



# Q1 2018 Roadshow Presentation

May 2018

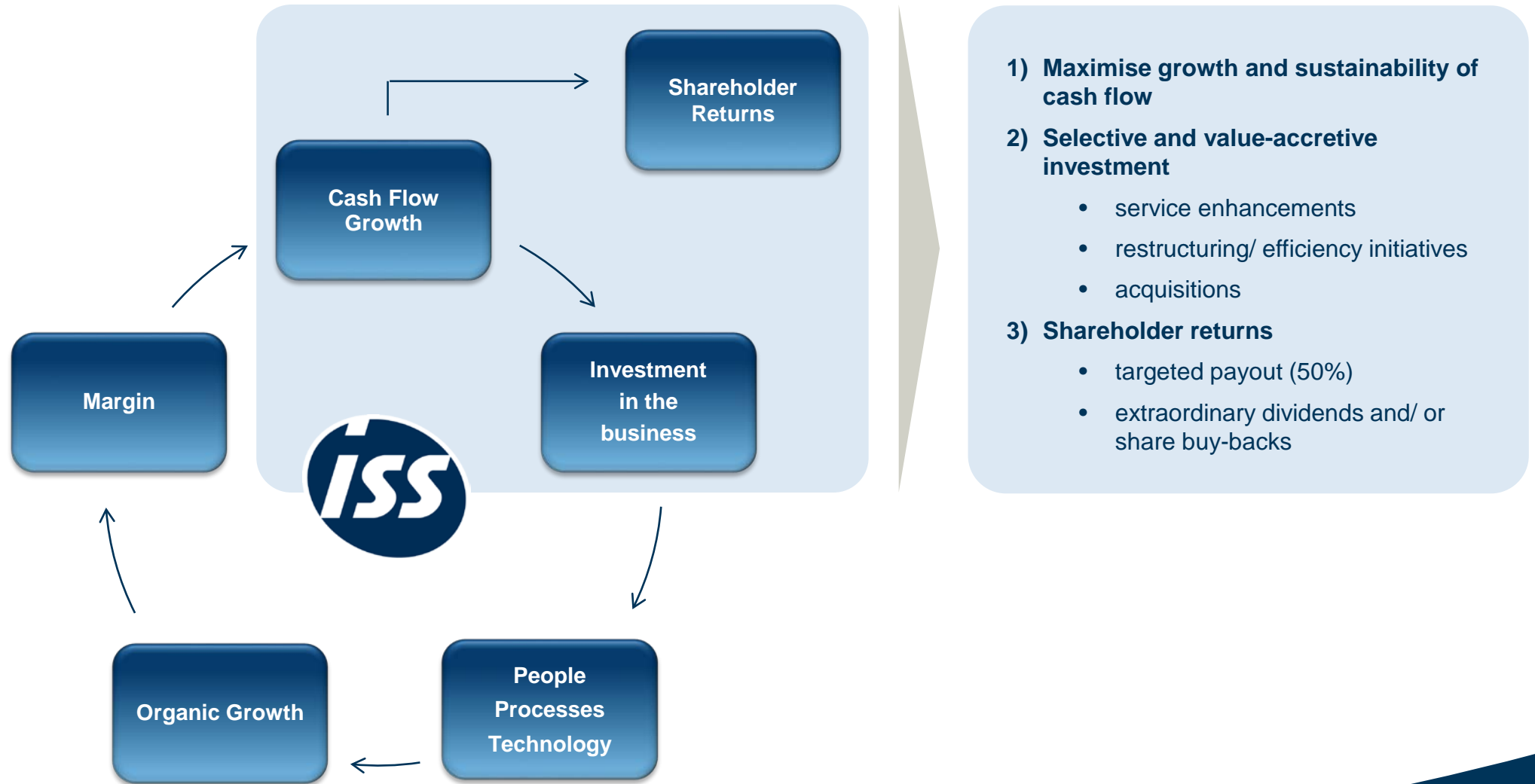
# Forward-looking statements

This presentation contains forward-looking statements, including, but not limited to, the statements and expectations contained in the “Outlook” section of this presentation. Statements herein, other than statements of historical fact, regarding future events or prospects, are forward-looking statements. The words “may”, “will”, “should”, “expect”, “anticipate”, “believe”, “estimate”, “plan”, “predict,” “intend” or variations of these words, as well as other statements regarding matters that are not historical fact or regarding future events or prospects, constitute forward-looking statements. ISS has based these forward-looking statements on its current views with respect to future events and financial performance. These views involve a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the forward-looking statements and from the past performance of ISS. Although ISS believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ, e.g. as the result of risks related to the facility service industry in general or ISS in particular including those described in the Annual Report 2017 of ISS A/S and other information made available by ISS.

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The Annual Report 2017 of ISS A/S is available at the Group’s website, [www.issworld.com](http://www.issworld.com).

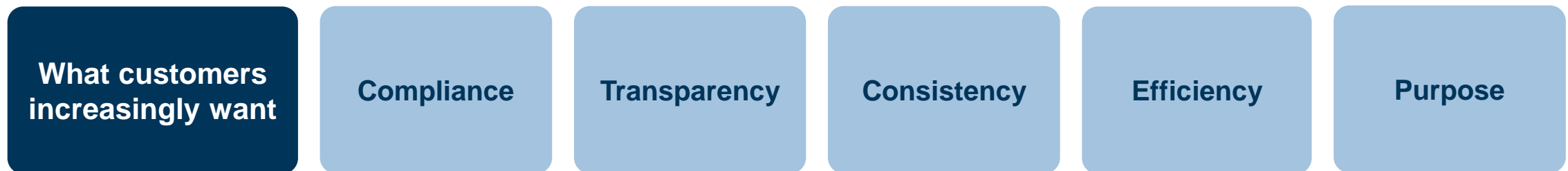
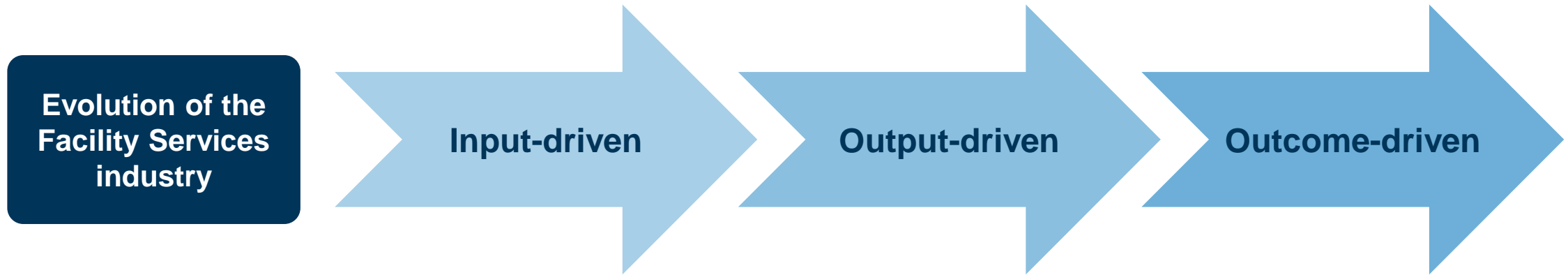
# Creating value for shareholders remains our priority



# We will ensure capital allocation is optimal

	Objective	Comment
1.	Capital structure	Maintain a strong and efficient balance sheet with an investment grade financial profile and leverage < 2.5x
2.	Capital expenditure/net working capital	Meet the modest, ongoing capital needs of the business
3.	Ordinary dividend	Targeted payout ratio of approximately 50% of net income (adjusted)
4.	Acquisitions and divestments	Further portfolio optimisation and highly selective acquisitions
5.	Additional shareholder returns	Extraordinary dividends or share buy-backs

# Key industry trends



# Our strategy – The ISS Way – has choice-making at its core

Strategic choices...

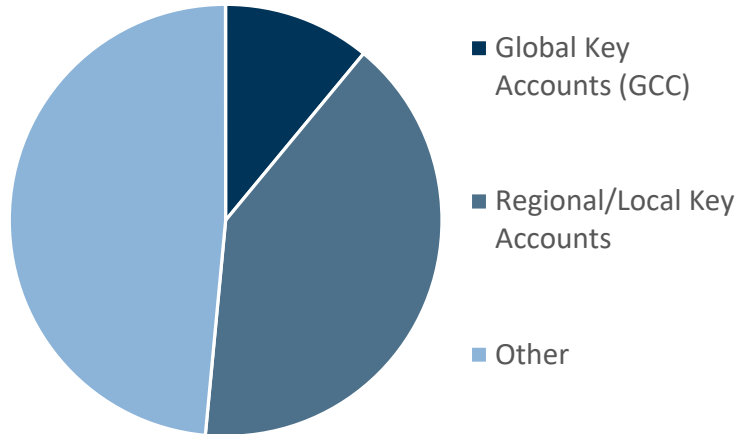
Customers

- A growing focus on Key Accounts within our target industry segments
- Business Services & IT
- Industry & Manufacturing
- Public Administration
- Healthcare

**52% of 2017 revenue generated by Key Account customers**

Services

**2017 group revenue by customer segment**



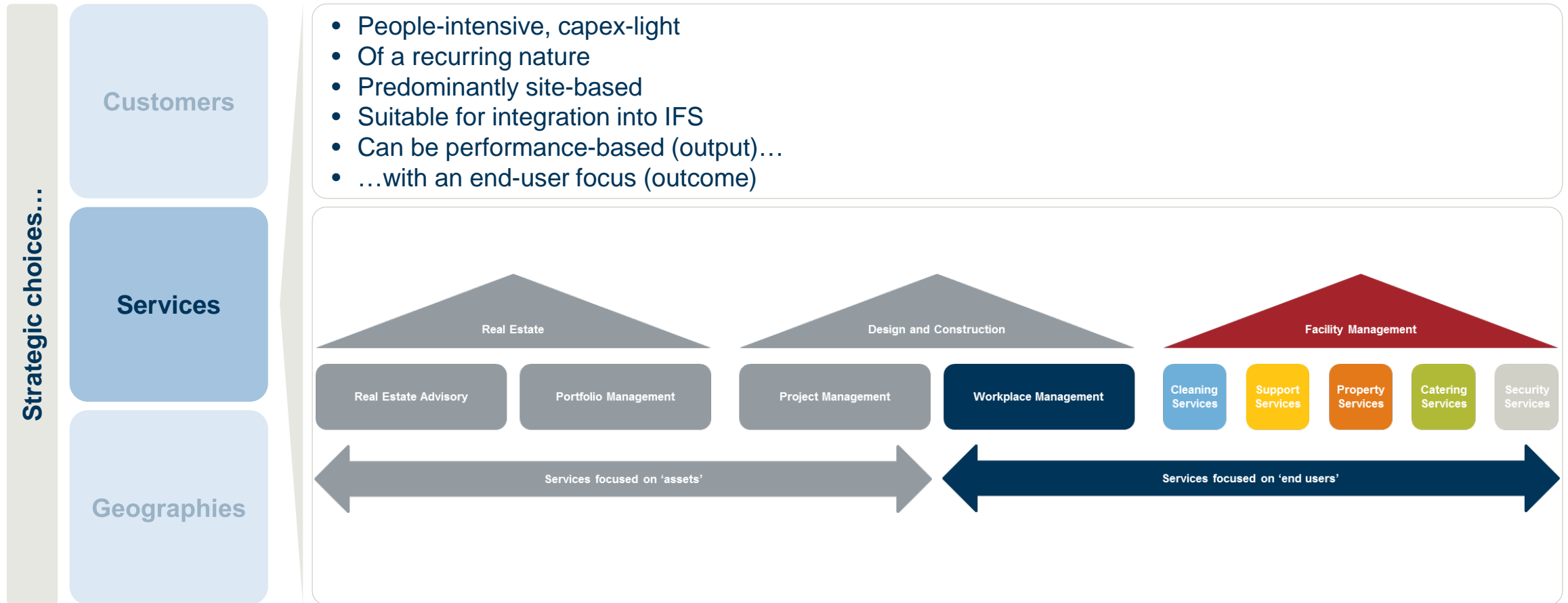
**Key needs of our target customers include...**

- Compliance
- Transparency
- Service efficiency
- Innovation
- Workplace experience

Consistent best practice and service excellence, delivered across a national, regional or global real estate portfolio

**The ISS Way has underpinned our financial performance since its launch in 2008**

# Our strategy – The ISS Way – has choice-making at its core



The ISS Way has underpinned our financial performance since its launch in 2008

# Our strategy – The ISS Way – has choice-making at its core

Strategic choices...

