

Q4 2022

Investor presentation

26 January 2023

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Agenda



Pekka Lundmark
President and CEO

- 4. Financial highlights
- 5. Business Group performance



Marco Wirén
CFO

- 10. Financial performance bridges
- 13. Cash flow performance
- 15. 2023 TAM and outlook

A solid end to a year of acceleration

Q4 22 net sales

+11%

Q4 22 operating margin

15.5%

+130bps y-o-y

Q4 22 net cash (EUR)

4.8bn

FY 22 net sales

+6%

FY 22 operating margin

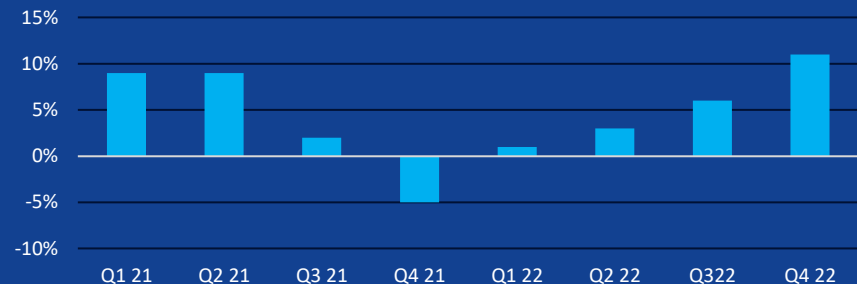
12.5%

Flat y-o-y

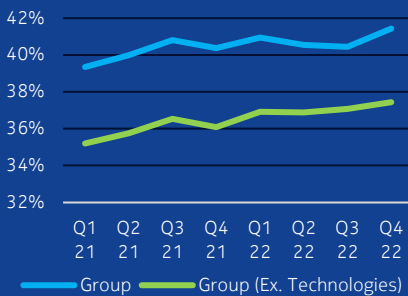
FY 22 FCF (EUR)

0.8bn

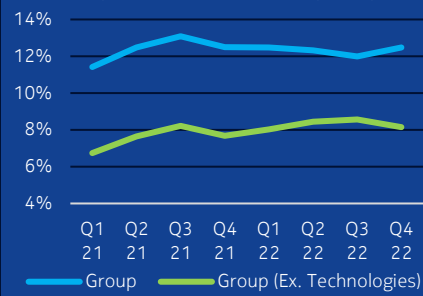
Net sales growth y-o-y (constant currency)



4Q rolling comparable gross margin



4Q rolling comparable operating margin



All net sales changes presented are year-on-year in constant currency and operating margin is on a comparable basis

Network Infrastructure – stellar finish to a strong year

Q4 22 net sales

+14%

FY 22 net sales

+10%

Q4 22 operating margin

15.9%

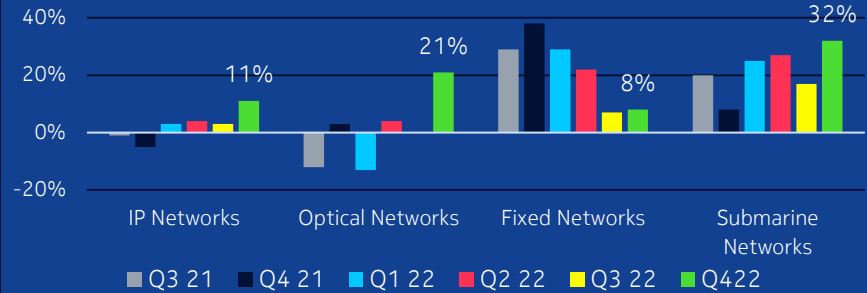
+490bps y-o-y

FY 22 operating margin

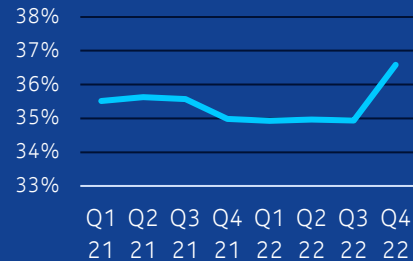
12.2%

+200bps y-o-y

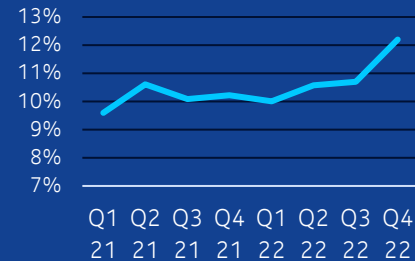
NI net sales growth y-o-y by business line



