Investor Presentation
Q1 2018 Results

9 May 2018

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Highlights Q1 2018

Financial Highlights

- Total revenue growth of -0.4% (Q4 2017: 1.4%)
- Organic revenue growth of 3.1% (Q4 2017: 3.6%)
- Operating margin of 4.0% (Q1 2017: 4.5%)
- Last twelve months (LTM) cash conversion of 102% (Q4 2017: 104%)
- Net profit (adjusted) of DKK 296 million (Q1 2017: DKK 546 million)
- Financial leverage of 2.5x (Q1 2017: 2.3x)

Commercial Highlights

- Revenue from Integrated Facility Services (IFS) increased 11% (FY2017: 6%) in local currency corresponding to 38% of Group revenue
- Revenue from Global Key Accounts increased 4% (FY2017: 10%) in local currency corresponding to 13% of Group revenue
- Continued strong commercial momentum. Recent contract wins include Royal Philips (selected countries), Arriva (UK), a major international air carrier (US) and a client in the pharmaceutical segment (US)
- Transition and mobilisation of Deutsche Telekom on track
- Pipeline remains strong

Regional performance Q1 2018

Continental Europe
39% of Group

3%
organic growth
(vs. 6% in Q4 2017)

- Growth mainly driven by contract launches in Turkey, Austria and Switzerland…
- … as well as solid non-portfolio demand across a number of countries in the region…
- … partly offset by revenue reduction with DXC Technology

4.5%
operating margin(1)
(vs. 4.7% in Q1 2017)

- Continued strong margin performance across most countries in the region…
- … offset by large key account contracts phasing in and out…
- … as well as performance in the Netherlands…
- … and investments in operational improvements in Spain

Northern Europe
31% of Group

1%
organic growth
(vs. 0% in Q4 2017)

- Growth supported by contract launches and non-portfolio demand most notably in Denmark and the UK & Ireland…
- … partly offset by revenue reduction from DXC Technology and the EMEA region with an international bank

4.9%
operating margin(1)
(vs. 5.6% in Q1 2017)

- Decrease mainly due to large key account contracts phasing in and out…
- … and our investments in building-out Technical Services credentials
- As expected, the margin remains impacted by operational challenges in Sweden, where turnaround initiatives continue

(1) Operating profit before other items and corporate costs

Regional performance Q1 2018

Asia Pacific
18% of Group

5%
organic growth
(vs. 4% in Q4 2017)

- Growth mainly driven by contract launches and non-portfolio demand in Australia and Singapore as well as contract launches in Hong Kong…
- … partly offset by expected negative organic growth in China as a result of our strategic structural adjustments to our operating model

5.8%
operating margin(1)
(vs. 7.7% in Q1 2017)

- Development driven mainly by one-offs (one-off income in Singapore in Q1 2017 and one-off costs in Q1 2018 in Thailand)…
- … as well as contract launches and extensions in Australia…
- … and strategic structural adjustments in China…
- … partly offset by solid performance in Hong Kong and India

Americas
12% of Group

4%
organic growth
(vs. 8% in Q4 2017)

