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FIRST QUARTER 2017

CONTINUED STRONG GROWTH



ALASTAIR SORBIE, CEO & PAUL SMITH, CFO

May 2, 2017

CHIEF EXECUTIVE SUMMARY

CONTINUED STRONG GROWTH

Our growth in license revenue in the first quarter was 26 percent, currency adjusted, compared to the same quarter last year. If we add in the contribution from our recent acquisition Mxi, which was completed this quarter, the growth figure is more than doubled. This shows that our strategy for both our organic and inorganic growth is executing well. It can be seen from the sample of customers provided below that we continue to win business across our target markets and in all our geographies. We are also seeing growth in our recurring maintenance of 7 percent, adjusted for currency, and notably a growth of 90 percent in our managed cloud offering. This growth demonstrates that IFS is a resilient business, given that a number of our target markets are still experiencing challenges. We look forward to an exciting year of continued growth under our new owners EQT.

Alastair Sorbie

President and CEO

FINANCIAL AND OPERATIONAL HIGHLIGHTS

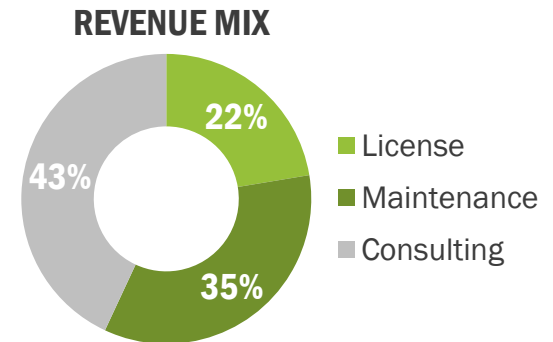
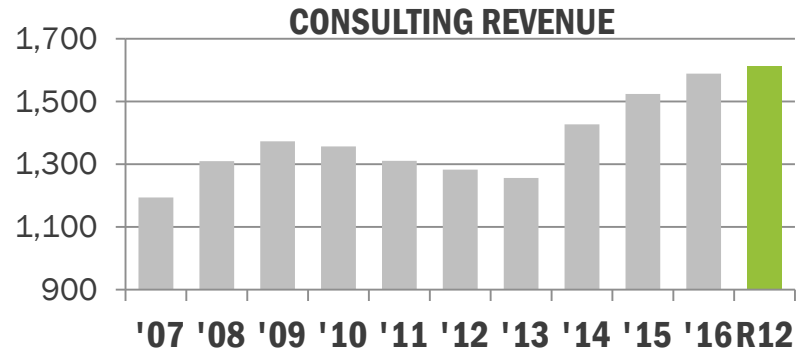
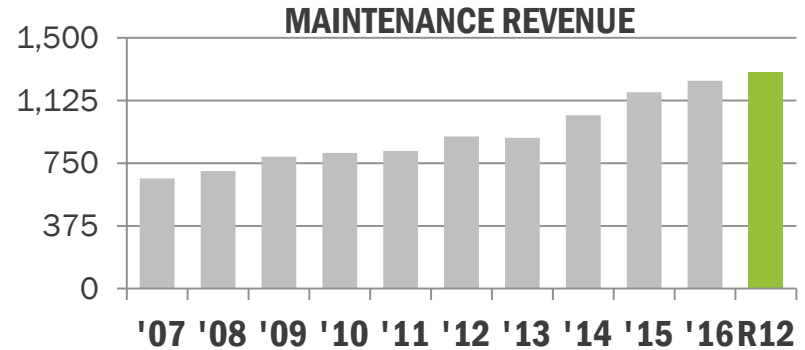
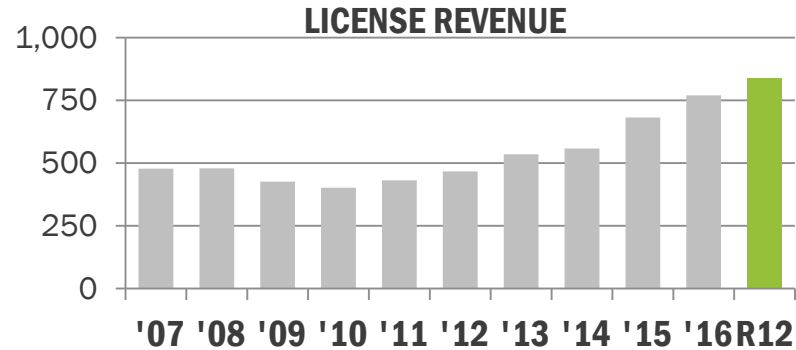
CONTINUED STRONG GROWTH

FIRST QUARTER (JANUARY–MARCH 2017)

- License revenue was SKr 171 million (Q1 '16: 102 million), an increase of 60 percent in constant currency and an increase of 26 percent in constant currency after adjustment for the acquisition of Mxi.
- Maintenance and support revenue amounted to SKr 350 million (Q1 '16: 296 million), an increase of 15 percent in constant currency and an increase of 7 percent in constant currency after adjustment for the acquisition of Mxi.
- Consulting revenue was SKr 429 million (Q1 '16: 404 million), an increase of 2 percent in constant currency and a decrease of 9 percent in constant currency after adjustment for the acquisition of Mxi.
- Net revenue amounted to SKr 969 million (Q1 '16: 811 million), an increase of 15 percent in constant currency and an increase of 2 percent in constant currency after adjustment for the acquisition of Mxi Technologies.

