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THIRD QUARTER 2017

GOOD EXECUTION ON PLANS FOR STRATEGIC GROWTH



ALASTAIR SORBIE, CEO & PAUL SMITH, CFO

November 1, 2017

CHIEF EXECUTIVE SUMMARY

GOOD EXECUTION ON PLANS FOR STRATEGIC GROWTH

Quarter Three has been truly transformational for IFS as the business has performed three acquisitions, all of which strengthen our position in the service market. FSM, which has been an established partner for many years, builds on our local execution capability in the UK. mplsystems adds a best-in-class Customer Engagement solution to our product offering, which is a key requirement in this target market. On the same day that Gartner published its latest Magic Quadrant for Field Service Management showing a further improvement for IFS's position in the Leaders' quadrant, we announced the largest acquisition in our history, that of WorkWave. This is a FSM company based in the USA that addresses the SMB residential market and is a leading SaaS solution for the growing pest control industry.

The underlying business for IFS remains strong with year-to-date license growth being 18 per cent (currency adjusted), which places us in a good position as we enter the busiest quarter of our financial year. Our year-to-date managed cloud revenue grew by 95 per cent (currency adjusted).

A good outlook for the full year is supported by strong year-to-date performance and a series of successful strategic acquisitions.

Alastair Sorbie
President and CEO

FINANCIAL AND OPERATIONAL HIGHLIGHTS

GOOD EXECUTION ON PLANS FOR STRATEGIC GROWTH

THIRD QUARTER (JULY-SEPTEMBER 2017)

- License revenue amounted to SKr 176 million (Q3 '16: SKr 176 million), an increase of 2 percent in constant currency.
- Maintenance revenue was SKr 349 million (Q3 '16: SKr 317 million), an improvement of 12 percent in constant currency.
- Consulting revenue amounted to SKr 401 million (Q3 '16: SKr 355 million), an increase of 15 percent in constant currency.
- Net revenue totaled SKr 946 million (Q3 '16: SKr 860 million), an improvement of 12 percent in constant currency.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

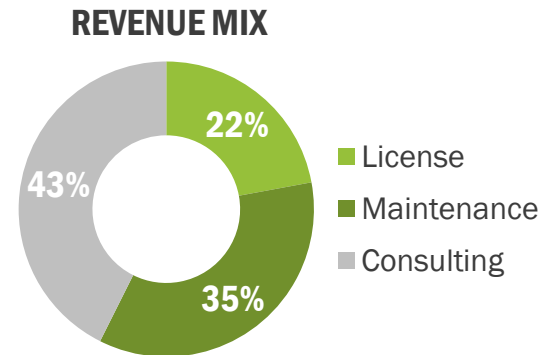
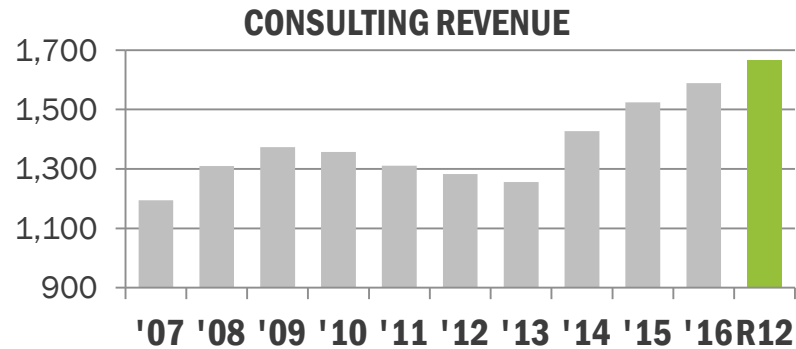
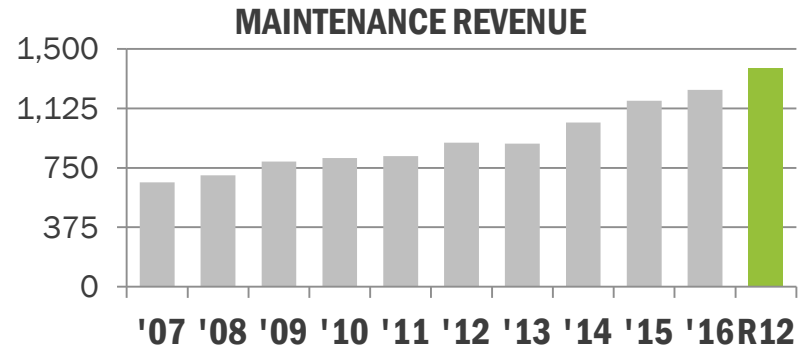
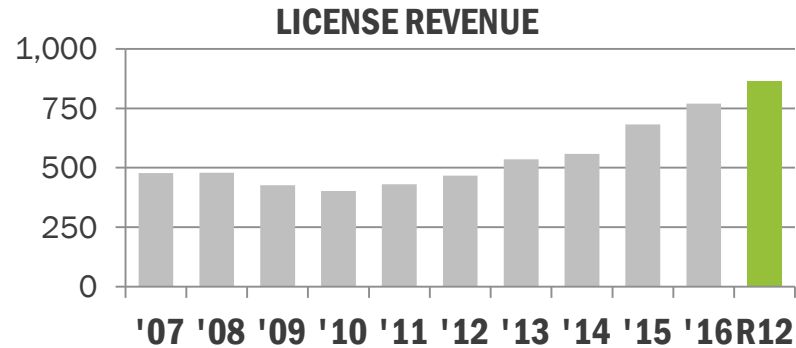
GOOD EXECUTION ON PLANS FOR STRATEGIC GROWTH

