Ericsson Second quarter 2026

July 14, 2026

Second 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 Q2 2026

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- Solid execution with strong margin delivery
- Organic sales declined by -1%
  - Growth excluding Q2 2025 IPR one-off revenue
- Strong gross margin performance with broad-based contribution
- EBITA margin stable year on year
- Strong strategic and operational position
  - Strengthening technology leadership
  - Attractively positioned portfolio

Organic[1] sales YoY
-1%

Adjusted[2] gross margin
48.4%

Adjusted[2] EBITA margin
13.1%

Well positioned to capture future opportunities

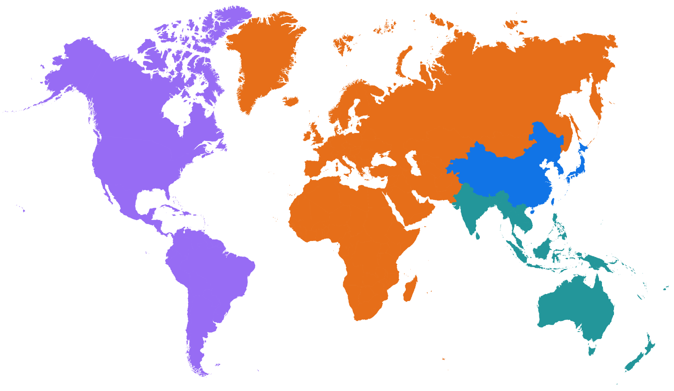
1) Sales adjusted for the impact of acquisitions and divestments and effects of foreign currency fluctuations.
2) Excluding restructuring charges.

Financial Overview

Lars Sandström
Chief Financial Officer

Sales Development Q2 2026

Market area	Net sales SEK billion	Organic growth YoY	Networks	Cloud Software and Services	Enterprise	% of Q2-26 net sales
Americas	18.8	-1%	↘	↗		36%
Europe, Middle East and Africa	16.3	2%	↘	↗		31%
South East Asia, Oceania and India	5.4	4%	↗	↗		10%
North East Asia	3.7	8%	↗	↗		7%
Other	8.5	-12%	↘	↘	↗	16%
Total	**52.7**	**-1%**	↘	↗	↗	
% of Q2-26 net sales			63%	28%	9%	100%



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

Financial update Q2 2026

Financial performance (adjusted)

SEK billion	Q2 2026	Q2 2025	YoY Change	Q1 2026
Net sales	**52.7**	**56.1**	-6%	**49.3**
Organic sales growth			*-1%*	
Gross income	**25.5**	**27.0**	-5%	**23.7**
Gross margin	48.4%	48.0%		48.1%
R&D expenses	-11.4	-11.9		-10.9
SG&A expenses	-7.6	-8.1		-7.4
Other op. income and expenses	0.1	0.1		0.0
EBIT	**6.5**	**7.0**		**5.2**
EBIT margin	12.4%	12.6%		10.6%
EBITA	**6.9**	**7.4**	-7%	**5.6**
EBITA margin	13.1%	13.2%		11.3%
Net income[1)]	**4.1**	**4.6**		**0.9**
Free cash flow before M&A	0.4	2.6		5.9

[1)] Including restructuring charges.

Organic sales decreased -1% YoY
- Growth in Cloud Software and Services and Enterprise
- Networks impacted by prior year IPR one-off
- SEK -1.8 b. currency impact

Adjusted gross margin 48.4%
- Margins expanding slightly YoY
- Improved margins in Networks and Cloud Software and Services

Adjusted EBITA margin 13.1%
- OPEX decreased YoY, driven by cost reductions, currency, and the divestment of iconectiv
- EBITA included currency impact of SEK -0.6 b.

