INVESTOR PRESENTATION

H1 2020 Results

12^{th} August 2020

PEOPLE MAKE PLACES

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 2019 of ISS A/S and other information made available by ISS.

As a result, you should not rely on these forward-looking statements. ISS undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.

The Annual Report 2019 of ISS A/S is available at the Group’s website, www.issworld.com.

H1 2020 RESULTS

Summary

PEOPLE MAKE PLACES

Business update - summary

H1 2020 has been **one of the toughest periods in our 119 year history**

The number **one priority is the safety and wellbeing of people**

Our **decision to increase focus on key accounts has been further vindicated** during COVID-19…
… and the **strength of our value proposition has become even more apparent**

We have been widely recognised for our invaluable contribution. As such, we are confident that **ISS will emerge from this crisis stronger than before**

We remain a leading player in a large but highly fragmented industry with significant further opportunity to gain market share, deliver attractive growth and create sustained value for all our stakeholders

H1 2020 results - summary

Organic growth

- **Organic growth of -2.9% in H1 2020 (Q1: +4.1% / Q2: -9.9%) – sequential monthly improvement from April to June**
- Key Account organic growth of +2.2% in H1 2020 (Q1: +9.1% / Q2: -4.5%)
- Negative impact from lock-downs partly offset by the demand for deep-cleaning and disinfection, resulting in low double digit organic growth in projects and above-base work (c. 15% of Group revenue in 2019)

Operating margin

- **Reported operating margin of -2.2% in H1 2020 (around 0% excl. restructuring and one-offs), impacted by:**
  1. Operating profit drop-through (around 25%) from lost revenue as a result of COVID-19
  2. Operating performance and delays to key priorities driven by a significant redirection of resources as a result of COVID-19 and the IT malware attack.
  3. Restructuring and one-offs of around DKK 0.8 billion

Free Cash Flow

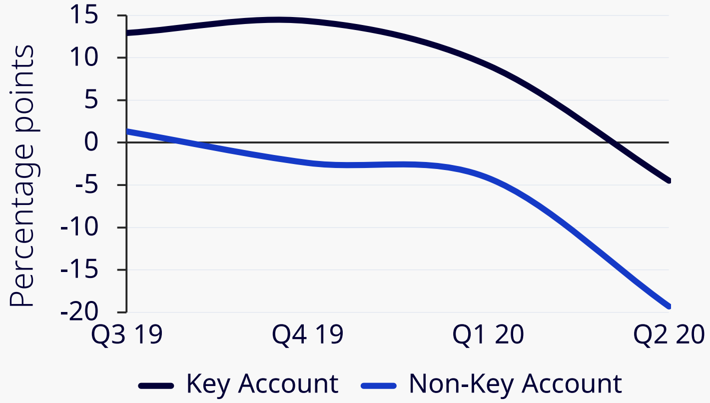
- **FCF improved DKK 916 million year-over-year** (H1 2019: DKK -2,646 million / H1 2020: DKK -1,730 million)
- FCF of DKK -1,730 million in H1 2020:
  1. Working capital seasonality
  2. Weak operating performance as a result of COVID-19 and the IT malware attack
  3. Cash impact from reduced factoring utilisation of DKK 664 million
  4. Partly offset by DKK 1.6 bn. in short-term benefits from postponed payment of VAT and social contributions offered under government support schemes

Other updates

- **Strong and improving liquidity. No financial covenants. No unaddressed debt until 2024**
- **Resolving the malware attack is progressing according to plan**. We have regained control and relaunched business-critical systems across most operations
- **Strategic divestment programme slowly regaining momentum** following effectively being halted in H1 2020 due to COVID-19. Divestments covering remaining expected proceeds of DKK 1.1-1.6 bn. (out of the total DKK 2.0-2.5 bn.) expected to complete by 2021
- **Commercial environment slowly reopening** following a freeze during large parts of H1 2020 due to COVID-19. Increasing activity and solid pipeline
- **Management change**: Group CEO, Jeff Gravenhorst will retire and be succeeded by Jacob Aarup-Andersen effective 1 September 2020

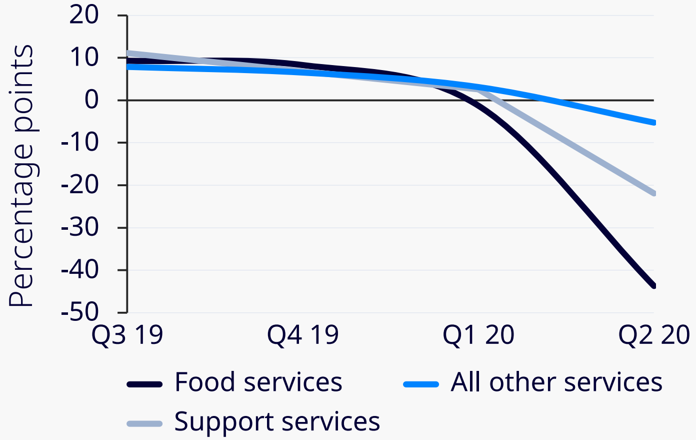
Resilient revenue through unprecedented turbulent times

Key Account organic growth



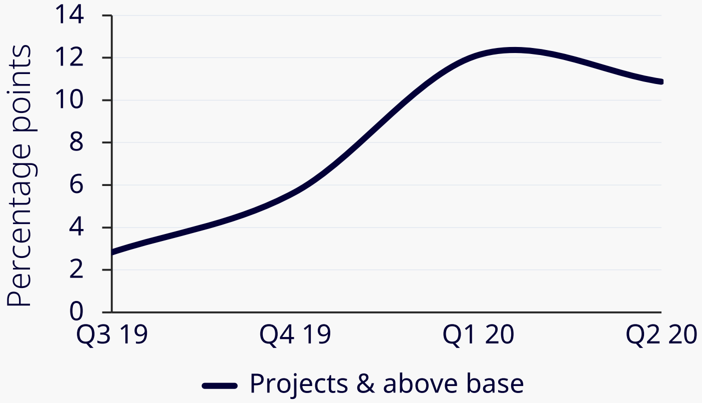
- Our strategic focus on Key Account customers (66% of revenue in H1 2020) has increased the quality of our revenue base, as evidenced by superior organic growth through both good and bad times

Service line growth



- While food services (15% of revenue in 2019) and Support Services (7% of revenue in 2019) have been severely impacted by COVID-19 as they are significantly volume driven....
- ... most other services have remained resilient and are expected to be faster to ramp up as site reopen

Projects & above-base organic growth



- Contrary to any other historical economic downturn, projects and above base work has *not* declined – but rather *increased*
- While this part of the business has also been significantly impacted by lock-downs, it has been more than outweighed by the demand for deep-cleaning and disinfection

