



ISS INVESTOR PRESENTATION

Q3 2023 Trading Update

2 November 2023



Kasper Fangel
Group CEO

Agenda

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

Executive summary

- ISS is well on track to deliver on financial targets for 2024



OneISS

Strategic direction remains unchanged

-

Review and prioritisation of OneISS initiatives



Financials

Continued strong organic growth

-

Update of full-year outlook for all KPIs



M&A

The divestment of France progressing in line with plan

-

Acquisition of Grupo Fissa completed

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OneISS strategy and strategic direction remains unchanged

- the new EGM has reviewed and prioritised OneISS initiatives

Executive Group Management team



- On 7 Sep 2023, ISS announced a new and streamlined EGM team that will enhance agility and execution power
- The EGM is reduced from 13 to 9 members with a clear focus on building a more robust ISS and to drive financial performance
- The new EGM has reviewed and prioritised OneISS initiatives initiated since 2020 to further strengthen execution and accelerate the strategic development



Review of OneISS initiatives



- As a natural step after three years of strategy implementation, we have assessed our OneISS initiatives
- Following the review, one-off costs of around DKK 200-250 million will be recognised in H2 2023
- Benefits and savings of around DKK 200-250 million is expected with the majority impacting positively in 2024
- Benefits from the enhanced focus on strategic initiatives support the operating margin target of above 5%
- The impact on free cash flow will be insignificant in both 2023 and 2024 as offset by cost savings

ISS has made robust progress on sustainability commitments

Commitments

Progress 2023



Net Zero targets

Scope 1 and 2 by 2030,
Scope 3 by 2040

- Near-term targets expected to be validated by the Science Based Targets initiative
- Decarbonization managers in +25 countries



Food waste

↓ 50% by 2027

- Food waste reduction of 30% from 2019 baseline



Greenhouse gases from food

↓ 25% by 2030

- Nearly 5% reduction per 1,000 kcal from 2019 baseline



Recognised qualification

+100,000 people by 2025

- +15,000 placemakers have received a recognised qualification

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Commercial development

- pipeline of commercial opportunities remains attractive

New wins¹⁾

- Healthcare customer, Turkey (c. 0.1% of Group revenue)

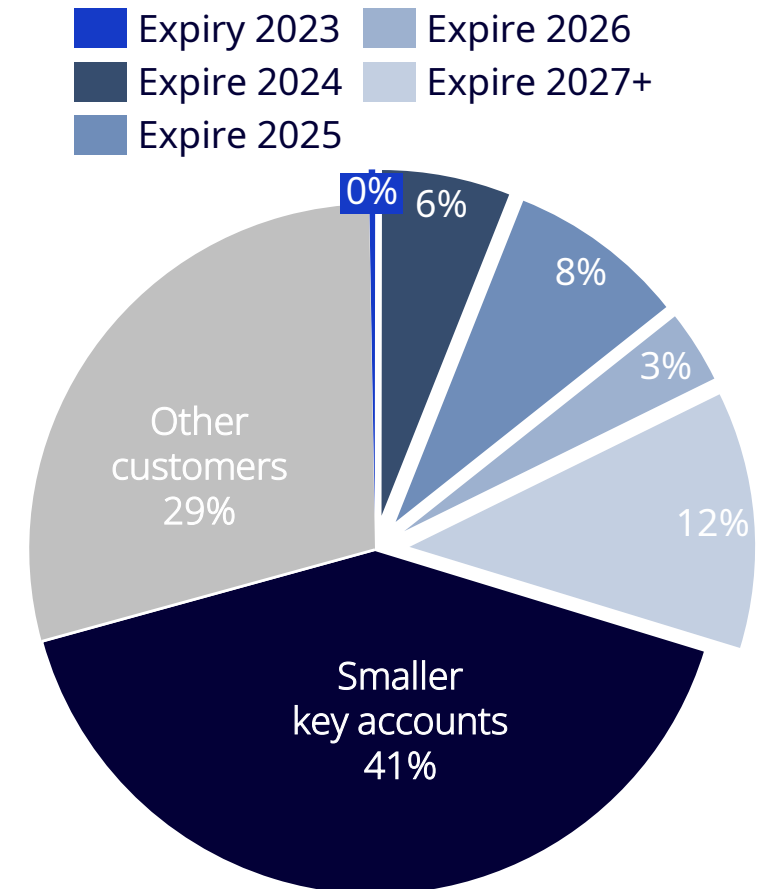
Extensions and expansions¹⁾

- Public Administration customer, Australia
- Professional services customer, the UK
- Food & Beverage customer, Netherlands
- Public Administration customer, the UK (expanded c. 0.2% of Group Revenue)
- Healthcare customer, the UK
- Banking customer, the UK (expanded c. 0.1% of Group Revenue)

Losses and exits¹⁾

- Industry & Manufacturing customer, Global (c. 0.4% of Group revenue)
- Industry & Manufacturing customer, Germany (c. 0.2% of Group revenue)

Large key accounts²⁾ contract maturity profile



1) Since H1 2023 results on 10 August 2023. Includes contracts above DKK 100 million annually

