

## Approaching deep value territory

Surteco reported H1 numbers, that were below last year's level but a notch better than expectations. However, operating cash flow suffered from high outflows for working capital. Assuming that we are in a "normal cycle" and wage and material costs but also net working capital requirements return to similar mid-cycle levels like in the recent past, the Surteco share price appears to approach deep value territory and our recommendation remains buy. Investors who have the stomach to look through the cycle might consider building up initial positions. Buy, TP EUR 37.

### H1 numbers in-line

Surteco reported H1 numbers, that were below last year's level but a notch better than expectations. Due to price increases, revenues were up 10% yoy. EBIT decreased 14% to EUR 33.5m from an extraordinary good level in 2021. Main reason for that were rising raw material costs that were again above 51% of output in Q2. Because of a clouding consumer sentiment, Surteco expects to reach only the lower bound of the formerly guided EBIT range of EUR 55-65m.

### High outflows for Net Working Capital

Another important development was that Net Working Capital (NWC) was at 23.5% of LTM sales, more than three percentage points above the level at the end of 2021. While NWC is usually seasonally higher after H1 than after year end, we think the ratio will stay elevated for some time. For FY 2022, we assume 21.5% of sales.

### New PT EUR 37, Buy

Assuming that (1) the management will keep wage costs (the largest cost item for Surteco) under control in the coming months / years, (2) the material costs ratio will normalize over the next reporting periods and (3) NWC intensity will revert to the mean over time, our DCF indicates a new price target of EUR 37 (was EUR 40) and an upside of around 60%. Also, the company trades clearly below book value in the meantime. Thus, we consider the Surteco share price to approach deep value territory and our recommendation remains buy. Investors who have the stomach to look through the cycle might consider building up initial positions.

EURm	2020	2021	2022e	2023e	2024e
Revenues	627	757	750	769	788
EBITDA	88	115	98	102	113
EBIT	46	73	55	59	69
EPS	2.17	3.08	2.35	2.54	3.00
EPS adj	2.17	3.08	2.35	2.54	3.00
DPS	0.80	1.00	1.00	1.00	1.18
EV/EBITDA	6.0	6.6	5.3	4.8	4.1
EV/EBIT	11.5	10.4	9.3	8.4	6.7
P/E adj	11.1	12.3	9.9	9.1	7.7
P/B	1.00	1.42	0.83	0.78	0.73
ROE (%)	9.3	12.1	8.6	8.8	9.8
Div yield (%)	3.3	2.6	4.3	4.3	5.1
Net debt	145	153	143	122	91

Source: Pareto Securities

Target price (EUR)	37	▲	BUY
Share price (EUR)	23	—	HOLD
		▼	SELL

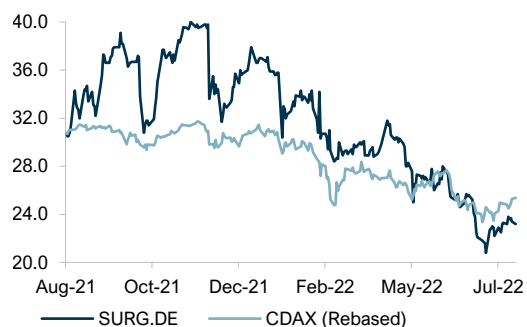
### Forecast changes

%	2022e	2023e	2024e
Revenues	1	1	1
EBITDA	(5)	(6)	(5)
EBIT adj	(8)	(9)	(8)
EPS reported	(9)	(10)	(9)
EPS adj	(9)	(10)	(9)

Source: Pareto Securities

Ticker	SURG.DE, SUR GR
Sector	Industrials
Shares fully diluted (m)	15.5
Market cap (EURm)	360
Net debt (EURm)	155
Minority interests (EURm)	0
Enterprise value 22e (EURm)	515
Free float (%)	12

### Performance



Source: FactSet

Pareto Securities AS has been paid by the issuer to produce this research report. This material is considered by Pareto Securities to qualify as an acceptable minor non-monetary benefit according to the EU MIFID 2 directive.

### Analysts

Knud Hinkel  
+49 69 58997 419, knud.hinkel@paretosec.com

## Wrap-up H1 2022

### Overview H1 2022

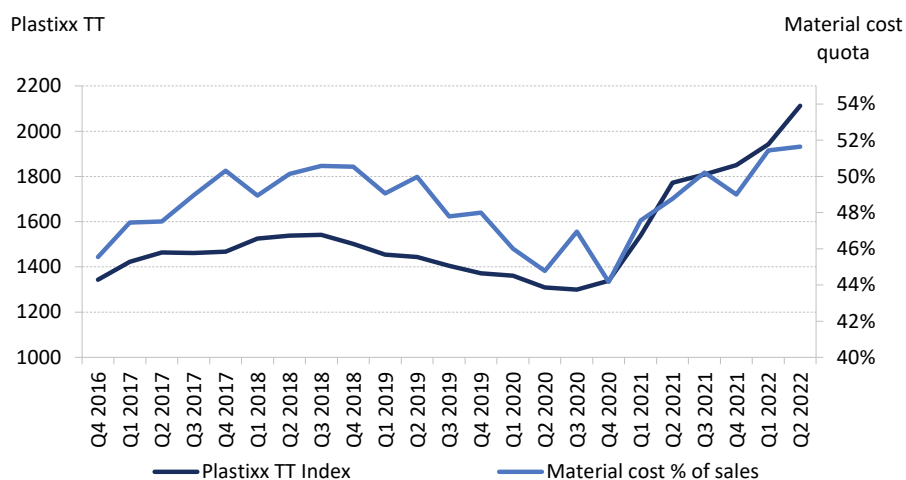
SURTECO GROUP (EURm)	H1 2021	Actual		Estimates	
		H1 2022	yoy (%)	Pareto	Dev (%)
<b>Revenues</b>	<b>378</b>	<b>415</b>	<b>10</b>	<b>413</b>	<b>0.5</b>
Decoratives	283	304	7		
Technicals	39	43	10		
Profiles	68	79	16		
Reconciliation	-12	-10	-12		
Cost of materials	-184	-217	18.1	-213	2.1
Personnel expenses	-89	-93	5.0	-92	1.4
Other	-46	-54	19.4	-54	0.0
<b>EBITDA</b>	<b>59.8</b>	<b>55.2</b>	<b>-8</b>	<b>54.6</b>	<b>1.1</b>
EBITDA Margin	15.8%	13.3%	-253 BP	13.2%	10 BP
D&A	-21	-22	3.0	-22	0.0
<b>EBIT</b>	<b>38.9</b>	<b>33.5</b>	<b>-14</b>	<b>33.0</b>	<b>1.4</b>
EBIT Margin	10.3%	8.1%	-222 BP	8.0%	8 BP
Decoratives	33	29	-13		
Technicals	3	2	-45		
Profiles	7	9	38		
Reconciliation	-4	-7	53		

