

# Trading Update for 1 January – 31 March 2026

## Strong start to the year with 7.4% organic growth in Q1 2026

### Highlights

#### Financial update

- Organic growth was 7.4% in Q1 2026 (Q1 2025: 4.3%) mainly supported by contract wins and volume growth with existing customers secured in the latter part of 2025, price increases and projects and above-base work.
- Operating margin and free cash flow developed in line with expectations.

#### Business update

- ISS secured two new contracts with revenue above DKK 100 million annually, one within our prioritised customer segments and one within a local segment.
- Our continued tight focus on extension of customer contracts up for renewal secured a retention rate of 94% (LTM) in the quarter and extension of six large key account contracts (up until 5 May 2026) of which three included significant scope expansions. One large key account contract expired and was not renewed.
- Strategy execution progressed according to plan with strong momentum across key areas.
- The arbitration process with Deutsche Telekom progressed according to plan. The parties await a ruling by the Tribunal, and have, in parallel, engaged in discussions on a potential settlement. ISS expects a final outcome in first half 2026 as previously disclosed.
- On 2 February 2026, ISS acquired 100% of the shares in Cater Plus Services in New Zealand adding around DKK 0.2 billion to Group annual revenue.
- On 1 May 2026, ISS announced the acquisition of 39.9% of shares in ISS Türkiye from the minority shareholder Actera, and ISS will thereby increase its ownership of ISS Türkiye from 50.1% to 90%.

#### Capital distribution and outlook

- In February 2026, ISS initiated a share buyback programme of DKK 2.5 billion to be executed over a 12-month period. As at 1 May 2026, ISS had bought back 2,233,756 shares with a total value of DKK 514 million.
- The 2026 outlook is unchanged for all three financial KPIs; organic growth above 5%, operating margin above 5% and free cash flow above DKK 2.5 billion.

Revenue overview					
DKK million (unless otherwise stated)	Q1 2026	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Revenue	21,935	20,930	20,683	20,703	22,368
Organic growth	7.4%	4.3%	3.8%	4.9%	4.1%
Acquisitions & divestments	0.8%	1.1%	0.6%	0.4%	0.6%
Currency & other adjustments	(3.4)%	(1.2)%	(4.0)%	(3.2)%	(6.6)%
<b>Revenue growth</b>	<b>4.8%</b>	<b>4.2%</b>	<b>0.4%</b>	<b>2.1%</b>	<b>(1.9)%</b>

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

*"I'm pleased with our strong start to the year, delivering organic growth of 7.4% in the first quarter. This performance reflects contract wins secured in late 2025, combined with a disciplined focus on volume growth, price increases, and additional above-base work. In 2026, we're continuing our commercial momentum, with five new large customer contracts and expansions to this date, each contributing at least DKK 100 million in new annual revenue, alongside a high retention rate of 94%. As we mark ISS' 125th anniversary, celebrated throughout the year, I'm confident we're well positioned to deliver on our full-year targets and beyond."*

## Business update

In the first three months of 2026, ISS continued the country implementation of the three strategic priorities. The strategic programmes developed according to plan supporting underlying revenue growth.

Operationally, the business developed as expected in the first three months of 2026 as we continued to successfully manage wage inflation by implementing price increases across the customer base. Activity levels were high following the commercial momentum in the latter part of 2025 and successful start-up of contracts in Q4 2025, including DWP in the UK. Mobilisation activities for contracts secured in 2025 continued according to plan, most notably related to the key account contracts with Australian Defence in Australia and the global contract with Danish-based COWI.

### Geopolitical uncertainties

In Q1 2026, macroeconomic and geopolitical uncertainties remained high with added uncertainty from the situation in the Middle East. While ISS' business activities in the region are insignificant in terms of financial impact, the safety of our placemakers, partners and customer sites remains our highest priority. In terms of increasing fuel prices, being a provider of service and given our price adjustment mechanisms in customer contracts, ISS is less exposed compared to many other industries. We continue to monitor the development.

### Acquisitions and divestments

On 2 February 2026, ISS acquired Cater Plus Services in New Zealand, a cleaning and food service provider adding an estimated annual revenue of around DKK 0.2 billion and more than 750 employees.

On 1 May 2026, ISS announced the acquisition of 39.9% of shares in ISS Türkiye from the minority shareholder Actera. ISS will thereby increase its ownership from 50.1% to 90% in ISS Türkiye. Management continues to own the remaining 10% of shares.

In Q1 2026, ISS also divested two minor non-core businesses with total annual revenue of less than DKK 0.2 billion.

