

Administer Plc: Good profitability development continued

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This release is a summary of Administer's Business Review January-March 2025. The complete report is attached to this release as a pdf-file. It is also available at www.administergroup.com/en/investors.

Administer Plc: Business review January-March 2025

Figures in parentheses refer to the comparison period in the previous year, unless otherwise stated.

January-March 2025

Key figures

- Net sales were EUR 19.0 million (19.0). Net sales remained unchanged in the challenging market environment.
- EBITDA was EUR 2.0 million (1.7), or 10.7% (9.1%) of the net sales. EBITDA improved by 17.4%.
- Operating profit was EUR 0.5 million (0.2), or 2.9% (1.3%) of the net sales. The operating profit was weighed down by amortisation of goodwill from the acquisitions, amounting to EUR -1.0 million (-1.0) in total.

KEY FIGURES

EUR million unless otherwise stated	1-3/ 2025	1-3/ 2024	Change, %	1-12/ 2024
Net sales	19.0	19.0	-0.3%	74.7
EBITDA	2.0	1.7	+17.4%	5.5
% of net sales	10.7%	9.1%		7.4%
Operating profit (EBITA) adjusted with amortisation of goodwill	1.6	1.3	+25.6%	2.9
% of net sales	8.3%	6.6%		3.9%
Operating profit/loss	0.5	0.2	+120.4%	-1.3
Profit/loss before appropriations and tax	0.4	0.0	+836.6%	-1.9
Result adjusted with amortisation of goodwill	1.4	1.0	+35.3%	1.9
% of net sales	7.2%	5.3%		2.6%
Earnings per share (EPS)	0.02	-0.00		-0.16
Return on equity (ROE), %	-7.8%	-12.1%		-8.8%
Equity ratio, %	45.8%	45.1%		44.6%
Debt-to-equity ratio, %	49.4%	53.6%		47.2%
Personnel on average	1,042	1,029	+1.3%	1,046

CEO's review

Our good profitability development continued, and our EBITDA improved by 17.4%. Finland's economic growth has continued to be weak, and it is currently impacted by the rather turbulent global market. The Group's net sales remained unchanged despite the market environment.

Among our business areas, Silta managed to increase its net sales. The weak economic situation has impacted Econia's staffing services in particular, and Econia's net sales have continued on a downward trend. In contrast, Econia's grey economy prevention services, or the so-called Compliance services, have experienced a visible boost. In preventing grey economy, we offer both project-based solutions for large industrial and construction investments, among others, and continuous services with the Sedatus software. When it comes to the preventive and comprehensive model in preventing grey economy, Econia is centrally responsible for the subscriber's obligations and liability, including permits, as well as cooperation between authorities and stakeholders, supervision of subcontracting chains, and training. Econia is Finland's leading expert in these operations and can also offer its services to international markets.

In the accounting firm business, the decrease in net sales was due to customers' reduced transaction volumes, increased bankruptcies and integration challenges for some of the acquired companies, which have contributed to increased customer churn. We have not been completely successful in the integration of all acquired targets, which means we have especially invested in and developed our processes in regard to this.

Administer acquired the majority of shares in Kuntalaskenta last autumn. The year 2024 was heavily loss-making for Kuntalaskenta due to management and resource problems. The company's business has now taken a successful turn for the better and the company's determined financial recovery continues.

The Group's financial development in January-March 2025

In January-March, net sales were EUR 19.0 million (19.0). Net sales remained unchanged in the challenging market environment.

In January-March, EBITDA was EUR 2.0 million (1.7), or 10.7% (9.1%) of the net sales. EBITDA improved by 17.4%.

Business area review

The net sales of Silta, which offers payroll and HR services, grew by 0.8% and were EUR 6.6 million in January-March. The commissioning project for a new customer in the financial sector started in March, and Silta already has a strong foothold in this sector. The expert rental services continued on a good growth path. The sales pipeline has remained at a good level.

The net sales of Econia, which offers HR services and staffing, international services, as well as domestic financial management services, declined by 8.4% and were EUR 5.0 million in January-March. Sales of expert services aimed at preventing grey economy picked up in the early part of the year and new customers were obtained from international markets in addition to Finland. The generally weak economic climate in Finland was reflected in Econia's operations, most significantly in staffing, and this continues to have a negative impact on the development of net sales.

The net sales of Administer's accounting firm business declined by 4.8% and were EUR 4.7 million in January-March. The decline in net sales was driven by customers' lower transaction volumes, increased bankruptcies and integration challenges for some of the acquired companies, which have contributed to increased customer churn. The business area made three new acquisitions, which will strengthen the regional operations of the accounting firm business in different parts of Finland. As a new service, Alisa Bank's banking services were introduced to the accounting firm customers. Cooperation with Intrum expanded, and customers are now also offered credit information services as part of the eFina financial management system.

The net sales of EmCe, which provides software services, declined by 0.4% and were EUR 2.1 million in January-March. In terms of our own software products, more new deals were made during the early part of the year. Good successes in cross-selling with other business units of the Group have continued.

We utilise artificial intelligence in different businesses operations, using it both in the development of the Group's software products and in the development of operations and process efficiency.

In line with our strategy, we strongly believe in good partnerships. A good example of this is our payroll services, where we utilize partnerships with system suppliers, such as having CGI as the main partner of Silta. Our accounting firm business also develops services together with partners: we started cooperation with Alisa Bank and expanded our cooperation with Intrum during the review period.

In early spring, the Ministry of Economic Affairs and Employment's request for an opinion on the proposal to amend the Act on Public Procurement and Concession Contracts gave rise to a record number of opinions. Administer also submitted its opinion on the matter. We see the proposal's stated goals as particularly desirable and also critical in terms of making tendering processes more efficient and improving the competitive field. We warmly support the creation of an operating environment that would genuinely enable all companies to participate in public tendering processes. Our Group already acts as a reliable service partner for the public sector, and we see a potential growth opportunity here.

As a whole, the year has started favourably for us, and we can continue to celebrate the Group's 40th anniversary year with a positive direction.

Kimmo Herranen
CEO

Outlook

Administer seeks to continue growth investments as well as organic and inorganic growth in 2025. Administer estimates that its net sales will be EUR 72–78 million and its EBITDA margin will be 7–10% in 2025.

Administer Plc
Board of Directors

More information:

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Webinar:

CEO Kimmo Herranen and CFO Kalle Lehtonen will present the result in a webinar on 7 May 2025 at 11:00 a.m. EEST. Questions can be sent during the event via the chat function.

You can join the webinar at <https://administer.events.inderes.com/q1-2025>.

A recording will be available after the event at <https://administergroup.com/en/investors/>.

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About Administer Oyj

Administer Group is a multi-talent in payroll and financial management services, software services, consulting, personnel and international services. We are the largest salary outsourcing partner in Finland and the leading expert in the fight against the grey economy. Our services are used by more than 5,000 customers, from SMEs to large companies, as well as municipalities and other public sector actors. Founded in 1985, the company is listed on the First North list of Nasdaq Helsinki.

Administer Group consists of payroll management service company Silta Oy, accounting company Administer, business service and employment expert Econia Oy and software company EmCe Solution Partner Oy. In addition, the Group includes other subsidiaries and associated companies.

www.administergroup.com

Attachments

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