



ISS INVESTOR PRESENTATION

Q3 2024 Trading Update

5 November 2024



Kasper Fangel
Group CEO

Agenda

- 1 Executive summary
- 2 Pipeline and market dynamics
- 3 Financials
- 4 Outlook
- 5 Q&A

Executive summary

- Financial development remains on track and share buyback increased by an additional DKK 250 million as we re-confirm outlook



Financials

Continuation of financial performance in line with expectations

Outlook confirmed at all three KPIs



Commercial

DWP in the UK mobilised, Defra and Danish Building and Property Agency at plans

Solid development of contract extensions and expansions

Pipeline remains healthy



Capital allocation

Small, strategic bolt on acquisition in Spain of Grupo BN adding <0.5% to Group revenues

Share buyback increased by DKK 250 million bringing the total value of the programme to DKK 1.5 billion

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Pipeline and market dynamics

- Pipeline attractive with discussions indicating positive net wins for 2025



Attractive pipeline and market temperature unchanged

- Focus on segmentation
- Growing with existing customers
- Drive the commercial culture to site level
- Clients still focus on investing in workplace experiences, no significant change in market temperature
- Entering 2025 with a healthy pipeline
- We see a positive impact from net new wins in 2025
- Our close and ongoing customer contact has led to exciting opportunities

Commercial development

- Solid number of expansions

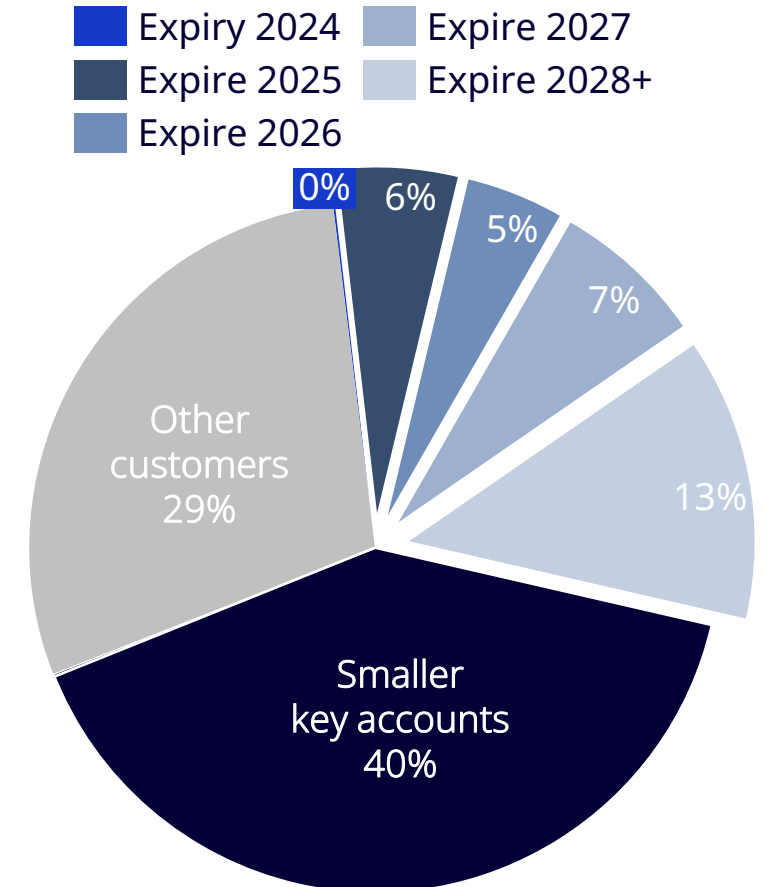
New wins¹

- Industry & Manufacturing customer, Türkiye (c. 0.1% of revenue)
- Business Services & IT customer, US (c. 0.1% of revenue)

Expansions¹

- Real Estate customer, Australia (revenue increased by c. 0.2%)
- Business Services & IT customer, Europe (revenue increased by c. 0.1%)
- Life Science customer, Global (revenue increased by c. 0.1%)

Large key accounts² contract maturity profile



1) Since H1 2024 results on 13 August 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

Commercial development

- All contracts extended as planned

Extensions¹

- Real Estate customer, Hong Kong
- Business Services & IT customer, Global
- BHP Nickel West, Australia
- Roy Hill Holdings, Australia
- Airport Authority, Hong Kong
- Life Science customer, Belgium
- Retail customer, UK
- Healthcare customer, UK
- Industry & Manufacturing customer, Global, Scope reduction (c. -0.3% of revenue)

1) Since H1 2024 results on 13 August 2024. Includes contracts above DKK 100 million annually