Free cash flow before M&A SEK 0.4 b.
- Decline YoY mainly reflecting lower result and higher inventories due to planned Q3 deliveries

Segment Networks Q2 2026

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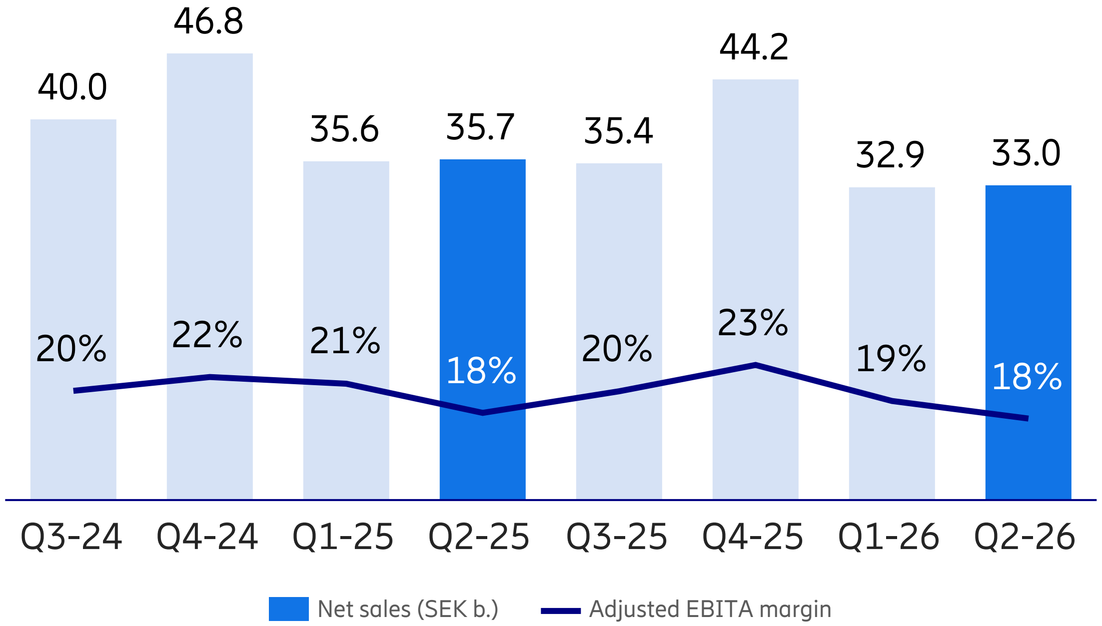
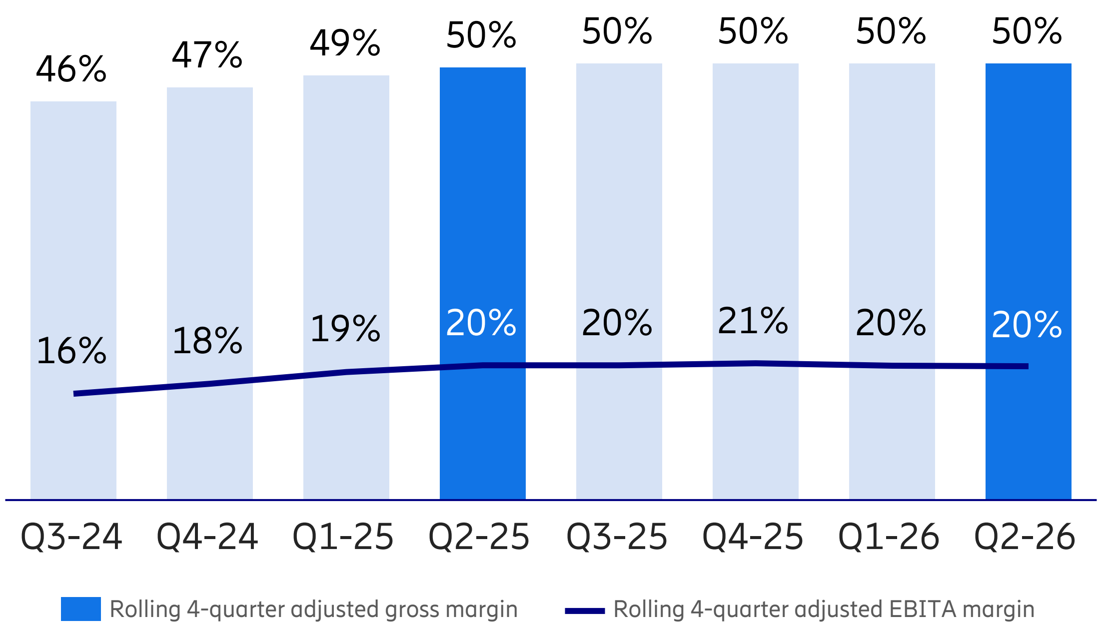
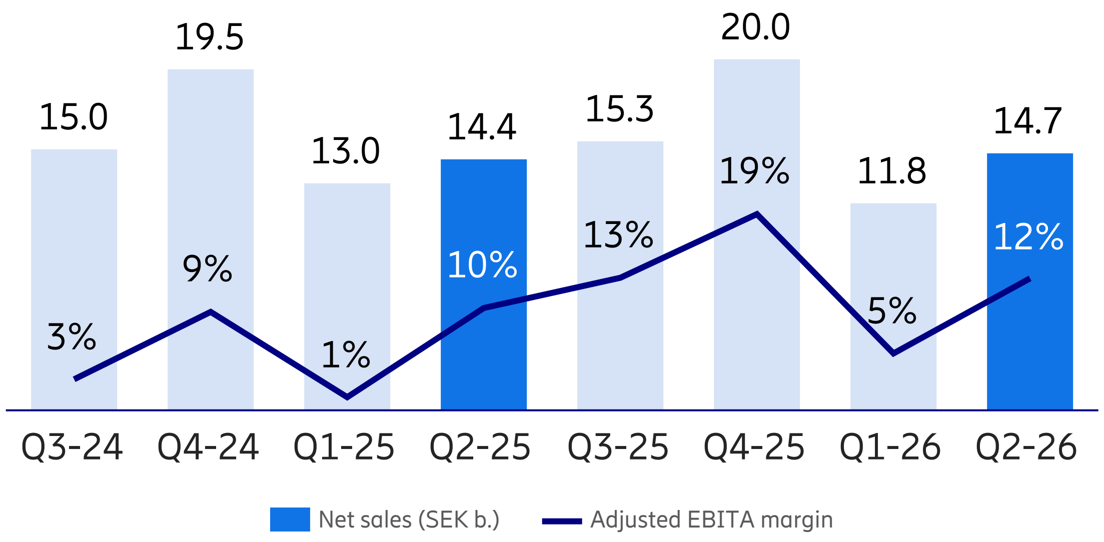


