Investor Presentation
Q3 2018 Results

8 November 2018

Forward-looking statements

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Highlights

Highlights Q3 2018

Financial Highlights

- Total revenue growth of -0.7% (Q2 2018: -1.6%) including -4.1% impact from currency and divestments
- Organic revenue growth of 3.4% (Q2 2018: 3.2%)
- Operating margin of 6.1% (Q3 2017: 6.3%)
- Cash conversion of 91% (Q2 2018: 97%) – or 95% excluding mobilisation of Deutsche Telekom
- Net profit (adjusted) of DKK 684 million (Q3 2017: DKK 764 million)
- Financial leverage of 2.9x (Q3 2017: 2.7x) – or 2.7x excluding currency impacts
- We are committed to maintaining the nominal ordinary 2018 dividend (paid in 2019) at least equal to 2017 (DKK 7.70 per share)

Commercial Highlights

- Total Key Accounts now represents 56% of Group revenue
- Revenue from Global Key Accounts decreased 3% in the first nine months of 2018 in local currency corresponding to 13% of Group revenue (H1 2018: 12%)
- Revenue from Integrated Facility Services (IFS) increased 9% in the first nine months of 2018 in local currency corresponding to 40% of Group revenue (H1 2018: 39%)
- Continued strong commercial momentum. Recent key contract developments include the win of TSB bank and a company in the retail segment in the UK as well as an extension of Nordea (Nordic) and Post Nord (Nordic)
- Transition and mobilisation of Deutsche Telekom on track
- Pipeline remains strong

Strategic Highlights

- Efficiency initiatives focusing on overhead costs through consolidation, centralisation and automation have been successfully initiated in the UK with early margin benefits continuing to be expected from Q4 2018
- Ongoing divestment of non-core activities in the Netherlands (set to close in November) and Hygiene and Prevention business in France
- We remain committed to delivering our strategy - The ISS Way. On 10 December 2018, we will host an investor call to provide a Strategy Update. Details will be available on the Investor section of www.issworld.com in due course

Regional performance Q3 2018

Continental Europe
39% of Group

5%
organic growth
(vs. 5% in Q2 2018)

- Strong growth in Turkey driven by the Healthcare segment as well as price increases…
- … contract launches and non-portfolio demand in especially Spain…
- … as well as strong growth in Turkey driven by the Healthcare segment…
- … and successful build-up of self-delivery catering capabilities in Austria
- Partly offset by revenue reduction from DXC Technology and an international bank in EMEA

6.4%
operating margin(1)
(vs. 6.8% in Q3 2017)

- Continued strong margin performance across several countries in the region…
- … was more than offset by large key account contracts phasing in and out…
- … as well as continued underperformance non-core activities in the Netherlands (divestment set to close in November 2018)
- YTD 2018: 5.6% (YTD 2017: 5.9%)

Northern Europe
30% of Group

1%
organic growth
(vs. 0% in Q2 2018)

- Strong growth in Denmark and Norway driven by key account contract launches and non-portfolio revenue…
- … as well as project work in the UK
- Important Key Account extensions and expansions in Sweden
- Partly offset by revenue reduction from DXC Technology, HP Inc, the EMEA region with an international bank and the UK Ministry of Defence

8.1%
operating margin(1)
(vs. 8.6% in Q2 2017)

- Decrease mainly due to large key account contracts phasing in and out…
- … and our investments in building-out Technical Services credentials
- YTD 2018: 6.2% (YTD 2017: 6.9%)

(1) Operating profit before other items and corporate costs

Regional performance Q3 2018

Asia Pacific
19% of Group

5%
organic growth
(vs. 5% in Q2 2018)

- Growth supported by most countries in the region…
- … and especially by contract launches in Australia, Hong Kong and Indonesia
- Partly offset by revenue reduction from DXC Technology and HP Inc
- China starting to deliver positive organic growth again following a period of deliberate strategic structural adjustments to our operating model

6.5%
operating margin(1)
(vs. 7.6% in Q3 2017)

- Development driven mainly by large key account contracts phasing in and out…
- … as well the ongoing normalisation of high margins in Singapore
- YTD 2018: 6.2% (YTD 2017: 7.5%)

Americas
12% of Group

0%
organic growth
(vs. 5% in Q2 2018)

