

QUEST FOR GROWTH

Weak 3Q results, NAV at € 8.32 p.s.

EQUITY INVESTMENT INSTRUMENTS
BELGIUM

CURRENT PRICE € 6.30
TARGET PRICE € 6.90

HOLD
RATING UNCHANGED

News

Quest for Growth published its third quarter results, reporting a weak quarter. Total return for the first 9 months of the year came in at -5%, including the dividend paid of € 1.54 p.s. NAV decreased to 8.32 p.s. (16% discount), down from 10.71 (18% discount) at the end of last year. The decrease in NAV is the result of the paid dividend and a loss of approximately 7m.

QfG's share capital increased from 134m to 145m as a result of the share dividend paid, with 53% of the dividends paid in shares.

Listed portfolio

Returns for QfG's listed portfolio came in at -4%, compared to the STOXX Europe 600 net return of 0.9% and the STOXX Europe 200 net return of 1.1%. The worst performers were EVS (-40%), Technotrans (-24%) and Melexis (-20%), while Tomra (+57%), Pharmagest (+36%) and Aures (+27%) were the positive outliers.

Over the period, QfG sold its position in Corbion. The company is furthermore decreasing its shares in Tomra, due to an increased valuation, and Stratec, as the result of a profit warning. The positions in Melexis, CEWE, Technotrans and Kingspan were increased.

While the value of the stocks has decrease, QfG doesn't see strong buying opportunities at the moment.

Unlisted portfolio

QfG invested € 4.5m in its unlisted portfolio with an investment in Miracor Medical and c-LEcta and expects to further increase its position in unlisted companies in the future.

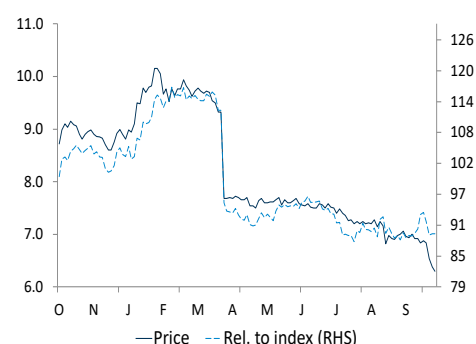
VC investments

The Capricorn Cleantech and health-tech funds reported a decrease in value, mainly driven by the decrease in Avantium's and Nexstim's share price. LSP IV increased on the other hand, driven by an increase in Argenx's share price.

Capricorn sustainable Chemistry fund invested in c-LEcta and increased its positions in Sequana Medical, Nexstim, Mainstay Medical and iSTAR Medical. Capricorn ICT Arkiv did follow-up investments in Lindacare and Noona.

Our View

We estimate NAV at € 8.0 p.s., representing a 21.2% discount to current share price. We reiterate our € 6.9 target price and Hold rating.



Source: Thomson Reuters Datastream

Bloomberg	QFG BB
Reuters	QUFG.BR
www.questforgrowth.com	
Market Cap	€ 72.6m
Shares outst.	11.5m
Volume (daily)	€ 79,822
Free float	72.9%

Next corporate event
Results FY18: 24 January 2019

€ 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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