### Deutsche Telekom

As previously disclosed, ISS and Deutsche Telekom (DTAG) have certain contractual disagreements, and

in December 2022, ISS initiated the establishment of an Arbitration Tribunal under the German Institute of Arbitration (DIS) to decide on these disagreements.

In the proceedings, ISS and DTAG have exchanged claims against each other. ISS has claimed remuneration for services performed. DTAG has disputed the claims.

The final oral hearing in the arbitration proceedings took place in mid July 2025. The parties await a ruling by the Tribunal, and have, in parallel, engaged in discussions on a potential settlement, which aim at settling disputed claims, creating clarity on contractual positions going forward and further strengthening the collaboration and partnership between ISS and DTAG. ISS expects a final outcome in first half 2026 as previously disclosed.

### Hong Kong

As previously disclosed, on 26 November 2025, Wang Fuk Court, a residential estate in Hong Kong, was hit by a devastating fire, which cost the lives of 167 residents and a firefighter. We extend our deepest condolences to the families of those who lost their lives in the fire, and our heartfelt sympathies to the Hong Kong community and to all who were injured or otherwise affected by this terrible tragedy.

ISS, through its subsidiary ISS EastPoint Properties Limited (ISS EPPL), was contracted by the owners' association of Wang Fuk Court as property manager until 31 December 2025 but was not involved in the major renovation project ongoing at the time of fire.

An independent committee, appointed by the Government of the Hong Kong Special Administrative Region of the People's Republic of China, has initiated a thorough review of the incident and the parties involved, and is expected to deliver its report by Q4 2026. ISS EPPL is cooperating fully with the committee. At this point it is too early to speculate on the outcome of the committee's findings, but should any responsibility ultimately be attached to ISS EPPL, it is the assessment that appropriate and sufficient insurance cover is in place. We refer to the Annual Report 2025, page 35 for a full description.

## Share buyback programme

### 2025 programme

On 13 February 2026, ISS completed the share buyback programme launched in 2025 as shares for a total consideration of DKK 3.0 billion had been repurchased.

### 2026 programme

On 19 February 2026, ISS announced a new share buyback programme. Under the programme, ISS will buy back own shares in two equal tranches for a maximum consideration of DKK 2.5 billion over a 12-

month period from 19 February 2026 to 22 February 2027. As at 1 May 2026, ISS had purchased 2,233,756 shares under the first tranche with a total value of DKK 514 million.

## Share capital reduction

At the Annual General Meeting on 16 April 2026, reduction of the share capital by cancellation of own shares was approved from nominally DKK 174,200,000 to nominally DKK 160,000,000.

## Group performance

### Group revenue

#### Q1 2026

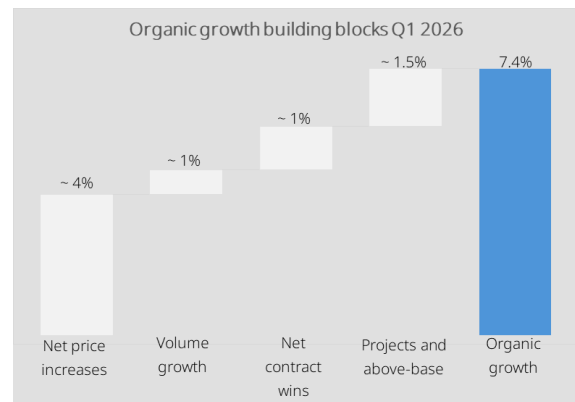
**Group revenue** in the first three months of 2026 was DKK 21.9 billion (Q1 2025: DKK 20.9 billion), an increase of 4.8% compared with the same period last year. Organic growth was 7.4%, acquisitions and divestments, net increased revenue by 0.8%, while currency and other effects were negative by 3.4%. The net impact from the hyperinflation restatement in Türkiye (IAS 29) was positive 0.6%.

**Organic growth** of 7.4% (Q1 2025: 4.3%) was mainly driven by net new wins and volume increases from 2025 as well as implementation of price increases and an increased level of projects and above-base work. In line with contractual agreements, price increases have been implemented to mitigate the impact of wage increases and general cost inflation. Price increases contributed around 4%-points to organic growth of which around half was stemming from Türkiye.

In Q1 2026, volume growth contributed around 1%-point to organic growth driven by a combination of increased activity levels at customer sites and expansion of contracts with existing customers.

Net contract wins contributed by around 1%-point as a result of contracts won in 2025 and started in the latter part of 2025 or in the beginning of 2026.