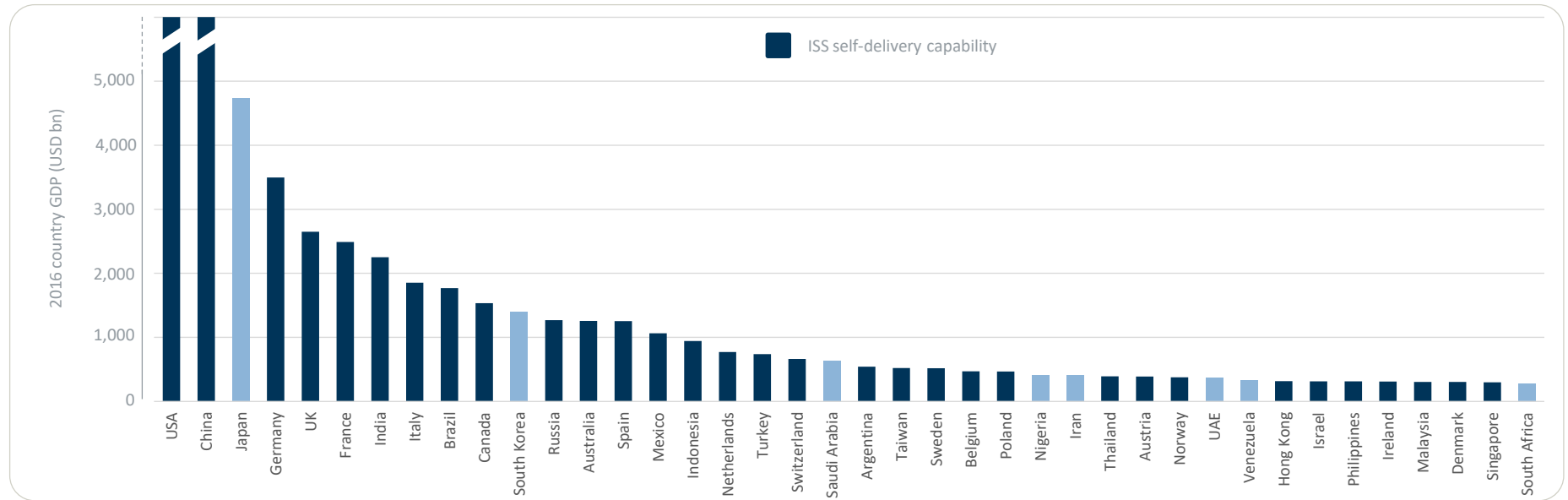
Customers

Services

Geographies

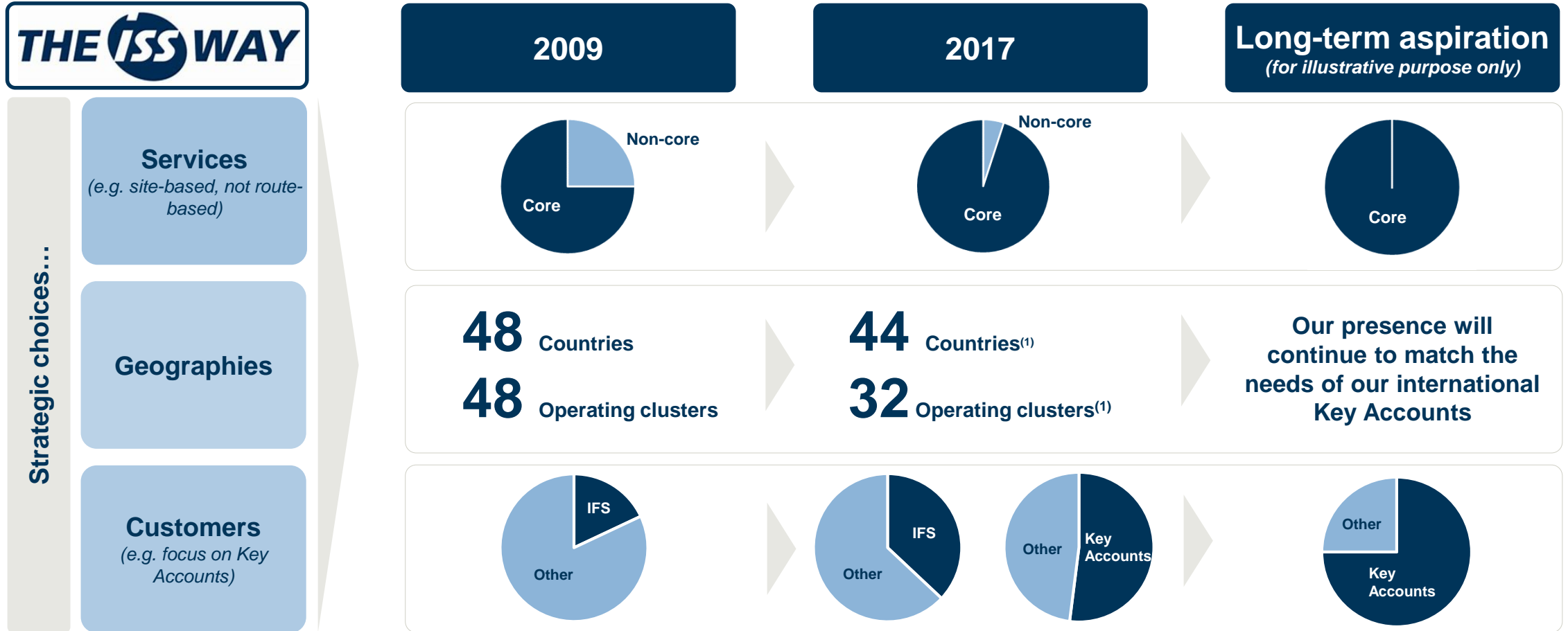
- We want to follow our target customers...
- ...covering a high proportion of global GDP
- We are present in the major markets and in the vast majority of future mega-cities

**ISS self-delivers in 32 of the top 40 global GDP countries**



The ISS Way has underpinned our financial performance since its launch in 2008

# The ISS Way strategy has transformed our business

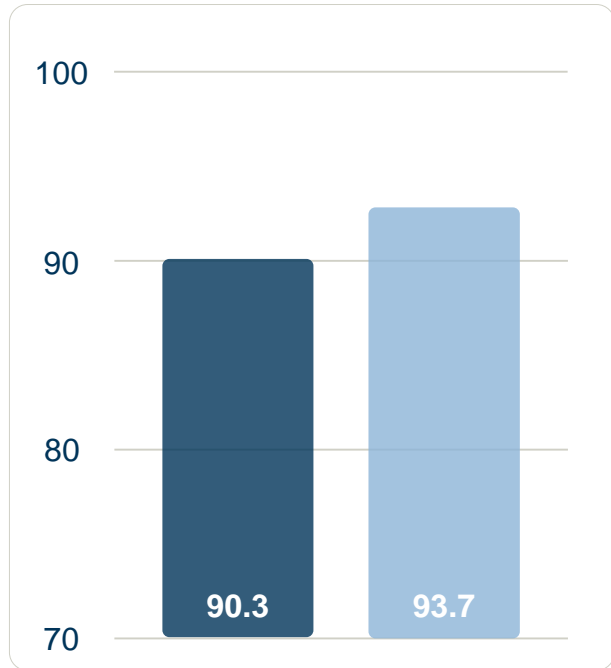


Our transformation increases quality of revenue and will enable us to capture higher organic growth and robust margins

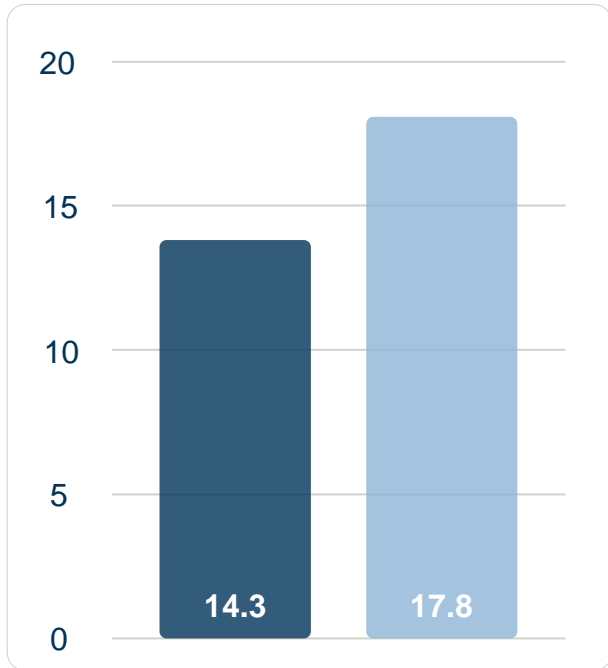
<sup>1)</sup> Excluding discontinued operations (Argentina and Uruguay)

# Our Key Account focus will drive our organic growth...

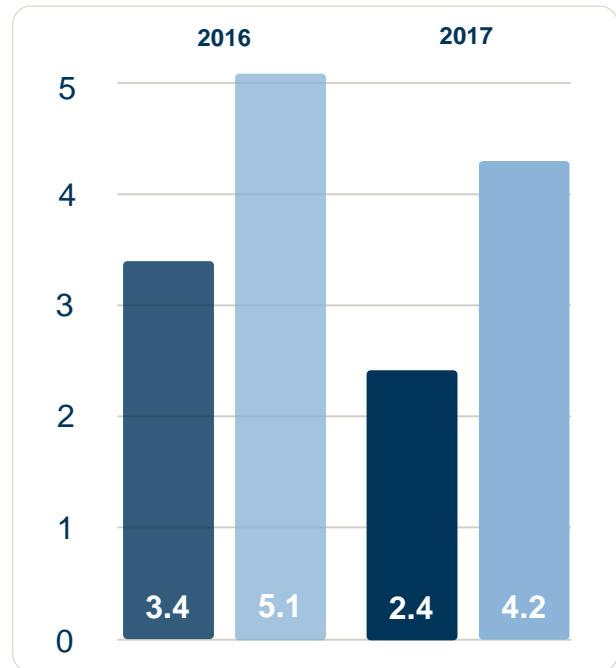
2017 retention rates (%)



2017 'above base' revenue<sup>(1)</sup> (%)



Organic growth (%)



ISS Group



Key Account Segments

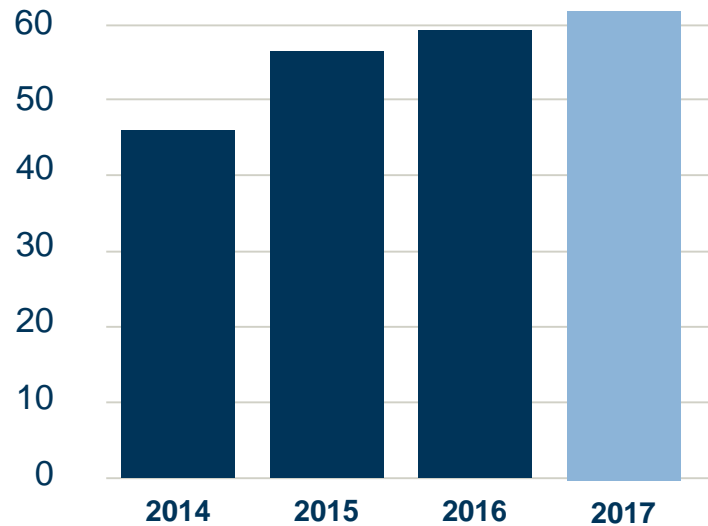
(1) Above base includes revenue generated from portfolio customers that falls outside the scope of the 'base' contract and relates to services provided for less than 6 months.



# ...underpinned by engaged employees and satisfied customers

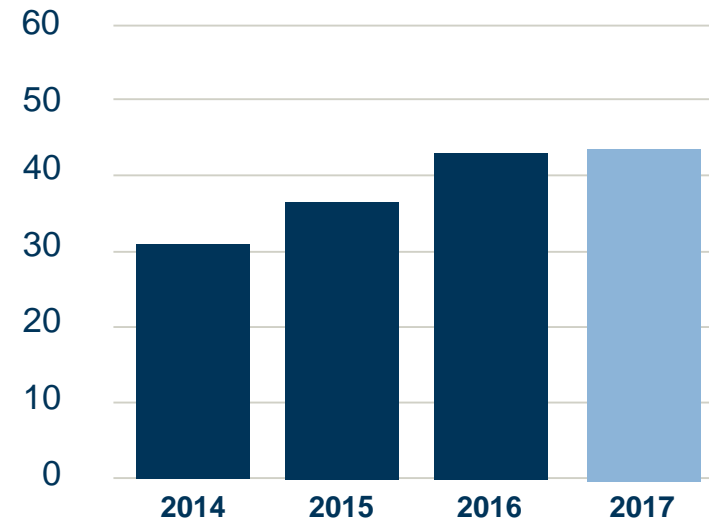
Employee Net Promoter Score  
(eNPS)

**62.1**



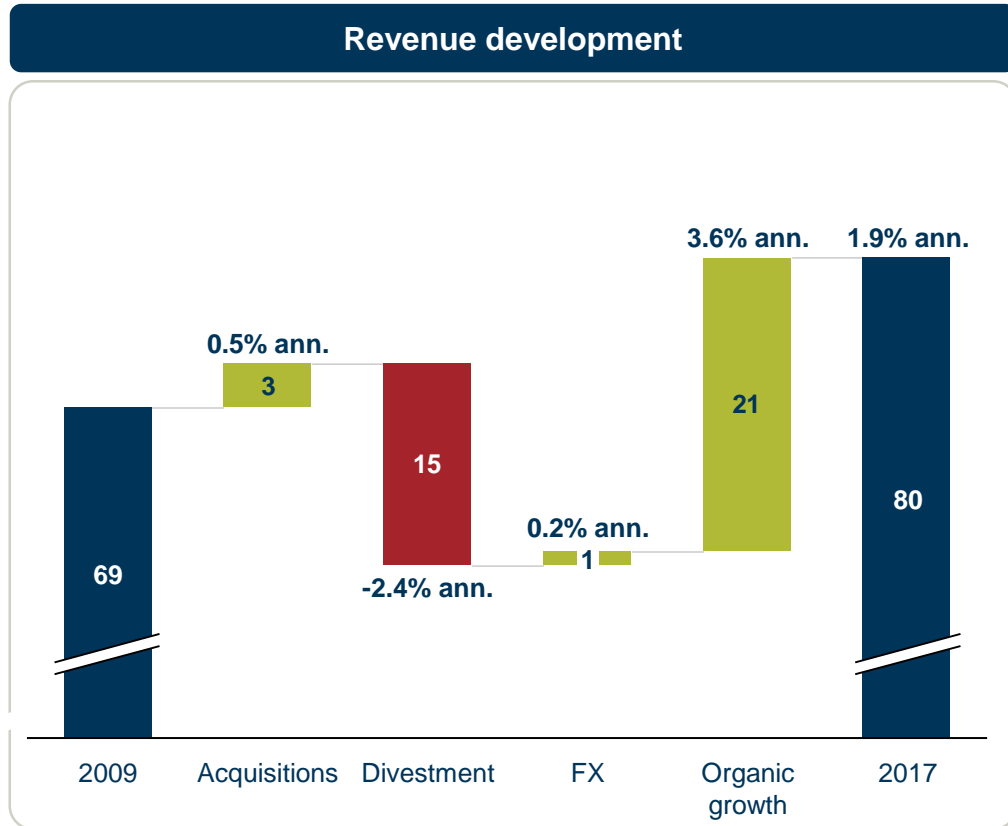
Customer Net Promoter Score  
(cNPS)

