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Speakers



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Prepared Remarks



Crister Fritzson
CEO | Net Insight

Good morning and welcome to Net Insight's Q4 results. Together with me today, I have Cecilia, our CFO, and I have also Linda, our investor relations responsible for investor relations. My name is Crister Fritzson. I'm the CEO of Net Insight. Let's look into the agenda for today. We will go through the highlights and the business overview, and we will cover media and time synchronization. Cecilia will cover the financials, and then we will end up with an outlook going forward. We will also have questions in the end. If you have any questions, you know that you can send them in, and we will have a Q&A after the presentation today. Let's move into the first slide and look into the overview.



Crister Fritzson
CEO | Net Insight

We have a successful year behind us with a number of new important customer wins within media and a strong growth in our focus market, Americas. We have a high conversion rate from POCs to commercial order in the sync business. We have a stable quarter in Q4 in the light of a very tough comparison number from last year and the seasonal volatility in media coming from unpredictable budget orders. Q4, normally we see budget orders coming in as last year, 2023, but this year we have less budget orders coming in. It is maybe coming from that our existing large customers have significant investment in the previous quarter, 2024. We saw a strong increase in sales of the Zyntai Q4, reaching up to over SEK 14 million. The full-year net sales growth is over 13% last year.



Crister Fritzson
CEO | Net Insight

We have excluded NRE support from Turk Telekom on the R&D investment that we have done on the Zyntai. One of our main focuses in media is to gain new customers, and we are very glad to see that we have three additional very strong large customers within media. We received an order on Zyntai from a leading operator in Europe, and we signed our first Time-as-a-Service deal in South Africa. We see a continuous growth from growing interest in the Zyntai for large operators. This is the change in the last six to nine months that we see larger operators getting interest in Zyntai in all regions. We have started a new POC with large operators in Q4, and it continues even in Q1.



Crister Fritzson
CEO | Net Insight

That is a really strong and good trend that we see, that we see a higher interest in general, but definitely from large operators. We expect that the contribution to our growth in 2025 will come definitely from Zyntai. It's a little bit difficult to predict exactly which quarter the increase in sales will come with Zyntai. It's depending on when the POC will move over to commercial orders. We estimate an acceleration during the year, and mainly in the second half of this year, we will see an increase in sales of the Zyntai product. Moving on and coming into the business overview, I'll just start with the sales and the margins then. Our strategic focus will result in solid growth in 2024. As I just mentioned, it's over 13%, excluding the NRE. The growth is coming from upselling existing customers.



Crister Fritzson
CEO | Net Insight

We know that we have a very good solution for the existing customers. It's easy to go from our DTM technology over to IP. It's a seamless move from the different technologies. We also see a strong customer acquisition during the year. If we look at the CAGR and look between 2021 to 2024, the CAGR is over 16% or close to 17%. It's strong. You know the financial target that we have in growth is to be an average over 15% per year. We have a stable and good operating margin despite significant investing in the synchronization product, but also in the media product. We have an accelerated investment in both those product segments. We also see increasing investment in the front end to secure long-term growth of our business.



Crister Fritzson

CEO | Net Insight

The operating improvement, earning improvement into 2024 is coming, of course, from increased revenue and a growing software and license sales, also strengthening the EBIT. I'm comfortable with our financial targets of an average annual net sales growth of 15% and reaching an operating margin of 20% in the end of 2027. Moving over to looking into the sales in the regions. Again, as you can see, a fantastic year for EMEA with strong sales. EMEA has had, for the last two, three years, very strong, stable sales. Our focus has been clear, and we have a clear target that we need to grow the American market. We have invested in IP-based products, and that's been specifically for the US market that are very IP-based focused. It has paid off. You can see that the American market during 2024 was growing with over 40%.



Crister Fritzson

CEO | Net Insight

Very strong growth in America last year. We see a continuous positive outlook for America in 2025. A little bit more specific on the media. As you know, our focus is on live events and in the sports segment. That is definitely a growing segment. We see also new players entering into that segment. Large players are investing in content and also, on top of that, investing in the media product that we are supplying. That is the driver in the market, and that's our focus area. We will continue to focus on sports during 2025 to be even more focused on the larger leagues in all regions to really gain the growth in that segment that's growing very fast. I'm glad to see that our long-term investment in IP and cloud is paying off.



