

# Nokia financial results Q4 2015

Conference call  
February 11, 2016  
15:00 / Helsinki  
08:00 / New York

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and Exchange Commission and in our interim reports issued on April 30, 2015, July 30, 2015, October 29, 2015 and our report for Q4 and full year 2015 issued on February 11, 2016. Other unknown or unpredictable factors or underlying assumptions subsequently proven to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Nokia does not undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

In addition to information on our reported IFRS results, we provide certain information on a non-IFRS, or underlying business performance, basis. Non-IFRS results exclude all material special items for all periods. In addition, non-IFRS results exclude intangible asset amortization and other purchase price accounting related items arising from business acquisitions. We believe that our non-IFRS financial measures provide meaningful supplemental information to both management and investors regarding Nokia’s

underlying business performance by excluding the aforementioned items that may not be indicative of Nokia’s business operating results. These non-IFRS financial measures should not be viewed in isolation or as substitutes to the equivalent IFRS measure(s), but should be used in conjunction with the most directly comparable IFRS measure(s) in the reported results. A detailed explanation of the content of the non-IFRS information and a reconciliation between the non-IFRS and the reported information for historical periods can be found in Nokia’s respective results reports. Please see our issued interim reports for more information on our results and financial performance for the indicated periods as well as our operating and reporting structure.

