Q3 2025
Financial results

23 October 2025

NOKIA

Disclaimer

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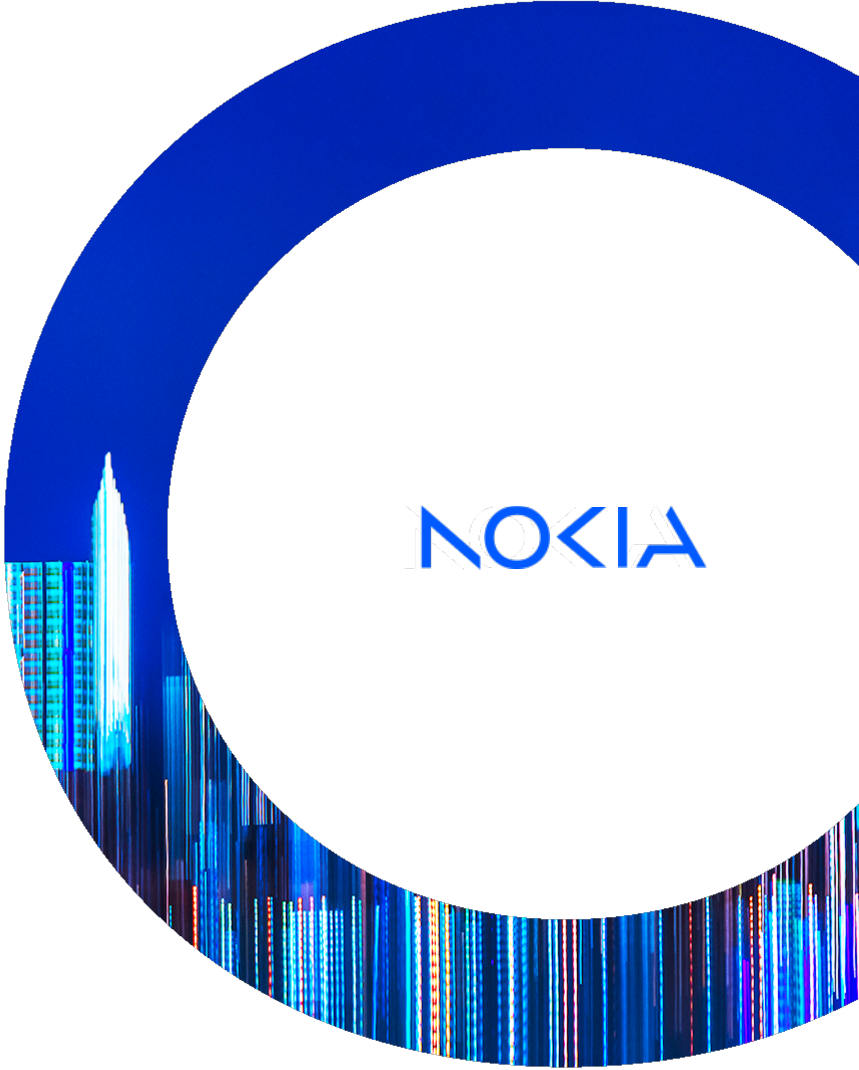
Nokia presents financial information on reported, comparable, constant currency, and constant currency and portfolio basis. Comparable measures presented herein exclude intangible asset amortization and other purchase price fair value adjustments, goodwill impairments, restructuring related charges, transaction and related costs, including integration costs, 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. Constant currency and portfolio measures are presented on a constant currency basis and assumes any meaningful acquisitions or disposals for which the IFRS financial measures have not been recast had been in place since 1 January 2024. Such measures are presented in order to better reflect the underlying business performance when reported net sales have changed not only due to changes in foreign exchange rates but also as a result of acquisitions or disposals. As comparable, constant currency or constant currency and portfolio 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.

Business Highlights



Justin Hotard
President and Chief Executive Officer

CEO Key messages – Q3 2025

1 **Strong net sales growth of 9% in Q3. Positive order trends** – most notably **Optical Networks** and **IP Networks** and driven by **AI & Cloud** customers.

2 **Profitability as expected** in the quarter with product mix impacting Mobile Networks gross margin. Operating margin declined due to a one-time benefit in the prior year from a provision reversal.

3 **Demand environment is healthy.** Particularly strong trends in AI & Cloud. Order backlog coverage of expected Q4 net sales higher than in recent years.

4 **Infinera integration progressing well.** On or ahead of schedule with integration/synergies. Major contributor to both net sales growth and order intake in Q3. 800G ZR/ZR+ coherent pluggables generally available and shipping.

5 **Well on track to achieve our full year outlook.** Tracking towards the mid-point of our operating profit outlook range.

