

**ISS STOXX** 

# 1H25 Update

August 2025

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# Revenue Dynamics Supported by Continued Strong Index Performance

<i>in €MM</i>	1H 2024	1H 2025	YoY Growth	FX Adj. YoY Growth <sup>(2)</sup>
<b>Revenue<sup>(1)</sup></b>	<b>301.9</b>	<b>311.1</b>	<b>3.0%</b>	<b>3.6%</b>
Stewardship Solutions	78.2	81.1	3.7%	4.2%
Index	113.7	121.9	7.2%	7.2%
Market Intelligence	60.6	58.0	(4.2%)	(3.2%)
Corporate Solutions	49.4	50.1	1.4%	2.4%

- Continued positive trends in Index, benefiting from higher asset & transaction-based fees both in terms of AuM in Europe and higher volumes/transactions volatility in addition to continued attractive subscription growth
- In Stewardship Solutions, supportive trends in ISS Sustainability despite more challenging market environment in the US. 1H25 YoY growth relative to strong 1H24 performance
- Market Intelligence performance driven by effect of 2024 cancels, but segment has seen stabilisation since the beginning of the year (YTD FX adj. Run Rate Growth of (0.8%))
- Corporate Solutions has seen a slight slowdown due to cyclical product demand and certain delay in the implementation of new regulation. However, Europe is seeing positive developments in Corporate Sustainability

**Note:** Company information.

1. Excluding intercompany revenue

2. FX Adjusted YoY Growth calculated by applying the foreign currency exchange rates from prior financial year to the current period non-Euro values

# Income Statement Overview

<i>in €MM</i>	1H 2024	1H 2025
Revenue <sup>(1)</sup>	301.9	311.1
Other Operating Income (OOI)	10.1	0.6
<b>Total Income</b>	<b>312.1</b>	<b>311.6</b>
Compensation Costs	(127.9)	(129.0)
Non-Compensation Costs	(54.8)	(56.3)
<b>Adjusted Operating Expenses</b>	<b>(182.6)</b>	<b>(185.3)</b>
<b>Adjusted EBITDA</b>	<b>129.5</b>	<b>126.3</b>
<i>% Adjusted EBITDA margin</i>	41.5%	40.5%
<b>Adjusted Net Income</b>	<b>88.4</b>	<b>81.6</b>

€119MM  
excl. OOI

39.5%  
excl. OOI

40.4%  
excl. OOI

- 1H25 OOI in line with longer term average (1H24 figure benefited from €9MM gain in Security Class Action Services (SCAS))
- Compensation expenses in 1H25 reflect benefits from synergy realization and continued headcount optimization effected in May 2025, with further benefits expected to come in 2H25
  - We continue to target full-year 2025 compensation costs to be lower than in 2024
- Adj. EBITDA margin (excl. OOI) of 40.4% in 1H25, which compares to the 39.5% in 1H24
- Margin historically higher in the 2H of the year (46.9% excl. OOI in 2H24) due to seasonal revenue & costs recognition in some of the Stewardship Solutions and Index products

**EBITDA margin historically higher in 2H due to seasonal revenue & costs recognition**

**Note:** Company information.  
1. Excluding intercompany revenue

# 2025E & Medium-Term Guidance (1/2)

	2024 Actual	2025E	Medium-Term Guidance <sup>(2)</sup>
<b>Revenue</b>	€628MM	<b>3.1-4.6% FX Adj. YoY Growth</b> €635-645MM <sup>(3)</sup>	-
<b>Other Operating Income</b>	€11MM	c.€1MM	<€1MM
<b>Total Income</b>	€638MM	€636-646MM	-
<b>Segmental Revenue<sup>(1)</sup></b>			
<b>Stewardship Solutions</b>	€171MM		<b>Mid-to-High Single-Digit CAGR</b> <i>Closer to the lower-end in the near-term</i>
<b>Index</b>	€235MM		<b>High Single-Digit CAGR</b>
<b>Market Intelligence</b>	€122MM		<b>Low Single-Digit CAGR</b>
<b>Corporate Solutions</b>	€99MM		<b>Mid Single-Digit CAGR</b>

**Note:** Company information.

1. Excluding intercompany revenue

2. ISS STOXX's reference to near-term, medium-term or long-term objectives should not be read as indicating that the company is targeting such metrics for any particular financial year

3. Figures in €MM forecasted based on avg. USD/EUR of 1.13 for full year 2025 assuming a 1.17 USD/EUR for 2H25. Reported figures could vary depending on FX movements

