

Interim report January–June 2023

- Order intake MSEK 55.0 (85.2)
- Net sales MSEK 87.6 (89.9)
- Operating profit MSEK 0.0 (3.5)
- Profit after taxes MSEK 0.1 (2.6)

CEO comments

Correction in the market and customer restraint

Over the past two years, the market has been characterized by a global component shortage, leading to significantly longer delivery times for customers. To safeguard against this, customers have placed new orders well in advance, which, in turn, has driven up the demand. The prevailing market sentiment is that the component shortage is now over, and more normal lead times are expected. As a result, customers are no longer placing their orders that long in advance, which is negatively impacting order intake, additionally they are being cautious with new purchases and slowing down deployment due to uncertainty surrounding the economic outlook. This slowdown is also reflected in half-yearly reports from other leading companies in the industry.

The altered market conditions have affected JLT's semi-annual results. Primarily, our American subsidiary has experienced reduced demand and lower customer investment rates, particularly within the transportation and logistics segments. For the group, order intake concluded at MSEK 55 compared to MSEK 85 in the corresponding period the previous year.

Continued investments in sales and product development

With the aim of developing the important French market, we acquired our French sales partner in January 2022, establishing the wholly owned subsidiary, JLT France. The development has progressed as planned; during the second half of 2022, we recruited an experienced sales manager, and in the first half of 2023, order intake for JLT France increased by over 30% compared to the same period the previous year.

In May 2023, we acquired a 33% stake in our Australian sales partner, Control Synergy, which has been a distributor of JLT's products for 20 years ([press release 2023-05-26](#)). Through this acquisition, we are creating opportunities for increased growth in Australia, and eventually in the rest of the APAC region.

During the period, we also strengthened our sales organization with a new sales representative for the Nordics.

Our efforts to complement and expand our product offering with new software solutions continue. We are currently rolling out JLT Insights™, a Business Intelligence solution (BI) that enables more efficient workflows for customers and minimizes downtime. The software is sold as a Software as a Service (SaaS) solution, and our focus now is to build a user base to further develop the solution.

In June, we introduced the latest version of the JLT6012 computer to potential port customers at the TOC Europe exhibition in Rotterdam. The JLT6012 is the market's first permanently mounted forklift computer with 5G communication ([press release 2023-06-06](#)). We have seen growing interest in 5G within the port segment, where they want to leverage the new generation of broadband technology to increase capacity.

Organizational changes for improved profitability

During the period, we implemented organizational changes to streamline our global operations. The costs of these changes were incurred in the second quarter, and we expect them to result in reduced costs already in the second half of the year.

Well positioned for the current market landscape and future recovery

Our assessment is that the order intake we have witnessed during the period is a result of current economic macro conditions. We have taken actions to drive sales and improve profitability. With leading products in the market and stable finances, we believe that JLT is well positioned for the current market landscape and future recovery. As our target markets rebound, we expect to be able to increase growth and enhance profitability.

Per Holmberg, CEO

The Group's net sales and result for the period January to June 2023

For the period, the Group reported net sales of MSEK 87.6 (89.9), a decrease of 3 percent. The gross profit amounted to MSEK 34.7 (34.0) and the gross margin to 39.6 percent (37.8).

Operating expenses totaled MSEK 33.9 (29.6), of which other costs accounted for MSEK 13.1 (10.3). Personnel costs totaled MSEK 20.8 (19.3).

EBITDA for the period amounted to MSEK 1.6 (5.0).

Depreciation/amortization amounted to MSEK 1.6 (1.5) during the period, of which development expenditures were MSEK 1.2 (1.1), tangible fixed assets MSEK 0.2 (0.2), and goodwill 0.2 (0.2).

The Group's operating profit amounted to MSEK 0.0 (3.5).

The net financial result amounted to MSEK 0.1 (-0.4), leading to an MSEK 0.1 (3.1) profit before tax.

Fixed taxes for the Group totaling MSEK 0.0 (-0.6), led to a profit after tax of MSEK 0.1 (2.6).

During the period, development costs totaling MSEK 2.4 (2.3) were capitalized, MSEK 0.4 (0.6) of which internally generated. The full capitalized amount of MSEK 2.4 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 -2.5 (-1.5).

Order intake during the period amounted to MSEK 55.0 (85.2), and the order backlog at the end of the period amounted to MSEK 19.4 (48.8).

Prepaid service agreements recognized as liability totaled MSEK 26.3 (20.8).



Income statement, MSEK	2023 Q2	2022 Q2	2023 Q1-2	2022 Q1-2	2022 Year
Net revenues	37.7	43.0	87.6	89.9	167.2
Gross profit	15.0	16.7	34.7	34.0	66.6
Gross margin	39.7%	38.8%	39.6%	37.8%	39.9%
Other income	0.2	0.3	0.7	0.6	1.1
<i>Of which:</i>					
<i>Other operating income</i>	0.0	0.0	0.3	0.0	0.0
<i>Capitalized work on own account</i>	0.2	0.3	0.4	0.6	1.1
Sales & marketing costs	-7.8	-7.6	-15.5	-15.9	-31.0
Overhead and R&D costs	-9.1	-8.3	-18.3	-13.7	-27.5
EBITDA	-1.7	1.1	1.6	5.0	9.2
EBITDA margin	-4.6%	2.5%	1.8%	5.5%	5.5%
Depreciation	-0.9	-0.7	-1.6	-1.5	-2.9
<i>Of which:</i>					
<i>Property, plants and equipment</i>	-0.1	-0.1	-0.2	-0.2	-0.3
<i>Intangible fixed assets</i>	-0.7	-0.6	-1.2	-1.1	-2.1
<i>Goodwill</i>	-0.1	-0.1	-0.2	-0.2	-0.5
Operating profit/loss	-2.6	0.3	0.0	3.5	6.3
Operating margin	-6.8%	0.7%	0.0%	3.9%	3.7%

Comments on the result for the second quarter

The Group's revenue decreased by 14 percent during the second quarter compared to the same period the previous year. The gross margin for the quarter was 40.5 percent (38.8).

