



SUMMARY

CEO, Hans Vestberg

A JOURNEY THAT CONTINUES



	2008	2013	2020
Net Sales	SEK 209 b.	SEK 227 b.	Growth faster than the market, >3-5%
People	79,000	114,000	>150,000
Sales beyond operators	~5%	~10%	~20-25%
Services & SW	60%	66%	>75%
Competition	Several Telco & ICT	Few Telco / Many ICT	Broad ICT landscape

GROWTH DRIVEN BY TARGETED AREAS

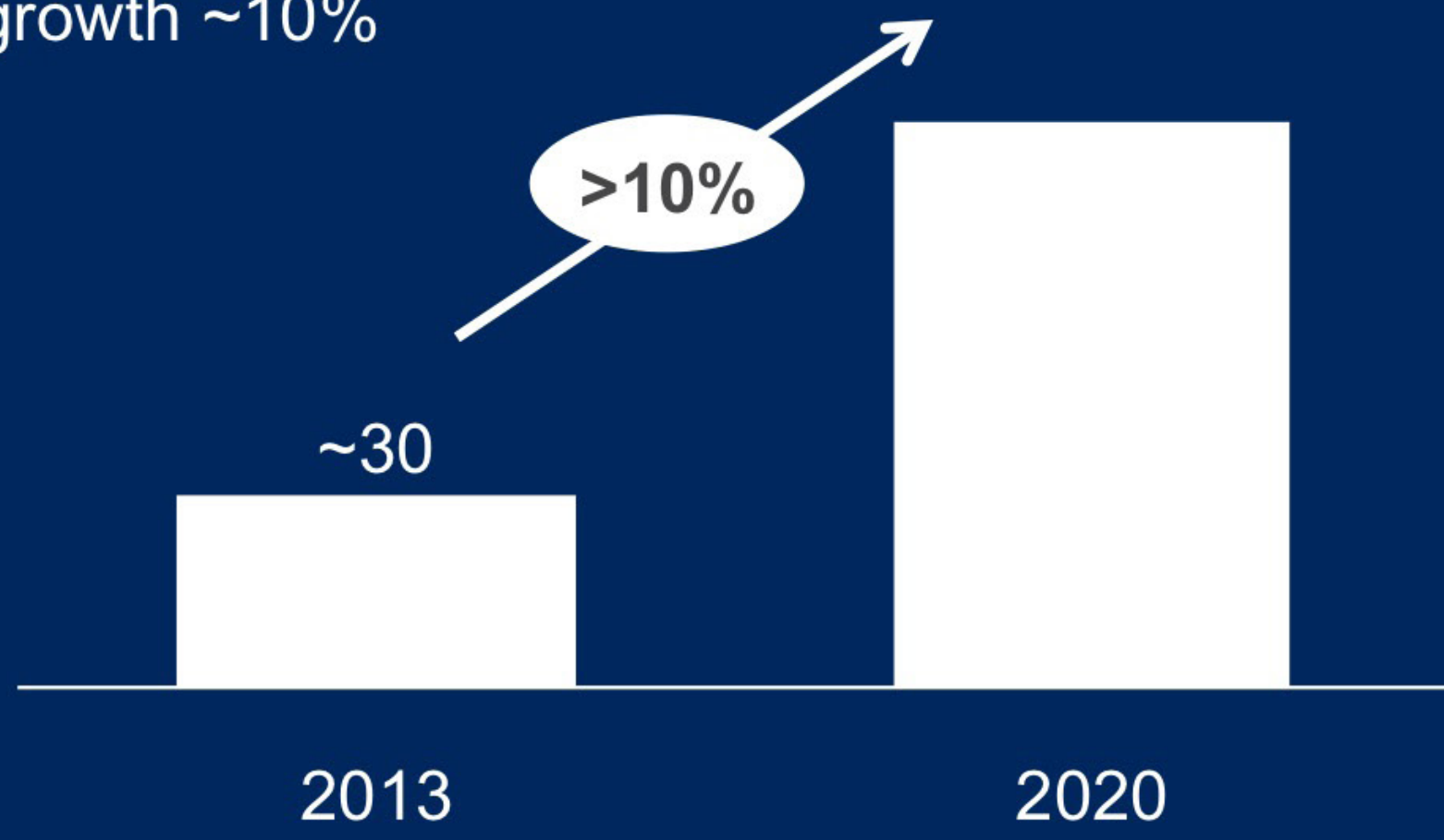
ESTIMATED BASED ON MARKET ASSUMPTIONS



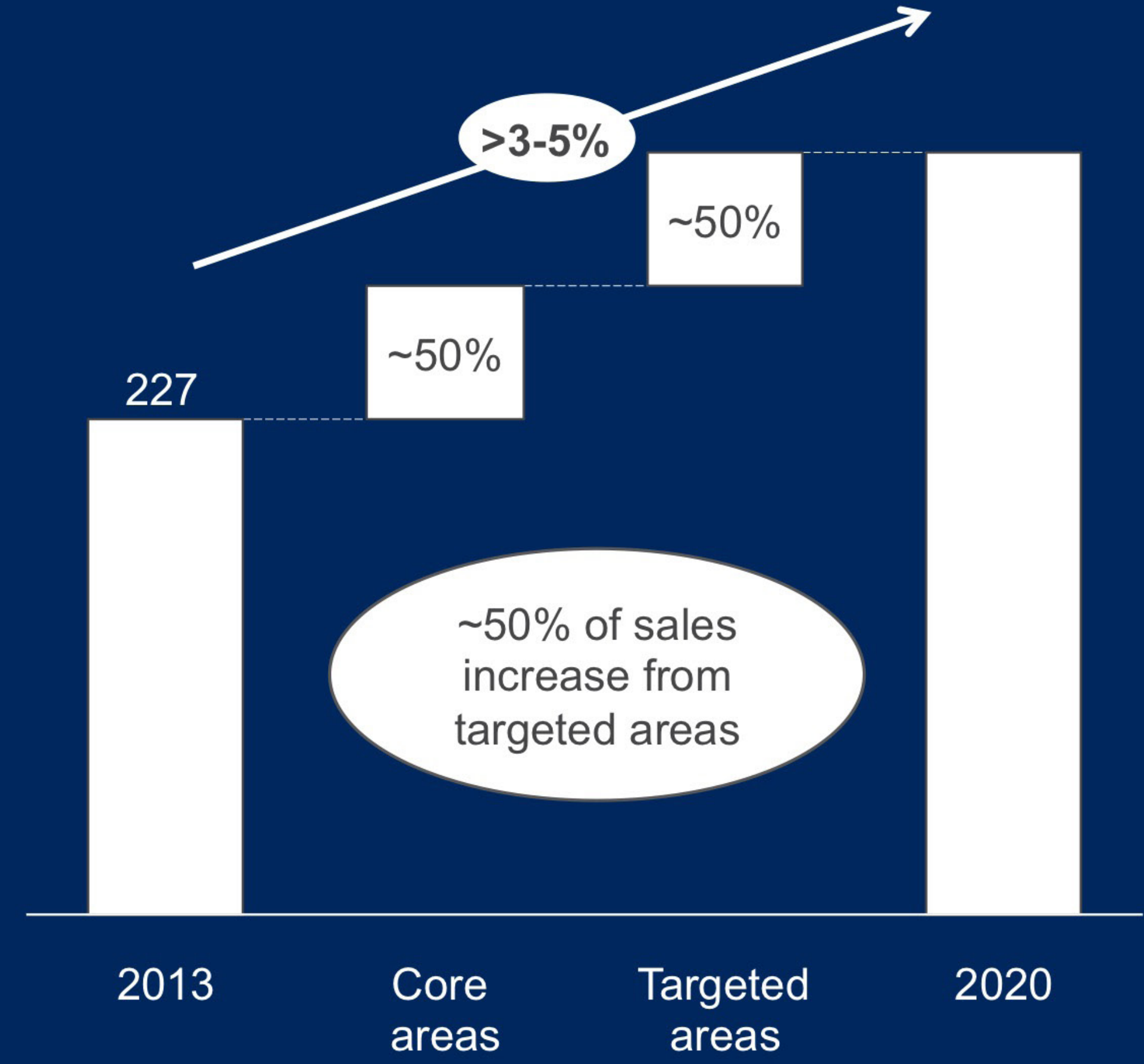
SEK b.

Net Sales – Targeted areas

Market growth ~10%



Net sales – Ericsson Group



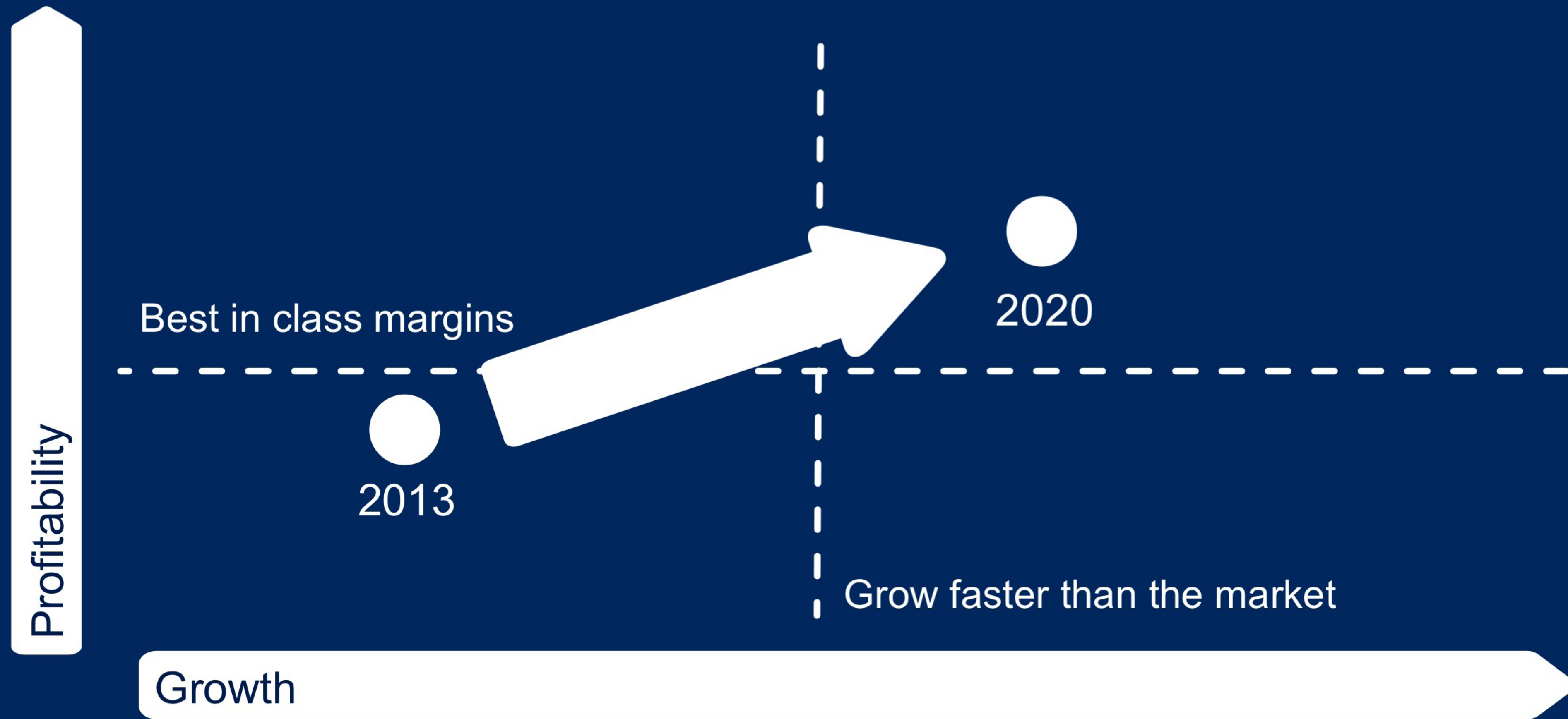
Outperform market growth in targeted areas

