

# Ericsson completes acquisition of Cradlepoint

- Strengthens enterprise offering and creates valuable new revenue streams for customers
- Welcomes more than 700 employees to Ericsson
- Cradlepoint to continue to operate under its existing brand

Ericsson (NASDAQ: ERIC) has completed its acquisition of Cradlepoint, the US-based market leader in Wireless WAN Edge 4G and 5G solutions for the enterprise market. The investment is key to Ericsson's ongoing strategy of capturing market share in the rapidly expanding 5G enterprise space.

Closing of the acquisition follows the announcement on September 18, 2020 of Ericsson's intention to acquire Cradlepoint. At closing, a consideration of around USD 1 b. was paid using Ericsson's cash-in-hand. Cradlepoint's sales for 2019 were SEK 1.2 b. with a gross margin of 61%. Ericsson's operating margins are expected to be negatively impacted by approximately 1% in 2021 and 2022 - where half is related to amortization of intangible assets arising from the acquisition. Cradlepoint is expected to contribute to operating cash-flow starting in 2022.

Through Cradlepoint's solutions, companies can connect sites, vehicles, mobile workforces, and IoT devices in a simple and secure way using cellular technology. By leveraging the combined offering, Ericsson will be able to create valuable new revenue streams for its customers by supporting 5G-enabled services for enterprise, and boost returns on investments in the network. Ericsson's global presence and long-standing relationships with the world's leading service providers will also help accelerate Cradlepoint's international expansion.

Cradlepoint will operate as a stand-alone subsidiary within Ericsson and continue to build on the current market momentum as 5G is speeding up digital transformation and increasing the need for advanced connectivity services for enterprises. Cradlepoint will be part of Ericsson's Business Area Technologies & New Businesses.

Åsa Tamsons, Senior Vice President and Head of Business Area Technologies & New Businesses, says: "I am very excited to welcome Cradlepoint to the Ericsson family. With Cradlepoint's market leading solutions, we are strengthening our enterprise offering and taking an important step to lead the next wave of enterprise network transformation. Together, we will power solutions to the customer edge that help improve productivity and deliver real-time services, enabling us to drive faster adoption of 5G in enterprise segments. This is good news for our customers as it helps them to accelerate their returns on 5G investments."

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Cradlepoint will continue to be headquartered in Boise, Idaho, USA. In addition to the company headquarters, Cradlepoint operates a research and development center in Silicon Valley, California, and international offices in the United Kingdom and Australia.

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**About Ericsson**

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