

ADMINISTER

Inside information: Administer continues its growth by acquiring Econia Ltd

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Administer Plc continues to implement its growth strategy by acquiring Econia Ltd, which is an expert company specialised in financial and HR administration and international services.

Econia provides wide-ranging expert services for developing corporate finances, personnel resources and international business operations. The service offering also includes, among other things, expert services in preventing grey economy as well as labour law-related services. Econia was founded in 1996, and the group's pro forma net sales in 2021 were EUR 19.1 million. The predicted net sales for the year 2022 are approximately EUR 25 million and EBITDA approximately EUR 3 million. The company has grown organically as well as through acquisitions. Econia operates in 13 locations in Finland and in Fuengirola, Spain. It employs more than 100 experts in financial and HR administration and international business as well as nearly 400 agency contract workers.

"The acquisition of Econia is the largest corporate acquisition in Administer's history. It strengthens our position as one of Finland's leading providers of financial and payroll management and HR services, including staffing. Econia is in excellent shape: the company has invested in growth and during the first nine months of 2022, the company's net sales have increased by nearly 40% year-on-year. With this acquisition, we will strengthen our network particularly on the west coast of Finland and gain a new Compliance and Advisory business area aimed for domestic and international companies. The acquisition also adds to the strong HR expertise of Administer Group with, e.g., PEO (Professional Employment Organisation) business and staffing – these will strengthen and expand Administer's strategy. Together with Econia, we can offer our customers an even more extensive product and service portfolio. I want to welcome all professionals at Econia to the Administer family and to join our shared journey towards smarter financial management," says Peter Aho, CEO of Administer Group.

"In a little over 25 years, a consulting company with a handful of employees has grown into a significant expert in financial and HR administration and business development. Just like Administer, Econia too has grown strongly through acquisitions since the 2010s, and I believe that together, we can continue this growth as stronger than ever. Through our values – trust, responsibility, courage to grow and success – we will continue to create economic growth and more responsible business in Finland," says Elina Salmivala, CEO of Econia.

Econia's key figures

EUR million	2020 (audited)	2021 (audited)	Pro forma 2021* (unaudited)	1-9 2022 (unaudited)
Net sales	11.2	15.3	19.1	18.8
EBITDA	0.9	1.5	1.7	2.2
% of net sales	7.9	10.0	9.0	11.7
Operating profit	0.7	1.3	1.5	2.1
Personnel**	230	279	412	431
Equity (30 September 2022)				5.3
Liabilities (30 September 2022)				4.4

*Due to the acquisition of Auramaan henkilöstöpalvelu Oy in March 2021, the table also includes unaudited pro forma figures for the year 2021. Auranmaan henkilöstöpalvelu Oy merged with Econia on 31 March 2022. Pro forma figures are compiled in order to illustrate Econia's financial result in a situation, where the merger would have taken place earlier on 1 January 2021.

***Includes Econia's own employees and agency contract workers.*

The debt-free purchase price of the acquisition is EUR 20 million, of which EUR 18 million is paid in cash at the time of the closing and a payment of EUR 2 million, to be paid in shares in Administer or cash, is made after two years. The sellers are Econia's founder Elina Salmivala (who owns 81.55% of Econia's shares) and three minority shareholders. In addition, Econia's sellers are entitled to an additional purchase price totalling EUR 4 million at maximum, to be paid in shares in Administer or cash by 30 June 2025. The condition for the realisation of the additional purchase price is that Econia reaches its net sales and profitability targets in 2023 and 2024. It has been agreed in connection with the transaction that the sellers will invest some of the funds received from the transaction in shares in Administer.

The transaction is financed with the funds raised in the share issue in connection with the public listing and with a new long-term loan of EUR 13 million from domestic financiers.

The transaction has been finalised today. Econia will be integrated into Administer from 1 November 2022 onwards. Econia will continue as its own unit with its own brand as part of Administer Group.

Due to the transaction, Administer updates its outlook for 2022. Administer will publish a separate company release concerning the updated outlook immediately after the publication of this release on the corporate acquisition.

More information:

Peter Aho
CEO
Administer Group
tel. +358 40 501 3661
peter.aho@administer.fi

Elina Salmivala
CEO
Econia Ltd
tel. +358 40 544 7344
elina.salmivala@econia.com

Econia in brief

Econia Ltd. is an independent Finnish company specialised in the financial and HR businesses, employing more than 400 people every day. Econia operates in 13 locations in the Finnish regions of Satakunta, Pirkanmaa, Central Finland, Finland Proper and Uusimaa, and in Fuengirola, Spain. Econia is a member of the Association of Finnish Accounting Firms and the Private Employment Agencies Association, and its operations are guided by the ISO 9001:2015 quality system, certified by Bureau Veritas. In 2021, Econia's net sales were over EUR 19 million.

Contacts

- Hyväksytty neuvonantaja:, Evli Oyj, +358 40 579 6210

About Administer Oyj

Administer Group, founded in 1985, is a Finnish company that offers financial and payroll management services as well as consulting and software services. Our customers include organisations of all sizes, from small and mid-sized companies to large enterprises and municipalities. Our goal is to reform the financial management service market by developing new technologies and solutions. Measured in revenue, we are one of the largest providers of financial management services and HR and payroll services in Finland. In 2021, our revenue was EUR 42 million and we employed approximately 600 financial management professionals.

Attachments

- [Download announcement as PDF.pdf](#)