

On par with expectations

Administer's H1 figures were on par with our expectations. Revenue amounted to EUR 39.2m (Evli EUR 39.0m), with growth of 64.1%. EBITDA amounted to EUR 1.6m (Evli EUR 1.9m). Administer initiated a cost savings programme and change negotiations, seeking an annual profitability improvement of EUR 7m in 2024.

- Net sales in H1 amounted to EUR 39.2m (EUR 23.9m in H1/22), in line with our estimates (Evli EUR 39.0m). Net sales in H1 grew 64.1% y/y. Growth was mainly attributable to the acquisition of Eonia last year.
- EBITDA and EBITA in H1 were EUR 1.6m (H1/22: EUR 1.0m) and EUR 0.7m (H1/22: EUR 0.6m) respectively, fairly in line with our estimates (Evli EUR 1.9m/1.2m). Profitability was burdened by accelerated cost inflation.
- Operating profit in H1 amounted to EUR -1.2m (EUR -0.5m in H1/22), below our estimates (Evli EUR -0.6m), with D&A some EUR 0.4m larger than our estimates.
- During H1 Administer carried out three accounting firm acquisitions.
- Administer also started the implementation of the profitability programme that was announced earlier. The company seeks an annual profitability improvement of EUR 7m, including different measures in different Group companies, and also decided to being change negotiations. Administer also initiated strategy works and will set new long-term financial targets. Administer has been on track towards its EUR 84m net sales target in 2024, still falling clearly short of the 24% EBITDA-margin target.
- **Guidance for 2023 (updated on August 8th):** Net sales is estimated to be EUR 76-81m and EBITDA-margin to be 4-8%.

Rating + BUY

H1/23	Actual	Evli	H1/22
Net sales	39.2	39.0	23.9
EBITDA	1.6	1.9	1.0
EBIT	-1.2	-0.6	-0.5
Deviation	Actual	Evli	H1/22
Net sales		1 %	64 %
EBITA		-16 %	60 %
EBIT		<-100%	<-100%
Share price, EUR (Last trading day's closing price)	3.08		
Target price, EUR	3.5		
Latest change in recommendation	02-Mar-22		
Latest report on company	17-Aug-23		
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	44		
Free float, %	-		
Exchange rate	0.000		
Reuters code	ADMIN.HE		
Bloomberg code	ADMIN FH		
Average daily volume, EURm	-		
Next interim report			
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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
2021	41.9	0.1	0.1%	0.6	-0.13	-33.2	1.2	959.9	1.0	0.00
2022	52.8	0.1	0.2%	-22.9	-0.05	-52.9	1.0	473.3	-60.1	0.05
2023E	80.4	0.2	0.2%	1.0	-0.09	-34.2	0.7	306.4	2.3	0.05
2024E	86.8	3.3	3.9%	4.5	0.09	35.1	0.6	16.1	10.2	0.10
2025E	92.0	6.4	7.0%	7.2	0.27	11.4	0.5	7.5	16.2	0.16
Market cap, EURm	44			BV per share 2023E, EUR	45.4			CAGR EPS 2022-25, %	0.0	
Net debt 2023E, EURm	14			Price/book 2023E	1.5			CAGR sales 2022-25, %	20.4	
Enterprise value, EURm	58			Dividend yield 2023E, %	1.6			ROE 2023E, %	-4.1	
Total assets 2023E, EURm	74			Tax rate 2023E, %	20.0			ROCE 2023E, %	0.4	
Goodwill 2023E, EURm	39			Equity ratio 2023E, %	40.6			PEG, P/E 23/CAGR	0.0	

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

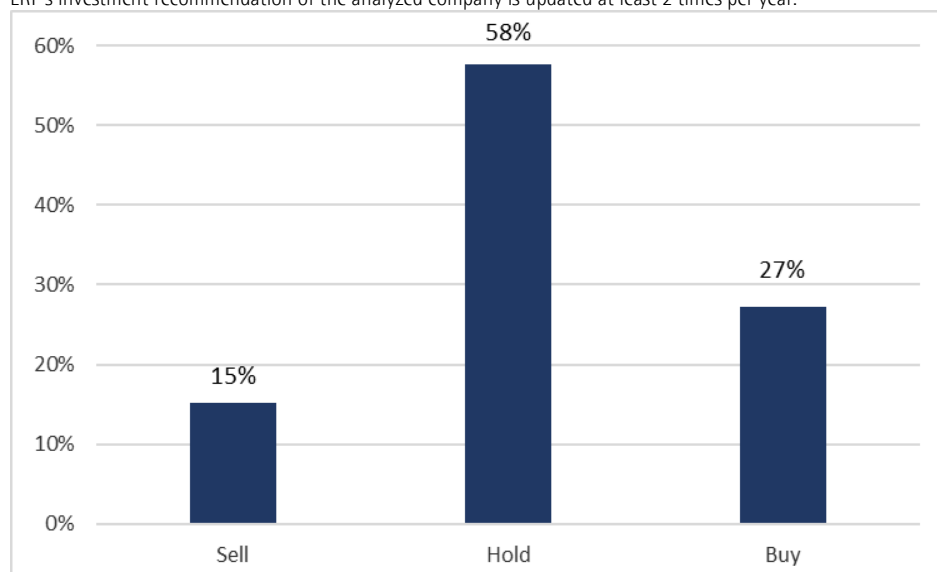
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Investment recommendations are defined as follows:

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

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Name(s) of the analyst(s): Salokivi

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