**44.0**



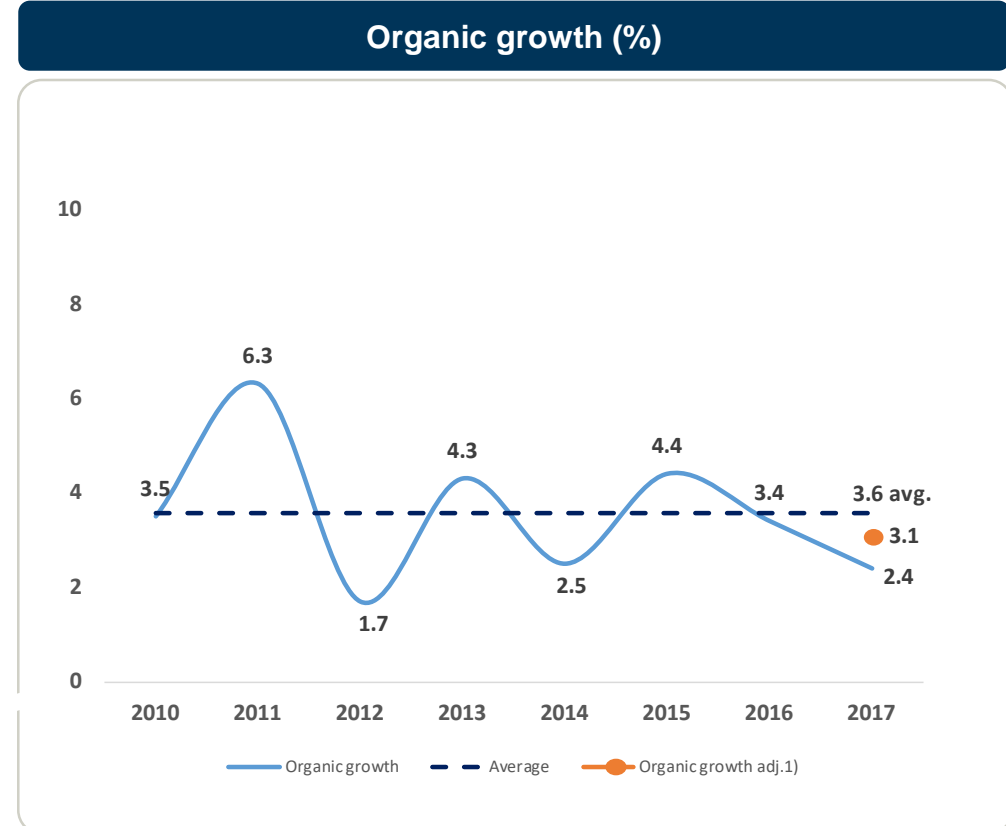
We have an intense focus on employee engagement and customer satisfaction across ISS

# Our transformation has had a material impact on revenue...



- Strategic divestment of non-core activities (c. 20% of 2009 revenues)...
- ... to sharpen our focus on target customers, services and geographies

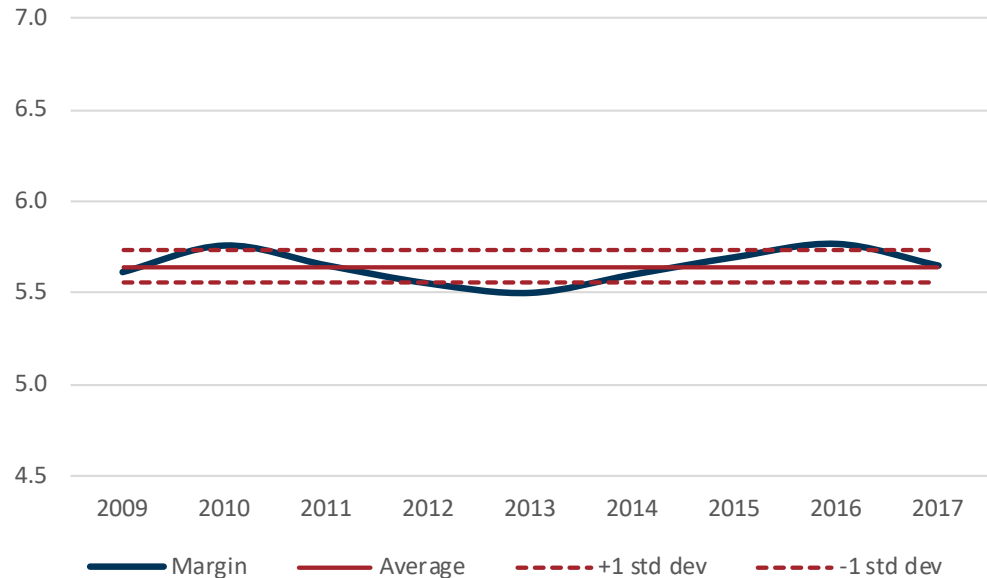
1) Adjusted for strategic structural adjustments in Brazil and China



- Resilient organic growth, through the cycle
- 2017 impacted by strategic structural adjustments in Brazil and China (2.4% reported / 3.1% adjusted)

# ... yet margins have remained robust ...

## Long-term track record of margin stability...



## ... despite headwinds

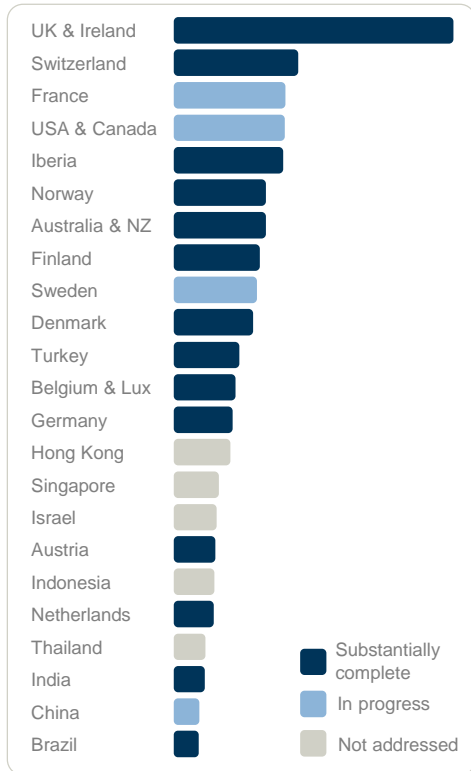
- **Combined margin improvement** of 15 bps.<sup>1)</sup> since IPO (March 2014) despite:
  - Currency translation effects (-6 bps.<sup>2)</sup>)
  - Strategic divestments and acquisition (-10 bps.<sup>3)</sup>)
- **Underlying margin** continues to be supported among others by:
  - Key Account focus
  - Roll-out of GREAT
  - Procurement savings
  - Ongoing operational efficiencies

## ISS' margin will remain robust

- 1) Margin development since FY2013 (5.50%)
- 2) Accumulated annual impact from currency translation effects
- 3) Accumulated annual impact from acquisitions and divestments

# ... as ISS is becoming a stronger and more focused organisation

## GREAT implementation Countries covering 81% of revenue in progress or complete



## Key countries on the agenda for 2018 include...

### North America

- Leverage growth momentum to develop our Key Account organisation...
- ... while addressing the legacy business of smaller accounts
- Continue to utilise our acquired catering platform to drive cross-selling...
- ... and investigating options to add Technical Services capabilities

### Sweden

- Continuing to address the central cost base
- Reorganising the business to shift focus further towards Key Accounts...
- ... and leveraging the new pan-Northern Europe Cleaning Excellence team to drive best practice and productivity

### France

- Significant operational improvements delivered within the current organisational structuring over the last 5 years (Phase 1)...
- ... but to unleash the full potential we need to accelerate the GREAT implementation, including a strengthening of our Key Account focus, an adjustment of our service offering and a simplification of the business (Phase 2)

- During 2018-2020, we expect to invest DKK 400-450 million in our GREAT implementation in France and Sweden...
- ... with a healthy pay-back on our investment
- 2018 P&L impact of around DKK 300 million heavily weighted towards Q1 2018...
- ... with the cash impact phased towards H2 2018
- Investments will lead to significant permanent improvements for the benefit of both growth and margins

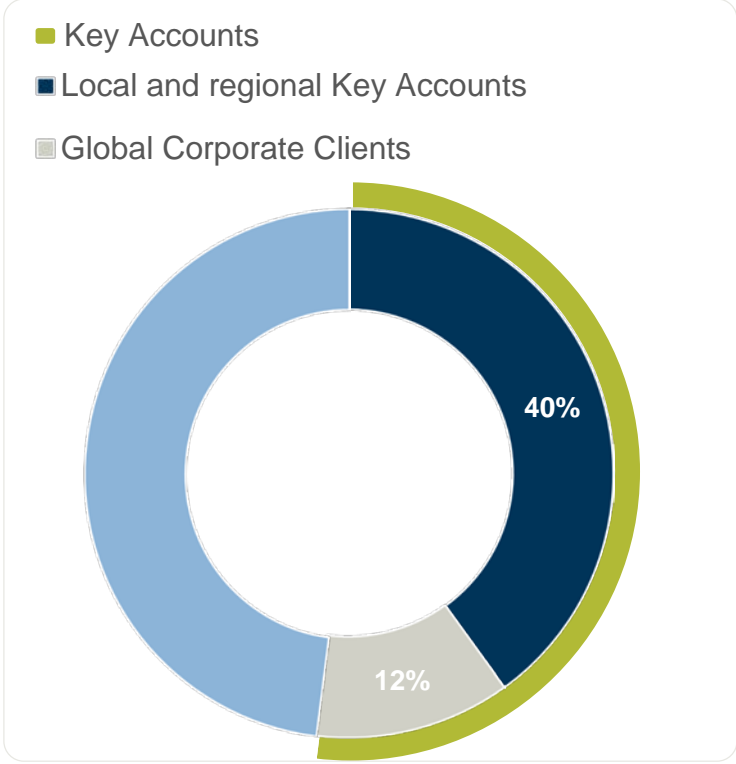
Following implementation in these countries our GREAT transformation will be largely complete



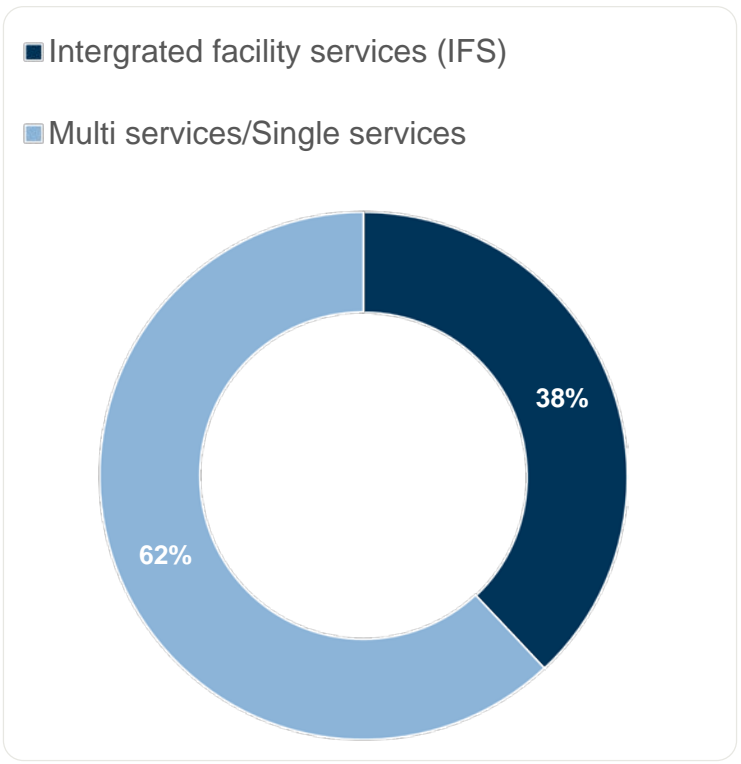
# Revenue split (1/2)

Total revenue DKK 80bn

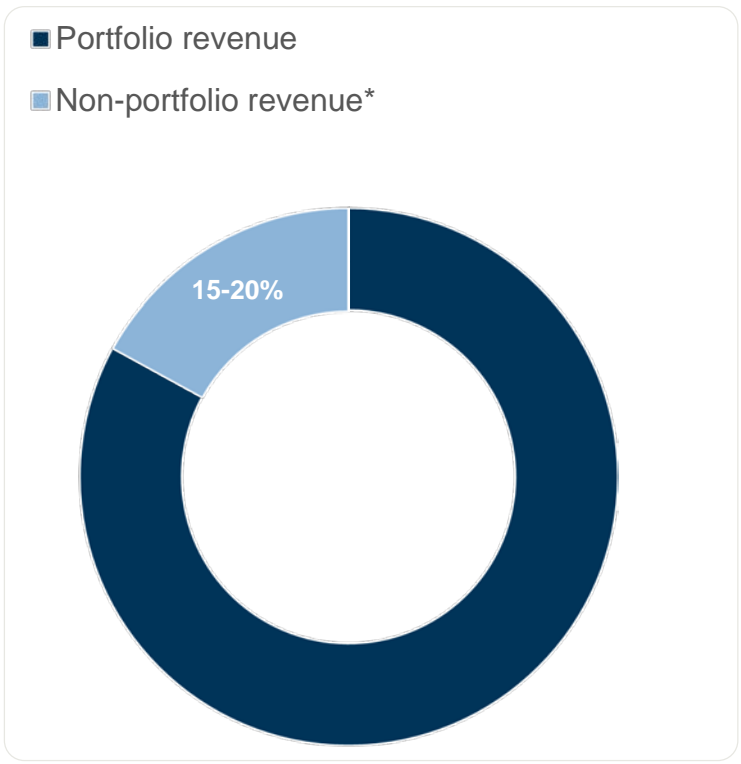
## Customer type



## Delivery type



## Revenue type



**Intergrated Facility Services: 10 years CAGR of 12%**

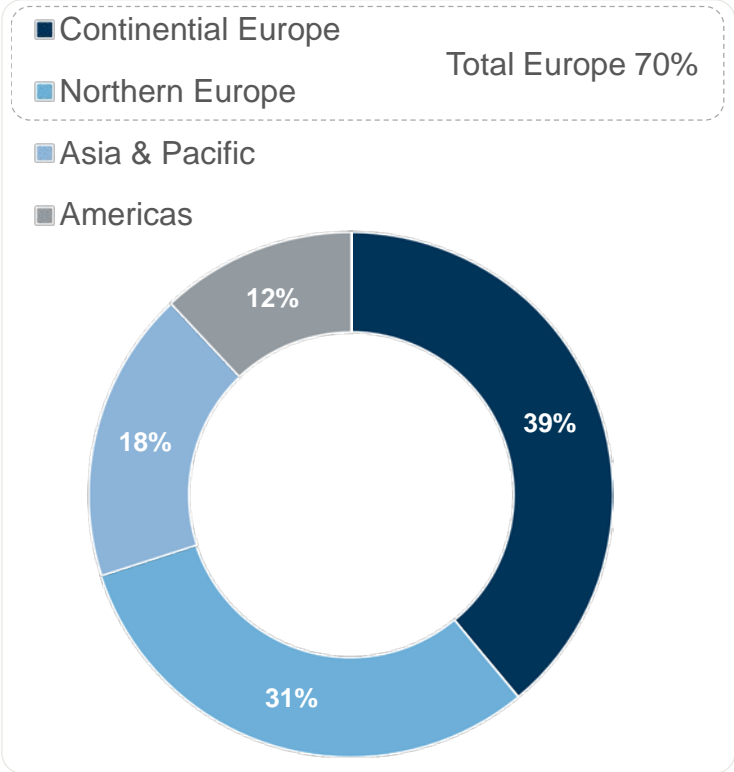
Note: Figures as of end-2017 \*Above base and project work



