



ISS INVESTOR PRESENTATION

Q1 2024 Trading Update

2 May 2024



Kasper Fangel
Group CEO

Agenda

- 1 Executive summary
- 2 Strategic update
- 3 Market and Business
- 4 Financials & Outlook
- 5 Q&A

Executive summary

- Promising start to the year with continued business improvements



Financials

Organic growth driven by price and volume growth

-

DKK 209m of share buyback programme completed

-

Outlook 2024 is confirmed



Commercial

The commercial development remains solid

-

Continued strong customer retention rate



M&A

The divestment of ISS France has been completed

-

ISS has acquired gammaRenax in Switzerland

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Strategic update

- Execution of the OneISS strategy continued



Commercial development

- Distinct focus on retaining customers resulting in customer retention rate of above 94% (LTM)
- Contracts with Nordea and a global bank, has been extended
- These extensions are a testament of ISS' strong value proposition and experience in the banking sector



Operational development

- The operating margin benefitted from continued operational improvements and efficiencies across the Group
- The arbitration process with Deutsche Telekom is progressing according to plan, and Deutsche Telekom continues to withhold certain payments



Acquisition & divestment

- The divestment of ISS France is completed, and financial leverage remains broadly unchanged
- ISS has completed acquisition of gammaRenax in Switzerland, which follow ISS' strict M&A approach with focus on value creation

Acquisition of gammaRenax AG in Switzerland

- bolt-on acquisition strengthening ISS' leading market position



Strategic fit

- **Adding scale** within prioritised service lines (cleaning and technical) in prioritised segments
- **Strengthen current platform** and improving density
- **Integration will drive synergies** by leveraging ISS platform



Financial accretive

- The deal is **margin accretive** (post synergies) to both ISS Switzerland and Group
- **ROIC** including synergies above WACC in first full year
- **Disciplined integration process**, which is expected to be concluded by the end of 2024

Transaction highlights

Around 0.6%
addition to Group revenue

April 2024
transaction completed

+1,800
new placemakers

Strong and experienced local management team
successful with similar type of acquisitions in the past

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Commercial development

- pipeline driven by local and regional deals

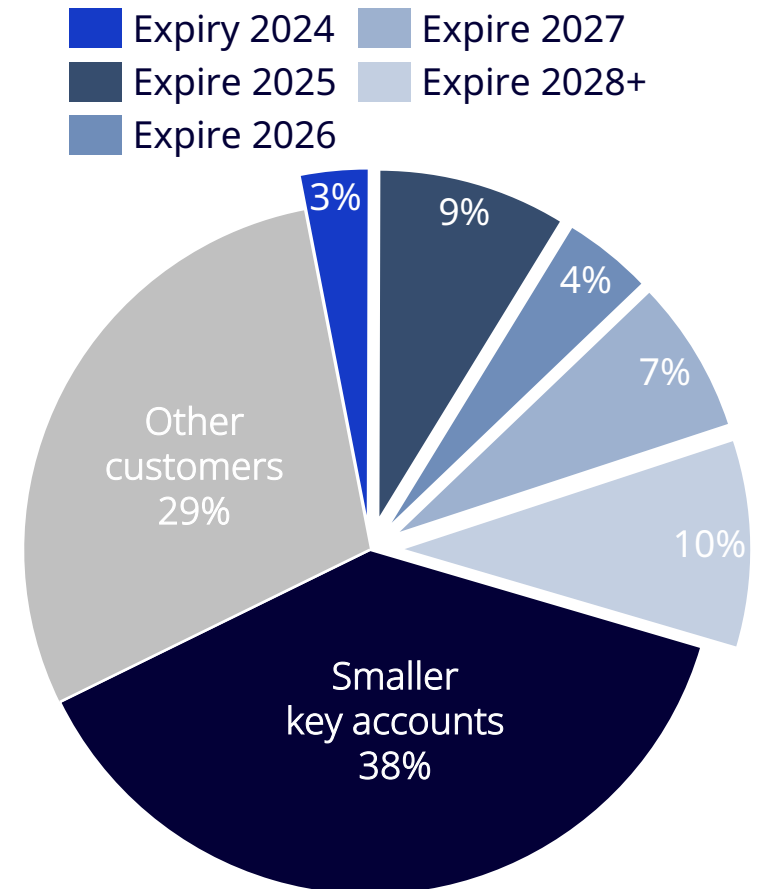
Extensions and expansions¹⁾

- Healthcare customer, Turkey
- Global banking customer, Switzerland
- Healthcare customer, UK (expanded c. 0.1% of Group revenue)
- Energy & Resources customer, Sweden

Losses and exits¹⁾

- Professional Services customer, UK (c. 0.2% of Group revenue)

