

IFS Year in Review: 2020

#momentofservice



When
service
matters



IFS

[ifs.com](https://www.ifs.com)

EMAAR



Contents

- 4. Our Business in Numbers
- 6. Letter from Our CEO
- 8. Our Proposition
- 10. Moment of Service
 - 10. The Rolls-Royce Story
 - 12. The Cubic Transportation Story
 - 14. The Jotun Story
- 16. Our Industry Recognition & Awards
- 18. Our Market

- 20. Our Strategy
- 22. Our Business Model:
Delivering on Our 2025 Vision
- 24. Corporate Responsibility:
Sustainability & Giving Back
- 26. The IFS Foundation
- 28. Our Executive Leadership Team
- 30. Our People



IFS develops and delivers enterprise software for companies around the world who manufacture and distribute goods, build and maintain assets, and manage service-focused operations. Within our single platform, our industry specific products are innately connected to a single data model and use embedded digital innovation so that our customers can be their best when it really matters to their customers-at the Moment of Service. The industry expertise of our people and of our growing ecosystem, together with a commitment to deliver value at every step, has made IFS a recognized leader and the most recommended supplier in our sector. Every day, our team of 4,000 employees live our values of agility, trustworthiness and collaboration in how we support our 10,000+ customers.

#momentofservice

Our Business in Numbers



Revenue & Growth (2020 vs. 2019)

+60%

Increase in Cloud revenue YoY

+43%

Increase in recurring revenue YoY

+26%

Increase in software revenue YoY



Highlights

+105%

Increase in service management license revenue YoY

80%

Recurring revenue share of software revenue

+78%

Growth in adjusted Cash EBITDA (equivalent 23% margin)



Customers

10,000+

Customers globally

6,000+

Active users in the IFS Community

+200

New logos across IFS's core industries in 2020



Partners

+28%

Partner contribution to license revenue

500+

Partners

+1,400

Additional certified partner consultants vs. 2019



Company & People

4,147

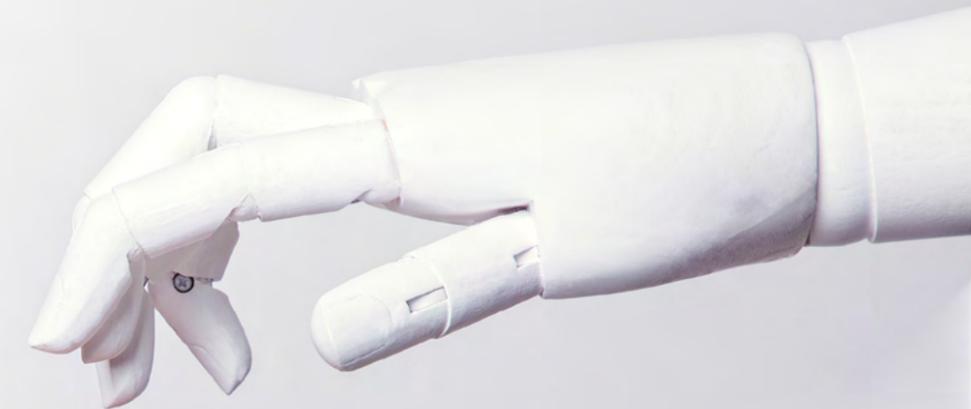
Employees (year-end 2020)

50+

Countries where IFS supports customers

+34%

Of IFS employees are women, 9% above the industry average in tech



Letter from Our CEO

Darren Roos

2020 was a difficult year for many, and whether personally or in business, everyone had to make adjustments. I am pleased to say that, despite the pandemic, IFS secured hugely positive results and emerged a strong and healthy business, uniquely positioned to deliver customer and shareholder value. I am honored by the trust, partnership and confidence our customers continue to place in IFS. And I feel privileged to lead a global team who, despite having to adapt to new ways of working, kept on delivering and delighting our customers.

In 2020, our software revenue grew at 26%, and net revenue at 14%. Cost saving initiatives implemented early in 2020 enabled us to protect our cash EBITDA, clearly demonstrating our ability to protect our business's bottom line. Strategic growth areas also performed well, with cloud revenue increasing 60% YoY and service management license revenue growing at 105% YoY. Recurring revenue also grew at 43% YoY and now represents 80% of software revenues. Lastly, in line with our strategy to grow both our ecosystem and the proportion of services carried out by partners, consulting revenue declined at 7%.

2020 was also the year in which we welcomed TA Associates as an investor, completed the acquisition of Clevest, won the biggest deals in our company's history, grew our ecosystem to over 500 IFS trained partners, maintained our highest levels of customer retention and were named as 'Leader' in the most sought-after categories in third party analysts' reports.

We are all delighted with these results, but more than that, I am personally humbled by the continued drive, resilience, creativity, and collaboration our partners and employees have shown; I firmly believe that only the very best and healthiest businesses could have achieved these results under the circumstances we faced, and I thank everyone for their contribution.

Customers continue to place their trust in IFS, and many have proactively come to us to share the pressure they are under and the changing expectations they have from their customers. Servitization is not a hypothetical concept, it is very real. Customers and consumers want better service and guaranteed outcomes, with experiences that delight them every time.

Our customers know they need to differentiate themselves through service, and they have asked for IFS' help and guidance in building their service capabilities.

This desire for change is something IFS foresaw, and it has been guiding our growth strategy, our M&A strategy and our product roadmap.

