

Year-end Report January-December 2014.

Ray Mauritsson, CEO

Fredrik Sjöstrand, CFO



The market leader in network video

Employees*

1941

Total sales*

SEK **5.5** billion USD **747** million

1984 – founded
as IT company

75,000 partnerships
in **179** countries

Own offices in more
than **40** countries

*Full-year 2014

www.axis.com

Highlights 2014

Full-year

- > Continued expansion and recruitment
- > Broader offering and high pace in innovation
- > Strong focus on small and midsize market

Q4

- > Lower stock levels in Americas
- > Continued strong gross margin
- > Limited effect of fire in production facility



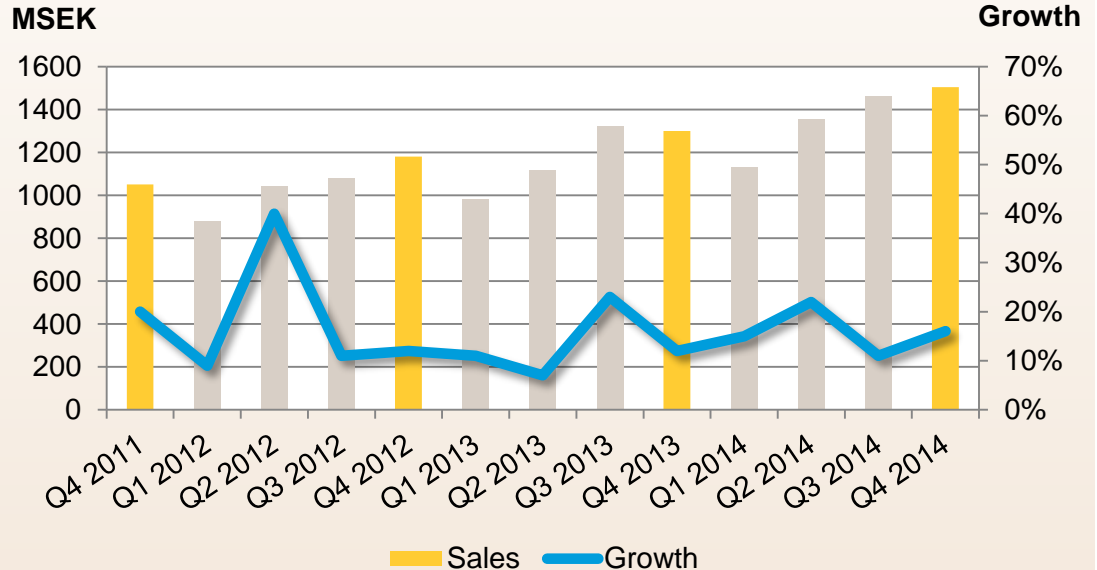
Sales Q4, 2014

January - December

- > Sales of 5,450 MSEK (4,717)
- > YoY growth of 16%
- > YoY growth of 12% in local currencies

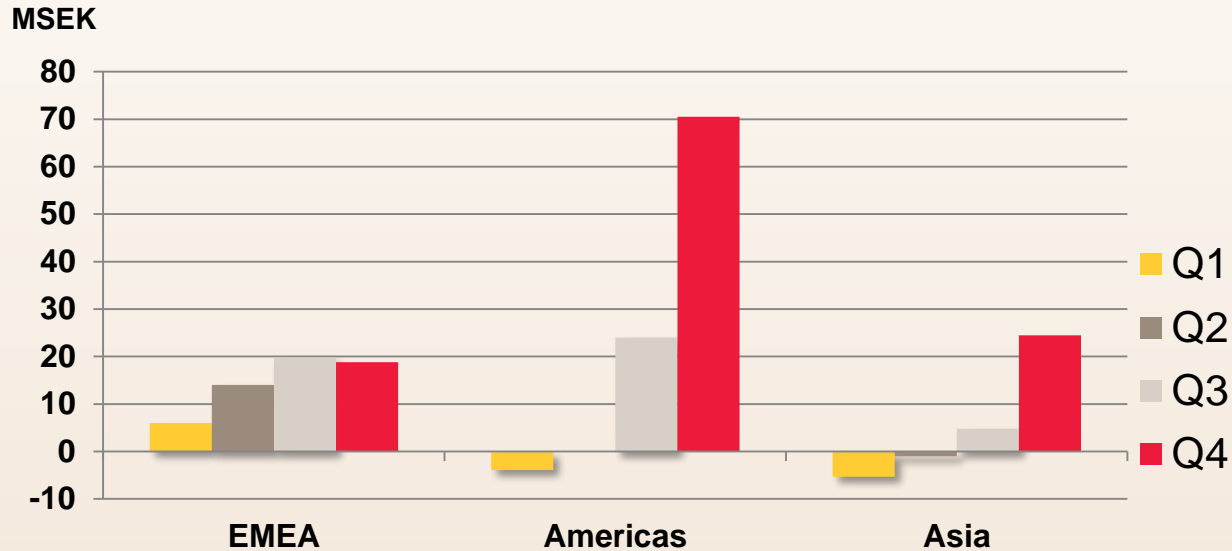
October – December

- > Sales of 1,504 MSEK (1,299)
- > YoY growth of 16%
- > YoY growth of 7% in local currencies



