

4 January 2018

THIS DOCUMENT HAS NOT BEEN PRODUCED BY KBC SECURITIES USA, INC.

QUEST FOR GROWTH

Allows direct investments, invests €1m

EQUITY INVESTMENT INSTRUMENTS
BELGIUM

CURRENT PRICE €9.02
TARGET PRICE €8.70

HOLD
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg QFG BB
Reuters QUFG.BR
www.questforgrowth.com

Market Cap €104.0m
Shares outst. 11.5m
Volume (daily) €132,070
Free float 72.9%

Next corporate event

Results FY17: 25 January 2018

(€m)	2014	2015	2016
Net result	8.7	37.9	
Adj. net result	8.7	37.9	
Basic EPS (€)	0.76	3.29	
ROE	7.9%	34.5%	
Adj. eq. value	10.28	10.81	
Premium/disc.	26.0%	-5.5%	
DPS (€)	0.72	3.72	0.00
Dividend yield	9.5%	32.6%	

Cédric Duinslaeger

+32 2 429 00 55

cedric.duinslaeger@kbcsecurities.be

Yesterday Quest for Growth announced the BoD has decided to allow direct investments, so not only co-investments, "to further facilitate the investment in unquoted companies". The scope is confined to competences that fall within the competences of QfG's Mgmt. company Capricorn Venture Partners (being ICT, Health-tech and Cleantech) but outside their active investment period or specialisations of the existing funds. Quest for Growth will target investments in companies which have at least recurring paying customers or a "proof of concept" (health-tech).

QfG has made a first direct investment at the end of December in a French diagnostic company for an amount of €1m in a capital raise. The financing round will become public mid this month. Besides this, QfG also acquired a participation in Capricorn Cleantech Fund from another investor, increasing their stake in the fund from 2% to more than 10%.

Our view

We see this as a positive broadening of Quest's investment scope. It will allow QfG to enlarge its exposure to (VC) investments in unquoted companies. We recall that this decision also makes it easier for Quest to confine to new PRICAF regulation (2016) that obligates PRICAFs to invest a minimum of 70% in unlisted companies or listed companies with a market cap of under €1.5Bn.