



Company announcement

Copenhagen, 18 November 2015

No. 19/2015

Interim report for the period 1 January – 30 September 2015

Solid organic growth and improved margin

ISS (ISS.CO, ISS DC), one of the world's leading facility services companies, announces its interim financial report for the first nine months of 2015:

Highlights

- Solid organic revenue growth of 4.3% in the first nine months and 4.8% in Q3 (Q2 2015: 4.8%).
- Improved operating margin of 5.4% in the first nine months (2014: 5.3%) and 6.5% in Q3 (Q3 2014: 6.4%).
- Strong cash conversion over the last twelve months of 99% (Q2 2015: 99%).
- Profit before goodwill impairment and amortisation/impairment of brands and customer contracts increased to DKK 1,764 million in the first nine months of 2015 (2014: DKK 1,210 million).
- Net profit increased to DKK 1,392 million in the first nine months of 2015 (2014: DKK 890 million).
- Revenue generated from IFS increased 7% in local currency in Q3 (Q2 2015: 10%), and represented 33% of Group revenue (Q2 2015: 33%).
- Revenue from Global Corporate Clients represented 11% of Group revenue in Q3 (Q2 2015: 10%) and increased 11% in local currencies in Q3 (Q2 2015: 13%).
- The strategic initiatives including customer segmentation, organisational structure and excellence projects such as our procurement programme are progressing according to plans and support margin improvement.
- As previously announced, we have delayed the organisational structure, which will deliver more customer focus, faster decision making and further cost efficiencies. With the following appointments to the Executive Group Management, all positions have been filled: Dan Ryan will join ISS from G4S to become Regional CEO Americas; Thomas Hinnerskov, currently Regional CEO Asia Pacific, will be appointed Regional CEO Western Europe and Dane Hudson, currently CEO Pacific, will be appointed Regional CEO Asia Pacific. All appointments will be effective early 2016.
- The outlook for organic revenue growth in 2015 is improved to 4.0%-4.5% (from previously 3.5%-4.5%). Our expectations for operating margin (above 5.6%) and cash conversion (above 90%) are unchanged.

Jeff Gravenhorst, Group CEO, ISS A/S, said:

"Our strategic initiatives are moving ISS in the right direction. Again this quarter we delivered good growth rates and consistent margin improvements. Integrated facility services, international clients and emerging markets remain important growth drivers. We still have not seen any help from macroeconomic trends, as our growth has been driven by own initiatives and continued focus on our core business. Recently, we have won new important contracts with the Danish Broadcasting Corporation in the Nordics, the Gotthard Base Tunnel in Central Europe and we have mobilised the significant IFS contract at Homerton Hospital in the UK. Following the strong performance in Q3, and the continued benefits from our strategic initiatives we have improved our organic growth range to 4.0%-4.5% for the full year."

Lord Allen of Kensington Kt CBE

Chairman

Jeff Gravenhorst

Group CEO

Conference call details

A conference call will be held on 18 November 2015 at 10:00 CET.

Presentation material will be available online prior to the conference call.

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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 74.1 billion in 2014 and ISS has approximately 510,000 employees and activities in more than 75 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.