

Vendor Tearsheet: NEC CORP

In 2022, the single quarter rank of NEC Corp in Telco NI was: 11. Telco NI represented the following share of 2022 total company revenues: 22.2%

CORPORATE OVERVIEW

1899 Founded	Japan HQ
FACTS & FIGURES	
TSE: 6701 Exchange & Ticker	114,714 # of employees

VENDOR DESCRIPTION*

*NEC Corporation provides information technology (IT) and network technologies. The Company's products and services include systems integration, maintenance and support, outsourcing/cloud services and system equipment. Reportable segments include Public, Enterprise, Network Services, System Platform, and Global. In the telecom carrier business, the Company supplies equipment to telecom carriers (including base stations, core networks, routers/switches, and submarine and backhaul transport), along with network control platform systems (OSS/BSS, SDN/NFV), and professional services. Long term goal: by 2030, aims to achieve ~20% global share of open RAN market, expansion in Japan to full SW/HW solution vendor.

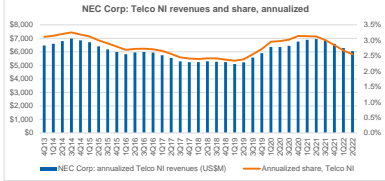
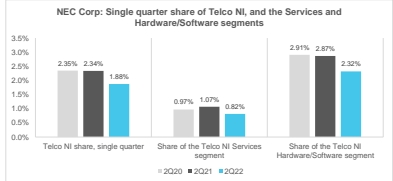
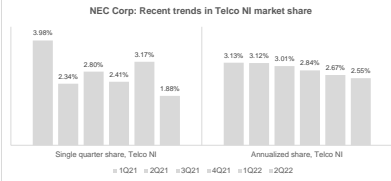
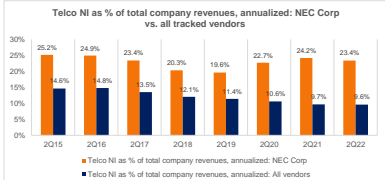
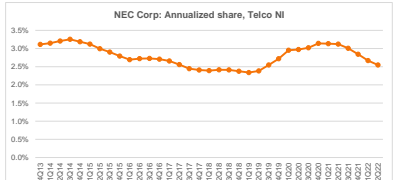
*Most vendor descriptions are sourced from company's public statements, such as public financial filings or annual reports. The goal is to make clear the company's positioning. Text outside quotation marks has been added by MTN Consulting. Employee figures are most recently published, generally last fiscal year end.

FINANCIAL HIGHLIGHTS - CORPORATE*

Market cap	Last 12 months corporate revenues (US\$M)	Telco NI revenues as % of total company, 2022	Services revenues as a % of Telco NI, 2022	R&D spending as a % of revenues, 3Q21-2Q22
9.73 B USD	\$25,898	22.2%	12.9%	4.0%
Revenues per employee per year (US\$K)	Revenue growth, 3-year CAGR	Operating margin, TTM	Return on Assets	Current ratio**
\$225.8	-0.9%	3.8%	2.0%	1.37

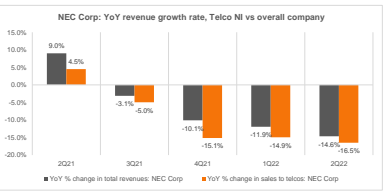
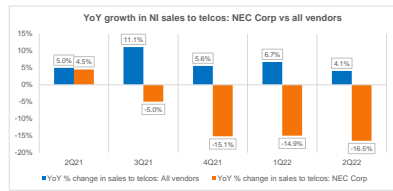
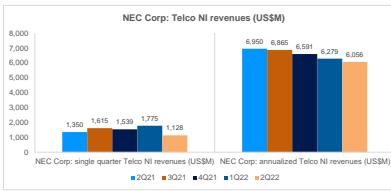
*Market cap, current ratio, operating margin, and return on equity updated 9 September, 2022 per Yahoo! Finance, or with reference to annual report. Telco NI and Services revenue estimates are per MTN Consulting. Other stats are as reported by the company.
**Current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year; the formula is current assets divided by current liabilities.

GLOBAL NETWORK INFRASTRUCTURE SALES TO THE TELECOMMUNICATIONS NETWORK OPERATOR (TNO) MARKET VERTICAL



Source: MTN Consulting

RECENT SALES GROWTH RESULTS



Source: MTN Consulting

LATEST QUARTER RESULTS

2Q22 results Corporate revenues in 2Q22 totaled \$5085 million, versus \$5957 million in 2Q21. Telco NI revenues amounted to \$1128 million in 2Q22, growing -16.5% compared to 2Q21. On an annualized basis, Telco NI represents 23.4% of total company revenues.

M&A, KEY CUSTOMERS, & KEY COMPETITORS

Relevant M&A Activity	Acquired: Aspire Tech (July 2022); Blue Danube Systems, 5G radio/software company, in 1Q22; Avaloq in 4Q20; KMD Holding ApS (4Q18); NEC XON (1Q18); NetCracker Technology (2008). Sold 5% stake in company to NTT, in April 2020. In Oct 2021, CEO says actively looking for M&A targets, may spend up to \$4.4B by 2025, including for companies in 5G wireless space
Customers	Japanese telcos, undersea cable projects, many mobile operators in EMEA and South America region (mostly for microwave equipment)
Competitors	Nokia, Ceragon, Ericsson, Huawei, Fujitsu, Hitachi, Mitsubishi, NTT Data, Oki.

Note
Telco NI revenue methodology for NEC Corp: Network services (100%) plus prorated portion of Global Business revenues