ADMINISTER GROUP

FINANCIAL STATEMENTS RELEASE 2024

ADMINISTER GROUP

Administer Plc: Financial statements release 1 January–31 December 2024

Administer Plc: Profitability improved significantly, EBITDA increased by 93%

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

October–December 2024

Key figures

- Net sales were EUR 18.7 million (18.3), showing an increase of 2.2%. Among the Group companies, the net sales grew in Silta. In addition, the net sales were affected by the consolidation of Kuntalaskenta's figures with the Group's figures as of 1 September 2024.
- EBITDA was EUR 0.9 million (0.8), or 4.7% (4.5%) of the net sales. EBITDA improved by 6.6%.
- Operating profit was EUR -1.4 million (-0.7), or -7.7% (-3.7%) of the net sales. The operating profit was weighed down by amortisation of goodwill from the acquisitions, amounting to EUR -1.2 million (-1.0) in total, as well as non-recurring impairments of EUR -0.6 million.

January–December 2024

Key figures

- Net sales were EUR 74.7 million (75.9), showing a decrease of 1.6%. Due to staffing, the Group's net sales are more affected by fluctuations in economic cycles than before.
- EBITDA was EUR 5.5 million (2.8), or 7.4% (3.8%) of the net sales. EBITDA improved by 93.1%. The company's profitability programme is clearly reflected in the improved EBITDA.
- Operating profit was EUR -1.3 million (-3.0), or -1.8% (-3.9%) of the net sales. The operating profit was weighed down by amortisation of goodwill from the acquisitions, amounting to EUR -4.2 million (-4.0) in total, as well as non-recurring impairments of EUR -0.6 million.

Key events in 2024

- In March 2024, the company published its revised strategy. The strategy is based on profitable growth and efficient use of business synergies, both in the customer interface and in internal processes.
- The improvement in profitability shows that the company managed to realise a significant and permanent turnaround in profitability development.
- The company acquired the majority of shares in Kuntalaskenta Oy. Kuntalaskenta's figures have been included in the Group's figures as a subsidiary as of 1 September 2024. The ownership arrangement strengthens the Group's opportunities to operate as a service provider for the public sector.
- The company completed small acquisitions in its accounting firm business and housing management services.

KEY FIGURES

EUR million unless otherwise stated	10–12/ 2024	10–12/ 2023	Change, %	1–12/ 2024	1–12/ 2023	Change, %
Net sales	18.7	18.3	+2.2%	74.7	75.9	-1,6%
EBITDA	0.9	0.8	+6.6%	5.5	2.8	+93.1%
% of net sales	4.7%	4.5%		7.4%	3.8%	
Operating profit (EBITA) adjusted with amortisation of goodwill	-0.2	0.3	-178.8%	2.9	1.0	+191.6%
% of net sales	-1.3%	1.7%		3.9%	1.3%	
Operating profit/loss	-1.4	-0.7		-1.3%	-3.0	
Profit/loss before appropriations and tax	-1.7	-1.1		-1.9	-3.9	
Result adjusted with amortisation of goodwill	-0.6	0.3	-321.4%	1.9	0.1	+2,662.1%
% of net sales	-3.0%	1.4%		2.6%	0.1%	
Earnings per share (EPS)	-0.12	-0.05		-0.16	-0.27	
Return on equity (ROE), %	-8.8%	-14.1%		-8.8%	-14.1%	
Equity ratio, %	44.6%	44.0%		44.6%	44.0%	
Debt-to-equity ratio, %	47.2%	53.6%		47.2%	53.6%	
Personnel on average	1,032	1,038	-0.1%	1,046	1,087	-3.8%

CEO's review

The year 2024 was momentous for Administer Group. We achieved the best EBITDA in euros in the Group's history, supported by our profitability programme and the new strategy announced at the beginning of 2024. I consider this a significant achievement, given the weak economic development in Finland. The improved profitability was reflected in almost all of our businesses.

Our net sales decreased slightly, which I cannot be completely satisfied with. The development of Finland's economy has been weaker than anticipated. This has been reflected in our business operations, especially in staffing services, where the volume of demand in the industry has suffered a steep decline. Although financial and payroll services are quite stable in nature, economic activity, or the number of pay cheques and vouchers, is directly reflected in our operations since we ultimately depend on the economic activity of our customers. In a recession, the market and the competition will always tighten, and the strongest will perform best.

At the start of the year, we rapidly set out to advance our revised strategy, which will help us find stronger synergies both in the customer interface and in internal organisation and operations. Unlike previous years, our focus was on profitability rather than growth.

