

Annual General Meeting ISS A/S

2 April 2020

Today's speakers



Niels Heering
(Partner, Gorrissen Federspiel)



Lord Allen of Kensington Kt CBE
(Chairman)



Jeff Gravenhorst
Group CEO



Niels Heering

Partner at Gorrissen Federspiel

Chairman of the Annual General Meeting



Niels Heering

Partner at Gorrissen Federspiel

- Gorrissen Federspiel 1981-present
- Partner, Gorrissen Federspiel since 1986
- Managing Partner, Gorrissen Federspiel 2003-10
- Chairman of the Board, Gorrissen Federspiel 2010-15

Agenda

1. The Board of Directors' report on the Company's activities in the past financial year
2. Adoption of the annual report for 2019
3. Distribution of profit according to the adopted annual report
4. Resolution to grant discharge of liability to members of the Board of Directors and the Executive Group Management Board
5. Authorisation to acquire treasury shares
6. Approval of the remuneration to the Board of Directors for the current financial year
7. Election of members to the Board of Directors
8. Election of auditor
9. Proposals from the Board of Directors
 - a) Update of Remuneration Policy
10. Any other business



Lord Allen of Kensington Kt CBE

Chairman of the Board of Directors

It has been a mixed year

High-points

1

Industry-leading organic growth

2

Progress on non-core divestments

3

Re-allocation of capital to further strengthen
Key Account delivery capabilities

4

Progress on efficiency plans

Low-points

1

Underperformance in France during our
reorganisation and restructuring

2

Two loss-making contracts
(Demark and Hong Kong)