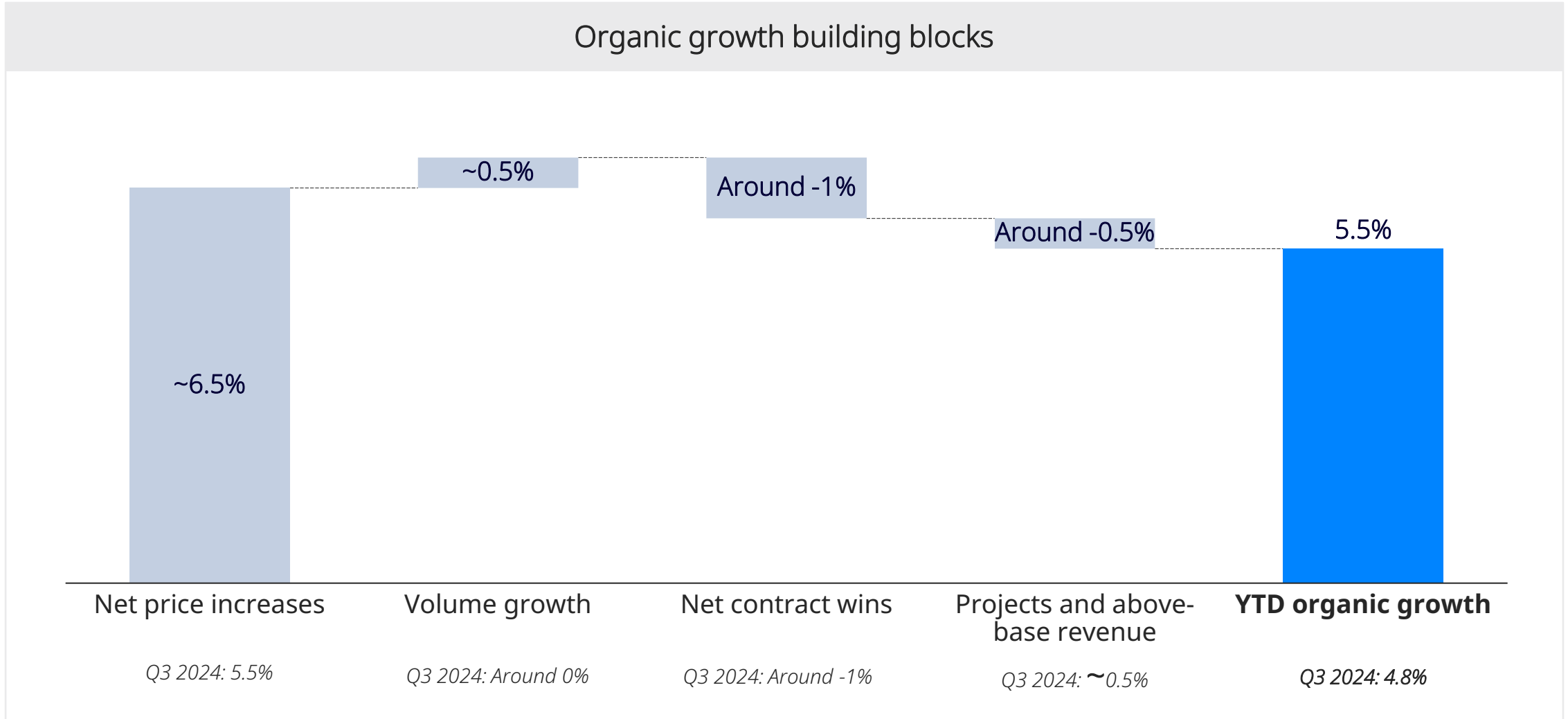
Mads Holm
Group CFO

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Organic growth of 5.5% in the first nine months of 2024

- driven mainly by price increases



Regional organic growth Q3 2024

- All regions developing as expected

Northern Europe (38% of Group)

8%

(Q1 2024: 5%, Q2 2024: 7%)

- Organic growth was driven by a combination of startup of new contracts, price increases as well as volume growth
- Most countries grew organically with the UK and the Netherlands growing double digits
- Portfolio revenues grew by 6% and above-base grew by 16% mainly in the Netherlands and Finland as contributing factors

Central & Southern Europe (33% of Group)

10%

(Q1 2024: 12%, Q2 2024: 12%)

- Organic growth mainly driven by price increases in Türkiye as well as robust development in other markets with volume growth in both the region and Türkiye was positive
- Organic growth for portfolio revenue was 12%, while revenue growth from projects and above-base work was 2%

Asia & Pacific (17% of Group)

1%

(Q1 2024: 5%, Q2 2024: 1%)

- The organic growth was driven by volume growth and price increases across markets
- As the demand for deep cleaning and disinfection services continues to be lower, above-base revenues declined in the region

Americas (11% of Group)

-12%

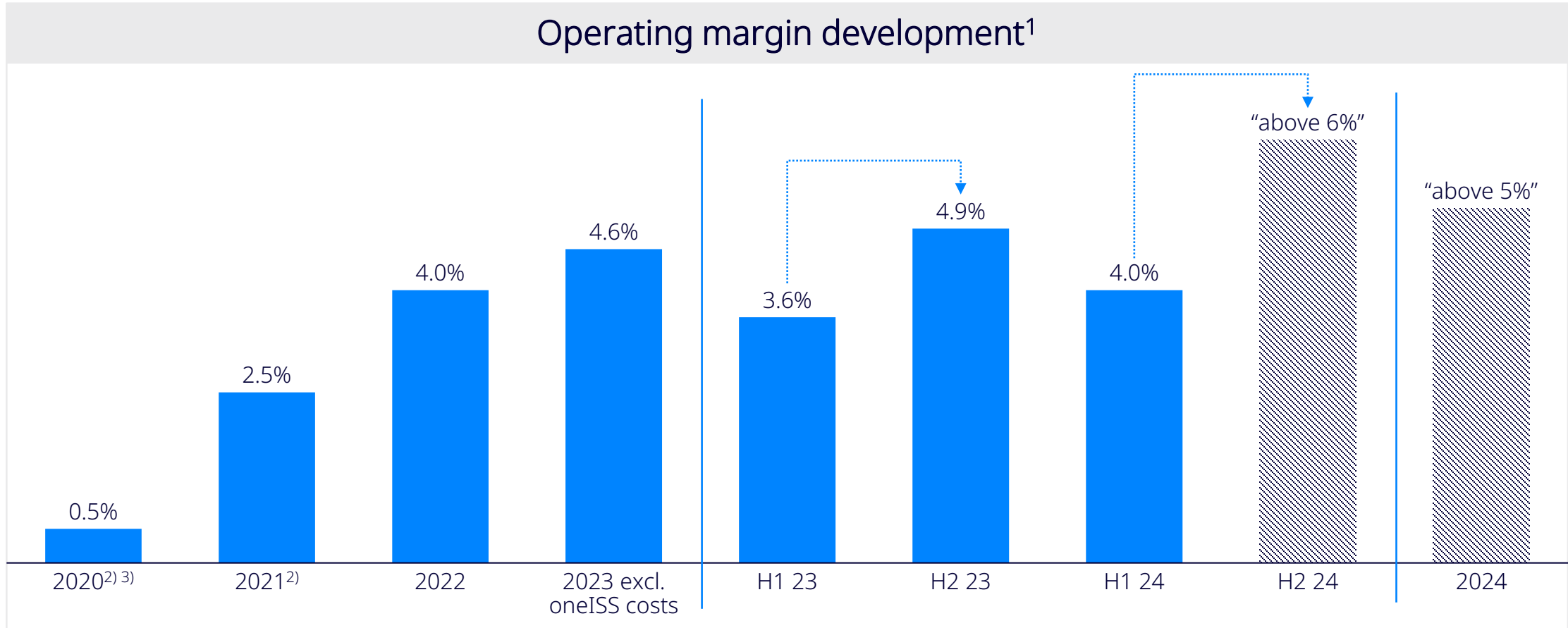
(Q1 2024: -2%, Q2 2024: -5%)

- Organic growth was negative as expected and was driven by mainly a deliberate contract exit as communicated in the H1-report
- We continue to implement price increases across the region
- Mexico and Chile both reported positive organic growth

Note: Other countries represent 1% of Group revenue

Operating margin development

- We are on track to reach an operating margin >5%



1) Excl. hyperinflation (IAS 29)