Source: Company, Pareto Securities

Surteco reported H1 numbers, that were below last year's level but a notch better than expectations. Due to price increases, revenues were up 10% yoy. EBIT decreased 14% to EUR 33.5m from an extraordinary good level in 2021. Main reason for that were rising raw material costs that were again above 51% of output in Q2 (see below).

Also, other expenses were up 19% to EUR 54m. This was primarily due to increased freight costs and the resumption of trade-fair exhibitions and travel activities, which were on an unsustainably low level last year due to the coronavirus.

### Plastixx TT index and material cost quota



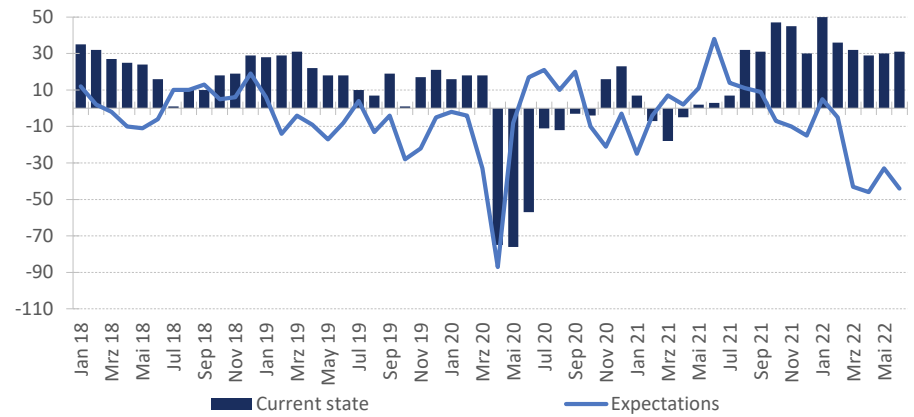
Source: Pareto Securities, www.kiweb.de, Surteco

While Decoratives and Technicals saw lower EBIT than last year, Profiles could even increase segment EBIT due to robust demand from the building sector.

Although today's numbers were still satisfying, the company anticipates a clouding consumer sentiment for the second half of the year, in line with the ifo business climate index for the furniture industry (see below). In fact, some sub-segments of the Surteco group

had already registered for short time working in June. Because of that, Surteco now expects to reach only the lower bound of the formerly guided EBIT range of EUR 55-65m. This number assumes that there will be no further deterioration of the gas supply in the 2nd half of the year.

**ifo business climate index for the furniture industry**



Source: VDM, Pareto Securities

## Updating our estimates

Against the backdrop of H1 result, we lower the expected EBIT by 10% to EUR 55m. We don't expect any more that material costs will go below 51% of output in 2022. In the next couple of years, though, we still expect some relieve in that regard and a retreat of the respective cost ratio to the longer-term average of 48% of revenues.

Although materials costs are more volatile, personnel costs are the largest cost item for Surteco. We anticipate that the company will keep wage cost inflation largely under control in 2022 and a stable personnel cost ratio. After that, we assume that personnel expenses will move in parallel to revenues.

### P&L Forecast

Profit & Loss	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e	2025e	2026e
<b>Total output</b>	649	693	706	677	622	773	756	769	788	808	832
% yoy	0.2%	7.8%	1.4%	-3.4%	-7.2%	20.7%	-0.9%	2.5%	2.5%	2.5%	2.5%
<b>Cost of materials</b>	-325	-335	-350	-327	-283	-382	-386	-388	-390	-392	-399
% of total output	50.0%	48.4%	49.5%	48.2%	45.5%	49.4%	51.1%	50.5%	49.5%	48.5%	48.0%
<b>Personnel expenses</b>	-158	-175	-185	-186	-163	-175	-172	-177	-182	-186	-192
% of total output	24.3%	25.2%	26.2%	27.5%	26.1%	22.7%	22.8%	23.1%	23.1%	23.1%	23.1%
<b>Other OPEX (net)</b>	-92	-100	-99	-98	-88	-101	-100	-101	-103	-106	-109
% of total output	14.2%	14.5%	14.0%	14.5%	14.2%	13.1%	13.2%	13.1%	13.1%	13.1%	13.1%
<b>EBITDA</b>	74	83	73	66	88	115	98	102	113	120	132
% of total output	11.5%	12.0%	10.3%	9.8%	14.2%	14.8%	13.0%	13.3%	14.3%	14.8%	15.8%
<b>EBIT</b>	41	45	32	21	46	73	55	59	69	76	86
% of total output	6.3%	6.4%	4.6%	3.1%	7.4%	9.4%	7.3%	7.7%	8.8%	9.3%	10.4%
<b>Adjusted EBIT</b>	43	47	40	40	46	73	55	59	69	76	86
% of total output	6.6%	6.7%	5.6%	6.0%	7.4%	9.4%	7.3%	7.7%	8.8%	9.3%	10.4%
<b>Pretax Profit</b>	35	34	27	16	43	70	51	55	65	72	83
% of total output	5.4%	4.8%	3.8%	2.4%	7.0%	9.0%	6.8%	7.2%	8.3%	8.9%	10.0%
<b>Net Profit</b>	24	26	19	9	34	48	37	39	46	51	59
% of total output	3.7%	3.8%	2.6%	1.4%	5.4%	6.2%	4.8%	5.1%	5.9%	6.3%	7.1%
<b>EPS</b>	1.54	1.69	1.20	0.61	2.17	3.08	2.35	2.54	3.00	3.30	3.81
% yoy	34.9%	9.7%	-28.9%	-49.6%	258.8%	41.8%	-23.6%	7.8%	18.1%	10.1%	15.4%
<b>DPS</b>	0.80	0.80	0.55	0.00	0.80	1.00	1.00	1.00	1.18	1.30	1.50
Payout ratio	52%	47%	46%	0%	37%	32%	42%	39%	39%	39%	39%