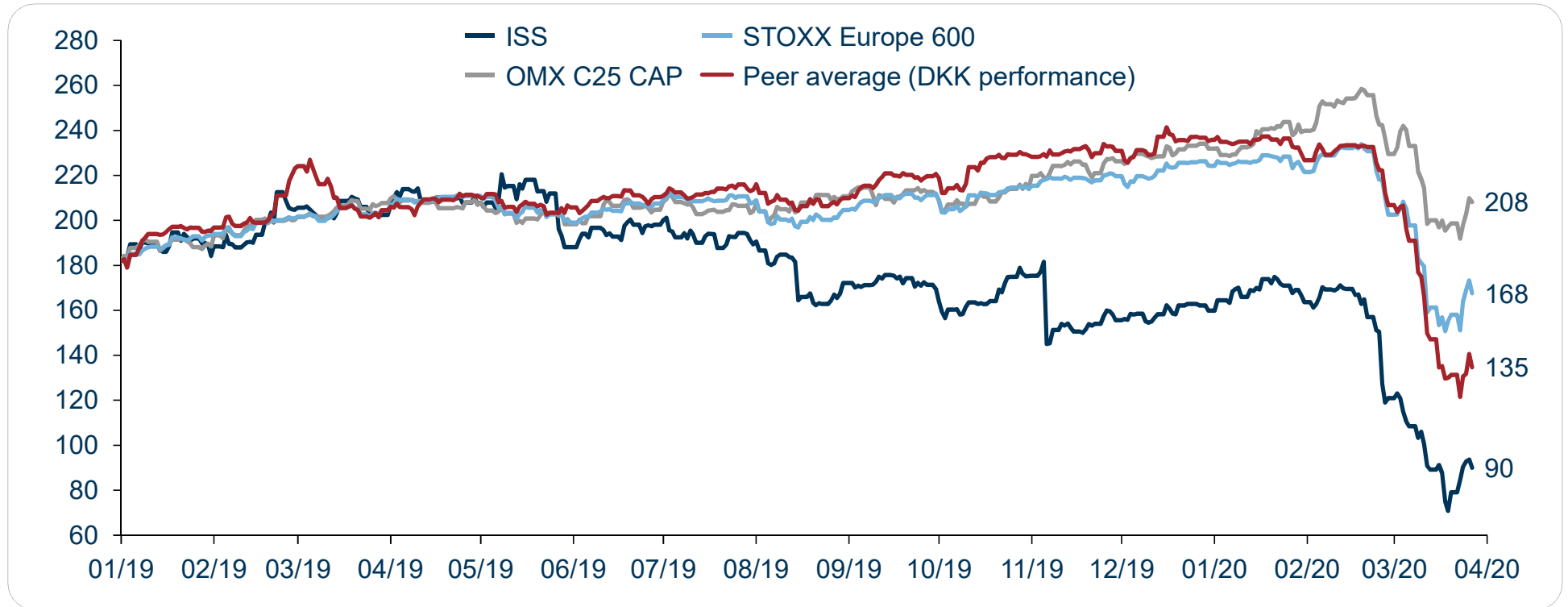
3

Provision in the UK on the back of
consolidation of systems

4

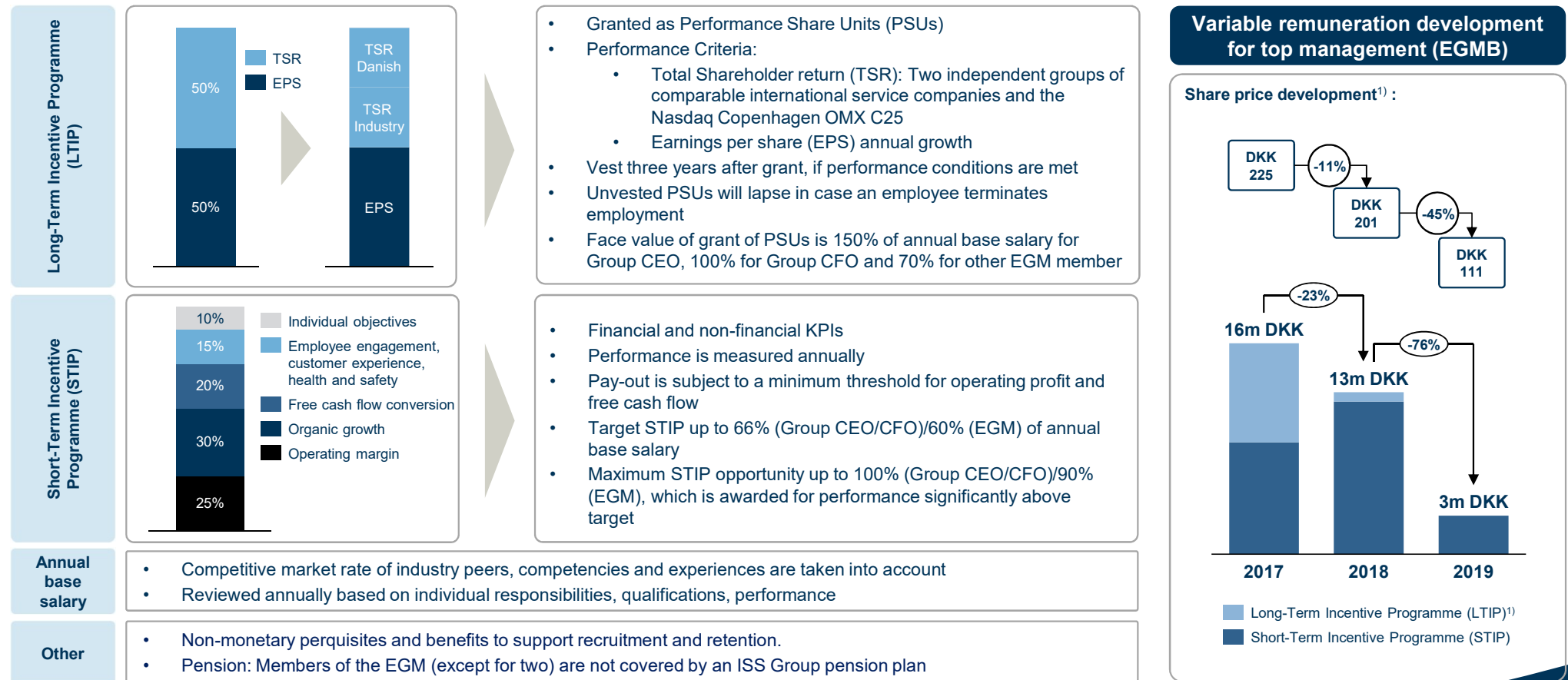
More recently (2020):
IT Malware Attack & COVID-19

ISS share price performance since January 2019



(1) Peer group includes the same international service peers used for LTIP purposes (p.80 in the 2019 annual report)

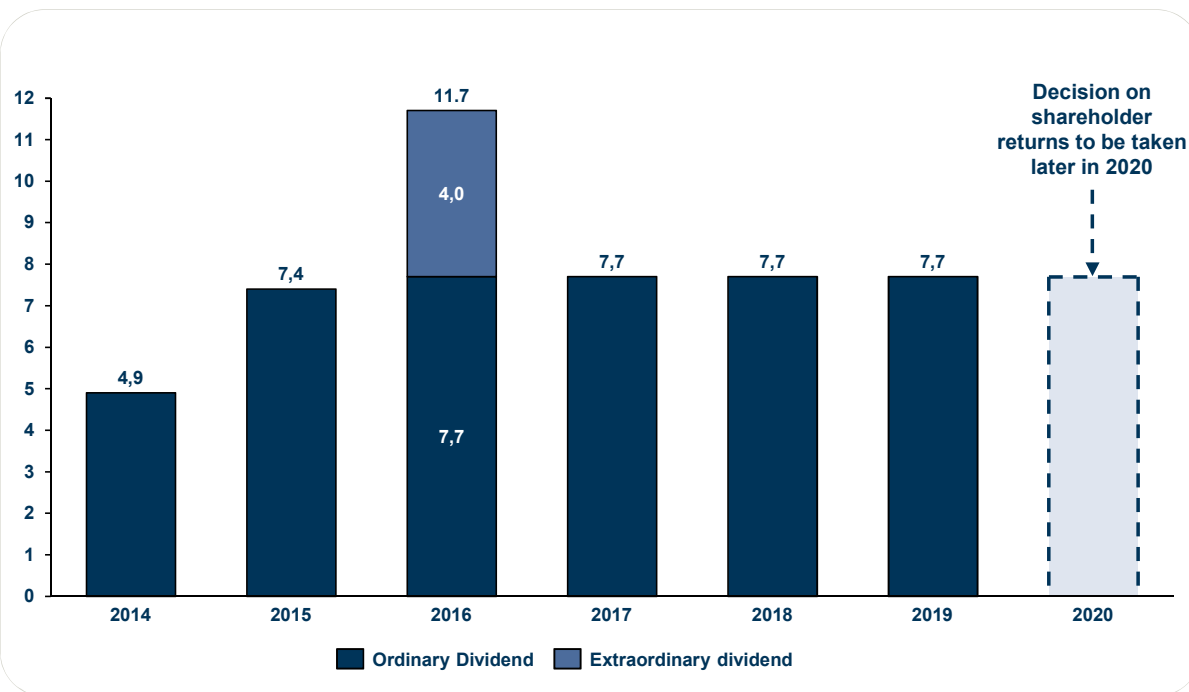
Executive Remuneration aligned with shareholders