Delivering value to our customers is at the core of everything we do: it's in our products, our services and in how our teams engage every day. It's a fundamental principle that is understood by every one of our employees, every member of our leadership team, and every partner in our ecosystem. This obsession with value puts IFS in a unique position to support our customers on their Servitization and Digital Transformation journeys in a way that no one else can. It's part of what makes IFS a respected partner, employer, and corporate citizen.

Today, in keeping with our desire to remain a respected member of the global business community, we acknowledge our duty to uphold a sustainability agenda that reaches both within IFS and outside of it, and ultimately helps us become a better corporate citizen. As I write this, we are putting in place our 3-year sustainability plan. This will focus on our customers, our own business and our employees. We've asked ourselves who IFS wants to be, what our brand stands for and how can we help our employees to give their best every day.

Answering these questions helps us keep to our True North, keeping us focused on our customers' needs, and helping them deliver outstanding Moments of Service to their own customers.



Darren Roos
Chief Executive Officer



Delivering value to our customers is at the core of everything we do: it's in our products, our services, and in how our teams engage every day. It's a fundamental principle that is understood by every one of our employees, every member of our leadership team, and every partner in our ecosystem. This obsession with value puts IFS in a unique position to support our customers on their Servitization and Digital Transformation journeys in a way that no one else can. It's part of what makes IFS a leading partner, employer, and corporate citizen."

Our proposition

Enabling customers to deliver their Moment of Service



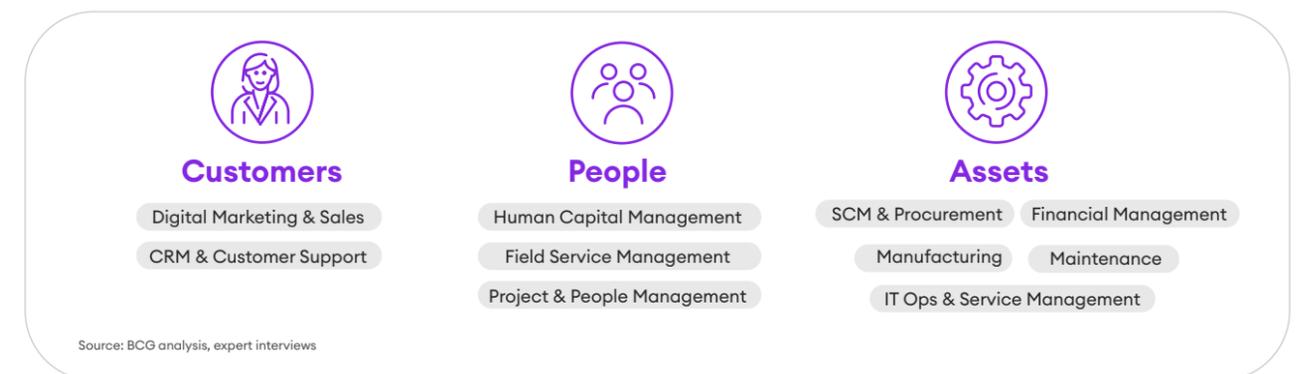
It's no longer about different solutions for FSM, EAM, ERP, CRM... It's about how an organization comes together to deliver that Moment of Service.

We help companies ensure the right people are in the right place at the right time, before and after delivery. We help our customers efficiently manage supply chains and value chains. We help them optimize assets. And we stitch these elements together to help our customers create an outstanding Moment of Service. This is the moment on which they are ultimately judged.

Getting the Moment of Service right is a complex challenge that applies to every part of our customers' businesses. With their own customers, they must achieve high satisfaction and generate repeat business. With their workforce, they must hire the right people. And with their assets, they must deliver on their promises with operational effectiveness.

We have architected every part of our proposition to address these complex challenges.

- **Time to value.** We focus on delivering value where it matters most to our customers, whether that's realizing value from their investment, driving innovation, or transforming their business to deliver their Moment of Service.
- **Choice.** IFS remains committed to offering customers options, rather than forcing them down a particular path. This philosophy applies to everything, from where and how they deploy their solutions, to which services they select to support these solutions, to how they prefer to pay for these solutions. This is driven by our core value of agility.
- **Digital Transformation orchestration and delivery.** Businesses are now modeling against a new market landscape and adopting a service-led value chain that encompasses customers, people and assets. We give our customers a clear path to easier and faster Digital Transformation across these areas. This requires innovative technology to create new capabilities, support existing and new processes, provide actionable insights, connect to suppliers and customers and to track profitability.
- **Industry expertise of our people and partners.** IFS is comprised of passionate specialists whose outstanding loyalty allows IFS to build industry experience to differentiate from other vendors. This is driven by our core value of collaboration.
- **Commitment to doing what we say we'll do.** We have a strong track record of execution, delivering what we say we'll deliver, and when we say we'll deliver it for 3+ years running. This applies to both our delivery of solution sets and services, as well as on our financial targets. This is driven by our core value of trustworthiness.
- **Global footprint, with strongholds in Europe and North America.** IFS maintains a mature stronghold in Europe with Americas. APJ, ME&A are relatively small compared to our other markets but are expanding with high growth driven by leveraging partners.



Moment of Service:

The Rolls-Royce Story

Rolls-Royce puts the 'servitization' in Moment of Service



With more than 16,000 military engines in service and 160 customers in 103 countries, Rolls-Royce is a powerful player in the defense aero engine market. From combat to transport, from trainers to helicopters, their engines and innovative service solutions ensure that their customers have world-leading engine technology available, whatever the mission demands. Servitization is an essential focus for jet engine manufacturer Rolls-Royce and is enabled by the company's investment in Digital Transformation. Rolls-Royce's servitization journey has improved customer experience and satisfaction while enabling a business model based on the value derived from data, analytics, and its digital platform.

