Ericsson Third quarter 2025

October 14, 2025

Third quarter 2025

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

Börje Ekholm
President and CEO

Key takeaways Q3 2025

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- Strong strategic and operational execution
- Organic[1] sales growth in three out of four market areas
  - Sales decline in Americas due to high deliveries in Q3 2024
- Strong margin development
  - Three-year high adjusted EBITA margin[3]
  - Reflects actions taken to drive operational excellence and cost efficiency
- Recurring cash-flow generation and iconectiv sale contribute to elevated cash position
  - Scope for increased shareholder returns
  - Board will revert with proposal in time for AGM

Organic[1] sales YoY:

-2%

Adjusted[2] gross margin:

48.1%

Adjusted[2] EBITA margin:

14.7%[3]

Executing on strategy to capture larger share of value created by connectivity

[1] Sales adjusted for the impact of acquisitions and divestments and effects of foreign currency fluctuations.
[2] Excluding restructuring charges.
[3] Excluding SEK 7.6 b. capital gain from the divestment of iconectiv.

Sales development Q3 2025

Market area net sales (Q3 2025, SEK b.)		Organic growth (Q3 2025 YoY)	Networks 63%	Cloud Software and Services 27%	Enterprise 9%	% of Q3-25 net sales
Americas	19.8	-8%	↘	↗		35%
Europe, Middle East and Africa	16.7	3%	↗	↗		30%
South East Asia, Oceania and India	7.1	1%	↘	↗		13%
North East Asia	3.8	10%	↗	→		7%
Other (IPR and most of Enterprise)	8.8	-2%	↘	↘	↘	16%
Total	**56.2**	**-2%**	↘	↗	↘	100%

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

Financial Overview

Lars Sandström
Chief Financial Officer

Financial update Q3 2025

Financial performance (adjusted)

SEK b.	Q3-25	Q3-25[2]	Q3-24	YoY	Q2-25
Net sales	56.2		61.8	-9%	56.1
Organic sales growth				-2%	
Gross income	27.0		28.6	-5%	27.0
Gross margin	48.1%		46.3%		48.0%
R&D expenses	-11.6		-12.2		-11.9
SG&A expenses	-7.8		-9.2		-8.1
Other op. income & expenses	7.7		0.0		0.1
EBIT	15.5	7.9	7.3		7.0
EBIT margin	27.5%	14.0%	11.9%		12.6%
EBITA	15.8	8.2	7.8	104%	7.4
EBITA margin	28.1%	14.7%	12.6%		13.2%
Net income[1]	11.3		3.9		4.6
Free cash flow before M&A	6.6		12.9		2.6

[1] Including restructuring charges.
[2] Excluding SEK 7.6 b. capital gain from the divestment of iconectiv

Organic sales declined -2% YoY

- Most regions grew, but North America declined
- Networks declined due to strong Q3 2024 deliveries
- Good growth in Cloud Software and Services

Adjusted gross margin 48.1%

- All segments improved underlying margins
- Cost-reduction measures and operational efficiencies

