

Year End Report 2021

Boxon Group AB



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“Develop the world’s most intelligent, sustainable value-creating packaging concept.”

Declaration of the CEO and the Board

To our stakeholders

Boxon Group is a global player within the packaging industry. The Boxon AB business unit, with subsidiaries, operates in the Nordic region and offers complete packaging solutions, labels and packaging as well as solutions for automation of the packing process. Boxon GmbH and Boxon SARL operates in Central and Southern Europe where we offer packaging solutions within bulk handling and complete packaging solutions to industrial companies. Boxon Tech AB offers unique and efficient packaging solutions to the European automotive industry, constantly challenge the traditional systems and packaging solutions. Boxon (Shanghai) Packaging Ltd. Co. provides packaging solutions to the Chinese market with focus on European companies and subcontractors. The Group's new sub-group Boxes & Labels International AB is active in production of labels and packaging.

Coordination between the different business units of customers has been intensified during the year and Boxon Group offers our complete solutions in all markets. We have continued to invest in value-adding services such as construction and design, both in packaging and labelling, as well as in developing our digital platforms.

Significant events during the year

The year 2021 has been characterized by raw material and material shortages that exist in the world and to handle this situation. Boxon Group has worked proactively to meet these challenges, which has had a positive impact on earnings and our position. The company is following the market development closely and has taken measures to secure deliveries to our customers and continuously update them with sufficient and actual information.

During the year, the business has adapted to comply with the restrictions that existed regarding the handling of Corona, which meant that travel was not possible to the same extent as before. The restrictions have also resulted in that many of the employees worked from home part of the year, but this has not impacted on the business sufficient.

The Group's long-term work, with continued development of the organization and investments in value-creating tools and solutions for the customers, has continued to contribute to a very positive earnings trend during the year. The work with digital solutions for both customers, suppliers and our organization has continued to be a focus area during 2021. The long-term investments that have been made continue to create performance improvements. The Group's efforts to add value to customers continue.

In 2021, as part of adapting to the rapid change in society with increasing complexity, the Group has continued efficiency work in all parts of the company and adjusted the business model to be agile. This has had a positive impact on the company's earnings and position.

During the year, the Group has formed a new subsidiary Boxes & Labels International AB, which is the parent company of a new sub-group consisting of the previously owned subsidiary Boxon Production AB and the newly acquired subsidiary Specialwell J & J AB. The formation and acquisition took place on 2021.07.01.

The Group's work with Corporate Social Responsibility (CSR) has continued and been intensified. During the year, the Group has raised its sustainability goals and coordinated activities in all markets. The work is broad and covers many areas and is based on the UN Global Compact and follow-ups and measurements is done with the support and alignment of Ecovadis and My Climate. The Group's strength is to be a complete packaging company in all seven markets in which the Group operates. The Group's total packaging concept is unique in the market.

During the year, a new CEO of Boxon Group was appointed. Christer Rapp took over as CEO in February. To create good continuity within the company and the Group, Anders Ylffors continues to serve as Chairman of the Board.

Outlook

The Group is positive about future development and in 2022 the Group is expected to increase sales compared to 2021. The Group's long-term work with the development of the organization and value-creating solutions for our customers continues. In 2022, the Group will continue to invest in the CSR area to contribute to a more sustainable world.

The Group's assessment is that the 2022 operations will have positive effects on the Group's sales, earnings, and cash flow. The Group's sustainability report is available on www.boxon.se.

The Board's assurance

This year-end report has not been audited.

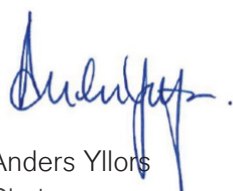
The Board of Directors certify that this report provides a fair review of the Boxon Group operations, financial positions and result and describe the significant risks and uncertainties faced by the Parent Company.

Helsingborg 2022-03-30

Board of directors



Christer Rapp
CEO



Anders Yllors
Chairman



Jan-Erik Bergström



Håkan Olofsson



Per Yllfors



Anders Rosberg



The Boxon Group in 2021

Boxon Group was founded in 1932 and the company headquarter is located in Helsingborg, Sweden. The formal legal name is Boxon Group AB, which is the parent company of all activities.