Historically, Rolls-Royce has been thought of as an industrial and manufacturing company. But as the aviation industry grew and as customers' demand for, and reliance on, air travel has increased, the company has become an increasingly digital organization in a digital industry. Understanding this dynamic and the need to evolve, Rolls-Royce developed a sophisticated digital organization to differentiate the company through its service. Through this digital organization, Rolls-Royce has introduced services that customers use to manage their fleets to compliment the company's deep product history and expertise.

In a highly complex manufacturing industry like civil aerospace, one cannot underestimate the enormous amount of testing and collaboration across a supply chain with tens of thousands of parts in different places around the world. Most of Rolls-Royce's aerospace assets might be with their customers for 25-30 years and in operation for 25,000 hours before heavy maintenance is needed.

For Rolls-Royce customers, keeping the assets flying as long and efficiently as possible is business critical. Tracking those assets, understanding how each and every one of those thousands of parts are working together, understanding the health and use of the asset, and then being able to plan, predict, and take action to maximize uptime and utilization provides immense value.

Every day, Rolls-Royce collects data about how each flight performs in real-time. Every time an aircraft takes off, they collect data on pressures, temperatures, speeds, data from the control system and more. From this analysis, Rolls-Royce can detect issues before they might happen. Leveraging this data to equip customers to power decisions and actions on its products is servitization at its finest – and it all started with a deep understanding of what is most important to its customers.

Over the course of the last couple of decades, Rolls-Royce has experienced a total shift in mindset from a core focus on product to the power of providing product plus service enabled by digital technology. This is the foundation of Rolls-Royce's vision, which the company refers to as the IntelligentEngine.

Rolls-Royce attributes their success to a network of proven partners with a track record of data creation and data management. Russell Masters, VP Digital Services summarizes, "we partner with companies like IFS in the spirit of creating this trusted data exchange with our customers. Partnering with IFS has been a fantastic experience. We've been able to accelerate our journey along the data exchange, data sharing, and development, and we really enjoy the partnership with IFS in helping us build out this trusted data exchange to deliver the ultimate service experience for our customers."



We partner with people like IFS because that's very much in the spirit of creating this trusted data exchange with our customers. Partnering with IFS has been a fantastic experience. We've been able to accelerate our journey along the data exchange, data sharing, and development, and we really enjoy the partnership with IFS in helping us build out this trusted data exchange to deliver the ultimate service experience for our customers."

Russell Masters, VP Digital Services



Moment of Service:

The Cubic Transportation Story

Cubic Transportation enables critical customer outcomes by mastering the Moment of Service



Cubic Transportation Systems, Inc. (CTS) is the subsidiary of Cubic Corporation that produces, markets and operates public transport fare reading and payment systems globally. Cubic has over 130,000 transit devices installed around the world and more than 60% of public transit rides in the US, UK and Australia are taken using Cubic systems. Cubic's vision for city management and integrated traveler payment and information focuses on three core principles: the delivery of an integrated customer experience, one customer account for all travel and integrated operations and analytics across all modes of transportation.

Service organizations across the globe are painstakingly aware that the historical break/fix service model is no longer satisfying customers. Customers are demanding outcomes – uptime, peace of mind, and results. The adaptation necessary to meet these ever-increasing demands requires perfectly orchestrating the Moment of Service. Doing so is no small feat, but Cubic Transportation Systems (CTS) is an example of a company who has tackled this transformation with steely resolve and is leading the charge in delivering what today's customers want.

When you look at the practical illustration of what it takes for CTS to deliver this sort of innovation to its customers, it takes a significant amount of strategy, enablement, and execution to bring that commitment to life.

CTS recognized that its customers were committed to improving the experiences of their customers, which put pressure on CTS to find ways to deliver even higher levels of service – or outcomes. What its customers were looking for is the guarantee of almost-constant uptime, which requires the Moment of Service to be executed perfectly. When CTS embarked on the outcomes-based service journey with its customer Transport for London (TfL), the local government body responsible for the transport system in Greater London, it examined the Moment of Service and determined what criteria were necessary to achieve the uptime requirements.

CTS knew it couldn't deliver the outcomes customers like TfL expect without relying on technology. "Technology is the path to delivering outcomes-based service," says Mike Gosling, IT Service Platforms Manager. "Adding field engineers to meet the demands of outcomes is not reasonable – technology is critical in today's service landscape."

CTS relies on IFS to manage work orders, parts and assets as well as contracts, warranty, invoicing and billing to give CTS the required visibility of what's being done in the field. CTS also uses IFS Planning & Scheduling Optimization (PSO), a real-time scheduling and optimization software that uses AI and advanced algorithms to deliver the optimum schedule. "IFS Planning & Scheduling Optimization is a phenomenally powerful tool," says Gosling. "It is key to use delivering the outcomes our customers want in the most efficient way possible."

Since CTS started its journey to delivering outcomes, and with its focus on mindset, development of key metrics, prioritization of change management, utilization of technology including IFS, and an eye toward continual improvement, the company has seen tangible improvements in uptime.