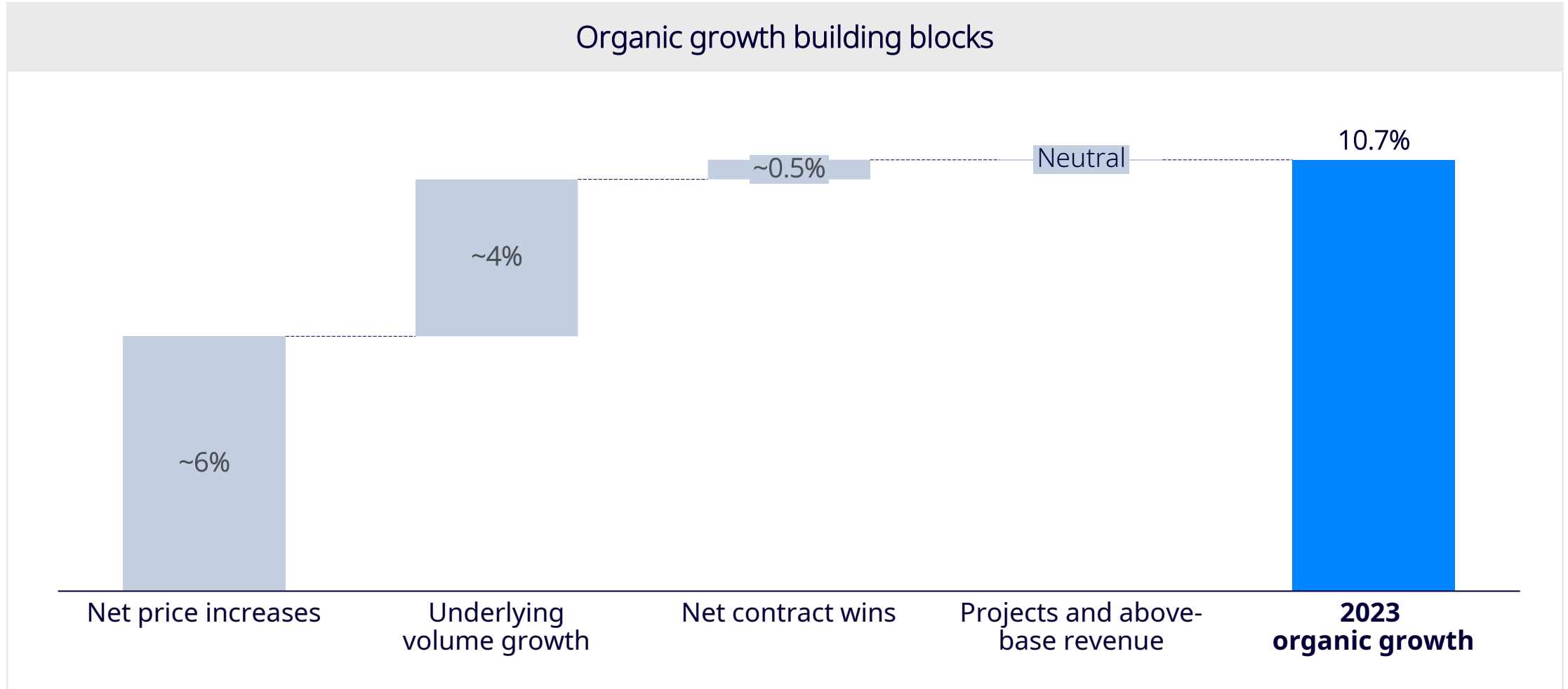
2) Chart is based on all global key accounts and key accounts generating revenue above DKK 200 million annually

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Organic growth of 10.7% in the first nine months of 2023

