

Planning assumptions

From the Q1 report



— Market

- RAN equipment market -2% FY18, 2% CAGR (2018-2022). Chinese market expected to decline in 2018, positive momentum in the U.S.

— Currency

- Rule of thumb: USD/SEK 10% weaker → ~ -5% sales and ~ -1pp OM. For historical FX rates, please see ericsson.com

— Ericsson

- 5-year average sales seasonality Q1→Q2: +9%
- Focusing the business - reduced FY19 sales by up to SEK 10 b. compared with FY16
- Baseline for IPR ~SEK 7b., on an annual basis

— Ericsson, continued

- Cost savings of SEK >10 b. implemented by mid-2018
- Opex typically varies between quarters due to seasonality
- Restructuring charges FY 2018 SEK 5-7 b. (est.). Slightly higher in Q2 vs Q1.
- Media Solutions divestment expected end of Q3 2018. Results will be reported as share of earnings according to the equity method. Media solutions sales were SEK 3.2 b. in 2017

Actual and estimated capitalization impact

SEK b.	Q118	Q218 est.	Q217	FY17	FY18 est.	FY19 est.
CoS	-0.3	-0.2	-0.4	-2.6	-1	-
R&D	-0.4	-0.4	0.1	-0.3	-2	-
Total	-0.7	-0.6	-0.3	-2.9	-3	-1 to -2

Based on current visibility, assessments and FX rates