COMMISSIONED RESEARCH

14 July 2025

DNB Carnegie® Access

RESULTS PREVIEW

Technology Hardware & Equipment

Fair value: SEK4.0–7.0

Share price: SEK4.08

Net Insight

Proven strength in competitive market – Q2 preview

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We believe Net Insight will show underlying improvement in the Media segment in Q2 related to the large order taken in the US in late June. That said, this would be partly mitigated by the FX headwind as well as an expected low gross margin on the taken contract. We reiterate our fair value range of SEK4–7.

Positive impact from US order, negative from comparison, FX, and one-offs. Net Insight faces a tough comparison in Q2, as Q2 2024 included a large software deal. We expect part of the USD6m order received in late June 2025 to be booked in Q2 (USD1m), but this would be partly mitigated by the FX headwind as well as expected low profitability on this contract, as the company states it was secured in strong competition. In addition, we believe the results will be burdened by restructuring costs related to the cost-reduction programme implemented during the quarter. Overall, we expect sales of SEK123m, equal to an organic decline of 23%, a gross margin of 52%, and an operating loss of SEK19m, which includes a restructuring charge of SEK10m.

Raised estimates from order intake. We have increased adjusted EPS by SEK0.03 for 2025e, and by 11% for 2026e and 19% for 2027e. This is entirely related to the USD6m order taken in the US during Q2.

Proven position in the media segment. We view the order taken in the quarter as proof of Net Insight's strong position within live media transportation. It further improves the installed base, which creates opportunities to upsell as well as increase recurring revenue of licence and support fees. We expect the Time Synch unit to show further interest from customers, but assume that the pilot and evaluation projects will take time.

Valuation. We maintain our fair value range of SEK4–7. Management's ambition is for a 2023–27 sales CAGR of 15% and 2027 EBIT margin of 15%, which are not reflected in our estimates.

Changes in this report

	From	To	Chg
EPS adj. 2025e	-0.07	-0.04	+40%
EPS adj. 2026e	0.19	0.21	+11%
EPS adj. 2027e	0.27	0.32	+19%

Upcoming events

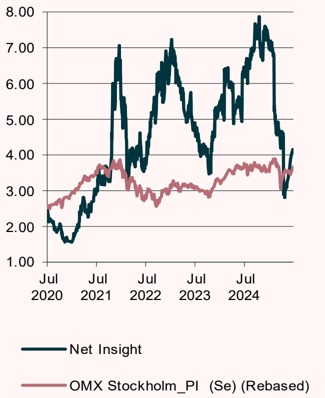
Q2 Report	18 Jul 2025
Q3 Report	06 Nov 2025

Key facts

No. shares (m)	342.7
Market cap. (USDm)	146
Market cap. (SEKm)	1,396
Net IB Debt. (SEKm)	-101
Adjustments (SEKm)	0
EV (2025e) (SEKm)	1,296
Free float	76.6%
Avg. daily vol. ('000)	965
BBG	NETIB SS
Fiscal year end	December
Share price as of (CET)	11 Jul 2025 17:29

Key figures (SEK)	2024	2025e	2026e	2027e
Sales (m)	608	524	658	760
EBITDA (m)	160	71	186	241
EBIT (m)	79	-24	89	135
EPS	0.21	-0.07	0.21	0.32
EPS adj.	0.21	-0.04	0.21	0.32
DPS	0.00	0.00	0.00	0.00
Sales growth Y/Y	9%	-14%	26%	16%
EPS adj. growth Y/Y	21%	-chg	+chg	52%
EBIT margin	13.0%	-4.7%	13.5%	17.8%
P/E adj.	19.9	n.m.	19.6	12.8
EV/EBIT	29.9	neg.	14.0	8.7
EV/EBITA	29.9	neg.	14.0	8.7
EV/EBITDA	14.8	18.3	6.7	4.9
P/BV	2.2	2.3	2.0	1.8
Dividend yield	0.0%	0.0%	0.0%	0.0%
FCF yield	1.0%	-8.7%	3.9%	5.0%
Equity/Total Assets	77.4%	78.5%	79.2%	78.5%
ROCE	14.0%	-3.9%	14.1%	18.6%
ROE adj.	11.2%	-2.3%	11.0%	14.7%
Net IB debt/EBITDA	-1.4	-1.4	-0.8	-0.9

Share price – 5-year



High/Low (12M) **SEK7.9/2.8**

Perf.	3M	6M	12M	YTD
Abs.	-11.03	-42.20	-36.92	-45.88
Rel.	-23.61	-43.76	-35.19	-47.86

Source: DNB Carnegie (estimates), FactSet, Infront & company data

Equity story

Near term: within 12M

Despite macroeconomic uncertainty since 2022–24, Net Insight has maintained strong growth, signalling resilience to broader headwinds. However, recent geopolitical tensions and tariffs seem to have made the media market more cautious in the timing of investments. While we believe Net Insight remains financially solid compared to peers, we are cautious about this short-term market trend. In the Time Synchronisation product area, we are careful about adding larger orders to our forecasts, simply as the timing is uncertain, but we note that telecom operators have shown interest, which, if it turns into orders, would imply upside potential to our estimates.

Long term outlook: 5Y+

We believe the ongoing transition into IP/Cloud among media companies will continue in the years to come, with Net Insight having a strong position. In a survey conducted by Haivision (a competitor to Net Insight) in 2024, over 50% of respondents still relied on legacy SDI to some extent in their video infrastructure workflow. As this transition progresses, we expect Net Insight's higher-margin products, along with growing software revenue, to become prominent drivers of profitability. We also view the Time Synchronisation segment as a strategic 'option' with potential to accelerate sales growth beyond our estimates.

Key risks:

- Hesitation to adopt IP/Cloud, e.g., due to perceived complexity of the technology.
- Temporary resistance or slower than expected transition into IP/Cloud due to economic slowdown.
- The competitive situation – with several suppliers vying for market share in this transition.

Company description

Net Insight provides broadcasters, production companies and service providers with network equipment to ensure high quality, high performing video transportation of live events. The solutions are independent of network design and network quality. In addition, it offers telecom operators with a time synchronisation solution for 5G networks. This solution is independent of GPS signals, which makes it more secure than current common solutions.

Key industry drivers

- The professional media industry's transition away from SDI and satellite to IP/Cloud-based solutions.
- Less dependence on legacy technologies in the Time Synchronisation division.

Industry outlook

- Our view is that demand in the IP/cloud transition is stable due to being a high-priority investment for media companies.

Largest shareholders, capital

Briban Invest	16.7%
Avanza Pension	5.2%
Nordnet Pension Insurance	4.8%

Cyclicality

Cyclicality: N/A

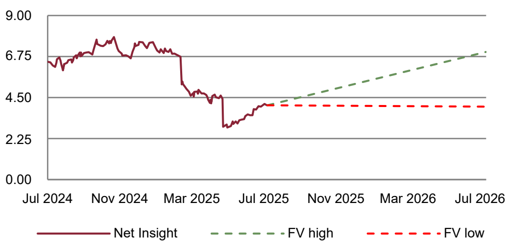
Key peers

Net Insight's closest peers in Media Networks include Nevion, Evertz, Haivision, Harmonic, and Cisco. In the Time Synchronisation segment, the primary competitors are Oscilloquartz and Microchip.

