

# JLT Interim Report January – September 2019



- **Orders MSEK 102.0 (92.3)**
- **Net sales MSEK 108.2 (96.7)**
- **Gross margin 44.2 percent (46.4)**
- **Operating result MSEK 10.7 (9.3)**
- **Result after taxes MSEK 8.7 (7.2)**

## CEO comments

Orders increased as expected in the third quarter, ending up at MSEK 26 which is a 9 percent increase compared to the corresponding quarter last year. A slightly smaller number of dispatches compared to previous years resulted in a 4 percent decrease in net sales compared to the preceding year; the period ended at MSEK 33. The order backlog is thus still strong, and amounts to MSEK 17 as we enter the fourth quarter, as compared to MSEK 6 at the same time in 2018.

In order to improve our market impact, we are working determinedly towards strategically chosen vertical markets; during the quarter, a number of significant deals were concluded within these prioritized segments. Among other things, we secured a major order for JLT1214P computers with an important international customer in the ports segment, for a total amount of MSEK 3. In addition, one of our recurring US customers, a large international car manufacturer, placed a new order worth MSEK 1 for the new JLT6012 computer. In both cases, the computers will be delivered during the fourth quarter. Early in quarter four, we also received a large-scale order worth MSEK 5 from one of our long-standing customers in the mining industry. These computers will be delivered over the course of 12 months, beginning in the fourth quarter. It is very encouraging to see that our systematic approach to develop a designated set of verticals is bearing fruit.

One of the key components of JLT's growth strategy is to keep developing our service offer, to be able to provide a comprehensive solution for our customers. We are transitioning, from being strictly a developer and manufacturer of rugged computers to being a one-stop business partner that delivers complete solutions. This brings new challenges to our marketing and communication activities. During the year, we are therefore performing a thorough overhaul of several areas: we are reviewing our brand identity, updating our graphical profile, and developing a new website which is projected to be launched in early 2020.

Per Holmberg, CEO

## JLT Mobile Computers AB

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## The Group's net sales and result for the period January to September 2019

For the period, the group reported net sales amounting to MSEK 108.2 (96.7). The gross profit amounted to MSEK 47.9 (44.9), and the gross margin to 44.2 percent (46.4).

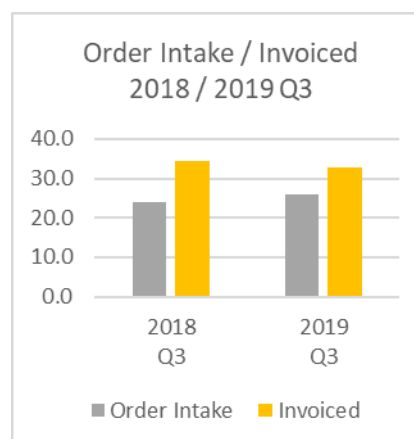
The operating overhead amounted to MSEK 35.5 (33.8), MSEK 23.4 (23.5) of which being staff costs. Other expenses amounted to MSEK 12.2 (10.3). EBITDA for the period amounted to MSEK 12.3 (11.1).

Depreciation for the period amounted to MSEK 1.6 (1.8).

The group's operating result amounted to MSEK 10.7 (9.3).

The net financial result amounted to MSEK 0.3 (0.1), leading to an MSEK 11.1 (9.3) profit before tax.

Fixed taxes for the group amounting to MSEK 2.4 are deducted from the result after tax, which amounted to MSEK 8.7 (7.2).



Orders received during the period amounted to MSEK 102.0 (92.3), and the order backlog at the end of the period amounted to MSEK 17.0 (5.7).

Service contracts are normally invoiced in advance for their entire life, which is between one and five years depending on the contract. Profits are recognized linearly during the contract period, and affect orders only when they are recognized. Deferred income recognized as liabilities for service contracts amounted to MSEK 16.8 (13.9) at the end of the period. MSEK 7.6 of this amount will be recognized within 12 months.

Provisions for variable salaries have been entered to the amount of MSEK 0.5 (0.7).

