

Maintained
Hold

Price (22/01/15) €3.27

Maintained
Target price (12m) €3.00
Forecast total return -3.3%

Market cap €95.4m
Bloomberg QFG BB

Quest For Growth: Another solid year, €0.7 net div = 9% gross yield

Event: FY results

Outcome: Positive

Conclusion: Quest results reflect another year of solid performance, with ROE at 8%. The solid performance is reflected in Quest's second consecutive yearly gross dividend of €0.72/share or a 9% yield on yesterday's share price. The shares have already seen decent support after the portfolio release at the beginning of January. We estimate the discount to have narrowed from 26% to 18% on 22 January, resulting in YTD TSR of 8.7%.

Highlights:

- Quest FY ROE came in at 7.9% (corrected for the FY dividend). This compares with a 2014 TSR for the Stoxx600 Europe ex-financials of 8.53%, the Stoxx 200 small TSR of 6% and a TSR of the STOXX 600 Europe Technology index of 10%.
- Quest shares posted a 2014F TSR of 6.5% as the discount slightly expanded from 24.4% at 31 December to 26% at the end of December 2014.
- Quest has announced that the to be allocated profit balance should be distributed, giving a gross dividend of €0.72/share or a net dividend of €0.70 per share.
- The quoted portfolio recorded a solid 7% TSR in 2014. Top performers were Melexis (67%) and Nemetschek (+70%). EVS (-32%), Centrotec (-22%) and Econocom (-35%) were the main laggards. The positions in U-Blox, Ablynx, Barco and Econocom were completely sold off during the year. Newcomers were FMC Corp, USU Software, TKH Group and Nibe.
- Unlisted equity's performance was solid both in the unquoted companies (on the back of the Clear2Pay divestment) and in the venture capital funds. At the end of the year Quest invested an additional €1m in Avantium, a company operating in bio-based chemicals and bioplastics.
- Quest upped its share in the Capricorn ICT Arkiv fund from €9m to €11.5m.
- The outlook is in our view a reflection of the consensus view that the mix of low, but positive, growth and low interest rates should give way to further positive stock market performance, albeit more muted than last year.

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