Large key accounts²⁾ contract maturity profile



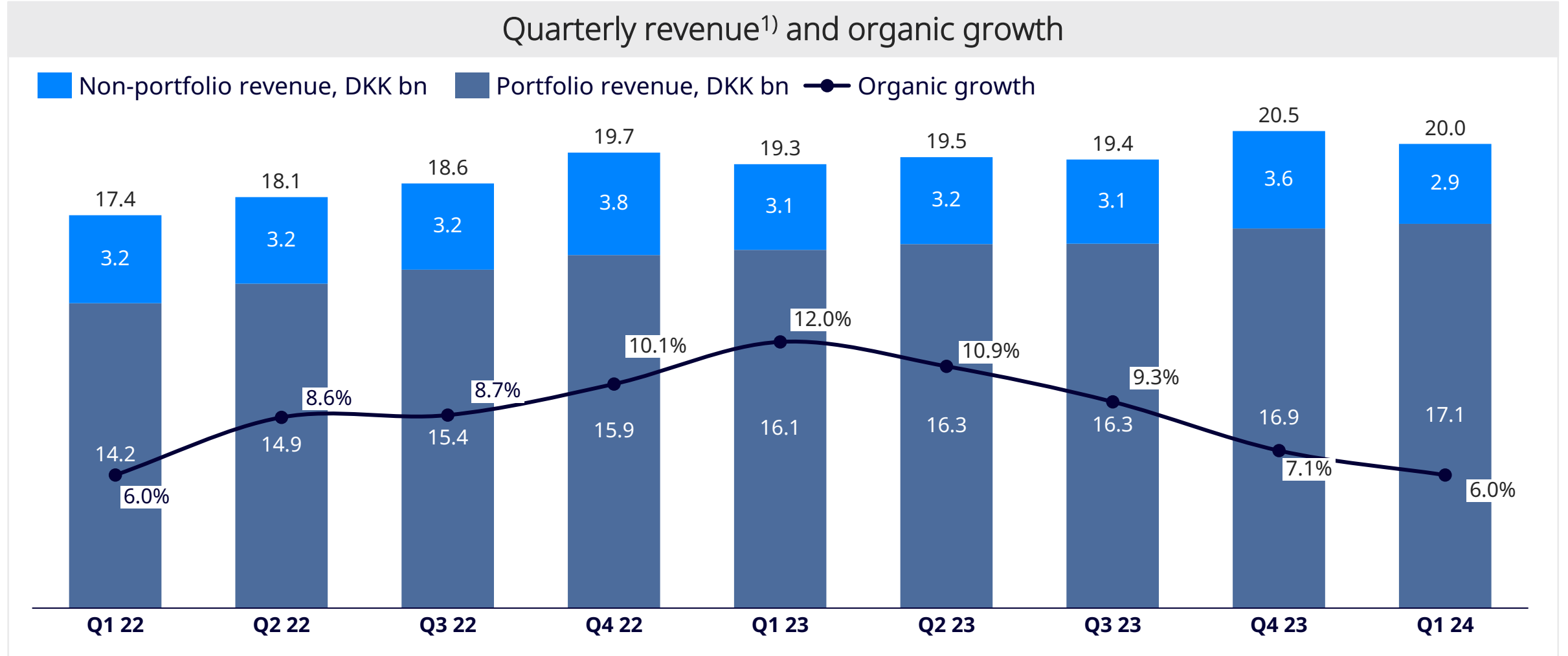
1) Since Q4 2023 results on 22 February 2024. Includes contracts above DKK 100 million annually
2) Chart is based on all global key accounts and key accounts generating revenue above DKK 200 million annually

