

Decent H1 despite challenges

Administer's H1 figures were better than expected. Revenue amounted to EUR 23.9m (Evli EUR 21.9m), growing 20.5% mainly due to completed acquisitions. EBITA amounted to EUR 0.6m (Evli EUR 0.1m), adversely affected by Administer's subsidiary Adner's system reform but still better than anticipated.

- Net sales in H1 amounted to EUR 23.9m (EUR 21.9m in H1/21), above our estimates (Evli EUR 21.9m). Net sales in H1 grew 20.5% y/y. Growth was mainly attributable to the acquisition of EmCe and acquisitions made during H1.
- EBITDA and EBITA in H1 were EUR 1.0m (H1/21: EUR 0.6m) and EUR 0.6m (H1/21: EUR 0.2m) respectively, above our estimates (Evli EUR 0.5m/0.1m). The EBITA-margin amounted to 2.3%. Profitability was burdened by higher than anticipated overlapping costs for the old and new system stemming from Administer's subsidiary Adner's system reform
- Operating profit in H1 amounted to EUR -0.5m (EUR -0.3m in H1/21), above our estimates (Evli EUR -0.9m).
- During H1 Administer completed the acquisition of the payroll services of Konjunkturi Oy, international financial and payroll management specialist WaBuCo Financial Services, and accounting services providers Sydän-Suomen Taloushallinta and Tilitoimisto Ollikainen.
- **Guidance for 2022 (updated 12.8.2022):** Administer expects that its net sales will amount to EUR 47-49m and the EBITDA-margin to be 5-7%. The company further expects to make 5-10 acquisitions over the course of 2022.

Rating + BUY

H1/22	Actual	Evli	H1/21
Net sales	23.9	21.9	19.8
EBITA	0.6	0.1	0.2
EBIT	-0.5	-0.9	-0.3

Deviation	Actual	Evli	Year ago
Net sales		9 %	21 %
EBITA		>100 %	>100 %
EBIT		44 %	-67 %

Share price, EUR (Last trading day's closing price) **2.66**

Target price, EUR **4.0**

Latest change in recommendation	02-Mar-22
Latest report on company	15-Aug-22
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	38
Free float, %	0.0
Exchange rate	0.000
Reuters code	ADMIN.HE
Bloomberg code	ADMIN FH
Average daily volume, EURm	-
Next interim report	31-Aug-22
Web site	administergroup.com

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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
2020	43.7	2.9	6.6%	2.2	0.20	0.0	0.1	1.9	0.0	0.00
2021	41.9	0.1	0.1%	-10.1	-0.13	-33.2	1.2	959.9	-16.9	0.00
2022E	48.1	0.1	0.2%	1.9	-0.01	-261.1	0.6	234.3	4.9	0.00
2023E	63.4	6.0	9.4%	6.6	0.29	9.2	0.3	3.5	17.3	0.13
2024E	77.6	12.0	15.5%	11.4	0.62	4.3	0.1	0.9	30.0	0.24

Market cap, EURm	38	BV per share 2022E, EUR	-33.0	CAGR EPS 2021-24, %	0.0
Net debt 2022E, EURm	-11	Price/book 2022E	1.2	CAGR sales 2021-24, %	22.8
Enterprise value, EURm	28	Dividend yield 2022E, %	0.0	ROE 2022E, %	-0.5
Total assets 2022E, EURm	47	Tax rate 2022E, %	-1.9	ROCE 2022E, %	0.3
Goodwill 2022E, EURm	21	Equity ratio 2022E, %	68.1	PEG, P/E 22/CAGR	0.0

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

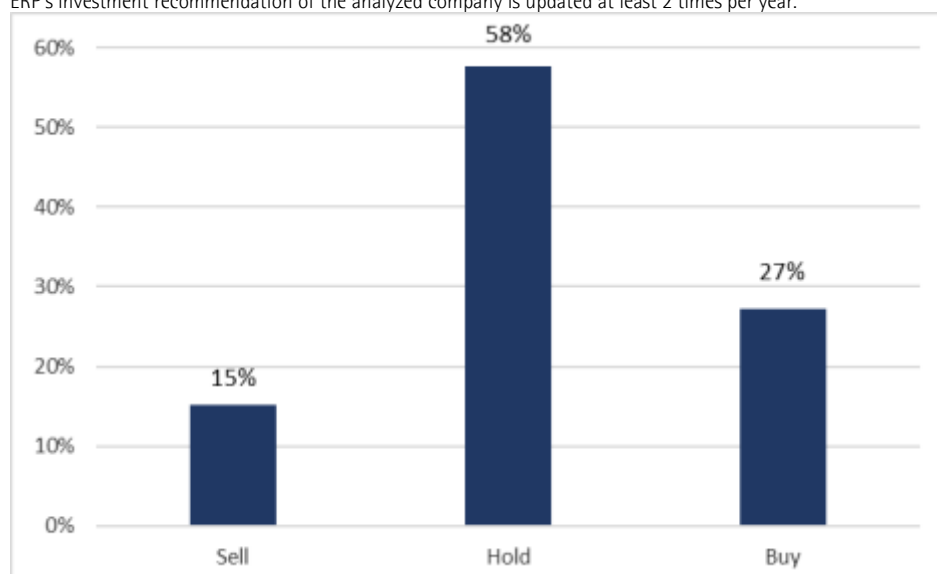
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Investment recommendations are defined as follows:

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

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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.

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