

Profitability improving again in soft market

Administer's profitability continued to improve in Q1, with EBITDA margin up by 17% y/y. Net sales were in line with the comparison period despite acquisitions.

Sales remained flat, EBITDA margin in double digits

Net sales in Q1 totaled EUR 19.0m, flat y/y and slightly below our expectations. We had estimated net sales growth through the acquisition of Kuntalaskenta and other smaller acquisitions, but customer attrition linked to integration challenges in some acquired businesses held back growth. The market climate also remained soft, particularly affecting Econia and Administer's accounting operations, which saw net sales decline by 8.4% and 4.8%, respectively, while Silta and EmCe reported net sales broadly in line with the comparison period. While top-line growth was limited, profitability showed strong momentum, with all key metrics above our estimates. EBITDA reached EUR 2.0m (Q1'24: EUR 1.7m), yielding a 10.7% margin above the FY guidance, reflecting well-executed cost control, especially amid limited revenue progress. EBITA improved to EUR 1.6m (Q1'24: EUR 1.3m) and EBIT came in at EUR 0.5m (Q1'24: EUR 0.2m).

2025E EBITDA margin estimate up by some 10%

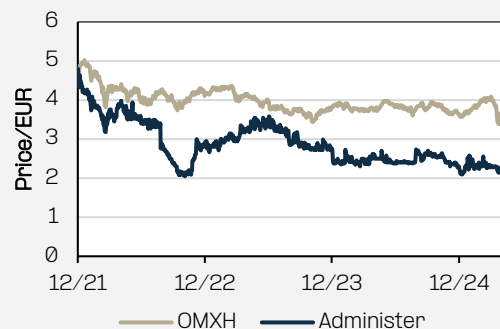
Administer maintained its guidance, expecting net sales of EUR 72–78m and an EBITDA margin of 7–10%. Management's tone on the market environment remained cautious, with no short-term relief in sight. We share a reserved view, but see potential in a gradual recovery as the year advances. A more supportive interest rate backdrop should help revive overall economic activity, which is a key driver for Administer's operations. Despite the Q1 EBITDA margin exceeding the guidance range, we anticipate some seasonal softening in H2, bringing the margin back within the guided range. Reflecting the stronger-than-expected profitability, we have raised our 2025E EBITDA estimate by ~10%, while slightly lowering our net sales forecast. We now expect 2025E net sales of EUR 75.3m (prev. EUR 76.1m) and an EBITDA margin of 9.2% (prev. 8.2%), with these revisions also modestly impacting our 2026–2027E estimates.

BUY with a target price of EUR 2.9 (2.8)

Based on our 2025E estimates, Administer is trading at ~10x P/E (excl. goodwill amortization), which we continue to view as undemanding. Although market uncertainty persists, the year started on a solid note, and cost-saving measures have clearly helped turn the profitability trend. We raise our target price to EUR 2.9 (prev. EUR 2.8) and keep our BUY rating.

Rating

++ Buy



Share price, EUR (Last trading day's closing price) **2.52**
Target price, EUR 2.9

Latest change in recommendation 02-Mar-22
Latest report on company 08-May-25
Research paid by issuer: YES
No. of shares outstanding, '000's 14 954
No. of shares fully diluted, '000's 14 954
Market cap, EURm 38
Free float, % 0.0 %
Exchange rate 0.0
Reuters code ADMIN.HE
Bloomberg code ADMIN FH
Average daily volume, EUR 0.0
Next interim report 14-Aug-25
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++ BUY + ACCUMULATE - REDUCE -- SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2023	75.9	-3.0	-3.9%	0.9	-0.27	-8.9	0.6	-15.6	2.5%	0.00
2024	74.7	-1.3	-1.8%	1.3	-0.16	-11.1	0.5	-31.0	4.2%	0.05
2025E	75.3	1.0	1.3%	3.7	-0.02	-167.8	0.6	46.3	9.9%	0.07
2026E	79.3	2.3	2.9%	4.9	0.05	48.8	0.5	17.6	13.0%	0.10
2027E	83.2	3.5	4.2%	6.0	0.13	20.1	0.4	10.3	15.9%	0.12
Market cap, EURm	38	Gearing 2025E, %		27.1 %	CAGR EPS 2024–27, %		0.0 %			
Net debt 2025E, EURm	7	Price/book 2025		1.5	CAGR Sales 2024–27, %		3.7 %			
Enterprise value, EURm	44	Dividend yield 2025E, %		3.0 %	ROE 2025E, %		-0.9 %			
Total assets 2025E, EURm	53	Tax rate 2025E, %		15.9 %	ROCE 2025E, %		2.7 %			
Goodwill 2025E, EURm	31	Equity ratio 2025E, %		46.0 %	PEG, P/E 25/CAGR		0.0			

