



- **Revenues: MSEK 112.7 (126.9)**
- **Gross margin: 43.9 percent (43.2)**
- **Operating profit: MSEK 9.3 (13.1)**
- **Profit after tax: MSEK 7.0 (10.8)**
- **Dividend: SEK 0.15 (0.15)**

## A statement by the CEO

In 2017, we continued to pursue our long-term growth strategy of strengthening JLT's market presence and enhancing our product portfolio. The consistent strategy that we are following has proven successful and has generated a positive trend in recent years both in terms of revenues and profitability. In addition to day-to-day sales, JLT's overall sales are influenced by large, individual project business with long lead times, as a consequence of which sales naturally vary from year to year depending on when these deals close. In 2017, sales mainly comprised day-to-day sales and totaled MSEK 113, compared with MSEK 127 in the previous year when JLT secured multiple large project orders. In terms of the underlying day-to-day sales, excluding large project business, we noted a year-on-year increase of 16%, which also yielded a stable gross margin of 44%, compared with 43% last year, despite the negative impact of a lower USD rate.

JLT's subsidiary in the US, which was established in 2015, continued to show promising results in 2017. This subsidiary's sales in USD increased 4% during the year, without large project orders. The day-to-day sales in 2017 thus compensated the large project deal worth MSEK 9 that was secured in the preceding year. Outside the US, we expanded our international partnership network during the year to include seven new retailers, and we secured numerous key deals with strategic customers.

In 2017, we also renewed and expanded our product portfolio. Two older products were discontinued during the first quarter and replaced by a new tablet, the MT2010, during the fourth quarter. The new MT2010 enables us to meet the need for handheld computers of existing and new customers. During the year, we also completed development on the first product in JLT's next generation of vehicle-mounted computers. As planned, the computer has been deployed by pilot customers and will be launched during the first quarter of 2018.

Another key element of our growth strategy is to expand our service offering. Consequently, service revenues rose significantly in 2017.

Backed by a growing market presence, the launch of new products and associated services, JLT is well-positioned for continued profitable growth. JLT is off to a good start of the new year with an order intake in January significantly higher than the same month in the previous year.

Per Holmberg, CEO

## Consolidated revenues and earnings for the full-year 2017

For the full-year 2017, the group reported revenues of MSEK 112.7 (126.9). Gross profit totaled MSEK 49.5 (54.8) and the gross margin was 43.9 percent (43.2).

Operating expenses totaled MSEK 39.1 (40.6), of which other costs amounted to MSEK 12.5 (13.7). Personnel costs accounted for MSEK 26.6 (27.0). EBITDA for the period totaled MSEK 10.4 (14.1).

Depreciation/amortization amounted to MSEK 1.2 (1.1) for the year, of which goodwill accounted for MSEK 0.5 (0.5).

Consolidated operating profit totaled MSEK 9.3 (13.1).

Net financial items amounted to an expense of MSEK 0.0 (0), yielding a profit before tax of MSEK 9.3 (13.1).

The Group's flat tax rate amounted to MSEK 2.4. Profit after tax was MSEK 7.0 (10.8).

Order intake for the year totaled MSEK 110.3 (129.5), and the order backlog amounted to MSEK 10.6 (13.4) at the end of the period. The order backlog with planned delivery in the first quarter in 2018 amounted to MSEK 8.0.

The total order backlog for 2017 year-end includes orders for delivery within the next 12 months. The order backlog including orders with planned delivery in the following quarter is reported separately. Booked service contracts are not included in the order backlog.

## Comments on earnings for 2017

Consolidated revenues declined 10% year-on-year. However, viewed in terms of day-to-day sales of currently active products during the period, revenues rose 16%, since 28% of revenues in 2016 comprised products that have now been discontinued, as well as two large project deals that are not categorized as day-to-day sales.

The gross margin increased somewhat to 43.9% (43.2), despite the adverse effect of a declining USD rate, which was offset by a rise in the product margin and higher service revenues.

