

## Work to be done

Administer's H2 was fairly in line with expectations. 2024 looks to remain on the softer side while the new financial targets suggest expectations for a clear turnaround in profitability in the coming years.

### H2 fairly in line with expectations

Administer reported H2 figures which were fairly in line with our expectations. Revenue grew 27% y/y to EUR 36.6m (Evli EUR 37.1m), clearly boosted by the acquisition of Econia. EBITDA amounted to EUR 1.3m (Evli EUR 1.1m). The guidance for 2024 is on the softer side, with revenue estimated to be EUR 76-81m (growth ~0-7% y/y) and the EBITDA-margin to be 6-9%, with the guidance mid-point below our pre-H2 estimates. Administer's BoD as expected proposed that no dividend be paid.

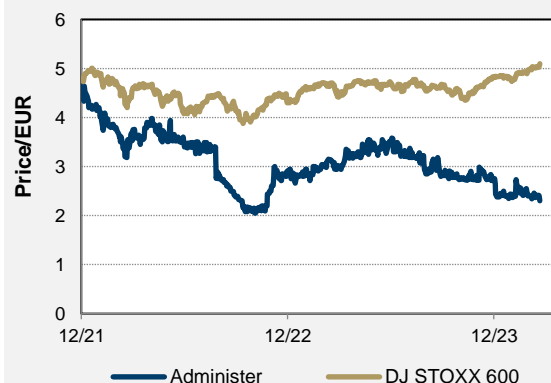
### Turnaround but pace a worry

We have lowered our 2024 revenue and EBITDA-% estimates slightly to EUR 77.1m (80.4m) and 7.4% (7.9%), with our coming year estimates also lowered due to a perceived slowness in the potential scaling of growth and profitability. The strategy update was more on the "nice to know" side but the coming transition to quarterly reporting and as such increased transparency was welcome. The new financial targets, to be achieved by 2026 (revenue EUR 100m and 15% EBITDA-%), are clearly more reasonable. On our estimates the required growth during 2025-2026 (~14% p.a.) is doable but tough. Recent years' organic growth track and challenging market situation provides limited support and the strained financial situation (covenants not fulfilled, net debt/EBITDA ~4x) and low share price limit's inorganic growth potential. In terms of profitability we continue to see good potential to reach over 10% EBITDA-% in the coming years but the H2 result presentation in our view did not provide a clear vision for how to double the margin by 2026 (based on 2024 guidance mid-point).

### BUY with a target price of EUR 2.6 (3.0)

On our revised estimates we lower our TP to EUR 2.6 (3.0) and retain our BUY-rating. Despite near-term challenges, the case remains attractive on valuation levels and turnaround potential.

## Rating + BUY



Share price, EUR (Last trading day's closing price)	2.30
Target price, EUR	2.6

Latest change in recommendation	03-Dec-21
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	33
Free float, %	-
Exchange rate	0.000
Reuters code	ADMIN.HE
Bloomberg code	ADMIN FH
Average daily volume, EURm	0.0
Next interim report	08-May-24
Web site	administergroup.com

Analyst	Jerker Salokivi
E-mail	jerker.salokivi@evli.com
Telephone	+358 9 4766 9149

+ BUY    ◻ HOLD    ◻ 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
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%	2.9	-0.27	-8.9	0.6	-15.6	8.4	0.00
2024E	77.1	-0.3	-0.4%	2.0	-0.14	-17.0	0.6	-128.6	6.2	0.04
2025E	81.0	1.2	1.5%	3.5	-0.04	-60.2	0.5	32.2	10.5	0.07
2026E	86.2	3.0	3.5%	5.1	0.08	30.4	0.4	11.8	15.5	0.03
Market cap, EURm				33	Gearing 2024E, %		36.9	CAGR EPS 2023-26, %		0.0
Net debt 2024E, EURm				9	Price/book 2024E		1.3	CAGR sales 2023-26, %		4.3
Enterprise value, EURm				42	Dividend yield 2024E, %		1.9	ROE 2024E, %		-7.3
Total assets 2024E, EURm				59	Tax rate 2024E, %		20.0	ROCE 2024E, %		-0.8
Goodwill 2024E, EURm				35	Equity ratio 2024E, %		43.4	PEG, P/E 24/CAGR		0.0

