Financial highlights in Q3 2022

“Our third quarter performance demonstrates we are delivering on our ambition to accelerate growth. Net sales grew 6% in constant currency as supply constraints started to ease and we maintained good profitability with comparable operating margin of 10.5%. Our Enterprise net sales growth accelerated to 22% in constant currency. With this momentum, we expect Enterprise to remain our fastest growing customer segment.”

Pekka Lundmark, President and CEO

Net sales

By segment
- Mobile Networks: €2,851m, 12%
- Network Infrastructure: €2,211m, 5%
- Cloud and Network Services: €801m, 13%
- Nokia Technologies: €305m, 19%
- Group Common and Other: €84m, 21%
- Eliminations: €113m, 6%
- Total net sales: €6,241m, 6%

By customer type
- Communications service providers: €5,096m, 6%
- Enterprise: €485m, 22%
- Licenses: €305m, 19%
- Other: €355m, 18%
- Total net sales: €6,241m, 6%

By region
- North America: €2,275m, 10%
- Europe: €1,533m, 5%
- Asia Pacific: €638m, 9%
- Greater China: €415m, 9%
- Latin America: €334m, 20%
- India: €281m, 1%
- Submarine Networks: €283m, 17%
- Total net sales: €6,241m, 6%

Financial highlights

- Net sales: €6.2bn (Q3 21: €5.4bn)
- Gross margin (comparable): 40.4% (Q3 21: 40.8%)
- Operating margin (comparable): 10.5% (Q3 21: 11.7%)
- EPS, diluted (comparable): €0.10 (Q3 21: €0.08)
- Net cash and interest-bearing financial investments: €4.7bn (Q4 21: €4.6bn)
- Total cash and interest-bearing financial investments: €9.3bn (Q4 21: €9.3bn)

Business and operational highlights

- Mobile Networks Operating margin: 9.8% (Q3 21: 7.3%)
- Network Infrastructure Operating margin: 10.3% (Q3 21: 9.8%)
- Cloud and Network Services Operating margin: 2.0% (Q3 21: 4.1%)
- Nokia Technologies Operating margin: 67.9% (Q3 21: 77.7%)
- Commercial 5G deals 20 October 2022: 251
- Live 5G networks 20 October 2022: 83
- “5G Powered by ReefShark” proportion of 5G shipments: 93%
- Enterprise Customers added in Q3: 73

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.

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