

The background features a diagonal split between a dark blue upper-left section and a white lower-right section. The dark blue area is filled with vertical, multi-colored light trails in shades of blue, cyan, and magenta, creating a digital or data-like aesthetic.

Q4 2024 Financial results

30 January 2025

NOKIA

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Key messages – Q4 2024

- **Improving market conditions now clearly visible in net sales.** Strong growth in Q4 with +9% net sales growth in constant currency.
- All business groups contributed with improved net sales trends in Q4. **Network Infrastructure** grew 17% with all units growing. Strong performance in **Nokia Technologies** with several new deals signed, increasing our net sales run-rate. **Cloud and Network Services** grew 7% led by Core Networks and Enterprise Campus Edge. **Mobile Networks** stabilizing, with a small net sales decline of -2%, a significant improvement on recent quarters.
- **Strong profitability** in Q4 with **comparable gross margin of 47.2%** and **comparable operating margin of 19.1%** supported by net sales growth, Nokia Technologies catch-up and ongoing cost control.
- **Strong year for cash with free cash flow of EUR 2.0 billion.** Returned EUR 1.4 billion to shareholders via buybacks and dividends. Year-end net cash position of EUR 4.9 billion. **Target remains 10-15% net cash as % of annual net sales.**
- Making **additional investments in IP Networks** to better position business for **data center opportunity**
- **2025 Outlook (on organic basis):** Expect comparable operating profit of between **EUR 1.9 and 2.4bn** and free cash flow conversion from comparable operating profit of between **50% and 80%.**

Q4 Financial Performance

Marco Wirén

Chief Financial Officer

The Nokia logo is displayed in blue, uppercase letters within a white circular area. The background of the slide features a large blue circle on the right side, and a vertical strip on the left showing a city skyline at night with blue and white lights.

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Strong Q4 growth and profitability as market trends improve

Q4 24 net sales (EUR)

6.0bn

9% y-o-y

Q4 24 gross margin

47.2%

+250bps y-o-y

Q4 24 operating margin

19.1%

+380bps y-o-y

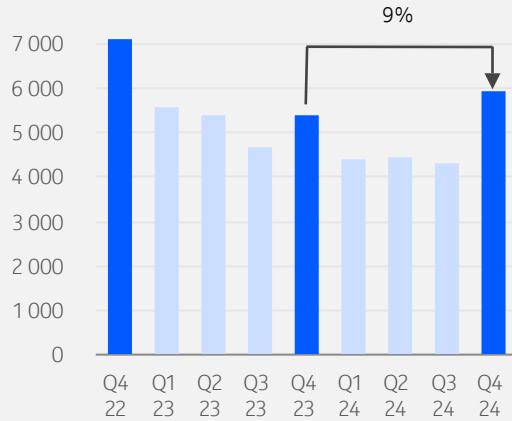
FY 24 FCF (EUR)

2.0bn

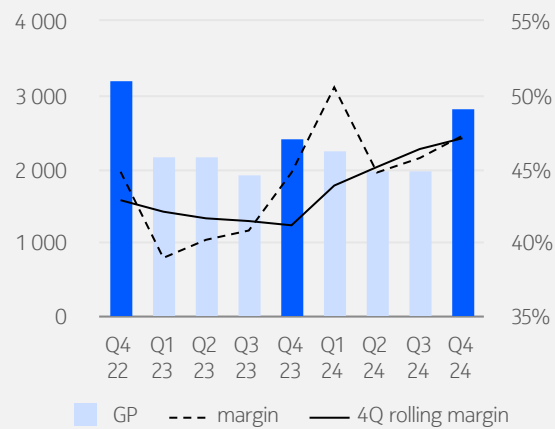
Q4 24 net cash (EUR)