1) As per the time of vesting of the LTIP programme

Decision on returning funds to shareholders postponed due to COVID-19

Dividends (DKK per share)

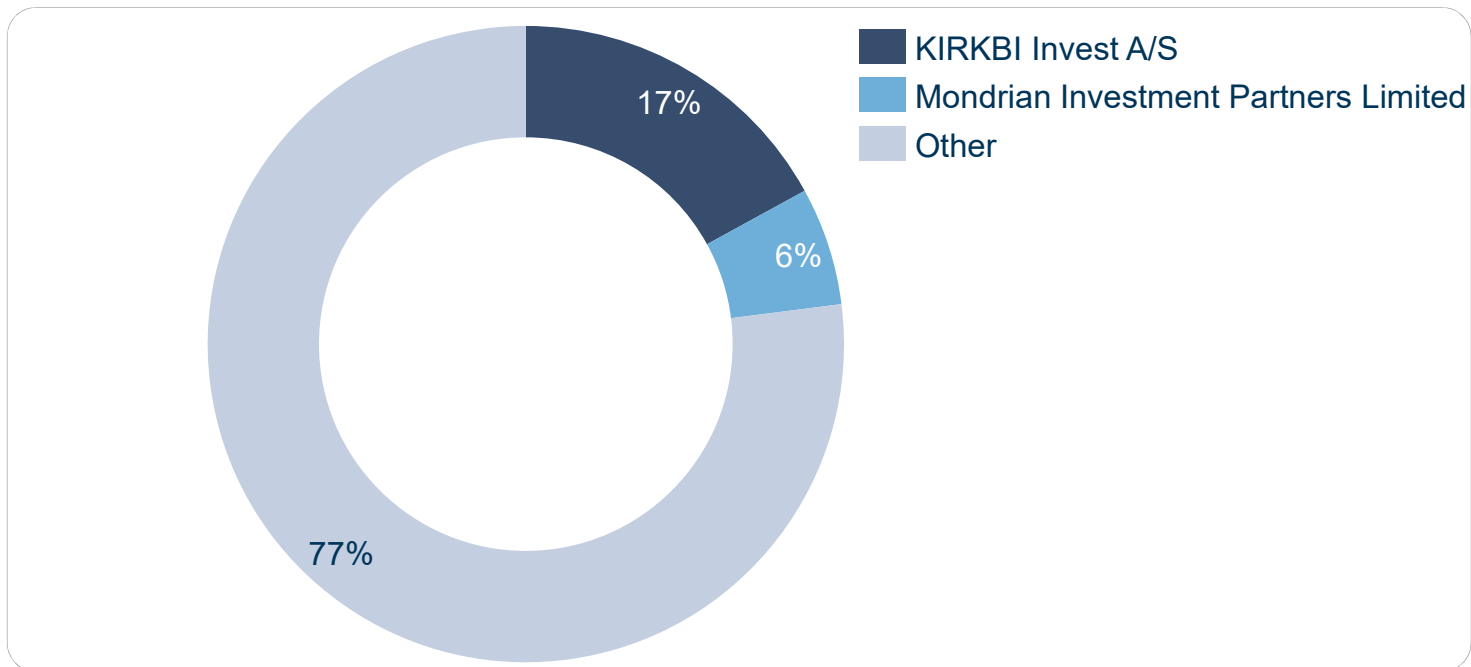


Returns to shareholders

- Once we gain more clarity around the situation created by COVID-19, we will assess the appropriate amount to be returned to shareholders in 2020
- Returns may take the form of an extraordinary dividend and/or a share buy-back

Continued support from major shareholders

Major Shareholders



Source: Latest holdings reported by investors to ISS

A woman in an orange ISS safety vest is standing on a train platform, looking at a tablet. A blue train is blurred in the background, and other passengers are visible in the distance.

Governance

ESG is central to our value proposition to clients

ISS widely recognised for its focus on ESG



- 77th percentile ranking for the industry
- Industry best score in “Customer relationship management” and in “Environmental reporting”



- Top quartile rank with an AA rating vs. industry at BBB
- Named “Global Best In Class” on Corporate Governance
- Industry best score on “Health & Safety”



- Ranked 1st among industry peers of similar market cap
- Ranked 1st out of 92 industry peers (100th percentile)
- Named “Leader” in overall performance and in Environment, Social and Governance separately

Other proof points

- Holds top score at Institutional Shareholder Services Inc. (ISS) for both Governance and Social separately
- Rated Gold award as well as 99th percentile ranking for the industry with Ecovadis
- Signatory and founding member of the UN Global Compact
- Chairs the UK Living Wage Service Providers Leadership Group



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Corporate governance at ISS

- ISS's corporate governance framework is reviewed regularly by the Board of Directors
- At the end of 2019, we complied with all of the Danish Corporate Governance Recommendations except recommendation 1.1.3 regarding publication of quarterly reports:
 - We publish full year and half-year financial results and trading updates in Q1 and Q3 in line with international industry practice.
 - This reporting format is selected to balance focus between short-term performance and long-term value creation.
 - Investor presentations continue to be held quarterly via live webcast/telephone conference.

