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ADMINISTER GROUP

BUSINESS REVIEW JANUARY–SEPTEMBER 2025

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ADMINISTER GROUP

Administer Plc: Business review January–September 2025

Administer Plc: Profitability improvement continues

The information in the review has been prepared in accordance with Finnish Accounting Standards (FAS). The figures are unaudited. Figures in parentheses refer to the comparison period in the previous year, unless otherwise stated.

Key figures

January–September 2025

- Net sales were EUR 55.4 million (56.0).
- EBITDA was EUR 4.3 million (4.6), or 7.7% (8.2%) of the net sales.
- Comparable EBITDA was EUR 4.5 million (4.6), or 8.1% (8.2%) of the net sales.
- Operating profit was EUR -0.1 million (0.1), or -0.2% (0.2%) of the net sales. The operating profit was weighed down by amortisation of goodwill from the acquisitions, amounting to EUR -3.1 million (-3.0) in total.

July–September 2025

- Net sales were EUR 17.0 million (17.6).
- EBITDA was EUR 0.7 million (1.0), or 4.0% (5.8%) of the net sales.
- Comparable EBITDA was EUR 0.7 million (1.0), or 4.2% (5.8%) of the net sales.
- Operating profit was EUR -0.8 million (-0.5), or -4.5% (-2.8%) 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	1–9/ 2025	1–9/ 2024	Change, %	7–9/ 2025	7–9/ 2024	Change, %	1–12/ 2024
Net sales	55.4	56.0	-1.1%	17.0	17.6	-3.3%	74.7
EBITDA	4.3	4.6	-7.1%	0.7	1.0	-32.8%	5.5
% of net sales	7.7%	8.2%		4.0%	5.8%		7.4%
Operating profit (EBITA) adjusted with amortisation of goodwill	3.0	3.2	-6.5%	0.2	0.5	-53.5%	2.9
% of net sales	5.3%	5.7%		1.5%	3.0%		3.9%
Operating profit/loss	-0.1	0.1		-0.8	-0.5		-1.3
Profit/loss before appropriations and tax	-0.7	-0.1		-1.0	-0.7		--1.9
Result adjusted with amortisation of goodwill	2.0	2.5	-20.2%	-0.3	-0.0		1.9
% of net sales	3.6%	4.5%		-1.6%	-0.2%		2.6%
Result for the financial period	-1.1	-0.5		-1.3	-1.0		-2.3
Earnings per share (EPS)	-0.07	-0.04		-0.09	-0.07		-0.16
Return on equity (ROE), %	-11.4%	-4.7%		-11.4%	-4.7%		-8.8%
Equity ratio, %	47.3%	45.1%		47.3%	45.1%		44.6%
Debt-to-equity ratio, %	47.4%	51.4%		47.4%	51.4%		47.2%
Personnel on average	1,029	1,051	-2.1%	1,014	1,069	-5.1%	1,046

CEO's review

Finland's economic situation has remained weak. In January–September, the Group's net sales remained at the previous year's level in a challenging market environment and were EUR 55.4 million. EBITDA declined slightly and was EUR 4.3 million. Comparable EBITDA was EUR 4.5 million. Comparable EBITDA includes non-recurring expenses related to preparation for the transition to IFRS accounting principles and the Group's 40th anniversary year.

Contrary to our expectations, net sales declined in the third quarter, and we were unable to adjust the cost structure at the same pace. Our net sales in the third quarter were EUR 17.0 million, declining slightly compared to the corresponding period last year. Net sales declined across all main businesses; net sales in the accounting firm business remained almost unchanged, while the most substantial decline in net sales was again in Econia.

In the third quarter, our EBITDA was EUR 0.7 million. Compared to the corresponding period last year, EBITDA declined due to a stronger-than-anticipated decline in net sales, which we were unable to offset with the same pace in cost structure adjustments. July is a holiday month, and seasonal variation is reflected in both net sales and profit. Our view is that profitability will improve again in the fourth quarter. To improve profitability, we have continued to implement measures to adjust human resources across the Group and

reduce fixed costs. The profitability improvements from these measures will be reflected in the following quarters.

Business area review

The net sales of Silta, which offers payroll and HR services, declined by 2.7% and were EUR 18.9 million in January–September. In July–September, the net sales declined by 5.3% and were EUR 5.8 million. The decline in net sales is due to the decrease in expert rental services as well as customer drain. The sales pipeline has strengthened, and the proposal to amend the Act on Public Procurement and Concession Contracts, which will soon be discussed in Parliament, is reflected in the public sector's activity and requests for tender. The first phase of the AI strategy was completed, with various tools and pilots already tested with AI.

The net sales of Econia, which offers HR services and staffing, international services, as well as domestic financial management services, declined by 9.2% and were EUR 15.0 million in January–September. In July–September, the net sales declined by 9.9% and were EUR 4.6 million. The decline in net sales is mainly due to the staffing services. Good momentum continued in the sales of compliance services aimed at preventing grey economy, as well as in international financial management services.

