

Ericsson Third quarter 2026

October 15, 2026

Third 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



Per Narvinger
President and CEO

Key takeaways Q3 2026

- Organic sales grew by 7%
 - Solid customer demand in strategic markets
 - Effective commercial execution, including near-term actions
- EBITA margin increased YoY with good operating leverage, excluding prior year gain
- Strategic actions underway to help mitigate component cost increases
- Organizational simplification announced to strengthen customer focus and drive efficiencies

Organic¹ sales YoY

7%

Adjusted² gross margin

47.7%

Adjusted² EBITA margin

17.0%

Executing well in a challenging environment

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

²) Excluding restructuring charges.

Financial Overview

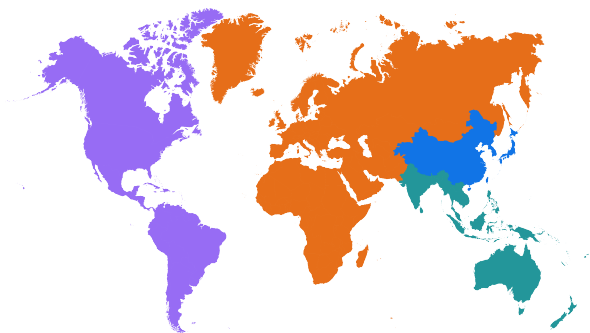


Lars Sandström
Chief Financial Officer

Sales development Q3 2026



Market area	Net sales SEK billion	Organic growth YoY	Networks	Cloud Software and Services	Enterprise	% of Q3-26 net sales
Americas	19.8	-1%	↘	↗		33%
Europe, Middle East and Africa	17.5	4%	↗	↗		29%
South East Asia, Oceania and India	8.8	25%	↗	↘		15%
North East Asia	4.5	22%	↗	↗		8%
Other	8.9	7%	↗	↗	↗	15%
Total	59.5	7%	↗	↗	↗	
% of Q3-26 net sales			65%	27%	8%	100%



Map illustrates general market area coverage and does not imply commercial presence or engagement in every country.

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

Financial update Q3 2026

Financial performance (adjusted)



SEK billion	Q3 2026	Q3 2025	YoY Change	Q2 2026
Net sales	59.5	56.2	6%	52.7
Organic sales growth			7%	
Gross income	28.4	27.0	5%	25.5
Gross margin	47.7%	48.1%		48.4%
R&D expenses	-11.6	-11.5	0%	-11.4
SG&A expenses	-7.2	-7.8	-9%	-7.6
Other op. income and expenses	0.1	7.7	-99%	0.1
EBIT	9.8	15.5	-37%	6.5
EBIT margin	16.4%	27.5%		12.4%
EBITA	10.1	15.8	-36%	6.9
EBITA margin	17.0%	28.1%		13.1%
Net income¹⁾	5.8	11.3	-49%	4.1
Free cash flow before M&A	4.9	6.6	-26%	0.4

¹⁾ Including restructuring charges.

Organic sales increased 7% YoY

- Solid customer demand in strategic markets
- Successful near-term commercial actions

