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Q1 2025 ISS A/S TRADING STATEMENT CALL

EVENT DATE/TIME: May 06, 2025 / 8:00AM UTC

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- **Operator**
- **Remi Grenu** *Morgan Stanley - Analyst*
- **Mads Andersen** *DNB Markets - Analyst*
- **Kristian Godiksen** *SEB - Analyst*

PRESENTATION

Operator

At this time, I would like to welcome everyone to this ISS Q1 2025 trading update. Today's call is being recorded. If you have any objections, please disconnect at this time. (Operator Instructions)

Today's speakers is Group CEO, Kasper Fangel and Group CFO, Mads Holm. But first, I'd like to hand the word to Head of Investor Relations, Michael Vitfell-Rasmussen.

Michael Vitfell-Rasmussen *ISS A/S - Head, Investor Relations*

Thank you, very much and good morning, everybody and welcome to our conference call. We appreciate you joining us this morning to discuss our Q1 2025 trading update which was released earlier today.

I'm Michael Vitfell-Rasmussen heading up investor relations here at ISS. Joining me today in the room is our CEO, Kasper Fangel, our CFO, Mads Holm and our IR Colleague, Anne Sophie Riis.

Before we begin, please take a quick view at the disclaimer, and then I will hand it over to Kasper to start the presentation. Please move on to slide number 4. Thank you.

Kasper Fangel *ISS A/S - Group Chief Executive Officer, Member of the Executive Group Management*

Thank you, Michael, and good morning, everyone, and thank you all for prioritizing this call, especially in what continues to be a turbulent environment for the financial markets.

While conditions remain uncertain more broadly, I am pleased to see that our business model is holding up as expected. We are continuing to be a trusted partner to our customers during tougher times, helping them stay focused on their core business while we ensure their workplaces run safely, efficiently and without disruption.

In times like these, workplace engagement becomes even more important. At ISS, we understand what it takes to create outstanding workplace experiences, and we remain committed to delivering exceptional service moments that help make our customers' workplaces more attractive and support stronger engagement among their employees.

The first quarter of 2025 delivered as planned both from a strategic and a financial point of view. Our Q1 organic growth ended at 4.3%, driven by solid above base activity and continued price increases. We also saw positive volume growth for the quarter, but that was offset by an expected negative contribution from net new contract wins.

I am also pleased to see that once again this year, we continue to successfully manage price increases, a clear reflection of our strong operational capabilities and close relationships with our customers. Remember, price increases support our business as it is not margin dilutive and therefore generate a higher nominal profit, contributing positively to the free cash flow generation.

We maintained strong cost effectiveness through our OneISS initiatives and with continued pricing discipline, margins developed as planned in the quarter. Our customer retention rate remains strong at 94%, representing a slight improvement from Q4 2024.

While underlying volumes remain a focus area, we are seeing encouraging signs in areas where we make strategic commercial priorities. For example, we are gaining momentum within our four key customer segments, as reflected in the new contract wins announced earlier this year.

It is also encouraging to see that our strategic changes introduced last year, particularly the leaner EGM structure, are already enabling faster decision making and sharper execution across the business. The arbitration process with Deutsche Telekom is progressing as planned, and we will share further updates when we can.

Finally, our DKK2.5 billion share buyback program initiated in connection with our full year report, is progressing as expected.

Let's turn to slide 6, please. Let me share some key insights and a growing opportunity for our business. Last week we launched a comprehensive ISS workplace study based on nearly 11,000 employee responses across 15 countries, all from companies with hybrid work possibilities.

The research also includes customer interviews and expert perspectives. Just a week ago, we hosted a launch event with over 100 customers, where we discussed the insights from the report with current and potential new customers.

The outcome is that hybrid is no longer a trend, it's the default. Today, 81% of employees work in a hybrid setup with one to two days from home being the most common and most satisfying model. Yet, despite this demand for flexibility, 71% of employees still see the office as important, primarily because it fosters social connectivity and a sense of belonging.

Notably, 88% of the responses highlight long-term risks from working remotely too much, especially when it comes to collaboration and culture.

That brings us to the core insight. Employees have raised their expectations for what the office should offer. They no longer go to the office just to work, they go to be supported in their individual needs and wellbeing. 64% of responses highlight that facilities and office experiences would motivate them to be in the workplace more often.

Most of all, they want excellent food options. They want gyms, activity zones and quiet areas, and that's exactly where ISS comes in. At ISS, we know how to create unique service moments, and that is where our true differentiator lies. It is our ability to consistently deliver exceptional customer experiences at site level.