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

Table 1: Estimate summary

Administer	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25	Q2/'25E	Q3/'25E	Q4/'25E	2025E	2026E	2027E
Net sales	75.9	19.0	19.3	17.6	18.7	74.7	19.0	19.5	17.7	19.1	75.3	79.3	83.2
<i>sales growth %</i>	<i>43.9%</i>	<i>-3.1%</i>	<i>-1.3%</i>	<i>-3.9%</i>	<i>1.4%</i>	<i>-1.6%</i>	<i>-0.3%</i>	<i>0.9%</i>	<i>0.6%</i>	<i>2.0%</i>	<i>0.8%</i>	<i>5.3%</i>	<i>4.9%</i>
EBITDA	2.8	1.7	1.9	1.0	0.9	5.5	2.0	2.0	1.3	1.6	7.0	8.3	9.5
<i>EBITDA-margin</i>	<i>3.8%</i>	<i>9.1%</i>	<i>9.6%</i>	<i>5.7%</i>	<i>4.7%</i>	<i>7.4%</i>	<i>10.7%</i>	<i>10.3%</i>	<i>7.3%</i>	<i>8.4%</i>	<i>9.2%</i>	<i>10.5%</i>	<i>11.5%</i>
Depreciation	-1.9	-0.5	-0.5	-0.5	-0.5	-1.9	-0.5	-0.5	-0.5	-0.5	-1.9	-1.9	-1.9
EBITA	1.0	1.3	1.4	0.5	-0.2	2.9	1.6	1.5	0.8	1.1	5.1	6.4	7.6
<i>EBITA-margin</i>	<i>1.3%</i>	<i>6.6%</i>	<i>7.1%</i>	<i>2.9%</i>	<i>-1.3%</i>	<i>3.9%</i>	<i>8.3%</i>	<i>7.9%</i>	<i>4.7%</i>	<i>5.9%</i>	<i>6.8%</i>	<i>8.1%</i>	<i>9.2%</i>
Goodwill amortization	-4.0	-1.0	-1.0	-1.0	-1.2	-4.2	-1.0	-1.0	-1.0	-1.0	-4.1	-4.1	-4.1
EBIT	-3.0	0.2	0.4	-0.5	-1.4	-1.3	0.5	0.5	-0.2	0.1	1.0	2.3	3.5
<i>EBIT-margin</i>	<i>-3.9%</i>	<i>1.3%</i>	<i>1.9%</i>	<i>-2.8%</i>	<i>-7.7%</i>	<i>-1.8%</i>	<i>2.9%</i>	<i>2.6%</i>	<i>-1.1%</i>	<i>0.5%</i>	<i>1.3%</i>	<i>2.9%</i>	<i>4.2%</i>

