

5G and the RAN market

Fredrik Jejdling

Executive Vice President,
Head of Business Area Networks



Summary of key strategic priorities and takeaways

as presented at Capital Markets Day 2020



Strategic priorities 2022 and long-term



Most important activities to reach 2022

Invest in technology and cost leadership

Selective market expansion based on technology and competitiveness

Use-case driven network expansions leveraging network investments

Most important activities to reach long-term ambition

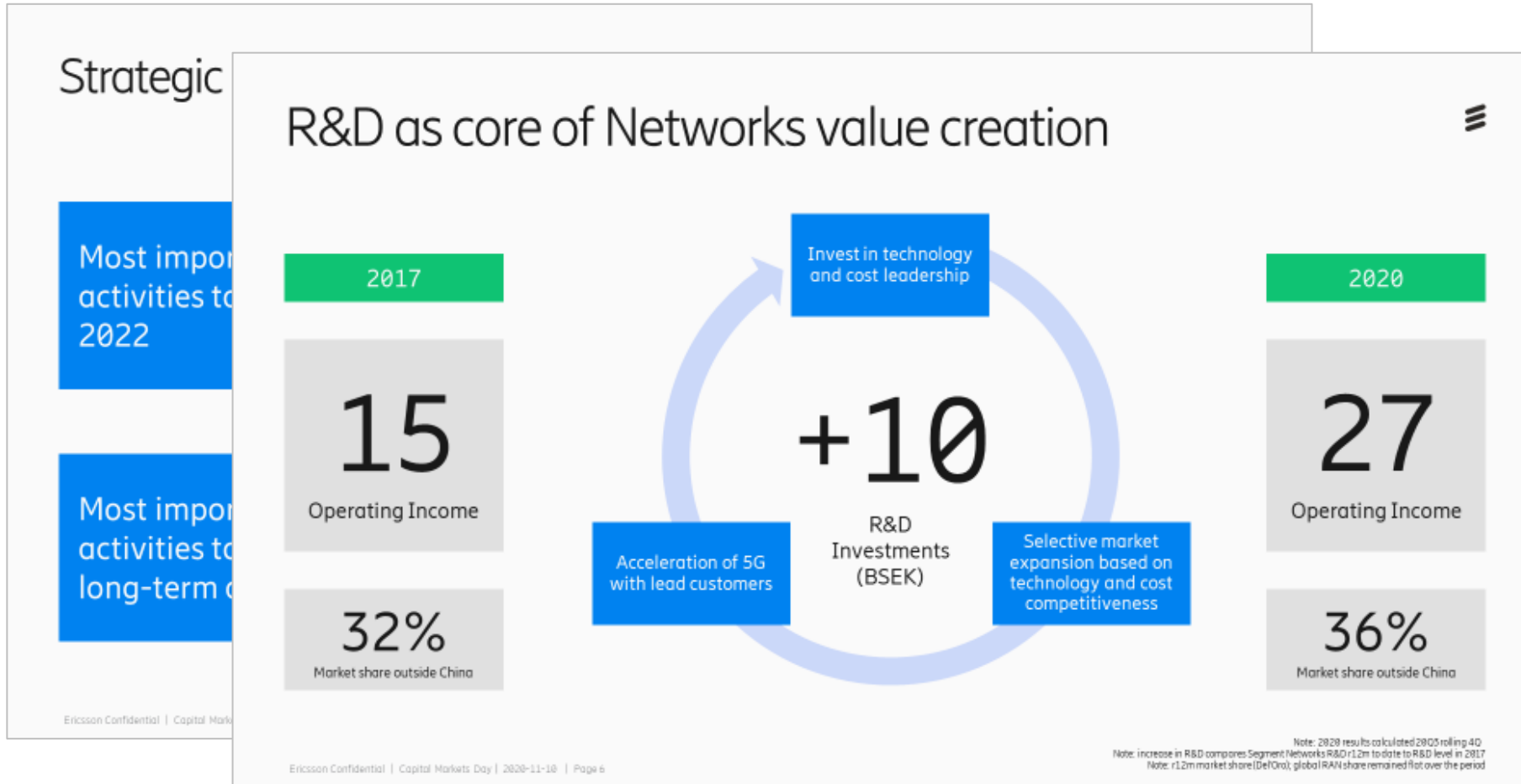
Establish 5G as the connectivity platform for enterprise

Continue build-out and densifying 5G as critical infrastructure for economic development