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Presented by



Rajeev Suri

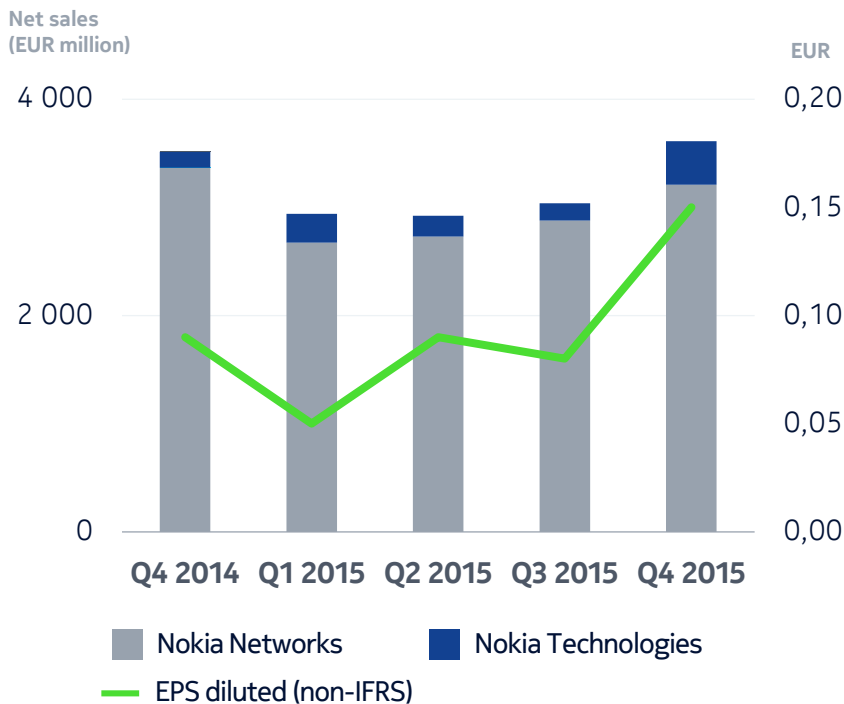
President and CEO



Timo Ihamuotila

CFO

# Nokia's continuing operations



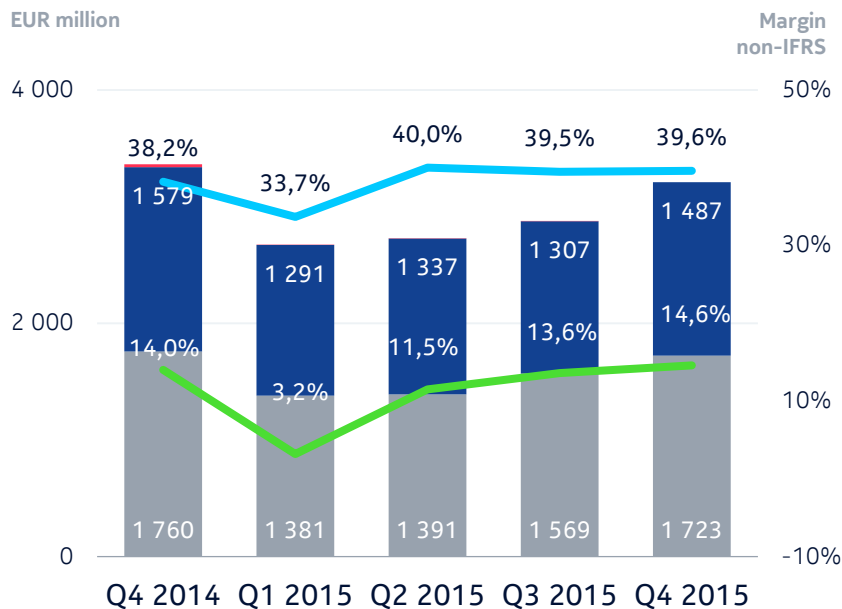
EUR million	Q4'15	Q4'14	YoY change	Q3'15	QoQ change
<b>Continuing operations</b>					
<i>Net sales – constant currency</i>					
<b>Net sales</b>	<b>3 609</b>	3 510	3%	3 036	19%
Nokia Networks	<b>3 210</b>	3 365	(5)%	2 877	12%
Nokia Technologies	<b>403</b>	149	170%	162	149%
<i>Gross margin % (non-IFRS)</i>	<b>46.4%</b>	40.8%	560bps	42.7%	370bps
<b>Operating profit (non-IFRS)</b>	<b>734</b>	503	46%	475	55%
Nokia Networks	<b>468</b>	470	0%	391	20%
Nokia Technologies	<b>322</b>	77	318%	94	243%
Group Common Functions	<b>(56)</b>	(44)		(10)	
<i>Operating margin % (non-IFRS)</i>	<b>20.3%</b>	14.3%	600bps	15.6%	470bps
Profit (non-IFRS)	<b>575</b>	331	74%	297	94%
Profit	<b>499</b>	325	54%	188	165%
EPS, EUR diluted (non-IFRS)	<b>0.15</b>	0.09	67%	0.08	87%
EPS, EUR diluted	<b>0.13</b>	0.08	63%	0.05	160%
<b>Discontinued operations</b>					
Net sales	<b>242</b>	298	(19)%	283	(14)%
Profit	<b>1 292</b>	145	791%	(37)	(3 592)%
EPS, EUR diluted	<b>0.33</b>	0.03	1 000%	(0.01)	(3 400)%

## Q4 2015 Highlights

- Net sales of EUR 3.6 billion in Q4 2015 (EUR 3.5 billion in Q4 2014)
- Q4 2015 non-IFRS diluted EPS of EUR 0.15 (EUR 0.09 in Q4 2014), an increase of 67% year-on-year. Q4 2015 diluted EPS of EUR 0.13 (EUR 0.08 in Q4 2014).
- Nokia's Board of Directors will propose a dividend of EUR 0.16 per share for 2015 and a special dividend of EUR 0.10 per share (dividend of EUR 0.14 per share for 2014).

# Nokia Networks

## Net sales and margins



EUR million	Q4'15	Q4'14	YoY change	Q3'15	QoQ change
<i>Net sales - constant currency</i>			(12)%		10%
<b>Net sales</b>	<b>3 210</b>	3 365	(5)%	2 877	12%
Mobile Broadband	<b>1 723</b>	1 760	(2)%	1 569	10%
Global Services	<b>1 487</b>	1 579	(6)%	1 307	14%
Gross profit (non-IFRS)	<b>1 272</b>	1 287	(1)%	1 137	12%
<b>Gross margin % (non-IFRS)</b>	<b>39.6%</b>	38.2%	140bps	39.5%	10bps
R&D (non-IFRS)	<b>(487)</b>	(487)	0%	(444)	10%
SG&A (non-IFRS)	<b>(343)</b>	(336)	2%	(304)	13%
Other income and expenses (non-IFRS)	<b>26</b>	6		3	
<b>Operating profit (non-IFRS)</b>	<b>468</b>	470	0%	391	20%
Mobile Broadband	<b>267</b>	220	21%	217	23%
Global Services	<b>202</b>	230	(12)%	173	17%
<b>Operating margin % (non-IFRS)</b>	<b>14.6%</b>	14.0%	60bps	13.6%	100bps
Mobile Broadband	<b>15.5%</b>	12.5%	300bps	13.8%	170bps
Global Services	<b>13.6%</b>	14.6%	(100)bps	13.2%	40bps

