



IAR adopts new strategy – raise growth target

Uppsala, Sweden; December 5, 2024 – IAR announces today a revision of its long-term targets. This change reflects the company's new growth strategy, which broadens IAR's addressable market through technical and geographical expansion. The company adjusts its 3-5-year targets to 20% growth in local currency with an operating margin of at least 20%.

The flagship product, IAR Embedded Workbench, will be adapted for interoperability with third-party solutions from both commercial providers and open-source platforms. One key initiative is the integration of support for the Zephyr operating system from the Linux Foundation, a leading OS among major manufacturing companies. In 2025, IAR will further expand its collaborations and integrations with prominent open-source solutions.

These investments broaden IAR's portfolio from addressing only the MCU (microcontroller) market to also targeting the large and growing MPU (microprocessor) market. This shift enables the company to quickly integrate open innovation and respond to ecosystem developments, such as new programming languages like Rust.

Additionally, IAR is intensifying the development of IAR Embedded Workbench for the RISC-V architecture, which is now showing notable growth, also outside Asia.

"We currently hold a unique position in the MCU market. By opening our portfolio to collaborate with other service and software providers, both commercial and open-source, we position ourselves at the forefront and expand our total addressable market," says Cecilia Wachtmeister, CEO of IAR.

In H1 2025, IAR will launch a modernized subscription offering, replacing its current leading offering. This will allow customers seamless access to IAR's full product portfolio and cloud-based service suite, enabling both efficiency and modern, automated workflows for software development.

"We will introduce the subscription offering gradually, but we have already seen strong demand from our major customers," says Cecilia Wachtmeister.

IAR also plans to include all current and future functional safety certificates in its offering.

"Demand for products certified to meet functional safety requirements is growing at double digits in several of our vertical markets. The modernization of our packaging – an all-inclusive solution built on the breadth of our portfolio – uniquely positions IAR to meet market demand," Wachtmeister adds.

The new targets linked to IAR's growth strategy will be achieved within 3-5 years and may include minor acquisitions. In the short term, IAR may report lower growth and operating margins as the company transitions to a SaaS-enabled subscription model.

"IAR's fundamental goal is to stay above the 'Rule of 40. To achieve this, we must invest in R&D and drive innovation. We also need to strengthen our sales capabilities, both directly and through channels like distributors, in new geographies and global commercial partnerships with manufacturers and software companies," concludes Cecilia Wachtmeister.



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About IAR

At IAR, we provide world-leading software and services for embedded development, empowering companies globally to bring secure products that shape the future. Since its founding in 1983, our solutions have been instrumental in ensuring quality, security, reliability, and efficiency in the development of over one million embedded applications for a wide range of industries, including Automotive, Industrial Automation, IoT, MedTech, Military, and Public Safety sectors. With support for 15,000 devices from over 70 semiconductor partners, we are dedicated to fostering innovation and enabling our customers' success.

The company is headquartered in Uppsala, Sweden, with a global presence of sales and support offices strategically located across the world. IAR is an I.A.R. Systems Group AB subsidiary, listed on NASDAQ OMX Stockholm, Mid Cap (ticker symbol: IAR B). To learn more, visit us at www.iar.com.

Image Attachments

[IAR_Cecilia Wachtmeister_2024](#)

Attachments

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