INVESTOR PRESENTATION

Full Year 2020 Results

25 February 2021

Jacob Aarup-Andersen
Group CEO

Agenda

1 Summary

2 Strategic update

3 Market and Business

4 Financials

5 Outlook

6 Q&A

Executive Summary
- Turbulent 2020 concluded as expected. Recovery journey commenced

OneISS

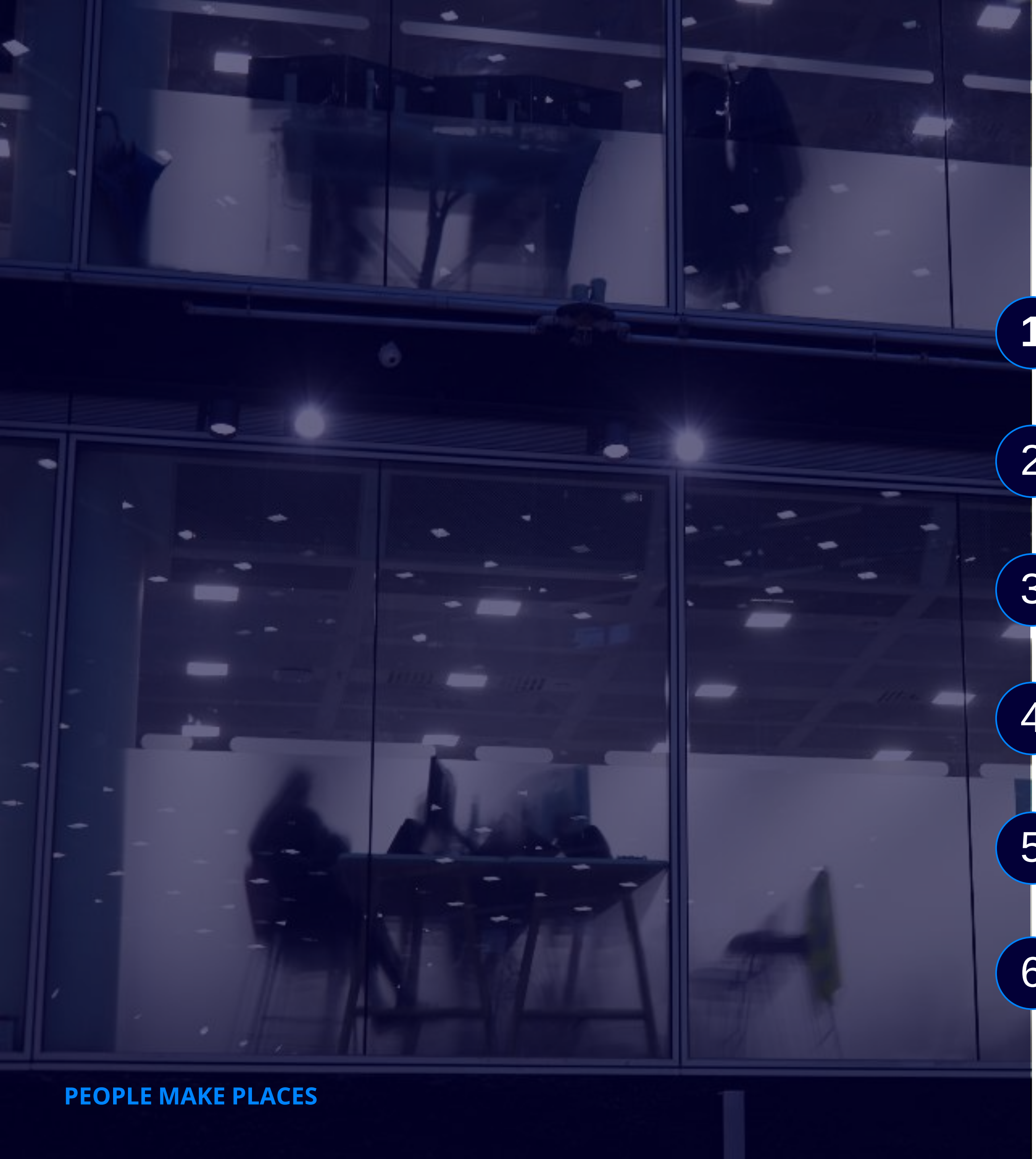
The strategic agenda being executed as planned

Covid-19

Tightened restrictions and lockdowns impacted Q4 – Restructuring efforts progressing

Financials

Financial results in line with expectations and preliminary guidance for 2021 is confirmed



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PEOPLE MAKE PLACES

OneISS outlines our turnaround journey with strengthened strategic focus and an aligned operating model

OneISS update
- Changes to enhance execution are on track

Embedding the new operating model across the Group

- Stronger benchmarking tools in place
- New contracts are governed under the tightened risk and bid process

Turnaround of underperforming contracts and countries

- Advanced exit negotiations with Danish Defence
- Restructuring and performance improvement structure set up to improve performance with Deutsche Telekom

Technology

- Creation of ISS Hub in Warsaw progressing with more than 30 positions recruited
- DKK 350 million in incremental IT investments in 2021[1]

People & Culture

- Cultural change driven by new management team
- Key external profiles signed to join ISS leadership

PEOPLE MAKE PLACES

1) Adjusted for extraordinary costs in 2020 related to the IT security incident

Operational changes to enhance execution is on track
- Operations Performance function driving quality and productivity KPIs

Stronger processes for best practices

Standardised benchmarking and KPIs

Dynamic deployment of resources for greater impact

Increased investment in contract transition transformation

Cultural change driven by new leadership team
- Additional profiles announced to join the team - with more to come

Chief Information and Digital Officer

Markus Sontheimer

- Joining 1 June 2021
- Strong track-record of IT and digital transformations
- Joining EGM
- Comes from position as CIO of DB Schenker

Country Manager of Germany

Eva Wimmers

- Joining 1 March 2021
- Experienced leader within transforming businesses
- More than 27 years experience in leading technology and IT companies
- Previously Senior Vice President at Deutsche Telekom AG

Other key hirings

- Global Diversity & Inclusion Director
- Several new Country CFO's including Norway, US and Sweden
- Several senior commercial roles

PEOPLE MAKE PLACES

Status on divestment programme
- Up to DKK 2 billion of net proceeds expected in 2021 and 2022

Countries (Discontinued operations)

7 (+1) out of 18 countries divested

- Reached agreement to divest Slovenia (expected completion in Q1)
- Russia, Taiwan and Portugal included in Discontinued operations following OneISS announcement in December 2020

Business units (Continuing operations)