Lead and orchestrate the standardization and evolution of mobile networks

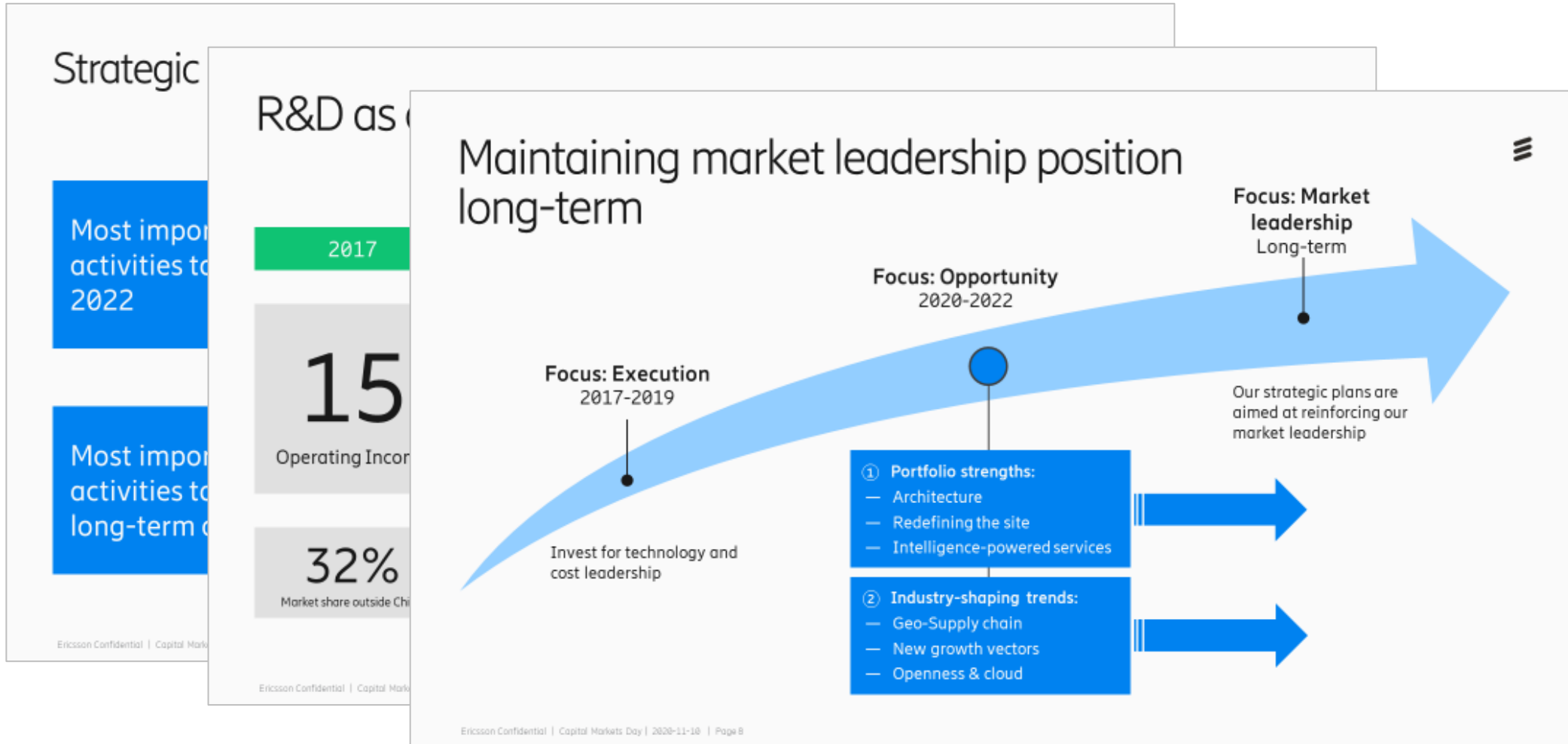
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Strategic

Most important activities to 2022

Most important activities to long-term

R&D as a % of sales

2017

15

Operating Income

32%

Market share outside China

Maintain long-term

Focus: 201

Invest for cost lead

Key takeaways

Ericsson is in the lead in 5G, the fastest growing mobile generation ever

We continue to invest in value creating technology for the benefit of our customers and Ericsson