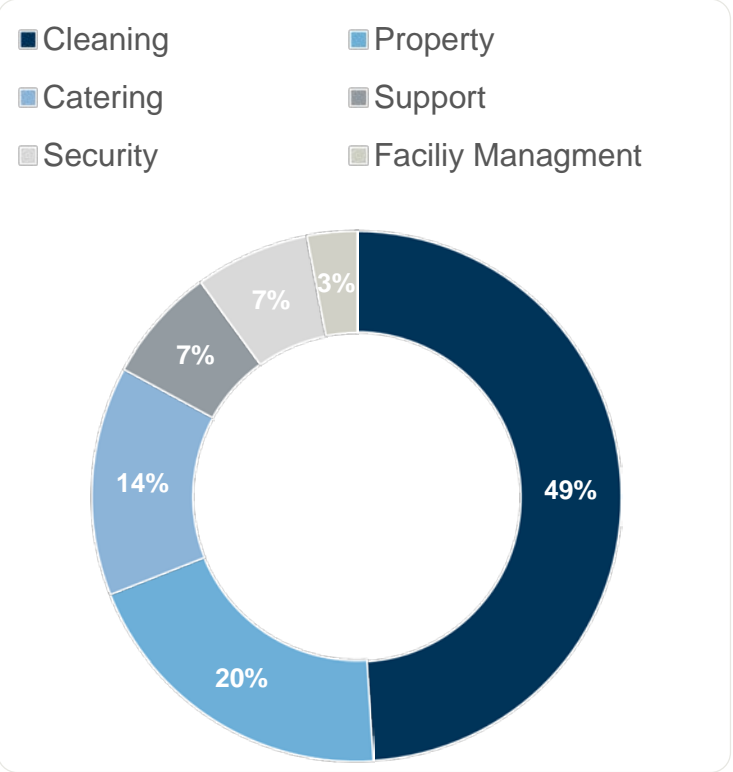
# Revenue split (2/2)

Total revenue DKK 80bn

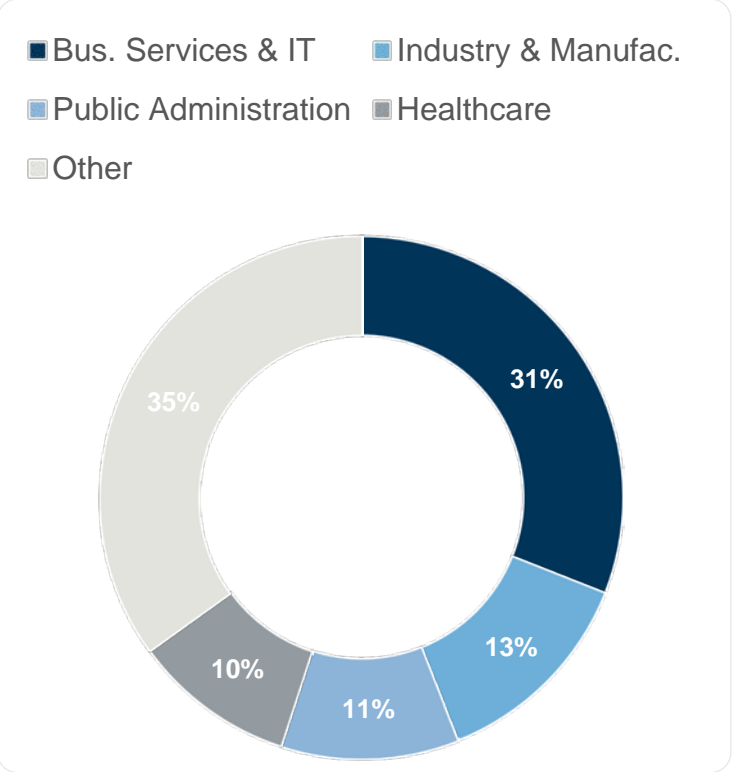
## Geography



## Service lines



## Customer segment

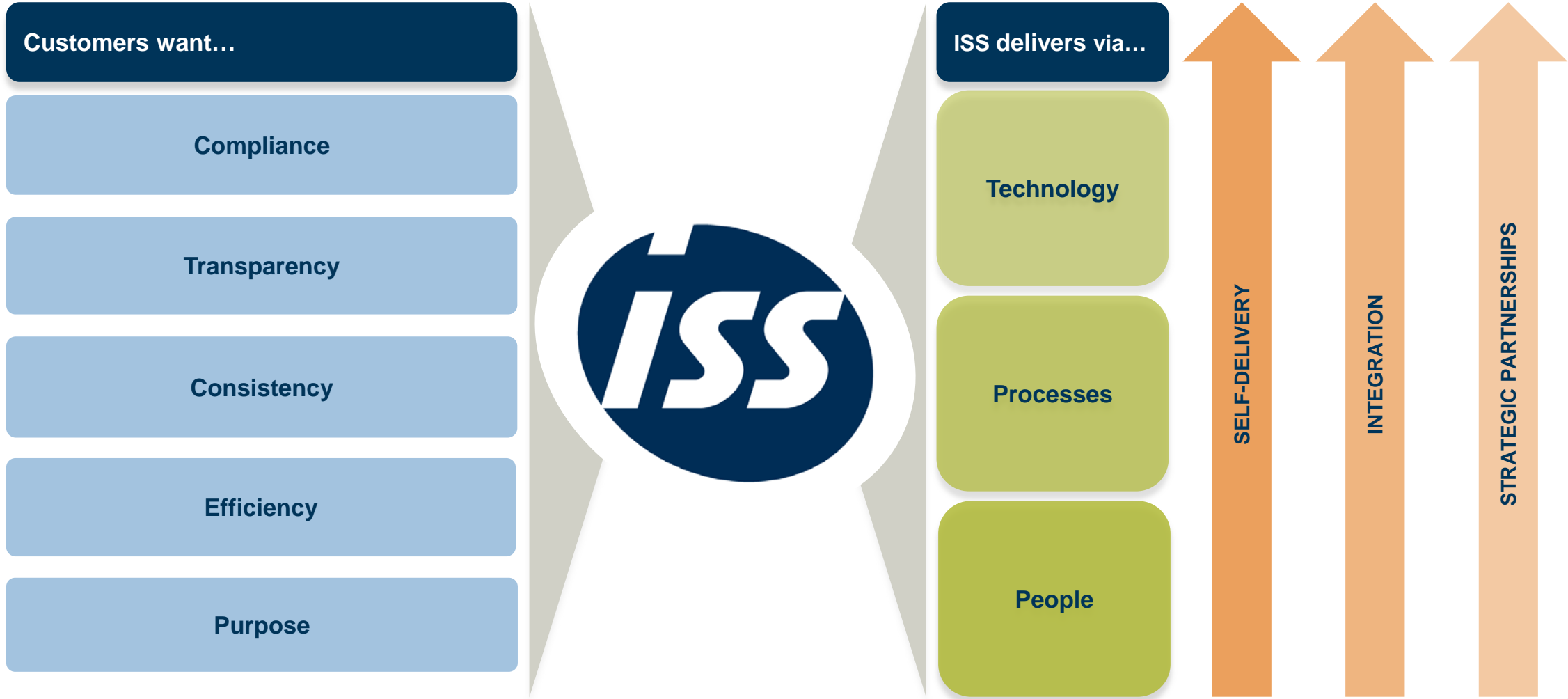


**Diversified revenue base**

Note: Figures as of end-2017

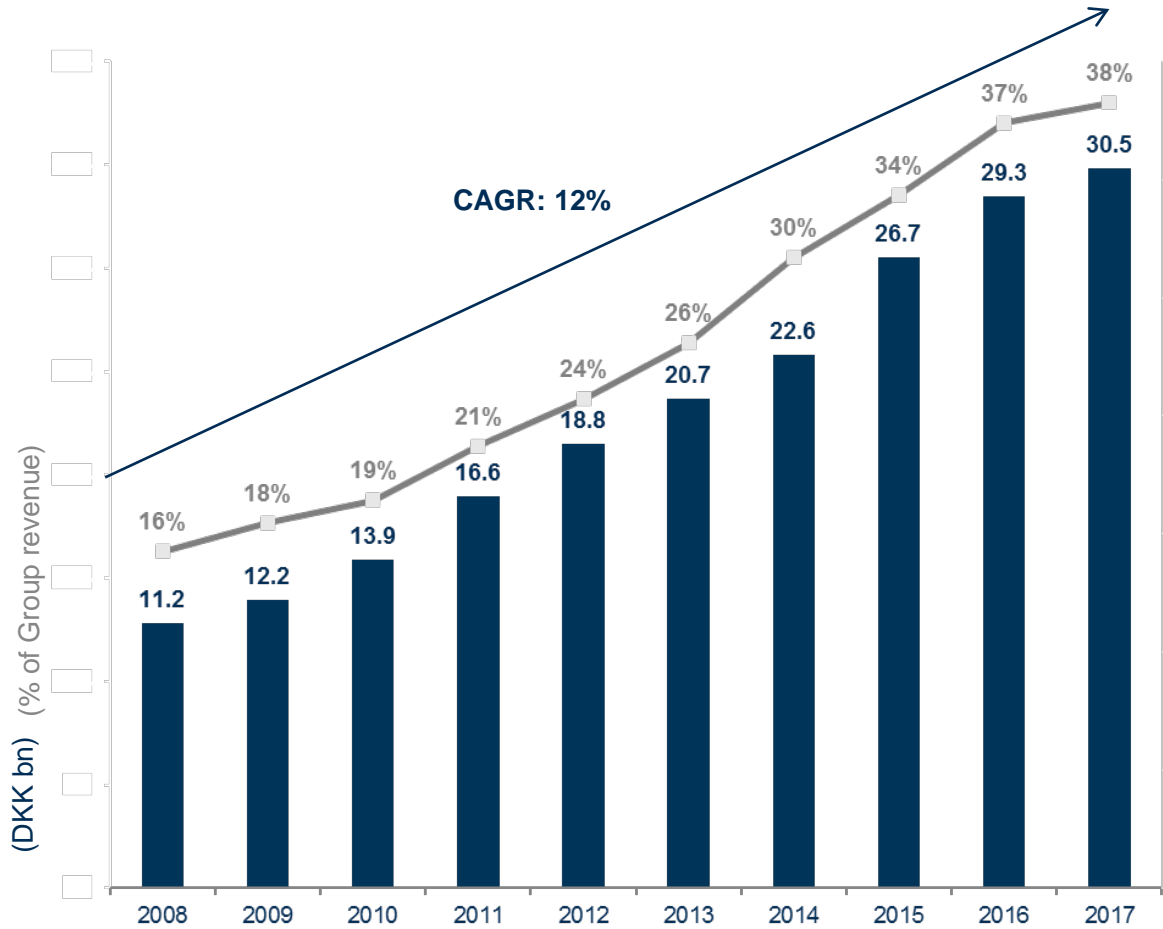


# IFS is where we can provide greatest value for our customers

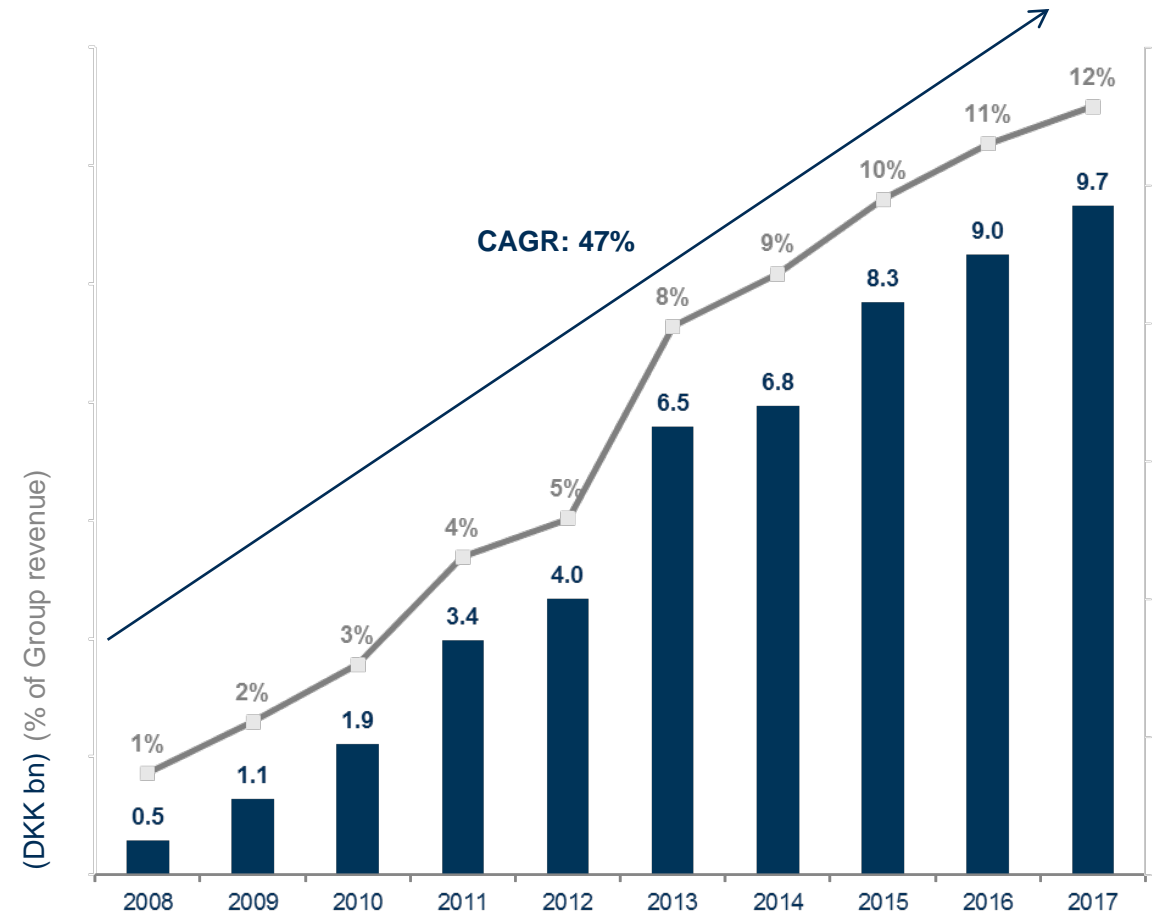


# Continued trend towards IFS

## IFS revenue



## Global Key Accounts revenue



# Global Key Accounts<sup>(1,2)</sup>

We currently have 20 Global Key Accounts which we split into 4 sub-segments...