All net sales changes are presented as year-on-year changes on a constant currency and portfolio basis

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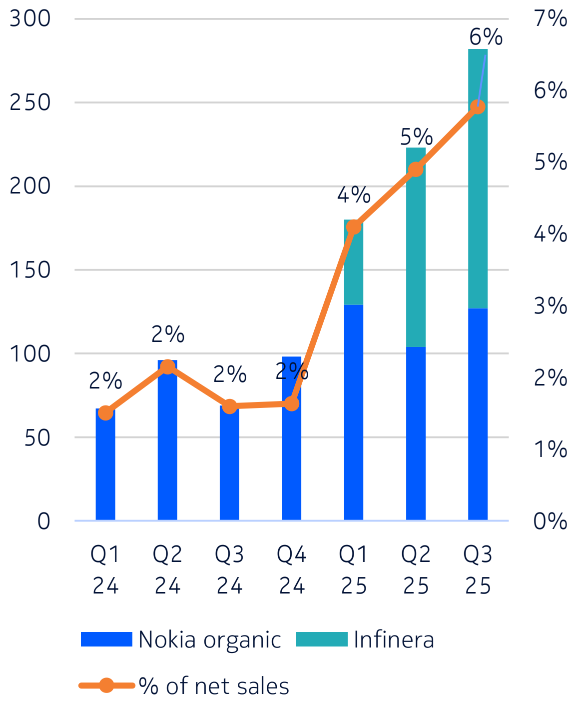
Progressing on growth ambition in AI & Cloud in IP/Optical

Net sales from AI & Cloud



% of net sales from AI & Cloud

6% Nokia group

14% Network Infrastructure

29% Optical Networks

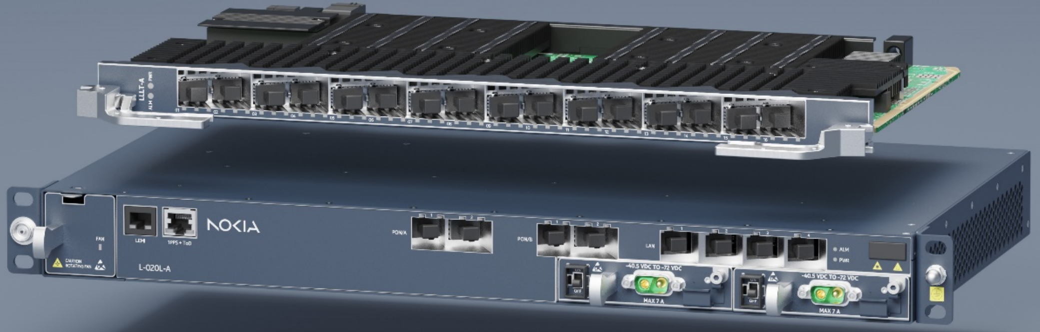
New strategic partnerships announced

NSCALE

SUPERMICRO

NOKIA

Nokia unveils 50G PON solution for enterprise connectivity



Massive capacity

25Gb/s and 50Gb/s downstream
25Gb/s and 50Gb/s upstream

Advanced security

Robust Encryption
Secure authentication

Enhanced availability

Fully redundant actives and passives
No single point of failure e2e

Progress in CNS and MN; VodafoneThree re-entry

Cloud and Network Services

- Gaining market share as market consolidates
- Recognized as #1 market share in Voice Core in H1
- 45% of live 5G SA Core networks use Nokia

Mobile Networks

- Market stable
- Won re-entry into VodafoneThree
- Focused on improving returns in the business

VodafoneThree agreement

- Nokia selected as new supplier to VodafoneThree
- Re-entry for Nokia as RAN supplier to VodafoneThree
- Nokia to supply ~7,000 sites
- Maintain Core position

2025 outlook

	Full year 2025
Comparable operating profit[(1)]	EUR 1.7 billion to EUR 2.2 billion (technical increase from EUR 1.6 billion to EUR 2.1 billion)
Free cash flow	50% to 80% conversion from comparable operating profit

