

JLT Mobile Computers AB (publ)

Interim report January–September 2022

- Order intake MSEK 112.5 (117.9)
- Net sales MSEK 126.0 (99.0)
- Operating profit MSEK 5.1 (7.9)
- Profit after taxes MSEK 3.8 (6.6)

CEO comments

High total turnover for the three first quarters of the year

Turnover for the quarter is slightly higher than the corresponding period last year and ends at MSEK 36 (33), positively affected by the dollar rate. So far this year, total turnover thus amounts to MSEK 126, a growth of 27% compared to the three first quarters of 2021 – a feat given the prevailing component shortage that has made it very difficult for many colleagues in the industry to deliver. Throughout, we have managed to maintain a good invoicing level despite the challenges the component situation entails, and we feel that through this we have gained market share. We expect the component shortage on the market to continue to be a challenge in the fourth quarter.

Gross margin in the quarter ended at 41% (43), negatively impacted by the increased component costs. To compensate for the increased component costs, JLT, like many in the industry, has raised the prices for new business. A large part of the third quarter's invoicing and the next quarter's estimated invoicing were booked before the price increases came into force, which is why these are expected to have an effect starting in 2023.

The value of prepaid service agreements has over the last year increased from MSEK 14 to MSEK 24, which will result in future income during the contract period. For more than half of all delivered units in 2022, customers have chosen to sign service agreement, which is a record and in line with our long-term growth strategy of complementing the product range with value-adding services.

Order intake for the third quarter ended at MSEK 27. This is after an adjustment for a deal taken before the quarter where the delivery cannot be completed due to a constituent component no longer being available ("end-of-life"). We are working on an alternative solution with the customer but have in accordance with the precautionary principle chosen to exclude the entire deal from the quarter's reported order intake and outgoing order backlog. The total value of orders actually booked during the third quarter is on par with previous year. Older components being taken out of production have become more common under the current situation on the component market.

Development of JLT France is progressing according to plan with a newly appointed Sales Director

Through the wholly owned subsidiary JLT France which was established earlier this year (announced Jan 11, 2022), the development of the business in France is progressing according to plan. We have now appointed a new Sales Director with more than 20 years of relevant experience and a background in IT, sales and marketing. The focus is primarily on developing the existing customer portfolio, expanding operations to more of the markets that are part of JLT's global target segment, and setting a strategic foundation for establishing the French subsidiary as a hub for JLT's operations throughout Southern Europe.

First version of new software soon ready to be launched

JLT Software Solutions is now entering the final phase of completing the first version of our commercial software. The release is planned to take place during the year.

Appointed as one of this year's Top Food Chain Technology providers

In September, JLT was recognized as one of 2022 "Top Food Chain Technology" providers (announced Sept 1, 2022). An honorable award and proof that our products and services are appreciated within the food industry, which is one of our target segments.

Per Holmberg, CEO

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

For the period, the Group reported net sales of MSEK 126.0 (99.0), an increase of 27 percent. The gross profit amounted to MSEK 48.6 (42.2) and the gross margin to 38.6 percent (42.6).

Operating expenses totaled MSEK 42.1 (35.8), of which other costs accounted for MSEK 14.5 (11.8). Personnel costs totaled MSEK 27.6 (24.0).

EBITDA for the period amounted to MSEK 7.4 (8.6).

Depreciation/amortization amounted to MSEK 2.2 (0.7) during the period, of which development expenditures were MSEK 1.7 (0.5), tangible fixed assets MSEK 0.2 (0.2) and goodwill MSEK 0.3 (0.0).

The Group's operating profit amounted to MSEK 5.1 (7.9), the operating profit last year included a Covid related state subsidy to our American company of MSEK 2.1.