Source: Administer, Evli Research estimates

Table 2: Peer group

Administer peer group	MCAP	EV/EBITDA			EV/EBIT			P/E			EV/Sales		
	EUR m	25E	26E	27E	25E	26E	27E	25E	26E	27E	25E	26E	27E
Talenom	162	6.7x	5.9x	5.5x	17.5x	13.2x	11.6x	22.6x	14.6x	11.8x	1.9x	1.8x	1.7x
Aallon Group	41	6.7x	6.4x	6.2x	9.9x	8.9x	8.4x	11.2x	10.2x	12.0x	1.1x	1.1x	1.1x
Zalaris	158	7.8x	6.6x	6.2x	12.7x	10.7x	10.4x	16.3x	12.7x	11.0x	1.4x	1.3x	1.2x
Lemonsoft	111	12.5x	11.7x	10.7x	15.9x	13.1x	12.0x	24.8x	16.7x	14.9x	3.7x	3.5x	3.3x
Admicom	262	20.7x	16.1x	13.3x	28.8x	20.3x	17.3x	29.1x	22.2x	18.3x	6.7x	5.9x	5.3x
Eezy	17	6.5x	5.2x	4.4x	17.9x	10.5x	7.8x	8.5x	3.8x	2.5x	0.4x	0.4x	0.4x
Peer group average	125	10.1x	8.7x	7.7x	17.1x	12.8x	11.3x	18.7x	13.4x	11.7x	2.6x	2.3x	2.2x
Peer group median	135	7.2x	6.5x	6.2x	16.7x	11.9x	11.0x	19.4x	13.6x	11.9x	1.7x	1.6x	1.4x
Administer (Evli est.)	38	6.4x	4.9x	3.8x	8.7x	6.3x	4.7x	9.6x	7.7x	6.3x	0.6x	0.5x	0.4x

Prem./disc. to peer median

-12 % -25 % -39 % -48 % -47 % -57 % -50 % -44 % -47 % -65 % -67 % -70 %

Source: Bloomberg, Evli Research

Note: Administer P/E and EV/EBIT excluding goodwill amortization

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	2.52 PV of Free Cash Flow	47 Long-term growth, %	1.5 % Risk-free interest rate, %	2.50 %
DCF share value	5.42 PV of Horizon value	45 WACC, %	9.5 % Market risk premium, %	5.8 %
Share price potential, %	115.2 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	2.5 %
Maximum value	5.8 Marketable securities	2 Minimum WACC, %	9.0 % Equity beta coefficient	1.20
Minimum value	5.1 Debt – dividend	–13 Maximum WACC, %	10.0 % Target debt ratio, %	20 %
Horizon value, %	49.0 % Value of stock	81 No. of shares, Mn	15.0 Effective tax rate, %	20 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	75	75	79	83	87	92	96	101	104	107	109	111
Sales growth (%)	–1.6%	0.8%	5.3%	4.9%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%	1.5%	1.5%
Operating income (EBIT)	–1	1	2	4	5	6	8	8	8	9	9	9
Operating income margin %	–1.8%	1.3%	2.9%	4.2%	5.5%	7.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
+ Depreciation+amort.	7	6	6	6	6	6	6	6	6	6	5	
EBITDA	5	7	8	10	11	12	14	14	14	15	13	
– Paid taxes	0	–1	–1	–2	–2	–2	–2	–2	–2	–2	–2	
– Change in NWC	–1	0	0	0	0	0	0	0	0	0	0	
NWC / Sales, %	–0.9%	–0.9%	–0.9%	–0.9%	–0.9%	–0.9%	–0.9%	–0.9%	–0.9%	–0.9%	–0.9%	
+ Change in other liabs	0											
– Operative CAPEX	–2	–2	–2	–2	–2	–3	–3	–3	–3	–3	–3	
opCAPEX / Sales, %	3.1%	2.8%	2.9%	2.8%	2.8%	2.8%	2.8%	2.8%	2.7%	2.7%	2.6%	
– Acquisitions												
+ Divestments												
– Other items	0											
= FCFF	2	4	5	6	7	8	9	9	10	10	9	108
= Discounted FCFF		4	4	5	5	5	5	5	5	4	4	45
= DFCF min WACC		4	4	5	5	5	6	5	5	5	4	50
= DFCF max WACC		4	4	5	5	5	5	5	5	4	3	40