We focused more strongly on creating added value for customers, for example, by harmonising the model for customer relationship management throughout the Group. Only by focusing on solving problems and ensuring the success of our customers can we be more successful in the long run. The Group invests in customer experience as well as develops and standardises ways to measure it across all our business operations. We are building a group-level model for customer relationship management to pursue synergies and growth opportunities, laying the foundation for a good customer experience.

The Group's financial development in October–December 2024

In October–December, the Group's net sales were EUR 18.7 million (18.3), showing an increase of 2.2%. Among the Group companies, the net sales grew in Silta. In addition, the net sales were affected by the consolidation of Kuntalaskenta's figures with the Group's figures as of 1 September 2024.

In October–December, EBITDA was EUR 0.9 million (0.8), or 4.7% (4.5%) of the net sales. EBITDA improved by 6.6%.

The Group's financial development in January–December 2024

In January–December, the Group's net sales were EUR 74.7 million (75.9), showing a decrease of 1.6%. Due to staffing, the Group's net sales are more affected by fluctuations in economic cycles than before.

In January–December, EBITDA was EUR 5.5 million (2.8), or 7.4% (3.8%) of the net sales. EBITDA improved by 93.1%. The company's profitability programme is clearly reflected in the improved EBITDA.

Business area review

The net sales of Silta, which offers payroll and HR services, grew by 2.6% and were EUR 25.8 million in the operating year. In October–December, the net sales increased by 3.4% and were EUR 6.5 million. The sales pipeline developed positively particularly in the latter part of the year. The expert rental services we launched during the year have started well, and we will continue to invest in this activity, as well as in the public sector service market. We are studying the possibilities of utilising AI to help making processes more efficient and ensuring quality, among other things.

The net sales of Econia, which offers HR services and staffing, international services, as well as domestic financial management services, declined by 9.3% to EUR 21.6 million in the operating year. In October–December, the net sales declined by 8.5% and were EUR 5.1 million. The generally weak economic climate in Finland was reflected in Econia's operations, most significantly in staffing. Our sales of grey economy prevention services picked up notably in the latter part of the year, with customers representing domestic and international industrial companies as well as public administration. Domestic financial management services continued to grow steadily.

The net sales of Administer’s accounting firm business grew by 0.2% and were EUR 18.1 million in the operating year. In October–December, the net sales declined by 1.5% and were EUR 4.4 million. The productisation and sales of additional services to our current customers progressed well, with tailored reporting services as a successful example. We will focus strongly on our major financial management customers and provide services together with the Microsoft Business Central ERP system represented by EmCe in particular. We continued the automation of operations and the utilisation of AI in the eFina system, which has made our operations significantly more efficient. Both the eFina system and the mobile app received several new updates and features.

The net sales of EmCe, which provides software services, decreased by 2.0% to EUR 7.8 million in the operating year. In October–December, the net sales remained unchanged compared to the corresponding period of the previous year at EUR 2.0 million. Sales of Business Central, an ERP system for medium-sized and large customers, were active during the operating year. It is notable that we saw synergies with the Group's different business units in several transactions, reflecting success in cross-selling. The EmCe product family was developed in terms of payroll processes, and the end-user experience was improved. EmCe's software development expertise, as well as the software itself, is also increasingly utilised at the Group level.

At the end of the year, we clarified our brand portfolio by merging Adner, which provides financial management outsourcing services, into the parent company Administer. In addition, I would like to highlight the acquisition of the majority of Kuntalaskenta’s shares and the stabilisation of its operations as a strategic choice and a major success. The transition to quarterly reporting at the beginning of 2024 has provided our shareholders and other stakeholders with more up-to-date information. It has also better illustrated the seasonal fluctuations in our business.

Last year's improvement in profitability was significant, but we are still aiming for better. In 2025, we will concentrate on profitability, continuous clarification of our focus, responsibility, and determined implementation of our strategy. Digitalisation is already under way in the industry, and this trend is certainly not going to slow down. AI has also become a part of everyday life, replacing an increasingly large portion of the previously manual work of our accountants, among other things. In addition, I believe the accounting industry will continue to consolidate. The year 2025 is also an anniversary for our Group, as 40 years have passed since the establishment of the parent company Administer.

I wish to sincerely thank all our stakeholders for their good cooperation. I would like to express my special thanks to our customers and our personnel – we would not be able to achieve our goals without you.

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.

Market environment

Administer operates in the market for services and software for financial and payroll management, as well as HR, staffing, and other professional services supporting the business of companies. Although our market, excluding staffing, is very defensive by nature, economic changes impact the Finnish corporate landscape in general and thereby also the customers of our industries. The market situation remains challenging. Rising prices and interest rates have reduced investments and household consumption, which has contributed to the negative impact on the company's business. The general expectation is that the Finnish economy will turn to growth in the next few years. However, fiscal savings and tax increases will slow the growth in demand and raise prices in early 2025. The company's Board of Directors and management monitor the development of market situation and update their estimate of its impact on the company's business on a regular basis.

