

## Production finally picking up

Endomines Q1 report was largely uneventful, with no gold concentrate production at Friday during the quarter. Financial transactions in Q2 will aid the strained cash position. Q2 is set for first Friday gold concentrate sales, while the COVID-19 pandemic is creating uncertainty around production ramp-up to design capacity. We retain our SELL-rating with a target price of SEK 5.5 (5.0).

### No gold concentrate sales in Q1

Endomines Q1 report contained limited new information of value. No gold concentrate sales from Friday occurred and revenue amounted to SEK 3.0m due to Pampalo clean up gold. Lesser cost activation saw costs higher than our estimates and as a result a weaker EBITDA, at SEK -27.8m (Evli -13.6m). 3,700 tonnes of lower grade (5.7 g/t) ore was mined during the first quarter. Design capacity (3,445 tonnes/month) at Friday is sought to be reached in Q2, however, COVID-19 impacts on staff and component availability may cause delays. The first gold concentrate shipment from Friday was made during Q2.

### Financing arrangements to aid cash position

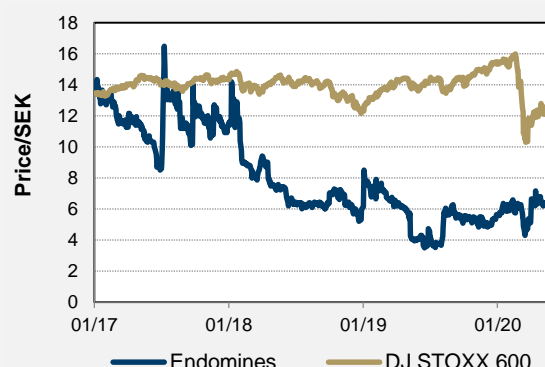
Post-Q1 financial transactions will bring much needed relief to Endomines' strained cash position (Q1/20: SEK 1.3m), raising some SEK 81m through two loans and a rights issue. We expect further financing to be needed during 2020, as evident by the signing of an engagement letter with a financial advisor for long-term financing. Closing of the transaction with Transatlantic Mining provides additional production potential, although little is yet known of the assets. 2020 will in our view revolve around ramping-up production at Friday and planning for production at other assets from 2021 onwards.

### SELL with a target price of SEK 5.5 (5.0)

Following adjustments to our valuation approach following the favourable gold price development and taking into account the transactions in Q2 we raise our target price to SEK 5.5 (5.0). Our SELL-rating remains intact.

Rating

■ SELL



Share price, SEK (Last trading day's closing price) 6.20

Target price, SEK 5.5

Latest change in recommendation 14-Feb-20

Latest report on company 14-Feb-20

Research paid by issuer: YES

No. of shares outstanding, '000's 115,913

No. of shares fully diluted, '000's 115,913

Market cap, SEKm 719

Free float, % 0.0

Exchange rate EUR/SEK 10.610

Reuters code ENDO.ST

Bloomberg code ENDO SS

Average daily volume, SEKm 0.2

Next interim report 20-Aug-20

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■ BUY ■ HOLD ■ SELL

## KEY FIGURES

	Sales SEKm	EBIT SEKm	EBIT %	FCF SEKm	EPS SEK	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS SEK
2018	104.0	-48.5	-46.6%	-166.5	-1.06	-5.6	3.9	-8.4	-79.0	0.00
2019	5.8	-52.4	-903.4%	-159.8	-0.75	-7.5	112.7	-12.5	-35.7	0.00
2020E	77.0	-57.6	-74.8%	-185.0	-0.73	-8.5	11.3	-15.1	-25.7	0.00
2021E	201.1	34.7	17.2%	-78.1	0.20	31.7	4.7	27.3	-10.9	0.00
2022E	332.7	79.5	23.9%	-8.7	0.62	10.1	2.9	12.0	-1.2	0.00
Market cap, SEKm		719	Gearing 2020E, %			30.6	CAGR EPS 2019-22, %			0.0
Net debt 2020E, SEKm		150	Price/book 2020E			1.5	CAGR sales 2019-22, %			285.7
Enterprise value, SEKm		869	Dividend yield 2020E, %			0.0	ROE 2020E, %			-20.5
Total assets 2020E, SEKm		686	Tax rate 2020E, %			0.0	ROCE 2020E, %			-9.5
Goodwill 2020E, SEKm		0	Equity ratio 2020E, %			71.7	PEG, P/E 20/CAGR			0.0

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

Endomines (SEKm)	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20E	Q3/'20E	Q4/'20E	2020E	2021E	2022E
Net sales	105.3	2.1	1.4	1.6	0.7	5.8	3.0	9.0	30.7	34.2	77.1	201.1	332.7
sales growth %	-13.9%	-92.9%	-96.7%	-93.8%	-91.5%	-94.5%	42.9%	>100%	>100%	>100%	>100%	>100%	65%
EBITDA	-5.5	-11.5	-9.3	-12.9	-15.1	-48.8	-26.3	-20.6	2.7	7.9	-38.3	65.9	136.6
EBIT	-48.5	-13.3	-9.0	-16.4	-13.7	-52.4	-29.2	-24.5	-4.5	0.7	-58.2	34.7	79.5
EBIT margin	-46.0%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	-75.5%	17.2%	23.9%
Gold production (Oz)	10 552	0	0	0	0	0	0	608	2 025	2 257	4 890	13 820	22 867
<b>Pampalo</b>	<b>2018</b>	<b>Q1/'19</b>	<b>Q2/'19</b>	<b>Q3/'19</b>	<b>Q4/'19</b>	<b>2019</b>	<b>Q1/'20</b>	<b>Q2/'20E</b>	<b>Q3/'20E</b>	<b>Q4/'20E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Net sales	105.3	2.1	1.4	1.6	0.7	5.8	3.0	0.0	0.0	0.0	0.0	0.0	0.0
Gold production (Oz)	10552	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
<b>Idaho</b>	<b>2018</b>	<b>Q1/'19</b>	<b>Q2/'19</b>	<b>Q3/'19</b>	<b>Q4/'19</b>	<b>2019</b>	<b>Q1/'20</b>	<b>Q2/'20E</b>	<b>Q3/'20E</b>	<b>Q4/'20E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Net sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.0	30.7	34.2	77.1	201.1	332.7
Gold production (Oz)	0	0	0	0	0	0	0	608	2 025	2 257	4890	13820	22867
<b>Assumptions</b>	<b>2018</b>	<b>Q1/'19</b>	<b>Q2/'19</b>	<b>Q3/'19</b>	<b>Q4/'19</b>	<b>2019</b>	<b>Q1/'20</b>	<b>Q2/'20E</b>	<b>Q3/'20E</b>	<b>Q4/'20E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Gold price USD/Oz	1269	1304	1310	1473	1481	1393	1582	1680	1720	1720	1650	1650	1650
Gold price EUR/Oz	1073	1148	1170	1325	1338	1245	1437	1527	1564	1564	1500	1500	1500
USD/SEK	8.67	9.18	9.47	9.59	9.61	9.46	9.67	9.69	9.69	9.69	9.69	9.69	9.69
EUR/SEK	10.26	10.42	10.61	10.66	10.64	10.58	10.66	10.66	10.66	10.66	10.66	10.66	10.66
EUR/USD	1.18	1.14	1.12	1.11	1.11	1.12	1.10	1.10	1.10	1.10	1.10	1.10	1.10

Valuation	Evli est. MSEK	Spot MSEK	Estimate basis
Friday	248	276	LOM 8 years, avg. CC 830 USD/oz, ~92,000oz concentrate produced
Idaho other assets	427	454	Purchase price and in-situ value analysis
Pampalo	63	68	Real option model, assuming profitability above 1,550-1,600 USD/oz gold price
Karelia other	85	88	In-situ value for assets. Exploration ~200usd/m, mainly recent drillings
US Grant and Kearsarge	96	96	Investment cost
Corporate/other	-126	-126	DCF estimate assuming active operations between 2020-2030
Net cash (debt)	-141	-141	Q1/20 net debt incl. Q2/20e transactions
Total	652	716	
Per share	5.1	5.6	
Long-term gold price (USD/Oz)	1650		Evli
Spot price (USD/Oz)		1730	
Shares (m)	127.5	127.5	Q1/20 + Transatlantic deal dilution estimate (14.5.2020 closing price)

## INTERIM FIGURES

EVLI ESTIMATES, SEKm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2E	2020Q3E	2020Q4E	2020E	2021E	2022E
Net sales	2.1	1.4	1.6	0.7	5.8	3.0	9.0	30.7	34.2	77.0	201.1	332.7
EBITDA	-11.5	-9.3	-12.9	-15.1	-48.8	-27.8	-20.6	2.4	7.6	-38.4	62.0	131.5
<i>EBITDA margin (%)</i>	<i>-547.6</i>	<i>-663.0</i>	<i>-806.2</i>	<i>-2,157.1</i>	<i>-841.1</i>	<i>-926.7</i>	<i>-228.9</i>	<i>7.9</i>	<i>22.3</i>	<i>-49.8</i>	<i>30.8</i>	<i>39.5</i>
EBIT	-13.3	-9.0	-16.4	-13.7	-52.4	-29.2	-24.5	-4.5	0.7	-57.6	34.7	79.5
<i>EBIT margin (%)</i>	<i>-633.3</i>	<i>-642.9</i>	<i>-1,025.0</i>	<i>-1,957.1</i>	<i>-903.4</i>	<i>-973.3</i>	<i>-272.7</i>	<i>-14.7</i>	<i>2.0</i>	<i>-74.8</i>	<i>17.2</i>	<i>23.9</i>
Net financial items	0.0	-7.8	2.1	-2.0	-7.7	-15.1	-6.0	-3.0	-3.0	-27.1	-12.0	-8.2
Pre-tax profit	-13.3	-16.8	-14.3	-15.7	-60.1	-44.3	-30.5	-7.5	-2.3	-84.7	22.7	71.3
Tax	0.3	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Tax rate (%)</i>	<i>2.3</i>	<i>-1.8</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Net profit	-13.0	-17.1	-14.3	-15.7	-60.1	-44.3	-30.5	-7.5	-2.3	-84.7	22.7	71.3
EPS	-0.16	-0.21	-0.18	-0.20	-0.75	-0.38	-0.26	-0.06	-0.02	-0.73	0.20	0.62
EPS adjusted (diluted no. of shares)	-0.16	-0.21	-0.18	-0.20	-0.75	-0.38	-0.26	-0.06	-0.02	-0.73	0.20	0.62
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
<b>SALES, SEKm</b>												
Endomines	2.1	1.4	1.6	0.7	5.8	3.0	9.0	30.7	34.2	77.0	201.1	332.7
Total	2.1	1.4	1.6	0.7	5.8	3.0	9.0	30.7	34.2	77.0	201.1	332.7
<b>SALES GROWTH, Y/Y %</b>												
Endomines	-92.9	-96.7	-93.4	-91.5	-94.4	42.9	543.0	1,820.2	4,790.6	1,226.9	161.3	65.5
Total	-92.9	-96.7	-93.4	-91.5	-94.4	42.9	543.0	1,820.2	4,790.6	1,226.9	161.3	65.5
<b>EBIT, SEKm</b>												
Endomines	-13.3	-9.0	-16.4	-13.7	-52.4	-29.2	-24.5	-4.5	0.7	-57.6	34.7	79.5
Total	-13.3	-9.0	-16.4	-13.7	-52.4	-29.2	-24.5	-4.5	0.7	-57.6	34.7	79.5
<b>EBIT margin, %</b>												
Endomines	-633.3	-642.9	-1,025.0	-1,957.1	-903.4	-973.3	-272.7	-14.7	2.0	-74.8	17.2	23.9
Total	-633.3	-642.9	-1,025.0	-1,957.1	-903.4	-973.3	-272.7	-14.7	2.0	-74.8	17.2	23.9

INCOME STATEMENT, SEKm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	113.0	101.1	122.2	104.0	5.8	77.0	201.1	332.7
<i>Sales growth (%)</i>	<i>-34.3</i>	<i>-10.5</i>	<i>21.0</i>	<i>-14.9</i>	<i>-94.4</i>	<i>1,226.9</i>	<i>161.3</i>	<i>65.5</i>
EBITDA	-67.8	-7.7	-5.7	-5.5	-48.8	-38.4	62.0	131.5
<i>EBITDA margin (%)</i>	<i>-60.0</i>	<i>-7.6</i>	<i>-4.7</i>	<i>-5.3</i>	<i>-841.1</i>	<i>-49.8</i>	<i>30.8</i>	<i>39.5</i>
Depreciation	-84.9	-95.4	-59.1	-43.0	-3.6	-19.2	-27.3	-52.0
EBITA	-152.7	-103.1	-64.8	-48.5	-52.4	-57.6	34.7	79.5
Goodwill amortization / writedown	-3.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-156.6	-103.1	-64.8	-48.5	-52.4	-57.6	34.7	79.5
<i>EBIT margin (%)</i>	<i>-138.6</i>	<i>-102.1</i>	<i>-53.0</i>	<i>-46.6</i>	<i>-903.4</i>	<i>-74.8</i>	<i>17.2</i>	<i>23.9</i>
Reported EBIT	-156.6	-103.1	-64.8	-48.5	-52.4	-57.6	34.7	79.5
<i>EBIT margin (reported) (%)</i>	<i>-138.6</i>	<i>-102.1</i>	<i>-53.0</i>	<i>-46.6</i>	<i>-903.4</i>	<i>-74.8</i>	<i>17.2</i>	<i>23.9</i>
Net financials	-6.1	-1.5	-4.5	11.0	-7.7	-27.1	-12.0	-8.2
Pre-tax profit	-162.7	-104.7	-69.3	-37.5	-60.1	-84.7	22.7	71.3
Taxes	-2.3	-20.3	0.0	0.1	0.0	0.0	0.0	0.0
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	-165.0	-125.0	-69.3	-37.4	-60.1	-84.7	22.7	71.3
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>BALANCE SHEET, SEKm</b>								
<b>Assets</b>								
Fixed assets	221	171	130	476	573	654	723	769
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	0	0	0	0	0	0	0	0
Inventory	2	1	2	2	0	2	6	10
Receivables	12	21	12	4	1	18	46	76
Liquid funds	20	29	16	19	16	12	30	50
Total assets	274	222	161	501	590	686	805	905
<b>Liabilities</b>								
Shareholder's equity	169	115	45	252	336	492	515	586
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	169	175	0	0	0
Lease liabilities	0	0	0	0	0	0	0	0
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	83	84	84	44	46	162	259	287
Non-interest bearing current liabilities	14	0	0	0	0	0	0	0
Other interest-free debt	8	24	32	36	32	32	32	32
Total liabilities	274	222	161	501	590	686	805	905
<b>CASH FLOW, SEKm</b>								
+ EBITDA	-68	-8	-6	-5	-49	-38	62	131
- Net financial items	-6	-2	-4	11	-8	-27	-12	-8
- Taxes	6	-1	0	0	0	0	0	0
- Increase in Net Working Capital	-23	0	9	8	-4	-19	-32	-34
+/- Other	13	-3	2	-22	0	0	0	0
= Cash flow from operations	-77	-14	1	-8	-60	-84	18	89
- Capex	-28	-38	-14	-100	-100	-101	-96	-98
- Acquisitions	0	0	0	-59	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-105	-52	-13	-167	-160	-185	-78	-9
+/- New issues/buybacks	16	71	0	244	144	240	0	0
- Paid dividend	0	0	0	0	0	0	0	0
+/- Other	-5	-10	-1	-74	12	-60	97	28
Change in cash	-94	9	-14	3	-3	-4	19	20

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	192	126	211	448	719	719	719
Net debt (excl. convertibles)	54	68	25	30	150	228	237
Enterprise value	246	194	405	654	869	947	956
Sales	101	122	104	6	77	201	333
EBITDA	-8	-6	-5	-49	-38	62	131
EBIT	-103	-65	-48	-52	-58	35	80
Pre-tax	-105	-69	-37	-60	-85	23	71
Earnings	-125	-69	-37	-60	-85	23	71
Equity book value (excl. minorities)	115	45	252	336	492	515	586
<b>Valuation multiples</b>							
EV/sales	2.4	1.6	3.9	112.7	11.3	4.7	2.9
EV/EBITDA	-32.0	-34.0	-73.7	-13.4	-22.7	15.3	7.3
EV/EBITA	-2.4	-3.0	-8.4	-12.5	-15.1	27.3	12.0
EV/EBIT	-2.4	-3.0	-8.4	-12.5	-15.1	27.3	12.0
EV/OCF	-18.1	198.3	-53.2	-10.9	-10.3	52.9	10.7
EV/FCFF	-4.7	-28.6	-2.3	-4.4	-5.5	-14.3	-1,822.5
P/FCFE	-5.4	-13.9	-1.3	-2.8	-3.9	-9.2	-82.5
P/E	-1.5	-1.8	-5.6	-7.5	-8.5	31.7	10.1
P/B	1.7	2.8	0.8	1.3	1.5	1.4	1.2
Target EV/EBITDA	0.0	0.0	0.0	0.0	-20.5	14.0	6.7
Target EV/EBIT	0.0	0.0	0.0	0.0	-13.7	25.0	11.0
Target EV/FCF	0.0	0.0	0.0	0.0	-4.3	-11.1	-100.4
Target P/B	0.0	0.0	0.0	0.0	1.3	1.2	1.1
Target P/E	0.0	0.0	0.0	0.0	-7.5	28.1	8.9
<b>Per share measures</b>							
Number of shares	15,280	15,280	35,148	79,957	115,913	115,913	115,913
Number of shares (diluted)	15,280	15,280	35,148	79,957	115,913	115,913	115,913
EPS	-8.18	-4.53	-1.06	-0.75	-0.73	0.20	0.62
Operating cash flow per share	-0.89	0.06	-0.22	-0.75	-0.72	0.15	0.77
Free cash flow per share	-3.40	-0.86	-4.74	-2.00	-1.60	-0.67	-0.08
Book value per share	7.50	2.97	7.16	4.20	4.24	4.44	5.05
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
FCF yield, %	-27.1	-10.5	-79.0	-35.7	-25.7	-10.9	-1.2
<b>Efficiency measures</b>							
ROE	-88.3	-86.6	-25.2	-20.5	-20.5	4.5	13.0
ROCE	-45.8	-39.6	-9.9	-10.3	-9.5	4.9	9.7
<b>Financial ratios</b>							
Inventories as % of sales	0.9	1.8	1.7	0.6	3.0	3.0	3.0
Receivables as % of sales	20.6	9.9	3.6	22.8	22.8	22.8	22.8
Non-interest bearing liabilities as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NWC/sales, %	-0.1	-7.9	-20.8	-310.5	0.7	16.2	20.0
Operative CAPEX/sales, %	38.0	11.6	95.9	1,719.3	131.2	47.7	29.5
CAPEX/sales (incl. acquisitions), %	38.0	11.6	39.0	1,719.3	131.2	47.7	29.5
FCFF/EBITDA	6.8	1.2	32.3	3.0	4.1	-1.1	0.0
Net debt/EBITDA, book-weighted	-7.0	-11.9	-4.6	-0.6	-3.9	3.7	1.8
Debt/equity, market-weighted	0.4	0.7	0.2	0.1	0.2	0.4	0.4
Equity ratio, book-weighted	51.6	28.3	84.0	86.7	71.7	63.9	64.7
Gearing, %	47.3	149.3	6.0	6.0	30.6	44.4	40.5

**COMPANY DESCRIPTION:** Endomines 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. Endomines focuses its operations to assets in stable jurisdictions that can be brought to production rapidly and with limited investment.

