

Nokia back in black in first quarter thanks to 5G

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Nokia CEO Pekka Lundmark says he was "particularly pleased by strong sales growth" as the Finnish telecoms giant returned to profit.

Finnish telecoms giant Nokia said Thursday that it returned to profit in the first quarter, boosted by stronger-than-expected demand for 5G products, but it kept its cautious outlook for 2021.

The networks giant booked a [net profit](#) of 261 million euros (\$310 million) between January and March after a loss of 117 million euros a year earlier.

Revenues were up 3.3 percent at 5.08 billion euros, outpacing analysts' expectations for first-[quarter sales](#) of around 4.7 billion euros.

"We have delivered a robust start to the start of the year with strong net sales, operating margin and [cash flow](#)," said chief executive Pekka Lundmark.

"I was particularly pleased by strong sales growth across our Network Infrastructure business group driven by increasing demand for next generation connectivity," he said.

The world's third-biggest 5G networks supplier, Nokia is struggling to keep up with rivals Ericsson of Sweden and China's Huawei.

Nokia lost out on a major Verizon contract in the US last year to Samsung which will impact the outlook into 2022.

Nokia's share price soared by 13 percent to 4.07 euros in midday trading on the Helsinki stock exchange.

The strong first quarter "gives Nokia more strength to invest in catching up with their competitors", Mikael Rautanen of analyst firm Inderes told AFP.

In March, Lundmark announced the company will slash up to 10,000 jobs—equivalent to 11 percent of its workforce—in a major cost-cutting drive, with the savings to be funnelled into research and development.

On the basis of its [first-quarter](#) performance, Nokia said it was

maintaining its full-year sales forecast of 20.6-21.8 billion euros and expected to meet the "higher end" of its seven to 10 percent operating margin target.

"Management has most likely been downplaying expectations on purpose because they need positive momentum from investors and [capital markets](#) after so many previous disappointments," Rautanen said.

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