- driven by continued strong portfolio revenue growth



Regional organic growth Q3 2023

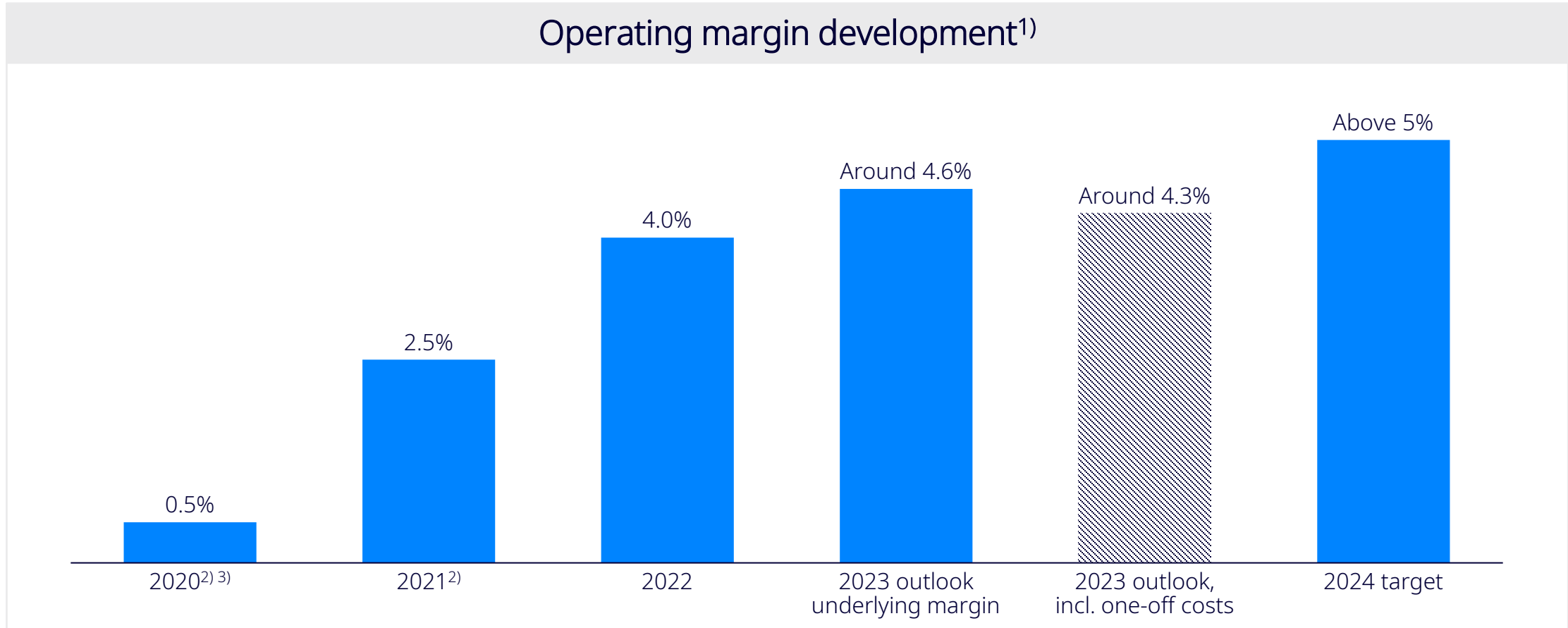
- all regions continued to benefit from increased activity levels

Northern Europe (37% of Group)	Central & Southern Europe (32% of Group)	Asia & Pacific (18% of Group)	Americas (12% of Group)
5% <i>(Q1 2023: 6%, Q2 2023: 5%)</i>	14% <i>(Q1 2023: 20%, Q2 2023: 17%)</i>	9% <i>(Q1 2023: 6%, Q2 2023: 8%)</i>	10% <i>(Q1 2023: 22%, Q2 2023: 18%)</i>
<ul style="list-style-type: none">Organic growth driven by underlying volume growth and price increases implemented across the regionAll countries reported positive organic growth with highest growth seen in Sweden and Benelux countriesRevenue from projects and above-base grew organically low-single digit	<ul style="list-style-type: none">The strong growth was driven by price increases implemented in Turkey supported by underlying growth and net contract winsSolid development across the region positively impacted by price increases and underlying volume growthRobust demand for project and above-base services	<ul style="list-style-type: none">Growth driven by underlying volume growth and price increases implementedGrowth supported by start-up of contracts and solid customer activity in India and AustraliaRevenue from projects and above base declined due to lower demand for Covid-19 services	<ul style="list-style-type: none">Solid growth driven by underlying volume growth and price increasesCustomer activity level continued to improve, and office occupancy increased in the quarterSolid growth across the region despite tougher comparison base

