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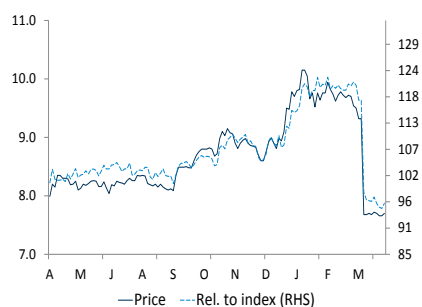
## QUEST FOR GROWTH

### 1Q18 Update

EQUITY INVESTMENT INSTRUMENTS  
BELGIUM

CURRENT PRICE €7.70  
TARGET PRICE €7.60

**HOLD**  
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg	QFG BB
Reuters	QUFG.BR
<a href="http://www.questforgrowth.com">www.questforgrowth.com</a>	
Market Cap	€88.8m
Shares outst.	11.5m
Volume (daily)	€110,202
Free float	72.9%

Next corporate event

Results 1H18: 26 July 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%	

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Yesterday after market, Quest for Growth published its 1Q18 results, reporting a loss over 1Q18 of €1.6m vs a profit of €15.4m in 1Q17. NAV per share stood at €10.61 before the dividend was made compared to an NAV per share of €10.71 at YE17. The €1.54 p.s. dividend was approved at Quest's AGM with 53% of the dividend paid out in shares.

**News:**

We saw a general weak stock market in 1Q18, as shown by the STOXX Europe Small Net Return Index that has fallen 2.4% since the beginning of 2018

**Listed Portfolio:**

Avantium saw bad performance (-40%), with other shares Accel Group, USU Software and EVS falling over 10%. On the upside we see Tomra (+25%), Aures (+24%), Pharmagest (+22%) and Stratec (+13%). Quest increased its stakes in Technotrans and Cenit, while on the other hand having sold their entirety in Axway, Gerresheim and Accel to build up for the cash part of the dividend.

**Unlisted Portfolio:**

Quest valued off the valuation of its Mapper stake and provided Sequana Medical with a 90K Swiss franc loan.

**VC Funds:**

We see a slightly negative Q1 in this segment with Capricorn Cleantech losing -20% in valuation due to its main holdings Avantium share performance. Quest booked a higher valuation for LSP IV. Capricorn Sustainable Chimicale Fund made its second investment in DMC, Capricorn Health-tech Fund made follow up investments in Sequana Medical and Mainstay, while Capricorn ICT Arkiv also made follow up investments in Linda-care and Noona.

**Our View and Conclusion**

With reduction of the cash dividend and the issuing of the stock dividend we estimate Quest for Growth's NAV to stand at €9.12 p.s. and reduce our target price to €7.6 p.s. representing a 17% discount on NAV in line with the 2Y historical average. We reiterate our Hold rating.