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

Administer	2022	H1/'23	H2/'23	2023	H1/24E	H2/24E	2024E	2025E	2026E
Net sales	52.8	39.2	36.6	75.9	39.0	38.1	77.1	81.0	86.2
<i>sales growth %</i>	25.9%	64.2%	27.0%	43.8%	-0.6%	4.0%	1.6%	5.0%	6.5%
Other operating income	0.1	0.2	0.3	0.5	0.1	0.1	0.3	0.1	0.1
Materials and services	-7.1	-4.3	-4.1	-8.4	-4.4	-4.2	-8.6	-8.9	-9.2
Personnel expenses	-34.9	-28.3	-27.1	-55.4	-27.6	-26.6	-54.2	-55.9	-58.6
Other expenses	-7.1	-5.3	-4.2	-9.5	-4.5	-4.3	-8.8	-9.1	-9.5
Results of affiliates	0.0	-0.1	-0.1	-0.2	0.0	0.0	-0.1	0.0	0.0
<b>EBITDA</b>	<b>3.8</b>	<b>1.6</b>	<b>1.3</b>	<b>2.8</b>	<b>2.6</b>	<b>3.1</b>	<b>5.7</b>	<b>7.2</b>	<b>9.0</b>
<i>EBITDA-margin</i>	7.1%	4.0%	3.5%	3.8%	6.6%	8.1%	7.4%	8.9%	10.4%
Depreciation	-1.1	-0.9	-1.0	-1.8	-1.0	-1.0	-2.0	-2.0	-2.0
<b>EBITA</b>	<b>2.7</b>	<b>0.7</b>	<b>0.3</b>	<b>1.0</b>	<b>1.6</b>	<b>2.1</b>	<b>3.7</b>	<b>5.2</b>	<b>7.0</b>
<i>EBITA-margin</i>	5.1%	1.8%	0.8%	1.3%	4.1%	5.5%	4.8%	6.5%	8.1%
Goodwill amortization	-2.5	-2.0	-2.0	-4.0	-2.0	-2.0	-4.0	-4.0	-4.0
<b>EBIT</b>	<b>0.1</b>	<b>-1.3</b>	<b>-1.7</b>	<b>-3.0</b>	<b>-0.4</b>	<b>0.1</b>	<b>-0.3</b>	<b>1.2</b>	<b>3.0</b>
<i>EBIT-margin</i>	0.2%	-3.3%	-4.6%	-3.9%	-1.1%	0.2%	-0.4%	1.5%	3.5%

Source: Administer, Evli Research estimates.

## Valuation

On our revised estimates we lower our TP to EUR 2.6 (3.0) and retain our BUY-rating. In the near-term, challenges are brought by the unfavourable market conditions and risk relating to the company's financial position, as the covenant's were not fulfilled by the end of 2023. On our estimates and considering remaining liabilities relating to the acquisition of Eonia, breach of covenants should not be an issue at the end of next year. Although there is uncertainty relating to the turnaround, market conditions appear rather stable at the moment, The cost savings measures taken in 2023 should further cover large parts of the anticipated profitability improvement. In terms of valuation current year levels are elevated (2024e P/E excl. goodwill amortizations ~18x) considering the suboptimal performance and risks, but become clearly more attractive on coming years figures (2025e P/E excl. goodwill amortizations ~11x), with our estimates currently assuming a modest profitability improvement compared with Administer's financial targets.

