

Ericsson increasing US investments to support accelerated 5G deployments

- Investments will boost US-based R&D to meet the growing demand for 5G in the region
- New product introduction and manufacturing in the US will support global flexibility as well as benefit US customers in their 5G roll-out
- First 5G radios built in US to be produced by end of 2018

To support the accelerated build out of 5G in the United States, Ericsson (NASDAQ: ERIC) will increase its investment in the market. This series of strategic initiatives will allow Ericsson to operate even closer to its customers, meeting the growing demand for 5G globally and in the region.

The investments will fall into two categories: 1) increase research and development work done close to customers in the US and 2) increase flexibility to shorten the timeline for new product introduction and product delivery to customers. This will enable Ericsson to recruit new expertise from the US, complementing the company's existing highly-skilled employees in the region.

Börje Ekholm, President and CEO of Ericsson, says: "The United States is our largest market, accounting for a quarter of Ericsson's business over the last seven years. To serve the demand of these fast-moving service providers, we are strengthening our investment in the US to be even closer to our customers and meet their accelerated 5G deployment plans."

Ericsson predicts that 5G subscriptions will reach the 150 million-mark, accounting for 48 percent of all mobile subscriptions in North America by the end of 2023. ([Ericsson Mobility Report, June 2018](#))

Increase R&D in the US

In late 2017, Ericsson opened the Austin ASIC Design Center in Austin, Texas, to focus on core microelectronics of 5G radio base stations to accelerate the path to 5G commercialization. The 1,400-square-meter facility (15,000-square-feet) will have 80 employees once fully staffed.

Ericsson will also open a new software development center with baseband focus in 2018, employing more than 200 software engineers once fully operational. This facility and its employees will further strengthen Ericsson's 5G software development. Baseband provides intelligence to the radio access network. It is also the interface between the core network and radio units, processing and forwarding voice calls and internet data to end users.

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Beginning in 2019, both of these facilities will introduce 5G products and software features into the Ericsson portfolio, and will be available for customers globally, including in the US.

Additionally, Ericsson will increase its investment in Artificial Intelligence (AI) and automation, employing around 100 specialists in North America by the end of 2018. This team will work on utilizing AI technologies to accelerate automation, examine product road maps and explore new business opportunities. They will focus on boosting the company's current portfolio, strengthening customer engagements and promote innovation of new disruptive business opportunities.

New product introduction and manufacturing in the US

To increase flexibility in bringing new products into the market, Ericsson will recruit a dedicated team to work specifically on introducing products for the US market, conducting production engineering, testing/integration and supply preparations on early prototypes. This will be done in close collaboration with US-based R&D resources.

To make 5G products available to customers as fast as possible, Ericsson will also begin manufacturing in the US in the fourth quarter of 2018. This will enable Ericsson to operate closer to customers -- providing volume production of next-generation radios and the fast introduction of new products into the US market. Initially, Ericsson will work with a production partner and the first radios for the US will be produced before the end of 2018.

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