

# Interim report January – June 2022

- Order intake MSEK 85.2 (83.1)
- Net sales MSEK 89.9 (65.7)
- Operating profit MSEK 3.5 (5.5)
- Profit after taxes MSEK 2.6 (4.6)

## CEO comments

### Continued strong order intake

Order intake for the quarter ended at MSEK 45 (55), a decrease compared to the record second quarter of 2021, but an increase of 3% seen for the entire first half of the year compared to the corresponding period previous year. Geographically speaking, order intake has been evenly distributed between our two main regions America and EMEA.

### Increased turnover despite ongoing component shortages but squeezed gross margin

Turnover for the quarter increased by 18% compared to the previous year and ended at MSEK 43 (36).

By giving customer commitments and deliveries the highest priority, we maintain a good invoicing level despite the ongoing component shortage, and we experience that with this strategy we are gaining market shares. However, this prioritization entails increased component and procurement costs.

A significant proportion of the turnover during the quarter comes from two large project deals (announced [Nov 17, 2021](#) and [Dec 10, 2021](#)) where, due to fierce competition and the strategic importance of the deals, we chose to go with a lower margin than usual. Worth noting is that a majority of the computers included in these deals have been sold with multi-year service agreements, which has a positive effect on the gross margin in the coming years. This ensures future income as the service agreements are recognized as income over several years.

Overall, the gross margin during the quarter has decreased to 39%, to be compared with 42% in the same period last year. We currently assess that the component shortage will continue to be a major challenge at least for the rest of the year.

### Increased marketing activities generate new customer prospects

After the Covid related restrictions eased, we have had the opportunity to increase our market activities. Among other things, we have participated in several large fairs since the turn of the year, which has generated new customer prospects and business opportunities that we are now processing.

### The investment in software solutions and the establishment of JLT France continues

Last year, we intensified our strategic investment in software solutions and increased service offering through the establishment of JLT Software Solutions AB. The aim is to gradually expand our revenue sources and create competitive advantages by complementing our core products with both installed software and cloud-based solutions. As planned, we expect to launch the first products in the second half of the year.

Also, the work to integrate our French sales partner acquired earlier this year (announced [Jan 11, 2022](#)) into the newly started company JLT France is progressing with revenues as expected. With a wholly owned subsidiary, we strengthen our local presence and the conditions for expanding operations in France are improved.

Per Holmberg, CEO

## The Group's net sales and result for the period January to June 2022

For the period, the Group reported net sales of MSEK 89.9 (65.7), an increase of 37 percent. The gross profit amounted to MSEK 34.0 (27.8) and the gross margin to 37.8 percent (42.3).

Operating expenses totaled MSEK 29.6 (24.0), of which other costs accounted for MSEK 10.3 (7.9). Personnel costs totaled MSEK 19.3 (16.0).

EBITDA for the period amounted to MSEK 5.0 (6.0).

Depreciation/amortization amounted to MSEK 1.5 (0.4) during the period, of which development expenditures were MSEK 1.1 (0.3), tangible fixed assets MSEK 0.2 (0.1), and goodwill MSEK 0.2 (0.0).

The Group's operating profit amounted to MSEK 3.5 (5.5), the operating profit last year included a Covid related state subsidy to our American company of MSEK 2.1.

The net financial result amounted to MSEK -0.4 (0.4), leading to an MSEK 3.1 (5.9) profit before tax.

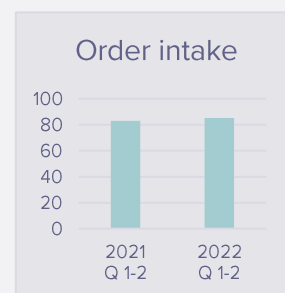
Fixed taxes for the Group totaling MSEK 0.6 (1.3), led to a profit after tax of MSEK 2.6 (4.6).

During the period, development costs totaling MSEK 2.3 (2.3) were capitalized, MSEK 0.6 (0.1) of which internally generated. The entire capitalized amount of MSEK 2.3 during the period refers to JLT Software Solutions AB.

The development of complementary software solutions within the subsidiary JLT Software Solutions continues and affected the Group's results during the period by MSEK -1.5 (-0.8).

Order intake during the period amounted to MSEK 85.2 (83.1), and the order backlog at the end of the period amounted to MSEK 48.8 (34.2).

Prepaid service agreements recognized as liability totaled MSEK 20.8 (13.3).



