State of the market – Ericsson Mobility Report

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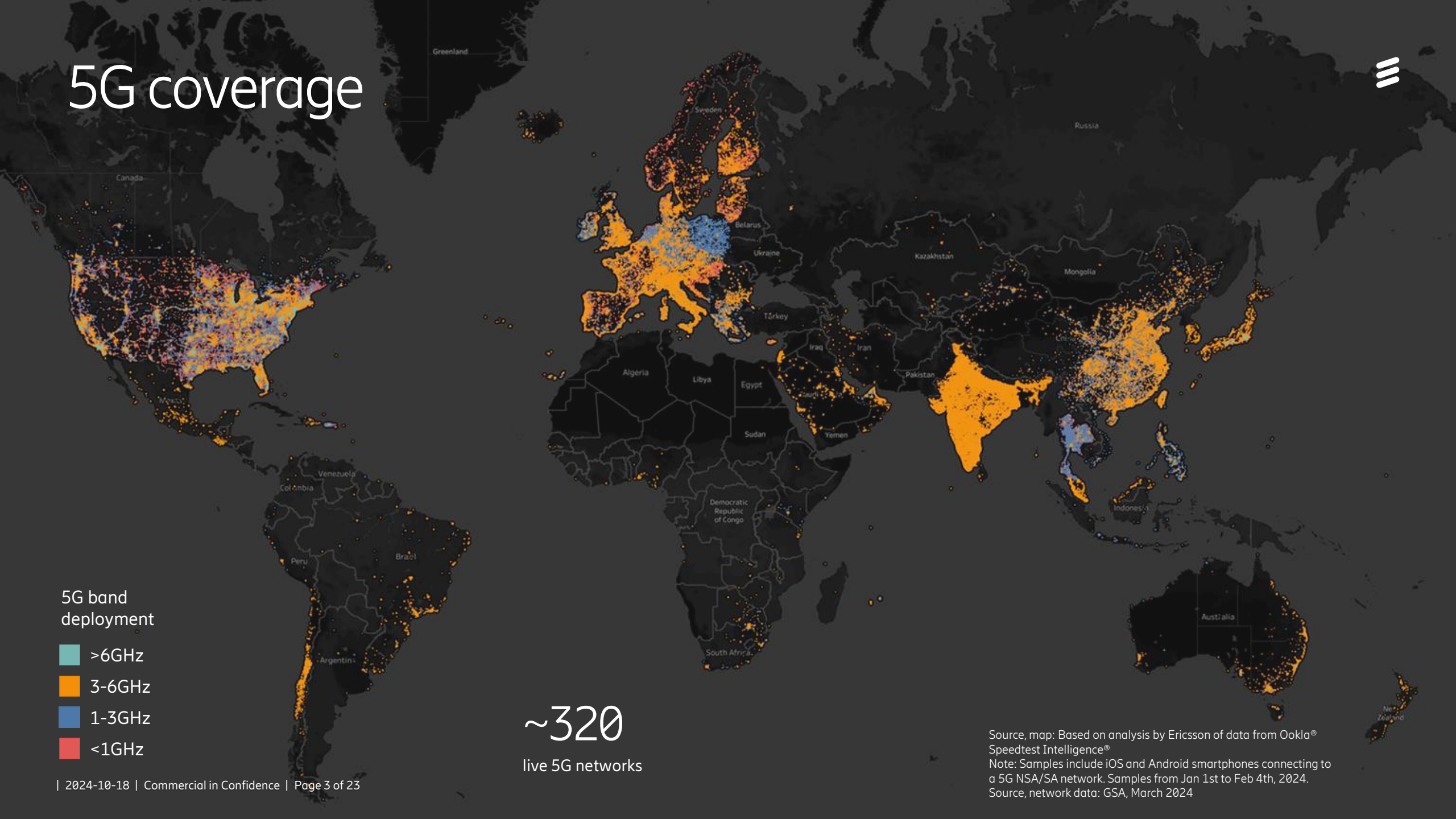
1 Market trends

2 Service differentiation – consumer & enterprise

3 What's next? AI and Network APIs

4 Summary of the main 5G value steps

5G coverage



5G band deployment

- >6GHz
- 3-6GHz
- 1-3GHz
- <1GHz

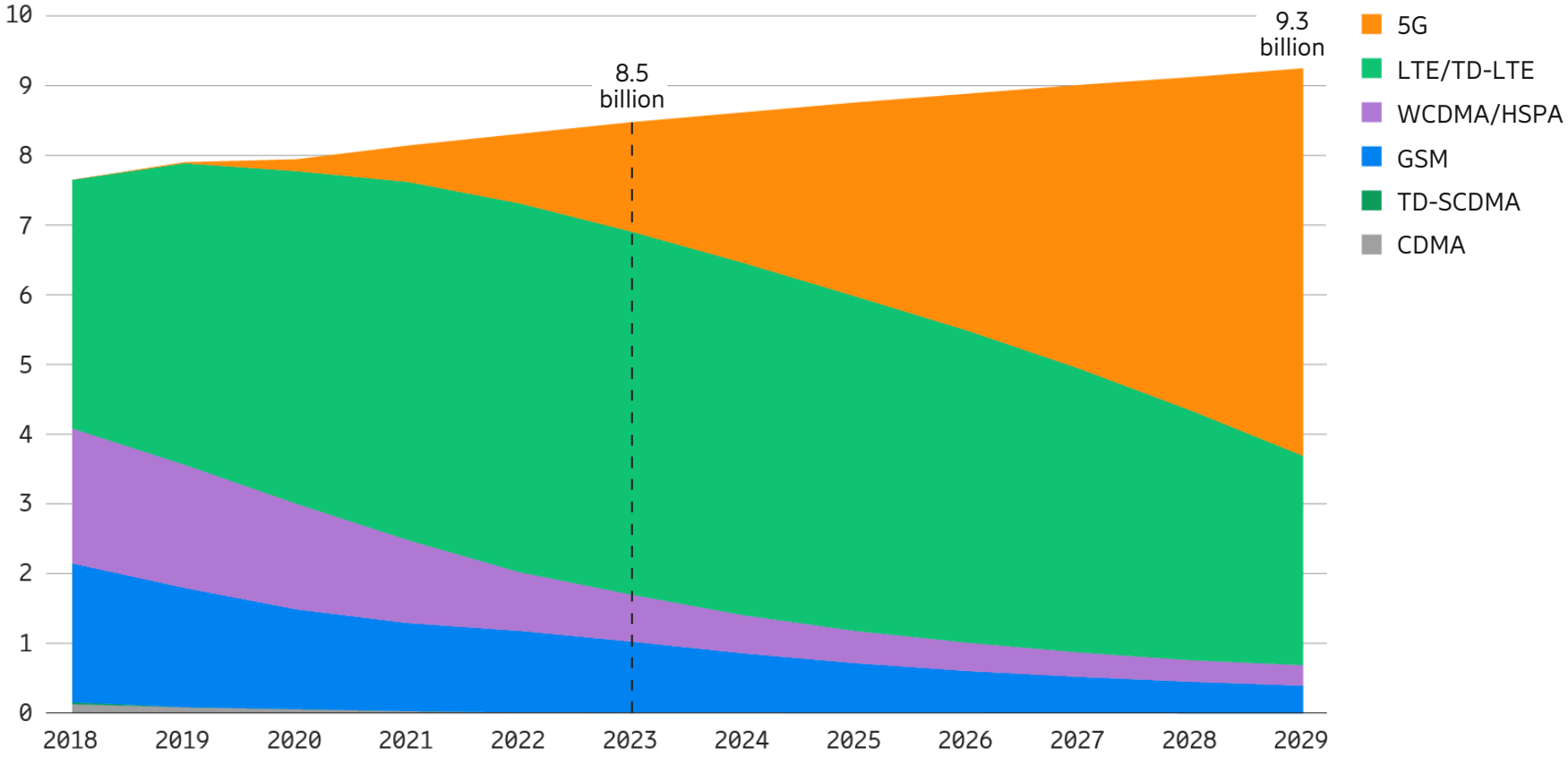
~320

live 5G networks

Source, map: Based on analysis by Ericsson of data from Ookla® Speedtest Intelligence®
Note: Samples include iOS and Android smartphones connecting to a 5G NSA/SA network. Samples from Jan 1st to Feb 4th, 2024.
Source, network data: GSA, March 2024

