



Company announcement

Copenhagen, 2 May 2024

No. 19/2024

Trading update for 1 January – 31 March 2024

Promising start to the year with continued business improvements

Highlights

- Organic growth was 6.0% in Q1 2024 (Q1 2023: 12.0%). Total revenue for the quarter amounted to DKK 20.1 billion (Q1 2023: DKK 19.3 billion).
- The organic growth development was mainly driven by successful implementation of price increases to offset wage increases and general cost inflation and volume growth.
- The operating margin developed in line with plan. This was mainly driven by continued operational improvements and efficiencies. Costs related to mobilisation of contracts won in 2023 have been incurred in the quarter.
- During the first months of the year, ISS has secured several smaller and mid-sized local IFS contract wins and extended contracts with Nordea and a global bank.
- In the beginning of April 2024, the divestment of ISS France was completed. Financial leverage remains broadly unchanged following the divestment.
- ISS has strengthened its position in the Swiss market with the bolt-on acquisition of gammaRenax, which adds scale within prioritised service lines and customer segments. The transaction will add around 0.6% to Group annual revenue and was completed at the end of April 2024.
- The arbitration process with Deutsche Telekom is progressing according to plan. As described in the Annual Report 2023, Deutsche Telekom is withholding certain payments to ISS related to the services delivered. This situation is currently unchanged.
- On 3 June 2024, Mads Holm will take up the position as Group CFO and member of the Executive Group Management Board.
- The 2024 outlook is confirmed for all three financial KPIs. Organic growth is still expected to be 4 – 6%, and the operating margin is still expected to be above 5%. Free cash flow is still expected to be above DKK 1.8 billion impacted by timing effects including certain payments being withheld by Deutsche Telekom.

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

"I'm pleased that we had a promising start to the year with robust organic growth and continued business improvements. We have strengthened our operational execution in our markets and the expected financial outcomes are being realised. This is a testament to the professionalism and dedication of our more than 350,000 employees worldwide, without whom ISS would not be the company we are today. Creating opportunities for our people goes hand in hand with achieving commercial results, and this is why we are now advancing our efforts in social sustainability even further. For instance, through initiatives such as our new 'Education for All' programme in India, where ISS is funding employees to complete their 10th to 12th grade education."

Revenue overview					
DKK million	Q1 2024	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Revenue	20,090	19,284	19,052	19,973	20,372
Organic growth	6.0 %	12.0 %	10.9 %	9.3 %	7.1 %
Acquisitions & Divestments	0.7 %	0.3 %	0.4 %	0.6 %	0.8 %
Currency & other adjustments	(2.5)%	(1.4)%	(6.5)%	(2.8)%	(4.0)%
Revenue growth	4.2 %	10.9 %	4.8 %	7.1 %	3.9 %

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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.