

28 November 2012

## QUEST FOR GROWTH

### The Capricorn revamp

EQUITY INVESTMENT INSTRUMENTS  
BELGIUM

CURRENT PRICE € 5.51  
TARGET PRICE € 6.00

**BUY**  
RATING UNCHANGED



Source: Thomson Reuters Datastream

FY/e 31.12	2008	2009	2010	2011
Net result (group)	-48.4	18.1	20.6	-13.3
Adjusted net result	-48.4	18.1	20.6	-13.3
Basic EPS (€)	-4.11	1.53	1.74	-1.15
Total return	-61.9%	47.6%	14.2%	-10.5%
Return on Equity (avg)	-41.8%	26.8%	24.1%	-12.6%
Adjusted equity value	9.87	7.25	8.99	7.88
Premium (-)/ Discount	14.9%	35.9%	42.9%	39.7%
Dividend per share	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%

Source: KBC Securities

Bloomberg	QFG BB
Reuters	QUFG.BR
www.questforgrowth.com	
Market Cap	€ 65m
Shares outst.	11.8m
Volume (Daily)	€ 0.04m
Free float	90.55%
Next corporate event	
NAV update 12: 2 December 2012	
<b>Performance</b>	<b>1M</b> <b>3M</b> <b>12M</b>
Absolute	-5%    7%    15%
Rel. BEL20	-6%    5%    -5%
12-m Hi/Lo	€ 5.79/4.23

Quest for Growth is a Privak that focuses on European growth companies covering a diversity of sectors. The largest part of the portfolio is invested in growth companies listed on European stock exchanges and other regulated markets.

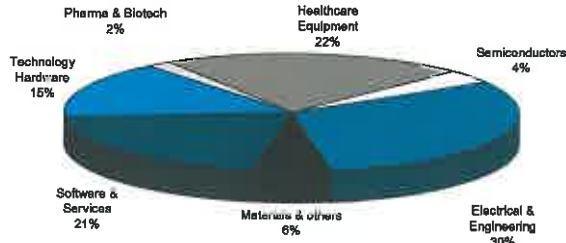
- **Quest for Growth is a Belgian investment company focused on listed and unlisted growth companies with the objective of converting capital gains into tax-free income through the Privak structure.** Quest's investors benefit from Belgium's Privak statute, thanks to which the gross dividend is net of taxes. Quest abandoned plans to invest directly in Life Sciences and will henceforth invest indirectly. The company has a dynamically-managed portfolio of listed stocks, leaving it highly dependent on market momentum.
- **Quest's 3Q12 net profit amounted to € 6.1m (€ 0.53 p.s.).** This brings the 9M12 result to € 11.9m (€ 1.03 p.s.), compared with a loss of € 12.3m for the same period last year. The 3Q12 net profit reduces carried-over losses on the balance sheet to € 7.4m (vs. € 19.3m at 1H12). As long as these losses remain on the balance sheet, Quest is legally prohibited from paying out a dividend. Given the improvement in results, and should Quest be able to sustain this trend, investors might see a dividend over FY13 (pay-out in FY14).
- **Based on closing prices of 27 November, we estimate NAV at € 8.9 p.s.,** which implies a discount of 38.67% compared to the share price. The upside potential of a € 5.46 stock price versus our TP of € 6 equals 9.89%. Items that hold back the stock are the lack of dividend visibility and few triggers to unlock value (such as an IPO or trade sales).

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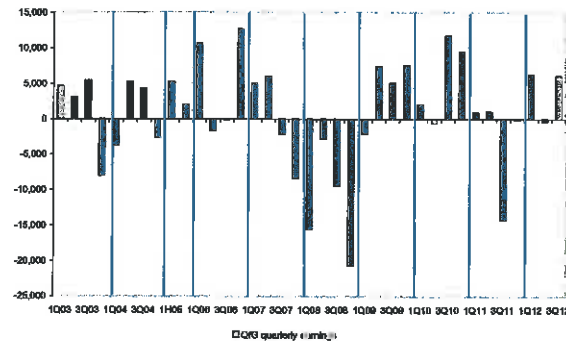
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## PORTFOLIO BREAKDOWN



