



Interim Report

January-September
2017



” The third quarter is seasonally the weakest quarter in the envelope business but the development was according to plan and the improvement in earnings continued compared with the previous year. Given the high imbalance between paper supply and demand, Bong faces continued price increases from suppliers. Bongs biggest challenge for the coming period will be to increase the sales prices to the market in order to compensate for the increased prices from suppliers, says Bong’s CEO Håkan Gunnarsson. ”

July – September 2017

- Net sales increased to SEK 491 million (489)
- Operating profit before depreciation increased to SEK 13 million (3)
- Operating profit increased to SEK 2 million (-10)
- Non-recurring items amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK -13 million (-25)
- Earnings per share amounted to SEK -0.06 (-0.12)
- Cash flow after investing activities amounted to SEK 9 million (-23)

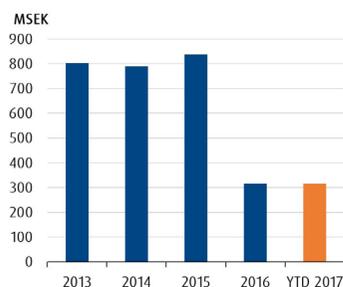
January – September 2017

- Net sales decreased with 3 percent to SEK 1,517 million (1,556)
- Operating profit before depreciation increased to SEK 62 million (33)
- Operating profit increased to SEK 28 million (-6)
- Non-recurring items amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK -17 million (298)
- Earnings per share amounted to SEK -0.08 (1.44)
- Cash flow after investing activities amounted to SEK 16 million (4)

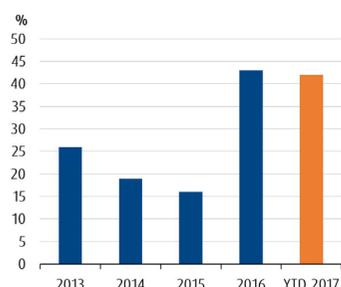
Key Ratios MSEK	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Oct 2016- Sep 2017	Jan-Dec 2016
Net sales	491	489	1,517	1,556	2,096	2,135
EBITDA	13	3	62	33	90	61
Non-recurring items	0	0	0	0	0	-18 ¹⁾
Adjusted EBITDA	13	3	62	33	90	79
Adjusted EBITDA - margin. %	2.7%	0.6%	4.1%	2.1%	4.3%	3.7%
EBIT	2	-10	28	-6	43	9
Non-recurring items, financial net	-	-	-	430	-	430 ²⁾
EBT	-8	-22	-5	393	-5	393
Earnings after tax	-13	-25	-17	298	-18	297
Earning per share, SEK	-0.06	-0.12	-0.08	1.44	-0.08	1.42
Cash flow after investing activities	9	-23	16	4	41	30
Equity/ asset ratio. %	42.1%	43.3%	42.1%	43.3%	42.1%	43.3%

1) Restructuring cost SEK -18.2 million
2) Refinancing transaction SEK 430 million

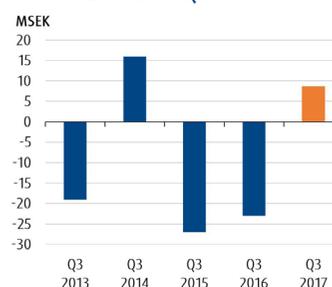
Net debt



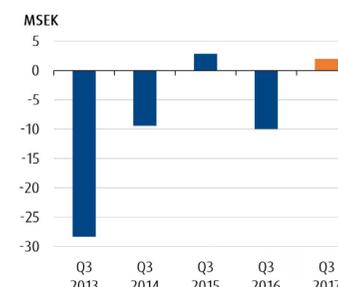
Equity ratio



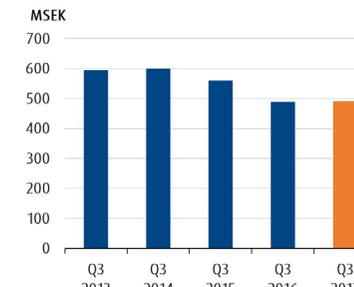
Cash flow after investing activities - Q3