Note: Other countries represent 1% of Group revenue

Operating margin development

- OneISS strategy has delivered strong financial improvements since 2020



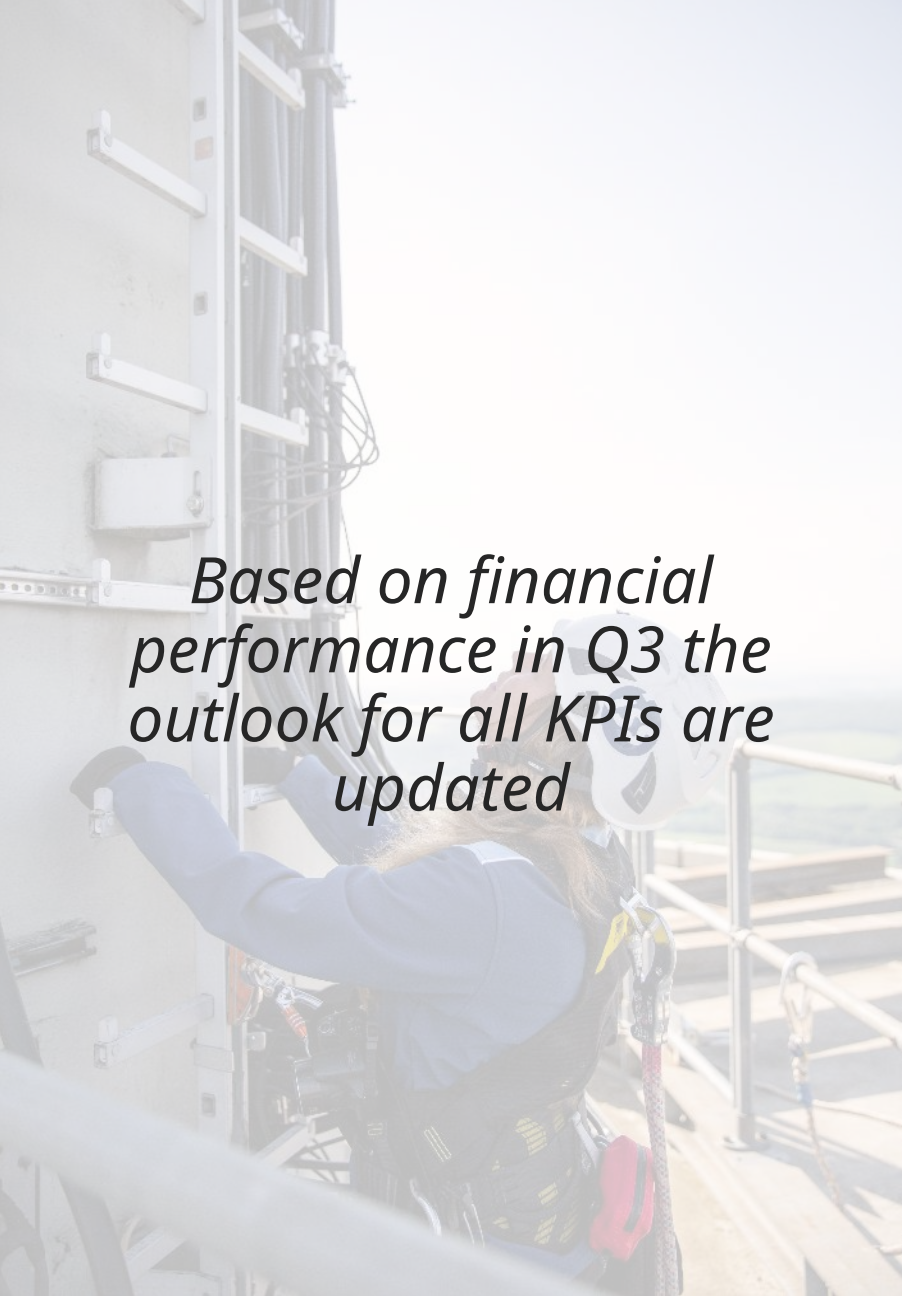
1) Excl. hyperinflation (IAS 29)