Regional performance H1 2020

Continental Europe
39% of Group

+1%
organic growth
Q1 2020: +10%
Q2 2020: -7%

- Growth driven by Deutsche Telekom and contract launches and price increases in Turkey…
- …. as well as projects and above-base work (10% growth) due to deep-cleaning and disinfection
- From Q2, this was offset by negative growth in the majority of countries as a result of COVID-19 lock downs, most significantly in France and Iberia…
- … as well as the loss of a significant part of services delivered to Novartis as of 1 January 2020

-2.6%
operating margin(1)
(H1 2019: 4.5%)

- Margins in all countries were impacted by COVID-19 – particularly Iberia, Germany and France
- Reorganisation of France progressing but continues to be a drag on margins
- Partly as a result of the significant redirection of resources on the back of COVID-19 and the malware attack, we have faced negative profitability impacts on Deutsche Telekom

Northern Europe
32% of Group

-7%
organic growth
Q1 2020: -1%
Q2 2020: -12%

- All countries to varying extents impacted by lock-downs – in particular Norway due to a high exposure to food services, hotels and airports
- Norway and Denmark further impacted by a reduction in projects and above-base work as a result of system down-time following the IT malware attack
- In the UK, negative COVID-19 impacts were partly offset by continued high demand for projects and above-base works – deep cleaning and disinfection in particular

-4.7%
operating margin(1)
(H1 2019: 4.0%)

- Margins in all countries were impacted by COVID-19
- Turnaround plan for the large loss-making contract in Denmark delayed due to COVID-19 and the IT malware attack
- One-off costs in the UK related to risks identified in 2019, some of which had not been fully provided for in prior years

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

Regional performance H1 2020

Asia Pacific
19% of Group

0%
organic growth
Q1 2020: +3%
Q2 2020: -2%

- Growth in the demand for projects and above-base works (of around 30% organic growth) mainly as a result of the demand for deep-cleaning and disinfection
- Additionally, Australia benefitted from solid commercial momentum with Key Accounts
- This was offset by COVID-19 lock-downs across most countries which notably impacted Hong Kong and India

3.8%
operating margin(1)
(H1 2019: 5.1%)

- All countries, except China, contributed to the decline in operating margins with COVID-19 being the main driver; especially within the Aviation and Food Services segments
- In addition, the margin in China improvement as a result of the demand for deep-cleaning and disinfection…
- … while Hong Kong was negatively impacted by an additional provision for the loss-making contract due to an expected extension by the client

Americas
10% of Group

-11%
organic growth
Q1 2020: +2%
Q2 2020: -24%

- Negative growth was principally driven by COVID-19 impacts through exposure to Aviation…
- … as well as high exposure to Food Services (40% of regional revenue in 2019)
- This was partly offset by the demand for project and above-base works related to deep-cleaning and disinfection (around 45% growth)

3.1%
operating margin(1)
(H1 2019: 3.9%)

- The margin decrease was driven by COVID-19 and it's significant impact on Food Services…
- … which was partly offset by successful turnaround initiatives implemented over 2018-2019, including the exit of small legacy contracts and increased focus on Key Accounts as well as organisational efficiencies in general

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

Commercial environment slowly reopening following COVID-19 freeze

Key contract developments since Q1 results 2020

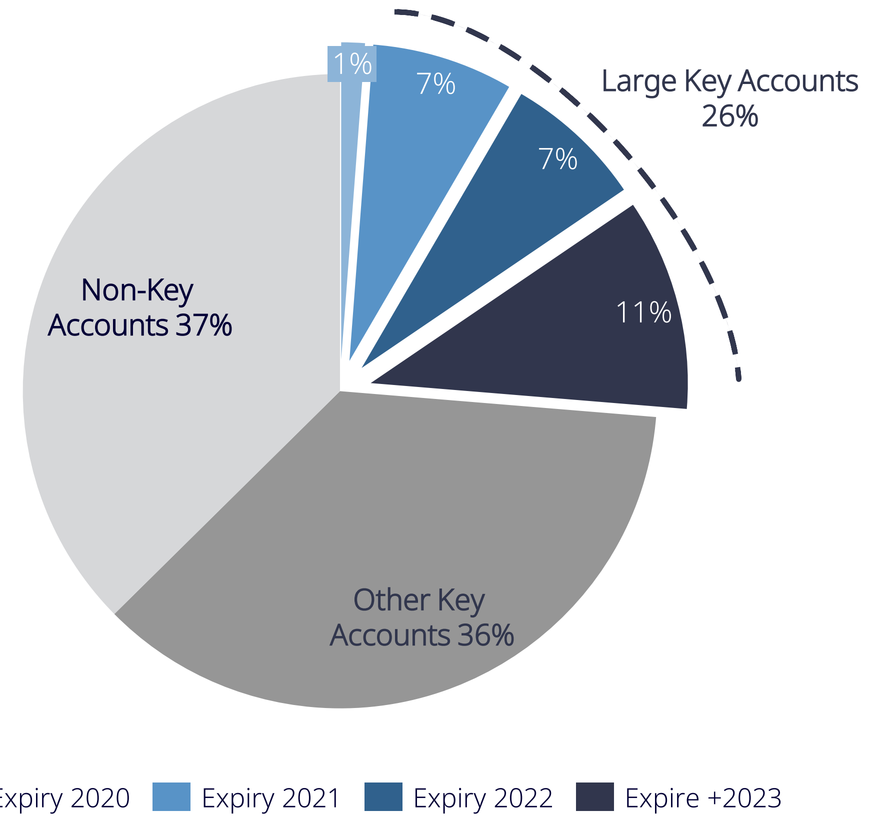
New Wins
- Başakşehir İkitelli Entegre Sağlık Kampüsü – Turkey
- Konya Şehir Hastanesi - Turkey

Extensions & Expansions
- Global Key Account (anonymous) – 14 countries
- Global Key Account (UBS) - 23 countries
- Software & IT Customer - US

Losses & Reductions
- None

Commercial environment slowly regaining momentum following a freeze during large parts of H1 2020 due to COVID-19

Large key account[1] contract maturity profile



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

H1 2020 RESULTS

Business Update

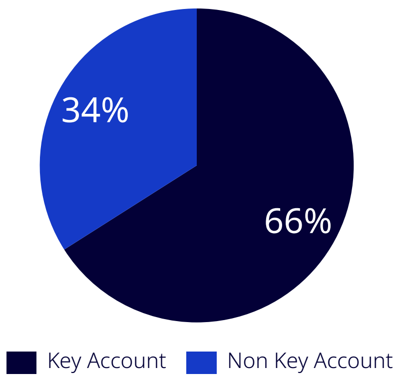
PEOPLE MAKE PLACES

"As one of the world's largest private employers we will, as a responsible company, remain committed to high social standards"