Crister Fritzson

CEO | Net Insight

We see that we have strengthened our position in the market dramatically the last two to three years in the light of the investment that we have done in those two segments. Now we can see that we have a mature IP product, even though we continue to increase functionality in the IP. We see that the cloud is slowly but surely increasing in sales, and we are increasing in unmanaged to support the cloud product. The growth last year is coming from existing customers that are investing in the IP-based product and also in the cloud. We are also so happy to see that we are entering in with new customers. As I mentioned in Q4, we had three major customers coming in. One is a major US media company and one large in the Edge order in Europe.



Crister Fritzson

CEO | Net Insight

It's very encouraging to see that we are moving in the Edge segment. That is a long-term investment. We see going forward that Edge cloud will be more important going forward. Our long-term investment in the Middle East, that we have increased our sales resources in the Middle East like two years ago, really paid off with a large order in Q4 from an operator from the telecom sector. Moving over to sync or the product Zyntai. As I said, we see a continuous increase in Zyntai. Several leading telecom operators have initiated proof of concept, while previous ones are gradually transitioning into commercial orders. We have a high ratio of operators that are moving from POCs to commercial orders. It is important for us to sign up large telecom operators that can lead the way and take down barriers for other telecom operators to use Zyntai.



Crister Fritzson

CEO | Net Insight

That's the reason why we are so glad to see that one large operator in Europe has signed up. We also signed up our first Time-as-a-Service provider in South Africa. Just a little bit of explanation on the Time-as-a-Service. It's not in a competition to 5G or other larger segments. Time-as-a-Service is focused on smaller market or customer segments like data centers or even radio stations or fintech that have smaller installations. Please unmute this computer. Thank you. Okay. We understand that we had a problem with the transmission. I will go back to the Zyntai presentation, and then Cecilia will come back with the financials. Coming back to the Zyntai, we see a continuous increase in interest in Zyntai.



Crister Fritzson

CEO | Net Insight

We see several leading telecom operators initiating proof of concept in Q4, while previous ones are gradually transitioning into commercial orders. That is the trend that we have seen, and it's continuous. It's glad, and it's coming from all three regions. It is very important for us to sign up the large operator that we have discussed, that the large operator can give you comfort in the market and lead the way and take down barriers for other telecom operators to use Zyntai. We see that that's a trend that's coming when we have signed a large European operator. That is very, very encouraging, and that will also give a clear message into the telecom market that our product is very, very competitive. We also signed up our first Time-as-a-Service customer or provider in South Africa. Yes, a little bit—yes, explanation of what Time-as-a-Service is.



Crister Fritzson

CEO | Net Insight

It's actually—it will not compete with the telecom market or other larger markets like power grid. The Time-as-a-Service is more focused on smaller installations. It can come from data centers or a number, two, three, four data centers that need to have a time synchronization. This is a super interesting solution for them to take Time-as-a-Service. It can be like radio stations that have a number of different stations in a country, and they need to have time synchronization between them. It is very easy for them to just take a service. Or in the fintech industry. It is a number of industries that are really interesting in time. Time will be a crucial component in many, many different industries. We see this is a great solution to easy, very cost-efficient, get time as a smaller company or a smaller installation.



Crister Fritzson

CEO | Net Insight

We see interest for a number of regions and countries that are looking into having this service. We're glad to see that South Africa was the first country doing just that service. The service integrator or partners is a crucial part of the telecom market. This is a crucial part for us also in our go-to-market strategy. The integrator is the companies that actually help the large operator for installation in the network. They are key components for us in our go-to-market strategy. We are glad to see that we have signed up more than 10 partners in all three regions in different countries, like we have in Turkey and other countries. That's an important part of our go-to-market strategy. We have been focused on that the last 12 to 18 months, and we now have strong local, regional partners.



