Nokia

Co. retains ability to raise FY27 guidance considerably despite the strong AI & Cloud revenue already guided

Key features of Nokia's report were the AI & Cloud orders which continue to be robust with the co. reporting €1.5bn of orders with cumulative orders in the last 12 months now €4.8bn (excluding the 'beyond 12 month shipment date' orders). The co. also guided for FY27 Optical and IP Networks revenue to grow 25-30% YoY which directly translates to higher revenue estimates for FY27. However, as we argue below, the guidance only implies ~77.5% conversion of 'ongoing orders' to sales while the co. is likely to convert almost 96% of FY25 orders to sales in FY26. Thus as the co. can line up more supply, Nokia should be in a position to raise FY27 guidance. In particular, if the co. can achieve a similar order to sales conversion rate in FY27 as it is likely to do in FY26, then EBIT upgrades will be very substantial - we calculate NI EBIT could be ~27% ahead of consensus ahead of this report and for the entire co. this would result in an earnings upgrade of ~14% from current levels. Thus, despite the stock's negative reaction, Nokia remains positioned for earnings upgrades through FY27. With the stock trading at 11.7x JPMe '28 EPS, the stock is now in a very attractive position given the growth and with the multiple trading at well below the median multiple when the co. was a no-growth telco equipment supplier. We have adjusted the ADR price target in this note to account for the new €/$ exchange rate.

- **Supply is the main issue in AI & Cloud. If the co. can line up supply, it should be able to raise the Optical and IP Networks growth of 25-30% guided for FY27 to more than 40%:** On a reported 4-qtr view, Nokia has reported ongoing orders of €4.8bn to 3Q26. Including the €1.4bn in 'beyond 12 month shipment date' orders, this would equate to €6.2bn. The co. has now guided FY27 Optical and IP Networks sales to increase by 25-30% YoY. Thus assuming the mid-point of that guidance to would equate to €1.87bn of incremental sales in those businesses in FY27. All of this revenue will likely come from AI & Cloud. Per consensus ahead of these results, consensus was looking for ~€2.3bn in AI & Cloud revenue in FY26. Adding the €1.87bn to that means that Nokia is now implying €4.18bn in AI & Cloud sales in FY27. This is only 77.5% of their FY26 AI & Cloud orders if one assumes that orders remain flat in Q4 (which is a fair assumption in our opinion given the current strength in demand). Another way of looking at it is that Nokia took orders of €2.4bn in FY25 and the market is now expecting the co. to ship €2.3bn in sales in FY26 or the co. is shipping ~96% of the prior year orders in the current year. If the co. can line up supply over FY27 and can convert orders to sales similarly in FY27 as it is in FY26 then Nokia AI & Cloud revenue in FY27 could be €5.17bn. In this case, Nokia could raise its Optical and IP Networks revenue guidance to 42% YoY growth in FY27 from the current 25-30%. This calculation does not take into account the €1.4bn in 'beyond 12 month shipment date' orders the co. took in 2Q26 which will begin to ship in 2H27 meaning that if the co. can line up supply, its Optical and IP Networks growth could be north of the 42% we calculated here due to those orders we have not accounted for in this calculation.
- **Co. should be able to raise earnings guidance even more dramatically through FY27 as it lines up more supply – especially as their own San Jose fab ramps into volume production:** Based on the new Optical and IP

Overweight

NOKIA.HE, NOKIA FH
Price (22 Oct 26):€7.43
Price Target (Dec-27):€18.00

Overweight

NOK, NOK US
Price (21 Oct 26):$9.25
▼ **Price Target (Dec-27):$20.50**
Prior (Dec-27):$21.00

European Tech Hardware & Payments

Sandeep Deshpande [AC]
(44-20) 7134-5276
sandeep.s.deshpande@jpmorgan.com

Craig A McDowell
(44-20) 7742-4576
craig.mcdowell@jpmorgan.com
J.P. Morgan Securities plc

Specialist Sales contact details:

Scott Silver - Specialist Sales - European TMT
(44-20) 7134-0412
scott.silver@jpmorgan.com

See page 12 for analyst certification and important disclosures, including non-US analyst disclosures.

