

Ericsson First quarter 2026

April 17, 2026

First quarter 2026



This presentation contains forward-looking statements. Such statements are based on our current expectations and are subject to risks and uncertainties that could materially affect our business and results. Please read our earnings reports and our most recent annual report for a better understanding of these risks and uncertainties and please see the last page in this presentation for further information about forward-looking statements. Any forward-looking statement made during this presentation speaks only as of the date of this presentation and Ericsson expressly disclaim a duty to provide updates to these forward-looking statements, and the estimates and assumptions associated with them.

Business Overview



Börje Ekholm
President and CEO

Key takeaways Q1 2026



- Q1 results reflect continued solid execution on operational and strategic priorities
- Organic¹ sales growth in all three segments
 - Strong market position and attractive portfolio driving customer demand
- Solid gross margin performance with broad-based contribution
 - Reduced dependence on geographic mix
 - Cloud Software and Services gross margin increased by 300 bps YoY
- Robust Group EBITA margins, despite currency headwinds
- Strong Q1 cash flow delivery
- Increased dividend and SEK 15 b. share buy back program approved

Organic¹ sales YoY:

6%

Adjusted² gross margin:

48.1%

Adjusted² EBITA margin:

11.3%

Solid strategy execution with strengthened foundations globally

¹ Sales adjusted for the impact of acquisitions and divestments and effects of foreign currency fluctuations.

² Excluding restructuring charges.

Financial Overview



Lars Sandström
Chief Financial Officer

Sales Development Q1 2026



Market area net sales (Q1 2026, SEK b.)		Organic growth (Q1 2026, YoY)	Networks	Cloud Software and Services	Enterprise	% of Q1-26 net sales
			67%	24%	8%	
Americas	17.1	-2%	↘	↗		35%
Europe, Middle East and Africa	14.3	10%	↗	↘		29%
South East Asia, Oceania and India	6.9	12%	↗	↗		14%
North East Asia	3.1	15%	↗	↗		6%
Other	7.9	12%	↗	↗	↗	16%
Total	49.3	6%	↗	↗	↗	100%

↗ Indicates direction of year-on-year organic sales development.

Financial update Q1 2026

Financial performance (adjusted)



SEK b.	Q1-26	Q1-25	YoY	Q4-25
Net sales	49.3	55.0	-10%	69.3
Organic sales growth			6%	
Gross income	23.7	26.7	-11%	33.2
Gross margin	48.1%	48.5%		48.0%
R&D expenses	-10.9	-12.0		-12.8
SG&A expenses	-7.4	-8.5		-8.7
Other op. income & expenses	0.0	0.0		0.4
EBIT	5.2	6.2		12.3
EBIT margin	10.6%	11.3%		17.7%
EBITA	5.6	6.9	-20%	12.7
EBITA margin	11.3%	12.6%		18.3%
Net Income ¹	0.9	4.2		8.6
Free cash flow before M&A	5.9	2.7		14.9

¹ Including restructuring charges.

Organic sales increased 6% YoY

- Organic sales growth in all three major segments
- SEK -7.8 b. currency impact

Adjusted gross margin 48.1%

- Improved margin in Cloud Software and Services
- Strong Networks margin
- Actions taken to enhance supply chain resilience