Crister Fritzson

CEO | Net Insight

We're also looking into large global integrators that can be interesting for us going forward to use. We see that the investment appetite in the global telecom market is slowly coming back. It is driven by increased demand for new functionality in the 5G network. It is mainly coming from industries and other companies that would like to use the 5G functionality that are in the network. That will drive Zyntai sales. If you have an installation like that, you would like to have a robust service. One crucial part is, of course, to have GNSS/GPS-independent. That is a driver for us, and we see that's coming in more and more. Okay. Hopefully, you have heard this now. If you have any questions, you can take them later on after Cecilia's presentation. I'll hand over to Cecilia.



Crister Fritzson

CEO | Net Insight

We need to move the computer to Cecilia then.



Cecilia Höjgård Höök

CFO | Net Insight

Sorry for the mistakes in the transmission. Now we go into the financials. As previously noted, the fourth quarter tends to be more volatile than other quarters. This year, we saw a softened sales dynamic with fewer orders related to customers' remaining budget capacity than 2023, while timing of incoming orders also was less favorable. As a result, our net sales declined 17.8% compared to the same period last year. If we look at full year 2024, our net sales increased 8.7%, mainly driven by our focus region, Americas. If we look at our product group and product mix, we see that over time, we have a stable mix, though it can be somewhat volatile from quarter to quarter.



Cecilia Höjgård Höök

CFO | Net Insight

Over time, we'll see a slow shift to a growing share of recurring revenue coming from license fees from cloud-related media products and time synchronization. The gross earnings decreased on the back of weaker net sales in the quarter. Our gross margin before amortization in the quarter was 74.7%, which is above our three-year average. That is due to a temporarily higher share of support and service revenue in the quarter. Gross margin including amortization was 61%. That is below last year and explained by a combination of the lower net sales and higher amortization of capitalized development. Looking at full year 2024, our gross margin before amortization was 71.9%. That is slightly above our three-year average. Over a long period of time, we expect this trend to continue due to the shift in product mix.



Cecilia Höjgård Höök

CFO | Net Insight

This shift, we do not expect it to come rapid or significant in near time. Looking at EBITDA, we have a positive profitability trajectory with EBITDA margin improving along our net sales for growth for recent years. Looking at full year 2024, EBITDA increased from SEK 143 million and a 25.2% margin to SEK 160 million and a 26.5% margin, a sign of the scalability of our business. Looking at the right-hand side, we see our long-term value creation in development. During the year, we have invested 24% of our revenue in R&D. A large portion of our development expenditures are being capitalized, a sign of long-term value creation in the company. During the year, we have gained efficiency by relocating development from the US and India to Sweden. Our operating earnings amounted to SEK 5.2 million, with a year-on-year decrease related to the lower net sales in the quarter.



Cecilia Höjgård Höök

CFO | Net Insight

As we have a high gross margin, any fluctuations in revenue will have a large impact on our operating earnings. Operating margin decreased to 3.9% alongside weaker sales and continued investments in a strengthened organization, both in media, cloud, IP expertise, as well as time synchronization. Looking at full year 2024, we have a stable margin of 13%. Now to our cash flow. Our cash flow for the quarter, before excluding share-related transactions, was SEK 4.1 million. Cash flow for operating activities was SEK 35.6 million. This was with a positive reduction of working capital. Cash flow from investment activities was minus SEK 28.7 million and a result of our capitalized R&D expenditures. Cash flow from finance activities amounted to SEK 14.8 million, primarily attributable to SEK 12 million in repurchase of shares. Our net cash position at year-end was SEK 233 million.



Cecilia Höjgård Höök

CFO | Net Insight

That means that we have a solid financial flexibility to seize emerging opportunities and fund further growth, including potential acquisitions. Looking ahead at capital tied up in inventory of programmable circuits, FPGAs, this will increase over the coming years. Cash flow-wise, we expect the majority of the cash flow to relate to impact in the second half of 2025. That was from financials. Now moving back to Crister.



Crister Fritzson

CEO | Net Insight

Yes, to sum up, I would like just to point out our key strategy, the growth strategy that we have. We have been very focused on investing in expanding the market. We have been expanding the market through IP and the managed network that we are saying is being the main investment that we have done. We are still in the growth path of that. We see still that Americas will be the focus market.



