Capital Markets Day 2022

New York

December 15, 2022

Welcome

Peter Nyquist
VP Investor Relations

Agenda

9.00 AM	Welcome	Peter Nyquist
	Ericsson strategy and outlook	Börje Ekholm
	Technology leadership drives industry development	Erik Ekudden
	Wireless Solutions strategy update	George Mulhern
	Global Communications Platform strategy update	Rory Read
	The customer view	Niklas Heuveldop
	Q&A	
10.50-11.05 AM	Coffee break	
	Networks strategy update	Fredrik Jejdling
	Cloud Software & Services strategy update	Per Narvinger
	Financial update	Carl Mellander
	Q&A	
1:00 PM	Lunch	

Safe harbor statement

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.

Ericsson strategy and outlook

Börje Ekholm
President & CEO

Our journey

We are shaping today's industry landscape and defining the next stage of growth

Past	Present	Future
Network infrastructure company	Leading 5G infrastructure provider with solutions for CSPs and enterprises	Leading network platform for exponential innovation

This slide contains forward-looking statements. Actual result may be materially different.

Our turnaround fundamentally reset the business to sustainable profitability

2017		2022 Q3 YTD
-10% Revenue[1]	**Re-establish technology leadership** by increasing R&D in core business	**+3%** Revenue[1]
Losing share	**Operational reset** Take out cost, focused portfolio, reduced SG&A/services, and low-margin contracts	**Market Leader**
-12.8%[2] EBIT	**Culture reset** Respond consistently and promptly to misconduct, strengthen compliance and re-build culture	**10.4%**[2] EBIT

Regained competitiveness and reversed revenue, share losses and profitability

1) Sales growth adj. for comparable units and currency
2) Excluding restructuring charges
This slide contains forward-looking statements. Actual result may be materially different.

Established leadership position in mobile networks

~39%
RAN revenue share[1]
(up 6 p.p from 2017)

~50%
of the 5G traffic[2] is carried over Ericsson's radio networks

16 of 20
of the largest CSPs have selected Ericsson`s 5GC. 25 live cloud native core networks

#1
in 3GPP Standards

- Present in 137 out of 228 live 5G networks
- Technology leadership
  (74% best network performance wins among Ericsson RAN customers[3])

[1]Source: Share based on Dell'Oro, rolling 1 year market share, excluding China; [2] Sources: Ericsson analysis, excluding China
[3]Source: 220 public benchmark reports 2021, Ericsson analysis. Ericsson's customers leads in public performance benchmark, with 74% win ratio in those markets where Ericsson is present (2021)
This slide contains forward-looking statements. Actual result may be materially different.

We will not compromise our values: Putting policies and controls into firm action

Changes made to culture and governance

- Accountability and ownership
- Launched Ericsson on the Move to drive culture change
- Added integrity as a core value
- Strengthened compliance processes, including whistleblower process
- Launched enhanced risk management process

Ongoing improvements

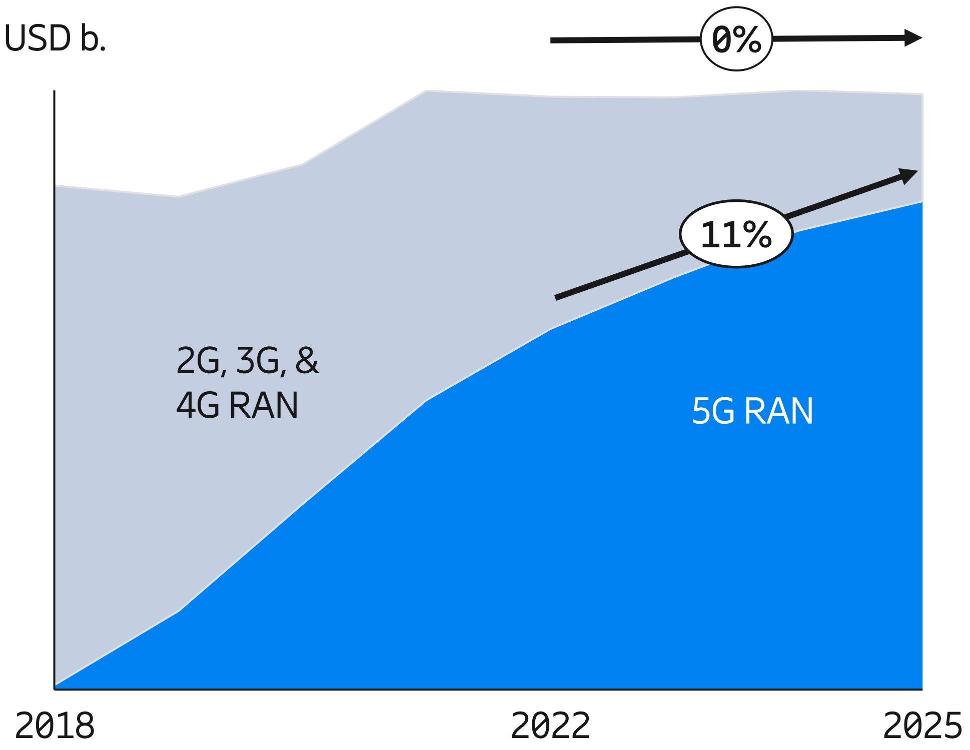
- Institutionalize risk management processes
- Continue to improve safety and well-being
- Institutionalize firm and consistent remediation in response to substantiated misconduct
- Continue to work vigorously to enhance corporate governance and culture

Ericsson is at the center of 5G, and our improved culture and governance will enable us to sustainably serve our markets without compromise

This slide contains forward-looking statements. Actual result may be materially different.

We plan for a flat market in early transition to 5G

RAN market[1]



- Challenging macro environment
- Underlying fundamentals are strong:
  – Continuous high data traffic growth
  – Early in 5G transition – 80%[2] of sites remain to be upgraded
  – Outperforming in the technology shift
  – High growth markets, esp. India

1) Outside of China; 2) Estimate for end of 2022, World, outside of China
Sources: Ericsson analysis (based on Dell'Oro), Ericsson Mobility Report
This slide contains forward-looking statements. Actual result may be materially different.

Upsides beyond current market forecast

Fixed Wireless Access

300M connections by 2028, generating more traffic than entire mobile traffic today

Mission Critical Networks

>70% of G20 governments expected to deploy 5G by 2028

XR

XR can be the next paradigm shift, driving multiple times higher network requirements

Indoor Neutral Host

Enabling the full potential of 5G indoor

Non-Terrestrial 3GPP Networks

5G enabled satellite-to-ground communication

3GPP Networks for Digital Airspace

Connecting everything from airplanes to drones with 5G

Source: Ericsson Mobility Report Nov. 2022
This slide contains forward-looking statements. Actual result may be materially different.

Ericsson strategy

Superior experience for consumers | **Reliable & easy to use solutions for businesses**

Customer values

Leading network performance, relentless efficiency and revenue growth in an open world

Businesses

Leadership in mobile networks

- Invest in technology leadership for cost, performance and sustainability across RAN, telecom core and OSS/BSS
- End to end orchestration, automated deployments & operation and advanced network services

Focused expansion into enterprise

Wireless networks

- Pre-packaged solutions
- Leading reliability, security, and operations

Communication platform

- Accelerate the world`s ability to connect
- Global network platform

Be first in critical innovations, and capture strategic business opportunities

Foundation

Technology leadership | **Cost efficiency** | **Data-driven operations** | **Global skill & scale**

Cloud Software & Services critical for Ericsson – Leader in 5G Core

- Cloud Software & Services is a strategic part of our core business
- Delivering cutting-edge software and services on standard IT hardware
- Foundation for API exposure

Network managed services	Business and operations support systems	Core networks
# 2	# 1-3	# 1

Market position: external reports (network managed services: Omdia Telecom Vendor Service 2021 Market Share; business and operations support systems: Analysis Mason worldwide market shares 2021 reports; core networks: Gartner Magic Quadrant 2022, 5G NW infrastructure)
This slide contains forward-looking statements. Actual result may be materially different.

Transforming to a platform company to drive growth and monetization with our customers

Superior experience for consumers

Video | Communication | Real-time gaming | AR/XR | ...

Reliable & easy to use solutions for businesses

Collaboration | Remote health | Autonomous vehicles | Digital twins | ...

Device APIs | Communication & Network APIs | Cloud APIs

Pre-packaged enterprise solutions

Differentiated high performance networks

5-10x
Speed

10x
lower latency

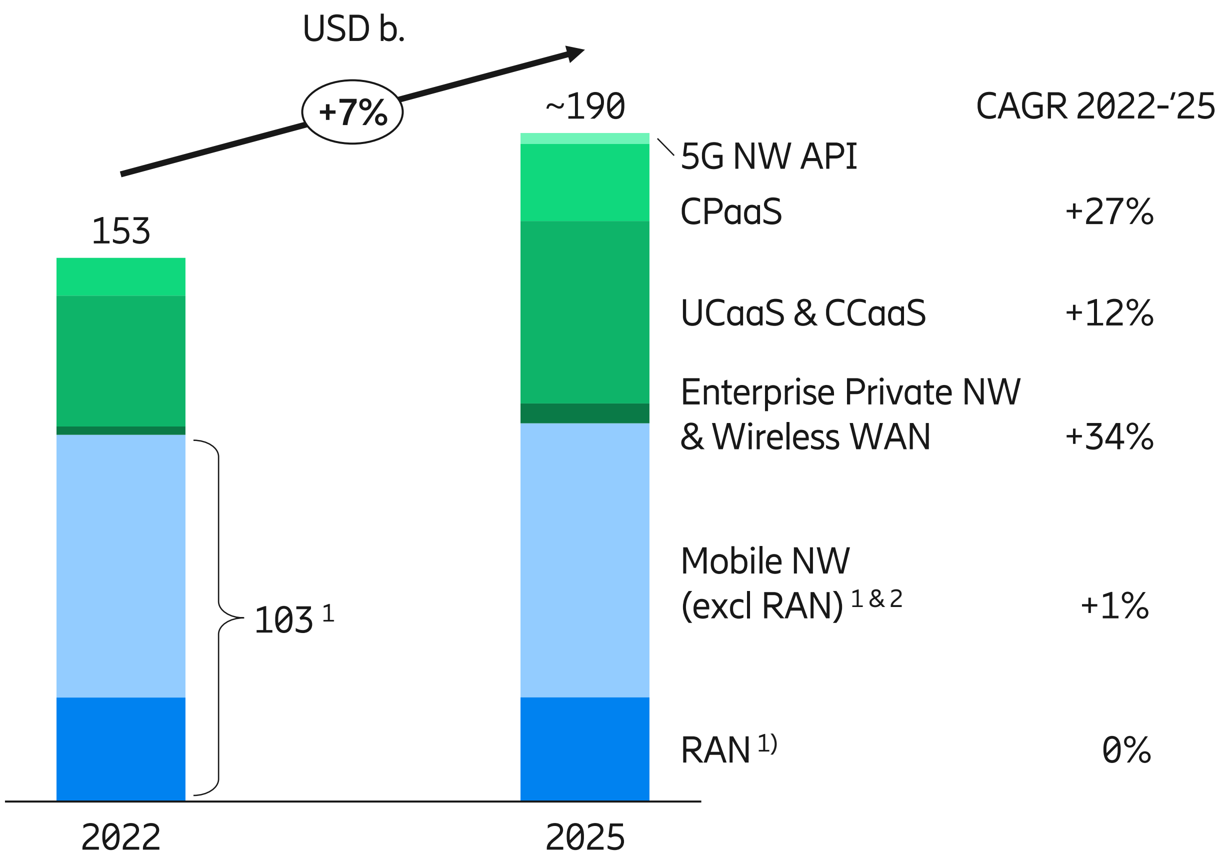
10x
higher capacity

Devices | Networks | Clouds

Performance Numbers indicate 4G to 5G improvements

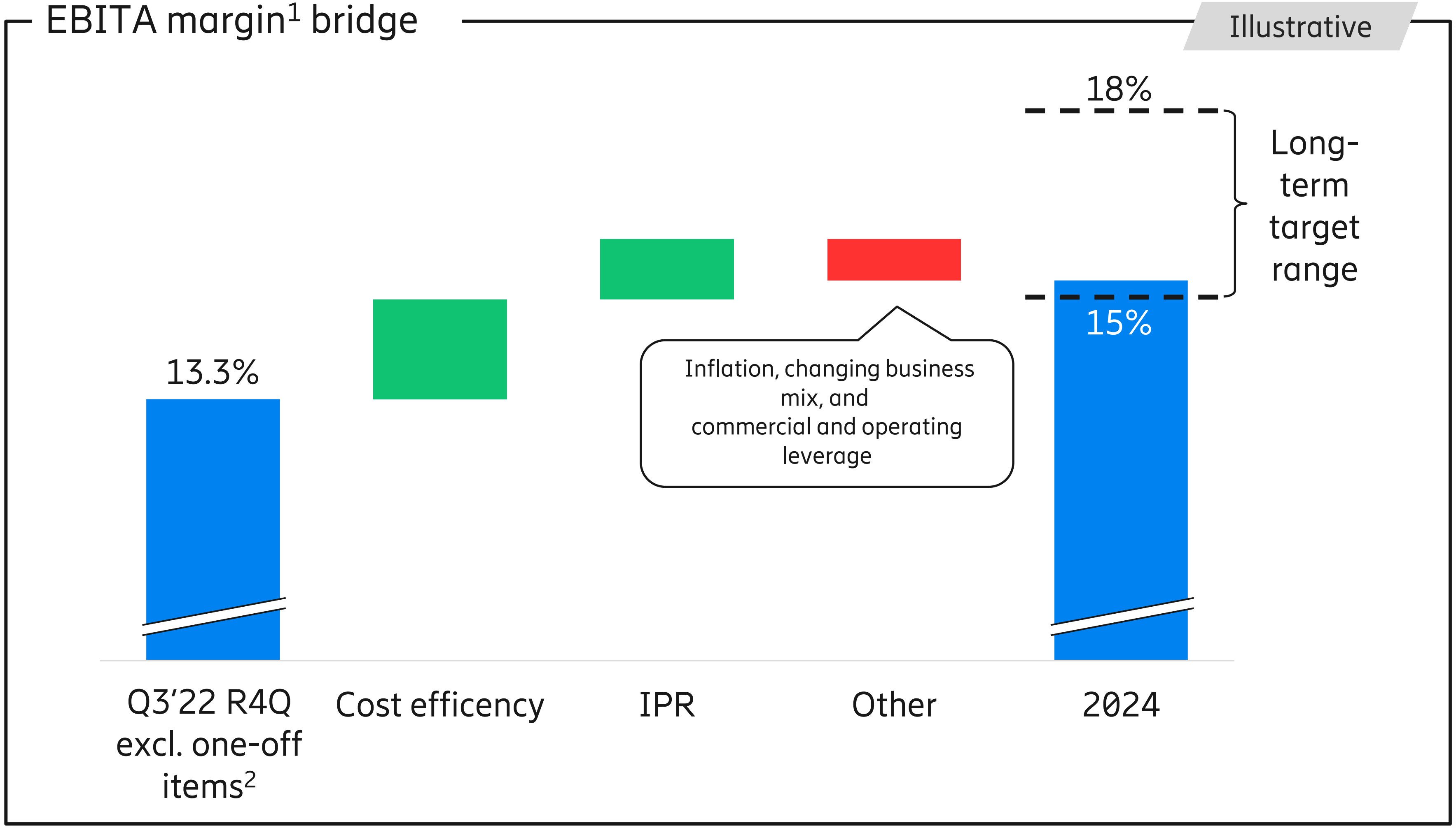
Entry into enterprise expands addressable market

- 5G in early days with majority of global rollout to come
- 5G proliferates enterprise networks with pre-packaged solutions & WWAN
- Communication APIs growth and creating a new Network API market



1) Excl. China; 2) Excl. IT Managed Services & ADM
Source: Ericsson analysis based on Dell'Oro, IDC, Omdia, Gartner, Analysys Mason and others
This slide contains forward-looking statements. Actual result may be materially different.

Clear path to higher margins – within long-term target range by 2024



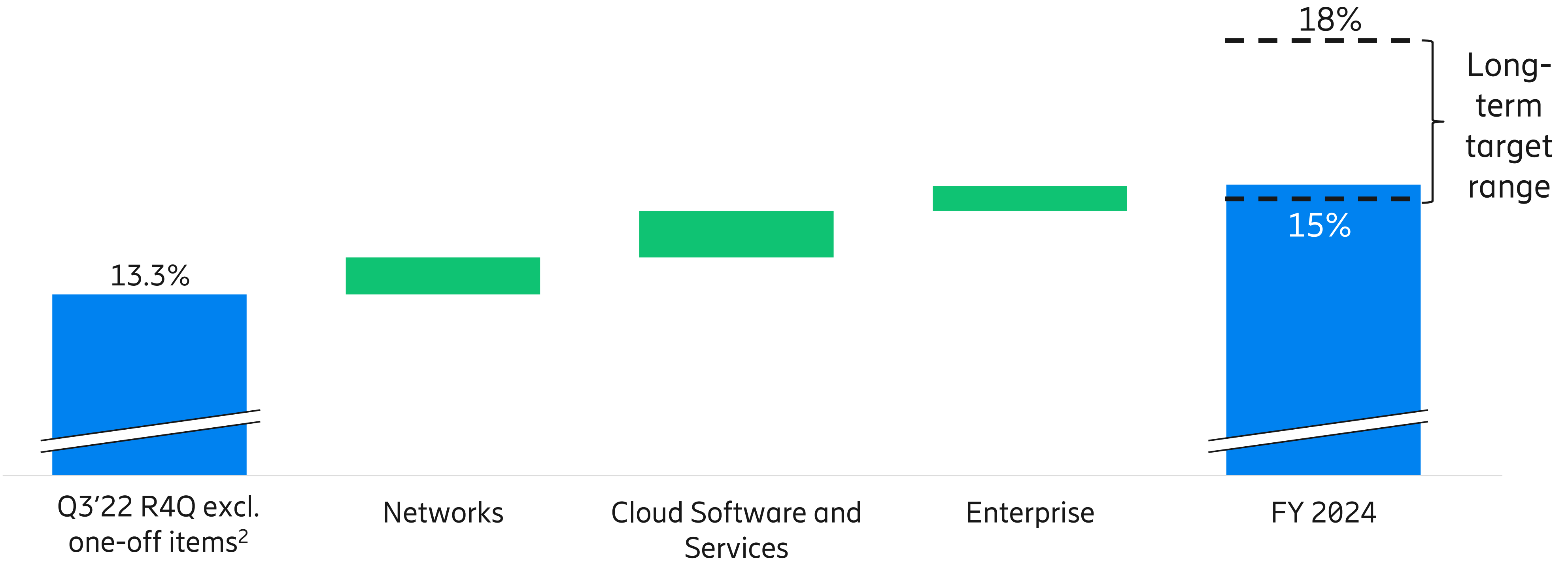
1) Numbers exclude restructuring charges; 2) Excluding provision for exiting Russia (SEK 0.9b) and M&A costs (SEK 0.4b)
This slide contains forward-looking statements. Actual result may be materially different.

All segments contributing to higher margins

We are committed to deliver profitable and sustainable growth to achieve long-term EBITA target by 2024

EBITA margin[1] bridge

Illustrative



1. Numbers exclude restructuring charges
2. Excluding provision for exiting Russia (SEK 0.9b) and M&A costs (SEK 0.4b)

This slide contains forward-looking statements. Actual result may be materially different.

Prudent financial management in uncertain times

Target to generate free cash flow[1] of 9-12% of net sales

Near-term capital allocation priorities

Organic & inorganic investments

to support growth and technology leadership

Shareholder distribution

Target a stable to progressive dividend considering earnings, business outlooks and financial priorities

Safeguard balance sheet strengths

Commitment to deploy capital wisely for value creation

1) Free cash flow before M&A

This slide contains forward-looking statements. Actual result may be materially different.

Embedding a sustainable mindset across our people, policies and practices

Talent	Sustainability	Inclusion	Trust
• Attract and retain world-class talent • Build a culture of integrity and empathy • Value diversity and inclusion	• Net Zero across value chain by 2040 • End-to-end energy efficiency • 5G network platform enable carbon savings	• Respect and support communities we operate in • Ensure connectivity for all	• Prioritize our values, the safety of our people • Commitment to accountability • Vigorously improve our culture and governance

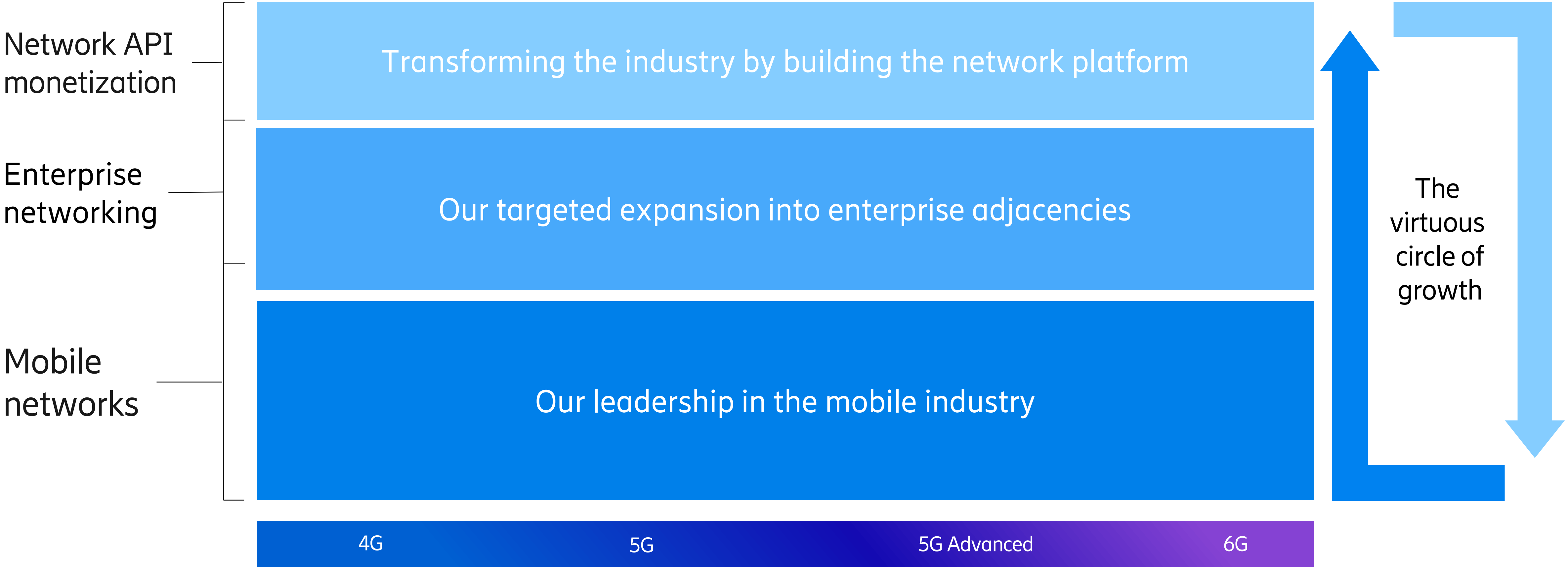
Key takeaways

1. We are transforming into a platform company
2. We are continuously improving and are running the company better than ever before
3. We aim to reach break-even in Cloud Software & Services business in 2023
4. We will prudently manage our costs, investments and balance sheet
5. We will invest responsibly to preserve and enhance our technology leadership, market share and profitability
6. We will invest in our people and complete our cultural turnaround to give us the strategic flexibility to make the best choices

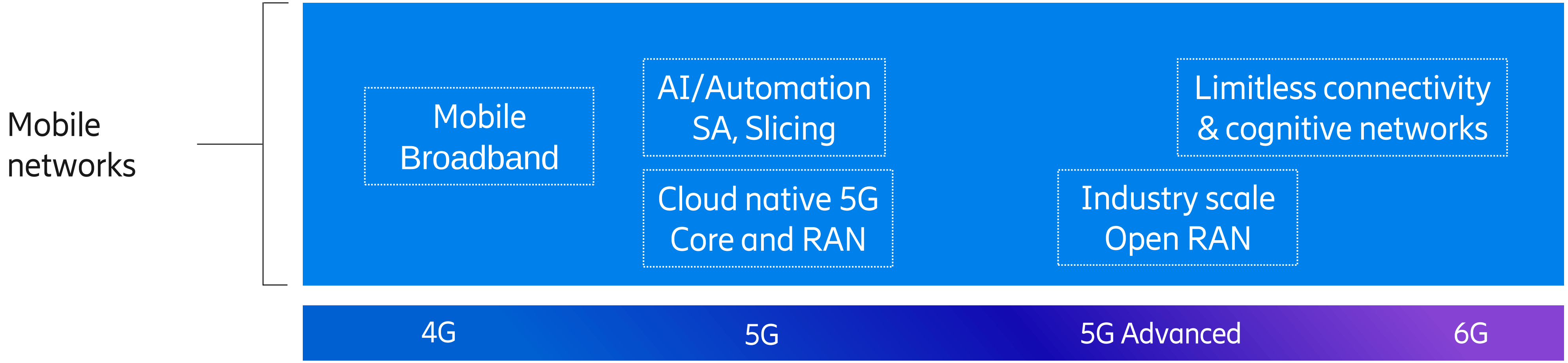
Technology leadership drives industry development

