



Ericsson Fourth quarter 2025

January 23, 2026

Fourth 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

- Strong Q4 and full-year
 - Disciplined execution and solid progress on strategic priorities
- A more resilient Ericsson
 - Organic sales growth, despite flattish RAN market
 - 48% adjusted gross margin
 - 9th quarter of YoY adjusted EBITA margin expansion
- Well placed for the era of hyperconnectivity
 - Leading in mobile networks
 - Scaling the mobile platform

Fourth Quarter

Organic¹ sales YoY:

6%

Adjusted² gross margin:

48.0%

Adjusted² EBITA margin:

18.3%

Full Year

Organic¹ sales YoY:

2%

Adjusted² gross margin:

48.1%

Adjusted² EBITA margin:

18.1%

Solid commercial momentum and operational execution

¹ Sales adjusted for the impact of acquisitions and divestments and effects of foreign currency fluctuations.

² Excluding restructuring charges.

Capital Allocation



Financial Overview



Lars Sandström
Chief Financial Officer



Sales development Q4 2025



Market area net sales (Q4 2025, SEK b.)		Organic growth (Q4 2025 YoY)	Networks	Cloud Software and Services	Enterprise	% of Q4-25 net sales
			64%	29%	7%	
Americas	22.9	-1%	↘	↗		33%
Europe, Middle East and Africa	23.4	13%	↗	↗		34%
South East Asia, Oceania and India	9.0	19%	↗	↗		13%
North East Asia	5.2	-16%	↘	↗		8%
Other	8.8	13%	↗	↗	↗	13%
Total	69.3	6%	↗	↗	↗	100%

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

Financial update Q4 2025

Financial performance (adjusted)



SEK b.	Q4-25	Q4-24	YoY	Q3-25
Net sales	69.3	72.9	-5%	56.2
Organic sales growth			6%	
Gross income	33.2	33.7	-1%	27.0
Gross margin	48.0%	46.3%		48.1%
R&D expenses	-12.8	-13.5		-11.6
SG&A expenses	-8.7	-10.3		-7.8
Other op. income & expenses	0.4	-0.1		7.7
EBIT	12.3	9.6		15.5
EBIT margin	17.7%	13.1%		27.5%
EBITA	12.7	10.2	24%	15.8
EBITA margin	18.3%	14.1%		28.1%
Net income ¹	8.6	4.9		11.3
Free cash flow before M&A	14.9	15.8		6.6

¹ Including restructuring charges.

Organic sales increased 6% YoY

- Organic sales growth in all three major segments

Adjusted gross margin 48.0%

- Improved margins in Networks and Cloud Software and Services
- Cost-reduction measures and operational excellence

Adjusted EBITA margin 18.3%

- Lower operating expenses, optimization + FX benefits
- R&D investments broadly stable YoY, excluding FX

Free cash flow before M&A SEK 14.9 b.

- Increased earnings
- Reduced net operating assets

Financial update FY 2025

Financial performance (adjusted)



SEK b.	2025	2024	YoY	2025 ²	2024 ³
Net sales	236.7	247.9	-5%		
Organic sales growth			2%		
Gross income	113.9	111.4	2%		
Gross margin	48.1%	44.9%			
R&D expenses	-48.3	-51.4			-50.0
SG&A expenses	-33.2	-50.8			-38.2
Other op. income & expenses	8.2	0.6			1.9
EBIT	41.0	9.3		33.4	24.7
EBIT margin	17.3%	3.8%		14.1%	9.9%
EBITA	42.9	27.2	58%	35.3	
EBITA margin	18.1%	11.0%		14.9%	
Net income ¹	28.7	0.4			
Free cash flow before M&A	26.8	40.0			

¹ Including restructuring charges.

² Excluding SEK 7.6 b. capital gain from the divestment of iconectiv

³ Excluding impairments recorded in Q2 and Q4 2024, relating to the impairment of intangible assets mainly attributed to the Vonage acquisition.

Organic sales increased 2% YoY

- Growth in North America and EMEA
- Growth in Networks and Cloud Software and Services