Adjusted gross margin 47.7%

- Margins broadly stable YoY

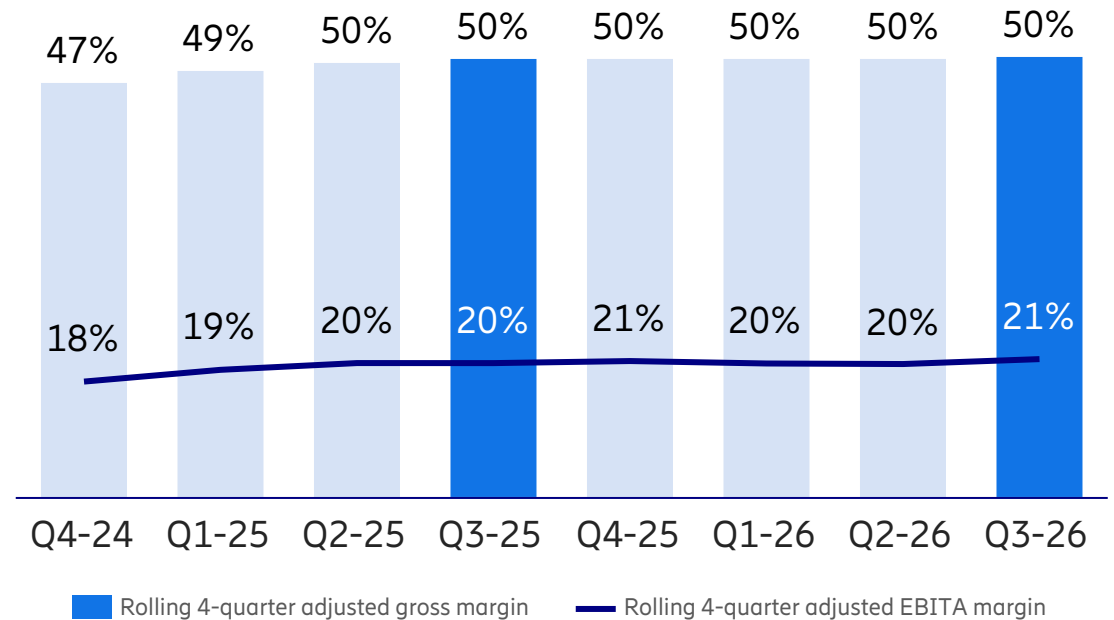
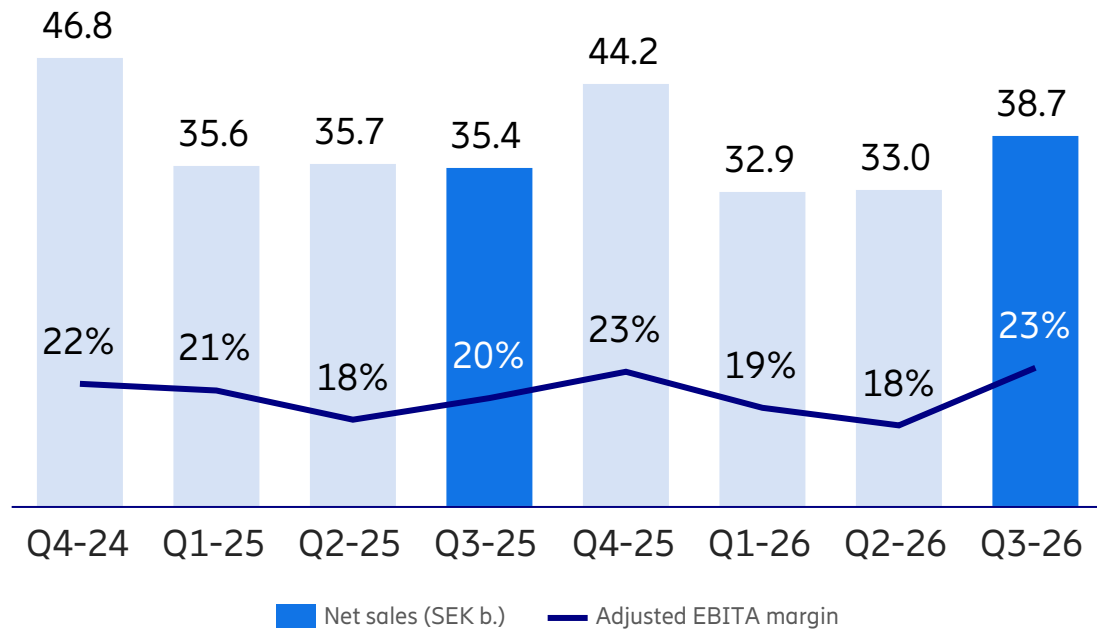
Adjusted EBITA margin 17.0%

- OPEX decreased YoY, driven by efficiency actions
- Underlying EBITA improved, excluding SEK 7.6 b. prior year period capital gain

Free cash flow before M&A SEK 4.9 b.