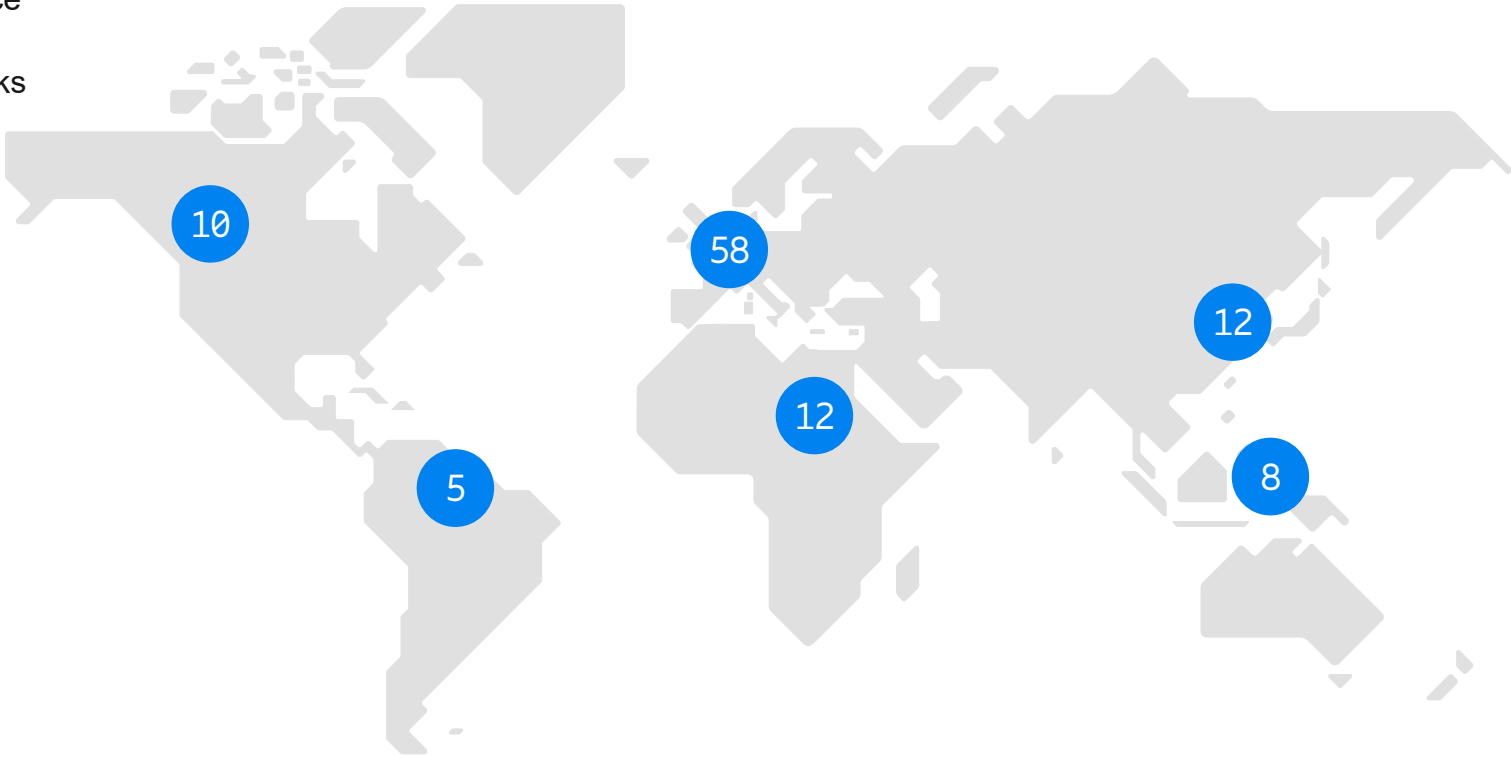
We take an orchestrating role in the evolution of mobile networks

Ericsson Confidential | Capital Markets Day 2020

A leading position established in 5G



- Ericsson performance
- Global figures
- Ericsson live networks



Fastest
Uptake of any mobile generation

660m
5G subscriptions by year end*

4.4b
5G subscriptions forecasted by 2027*

105 out of 182
Ericsson live 5G networks vs Global live 5G networks
(GSA Nov 2021)

5G Leader
Gartner Magic Quadrant 2021, 5G NW infrastructure
Frost Radar™: Global 5G Network Infrastructure Market, 2020

Leading benchmarks
**Post swap performance South Korea
Downlink +68%, Uplink +163%