Adjusted gross margin 48.1%

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

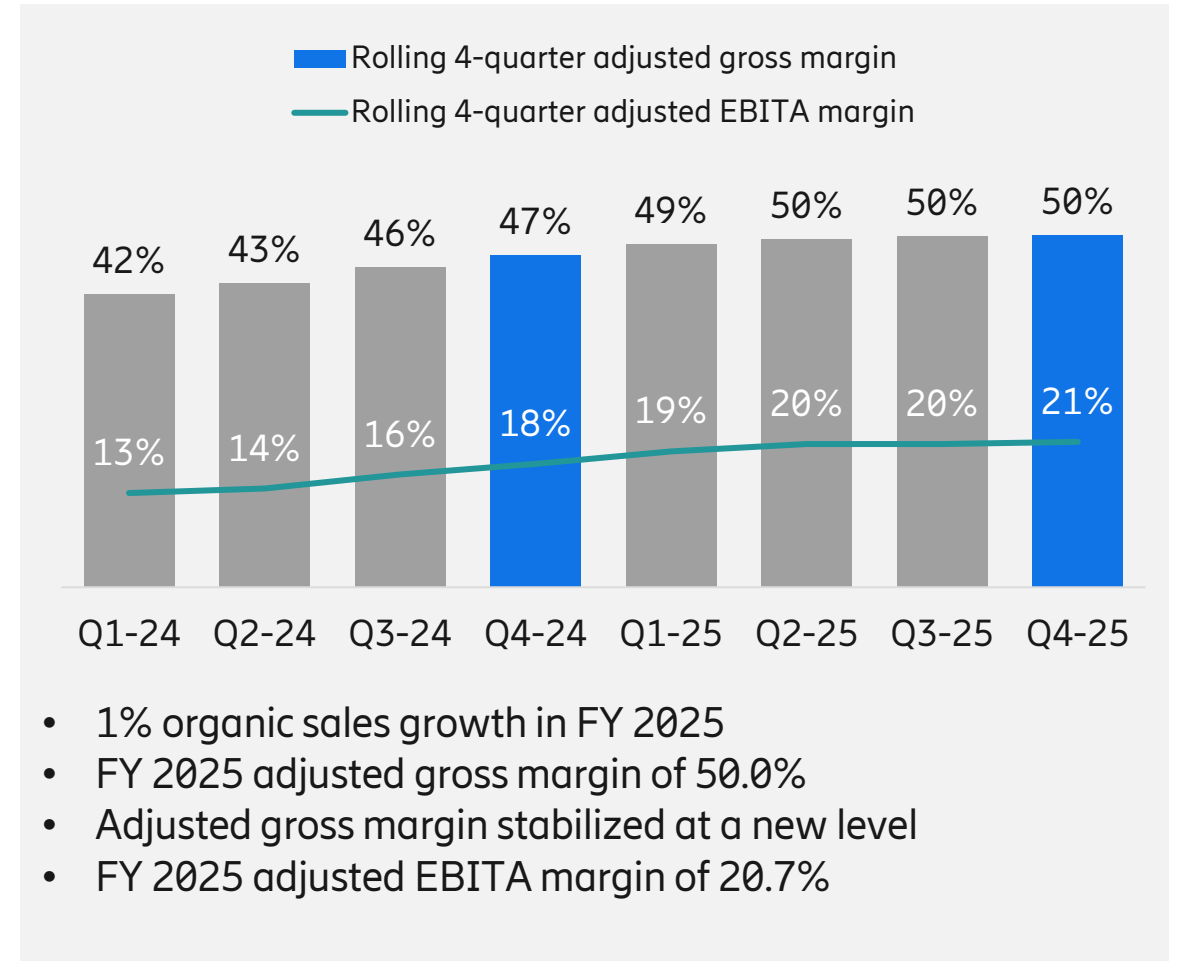
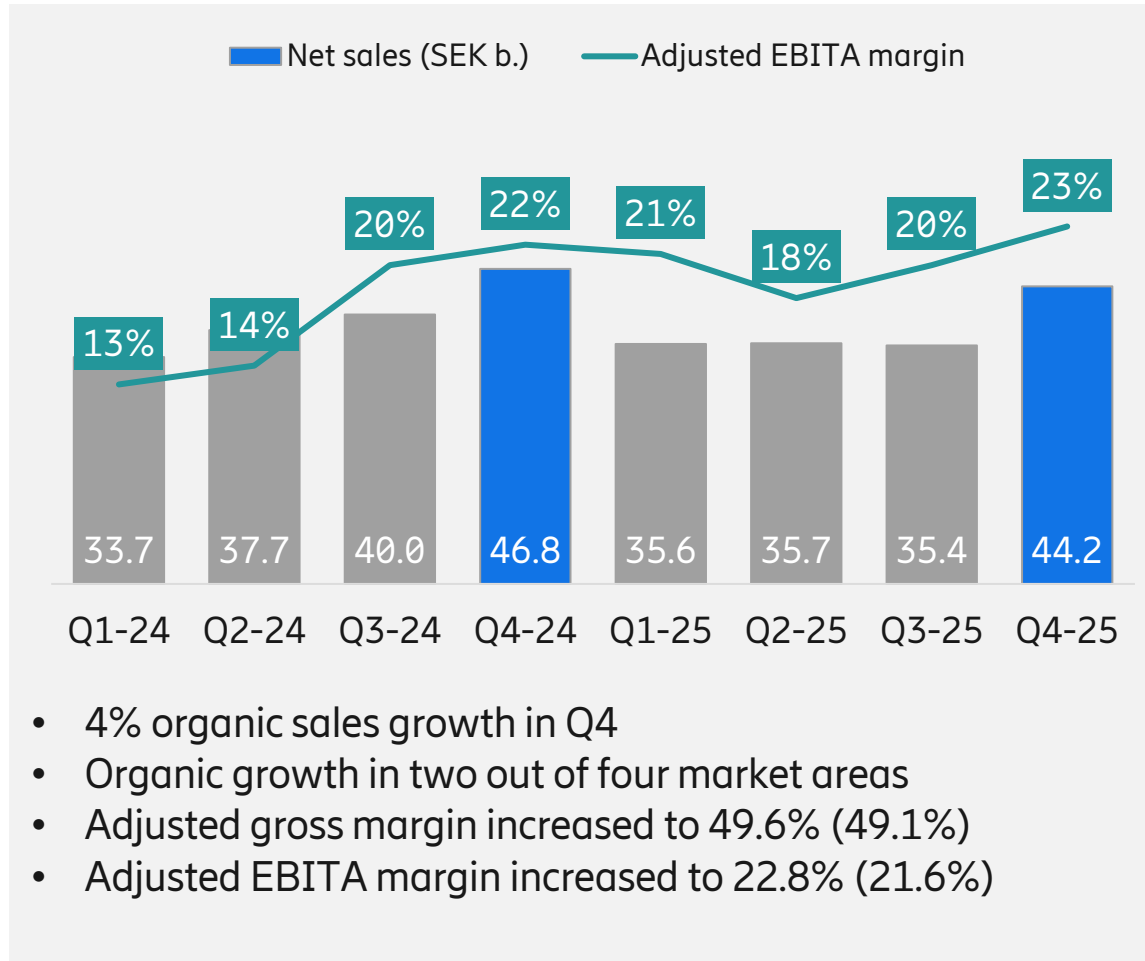
Adjusted EBITA margin 18.1%

- 14.9% excl. SEK 7.6 b. capital gain from iconectiv sale
- Lower operating expenses, optimization + FX benefits