## Banking

Deutsche Bank 

Danske Bank

 BARCLAYS

Nordea 

## Pharma

 NOVARTIS

 Shire

 BASF  
We create chemistry

## IT

 Hewlett Packard  
Enterprise

 telenor

 MICRO  
FOCUS

 HUAWEI

## Other

 LEGO

 Foreign &  
Commonwealth  
Office

 ROLLS  
ROYCE

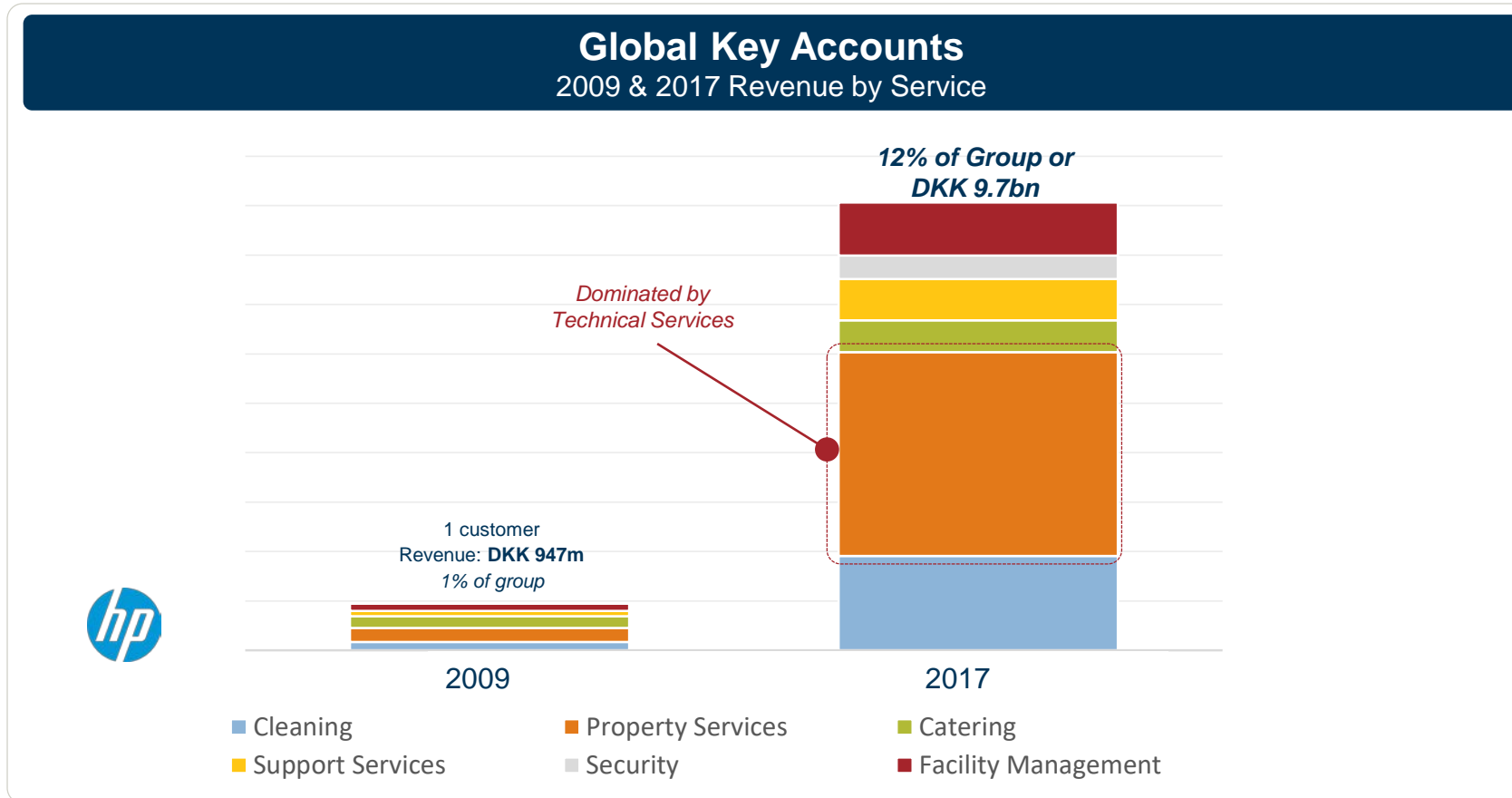
Rolls-Royce

 Nestlé

(1) Also referred to as Global Key Clients

(2) Includes five additional, undisclosed customers

# Technical Services key to growth in IFS and with Key Account customers



2016 GCC customer list includes one, unnamed global financial services client

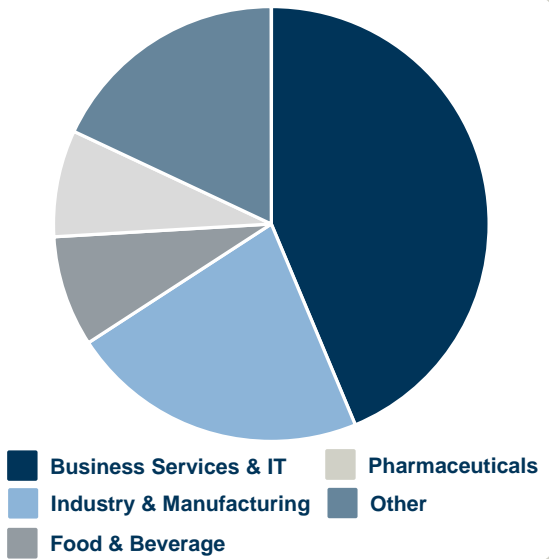
# Prospective Global Key Accounts offer huge potential

The ISS  
'G200'

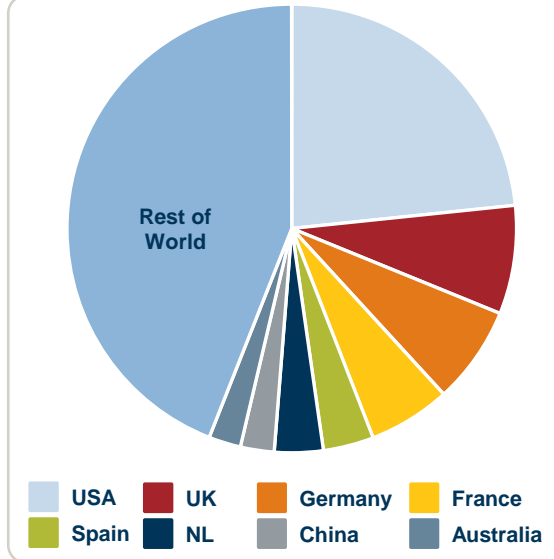
200 existing or potential customers of ISS where we see a strong opportunity to drive growth

- Customers with **global real estate portfolios...**
- ...within **our focus sectors...**
- ...with a stated wish wish to increase outsourcing in a manner that **aligns with our value proposition**

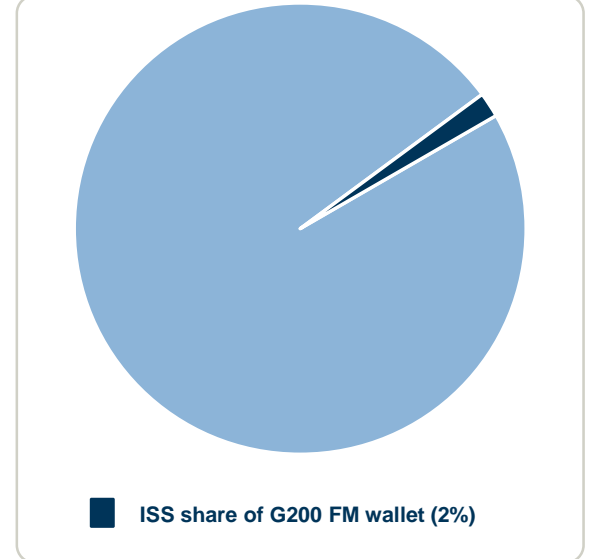
G200 FM spend by sector



G200 FM spend by country



G200 FM spend – ISS share



Our analysis suggests total annual FM spend of DKK 336 billion across our G200 customers – our current share is less than 2%

# ISS's competitive positioning within Global Facility Management

Clients' real estate priorities will influence which operating model is best suited

- A real estate advisory led model...
- ...focused on assets and not services (which are largely sub-contracted)...
- ...with a heavy emphasis on procurement

Multi-tenant

Occupancy

Owner occupier or single tenant

Asset optimisation

Outsourcing Priorities

Service efficiency, compliance, user experience

A property portfolio in need of change (size, location, type, etc.)

Property Portfolio

A settled property portfolio that meets the client's foreseeable needs

- A service-led operating model with high self-delivery...
- ...facilitating strict recruitment processes, investment in training, health & safety, workforce optimisation and...
- ...great user experiences



# Corporate Responsibility

## ISS widely recognised for its focus on ESG



- Awarded Bronze Class status
- 79th percentile ranking for the industry
- Industry best score in “Operational Eco-Efficiency”



- 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”



- Named “Leader” in overall performance and “Leader” in both Environment and Governance separately
- Ranked 1st among industry peers of similar market cap
- Ranked 2nd out of 91 industry peers (99th percentile) 1).

## Among just ~100 companies globally included in all three key ESG indices<sup>2)</sup>

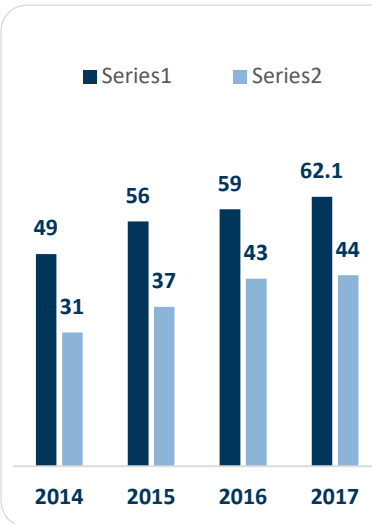


2016 Constituent  
MSCI Global  
Sustainability Indexes

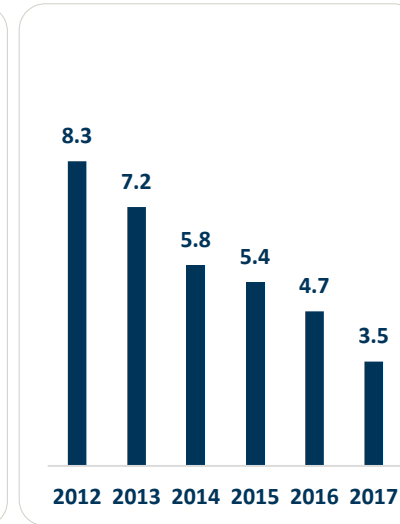


## Selected metrics

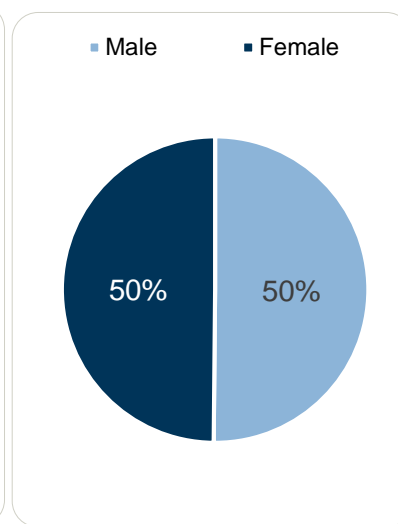
### Net Promoter Score (NPS)



### Lost Time Injury Frequency



### Diversity



## Other proof points

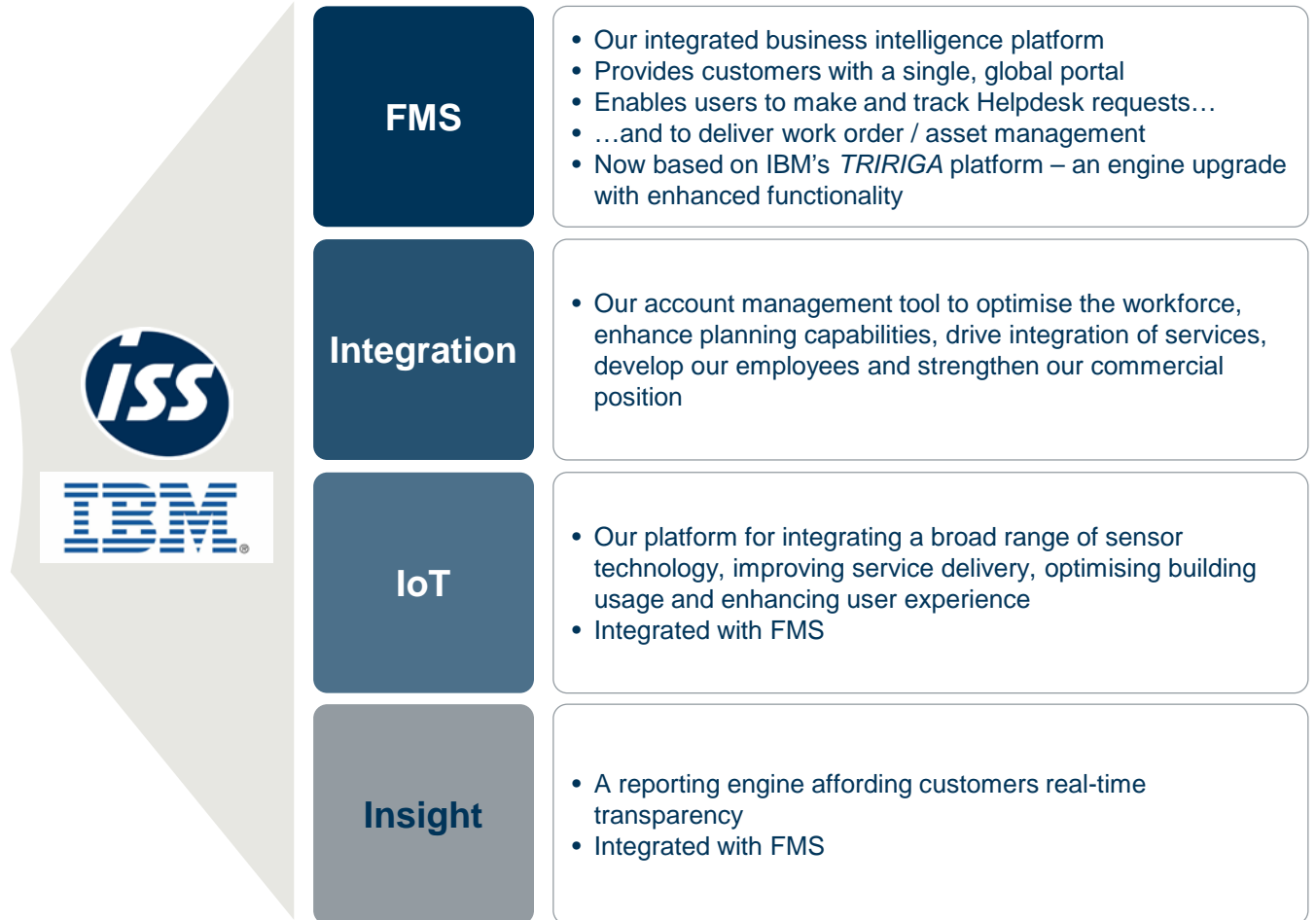
- Signatory and founding member of the UN Global Compact
- Chairs the UK Living Wage Service Providers Leadership Group
- Holds top score at Institutional Shareholder Services Inc. (ISS) for Corporate Governance



