Networks business

Creating value through services

Igor Leprince
Executive Vice President, Global Services
Nokia Services at a glance

- €9bn
  - 37% of total Networks business net sales in 2015

- €49bn
  - Services primary market in 2016

- One services strategy

- Multi technology & vendor

- End-to-end portfolio

- 38,000 services experts

- Global scale & market reach

Source: Nokia estimate
Market drivers

Traditional models are being disrupted while new opportunities emerge

New customer segments and services
True multi-vendor environment
Everything as a Service
Automation
Workforce of the future
Services

Primary market outlook

- Network Implementation
- Care
- Network Planning and Optimization
- Systems Integration
- Managed Services

Source: Nokia estimate
**Services is a strategic differentiator for Nokia**

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<th>Primary Market</th>
<th>Attractive Adjacencies</th>
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<td><strong>Attached Services</strong></td>
<td>Public Sector</td>
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<td>Increase attach rate</td>
<td>Technological extra-large enterprise</td>
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<td><strong>Professional Services</strong></td>
<td>IoT services</td>
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<td>Boost portfolio innovation and</td>
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<td>grow</td>
<td><strong>Target high value and growing sectors</strong></td>
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Global end-to-end service delivery leveraging extreme automation
Higher returns through focused and disciplined growth

Required investments already factored into long-term Networks guidance

Primary market

Boosting professional services in:
- Transformation
- Predictive services
- Cloud services
- Everything as a service

Attractive adjacencies

Target high value and growing sectors:
- Public sector
- Technological extra-large enterprises
- IoT services
Global end-to-end service delivery

Nokia has achieved excellent efficiency through global service delivery.

Global service delivery today

- 10 years of centralized delivery
- 47% of work performed remotely
- 9,000 people
Global end-to-end service delivery

Disruptive innovation in services delivery – leveraging extreme automation

Nokia AVA

Workforce of the future

Extreme automation

Virtualization

Intelligent analytics
Global end-to-end service delivery

Disruptive innovation in services delivery – leveraging extreme automation

Nokia AVA

- Extreme automation
- Virtualization
- Intelligent analytics

Workforce of the future

Augmented reality
Digital assistant
Drones
Crowdsourcing
Global end-to-end service delivery

Disruptive innovation in services delivery – leveraging extreme automation

1000 robots
5x faster
100% right

Nokia AVA

Workforce of the future

Extreme automation
Virtualization
Intelligent analytics
Services

Nokia will achieve the EUR 1.2 billion cost savings target

Extreme automation

Tool, process & delivery model harmonization

Continuous transformation
Services

Looking forward

2016

• Launched data center services, XaaS and 5G transformation consulting
• Launched Nokia AVA
• Opened centers for cloud design and delivery
• Focused on execution & integration

2017

• Expand service portfolio & footprint in adjacencies
• Address increasing complexity with new professional services portfolio & multivendor capabilities
• 2nd gen robots in delivery, artificial intelligence
• One set of processes & tools

2018

• Analytics as a differentiator
• Evolve professional services portfolio with advanced SI, SW & XaaS driven solutions
• Accelerate 5G adoption & transformation
• Leverage crowdsourcing and wider delivery ecosystem
• Self-healing services
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