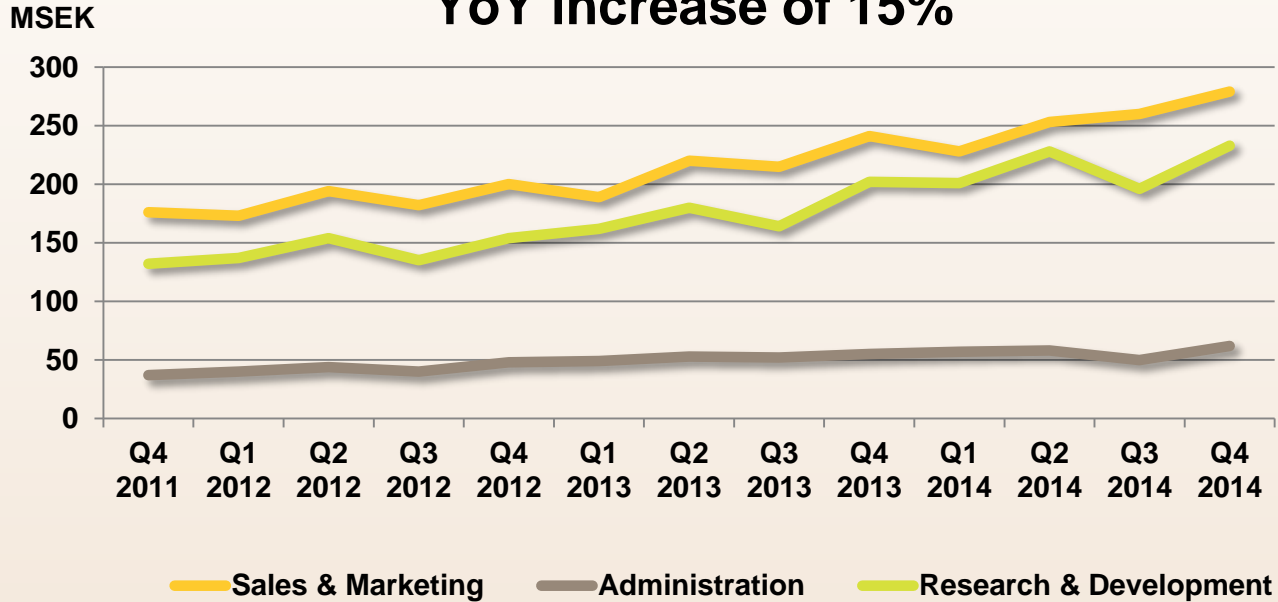
Regional currency effects on sales Q4, 2014

Positive currency effect of 114 MSEK in Q4
Positive currency effect of 173 MSEK for 2014



