

6 June 2014

## QUEST FOR GROWTH

### Slight NAV and share price movements in May

EQUITY INVESTMENT INSTRUMENTS  
BELGIUM

CURRENT PRICE € 7.42  
TARGET PRICE € 8.00

**HOLD**  
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg QFG BB  
Reuters QUFG.BR  
www.questforgrowth.com

Market Cap € 87.5m  
Shares outst. 11.8m  
Volume (daily) € 46,700  
Free float 90.6%

Next corporate event

Results 1H14: 24 July 2014

(€ m)	2011	2012	2013
Net result	-13.3	15.7	18.5
Adj. net result	-13.3	0.0	18.5
Basic EPS (€)	-1.15	1.36	1.60
ROE	-12.6%	17.2%	17.3%
Adj. eq. value	7.88	9.26	10.87
Premium/disc.	39.7%	38.4%	24.5%
DPS (€)	0.00	0.00	1.18
Dividend yield	0.0%	0.0%	14.4%

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Quest's end-May NAV increased from € 9.74 to € 9.81 p.s. (+0.7%) from last month's end. The share price has remained broadly flat in the same period, displaying € 7.44 at end-May (flat versus € 7.45 at end-April). As such, the discount to NAV has increased a little bit: from 23.5% to 24.2%. We maintain our TP and rating at € 8 and Hold respectively.

#### News:

NAV at end-May comes in at € 9.81 p.s., versus € 9.74 p.s. at the end of April. A rather flat share price performance made the discount increase with 70bps to 24.2%.

In May, Quest divested a large part of its stake in Nemetschek (-26.3%). The share price rally of last month (+11.7%) was enough for Quest to opt for a cash-in at the German software specialist. Next to this sale, divestments were made in 6 other companies: Init Innovation (-7.9%), Barco (-5.6%), Tomra Systems (-6.5%), Melexis (-2.0%), Schaltbau (-8.6%) and Umicore (-10.3%).

On the other side, a new participation at USU Software (100,000 shares) was noted, another German software player, specialised in the field of knowledge management. As such, Quest becomes widely exposed to the German market: 48.5% of the quoted portfolio is listed on the Deutsche Börse. Quest has consequently opted to include a put option on the DAX in its portfolio. Increased stakes were further noted in 6 other companies: Sartorius (+10%), UDG Healthcare (+5.3%), Arcadis (+3.6%), Bertrandt (+6.2%), Kendrion (+2.1%) and FMC (+20%).

The listed portfolio at yesterday's prices now totals € 64.0m (60.8% of NAV), again a decrease compared to last month's value of € 69.1m. Direct Private Equity investments now account for € 18.5m, coming from € 18.4m last month. Capricorn and 3rd party funds stood steady at € 7.8m and € 8.2m respectively. Combined, the PE stakes are valued at 34.5m (30.6% of NAV).

Net cash is estimated at € 9.83m (8.7% of NAV), which still includes the valuation of liquid financial instrument held on in the portfolio.

#### Conclusion:

Taking the end-May update into account, NAV p.s. comes in at € 9.77 based on yesterday's closing prices. KBCS's TP of € 8 (discount of 18.2%) and Hold rating are left unchanged. Versus yesterday's closing price of € 7.42, there is upside potential of 7.8% left.