NI 4Q rolling gross margin



NI 4Q rolling operating margin



All net sales changes presented are year-on-year in constant currency

Mobile Networks – quarter consolidated return to growth for year

Q4 22 net sales

+3%

FY 22 net sales

+3%

Q4 22 operating margin

6.8%

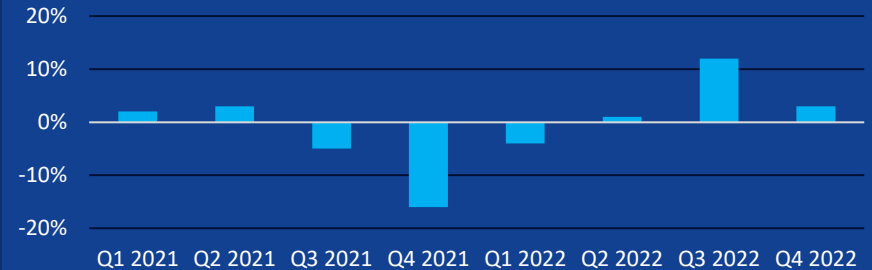
-300bps y-o-y

FY 22 operating margin

8.8%

+90bps y-o-y

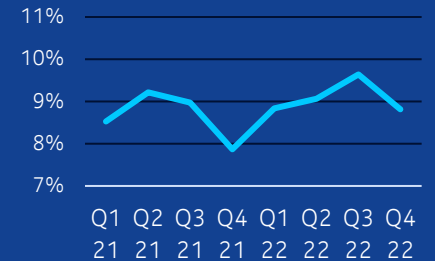
Mobile Networks net sales growth y-o-y



MN 4Q rolling gross margin



MN 4Q rolling operating margin



All net sales changes presented are year-on-year in constant currency

Cloud and Network Services – meaningful growth in Enterprise

Q4 22 net sales

+5%

FY 22 net sales

+2%

Q4 22 operating margin

13.9%

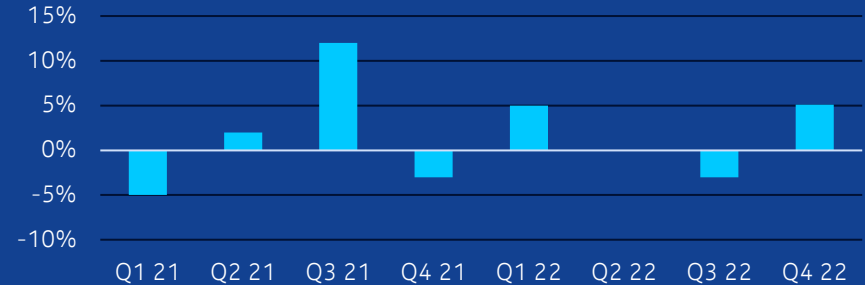
-110bps y-o-y

FY 22 operating margin

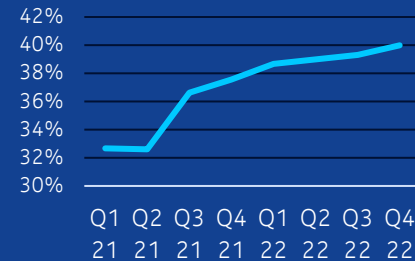
5.3%

-10bps y-o-y

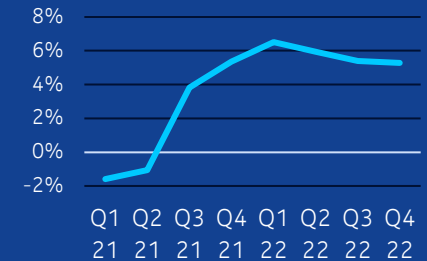
Cloud and Network Services net sales growth y-o-y



