

Ericsson names new CEO amid declining networks industry

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Borje Ekholm stands before the press after he was presented as the new CEO for the Swedish telecom company Ericsson during a press conference at their headquarters in Kista, Stockholm, Sweden, Wednesday Oct. 26, 2016. (Jannerik Henriksson/TT via AP)

Swedish mobile networks company Ericsson said Wednesday it has named longtime board member Borje Ekholm as its new CEO, in a bid to turn around the company amid a decline in the industry.

The company, which has been struggling against fierce competition, recently announced 3,000 layoffs—or nearly 20 percent of its local workforce— and said it will downsize operations as part of its global plan to cut costs by \$1 billion in 2017.

Ekholm is currently executive head of Patricia Industries, a division in Investor AB—the biggest stake holder in Ericsson. The 53-year-old executive, who has been an Ericsson board member for 10 years, will remain on the board when he takes on the role as CEO on Jan. 16. Chief Financial Officer Jan Frykhammer will remain interim CEO until that date.

Ericsson, one of the world's leading mobile network operators, in July sacked its previous CEO to find a new leader "to drive the next phase in Ericsson's development."

Chairman Leif Johansson described Ekholm as having "a strong track record of driving shareholder value," and said that he was the right person to face the challenges of new technologies, including 5G mobility.

"In the middle of a significant company transformation I am confident that Ericsson will benefit from Borje Ekholm's world-class ability to forcefully execute on strategic direction and plans," Johansson said.



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Ekholm described his new job as an exciting opportunity "in a 5G connected world ... which was looking for continuous innovation."

Earlier this month, Ericsson said the new demands would also create new jobs, with plans to recruit 1,000 people in Sweden during the next three years in the R&D sector.

Ericsson employs 115,000 people in 180 countries and has 2.5 billion network subscribers. It reported a \$26 million loss in the third quarter, down from a profit a year earlier.

The company's share price was 1 percent lower at 44.05 kronor in an overall market in Stockholm that was down on the day.



Ericsson's Chairman of the Board, Leif Johansson, presents Borje Ekholm, left, as the new CEO for the Swedish telecom company Ericsson during a press conference at their headquarters in Kista, Stockholm, Sweden, Wednesday Oct. 26, 2016. (Janerik Henriksson/TT via AP)



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