Second quarter 2023

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 statements 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.
Strategic overview

Börje Ekholm
President and CEO
Q2 2023 – Key takeaways

- Executing with discipline and focus
  - Networks saw record build-out speed in India, partly mitigating expected softening in other markets, notably North America
  - Delivering on revised strategy in Cloud Software and Services, on track to deliver at least break-even for the full year 2023
  - Growing our Enterprise business with positive EBITA in Global Communications Platform
  - 5G IPR licensing agreement signed, validating our IPR portfolio strength
  - Cost-out execution well on track
- Q2 results in line with our expectations

Organic sales YoY: -9%

Gross margin\(^1\): 38.3%

EBITA margin\(^1\): 5.7%

\(^1\)Excluding restructuring charges

This slide contains forward-looking statements. Actual result may be materially different. See the last page in this presentation for further information about forward-looking statements.
Financial overview

Carl Mellander
Chief Financial Officer
Market update Q2

Manana
SEK 14.4 b.
22% -42%

Mela
SEK 16.0 b.
25% -3%

MMEA
SEK 5.3 b.
8% -4%

MNEA
SEK 5.1 b.
8% -32%

MOAI
SEK 13.8 b.
21% 71%

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## Financial Performance

<table>
<thead>
<tr>
<th></th>
<th>23Q2</th>
<th>22Q2</th>
<th>YoY</th>
<th>23Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>64.4</td>
<td>62.5</td>
<td>3%</td>
<td>62.6</td>
</tr>
<tr>
<td><strong>Gross Income</strong></td>
<td>24.7</td>
<td>26.3</td>
<td>-6%</td>
<td>24.9</td>
</tr>
<tr>
<td><strong>R&amp;D expenses</strong></td>
<td>-12.1</td>
<td>-11.5</td>
<td>-11.9</td>
<td></td>
</tr>
<tr>
<td><strong>SG&amp;A expenses</strong></td>
<td>-9.7</td>
<td>-7.9</td>
<td>-9.0</td>
<td></td>
</tr>
<tr>
<td><strong>Other op. income &amp; expenses</strong></td>
<td>0.3</td>
<td>0.4</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td><strong>EBITA</strong></td>
<td>3.7</td>
<td>7.5</td>
<td>-51%</td>
<td>4.8</td>
</tr>
<tr>
<td><strong>EBITA margin</strong></td>
<td>5.7%</td>
<td>12.0%</td>
<td>7.7%</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>2.8</td>
<td>7.4</td>
<td>-62%</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td>4.4%</td>
<td>11.8%</td>
<td>6.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>-0.6</td>
<td>4.7</td>
<td>1.6</td>
<td></td>
</tr>
<tr>
<td><strong>Free cash flow b. M&amp;A</strong></td>
<td>-5.0</td>
<td>4.4</td>
<td>-8.0</td>
<td></td>
</tr>
</tbody>
</table>

### Notes:

- **Organic and FX adjusted sales**: -9% YoY
  - Networks: -13% – Sales doubled in South East Asia, Oceania and India. Sales declined in the other markets, especially in North America
  - Enterprise: 20% organic growth, driven by Enterprise Wireless Solutions
- **Gross margin**
  - Networks impacted by business mix shift combined with large rollout projects
  - Higher IPR revenues
- **Opex increase** driven by consolidation of Vonage and investments in Enterprise Wireless Solutions
- **EBITA in line with our Q2 expectations**
- **FCF b. M&A**: SEK -5.0 (4.4) b. – impacted by lower EBIT and increased working capital YoY
Free cash flow and financial position

Financial Performance

<table>
<thead>
<tr>
<th>SEK b.</th>
<th>Q223</th>
<th>Q222</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>-2.9</td>
<td>6.3</td>
</tr>
<tr>
<td>Capex net and other investing activities</td>
<td>-1.4</td>
<td>-1.3</td>
</tr>
<tr>
<td>Repayment of lease liabilities</td>
<td>-0.7</td>
<td>-0.6</td>
</tr>
<tr>
<td><strong>Free cash flow before M&amp;A</strong></td>
<td>-5.0</td>
<td>4.4</td>
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<tr>
<td>Free cash flow before M&amp;A rolling 4Q</td>
<td>6.4</td>
<td>29.2</td>
</tr>
</tbody>
</table>

