

## First production figures in

Endomines' gold production amounted to 326.1oz. Head grades were at a low level of 2.9g/t due to the milling of pre-production development material. Near design capacity at Friday is now sought to be reached in Q4, with the COVID-19 pandemic having caused delays. Q2 revenue amounted to SEK 7.5m (Evli 9.0m) and EBITDA to SEK -17.5m (Evli -20.6m).

- Endomines made its first shipments of gold concentrate from the Friday mine during Q2.
- Revenue\* in Q2 amounted to SEK 7.5m, with our estimates at SEK 9.0m. Gold production amounted to 326.1oz, with a head grade of 2.9g/t. Gold concentrate was produced from pre-production development material, thus resulting in low head grades.
- EBITDA\* in Q2 was at SEK -17.5m, slightly above our estimate of SEK -20.6m.  
\*Figures not reported, derived from Q1-H1 figures
- At the processing facility at Friday Endomines was able to operate at an average rate of 41.1 tonnes per day. Ramp up to design capacity (3,445 tonnes per month) continued. The COVID-19 pandemic has continued to severely impact production ramp-up due to supply chain disruptions and slowdowns in hiring. Endomines now expects that near design capacity could be reached towards Q4 (previously expected in Q2).
- Endomines did not give any numeric production guidance for 2020.
- Endomines sees interest in investing in the decline at Pampalo at current all-time high gold prices.
- Liquid assets amounted to SEK 3.4m at the end of the quarter.

Rating ■ SELL

Q2/20	Actual	Evli	Year ago	Q1/20
Revenue	7.5	9.0	1.4	3.0
EBITDA	-17.5	-20.6	-9.3	-27.8
EBIT	-27.7	-24.5	-9.0	-29.2
Deviation	Actual	Evli	Year ago	Q1/20
Net sales		-17%	>100%	>100%
EBITDA		15%	-89%	37%
EBIT		-13%	<-100%	5%

Figures derived from Q1-H1 figures

Share price, SEK (Last trading day's closing price)	6.70
Target price, SEK	5.5
Latest change in recommendation	14-Feb-20
Latest report on company	15-May-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	777
Free float, %	-
Exchange rate EUR/SEK	10.610
Reuters code	ENDO.ST
Bloomberg code	ENDO SS
Average daily volume, SEKm	0.2
Next interim report	27-Aug-20
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■ BUY ■ HOLD ■ SELL

## PRE-REPORT KEY FIGURES

	Sales SEKm	EBIT SEKm	EBIT %	FCF SEKm	EPS SEK	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS SEK
2018E	104.0	-48.5	-46.6%	-166.5	-1.06	-5.6	3.9	-8.4	-79.0	0.00
2019E	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	-9.2	12.0	-16.1	-23.8	0.00
2021E	201.1	34.7	17.2%	-78.1	0.20	34.2	5.0	29.0	-10.1	0.00
2022E	332.7	79.5	23.9%	-8.7	0.62	10.9	3.0	12.8	-1.1	0.00
Market cap, SEKm		777	BV per share 2011E, SEK		30.6	CAGR EPS 2010-13, %				0.0
Net debt 2011E, SEKm		150	Price/book 2011E		1.6	CAGR sales 2010-13, %				285.7
Enterprise value, SEKm		927	Dividend yield 2011E, %		0.0	ROE 2011E, %				-20.5
Total assets 2011E, SEKm		686	Tax rate 2011E, %		0.0	ROCE 2011E, %				-9.5
Goodwill 2011E, SEKm		0	Equity ratio 2011E, %		71.7	PEG, P/E 11/CAGR				0.0

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

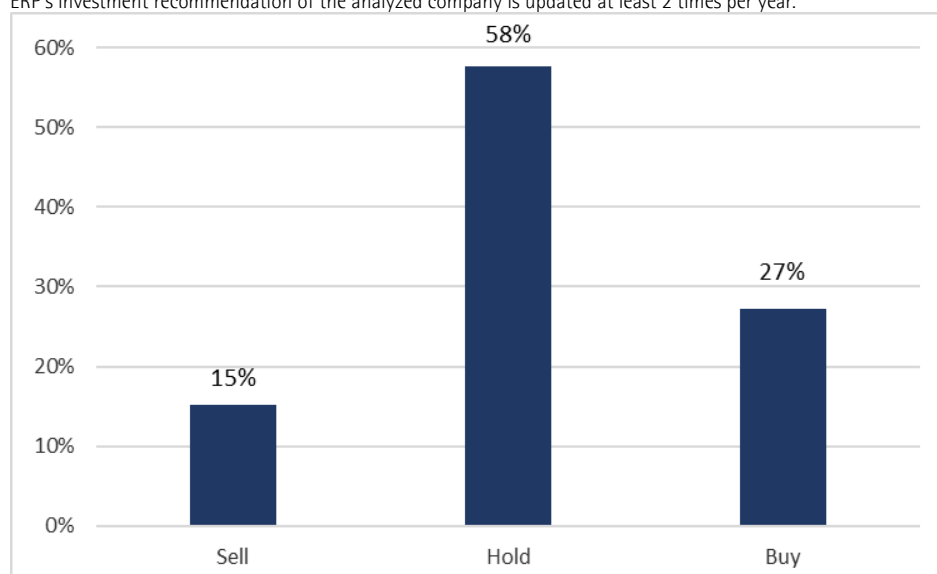
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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