

Administer Plc: The largest acquisition in Group history to accelerate future growth

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Administer Plc – Half-year Financial Review release 14 August 2025 at 8:30 EET

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

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

January-June 2025

Key figures

- Net sales were EUR 38.3 million (38.4), showing a decrease of 0.1%. Net sales level remained unchanged in the challenging market environment.
- EBITDA was EUR 3.6 million (3.6), or 9.4% (9.4%) of the net sales.
- Comparable EBITDA was EUR 3.8 million (3.6), or 9.9% (9.4%) of the net sales.
- Operating profit was EUR 0.6 million (0.6), or 1.7% (1.6%) of the net sales. The operating profit was weighed down by amortisation of goodwill from the acquisitions, amounting to EUR -2.1 million (-2.0) in total.

April-June 2025

Key figures

- Net sales were EUR 19.3 million (19.3), showing an increase of 0.0%.
- EBITDA was EUR 1.6 million (1.9), or 8.1% (9.6%) of the net sales.
- Comparable EBITDA was EUR 1.8 million (1.9), or 9.1% (9.6%) of the net sales.
- Operating profit was EUR 0.1 million (0.4), or 0.5% (1.9%) 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 events

- The company announced the largest acquisition in its history, measured in net sales, by agreeing on the acquisition of the financial, payroll, and software business of Sarastia’s municipal customers. The completion of the acquisition still requires the approval of the competition authority, and the acquisition is estimated to be confirmed in early autumn.
- During the review period, the company began preparing for the transition to IFRS accounting principles.

KEY FIGURES

EUR million unless otherwise stated	1-6/ 2025	1-6/ 2024	Change, %	4-6/ 2025	4-6/ 2024	Change, %	1-12/ 2024
Net sales	38.3	38.4	-0.1%	19.3	19.3	0.0%	74.7
EBITDA	3.6	3.6	0.1%	1.6	1.9	-15.7%	5.5
% of net sales	9.4%	9.4%		8.1%	9.6%		7.4%
Operating profit (EBITA) adjusted with amortisation of goodwill	2.7	2.6	3.0%	1.1	1.4	-17.2%	2.9
% of net sales	7.1%	6.9%		5.9%	7.1%		3.9%
Operating profit/loss	0.6	0.6	5.5%	0.1	0.4	-71.1%	-1.3
Profit/loss before appropriations and tax	0.3	0.6	-53.2%	-0.1	0.6		-1.9

Result adjusted with amortisation of goodwill	2.3	2.5	-10.1%	0.9	1.5	-39.8%	1.9
% of net sales	5.9%	6.6%		4.7%	7.9%		2.6%
Result for the financial period	0.2	0.5	-59.5%	-0.1	0.5		-2.3
Earnings per share (EPS)	0.01	0.04		-0.01	0.04		-0.16
Return on equity (ROE), %	-10.4%	-5.6%		-10.4%	-5.6%		-8.8%
Equity ratio, %	44.4%	46.4%		44.4%	46.4%		44.6%
Debt-to-equity ratio, %	49.0%	47.0%		49.0%	47.0%		47.2%
Personnel on average	1,037	1,070	-3.1%	1,058	1,088	-2.8%	1,046

CEO's review

Finland's economic growth has continued to be weak this year, which is still affected by the uncertain global market. In a challenging market situation, the Group's reported net sales level remained unchanged. Profitability improvement development slowed down in the second quarter compared to the corresponding period of the previous year due to higher costs, the loss-making of Kuntalaskenta, and increased credit losses. We estimate that the most difficult months for Kuntalaskenta are now behind us. We continue to pay attention to the continuous profitability improvement throughout the Group and have already initiated additional measures to ensure the continuity of the profitability improvement. This includes essentially, for example, balancing human resources with the prevailing market and workload situation.

In the second quarter, our net sales were EUR 19.3 million. Among our main business areas, EmCe, which provides software services, was able to increase its net sales, while in Econia and Silta, net sales decreased slightly. The decrease in the net sales of the accounting firm business levelled off in the second quarter compared to the early part of the year, and the net sales were at a similar level as in the previous year. The integration of Kuntalaskenta into the Group increased net sales slightly. In January-June, our net sales were EUR 38.3 million.

In the second quarter, our comparable EBITDA was EUR 1.8 million and reported EBITDA was EUR 1.6 million. In the first half-year, our comparable EBITDA was EUR 3.8 million and reported EBITDA was EUR 3.6 million. Reported EBITDA was weighed down by non-recurring expenses related to preparation for the transition to IFRS accounting principles and the Group's 40th anniversary year.