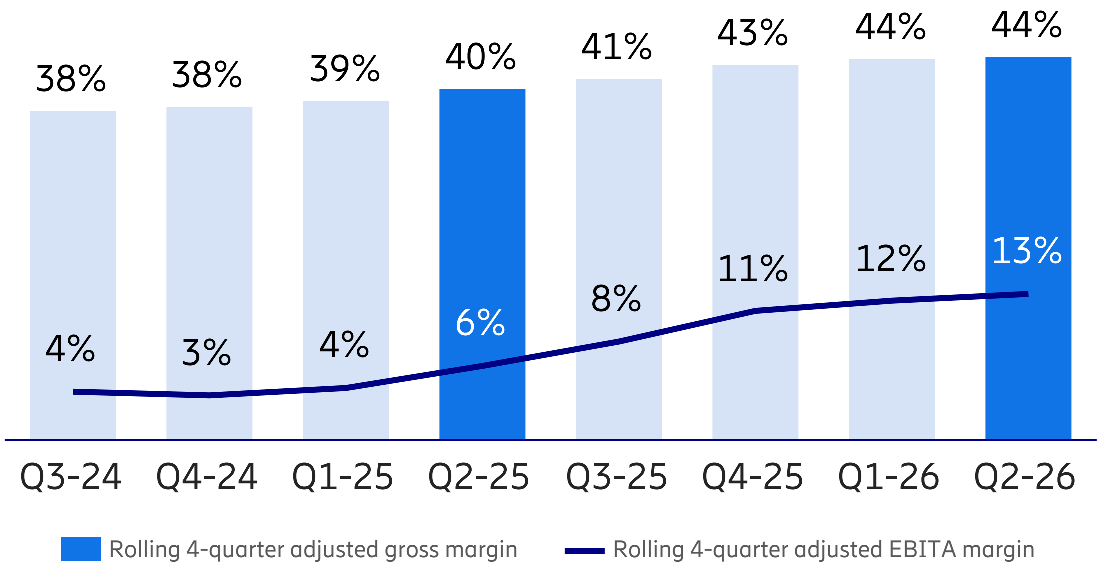


- -4% organic sales decline
- Adjusted gross margin 50.4% (49.5%) increased YoY, reflecting favorable product mix and cost reductions
- Adjusted EBITA margin 17.7% (18.2%), YoY decline mainly due to IPR one-off in Q2 last year

- Rolling 4-quarter adjusted gross margin of 50.1%
- Rolling 4-quarter adjusted EBITA margin of 20.2%

Segment Cloud Software and Services Q2 2026

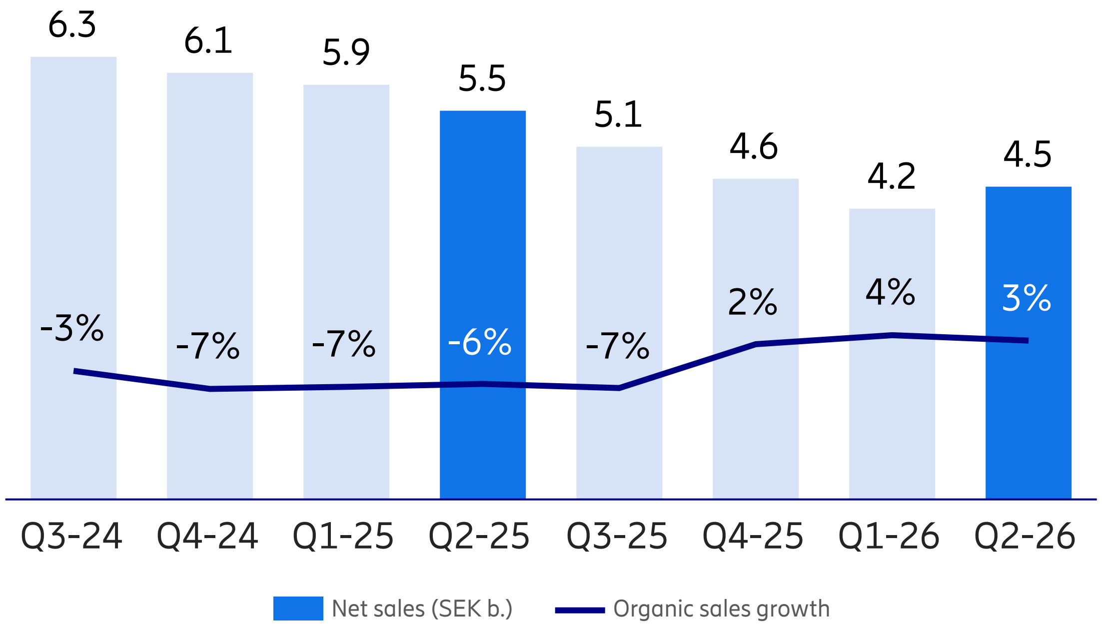




- 5% organic sales growth
- Growth in all market areas
- Adjusted gross margin of 44.1% (43.2%) benefited from improved delivery performance
- Adjusted EBITA margin increased to 12.4% (9.6%)

- Rolling 4-quarter adjusted gross margin of 43.9%
- Rolling 4-quarter adjusted EBITA margin of 13.1%
- Rolling 4-quarter adj. EBITA at new high level

Segment Enterprise Q2 2026



- 3% organic sales growth
- Adjusted gross margin of 50.9% (54.9%), with decline driven by iconectiv divestment and product mix
- Adjusted EBITA declined to SEK -0.8 b. reflecting iconectiv divestment, but improved sequentially

