

QUEST FOR GROWTH

August NAV of € 10.73 ps

EQUITY INVESTMENT INSTRUMENTS
BELGIUM

CURRENT PRICE € 7.96
TARGET PRICE € 8.60

Quest's NAV increased 2.3% m/m to € 10.73ps, hereby continuing to gain traction with the NAV already up 17.4% ytd (excluding the dividend of € 0.4 ps). Based on a 20% discount to our TEV of € 10.7ps, we increase our TP from € 8.3 to € 8.6 ps, but lower our rating from Buy to Accumulate following the limited upside potential.

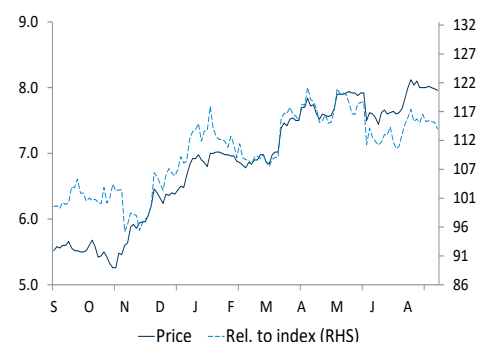
News:

- End of August NAV of € 10.73 ps vs € 10.49 ps at the end of July and € 9.14 ps end-2020.
- During the month of August, QfG slightly increased its stakes in CEWE, Pharmagest and Accell, while also increasing its put positions on the Eurostoxx50 (strike 3500, March).
- On the sell-side, the position in Stratec was reduced.
- At the beginning of August, QfG also announced the closing of the takeover of HalioDx by Veracyte, which had an extra positive impact on the NAV of € 1.8m or € 0.11 ps. The total positive impact from the transaction in FY21 was equal to € 7.5m or € 0.45ps.
- As such the cash position currently stands at € 16.2m.

Investment case: While the new regulations remain uncertain, it is becoming ever more likely that QfG will again be able to pay out a dividend in 2022 as the NAV is currently up 17.4% ytd. Although this could result in a discount reduction in the months prior to the dividend payment, we do believe a 20% discount is justified for now and hence increase our TP from € 8.3 to € 8.6ps but lower our rating from Buy to Accumulate following the lower upside potential.

ACCUMULATE

RATING DOWNGRADED



Source: Thomson Reuters Datastream

Bloomberg QFG BB
Reuters QUFG.BR

www.questforgrowth.com

Market Cap € 133.3m
Shares outst. 16.7m
Volume (daily) € 91,199
Free float 86.9%

Next corporate event

Results 3Q21: 28 October 2021

€ m	2018	2019	2020
Net result	-26.9	16.7	17.1
Adj. net result	-26.9	16.7	17.1
Basic EPS (€)	-1.65	1.00	1.02
ROE	-16.6%	14.0%	12.5%
Adj. eq. value	7.12	8.12	9.14
Premium/disc.	15.4%	27.3%	28.9%
DPS (€)	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%

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