The acquisition of a minority stake in Control Synergy in Australia has impacted financial fixed assets by MSEK 3.3, of which MSEK 1.0 is goodwill.

Inventory levels remain high, and in addition to MSEK 3.0 of goods held on behalf of customers, this is a result of safety stock to ensure deliveries during a period of component shortages. The inventory will gradually be reduced over the coming quarters, assuming the component situation doesn't become challenging again.

Order intake during the second quarter amounted to MSEK 21.0 (45.4).

Financial position and cash flow

Cash flow amounted to MSEK 1.0 (-18.9) after dividend of MSEK 5.7 (7.8) and acquisition of a minority stake in Control Synergy. The Group's cash and cash equivalents amounted to MSEK 29.0 (21.2) on the balance sheet date.

The solidity was 54 percent (56), and the equity amounted to MSEK 55.3 (57.1).

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 -5.0 (-3.0).

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, 0.7 million shares (3.4) have been traded during the period, corresponding to 2 percent of the total number of shares outstanding.

The share price was SEK 5.10 at the beginning of the period and SEK 5.16 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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Remaining report dates 2023

Interim Report Jan - Sept 2023
Year-end Report 2023

October 27, 2023
February 9, 2024

Växjö, August 10, 2023

On behalf of the Board of Directors:
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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 8:00 pm CET on Thursday, August 10, 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*

	2023 Q2	2022 Q2	2023 Q1-2	2022 Q1-2	2022 Year
Income statement, MSEK					
Net revenue	37.9	43.3	88.4	90.6	168.3
Operating expenses					
Materials and supplies	-22.7	-26.3	-52.9	-56.0	-100.5
Other external costs	-6.1	-5.7	-13.0	-10.3	-20.4
Personnel costs	-10.8	-10.2	-20.8	-19.3	-38.1
Depreciation	-0.9	-0.7	-1.6	-1.5	-2.9
Operating profit/loss	-2.6	0.3	0.0	3.5	6.3
Net financial items	0.0	-0.2	0.1	-0.4	-0.3
Profit/loss after financial items	-2.6	0.2	0.1	3.1	6.0
Taxes	0.5	-0.1	0.0	-0.6	-0.7
Net profit/loss for the period	-2.1	0.1	0.1	2.6	5.3
Earnings/loss per share (SEK)	-0.07	0.00	0.00	0.09	0.18
Earnings/loss per share after dilution	-0.07	0.00	0.00	0.09	0.18

Balance sheet, MSEK	2023 30 Jun	2022 30 Jun	2022 31 Dec
Assets			
Intangible assets	12.5	10.2	11.6
Property, plant and equipment	1.1	1.2	1.2
Non-current financial assets	3.6	0.3	0.3
Total non-current assets	17.2	11.7	13.1
Inventories	45.1	30.1	46.3
Current receivables	11.5	39.7	37.1
Cash and cash equivalents	29.0	21.2	28.0
Total current assets	85.6	91.0	111.4
Total assets	102.8	102.7	124.5
Equity and liabilities			
Share capital	28.7		
Restricted equity	15.6	12.6	14.4
Retained earnings	10.7	15.8	16.9
Total equity	55.0	57.1	59.9
Provisions	1.7	1.6	1.7
Longterm liabilities	-	-	-
Current liabilities	46.1	44.0	62.9
Total equity and liabilities	102.8	102.7	124.5

* Mathematical rounding

Statement of cash flows, MSEK	2023 Q1-2	2022 Q1-2	2022 Year
Cash flow resulting from current operations before changes in working capital	-0.1	4.3	10.3
Change in working capital	12.6	-12.1	-8.4
Operating activities	12.5	-7.8	1.9
Investing activities	-5.8	-4.7	-7.6
Financing activities	-5.7	-6.4	-6.4
Cash flow for the year excluding short-term investments	1.0	-18.9	-12.1
Cash flow for the year including short-term investments	1.0	-18.9	-12.1
Cash and cash equivalents	29.0	21.2	28.0
Net debt	-29.0	-21.2	-28.0

Statement of changes in equity, MSEK	2023 30 Jun	2022 30 Jun	2022 31 Dec
Opening equity	59.9	60.0	60.0
Profit/loss for the period	0.1	2.6	5.3
Translation differences	0.7	1.0	1.0
New share issue	0.0	1.3	1.3
Dividend	-5.7	-6.4	-6.4
Closing equity	55.0	57.1	59.9

Key data		2023 Q1-2	2022 Q1-2	2022 Year
EBITDA margin	%	1,8	5,5	5,5
Operating margin	%	0,0	3,9	3,7
Profit margin	%	0,1	3,5	3,6
Capital employed	MSEK	55,0	57,1	59,9
ROACE	%	0	11	10
Equity	MSEK	55,0	57,1	59,9
Return on equity	%	0	9	9
Net indebtedness including short-term deposits	MSEK	-29,0	-21,2	-28,0
Debt/equity ratio	times	0	0	0
Solidity	%	53	56	48
Earnings/loss per share	SEK	0,00	0,09	0,18
Equity per share	SEK	1,92	1,99	2,09
Net debt per share*	SEK	-1,01	-0,74	-0,98
Closing market price of share	SEK	5,16	6,26	5,20
No. of shares outstanding	x 1.000	28 712	28 712	28 712
Average number of shares outstanding	x 1.000	28 712	28 632	28 632
No. of shares outstanding after dilution	x 1.000	29 712	29 712	29 712

*Negative value = net cash