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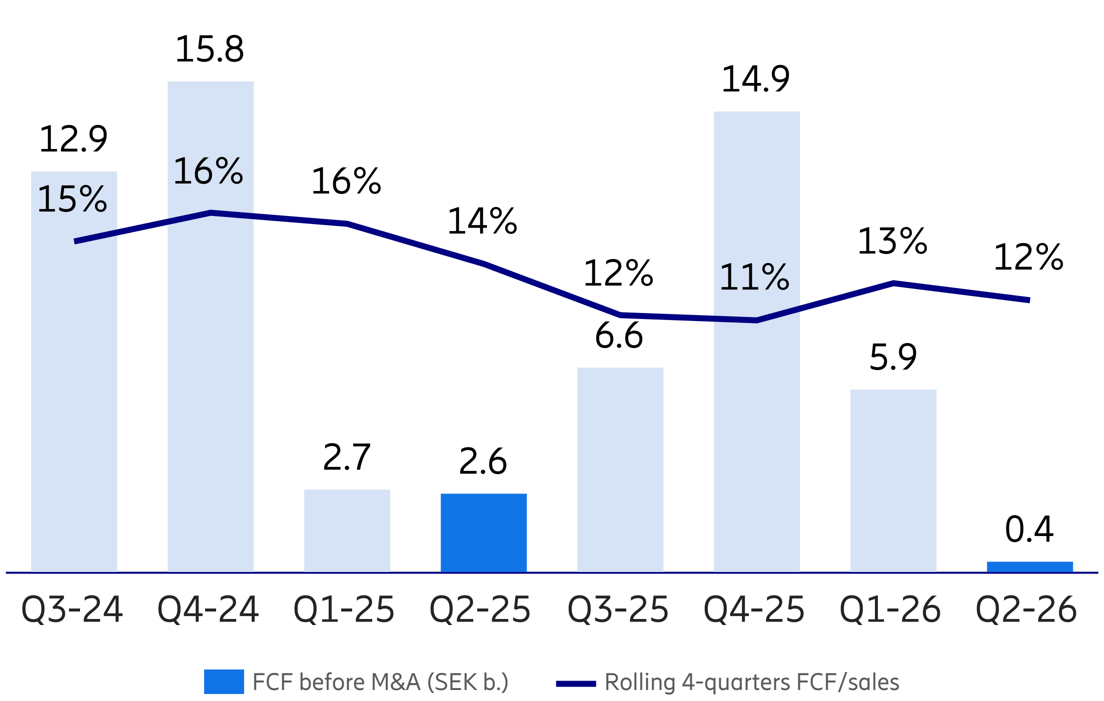
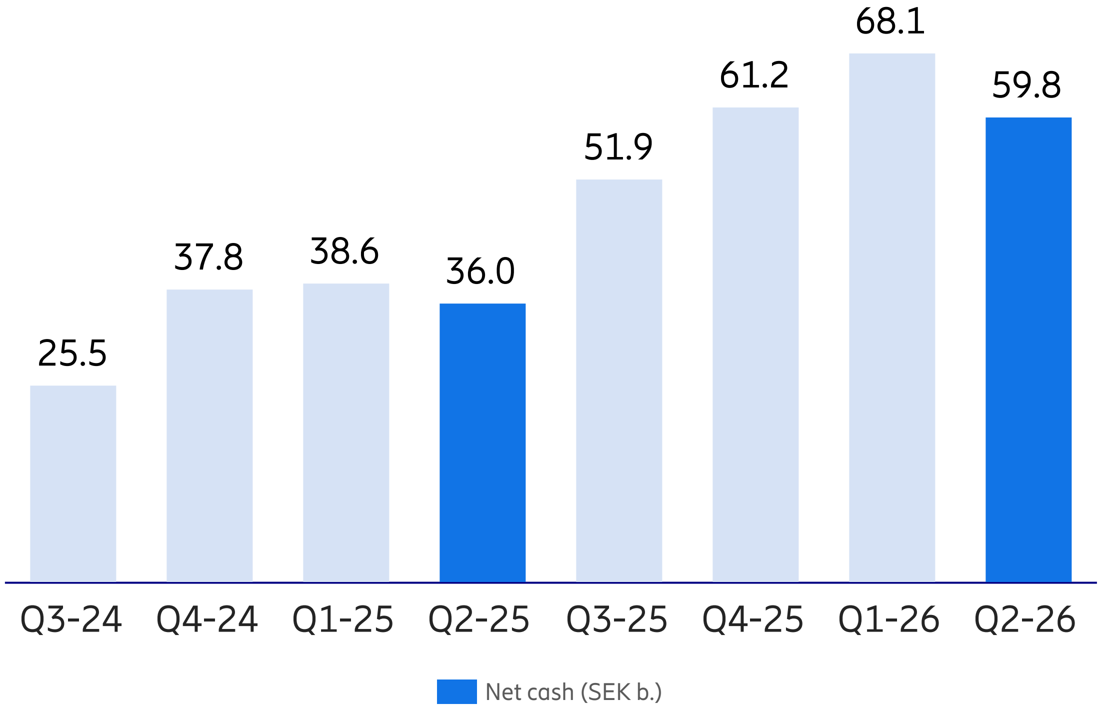
Cash flow and financial position Q2 2026