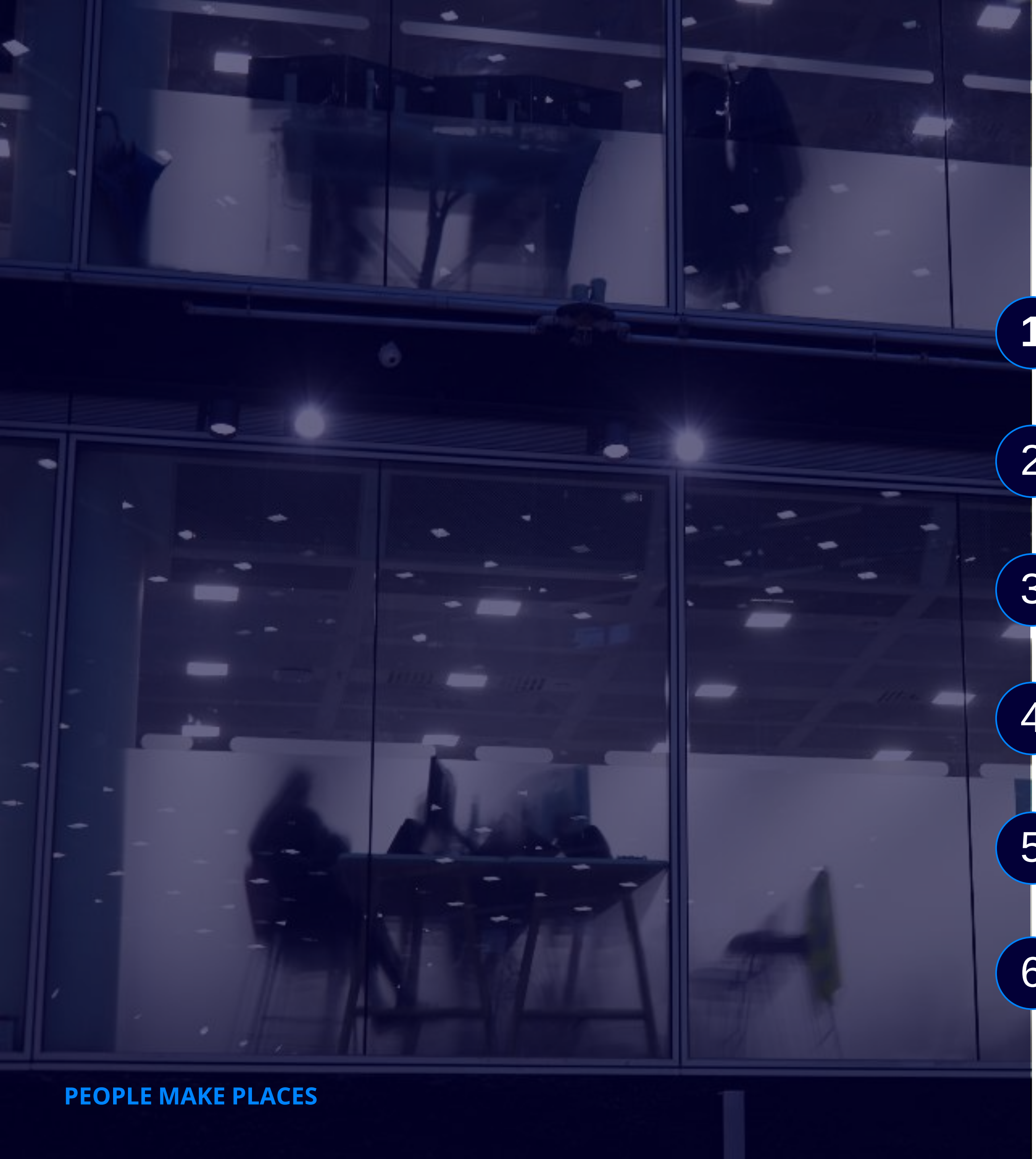
Around DKK 4 billion of revenue

- Includes DKK 3 billion of selected non-core business units announced in December 2020

Net proceeds expected in 2021 and 2022

Further up to DKK 2 billion

- Approximately DKK 0.5 billion in net proceeds collected in Q4, predominantly from divestment of Thailand
- Total net proceeds of around DKK 1.4 billion has been collected during 2019 and 2020 (in line with expectations and plan)



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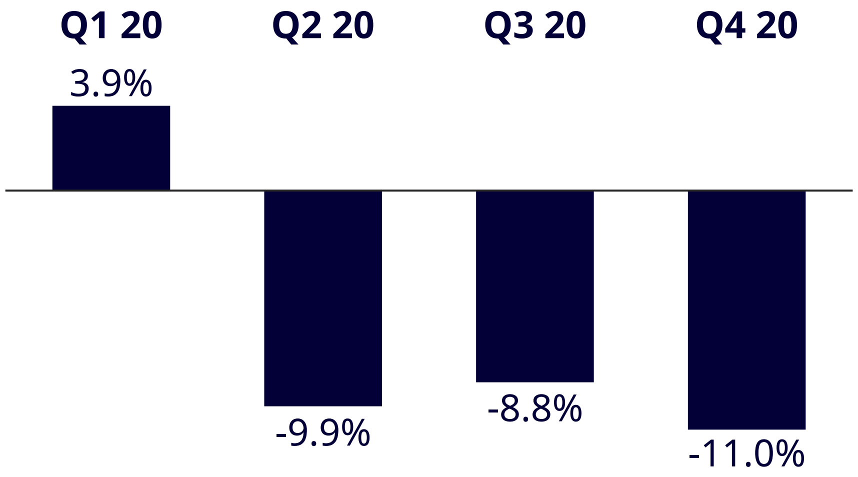
Organic growth development per industry and service line
- Very diverse effects of the pandemic across the business

	Industries				
	Specialised	Production-based	Office-based	Other	
Service lines	Healthcare, Public adm., Energy, Other.	Pharma*, Industry & Manufacturing and F&B	Business services & IT*	Retail, Hotels, Leisure & Transportation	Organic growth (Share of revenue)
Cleaning	+	+	+	−	-1% (48%)
Food services	−	−	−	−	-30% (11%)
Technical, workplace & others	+	+	−	−	-4% (41%)
Organic growth (Share of revenue)	+2% (30%)	-3% (20%)	-9% (35%)	-18% (15%)	-6.5% (100%)

IT adjusted for run-rate of DTAG win. Pharma adjusted for Novartis loss. Organic growth estimation is based on uniform impact from divestments and foreign exchange across service lines and industries

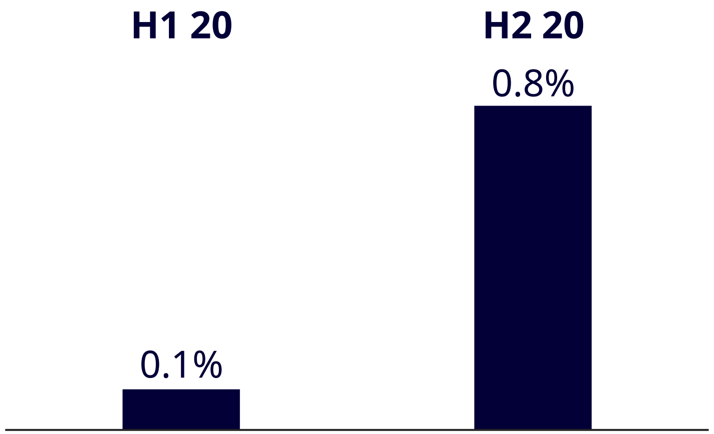
Tightened global health restrictions in Q4 2020
- Successful restructuring efforts leading to improved profitability

Quarterly organic growth



- Deterioration in Q4 compared to Q3 is driven by lockdowns and tightened health restrictions, particularly in Germany and United Kingdom (contributing more than 70% of the sequential decrease)
- Organic growth in Americas and Northern Europe (excl. UK) was roughly unchanged in Q4 compared to Q3

Operating margin excl. restructuring and one-offs



- Sequential quarterly margin improvement since Q2 2020
- Significant restructuring, firm trimming of the portfolio and renegotiation of contracts are driving cost rescaling to ensure profitability at lower volumes