Operating profit/loss - Q3



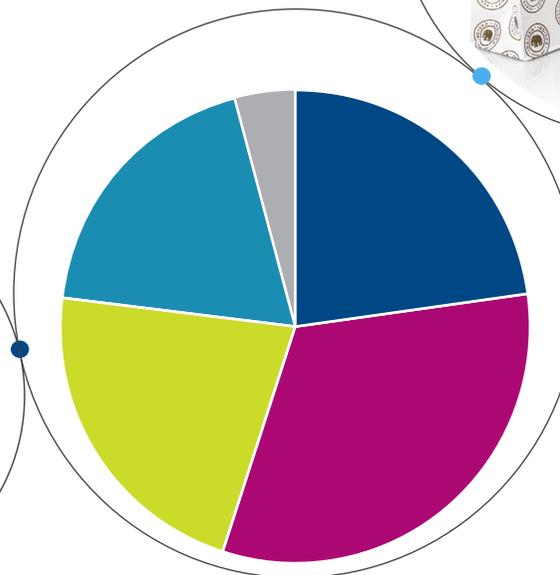
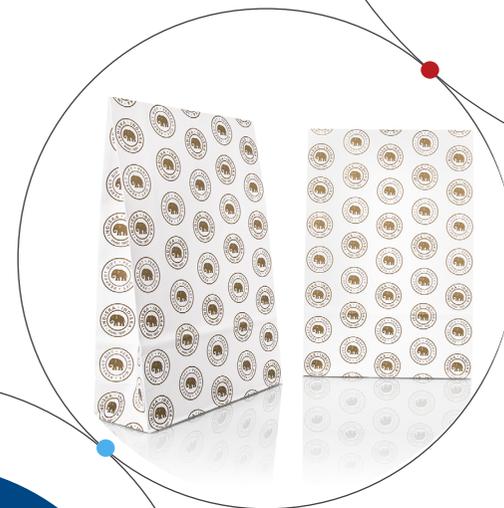
Net sales - Q3



This is the Bong Group

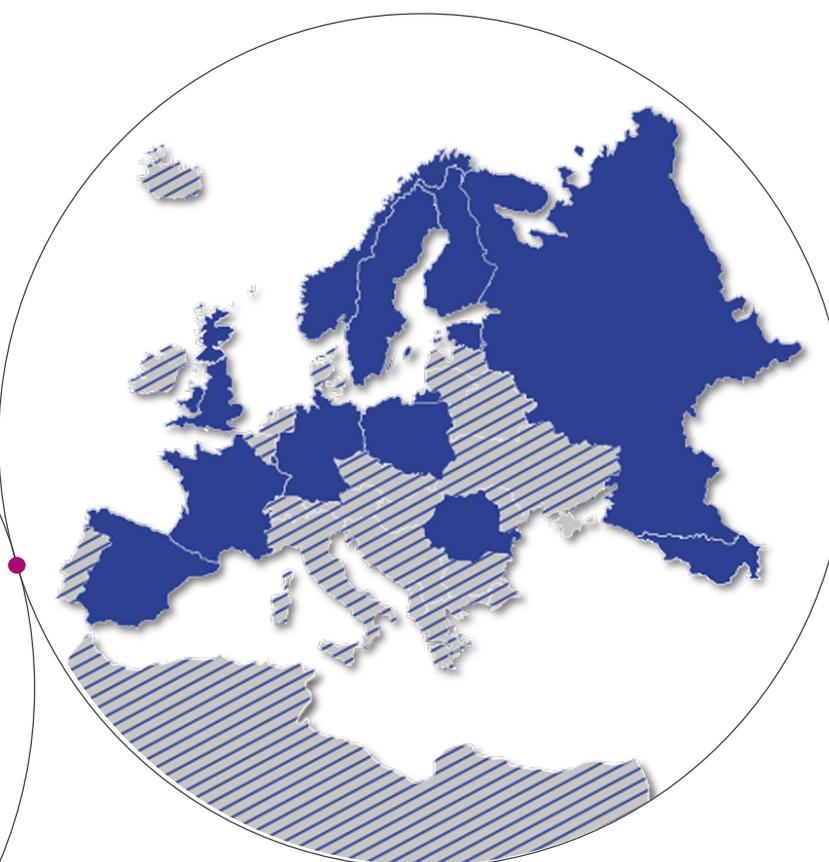
Bong is one of the leading providers of specialty packaging and envelope products in Europe and offers solutions for distribution and packaging of information, advertising materials and lightweight goods. Important growth areas in the Group are packaging within retail and e-commerce and the envelope 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 2017