- Continued strong growth from Guckenheimer and key account contract launches in the US…
- … as well as solid growth in Chile and Mexico
- Offset by revenue reduction from DXC Technology and HP Inc…
- … contract losses and limited new wins in Brazil…
- … as well as the impact from a tough non-portfolio comparable in H2 2017

4.0%
operating margin(1)
(vs. 2.5% in Q3 2017)

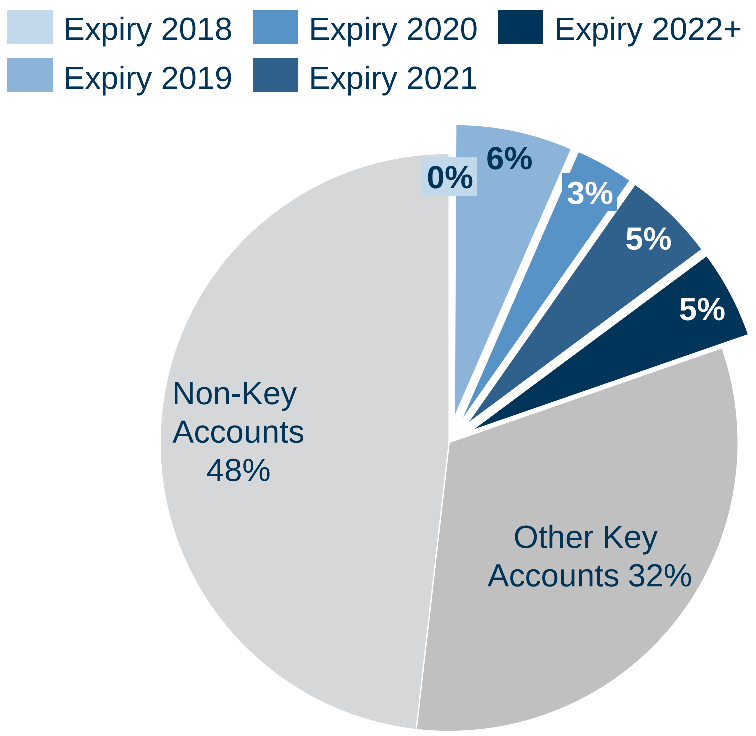
- Margin supported by Guckenheimer integration synergies and IFS performance in the US
- Partly offset by large key account contracts phasing in and out
- As expected, the margin remains impacted by operational challenges in the Specialised Services division in the US, where turnaround initiatives are ongoing
- YTD 2018: 3.0% (YTD 2017: 2.9%)

(1) Operating profit before other items and corporate costs

Continued strong commercial momentum

Key contract maturity profile

Large Key Accounts (1) :



Group revenue, 2017 (DKK 80 bn)