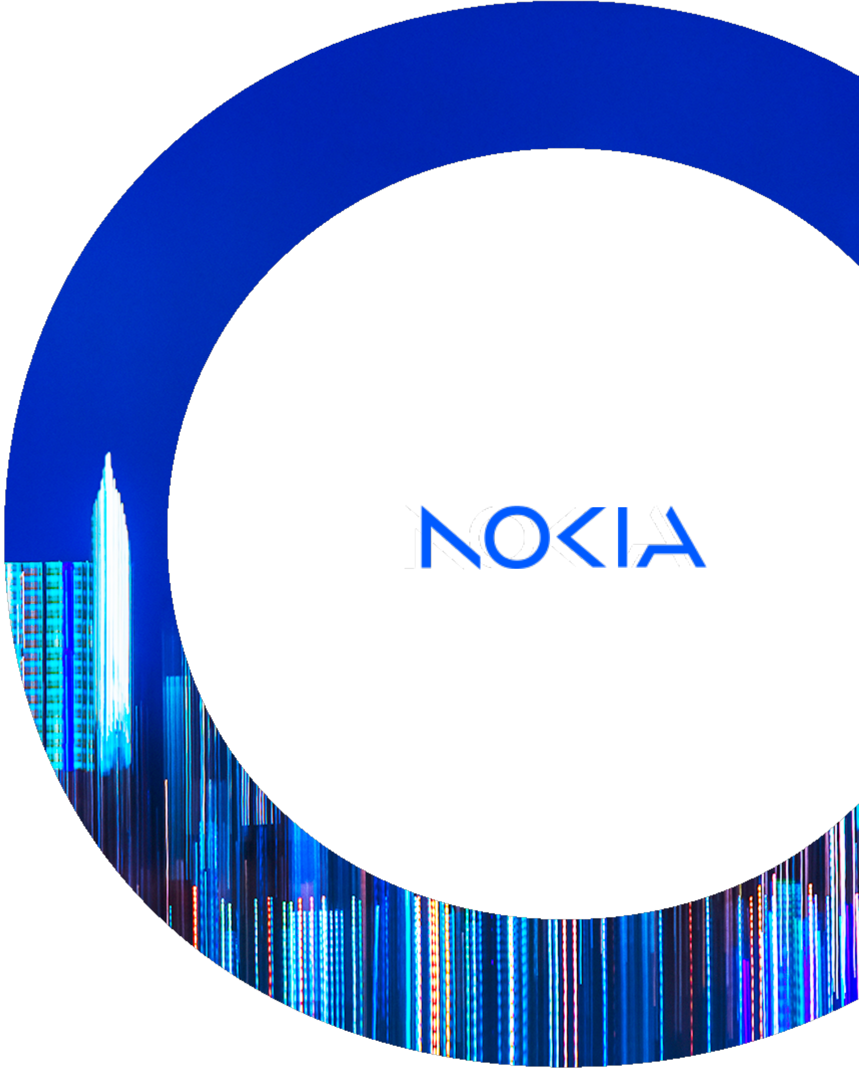
Change in presentation of venture fund gains and losses impacts full year outlook

Following a strategic review, Nokia has decided to scale down its passive venture fund investments. Therefore, these investments are now being reported in financial income and expenses instead of impacting operating profit. Due to the impact to operating profit in H1 moving to financial income and expenses this leads to a technical increase in full year comparable operating profit of EUR 0.1 billion.