Valuation and methodology

We use a peer group comparison to estimate a fair value range for Net Insight. We primarily use a broad peer group of 26 Swedish IT companies, and we see Net Insight growing its sales slightly faster than the group, but at an EBIT margin in line with peers. We compare sales growth, EBIT margin, Rule of 40 levels, EV/S and EV/EBITDA. As a sanity check, we also compare Net Insight to its closest international peers that trade at lower multiples than the Swedish IT group. Even though the closest peers are small and therefore the consensus estimates are of relatively low quality, we believe these lower multiples must be reflected in our valuation. We therefore set a 25% discount to the Swedish IT group valuation for Net Insight.

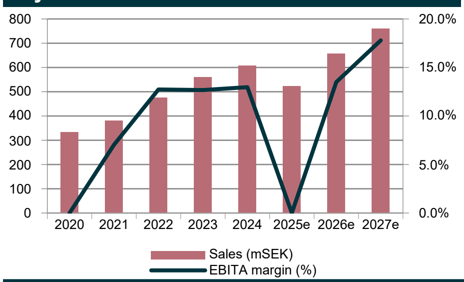
Fair value range 12M



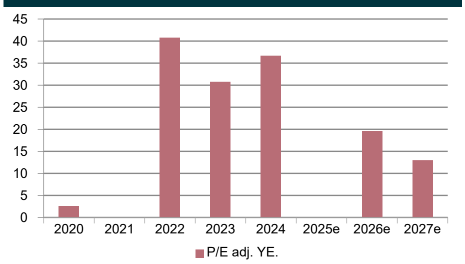
The upper end of our fair value range represents a scenario where we estimate the company performs in accordance with its financial targets of a 15% 2023–27e sales CAGR and a 20% EBIT margin by 2027e.

The lower end represents a scenario where the company shows weaker organic sales growth, or struggles to improve profitability, and thus fails to reach its 20% EBIT margin target by 2027e.

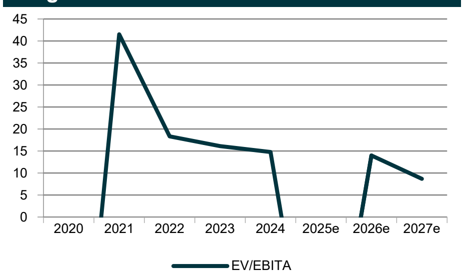
Key metrics



P/E 12-months forward



Long-term valuation trend



Source: DNB Carnegie (estimates) & company data

Q2 2025 expectations

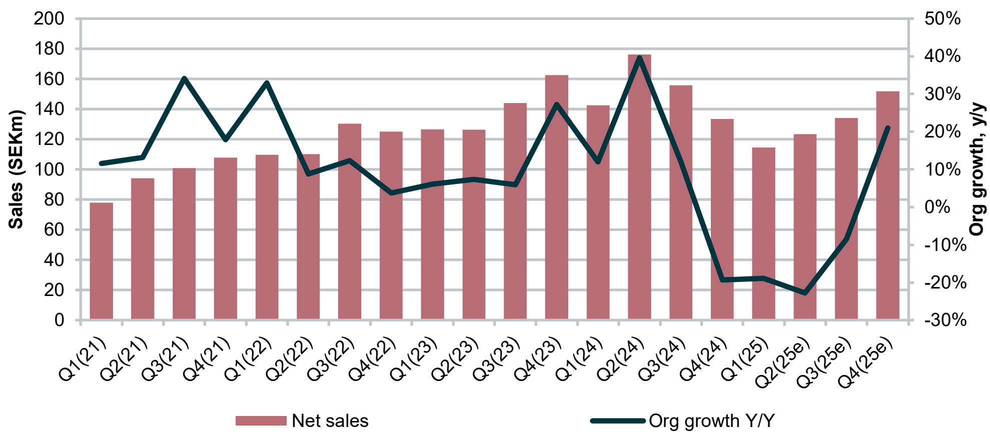
Dev table, SEKm	Four last quarters Q2(24)	Q3(24)	Q4(24)	Q1(25)	Q2(25) Actual	Q2(25e)	Deviation %	Abs	Next quarters Q3(25e)	Q4(25e)	Full year est. 2025e	2026e	2027e
Group P&L													
Net sales	176.1	155.9	133.5	114.6		123.3			134.0	151.7	523.6	657.7	759.7
Gross profit	114.6	91.2	81.5	57.3		64.1			69.7	81.9	273.1	394.6	471.0
Sales & Marketing exp	-47.8	-40.4	-42.4	-42.7		-45.2			-41.3	-45.9	-175.1	-180.5	-196.0
Admin exp.	-17.8	-17.8	-18.6	-17.8		-26.6			-15.6	-17.8	-77.7	-70.8	-75.4
R&D exp	-12.7	-10.1	-13.3	-11.5		-10.9			-10.4	-12.4	-45.2	-55.0	-65.0
Other op. inc. & exp.	2.1	1.8	-2.1	5.5		0.1			0.1	0.1	0.5	0.5	0.5
of which D&A	-4.1	-4.0	-4.5	-5.0		-4.7			-4.8	-5.3	-19.7	-18.3	-18.6
EBITDA	58.7	46.5	27.9	14.5		4.7			25.8	31.1	76.1	185.8	240.8
Operating profit	**38.3**	**24.7**	**5.2**	**-9.1**		**-18.5**			**2.5**	**6.0**	**-19.1**	**88.8**	**135.2**
Net financial items	0.3	-3.1	6.1	-5.1		1.9			1.9	1.3	0.0	3.1	4.7
Pre-tax profit	**38.6**	**21.6**	**11.2**	**-14.2**		**-16.6**			**4.4**	**7.3**	**-19.1**	**91.8**	**139.9**
Net profit	30.4	17.1	9.4	-14.0		-16.6			4.4	7.0	-19.1	71.3	108.7
EPS, adjusted	0.09	0.05	0.03	-0.04		-0.05			0.01	0.02	-0.04	0.21	0.32
Net sales, product													
Media	167.1	145.7	119.2	103.9		113.3			123.0	136.7	476.9	589.0	677.4
Time Sync	9.0	10.2	14.3	10.7		10.0			11.0	15.0	46.7	68.6	82.4
Time sync orderbook	190	175	172	145		133			124	125	125	156	149
Net sales, type													
Hardware	51.5	60.9	52.9	47.0		59.3			60.9	74.1	241.3	275.1	313.6
Supp & serv	39.5	39.3	42.4	36.3		32.1			40.0	41.5	150.0	190.0	226.6
Software	85.1	55.6	38.2	31.2		31.9			33.0	36.2	132.4	192.6	219.5
Net sales by region													
EMEA	77.4	64.8	92.5	57.9		60.0			60.0	75.0	252.9	0.0	0.0
Americas	84.3	81.2	29.5	47.3		55.0			60.0	70.0	232.3	0.0	0.0
APAC	14.5	9.9	11.6	9.3		8.3			14.0	6.7	38.4	0.0	0.0
Margins													
Gross margin	65.1%	58.5%	61.0%	50.0%		52.0%			52.0%	54.0%	52.1%	60.0%	62.0%
EBITDA-margin	33.3%	29.9%	20.9%	12.6%		3.8%			19.2%	20.5%	14.5%	28.3%	31.7%
Operating margin	21.8%	15.9%	3.9%	-8.0%		-15.0%			1.9%	3.9%	-3.6%	13.5%	17.8%
Sales growth													
Org growth Y/Y	39.6%	12.1%	-19.3%	-18.9%		-22.8%			-8.5%	21.0%	-9.0%	25.6%	15.5%
Growth, Y/Y	39.5%	8.3%	-17.8%	-19.6%		-30.0%			-14.0%	13.6%	-13.9%	25.6%	15.5%

