



- **Revenues: MSEK 126.9 (81.1)**
- **Gross margin: 43.2 percent (44.6)**
  - **Operating profit: MSEK 13.0 (2.5)**
  - **Profit after tax: MSEK 10.7 (1.9)**
- **Order intake: MSEK 129.5 (86.6)**
- **Dividend: SEK 0.15 (0.07)**

## A Statement by the CEO

2016 ended with an order intake and invoicing that remained strong during the fourth quarter, which, overall, yielded strong growth for the year. Year-on-year, revenues increased by more than 50 percent and operating profit rose fivefold. During the year, we secured several new transactions among new customers, particularly in the transportation and port segments. Notably, our US organization secured a major order for the new JLT1214P computer worth MSEK 9 from one of the world's largest transportation companies. In order to meet the increase in demand, we more than doubled our production capacity in both Sweden and the US.

Several factors led to strong growth during the year:

- Numerous customers have delayed investments in and the replacement of existing equipment since the recession of 2009. Said equipment has now become so outdated that it must be replaced, which has produced a swell of previously restrained demand for JLT's products.
- Backed by the acquisition of the US operation in late 2014, we have bolstered our presence in the US market, which added to growth in 2016. JLT has also strengthened its presence in Europe, the Middle East, and Africa (EMEA) with new resellers, which has created new business.
- Our focus on the high-end of the market has generated returns. Our latest logistics computer, the JLT1214P with a virtually indestructible touch-screen, has been popular among customers and accounted for a substantial share of our sales to the logistics segment during the year.
- A weaker SEK has had a positive impact on earnings during the final quarter of the year.

Two older product lines that represented 10% of last year's revenues are end of life and the last deliveries of these products are being completed during the first quarter of this year.

In 2017, we will continue to strengthen our market presence in the US and EMEA, launch new products and develop our organization. Backed by expectations for continued strong market demand from new and existing customers, JLT has ample means for continued long-term growth.

Per Holmberg, CEO

## Consolidated revenues and earnings for the full-year 2016

For the full-year 2016, the Group reported revenues of MSEK 126.9 (81.1). Gross profit totaled MSEK 54.8 (36.2) and the gross margin was 43.2 percent (44.6).

Operating expenses totaled MSEK 40.6 (32.6), of which personnel costs accounted for MSEK 27.0 (21.7). Other costs amounted to MSEK 13.7 (10.9). EBITDA for the year totaled MSEK 14.1 (3.6).

Depreciation/amortization amounted to MSEK 1.1 (1.0) for the year, of which goodwill was MSEK 0.5 (0.5).

Consolidated operating profit totaled MSEK 13.0 (2.5).

Net financial items amounted to MSEK 0.0 (income: 0.1), yielding a profit before tax of MSEK 13.0 (2.6).

The Group's flat tax rate amounted to MSEK 2.3, which was charged to earnings, though this had no impact on cash flow, and profit after tax was MSEK 10.7 (1.9).

Order intake during the year totaled MSEK 129.5 (86.6), and the order backlog amounted to MSEK 13.4 (10.8) at the end of the period.

## Comments on earnings for 2016

The Group's revenues rose 56 percent year-on-year and order intake increased by 49 percent.

The gross margin declined to 43.2 percent (44.6) due to a single major order in the US that was secured among intense competition. The order was largely delivered during the first half-year, which resulted in a rising margin during the second half of the year. During the fourth quarter, the gross margin was 46.6 percent (40.0), on which a weaker SEK had a positive impact.

Personnel expenses increased during the year due to the outcomes of variable remuneration components, as well as more skills development and training of staff. During the period, provisions for variable remuneration were made in the amount of MSEK 3.1 (0), of which SEK 1.3 was provisioned during the quarter.

A high level of invoicing in December yielded an increase in accounts receivable of MSEK 12 compared with year-end 2015.