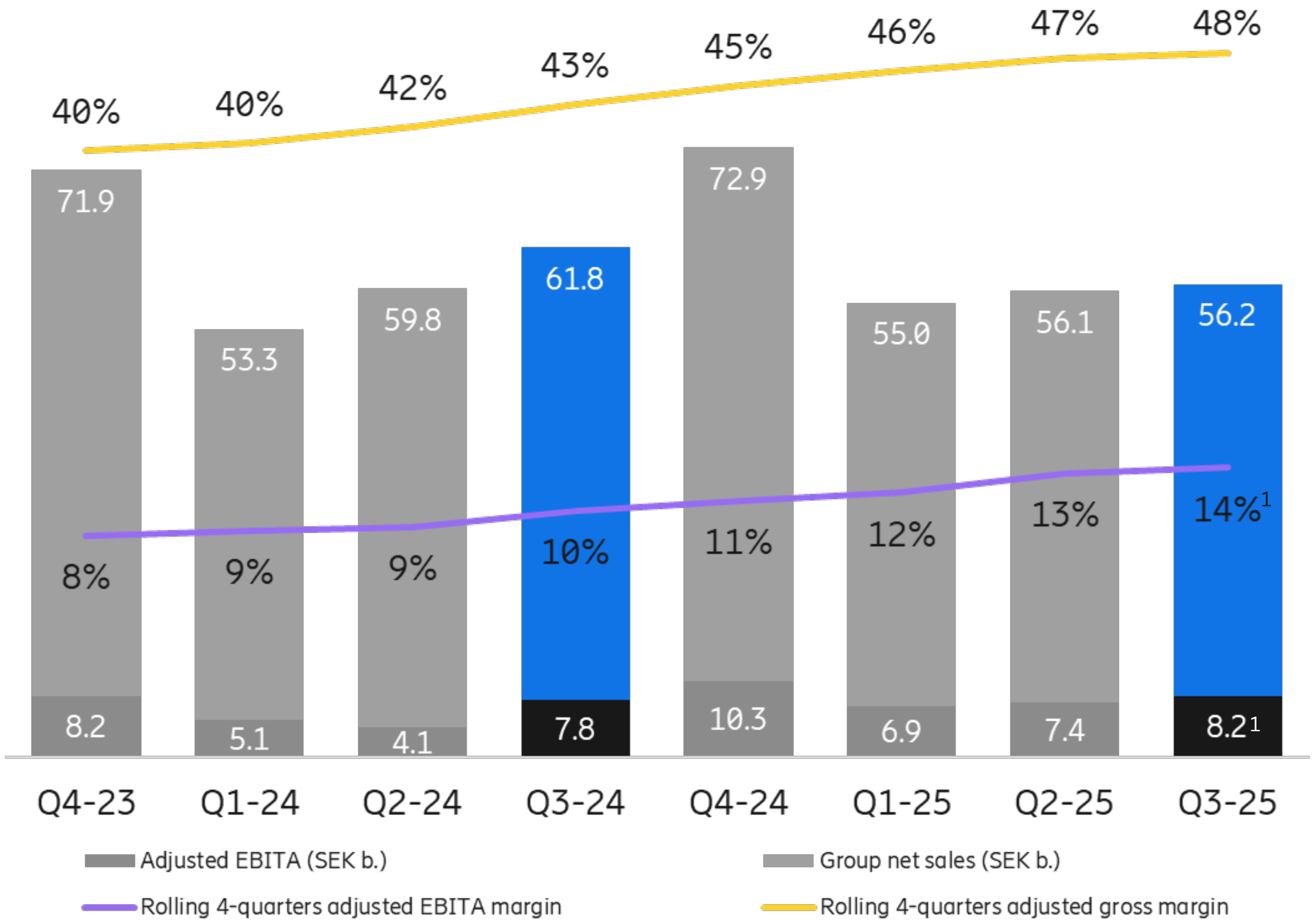
Adjusted EBITA margin 28.1%

- 14.7% excl. SEK 7.6 b. capital gain from iconectiv sale
- Lower operating expenses, optimization benefits

Free cash flow before M&A SEK 6.6 b.

- Increased earnings excluding iconectiv gain
- Prior year boosted by strong operating working capital

Key financial trends[1]

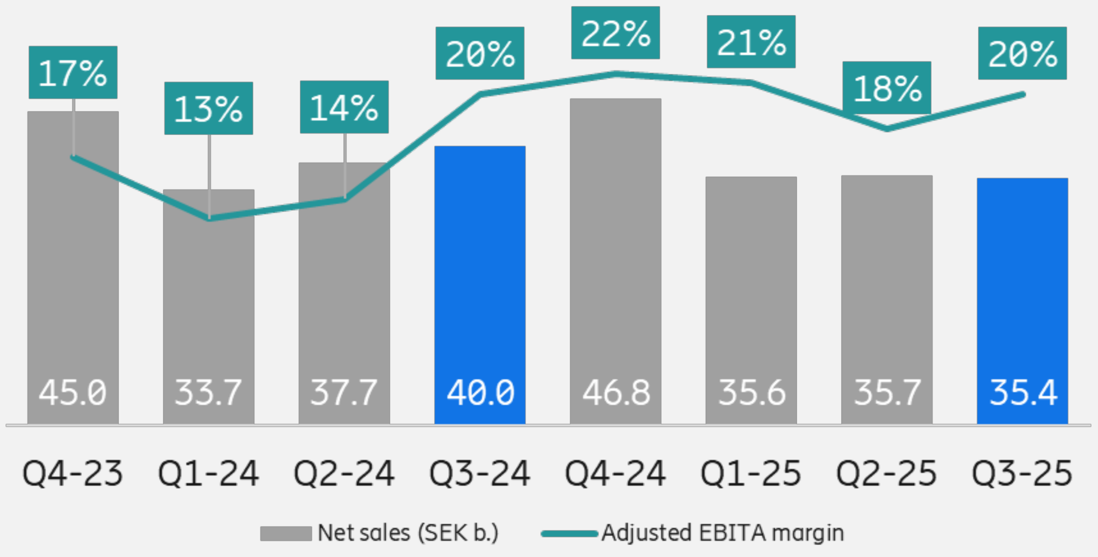


Adjusted gross margin and adjusted EBITA

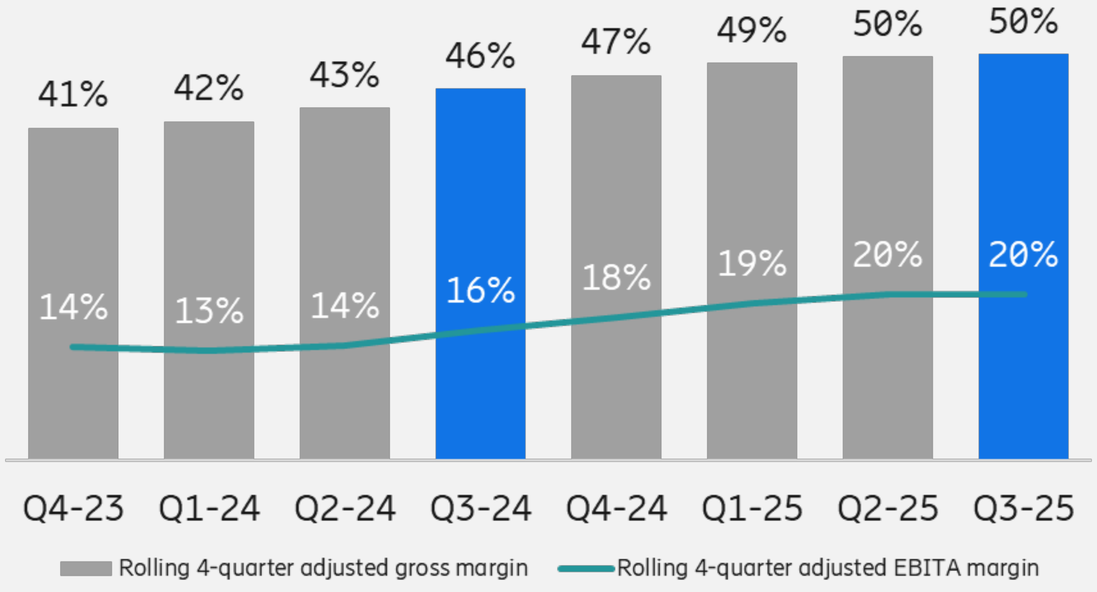
- Continued increase in adjusted gross margin and adjusted EBITA margin despite recent currency impacts
  - Cost actions
  - Operational efficiency
  - IPR licensing revenue growth trend

[1] Excluding SEK 7.6 b. capital gain from the divestment of iconectiv in Q3 2025.