Erik Ekudden
CTO, SVP and Head of Technology & Strategy

Industry development - towards a global platform for innovation and monetization



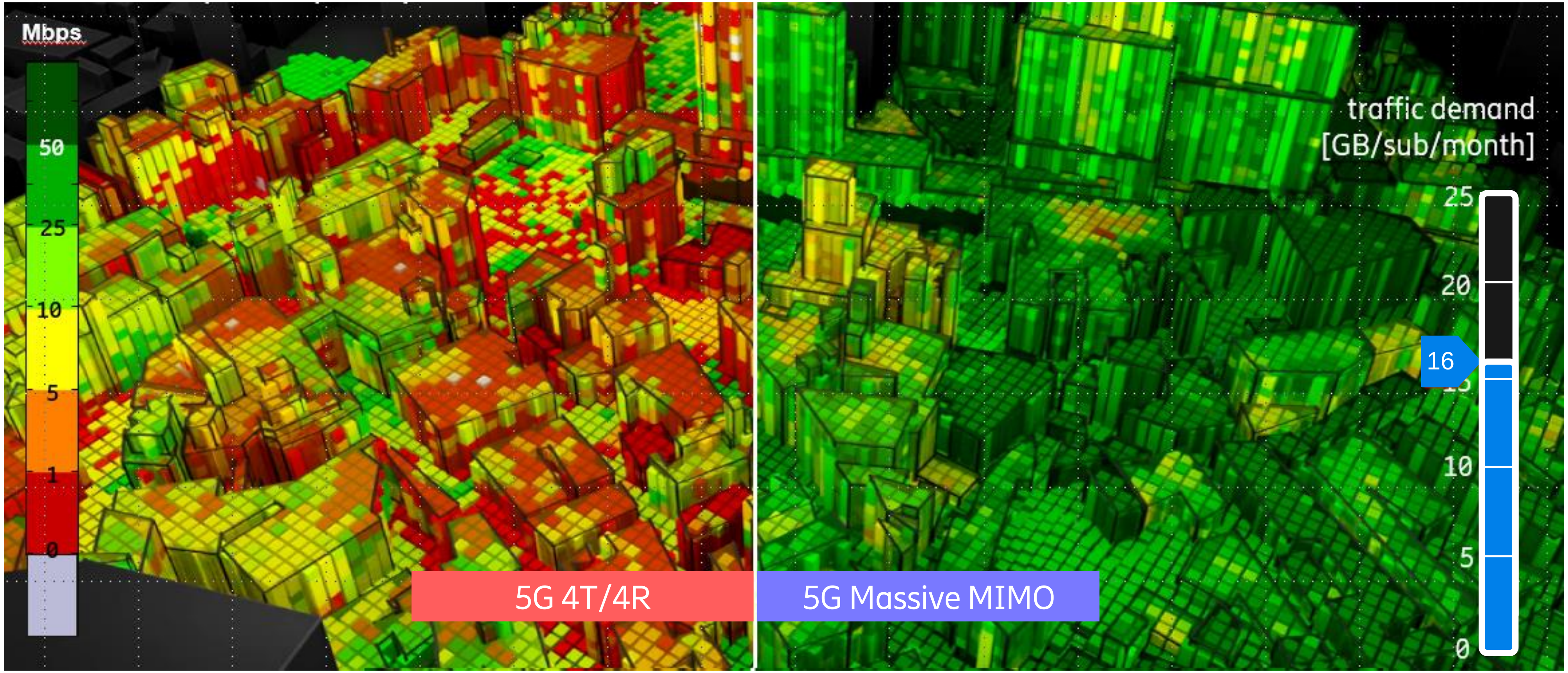
Industry development - our leadership in the mobile industry



SA = Standalone, XR = Extended Reality

Superior network experience

Example: Uplink performance optimized for best user experience

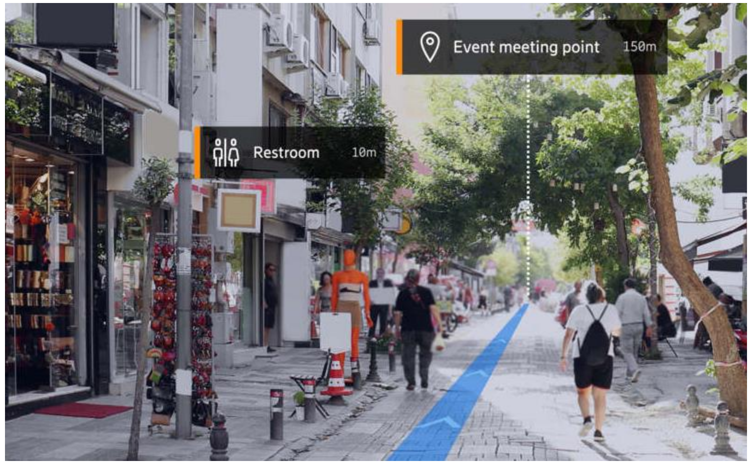


Operators selecting Ericsson technology for best user experience

XR can be the next paradigm shift after the smartphone

VR to AR
Near term

Head-Up-Display, blended information



AR takes lead
Mid term

Recognize surrounding, geo-specific

All day XR
Long term

Fully immersive

Ericsson technology will have an advantage

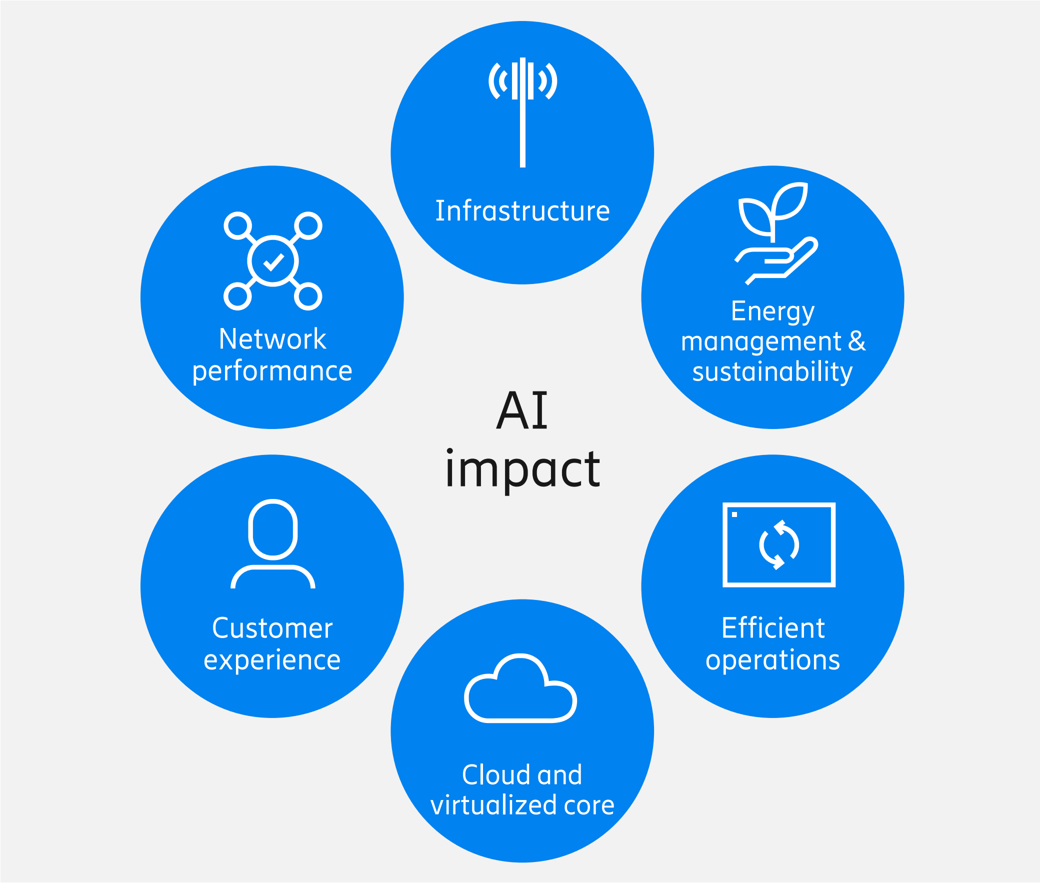
VR = Virtual reality , AR = Augmented reality, XR = Extended reality

AI delivering value in telecom networks today

18%
Network load redistribution – more efficient use of resources
Self-Organizing Network

15 min
vs 1 week to automatically classify 100 000 cells with **Cell Issue Classifier**

80%
Reduced signaling with
Machine Learning assisted paging



25%
Better 5G coverage **with**
5G-aware traffic management

14%
Energy savings with
Augmented MIMO sleep

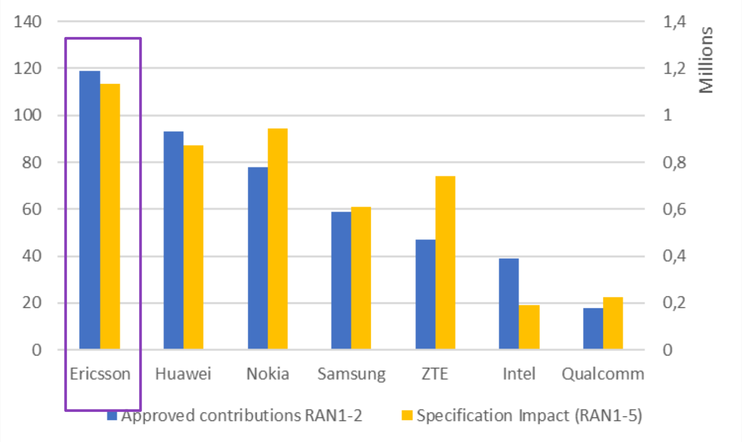
>70%
incidents prevented with
RAN KPI degradation prediction

Ericsson leading by domain knowledge and leveraging operational data

Ericsson standardization leadership

3GPP

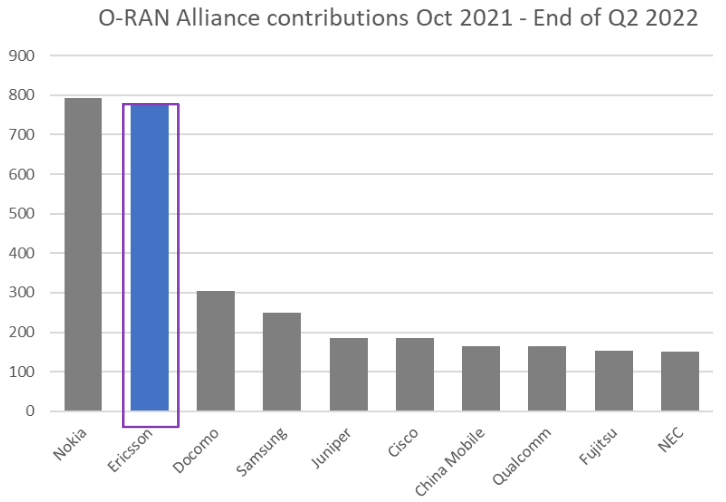
1st in approved NR contributions and specification impact in RAN1-2 in Rel-17



Innovations like
Ericsson Spectrum Sharing

O-RAN Alliance

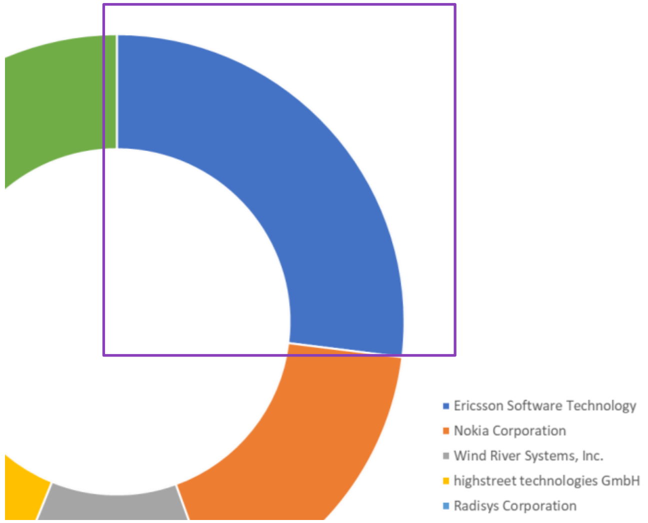
2nd in total contributions to O-RAN Alliance



Innovations like Non RT-RIC[1] open platform and other open interfaces

Open source

1st in number of commits in OSC (Q2 2021 – Q2 2022)

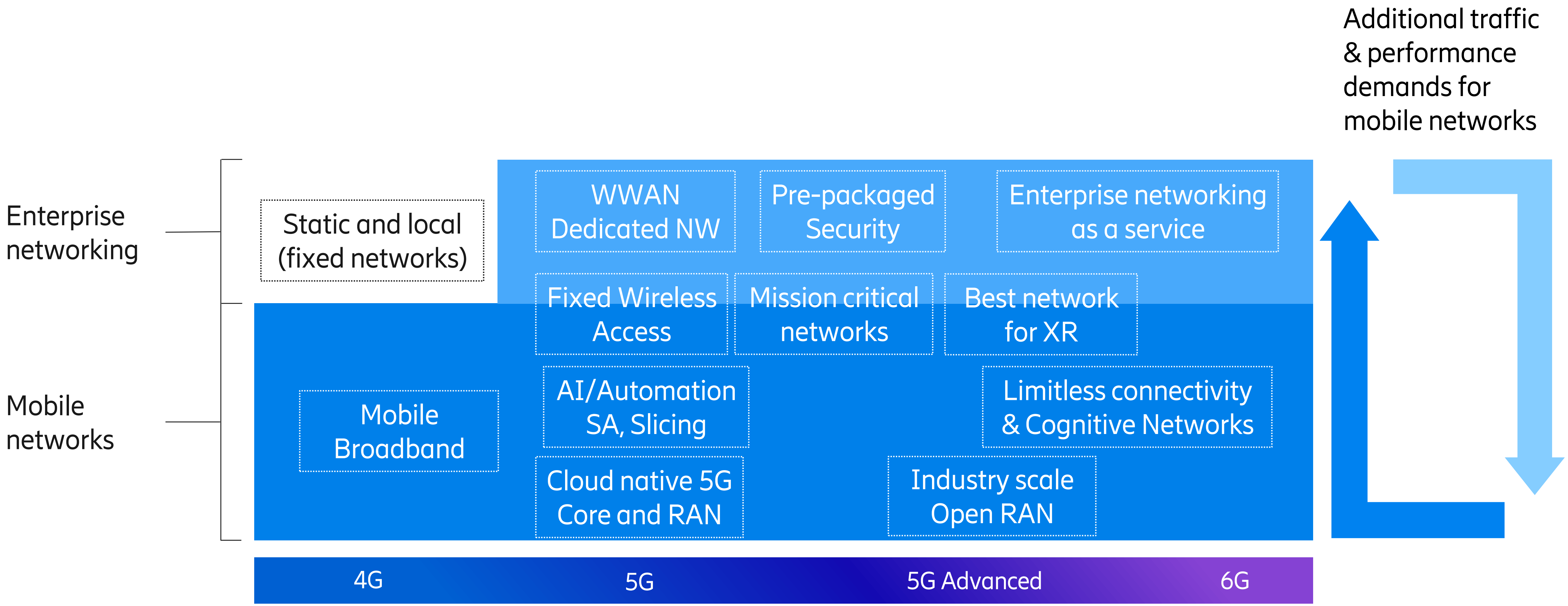


Innovations like orchestration and multivendor management

Ericsson at the forefront of the industry evolution

1) Non RT-RIC = Non Realtime RAN Intelligent Controller

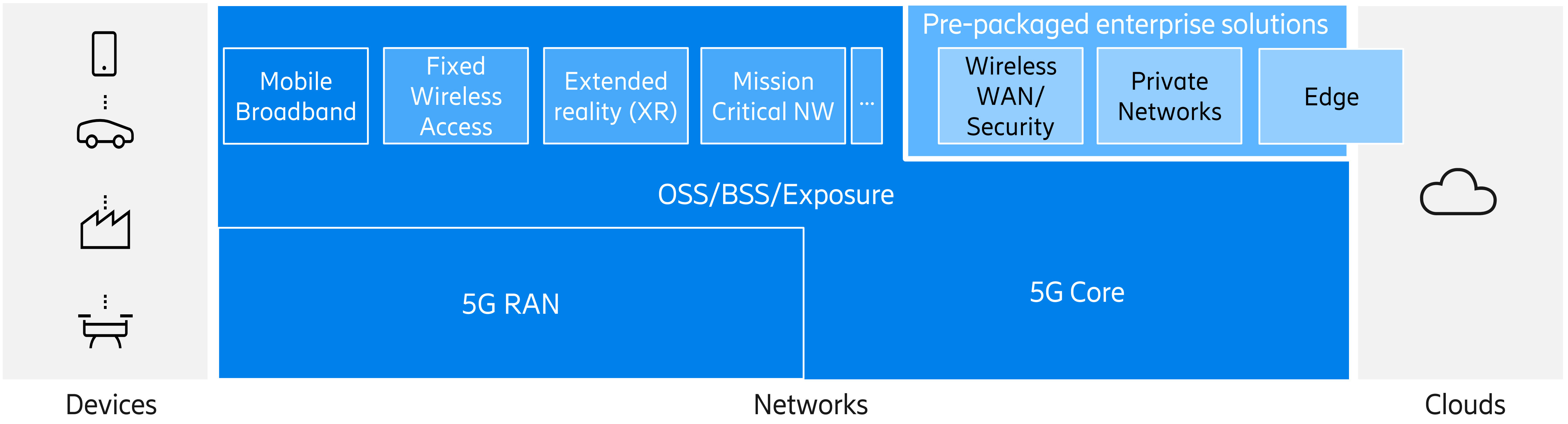
Industry development - our targeted expansion into enterprise adjacencies



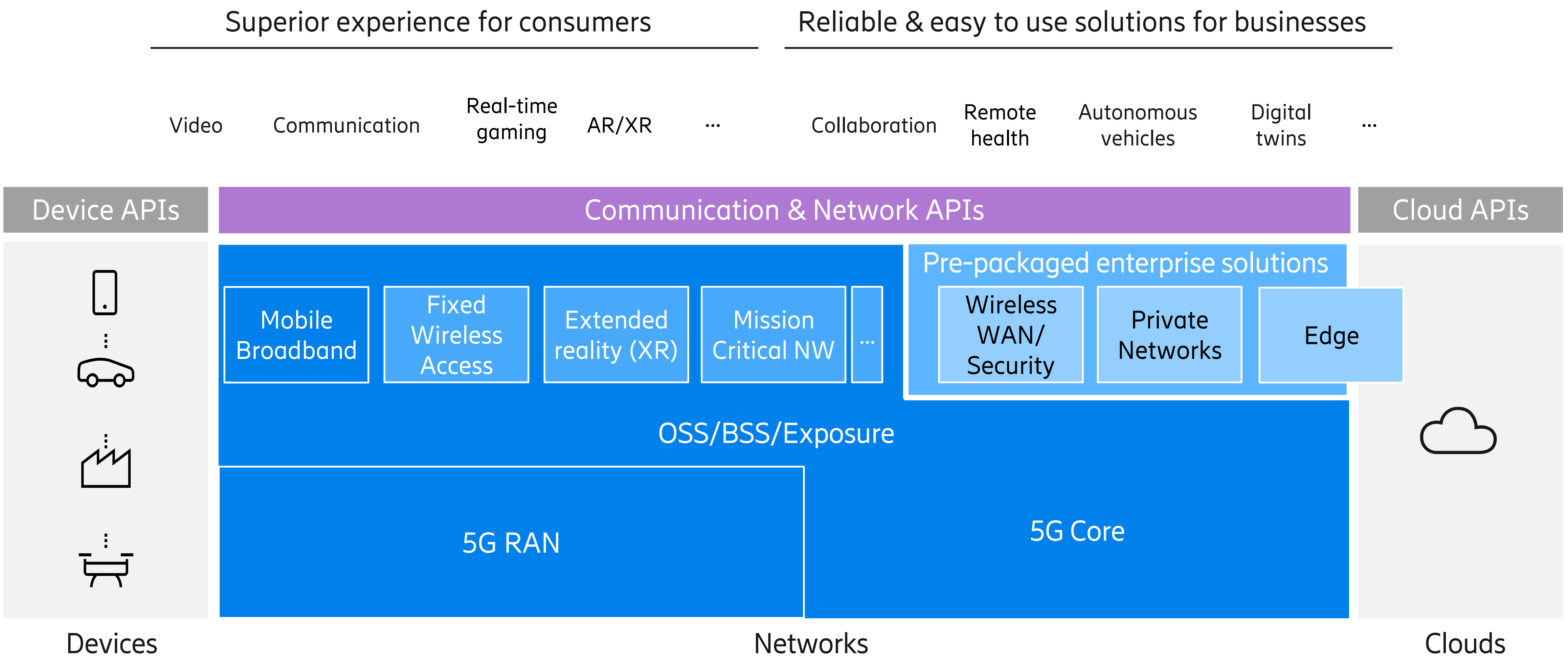
WWAN = Wireless wide area network, SA = Standalone, XR = Extended reality

New markets capitalizing on 5G R&D investments

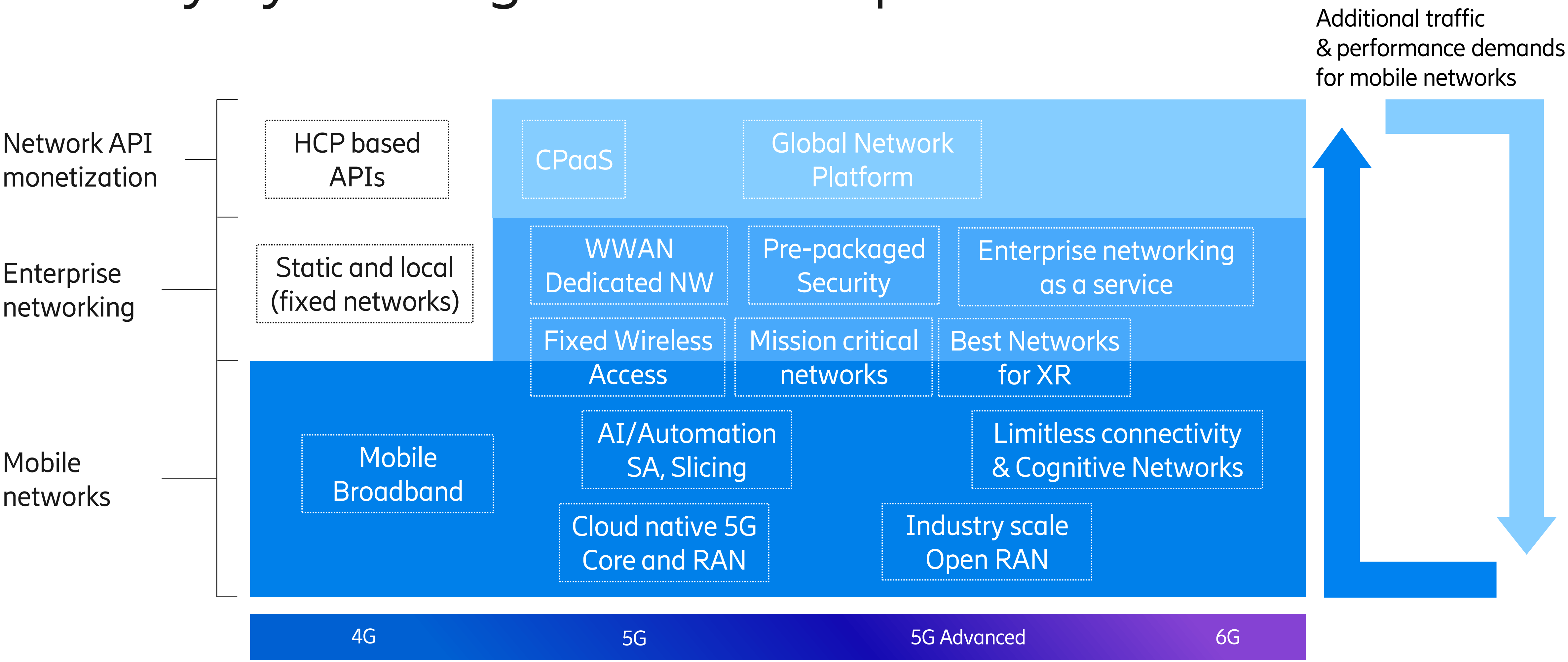
From separate industry networks to a global platform