Income Statement, MSEK	2019 Q3	2018 Q3	2019 Q1-3	2018 Q1-3
<b>Net Revenues</b>	<b>32.8</b>	<b>34.3</b>	<b>108.2</b>	<b>96.7</b>
<b>Gross Profit</b>	<b>14.6</b>	<b>16.1</b>	<b>47.9</b>	<b>44.9</b>
- <i>Gross margin</i>	44.5%	47.1%	44.2%	46.4%
Sales & marketing costs	-6.0	-5.8	-17.9	-16.4
Overhead and R&D costsOf which:	-5.7	-5.4	-17.6	-17.4
<b>EBITDA</b>	<b>2.9</b>	<b>4.9</b>	<b>12.3</b>	<b>11.1</b>
Depreciation	-0.5	-0.6	-1.6	-1.8
Of which:				
- Property, plants and equipment	-0.1	-0.1	-0.2	-0.4
- Intangible fixed assets	-0.3	-0.3	-0.9	-1.0
- Goodwill	-0.2	-0.1	-0.4	-0.4
<b>Operating Profit/Loss</b>	<b>2.4</b>	<b>4.3</b>	<b>10.7</b>	<b>9.3</b>
- <i>Operating margin</i>	7.2%	12.6%	9.9%	9.6%

## **Comments on the result for the third quarter**

The group's net sales decreased by 4 percent compared to the previous year, and orders rose by 9 percent.

Due to service operations in the USA being outsourced as of the third quarter 2018, costs for contractual services and warranty costs are recognized as direct material costs instead of as overhead. The net effect is positive.

The increase in other external charges can be attributed to higher costs for marketing, due to the company's strategic focus on improved customer presence and greater range of products and services.

Orders amounted to MSEK 26.0 (23.9) for the third quarter.

## **Financial position and cash flow**

Cash flow amounted to MSEK 10.2 (7.3) after dividend payments of MSEK 6.3. The group's cash and cash equivalents amounted to MSEK 54.1 (33.9) on the balance sheet date, and the group's net indebtedness to MSEK -54.1 (-33.9), thus a net cash balance.

The solidity was 56 percent (61), and the equity amounted to MSEK 56.7 (51.2).

As from the second quarter of 2017, parts of the cash and cash equivalents are under discretionary management, according to a stated investment policy with a maximum of 20 percent in shares or share-based investments. The amount held is determined by the current cash requirement.

There are no interest-bearing liabilities.

## **The parent company**

The parent company performs services for the subsidiary, and pass on the expenses. The operating result amounted to MSEK -2.5 (-0.6).

## **Accounting policies**

The interim financial report is prepared in accordance with the Swedish Accounting Standards Board's general recommendations for voluntary interim reporting (BFNAR 2007:1). As of 2014, JLT is applying the Swedish Annual Accounts Act as well as the Swedish Accounting Standards Board BFNAR 2012:1 annual report and consolidated (K3).

This report has not been reviewed by the company's auditors.

## **The share**

In total, 6.5 million shares (14.4) have been traded during the period, corresponding to 23 percent of the total number of shares outstanding.

The share price was SEK 3.92 at the beginning of the period and 7.28 at the end of the period.

The JLT share is listed on Nasdaq First North Growth Market, with Eminova Fondkommission AB as the company's Certified Advisor.

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## Report dates 2019

Year-end Report 2019

7 February 2020

Växjö, 25 October 2019

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[www.jltmobile.com](http://www.jltmobile.com)

Financial reports and prospectuses: <https://www.jltmobile.com/investors>

Company presentation: <https://www.jltmobile.com/jlt-mobile-computers>

*This information is information that JLT Mobile Computers AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on Friday, October 25, 2019.*

