

Funding secured, production ahead

With the rather successful completion of the rights issue, raising some SEK 214m, Endomines is now looking to restart production, with first significant production likely to be seen in H2. We retain our HOLD-rating with a target price of SEK 2.7 (2.9).

Earnings clearly short of estimates

Endomines as expected did not report any significant revenue in Q4 (SEK 0.7m/0.5m act.*/Evli), as Friday has been under care and maintenance. EBIT fell clearly short of our estimates (SEK -99.0m/SEK -16.9m act.*/Evli) due to payments for claims of the US Grant project and write-downs of assets performed at the year-end. As expected, no dividend distribution was proposed. *Figures not reported, derived from Q1-Q3 and 2020 figures.

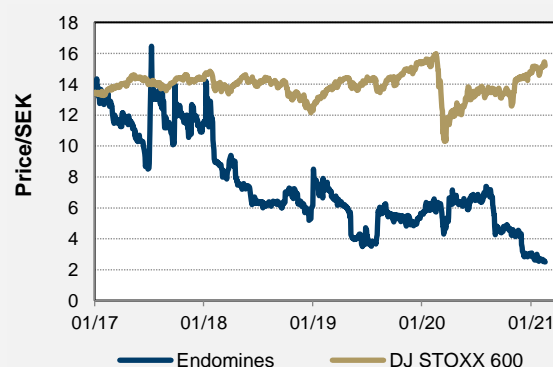
Production to ramp-up in H2

Endomines did not give a production guidance for 2021, aiming to give a guidance in connection with the Q1 release. Deepening of the Pampalo is expected to start mid-H1 while the goal is to have the first gold production by the end of the year. Production start at Friday will be somewhat dependent on how long the spring thaw will last but Endomines expects to be able to ramp-up production by early summer. Endomines completed its rights issue in January, raising approx. SEK 214m, which is a much-needed support to the previously very tight liquidity situation. Although the proceeds fell short of the target, the outcome is in our view still quite decent given the pressed financial situation the company has been facing. The Coronavirus pandemic is still causing some stir in supply chains but should not have any major short-term impact given the time the company has had to prepare for restarting production at Friday.

HOLD with a target price of SEK 2.7 (2.9)

We have made changes to our estimates, with the outcome of the rights issue vs. the assumed full subscription causing the largest changes to our SOTP model, along with the slight pressure to gold prices in Q1. We adjust our target price to SEK 2.7 (2.9) with our HOLD-rating intact.

Rating

■ HOLD


Share price, SEK (Last trading day's closing price) 2.50

Target price, SEK 2.7

Latest change in recommendation 02-Dec-20

Latest report on company 15-Jan-21

Research paid by issuer: YES

No. of shares outstanding, '000's 216,896

No. of shares fully diluted, '000's 216,896

Market cap, SEKm 542

Free float, % -

Exchange rate EUR/SEK 10.07

Reuters code ENDO.ST

Bloomberg code ENDO SS

Average daily volume, SEKm 0.2

Next interim report 20-May-21

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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
2019	5.8	-52.4	-903.4%	-159.2	-0.75	-7.5	112.7	-12.5	-35.6	0.00
2020	13.1	-184.7	-1,410.0%	-103.5	-1.50	-1.9	38.8	-2.8	-28.2	0.00
2021E	39.1	-84.1	-215.0%	-158.3	-0.44	-5.6	16.5	-7.7	-29.2	0.00
2022E	165.7	-44.9	-27.1%	-253.6	-0.25	-10.1	5.4	-20.0	-46.8	0.00
2023E	397.0	20.2	5.1%	-184.7	-0.09	-28.4	2.7	53.7	-34.1	0.00
Market cap, SEKm		542	Gearing 2021E, %			23.4	CAGR EPS 2020-23, %			-61.1
Net debt 2021E, SEKm		101	Price/book 2021E			1.2	CAGR sales 2020-23, %			211.8
Enterprise value, SEKm		644	Dividend yield 2021E, %			0.0	ROE 2021E, %			-25.1
Total assets 2021E, SEKm		648	Tax rate 2021E, %			0.1	ROCE 2021E, %			-16.3
Goodwill 2021E, SEKm		0	Equity ratio 2021E, %			67.0	PEG, P/E 21/CAGR			0.0