- Solid cash flow generation
- Working capital higher YoY, reflecting higher inventories and increased component costs

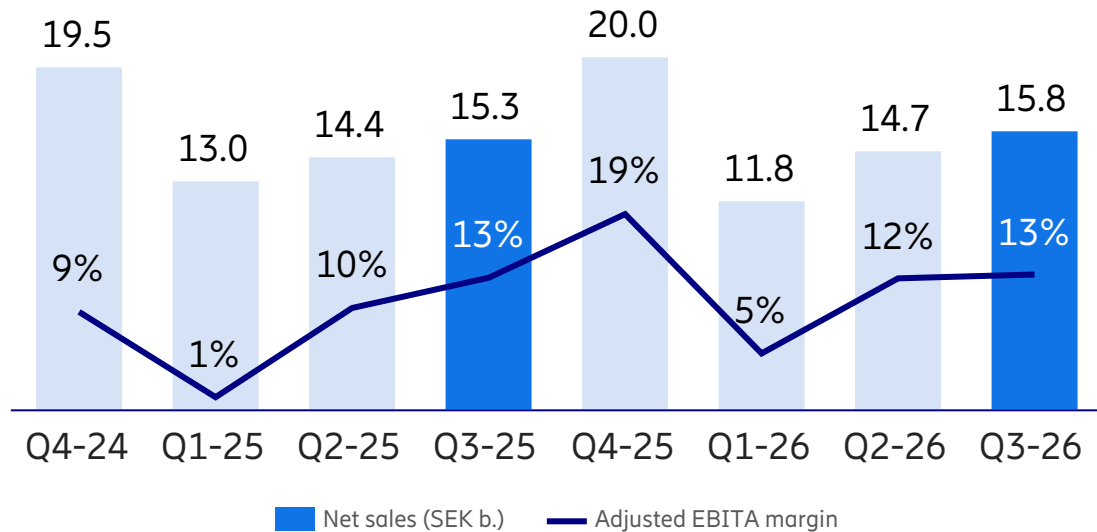
Segment Networks Q3 2026



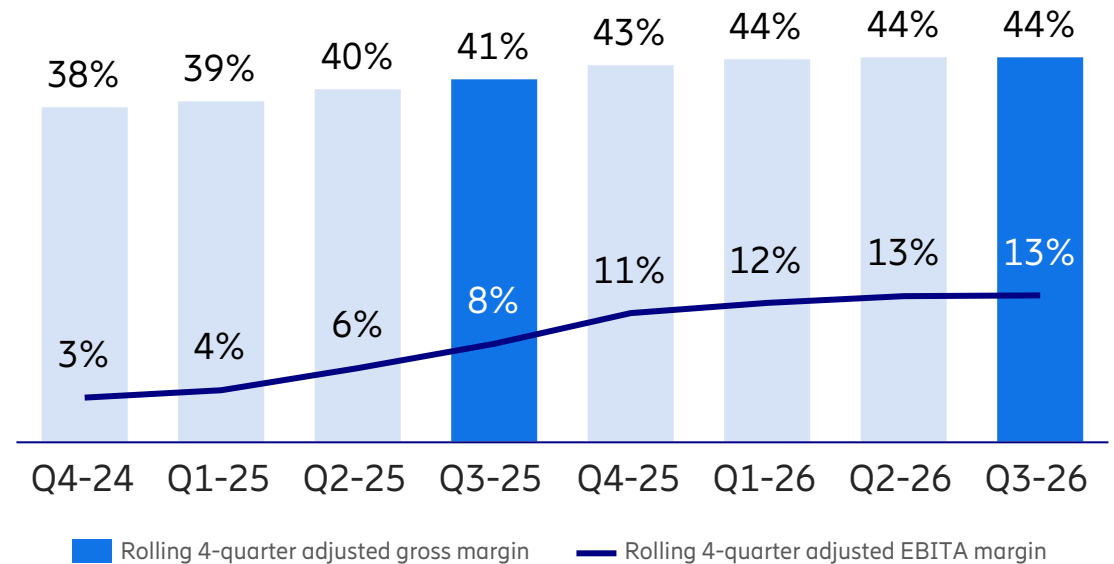
- 9% organic sales increase, with growth in three out of four market areas
- Adjusted gross margin 50.3% (50.1%) stable YoY, with higher sales, product mix, and IPR contributing
- Adjusted EBITA margin 23.1% (20.3%), with YoY increase reflecting high sales and good cost control