	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
Talenom	242	8.7x	7.6x	6.7x	21.8x	17.1x	13.8x	29.6x	21.6x	16.3x
Aallon Group	34	6.9x	6.6x	6.3x	11.4x	10.4x	9.6x	13.4x	12.9x	11.8x
Enento Group	403	9.8x	9.0x	8.3x	13.8x	12.2x	11.1x	19.5x	15.2x	13.1x
Admicom	214	17.4x	15.2x	12.8x	20.2x	17.6x	14.5x	24.2x	20.8x	17.4x
Zalaris	113	7.8x	6.9x		15.4x	12.9x		21.8x	18.1x	
Peer Group Average	752	10.1x	9.0x	8.5x	16.5x	14.0x	12.2x	21.7x	17.7x	14.7x
Peer Group Median	214	8.7x	7.6x	7.5x	15.4x	12.9x	12.5x	21.8x	18.1x	14.7x

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	2.30 PV of Free Cash Flow	45 Long-term growth, %	1.5 Risk-free interest rate, %	2.50
DCF share value	7.10 PV of Horizon value	68 WACC, %	8.0 Market risk premium, %	5.8
Share price potential, %	208.6 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.5
Maximum value	7.8 Marketable securities	3 Minimum WACC, %	7.5 Equity beta coefficient	1.00
Minimum value	6.5 Debt - dividend	-15 Maximum WACC, %	8.5 Target debt ratio, %	30
Horizon value, %	60.2 Value of stock	102 Nr of shares, Mn	14.3 Effective tax rate, %	20

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	76	77	81	86	91	95	100	105	110	116	117	119
<i>Sales growth, %</i>	<i>43.8</i>	<i>1.6</i>	<i>5.0</i>	<i>6.5</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>1.5</i>	<i>1.5</i>
Operating income (EBIT)	-3	0	1	3	6	10	10	10	11	12	12	12
<i>Operating income margin, %</i>	<i>-3.9</i>	<i>-0.4</i>	<i>1.5</i>	<i>3.5</i>	<i>7.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>
+ Depreciation+amort.	6	6	6	6	4	2	2	2	3	3	3	
EBITDA	3	6	7	9	10	12	12	13	14	14	15	
- Paid taxes	0	-1	-1	-1	-2	-2	-2	-2	-2	-2	-2	
- Change in NWC	5	0	0	1	0	0	0	0	0	1	0	
<i>NWC / Sales, %</i>	<i>-9.5</i>	<i>-9.5</i>	<i>-9.5</i>	<i>-9.5</i>	<i>-9.5</i>	<i>-9.5</i>	<i>-9.5</i>	<i>-9.5</i>	<i>-9.5</i>	<i>-9.5</i>	<i>-9.5</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-4	-2	-2	-2	-3	-3	-3	-3	-3	-3	-3	
<i>opCAPEX / Sales, %</i>	<i>5.3</i>	<i>2.8</i>	<i>2.9</i>	<i>2.9</i>	<i>2.8</i>	<i>2.8</i>	<i>2.8</i>	<i>2.8</i>	<i>2.8</i>	<i>2.8</i>	<i>2.6</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	4	3	4	6	7	8	8	8	9	9	9	145
= Discounted FCFF		3	4	5	5	5	5	5	5	5	4	68
= DFCF min WACC		3	4	5	5	5	5	5	5	5	5	77
= DFCF max WACC		3	4	4	5	5	5	5	5	5	4	61

