Progressing well despite a slight miss

Robust growth continued as expected, though profitability fell slightly short of our estimates due to our too optimistic cash cost assumption for Pampalo production.

- Revenue in H1 amounted to EUR 21.5m (EUR 13.1m H1/2024), roughly in line with our estimate of EUR 22.4m as the production figures were already reported.
- The production growth rate of 25.8%, combined with an average gold price of 3,072 USD per ounce (2,205 per ounce H1/24), contributed to the overall growth.
- The group EBITDA in H1 was at EUR 7.7m (1.9m H1 2024), falling short of our estimate of EUR 9.1m. Cash cost of Pampalo operation exceeded our estimates at EUR 1,325 per ounce.
- EBIT in H1 amounted to EUR 5.4m also lower than we estimated (Evli est. EUR 7.3m) due to lower-than-expected Pampalo EBITDA as overhead costs were roughly in line with our estimates.
- EBITDA from Pampalo production was at EUR 10.0m, up from EUR 4.0m during the first half of 2024. We had estimated EBITDA of EUR 11.4m for Pampalo.
- EBITDA from the company's other functions (Karelian gold line operations, USA operations and common functions) was at EUR -2.4m (EUR -2.3m Evli est.).
- 2025 outlook (unchanged): Gold production will be between 16,000 – 22,000 ounces. Production growth is estimated to be greater during H2/25.

Rating — Sell

H1/25	Actual	Evli	Year ago
Revenue	21.5	22.4	13.1
EBITDA	7.7	9.1	1.9
EBIT	5.4	7.3	0.1
EPS	0.20	0.55	-0.10

Deviation	Actual	Evli	Year ago
Net sales		-4 %	64 %
EBITDA		-15 %	>100%
EBIT		-26 %	>100%
EBIT		-63 %	-

Share price, EUR (Last trading day's closing price)	**27.55**
Target price, EUR	24.5
Latest change in recommendation	12-Aug-25
Latest report on company	12-Aug-25
Research paid by issuer:	YES
No. of shares outstanding, '000's	11 128
No. of shares fully diluted, '000's	11 128
Market cap, EURm	307
Free float, %	42.9 %
Exchange rate	1.0
Reuters code	ENDOM.HE
Bloomberg code	ENDOM FH
Average daily volume, EURm	0.2
Next interim report	14-Aug-25
Web site	endomines.com/en/for-investors/

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BUY ACCUMULATE REDUCE SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2023	19.7	-3.0	-15.2%	-10.7	-0.55	-12.3	4.1	-26.8	-16.3%	
2024	28.7	2.6	9.1%	-11.6	0.03	293.9	3.7	40.1	-12.6%	
2025E	50.0	18.8	37.7%	6.0	1.45	19.0	6.3	16.7	2.0%	
2026E	57.4	24.4	42.5%	14.1	1.83	15.1	5.2	12.3	4.6%	
2027E	63.0	27.1	42.9%	16.2	2.04	13.5	4.5	10.5	5.3%	

Market cap, EURm	307	Gearing 2025E, %	-12.7 %	CAGR EPS 2024-27, %	313.3 %
Net debt 2025E, EURm	7	Price/book 2025E	5.3	CAGR Sales 2024-27, %	30.0 %
Enterprise value, EURm	314	Dividend yield 2025E, %	0.0 %	ROE 2025E, %	32.7 %
Total assets 2025E, EURm	97	Tax rate 2025E, %	4.2 %	ROCE 2025E, %	29.0 %
Goodwill 2025E, EURm	0	Equity ratio 2025E, %	76.4 %	PEG, P/E 25/CAGR	1.1

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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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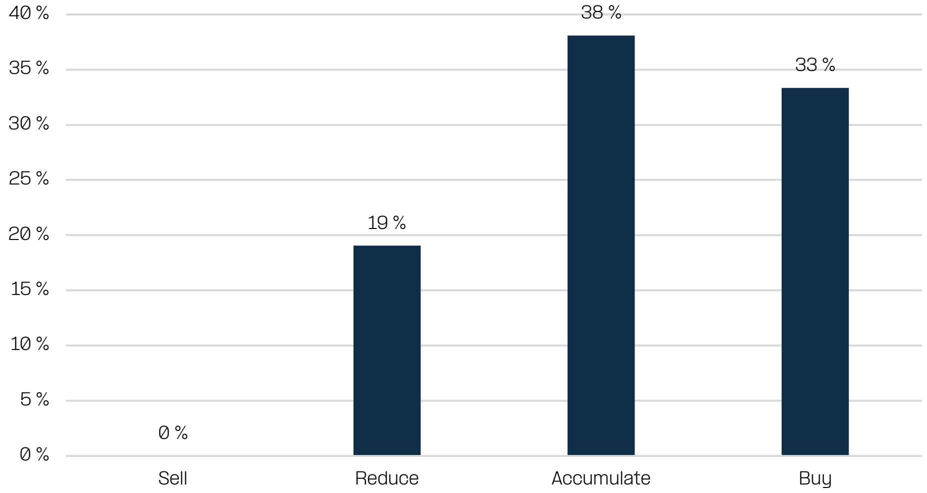

The graph above shows the distribution of ERP's recommendations of companies under coverage on the 16th of May, 2025. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Atte Jortikka

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