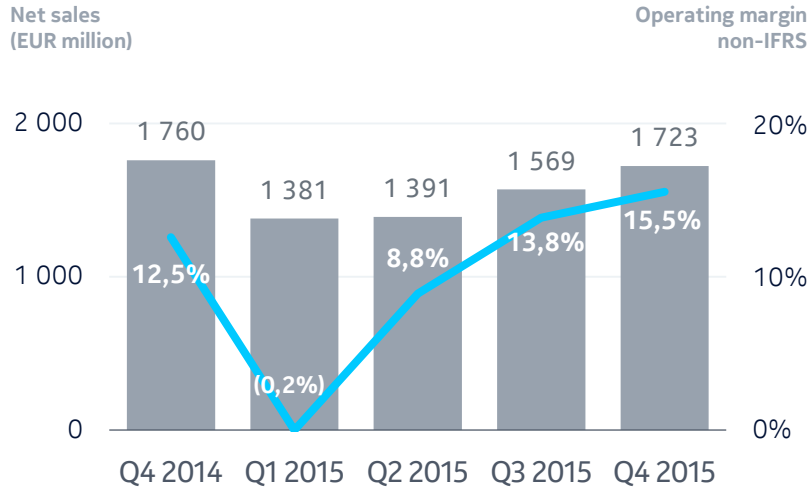
### Q4 2015 Highlights

- 5% year-on-year net sales decrease in Q4 2015 and 3% net sales growth in full year 2015. On a reported basis, Greater China and Middle East & Africa were the strongest regions. On a constant currency basis, 12% year-on-year net sales decrease in Q4 2015 and 6% net sales decrease in full year 2015.
- Strong non-IFRS gross margin of 39.6% in Q4 2015 primarily due to elevated levels of software in Mobile Broadband, partially offset by the absence of non-recurring intellectual property rights net sales which benefitted Q4 2014.
- Strong non-IFRS operating margin of 14.6% in Q4 2015. Nokia Networks delivered full year financial results towards the high end of its original 2015 targets, with a non-IFRS operating margin of 10.9% in full year 2015, through strong operational performance and continued focus on execution excellence.