Net sales and profitability

October–December 2024

Net sales increased by 2.2% compared to the corresponding period in the previous year and were EUR 18.7 million (18.3). Among the Group companies, the net sales grew in Silta. In addition, the net sales were affected by the consolidation of Kuntalaskenta's figures with the Group's figures as of 1 September 2024.

Personnel expenses were EUR 13.2 million (13.6), making up 70.6% (74.0%) of the net sales.

EBITDA was EUR 0.9 million (0.8), or 4.7% (4.5%) of the net sales. EBITDA improved by 6.6%.

Operating profit adjusted with amortisation of goodwill (EBITA) was EUR -0.2 million (0.3), making up -1.3% (1.7%) of the net sales.

Operating profit was EUR -1.4 million (-0.7), or -7.7% (-3.7%) of the net sales. The operating profit was weighed down by amortisation of goodwill from the acquisitions, amounting to EUR –1.2 million (–1.0) in total. In addition, non-recurring impairments on goodwill amounted to EUR 0.5 million and on apartments to EUR 0.1 million.

Result before appropriations and tax was EUR -1.7 million (1.1) and result for the financial period was EUR -1.8 million (-0.7). Earnings per share (EPS) were EUR -0.12 (-0.05).

January–December 2024

Net sales decreased by 1.6% compared to the previous year and were EUR 74.7 million (75.9). Due to staffing, the Group's net sales are more affected by fluctuations in economic cycles than before.

Personnel expenses were EUR 52.1 million (55.4), making up 69.8% (73.0%) of the net sales.

EBITDA was EUR 5.5 million (2.8), or 7.4% (3.8%) of the net sales. The company's profitability programme is clearly reflected in the improved EBITDA.

Operating profit adjusted with amortisation of goodwill (EBITA) was EUR 2.9 million (1.0), making up 3.9% (1.3%) of the net sales.

Operating profit was EUR -1.3 million (-3.0), or -1.8% (-3.9%) of the net sales. The operating profit was weighed down by amortisation of goodwill from the acquisitions, amounting to EUR 4.2 million (4.0) in total. In addition, non-recurring impairments on goodwill amounted to EUR 0.5 million and on apartments to EUR 0.1 million.

Loss before appropriations and tax was EUR -1,9 million (-3,9) and loss for the financial period was EUR -2.3 million (-3.9). Earnings per share (EPS) were EUR -0.16 (-0.27).

Cash flow and financing

Cash flow

In July–December 2024, cash flow from operations was EUR 2.2 million (3.1). Cash flow from investments was EUR -1.3 million (-2.7) and cash flow from financing EUR -1.3 million (-0.5).

In January–December 2024, cash flow from operations was EUR 3.6 million (5.4). Cash flow from investments was EUR -2.1 million (-4.1) and cash flow from financing EUR -2.4 million (-2.4). The change in cash and cash equivalents during the financial period was EUR -0.9 million (-1.2).

Financing

Interest-bearing debt decreased during the review period and was EUR 11.9 million on 31 December 2024 (30 June 2024: EUR 13.2 million and 31 December 2023: EUR 14.8 million). Debt-to-equity ratio was 47.2% (30 June 2024: 47.3% and 31 December 2023: 53.6%).

The Group's liquidity has remained fairly good. Administer's cash and cash equivalents on 31 December 2024 totalled EUR 2.4 million (3.3). On 31 December 2024, the total amount of external financing agreed upon by Administer was EUR 16.5 million, of which drawn loans totalled EUR 11.9 million and undrawn loans totalled EUR 4.6 million. The drawn amount consists mainly of bank loans totalling EUR 11.9 million.

Bank loans include covenants, which are reviewed twice a year. On 31 December 2024, the covenants were fulfilled.

Equity was EUR 25.3 million on 31 December 2024 (30 June 2024: 28.1 and 31 December 2023: 27.5) and equity ratio was 44.6% (30 June 2024: 46.4% and 31 December 2023: 44.0%). No dividend was paid for the financial period 1 January–31 December 2023.

Personnel

The Group employed on average 1,032 people (1,038) in October–December 2024 and 1,046 (1,087) in January–December 2024.

Changes in Management Team

There were no changes in the Group Management Team during the review period.