YEAR TO DATE (JANUARY-SEPTEMBER 2017)

- License revenue amounted to SKr 563 million ('16: SKr 468 million), an increase of 18 percent in constant currency.
- Maintenance revenue was SKr 1,053 million ('16: SKr 913 million), an improvement of 14 percent in constant currency.
- Consulting revenue amounted to SKr 1,259 million ('16: SKr 1,180 million), an increase of 5 percent in constant currency.
- Net revenue totaled SKr 2,940 million ('16: SKr 2,594 million), an improvement of 11 percent in constant currency.

FINANCIAL OVERVIEW

A GROWING BUSINESS



MARKET UPDATE

THIRD QUARTER



MARKET OUTLOOK—THE ANALYSTS' VIEW

The outlook of analysts such as Gartner about the future development of the enterprise software market has been slightly revised in the past quarter, reflecting stronger-than-expected growth in the adoption of cloud technology.

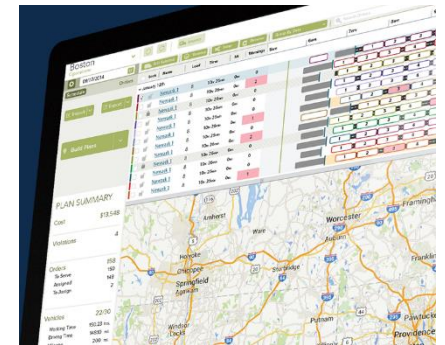
Industry analysts project for the ERP market a growth rate of around 8 percent for 2017–2018 and a compound annual growth rate for the coming five years in the 7 percent region.

ACQUISITION OF WORKWAVE

A COMPLEMENTARY SERVICE PROPOSITION

ADDS FURTHER BREADTH TO IFS'S OFFERING

- A market-leading and integrated Field Service Management, Fleet Management, and Marketing Software-as-a-Service (SaaS) platform for small- and medium-sized (SMB) service businesses.
- 260 employees. Headquarters in Holmdel, New Jersey, USA. Additional offices in St. Louis, Boston, Hawaii, and Italy.
- Some 7,300 customers in targeted verticals: pest control (WorkWave is the leader), lawn and landscape, cleaning and janitorial, heating/ventilation/AC (HVAC), and transportation.
- Both IFS and WorkWave focus on service-centric industries and are fully complementary, serving different market segments and focusing on diverse verticals.



THE STRATEGY CONTINUES

TO BE THE INTELLIGENT ALTERNATIVE

INVEST IN A STRATEGY TO:

- Deliver global projects on time and on budget with a lower TCO.
- Focus on specific sectors that see sustained long-term investment.
- Work close with customers, to share ideas and have an 'open' customer-centric R&D organization.
- Have an 'open' technology that seeks to enable customers to benefit from new innovations and not aim to achieve 'lock-in.'