- Nordic/Baltics/Russia, 21%
- Central Europe, 33%
- France and Spain, 24%
- United Kingdom, 18%
- Others, 4%



- Production and sales
- Sales

Market and industry

During the third quarter of 2017, FEPE statistics shows that the European envelope market volume have decreased by approximately 5% compared to the same period previous year. The decline for the first three quarters of 2017 is according to FEPE 4% compared to same period last year, which is more or less in line with Bongs estimation that the market will decline approximately 5% during 2017.

Raw material prices are increasing as a result of the decreased capacity with the paper suppliers and that pulp prices are increasing. In addition there is a further temporary capacity reduction due to a serious break-down on one of the envelope paper machines at one of our main paper suppliers. It is therefore necessary for Bong to increase the sales prices to the market in order to compensate for the increase in raw material prices.

Bongs estimation is that the restructuring process and consolidation of the industry will continue, but at a slower pace than the market decline. Large overcapacity will remain. One of Bongs main competitors on the European market, Mayer Kuvert, sold their production site for overprinting in Austria to IMARCOGroup. Furthermore, BlessOF in Germany, which is part of Mayer Kuvert, has applied for the opening of a self-administration procedure in order to pursue necessary restructuring and restructuring measures without insolvency administrators. This will reduce the overcapacity in the German market, which is an important market for Bong.

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. Light packaging represents approximately 20% of Bongs annual sales and during the first three quarters 2017 Bongs sales of light packaging products have increased with approximately 2% compared to the same period previous year. The machines for production of paper carrier are still producing at high capacity and is a product that Bong see large opportunities for due to the EU-directive from 29 April 2015 aimed at reducing the use of plastic bags in Europe. The directive includes objectives that each member country may achieve as it deems appropriate. A ban has already been implemented in a number of European countries. Paper carrier bags in combination with gift packaging also means that Bong can offer a complete concept to its customers which is available in all possible designs.

Sales and profit

January - September 2017

Consolidated sales for the period reached SEK 1,517 million (1,556). Exchange rate fluctuations had a positive impact on sales of SEK 15 million compared with 2016. 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.

Despite lower sales, operating profit amounted to SEK 28 million (-6), due

to the new lower cost structure after the restructuring programs. During the period operating profit was affected by a non-recurring profit of SEK 5 million attributable to renegotiated pension agreements in Norway. The move of all the production from Tönsberg in Norway to Kristianstad in Sweden was finalized during the third quarter 2017. The annual saving will be approximately SEK 8 million.

Net financial items for the period, excluding non-recurring items, amounted to SEK -33 million (-31). Non-recurring items, related to the refinancing transaction, amounted to SEK 430 million, note 1.

Earnings before tax were SEK -5 million (393) and reported earnings after tax were SEK -17 million (298).

Bong's total light packaging sales amounted to SEK 280 million (275). Currency fluctuations had a positive impact on light packaging sales of SEK 2 million compared with the corresponding period in 2016.

Sales and profit

July - September 2017

Consolidated sales for the period reached SEK 491 million (489). Exchange rate fluctuations had no significant impact on sales compared with 2016.

Operating profit amounted to SEK 2 million (-10), due to the lower cost structure as a result of the previous restructuring programs.

Net financial items for the period, excluding non-recurring items, amounted to SEK -10 million (-12).

Earnings before tax were SEK -8 million (-22) and reported earnings after tax were SEK -13 million (-25).

Bong's total light packaging sales amounted to SEK 93 million (94). Currency fluctuations had no significant impact on light packaging sales compared with the corresponding period in 2016.

Cash flow and investments

The cash flow after investing activities increased to SEK 16 million (4) compared to previous year. The improvement versus previous year of SEK 12 million is explained below:

- Improvement of operating activities +17 MSEK
- Decreased payments of restructuring costs +2 MSEK
- Increased other working capital -15 MSEK
- Decreased investments +8 MSEK

Cash flow from operating activities amounted to SEK 22 million (19).