Segment Networks Q3 2025

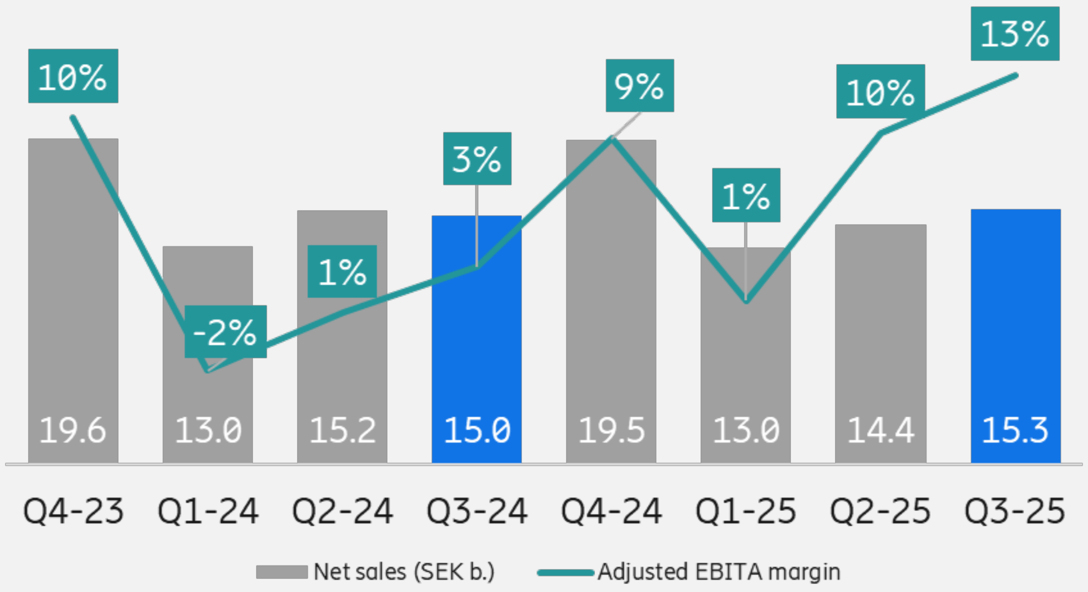


- -5% organic sales decline
- Growth in two out of four market areas
- Adjusted gross margin increased to 50.1% (48.7%)
- Adjusted EBITA margin stable YoY

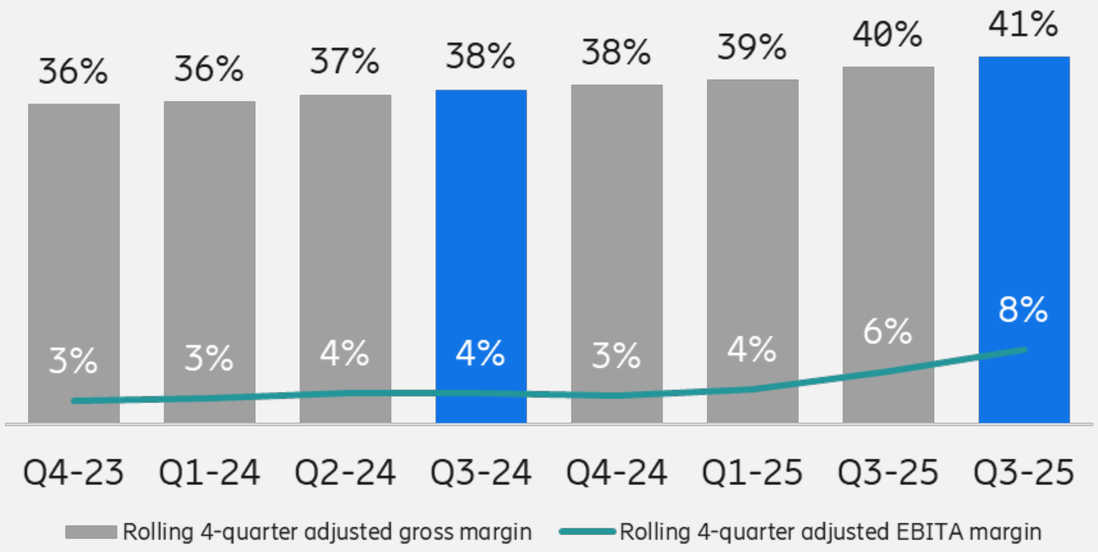


- Rolling 4-quarter adjusted gross margin of 49.9%
- Adjusted gross margin stabilized at a new level
- Rolling 4-quarter adjusted EBITA margin of 20.4%

