

Upgrade to buy

No major surprises were seen in Endomines Q1 results and operations startup appears to be progressing according to plans. We raise our target price to EUR 2.9 (2.7) and upgrade our rating to BUY (HOLD).

No major surprises in figures

Endomines revenue was as expected insignificant (Act/Evli SEK 0.1m/0.0m), as operations were still at a halt. Costs were somewhat higher than expected and EBITDA of SEK -14.5m lower than our estimate (Evli SEK-11.0m). Focus during the year has so far been on ramp-up of operations and strengthening the organization through key recruitments. To our understanding the startup of operations has proceeded quite according to plans and the issues with the tailings dewatering system at the Orogrande processing facility have reportedly been addressed.

2021 production guidance 3,000–4,000oz

Endomines gave a production guidance for 3,000–4,000oz during 2021, above our previous estimate of 2,869oz. Our revised estimate puts production at 3,061oz, not yet including estimates for Pampalo, which given the likely startup in late 2021 and the low-grade development ore should be quite limited. With the mill at Friday seen to reach full capacity by year end the production figures are expected to pick up clearly in 2022. Cash flow from operations was at SEK -63.0m but around half of it was due to transactions relating to the US Grant and Kearsarge projects. Liquid assets stood at SEK 68.0m. The financing package with LDA Capital (subject to AGM approval) could bring a further EUR 14m, which should cover financing needs until sufficient own cash flows are achieved.

BUY (HOLD) with a TP of SEK 2.9 (2.7)

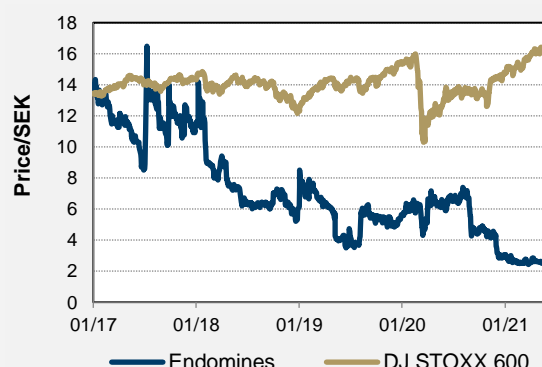
We have not made larger changes to our estimates or SOTP model apart from the slightly increased production figures for 2021. With the anticipated lower financial risk from the LDA Capital financing package (not yet included in our estimates) and favourable gold price development we adjust our target price to SEK 2.9 (2.7) and upgrade our rating to BUY (HOLD), noting however the significant risks relating to junior gold miners.

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	44.4	-91.0	-205.2%	-185.2	-0.55	-4.6	15.7	-7.6	-32.7	0.00
2022E	166.5	-44.5	-26.7%	-282.0	-0.38	-6.8	5.9	-21.9	-49.8	0.00
2023E	399.0	21.3	5.3%	-243.4	-0.35	-7.3	3.1	57.3	-43.0	0.00
Market cap, SEKm		566	Gearing 2021E, %			31.4	CAGR EPS 2020-23, %			-38.5
Net debt 2021E, SEKm		128	Price/book 2021E			1.4	CAGR sales 2020-23, %			212.3
Enterprise value, SEKm		694	Dividend yield 2021E, %			0.0	ROE 2021E, %			-33.0
Total assets 2021E, SEKm		650	Tax rate 2021E, %			0.0	ROCE 2021E, %			-17.6
Goodwill 2021E, SEKm		0	Equity ratio 2021E, %			62.8	PEG, P/E 21/CAGR			0.0