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1E	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	0.0	39.2	0.0	36.6	75.9	0.0	39.0	0.0	38.1	77.1	81.0	86.2
EBITDA	0.0	1.6	0.0	1.3	2.8	0.0	2.6	0.0	3.1	5.7	7.2	9.0
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>4.0</i>	<i>0.0</i>	<i>3.5</i>	<i>3.8</i>	<i>0.0</i>	<i>6.6</i>	<i>0.0</i>	<i>8.1</i>	<i>7.4</i>	<i>8.9</i>	<i>10.4</i>
EBIT	0.0	-1.3	0.0	-1.7	-3.0	0.0	-0.4	0.0	0.1	-0.3	1.2	3.0
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>-3.3</i>	<i>0.0</i>	<i>-4.6</i>	<i>-3.9</i>	<i>0.0</i>	<i>-1.1</i>	<i>0.0</i>	<i>0.2</i>	<i>-0.4</i>	<i>1.5</i>	<i>3.5</i>
Net financial items	0.0	-0.3	0.0	-0.7	-1.0	0.0	-0.5	0.0	-0.5	-1.1	-0.9	-0.7
Pre-tax profit	0.0	-1.6	0.0	-2.3	-3.9	0.0	-1.0	0.0	-0.5	-1.4	0.3	2.4
Tax	0.0	-0.2	0.0	0.3	0.1	0.0	-0.2	0.0	-0.3	-0.5	-0.9	-1.3
<i>Tax rate (%)</i>	<i>0.0</i>	<i>49.5</i>	<i>0.0</i>	<i>74.3</i>	<i>-488.2</i>	<i>0.0</i>	<i>20.0</i>	<i>0.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	0.0	-1.8	0.0	-2.1	-3.9	0.0	-1.2	0.0	-0.8	-1.9	-0.5	1.1
EPS	0.00	-0.13	0.00	-0.14	-0.27	0.00	-0.08	0.00	-0.05	-0.14	-0.04	0.08
EPS adjusted (diluted no. of shares)	0.00	-0.13	0.00	-0.14	-0.27	0.00	-0.08	0.00	-0.05	-0.14	-0.04	0.08
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.07	0.03
<b>SALES, EURm</b>												
Administer	0.0	39.2	0.0	36.6	75.9	0.0	39.0	0.0	38.1	77.1	81.0	86.2
Total	0.0	39.2	0.0	36.6	75.9	0.0	39.0	0.0	38.1	77.1	81.0	86.2
<b>SALES GROWTH, Y/Y %</b>												
Administer	<i>0.0</i>	<i>64.2</i>	<i>0.0</i>	<i>27.0</i>	<i>43.8</i>	<i>0.0</i>	<i>-0.6</i>	<i>0.0</i>	<i>4.0</i>	<i>1.6</i>	<i>5.0</i>	<i>6.5</i>
Total	<i>0.0</i>	<i>64.2</i>	<i>0.0</i>	<i>27.0</i>	<i>43.8</i>	<i>0.0</i>	<i>-0.6</i>	<i>0.0</i>	<i>4.0</i>	<i>1.6</i>	<i>5.0</i>	<i>6.5</i>
<b>EBIT, EURm</b>												
Administer	0.0	-1.3	0.0	-1.7	-3.0	0.0	-0.4	0.0	0.1	-0.3	1.2	3.0
Total	0.0	-1.3	0.0	-1.7	-3.0	0.0	-0.4	0.0	0.1	-0.3	1.2	3.0
<b>EBIT margin, %</b>												
Administer	<i>0.0</i>	<i>-3.3</i>	<i>0.0</i>	<i>-4.6</i>	<i>-3.9</i>	<i>0.0</i>	<i>-1.1</i>	<i>0.0</i>	<i>0.2</i>	<i>-0.4</i>	<i>1.5</i>	<i>3.5</i>
Total	<i>0.0</i>	<i>-3.3</i>	<i>0.0</i>	<i>-4.6</i>	<i>-3.9</i>	<i>0.0</i>	<i>-1.1</i>	<i>0.0</i>	<i>0.2</i>	<i>-0.4</i>	<i>1.5</i>	<i>3.5</i>

