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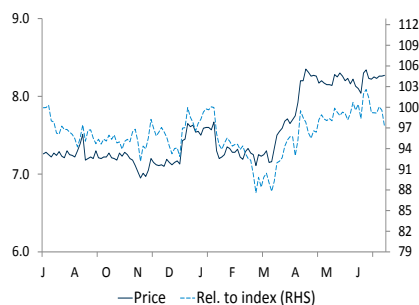
QUEST FOR GROWTH

1H17: €22.1m result, 16.4% ROE

EQUITY INVESTMENT INSTRUMENTS
BELGIUM

CURRENT PRICE €8.27
TARGET PRICE €8.70

HOLD
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg	QFG BB
Reuters	QUFG.BR
www.questforgrowth.com	
Market Cap	€95.3m
Shares outst.	11.5m
Volume (daily)	€131,900
Free float	72.9%

Next corporate event

Results 3Q17: 26 October 2017

(€m)	2014	2015	2016
Net result	8.7	37.9	
Adj. net result	8.7	37.9	
Basic EPS (€)	0.76	3.29	
ROE	7.9%	34.5%	
Adj. eq. value	10.28	10.81	
Premium/disc.	26.0%	-5.5%	
DPS (€)	0.72	3.72	0.00
Dividend yield	9.5%	32.6%	

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Intro

Quest reported a 1H17 result of €22.1m, €1.27 p.s. (vs. 1H16 loss of €3.1m, -€0.26 p.s.), resulting in a ROE of 16.4% in 1H17. As already disclosed end June, NAV p.s. stood at €10.36 p.s. (vs. €8.91 p.s. end FY16). Quest did not distribute a FY16 dividend.

Listed portfolio

A good overall gross performance estimated at 15% (compared to STOXX Europe 600 index return of 5%, 8% including dividends), mainly driven by 5 stocks (Technotrans, Nexus, USU Software, TKH Group and UDG Healthcare) that all rose over 30%. As a result of the Zetes IPO, these shares were sold at 54.50 euros per share, compared with a price of under 29 euros upon initial purchase in May 2015. Kiadis pharma was the worst performing stock (down 35% over H1) and has been reduced to €0.44m, 0.27% of NAV. Quest does still hold 80,000 Kiadis warrants. Three shares were added to the portfolio: French Axway Software and Aures, and the German company CEWE.

Unlisted portfolio

Avantium stock are taken in the NAV with a lock up (at 13.5% on 30/06/17) following its IPO in March. Valuations for Anteryon and Mapper have been adjusted, but were already almost taken up in the adjustments of the unlisted companies.

VC investments

The sale of Ogeda to Astellas Pharma (part of Capricorn Health-Tech fund) was closed in May, adding nearly €10m to H1 profit.

Other changes

Due to the new regulations regarding Privaks, QfG has made a few structural changes, with the main items being the possibility to declare a choice and interim dividend. Management fee was set at 1% of the company share capital (currently €337,827 per quarter).

Our view:

QfG has seen a good 1H17. The sale of Ogeda and the overall positive stock performance have pushed its NAV upwards. We are positive about the net H1 result and we recall Quest distributes at least 90% of its realised profits in dividends.

We estimate a €10.55 NAV p.s., representing a 21.5% discount to yesterday's share price. We raise our TP to 8.7 in line with the 2y hist. discount of 17%. We maintain our Hold rating.