2019 Board evaluation demonstrated continuous improvement

Process:

- Board evaluation led by the Chairman of the Board which included an extensive questionnaire, one-to-one sessions as well as presentation and discussion of the outcome

Results:

- High level of performance across all matters covered by the questionnaire
- Trust, alignment and commitment
- Increased quality and efficiency of Board meetings

2020 focus areas:

- Strategy execution
- IT malware attack and Coronavirus
- Board and executive succession processes (including diversity)
- Continued improvement of Board meeting efficiency

Competencies and diversity in the Board and EGM

In respect of Board and EGM nominations, ISS is committed to selecting the best candidate while aspiring to have diversity in gender as well as in broader terms (e.g. competencies, experience, perspectives, values).

- Diverse and international Board:
 - Assuming election of candidates nominated by the Board at the General Meeting today:
 - Approx. 43% women elected by the general meeting thus meeting the 40% target by 2020 and 50% total female Board members, including employee elected Board members
 - Seven nationalities represented by all ten Board members
 - Broadening and strengthening of competencies

Remuneration policy

- The Board of Directors proposes that the Remuneration Policy be updated to comply with the new requirements under sections 139 and 139a of the Danish Companies Act. The updated Remuneration Policy includes further specifications of the remuneration components offered to members of the Executive Group Management Board and the Board of Directors, including upper limits to the relevant remuneration components.
- The updated Remuneration Policy will, if approved, replace the current Remuneration Policy as approved by the general meeting on 11 April 2018 as well as the Overall Guidelines on Incentive Pay as approved by the general meeting on 5 April 2016.

Remuneration for the Board of Directors unchanged from 2019 to 2020

The proposed remuneration to Board of Directors in 2020 is unchanged compared to 2019

BOARD FEES		
DKK	2019	2020
Chairman of the Board	1,308,000	1,308,000
Deputy Chairman of the Board	654,000	654,000
Board members	436,000	436,000
Additional committee fees		
Chairman of the Audit and Risk Committee	436,000	436,000
Members of the Audit and Risk Committee	218,000	218,000
Chairman of other committees	327,000	327,000
Members of other committees	163,500	163,500

- In addition to the above-mentioned fees, members of the Board of Directors may receive a fixed daily allowance for travel to board meetings and other ISS meetings and may be reimbursed for certain reasonable expenses in relation to performance of their tasks as board members. The Chairman may be reimbursed for reasonable expenses for secretarial services in relation to the duties as Chairman.

Election of members to the Board of Directors

- The Board of Directors proposes re-election of the following members of the Board of Directors elected by the general meeting:



Henrik Poulsen



Cynthia Mary Trudell



Lord Allen of Kensington
Kt CBE (Chairman)



Claire Chiang



Ben Stevens

- In addition, the Board of Directors proposes to elect two new member of the Board of Directors:



Valerie Beaulieu



Søren Thorup Sørensen



Places that work



Places that think



Places that give

To all stakeholders in ISS...thank you





Jeff Gravenhorst

Group CEO

THE POWER OF THE HUMAN TOUCH



The ISS Way: We have built capabilities and sharpened our focus



Simplification of the business - with stronger focus on Key Accounts

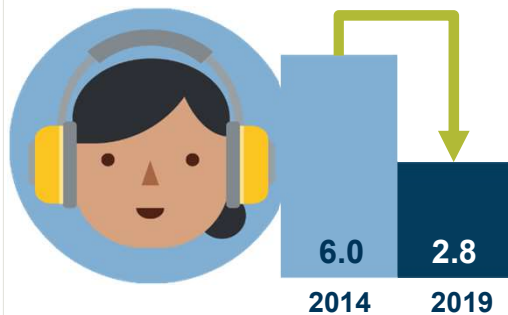
		2014	2019 ¹ pro forma	Change
Customers	Total customers	c. 200,000	c. 63,000	c.+225% <i>Revenue per customer</i>
	Key Accounts	N/A	c. 1,000	
	Retention	90 %	92 %	+2 pp.
Employees	Total employees	c. 510,968	c. 390,000	c.+30% <i>Revenue per employee</i>
	Employee turnover	44%	32%	-11 pp.
Countries	Number of countries	48	31	c. +60% <i>Revenue per country</i>
Revenue base	Key Account share	N/A	63%	N/A
	IFS share	31%	43%	+12 pp.

(1) All numbers for 2019 have been pro-forma adjusted for the divestments program to be completed during 2020

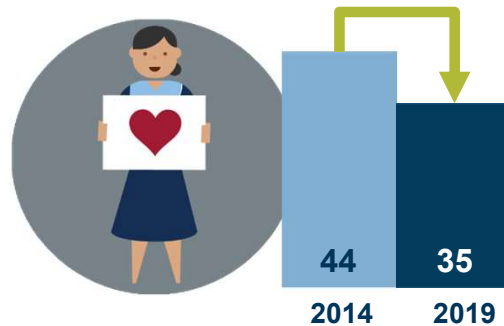
Employees are our most important asset

Safe and happy employees lead to happy customers and ultimately better financial performance

Lower injury rate (LTIF)



Employee Turnover %



Diversity and inclusion is also key to optimising our performance further

50/50

Approx. gender split for ISS as a whole

43%

of the ISS Board are women¹⁾
(Target of at least 40% by 2020)

130+

different languages spoken

Leadership gender diversity (% of women)

10%
EGM

31%
Country Leadership Teams

31%
Key Account Managers

(1) Assuming election of candidates nominated by the Board at the General Meeting today



