NASDAQ:INSG Q4 2025 Earnings Call Transcript

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Operator | Conference Moderator:

Hello, and welcome to Insego Corp's fourth quarter 2025 financial results conference call. Please note that today's event is being recorded. All participants today will be in a listen-only mode. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero. After today's presentation, there will be an opportunity for Q&A. To ask a question, please press star, then one on your telephone keypad. To withdraw your question, please press star, then two. On the call today are Juho Sarvikas, Chief Executive Officer, and Stephen Gadoff, Chief Financial Officer. During this call, certain non-GAAP financial measures will be discussed. A reconciliation to the most directly comparable GAAP financial measures is included in the earnings release, which is available on the Investors section of the company's website. An audio replay of this call will also be archived there. Please also be advised that today's discussion will contain forward-looking statements. These forward-looking statements are not historical facts, but rather are based on the company's current expectations and beliefs. For discussion on factors that could cause actual results to differ materially from the expectations, please refer to the risk factors described in the company's Form 10-K, 10-Q, and other SEC filings, which are available on the company's website. Please also refer to the cautionary note regarding forward-looking statements section contained in today's press release. With that, I'd like to turn the call over to Juho Sarvikas, Chief Executive Officer. Please go ahead.

Juho Sarvikas | Chief Executive Officer:

Good afternoon, everyone, and thank you for joining us today. Q4 2025 was another strong quarter for Insego. We generated revenue of $48.4 million and adjusted EBITDA of $6 million. both about our guidance and marking our third consecutive quarter of sequential growth in each metric. These results kept a year of steady, disciplined execution. We exited 2025 with a meaningfully higher quality and more diversified revenue base, driven by broader product breadth and increased customer diversity. Shortly after year end, we further strengthened our operating momentum by improving our capital structure by retiring all preferred stock. We accomplished this at a meaningful discount, enhancing the company's long-term flexibility and are pleased to welcome Mubadala Capital as a significant common stockholder. Stephen will walk through the financials and outlook in more detail later in the call. I'd like to step back and discuss how our performance in 2025 And our trajectory going into 2026 demonstrates that the strategy I outlined when I stepped into the CEO role a year ago is working. To frame that discussion, let me briefly revisit our strategy. We are building an enterprise wireless broadband platform that combines cellular-first connectivity with intelligence, manageability, and scalability at the wireless edge. That strategy has remained consistent throughout 2025 and is grounded on five clear strategic priorities. First, scaling carrier revenue to a broader enterprise-focused fixed wireless access and mobile portfolio. Second, accelerating Inseco's evolution into a solutions company by creating a platform that includes industry-leading wireless hardware, network and device management, and subscriber lifecycle management third expanding and diversifying our roads to market and customer base fourth maintaining financial discipline and strengthening our capital structure and fifth building a world-class management team and board of directors to drive long-term growth and scale our fourth quarter results and 2025 full year progress are consistent proof points of execution against the strategic priorities. With that context, I want to do three things on today's call. First, I'll walk through how we executed in the fourth quarter. Second, discuss what we delivered across the full year in 2025. And third, share how that execution positions in CIGO for its next phase of expansion as we move into 2026. With that, Let me now turn to my first topic, how we executed in Q4. Starting with our core business of cloud-managed FWA and mobile solutions, we continued to see strong performance from our FX4100 FWA product with T-Mobile during the quarter,