2) Incl. France

3) Before restructuring and one-offs

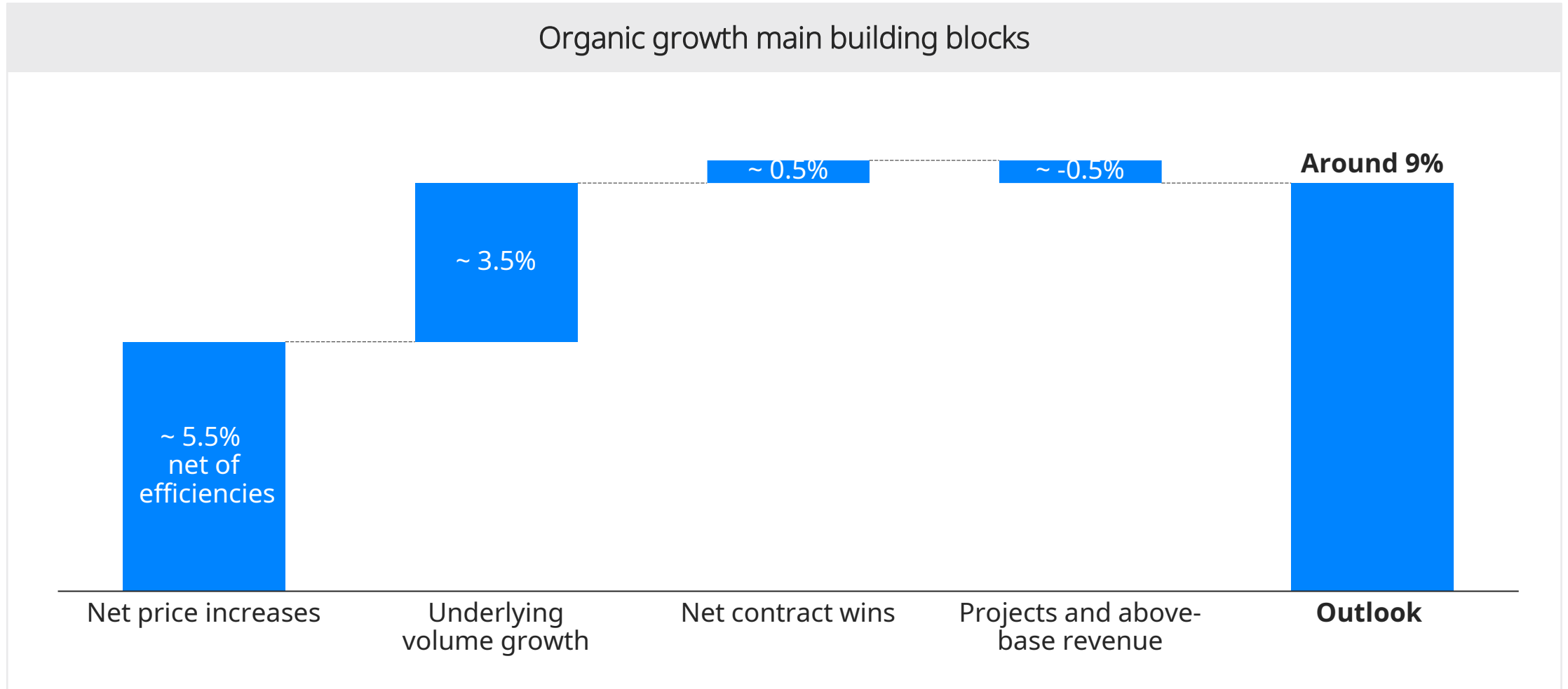
2023 outlook¹ updated for all KPIs

Organic growth	Operating margin ²⁾	Free cash flow
<p>Around 9% (Before: 7 – 9%)</p> <ul style="list-style-type: none">• Driven by successful implementation of price increases across the Group• The positive effect from underlying volume growth and net contract wins are unchanged• A negative effect from lower project and above-base work is still expected	<p>Around 4.6% underlying and around 4.3% incl. one-offs related to OneISS review (Before: 4.25 – 4.75%)</p> <ul style="list-style-type: none">• Margin improvements in the UK and Deutsche Telekom contract• Positive effects from OneISS efficiencies and cost initiatives across the Group• Operating leverage from higher revenue	<p>Around DKK 1.8bn (Before: Around DKK 2.0 bn)</p> <ul style="list-style-type: none">• Given high growth, free cash flow outlook is updated• Improvement in operating profit• Negative impact from working capital including customer prepayments in 2022• Increased tax outflow due to higher operating profit