What enables this is our self delivery model, because we onboard, we train and we empower our own people. We ensure quality, consistency and gives them a license to act. That's not possible in operating models that rely on subcontractors.

We help our customers transform their workplaces into destinations that is worth the commute, places people want to be. Whether it is curated food throughout the day, creative environments or high performing sustainable facilities, we create spaces that drive productivity, engagement and ultimately, retention.

It's more than a trend, it's a structural shift, and we are positioned right at the center of it. ISS is uniquely equipped to respond, and we know what it takes to create spaces people want to be in, and, more importantly, thrive in. And when people thrive, so does the business.

Let's go to slide 7 for a closer look at our pipeline. Let me share a few reflections on our commercial pipeline. We continue to see healthy and broad-based pipeline activity across our key markets. This reflects the strength of our commercial set up and the relevance of our value proposition. I am also pleased to see that we are winning customers within our chosen segments, which reinforces the focus and strategic direction that we have set for our go-to-market efforts.

We are furthermore, also seeing some early results of our intensified focus of growing with our existing customers, also reflected in the contracts announced this year.

As mentioned earlier, we are seeing facility management becoming more important to customers as a key part of the overall workplace experience. This shift is leading to more complex and extended tender processes, especially on larger integrated contracts. As a result, decision making cycles continue to be long.

While this creates some short-term unpredictability and timing, it also signals stronger customer engagement and deeper strategic alignment. Despite these longer lead times, the momentum in our pipeline remains encouraging, and we continue to see opportunities across both global and local accounts.

Some of the contracts up for renewal this year have already been extended, and we are working hard on extending all customers up for renewal in '25. As a result, just under 5% of our contract portfolio is now due for renewal this year.

Looking ahead, we remain confident in the underlying strength of our pipeline and its ability to support our growth ambitions for 2025 and beyond.

Let us go to slide 8 please. Over the years, we have consistently demonstrated that the ISS business model is both resilient and proven, also through changing and uncertain economic environments. In the top chart, you will see that organic growth has remained stable across cycles, with a clear pattern of consistent momentum.

In the bottom chart, our operating margin has proven to be both predictable and robust, reflecting our ability to manage inflation, wage increases and cost pressures through disciplined pricing and strong execution.

Importantly, in more challenging environments, we have not been deselected in customer cost exercises. In fact, we have often become an even more trusted partner, enabling our customers to focus on their core business while we take care of ours, delivering reliable, high quality facility management that supports their workplace experience and operational needs.

Also, while we are well positioned to support customers in generating cost savings during uncertain times, we have not yet seen this develop into a broader trend.

In addition, our business model is structurally stable. We neither import nor export significant volumes of goods across borders, and our revenue and cost base is largely in the same currencies. However, we closely monitor our global developments, as some of our customers may be impacted to varying degrees.

The stability of our business reflects the strengths of our customer relationship, the scalability of our model and the discipline embedded in our execution, strengthened further through the recent strategy [with us]. It is this consistency that gives us confidence. Our model is built for all cycles.

Now, I will hand it over to Mads to go through our financial results.

Mads Holm *ISS A/S - Group Chief Financial Officer, Member of the Executive Group Management*

Thank you, Kasper. Let me walk you through our financial performance for the first quarter of 2025. We delivered organic growth of 4.3%, driven primarily by the successful implementation of price increases, which contributed by around 4.5%. Turkey was slightly below half of that increase.

This underlines the resilience of our business models as we continue to successfully pass on inflationary pressure to customers, particularly wage related cost increases. Volume growth also had a positive contribution of around 0.5% due to increased activity levels at customer site and scope increases on retentions.

As expected, net contract wins had a negative contribution of a little below 2% this quarter, largely reflecting the contract trimming and deliberate contract exits last year, particularly in the Americas. This headwind will end by mid-year.

Project and above base activity contribute around 1% supported by a high commercial focus on non-portfolio projects. Driving this kind of site level engagement is a key part of our strategy, and I'm pleased to see it's coming through in the numbers.

Turning briefly to margins, performance was in line with expectations. We maintained cost effectiveness through OneISS initiatives and pricing action supported margin stability. We still focus on the absolute earning power of ISS, the nominal level of EBITDA. Finally, on free cash flow, we still expect it to be negative in the first half, but less so compared to last year.