5G mobile subscriptions to reach close to 5.6 billion in 2029

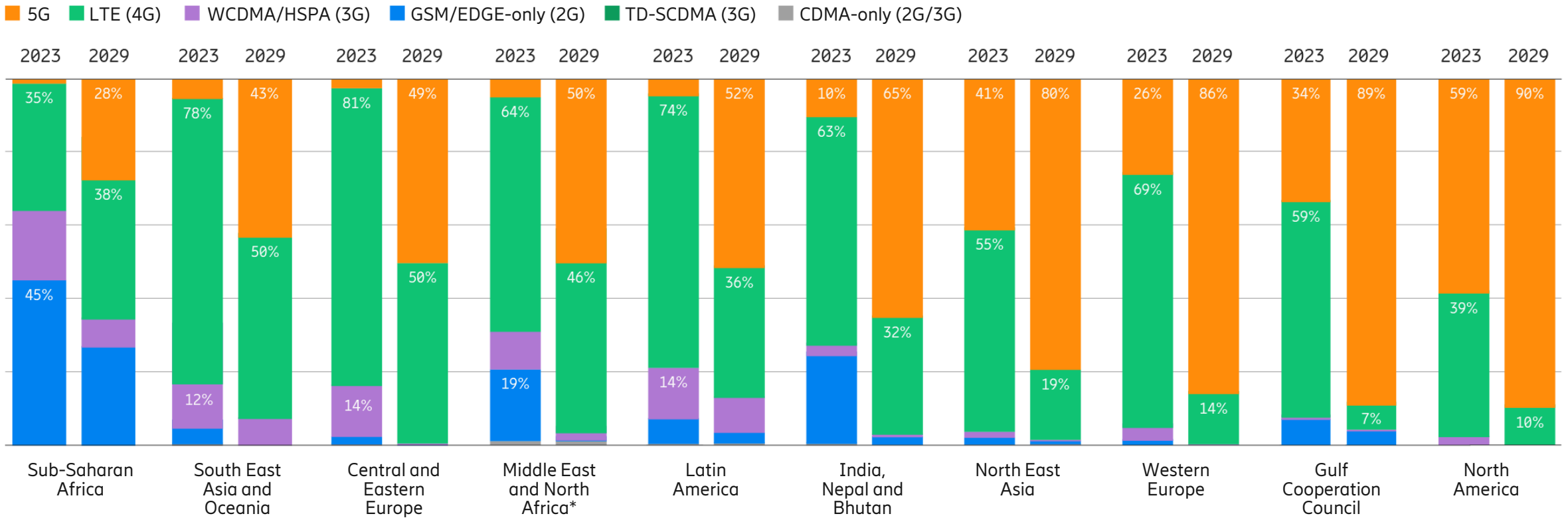
Mobile subscriptions by technology (billion)



- In Q2 2024, 5G reached 1.9 billion subscriptions globally
- 2G and 3G network sunsetting continues around the world

5G subscription uptake rising in every region

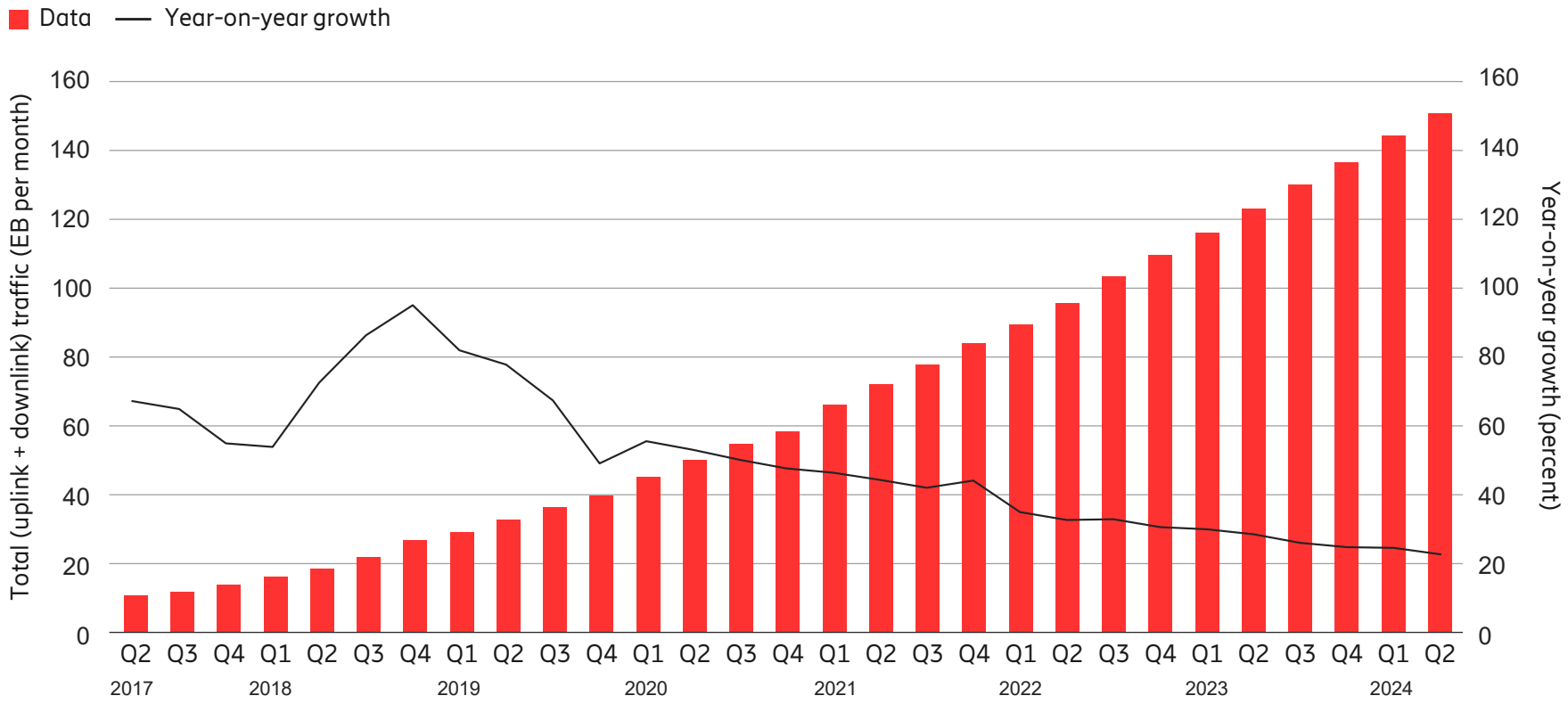
Mobile subscriptions by region and technology (percent)



* All Middle East and North Africa figures include GCC countries.

Global mobile network data traffic

Global mobile network data traffic and year-on-year growth (EB per month)



Note: Mobile network data traffic also includes traffic generated by Fixed Wireless Access (FWA) services.

23%

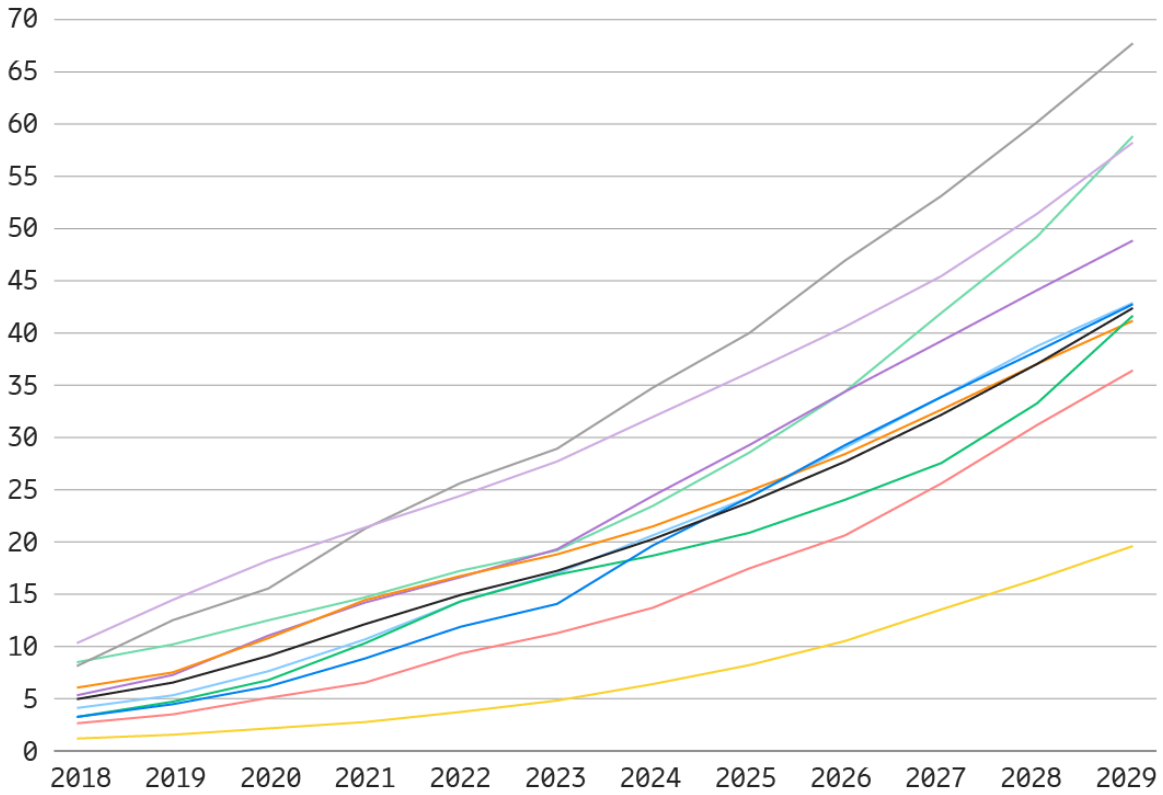
Mobile network data traffic grew 23 percent between Q2 2023 and Q2 2024

151EB

Total monthly mobile network data traffic reached 151 EB in Q2 2024

India has the highest average monthly usage per smartphone at 29 GB

Mobile data traffic per active smartphone (GB per month)



Regions	2023	2029	CAGR 2023–2029
India, Nepal, Bhutan	29	68	15%
North America	19	59	21%
GCC	28	58	13%
Western Europe	19	49	17%
Middle East and North Africa*	14	43	20%
Central and Eastern Europe	17	43	17%
South East Asia and Oceania	17	42	16%
Global average	17	42	16%
North East Asia	19	41	14%
Latin America	11	36	22%
Sub-Saharan Africa	5	20	26%

*All Middle East and North Africa figures include GCC countries.