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

Endomines (SEKm)	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21E	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Net sales	5.8	3.0	7.5	1.9	0.7	13.1	0.0	2.3	14.7	22.1	39.1	165.7	397.0
sales growth %	-94.5%	42.9%	>100%	18.8%	0.0%	>100%	-100.0%	-69.3%	>100%	>100%	>100%	>100%	>100%
EBITDA	-48.8	-27.8	-17.4	-23.1	-39.5	-108.0	-11.0	-10.3	-14.1	-4.4	-38.1	35.1	153.2
EBIT	-52.4	-29.2	-27.7	-28.7	-98.9	-184.7	-13.0	-15.3	-24.1	-31.7	-82.3	-44.9	20.2
EBIT margin	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	-27.1%	5.1%
Gold production (Oz)	0	0	326	212	0	538	0	169	1 080	1 620	2 869	11 516	27 593
Finland	2019	Q1/'20	Q2/'20*	Q3/'20*	Q4/'20	2020	Q1/'21E	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Net sales	5.8	3.0	2.5	0.0	0.0	5.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gold production (Oz)	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
United States	2019	Q1/'20	Q2/'20*	Q3/'20*	Q4/'20	2020	Q1/'21E	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Net sales	0.0	0.0	5.0	1.9	0.7	7.6	0.0	2.3	14.7	22.1	39.1	165.7	397.0
Gold production (Oz)	0	0	326	212	0	538	0	169	1 080	1 620	2869	11516	27593
Assumptions	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21E	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Gold price USD/Oz	1393	1582	1711	1908	1874	1769	1800	1800	1800	1800	1800	1900	1900
Gold price EUR/Oz	1245	1437	1555	1631	1575	1552	1488	1488	1488	1488	1488	1570	1570
USD/SEK	9.46	9.67	9.69	8.87	8.61	9.20	8.32	8.32	8.32	8.32	8.32	8.32	8.32
EUR/SEK	10.58	10.66	10.66	10.37	10.27	10.49	10.07	10.07	10.07	10.07	10.07	10.07	10.07
EUR/USD	1.12	1.10	1.10	1.17	1.19	1.14	1.21	1.21	1.21	1.21	1.21	1.21	1.21

*Net sales split Evli estimate (not reported)

Valuation	Evli est. MSEK	Spot MSEK	Estimate basis
Friday	160	128	LOM 8 years, avg. CC 830 USD/oz, ~92,000oz concentrate produced
Other assets (US)	525	473	Purchase price and in-situ value analysis
Pampalo	67	59	Real option model, assuming profitability above 1,550 USD/oz gold price
Karelia other	89	83	In-situ value for assets. Exploration ~200usd/m
Corporate/other	-233	-233	DCF estimate assuming active operations until 2030
Net cash (debt)	9	9	Q4/20 + rights issue
Total	616	518	
Per share	2.8	2.4	
Long-term gold price (USD/Oz)	1900		Evli
Spot price (USD/Oz)		1775	
Shares (m)	216.9	216.9	Post rights issue

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	2.50 PV of Free Cash Flow	869 Long-term growth, %	-100.0 Risk-free interest rate, %
DCF share value	3.35 PV of Horizon value	0 WACC, %	8.7 Market risk premium, %
Share price potential, %	34.0 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	3.5 Marketable securities	11 Minimum WACC, %	8.2 Equity beta coefficient
Minimum value	3.2 Debt - dividend	-154 Maximum WACC, %	9.2 Target debt ratio, %
Horizon value, %	0.0 Value of stock	726 Nr of shares, Mn	216.9 Effective tax rate, %

