Company announcement

ISS is turning to the next phase of the OneISS strategy. 2021 results in line with expectations.

Highlights

- The execution of the OneISS strategy continues to develop as planned. Key milestones were achieved during 2021, and the foundation for the future execution of the operating model has been established. ISS is now turning to the next phase in the strategy execution with five updated strategic priorities.
- A new IT & Digitalisation strategy and organisation have been introduced with the first early deliverables and applications introduced in the market. With the strategy, ISS will develop high-quality digital solutions for customers and employees, build scalable and secure cloud-based technology platforms, and run stable IT operations and services.
- ISS commits to reach full-scope net-zero greenhouse gas emissions by 2040, including reduction of CO2-footprint from food, halve the amount of food waste by 2027 and electrification of the global fleet.
- The short-term turnaround initiatives continue to progress according to plan, and financial performance is on track to deliver on turnaround targets by the end of 2022.
- Commercial momentum has strengthened throughout 2021, and the pipeline is improving. The two largest contracts due to expire in 2022 have been successfully extended.
- The divestment programme is nearing completion. The remaining programme consists of two smaller business units and three countries. The expected total divestment proceeds of DKK 2 billion is unchanged, of which DKK 1.8 billion has been signed or completed.
- Financial results were in line with expectations. Organic growth in 2021 was 2.0% (2020: (6.6)%) supported by solid demand for both portfolio and above-base services in Q4 2021. Operating margin before other items in 2021 was 2.5% compared to 0.5% adjusted for restructuring and one-offs in 2020. Free cash flow in 2021 amounted to DKK 1.7 billion (DKK (1.8) billion in 2020).
- Leverage at the end of 2021 was reduced to 3.8x from 7.1x at the end of 2020 and thereby nearing the turnaround target of below 3x by the end of 2022.
- For 2022, organic growth is expected to be above 2%. The operating margin is expected to be above 3.5% driven by continued underlying business improvements and Free cash flow is expected above DKK 1.3 billion.

Jacob Aarup-Andersen Group CEO, ISS A/S, says:

"2021 was an exciting year as the OneISS strategy came to life and progressed according to plan. Several key milestones were achieved with the divestment programme nearing completion, and we made solid operational and financial progress. Furthermore, we took significant steps in fulfilling our strategic ambitions with a sharper focus on key segments, investments in technology and a more aligned operating model. Despite another year in light of the pandemic, our many placemakers played a vital role in making the world work better – meeting our customers' demands for dedicated services and improved solutions. ISS is well positioned for a Covid-19 recovery and to become an even stronger business in the future - to the benefit of all our stakeholders."

Financial overview	H2 2021	H2 2020	2021	2020	Q4 2021	Q3 2021
DKKm (unless otherwise stated)						
Revenue	36,470	34,786	71,363	70,752	18,747	17,723
Organic growth, %	4.3	(10.0)	2.0	(6.6)	5.8	2.8
Operating profit before other items	1,227	(2,462)	1,776	(3,203)		
Operating margin (before other items), %	3.4	(7.1)	2.5	(4.5)		
Free cash flow	90	(64)	1,735	(1,794)		
Leverage (Net debt / Pro forma adj. EBITDA*)			3.8x	7.1x		

*Pro forma adjusted EBITDA excl. Restructuring costs and one-offs

Key figures and financial ratios

Financials	H2 2021	H2 2020	2021 [1)]	2020
Results (DKKm)				
Revenue	36,470	34,786	71,363	70,752
Operating profit before other items	1,227	(2,462)	1,776	(3,203)
Operating profit	1,192	(2,708)	1,701	(4,707)
Financial expenses, net	(367)	(257)	(656)	(549)
Net profit from continuing operations	417	(2,693)	536	(5,220)
Net profit from discontinued operations [2)]	(31)	174	101	25
Net profit	386	(2,519)	637	(5,195)
Cash flow (DKKm)				
Cash flow from operating activities	1,026	789	3,221	(361)
Addition of right-of-use assets, net	(627)	(500)	(870)	(732)
Acquisition of intangible assets and property, plant and equipment, net	(283)	(340)	(586)	(681)
Free cash flow	90	(64)	1,735	(1,794)
Financial position (DKKm)				
Total assets	43,655	43,605	43,655	43,605
Goodwill	19,753	19,662	19,753	19,662
Additions to property, plant and equipment	-	-	335	389
Equity	7,789	6,545	7,789	6,545
Net debt	13,451	15,802	13,451	15,802
Shares ('000)				
Number of shares issued	-	-	185,668	185,668
Number of treasury shares	-	-	970	970
Average number of shares (basic)	-	-	184,698	184,698
Average number of shares (diluted)	-	-	186,003	185,136