Grow faster than the market driven by targeted areas

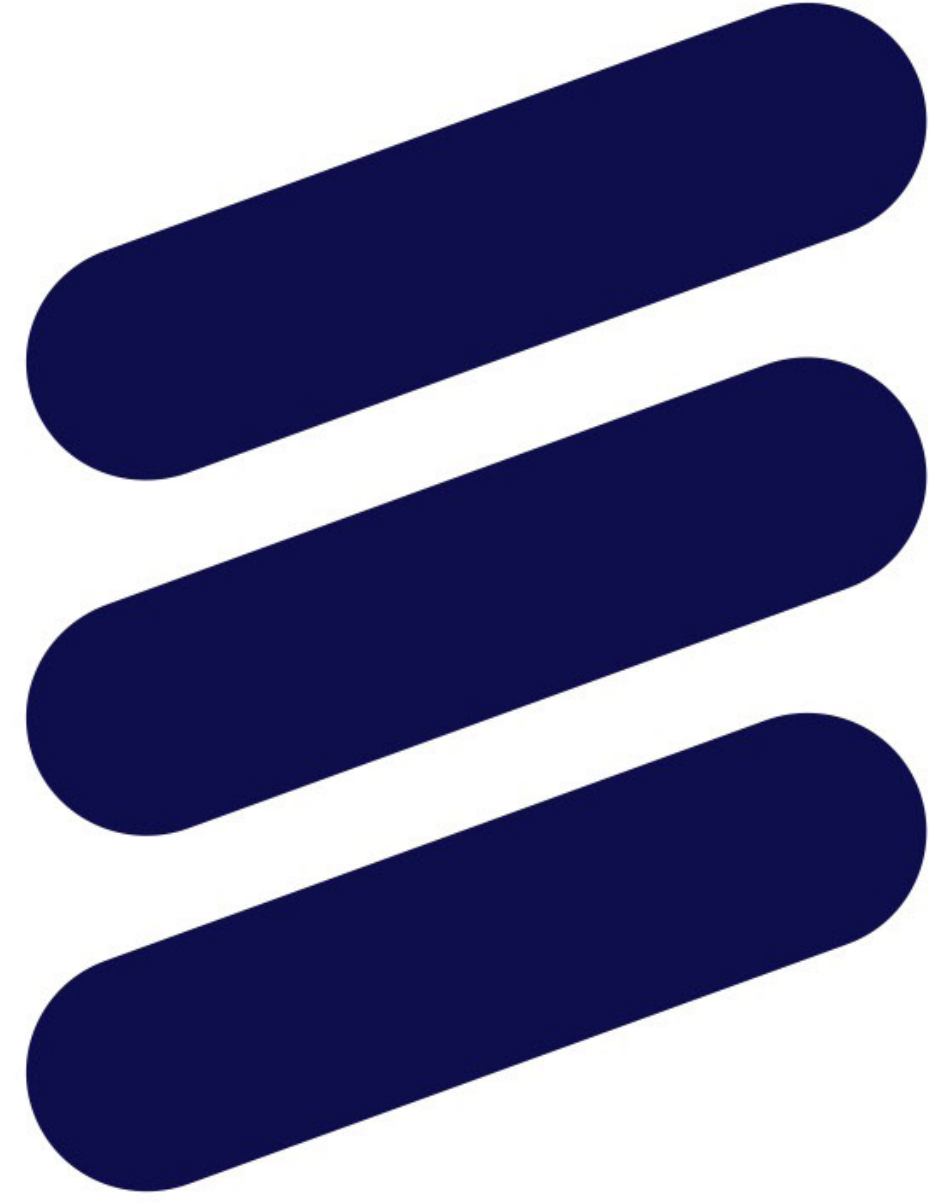
This slide contains forward-looking statements. Actual result may be materially different.