Sensitivity analysis, EUR

Terminal WACC

	7.52 %	8.52 %	9.52 %	10.52 %	11.52 %
6.00 %	6.29	5.36	4.66	4.10	3.65
7.00 %	6.90	5.84	5.04	4.41	3.91
8.00 %	7.51	6.32	5.42	4.73	4.17
9.00 %	8.12	6.80	5.81	5.04	4.42
10.00 %	8.73	7.28	6.19	5.35	4.68

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	19.0	19.4	17.6	18.7	74.7	19.0	19.5	17.7	19.1	75.3	79.3	83.2
EBITDA	2.0	1.6	1.0	0.9	5.5	2.0	2.0	1.3	1.6	7.0	8.3	9.5
EBITDA margin (%)	10.7%	8.1%	5.8%	4.7%	7.4%	10.7%	10.3%	7.3%	8.4%	9.2%	10.5%	11.5%
EBIT	0.5	0.1	-0.5	-1.4	-1.3	0.5	0.5	-0.2	0.1	1.0	2.3	3.5
EBIT margin (%)	2.9%	0.4%	-2.8%	-7.7%	-1.8%	2.9%	2.6%	-1.1%	0.5%	1.3%	2.9%	4.2%
Net financial items	-0.1	-0.1	-0.3	-0.1	-0.5	-0.1	-0.1	-0.1	-0.1	-0.4	-0.3	-0.1
Pre-tax profit	0.4	0.0	-0.7	-1.6	-1.9	0.4	0.4	-0.3	0.0	0.5	2.0	3.4
Tax	-0.1	0.0	-0.1	-0.3	-0.4	-0.1	-0.3	-0.1	-0.2	-0.7	-1.2	-1.5
Tax rate (%)	8.4%	-3.2%	20.0%	247.7%	14.3%	6.8%	20.0%	20.0%	20.0%	15.9%	20.0%	20.0%
Net profit	0.3	0.0	-0.8	-1.8	-2.3	0.3	0.1	-0.5	-0.2	-0.2	0.8	1.9
EPS	0.02	0.00	-0.05	-0.13	-0.16	0.02	0.01	-0.03	-0.01	-0.02	0.05	0.13
EPS adj. (diluted)	0.02	-0.03	-0.05	-0.13	-0.20	0.02	0.01	-0.03	-0.01	-0.02	0.05	0.13
Dividend per share					0.05					0.07	0.10	0.12
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Administer	19.0	19.4	17.6	18.7	74.7	19.0	19.5	17.7	19.1	75.3	79.3	83.2
Total	19.0	19.4	17.6	18.7	74.7	19.0	19.5	17.7	19.1	75.3	79.3	83.2
SALES GROWTH, Y/Y%	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Administer	-3.2%	-1.3%	-3.6%	1.9%	-1.6%		0.6%	0.5%	2.0%	0.8%	5.3%	4.9%
Total	-3.2%	-1.3%	-3.6%	1.9%	-1.6%		0.6%	0.5%	2.0%	0.8%	5.3%	4.9%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Administer	0.5	0.1	-0.5	-1.4	-1.3	0.5	0.5	-0.2	0.1	1.0	2.3	3.5
Total	0.5	0.1	-0.5	-1.4	-1.3	0.5	0.5	-0.2	0.1	1.0	2.3	3.5
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Administer	2.9%	0.4%	-2.8%	-7.7%	-1.8%	2.9%	2.6%	-1.1%	0.5%	1.3%	2.9%	4.2%
Total	2.9%	0.4%	-2.8%	-7.7%	-1.8%	2.9%	2.6%	-1.1%	0.5%	1.3%	2.9%	4.2%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	43.7	41.9	52.8	75.9	74.7	75.3	79.3	83.2