Technology is the path to outcomes-based service; adding field engineers to meet the demands of our customers is not reasonable – technology is critical in today's service landscape. IFS Planning & Scheduling Optimization is a phenomenally powerful tool and has been key to us delivering the outcomes our customers want in the most efficient way possible."

Mike Gosling, IT Service Platforms Manager at CTS



Moment of Service:

The Jotun Story

Jotun makes the Moment of Service meaningful across the value chain



Jotun has organized its global operations into seven regions responsible for the sale of decorative paints as well as marine, protective and powder coatings. The company has 38 production facilities, 67 companies and is represented in more than 100 countries around the world. Jotun Decorative Paints manufactures, sells and distributes interior and exterior paints to consumers and professionals worldwide; Jotun Marine Coatings is the world's leading provider of marine coatings to shipowners and management companies for newbuilding, drydock and seastock; Jotun Protective Coatings protects assets in industries such as offshore, energy, infrastructure and hydrocarbon processing industry; and Jotun Powder Coatings is a leading supplier of powder coatings to companies active in industries related to appliances, furniture, building components, pipelines and general industries.

Jotun uses IFS ERP across the 40 countries it operates in to provide the company a single source of truth. "IFS has given us a single source of truth, but it also acted as a catalyst for us to standardize our processes globally so that we are consistent across the companies," says Trond Aune, Global ERP Manager at Jotun. "This initiative wasn't an IT project, it was a huge business project that created alignment, process optimization and standardization, and global visibility. Many companies don't have the patience this takes and turn to local installations. It was important to us to stay focused on attaining that single source of truth."

As Jotun considers the larger role the Moment of Service will play in its future, its IFS foundation will prove even more beneficial. "Traditionally, of course, Jotun has sold products. We're still focused on producing and selling high-quality products, but we have also seen the opportunity of selling services together with the products," explains Aune. "We are seeing the gradual turn toward Servitization where our customers don't only want our products, they want us to sell the outcome of what our products can give. Jotun sees the potential of the Moment of Service and Servitization and while selling paint will still be the major business, of course, this is an opportunity for us."



In its Marine Coatings segment, for example, Jotun is offering customers information and data about climate and sea conditions so they can plan their routes in the most efficient way. "We have that data, and we have valuable experience that our customers find valuable," says Aune. "We are offering products and services which actually clean the hull of one huge ship – so we are offering the hardware, the software, and the services to clean the hull of the ship, reduce the fuel consumption of the ship, and increase the profitability for the owners. We see the potential of this direction of not only selling paints but adding services and packaging our products in such a way that meets our customers' needs."



Traditionally, of course, Jotun has sold products. We're still focused on producing and selling high-quality products, but we have also seen the opportunity of selling services together with the products. We are seeing the gradual turn toward Servitization where our customers don't only want our products. They want us to sell the outcome of what our products can give. Jotun sees the potential of the Moment of Service and Servitization and while selling paint will still be the major business, of course, this is an opportunity for us."

Trond Aune, Global ERP Manager, Jotun



Our Industry Recognition & Awards



Industry awards

- **Transform Awards: Best Brand Development Project (Bronze)**
IFS named for its work in corporate, product and global brand development, in categories including strategy, execution, content and evaluation.
- **CRN, The Channel Company: 5-Star Rating in 2020 Partner Program Guide**
IFS named for its rewarding partner program through its IT channel.
- **ICE Awards: Best Use of Technology**
IFS wins 1st Place: Best Use of Technology for the 2019 IFS World Conference, 2nd Place: Best International Event
- **Hermes Creative Awards: Platinum**
IFS Challenger Magazine is recognized with highest honors and awarded Hermes Platinum Creative Award
- **Dell Boomi Partner Summit: Global ISV Partner of the Year**
IFS is recognized by Boomi™, a Dell Technologies™ business, as ISV Global Partner of the Year
- **Tech Ascension Leadership Awards: CEO of the Year, Darren Roos**
Darren Roos recognized for challenging the status quo, empowering women in leadership roles and the innovation + growth of IFS.
- **UK IT Industry Awards 2020: Business Innovation of the Year – IFS Remote Assistance**
IFS wins recognition from the UK's largest and most well-known event in the technology industry calendar.
- **Construction & Computing Awards: Asset Management Software of the Year**
IFS recognized for its work to drive the industry forward.



IFS named a leader:

For 5th consecutive time: Gartner 2020 Magic Quadrant for Field Service Management

IDC 2020 MarketScape for SaaS and Cloud-Enabled Large Enterprise ERP Applications

IDC 2020 SaaS and Cloud-Enabled Asset-Intensive EAM Applications

For 9th consecutive time: Constellation ShortList for Field Service Management

Constellation ShortList for Product-Centric Cloud ERP



Unparalleled customer advocacy

FSM

FSM RATING VS.COMPETITORS

IFS:4.9

Salesforce:4.5
Microsoft:4.5
ClickSoftware:4.5
Oracle:4.0

EAM

FSM RATING VS.COMPETITORS

IFS:4.4

SAP:4.3
Oracle:4.3
Infor:4.3
IBM:4.2

ERP

FSM RATING VS.COMPETITORS

IFS:4.7

SAP:4.3
Microsoft:4.2
Oracle:4.2
Infor:4.1



The true measure of **Sustainable success** is how our customer feel about us, and how they rate us.

