

Profitability programme showing results

Administer's Q1 net sales declined by 3.1% y/y, driven by a 14.8% decline in Econia's net sales. EBITDA improved by some 56% y/y to EUR 1.7m. Overall the report appears more on the positive side, as the impact of the profitability programme is taking effect.

- Net sales in Q1 amounted to EUR 19.0m (EUR 19.6m in Q1/23). Net sales in Q1 declined 3.1% y/y. The decline was mainly attributable to Econia, whose revenue declined by 14.8% driven by the overall economic weakness and the industrial strikes, as well as seasonal fluctuation. Q1 was Administer first quarterly report and comparison period figures had not been posted ahead of the results. On our H1/24 estimate and actual Q1 figures, implied Q2 growth is 5%. We see potential, slight downward pressure, although Econia's growth is expected to pick up in Q2.
- EBITDA and EBITA in Q1 were EUR 1.7m (Q1/23: EUR 1.1m) and EUR 1.3m (Q1/23: EUR 0.7m) respectively. The EBITDA-margin improved to 9.1% compared with 5.7% in Q1/23. For H1/24, we had estimated an EBITDA improvement of 66%, with Q1 up 56% y/y the figure appears fairly in line with expectations but with potential for improvement. Profitability was aided by the profitability programme initiated in 2023.
- During H1 Administer carried out one acquisition, that of the accounting business of Pohjanmaan Laskenta Oy.
- **Guidance for 2024 (reiterated):** Net sales is estimated to be EUR 76-81m and EBITDA-margin to be 6-9%.

Rating	+ BUY
Share price, EUR (Last trading day's closing price)	2.50
Target price, EUR	2.6
Latest change in recommendation	02-Mar-22
Latest report on company	08-Mar-24
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	36
Free float, %	-
Exchange rate	0.000
Reuters code	ADMIN.HE
Bloomberg code	ADMIN FH
Average daily volume, EURm	-
Next interim report	08-May-24
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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
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	-18.4	0.6	-137.3	5.7	0.04
2025E	81.0	1.2	1.5%	3.5	-0.04	-65.5	0.5	34.6	9.7	0.07
2026E	86.2	3.0	3.5%	5.1	0.08	33.1	0.4	12.8	14.3	0.03

Market cap, EURm	36	BV per share 2024E, EUR	36.9	CAGR EPS 2023-26, %	0.0
Net debt 2024E, EURm	9	Price/book 2024E	1.4	CAGR sales 2023-26, %	4.3
Enterprise value, EURm	45	Dividend yield 2024E, %	1.7	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.

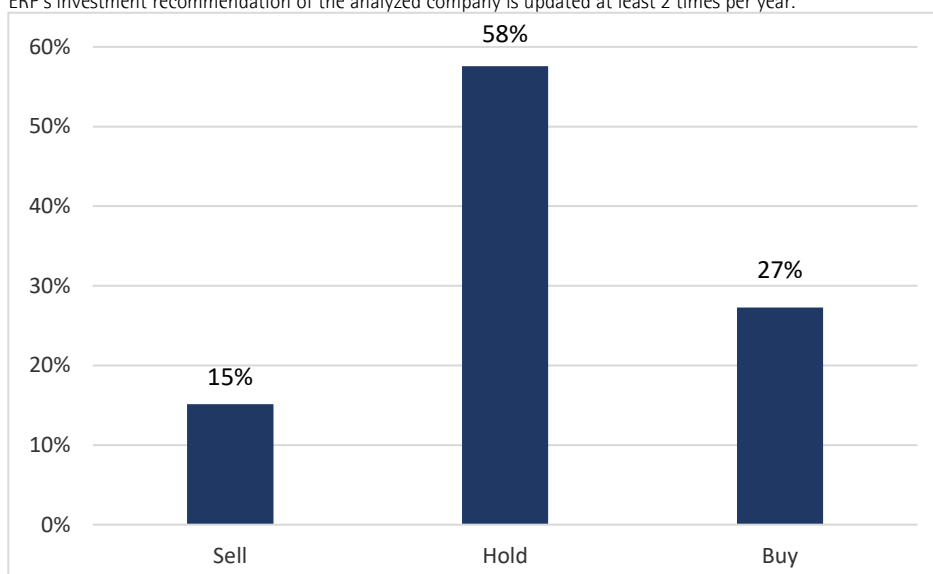
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Investment recommendations are defined as follows:

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.

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

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