FINANCIAL OVERVIEW

A GROWING BUSINESS



MARKET UPDATE

FIRST QUARTER



MARKET OUTLOOK—THE ANALYSTS' VIEW

The enterprise software market as a whole grew by 7 percent in 2016, thanks especially to higher demand in business intelligence, CRM, and enterprise content management. In particular, the ERP market increased by 5 percent and industry analysts such as Gartner expect a growth rate of some 7 percent in 2017 and a compound annual growth rate for the coming five years in the 6–7 percent region.

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.'
- Grow the business organically and profitably, using the cash generated to undertake complimentary M&A.



STRONG UNDERLYING BUSINESS

HIGHLY-COMPETITIVE CONTRACTS IN TARGET SECTORS

HEINZ-GLAS

INDUSTRIAL MANUFACTURING

GERMANY



Heinz-Glas, a global manufacturer of glass flacons and caps for the perfume and cosmetics industry, has decided to implement IFS Applications 9 as its future-proof platform. The solution will support its international growth and power its digital transformation projects.

CULLIGAN MIDDLE EAST

PROCESS MANUFACTURING






UNITED ARAB EMIRATES





The Middle East division of Culligan, the leader in water treatment, has selected IFS Applications 9 to optimize its business units and support its growth. The solution will enhance mission-critical processes at its facilities in Dubai, Abu Dhabi, Sharjah, Qatar, and Bahrain.

SIGNIFICANT CUSTOMER WINS Q2 2016-Q1 2017

AEROSPACE AND DEFENSE

-  Affinity Flying Training Services
-  General Dynamics
-  Middle East Propulsion Company
-  RUAG Space
-  Saab

ASSET INTENSIVE

-  BillerudKorsnäs
-  Unimim Corporation







AUTOMOTIVE

-  Volvo


CONSTRUCTION AND CONTRACTING









-  Barnhart Crane & Rigging Co.
-  Energy Systems Group
-  HKC - Hala Ken Consulting
-  Madic
-  Sanken Overseas
-  Systra
-  VARD Group

ENERGY AND UTILITIES

















-  Allinq
-  Corix Utility Services (US)
-  Energy Utility Corp. Ltd Rwanda
-  Litgrid
-  Port of Duqm
-  Service Stream

HIGH-TECH MANUFACTURING

-  Airmar Technology Corporation






-  Election Systems & Software
-  GS Sweden
-  HIMA Paul Hildebrandt
-  maxon motor
-  Sizewise Rentals
-  Sté Fr. Détecteurs Infrarouges
-  Teledyne Oil & Gas
-  Teledyne Technologies

INDUSTRIAL MANUFACTURING

-  ACR II Aluminium Group Cooperatief
-  Aratubo
-  Automated Packaging Systems
-  Bugaboo
-  Callenberg Group
-  Cappelen Holding
-  Cincinnati Inc.
-  Circor International
-  Contiga
-  DH Pace Company
-  Dibal
-  EBARA Intl Corp. Cryodynamics
-  Figeac Aéro
-  Hakama
-  Heinz-Glas
-  Jensen Precast
-  JLA Group
-  Kongskilde Industries
-  Kosan Crisplant



-  Leidos Innovations
-  Merrill Technologies Group
-  Moelven Industrier
-  Morgan GRP
-  Nolato
-  Plastic 7A
-  PowerSecure International
-  Prodomax Automation
-  Server Products
-  Sigma 3 (Holdings)
-  TBS Engineering
-  Tomra Sorting
-  UTC CCS Manufacturing Polska
-  Zero Zone

OIL AND GAS

-  FR Tri-Point
-  Leopad
-  Odfjell Drilling
-  Petroleum Geo-Services
-  Rowan Companies

PROCESS MANUFACTURING

-  BIM Kemi Sweden
-  Evolution
-  Jotun
-  Legendary Baking
-  LGC
-  McGean-Rohco
-  New Pig Corporation

-  Rio Branco Industria de Papeis
-  Saba Shared Service Center

RETAIL AND WHOLESALE

-  BYGGmax
-  Corwell
-  Felleskjøpet Rogaland Agder
-  Gina Tricot
-  NetOnNet Group
-  Sears Canada

SERVICE PROVIDERS

-  Ainsworth
-  Alcontrol Laboratories
-  Avinor
-  Mistras Group
-  Polygon International
-  Speed Wrench
-  Sporveien Oslo
-  Superior Propane
-  Swedavia
-  Teleplan International

OTHER

-  Bang & Bonsomer Group
-  Ilias
-  ING Groep
-  Lanka Bangla Finance
-  Nationale Politie
-  Q-TC
-  Wilhelmsen Maritime Services

OUTLOOK



IFS LOOKS FORWARD TO AN
EXCITING YEAR OF **CONTINUED GROWTH**
UNDER ITS NEW OWNER EQT.



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