reflecting ongoing enterprise demand and solid sell-through. During Q4, we significantly expanded our Tier 1 carrier footprint for fixed wireless access, As we shared on our last call, we meaningfully broadened our reach and customer diversification by securing an FX4200 FWA award with AT&T. Equally importantly, we just announced this Tuesday that we also signed Verizon for the FX4200. Both AT&T and Verizon have placed initial stocking orders And we expect commercial sales to begin ramping up in earnest in the first half of 2026 as these programs come online. With the addition of Verizon, all three U.S. Tier 1 carriers have now chosen Insego to support their enterprise FWA offerings. This marks an important inflection point for our business. As carriers increasingly position FWA as a primary connectivity solution for businesses, alignment across all three Tier 1 carriers validates our strategy, reinforces our position as a partner of choice as enterprise adoption accelerates, and establishes a clear foundation for meaningful growth in 2026. Turning to mobile. Our hotspot portfolio delivered its strongest quarter of 2025, with revenue increasing 27% sequentially to $20.4 million. Mobile represents roughly 40% of Tolo Company's revenue in Q4, underscoring the increasingly diversified mix of our platforms across mobile, FWA, and software and services. Growth was driven by higher carrier stock volumes and solid channel activity as enterprises expand their use of mobile connectivity. With all three carriers committed to Inseego as a key part of their mobile portfolio, we see mobile as a durable and important pillar of our enterprise wireless platform. Continuing with our fourth quarter execution, we've made strong progress in evolving into a solutions company and advancing our platform strategy. In Q3, we shared that we had delivered a major release of InSigo Connect, our network orchestration SaaS offering, expanding its functionality and usability. In Q4, we began to see an impact from that investment. For the first time, InSigo Connect is being taken to market alongside our FWA solutions by all three Tier 1 US carriers, each through their own commercial models and routes to market. This represents an important milestone. The combined offering of the FX-4200, FX-4100, and In-SQL Connect reflects a clear shift from device-led selling to solution-led selling and establishes Connect as a foundational element of our enterprise wireless edge platform. As we continue to expand this solution-based approach, is an important source of differentiation for Insigo. We also continue to invest in our subscriber lifecycle management platform, Insigo Subscribe, building out the leadership team and platform capabilities. Subscribe is a strategic investment area and an important component of our long-term software and solutions growth strategy. Turning to revenue diversity with our fourth quarter execution, we broadened our revenue base to initial FX4200 orders from both AT&T and Verizon and delivered a strong quarter in our channel business. Importantly, channel growth was driven by traction across multiple areas rather than a single large transaction, reflecting healthier and more diversified demand. I'd like to take a step back now and review what we delivered over the full year of 2025. At the start of last year, when I arrived at the company, we set out clear execution-focused objectives. Execute and scale our FWA and MiFi business, strengthen our two-pronged go-to-market strategy, and increase our investment in software. And throughout the year, we've not only stayed tightly aligned with these priorities, we've delivered against them. We've meaningfully expanded our enterprise wireless broadband footprint by doing exactly what we said we would do. I reset the product strategy when I joined a year ago, and those products are now launching. Not only that, but I also focused on diversification of our customer base. So those new products are now launching across the broadest customer base the company has ever had. It took a year, but we got there. Throughout 2025, we continued elevating software and platform integration as core elements of our value proposition. Inseego Connect increasingly became positioned as the management, intelligence, and control layer of the wireless edge. We made progress towards more integrated hardware and software solutions and took steps towards greater differentiation at the platform level. This laid out the groundwork for deeper software attach and solution-led selling as our portfolio and routes to market continue to expand. To highlight the scale of this growth, we entered 2025 with three products offered through two carriers. And entering 2026, we are now in the middle of expanding to six products across all three carriers. In parallel, we've broadened our go-to-market approach in 2025. Along with the expanding and diversifying carrier base, we laid the groundwork for VARs, MSPs, SSPs, and MSOs and built the product, commercial, and operational capability required to support broader enterprise engagement. All of this execution was delivered with continued financial discipline. We maintained strong double-digit adjusted EBITDA margins through a transition year, manage costs carefully while funding growth investments, and strengthen our capital structure. This demonstrates our ability to invest in growth while maintaining profitability and operating rigor. And finally, 2025