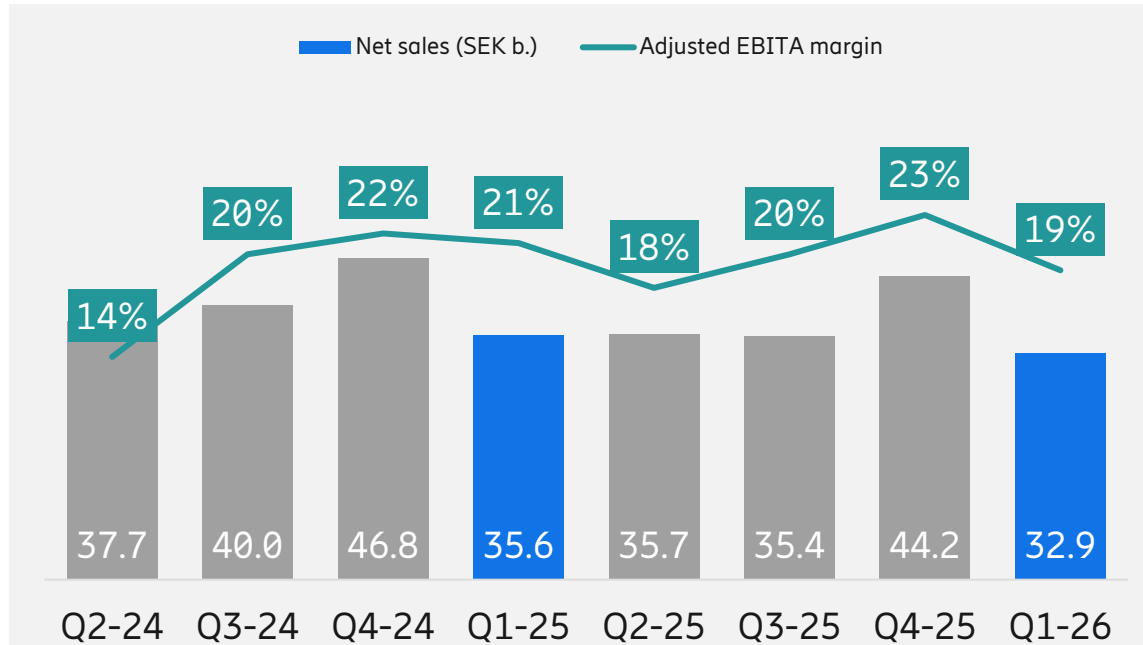
Adjusted EBITA margin 11.3%

- EBITA includes currency impact of SEK -2.2 b.
- OPEX decreased YoY due to a positive currency impact of SEK 1.7 b., with cost efficiencies mitigating inflationary pressure

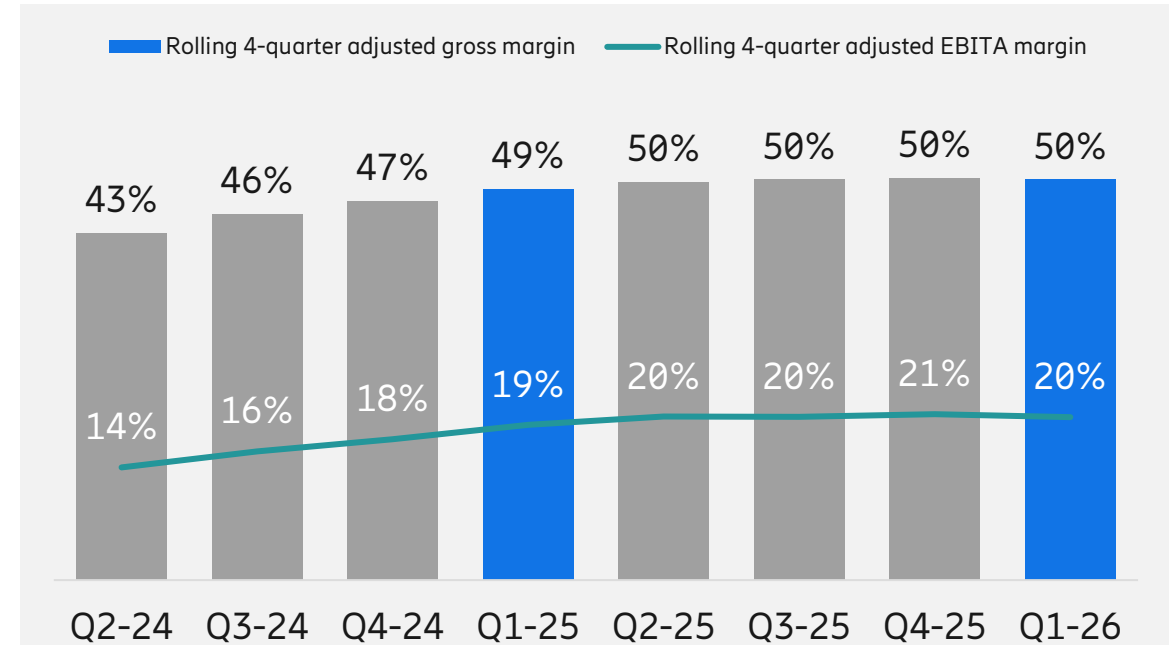
Free cash flow before M&A SEK 5.9 b.