Ratios	H2 2021	H2 2020	2021	2020
Financial ratios (%, unless otherwise stated)				
Operating margin [3)]	3.4	(7.1)	2.5	(4.5)
Equity ratio	17.8	15.0	17.8	15.0
Organic growth	4.3	(10.0)	2.0	(6.6)
Acquisitions and divestments, net	(0.6)	(0.4)	(0.5)	(0.2)
Currency adjustments	1.1	(3.2)	(0.6)	(2.1)
Total revenue growth	4.8	(13.5)	0.9	(8.9)
Net debt / Pro forma adjusted EBITDA			3.8x	7.1x
Share ratios (DKK)				
Basic earnings per share (EPS)	-	-	3.3	(28.2)
Diluted EPS	-	-	3.3	(28.2)
Basic EPS (continuing operations)	-	-	2.8	(28.3)
Diluted EPS (continuing operations)	-	-	2.8	(28.3)
Proposed dividend per share, DKK	-	-	-	-

Social data	H2 2021	H2 2020	2021	2020
Full-time employees	-	-	76 %	75 %
Employees end of period, number	-	-	354,636	378,946
Employee turnover	-	-	30 %	33 %
Customer retention	-	-	92 %	91 %
Lost Time Injury Frequency	-	-	2.7	2.5
Fatalities, number	-	-	5	3

1) In 2021, Chile was reclassified as held for use and continued operations. Comparatives were restated accordingly.
2) In 2021, Brunei, the Czech Republic, Hungary, the Philippines, Portugal, Romania, Russia, Slovenia, Slovakia and Taiwan were treated as discontinued operations. In 2020, Brazil, Brunei, the Czech Republic, Hungary, Malaysia, the Philippines, Portugal, Romania, Russia, Slovenia, Slovakia, Taiwan and Thailand were treated as discontinued operations.
3) Based on Operating profit before other items.

Group performance

Update on strategic focus areas

The execution and implementation of the OneISS strategy is progressing according to plan. The turnaround initiatives focusing on the operational issues and Covid-19 restructuring are paying off, and the new operating model is being implemented in countries and in the Group, yielding the first early benefits. To support the execution of the OneISS strategy, changes to the Executive Group Management (EGM) were announced in December. With the changes, more operational experiences and capabilities were added to the EGM. Given the successful execution during 2021, the OneISS strategy is now turning to the next phase with five updated priorities:

1) Improve commercial momentum and segment leadership
2) Create brilliant operating basics
3) Deliver service offerings for customers building on leading technology platforms
4) Environmental sustainability
5) Create safe, diverse and inclusive workplaces

Technology is a key enabler for achieving all of the strategic priorities. Under the leadership of the Chief Digital and Information Officer, significant progress was made during 2021 on the IT & Digitalisation strategy, organisation, and on building a secure IT environment. The focus in 2022 is to accelerate the movement of legacy infrastructure into the cloud, build in-house technology teams, and support the business in developing the right digital solutions for both customers and employees. These will enable ISS to deliver high-quality, agile, and scalable service solutions.

Execution of the divestment programme is progressing, and accumulated net proceeds now amount to DKK 1.8 billion. With the execution of the OneISS strategy, and the development of some assets in scope, the programme has been reviewed and reduced. ISS Chile is reclassified back to continuing operations and reported under the Americas region. The programme is nearing its completion and now comprises three countries and two smaller business units. Total net proceeds from the divestment programme are still expected to be around DKK 2.0 billion.

Turnaround initiatives

The recovery of the underperforming countries and contracts continues to progress. Significant improvements have been achieved in the UK and with the contract exit, the turnaround target for the Danish Defence has been reached.