- FCF before M&A lower YoY, reflecting lower result and higher inventories ahead of planned Q3 deliveries

- SEK 8.2 b. returned to shareholders in Q2, including SEK 3.2 b. of share repurchases

Outlook[1]

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

Sales Networks	Sales growth in Q3 2026 is expected to be above 3-year average seasonality
Sales Cloud Software and Services	Sales growth in Q3 2026 is expected to be broadly similar to 3-year average seasonality
Adjusted gross margin Networks	Adjusted gross margin in Q3 2026 is expected to be in the range of 48% to 50%
Restructuring charges	Restructuring charges for 2026 are expected to be at elevated levels

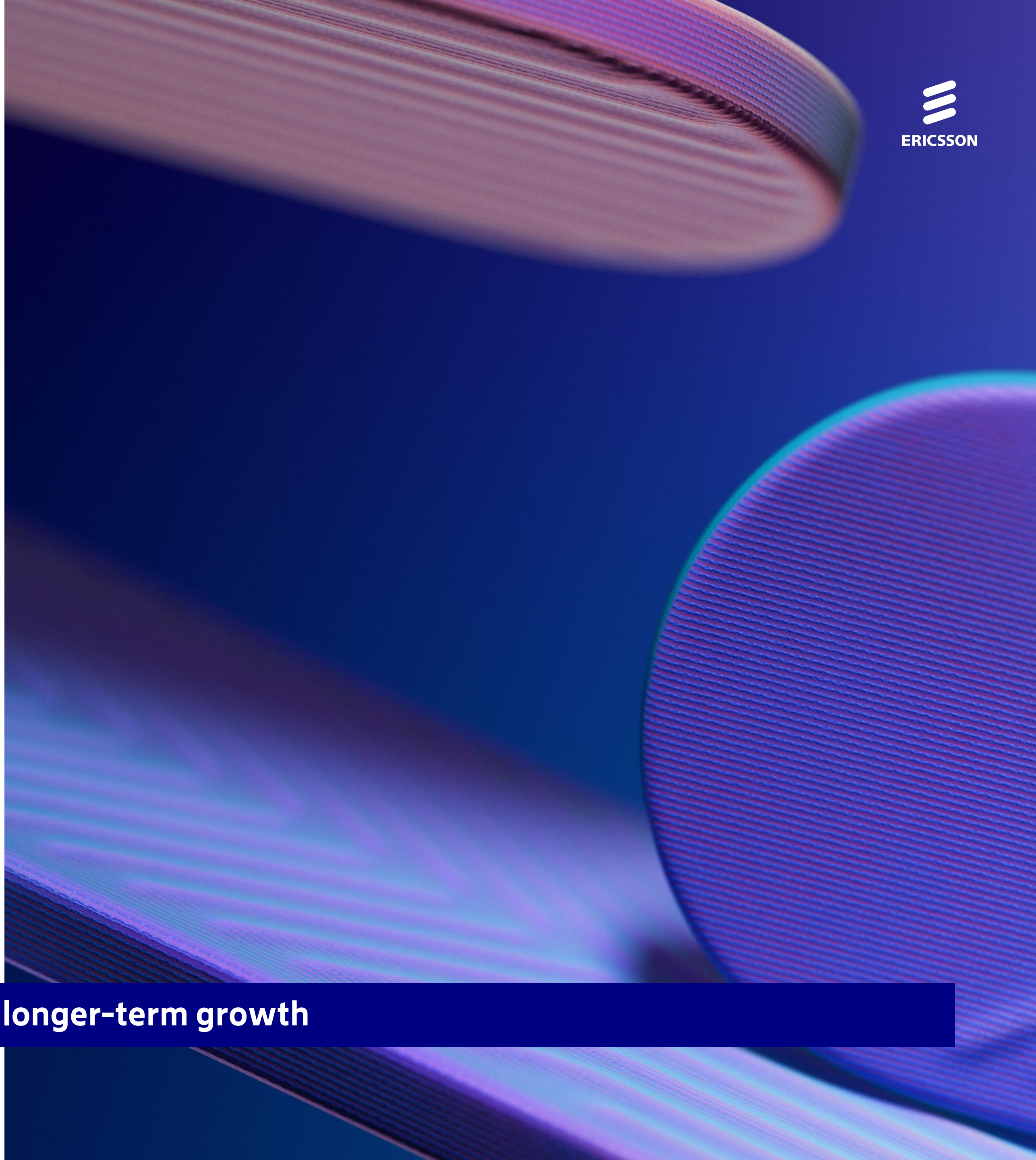
1) See key data points, page 8, Second quarter report 2026. The Q3 2026 outlook assumes currency rates of USD:SEK 9.7, EUR:SEK 11.0