CREATING SHAREHOLDER VALUE

EXECUTIVE PERFORMANCE STOCK PLAN (LTV)



Strong operating cash flow development



ERICSSON



CAPITAL STRUCTURE

CFO, Jan Frykhammar

CAPITAL TARGETS OVERVIEW

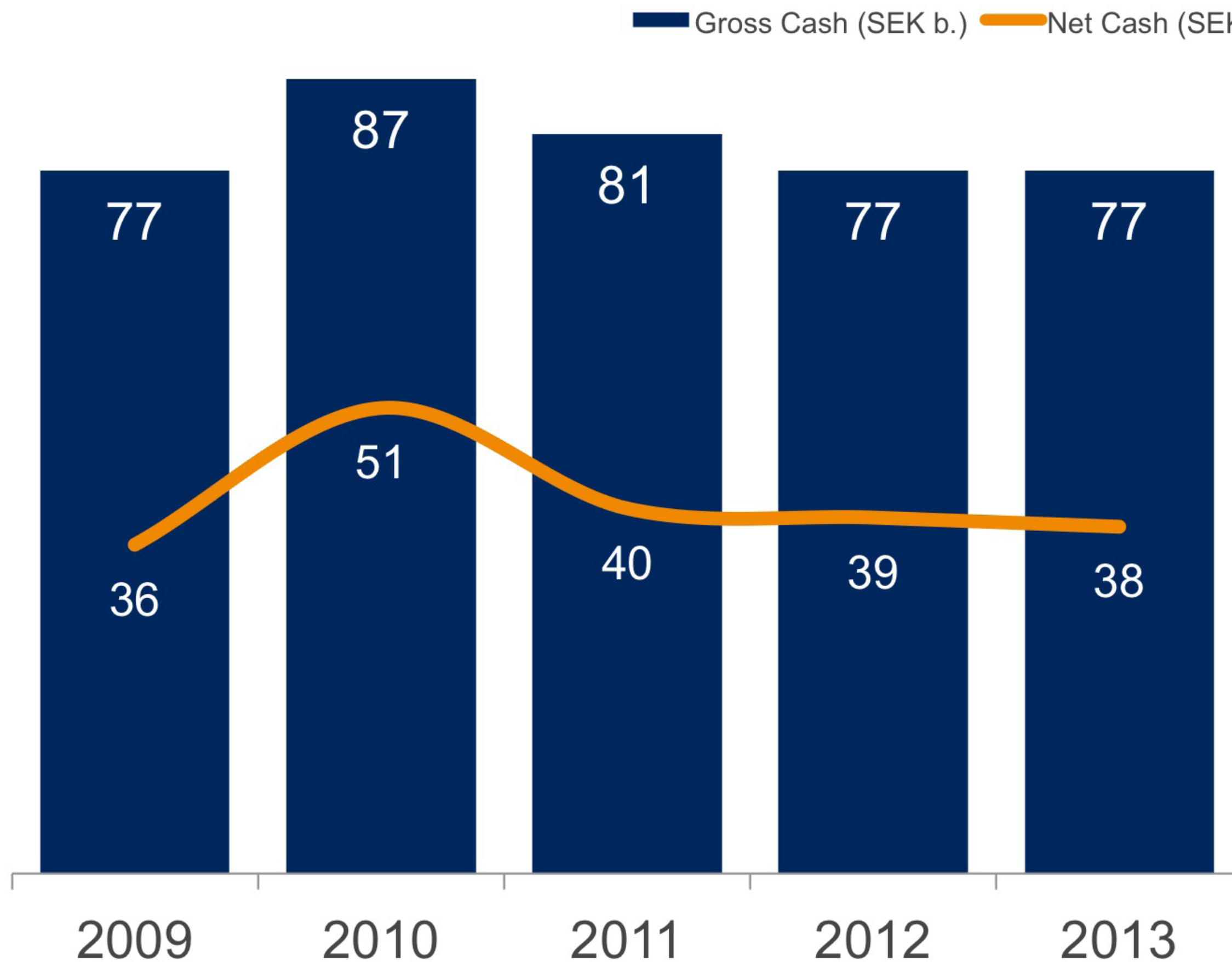


Metric	2012 Actual	2013 Actual	Sep 30 2014 Actual	Target
Equity ratio	50%	53%	52%	> 40%
Net Cash	SEK 39 b.	SEK 38 b.	SEK 29 b.	Positive
Investment grade rating	S&P: BBB+ Moody's: A3	S&P: BBB+ Moody's: A3	S&P: BBB+ Moody's: Baa1	Solid IG
Cash Conversion LTM*	116%	79%	93%	> 70%
Free cash flow before M&A LTM*	SEK 7 b.	SEK 3 b.	SEK 10 b.	Positive

*) LTM = Last twelve months

Strong financial position and stable outlook by both rating agencies

STRONG FINANCIAL POSITION GROSS AND NET CASH



Rationale:

- › Generating business
- › Securing financial flexibility
- › Investing in future growth and M&A
- › Supporting our rating

