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QuickView

Napatech

Under-the-radar exposure to AI capex

Napatech is emerging as a beneficiary of the AI infrastructure investment cycle, building on strong growth in its established network acceleration business. As AI workloads become increasingly distributed, efficient data movement is critical to maximising the utilisation of expensive computing infrastructure. Napatech's programmable network acceleration products address this requirement. With its first AI Infrastructure production shipments in Q326, the company now has two complementary growth drivers: sustained growth in Core Infrastructure and a potentially much larger AI Infrastructure opportunity.

Strong revenue growth, improving operating leverage

Napatech reported Q326 revenue of DKK66.9m, up 67% y-o-y, including DKK14.9m from AI Infrastructure. Core Infrastructure revenue grew 51% over the first nine months. Q3 EBITDA improved to break-even from a DKK6.1m loss in Q325, demonstrating operating leverage. Gross margin declined to 55%, reflecting introductory pricing on initial AI shipments and a lag in passing through higher component costs. Management expects revised Q4 pricing to support a recovery and maintains FY26 guidance of DKK200–240m in revenue and a gross margin of 60–70%. Available liquidity was DKK67.1m, although production growth is increasing working capital requirements.

Strategic alignment to AI capex cycle

Napatech's established Core Infrastructure business continues to benefit from demand across cybersecurity, telecommunications and network visibility, supported by 13 design-win opportunities. Meanwhile, AI Infrastructure has moved into commercial production, with initial shipments against a 1,000-unit customer order. Management reports 15 AI customer engagements and technical qualifications, providing a pipeline of potential opportunities. The key question is how quickly these convert into production volumes. Strong underlying growth and a potentially substantial new market provide scope for a step change in revenue and profitability.

Valuation: Multiples quickly reducing

Napatech's valuation reflects substantial expectations for growth, but if consensus estimates are met multiples drop to more modest levels over the next two years. We view Napatech as an interesting way for investors to gain exposure to networking infrastructure growth, driven by AI expansion and distributed inference, demand for lower latency and processing efficiency, network resilience, data sovereignty and growing cybersecurity and network visibility requirements.

Consensus estimates

Year end	Revenue (DKKm)	EBITDA (DKKm)	EPS (DKK)	P/E (x)	EV/EBITDA (x)
12/25	146.6	(58.6)	(0.76)	N/A	N/A
12/26e	237.6	(20.9)	(0.23)	N/A	N/A
12/27e	617.1	118.6	0.51	54.0	25.4
12/28e	1,329.0	395.0	1.86	14.8	7.6

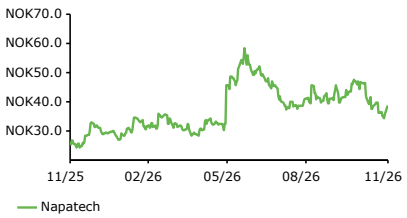
Source: LSEG Data & Analytics

Technology

10 November 2026

Price	NOK38.80
Market cap	NOK4,304m

Share price performance



Share details

Code	NAPA
Listing	OSLO
Shares in issue	110.9m
Net cash/(debt) at Q326	DKK37.0m

Business description

Napatech supplies programmable network interface cards and data processing units that accelerate AI, networking, storage and security workloads in cloud, enterprise and telecoms data centres.

Bull points

- Company's core products seeing solid long-term secular demand from network infrastructure capital investment.
- New AI infrastructure products adding to overall industry demand, creating exceptional opportunities.
- The company currently has a strong balance sheet to support near-term growth

Bear points

- Growth could prove volatile on a quarterly basis and subject to commercial launch of products.
- Execution risk associated with converting current pipeline into commercial revenue.
- Funding challenges (principally working capital related) associated with supporting high growth over the much longer term.

Analysts

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