

## Production delayed but en route

Due to some delays and changes the production guidance for 2021 was lowered to around 1,500 oz (prev. 3,000–4,000 oz). Production is set to start again in Q3 after a 12-month halt.

- Revenue in Q2 amounted to SEK 0.0\*m, with our estimates at SEK 0.0m. The Friday mine was put into care and maintenance during Q3/20 and no significant new gold concentrate production took place during Q2.
- EBITDA in Q2 was at SEK -25.9m\*, below our estimate of SEK -16.0m, with costs in the second quarter larger than estimated.
- EBIT amounted to SEK -76.9m\* (Evli SEK -20.0m). Depreciations and write-downs of SEK 51.2m were clearly higher than expected.

\*Figures derived from Q1 and H1 figures

- During Q3 2021 gold production will restart at the Orogrande Processing facility. Restaffing at both mine and the mill has taken slightly longer than Endomines expected due to market conditions caused by COVID-19, which along with delays in delivery of some vital mill equipment and components has caused a slight delay to the mill start-up from July to late August.
- Liquid assets amounted to SEK 28.0m at the end of Q2.
- The gold production guidance for the remainder of the year is now expected to be approx. 1,500 oz (prev. 3,000–4,000 oz).
- Friday: When in full production Endomines expects the annual gold production from the Friday mine to reach 7,800–9,000 oz. Full production estimated by Q4 2021/Q1 2022.
- Pampalo: When in full production Endomines expects the annual gold production from the Pampalo mine to reach 10,000–11,500 oz. Full production estimated by Q2/Q3 2022.

**Rating** 🇸🇵 BUY

Q2/21	Actual	Evli	Year ago	Q1/21
Revenue	0.0	0.0	7.5	0.1
EBITDA	-25.9	-16.0	-17.4	-14.5
EBIT	-76.9	-20.0	-27.7	-18.6

Deviation	Actual	Evli	Year ago	Q1/21
Net sales		-	-	-
EBITDA		-62 %	-49 %	-79 %
EBIT		<-100%	<-100%	<-100%

Figures derived from Q1 and H1 figures

Share price, SEK (Last trading day's closing price)	3.40
Target price, SEK	2.9
Latest change in recommendation	21-May-21
Latest report on company	21-May-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	752
Free float, %	0.0
Exchange rate EUR/SEK	10.270
Reuters code	ENDO.ST
Bloomberg code	ENDO SS
Average daily volume, SEKm	0.2
Next interim report	19-Aug-21
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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
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	-6.2	19.8	-9.7	-24.6	0.00
2022E	166.5	-44.5	-26.7%	-282.0	-0.38	-9.0	7.0	-26.1	-37.5	0.00
2023E	399.0	21.3	5.3%	-243.4	-0.35	-9.8	3.5	66.0	-32.4	0.00

Market cap, SEKm	752	BV per share 2021E, SEK	31.4	CAGR EPS 2020-23, %	-38.5
Net debt 2021E, SEKm	128	Price/book 2021E	1.8	CAGR sales 2020-23, %	212.3
Enterprise value, SEKm	880	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.

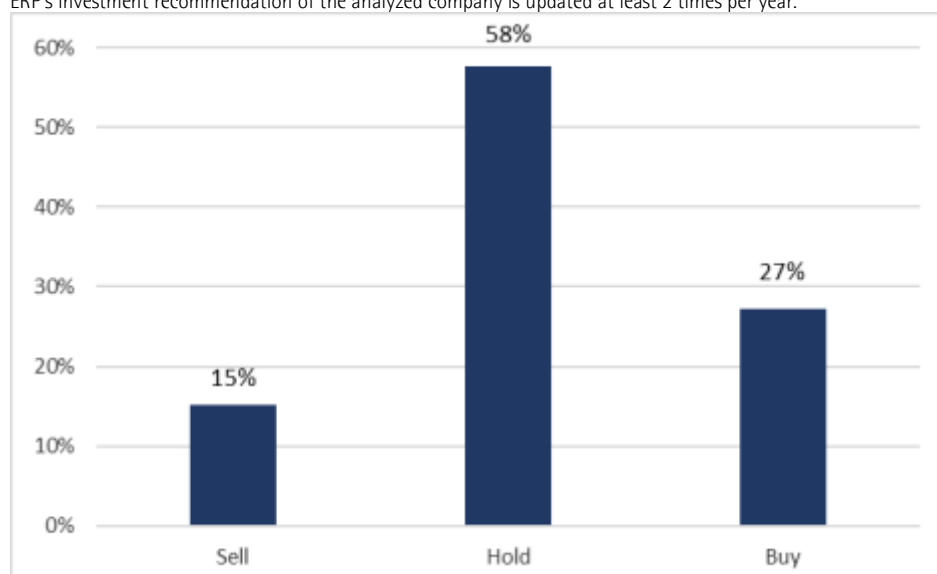
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< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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