In June 2021, an exit of the Danish Defence contract was agreed, and the onerous contract provision recognised in 2020 will cover the agreed transition, exit fee, as well as the operation of the contract until the exit date.

The recovery in the UK continues, and the country is close to achieving the turnaround target of single-digit run-rate operating margin. Financial performance is positively impacted by the continued re-opening during most of Q4 combined with solid above-base growth. The organisation is becoming more streamlined, costs are reducing, and contract performance is improving.

The restructuring in France is progressing according to plan. The business is still impacted by the pandemic and volume recovery is slow. Despite the challenging environment, profitability is incrementally improving as a result of turnaround initiatives and restructuring.

The turnaround of the challenging Deutsche Telekom contract is developing according to plan. Following an IT migration in July 2021, contract performance has improved although still operating at a loss. The contract is the single largest contract in the history of ISS and one of the most refined contracts in the industry. In 2022, the focus will continue to be on driving efficiencies, reducing costs and optimising operations to reach breakeven by the end of 2022.

H2 2021 Business and Financial update

The general business environment in H2 2021 was characterised by a gradual but slow market reopening. Customers slowly returned to offices until November when the emergence of the Covid-19 variant omicron led to some reinforcement of restrictions in December. Organic growth in H2 2021 was 4.3% with an improving trend in Q4 2021 where organic growth was 5.8%. 2-year organic growth from Q4 2019 was (5.7)%, which is an improvement from Q3 2021 where 2-year organic growth was (6.3)%.

In line with Q3, all regions showed positive organic growth in Q4 2021, as the easing of Covid-19 restrictions increased global activity in the first part of the quarter and led to a gradual, but slow return to offices. Organic growth was highest in the Americas, supported by the recovery in food services and the start-up of the five-year IFS contract with a large international manufacturing customer announced in November 2020.

Portfolio revenue increased organically by 5.6% in Q4 2021, positively impacted by contract start-ups and increased activity. The demand for projects and above-base work in the quarter was higher than expected leading to organic growth of 6.5% for non-portfolio revenue. The growth was driven both by Covid-19 related work as well as increased demand for regular project work in several countries.

Organic growth for Key Accounts was 3% in 2021 and flat for Other customers with an improving trend as Key Accounts and Other customers in H2 2021 saw organic growth of 6% and 2% respectively. The retention rate in 2021 improved to 92% (2020: 91%) for the Group. For Key Accounts, the retention rate was 94% (2020: 93%). ISS has during the year proactively worked to seek renewals, also ahead of contract expiry.

The commercial activity and the contract pipeline developed positively during 2021 and at the beginning of 2022, the contracts with Hewlett-Packard Enterprises and a global pharmaceutical company were successfully extended. The contracts were the two largest contract expiries for 2022.

Operating profit before other items improved in H2 2021. Operating margin was 3.4% compared to 0.9% in H2 2020 adjusted for restructuring and one-offs. The increase was primarily driven by the continued improvements in the underperforming countries and contracts, most notably in the UK, and benefits from the Covid-19 restructuring initiatives.

Global economies are characterised by higher inflation than experienced historically. Wage inflation is an important part of the ISS business model as wages, by far, are the largest cost item in the business. In the majority of contracts, inflation can be absorbed either through price increases or scope adjustments.

Regional Performance

The organic growth in Continental Europe in Q4 2021 improved to 6% from 2% in Q3 2021. The gradual, but slow reopening and return of offices continued across most countries in the region. Organic growth was strongest in Turkey where growth was supported by price increases from significant inflation being passed on to customers and from launches of new hospital contracts. Operating profit before other items improved, and the margin was 4.1% in H2 2021. Profitability is generally improving across the countries in the region.