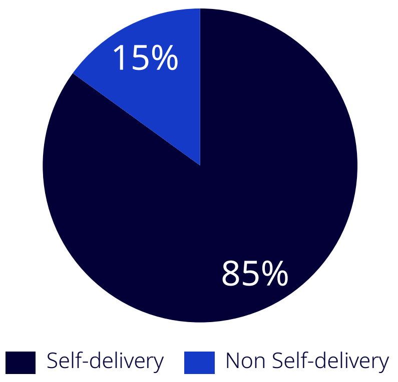
Our focus has put us in a good position to manage COVID-19

We have the ability and agility to react swiftly to changing circumstance

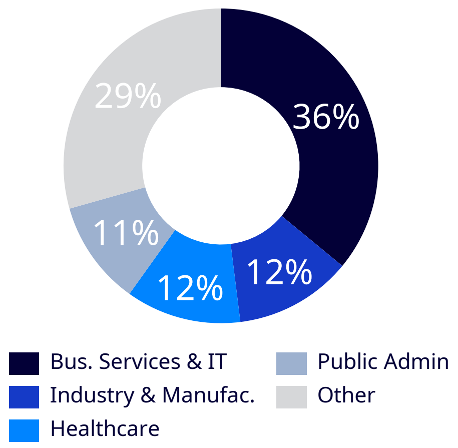
Focus on Key Accounts[1)]



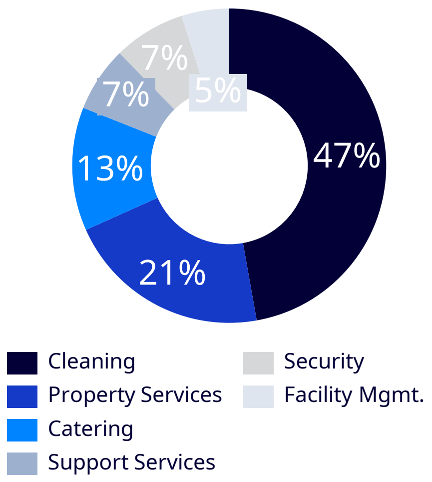
Unmatched self-delivery[1)]



Resilient customer mix[1)]



Balanced service mix[1)]



- With **focus on Key Accounts** and C-suite access, ISS currently takes on a central role in the business continuity plans of thousands of clients around the world
- Our **unmatched self-delivery** of services by more than 400,000 employees across the world enables us to help clients react swiftly and consistently across services, sites and countries
- We have a **resilient customer mix** with limited exposure to segments particularly hard hit by COVID-19…
- … and a **balanced service portfolio** focused predominantly on services where the level of activity is linked mainly the facility (e.g. property services and cleaning) and less to the number of end-users (e.g. food services)

(1) *Share of Group revenue in H1 2020*

Adapting to support clients through challenging times

PURE SPACE
Taking cleaning standards to new levels

Contamination fears have created insecurities and health risks for our clients. To further support clients, ISS has developed PURE SPACE

Users at the core: processes and procedures designed from the end users perspective and verified by a third party

Highest hygiene standards: processes are carried out by certified ISS professional which are designed to reduce infection by focus on high-touch surfaces

Disinfection: infection sources are reduced using carefully selected tools and chemicals

Confidence: ATP technology[1] scientifically measures disinfection quality providing transparency to the user

Global impact: PURE SPACE has been implemented globally ensuring consistency and unifying users experiences

BACK TO WORK
Helping manage clients' safe workplace return

While most of the world is still in lock-down, we are planning and supporting clients in their safe return to the workplace

Workplace:
- Revisit workplace design and layout
- Monitor and support end-user health and well-being
- Building access management from a health and safety perspective

Cleaning:
- Deep-cleaning prior to reopening of the workplace
- Switch from "night OR day cleaning" to "night AND day cleaning"
- Recurring disinfection of high-touch areas (handrails, door handles, buttons etc.)
- Ensure end-user visibility of cleaning/ hygiene services

Food services:
- Change of lunch setup (e.g. portion-by-portion serving vs. buffet)
- Implementation of individual end-user designated lunch slots

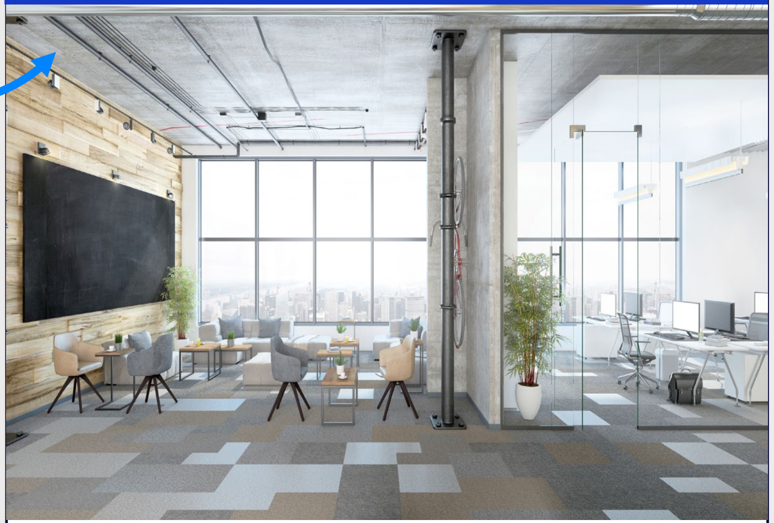
The workplace has changed over many years – and so has ISS

The role of the workplace has been changing for many years

From a place to 'store employees'...