DCF valuation, SEKm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	13	39	166	397	980	1,015	1,055	1,055	589	324	0	0
<i>Sales growth, %</i>	<i>125.9</i>	<i>198.6</i>	<i>323.6</i>	<i>139.6</i>	<i>146.8</i>	<i>3.6</i>	<i>4.0</i>	<i>0.0</i>	<i>-44.2</i>	<i>-45.1</i>	<i>-100.0</i>	<i>0.0</i>
Operating income (EBIT)	-185	-84	-45	20	367	380	406	439	181	86	0	0
<i>Operating income margin, %</i>	<i>-1,410</i>	<i>-215.0</i>	<i>-27.1</i>	<i>5.1</i>	<i>37.4</i>	<i>37.5</i>	<i>38.5</i>	<i>41.6</i>	<i>30.7</i>	<i>26.7</i>	<i>31.1</i>	<i>0.0</i>
+ Depreciation+amort.	77	44	73	128	134	140	140	130	128	72	0	0
EBITDA	-108	-40	28	148	500	520	546	569	309	159	0	0
- Paid taxes	0	0	9	-4	-73	-76	-81	-88	-36	-17	0	0
- Change in NWC	4	-11	-56	-102	-258	-15	-18	0	206	117	77	0
<i>NWC / Sales, %</i>	<i>-456.7</i>	<i>-123.5</i>	<i>4.6</i>	<i>27.7</i>	<i>37.5</i>	<i>37.7</i>	<i>38.0</i>	<i>38.0</i>	<i>33.1</i>	<i>23.9</i>	<i>0.0</i>	<i>0.0</i>
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	-35	0
- Operative CAPEX	-27	-95	-217	-191	-69	-70	-70	-70	-23	-21	405	0
<i>opCAPEX / Sales, %</i>	<i>202.8</i>	<i>242.9</i>	<i>130.9</i>	<i>48.1</i>	<i>7.0</i>	<i>6.9</i>	<i>6.6</i>	<i>6.6</i>	<i>3.9</i>	<i>6.5</i>	<i>0.0</i>	<i>0.0</i>
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	40	0	0	0	0	0	0	0	0	0	0	0
= FCFF	-91	-146	-236	-150	100	359	377	412	456	238	448	0
= Discounted FCFF		-136	-202	-118	73	239	232	233	237	114	197	0
= DFCF min WACC		-137	-204	-119	74	245	238	240	246	119	207	0
= DFCF max WACC		-136	-200	-116	71	234	225	226	229	109	189	0

INTERIM FIGURES

EVLI ESTIMATES, SEKm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1E	2021Q2E	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	3.0	7.5	1.9	0.7	13.1	0.0	2.3	14.7	22.1	39.1	165.7	397.0
EBITDA	-27.8	-17.4	-23.1	-39.7	-108.0	-11.0	-10.3	-14.1	-4.4	-39.8	28.0	147.8
<i>EBITDA margin (%)</i>	<i>-926.7</i>	<i>-232.2</i>	<i>-1,215.8</i>	<i>-5,671.0</i>	<i>-824.5</i>	<i>-</i>	<i>-448.4</i>	<i>-95.4</i>	<i>-20.1</i>	<i>-101.8</i>	<i>16.9</i>	<i>37.2</i>
EBIT	-29.2	-27.7	-28.7	-99.1	-184.7	-13.0	-15.3	-24.1	-31.7	-84.1	-44.9	20.2
<i>EBIT margin (%)</i>	<i>-973.3</i>	<i>-369.3</i>	<i>-1,510.5</i>	<i>-14,159.3</i>	<i>-1,410.0</i>	<i>-</i>	<i>-665.7</i>	<i>-163.3</i>	<i>-143.7</i>	<i>-215.0</i>	<i>-27.1</i>	<i>5.1</i>
Net financial items	-15.1	3.9	-15.5	14.4	-12.3	-3.0	-3.0	-3.0	-3.0	-12.0	-22.2	-44.0
Pre-tax profit	-44.3	-23.8	-44.2	-84.7	-197.0	-16.0	-18.3	-27.1	-34.7	-96.1	-67.1	-23.9
Tax	0.0	0.2	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.1	13.4	4.8
<i>Tax rate (%)</i>	<i>0.0</i>	<i>0.7</i>	<i>0.0</i>	<i>-0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-44.3	-23.6	-44.2	-84.7	-196.9	-16.0	-18.3	-27.0	-34.7	-96.1	-53.7	-19.1
EPS	-0.34	-0.18	-0.34	-0.65	-1.50	-0.07	-0.08	-0.12	-0.16	-0.44	-0.25	-0.09
EPS adjusted (diluted no. of shares)	-0.34	-0.18	-0.34	-0.65	-1.50	-0.07	-0.08	-0.12	-0.16	-0.44	-0.25	-0.09
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	3.0	7.5	1.9	0.7	13.1	0.0	2.3	14.7	22.1	39.1	165.7	397.0
Total	3.0	7.5	1.9	0.7	13.1	0.0	2.3	14.7	22.1	39.1	165.7	397.0
SALES GROWTH, Y/Y %												
Endomines	42.9	435.7	18.8	0.0	125.9	-100.0	-69.3	675.1	3,055.6	198.6	323.6	139.6
Total	42.9	435.7	18.8	0.0	125.9	-100.0	-69.3	675.1	3,055.6	198.6	323.6	139.6
EBIT, SEKm												
Endomines	-29.2	-27.7	-28.7	-99.1	-184.7	-13.0	-15.3	-24.1	-31.7	-84.1	-44.9	20.2
Total	-29.2	-27.7	-28.7	-99.1	-184.7	-13.0	-15.3	-24.1	-31.7	-84.1	-44.9	20.2
EBIT margin, %												
Endomines	-973.3	-369.3	-1,510.5	-14,159.3	-1,410.0	-	-665.7	-163.3	-143.7	-215.0	-27.1	5.1
Total	-973.3	-369.3	-1,510.5	-14,159.3	-1,410.0	-	-665.7	-163.3	-143.7	-215.0	-27.1	5.1