Enabling enterprises and developers to use network capabilities and APIs - new monetization opportunities



Industry development - transforming the industry by building the network platform



HCP = Hyperscalers, CPaaS = Communication platform as a service, WWAN = Wireless wide area network, SA = Standalone, XR = Extended reality

Key takeaways

Network API monetization

Enterprise networking

Mobile networks

Transforming the industry by building a network platform

Enabling enterprises & developers to use network capabilities and APIs

New markets capitalizing on 5G R&D investments

Cloud and 5G networking is a foundation for next generation enterprise

Higher performance AI optimized networks

Technology and standardization leadership
with strong portfolio in RAN and 5G Core

4G | 5G | 5G Advanced | 6G

The virtuous circle of growth

Enterprise Wireless Solutions

George Mulhern
SVP and Head of Enterprise Wireless Solutions

Agenda

- Creating Enterprise Wireless Solutions
- Market Opportunity
- Our Offering
- Key takeaways

Supporting enterprises in leveraging 5G to drive business transformation

CSP-FOCUSED

ERICSSON

Leader in 5G infrastructure deployments

- 5G leadership position
- 'Dedicated Networks' offering gaining momentum (+67% revenue YoY*)

* October 2021 to October 2022

+

ENTERPRISE FOCUSED

cradlepoint

Industry's first and broadest '5G for Enterprise' solutions

- No. 1 position in Wireless WAN market
- Global 2-tier distribution model, leveraging world's largest distributors
- Engaging IT reseller community at scale (+3 000 reselling partners)

=

5G ENTERPRISE-FOCUSED

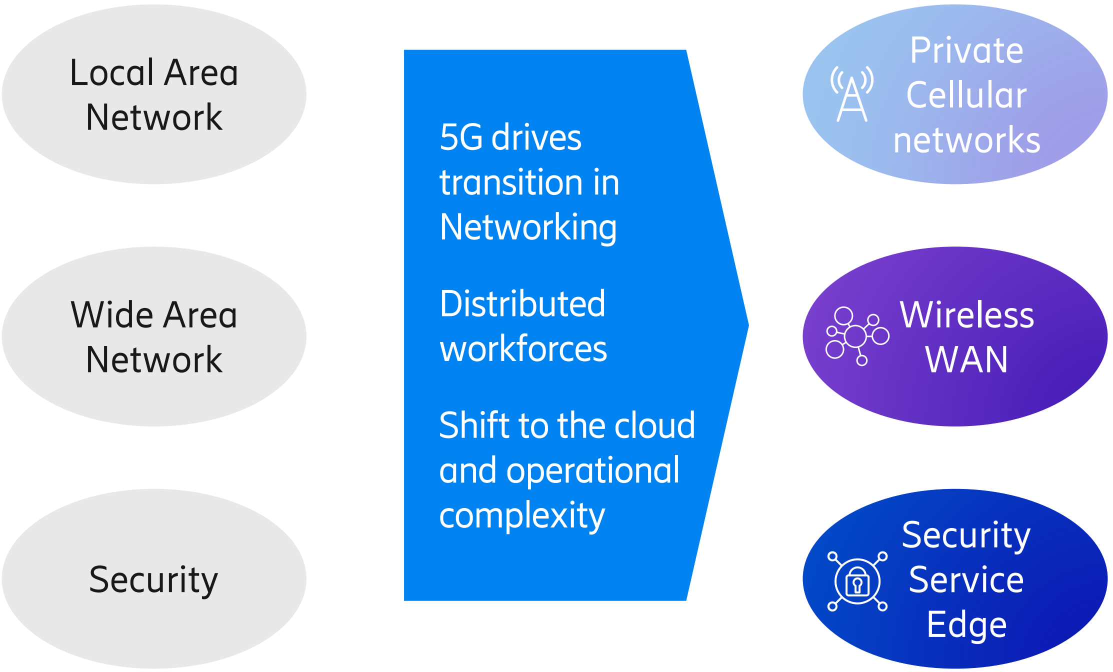
ERICSSON
Enterprise Wireless Solutions

Technology transformation portfolio for Secure Enterprise 5G

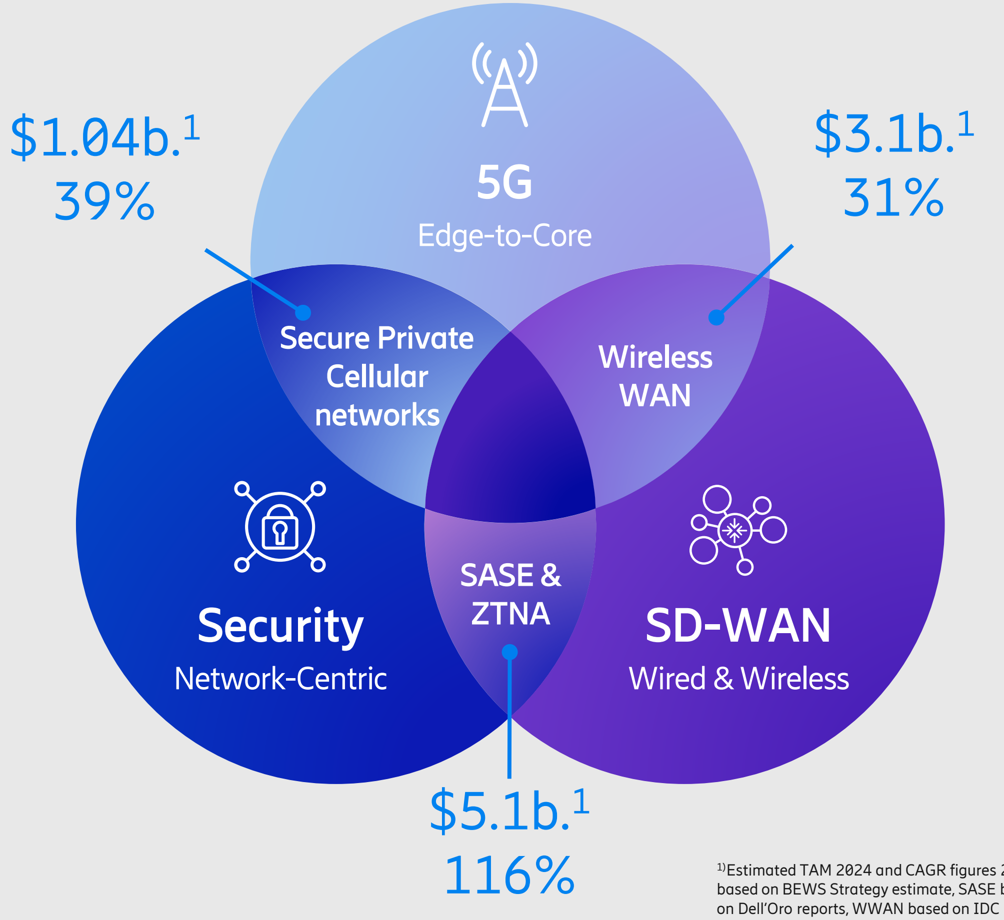
- Creating the leading player in Secure Enterprise 5G and a non-CSP route to market to scale
- Dedicated enterprise sales force
- Successful integration and evolved Ericsson M&A playbook

Ericsson Enterprise Wireless Solutions has a singular focus on driving the **enterprise ambition**

Networking solutions converging into single-pane-of-glass offerings



Multi-billion dollar market opportunity for Secure Enterprise 5G



[1)]Estimated TAM 2024 and CAGR figures 2022-2024: PCN based on BEWS Strategy estimate, SASE based on Dell'Oro reports, WWAN based on IDC

SASE, Secure Access Service Edge I ZTNA, Zero Trust Networ Access I SD-WAN, Software Defined Wide Area Network

Enterprise 5G gaining adoption, enabling use cases where WiFi struggles

Success stories

5G SD-WAN

Prominent fast-food restaurant franchise

'5G SD-WAN' to provide application performance and resiliency

Private 5G

Leading electric vehicle manufacturer

'Private 5G' connected machines, robots, signage, and computers on factory floor

Mobile 5G

Major European mass transit agency

5G keeps passengers and on-board systems securely and reliably connected

5G Video

First Nations Rangers

5G bandwidth allows them to connect with their community and share their conservation efforts with the larger public

5G IOT

Port of Tyne

Private 5G provides high bandwidth, low latency network and enabled advanced analytics and artificial intelligence

Key levers to enable scaling

- 5G infrastructure roll-out
- Device ecosystem
- Prevalence of unlimited data plans
- Seamless integration to macro-network
- Seamless integration to edge infrastructure
- Converged Networks
- Network slicing for macro led CSP offerings

Simplified 5G consumption through convergence

1 Private 5G solutions

Secure, policy-based, wireless connectivity at scale, private to public

2 5G Edge solutions

Connect people, places and things simply from anywhere to anywhere

3 Programmable macro network solutions

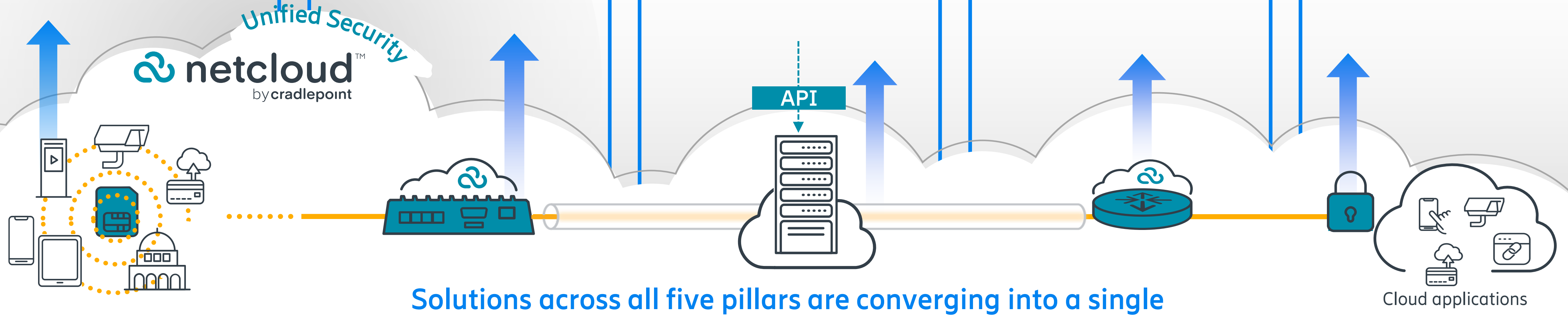
Programmable interface to the macro network

4 5G-optimized SD-WAN solutions

Application availability and quality from edge to cloud

5 Cloud security and unified policy solutions

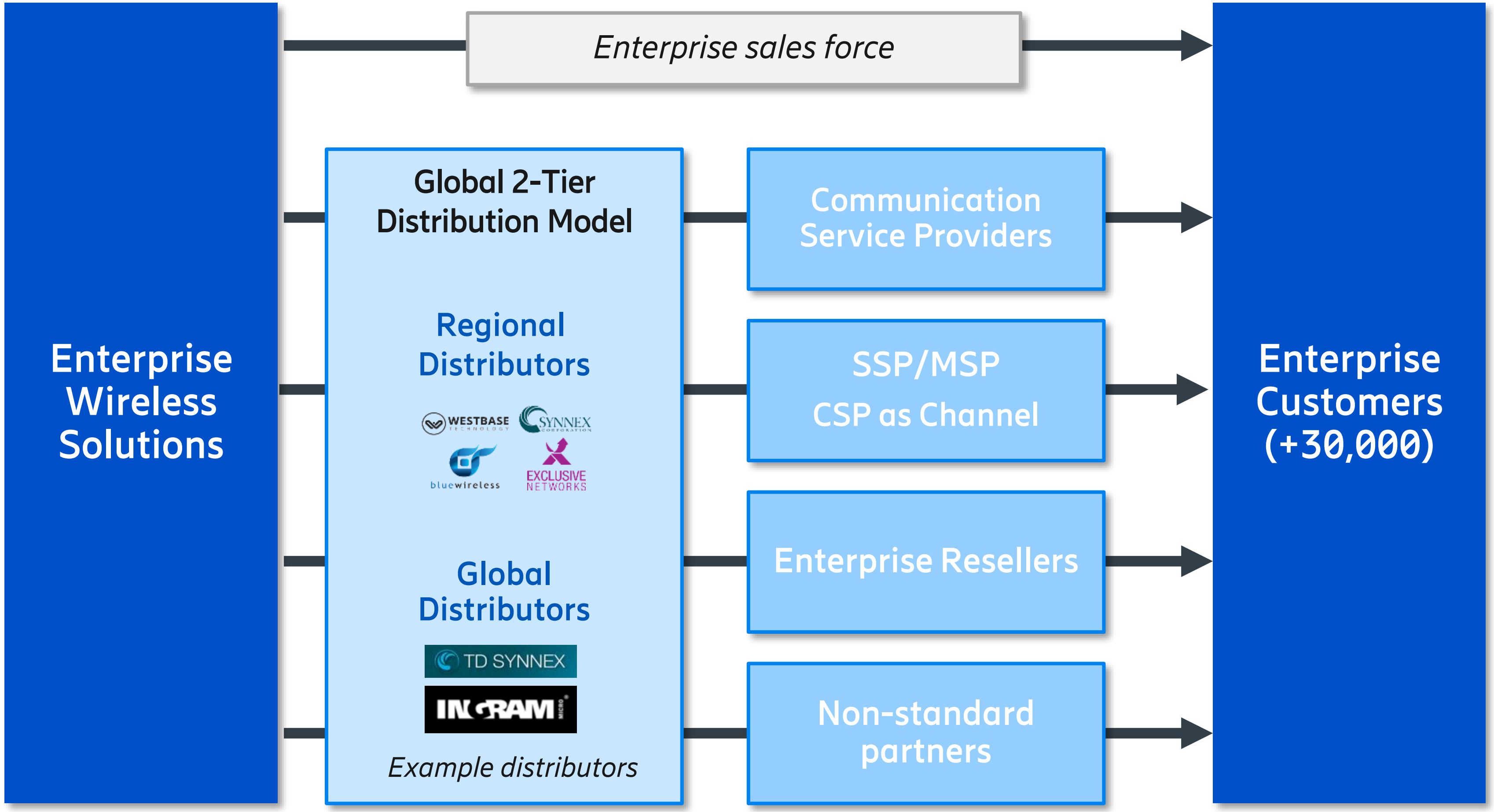
Consistent policies, regardless of access point or network



Solutions across all five pillars are converging into a single offering, built on Ericsson Core Technology

(Cloud) RAN	5G Core (Packet Core)	Voice over LTE/New Radio	B2B Business Support System	Network Management	Network Slicing	Managed Services

The go-to-market for Enterprise Wireless Solutions



- Go-to-market model adapted for scaling in the Enterprise segment
- Market power and leverage via distributors and value-added resellers
- Single platform to measure and monitor progress in the Enterprise business

Subscription model driving enhanced cash position and higher margins

Cradlepoint subscription model and billings

36 months delivery in average

12 months

Hardware + Services

Renewal

$

Payment upfront

Gross margin >60%

$

Payment upfront

Gross Margin >70%

Visualization of difference between 'Billings' and 'Net Sales' over a 36 month period

Period	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Billing	360																																			
Payment	360																																			
Net Sales	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10

- Cradlepoint invoices and gets paid for 100% of the subscription services upfront
- Most of the revenue is deferred and is recognized during the 3 years in average of the subscription period
- Leads to a gap between what was invoiced ("billings") and the reported Net Sales
- Negative impact on EBIT as large part of gross profit is deferred

Global Communications Platform update

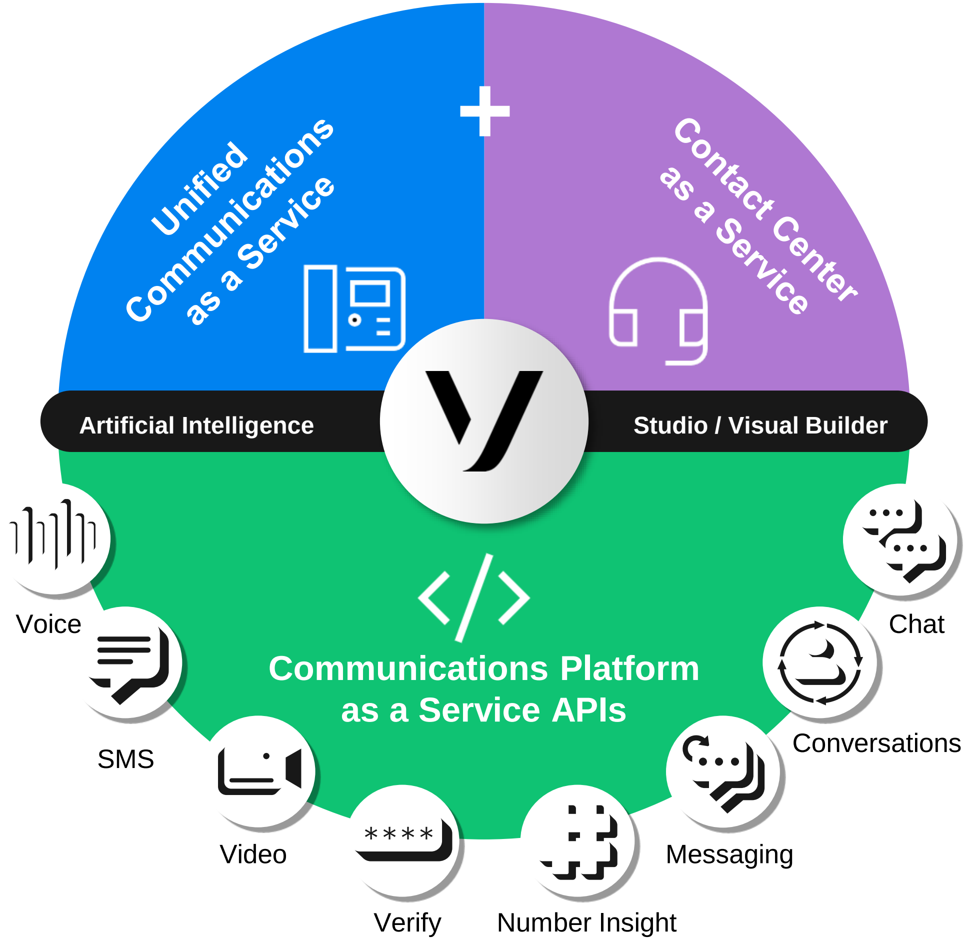
Rory Read
SVP, Head of Business Area Global Communications Platform

Agenda

- About Vonage
- Market Opportunity
- Ericsson + Vonage = A Powerful Combination
- GNP - Communications and Network APIs

VCP is uniquely positioned to address the largest Cloud TAM covering UCaaS, CCaaS and CPaaS

Vonage Communications Platform (VCP)



2001
Company founded
Headquarters: Holmdel, NJ

USD 1.4 b.+
2021 annual revenue

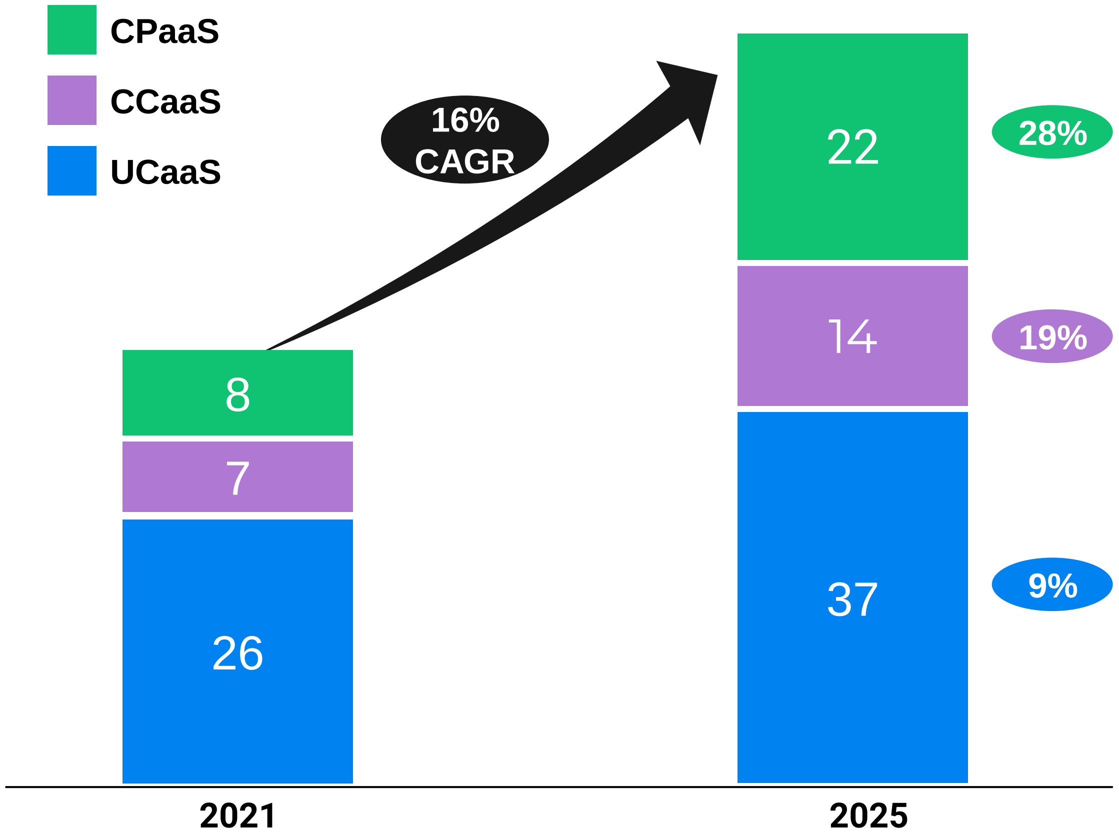
2,300+
Employees worldwide

25 b.+
Minutes & messages terminated annually

80% +
Business revenues

120K+
Business customers

Cloud Communications total addressable market growing from USD 41 b. in 2021 to USD 73 b. in 2025



VCP uniquely positioned and has leading industry recognition

OMDIA — CPaaS Universe 2022 - Leader
Top Rankings in CX & Solutions Capability

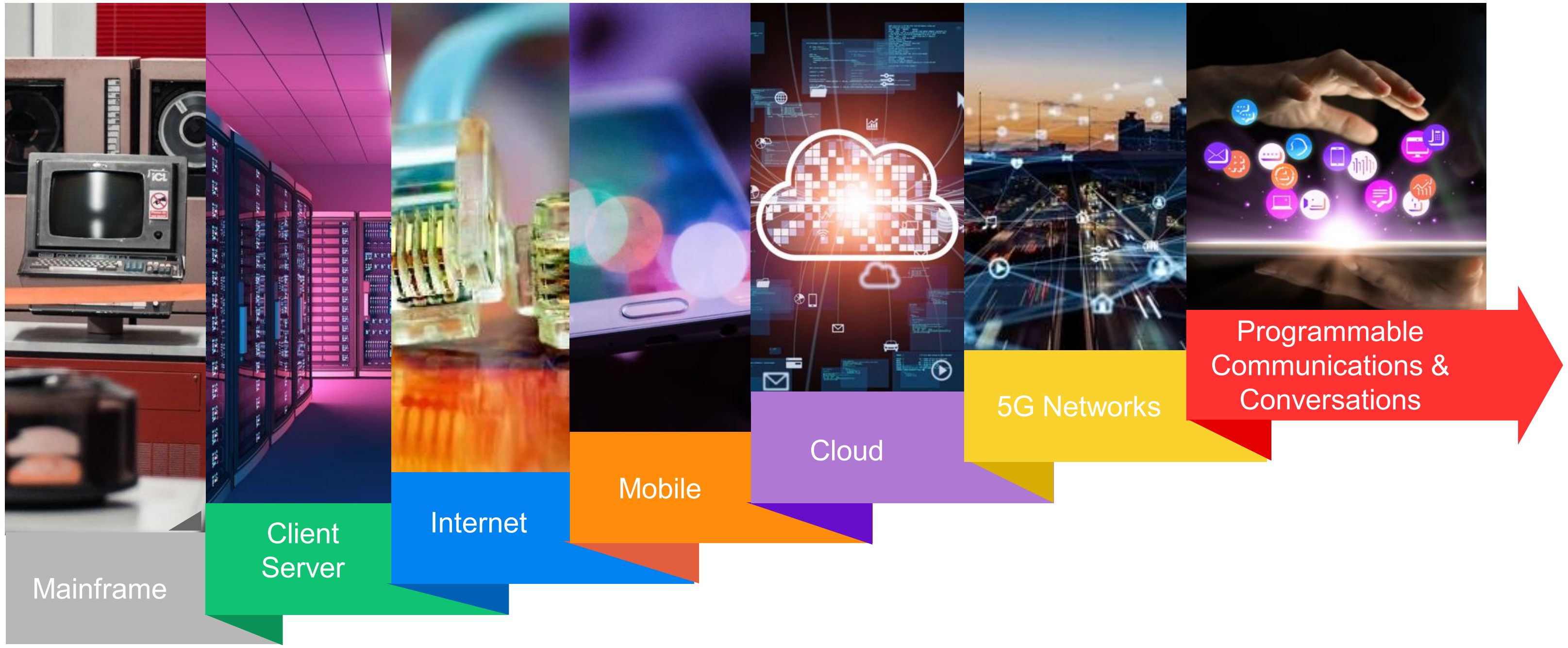
FROST & SULLIVAN — CCaaS Radar 2022, EMEA Leader;
CCaaS Radar 2021, North America Strong Performer