# 2025E & Medium-Term Guidance (2/2)

	2024 Actual	2025E	Medium-Term Guidance <sup>(6)</sup>
<b>Adjusted EBITDA Margin</b> (Excluding SBC)	<b>44.3%</b> <i>43.3% excl. OOI</i>	<b>+ &gt;100bps margin accretion</b> to the 44.3% adjusted margin in 2024 actuals	<b>High 40s</b> Inclusive of c.€10MM in recurring listing costs
<b>Share-Based Comp.</b> (excl. one-off)	€21MM <sup>(1)</sup>	€6-8MM <sup>(1)</sup>	<b>€10-15MM expensed under IFRS</b> Closer to the lower-end in the near-term
<b>P&amp;L One-offs</b>	<b>€11MM</b> Integration, restructuring & other costs	<b>€14-16MM</b> Integration, restructuring & other costs <sup>(2,3)</sup> <b>~€19-21MM</b> Legacy awards <sup>(3)</sup> <b>€9-11MM</b> New awards	<b>€9-10MM</b> and <b>€3-4MM</b> New awards in 2026 and 2027, respectively (IFRS impact from some awards having vesting periods)
<b>Capital Expenditures</b>	€24MM 3.7% of total income		In line with historical % of total income
<b>Underlying D&amp;A<sup>(4)</sup></b>	€36MM 5.6% of total income		
<b>Effective Tax Rate<sup>(5)</sup></b>	20.9%		c.23%
<b>Target Leverage</b>	-		<b>2.0-2.5x</b> Gross Debt / LTM Adj. EBITDA Closer to the lower-end in the near-term
<b>Capital Return Policy</b>	-		<b>25-40%</b> Payout Ratio (of Adj. Net Income) Closer to the lower-end in the near-term

**Note:** Company information.

- Legacy Management Incentive Plan (MIP) program
- Includes one-off costs going through P&L. Other one-off costs will flow directly through equity
- Subject to final offer structure and size

4. Excludes any M&A related amortisations

5. Effective tax rate on adjusted figures

6. ISS STOXX's reference to near-term, medium-term or long-term objectives should not be read as indicating that the company is targeting such metrics for any particular financial year

# Capital Structure in the Near-Term

in €MM	Expected in the Near-Term	Loan Term / Maturity
Current Loan from Deutsche Börse <i>(Related to Discovery Data acquisition in 2021)</i>	197.5 <sup>(1)</sup>	3.5% fixed rate / February 2028
Potential New Loan from Deutsche Börse	~275.0	Similar fixed rate / 5-year term
Leases	86.7 <sup>(1)</sup>	-
<b>Financial Debt</b>	<b>559.1</b>	
<b>Gross Leverage Ratio</b>	<b>2.0x</b>	Based on LTM Adjusted EBITDA of €279.5MM <sup>(1)</sup>
Cash	Approximately €50MM	

- ISS STOXX expected to have a 2.0x LTM gross leverage ratio in the near-term
- Current loan from Deutsche Börse of €197MM to remain
- Potential new loan from Deutsche Börse of ~€275MM to reach 2.0x LTM gross leverage ratio
  - Interest rate expected to align with the current loan over a 5-year term
- Cash balance of approximately €50MM expected in the near-term, mostly to cover the minimum required from an operational point of view

Notes: Latest reviewed Company financials  
1. As of 1H 2025



# Additional materials

Appendix

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# Historical P&L – Overview

<i>in €MM</i>	FY 2024	1H 2024	1H 2025
Revenue	627.7	301.9	311.1
Other operating income	10.7	10.1	0.6
<b>Total income</b>	<b>638.3</b>	<b>312.1</b>	<b>311.6</b>
Compensation expenses	(276.0)	(140.7)	(138.2)
Other operating expenses	(111.3)	(56.9)	(61.5)
Depreciation, amortization and impairment losses	(80.3)	(39.4)	(41.7)
<b>Operating costs</b>	<b>(467.7)</b>	<b>(236.9)</b>	<b>(241.3)</b>
Net impairment losses on financial and contract assets	(0.4)	(0.3)	(0.2)
<b>Result from operating activities</b>	<b>170.3</b>	<b>74.9</b>	<b>70.2</b>
Financial income	8.5	2.5	3.6
Financial expense	(15.1)	(5.6)	(9.0)
<b>Income before tax</b>	<b>163.7</b>	<b>71.8</b>	<b>64.8</b>
Income tax expense	(29.6)	(11.3)	(10.8)
<b>Profit for the period</b>	<b>134.1</b> <small>~€125MM excl. OOI<sup>(1)</sup></small>	<b>60.5</b> <small>~€52MM excl. OOI<sup>(1)</sup></small>	<b>54.0</b>
<b>Profit for the period attributable to ISS STOXX GmbH shareholders</b>	<b>134.1</b>	<b>60.5</b>	<b>54.0</b>