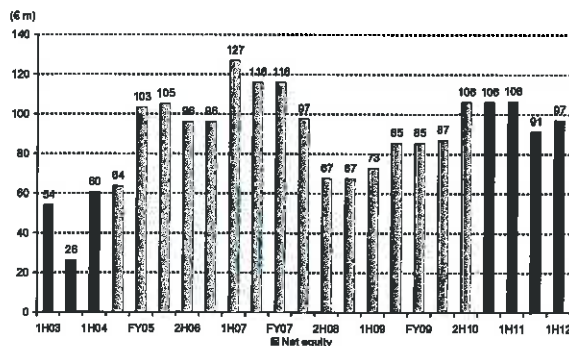
Source: Company data

## QUARTERLY EARNINGS (€ th)



Source: Company data

## BALANCE SHEET



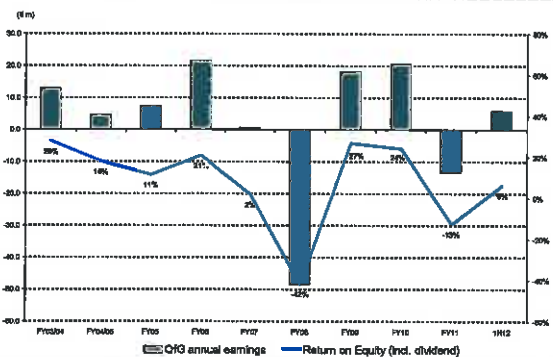
Source: Company data

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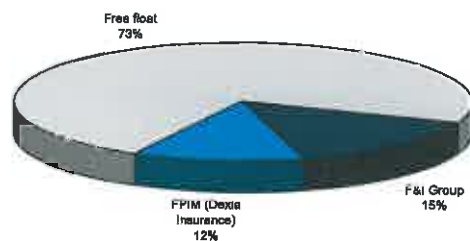
Source: Company data