Crister Fritzson

CEO | Net Insight

We had a strong growth last year, and we continue a strong continuous expansion in the US. That is really great to see that we also can attract new customers. As I mentioned, we have attracted three in the quarter. If you look at the full year, it is over 15 new customers within the media sector. The majority of them have been moving in through the IP product that we have. If we look at the unmanaged, which is mainly the cloud, but also related hardware products. Unmanaged is more using the internet, the open internet to transport. It is a different type of products. We see going forward that unmanaged will be more and more important in the market, even though that is fairly small today. It will also gradually move together with managed and managed will gradually grow together.



Crister Fritzson

CEO | Net Insight

It is a great thing for us because we have a huge installed base of managed products like the 600 and the 1060s. That can also be used for cloud services going forward. Cloud is definitely recurring revenue that you can see further on. That is one of our focus areas to really increase the recurring revenue. Rolling market footprint is definitely the time synchronization product that we have that we launched in the first half of last year to our new sync product. The great thing with this is that we're using the existing technology that we have used since 2008. We are moving into new market segments. As I have been saying, that is really a very, very big and very big opportunity for us to really grow going forward. Recurring revenue, that is something that we have been focused on.



Crister Fritzson

CEO | Net Insight

We have a large portion of recurring revenue as of right now. We would like to continue growing that. It is coming from the cloud product that I mentioned, license sales, but also the time synchronization. The time synchronization product has a larger portion of license than in the media product. We see definitely those three elements as the driver for increasing the recurring revenue. We see also that we would like to expand in adjacent markets or technologies. It is like the complement or an addition to our organic growth that we are also looking into acquisition. That is still ahead of us. We have not really focused on that. It is something that we will look into in the future. Scaling our business, I mean, we have been talking about that a lot previously. We have a global footprint.



Crister Fritzson

CEO | Net Insight

We have relations with large telecom operators. We have relations with large media operators. We have a high gross margin. Increasing the top line will really drive the EBIT level as well. We see that we can scale our business with high potential. Okay. Yes, let's sum up this presentation before we move into the questions. I mean, we have a successful 2024 behind us. Net sales growth was over 13%. Driven by Americas growth of 40% and very stable sales in Europe. We are very happy with that growth last year. Operating margin is stable around 13%. With the continuous high pace of investment in the sync product and in the media product. We are building out the front end. Mainly in the sync part of the business, we are building out the front end.



Crister Fritzson

CEO | Net Insight

With our investment the last two to three years, we have definitely strengthened our media position. We have a strong position now. We are continuing selling our DTM technology. We also have a strong position within the IP market. The good thing is for existing and new customers, it is seamless that you can move between the technology depending on what type of service that you would like to have. You can use the most efficient way of producing your content. Continuous growing interest in Zyntai and definitely from large operators in all three regions. We see that we will have a strong growth in Zyntai this year, mainly in the second half of the year. We have a very long-term growth perspective, all by the somewhat cautious market in EMEA and APAC in Q1.



Crister Fritzson

CEO | Net Insight

We see some cautious signals in EMEA and APAC, while America showed good development. That was like a sum up of the presentation. I suggest that we move over to Q&A. Thanks for listening. We move over, Linda, to Q&A.

Q&A

**Linda Lyth**

Head of Investor Relations | Net Insight

Thank you. Yes, we have a lot of questions on the call here. Let's start with the media business. The media orders you highlighted in the report taken in Q4, is the revenue also recognized in Q4?

**Crister Fritzson**

CEO | Net Insight

Yeah, all three orders. New customers that we received in Q4, the first initial order from all three is recognized in Q4. We see all three customers, that's strategic customers because they are large. We will anticipate that we will, going forward, all three customers. The large order Edge is recurring revenue. That will move on gradually and increase over the years.

**Crister Fritzson**

CEO | Net Insight

Also, the large customer in the US, large broadcaster, one of the largest, we expect that they will be a good customer for us going forward. I'm also glad to see that we have been breaking into the Middle East with an order from one of the larger telecom operators in the region.

**Linda Lyth**

Head of Investor Relations | Net Insight

You mentioned timing of incoming orders was also less favorable. Will this reverse in Q1 2025? What can you say about the demand in Q1 and generally about the visibility into 2025 in media?