<b>Income statement, MSEK</b>	2016 Q4	2015 Q4	2016	2015
<b>Net revenues</b>	<b>34.8</b>	<b>21.3</b>	<b>126.9</b>	<b>81.1</b>
<b>Gross profit</b>	<b>16.2</b>	<b>8.5</b>	<b>54.8</b>	<b>36.2</b>
- <i>Gross margin</i>	46.6%	40.0%	43.2%	44.6%
Sales & marketing costs	-4.3	-3.6	-15.0	-12.4
Overhead and R&D costsOf which:	-7.2	-3.7	-25.6	-20.2
Restructuring costs	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>4.7</b>	<b>1.3</b>	<b>14.1</b>	<b>3.6</b>
Depreciation	-0.2	-0.4	-1.1	-1.0
Of which:				
- Property, plants and equipment	-0.2	-0.2	-0.5	-0.5
- Intangible fixed assets	0.1	-0.1	-0.1	0.0
- Goodwill	-0.1	-0.1	-0.5	-0.5
<b>Operating profit/loss</b>	<b>4.4</b>	<b>0.9</b>	<b>13.0</b>	<b>2.5</b>
- <i>Operating margin</i>	12.7%	4.0%	10.2%	3.1%

## Fourth quarter 2016

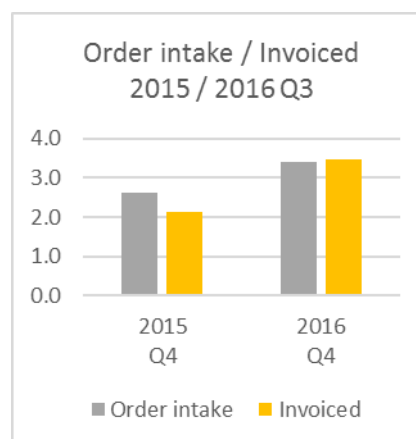
In the fourth quarter, revenues of MSEK 34.8 (21.3) were reported, with a gross margin of 46.6 percent (40.0), yielding a gross profit of MSEK 16.2 (8.5).

A weaker SEK has had a positive impact on earnings, especially during the final quarter of the year. A weaker SEK gives a direct increase of the gross margin. A stronger SEK gives the opposite effect weakening the gross margin. This is due to the time difference between, on one hand, the procurement of material mostly done in USD and, on the other hand, the invoicing of products delivered to the customer.

Operating expenses totaled MSEK 11.5 (7.3). EBITDA was MSEK 4.7 (1.3).

Depreciation/amortization amounted to MSEK 0.2 (0.4), and operating profit totaled MSEK 4.4 (0.9).

Order intake for the quarter was MSEK 34.9 (26.2).



## Operations in 2016

### *JLT Mobile Computers Inc.*

In 2015, we launched JLT's brand in the US market and invested in the start-up of the US operation that we acquired in December 2014. The launch yielded results in 2016, with multiple major new customers and a strong overall order intake.

Notable was a major order in the US from one of the world's largest transportation companies that JLT secured among intense competition from prominent companies. This order marked a key milestone in the establishment of JLT's operations in the US.

### *Product development*

As part of JLT's focus on the high-end market, where customers demand performance, durability and reliability, we launched the new JLT1214P forklift computer in 2015 for the warehousing and logistics segment, which has added greatly to increased revenues in 2016. The JLT1214P computer features a virtually indestructible touch screen that also provides a user-friendly experience comparable with modern consumer products, even when used with protective gloves and in damp environments. The JLT1214P computer allows JLT to eliminate one of the most common weak spots: screen wear and tear, which gives customers a lower overall cost of ownership and improved productivity. During the year, JLT also upgraded its VERSO+ 10 computer to Intel's new quad-core processor to enhance performance. The VERSO+ 10 computer is unique with its compact form factor and high performance, which enable it to be mounted in tight spaces, like the operating cab of a mining vehicle or forklift. The VERSO+ 10 also comes with a Quicklock function, which allows users to easily move the computer between vehicles, remove it at the end of the day and facilitates servicing.

In addition to regular maintenance and upgrades, the development of a new platform for future products that was initiated in 2015 was intensified in 2016. The first product based on this platform will be presented to the market in 2017.

### *Market development*

Developments in the US have been positive, and order intake in the European market has also been strong, particularly from our major strategic customers, who converted to JLT's latest generation products during the year. Overall, the strong order intake indicates a successful launch and solid demand for JLT's products.

Most of the orders that JLT secured in 2016 were for replacements of outdated hardware among our customers. Since the recession of 2009, many customers have opted to extend the service life of their existing computer equipment as a way of deferring new investments. This equipment is now so

outdated that it must be replaced in order to be compatible with new software and current needs, which has created what is known as a refresh cycle in the market.

In 2015, JLT initiated a partnership with Navis, a leading supplier of terminal operating systems that are used by the world's premiere container terminal operators. This partnership is part of our market focus on the ports segments, which yielded multiple transactions with new port customers across the globe in 2016. This has also paved the way for recruiting new sales partners in the port segment in new geographical markets. For further information about these transactions, please refer to the press page on JLT's website.