Source: DNB Carnegie (estimates) & company

In H1, we believe the increasingly cautious market sentiment portrayed by the company in the APAC and EMEA regions is likely to persist. We expect the US to see some support already as soon as Q2 from the recently taken sport arena order. As a greater part of this order would be booked in 2025e, we expect H2 to look significantly stronger than H1

Key charts

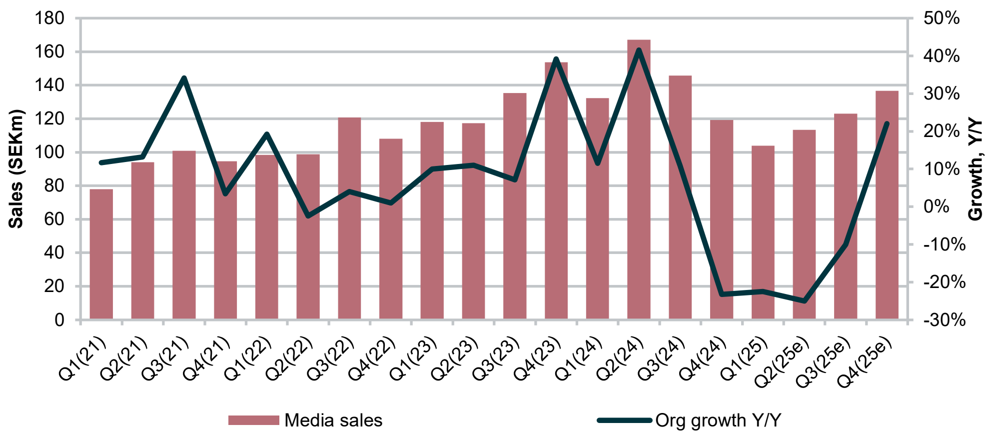
Sales and organic growth, by quarter



Source: Company data, DNB Carnegie Research

Sales are primarily driven by the Media segment, where we forecast an organic sales decline of 25% Y/Y, as one should not forget the large software order booked in Q2 2024, which would impact growth and comparability for that quarter specifically, despite some support from the recently taken order in the US

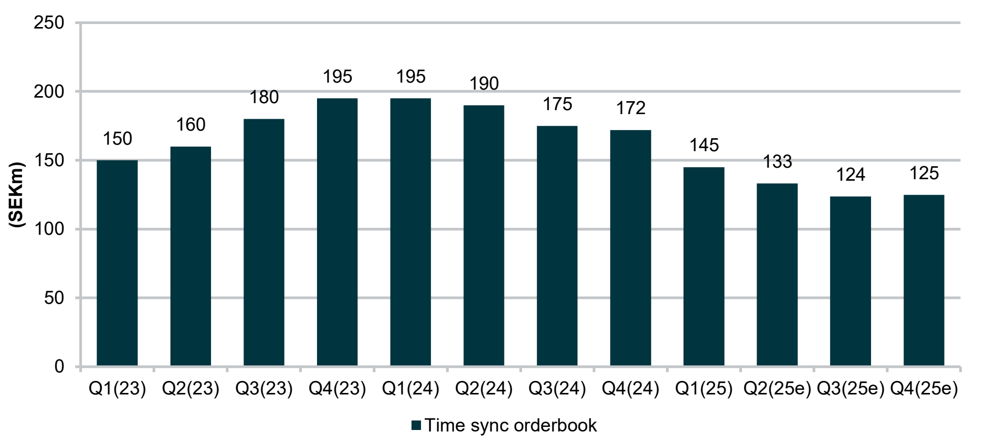
Media sales and organic growth



Source: DNB Carnegie (estimates), company

For the smaller Time Synchronisation segment, we remain cautious about adding new orders due to their lumpy nature and a lengthy evaluation process from customers. While not reflected in our estimates, it is worth emphasising management's optimism surrounding the segment's H2 – possibly leaving upside potential to our projections

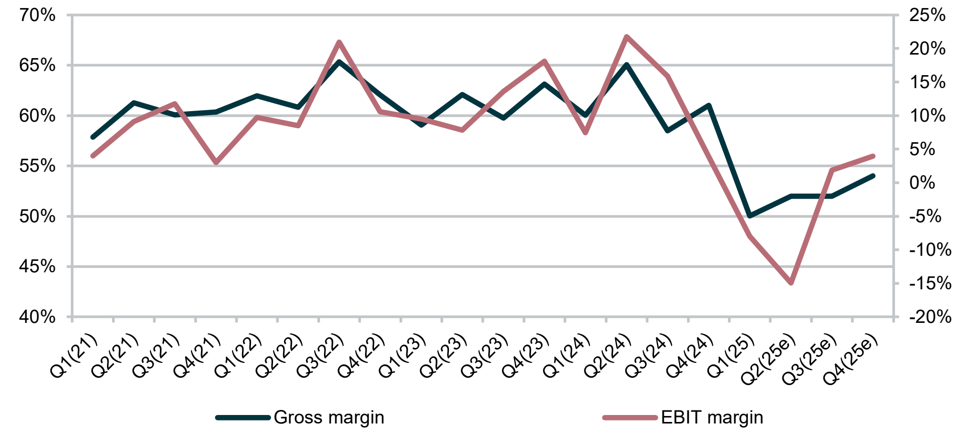
Time Synchronisation orderbook



Source: DNB Carnegie (estimates), company

We estimate the gross margin will reach 52% in Q2 2025. Our EBIT margin also includes SEK10m in non-recurring restructuring costs related to the cost reduction programme launched in Q2, aiming to save SEK25m–30m with the full run rate to be reached by year end