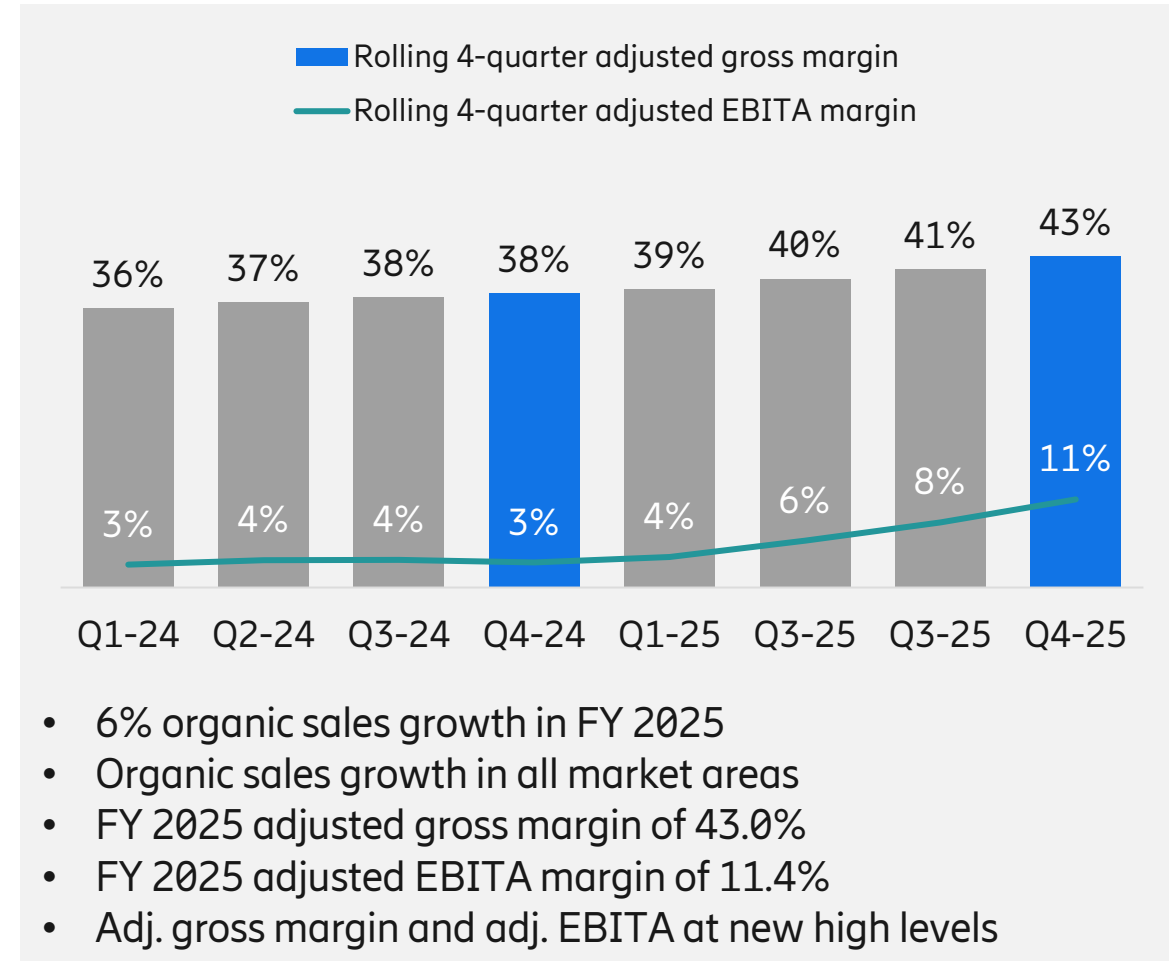
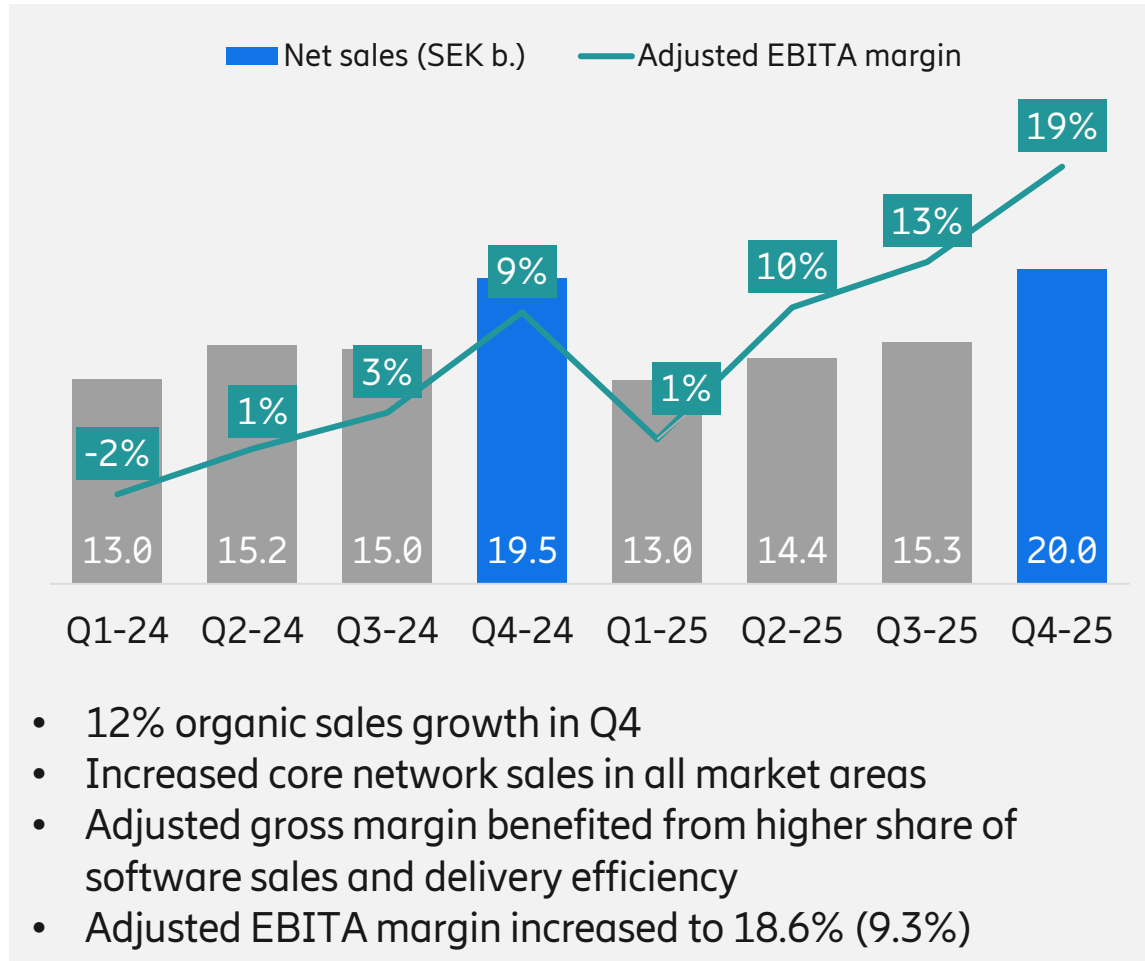
Free cash flow before M&A SEK 26.8 b.

- 11.3% free cash flow conversion of net sales
- Prior year boosted by strong working capital reduction

