EBITDA remained positive

Endomines' revenue and EBITDA amounted to SEK 25.9m and SEK 0.6m respectively. Initial production at Friday is anticipated to commence in December 2018 but no substantial volumes are expected until 2019.

- Endomines had pre-announced Q3 production figures, with gold production of 81.6kg (94.1kg). Milled ore amounted to 26,876 tonnes (37,422), at head grades of 3.9g/t (3.0g/t). Cash cost was 768 USD/oz (1,081).
- Revenue amounted to SEK 25.9m (26.7m in Q3/17), above our estimates of SEK 21.1m, driven by the higher head grades.
- EBITDA in Q3 was at SEK 0.6m (Evli -11.4m) and EBIT at SEK -11.2m (Evli -21.7m), with depreciations and write-downs of assets of SEK -11.8m. The suspension of mining activities in mid-September and higher revenue contributed to the higher than anticipated EBITDA. Adjusted EBITDA, excluding costs associated with the TVL acquisition and co-operation negotiations amounted to SEK 4.3m.
- Total cash flow was SEK -27.7m (1.6m).
- **Guidance:** Gold production in January-October amounted to 318.5kg. Total output from Pampalo, including additional gold recovery in connection with maintenance of the processing facility, is expected to exceed 320kg.
- Initial production at Friday is anticipated to commence in December 2018. No substantial production volumes are expected before the year-end.

Rating

BUY

Q3/18	Actual	Evli	Year ago	Q2/18
Revenue	25.9	21.1	26.7	42.1
EBITDA	0.6	-11.4	1.1	8.5
EBIT	-11.2	-21.7	-6.6	-3.2
EPS	-0.46	-0.62	-0.24	-0.15

Share price, SEK (Last trading day's closing price)	6.56
Target price, SEK	7.8
Latest change in recommendation	18-May-18
Latest report on company	17-Aug-18
Research paid by issuer:	YES
No. of shares outstanding, '000's	35,148
No. of shares fully diluted, '000's	35,148
Market cap, SEKm	231
Free float, %	0.0
Exchange rate	0.000
Reuters code	ENDO.ST
Bloomberg code	ENDO SS
Average daily volume, SEKm	0.381
Next interim report	14-Nov-11
Web site	www.endomines.com

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BUY HOLD SELL

PRE-REPORT KEY FIGURES

	Sales SEKm	EBIT SEKm	EBIT %	Ptx profit SEKm	EPS SEK	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS SEK
2016E	101	-103	-102.1%	-105	-8.18	-1.5	2.4	-16.3	-2.4	0.00
2017E	122	-65	-53.0%	-69	-4.53	-1.8	1.6	33.5	-3.0	0.00
2018E	100	-62	-62.5%	-43	-1.22	-5.4	4.4	-11.2	-7.1	0.00
2019E	98	-7	-7.6%	-8	-0.40	-16.4	4.6	10.1	-61.0	0.00
2020E	189	55	28.9%	53	0.76	8.6	2.2	4.8	7.8	0.00

Market cap, SEKm	231	BV per share 2011E, SEK	6.0	CAGR EPS 2010-13, %	0.0
Net debt 2011E, SEKm	211	Price/book 2011E	1.1	CAGR sales 2010-13, %	15.6
Enterprise value, SEKm	441	Dividend yield 2011E, %	0.0	ROE 2011E, %	-33.8
Total assets 2011E, SEKm	487	Tax rate 2011E, %	0.0	ROCE 2011E, %	-14.8
Goodwill 2011E, SEKm	0	Equity ratio 2011E, %	43.0	PEG, P/E 11/CAGR	0.0

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

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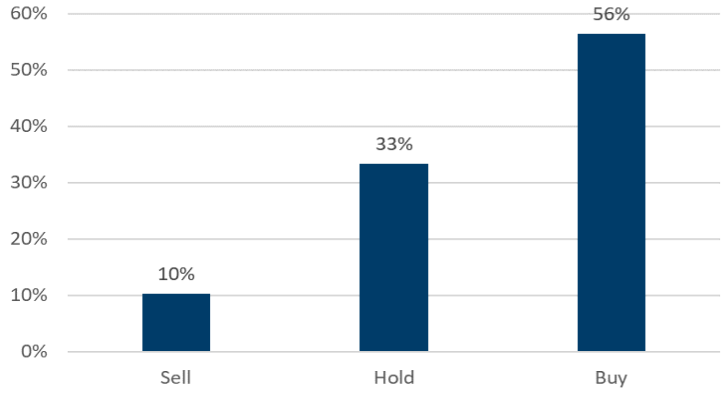
https://research.evli.com/JasperAllModels.action?authParam=key;461&authParam=x;G3rNagWrtf7K&authType=3
Detailed information about the valuation or methodology and the underlying assumptions is accessible via ERP:
http://research.evli.com
Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is in general updated 2 – 4 per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 16th of April 2018. If recommendation is not given, it is not mentioned here.

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

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