Segment Cloud Software and Services Q3 2025

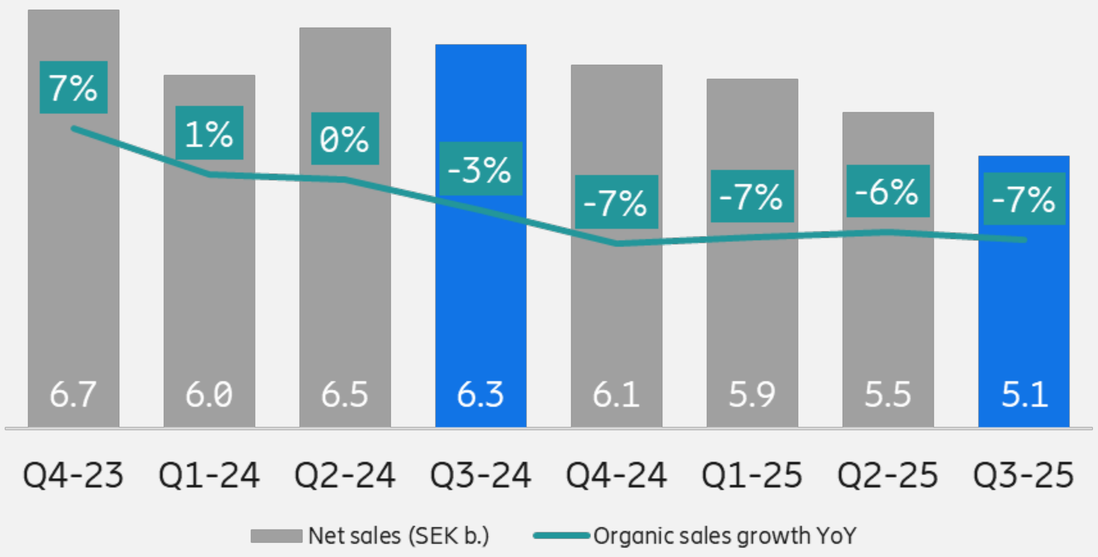


- 9% organic sales growth
- Increased core sales in all market areas
- Adjusted gross margin benefited from delivery performance
- Adjusted EBITA SEK 1.9 b., supported by higher gross income, lower operating expenses and strategy execution



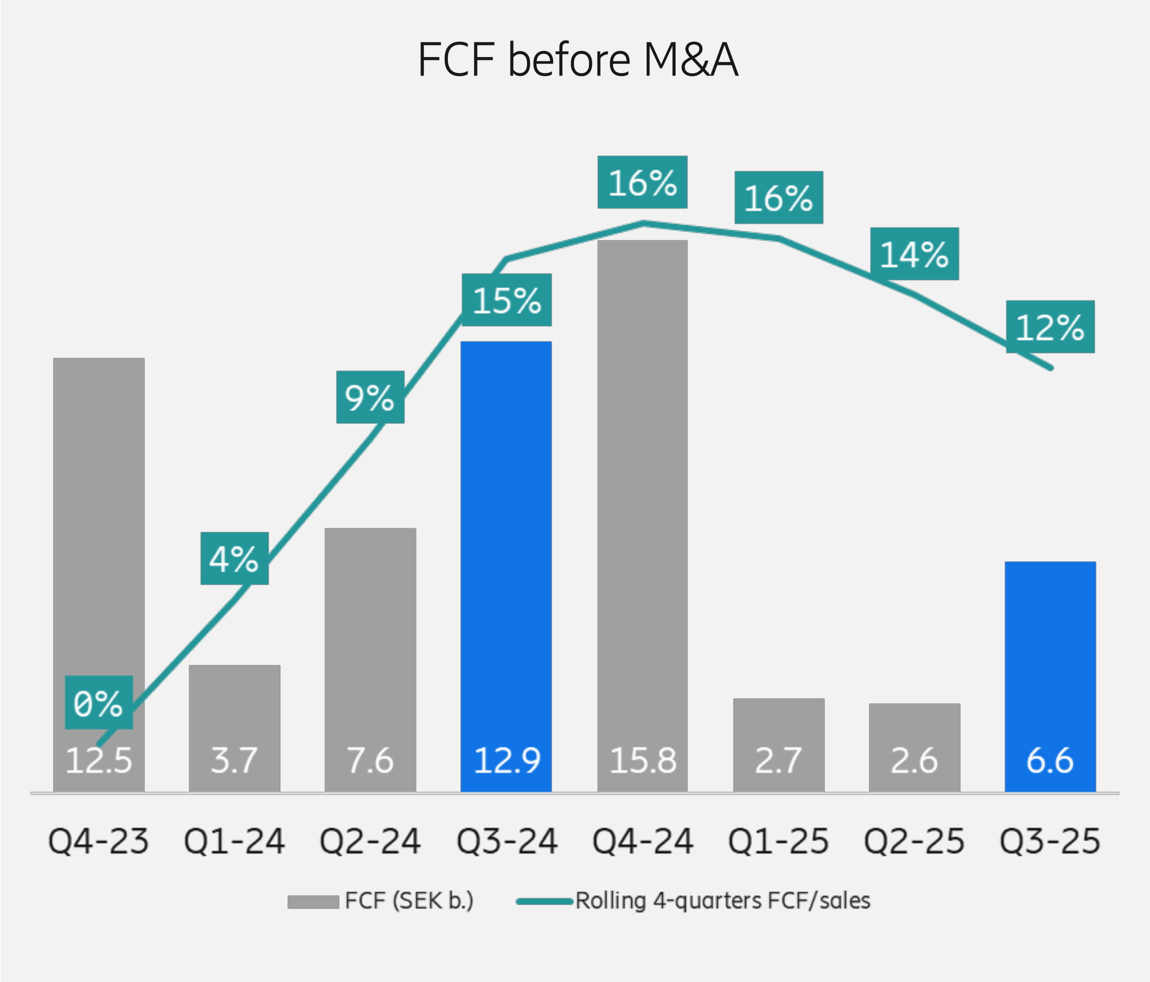
- Rolling 4-quarter adjusted gross margin of 41.3%
- Adjusted gross margin at a new high level
- Rolling 4-quarter adjusted EBITA margin of 8.5%