4.9bn

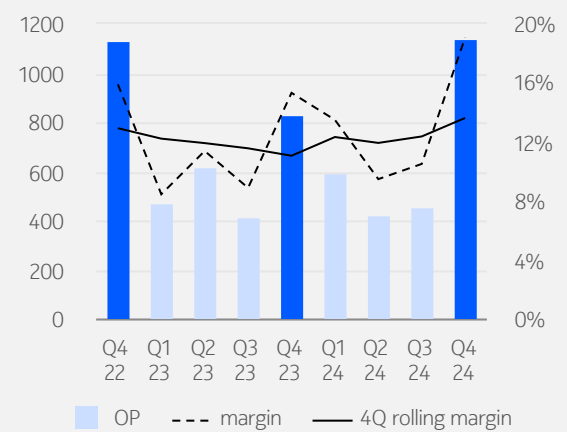
Net Sales (EUR million)



Gross profit (EUR million) and margin



Operating profit (EUR million) and margin

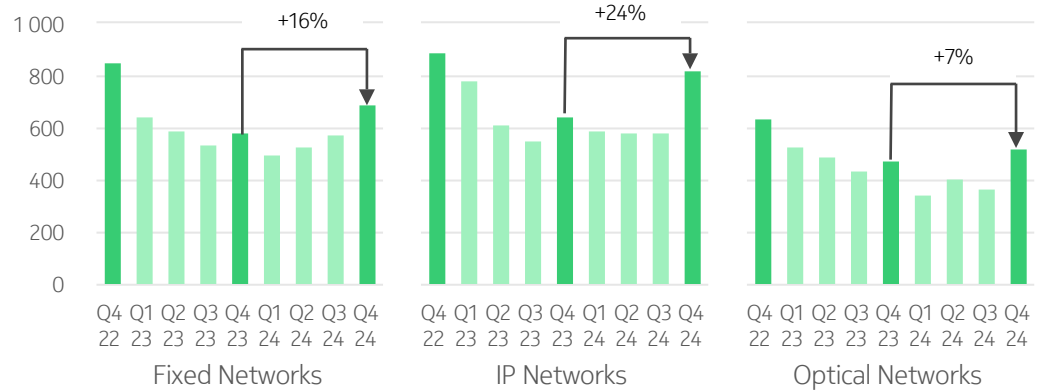


All net sales changes presented are year-on-year in constant currency and margin is on a comparable basis; Submarine Networks is now accounted for under discontinued operations. Charts show illustrative history excluding Submarine Networks for Q4 2022. Restated figures have only been provided from Q1 2023 onwards.

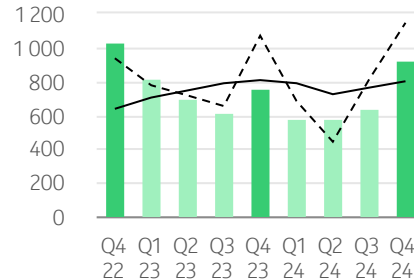
Network Infrastructure

- Acceleration in growth with strong finish to 2024
- Improving demand from CSP customers supporting all units
- Strong growth in webscale for IP Networks in Q4
- Gross margin improved due to beneficial product mix
- Operating margin benefited from operating leverage on strong net sales performance in the quarter

Network Infrastructure net sales by quarter (EUR million)



Gross profit (EUR million) and margin



Operating profit (EUR million) and margin



■ GP - - margin — 4Q rolling margin

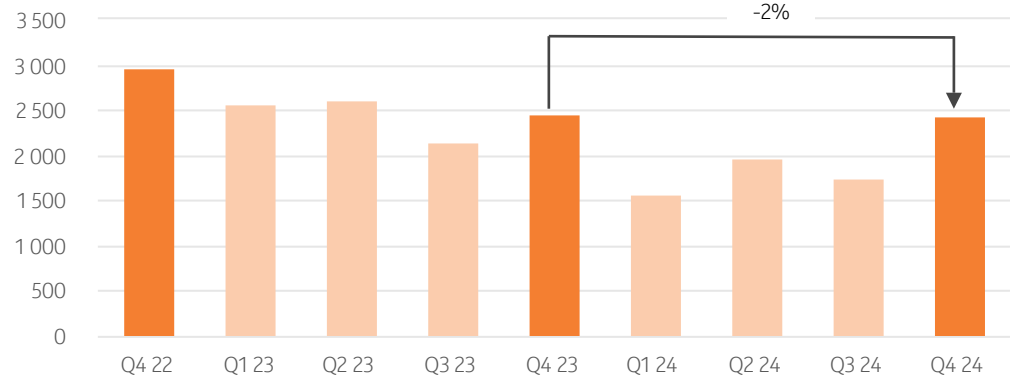
■ OP - - margin — 4Q rolling margin

All net sales changes presented are in constant currency
Charts show illustrative history excluding Submarine Networks

