

Nokia reports higher profit, boosts 5G investments

February 6 2020



Credit: CC0 Public Domain

Finnish telecom equipment maker Nokia Corp. has reported a rise in fourth-quarter earnings mainly due to cost savings and pledged to boost investments in next-generation 5G networks, of which it is one of the

world's main suppliers.

Net profit during the October-December period rose 11% to 821 million euros (\$903million) while sales remained flat at 6.9 billion euros.

Nokia, based in Espoo, Finland, said Thursday it expects to resume dividend payments after the company's net cash position improves to around 2 billion euros. It would not, however, expect to reach that level in the first three quarters of this year.

In October, Nokia cut its business outlook and halted dividend payments, justifying the decision on need to step up investments into 5G networks, where it competes with China's Huawei and Sweden's Ericsson.

CEO Rajeev Suri said that fourth quarter results were "a strong end to a challenging year" and acknowledged that the company had faced difficulties in cash generation. He said Nokia would have "a sharp focus" on the cash issue and further costs reductions this year.

Nokia said it has now concluded 66 commercial deals for 5G, the new network technology that allows ultra-fast downloading speeds, with 19 live networks. That is up from 48 commercial 5G deals and 15 live networks it reported in October.

© 2020 The Associated Press. All rights reserved.

Citation: Nokia reports higher profit, boosts 5G investments (2020, February 6) retrieved 26 April 2024 from <https://techxplore.com/news/2020-02-nokia-higher-profit-boosts-5g.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.
