

## QUEST FOR GROWTH

Invests € 4.25m in two unlisted companies

EQUITY INVESTMENT INSTRUMENTS  
BELGIUM

CURRENT PRICE € 7.08  
TARGET PRICE € 6.90

**HOLD**

RATING UNCHANGED

Yesterday Quest for Growth announced having invested more than € 4m in two new unquoted portfolio companies. In July an investment of € 2m was finalized in Miracor Medical and in August Quest for Growth (together with Capricorn Sustainable Chemistry Fund) participated for an amount of € 2.25m in a financing round of c-LEcta. These two investments bring the level of unquoted investments in QfG's portfolio up to € 36.6m, representing approximately 26% of the NAV.

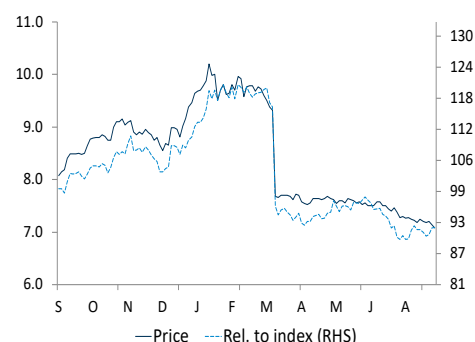
**Miracor Medical** is located in Awans (Belgium) and provides innovative solutions for the treatment of severe cardiac diseases, aiming to improve short- and long-term clinical outcomes and reduce associated costs. The company has developed the PiCSO Impulse System, the first and only coronary sinus intervention designed to reduce infarct size, improve cardiac function and potentially reduce the onset of heart failure following acute myocardial infarction.

**c-LEcta**, located in Leipzig (Germany), is a fully integrated biotechnology company with focus on enzyme engineering and application in regulated markets like food and pharma, currently employing around 60 people. The company covers a large part of the value chain from discovery to engineering to the commercial production of enzymes as well as the manufacturing of other high-quality biotechnology products, either as in-house developments or in close cooperation with industry. With a focus on regulated markets such as food, c-LEcta has conducted more than 30 enzyme engineering projects with a success rate of >90% during the last 5 years.

### Our view and Conclusion

The investment in Miracor Medical is Quest's second investment in the healthcare sector over the past year (Quest invested in French Diagnostic company HalioDx at the end of 2017). With these two investments Quest's unlisted portfolio represents approximately 26% of the NAV. We recall that in the past Quest for Growth has achieved success through this strategy of investment in unlisted stakes as we saw with the Ogeda divestment (through Capricorn Health-tech fund). We estimates QfG's NAV to stand at € 8.12 p.s., entailing a 13.1% discount.

Although we are positive on the news, we adjust our TP from € 7.6 to € 6.9 p.s. (entailing a 15% discount to NAV) following the evolution of QfG's listed portfolio since our last target price update. We reiterate our Hold recommendation.



Source: Thomson Reuters Datastream

Bloomberg QFG BB  
Reuters QUFG.BR  
[www.questforgrowth.com](http://www.questforgrowth.com)

Market Cap € 81.6m  
Shares outst. 11.5m  
Volume (daily) € 93,082  
Free float 72.9%

Next corporate event  
Results 3Q18: 25 October 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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