Key contract developments during Q3 2018

Nordea

postnord

TSB

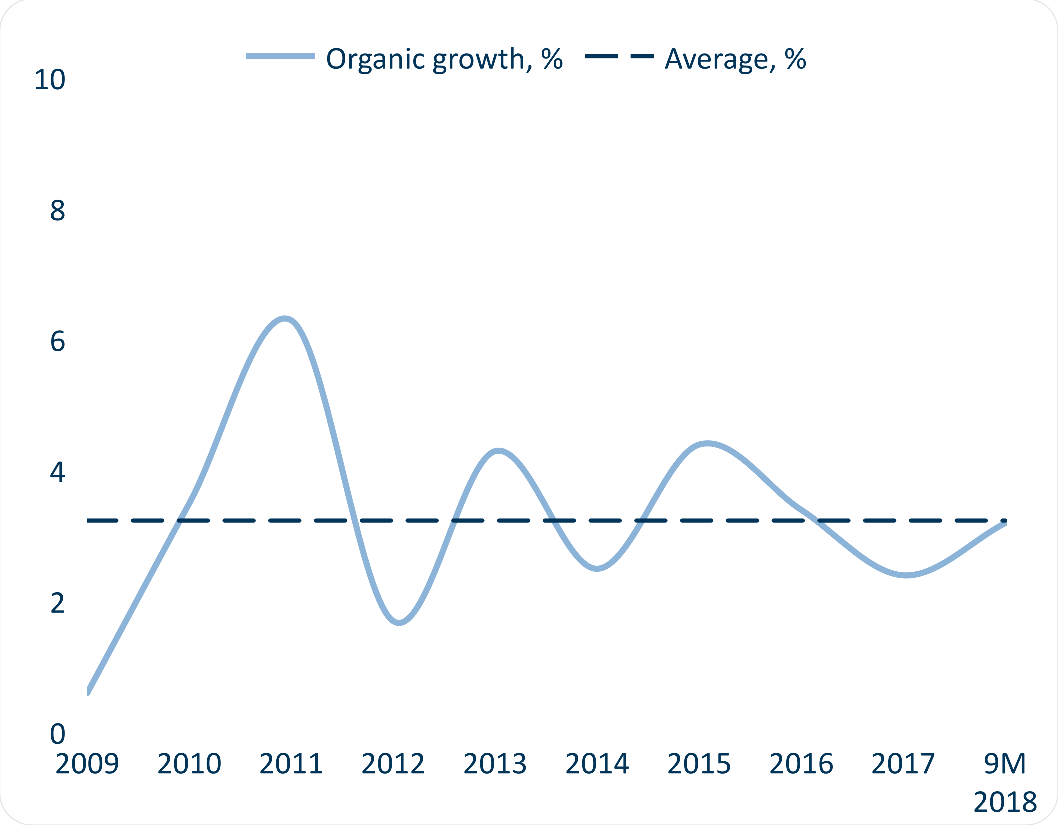
Company in the retail segment

(1) Existing Global Corporate Clients and Key Accounts with revenue above DKK 200m in 2017 (excl. confirmed losses by year-end 2017)

