

**Vendor Tearsheet: NOKIA**

In 2Q21, the single quarter rank of Nokia in the Telco NI market was: 3. Telco NI represented the following share of 2Q21 total company revenues: 80.5%

**CORPORATE OVERVIEW**

**1865**  
Founded

**Finland**  
HQ

**FACTS & FIGURES**

**NYSE: NOK**  
Exchange & Ticker

**92,039**  
# of employees

**VENDOR DESCRIPTION\***

Nokia is a Finland-based company engaged in the network infrastructure, software, and related services market. Starting 1Q19, it has three reportable segments: (i) Networks, (ii) Nokia Software and (iii) Nokia Technologies. Within the Networks group, Nokia provides net sales disclosure for the following businesses: (i) Mobile Access, (ii) Fixed Access, (iii) IP Routing and (iv) Optical Networks.

Nokia's 2019 strategy update articulated 5 strategic "pillars," as follows:

- Lead in high-performance, end-to-end networks with communication service providers.
- Grow our position in the enterprise market and enable Industry 4.0 acceleration through the digitalization of asset-intensive industries, governments and cities, and webscale businesses, with mission-critical networks and digital automation solutions.
- Strengthen the software business with one Common Software Foundation.
- Diversify the licensing business with new opportunities in automotive, consumer electronics, IoT and brand.
- Operational excellence for new levels of efficiency, productivity and industry cost leadership.

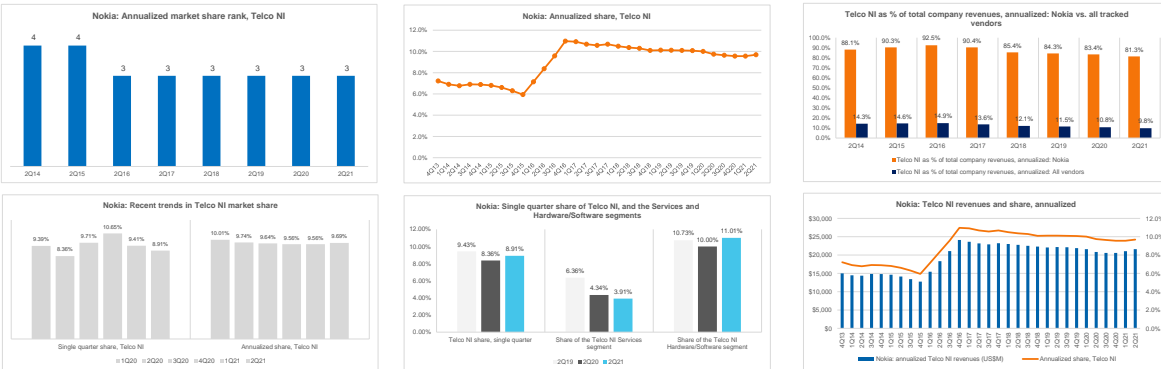
\*Vendor descriptions are sourced directly from the company's own public statements, in most cases public financial filings or annual reports. The goal is to make clear the company's positioning. Text outside quotation marks has been added by MTN Consulting.

**FINANCIAL HIGHLIGHTS - CORPORATE\***

Market cap	Last 12 months corporate revenues (US\$M)	Telco NI revenues as % of total company, 2Q21	Services revenues as a % of Telco NI, 2021	R&D spending as a % of revenues, latest FY
31.69 B USD	\$26,543	80.5%	13.0%	18.7%
Revenues per employee per year (US\$K)	Revenue growth, 3-year CAGR	Net income, 3-year CAGR	Return on Invested Capital (ROIC)	Current ratio**
\$288.4	-0.2%	n.a.	-8.9%	1.58

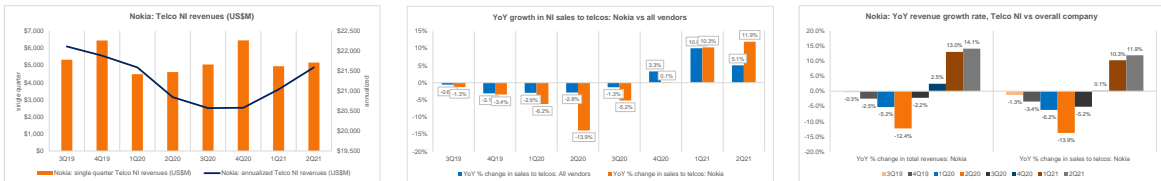
\*Market cap and current ratio updated September 28, 2021; margin and ROIC also updated Sep. 28, per Morningstar. Telco NI and Services revenue estimates are per MTN Consulting. Other data are as reported by the company. \*\*Current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year; the formula is current assets divided by current liabilities.

**GLOBAL NETWORK INFRASTRUCTURE SALES TO THE TELECOMMUNICATIONS NETWORK OPERATOR (TNO) MARKET VERTICAL**



Source: MTN Consulting

**RECENT SALES GROWTH RESULTS**



Source: MTN Consulting

**LATEST QUARTER RESULTS & RECENT DEVELOPMENTS**

**2Q21 results**

Corporate revenues in 2Q21 totaled \$6402 million, versus \$5609 million in 2Q20. Telco NI revenues amounted to \$5153 million in 2Q21, growing 11.9% compared to 2Q20. On an annualized basis, Telco NI represents 81.3% of total company revenues.

**Outlook**

-Quantitative outlook: forecast updated, now expects net sales (revenues) of 21.7 to 22.7 billion Euros, from 21.9B Euros in 2020. Looking further out, to 2023, still expects to grow faster than the market, grow operating margin to 10-13%, have a clearly positive free cash flow, and increase return on invested capital to the 15-20% range.

-Qualitative outlook: "As we look towards the second half of the year, we faced tougher year-on-year comparisons from a growth perspective, but we feel confident about our mid-term opportunities as we see a strong opportunity pipeline which, combined with new product launches to come in the second half of the year, should increase our product differentiation further."

**M&A, KEY CUSTOMERS, & KEY COMPETITORS**

**Relevant M&A Activity**

Acquired: Elenion Technologies in 1Q20; Comptel in 2Q17; Alcatel-Lucent in 1Q16; Motorola Solutions' Networks assets in 2Q11.

**Customers**

AT&T, Verizon, BT, Orange, Telefonica, Telenor, STC, Sky, Chinese operators. More than 400 customers in 4G/LTE. Approx 1,000 customers outside telco segment. Claims 260 customers for private wireless networks.

**Competitors**

Mobile networks: Huawei, Ericsson and Samsung; ZTE, Fujitsu, NEC, Altiostar, Mavenir, Parallel Wireless, JMA Wireless, KMW, Commscope, MTL, and Airspan. Microwave: Huawei and Ericsson, plus Ceragon, NEC and Aviat. Services: NEPs like Ericsson and Huawei, and for cognitive, IoT and enterprise services: Cisco, HPE, and IBM. Fixed networks: Huawei and ZTE; Calix and Adtran in NA, and Fiberhome in China. IP/Optical: Cisco, Juniper, Huawei, and Ciena. Software: ISV - Amdocs, Netcracker and Oracle. NEP - Huawei and Ericsson. Webscale players like AWS, GCP and Microsoft Azure are emerging. Enterprise: Networking - Cisco, Juniper, Ciena, Ericsson, and sometimes Huawei. Motorola, Calix, Adtran, Kontron, Arista, Athonet and Celena in specific verticals.

Note: Telco NI revenue estimate for Nokia. As reported CSP vertical revenues