- Inefficient use of space
- Demotivating environment
- Inflexible seating
- Basic facility services needs

... to a place that drives culture, motivation and efficient teams

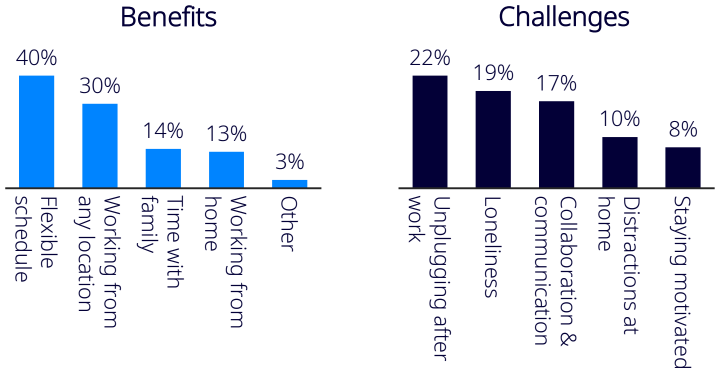


- Modern workplace
- Dynamic and flexible layout
- Increased flexible/remote working arrangements
- Increased focus on health and well-being
- Collaboration areas and informal break-out zones
- Increased FM capability and scope requirements

Acquisition of SIGNAL in 2017

- Existing workplace management capabilities strength-ened further with the acquisition of Signal in 2017
- Global workplace management centres of excellence located in London, Copenhagen and Oslo
- Workplace Management Executives today take part in e.g. customer bids, proactive consultations with clients and performing workplace management projects across the world

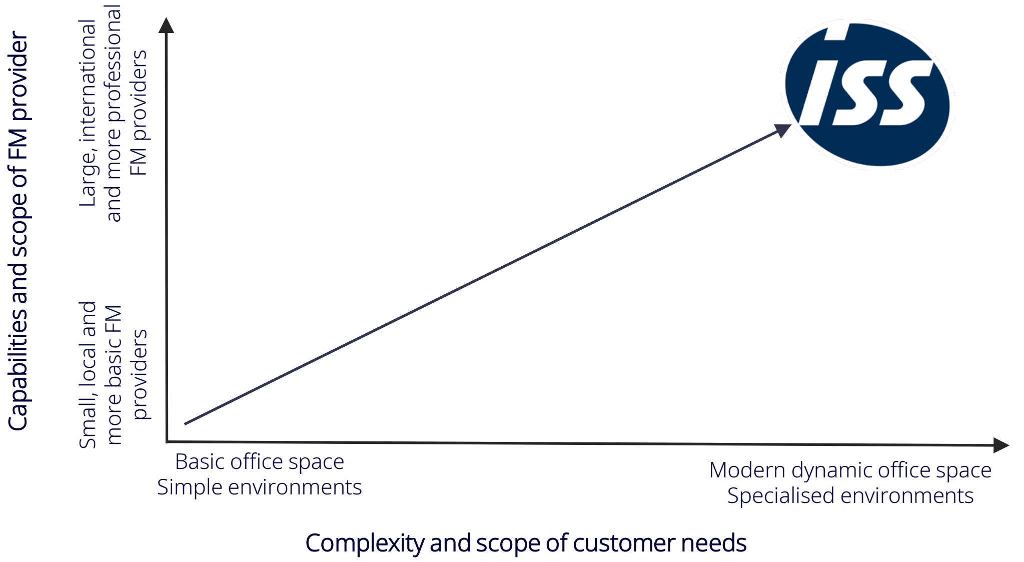
Perceived benefits and challenges of remote working *(survey results)*



Source: Buffer's "State Of Remote Work 2019" study

ISS is benefitting from key trends in the workplace

Modern and dynamic workplaces require larger and more professional FM providers

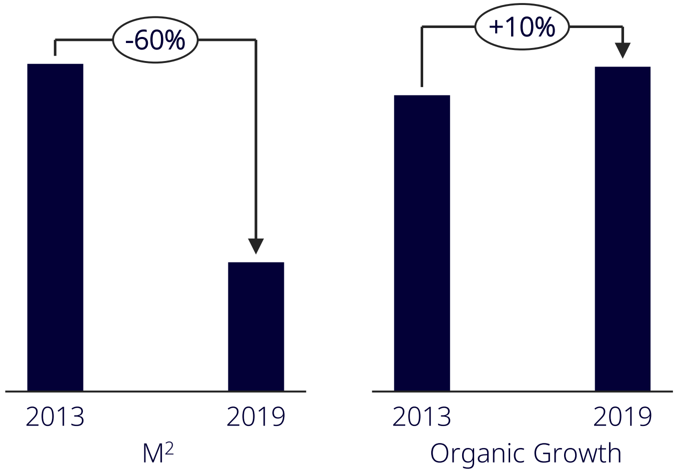


Global Key Account case study

Changing customer needs

- Gradual implementation of a modern workplace incl. more flexible seating and remote working
- Reduced real estate footprint (m^2) through site closures and divestments – but increased complexity and FM capability demands for remaining sites
- Gradual narrowing of the number of FM providers with a clear focus on larger and more international providers

Size of customers' real estate portfolio serviced by ISS | **ISS revenue development**



Majority of Group revenue generated from specialised non-office space

- Industry & Manufacturing
- Healthcare
- Transportation & Infrastructure
- Pharmaceuticals
- Energy and Resources
- Food and beverage production

Specialised environments 50-60%	Office environments 40-50%

Estimated share of Group revenue

- Business services & IT
- Public Administration (excl. Schools and Defence etc.)
- Limited administrative buildings for certain customer segments

Well positioned to capitalise on opportunities

While we face challenges, we also see opportunities on the back of COVID-19

Awareness

- Improved awareness of the role of facility services in business continuity plans when the unforeseen happens
- Further evidence of the value in integration, self-delivery and global reach in effectively managing large key account customers' risks across services, sites and countries

Perception

- Acceleration in the trend for holistic Workplace Management as a service – including focus on health, safety and wellbeing
- Changing perception and increased demand for cleaning services provisioning employee safety

Penetration

Gradually increasing outsourcing penetration supported further by:

- Further professionalisation of customer needs
- Incremental customer demand for outsourcing to help drive efficiencies
- Further drive for integration of self-delivered facility services

Proven agility, flexibility and responsiveness…
…to effect changes in operational demands by our key clients and ensure business continuity

H1 2020 RESULTS

Financials

Revenue growth in H1 2020

Total growth	Organic growth	Currency	Acq./Div.
-5.2% (Q1 2020: 2.4%, Q2 2020: -12.5%)	-2.9% (Q1 2020: 4.1%, Q2 2020: -9.9%)	-0.6% (Q1 2020: 0.0%, Q2 2020: -1.0%)	-1.7% (Q1 2020:-1.7%, Q2 2020: -1.7%)

Organic growth

<u>Major contract developments[1)]</u>

2.1 pp.

(Q1 2020: 2.4 pp., Q2 2020: 1.8pp.)

<u>Other contract developments</u>

-6.3 pp.

(Q1 2020: 0.5 pp., Q2 2020: -13.2pp.)

<u>Projects and above base</u>

1.3 pp.

(Q1 2020: 1.2 pp., Q2 2020: 1.5pp.)

Currency

- Mainly driven by NOK, TRK and AUD...
- ... partly offset by CHF and USD

Acq./Div.