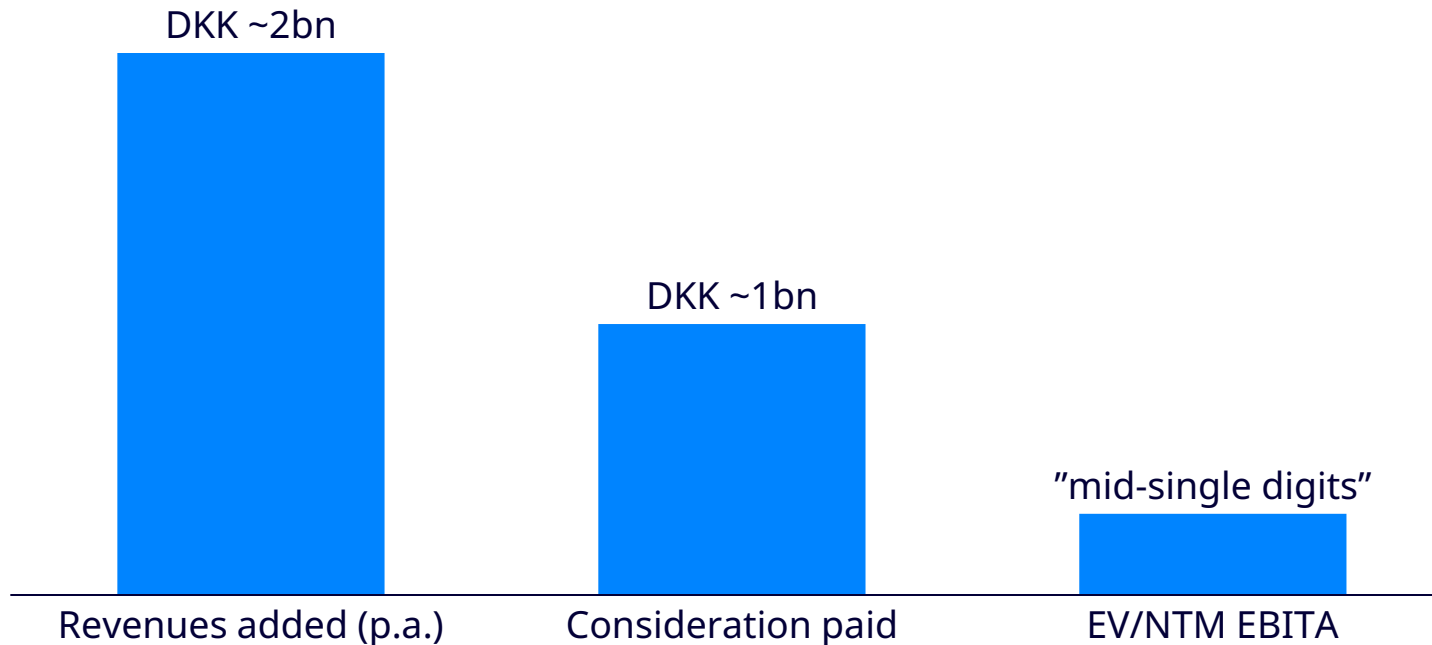
2) Incl. France

3) Before restructuring and one-offs

Value creation through bolt-on M&A

- Carefully selecting between M&A and SBB

Aggregated M&A deals, 2022-24

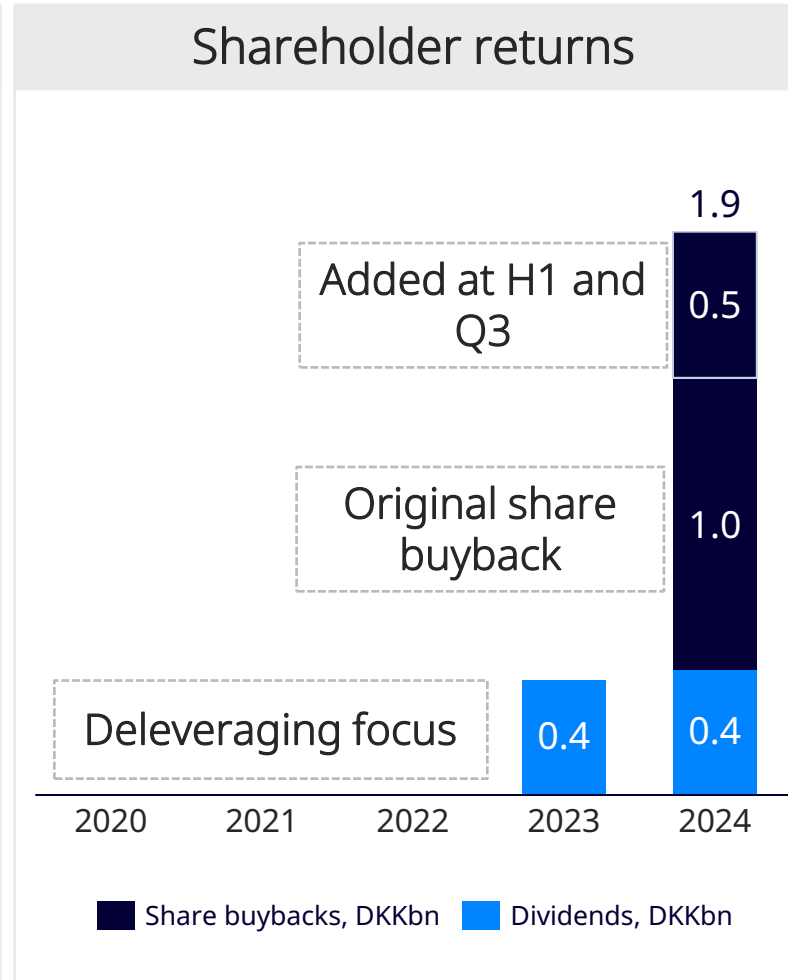
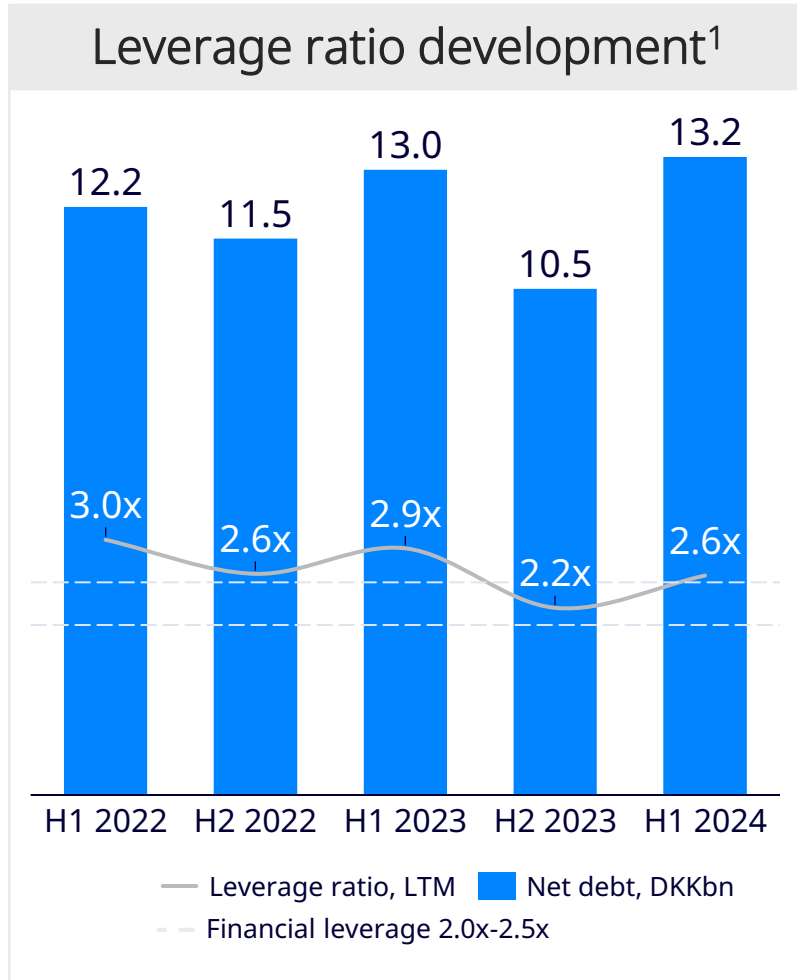