- Strong earnings
- Reduced net operating assets

Segment Networks Q1 2026

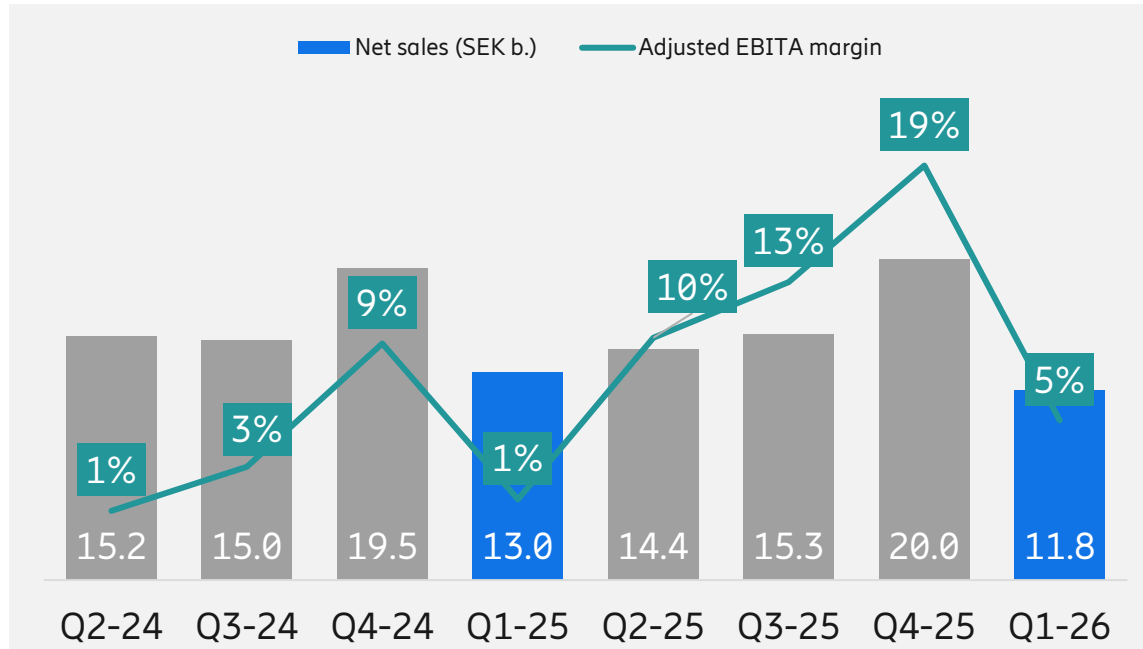


- 7% organic sales growth
- Adjusted gross margin 50.4% (51.0%) down slightly YoY, reflecting actions to enhance supply chain resilience
- Adjusted EBITA margin decreased to 19.3% (21.0%), reflecting lower gross margin, and FX impacts

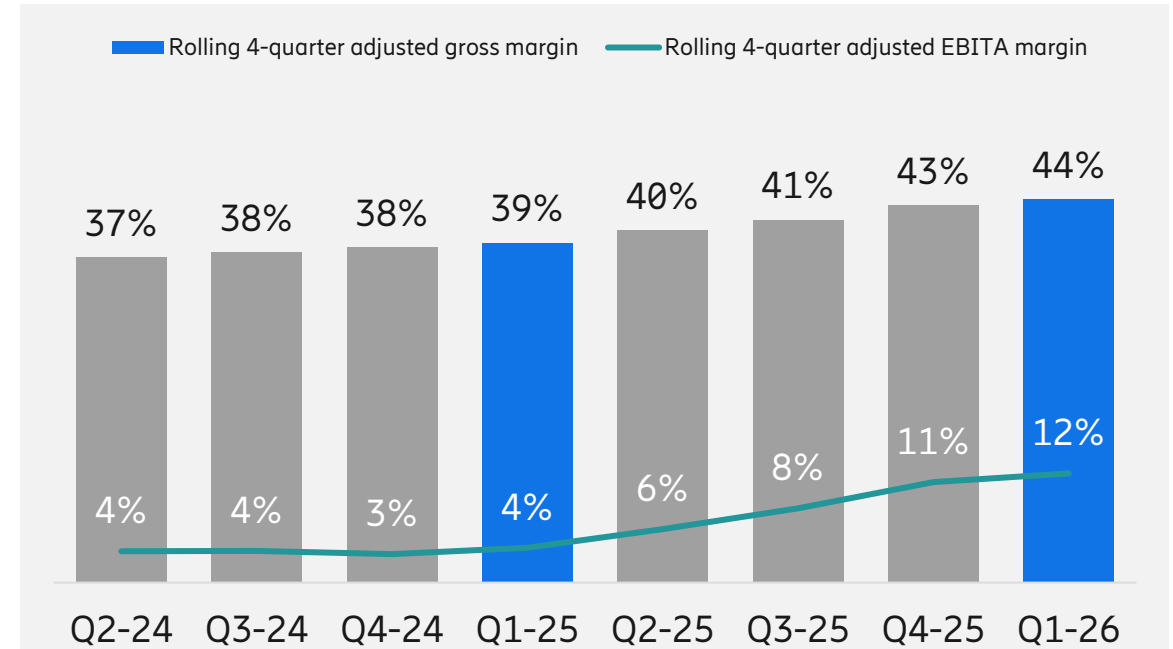


- Rolling 4-quarter adjusted gross margin of 49.9%
- Adjusted gross margin has stabilized at a new level
- Rolling 4-quarter adjusted EBITA margin of 20.3%