Revenue and growth

DKK million	H2 2021	H2 2020	Organic growth	Acq./div.	Currency adj.	Growth H2 2021
Continental Europe	14,079	13,931	4 %	(1)%	(2)%	1 %
Northern Europe	12,026	11,299	3 %	(0)%	3 %	6 %
Asia & Pacific	6,220	5,971	1 %	0 %	3 %	4 %
Americas	3,831	3,372	14 %	(3)%	3 %	14 %
Other countries	334	237	7 %	32 %	2 %	41 %
Corporate / eliminations	(20)	(24)	-	-	-	-
Group	36,470	34,786	4.3 %	(0.6)%	1.1 %	4.8 %

In Northern Europe, organic growth in Q4 2021 was 3% unchanged compared to Q3 2021. Organic growth was positive in most countries as the business benefitted from the gradual recovery and return to offices. Especially Norway contributed positively to the growth, due to relatively high exposure to food services and the hotel segment combined with the start-up of the Equinor contract. Operating margin improved to 6.6% in H2 2021 mainly driven by improvements in the UK, although all countries in the region delivered margin improvements compared to H2 2020.

The organic growth in Asia Pacific was 2% in Q4 2021 compared to 1% organic growth in Q3 2021. Australia continued to deliver positive organic growth benefitting from Covid-19 related projects, above-base revenue and the launch of several smaller key account contracts. Some of the countries in the region are still impacted by Covid-19 lockdowns and restrictions. The margin development in Asia Pacific is stable and resilient despite reduced government support schemes in some countries. The operating margin was 5.9% in H2 2021.

The Americas region reported organic growth of 19% in Q4 2021 following 9% organic growth in Q3 2021. All countries in the region generated double-digit organic growth. Revenue from food services increased as customers gradually returned to offices during the quarter. The start-up of the five-year IFS contract with a large international manufacturing customer also contributed to the organic growth. Large customers' mandatory return to office programmes have however been postponed later into 2022, and revenue from food services is still materially lower than pre-pandemic levels at Index 53. Operating margin was 5.0% in H2 2021 compared to 3.7% in H2 2020. The improvement was primarily driven by effects from restructuring and renegotiations of food contracts to cost-plus models to stabilise margins at lower volumes.

Operating profit and margin

DKK million	H2 2021		H2 2020	
Continental Europe	583	4.1%	(1,686)	(12.1)%
Northern Europe	791	6.6%	(665)	(5.9)%
Asia & Pacific	365	5.9%	399	6.7 %
Americas	192	5.0%	125	3.7 %
Other countries	10	2.9%	6	2.7 %
Corporate / eliminations	(714)		(641)	
Group	**1,227**	**3.4%**	**(2,462)**	**(7.1)%**

Corporate costs amounted to DKK 714 million in H2 2021 compared to DKK 641 million in H2 2020. The increase is a result of investments in Group competencies to drive an enhanced operating model, including technology, commercial resources, and the operations performance function.

Financial expenses, net was DKK 367 million in H2 2021 compared to DKK 257 million in the same period last year. The increase was primarily due to additional costs of DKK 90 million related to the repurchase of EUR 200 million of outstanding bonds, executed in December.

The effective tax rate in H2 2021 was 49.5%, negatively impacted by the full-year effect of non-tax-deductible impairment in France, as well as certain valuation allowances on deferred tax assets.

Revenue and growth

DKK million	Q4 2021	Q4 2020	Organic growth	Acq./div.	Currency adj.	Growth Q4 2021
Continental Europe	7,208	6,980	6 %	(1)%	(2)%	3 %
Northern Europe	6,197	5,791	3 %	(0)%	4 %	7 %
Asia & Pacific	3,166	2,988	2 %	0 %	4 %	6 %
Americas	1,998	1,711	19 %	(6)%	4 %	17 %
Other countries	188	170	12 %	(1)%	0 %	11 %
Corporate / eliminations	(10)	(12)	-	-	-	-
Group	18,747	17,628	5.8 %	(1.0)%	1.6 %	6.4 %

Free cash flow

Free Cash Flow in 2021 amounted to DKK 1,735 million (DKK (1,794) million in 2020). The positive Free cash flow was a result of improved operating profit and changes in working capital. Payments of restructuring and one-off cost incurred in 2020 amounted to DKK 0.5 billion.

Changes in working capital impacted cash flow positively with DKK 1,056 million. Through the year, ISS focused on working capital management including the collection of receivables. Payables were the main contributor to the improved working capital position, among others, because payment terms towards suppliers were improved. Furthermore, the improvement was supported by increased prepayments from a global key account customer following the extension of the contract. Utilisation of factoring increased by DKK 0.1billion to DKK 1.1 billion at the end of 2021 (2020: DKK 1.0 billion), due to the ramp-up of a key account customer in the Americas region.