2019 Financial Highlights

Summary

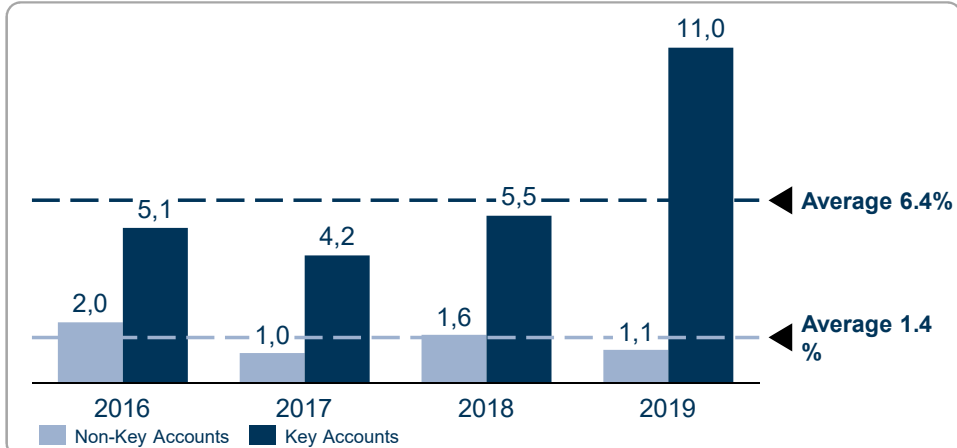
	2019 actual	2019 revised outlook <i>(as of 6. November 2019)</i>	2019 original outlook
Organic growth	7.1%	6.5% - 7.5%	5.0% - 7.0%
Operating margin ¹	4.2%	Above 4.2%	5.0% - 5.2%
Free Cash Flow ²	Excl. factoring: DKK 1.6 bn <i>Reported: DKK 0.4 bn</i>	Excl. factoring: DKK 1.6-2.0 bn <i>Reported: DKK 0.6-1.0 bn</i>	Excl. factoring: DKK 2.0-2.4 bn <i>Reported: DKK 1.8-2.2 bn</i>

(1) 'Operating margin before other income and expenses' (but including e.g. restructuring and onerous contract provisions)

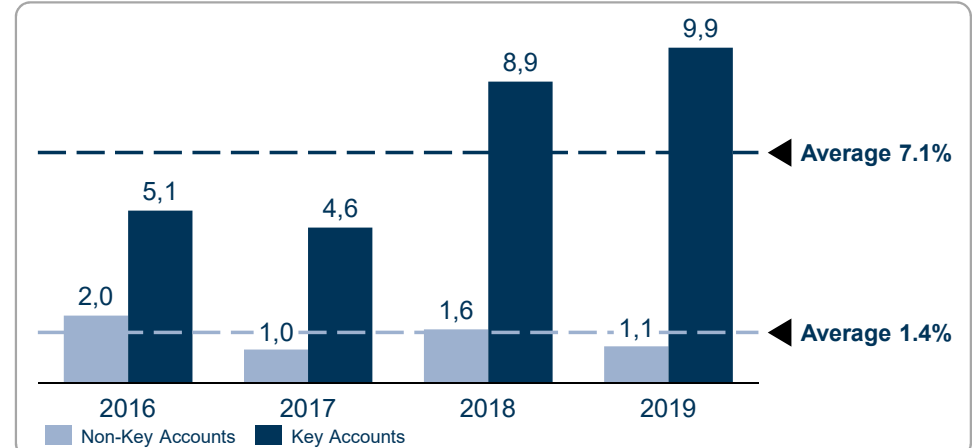
(2) Definition: Cash flow from operating activities - Acquisition of intangible assets and property, plant and equipment, net - Acquisition of financial asset, net (excl. equity-accounted investees) - Additions/disposals from leased assets

Key account focus driving structurally higher organic growth

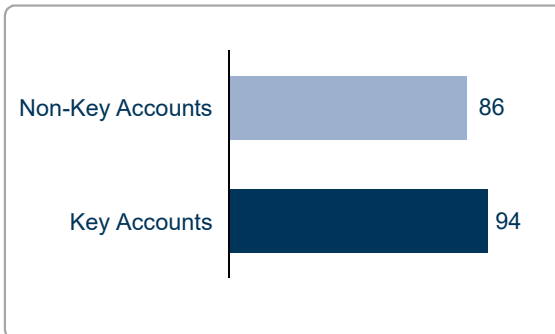
Organic growth (%), reported



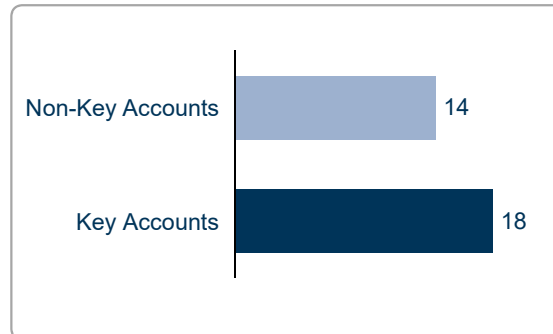
Organic growth (%), excl. major contract developments²



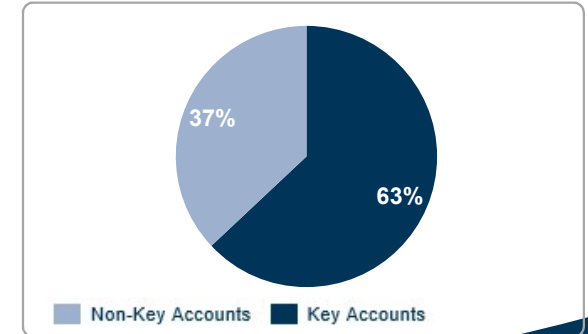
Retention Rates¹ (%)



Projects and above base revenue¹ (%)



Key Account Revenue 2019 (%)