Across all of our solutions, we consistently have the **highest customer feedback scores.**

As of Dec 3rd 2020 based on reviews in the past 12 months
The GARTNER PEER INSIGHTS CUSTOMERS' CHOICE badge and the GARTNER PEER INSIGHTS logo are trademarks and service marks of Gartner, Inc. and/or its affiliates and are used herein with permission. All rights reserved. Gartner Peer Insights Customers' Choice constitute the subjective opinions of individual end-user reviews, ratings, and data applied against a documented methodology; they neither represent the views of, nor constitute an endorsement by, Gartner or its affiliates.

Our Market

Market trends:

2020 saw massive market disruption with the onset of the global pandemic due to Covid-19, but the pandemic also highlighted the need to drive growth and change through digitization and automation. A 2020 IFS study conducted during the pandemic revealed that 70% of organizations had plans to maintain or increase spend in Digital Transformation initiatives despite economic uncertainties¹. Thus, the need for digitization, along with intelligence and automation, only accelerated in 2020.

In the next 3-5 years, IFS forecasts several trends that will both impact and propel IFS's business. Firstly, **servitization** has come to the fore as customers attempt to differentiate beyond product and basic services, requiring them to provide more value-added services. With servitization, there is an acute need for technologies that support new business models and outcome-based service contracts as well as 'remote everything.'

Secondly, the **'composable enterprise'** is expected to disrupt the market in 2021 and beyond. According to Gartner, the composable enterprise is one that adopts an adaptable technology strategy providing a core of composable applications and platforms that are highly interoperable and configurable – a departure from the monolithic 'megasuites' of the last decade.²

By 2023, organizations that have adopted a composable approach will outpace competition by 80% in the speed of new feature implementation.³

By 2023, 60% of mainstream organizations will include becoming a composable enterprise as a strategic objective and will use an increasing number of packaged business capabilities.⁴

Automation is another trend that IFS continues to anticipate having a major impact on our customers. With increased AI capabilities inside intelligent business systems comes increased capacity to automate processes and redesign new business models that leverage technologies like RPA (robotic process automation).

Intelligent automation will make firms more resilient, agile, and scalable. Over the next three years, pragmatic AI technologies, such as text, image,

and voice analytics capabilities, will mature in both RPA and DPA (digital process automation) platforms. The result? An army of digital workers and process automations, capable of working with highly complex data and learning how to make ever more complex decisions correctly.⁵

By 2024, organizations will lower operational costs by 30% by combining hyperautomation technologies with redesigned operational processes.⁶

The market landscape is changing

- Monolithic → Composable
- On Premises → Cloud
- Products → Service
- Periodic Upgrades → Evergreen

Our view of the market:

- IFS enables its customers to deliver on their Moment of Service. From a market perspective, this translates into seamless management across customers, people and assets.
- The ability of an organization to connect these 3 essential components of a business through a single digital platform is where value creation can be maximized.
- IFS goes to market with one platform that is optimized to provide capabilities across enterprise resource planning (ERP), enterprise asset management (EAM), field service management (FSM), human capital management (HCM) and IT service management (ITSM).
- Taking advantage of our recent acquisitions and latest capabilities, we have been able to extend our opportunity beyond our 5 core verticals.
- Our total addressable market (TAM) was \$107 billion USD in 2020, with a compound growth rate of 11% YoY, taking it to \$178 billion USD in 2025.⁷

¹IFS Global Study, Digital Transformation Investment in 2020 and Beyond: Factors in the Success or Failure of Technology Investments in the Post Pandemic Era, April 2020

²Gartner, The Future of ERP is Composable, Oct 2020

³Gartner – Top Strategic Technology Trends for 2021: Intelligent Composable Business, February 2021

⁴Gartner – Top 10 Strategic Technology Trends for 2020: Multiexperience, March 2020

⁵Forrester - Trend: Automation Roadmaps Are Getting Recast, Aug 2020

⁶Gartner – Top Strategic Technology Trends for 2021, Oct 2020

⁷Source: Commissioned study by BCG, 2020



Total addressable market 2020

\$35B+USD



Customers

12%

CAGR 2020-24

Digital Marketing & Sales

CRM & Customer Support

\$17B+USD



People

13%

CAGR 2020-24

Human Capital Management

Field Service Management

Project & People Management

\$55B+USD



Assets

9%

CAGR 2020-24

SCM & Procurement

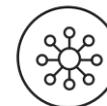
Manufacturing Maintenance

Financial Management

IT Ops & Service Management

Source: BCG analysis, expert interviews

Growth, from a traditional view of the market:



ERP

+9.9%

CAGR 2021-24

ERP: Gartner, Forecast: Enterprise Application Software, Worldwide, 4Q20 Update



EAM

+6.6%

CAGR 2021-24

EAM: Gartner, Forecast: Enterprise Application Software, Worldwide, 4Q20 Update



FSM

+7.1%

CAGR 2021-24

FSM: ARC Advisory Group, FSM Market Overview, August 2020



ITSM

+15.9%

CAGR 2021-24

ITSM: Forecast: Enterprise Infrastructure Software, Worldwide, 2018-2024, 4Q20 Update

Our Strategy

Delivering our 2025 vision



Approach: revenue growth

01. Increase share of license revenue contributed by partners. Focus skilled IFS sales and account management resources on larger enterprises (\$500m-\$5bn+). Enable global ecosystem of channel sales partners to support the mid-market (\$200m-\$1bn).
02. Increase percentage of software revenue that's recurring so that we can improve revenue predictability and sales momentum when handing over from one year to the next.
03. Increase average deal size as IFS attracts larger customers.
04. Increase total addressable market through expansion of existing capabilities, including organic and inorganic initiatives. Apply our deep experience in delivering solutions across customer / people / asset management to expand beyond our 5 core industries.