**Crister Fritzson**

CEO | Net Insight

No, we see a little bit cautious in the market in Europe and in APAC. We are, of course, looking into that, really crucial to really understand. We see at the moment we see an observed caution attitude in the market. We think it's a little bit influenced by the global uncertainty that we see.

**Crister Fritzson**

CEO | Net Insight

We see that the orders are in the market. The big projects are in the market. We see a little bit cautious in APAC and in Europe in Q1. If we're looking into the full first half of the year, we see a strong pipeline in Q2. We do not think it's a change in the market. We see just a little bit cautious in the market right now on investment. Americas is a good trend. We continue to deliver strong. APAC and Europe, we see some cautious in Q1.

**Linda Lyth**

Head of Investor Relations | Net Insight

Any insights into the reason why customers decided to save more of the budgets in 2024?

**Crister Fritzson**

CEO | Net Insight

I mean, we know that some of our existing customers invested heavily during the year. Probably they have less room for doing budget orders in Q4.

**Crister Fritzson**

CEO | Net Insight

If you go back, we have seen that Q4 are very volatile because of the budget. It's more budget orders. It's less built out or it's less new sport events that get started or moving from one service provider to another service provider. That's not the quarter. It's more like in Q3 that that will happen. Last year, we were happy that we received in the end of Q4 2023, we received two very large orders. We didn't see that coming in this year. If you look at the underlying business, we have a stable Q4. The reason why we have a lower sales in Q4 compared with Q4 2023 is the budget orders. We don't see any change in the market in Q4. We see a little bit hesitant in the market track in Q1 for APAC and Europe.

**Linda Lyth**

Head of Investor Relations | Net Insight

What can you say about the reception of the newly launched media products from customers?



Crister Fritzson
CEO | Net Insight

As I say, I mean, a good sign is that we signed up 15 new customers last year and three in Q4. I think that's the best sign saying that we have a very competitive product. We have actually been taking deals from our competitor. We had outperformed them in those 15 deals. An incumbent supplier, we have been able to have a stronger offering. They have been choosing us. I think that's the absolutely strongest signal and really comfort for me to see that we have a strong position when we have so many new customers. We anticipate that it will continue this year. Focus still is to gain new customers. Long-term growth will come from new customers in the media.



Crister Fritzson
CEO | Net Insight

Our existing customers, like Tata and the rest of them, also grow the business. We will grow our business. It is important for us to be with the right customers that have growth. Last year, we saw that our existing customers were very, very successful.



Linda Lyth
Head of Investor Relations | Net Insight

What can you say in general about the gross margin in the different product groups, hardware, software, support? Given what you see in terms of revenue mix today, hardware, software, support, do you see a continuous stable gross margin in 2025?



Cecilia Höjgård Höök
CFO | Net Insight

Sorry for us needing to change the computers. Regarding the product mix, we see quite stable gross margin over time. As I said in the presentation, we will see slowly a positive trend. That will be really slowly.



Cecilia Höjgård Höök
CFO | Net Insight

If we look at the year, we have had some quarters with a higher gross margin than we should have had in a normal business. That was Q2. We had a higher margin related to the software order. We took SEK 30 million with a high margin. Also, a higher margin on gross margin before amortization in Q4 related to the higher share of service and support revenue. Otherwise, it's quite stable, but a slow trend and positive.



Linda Lyth
Head of Investor Relations | Net Insight

Back to you, Crister. Again, you previously announced the upcoming launch of the 400 gig IP platform at the turn of the year. What impact will this have on the current installed hardware base? Will software updates be available to enable this increased capacity?



Crister Fritzson
CEO | Net Insight

Yeah, when we move from our 1060 to 100 and 200 gig or 1.2 terabytes, that was like a software.



Crister Fritzson
CEO | Net Insight

It's the same rack as we had had previously. We see the same way that with the 400, which will be like a software or a card that you will use within existing rack. It will mean that it will be a very easy and seamless move over to upgrade existing 1060 to 400 gig. That's the way that we have been doing previously, like the 600 product. That's our volume that we had the highest volume, the highest revenue coming from that launched 2008. It's more or less the same rack still. We have new functions. It's fully IP today. It has taken down cost for our customers to move over to new technology or to new features. It's, of course, very sticky for us. Our product is very sticky because it's a lower barrier to move over to new functions or new technology.