Revenue from projects and above-base work accounted for 16% (Q1 2025: 15%) of Group revenue and contributed around 1.5%-point to organic



growth in Q1 2026. Growth was mainly driven by larger customers' refurbishment programmes and smaller projects secured by on-site ISS management.

All regions, except Americas, contributed to the positive organic growth. Central & Southern Europe reported the highest organic growth being double-digit, mainly driven by price increases in Türkiye and solid growth in Spain. In Northern Europe, growth was positively impacted by the start-up of DWP in the UK and Velux in Denmark, both started in Q4 2025, and COWI in Denmark, which started in Q1 2026. Asia & Pacific was mainly supported by robust growth in Australia, India and Singapore. In Americas, growth was primarily negative due to Chile, whereas the US was flat, partly offset by positive growth in Mexico.

### Revenue and growth

DKK million (unless otherwise stated)	Q1 2026	Q1 2025	Organic growth	Acq./div.	Currency & other adj.	Revenue Growth
Northern Europe	8,397	7,850	7%	-	(0)%	7%
Central & Southern Europe	7,692	7,233	10%	2%	(6)%	6%
Asia & Pacific	3,695	3,681	6%	1%	(7)%	0%
Americas	1,881	2,056	(2)%	-	(7)%	(9)%
Other countries	209	187	12%	-	(0)%	12%
Corporate / eliminations	(12)	(22)	-	-	-	-
<b>Group, excl. IAS 29</b>	<b>21,862</b>	<b>20,985</b>	<b>7.4%</b>	<b>0.8%</b>	<b>(4.0)%</b>	<b>4.2%</b>
<b>Group <sup>1)</sup></b>	<b>21,935</b>	<b>20,930</b>	<b>7.4%</b>	<b>0.8%</b>	<b>(3.4)%</b>	<b>4.8%</b>

<sup>1)</sup>The net impact from hyperinflation restatement in Türkiye (IAS 29) was 0.6% on Group-level, that has been included in Currency & other adj.

## Commercial development

The customer-centric growth initiative accelerated in 2025, driven by a strengthened commercial culture and a clear focus on targeting selected segments with tailored offerings designed to meet specific customer needs.

The positive trend continued in the first three months of 2026 evidenced by ISS securing new contracts as well as extending and expanding several existing partnerships.

In the first three months of 2026, ISS secured two new contracts with large key account customers in the UK, one within our prioritised customer

segments and one within a local segment. Furthermore, we extended six large key account contracts (up until 5 May 2026), of which three included significant scope expansions. Consequently, the customer retention rate was maintained at 94% (LTM) in the quarter.

The commercial pipeline for integrated facility services solutions remains attractive and is mainly driven by local and regional opportunities.

As communicated on 6 February 2026, one large key account contract expired in Q1 2026 and was not renewed.<sup>2</sup>

January - March 2026				
Major key account developments <sup>1)</sup>	Countries	Segment	Term	Effective
<b>Wins</b>				
Bank of England	UK	Financial services	4 years	Q2 2026
Public administration Customer	UK	Public Administration	5 years	Q4 2026
<b>Extensions</b>				
Transportation Customer	Switzerland	Transportation & Infrastructure	6 years	Q1 2026
Public administration Customer	Sweden	Public Administration	4 years	Q3 2026
Technology Customer	Global	Business Services & IT	2 years	Q3 2027
<b>Extensions, including expansions</b>				
Virgin Media O2	UK	Information and Communication	2 years	Q1 2026
Life Sciences & Pharmaceutical Customer	Switzerland	Healthcare	3 years	Q2 2026
<b>Losses</b>				
Customer	UK	Information and Communication	-	Q1 2026

<sup>1)</sup> Annual revenue above DKK 100 million.

<sup>2</sup> [6-2-26: ISS announces a contract non-renewal](#)

## Regional performance

### Northern Europe

Revenue amounted to DKK 8,397 million in the first three months of 2026, which was an increase of 7% compared with the same period last year. Organic growth was 7% (Q1 2025: 4%), while acquisitions and divestments, net and currency effects were neutral.



Organic growth was primarily driven by the start-up of DWP in the UK in Q4 2025, which had full effect in Q1 2026. In addition, the start-up of new contracts in Denmark, including COWI and Velux, supported the organic growth. Lastly price increases implemented across the region and projects and above-base work impacted organic growth positively. Organic growth in the region was broad-based, though most notably in the UK and Denmark due to the contracts with DWP, COWI and Velux.

