

Slightly better than expected profitability

Administer's Q2 net sales declined by 1.3% y/y, mainly attributable to the demand for personnel leasing, which is more dependent on economic cycles than the groups other service sectors. EBITDA improved to EUR 1.9m (Q2'23: EUR 0.4m), slightly beating our estimate of EUR 1.7m.

- Net sales in Q2 amounted to EUR 19.3m (EUR 19.6m in Q2'23). Net sales in Q2 declined 1.3% y/y, mainly driven by a decline in Econia's net sales, which declined by 4.5%. Both the groups and Econia's decline in net sales showed signs of stabilization in the second quarter compared to Q1'24.
- EBITDA and EBITA in Q2 were EUR 1.9m (Q2'23: EUR 0.4m) and EUR 1.4m (Q2'23: EUR 0.0m) respectively (Evli EUR 1.7m/1.2m). The EBITDA-margin improved to 9.6% compared with 2.3% in Q2'23. The significant improvement in profitability was mainly attributable to the successful implementation of the company's cost savings program, as well as a weaker comparison period. For H1'24, EBITDA was EUR 3.6m (H1'23: EUR 1.6m), improving some 131%.
- During Q2, Administer announced that it will acquire a majority stake in its associate company Kuntalaskenta, with the transaction expected to be finalized in Q3'24. This will slightly boost revenue, while having a slightly negative impact on the EBITDA.
- Q2 included a one-off positive impact of EUR 0.5m on net financials due to the repayment of an old, subordinated loan related to Adner.
- **Guidance for 2024 (reiterated):** Net sales is estimated to be EUR 76-81m and EBITDA-margin to be 6-9%.

Rating + BUY

Q2/24	Actual	Evli	Q2/23
Net sales	19.3	19.7	19.6
EBITDA	1.9	1.7	0.4
EBIT	0.4	0.1	-1.0
Deviation	Actual	Evli	Q2/23
Net sales		-2 %	-2 %
EBITDA		12 %	>100%
EBIT		>100%	-
Share price, EUR (Last trading day's closing price)			2.50
Target price, EUR			3.0
Latest change in recommendation			02-Mar-22
Latest report on company			10-May-24
Research paid by issuer:			YES
No. of shares outstanding, '000's			14,329
No. of shares fully diluted, '000's			14,329
Market cap, EURm			36
Free float, %			0.0
Exchange rate			0.000
Reuters code			ADMIN.HE
Bloomberg code			ADMIN FH
Average daily volume, EURm			0.0
Next interim report			15-Aug-24
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+ BUY + HOLD - SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2022	52.8	0.1	0.2%	-20.1	-0.05	-52.9	1.0	473.3	-52.7	0.05
2023	75.9	-3.0	-3.9%	0.9	-0.27	-8.9	0.6	-15.6	2.5	0.00
2024E	76.8	0.0	0.0%	2.8	-0.11	-23.3	0.6	-2,226.0	7.9	0.06
2025E	80.6	0.9	1.1%	3.7	-0.05	-46.7	0.5	46.5	10.2	0.08
2026E	85.9	2.8	3.2%	5.3	0.06	39.0	0.4	13.5	14.9	0.11
Market cap, EURm		36	BV per share 2024E, EUR		33.3	CAGR EPS 2023-26, %				0.0
Net debt 2024E, EURm		9	Price/book 2024E		1.4	CAGR sales 2023-26, %				4.2
Enterprise value, EURm		45	Dividend yield 2024E, %		2.3	ROE 2024E, %				-5.7
Total assets 2024E, EURm		58	Tax rate 2024E, %		16.5	ROCE 2024E, %				0.0
Goodwill 2024E, EURm		35	Equity ratio 2024E, %		44.5	PEG, P/E 24/CAGR				0.0

All the important disclosures can be found on the last pages of this report.

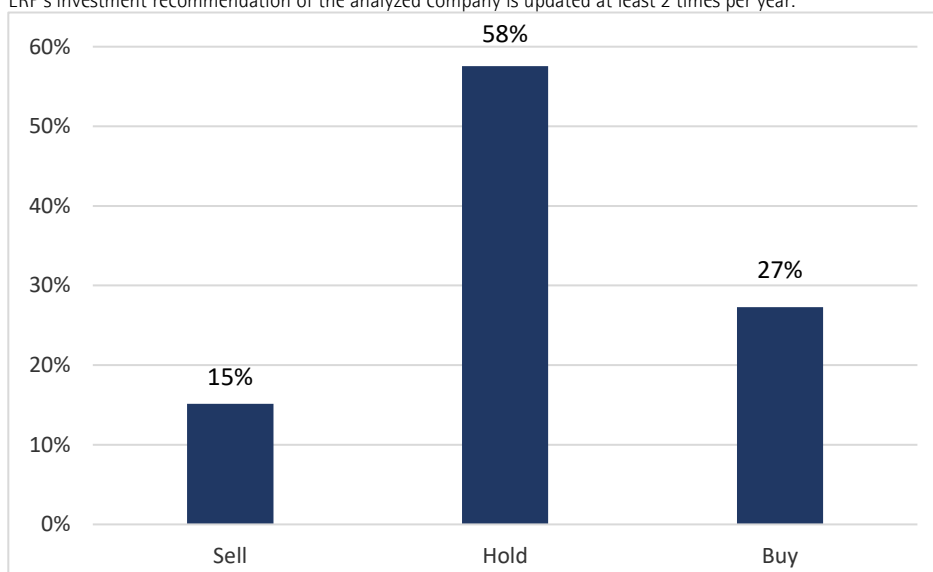
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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