Crister Fritzson
CEO | Net Insight

We will continue doing that. We see that the 400 gig, it's increasing interest in the 400 gig in our main with our main customer. They will like to see 400 gig because they need only capacity because it's we're going now over to full HD, more, and high capacity needed to really serve the new features. Full HD is definitely taking a lot of capacity. We see now that's coming in as a feature. All of us probably have a full HD TV in our living room. Still, it's very few that actually are transmitting full HD.



Linda Lyth
Head of Investor Relations | Net Insight

If we move over to time synchronization, why doesn't the Zyntai order from a leading European operator show in the order book?



Crister Fritzson
CEO | Net Insight

The order is coming from one of our integrators that I explained in my presentation called Sekom in Turkey.



Crister Fritzson
CEO | Net Insight

They have seen that order coming. They actually had already placed that order earlier than Q4. The order with the large operator was signed in Q4.



Linda Lyth
Head of Investor Relations | Net Insight

Any insight into the potential size of the ongoing Zyntai POCs once they materialize into orders, ballpark, not an actual figure?



Crister Fritzson
CEO | Net Insight

I mean, it's hard really to estimate the volume on various operators. I mean, we have announced two numbers that I can just give you, like three in Sweden. When we signed the deal in the end of 2023, the frame agreement was SEK 30 million. Compared with Turk Telekom, we signed an order for SEK 25 million in total and an order value, yes, below SEK 200 million. That's the range. I mean, three in Sweden are the smallest operator in Sweden and a small operator if you look in Europe.



Crister Fritzson
CEO | Net Insight

Turk Telekom is like a mid-high or mid-sized large operator. You can see the difference between them. Hopefully, you can estimate all the operators in between them.



Linda Lyth
Head of Investor Relations | Net Insight

All right. Thank you. If we remain on the synchronization area a bit longer, how are you progressing within power grid with sync tie?



Crister Fritzson
CEO | Net Insight

Yes. I mean, we have announced that we have a POC with one of the power grid companies in Europe. That is continuous. We are still in progress of working together with that operator. It is continuing. We see still an opportunity in the power grid sector, even though that is slowly moving. They are just moving over from analog to digital. It started in Europe. It is a little bit more ahead in Asia and has not started in the US yet. It will come.



Crister Fritzson
CEO | Net Insight

We are in the first phase. As you understand, the power grid company that we have the relation with is extremely interesting. We are jointly investing in testing and making sure that we have a product that fits a power grid network. I think that's a good signal.



Linda Lyth
Head of Investor Relations | Net Insight

How is the sync tie demand from Swedish operators now considering the GPS-independent regulation?



Crister Fritzson
CEO | Net Insight

As you know, we have signed two of the four operators in Sweden, Teracom and Tre, and we have announced that. We have not announced anything more from the other two, even though we have a relation with them and they know our product. We will see going forward if they are moving in and using our product. So far, we have signed two of four.



Linda Lyth
Head of Investor Relations | Net Insight

In the report, you mentioned that you expect the growth contribution from time synchronization to increase in 2025 and primarily in the latter part of the year. Could you provide some more clarity on the factors driving this expectation?



Crister Fritzson
CEO | Net Insight

Yeah. I mean, it has been quite a lengthy process of starting with the first lab test in the POC. And then they have a POC in the active network. It has been a lengthy process of moving from POC to the first commercial order. We see a high conversion rate on the existing POCs that we have. We anticipate that the POCs in time will go down.



Crister Fritzson
CEO | Net Insight

Hopefully, over time, when we have more customers, like leading customers that I just mentioned in the presentation, if more operators are using our product, we will be able to move at least from the network POCs, maybe a lab test, just making sure that the product is working together with the existing supplier that operators have. We can shorten that time from POC to orders. When they have done the first commercial orders, it needs to be into the network planning. Still, telecom operators are very focused on budget years. They need to have a budget to really roll out our product.