1) Outlook is based on a EUR:USD rate of 1.17 for the remainder of the year

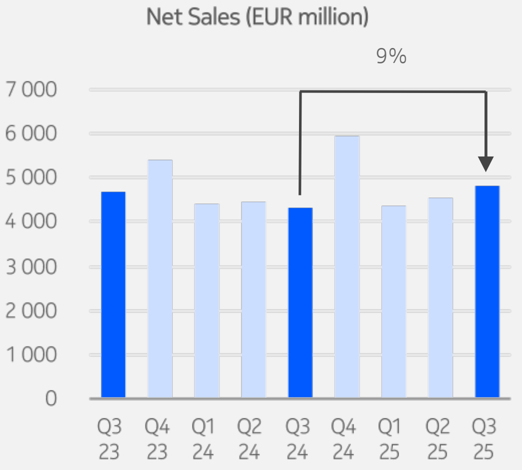
Q3 Financial Performance

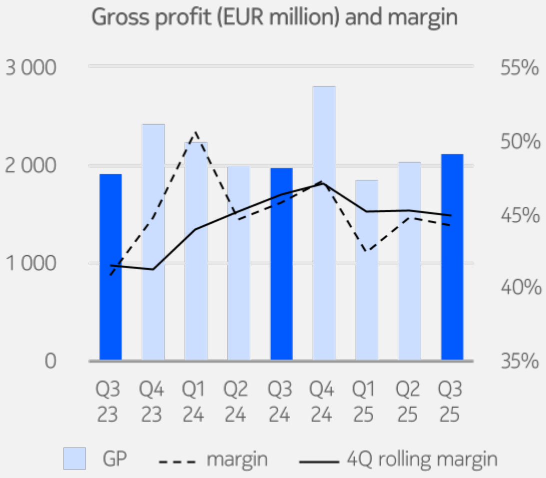
Marco Wirén
Chief Financial Officer

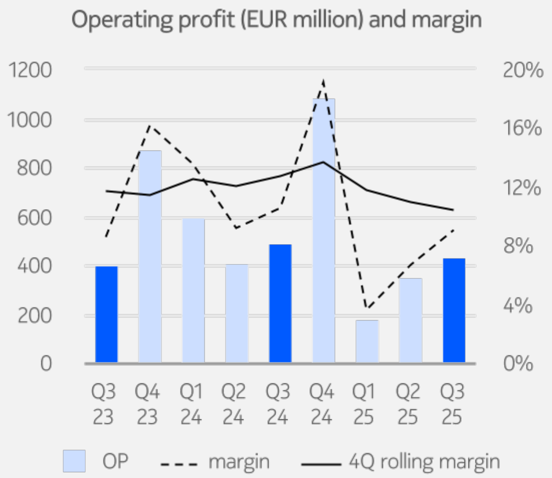


Strong net sales growth

Q3 25 net sales (EUR)	Q3 25 gross margin	Q3 25 operating margin	Q3 25 FCF (EUR)	Q3 25 net cash (EUR)
4.8bn	44.2%	9.0%	0.4bn	3.0bn
9% y-o-y	(150)bps y-o-y	(220)bps y-o-y		







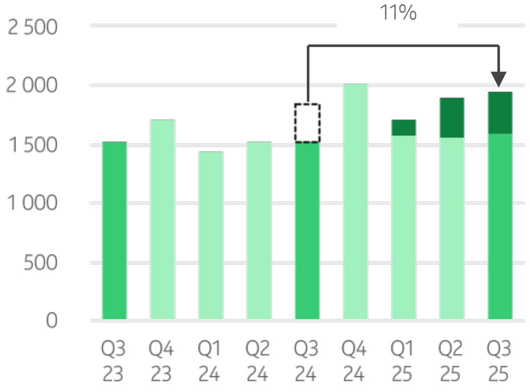
All net sales changes presented are year-on-year on a constant currency and portfolio basis and profit/margin metrics are on a comparable basis; Charts show illustrative history excluding Submarine Networks for Q4 2022. Restated figures have only been provided from Q1 2023 onwards.

Network Infrastructure

- Net sales growth across the three business units
- Optical networks with book-to-bill significantly above one
- Gross margin declined due to product mix weighted towards Optical networks and away from IP networks
- Operating margin declined due to increased R&D investment in DC

	Q3 25	Q3 24	YoY
Net Sales (EUR m)	**1 953**	**1 525**	**11 %**
Gross profit	**786**	**642**	
Gross margin	40.2 %	42.1 %	
Operating profit	**139**	**180**	
Operating margin	7.1 %	11.8 %	

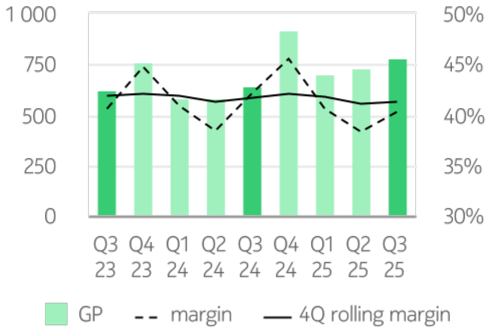
Network Infrastructure net sales by quarter (EUR million)