(1) 4-year average (FY2016-2019)

(2) Major contract developments includes the loss of DXC Technology (Oct. 2017), HP Inc. (Feb. 2018) and the EMEA region of an International Bank (Jan. 2018) as well as the launch of Deutsche Telekom (Jul. 2019)

Key focus areas in 2019

- 1 **Reorganisation and restructuring of France**
- 2 **Two loss-making contracts** (*Demark and Hong Kong*)
- 3 **Consolidation of systems in the UK**
- 4 **Transition and mobilisation of Deutsche Telekom**
- 5 **Efficiency plan**

Regional performance

Continental Europe (39% of group revenue)



12%

organic growth
(vs. 6% in 2018)

5.0%

operating margin¹
(vs. 6.2% in 2018)

Northern Europe (32% of group revenue)



4%

organic growth
(vs. 1% in 2018)^c

4.5%

operating margin¹
(vs. 6.3% in 2018)

Asia Pacific (17% of group revenue)



5%

organic growth
(vs. 6% in 2018)

5.5%

operating margin¹
(vs. 6.7% in 2018)

Americas (11% of group revenue)



2%

organic growth
(vs. 1% in 2018)

5.3%

operating margin¹
(vs. 2.9% in 2018)

(1) Operating profit before corporate costs and 'other income and expenses' (but including restructuring)

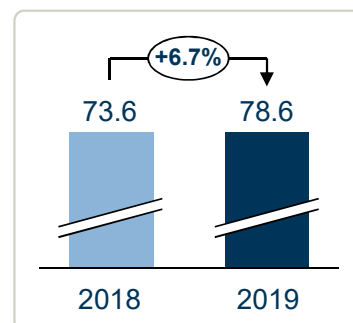
Income Statement

DKK million	FY 2019	FY 2018	Δ
Revenue	78,555	73,592	4,963
Operating expenses	75,265	69,894	5,371
Operating profit before other items	3,290	3,698	(408)
Other income and expenses, net	(93)	(125)	32
Operating profit	3,197	3,573	(376)
Financial income and expenses, net	(704)	(590)	(114)
Profit before tax	2,493	2,983	(490)
Income taxes	(743)	(702)	(41)
Net profit (adjusted) from continuing operations	1,750	2,281	(531)
Goodwill impairment	(304)	(724)	420
Amortisation and impairment of brands and customer contracts	(335)	(463)	128
Income tax effect	67	129	(62)
Net profit from continuing operations	1,178	1,223	(45)
Net profit from discontinued operations	193	(932)	1,125
Net profit (reported)	1,371	291	1,080
Net profit (adjusted)	2,100	2,084	16
Adjusted EPS, DKK ¹	11.2	11.2	0.0
Net profit (adjusted) from continuing operations	1,750	2,281	(531)
Adjusted EPS from continuing operations, DKK ²	9.3	12.3	(3.0)

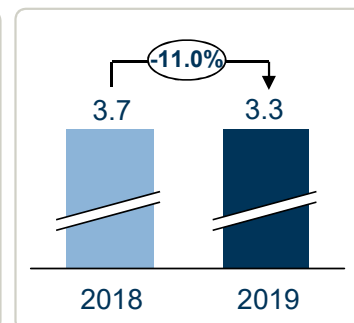
(1) Calculated as Net profit (adjusted) divided by the average number of shares (diluted)

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

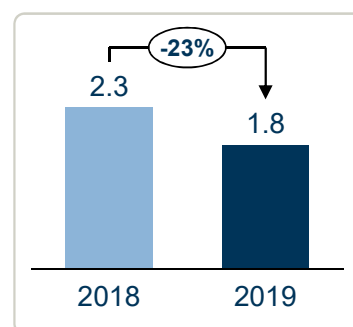
Revenue, DKK bn



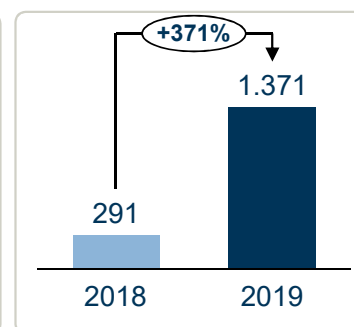
Operating profit before other items, DKK bn