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

Rating

+ BUY


Share price, SEK (Last trading day's closing price) 2.56

Target price, SEK 2.9

Latest change in recommendation 21-May-21

Latest report on company 19-Feb-21

Research paid by issuer: YES

No. of shares outstanding, '000's 221,120

No. of shares fully diluted, '000's 221,120

Market cap, SEKm 566

Free float, % -

Exchange rate EUR/SEK 10.270

Reuters code ENDO.ST

Bloomberg code ENDO SS

Average daily volume, SEKm -

Next interim report 19-Aug-21

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+ BUY □ HOLD - SELL

Endomines (SEKm)	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Net sales	5.8	3.0	7.5	1.9	0.7	13.1	0.1	0.0	15.6	28.6	43.6	166.5	399.0
sales growth %	-94.5%	42.9%	>100%	18.8%	0.0%	>100%	-96.7%	-100.0%	>100%	>100%	>100%	>100%	>100%
EBITDA	-48.8	-27.8	-17.4	-23.1	-39.5	-108.0	-14.5	-16.0	-13.3	-1.9	-30.6	35.5	154.3
EBIT	-52.4	-29.2	-27.7	-28.7	-98.9	-184.7	-18.6	-20.0	-23.3	-29.2	-74.8	-44.5	21.3
EBIT margin	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	-26.7%	5.3%
Gold production (Oz)	0	0	326	212	0	538	0	0	1 080	1 980	3 061	11 516	27 593
Finland	2019	Q1/'20	Q2/'20*	Q3/'20*	Q4/'20	2020	Q1/'21	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/'21	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Net sales	0.0	0.0	5.0	1.9	0.7	7.6	0.1	0.0	15.6	28.6	43.6	166.5	399.0
Gold production (Oz)	0	0	326	212	0	538	0	0	1 080	1 980	3061	11516	27593
Assumptions	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Gold price USD/Oz	1393	1582	1711	1908	1874	1769	1794	1900	1900	1900	1874	1900	1900
Gold price EUR/Oz	1245	1437	1555	1631	1575	1552	1489	1570	1570	1570	1548	1570	1570
USD/SEK	9.46	9.67	9.69	8.87	8.61	9.20	8.40	8.36	8.36	8.36	8.36	8.36	8.36
EUR/SEK	10.58	10.66	10.66	10.37	10.27	10.49	10.12	10.12	10.12	10.12	10.12	10.12	10.12
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	173	166	LOM 8 years, avg. CC 830 USD/oz, ~92,000oz concentrate produced
Other assets (US)	525	502	Purchase price and in-situ value analysis
Pampalo	67	66	Real option model, assuming profitability above 1,550 USD/oz gold price
Karelia other	89	87	In-situ value for assets. Exploration ~200usd/m
Corporate/other	-234	-234	DCF estimate assuming active operations until 2030
Net cash (debt)	35	35	Q4/20 + rights issue
Total	655	622	
Per share	3.0	2.8	
Long-term gold price (USD/Oz)	1900		Evli
Spot price (USD/Oz)		1869	
Shares (m)	221.1	221.1	

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	2.56 PV of Free Cash Flow	888 Long-term growth, %	-100.0 Risk-free interest rate, %
DCF share value	3.37 PV of Horizon value	0 WACC, %	8.7 Market risk premium, %
Share price potential, %	31.6 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	745 Nr of shares, Mn	221.1 Effective tax rate, %

DCF valuation, SEKm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	13	44	167	399	985	1,020	1,061	1,061	592	325	0	0
<i>Sales growth, %</i>	<i>125.9</i>	<i>238.6</i>	<i>275.4</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	-91	-45	21	368	383	409	442	182	87	0	0
<i>Operating income margin, %</i>	<i>-1,410</i>	<i>-205.2</i>	<i>-26.7</i>	<i>5.3</i>	<i>37.4</i>	<i>37.6</i>	<i>38.6</i>	<i>41.7</i>	<i>30.8</i>	<i>26.9</i>	<i>31.2</i>	<i>0.0</i>
+ Depreciation+amort.	77	45	73	127	133	140	140	130	128	72	0	0
EBITDA	-108	-46	28	149	502	523	549	572	310	160	0	0
- Paid taxes	0	0	9	-4	-74	-77	-82	-88	-36	-17	0	0
- Change in NWC	4	-14	-54	-103	-259	-16	-18	0	207	118	78	0
<i>NWC / Sales, %</i>	<i>-456.7</i>	<i>-103.7</i>	<i>4.8</i>	<i>27.8</i>	<i>37.5</i>	<i>37.8</i>	<i>38.0</i>	<i>38.0</i>	<i>33.1</i>	<i>24.0</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>214.2</i>	<i>130.3</i>	<i>47.9</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	-154	-234	-149	100	361	379	414	458	239	448	0
= Discounted FCFF		-147	-204	-120	74	246	238	239	243	117	202	0
= DFCF min WACC		-147	-206	-122	75	251	244	246	252	122	211	0
= DFCF max WACC		-146	-203	-119	73	241	232	232	235	112	193	0