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Quarterly organic growth

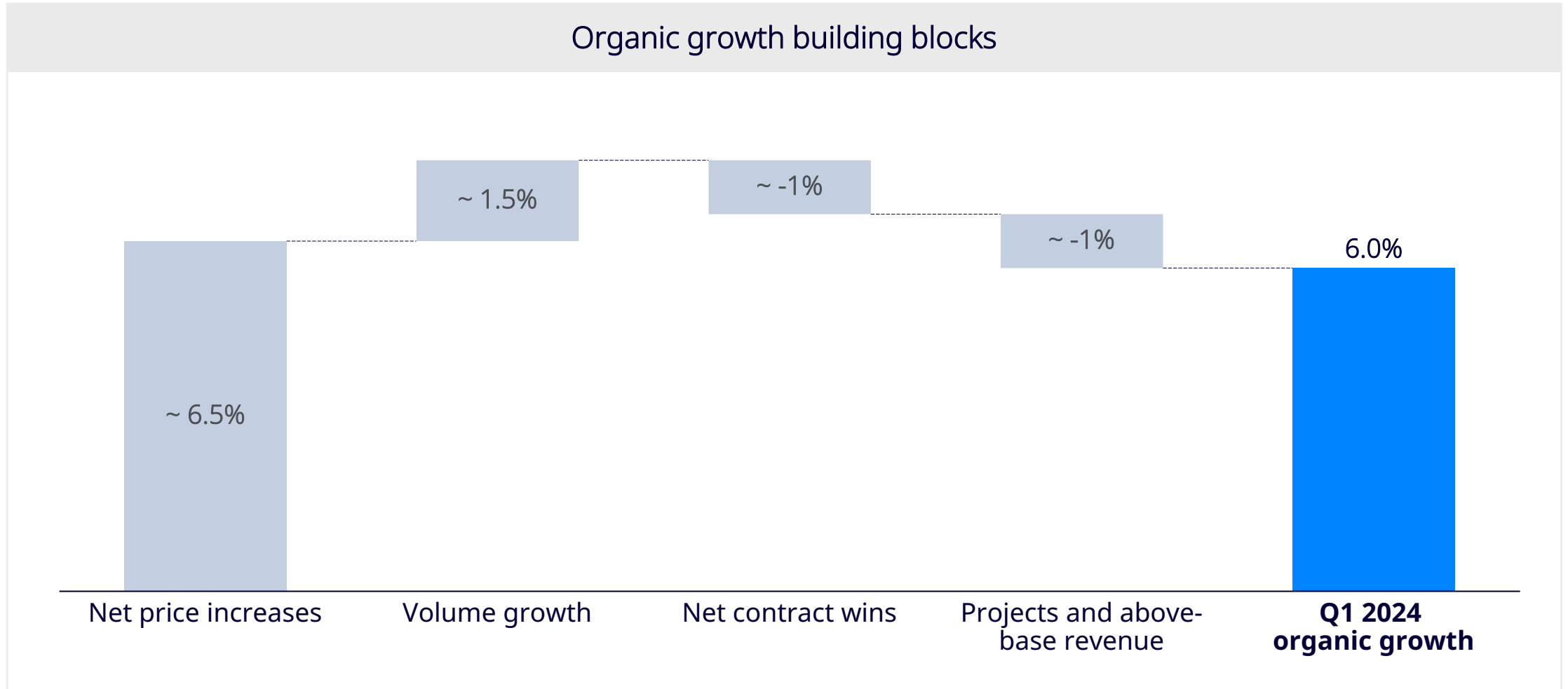
- continued strong portfolio growth



1) excl. IAS 29

Organic growth of 6.0% in Q1 2024

- driven by price increases and volume growth



Regional organic growth

- Robust growth across Europe and Asia & Pacific

Northern Europe (37% of Group)	Central & Southern Europe (32% of Group)	Asia & Pacific (18% of Group)	Americas (12% of Group)
<p style="text-align: center;">5% <i>(Q4 2023: 6%, Q1 2023: 6%)</i></p> <ul style="list-style-type: none"> • Organic growth driven by implemented price increases and volume growth across the region • The organic growth development broadly distributed across countries and segments with highest growth in the Netherlands • Revenue from projects and above-base increased slightly 	<p style="text-align: center;">12% <i>(Q4 2023: 13%, Q1 2023: 20%)</i></p> <ul style="list-style-type: none"> • Strong organic growth mainly driven by implemented price increases in Türkiye • Robust development in portfolio revenue across the region driven by price increases and volume growth • Revenue from project and above-base work declined due to reduced demand for refurbishment projects as well as deep cleaning and disinfection services 	<p style="text-align: center;">5% <i>(Q4 2023: 6%, Q1 2023: 6%)</i></p> <ul style="list-style-type: none"> • Robust organic growth development driven by price increases and volume growth • Highest organic growth reported in Australia and Indonesia due to price increases and volume growth • Revenue from projects and above base declined due to lower demand for deep cleaning and disinfection services 	<p style="text-align: center;">-2% <i>(Q4 2023: 3%, Q1 2023: 22%)</i></p> <ul style="list-style-type: none"> • Organic growth driven by negative contribution from contract exits in the US • This development was partly offset by implemented price increases and volume growth across the region • Revenue from projects and above-base work declined due to contract exits and losses

Note: Other countries represent 1% of Group revenue

2024 outlook¹⁾ is confirmed

Organic growth	Operating margin ²⁾	Free cash flow
<p data-bbox="290 529 481 576">4 - 6%</p> <p data-bbox="290 596 481 634">(Unchanged)</p> <ul data-bbox="142 732 634 1105" style="list-style-type: none">• Price increases implemented across the Group• Volume growth due to increasing activity levels and contract expansions, supported by net contract wins• Impact from projects and above-base expected to be neutral to slightly negative	<p data-bbox="823 529 1039 576">Above 5%</p> <p data-bbox="835 596 1026 634">(Unchanged)</p> <ul data-bbox="695 732 1146 972" style="list-style-type: none">• Continuing improvements and efficiencies across the Group• Operational benefits and savings generated from the OneISS review	<p data-bbox="1233 491 1730 615">Underlying above DKK 2.4 bn and reported above DKK 1.8bn</p> <p data-bbox="1386 635 1577 672">(Unchanged)</p> <ul data-bbox="1233 732 1717 1048" style="list-style-type: none">• Underlying free cash flow equaling a cash conversion of above 60%• The reported free cash flow is adversely impacted by timing effects including certain payments being withheld by Deutsche Telekom.