### Central & Southern Europe

Revenue amounted to DKK 7,692 million in the first three months of 2026, which was an increase of 6% compared with the same period last year. Organic growth was 10% (Q1 2025: 9%), while acquisitions and divestments, net increased revenue by 2% related to acquisitions in 2025 in Spain and Austria. Currency effects were negative by 6% and the impact from hyperinflation restatement in Türkiye (IAS 29) was positive around 2%.



Türkiye was the main contributor to organic growth, primarily due to implementation of price increases to offset the high level of wage inflation. In the beginning of 2026, another round of price increases was successfully implemented towards customers. Across the region, the development was solid as a result of price increases and volume growth, most notably in Spain and Italy. Revenue from projects and above-base work also contributed positively

driven by demand for refurbishment projects and other services.

### Asia & Pacific

Revenue amounted to DKK 3,695 million in the first three months of 2026, which was in line with the same period last year. Organic growth was 6% (Q1 2025: 4%) and currency effects decreased revenue by 7% due to unfavourable currency development in several countries, while acquisitions and divestments, net was positive 1%.



Organic growth was driven by the start-up of the Australian Defence in Australia as well as contracts started in 2025 in Australia and India. Implementation of price increases also contributed positively to organic growth, whereas the effect from projects and above-base work was neutral. Organic growth was broad-based with Australia and India reporting the highest growth rates.

### Americas

Revenue amounted to DKK 1,881 million in the first three months of 2026, which was a decrease of 9% compared with the same period last year. Organic growth was negative by 2% (Q1 2025: negative by 9%) and the effect from acquisitions and divestments, net was neutral, while currency effects were negative by 7%.



The negative organic growth was primarily driven by Chile, whereas Mexico reported solid positive organic growth. In the US, organic growth was neutral. We continue to see significant market opportunities in the US and continue to invest in the commercial platform.

## Outlook

### Outlook 2026

This section should be read in conjunction with "Forward-looking statements" as shown in the table on page 8.

In Q1 2026, organic growth developed as expected, driven by contract wins and volume growth, price increases and projects and above-base work. Operating margin and free cash also developed in line with expectations. The 2026 outlook is thus confirmed for all three financial KPIs.

The outlook assumes that macroeconomic and geopolitical uncertainties remain elevated, at the same time making ISS' business model more relevant than ever. The execution of the OneISS strategy through our updated strategic priorities continues and will support the commercial growth agenda, enable further cost efficiencies and ensure continued high focus on driving shareholder value.

The outlook is excluding any effects of hyperinflation (IAS 29).

**Organic growth** is still expected to be above 5% for 2026 (2025: 4.3%). Growth will be driven by price increases across the Group to offset cost inflation and protect operating margins. In addition, positive volume growth from increasing activity levels at customer sites and contract expansions is expected, as well as a positive contribution from net contract wins. The impact from projects and above-base work is expected to be neutral to slightly negative.

**Operating margin** is still expected to be above 5% (2025: 5.0%). Across the Group, we expect to see further operational improvements and efficiencies, including scale benefits. Our focus is on increasing nominal operating profit before other items and thereby driving increased shareholder value.

The expectation for **free cash flow** is still based on an underlying free cash flow of above DKK 2.7 billion, equalling a cash conversion of above 60%. However, adjusted for DKK 0.2 billion in prepayments for services not yet rendered and receivables paid before due date, the reported free cash flow is expected to be above DKK 2.5 billion for 2026. Assuming payments withheld by Deutsche Telekom (DTAG) are received in 2026, reported free cash flow is expected to be above DKK 3.1 billion.

Outlook 2026		
	Annual report 2025	Trading update Q1 2026
Organic growth	Above 5%	Above 5%
Operating margin <sup>1)</sup>	Above 5%	Above 5%
Free cash flow	Above DKK 2.5 bn <sup>2)</sup>	Above DKK 2.5 bn <sup>2)</sup>

<sup>1)</sup> Based on operating profit before other items

<sup>2)</sup> Underlying free cash flow: Above DKK 2.7 billion

### Expected revenue impact from acquisitions, divestments and foreign exchange rates in 2026

Acquisitions and divestments completed by 1 May 2026 (including in 2025) are expected to have a positive impact on revenue growth in 2026 of around 0.5%-point.

Based on the current exchange rates, a negative impact on revenue growth of around 1.5%-point<sup>1)</sup> (previously negative around 2%-points) is expected in 2026 from the development of foreign exchange rates, excluding any effects of hyperinflation (IAS 29).