- Mainly driven by the divestment of Hygiene & Prevention in France and cleaning in Germany

(1) Launch of Deutsche Telekom (Jul 2019) and the loss of Novartis (Jan 2020)

Operating profit

H1 2019	Key drivers	H1 2020
<u>Reported</u> Margin 3.7% Operating profit DKK 1.4 bn.	1. **Reduction in revenue** • Total revenue growth -5.2% • Organic growth of -2.9% including a COVID-19 impact of around -8% 2. **Operating profit drop-through** (around 25%) from lost revenue as a result of COVID-19 *(estimated at around DKK -0.8 bn)* 3. **Operating performance and delays to a number of key operating priorities** driven by a significant redirection of resources as a result of COVID-19 and the IT malware attack *(estimated at around DKK -0.6 bn)* 4. **Restructuring and one-offs** of around DKK -0.8 bn covering among others restructuring and provisions, as well as full coverage of identified risks in the UK	<u>Reported</u> Margin -2.2% Operating profit DKK -0.8 bn. <u>Adjusted</u>[1)] Margin 0% Operating profit DKK 0 bn.

(1) Excl. restructuring and one-offs

Income statement

DKK million	H1 2020	H1 2019	Δ
Revenue	**35,927**	**37,886**	**(1,959)**
Operating expenses	(36,712)	(36,468)	(244)
Operating profit before other items	**(785)**	**1,418**	**(2,203)**
Other income and expenses, net	(795)	(53)	(742)
Operating profit	**(1,580)**	**1,365**	**(2,945)**
Financial income and expenses, net	(288)	(327)	39
Profit before tax	**(1,868)**	**1,038**	**(2,906)**
Income taxes	(233)	(260)	27
Net profit (adjusted) from continuing operations	**(2,101)**	**778**	**(2,879)**
Goodwill impairment(1)	(416)	(144)	(272)
Amortisation and impairment of brands and customer contracts	(48)	(168)	120
Income tax effect	7	36	(29)
Net profit from continuing operations	**(2,558)**	**502**	**(3,060)**
Net loss from discontinued operations	(119)	(100)	(19)
Net profit (reported)	**(2,677)**	**402**	**(3,079)**
Net profit (adjusted)	**(2,220)**	**822**	**(3,042)**
Adjusted EPS, DKK(2)	(12.0)	4.4	(16.4)
Net profit (adjusted) from continuing operations	**(2,558)**	**502**	**(3,060)**
Adjusted EPS from continuing operations, DKK(3)	(11.3)	4.2	(15.5)

DKK million	H1 2020	H1 2019
Gain on divestments	19	-
Other Income	19	-
IT security incident	(779)	-
Winding up of businesses	(18)	-
Loss on divestments	(16)	(48)
Acquisition and integration costs	(1)	(5)
Other expenses	(814)	(53)
Other income and expenses, net	(795)	(53)

- Financial income and expenses decreased DKK 40m as a result of reduced interest rate spreads and lower EUR/USD swaps during H1 2020

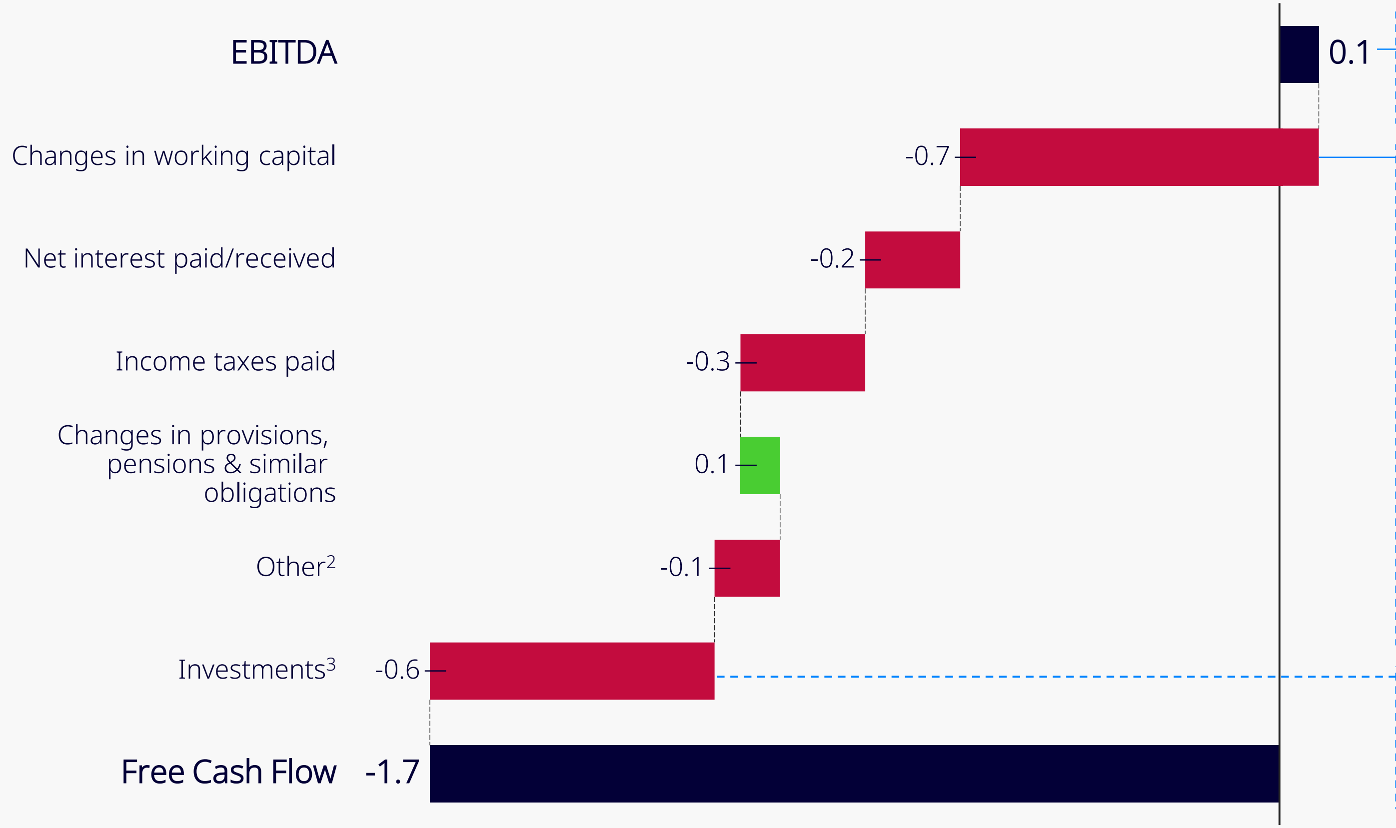
- Effective tax rate of -12.5% (H1 2019: 25%) negatively impacted by significant valuation allowances on deferred tax assets, interest limitations and other non-deductible costs