CNS 4Q rolling gross margin



CNS 4Q rolling operating margin



All net sales changes presented are year-on-year in constant currency

Nokia Technologies – benefited from licensee exercising option

Q4 22 net sales

+82%

Q4 22 operating margin

83.1%

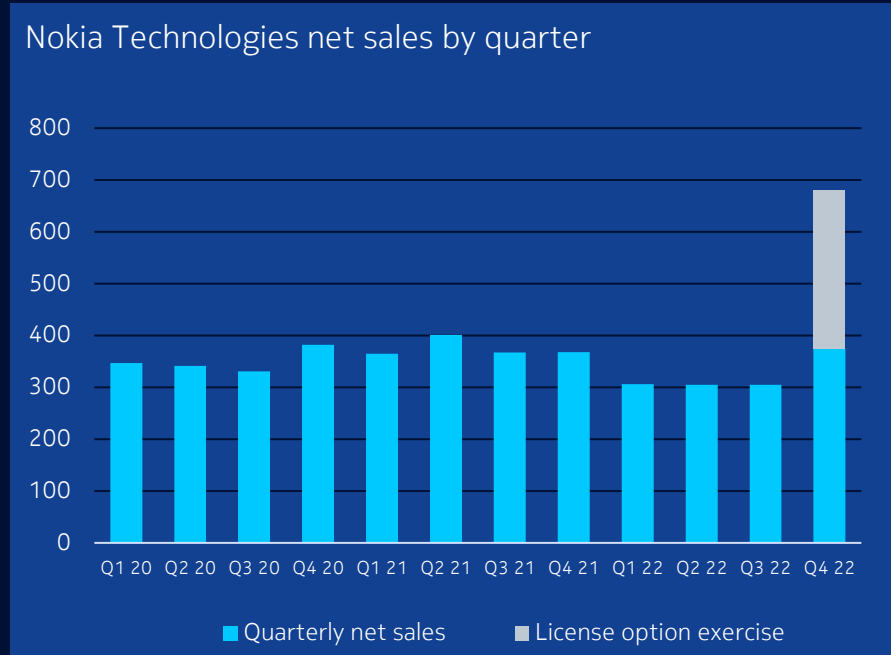
+650bps y-o-y

FY 22 net sales

+5%

FY 22 operating profit

EUR 1.2bn