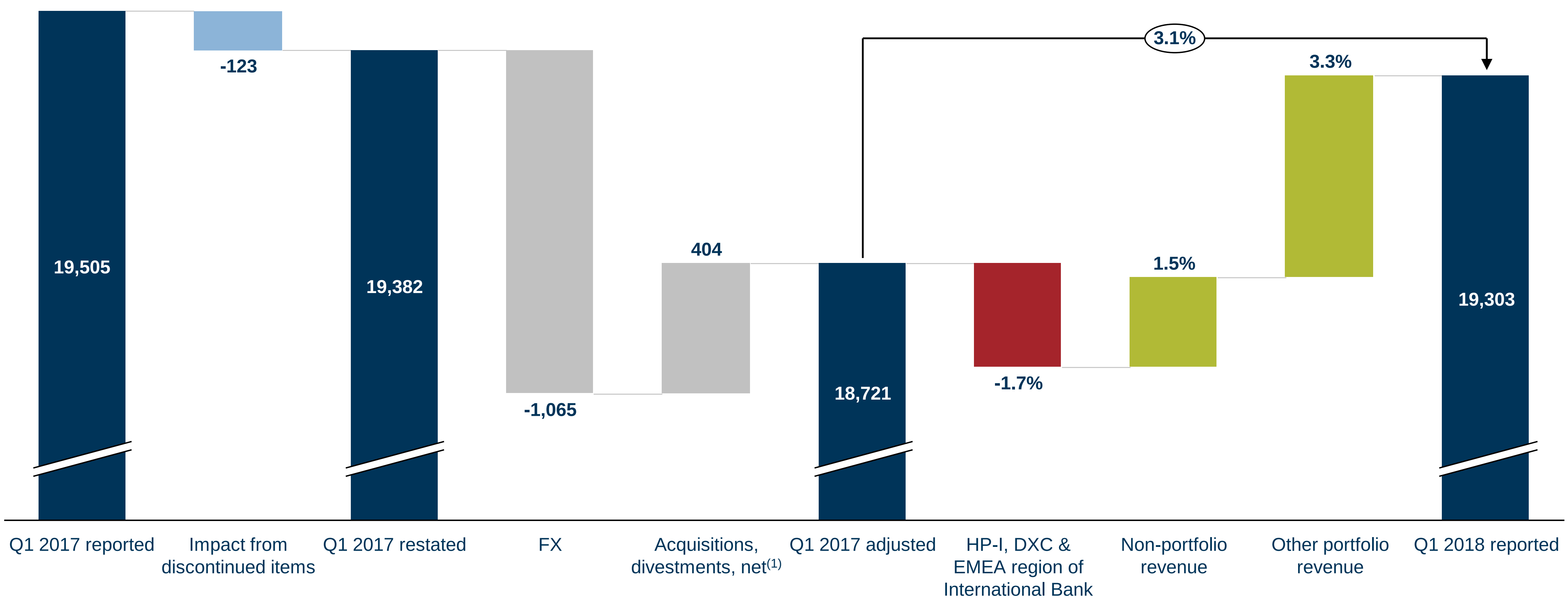
- Solid organic growth driven by Guckenheimer and key account contract launches in the US…
- … as well as continued strong growth in Chile
- Growth was partly offset by revenue reduction from DXC Technology and HP Inc…
- … as well as contract exits and losses in Brazil
- Sequential slow-down among others driven by lower non-portfolio growth (strong Q4 2017)

2.5%
operating margin(1)
(vs. 2.5% in Q1 2017)(2)

- Margin supported by Guckenheimer integration synergies and performance in the IFS division in North America…
- … offset by large key account contracts phasing in and out…
- … and performance in Brazil
- As expected, the margin remains impacted by operational challenges in the Specialised Services division in North America, where turnaround initiatives continue