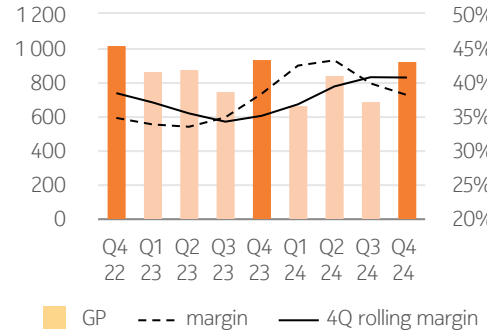
Mobile Networks

- Sales trends now stabilizing with easier comparisons in India
- Commercial momentum remains strong with deals in the quarter signed with Deutsche Telekom and Bharti
- Gross margin stable on a y-o-y basis with favorable business mix offsetting higher variable pay
- Strong cash performance in 2024 as working capital build-up during 2022 and 2023 has now largely unwound.

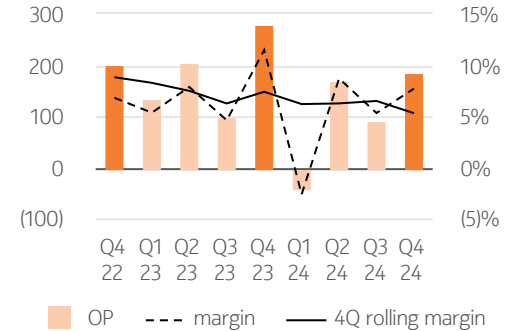
Mobile Networks net sales by quarter (EUR million)



Gross profit (EUR million) and margin



Operating profit (EUR million) and margin



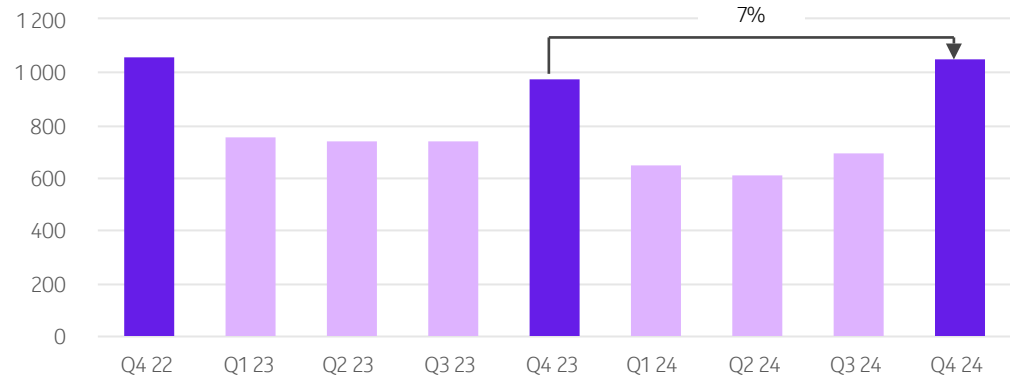
All net sales changes presented are in constant currency



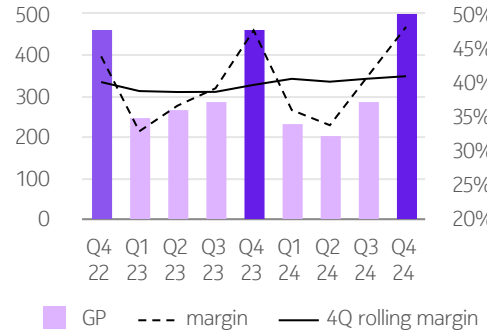
Cloud and Network Services

- Strong performance to end 2024 driven by Core Networks and Enterprise Campus Edge
- Strong gross margin performance supported by improvement in cost of delivery
- Continued cost discipline leading to operating profit increase

