

Company comments

Maintained

Hold

Price (2/07/15)	€3.35
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Maintained

Target price (12m)	€3.70
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Forecast total return	-7.0%
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Market cap	€107.8m
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Bloomberg	QFG BB
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Quest For Growth: Continued outperformance versus indices in 2Q15

Event: Press release

Outcome: Positive

Conclusion: During 2Q15 Quest continued to outperform the European indices with 1H15 ROE arriving at 28.6% (1Q15 12.6%). This implies the potential for a €2.46/share dividend if Quest can finalise the year with the present ROE. In the case of the foregoing, we see room for further discount narrowing towards year-end.

Highlights:

- Excellent 1H15 ROE result of 28.6%, outperforming the European indices.
- Total return for the shares for the same period stands at 31%, as the discount narrowed from 26% at YE14 to 24% at 1H15.
- Taking into account the QFG payout policy we estimate, based on 90% payout of YTD profits, a dividend of c.€2.46/share or, otherwise put, a 26% gross yield on yesterday's closing share price. Based on the advantageous taxation regime (no withholding tax on the part of the dividend that stems from capital gains) for Belgian retail investors, the dividend effectively allows to crystalize the majority of the discount for Belgian retail investors.
- We believe both the quoted and non-quoted portfolios have had a positive contribution towards the 1H15 excellent performance.
- The quoted portfolio saw the entry of Cenit and Zetes in 2Q15 while EVS, Centrotec and FMC were completely exited during 2Q15.
- Main value-creating event in the direct, non-quoted, portfolio in 2Q15 were the divestment of Prosonix and the IPO of Kiadis Pharma.
- Main new investments in the non-listed portfolio during 1H15 were Avantium and Green Biologics. However, both investments were done in 1Q15.

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