Income statement, MSEK	2017 Q4	2016 Q4	2017	2016
<b>Net revenues</b>	<b>27.0</b>	<b>34.8</b>	<b>112.7</b>	<b>126.9</b>
<b>Gross profit</b>	<b>11.6</b>	<b>16.2</b>	<b>49.5</b>	<b>54.8</b>
- Gross margin	43.1%	46.7%	43.9%	43.2%
Sales & marketing costs	-4.8	-4.3	-17.5	-15.0
Overhead and R&D costsOf which:	-5.3	-7.2	-21.6	-25.6
Restructuring costs	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>1.5</b>	<b>4.7</b>	<b>10.4</b>	<b>14.1</b>
Depreciation	-0.3	-0.2	-1.2	-1.1
Of which:				
- Property, plants and equipment	-0.1	-0.2	-0.5	-0.5
- Intangible fixed assets	0.0	0.1	-0.1	-0.1
- Goodwill	-0.1	-0.1	-0.5	-0.5
<b>Operating profit/loss</b>	<b>1.3</b>	<b>4.5</b>	<b>9.3</b>	<b>13.1</b>
- Operating margin	4.6%	12.8%	8.2%	10.3%

In 2017, development was completed on the platform for JLT's next generation of vehicle-mounted computers. The first computer of this generation will be launched in the first quarter of 2018. Sales to selected pilot customers have already begun, however. Capitalized development expenditure for the next generation JLT products is MSEK 5.0, of which MSEK 2.5 in 2017.

Building up an inventory of the new handheld computer, and backup componentry to secure our capacity to deliver the next generation of vehicle-mounted computers resulted in an increase in inventory of MSEK 4.5.

Sales of services and agreements have enjoyed a positive trend and services -related revenues totaled MSEK 8.6 (5.9). Reserved future revenues in signed service agreements totaled MSEK 12.3 (10.7)

### Fourth quarter of 2017

For the fourth quarter, revenues of MSEK 27.0 (34.8) and a gross margin of 43.1% (46.7) were reported, yielding a gross profit of MSEK 11.6 (16.2).

Operating expenses totaled MSEK 10.1 (11.5). EBITDA was MSEK 1.5 (4.7).

Depreciation/amortization amounted to MSEK 0.3 (0.2), and operating profit totaled MSEK 1.3 (4.5).

Order intake for the quarter was MSEK 29.0 (34.9). The lower order intake is due to some orders expected in the fourth quarter was delayed. The order intake for January 2018 totaled MSEK 19.5 (6.4).



### Operations in 2017

#### ***JLT Mobile Computers Inc.***

Operations in the US continue to perform well. Sales in USD increased 4% in 2017, compared with the preceding year. Day-to-day sales and service revenues rose sharply and, over the course of the year, offset both the discontinuation of JLT's previous tablet in early 2017, as well as the large project order for just over MSEK 9 that was secured in 2016.

#### ***Product development***

In 2017, development was completed on the first computer in JLT's new generation of vehicle-mounted computers. The computer will be launched in the first quarter of 2018, though sales to selected pilot customers have already begun. The computer will add new technology and a unique platform design to JLT's existing range, in the aim of meeting customer demand for enhanced effectivity, and user acceptance within existing and new segments.

In the fourth quarter, JLT launched a new handheld tablet, the MT2010, which is offered with the same premium support and service as for JLT's other products, which is primarily geared toward the warehousing, food & beverage, transportation and ports industries in the US and Europe. The MT2010 tablet adds to JLT's existing range of vehicle-mounted computers and replaces the tablet that was previously sold in the US but was discontinued in early 2017.

#### ***Market performance***

During the year, JLT secured multiple new deals with strategically important customers, making JLT well-positioned among these customers for future expansion and repeat purchases of JLT's computers. During the year, JLT also continued to expand its international network of retailers and signed agreements with seven new partners who are now trained to sell JLT's products.

In October, JLT reached a key milestone when the company's 100,000<sup>th</sup> computer was delivered. The hallmark computer was part of a major order from Volvo Car Body Components and was personally delivered to the plant in Ronneby, Sweden, with a unique 100,000-hour warranty.

#### ***Personnel***

During the year, JLT recruited several new sales and development positions to strengthen the organization. By investing in business development, while also strengthening our market presence, we can continue to pursue long-term and profitable growth moving forward.