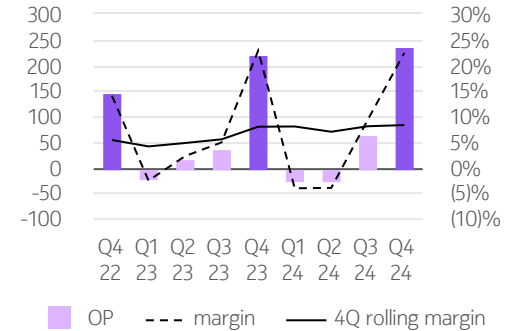
Cloud and Network Services net sales by quarter (EUR million)



Gross profit (EUR million) and margin



Operating profit (EUR million) and margin

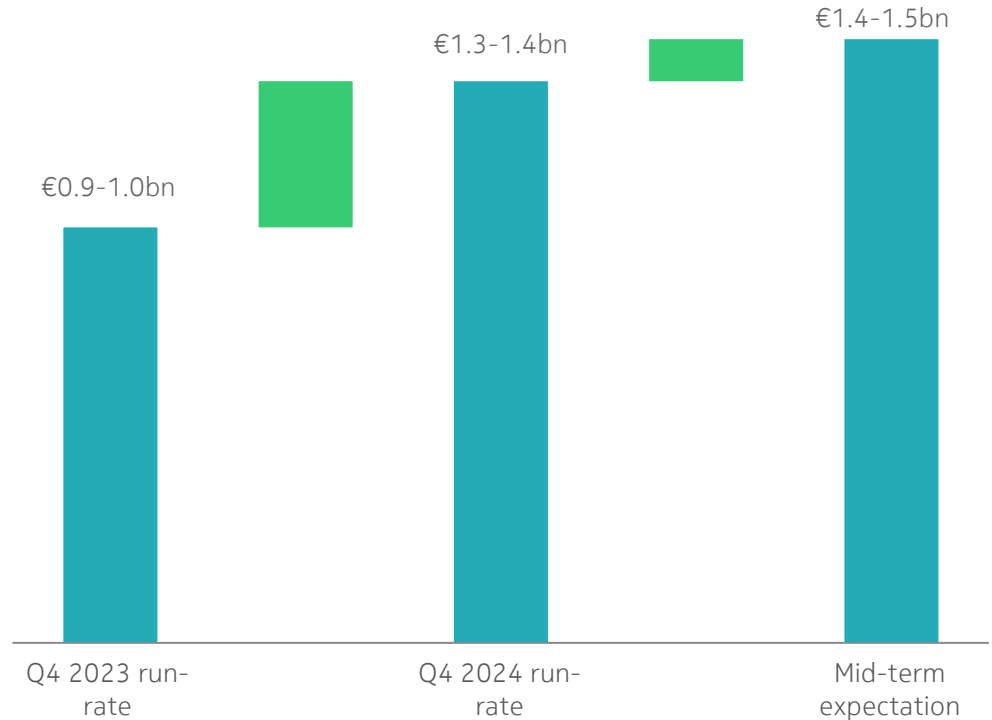


All net sales changes presented are in constant currency



Nokia Technologies

- Growth in net sales driven by smartphone renewals and new growth areas
- Run-rate increased in Q4 to approximately EUR 1.3 to 1.4 billion in the quarter from prior EUR 1.3 billion.
- Q4 agreements included Transsion (a previously unlicensed mobile device vendor) and multimedia agreements with HP and Samsung.