Segment Cloud Software and Services Q1 2026

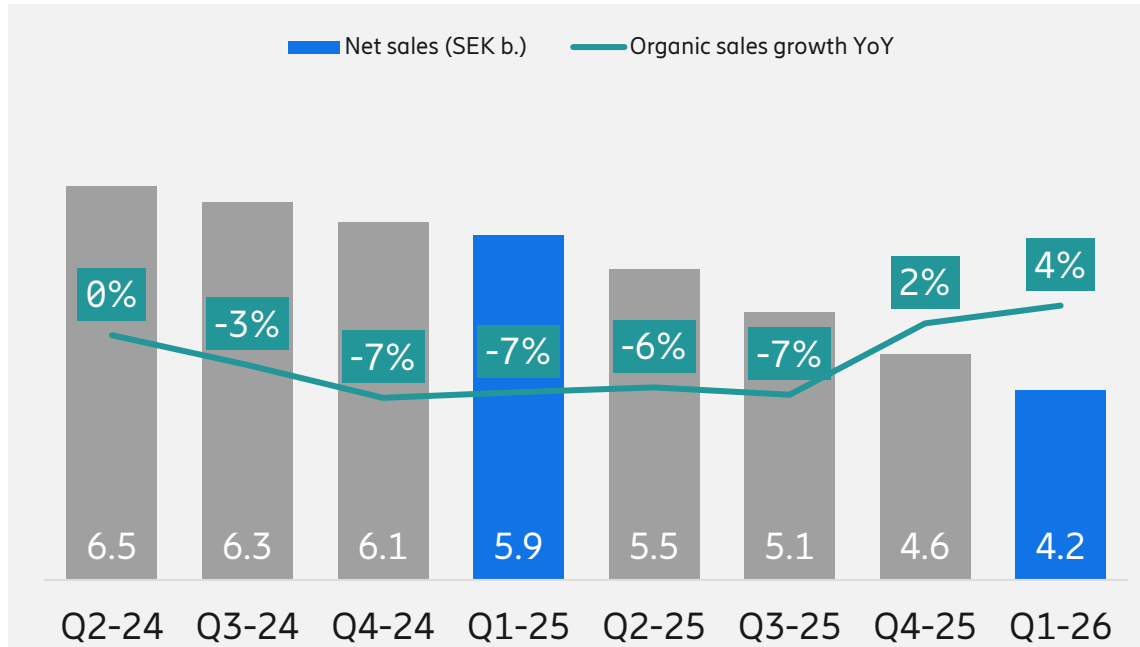


- 4% organic sales growth
- Growth in core network sales
- Adjusted gross margin of 43.2% (39.9%) benefited from improved delivery performance and product mix
- Adjusted EBITA margin increased to 5.3% (1.2%)