Networks business growth of €1.87bn (27.5% at the midpoint), in FY27, Nokia should be able to see at least 42.3% gross margin – which is what they reported in the 9 months of FY26. This equates to €793m. There is really no reason for operating expenses to increase more than in current models from this and thus using Infront's FY27 NI opex of €3bn, it gives Nokia an operating profit of €1.54bn. However, applying the same model if Nokia is able to raise the guidance to 42% as described above, would result in the co. reporting NI EBIT of €1.96bn due to the operational gearing in the model. The co. is likely to continue to work on improving component supply throughout FY27 and it is very unlikely that the co. has guided to the best they can do on supply, well before the year even starts.

- **Minor changes to estimates, given our estimates already forecast much stronger than consensus growth in the forward years.** We have adjusted our estimates to reflect the company's guidance and the disposal of the businesses from the Portfolio division. Our FY26/FY27/FY28 revenue estimates are 0.1% lower/0.1% lower/0.1% higher than previously. Our FY26/FY27/FY28 EPS estimates are 2.4% higher/unchanged/0.1% lower than before.

Sandeep Deshpande [AC]
(44-20) 7134-5276
sandeep.s.deshpande@jpmorgan.com

Adjustments to estimates

We have adjusted our estimates following Nokia's 3Q26 print. The company's continued strength in AI & Cloud orders (€1.5bn) has given us confidence in our FY28 Network Infrastructure estimates and thus we make little to no changes to our well above market estimates. The company has guided for Q4 revenue to grow 20%-24% and comparable operating profit assumes a typical strong QoQ increase in 4Q to deliver above the mid-point of guidance for the full year (€2.35bn at the midpoint). The changes we made are:

- On Revenue, our FY26/FY27/FY28 estimates remain essentially unchanged. For 4Q26, we have slightly decreased our estimates by 1.5% given the indicated pull forward of revenue in 3Q.
- On Gross Profit, we have decreased our FY26/FY27/FY28 by 1.6%/0.7%/0.4% driven by slightly lower gross margin estimates (though this could correct in 4Q as the mix shifts). For 4Q26, we have reduced our estimate by 5.6%.
- On EBIT, we raised our FY26 estimate by 0.7%, leaving our FY27/FY28 estimates unchanged. Our 4Q26 EBIT estimates decrease by 9.2% with the full year increase driven by the 3Q beat.
- Overall, these changes translate into our FY26 EPS estimate being 2.4% higher than previously, with FY27/FY28 estimates largely unchanged.

