

Nokia widens losses in 2017

February 1 2018



Nokia's net loss widened in 2017, but underlying profits improved

Nokia said Thursday that its net loss widened in 2017, but that underlying profits improved, enabling the Finnish mobile phone maker to raise its forecasts for the coming years as operators prepare to roll out new lightning-fast 5G technology.

Nokia said in a statement that it booked a full-year after-tax [loss](#) of 1.49 billion euros (\$1.8 billion) last year, nearly double the loss of 751 million euros in 2016.

Revenues slipped by two percent to 23.1 billion euros.

But at an underlying level, Nokia was back in the black, turning in an operating profit of 16 million euros, compared with a loss of 1.1 billion

euros a year earlier.

Investors cheered the numbers and Nokia shares were showing a gain of 2.7 percent at the start of trade on the Helsinki stock exchange, outperforming the overall market.

Chief executive Rajeev Suri said he was "pleased that Nokia ended 2017 with a strong fourth quarter."

The group saw "growth in three of our five networks business groups as well as very strong growth in Nokia Technologies," he said.

"Group profitability increased in both the quarter and the full year.... this performance reflects the progress we have made since the third quarter with our mobile product portfolio, and positions us well for the upcoming transition to 5G."

Nokia's networks division, the group's biggest unit, declined by six percent to 20.5 billion euros.

And looking ahead, "we expect our market to decline again in 2018, although at a slightly lower rate than our previous forecast, given early signs of improved conditions in North America," CEO Suri said.

"For 2019 and 2020, we expect market conditions to improve markedly, driven by full-scale rollouts of 5G networks. As those rollouts occur, Nokia is remarkably well-positioned."

On Wednesday, Swedish rival Ericsson said it rang up huge losses last year as network competition, restructuring costs and investment in 5G technology pushed it deeply into the red.

Citation: Nokia widens losses in 2017 (2018, February 1) retrieved 27 April 2024 from <https://phys.org/news/2018-02-nokia-widens-losses.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.