## Press releases in 2017

### In addition to financial reporting

- 2017-01-17 JLT Mobile Computers to Showcase Vehicle-Mount Terminals with Virtually Unbreakable Screen Technology at LogiMAT 2017
  
- 2017-03-01 JLT Mobile Computers to Showcase New Bluetooth Pairing Tool and Virtually Unbreakable Screen Technology at SITL Paris
  
- 2017-03-21 JLT Mobile Computers to Highlight the Importance of Rugged IT Solutions at Port & Terminal Technology Conference
  
- 2017-04-10 JLT Mobile Computers Continues International Expansion by Signing New Partners to its Global Partner Program
  
- 2017-04-17 JLT Mobile Computers to Showcase the Importance of Rugged IT Solutions for Mining Operations at CIM 2017 Convention in Montreal
  
- 2017-04-26 JLT Mobile Computers Selected by Large International Automaker for U.S. Warehouse Logistics Use
  
- 2017-05-30 JLT Mobile Computers to Highlight the Importance of Rugged IT Solutions for Port and Terminal Operators at TOC Europe
  
- 2017-06-05 JLT Mobile Computers Strengthens Organization for Future Growth
  
- 2017-08-24 JLT Mobile Computers Selected by Swire Coca-Cola, USA, One of the Largest Independent Coca-Cola Bottlers in the United States
  
- 2017-10-04 JLT Mobile Computers Delivers Celebratory Unit with Exclusive 100,000-Hour Warranty to Volvo Car Body Components
  
- 2017-10-04 JLT Mobile Computers Selected by Volvo Car Body Components for Use in High-Tech Manufacturing Facilities
  
- 2017-11-06 JLT Mobile Computers Launches Fully Rugged Tablet with World Renowned JLT Support and Services
  
- 2017-11-13 JLT Mobile Computers Selected by Steketee for Smart Farming Precision Agriculture Solutions to Increase Farmers' Efficiency
  
- 2017-11-14 JLT Mobile Computers Grows its Reseller Network by Adding a New Sales Partner in the Nordic Market
  
- 2017-11-23 JLT Mobile Computers Attends ICT & Logistiek, the Leading Supply Chain Tradeshow in the Netherlands, With New Local Sales Partner
  
- 2017-12-18 JLT Mobile Computers Deploys Pilot Product Spun from New Platform Concept

## Financial position and cash flow

Cash flow amounted to a negative MSEK 1.2 (pos: 10.4), following a dividend of MSEK 4.2 (1.9). The Group's cash and cash equivalents amounted to MSEK 26.7 (28.0) at the end of the reporting period, and the Group's net indebtedness totaled MSEK -26.8 (-28), yielding a net cash balance. The company holds no interest-bearing liabilities.

The equity/assets ratio was 62 percent (58) and equity totaled MSEK 46.8 (43.7).

As of the second quarter of 2017, cash assets are partly being invested under discretionary management as per an adopted investment policy, which stipulates that a maximum of 20% be invested in equities or equity-related instruments. The scope of the amount under management is based on the prevailing liquidity requirements.

## Parent Company

The parent company performs services for the subsidiary and forwards these invoices. The parent company posted an operating loss of MSEK 1.6 (loss: 2.4).

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

Remaining tax loss carryforwards at the end of the period totaled MSEK 5.3, all of which were attributable to foreign subsidiaries. Remaining tax loss carryforwards were not recognized as deferred tax assets.

## **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 2017 fiscal year be paid in the amount of SEK 0.15 per share (0.15).

## **The share**

A total of 20.8 million shares (18.8) were traded during the period, representing 75% of the total number of shares.

The total number of shares is 27,902,000. An additional 1,000,000 options are outstanding that expire in June 2018 at an exercise price of SEK 3.17 per share.

The share traded at SEK 4.86 at the beginning of the period, and closed the period at SEK 4.46.

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 8<sup>th</sup>, at 4:00 pm at the World Trade Center in Växjö, Sweden.