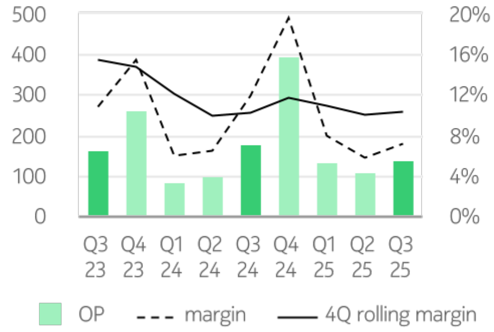
Net sales growth by unit

Fixed Networks	+8%
IP Networks	+4%
Optical Networks	+19%

Gross profit (EUR million) and margin



Operating profit (EUR million) and margin

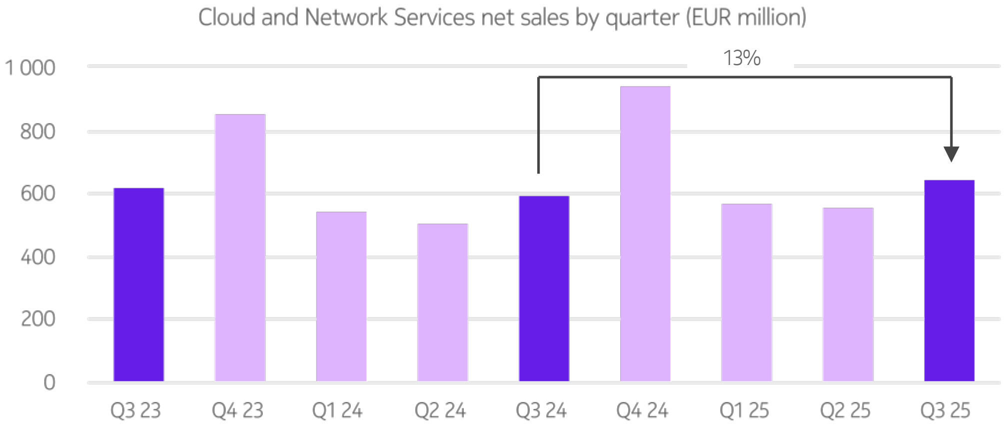


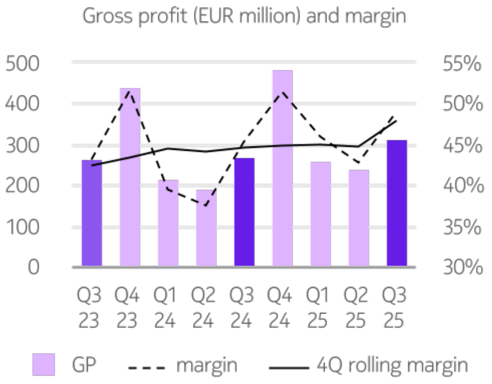
All net sales changes presented are on constant currency and portfolio basis

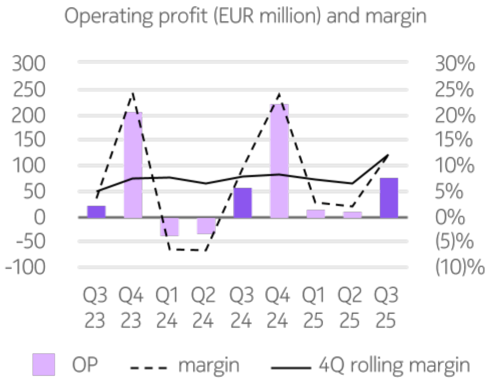
Cloud and Network Services

- Q3 growth driven by strength in 5G Core
- Gross margin increase due to improved product cost
- Operating margin expansion due to operating leverage

	Q3 25	Q3 24	YoY
Net Sales (EUR m)	**645**	**595**	**13 %**
Gross Profit	**316**	**269**	
Gross Margin	49.0 %	45.2 %	
Operating Profit	**77**	**56**	
Operating Margin	11.9 %	9.4 %	





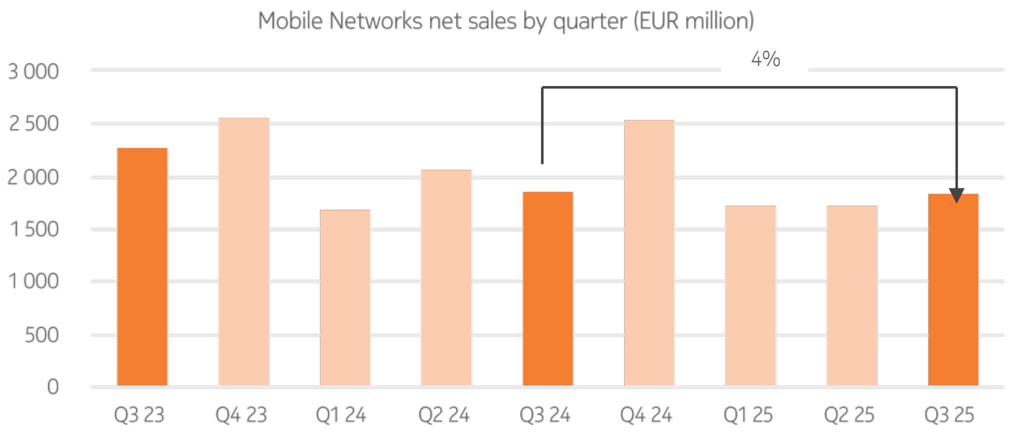


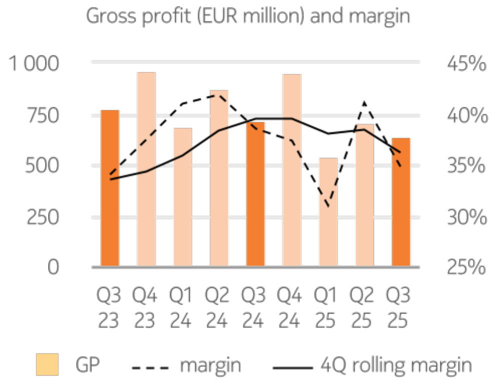
All net sales changes presented are on constant currency and portfolio basis