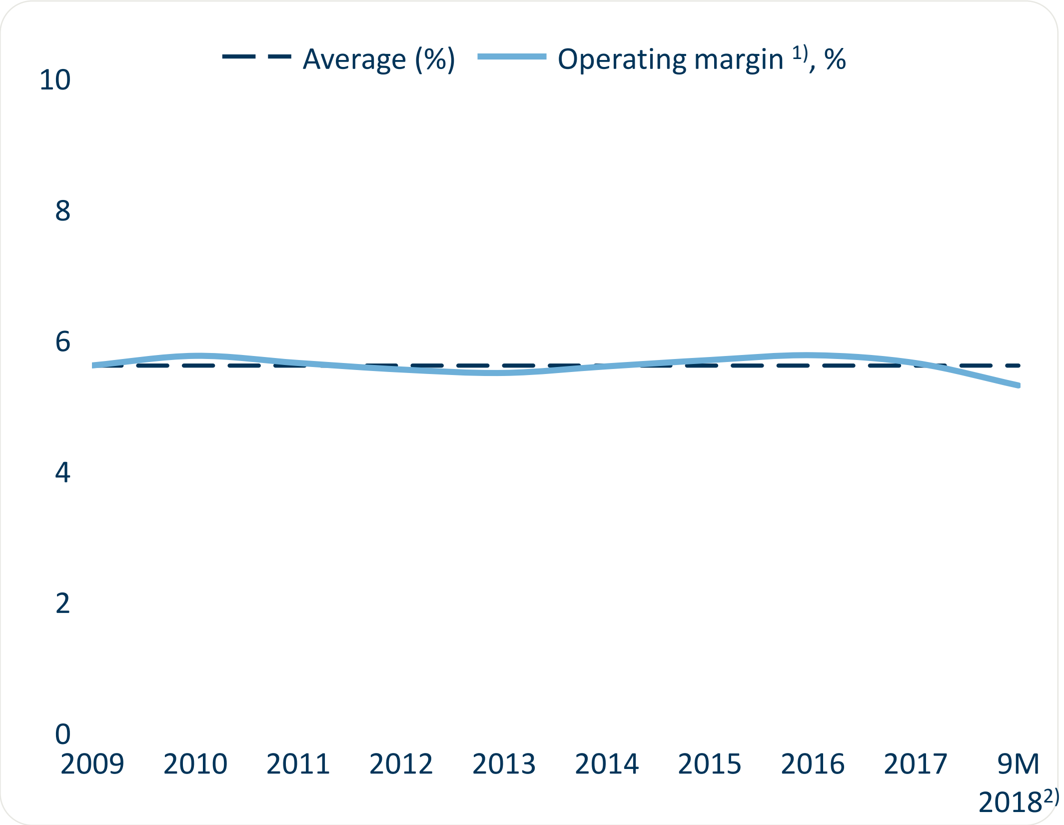
Financials

Solid and resilient business model - through the cycle

Resilient organic growth

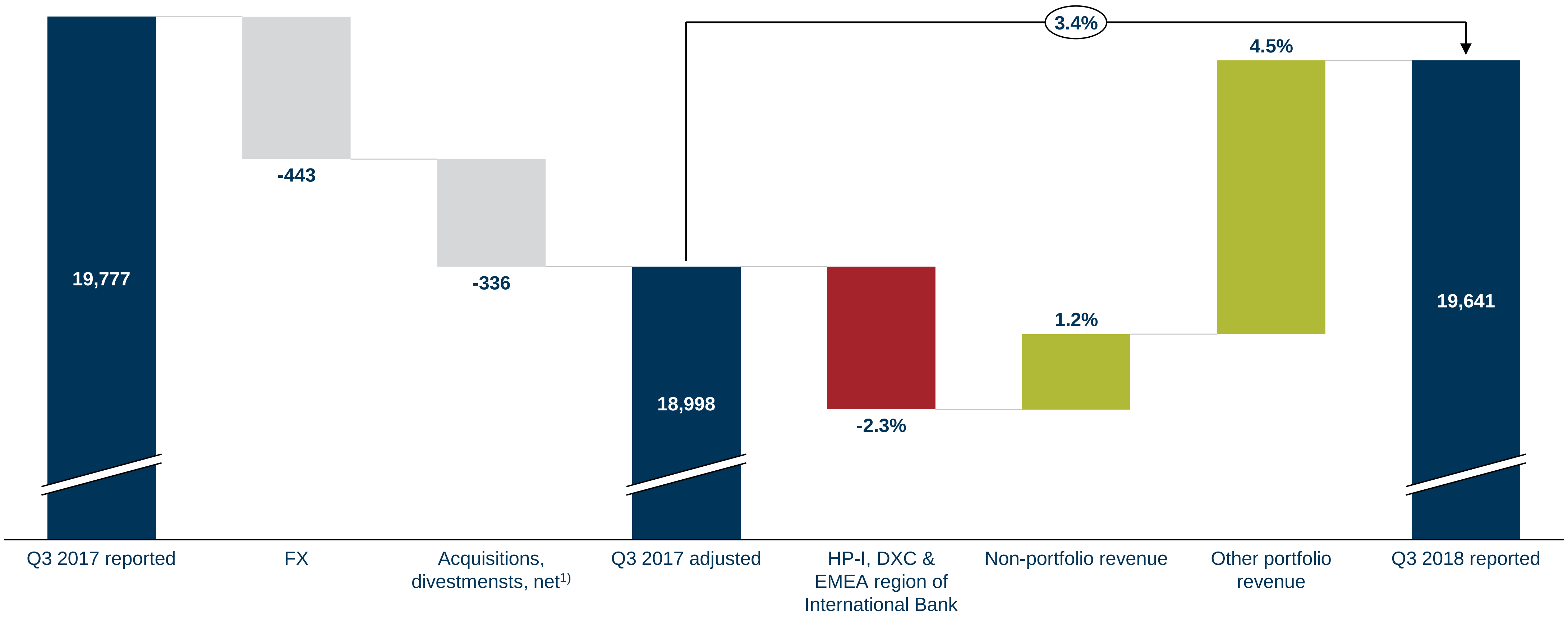


Long-term track record of margin stability



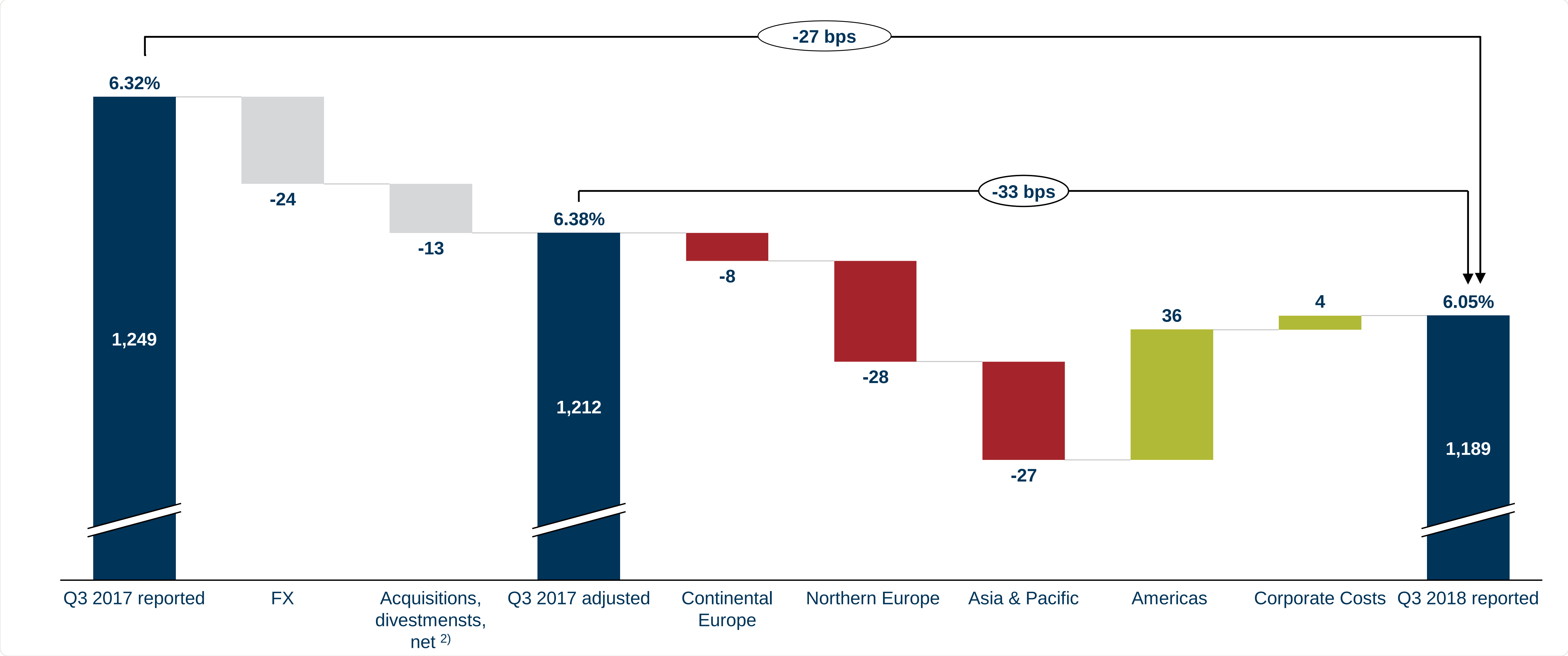
1) Operating profit before other items 2) LTM

Q3 2018 organic growth drivers (DKK m)



(1) Any acquisitions or divestments completed after 30 June 2017 are included within the Q3 2017 adjusted revenue but only for the equivalent period of time that they impact the Q3 2018 reported result.

Q3 2018 operating profit drivers[1] (DKK m)



(1) Operating profit before other items
(2) Any acquisitions or divestments completed after 30 June 2017 are included within the Q3 2017 adjusted operating profit but only for the equivalent period of time that they impact the Q3 2018 reported result.

Income Statement

DKK million	Q3 2018	Q3 2017	Δ	9M 2018	9M 2017	Δ
Revenue	**19,641**	**19,777**	**(136)**	**58,711**	**59,245**	**(534)**
Operating expenses	(18,452)	(18,528)	76	(55,810)	(56,042)	232