Commercial Services & Supplies/Finland, March 8, 2024  
Company update

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	45.3	43.7	41.9	52.8	75.9	77.1	81.0	86.2
<i>Sales growth (%)</i>	<i>22.5</i>	<i>-3.5</i>	<i>-4.0</i>	<i>25.9</i>	<i>43.8</i>	<i>1.6</i>	<i>5.0</i>	<i>6.5</i>
EBITDA	3.0	4.4	2.3	3.7	2.8	5.7	7.2	9.0
<i>EBITDA margin (%)</i>	<i>6.5</i>	<i>10.2</i>	<i>5.4</i>	<i>7.1</i>	<i>3.8</i>	<i>7.4</i>	<i>8.9</i>	<i>10.4</i>
Depreciation	-1.1	-0.6	-0.7	-1.1	-1.8	-2.0	-2.0	-2.0
EBITA	1.9	3.8	1.5	2.7	1.0	3.7	5.2	7.0
Goodwill amortization / writedown	-1.0	-1.0	-1.5	-2.5	-4.0	-4.0	-4.0	-4.0
EBIT	0.9	2.9	0.1	0.1	-3.0	-0.3	1.2	3.0
<i>EBIT margin (%)</i>	<i>1.9</i>	<i>6.6</i>	<i>0.1</i>	<i>0.2</i>	<i>-3.9</i>	<i>-0.4</i>	<i>1.5</i>	<i>3.5</i>
Reported EBIT	0.9	2.9	0.1	0.1	-3.0	-0.3	1.2	3.0
<i>EBIT margin (reported) (%)</i>	<i>1.9</i>	<i>6.6</i>	<i>0.1</i>	<i>0.2</i>	<i>-3.9</i>	<i>-0.4</i>	<i>1.5</i>	<i>3.5</i>
Net financials	-0.3	-0.3	-1.8	-0.4	-1.0	-1.1	-0.9	-0.7
Pre-tax profit	0.6	2.6	-1.7	-0.3	-3.9	-1.4	0.3	2.4
Taxes	-0.1	-0.6	0.0	-0.4	0.1	-0.5	-0.9	-1.3
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.4	2.0	-1.8	-0.7	-3.9	-1.9	-0.5	1.1
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	3	3	4	6	7	7	7	8
Goodwill	15	14	23	42	39	35	31	27
Right of use assets	0	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0	0
Receivables	8	7	7	13	13	13	14	15
Liquid funds	1	1	13	5	3	3	3	4
Total assets	26	25	47	66	63	59	56	54
Liabilities								
Shareholder's equity	7	9	32	32	28	26	24	24
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0	0	0
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	8	6	4	18	15	13	10	6
Non-interest bearing current liabilities	10	9	11	15	20	21	22	23
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	26	25	47	66	63	59	56	54
<b>CASH FLOW, EURm</b>								
+ EBITDA	3	4	2	4	3	6	7	9
- Net financial items	0	0	-2	0	-1	-1	-1	-1
- Taxes	0	-1	0	0	0	-1	-1	-1
- Increase in Net Working Capital	1	0	2	-1	5	0	0	1
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	4	4	2	2	7	4	6	8
- Capex	-4	-1	-2	-3	-4	-2	-2	-2
- Acquisitions	0	0	0	-20	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	0	2	0	-20	3	2	3	5
+/- New issues/buybacks	0	0	25	1	0	0	0	0
- Paid dividend	0	0	0	0	-1	0	-1	-1
+/- Other	-1	-2	-13	11	-3	-2	-3	-4
Change in cash	-1	0	12	-9	-1	0	0	0

