

Ericsson sees 'further' market decline after 2023 loss

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Swedish telecoms equipment giant Ericsson warned Tuesday that it expected further market decline outside China this year after booking a

sizeable loss in 2023 due to a write-down and restructuring costs.

Ericsson said it was 26.1 billion kronor (\$2.5 billion) in the red last year after making a 19-billion-kronor profit in 2022, but the loss was slightly less heavy than forecast by analysts surveyed by financial data firm FactSet.

The loss was due to a write-down in October on the value of US cloud operator Vonage, which Ericsson acquired in 2022.

Ericsson, which is in fierce competition over 5G networks with Finland's Nokia and Chinese high-tech firm Huawei, also launched a cost-cutting program that includes eliminating 8,500 jobs.

Sales fell three percent to 263.3 billion kronor—lower than expected by analysts—amid a "very weak" mobile networks market, the company said in its earnings statement.

"As we look to 2024, we expect the market outside China to further decline, with similar uncertainties as experienced in 2023," Ericsson chief executive Borje Ekholm said.

"In this [environment](#), we remain laser focused on managing elements within our control, including operational efficiency and tight cost management," he added.

Ericsson said it produced "solid" results in the last three months of 2023 despite an eight percent drop in its [operating profit](#) in the fourth quarter.

"While the [actions](#) we have taken to improve performance are paying off, we are not satisfied with our profitability and there is more work to do," Ekholm said.

Ericsson has warned in recent months that customer spending was falling due to a slowing global economy.

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