

Nokia (stand-alone)

<u>Strengths</u>	<u>Weaknesses</u>
<p>Position in superfast mobile broadband networks (3G and 4G).</p> <p>Full control over NSN acquired in 2013, allowing streamlining in terms of governance, costs and commercial strategy.</p>	<p>Competition from Huawei in mobile access, creating pressure on prices.</p> <p>Weak product differentiation in the mobile networks market, in which producers have little pricing power.</p>
<p>Large presence in Asia (Japan, South Korea etc.).</p>	<p>Lack of diversification in the networks business, Nokia unable to take advantage of fixed/mobile convergence (Nokia does not have any expertise or products in IP routers) or offer comprehensive solutions for clients.</p>
<p>Strong R&amp;D operation, supported by the Future Works unit.</p> <p>Very large patent portfolio, particularly in mobile networks and handsets.</p>	<p>Weak position in the USA, a market that is relatively sheltered from Chinese competition.</p> <p>Few opportunities for diversification in high-growth non-telco markets.</p>
<p>Financial position strengthened by the disposals of the mobile handset business and HERE.</p>	<p>Lack of strong R&amp;D operations outside mobile networks and handsets.</p>
<u>Opportunities</u>	<u>Threats</u>
<p>Telecom network / IT convergence underpinning demand for hardware and mobile network software platforms.</p>	<p>High technological risk.</p>
<p>Acquisitions but also organic growth, made possible by the stronger balance sheet.</p>	<p>Risks relating to the investment cycles of operator clients and sensitivity to their margins (which are falling).</p>
<p>Ability to capitalise on the globally recognised Nokia brand (see recent announcements about possible mobile phone licensing agreements).</p>	<p>Emergence of new competitors.</p>
<p>Ability to focus investments on a slimmed-down portfolio.</p>	<p>Nokia Technologies: sensitive to revenues from select licences</p>
<p>Current discussions on licensing agreements (agreement with LGE, revenues which are subject to arbitration / dispute with Samsung) could lead to the renegotiation of current contracts, with a positive outcome for Nokia Technologies.</p>	<p>Slow patent monetisation.</p>
<p>Win-win partnership with Microsoft in licensing.</p>	<p>Currency exposure.</p>
<p>Monetisation of the patent portfolio in mobile technology by re-entering the mobile handset market.</p>	
<p>Development in the high-growth markets of platforms and network applications.</p>	