INCOME STATEMENT, SEKm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	101.1	122.2	104.0	5.8	13.1	39.1	165.7	397.0
<i>Sales growth (%)</i>	<i>-10.5</i>	<i>21.0</i>	<i>-14.9</i>	<i>-94.4</i>	<i>125.9</i>	<i>198.6</i>	<i>323.6</i>	<i>139.6</i>
EBITDA	-7.7	-5.7	-5.5	-48.8	-108.0	-39.8	28.0	147.8
<i>EBITDA margin (%)</i>	<i>-7.6</i>	<i>-4.7</i>	<i>-5.3</i>	<i>-841.1</i>	<i>-824.5</i>	<i>-101.8</i>	<i>16.9</i>	<i>37.2</i>
Depreciation	-95.4	-59.1	-43.0	-3.6	-76.7	-44.3	-73.0	-127.6
EBITA	-103.1	-64.8	-48.5	-52.4	-184.7	-84.1	-44.9	20.2
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-103.1	-64.8	-48.5	-52.4	-184.7	-84.1	-44.9	20.2
<i>EBIT margin (%)</i>	<i>-102.1</i>	<i>-53.0</i>	<i>-46.6</i>	<i>-903.4</i>	<i>-1,410.0</i>	<i>-215.0</i>	<i>-27.1</i>	<i>5.1</i>
Reported EBIT	-103.1	-64.8	-48.5	-52.4	-184.7	-84.1	-44.9	20.2
<i>EBIT margin (reported) (%)</i>	<i>-102.1</i>	<i>-53.0</i>	<i>-46.6</i>	<i>-903.4</i>	<i>-1,410.0</i>	<i>-215.0</i>	<i>-27.1</i>	<i>5.1</i>
Net financials	-1.5	-4.5	11.0	-7.7	-12.3	-12.0	-22.2	-44.0
Pre-tax profit	-104.7	-69.3	-37.5	-60.1	-197.0	-96.1	-67.1	-23.9
Taxes	-20.3	0.0	0.1	0.0	0.1	0.1	13.4	4.8
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	-125.0	-69.3	-37.4	-60.1	-196.9	-96.1	-53.7	-19.1
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
BALANCE SHEET, SEKm								
Assets								
Fixed assets	171	130	476	573	568	619	763	826
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	0	0	0	0	0	0	0	0
Inventory	1	2	2	0	2	7	31	75
Receivables	21	12	4	1	3	10	42	101
Liquid funds	29	16	19	16	11	12	25	60
Total assets	222	161	501	590	585	648	861	1,061
Liabilities								
Shareholder's equity	115	45	252	336	331	434	380	361
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	169	175	0	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	84	84	44	46	154	113	380	599
Non-interest bearing current liabilities	0	0	0	0	0	0	0	0
Other interest-free debt	24	32	36	32	100	100	100	100
Total liabilities	222	161	501	590	585	648	861	1,061
CASH FLOW, SEKm								
+ EBITDA	-8	-6	-5	-49	-108	-40	28	148
- Net financial items	-2	-4	11	-8	-12	-12	-22	-44
- Taxes	-1	0	0	0	0	0	13	5
- Increase in Net Working Capital	0	9	8	-5	4	-11	-56	-102
+/- Other	-3	2	-22	-17	40	0	0	0
= Cash flow from operations	-14	1	-8	-79	-77	-63	-37	6
- Capex	-38	-14	-100	-82	-27	-95	-217	-191
- Acquisitions	0	0	-59	0	0	0	0	0
+ Divestments	0	0	0	2	0	0	0	0
= Free cash flow	-52	-13	-167	-159	-103	-158	-254	-185
+/- New issues/buybacks	71	0	244	144	192	199	0	0
- Paid dividend	0	0	0	0	0	0	0	0
+/- Other	-10	-1	-74	12	-93	-41	267	219
Change in cash	9	-14	3	-3	-4	0	13	35