IDC ANALYZE THE FUTURE — UCaaS MarketScape 2021
Major Player - Enterprise
Major Player - SMB

Source: IDC & Gartner; CPaaS 2021 metrics; UCaaS & CCaaS is 2022 metrics

The Cloud and 5G communications wave has just begun

Convergence of technology waves → Is changing how the world connects



6+ billion smart-phones globally	**2.3 trillion** texts sent annually	**4.4 billion** 5G subscribers by 2027
49 billion mobile payment transactions by 2023	**100 zeta-bytes** of data in the cloud by 2025	**319 billion** emails sent and received daily

Source: IDC and industry research analysts

Combined Vonage and Ericsson strategy creates near-term opportunities

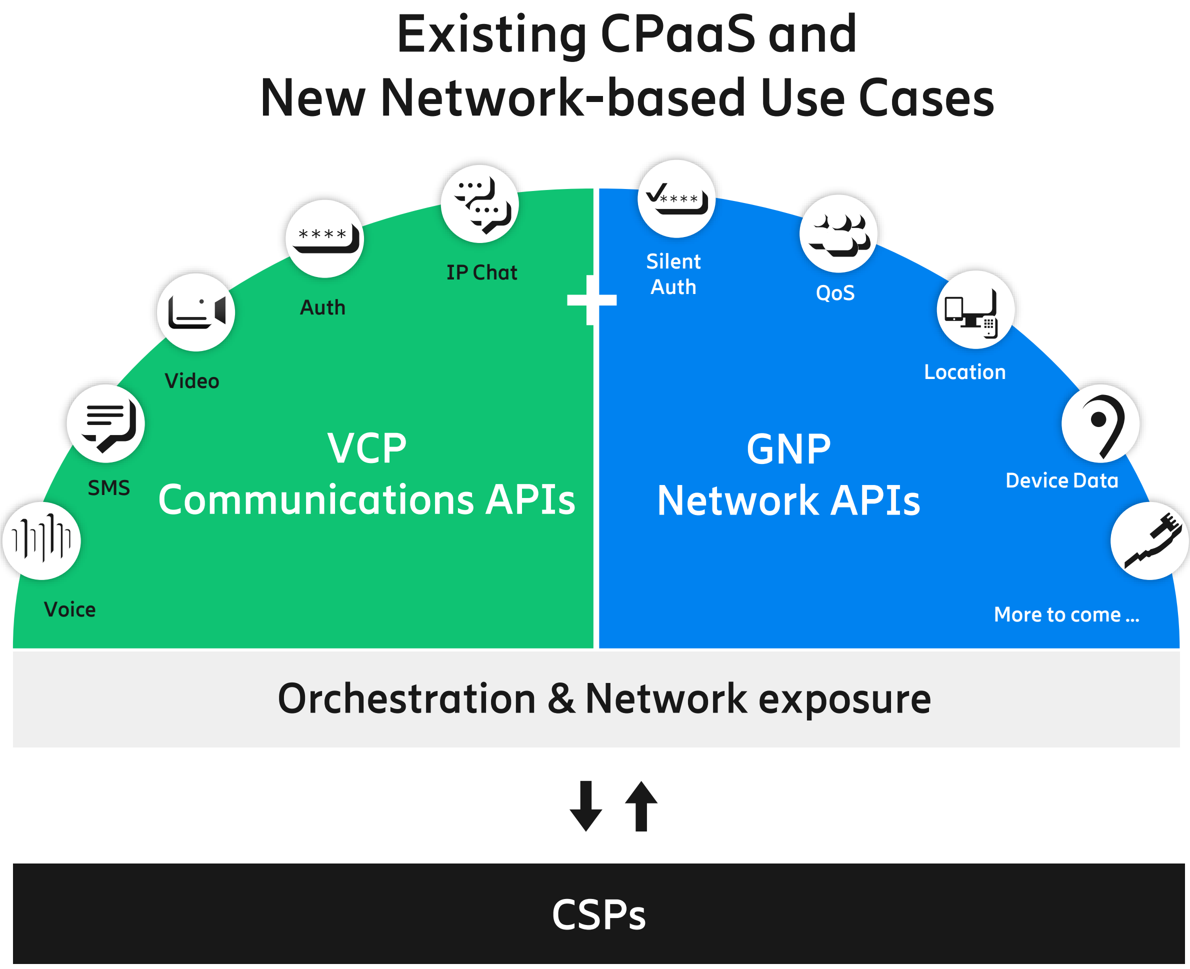
Vonage's Leading Global Communications Platform	Ericsson Global Leader in 5G
Global Developer Community	5G leadership
Large enterprise customer base	R&D Scale
Easy-to-use API Platform	Leading network exposure

White-labeling UCaaS/CCaaS

CSP Strategic Partnerships/reselling

APIs enhanced by 5G network capabilities

Communications and Network APIs



- Ericsson to leverage Vonage CPaaS to build global 5G API platform
- Developers can embed network configurations to optimize application performance or create new applications
- Opens new dimension of network-sensitive use cases

New 5G APIs expected to drive substantial incremental TAM

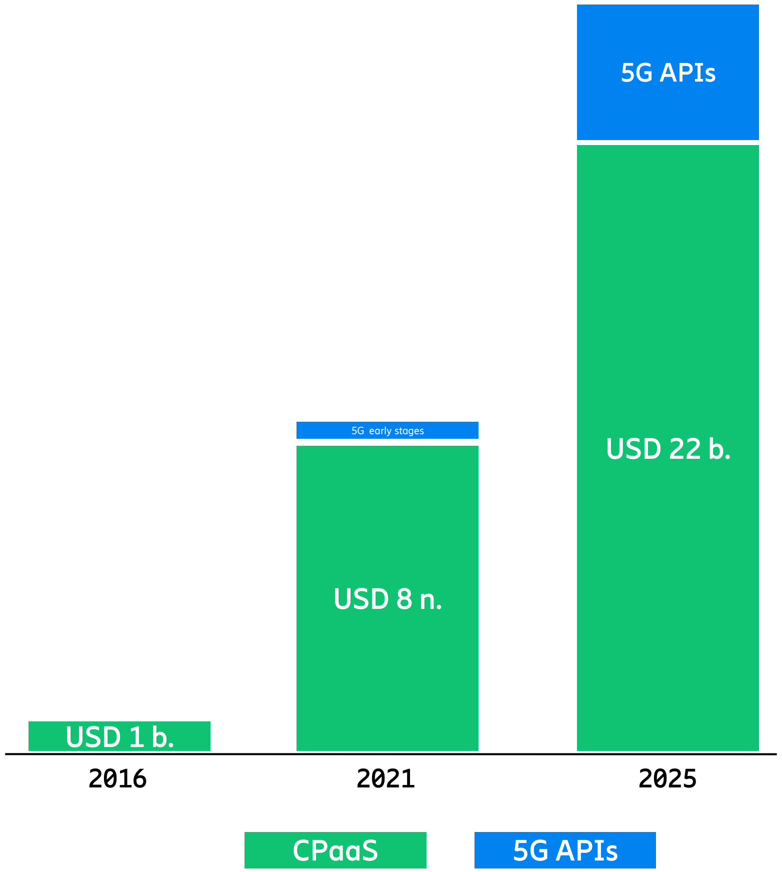
Smart Manufacturing

Remote Medical Procedures

Holographic Communication

Tele-operated Driving

CPaaS + GNP TAM (USD b.)



Key takeaways

Market Opportunity

Large and growing cloud communications TAM

New addressable market with 5G APIs

Well positioned in the right place at the right time

Customer Base

Large, diverse client base across industries

One of the largest global developer ecosystems

Strategic CSP partners

First-mover GNP

VCP on top of 5G will deliver the experiences of the future

New opportunities for CSPs to monetize 5G networks

Next-generation capabilities will change how businesses and people interact in every industry across the world

The customer view

Niklas Heuveldop
SVP and Head of Market Area North America

Agenda

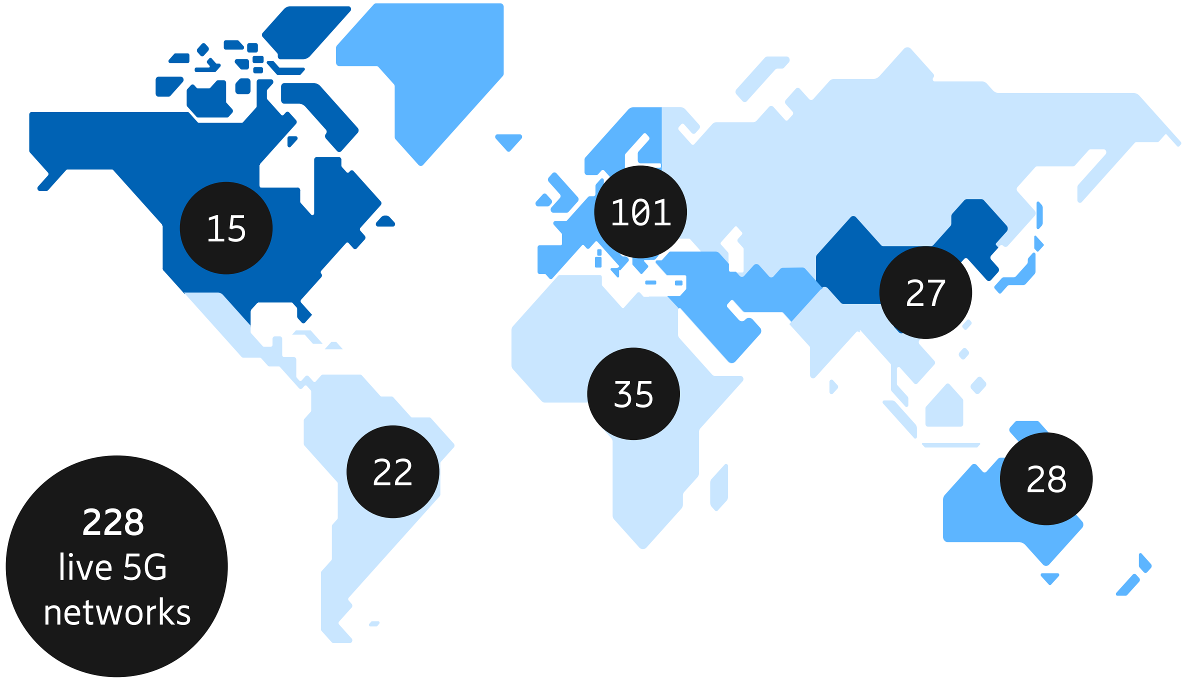
Global market update

Business opportunity

Market outlook

Global market update

Continued high pace of 5G deployments globally – almost 80%[1] of all base stations remain to be upgraded to 5G



5G mid-band population coverage: >75% 10-50% <10%

Business fundamentals remain solid, despite macro- and geopolitical challenges

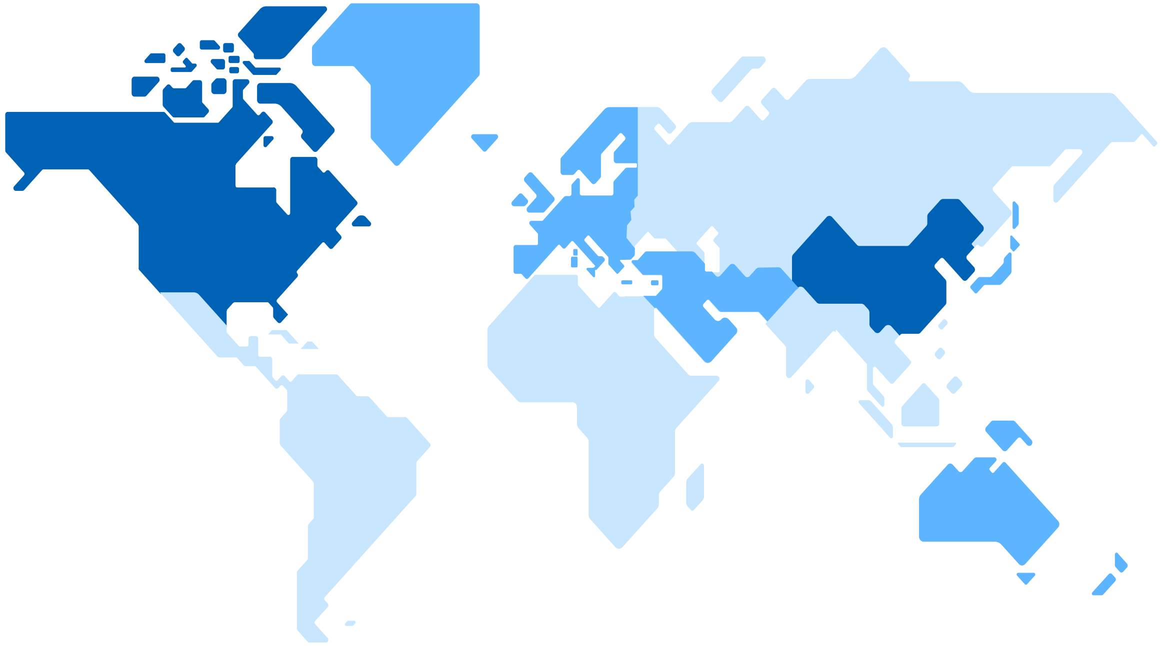
Inflation	Energy prices	Geopolitical tension
Consumer behavior	Climate action	Critical infrastructure

- Consumers prioritize mobile services
- 1 billion 5G mobile subscriptions 2022
- 4x data growth by 2028
- 5G accelerates climate action, across industries
- 5G accelerates industry and public sector adoption
- 5G accelerates government action to address digital divide

Source: Ericsson Mobility Report (Nov 2022); Alphawise/Morgan Stanley Research (Oct 2022); GSA Nov 2022.
[1)]Estimate for end of 2022, World, outside of China

Business opportunity

Monetization picking up with nation-wide coverage and differentiated customer experience



5G mid-band population coverage: >75% 10-50% <10%

Early success in eMBB and FWA, proven potential in enterprise and public sector transformation

Enterprise and public sector transformation

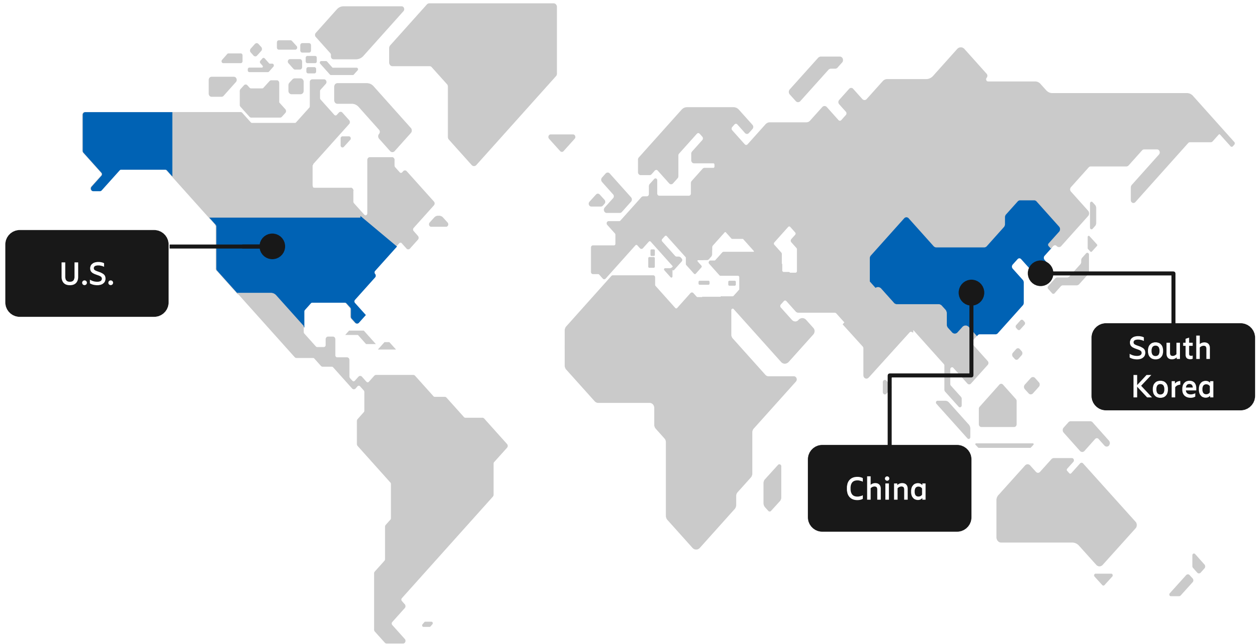
Enhanced mobile broadband

Fixed wireless access

Source: Ericsson Internal data; GSA (November 2022).

Business opportunity
Enhanced Mobile Broadband

Enterprise & public sector	
eMBB	FWA

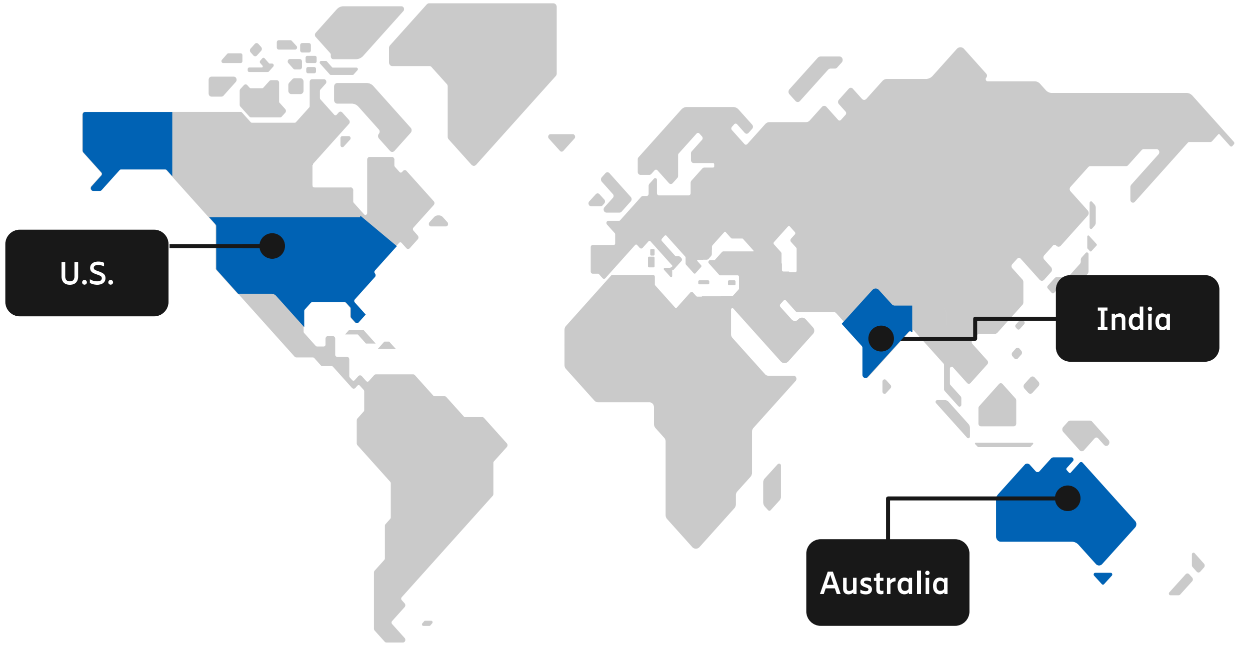


- Over 10x capacity increase and over 30%[1] better energy efficiencies realized modernizing to 5G
- Early indications of revenue growth (2.5-5.5%)[2] in frontrunner markets offering differentiated customer experience
- XR has potential to drive traffic growth beyond current projections and to generate new revenue streams for CSPs

Source: Ericsson Mobility Report (Nov 2022); Ericsson Internal Data. [1]) >10x capacity increase per site and >30% energy efficiencies by modernizing existing 4G site.
[2]) Source: Ericsson analysis of CSP financials from Strategy Analytics database Q2 2022

Business opportunity
– Fixed Wireless Access

Enterprise & public sector	
eMBB	FWA



- **U.S.:** >3 million FWA connections, targeting 11-13 million by 2025
- **Australia:** ~1 million FWA connections, targeting 3 million by 2027
- **India:** Reliance Jio targeting 100 million 5G FWA connections
- Approximately 40% of new 5G FWA launches in the past 12 months in **emerging markets**

FWA connections set to reach **300 million** by 2028, resulting in almost **5x traffic growth** – representing USD **67 b.**[1] incremental **CSP revenue potential**

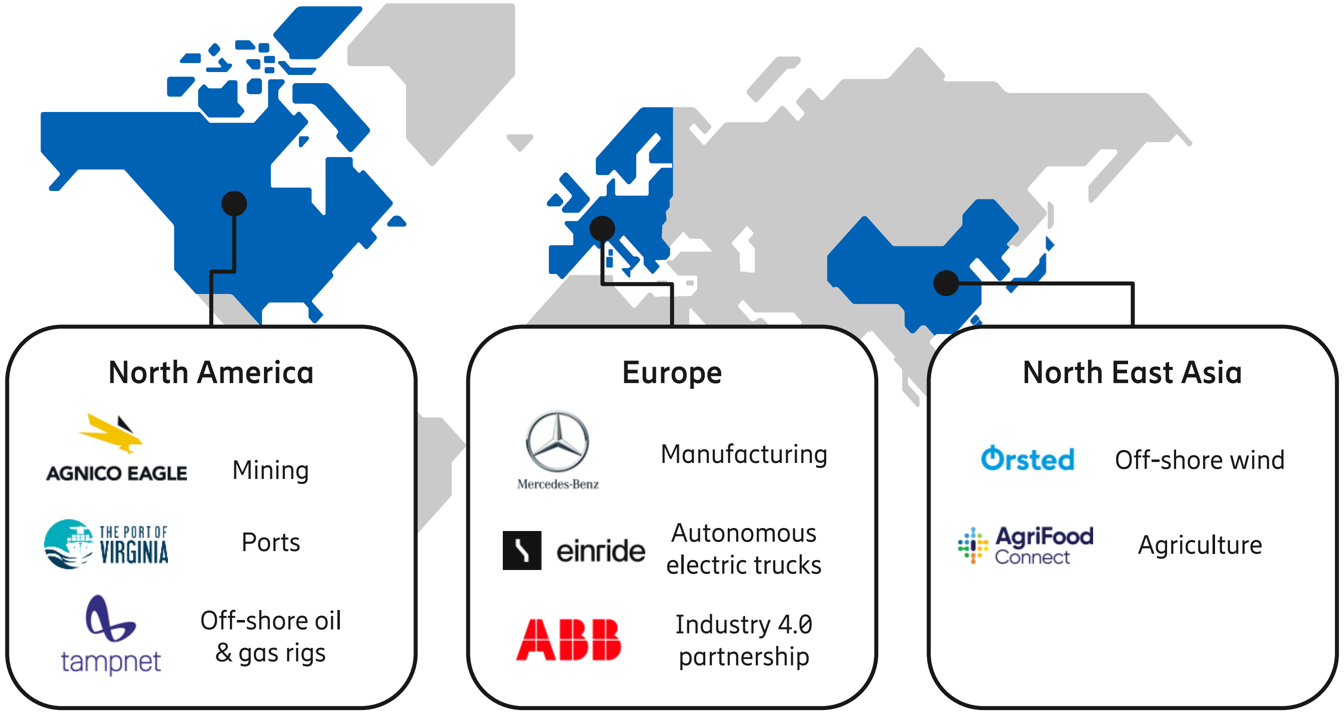
Source: Ericsson Mobility Report (Nov 2022). Ericsson Internal Data; [1]) Initial modeling from Ericsson Analysis leveraging Strategy Analytics data

Business opportunity
– Enterprise and Public Sector

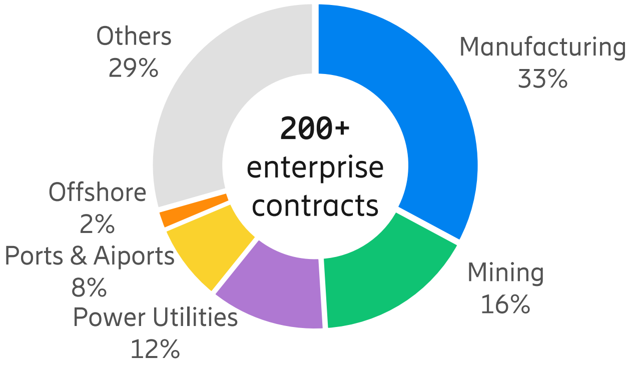
Enterprise & public sector

eMBB	FWA

Significant traction in Industry engagements across geographies and verticals



- 25+ countries, 20+ operators, 100+ partners
- Almost 70% year-over-year growth in our Private Networks offerings (2022 Q3)
- 5G enables significant value creation for industries
- 5G enables significant GDP[1] growth potential in emerging markets
- Device and developer ecosystem still forming



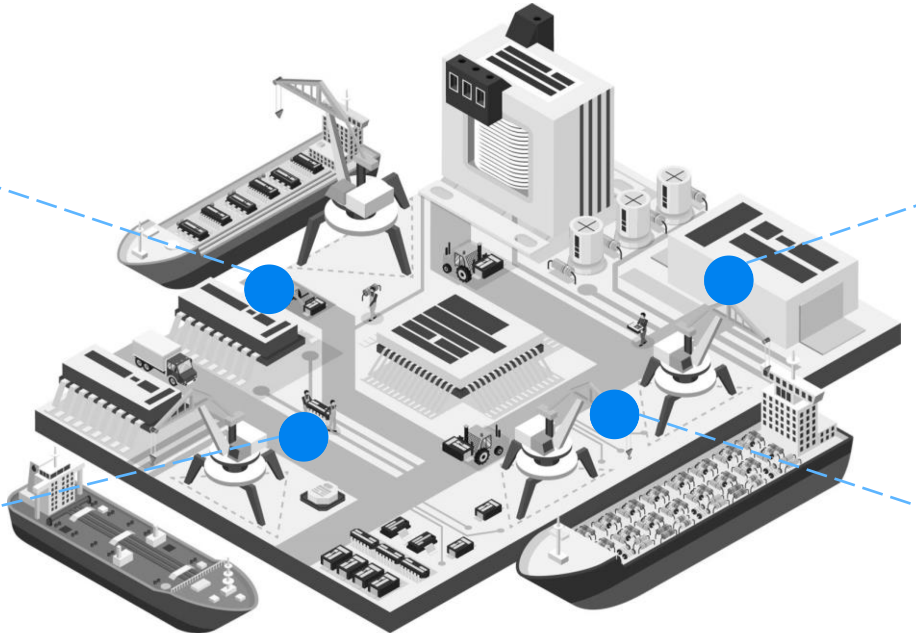
Ericsson awarded networks across industry verticals

Source: Ericsson Mobility Report (Nov 2022); Ericsson Internal Data.