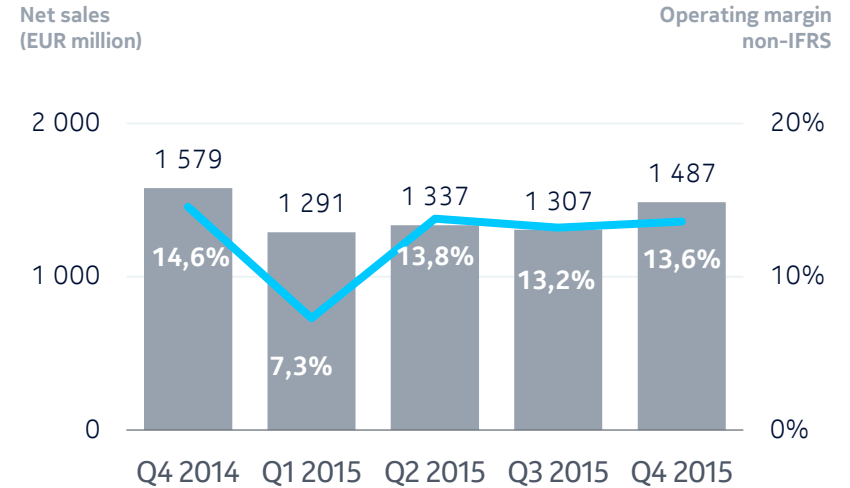
# Nokia Networks – Segments

Net sales and margins

## Mobile Broadband

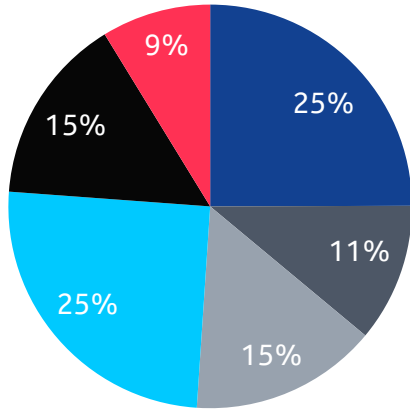


## Global Services



# Nokia Networks – Net sales by geographic area

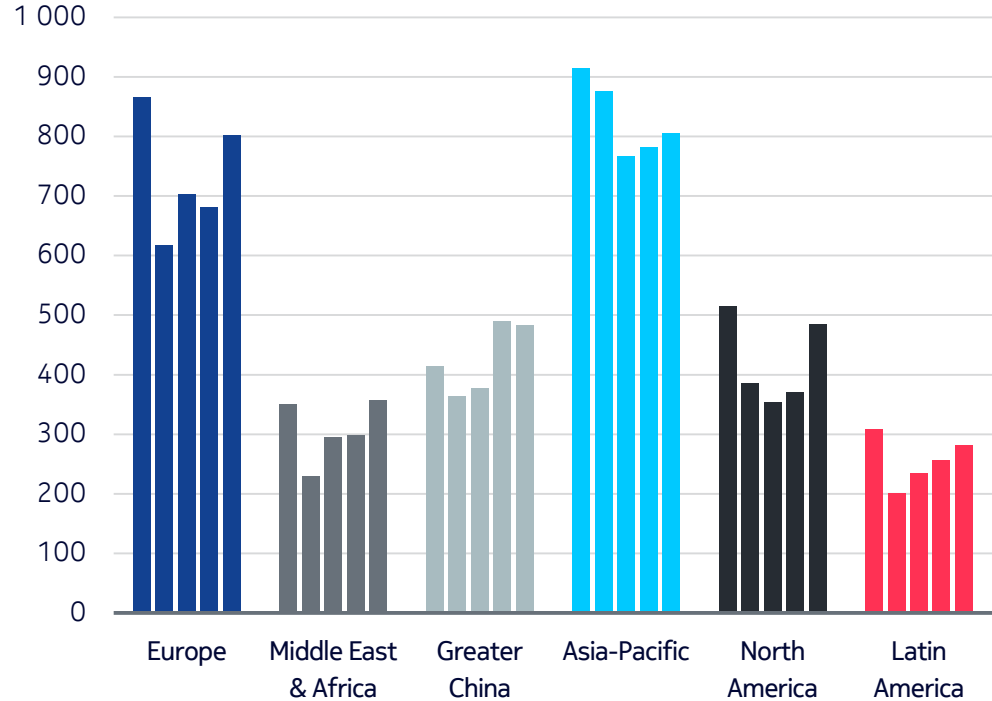
Q4 2015



- Europe
- Greater China
- North America
- Middle East & Africa
- Asia-Pacific
- Latin America