1) SUSTAINALYTIC'S ASSESSMENT OF ISS'S ESG PERFORMANCE AS OF NOVEMBER 2016  
 2) THE INCLUSION OF ISS A/S IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF ISS A/S BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



# Technology is enhancing our integrated, self-delivery model



# Integration@ISS – Development roadmap



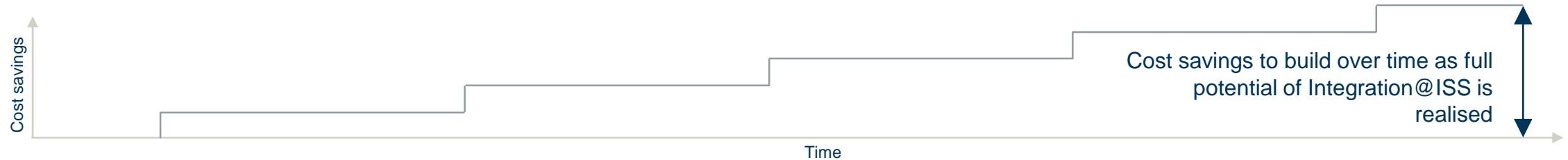
- Reorganise and reallocate tasks to the right employees so as to maximize utilisation and identify potentially redundant employees
- Consider skill requirements, time windows for the tasks, and employees shifts

- Identify what extra skills in each employee group would make operations more efficient, adapting to the workload's need and increasing the utilisation
- Support transformation into IFS and employee engagement, through development

- Analyse shift changes, adapted to the actual workload, reducing overtime and improving utilisation
- With 3 modules (Capacity Planning, Up-skilling and Shift Planning), the utilisation is maximised for the given SLAs

- Accounts now able to “play” with different SLA parameters, identify extra savings and understand the service impact
- Typically triggered by customer request and can be presented with different scenarios to meet their needs.

- ‘Connect’ will allow the same modules to run in a cluster of sites, finding extra synergies across sites.
- Will help site managers when in sudden need, to find ISS employees with the right skills, available to work extra hours



**Efficiency gains set to rise as we roll out the full Integration@ISS potential to an increasing number of customer sites**

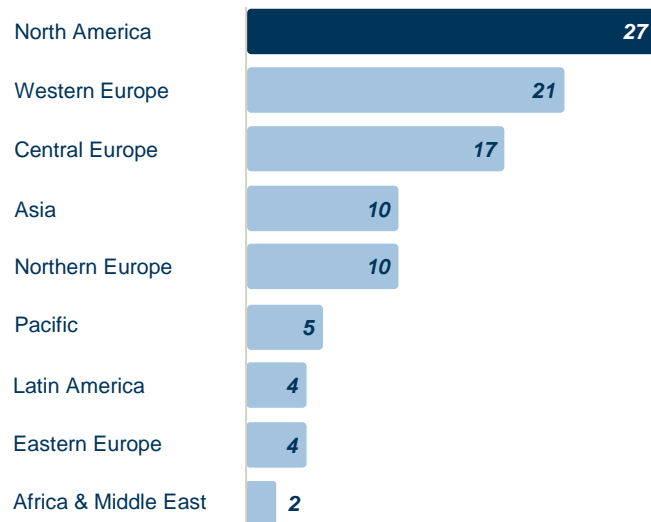
(1) Service Level Agreement



# North America remains our single biggest growth opportunity

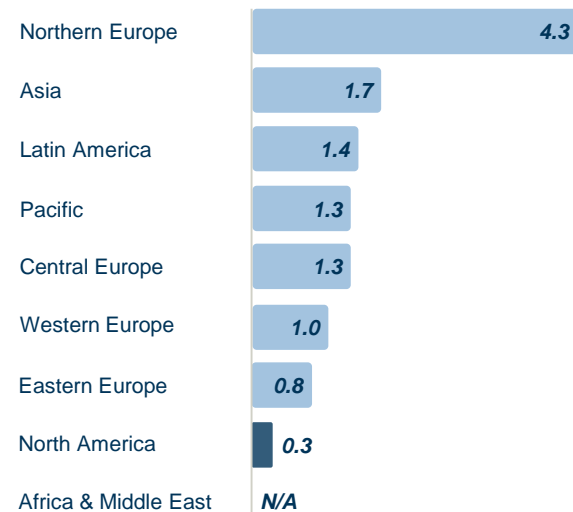
## Size

### % of global, outsourced FM market<sup>(1)</sup>



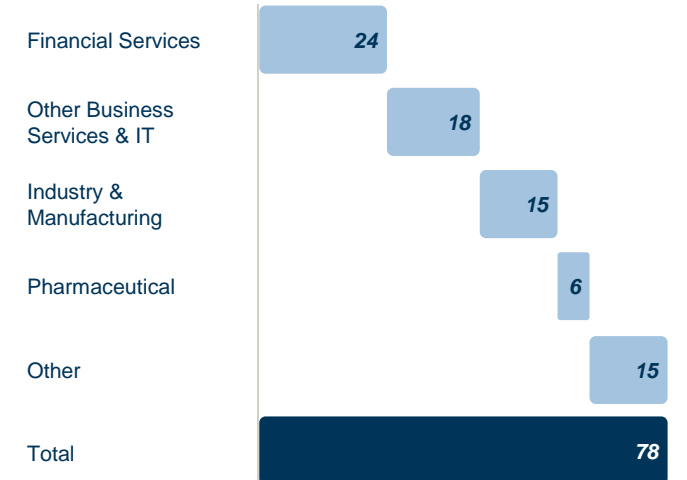
## ISS market share

### ISS % market share of outsourced FM market<sup>(1)</sup>



## G200<sup>(2)</sup> presence

### Estimated North American FM wallet of the G200<sup>(2)</sup> (DKK bn)



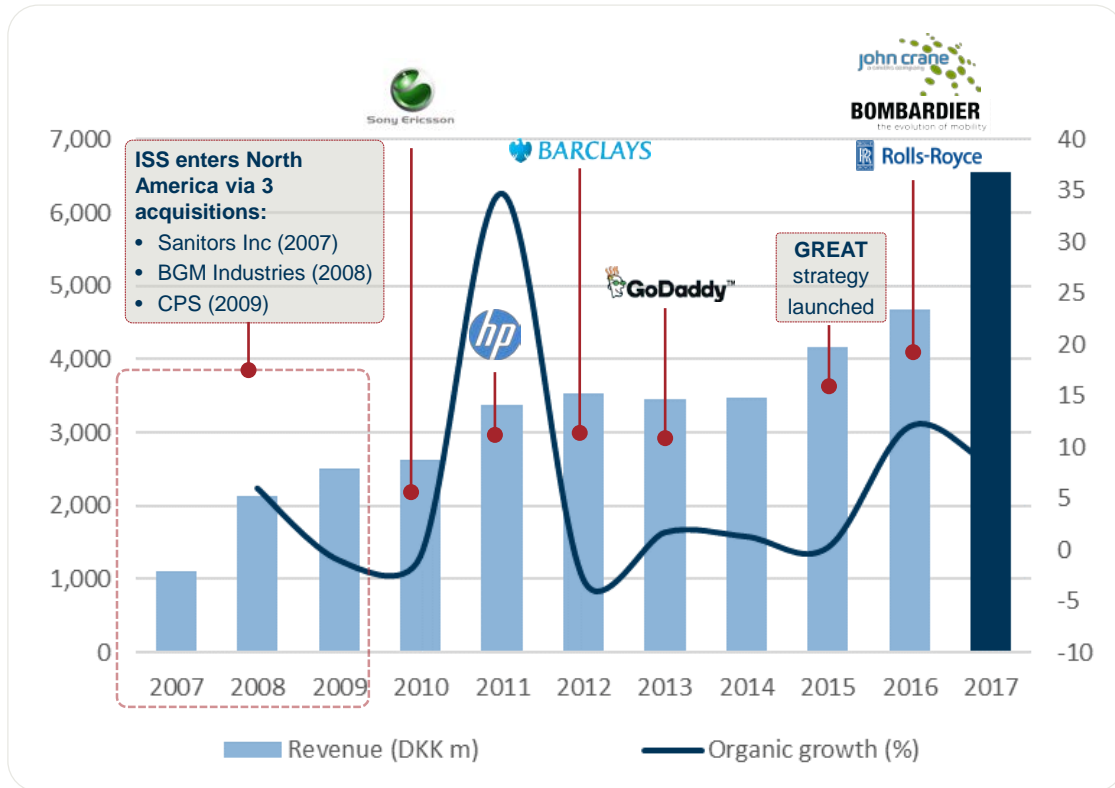
**North America is the world's biggest FM market and presents a significant growth opportunity for ISS**

(1) Various sources and ISS analysis

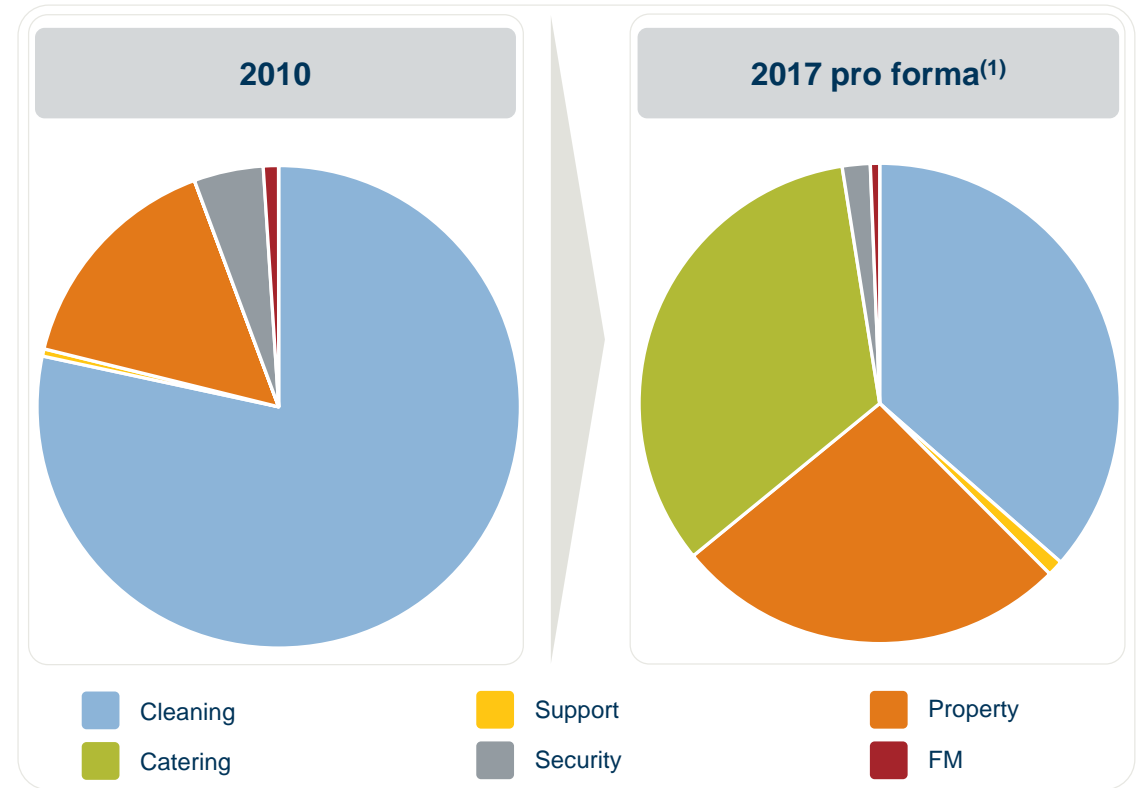
(2) Based on ISS analysis of annual FM spend at 200 of the world's leading corporations