Table 1: Nokia – Changes to estimates

	2025	Q4'26			2026			2027			2028		
	Actual	JPMe	Old	Change	JPMe	Old	Change	JPMe	Old	Change	JPMe	Old	Change
Business Divisions													
Network Infrastructure													
Revenue	7,647	2,808	2,808	+0%	8,833	8,833	-0%	10,347	10,329	+0%	13,389	13,344	+0%
Gross profit	3,281	1,252	1,291	-3%	3,805	3,883	-2%	4,501	4,576	-2%	5,958	6,005	-1%
Gross margin	42.9%	44.6%	46.0%	-140 bps	43.1%	44.0%	-89 bps	43.5%	44.3%	-80 bps	44.5%	45.0%	-50 bps
EBIT	**770**	**603**	**602**	**+0%**	**1,109**	**1,104**	**+0%**	**1,635**	**1,635**	**+0%**	**2,911**	**2,911**	**-0%**
EBIT margin	10.1%	21.5%	21.4%	+4 bps	12.6%	12.5%	+6 bps	15.8%	15.8%	-2 bps	21.7%	21.8%	-8 bps
Mobile Infrastructure													
Revenue	11,409	3,520	3,606	-2%	11,596	11,594	+0%	11,774	11,774	-0%	11,951	11,955	-0%
Gross profit	5,515	1,689	1,825	-7%	5,599	5,678	-1%	5,769	5,769	-0%	5,975	5,977	-0%
Gross margin	48.3%	48.0%	50.6%	-260 bps	48.3%	49.0%	-69 bps	49.0%	49.0%	+0 bps	50.0%	50.0%	+0 bps
EBIT	**1,525**	**629**	**755**	**-17%**	**1,580**	**1,577**	**+0%**	**1,710**	**1,710**	**+0%**	**2,038**	**2,040**	**-0%**
EBIT margin	13.4%	17.9%	20.9%	-308 bps	13.6%	13.6%	+2 bps	14.5%	14.5%	+0 bps	17.1%	17.1%	-1 bps
Portfolio businesses													
Revenue	845	97	111	-13%	460	488	-6%	462	491	-6%	0	0	n.m.
Gross profit	183	28	32	-13%	130	124	+4%	102	108	-6%	0	0	n.m.
Gross margin	21.7%	28.5%	28.5%	+0 bps	28.2%	25.5%	+273 bps	22.0%	22.0%	+0 bps	21.8%	21.8%	+0 bps
EBIT	**-89**	**-1**	**5**	**-113%**	**-19**	**-21**	**n.m.**	**-48**	**-38**	**n.m.**	**0**	**0**	**n.m.**
EBIT margin	-10.5%	-0.7%	4.5%	-523 bps	-4.1%	-4.2%	+18 bps	-10.4%	-7.8%	-255 bps	n.m	n.m	n.m.
Group & Other													
EBIT	-182	-33	-38	-11%	-153	-162	-5%	-154	-162	-5%	-135	-138	-2%
Group Level													
Revenue	**19,895**	**6,422**	**6,521**	**-1.5%**	**20,891**	**20,915**	**-0.1%**	**22,585**	**22,606**	**-0.1%**	**25,342**	**25,311**	**+0.1%**
Gross profit	8,974	2,970	3,145	-5.6%	9,534	9,688	-1.6%	10,371	10,449	-0.7%	11,933	11,978	-0.4%
Gross margin	45.1%	46.2%	48.2%	-198 bps	45.6%	46.3%	-69 bps	45.9%	46.2%	-30 bps	47.1%	47.3%	-24 bps
Opex	-6,949	-1,770	-1,823	-3%	-7,014	-7,187	-2%	-7,228	-7,305	-1%	-7,119	-7,165	-1%
EBIT	**2,025**	**1,200**	**1,322**	**-9.2%**	**2,520**	**2,502**	**+0.7%**	**3,143**	**3,144**	**-0.0%**	**4,813**	**4,813**	**+0.0%**
EBIT margin	10.2%	18.7%	20.3%	-159 bps	12.1%	12.0%	+10 bps	13.9%	13.9%	+1 bps	19.0%	19.0%	-2 bps
Net income	1,586	930	1,008	-8%	2,131	2,092	+2%	2,422	2,435	-1%	3,650	3,671	-1%
EPS, diluted	**0.29**	**0.16**	**0.17**	**-6.9%**	**0.37**	**0.36**	**+2.4%**	**0.42**	**0.42**	**-0.0%**	**0.63**	**0.63**	**-0.1%**

Source: J.P. Morgan estimates.