The Group Management Team as of 31 December 2024:

Name	Area of responsibility
Kimmo Herranen	CEO
Peter Aho	Administer, Financial Management Services
Markus Backlund	EmCe Solution Partner Oy
Toni Leppänen	Silta Oy
Arttu Eräpalo	Econia Oy
Mikko Vahtera	Consultancy Services
Kalle Lehtonen	Finances
Paula Niemi	Personnel

Governance

Annual General Meeting

The 2024 Annual General Meeting of Administer Plc was held in Helsinki on 10 April 2024. The Annual General Meeting adopted the financial statements for the financial year 2023 and discharged the members of the Board of Directors and the CEO from liability.

The Annual General Meeting resolved in accordance with the proposal of the Board of Directors that no dividend is paid for the financial period ended on 31 December 2023.

Composition of the Board of Directors

The number of the members of the Board of Directors was confirmed to be six (6). Jukka-Pekka Joensuu, Peter Aho, Risto Koivula, Milja Saksi, Leena Siirala and Minna Vanhala-Harmanen were re-elected as Board members.

The company's Board of Directors held its organising meeting after the Annual General Meeting on 10 April 2024. In the organising meeting, the Board of Directors elected the Chair of the Board. Jukka-Pekka Joensuu was elected as the Chair of the Board of Directors. In addition, the Board of Directors elected Leena Siirala as the Chair and Jukka-Pekka Joensuu and Risto Koivula as members of the Company's Audit Committee.

The Board of Directors as of 10 April 2024:

Name	Function in the Board	Nationality	Year of birth	Year of appointment to the Board
Jukka-Pekka Joensuu	Chair	Finnish	1966	2016
Peter Aho	member	Finnish	1970	1994
Risto Koivula	member	Finnish	1968	2021
Milja Saksi	member	Finnish	1976	2023
Leena Siirala	member	Finnish	1960	2023
Minna Vanhala-Harmanen	member	Finnish	1968	2022

The annual remuneration of the Chair and members of the Board of Directors remain unchanged and therefore the Chair of the Board shall be paid an annual remuneration of EUR 50,000 and other members of the Board shall each be paid an annual remuneration of EUR 25,000. Additionally, should the Board of Directors elect a Deputy Chair, the Deputy Chair's annual remuneration shall be EUR 35,000. If a Board member resigns during their term of office, the remuneration will be paid in proportion to the term of office actually taken place.

Election of the Auditor

Ernst & Young Oy, authorised public accountants, was re-elected as the company's auditor for a term ending at the close of the next Annual General Meeting. Ernst & Young Oy has announced that it will appoint Johanna Winqvist-Ilkka, APA, as the auditor with principal responsibility.

The auditor's fees will be paid against the auditor's reasonable invoice approved by the company.

Authorising the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of the company's own shares

In accordance with the Board of Directors' proposal, the Board of Directors was authorised to decide on the repurchase and/or on the acceptance as pledge of a maximum of 1,435,414 of the company's own shares. The proposed number of shares corresponds to approximately ten (10) per cent of all shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorisation.

Own shares can be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. The Board of Directors decides how own shares will be repurchased and/or accepted as pledge. Shares can be repurchased using, among other things, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the existing shareholders (directed repurchase).

The authorisation allows the repurchase and/or the acceptance as pledge of shares in order to, among other things, develop the company's capital structure, to finance or implement eventual acquisitions, investments or other arrangements that are part of the business, or to be used in the company's incentive or reward systems.

The authorisation is effective until the end of the next Annual General Meeting; however, no longer than until 30 June 2025.

Authorising the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares

The Board of Directors was authorised to decide on the issuance of shares and other special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act. The authorisation covers a maximum of 1,435,414 shares, which corresponds to approximately ten (10) per cent of all shares in the company.

The Board of Directors decides on all terms of the issuance of shares and of special rights entitling to shares.

The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

The authorisation is effective until the end of the next Annual General Meeting; however, no longer than until 30 June 2025.

Shareholders' Nomination Board

Members of the Shareholders' Nomination Board

The members of Administer's Shareholders' Nomination Board were appointed on 27 September 2024. The Nomination Board has four (4) members, of whom the company's four (4) largest shareholders are each entitled to nominate one (1) member. In addition, the Chair of the Board of Directors participates in the work of the Nomination Board as an expert member.

The members of the Nomination Board are:

- Peter Aho (appointed by Peter Aho)
- Rolf Backlund (appointed by Sijoitus Oy MC Invest Ab)
- Karoliina Lindroos (appointed by Ilmarinen Mutual Pension Insurance Company)
- Hanna Vainio (appointed by Varma Mutual Pension Insurance Company)

The Nomination Board also includes Jukka-Pekka Joensuu, Chair of the Board of Directors in Administer Plc, as an expert member. In the organising meeting, Peter Aho was elected as the Chair of the Nomination Board.

