

# Interim report

## January – September 2010

Ray Mauritsson, CEO & President  
Fredrik Sjöstrand, CFO



[www.axis.com](http://www.axis.com)

# This is Axis

- > Founded in 1984
- > IT company driving the network video market
- > Focused on Network Video Solutions
- > Global partnerships through distributors, resellers and system integrators
- > Worldwide presence in more than 30 countries, 888 employees\*
- > Listed on NASDAQ OMX, Nordic under the ticker AXIS



\*September, 30 2010

# Highlights, July – September 2010

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- > Strong market interest for Axis' network video products continued
- > The inflow of new projects has continued at a stable level
- > High recruitment rate



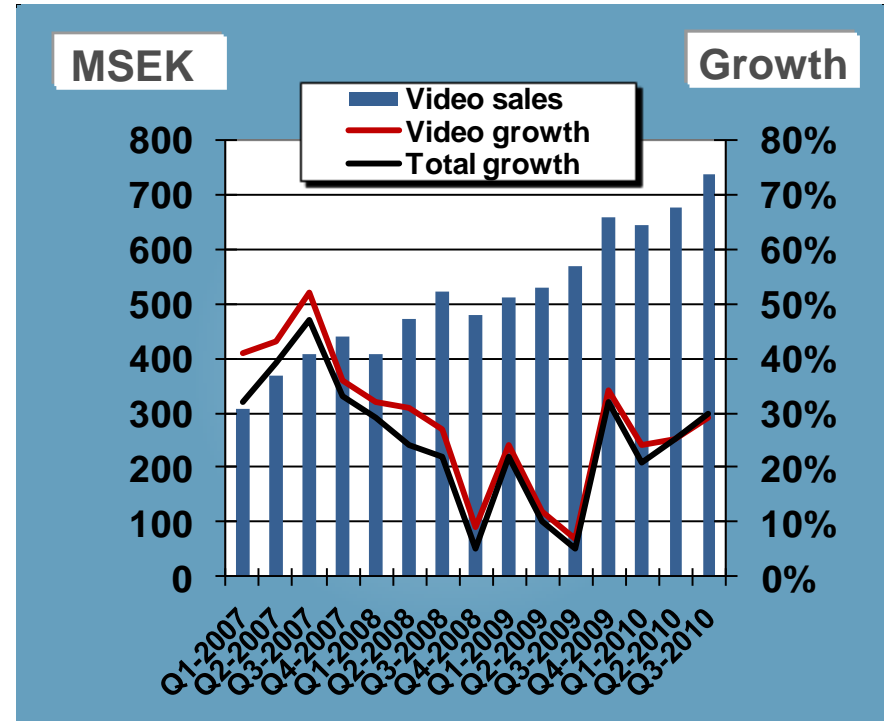
# Sales

## > January - September

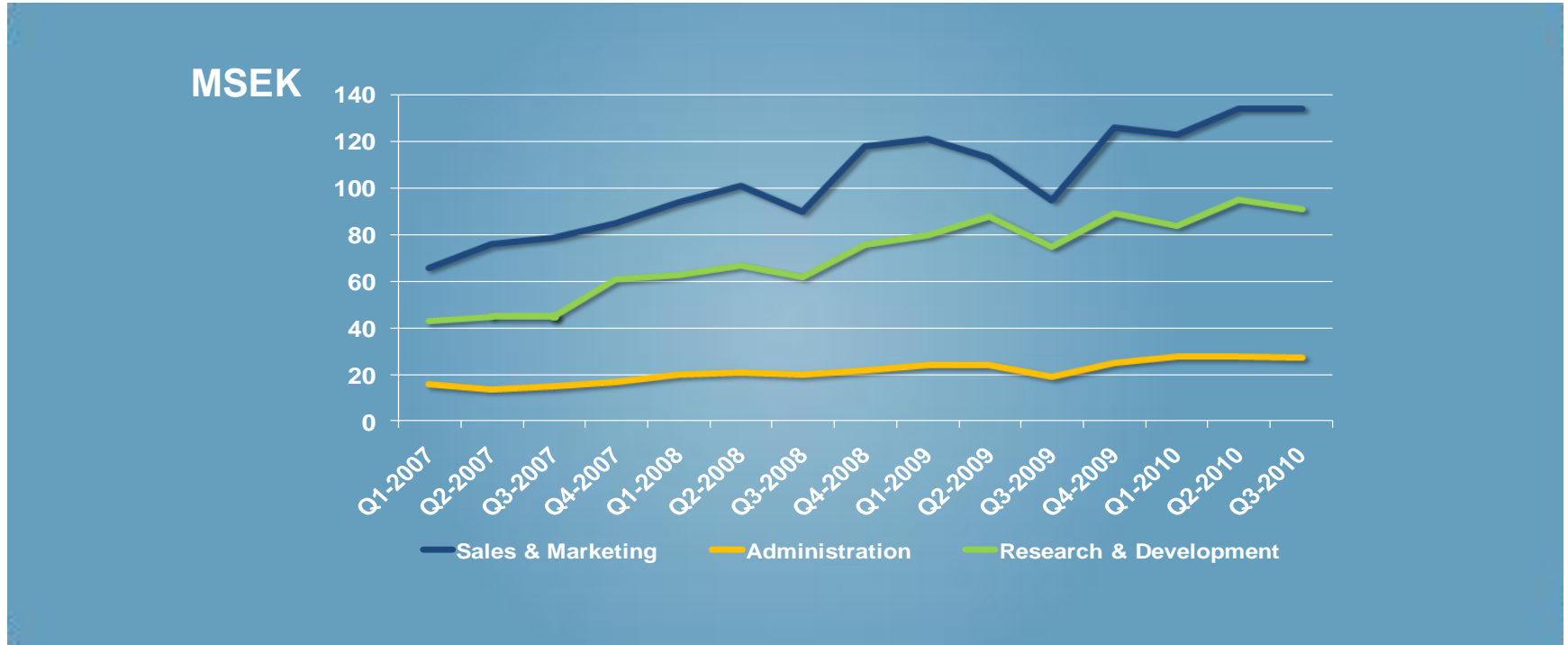
- 2 058 MSEK (1 642)
- Growth 25%
- Currency effects, -161 MSEK

## > July – September

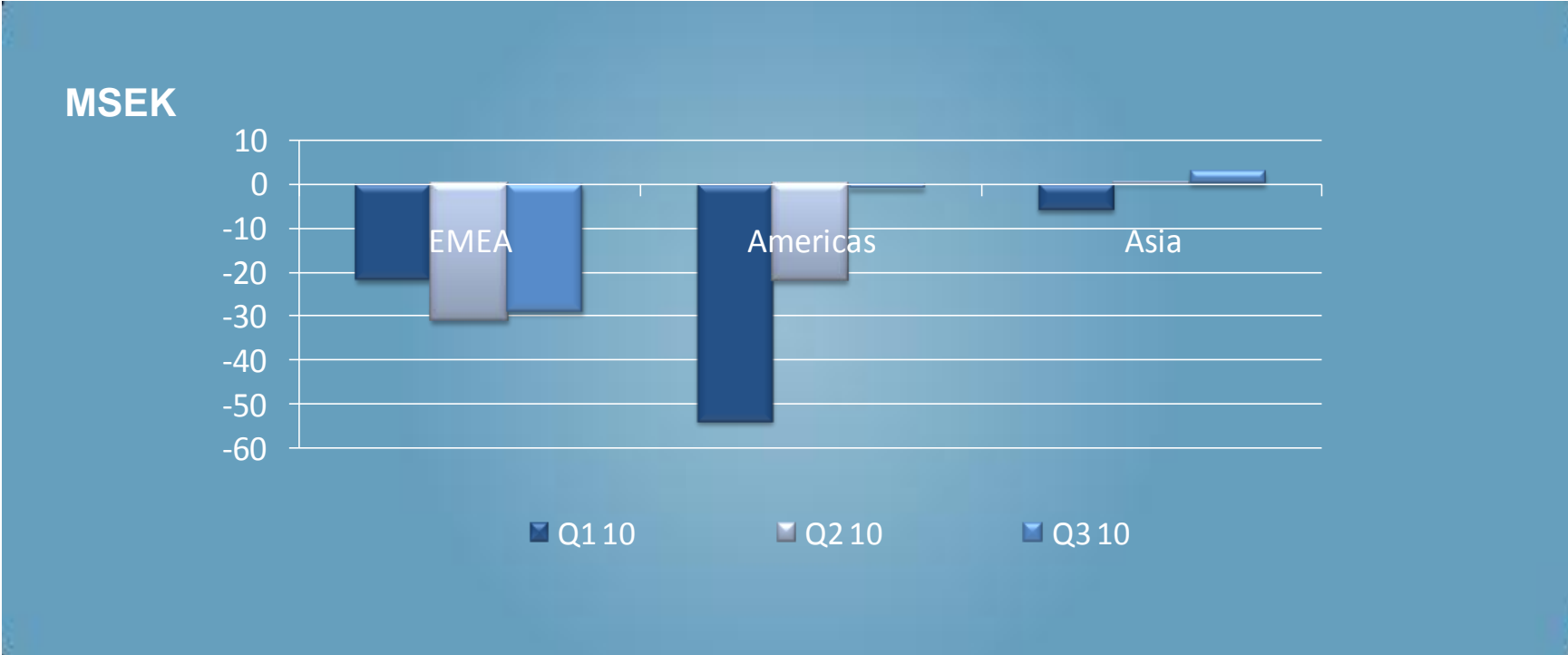
- 737 MSEK (568)
- Growth 30%
- Currency effects, -26 MSEK