Acquisitions of intangible assets and property, plant and equipment decreased slightly to DKK 586 million in 2021 compared to DKK 681 million in 2020.

In 2021, progress has been made on the divestment programme and net proceeds amounted to DKK 1.8 billion (including divestments signed or completed in January 2022).

Cash outflow from acquisitions of businesses amounted to DKK 526 million as a result of the transaction in Turkey, where ISS acquired Rönesans Facility Management Company. With the acquisition, ISS will provide services to four newly built hospitals.

Free Cash Flow in H2 2021 amounted to DKK 90 million. The operating profit before other items was offset by an outflow of working capital, as deferred payments of employee-related accruals and holidays from H1 2021 were paid in H2 2021. Furthermore, capital expenditures and additions of right-of-use assets reduced Free cash flow. Payments of restructuring and one-off costs incurred in 2020 amounted to DKK 0.3 billion.

Capital Structure

ISS has made progress on stabilising the financial platform with profitability improvement, improvement of the cash flow generation and execution of the divestment programme.

At the end of 2021, net debt was unchanged at DKK 13.5 billion compared to the end of H1 2021. The positive Free cash flow and proceeds from divestments were offset by the acquisition in Turkey.

The leverage was 3.8x on 31 December 2021 based on pro-forma EBITDA, a reduction from 5.3x at 30 June 2021. The improvement in the leverage ratio compared to 30 June 2021 is a result of the increase in pro-forma EBITDA.

With the leverage ratio at 3.8x by the end of 2021, ISS is on track to deliver on the turnaround target of below 3x by the end of 2022. In line with the communication since the announcement of the OneISS strategy, no dividends will be paid before the leverage turnaround target below 3x pro forma EBITDA is achieved.

Free cash flow [2)]				
DKK million	H2 2021	H2 2020	2021	2020
Cash flow from operating activities	1,026	789	3,221	(361)
Acquisition of intangible assets and property, plant and equipment	(316)	(330)	(628)	(712)
Disposal of intangible assets and property, plant and equipment	33	(10)	42	31
Acquisition of financial assets, net [3)]	(26)	(13)	(30)	(20)
Addition of right-of-use assets, net	(627)	(500)	(870)	(732)
Free cash flow	90	(64)	1,735	(1,794)

[2)] See Definitions in Annual Report 2021, page 110.
[3)] Excluding investments in equity-accounted investees.

Factoring variation	(90)	(363)	(60)	301
Free cash flow (adjusted)	0	(427)	1,675	(1,493)

Outlook

Outlook 2022

In 2022, the execution of the OneISS strategy and the ongoing turnaround will continue. The operational and financial improvements achieved in 2021 provide a solid foundation for continued progress in 2022, and the turnaround targets are confirmed.

The outlook for 2022 assumes a continued return to the workplace and Covid-19 recovery. The revenue recovery is expected to be gradual over the year as large global companies have delayed large-scale mandatory return-to-office due to the spreading of Covid-19 (the omicron variant).

Organic growth is expected to be above 2% for 2022 (2021: 2.0%). Growth is driven by the continued gradual recovery from Covid-19, positive effects from management of inflation and impact from contract wins and expansions achieved during 2021. However, the sustained global uncertainties from Covid-19 persist, where the spreading of the omicron variant has led to some reinforcement of restrictions, particularly in Asia & Pacific. A negative impact is expected from a lower level of projects and above-base work as well as the planned exit of the Danish Defence contract.

Divestments and acquisitions completed by 14 February 2022 (including in 2021) are expected to have a negative impact on revenue growth in 2022 of 1.5-2.5%-points. Countries to be divested continue to be reported as discontinued operations and will not impact revenue growth upon divestment. Based on the current exchange rates, a negative impact on revenue growth of 0-1%-points is expected in 2022 from the development of foreign exchange rates.

Operating margin is expected to be above 3.5% (2021: 2.5%). The main drivers of the increase are continued improvement of the underperforming contracts and countries, predominately Deutsche Telekom, a positive impact from Covid-19 revenue recovery and continued improvement across the business from ongoing restructuring initiatives.