Let's go to slide 11 for regional breakdown. Q1 performance reflects a solid start to the year, with organic growth supported by price increases and continued strong activity levels across the regions. In Northern Europe, the organic growth ended at 4%, primarily driven by pricing and supported by volume increases, despite the many recessions from the start-up of large contracts last year.

Growth was broad based across the region, with the UK as the largest contributor, supported by both increased activity levels and price increases. The mobilization of DWP is progressing as planned, and we are excited to go live in October. In Central and Southern Europe, we saw continuous solid growth at 9% for the quarter, primarily driven by price increases in Turkey, along with positive organic growth across most countries in the region.

In APAC, the organic growth rate at 4% was still impacted by our more selective bidding strategy, as we continue to have a sharp focus on sustainable margins in line with our Group strategy. The strongest growth contributors in APAC was Australia and Singapore, both growing high single digit organically in the first quarter.

In the Americas, growth ended at minus 9% for the quarter. America was significantly impacted by the deliberate contract exits in the beginning of the second half of 2024, reflecting our conscious and disciplined portfolio approach. Overall, we keep encouraged by the momentum and remain confident in delivering on all three KPIs for the Group for the full year.

Slide 12 please. Finally, let me provide an update on our capital returns for the year. In April, we paid out the proposed dividend of DKK575 million, corresponding to DKK3.1 per share. Our share buyback program initiated in connection with the full year result, is also progressing as planned.

As of yesterday, we have purchased shares worth DKK575 million under the total DKK2.5 billion authorization. In addition, we got the authorization to cancel 11.5 million shares at the AGM in April. This reduced the total share count to 175 million, corresponding to more than a 6% reduction in the total share count.

Combining the dividend and the ongoing buyback, ISS is delivering a payout yield of 10% for 2025. This strong yield reflects our disciplined approach to capital allocation. Rather than sitting on excess cash, we consistently deployed where we can create the most value for our shareholders.

With that, I will hand it back to Kasper, please turn to slide 14.

Kasper Fangel *ISS A/S - Group Chief Executive Officer, Member of the Executive Group Management*

Thank you, Mads. With the first quarter behind us, I can confidently reconfirm our guidance for 2025. The first quarter delivered as planned, supporting continued sustainable growth. In all of our assets markets, there are plenty of opportunities to grow our business, and with our investments and strengthening of our commercial function, we are reconfirming our organic growth guidance range of 4% to 6%.

Once more I want to highlight that 2025 will be back-end loaded, predominantly driven by the contract exits from mid-2024 combined with the startup of the DWP contract in October 2025.

In 2025, we still expect price increases to remain the main contributor to organic growth primarily driven by Turkey, but also reflecting the price increases already implemented in other markets in the beginning of the year. Furthermore, as explained previously, one of our commercial initiatives going forward is to grow with our existing customers, and we do expect to see contribution in 2025 from this.

Lastly, we expect a positive contribution from net contract wins, and, as you might recall, we have already announced a number of new contract wins this year and we still see positive health in our pipeline. For the margin, we are also on track and we reconfirm our guidance of above 5%.

Let us turn to slide 15. We are also reconfirming our cash flow guidance for the year. We still expect the strong underlying cash flow generation to be maintained in 2025. The guidance of above DKK2.4 billion is in line with the above 60% cash conversion after adjusted for the DKK200 million negative impact from 2024 pre-payments.

We still expect payment from DTAG and providing it's received in 2025, that will bring our expectations to the free cash flow, including DTAG at above DKK3 billion.

Please turn to the next and final slide 16. I want to finish by saying that the ISS has a solid foundation, proven to be resilient through all financial cycles. The underlying business has improved significantly over the past years as a direct result of an increased focus on the things that really matter to our customers and people, fewer initiatives, better alignment, all of which is creating an improved spirit and enthusiasm around the future of the company.

The first quarter of 2025 represents another positive chapter in ISS's journey towards becoming a company that is growth-oriented, people-centric, and performance-driven.

As we close the quarter, I want to take a moment to acknowledge what truly drives our progress. To our more than 325,000 pacemakers, thank you. You are the foundation of our success. Your commitment to excellence and the care you show in every service moment is what defines ISS and earns us the trust of our customers.

And to our customers, thank you for choosing us. We don't take that trust for granted. We are committed to continuing our shared journey, creating spaces for people and businesses to thrive.

With that, we have concluded our presentation and we will now open the floor for the Q&A, where we will be joined by our investor relations team to address your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Remi Grenu, Morgan Stanley.

