

NET INSIGHT

Sweden

IT – Technology & Communication Equipment

BUY

April 3, 2017

Company description

Net Insight delivers products, software and services for effective, high-quality media transport, coupled with unprecedented true live OTT (over-the-top) video delivery. It is the leading provider in media transport and resource scheduling. Its vision is to enable a live and interactive media experience for anyone on earth, a global media marketplace where live content can be exchanged and interaction among TV audiences can take place in real-time.

Net Insight has over 500 customers in more than 60 countries. At year-end 2016, the Company had 215 employees.

The share was listed on Nasdaq Stockholm mid cap on January 2nd 2017.

Recent developments

March 10, 2017: The Company announced that its ScheduALL Connector has won the World Teleport Association's (WTA) 2017 Award for Teleport Technology of the Year.

Net Insight's ScheduALL Connector is a revolutionary self-service, end-to-end provisioning and scheduling solution that allows satellite and fiber network providers to easily connect with their ScheduALL broadcast customers.

February 16, 2017: The Company released Year-end 2016 report with revenues of 504m SEK, a 34% increase y-o-y with 20% organic growth.

Growth was across all regions, driven by an increased customer base and a broader product portfolio. The growth margin was at 63% (vs 60% in 2015).

Upcoming events:

May 2, 2017: Interim Report Jan-Mar 2017
May 9, 2017: Annual General Meeting 2017
July 21, 2017: Interim Report Jan-Jun 2017
October 27, 2017: Interim Report Jan-Sep 2017

Investment conclusion

The Company took a long time to finalize this innovative technology that we believe it's going to become a new standard. We think Net Insight will start to grow expanding its customer base and receiving more and more significant orders.

The media and broadcast industry is transforming and we believe Net Insight is well positioned to establish a leading position with a clear strategy for growth.

Net Insight benefits from the general increase in video traffic, live streaming and file transfers, the adoption of remote production and workflows, more widespread TV broadcasting over the internet and wider coverage of live events.

Performance



	1m	3m	12 m
Absolute perf.	+2.7%	-7.2%	64.2%
OMX Stockholm 30 Index perf	-0.6%	2.4%	15.7%

Market data

Share price (SEK), as of April 3, 2017:	7.7
52-wk range:	4.42–9.45
Mkt cap (SEK m):	2'994
Nb of shares issued:	388.9m
Bloomberg ticker:	NETIB:SS
Isin:	SE0000366098

Financial summary (In mio SEK) & Valuation

	2015	2016	2017e	2018e
Revenues	375.8	503.5	n.a.	n.a.
Operating inc.	19.2	52.4	n.a.	n.a.
Net income	1.92	37.4	n.a.	n.a.
EPS (adj.)	0	0.10	n.a.	n.a.
DPS	-	-	n.a.	n.a.
Div. yield (%)	-	-	n.a.	n.a.
P/E (x)	-	89	n.a.	n.a.

Source: Bloomberg

Equity rating—Bloomberg consensus

		Nb of analysts
Buys	n.a.	0
Holds	n.a.	0
Sells	n.a.	0