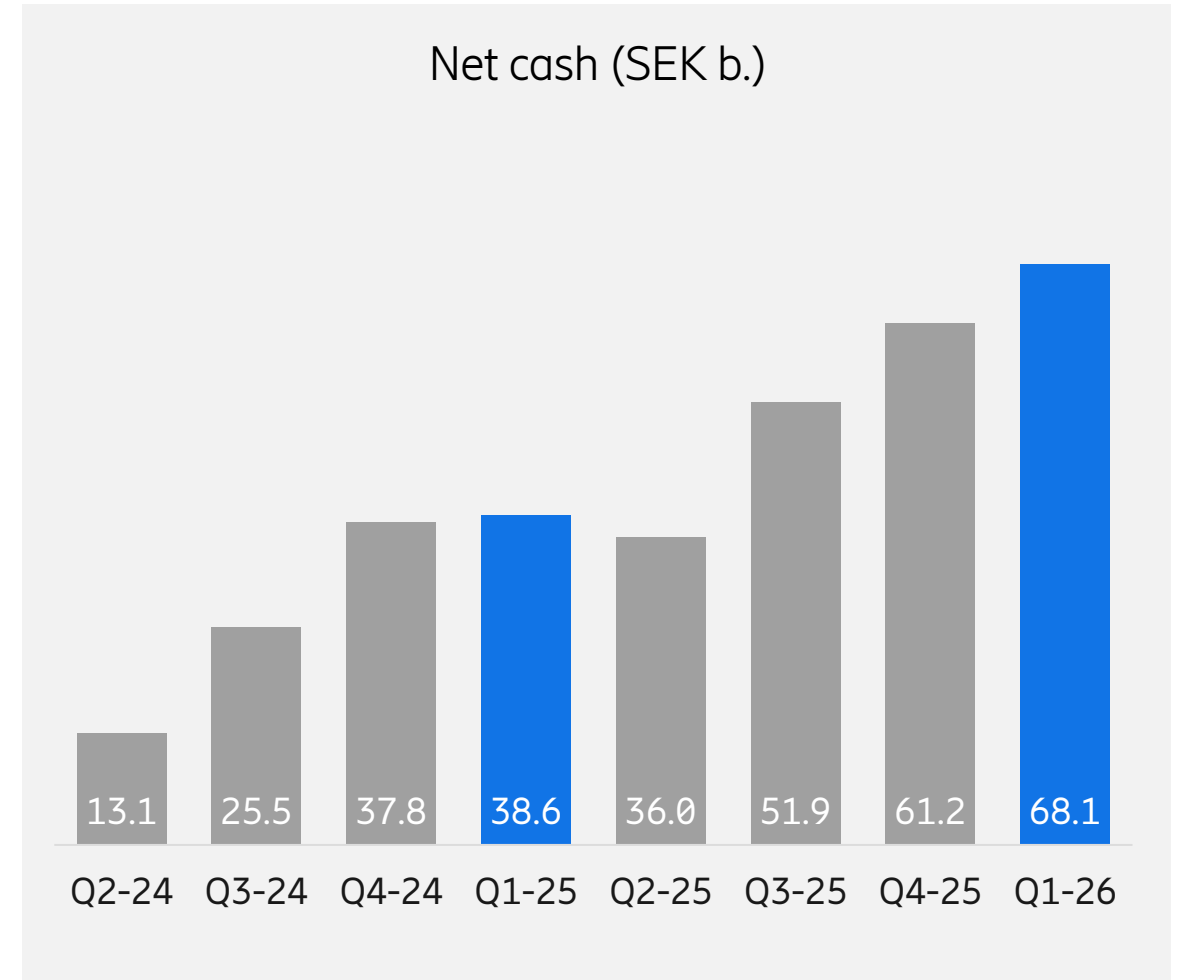
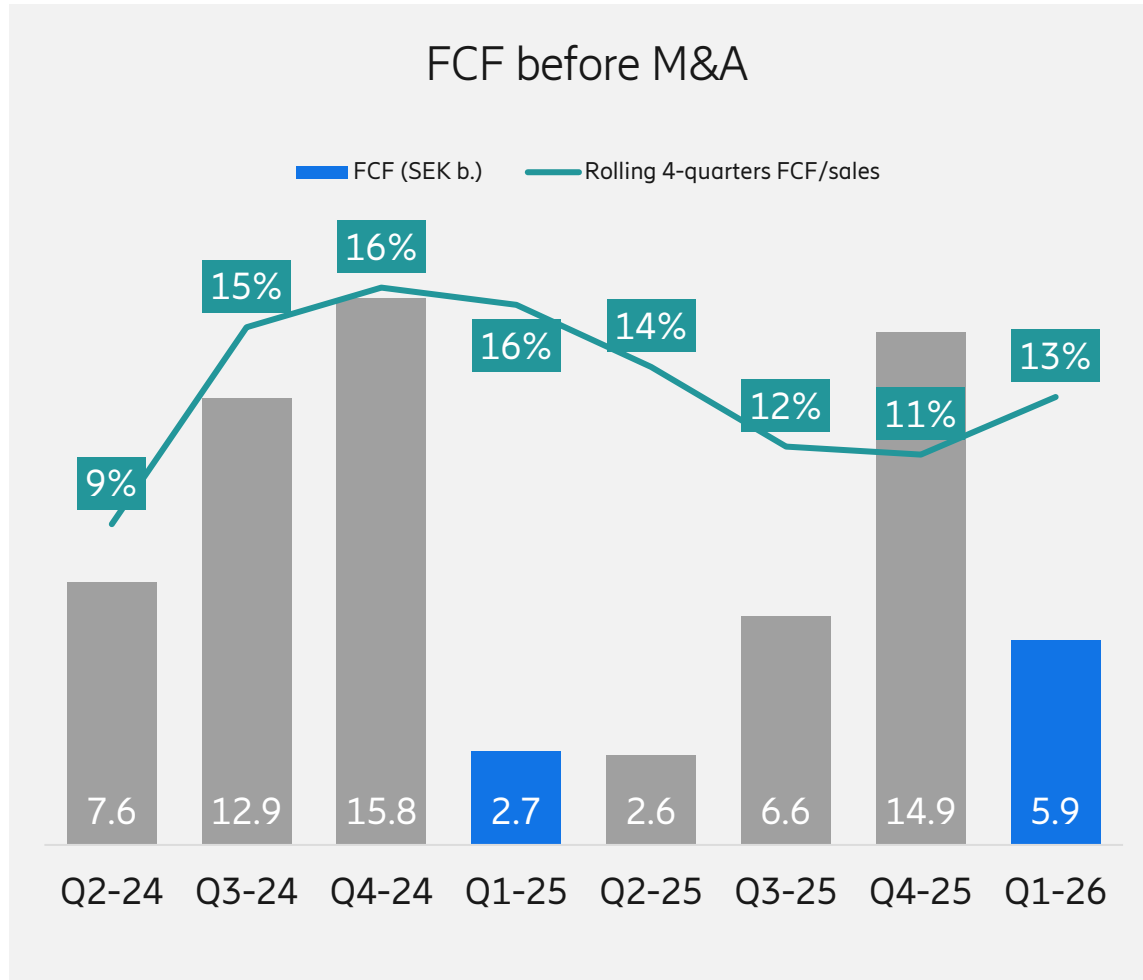
- Rolling 4-quarter adjusted gross margin of 43.7%
- Rolling 4-quarter adjusted EBITA margin of 12.4%
- Rolling 4-quarter adj. gross margin and adj. EBITA at new high levels