Operating margin is expected to be above 5%

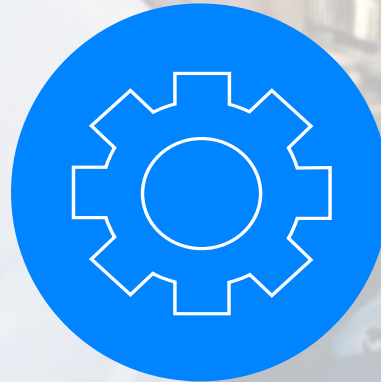
Financial targets from 2024 and beyond

- all targets reiterated



Organic growth

4 - 6%



Operating margin

> 5%



Cash conversion¹⁾

> 60%

1) Cash conversion, % = Free cash flow/Operating profit before other items

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Q1 2024 TRADING UPDATE

Q&A

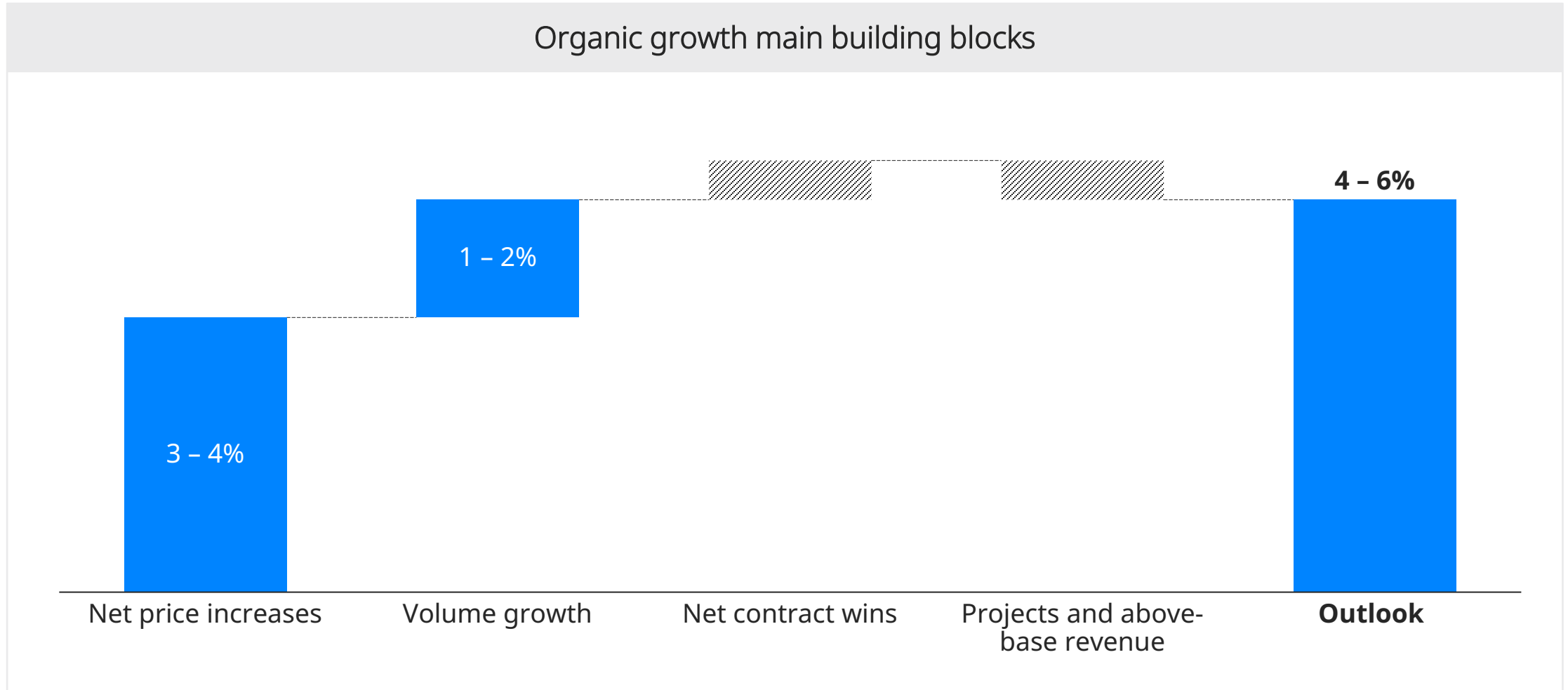


INVESTOR PRESENTATION

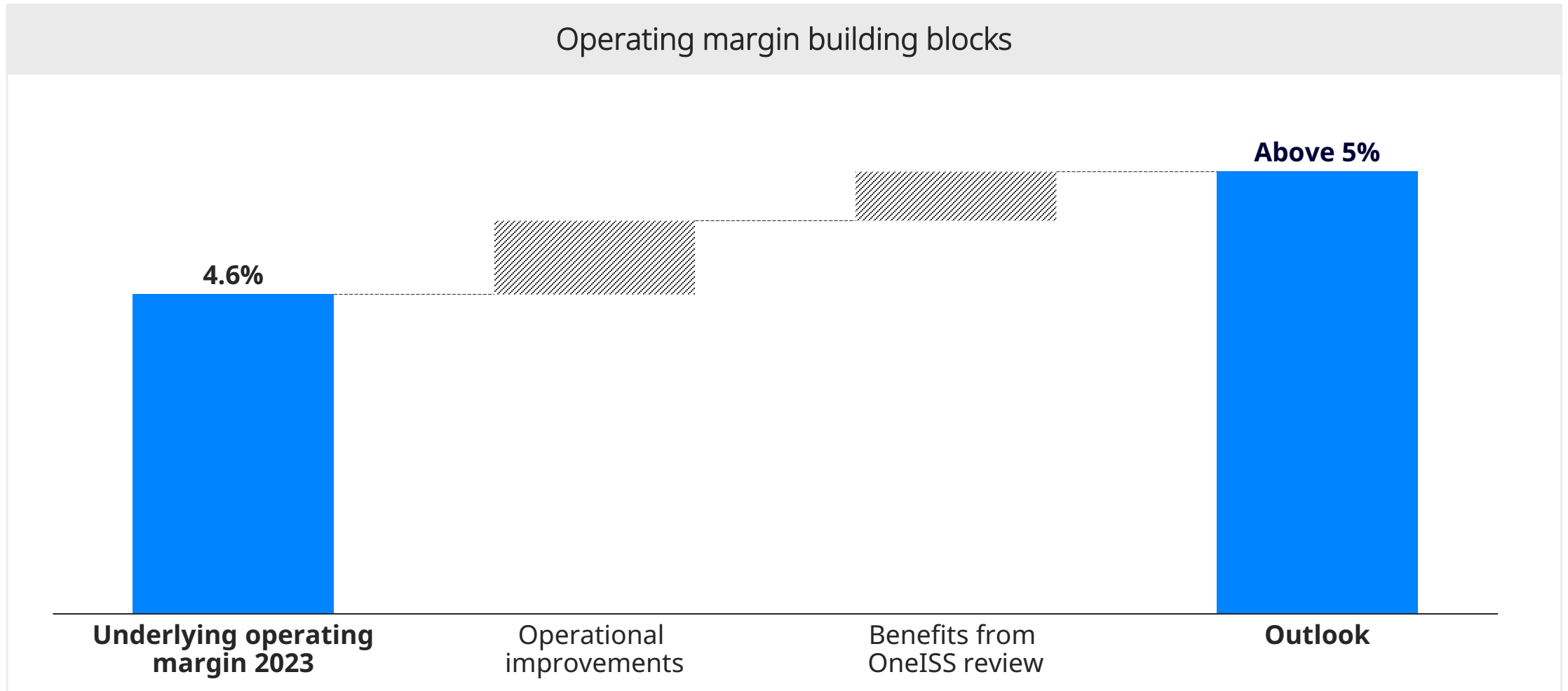
