

8 April 2016

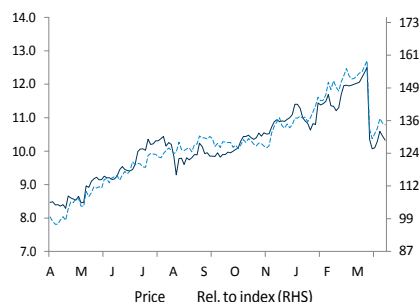
QUEST FOR GROWTH

Sell-off in March, NAV p.s. at €9.21

EQUITY INVESTMENT INSTRUMENTS
BELGIUM

CURRENT PRICE €10.33
TARGET PRICE €

SUSPENDED



Source: Thomson Reuters Datastream

Bloomberg	QFG BB
Reuters	QUFG.BR
www.questforgrowth.com	
Market Cap	€119.1m
Shares outst.	11.5m
Volume (daily)	€105,700
Free float	72.9%
Next corporate event	

(€ 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 reported end-March NAV p.s. of €9.21, with the stock quoting at a 15% premium to NAV on €10.59. Remind that the company paid its high €2.73 DPS on March 23, for which most of the company's commercial paper and cash was used. End-February, the stock was quoting at a 1.8% discount vs. NAV.

News:

The dividend represented a €31.5m cash-out for the company, which triggered a full liquidation of the commercial paper portfolio. Over the month of March, Quest has mainly sold stakes: Zetes (-10k shares, or 12.5% of its stake), TKH Group (-21k, or 13.9%), Tomra (-30k, or 7.5%), Fresenius (-7k, or 14%), UDG (-50k, or 10.6%), Andritz (-10k, or 11.8%), Kendrion (-13k, or 12%), SAFT (-27.5k, or 21.3%) and Umicore (-5k, or 5.6%). The company only upped its stake in Technotrans (+32k, or 21.5% of its original stake) while a loan to Avantium was added to the portfolio too (€500k).

So far in 2016, the company has seen its NAV p.s. evolving from €12.81 at YE15 to €11.94 per end-March (when incl. DPS), hence showing a loss of around €10m during 1Q16.

Conclusion:

An extraordinary shareholders meeting was held on March 17, which voted in favour of Quest's contemplated capital increase. Given KBC Securities' involvement in this transaction, we have temporarily suspended our coverage.