Q4/2014-Q4/2015

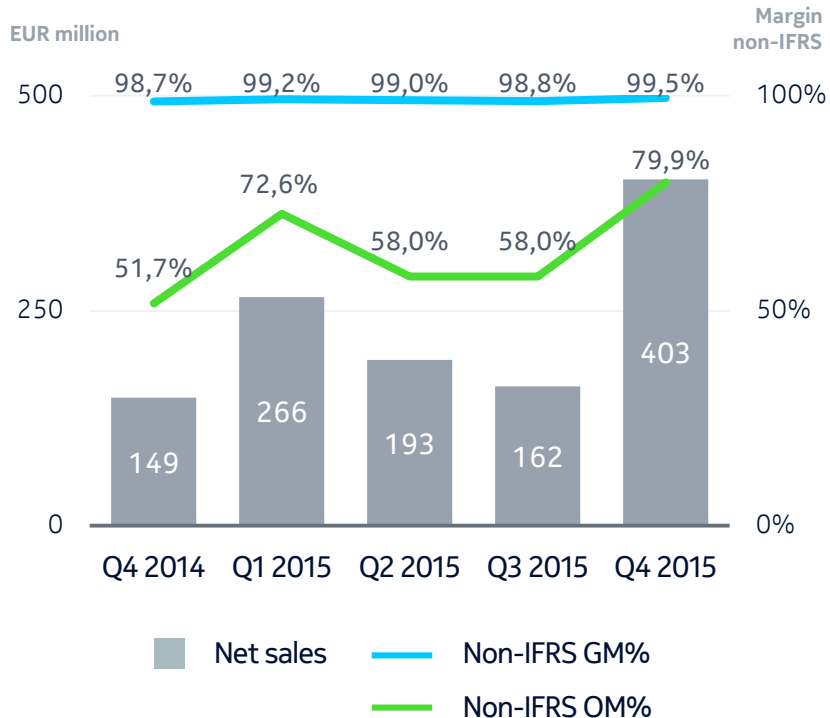
EUR million





# Nokia Technologies

## Net sales and margins



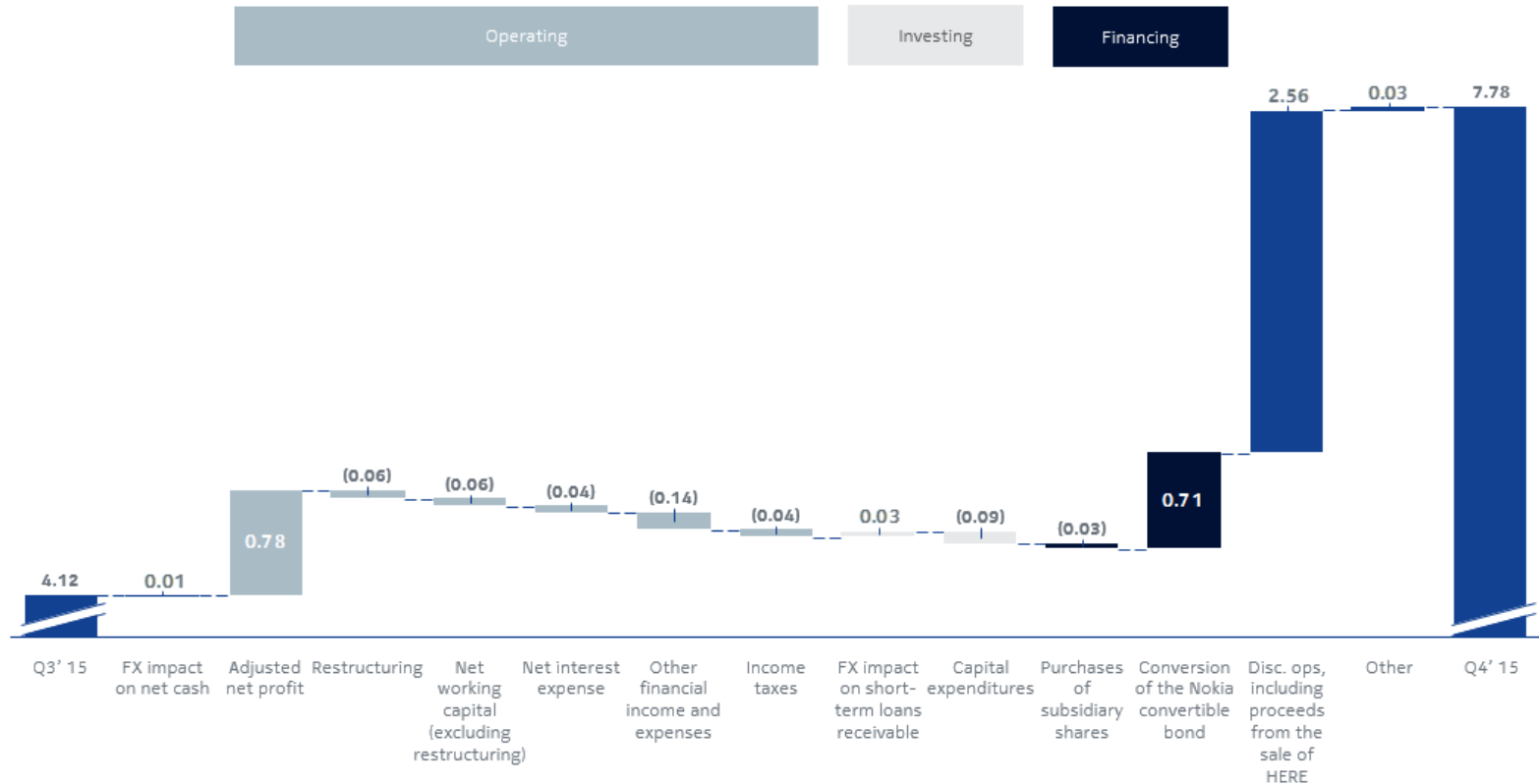
EUR million	Q4'15	Q4'14	YoY change	Q3'15	QoQ change
<i>Net sales - constant currency</i>			181%		154%
<b>Net sales</b>	<b>403</b>	149	170%	162	149%
Gross profit (non-IFRS)	<b>401</b>	147	173%	160	151%
<i>Gross margin % (non-IFRS)</i>	<b>99.5%</b>	98.7%	80bps	98.8%	70bps
R&D (non-IFRS)	<b>(54)</b>	(45)	20%	(40)	35%
SG&A (non-IFRS)	<b>(33)</b>	(24)	38%	(27)	22%
Other income and expenses (non-IFRS)	<b>7</b>	(1)		0	
<b>Operating profit (non-IFRS)</b>	<b>322</b>	77	318%	94	243%
<i>Operating margin % (non-IFRS)</i>	<b>79.9%</b>	51.7%	2 820bps	58.0%	2 190bps

### Q4 2015 Highlights

- 170% year-on-year net sales growth in Q4 2015 and 77% net sales growth in full year 2015. On a year-on-year basis, non-IFRS operating profit grew 318% in Q4 2015 and 102% in full year 2015, primarily related to the growth in net sales resulting from a settled arbitration. This was partially offset by higher non-IFRS operating expenses.

