-Mar 2019	Jan-Dec 2018
Operating margin, %	2.7	2.2	-2.1	-2.3
Return on equity, %*	-	-	neg	neg
Return on capital employed, %* 1)	-	-	neg	neg
Equity/assets ratio, %*	33.1	42.8	33.1	38.5
Net debt/equity ratio times*	0.58	0.41	0.58	0.61
Net loan debt/EBITDA*	-	-	6.05	4.97
Adjusted interest bearing net loan debt/adjusted EBITDA	10		1.46	1.91
Capital employed, MSEK*	993.3	1,130.7	993.3	990.6
Interest-bearing net loan debt, MSEK*	508.7	300.1	508.7	349.2
1) Return on capital employed				
Earnings after financial revenues			-62.3	-51.5
Average capital employed			1,063.7	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-Mar 2019	Jan-Mar 2018	Apr 2018-Mar 2019	Jan-Dec 2018
Basic earnings per share, SEK	0.01	-0.02	-0.67	-0.71
Diluted earnings per share, SEK 2)	-	-0.02	-0.67	-0.71
Basic earnings per share, excluding non recurring items, SEK	-	-	-0.24	-0.22
Diluted earnings per share, excluding non recurring items, SEK	-	-	-0.24	-0.22
Basic equity per share, SEK	2.67	3.43	2.67	2.70
Diluted equity per share, SEK	-	2.88	2.67	2.70
Basic number of shares outstanding at end of period	211,205,058	211,205,058	211,205,058	211,205,058
Diluted number of shares outstanding at end of period	211,205,058	251,205,058	211,205,058	251,205,058
Average number of shares, basic	211,205,058	211,205,058	211,205,058	211,205,058
Average number of shares, diluted	211,205,058	251,205,058	238,538,470	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 used before 29 February 2016. Subscription for shares based on the options shall take place by 6 December 2018. Upon subscription, the price per share is 1.15 SEK. Bongs average share price during the year 2018 was below 1.15 SEK which is why no dilution effect is taken into consideration. Data per share has been affected by IFRS-16 "leases" as of January 2019, comparative figures have not been restated.

# Five-year summary

Key ratios	2018	2017	2016	2015	2014
Net sales, MSEK	2,220	2,095	2,135	2,345	2,533
Operating profit/loss, MSEK	-52	45	9	-5	-123
Extraordinary items, financial net. MSEK	-11	-	430	-	-
Profit/loss after tax, MSEK	-147	-9	297	-64	-150
Cash flow after investing activities, MSEK	-65	40	30	-75	94
Operating margin, %	-2.3	2.2	0.4	-0.2	-4.8
Capital turnover rate, times	1.4	1.3	1.3	1.2	1.3
Return on equity, %	neg	neg	neg	neg	neg
Average capital employed, MSEK	991	1,095	1,159	1,343	1,375
Return on capital employed, %	-4.6	0.2	1.8	neg	neg
Equity ratio, %	38.5	43	43	16	19
Net loan debt, MSEK	349	294	315	837	790
Net loan debt/equity, times	0.61	0.42	0.45	2.64	2.09
Net debt/EBITDA, times	4.9	3.2	5.2	11.9	neg
Average number of employees	1,446	1,459	1,556	1,763	1,873
<b>Number of shares</b>					
Basic number of shares outstanding at end of period	211,205,058	211,205,058	211,205,058	156,659,604	156,659,604
Diluted number of shares outstanding at end of period	211,205,308	251,205,058	251,205,058	183,932,331	183,932,331
Average basic number of shares	211,205,058	211,205,058	207,417,179	156,659,604	156,659,604
Average diluted number of shares	211,205,058	251,205,058	246,533,341	183,932,331	183,932,331
<b>Earnings per share</b>					
Before dilution, SEK	-0.71	-0.06	1.42	-0.41	-0.96
After dilution, SEK	-0.71	-0.06	1.42	-0.41	-0.96
Earnings per share. before dilution, excluding non-recurring items	-0.22	-0.06	-0.64	-	-
Earnings per share. after dilution, excluding non-recurring items	-0.22	-0.06	-0.64	-	-
<b>Equity per share</b>					
Before dilution, SEK	2.70	3.30	3.30	2.02	2.41
After dilution, SEK	2.70	3.30	3.30	1.95	2.27
<b>Cash flow from operating activities per share</b>					
Before dilution, SEK	-0.28	0.25	0.26	-0.95	0.62
After dilution, SEK	-0.28	0.25	0.26	-0.81	0.53
<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	1.0	0.95	0.9	1.3	1.1
P/E-ratio, times	neg	neg	0.61	neg	neg
Adjusted P/E-ratio, times	neg	neg	neg	-	-
Price/Equity before dilution, %	35	29	27	62	46
Price/Equity after dilution, %	35	29	27	65	49

