

4 December 2015

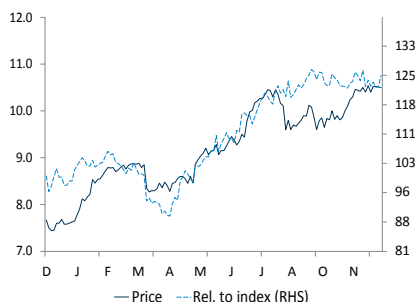
## QUEST FOR GROWTH

### November NAV little up vs. October

EQUITY INVESTMENT INSTRUMENTS  
BELGIUM

CURRENT PRICE €10.50  
TARGET PRICE €11.40

**ACCUMULATE**  
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg	QFG BB
Reuters	QUFG.BR
www.questforgrowth.com	
Market Cap	€121.1m
Shares outst.	11.5m
Volume (daily)	€85,139
Free float	72.9%

Next corporate event

NAV update 15: 7 January 2016

(€ m)	2012	2013	2014
Net result	15.7	18.5	8.7
Adj. net result	0.0	18.5	8.7
Basic EPS (€)	1.36	1.60	0.76
ROE	17.2%	17.3%	7.9%
Adj. eq. value	9.26	10.87	10.28
Premium/disc.	38.4%	24.5%	26.0%
DPS (€)	0.00	1.18	0.72
Dividend yield	0.0%	14.4%	9.5%

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Quest for Growth yesterday reported its end November NAV, which comes in at €12.86, signalling a stock discount of 18.3%. This is an increase vs. the 17.5% discount of end October. A new German stock was added to the portfolio, Technotrans (1.02% of NAV). As the year nears its close, Quest's profit figure becomes more certain. We hence expect to see a further decline in discount levels. In valuing the stock, we bank on a 10% target discount vs. NAV, which pushes our target price to €11.4. Quest's FY15e dividend yield now stands at 23.9% (90% payout), which should provide short term momentum for the stock.

#### News:

In November, Quest opted to decrease stakes in Bertrandt (-3k shares, or -8.5%), Init (-4.7k, -5.9%), SAP (-7k, -10.4%), TKH (-8k, -5.2%), Tomra (-30k, -7.0%) and Fresenius (-8k, -10%). Participations in Andritz (+5k, +6.7%), CFE (+2.5k, +7.8%) and Kendrion (+15k, +15%) were upped. Quest opted to invest in Technotrans, a German company providing refrigeration and liquid technology for a wide variety of industries. Quest opted to buy 80,961 shares with an equivalent value of €1.5m on 30/11/2015 (1.02% of NAV).

#### Our View:

Quest has seen its cash pile rise somewhat in November to €14.3m, which now represents 9.6% of NAV. When adding commercial paper in the books of around €17m, it is clear the company (almost) has the necessary liquidity already in place to honour a 90% payout on its pro forma FY15 net profit of €38.4m. We remind that no withholding tax is due on dividends stemming from realised gain profits. In the short term, we see discount levels shrink towards dividend payment date/ex date (expected end March 2016). In trying to keep money internally for the next years (obliged payout of min. 90%), Quest might opt for a capital increase after the dividend payment

#### Conclusion:

At yesterday's closing price, we see an NAV per share of €12.7. Incorporating a 10% (2y average 24.4%) discount makes us come at a new target price of €11.4. With a very firm dividend yield quasi certain, we remain positive for the stock and maintain our Accumulate rating (current discount around 17.2%).