# ISS North America: Timeline

## Revenue<sup>(1)</sup> and organic growth



## Revenue breakdown by service type

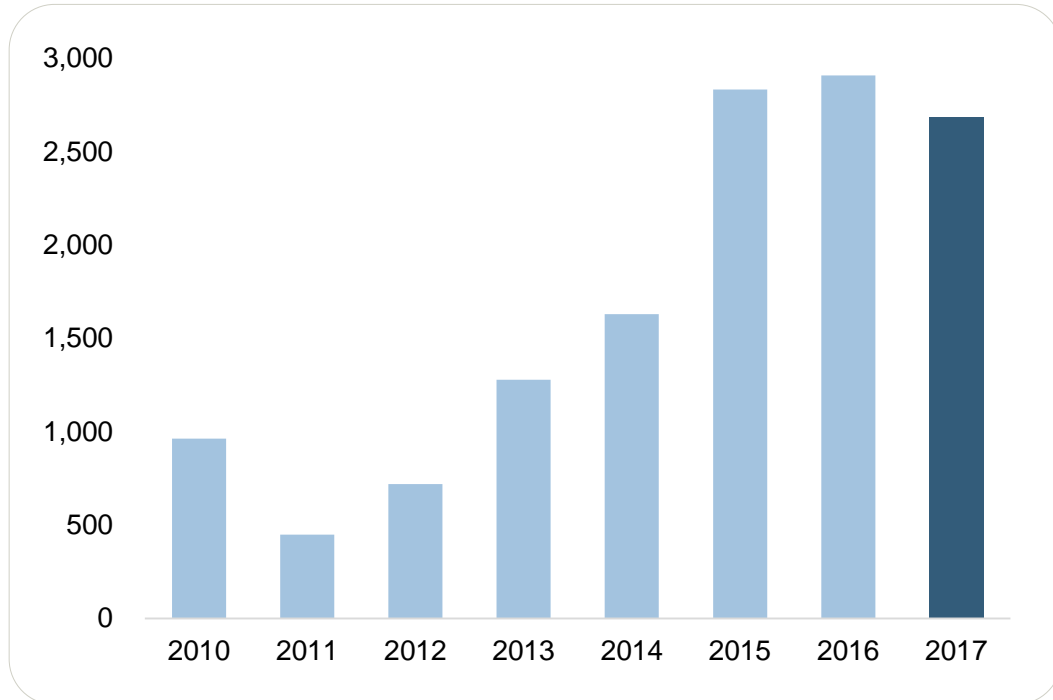


**We are transitioning ISS North America towards a Key Account focused business**

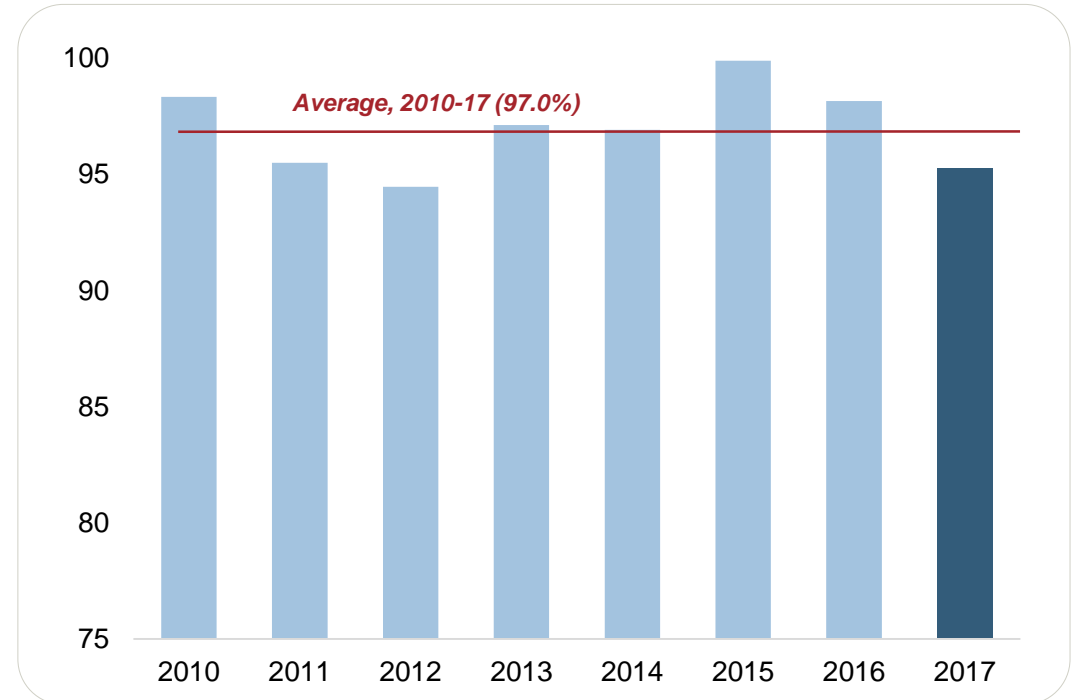
(1) 2017 pro forma (PF) adjusted to include a full year of Guckenheimer's revenue

# Strong cash flow generation

## Free Cash Flow<sup>(1)</sup>



## Conversion of EBITDA (Adjusted) to Operating Cash Flow<sup>(2)</sup> (%)



Earnings quality illustrated by a consistently strong conversion of EBITDA into Operating Cash Flow

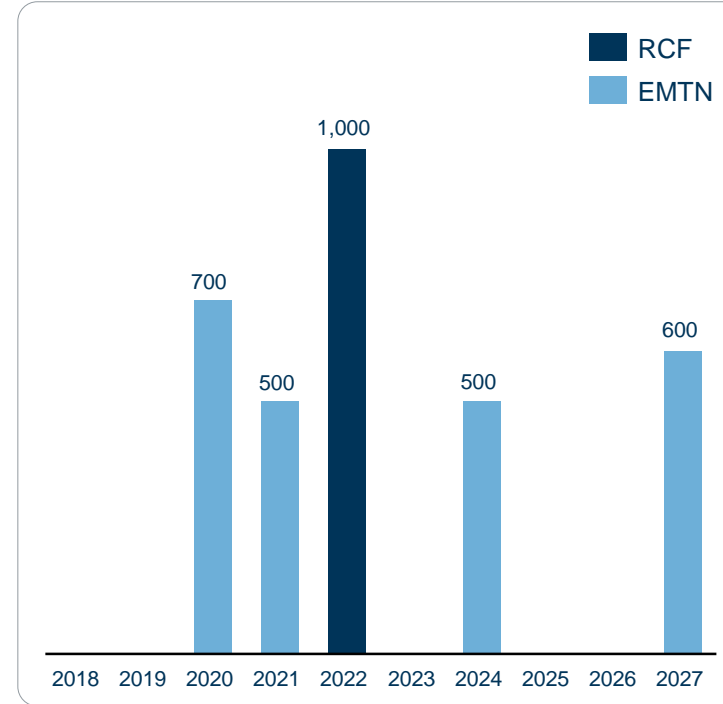
- (1) Cash flow from operating activities + (Cash flow from investing activities less acquisition/divestment of businesses, net)  
(2) EBITDA before other items – Share based payments – Changed in provisions, pensions and similar obligations

# Solid investment grade capital structure

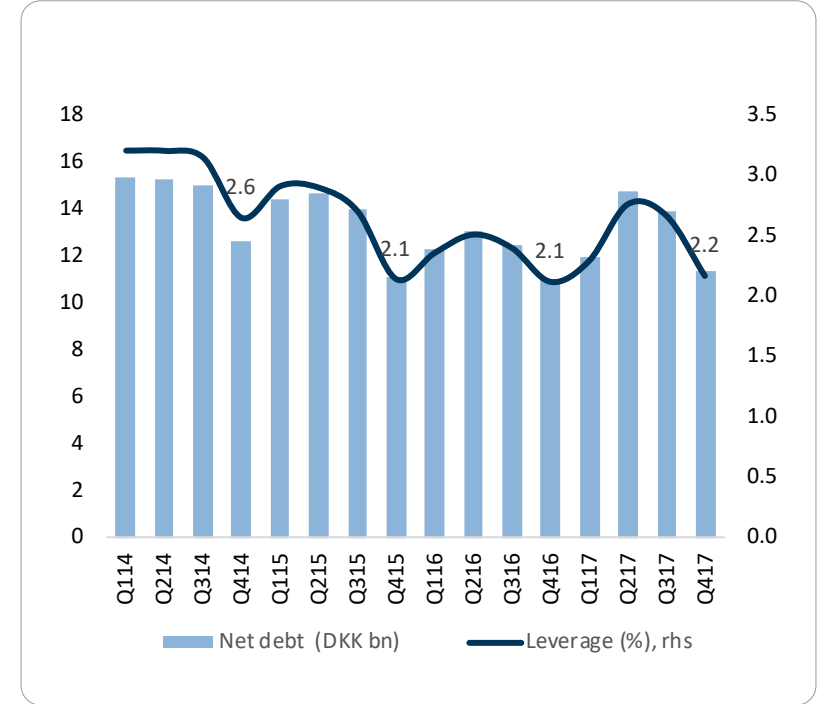
## Issued bonds and bank loans

<b>EMTN</b>	<ul style="list-style-type: none"> <li>• EUR 700m</li> <li>• 1.125% senior unsecured</li> <li>• Maturing 2020</li> </ul>
<b>EMTN</b>	<ul style="list-style-type: none"> <li>• EUR 500m</li> <li>• 1.125% senior unsecured</li> <li>• Maturing 2021</li> </ul>
<b>EMTN</b>	<ul style="list-style-type: none"> <li>• EUR 500m</li> <li>• 2.125% senior unsecured</li> <li>• Maturing 2024</li> </ul>
<b>EMTN</b>	<ul style="list-style-type: none"> <li>• EUR 600m</li> <li>• 1.500% senior unsecured</li> <li>• Maturing 2027</li> </ul>
<b>Revolving Credit Facility <sup>(1)</sup></b>	<ul style="list-style-type: none"> <li>• EUR 1,000m</li> <li>• Libor + 0.45%</li> <li>• Maturing 2022</li> </ul>

## Maturity profile (EUR m)



## Leverage



**ISS continually reviews its financing and will remain pro-active in exploiting opportunities when relevant**

<sup>(1)</sup> The facility includes a margin grid where the margin is dependent on the Group's leverage. The current margin of 0.45% will decrease to 0.35% if leverage is below 2.0x and increase to 0.60% if leverage is above 2.5x. At 31 December 2017, leverage was 2.2x. In addition to the margin, an utilisation fee applies depending on the utilisation of the facility. For utilisation up to 33% the fee is 0.10%, for utilisation between 33% and 66% the fee is 0.20%, and for utilisation above 66% the fee is 0.30%



## Q1 2018 Highlights

# Highlights Q1 2018

## Financial Highlights

- Total revenue growth of -0.4% (Q4 2017: 1.4%)
- Organic revenue growth of 3.1% (Q4 2017: 3.6%)
- Operating margin of 4.0% (Q1 2017: 4.5%)
- Last twelve months (LTM) cash conversion of 102% (Q4 2017: 104%)
- Net profit (adjusted) of DKK 296 million (Q1 2017: DKK 546 million)
- Financial leverage of 2.5x (Q1 2017: 2.3x)

## Commercial Highlights

- Revenue from Integrated Facility Services (IFS) increased 11% (FY2017: 6%) in local currency corresponding to 38% of Group revenue
- Revenue from Global Key Accounts increased 4% (FY2017: 10%) in local currency corresponding to 13% of Group revenue
- Continued strong commercial momentum. Recent contract wins include Royal Philips (selected countries), Arriva (UK), a major international air carrier (US) and a client in the pharmaceutical segment (US)
- Transition and mobilisation of Deutsche Telekom on track
- Pipeline remains strong

# Regional performance Q1 2018

## Continental Europe 39% of Group



**3%**

**organic growth**  
(vs. 6% in Q4 2017)

- Growth mainly driven by contract launches in Turkey, Austria and Switzerland...
- ... as well as solid non-portfolio demand across a number of countries in the region...
- ... partly offset by revenue reduction with DXC Technology

**4.5%**

**operating margin<sup>(1)</sup>**  
(vs. 4.7% in Q1 2017)

- Continued strong margin performance across most countries in the region...
- ... offset by large key account contracts phasing in and out...
- ... as well as performance in the Netherlands...
- ... and investments in operational improvements in Spain

## Northern Europe 31% of Group



**1%**

**organic growth**  
(vs. 0% in Q4 2017)

- Growth supported by contract launches and non-portfolio demand most notably in Denmark and the UK & Ireland...
- ... partly offset by revenue reduction from DXC Technology and the EMEA region with an international bank

**4.9%**

**operating margin<sup>(1)</sup>**  
(vs. 5.6% in Q1 2017)

- Decrease mainly due to large key account contracts phasing in and out...
- ... and our investments in building-out Technical Services credentials
- As expected, the margin remains impacted by operational challenges in Sweden, where turnaround initiatives continue

(1) Operating profit before other items and corporate costs

# Regional performance Q1 2018

Asia Pacific  
18% of Group



**5%**

**organic growth**  
(vs. 4% in Q4 2017)

- Growth mainly driven by contract launches and non-portfolio demand in Australia and Singapore as well as contract launches in Hong Kong...
- ... partly offset by expected negative organic growth in China as a result of our strategic structural adjustments to our operating model

**5.8%**

**operating margin<sup>(1)</sup>**  
(vs. 7.7% in Q1 2017)

- Development driven mainly by one-offs (one-off income in Singapore in Q1 2017 and one-off costs in Q1 2018 in Thailand)...
- ... as well as contract launches and extensions in Australia...
- ... and strategic structural adjustments in China...
- ... partly offset by solid performance in Hong Kong and India

Americas  
12% of Group



**4%**

**organic growth**  
(vs. 8% in Q4 2017)

- Solid organic growth driven by Guckenheimer and key account contract launches in the US...
- ... as well as continued strong growth in Chile
- Growth was partly offset by revenue reduction from DXC Technology and HP Inc...
- ... as well as contract exits and losses in Brazil
- Sequential slow-down among others driven by lower non-portfolio growth (strong Q4 2017)

**2.5%**

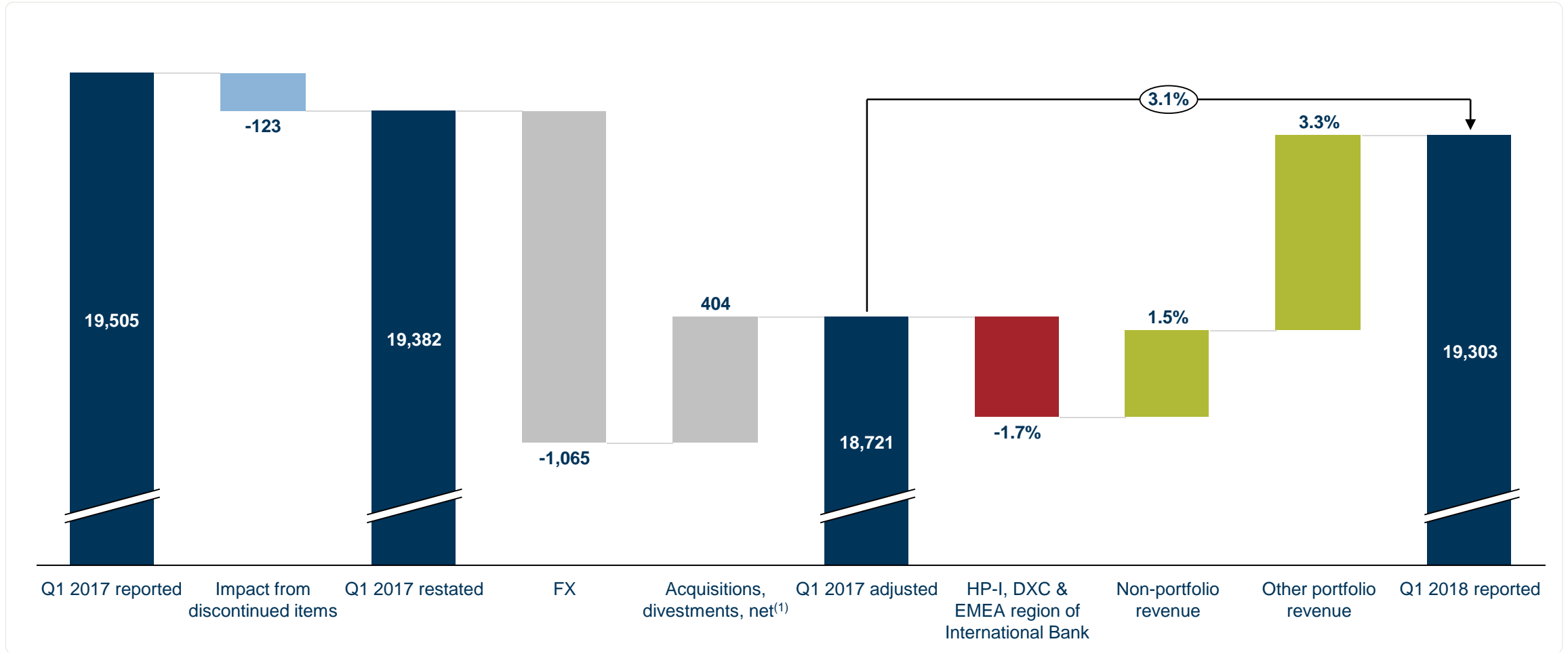
**operating margin<sup>(1)</sup>**  
(vs. 2.5% in Q1 2017)<sup>(2)</sup>