Operating profit before other items	**1,189**	**1,249**	**(60)**	**2,901**	**3,203**	**(302)**
Other income and expenses, net	(176)	(81)	(95)	(445)	(292)	(153)
Operating profit	**1,013**	**1,168**	**(155)**	**2,456**	**2,911**	**(455)**
Financial income and expenses, net	(155)	(143)	(12)	(464)	(392)	(72)
Profit before tax	**858**	**1,025**	**(167)**	**1,992**	**2,519**	**(527)**
Income taxes	(213)	(261)	48	(508)	(642)	134
Net profit (adjusted) from continuing operations	**645**	**764**	**(119)**	**1,484**	**1,877**	**(393)**
Net profit/(loss) (adjusted) from discontinued operations	39	-	39	(97)	(57)	(40)
Net profit (adjusted)	**684**	**764**	**(80)**	**1,387**	**1,820**	**(433)**
Goodwill impairment[(1)]	(28)	-	(28)	(681)	-	(681)
Amortisation and impairment of brands and customer contracts	(117)	(131)	14	(352)	(393)	41
Income tax effect	28	29	(1)	83	74	9
Net profit (reported)	**567**	**662**	**(95)**	**437**	**1,501**	**(1,064)**
Adjusted EPS, DKK[(2)]	3.7	4.1	(0.4)	7.5	9.8	(2.3)
Adjusted EPS from continuing operations, DKK[(3)]	3.5	4.1	(0.6)	8.0	10.1	(2.1)