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	126	211	448	366	542	542	542
Net debt (excl. convertibles)	68	25	30	143	101	355	540
Enterprise value	194	405	654	509	644	897	1,082
Sales	122	104	6	13	39	166	397
EBITDA	-6	-5	-49	-108	-40	28	148
EBIT	-65	-48	-52	-185	-84	-45	20
Pre-tax	-69	-37	-60	-197	-96	-67	-24
Earnings	-69	-37	-60	-197	-96	-54	-19
Equity book value (excl. minorities)	45	252	336	331	434	380	361
Valuation multiples							
EV/sales	1.6	3.9	112.7	38.8	16.5	5.4	2.7
EV/EBITDA	-34.0	-73.7	-13.4	-4.7	-16.2	32.0	7.3
EV/EBITA	-3.0	-8.4	-12.5	-2.8	-7.7	-20.0	53.7
EV/EBIT	-3.0	-8.4	-12.5	-2.8	-7.7	-20.0	53.7
EV/OCF	198.3	-53.2	-8.3	-6.6	-10.2	-24.5	172.3
EV/FCFF	-28.6	-2.3	-4.3	-5.6	-4.4	-3.8	-7.2
P/FCFE	-13.9	-1.3	-2.8	-3.5	-3.4	-2.1	-2.9
P/E	-1.8	-5.6	-7.5	-1.9	-5.6	-10.1	-28.4
P/B	2.8	0.8	1.3	1.1	1.2	1.4	1.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	-17.3	33.5	7.6
Target EV/EBIT	0.0	0.0	0.0	0.0	-8.2	-20.9	55.8
Target EV/FCF	0.0	0.0	0.0	0.0	-4.3	-3.7	-6.1
Target P/B	0.0	0.0	0.0	0.0	1.3	1.5	1.6
Target P/E	0.0	0.0	0.0	0.0	-6.1	-10.9	-30.7
Per share measures							
Number of shares	15,280	35,148	79,957	131,305	216,896	216,896	216,896
Number of shares (diluted)	15,280	35,148	79,957	131,305	216,896	216,896	216,896
EPS	-4.53	-1.06	-0.75	-1.50	-0.44	-0.25	-0.09
Operating cash flow per share	0.06	-0.22	-0.99	-0.59	-0.29	-0.17	0.03
Free cash flow per share	-0.86	-4.74	-1.99	-0.79	-0.73	-1.17	-0.85
Book value per share	2.97	7.16	4.20	2.52	2.00	1.75	1.67
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, %	-10.5	-79.0	-35.6	-28.2	-29.2	-46.8	-34.1
Efficiency measures							
ROE	-86.6	-25.2	-20.5	-59.1	-25.1	-13.2	-5.1
ROCE	-39.6	-9.9	-10.3	-35.5	-16.3	-6.9	2.3
Financial ratios							
Inventories as % of sales	1.8	1.7	0.6	18.8	18.8	18.8	18.8
Receivables as % of sales	9.9	3.6	22.8	25.4	25.4	25.4	25.4
Non-interest bearing liabilities as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NWC/sales, %	-7.9	-20.8	-310.5	-456.7	-123.5	4.6	27.7
Operative CAPEX/sales, %	11.6	95.9	1,414.7	202.8	242.9	130.9	48.1
CAPEX/sales (incl. acquisitions), %	11.6	39.0	1,414.7	202.8	242.9	130.9	48.1
FCFF/EBITDA	1.2	32.3	3.1	0.8	3.7	-8.4	-1.0
Net debt/EBITDA, book-weighted	-11.9	-4.6	-0.6	-1.3	-2.5	12.7	3.7
Debt/equity, market-weighted	0.7	0.2	0.1	0.4	0.2	0.7	1.1
Equity ratio, book-weighted	28.3	84.0	86.7	56.5	67.0	44.2	34.0
Gearing, %	149.3	6.0	6.0	43.1	23.4	93.4	149.4