The net sales of Administer's accounting firm business declined by 2.1% and were EUR 13.4 million in January–September. In July–September, the net sales declined by 1.3% and were EUR 4.2 million. We continued the strengthening of regional operations with a new, small acquisition in Lahti, as the region of Päijät-Häme is seen as an economic zone with potential. We succeeded in cross-selling the Group's services by offering customers financial management outsourcing services alongside software services. Development work aimed at improving the customer experience continued systematically. The positive development of the NPS figure, which measures customer satisfaction, is reflected in improved customer retention. We made reforms for both the mobile application and the browser-based system of the eFina financial management system.

The net sales of EmCe, which provides software services, declined by 0.8% and were EUR 5.7 million in January–September. In July–September, the net sales declined by 7.6% and were EUR 1.6 million. Net sales declined in both our own software sales and Microsoft Business Central software sales. The acquisition of new customers was particularly successful in the accounting firm business, with its own EmCe Professional service product. We are mapping the use of AI across our own software development work and as part of the software itself.

In line with our strategy, our goal is profitable growth. This year, we have announced two major acquisitions to acquire the business of Sarastia's public sector customers. During the review period, the focus was on planning the acquisition process and communicating with the competition authority. The transactions still require the approval of the competition authority. The significance of these acquisitions for the Group's growth will be considerable, as taking into account Sarastia's outlook for 2025, the net sales growth would have been approximately 80%. Our view is that the integration of Sarastia into the Group will also significantly improve our profitability in the coming years.

In our strategy, we have defined competence development as one focus area. This year, a record number of Group's payroll experts participated in the PHT-degree exam, and we received 14 new PHT experts. Our goal is that 10% of the Group's permanent personnel working in Finland have completed either the KLT-degree or the PHT-degree. We believe this is reflected directly in customer benefits, thereby improving both customer satisfaction and profitability.

We continue to prepare for the adoption of IFRS accounting principles and aim to make related decisions by the end of 2025. A possible Group transition to IFRS would occur during 2026.

We estimate that, as a result of measures already taken, profitability improvement will strengthen in the fourth quarter, and I am confident that we will achieve the targets we have set for this year. Our customers' payroll data show that transaction volumes are at the same level as last year, which leads me to be optimistic about the development of the Finnish economy and to believe we can expect a positive outlook also in terms of macroeconomic development.

Kimmo Herranen
CEO

The Group's financial development in January–September 2025

In January–September, the Group's net sales were EUR 55.4 million (56.0). Net sales were in line with the comparison period in the challenging market environment.

In January–September, EBITDA was EUR 4.3 million (4.6), or 7.7% (8.2%) of the net sales. EBITDA declined by 7.1%. Comparable EBITDA was EUR 4.5 million (4.6), or 8.1% (8.2%) of the net sales. Comparable EBITDA includes non-recurring expenses related to preparation for the transition to IFRS accounting principles and the Group's 40th anniversary year.

The Group's financial development in July–September 2025

In July–September, the Group's net sales were EUR 17.0 million (17.6). Net sales declined slightly in the challenging market environment.

In July–September, EBITDA was EUR 0.7 million (1.0), or 4.0% (5.8%) of the net sales. EBITDA declined by 32.8%. Profitability measures have been implemented across various Group companies to ensure profitability improvement. Comparable EBITDA was EUR 0.7 million (1.0), or 4.2% (5.8%) of the net sales.

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.

Administer will further specify its outlook if the previously announced business acquisitions of Sarastia are completed.

Long-term financial targets

On 4 November 2025, Administer cancelled its long-term financial targets announced on 6 March 2024. The company will publish new financial targets during 2026.

Significant events in the review period

There were no significant events during the review period.

Significant events after the review period

Administer and Numera Palvelut signed an agreement on the acquisition of the financial and payroll services business of Sarastia's wellbeing services county customers

Administer and Numera Palvelut signed a letter of intent to acquire the financial and payroll services business of Sarastia's wellbeing services county customers on 16 October 2025. The transaction still requires the approval of the general meetings of both parties and the permission of the competition authority. In June 2025, the company announced the first business acquisition with Numera, concerning the financial, payroll, and software services business of Sarastia's municipal customers. The transaction is still pending the approval of the competition authority. The signed letter of intent for the new business acquisition complements the previous acquisition. The aim is to carry out the transfer of the municipal and wellbeing services counties' business to the buyer at the same time.



The value of the net sales to be transferred is approximately EUR 23 million, and the number of personnel is approximately 140. In total, the value of the net sales to be transferred from both acquisition targets is approximately EUR 58 million, and the number of personnel is approximately 490.

Administer Plc
Board of Directors

More information

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Webinar

CEO Kimmo Herranen and CFO Kalle Lehtonen will present the results in a webinar on 5 November 2025 at 11:00 a.m. EET. Questions can be sent during the event via the chat function.

You can join the webinar at <https://administer.events.inderes.com/q3-2025>.

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