- Mainly DKK 166 m related to the implementation of GREAT in France, Sweden and the US, as well restructuring related to upstart of efficiency initiatives in the UK

DKK million	Q3 2018	Q3 2017
Net interest expense	(121)	(100)
Amortisation of financing fees	(6)	(16)
Other[(4)]	(16)	(16)
FX	(12)	(11)
Financial income and expenses, net	**(155)**	**(143)**

- Effective tax rate of 25% (Q3 2017: 25.5%) – in line with the underlying effective tax rate going ahead (previously 26%)

- Gain of DKK 39 m related to translation effects (DKK/ARS)

- Goodwill impairment mainly related to the remeasurement and subsequent divestment of non-core activities in the Netherlands

(1) Including goodwill impairment from discontinued operations

(2) Calculated as Net profit (adjusted) divided by the average number of shares (diluted)

(3) Calculated as Net profit from continuing operations (adjusted) divided by the average number of shares (diluted)

(4) Includes recurring items – for example interest on defined benefit obligations and local banking fees

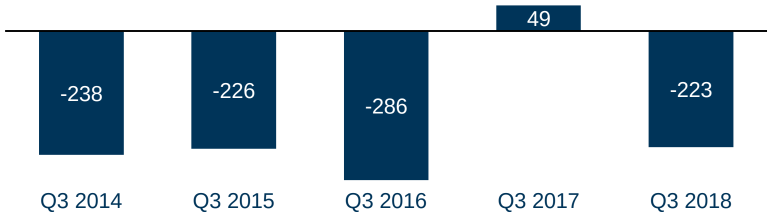
Cash Flow

DKK million	Q3 2018	Q3 2017	Δ	9M 2018	9M 2017	Δ
Operating profit before other items	1,189	1,249	(60)	2,901	3,203	(302)
Operating profit from discontinued operations	1	1	-	(4)	4	(8)
Depreciation and amortisation	176	181	(5)	504	535	(31)
Changes in provisions, pensions and similar obligations	(50)	(9)	(41)	(156)	(146)	(10)
Cash flow from Operations	**1,316**	**1,422**	**(106)**	**3,245**	**3,596**	**(351)**
Share based payments	18	(15)	33	35	7	28
Changes in working capital	(223)	49	(272)	(2,295)	(1,746)	(549)
Other expenses paid	(177)	(133)	(44)	(318)	(290)	(28)
Net interest paid/received	(114)	(32)	(82)	(310)	(220)	(90)
Income taxes paid	(119)	(176)	57	(583)	(653)	70
Cash flow from operating activities	**701**	**1,115**	**(414)**	**(226)**	**694**	**(920)**
Cash flow from investing activities	(304)	(237)	(67)	(679)	(2,106)	1,427
Cash flow from financing activities	(556)	(25)	(531)	(1,087)	883	(1,970)
Total cash flow	**(159)**	**853**	**(1,012)**	**(1,992)**	**(529)**	**(1,463)**
Free Cash Flow[(1)]	**441**	**867**	**(426)**	**(960)**	**2**	**(962)**
- of which relates to Deutsche Telekom transition and mobilisation cost	(74)	(5)	(69)	(137)	(30)	(107)

(1) *Cash flow from operating activities + (Cash flow from investing activities less acquisition/divestment of businesses, net)*

- LTM Cash conversion of 91% (95% excl. Deutche Telekom) driven by the transition and mobilisation of Deutsche Telekom as well as timing of collections and payments
- Outflow of DKK 74m (Q3 2017: DKK 5m) related to the transition and mobilisation of Deutsche Telekom
- Year-over –year decline on the back partly driven by a strong Q3 2017

Changes in Working Capital, DKK m



- DKK 70m related to the first annual coupon payment on the 10-year EUR bond issued in August 2017 (switch from quarterly to annual interest payments)

- CAPEX of DKK 257m or 1.3% of revenue (Q3 2017: DKK 238m) due quarterly timing differences and slightly higher investments in technology

- Reduction driven mainly by changes in Working Capital and lower Operating profit including negative FX effects

Outlook

Outlook 2018

Organic Growth: ‘1.5 - 3.5%’

(2017: 2.4%)