# Operating expenses Q1 2007 – Q3 2010

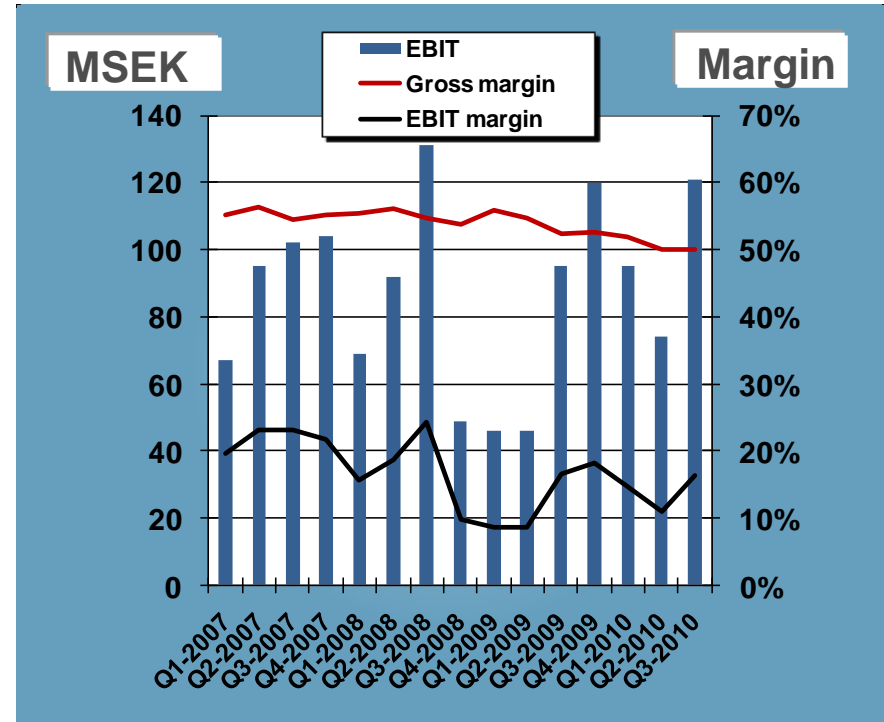


# Currency effects on total sales by region



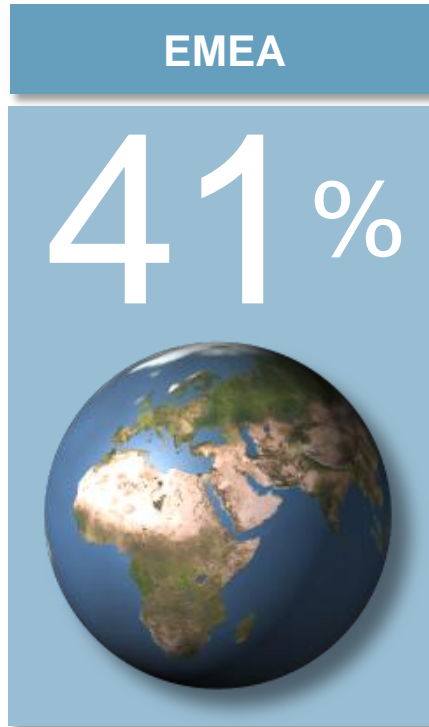
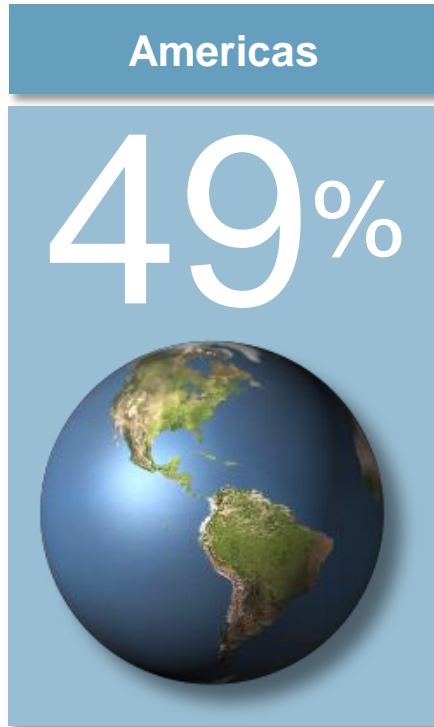
# Margins\*

- > Gross margin\*
  - 50.4 % (52.3%)
- > Operating margin
  - 16.4% (16.7%)
- > Profit margin
  - 16.3% (16.6%)



\*Q3 2010

## Sales in the regions\*



\*Q3 2010

[www.axis.com](http://www.axis.com)