Gross margin and EBIT margin, by quarter



Source: DNB Carnegie (estimates), company

Estimate revisions

SEKm	New 2025e	New 2026e	New 2027e	Old 2025e	Old 2026e	Old 2027e	Change, Abs 2025e	Change, Abs 2026e	Change, Abs 2027e	Changes, (%) 2025e	Changes, (%) 2026e	Changes, (%) 2027e
Net sales	524	658	760	483	636	735	40	21	24	8%	3%	3%
Growth, Y/Y	*-13.9%*	*25.6%*	*15.5%*	*-20.5%*	*31.6%*	*15.5%*	*6.6ppt*	*-6.0ppt*	*0.0ppt*			
Org growth Y/Y	*-9.0%*	*25.6%*	*15.5%*	*-15.4%*	*31.6%*	*15.5%*	*6.4ppt*	*-6.0ppt*	*0.0ppt*			
Cost of sales	-251	-263	-289	-224	-242	-276	-26	-21	-13	12%	9%	5%
o/w amort of cap R&D	-75	-79	-87	-75	-78	-86	-1	-1	-1	1%	1%	1%
Growth ex cap, Y/Y	*2.4%*	*5.3%*	*9.4%*	*-12.7%*	*9.8%*	*15.8%*	*15.1ppt*	*-4.5ppt*	*-6.4ppt*			
Gross profit	**273**	**395**	**471**	**259**	**395**	**460**	**14**	**0**	**11**	**5%**	**0%**	**2%**
Gross margin	*52.1%*	*60.0%*	*62.0%*	*53.6%*	*62.0%*	*62.5%*	*-1.5ppt*	*-2.0ppt*	*-0.5ppt*			
Gross profit growth, Y/Y	*-26.7%*	*44.5%*	*19.4%*	*-30.4%*	*52.2%*	*16.5%*	*3.7ppt*	*-7.7ppt*	*2.9ppt*			
Sales & Marketing exp	-175	-181	-196	-171	-186	-201	-4	5	5	2%	-3%	-2%
Admin exp.	-78	-71	-75	-68	-76	-81	-10	5	6	15%	-7%	-7%
R&D exp	-45	-55	-65	-45	-55	-65	0	0	0	0%	0%	0%
Other op. inc. & exp.	0	1	1	0	1	1	0	0	0	0%	0%	0%
Total opex	**-292**	**-306**	**-336**	***-278***	***-316***	***-347***	**-14**	**10**	**11**	***5%***	***-3%***	***-3%***
of which D&A	-20	-18	-19	-20	-18	-19	0	0	0	0%	0%	0%
Opex ex D&A growth	0	0	0	0	0	0	0	0	0	-75%	-63%	0%
Operating profit	**-19**	**89**	**135**	**-19**	**79**	**113**	**0**	**10**	**22**	**1%**	**13%**	**20%**
Operating margin	*-3.6%*	*13.5%*	*17.8%*	*-3.9%*	*12.4%*	*15.3%*	*0.3ppt*	*1.1ppt*	*2.5ppt*			
Op. profit growth Y/Y	*-124.2%*	*-564.5%*	*52.3%*	*-123.9%*	*-517.5%*	*43.1%*	*-0.3ppt*	*n.m.*	*9.2ppt*			
Net financial items	0	3	5	0	4	5	0	-1	0	0%	-17%	-5%
of which interest income	7	3	5	7	4	5	0	-1	0	0%	-17%	-5%
of which other	0	0	0	0	0	0	0	0	0	n.a.	n.a.	n.a.
of which FX	-7	0	0	-7	0	0	0	0	0	0%	n.a.	n.a.
Pre-tax profit	**-19**	**92**	**140**	**-19**	**82**	**118**	**0**	**9**	**22**	**1%**	**11%**	**19%**
Taxes	0	-20	-31	0	-18	-26	0	-2	-5	n.a.	11%	19%
Tax rate	*0.0%*	*22.3%*	*22.3%*	*0.0%*	*22.3%*	*22.3%*	*0.0ppt*	*0.0ppt*	*0.0ppt*			
Net profit	**-19**	**71**	**109**	**-19**	**64**	**91**	**0**	**7**	**17**	**1%**	**11%**	**19%**
EPS, reported	-0.07	0.21	0.32	-0.07	0.19	0.27	0.00	0.02	0.05	1%	11%	19%
EPS, adjusted	-0.04	0.21	0.32	-0.07	0.19	0.27	0.03	0.02	0.05	-40%	11%	19%

Source: DNB Carnegie

Valuation

We use a peer group comparison to estimate a fair value range for Net Insight. We use a broad peer group of 24 Swedish IT companies, and given our new estimates, we expect Net Insight to post slower top-line growth and a lower EBIT margin compared to these peers in 2025–26e. We believe this justifies a discount to peers, which we have applied ever since we initiated coverage of Net Insight (25%). We compare sales growth, EBIT margin, Rule of 40 levels, EV/S, and EV/EBITDA.

As a sanity check, we also compare Net Insight to its closest peers. Based on the FactSet consensus available, we find that the closest peers trade at lower multiples than the Swedish IT sector. Even though the closest peers are small and therefore the consensus is of relatively low quality, we believe these lower multiples must be reflected in our valuation. This also justifies our 25% discount to the Swedish IT group valuation for Net Insight. By doing so, we end up at a fair value range of SEK4–7 share. This is supported by a DCF valuation suggesting a midpoint of SEK6.2 per share (up from SEK5.7 due to estimate changes).

Assumptions

Our peer group valuation is based on regression analysis between 2025–26e EV/S versus sales growth assumptions for 2025-–26e, EBIT margins for 2025–26e, and the Rule of 40 level, based on a sales CAGR (2024–26e) and EBIT margin (2026e), as well as EV/EBITDA versus the sales growth assumption for 2025–26e. Based on these regressions, we reach EV/S and EV/EBITDA multiples that we believe should justify the valuation. However, until Net Insight has proved its ability to sustainably outgrow its closest peers and deliver on its financial targets, we reiterate our 25% valuation discount versus the Swedish IT sector.

Valuation	Multiple	EV (SEKm)	Net debt	Shares	Share price	Until proven discount	Share price
Swedish EV/S vs sales growth	4.2	2,745	-101	344	8	25%	6
Swedish EV/S vs EBIT margin	3.6	2,369	-101	344	7	25%	5
Swedish EV/EBITDA vs sales growth	9.3	1,729	-101	344	5	25%	4
Swedish rule of 40	4.6	3,055	-101	344	9	25%	7

Source: DNB Carnegie

While our fair value range is based on our peer group analysis and benchmarking, we have also conducted a DCF valuation. Below is a summary of our DCF analysis and our assumptions. We use a WACC of 8.0%. Combining this with our estimate revisions, our DCF valuation indicates a fair value midpoint of SEK6.2 (up from SEK5.7 due to the estimate revisions), within the valuation range that we reach above.

DCF assumptions - Summary	2025e	2026e	2027e	Average year 4-5	6-10	11-15	16-20	Terminal period
Total sales growth	-13.9%	25.6%	15.5%	13.9%	6.6%	5.0%	4.0%	2.0%
EBITDA margin	13.5%	28.3%	31.7%	34.7%	31.8%	30.6%	30.0%	30.0%
Depreciation % of sales	-18.2%	-14.8%	-13.9%	-13.9%	-13.9%	-13.9%	-13.9%	-13.9%
EBITA margin	-4.7%	13.5%	17.8%	20.8%	17.9%	16.7%	16.1%	16.1%
Amortisations % of sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT margin	-4.7%	13.5%	17.8%	20.8%	17.9%	16.7%	16.1%	16.1%
Capex % of sales	-23.0%	-17.2%	-17.2%	-17.2%	-17.2%	-17.2%	-17.2%	-17.2%
Paid tax rate	-4.0%	-12.5%	-12.5%	-21.0%	-21.0%	-21.0%	-21.0%	-21.0%
NWC to sales	32.9%	27.7%	27.7%	27.7%	27.7%	27.7%	27.7%	27.7%
Sales	524	658	760	932	1,226	1,573	1,964	2,147
EBITDA	**71**	**186**	**241**	**314**	**390**	**481**	**589**	**644**
Capex	-120	-113	-131	-160	-211	-271	-338	-298
Taxes	1	-11	-17	-39	-46	-55	-66	73
Other	-71	-10	-28	-31	-20	-21	-21	3,634
Free cash flow	**-120**	**52**	**64**	**83**	**112**	**134**	**164**	**4,052**
Discounted FCF	-115	46	53	65	63	51	43	903
Share of total discounted FCF	-6%	3%	3%	7%	17%	14%	12%	50%