28%

Partner contribution to license revenue

\$650k USD

Average deal size in 2020

\$107B USD

Total Addressable Market



Approach: margin enhancement

01. While driving software revenue growth, reduce the share of revenue from consulting and ensure the consulting business is more profitable through focus on higher margin, repeatable business.
02. Leverage partners and skilled talent from lower cost markets to complete the spectrum of global support.
03. Drive increases in recurring revenues by delivering a single Cloud platform that leverages our full suite of capabilities across Service Management, Enterprise Resource Planning and Enterprise Asset Management to provide superior customer outcomes.
04. Employ the latest versions of IFS's own technology to power our business activities and manage this process from cost effective locations.

+20%

Growth of software as % of revenue through 2024

+90%

Software revenues recurring in 2024

#IFSrunsIFS

IFS on its own latest version



Sustainability



Environmental: help customers increase energy efficiency, save resources and reduce carbon emissions by developing our products, solutions and services using a lifecycle perspective; remain committed to reducing our own carbon emissions in the areas of travel, fleet and office space.



Social: through a focus on philanthropy, foster long-term relationships with local societies through Corporate Citizenship projects with partners; promote a 'zero-harm culture', prioritize the health of our employees, as well as drive a complete diversity agenda.



Governance: work with our stakeholders to manage project and reputational risks; contribute to the competitiveness of our customers with our products, solutions, and services and ensure complete compliance with data privacy and cyber security practices; adhere to the highest compliance and anti-corruption standards, anti-slavery, and promote integrity; fight corruption and fraud through collective action, education, and training.

Our Business Model

Designing a scalable go-to-market strategy



Expertise

Unlike most of our competitors, IFS has differentiated itself by developing true depth & breadth in its core industries, which has been validated time and time again by Gartner, IDC, Constellation Research and its own customers.

In 2020 and beyond, these core industries are comprised of Aerospace & Defense; Energy, Utilities & Resources; Engineering, Construction & Infrastructure; Manufacturing; Service.



With the acquisitions of Astea (2019), Clevest (2020) and Axios (2021), IFS continues to expand the expertise of its global service management business. Today, IFS's service solutions deliver the most robust end-to-end service management capabilities of any other provider in the industry.



Customers

IFS prospects and customers are distributed across Strategic Key Accounts, Enterprise Accounts and Commercial Accounts (which are run by our Channel). Each of these segments is serviced by experts from within IFS and from our partners to ensure a superior experience through the entire sales cycle and product lifecycle – but also to enable IFS to meet margin objectives.



Partners & channels

The fulfillment of its business strategy, as well as the ability to offer customers choice completely depends upon IFS's extensive, global partner network.

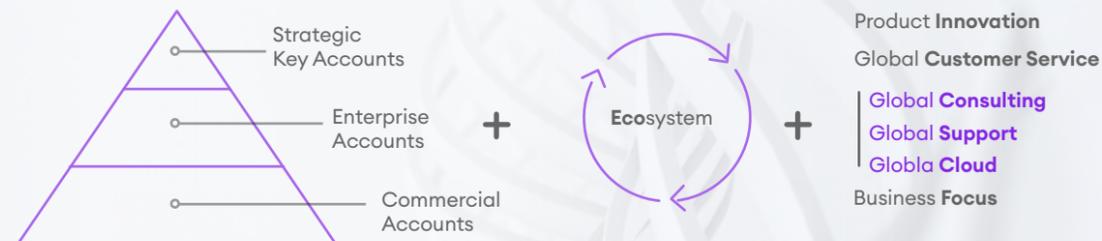
Starting in 2019, the company rolled out a new infrastructure for how Partners support IFS's customers going forward. In 2020, we saw partners involved in over 30% of IFS's deals and a contribution by partners of 28% of license revenues overall.



Product Technology

With IFS Cloud, IFS provides a single product that delivers class-leading solutions across Service Management, Enterprise Resource Planning and Enterprise Asset Management. Our proposition centers on:

- 01. One single product.** With IFS Cloud, customers can access all IFS solutions and capabilities from a single product, built on a common platform.
- 02. Industry depth.** IFS Cloud lets customers harness a level of industry experience and expertise they won't find in other products.
- 03. Innovation embedded and ready to use.** Underpinning our IFS Cloud solution, our Application Services encompass IoT, advanced scheduling, augmented collaboration, machine learning, digital twin and artificial intelligence.
- 04. Choice and parity, wherever customers deploy.** Customers choose where to deploy, whether in our cloud, or managing yourself, with no compromises or forced updates.
- 05. Delightful product experiences.** IFS Cloud has a responsive, people-first UI, and structured support for how you buy, implement, operate and extend it.



2020 Milestones in IFS's Success

- **7,211 mSEK**
net revenue for full year 2020
- **+14%**
net revenue vs. 2019
- **>50%**
license revenues from new logos in 2020
- **4x**
software revenues outpaced market growth in 2020
- **+37%**
Aerospace & Defense license revenues vs. 2019
- **+105%**
Service Management license revenues vs. 2019
- **+34%**
Brand Awareness growth since 2019
- **6,000**
membership of global IFS Community
- Successful acquisition of Clevest (2020) to drive growth in key growth area of service management
- Double-digit growth in Software Revenue for all three regions (Americas, APJ-ME&A, Europe)

Corporate Responsibility

Sustainability & giving back

Our own business

In line with the United Nations Sustainable Development Goals, IFS has identified several areas where it will increase its focus for greater impact.