Source: SUR, Pareto Securities

The resulting changes to our estimates are shown below.

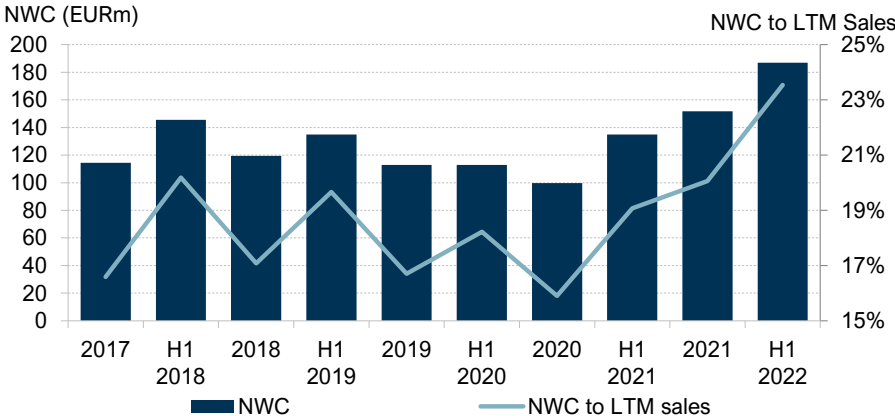
### Changes to our estimates

Estimate changes		2022e			2023e			2024e		
		Old	New	Chg.	Old	New	Chg.	Old	New	Chg.
Revenues	EURm	746	750	1%	764	769	1%	783	788	1%
EBITDA	"	103.0	98.0	(5)%	108.6	102.4	(6)%	119.1	112.9	(5)%
EBIT	"	60.1	55.1	(8)%	65.3	59.1	(9)%	75.4	69.0	(8)%
EPS	EUR	2.58	2.35	(9)%	2.83	2.54	(10)%	3.30	3.00	(9)%

Source: Pareto Securities

Net Working Capital (NWC) was significantly up in H1 2022, both in absolute terms and in relation to revenues (see below). In our reading, this is due to rising input prices as discussed above but also because of the need to increase inventory buffers as a reaction to an increased stress level in the supply chain. At the end of H1, NWC was at 23.5% of LTM sales, more than three percentage points above the level at the end of 2021. While NWC is usually higher after H1 than after year end, we think the ratio will stay elevated for some time. For FY 2022, we assume 21.5% of sales.

**NWC development**



Source: SUR, Pareto Securities

## Valuation update

### DCF

EUR m	Phase I					Phase II					Phase III
	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	
<b>Revenue</b>	<b>750</b>	<b>769</b>	<b>788</b>	<b>808</b>	<b>828</b>	<b>849</b>	<b>870</b>	<b>892</b>	<b>914</b>	<b>937</b>	
<i>growth rate</i>	-0.9%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
<b>EBIT</b>	<b>55.1</b>	<b>59.1</b>	<b>69.0</b>	<b>75.5</b>	<b>86.5</b>	<b>84.5</b>	<b>82.4</b>	<b>80.1</b>	<b>77.6</b>	<b>74.9</b>	
<i>EBIT margin</i>	7.3%	7.7%	8.8%	9.3%	10.4%	10.0%	9.5%	9.0%	8.5%	8.0%	
<b>Tax</b>	<b>-16.0</b>	<b>-17.1</b>	<b>-20.0</b>	<b>-21.9</b>	<b>-25.1</b>	<b>-24.5</b>	<b>-23.9</b>	<b>-23.2</b>	<b>-22.5</b>	<b>-21.7</b>	
<i>Tax rate</i>	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	
<b>Depr. &amp; Amort.</b>	<b>38.5</b>	<b>38.8</b>	<b>39.1</b>	<b>39.6</b>	<b>40.1</b>	<b>44.8</b>	<b>47.8</b>	<b>50.0</b>	<b>51.7</b>	<b>53.5</b>	
<i>% of sales</i>	5.1%	5.0%	5.0%	4.9%	4.8%	5.3%	5.5%	5.6%	5.7%	5.7%	
<b>Capex</b>	<b>-45.0</b>	<b>-46.1</b>	<b>-47.3</b>	<b>-48.5</b>	<b>-49.7</b>	<b>-50.9</b>	<b>-52.2</b>	<b>-53.5</b>	<b>-54.8</b>	<b>-56.2</b>	
<i>% of sales</i>	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
<b>Change in WC &amp; Prov.</b>	<b>-9.4</b>	<b>-0.2</b>	<b>3.8</b>	<b>4.1</b>	<b>-3.8</b>	<b>-3.9</b>	<b>-4.0</b>	<b>-4.1</b>	<b>-4.2</b>	<b>-4.3</b>	
<i>% of sales</i>	1.3%	0.0%	-0.5%	-0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
<b>Free Cash Flow</b>	<b>23.1</b>	<b>34.4</b>	<b>44.7</b>	<b>48.9</b>	<b>48.0</b>	<b>50.0</b>	<b>50.1</b>	<b>49.2</b>	<b>47.7</b>	<b>46.2</b>	<b>909.4</b>
<i>growth rate</i>	<i>nm</i>	48.6%	30.0%	9.3%	-1.7%	4.0%	0.2%	-1.8%	-2.9%	-3.3%	2.5%
<b>Present Value FCF</b>	<b>22.4</b>	<b>31.0</b>	<b>37.4</b>	<b>37.9</b>	<b>34.6</b>	<b>33.4</b>	<b>31.1</b>	<b>28.4</b>	<b>25.6</b>	<b>23.0</b>	<b>452.0</b>