Valuation	(curr.)m	Per share
EV (discounted FCF)	1,801	5.3
- Net debt (2024)	231	0.7
+ Associates	0	0.0
- Minority interest	0	0.0
- Outstanding warrants	0	0.0
Other debt adjustments	0	0.0
Equity value at YE (25)	**2,032**	**6.0**
Time adjustment	84	0.2
Dividend	0	0.0
Current equity value	**2,116**	**6.2**

WACC assumptions	
Risk-free rate	4.00%
Market risk premium	4.00%
Adjusted Beta	100.00%
Country risk premium	0.00%
Liquidity risk premium	0.00%
ESG risk (-1% to +1%)	0.00%
Cost of equity	**8.00%**
Risk-free rate	4.00%
Credit spread	1.56%
Cost of debt (Rf + credit spread)	5.56%
Taxes	21.00%
After-tax cost of debt	4.39%
Equity weight	**100.00%**
WACC	**8.00%**

Source: DNB Carnegie

Risks

We have outlined eight main risks in Net Insight. These are: 1) management risk: CEO Crister Fritzson has played a pivotal role in outlining the new strategy; 2) currency risk: most of the company revenue is recognised in USD and EUR, while most purchasing costs are recognised in SEK; 3) capital allocation risks: Net Insight uses buybacks as a remuneration alternative, which could cause liquidity issues in capital markets; 4) macroeconomic risks: worsened macroeconomic conditions that could lead to a slowdown in media companies' and telecom operators' investments in new network infrastructure; 5) strategic risks: the strategic plan set by management deviates from practice, is not fulfilled, or fails to achieve the strategic targets; 6) operational risks: Net Insight is dependent on several suppliers for its product development and production; 7) technological risks: the business model relies heavily on having competitive and cutting-edge technology, with a constant risk of new competitors entering the market with more effective or efficient technologies; and 8) geopolitical risks: although Net Insight has no operating involvement in turbulent regions such as Russia, Ukraine, Israel and Palestine, uncertainties remain, and potential supply chain disruptions should not be overlooked.

Interim figures

P&L, SEKm	Q1(24)	Q2(24)	Q3(24)	Q4(24)	Q1(25)	Q2(25e)	Q3(25e)	Q4(25e)	2024	2025e	2026e	2027e
Net sales	142	176	156	134	115	123	134	152	608	524	658	760
Growth, Y/Y	*12%*	*39%*	*8%*	*-18%*	*-20%*	*-30%*	*-14%*	*14%*	*9%*	*-14%*	*26%*	*16%*
Org growth Y/Y	*12%*	*40%*	*12%*	*-19%*	*-19%*	*-23%*	*-8%*	*21%*	*9%*	*-9%*	*26%*	*16%*
Cost of sales	-57	-62	-65	-52	-57	-59	-64	-70	-235	-251	-263	-289
o/w amort of cap R&D	-12	-16	-18	-18.3	-18.6	-18.5	-18.5	-19.8	-64	-75	-79	-87
Growth ex cap, Y/Y	*18%*	*35%*	*8%*	*-28%*	*-15%*	*-10%*	*-2%*	*48%*	*5%*	*2%*	*5%*	*9%*
Gross profit	**86**	**115**	**91**	**81**	**57**	**64**	**70**	**82**	**373**	**273**	**395**	**471**
Gross margin	*60.0%*	*65.1%*	*58.5%*	*61.0%*	*50.0%*	*52.0%*	*52.0%*	*54.0%*	*61.3%*	*52.1%*	*60.0%*	*62.0%*
Gross profit growth, Y/Y	*14%*	*46%*	*6%*	*-21%*	*-33%*	*-44%*	*-24%*	*1%*	*9%*	*-27%*	*45%*	*19%*
Sales & Marketing exp	-41	-48	-40	-42	-43	-45	-41	-46	-172	-175	-181	-196
Admin exp.	-17	-18	-18	-19	-18	-27	-16	-18	-72	-78	-71	-75
R&D exp	-13	-13	-10	-13	-11	-11	-10	-12	-50	-45	-55	-65
Other op. inc. & exp.	-3	2	2	-2	5	0	0	0	-1	0	1	1
Total opex	***-75***	***-76***	***-66***	***-76***	***-66***	***-83***	***-67***	***-76***	***-294***	***-292***	***-306***	***-336***
of which D&A	-4	-4	-4	-4	-5	-5	-5	-5	-17	-20	-18	-19
Opex ex D&A growth	*21%*	*12%*	*0%*	*4%*	*-13%*	*8%*	*0%*	*-2%*	*9%*	*-2%*	*6%*	*10%*
Operating profit	**11**	**38**	**25**	**5**	**-9**	**-18**	**3**	**6**	**79**	**-19**	**89**	**135**
Operating margin	*7%*	*22%*	*16%*	*4%*	*-8%*	*-15%*	*2%*	*4%*	*13%*	*-4%*	*13%*	*18%*
Op. profit growth Y/Y	*-12%*	*288%*	*26%*	*-82%*	*-186%*	*-148%*	*-90%*	*16%*	*11%*	*-124%*	*-565%*	*52%*
Net financial items	7	0	-3	6	-5	2	2	1	11	0	3	5
of which interest income	*2*	*2*	*2*	*1*	1	2	2	2	*8*	*7*	*3*	*5*
of which other	*0*	*1*	*1*	*0*	*0*	0	0	0	*5*	*0*	*0*	*0*
of which FX	*5*	*-3*	*-5*	*5*	*-7*	0	0	0	*-2*	*-7*	*0*	*0*
Pre-tax profit	**18**	**39**	**22**	**11**	**-14**	**-17**	**4**	**7**	**89**	**-19**	**92**	**140**
Taxes	-4	-8	-5	-2	0	0	0	0	-18	0	-20	-31
Tax rate	*21%*	*21%*	*21%*	*17%*	*2%*	*0%*	*0%*	*3%*	*21%*	*0%*	*22%*	*22%*
Net profit	**14**	**30**	**17**	**9**	**-14**	**-17**	**4**	**7**	**71**	**-19**	**71**	**109**
Disc op	0	0	0	0	0	0	0	0	0	0	0	0
Net profit	**14**	**30**	**17**	**9**	**-14**	**-17**	**4**	**7**	**71**	**-19**	**71**	**109**
EPS, reported	0.04	0.09	0.05	0.03	-0.04	-0.05	0.01	0.02	0.21	-0.07	0.21	0.32
EPS, adjusted	0.04	0.09	0.05	0.03	-0.04	-0.05	0.01	0.02	0.21	-0.04	0.21	0.32
No of shares, basic	345	347	344	342	340	340	340	340	342	341	341	341
No of shares, diluted	347	349	346	344	340	340	340	340	344	343	343	343
Avg no of shares, basic	346	348	346	343	341	340	340	340	344	342	341	341
Avg no of shares, diluted	348	349	347	345	342	340	340	340	346	343	343	343