was a year of further strengthening the organization. We significantly upleveled the management team and board of directors, added operating depth across product, technology, sales, operations, and supply chain, from the sea level down and build the infrastructure required to support the next phase of growth. That brings us to 2026. 2025 was a year of building the foundation for long-term growth through disciplined execution of our revised strategy that required significant product investment. In 2026, we're continuing to make product investments in the first half of the year to drive growth. This also includes increased spend in go-to-market capabilities to ensure the success of new products and platforms we're bringing to market. This is a deliberate need to scale the business. Looking ahead to 2026, the market backdrop continues to strengthen and expand our opportunity. Enterprises are increasingly prioritizing resilience, always on connectivity, with fixed wireless access emerging as a primary connectivity solution. That shift is reinforced by carrier commitments, as all major US carriers, continue scaling enterprise FWA programs. Industry forecasts reflect this momentum, with API research protecting North America enterprise FWA service revenue to grow at a 37% compound annual rate through 2030, expanding from roughly $2 billion to more than $11 billion. We see similar momentum in federal, state, and local government, where cellular is supporting distributed operations public safety, and mission-critical connectivity, and where security concerns have made US designs an important consideration. At the same time, AI-driven workloads and accelerating mobile data traffic are increasing network complexity and raising the importance of performance, visibility, and centralized management. As enterprises and governments expand their use of cellular, managing cost, usage, and performance becomes as critical as connectivity. Taken together, these dynamics, including the growing convergence of cellular and satellite and continued advances in cloud technologies, are elevating the importance of wireless edge and driving demand for integrated platforms that combine connectivity with management and control. This environment aligns directly with Inseco's platform strategy and positions us for our next phase of growth in 2026. Against this backdrop, our core priorities remain consistent. What changes in 2026 is the scale and intensity of execution. Compared to 2025, this is a much more front-loaded year, with a higher concentration of carrier launches and product introductions in the first half, specifically in Q1. With that in mind, we're entering 2026 focused on five key areas. First, we will continue to scale enterprise wireless broadband across FWA and mobile. With all three US Tier 1 carriers now aligned with Inseego, 2026 begins with multiple carrier launches in Q1 and ramps as operations get underway. That requires increased investment early in the year, but the result is a higher carrier-driven revenue run rate, broader channel participation, and continued expansion opportunities as we move into the second half. Second, we will accelerate portfolio expansion. In the first half alone, we expect to introduce four new products. This includes the rollout of three new MiFi products across all major carriers, the introduction of a new entry-tier enterprise FWA offering, and expansion into additional verticals. This represents the most comprehensive enterprise wireless portfolio in the company's history with all products managed through a common software interface rather than a standalone hardware. Third, we will deepen the software and platform layer. In Seagull Connect continues to evolve as the management and intelligence layer of the wireless edge. And in 2026, we will expand its role as our installed base grows rapidly. This allows us to introduce additional services, increase software attach, and offer more value to customers and partners through a single integrated management experience. Fourth, we will broaden routes to market. The investments we've made in products and platforms are already opening doors with new VARs, MSPs, MVNOs, and service providers. We are encouraged by early momentum, including progress with MSOs, and we expect partner-led activity to increase meaningfully as new products come to market. More of our growth going forward will be informed by this new expanding partner ecosystem. Fifth, we will advance our subscriber lifecycle management capabilities within Seago Subscribe. Finally, we will continue to execute with discipline as we accelerate investment to support carrier ramps, product launches, and go-to-market expansion We remain focused on balancing growth with profitability and long-term margin expansion. Before I get to Q1, I want to briefly address the current memory market dynamic. Overall, as you've all seen, there's a lot of discussion on price increases and supply shortages, as the suppliers have pivoted towards AI and data center. We have done a good job in securing supply, and I do not see any meaningful impact on our deployments. When it comes to pricing, we've acted early and we have been able to lock in modest price increases for products in the first part of the year. In addition to this, we're working with our large customers on price increases and cost sharing. Let's now talk about Q1. Overall, I'm bullish on 2026. We have more products going through more customers than this

company has ever had. Q1 is a transition quarter and there are several moving parts as we introduce a new mobile product generation and work with new large customers to develop joint go-to market for FWA. While we still expect Q1 to grow year over year, there are three reasons for lower sequential Q1 revenue. First, we have had engineering delays in delivering our new mobile products that have pushed revenue to Q2. One of our large Tier 1 FWA carrier customers has higher than initially expected inventory that they're selling out in Q1. And third, that same Tier 1 carrier recently changed their go-to-market strategy to address a broader set of customers, but causing a short-term disruption on selling logistics. In summary, 2025 was about implementing the strategy I laid out when I joined a year ago and building the foundation for growth. Now, 2026 is about execution and scale. We're launching more products, ramping more Tier 1 carrier programs, expanding our software platform, and broadening our partner ecosystem across MSOs, VARs, and MSPs. This is positioning us to drive significant growth as the year progresses and scale in CGO at the enterprise wireless edge. We are energized by the trajectory of the business that we see exiting Q1 and confident in delivering the year. With that, I'll turn over to Stephen to walk through the financial results and our outlook in more detail.

Stephen Gadoff | Chief Financial Officer:

Thank you. Hi, everyone. Thank you for joining us.

Stephen Gadoff | Chief Financial Officer:

I'd like to cover three topics today. First, I'll take you through some details on the Q4 and full year 2025 financial results. Second, I'll provide an update on a material improvement in our capital structure that is adding to stockholder value. And third, I'll share some color on the financial profile of the business and provide guidance for Q1 and look at the full year 2026. As we always do, we'll wrap up the call by opening up to your questions. In 2025, we delivered three consecutive quarters of sequential revenue growth, culminating in a strong Q4 that exceeded guidance, and paired with strong growth margins and disciplined spending, resulted in solid profitability in the form of adjusted EBITDA that was the second highest on an apples-to-apples basis in more than a decade. On the top line, total revenue per Q4 was $48.4 million, driven by higher mobile volumes, increased channel activity, continued strength in FWA, and the consistent contribution from our Insego Connect and Insego-subscribed SaaS offerings. As expected, mobile revenue was strong in Q4 2025 and was driven by a more broad carrier adoption and ordering cadence. While FWA revenue declined sequentially from the record Q3 2025, which benefited from new product rollouts at a carrier customer that we discussed last call, FWA revenue in Q4 was up 50% year over year, and was driven by the diversification of our carrier customer base and solid channel activity. Software services revenue was $12 million in Q4, consistent and again providing a stable high margin contribution to results. For the full year 2025, total revenue was $166.2 million, reflecting sequential quarterly momentum throughout the year. Moving through the P&L, Non-GAAP gross margin in Q4 2025 was 43%, up 75 basis points sequentially, and driven by sales of some high margin mobile products and the continued contribution from our high margin SaaS services. For the full year 2025, non-GAAP gross margin was also 43%, reflecting an overall strong FWA business and our software services contribution, and also the highest level gross margin has been on an apples-to-apples basis in more than a decade. Non-GAAP operating expenses for Q4 were $17 million, or 35% of revenue, reflecting the targeted investments in sales and marketing and R&D to support Tier 1 execution and new product launches that we talked about last quarter. As we also talked about, and we'll review in a few minutes, we're continuing to make those investments in Q1 2026 to drive both revenue growth and scale as we move through 2026. For 2025, non-GAAP operating expenses were $59.4 million, or 35.7% total revenue. Adjusted EBITDA Q4 2025 came in at $6 million, a 12.4% margin, among the highest dollars and margin percentage also in more than a decade. About a million dollars plus of benefit was from the timing of R&D spend that pushed out of Q4 into Q1 2026 that I'll get to in a moment. For the full year of 2025, adjusted EBITDA came in at $20.1 million, representing a 12.1% margin. We see this as an important overall proof point in our ability to invest in growth in the short term while maintaining profitability over the long term.

Turning to the balance sheet, we ended Q4 with $24.9 million in cash, a very manageable debt balance of $41 million, or approximately two times LTM adjusted EBITDA. The strong cash finish to the year was a function of a combination of favorable outcomes on customer payments, inventory dynamics, and strong working capital management by the team. Overall, the balance sheet strength underpins how we run the business, and leads directly to my second topic, our capital structure. Last month, on January 14th, we retired 100% of our outstanding preferred stock. It had a liquidation preference of $42 million as of December 31st, 2025, and we exchanged it for $26 million of aggregate consideration, representing a 38% discount that immediately accrued to common stockholders. Total consideration consisted of $10 million in cash, $8 million in additional senior secured notes, and approximately 767,000 shares of common stock. The cash is paid in three equal installments. One-third, or $3.3 million, was paid at closing. One-third will be paid six months following closing, and the remaining one-third will be paid 12 months after closing. This transaction represents another purposeful initiative to simplify and strengthen our capital structure. By retiring the preferred at a meaningful discount to its liquidation preference, we reduced long-term obligations, improved balance sheet quality, and immediately enhanced common stockholder value. The preferred stock was held by an affiliate who will bottle the capital, and so as a result of the exchange, they now hold the position in our common stock. We're pleased to have them in the value creation going forward as a long-term common shareholder. With that context on our capital structure, let's now turn to our thoughts on the business and financial guidance for Q1 and the full year of 2026. As we discussed on the last call, we started investing meaningfully going into Q4 2025 in new product development and go-to-market capabilities to drive revenue growth in 2026. We're committed to and expect to deliver that revenue growth outcome. We also talked on the last call how 2026 would be front-loaded with spend in the first few months impacting profitability to similarly support carrier ramps, multiple product launches, and overall portfolio expansion. Importantly, with a now expanded carrier customer base, that spend positions us to scale the business, drive operating leverage, and deliver profitability improvement in the second half of the year. To add more color on the revenue profile, as we've seen historically, Q1 has been a baseline quarter for the year from a revenue perspective, where Q1 has been down from Q4 for three of the last four years. We see this dynamic for Q1 in 2026, albeit for three specific factors. The second half of 2025 benefited nicely and particularly from a strong ramp of our new FX4100 FWA product with a Tier 1 carrier and from elevated mobile volumes driven by carrier promotions. Second, we have a Tier 1 FWA customer who went through a sizable company reorg and business realignment, as you all mentioned, that impacted Q1 volumes and timing. And third, Our new MiFi portfolio is set to launch late in Q1 2026, delayed from our initial target date, but that's setting up to drive a meaningful contribution beginning in Q2. And so while Q1 2026 revenue is lighter than desired on new product rollouts and transitions, we remain very positive on the outlook for both mobile and FWA in 2026 as we execute with our Tier 1 carriers and continue expanding our routes to market through SSPs and VARs. Looking at non-GAAP gross margin, we expect Q1 to reflect a lower mobile revenue margin, partially offset by a return to solid gross margin contribution on FWA and consistent software services. Total non-GAAP operating expense dollars are expected to increase modestly, sequentially in Q1 2026 on the P&L, and more so in total dollar spend. Q1 due to two drivers. First, as I mentioned, R&D spend originally planned for Q4 2025 shifted out to Q1 2026 on adjustments in product delivery timing. That shift out in spend resulted in more than $1 million of higher adjusted EBITDA in Q4 2025 and a corresponding higher spend level therefore now in Q1 2026. This funding of new product build-outs will also be seen in higher levels of capitalized R&D in the quarter, as we've discussed. The second dynamic driving higher current spend in Q1 is the investments in sales and marketing that we've been talking about as part of the 2026 growth driver investment. Pulling this all together, we're providing the following guidance for Q1 2026. Total revenue in a range of $33 million to $36 million, and adjusted EBITDA in a range of $1 million to $2 million. Overall, looking back at 2025, we see a similar dynamic for 2026 of growth and profitability coming off of Q1, growing in Q2, growing in Q3, and growing in Q4. With the important difference that there's now a foundation of a more diversified customer base and product portfolio, along with a right-sized balance sheet that provides important flexibility. And so on that strong foundation, we're also providing guidance for the full year of 2026 for total revenue of approximately $190 million. With that, we appreciate your time and support and are glad to open the call for questions. Operator?