- Rolling 4-quarter adjusted gross margin of 50.1%
- Rolling 4-quarter adjusted EBITA margin of 21.0%

Segment Cloud Software and Services Q3 2026

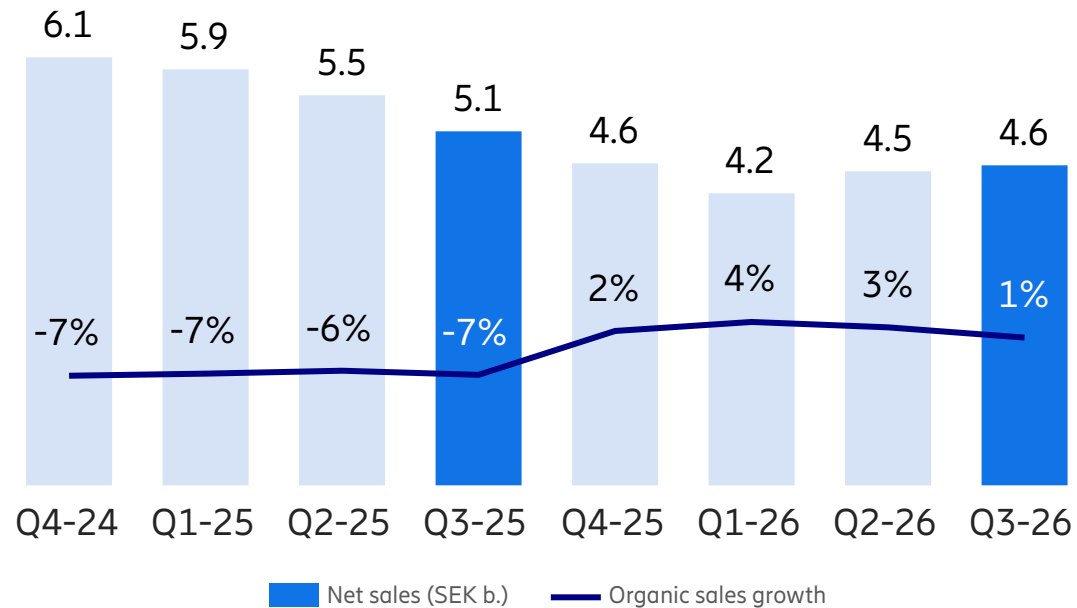


- 3% organic sales growth, with growth in three out of four market areas
- Adjusted gross margin of 43.5% (43.6%), stable YoY
- Adjusted EBITA margin of 12.8% (12.5%), stable YoY