Net Profit (adj), continuing operations, DKK bn



Net profit reported, DKK

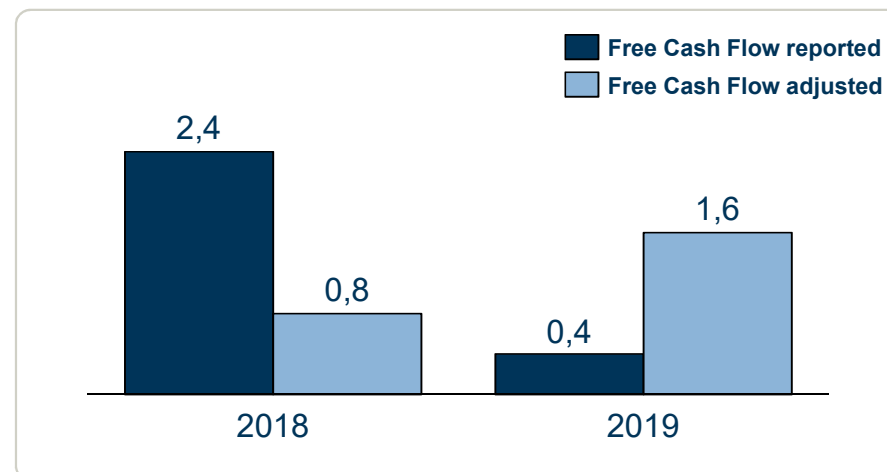


Cash Flow

Statement of Cash Flow (DKK m)	FY 2019	FY 2018	Δ
Operating profit before other items	3,290	3,698	(408)
Operating profit from discontinued operations	89	134	(45)
Depreciation and Amortisation	1,617	681	936
Changes in provisions, pensions, and similar obligations	225	(195)	420
Cash flow from Operations	5,221	4,318	903
Share based payments	18	19	(1)
Changes in working capital	(2,019)	144	(2,163)
Other expenses paid	(16)	(17)	1
Net interest paid/received	(627)	(454)	(173)
Income taxes paid	(513)	(663)	150
Cash Flow from operating activities	2,064	3,347	(1,283)
Cash flow from investing activities	(530)	(985)	455
Cash flow from financing activities	(5,871)	(1,723)	(4,148)
Total cash flow	(4,337)	639	(4,976)

Free Cash Flow (DKK m)	FY 2019	FY 2018	Δ
Free Cash Flow adjusted	1,621	814	807
Factoring variation	(1,255)	1,545	(2,800)
Free Cash Flow reported¹	366	2,359	(1,993)

Free Cash Flow¹, DKK bn



(1) Definition: Cash flow from operating activities - Acquisition of intangible assets and property, plant and equipment, net - Acquisition of financial asset, net (excl. equity-accounted investees) - Additions/disposals from leased assets

Short-term challenges

COVID - 19

- We are now facing negative impacts relating to COVID-19, currently most notably within:
 - Food Services (15% of Group revenue in 2019)
 - Projects and above base work (16% of Group revenue in 2019)
- Where these impacts are occurring we are adjusting our cost base accordingly
- The outlook for 2020 has been withdrawn at this time as the situation remains too uncertain to estimate

IT Malware Attack

- The business has continued to perform and deliver uninterrupted service to the vast majority of clients despite the malware attack
- The negative impact in 2020 on organic growth and operating profit before other items, as a result of the IT security incident, is estimated to be immaterial.
- We have regained control of the vast majority of our IT infrastructure and are relaunching business-critical systems.
- There remains no indication of any customer data or sensitive personal employee data having been compromised
- As a consequence of damages to some of our IT assets, a write down and rebuild of part of the IT infrastructure is required

A leading global provider of facility services

Industry leadership



Leading and differentiated
global facility services
provider

Industry leading growth



Industry leading organic
growth of 4-6%

Robust margins



Robust operating margins
around 5.5%¹

Strong cash flow



Strong FCF of
around DKK 3.0 bn²

(1) Operating margin before other items (but incl. restructuring reclassified above the line from 2019)

(2) Around DKK 3 billion in constant currency



Niels Heering

Chairman of the Annual General Meeting



Agenda Item 1

The Board of Directors' report on the Company's activities in the past financial year



Agenda Item 2

Adoption of the annual report for 2019

2. Adoption of the annual report for 2019

The Board of Directors proposes that the annual report for 2019 be adopted.





Agenda Item 3

Distribution of profit according to the adopted annual report

3. Distribution of profit according to the adopted annual report

As a result of rapidly developing repercussion related to COVID-19 and the uncertainty this brings to our business and the global economy at large, the Board of Directors has, as a precautionary measure, decided to withdraw the proposal for paying an ordinary dividend of DKK 7.70 per share.

In these extraordinary circumstances it is the prudent thing to do as we balance the needs of our employees, customers, suppliers, investors and other stakeholders. Once we gain more clarity around the situation created by COVID-19, we will assess the appropriate amount to be returned to shareholders in 2020, either as an extraordinary dividend or a share buy-back.



Agenda Item 4

Resolution to grant discharge of liability to members of the Board of Directors and the Executive Group Management Board

4. Resolution to grant discharge of liability to members of the Board of Directors and the Executive Group Management Board

The Board of Directors proposes that the general meeting grant discharge of liability to members of the Board of Directors and the Executive Group Management Board for liability towards the Company in relation to the approved annual report for 2019.



Agenda Item 5

Authorisation to acquire treasury shares

5. Authorisation to acquire treasury shares

- The Board of Directors proposes that the general meeting authorise the Board of Directors in the period until 30 April 2021 to approve the Company's acquisition of treasury shares, on one or more occasions, with a total nominal value of up to 10% of the share capital of the Company, subject to the Company's holding of treasury shares after such acquisition not exceeding 10% of the Company's share capital.
- The consideration may not deviate by more than 10% from the official price quoted on Nasdaq Copenhagen at the time of acquisition.



Agenda Item 6

Approval of the remuneration to the Board of Directors for the current financial year

6. Approval of the remuneration to the Board of Directors for the current financial year

- The Board of Directors proposes that the remuneration to the Board of Directors for the current financial year be approved.
- The proposed remuneration to Board of Directors in 2020 is unchanged compared to 2019

BOARD FEES		
DKK	2019	2020
Chairman of the Board	1,308,000	1,308,000
Deputy Chairman of the Board	654,000	654,000
Board members	436,000	436,000
Additional committee fees		
Chairman of the Audit and Risk Committee	436,000	436,000
Members of the Audit and Risk Committee	218,000	218,000
Chairman of other committees	327,000	327,000
Members of other committees	163,500	163,500



Agenda Item 7

Election of members to the Board of Directors

7. Election of members to the Board of Directors

- The Board of Directors proposes re-election of the following members of the Board of Directors elected by the general meeting:



Henrik Poulsen



Cynthia Mary Trudell



Lord Allen of Kensington
Kt CBE (Chairman)



Claire Chiang



Ben Stevens

In addition, the Board of Directors proposes to elect two new member of the Board of Directors:



Valerie Beaulieu



Søren Thorup Sørensen



Agenda Item 8

Election of auditor

8. Election of auditor

- The Board of Directors proposes that Ernst & Young P/S (CVR no. 30 70 02 28) be re-elected as the Company's auditor.
- The proposal is in accordance with the recommendation from the Audit and Risk Committee.
- The Audit and Risk Committee's recommendation has not been influenced by third parties nor has it been subject to any contractual obligation restricting the general meeting's choice of certain auditors or audit firms.