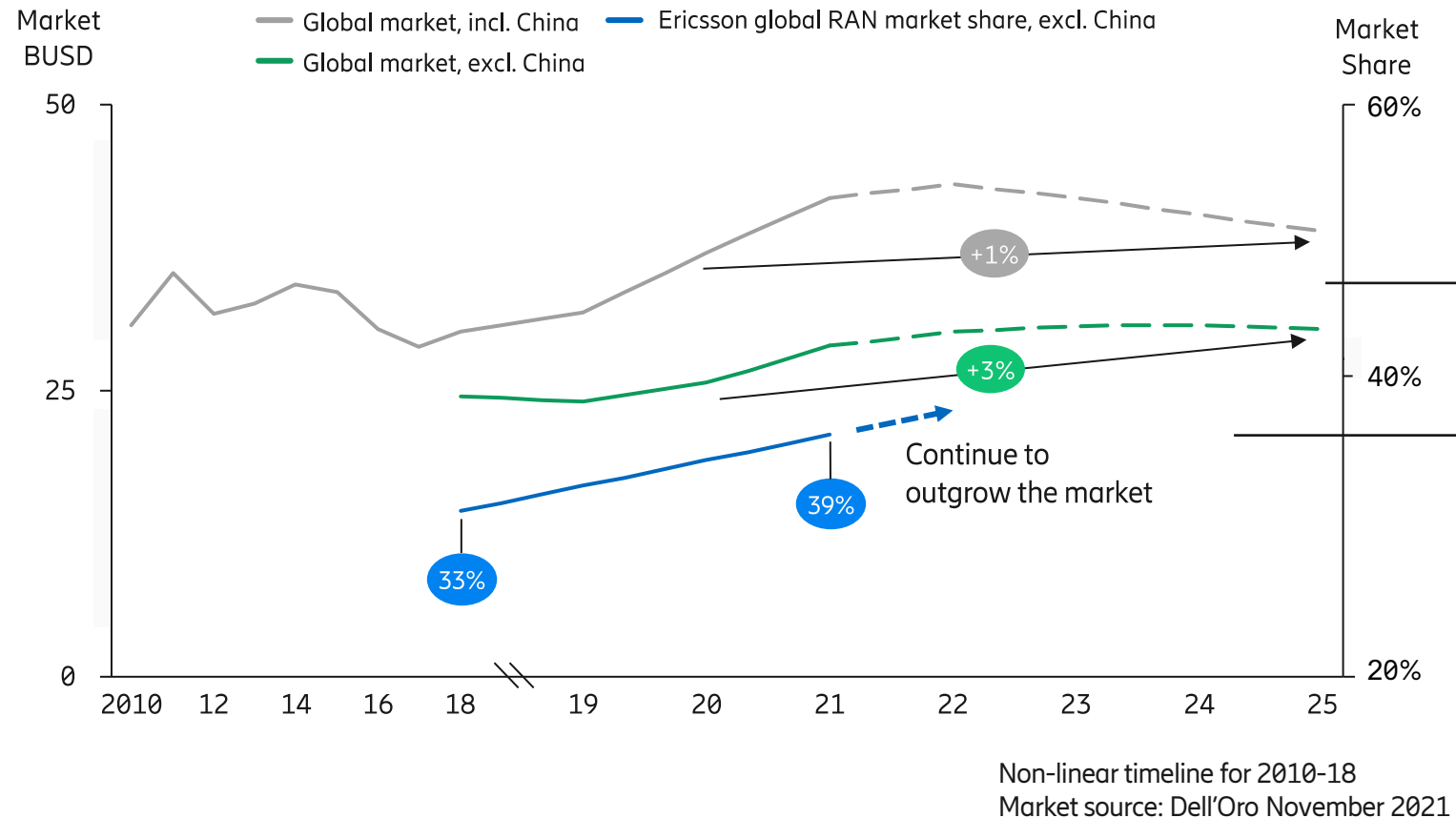
*Source: Ericsson Mobility Report, November 2021
** Benchmark performed by South Korea Ministry of ICT

5G driving a stronger investment cycle

With our ambition to grow faster (excluding China)



Mobile radio access network market



1 Market development

- 5G to scale in most markets
- Mid-band densification
- Consumer and enterprise opportunity

2 Our ambition

- Continue investing in technology leadership for cost and performance
- Continued market share gain based on technology and competitiveness
- Strengthening global supply chain resilience
- Delivering on sustainability promise towards net-zero

