



Company announcement

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ISS acquires leading technical services business

- In line with its stated strategy, ISS acquires the UK, Ireland & European operations of engineering firm GS Hall plc
- Annual revenue of approximately GBP 72 million (approx. DKK 698 million) - the majority of which is generated from longstanding large customers in the UK
- Enterprise Value of GBP 53 million (approx. DKK 514 million)
- 780 employees, including engineers and technicians will transfer to ISS
- The acquisition supports ISS' strategy by expanding its technical services self-delivery capabilities and in particular supplements the thriving Integrated Facility Services offering in the UK

ISS, a global leading facility services provider, has acquired the UK, Ireland and European activities of UK-based GS Hall plc, which is a leading technical services company focused on mechanical and electrical engineering, energy management and compliance.

"This is the right company in the right market at the right time for us," said Jeff Gravenhorst, Group CEO, ISS A/S.

"As previously stated, we will support our strategic progress by making selective competence-enhancing acquisitions. This acquisition will strengthen our ability to meet the increasing demand for integrated facility solutions where technical services is an important and deciding component for the customer in choosing the right partner. Furthermore, the acquisition will enhance our offering in energy management which is an emerging demand from our customers," Gravenhorst added.

Enterprise value is GBP 53 million of which GBP 6 million is an earn-out to potentially be paid during H1 2015, in whole or in part, depending on the financial performance of the business. With EBITA margins in excess of 8%, the current margins of GSH are above ISS average. The transaction will be funded through existing debt facilities and does not impact expected dividend

payments from ISS for fiscal year 2014. The transaction is final and unconditional as of today.

“ISS is a perfect fit for our business. This transaction will improve the self-delivery of technical services within integrated facilities services contracts and provide our colleagues with substantial opportunities for career progression,” said Clive Clarke, UK & Ireland MD of GSH.

A market worth over DKK 1 trillion

Established in 1895, GSH has a rich heritage and a strong position in the mechanical and electrical services market in the UK where it has focused on the self-delivery of services to key accounts in, among others, the Business Service & IT and Retail & Wholesale customer segments.

“GSH and its management team have an excellent strategic fit with our existing UK IFS and technical services business and we expect to achieve both revenue and cost synergies. A strengthened foundation in the UK will also facilitate the scaling of technical capabilities across Europe, thus enhancing further growth opportunities in our existing technical services business on the continent,” said Henrik Andersen, Group COO of Europe, Middle East and Africa.

“Technical services is becoming a central part of integrated facility services and the technical services market in Europe is estimated to be worth over DKK 1 trillion where customers increasingly look across borders and continents for coverage. This transaction will provide good growth opportunities in this market,” the Group COO added.

First major acquisition since 2010

ISS has not made any significant acquisitions since 2010 and during that time has divested non-core activities equivalent to almost DKK 12 billion of annual revenue or 16% of its total business.

“As outlined in connection with the IPO in early 2014, we have a business strategy which includes selective competence enhancing acquisitions subject to tight strategic and financial filters. One of our focus areas is technical services and with its heritage, technical self-delivery capabilities, customer focus, and ability to supplement our existing successful IFS and technical services business, GSH is a good fit. Our initial discussions with customers of GSH and ISS support this,” said Gravenhorst.

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About ISS

The ISS Group was founded in Copenhagen in 1901 and has grown to become one of the world's leading Facility Services companies. ISS offers a wide range of services such as: Cleaning, Catering, Security, Property and Support Services as well as Facility Management. Global revenue amounted to DKK 78.5 billion in 2013 and ISS has approximately 515,000 employees and local operations in more than 50 countries across Europe, Asia, North America, Latin America and Pacific, serving thousands of both public and private sector customers. For more information on the ISS Group, visit www.issworld.com.