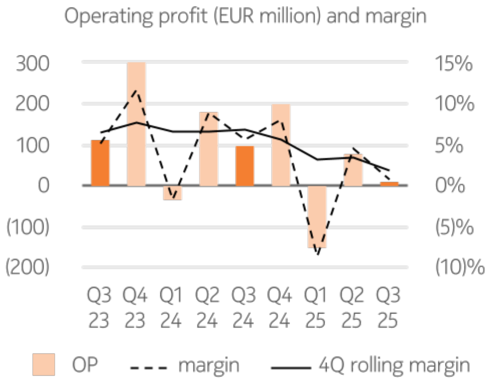
Mobile Networks

- Sales growth in Vietnam along with Middle East and Africa
- Gross margin weak due to product mix
- Operating margin declined primarily related to gross margin decline
- Operating expense reduction y-o-y was offset by the year-ago quarter benefiting from a provision reversal

	Q3 25	Q3 24	YoY
Net Sales (EUR m)	**1 842**	**1 854**	**4 %**
Gross Profit	**641**	**713**	
Gross Margin	34.8 %	38.5 %	
Operating Profit	**12**	**101**	
Operating Margin	0.7 %	5.4 %	







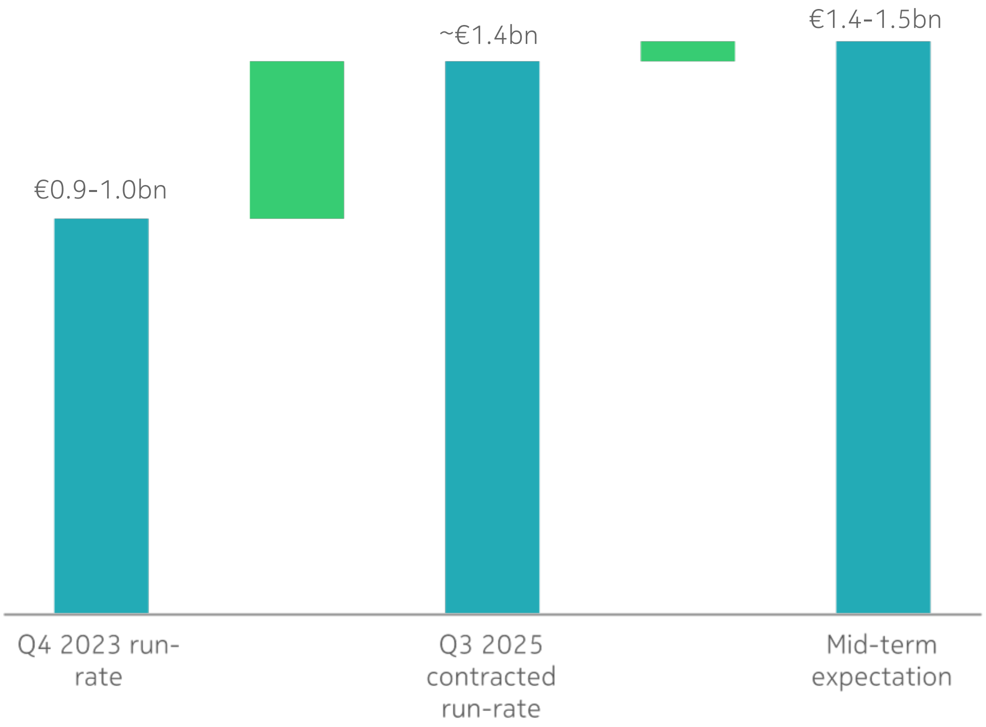
All net sales changes presented are in constant currency

Nokia Technologies

- Signed further deals in the quarter including some catch-up benefit
- Contracted annual net sales run-rate remains approximately EUR 1.4bn
- Operating margin increased due to higher net sales and somewhat lower operating expenses

	Q3 25	Q3 24	YoY
Net Sales (EUR m)	**391**	**352**	**14 %**
Gross Profit	**391**	**352**	
Gross Margin	100.0 %	100.0 %	
Operating Profit	**296**	**242**	
Operating Margin	75.7 %	68.8 %	