Working capital had a positive effect on the cash flow of SEK 10 million (24). Restructuring programs had negative impact of SEK -15 million (-17). Net investments in the period had a negative impact amounting to SEK -6 million (-14). Only minor asset sales were made in the period.

Financial position

Cash and cash equivalents at 30 September 2017 amounted to SEK 101 million, including the escrow account of SEK 21 million (SEK 90 million at 31 December 2016, including the escrow account of SEK 12 million). The Group had unutilized credit facilities of SEK 8 million on the same date. Total available cash and cash equivalents thus amounted to SEK 109 million. Consolidated equity at the end of September 2017 was SEK 675 million (SEK 697 million at 31 December 2016).

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 -2 million. The interest bearing net loan debt amounted to SEK 315 million (SEK 315 million at 31 December 2016).

Employees

The average number of employees during the period was 1,466 (1,570). The Group had 1,470 (1,527) employees at the end of September 2017. 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 (0.7) and earnings before tax for the period were SEK 44 million (248). Non-recurring items 2016, 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 2016 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 2016 annual report and the interim report should be read along with those principles. Please refer to Bong's 2016 annual report for a specification of the new amendments, interpretations and standards that took effect 1 January 2017.

IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers will come into effect on 1 January 2018. Currently, the Group is conducting projects to evaluate the effects of the application of these new accounting standards, and a selection of transition method pursuant to IFRS 15. The analyses are conducted at company level and individual customer level, and where necessary, in consultation with external accounting specialists. These projects are in their final phases and the Group's opinion is that the adoption of IFRS 9 and IFRS 15 will not have any material effect on the Group's or segments' financial reporting.

Kristianstad 16 November 2017

Håkan Gunnarsson

Chief Executive Officer

Additional information

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

Financial Calendar:

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

Auditor's report

Introduction

We have reviewed the condensed interim financial information (interim report) of Bong AB as of 30 September 2017 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, 16 November 2017

PricewaterhouseCoopers AB

Lars Nilsson

Auditor in Charge
Authorised Public Accountant

Christer Olausson

Authorised Public Accountant

Income statement in summary

MSEK	Note	Jul-Sep 2017 3 month	Jul-Sep 2016 3 month	Jan-Sep 2017 9 month	Jan-Sep 2016 9 month	Oct 2016– Sep 2017 12 month	Jan-Dec 2016 12 month
Revenue		491.4	489.0	1,517.3	1,555.5	2,096.3	2,134.5
Cost of goods sold		-407.7	-411.9	-1,241.4	-1,299.4	-1,703.7	-1,761.7
Gross profit		83.7	77.1	275.9	256.1	392.7	372.9
Selling expenses		-43.5	-41.8	-131.8	-137.9	-185.3	-191.4
Administrative expenses		-37.7	-37.4	-112.6	-117.2	-150.5	-155.2
Other operating income and expenses		-0.4	-7.9	-3.4	-6.9	-13.9	-17.4
Operating profit		2.0	-9.9	28.1	-6.0	42.9	8.8
Net financial items		-10.3	-12.1	-33.3	-31.2	-48.0	-45.8
Non-recurring items, financial net	1	-	-	-	429.9	-	429.9
Result before tax		-8.2	-22.0	-5.2	392.7	-5.1	392.9
Income tax		-4.3	-3.1	-11.9	-94.9	-12.8	-95.8
Net result		-12.5	-25.1	-17.2	297.9	-17.9	297.1
Total comprehensive income attributable to:							
Share holders in Parent Company		-13.4	-25.7	-19.6	297.0	-21.4	295.2
Non-controlling interests		0.9	0.6	2.5	0.9	3.4	1.9
Basic earnings per share		-0.06	-0.12	-0.08	1.44	-0.08	1.42
Diluted earnings per share		-0.06	-0.12	-0.08	1.44	-0.08	1.26
Basic earnings per share, excluding non-recurring items		-	-0.12	-	-0.64	-	-0.64
Diluted earnings per share, excluding non-recurring items		-	-0.12	-	-0.66	-	-0.64
Average number of shares, basic		211,205,058	211,205,058	211,205,058	206,154,553	211,205,058	207,417,179
Average number of shares, diluted		251,205,058	251,205,058	251,205,058	244,976,102	251,205,058	246,533,341
STATEMENT OF COMPREHENSIVE INCOME							
MSEK		Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Oct 2016– Sep 2017	Jan-Dec 2016
Net result for the year		-12.5	-25.1	-17.2	297.9	-17.9	297.1
Other comprehensive income							
Items that will not be reclassified to profit or loss:							
Actuarial loss on post employment benefit obligations		-1.1	-11.5	-1.1	-27.2	6.8	-19.2
		-1.1	-11.5	-1.1	-27.2	6.8	-19.2
Items that may be reclassified subsequently to profit or loss:							
Cash flow hedges	2	0.1	0.0	0.1	-0.9	0.1	-0.9
Hedging of net investments		-6.4	-1.5	-5.3	-11.9	-4.7	-11.3
Exchange rate differences		1.4	14.6	2.8	20.4	-1.8	15.9
Income tax relating to components of other comprehensive income		1.7	3.4	1.5	9.5	-1.6	6.4
		-3.2	16.4	-1.0	17.1	-8.0	10.1
Other comprehensive income for the period, net of tax		-4.3	4.9	-2.1	-10.0	-1.2	-9.1
Total comprehensive income		-16.8	-20.2	-19.3	287.8	-19.1	288.0
Total comprehensive income attributable to:							
Share holders in Parent Company		-19.3	-20.8	-21.7	286.9	-22.5	286.1
Non-controlling interests		2.5	0.6	2.5	0.9	3.4	1.9

