

Ericsson shares slide on concern over Chinese market

October 23 2015

Wireless equipment maker Ericsson says its third-quarter earnings increased but slowing demand in China and uncertain outlooks for Europe and the United States worried investors, causing the shares to slide.

Ericsson said Friday its net profit grew 19 percent to 3.1 billion kronor (\$365 million). Sales rose 3 percent to 59.2 billion kronor, driven mostly by growth in India, southeast Asia and Oceania, offsetting declining sales in northern Europe and northeast and central Asia.

The Stockholm-based company said there was "a slowdown of the 4G (network) deployments in mainland China," with sales slumping 10 percent year-on-year in the Northeast Asian division that includes China. Brazil and Russia also saw a substantial sales decline.

Ericsson said it would accelerate its expansion into "the fast-growing" sector of TV and media technology to make up for the slowing growth in the wireless equipment market.

The company's shares were down 6.3 percent at 82.75 kronor in afternoon trading in Stockholm.

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