

Profitability slightly below expectations

Administer's Q2 revenue held steady at EUR 19.3m, while profitability declined slightly due to higher costs, the unprofitability of Kuntalaskenta and increased credit losses.

- Net sales in Q2 were EUR 19.3m (EUR 19.3m in Q2'24) slightly below our estimate of EUR 19.5m. The challenging market environment continued to impact net sales during the quarter.
- Reported EBITDA in Q2 was EUR 1.6m (Q2'24: EUR 1.9m) vs. Evli EUR 2.0m. This translates to a margin of 8.1%. Reported EBITDA was impacted by one-off costs from IFRS transition preparations and the Group's 40th anniversary celebrations.
- Comparable EBITDA was EUR 1.8m. The slight decline in profitability was due to rising costs, the unprofitability of Kuntalaskenta, and increased credit losses.
- EBITDA in Q2 was EUR 1.1m (Q2'24: EUR 1.4m) vs. Evli 1.5m.
- Operating result in Q2 was EUR 0.1m (Q2'24: EUR 0.4m) vs. Evli EUR 0.5m.
- Across the main brands, HR services provider **Silta's** net sales declined 3.6% to EUR 6.5m.
- HR and staffing provider **Econia's** net sales declined by 9.3% to EUR 5.4m.
- Net sales in **Administer's accounting** operations were in line with the previous year at EUR 4.6m.
- Software services provider **EmCe** reported net sales of EUR 2.0m, up 5.0% y/y.
- Both Administer's accounting business and Econia implemented adjustment measures, including personnel and operational actions, to improve profitability in response to challenging market conditions.
- During the review period, Administer announced plans to acquire the financial, payroll, and software business of Sarastia's municipal clients. The completion of the acquisition is pending the approval of the competition authority.
- Guidance for 2025 (reiterated):** Administer estimates that its net sales will be EUR 72–78 million and that its EBITDA margin will be 7–10% in 2025.

Rating ++ Buy

Q2/25	Actual	Evli	Year ago	Q1'25
Net sales	19.3	19.5	19.3	19.0
EBITDA	1.6	2.0	1.9	2.0
EBITA	1.1	1.5	1.4	1.6

Deviation	Actual	Evli	Year ago	Q1'25
Net sales		–1 %	0 %	2 %
EBITDA		–21 %	–16 %	–22 %
EBITA		–29 %	–20 %	–30 %

Share price, EUR (Last trading day's closing price) **2.64**
Target price, EUR 2.9

Latest change in recommendation 03–Dec–21

Latest report on company 08–Aug–25

Research paid by issuer: YES

No. of shares outstanding, '000's 14 954

No. of shares fully diluted, '000's 14 954

Market cap, EURm 39

Free float, % 0.0 %

Exchange rate 0.0

Reuters code ADMIN.HE

Bloomberg code ADMIN FH

Average daily volume, EURm 0.0

Next interim report 14–Aug–25

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++ BUY + ACCUMULATE - REDUCE -- 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
2023	75.9	–3.0	–3.9%	0.9	–0.27	–8.9	0.6	–15.6	2.5%	0.00
2024	74.7	–1.3	–1.8%	1.3	–0.16	–11.1	0.5	–31.0	4.2%	0.05
2025E	75.3	1.0	1.3%	3.7	–0.02	–175.8	0.6	48.2	9.5%	0.07
2026E	79.3	2.3	2.9%	4.9	0.05	51.1	0.5	18.4	12.4%	0.10
2027E	83.2	3.5	4.2%	6.0	0.13	21.1	0.5	10.8	15.2%	0.12
Market cap, EURm	39	Gearing 2025E, %		27.1 %	CAGR EPS 2024–27, %		0.0 %			
Net debt 2025E, EURm	7	Price/book 2025E		1.6	CAGR Sales 2024–27, %		3.7 %			
Enterprise value, EURm	46	Dividend yield 2025E, %		2.8 %	ROE 2025E, %		–0.9 %			
Total assets 2025E, EURm	53	Tax rate 2025E, %		15.9 %	ROCE 2025E, %		2.7 %			
Goodwill 2025E, EURm	31	Equity ratio 2025E, %		46.0 %	PEG, P/E 25/CAGR		0.0			

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Target price compared to share price

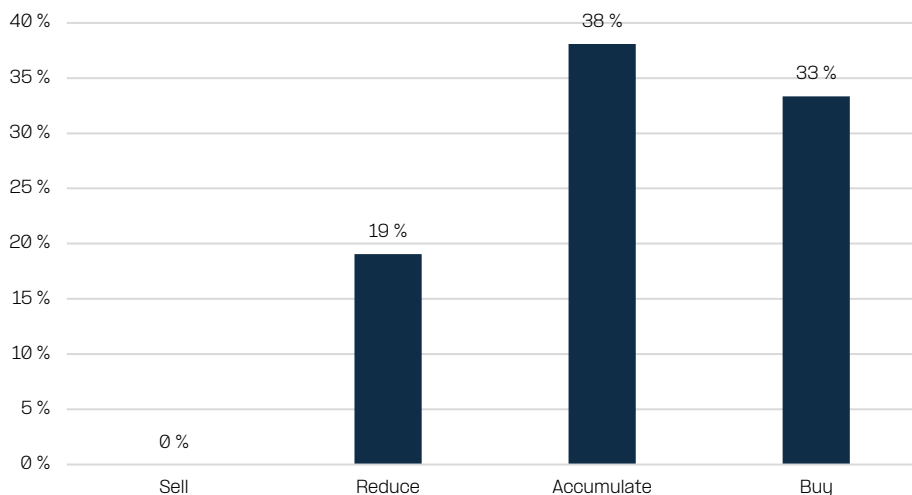
< -10 %
-10 - 0 %
0 - (+10) %
> 10 %

Recommendation

SELL
REDUCE
ACCUMULATE
BUY

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Name(s) of the analyst(s): Atte Pitkääjärvi

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