Operator | Conference Moderator:

Thank you. We will now begin the question and answer session. To ask a question, you may press star, then 1 on your telephone keypad. If you are using a speakerphone, please pick up your handset before pressing the keys. To withdraw your question, please press star, then 2. At this time, we will pause momentarily to assemble our roster. And the first question will come from Scott Zero with Roth Capital. Please go ahead.

Scott Zero | Analyst, Roth Capital:

Hey, good afternoon. Thanks for taking the questions. Nice job on the fourth quarter and really nice to see the diversified customer base and product portfolio building over the course of 26. Maybe just to start, Stephen, I want to dive in quickly on the memory front. I know you had some comments in terms of your opening monologue, but it sounds like you guys are managing that pretty well. I'm wondering if you could detail that a little bit more in the first half of this year. It sounds like it's going to be a shared burden with your M&O customers going forward. And then as it relates to the 2026 guidance, certainly implies things ramping up over the course of the year, as you articulated. You know, it averages out to like $50 million a quarter, so that's a pretty big step up. I'm wondering, given the expected timelines and product introductions, what the comfort level and visibility that you have to that? And a lot of moving parts from an OPEX standpoint, gross margin standpoint. Steve, I'm wondering if you could give us a little bit of guidance about how we should be thinking about adjusted gross margin's excuse me, adjusted EBITDA margins in the second half of the year.

Stephen Gadoff | Chief Financial Officer:

Yeah, sure. In a sentence or less. And we'll tag team, Juho and I, on a good chunk of this, certainly on the memory part that Juho was talking about. And the short answer on the first part, Scott, is that on memory, we're pretty well locked in for Q1, certainly, and really most of the first half of the year. And we'll get to that once you want to hit him now.

Juho Sarvikas | Chief Executive Officer:

Maybe the big thing, Scott, on the memory, and thanks for the great question, really, is that we have so much new, exciting products and customers ramping in the first half. And I wanted to make sure that we have sufficient buffer to also capture upside, channel fill, all of that good stuff. So from a memory standpoint of view, as we were doing that, we realized that somewhere around six months ago, that the memory market is going to get tight. So we took the appropriate action. So I feel good about the first half inventory situation as well as the pricing environment.

Stephen Gadoff | Chief Financial Officer:

Awesome. And then good question, Scott, quite a few of them, on the dynamic guidance. But the crux of what you're saying in our view is that, yes, things ramp quite quickly so that you know, the Q2, we gave guidance, obviously, for the year, but the math, if you just sit there pretty back of the envelope, you would see the Q2 ramps to, you know, the high fours, and then you would expect Q3 and four to have a five-hand a lot. Like, yeah, that's the math that gets you to 190. And so we get that. And so, you know, in our view, you're thinking about it, right? And a similar dynamic, which is consistent with what we've talked about, probably for the last quarter and a half, which is EBITDA is the lightest in Q1 and then starts to grow and scale as we go into Q2 and then certainly in Q3 and Q4, where we said the average for the year doesn't really exist in nature. The first half of the year is at a lower rate, and then the second half of the year is at a much higher rate, and we're exiting the year at a nice dollar amount of EBITDA and margin percentage. Let me pause there. Does that hit up what you were asking about?