<i>Sales growth (%)</i>	-3.6%	-4.0%	25.9%	43.8%	-1.6%	0.8%	5.3%	4.9%
EBITDA	4.4	2.3	3.7	2.8	5.5	7.0	8.3	9.5
<i>EBITDA margin (%)</i>	10.2%	5.4%	7.1%	3.7%	7.4%	9.2%	10.5%	11.5%
Depreciation	-0.6	-0.7	-1.1	-1.8	-1.9	-1.9	-1.9	-1.9
EBITA	3.8	1.5	2.7	1.0	3.5	5.1	6.4	7.6
Goodwill amortization / writedown	-1.0	-1.5	-2.5	-4.0	-4.9	-4.1	-4.1	-4.1
EBIT	2.9	0.1	0.1	-3.0	-1.3	1.0	2.3	3.5
<i>EBIT margin (%)</i>	6.6%	0.1%	0.2%	-3.9%	-1.8%	1.3%	2.9%	4.2%
Reported EBIT	2.9	0.1	0.1	-3.0	-1.3	1.0	2.3	3.5
<i>EBIT margin (reported) (%)</i>	6.6%	0.1%	0.2%	-3.9%	-1.8%	1.3%	2.9%	4.2%
Net financials	-0.3	-1.8	-0.4	-1.0	-0.5	-0.4	-0.3	-0.1
Pre-tax profit	2.6	-1.7	-0.3	-3.9	-1.9	0.5	2.0	3.4
Taxes	-0.6	0.0	-0.4	0.1	-0.4	-0.7	-1.2	-1.5
Minority shares	0.0	0.0	0.0	0.0	0.0			
Net profit	2.0	-1.8	-0.7	-3.9	-2.3	-0.2	0.8	1.9
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	3	4	6	7	7	7	8	8
Goodwill	14	23	42	39	35	31	27	23
Right of use assets								
Inventory								
Receivables	7	7	13	13	12	12	13	14
Liquid funds	1	13	5	3	2	2	3	3
Total assets	25	47	66	63	57	53	50	47
Liabilities								
Shareholders' equity	9	32	32	28	25	24	24	24
Minority interest	0	0	0	0	0	0	0	0
Convertibles								
Lease liabilities								
Deferred taxes								
Interest bearing debt	6	4	18	15	12	9	5	1
Non-interest bearing current liabilities	9	11	15	20	20	20	21	22
Other interest-free debt								
Total liabilities	25	47	66	63	57	53	50	47
CASH FLOW, EURm								
+ EBITDA	4	2	4	3	5	7	8	10
- Net financial items	0	-2	0	-1	-1	0	0	0
- Taxes	-1	0	0	0	0	-1	-1	-2
- Increase in Net Working Capital	0	2	-1	3	-1	0	0	0
+/- Other	0	0	0	0	0			
= Cash flow from operations	4	2	2	5	4	6	7	8
- Capex	-1	-2	-3	-4	-2	-2	-2	-2
- Acquisitions			-20	-1				
+ Divestments								
= Free cash flow	2	0	-20	1	1	4	5	6
+/- New issues/buybacks	0	25	1	0	0			
- Paid dividend			1	0	1	1	1	2
+/- Other	-2	-13	11	-1	-2	-3	-4	-4
Change in cash	0	12	-9	-1	-1	0	0	0