Commercial development
- Limited contract expiries in 2021

Key development since Q3 2020

New wins

- Iberdrola S.A. (Spain) approx. DKK 100m annually

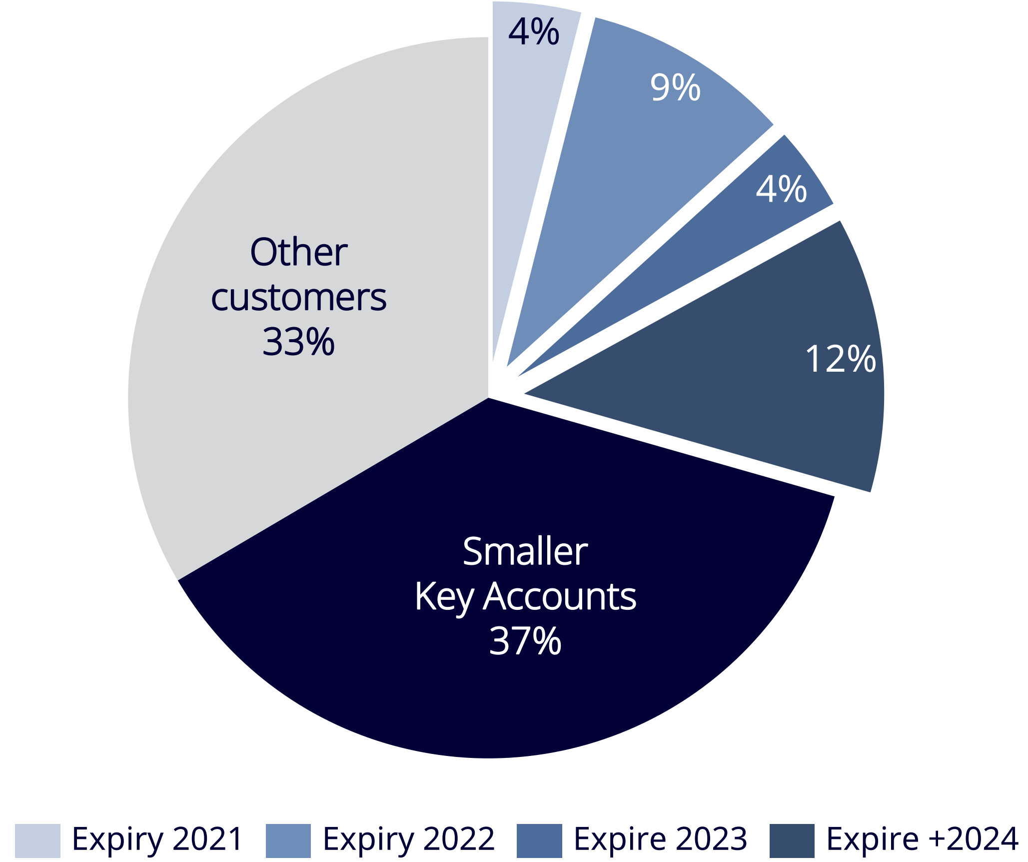
Extensions & Expansions

- Retail and Wholesale customer, Norway (incl. approx. DKK 75m in new revenue)
- International Beverage Manufacturer, Netherlands
- Airport customer, Australia
- Technology company, 14 countries
- Technology company, UK

Losses

- Post Nord (Scandinavia) approx. DKK 150m annually

Large key accounts[1] contract maturity profile



(1) *Global Key Accounts and Key Accounts generating revenue above DKK 200m annually*

PEOPLE MAKE PLACES

Kasper Fangel
Group CFO

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2020 financials at a glance

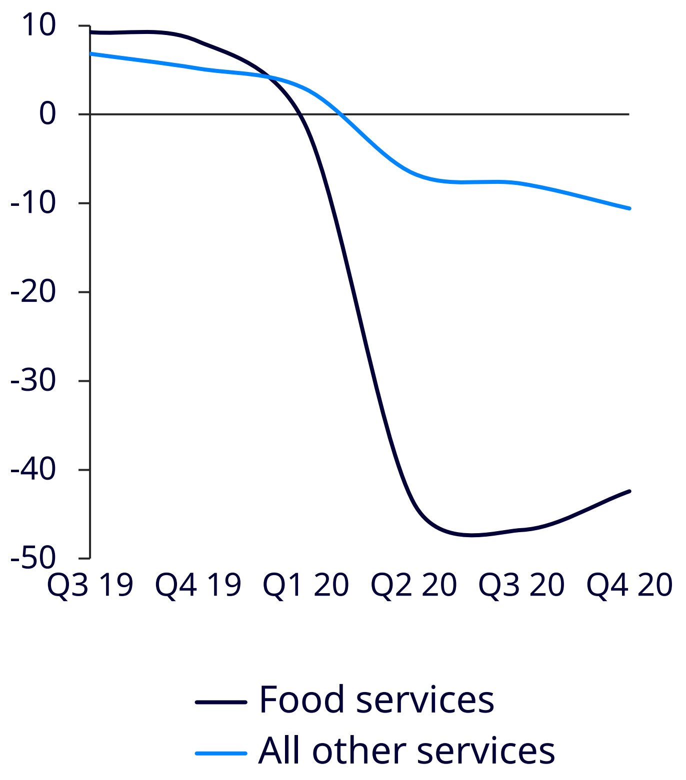
FY 2020 financial performance in line with expectations

	Original 2020 Outlook *(26 February 2020)*	Reinstated 2020 Outlook *(12 August 2020)*	Realised FY 2020
Organic Growth	Above 4%	-6% to -8%	-6.5%
Operating Margin *(Before other income and expenses, net)*	Above 4.5%	Marginally positive (excl. restructuring and one-offs)	0.5% (excl. restructuring and one-offs)
Free Cash Flow *(Reported)*	Above DKK 2.0 bn	Around DKK -2 bn	DKK -1.8 bn