Closing Remarks

Börje Ekholm
President and CEO

Summary

- Q2 demonstrates strong execution of operational and strategic priorities
  - Focused on serving our customers
  - Disciplined execution across our business
- Looking ahead
  - Taking actions to help mitigate component cost inflation
  - Well positioned for next wave of AI-driven connectivity



Well positioned for longer-term growth

Q&A

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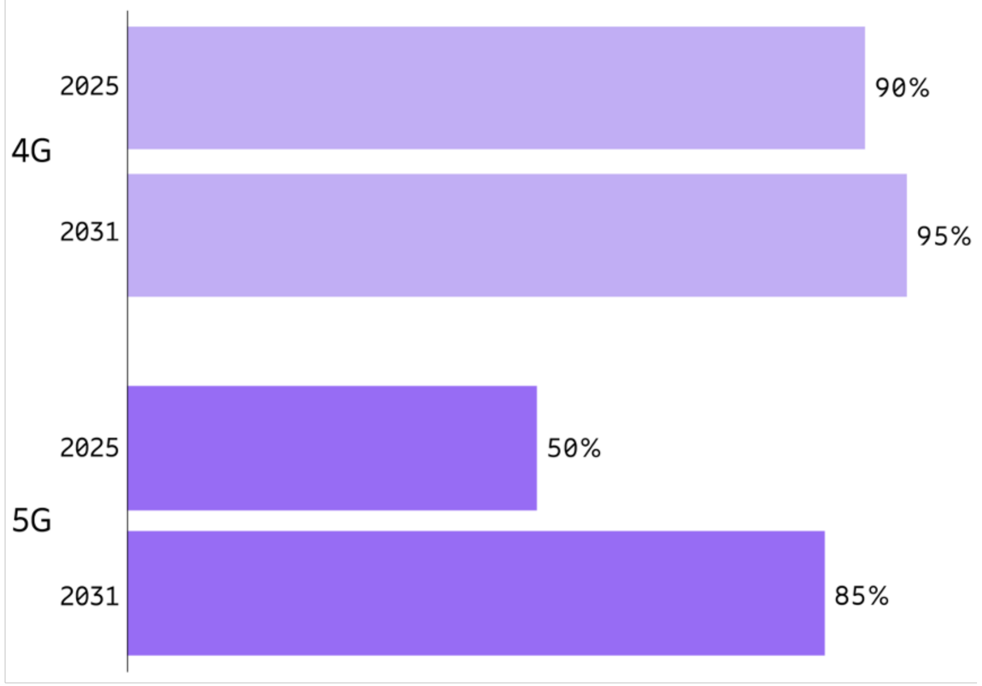
Appendices