Segment Enterprise Q1 2026



- 4% organic sales growth, primarily driven by GCP
- Adjusted gross margin of 49.0% (56.2%), with decline driven by iconectiv divestment
- Adjusted EBITA declined by SEK -0.8 b. reflecting iconectiv divestment and SEK -0.3 b. of non-recurring costs

Cash flow and financial position Q1 2026



Outlook¹



Increased uncertainty remains in the outlook and in the broader macroeconomic and geopolitical environment.

Sales Networks	Sales growth in Q2 2026 is expected to be broadly similar to 3-year average seasonality
Sales Cloud Software and Services	Sales growth in Q2 2026 is expected to be above 3-year average seasonality
Adjusted gross margin Networks	Adjusted gross margin in Q2 2026 is expected to be in the range of 49% to 51%
Restructuring charges	Restructuring charges for 2026 are expected to be at elevated levels

¹ See key data points, page 8, first quarter report 2026. The Q2 outlook assumes currency rates of USD:SEK 9.2, EUR:SEK 10.8.

Closing Remarks



Börje Ekholm
President and CEO

Summary

- Q1 demonstrates strong execution of strategic priorities
 - Strengthening of foundations globally
 - Healthy margins in varying market conditions
- Resilient, diversified, supply chain to deliver consistently for our customers amidst geopolitical and macro uncertainty
- Looking ahead
 - Input costs increasing, in part driven by AI demand
 - Industry's best wireless networks for AI
 - Enable differentiated services and new monetization opportunities

Positioned for growth, with focus on EBITA¹ margin target of 15-18%

¹ Excluding restructuring charges.

Q&A



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Appendices

Appendix 1 – Ericsson Mobility Report, November 2025

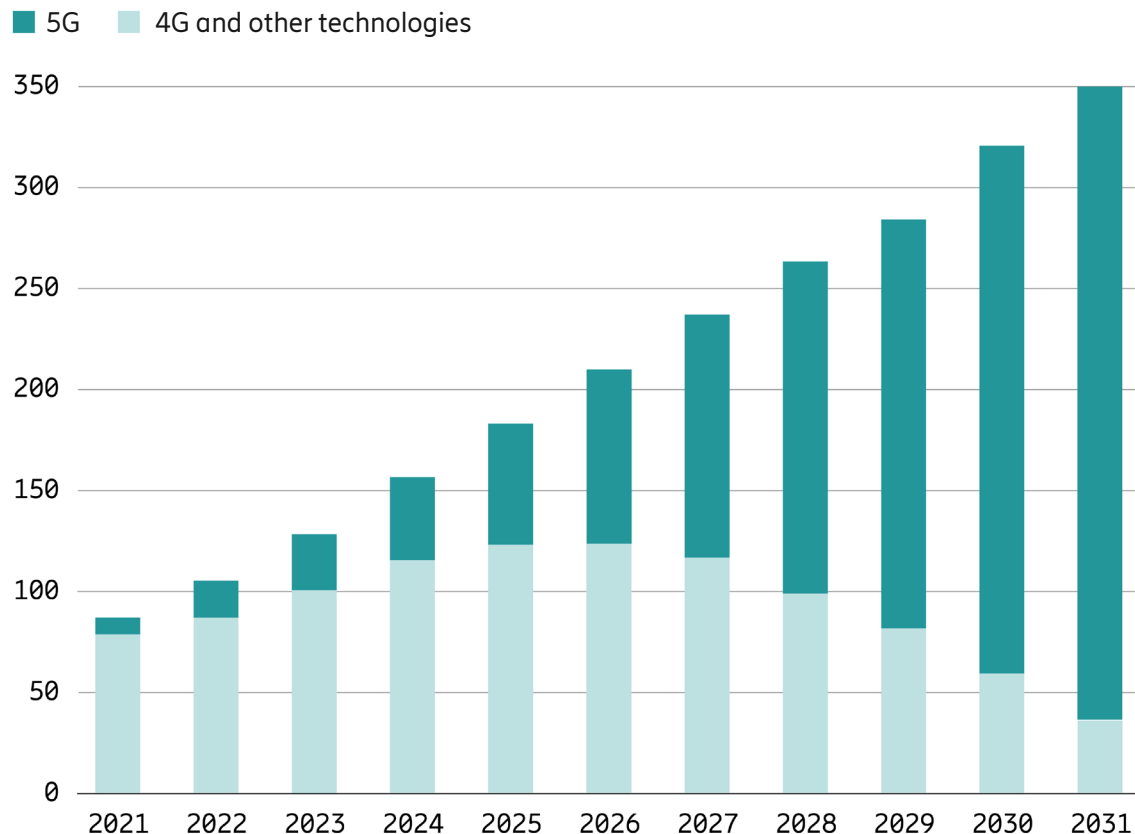
Appendix 2 – Ericsson licensing progress Q1 2026