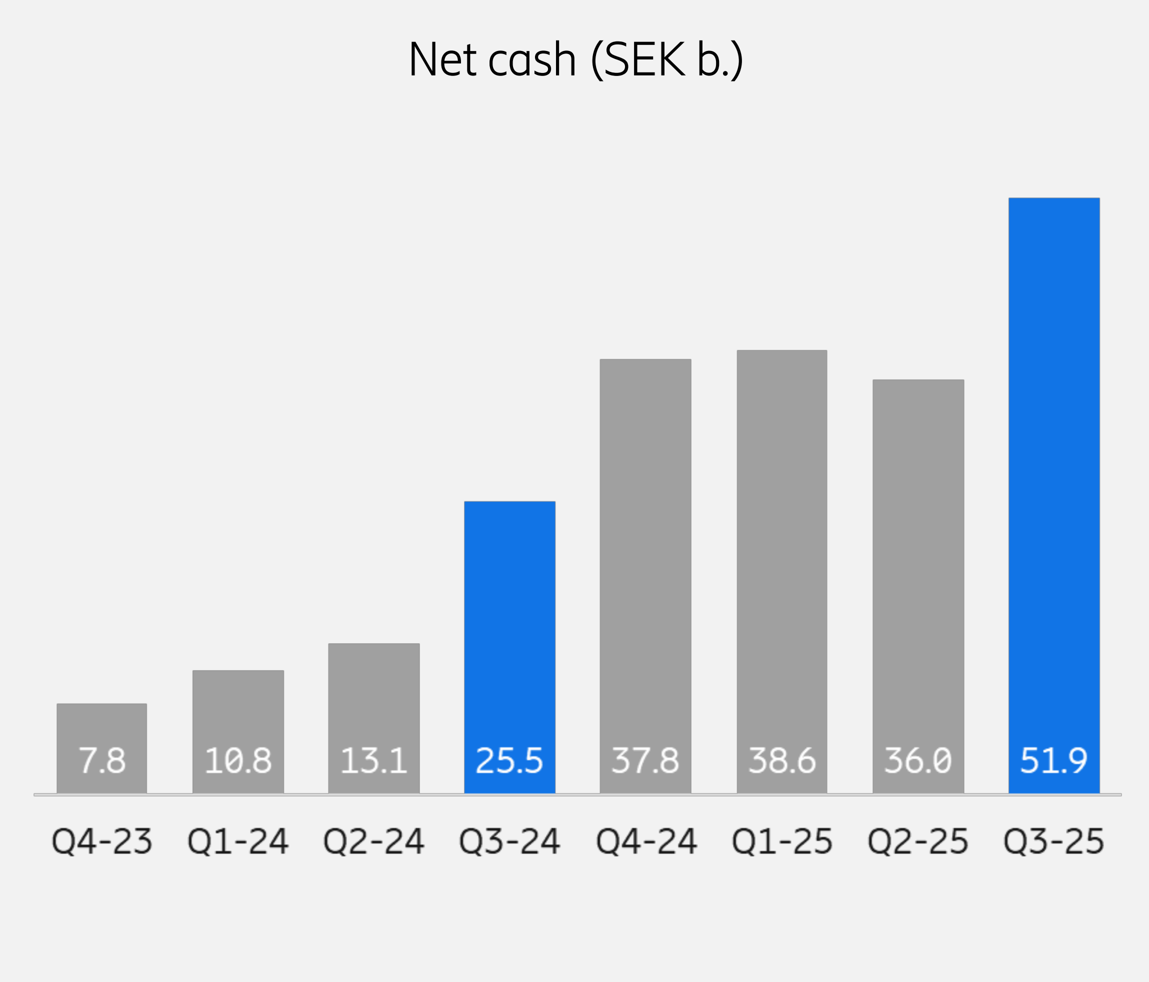
Segment Enterprise Q3 2025



- -7% organic sales decline
- Adjusted gross margin of 51.6% (52.4%), reflecting partial impact of divestments
- Adjusted gross margin increased in Global Communications Platform and Enterprise Wireless Solutions

Cash flow and financial position Q3 2025





Outlook[1]

Increased uncertainty remains on the outlook, both in terms of potential for further tariff changes as well as in the broader macroeconomic environment.

Sales Networks	Sales growth in Q4 2025 is expected to be broadly similar to 3-year average seasonality
Sales Cloud Software and Services	Sales growth in Q4 2025 is expected to be broadly similar to 3-year average seasonality
Sales Enterprise	Organic sales are expected to stabilize YoY in Q4 2025
Adjusted gross margin Networks	Adjusted gross margin in Q4 2025 is expected to be in the range of 49% to 51%
Restructuring charges	Restructuring charges for 2025 are expected to remain at elevated levels

