

11 April 2011

## QUEST FOR GROWTH

### NAV grows to € 9.06 p.s. at end-March

EQUITY INVESTMENT INSTRUMENTS  
BELGIUM

CURRENT PRICE € 6.07  
TARGET PRICE € 6.30

**ACCUMULATE**  
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg QFG BB  
Reuters QUFG.BR

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

Market Cap € 71.6m  
Shares outst. 11.8m  
Volume (daily) € 78,796  
Free float 90.6%

Next corporate event

(€ m)	2008	2009	2010
Net result	-48.4	18.1	20.6
Adj. net result	-48.4	18.1	20.6
Basic EPS (€)	-4.11	1.53	1.74
ROE	-41.8%	26.8%	24.1%
Adj. eq. value	9.87	7.25	8.99
Premium/disc.	14.9%	35.9%	42.9%
DPS (€)	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%

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#### Summary:

Quest's end-of-March NAV climbed a tad to € 9.06, while the stock rose to € 5.95 (34% discount). No change to rating and/or TP.

#### News:

NAV at end-March moved up slightly to € 9.06 p.s., versus € 9.01 at end-February (0.7% m/m, 0.2% YTD). The stock increased to € 5.95 (8.5% m/m, 11.1% YTD), due to which the discount decreased to 33.9% (end-December: 40.93%).

Quest's activity in March centred on adjusting a broad number of existing stakes in its listed portfolio. The company upped stakes in Nemetschek, Roche Holdings, Umicore and Accell Group, while stakes in INIT Innovation, Leguide.com, United Drug, Faiveley and Centrotec were lowered. The position in Phoenix Solar was completed sold, while stake in Mobotix and Wacker Chemie were added to the ranks. Combined, the listed portfolio at current prices totals € 65.9m and accounts for 63.1% of NAV. Listed assets break down in Software & Services (17.4%), Technology & Hardware (8.5%), Pharma & Biotech (5.7%), Healthcare Equipment (4.4%), Electrical & Engineering (17.2%) and Materials & Others (10.3%).

The aggregated value of the direct Private Equity stakes remained unaltered vis-à-vis the end-of-February NAV update. The valuation of a broad number of 3rd party investment funds was updated to reflect the YE10 valuation, with the most striking valuation change being related to CETP II (now € 1.74m). The direct and indirect PE portfolios are currently valued at a respective € 15.7m and € 15.1m. Combined, PE stakes account for € 30.9m, or 29.5% of adjusted equity value.

We estimate net cash at € 2.7m (2.6% of NAV), which includes the valuation of options and other items on the balance sheet. We remind that we no longer attach a valuation to the 2.2% treasury shares that Quest holds, as an upcoming EGM will decide (and approve) of their proposed cancellation.

#### Conclusion:

Quest's stock price soared 12.1% since the beginning of 2011 in a clear outperformance vis-à-vis major international indices and Quest's direct benchmarks. Based on Friday's close, we estimate adjusted equity value p.s. at € 9.06 (€ 104.4m) and note that the discount hovers around 33%. Since our current TP implies a 30% discount to NAV, the upside potential from current levels amounts to 3.8%. We therefore decided to maintain our Accumulate rating and € 6.3 TP.