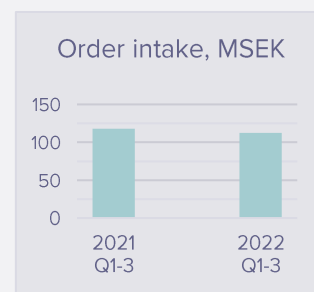
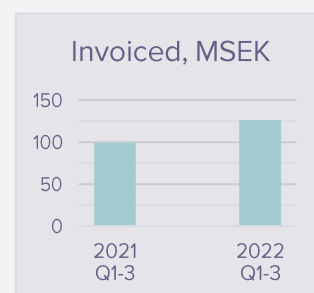
The net financial result amounted to MSEK -0.4 (0.4), leading to an MSEK 4.8 (8.4) profit before tax.

Fixed taxes for the Group totaling MSEK 1.0 (1.8), led to a profit after tax of MSEK 3.8 (6.6).

During the period, development costs totaling MSEK 3.4 (2.7) were capitalized, of which MSEK 0.8 (0.1) internally generated. The full capitalized amount of MSEK 3.4 during the period refers to JLT Software Solutions AB.

Order intake during the period amounted to MSEK 112.5 (117.9), and the order backlog at the end of the period amounted to MSEK 39.8 (35.7).

Prepaid service agreements recognized as liability totaled MSEK 24.2 (14.4).



Income statement JLT Group, MSEK	2022 Q3	2021 Q3	2022 Q1-3	2021 Q1-3	2021 Year
Net revenue	36.1	33.3	126.0	99.0	136.2
Gross profit	14.6	14.4	48.6	42.2	57.4
- Gross margin	40.5%	43.3%	38.6%	42.6%	42.1%
Other income	0.2	0.0	0.8	2.2	2.4
Of which:					
- Other operating income	0.0	0.0	0.0	2.1	2.1
- Capitalized work on own account	0.2	0.0	0.8	0.1	0.2
Sales and marketing costs	-6.0	-5.1	-21.9	-15.5	-23.3
Overhead and R&D costs	-6.4	-6.7	-20.2	-20.3	-26.0
EBITDA	2.4	2.6	7.4	8.6	10.4
- EBITDA margin	6.5%	7.9%	5.8%	8.5%	7.5%
Depreciation	-0.7	-0.2	-2.2	-0.7	-0.9
Of which:					
- Property, plants and equipment	-0.1	-0.1	-0.2	-0.2	-0.3
- Intangible fixed assets	-0.6	-0.2	-1.7	-0.5	-0.7
- Goodwill	-0.1	0.0	-0.3	0.0	0.0
Operating profit/loss	1.6	2.4	5.1	7.9	9.5
- Operating margin	4.5%	7.2%	4.0%	7.8%	6.8%

Comments on the result for the third quarter

The Group's turnover increased by 8 percent during the third quarter compared to the same period last year. The gross margin for the quarter amounted to 40.5 percent (43.3). This quarter again there have been extra costs in the logistics chain due to the global component shortage which has impacted on the gross margin negatively.

Sales and marketing costs have increased compared to the corresponding period of last year, in addition to currency impact this can mainly be derived from two things. Partly, that JLT's operations in France since the beginning of the year have been consolidated in the result through the acquisition of the French sales partner and the establishment of JLT France at the beginning of the year, and that the turnover is higher which brings higher sales costs.

Order intake during the third quarter amounted to MSEK 27.3 (34.8).

Financial position and cash flow

Cash flow amounted to MSEK -12.2 (-2.5) after dividend of MSEK 7.8 (7.7). The Group's cash and cash equivalents amounted to MSEK 27.9 (47.6) 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.

The solidity was 55 percent (64), and the equity amounted to MSEK 59.4 (59.3).

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 -4.0 (-3.9).

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, 4.1 million shares (4.8) have been traded during the period, corresponding to 14 percent of the total number of shares outstanding. The share price was SEK 7.58 at the beginning of the period and SEK 5.22 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

Year-end Report 2022

February 10, 2023

Växjö, October 21, 2022

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Previous reports can be found at jltmobile.com/investor-relations/reports-and-presentations/.

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 am CET on Friday, October 21, 2023.

