



# BUSINESS REVIEW

## JANUARY–MARCH 2024

Administer Plc: Business review 1 January–31 March 2024

## **Administer Plc: THE PROFITABILITY PROGRAMME MEASURES ARE IMPLEMENTED, EBITDA INCREASED BY 56%**

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

### **January–March 2024**

#### **Key figures**

- Net sales EUR 19.0 million (19.6), showing a decrease of –3.1%. The decrease in the Group’s net sales is caused particularly by the cyclical fluctuations in staffing.
- EBITDA EUR 1.7 million (1.1), or 9.1% (5.7%) of the net sales. The implementation of our profitability programme is reflected in increasing profitability: EBITDA increased by 56%.
- Operating profit EUR 0.2 million (–0.3), or 1.3% (–1.4%) 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 continued its profitability programme, started in August 2023, which focuses on improving long-term financial results and profitability.
- In March 2024, the company published its revised strategy. The strategy is based on profitable growth and efficient use of business synergies, both in customer interface and in internal processes.
- In January 2024, the company acquired the accounting business of Pohjanmaan Laskenta Oy, operating in the Vaasa region. The acquisition strengthens Administer’s operations in the Vaasa region, where the company already has its own office.

**KEY FIGURES**

<b>EUR million unless otherwise stated</b>	<b>1-3/ 2024</b>	<b>1-3/ 2023</b>	<b>Change, %</b>	<b>1-12/ 2023</b>
Net sales	19.0	19.6	-3.1%	75.9
EBITDA	1.7	1.1	+56.0%	2.8
% of net sales	9.1%	5.7%		3.8%
Operating profit (EBITA) adjusted with amortisation of goodwill	1.3	0.7	+76.5%	1.0
% of net sales	6.6%	3.6%		1.3%
Operating profit/loss	0.2	-0.3		-3.0
Profit/loss before appropriations and tax	0.0	-0.4		-3.9
Result adjusted with amortisation of goodwill	1.0	0.4	+136.9%	0.1
% of net sales	5.3%	2.2%		0.1%
Earnings per share (EPS)	-0.00	-0.04		-0.27
Return on equity (ROE), %	-12.1%	-4.1%		-14.1%
Equity ratio, %	45.1%	49.0%		44.0%
Debt-to-equity ratio, %	53.6%	47.6%		53.6%
Personnel on average	1,029	1,073	-4.1%	1,110

## CEO's review

The first quarter of the year 2024 was realised almost as planned. Our net sales decreased 3.1%, amounting to EUR 19.0 million (EUR 19.6 million). Due to staffing, the Group's net sales are more affected by fluctuations in economic cycles than before. A significant share of staffing services provided by Econia is focused on primary production, with the busiest operating period being in the second and third quarters of the year. Our profitability programme is clearly reflected in the improved EBITDA, which amounted to EUR 1.7 million, or 9.1% of net sales (EUR 1.1 million, or 5.7%).

In March 2024, we published the revised Group strategy. It is based on profitable growth and efficient use of business synergies, both in customer interface and in internal processes. The strategy clarifies our operations as a group, providing a framework for both growth and operative development. We have four strong primary brands: Silta Oy, Econia Oy, accounting firm Administer, and EmCe Solution Partner Oy. The versatile offering of these companies creates a unique whole, where different services support one another. We are implementing our strategy in all business operations.

During the review period, the net sales of Silta, which offers payroll and HR services, grew 3.5%, amounting to EUR 6.5 million (EUR 6.3 million). In sales, we succeeded in acquiring new clients and the commissioning of these projects will start later this spring. In staffing, we succeeded in strengthening the business and expanding to payroll experts. In line with the new strategy, the business will continue to invest in maintaining growth and improving the customer experience.

The development of the net sales of Econia, which provides HR services and staffing, international expert services, and domestic financial management services, was significantly affected by the general economic uncertainty, including strikes, and seasonal fluctuations in staffing in particular. The company's net sales decreased by 14.8%, amounting to EUR 5.4 million (EUR 6.4 million). We estimate the net sales to grow in the second and third quarters of 2024. With the acquisition we made in 2023 relating to Compliance services, we expanded our service model for preventing a grey economy, which is reflected in the stronger and more international offer base. The strategic goal of the business is profitable growth and continuous development of expertise.

The net sales of Administer's accounting firm business grew by 5.5%, amounting to EUR 4.9 million (EUR 4.5 million). Early in the year, the accounting firm business was successful in public tendering, one example being the new framework agreement with the City of Espoo. In our own software development, eFina underwent a significant automation reform, based on artificial intelligence, to account for purchase invoices. Increasing the degree of automation remains central in the future. The strategic focus of the business is on customer satisfaction and developing the personnel's expertise.

The net sales of EmCe, which provides software services, remained unchanged, amounting to EUR 2.1 million (EUR 2.1 million). Early in the year, we were successful in sales, and the company acquired significant new clients. Additional sales to existing clients were also successful during the review period. The expansion in the use of EmCe software within the Group has progressed well. The business has continued the development of the degree of automation and usability of our own software.

In the current market situation, we can be satisfied with the development of profitability and the level of net sales. The measures taken in the autumn of 2023 are now positively reflected in profitability, and the new strategy gives us a good basis to continue developing our business in line with our targets. Regardless of future developments in the Finnish economy, our goal remains to be a growth company.

Kimmo Herranen  
CEO

## Outlook

Administer seeks to continue growth investments as well as organic and inorganic growth in 2024. Administer estimates that its net sales will be EUR 76–81 million and its EBITDA margin will be 6–9% in 2024.

## Significant events after the review period

No matters have transpired after the review period that would impact the figures presented in the business review.

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 8 May 2024 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.videosync.fi/q1-2024-results>



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