Source: DNB Carnegie (estimates) & company

Interim figures

Prod. area breakdown	Q1(24)	Q2(24)	Q3(24)	Q4(24)	Q1(25)	Q2(25e)	Q3(25e)	Q4(25e)	2024	2025e	2026e	2027e
Media	**132**	**167**	**146**	**119**	**104**	**113**	**123**	**137**	**564**	**477**	**589**	**677**
Reported growth, Y/Y	*12%*	*42%*	*8%*	*-22%*	*-21%*	*-32%*	*-16%*	*15%*	*8%*	*-15%*	*24%*	*15%*
Org growth Y/Y	*12%*	*42%*	*11%*	*-23%*	*-22%*	*-25%*	*-10%*	*22%*	*8%*	*-11%*	*24%*	*15%*
Reported growth YTD, Y/	*12%*	*27%*	*20%*	*8%*	*-21%*	*-27%*	*-24%*	*-15%*	*8%*	*-15%*	*24%*	*15%*
Org growth YTD, Y/Y	*12%*	*26%*	*21%*	*8%*	*-22%*	*-24%*	*-19%*	*-11%*	*8%*	*-11%*	*24%*	*15%*
Estimated FX effect	1	1	-4	1	1	-12	-8	-9	-2	-28	0	0
Estimated FX effect in pe	0%	1%	-3%	1%	1%	-7%	-6%	-7%	0%	-5%	0%	0%
FX basket development	0%	1%	-3%	1%	1%	-7%	-6%	-7%				
Time Sync	**10.2**	***9.0***	***10.2***	***14.3***	***10.7***	***10.0***	***11.0***	***15.0***	**44**	**47**	**69**	**82**
Reported growth, Y/Y	*20%*	*1%*	*17%*	*64%*	*5%*	*11%*	*8%*	*5%*	*26%*	*7%*	*47%*	*20%*
Org growth Y/Y	*19%*	*0%*	*20%*	*64%*	*4%*	*18%*	*13%*	*12%*	*26%*	*12%*	*47%*	*20%*
Reported growth YTD, Y/	*20%*	*10%*	*13%*	*26%*	*5%*	*8%*	*8%*	*7%*	*26%*	*7%*	*47%*	*20%*
Org growth YTD, Y/Y	*-23%*	*-20%*	*-16%*	*-7%*	*-6%*	*-4%*	*-2%*	*-1%*	*26%*	*12%*	*47%*	*20%*
Estimated FX effect	0	0	0	0	0	-1	-1	-1	0	-2	0	0
Time sync orderbook	195	190	175	172	145	133	124	125	172	125	156	149
New orders	10	4	-5	11	-16	*5*	*5*	*20*	21	14	*100*	*75*
FX (EUR development)						-5%	-3%	-3%				
Run rate, quarterly	10	10	9	9	7	7	6	6				
Total	**142**	**176**	**156**	**134**	**115**	**123**	**134**	**152**	**608**	**524**	**658**	**760**
Reported growth, Y/Y	*12%*	*39%*	*8%*	*-18%*	*-20%*	*-30%*	*-14%*	*14%*	9%	-14%	26%	16%
FX effect	1	1	-5	1	1	-13	-9	-10	-2	-30	0	0
Org growth Y/Y	13%	40%	12%	-19%	-19%	-37%	-20%	6%	9%	-9%	26%	16%

Source: DNB Carnegie (estimates) & company

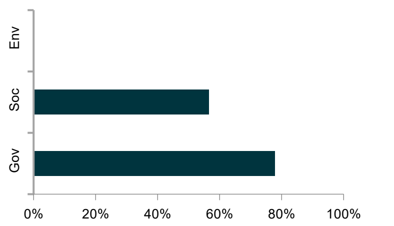
Revenue break down	Q1(24)	Q2(24)	Q3(24)	Q4(24)	Q1(25)	Q2(25e)	Q3(25e)	Q4(25e)	2024	2025e	2026e	2027e
Hardware	**57**	**52**	**61**	**53**	**47**	**59**	**61**	**74**	**222**	**241**	**275**	**314**
Growth, Y/Y	*6%*	*2%*	*-13%*	*-11%*	*-18%*	*15%*	*0%*	*40%*	*-5%*	*9%*	*14%*	*14%*
HW share of sales	*40%*	*29%*	*39%*	*40%*	*41%*	*48%*	*45%*	*49%*	*37%*	*46%*	*42%*	*41%*
Software	**47**	**85**	**56**	**38**	**31**	**32**	**33**	**36**	**226**	**132**	**193**	**220**
Growth, Y/Y	*43%*	*158%*	*73%*	*-44%*	*-34%*	*-63%*	*-41%*	*-5%*	*36%*	*-41%*	*45%*	*14%*
SW share of sales	*33%*	*48%*	*36%*	*29%*	*27%*	*26%*	*25%*	*24%*	*37%*	*25%*	*29%*	*29%*
SW share of 12M HW sa	*20%*	*36%*	*24%*	*17%*	*15%*	*15%*	*15%*	*15%*	*102%*	*55%*	*70%*	*70%*
Supp & Serv	**38**	**39**	**39**	**42**	**36**	**32**	**40**	**41**	**160**	**150**	**190**	**227**
Media Supp & Serv sales	38	39	39	42	35	31	39	39	158	144	180	207
Time Sync Supp & Serv :	0	0	0	0	1	1	1	2	2	6	10	20
Growth, Y/Y	*-4%*	*-8%*	*-6%*	*22%*	*-6%*	*-19%*	*2%*	*-2%*	*0%*	*-6%*	*27%*	*19%*
Supp & serv share of sal	*27%*	*22%*	*25%*	*32%*	*32%*	*26%*	*30%*	*27%*	*26%*	*29%*	*29%*	*30%*
Total	**142**	**176**	**156**	**134**	**115**	**123**	**134**	**152**	**608**	**524**	**658**	**760**

Source: DNB Carnegie (estimates) & company

DNB Carnegie's Sustainability Scorecard

DNB Carnegie total ESG peer rating: 49% **Taxonomy eligible: No**

ESG rating – share of best peer score



Potential and incidents

Sust. driven growth	Fair
Past incidents	Insignificant

Exposure to negative impact industries

Fossil fuels	0%
Weapons	0%
Tobacco	0%
Pornography	0%
Alcohol	0%
Gambling	0%

Sources above: DNB Carnegie (estimates)

ESG Key Facts

Science-based CO2 reduction targ	na
Science-based CO2 neutrality targ yr	na
Non-renewable energy cons. (%)	na
% women (BoD/senior exec/total)	33/13/18
Employee turnover rate (%)	na
Absenteeism rate (%)	na
Accident frequency (per mill. hours)	na
Board meetings (nr/attendance)	11/100%
Sustainability committee	No
Sust. performance in incentive prog.	No
Whistleblowing system	Yes
Taxonomy eligible revenue	na

Source: DNB Carnegie (estimates) & company data

Sustainability as a business driver

Net Insight benefits from regulatory trends in society that aim to contribute to higher national security. There is a growing risk for heightened regulations related to Global Navigation Satellite Systems (GNSS). Due to the awareness of the vulnerability of GNSS technology to jammers or spoofers, the risks with current solutions are expected to be increasingly on network providers' agenda. We believe network providers will increasingly see the benefit of reducing this risk by adopting a GNSS-independent solution, not least since time synchronisation will increase in importance once networks are provided with 5G-enabled features such as network slicing and low latency dependent services.