## **Financial calendar for 2018**

Interim report for January-March 2017	May 8, 2018
Interim report for January-June 2017	August 15, 2018
Interim report for January-September 2017	October 19, 2018
Year-end report for 2017	February 8, 2019

Växjö, February 9, 2018

On behalf of the board: Per Holmberg, CEO

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## JLT Mobile Computers Group

Income statement, MSEK	2017 Q4	2016 Q4	2017	2016
<b>Net revenue</b>	<b>27.0</b>	<b>34.8</b>	<b>112.7</b>	<b>126.9</b>
<b>Operating expenses</b>				
Materials and supplies	-15.4	-18.5	-63.2	-72.1
Other external costs	-3.1	-4.2	-12.5	-13.7
Personnel costs	-7.0	-7.3	-26.6	-27.0
Depreciation	-0.3	-0.2	-1.2	-1.1
<b>Operating profit/loss</b>	<b>1.3</b>	<b>4.5</b>	<b>9.3</b>	<b>13.1</b>
Net financial items	0.1	0.2	0.0	0.0
<b>Profit/loss after financial items</b>	<b>1.4</b>	<b>4.6</b>	<b>9.3</b>	<b>13.1</b>
Taxes	-0.3	-0.8	-2.4	-2.3
<b>Net profit/loss for the period</b>	<b>1.1</b>	<b>3.9</b>	<b>7.0</b>	<b>10.8</b>
Earnings/loss per share (SEK)	0.04	0.14	0.25	0.39

Balance Sheet, MSEK	2017 31 dec	2016 31 dec
<i>Assets</i>		
Intangible assets	6.3	4.6
Property, plant and equipment	0.8	1.0
Non-current financial assets	0.0	0.8
<b>Total non-current assets</b>	<b>7.2</b>	<b>6.5</b>
Inventories	20.8	16.3
Current receivables	20.3	24.4
Cash and cash equivalents	26.7	28.0
<b>Total current assets</b>	<b>67.8</b>	<b>68.6</b>
<b>Total assets</b>	<b>75.0</b>	<b>75.1</b>
<i>Equity and liabilities</i>		
Share capital	27.9	
Restricted equity	6.7	4.2
Retained earnings	12.3	11.6
<b>Total equity</b>	<b>46.8</b>	<b>43.7</b>
<b>Provisions</b>	<b>1.3</b>	<b>1.6</b>
<b>Long term liabilities</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>	<b>26.8</b>	<b>29.8</b>
<b>Total equity and liabilities</b>	<b>75.0</b>	<b>75.1</b>

<b>Statement of cash flows, MSEK</b>	2017	2016
Cash flow resulting from current operations before changes in working capital	9.1	14.0
Change in working capital	-3.6	-1.0
<b>Operating activities</b>	<b>5.6</b>	<b>13.0</b>
<b>Investing activities</b>	<b>-2.6</b>	<b>-2.4</b>
<b>Financing activities</b>	<b>-4.2</b>	<b>-0.2</b>
<b>Cash Flow for the period</b>	<b>-1.2</b>	<b>10.4</b>
Cash and cash equivalents	26.7	28.0

<b>Statement of changes in equity, (MSEK)</b>	2017 31 dec	2016 31 dec
<b>Opening equity</b>	<b>43.7</b>	<b>33.3</b>
Profit/loss for the period	7.0	10.8
Translation differences	0.3	-0.2
New share issue	-	1.7
Dividend	-4.2	-0.2
<b>Closing equity</b>	<b>46.8</b>	<b>43.7</b>

<b>Key data</b>		2017	2016
EBITDA margin	%	9.3	11.2
Operating margin	%	8.2	10.3
Profit margin	%	8.3	10.3
Capital employed	MSEK	46.8	43.7
ROACE	%	21	34
Equity	MSEK	46.8	43.7
Return on equity	%	16	28
Net indebtedness	MSEK	-26.7	-28.0
Debt/equity ratio	%	62	58
Earnings/loss per share	SEK	0.25	0.39
Equity per share	SEK	1.68	1.60
Net debt per share	SEK	-0.96	-1.02
Closing market price of share	SEK	4.46	4.86
No. of shares outstanding	x 1.000	27,902	27,902