Product development

The proprietary technology Administer uses for producing services and developing software requires considerable investments in research and development. In the company's view, automation and artificial intelligence will steer the Group's services in the future, which is why Administer is investing in technology development. In 2024, product development expenses amounting to EUR 1.5 million (2.1) were capitalised in the balance sheet.

Expanding the automation of AI-based functions in the eFina system has continued during the operating year, making the business considerably more effective. Automation has resulted in saving several person-years.

Within EmCe products, the company has further developed an open API interface and invested in financial and payroll automation as well as in integration solutions. The first functionalities for payroll e-services have been published.

During the year, the Sedatus system, aimed at preventing grey economy and managing subcontracting chains, has been updated with several new customer-facing functionalities, its back end has been revised, and its usability has been improved with regard to contractors and service production.

Significant events in the review period

Administer strengthened its business in the Vaasa region by acquiring the accounting business of Pohjanmaan Laskenta Oy

In January 2024, Administer acquired the accounting business of Pohjanmaan Laskenta Oy, operating in the Vaasa region. The acquisition strengthens the company’s operations in the Vaasa region, where Administer already has its own office.

Administer strengthened its business in Tampere by acquiring the business of Tampereen Erikoiskirjanpito Oy

In July 2024, Administer and Tampereen Erikoiskirjanpito Oy agreed on an acquisition under which Administer acquired the business of Tampereen Erikoiskirjanpito Oy, which operates in the Tampere region. Administer has an existing office in Tampere, and the acquisition strengthens the company’s regional operations.

Administer acquired the majority of shares in Kuntalaskenta Oy

Administer acquired the majority of Kuntalaskenta Oy’s shares. With the acquisition, 40.1 per cent of the shares of Kuntalaskenta transferred to Administer Plc. The purchase price was EUR 120,000, of which EUR 50,000 was paid in Administer Plc shares. After the acquisition, Administer Plc’s share of ownership of

Kuntalaskenta Oy's shares is 90 per cent. The remaining 10 per cent of the shares of Kuntalaskenta still under the ownership of the City of Pieksämäki will be acquired at market price in three years' time on the basis of a predetermined valuation principle. Previously, Administer Plc was a minority shareholder in Kuntalaskenta. The acquisition strengthens the Group's business opportunities as a service partner for municipalities and the rest of the public sector. Kuntalaskenta's figures have been consolidated in the Group's figures as a subsidiary as of 1 September 2024.

Shares and share capital

The business acquisition made with Pohjanmaan Laskenta Oy in January 2024 was paid for in new Administer shares. For this reason, Administer carried out a directed share issue to Pohjanmaan Laskenta Oy based on the authorisation given by the Annual General Meeting on 16 May 2023. The 24,730 new shares subscribed in the directed share issue were registered in the trade register on 15 January 2024. The number of shares in Administer increased due to the directed share issue to the seller to a total of 14,354,144 shares.

The acquisition of the majority of Kuntalaskenta Oy's shares from the City of Pieksämäki was paid for in new Administer shares. For this reason, Administer carried out a directed share issue to itself based on the authorisation given by the Annual General Meeting on 10 April 2024. The 20,661 new shares subscribed in the directed share issue were registered in the trade register on 2 September 2024. Due to the share issue, the number of shares in Administer increased from 14,354,144 to 14,374,805 shares.

At the end of December 2024, Administer's share capital was EUR 80,000 and the total number of outstanding shares in the company was 14,374,805, as mentioned above.

Long-term incentive plan

On 27 November 2023, the Board of Directors decided to establish a new share-based long-term incentive plan for the Group's key personnel. The aim of the plan is to align the objectives of the company, its shareholders, and key employees and thereby to increase the company's value in the long term, to commit the key employees to the company and to offer them competitive incentive plans that are based on earning and accumulating the company's shares as well as the increase in share value.

The share-based incentive plan for 2024–2028 consists of three (3) three-year earning periods: the calendar years 2024–2026, 2025–2027, and 2026–2028.

As part of the plan, each participant can earn Administer Plc's shares based on the fulfilment of the earning criteria. The Board of Directors will decide on the earning criteria and the targets set for each earning criterion at the beginning of each earning period. The possible rewards under the incentive plan will be paid after the end of each earning period.

The gross rewards payable under the 2024–2026 earning period correspond to the value of an approximate maximum total of 306,061 Administer Plc shares, including the portion to be paid in cash. In the 2024–2026 earning period, the target group of the share-based incentive plan comprises key employees determined by the Board of Directors, including the Group's CEO and Management Team.

The gross rewards payable under the 2025–2027 earning period correspond to the value of an approximate maximum total of 906,600 Administer Plc shares, including the portion to be paid in cash. In the 2025–2027 earning period, the target group of the share-based incentive plan comprises key employees determined by the Board of Directors, including the Group's CEO and Management Team.