Boxon Group is established in seven countries with legal entities which includes Sweden (Boxon AB, Boxon Tech AB, Boxes & Labels Int. AB), Germany (Boxon GmbH), France (Boxon SARL), Denmark (Boxon A/S), Norway (Boxon AS), Finland (Boxon OY) and China (Boxon Shanghai). In 2021, together with a partner, Boxon has established a new sub-group called Boxes & Labels International AB. The entire Group operates 11 distribution centres with a total warehouse space of 35 000 square meters with a permanent stock of 3 500 articles to 12 000 active customers.

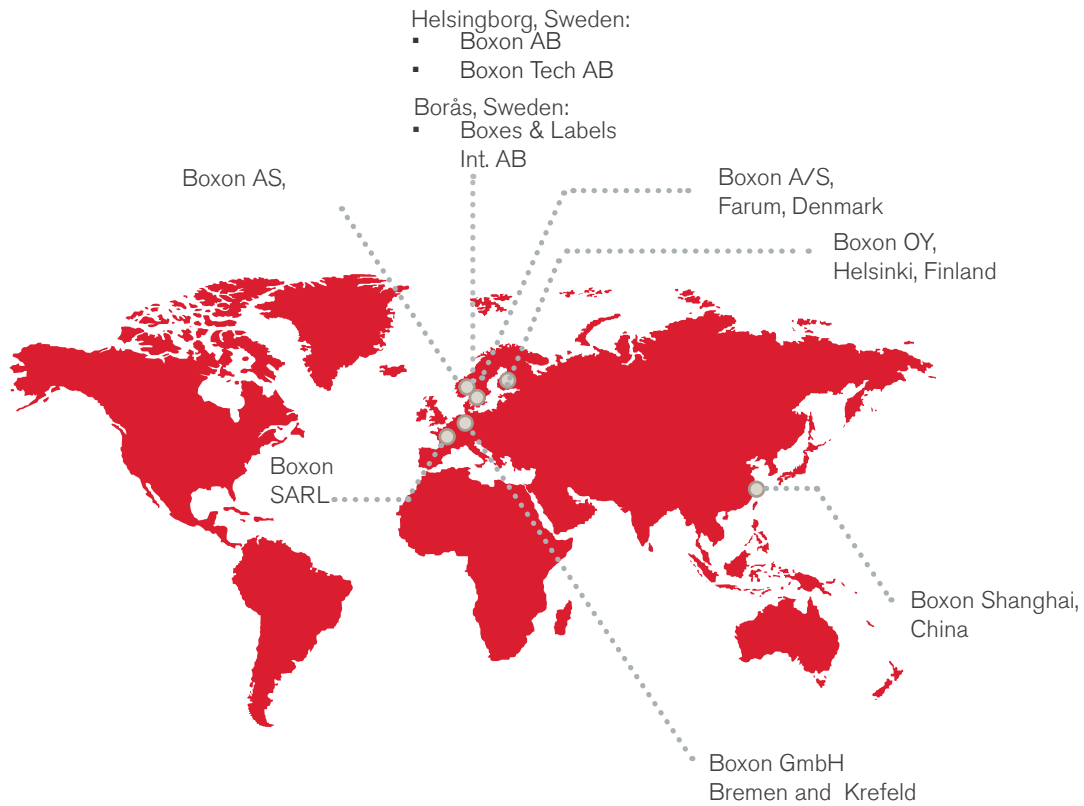
Boxon serves the seven markets with legal entities, but also other markets such as, central Europe, Benelux, the US, India, and others. The total group turnover in 2021 was 140 million Euros.

The main assortment range offered includes:

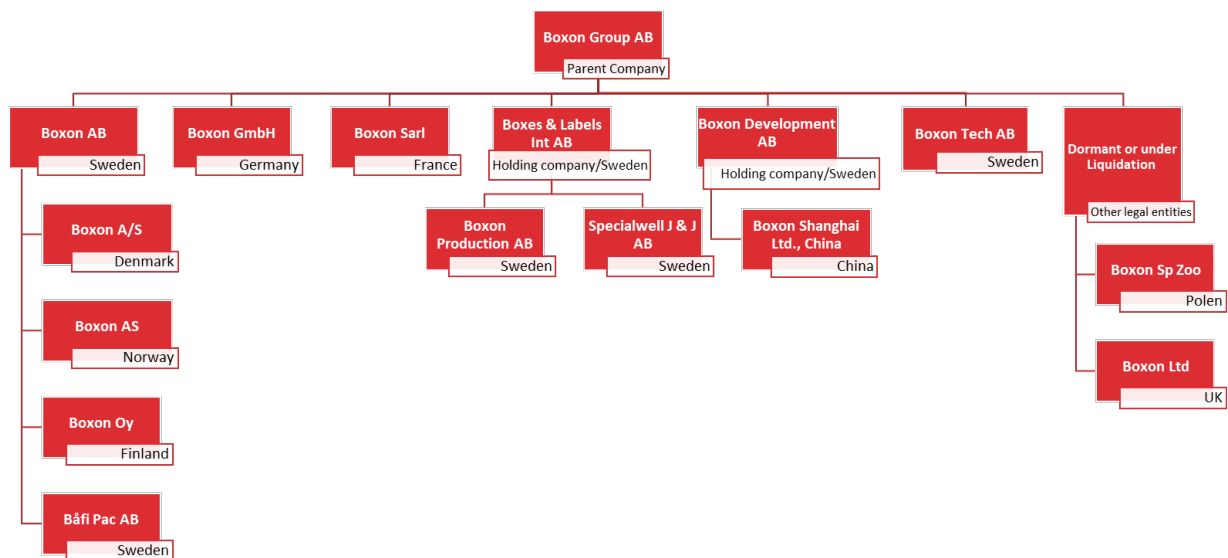
- Corrugated packaging
- Plastic packaging
- Wood packaging
- Labelling
- Machines for packaging and printing.

In addition, Boxon provides a wide range of services including warehousing service, technical service, software solutions and printing solutions.





Boxon Group is privately held company which includes eleven operational entities in seven different countries (see above). All legal entities have the legal structure as “limited liability companies”. The legal entities and structure are as follows:



Employees and Management Structure

Employees

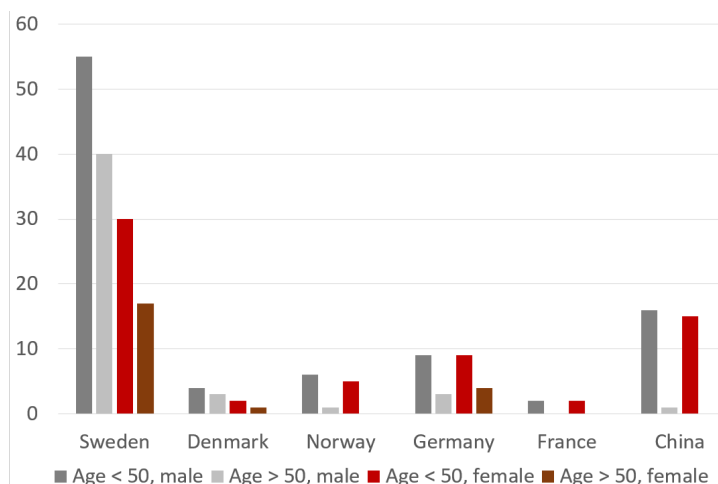
In 2021, Boxon had the equivalent of 225 full-time employees:

- The majority of employees were permanently employed
- The majority of employees are based in Sweden, with a total of 63%.
- 62 % of all employees are male, 38 % female.
- The percentage of employees covered by a collective agreement are illustrated in the table below

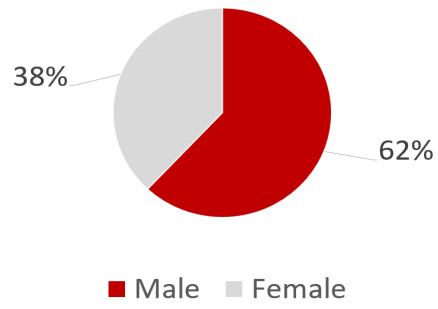
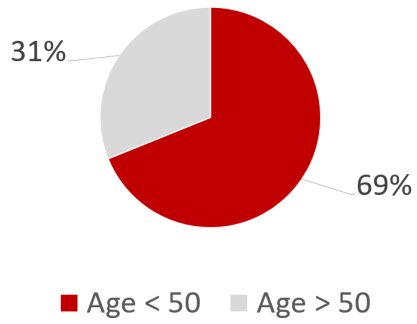
The objective is that all work should be performed by Boxon's own employees. During vacations and, or when vacancies arise, our own employees normally cover the work of the employee who is missing. Temporary workers are usually not employed, nor hired.