- Margin supported by Guckenheimer integration synergies and performance in the IFS division in North America...
- ... offset by large key account contracts phasing in and out...
- ... and performance in Brazil
- As expected, the margin remains impacted by operational challenges in the Specialised Services division in North America, where turnaround initiatives continue

(1) Operating profit before other items and corporate costs

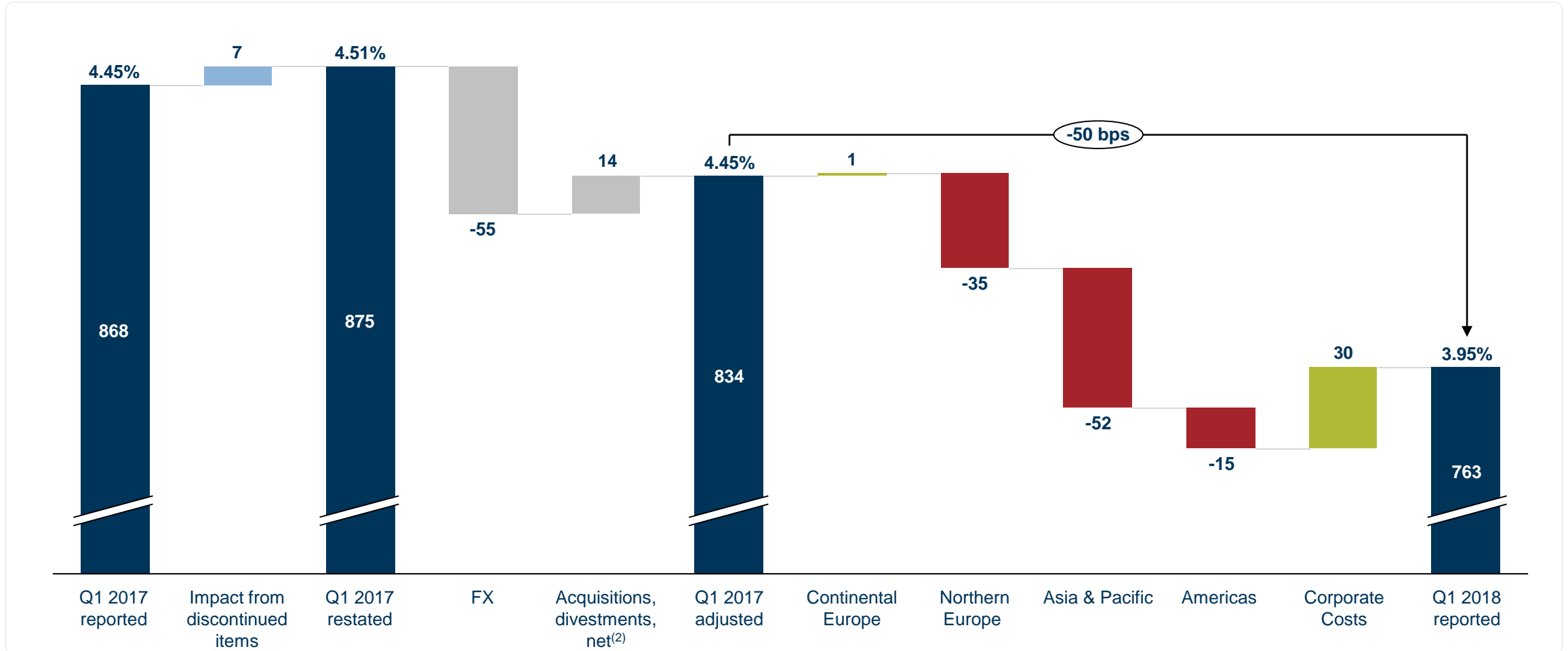
(2) As of 30 June 2017, Argentina and Uruguay have been classified as discontinued operations. Comparative figures have been restated accordingly

# Q1 2018 organic growth drivers (DKK m)



(1) Any acquisitions or divestments completed after 1 January 2017 are included within the Q1 2017 adjusted revenue but only for the equivalent period of time that they impact the Q1 2018 reported result..

# Q1 2018 operating profit drivers<sup>1)</sup> (DKK m)



(1) Operating profit before other items

(2) Any acquisitions or divestments completed after 1 January 2017 are included within the Q1 2017 adjusted operating profit but only for the equivalent period of time that they impact the Q1 2018 reported result.

# Income Statement

DKK million	Q1 2018	Q1 2017	Δ
<b>Revenue</b>	<b>19,303</b>	<b>19,382</b>	<b>(79)</b>
Operating expenses	18,540	18,507	33
<b>Operating profit before other items</b>	<b>763</b>	<b>875</b>	<b>(112)</b>
Other income and expenses, net	(199)	(4)	(195)
<b>Operating profit</b>	<b>564</b>	<b>871</b>	<b>(307)</b>
Financial income and expenses, net	(150)	(111)	(39)
<b>Profit before tax</b>	<b>414</b>	<b>760</b>	<b>(346)</b>
Income taxes	(108)	(201)	93
<b>Net profit (adjusted) from continuing operations</b>	<b>306</b>	<b>559</b>	<b>(253)</b>
Net profit/(loss) (adjusted) from discontinued operations	(10)	(13)	3
<b>Net profit (adjusted)</b>	<b>296</b>	<b>546</b>	<b>(250)</b>
Goodwill impairment	(24)	-	(24)
Amortisation and impairment of brands and customer contracts	(120)	(130)	10
Income tax effect	33	28	5
<b>Net profit (reported)</b>	<b>185</b>	<b>444</b>	<b>(259)</b>
Adjusted EPS, DKK <sup>(1)</sup>	1.6	2.9	(1.3)
Adjusted EPS from continuing operations, DKK <sup>(2)</sup>	1.7	3.0	(1.3)

- DKK 167 million of restructuring projects mainly related to the continued implementation of GREAT predominantly in France and Sweden
- DKK 30 million net loss on divestments related to the divestment of activities in Greece

DKK million	Q1 2018	Q1 2017
Net interest expense	(113)	(90)
Amortisation of financing fees	(6)	(9)
Other <sup>(3)</sup>	(24)	(23)
FX	(7)	11
<b>Financial income and expenses, net</b>	<b>(150)</b>	<b>(111)</b>

Effective tax rate of 26.0% (Q1 2017: 26.4%)

Impairment related to the divestment of the Fruit Business in Denmark

(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)

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

# Cash Flow

DKK million	Q1 2018	Q1 2017	Δ
Operating profit before other items	763	875	(112)
Operating profit from discontinued operations	(0)	(3)	3
Depreciation and amortisation	163	176	(13)
Changes in provisions, pensions and similar obligations	(25)	(5)	(20)
<b>Cash flow from operations</b>	<b>901</b>	<b>1,043</b>	<b>(142)</b>
Share based payments	20	1	19
Changes in working capital	(1,446)	(1,376)	(70)
Other expenses paid	(70)	(53)	(17)
Net interest paid/received	(153)	(140)	(13)
Income taxes paid	(278)	(256)	(22)
<b>Cash flow from operating activities</b>	<b>(1,026)</b>	<b>(781)</b>	<b>(245)</b>
Cash flow from investing activities	(182)	(105)	(77)
Cash flow from financing activities	108	500	(392)
<b>Total cash flow</b>	<b>(1,100)</b>	<b>(386)</b>	<b>(714)</b>
<b>Free Cash Flow<sup>(1)</sup></b>	<b>(1,250)</b>	<b>(976)</b>	<b>(274)</b>
- of which relates to Deutsche Telekom transition and mobilisation cost	(27)	-	(27)

- Cash conversion of 102% (Q4 2017: 104%) impacted by the timing of collections and payments around quarter end
- Outflow of DKK 27m (Q1 2017: DKK 0m) related to the transition and migration of Deutsche Telekom

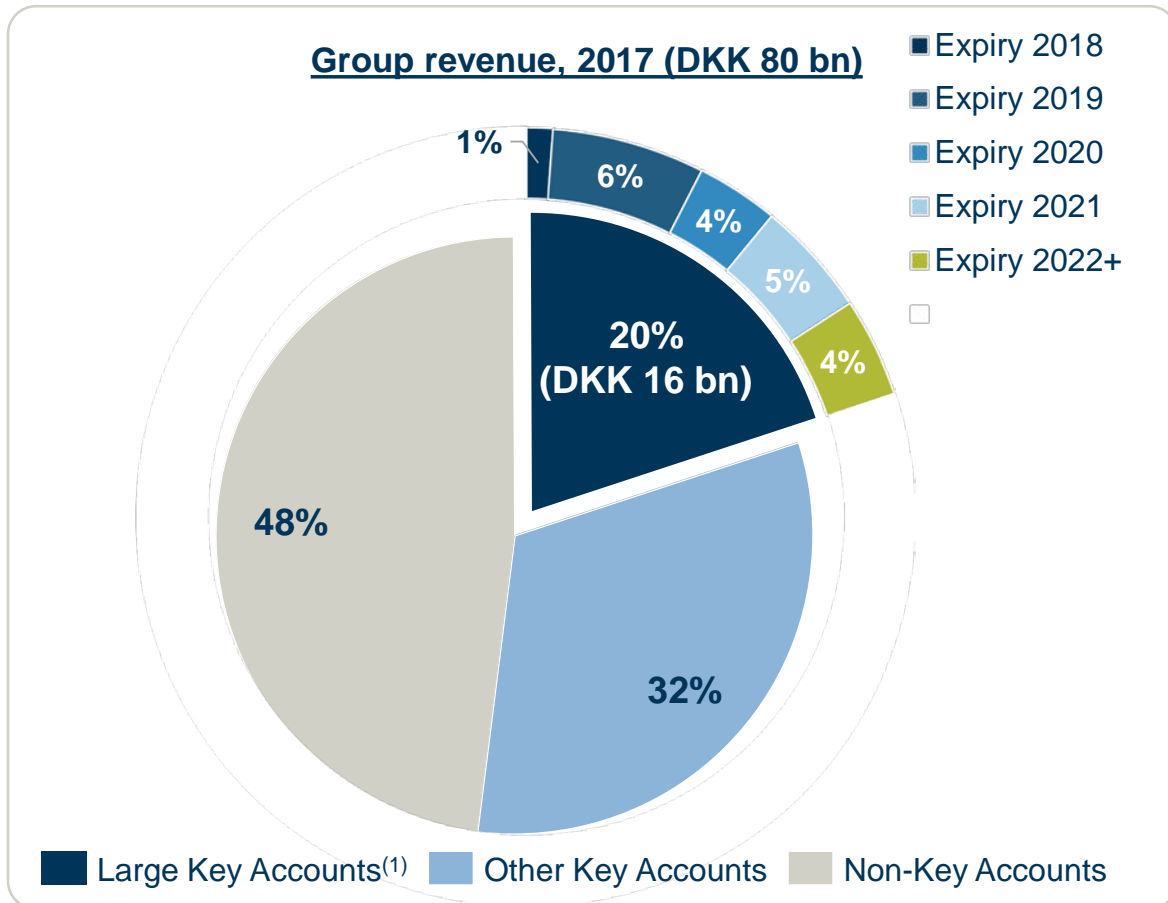
- CAPEX of DKK 205m (Q1 2017: DKK 180m) due quarterly timing differences and slightly higher investments in technology

- Reduction driven mainly by lower cash flow from operations and changes in working capital

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

# Contract maturity update

## Key contract maturity profile



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

## Update relative to Full Year results in February

- Successful extension of all large Key Accounts set to expire in Q1 2018
- 4 of the 7 contracts set to expire during 2018 have now been extended
- Following a 2017 with significant extensions, expansions and reductions with large Key Accounts...
- .. 2018 is a lower than average year in terms of revenue up for renewal...
- ... and dialogue around contracts maturing in 2019 is slowly starting up

# Outlook 2018

## Organic Growth

'1.5 - 3.5%'

(2017: 2.4%)

- In most of our major countries, current macroeconomic conditions appear broadly supportive, with the exception of the UK where BREXIT-related uncertainty persists
- As such, we expect continued strong growth from key accounts, driven by both expansion of existing customer relationships and new customer wins
- The negative effect from lost revenue with DXC, HP Inc. and the EMEA operations of one other global key account will impact most of the year and will partially offset progress elsewhere
- We see continued healthy growth coming from our Emerging Market countries

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 approximately 4%<sup>1)</sup>
- We expect a neutral impact on revenue growth from divestments and acquisitions<sup>2)</sup>

## Operating Margin

'Around 5.6% excl.  
acquisitions, divestments  
and FX'

(2017: 5.65%)

- We expect the loss of mature and sizable contracts to have a dilutive impact which will be partially mitigated by our ongoing focus on cost and efficiency initiatives.

## Cash Conversion

'Above 90%'

(2017: 104%)

- Cash conversion will continue to be a priority in 2018

1) The forecasted average exchange rates for the financial year 2018 are calculated using the realised average exchange rates for the first four months of 2018 and the average forward exchange rates (as of 1 May 2018) for the last eight months of 2018.

2) Includes divestments and acquisitions completed by 30 April 2018 (including in 2017).