PV Phase I	163	Risk free rate	3.5%	Target equity ratio	79%
PV Phase II	141	Premium Equity	5.0%	Beta	1.1
PV Phase III	452	Premium Debt	0.5%	<b>WACC</b>	<b>7.7%</b>

Enterprise value	757	Sensitivity	Growth in phase III				
			1.5%	2.0%	2.5%	3.0%	3.5%
- Net Debt (Cash)	153	<b>6.9%</b>	38.3	41.5	45.3	50.2	56.5
- Pension Provisions	12	<b>7.3%</b>	35.1	37.7	40.9	44.9	49.9
- Minorities & Peripherals	0	<b>7.7%</b>	32.3	34.5	<b>37.2</b>	40.5	44.5
- Dividend for 2021	16	<b>8.1%</b>	29.8	31.7	34.0	36.7	40.0
		<b>8.5%</b>	27.5	29.2	31.1	33.4	36.2

<b>Equity value</b>	<b>577</b>
Number of shares	15.5
<b>Value per share (€)</b>	<b>37.0</b>
<b>Current Price (€)</b>	<b>23.4</b>
<b>Upside</b>	<b>58%</b>

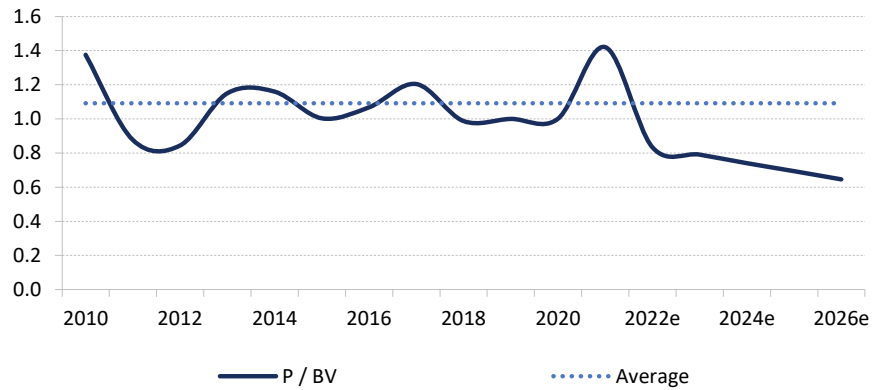
Source: Pareto Securities

From higher expected NWC requirements, we anticipate a net cash outflow of EUR 9.4m in 2022 (see above). In the coming years, these needs should lessen a bit until we anticipate further cash outflows starting from 2026 onwards.

Based on a DCF, we arrive at a new fair value of EUR 37 (was EUR 43) and keep our "Buy" rating in view of an upside of more than 50%. As usual, we deduct leasing liabilities as part of net debt from the enterprise value to derive the equity value. In the free cash flow computation, we only consider depreciation and capex that does not result from the application of IFRS 16.

The Surteco share now trades at 0.8x book value 2022e, while the average in the past was more around 1.1x. We expect Surteco to realize RoE yields of 8-10% in the next couple of years, clearly above past levels between 3-8%. Accordingly, this supports our buy thesis, we think.

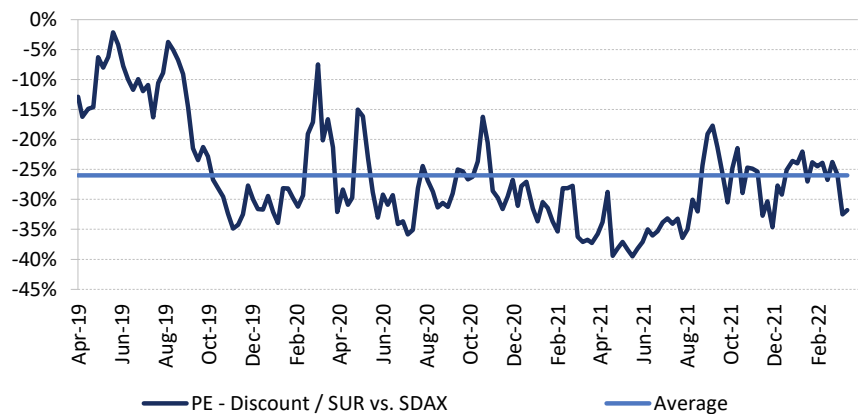
**P/BV**



Source: Pareto Securities

Surteco continues to trade at a steep discount to the SDAX, which appears debatable given the recent positive development of the company (Surteco is no member of the SDAX at present). However, Surteco is active in a cyclical business. In anticipation of the next imminent downturn, investor often avoid this kind of business. Investors who have the stomach to look through the cycle might consider the built-up of initial positions already now at current attractive price levels, we think.

