

Nokia profit up; sales dip with coronavirus supply issues

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Finnish telecom equipment maker Nokia has reported improved first quarter profit but said the COVID-19 pandemic dented sales by around 200 million euros (\$218 million) mainly due to supply issues associated

with disruptions in China.

The company based in Espoo, Finland, reported Thursday net profit of 33 million euros for the January-March period, compared with a loss of 116 million euros the previous year. Sales were down 2% at 4.9 billion euros.

CEO Rajeev Suri said Nokia didn't see a decline in demand in the first quarter but noted that as the coronavirus situation develops "an increase in supply and delivery challenges in a number of countries is possible and some customers may re-assess their spending plans."

Nokia is one of three main providers of the ultra-fast, new-generation 5G networks along with China's Huawei and Sweden's Ericsson.

Suri said Nokia expected the COVID-19 impact into its operations to be largest in the second quarter, noting that "our industry is fairly resilient to the crisis, although not immune."

"The COVID-19 crisis has made vividly clear the critical importance of connectivity to keep society functioning. We're continuing to advance our 5G roadmap and product evolution, as planned, and our COVID-19 mitigation actions in R&D have been very successful," the company said in a statement.

Nokia estimated its global market share to have remained unchanged at 27% during the quarter. The figure excludes China "given the profitability challenges and unique market dynamics in that region."

Nokia said it has now recorded 70 commercial 5G deals with 21 live networks.

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