Country	Number of employee	Collective agreements	Share in percentage	Comments
Sweden	142	Yes	100%	
Germany	25	No	0%	Following local labour laws and regulations
France	4	No	0%	Following local labour laws and regulations
Denmark	10	No	0%	Following local labour laws and regulations
Norway	12	No	0%	Following local labour laws and regulations
China	32	No	0%	Applying Scandinavian model

Employees by age and gender / country



Employees by age and gender overall



Management Structure

The Boxon Group is organised by markets - Nordics, EMEA and Asia.

Each market has full responsibility for their own market as well as selling the complete offer.

The management is organised into one management group for the total operation and each function have a global responsibility, except for Sales that is organised per market.

Board of Directors (BoD)

- Financial follow-up
- Decision about the Strategy and follow-up
- Decisions about investments, acquisitions
- Major organisational changes
- Follow-up on management

Group Management Team (GMT)

- Leading the Boxon group
- Strategy execution and follow up
- Operations
- Organisational questions and changes
- Preparing for Board of Directors decisions
- General follow-ups

Global Counsel Teams (GCT)

- Global synchronising
- Utilising global strength
- Lead the functions
- Ways of working between market areas and within the functions
- Clarifying dotted lines

Pricing Board (PB)

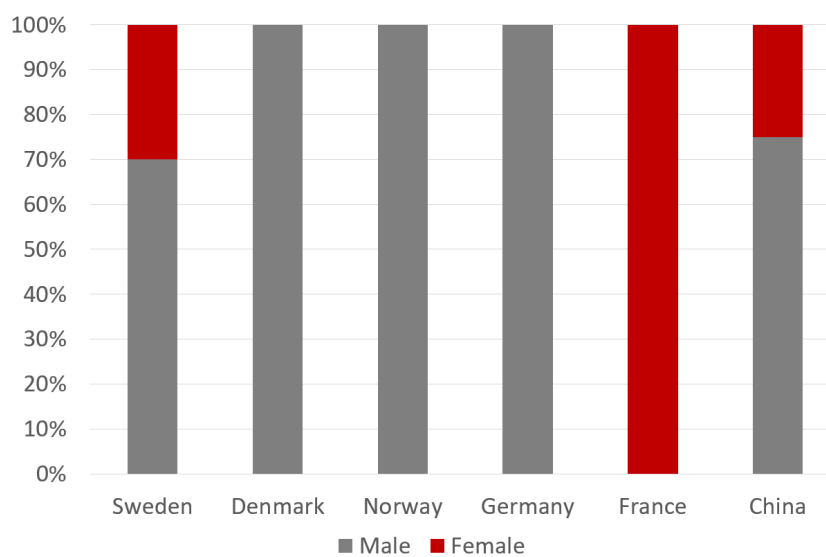
- Decisions on price changes
- Decisions on price structure
- PB per market (Nordics, EMEA, Asia)

For projects that requires cross-functional resources and funding, our organisation is supplemented with a project organisation, in case of major changes or projects. Decisions on the use of available funds to meet the company's business concept, policies and objectives, are made by the management team and documented in the budget process. Decisions on the start of a strategic project are made by the management team. Decisions on the project launch for limited changes are made by sales manager/function manager. Changes that concern only one region or function are considered an activity and a part of the normal workflow, so it is not defined as a project.

The Quality- and Environmental Manager is the management's representative in quality and environmental matters. He or she should ensure that the quality and environmental system is respected and continuously valued. Internal quality- and environmental audits account for the operational quality of the system.

The management's representative should ensure that quality and environmental systems comply with the requirements of ISO 9001: 2015 and 14001: 2015, and those quality- and environmental audits are carried out on a regular basis.

Manager positions by gender / country



Innovation



Innovation

For 2022, innovation is in one of two key initiatives for the Group.

Boxon Innovation Team is a group of people with a combined knowledge and experience in the field of packaging, labelling and customized solutions.