Key comments

- ISS has acquired four companies in the past two years for an aggregated EV of DKK ~1 billion
- The acquisitions have added DKK ~2 billion in annual revenues (pro-forma)
- Synergies have come through as expected and businesses are now margin accretive
- Aggregated multiple is now well below ISS' current trading multiple¹ of c. 7.5x EV/EBITA. This is even before all synergies from recent acquisitions are harvested

Capital structure

- Share buyback programme increased by DKK 250 million



Key comments

- Moody's outlook changed to Baa3/positive from Baa3/stable
- Reduction in leverage expected for the full year to the low end of our targeted range of 2.0x-2.5x
- We increase the last tranche of our share buyback by an additional DKK 250 million. This takes the total value of the programme to DKK 1.5 billion equivalent of 6% of the current market cap of ISS
- Moreover, we paid DKK 0.4 billion in dividends bringing the total pay-out yield to 8%

1) Net debt / Pro forma adjusted EBITDA (LTM)



Kasper Fangel
Group CEO

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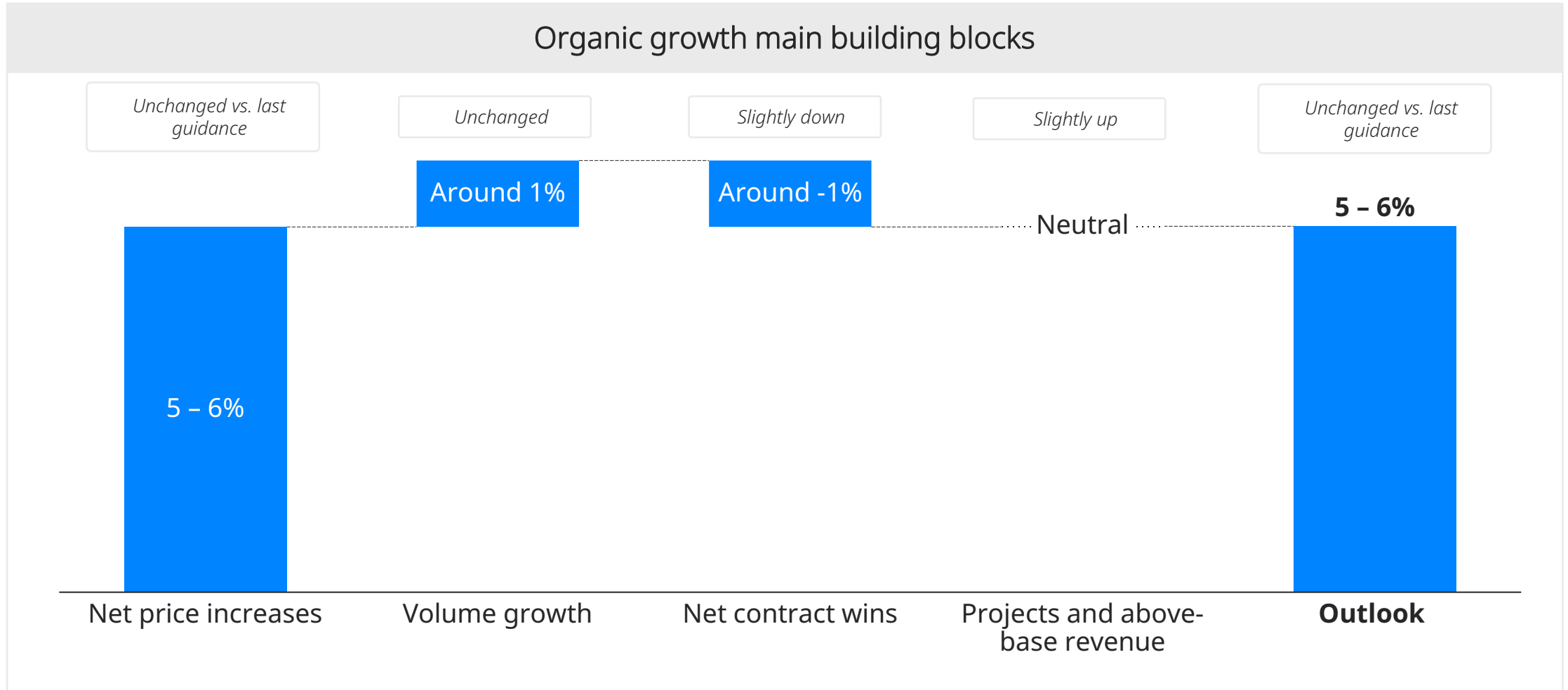
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2024 outlook¹ is confirmed for all KPIs