Operating Margin: ‘Around 5.6% excl. acquisitions, divestments and FX’

(2017: 5.65%)

Cash Conversion: ‘Above 90%’

(2017: 104%)

Impact on total revenue from divestments, acquisitions and foreign exchange rates in 2018

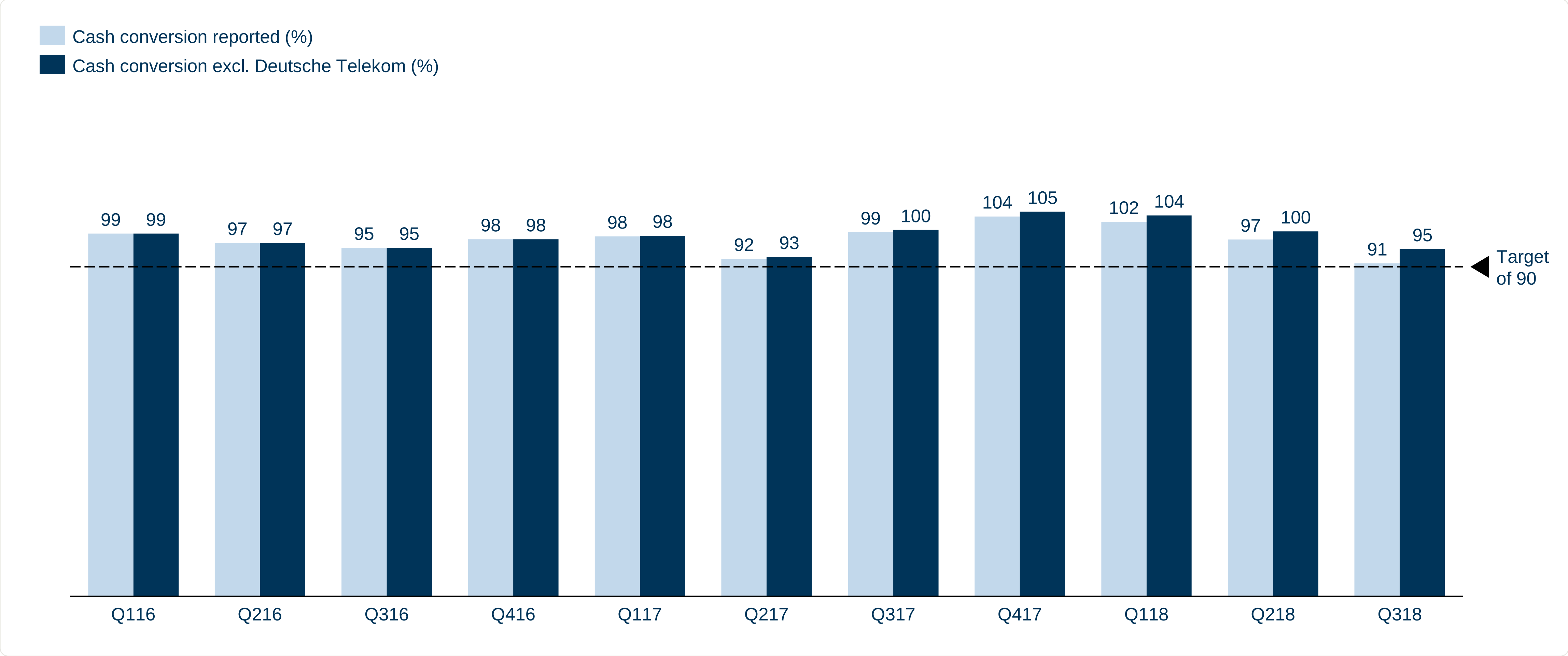
- We expect a negative impact on revenue growth from development in foreign exchange rates of approx. 3.0-4.0%[1)]
- We expect divestments and acquisitions to have a net impact of 0% to -1% on the revenue growth in 2018[2)]

1) *The forecasted average exchange rates for the financial year 2018 are calculated using the realised average exchange rates for the first ten months of 2018 and the average forward exchange rates (as of 1 November 2018) for the last two months of 2018.*
2) *Includes divestments and acquisitions completed by 31 October 2018 (including in 2017).*

Q&A

Appendix

Continued strong cash conversion



Cash conversion: (Operating profit before other items last twelve months (LTM) + Changes in working capital LTM) x 100 = Operating profit before other items (LTM)