All net sales changes presented are year-on-year in constant currency

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President and CEO

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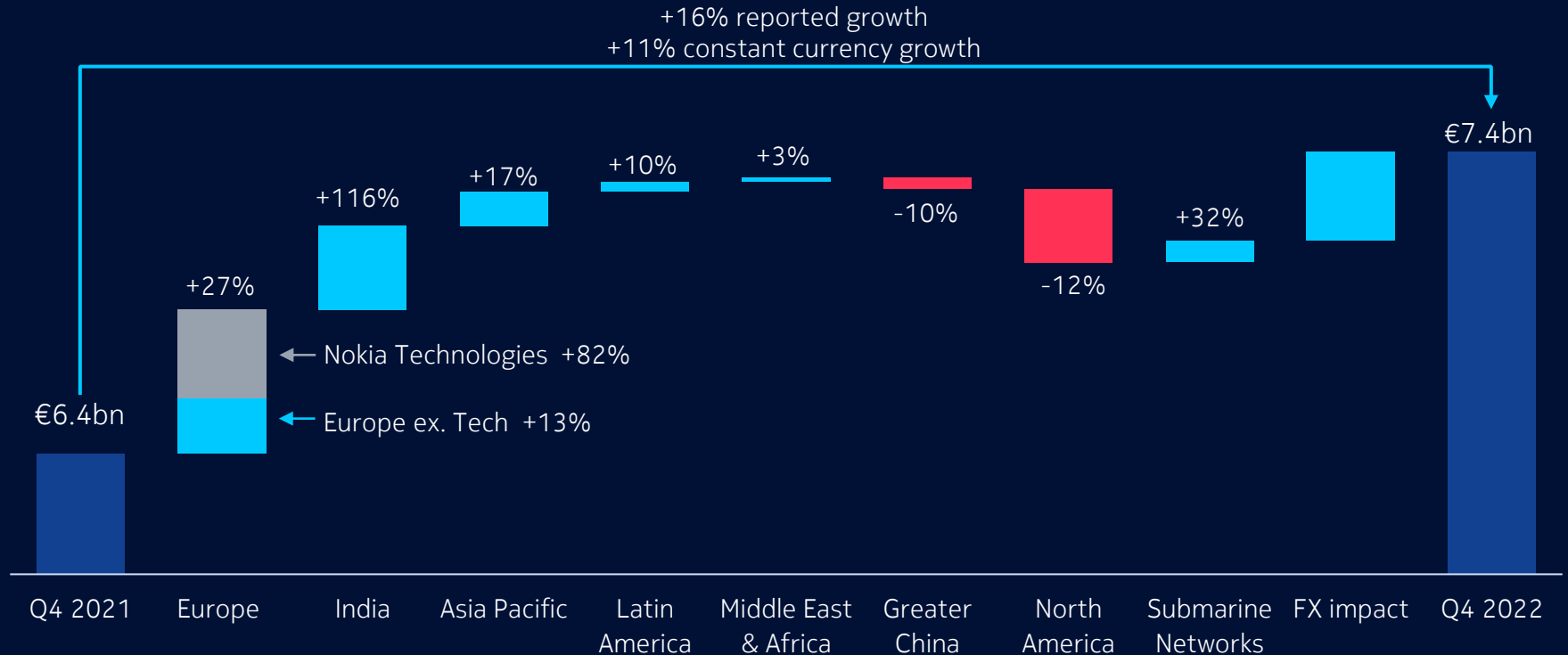


Marco Wirén
CFO

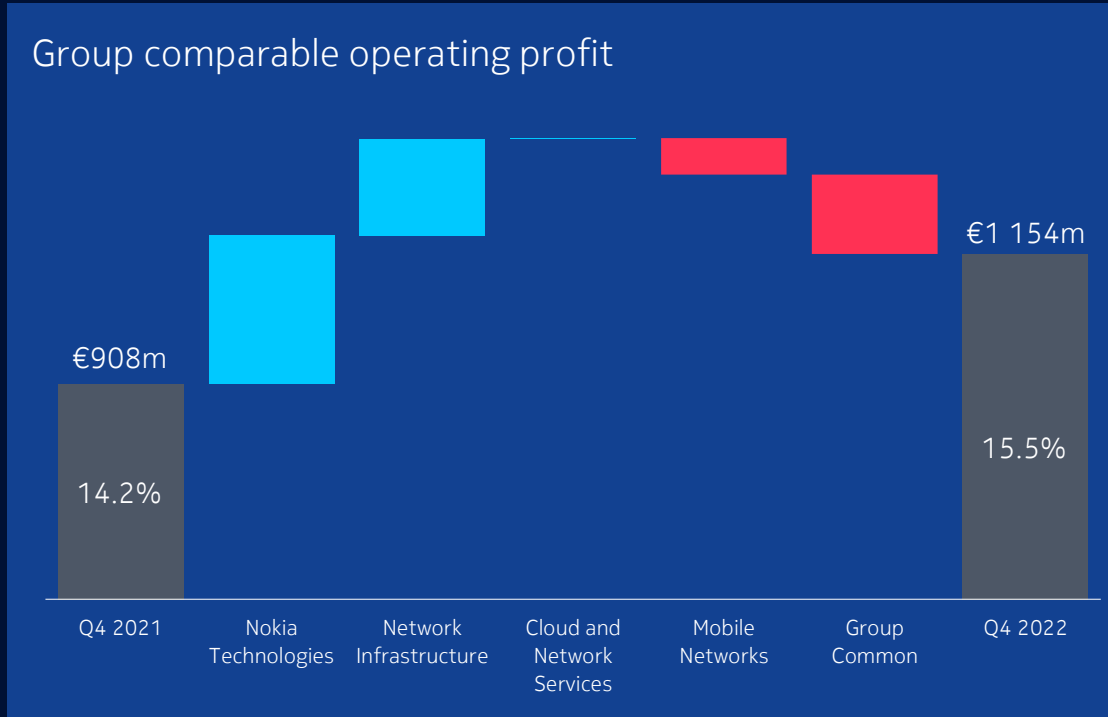
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Growth across most regions offsets North America decline

