

Interim report January – March 2020

- Orders MSEK 29.0 (31.2)
- Net sales MSEK 26.7 (37.1)
- Operating result MSEK -0.9 (3.8)
- Result after taxes MSEK -0.6 (3.2)

CEO comments

The prevailing corona pandemic has had severe global consequences, and the world is not the same today as it used to be. The effects are having an impact on our lives as private individuals as well as professionals, and we are coming to terms with a new way of life. This has changed the preconditions for JLT as well, and during the first quarter of 2020, we have taken a set of precautionary measures to ensure stability throughout the corona crisis. The unsettled situation notwithstanding, we can now look back upon a number of successful efforts and activities.

In January, we launched a completely new brand identity and website, as part of our long-term strategy to transform from a traditional hardware supplier to a partner that supplies our customers with a greater part of their demand for stable IT solutions. Today, we offer the best combination of hardware, software, services and solutions.

Later on in the quarter we also participated in the MODEX 2020 trade fair in Atlanta, the largest logistics trade show of the year in the US. A number of new partnerships were announced in advance of the fair, primarily within software solutions, which are important for the strategy to complement our offering and adapt it to our customers' specific demands. We expanded our existing cooperation with Winmate and now have an exclusive right to distribute their mobile computers on the US market. Furthermore, we strengthened our own product portfolio and launched the novel ultra-compact JLT1014P computer, a smaller version of our best-seller, the JLT1214P. The new computer is the smallest vehicle-mounted 10-inch computer on the market, and is perfectly suited for use in limited spaces, such as a cramped driver's cabin of a warehouse truck.

At the same time, the quarter has been characterized by the corona pandemic and its effects; several planned customer activities have been cancelled and the management of our relationships with new customers has been severely hampered by the travel and physical meeting restrictions in place. Towards the end of the quarter, some customers postponed their orders which impacted the result. Looking at the quarter as a whole, the order intake did not drop substantially, however, and it ended at MSEK 29 compared with MSEK 31 for the corresponding period the previous year. Invoicing totaled MSEK 27 compared with MSEK 37 in the preceding year. The full impact of the corona crisis is still to be seen, though, since the purchases of JLT's products usually take place in the latter stages of customers' project cycles.

A number of proactive efforts and cost savings have now laid the foundations for JLT to overcome the unpredictable market situation and to gear up quickly as soon as the situation improves. We are concerned about the well-being of our staff and provide for possibilities to work from home. We are reducing the risk of supply disruptions by increasing the stocks of key components and finished products. We are reducing our costs through a reprioritization of development projects and market activities, reduced working hours and, to some extent, staff reductions. At the same time, I, like the rest of the executive management team, have decided to cut our salaries by 10 percent.

JLT has a solid financial position and a strong net liquid position, which allows us to continue to pursue our most important future-oriented development projects and sustain an acceptable level of marketing activities. This way, we are putting ourselves in a position where we can stand firm through the crisis and be ready to accelerate when the market conditions turn.

Per Holmberg, CEO

The Group's net sales and result for the period January to March 2020

For the period, the group reported net sales amounting to MSEK 26.7 (37.1). The gross profit amounted to MSEK 13.2 (15.5), and the gross margin to 49.4 percent (41.7).

Operating expenses totaled MSEK 13.7 (11.1), of which other costs accounted for MSEK 4.2 (3.3). Personnel costs totaled MSEK 9.5 (7.8).

EBITDA for the period amounted to MSEK -0.5 (4.3).

Depreciation/amortization amounted to MSEK 0.4 (0.5) for the year, of which development expenditures were MSEK 0.3 (0.3) and goodwill MSEK 0.0 (0.1).

The Group's operating result amounted to MSEK -0.9 (3.8).

The net financial result amounted to MSEK 0.0 (0.4), leading to an MSEK -0.9 (4.2) profit before tax.

Fixed taxes for the Group totaling MSEK 0.3 (1.0) led to a profit after tax of MSEK -0.6 (3.2).

Order intake during the period amounted to MSEK 29.0 (31.2), and the order backlog at the end of the period amounted to MSEK 14.2 (18.3).



Income statement, MSEK	Q1 2020	Q1 2019	2019, year
Net sales	26.7	37.1	141.7
Gross profit	13.2	15.5	65.3
- Gross margin	49.4%	41.7%	46.1%
Sales and marketing costs	-7.1	-5.5	-23.9
Organizational costs and R&D	-6.6	-5.6	-25.5
EBITDA	-0.5	4.3	16.0
- EBITDA margin	-1.9%	11.7%	11.3%
Depreciation	-0.4	-0.5	-2.3
Of which:			
- Tangible fixed assets	-0.1	-0.1	-0.3
- Development costs	-0.3	-0.3	-1.2
- Goodwill	0.0	-0.1	-0.8
Operating profit	-0.9	3.8	13.6
- Operating margin	-3.3%	10.3%	9.6%

Comments on the result for the first quarter

The relative margin is higher on the offset result from service contracts than on product sales. As net sales decrease, the offset result from service contracts makes up a higher proportion, which partly explains the improved margins for the quarter. The weak Swedish krona contributes as well.

The Company's overhead increased during the first quarter, in part due to currency effects but primarily due to an expansion of sales and marketing resources in an effort to promote growth. As the COVID-19

impact became apparent during the first quarter, most of these measures have been withdrawn and staff reductions have been implemented, which will have effect as from the second quarter.

The company's goodwill stems from the acquisition of the US operations in 2014 and is fully amortized.