Balance sheet in summary

MSEK	Note	30 Sep 2017	30 Sep 2016	31 Dec 2016
Assets				
Intangible assets	3	597.3	605.6	600.7
Tangible assets		210.6	228.8	228.8
Financial assets	4	144.6	151.6	147.1
Inventories		210.4	208.0	186.5
Current receivables		340.0	349.8	356.2
Cash and cash equivalents	5	101.3	67.1	89.9
Total assets		1,604.1	1,611.0	1,609.2
Equity and liabilities				
Equity	6	674.8	697.7	697.3
Non-current liabilities	7	430.0	435.8	430.1
Current liabilities	8	499.4	477.4	481.8
Total equity and liabilities		1,604.1	1,611.0	1,609.2

CHANGES IN EQUITY

MSEK	Note	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Opening balance for the period		697.3	317.1	317.1
Write-down of share capital		-	-1.0	-
New share issue		-	99.1	99.1
Bond loan / Convertible loan		-2.5	7.4	6.6
Dividend to owner without significant influence		-1.5	-0.8	-1.5
Transaction cost		-	-11.9	-12.0
Non-controlling interests		0.7	0.0	0.0
Total comprehensive income		-19.3	287.8	288.0
Closing balance for the period	9	674.8	697.7	697.3

Cash flow statement

MSEK	Note	Jul-Sep 2017 3 month	Jul-Sep 2016 3 month	Jan-Sep 2017 9 month	Jan-Sep 2016 9 month	Oct 2016- Sep 2017 12 month	Jan-Dec 2016 12 month
Operating activities							
Operating profit		2.0	-9.9	28.1	-6.0	42.9	8.8
Depreciation amortisation and impairment		11.1	12.7	34.0	38.6	47.2	51.8
Financial items	10	-5.5	-1.7	-14.7	-13.4	-29.3	-28.1
Tax paid		-2.8	-1.7	-14.5	-3.3	-16.6	-5.4
Other non-cash items	10	-1.1	4.4	-20.6	-21.6	-3.0	-4.0
Cash flow from operating activities before changes in working capital		3.7	3.8	12.2	-5.8	41.2	23.2
Changes in working capital							
Inventories		-8.7	-1.5	-23.5	7.7	-2.7	28.5
Current receivables		-18.0	9.0	1.3	31.9	-14.1	16.4
Current operating liabilities		35.6	-30.7	32.0	-15.2	33.2	-14.0
Cash flow from operating activities		12.6	-19.3	22.0	18.6	57.6	54.2
Cash flow from investing activities							
Aquisition of intangible and tangible assets incl. advanced payments to suppliers		-5.0	-3.8	-9.0	-16.9	-19.8	-27.7
Disposal of intangible and tangible assets		1.0	0.4	2.5	2.6	3.3	3.4
Cash flow from investing activities		-4.0	-3.4	-6.5	-14.3	-16.5	-24.3
Cash flow after investing activities		8.6	-22.8	15.5	4.4	41.1	29.9
Cash flow from financing activities							
Proceeds from borrowings		1.0	4.1	-2.9	12.4	-5.0	10.3
Amortization of loans		-	-	-	-195.0	-	-195.0
Dividend*		-0.7	-0.3	-1.5	-0.8	-2.2	-1.5
Cash flow from financing activities		0.3	3.7	-4.4	-183.4	-7.1	-186.2
Cash flow for the period		8.9	-19.0	11.2	-179.1	33.9	-156.3
Cash and cash equivalents at beginning of period		92.2	84.8	89.9	244.3	67.1	244.3
Exchange rate difference in cash and cash equivalents		0.2	1.4	0.3	1.9	0.3	1.9
Cash and cash equivalents at end of period		101.3	67.1	101.3	67.1	101.3	89.9

*Dividend to owner without significant influence

Notes

(MSEK)

Note 1 - Non recurring items

During the period 2016 Bong 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.

2017-09-30	Assets	Liabilities
Interest rate swaps - cash flow hedges	0.0	0.0
Currency forwards - cash flow hedges	0.1	0.0
Currency forwards - held for trading	0.0	0.0
Total	0.1	0.0

2016-09-30	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	0.2	0.0
Total	0.2	0.0

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

* 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.