Commercial Services & Supplies/Finland, March 8, 2024  
Company update

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	0	60	38	35	33	33	33
Net debt (excl. convertibles)	6	-9	14	11	9	7	3
Enterprise value	6	51	52	46	42	40	36
Sales	44	42	53	76	77	81	86
EBITDA	4	2	4	3	6	7	9
EBIT	3	0	0	-3	0	1	3
Pre-tax	3	-2	0	-4	-1	0	2
Earnings	2	-2	-1	-4	-2	-1	1
Equity book value (excl. minorities)	9	32	32	28	26	24	24
<b>Valuation multiples</b>							
EV/sales	0.1	1.2	1.0	0.6	0.6	0.5	0.4
EV/EBITDA	1.2	22.6	13.9	16.2	7.5	5.5	3.9
EV/EBITA	1.4	33.8	19.6	46.0	11.6	7.6	5.1
EV/EBIT	1.9	959.9	473.3	-15.6	-128.6	32.2	11.8
EV/OCF	1.6	25.9	22.1	6.7	10.2	6.8	4.7
EV/FCFF	2.2	24.2	-2.6	12.5	14.5	9.4	6.3
P/FCFE	0.0	150.7	-1.9	11.9	16.1	9.5	6.4
P/E	0.0	-33.2	-52.9	-8.9	-17.0	-60.2	30.4
P/B	0.0	1.8	1.2	1.3	1.3	1.4	1.3
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.2	6.1	4.4
Target EV/EBIT	0.0	0.0	0.0	0.0	-141.6	35.7	13.2
Target EV/FCF	0.0	0.0	0.0	0.0	22.9	12.6	7.8
Target P/B	0.0	0.0	0.0	0.0	1.5	1.5	1.5
Target P/E	0.0	0.0	0.0	0.0	-19.2	-68.1	34.4
<b>Per share measures</b>							
Number of shares	9,620	14,194	14,329	14,329	14,329	14,329	14,329
Number of shares (diluted)	9,620	14,194	14,329	14,329	14,329	14,329	14,329
EPS	0.20	-0.13	-0.05	-0.27	-0.14	-0.04	0.08
Operating cash flow per share	0.37	0.14	0.16	0.48	0.29	0.41	0.53
Free cash flow per share	0.23	0.03	-1.40	0.20	0.14	0.24	0.36
Book value per share	0.99	2.28	2.24	1.92	1.78	1.70	1.71
Dividend per share	0.00	0.00	0.05	0.00	0.04	0.07	0.03
Dividend payout ratio, %	0.0	0.0	-99.4	-0.1	-31.7	-189.3	40.0
Dividend yield, %	0.0	0.0	1.9	0.0	1.9	3.1	1.3
FCF yield, %	0.0	0.7	-52.7	8.4	6.2	10.5	15.5
<b>Efficiency measures</b>							
ROE	23.1	-8.6	-2.2	-13.1	-7.3	-2.2	4.4
ROCE	18.2	0.2	0.3	-6.4	-0.8	3.4	9.2
<b>Financial ratios</b>							
Inventories as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables as % of sales	15.3	15.9	24.9	17.2	17.2	17.2	17.2
Non-interest bearing liabilities as % of sales	20.0	25.1	29.2	26.7	26.7	26.7	26.7
NWC/sales, %	-4.8	-9.2	-4.2	-9.5	-9.5	-9.5	-9.5
Operative CAPEX/sales, %	3.1	3.7	4.8	5.3	2.8	2.9	2.9
CAPEX/sales (incl. acquisitions), %	3.1	3.7	-33.0	5.3	2.8	2.9	2.9
FCFF/EBITDA	0.6	0.9	-5.3	1.3	0.5	0.6	0.6
Net debt/EBITDA, book-weighted	1.2	-3.9	3.7	4.0	1.7	0.9	0.3
Debt/equity, market-weighted	0.0	0.1	0.5	0.4	0.4	0.3	0.2
Equity ratio, book-weighted	38.4	68.5	48.7	44.0	43.4	43.5	45.6
Gearing, %	58.3	-27.2	43.3	41.7	36.9	27.0	10.3

**COMPANY DESCRIPTION:** Administer is one of the leading providers of financial management and HR & payroll services in Finland. Founded in 1985, the company has grown rapidly in recent years through acquisitions and today employs over 1,000 employees. In-house developed technology has played an important role and the company is looking to further leverage its know-how to develop the industry. The company completed its IPO in December 2021.

