

4 July 2014

## QUEST FOR GROWTH

### Substantial divestment in Ablynx

EQUITY INVESTMENT INSTRUMENTS  
BELGIUM

CURRENT PRICE € 7.35  
TARGET PRICE € 8.00

**HOLD**  
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg QFG BB  
Reuters QUFG.BR  
[www.questforgrowth.com](http://www.questforgrowth.com)

Market Cap € 84.8m  
Shares outst. 11.5m  
Volume (daily) € 46,428  
Free float 72.9%

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 for Growth recorded an NAV p. s. of € 9.88 by the end of June, up from € 9.81 last month (+0.7%). The share price declined slightly in the same period, displaying € 7.34 at end-June (down versus € 7.44 at end-May). As such, the discount to NAV has increased a little bit over the month: from 24.2% to 25.8%. We maintain our TP and rating at € 8 and Hold respectively.

#### News:

NAV at end-June arrives at € 9.88 p.s., versus a € 9.81 p.s. stand at the end of last month. A slight decline in the share price let the discount increase with 1.6% to 25.8%.

Quest divested a substantial part of its stake in Ablynx (-80.0%), leaving the current portion at 20,000 shares (0.14% of current NAV). Quest opted to take profit after the strong 37% increase of the pharma and biotech share in 1Q. Next to this sale, divestments were made in 7 other companies: Init Innovation (-6.7%), Nemetschek (-21.5%), Melexis (-8.3%), Gerresheimer (-7.5%), Andritz (-6.3%), Umicore (-33.3%) and Schaltbau.

On the other side, a new participation at TKH Group (100,000 shares) was mentioned, a Dutch technology company, specialised in innovative telecom, building and industrial solutions. Next to Arcadis and Kendrion, this marks Quest's third investment in Dutch equity. Increased stakes were further noted in 3 other companies: Pharmagest Interactive (+5.6%), Sartorius (+21.2%) and Arcadis (+2.1%).

The listed portfolio at yesterday's prices now totals € 66.9m (59.5% of NAV), a small increase compared to last month's value of € 64.0m. Direct Private Equity investments now account for € 18.6m, coming from € 18.5m last month. Capricorn and 3rd party funds stood steady at € 7.8m and € 8.4m respectively. Combined, the PE stakes are valued at 34.8m (30.9% of NAV).

Net cash is estimated at € 10.95m (8.7% of NAV), which still includes the valuation of liquid financial instrument held on in the portfolio.

#### Conclusion:

Taking the end-June update into account, NAV p.s. comes in at € 9.75 based on yesterday's closing prices. KBCS's TP of € 8 (discount of 18.0%) and Hold rating are left unchanged. Versus yesterday's closing price of € 7.35, there is upside potential of 8.8% left.