[1]) Ericsson/Analysys Mason study shows potential of 3-7x cost-to-benefit (GDP) ratio of enhanced 5G deployments in emerging markets.

Business opportunity
– Enterprise and Public Sector

Enterprise & public sector	
eMBB	FWA



Saving of maintenance costs for **condition-based monitoring** — **20%**

Qualitative benefits related to **safety and sustainability** — **14**

56% — Installation and maintenance cost reduction for **CCTV for surveillance**

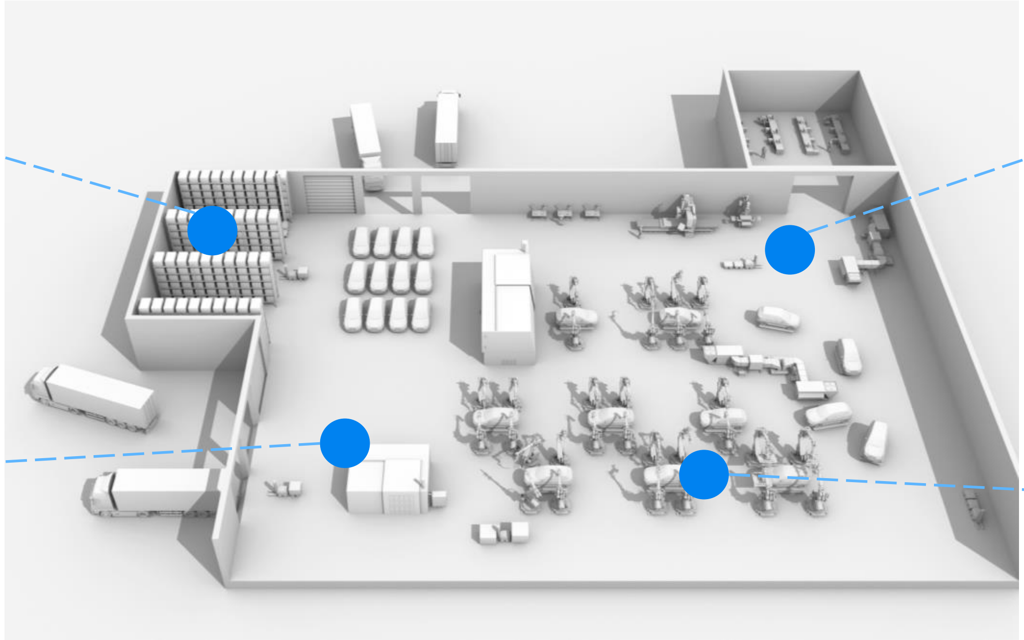
50% — Reduction in time spent on inspection of inaccessible assets using **drones for inspection**

BT delivers triple bottom-line impact to Port Operations with the 5G Private Network in Belfast Harbour

Source: Ericsson Internal study
Note: Potential savings based on investment case, and only for costs in scope of use case.

Business opportunity
– Enterprise and Public Sector

Enterprise & public sector	
eMBB	FWA



65% Reduced **manual material handling**

24% Reduction in **energy consumption** and 75% less indoor water usage

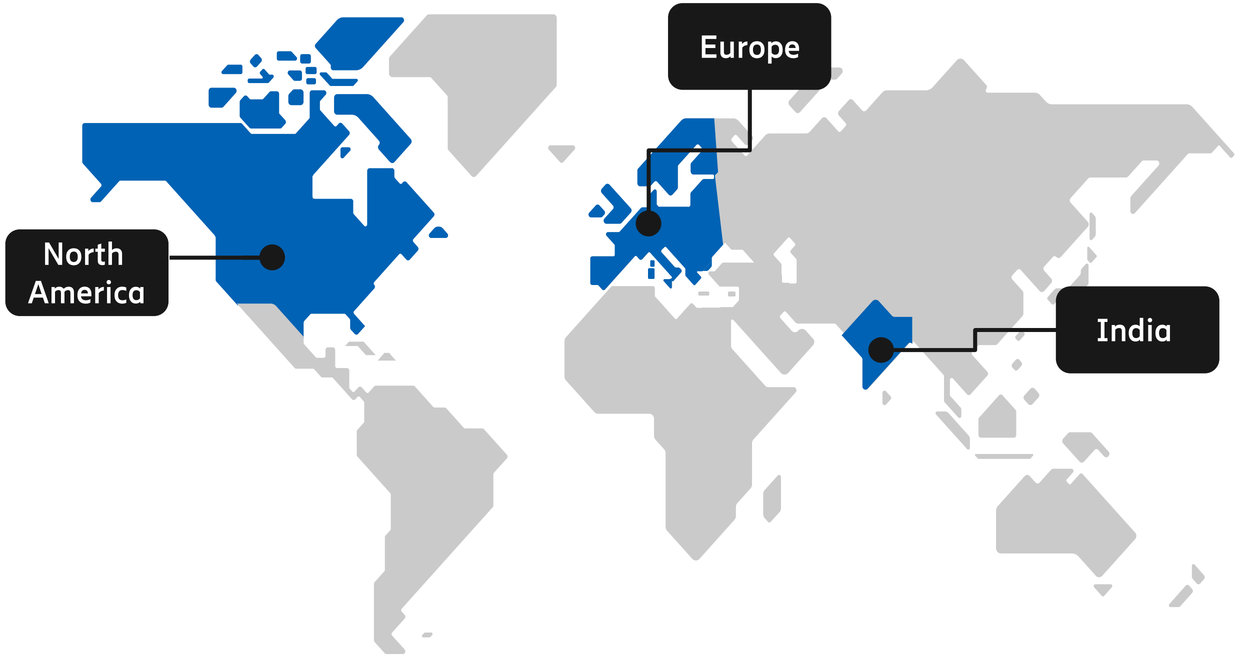
2.2x **Productivity increase/ employee**, and 75% lead time reduction

50% Reduced **unplanned downtime**

Triple-bottom-line impact in Ericsson USA 5G Smart Factory

Source: Design features of the Ericsson USA 5G Smart Factory compared to performance of baseline building

Market outlook



- **North America** moderates pace as build continues, **Europe** holds steady, **India** accelerates
- Frontrunners start **rebalancing inventory levels** as global supply chain situation improves
- **Mobile data growth**, 5G cost and energy efficiencies will drive continued high pace of 5G investments
- New **monetization opportunities** in eMBB, FWA and enterprise will drive continued investments, with **potential upsides,** as ecosystem matures

Key takeaways

Global market update

Most of the 5G build out remains, solid business fundamentals

Business opportunity

Early success in eMBB & FWA, proven potential in enterprise and public sector

Market outlook

North America moderates pace as build continues, India accelerates

Q&A

Networks strategy update

Fredrik Jejdling
EVP and Head of Business Area Networks

Agenda

Our ambition

Our strategy

Focus on value creation

Our journey

2017

15

EBIT

33%

Market share outside China

Invest in technology and cost leadership

+11

R&D Investments (SEK b.)

Selective market expansion based on technology and cost competitiveness

Acceleration of 5G with lead customers

2022 Q3 R4Q

38

EBIT

39%

Market share outside China

Established a leading position in 5G

Fastest

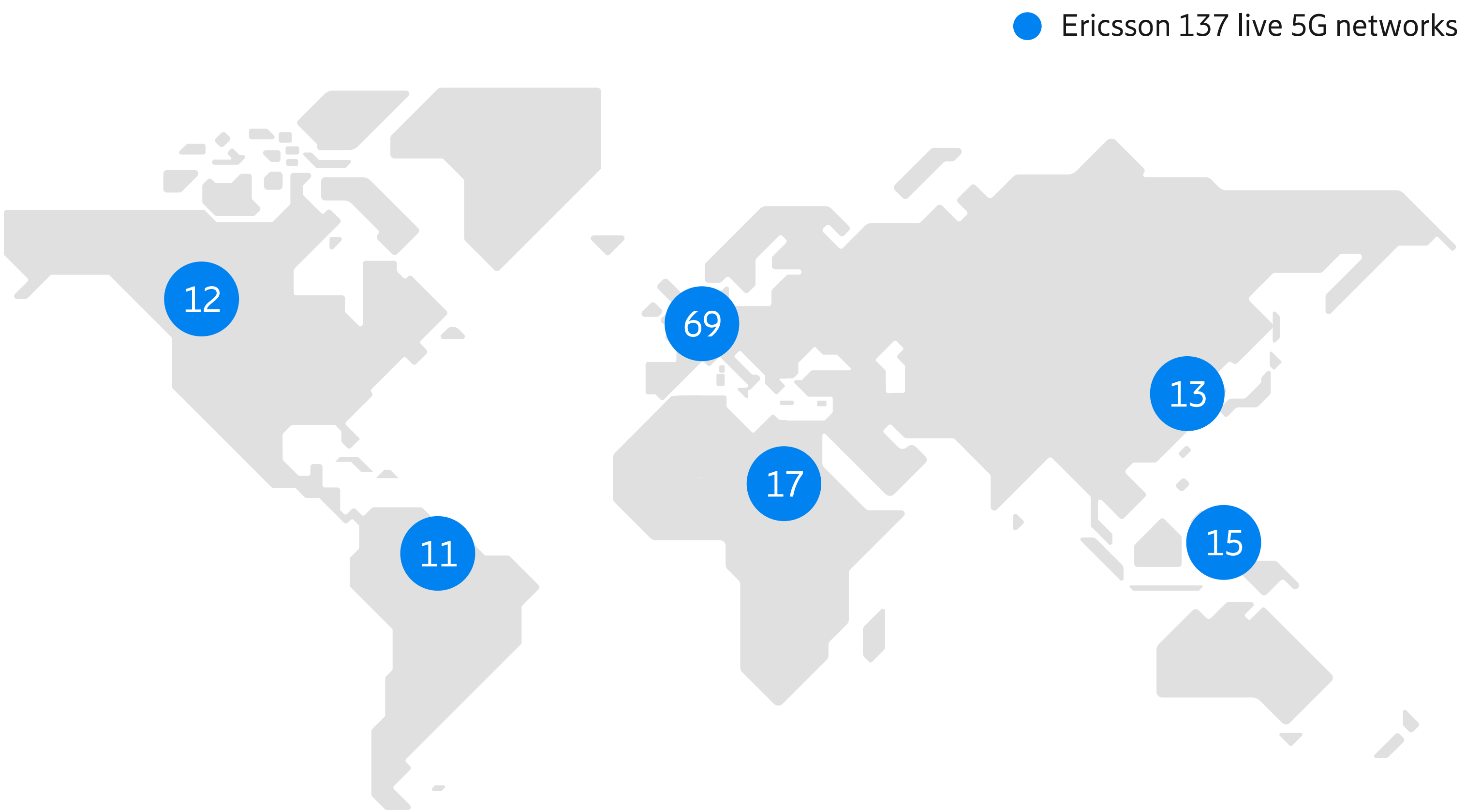
growth of any mobile generation with 1b subscribers in 2022 and 5b in 2028[1]

50% traffic

Around 50 percent of the world's 5G traffic, outside China, is carried over Ericsson's radio networks

Performance leader

Gartner Magic Quadrant 2022, 5G NW infrastructure
Frost Radar™: Global 5G Network Infrastructure Market, 2021



1) Source: Ericsson Mobility Report, November 2022

Our focus on continuous leadership

Investments are vital for **competitiveness** and to continue being **leader in the market, meeting customer demand** and **increasing market share…** and **efficiency and productivity are fundamental**

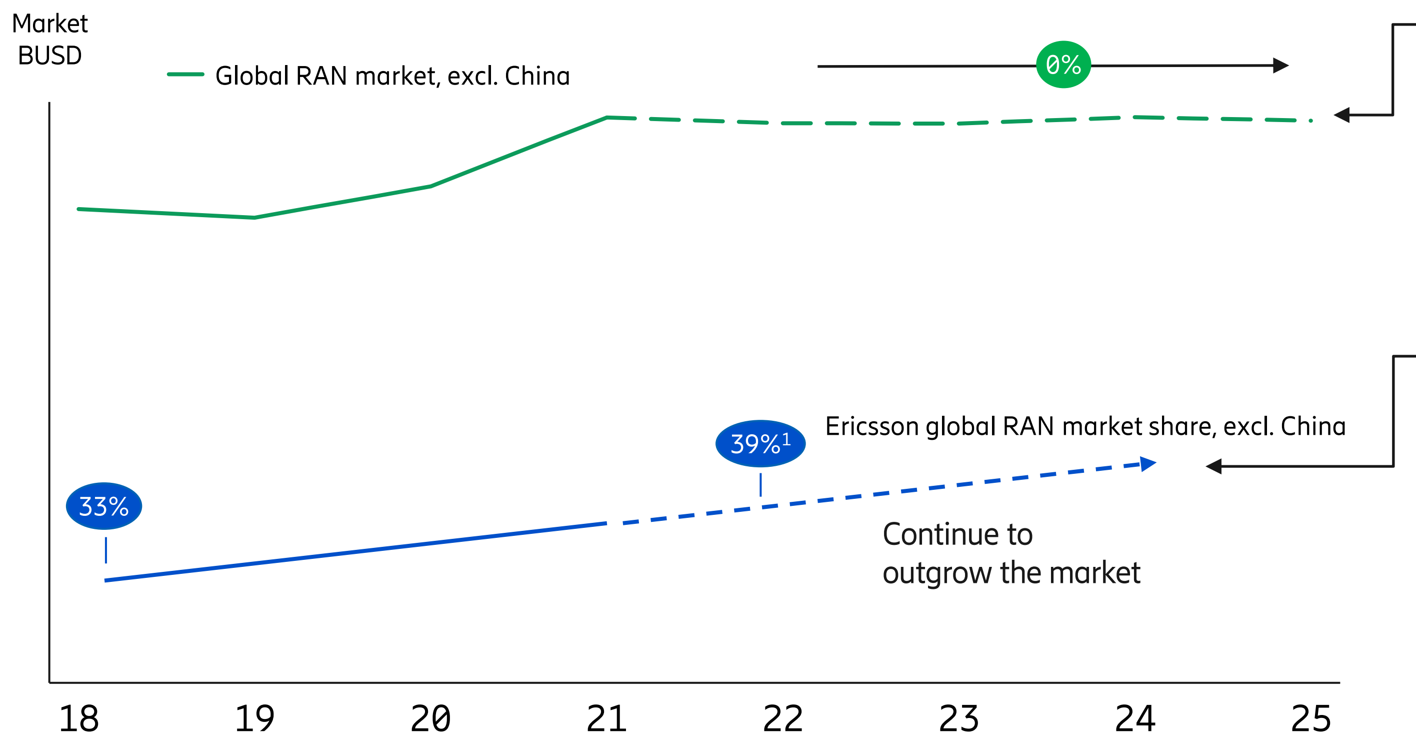
Invest in technology leadership

Increase speed, productivity and capital efficiency

Lead networks of the future

We intend to grow by capturing market share in a stable market

Mobile radio access network market



Forecast shows a flat global RAN market[2] going forward.

Near-term growth in emerging markets including India, with North America normalizing to sustainable levels.

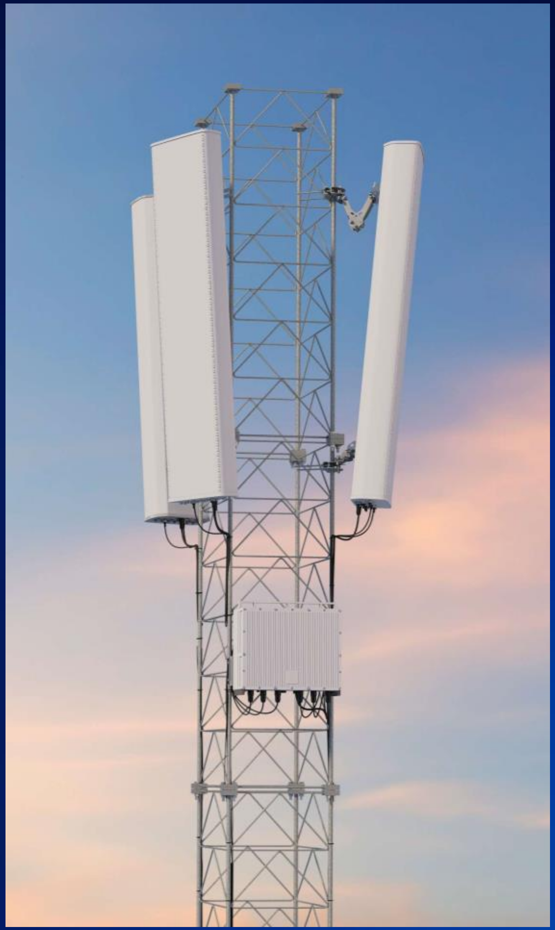
Our ambition is to grow market share by 1% per year[2] supported by a continued strong portfolio and recent wins.

We see potential for long-term upsides in our planning including Fixed Wireless Access, Mission Critical and Enterprise connectivity.

1) Market source: Dell'Oro July and November 2022
Market share based on rolling 4 quarters, Dell'Oro

2) Excluding China

Agenda



Introduction

Our strategy

Value of Networks

Our strategic priorities and ambitions

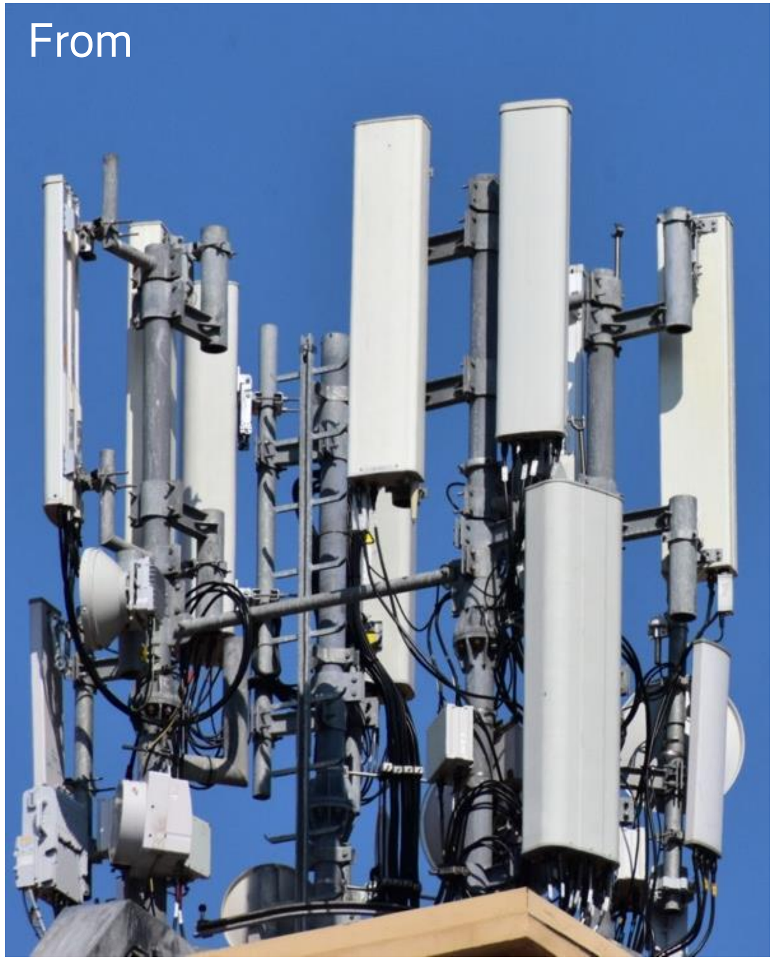
Make our customers successful	Investing in technology for performance and cost leadership	Improve productivity and capital efficiency
1% increase in market share per year	**Gross Income** accretive	**10%** yearly productivity gains

Our strategic priorities and ambitions

Make our customers successful	Investing in technology for performance and cost leadership	Improve productivity and capital efficiency
1% increase in market share per year	**Gross Income** accretive	**10%** yearly productivity gains

Customers choose Ericsson to tackle the data growth

Make our customers successful



10x

total capacity per site

>30%

reduced energy consumption[1], as well as reduced size & weight

34%

better uplink performance than competition with same capacity on a customer network[2]

[1] Source: Ericsson, Breaking the energy curve, 2022
[2] Source: Ericsson analysis Q3, 2022

Leading the transition to sustainability networks

Make our customers successful

40%

Lower energy consumption with latest Massive MIMO radios, proven in field with BT

28%

Site renewable energy savings with Deutsche Telekom

100%

Renewable electricity sourced in our Brazil, China, Estonia and US factories

Looking ahead, our ambition is:

-36%

Ericsson Supply chain emissions by 2025[1]

-40%

Customer site power consumption and carbon footprint by 2025[2]

2040

Total Net Zero

[1] Supply chain baseline 2020
[2] Site power consumption baseline 2021

We help our customers to unlock new revenue streams

Make our customers successful

USD 46 b.

Fixed Wireless Access CSP revenues by 2025, with a 16% CAGR growth[1]

USD 14.5 b.

CSP addressable market across all critical broadband segments in 2025, with 12% CAGR growth[2]

USD 4.2 b.

