

## QUEST FOR GROWTH

### 1Q20 Trading Update

EQUITY INVESTMENT INSTRUMENTS  
BELGIUM

CURRENT PRICE € 4.99  
TARGET PRICE € 5.90

### ACCUMULATE

RATING UNCHANGED

**Thursday after close, QfG reported its 1Q20 results. The holding saw its NAV decrease by 19.8% to € 6.51 ps. This resulted in a loss of € 27m or € 1.60 ps. The stock price dropped by 23% over the period, in line with the STOXX Europe 600 Net Return Index (-23%) but outperforming the STOXX Europe Small 200 Net Return index (-26%). As the stock price dropped more than its underlying NAV, the discount expanded to 30.6%. We remain our Accumulate rating but lower our TP to € 5.9 ps.**

#### Listed portfolio

At the end of March, the listed stakes contributed 58% to the NAV. The value dropped from € 84.9m at the end of 2019 to € 63.2m by the end of March (-25.6%), in line with the STOXX Europe Small 200 Net Return index (-26%). TKH & Akka were the worst performers returning -49% and -61% respectively.

QfG took new participations in the health care companies Stratec & Tubize. Both posted a modest gain since inception. A third investment took place in Gurit, a Swiss producer of wind turbine components. Sequana was removed from the portfolio as the lock-up period had expired. Other names that were sold are Robertet, CFE and Norma.

#### Unlisted portfolio

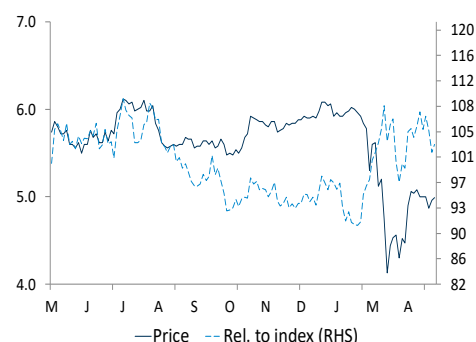
The value of the private stakes rose 19% to € 10.8m. The increase is mainly attributable to the € 2m investment in Prolupin. The investment in Prolupin is a co-investment with the Capricorn Sustainable Chemistry fund. QfG also upped its investments in Bluebee & Scaled Access.

#### VC-funds:

After the expiration of the lock-up agreement, Sequana Medical shares from the Capricorn Health-Tech Funds were distributed through a capital decrease. QfG already sold its shares. The duration of the Health-Tech Fund has been expanded by 2 years. Capricorn ICT Arkiv did follow-up investments in Bluebee, Scaled Access & Lindacare. The Capricorn Sustainable Chemistry Fund invested € 5m in Proplupin, a German plant-based protein company, and did a follow-up investment in Virovet. At the end of March, the value of the fund portfolio came in at € 23.9m vs € 27.4m at the end of 2019.

#### Conclusion:

Taking into account the latest share price changes for the month of April, we currently estimate QfG's NAV at € 7.0 ps, implying a 29% discount based on Thursday's closing price. QfG's high discount of 29% ( 2Y avg 20%), combined with a solid net cash balance of 7% NAV, makes us reiterate our Accumulate rating. We do lower our TP from € 6.6 to € 5.9 ps as the value of its underlying stakes has dropped substantially since the covid-19 outbreak. The TP is based on a 20% discount against our TEV of € 7.3 ps.



Source: Thomson Reuters Datastream

Bloomberg QFG BB  
Reuters QUFG.BR

[www.questforgrowth.com](http://www.questforgrowth.com)

Market Cap € 83.6m  
Shares outst. 16.7m  
Volume (daily) € 56,717  
Free float 86.9%

Next corporate event

Results 1H20: 30 July 2020

€ m	2016	2017	2018
Net result	0.5	27.4	-26.9
Adj. net result	0.5	27.4	-26.9
Basic EPS (€)	0.04	1.81	-1.61
ROE	0.5%	20.3%	-16.6%
Adj. eq. value	8.90	8.90	7.12
Premium/disc.	14.0%	14.0%	15.4%
DPS (€)	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%

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