Year-on-year at constant currency



Technologies and Network Infrastructure expand Q4 margin



Exercised option by licensee benefited Nokia Technologies

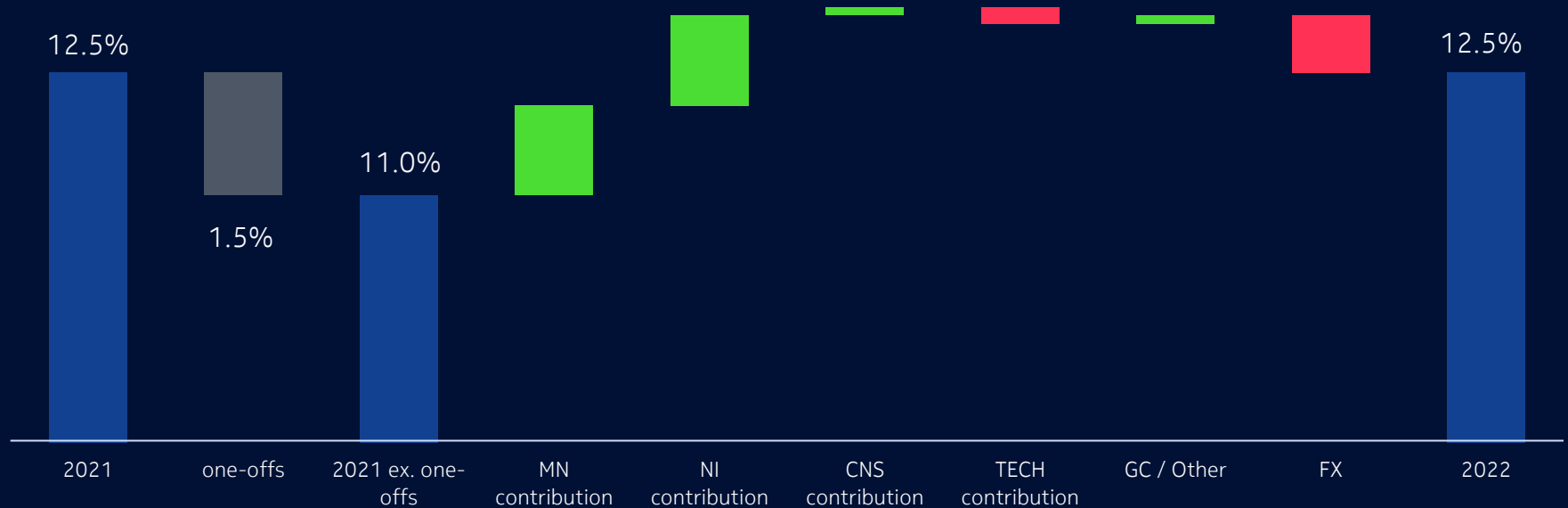
Network Infrastructure showed strong expansion