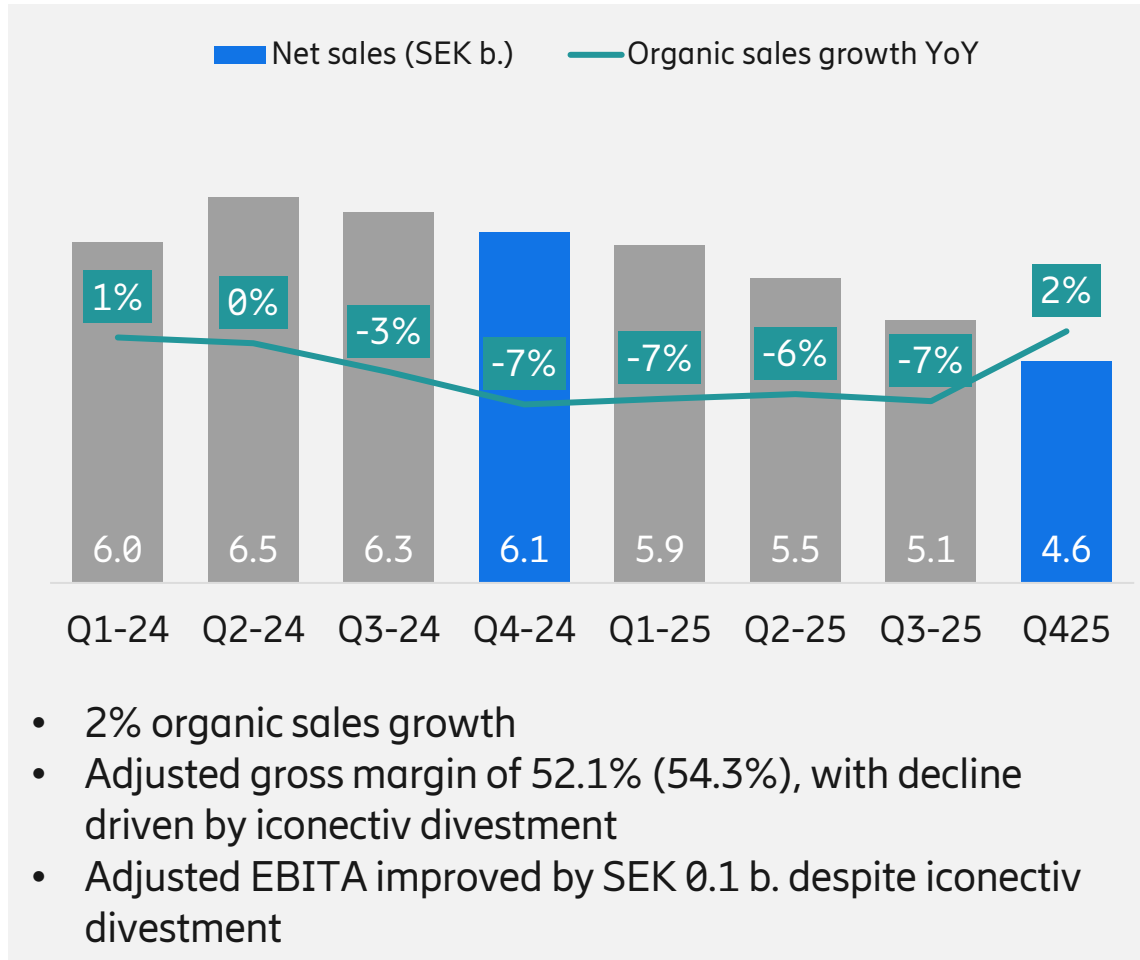
Segment Networks Q4 and FY 2025



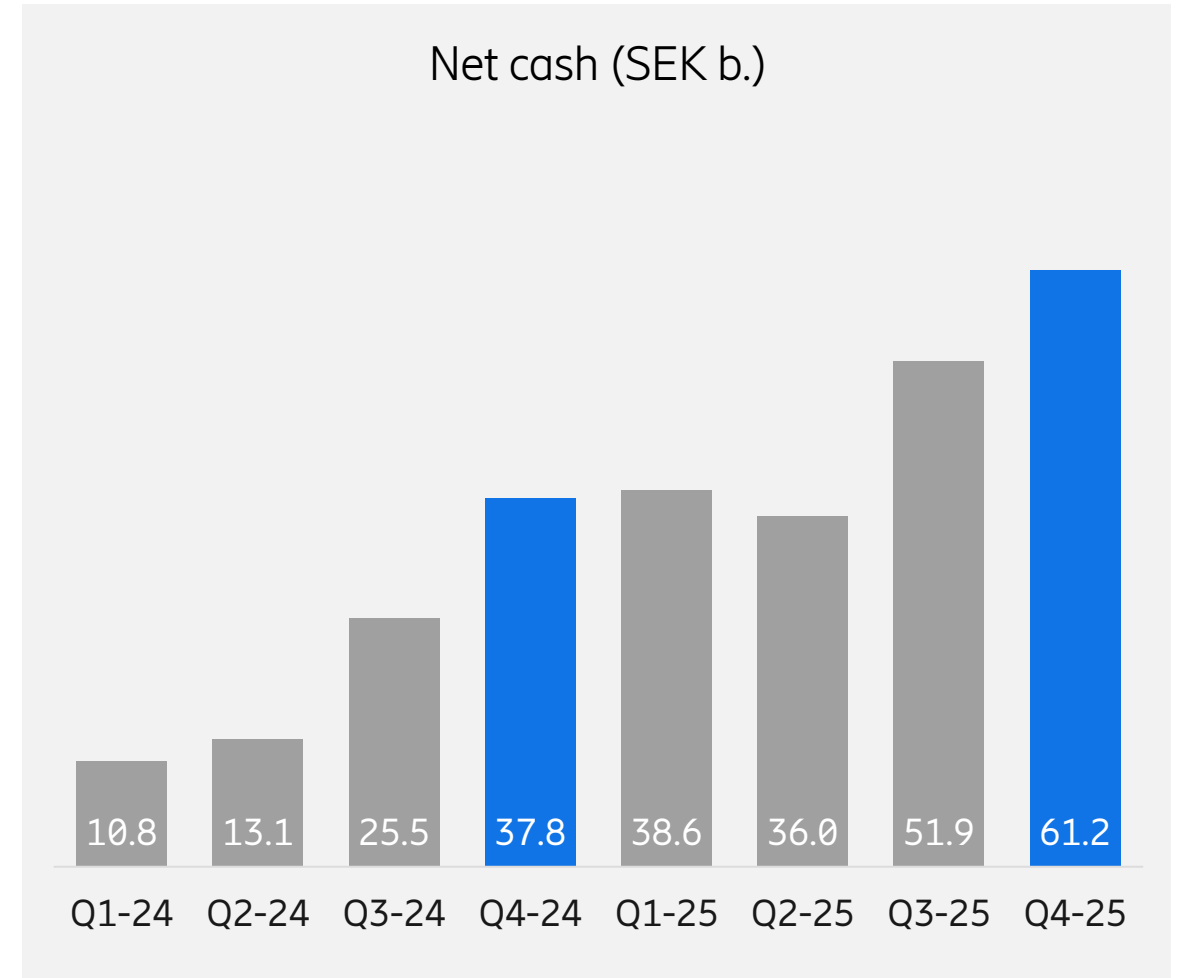
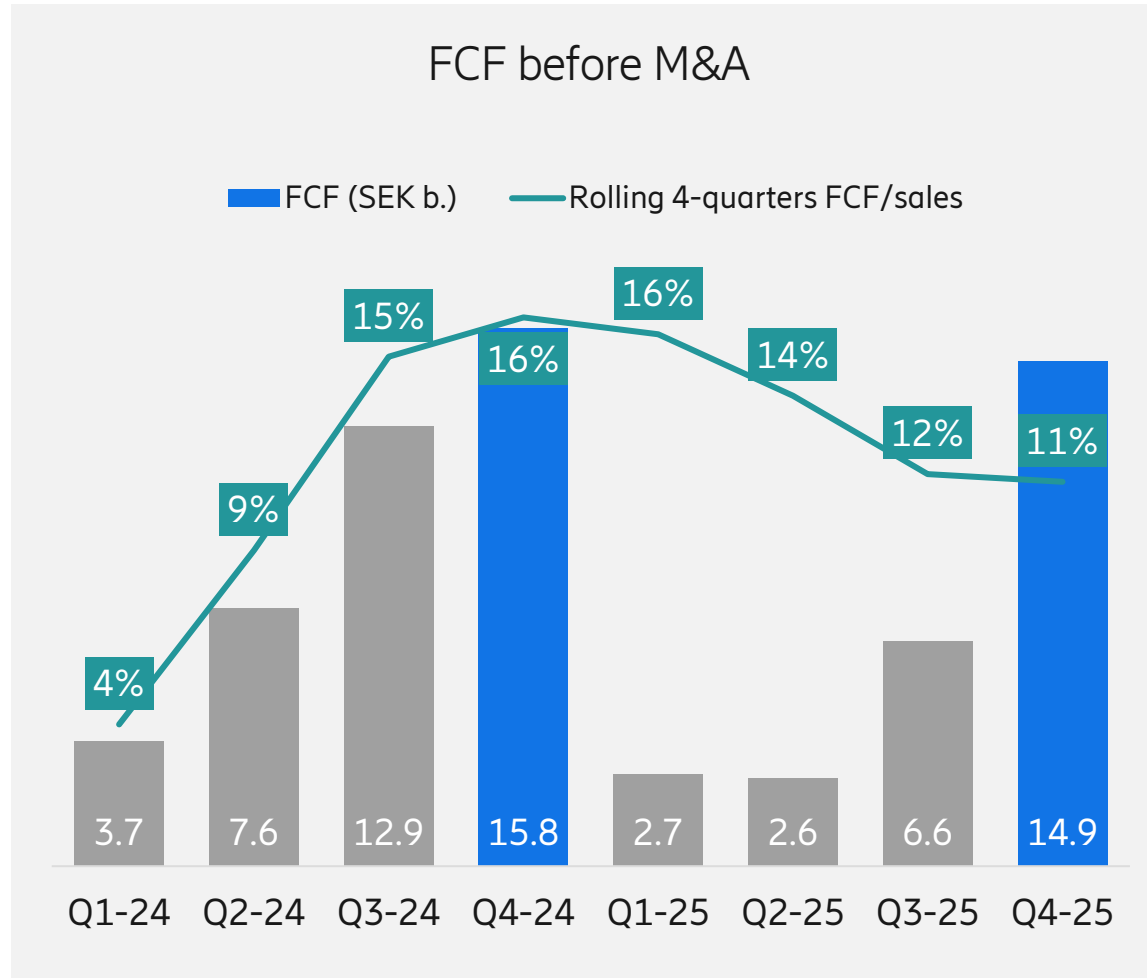
Segment Cloud Software and Services Q4 and FY 2025