Sandeep Deshpande [AC]
(44-20) 7134-5276
sandeep.s.deshpande@jpmorgan.com

Financials

Table 2: Nokia - Quarterly P&L

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26E
Revenue	**4,667.0**	**4,466.0**	**4,326.0**	**5,983.0**	**4,390.0**	**4,551.0**	**4,828.0**	**6,130.8**	**4,500.0**	**4,815.0**	**5,154.0**	**6,422.2**
Gross profit	2,270.0	1,998.0	1,975.0	2,825.0	1,857.0	2,035.0	2,135.0	2,948.0	2,049.0	2,216.0	2,299.0	2,970.3
Gross Margin	48.6%	44.7%	45.7%	47.2%	42.3%	44.7%	44.2%	48.1%	45.5%	46.0%	44.6%	46.2%
Opex	1,664.0	1,586.0	1,489.0	1,683.0	1,674.0	1,687.0	1,700.0	1,890.0	1,768.0	1,782.0	1,694.0	1,770.3
EBIT	**606.0**	**412.0**	**486.0**	**1,142.0**	**183.0**	**348.0**	**435.0**	**1,058.0**	**281.0**	**434.0**	**605.0**	**1,200.0**
EBIT margin	**13.0%**	**9.2%**	**11.2%**	**19.1%**	**4.2%**	**7.6%**	**9.0%**	**17.3%**	**6.2%**	**9.0%**	**11.7%**	**18.7%**
Income from associates	1.0	2.6	2.0	2.0	1.0	8.0	5.0	5.0	0.0	0.0	9.0	9.0
Financial income	48.0	31.0	-7.0	61.0	33.0	-27.0	38.0	39.0	126.0	121.0	51.0	50.0
Tax	137.4	117.0	122.0	227.0	64.0	92.0	156.0	219.0	112.0	144.0	168.0	327.3
Minority Interest	-4.2	-3.0	-6.0	8.0	0.0	-6.0	-1.0	-2.0	-1.0	3.0	-4.0	-2.0
Net income from continued operations	513.4	324.6	352.0	986.0	153.0	231.0	323.0	880.0	294.0	414.0	493.0	929.7
EPS (basic), cont ops (€)	0.09	0.06	0.06	0.18	0.03	0.04	0.06	0.16	0.05	0.07	0.09	0.16
EPS (diluted), cont ops (€)	**0.09**	**0.06**	**0.06**	**0.18**	**0.03**	**0.04**	**0.06**	**0.16**	**0.05**	**0.07**	**0.09**	**0.16**
Shares Outstanding (Basic)	5,526	5,510	5,464	5,405	5,380	5,378	5,401	5,504	5,590	5,599	5,641	5,641
Shares Outstanding (Diluted)	5,564	5,562	5,532	5,479	5,487	5,492	5,489	5,616	5,723	5,802	5,745	5,745

Source: Company reports and J.P. Morgan estimates.

Table 3: Nokia - Annual P&L

	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Revenue	**22,580.0**	**23,343**	**21,870**	**22,202**	**24,911**	**22,258**	**19,442**	**19,900**	**20,891**	**22,585**	**25,342**
YoY growth	-2.8%	3.4%	-6.3%	1.5%	12.2%	-10.6%	-12.7%	2.4%	5.0%	8.1%	12.2%
Gross profit	9,036.0	8,522	8,530	8,965	10,323	8,838	9,068	8,974	9,534	10,371	11,933
Gross Margin	40.0%	36.5%	39.0%	40.4%	41.4%	39.7%	46.6%	45.1%	45.6%	45.9%	47.1%
Opex	6,854.0	6,518	6,415	6,190	7,214	6,463	6,429	6,949	7,014	7,228	7,119
EBIT	**2,182.0**	**2,004**	**2,115**	**2,775**	**3,109**	**2,375**	**2,646**	**2,024**	**2,520**	**3,143**	**4,813**
EBIT margin	**9.7%**	**8.6%**	**9.7%**	**12.5%**	**12.5%**	**10.7%**	**13.6%**	**10.2%**	**12.1%**	**13.9%**	**19.0%**
Income from associates	12.0	13.0	22.0	10.0	-13.0	-11.0	7.6	19.0	18.0	18.0	18.0
Financial income	-358.0	-338.0	-184.0	-176.0	-37.0	-137.5	133.0	83.0	348.0	140.0	140.0
Tax	563.0	449.0	488.0	500.0	577.0	605.0	603.4	531.0	751.3	874.8	1,317.4
Minority Interest	-6.0	-4.0	-6.0	-23.0	-9.0	-14.5	-5.2	-9.0	-4.0	-4.0	-4.0
Net income from continued operations	1,267.0	1,226	1,459	2,086	2,473	1,607	2,176	1,586	2,131	2,422	3,650
EPS (basic), cont ops (€)	0.23	0.22	0.26	0.37	0.44	0.29	0.40	0.29	0.38	0.43	0.65
EPS (diluted), cont ops (€)	**0.23**	**0.22**	**0.26**	**0.37**	**0.44**	**0.29**	**0.39**	**0.29**	**0.37**	**0.42**	**0.63**
Shares Outstanding (Basic)	5,588	5,600	5,612	5,625	5,614	5,550	5,476	5,416	5,618	5,618	5,618
Shares Outstanding (Diluted)	5,607	5,618	5,634	5,680	5,676	5,608	5,534	5,521	5,754	5,754	5,754

Source: Company reports and J.P. Morgan estimates.