# Global expansion

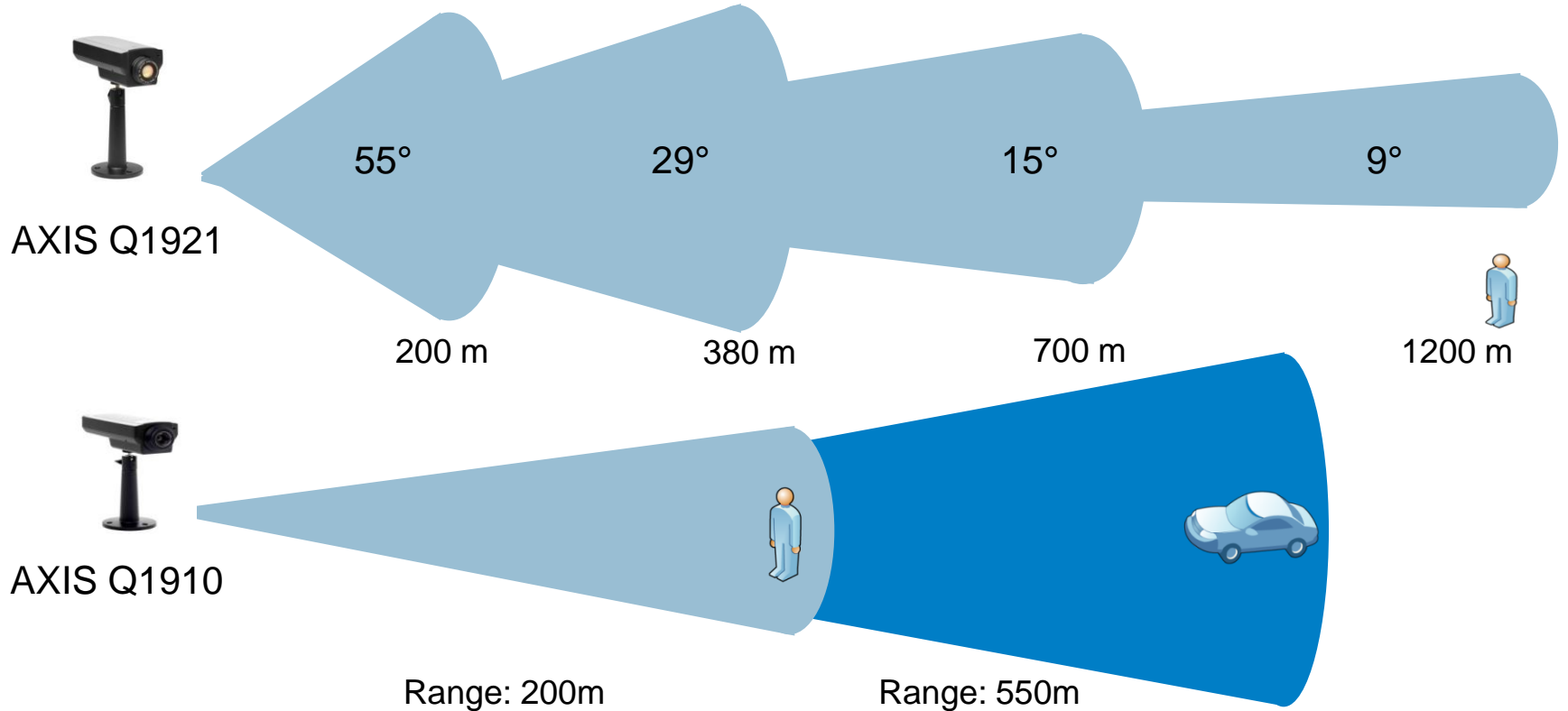


# AXIS Q1921/-E Thermal Network Cameras

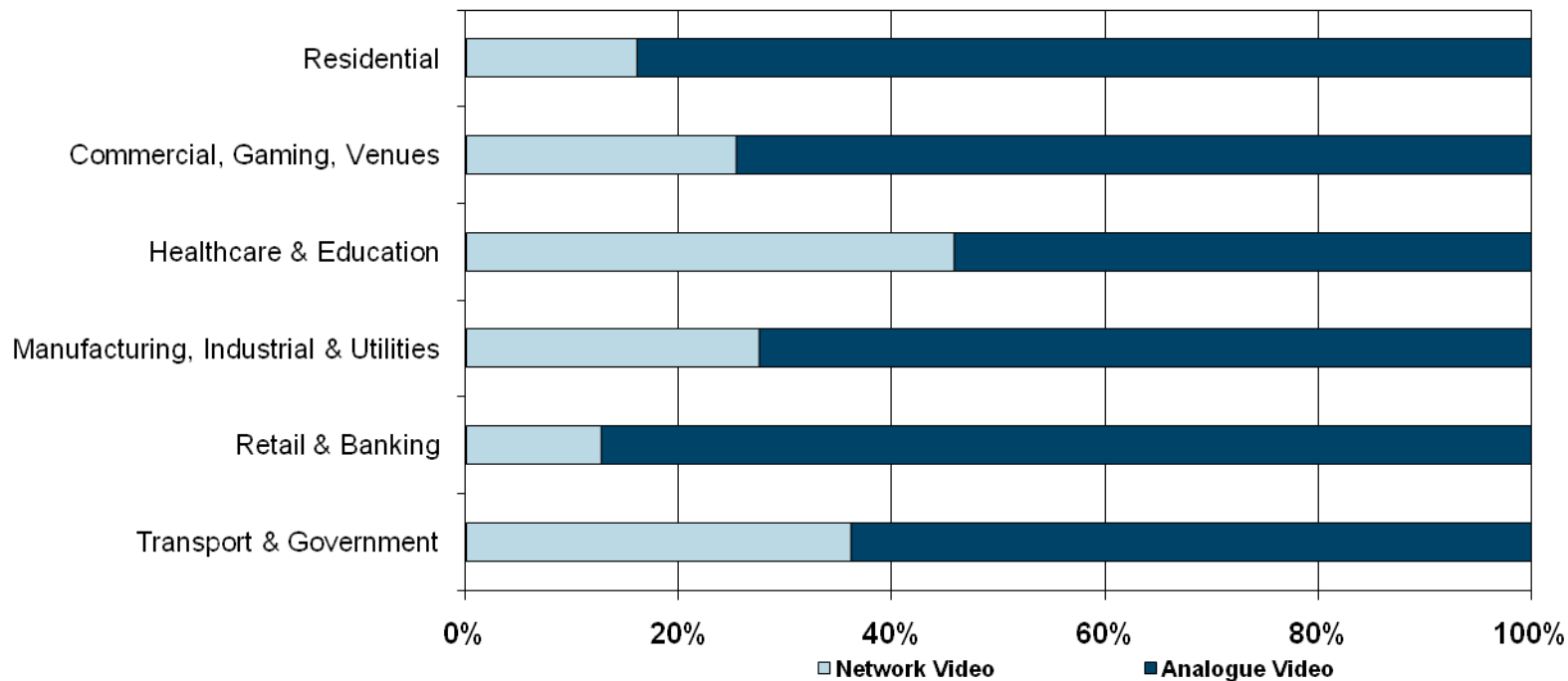


High quality detection and wide range coverage