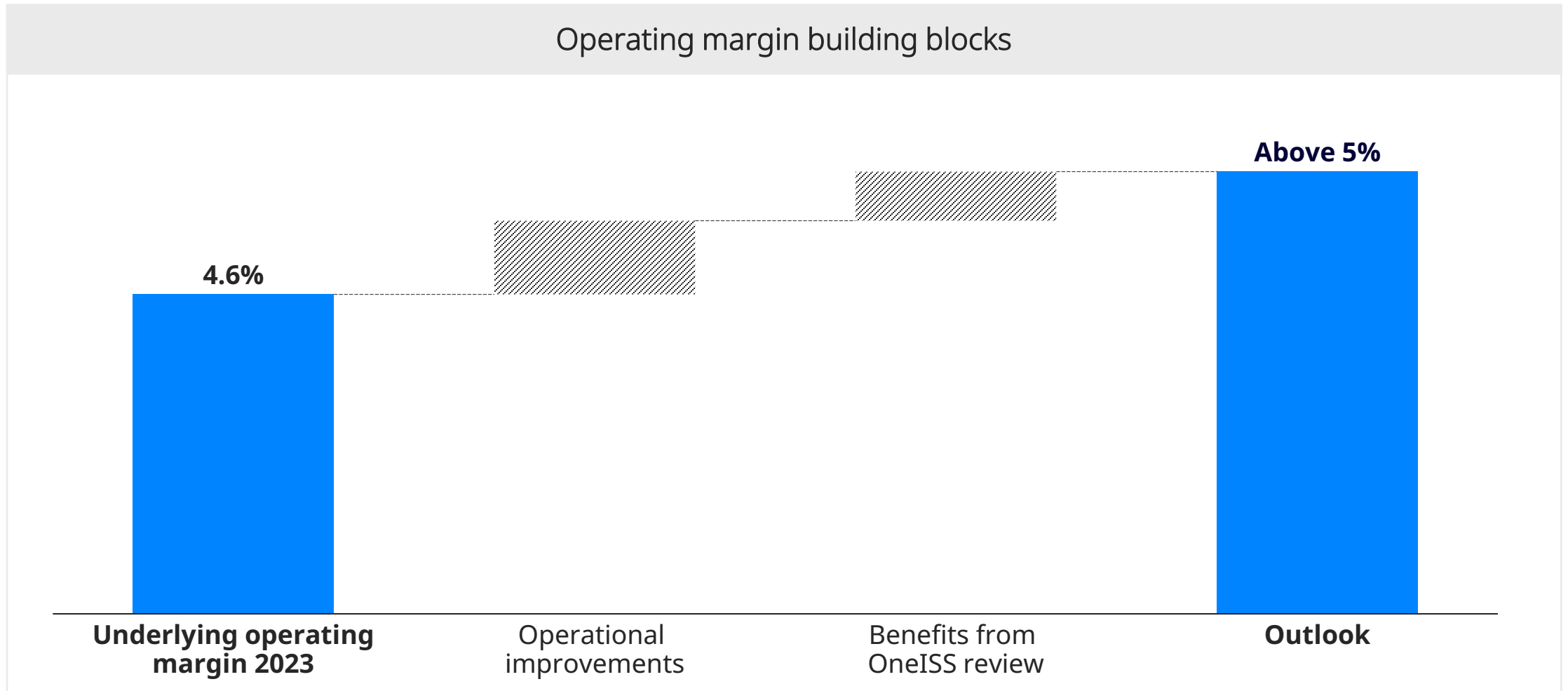
Confirmed		
Organic growth	Operating margin ²	Free cash flow
<p>5 - 6%</p> <ul style="list-style-type: none"> • Driven by successful implementation of price increases across the Group • Volume growth due to increasing activity levels and contract expansions • Impact from net contract wins is expected to be slightly negative while projects and above-base is expected to be around neutral 	<p>Above 5%</p> <ul style="list-style-type: none"> • Continuing improvements and efficiencies across the Group • Operational benefits and savings generated from the OneISS review 	<p>Reported above DKK 1.8 bn and underlying above DKK 2.4bn</p> <ul 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.



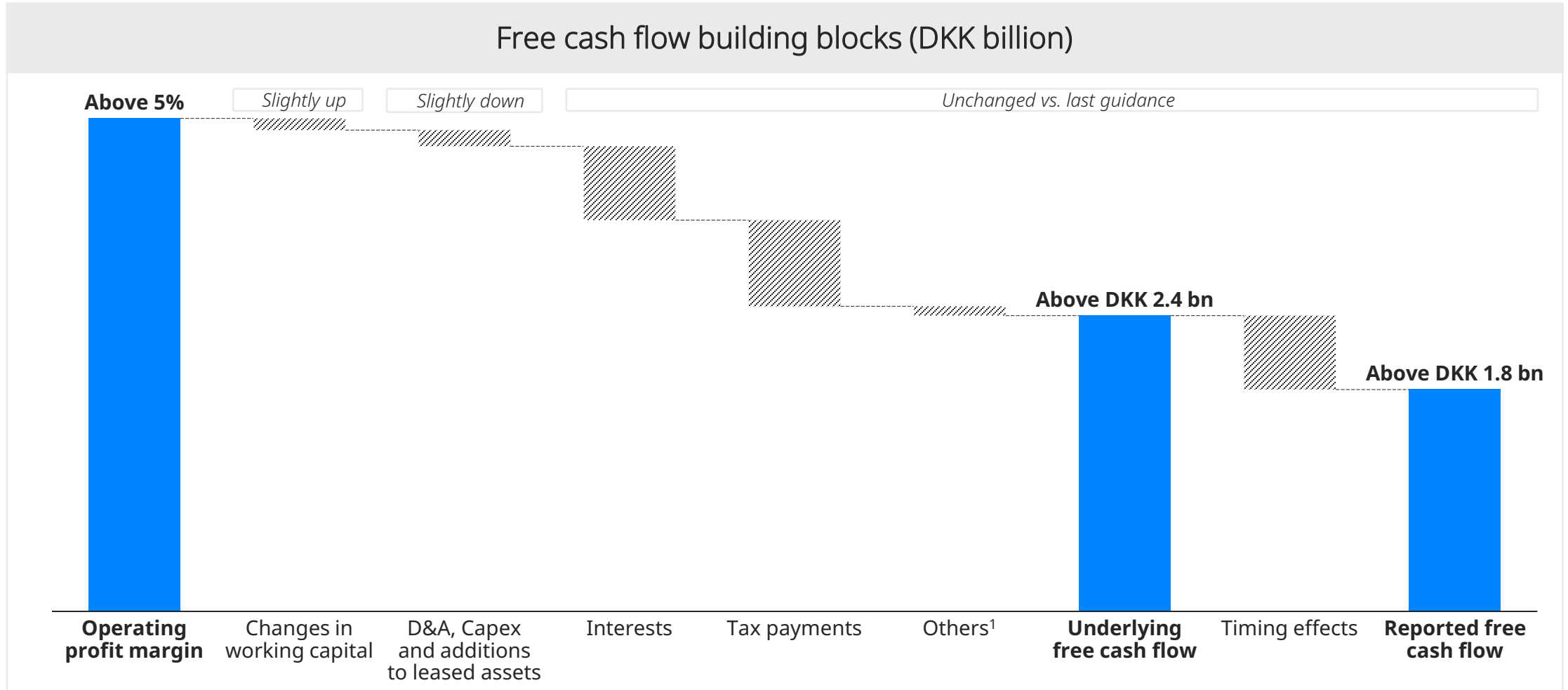
Organic growth outlook for 2024



Operating margin outlook for 2024



Free cash flow outlook for 2024 confirmed



1) Others include: 'Changes in provisions, pensions and similar obligations', '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'