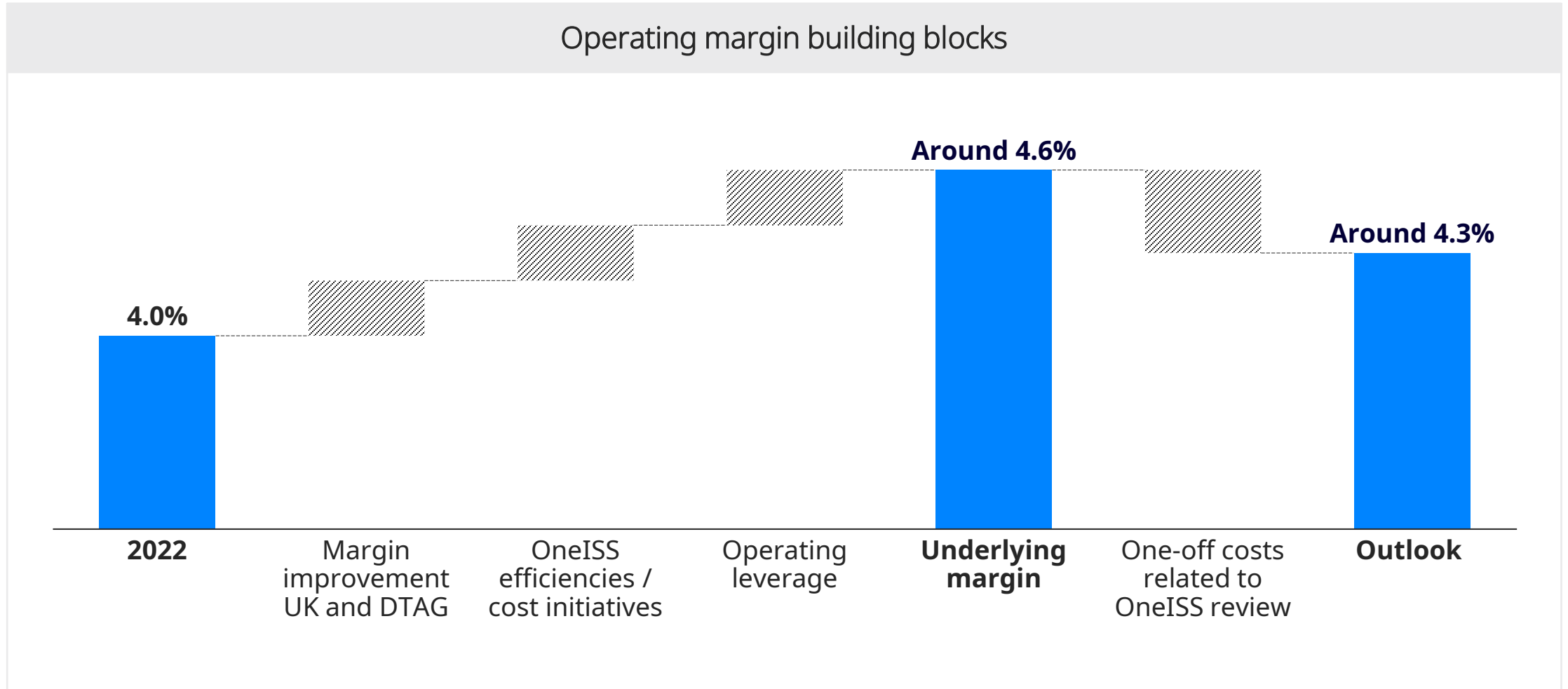


Based on financial performance in Q3 the outlook for all KPIs are updated

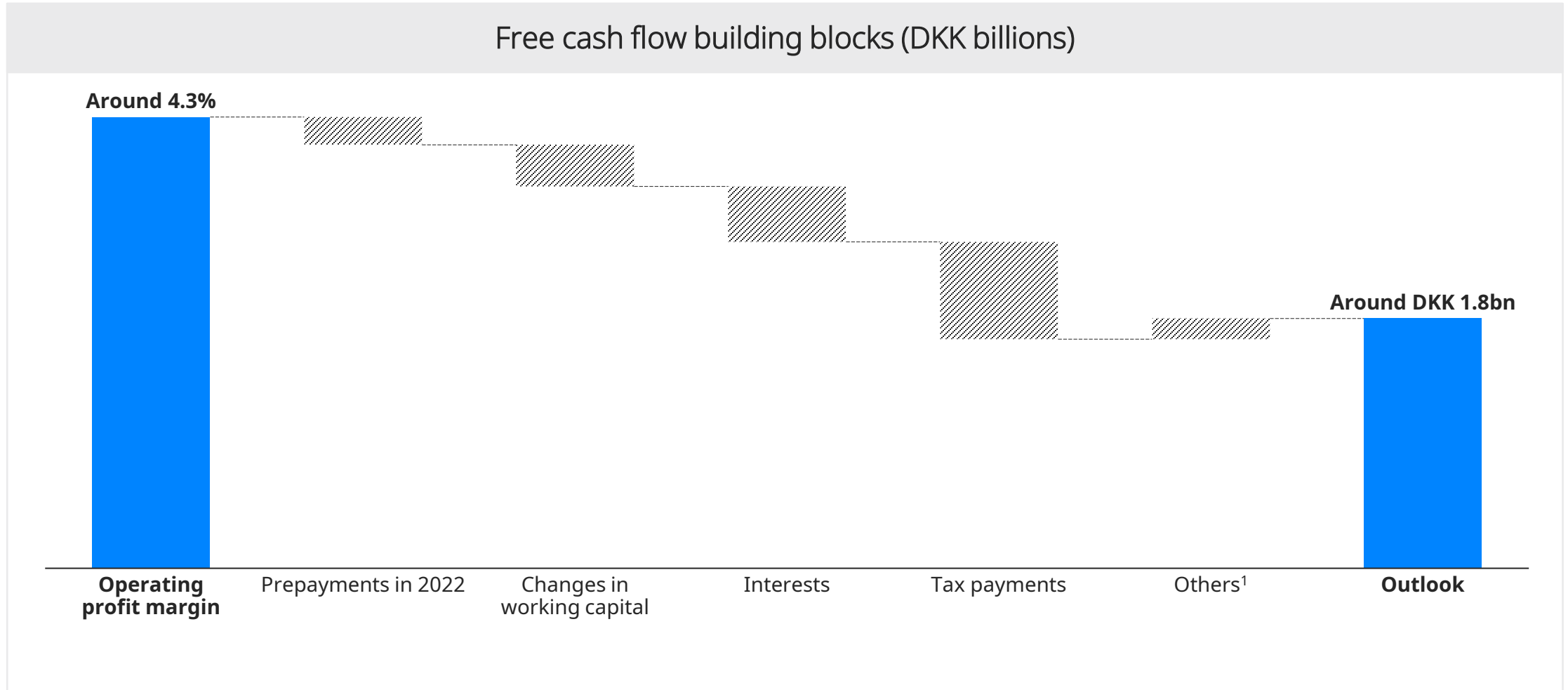
Organic growth outlook for 2023



Operating margin outlook for 2023



Free cash flow outlook for 2023



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'

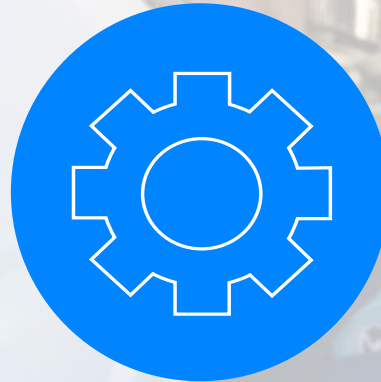
Financial targets from 2024 and beyond

- ISS is well on track to deliver on financial targets in 2024



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 2023 TRADING UPDATE

Q&A



INVESTOR PRESENTATION

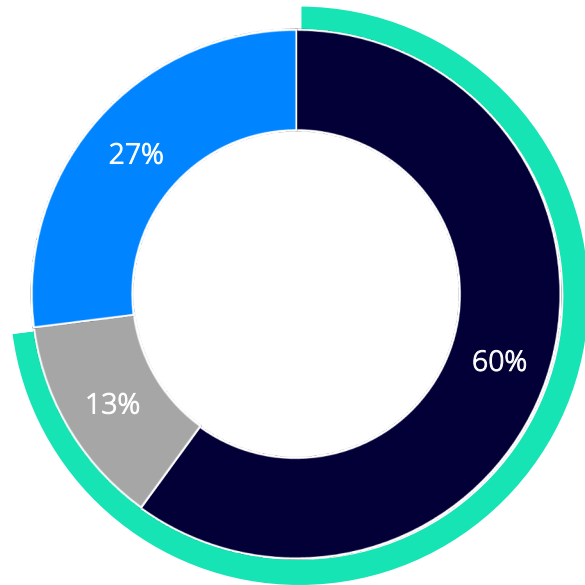
Appendix



Revenue split based on FY2022 (1/2)