- **Education:** the IFS Education Program already works with nearly 80 universities and higher education institutions globally. Over the course of the next three years, IFS plans to expand the program to 150 institutions globally.
- **Reducing Carbon Emissions:** IFS is committed to reducing its carbon footprint. From mid-2019 to date, IFS has reduced the square meterage of its global real estate by 9.5 percent, shrunk its car fleet by 86 percent versus 2019 and is committing to reach carbon neutrality by 2025.
- **Philanthropy:** IFS champions and partners with the IFS Foundation to alleviate poverty and other social ills in Sri Lanka rural villages - Sri Lanka is home to the largest proportion of the IFS workforce.
- **Developing an Impact Mindset:** this spans from paid volunteer days to diversity in the organization to governance on crucial issues like Human Rights and Anti-Slavery.

Our customers' businesses

IFS is committed to delivering technologies that help customers increase energy efficiency. This encompasses initiatives like building sustainability management capabilities in our IFS Cloud platform and focused innovation for sustainability through activities like our annual hackathon and our IFS Incubator program.

Our industry at large

To raise awareness around the importance of sustainability at a macro level and to help improve its own approach to sustainability, IFS has made two significant appointments: Director Global Sustainability (ESG) and Sustainability Ambassador.



IFS has a long-term responsible approach to creating value for customers. By considering sustainability as an integral part of our business model we not only capture value creating opportunities, but we can mitigate risks and stay on course to be successful in our sustainability strategy. The progress achieved over the last couple of years to improve IFS's approach to sustainability has been meaningful, but with the launch of this multi-year plan we are holding ourselves accountable. This is meaningful to our customers, our employees, our owners and our community at large."

Darren Roos, IFS CEO



We need governments, businesses and individuals to all play a role in making positive change. I am pleased to be working with IFS whose team is clearly taking the issue of sustainability seriously. Having the ability to engage with their ecosystem of customers and partners presents an opportunity to have an impact at scale. Climate change is an existential threat to life on earth. We now need all hands-on deck to tackle this crisis."

Lewis Pugh, IFS Sustainability Ambassador

Diversity & inclusion

- In the UK, a mentoring scheme was piloted from June to December. This six-month mentoring scheme focused on personal development and soft skills. In order to further address gender equality within IFS, this mentoring scheme was aimed at women at any stage of their career. Volunteer mentors consisted of both men and women throughout the business. 24 mentoring pairs took part and initial feedback suggests that the majority of mentees (and mentors) had found it beneficial.
- By the end of 2020, women made up 34% percent of IFS employees (2019: 33%). This is +9% above industry average for women in tech roles.
- Of the 566 IFS Managers, 408 are male and 158 females (at 27%) in 2020. IFS is committed to improving this ratio.

Health & well-being

- In 2020, IFS increased focus on the mental well-being of employees. Not only is mental health seen as a fundamental part of health and wellbeing, but the need for focus was recognized throughout 2020 due to the challenges of COVID-19. Addressing current challenges and providing coping mechanisms is important to maintain a productive, resilient and healthy workforce, able to adapt to change.
- Topics included the importance of seeking help, the benefits of physical exercise and practical advice around managing uncertainty and avoiding burnout. A guide for managers was also created to assist in maintaining relationships while working remotely and how to identify an employee who may be struggling with their mental health.
- In the APJ community, the Let's TALK program was conducted for five weeks. This program focused on creating a more connected, caring and collaborative culture through a structured approach to open communication. Although the program was voluntary, 10% of the regional workforce completed the course.
- IFS Sri Lanka also donated IT equipment to the CCC Foundation, a registered charity, in support of their suicide prevention helpline.

The IFS Foundation



IFS's corporate charity, the IFS Foundation, was established in 2019 as an independent entity and has since achieved charitable status in the US and the UK. It is now an independent registered charity in UK (No. 1191843) and is 501(c)3 certified in US (EIN 84-4440168).

There were three main projects completed in Welusumanapura, Sri Lanka in 2020, each aligned to specific United Nations Sustainability Development Goals (SDGs):

- Donation of new desks and chairs for a local school provide a better educational experience for more students (UN SDG 4)
- Development of a community garden at a local school to provide a useful education asset for the school, and a valuable source of nutrition for students, with any excess produce distributed within the local community (UN SDG 2)
- Renovation of the maternity ward at the local community hospital: IFS together with its customer Singer provisioned kitchen equipment to complete the fit out (UN SDG 3)

Additional Corporate Social Responsibility (CSR) activities in Welusumanapura include building toilets in homes currently without facilities, repairing water filtration systems at the community school and building a tube well on hospital grounds (UN SDG 6).

This charity will continue and extend our CSR work in Welusumanapura.

IFS continues to support the IFS Foundation and looks forward to partnering with the Foundation in 2021 and beyond to serve this important mission to support the communities in Sri Lanka.

Just as IFS is passionate about bringing practical innovation to its customers, we are equally as committed to, and passionate about, a practical approach to where we make an impact with giving back to the communities in which we operate.



In 2020, the IFS Foundation played a central role in several projects within Welusumanapura, Sri Lanka. These projects were supported by fundraising events such as Lockdown Live Aid, an online concert of talent from around IFS who volunteered their time for the foundation.

