

Net Insight reporting weaker-than-expected sales for the second quarter

Stockholm, Sweden—Net Insight, a leading provider of transport and resource planning in TV and media, is reporting that net sales for the second quarter 2017 were down by some 30% on the corresponding quarter of the previous year. This means that second-quarter net sales are expected at SEK 90 – 95 million, operating loss in the SEK 25 - 30 million interval, and negative cash flow of SEK 25 - 28 million. Some of the earnings downturn is due to the live OTT initiative. Net Insight simultaneously reported that estimated sales for the second half-year 2017 will be consistent with the corresponding period of 2016. The full Interim Report will be published on 21 July.

The sales downturn for the second quarter primarily depends on the following:

- The global media market is in fundamental transformation, with customer needs and consumer behavior being the drivers of change. This means sales processes involve more parties, take longer and are more complex than previously. In the second quarter, some customers were hesitant, needing more time to adapt their business to the new media landscape.
- In 2016, sales were positively impacted by several global events including the Brazil Summer Olympics and the UEFA Euros in France. Many customers decided to upgrade their systems at this time. The outcome was that 2016 was Net Insight's strongest-ever year, with sales of SEK 504 (376) million and operating profit of SEK 52 (19) million.
- Net Insight executed strategic restructuring in 2016 designed to create a more customer-centered organization. Instead of product segments, Net Insight created a portfolio with a complete offering. Its organization was also altered, with new competence hired, which is taking time to have its full impact. A new Head of Sales is now in place in North America, and the change process is now largely complete. The expected outcome is a more homogeneous, effective and productive organization.

"We're active in an interesting market in fundamental change, so forecasting market demand, which is obviously subject to inconsistent order flows, is a challenge. However, we can conclude that we advanced our positioning in the quarter, and are continuing to drive the market forward. One example is live OTT, where we successfully executed an event jointly with STCC recently. The technology worked perfectly and the commercialization of live OTT is continuing as planned. We feel secure in our long-term strategy, and are driving our business forward at full speed," commented Fredrik Tumegård, CEO and President of Net Insight AB.

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This information is information that Net Insight AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.30 am CET on 4 July, 2017.

About Net Insight

Net Insight's vision is to enable a live and interactive media experience for anyone on earth. Our aim is to lead progress and enable a global media marketplace where live content can be exchanged and interaction among TV audiences can take place in real-time. We want to create the media experience of the future, centered on content.

Net Insight delivers products, software and services for effective, high-quality media transport, coupled with the effective management of resources, all, which creates an enhanced TV experience. Net Insight's offerings span across the entire media spectrum, starting from TV cameras and TV studios, right through to the TV consumers. Our solutions benefit network operators, and TV and production companies, by lowering total cost of ownership, improving their workflow efficiencies and providing them with the ability to capture new business opportunities.

More than 500 world-class customers run mission critical media services using Net Insight's solutions, covering more than 60 countries worldwide. Net Insight is listed on Nasdaq Stockholm.

For more information, please visit netinsight.net