

Ericsson earnings boosted by 5G network rollouts

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Swedish telecom equipment maker Ericsson has reported upbeat third quarter earnings, helped mainly by the rollout of 5G wireless networks in China and a strong U.S. market.

The Stockholm-based company said Wednesday that [net profit](#) for the July-September period was 5.6 billion kronor (\$640 million), compared with a loss of 6.9 billion kronor the previous year. Sales were up 1% at 57.5 billion kronor.

Ericsson CEO Borje Ekholm said the company's contracts for the next generation 5G networks in mainland China "have developed according to plan, contributing positively to profits in Q3 and are expected to improve further".

Ekholm also pointed to the North American market where "underlying business fundamentals remain strong," driven by consolidation in the market and increased demand for 5G, the new generation rapid mobile networks.

Ericsson competes in the 5G business with China's Huawei and Finland's Nokia, the two other main global network suppliers. South Korea's Samsung has, too, made inroads to the network business in the past few years and recently scored a lucrative, multi-billion-dollar 5G deal with major U.S. carrier Verizon Wireless.

Ericsson said it now has 112 commercial 5G agreements with 65 live networks with different operators. Nordic rival Nokia plays catch up, saying on its webpage that it has secured 101 commercial 5G deals with 36 live networks as of Oct. 21.

However, the Nordic duo still trails market leader Huawei in confirmed 5G deals.

Ericsson and Nokia said separately on Wednesday that they've landed a network deal with the Swedish telecom operator Telia, the Nordic

region's leading mobile carrier. The news comes a day after Sweden banned Huawei from 5G networks over allegations it can allow the Chinese government to snoop on data. Huawei denies the allegations.

Ericsson said it would upgrade Telia's 4G network in Sweden and Estonia, while Nokia said it would deploy 5G [network](#) for Telia in Finland and act as a supplier to its 5G stand-alone networks in various countries in the region.

Nokia will report its third quarter earnings on Oct. 29.

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