# AXIS Q1921 – AXIS Q1910



# Convergence rates by end-user industry 2009



Source: IMS Research

# Global & regional resources in business development

Retail



Transportation



Banking



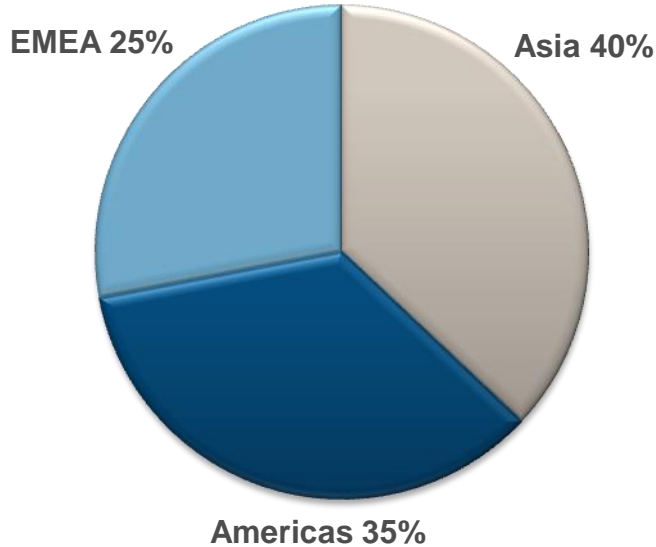