The company had 1,669 (1,960) shareholders at the end of the review period.

Share trading volume between 1 January and 31 December 2024 totalled 738,700 shares, corresponding to EUR 1.8 million. The highest trading price was EUR 2.78 and the lowest was EUR 2.10. The closing price at the end of the review period was EUR 2.16, and the market value based on the closing price was approximately EUR 31.1 million.

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 reduced financial activity 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 affordable 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 maturity of the Group loans.

Proposal for distribution of profits

The distributable retained funds of Administer's parent company were EUR 35.1 million on 31 December 2024. The Board of Directors proposes to the Annual General Meeting to be held on 23 April 2025 that a dividend of EUR 0.05 per share be paid for the financial period 1 January–31 December 2024.

Significant events after the review period

The proposal of the Shareholders' Nomination Board on the composition of the Board of Directors

In January, Administer's Shareholders' Nomination Board proposed to the Annual General Meeting 2025 that the company's Board of Directors is to comprise six (6) ordinary members. The Nomination Board further proposes that of the current Board members, Peter Aho, Jukka-Pekka Joensuu, Risto Koivula, Milja Saksi, Leena Siirala, and Minna Vanhala-Harmanen be re-elected.

All candidates have given their consent for the election. The Board members' term of office shall last until the close of the Annual General Meeting following the election.

Administer strengthens its operations in multiple Finnish regions through four acquisitions

Administer made four acquisitions, which will strengthen the regional operations of the Group's accounting firm business in different parts of Finland.

Administer acquired the entire share capital of Tilikymppi Kredit Oy. Established in 1981, the accounting firm has offices in Huittinen, Vampula, and Säkylä. With the acquisition of the business of Deebetti Oy in Lahti, the Group gained a foothold in the Päijät-Häme region. The acquisitions of the businesses of Yrityspalvelu Pioneeri Oy and Tradefinanssi Ky in Kouvola will strengthen the Group's operations in the Kymenlaakso region.

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 5 March 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/q4-2024

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

Financial calendar in 2025

Administer will publish its financial results in 2025 as follows:

- Business review January–March 2025 on Wednesday, 7 May 2025
- Half-year review, January–June 2025 on Thursday, 14 August 2025
- Business review January–September 2025 on Wednesday, 5 November 2025.

Administer's Annual Report including the financial statements and Board of Directors' report for 2024 will be published on week 14/2025 (the week beginning on 31 March) and will be available on https://administergroup.com/en/investors/.

The Annual General Meeting is planned to be held in Helsinki on 23 April 2025.

ADMINISTER GROUP FULL YEAR FINANCIAL REVIEW JANUARY–DECEMBER 2024 AND NOTES TO THE FINANCIAL STATEMENTS

The full year financial review release has been prepared based on the Accounting Act of Finland and FAS (Finnish Accounting Standards). The information presented in the full year financial review is unaudited.

CONSOLIDATED INCOME STATEMENT

(TEUR)	**1 Jul - 31 Dec**		**1 Oct - 31 Dec**		**1 Jan - 31 Dec**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
NET SALES	**36 330**	**36 643**	**18 727**	**18 331**	**74 702**	**75 886**
Other operating income	114	261	46	135	192	453
Materials and services						
Purchases	-3 308	-3 503	-1 936	-1 787	-6 419	-6 649
External services	-1 157	-621	-380	21	-2 129	-1 743
Total	-4 465	-4 124	-2 316	-1 766	-8 548	-8 392
Personnel expenses						
Salaries and wages	-21 494	-22 305	-11 084	-11 143	-43 624	-45 749
Social security costs						
Pension costs	-3 624	-3 949	-1 851	-1 985	-7 284	-7 893
Other expenses related to personnel	-628	-873	-279	-434	-1 201	-1 764
Total	-25 745	-27 127	-13 214	-13 562	-52 109	-55 405
Depreciation, amortization and impairment						
Amortization of goodwill	-2 222	-1 981	-1 201	-993	-4 246	-3 956
Other depreciations according to plan	-965	-989	-482	-522	-1 931	-1 845
Impairment	-648	-1	-648	-1	-648	-1
Total	-3 835	-2 970	-2 331	-1 516	-6 825	-5 803
Other operating expenses	-4 389	-4 243	-2 356	-2 186	-8 611	-9 509
Share of results of affiliates	59	-117	0	-120	-125	-184
OPERATING PROFIT (LOSS)	**-1 931**	**-1 677**	**-1 444**	**-684**	**-1 323**	**-2 954**
Financial income and expenses						
Other interest and financial income	20	17	12	11	485	39
Other interest and financial income	0	-115	0	-115	0	-115
Interest and other financial expenses	-561	-575	-307	-297	-1 019	-909
Total	-541	-673	-294	-401	-534	-985
PROFIT BEFORE APPROPRIATIONS AND TAX	**-2 472**	**-2 350**	**-1 738**	**-1 085**	**-1 857**	**-3 939**
Income tax	-335	273	-25	309	-430	83
Income tax	0	26	0	45	0	0
Minority interest	-10	-15	-5	-5	-25	-30
PROFIT (LOSS) FOR THE PERIOD	**-2 817**	**-2 066**	**-1 768**	**-737**	**-2 312**	**-3 886**