INTERIM FIGURES

EVLI ESTIMATES, SEKm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2E	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	3.0	7.5	1.9	0.7	13.1	0.1	0.0	15.6	28.6	44.4	166.5	399.0
EBITDA	-27.8	-17.4	-23.1	-39.7	-108.0	-14.5	-16.0	-13.3	-1.9	-45.6	28.2	148.7
<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>-14,500.0</i>	-	<i>-84.9</i>	<i>-6.6</i>	<i>-102.9</i>	<i>17.0</i>	<i>37.3</i>
EBIT	-29.2	-27.7	-28.7	-99.1	-184.7	-18.6	-20.0	-23.3	-29.2	-91.0	-44.5	21.3
<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>-18,600.0</i>	-	<i>-148.9</i>	<i>-101.9</i>	<i>-205.2</i>	<i>-26.7</i>	<i>5.3</i>
Net financial items	-15.1	3.9	-15.5	14.4	-12.3	-21.8	-3.0	-3.0	-3.0	-30.8	-60.1	-117.7
Pre-tax profit	-44.3	-23.8	-44.2	-84.7	-197.0	-40.4	-23.0	-26.3	-32.2	-121.8	-104.7	-96.4
Tax	0.0	0.2	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.1	20.9	19.3
<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>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-44.3	-23.6	-44.2	-84.7	-196.9	-40.4	-23.0	-26.2	-32.2	-121.8	-83.7	-77.1
EPS	-0.34	-0.18	-0.34	-0.65	-1.50	-0.18	-0.10	-0.12	-0.15	-0.55	-0.38	-0.35
EPS adjusted (diluted no. of shares)	-0.34	-0.18	-0.34	-0.65	-1.50	-0.18	-0.10	-0.12	-0.15	-0.55	-0.38	-0.35
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	0.1	0.0	15.6	28.6	44.4	166.5	399.0
Total	3.0	7.5	1.9	0.7	13.1	0.1	0.0	15.6	28.6	44.4	166.5	399.0
SALES GROWTH, Y/Y %												
Endomines	42.9	435.7	18.8	0.0	125.9	-96.7	-100.0	722.2	3,991.3	238.6	275.4	139.6
Total	42.9	435.7	18.8	0.0	125.9	-96.7	-100.0	722.2	3,991.3	238.6	275.4	139.6
EBIT, SEKm												
Endomines	-29.2	-27.7	-28.7	-99.1	-184.7	-18.6	-20.0	-23.3	-29.2	-91.0	-44.5	21.3
Total	-29.2	-27.7	-28.7	-99.1	-184.7	-18.6	-20.0	-23.3	-29.2	-91.0	-44.5	21.3
EBIT margin, %												
Endomines	-973.3	-369.3	-1,510.5	-14,159.3	-1,410.0	-18,600.0	-	-148.9	-101.9	-205.2	-26.7	5.3
Total	-973.3	-369.3	-1,510.5	-14,159.3	-1,410.0	-18,600.0	-	-148.9	-101.9	-205.2	-26.7	5.3