Remi Grenu *Morgan Stanley - Analyst*

Good morning, gentlemen, and thanks for taking my questions. I've got three on my side. So on the commercial pipeline, I think you are referring to demand being driven by local opportunities. So should we read into that comment that we are more likely to continue to see a series of small and mid-sized contract wins coming through as we've seen over the last two quarters now rather than more transformational leads like DWP?

And also what it means for the exclusive negotiations you were referring to, I think in Q3 and Q4 last year whether these are still there but in wait and see mode. So that's the first question.

The second one is on contracts expiring this year, which I think is 5%. So can you tell us in which quarters these contracts are coming due and whether there is any update on discussions with the specific clients?

And then the third one is on the organic growth with key accounts which I think was slightly lower than at Group level, 3%. So I was wondering what explains the difference versus non-key accounts, whether it was pricing contribution, which was smaller or a volume effect which is slightly different with these keys accounts versus the rest of the Group? Thanks very much.

Kasper Fangel *ISS A/S - Group Chief Executive Officer, Member of the Executive Group Management*

Thank you, Remi, and good morning. Thanks for the good questions. Let me take them in the same order as you asked them. So first, in terms of commercial development, as I said in my presentation, we have a healthy pipeline, and that's a pipeline that both consists of local accounts, so smaller accounts of regional accounts, but also some big-ticket items.

And you are right that we have had good traction on landing the number of accounts above DKK100 million in the beginning of this year, and we are working hard on completing the processes with the other interesting prospects that we are talking to in terms of new customers at the moment, but it is just hard to predict when the processes are being completed.

I know I've said it over a number of quarters, but it continues to be the situation, and it is due to the fact that deciding on how to conduct facility management services is not just a price exercise. It's much more a value discussion where more stakeholders on the customer sides are involved. It's not only procurement and finance that are discussing price.

It's also at CEO level and Board level where customers want to be comfortable that they can articulate that the way that the design of the office is done and how services are provided is linking into the purpose that they are trying to achieve as their business. But again, in summary, healthy pipeline. We are not going to be specific around any expectation in terms of when we announce because it is uncertain and very hard to predict.

In terms of the contracts expiring, it happens throughout the year. 5% of prospects, so existing customers of above DKK200 million is what you see on the table. There is no red flag, nothing that I will highlight as things that are particularly risky or where the risk has increased since we updated you in February. But of course, we never take anything for granted and the process is not completed until we receive the signature from the customer.

And on your third element around key accounts, I mean, let me take a little bit more holistic and helicopter view on my answer to that one. There's nothing structurally that has changed in terms of our expectations to grow with key accounts. So we still have that as one of the core and main points in our strategy to grow with existing customers and grow facility, integrated facility management services as a concept with them, and that's also the majority of what we have in the pipeline, so nothing structurally there that you can read out of the Q1 numbers.

Remi Grenu *Morgan Stanley - Analyst*

Understood. Thank you very much.

Operator

Mads Anderson, DNB Markets.

Mads Andersen *DNB Markets - Analyst*

Yeah, morning. Thanks for taking my questions. If we just stay on the topic of net new, I mean, as far as I'm aware, you haven't really announced any losses. But you deliver minus or at least approximately minus 2% down sequentially from 1.5% in the quarter before. I mean, just trying to understand here what the main driver is. Is this smaller losses below the DKK100 million sort of thresholds that obviously because of that not having been announced, or is it facing or is it something different?

And just on that, if it's incremental exits on the smaller side, what kind of market entailment, if any, should we expect from this?

Secondly, please, on America's, obviously above base growth, looks incredibly strong. So maybe just if you could add some color on, sorry if I missed it, but if you could add some color on that kind of growth rate. I know you had an easy comp. But still adjusted for the com, it looks like incredibly strong growth. Please confirm first of all, that it's not hurricane work or related to wildfires or any other natural disasters. And yeah, if you could add some color on it, what the actual growth is, please. That would be great.

And then the last one. I mean, I appreciate it's early in the year, now you've seen four months, but still, I mean, Q1 was largely expected to be the weakest quarter, yet you deliver, I mean, within the guidance range, albeit at the low end. But if we consider, I mean, you alluded to it yourself, Kasper, that it's going to be back-end loaded, but you're already delivered within the range. And if we think about pricing, we know from previous years that it's been very sticky.

And yeah, it's probably likely to continue throughout the year. And then if you look at underlying volumes, the comps are, they were the toughest in Q1 and it gets easier throughout the year. So, I mean, at this point, is it not more likely that you'll be at the midpoint or actually above the midpoint, and why haven't you adjusted the guidance accordingly? Thank you.