Operating expenses Q4 2011 – Q4 2014

OPEX of 574 MSEK
YoY increase of 15%



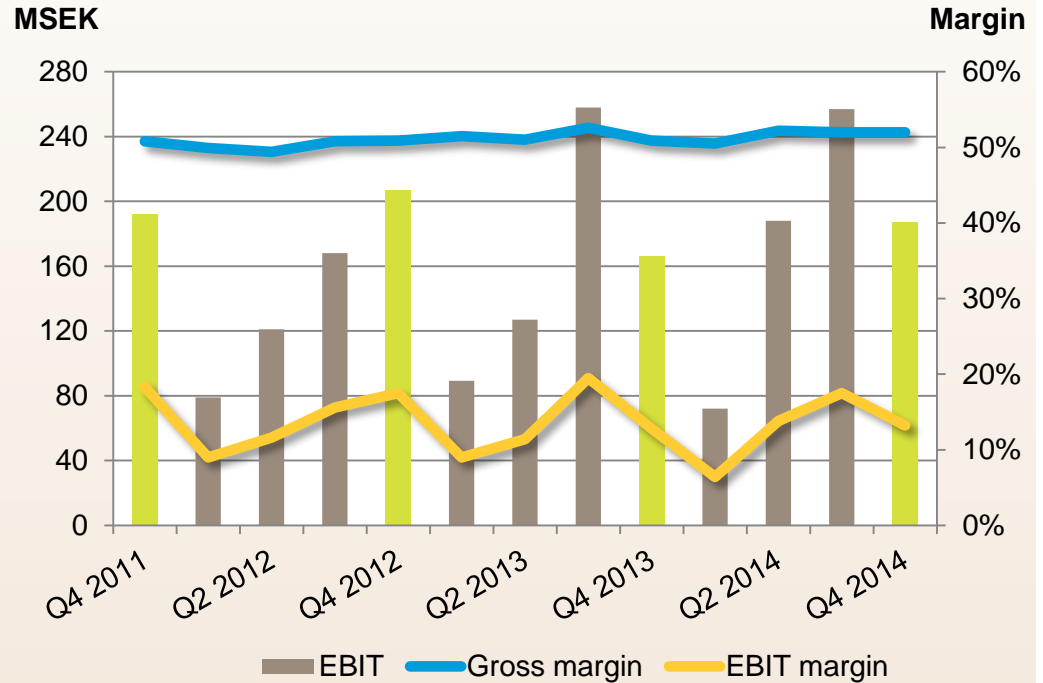
Margins Q4, 2014

January - December

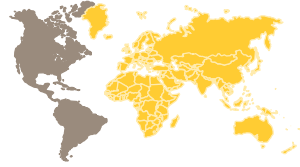
- > Gross margin: 51.8% (51.5%)
- > EBIT margin: 13.1% (13.6%)
- > Profit margin: 13.1% (13.5%)

October - December

- > Gross margin: 52.2% (50.9%)
- > EBIT margin: 13.2% (12.8%)
- > Profit margin: 13.5% (12.7%)

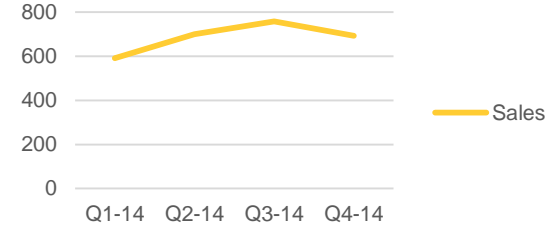


Regional development Q4, 2014



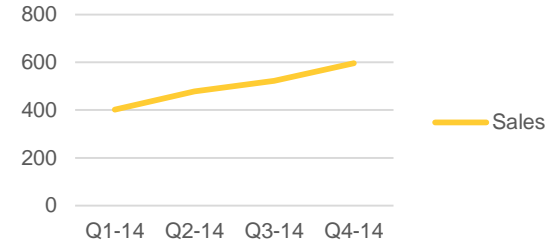
Americas
46%
of sales

- > Total sales of 693 MSEK (580)
- > 7% local growth
- > 12% FY local growth



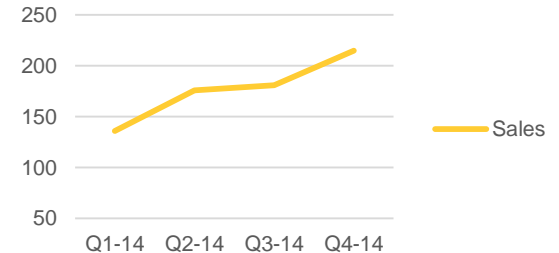
EMEA
40%
of sales

- > Total sales of 596 MSEK (537)
- > 7% local growth
- > 10% FY local growth



Asia
14%
of sales

- > Total sales of 215 MSEK (181)
- > 5% local growth
- > 16% FY local growth



High pace in innovation during 2014

AXIS P-line



- > Stronger P-line offering
- > Several new competitively priced cameras released

AXIS S10 Recorder



- > Complete surveillance camera solution to mid-size segment
- > Easy to install and intuitive to use with optimized functionality

AXIS F Series



- > Great flexibility in small areas
- > Ideal for discreet surveillance in HD-quality

Continued expansion in 2014



**Over 1000 Certified Professionals
in North America**



**6556 New partners in
Emerging Markets**



**314 more employees
world wide**

Continued investments for long-term growth

- > Investments in network video solutions
 - Strengthen partner network
 - Expansion in emerging markets
 - Focus on solutions for low camera count installations
 - Innovative new solutions
- > New businesses initiatives
 - Leverage the global business model
 - Leverage technology know-how



Outlook

Short-term perspective

- > Unchanged view on underlying market growth trend
- > Continued hiring to support expansion and product development

Long-term perspective

- > Good market conditions for a continued positive development within network video, 16-22% growth
- > Strong focus on innovation for future network video opportunities