INCOME STATEMENT, SEKm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	101.1	122.2	104.0	5.8	13.1	44.4	166.5	399.0
<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>238.6</i>	<i>275.4</i>	<i>139.6</i>
EBITDA	-7.7	-5.7	-5.5	-48.8	-108.0	-45.6	28.2	148.7
<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>-102.9</i>	<i>17.0</i>	<i>37.3</i>
Depreciation	-95.4	-59.1	-43.0	-3.6	-76.7	-45.4	-72.8	-127.4
EBITA	-103.1	-64.8	-48.5	-52.4	-184.7	-91.0	-44.5	21.3
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	-91.0	-44.5	21.3
<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>-205.2</i>	<i>-26.7</i>	<i>5.3</i>
Reported EBIT	-103.1	-64.8	-48.5	-52.4	-184.7	-91.0	-44.5	21.3
<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>-205.2</i>	<i>-26.7</i>	<i>5.3</i>
Net financials	-1.5	-4.5	11.0	-7.7	-12.3	-30.8	-60.1	-117.7
Pre-tax profit	-104.7	-69.3	-37.5	-60.1	-197.0	-121.8	-104.7	-96.4
Taxes	-20.3	0.0	0.1	0.0	0.1	0.1	20.9	19.3
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	-121.8	-83.7	-77.1
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	617	762	825
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	8	31	75
Receivables	21	12	4	1	3	11	42	101
Liquid funds	29	16	19	16	11	13	25	40
Total assets	222	161	501	590	585	650	860	1,042
Liabilities								
Shareholder's equity	115	45	252	336	331	408	325	247
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	142	435	694
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	650	860	1,042
CASH FLOW, SEKm								
+ EBITDA	-8	-6	-5	-49	-108	-46	28	149
- Net financial items	-2	-4	11	-8	-12	-31	-60	-118
- Taxes	-1	0	0	0	0	0	21	19
- Increase in Net Working Capital	0	9	8	-5	4	-14	-54	-103
+/- Other	-3	2	-22	-17	40	0	0	0
= Cash flow from operations	-14	1	-8	-79	-77	-90	-65	-52
- 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	-185	-282	-243
+/- 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	-12	294	258
Change in cash	9	-14	3	-3	-4	2	12	15

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	126	211	448	366	566	566	566
Net debt (excl. convertibles)	68	25	30	143	128	410	654
Enterprise value	194	405	654	509	694	976	1,220
Sales	122	104	6	13	44	167	399
EBITDA	-6	-5	-49	-108	-46	28	149
EBIT	-65	-48	-52	-185	-91	-45	21
Pre-tax	-69	-37	-60	-197	-122	-105	-96
Earnings	-69	-37	-60	-197	-122	-84	-77
Equity book value (excl. minorities)	45	252	336	331	408	325	247
Valuation multiples							
EV/sales	1.6	3.9	112.7	38.8	15.7	5.9	3.1
EV/EBITDA	-34.0	-73.7	-13.4	-4.7	-15.2	34.6	8.2
EV/EBITA	-3.0	-8.4	-12.5	-2.8	-7.6	-21.9	57.3
EV/EBIT	-3.0	-8.4	-12.5	-2.8	-7.6	-21.9	57.3
EV/OCF	198.3	-53.2	-8.3	-6.6	-7.7	-15.0	-23.3
EV/FCFF	-28.6	-2.3	-4.3	-5.6	-4.5	-4.2	-8.2
P/FCFE	-13.9	-1.3	-2.8	-3.5	-3.1	-2.0	-2.3
P/E	-1.8	-5.6	-7.5	-1.9	-4.6	-6.8	-7.3
P/B	2.8	0.8	1.3	1.1	1.4	1.7	2.3
Target EV/EBITDA	0.0	0.0	0.0	0.0	-16.9	37.2	8.7
Target EV/EBIT	0.0	0.0	0.0	0.0	-8.5	-23.6	60.8
Target EV/FCF	0.0	0.0	0.0	0.0	-4.2	-3.7	-5.3
Target P/B	0.0	0.0	0.0	0.0	1.6	2.0	2.6
Target P/E	0.0	0.0	0.0	0.0	-5.3	-7.7	-8.3
Per share measures							
Number of shares	15,280	35,148	79,957	131,305	221,120	221,120	221,120
Number of shares (diluted)	15,280	35,148	79,957	131,305	221,120	221,120	221,120
EPS	-4.53	-1.06	-0.75	-1.50	-0.55	-0.38	-0.35
Operating cash flow per share	0.06	-0.22	-0.99	-0.59	-0.41	-0.29	-0.24
Free cash flow per share	-0.86	-4.74	-1.99	-0.79	-0.84	-1.28	-1.10
Book value per share	2.97	7.16	4.20	2.52	1.85	1.47	1.12
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	-32.7	-49.8	-43.0
Efficiency measures							
ROE	-86.6	-25.2	-20.5	-59.1	-33.0	-22.8	-27.0
ROCE	-39.6	-9.9	-10.3	-35.5	-17.6	-6.8	2.5
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	-103.7	4.8	27.8
Operative CAPEX/sales, %	11.6	95.9	1,414.7	202.8	214.2	130.3	47.9
CAPEX/sales (incl. acquisitions), %	11.6	39.0	1,414.7	202.8	214.2	130.3	47.9
FCFF/EBITDA	1.2	32.3	3.1	0.8	3.4	-8.3	-1.0
Net debt/EBITDA, book-weighted	-11.9	-4.6	-0.6	-1.3	-2.8	14.5	4.4
Debt/equity, market-weighted	0.7	0.2	0.1	0.4	0.3	0.8	1.2
Equity ratio, book-weighted	28.3	84.0	86.7	56.5	62.8	37.7	23.8
Gearing, %	149.3	6.0	6.0	43.1	31.4	126.4	264.2