City surveillance



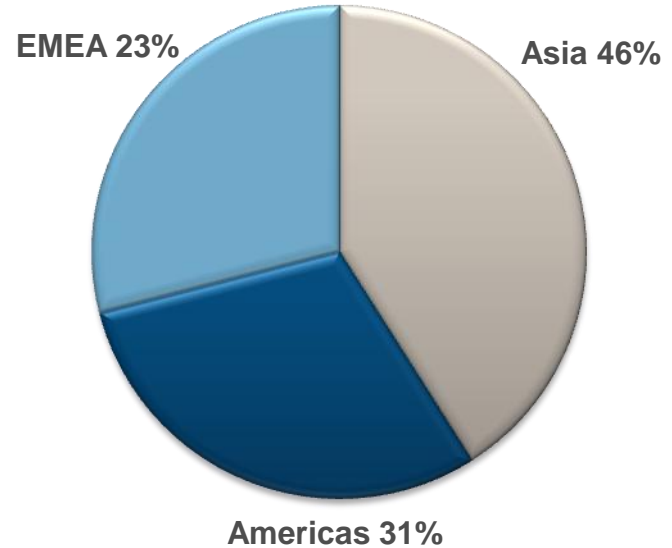
# Video surveillance market 2009 - 2014

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**2009**  
**\$ 8,265 million**