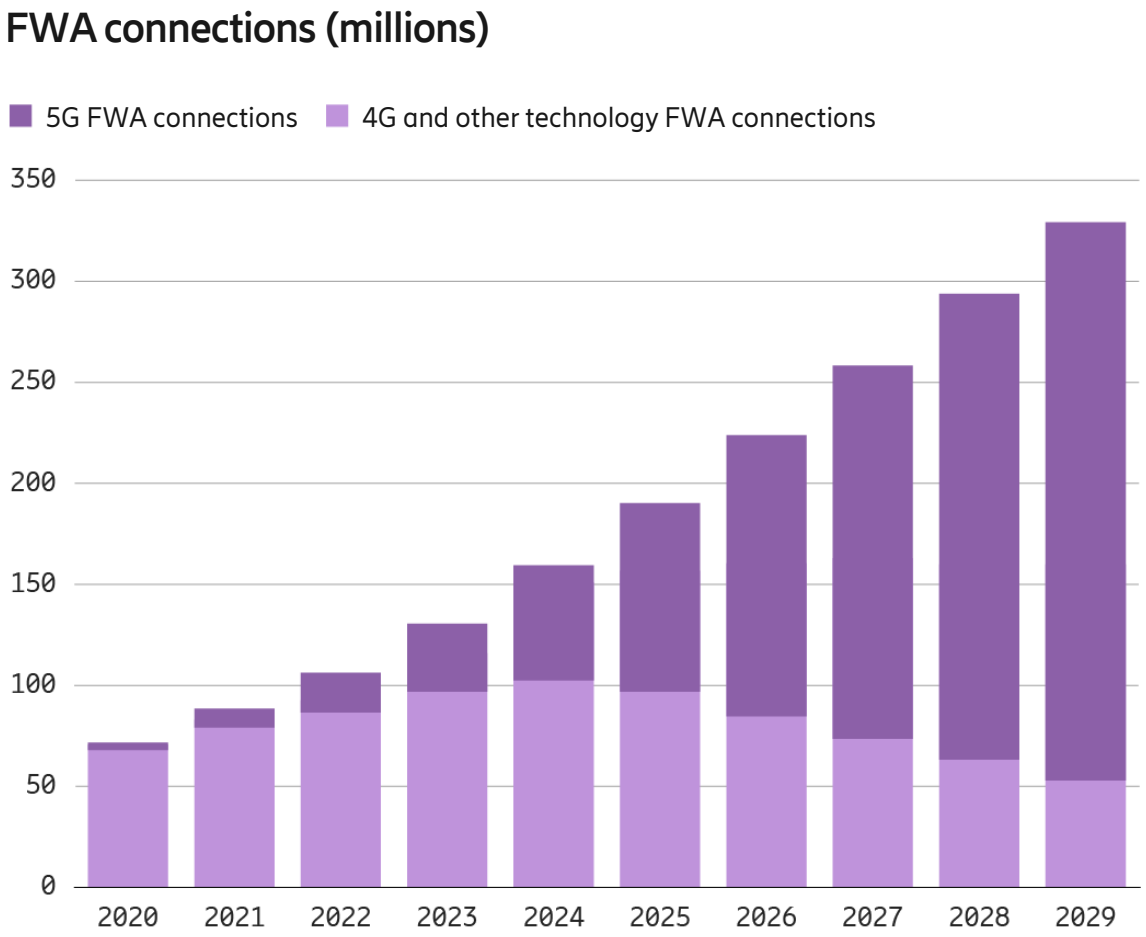
17 GB

Global average monthly data usage to reached 17 GB in 2023

42 GB

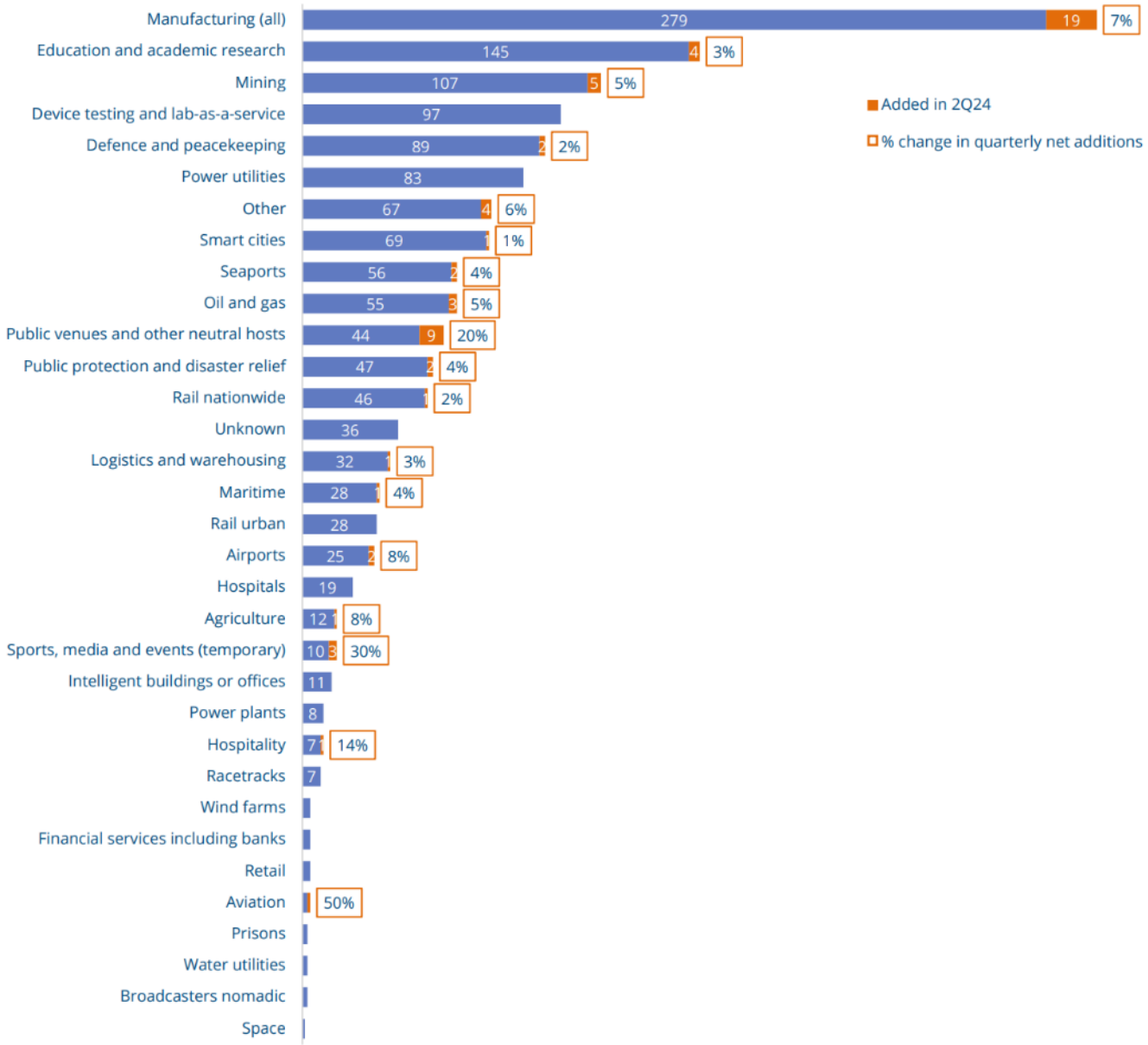
Global average monthly data usage set to reach 42 GB in 2029

