

## QUEST FOR GROWTH

NAV of € 9.88 ps and investment in REIN4CED

EQUITY INVESTMENT INSTRUMENTS  
BELGIUM

CURRENT PRICE € 7.46  
TARGET PRICE € 8.00

### ACCUMULATE

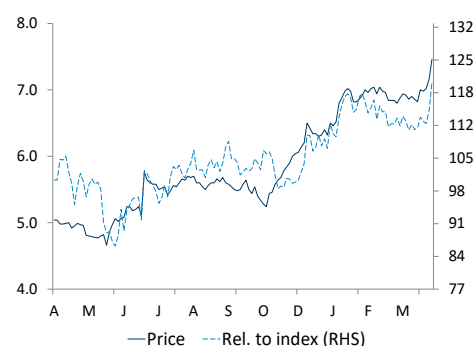
RATING UNCHANGED

After already communicating positive developments in the unquoted portfolio for a total of € 0.18 ps earlier this week, Qfg reported an NAV of € 9.88 ps at the end of March (FY20: € 9.14 ps). This implies a 4.7% return compared to last month and total return of 8.1% in 2021 so far. Prior to the monthly NAV update, Quest also stated that, together with the Capricorn Sustainable Chemistry Fund, it had participated in the € 7.0m series B round of REIN4CED. We reiterate our Accumulate rating and € 8.0 ps.

#### News:

- Quest reported an NAV of € 9.88 ps at the end of March, up 4.7% for the month and 8.1% since end-December (FY20: € 9.14 ps).
- Positions were slightly increased in Melexis, Stratec, Kerry Group and Umicore while stakes in CEWE Stiftung and Steico were reduced.
- Earlier yesterday, QfG announced that it had directly invested € 1.5m in REIN4CED's € 7.0m series B round. Besides the direct investment, Qfg is also indirectly invested through the € 2.5m participation of the Capricorn Sustainable Chemistry fund. REIN4CED is a Belgian manufacturer of advanced composite bicycle frames. Proceeds will be used to strengthen the company's ability to expand its manufacturing capacity, meet growing customer demand, and develop new applications in sports & leisure, automotive and aerospace markets.
- Major changes in the unquoted portfolio include a € 0.6m valuation increase for NGData and € 1.0m uptick for Halidox. Valuation for the Sustainable Chemistry fund also increased by € 1.1m although this was largely driven by the investment in REIN4CED.

**Our View:** Earlier this week we estimated Quest's NAV at € 9.73 ps based on the portfolio composition at end-February. Adjusting our model for the recent portfolio changes in March, we estimate the current NAV at € 9.82ps, implying a discount of 24% (2Y average of 28.4%; 5Y average of 18.8%). After applying a 20% discount to our TEV of € 10.0ps, we reiterate our Accumulate rating and € 8.0 TP.



Source: Thomson Reuters Datastream

Bloomberg	QFG BB
Reuters	QUFG.BR
<a href="http://www.questforgrowth.com">www.questforgrowth.com</a>	
Market Cap	€ 124.9m
Shares outst.	16.7m
Volume (daily)	€ 81,053
Free float	86.9%

Next corporate event

Results 1Q21: 29 April 2021

€ m	2018	2019	2020
Net result	-26.9	16.7	17.1
Adj. net result	-26.9	16.7	17.1
Basic EPS (€)	-1.65	1.00	1.02
ROE	-16.6%	14.0%	12.5%
Adj. eq. value	7.12	8.12	9.14
Premium/disc.	15.4%	27.3%	28.9%
DPS (€)	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%

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