
ERICSSON TO DIVEST ITS POWER MODULES BUSINESS TO FLEX

- Transaction expected to close in the third quarter of 2017
- A workforce of over 300 people to move from Ericsson to Flex Power, a division within Flex
- Divestment in line with Ericsson's previously-announced business strategy of focusing on core portfolio areas

Ericsson (NASDAQ:ERIC) has signed an agreement with multinational technology and Sketch-to-Scale™ solutions provider, [Flex](#), to divest Ericsson Power Modules (EPM). The divestment is in line with Ericsson's focused business strategy, presented on March 28, to strengthen its core business and portfolio areas (networks, digital services and IoT).

The Ericsson Power Modules business, excluding the brand, will on closing be transferred to Flex as part of the agreement. This includes Shanghai Ericsson Electronics Corporation Ltd, a manufacturing site in China, and business assets in Sweden. More than 300 employees and consultants are expected to transfer from Ericsson to Flex Power.

Christian Hedelin, Head of Strategy, Business Area Networks, Ericsson, says: "Ericsson Power Modules with its skilled people has built a strong position and offering within the power industry. But, in line with our strategy, we are focusing our business on fewer core areas. The power modules business is a perfect fit for Flex, and we look forward to working together to ensure a smooth transition and a lasting relationship."

Nate Vince, President of Flex Power, says: "We are very pleased to be expanding our collaborative and successful long-standing partnership with Ericsson, while adding the talented and industry-leading Power Module team to Flex. In addition to enhancing our power capabilities and *Sketch-to-Scale* solutions, we look forward to leveraging this partnership to expand our offerings to the cloud and telco data center markets."

The transaction is expected to close in the third quarter of calendar year 2017 and is subject to customary closing conditions, including regulatory approvals.

Ericsson Power Modules designs and manufactures power supply products for information and communications equipment, including radio base stations, switches and routers, as well as additional computing and industrial applications.

Flex operates in the power segment with Flex Power, delivering power supply products to a wide range of markets, with some of the world's biggest brands as customers. Flex is the Sketch-to-Scale™ solutions provider that designs and builds Intelligent Products for a Connected World™. With approximately 200,000 professionals across 30 countries, Flex

PRESS RELEASE
JUNE 21, 2017



provides innovative design, engineering, manufacturing, real-time supply chain insight and logistics services to companies of all sizes in various industries and end-markets. For more information, visit flex.com.

NOTES TO EDITORS

For media kits, backgrounders and high-resolution photos, please visit www.ericsson.com/press

FOLLOW US:

www.twitter.com/ericsson
www.facebook.com/ericsson
www.linkedin.com/company/ericsson
www.youtube.com/ericsson

MORE INFORMATION AT:

[News Center](#)
media.relations@ericsson.com
(+46 10 719 6996)
investor.relations@ericsson.com
(+46 10 719 00 00)

Ericsson is a world leader in communications technology and services with headquarters in Stockholm, Sweden. Our organization consists of more than 111,000 experts who provide customers in 180 countries with innovative solutions and services. Together we are building a more connected future where anyone and any industry is empowered to reach their full potential. Net sales in 2016 were SEK 222.6 billion (USD 24.5 billion). The Ericsson stock is listed on Nasdaq Stockholm and on NASDAQ in New York. Read more on www.ericsson.com.