Our Executive Leadership Team

Executive Directors



Darren Roos
Chief Executive Officer (CEO)

As CEO, Darren leads the talented team at IFS to further scale the company's global business and extend its leadership position in the service management, enterprise asset management and enterprise resource planning markets. Prior to joining IFS, Darren was the President of SAP's global ERP Cloud business, where he had end-to-end responsibility for all product and go-to-market functions, and an organization of over 5,000 staff. Darren lives in the UK, where he enjoys spending time outside of work with his family.



Constance Minc
Chief Financial Officer (CFO)

With a passion for turning data into commercial insights, CFO Constance Minc makes sure the company's financial and administrative functions are harmonized and creating value for all parts of the business. Through transparency and operational effectiveness, this includes empowering employees with the necessary resources as well as an understanding of how their goals contribute to the success of the company as a whole. Constance has an MBA degree from INSEAD where she met her husband and with whom she has two boys.



Jane Keith
Chief Human Resources Officer

In her role at IFS, Jane leads the human resources program to ensure optimal employee engagement, recruitment, talent management, and business HR across the global organization. With trust, quality, and transparency as guiding principles, Jane's aim is to create a cohesive and collaborative HR team that has its finger on the pulse of the business and that works in partnership with business leaders to grow the organization. Prior to joining IFS, Jane worked for more than 22 years at Hewlett Packard and Hewlett Packard Enterprise, most recently as the UKI HR Director and the HR Vice President for Europe, Middle East and Africa. Jane also worked for two years as HR leader for the European Services and Consulting business at SAP.



Michael Ouissi
Chief Customer Officer (CCO)

Michael Ouissi is IFS's Chief Customer Officer (CCO), a global role that brings together all of the company's customer-facing functions in order to deliver to each customer a globally harmonized, superior customer experience and maximum business value from their investment in IFS. As part of this customer value approach, Michael is responsible for IFS's commercial strategy and revenue-generating activities. Prior to joining IFS, Michael worked for more than a decade at Software AG, where he was most recently a member of the Group Executive Board responsible for Customer Engagement Excellence.

Board Directors



Jonas Persson
Chairman of the Board

Principal occupation:
Directorships and advisor in software development

Other assignments:
Chairman of Peltarion, Sitecore, and StormGeo; board director of Skandia and Tia Technologies.

Previous assignments and work experience:
Former CEO of Microsoft Sweden and has held a number of senior positions within Microsoft, including as COO of Cloud services and software development engagements. Has also worked as a sales leader for consumer mobility solutions and vertical industry solutions in Europe. Board director of Automic Software.
Born 1968. Elected 2016.



Johannes Reichel
Board Director

Principal occupation:
Director at EQT Partners

Previous assignments and work experience:
Deutsche Bank. Deputy board director of Automic Software, CBR Fashion Group, and Lima Corporate.

Education:
B.Sc in Business Administration and MBA from the University of St Gallen, Switzerland.
Born 1981. Elected 2016.



Craig Conway
Board Director

Principal occupation:
Directorships

Other assignments:
Board director of Salesforce.com, Nutanix and Sitecore.

Previous assignments and work experience:
CEO of Peoplesoft, One Touch Systems, and TGV Software. Executive Chairman of Guidewire and Achievers. Board director of Pegasystems, AMD, Unisys, Success Factors, and others. Executive Vice President at Oracle Corporation.
Born 1954. Elected 2017.



Naveen Wadhwa
Board Director

Principal occupation:
Managing Director, TA Associates

Other assignments:
Board representation at Compusoft, DOCUnordic, Ideal Cures, Interswitch, Priority Software, RateGain, RLDatix

Previous assignments and work experience:
Co-founded TA's European and Asian efforts; currently co-head of TA's Europe Technology Group. Previous roles at Goldman Sachs, Accretive LLC, and Broadview International
Education:
BSc in System Engineering from University of Pennsylvania, MBA from Wharton School of Business
Elected: 2020.

Our People



When IFS's customers reflect on their experiences with the company, not only do they think about the value they derive from its solutions, they think of the first IFS sales team that engaged with them, the implementation consultants that sat in a room with them for weeks on end, and the support staff on hand to address their issues 24x7. IFS knows the best way to ultimately care for its customers – is to care for its employees.

Employee engagement:

- Despite the challenging climate in 2020, IFS achieved a strong Employee Engagement Index (EEI) score: 7.5/10 in 2020.
- In 2019, IFS launched its first annual Heartbeat Survey to the entire global workforce.
- This in-depth employee survey studied the sentiment of IFS employees across a range of work-life experiences and, most importantly, provided a clear benchmark for where the business needs to be.
- Heartbeat surveys are complemented by shorter 'Pulse' Surveys and conducted every 6 months.
- Since launching the Heartbeat survey, IFS has conducted 3 global surveys which highlight areas of greatest strengths, opportunities for improvement and insights for prioritizing actions.
- 24x7: First Response team set up to provide round-the-clock support and resources for IFS employees impacted by Covid-19
- Flexible working arrangements to support working families

New initiatives launched in 2020:

- New online Learning and Development platform launched with over 3,500 subscribers and 3,705 courses taken in 2020 – with an average course rating of 4.3/5
- Introduction of ASPIRE for global performance and development
- Launched the new bonus plan, enabling all eligible employees to share in the company's success
- Online jobs board so employees have visibility of every opening and can plan for their career development
- New global onboarding program so every new hire gets the same first class introductory experience



ifs.com

Be your best
when it matters most
to your customers:

