

Friday production further delayed

Endomines' announced that the ramp-up of production at Friday will be further delayed and the earlier production guidance for 2019 will not be achieved. Recent increases in gold prices are a welcome development but has bloated valuation. We re-establish our rating with SELL (N/A) and a target price of SEK 4.4 (N/A).

Production to fall short of 2019 guidance

Endomines announced on August 9th that its production guidance for 2019 (5,000–8,000oz gold) will not be achieved due to reparations of damages to Friday's tailings pond causing longer than expected delays to production. Ramp-up of the processing plant is expected to take a couple of weeks before being fully commissioned. No new guidance was given. We now estimate a gold production in 2019 of 4,340oz. Although the added delay to production timewise is relatively short, this will cause additional strain on the already limited near-term cash flows.

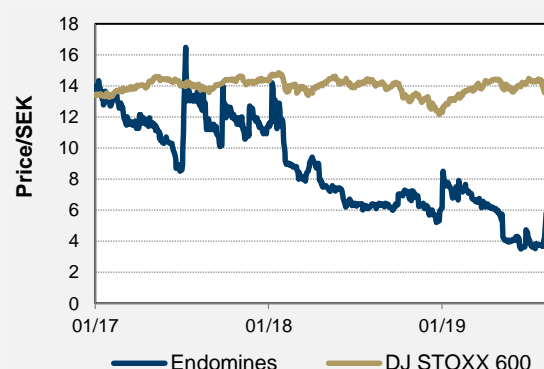
Sounder financial situation following the rights issue

With the completion of Endomines' rights issue, having raised gross proceeds of SEK 156m, the company's financial situation is now at a much sounder level. The raised funds should as such cover the by the company earlier estimated next twelve-month capital need of SEK 100m. Proceeds will mainly be used to short-term debt repayment and ramp-up of Friday as well as start-up of other assets.

SELL (N/A) with a target price of SEK 4.4 (N/A)

Endomines' share price has seen recent rapid increases, as the gold price has climbed to levels last seen in 2013, driven by macroeconomic uncertainties. Although the rise in gold prices certainly is a welcome development, the current valuation in our view does not reflect the high uncertainty relating to Endomines' gold production, with Friday having seen several delays and additional costs, and production has not yet commenced. We re-establish our rating with SELL (N/A) and a target price of SEK 4.4 (N/A), in line with our SOTP.

Rating ■ SELL



Share price, SEK (Last trading day's closing price) 5.80

Target price, SEK 4.4

Latest change in recommendation 12-Aug-19

Latest report on company 17-Jun-19

Research paid by issuer: YES

No. of shares outstanding, '000's 79,957

No. of shares fully diluted, '000's 86,545

Market cap, SEKm 464

Free float, % -

Exchange rate EUR/SEK 10.690

Reuters code ENDO.ST

Bloomberg code ENDO SS

Average daily volume, SEKm 0.4

Next interim report 16-Aug-19

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■ BUY ■ HOLD ■ SELL

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
2017	122	-65	-53.0%	-69	-4.53	-1.8	1.6	33.5	-3.0	0.00
2018	104	-48	-46.6%	-37	-1.06	-5.6	3.9	31.6	-8.4	0.00
2019E	54	-40	-75.6%	-62	-0.77	-7.5	10.8	-18.0	-14.3	0.00
2020E	121	-5	-4.4%	-19	-0.25	-22.8	4.9	40.4	-111.4	0.00
2021E	180	9	4.9%	-3	-0.03	-189.3	3.7	13.9	75.5	0.00
Market cap, SEKm		464	BV per share 2019E, SEK		4.9	CAGR EPS 2018-21, %		-69.3		
Net debt 2019E, SEKm		115	Price/book 2019E		1.2	CAGR sales 2018-21, %		20.1		
Enterprise value, SEKm		579	Dividend yield 2019E, %		0.0	ROE 2019E, %		-19.2		
Total assets 2019E, SEKm		594	Tax rate 2019E, %		1.0	ROCE 2019E, %		-7.9		
Goodwill 2019E, SEKm		0	Equity ratio 2019E, %		65.6	PEG, P/E 19/CAGR		0.0		

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

Endomines (SEK)	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Net sales	122.2	29.4	42.1	25.9	8.3	105.3	2.1	0.0	27.1	26.2	55.4	125.7	186.8
<i>sales growth %</i>	<i>21.0%</i>	<i>3.2%</i>	<i>21.6%</i>	<i>-6.2%</i>	<i>-72.7%</i>	<i>-13.9%</i>	<i>-92.9%</i>	<i>-100.0%</i>	<i>4.7%</i>	<i>216.3%</i>	<i>-47.4%</i>	<i>126.9%</i>	<i>49%</i>
EBITDA	-5.7	-8.5	8.5	0.6	-6.1	-5.5	-11.5	-15.0	-0.5	-1.4	-28.4	16.8	41.5
EBIT	-64.8	-19.9	-3.2	-11.2	-14.2	-48.5	-13.3	-17.0	-4.5	-5.4	-40.2	-3.9	11.3
<i>EBIT margin</i>	<i>-53.0%</i>	<i>-67.7%</i>	<i>-7.6%</i>	<i>-43.2%</i>	<i><-100%</i>	<i>-46.0%</i>	<i><-100%</i>	<i>-</i>	<i>-16.5%</i>	<i>-20.7%</i>	<i>-72.6%</i>	<i>-3.1%</i>	<i>6.1%</i>
Gold production (Oz)	12 799	2 865	4 167	2 624	897	10 552	0	0	2 170	2 170	4 340	10 417	15 481
Pampalo	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Net sales	122.2	29.4	42.1	25.9	8.3	105.3	2.1	0.0	0.0	0.0	2.1		
Gold production (Oz)	12799	2865	4167	2624	897	10552	0	0	0	0	0		
Idaho	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Net sales							0.0	0.0	27.1	26.2	53.3	125.7	186.8
Gold production (Oz)							0.0	0	2 170	2 170	4 340	10 417	15 481
Assumptions	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Gold price USD/Oz	1257	1329	1306	1213	1229	1269	1304	1310	1450	1400	1366	1400	1400
Gold price EUR/Oz	1114	1082	1096	1044	1077	1073	1148	1170	1295	1250	1220	1250	1250
USD/SEK	8.19	8.11	8.68	8.95	8.96	8.67	9.18	9.47	9.47	9.47	9.47	9.47	9.47
EUR/SEK	9.83	9.97	10.34	10.41	10.30	10.26	10.42	10.61	10.61	10.61	10.61	10.61	10.61
EUR/USD	1.20	1.23	1.19	1.16	1.15	1.18	1.14	1.12	1.12	1.12	1.12	1.12	1.12

Valuation	Evli est. MSEK	Spot MSEK	Estimate basis
Friday	153	189	LOM 7 years, avg. CC 830 USD/oz, ~92,000oz concentrate produced
Idaho other assets	335	385	Purchase price and in-situ value analysis
Pampalo deep	45	54	Real option model, assuming profitability above 1,550-1,600 USD/oz gold price
Karelia other	70	76	In-situ value for assets. Exploration ~200usd/m, mainly recent drillings
Corporate/other	-118	-118	DCF estimate assuming active operations between 2019-2030
Net cash (debt)	-130	-130	Post rights issue estimate
Total	355	456	
Per share	4.4	5.7	
Long-term gold price (USD/Oz)	1400		
Spot price (USD/Oz)	1496		
Shares (m)	80.0		

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	5.80 PV of Free Cash Flow	285 Long-term growth, %	-15.1 Risk-free interest rate, %	2.25
DCF share value	1.14 PV of Horizon value	0 WACC, %	8.7 Market risk premium, %	5.8
Share price potential, %	-80.3 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	1.4 Marketable securities	19 Minimum WACC, %	8.2 Equity beta coefficient	1.20
Minimum value	0.9 Debt - dividend	-213 Maximum WACC, %	9.2 Target debt ratio, %	30
Horizon value, %	0.0 Value of stock	91 Nr of shares, Mn	80.0 Effective tax rate, %	20

DCF valuation, SEKm	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Horizon
Net sales	104	54	121	180	286	400	441	441	398	292	248	0
<i>Sales growth, %</i>	-14.9	-48.5	126.5	48.6	58.4	40.2	10.1	0.0	-9.8	-26.4	-15.1	0.0
Operating income (EBIT)	-48	-40	-5	9	31	76	96	95	91	63	40	0
<i>EBIT margin, %</i>	-46.6	-75.6	-4.4	4.9	11.0	18.9	21.9	21.5	22.9	21.6	16.0	0.0
+ Depreciation+amort.	43	12	21	30	55	71	71	75	58	57	62	
- Income taxes	0	0	1	-2	-7	-16	-20	-20	-19	-13	-8	
- Change in NWC	12	3	-5	-4	-7	-8	-3	0	3	7	3	
<i>NWC / Sales, %</i>	-20.8	-45.1	-15.8	-8.4	-2.9	-0.2	0.5	0.5	-0.2	-2.7	-4.3	
+ Change in other liabs	1	0	0	0	0	0	0	0	0	0	0	
- Capital Expenditure	-389	-73	-101	-96	-98	-32	-30	-31	-25	-25	-23	0
<i>Investments / Sales, %</i>	373.8	136.3	83.3	53.3	34.3	8.0	6.8	7.0	6.3	8.5	9.3	0.0
- Other items	0	0	-5	0	0	0	0	0	0	0	0	
= Unlevered Free CF (FCF)	-381	-99	-95	-63	-25	92	115	119	107	89	73	0
= Discounted FCF (DFCF)		-96	-84	-51	-19	64	73	70	58	45	34	0
= DFCF min WACC		-96	-85	-52	-19	65	75	72	60	46	35	0
= DFCF max WACC		-95	-84	-51	-18	62	72	68	56	43	32	0

INTERIM FIGURES

EVLI ESTIMATES, SEKm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1	2019Q2E	2019Q3E	2019Q4E	2019E	2020E	2021E
Net sales	29	42	24	8	104	2	0	26	25	54	121	180
EBITDA	-9	9	1	-6	-5	-11	-15	-1	-2	-29	15	39
<i>EBITDA margin (%)</i>	<i>-29.1</i>	<i>20.3</i>	<i>2.4</i>	<i>-73.4</i>	<i>-5.3</i>	<i>-547.6</i>	<i>-</i>	<i>-2.5</i>	<i>-6.1</i>	<i>-53.6</i>	<i>12.7</i>	<i>21.7</i>
EBIT	-20	-3	-11	-14	-48	-13	-17	-5	-6	-40	-5	9
<i>EBIT margin (%)</i>	<i>-67.7</i>	<i>-7.6</i>	<i>-46.1</i>	<i>-171.1</i>	<i>-46.6</i>	<i>-633.3</i>	<i>-</i>	<i>-17.8</i>	<i>-22.0</i>	<i>-75.6</i>	<i>-4.4</i>	<i>4.9</i>
Net financial items	22	-2	-5	-4	11	0	-4	-12	-4	-22	-14	-12
Pre-tax profit	2	-5	-16	-18	-37	-14	-21	-17	-10	-62	-19	-3
Tax	0	0	0	0	0	1	0	0	0	1	4	1
<i>Tax rate (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.6</i>	<i>0.3</i>	<i>4.4</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>1.0</i>	<i>21.0</i>	<i>21.0</i>
Net profit	2	-5	-16	-18	-37	-13	-21	-17	-10	-62	-20	-2
EPS	0.05	-0.15	-0.46	-0.51	-1.06	-0.16	-0.27	-0.21	-0.13	-0.77	-0.25	-0.03
EPS adjusted (diluted no. of shares)	0.05	-0.15	-0.46	-0.51	-1.06	-0.15	-0.25	-0.20	-0.12	-0.71	-0.24	-0.03
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SALES, SEKm												
Endomines	29	42	24	8	104	2	0	26	25	54	121	180
Total	29	42	24	8	104	2	0	26	25	54	121	180
SALES GROWTH, Y/Y %												
Endomines	3.2	21.6	-12.1	-73.7	-14.9	-92.9	-100.0	7.9	205.2	-48.5	126.5	48.6
Total	3.2	21.6	-12.1	-73.7	-14.9	-92.9	-100.0	7.9	205.2	-48.5	126.5	48.6
EBIT, SEKm												
Endomines	-20	-3	-11	-14	-48	-13	-17	-5	-6	-40	-5	9
Total	-20	-3	-11	-14	-48	-13	-17	-5	-6	-40	-5	9
EBIT margin, %												
Endomines	-67.7	-7.6	-46.1	-171.1	-46.6	-633.3	-	-17.8	-22.0	-75.6	-4.4	4.9
Total	-67.7	-7.6	-46.1	-171.1	-46.6	-633.3	-	-17.8	-22.0	-75.6	-4.4	4.9

INCOME STATEMENT, SEKm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	172	113	101	122	104	54	121	180
<i>Sales growth (%)</i>	<i>5.3</i>	<i>-34.3</i>	<i>-10.5</i>	<i>21.0</i>	<i>-14.9</i>	<i>-48.5</i>	<i>126.5</i>	<i>48.6</i>
Costs	-172	-181	-109	-128	-110	-82	-106	-141
Reported EBITDA	0	-68	-8	-6	-5	-29	15	39
Extraordinary items in EBITDA	0	0	0	0	0	0	0	0
<i>EBITDA margin (%)</i>	<i>-0.1</i>	<i>-60.0</i>	<i>-7.6</i>	<i>-4.7</i>	<i>-5.3</i>	<i>-53.6</i>	<i>12.7</i>	<i>21.7</i>
Depreciation	-45	-85	-95	-59	-43	-12	-21	-30
EBITA	-45	-153	-103	-65	-48	-40	-5	9
Goodwill amortization / writedown	0	-4	0	0	0	0	0	0
Reported EBIT	-45	-157	-103	-65	-48	-40	-5	9
<i>EBIT margin (%)</i>	<i>-26.2</i>	<i>-138.6</i>	<i>-102.1</i>	<i>-53.0</i>	<i>-46.6</i>	<i>-75.6</i>	<i>-4.4</i>	<i>4.9</i>
Net financials	2	-6	-2	-4	11	-22	-14	-12
Pre-tax profit	-43	-163	-105	-69	-37	-62	-19	-3
Extraordinary items	0	0	0	0	0	0	0	0
Taxes	8	-2	-20	0	0	1	4	1
Minority shares	0	0	0	0	0	0	0	0
Net profit	-35	-165	-125	-69	-37	-62	-20	-2
BALANCE SHEET, SEKm								
Assets								
Fixed assets	282	221	171	130	476	538	618	684
<i>% of sales</i>	<i>164</i>	<i>195</i>	<i>169</i>	<i>107</i>	<i>458</i>	<i>1,004</i>	<i>509</i>	<i>379</i>
Goodwill	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Inventory	5	2	1	2	2	1	4	5
<i>% of sales</i>	<i>3</i>	<i>2</i>	<i>1</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>3</i>	<i>3</i>
Receivables	29	12	21	12	4	2	4	7
<i>% of sales</i>	<i>17</i>	<i>10</i>	<i>21</i>	<i>10</i>	<i>4</i>	<i>4</i>	<i>4</i>	<i>4</i>
Liquid funds	114	20	29	16	19	53	18	27
<i>% of sales</i>	<i>66</i>	<i>18</i>	<i>29</i>	<i>13</i>	<i>18</i>	<i>100</i>	<i>15</i>	<i>15</i>
Total assets	459	274	222	161	501	594	644	723
Liabilities								
Equity	318	169	115	45	252	389	454	451
<i>% of sales</i>	<i>185</i>	<i>149</i>	<i>113</i>	<i>37</i>	<i>242</i>	<i>727</i>	<i>374</i>	<i>250</i>
Deferred taxes	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Interest bearing debt	65	83	84	84	213	168	154	235
<i>% of sales</i>	<i>38</i>	<i>74</i>	<i>83</i>	<i>68</i>	<i>205</i>	<i>314</i>	<i>127</i>	<i>131</i>
Non-interest bearing current liabilities	30	14	0	0	0	0	0	0
<i>% of sales</i>	<i>18</i>	<i>12</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Other interest free debt	45	8	24	32	36	36	36	36
<i>% of sales</i>	<i>26</i>	<i>7</i>	<i>24</i>	<i>26</i>	<i>35</i>	<i>67</i>	<i>30</i>	<i>20</i>
Total liabilities	459	274	222	161	501	594	644	723
CASH FLOW, SEKm								
+ EBITDA	0	-68	-8	-6	-5	-29	15	39
- Net financial items	2	-6	-2	-4	11	-22	-14	-12
- Taxes	-4	6	-1	0	0	1	4	1
- Increase in Net Working Capital	29	-23	-2	9	12	3	-5	-4
+/- Other	-17	19	0	0	0	0	-5	0
= Cash flow from operations	10	-71	-12	-1	18	-47	-5	24
- Capex	-39	-28	-46	-19	-389	-73	-101	-96
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	0	-126	-77	-19	-371	-120	-106	-72
+/- Change in interest-bearing debt	-1	18	0	0	129	-45	-14	81
+/- New issues/buybacks	85	16	71	0	244	199	85	0
- Paid dividend	0	0	0	0	0	0	0	0
+/- Change in loan receivables	-4	-11	-4	6	1	0	0	0
Change in cash	80	-103	-10	-14	3	34	-35	9

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	55	192	126	211	464	464	464
Net debt	63	54	68	194	115	136	208
Enterprise value	118	246	194	405	579	600	672
Sales	113	101	122	104	54	121	180
EBITDA	-68	-8	-6	-5	-29	15	39
EBIT	-157	-103	-65	-48	-40	-5	9
Pre-tax	-163	-105	-69	-37	-62	-19	-3
Earnings	-165	-125	-69	-37	-62	-20	-2
Book value	169	115	45	252	389	454	451
Valuation multiples							
EV/sales	1.0	2.4	1.6	3.9	10.8	4.9	3.7
EV/EBITDA	-1.7	-32.0	-34.0	-73.7	-20.2	39.0	17.2
EV/EBITA	-0.8	-2.4	-3.0	-8.4	-14.3	-111.4	75.5
EV/EBIT	-0.8	-2.4	-3.0	-8.4	-14.3	-111.4	75.5
EV/operating cash flow	-1.7	-21.0	51.5	60.6	-22.5	52.3	20.2
EV/cash earnings	-1.8	-24.7	-19.0	72.7	-11.6	110.2	24.2
P/E	-0.3	-1.5	-1.8	-5.6	-7.5	-22.8	-189.3
P/E excl. goodwill	-0.3	-1.5	-1.8	-5.6	-7.5	-22.8	-189.3
P/B	0.3	1.7	2.8	0.8	1.2	1.0	1.0
P/sales	0.5	1.9	1.0	2.0	8.7	3.8	2.6
P/CF	-0.8	-16.3	33.5	31.6	-18.0	40.4	13.9
Target EV/EBIT	0.0	0.0	0.0	0.0	-11.5	-90.6	62.9
Target P/E	0.0	0.0	0.0	0.0	-6.2	-18.6	-143.6
Target P/B	0.0	0.0	0.0	0.0	0.9	0.8	0.8
Per share measures							
Number of shares	8,991	15,280	15,280	35,148	79,957	79,957	79,957
Number of shares (diluted)	8,991	15,280	15,280	35,148	86,545	85,996	79,957
EPS	-18.35	-8.18	-4.53	-1.06	-0.77	-0.25	-0.03
EPS excl. goodwill	-17.91	-8.18	-4.53	-1.06	-0.77	-0.25	-0.03
Cash EPS	-7.50	-0.65	-0.67	0.16	-0.62	0.07	0.35
Operating cash flow per share	-7.93	-0.77	0.25	0.19	-0.32	0.14	0.42
Capital employed per share	25.81	11.04	7.40	12.68	6.31	7.38	8.25
Book value per share	18.75	7.50	2.97	7.16	4.87	5.67	5.64
Book value excl. goodwill	18.75	7.50	2.97	7.16	4.87	5.67	5.64
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend payout ratio, %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield, %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Efficiency measures							
ROE	-67.8	-88.3	-86.6	-25.2	-19.2	-4.8	-0.5
ROCE	-49.3	-45.8	-39.6	-9.9	-7.9	-0.9	1.4
Financial ratios							
Capex/sales, %	24.4	45.2	15.2	373.8	136.3	83.3	53.3
Capex/depreciation excl. goodwill,%	27.8	47.9	31.5	905.3	618.6	486.6	318.2
Net debt/EBITDA, book-weighted	-0.9	-7.0	-11.9	-35.3	-4.0	8.9	5.3
Debt/equity, market-weighted	1.5	0.4	0.7	1.0	0.4	0.3	0.5
Equity ratio, book-weighted	61.6	51.6	28.3	50.2	65.6	70.4	62.4
Gearing	0.38	0.47	1.49	0.77	0.30	0.30	0.46
Number of employees, average	0	0	0	0	0	0	0
Sales per employee, SEK	0	0	0	0	0	0	0
EBIT per employee, SEK	0	0	0	0	0	0	0

