

Lund, July 12, 2018

## Axis AB: Half-year report January-June 2018

### Second quarter

Net sales increased during the second quarter by 23 percent to SEK 2,601 M (2,119). Net sales increased by 25 percent in local currencies.

Operating profit amounted to SEK 429 M (209), which corresponds to an operating margin of 16.5 percent (9.9).

Net profit for the period amounted to SEK 331 M (149).

Earnings per share amounted to SEK 4.77 (2.14).

### The first half of 2018

Net sales increased during the period by 12 percent to SEK 4,659 M (4,146). Net sales increased by 17 percent in local currencies.

Operating profit amounted to SEK 607 M (443), which corresponds to an operating margin of 13.0 percent (10.7).

Net profit for the period amounted to SEK 458 M (326).

Earnings per share amounted to SEK 6.59 (4.69).

### President's comment

We can be pleased about the strong growth during the second quarter, where sales were the highest ever for a single quarter. This performance feels particularly positive when you consider the prevailing component shortage that is affecting our sector as well as other industries. Our growth is largely linked to strong demand and to the fact that several of our distributors are building up larger inventories from relatively low levels, in order to meet the fluctuations in demand.

According to recent statistics from the market research company IHS, Axis is continuing to capture market shares in a market, which is still under consolidation. Meanwhile, we are noticing slightly increasing uncertainty in the market in relation to the effects of global trade barriers and political turbulence. In the present situation, we do not expect any significant impact on our

operations but we are monitoring the development closely.

The innovation rate was high during the quarter and we were able to unveil several new products and solutions. AXIS Audio Manager is one such example. This demonstrates the exciting developments within network audio – an area where we see great opportunities. In addition, we can also mention new models of thermal cameras and advanced cameras for harsh environments and challenging lighting conditions.

The strong growth means that we need to expand our research and development operations further. In May, we announced that we opened an office in Linköping, Sweden, where software development will be in focus. We expect to have about 100 employees working there in a few years' time.

Finally, it is worth mentioning that we passed the level of 3,000 employees during the second quarter, which gives us the basis for a strong development going forward.

Ray Mauritsson  
President

The full report can be found here.

This information is such that Axis AB is required to make public pursuant to the EU's Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CET on July 12, 2018.

***For more information, please contact:***

*Björn Hallerborn, PR & Corporate Communications Manager, Axis Communications*

*Tel: +46 46 272 18 00*

*E-mail: [pressoffice@axis.com](mailto:pressoffice@axis.com).*

***About Axis Communications***

*Axis offers intelligent security solutions that enable a smarter, safer world. As the market leader in network video, Axis is driving the industry by continually launching innovative network products based on an open platform - delivering high value to customers through a global partner network. Axis has long-term relationships with partners and provides them with knowledge and ground-breaking network products in existing and new markets.*

*Axis has more than 3,000 dedicated employees in more than 50 countries around the world, supported by a global network of over 90,000 partners. Founded in 1984, Axis is a Sweden-based company listed on NASDAQ Stockholm under the ticker AXIS. For more information about Axis, please visit our website [www.axis.com](http://www.axis.com).*