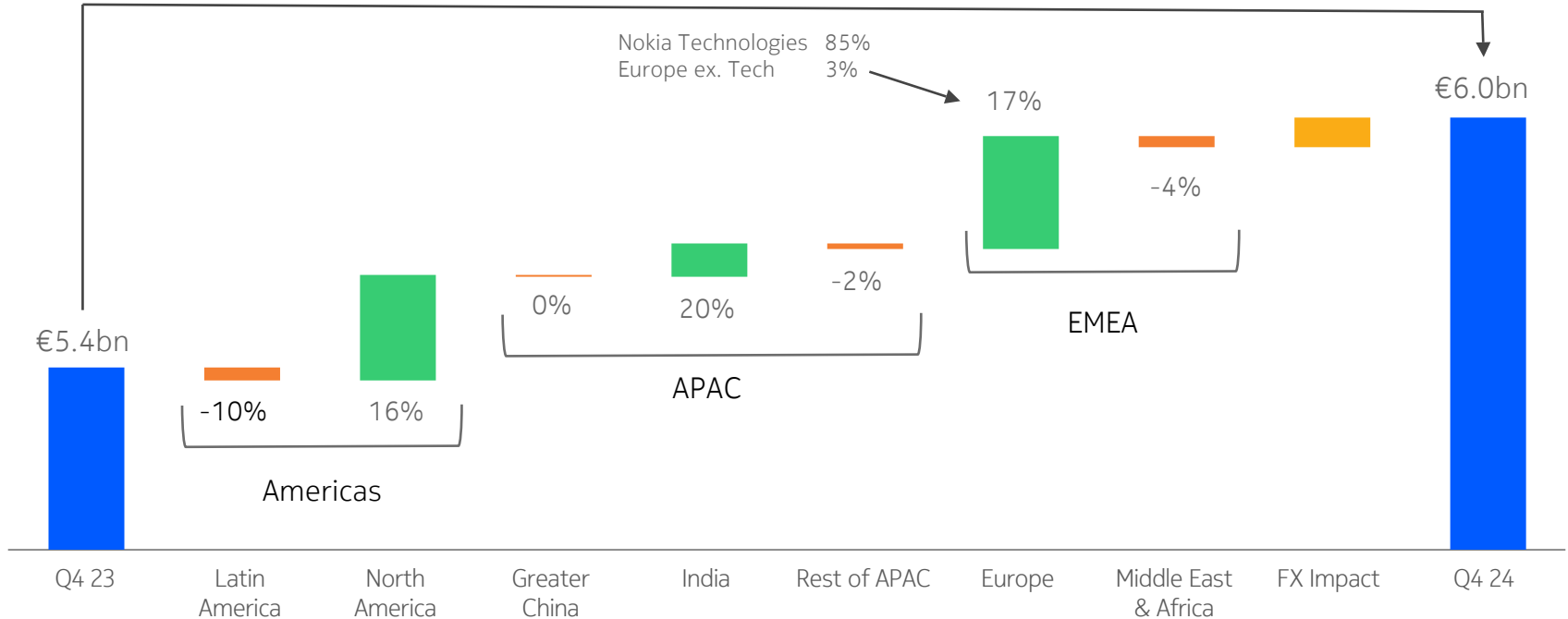


This chart is to illustrate our current financial planning assumptions. This chart is not illustrative of our view on deal valuations. Actual outcomes of negotiations may be different.