Sandeep Deshpande [AC]
(44-20) 7134-5276
sandeep.s.deshpande@jpmorgan.com

Table 4: Nokia - Network Infrastructure

	2025	2026E	2027E	2028E
Network Infrastructure				
Net sales	7,647	8,833	10,347	13,389
YoY	21.7%	15.5%	17.2%	29.4%
Optical Networks	3,019	3,908	4,768	6,771
YoY	84.5%	29.5%	22.0%	42.0%
IP Networks	2,595	3,091	3,710	4,711
YoY	0.5%	19.1%	20.0%	27.0%
Fixed Networks	2,033	1,833	1,869	1,907
YoY	-1.6%	-9.9%	2.0%	2.0%
Gross profit	3,281	3,805	4,501	5,958
as % of net sales	42.9%	43.1%	43.5%	44.5%
Operating profit/loss	770	1,109	1,635	2,911
as % of net sales	10.1%	12.6%	15.8%	21.7%
Operating expenses	-2,525	-2,683	-2,853	-3,034
YoY	23.8%	6.3%	6.3%	6.4%

Source: Company reports and J.P. Morgan estimates.

Sandeep Deshpande [AC]
(44-20) 7134-5276
sandeep.s.deshpande@jpmorgan.com

Table 5: Nokia - Mobile Networks

	2025	2026E	2027E	2028E
Mobile Networks				
Net sales	11,409	11,596	11,774	11,951
YoY	-6.4%	1.6%	1.5%	1.5%
Core Software	2,400	2,298	2,367	2,450
YoY	-0.5%	-4.2%	3.0%	3.5%
Radio Networks	7,508	7,693	7,770	7,847
YoY	-4.4%	2.5%	1.0%	1.0%
Technology Standards	1,501	1,605	1,637	1,653
YoY	-22.1%	6.9%	2.0%	1.0%
Gross profit	5,515	5,599	5,769	5,975
as % of net sales	48.3%	48.3%	49.0%	50.0%
Operating profit/loss	1,525	1,580	1,710	2,038
as % of net sales	13.4%	13.6%	14.5%	17.1%
Operating expenses	-4,122	-4,014	-4,053	-3,932
YoY	-2.2%	-2.6%	1.0%	-3.0%

Source: Company reports and J.P. Morgan estimates.

Table 6: Nokia - Portfolio Businesses

	2025	2026E	2027E	2028E
Portfolio Businesses				
Net sales	845	460	462	0
YoY	17.9%	-45.6%	0.5%	0.0%
Gross profit	183	130	102	0
as % of net sales	21.7%	28.2%	22.0%	21.8%
Operating profit/loss	-89	-19	-48	0
as % of net sales	-10.5%	-4.1%	-10.4%	N.M.

Source: Company reports and J.P. Morgan estimates.

Sandeep Deshpande [AC]
(44-20) 7134-5276
sandeep.s.deshpande@jpmorgan.com

Table 7: Nokia - Group Common & Other Build Up

	2025	2026E	2027E	2028E
Group Common and Other				
Net sales	17	2	2	2
YoY	-50.0%	-88.2%	0.0%	0.0%
Gross profit	-6	0	-1	-1
as % of net sales	-35.3%	0.0%	-35.0%	-35.0%
Operating profit/loss	-182	-153	-154	-135
as % of net sales	-1070.6%	-7670.0%	-7705.0%	-6752.5%

Source: Company reports and J.P. Morgan estimates.