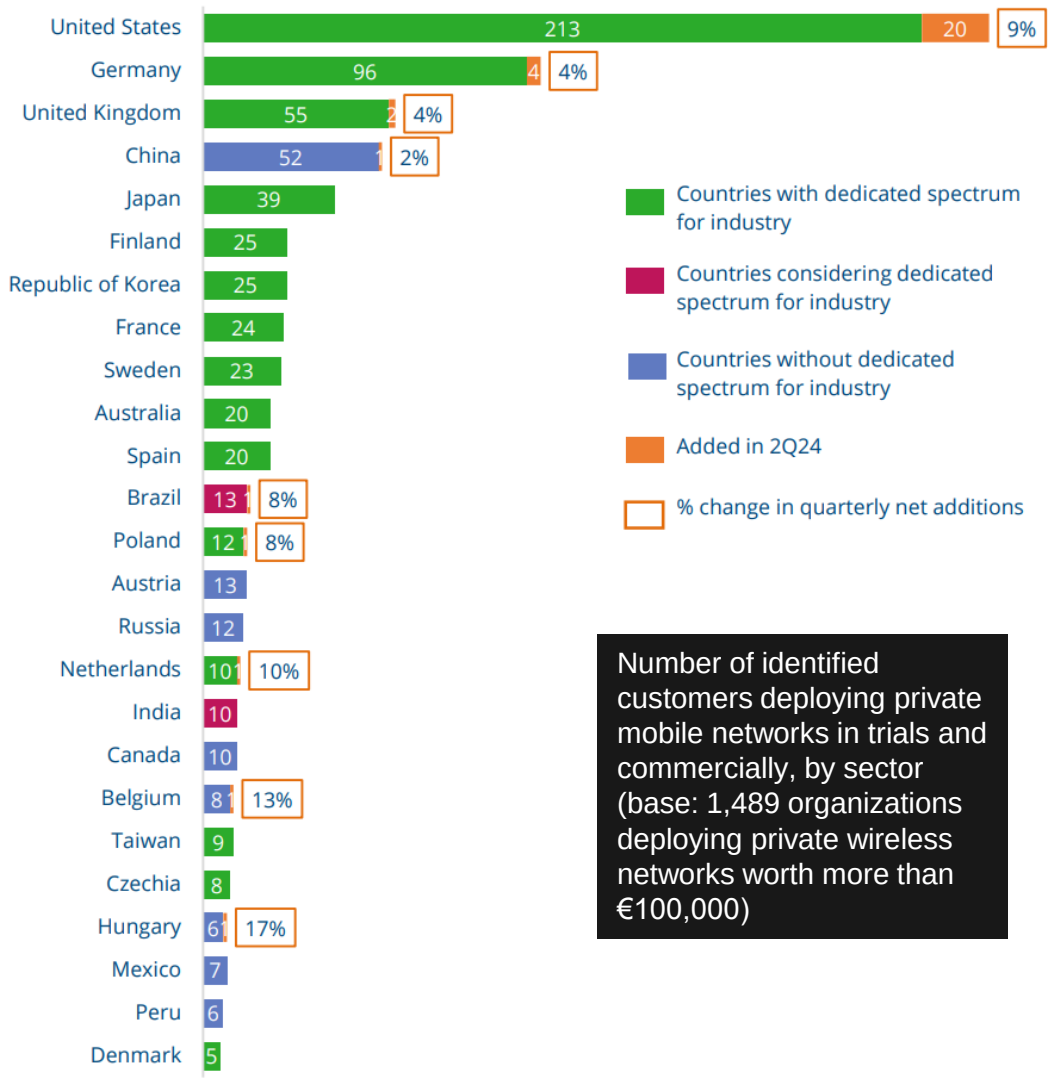
FWA service provider advancements



- During the last year, 65 % of all new 5G FWA launches were in emerging markets
- Two service providers (in Finland and India), have introduced premium 5G FWA connectivity services enabled by 5G SA
- In the US, FWA connections grew from 5 million to almost 9 million in one year
- FWA connections are projected to increase from 130 million in 2023 to 330 million in 2029
- In 2029, 5G will account for 85 percent of FWA connections

Private mobile network deployment trends





Number of identified customers deploying private mobile networks in trials and commercially, by sector (base: 1,489 organizations deploying private wireless networks worth more than €100,000)

Source: [Private Mobile Networks September 2024 | GSA (gsacom.com)]

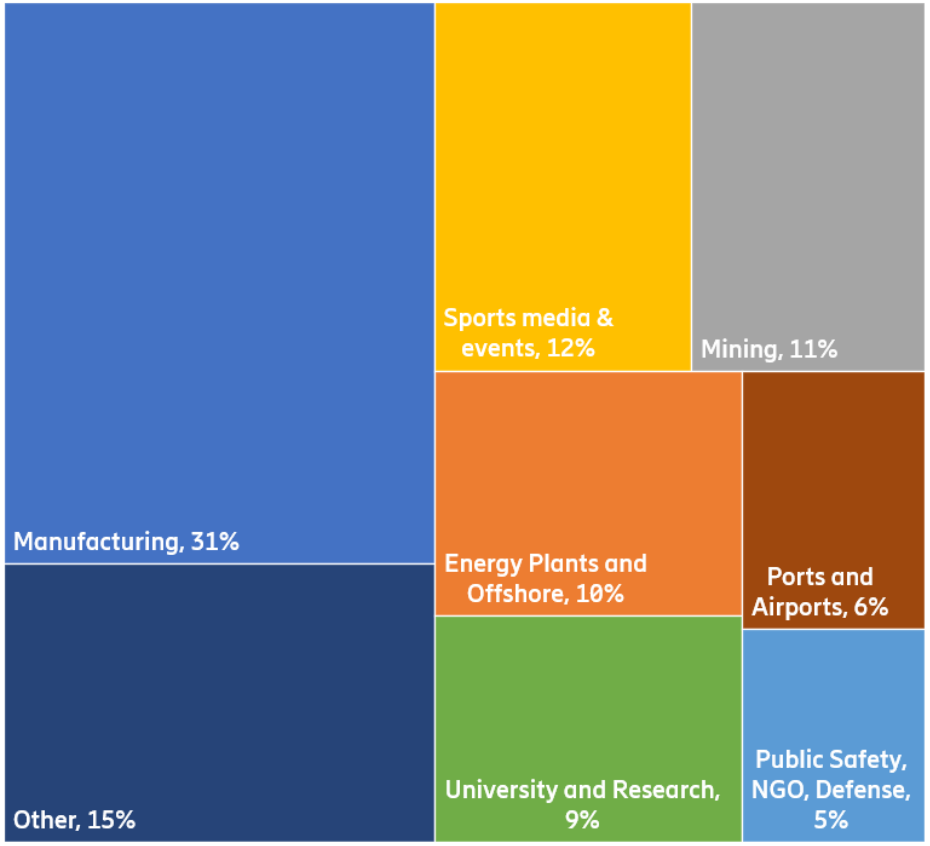
Private network learnings

Site profiles and radio coverage



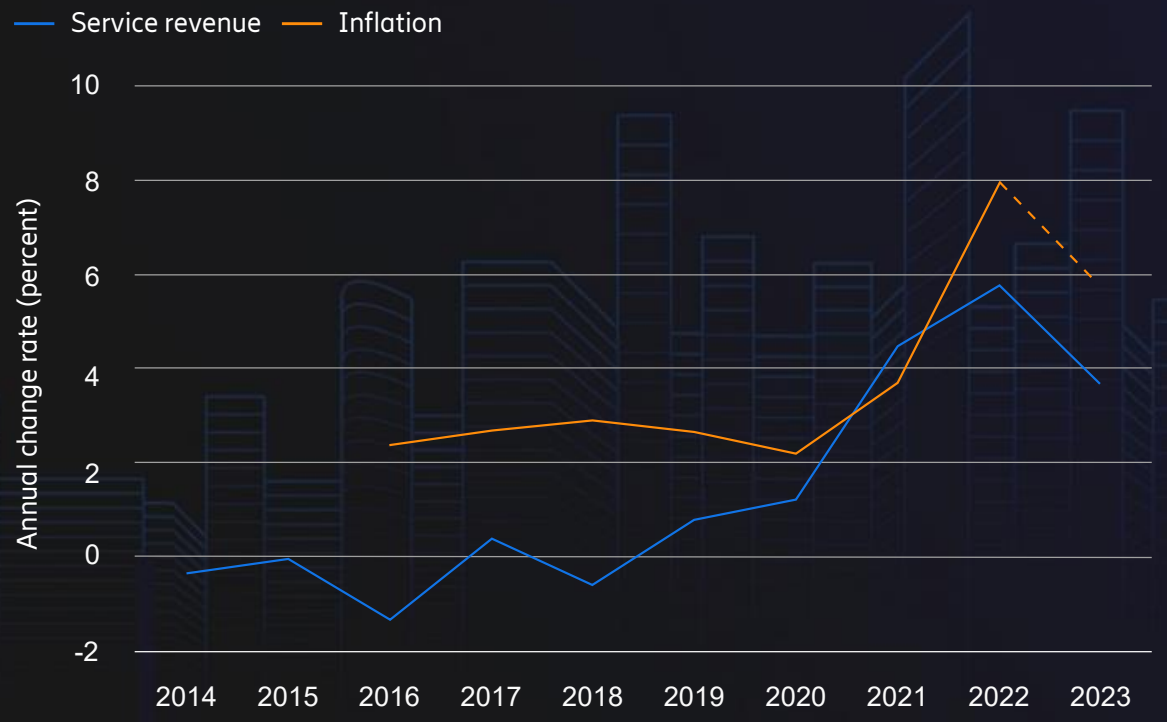
- Deployments of Ericsson private networks show manufacturing and logistics are the largest verticals, while sports stadia, retail, and hospitality are growing.
- The economics of cellular coverage outperform Wi-Fi over large areas, important for manufacturing sites which may extend over 50,000 sqm indoors (10 times more than a sports stadium) and outdoor
- Process manufacturing such as steel plants, cement facilities, refineries, and pulp recycling, have large outdoor areas with complex radio conditions. Pipes, steel, concrete, and moving stacks of raw materials or inventory can be overcome with 5G networks

