

No major surprises

Administer's H2 figures were fairly in line with our expectations. Revenue amounted to EUR 36.6m (Evli EUR 37.1m), with growth of 27.0%. EBITDA amounted to EUR 1.3m (Evli EUR 1.1m). Administer updated its strategy, targeting revenue of EUR 100m and a 15% EBITDA-margin by 2026.

- Net sales in H2 amounted to EUR 36.6m (EUR 28.9m in H2/22), fairly in line with our estimates (Evli EUR 37.1m). Net sales in H2 grew 27.0% y/y. Growth was mainly inorganic.
- EBITDA and EBITA in H2 were EUR 1.3m (H2/22: EUR 2.7m) and EUR 0.3m (H2/22: EUR 2.1m) respectively, fairly in line with our estimates (Evli EUR 1.1m/0.2m). Profitability was burdened by one-off costs relating to the cost savings programme and certain amortizations.
- Operating profit in H2 amounted to EUR -1.7m (EUR 0.6m in H2/22), in line with our estimates (Evli EUR -1.9m).
- Administer updated its strategy for 2024-2026, seeking to reach a revenue of EUR 100m (~10% p.a. on average) and an EBITDA-margin of 15% (2023: 3.8%), with the latter much more reasonable compared with the former target of 24% by 2024. The new targets are in our view quite reasonable, under normal circumstances Administer should reasonably be able to generate and EBITDA-margin of >10% and the growth should be achievable with continued M&A activity.
- **Guidance for 2024:** Net sales is estimated to be EUR 76-81m and EBITDA-margin to be 6-9%, with our estimates (EUR 80.4m and 7.9%) within the upper half of the range.
- **Dividend proposal:** Administer's BoD proposes that no dividend be paid for FY 2023 (Evli EUR 0.00)

Rating + BUY

H2/23	Actual	Evli	H2/22
Net sales	36.6	37.1	28.9
EBITDA	1.3	1.1	2.7
EBIT	-1.7	-1.9	0.6
Deviation	Actual	Evli	H2/22
Net sales		-1 %	27 %
EBITA		18 %	-52 %
EBIT		11 %	-
Share price, EUR (Last trading day's closing price)	2.41		
Target price, EUR	3.0		
Latest change in recommendation	02-Mar-22		
Latest report on company	20-Dec-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	35		
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			
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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%	0.4	-0.13	-33.2	1.2	959.9	0.7	0.00
2022	52.8	0.1	0.2%	-20.1	-0.05	-52.9	1.0	473.3	-52.7	0.05
2023E	76.3	-3.1	-4.1%	1.7	-0.29	-8.4	0.6	-15.1	5.0	0.00
2024E	80.4	0.3	0.3%	2.9	-0.08	-28.6	0.6	176.9	8.4	0.06
2025E	84.4	2.4	2.9%	4.7	0.04	54.7	0.5	16.8	13.7	0.10
Market cap, EURm	35		BV per share 2023E, EUR	47.4		CAGR EPS 2022-25, %		0.0		
Net debt 2023E, EURm	13		Price/book 2023E	1.3		CAGR sales 2022-25, %		17.0		
Enterprise value, EURm	48		Dividend yield 2023E, %	0.1		ROE 2023E, %		-13.8		
Total assets 2023E, EURm	67		Tax rate 2023E, %	84.7		ROCE 2023E, %		-6.5		
Goodwill 2023E, EURm	38		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.

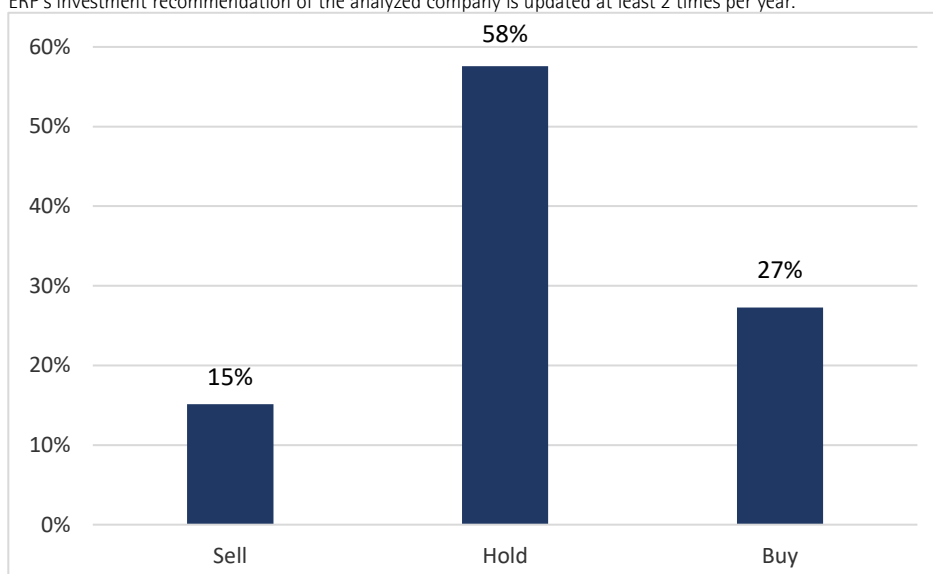
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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March 6, 2024

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