**PE Discount to SDAX**



Source: Factset, Pareto Securities

# At a glance

## At a glance

Business Units	Decoratives		Technicals		Profiles					
Products/ applications	Comprises the activities related to the manufacture and distribution of edge bandings (35% of total sales), finish foils (15%), décor paper (13%) and release papers (4%)		Encompasses impregnates (8% of total sales) and specialised finished foils (4%), and specialized edge bandings (2%).		Includes skirtings (8% of total sales) and technical profiles (5%)					
Customers	Serves primarily the wood-based sector, namely the woodworking, flooring, caravanning and furniture (namely kitchen, living room and office) industries		Provides solutions for individual special such as fire-inhibiting materials for cruise ships or plastic foils for further processing to produce carpets		Industries served include: interior design, craft, caravanning, industrial applications, cruising and ship building					
Market share/ positioning	60% European market share for paper-based edge bands and 25% market share for thermoplastic edges									
Drivers	Surteco operates in a material intensive industry whose products have a long-life, thus top-line growth is driven by: (I) demand from furniture manufacturers; (II) macroeconomic headwinds, namely currency fluctuations in USD and trade dispute tensions; (III) global economic growth, private consumption propensity, disposable income and unemployment level. Bottom line is catalysed by: (I) availability and costs of raw materials, particularly raw papers (cellulose), plastics (PVC) and chemical additives (titanium dioxide); (II) successful consolidation of low-cost players to expand horizontally and vertically but also gain market shares in new regions									
Main competitors	Neodecortech, Schattdecor, Interprint (now part of the Toppan group), Rehau, MKT (edgebanding), Impress (paper) plus many smaller names									
Entry barriers/ competitive advantage	Medium barriers of entry because of high initial investments and proprietary rights for décors. On the other hand, Surteco presents a unique market positioning as a one-stop shop supplier of decorative surfaces given that several of its products are the most sold in its segment. Surteco also has a product and international scale advantage as well as high operational leverage, allowing it to benefit from economies of scale in development costs									
Strategy & Guidance	<b>Strategy:</b> (I) "Product Leadership" - Capitalizing on the comprehensive know-how of the group. (II) "Focussed Internationalization" - Increasing presence in selective growth markets. (III) "Digital Transformation" - Supporting the commercial and operational excellence via process digitalization.		<b>Guidance (07/2022):</b> Revenue: EUR 730-750m EBIT: EUR 55-65m (lower end)		<b>Pareto Estimates</b> Revenue: EUR 750m EBIT: EUR 55m Margin: 7.3%		<b>Consensus</b> EUR 747m EUR 61m 8.1%			
2021	Sales (EURm) y/y	757.1	EBITDA Margin	114.8 15.2%	EBIT (EURm) Margin	72.5 9.6%	Sales 5Y hist. CAGR	3.4%	Organic growth y/y	3.5%
Sales & EBIT Split	<b>Sales split by region</b> 		<b>Sales split by division</b> 		<b>EBIT split by division</b> 		<b>Group financial development</b> 			
Shareholder structure & management	<b>CEO</b> <b>Wolfgang Moyses</b> CEO (since 2019)  • Mr Moyses joined Webasto as divisional controller in 1988. From 1992 until 1999, he had roles of head of controlling, project manager, commercial director, and division manager at MANN+Hummel. He served as Chairman for Simona from 1999 until August 2019. As of October 2019, Mr Moyses acts as CEO of Surteco. Mr Moyses earned an MBA from the Gutenberg University of Mainz.	<b>COO</b> <b>Dr. Manfred Bracher</b> COO (since 2020)  • As graduated engineer in plastics technology, Mr Bracher was active in various leading management roles from 1996-2019, at the end as board member of RKW SE. Since 2020 COO at Surteco.	<b>CFO</b> <b>Andreas Pötz</b> CFO (since 2022)  • After a number of management positions at Siemens, Infineon, Zumtobel and Aixtron in Germany and abroad, Mr Pötz joint Kratzer Automation AG, where he became member of the management board in 2015. In 2017, Mr Pötz joint Surteco as CFO and became member of the management board in 2022.	<b>Shareholder structure</b> 						
# of employees FY 2021	3,165									

