

## No major surprises

Endomines' revenue and EBITDA in Q4 amounted to SEK 7.9m (Evli 5.4m) and SEK -6.1m (Evli -6.4m) respectively. Endomines expects to produce 5,000-8,000 oz gold (~156-249kg) in concentrate during 2019. Endomines further announced that it has commenced the sale of a up to EUR 5 million senior secured bonds and warrants.

- Endomines gold production in Q4 amounted to 27.9kg (98.7kg), affected by the suspension of the Pampalo mine in October. Milled ore amounted to 7,559 tonnes (39,692), at head grades of 2.6g/t (3.0g/t). Cash cost was 948 USD/oz (1,264).
- Revenue amounted to SEK 7.9m (28.5m in Q4/17), above our estimates of SEK 5.4m.
- EBITDA in Q4 was at SEK -6.1m (Evli -6.4m) and EBIT at SEK -14.2m (Evli -11.7m).
- Total cash flow was SEK -43.5m (1.8m).
- **Guidance:** Annual gold production at the Friday mine in Idaho, USA, is expected to be approximately 9,000oz at a cash cost of 650-900 USD/oz, depending on the area of production, over the life time of the mine. In the first quarter of 2019, Endomines has commenced ramp-up of the mine and anticipates producing 5,000 – 8,000oz gold (~156-249kg) in concentrate during the year.
- Endomines has commenced the sale of a up to EUR 5 million senior secured bonds and warrants. The bond carries a coupon of 12.0 per cent and has 3-year maturity. The number of the associated warrants is 5,555,555 and their exercise price is EUR 0.90 per warrant.

Rating					+ BUY
Q4/18	Actual	Evli	Year ago	Q3/18	
Revenue	7.9	5.4	28.5	24.3	
EBITDA	-6.1	-6.4	-5.9	0.6	
EBIT	-14.2	-11.7	-37.9	-11.2	
EPS	-0.51	-0.34	-1.11	-0.46	
DPS	0.00	0.00	0.00	0.00	
Deviation	Actual	Evli	Year ago	Q3/18	
Net sales		45%	-72%	-67%	
EBITDA		5%	-3%	-	
EBIT		-21%	63%	-27%	
EPS		-52%	54%	-12%	
DPS		-	-	-	
Share price, SEK (Last trading day's closing price)					7.20
Target price, SEK					7.2
Latest change in recommendation					20-Mar-18
Latest report on company					15-Nov-18
Research paid by issuer:					YES
No. of shares outstanding, '000's					35,148
No. of shares fully diluted, '000's					35,148
Market cap, SEKm					253
Free float, %					-
Exchange rate					0.000
Reuters code					ENDO.ST
Bloomberg code					ENDO SS
Average daily volume, SEKm					0.381
Next interim report					14-Feb-18
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+ BUY    + HOLD    - SELL

### PRE-REPORT 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
2016	101	-103	-102.1%	-105	-8.18	-1.5	2.4	-16.3	-2.4	0.00
2017	122	-65	-53.0%	-69	-4.53	-1.8	1.6	33.5	-3.0	0.00
2018E	101	-46	-45.5%	-31	-0.89	-8.1	4.5	-53.7	-9.8	0.00
2019E	81	-32	-39.4%	-33	-0.87	-8.3	5.9	39.5	-15.0	0.00
2020E	178	18	9.9%	16	0.15	46.9	2.7	9.7	27.6	0.00
Market cap, SEKm		253		BV per share 2018E, SEK		6.3		CAGR EPS 2017-20, %		0.0
Net debt 2018E, SEKm		200		Price/book 2018E		1.1		CAGR sales 2017-20, %		13.3
Enterprise value, SEKm		453		Dividend yield 2018E, %		0.0		ROE 2018E, %		-23.5
Total assets 2018E, SEKm		488		Tax rate 2018E, %		0.0		ROCE 2018E, %		-9.2
Goodwill 2018E, SEKm		0		Equity ratio 2018E, %		45.3		PEG, P/E 18/CAGR		0.0

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

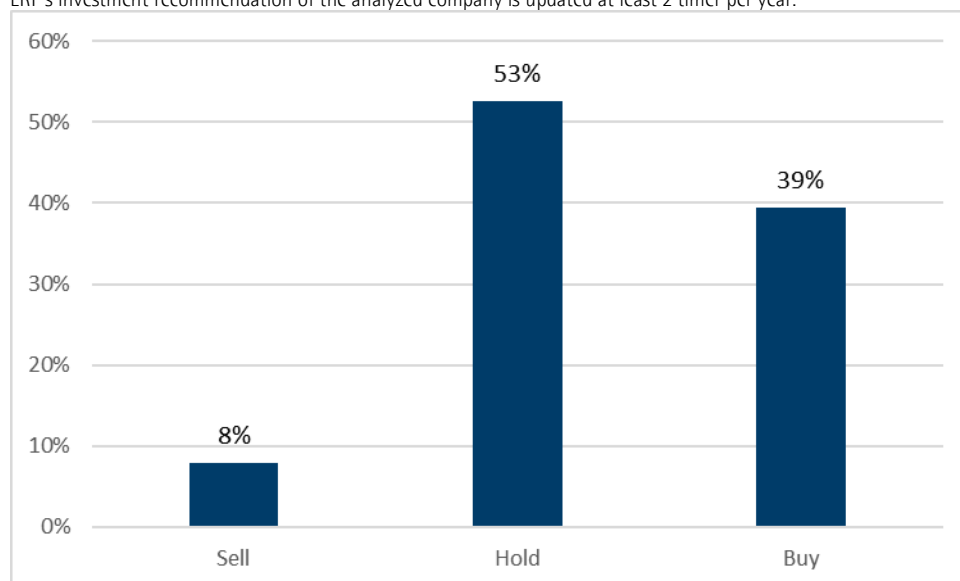
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Investment recommendations are defined as follows:

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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