Mobile Networks impacted by regional shift

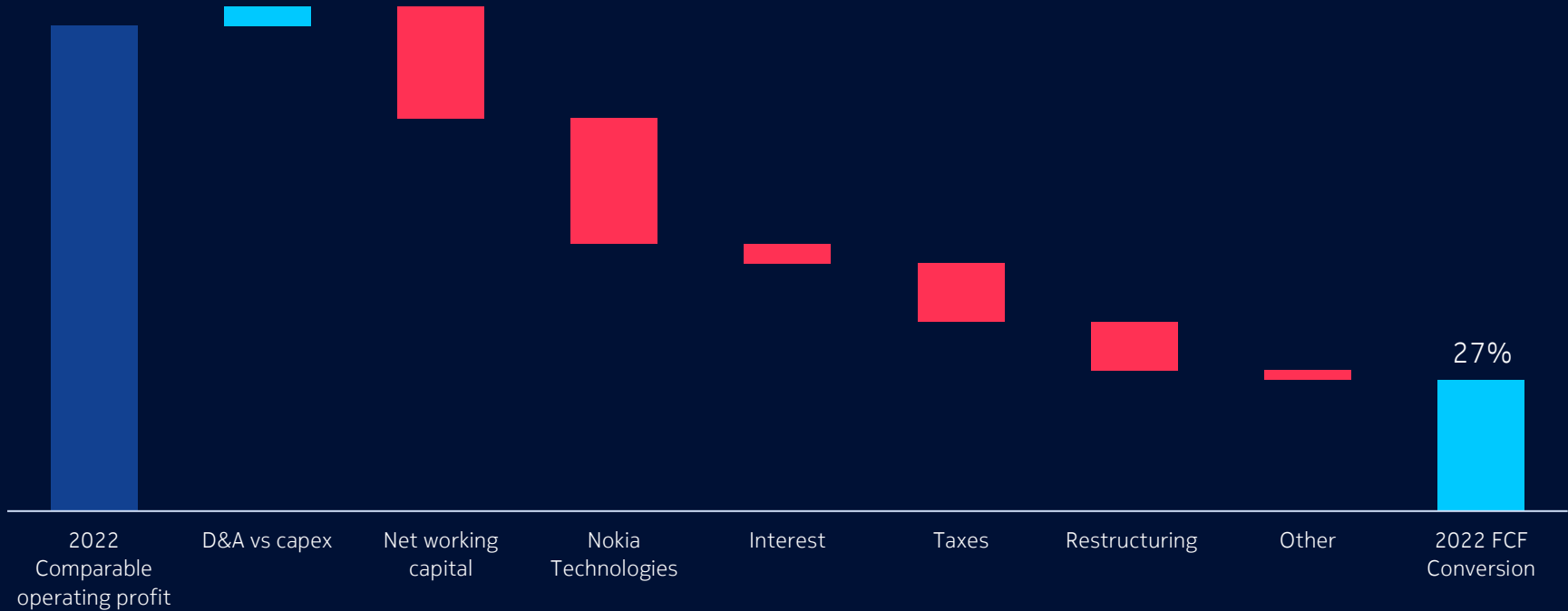
Group Common saw negative impact related to venture funds