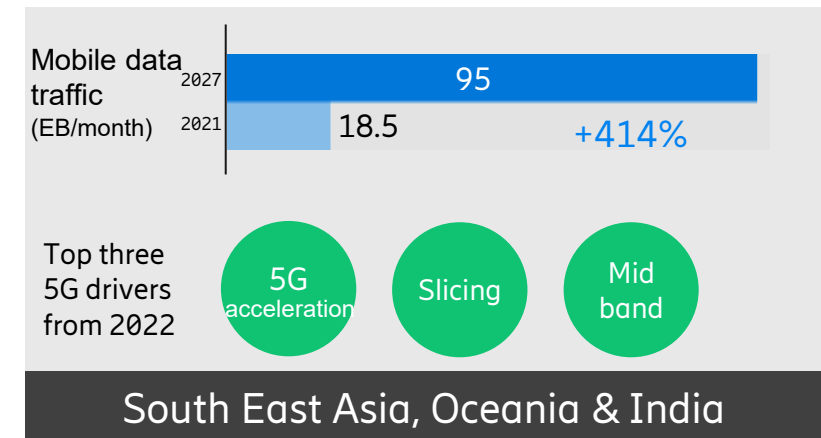
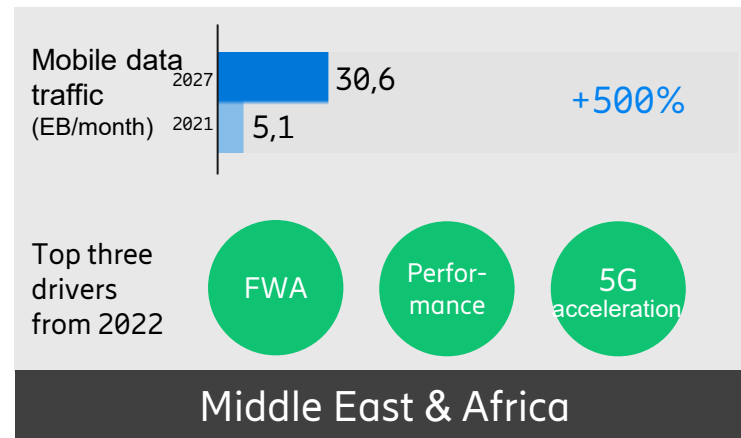
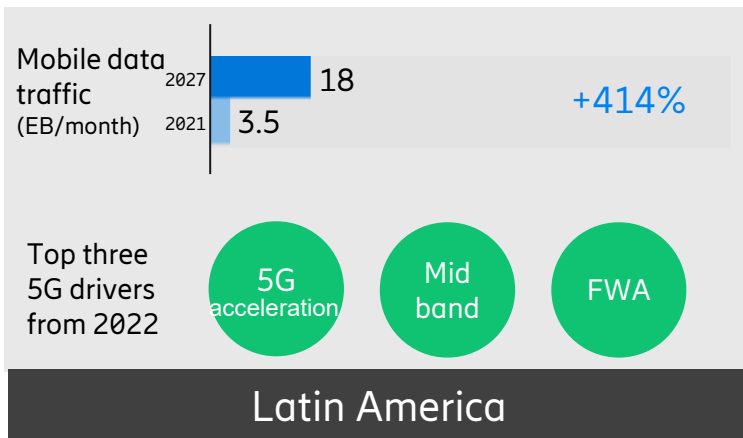
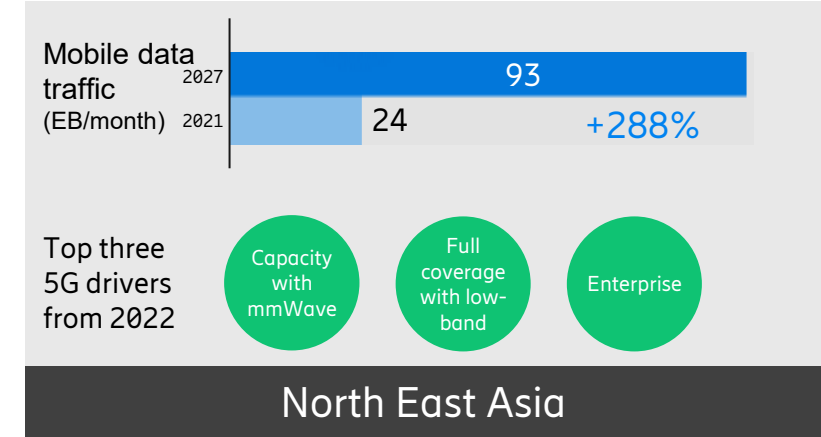
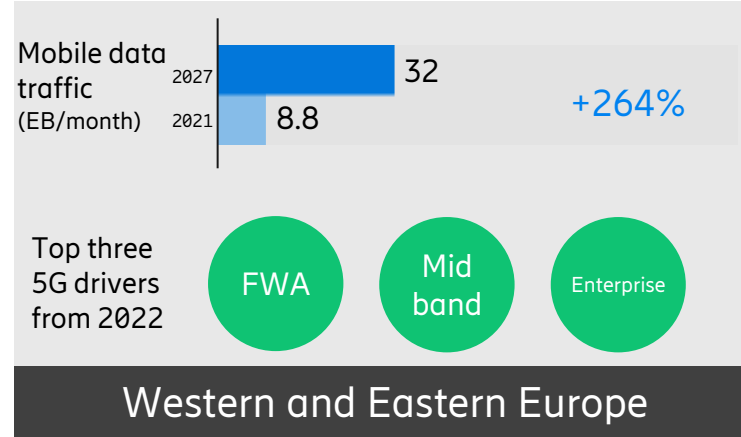
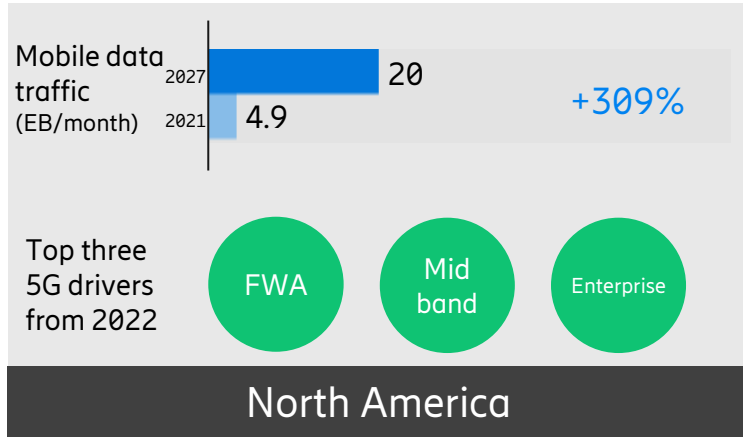
Market drivers for 5G investments