## JLT Mobile Computers Group

<b>Income Statement, MSEK</b>	2019 Q3	2018 Q3	2019 Q1-3	2018 Q1-3	2018
<b>Net Revenue</b>	<b>32.8</b>	<b>34.3</b>	<b>108.2</b>	<b>96.7</b>	<b>130.0</b>
<b>Operating Expenses</b>					
Materials and supplies	-18.2	-18.2	-60.4	-51.9	-69.5
Other external costs	-4.1	-3.1	-12.2	-10.3	-13.5
Personnel costs	-7.6	-8.1	-23.4	-23.5	-31.8
Depreciation	-0.5	-0.6	-1.6	-1.8	-2.4
<b>Operating Profit/Loss</b>	<b>2.4</b>	<b>4.3</b>	<b>10.7</b>	<b>9.3</b>	<b>12.7</b>
Net financial items	0.0	0.0	0.3	0.1	-0.3
<b>Profit/Loss After Financial Items</b>	<b>2.4</b>	<b>4.4</b>	<b>11.1</b>	<b>9.3</b>	<b>12.5</b>
Taxes	-0.5	-0.8	-2.4	-2.1	-2.7
<b>Net Profit/Loss For The Period</b>	<b>1.9</b>	<b>3.6</b>	<b>8.7</b>	<b>7.2</b>	<b>9.7</b>
Earnings/loss per share (SEK)	0.07	0.13	0.30	0.25	0.34

<b>Balance Sheet, MSEK</b>	2019 30 sep	2018 30 sep	2018 31 dec
<i>Assets</i>			
Intangible assets	3.2	5.0	4.6
Property, plant and equipment	0.3	0.6	0.5
Non-current financial assets	0.2	0.0	0.2
<b>Total non-current assets</b>	<b>3.8</b>	<b>5.6</b>	<b>5.3</b>
Inventories	16.2	18.8	19.2
Current receivables	26.9	25.7	22.0
Cash and cash equivalents	54.1	33.9	43.9
<b>Total current assets</b>	<b>97.2</b>	<b>78.5</b>	<b>85.2</b>
<b>Total Assets</b>	<b>100.9</b>	<b>84.1</b>	<b>90.4</b>
<i>Equity and liabilities</i>			
Share capital	28.6		
Restricted equity	6.1	7.3	7.0
Retained earnings	22.0	15.4	18.5
<b>Total Equity</b>	<b>56.7</b>	<b>51.2</b>	<b>54.1</b>
<b>Provisions</b>	<b>1.7</b>	<b>1.4</b>	<b>1.8</b>
<b>Long term liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>	<b>42.5</b>	<b>31.5</b>	<b>34.5</b>
<b>Total Equity And Liabilities</b>	<b>100.9</b>	<b>84.1</b>	<b>90.4</b>

<b>Statement of Cash Flows, MSEK</b>	2019 Q1-3	2018 Q1-3	2018
Cash flow resulting from current operations before changes in working capital	11.7	11.8	14.5
Change in working capital	4.8	-2.3	5.4
<b>Operating Activities</b>	<b>16.5</b>	<b>9.5</b>	<b>19.8</b>
<b>Investing Activities</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-5.3</b>
<b>Financing Activities</b>	<b>-6.3</b>	<b>-2.1</b>	<b>-2.1</b>
<b>Cash Flow for the Period</b>	<b>10.2</b>	<b>7.3</b>	<b>12.5</b>
Cash and cash equivalents	54.1	33.9	43.9

<b>Statement of Changes in Equity, MSEK</b>	2019 30 sep	2018 30 sep	2018 31 dec
<b>Opening Equity</b>	<b>54.1</b>	<b>46.3</b>	<b>46.3</b>
Profit/loss for the period	8.7	7.2	9.7
Translation differences	0.2	-0.1	0.1
New share issue	0.0	2.1	2.1
Dividend	-6.3	-2.1	-2.1
<b>Closing Equity</b>	<b>56.7</b>	<b>51.2</b>	<b>54.1</b>

<b>Key Data</b>		2019 Q1-3	2018 Q1-3	2018
EBITDA margin	%	11.4	11.5	11.7
Operating margin	%	9.9	9.6	9.8
Profit margin	%	10.2	9.6	9.6
Capital employed	MSEK	56.7	51.2	55.9
ROACE	%	27	26	25
Equity	MSEK	56.7	51.2	54.1
Return on equity	%	21	20	19
Net indebtedness	MSEK	-54.1	-33.9	-29.1
Debt/equity ratio	%	56	61	60
Earnings/loss per share	SEK	0.30	0.25	0.34
Equity per share	SEK	1.98	1.79	1.89
Net debt per share	SEK	-1.89	-1.19	-1.03
Closing market price of share	SEK	7.28	4.30	3.92
No. of shares outstanding	x 1.000	28,552	28,552	28,552