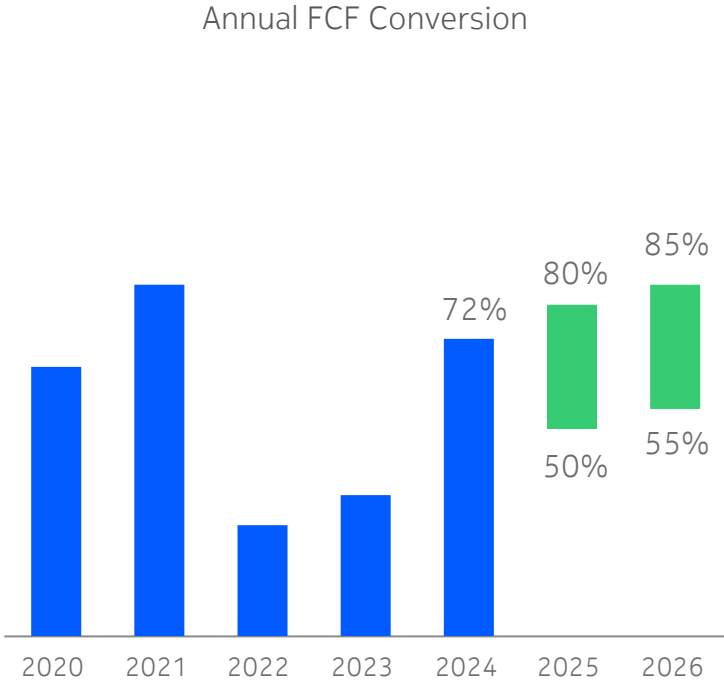
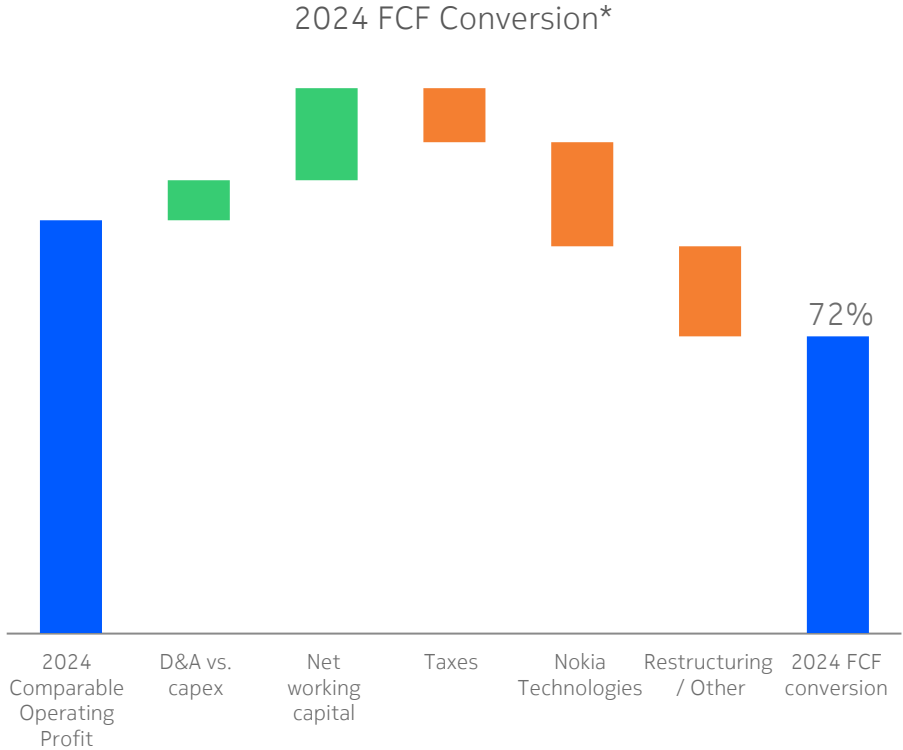
Regional sales: Growth in NAM, India and Nokia Technologies

Year-on-year at constant currency

10% reported
9% constant currency



Strong free cash flow conversion in 2024



*Excluding ASN FCF



Strong cash position supports increased dividend

Returned EUR 1.4 billion to shareholders in 2024

Returned in 2024:

Dividends:

EUR 710_{mn}

Share buyback program:

EUR 680_{mn}

Proposed for 2025:

2024 dividend proposal

EUR 0.14
per share

Continue to execute on share buyback related to Infinera acquisition

Business Highlights

Pekka Lundmark

President and Chief Executive Officer

The logo is centered within a large blue circle. The background of the circle features a stylized city skyline with vertical lines in various shades of blue and white, suggesting a modern, digital environment.

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Strategic actions in 2024 provide strong platform for future growth

Acquisitions

Due to close in Q1:



Completed:



Divestments

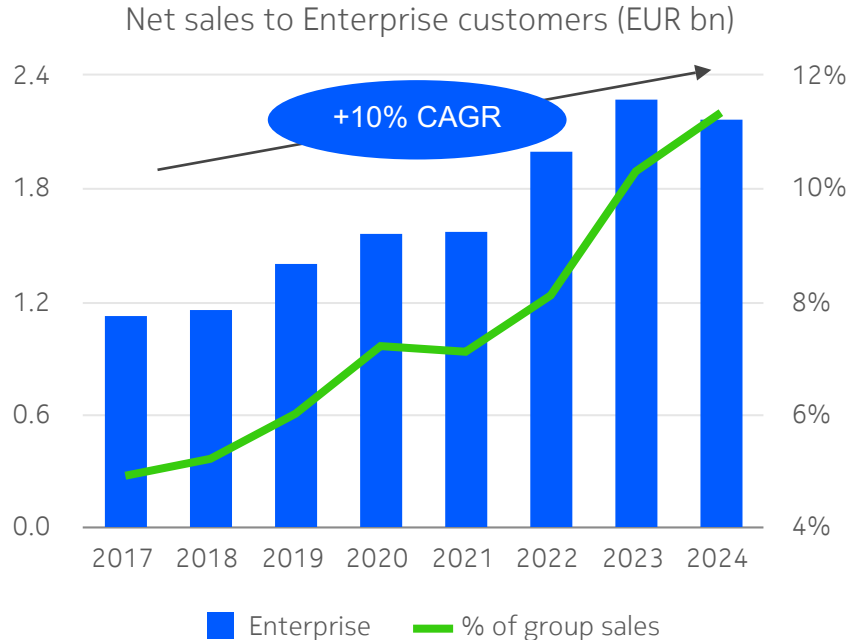
Completed:



Lumine Group to acquire Device Management and Service Management Platform Businesses from Nokia (part of CNS)

Strategic progress expanding into Enterprise

Targetting return to double-digit growth in 2025



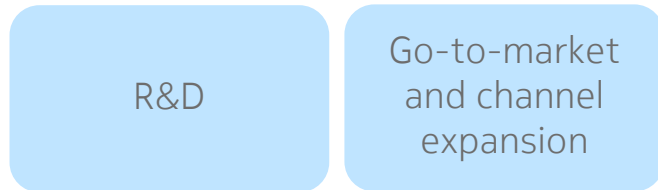
- Full year net sales declined 4% amidst challenging environment
- Won key deals in Q4 and throughout 2024
- Go-to-market partnerships in place to rapidly expand
- Target return to double-digit growth in 2025

Investing to better position IP Networks in the data center market

Leveraging IP Networks' successful track record with CSPs to expand TAM



Additional annual operating expenses (2025-2027)

