



Company announcement

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Interim report for 1 January – 30 June 2025

Continued robust financial development. Second tranche of the share buyback programme increased by DKK 500 million to DKK 1,750 million

Highlights

Financial performance

- Organic growth was 3.8% in Q2 2025 (Q2 2024: 5.8%), and 4.1% in H1 2025 (H1 2024: 5.9%), mainly driven by price increases and projects and above-base work, partially offset by net negative contract wins as previously communicated.
- Operating margin before other items (excl. IAS 29) improved to 4.2% in H1 2025 from 4.0% in H1 2024 as a result of continued operational improvements across the Group.
- Free cash flow improved to DKK (0.5) billion in H1 2025 (H1 2024: DKK (1.1) billion) mainly due to increased operating profit and improved changes in working capital.

Business update

- ISS secured six new large key account contracts, each with annual revenue above DKK 100 million, alongside several smaller and mid-sized local IFS contracts. In addition, a number of existing contracts were extended, several with significant scope expansions of above DKK 100 million.
- Strategy execution developed according to plan, where especially commercial model, workforce management and finance shared service centre gained momentum.
- The final oral hearing in the arbitration proceedings with Deutsche Telekom took place in mid July. The parties now await a ruling by the Tribunal.

Capital distribution and outlook

- On 27 May 2025, ISS established a Euro-Commercial Paper (ECP) programme to enable more efficient and timely access to short-term financing. The programme has a maximum principal value of EUR 900 million.

- On 11 August 2025, ISS concluded the first DKK 1,250 million tranche of its 2025 share buyback programme. The second tranche has been increased by DKK 500 million to DKK 1,750 million in accordance with our capital allocation policy. The total programme will thereby amount to DKK 3.0 billion.
- 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:

"Over the past quarter, we've maintained a steadfast focus on executing our strategic priorities - driving customer-centric growth, improving efficiency, and becoming the world's leading frontline employer. I'm pleased to see this reflected in continued robust financial performance, including an improved operating margin. So far this year, we've announced expansions and wins of 14 contracts, each with additional annual revenue of more than DKK 100 million. Additionally, with our strong capital position, we've decided to increase our share buyback programme by DKK 500 million. We still have more to accomplish, but I'm pleased with the current focus and speed of execution across our organisation. This collective drive is not only fuelling our momentum - it is laying the foundation for sustained success."

Financial overview	Q1 2025	Q2 2025	H1 2025	H1 2024
DKK million (unless otherwise stated)				
Revenue	20,930	20,683	41,613	40,681
Organic growth, %	4.3	3.8	4.1	5.9
Operating profit before other items			1,688	1,580
Operating profit before other items, excl. IAS 29			1,736	1,600
Operating margin (before other items), %			4.1	3.9
Operating margin (before other items), %, excl. IAS 29			4.2	4.0
Free cash flow			(542)	(1,095)
Free cash flow, excl. IAS 29			(558)	(1,100)

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