	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Note 3 - Intangible assets			
Goodwill	565.6	566.8	563.3
Other intangible assets	31.7	38.9	37.5
Total	597.3	605.6	600.7

	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Note 4 - Financial assets			
Deferred tax	142.6	147.8	144.2
Other financial assets	2.0	3.8	2.9
Total	144.6	151.6	147.1

	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Note 5 - Cash and cash equivalent			
Cash/Bank	80.0	58.1	77.9
Cash/Bank escrow account	21.3	9.0	12.0
Total	101.3	67.1	89.9

	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Note 6 - Equity			
Non-controlling interests	11.2	9.3	10.5

	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Note 7 - Non-current liabilities			
Interest-bearing loans	389.0	397.3	389.8
Deferred tax	24.1	25.0	24.5
Other liabilities	16.9	13.6	15.8
Total	430.0	435.8	430.1

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. 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 is accrued as an additional financial expense debit the income statement respectively the equity.

	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Note 8 - Current liabilities			
Interest-bearing	4.3	7.4	2.9
Other current liabilities	495.1	470.0	478.8
Total	499.4	477.4	481.8

Note 9 - Changes in 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.

Bong completed in 2016 the acquisition of its lending banks claims amounting to SEK 602.1 million whereof SEK 95.2 million affected the equity.

Note 10 - Financial- and other non-cash items

In order to clarify the actual cash flow statement related to received financial income an adjustment has been made 2016. Financial income received has due to that reason been adjusted with SEK -432.5 million. other non-cash items has been adjusted with SEK +432.5 million.

Furthermore, adjustments of the cash flow analysis has been made to clarify paid financial costs. Paid financial costs have therefore been adjusted with SEK +18.6 million, other non-cash affecting items have been adjusted with SEK -6.6 million, other current liabilities have been adjusted with SEK -12 million.

QUARTERLY DATA. GROUP

MSEK	3/2017	2/2017	1/2017	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
Net Revenue	491.4	480.7	545.2	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
Operating expenses	-489.4	-473.3	-526.5	-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
Operating profit	2.0	7.4	18.6	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
Net financial items	-10.3	-11.6	-11.5	-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
Profit before tax	-8.2	-4.2	7.2	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

KEY RATIOS

	Jan-Sep 2017	Jan-Sep 2016	Oct 2016- Sep 2017	Jan-Dec 2016
Operating margin, %	1.9	neg	2.0	0.4
Return on equity, %*	-	-	neg	neg
Return on capital employed, %* 1)	2.6	neg	3.6	0.5
Equity/assets ratio, %*	42.1	43.3	42.1	43.3
Net debt/equity ratio times*	0.47	0.50	0.47	0.45
Net loan debt/EBITDA*	-	-	4.11	5.20
Capital employed, SEK M*	1,069.3	1,102.4	1,069.3	1,090.0
Interest-bearing net loan debt, SEK M*	314.5	346.6	314.5	314.8

1) Return on capital employed

Earnings after financial revenues	-	-	39.1	6.2
Average capital employed	-	-	1,079.6	1,158.9

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 11.