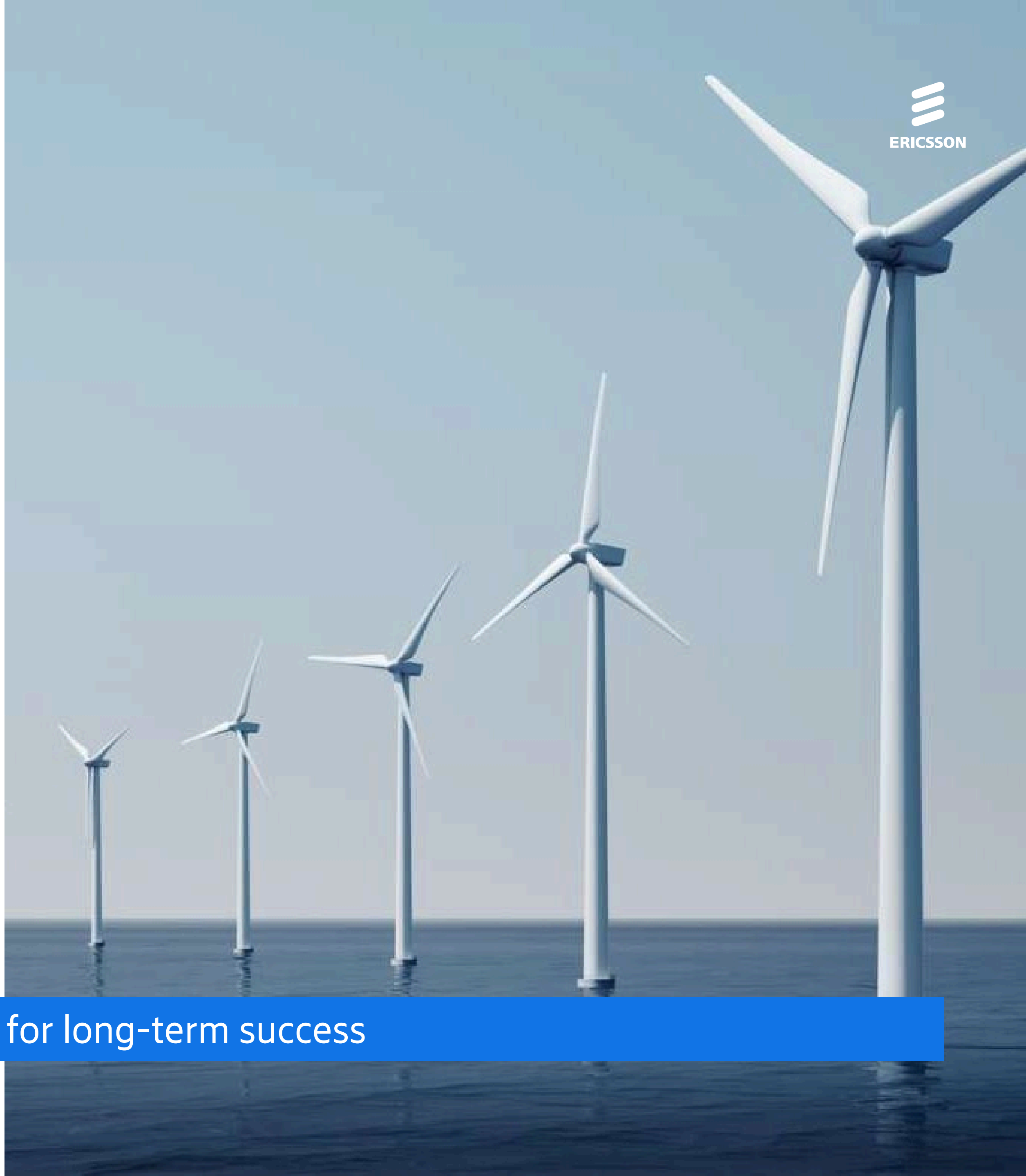
[1] See key data points, page 8, third quarter report 2025.

Closing Remarks

Börje Ekholm
President and CEO

Summary

- Looking ahead
  - Continue to invest in technology leadership to strengthen competitive position
  - Future-proofed Open RAN-ready portfolio
  - New use cases to monetize network investments taking shape
- AI applications becoming a key driver for network investments
- Structurally improving the business through rigorous cost management



Ericsson well positioned for long-term success

Q&A

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Appendices

Appendix 1 – Adjusted gross margin and gross income development Q3 2025
Appendix 2 – Adjusted EBITA margin and EBITA development Q3 2025
Appendix 3 – Ericsson Mobility Report, June 2025
Appendix 4 – Ericsson licensing progress Q3 2025
Appendix 5 – More information

Appendix 1 – Adjusted gross margin and gross income development Q3 2025

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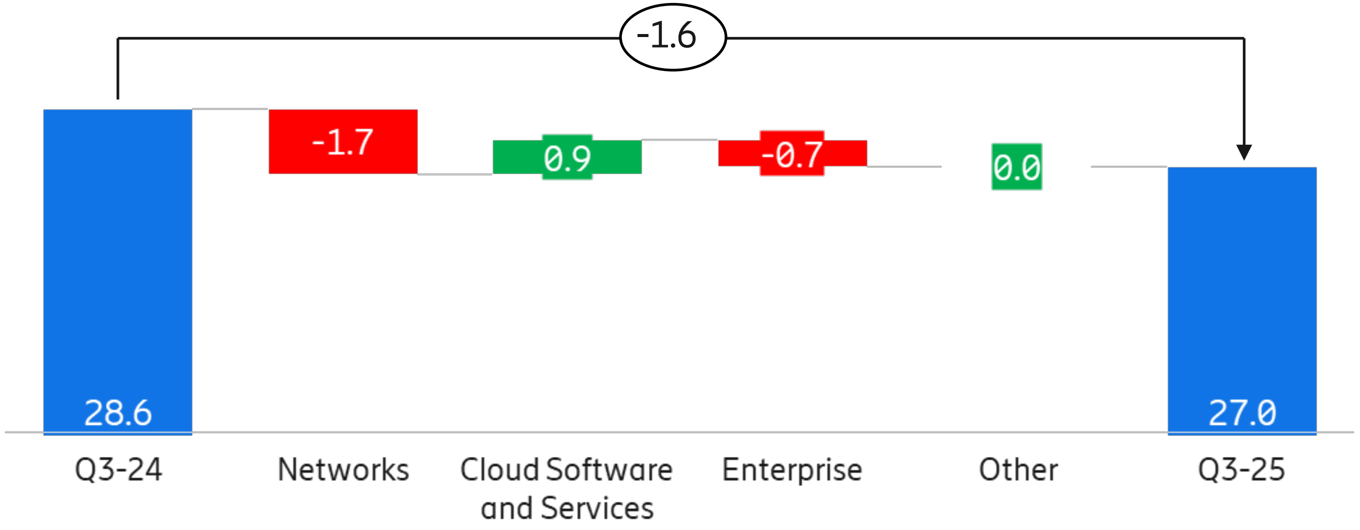
Adjusted gross margin (%)
(YoY change)