Free cash flow is expected to be above DKK 1.3 billion (2021: DKK 1.7 billion). The expected higher operating profit before other items compared to 2021 will have a positive effect on free cash flow. Inflow from changes in working capital is expected to be neutral to slightly positive following the positive impact in 2021. Payments related to restructuring projects initiated in 2020, including the exit fee to Danish Defence, are expected to reduce free cash flow by around DKK 0.5 billion.

Turnaround targets

As part of the launch of the OneISS strategy in December 2020, ISS announced turnaround targets to focus on the short-term recovery of the business. Today, the turnaround targets – which are outlining a healthy recovery with a focus on profitability and cash generation – are confirmed. The target related to free cash flow is replaced by the 2022 outlook for free cash flow of above DKK 1.3 billion.

- Operating margin above 4% as run-rate when entering 2023
- Net Debt / Pro Forma Adjusted EBITDA to be reduced to below 3x by the end of 2022

Overview of financial outlook

	2022	Turnaround targets
Organic growth	Above 2%	
Operating margin*	Above 3.5%	Above 4% as run-rate entering 2023
Free cash flow	Above DKK 1.3 billion	Above DKK 1.3 billion
Leverage		Below 3x EBITDA in 2022

* Based on operating profit before other items

This outlook should be read in conjunction with "Forward-looking statements", page 108 and Our business risks, pp. 32–34 of the 2021 Annual Report

Other

Management changes

On 7 December changes to Executive Group Management (EGM) were announced. The changes reflect the execution of the OneISS strategy and ambition to enhance commercial competencies within EGM. The Europe region was split into two regions; Northern Europe headed by Carl-Fredrik Langard-Bjor, previously CEO of ISS Norway, and Central & Southern Europe, headed by Celia Liu, former CEO of Strategic Transformation, both members of the EGM. In addition, a position as CEO, Global Key Accounts has been created as part of EGM to strengthen the strategic focus on Global Key Accounts.

As part of the announcement, Pierre-Francois Riolacci, CEO of Europe, Member of the Executive Group Management Board of ISS A/S and registered with the Danish Business Authority left ISS. Going forward the Executive Group Management Board of ISS A/S registered with the Danish Business Authority will consist of Jacob Aarup-Andersen, Group CEO, and Kasper Fangel, Group CFO.

Subsequent events

Other than as set out above or elsewhere in this H2 interim report, we are not aware of events subsequent to 31 December 2021, which are expected to have a material impact on the business.

Conference call

A conference call will be held on 24 February 2022 at 10:00 am CET. Presentation material will be available online prior to the conference call.

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Link: https://streams.eventcdn.net/iss/2021ar/

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About ISS

ISS is a leading workplace experience and facility management company. In partnership with customers, ISS drives the engagement and well-being of people, minimises the impact on the environment, and protects and maintains property. ISS brings all of this to life through a unique combination of data, insight and service excellence at offices, factories, airports, hospitals and other locations across the globe. ISS has more than 350,000 employees around the globe, who we call "placemakers". In 2021, ISS Group's global revenue amounted to around DKK 71 billion. For more information on the ISS Group, visit www.issworld.com

Excerpt from consolidated financial statements

Primary Statements

The following full year consolidated statements of profit or loss, cash flows and financial position has been retrieved from the audited consolidated financial statements included in the annual report 2021, which in note 7.3 includes a description as to the basis of preparation and should be read in conjunction with the annual report 2021. In addition, the following statements of profit and loss and cash flows includes unaudited H2 2021 and H2 2020 financial figures summarised based on the groups accounting policies for recognition, measurement and classification of profit or loss and cash flows captions.

