



ERICSSON

CAPITAL

INVESTOR UPDATE 2016

NOVEMBER 10, 2016 NEW YORK



CARL MELLANDER
CFO



CAPITAL AMBITION



	Ambition	2015 Full year	2016 09
Equity ratio	> 40%	52%	49%
Net cash*	Positive and larger than the pension liability	SEK 41 b. (Pension SEK 23 b.)	SEK 16 b. (Pension SEK 32 b.)
Cash conversion	> 70%	85%	-84% YTD (95% rolling 4Q)
Credit rating	Solid investment grade	BBB+ / Baa1	BBB / Baa2

* Net cash is gross cash less interest bearing liabilities (excluding pension liability)

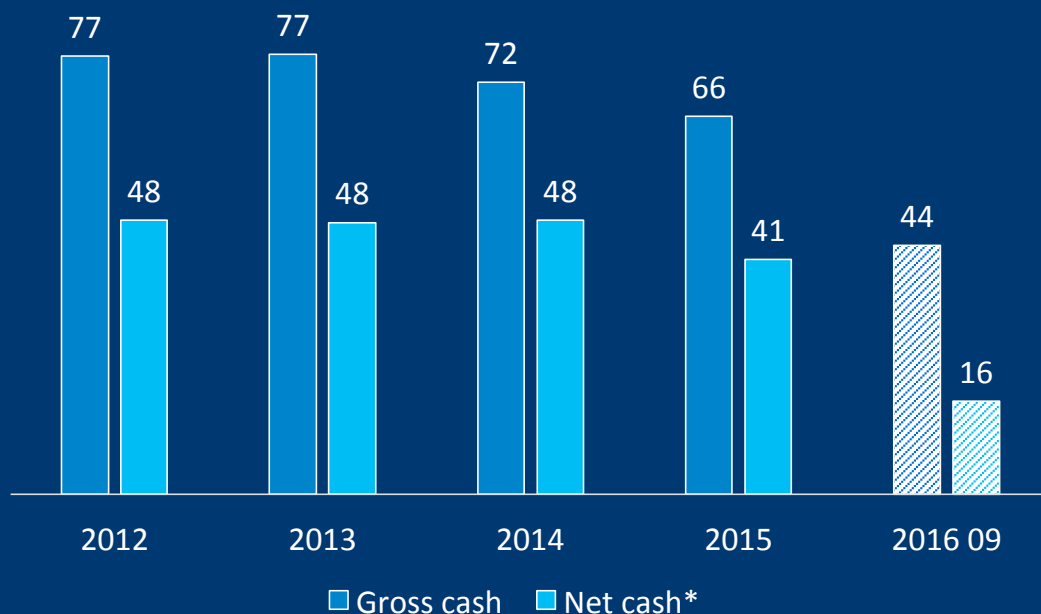
A fundamental capital ambition based on a strong equity ratio and ample liquidity

This slide contains forward-looking statements. Actual result may be materially different.

GROSS AND NET CASH DEVELOPMENT



Cash balance 2012-2015 (SEK b.)



- › Our cash position secures financial flexibility and supports rating
- › Dented cash position Q3 2016, but should be viewed on full year basis
- › Payment readiness remains strong
- › Diversified debt maturity profile