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 ramp-up of operations at the Friday-mine has been burdened by challenges and the operations were put under care and maintenance in August 2020 due to a weak cash position. The company is now taking action to improve its financial situation to reinitiate ramp-up of operations and 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.	31,853,065	81.379	24.3%
Northern Trust Global Services	19,705,938	53.150	15.0%
Evli Pankki Plc	14,479,938	37.751	11.0%
Joensuun Kauppa ja Kone	10,250,913	28.127	7.8%
Nordea Bank Abp (Publ)	8,498,653	21.273	6.5%
Aktia Bank Abp	3,070,500	8.675	2.3%
Suokas Petri Kristian	1,866,000	5.475	1.4%
Ålandsbanken Abp	1,442,867	3.942	1.1%
Lago Kapital Oy	1,040,499	2.790	0.8%
Försäkringbolaget Avanza Pension	910,522	2.142	0.7%
Ten largest	93,111,889	244.705	71%
Residual	38,186,280	83.558	29%
Total	131,305,175	328.262	100%

EARNINGS CALENDAR

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Rauno Pitkänen

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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

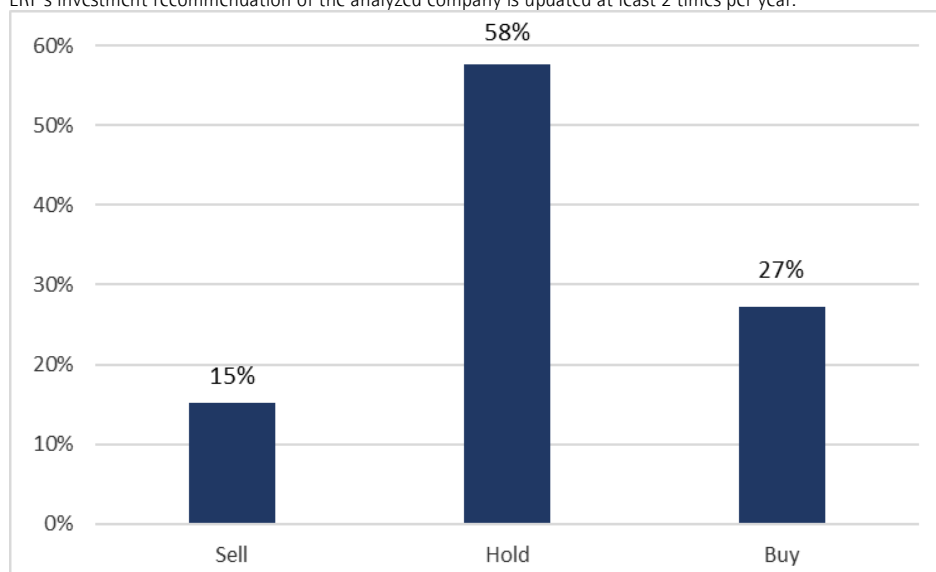
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Investment recommendations are defined as follows:

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

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

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