Ericsson private networks deployed end 2023, by Industry



A challenging market landscape – with positive signs

Mobile service revenue growth and global inflation rate

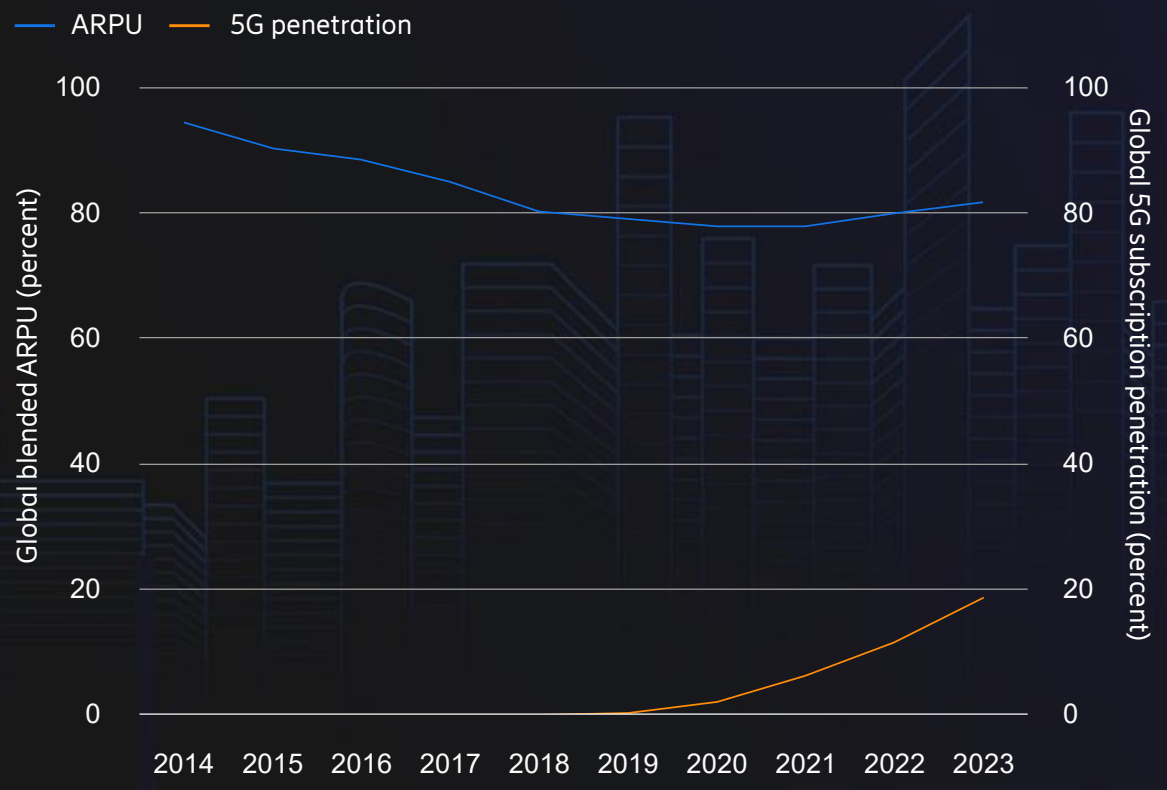


Source (revenue): Ericsson analysis of public financial statements.
Source (inflation): Ericsson analysis of Consumer Price Index (CPI) development based on input from Deutsche Bank and Goldman Sachs. The dotted line reflects estimates.

- Global service revenue growth: 4.6 percent per year since 2020 (15 percent in total)
- Growth factors
  - Inflation
  - Upsell to richer data plans: volume, speed, content
  - Fixed Wireless Access (20-25% of the last 3 years' growth)

Global ARPU growth

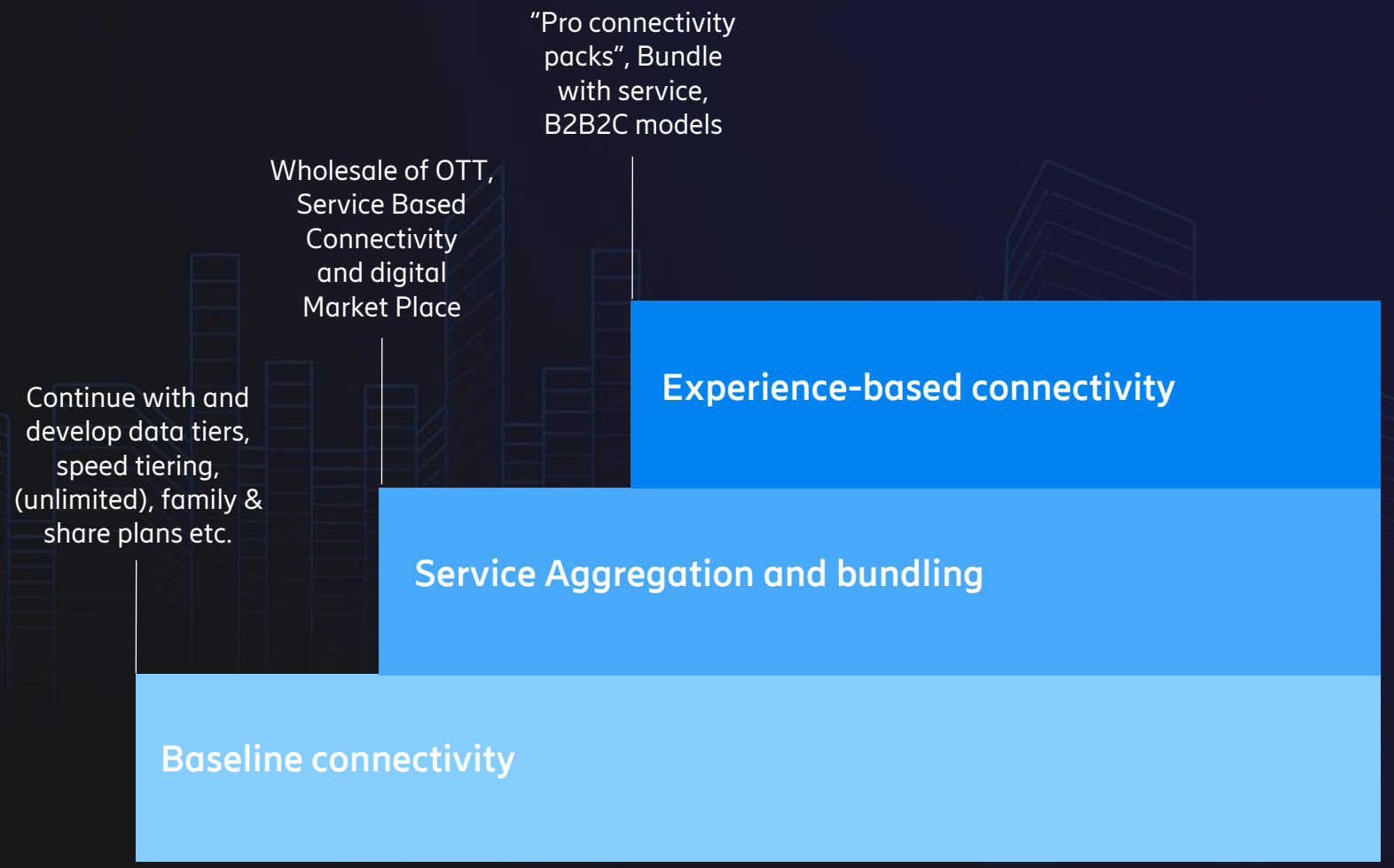
ARPU and 5G subscription penetration



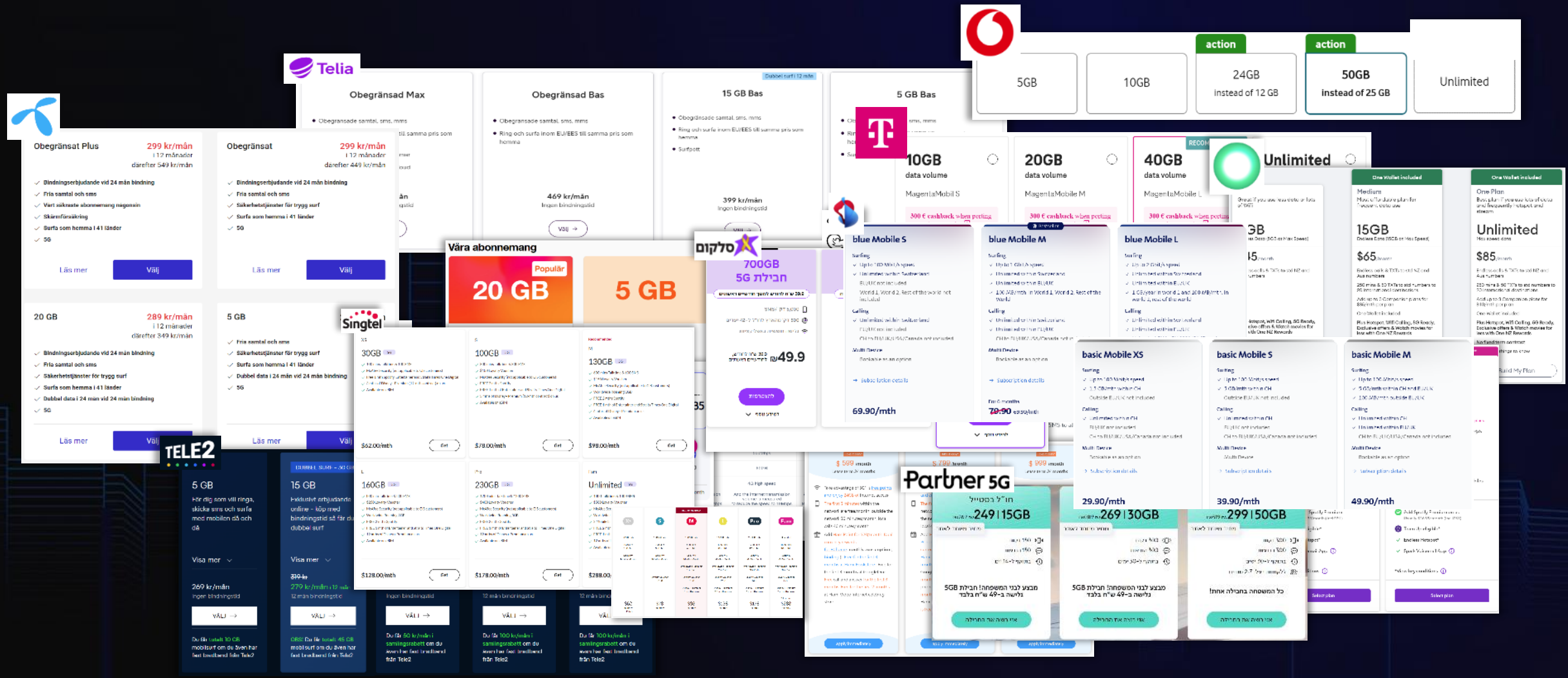
Source: Ericsson analysis of public financial statements.

- ARPU growth: 5 percent since 2020
- ARPU factors
  - Revenue per user increase ↗
  - Changing mix of customer subscriptions (pre vs postpaid) ↗
  - Subscription uptake ↘
  - IoT ↘
- 5G supports new services and values – reaching ~20 percent 5G subscription penetration

Key trends in operator offerings

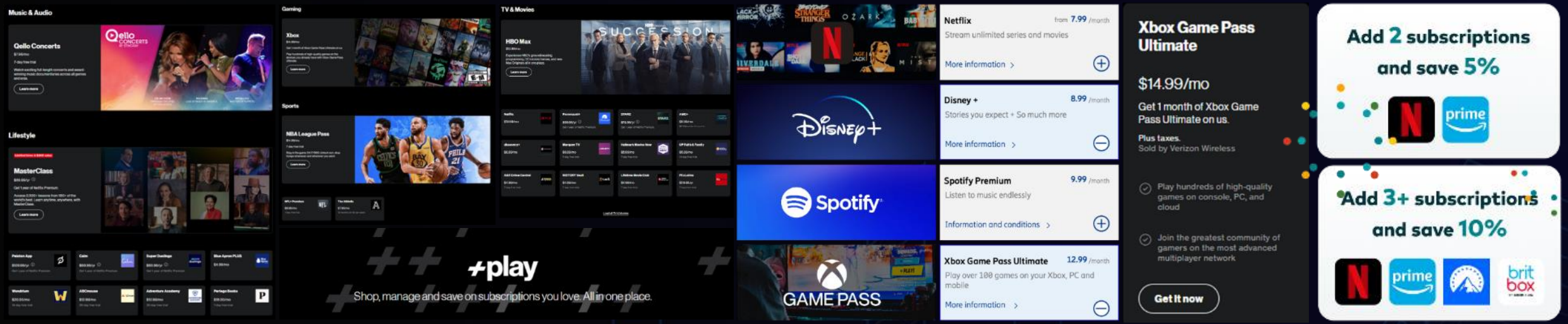


Offerings in a nutshell – on any market…



Source: Operator websites, Sweden, Germany and Taiwan

Digital marketplaces

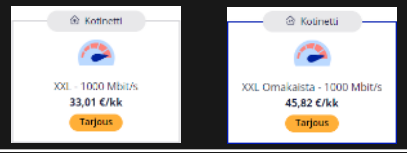
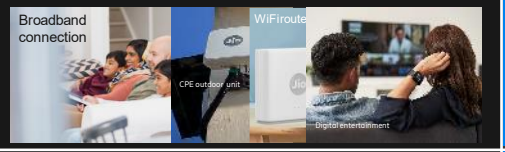
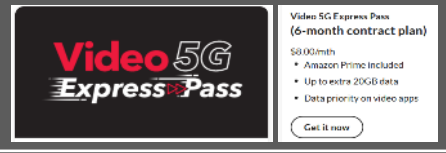


- Going beyond streaming – Education, Wellbeing, Lifestyle – anything subscription based

Image source: Operator websites, external media

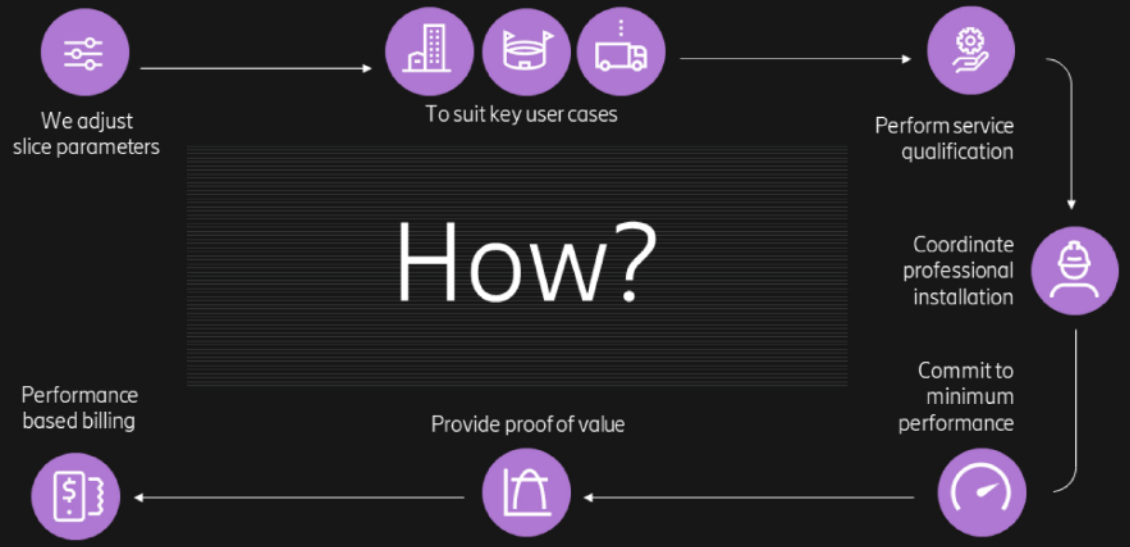
Differentiated connectivity Use Cases

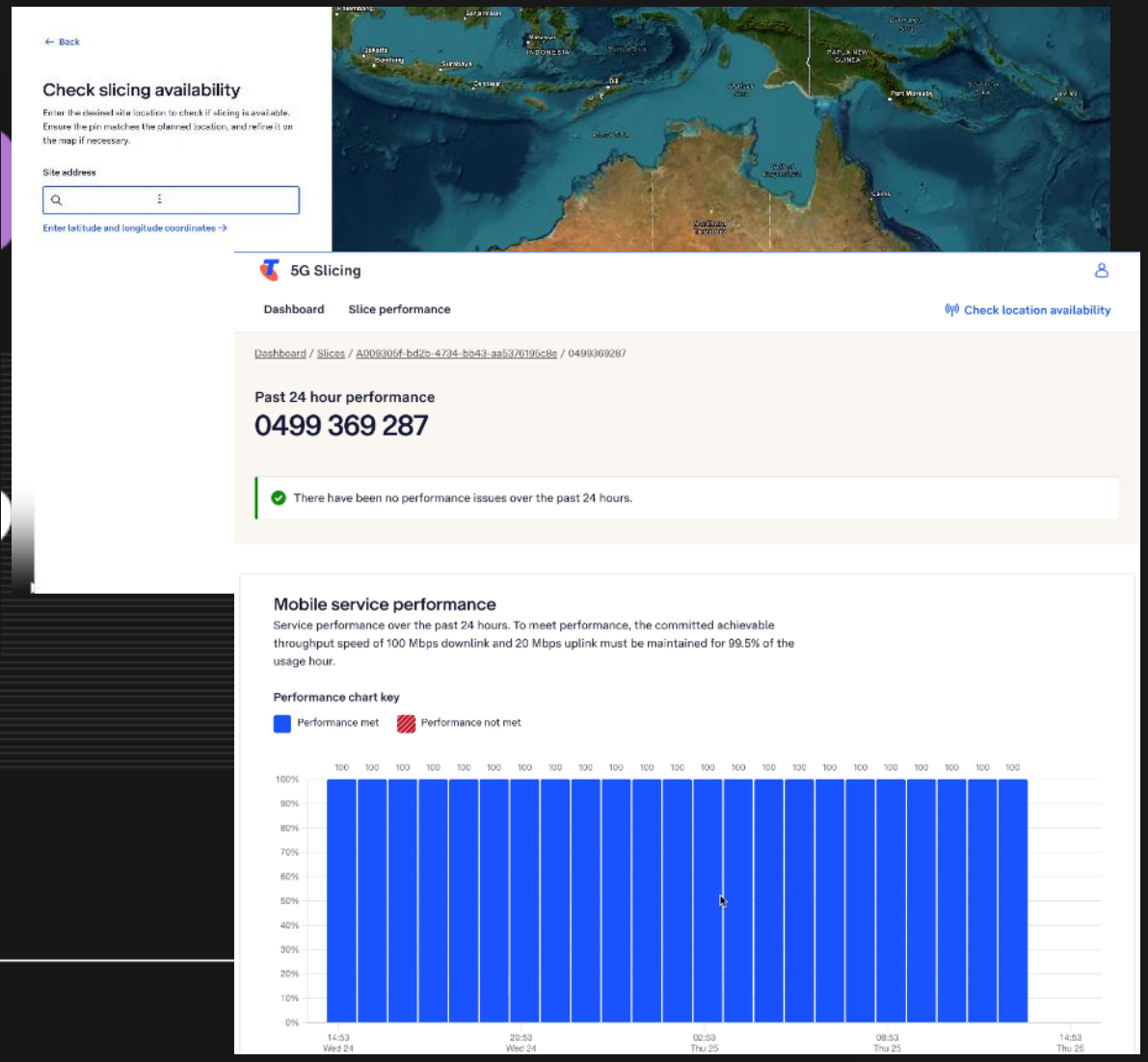
enabled by 5G Standalone + slicing

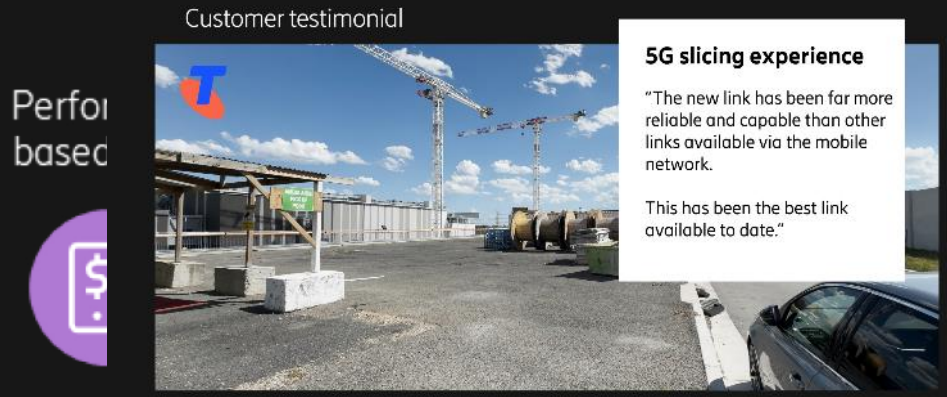
FWA	Event or location-specific	Higher-quality video	Security/public safety
Elisa FI: • More expensive offering with better lower limit of BW range 	**Singtel:** • Event Pass to boost all apps during event and venue 	**TMO US:** • BW slice for dependable video communication & conferencing 	**Singtel:** • Security slice for consumer protection 
Jio India: • FWA and fiber speed & content tiers priced the same 	**TMO US:** • Event slice for mobile PoS terminals 	**Singtel:** • Video pass to increase relative BW for video streaming 	**TMO US:** • Secure SASE slice for hybrid working enterprise employees 
Telstra AUS: • B2B FWA offers with availability and speed SLA 	**VF-UK:** • Event slice for mobile PoS terminals 	**TMO DE:** • Uplink slice for mobile Video production 	**Far East Tone:** • Slice for mobile police IT applications 