- Goodwill impairment related to France (DKK 400m) resulting from the reassessment of business plans following COVID-19

(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)*

Free Cash Flow in H1 2020

Free Cash Flow[1)] H1 2020



Impacted mainly by COVID-19, malware as well as restructuring and one-offs (slide 19)

Negatively impacted by:

- Working capital seasonality
- Reduction in factoring (DKK -0.7 bn.)
- Strict payment discipline to all suppliers in the midst of COVID-19

Partly offset by:

- Working capital tailwind from reduction in revenue
- Postponed payment of VAT and social contributions (DKK 1.6 bn.) offered under government support schemes
- Certain non-cash one-offs in EBITDA

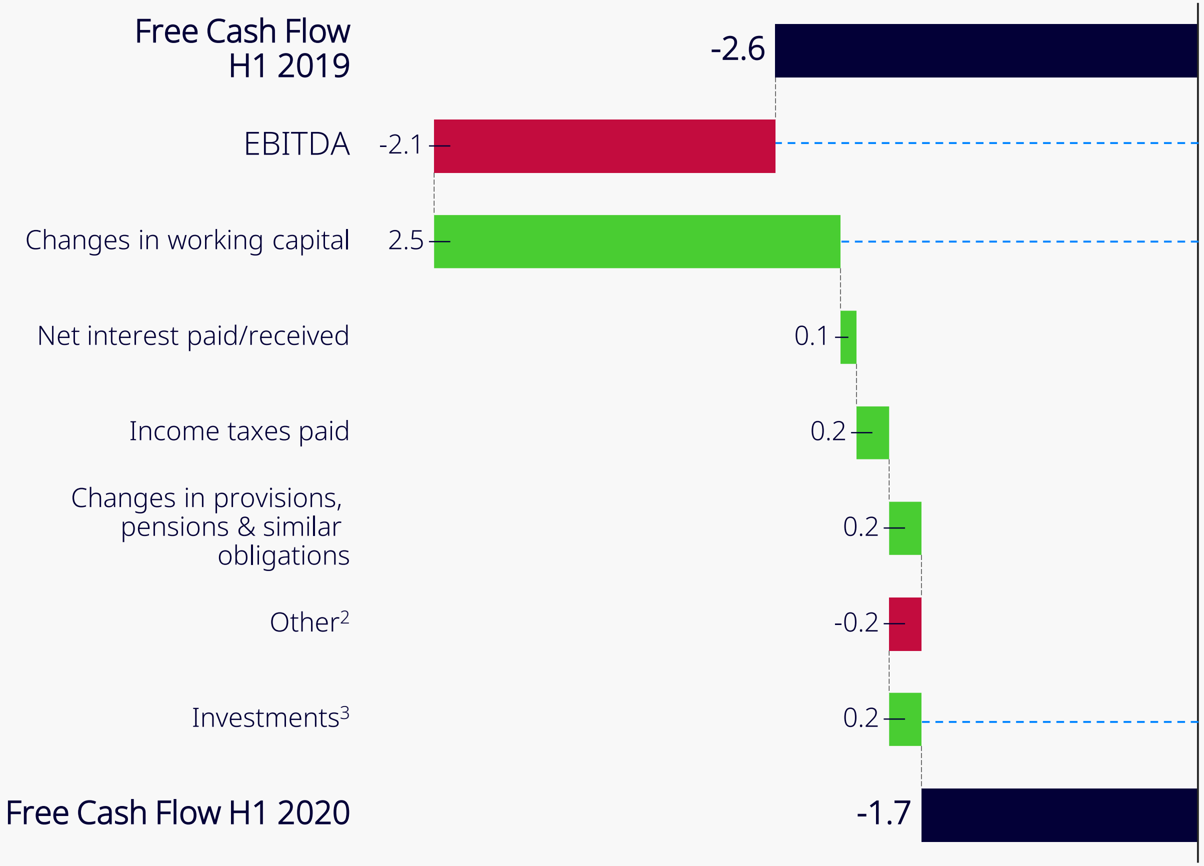
Disciplined investment levels to counter COVID-19 headwinds:

- H1 2020: 1.6% of revenue
- H1 2019: 2.2% of revenue

1) *Definition post IFRS16 implementation: Cash flow from operations + cash flow from investments – cash flow from acquisitions/divestments, net – additions/disposals from leased assets*
2) *Other contains other expenses paid and share-based payments*
3) *CAPEX and Additions to leased assets, net*

Free Cash Flow development year-over-year

Free Cash Flow[1)] H1 2020 compared to H1 2019



Impacted mainly by COVID-19, malware as well as restructuring and one-offs (slide 19)

Positively impacted by:

- Working capital tailwind from reduction in revenue
- Postponed payment of VAT and social contributions (DKK 1.6 bn.) offered under government support schemes
- Certain non-cash one-offs in EBITDA

Partly offset by:

- Strict payment discipline of all suppliers in the midst of COVID-19
- Certain working capital headwinds in H1 2019 (e.g. transition and mobilization of Deutsche Telekom)

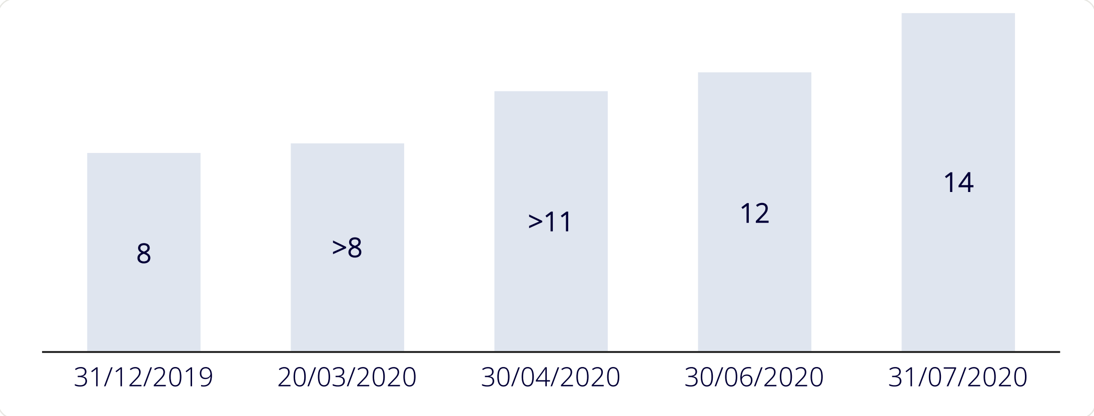
Disciplined investment levels to counter COVID-19 headwinds:

- H1 2020: 1.6% of revenue
- H1 2019: 2.2% of revenue

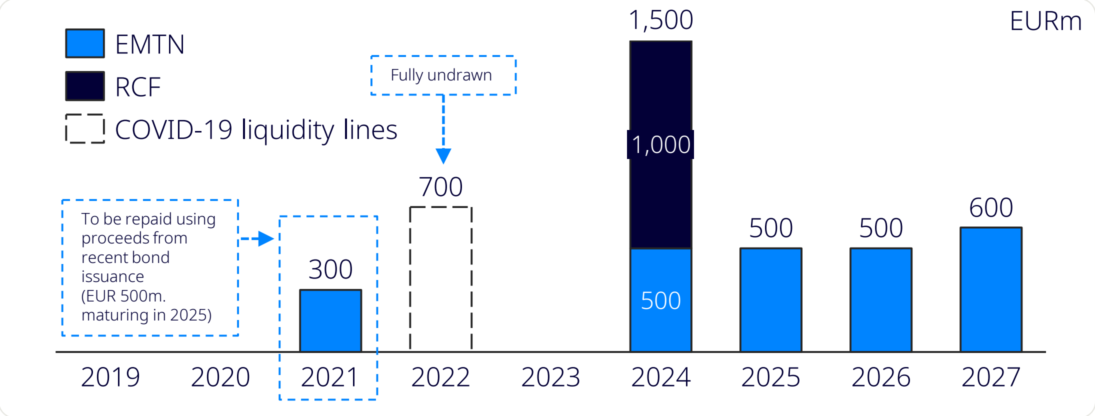
1) *Definition post IFRS16 implementation: Cash flow from operations + cash flow from investments – cash flow from acquisitions/divestments, net – additions/disposals from leased assets*
2) *Other contains other expenses paid and share-based payments*
3) *CAPEX and Additions to leased assets, net*

Capital structure and allocation

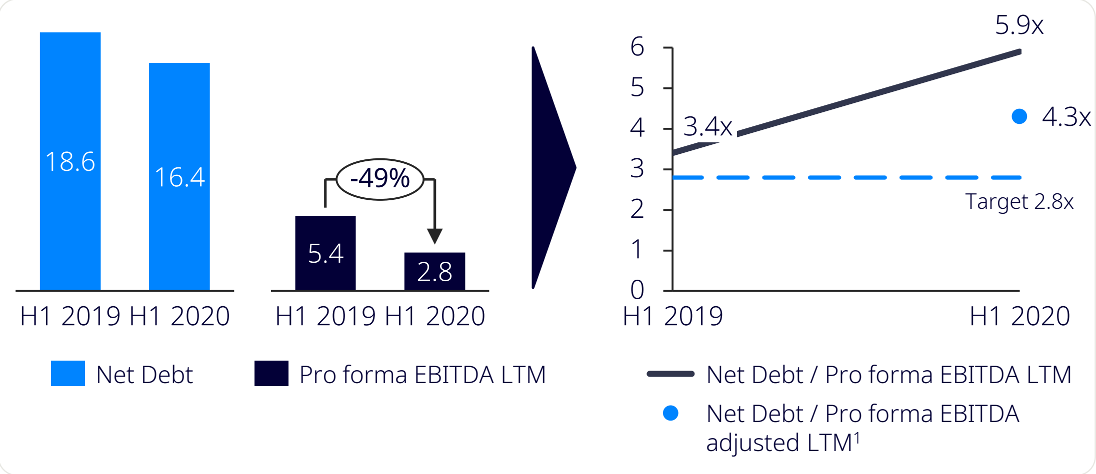
Strong and improving liquidity (DKK bn)



No unaddressed debt until 2024



Higher leverage driven by short-term reduction in EBITDA



Capital allocation update

- Our clear objective remains to maintain an investment grade financial profile with a financial leverage below 2.8x pro forma adjusted EBITDA
- ISS has no financial covenants
- While net debt has been reduced y/y, leverage is currently significantly impacted by lower operating performance. As such, leverage is expected to peak in 2020, but is also expected to reduce sharply during 2021 as operating performance normalises and divestments complete
- According to our ordinary dividend pay-out ratio of 'approximately 50% of Net profit (adjusted)[2] we are unlikely to pay a dividend in 2021 on the back of results for 2020
- Given the current turbulent situation, we will not consider potential extraordinary returns until our leverage target is within reach

1) *EBITDA adjusted for one-offs and restructuring*
2) *Net profit from continuing operations excl. Goodwill impairments and Amortisation/impairment of brands and customer contracts*