### **Production**

During the first quarter, the plant of one of our Japanese suppliers suffered from a series of powerful earthquakes, which limited our access to certain components. As a result of excellent teamwork with our supplier and staying ahead of the curve in our production planning, the effects were limited and only a few customers were affected by delivery delays.

In order to meet the rapid growth in demand during the first half-year, we swiftly doubled the production capacity at our facilities in both Sweden and the US. With production under our own control within close proximity, JLT possesses a unique ability to quickly adapt to shifting business conditions, which is imperative since our operations are marked by fluctuating demand from quarter to quarter.

### **Press releases in 2016**

- 2016-02-01 JLT Article "The Internet of Big Things" Listed Among Top 20 Must-Read Technical Papers from 2014 and 2015 by Port Technology International
- 2016-03-04 JLT Mobile Computer's US company secured a major order valued at more than MSEK 9
- 2016-05-11 JLT Mobile Computers Selected by LTS Scale Company for Their Weighing Systems Virtual Indicator
- 2016-05-17 JLT Mobile Computers Introduces Global Sales Partner Program to Accelerate International Expansion
- 2016-06-09 JLT Mobile Computers Selected by Exolgan, the Leading Port Terminal in Argentina
- 2016-06-14 JLT Mobile Computers Selected by One of the Largest Container Ports in Scandinavia
- 2016-08-30 JLT Mobile Computers Selected by One of the Largest Transportation Service Providers in the World
- 2016-09-14 JLT Mobile Computers Ups Performance and Productivity of VERSO+ 10 Rugged Computer with Intel Bay Trail Power
- 2016-09-15 JLT Mobile Computers, Inc. Is Moving to New Facilities
- 2016-10-04 JLT Mobile Computers Inc. Receives 2016 Best of Tempe Award
- 2016-10-24 JLT Mobile Computers Selected by Leading International Port Operator ICTSI for Reliability in Extreme Environments
- 2016-12-07 JLT Mobile Computers Selected by DCT Gdansk, the Largest Container Facility in Poland
- 2016-12-21 JLT Mobile Computers Named to Food Logistics' 2016 List of Top Software and Technology Providers



## **Financial position and cash flow**

Cash flow amounted to a positive MSEK 10.4 (neg: 2.6), the Group's cash and cash equivalents amounted to MSEK 28.0 (17.6) on the balance-sheet date, and the Group's net indebtedness totaled MSEK -28.0 (-17.6), yielding a net cash balance.

The equity/assets ratio was 69 percent (63) and equity totaled MSEK 43.7 (33.3), following a dividend of MSEK 1.9.

Remuneration for the new share issue under the 2013 options program has been paid and had an impact of MSEK 1.7 on cash flow and equity.

The company holds no interest-bearing liabilities.

## **Parent Company**

The parent company performs services for the subsidiary and forwards these invoices. The parent company posted an operating loss of MSEK 2.4 (loss: 0.7).

## **The Group's tax status**

Remaining tax loss carryforwards at the end of the period totaled MSEK 9.1, which can be leveraged against future profits, of which MSEK 3.3 pertain to Swedish companies. Deferred tax assets were recognized in the amount of MSEK 0.8.

## **Accounting policies**

This interim report was prepared in accordance with the Swedish Accounting Standards Board's General Recommendation BFNAR 2007:1, Optional Interim Reporting. As of 2014, JLT applies the Annual Accounts Act and the Swedish Accounting Standards Board's regulatory framework K3, Annual Reports and consolidated financial statements.

This report has not been audited.

## **Dividend**

The Board proposes to the annual general meeting that a dividend for the 2016 fiscal year, pursuant to our dividend policy, be paid in the amount of SEK 0.15 per share (0.07).

## **The share**

A total of 18.8 million shares (14.4) were traded during the year, representing 67% of the total number of shares.

During the period, the number of shares increased by 950,000 through a new subscription under the 2013 options program. The total number of shares now stands at 27,902,000. An additional 1,000,000 options remain outstanding which mature in June 2018 at a subscription rate of SEK 3.17 per share.

The share traded at SEK 1.80 at the beginning of the year, and closed the period at SEK 4.86.

JLT's share is listed on the First North exchange, and Remium serves as its certified advisor.

## **Annual general meeting**

The annual general meeting will be held on Thursday, May 11<sup>th</sup>, at 4:00 pm at the PM & Vänner hotel in Växjö, Sweden.