Appendix 3 – More information

Appendix 1 – Ericsson Mobility Report, Nov 2025

Download the report [here](#)

FWA connections (millions)



350 million

FWA connections expected to grow from 185 million in 2025 to 350 million in 2031

70%

70% of service providers that have 5G FWA offer speed-based tariff plans

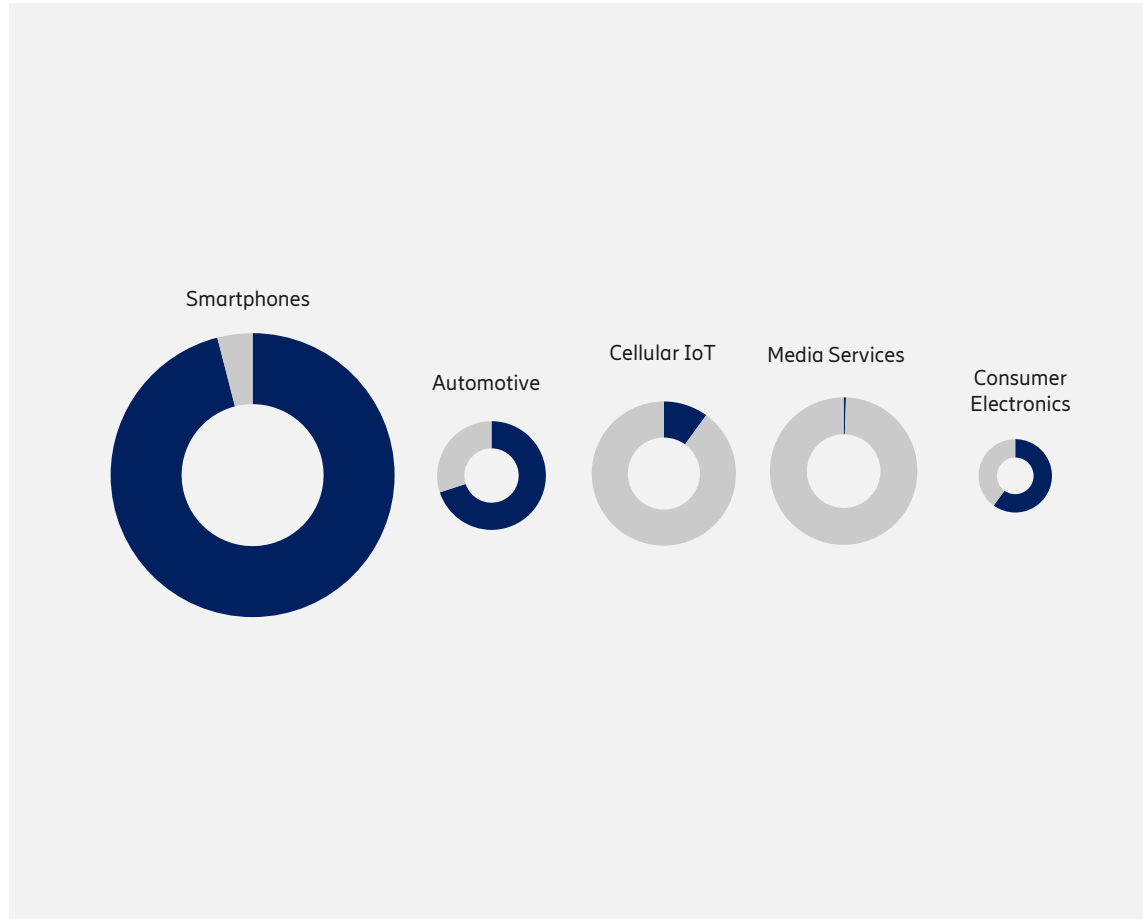
45%

5G mid-band coverage in the world (excl mainland China) expected to reach 45% at the end of 2025

6.4 billion

5G subscriptions are forecast to reach 6.4 billion by end of 2031

Appendix 2— Ericsson licensing progress Q1 2026



- Annual recurring IPR licensing revenue of approximately SEK 13 b. at end of Q1 2026
- Most major smartphone vendors now licensed for 5G
- Concluded licenses with 7 Chinese auto OEMs (via Avanci licensing platform)
- IPR licensing revenue growth opportunities remain

Appendix 3 – More information

Latest Event



[Annual General Meeting 2026](#)

Telefonaktiebolaget LM Ericsson's Annual General Meeting (AGM) 2026 was held on Tuesday, March 31, 2026