Kasper Fangel *ISS A/S - Group Chief Executive Officer, Member of the Executive Group Management*

Thank you. And also good morning to you, Mads. So your three questions, again, let me take them one by one here. So in terms of your question on net new wins, I mean, the number that we're reporting for Q1 is rounded negative with 2%, which is you alluded to our communication in February where we said 1.5%. It's pure phasing. And again, it's rounded.

And I also want to point the attention towards that the underlying volume of 0.5% is actually slightly better than expected. So if you take the two combined, then it's a wash between the two and they're coming out exactly in line with our expectations for the first quarter.

And in terms of expectations for the full year on net new wins, I mean, the helicopter view of that is that we still expect a net positive for the full year. And obviously, it's going to be negative for the first half but then it will turn positive in the second half and overall, a net positive for the full year.

On Americas, then I can confirm that the above base that you mentioned none of that is related to the hurricane that we benefited greatly for in Q4 last year. It is a strong project delivery that we have had in Americas. And actually not only in Americas in Q1, also in Europe.

And I'm very pleased for that because it shows something about the commercial culture that is filtering through all the way down to site level and that our site managers are spotting the opportunities that we have with existing customers for project volume. So that's a good sign in my opinion.

And just a little bit more color on your third one in terms of guidance. If we take the different quarters here, then in Q2, we're going to face a slightly more difficult comps because last year [bygningsstyrelsen] and Defra started up in Q2. So I think it's fair.

And above base in the second quarter is also hard to predict at this point in time, but a good expectation around Q2 would be a growth of around the 4%. And then we expect that obviously to increase in the second half as comparison gets easier.

And we are starting up DWP in the beginning of October. And the new wins that we have announced in the beginning of this year are also ramping up over the course of the second half. So an uptick in growth in the second half.

But I just want to draw your attention to one thing, which is the record high above base revenue that we had in Q4 in Americas, which obviously makes the comparison difficult in the fourth quarter. So I think in summary, Mads, it's a fair question and a fair perspective that you have, but it's early in the years and the 4% to 6% is what we have maintained this early in the year because there are still a number of things that need to fall into place for the rest of the year before we can be more specific.

Operator

Kristian Godiksen.

Kristian Godiksen *SEB - Analyst*

Thank you. Good morning from my side. So I'll start with the three questions then. First, just wondering, do you see any risk to not receiving the payment from DTAG, which they held back last year? It looks like to me that consensus has not put that into their numbers. So I was just wondering, yes, your assessment of the risk there? That would be the first question.

Then the second question would be whether you could share your view on the commercial pipeline in terms of the global opportunities, which seems to be a bit more muted, continue to be a bit more muted compared to local and regional ones. Any reasons for that? That would be the second question.

And then third question would be, yes, you have a very -- it seems like you have a general strong traction in projects and above base work, especially in Americas, obviously. Are there any meaningful thing to say there? And could we see that go to, let's say, instead of the usual maybe 16% to 18%, could they increase to 20% of revenue or what to think about that line? Thank you.

Kasper Fangel *ISS A/S - Group Chief Executive Officer, Member of the Executive Group Management*

So, thanks Kristian. In terms of DTAG nothing has changed in our mind at all. So exactly the same. We believe we have a good case and we stand absolutely crystal clear and firm on the fact that the DKK600 million that they withheld in 2024, that's our cash and that needs to be paid. So no changes in that regard.

And you also heard in my presentation, we are comfortable with the above DKK2.4 billion as a free cash flow. And then if we receive payment of the DKK600 million that was withheld by Deutsche Telekom in 2024, if that comes in 2025, then our expectations on free cash flow is increasing from above DKK2.4 billion to above DKK3 billion. So no changes.

In terms of the global opportunities, Kristian, exactly as I said on one of the previous questions, we have significant global opportunities in our pipeline and continue to work with that in a diligent way with the customers. It's important for us that we're growing the business from three different angles both the local accounts, the regional accounts, but also the global accounts. So it's not because that our focus has changed from that.

But again without duplicating what I just said, the process of making decisions on the customer side is very hard to predict. So I'm not going to be precise on when we are announcing anything because it is very uncertain.

And then in terms of the project and above base, I don't want to give any exact number for where we expect that percentage wise to be in the future. But I want to put some color on what we do to drive the attention towards that in the organization. And I'm very pleased with our new responsible person for revenue and commercial, Carl-Fredrik Bjor, who has come in, as you know, as a part of the EGM changes.