Extended cycle and potential upsides



	Current situation	Key takeaways
An extended cycle		
5G to scale in most markets	<ul style="list-style-type: none"> From 660M today (25% population coverage) to 4.4B 5G subscriptions by 2027 (75%) Traffic growth more than 400% in operator networks until 2027 	Longer and stronger investment cycle expected
With potential upsides		
Mid-band densification	<ul style="list-style-type: none"> Limited mid-band coverage in several markets Consumer and industry performance expectations require sufficient mid-band coverage 	Requires high-performing and energy-efficient Massive MIMO radios easy to deploy
Consumer and enterprise opportunity	<ul style="list-style-type: none"> Consumer use cases enabled by 5G for CSPs <ul style="list-style-type: none"> Fixed Wireless Access (forecasted revenues 57BUSD by 2027*) Immersive media incl. VR and gaming, automotive and education Enterprise business use cases enabled by 5G for CSPs – Market potential of 700BUSD by 2030 	Still early adoption of 5G in consumer and enterprise business with major potential

Continued strong 5G momentum globally



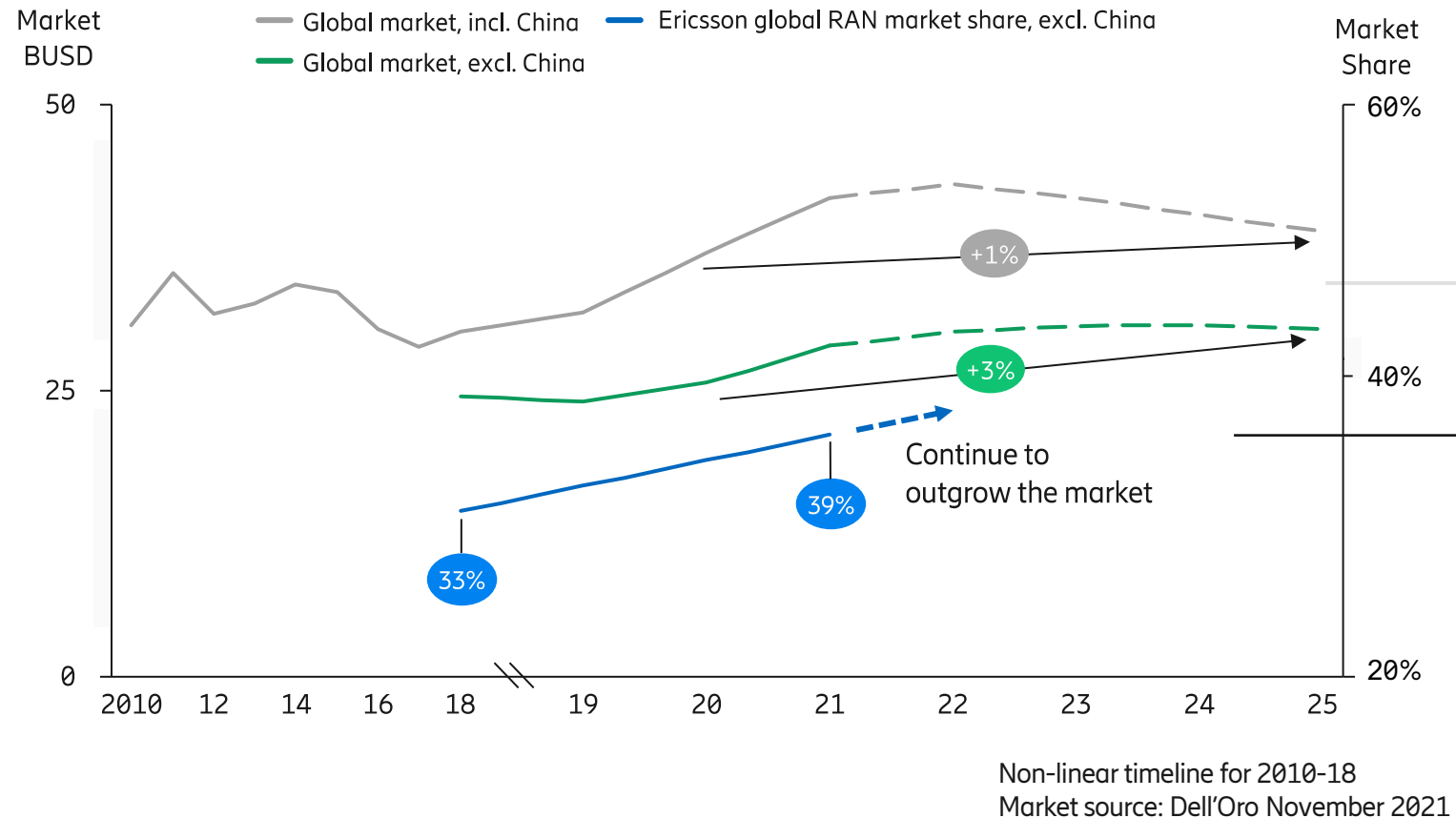
Source traffic data: Ericsson Mobility Report, Nov 2021