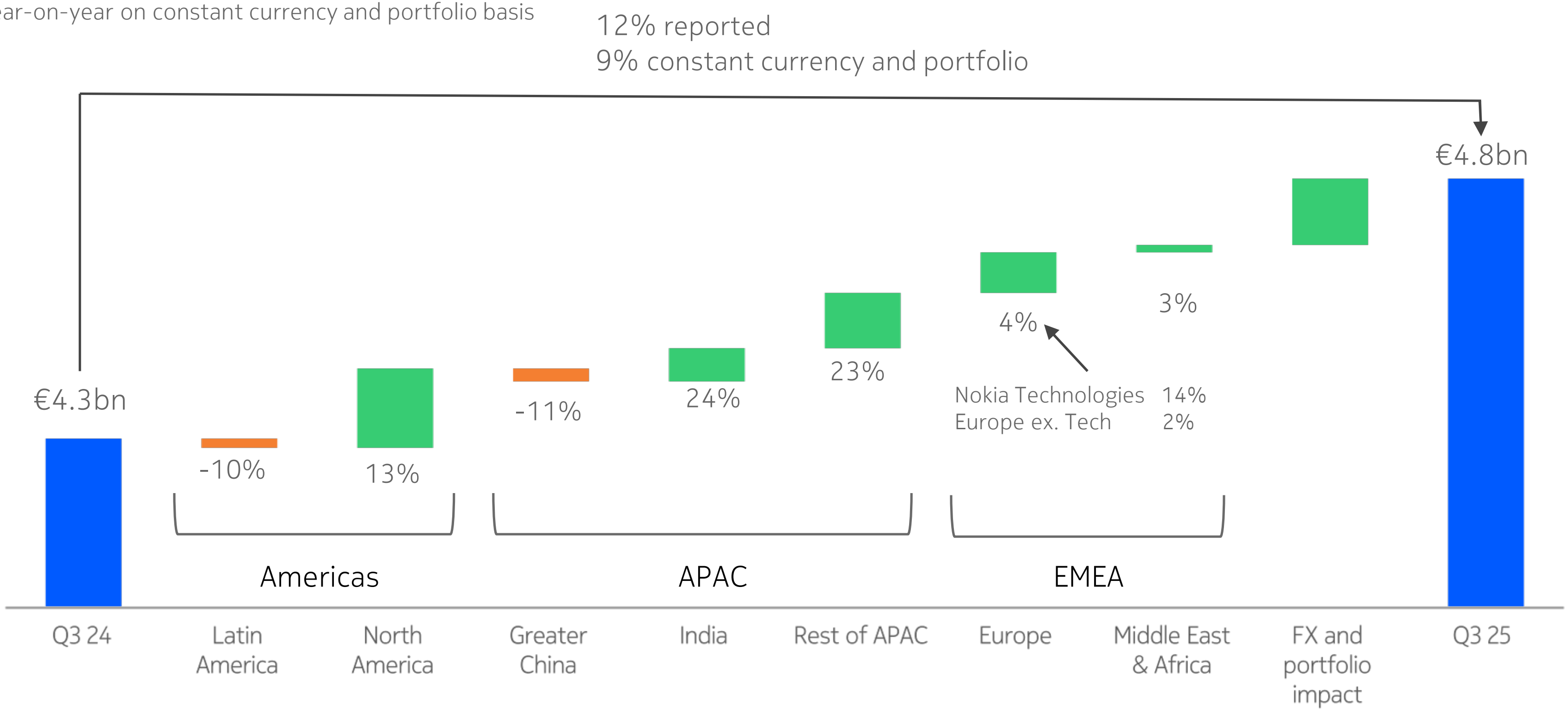
Net sales change presented in constant currency



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.

Strong growth driven by Network Infrastructure

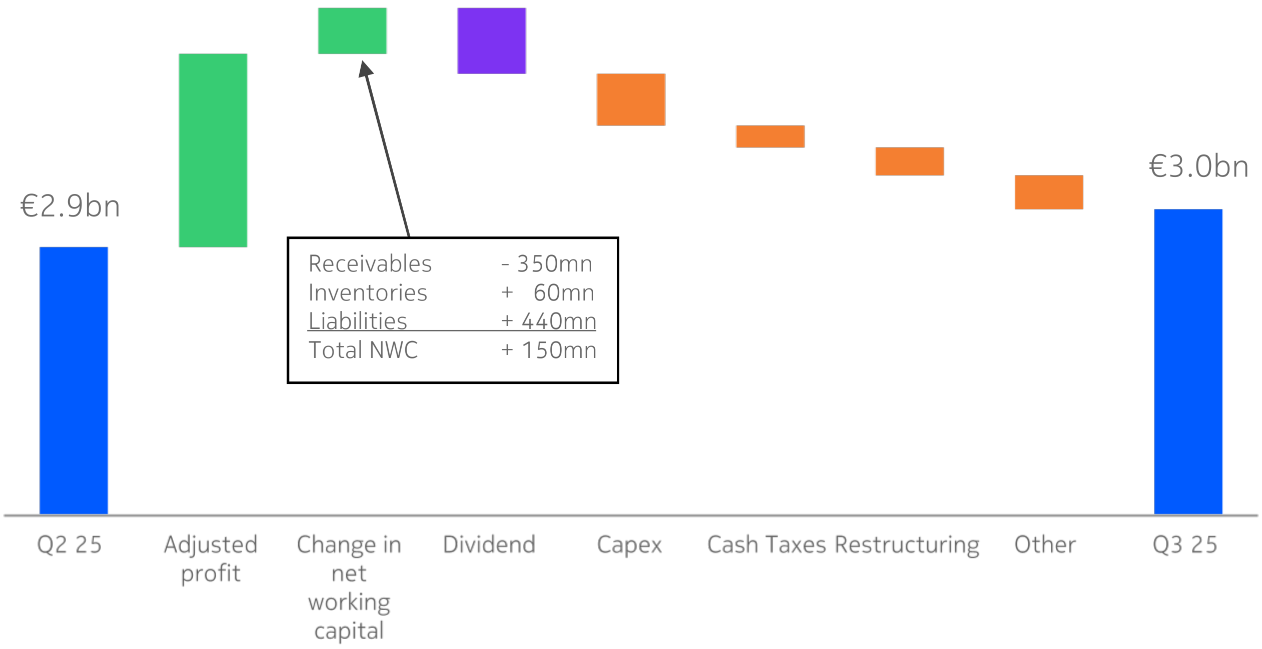
Year-on-year on constant currency and portfolio basis