Commercial offering Tested in commercial networks Trial / PoC / Pilot

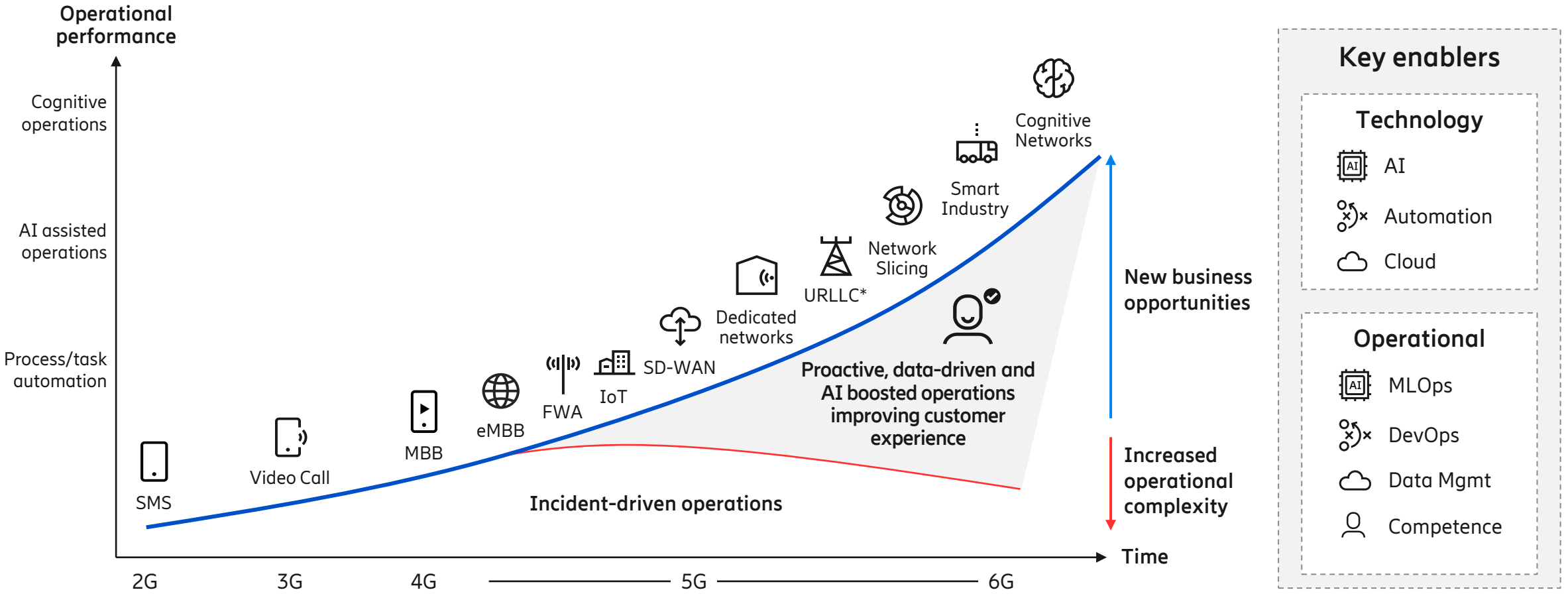
Telstra's approach to 5G slicing







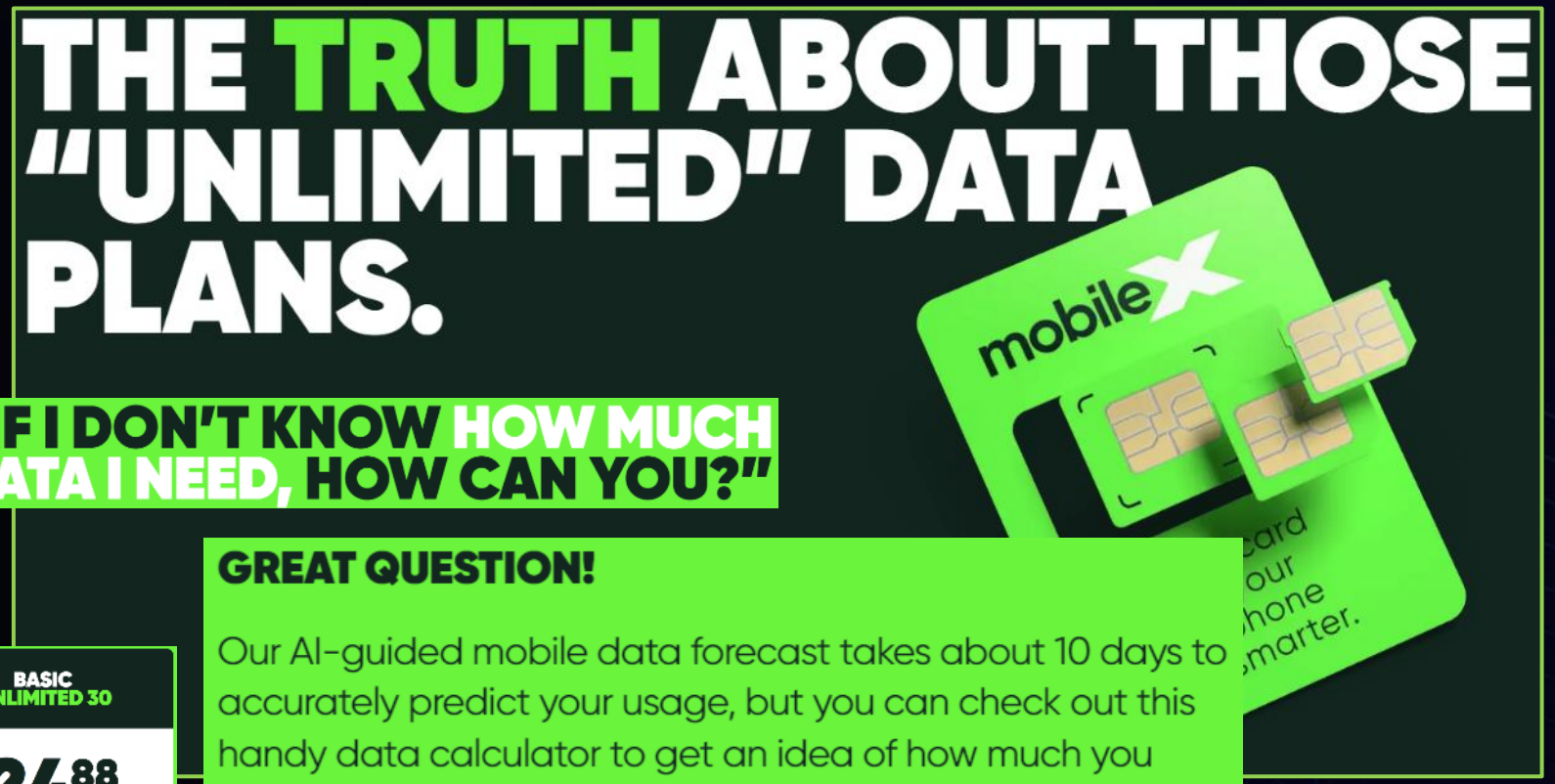
AI to manage complexity and capture new opportunities

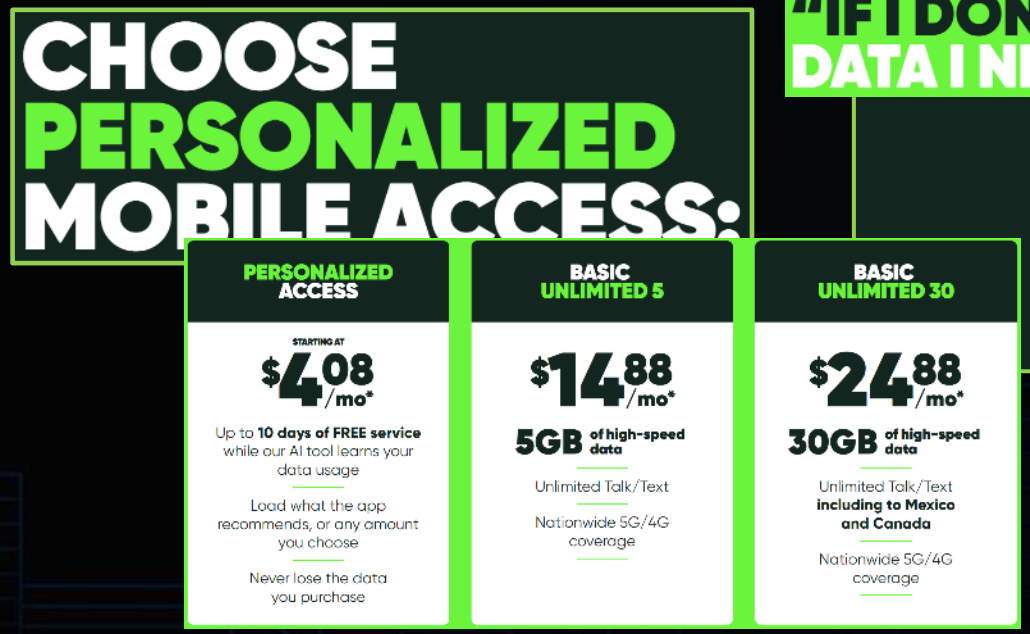


* Ultra Reliable Low Latency Communications

Using AI to right size data plans

"So-called "unlimited" plans aren't truly unlimited. They have speed caps and other restrictions. Normal users end up paying way too much for more data than they'll ever need—and they get stuck paying for the heaviest users."*