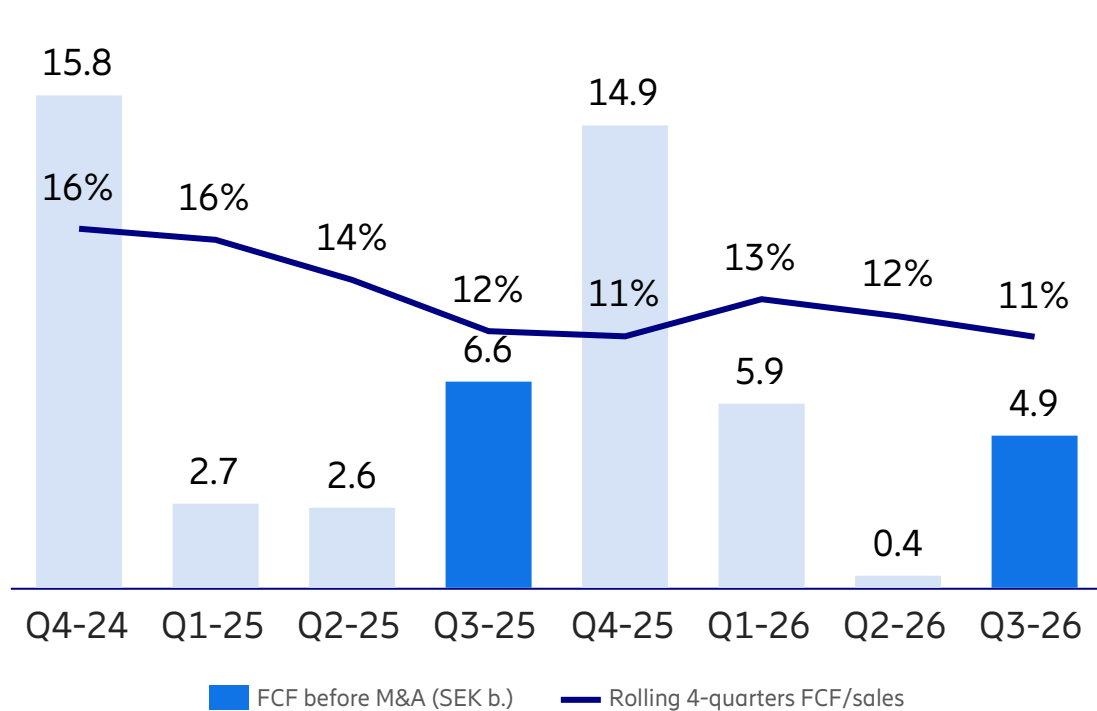
- Rolling 4-quarter adjusted gross margin of 43.8%
- Rolling 4-quarter adjusted EBITA margin of 13.1%