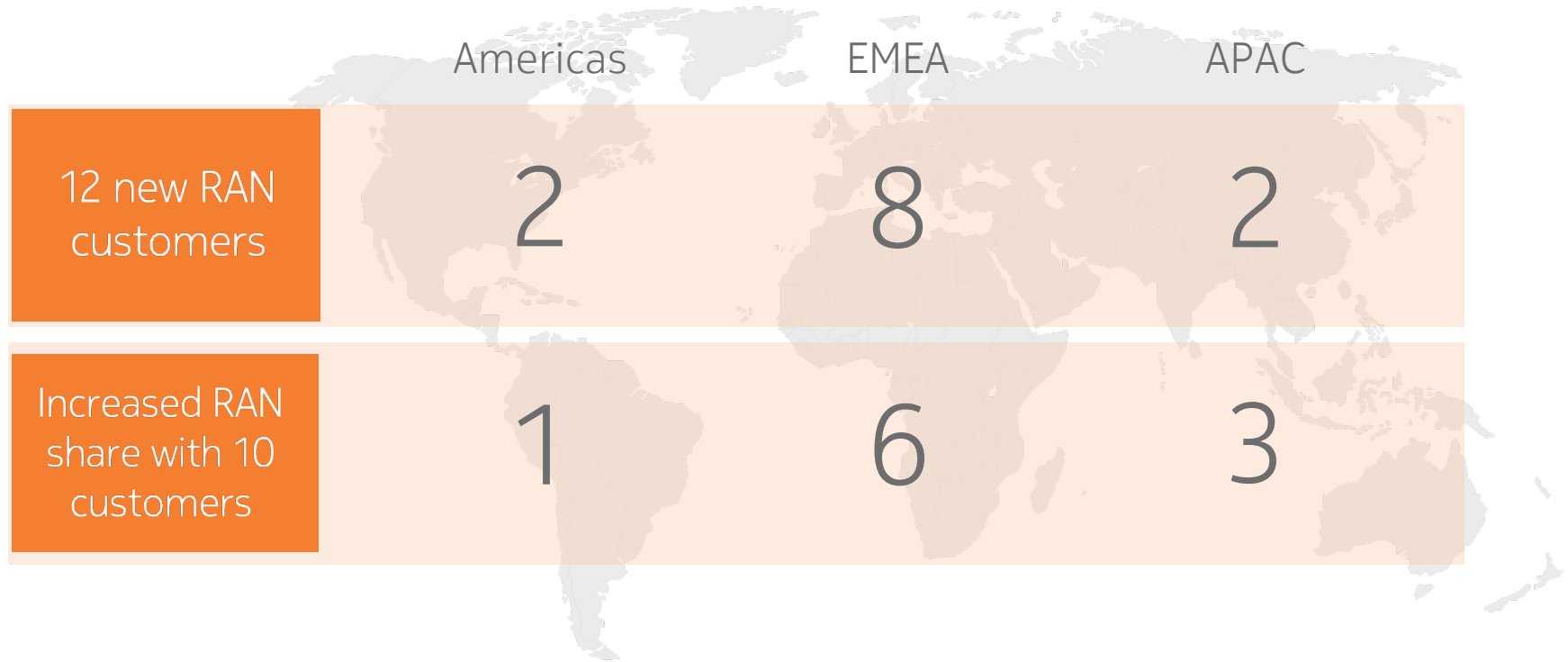


Incremental net sales by 2028



Mobile Networks - building commercial momentum into 2025

Won 18k net additional base station sites since start of 2024



Cloud and Network Services - positioned well for 2025

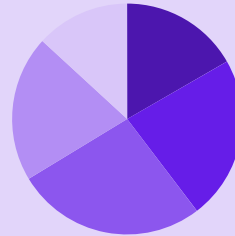
Core Networks

117 Core 5G SA
CSP customers

20-25%
of CSPs have deployed
5G SA

Private wireless

850 customers



Transport
Energy
Public Sector
Manufacturing
Other

Network as Code

48 Network API
partners

Acquisition of Rapid's
technology and R&D units

Acknowledged as leader
by ABI and Analysys Mason

Market dynamics in 2025

Network Infrastructure

- **Improving dynamics** seen in H2 2024 expected to continue into 2025 leading to **strong growth**.
- Supportive growth drivers across all NI units.

Mobile Networks

- **Stabilizing end market demand in 2025** with some potential recovery in customer spending. Faces ~4% points headwind to net sales growth from 2023 customer decision but we still see **largely stable net sales for Mobile Networks**.

Cloud and Network Services

- Good momentum in customer demand particularly in **Core Networks and Enterprise Campus Edge**.
- Expect **net sales growth** in 2025.

Nokia Technologies

- Continue progress towards our mid-term target of EUR 1.4 to 1.5 billion.
- Expect **approximately EUR 1.1 billion operating profit**.

2025 Outlook

Full year 2025

Comparable operating profit⁽¹⁾

EUR 1.9 billion to EUR 2.4 billion
(excluding any impact from pending Infinera acquisition)

Free cash flow⁽¹⁾

50% to 80% conversion from comparable operating profit
(excluding any impact from pending Infinera acquisition)

⁽¹⁾ Please refer to the Alternative performance measure section of our Report for Q4 and full year 2024 for a full explanation of how these terms are defined.

Key Takeaways

Delivered strong end
to 2024 as expected

Strategic progress
positions Nokia well
for growth
opportunities

Market recovery to
continue into 2025
driving underlying
profit improvements

Q&A

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The image features the Nokia logo in a large, white, sans-serif font centered against a dark blue background. The background is a blurred, long-exposure photograph of a city skyline at night, with numerous vertical light trails in shades of blue, cyan, and orange. The light trails represent the lights of buildings and streets, creating a sense of motion and urban energy. The Nokia logo is the central focus, with its letters clearly defined against the busy, colorful background.

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