## ANNUAL EARNINGS & ROE



Source: Company data

## SHAREHOLDER STRUCTURE



Source: Company Data

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## SOTP MODEL – BASED ON CLOSING PRICES OF 27 NOVEMBER 2012

Description	Sector/market	BB	Shares held	Recent change	Last price	Crncy	% of NAV	Valuation (€m)
<b>Quoted companies</b>								
<b>ECONOCOM</b>	<b>Software &amp; Services</b>						<b>12.28%</b>	<b>12.61</b>
	Euronext Brussels	ECONB BB	760,013	-27,039	5.3	€	3.91%	4.01
INIT	Deutsche Börse	IXX GY	95,000	0	22.4	€	2.07%	2.13
NEMETSCHEK	Deutsche Börse	NEM GR	113,000	0	33.5	€	3.69%	3.79
SAP	Deutsche Börse	SAP GR	45,000	-2,500	59.5	€	2.61%	2.66
	Technology Hardware						8.95%	9.19
<b>EVS BROADCAST</b>	<b>Euronext Brussels</b>	<b>EVS BB</b>	<b>100,000</b>	<b>0</b>	<b>43.80</b>	<b>€</b>	<b>4.27%</b>	<b>4.38</b>
LEM HOLDING	Zwitserland	LEHN SW	4,869	0	486.0	CHF	1.92%	1.97
LPKF LASER & ELECTRONICS	Deutsche Börse	LPK GR	95,000	25,000	15.0	€	1.39%	1.43
TOMRA SYSTEMS	Oslo Stock Exchange	TOM NO	225,000	50,000	46.2	NOK	1.38%	1.41
	Pharma & Biotech						1.83%	1.88
<b>TEVA PHARMACEUTICAL</b>	<b>Nasdaq</b>	<b>TEVA US</b>	<b>60,000</b>	<b>0</b>	<b>40.52</b>	<b>USD</b>	<b>1.83%</b>	<b>1.88</b>
	Health Care Equipment						12.52%	12.85
FRESENIUS	Deutsche Börse	FRE GR	15,000	5,000	88.4	€	1.28%	1.33
GERRSCHHEIMER	Deutsche Börse		70,000	10,000	38.9	€	2.65%	2.72
NEXUS	Deutsche Börse		225,000	0	9.4	€	2.06%	2.12
PHARMAGEST INTERACTIVE	Euronext Paris		40,000	0	58.4	€	2.28%	2.34
SPHERE MEDICAL HOLDING	AIM		810,031	0	0.7	£	0.69%	0.71
UNITED DRUG	Dublin		1,250,786	0	2.9	€	3.65%	3.64
	Electrical & Engineering						18.02%	18.50
ANDRITZ	Vienna		97,500	-2,500	48.11	€	4.57%	4.69
ARCADIS	Euronext Amsterdam		250,000	10,000	17.9	€	4.36%	4.48
CENTROTEC	Deutsche Börse	CEV GY	65,000	0	12.9	€	0.82%	0.84
FAIVELEY	Euronext Paris	LEY FP	25,000	-2,500	43.7	€	1.06%	1.09
IMTECH	Euronext Amsterdam	IM NA	180,000	-15,000	18.5	€	2.89%	2.96
KENDRION	Euronext Amsterdam		104,860	-2,268	15.9	€	1.63%	1.67
SAFT GROUPE	Euronext Paris	SAFT FP	70,000	10,000	17.2	€	1.17%	1.20
SCHALTBAN HOLDING	Deutsche Börse	SLT GY	52,800		29.6	€	1.52%	1.56
	Semiconductors						1.99%	2.04
MELEXIS	Euronext Brussels		189,455	10,000	12.0	€	1.99%	2.04
	Materials						3.13%	3.22
UMICORE	Euronext Brussels	UMI BB	83,000	0	38.8	€	3.13%	3.22
	Other sectors						0.00%	0.00
-								
<b>Direct Private Equity Investments</b>								
AC CAPITAL	Software & Services			<b>Asset type</b>	<b>Invested</b>	<b>Committed</b>	<b>20.05%</b>	<b>20.58</b>
ANTERYON	Semiconductors			equity	0.20	€	0.19%	0.20
CARTAGENIA	Software & Services			equity	1.50	€	1.46%	1.50
CLEAR2PAY	Software & Services			equity	1.25	€	1.22%	1.25
IDEA	Pharma & Biotech			equity	5.57	€	5.43%	5.57
KIADIS	Pharma & Biotech			equity	0.16	€	0.16%	0.16
MAGWEL	Pharma & Biotech			equity	2.37	€	2.31%	2.37
MAPPER LITHOGRAPHY	Software & Services			equity	0.43	€	0.42%	0.43
PROSONIX	Pharma & Biotech			equity	0.81	€	0.59%	0.61
SYNTAXIN	Pharma & Biotech			equity	3.24	£	3.16%	3.24
TCLAND	Pharma & Biotech			equity	2.48	€	2.41%	2.48
				equity	2.76	€	2.69%	2.76
<b>Capricorn Private Equity Funds &amp; .</b>								
CAPRICORN CLEANTECH FUND	Funds & Div. Cpies			equity	5.68	12.88	5.53%	5.68
CAPRICORN HEALTH-TECH FUNI	Funds & Div. Cpies			equity	1.33	0.38	1.29%	1.33
CAPRICORN CLEANTECH CO-INV	Technology hardware			equity	3.23	11.25	3.15%	3.23
				equity	1.12	1.26	1.09%	1.12
<b>3rd Party Private Equity Funds</b>								
				<b>9.87</b>	<b>3.36</b>	<b>€</b>	<b>9.61%</b>	<b>9.87</b>
<b>Portfolio</b>								
Net cash (incl. others & options)							93.92%	96.41
Adjusted equity value							6.08%	6.24
							100.00%	102.64
<b>Number of shares (outstanding)</b>								
Treasury shares (for remuneration purposes, resale, collateral,...)							0.00%	0
Treasury shares (available for cancellation)							0.00%	0
Number of shares (for per share calculation)								11,529,950
<b>Quest for Growth last price</b>								
Adjusted equity value p.s.								5.46
Current discount								8.90
								38.67%
<b>Target prices</b>								
Target equity value								102.64
Target equity value p.s.								8.90
Discount to target equity value								38.67%
<b>KBCS has a BUY recommendation and a € 6 target price.</b>								
<b>The upside potential versus a stock price of € 5.46 equals 9.89%.</b>								
<b>The implied discount of our € 6 target price vs. the target equity value is 32.6%.</b>								

