

QUEST FOR GROWTH

NAV of €10.34 ps

EQUITY INVESTMENT INSTRUMENTS
BELGIUM

CURRENT PRICE € 7.86
TARGET PRICE € 8.60

ACCUMULATE

RATING UNCHANGED

Quest's NAV at the end of November decreased slightly to € 10.34 ps compared to € 10.46 ps at the end of October. For the full year, the NAV is currently up 13.1% and 17.5% including the € 0.4 ps capital reduction in June. Earlier yesterday, the group also announced that it has invested \$ 1.7m in DMC Biotechnologies Series B financing round. Based on our TEV estimate of € 10.49 ps, and discount of roughly 20%, we reiterate our Accumulate rating and € 8.6 TP.

- NAV at the end of November amounted to € 10.34 ps, down 1.1% m/m but still up 13.1% ytd and 17.5% including the capital reduction of € 0.4ps.
- QfG participated for \$ 1.7m in DMC Biotechnologies' \$ 34m series B financing round. Other investors include the Capricorn sustainable Chemistry fund, Cibus Enterprise, Sofinnova Partners, Breakthrough Energy Ventures, SCG, Boulder Ventures, Solvay Ventures and Michelin. DMC already has a first commercial product, being a bio-based chemical intermediate with primary applications in home care and human nutrition. The company also has a deep pipeline of predictable, scalable, cost-competitive products, addressing sustainability challenges across a wide range of industries.
- During the month of November Quest reduced its stakes in CEWE, PSI, TKH, ABO Wind, Technotrans and Steico as well as some of the Eurostoxx50 put options. On the buy side, the stake in Roche was slightly increased, as was the size of the Capricorn Sustainable Chemistry fund given de investment in DMC Biotechnologies.

Our View: Based on the most recent closing prices, we currently estimate Quest's NAV at € 10.30 ps, implying a discount of 23.7%. Given the strong performance this year and likelihood of a double-digit dividend in FY22, we believe a lower discount of roughly 20% to our TEV of € 10.49 ps is warranted. We therefore reiterate our Accumulate rating and € 8.6 TP.



Source: Thomson Reuters Datastream

Bloomberg QFG BB
Reuters QUFG.BR
www.questforgrowth.com

Market Cap € 131.6m
Shares outst. 16.7m
Volume (daily) € 86,545
Free float 86.9%

Next corporate event

Results FY21: 27 January 2022

€ 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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