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 has now taken actions to improve its financial situation and has reinitiated the ramp-up of operations at its Friday and Pampalo mines. Supportive development in gold prices offer additional potential for increased revenue.

OWNERSHIP STRUCTURE	SHARES	SEKm	%
Northern Trust Global Services	37,549,229	96.126	17.0%
Clearstream Banking S.A.	31,884,850	81.625	14.4%
Joensuun Kauppa ja Kone	25,488,196	65.250	11.5%
Nordea Bank Abp (Publ)	15,892,226	40.684	7.2%
Evli Pankki Plc	14,205,086	36.365	6.4%
Aktia Bank Abp	6,130,050	15.693	2.8%
Ålandsbanken Abp	2,691,537	6.890	1.2%
Taloustieto Incrementum Ky	2,440,000	6.246	1.1%
K22 Finance Oy	2,327,002	5.957	1.1%
Citibank Europe Plc	2,153,602	5.513	1.0%
Ten largest	140,761,778	360.350	64%
Residual	80,358,257	205.717	36%
Total	221,120,035	566.067	100%

EARNINGS CALENDAR

August 19, 2021

Q2 report

November 11, 2021

Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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

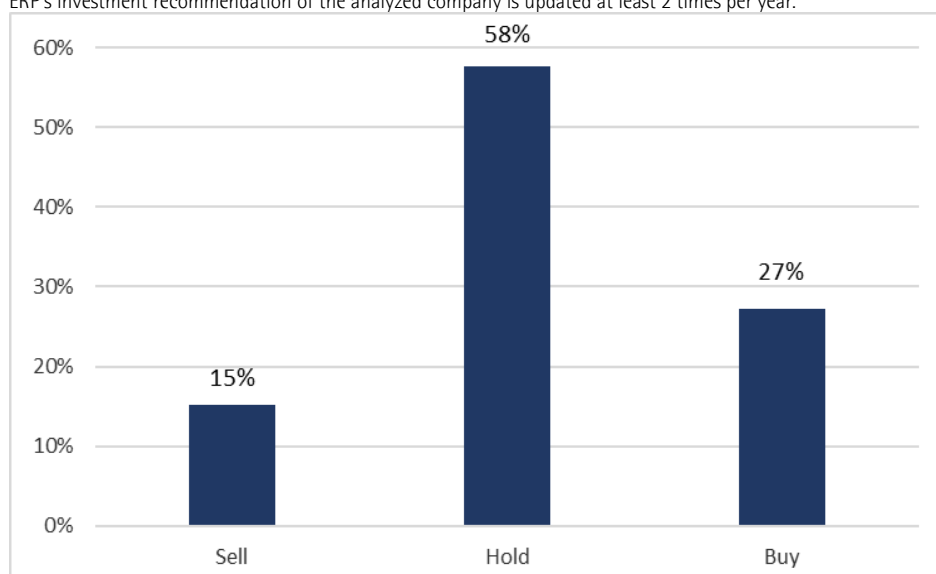
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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