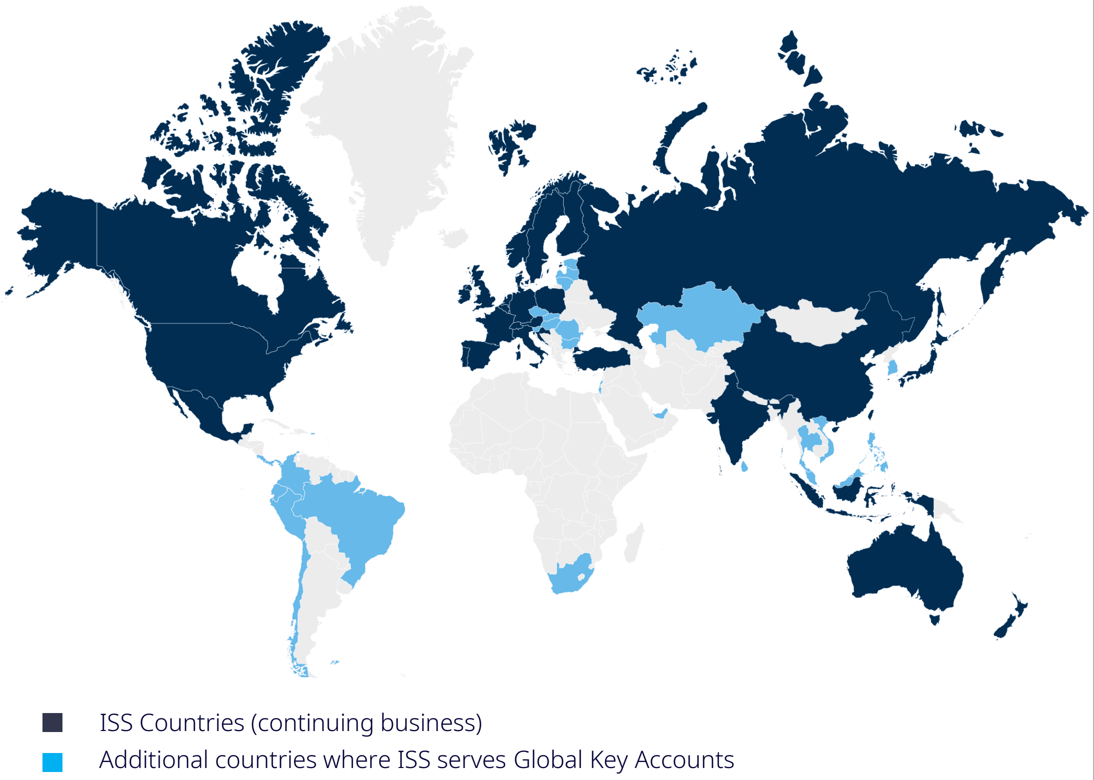
H1 2020 RESULTS

Outlook 2020

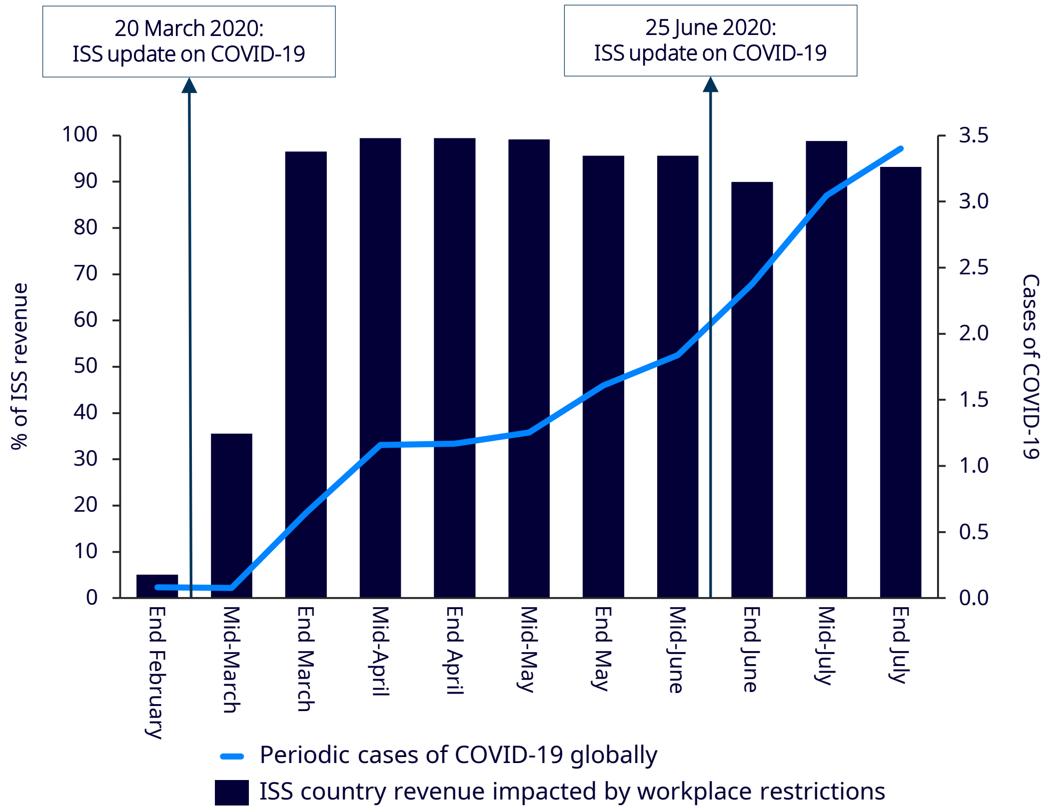
PEOPLE MAKE PLACES

Uncertainty remains high as we reinitiate the outlook for 2020

All ISS countries to varying extends impacted by workplace restrictions in H1 2020



Uncertainty remains high with >90% of revenue generated from countries still impacted by workplace restrictions[1)]



1) University of Oxford COVID-19 Government Response Tracker

Outlook 2020

Organic Growth

High-case of -2%: Strong recovery incl. catch-up on new sales. Continued high demand for projects and above-base work throughout H2 2020.

Mid-range: -6% to –8%

- Contribution from Deutsche Telekom (+4% in H1 2020) lapsed at 30 June 2020 (launched 1 July 2019)
- Organic growth momentum from June 2020 at around -10% excl. Deutsche Telekom is assumed broadly similar on average throughout H2 2020. While further customer sites are expected to reopen, we also remain cautious with regards to potential local second wave impacts as well as the sustainability of the strong demand for projects and above-base work in H1 2020

Low-case of -10%: Global COVID-19 second wave scenario incl. impacts from clients initiating larger scope adjustments

Operating Margin[1)]

Mid-range: *"Marginally positive excl. restructuring and one-offs"*
(H1 2020: 'Around 0%')

- H2 2020 is expected to improve compared to H1 2020 (H1 2020: 'Around 0%' excl. restructuring and one-offs)...
- ... supported by seasonal margin improvement...
- ... as well as gradual freeing up of resources allowing us to slowly start catching up on operational delays and challenges
- Broadly stable drop-rate at around 25%

Outlook excludes restructuring and non-cash one-offs (H1 2020: 'around DKK 0.8 bn), which are likely in H2 2020, but too uncertain to forecast at this point

Free Cash Flow

High-case of DKK –0.5 bn.: 'High-case organic growth scenario' including stronger performance on collections. Margin above our base-case.

Mid-range: "Around DKK -2 bn."
(H1 2020: DKK -1.7 bn)

- Reduction in operating performance mainly as a result of COVID-19
- No postponed VAT and social contribution by the end of the year (30 June 2020: DKK 1.6 bn. postponed)
- Strict supplier payment discipline in order to support a healthy payment environment in the midst of COVID-19
- Slight reduction in factoring reflecting especially the loss of Novartis

Low-case of DKK –3.5 bn.: 'Low-case organic growth scenario' leading to increasing delays in collections. Margin below our base-case.

(1) *'Operating profit before other income and expenses'*

H1 2020 RESULTS

Q&A

INVESTOR PRESENTATION

Appendix

IT malware cost phasing

Profit & Loss

DKKm	H1 2020	H2 2020	FY 2020	FY 2021	Total
Operational costs	436	50-100	Around 500	-	Around 500
Write-downs	343	-	343	-	343
Total P&L expenses	779	50-100	Around 850	-	Around 850

Impact on Free Cash Flow

DKKm	H1 2020	H2 2020	FY 2020	FY 2021	Total
Other expenses paid + CAPEX	Around 150	Around 250-450	Around 400-600	Around 150-350	Around 750