Appendix



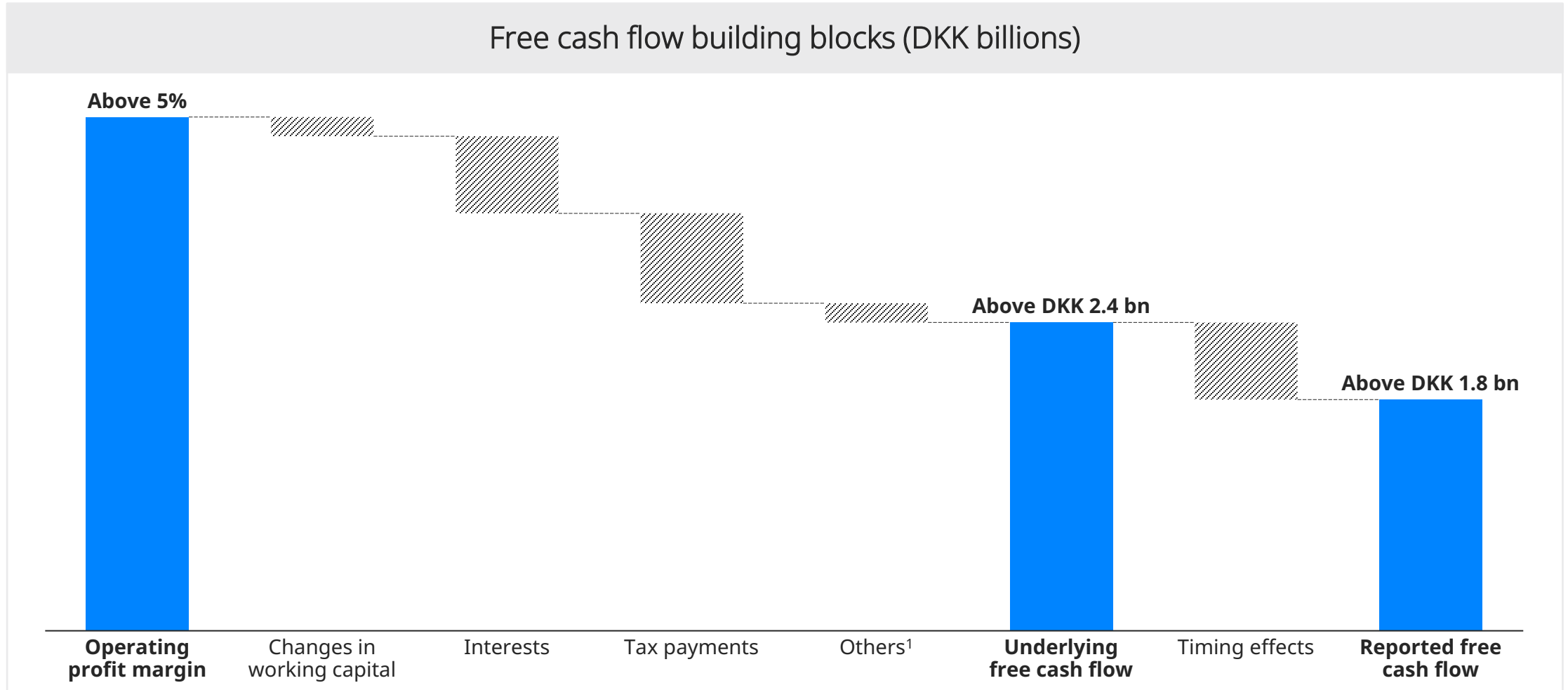
Organic growth outlook for 2024



Operating margin outlook for 2024

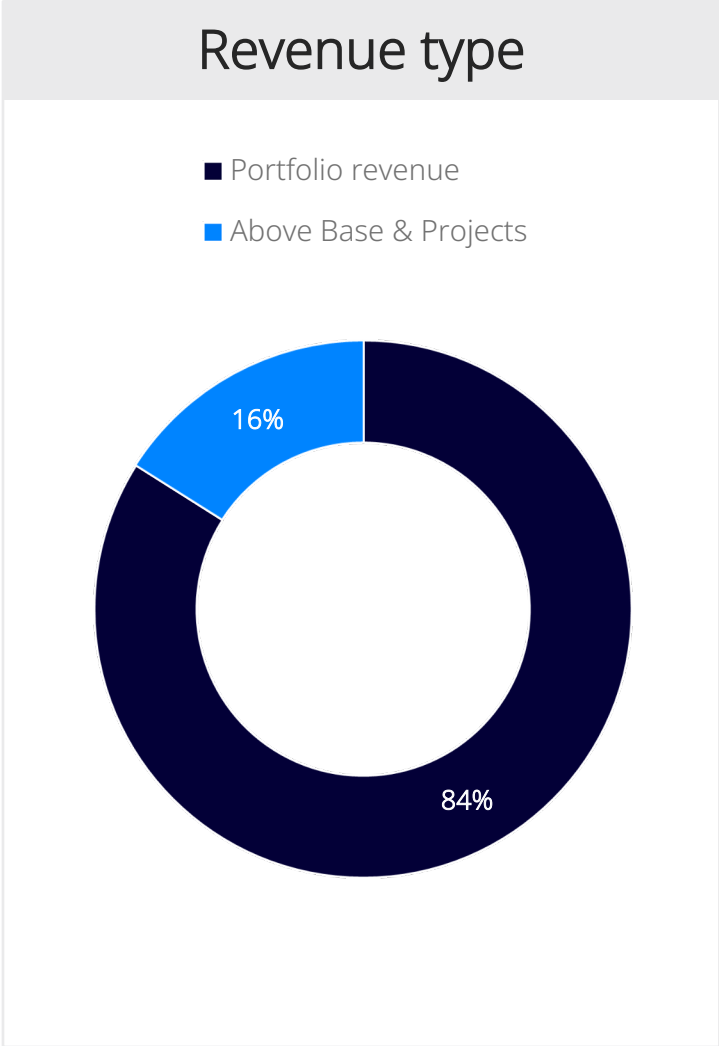
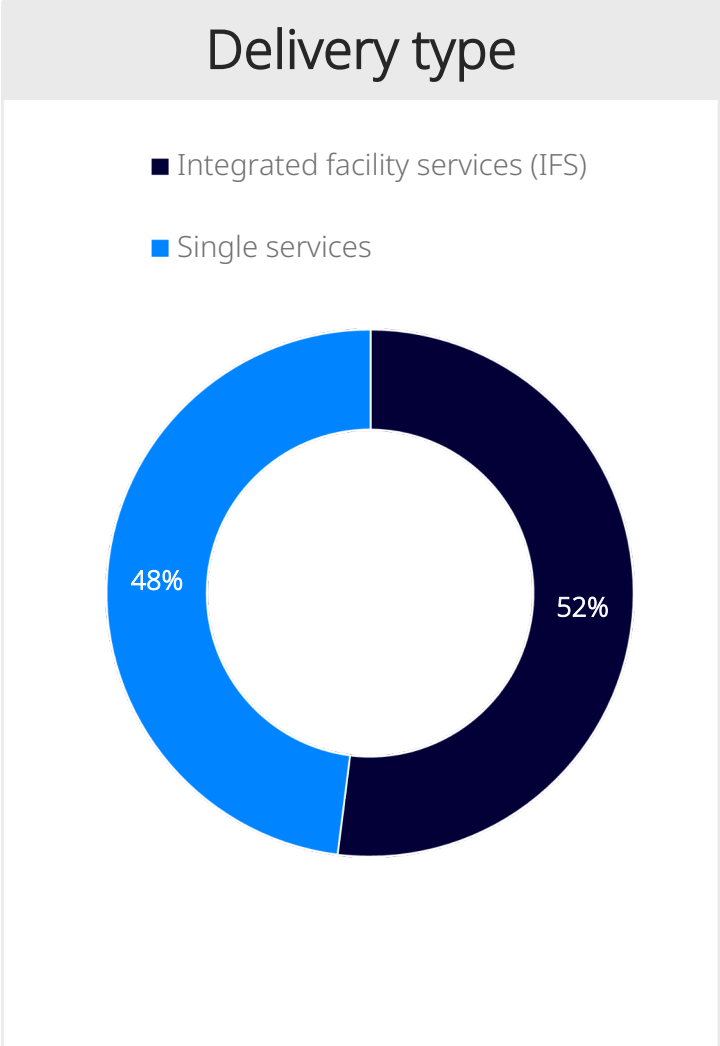
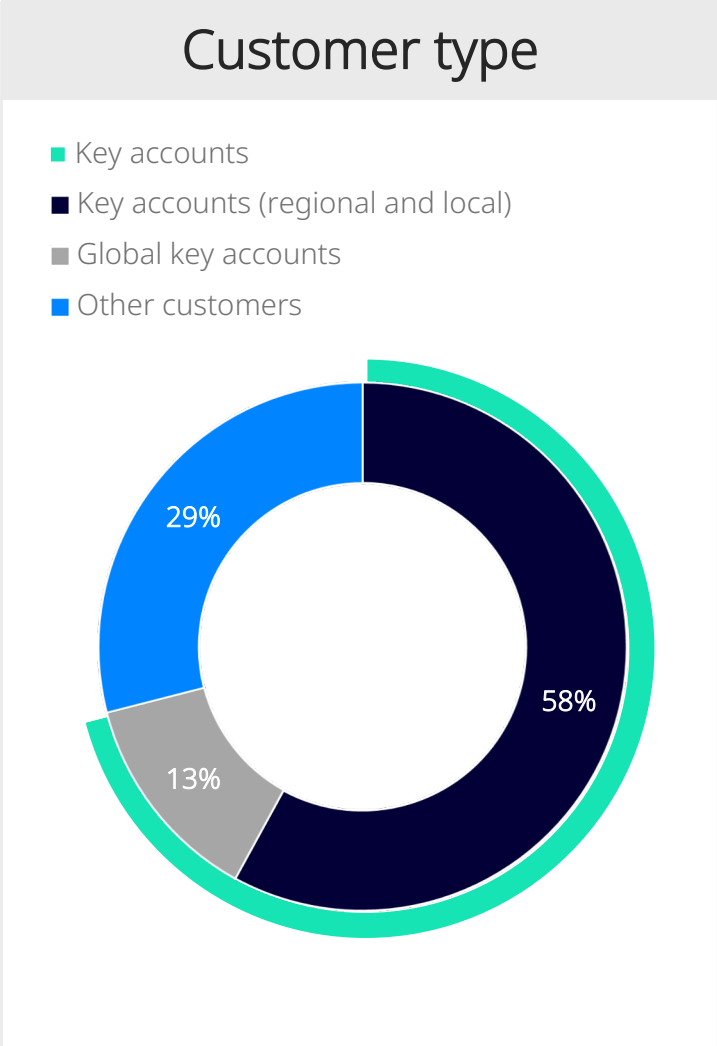