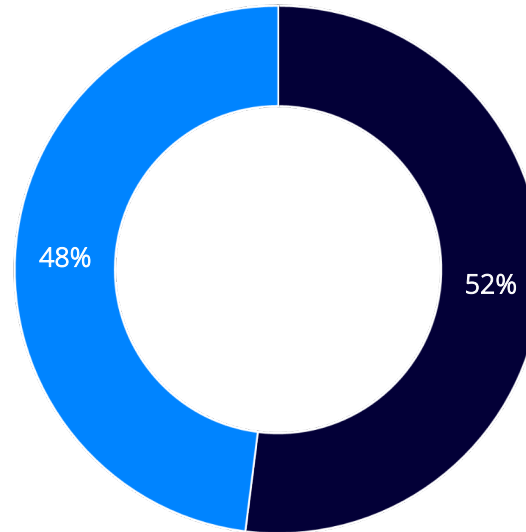
Customer type

- Key accounts
- Key accounts (regional and local)
- Global key accounts
- Other customers



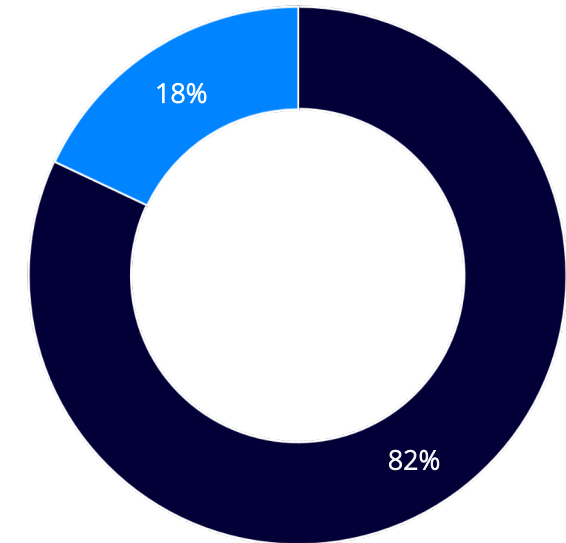
Delivery type

- Integrated facility services (IFS)
- Single services

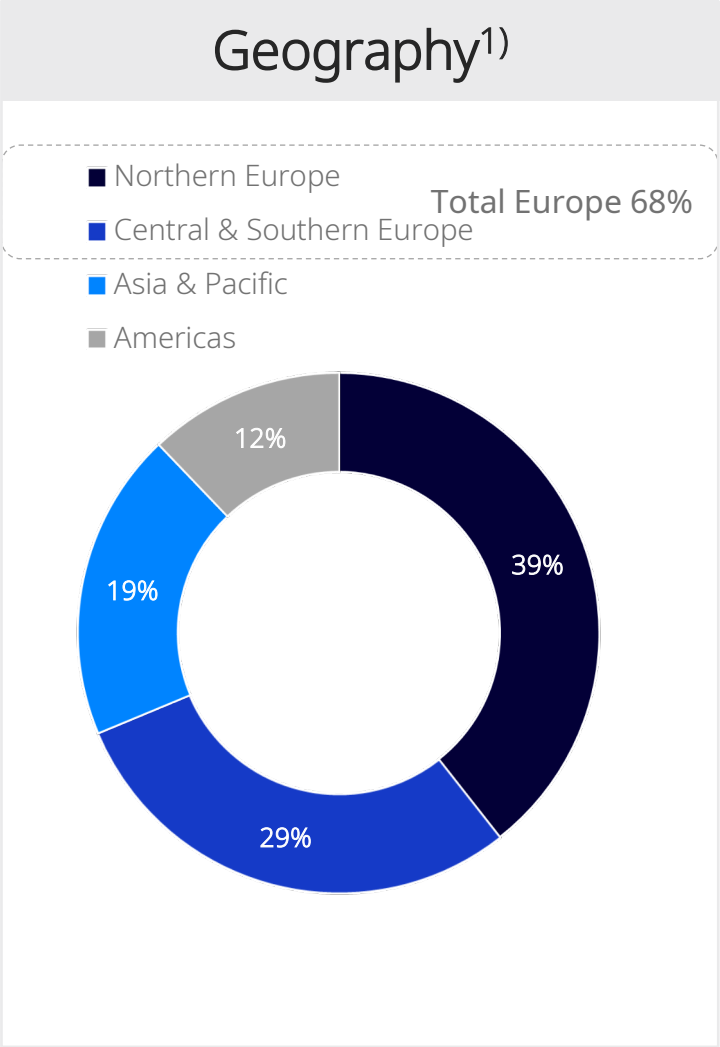


Revenue type

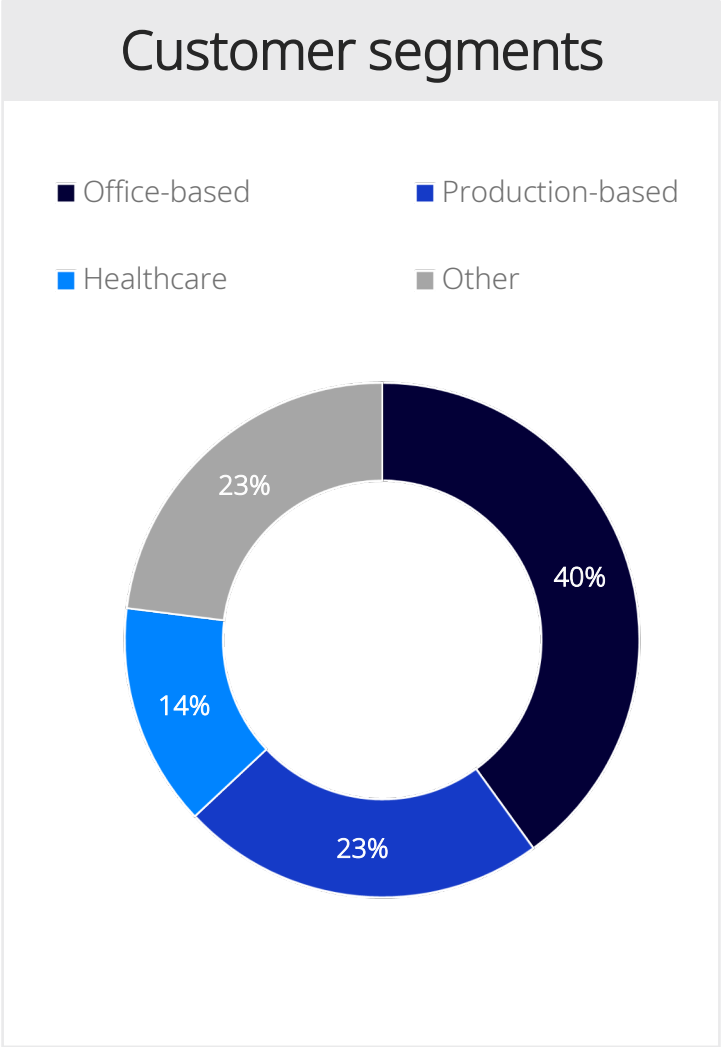
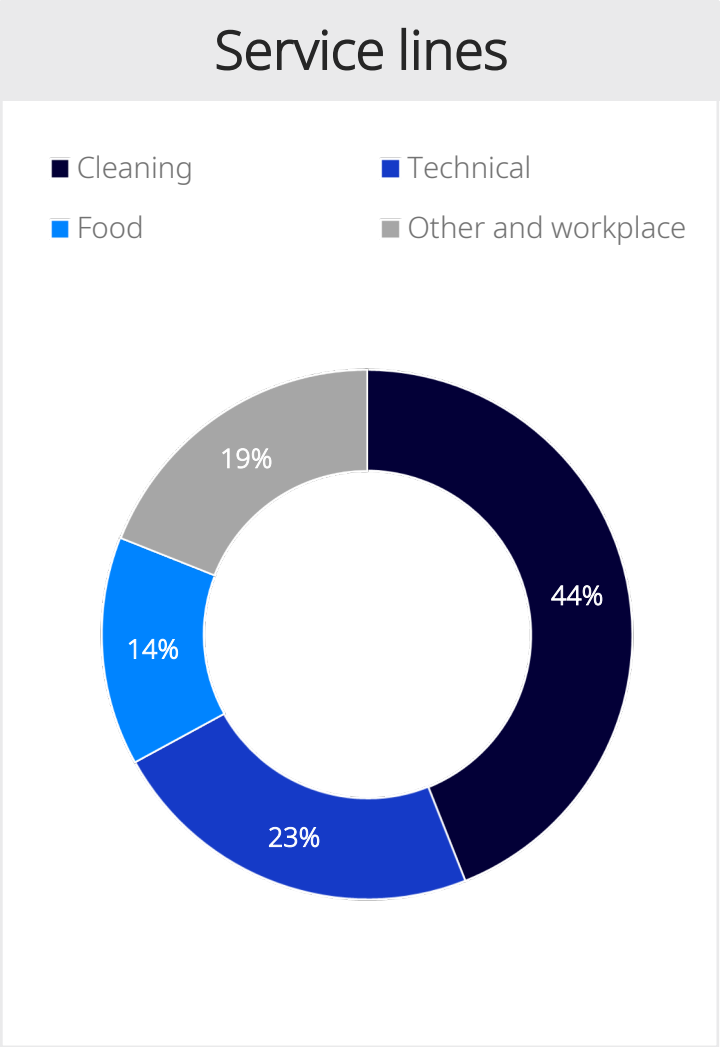
- Portfolio revenue
- Above Base & Projects



Revenue split based on FY2022 (2/2)



1) Revenue related to other countries amounted to 1%



Sustainability ratings

Ratings 2023



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
C – C average for the industry

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Financial calendar 2024

2023 Annual Report
22 February 2024

Q1 2024 Trading Update
2 May 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

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