

ISS announces 2024 financial results and 2025 outlook

12 months ago



The [ISS](#) Annual Report 2024 shows robust financial development last year in line with expectations. It also announces that the company has initiated a new share buyback programme of DKK 2.5 billion.

Highlights

Financial performance update

- Organic growth was 6.3% in 2024 (2023: 9.7%), and 6.6% in H2 2024 (H2 2023: 8.1%), mainly driven by price increases implemented across the Group, positive volume growth and higher than expected above-base work revenue in the US.
- Operating margin before other items (excl. IAS 29) in 2024 improved to 5.0% (2023: 4.3%), and 6.0% in H2 2024 (H2 2023: 4.9%) as a result of broad-based operational improvements across the Group.
- Free cash flow was DKK 2.0 billion in 2024 (2023: DKK 1.8 billion), and DKK 3.1 billion in H2 2024 (H1 2023: DKK 2.8 billion) driven by general operating profit improvements while adversely impacted by around DKK 600 million from Deutsche Telekom withholding certain payments related to the ongoing dispute.

Business update

- In 2024, ISS conducted a review of the OneISS strategy confirming the overall direction but updating

the strategic priorities.

- In January 2025, Executive Group Management was aligned with the updated priorities and reduced to five members.
- With the updated strategic priorities we have sharpened our commercial focus on segmentation and execution to accelerate growth going forward.
- In August 2024, ISS has been awarded a 7-year contract, with the UK Department of Work and Pensions with an expected annual revenue of around DKK 1.2 billion.
- ISS extended several key account contracts including the longstanding global IFS partnership with Barclays and Nordea.
- The arbitration process with Deutsche Telekom progressed according to plan, and the final oral hearing in the arbitration proceedings is scheduled to take place in Mid July 2025.
- ISS completed 5 acquisitions in 2024, most significantly gammaRenax in Switzerland and Grupo BN in Spain.
- The divestment of ISS France was completed in April 2024 marking the final step in our strategic divestment programme.

Capital distribution and outlook

- Financial leverage end of 2024 at 2.0x, in the low end of our target range from 2.0x – 2.5x.
- On 19 February 2025, ISS concluded the share buyback programme of DKK 1.5 billion announced in February 2024 and today announces the initiation of a new share buyback programme of DKK 2.5 billion.
- For 2025, organic growth is expected to be 4 – 6% and operating margin is expected to be above 5%. Free cash flow is expected to be above DKK 2.4 billion excluding payments withheld by Deutsche Telekom and above DKK 3.0 billion assuming receipt of these payments in 2025.

Kasper Fangel Group CEO, ISS A/S, said: “2024 was an exciting year for ISS. We delivered on our financial targets, and our financial position is robust. We secured contract extensions for significant key customers and took critical steps to strengthen our organisation, enhance execution, and deepen our focus on meeting the evolving needs of our customers. Looking ahead, we are committed to driving strong, profitable growth. With our recently launched refreshed strategic priorities and a streamlined and focused Executive Group Management team, we are ready to accelerate growth and seize the significant global and local opportunities in our selected industry segments.”