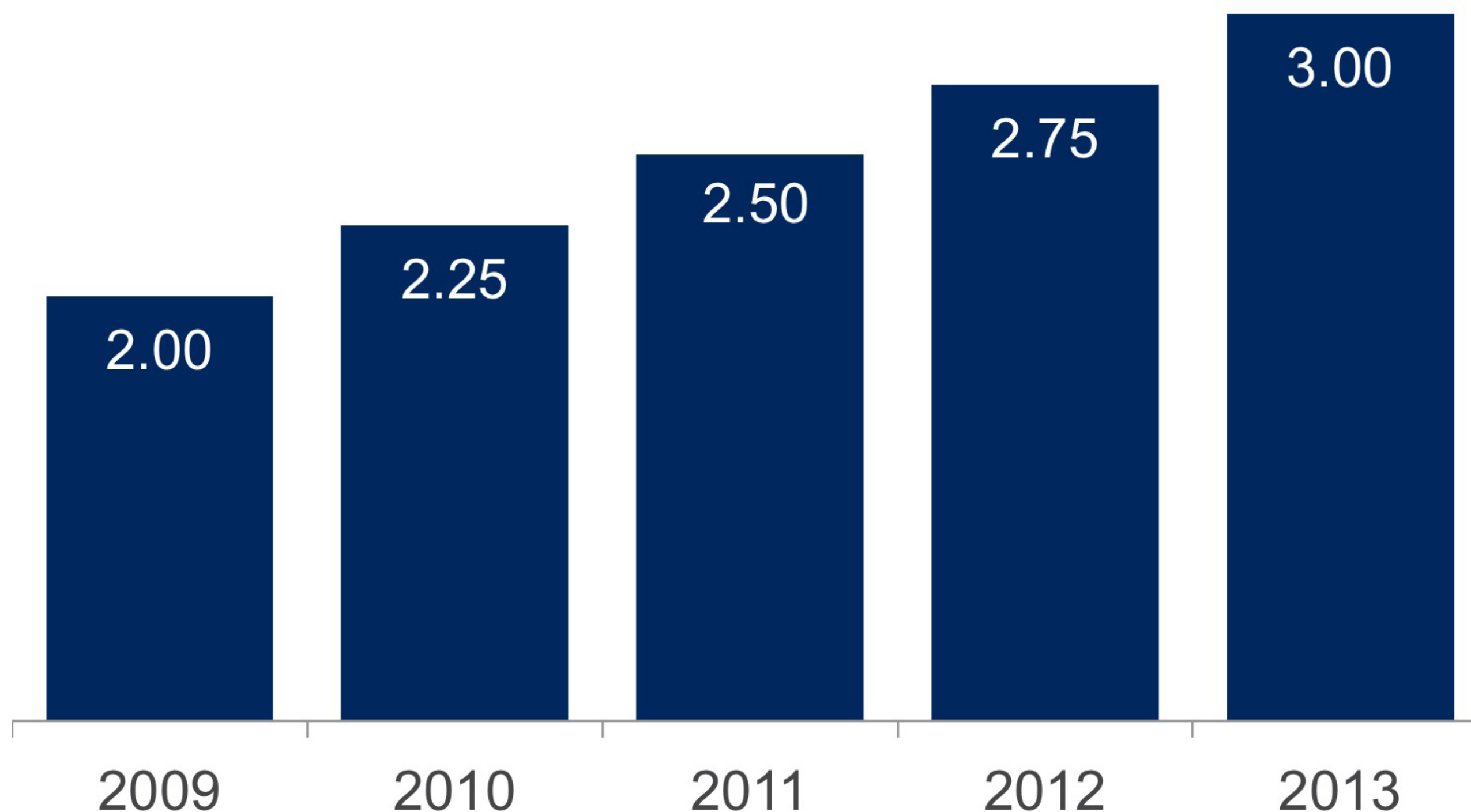
Net Cash: Cash and cash equivalents plus short-term investments less interest-bearing liabilities and post-employment benefits.

Our strong financial position has served us well

DIVIDEND DEVELOPMENT



Dividend (SEK/share)