Crister Fritzson
CEO | Net Insight

It is a little bit, as I think I mentioned, a little bit hard to really estimate exactly when the POC will move over to commercial order and exactly when we see the growth coming from the operators that are moving in with our product. As I mentioned, we see that it will accelerate in the second half of this year. It is based on the existing POCs that we have ongoing. That is the measurement that we have and try to estimate when they are ready to roll out or roll in our product into the network.



Linda Lyth
Head of Investor Relations | Net Insight

If we leave time synchronization and talk about M&A shortly or quickly, are you looking into bolt-on acquisitions? Or more in general terms, what are you looking at in terms of M&A?



Crister Fritzson
CEO | Net Insight

We are not fully ready with the strategy, exactly which segment or market segment or product segment or customer segment or where we are really moving. We see that we have a possibility of broadening our product portfolio. We are focusing on product that is addressing our existing customers, mainly in the media. We are just in the first phase of looking into that. We see that we can probably find adjacent or products that are very close to our product portfolio that can attract the same customers and even the same people that we are working with today, which will be easier for us to move in a new product. We see that we can use our global footprint and the relation with +500 large customers globally.



Crister Fritzson
CEO | Net Insight

We can be a good push for products that need to be distributed in a global market that may have a region, a strong position, or in country, a strong position. We can be that can really broaden the distribution. That is what we are looking into. We are not looking into trying to integrate with large costs with existing products. We are more looking into having synergies in the front end rather than in the back end. That will take away large and long investment in integrating them into our existing products.



Linda Lyth
Head of Investor Relations | Net Insight

Can you give some color on why the board of directors are proposing that no dividend for the financial year 2024 would be given?



Crister Fritzson
CEO | Net Insight

I mean, looking into, I mean, we have just announced that we are doing a large buy of FPGA because we see that the time of that product is shortened.



Crister Fritzson
CEO | Net Insight

We would like to secure that we have FPGAs for the next coming years. That will take a little bit out of the cash flow, the free cash flow that we have. The decision from the board was to not have any dividends this year. That probably will come up on the annual general meeting. That will be the time for the board to present that.



Linda Lyth

Head of Investor Relations | Net Insight

Do you expect the potential US tariffs to affect your business or otherwise the Trump administration in general to affect your business?



Crister Fritzson

CEO | Net Insight

It is extremely hard to see what will happen. I do not think I have any insight in that. I think everyone needs to try to see what is happening in the market. I mean, one thing that we see is the number of Canadian competitors that we have. That can definitely affect the Canadians.



Crister Fritzson

CEO | Net Insight

We don't know what will happen with Europe. I don't know, actually.



Linda Lyth

Head of Investor Relations | Net Insight

A last question. The share is down heavily today. What can you say about the long-term value in the company and the investment case?



Crister Fritzson

CEO | Net Insight

We haven't changed our view on the long-term perspective. We have iterated that we will reach the 50% growth annually and that we are on our way of reaching the 20% EBIT margin. You shouldn't see that a little bit slower sales in Q4 changed the prospect of growing the business. I mean, it's normal to have some quarters a little bit slower because we cannot anticipate exactly when the large order or order is coming in in Q1 or in Q2. It can be a little bit volatile between the quarters.



Crister Fritzson

CEO | Net Insight

We are still iterating that we see that we will reach the target that we have set, the financial target for 2025 and the long-term for 2027. We are very confident that we will reach the targets that we have been communicated. I don't know how many quarters in a row that we have been growing. It is of course a pity that we missed the Q4, the first, I don't know, 16th or 17th quarter in a row that we are growing. We don't see any change in the market. I think that's the important. We see a little bit more cautious in Europe and APAC. That will not affect, hopefully, the effect of our long-term growth. We see that our growth markets, America, that we really are focusing on, are doing well and a good prospect of growing in 2025.



Crister Fritzson

CEO | Net Insight

Remember, they were growing 40% last year. If you look at the total market, the US market is much larger than Europe. Still, Europe in our books has a higher sale than the US. You can understand the potential that we have in the US. Okay. That was the last one. Thank you for listening in. I think that we have one more slide. You have to remember the calendar. The annual report will be published the 22nd. Q1 report will be on the 29th of April. The annual general meeting is the 14th of May in Solna at 10:00 A.M. Q2 will report in mid-July. Thank you for listening and have a great day. Thank you.