Free cash flow outlook for 2024

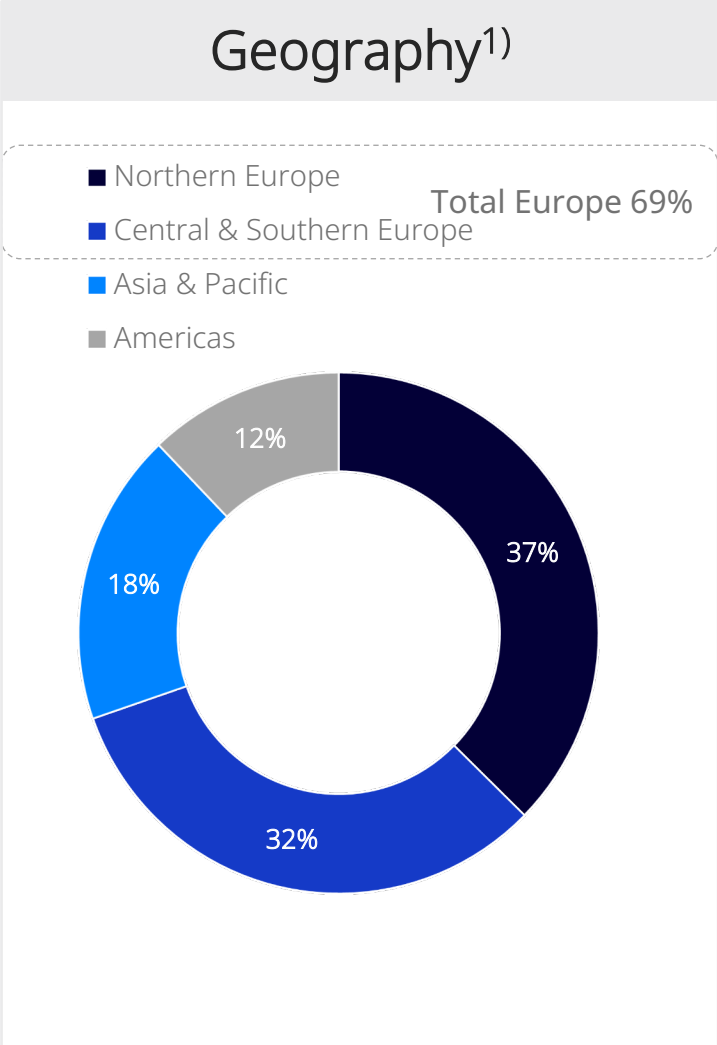


1) Others include: 'Changes in provisions, pensions and similar obligations', 'D&A, Capex & additions to leased assets', 'Share-based payments', 'Other expenses paid', 'Non-cash items related to Hyperinflation', 'Operating profit before other items from discontinued operations' and 'Acquisition of financial assets excl. investments in equity accounted investees'