The Innovation Team creates drawings and animations, design and label samples, prototypes and specially manufactured injection moulded trays, system integrated solutions and cloud-based outsourcing. Through our collective competence, we take the solution one step further regardless if we are located in the Nordic region, EMEA, or Asia. The Boxon Innovation Team is our way of driving our development forward, with the best interests for the end customer in mind, and with sustainability as a key aspect when doing so. The life cycle approach is an integrated part of our innovation work.

Awards

ScanStar Award 2021

A total of 14 awards have been won by Nordic packaging designers, manufacturers, and users in this year's ScanStar packaging competition.

A wide range of excellent packaging solutions were presented at the ScanStar competition which covered the packaging industry broadly: logistics solutions, food and beverage packaging, gift packaging and displays from both large and small companies in the sector. Although the competition welcomes all packaging materials to participate, the packaging solutions that participated this year, were fibre-based.

In 2021 Boxon won an award for our LM Box (less material). The LM box is designed in such an intelligent way, that it minimizes waste in every part of the production through its capacity to be adjusted in both size and construction. The box is made from recycled material, is easy to fold, and very rigid in its construction. It offers good communication possibilities with its customers. It is also very user-friendly with its easy opening and recycling.



Financial Information

Accounting principles

The report has been prepared in accordance with the Swedish Annual Accounts Act, and the accounting policies applied are in accordance with BFNAR 2012:1 (K3)

In all other respects, the report has been prepared in accordance with accounting policies and calculation methods applied in the 2021 Annual report.

Multi-year review

KSEK	2021	2020	2019	2018	2017
Net Sales	1 463 864	1 232 620	1 279 541	1 235 008	1 086 453
EBITDA*	70 555	43 724	25 001	15 279	28 013
Operating income	52 263	25 278	6 031	4 484	9 812
Total assets	560 951	431 490	459 385	462 262	405 339
Equity ratio	26%	21%	17%	17%	22%
Average number of employee	239	211	223	227	210

* EBITDA: Operating income before depreciation



Year End Statement 2021 Boxon Group

CONSOLIDATED INCOME STATEMENT

KSEK	2021-01-01- 2021-12-31	2020-01-01- 2020-12-31
Revenues	1 472 360	1 245 306
Operating expenses	-1 401 805	-1 201 582
Operating income before depreciations	70 555	43 724
Depreciations	-18 292	-18 446
Operating income after depreciations	52 263	25 278
Financial items	-2 149	-3 421
Income before taxes	50 114	21 857
Taxes	-12 390	-6 297
Net income	37 724	15 560
Relating to:		
Shareholders of the parent company	34 803	13 650
Non controlling interest	2 921	1 910
	37 724	15 560

CONSOLIDATED BALANCE SHEET ASSETS

KSEK	2021-12-31	2020-12-31
FIXED ASSETS		
Intangible assets	35 287	28 977
Tangible assets	25 648	17 763
Financial assets	10 217	13 039
Total fixed assets	71 152	59 779
CURRENT ASSETS		
Inventories	177 418	140 387
Accounts receivables	262 490	184 552
Other assets	36 985	33 306
Cash and cash equivalent assets	12 906	13 466
Total current assets	489 799	371 711
TOTAL ASSETS	560 951	431 490

CONSOLIDATED BALANCE SHEET LIABILITIES & EQUITY

KSEK	2021-12-31	2020-12-31
EQUITY		
Restricted equity	10 258	10 000
Unrestricted equity	110 371	76 865
Non controlling interest	25 382	5 379
Total equity	146 011	92 244
LIABILITIES		
Provisions	4 756	1 437
Long-term liabilities	7 146	7 149
Accounts payables	239 101	179 259
Other liabilities	163 937	151 401
Total liabilities	414 940	339 246
TOTAL EQUITY AND LIABILITIES	560 951	431 490

STATEMENTS OF CASH FLOWS - SUMMARY

KSEK	2021-01-01- 2021-12-31	2020-01-01- 2020-12-31
Operating activities		
Profit after financial items	49 949	21 812
Adjustments for non-cash items	17 418	21 120
Tax paid	- 6 069	- 4 094
Cash flow from operating activities before change in working capital	61 298	38 838
Cash flow from operating activities	10 423	68 002
Cash flow from investing activities	- 9 807	- 6 684
Cash flow from financing activities	- 1 524	- 56 259
Cash flow for the period	- 908	5 059

Imprint

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Editor

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Visual sources

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