COMPANY DESCRIPTION: Endomines AB engages in exploration, mining, and extraction of gold deposits. Its sites are found in Eastern Finland along the Karelian Gold line and in Idaho, USA. The company was founded in 2005 and is headquartered in Stockholm, Sweden.

INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	SEKm	%
Handelsbanken Finland Standard Client A/C	18,823,668	109.177	23.5%
Nordea Bank Abp	9,225,204	53.506	11.5%
Joensuun Kauppa ja Kone	8,943,216	51.871	11.2%
Aktia Bank Abp	2,559,999	14.848	3.2%
Ålandsbanken Ab	1,600,258	9.281	2.0%
Suokas Petri Kristian	1,500,000	8.700	1.9%
Försäkringsbolaget Avanza Pension	1,270,012	7.366	1.6%
K22 Finance Oy	970,087	5.627	1.2%
Oy Q&A Consulting Ab	851,000	4.936	1.1%
Skandinaviska Enskilda Banken S.A	842,000	4.884	1.1%
Ten largest	46,585,444	270.196	58%
Residual	33,371,599	193.555	42%
Total	79,957,043	463.751	100%

EARNINGS CALENDAR

August 16, 2019

Q2 report

November 07, 2019

Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Marcus Ahlström

Birger Jarlsgatan 41 A 3 fl., SE-11145 Stockholm

CFO: Marcus Ahlström

Tel: +46 8 611 66 45

IR:

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for the financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	Sales/Share	$\frac{\text{Sales}}{\text{Number of shares}}$
Net debt	Interest bearing debt – financial assets	EBITDA/Share	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Number of shares}}$
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	EBIT/Share	$\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortisation}}$	EAFI/Share	$\frac{\text{Pretax profit}}{\text{Number of shares}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Capital employed/Share	$\frac{\text{Total assets} - \text{non interest bearing debt}}{\text{Number of shares}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest free short term debt} - \text{long term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non interest bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year

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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 updated at least 2 times per year.

Recommendation	Percentage
Sell	8%
Hold	53%
Buy	39%

The graph above shows the distribution of ERP's recommendations of companies under coverage in 1st of February 2019. If recommendation is not given, it is not mentioned here.

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

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