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.

The Group's accounts*

	2022 Q3	2021 Q3	2022 Q1-3	2021 Q1-3	2021 Year
Income statement, MSEK					
Net revenue	36.3	33.3	126.9	101.2	138.5
Operating expenses					
Materials and supplies	-21.5	-18.9	-77.4	-56.8	-78.8
Other external costs	-4.2	-3.9	-14.5	-11.8	-16.0
Personnel costs	-8.3	-7.9	-27.6	-24.0	-33.3
Depreciation	-0.7	-0.2	-2.2	-0.7	-0.9
Operating profit/loss	1.6	2.4	5.1	7.9	9.5
Net financial items	0.0	0.0	-0.4	0.4	0.3
Profit/loss after financial items	1.6	2.4	4.8	8.4	9.8
Taxes	-0.4	-0.5	-1.0	-1.8	-2.4
Net profit/loss for the period	1.2	1.9	3.8	6.6	7.3
Earnings/loss per share (SEK)	0.04	0.07	0.13	0.23	0.26
			2022	2021	2021
Balance sheet, MSEK			30 Sep	30 Sep	31 Dec
Assets					
Intangible assets			10.6	5.7	6.8
Property, plant and equipment			1.1	1.3	1.2
Non-current financial assets			0.3	0.4	0.3
Total non-current assets			12.0	7.4	8.3
Inventories			37.2	17.8	26.9
Current receivables			31.6	20.0	27.2
Cash and cash equivalents			27.9	47.6	40.1
Total current assets			96.7	85.5	94.3
Total assets			108.7	92.8	102.6
Equity and liabilities					
Share capital			28.7	28.6	28.6
Restricted equity			13.1	8.9	10.3
Retained earnings			17.5	21.8	21.2
Total equity			59.4	59.3	60.0
Provisions			1.6	1.7	1.6
Current liabilities			47.8	31.8	41.0
Total equity and liabilities			108.7	92.8	102.6

* Mathematical rounding

Statement of cashflows, MSEK	2022 Q1-3	2021 Q1-3	2021 Year
Cash flow resulting from current operations before changes in working capital	6.5	7.8	9.1
Changes in working capital	-6.5	0.4	-7.2
Operating activities	0.0	8.1	2.0
Investing activities	-5.8	-2.9	-4.3
Financing activities	-6.4	-7.7	-7.7
Cash flow for the period	-12.2	-2.5	-10.0
Cash and cash equivalents	27.9	47.6	40.1
Net debt*	-27.9	-47.6	-40.1

Statement of changes in equity, MSEK	2022 Q1-3	2021 Q1-3	2021 Year
Opening equity	60.0	60.0	60.0
Profit/loss for the period	3.8	6.6	7.3
Translation differences	2.0	0.4	0.4
New share issue	1.3	0.0	0.0
Dividend	-7.8	-7.7	-7.7
Closing equity	59.4	59.3	60.0

Key data		2022 Q1-3	2021 Q1-3	2021 Year
EBITDA margin	%	5.8	8.5	7.5
Operating margin	%	4.0	7.8	6.8
Profit margin	%	3.8	8.3	7.0
Capital employed	MSEK	59.4	59.3	60.0
ROACE	%	11	19	16
Equity	MSEK	59.4	59.3	60.0
Return on equity	%	9	15	12
Net indebtedness including short-term deposits*	MSEK	-27.9	-47.6	-40.1
Debt/equity ratio	%	55	64	59
Earnings/loss per share	SEK	0.13	0.23	0.26
Equity per share	SEK	2.07	2.08	2.10
Net debt per share*	SEK	-0.97	-1.67	-1.41
Closing market price of share	SEK	5.22	6.47	7.35
Number of shares outstanding	x1,000	28,712	28,552	28,552
Average number of outstanding shares	x1,000	28,632	28,552	28,552
Number of shares outstanding after full dilution	x1,000	29,712	29,552	29,552

* Negative value = net cash