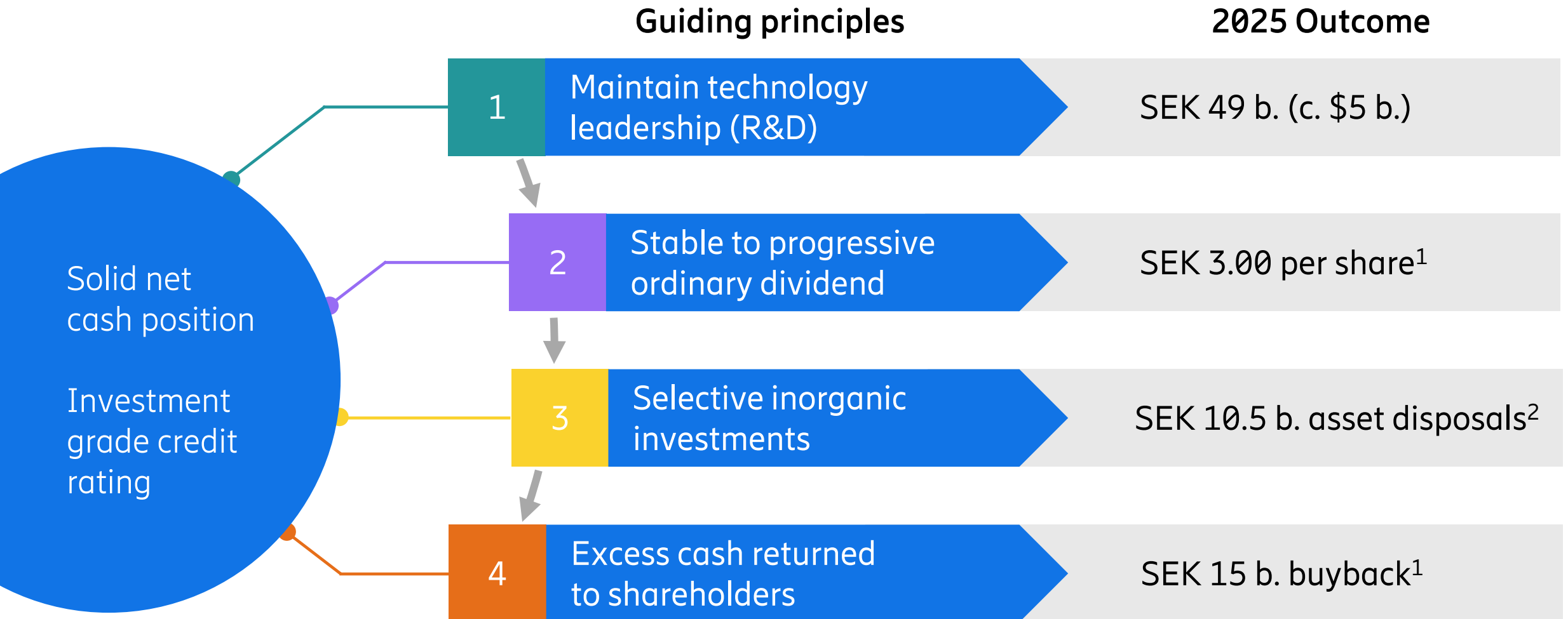
Segment Enterprise Q4 2025



Cash flow and financial position Q4 2025



Ericsson capital allocation priorities



¹ Will be proposed to the AGM by the Board of Directors

² Net cash from acquisitions and disposals.