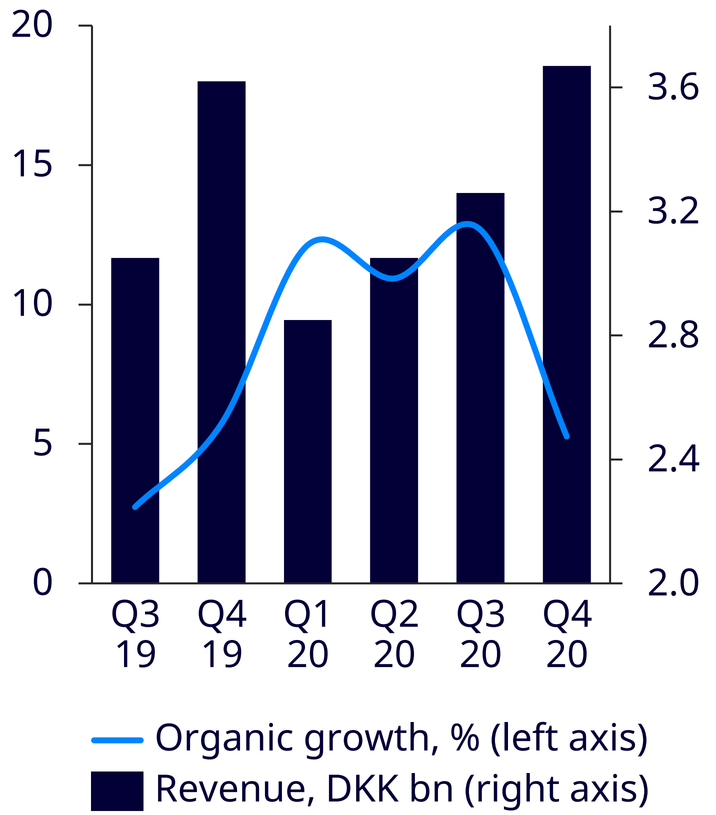
PEOPLE MAKE PLACES

Details of 2020 revenue development

Service line growth, %



Projects & above-base revenue and organic growth, %



Service line development

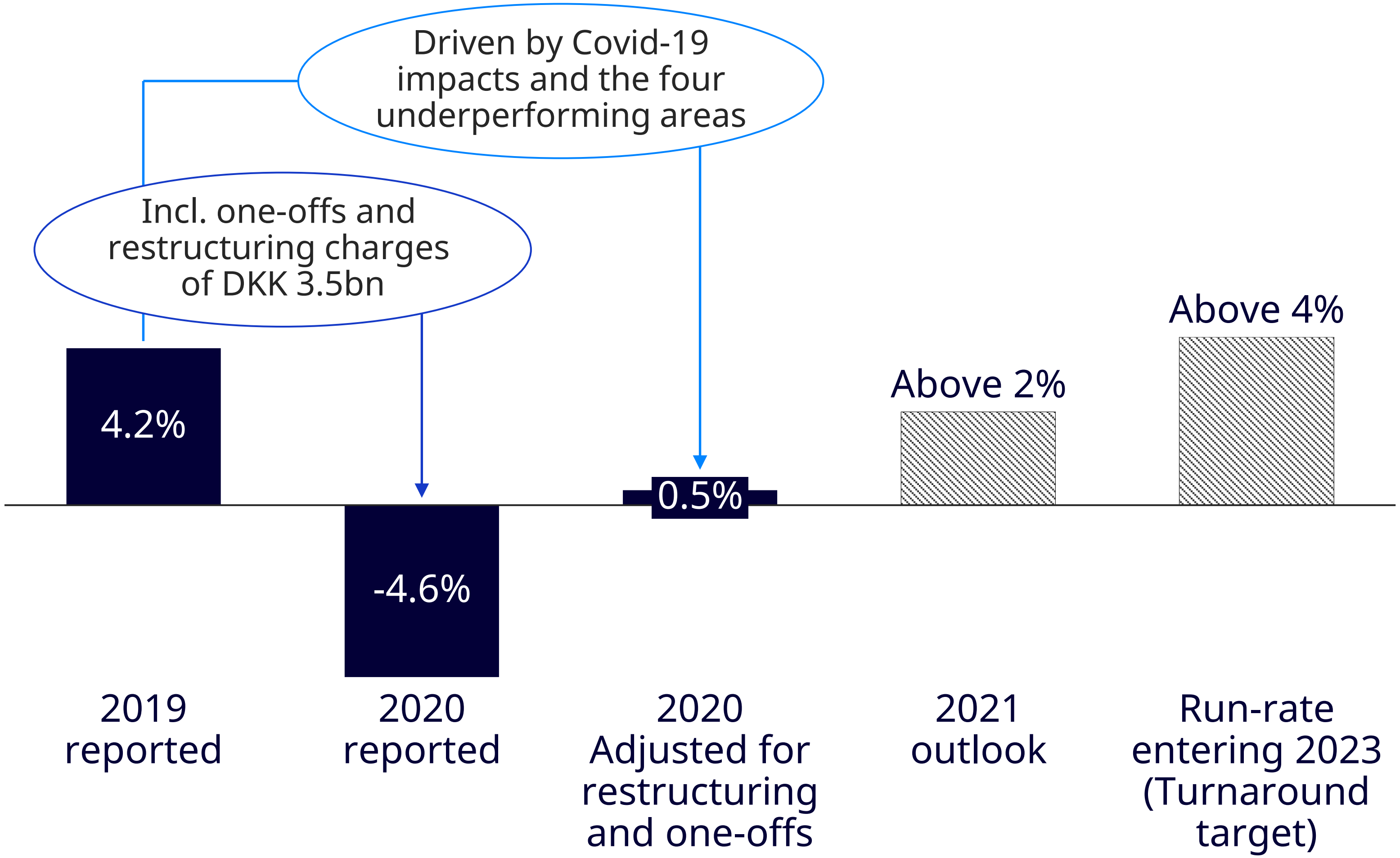
- Cleaning and Technical have been relatively resilient during the pandemic but are especially impacted during full lockdowns
  - Slight weakening in Q4 driven by tightened restrictions in some of the largest markets, particularly Germany and United Kingdom
- Food services improved slightly in Q4 2020 mainly driven by Food services in Americas

Projects & above-base revenue

- Continued positive growth contribution from Projects & above-base revenue
- The normal seasonality - where Q4 is the major quarter for projects & above-base – has been less pronounced in 2020

Operating margin drivers
- Adjusted margin of 0.5% in 2020

- The margin is heavily impacted by one-offs and restructuring costs of DKK 3.5 billion
    - Covid-19 related restructuring of DKK 1.2 billion
    - One-offs of 2.3 billion mainly related to underperforming contracts and the UK
    - 50% is non-cash and 50% has a cash impact, of which DKK 650 million was in 2020. The remaining will be paid in 2021 and 2022, skewed towards 2021
- The adjusted[1)] margin drop can be explained by Covid-19 impacts and the four underperforming areas

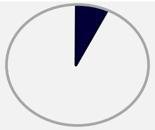
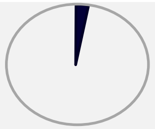
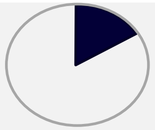
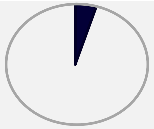
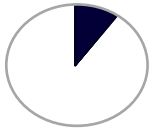


PEOPLE MAKE PLACES

1) Adjusted for restructuring and one-offs

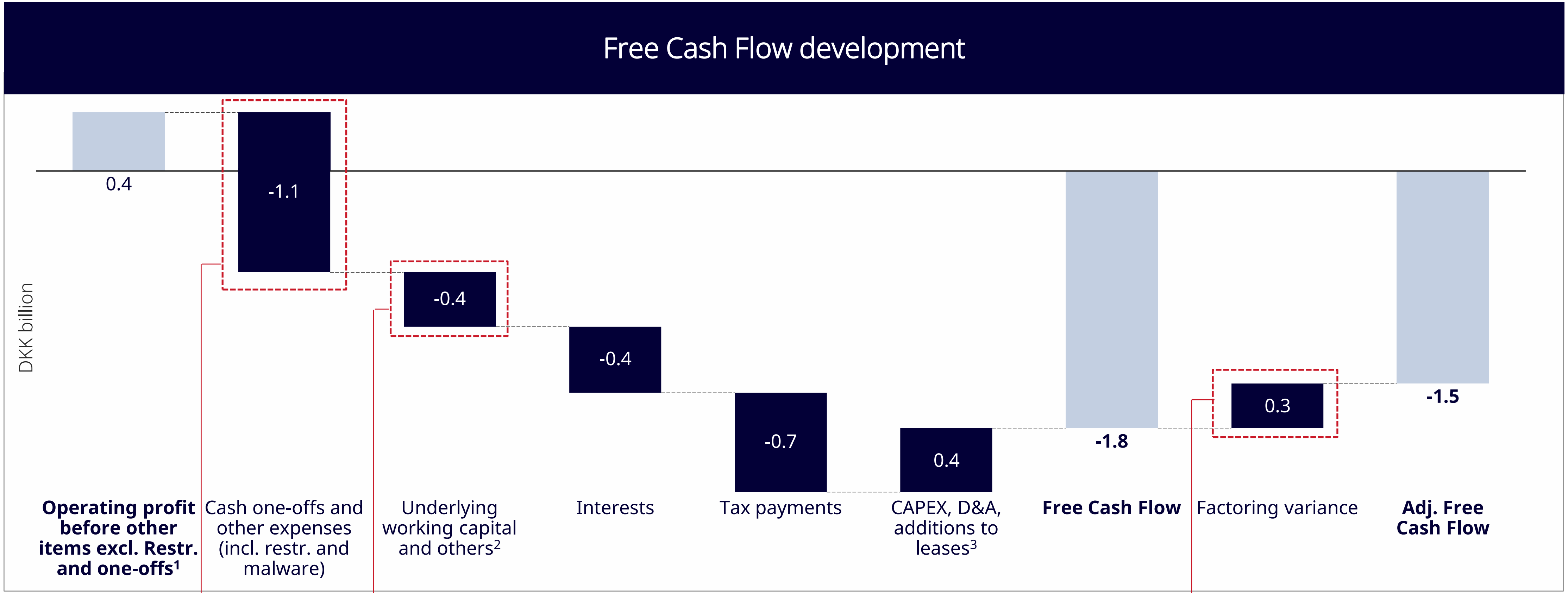
Margin recovery journey to turnaround target
- All margin drivers entail additional margin potential beyond 2022

CONCEPTUAL AND INDICATIVE

Margin recovery drivers	Key Development Q4 2020	Contribution to Group Margin Target (By end of 2022 vs. 0.5%[1] in 2020)	Financial progress (end of Q4 2020)
UK recovery	• Recruited new Country Manager of UK&I and part of the EGM • Ongoing efficiency improvements	+100bp (based on low single-digit margins)	
France recovery	• Commercial improvements to eliminate attrition and increase retention rate • Ongoing Covid-19 rescaling of the business	+40bp (recover to low single-digit margins)	
Underperforming contracts	• Provision taken for Danish Defence contract and ongoing dialogue to exit the contract • Deutsche Telekom IT migration progressing	+100bp (Achieve break-even)	
COVID-19 restructuring and revenue recovery	• Growth continues to be significantly impacted by the pandemic • Global Covid-19 related restructuring progressing	+130bp (Recover ~60% of lost revenue and payback of restructuring)	
Rest of business and new operating model	• OneISS operating model implementation ongoing	Above -20bp (Ongoing restructuring costs, investments, savings and other effects)	
Turnaround target and estimated progress		= Above 4%	