CONSOLIDATED BALANCE SHEET

(TEUR)	31 Dec 2024	31 Dec 2023
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Development expenditures	5 126	4 421
Intangible rights	17	96
Consolidated goodwill	32 607	35 628
Goodwill	2 626	3 675
Other capitalised long-term expenditures	883	1 125
Total	41 259	44 945
Tangible assets		
Land and water areas	36	36
Buildings and structures	218	227
Machinery and equipment	731	701
Other tangible assets	11	11
Total	997	976
Investments		
Shares in affiliated companies	1	126
Other shares	61	193
Total	62	319
NON-CURRENT ASSETS, TOTAL	**42 318**	**46 240**
CURRENT ASSETS		
Receivables		
Non-current		
Other receivables	62	76
Total	62	76
Current		
Trade receivables	9 640	10 986
Loan receivables	11	22
Other receivables	70	286
Prepayments and accrued income	2 365	1 662
Total	12 085	12 956
Cash and cash equivalents	2 401	3 262
CURRENT ASSETS, TOTAL	**14 548**	**16 294**
TOTAL ASSETS	**56 866**	**62 534**

EQUITY AND LIABILITIES		
EQUITY		
Share capital	80	80
Other reserves	30 760	30 609
Retained earnings (loss)	-3 223	699
Profit (loss) for the period	-2 312	-3 886
TOTAL EQUITY	**25 304**	**27 501**
MINORITY INTEREST	**28**	**33**
LIABILITIES		
Non-current		
Capital loan	0	500
Loans from financial institutions	6 646	8 964
Other liabilities	88	1
Total	6 734	9 465
Current		
Loans from financial institutions	5 302	5 288
Trade payables	4 443	5 546
Other liabilities	5 429	6 059
Accrued expenses and deferred income	9 626	8 642
Total	24 800	25 535
TOTAL LIABILITIES	**31 534**	**35 000**
TOTAL EQUITY AND LIABILITIES	**56 866**	**62 534**

CONSOLIDATED STATEMENT OF CASH FLOW

	1 Jul - 31 Dec		1 Jan - 31 Dec	
(TEUR)	**2024**	**2023**	**2023**	**2022**
Cash flow from operating activities	2 238	3 128	3 599	5 422
Cash flow from investment activities	-1 309	-2 731	-2 105	-4 145
Cash flow from financing activities	-1 312	-518	-2 355	-2 428
Change in cash and cash equivalents	**-385**	**-122**	**-861**	**-1 150**
Cash and cash equivalents at the beginning of period	2 786	3 384	3 262	4 412
Cash and cash equivalents at the end of period	2 401	3 262	2 401	3 262

CONSOLIDATED CHANGES IN EQUITY

(TEUR, unless otherwise indicated)	Share capital	Other reserves	Retained earnings (loss)	Total equity
Equity 1 January, 2023	80	30 609	1 433	32 121
Profit (loss) for the period			-3 886	-3 886
Dividend decision			-734	-734
Equity 31 December, 2023	80	30 609	-3 188	27 501

(TEUR, unless otherwise indicated)	Share capital	Other reserves	Retained earnings (loss)	Total equity
Equity 1 January, 2024	80	30 609	-3 188	27 501
Profit (loss) for the period			-2 312	-2 312
Translation differences			-5	-5
Dividend decision			-30	-30
Business acquisitions		39		39
Share issue		111		111
Equity 31 December, 2024	80	30 760	-5 536	25 304

KEY FIGURES

Administer presents alternative performance measures for the time period covered by the historical financial information supplementing the key figures presented in Administer's income statements, balance sheets and cash flow statements prepared in accordance with the FAS. The alternative performance measures should not be considered separately from the key figures prepared in accordance with the FAS or as substitutes for them. These alternative performance measures and their purpose are described in the section "Definitions and calculation of certain alternative key figures and other key figures".