Outlook¹



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

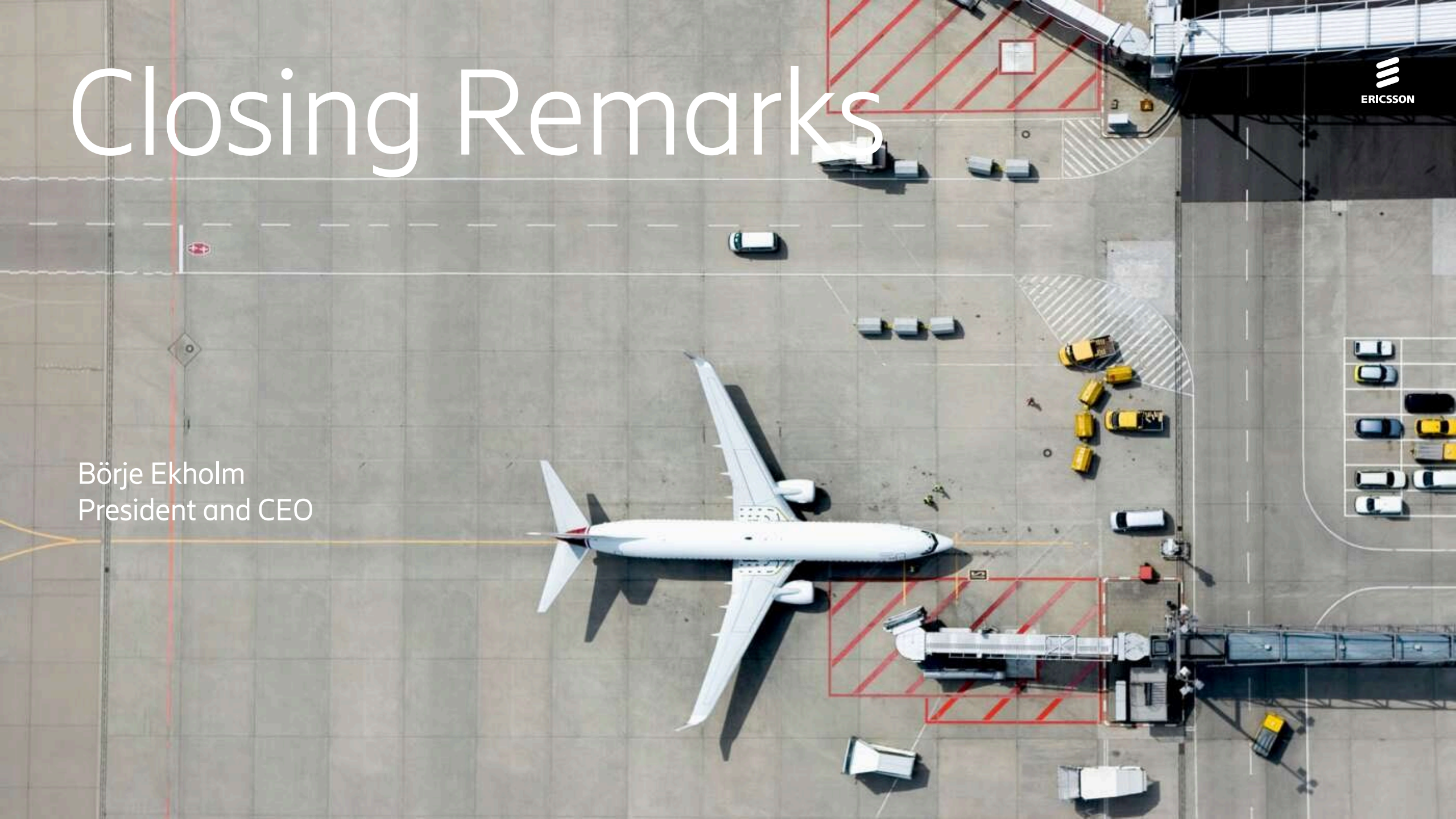
Sales Networks	Sales growth in Q1 2026 is expected to be broadly similar to 3-year average seasonality
Sales Cloud Software and Services	Sales growth in Q1 2026 is expected to be below 3-year average seasonality
Adjusted gross margin Networks	Adjusted gross margin in Q1 2026 is expected to be in the range of 49% to 51%
Restructuring charges	Restructuring charges for 2026 are expected to be at elevated levels

¹ See key data points, page 11, fourth quarter and full-year report 2025.

Closing Remarks



Börje Ekholm
President and CEO



Summary

- Looking ahead
 - We plan for a flattish RAN market, with growth in new areas
 - Continue our efforts to drive operational efficiency
 - Continue to invest in technology leadership to strengthen competitive position
- Provide the industry's best wireless networks for AI
 - Enable differentiated services and new monetization opportunities
- Creating shareholder value

Continue to take steps to position Ericsson for the future



Q&A



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Appendices



Appendix 1 – Key financial trends

Appendix 2 – Adjusted gross margin and gross income development Q4 2025

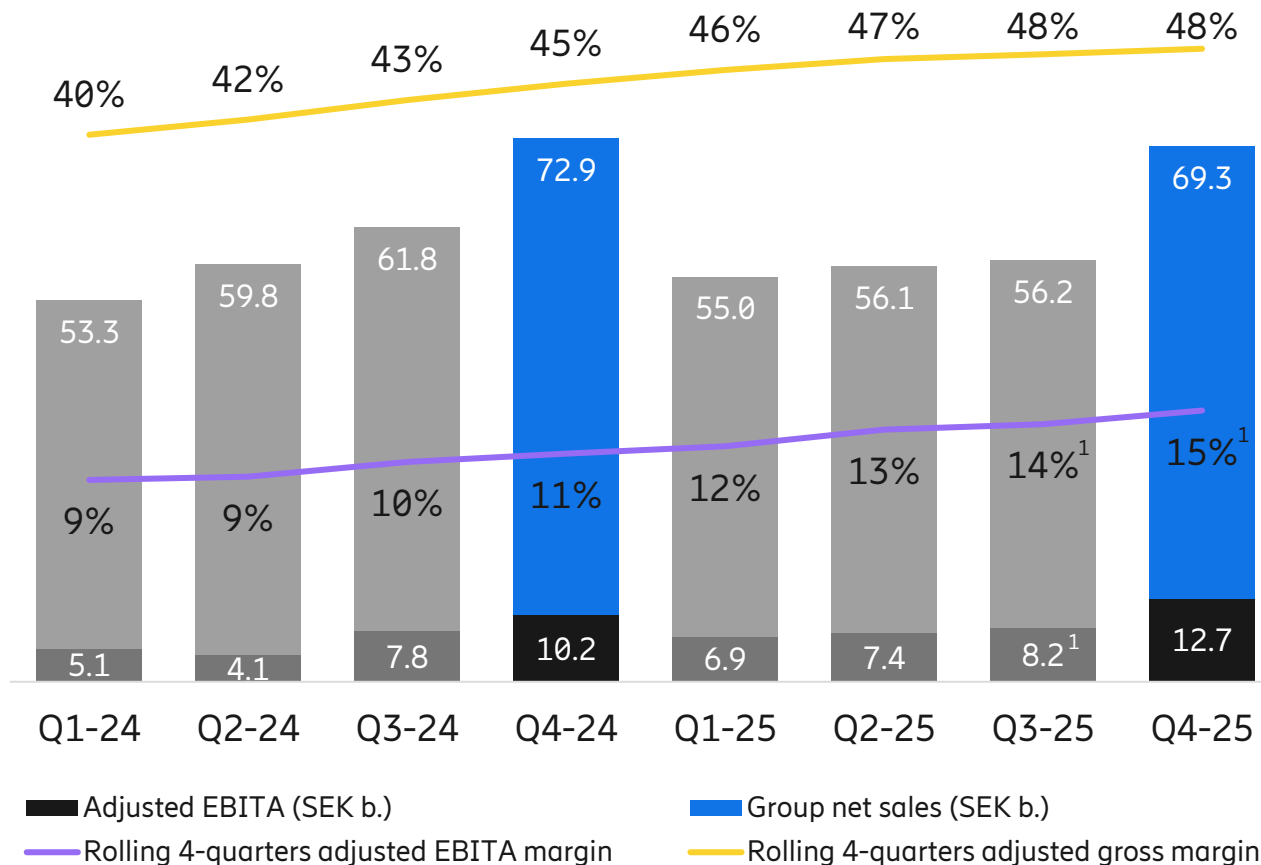
Appendix 3 – Adjusted EBITA margin and EBITA development Q4 2025