- **Net cash end of period**
  - 1.9
  - 70.3

- **Gross cash end of period**
  - 35.7
  - 100.4

- Free cash flow before M&A was SEK -5.0 b.
  - Lower EBIT and increased working capital
- Working capital increased in the quarter
  - Business mix shift including large rollout projects with longer order-to-cash cycle
  - Earlier provisioned DOJ fine – SEK 2.1 b. paid Q2
- Net cash decreased by SEK -11.7 b. QoQ to SEK 1.9 b.
  - Negative cash flow and dividends (SEK -4.6 b.)
- Average maturity of long-term borrowings: 3.6 years

Free cash flow before M&A rolling four quarters: SEK 6.4 b. or 2.3% of net sales (long-term target 9-12%)

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Outlook

Gross margin

- Networks: Gross margin\(^1\) is estimated to be in the range of 38-40% in Q3.

Operating expenses

- Q2→Q3: Average seasonality last 3 years (2020–2022) excluding Vonage: Decrease of SEK 0.7 b.

Amortization

- Amortization of intangible assets is expected to continue to be around SEK -0.9 b. per quarter of which approximately SEK -0.8 b. related to segment Enterprise.

EBITA

- Group: The Q3 EBITA margin\(^1\) is expected to be in line with, or slightly better than Q2, with similar trends and business mix and early benefits of cost-out execution, followed by a seasonally stronger Q4.
- Cloud Software and Services: The Q3 EBITA\(^1\) expected to be in line with Q2 and to reach at least break-even for full-year 2023.

Restructuring charges

- Restructuring charges are expected to be around SEK 7 b. for the full year. For 2024, restructuring charges are expected to normalize at about 0.5% of sales.
Summary

- Executing on our strategy to capitalize on the full value of 5G
  - Leveraging our technology leadership in mobile networks
  - Continuing to embed ethics and compliance throughout the company
  - Driving expansion into Enterprise and putting Ericsson on higher growth trajectory

- Traffic growth will stimulate network investments
  - ~75% of all base station sites outside China are not yet updated with 5G mid-band
  - Migration to 5G standalone continues in order to deliver on 5G’s potential
  - We expect the market will gradually recover late in 2023 and into 2024

Remain focused on reaching the lower end of our long-term EBITA\(^1\) target of 15-18% by 2024

\(^1\)Excluding restructuring charges
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Q&A
Closing remarks

Börje Ekholm
President and CEO
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,” “anticipate,” “intend,” “likely,” “may,” “could,” “plan,” “estimate,” “forecast,” “will,” “should,” “would,” “predict,” “aim,” “seek,” “potential,” “target,” “might,” “continue” 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 costs and liability resulting from our ongoing compliance with the terms of the Plea Agreement with the DOJ and extended monitorship;
- Potential to become a target for public scrutiny as a result of entering into the Plea Agreement with the DOJ, which could damage our reputation and materially and adversely affect our business and prospects;
- Risks resulting from entering into the Plea Agreement, including potential debarment from government contracting in the United States and elsewhere, reputational risk, as well as potential counterparty reluctance to continue business relationships;
- 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;
- Our goals, strategies, planning assumptions and operational or financial performance expectations;
- Ongoing geopolitical and trade uncertainty, including challenging global economic conditions, market trends and pandemics such as COVID-19;
- Industry trends, future characteristics and development of the markets in which we operate;
- Our ability to comply with legal and regulatory requirements internationally;
- Risks related to cybersecurity and privacy;
- Our future liquidity, capital resources, capital expenditures, cost savings and profitability;
- The expected demand for our existing and new products and services as well as plans to launch new products and services including research and development expenditures;
- Our ability to deliver on future plans and achieve future growth;
- The expected operational or financial performance of strategic cooperation activities and joint ventures;
- The time until acquired entities and businesses will be integrated and accretive to income;
- Trends related to our industry, including our regulatory environment, competition and customer structure; and
- Other factors included in our filings with the U.S. Securities and Exchange Commission (the “SEC”), including the factors described throughout this report, included in the section Risk Factors, and in “Risk Factors” in the Annual Report 2022, as updated by subsequent reports filed with the SEC.

These forward-looking statements also represent our estimates, assumptions and expectations only as of the date that they were made, and to the extent they represent third-party data, we have not undertaken to independently verify such third-party data and do 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 we file from time to time with our regulators that disclose risks and uncertainties that may affect our business. We expressly disclaim a duty to provide updates to these forward-looking statements, and the estimates and assumptions associated with them, after the date of this report, except as required by applicable law or stock exchange regulations.