1) Before restructuring and one-offs of DKK 3.5bn in 2020

Free Cash Flow development in 2020
- Negative Free Cash Flow driven by suppressed operating profit



- Stable cash working capital development impacted by factoring variance of DKK 0.3 billion

- Lower use of factoring impacts FCF negatively by DKK 0.3 billion. Balance by end-2020 is DKK 1 billion

- Payments related to restructuring and one-offs of around DKK 650 million
- Cash payments related to malware attack and other expenses of DKK 441 million

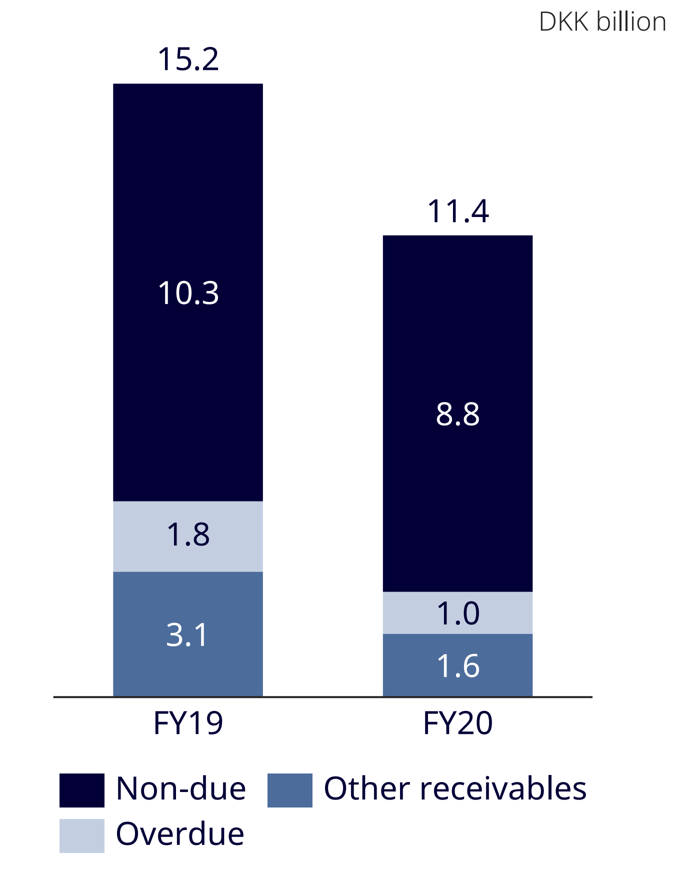
1) Including operating profit from Discontinued Operations (DKK 70 million)

2) Changes in working capital + changes in provision etc. + share-based payments – non-cash restructuring and one-offs

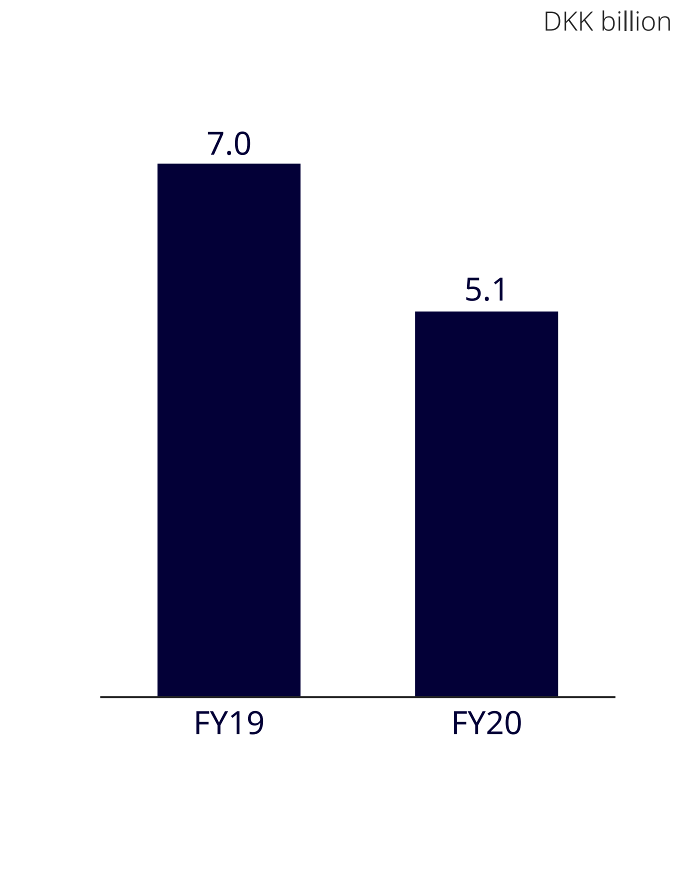
3) Depr., and amortization – acq of intangible assets + disposal of intangible assets – acquisition of financial assets excl investments in equity-accounted investees – additions to lease assets

Working capital deep-dive
- Healthy reduction of overdue receivables

Trade Receivables and Other receivables



Trade and other payables



Key Comments

Trade Receivables and Other receivables

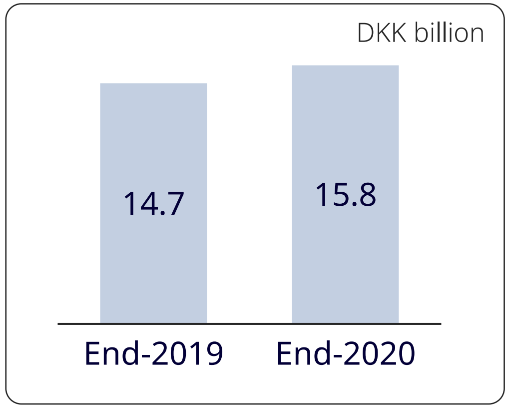
- Lower activity and underlying healthy development of accounts receivables. New operating model and focus on cash are reducing overdue receivables
- Other receivables reduced as a result of write-down of transition and mobilisation costs related to DTAG

Trade and other payables

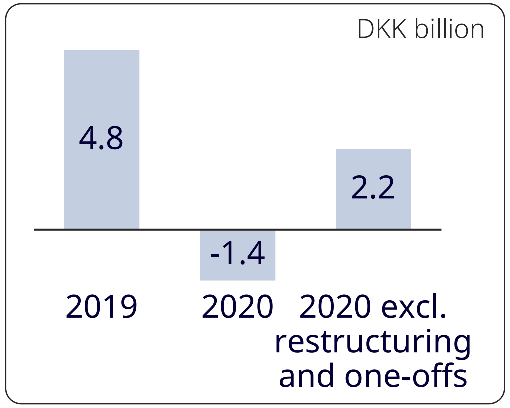
- Lower activity is reducing the trade payable level
- Enhanced payment terms discipline
- Higher share of self-delivery services

