

Nokia profit substantially up on new operating model, 5G

July 29 2021



Credit: CC0 Public Domain

Wireless network maker and 5G technology provider Nokia reported substantially improved second-quarter profit Thursday, citing the help of its new operating model and booming sales of 5G equipment.

The company, based in Espoo, Finland, reported [net profit](#) of 539 million euros (\$640 million) for the April-June period, up 71% from 316 million euros a year earlier. Sales were up 4% at 5.3 billion euros.

CEO Pekka Lundmark, who took over Nokia's top job a year ago and has drastically changed the [business strategy](#), said the second-quarter results showed the company was on the right track.

"We are already seeing the benefits of our new operating model, which helped us to deliver such a strong financial performance," Lundmark said.

The executive has vowed to make Nokia the world leader in 5G - the new generation of broadband technology - even if it means sacrificing short-term profitability.

In 5G technology, Nokia is in a tight race with Nordic competitor Ericsson, China's Huawei and South Korea's Samsung, among others.

Lundmark said Nokia has revised its full-year profit outlook upwards and "we now expect comparable operating margin between 10 and 12% for full year 2021, compared to our previous range of 7-10%."

"We have executed faster than planned on our strategy in the first half, which provides us with a good foundation for the full year," he said.

Lundmark acknowledged, however, that Nokia faced "headwinds" in markets like the United States, where the company has lost [market share](#). Challenges also loom in China, where Nokia's market share has remained low despite the company recently securing an important 5G deal with key operator China Mobile.

© 2021 The Associated Press. All rights reserved. This material may not

be published, broadcast, rewritten or redistributed without permission.

Citation: Nokia profit substantially up on new operating model, 5G (2021, July 29) retrieved 7 May 2024 from <https://techxplore.com/news/2021-07-nokia-profit-substantially-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.