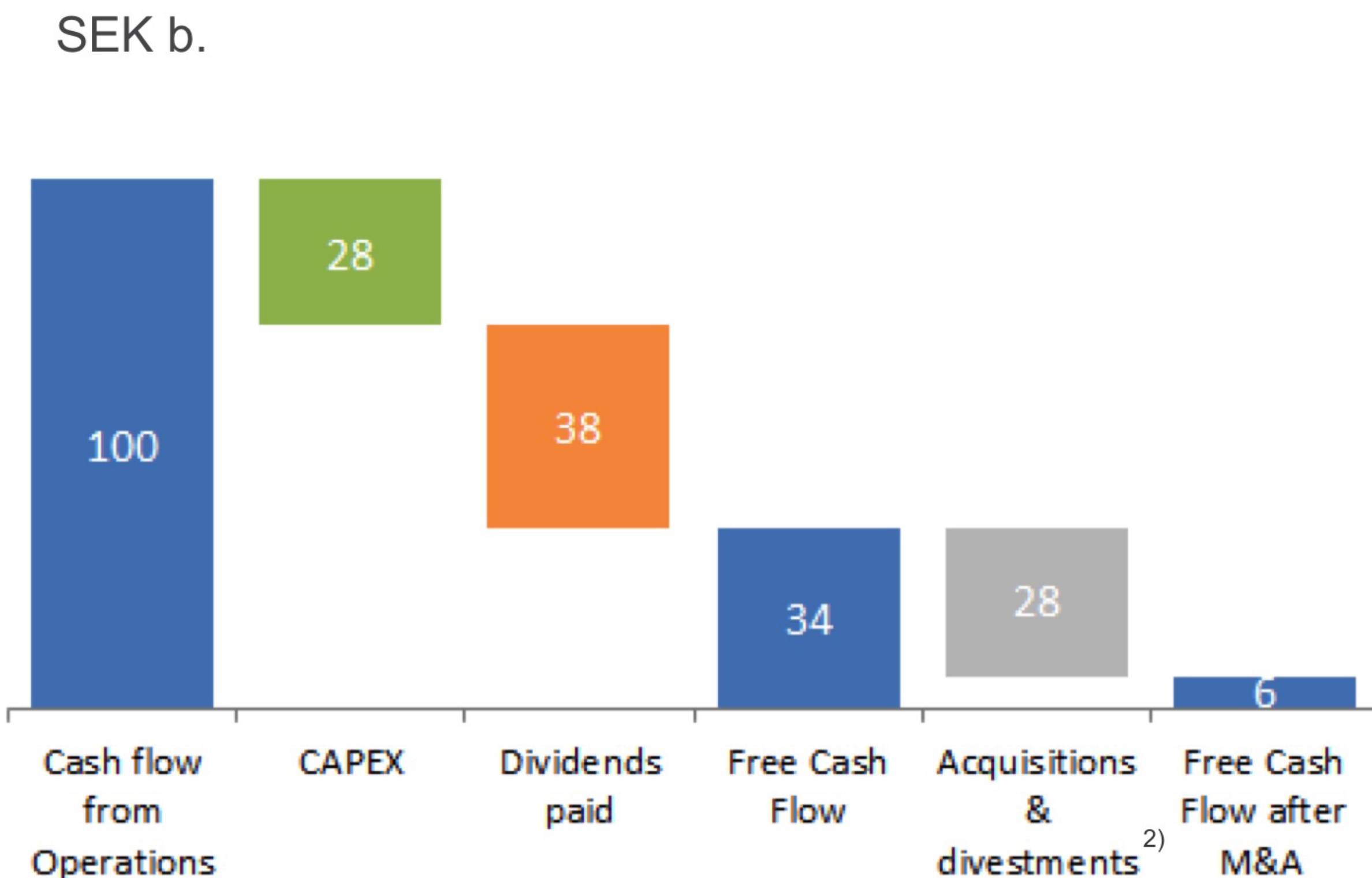


10% in average dividend growth during 2009-2013

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

No change to the policy – we continue to strive for yearly dividend growth

CASH USAGE 2009-2013



¹⁾ PP&E and Product development ²⁾ incl. other investing activities

2009-2013

CAPEX¹⁾ (net)

- › Approx. 2.5% of net sales per annum
- › Lean & agile R&D and ICT centers to reduce investments long term