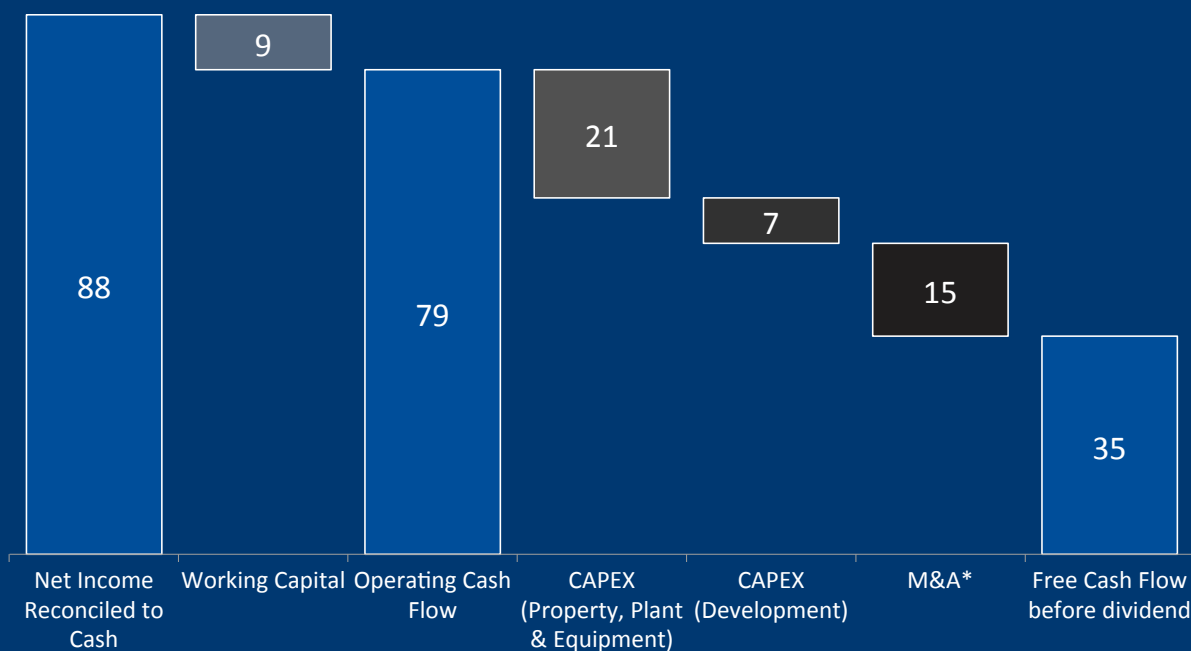
* Net cash is gross cash less Interest bearing liabilities (excluding pension liability)

Our cash position secures financial flexibility, also in a challenging business environment

CASH FLOW AND USAGE OF CASH



Cash flow and usage 2012-2015 (SEK b.)



CAPEX (PPE and development)

- › ~3% of net sales per annum 2012-2015
- › Planning assumption going forward ~2%

Acquisitions and divestments

- › M&A* on average SEK 4 b. per annum between 2012-2015 - selective acquisitions going forward

* Including "Other investing activities"

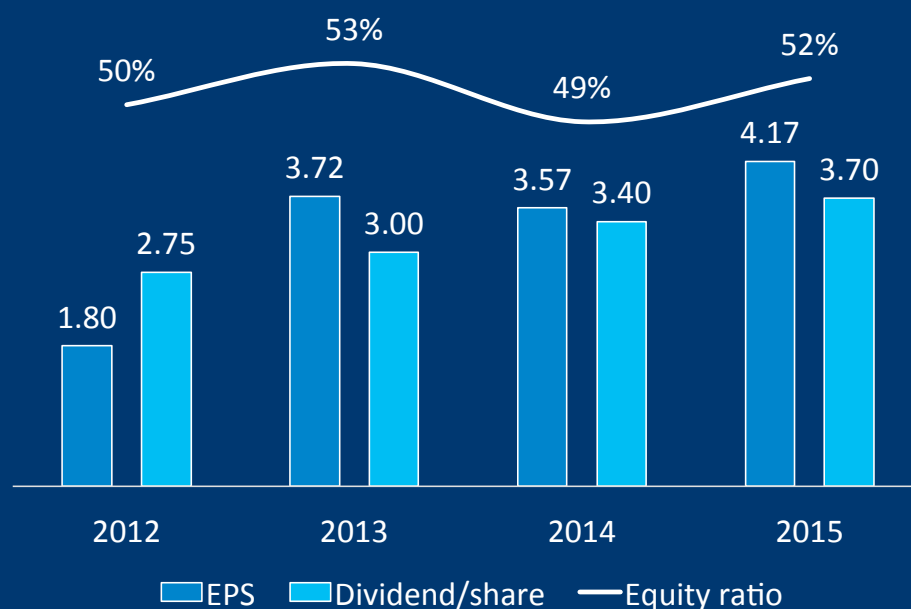
Continued financial discipline given the challenging situation 2016 (operating cash flow SEK -5 b. YTD)

This slide contains forward-looking statements. Actual result may be materially different.

EPS AND DIVIDEND DEVELOPMENT



EPS and dividend (SEK/share)



Dividend policy takes into account last year's earnings and balance sheet structure, as well as coming years' business plans and economic development

Next year's dividend will be proposed by the Board of Directors in conjunction with the Ericsson Q4 report