

Quite in line with expectations

Administer's H2 figures were slightly better than expected. Revenue amounted to EUR 28.9m (Evli EUR 27.4m), with growth of 30.8%. EBITA amounted to EUR 2.1m (Evli EUR 2.0m). The 2022 dividend proposal is EUR 0.05 per share (Evli EUR 0.00). Guidance for 2023: Revenue EUR 76–81m and EBITDA-margin 7–9%.

- Net sales in H2 amounted to EUR 28.9m (EUR 22.1m in H2/21), slightly above our estimates (Evli EUR 27.4m). Net sales in H2 grew 30.8% y/y. Growth was mainly attributable to acquisitions made during 2022 and the new customers won by Silta.
- EBITDA and EBITA in H2 were EUR 2.7m (H2/21: EUR 1.7m) and EUR 2.1m (H2/21: EUR 1.3m) respectively, above our estimates (Evli EUR 2.4m/2.0m). The EBITDA-margin amounted to 9.5%. Profitability improved in the accounting, payroll and HR services as well as in the software business.
- Operating profit in H2 amounted to EUR 0.6m (EUR 0.3m in H2/21), slightly below our estimates (Evli EUR 0.8m). EBIT was affected by amortization of goodwill from the acquisitions amounting to EUR 1.5m (H2/21: EUR 1.0m).
- During H2 Administer completed the acquisition of accounting firm Varkauden Tili Oy, accounting and financial management services provider Tunturi-Lapin Yrityspalvelu Oy, the accounting business of Laine Consulting Oy and financial and HR administration and international services provider Econia.
- **Dividend proposal:** Administer's BoD proposes a dividend of EUR 0.05 per share be paid for 2022 (Evli EUR 0.00).
- **Guidance for 2023:** Administer seeks to continue growth investments as well as organic and inorganic growth in 2023. Net sales is estimated to be EUR 76–81m and EBITDA margin at 7–9%.

Rating 🇺🇸 BUY

| H2/22 | Actual | Evli | H2/21 |
|---|--------------------------|-------|----------|
| Net sales | 28.9 | 27.4 | 22.0 |
| EBITA | 2.1 | 2.0 | 1.3 |
| EBIT | 0.6 | 0.8 | 0.3 |
| Deviation | Actual | Evli | Year ago |
| Net sales | | 5 % | 31 % |
| EBITA | | 5 % | 62 % |
| EBIT | | -25 % | 100 % |
| Share price, EUR (Last trading day's closing price) | 3.22 | | |
| Target price, EUR | 4.0 | | |
| Latest change in recommendation | 02-Mar-22 | | |
| Latest report on company | 24-Mar-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 | 46 | | |
| 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 | 31-Aug-23 | | |
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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% | 0.6 | -0.13 | -33.2 | 1.2 | 959.9 | 1.0 | 0.00 |
| 2022E | 51.3 | 0.3 | 0.5% | -21.4 | -0.01 | -508.2 | 1.1 | 228.2 | -46.4 | 0.00 |
| 2023E | 82.4 | 4.0 | 4.9% | 5.6 | 0.12 | 26.9 | 0.6 | 13.3 | 12.1 | 0.11 |
| 2024E | 87.8 | 6.5 | 7.4% | 7.3 | 0.26 | 12.2 | 0.5 | 7.3 | 15.8 | 0.15 |
| Market cap, EURm | 46 | | BV per share 2022E, EUR | | 39.3 | | CAGR EPS 2021-24, % | | 0.0 | |
| Net debt 2022E, EURm | 13 | | Price/book 2022E | | 1.4 | | CAGR sales 2021-24, % | | 28.0 | |
| Enterprise value, EURm | 59 | | Dividend yield 2022E, % | | 0.0 | | ROE 2022E, % | | -0.3 | |
| Total assets 2022E, EURm | 67 | | Tax rate 2022E, % | | 6.2 | | ROCE 2022E, % | | 0.6 | |
| Goodwill 2022E, EURm | 44 | | Equity ratio 2022E, % | | 48.1 | | PEG, P/E 22/CAGR | | 0.0 | |

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

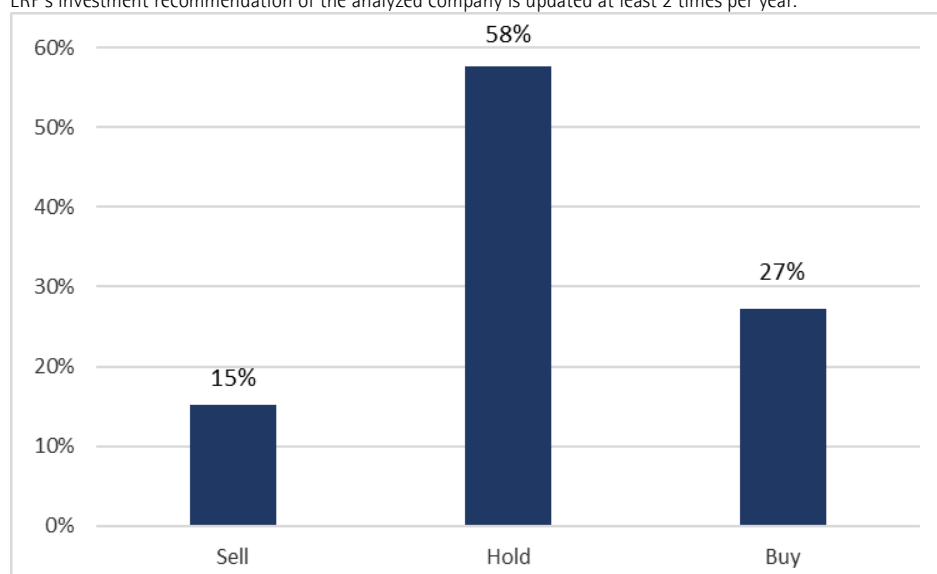
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| Target price compared to share price | Recommendation |
|--------------------------------------|----------------|
| < -10 % | SELL |
| -10 – (+10) % | HOLD |
| > 10 % | BUY |

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