46.3%	50.1%	43.6%	51.6%	1.0%	48.1%
	(+1.4 p.p.)	(+4.9 p.p.)	(-0.8 p.p.)	(-4.2 p.p.)	

Adjusted gross income, SEK b.



+ Adjusted gross margin increase
+ Cost-reduction actions
+ Operational efficiency
+ Improved delivery performance

- Adjusted gross income decrease
- Currency headwind impact of SEK -2.0 b.
- iconectiv divestment

Appendix 2 – Adjusted EBITA margin and EBITA development Q3 2025

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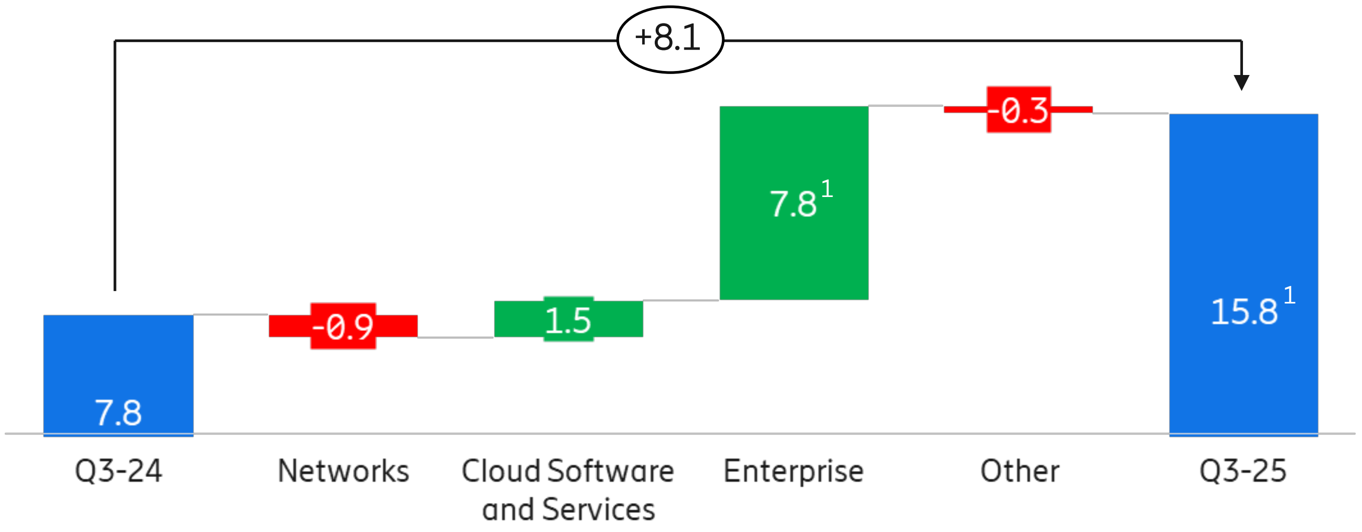
Adjusted EBITA margin (%)
(YoY change)

12.6%	20.3%	12.5%	138.7%[1]	-70.3%	28.1%
	(+0.0 p.p.)	(+9.6 p.p.)	(+151.1 p.p.)	(-68.9 p.p.)	

Adjusted EBITA, SEK b.



+ Gain from iconectiv divestment
+ Delivery performance
+ Lower operating expenses

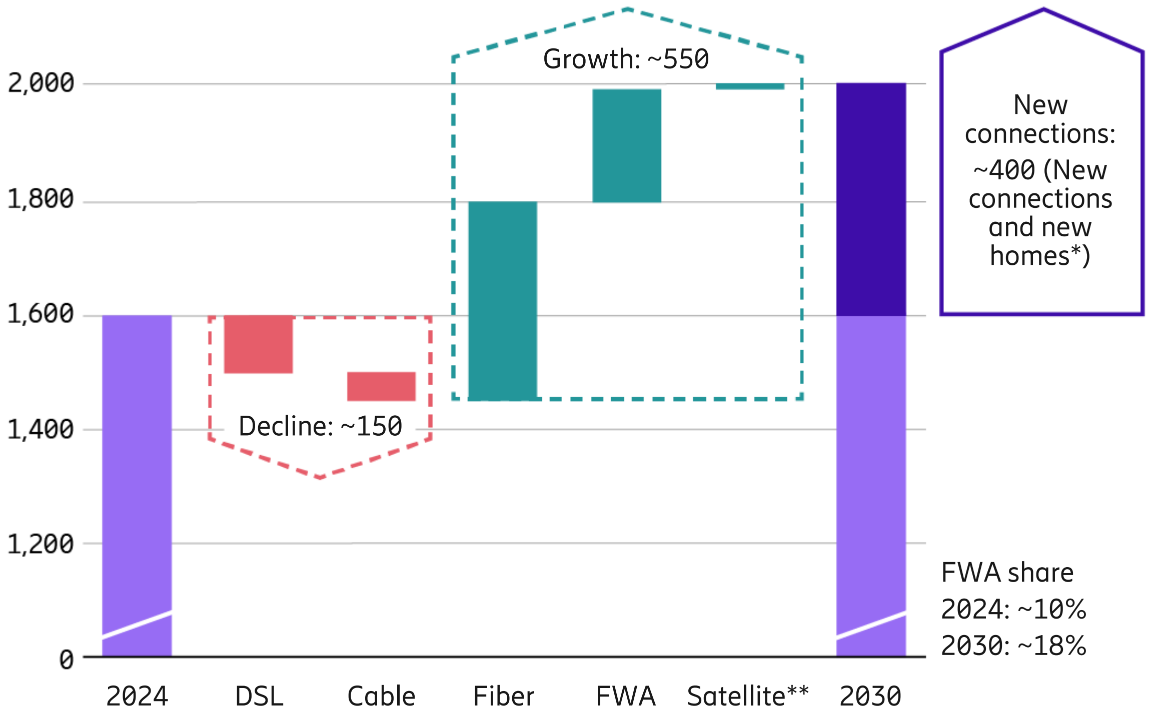
- Currency headwind impact of SEK -1.2 b.
- Lower gross income in networks
- Revaluation of Ericsson Ventures portfolio in Other