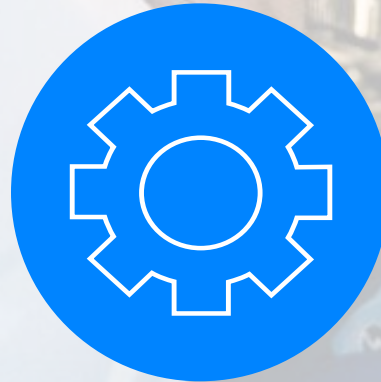
Financial targets from 2024 and beyond

- 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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Q3 2024 TRADING UPDATE

Q&A

*To ask a question press 5**



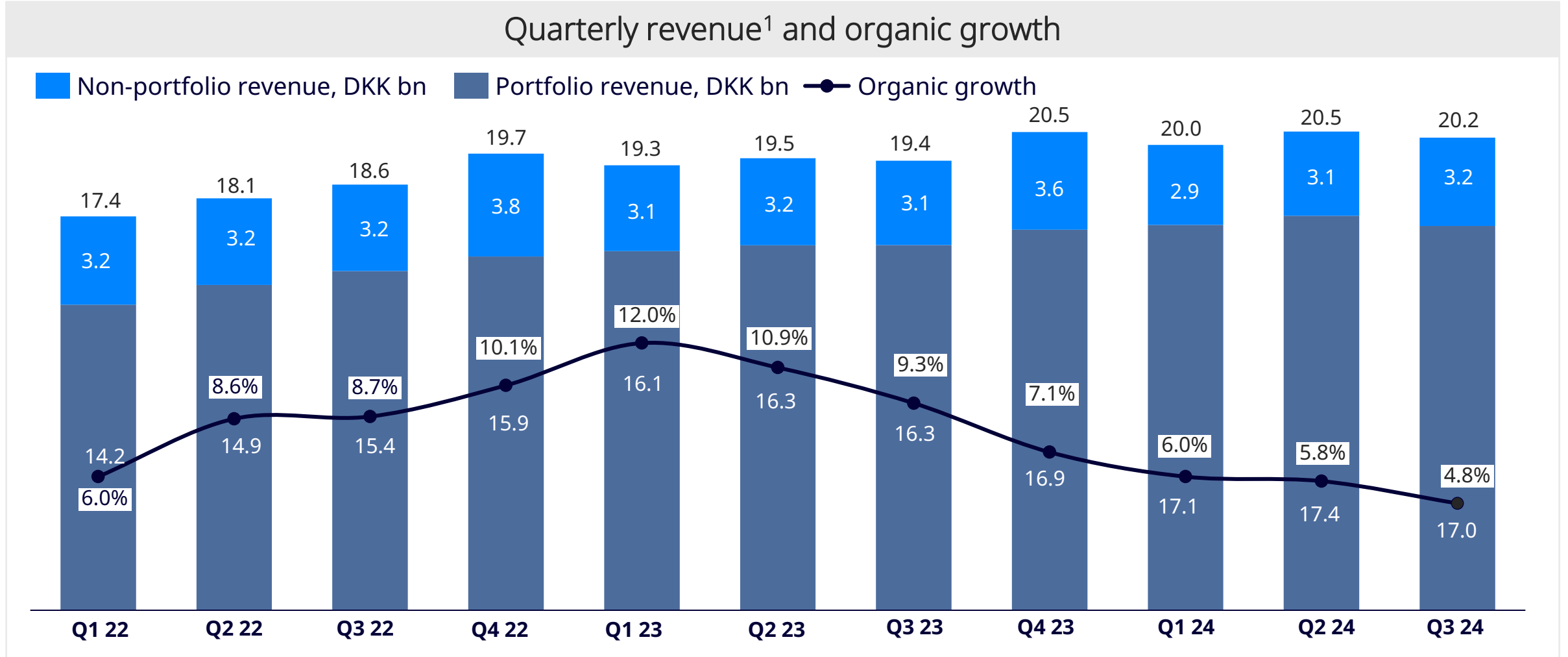
INVESTOR PRESENTATION

Appendix



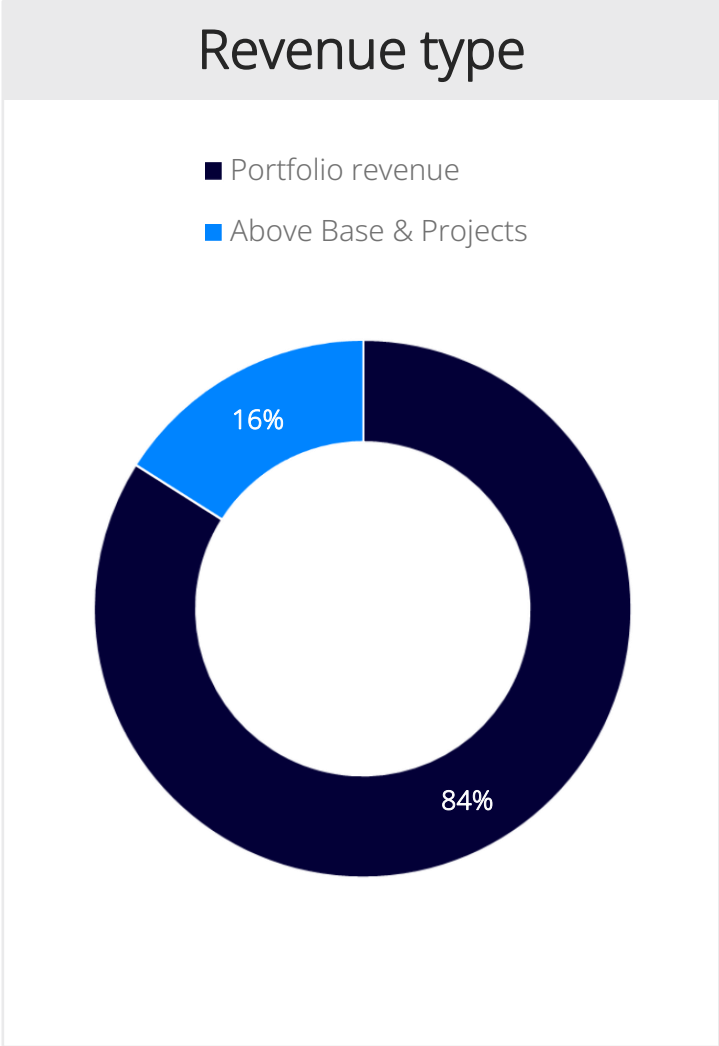
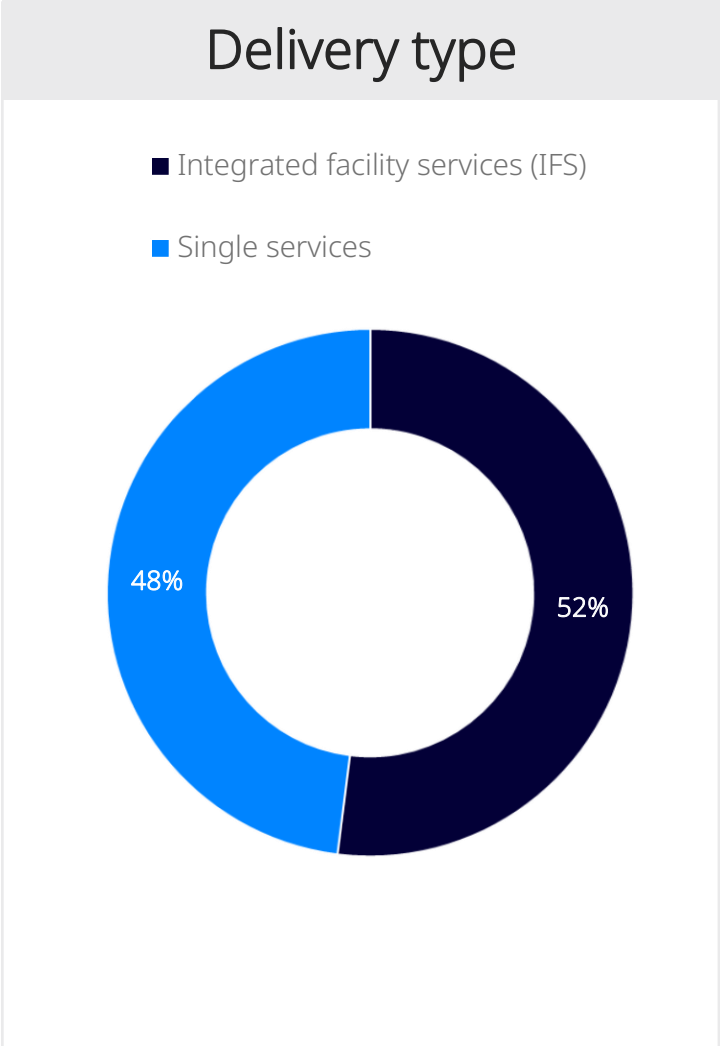
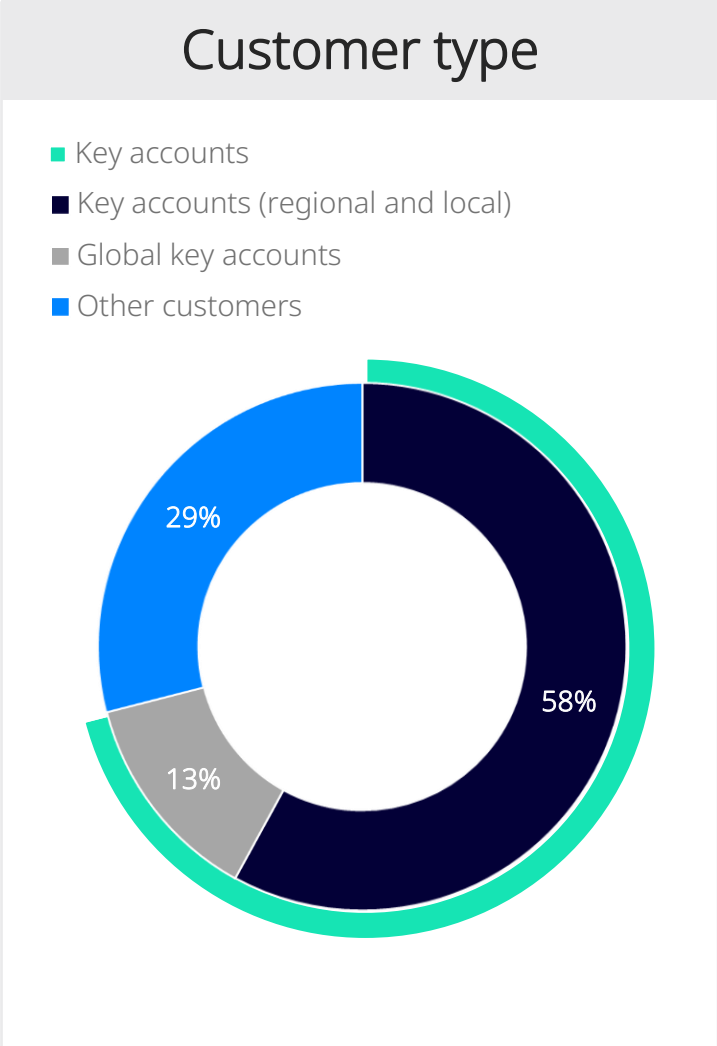
Quarterly organic growth