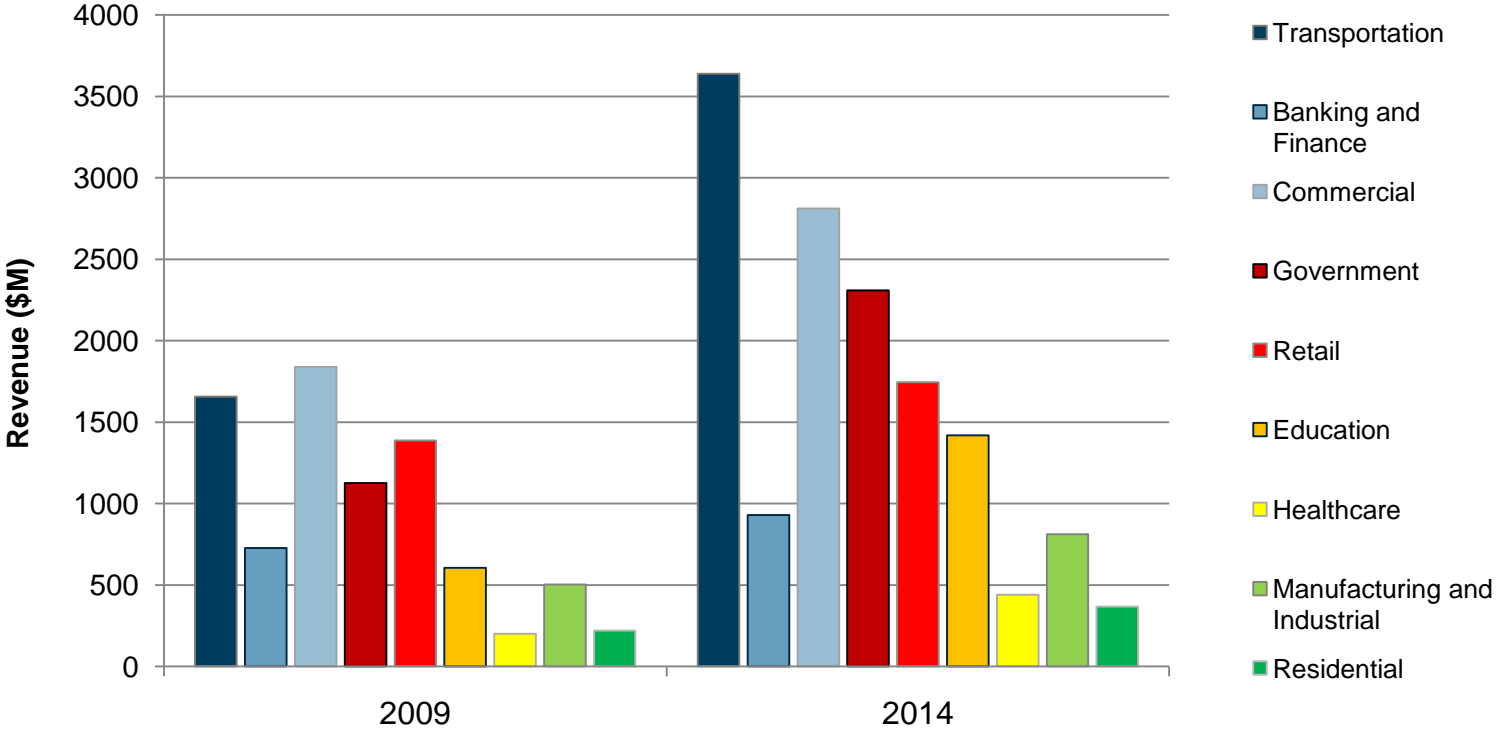


**2014**  
**\$14,474 million**



Source: IMS Research 2010

# Industry segments\* 2009 vs. 2014



\* Video surveillance equip.

# Market shares for all cameras in 2009

Rank	Supplier 2009
1	Panasonic (PSS)
2	<b>Axis Communications</b>
3	Pelco
4	Bosch Security Systems
5	Samsung Techwin

IMS  
Research  
report  
2010

Source: IMS Research 2010

# Market shares for network cameras in 2008-2009

Rank	Supplier 2009
1	Axis Communications
2	Panasonic (PSS)
3	Sony
4	Mobotix
5	Panasonic (PCC)

IMS  
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report  
2010

Source: IMS Research 2010

# Long term growth opportunity

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- > 2009: 8.3 billion USD total video market
  - 30% penetration gives 2.5 billion USD network video
- > 2014: 14.5 billion USD total video market
  - 50% penetration gives 7.3 billion USD network video
- > Assume a cautious scenario for 2014-2020
  - Half the predicted growth rate for video surveillance implies 20 billion USD total market
  - 80% penetration implies 16 billion USD network video
- > Market opportunity the coming 10 years: 18% CAGR



# The market situation today

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## Short-term perspective

- > The number of project inquiries on a stable level
- > Expansion to continue
  - Product portfolio
  - Employees

## Long-term perspective

- > High growth potential for network video
- > Axis' goals remain unchanged



Get the Axis picture. Stay one step ahead.

partner network  
Axis  
open  
megapixel  
camera  
HDTV  
competence  
worldwide  
network video  
leader  
easy installation  
convergence  
intelligent  
Thank you!  
safe  
innovation  
environment  
protect  
leader  
thermal  
global  
outdoor  
ease of use  
H.264  
integration  
image usability  
focus  
video encoder