**INVESTMENT CASE:** The year 2019 saw the start-up of operations at the Friday-mine being delayed due to reparations of damages to the tailings pond and delays in commissioning of the mill. With notable resources and exploration potential, Endomines should seek to increase cash flows and possibly seek additional financing to bring more assets to production. Supportive development in gold prices offer additional potential for increased revenue and could see previously economically non-feasible assets in Finland being brought to production.

OWNERSHIP STRUCTURE	SHARES	SEKm	%
Clearstream Banking S.A.	33,755,876	209.286	29.1%
Joensuun Kauppa ja Kone	9,855,222	61.102	8.5%
Nordea Bank Abp (Publ)	8,756,750	54.292	7.6%
Handelsbanken Finland Standard Client A/C	8,540,000	52.948	7.4%
Mariatorp Oy	6,300,000	39.060	5.4%
Wipunen Varainhallinta	6,300,000	39.060	5.4%
Aktia Bank Abp	2,869,999	17.794	2.5%
Ålandsbanken Abp	1,600,167	9.921	1.4%
Suokas Petri Kristian	1,500,000	9.300	1.3%
Försäkringsaktiebolaget, Avanza Pension	1,155,486	7.164	1.0%
Ten largest	80,633,500	499.928	70%
Residual	35,279,140	218.731	30%
Total	115,912,640	718.658	100%

**EARNINGS CALENDAR**

August 20, 2020 Q2 report  
November 12, 2020 Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

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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	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	DPS	Dividend for the financial period per share
Market cap	Price per share * Number of shares	OCF (Operating cash flow)	EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow)	Operating cash flow – operative CAPEX – acquisitions + divestments
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, %	$\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX/sales	$\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital	Current assets – current liabilities
Net debt	Interest bearing debt – financial assets	Capital employed/Share	$\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets	Balance sheet total	Gearing	$\frac{\text{Net debt}}{\text{Equity}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

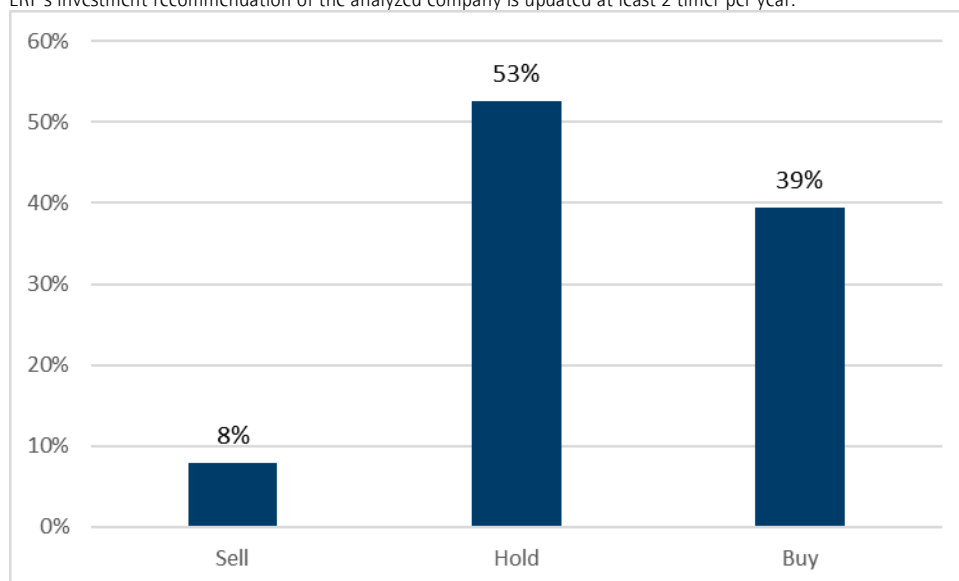
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Investment recommendations are defined as follows:

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.



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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