Company announcement

Copenhagen, 6 May 2025

No. 30/2025

Trading update for 1 January – 31 March 2025

Robust start to the year with continued business development as expected

Highlights

Financial update

- Organic growth was 4.3% in Q1 2025 (Q1 2024: 6.0%) driven by implementation of price increases, growth from projects and above-base work, and positive volume growth, partly offset by net negative contract wins as expected.
- Operating margin and free cash flow developed in line with expectations.

Business update

- ISS secured four new contracts with revenue above DKK 100 million annually, all within our prioritised customer segments, as well as several smaller and mid-sized local IFS contracts.
- 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 seven large key account contracts of which three included significant scope expansions up until 5 May 2025.
- A strategy refresh with updated strategic priorities was completed by end 2024. As a result, the Executive Group Management was aligned and reduced to five members in January 2025, and resulting organisational changes have been implemented across the business during Q1 2025.
- The arbitration process with Deutsche Telekom progressed according to plan, and the oral hearing is scheduled to take place in mid July 2025 as previously communicated.

Capital distribution and outlook

- In February 2025, ISS initiated a share buyback programme of DKK 2.5 billion to be executed over a 12-month period. As at 2 May 2025, ISS has bought back 3,515,993 shares with a total value of DKK 563 million.
- The 2025 outlook is unchanged for all three financial KPIs; organic growth of 4 – 6%, operating margin above 5% and free cash flow above DKK 2.4 billion.

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

"I'm pleased that in the first quarter of 2025, we kept the momentum from last year and continued to see business improvements despite heightened political uncertainty around the world. Since we deliver our services locally rather than export goods, we are less exposed to global events. During the first three months of the year, we maintained a steadfast focus on executing our refreshed strategic priorities across the organisation. The pipeline for integrated facility services remains attractive, particularly driven by local and regional opportunities, and I'm confident that we are well positioned to convert these opportunities into concrete results in 2025. With the development in the first quarter, we are on track to deliver on our full year financial targets."

For investor enquiries

Michael Vitfell-Rasmussen, Head of Group Investor Relations, +45 53 53 87 25
Anne Sophie Riis, Senior Investor Relations Manager, +45 30 52 94 68

For media enquiries

Charlotte Holm, Head of External Communication, +45 41 76 19 89

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