Agenda Item 8

Proposals from the Board of Directors

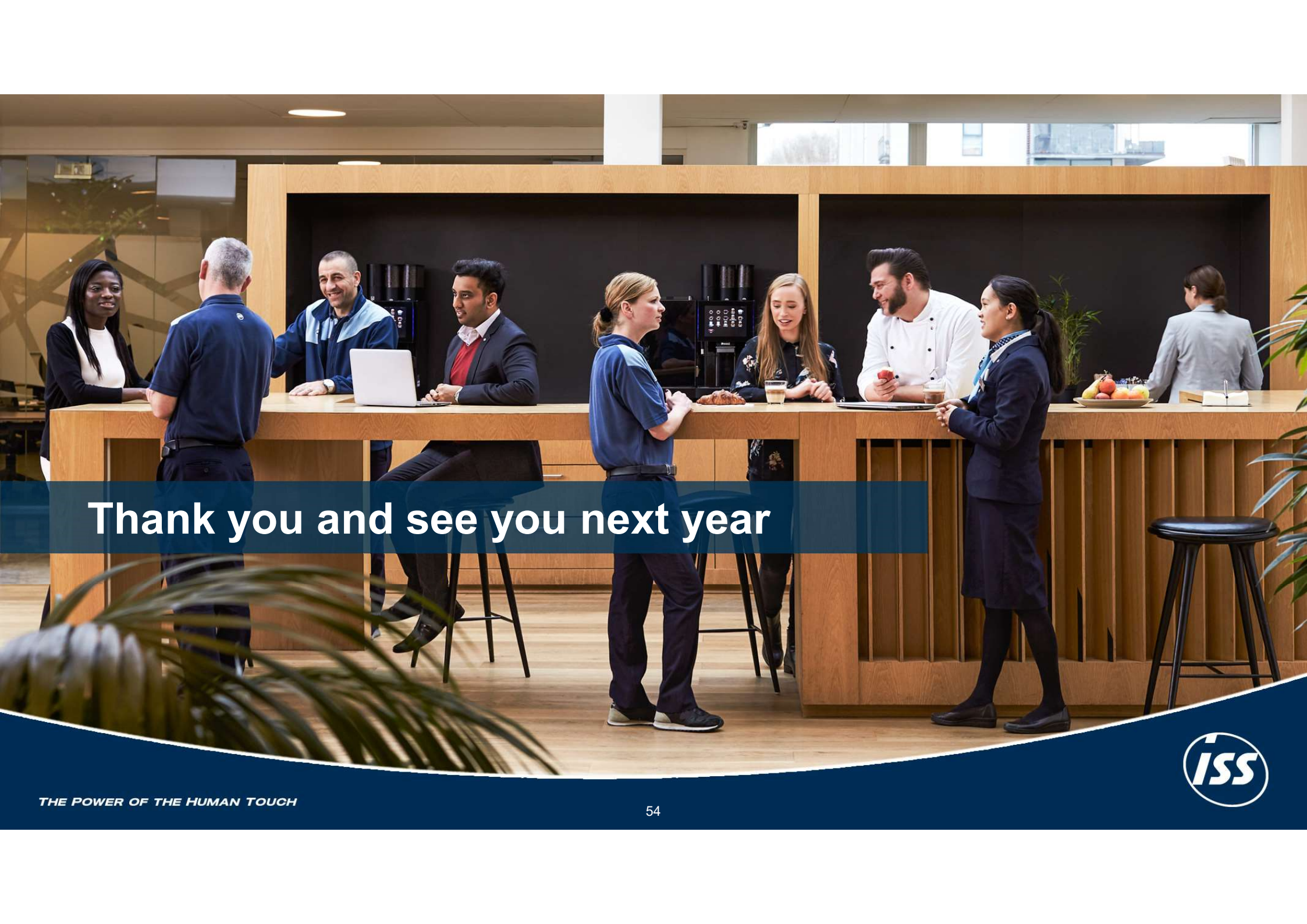
9 a. Update of Remuneration Policy

- The Board of Directors proposes that the Remuneration Policy be updated to comply with the new requirements under sections 139 and 139a of the Danish Companies Act. The updated Remuneration Policy includes further specifications of the remuneration components offered to members of the Executive Group Management Board and the Board of Directors, including upper limits to the relevant remuneration components.
- The updated Remuneration Policy will, if approved, replace the current Remuneration Policy as approved by the general meeting on 11 April 2018 as well as the Overall Guidelines on Incentive Pay as approved by the general meeting on 5 April 2016.
- If the updated Remuneration Policy is approved, Article 12 referencing the Overall Guidelines on Incentive Pay will be deleted from the Articles of Association in accordance with section 139(6) of the Danish Companies Act, and the subsequent articles of the Articles of Association will be renumbered accordingly.



Agenda Item 10

Any other business



Thank you and see you next year