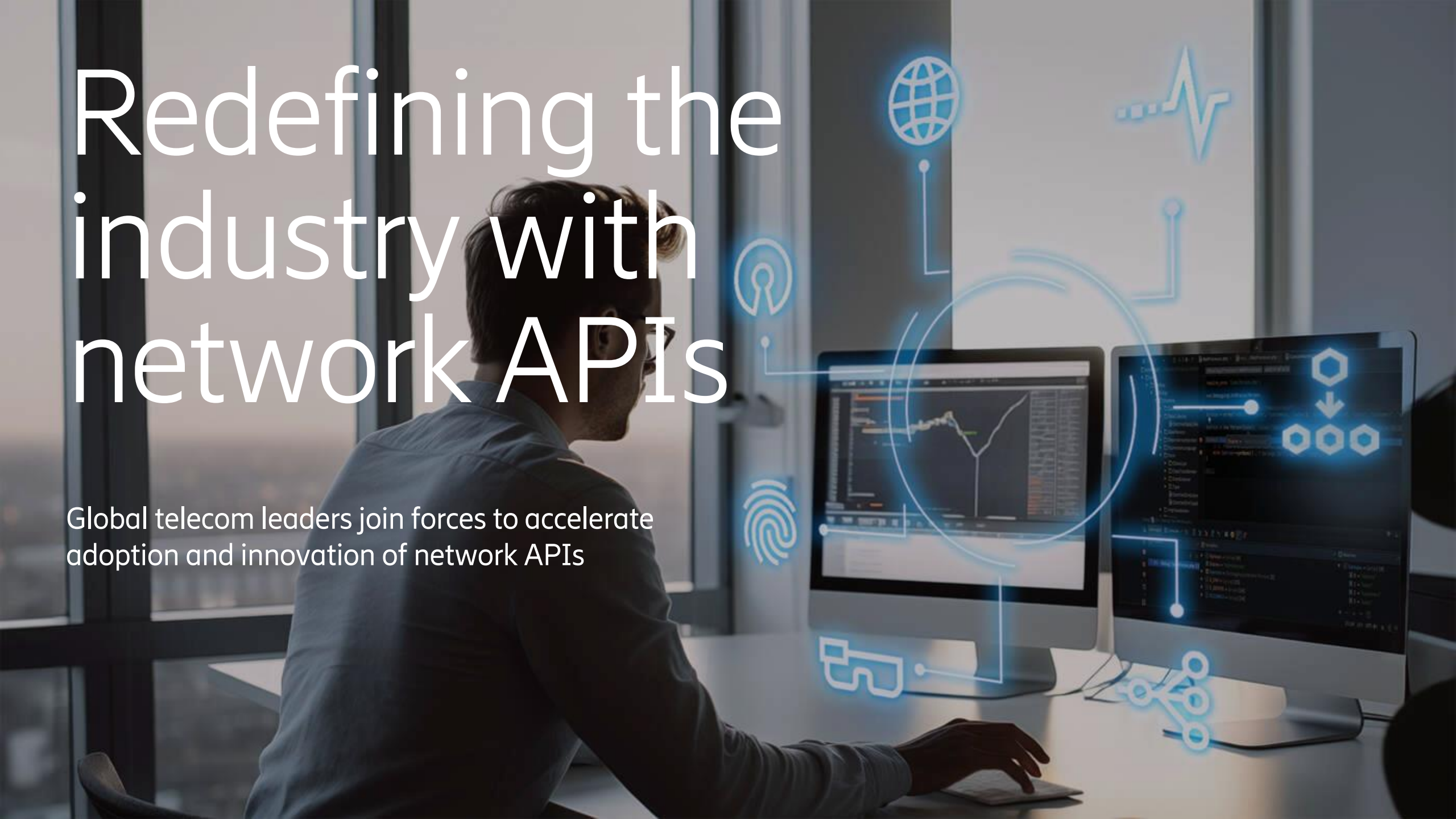


Source : *) Operator website mymobilex.com

Commercial in Confidence

Redefining the industry with network APIs

Global telecom leaders join forces to accelerate adoption and innovation of network APIs



New venture idea



A newly formed venture will combine and sell Network APIs globally for developer platforms, so that APIs work anywhere, on any network

Aim is to significantly simplify access to Network APIs and to accelerate the market development

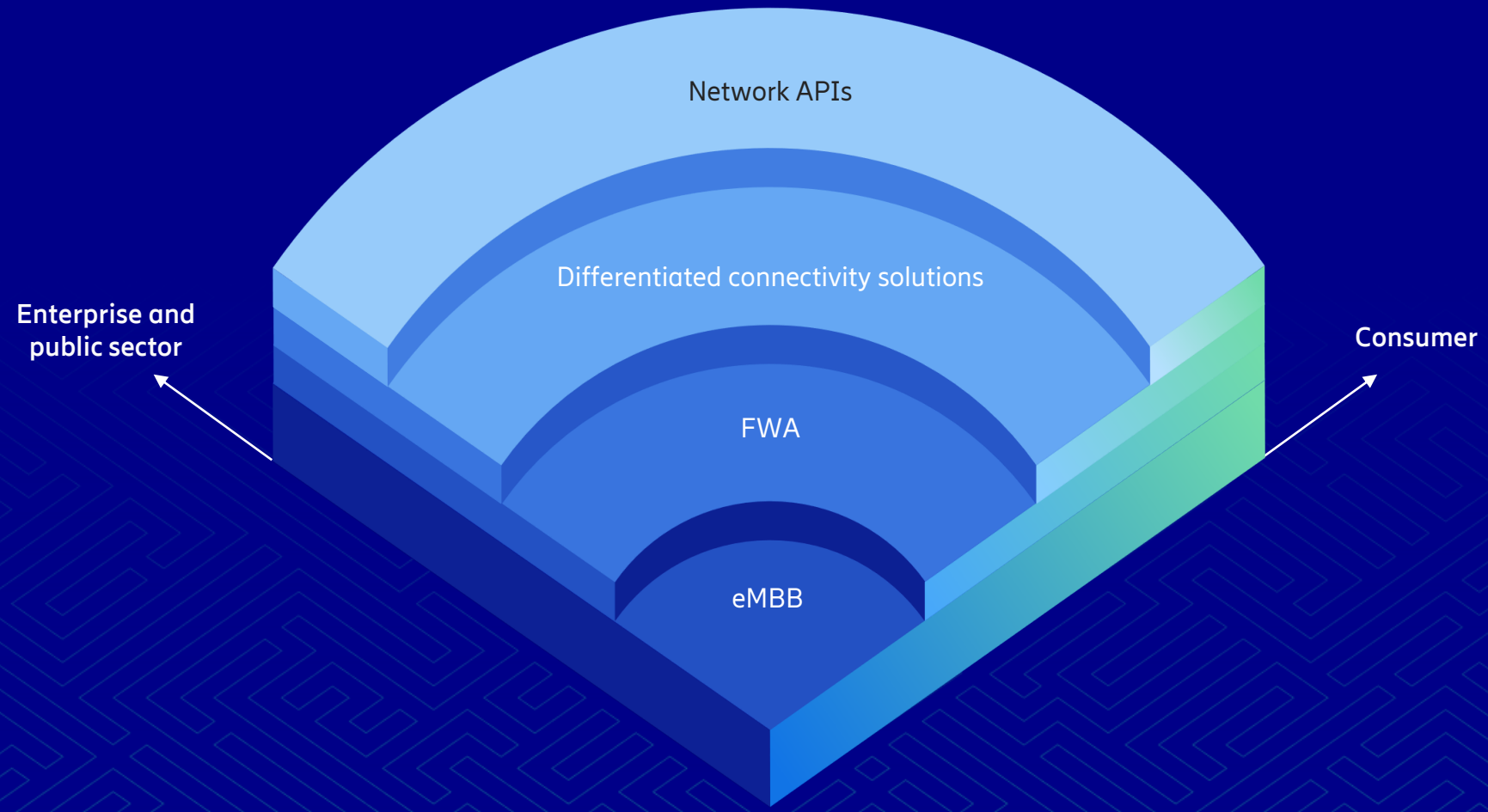
This initiative represents a major step towards delivering network APIs at scale, globally

Further CSPs and channel partners are called to join this new venture

Upon closing, Ericsson will hold 50% of the equity in the independently managed venture, while the CSPs will hold 50% in total.

Closing of the transaction is expected early 2025, subject to regulatory approvals and other customary conditions

Summary – the main 5G value steps




www.ericsson.com/5G