Appendix 1 – Ericsson Mobility Report, June 2026
Appendix 2 – Ericsson licensing progress Q2 2026
Appendix 3 – More information

Appendix 1 – Ericsson Mobility Report, June 2026

Download the report here

World Population coverage outside mainland China, by technology



50%

Half the world outside of mainland China still lack 5G coverage

3 billion

5G subscriptions have now exceeded 3 billion

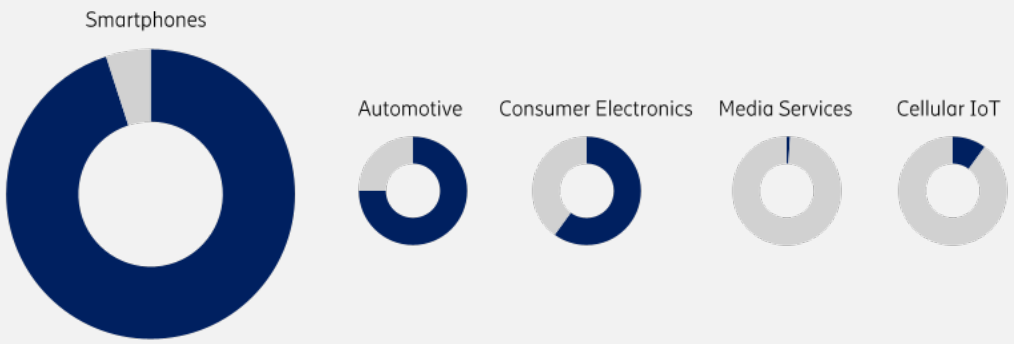
22%

Mobile network data traffic grew 22 percent between Q1 2025 and Q1 2026

2 billion

2 billion fixed broadband connections by 2031, of which FWA will contribute 350 million and satellite 33 million

Appendix 2– Ericsson licensing progress Q2 2026



- Annual recurring revenue of approx. SEK 13.5 b.
- Settlement agreements with all top 10 smartphone vendors (July 2026)
- Settlement and first license agreement in payment terminals vertical (Cellular IoT)
- Seventeen 4G/5G agreements concluded with 11 Chinese auto OEMs (via Avanci licensing platform) during first 6 months
- IPR licensing revenue growth opportunities remain

Appendix 3 – More information

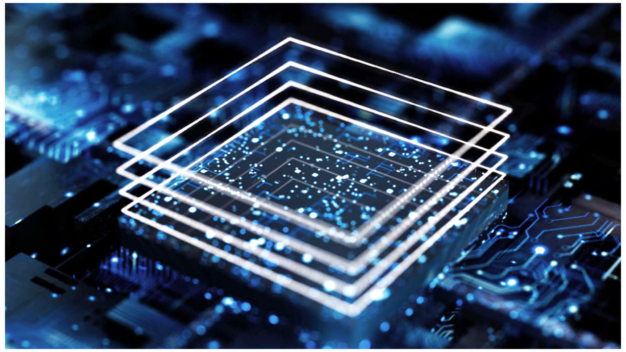
Latest Event

Annual General Meeting 2026

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

Latest Information

Second quarter report 2026
July 14, 2026
Q2 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.

These forward-looking statements also represent Ericsson's estimates, assumptions and expectations only as of the date that they were made, and to the extent they represent third-party data, Ericsson has not undertaken to independently verify such third-party data and does not intend to do so. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements and are urged to carefully review and consider the various disclosures made in this report and in other documents Ericsson files from time to time with Ericsson's regulators that disclose risks and uncertainties that may affect Ericsson's business. Ericsson expressly disclaims a duty to provide updates to these forward-looking statements, and the estimates and assumptions associated with them, after the date of this report, to reflect events or changes in circumstances or changes in expectations or the occurrence of anticipated events, whether as a result of new information, future events or otherwise, except as required by applicable law or stock exchange regulations.