Segment Enterprise Q3 2026

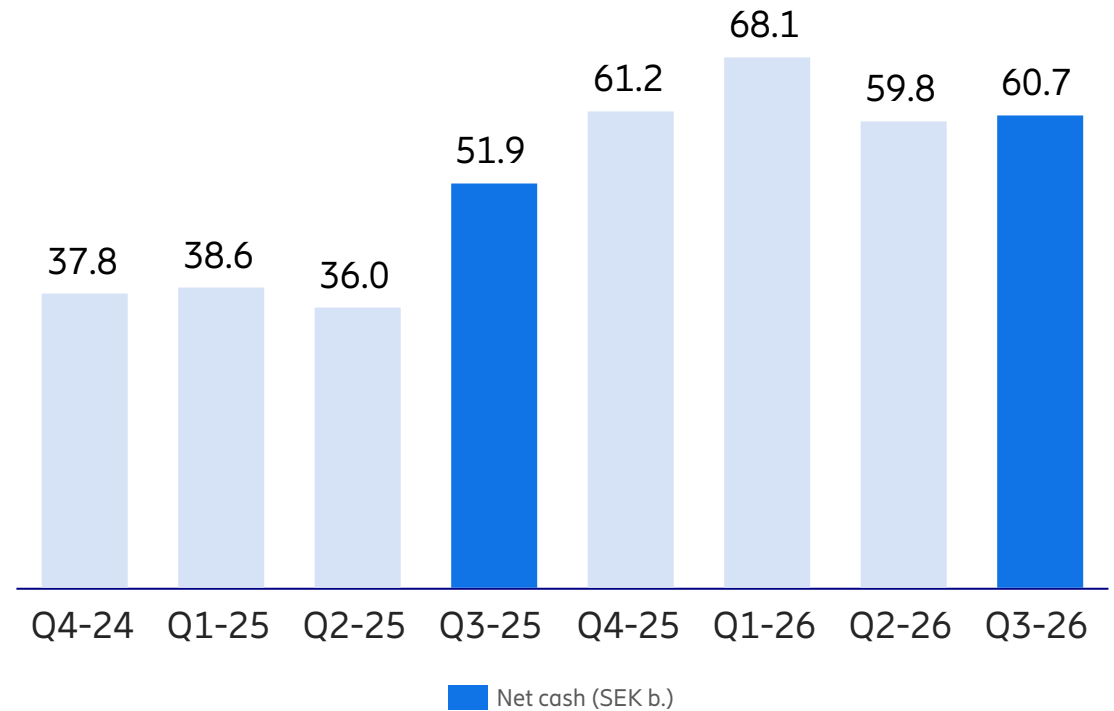


- 1% organic sales growth
- Adjusted gross margin of 50.0% (51.6%), reflecting the divestment of iconectiv in Q3 2025
- Adjusted EBITA improved sequentially to SEK -0.5 b. (7.0 b.). Prior year period benefited from iconectiv gain

Cash flow and financial position Q3 2026



- Solid FCF before M&A
- YoY decline reflects higher inventories, due to timing of deliveries and higher component prices



- SEK 4.5 b. cash outflow in Q3 for share repurchases
- Gross cash reached 98 b., including a EUR 500 m. bond issuance in September

Outlook¹



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

Sales Networks

Sales growth in Q4 2026 is expected to be broadly similar to 3-year average seasonality

Sales Cloud Software and Services

Sales growth in Q4 2026 is expected to be broadly similar to 3-year average seasonality

Adjusted gross margin Networks

Adjusted gross margin in Q4 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, Third quarter report 2026. The Q4 2026 outlook assumes currency rates of USD:SEK 10.0, EUR:SEK 11.3

Closing Remarks



Per Narvinger
President and CEO

Summary

- Executing from a position of strength
- Acting decisively
 - Addressing higher component costs
 - Prioritizing technology leadership
- Capturing AI opportunities as network demands increase

Well positioned to deliver sustainable, profitable longer-term growth with all segments contributing

Q&A



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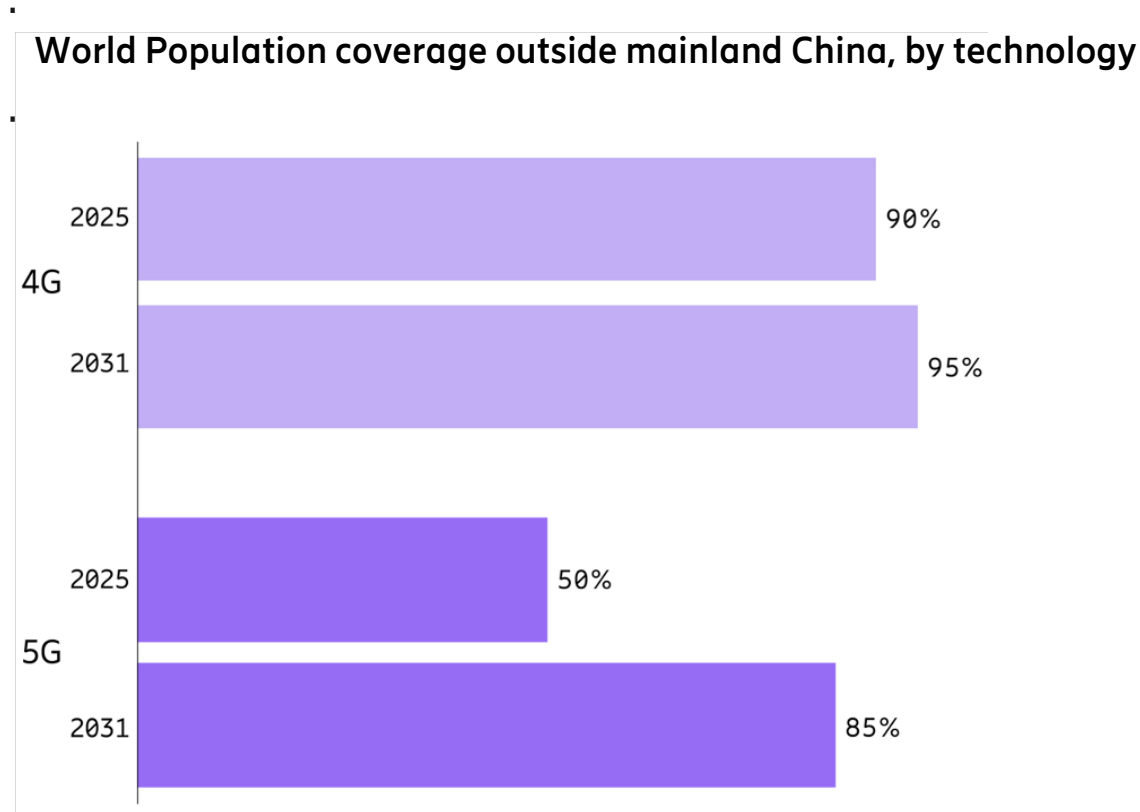
Appendices