Appendix 4 – Ericsson Mobility Report, November 2025

Appendix 5 – Ericsson licensing progress Q4 2025

Appendix 6 – More information

Appendix 1 – Key financial trends



Sales

- FY 2025 impacted by SEK -13.9 b. currency headwind

Adjusted gross income and adjusted EBITA

- Adjusted gross income and adjusted EBITA improved, despite lower net sales

Adjusted margins

- Adjusted gross margin and adjusted EBITA margin improvement due to
 - Cost actions
 - Operational efficiency

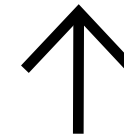
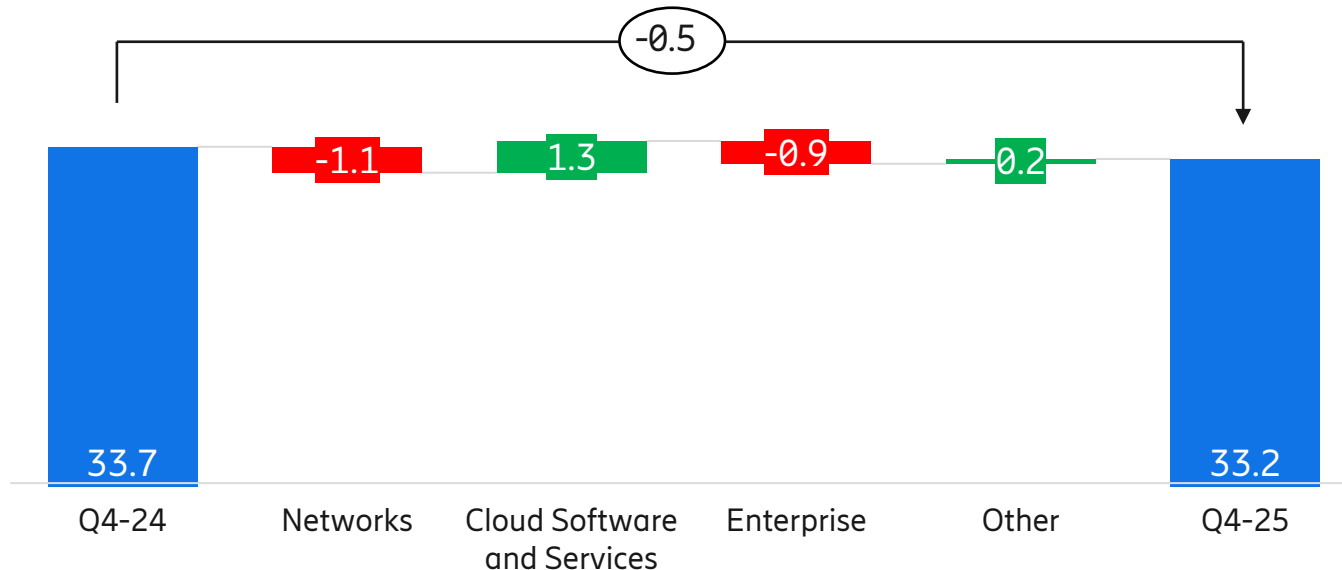
¹ Excluding SEK 7.6 b. capital gain from the divestment of iconectiv.

Appendix 2 – Adjusted gross margin and gross income development Q4 2025

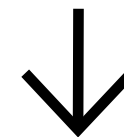
Adjusted gross margin (%)
(YoY change)

46.3%	49.6%	44.3%	52.1%	13.0%	48.0%
	(+0.5 p.p.)	(+5.3 p.p.)	(-2.2 p.p.)	(+35.7 p.p.)	

Adjusted gross income, SEK b.



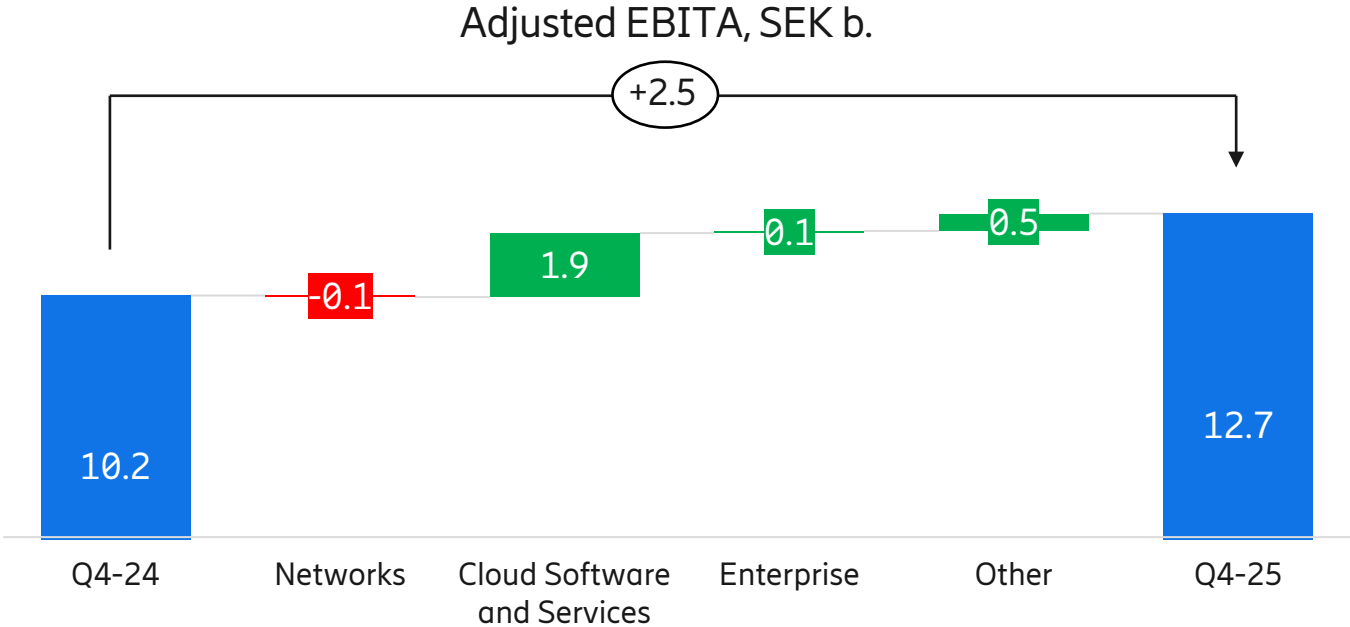
- + Adjusted gross margin increase
- + Cost-reduction actions
- + Operational efficiency
- + Improved delivery performance




- Adjusted gross income decrease
- Currency impact of SEK -3.6 b.
- iconectiv divestment

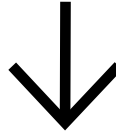
Appendix 3 – Adjusted EBITA margin and EBITA development Q4 2025

Adjusted EBITA margin (%)					
(YoY change)					
14.1%	22.8%	18.6%	-24.4%	8.0%	18.3%
	(+1.2 p.p.)	(+9.3 p.p.)	(-5.1 p.p.)	(+93.9 p.p.)	