Net debt and leverage development
- Adjusted leverage ratio of 7.3x

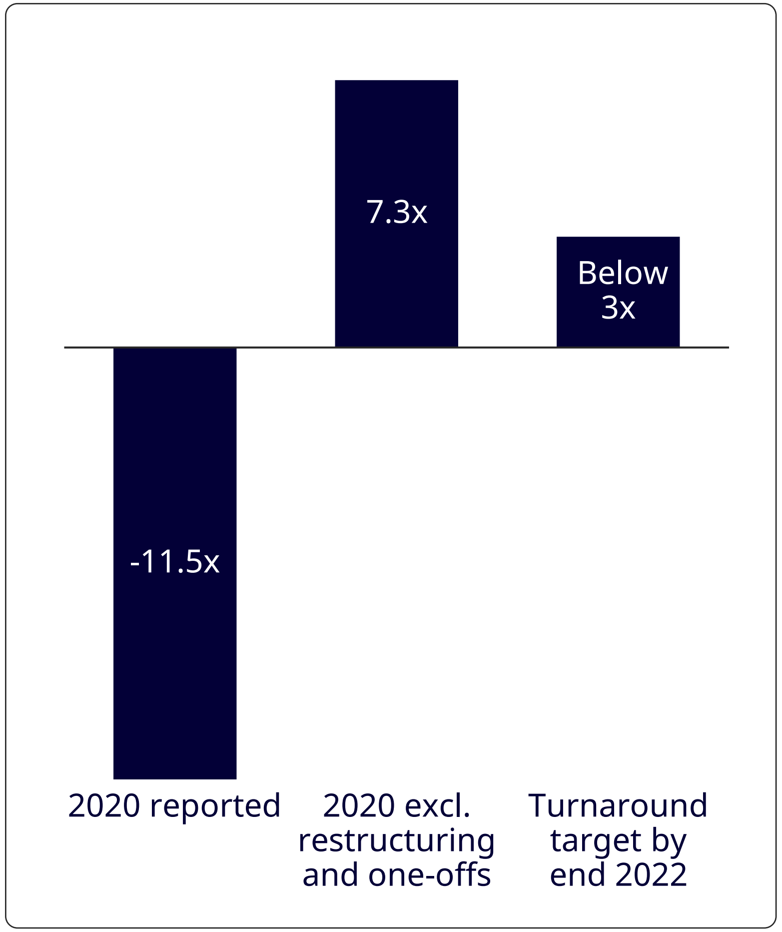
Net debt



Pro forma adj. EBITDA

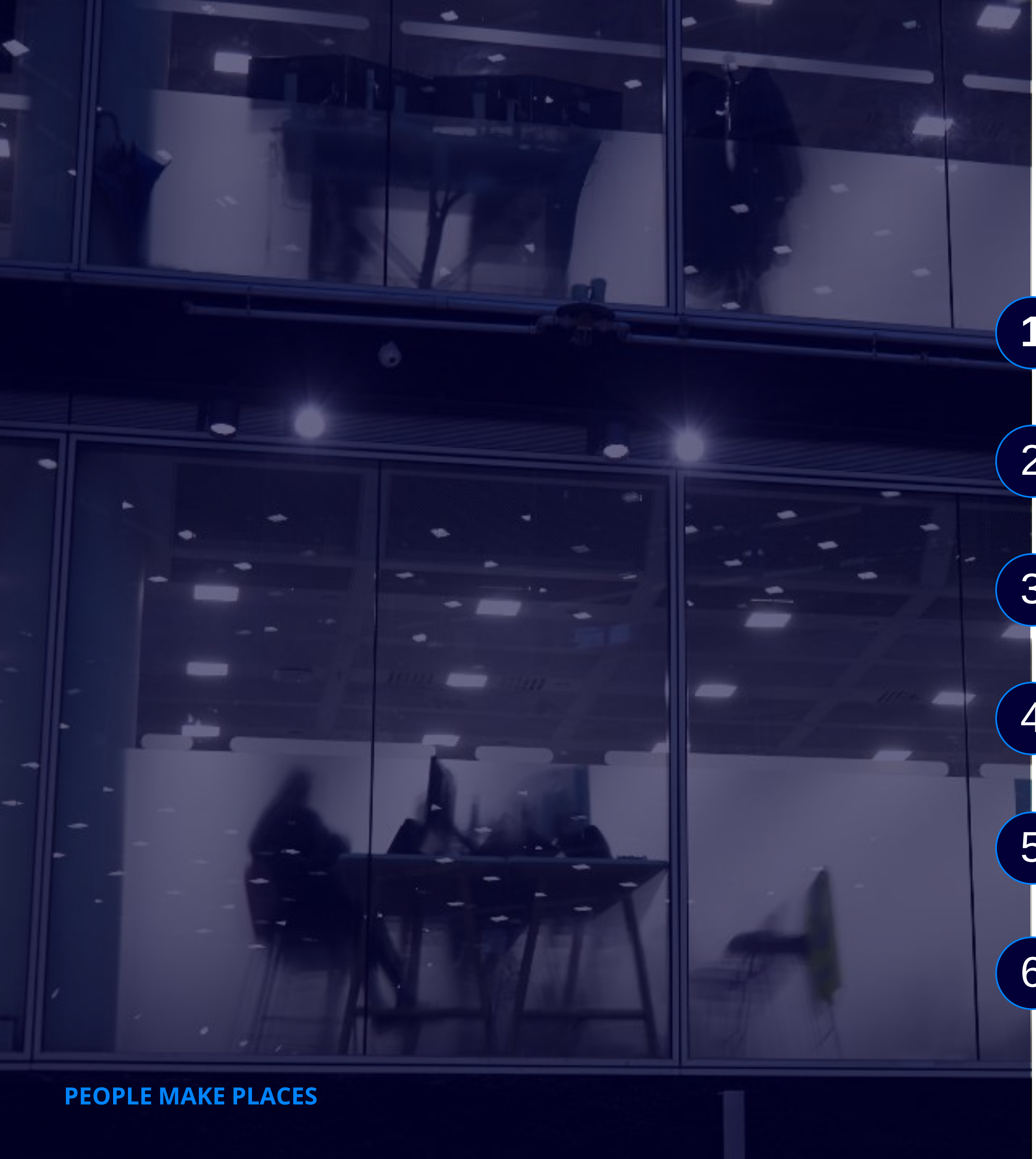


Leverage ratio



Key comments

- Reported leverage includes one-offs and restructuring costs of DKK 3.5 billion in 2020
- Leverage adjusted for one-offs and restructuring costs is 7.3x due to suppressed EBITDA reflecting the significant adverse impact from Covid-19 and the four underperforming areas
- Net debt increased by DKK 1.1billion driven by the negative Free Cash Flow, partly offset by proceeds from divestments
- Leverage is expected to reduce significantly during 2021 and 2022.
- Total readily available liquidity at year-end at DKK 14 billion
- No financial covenants and no unaddressed material debt maturities until 2024 onwards



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Outlook 2021

Organic Growth

Positive

- Positive underlying growth
- Significant Covid-19 headwinds in Q1 2021 followed by gradual recovery from Q2 2021
- Contract exits, as part of pruning the portfolio

Operating Margin[1)]

Above 2%

- Improvements of underperforming countries and contracts
- Covid-19 recovery from Q2 2021
- Pay-back on restructuring initiatives
- Increased investment level, including IT & technology

Free Cash Flow

Slightly positive

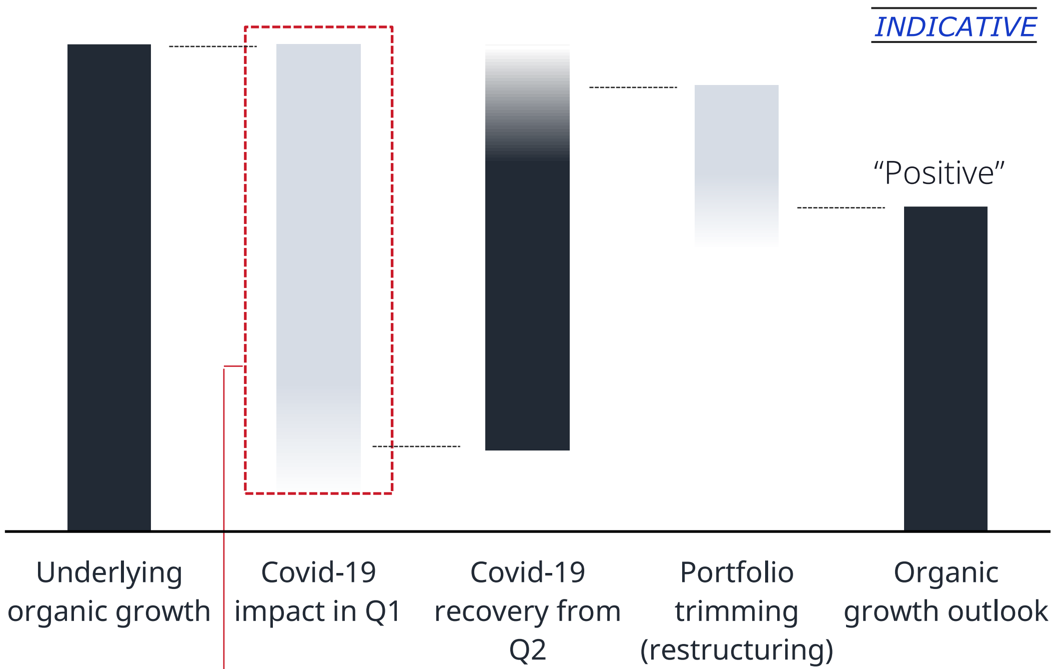
(incl. cash outflow from 2020 restructuring costs and one-offs)