Scott Zero | Analyst, Roth Capital:

That's perfect. And if I could just quickly tack on, you know, there's been a lot of dynamic changes within the industry, I think, from a competitive standpoint. I'm wondering if you could give us some thoughts in terms of, you know, how you see your share shifting over the course of 2026. A lot of moving currents, I think, competitively in the mobile hotspot market. But then also, If you could provide a little bit of color in terms of some of the new product portfolio, is that mostly going to be MiFi or there's some other products that we should be expecting to see in new categories potentially taking us in international markets in the second half of the year? Thanks.

Juho Sarvikas | Chief Executive Officer:

Got excellent, excellent questions. I'll start with the mobile part. What I'm super excited is that we'll have now all three large carriers launching products Our new mobile generation, like we discussed in the prepared remarks, we were hoping to see that earlier in Q1, but it will now take place towards the latter part of Q1. But the thing with mobile is that it's a predictable run rate business. Think of it like a light switch. Once you launch the product, you get the share in the category. All three of them are also positioned in a higher volume segment than where you've seen us historically. So I feel really good about the MiFi volume. I think I've been fairly open about it. Look, I think in mobile or in hotspots, our job really is to go and consolidate the market. And these three across all three is a huge, huge milestone. I also see opportunity towards the latter part of the year or going forward in expanding a hotspot. There's also a value segment, and I also believe there's a great opportunity in the premium segment. So mobile, we innovate the category. We're a huge fans of, and we look forward to continuing investing and growing in that. I believe your second question was then on the portfolio. So I already described the mobile part of the story. Like you know, in FWA today, we have, if you think good, better, best. We have the better with the FX4100 that we launched about nine, ten months ago. We recently introduced 4200, which is the best. And now what we're going to roll out during first half is an entry-level, yes, enterprise-grade, same manageability, everything you know us for, but a lower-tier router. So we'll complete this good, better, best for SMB enterprise, call it carpeted environments. And then, of course, there's a lot of other attractive verticals. So that would be my summary on the immediate portfolio expansion.

Scott Zero | Analyst, Roth Capital:

Very good. I'll get back in the queue. Thanks so much.

Stephen Gadoff | Chief Financial Officer:

Thanks so much.

Operator | Conference Moderator:

The next question will come from Tyler Burmeister with Lake Street. Please go ahead.

Tyler Burmeister | Analyst, Lake Street:

Hi, guys. Thanks for letting me ask a question here. So as we think about the 2026 guide across your mobile and your FWA businesses, you know, the FWA side of business continues to gain momentum and you kind of highlight the mobile side of business as being stable. Just wondering if the, you know, new customer ramping this year and mobile coming off a softer 25 and different dynamics, do we still expect the fixed wireless access side to be a relatively larger contribution of growth this year?

Stephen Gadoff | Chief Financial Officer:

Awesome. Thanks, Todd. We'll tag team it as usual. So we expect mobile and FWA both to grow on a revenue basis in 2026 for albeit different reasons, right? Fixed pie, if you will, on mobile, growing pie on FWA. So you all should share all the thoughts on that. And on both the revenue and customer base. So just to make sure you said flat, but it's a growth driver, both of them.

Juho Sarvikas | Chief Executive Officer:

The one thing I would add here or highlight is that, like I mentioned when I was answering Scott's earlier question, there's plenty of room to grow in mobile, and we're going to go as fast as we can, and that pony will do extremely well. At the same time, FWA, on the back of the portfolio expansion, the customer expansion, is going to be also a great story in 2026. So if you look at 2026, We'll see which one of these two categories ends up running faster. But if you take the long-term view, the FWA TAM supports mobile. Also, now with these product introductions, our share in mobile will significantly grow. So if you take a longer-term view, the mix will be in favor of FWA.

Stephen Gadoff | Chief Financial Officer:

That's great.

Tyler Burmeister | Analyst, Lake Street:

And then, you know, we talked maybe a little bit less about the MSO and the distribution channel opportunities on this call. So I was just wondering, you know, as we look out this year, you know, could we possibly hear some announcements or start seeing maybe some more meaningful contributions from those customer groups this year? Is that maybe a little bit farther out opportunity for you guys?

