
Nvidia**Nvidia to invest \$1bn in Nokia as chip giant extends deal spree**

Finnish group's shares surge by a fifth on tie-up that will see US company become one of its largest shareholders



Nokia is aiming to make breakthroughs in the development of the next generation of ultrafast wireless technology known as 6G © Angel Garcia/Bloomberg

Kieran Smith in London and **Michael Acton** in San Francisco

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Nvidia plans to invest \$1bn into telecoms operator Nokia in a move that will see the US chip giant become one of the Finnish group's largest shareholders and marks a strong endorsement of its strategy to expand into artificial intelligence.

In a statement on Tuesday Nokia said that Nvidia's strategic investment will see the two companies work together to incorporate [AI](#) into telecoms networks and collaborate on data centre infrastructure.

Nvidia will take a 2.9 per cent stake in the telecoms group in return for its investment, with Nokia issuing 166,389,351 new shares directly to Nvidia.

Shares in Nokia surged by 21 per cent to a 10-year high following the announcement on Tuesday afternoon, adding €6.7bn to its market capitalisation and further fuelling an unlikely comeback for the company that dominated the early years of the mobile phone industry.

Nvidia's investment is an apparent vindication of Nokia's strategy of diversifying away from network infrastructure in search of faster growth from AI and cloud services.

The agreement will see Nokia — which is aiming to make breakthroughs in the development of the next generation of ultrafast wireless technology — use Nvidia's technology to upgrade its 5G and 6G networks.

AI can be incorporated into wireless networks to make them faster, more efficient and enable network operators to better monitor traffic, manage energy consumption and allocate spectrum. The market for this "AI-RAN" technology is expected to hit \$200bn by 2030, Nvidia said on Tuesday, citing analyst firm Omdia.

Nokia shares have soared to a five-year high

Share price, €

— NOKIA



Source: LSEG via markets.ft.com

The deal is a shot in the arm for the Finnish group, which shot to prominence in the 2000s with its popular range of mobile phones. However, Nokia was outmanoeuvred by Apple and Samsung, who pushed the market into the smartphone era with their respective ranges of iPhones and Galaxy devices, reaping enormous financial benefits along the way.

The Finnish company's belated response — a tie-up with Microsoft to produce a range of smartphones known as Lumia — was abandoned after failing to gain traction with consumers.

Nokia resorted instead to focusing its efforts on telecom network infrastructure, competing with Chinese vendors such as Huawei and ZTE.

Speaking at a company conference in Washington on Tuesday, Nvidia chief executive Jensen Huang said the Nokia partnership would help advance US interests by ensuring wireless technology runs on American hardware.

Huang said that while telecommunications technology — the “lifeblood” of industry and national security — was designed in the US, most wireless technology now runs on foreign hardware. “That has to stop,” Nvidia's chief added.

Nokia will be using a new Nvidia computer, based on its latest Blackwell graphics processing units, to upgrade its wireless networks.

For Nvidia, the tie-up marks the latest in a series of such deals. The valuation of the Silicon Valley-based chip designer, which sits at the heart of a wider AI boom, surged past \$4tn earlier this year.

In September Nvidia announced plans to invest a record \$100bn in OpenAI over time, as part of a joint effort to build the data centres powering AI.

It made a \$5bn investment in Intel after the US government took a 10 per cent stake in its troubled rival, a move that was widely seen as supporting the Trump administration's efforts to boost domestic chip manufacturing.

Nvidia has also made recent investments in its own customers, including £500mn in UK-based Nscale, as well as participating in Crusoe's latest funding round, which valued the AI infrastructure company at over \$10bn.

Additional reporting by Emily Herbert in London

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