Source: Company, Pareto Securities



<b>PROFIT &amp; LOSS (fiscal year) (EURm)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
<b>Revenues</b>	<b>690</b>	<b>699</b>	<b>675</b>	<b>627</b>	<b>757</b>	<b>750</b>	<b>769</b>	<b>788</b>
<b>EBITDA</b>	<b>83</b>	<b>73</b>	<b>66</b>	<b>88</b>	<b>115</b>	<b>98</b>	<b>102</b>	<b>113</b>
Depreciation & amortisation	(38)	(41)	(45)	(42)	(42)	(43)	(43)	(44)
<b>EBIT</b>	<b>45</b>	<b>32</b>	<b>21</b>	<b>46</b>	<b>73</b>	<b>55</b>	<b>59</b>	<b>69</b>
Net interest	(8)	(6)	(7)	(3)	(4)	(4)	(4)	(4)
Other financial items	(4)	0	1	-	-	-	-	-
<b>Profit before taxes</b>	<b>34</b>	<b>27</b>	<b>16</b>	<b>43</b>	<b>70</b>	<b>51</b>	<b>55</b>	<b>65</b>
Taxes	(7)	(8)	(7)	(10)	(22)	(15)	(16)	(19)
Minority interest	(0)	(0)	(0)	(0)	-	-	-	-
<b>Net profit</b>	<b>26</b>	<b>19</b>	<b>9</b>	<b>34</b>	<b>48</b>	<b>37</b>	<b>39</b>	<b>46</b>
EPS reported	1.69	1.20	0.61	2.17	3.08	2.35	2.54	3.00
<b>EPS adjusted</b>	<b>1.78</b>	<b>1.54</b>	<b>0.61</b>	<b>2.17</b>	<b>3.08</b>	<b>2.35</b>	<b>2.54</b>	<b>3.00</b>
DPS	0.80	0.55	-	0.80	1.00	1.00	1.00	1.18
<b>BALANCE SHEET (EURm)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
Tangible non current assets	258	256	237	234	242	243	246	249
Other non-current assets	258	245	246	230	227	227	227	228
Other current assets	193	223	214	201	254	267	267	262
Cash & equivalents	133	121	84	133	73	83	103	135
<b>Total assets</b>	<b>843</b>	<b>845</b>	<b>780</b>	<b>799</b>	<b>795</b>	<b>820</b>	<b>844</b>	<b>873</b>
Total equity	349	353	355	373	414	435	459	490
Interest-bearing non-current debt	318	253	255	238	133	133	133	133
Interest-bearing current debt	6	66	9	41	93	93	93	93
Other Debt	157	160	148	134	144	148	148	146
<b>Total liabilities &amp; equity</b>	<b>843</b>	<b>845</b>	<b>780</b>	<b>799</b>	<b>795</b>	<b>820</b>	<b>844</b>	<b>873</b>
<b>CASH FLOW (EURm)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
Cash earnings	75	66	78	70	96	79	83	90
Change in working capital	8	(5)	6	13	(52)	(9)	(0)	4
Cash flow from investments	(115)	(49)	(36)	(31)	(31)	(45)	(46)	(47)
Cash flow from financing	107	(24)	(85)	(4)	(73)	(16)	(16)	(16)
Net cash flow	73	(12)	(37)	50	(60)	9	21	31
<b>VALUATION (EURm)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
<b>Share price (EUR end)</b>	<b>26.9</b>	<b>22.3</b>	<b>22.7</b>	<b>24.1</b>	<b>37.9</b>	<b>23.2</b>	<b>23.2</b>	<b>23.2</b>
Number of shares end period	16	16	16	16	16	16	16	16
Net interest bearing debt	190	198	180	145	153	143	122	91
<b>Enterprise value</b>	<b>623</b>	<b>559</b>	<b>548</b>	<b>532</b>	<b>752</b>	<b>515</b>	<b>494</b>	<b>462</b>
EV/Sales	0.9	0.8	0.8	0.8	1.0	0.7	0.6	0.6
<b>EV/EBITDA</b>	<b>7.5</b>	<b>7.7</b>	<b>8.3</b>	<b>6.0</b>	<b>6.6</b>	<b>5.3</b>	<b>4.8</b>	<b>4.1</b>
EV/EBIT	13.9	17.4	26.0	11.5	10.4	9.3	8.4	6.7
P/E reported	15.9	18.6	37.4	11.1	12.3	9.9	9.1	7.7
<b>P/E adjusted</b>	<b>15.1</b>	<b>14.4</b>	<b>37.4</b>	<b>11.1</b>	<b>12.3</b>	<b>9.9</b>	<b>9.1</b>	<b>7.7</b>
P/B	1.2	1.0	1.0	1.0	1.4	0.8	0.8	0.7
<b>FINANCIAL ANALYSIS</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
ROE adjusted (%)	7.9	6.8	2.7	9.3	12.1	8.6	8.8	9.8
Dividend yield (%)	3.0	2.5	-	3.3	2.6	4.3	4.3	5.1
EBITDA margin (%)	12.0	10.4	9.8	14.1	15.2	13.1	13.3	14.3
EBIT margin (%)	6.5	4.6	3.1	7.4	9.6	7.3	7.7	8.8
NIBD/EBITDA	2.29	2.71	2.71	1.64	1.33	1.46	1.19	0.80
EBITDA/Net interest	11.04	13.27	9.75	27.34	26.25	26.77	28.22	31.69

## Disclaimer and legal disclosures

### Origin of the publication or report

This publication or report originates from Pareto Securities AS, reg. no. 956 632 374 (Norway), Pareto Securities AS, Frankfurt branch, reg. no. DE 320 965 513 / HR B 109177 (Germany) or Pareto Securities AB, reg. no. 556206-8956 (Sweden) (together the Group Companies or the "Pareto Securities Group") acting through their common unit Pareto Securities Research. The Group Companies are supervised by the Financial Supervisory Authority of their respective home countries.

### Content of the publication or report

This publication or report has been prepared solely by Pareto Securities Research.

Opinions or suggestions from Pareto Securities Research may deviate from recommendations or opinions presented by other departments or companies in the Pareto Securities Group. The reason may typically be the result of differing time horizons, methodologies, contexts or other factors.

### Sponsored research

Please note that if this report is labelled as "sponsored research" on the front page, Pareto Securities has entered into an agreement with the company about the preparation of research reports and receives compensation from the company for this service. Sponsored research is prepared by the Research Department of Pareto Securities without any instruction rights by the company. Sponsored research is however commissioned for and paid by the company and such material is considered by Pareto Securities to qualify as an acceptable minor non-monetary benefit according to the EU MiFID II Directive.

### Basis and methods for assessment

Opinions and price targets are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioral technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts, price targets and projections in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the publication or report, provided that the relevant company/issuer is treated anew in such later versions of the publication or report.

Pareto Securities Research may provide credit research with more specific price targets based on different valuation methods, including the analysis of key credit ratios and other factors describing the securities creditworthiness, peer group analysis of securities with similar creditworthiness and different DCF-valuations. All descriptions of loan agreement structures and loan agreement features are obtained from sources which Pareto Securities Research believes to be reliable, but Pareto Securities Research does not represent or warrant their accuracy. Be aware that investors should go through the specific complete loan agreement before investing in any bonds and not base an investment decision based solely on information contained in this publication or report.

Pareto Securities Research has no fixed schedule for updating publications or reports.

Unless otherwise stated on the first page, the publication or report has not been reviewed by the issuer before dissemination. In instances where all or part of a report is presented to the issuer prior to publication, the purpose is to ensure that facts are correct.

### Validity of the publication or report

All opinions and estimates in this publication or report are, regardless of source, given in good faith and may only be valid as of the stated date of this publication or report and are subject to change without notice.

### No individual investment or tax advice

The publication or report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This publication or report has been prepared by Pareto Securities Research as general information for private use of investors to whom the publication or report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this publication or report, we recommend consulting your financial advisor.

The information contained in this publication or report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

### Sources

This publication or report may be based on or contain information, such as opinions, recommendations, estimates, price targets and valuations which emanate from Pareto Securities Research' analysts or representatives, publicly available information, information from other units or companies in the Group Companies, or other named sources.