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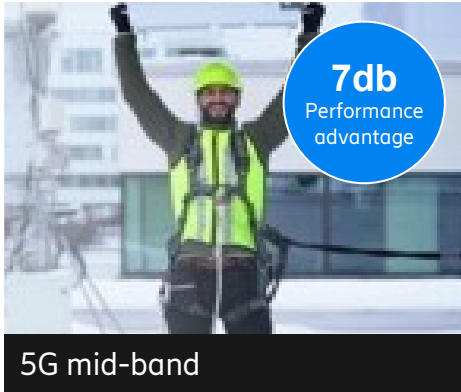
- Continue investing in technology leadership for cost and performance
- Continued market share gain based on technology and competitiveness
- Strengthening global supply chain resilience
- Delivering on sustainability promise towards net-zero

Continue investing in technology leadership

Introductions in 2021 strengthening our industry-leading portfolio

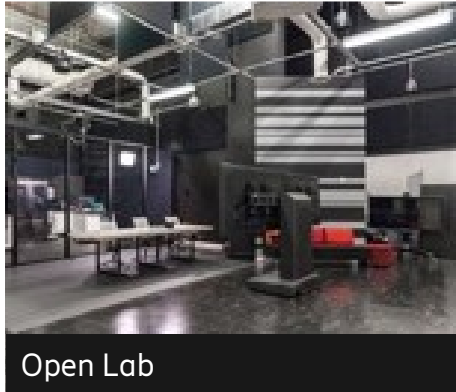


January 2021



5G mid-band

February 2021



Open Lab

February 2021



5G RAN Slicing

March 2021



Ericsson Silicon

May 2021



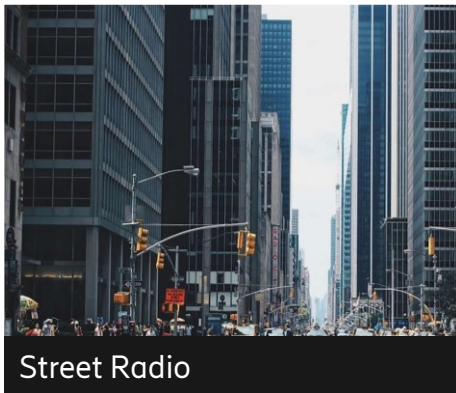
5G Indoor

June 2021



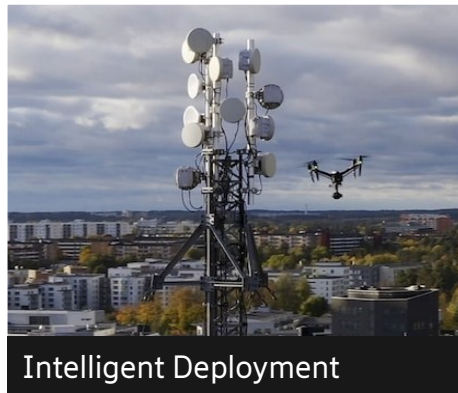
Cloud RAN mid-band

September 2021



Street Radio

September 2021



Intelligent Deployment

September 2021



12kg Massive MIMO

October 2021



Time Critical Communication

Addressing the enterprise business



Our company strategy

<p>Extending leadership in mobile networks</p>	<ul style="list-style-type: none"> Investments in technology leadership for cost and performance Strong product portfolio enabling growth through market share gains
<p>Focused expansion into enterprise</p>	<p>Enterprise wireless networks</p> <ul style="list-style-type: none"> Best security, reliability and operations, pre-packaged solutions Wireless WAN edge solutions (Cradlepoint), Cellular IoT and Dedicated / Mission Critical mobile networks expected to grow 20-30% annually
<p>Global network platform</p>	<ul style="list-style-type: none"> Grow the communication platform business (Vonage) Platform for open innovation ensures monetization and creates new experiences made possible by 5G to benefit the full ecosystem