- Appendix 1 – Ericsson Mobility Report, June 2026
- Appendix 2 – Ericsson licensing progress Q3 2026
- Appendix 3 – More information

Appendix 1 – Ericsson Mobility Report, June 2026



Download the report [here](#)



50%

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

3 billion

5G subscriptions have now exceeded 3 billion

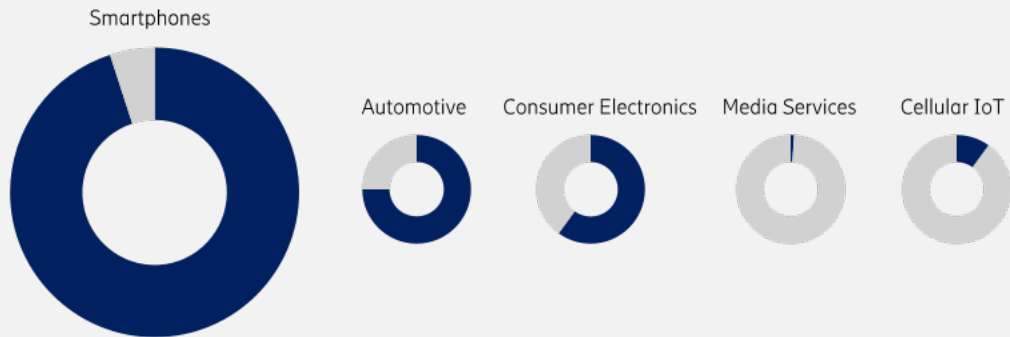
22%

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 Q3 2026



- Annual recurring revenue of approximately SEK 13.5 b.
- Solid strategic execution in IPR licensing with the new license agreement with a top ten smartphone vendor and several new license agreements in automotive and point of sales
- IPR licensing revenue growth opportunities remain in new market segments and through increased penetration of the smartphone market.

Appendix 3 – More information

Latest Event



[Annual General Meeting 2026](#)

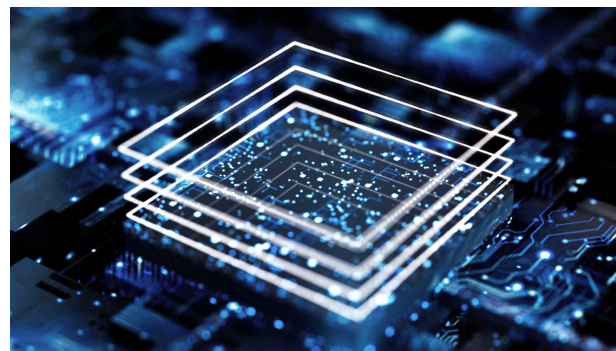
Telefonaktiebolaget LM Ericsson's Annual General Meeting (AGM) 2026 was held on Tuesday, March 31, 2026

Latest Information



Third quarter 2026
October 15, 2026

[Results](#)
[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 and Syria, 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.