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	60	38	35	31	38	38	38
Net debt (excl. convertibles)	-9	14	11	10	7	3	-2
Enterprise value	51	52	46	41	44	41	36
Sales	42	53	76	75	75	79	83
EBITDA	2	4	3	5	7	8	10
EBIT	0	0	-3	-1	1	2	4
Pre-tax	-2	0	-4	-2	1	2	3
Earnings	-2	-1	-4	-2	0	1	2
Equity book value (excl. minorities)	32	32	28	25	24	24	24

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	1.2	1.0	0.6	0.5	0.6	0.5	0.4
EV/EBITDA	22.6	13.9	16.4	7.5	6.4	4.9	3.8
EV/EBITA	33.8	19.6	44.1	11.6	8.7	6.3	4.7
EV/EBIT	959.9	473.3	-15.6	-31.0	46.3	17.6	10.3
EV/OCF	25.9	22.1	8.5	11.4	7.6	5.7	4.3
EV/FCF	24.2	-2.6	26.5	24.2	10.8	7.9	5.9
P/FCFR	150.7	-1.9	39.6	24.0	10.1	7.7	6.3
P/E	-33.2	-52.9	-8.9	-11.1	-167.8	48.8	20.1
P/BV	1.8	1.2	1.3	1.2	1.5	1.6	1.5
Target EV/EBITDA					7.2	5.6	4.4
Target EV/EBIT					52.2	20.1	11.9
Target EV/FCFF					13.4	9.4	7.0
Target P/BV					1.8	1.8	1.8
Target P/E, diluted	-74.5	-631.3	-10.5	-46.0	-193.1	56.1	23.1

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	14.19	14.33	14.33	14.37	14.95	14.95	14.95
Number of shares (diluted, million)	14.19	14.33	14.33	14.37	14.95	14.95	14.95
EPS	-0.13	-0.05	-0.27	-0.16	-0.02	0.05	0.13
Operating cash flow per share	0.14	0.16	0.38	0.25	0.39	0.48	0.55
Free cash flow per share	0.03	-1.40	0.06	0.09	0.25	0.33	0.40
Book value per share	2.28	2.24	1.92	1.76	1.63	1.61	1.63
Dividend per share		0.05	0.00	0.05	0.07	0.10	0.12
Dividend payout ratio, %		-99.4%	-0.1%	-31.3%	-496.8%	190.6%	96.2%
Dividend yield, %		1.9%	0.0%	2.3%	3.0%	3.9%	4.8%
FCF yield, %	0.7%	-52.7%	2.5%	4.2%	9.9%	13.0%	15.9%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	-8.6%	-2.2%	-13.1%	-8.8%	-0.9%	3.2%	7.7%
ROCE	0.2%	0.3%	-6.4%	-3.3%	2.7%	7.3%	12.8%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales							
Receivables as % of sales	15.9%	24.9%	17.2%	16.3%	16.3%	16.3%	16.3%
Non-int. bearing liabilities as % of sales	25.1%	29.2%	26.7%	26.1%	26.1%	26.1%	26.1%
NWC/sales, %	-9.2%	-4.3%	-9.5%	-9.9%	-9.9%	-9.9%	-9.9%
Operative CAPEX/Sales, %	3.7%	4.8%	4.9%	3.1%	2.8%	2.9%	2.8%
CAPEX/sales (incl. acquisitions), %	3.7%	-33.0%	3.7%	3.1%	2.8%	2.9%	2.8%
FCFF/EBITDA	0.9	-5.3	0.6	0.3	0.6	0.6	0.6
Net Debt/EBITDA, book-weighted	-3.9	3.7	4.1	1.8	0.9	0.3	-0.2
Debt/equity, market-weighted	0.1	0.5	0.4	0.4	0.2	0.1	0.0
Equity ratio, book-weighted	0.7	0.5	0.4	0.4	0.5	0.5	0.5
Gearing, %	-27.2%	43.3%	41.7%	38.0%	27.1%	11.7%	-6.9%

COMPANY DESCRIPTION: Administer Group is a multi-talent in payroll and financial management services, software services, consulting, personnel and international services. The company is the largest salary outsourcing partner in Finland and the leading expert in the fight against the grey economy. Administer's 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 firm Administer, business service and employment expert Econia Oy and software company EmCe Solution Partner Oy, as well as other subsidiaries and associated companies.