To the extent this publication or report is based on or contains information emanating from other sources ("Other Sources") than Pareto Securities Research ("External Information"), Pareto Securities Research has deemed the Other Sources to be reliable but neither the companies in the Pareto Securities Group, others associated or affiliated with said companies nor any other person, guarantee the accuracy, adequacy or completeness of the External Information.

### Ratings

Equity ratings:

"Buy"	Pareto Securities Research expects this financial instrument's total return to exceed 10% over the next 12 months
"Hold"	Pareto Securities Research expects this financial instrument's total return to be between -10% and 10% over the next 12 months
"Sell"	Pareto Securities Research expects this financial instrument's total return to be negative by more than 10% over the next 12 months

### Analysts Certification

The research analyst(s) whose name(s) appear on research reports prepared by Pareto Securities Research certify that: (i) all of the views expressed in the research report accurately reflect their personal views about the subject security or issuer, and (ii) no part of the research analysts' compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analysts in research reports that are prepared by Pareto Securities Research.

The research analysts whose names appear on research reports prepared by Pareto Securities Research received compensation that is based upon various factors including Pareto Securities' total revenues, a portion of which are generated by Pareto Securities' investment banking activities.

### Limitation of liability

Pareto Securities Group or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this publication or report. In no event will entities of the Pareto Securities Group or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages resulting from the information in this publication or report.

Neither the information nor any opinion which may be expressed herein constitutes a solicitation by Pareto Securities Research of purchase or sale of any securities nor does it constitute a solicitation to any person in any jurisdiction where solicitation would be unlawful. All information contained in this research report has been compiled from sources believed to be reliable. However, no representation or warranty, express or implied, is made with respect to the completeness or accuracy of its contents, and it is not to be relied upon as authoritative.

### Risk information

The risk of investing in certain financial instruments, including those mentioned in this document, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

### Conflicts of interest

Companies in the Pareto Securities Group, affiliates or staff of companies in the Pareto Securities Group, may perform services for, solicit business from, make a market in, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report. In addition Pareto Securities Group, or affiliates, may from time to time have a broking, advisory or other relationship with a company which is the subject of or referred to in the relevant Research, including acting as that company's official or sponsoring broker and providing investment banking or other financial services. It is the policy of Pareto to seek to act as corporate adviser or broker to some of the companies which are covered by Pareto Securities Research. Accordingly companies covered in any Research may be the subject of marketing initiatives by the Investment Banking Department.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Pareto Securities Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of the Group Companies and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Pareto Securities Research that no link exists between revenues from capital markets activities and individual analyst remuneration. The Group Companies are members of national stockbrokers' associations in each of the countries in which the Group Companies have their head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Pareto Securities Conflict of Interest Policy.

The guidelines in the policy include rules and measures aimed at achieving a sufficient degree of independence between various departments, business areas and sub-business areas within the Pareto Securities Group in order to, as far as possible, avoid conflicts of interest from arising between such departments, business areas and sub-business areas as well as their customers. One purpose of such measures is to restrict the flow of information between certain business areas and sub-business areas within the Pareto Securities Group, where conflicts of interest may arise and to safeguard the impartialness of the employees. For example, the Investment Banking departments and certain other departments included in the Pareto Securities Group are surrounded by arrangements, so-called Chinese Walls, to restrict the flows of sensitive information from such departments. The internal guidelines also include, without limitation, rules aimed at securing the impartialness of, e.g., analysts working in the Pareto Securities Research departments, restrictions with regard to the remuneration paid to such analysts, requirements with respect to the independence of analysts from other departments within the Pareto Securities Group rules concerning contacts with covered companies and rules concerning personal account trading carried out by analysts.

#### **Distribution restriction**

The securities referred to in this publication or report may not be eligible for sale in some jurisdictions and persons into whose possession this document comes should inform themselves about and observe any such restrictions. This publication or report is not intended for and must not be distributed to private customers in the US, or retail clients in the United Kingdom, as defined by the Financial Conduct Authority (FCA).

This research is only intended for and may only be distributed to institutional investors in the United States and U.S. entities seeking more information about any of the issuers or securities discussed in this report should contact Pareto Securities Inc. at 150 East 52nd Street, New York, NY 10022, Tel. 212 829 4200.

Pareto Securities Inc. is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of FINRA & SIPC. U.S. To the extent required by applicable U.S. laws and regulations, Pareto Securities Inc. accepts responsibility for the contents of this publication. Investment products provided by or through Pareto Securities Inc. or Pareto Securities Research are not FDIC insured, may lose value and are not guaranteed by Pareto Securities Inc. or Pareto Securities Research. Investing in non-U.S. securities may entail certain risks. This document does not constitute or form part of any offer for sale or subscription, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. The securities of non-U.S. issuers may not be registered with or subject to SEC reporting and other requirements. The information available about non-U.S. companies may be limited, and non-U.S. companies are generally not subject to the same uniform auditing and reporting standards as U.S. companies. Market rules, conventions and practices may differ from U.S. markets, adding to transaction costs or causing delays in the purchase or sale of securities. Securities of some non-U.S. companies may not be as liquid as securities of comparable U.S. companies. Fluctuations in the values of national currencies, as well as the potential for governmental restrictions on currency movements, can significantly erode principal and investment returns.

Pareto Securities Research may have material conflicts of interest related to the production or distribution of this research report which, with regard to Pareto Securities Research, are disclosed herein.

#### **Distribution in Singapore**

Pareto Securities Pte Ltd holds a Capital Markets Services License is an exempt financial advisor under Financial Advisers Act, Chapter 110 ("FAA") of Singapore and a subsidiary of Pareto Securities AS.