Sandeep Deshpande [AC]
(44-20) 7134-5276
sandeep.s.deshpande@jpmorgan.com

Investment Thesis, Valuation and Risks

Nokia *(Overweight; Price Target: €18.00)*

Investment Thesis
With over 34% of its revenue coming from the Optical Networks and IP Networks business units, which are exposed to AI infrastructure, we believe that Nokia can grow sales in the mid-to-high single digit to '28 (although we see scenarios where this is higher). At the same time, due to operational gearing in the NI business unit, coupled with synergies from the Infinera deal, the earnings of the co. could grow much more. If Nokia can deliver on this earnings growth, we believe that the stock could re-rate with its earnings multiple rising towards earnings growth, which would make the stock a multi-year compounder. We maintain our OW rating on the stock.

Valuation
Our Dec-27 price target is €18.00, which applies a 28.5x multiple to our estimated 2028 Adj. EPS of €0.63. The basis of using 28.5x is because our 3-year earnings growth CAGR for the co. is 30% from 2025 to 2028 and given that the company's growth profile has changed completely, we believe that a PEG of ~1 should be an appropriate metric to value the stock. For the ADR, our Dec-27 price target is $20.5 (previously $21) based on current €/$ of ~1.13. We recognise that the applied multiple looks rich versus Nokia's own history, but the stock's exposure to AI networking has fundamentally changed the growth outlook and earnings potential, thereby justifying a higher multiple.

Risks to Rating and Price Target
Downside:

- Weaker-than-expected Telco capex spending, which would result in downside to our estimates
- Market share loss and competitive pressure in Nokia's networks division
- Deterioration in FCF and net cash position

Sandeep Deshpande [AC]
(44-20) 7134-5276
sandeep.s.deshpande@jpmorgan.com

Investment Thesis, Valuation and Risks

Nokia ADR *(Overweight; Price Target: $20.50)*

Investment Thesis

With over 34% of its revenue coming from the Optical Networks and IP Networks business units, which are exposed to AI infrastructure, we believe that Nokia can grow sales in the mid-to-high single digit to '28 (although we see scenarios where this is higher). At the same time, due to operational gearing in the NI business unit, coupled with synergies from the Infinera deal, the earnings of the co. could grow much more. If Nokia can deliver on this earnings growth, we believe that the stock could re-rate with its earnings multiple rising towards earnings growth, which would make the stock a multi-year compounder. We maintain our OW rating on the stock.

Valuation

Our Dec-27 price target is €18.00, which applies a 28.5x multiple to our estimated 2028 Adj. EPS of €0.63. The basis of using 28.5x is because our 3-year earnings growth CAGR for the co. is 30% from 2025 to 2028 and given that the company's growth profile has changed completely, we believe that a PEG of ~1 should be an appropriate metric to value the stock. For the ADR, our Dec-27 price target is $20.5 (previously $21) based on current €/$ of ~1.13. We recognise that the applied multiple looks rich versus Nokia's own history, but the stock's exposure to AI networking has fundamentally changed the growth outlook and earnings potential, thereby justifying a higher multiple.

Risks to Rating and Price Target

- Weaker-than-expected telco capex spending, which would result in downside to our estimates;
- Market share loss and competitive pressure in Nokia networks division; and
- Deterioration in FCF and net cash position.

Sandeep Deshpande [AC]
(44-20) 7134-5276
sandeep.s.deshpande@jpmorgan.com

J.P.Morgan

Nokia: Summary of Financials

Income Statement	FY24A	FY25A	FY26E	FY27E
Revenue	**19,442**	**19,900**	**20,891**	**22,585**
COGS	(9,696)	(9,905)	(10,487)	(11,293)
Gross profit	**9,068**	**8,974**	**9,534**	**10,371**
SG&A	(2,411)	(2,486)	(2,368)	(2,333)
Adj. EBITDA	**3,324**	**3,045**	**3,391**	**4,064**
D&A	(678)	(1,021)	(871)	(921)
Adj. EBIT	**2,646**	**2,024**	**2,520**	**3,143**
Net Interest	133	83	348	140
Adj. PBT	**2,787**	**2,126**	**2,886**	**3,301**
Tax	(603)	(531)	(751)	(875)
Minority Interest	(5)	(9)	(4)	(4)
Adj. Net Income	**2,178**	**1,586**	**2,131**	**2,422**
Reported EPS	0.39	0.29	0.37	0.42
Adj. EPS	**0.39**	**0.29**	**0.37**	**0.42**
DPS	**0.14**	**0.15**	**0.16**	**0.17**
Payout ratio	35.6%	53.6%	43.2%	40.4%
Shares outstanding	5,534	5,521	5,754	5,754