INVESTMENT CASE: Administer seeks to achieve revenue of EUR 100m and an EBITDA-margin of 15% by 2026. The company has grown impressively in recent years driven by acquisitions, while organic growth has been modest. Near-term macroeconomic conditions have, however, proven to be a challenge, affecting both the company's growth and profitability. Cost savings measures taken in 2023 will slightly aid profitability, but larger improvement relies upon synergies from acquisitions as well as internal operational efficiency, further to be improved by pick-up in growth.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Aho Peter	6 780 980	17.088	45.3 %
Ilmarinen Mutual Pension Insurance Company	1 250 000	3.150	8.4 %
Sijoitus Oy MC Invest Ab	1 205 508	3.038	8.1 %
Oy Fincorp Ab	482 646	1.216	3.2 %
Rantalainen-Yhtiöt Oy	404 000	1.018	2.7 %
Varma Mutual Pension Insurance Company	337 093	0.849	2.3 %
Salmivala Maria-Elina	283 221	0.714	1.9 %
Oy Talcom Ab	272 000	0.685	1.8 %
Herranen Kimmo	234 292	0.590	1.6 %
Elo Mutual Pension Insurance Company	175 317	0.442	1.2 %
Ten largest	11 425 057	28.791	76.4 %
Residual	3 529 118	8.893	23.6 %
Total	14 954 175	37.685	100%

EARNINGS CALENDAR

August 14, 2025	Q2 report
November 05, 2025	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Kimmo Herranen	Konepajankuja 3, FIN-00510 Helsinki
CFO: Kalle Lehtonen	Tel:
IR:	

DEFINITIONS

P/E $\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS $\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	DPS Dividend for the financial period per share
Market cap Price per share * Number of shares	OCF (Operating cash flow) EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value) Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow) Operating cash flow – Operative CAPEX – acquisitions + divestments
EV/Sales $\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, % $\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX / Sales $\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT $\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital Current assets – current liabilities
Net debt Interest bearing debt – financial assets	Capital employed / Share $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets Balance sheet total	Gearing $\frac{\text{Net debt}}{\text{Equity}}$
Div yield, % $\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, % $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, % $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, % $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, % $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, % Cumulative annual growth rate = Average growth rate per year
ROE, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

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Investment recommendations are defined as follows:

Target price compared to share price

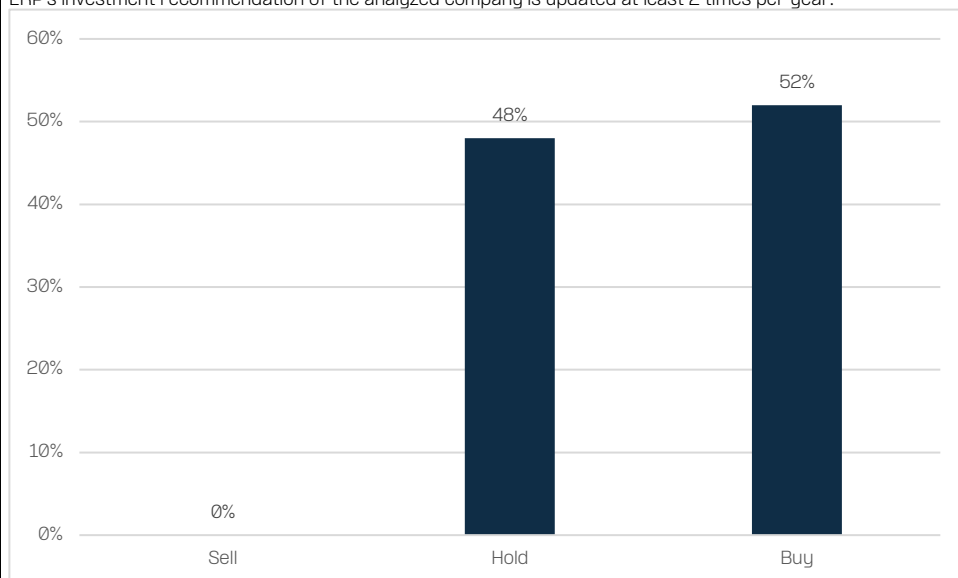
< -10 %
-10 - 0 %
0 - (+10) %
> 10 %

Recommendation

SELL
RECUDE
ACCUMULATE
BUY

ERP may temporarily suspend the rating and, if applicable, the target price to comply with regulations and/or firm policies, in which case a NOT RATED classification is used.

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



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Name(s) of the analyst(s): Atte Pitkälä

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