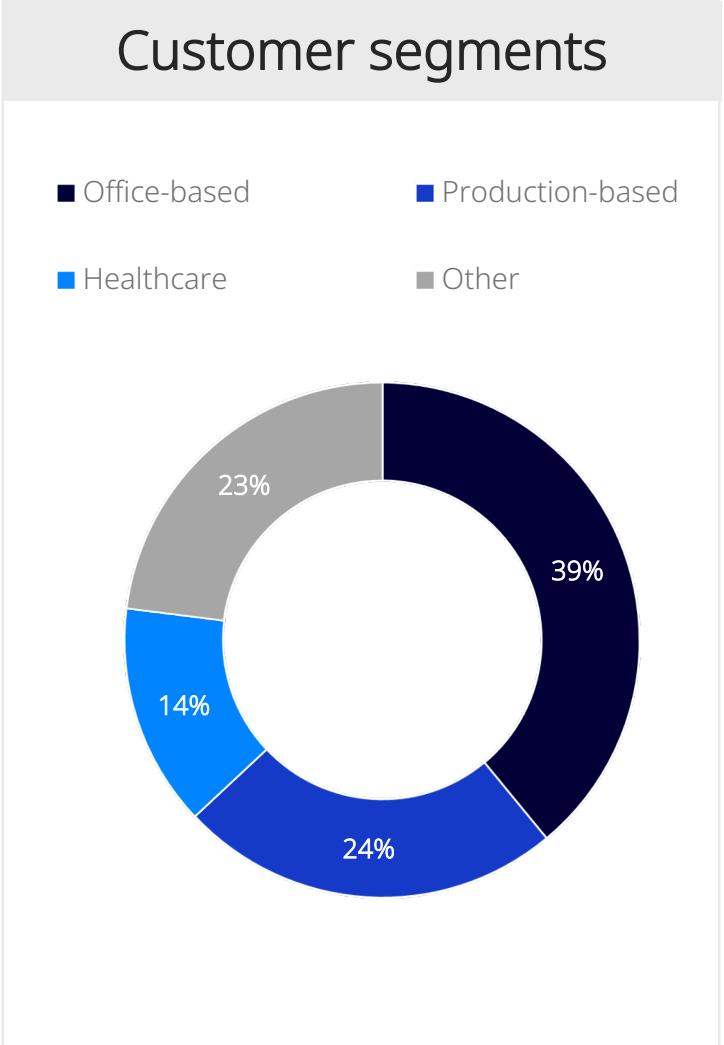
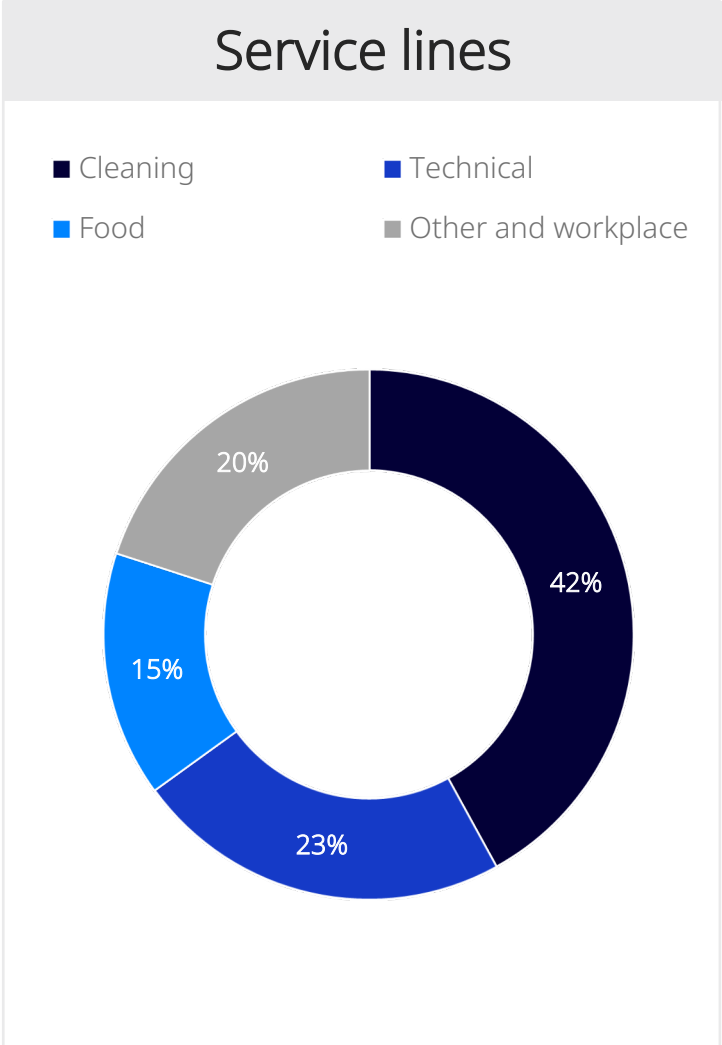
Revenue split based on FY2023 (1/2)



Revenue split based on FY2023 (2/2)



1) Revenue related to other countries amounted to 1%



Sustainability ratings

Ratings 2024



Performance

Methodology note, AAA = top score
AA rating – 5 straight years



Methodology note, low risk = good
13 / 100 – low risk



Methodology note, 100 = top score
46 / 100 – above industry average in all disclosure categories



Methodology note, A = top score
C+ – prime status, B highest rating in the industry



Methodology note, A = top score
B- – C average for the industry

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Financial calendar 2024

H1 2024 Interim Report
13 August 2024

Q3 2024 Trading Update
5 November 2024

Share information

Trading symbol	ISS
Identification number / ISIN	DK0060542181
Number of shares	186,568,266
Sector	Business Services
Nominal value, DKK	1
Free float	83%

ADR information

Trading symbol	ISSDY
Structure	Sponsored level 1
Ratio (ADR:ORD)	2 ADRs : 1 share (2:1)
ADR ISIN	US4651472056

Forward-looking statements

This presentation contains forward-looking statements, including, but not limited to, the statements and expectations contained in the “Outlook” section of this presentation. Statements herein, other than statements of historical fact, regarding future events or prospects, are forward-looking statements. The words “may”, “will”, “should”, “expect”, “anticipate”, “believe”, “estimate”, “plan”, “predict,” “intend’ or variations of these words, as well as other statements regarding matters that are not historical fact or regarding future events or prospects, constitute forward-looking statements. ISS has based these forward-looking statements on its current views with respect to future events and financial performance. These views involve a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the forward-looking statements and from the past performance of ISS. Although ISS believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ, e.g. as the result of risks related to the facility service industry in general or ISS in particular including those described in the Annual Report 2023 of ISS A/S and other information made available by ISS.

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