- Continued robust portfolio growth

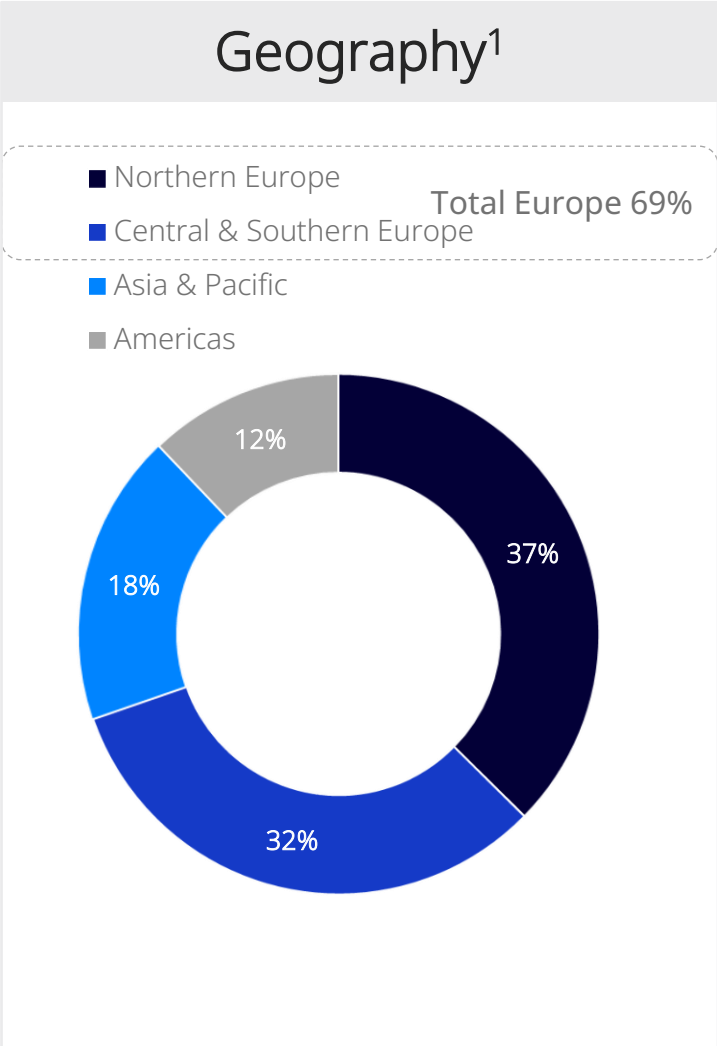


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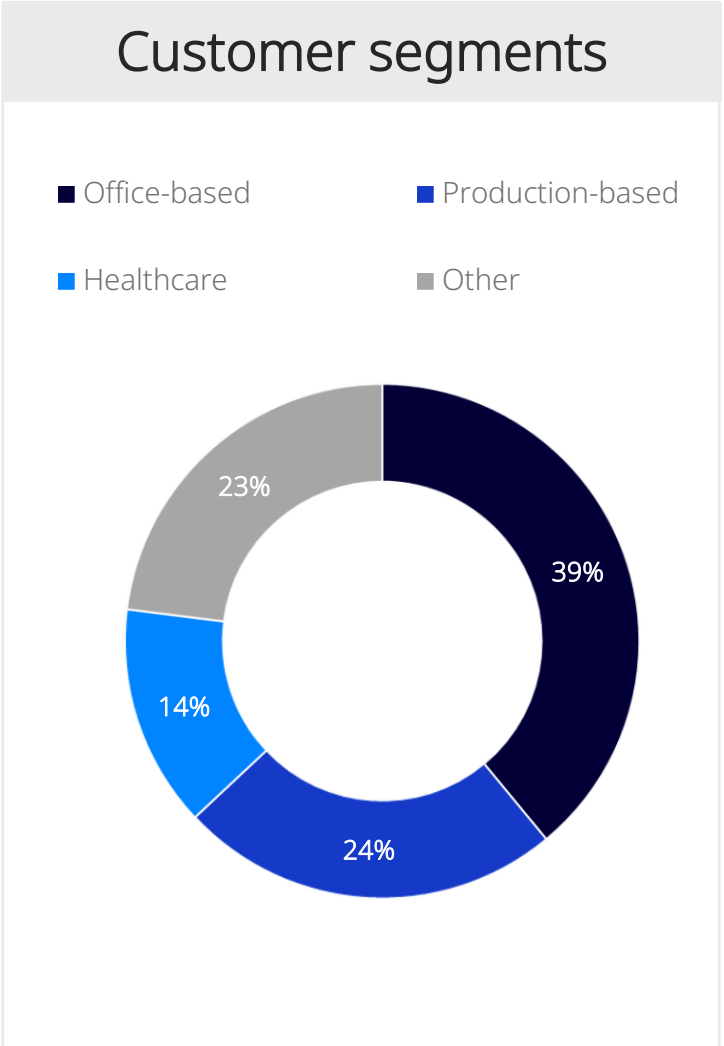
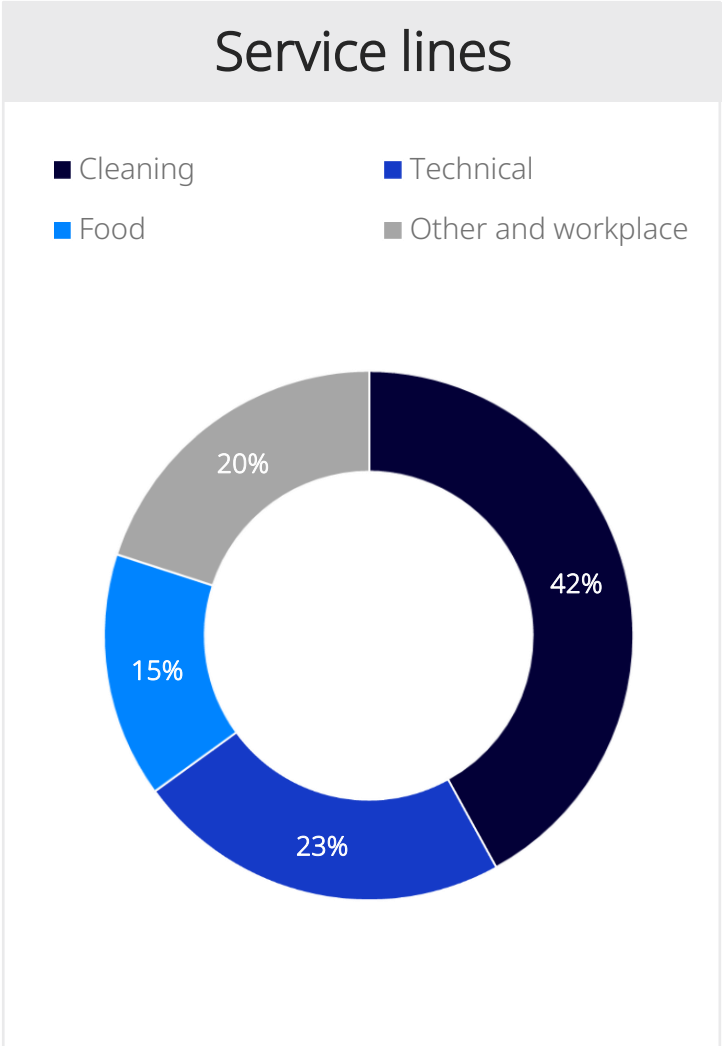
Revenue split based on FY2023 (1/2)



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
13.5 / 100 – low risk



Methodology note, 100 = top score
47 / 100 – very high



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

Investor Relations

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Share buyback details

Q1 2024

Number of shares bought: 1,029,713

Transaction value: DKK 128 million

Q2 2024

Number of shares bought: 1,955,292

Transaction value: DKK 250 million

Q3 2024

Number of shares bought: 2,265,243

Transaction value*: DKK 284 million

**Total transaction value DKK 496 million including shares bought from Kirkbi*

Share information

Trading symbol	ISS
Identification number / ISIN	DK0060542181
Number of shares	185,668,226
Sector	Business Services
Nominal value, DKK	1
Free float	100%

Forward-looking statements

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