5G Enterprise wireless Wide Area Network market in 2025[3]

1) Source: Ericsson Mobility Report, Strategy Analytics and Ericsson analysis

2) Source: Critical Communications Broadband Report for 2021, Omdia, 2022

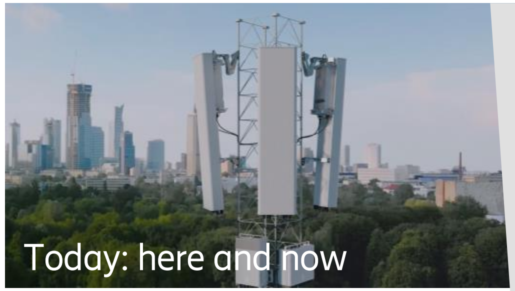
3) Source: IDC, Worldwide 5G and LTE Router/Gateway Forecast, 2021–2025: Commercialization of 5G at the Edge Begins to Take Shape, Doc #US48111921, Aug 2021

Our strategic priorities and ambitions

Make our customers successful	Investing in technology for performance and cost leadership	Improve productivity and capital efficiency
1% increase in market share per year	**Gross Income** accretive	**10%** yearly productivity gains

We are pushing the technology boundaries

Investing in technology for performance and cost leadership



	Today: here and now	Tomorrow: 1-3 years
Performance	**10x** capacity vs LTE legacy site	**2x** capacity vs 2021 5G site
Energy	**-30%** vs. LTE site	**-40%** vs. first-gen 5G site
Weight	**-50%** vs. LTE site	**-40%** vs. first-gen 5G site

In the future: 2027+

- Intent-based / AI-native networks to manage all new services
- Automated, self-healing networks to enable true resilience
- One boundless network pooled-cells, capacity moved where needed

Ericsson Silicon drives form factor and sustainability

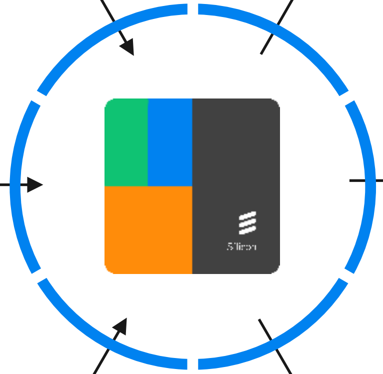
Investing in technology for performance and cost leadership

Industry-leading high-performance chips

Multi/Wide band radios

Tailor-made, yearly cadence

Extended resilience with COT[1]



Highest spectral efficiency

Leading energy efficiency

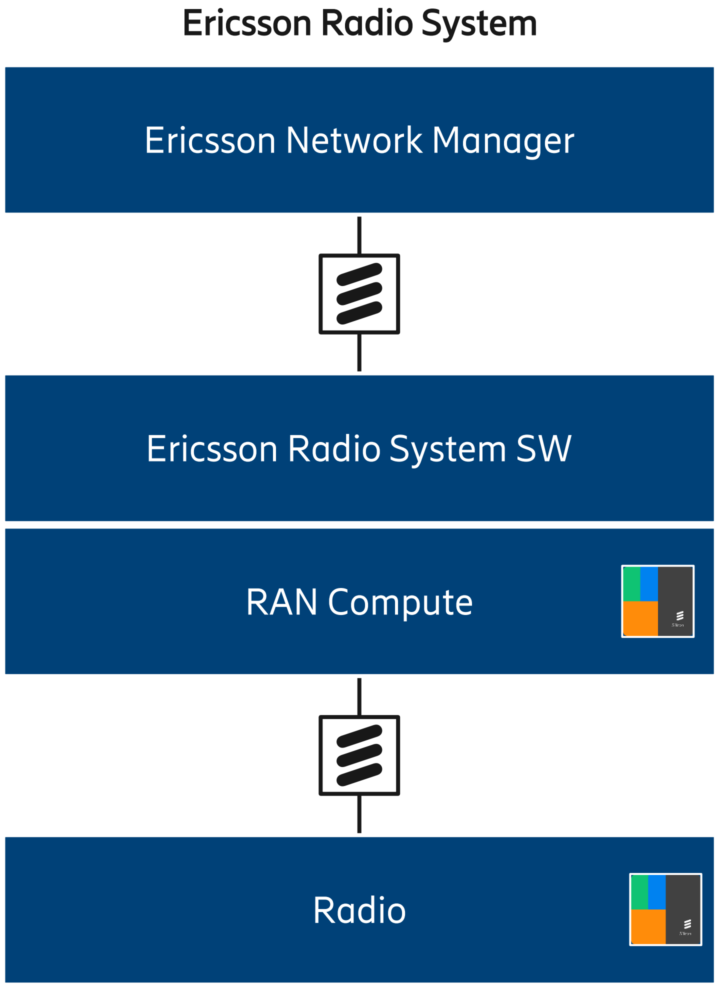
Lowest radio footprint

8-13 billion transistors

[1] COT = Custom Owned Tooling which refers to in-house capabilities for both front and back-end design

Ericsson Radio System offers best-in-class TCO and performance

Investing in technology for performance and cost leadership



- Best end-to-end performance and cost
- Multi-standard for efficient network expansion
- Industry-leading energy-efficient products

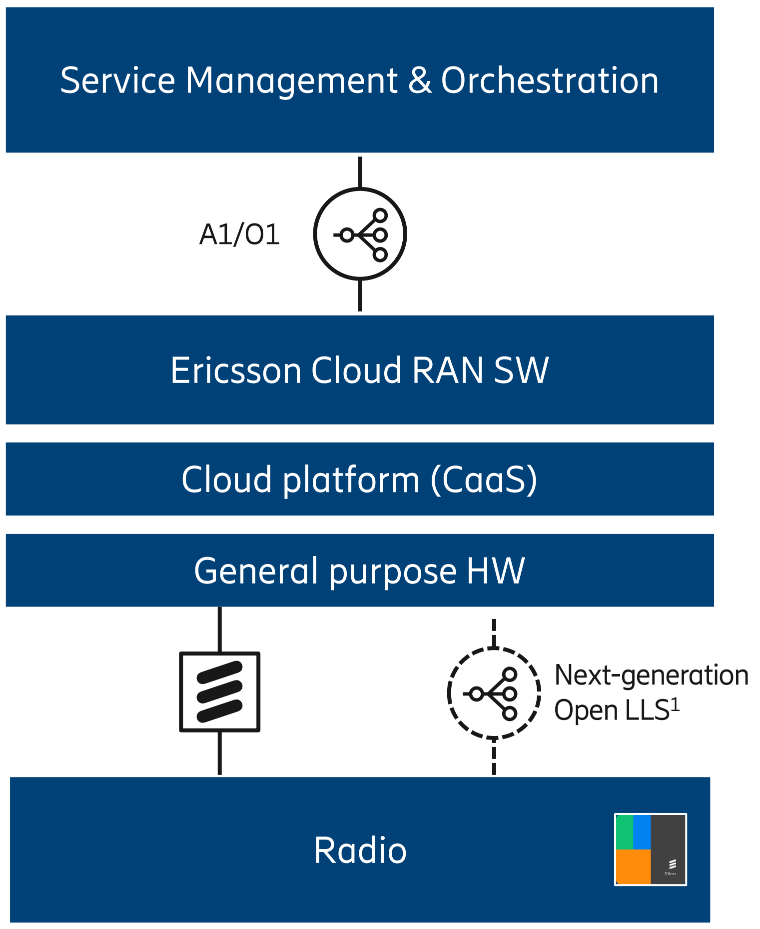
Powered by Ericsson Silicon

Cloud revolutionizes the way we think about networks

Investing in technology for performance and cost leadership

- Scalable for enterprise growth
- Enables new ways to develop software
- Exposing new functionality to developers

Ericsson Cloud RAN



[1]We are actively working with the Open RAN ecosystem to define the next generation open fronthaul specification (NG OLLS)

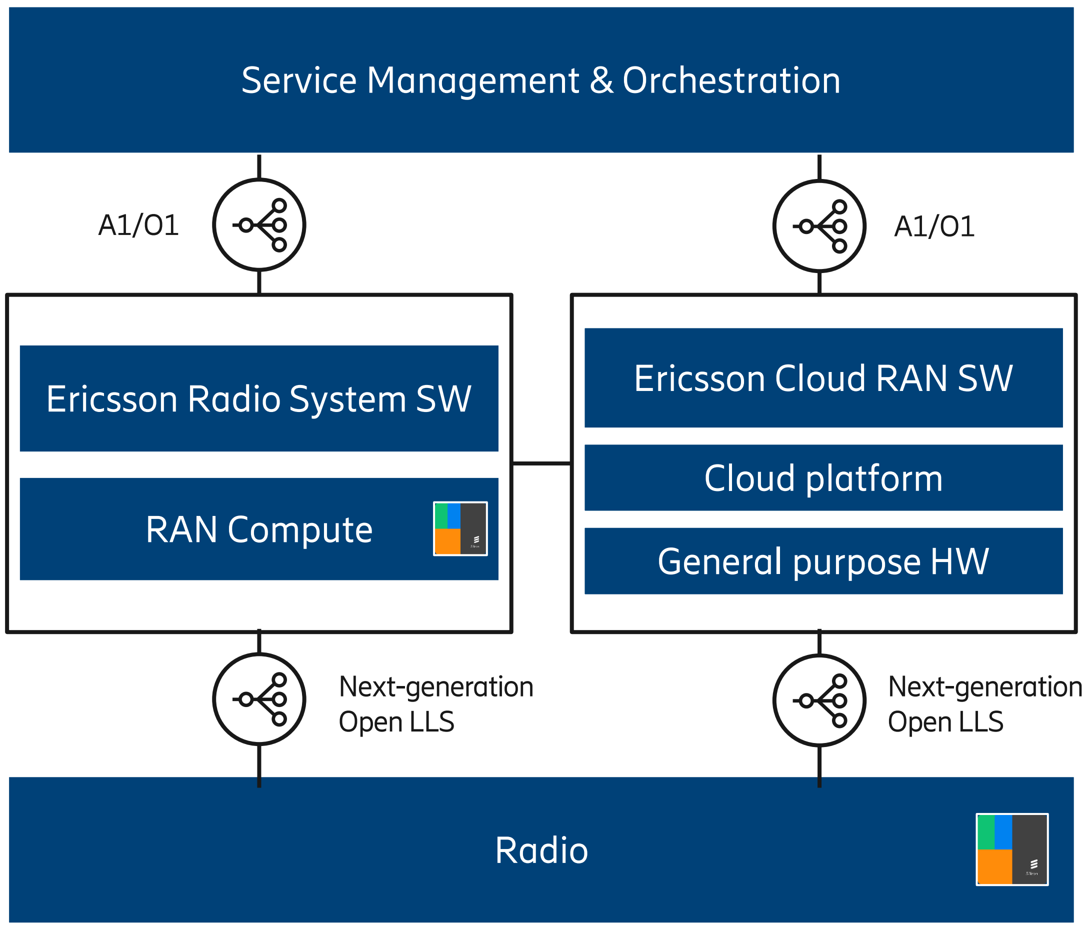
Powered by Ericsson Silicon

Long-term vision provides optionality for our customers

Investing in technology for performance and cost leadership

- Best products and solutions across deployment scenario
- Open high-performance interfaces based on global standards
- Outperform in a disaggregated environment

Long-term vision



Powered by Ericsson Silicon

Our strategic priorities and ambitions

Make our customers successful	Investing in technology for performance and cost leadership	Improve productivity and capital efficiency
1% increase in market share per year	**Gross Income** accretive	**10%** yearly productivity gains

Heightened focus on productivity and capital efficiency

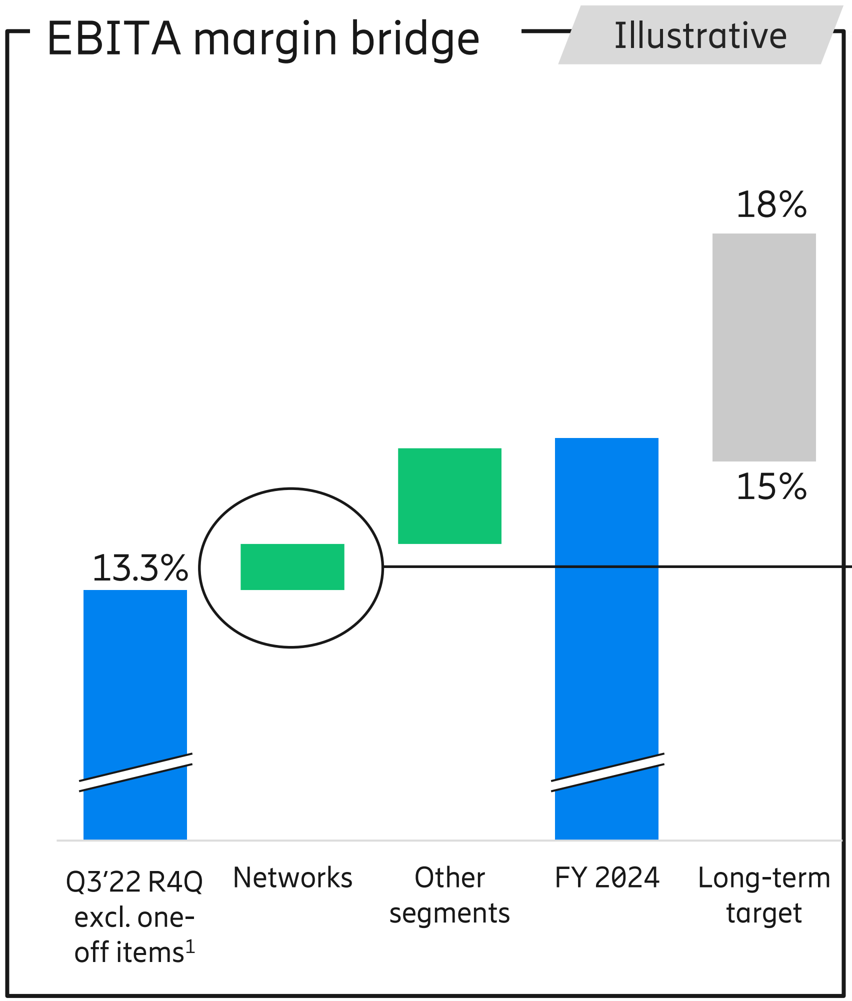
Improve productivity and capital efficiency

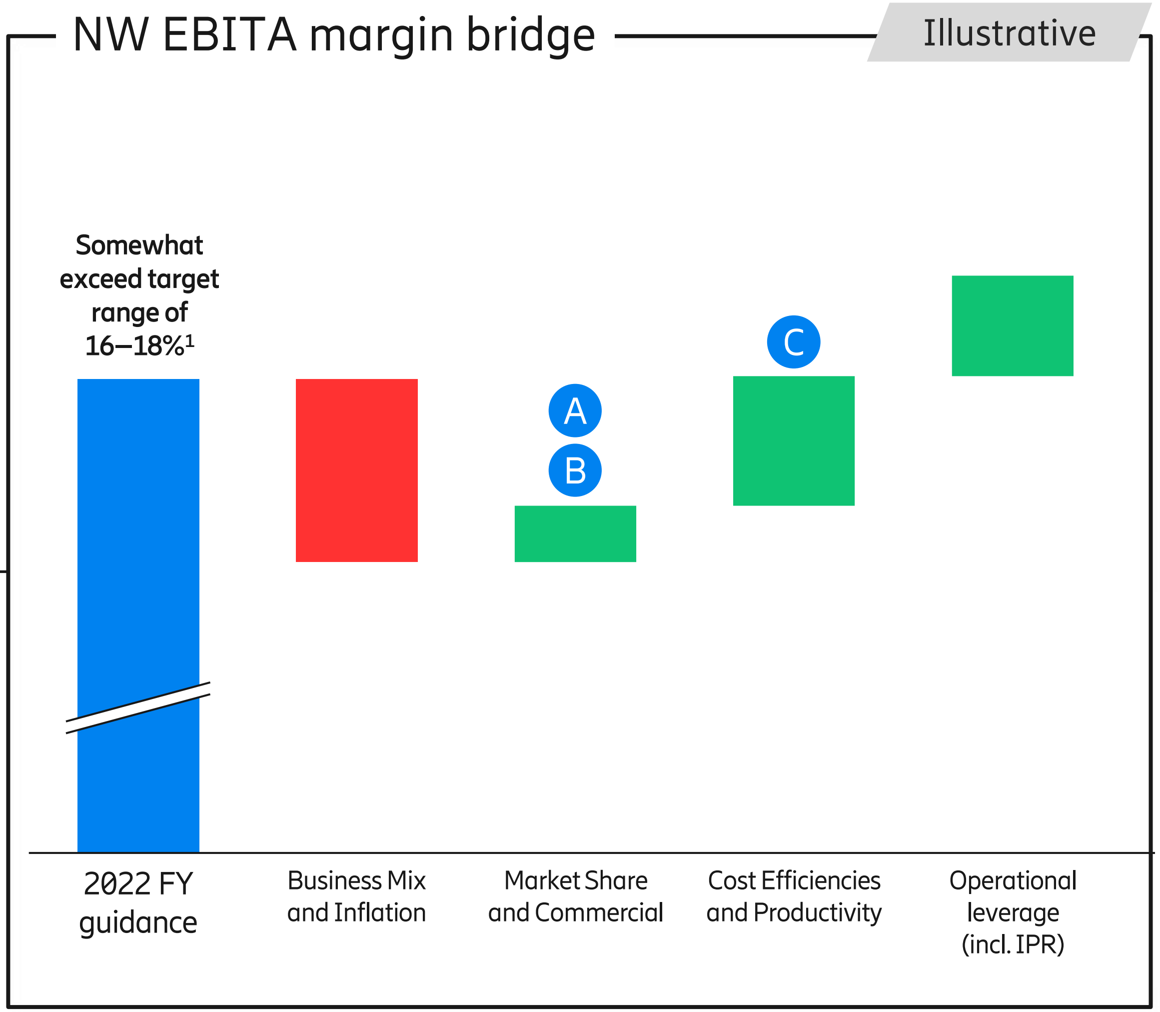
R&D	Supply	Network deployment
Increased velocity with cloud-native principles	Industrialized RAN and site portfolio	E2E digitalized, standardized, and fully augmented
Improved developer experience	Smart resilience	Reduced time to install using Site Digital Twins
Fully automated development and testing pipeline	Demand shaping and sensing	Instant commissioning with zero-touch Integration
10% yearly productivity gains	**15%** reduced capital by 2024	**50%** reduction in customer lead time

Agenda

- Introduction
- Our strategy
- Value of Networks

Reaching our EBITA targets for 2024





A

~ 1%
increase in market share per year

B

Gross Income
accretive

C

10%
yearly productivity gains

[1] FY Guidance from Q3 report. Numbers exclude restructuring charges and provision for exiting Russia (SEK 0.9b) and M&A costs (SEK 0.4b)

Key takeaways

Make our customers successful

Invest in technology for performance and cost leadership

Improve productivity and efficiency

Cloud Software & Services strategy update

Per Narvinger
SVP and Head of Cloud Software & Services

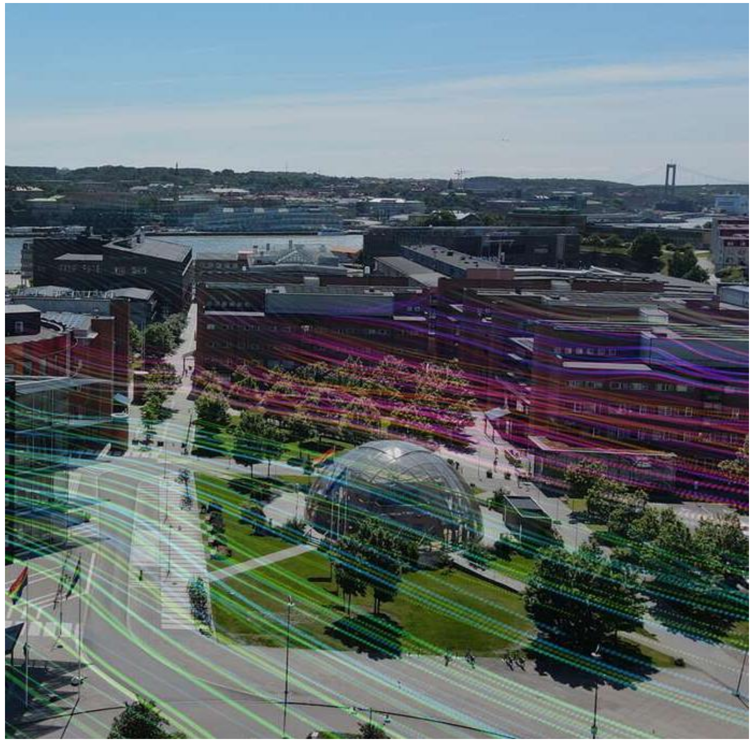
Agenda

- About our market
- Our challenges and priorities
- Our 2024 EBITA targets

Our market

- The **5G and cloud native technology shifts** drive the market.
- Addressable market forecasted to show a low **single digit CAGR 2022-2026**.
- **Pockets of double-digit growth** driven by the 5G technology shifts, e.g. ~15% in 5G packet core

Network managed services	Business and operations support systems	Core networks
# 2	#1-3	#1
Flattish CAGR	Single digit CAGR	Single digit CAGR



Market position: external reports (network managed services: Omdia Telecom Vendor Service 2021 Market Share; business and operations support systems: Analysis Mason worldwide market shares 2021 reports; core networks: Gartner Magic Quadrant 2022, 5G NW infrastructure)

A segment with distinct business domains

The creation of Cloud Software & Services from combining Digital Services and Managed Services enables us to:

- Capture synergies and create simplified accountability structure in both SG&A and R&D.
- Increase customer value with a stronger go-to-market and portfolio management structure.
- Address business domains with different characteristics in a more effective way.

Network managed services	Business and operations support systems	Core networks
100% services	Services dominated – underpinned by advanced software	Software dominated – with product customization and services value add

Cutting-edge software and services on standard IT hardware

Network managed services	Business and operations support systems	Core networks
		

Significant business performance improvements in two, offset by negative in core networks

Core networks reality and actions

4G → 5G non-standalone → 5G standalone

Native → Virtualized → Cloud native

On any cloud

Our challenges

- For core networks we and the industry **underestimated the complexity** of the transition to cloud native and 5G standalone – continued high deployments costs.
- 2020-2021 focused on core network **market share gains**.
  Sales growth alone will not be sufficient to reach profitability.
- High degree **subscale software business**, untapped business from product customizations and high-value services.

17 5GC networks live

25 cloud native core networks live

Our actions

- **Avoid subscale software in product development** – accelerate in automation to lower our deployment and maintenance efforts.
- Change to **incremental implementation of cloud native** for deployed solutions.
- Apply a stringent profitability discipline with **different commercial terms for standard software product offerings versus uniquely customized**.

Actions within business operations support systems and network managed services

Business and operations support systems

- **Streamline portfolio management and go-to-market** of combined BSS and OSS software and services offerings.
- Focus on **reusable software product content as base for customer unique** systems integration and maintenance services – for faster time-to-market and better utilization of our resources.
- Apply stringent profitability discipline with **increased focus on high-value systems integration and maintenance services** of customer solutions.

8
BSS on public cloud deployment contracts

Network managed services

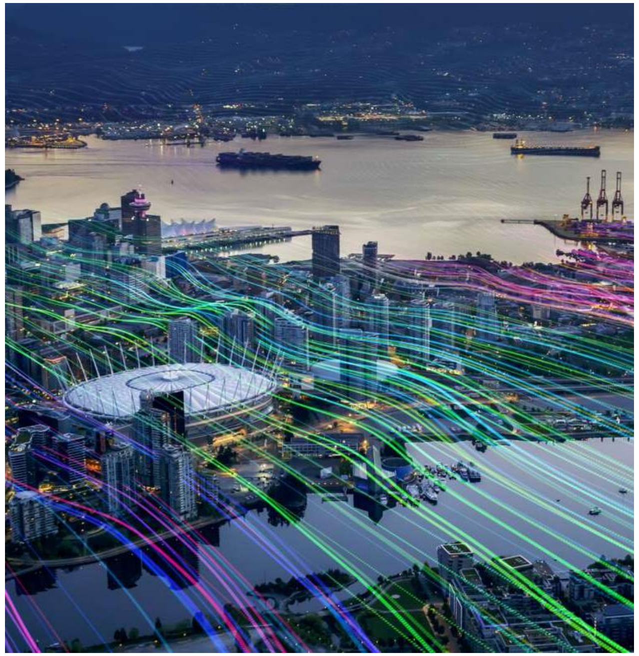
- **Improve cost efficiency** through increased use of automation and AI software.
- Continue transform contract base to **fully data-driven operations**, including cell site energy efficiency services.