## **Financial calendar for 2017**

Interim report for January-March 2017	May 11, 2017
Interim report for January-June 2017	August 11, 2017
Interim report for January-September 2017	October 20, 2017
Year-end report for 2017	February 9, 2018

Växjö, February 10, 2017

On behalf of the board: Per Holmberg, CEO

For further information:

Per Holmberg CEO

+46 470 - 53 03 00

Stefan Käck Executive Vice President / CFO

+46 470 - 53 03 21

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

## JLT Mobile Computers Group

Income statement, MSEK	2016 Q4	2015 Q4	2016	2015
<b>Net revenue</b>	<b>34.8</b>	<b>21.3</b>	<b>126.9</b>	<b>81.1</b>
<b>Operating expenses</b>				
Materials and supplies	-18.6	-12.8	-72.1	-44.9
Other external costs	-4.2	-2.2	-13.7	-10.9
Personnel costs	-7.3	-5.0	-27.0	-21.7
Depreciation	-0.2	-0.4	-1.1	-1.0
<b>Operating profit/loss</b>	<b>4.4</b>	<b>0.9</b>	<b>13.0</b>	<b>2.5</b>
Net financial items	0.2	-0.4	0.0	0.1
<b>Profit/loss after financial items</b>	<b>4.6</b>	<b>0.5</b>	<b>13.0</b>	<b>2.6</b>
Taxes	-0.8	-0.3	-2.3	-0.7
<b>Net profit/loss for the period</b>	<b>3.8</b>	<b>0.2</b>	<b>10.7</b>	<b>1.9</b>
Earnings/loss per share (SEK)	0.14	0.01	0.38	0.07
<b>Balance Sheet, MSEK</b>			2016 31 Dec	2015 31 Dec
<i>Assets</i>				
Intangible assets			4.6	3.0
Property, plant and equipment			1.0	1.3
Non-current financial assets			0.8	3.2
<b>Total non-current assets</b>			<b>6.5</b>	<b>7.4</b>
Inventories			17.6	16.2
Current receivables			11.6	12.0
Cash and cash equivalents			28.0	17.6
<b>Total current assets</b>			<b>57.2</b>	<b>45.7</b>
<b>Total assets</b>			<b>63.6</b>	<b>53.2</b>
<i>Equity and liabilities</i>				
Restricted equity			32.4	28.3
Retained earnings			11.3	5.1
<b>Total equity</b>			<b>43.7</b>	<b>33.3</b>
<b>Provisions</b>			-	-
<b>Long term liabilities</b>			-	-
<b>Current liabilities</b>			<b>19.9</b>	<b>19.9</b>
<b>Total equity and liabilities</b>			<b>63.6</b>	<b>53.2</b>



<b>Statement of cash flows, MSEK</b>	2016	2015
Cash flow resulting from current operations before changes in working capital	12.0	4.1
Change in working capital	-1.0	-3.5
<b>Operating activities</b>	<b>11.0</b>	<b>0.5</b>
<b>Investing activities</b>	<b>-0.5</b>	<b>-1.3</b>
<b>Financing activities</b>	<b>-0.2</b>	<b>-1.9</b>
<b>Cash Flow for the period</b>	<b>10.4</b>	<b>-2.6</b>
Cash and cash equivalents	28.0	17.6

<b>Statement of changes in equity, (MSEK)</b>	2016 31 Dec	2015 31 Dec
<b>Opening equity</b>	<b>33.3</b>	<b>33.3</b>
Profit/loss for the period	10.7	1.9
Translation differences	-0.2	0.0
New share issue	1.7	-
Dividend	-0.2	-1.9
<b>Closing equity</b>	<b>43.7</b>	<b>33.3</b>

<b>Key data</b>		2016	2015
EBITDA margin	%	11.1	4.4
Operating margin	%	10.2	3.1
Profit margin	%	10.3	3.2
Capital employed	MSEK	43.7	33.3
ROACE	%	34	9
Equity	MSEK	43.7	33.3
Return on equity	%	28	6
Net indebtedness	MSEK	-28.0	-17.6
Debt/equity ratio	%	69	63
Earnings/loss per share	SEK	0.38	0.07
Equity per share	SEK	1.57	1.24
Net debt per share	SEK	-1.00	-0.65
Closing market price of share	SEK	4.20	1.80
No. of shares outstanding	x 1.000	27,902	26,952