Condensed consolidated statement of profit or loss

1 July – 31 December

DKK million	H2 2021	H2 2020	FY 2021	FY 2020
Revenue	36,470	34,786	71,363	70,752
Staff costs	(23,150)	(22,438)	(46,369)	(46,579)
Consumables	(2,753)	(2,640)	(5,020)	(5,751)
Other operating expenses	(8,358)	(11,138)	(16,438)	(19,785)
Depreciation and amortisation [1)]	(982)	(1,032)	(1,760)	(1,840)
Operating profit before other items	1,227	(2,462)	1,776	(3,203)
Other income and expenses, net	(2)	(189)	439	(983)
Goodwill impairment	-	(16)	(450)	(432)
Amortisation/impairment of brands and customer	(33)	(41)	(64)	(89)
Operating profit	1,192	(2,708)	1,701	(4,707)
Financial income	27	31	41	59
Financial expenses	(394)	(288)	(697)	(608)
Profit before tax	825	(2,965)	1,045	(5,256)
Income tax	(408)	272	(509)	36
Net profit from continuing operations	417	(2,693)	536	(5,220)
Net profit from discontinued operations	(31)	174	101	25
Net profit	386	(2,519)	637	(5,195)
Attributable to:				
Owners of ISS A/S	370	(2,524)	615	(5,205)
Non-controlling interests	16	5	22	10
Net profit	386	(2,519)	637	(5,195)

1) Excluding Goodwill impairment and Amortisation/impairment of brands and customer contracts.

Condensed consolidated statement of cash flow

1 July – 31 December

DKK million	H2 2021	H2 2020	FY 2021	FY 2020
Operating profit before other items	1,227	(2,462)	1,776	(3,203)
Operating profit before other items from discontinued operations	33	42	37	47
Depreciation and amortisation	982	1,039	1,760	1,855
Share-based payments	27	25	62	27
Changes in working capital	(558)	1,681	1,056	951
Changes in provisions, pensions and similar obligations	(57)	1,431	(435)	1,512
Other expenses paid	(42)	(305)	(74)	(441)
Interest received	26	31	40	71
Interest paid	(308)	(281)	(473)	(514)
Income tax paid	(304)	(412)	(528)	(666)
Cash flow from operating activities	1,026	789	3,221	(361)
Acquisition of businesses	(505)	1	(526)	(102)
Divestment of businesses	302	510	1,191	505
Acquisition of intangible assets and property, plant and equipment	(316)	(330)	(628)	(712)
Disposal of intangible assets and property, plant and equipment	33	(10)	42	31
Acquisition of financial assets, net	(20)	(31)	(6)	(48)
Cash flow from investing activities	(506)	140	73	(326)
Proceeds from bonds	-	3,694	-	3,694
Repayment of bonds	(1,577)	(2,234)	(1,577)	(2,234)
Repayment of lease liabilities	(479)	(515)	(947)	(1,019)
Other financial payments, net	166	(2,657)	(472)	662
Transaction with non-controlling interests	179	-	164	-
Cash flow from financing activities	(1,711)	(1,712)	(2,832)	1,103
Total cash flow	(1,191)	(783)	462	416
Cash and cash equivalents at start of period	4,488	3,588	2,742	2,670
Total cash flow	(1,191)	(783)	462	416
Foreign exchange adjustments	131	(63)	224	(344)
Cash and cash equivalents at 31 December	3,428	2,742	3,428	2,742
Free cash flow	90	(64)	1,735	(1,794)

Condensed consolidated statement of financial position

At 31 December

DKK million	2021	2020
Assets		
Intangible assets	22,739	22,518
Property, plant and equipment and leases	3,376	3,546
Deferred tax assets	790	818
Other financial assets	457	354
Non-current assets	27,362	27,236
Inventories	177	175
Trade receivables	10,406	9,861
Tax receivables	185	163
Other receivables	1,582	1,567
Cash and cash equivalents	3,428	2,742
Assets held for sale	515	1,861
Current assets	16,293	16,369
Total assets	43,655	43,605
Equity and liability		
Equity attributable to owners of ISS A/S	7,583	6,516
Non-controlling interests	206	29
Total equity	7,789	6,545
Loans and borrowings	16,094	17,345
Pensions and similar obligations	1,351	1,507
Deferred tax liabilities	976	1,022
Provisions	755	624
Non-current liabilities	19,176	20,498
Loans and borrowings	888	1,298
Trade and other payables	5,657	5,083
Tax payables	174	142
Other liabilities	8,730	7,899
Provisions	961	1,302
Liabilities held for sale	280	838
Current liabilities	16,690	16,562
Total liabilities	35,866	37,060
Total equity and liabilities	43,655	43,605