- Improvement in operating profit
- Cash impact from significant restructuring and one-offs booked in 2020
- Increase in the utilisation of factoring, driven by the launch of large International Manufacturing customer

(1) Operating profit margin before other income and expenses

Organic Growth outlook
- Outlook assumes gradual Covid-19 recovery from Q2 2021

Organic growth building blocks



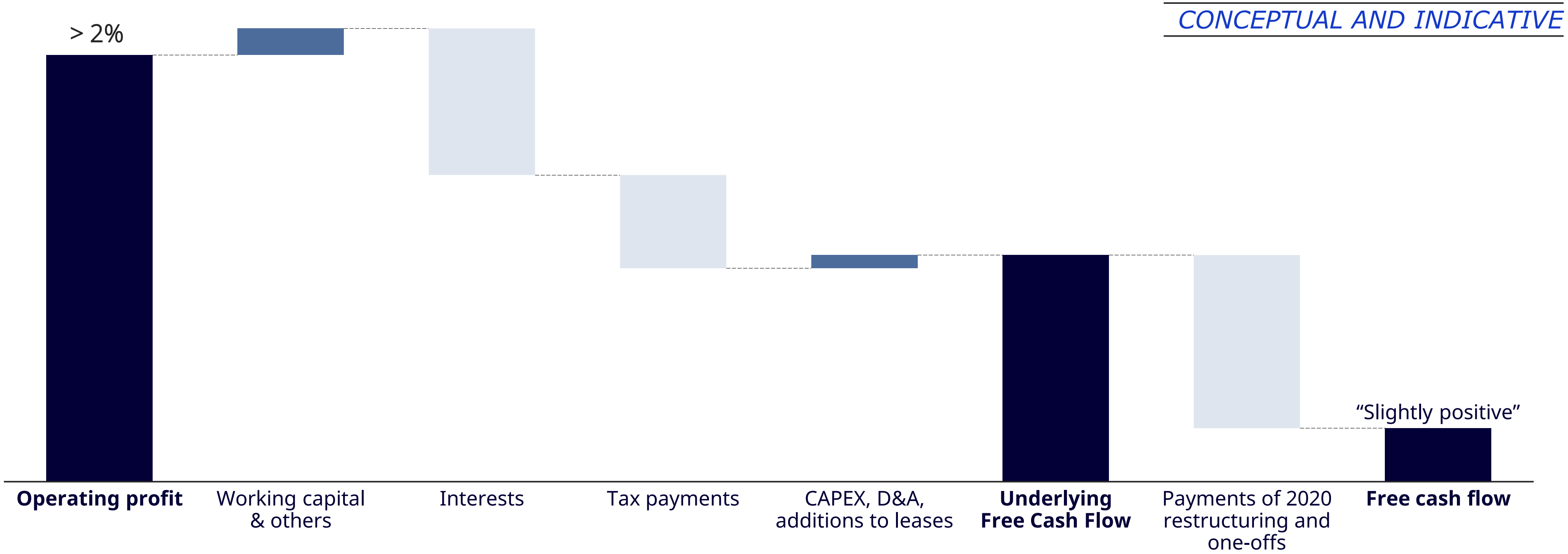
- Continued lockdowns and health restrictions will impact both revenue and profitability in Q1 2021. Organic growth in Q1 2020 was solid and represents a challenging comparison base

Key Comments

- Underlying organic growth driven by underlying customer growth and new contract wins (including win of large customer in Americas)
- Q1 2021 is expected to be negatively impacted by continued lockdowns and heavy health restrictions, particularly in Northern Europe and Continental Europe
- The outlook assumes easing of Covid-19 restrictions and a gradual business recovery from Q2 2021 over the coming years
- ISS has trimmed the portfolio and exited certain contracts

Free Cash Flow outlook
- The long-term cash generation ability continues to be healthy

Building blocks for 2021 Free Cash Flow outlook



Turnaround targets confirmed

Operating margin[1] above 4% when entering 2023

Positive Free Cash Flow in 2021 and strongly improving in 2022

Deleveraging to below 3x by end 2022

1) Before other income and expenses, net

FY 2020 RESULTS

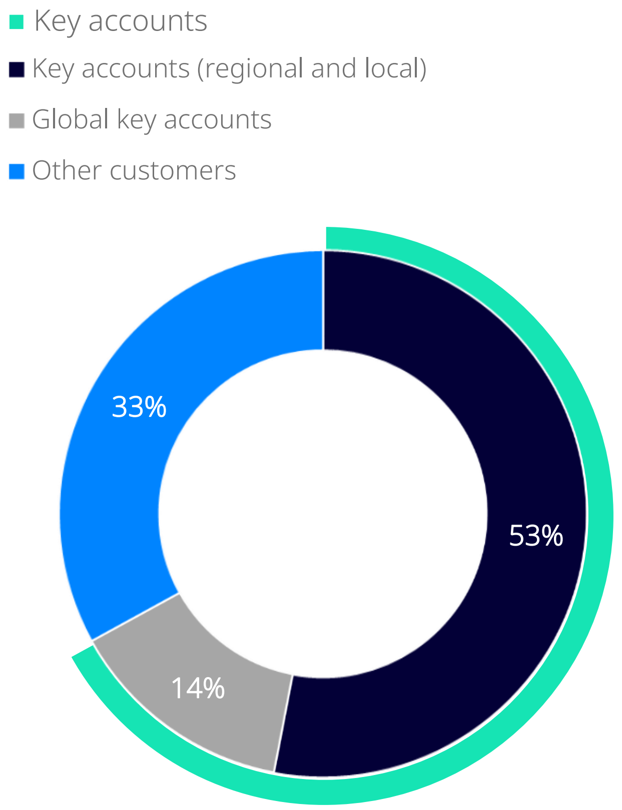
Q&A

INVESTOR PRESENTATION

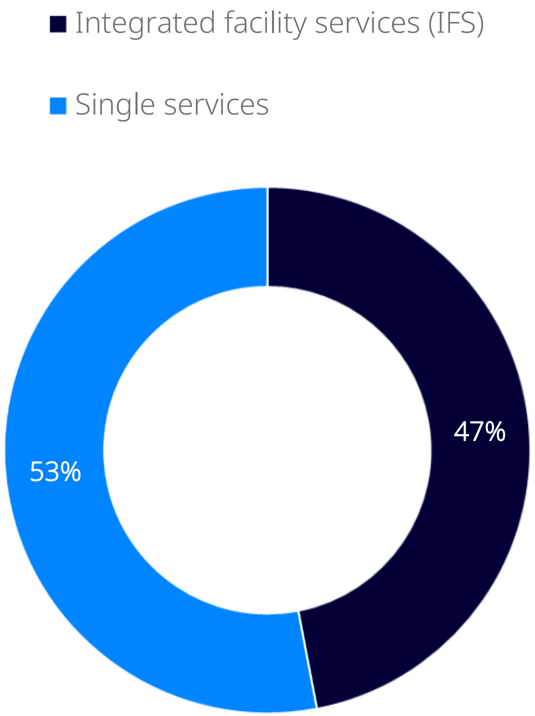
Appendix

Revenue split (1/2)