The global market decline in financial instruments has impacted JLT's investments during the first quarter, but this is offset by the strengthening of USD denominated holdings against the SEK.

Financial position and cash flow

Cash flow amounted to MSEK 2.3 (6.2). The Group's cash and cash equivalents amounted to MSEK 50.2 (50.1) on the balance sheet date. The net liquid position of MSEK 50 is basically equivalent to the total operating costs of the company excluding cost of goods sold for 2019.

The solidity was 62 percent (61), and the equity amounted to MSEK 58.9 (57.3).

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.

Parent Company

The parent company performs services for the subsidiary and pass on the expenses. The operating result amounted to MSEK -1.6 (-0.4).

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.

Dividend policy

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial year 2019, taking the development of the coronavirus impact into account. The dividend for the preceding year was SEK 0.22 per share, of which 0.07 was extra dividend.

The share

In total, 2.5 million shares (2.8) have been traded during the year, corresponding to 9 percent of the total number of shares outstanding.

The share price was SEK 7.18 at the beginning of the period and SEK 5.00 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.

Eminova Fondkommission AB
+46 (0)8 – 684 211 00
info@eminova.se



Report dates 2020

Interim Report Jan - Jun 2020	August 13, 2020
Interim Report Jan - Sept 2020	October 23, 2020
Year-end Report 2020	February 10, 2021

Växjö, May 6, 2020

On behalf of the Board of directors: Per Holmberg, CEO

For additional information:

Per Holmberg CEO +46 70 – 361 3934

Stefan Käck VP / CFO +46 70 – 531 0057

www.jltmobile.com

Interim reports: www.jltmobile.com/investor-relations/

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 1:00 pm CET on May 6, 2020.

Consolidated accounts*

Income statement, MSEK	Q1 2020	Q1 2019	2019, year
Total operating income	26.7	37.1	141.7
Operating costs			
Goods for resale	-13.5	-21.6	-76.4
Other external charges	-4.2	-3.3	-18.0
Personnel costs	-9.5	-7.8	-31.3
Depreciation/amortization	-0.4	-0.5	-2.3
Operating profit	-0.9	3.8	13.6
Net financial result	0.0	0.4	0.3
Profit after financial items	-0.9	4.2	13.9
Taxes	0.3	-1.0	-3.0
Profit/loss for the period	-0.6	3.2	10.9
Earnings per share (SEK)	-0.02	0.11	0.38
Diluted earnings per share (SEK)	-0.02	0.11	0.37
	2020	2019	2019
	31 Mar	31 Mar	31 Dec
Balance sheet, MSEK			
Assets			
Intangible fixed assets	2.6	4.1	2.6
Tangible fixed assets	0.6	0.5	0.6
Financial fixed assets	0.2	0.2	0.1
Total fixed assets	3.4	4.8	3.3
Inventories	22.3	17.5	19.3
Current receivables	19.6	21.2	26.2
Cash, cash equivalents and financial investments	50.2	50.1	47.9
Total current assets	92.1	88.7	93.4
Total assets	95.4	93.5	96.7
Equity, provisions and liabilities			
Share capital	28.6	28.6	28.6
Restricted equity	6.0	6.7	5.9
Retained result	24.4	22.1	24.2
Total equity	58.9	57.3	58.6
Provisions	1.9	2.0	2.0
Current liabilities	34.7	34.2	36.0
Total equity, provisions and liabilities	95.4	93.5	96.7

* Mathematical round-off

Cash flow statement, MSEK	Q1 2020	Q1 2019	2019, year
Cash flow from operating activities before change in working capital	-2.0	4.1	12.6
Change in working capital	4.7	2.1	-2.8
Operating activities	2.7	6.2	9.7
Investing activities less short-term deposits	-0.4	0.0	0.1
Financing activities	0.0	0.0	-6.3
Cash flow for the year less short-term deposits	2.3	6.2	3.5
Cash flow for the year, including short-term deposits	2.3	6.2	-1.5
Cash and cash equivalents, including short-term deposits	50.2	50.1	47.9
Net indebtedness*	-50.2	-50.1	-47.9

Changes in equity, (MSEK)	Q1 2020	Q1 2019	2019, year
Opening balance equity	58.6	54.1	54.1
Profit/loss for the period	-0.6	3.2	10.9
Translation differences	0.9	0.0	-0.2
Dividend	0.0	0.0	-6.3
Closing balance equity	58.9	57.3	58.6

Indicators		Q1 2020	Q1 2019	2019, year
EBITDA margin	%	-1.9	11.7	11.3
Operating margin	%	-3.3	10.3	9.6
Profit margin	%	-3.3	11.4	9.8
Capital employed	MSEK	58.9	57.3	58.6
Return on capital employed	%	-6	32	24
Equity	MSEK	58.9	57.3	58.6
Return on equity	%	-4	24	19
Net indebtedness*	MSEK	-50.2	-50.1	-47.8
Leverage	times	0	0	0
Solidity	%	62	61	61
Earnings per share	SEK	-0.02	0.11	0.38
Equity per share	SEK	2.06	2.01	2.05
Net indebtedness per share*	SEK	-1.76	-1.75	-1.67
Last recorded share price during the period	SEK	5.00	6.13	7.08
Number of shares outstanding	.000 shares	28,552	28,552	28,552
Average number of shares outstanding	.000 shares	28,552	28,552	28,552
Number of shares outstanding after dilution	.000 shares	29,752	29,752	29,752

* Negative value = net cash balance