Juho Sarvikas | Chief Executive Officer:

Thanks, Tata. I think that's a fantastic question. And I'm sure you're asking because I've been mentioning it in my remarks, and I've been talking about it a little bit already. Look, to me, the MSOs, whether it's cable or fiber, many of these guys actually have cellular assets as well, right? They're kind of like a carrier. So, like, I would even put them in the same bucket as the three large carriers. And there's brilliant FWA use cases with the MSOs. starting with failover, day one, all of that. And we've done massive investment in both products, where the FX4200 is actually the ideal, I'll call it router platform for that use case, but also in our cloud with deep understanding of those use cases. So MSO is definitely something where I expect that we'll have great discussions as the year progresses. The bar and the managed service provider, let's call this the channel, this is a different type of an animal. Now you have fairly fragmented set of partners. By the way, I did mention, or I should mention, that the three large value-added resellers, CDW, Insight, and I can't believe I'm blanking on the third one now, are all going to launch – we've already introduced programs. They're all stocking the FX-4200 as of late last year. That is going to be a steady run. It's a little bit like the FWA. So these large guys, whether they are the carriers or the MSOs, they will drive big immediate volume uplifts. The VARs and the MSPs in the long term become significant growth drivers for us, but will be a slower burn. The third large value that we sell, of course, is SHI. Did I answer your question?

Stephen Gadoff | Chief Financial Officer:

Yeah, that's great. I appreciate the call. That's all from me. Thanks, guys. Thank you. Thanks, man.

Operator | Conference Moderator:

The next question will come from Christian Schwab with Craig Hallam Capital Group. Please go ahead.

Christian Schwab | Analyst, Craig-Hallam Capital Group:

Good quarter, and congrats on all the deals. As we look at the software business, you have one customer who's a material percentage of that software and services revenue. Is there an opportunity with the other two customers to deploy a similar program as your historical leading customer?

Juho Sarvikas | Chief Executive Officer:

Hey, Christian, thanks for joining us. I'll actually answer both aspects of the software business. Let me start with the Inseego Connect, which is our device management platform, orchestration platform. One of the really important things that we've implemented now, especially with the 4200, but much broader, is that since we've made that investment over 2025 in creating a world-class device management platform with great differentiation capability, our go-to-market motion has really changed on the routers. It really is a solution-first sale, attach rate, but also the value capture is growing. The install base, of course, takes time to grow. But again, here, if you take a multi-year view, Inseco Connect is a really important part of our story. It also provides other service opportunities for us where we can expand, as you might imagine. If you look at the subscriber lifecycle management platform, Yes, for sure. We've done significant investment here as well, and we're looking at from a business development standpoint of view, expansion opportunities. It really does have a unique feature set, especially if you go into the Fed and government space, where you have a lot of compliance, a lot of complexity in terms of how you manage those customers, and there are significant benefits for carriers, broadly speaking, to leverage that platform.

Unknown | Participant:

Great.

Christian Schwab | Analyst, Craig-Hallam Capital Group:

I guess my second question, with the broadening base out of all three carriers, there seems to be a greater industry focus on enterprise class fixed wireless access versus just residential. From a bigger picture standpoint, do you believe You know, any of this has to do with, you know, industry 4.0 initiatives or greater acceleration finally of private 5G networks by the carriers and their thoughts?

Juho Sarvikas | Chief Executive Officer:

So there was an immediate gold rush in FWA when 5G emerged to consumer. The problem with consumer is the ARPU and the consumption profiles. very, very data-demanding, massive consumption profile, and you're competing against cable and other value props for the consumer. Enterprise, on the other hand, has a very rich ARPA profile, and if you think about it, the usage profile is completely the opposite of the consumer, because you'll be working during the day, you maybe should not be streaming Netflix at the office. So just like from the basic dynamics standpoint of use, very favorable performance, from a carrier P&L standpoint of

view, there has been a significant constraint on the industry, and it really has been spectrum. So CPAN, when the auction happened, launched a massive wave of FWA expansion. There was a recent acquisition that one of the carriers made that you're very much familiar with, and all of a sudden FWA, and especially the business or enterprise segment, became top of mind because now you have the capacity, to go there and it has the highest ARPU. So one of the really foundational things that we believe in is that cellular will take over the world in two ways. One, 5G performance is now broadband-like as opposed to 4G. 6G is yet again another 10 times faster. So you could make the case where now cellular should become the primary and there even shouldn't be a discussion around it. It will also release massive amounts of spectrum, massive amounts of capacity where you can utilize the higher on auction spectrum assets that are still out there, yet to be deployed. And then look from an enterprise and customer standpoint of view. Super easy to deploy, single management interface. You don't need to worry which of your location gets Fiber or cable or how do you patch all of that together. So I think there's a lot of benefits that will continue to accelerate enterprise FWA. And that was one of the data points I was sharing is this high 30s CAGR on service provider revenue increase in the enterprise FWA.