Ericsson USA Smart factory – 5G use case



<p>2.2x</p> <p>Improved output per employee</p>	<p>65%</p> <p>Reduction in manual material handling</p>	<p>24%</p> <p>Reduced energy consumption</p>	<p>100%</p> <p>Renewable energy</p>
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WEF recognized 'Global Lighthouse' and sustainability leader

Business continuity a key priority



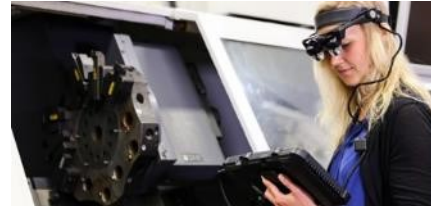
Our approach

Ensuring business continuity for our customers through flexibility in supply, R&D, sourcing and service delivery



Supply

Proactive actions increased our global supply flexibility, geo-supply and pandemic resilience



R&D

Global R&D with cutting edge competence centers across the world

Working close to customers



Sourcing

Working with global supplier base of more than 20,000 suppliers, with focus on creating strong industry ecosystem

Grow our dual source in areas of limited number of suppliers of components



Service Delivery

Increased remote service delivery capabilities to support customer needs

Delivering on sustainability promise towards net-zero

Portfolio

Develop and innovate our portfolio to halve emissions by 2030 and support climate action in society



Supply chain

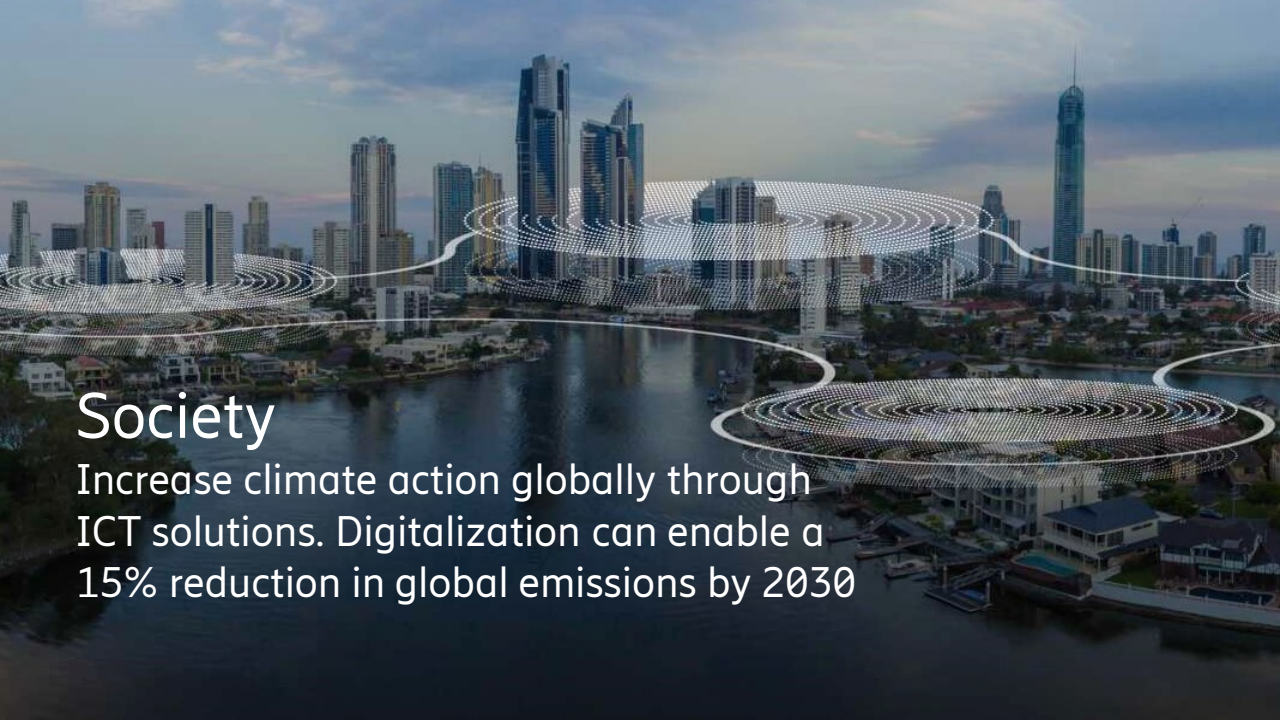
Halving emissions by 2030, and increase climate action in global supply chains

Own activities

Reducing emissions to ultimately having net-zero emissions by 2030

Society

Increase climate action globally through ICT solutions. Digitalization can enable a 15% reduction in global emissions by 2030



Key takeaways



Our strategy remains and execution on track towards 2025 ambition

Established market leading position with best-in-class portfolio

Continued investments to stay ahead and capitalize on the full 5G opportunity



ericsson.com/networks