Balance Sheet	FY24A	FY25A	FY26E	FY27E
Cash and cash equivalents	6,623	5,462	5,023	5,779
Accounts receivable	5,248	4,975	4,927	5,445
Inventories	2,163	2,209	2,511	2,545
Other current assets	3,927	3,146	3,137	3,077
Current assets	**17,961**	**15,792**	**15,598**	**16,846**
PP&E	1,362	1,570	1,494	1,398
LT investments	581	548	542	542
Other non current assets	19,245	19,687	20,460	20,460
Total assets	**39,149**	**37,597**	**38,094**	**39,246**
Short term borrowings	969	1,084	574	574
Payables	3,213	2,978	3,026	3,413
Other short term liabilities	7,212	5,942	6,641	6,394
Current liabilities	**11,394**	**10,004**	**10,241**	**10,382**
Long-term debt	2,918	2,329	1,865	1,865
Other long term liabilities	4,090	4,206	4,239	4,180
Total liabilities	**18,402**	**16,539**	**16,346**	**16,427**
Shareholders' equity	20,657	20,967	21,649	22,717
Minority interests	90	91	99	103
Total liabilities & equity	**39,149**	**37,597**	**38,094**	**39,246**
BVPS	**3.73**	**3.80**	**3.76**	**3.95**
y/y Growth	*2.3%*	*1.8%*	*(0.9%)*	*4.9%*
Net debt/(cash)	(4,397)	(3,010)	(3,206)	(3,962)

Cash Flow Statement	FY24A	FY25A	FY26E	FY27E
Cash flow from operating activities	**2,493**	**2,069**	**1,777**	**2,634**
o/w Depreciation & amortization	1,013	1,119	871	921
o/w Changes in working capital	(569)	(215)	(1,112)	(836)
Cash flow from investing activities	**(86)**	**(1,395)**	**(376)**	**(900)**
o/w Capital expenditure	(472)	(605)	(802)	(900)
as % of sales	*2.4%*	*3.0%*	*3.8%*	*4.0%*
Cash flow from financing activities	**(2,004)**	**(1,609)**	**(1,892)**	**(978)**
o/w Dividends paid	(724)	(758)	(838)	(978)
o/w Shares issued/(repurchased)	(680)	(624)	0	0
o/w Net debt issued/(repaid)	(367)	(364)	(953)	0
Net change in cash	**419**	**(1,160)**	**(439)**	**756**

Ratio Analysis	FY24A	FY25A	FY26E	FY27E
Gross margin	46.6%	45.1%	45.6%	45.9%
EBITDA margin	17.1%	15.3%	16.2%	18.0%
EBIT margin	13.6%	10.2%	12.1%	13.9%
Net profit margin	11.2%	8.0%	10.2%	10.7%
ROE	10.6%	7.6%	10.0%	10.9%
ROA	5.5%	4.1%	5.6%	6.3%
ROCE	8.4%	6.2%	7.7%	9.4%
SG&A/Sales	12.4%	12.5%	11.3%	10.3%
Net debt/Equity	NM	NM	NM	NM
Net debt/EBITDA	NM	NM	NM	NM
Sales/Assets (x)	0.5	0.5	0.6	0.6
Assets/Equity (x)	1.9	1.8	1.8	1.7
Interest cover (x)	-	-	-	-
Operating leverage	(90.2%)	(998.2%)	491.9%	305.0%
Tax rate	21.7%	25.0%	26.0%	26.5%
Revenue y/y Growth	(12.7%)	2.4%	5.0%	8.1%
EBITDA y/y Growth	6.9%	(8.4%)	11.4%	19.9%
EPS y/y Growth	37.3%	(27.0%)	28.9%	13.7%