**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	6,830,980	15.711	47.7%
Ilmarinen Mutual Pension Insurance Company	1,250,000	2.875	8.7%
Sijoius Oy MC Invest Ab	1,205,508	2.773	8.4%
Oy Fincorp Ab	433,788	0.998	3.0%
Varma Mutual Pension Insurance Company	337,093	0.775	2.4%
Elo Mutual Pension Insurance Company	306,817	0.706	2.1%
Salmivala Maria-Elina	283,221	0.651	2.0%
Rantalainen-Yhtiöt Oy	249,824	0.575	1.7%
Herranen Kimmo	231,700	0.533	1.6%
Oy Talcom Ab	161,000	0.370	1.1%
Ten largest	11,289,931	25.967	79%
Residual	3,039,483	6.991	21%
Total	14,329,414	32.958	100%

**EARNINGS CALENDAR**

May 08, 2024	Q1 report
August 15, 2024	Q2 report
November 06, 2024	Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

CEO: Kimmo Herranen	Itämerenkatu 5, FIN-00180 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	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	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 per year



<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes - income taxes}}{\text{Shareholder's equity + minority interest + taxed provisions (average)}}$	
--	--

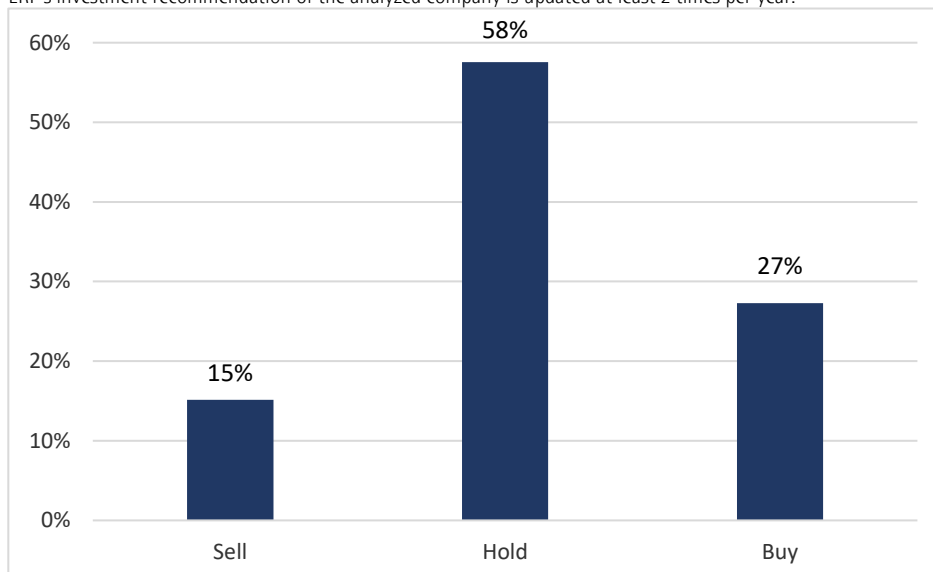
Important Disclosures

Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. Recommendations and changes by analysts are available at [Analysts' recommendations and ratings revisions](#).

Investment recommendations are defined as follows:

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

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



The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Plc. Production of the investment recommendation has been concluded on 8.3.2024, 9:35. This report has been published on 8.3.2024, 9:45.

None of the analysts contributing to this report, persons under their guardianship or corporations under their control have a position in the shares of the company or related securities.

The date and time for any price of financial instruments mentioned in the recommendation refer to the previous trading day's closing price(s) unless otherwise stated in the report.

Each analyst responsible for the content of this report assures that the expressed views accurately reflect the personal views of each analyst on the covered companies and securities. Each analyst assures that (s)he has not been, nor are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

Companies in the Evli Group, affiliates or staff of companies in the Evli Group, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report.

Neither ERP nor any company within the Evli Group have managed or co-managed a public offering of the company's securities during the last 12 months prior to, received compensation for investment banking services from the company during the last 12 months prior to the publication of the research report.

