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QUEST FOR GROWTH

No dividend, as expected

EQUITY INVESTMENT INSTRUMENTS

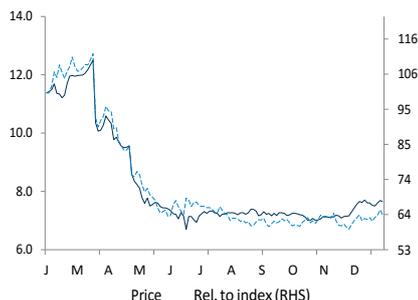
BELGIUM

CURRENT PRICE € 7.67

TARGET PRICE € 7.50

HOLD

RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg	QFG BB
Reuters	QUFG.BR
www.questforgrowth.com	
Market Cap	€ 88.4m
Shares outst.	11.5m
Volume (daily)	€ 141,447
Free float	72.9%

Next corporate event

General Assembly 16: 16 March 2017

(€ m)	2013	2014	2015
Net result	18.5	8.7	37.9
Adj. net result	18.5	8.7	37.9
Basic EPS (€)	1.60	0.76	3.29
ROE	17.3%	7.9%	34.5%
Adj. eq. value	10.87	10.28	10.81
Premium/disc.	24.5%	26.0%	-5.5%
DPS (€)	1.18	0.72	3.72
Dividend yield	14.4%	9.5%	32.6%

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In FY16, Quest for Growth booked a slightly negative result with a loss of just over € -0.4m. As already announced, the end December 2016 NAV stood at € 8.91 (compared to € 9.54 end FY15). Recall that thanks to the capital increase of over € 25m in FY16, the total assets held by QfG rose to just over € 135m. As expected there will be no dividend over FY16.

Quest for Growth indicated the its **listed equities** (68.7% of total) again had a quite decent year. Estimated performance (before costs) of this portion of the portfolio was +/-8%, better than the European indices. They highlighted that the good performance is thanks to a few high-performing shares in the portfolio, including Pharmagest (+68%) and Umicore (+44%) as absolute outliers. In addition, Saft Groupe (+33%) was acquired by Total and Panasonic launched a bid for Zetes (+40%) in December. Recent introductions such as Jensen (+28% since purchase) and Technotrans (+22%) climbed strongly. On the negative side were the biotech shares in the portfolio, with a fall of 31% for Kiadis Pharma and Ablynx, which went down since it was bought. Schaltbau also depressed performance in 2016 with a fall of over 30% between the start of the year and September, when the share was sold. After the capital increase in May 2016, 5 new shares were acquired for the portfolio: Jensen-Group, Kingspan, Corbion, Ablynx and Norma. In July 2016, a small position was purchased in Kuka and, in December, QfG bought some EVS. Five shares were divested in 2016: Init, Nibe, Saft Groupe, Kendrion and Schaltbau.

In the **unlisted portfolio** (4.7% of total), Quest for Growth had a very eventful year. The emphasis lay especially in further developing the pipeline of unlisted investments. Though no new investments were added, Quest for Growth was very active with supplementary investments in Avantium, FRX Polymers, Green Biologics and Sequana Medical. In the last two cases, the finance was necessary to ensure the company's continued existence with a negative impact on a company's valuation. Quest indicated that the results of the unlisted portfolio were "on the disappointing side in 2016".

The major news in the **Investments in venture capital funds** (16.3% of total) came at the end of the year. In December 2016 Quest for Growth committed to an investment of € 15m in the Capricorn Sustainable Chemistry Fund (CSCF). € 3.75m of this commitment was invested directly. The remaining promised funds will be called over the lifetime of CSCF. Most positive news came from Capricorn Cleantech Fund were part of the proceeds from the successful sale of Punch Powertrain was distributed to the shareholders. Further to the capital reduction, Quest for Growth received € 1.5m in cash.

Next to that, Quest for Growth still had 10.3% in **cash** end FY16.

Conclusion: Quest for Growth's end of FY16 portfolio updated with yesterday's closing prices would result in a NAV of € 9.08 (€ 8.91 end FY16). As the shares are trading at a discount of 15.6% we maintain our Hold rating and € 7.50 Target Price.