Dividend

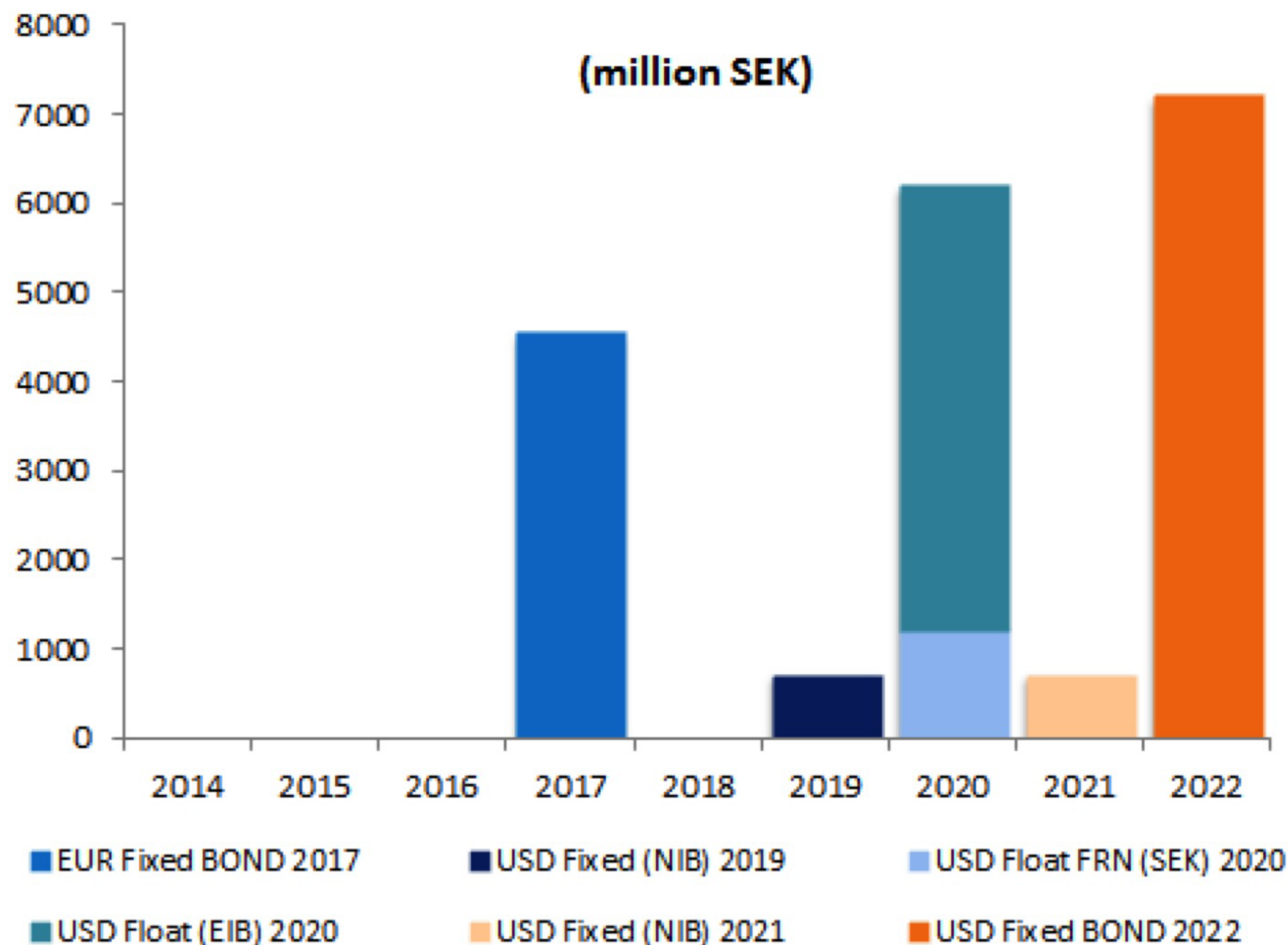
- › Dividend growth around 10%

Acquisitions & divestments

- › Selective M&A, on average SEK 5 b. per year

Positive free cash flow after M&A over last five years

DEBT MATURITY PROFILE



- › SEK 8 b. in debt repaid during 2014
- › Average maturity 6.0 years (4.9 years 12 months ago)
- › No maturities until 2017
- › S&P rate Ericsson liquidity as exceptional

Low leverage and diversified debt maturity profile with long duration

KEY TAKEAWAYS

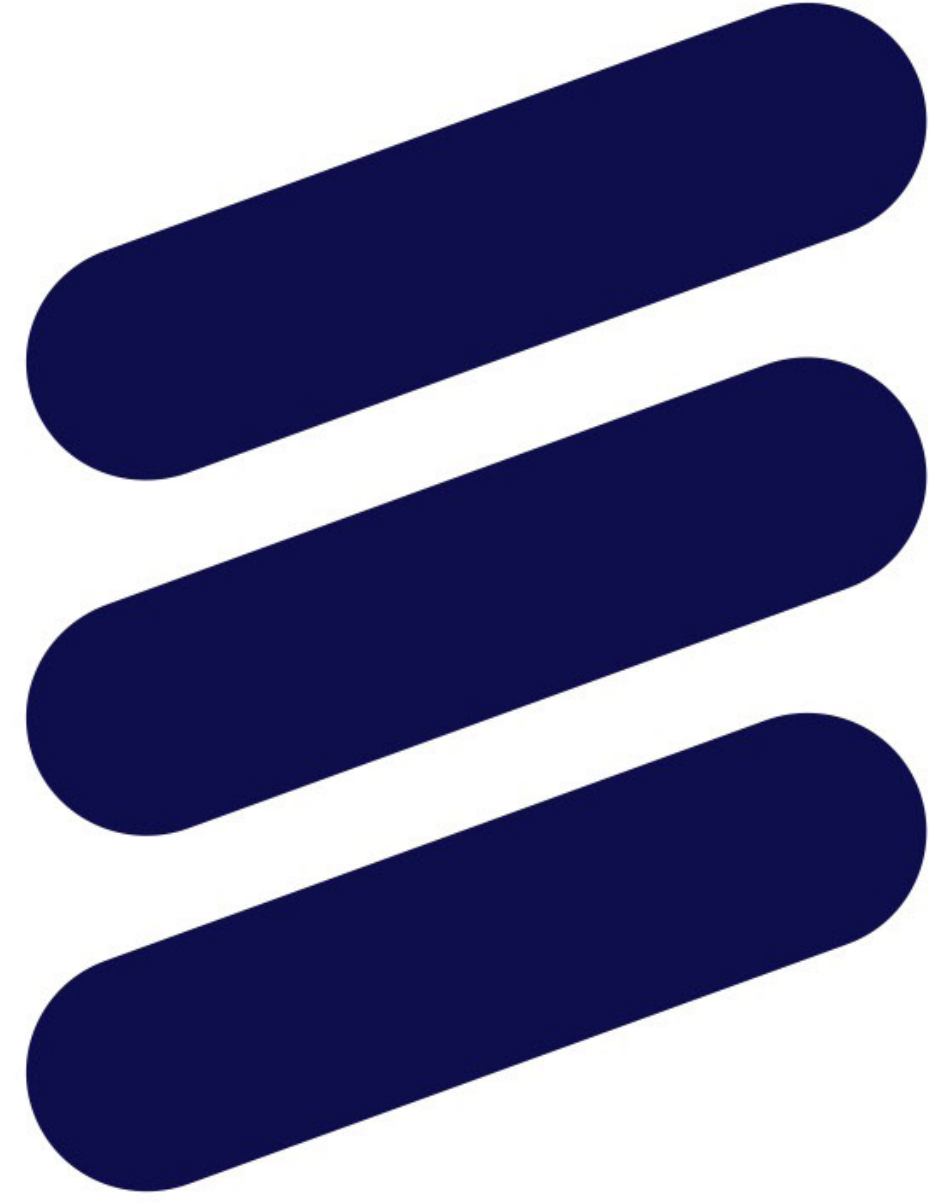


Targets and financial position

- › Maintain strong financial position to support growth in Targeted areas and the execution of our Networked Society Strategy
- › Headroom to increase leverage and still be within rating boundaries for a BBB+ company