**Note:**

1. Other operating income removed assuming the implied reported effective tax rate in the period

# EBITDA Adjustments Bridge

<i>in €MM</i>	FY 2024	1H 2024	1H 2025
<b>Profit for the period</b>	<b>134.1</b>	<b>60.5</b>	<b>54.0</b>
+ Income tax expense	29.6	11.3	10.8
+ Financial expenses	15.1	5.6	9.0
- Financial income	8.5	2.5	3.6
= Result from Operating Activities	170.3	74.9	70.2
+ Depreciation, amortization and impairment losses	80.3	39.4	41.7
<b>= EBITDA</b>	<b>250.6</b>	<b>114.3</b>	<b>111.8</b>
+ Adjustment for Acquisition, Divestment & Restructuring	4.2	1.5	2.5
+ Adjustment for Management Incentive Programs (MIP)	21.0	12.4	5.6
+ Adjustment for One-Time Bonus	(0.1)	(0.1)	-
+ Adjustment for Preparatory Transaction Costs	4.5	1.2	3.2
+ Adjustment for ERP System Implementation Costs	0.9	-	0.4
+ Adjustment for Severance Payments	1.6	0.2	2.8
+ Other Adjustments	-	-	-
<b>Adjusted EBITDA</b>	<b>~€272MM excl. OOI 282.7</b>	<b>~€119MM excl. OOI 129.5</b>	<b>126.3</b>

# Net Income Adjustments Bridge

<i>in €MM</i>	FY 2024	1H 2024	1H 2025
<b>Profit for the period</b>	<b>134.1</b>	<b>60.5</b>	<b>54.0</b>
+ Adjustment for Acquisition, Divestment & Restructuring	4.2	1.5	2.5
+ Adjustment for Management Incentive Programs (MIP)	21.0	12.4	5.6
+ Adjustment for One-Time Bonus	(0.1)	(0.1)	-
+ Adjustment for Preparatory Transaction Costs	4.5	1.2	3.2
+ Adjustment for ERP System Implementation Costs	0.9	-	0.4
+ Adjustment for Severance Payments	1.6	0.2	2.8
+ Other Adjustments	-	-	-
<b>Subtotal EBITDA Adjustments</b>	<b>32.1</b>	<b>15.2</b>	<b>14.5</b>
+ Adjustment of M&A-related amortization of acquired intangibles	44.7	22.3	22.2
<b>= Total Adjustments</b>	<b>76.8</b>	<b>37.5</b>	<b>36.7</b>
+ Adjustments to income taxes	(20.5)	(9.6)	(9.1)
<b>Adjusted Net Income</b>	<b>190.3</b>	<b>88.4</b>	<b>81.6</b>

~€182MM  
excl. OOI<sup>(1)</sup>

~€80MM  
excl. OOI<sup>(1)</sup>

**Note:**

1. Other operating income removed assuming the implied reported effective tax rate in the period

# Revenue and Cost Breakdown by FX

## Foreign Exchange

Reported Euros by Transaction currency

ISS STOXX generates most of its revenue in US dollars and euros, while its expenses are primarily in US dollars

	USD	EUR	GBP	CHF	PHP	INR	Other
2024 Total Income <sup>1</sup>	44%	44%	6%	1%	0%	0%	5%
2024 Expenses <sup>2</sup>	41%	15%	13%	11%	5%	5%	11%

2024 Total Income by division	USD	EUR	GBP	CHF	PHP	INR	Other
Stewardship Solutions	54%	23%	13%	2%	0%	0%	7%
Index	0%	100%	0%	0%	0%	0%	0%
Market Intelligence	69%	5%	13%	0%	0%	0%	12%
Corporate Solutions	99%	0%	0%	0%	0%	0%	1%

<sup>1</sup> Total income includes revenue and other operating income

<sup>2</sup> Adjusted expenses used to calculate adjusted EBITDA

## Average FX in P&L vs. Euro (€)

	Average Rate 1H 2025	Average Rate FY 2024
US Dollar	1.0934	1.0820
British Pound	0.8425	0.8466
Swiss Franc	0.9413	0.9525

Term	Definition
Adj. EBITDA	Adjusted EBITDA is defined as profit for the period before (i) income tax expense, (ii) financial expense, (iii) financial income, (iv) profit/loss after tax for the period from discontinued operations, (v) depreciation, amortization and impairment losses and (vi) certain adjustments (“Adjustments on EBITDA”), being (a) acquisition, divestment and restructuring, (b) management incentive programs, (c) one-time bonus, (d) preparatory transaction costs, (e) ERP system implementation costs, (f) severance payments and (g) other adjustments that include expenses incurred for professional advice related to the extraordinary transition of web-based systems as well as expenses for onerous lease contracts for administrative non-operational activities
Adj. EBITDA Margin	Adjusted EBITDA Margin calculated as Adjusted EBITDA divided by Total Income as reported in the Group’s Consolidated Income Statement
CAGR	Compound Annual Growth Rate
FX Adj. YoY Growth	FX Adjusted YoY Growth calculated by applying the foreign currency exchange rates from prior financial year to the current period non-Euro values
Run Rate	Run Rate estimates at a particular point in time the annualized value of the recurring revenues under our client license agreements (“Client Contracts”) for the next 12 months, assuming all Client Contracts that come up for renewal are renewed and assuming then-current currency exchange rates
SCAS	The Group offers global outsourced filings services through its Securities Class Actions Services (“SCAS”) offerings
Total Income	Total Income comprises of Revenue and Other Operating Income

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