Unknown | Participant:

Great. No other questions. Thank you.

Stephen Gadoff | Chief Financial Officer:

Thanks so much. Thanks, Christian.

Operator | Conference Moderator:

The next question will come from Lance Vitonza with Cowan. Please go ahead.

Lance Vitonza | Analyst, Cowan:

Thanks, guys. Appreciate you taking the questions here. I've got a couple, if I could. The first is, it's good to have Verizon back in the fold. That said, I do wonder what this means, if anything, for the variability of results going forward. I'm just wondering, beyond the initial rollout, just looking ahead here, do you expect this to – Will your visibility be better or worse off for having Verizon back in the mix relative to working with AT&T and T-Mobile?

Juho Sarvikas | Chief Executive Officer:

That's an FWA question, I take it, Lance? Yes. So the way to look at it is that, kind of go back to my previous answer, there's a strong economic incentive. All three players have made the statement that through investing in FWA for enterprise, where we got with our existing large customer, it took a couple of broad generation, and it took some time to develop the co-selling motion and to be able to drive that kind of volume uplift. So at this early stage, I can't really tell you how fast each of these opportunities will grow, but I think we have very reasonable expectations reasonable expectations that informed the guide for 2026 that Steven was sharing.

Lance Vitonza | Analyst, Cowan:

Okay, great. And then, and so just to sort of go back to Scott's question about the full year EBITDA outlook, if I'm doing the math right, I think you put up about a 12.1% EBITDA margin for 2025. Should we be thinking about 2026 as kind of being, you know, around the same zip code, or could there be upside or potential downside maybe for investment spend and so forth? How should we think about that relative to margin profile year over year?

Stephen Gadoff | Chief Financial Officer:

Good question. Similar outcome lasts insofar as the answer for the year doesn't really exist in nature because we would expect to exit 2026 at those levels you're saying, at the higher levels, kind of where we are now-ish. But the first part of the year is going to be a bit lower. So the average for the year is, you know, somewhere in between that's not really existing. So if it's, you know, you can see the math for Q1, right? So if the first half of the year is single digits and the second half of the year is getting into a decent double digit, you know, you'll do the math on the average, but the short answer is the race that we're at, we would expect to be seeing in the second half, and I'd name the year for sure.

Lance Vitonza | Analyst, Cowan:

Correct. Understood. And maybe just one last one for me, and just sort of thinking, you know, a little bit longer term. Is double-digit revenue growth, you know, sort of sustainable over the next few years, do we think? Or should we be sort of thinking... I'm not expecting guidance here. I'm not expecting the 27 will necessarily look as robust as 2026, but will we continue to see robust growth, do you imagine, or does 2026 sort of bring us back to kind of more of a new plateau level, would you expect?

Stephen Gadoff | Chief Financial Officer:

Of total revenue growth? You're saying, hey, can you grow total revenue in double digits? Correct. Yes. Yeah, we can. I think we said that at the end of last year as we're setting up for this year. And candidly, the growth profile for 2026 is a nice double digit with a pretty low, weak lane, we might say internally, Q1. And so if we're pulling that off in a year where we're ramping a whole bunch of new products and transitioning, we're going from a company that was one product, one customer to many products, all three carriers, and we're doing that all this quarter. So, like, that's a big deal. And once that gets up and running, like, that's a really nice model. So, a little probably long-winded, but the short answer is yes, we do believe that's a double-digit growth for the next several years.

Lance Vitonza | Analyst, Cowan:

No, that actually isn't too much. That's perfect. I really appreciate the call. Thank you all so much.

Stephen Gadoff | Chief Financial Officer:

Appreciate it, Lance. Thank you. Thanks, Lance.

Operator | Conference Moderator:

This concludes our question and answer session. I would like to turn the call back over to management for any closing remarks.

Juho Sarvikas | Chief Executive Officer:

Thank you for the great questions and for joining us today. Stephen and I will be at the ROS Conference next month and we hope to see many of you there. I also wanted to thank our awesome employees for their hard work and dedication and our shareholders for your continued support and confidence in our vision. We're excited to have you with us on this journey. Thank you again for your time, and we look forward to catching up soon.

Operator | Conference Moderator:

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.