STRONG UNDERLYING BUSINESS

HIGHLY-COMPETITIVE CONTRACTS IN TARGET SECTORS

REMA TIP TOP

INDUSTRIAL MANUFACTURING

GERMANY



Rema Tip Top, a global provider in conveying and treatment technology, surface protection, and tire repair, announced that it would implement IFS Service Management to replace previously customized software and create a new service platform for all business areas.

W.B. CHAMBERS

PROCESS MANUFACTURING

UNITED KINGDOM



W.B. Chambers, the grower, importer, and packer of quality fruits, announced that it had chosen IFS Applications 9 to automate and monitor processes and support growth. The solution will enable greater business intelligence, new processes, and innovation efforts.

SIGNIFICANT CUSTOMER WINS Q4 2016–Q3 2017




AEROSPACE AND DEFENSE

-  American Airlines
-  General Dynamics
-  Middle East Propulsion Company
-  RUAG Space
-  Saab
-  Southwest Airlines






ASSET INTENSIVE

-  SSAB Europa







AUTOMOTIVE

-  Audi Motorsport
-  Gerhardt Kunststofftechnik
-  Volvo










CONSTRUCTION AND CONTRACTING

-  ACCO Engineered Systems
-  Barnhart Crane & Rigging Co.
-  Energy Systems Group
-  Gk Gruppen
-  Skanska UK
-  Systra
-  TGL Group


















ENERGY AND UTILITIES





-  Allinq
-  Corix Utility Services (U.S.)
-  Energy Utility Corp. Ltd Rwanda
-  Glitre Energi
-  Hafslund
-  Litgrid

HIGH-TECH MANUFACTURING






-  Airmar Technology Corporation
-  Circuit Check
-  Election Systems & Software
-  GS Sweden
-  Kyocera Document Solutions Europe
-  maxon motor
-  Raven Industries
-  Restek Corporation
-  Teledyne

INDUSTRIAL MANUFACTURING














-  Aratubo
-  Automated Packaging Systems
-  Brett Group
-  Contiga
-  Decodom
-  Dibal
-  Global Finishing Solutions
-  Heinz-Glas
-  Jensen Precast
-  Karl Marbach
-  Kongskilde Industries
-  Merrill Technologies Group
-  Nolato
-  Plastic 7A
-  PowerSecure International
-  Rema Tip Top
-  Schultness Maschinen

-  Server Products
-  Sigma 3 (Holdings)
-  Skyjack (Linamar)
-  Tomra Sorting




OIL AND GAS






-  Archer Norge
-  BW Offshore Norway
-  FR Tri-Point
-  Odfjell Drilling
-  Petroleum Geo-Services

PROCESS MANUFACTURING

-  AirBoss of America Corp.
-  BIM Kemi Sweden
-  Bridgetown Natural Foods
-  Emil Frei
-  Gaia Herbs
-  Glas Trösch
-  Legendary Baking
-  LGC
-  McGean-Rohco
-  Preferred Compounding Corp.
-  Rio Branco Industria de Papeis
-  Saba Shared Service Center
-  Standard Process

RETAIL AND WHOLESALE

-  BYGGmax
-  CML Microsystems
-  Corwell

-  Felleskjøpet Rogaland Agder
-  Gina Tricot
-  NetOnNet Group
-  Sears Canada
-  Stadium

SERVICE PROVIDERS

-  Ainsworth
-  Alcontrol Laboratories
-  Avinor
-  Brady Trane Service
-  Lassila & Tikanoja (Veolia)
-  Mistras Group
-  Monarch Landscape Holdings
-  Oleter Group
-  Sporveien Oslo
-  Superior Propane
-  Teleplan International

OTHER

-  Bang & Bonsomer Group
-  BCA Expertise
-  Centric Nordic Holding
-  Ilias
-  ING Groep
-  Lanka Bangla Finance
-  Nationale Politie
-  Q-TC
-  VR Track
-  Wilhelmsen Maritime Services

OUTLOOK



IFS CONTINUES ITS **INVESTMENT PROGRAM** TO DEVELOP **GROWTH DRIVERS**. A **GOOD OUTLOOK** FOR THE FULL YEAR IS SUPPORTED BY **STRONG PERFORMANCE** AND **STRATEGIC ACQUISITIONS**.



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