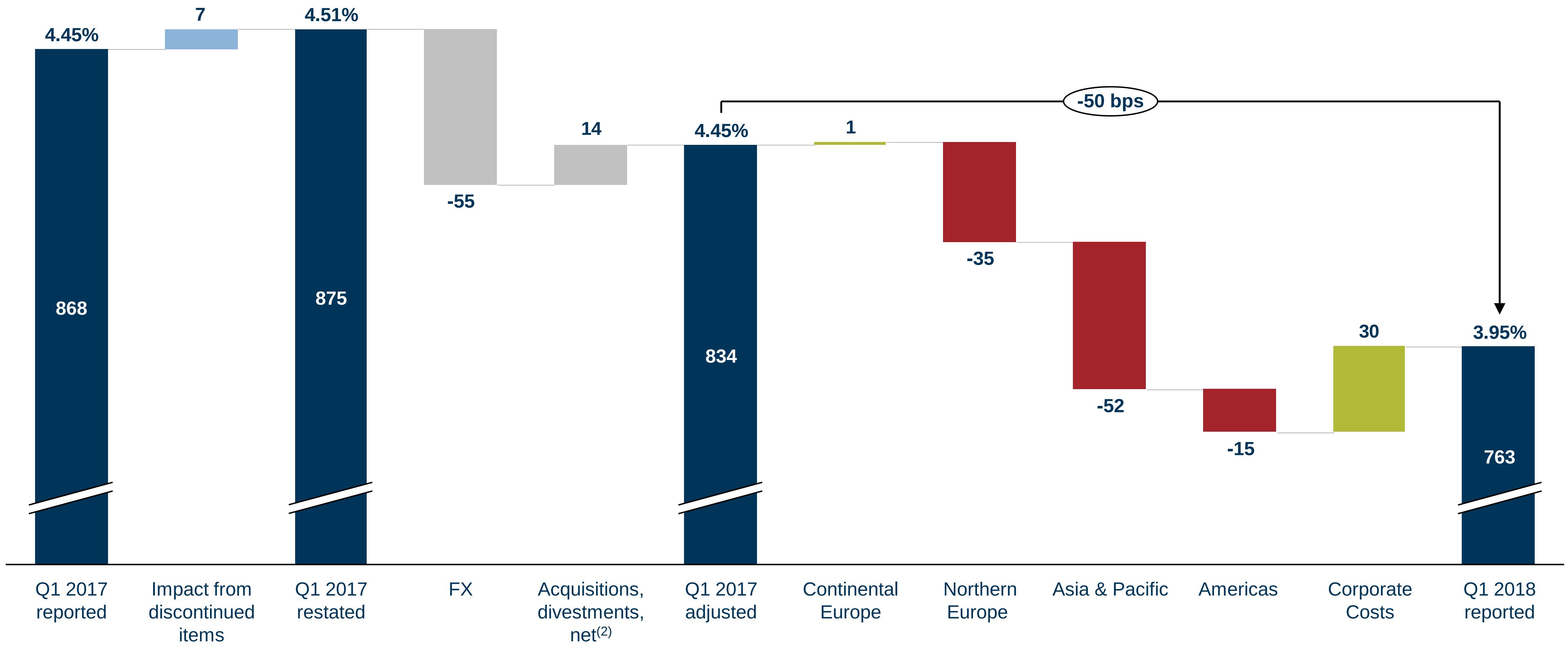
(1) Operating profit before other items and corporate costs
(2) As of 30 June 2017, Argentina and Uruguay have been classified as discontinued operations. Comparative figures have been restated accordingly

Q1 2018 organic growth drivers (DKK m)



(1) Any acquisitions or divestments completed after 1 January 2017 are included within the Q1 2017 adjusted revenue but only for the equivalent period of time that they impact the Q1 2018 reported result..

Q1 2018 operating profit drivers[1)] (DKK m)



(1) Operating profit before other items

(2) Any acquisitions or divestments completed after 1 January 2017 are included within the Q1 2017 adjusted operating profit but only for the equivalent period of time that they impact the Q1 2018 reported result.

Income Statement

DKK million	Q1 2018	Q1 2017	Δ
Revenue	**19,303**	**19,382**	**(79)**
Operating expenses	18,540	18,507	33
Operating profit before other items	**763**	**875**	**(112)**
Other income and expenses, net	(199)	(4)	(195)
Operating profit	**564**	**871**	**(307)**
Financial income and expenses, net	(150)	(111)	(39)
Profit before tax	**414**	**760**	**(346)**
Income taxes	(108)	(201)	93
Net profit (adjusted) from continuing operations	**306**	**559**	**(253)**
Net profit/(loss) (adjusted) from discontinued operations	(10)	(13)	3
Net profit (adjusted)	**296**	**546**	**(250)**
Goodwill impairment	(24)	-	(24)
Amortisation and impairment of brands and customer contracts	(120)	(130)	10
Income tax effect	33	28	5
Net profit (reported)	**185**	**444**	**(259)**
Adjusted EPS, DKK[1]	1.6	2.9	(1.3)
Adjusted EPS from continuing operations, DKK[2]	1.7	3.0	(1.3)