1) Proposal by the board  
For definitions see page 12

# Definitions

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

For historical values:

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

## ADJUSTED EARNINGS PER SHARE BEFORE AND AFTER DILUTION

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

## AVERAGE CAPITAL EMPLOYED

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

## AVERAGE EQUITY

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

## ADJUSTED EBITDA

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

## ADJUSTED INTEREST BEARING NET LOAN DEBT

Net debt less pension liabilities and leasing contracts - IFRS 16

## ADJUSTED INTEREST BEARING NET LOAN DEBT/ADJUSTED EBITDA, TIMES

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

## ADJUSTED P/E RATIO, TIMES

Share price divided by adjusted earnings per share.

## AVERAGE TOTAL ASSETS

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

## CAPITAL EMPLOYED

Equity plus interest-bearing liabilities

## CAPITAL TURNOVER, TIMES

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

## EARNINGS PER SHARE BEFORE AND AFTER DILUTION

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

## EQUITY TO ASSETS RATIO, PER CENT

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

## EBITDA

Operating income before depreciation and amortization.

## ESMA

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

## EXTRAORDINARY NET FINANCIAL ITEM

Net total gain from the refinancing transactions in 2016.

## IFRS

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

## NET DEBT

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

## NET DEBT/EBITDA, TIMES

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

## NET DEBT TO EQUITY, TIMES

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

## OPERATING MARGIN, PER CENT

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

## P/E RATIO, TIMES

Share price divided by earnings per share.

## RETURN ON CAPITAL EMPLOYED, PER CENT

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

## RETURN ON EQUITY, PER CENT

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

## SHARE PRICE/EQUITY, PER CENT

Price per share divided by equity per share.

# Parent company

## INCOME STATEMENT IN SUMMARY

MSEK	Jan-Mar 2019	Jan-Mar 2018
Revenue	0.9	0.0
Gross profit	0.9	0.0
Administrative expenses	-5.2	-4.2
Operating profit/loss	-4.3	-4.2
Non-recurring items finance net	-	-
Net financial items	1.1	-3.5
Result	-3.2	-7.8
Income tax	-	-
<b>Net result</b>	<b>-3.2</b>	<b>-7.8</b>

## STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan-Mar 2019	Jan-Mar 2018
Net Result for the year	-3.2	-7.8
Other comprehensive income		
Net financial items reported directly in consolidated equity:		
Cash flow hedges	-	-
Income tax relating to components of other comprehensive income	-	-
Net result, Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>-3.2</b>	<b>-7.8</b>

## BALANCE SHEET IN SUMMARY

MSEK	31 Mar 2019	31 Dec 2018
Assets		
Financial assets	968.7	968.7
Current receivables	7.0	4.6
Cash and cash equivalents	2.5	1.4
<b>Total Assets</b>	<b>978.1</b>	<b>974.7</b>
Equity and liabilities		
Equity	541.5	544.7
Non-current liabilities	204.0	203.4
Current liabilities	232.6	226.6
<b>Total equity and liabilities</b>	<b>978.1</b>	<b>974.7</b>