

Planning assumptions

From the Q2 report



Market

- RAN equipment market -2% FY18, 2% CAGR (17-22)
- 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, 2018

- 5-year average sales seasonality Q2→Q3: -2% and Q3→Q4: 23%
- Baseline for IPR ~SEK 7 b., on an annual basis
- Restructuring charges FY 2018 SEK 5-7 b. (est.)
- Media Solutions divestment expected end of Q3 2018 with est. additional expenses of SEK 0.3 b. in Q3. Results will be reported as share of earnings according to the equity method (Ericsson 49% of shares). Media solutions sales were SEK 3.2 b. in 2017

Actual and estimated capitalization impact

SEK b.	Q218	Q318 est.	Q317	FY17	FY18 est.	FY19 est.
CoS	-0.2	-0.2	-0.9	-2.6	-1	-
R&D	-0.3	-0.3	-0.6	-0.3	-1	-
Total	-0.5	-0.5	-1.5	-2.9	-2	-1 to -2

Based on current visibility, assessments and FX rates