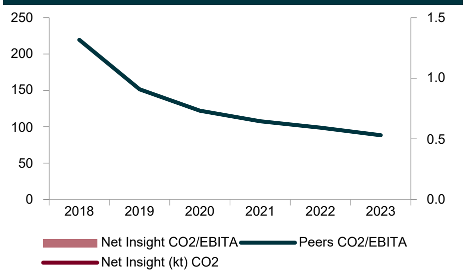
Sustainability targets and achievements

Net Insight aims to contribute to six of the 17 Sustainable Development Goals from the UN Agenda 2030: Goal 9 Industry, Innovation and Infrastructure, Goal 12 Responsible Consumption and Production, Goal 5 Gender Equality, Goal 8 Decent Work and Economic Growth, Goal 10 Reduced Inequality and Goal 16 Peace, Justice and Strong Institutions. The business is all about creating innovative and efficient solutions for needed infrastructures in society and is also taking steps to minimise the direct climate impact. The latest product in the Media Networks segment, Nimbra 1060, consumes nearly half of its energy of its predecessors. The company reports that the share of women employees is around 20%, but that it strives to foster a more equal workforce, addressing an industry-wide challenge. In 2024, a new female CFO was recruited, which means that management executives now include two women out of eight positions. On the board of directors, two out of six members are women.

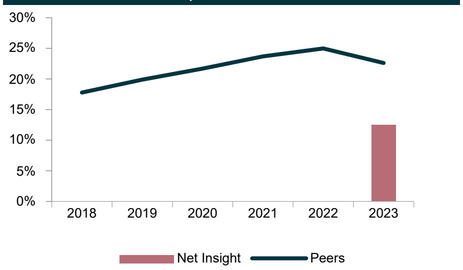
Sustainability related risks and past incidents

While we generally hold a positive view of the company's efforts and its contribution to a sustainable environment, we also acknowledge certain risks. One concern is associated with overconsumption. While Net Insight's solutions aim for cost reductions and scalability, there is a potential downside in terms of increased energy consumption from customers. There are also geopolitical risks tied to the Time Synchronisation segment with current partners and potential customers located in countries like China and Saudi Arabia where governments are less democratic and protection for individual rights are limited. This could impact compliance with ethical standards.

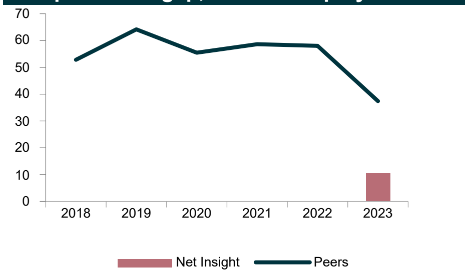
Carbon emissions



Senior executives, % women



Compensation gap, CEO vs employees



Source: DNB Carnegie (estimates) & company data

Financial statements

Profit & loss (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	449	449	332	381	475	559	608	524	658	760
COGS	-176	-166	-130	-152	-177	-218	-235	-251	-263	-289
Gross profit	**273**	**282**	**202**	**228**	**298**	**342**	**373**	**273**	**395**	**471**
Other income & costs	-206	-208	-158	-142	-176	-199	-213	-202	-209	-230
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
EBITDA	**67**	**74**	**45**	**87**	**121**	**143**	**160**	**71**	**186**	**241**
Depreciation PPE	-3	-6	-6	-5	-6	-6	-6	-9	-7	-5
Depreciation lease assets	0	-10	-10	-8	-8	-10	-10	-11	-11	-13
Amortisation development costs	-58	-57	-39	-44	-45	-55	-64	-75	-79	-87
Amortisation other intangibles	-4	-5	-5	-2	-1	-1	-1	-1	-1	-1
Impairments / writedowns	-36	0	0	0	-1	0	0	0	0	0
EBITA	**-34**	**-4**	**-15**	**27**	**61**	**71**	**79**	**-24**	**89**	**135**
Amortization acquisition related	0	0	0	0	0	0	0	0	0	0
Impairment acquisition related	0	0	0	0	0	0	0	0	0	0
EBIT	**-34**	**-4**	**-15**	**27**	**61**	**71**	**79**	**-24**	**89**	**135**
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	1	-3	-5	2	8	6	11	0	3	5
of which interest income/expenses	0	-4	-1	0	1	7	8	7	3	5
of which interest on lease liabilities	0	0	0	0	0	0	0	0	0	0
of which other items	1	1	-3	2	7	-1	3	-7	0	0
Pre-tax profit	**-33**	**-7**	**-20**	**29**	**69**	**77**	**89**	**-24**	**92**	**140**
Taxes	7	2	5	-5	-15	-17	-18	0	-20	-31
Post-tax minorities interest	0	0	0	0	0	0	0	0	0	0
Discontinued operations	-32	-28	252	-37	0	0	0	0	0	0
Net profit	**-58**	**-32**	**237**	**-13**	**54**	**60**	**71**	**-24**	**71**	**109**
Adjusted EBITDA	67	74	45	87	121	143	160	81	186	241
Adjusted EBITA	2	-4	-15	27	62	71	79	-14	89	135
Adjusted EBIT	2	-4	-15	27	62	71	79	-14	89	135
Adjusted net profit	-30	-32	237	-13	55	60	71	-14	71	109
Sales growth Y/Y	5.3%	-0.2%	-26.0%	14.6%	24.8%	17.7%	8.7%	-13.9%	25.6%	15.5%
EBITDA growth Y/Y	7.6%	10.1%	-40.0%	94.9%	39.6%	17.6%	12.1%	-55.8%	162.9%	29.6%
EBITA growth Y/Y	-chg	+chg	-chg	+chg	126.0%	17.2%	11.2%	-chg	+chg	52.3%
EBIT growth Y/Y	-chg	+chg	-chg	+chg	126.0%	17.2%	11.2%	-chg	+chg	52.3%
EBITDA margin	15.0%	16.6%	13.4%	22.8%	25.5%	25.5%	26.3%	13.5%	28.3%	31.7%
EBITA margin	nm	nm	nm	7.0%	12.7%	12.7%	13.0%	nm	13.5%	17.8%
EBIT margin	-7.6%	-0.8%	-4.6%	7.0%	12.7%	12.7%	13.0%	-4.7%	13.5%	17.8%
Tax rate	20.6%	29.7%	26.5%	17.1%	21.6%	22.3%	20.6%	na	22.3%	22.3%