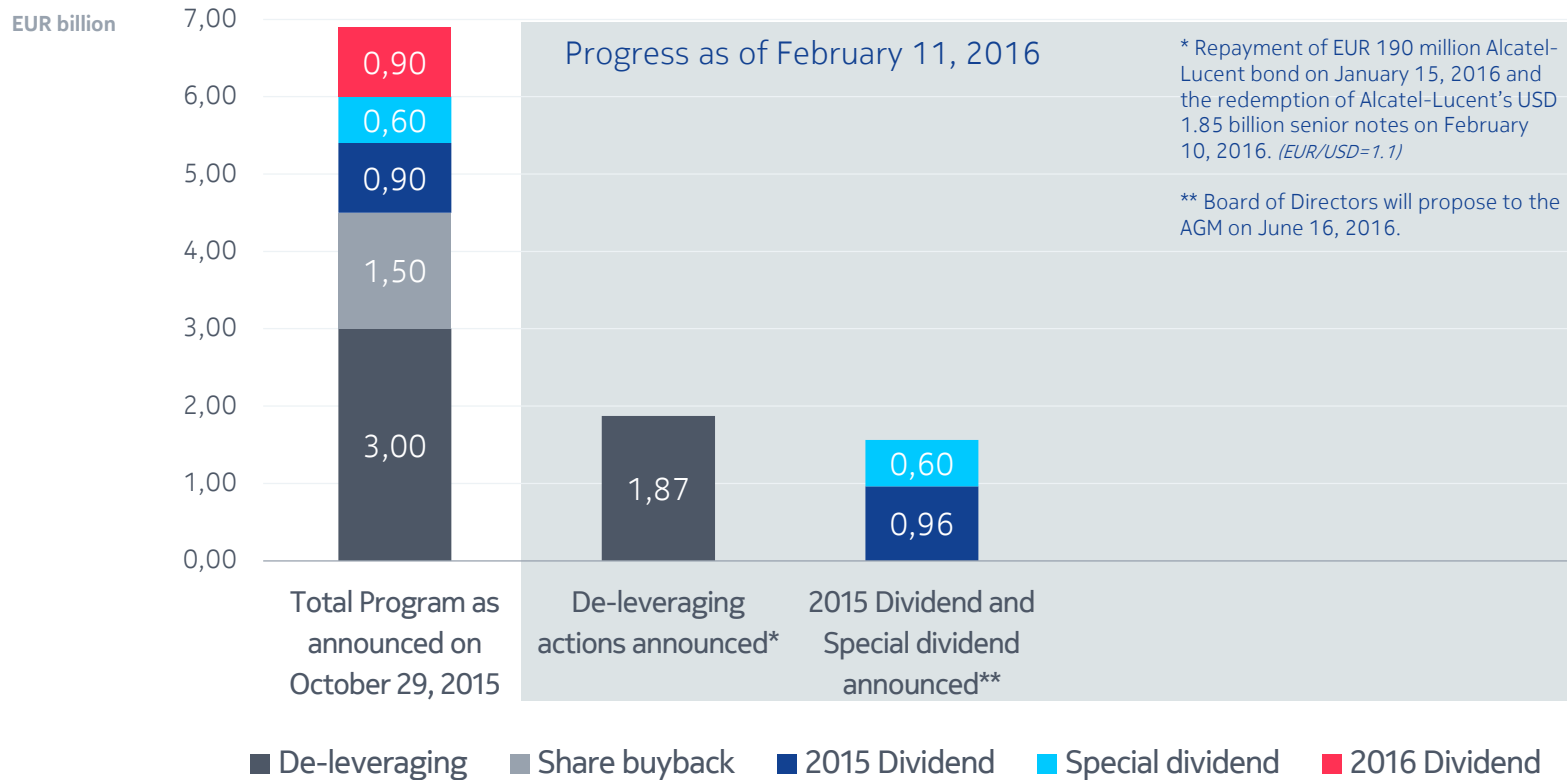
# Nokia, incl. discontinued operations, change in net cash and other liquid assets

(EUR billion)



# Nokia Group EUR 7 billion Capital Structure Optimization Program

all figures approximately, in EUR billion, assuming share count of 6 billion



# Q&A