24
customers transformed to data-driven operations

Segment priorities – summary

- **Cost out** through realized synergies.
- Keep technology leadership – continue to invest in **key technologies: cloud native, AI/ML and automation.**
- Apply a **stringent profitability discipline** to ensure scalable software business.
- **Reach profitability target 2024**. Gradual improvements towards long-term sustainable profitability.

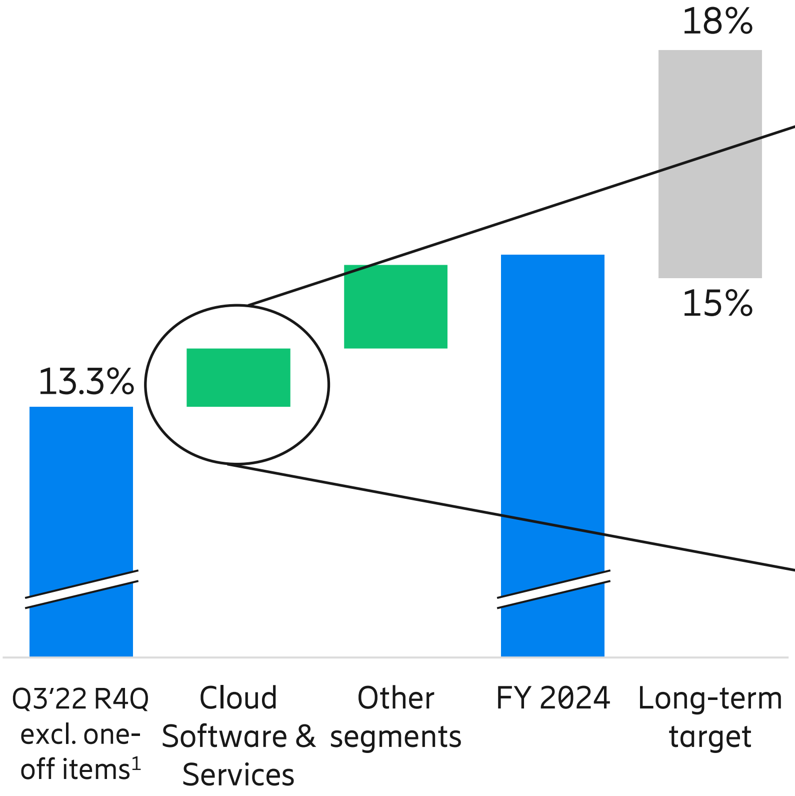
Network managed services	Business and operations support systems	Core networks



Reach our EBITA targets for 2024

EBITA margin bridge

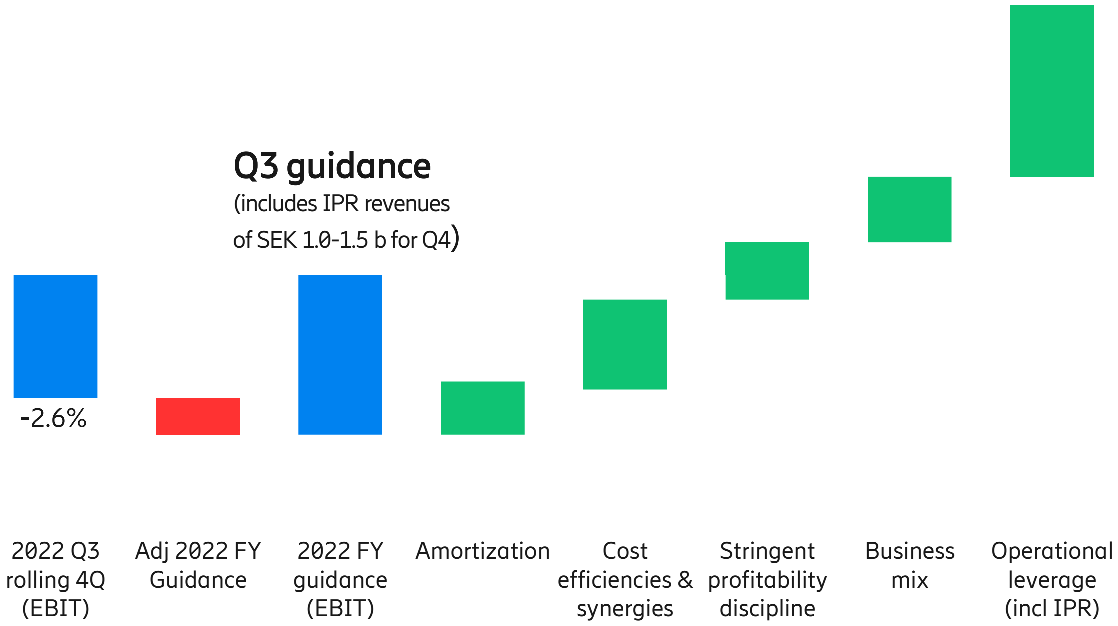
Illustrative



Cloud Software & Services bridge

Illustrative

FY guidance from Q3 report: "EBIT loss, excluding restructuring charges, for full-year 2022 is expected to be in line with full-year 2021"



[1] Numbers exclude restructuring charges and provision for exiting Russia (SEK 0.9b) and M&A costs (SEK 0.4b)

Key takeaways

A simplified accountability and organizational structure aligned with our customers requirements

Leverage our 5G core market leadership and accelerate in automation and lower our deployment efforts.

Avoid subscale business – stringent profitability discipline to reach long-term sustainable profitability.

Financial update

Carl Mellander
SVP, Chief Financial Officer

Agenda

- Executing on our strategy
- Long term targets
- Capital allocation

Agenda

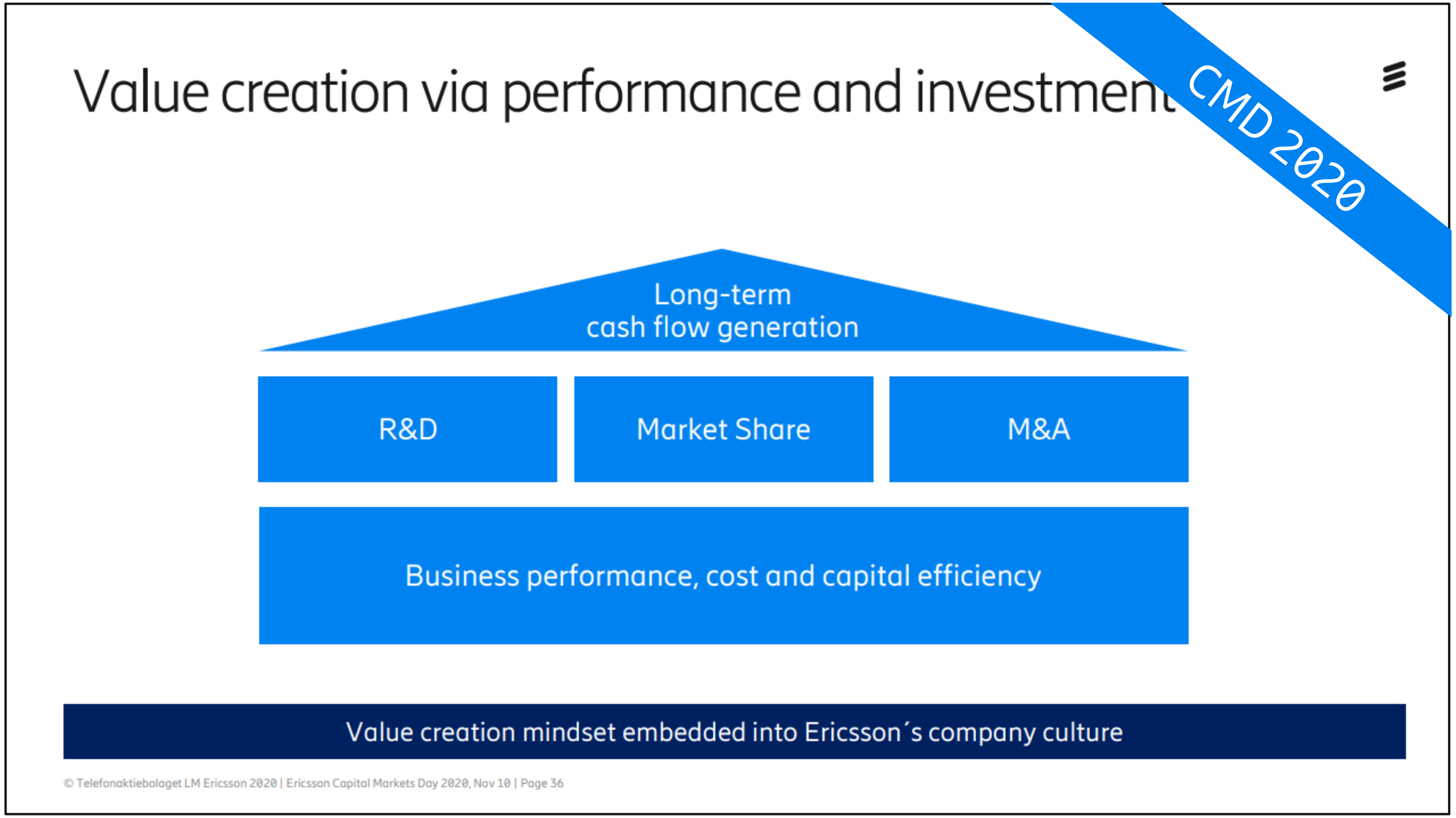
- Executing on our strategy
- Long term targets
- Capital allocation

Progress on our path to stronger value creation

Investment in ASICs, Cloud RAN and 5G Core

Market share increased by 2% to 39% since 2020[1]

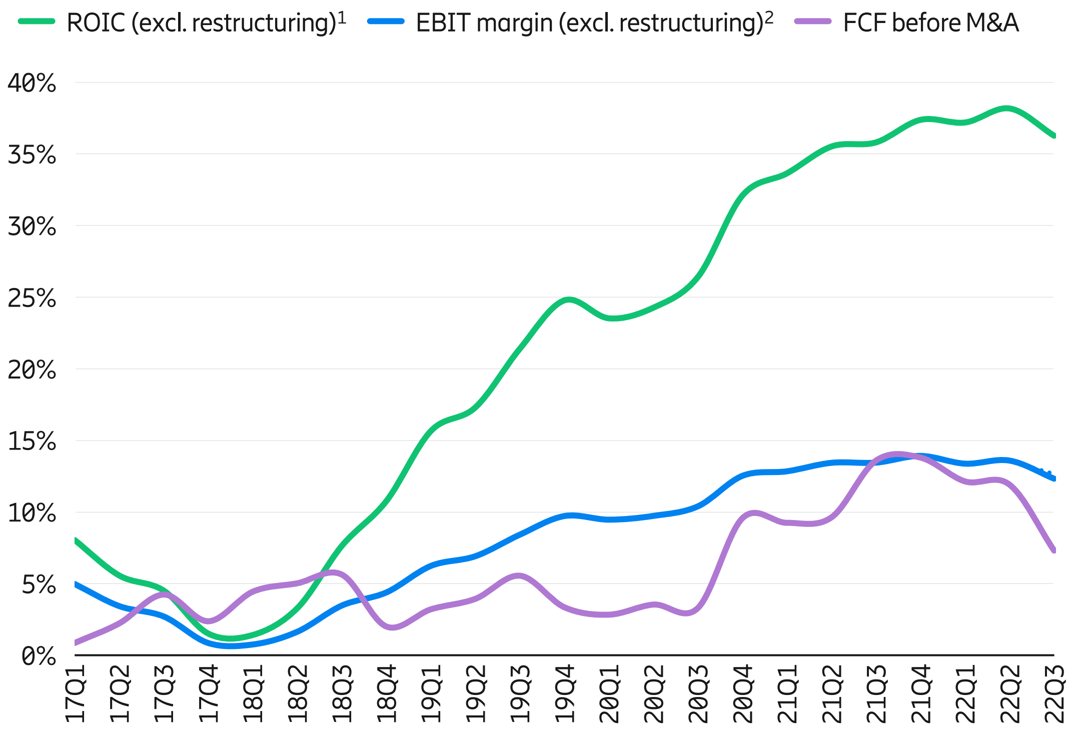
M&A – Expansion into Enterprise



[1]Dell'Oro RAN market share excluding Mainland China, rolling 4Q.
This slide contains forward-looking statements. Actual result may be materially different.

Value creation driven by strategy execution

Profitability, capital efficiency and FCF, R4Q in %

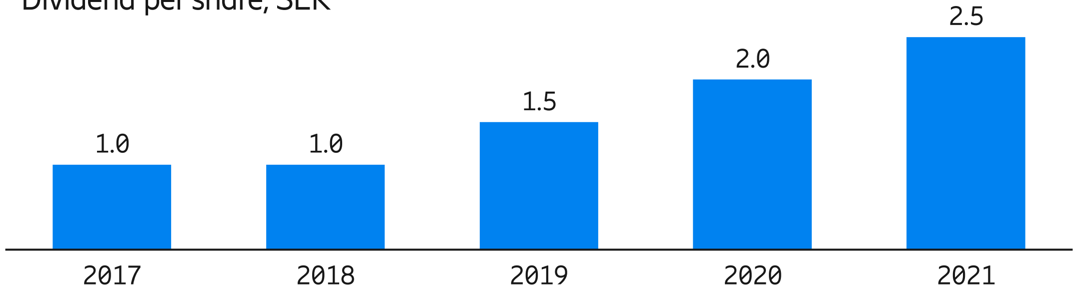


1. Invested Capital = [Capital employed] – [Gross cash]. ROIC defined as EBIT R4Q in relation to average of R5Q of Invested Capital, excludes Vonage in 22Q3.
2. EBIT excluding restructuring also excludes charges to DOJ in 2019

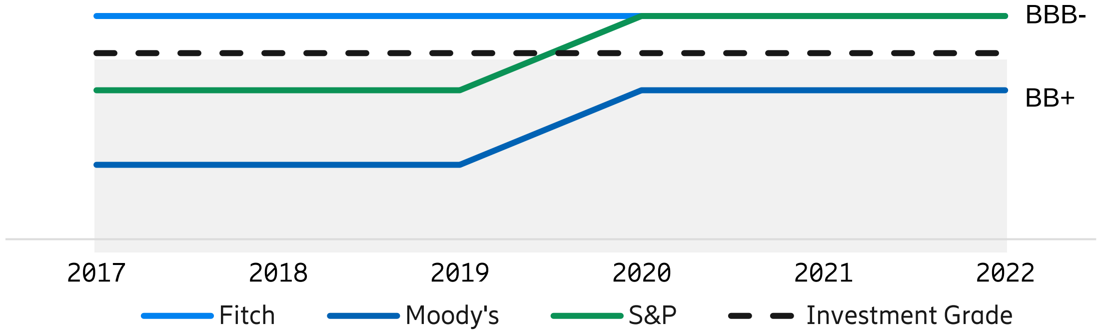
Strong capital returns

Shareholder distribution and resilience

Dividend per share, SEK



Ericsson's rating development



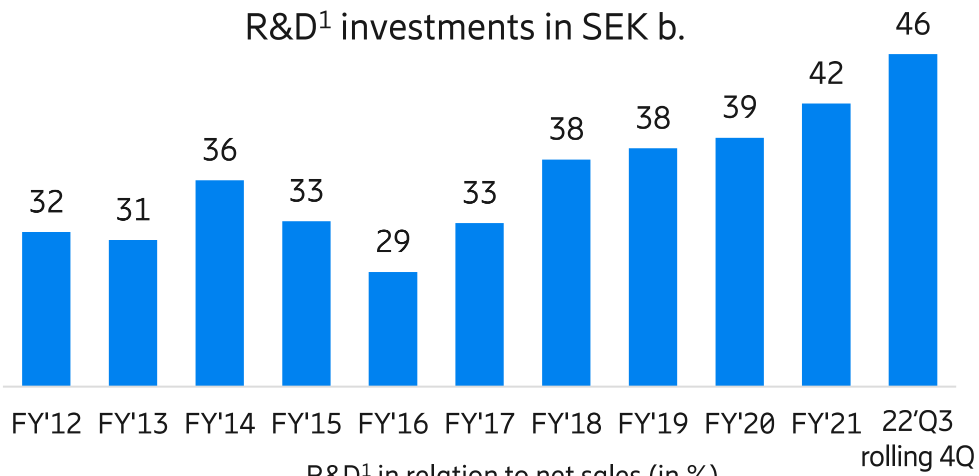
Investment grade: 2 of 3 agencies

R&D drives margin expansion and market share

R&D investments

- Investments in R&D a key part of our strategy
  - Technology leadership yields gross margin expansion in support of long-term targets
- Focus on R&D productivity and long-term value creating opportunities

R&D[1] investments in SEK b.

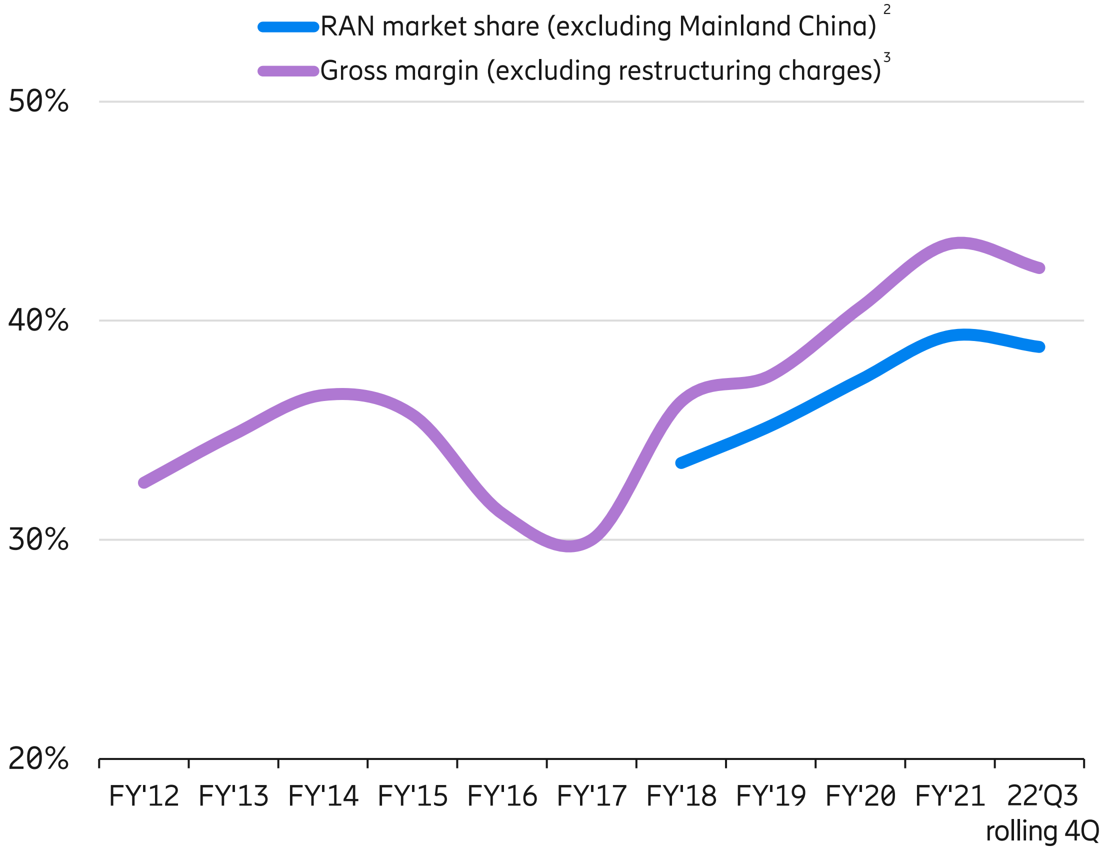


R&D[1] in relation to net sales (in %)

14	14	16	13	13	16	18	17	17	18	18

[1] Excluding restructuring charges in 2017. Years prior 2016 are not restated for IFRS 15.

Market share and gross margin



[2] Source: Dell'Oro and own estimates

[3] Gross margin excludes restructuring charges. 2017 excludes one-off items, 2018 Q4 adjusted for BSS strategy. Years prior 2016 are not restated for IFRS 15.

This slide contains forward-looking statements. Actual result may be materially different.

Business strategy and value creation

Business strategy

- Leadership in mobile networks
- Focused expansion into enterprise
- Be first in critical innovations, and capture strategic business opportunities

Value creation

- Business performance and grow free cash flow
- Cost and capital efficiency
- Capital allocation and objectives

Agenda

- Executing on our strategy
- Long term targets
- Capital allocation

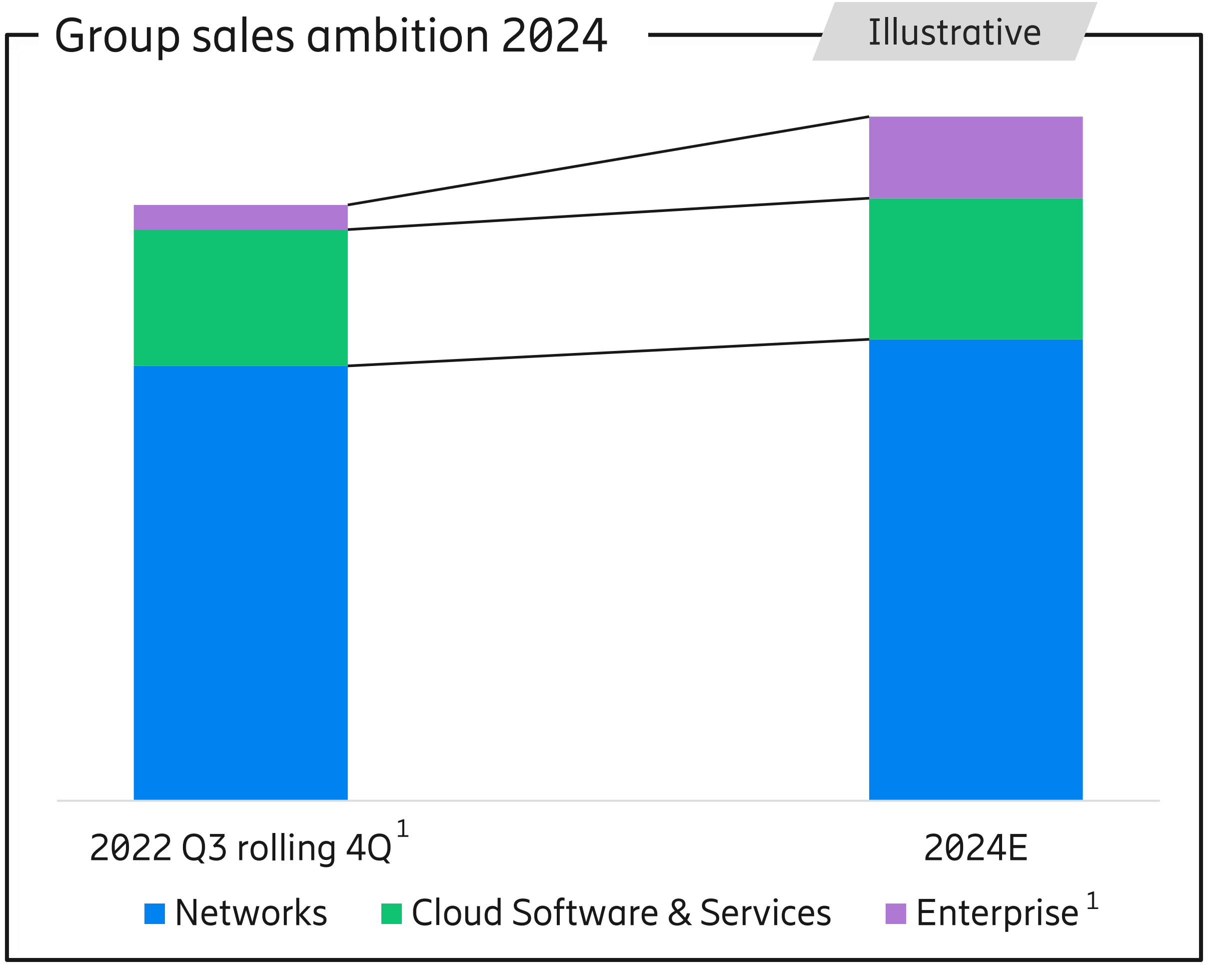
Long-term targets

Financial and sustainability targets

Sales	Outgrow the market
EBITA margin[1]	15%-18% of sales
Free cash flow (before M&A)	9%-12% of sales
Sustainability target	Net Zero across value chain by 2040

[1] Excluding restructuring charges.
This slide contains forward-looking statements. Actual result may be materially different.