Cash flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	67	74	45	87	121	143	160	71	186	241
Paid taxes	0	0	0	-1	-1	-10	-23	1	-11	-17
Change in NWC	-13	10	-51	18	14	-43	-20	-71	-10	-28
Interests paid	1	-3	-5	2	8	6	11	0	3	5
Actual lease payments	0	-8	-9	-8	-8	-10	-11	-11	-11	-11
Non cash adjustments	0	8	-225	35	7	11	1	0	0	0
Discontinued operations	-32	-28	252	-37	0	0	0	0	0	0
Total operating activities	**23**	**53**	**7**	**96**	**141**	**97**	**117**	**-11**	**157**	**189**
Capex tangible assets	-32	-2	-3	-2	-3	0	-5	-3	-3	-4
Capitalised development costs	-75	-89	-72	-60	-88	-96	-98	-107	-99	-114
Capex - other intangible assets	0	-1	-2	0	-1	0	0	-1	-1	-1
Acquisitions/divestments	0	0	302	70	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	0	0	0	0	0	0	0
Total investing activities	**-107**	**-92**	**225**	**9**	**-91**	**-96**	**-103**	**-110**	**-103**	**-119**
Dividend paid and received	0	0	0	0	0	0	0	0	0	0
Share issues & buybacks	-1	-2	0	-33	-98	-50	-48	-10	0	0
Change in bank debt	0	0	0	0	0	0	0	0	0	0
Other cash flow items	0	0	1	0	2	8	0	0	0	0
Total financing activities	**-256**	**-166**	**467**	**69**	**-134**	**-43**	**-48**	**-10**	**0**	**0**
Operating cash flow	23	53	7	96	141	97	117	-11	157	189
Free cash flow	-84	-39	-71	34	50	1	14	-121	54	70
Net cash flow	-340	-205	699	174	-84	-42	-34	-131	54	70
Change in net IB debt	-84	-43	231	71	-46	-41	-34	-131	54	68
Capex / Sales	7.0%	0.4%	0.9%	0.6%	0.5%	-0.1%	0.8%	0.5%	0.5%	0.5%
NWC / Sales	8.3%	6.7%	16.6%	24.7%	20.5%	18.9%	17.9%	26.1%	26.9%	25.8%

Source: DNB Carnegie (estimates) & company data

Financial statements, cont.

Balance sheet (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Acquired intangible assets	63	66	58	39	39	39	39	39	39	39
Other fixed intangible assets	14	11	8	2	2	1	0	0	0	0
Capitalised development	234	185	209	158	198	236	271	303	323	349
Tangible assets	34	30	25	19	16	13	12	6	3	2
Lease assets	0	52	45	34	32	25	14	14	14	14
Other IB assets (1)	0	0	0	0	0	0	0	0	0	0
Other non-IB assets	35	32	33	22	9	8	9	9	9	9
Fixed assets	**381**	**375**	**378**	**274**	**295**	**321**	**345**	**371**	**387**	**413**
Inventories (2)	46	45	52	54	84	89	88	97	122	141
Receivables (2)	116	112	139	126	147	162	169	209	197	228
Prepaid exp. & other NWC items (2)	14	9	10	21	10	0	0	0	0	0
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash & cash equivalents (1)	93	52	283	355	308	266	233	102	156	226
Current assets	**269**	**312**	**484**	**555**	**550**	**517**	**490**	**408**	**475**	**595**
Total assets	**650**	**686**	**862**	**829**	**845**	**838**	**835**	**779**	**862**	**1,008**
Shareholders' equity	494	464	693	647	605	622	646	612	683	792
Minorities	0	0	0	0	0	0	0	0	0	0
Other equity	0	0	0	0	0	0	0	0	0	0
Total equity	**494**	**464**	**693**	**647**	**605**	**622**	**646**	**612**	**683**	**792**
Deferred tax	0	0	0	0	0	0	0	1	10	24
LT IB debt (1)	0	0	0	0	0	0	0	0	0	0
Other IB provisions (1)	0	0	0	0	0	0	0	0	0	0
Lease libilities	0	42	36	25	21	12	2	1	1	3
Other non-IB liabilities	18	21	18	11	61	52	16	16	16	16
LT liabilities	**18**	**62**	**54**	**36**	**82**	**64**	**18**	**18**	**27**	**43**
ST IB debt (1)	0	17	3	45	na	na	na	0	0	0
Payables (2)	36	36	17	37	36	38	35	31	38	44
Accrued exp. & other NWC items (2)	102	108	96	64	111	96	120	103	99	114
Other ST non-IB liabilities	0	0	0	0	0	0	0	0	0	0
Liabilities - assets held for sale	0	0	0	0	0	0	0	0	0	0
Current liabilities	**138**	**161**	**116**	**146**	**158**	**152**	**171**	**149**	**152**	**174**
Total equity and liabilities	**650**	**686**	**862**	**829**	**845**	**838**	**835**	**779**	**862**	**1,008**
Net IB debt (=1)	-93	6	-244	-285	-288	-254	-231	-101	-155	-223
Net working capital (NWC) (=2)	38	22	89	100	95	116	101	172	182	210
Capital employed (CE)	469	500	709	705	627	632	644	610	690	815
Capital invested (CI)	149	180	225	193	183	194	167	232	238	265
Equity / Total assets	76%	68%	80%	78%	72%	74%	77%	79%	79%	79%
Net IB debt / EBITDA	-1.4	0.1	-5.5	-3.3	-2.4	-1.8	-1.4	-1.4	-0.8	-0.9

Per share data (SEK)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Adj. no. of shares in issue YE (m)	383.5	382.8	382.8	377.4	357.2	346.6	342.2	340.9	340.9	340.9
Diluted no. of Shares YE (m)	383.5	382.8	382.8	380.4	362.0	348.4	344.0	342.7	342.7	342.7
EPS	-0.15	-0.08	0.62	-0.03	0.15	0.17	0.21	-0.07	0.21	0.32
EPS adj.	-0.08	-0.08	0.62	-0.03	0.15	0.17	0.21	-0.04	0.21	0.32
CEPS	0.11	0.10	0.75	0.10	0.29	0.34	0.41	0.17	0.46	0.59
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BVPS	1.29	1.21	1.81	1.71	1.69	1.79	1.89	1.79	2.00	2.32

Performance measures	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
ROE	-11.2%	-6.7%	41.1%	-2.0%	8.6%	9.8%	11.2%	-3.9%	11.0%	14.7%
Adj. ROCE pre-tax	0.6%	-0.5%	-3.1%	4.2%	10.7%	12.3%	14.0%	-2.3%	14.1%	18.6%
Adj. ROIC after-tax	1.1%	-1.5%	-5.6%	10.6%	25.8%	29.2%	34.7%	-7.3%	29.3%	41.7%

Valuation	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
FCF yield	-6.0%	-2.8%	-5.1%	2.4%	3.6%	0.1%	1.0%	-8.7%	3.9%	5.0%
Dividend yield YE	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend + buy backs yield YE	na	0.2%	0.0%	1.3%	4.5%	2.8%	1.9%	0.7%	0.0%	0.0%
EV/Sales YE	na	1.98	1.09	5.87	4.01	2.78	3.88	2.47	1.89	1.54
EV/EBITDA YE	na	11.9	8.1	25.7	15.7	10.9	14.8	18.3	6.7	4.9
EV/EBITA YE	na	neg.	neg.	>50	31.5	22.0	29.9	neg.	14.0	8.7
EV/EBITA adj. YE	na	neg.	neg.	>50	30.7	22.0	29.9	neg.	14.0	8.7
EV/EBIT YE	na	neg.	neg.	>50	31.5	22.0	29.9	neg.	14.0	8.7
P/E YE	na	nm	2.5	nm	41.6	30.7	36.7	nm	19.6	12.8
P/E adj. YE	na	nm	2.5	nm	40.7	30.7	36.7	nm	19.6	12.8
P/BV YE	na	1.90	0.87	3.86	3.57	2.90	3.99	2.27	2.03	1.75
Share price YE (SEK)		2.30	1.58	6.62	6.06	5.20	7.53	4.08		

Source: DNB Carnegie (estimates) & company data

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