  | Public

EUR 0.4 billion of free cash flow generated in Q3

- Liabilities driving working capital cash inflows
- EUR 0.2 billion in dividends
- Free cash flow of EUR 0.4 billion



  | Public

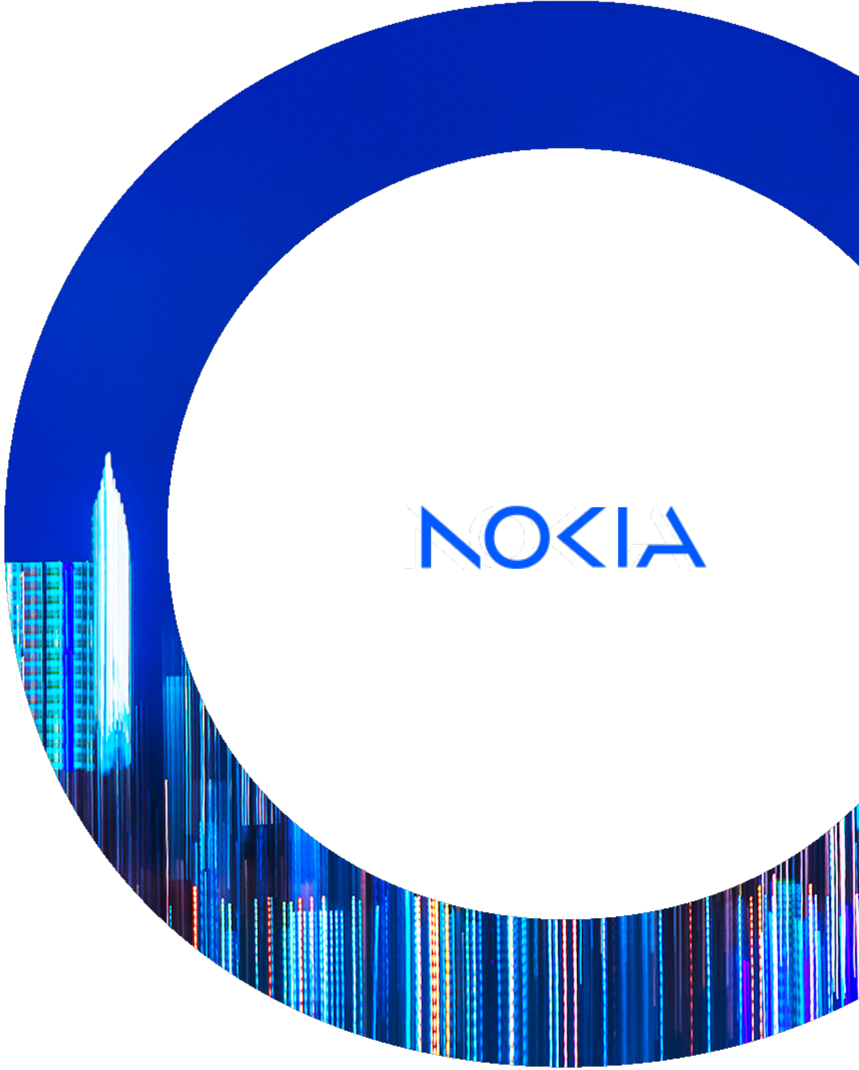
2025

Capital Markets Day

Date:
19 November

Location:
New York

Q&A

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