- DKK 167 million of restructuring projects mainly related to the continued implementation of GREAT predominantly in France and Sweden
- DKK 30 million net loss on divestments related to the divestment of activities in Greece

DKK million	Q1 2018	Q1 2017
Net interest expense	(113)	(90)
Amortisation of financing fees	(6)	(9)
Other[3]	(24)	(23)
FX	(7)	11
Financial income and expenses, net	**(150)**	**(111)**

Effective tax rate of 26.0% (Q1 2017: 26.4%)

Impairment related to the divestment of the Fruit Business in Denmark

(1) Calculated as Net profit (adjusted) divided by the average number of shares (diluted)
(2) Calculated as Net profit from continuing operations (adjusted) divided by the average number of shares (diluted)
(3) Includes recurring items – for example interest on defined benefit obligations and local banking fees

Cash Flow

DKK million	Q1 2018	Q1 2017	Δ
Operating profit before other items	763	875	(112)
Operating profit from discontinued operations	(0)	(3)	3
Depreciation and amortisation	163	176	(13)
Changes in provisions, pensions and similar obligations	(25)	(5)	(20)
Cash flow from operations	**901**	**1,043**	**(142)**
Share based payments	20	1	19
Changes in working capital	(1,446)	(1,376)	(70)
Other expenses paid	(70)	(53)	(17)
Net interest paid/received	(153)	(140)	(13)
Income taxes paid	(278)	(256)	(22)
Cash flow from operating activities	**(1,026)**	**(781)**	**(245)**
Cash flow from investing activities	(182)	(105)	(77)
Cash flow from financing activities	108	500	(392)
Total cash flow	**(1,100)**	**(386)**	**(714)**
Free Cash Flow[(1)]	**(1,250)**	**(976)**	**(274)**
- of which relates to Deutsche Telekom transition and mobilisation cost	(27)	-	(27)

(1) Cash flow from operating activities + (Cash flow from investing activities less acquisition/divestment of businesses, net)

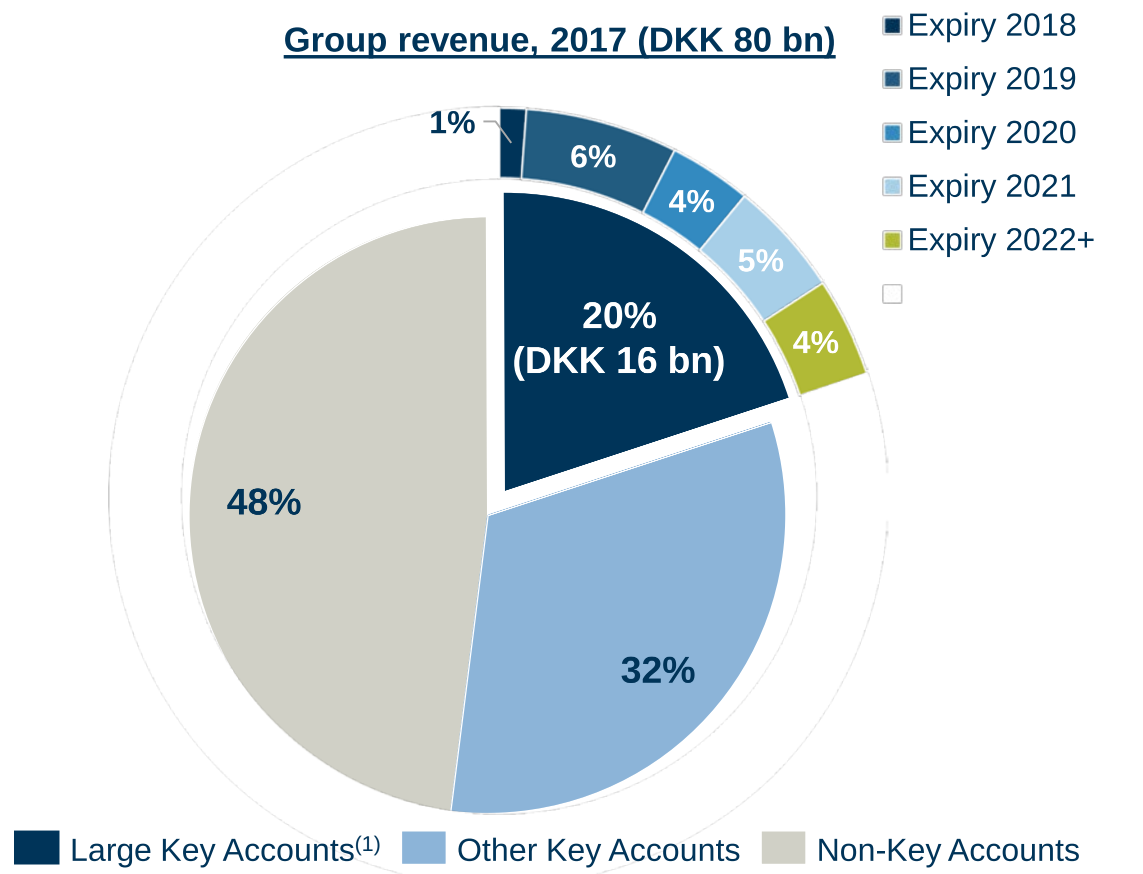
- Cash conversion of 102% (Q4 2017: 104%) impacted by the timing of collections and payments around quarter end
- Outflow of DKK 27m (Q1 2017: DKK 0m) related to the transition and migration of Deutsche Telekom