He has grown the business successfully in Norway and did the same in Northern Europe. And it's the same recipe that we apply to the rest of the organization where we are making site managers aware of what's in scope and helping them spot opportunities that are outside scope, which will be additional revenue and we're incentivizing them to go for that.

And there's some early signs here that that is coming through, which is pleasing. So it's not rocket science, but it's the culture, it's the attention, the focus that drives the enthusiasm and therefore also ultimately the additional revenue that we have succeeded with in Q1. But it's too early to conclude whether that will stick for the future.

Kristian Godiksen *SEB - Analyst*

Okay. Thank you. Just if I may, two follow ups. So first of all, I guess when you said if you received the DKK600 million, it's -- could I dare just say rephrase it to when you receive it? That would be the first follow-up on the first question.

Then on the second one, it's just because you specifically mentioned in the report that in your comments regarding the pipeline, you mentioned local and regional. It was just more on the flavor on whether there was more global muted in that regard. So yes.

Kasper Fangel *ISS A/S - Group Chief Executive Officer, Member of the Executive Group Management*

Yes. You could say when. I mean, think I was pretty clear on the fact that we have not changed our view on the case, the arbitration case with Deutsche Telekom. They owe us money. And we expect to be paid that, so that's absolutely fair to say when.

And I don't want to say the same thing as I just mentioned. Our focus is on the three components, both the local, the regional, and the global, and all of these three things are in our pipeline. So it's not that our pipeline is filled only with local opportunities. There's also regional and global opportunities in the pipeline.

Kristian Godiksen *SEB - Analyst*

Okay, perfect. Thank you.

Operator

(Operator Instructions)

Kristian.

Kristian Godiksen *SEB - Analyst*

Thank you. So three turns to five then. So just two quick follow ups. So just wondering on the retention rate, good to see that, that edges up somewhat. I was just wondering what expectations should have for the full year because I guess you will be helped by the contract losses and exits in the second half. So yes, that will be the first question.

And then the second question would be just beyond whether you had any update in any regard on the exit route for Actera.

Kasper Fangel *ISS A/S - Group Chief Executive Officer, Member of the Executive Group Management*

Yes. I mean you're right in your assumption around the retention rate for the reasons that you are giving yourself, Kristian. We don't want to be specific on where we exactly expect the retention rate to be. But it's fair to assume that it should improve from here on for the reason that you gave yourself around the annualization of contracts. So that's right.

And in terms of Actera, there are not really any news compared to what we updated you with in February. So Actera is a P/E fund that has an ownership of our business in Turkey. We have a very strong business in Turkey. Proud of them, strong management team, strong underlying growth as well, super good at managing price increases and delivering also a strong margin and a strong cash flow and it's a growing business.

So, Actera has expressed a desire to exit their position because of the strong performance that has happened over the last three years where they have been the owner of together with us of the of ISS Turkey.

And no, there's no specific should the outcome and or the possibility become that we could buy there at the stake then that will fully depend on pricing. And you know our crystal clear capital allocation policy. We will only be interested in buying if that's the most lucrative for our shareholders. Otherwise, we're not interested in buying their stake.

Kristian Godiksen *SEB - Analyst*

And just to be -- thank you for that. But just to be firm on how you would calculate that. What's the alternative required return when you ask to calculate that whether that would be more feasible rather than, let's say, share buyback or doing all the M&A or doing organic -- just to get a feel for, what is the criteria?

Mads Holm *ISS A/S - Group Chief Financial Officer, Member of the Executive Group Management*

The criteria, Kristian, to I mean, you're almost mentioning it yourself here. We will measure against, among other things, share buyback, investing in the current business and other alternatives. So this will be done in regards to how we do our capital policy allocation like any other investments we would do. So we will follow our normal procedures here.

Kristian Godiksen *SEB - Analyst*

Okay. Thank you.

Operator

Yes. Please go ahead, Kasper.

Kasper Fangel *ISS A/S - Group Chief Executive Officer, Member of the Executive Group Management*

Yeah. We don't have any further questions, I understand. So I just want to once again thank you for prioritizing the call. Thanks for your interest in ISS. It's a hectic day on the financial markets, but we truly appreciate that you have dedicated your time to participate in this call.

Our great IR team will remain available for further clarifications or questions throughout the day or the rest of this week. And with that, have a wonderful day. Best wishes here from our head office in Søborg. Thank you very much indeed.

DISCLAIMER