- + Adjusted EBITA increase
- + Lower operating expenses
- + Cost-reduction actions



- Currency impact of SEK -2.5 b.
- Lower adjusted gross income

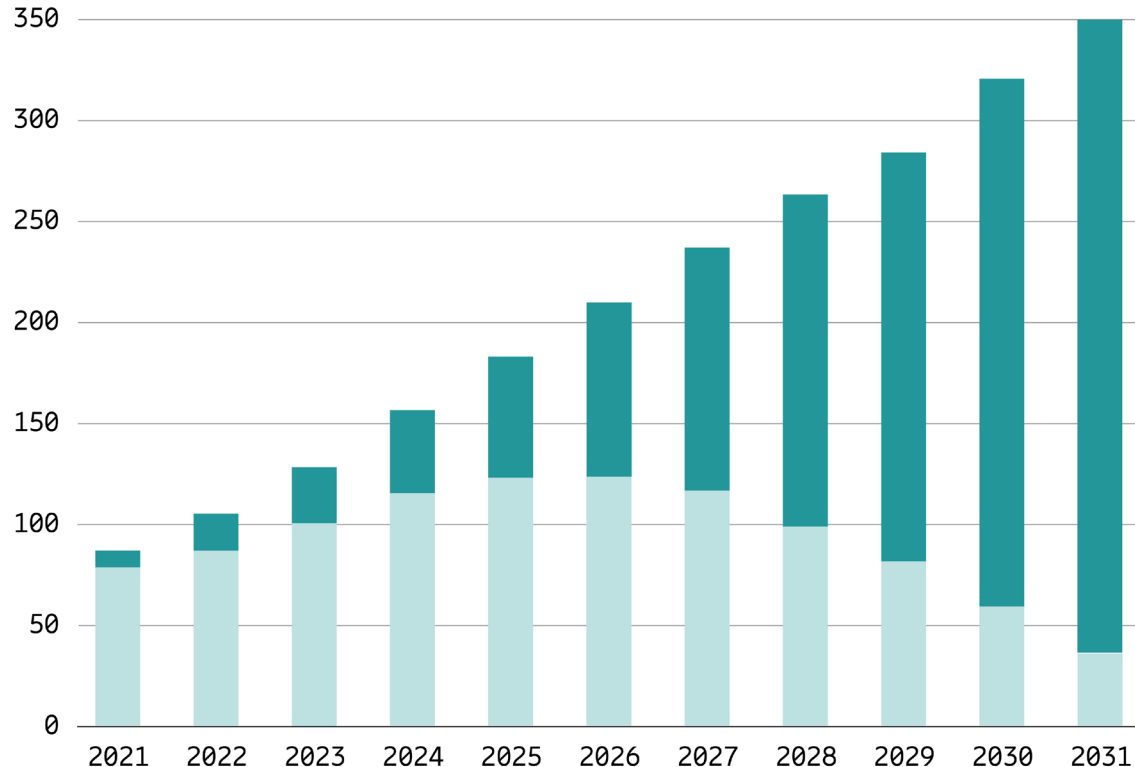
Appendix 4 – Ericsson Mobility Report, Nov 2025



Download the report [here](#)

FWA connections (millions)

■ 5G ■ 4G and other technologies



350 million

FWA connections expected to grow from 185 million in 2025 to 350 million in 2031

70%

70% of service providers that have 5G FWA offer speed-based tariff plans

45%

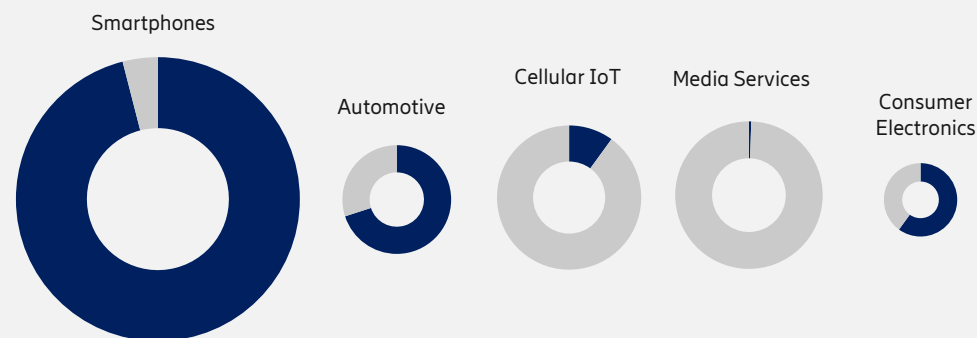
5G mid-band coverage in the world (excl mainland China) expected to reach 45% at the end of 2025

6.4 billion

5G subscriptions are forecast to reach 6.4 billion by end of 2031

Appendix 5 – Ericsson licensing progress Q4 2025

IPR licensing revenue (SEK b.)



- Most major smartphone vendors now licensed for 5G
 - On December 31, 2025, a smartphone license agreement with a Chinese vendor expired
- Concluded licenses with 4 Chinese auto OEMs (via Avanci licensing platform)
- Two new consumer electronics agreements signed
- IPR licensing revenue growth opportunities remain
- Optimizing the terms and value of new agreements and renewals will remain a priority

Appendix 6 – More information

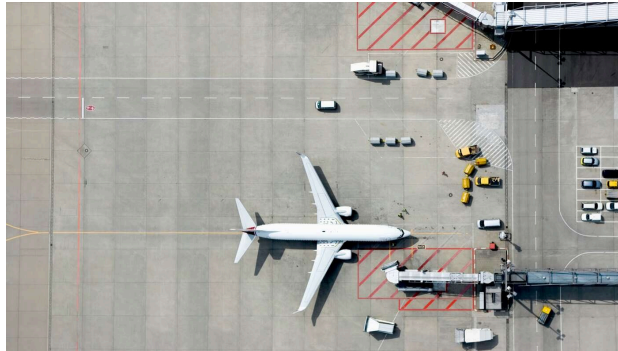
Upcoming Event



[Annual General Meeting 2026](#)

Telefonaktiebolaget LM Ericsson's Annual General Meeting (AGM) 2026 will be held on Tuesday, March 31, 2026.

Latest Information



[Fourth quarter and full-year report 2025](#)

January 23, 2026

[Q4 results 2025](#)

[Financial Tables](#)

[CEO and CFO presentation](#)

[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.