DATA PER SHARE

	Jan-Sep 2017	Jan-Sep 2016	Oct 2016- Sep 2017	Jan-Dec 2016
Basic earnings per share, SEK	-0.08	1.44	-0.08	1.42
Diluted earnings per share, SEK 2)	-0.08	1.44	-0.08	1.42
Basic earnings per share, excluding non-recurring items	-	-0.64	-	-0.64
Diluted earnings per share, excluding non-recurring items	-	-0.66	-	-0.64
Basic equity per share, SEK	3.19	3.30	3.19	3.30
Diluted equity per share, SEK	2.69	2.78	2.69	2.96
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	251,205,058	251,205,058	251,205,058	251,205,058
Average number of shares basic	211,205,058	206,154,553	211,205,058	207,417,179
Average number of shares diluted	251,205,058	244,976,102	251,205,058	246,533,341

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 1 February 2019. Upon subscription, the price per share is 1.15 SEK. Bongs average share price during the year is below 1.15 SEK which is why no dilution effect is taken into consideration.

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
Extraordinary items. financial net. MSEK	430				
Profit/loss 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
Capital turnover rate. times	1.3	1.2	1.3	1.2	1.3
Return on equity. %	neg	neg	neg	neg	neg
Average capital employed. MSEK	1,159	1,343	1,375	1,586	1,527
Return on capital employed. %	0.5	neg	neg	neg	1.0
Equity ratio. %	43	16	19	26	17
Net loan debt. MSEK	315	837	790	802	1,005
Net loan debt/equity. times	0.45	2.64	2.09	1.54	2.70
Net debt/EBITDA. times	5.2	11.9	neg	neg	8.6
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					
Before dilution. SEK	1.42	-0.41	-0.96	-2.20	-3.20
After dilution. SEK	1.42	-0.41	-0.96	-2.20	-3.20
Earnings per share. before dilution. excluding non-recurring items	-0.64	-	-	-	-
Earnings per share. after dilution. excluding non-recurring items	-0.64	-	-	-	-
Equity per share					
Before dilution. SEK	3.30	2.02	2.41	3.33	21.25
After dilution. SEK	3.30	1.95	2.27	3.06	20.50
Cash flow from operating activities per share					
Before dilution. SEK	0.26	-0.95	0.62	-0.40	-0.10
After dilution. SEK	0.26	-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
Adjusted P/E-ratio. times	neg	-	-	-	-
Price/Equity before dilution. %	27	62	46	45	45
Price/Equity after dilution. %	27	65	49	49	47

For definitions see page 11

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 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 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 Euro-pean 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 comple-ments 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-Sep 2017	Jan-Sep 2016
Revenue	2.6	0.7
Gross profit	2.6	0.7
Administrative expenses	-12.4	-6.3
Operating profit/loss	-9.8	-5.7
Non-recurring items finance net	0.0	228.5
Net financial items	54.0	25.0
Result	44.2	247.9
Income tax	0.0	-15.9
Net result	44.2	231.9

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan-Sep 2017	Jan-Sep 2016
Net Result for the year	44.2	231.9
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	44.2	231.9

BALANCE SHEET IN SUMMARY

MSEK	30 Sep 2017	31 Dec 2016
Assets		
Financial assets	1,563.0	1,564.0
Current receivables	2.4	1.6
Cash and cash equivalents	21.5	12.0
Total Assets	1,586.9	1,577.6
Equity and liabilities		
Equity	1,253.6	1,211.9
Non-current liabilities	180.4	168.5
Current liabilities	152.8	197.1
Total equity and liabilities	1,586.9	1,577.6