Income statement, MSEK	2022 Q2	2021 Q2	2022 Q1-2	2021 Q1-2
<b>Net revenues</b>	<b>43,0</b>	<b>36,3</b>	<b>89,9</b>	<b>65,7</b>
<b>Other operating income</b>	<b>0,0</b>	<b>2,1</b>	<b>0,0</b>	<b>2,1</b>
<b>Capitalized work on own account</b>	<b>0,3</b>	<b>0,0</b>	<b>0,6</b>	<b>0,1</b>
<b>Gross profit</b>	<b>16,7</b>	<b>15,1</b>	<b>34,0</b>	<b>27,8</b>
- Gross margin	38,8%	41,7%	37,8%	42,3%
<b>Sales &amp; marketing costs</b>	<b>-7,6</b>	<b>-5,3</b>	<b>-15,9</b>	<b>-10,4</b>
<b>Overhead and R&amp;D costs</b>	<b>-8,3</b>	<b>-8,2</b>	<b>-13,7</b>	<b>-13,6</b>
<b>EBITDA</b>	<b>1,1</b>	<b>3,7</b>	<b>5,0</b>	<b>6,0</b>
<b>Depreciation</b>	<b>-0,7</b>	<b>-0,2</b>	<b>-1,5</b>	<b>-0,4</b>
Of which:				
- Property, plants and equipment	-0,1	-0,1	-0,2	-0,1
- Intangible fixed assets	-0,6	-0,2	-1,1	-0,3
- Goodwill	-0,1	0,0	-0,2	0,0
<b>Operating profit/loss</b>	<b>0,3</b>	<b>3,5</b>	<b>3,5</b>	<b>5,5</b>
- Operating margin	0,7%	9,2%	3,9%	8,2%

## Comments on the result for the second quarter

The Group's turnover increased by 18 percent during the second quarter compared to the same period last year. During the quarter, we delivered and invoiced some larger deals with a lower gross margin. In addition, extra costs in the logistics chain that arose due to the global component shortage have negatively affected the gross margin. The gross margin for the quarter amounted to 38.8 percent (41.7).

Sales and marketing costs have increased compared to the same period last year, which in addition to currency effects, is due to several factors.

- From the turn of the year, the French operations are consolidated in the result
- Marketing efforts with new recruitments
- Increased sales costs as a result of increased turnover
- Eased corona restrictions

As the Covid related restrictions have been lifted in many countries, travel and participation in fairs, conferences and other events have increased and affected sales and marketing costs. We see positive effects from our increased presence at fairs and events as well as the investments we have made within the marketing department.

Of the cost increase in the second quarter, currency effects account for approximately a third.

Order intake during the second quarter amounted to MSEK 45.4 (55.0).

## Financial position and cash flow

Cash flow amounted to MSEK -18.9 (-11.4) after dividend of MSEK 7.8 (7.7). The Group's cash and cash equivalents amounted to MSEK 21.2 (38.7) on the balance sheet date. The cash flow is affected by continued inventory build-up to ensure deliveries, investments in software development and the acquisition of our sales partner in France.

During the end of the period, we had some larger deliveries which has affected the increase in short-term receivables.

The solidity was 56 percent (64) and the equity amounted to MSEK 57.1 (57.0).

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 -3.0 (-2.2).

## Accounting principles

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, 3.4 million shares (2.7) have been traded during the period, corresponding to 12 percent of the total number of shares outstanding.

The share price was SEK 7.58 at the beginning of the period and SEK 6.26 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 Adviser.

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## Report dates 2022

Interim Report Jan - Sept 2022	October 21, 2022
Year-end Report 2022	February 10, 2023

Växjö, August 11, 2022

On behalf of the Board of directors:

Per Holmberg, CEO

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Or visit the company's website, [www.jltmobile.com](http://www.jltmobile.com).

Interim reports and other financial information can be found at <https://jltmobile.com/investor-relations/>.

*This information is information that JLT Mobile Computers AB (pub) 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 pm CET on Thursday, August 11, 2022.*

*This report in English is a translation of the Swedish original and has not been separately audited, any information regarding auditing thus refers to the Swedish original.*

