

24 January 2014

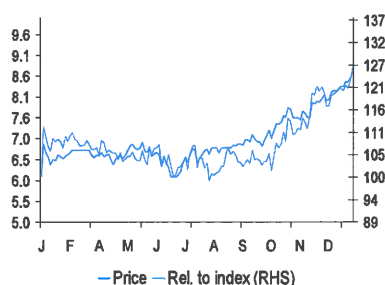
QUEST FOR GROWTH

First dividend since 2008

EQUITY INVESTMENT INSTRUMENTS
BELGIUM

CURRENT PRICE € 8.66
TARGET PRICE € 8.30

HOLD
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg QFG BB
Reuters QUFG.BR

www.questforgrowth.com

Market Cap € 102.1m
Shares outst. 11.8m
Volume (daily) € 43,474
Free float 90.6%

Next corporate event

General Assembly 13: 20 March 2014

(€ m)	2010	2011	2012
Net result	20.6	-13.3	15.7
Adj. net result	20.6	-13.3	0.0
Basic EPS (€)	1.74	-1.15	1.36
ROE	24.1%	-12.6%	17.2%
Adj. eq. value	8.99	7.88	9.26
Premium/disc.	42.9%	39.7%	38.4%
DPS (€)	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%

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Summary:

In FY13, Quest for Growth has been able to clear its remaining carried over losses of € 3.6m from the balance sheet with a net profit of € 18.5m (ROE: 17%). This allows the company to award shareholders a dividend again, for the first time since 2008. A gross dividend of € 1.18 per share is proposed which corresponds to a 13.6% gross yield on current share price. We reiterate our HOLD rating and € 8.3 target price.

News:

FY13 net profit came in at € 18.5m, up 17.7% compared to last year's figure of € 15.7m. The NAV increased by 17.4% to € 10.87 p.s., in line with the preliminary figure disclosed previously. This brings the 2013 ROE to a solid 17% level.

Quest's portfolio of quoted shares concluded 2013 with a bang in the fourth quarter and made a yearly return of 30%. Thanks to its dynamic managed portfolio, Quest has been able to profit from market momentum. The outperformance of indices like the DJ Stoxx 600 (+17%) and S&P500 (+24%) is mainly attributable to attractive price evolutions of Melexis (+86%), Nemetschek (+56%), Arcadis (+47%), Schaltbau (+51%) and LPKF (+113%). Negative figures came only from 5 stocks: Imtech, Umicore, Sphere Medical, Barco and Andritz.

Market circumstances for direct investments in unquoted companies remained challenging in 2013, showing only one realised exit through the sale of Syntaxin to Ipsen. A slightly negative result in this portfolio was realised, caused by depreciations on some of the participations. Gains from the third pillar, venture capital funds, largely compensated for the loss made on the direct unquoted portfolio.

As more than 80% of the net income stems from realised capital gains, the dividend will be almost tax-free (gross dividend of € 1.18 p.s. versus net dividend of € 1.15 p.s.). The € 1.15 p.s. results in a net dividend yield of 13.28% versus yesterday's closing price of € 8.66. € 656,423 of reserves stemming from past share buyback program were also withdrawn from the company's equity to give shareholders an additional reward.

Conclusion:

Quest released final full year results which were in line with our estimates and the preliminary NAV figures released earlier. The dividend and NAV do hence not come as a surprise and we do therefore not see a reason to change our Hold target price or rating. Based on yesterday's closing prices, Quest is trading at a discount of 22.47% vs. NAV p.s. of € 11.17.

An analyst meeting is scheduled today at 11h00.