Latest Information



[First quarter report 2026](#)

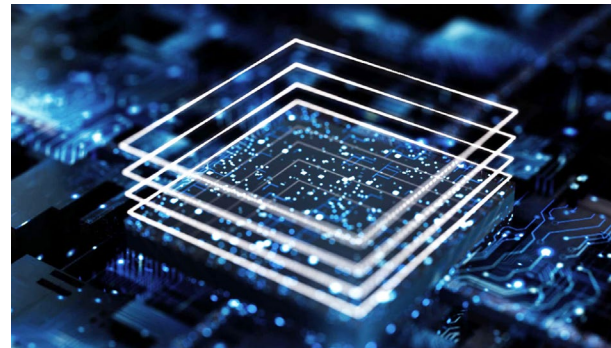
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[Q1 results 2026](#)

[Financial Tables](#)

[CEO and CFO presentation](#)

[Webcast](#)



[Annual Report 2025](#)

The Ericsson Annual Report 2025 was published on March 4, 2026



[Ericsson Investor Relations homepage](#)

Forward-looking statements



This report includes forward-looking statements. All statements other than statements of historical fact are forward-looking statements. The words “believe,” “expect,” “foresee,” “anticipate,” “assume,” “intend,” “likely,” “projects,” “may,” “could,” “plan,” “estimate,” “forecast,” “will,” “should,” “would,” “predict,” “aim,” “ambition,” “seek,” “potential,” “target,” “might,” “continue,” or, in each case, their negative or variations, and similar words or expressions are used to identify forward-looking statements. These statements are subject to risks and uncertainties that could cause actual results to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking statements, including, in particular the following:

- Potential material additional liability resulting from past conduct, including allegations of past conduct that remains unresolved or unknown in multiple jurisdictions, including Iraq, which remains the subject of ongoing investigations by Ericsson and US governmental authorities
- Risks related to internal controls and governance, including the potential to incur material liability in connection with internal controls surrounding payments made to third parties in connection with past conduct in multiple jurisdictions, including Iraq, which remains the subject of ongoing investigations by Ericsson and US governmental authorities
- The risk that the ongoing investigations by Ericsson and US governmental authorities result in a conclusion by Ericsson or US governmental authorities that the Company’s past conduct included making or having responsibility for making payments to a terrorist organization or other improper payments, which could lead to material additional liability
- Risks related to the Company’s ongoing compliance with obligations under the National Security Agreement entered into in connection with Ericsson’s acquisition of Vonage Holdings Corp. (Vonage), which may adversely affect the Vonage business and subject the Company to additional liabilities
- Ericsson’s goals, strategies, planning assumptions and operational or financial performance expectations
- Macroeconomic conditions, including inflationary pressures and effects on customer investments, market recovery and growth
- Ongoing geopolitical and trade uncertainty, including challenging global economic conditions, market trends and the imposition of tariffs and sanctions
- Continued growth of mobile communications, the success of Ericsson’s existing and targeted customer base, and Ericsson’s ability to maintain technology leadership
- Success in implementing key strategies, including improving profitability, leading in 6G, capturing 5G market opportunities, capitalizing on network API and Enterprise opportunities, incorporation of AI technologies into certain products, services and processes, and expected benefits from restructuring activities
- Risks related to cybersecurity and privacy, security and data localization
- Industry trends, future characteristics and development of the markets in which Ericsson operates
- Risks of global operations, including legal and regulatory requirements and uncertainties, and unfavorable lawsuits and legal proceedings
- Ericsson’s future liquidity, capital resources, capital expenditures, cost savings and profitability, and risks related to financial condition
- The expected demand for Ericsson’s existing and new products and services as well as plans to launch new products and services, including research and development expenditures
- Ericsson’s ability to deliver on future plans and achieve future growth
- The expected operational or financial performance of strategic cooperation activities and joint ventures
- Risks related to acquisitions and divestments that may be disruptive and incur significant expenses, including Ericsson’s ability to successfully consummate such transactions, protect the value of acquisitions during integration, or achieve the value anticipated with an acquisition
- Trends related to Ericsson’s industry, including Ericsson’s regulatory environment, competition and customer structure
- Intense competition from existing competitors, and new entrants, including vendor consolidation
- Risks related to the supply chain and single-source or highly concentrated third-party suppliers
- Large, multi-year agreements with limited number of key customers, and operator consolidation
- Risks related to intellectual property, key employees, and unforeseen risks and disruptions due to natural or man-made events
- Risks related to environmental, social, governance, diversity, equity and inclusion and business conduct
- Other factors included in Ericsson’s filings with the US Securities and Exchange Commission (SEC), including the factors described throughout this report, included in the section Risk factors, and in “Risk Factors” in the Annual Report 2025, as updated by subsequent reports filed with the SEC.

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