(TEUR, unless otherwise indicated)	**1 Jul - 31 Dec**		**1 Oct - 31 Dec**		**1 Jan - 31 Dec**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Net sales	36 330	36 643	18 727	18 331	74 702	75 886
EBITDA	1 904	1 293	888	832	5 502	2 849
EBITDA, %	5,2 %	3,5 %	4,7 %	4,5 %	7,4 %	3,8 %
Operating profit adjusted by amortization of goodwill	291	303	-243	309	2 923	1 002
Operating profit adjusted by amortization of goodwill, %	0,8 %	0,8 %	-1,3 %	1,7 %	3,9 %	1,3 %
Operating profit (loss)	-1 931	-1 677	-1 444	-684	-1 323	-2 954
Operating profit (loss), %	-5,3 %	-4,6 %	-7,7 %	-3,7 %	-1,8 %	-3,9 %
Profit before appropriations and tax	-2 472	-1 925	-1 738	-1 085	-1 857	-3 939
Profit (loss) for the period	-2 817	-2 066	-1 768	-737	-2 312	-3 886
Profit (loss) adjusted with amortization of goodwill	-595	-85	-567	256	1 933	70
Profit (loss) adjusted with amortization of goodwill, %	-1,6 %	-0,2 %	-3,0 %	1,4 %	2,6 %	0,1 %
Earnings per share (EPS)	-0,20	-0,14	-0,12	-0,05	-0,16	-0,27
Return on equity, % (ROE)	-8,8 %	-14,1 %	-8,8 %	-14,1 %	-8,8 %	-14,1 %
Equity ratio, %	44,6 %	44,0 %	44,6 %	44,0 %	44,6 %	44,0 %
Debt-to-equity ratio, %	47,2 %	53,6 %	47,2 %	53,6 %	47,2 %	53,6 %
Net sales growth, %	-0,9 %	50,2 %	2,2 %	8,6 %	-1,6 %	43,8 %
Number of personnel	1051	1074	1032	1038	1046	1087
Net sales per employee	35	34	18	18	71	70
Personnel expenses per employee	-24	-25	-13	-13	-50	-51
Ratio of personnel expenses to net sale, %	70,9 %	74,0 %	70,6 %	74,0 %	69,8 %	73,0 %

CALCULATION OF KEY FIGURES

Definitions and calculation of certain alternative key figures and other key figures

Key figure	Definition		Purpose
EBITDA	Operating profit (loss) + depreciation, amortization and impairment		Describes profitability of the operations without the effect of depreciation, amortization and impairment.
EBITDA, %	$\frac{\text{EBITDA}}{\text{Net sales}}$	x100	Describes the ratio of EBITDA to net sales.
Operating profit adjusted with amortization of goodwill	Operating profit (loss) + amortization of goodwill		Describes the performance of the business excluding the impact of amortization of goodwill.
Operating profit adjusted with amortization of goodwill, %	$\frac{\text{Operating profit adjusted by amortization of goodwill}}{\text{Net sales}}$	x100	Describes the share of operating profit in net sales excluding the impact of amortization of goodwill.
Operating profit (loss)	Net sales + other operating income – materials and services – personnel expenses – other operating expenses – depreciation, amortization and impairment		Operating profit (loss) describes the profitability of the operations.
Operating profit (loss), %	$\frac{\text{Operating profit (loss)}}{\text{Net Sales}}$	x100	Describes the ratio of operating profit to net sales.
Profit adjusted with amortization of goodwill	Profit (loss) for the financial period + amortization of goodwill		Describes the profit of the operations without the effect of amortization of goodwill.
Profit adjusted with amortization of goodwill %	$\frac{\text{Profit adjusted by amortization of goodwill}}{\text{Net sales}}$	x100	Describes the share of operating profit in net sales excluding the impact of amortization of goodwill.
Earnings per share (EPS)	$\frac{\text{Profit (loss) for the financial period without minority interest}}{\text{Average number of outstanding shares during the financial period adjusted with share issue}}$	x100	Describes the share of profit (loss) for the financial period in proportion to weighted average number of shares outstanding

Return on equity, % (ROE)	Profit (loss) for the financial period (rolling 12 months) / Average equity (rolling 12 months)	x100	Measures the result for the period in relation to equity. Average equity is an average of equity at the beginning of and at the end of a financial period.
Equity ratio, %	Equity at the end of period / Total assets at the end of period – advances received	x100	Describes the ratio of Administer's assets to equity
Debt-to-equity ratio, %	Interest-bearing liabilities / (Equity + goodwill + minority interest+ accrued appropriations)	x100	Reflects the total amount of Administer's external debt financing.
Net sales growth %	Net sales for the period – net sales for the reference period / Net sales for the reference period	x100	Describes operating growth between periods.