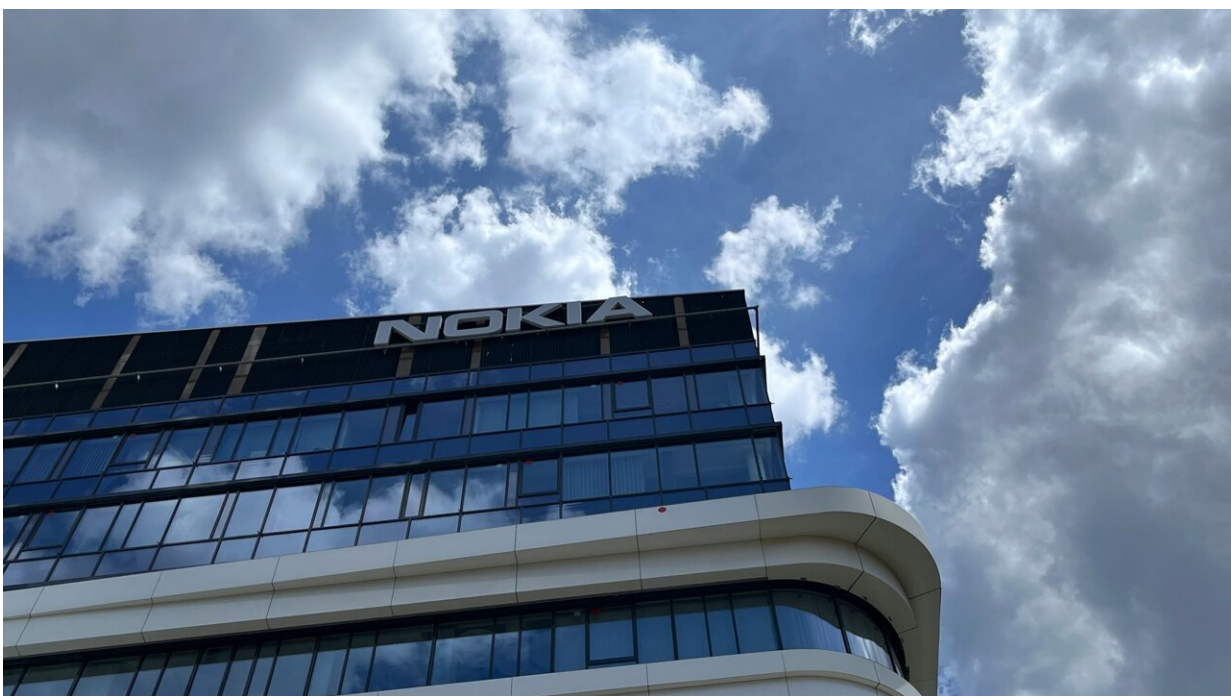


Nokia sees double-digit fall in January-March sales as weak market for 5G technology prevails

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Wireless and fixed-network equipment maker Nokia on Thursday reported a smaller-than-expected profit and a double-digit fall in sales in the first quarter due to a market weakened by a lack of clients investing in 5G technology.

The Espoo, Finland-based company reported a [net profit](#) of 501 million euros (\$535 million) for the January-March period, up 46% from 342 million euros a year earlier. The figure was still lower than analysts had expected.

One-off gains from Nokia's licensing business contributed to the profit.

Net income attributable to shareholders was 497 million euros, up from 332 million euros a year earlier. Nokia's sales were down 20% at 4.7 billion euros.

The ongoing weakness in the telecom equipment market, where operators are cutting back on investments into 5G and other technology because of economic uncertainty and high financing costs, prevailed in the first quarter "as expected," Nokia's CEO Pekka Lundmark said.

"However, we have seen continued improvement in order intake, meaning we remain confident in a stronger second half and achieving our full-year outlook," Lundmark said in a statement.

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 this week, Nordic rival Ericsson reported on similar market difficulties, with a major drop in sales in the first quarter.

"While we are conscious of the broader economic environment, considering the on-going order intake strength, we expect Network Infrastructure will return to net sales growth for full year 2024 with a stronger second-half performance," Lundmark said, referring to the situation at Nokia's biggest business unit by sales.

He said the mobile network unit, Nokia's second biggest business entity,

was impacted by particularly low levels of spending in 5G technology in North America and India during the first quarter.

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