Valuation	FY24A	FY25A	FY26E	FY27E
P/E (x)	18.9	25.9	20.1	17.6
P/BV (x)	2.0	2.0	2.0	1.9
EV/EBITDA (x)	11.5	13.1	11.7	9.5
Dividend Yield	1.9%	2.1%	2.2%	2.3%

Source: Company reports and J.P. Morgan estimates.
Note: € in millions (except per-share data).Fiscal year ends Dec. o/w - out of which

Sandeep Deshpande [AC]
(44-20) 7134-5276
sandeep.s.deshpande@jpmorgan.com

J.P.Morgan

Nokia ADR: Summary of Financials

Income Statement	FY24A	FY25A	FY26E	FY27E
Revenue	-	-	-	-
COGS	-	-	-	-
Gross profit	-	-	-	-
SG&A	-	-	-	-
Adj. EBITDA	-	-	-	-
D&A	-	-	-	-
Adj. EBIT	-	-	-	-
Net Interest	-	-	-	-
Adj. PBT	-	-	-	-
Tax	-	-	-	-
Minority Interest	-	-	-	-
Adj. Net Income	-	-	-	-
Reported EPS	-	-	-	-
Adj. EPS	-	-	-	-
DPS	-	-	-	-
Payout ratio	-	-	-	-
Shares outstanding	5,638	5,638	5,638	5,638

Balance Sheet	FY24A	FY25A	FY26E	FY27E
Cash and cash equivalents	-	-	-	-
Accounts receivable	-	-	-	-
Inventories	-	-	-	-
Other current assets	-	-	-	-
Current assets	-	-	-	-
PP&E	-	-	-	-
LT investments	-	-	-	-
Other non current assets	-	-	-	-
Total assets	-	-	-	-
Short term borrowings	-	-	-	-
Payables	-	-	-	-
Other short term liabilities	-	-	-	-
Current liabilities	-	-	-	-
Long-term debt	-	-	-	-
Other long term liabilities	-	-	-	-
Total liabilities	-	-	-	-
Shareholders' equity	-	-	-	-
Minority interests	-	-	-	-
Total liabilities & equity	-	-	-	-
BVPS	-	-	-	-
y/y Growth	-	-	-	-
Net debt/(cash)	-	-	-	-

Cash Flow Statement	FY24A	FY25A	FY26E	FY27E
Cash flow from operating activities	-	-	-	-
o/w Depreciation & amortization	-	-	-	-
o/w Changes in working capital	-	-	-	-
Cash flow from investing activities	-	-	-	-
o/w Capital expenditure	-	-	-	-
as % of sales	-	-	-	-
Cash flow from financing activities	-	-	-	-
o/w Dividends paid	-	-	-	-
o/w Shares issued/(repurchased)	-	-	-	-
o/w Net debt issued/(repaid)	-	-	-	-
Net change in cash	-	-	-	-
Adj. Free cash flow to firm	-	-	-	-
y/y Growth	-	-	-	-

Ratio Analysis	FY24A	FY25A	FY26E	FY27E
Gross margin	-	-	-	-
EBITDA margin	-	-	-	-
EBIT margin	-	-	-	-
Net profit margin	-	-	-	-
ROE	-	-	-	-
ROA	-	-	-	-
ROCE	-	-	-	-
SG&A/Sales	-	-	-	-
Net debt/Equity	-	-	-	-
Net debt/EBITDA	-	-	-	-
Sales/Assets (x)	-	-	-	-
Assets/Equity (x)	-	-	-	-
Interest cover (x)	-	-	-	-
Operating leverage	-	-	-	-
Tax rate	-	-	-	-
Revenue y/y Growth	-	-	-	-
EBITDA y/y Growth	-	-	-	-
EPS y/y Growth	-	-	-	-

Valuation	FY24A	FY25A	FY26E	FY27E
P/E (x)	-	-	-	-
P/BV (x)	-	-	-	-
EV/EBITDA (x)	-	-	-	-
Dividend Yield	-	-	-	-

Source: Company reports and J.P. Morgan estimates.
Note: $ in millions (except per-share data).Fiscal year ends Dec. o/w - out of which