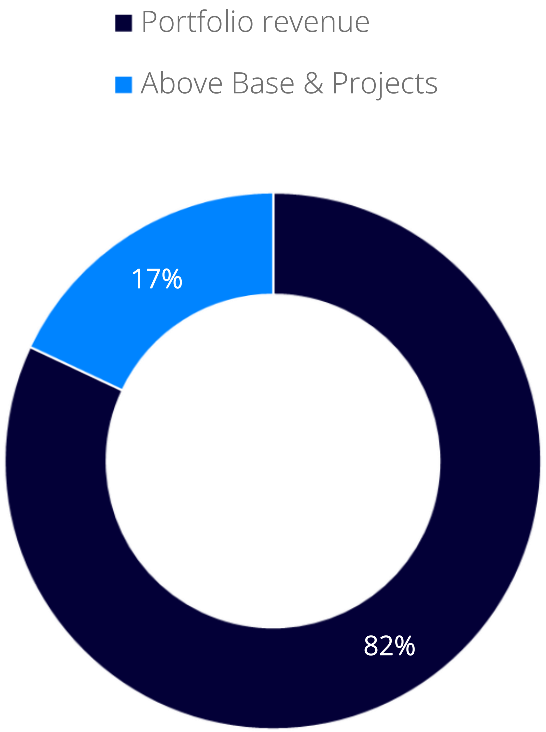
Customer type



Delivery type

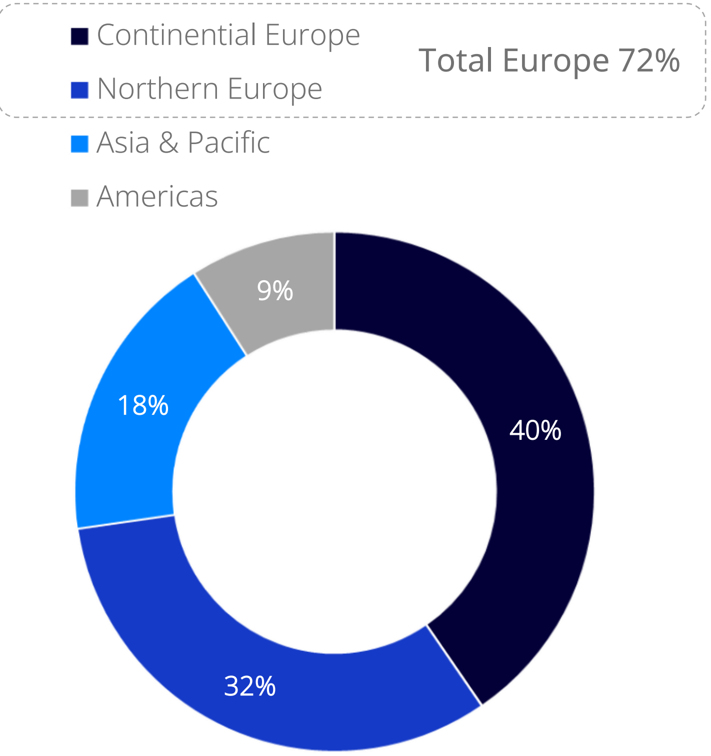


Revenue type

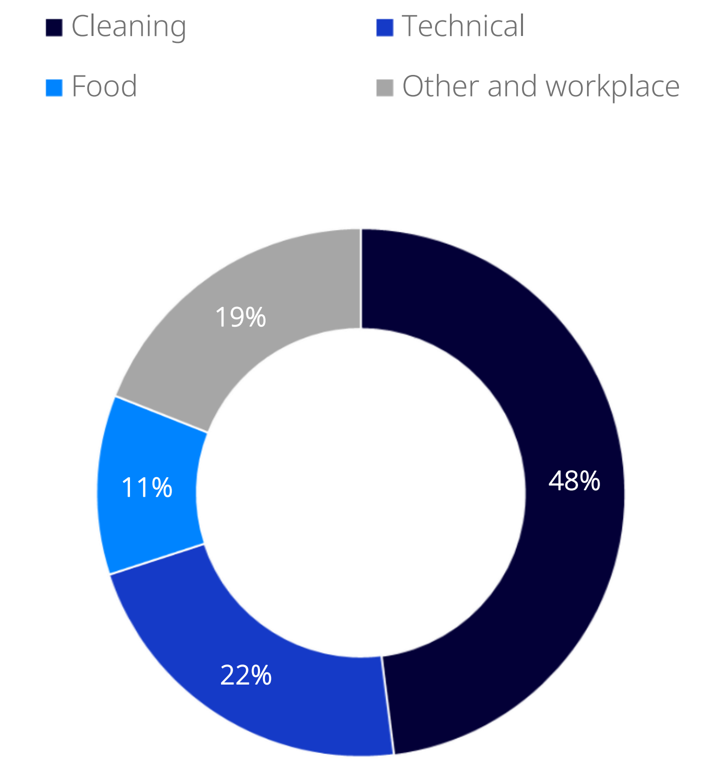


Revenue split (2/2)

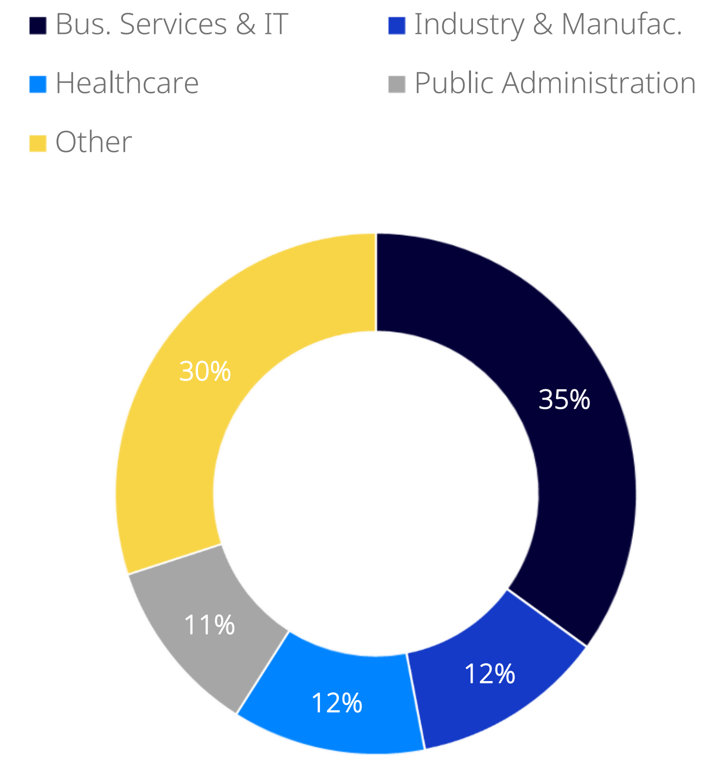
Geography[1)]



Service lines



Customer segments



1) Revenue related to other countries amounted to 1%

Regional performance 2020
- Margins in Europe significantly impacted by one-offs and restructuring costs

	Continental Europe (40% of Group)	Northern Europe (32% of Group)	APAC (18% of Group)	Americas (9% of Group)
Organic Growth	-3% *(2019: 12%)*	-8% *(2019: 4%)*	-3% *(2019: 5%)*	-19% *(2019: 2%)*
Margin	-7.3% *(2019: 5.0%)*	-5.3% *(2019: 4.5%)*	5.2% *(2019: 5.5%)*	3.6% *(2019: 5.3%)*

Continental Europe

- Covid-19 lockdowns across the region but most significantly in France, Belgium and Spain.
- The margin was significantly negative driven by the operational issues related to Deutsche Telekom and France including significant one-offs and restructuring costs.
- Adjusted[1)] margin was 0.5%

Northern Europe

- Negative growth driven by significant lock-downs in the UK and unfavourable industry exposure in Norway.
- Margin driven by Covid-19 impacts as well as the Danish Defence contract in Denmark and under-performance in the UK. One-offs and restructuring costs have been booked against both areas
- Adjusted[1)] margin was -0.5%

APAC

- Growth supported by a high share of Key Accounts in the region driving strong demand for project and above base work (+26%)
- The margin was driven by the strong demand for projects and above-base work and favourable government grants
- Adjusted[1)] margin was 6.9%

Americas

- Growth driven by lockdowns and a high exposure to food services (30% of revenue).
- Margin performance driven by a structurally flexible workforce allowing shift rescaling of cost in the wake of COVID-19
- Turnaround initiatives implemented over 2018-2019 supports underlying performance
- Adjusted[1)] margin was 3.7%

(1) Operating profit before other items adjusted for restructuring and one-offs costs

Forward-looking statements

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