<sup>1)</sup> The forecasted average exchange rates for the financial year 2026 are calculated using the actual average exchange rates for the first four months of 2026 and the average forward exchange rates (as of 4 May 2026) for the remaining eight months of 2026.

### Financial targets

At the Capital Markets Day November 2022, new financial targets were announced for organic growth, operating margin and cash conversion. From 2024 and beyond, ISS targets to deliver strong growth at attractive and sustainable margins:

- Organic growth of 4 - 6%
- Operating margin above 5%
- Cash conversion above 60%

### Forward-looking statements

This report contains forward-looking statements, including, but not limited to, the guidance and expectations provided in Outlook. 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 such words, and other statements on matters that are not historical fact or regarding future events or prospects, are forward-looking statements. ISS has based these statements on its current views with respect to future events and financial performance. These views involve risks and uncertainties that may 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. Actual results may differ materially. For example, as a result of risks related to the facility service industry in general or to ISS in particular, including those described in this report and other information made available by ISS. As a result, you should not rely on these forward-looking statements. ISS undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law. The Annual Report for 2025 is available at the Group's website, [www.issworld.com](http://www.issworld.com).

## Contacts

### Conference Call

A conference call will be held on 5 May 2026 at 10:00 am CET. Presentation material will be available online prior to the conference call.

#### Registration link:

Link to webcast can be found on ISS' investor relations webpage.

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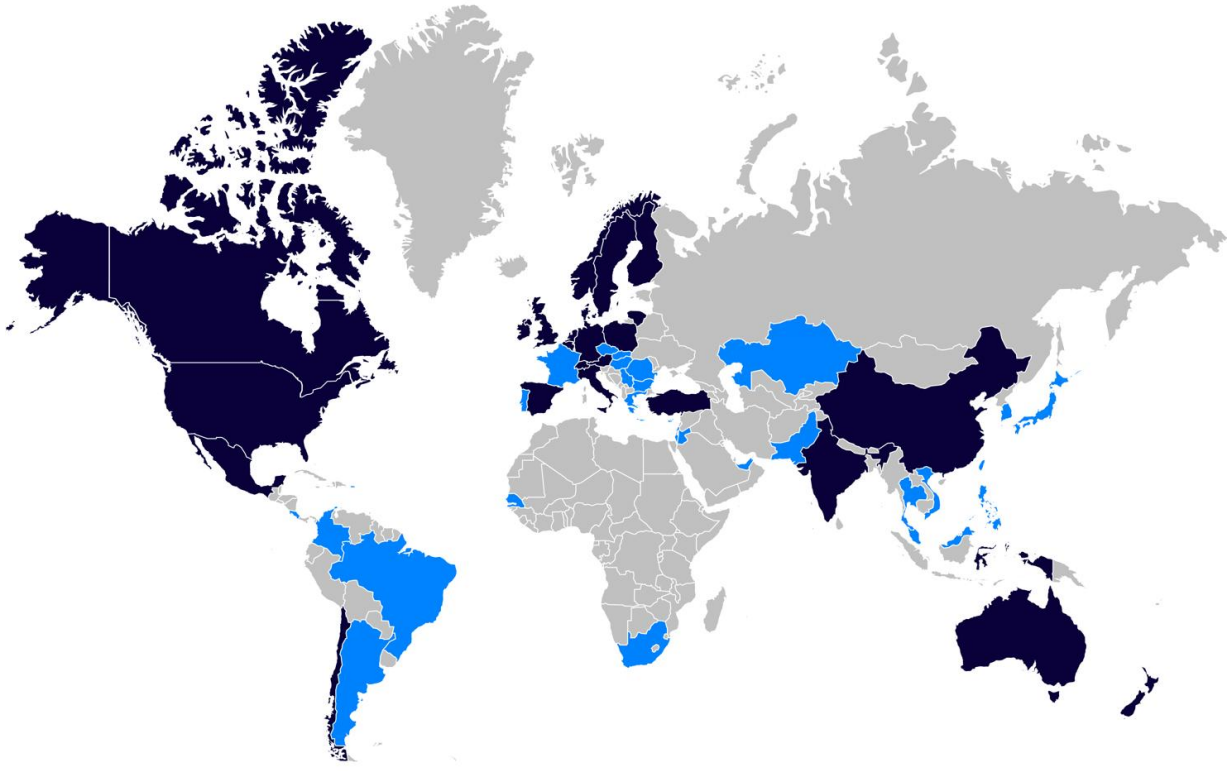
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## Our global footprint



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. In 2025, Group revenue was DKK 84.7 billion.