ERP has signed an agreement with the issuer of the financial instruments mentioned in the recommendation, which includes production of research reports. This assignment has a limited economic and financial impact on ERP and/or Evli. Under the assignment ERP performs services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP or another company within the Evli Group does not have an agreement with the company to perform market making or liquidity providing services.

For the prevention and avoidance of conflicts of interests with respect to this report, there is an information barrier (Chinese wall) between Investment Research and Corporate Finance units concerning unpublished investment banking services to the company. The remuneration of the analyst(s) is not tied directly or indirectly to investment banking transactions or other services performed by Evli Plc or any company within Evli Group.

This report has not been disclosed to the company prior to its dissemination.

This report is provided and intended for informational purposes only and may not be used or considered under any circumstances as an offer to sell or buy any securities or as advice to trade any securities.

This report is based on sources ERP considers to be correct and reliable. The sources include information providers Reuters and Bloomberg, stock-exchange releases from the companies and other company news, Statistics Finland and articles in newspapers and magazines. However, ERP does not guarantee the materialization, correctness, accuracy or completeness of the information, opinions, estimates or forecasts expressed or implied in the report. In addition, circumstantial changes may have an influence on opinions and estimates presented in this report. The opinions and estimates presented are valid at the moment of their publication and they can be changed without a separate announcement. Neither ERP nor any company within the Evli Group are responsible for amending, correcting or updating any information, opinions or estimates contained in this report. Neither ERP nor any company within the Evli Group will compensate any direct or consequential loss caused by or derived from the use of the information represented in this publication.

All information published in this report is for the original recipient's private and internal use only. ERP reserves all rights to the report. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature, without the written permission of ERP.

This report or its copy may not be published or distributed in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa. The publication or distribution of this report in certain other jurisdictions may also be restricted by law. Persons into whose possession this report comes are required to inform themselves about and to observe any such restrictions.

Evli Plc is not registered as a broker-dealer with the U. S. Securities and Exchange Commission ("SEC"), and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Evli is not a member of the Financial Industry Regulatory Authority ("FINRA"). It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest. This research report is only being offered in U.S. by Auerbach Grayson & Company, LLC (Auerbach Grayson) to Major U.S. Institutional Investors and is not available to, and should not be used by, any U.S. person or entity that is not a Major U.S. Institutional Investor. Auerbach Grayson is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of the FINRA. U.S. entities seeking more information about any of the issuers or securities discussed in this report should contact Auerbach Grayson. The securities of non-U.S. issuers may not be registered with or subject to SEC reporting and other requirements.

ERP is not a supervised entity but its parent company Evli Plc is supervised by the Finnish Financial Supervision Authority.

**Contact information****SALES, TRADING AND RESEARCH****Equity, ETF and Derivatives Sales**

Joachim Dannberg +358 9 4766 9123  
Ari Laine +358 9 4766 9115  
Kimmo Lijja +358 9 4766 9130

**Trading**

Lauri Vehkaluoto (Head) +358 9 4766 9120  
Pasi Väisänen +358 9 4766 9120  
Antti Kässi +358 9 4766 9120  
Miika Ronkanen +358 9 4766 9120

**Structured Investments**

Heikki Savijoki +358 9 4766 9726  
Aki Lakkisto +358 9 4766 9123

**Equity Research**

Atte Jortikka +358 40 054 3725  
Joonas Ilvonen +358 44 430 9071  
Jerker Salokivi +358 9 4766 9149

**Evli Investment Solutions**

Johannes Asuja +358 9 4766 9205

# EVLI

**EVLI PLC**

Aleksanterinkatu 19 A  
P.O. Box 1081  
FIN-00101 Helsinki, FINLAND  
Phone +358 9 476 690  
Internet www.evli.com  
E-mail firstname.lastname@evli.com

**EVLI PLC,**

**STOCKHOLMSFILIAL**  
Regeringsgatan 67 P.O. Box 16354  
SE-103 26 Stockholm  
Sverige  
stockholm@evli.com  
Tel +46 (0)8 407 8000