- CAPEX of DKK 205m (Q1 2017: DKK 180m) due quarterly timing differences and slightly higher investments in technology

- Reduction driven mainly by lower cash flow from operations and changes in working capital

Contract maturity update

Key contract maturity profile



(1) *Existing Global Corporate Clients and Key Accounts with revenue above DKK 200m in 2017 (excl. confirmed losses)*

Update relative to Full Year results in February

- Successful extension of all large Key Accounts set to expire in Q1 2018
- 4 of the 7 contracts set to expire during 2018 have now been extended
- Following a 2017 with significant extensions, expansions and reductions with large Key Accounts…
- .. 2018 is a lower than average year in terms of revenue up for renewal…
- … and dialogue around contracts maturing in 2019 is slowly starting up

THE POWER OF THE HUMAN TOUCH

Outlook 2018

Organic Growth

'1.5 - 3.5%'

(2017: 2.4%)

- **In most of our major countries, current macroeconomic conditions appear broadly supportive, with the exception of the UK where BREXIT-related uncertainty persists**
- **As such, we expect continued strong growth from key accounts, driven by both expansion of existing customer relationships and new customer wins**
- **The negative effect from lost revenue with DXC, HP Inc. and the EMEA operations of one other global key account will impact most of the year and will partially offset progress elsewhere**
- **We see continued healthy growth coming from our Emerging Market countries**

<u>Impact on total revenue from divestments, acquisitions and foreign exchange rates in 2018</u>

- We expect a negative impact on revenue growth from development in foreign exchange rates of approximately 4%[1)]
- We expect a neutral impact on revenue growth from divestments and acquisitions[2)]

Operating Margin

'Around 5.6% excl. acquisitions, divestments and FX'

(2017: 5.65%)

- **We expect the loss of mature and sizable contracts to have a dilutive impact which will be partially mitigated by our ongoing focus on cost and efficiency initiatives.**

Cash Conversion

'Above 90%'

(2017: 104%)

- **Cash conversion will continue to be a priority in 2018**

1) *The forecasted average exchange rates for the financial year 2018 are calculated using the realised average exchange rates for the first four months of 2018 and the average forward exchange rates (as of 1 May 2018) for the last eight months of 2018.*
2) *Includes divestments and acquisitions completed by 30 April 2018 (including in 2017).*

Q&A