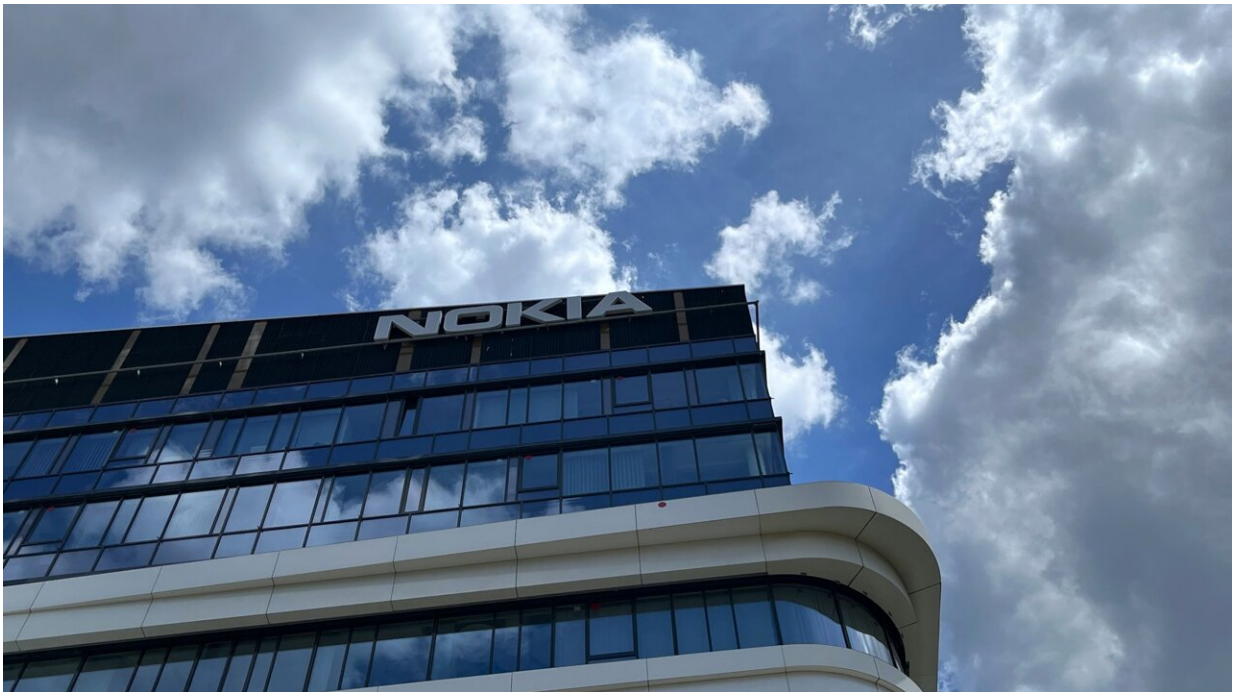


Nokia profits fall as clients particularly in North America shun investments

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Wireless and fixed-network equipment maker Nokia on Thursday reported a fall in second quarter profit as clients especially in North America postponed investments due to a slowdown in economic growth and rising financing costs.

The Espoo, Finland-based company reported [net profit](#) of 414 million

euros (\$464 million) for the April-June period, down 29% from 585 million euros a year earlier. Net income attributable to shareholders was 415 million euros, down from 582 million euros the previous year.

Nokia's sales were down 3% at 5.7 billion euros.

Among other network products, 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.

"Earlier in the year I highlighted that we were starting to see signs of macroeconomic challenges along with inventory digestion impacting customer spending and this has intensified through the [second quarter](#)," CEO Pekka Lundmark said in a statement, pointing particularly to "significant decline in major North American operators' investments."

He said Nokia expected these trends to continue to impact its business during the rest of the year, "meaning we now see second half net sales broadly similar to the first half" with "some sequential improvement visible into Q4." The Finnish company said it has reduced full year sales outlook with 2023 revenue now expected to fall within the range of 23.2 billion to 24.6 billion euros.

The highlight of the second quarter was the new long-term patent license agreement Nokia signed with Apple, Lundmark said.

The [deal](#), concluded in late June, replaces the current cross-licensing deal between the two companies, starting from Jan. 1, 2024. It enables Apple to use the Finnish company's technology in its products, including Nokia's inventions in 5G and other technologies.

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