Dividend and cash usage

- › Dividend policy unchanged
- › CAPEX to stay around 2.5% of net sales per annum but strive to reduce investments long term
- › Acquisitions to support execution of our strategy



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CLOSING

CEO, Hans Vestberg

SUMMARY



Grow faster than the market

- › Strong execution in core business areas
- › Establish leadership in targeted areas
- › Increase recurring revenues (software/services) and IPR sales

Best-in-class margins

- › Monetize the footprint and improve company operating leverage
- › Accelerate cost and efficiency improvements
- › Improve earnings in Network Rollout

Operating cash flow growth

- › Order-to-Cash, structural improvements to reduce cycle time
- › Industrialize, centralize and automate
- › Leverage less capital intensive business mix

GROWTH



> 3-5%

Grow faster than the market

> 10%

Outperform market growth
in targeted areas

PROFITABILITY

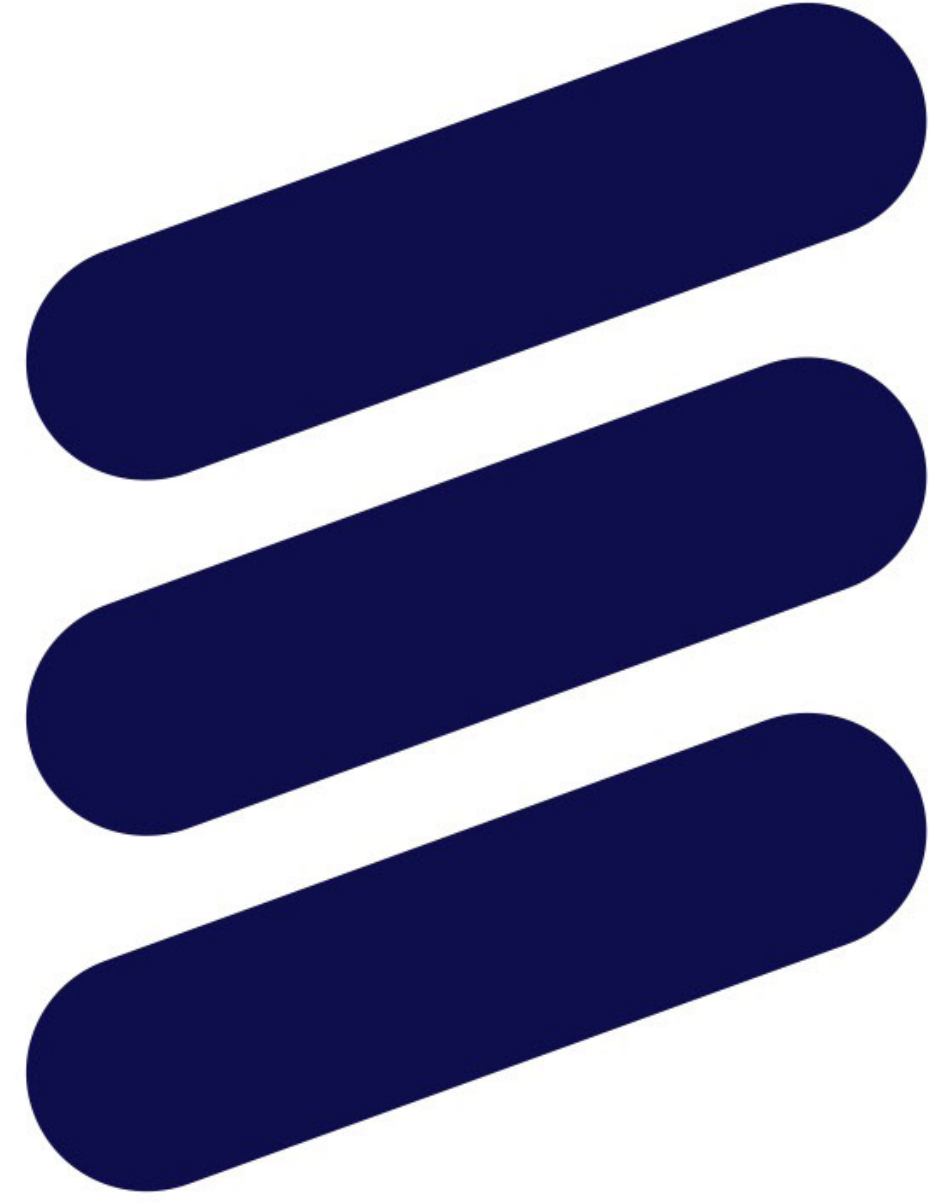


9b

SEK in total annual savings
from efficiency measures

4.5b

SEK in Opex savings
from efficiency measures



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