In our strategy for 2024-2026, we determined the public sector as an important growth area for us, and the investments are beginning to show results. The most significant event of the review period was related to the strengthening of public sector services. We announced the most significant business transaction in the Group's history, measured in net sales, by agreeing to acquire the financial, payroll, and software business of Sarastia's municipal customers. The completion of the acquisition still requires the approval of the competition authority, and we estimate the acquisition will be confirmed in early autumn. Net sales to be transferred is approximately EUR 35 million, and the number of personnel is approximately 350. The most significant portion of the net sales comes from municipalities' financial and payroll services, and the business is also supported by the sales of software services. The clientele includes more than 100 cities and municipalities, ranging from large to small ones. The acquisition significantly strengthens the Group's long-term competitiveness. With the acquisition, the Administer Group will become the leading service provider in the municipal sector in financial, payroll, and software services.

Business area review

The net sales of Silta, which offers payroll and HR services, declined by 1.4% and were EUR 13.1 million in January-June. In April-June, the net sales declined by 3.6% and were EUR 6.5 million. System expertise was deepened in accordance with the strategy, and the sales pipeline remained good. In terms of artificial intelligence, we have both a medium-term strategy for utilizing artificial intelligence in business and a concrete development project in which artificial intelligence is used to reduce manual work, ensure quality, and improve efficiency.

The net sales of Econia, which offers HR services and staffing, international services, as well as domestic financial management services, declined by 8.9% and were EUR 10.4 million in January-June. In April-June, the net sales declined by 9.3% and were EUR 5.4 million. The net sales of domestic staffing have started to grow slightly, but due to the prolonged economic downturn in Finland, the demand for international staffing services still remains at a moderate level. Sales of expert services aimed at preventing grey economy continued more actively than in the previous year. The business initiated intensified adjustment measures due to the long-standing challenging market situation.

The net sales of Administer's accounting firm business declined by 2.5% and were EUR 9.2 million in January-June. In April-June, net sales were at a similar level as in the corresponding period of the previous year and were EUR 4.6 million. The decline in net sales was slightly reversed at the early part of the year. The business made investments in the development of customer experience and the integration of acquisition targets. The NPS figure, describing the customer experience, developed positively. A significant number of new integrations were made to the eFina system, enabling the transfer of information from customers' own systems directly to eFina. The business carried out profitability adjustment measures concerning personnel, the results of which will have an impact starting from the last quarter of 2025.

The net sales of EmCe, which provides software services, increased by 2.2% and were EUR 4.1 million in January-June. In April-June, the net sales increased by 5.0% and were EUR 2.0 million. The market for the sales of Microsoft Business Central software remains moderate in terms of investments. Collective work in utilizing group synergies continued strongly.

During the current year, we have been preparing for the adoption of IFRS accounting principles, and the related decisions will be made by the end of 2025. A possible Group transition to IFRS would occur during 2026.

The proposal to amend the Act on Public Procurement and Concession Contracts, which has attracted significant public debate, will be submitted before Parliament in the autumn. We see the stated goals as important for improving the competitive field and making tendering processes more efficient. We warmly support the creation of an operating environment that genuinely enables all companies to participate in public tendering processes. The Group already had a large number of public sector customers before the announced Sarastia deal, and we see significant growth opportunities in this sector.

We expect the market situation to remain unchanged for the rest of the year, but we will continue to focus on improving the profitability of our businesses regardless of the economic cycle.

Kimmo Herranen
CEO

Outlook (unchanged)

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.

Risks and near-term uncertainties

Interruptions or disturbances in Administer's IT, network, or communication systems may lead to unforeseen costs and malfunctions and be detrimental to the business operations of the company or its customers. Data security breaches targeted at IT systems and data links, or other data security breaches, may be detrimental to Administer or its customers and negatively impact Administer's business.

Administer's field of business is competitive, and the competition is fragmented, which may have a negative impact on the company's operations if Administer is unable to respond to competitor pricing or service quality or fails to develop new products or services.

Corporate acquisitions are an important part of the company's growth strategy. Administer may fail in integrating corporate acquisitions or finding new acquisition targets or an acquisition may fail.

Administer's brand and reputation are important competitive advantages, and reputation damage might have negative impacts on Administer's business and market position.

There are uncertainties relating to Finland's economic development this year as economic growth is expected to remain slow. The prolonged economic slump may also have negative impacts on Administer's net sales and result through customer companies.

The acceleration of inflation in Finland may also be reflected in wages and, together with personnel turnover, increase Administer's expenses and weaken profitability if the company is not able to transfer the increased expenses into the prices of the services it produces. The acceleration of inflation may also increase interest rates and thereby impact the price of external funding of Administer.

The company may not succeed in acquiring funding with competitive terms or at all, and its financing expenses may increase. Also, breaching the covenants included in the credit agreements of the company and its Group companies may complicate the availability of funding for the company, increase the company's financial expenses, or lead to premature.

More information

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Webinar

CEO Kimmo Herranen and CFO Kalle Lehtonen will present the result in a webinar on 14 August 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/q2-2025>.

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

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](#)
- [Administer Group Half Year Financial Review 14082025 EN.pdf](#)