Financial highlights in Q2 2021

“I am delighted that our strong start to 2021 continued in the second quarter. Our constant currency sales growth of 9%, combined with good cost control, enabled us to deliver a comparable operating margin of 12.8%. Even excluding a one-time software benefit in Mobile Networks, we saw good underlying progress in operating margin. We are already seeing the benefits of our new operating model which helped us to deliver such a strong financial performance.”

Pekka Lundmark, President and CEO

Net sales, reported

By segment

- Mobile Networks: €2.3bn, 3%
- Network Infrastructure: €1.8bn, 20%
- Cloud and Network Services: €0.4bn, 20%
- Nokia Technologies: €0.4bn, 20%
- Group Common and Other: €0.2bn, (14%)
- Eliminations: €0.1bn
- Total net sales: €5.3bn, 9%

By customer type

- Communications service providers: €2.3bn, 8%
- Enterprise: €0.4bn, 12%
- Licenses: €0.4bn, 20%
- Other: €0.3bn, 43%
- Total net sales: €5.3bn, 9%

By region

- Europe: €1.7bn, 31%
- North America: €1.6bn, 31%
- Asia Pacific: €0.5bn, 11%
- Greater China: €0.5bn, 7%
- Middle East & Africa: €0.4bn, 7%
- India: €0.3bn, 7%
- Total net sales: €5.3bn, 9%

Financial highlights

- Net sales: €5.3bn, Q2 20: €5.1bn
- Gross margin (comparable): 42.3%, Q2 20: 39.6%
- Operating margin (comparable): 12.8%, Q2 20: 8.3%
- EPS, diluted (comparable): €0.09, Q2 20: €0.06
- Net cash and current financial investments: €3.7bn, Q4 20: €2.5bn
- Total cash and current financial investments: €8.8bn, Q4 20: €8.1bn

Business and operational highlights

- Mobile Networks Comparable operating margin: 10.5%, Q2 20: 7.5%
- Network Infrastructure Comparable operating margin: 9.1%, Q2 20: 4.3%
- Cloud and Network Services Comparable operating margin: 1.4%, Q2 20: (0.8%)
- Nokia Technologies Comparable operating margin: 82.8%, Q2 20: 79.8%

- Commercial 5G deals 29 July 2021: 170
- Live 5G networks 29 July 2021: 67
- “5G Powered by ReefShark” proportion of 5G shipments: ~54%
- Enterprise Net sales growth: (2)%

Disclaimer: Nokia presents financial information on reported, comparable and constant currency basis. Comparable measures presented in this document exclude intangible asset amortization and other purchase price fair value adjustments, goodwill impairments, restructuring related charges and certain other items affecting comparability. In order to allow full visibility on determining comparable results, information on items affecting comparability is presented separately for each of the components of profit or loss. Constant currency reporting provides additional information on change in financial measures on a constant currency basis in order to better reflect the underlying business performance. Therefore, change in financial measures at constant currency excludes the impact of changes in exchange rates in comparison to euro, our reporting currency. As comparable or constant currency financial measures are not defined in IFRS they may not be directly comparable with similarly titled measures used by other companies, including those in the same industry. The primary rationale for presenting these measures is that the management uses these measures in assessing the financial performance of Nokia and believes that these measures provide meaningful supplemental information on the underlying business performance of Nokia. These financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. Please see our complete financial report for more information on our results and financial performance as well as our operating and reporting structure.

© 2021 Nokia