

Nokia profits down, sees economy impacting client spending

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Wireless and fixed-network equipment maker Nokia on Thursday reported lower than expected profits as it warned that the current economic situation was starting to impact spending by operators and

other customers.

The Espoo, Finland-based company reported [net profit](#) of 342 million euros (\$375 million) for the January-March period, down 18% from 416 million euros a year earlier. Net income attributable to shareholders was 332 million euros, down from 409 million euros the previous year.

Nokia's sales were up 10% at 5.9 billion euros.

Nokia is one of the world's main suppliers of 5G, the latest generation of broadband technology, along with Sweden's Ericsson, China's Huawei and South Korea's Samsung.

Referring to increased sales, CEO Pekka Lundmark said that the [first quarter](#) gave "a solid start" to 2023 for Nokia but "looking forward, we are starting to see some signs of the economic environment impacting customer spending."

"Given the ongoing need to invest in 5G and fiber, we see this primarily as a question of timing," Lundmark said in a statement.

"Nevertheless we will maintain our cost discipline to ensure we can successfully navigate this uncertainty."

He said Nokia would maintain its previously given outlook for the rest of the year.

"We remain on track to deliver another year of growth in 2023 so our [outlook](#) is unchanged with the expectation that profitability in the second half of the year will be stronger than the first half," Lundmark said.

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