[1] Including SEK 7.6 b. capital gain from the divestment of iconectiv.

Appendix 3 – Ericsson Mobility Report, June 2025

Download the report here

Global fixed broadband connections (millions) by technology, 2024–2030



* New homes driven by population growth. Unconnected decline to 550 million in the period. Source: Ericsson analysis.
** ABI research.

>35%

FWA is projected to account for over 35% of new fixed broadband connections through 2030

50%

5G mid-band coverage in Europe reached 50% at the end of 2024

1/3

At end of 2025, 5G is set to account for one-third of global mobile subscriptions

6.3 b.

5G subscriptions are forecast to reach 6.3 billion by end of 2030

Appendix 4 – Ericsson licensing progress Q3 2025

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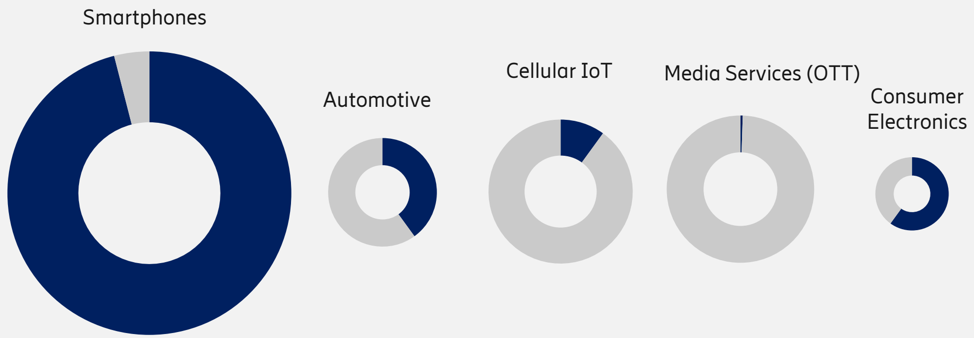

- Most major smartphone vendors now licensed for 5G
- IPR licensing revenue growth opportunities remain
  – 5G automotive
  – Cellular IoT
  – Media services
  – Consumer electronics
- Optimizing the terms and value of new agreements and renewals will remain a priority

Appendix 5 – More information

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Latest Event

Annual General Meeting 2025

Telefonaktiebolaget LM Ericsson's Annual General Meeting (AGM) 2025 was held on Tuesday, March 25, 2025, at 13:00 CET

Latest Information

Third quarter report 2025
October 14, 2025
Q3 results 2025: English | Swedish
Financial statements (xls) Webcast

Annual Report 2024
The Ericsson Annual Report 2024 was published on February 27, 2025.

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, 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 our ongoing compliance with obligations under the National Security Agreement entered into in connection with Ericsson's acquisition of Vonage, which may adversely affect the Vonage business and subject the Company to additional liabilities
- Our 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 our existing and targeted customer base, and our ability to maintain technology leadership
- Success in implementing key strategies, including improving profitability, capturing 5G market opportunities, capitalizing on network API and Enterprise opportunities, 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 we operate
- Risks of global operations, including legal and regulatory requirements and uncertainties, and unfavorable lawsuits and legal proceedings
- Our future liquidity, capital resources, capital expenditures, cost savings and profitability, and risks related to financial condition
- The expected demand for our existing and new products and services as well as plans to launch new products and services including research and development expenditures
- Our 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 our ability to successfully consummate such transactions, protect the value of acquisitions during integration, or achieve the value anticipated with an acquisition
- Trends related to our industry, including our regulatory environment, competition and customer structure
- Intense competition from existing competitors, and new entrants, including vendor consolidation
- Limited number of 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 and business conduct
- Extent of impairment impacts on cash flow and dividend capacity in future periods, which is assessed based on full-year performance and is impacted by a variety of factors, including earnings, business outlook and financial position
- Other factors included in our filings with the SEC, including the factors described throughout this report, included in the section Risk Factors, and in "Risk Factors" in the Annual Report 2024, as updated by subsequent reports filed with the SEC.

These forward-looking statements also represent our estimates, assumptions and expectations only as of the date that they were made, and to the extent they represent third-party data, we have not undertaken to independently verify such third-party data and do 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 we file from time to time with our regulators that disclose risks and uncertainties that may affect our business. We expressly disclaim 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.