Growth driven by Networks and Enterprise



[1] In Q3 2022 4Q rolling: SEK 2.9 b. of Vonage is included (~2 months)

Enterprise

- Accelerate growth in Enterprise Wireless Solutions
- Execution on Vonage business plan, including Global Network Platform

Cloud Software & Services

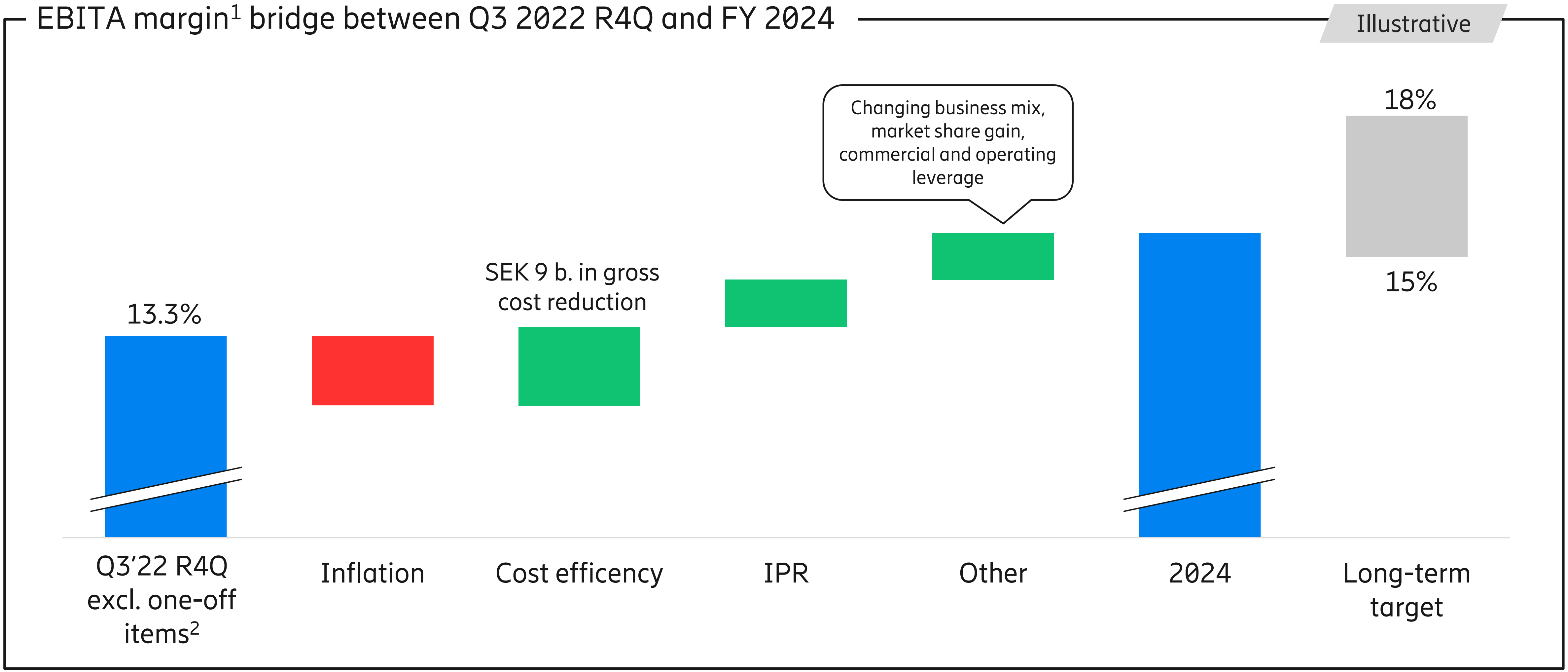
- The 5G and cloud native technology shifts drive the market.
- Addressable market forecasted to show a low single digit CAGR 2022-2026

Networks

- Focus on profitable growth driven by 5G
- Flat market development near-term but with strong fundamentals
- Ambition to increase RAN market share outside of China by 1% per year

This slide contains forward-looking statements. Actual result may be materially different.

Within our long-term target range by 2024



[1] Numbers exclude restructuring charges
[2] Excluding provision for exiting Russia (SEK 0.9b) and M&A costs (SEK 0.4b)

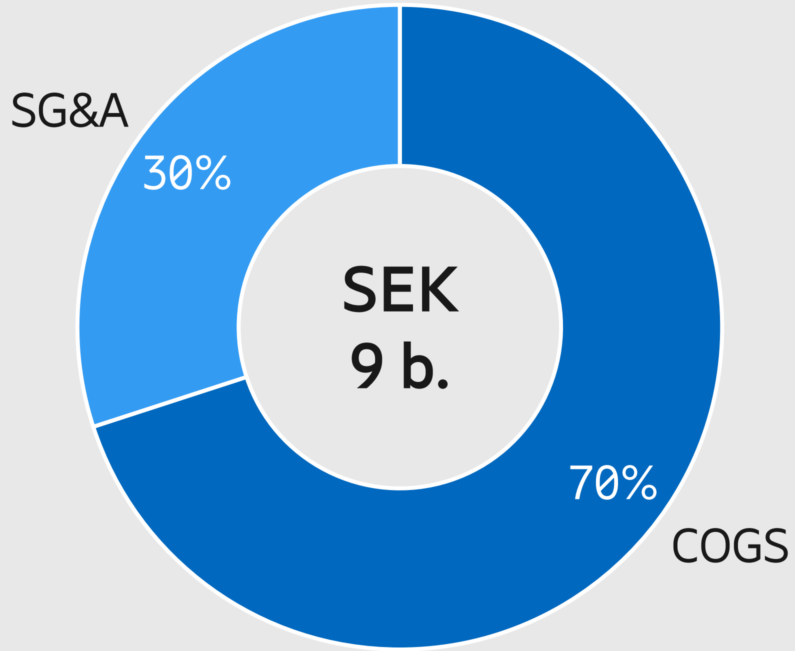
This slide contains forward-looking statements. Actual result may be materially different.

SEK 9 b. in gross cost reduction by end 2023

Cost reductions

- Gross cost reduction to mitigate inflation
- Full effect in end 2023 run rate
- Restructuring cost expected to be ~1% of net sales in 2023
- Levers to address cost in 2023-2024
  - Accelerated efficiency gains in service delivery levered by automation and digitalization
  - Streamline and simplify operations in business segments and Group functions, including reducing real estate footprint, IT spend and overhead cost
  - Realizing synergies

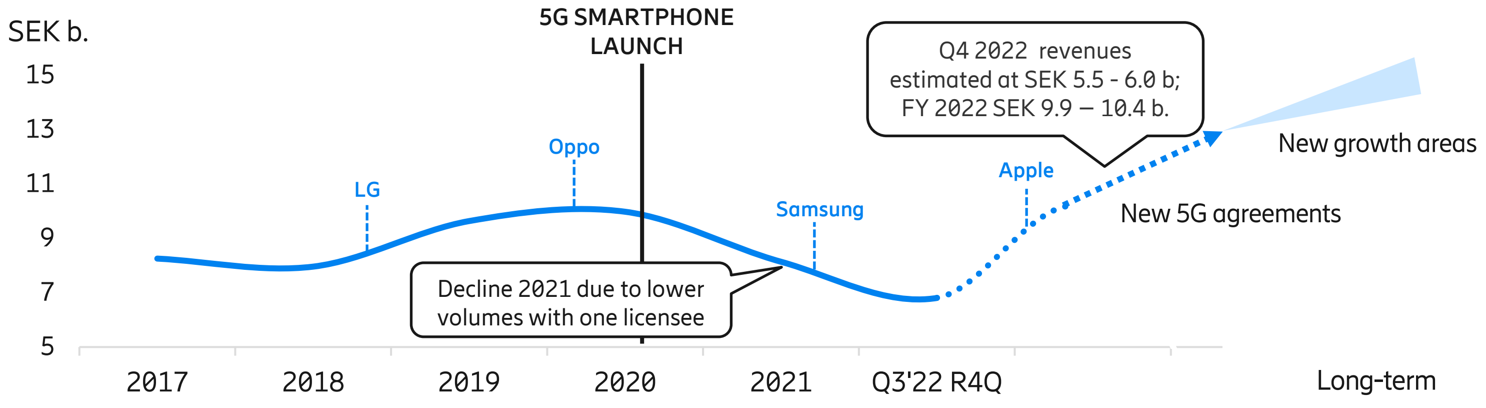
Cost out target (end of year gross run rate, SEK b.)



This slide contains forward-looking statements. Actual result may be materially different.

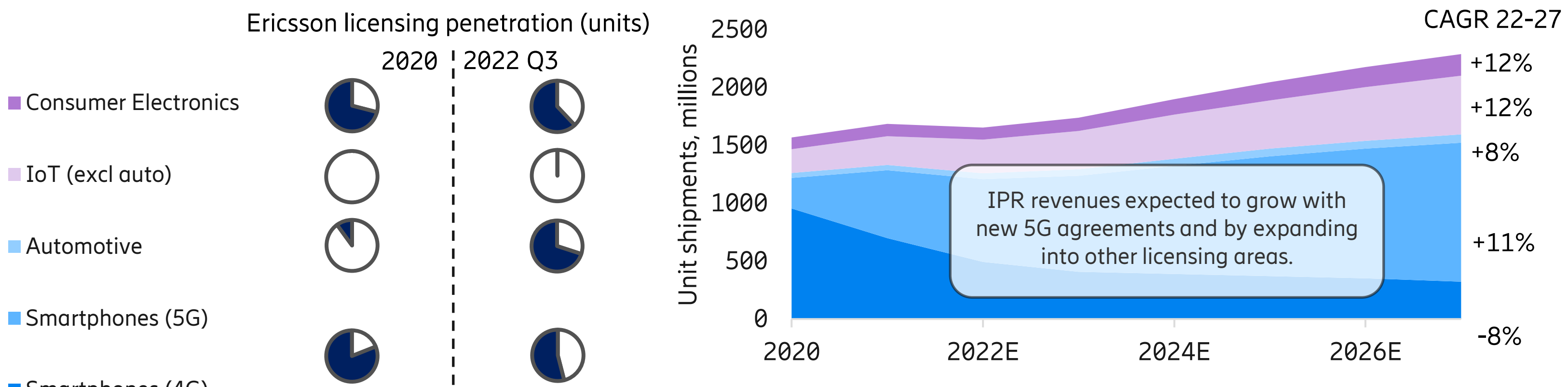
IPR – delivering further growth

IPR revenues (2017-2022 Q3)



Note: Listed example deals that have been press released

Growing and unlicensed 5G markets[1]



Sources: 1) Strategy Analytics, Omdia

Technology leadership

- >20 years of licensing through technology and market shifts
- Proven assets and case law track record

Strong 5G position

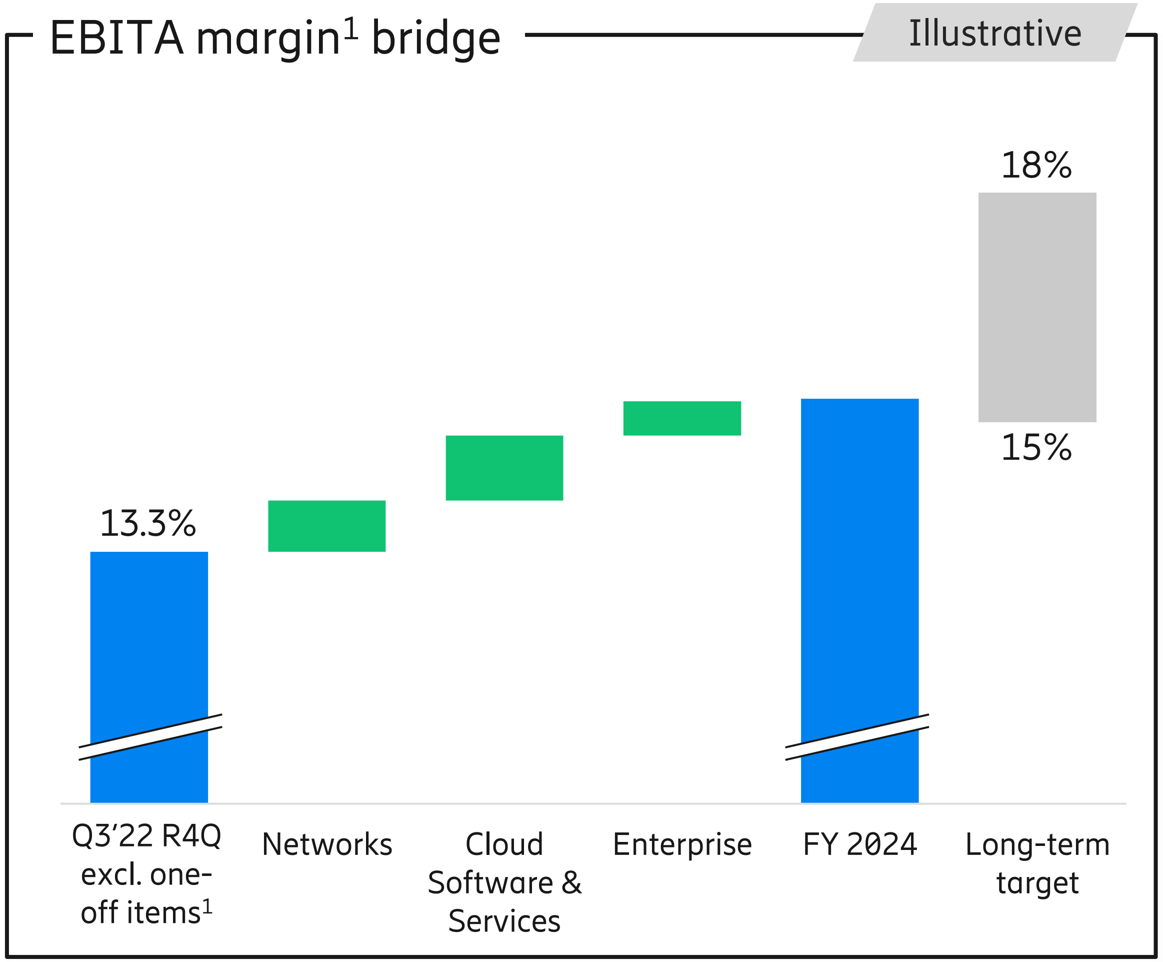
- More than 60.000 granted patents
- Leading cellular and 5G patent portfolio
- Handset licensing in transition to 5G

New growth areas

- Strong growth in cellular device shipments
- Emerging licensing in Consumer Electronics and OTT services

This slide contains forward-looking statements. Actual result may be materially different.

Segment breakdown of bridge to 2024



[1] Numbers exclude restructuring charges and provision for exiting Russia (SEK 0.9b.) and M&A costs (SEK 0.4b.)

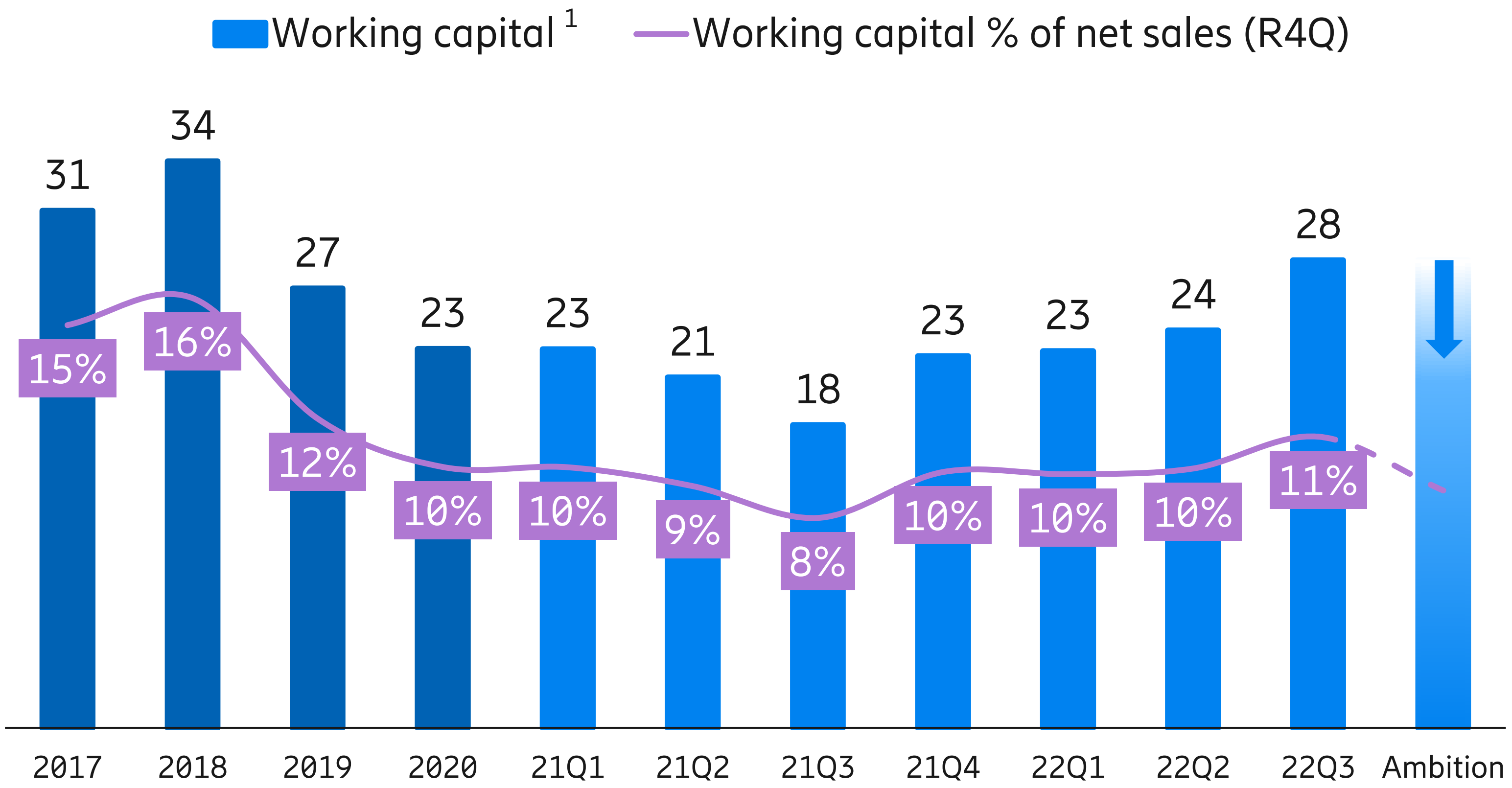
Networks
- Changing business mix compensated by market share gains and commercial activities
- Inflation compensated by cost efficiency in supply and service delivery
- Higher IPR revenues in mix

Cloud Software & Services
- Improved business mix with increased software ratio over time
- Continued transformation to reduce delivery efforts, including automation
- Realize cost synergies from segment merger
- Higher IPR revenues in mix

Enterprise
- Continued investments for long-term growth
- Growth in high-value offerings with high margin
- Market expansion
- Portfolio optimization

Actions to improve working capital efficiency

Working capital 2017-2022 Q3, SEK b.



1. Working capital = [Inventories + Trade receivables + Contract assets] – [Trade payables + Contract liabilities]. 2017 has been restated to IFRS 15.

Drivers for increase

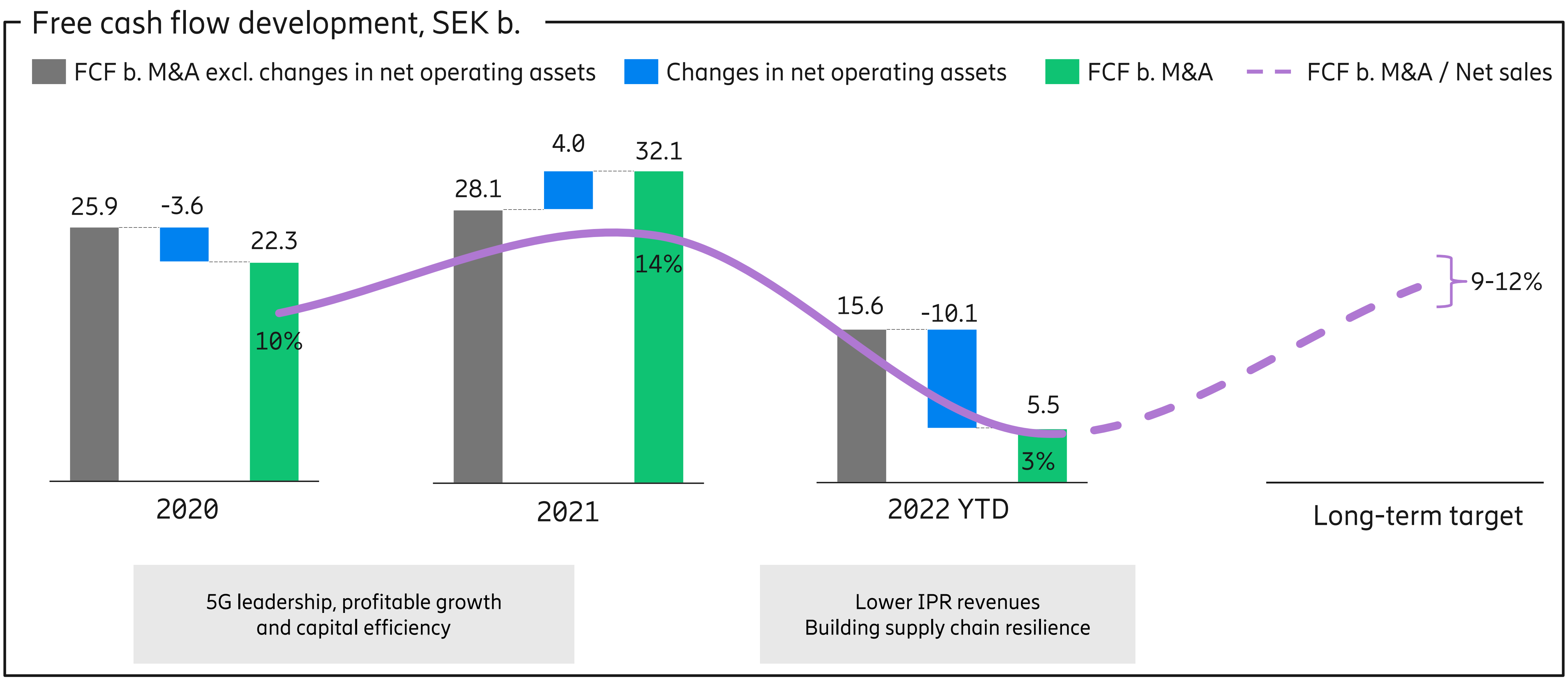
- Build-up of components and inventory to safeguard deliveries
- Roll-out of large contracts
- Inflation and FX

Actions

- Ensure supply chain resilience with less inventory
- Continue to focus on supplier payment terms (accounts payable)
- Further enhance credit risk mitigations and efficient cash collection

This slide contains forward-looking statements. Actual result may be materially different.

Significant improvement in free cash flow margin



This slide contains forward-looking statements. Actual result may be materially different.

Agenda

Executing on our strategy

Long term targets

Capital allocation

Strong balance sheet supporting strategy execution

Balance sheet strength

Support	Flexibility	Robustness
Support the strategic and financial plan *Create value with strong returns*	Provide ability to act on opportunities *Organic and in-organic investments*	Minimize risk of financial pressure *Resilience to keep up R&D and customer commitments even in a business downturn*

Positive free cash flow and consistent high return on capital

Capital objectives

		Current status
Free cash flow (before M&A)	9-12% of net sales	SEK 18.8 b. 7.3% of net sales Q3'22 R4Q
Net cash position	Positive	SEK 13.4 b. Q3'22
Credit rating	Investment grade	2 of 3 agencies

This slide contains forward-looking statements. Actual result may be materially different.

Prudent financial management in uncertain times

Target to generate free cash flow[1] of 9-12% of net sales

Near-term capital allocation priorities

Organic & inorganic investments

to support growth and technology leadership

Shareholder distribution

Target a stable to progressive dividend considering earnings, business outlooks and financial priorities

Safeguard balance sheet strengths

Commitment to deploy capital wisely for value creation

1) Free cash flow before M&A

This slide contains forward-looking statements. Actual result may be materially different.

Key takeaways

Foundation with strong return on capital and free cash flow

Clear path to reaching long-term target ranges on EBITA and FCF by 2024

Capital allocation supporting business strategy and value creation

Q&A

Forward-looking statements

This presentation includes forward-looking statements, including statements reflecting management's current views relating to the growth of the market, future market conditions, future events, financial condition, and expected operational and financial performance, including, in particular the following:

- Our goals, strategies, planning assumptions and operational or financial performance expectations;
- Industry trends, future characteristics and development of the markets in which we operate;
- 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 R&D expenditures;
- The ability to deliver on future plans and to realize potential for 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; and
- Technology and industry trends including the regulatory and standardization environment in which we operate, competition and our customer structure.

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. Any statement that refers to expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements.

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