Source: KBC Securities

28 November 2012

**FINANCIAL DATA**

<b>Income statement (€ m)</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Sales & operating income	0.0	0.0	0.0	0.0
Result from operating activities	0.0	0.0	0.0	0.0
Result from financing activities	0.0	0.0	0.0	0.0
Result from extraordinary activities	0.0	0.0	0.0	0.0
Share of result from associates	0.0	0.0	0.0	0.0
Income taxes	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	1.0	2.0
Minorities	0.0	0.0	1.0	2.0
Share of the group	-48.4	18.1	20.6	-13.3
<b>Adjusted net result</b>	<b>-48.4</b>	<b>18.1</b>	<b>20.6</b>	<b>-13.3</b>
<b>Balance sheet (€ m)</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Intangible assets & goodwill	0.0	0.0	0.0	0.0
Tangible assets	0.0	0.0	0.0	0.0
Participations acc. for under equity method	0.0	0.0	0.0	0.0
Other financial assets	0.0	0.0	0.0	0.0
Cash & cash equivalents	0.0	0.0	0.0	0.0
Other assets	0.0	0.0	0.0	0.0
<b>Total assets</b>	<b>67.7</b>	<b>85.6</b>	<b>108.1</b>	<b>91.2</b>
Equity attributable to holders of the parent	67.4	85.4	106.0	91.1
Minorities	0.0	0.0	0.0	0.0
Financial debt	0.0	0.0	0.0	0.0
Other liabilities	0.0	0.0	0.0	0.0
<b>Total liabilities</b>	<b>67.7</b>	<b>85.6</b>	<b>108.1</b>	<b>91.2</b>
<b>Net debt</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Cash flow statement (€ m)</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Cash flow from operating activities	0.0	0.0	0.0	0.0
Cash flow from investing activities	0.0	0.0	0.0	0.0
Dividends paid (consolidated)	0.0	0.0	0.0	0.0
Other cash flow from financing	0.0	0.0	0.0	0.0
Fx and changes to the consolidation scope	0.0	0.0	0.0	0.0
<b>Change in cash &amp; cash equivalents</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Per share data (€)</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Year-end share price (€)	3.15	4.85	5.31	4.75
Year-end market cap (€ m)	37.1	54.8	82.6	56.0
weighted average # shares	11,789,255	11,789,255	11,789,255	11,529,950
weighted average # shares, diluted	11,789,255	11,789,255	11,789,255	11,529,950
Basic EPS (€)	-4.11	1.53	1.74	-1.15
Diluted EPS (€)	-4.11	1.53	1.74	-1.15
NBV (€)	5.7	7.2	9.0	7.7
Adjusted equity value	9.9	7.3	9.0	7.9
Premium (-)/ Discount	14.89%	35.86%	42.94%	39.72%
Gross dividend	0.00	0.00	0.00	0.00
Gross dividend yield	0.00%	0.00%	0.00%	0.00%
<b>Ratios</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Return on Equity (avg)	-41.81%	26.83%	24.07%	-12.56%
Total return	-81.9%	47.6%	14.2%	-10.5%
Pay-out ratio (adjusted net result)	0.0%	0.0%	0.0%	0.0%
P/E	-	3.03	3.04	-
P/NBV	0.55	0.64	0.59	0.61
<b>Statutory data</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Result from operating activities	-48.6	16.9	19.4	-15.2
Result from financing activities	0.2	1.2	1.2	1.9
Result from extraordinary activities	0.0	0.0	0.0	0.0
Income taxes	0.0	0.0	0.0	0.0
<b>Profit/loss before tax</b>	<b>-48.4</b>	<b>18.1</b>	<b>20.6</b>	<b>-13.3</b>
<b>Dividend paid (statutory)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Financial assets	67.1	85.1	104.9	90.0
Other assets	0.6	0.5	0.3	1.2
<b>Total assets</b>	<b>67.7</b>	<b>85.6</b>	<b>107.1</b>	<b>93.2</b>
Capital and reserves	67.4	85.4	106.0	91.1
Provisions and deferred taxation	0.0	0.0	1.0	2.0
Liabilities	0.3	0.1	0.1	0.1
<b>Total assets</b>	<b>67.7</b>	<b>85.6</b>	<b>107.1</b>	<b>93.2</b>

Source: KBC Securities

\*Historic valuation data are based on historic prices