## Group accounts

<b>Income statement, MSEK</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>Q2</b>	<b>Q2</b>	<b>Q1-2</b>	<b>Q1-2</b>	<b>Year</b>
<b>Net revenue</b>	<b>43.3</b>	<b>38.4</b>	<b>90.6</b>	<b>67.9</b>	<b>138.5</b>
<b>Operating expenses</b>					
Materials and supplies	-26.3	-21.2	-56.0	-37.9	-78.8
Other external costs	-5.7	-4.4	-10.3	-7.9	-16.0
Personnel costs	-10.2	-9.1	-19.3	-16.0	-33.3
Depreciation	-0.7	-0.2	-1.5	-0.4	-0.9
<b>Operating profit/loss</b>	<b>0.3</b>	<b>3.5</b>	<b>3.5</b>	<b>5.5</b>	<b>9.5</b>
Net financial items	-0.2	0.2	-0.4	0.4	0.3
<b>Profit/loss after financial items</b>	<b>0.2</b>	<b>3.7</b>	<b>3.1</b>	<b>5.9</b>	<b>9.8</b>
Taxes	-0.1	-0.8	-0.6	-1.3	-2.4
<b>Net profit/loss for the period</b>	<b>0.1</b>	<b>2.9</b>	<b>2.6</b>	<b>4.6</b>	<b>7.3</b>
Earnings/loss per share (SEK)	0.00	0.10	0.09	0.16	0.26
<b>Balance sheet, MSEK</b>			<b>2022</b>	<b>2021</b>	<b>2021</b>
			<b>30 June</b>	<b>30 June</b>	<b>31 Dec</b>
<b>Assets</b>					
Intangible assets			10.2	5.4	6.8
Property, plant and equipment			1.2	1.4	1.2
Non-current financial assets			0.3	0.2	0.3
<b>Total non-current assets</b>			<b>11.7</b>	<b>7.0</b>	<b>8.3</b>
Inventories			30.1	16.6	26.9
Current receivables			39.7	26.6	27.2
Cash and cash equivalents			21.2	38.7	40.1
<b>Total current assets</b>			<b>91.0</b>	<b>81.8</b>	<b>94.3</b>
<b>Total assets</b>			<b>102.7</b>	<b>88.8</b>	<b>102.6</b>
<b>Equity and liabilities</b>					
Share capital			28.7	28.6	28.6
Restricted equity			12.6	8.9	10.3
Retained earnings			15.8	19.6	21.2
<b>Total equity</b>			<b>57.1</b>	<b>57.0</b>	<b>60.0</b>
<b>Provisions</b>			<b>1.6</b>	<b>1.7</b>	<b>1.6</b>
<b>Long term liabilities</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>			<b>44.0</b>	<b>30.1</b>	<b>41.0</b>
<b>Total equity and liabilities</b>			<b>102.7</b>	<b>88.8</b>	<b>102.6</b>

<b>Statement of cash flows, MSEK</b>	<b>2022 Q1-2</b>	<b>2021 Q1-2</b>	<b>2021 Year</b>
Cash flow resulting from current operations before changes in working capital	4.3	5.0	9.1
Change in working capital	-12.1	-6.3	-7.2
<b>Operating activities</b>	<b>-7.8</b>	<b>-1.3</b>	<b>2.0</b>
<b>Investing activities</b>	<b>-4.7</b>	<b>-2.5</b>	<b>-4.3</b>
<b>Financing activities</b>	<b>-6.4</b>	<b>-7.7</b>	<b>-7.7</b>
<b>Cash flow for the period</b>	<b>-18.9</b>	<b>-11.4</b>	<b>-10.0</b>
Cash and cash equivalents	21.2	38.7	40.1

<b>Statement of changes in equity, MSEK</b>	<b>2022 Q1-2</b>	<b>2021 Q1-2</b>	<b>2021 Year</b>
<b>Opening equity</b>	<b>60.0</b>	<b>60.0</b>	<b>60,0</b>
Profit/loss for the period	2.6	4.6	7.3
Translation differences	1.0	0.1	0.4
New share issue	1.3	0.0	0,0
Dividend	-7.8	-7.7	-7,7
<b>Closing equity</b>	<b>57.1</b>	<b>57.0</b>	<b>60,0</b>

<b>Key data</b>		<b>2022 Q1-2</b>	<b>2021 Q1-2</b>	<b>2021 Year</b>
EBITDA margin	%	5.5	8.8	7.5
Operating margin	%	3.9	8.2	6.8
Profit margin	%	3.5	8.8	7.0
Capital employed	MSEK	57.1	57.0	60.0
ROACE	%	11	20	16
Equity	MSEK	57.1	57.0	60.0
Return on equity	%	9	16	12
Net indebtedness includ. short-term deposits	MSEK	-21.2	-38.7	-40.1
Debt/equity ratio	%	56	64	59
Earnings/loss per share	SEK	0.09	0.16	0.26
Equity per share	SEK	1.99	2.00	2.10
Net debt per share	SEK	-0.74	-1.35	-1.41
Closing market price of share	SEK	6.26	5.30	7.35
No. of shares outstanding	x1,000	28,712	28,552	28,552