Strong underlying margin improvements in MN and NI in 2022

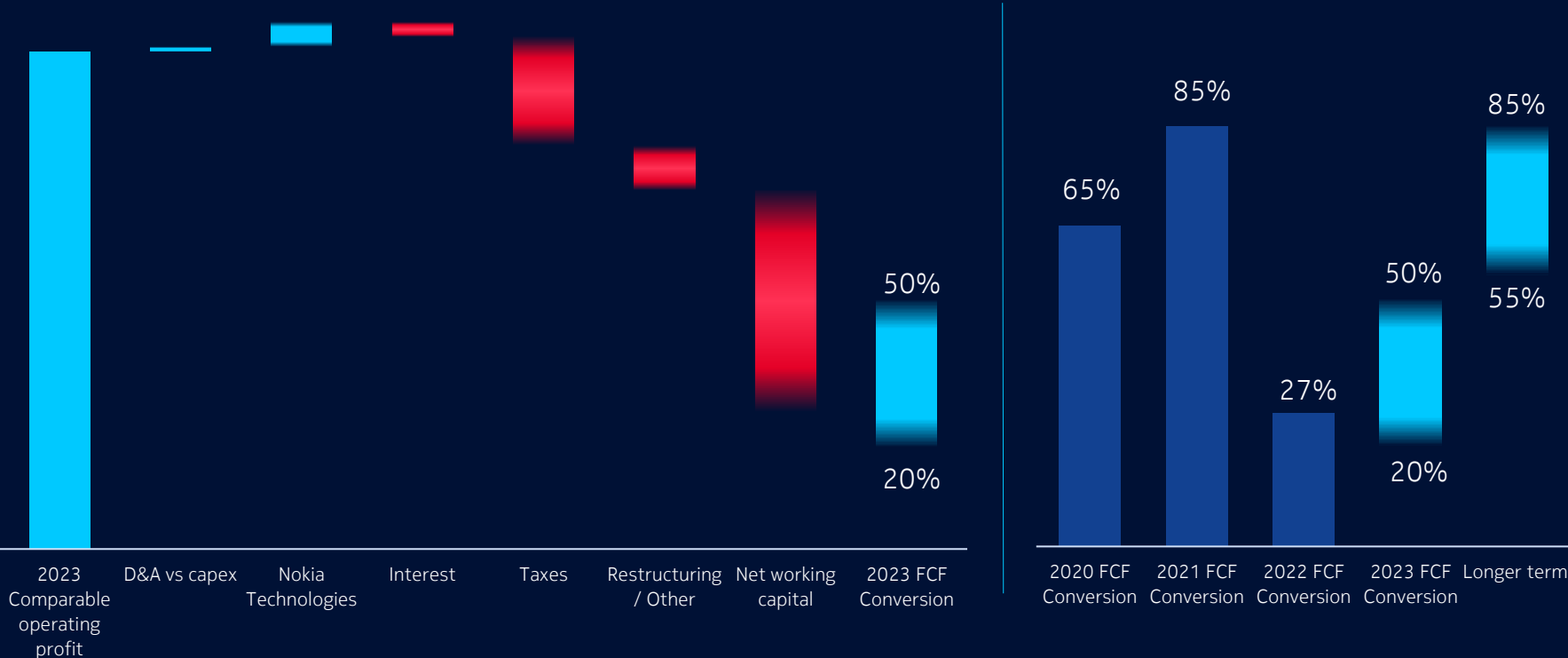
Business group contributions to comparable operating margin progress



NWC and Nokia Technologies drove weak cash conversion in 2022



2023 cash conversion impacted by net working capital change



Market growth in 2023 across BGs, led by 5G deployments in India

Estimated, in EUR ¹	2022	2023	YoY (at const. ccy)
Network Infrastructure ²	47bn	48bn	+4%
Mobile Networks ³	51bn	53bn	+5%
Cloud and Network Services	28bn	29bn	+4%

¹Total addressable market forecasts assume the currency rate of 1 EUR = 1.07 USD as of 31 December 2022 through 2023. The addressable market is excluding Russia and Belarus.

²Excluding Submarine Networks

³Excluding China

2023 outlook

Full year 2023

Net sales ¹	€24.9 billion to €26.5 billion (2 to 8% growth in constant currency)
Comparable operating margin ²	11.5 to 14.0%
Free cash flow	20 to 50% conversion from comparable operating profit

¹Assuming the rate 1 EUR = 1.07 USD as of 31 December 2022 through 2023.

²Please refer to the Performance measure section of our Report for Q4 2022 and full year 2022 for a full explanation of how these terms are defined.

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