



## Company announcement

Copenhagen, 5 November 2024

No. 55/2024

### Trading update for 1 January – 30 September 2024

Robust first nine months with continued business improvements. The share buyback programme increased by additional DKK 250 million to a total value of DKK 1,500 million

#### Highlights

##### Financial performance update

- Organic growth was 4.8% in Q3 2024 (Q3 2023: 9.3%) and 5.5% for the first nine months of 2024 mainly driven by price increases implemented across the Group and net positive volume growth.
- Operating margin and free cash flow developed in line with expectation as a result of continued operational improvements across ISS.

##### Business update

- As announced on 8 August 2024, ISS was awarded a 7-year contract with the UK Department of Work and Pensions (DWP) with an expected annual revenue of around DKK 1.2 billion to commence in 2025.
- ISS extended several key account contracts including the longstanding global partnership with UBS and in addition several local mid-sized and small contracts. The retention rate remains strong at 94%.
- On 10 September 2024, ISS completed the acquisition of Grupo BN in Spain adding around 0.5% to Group annual revenue.
- The arbitration process with Deutsche Telekom progressed according to plan.

##### Capital distribution and outlook

- On the back of the financial performance in the first nine months, the second tranche of the share buyback programme is increased by DKK 250 million. This brings the total value of the programme to DKK 1,500 million.
- On 4 November 2024, ISS's corporate credit rating from Moody's was changed from Baa3/ Stable outlook to Baa3/ Positive outlook
- Outlook for 2024 is unchanged from the H1 report 2024; organic growth of 5-6%, operating margin above 5% and free cash flow above DKK 1.8 billion.

Kasper Fangel Group CEO, ISS A/S, says:

*"I'm pleased that in the third quarter, we sustained organic growth, achieving 5.5% for the first nine months of 2024. In addition, our operating margin and free cash flow developed as expected due to ongoing operational improvements across the business. Commercially, we have made strong efforts to secure further extensions of several longstanding customer relationships. Additionally, we have taken steps to leverage our market opportunities through targeted initiatives and higher quality-execution. I'm also encouraged to see social sustainability gaining traction with our customers as a key differentiator for ISS, and I'm confident it will drive stronger commercial outcomes ahead."*

Revenue overview				
DKK million	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue	20,269	19,973	60,950	58,309
Organic growth	4.8%	9.3%	5.5%	10.7%
Acquisitions & Divestments	1.1%	0.6%	1.0%	0.5%
Currency & other adjustments	(4.4)%	(2.8)%	(2.0)%	(3.7)%
<b>Revenue growth</b>	<b>1.5%</b>	<b>7.1%</b>	<b>4.5%</b>	<b>7.5%</b>

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#### About ISS

ISS is a leading, global provider of workplace and facility service solutions. In partnership with customers, ISS drives the engagement and well-being of people, minimises the impact on the environment, and protects and maintains property. ISS brings all of this to life through a unique combination of data, insight and service excellence at offices, factories, airports, hospitals and other locations across the globe. ISS has more than 350,000 employees around the globe, who we call "placemakers". In 2023, Group revenue was DKK 78.7 billion. For more information on the ISS Group, visit [www.issworld.com](http://www.issworld.com).