This report is directed solely to persons who qualify as "accredited investors", "expert investors" and "institutional investors" as defined in section 4A(1) Securities and Futures Act, Chapter 289 ("SFA") of Singapore. This report is intended for general circulation amongst such investors and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. You should seek advice from a financial adviser regarding the suitability of any product referred to in this report, taking into account your specific financial objectives, financial situation or particular needs before making a commitment to purchase any such product. Please contact Pareto Securities Pte Ltd, 16 Collyer Quay, # 27-02 Income at Raffles, Singapore 049318, at +65 6408 9800 in matters arising from, or in connection with this report.

#### **Additional provisions on Recommendations distributed in the Canada**

Canadian recipients of this research report are advised that this research report is not, and under no circumstances is it to be construed as an offer to sell or a solicitation of or an offer to buy any securities that may be described herein. This research report is not, and under no circumstances is it to be construed as, a prospectus, offering memorandum, advertisement or a public offering in Canada of such securities. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this research report or the merits of any securities described or discussed herein and any representation to the contrary is an offence. Any securities described or discussed within this research report may only be distributed in Canada in accordance with applicable provincial and territorial securities laws. Any offer or sale in Canada of the securities described or discussed herein will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that Pareto Securities AS, its affiliates and its authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.

#### **Distribution in United Kingdom**

This publication is issued for the benefit of persons who qualify as eligible counterparties or professional clients and should be made available only to such persons and is exempt from the restriction on financial promotion in s21 of the Financial Services and Markets Act 2000 in reliance on provision in the FPO.

#### **Copyright**

This publication or report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws. Any infringement of Pareto Securities Research's copyright can be pursued legally whereby the infringer will be held liable for any and all losses and expenses incurred by the infringement.

## Appendix A

Disclosure requirements in accordance with Commission Delegated Regulation (EU) 2016/958 and the FINRA Rule 2241

The below list shows companies where Pareto Securities AS - together with affiliated companies and/or persons – owns a net long position of the shares exceeding 0,5 % of the total issued share capital in any company where a recommendation has been produced or distributed by Pareto Securities AS.

Companies	No. of shares	Holdings in %
Banheur	240,358	0.57%
Pareto Bank	15,305,077	21.91%
Selvaag Bolig	4,311,865	4.60%
Sparebank 1 Nord-Norge	4,421,827	4.40%
Sparebank 1 SMN	2,177,355	1.68%
Sparebank 1 SR-Bank	2,071,099	0.81%
SpareBank 1 Østfold Aker shus	1,232,429	9.95%
SpareBank 1 Østlandet	3,836,463	3.61%
Sparebanken Møre	705,030	1.43%
Sparebanken Sør	433,449	2.77%
Sparebanken Vest	6,861,419	6.39%
NEXT Biometrics	710,901	0.78%
SpareBank 1 Sør-Øst-Norge	1,771,308	2.81%

Pareto Securities AS may hold financial instruments in companies where a recommendation has been produced or distributed by Pareto Securities AS in connection with rendering investment services, including Market Making.

Please find below an overview of material interests in shares held by employees in Pareto Securities AS, in companies where a recommendation has been produced or distributed by Pareto Securities AS. "By material interest" means holdings exceeding a value of NOK 50 000.

Company	Analyst holdings*	Total holdings
AF Gruppen	0	1,675
Aker ASA	500	2,694
Aker BP	0	28,786
Aker Carbon Capture	0	4,926
Aker Horizons	0	180,838
Aprilia Bank ASA	0	22,675
ArcticZymes Technologies	0	684
Austevoll Seafood	0	1,898
Avance Gas	0	4,000
Awilco LNG	0	30,000
Banheur	0	32,088
Berregaard ASA	0	650
Bouvet	0	1,240
BW Energy	0	116,561
BW Offshore	0	9,650
Circa Group	0	6,550
Cloudberry Clean Energy	0	100,250
Crayon	0	1,080
Desert Control	0	32,500
DNB	0	49,534
DNO	0	70,258
Elkem	0	95,817
Elmera Group ASA	0	10,119
ELOP	0	140,000
Equinor	0	2,623
Europris	0	17,708
Flex LNG	0	717
Frontline	0	11,740
Gaming Innovation Group	0	25,912
Gjensidige Forsikring	0	7,671

Company	Analyst holdings*	Total holdings
GramCar Carriers	0	3,000
Grieg Seafood	0	5,334
Hafnia Ltd.	0	145,195
Huddly	0	959,514
HydrogenPro	0	36,641
Kitron	0	28,536
Komplett Bank	0	197,800
Kongsberg Gruppen	0	281
KWS	75	75
Lerøy Seafood Group	0	35,021
Meltwater	0	30,700
Mer cell	0	24,863
Mowi	0	859
MFC Container Ships	0	15,045
NEXT Biometrics	0	710,901
Nordic Semiconductor	0	10,532
Norco	0	500
Norse Atlantic	0	40,000
Norsk Hydro	0	84,189
Norske Skog	0	104,249
Northern Drilling Ltd.	0	181,419
Odjell Drilling	0	28,581
Okeanis Eco Tankers	0	1,420
Orkla	0	24,336
Panoro Energy	0	28,373
Pareto Bank	0	1,334,731
Pexip Holding	0	310,883
Protector Forsikring	0	15,300
Pryme	0	7,401
Pyrum Innovations	0	100
Quantafuel	0	8,797
REC Silicon	0	31,391
Salmor	0	104
Sandnes Sparebank	0	3,731
Scatec	0	31,009
Seadrill Ltd	0	2,171
Sparebank 1 Nord-Norge	0	4,350
Sparebank 1 SMN	0	18,584
Sparebank 1 SR-Bank	0	17,509
SpareBank 1 Østfold Aker shus	0	1,252
SpareBank 1 Østlandet	0	12,921
Sparebanken Sør	0	16,140
Sparebanken Vest	0	16,538
Stolt-Nielsen	0	2,000
Storbrand	0	7,127
Subsea 7	0	35,132
Telenor	0	9,284
TGS	0	600
Vov	0	10,431
Vov Green Metals	0	19,681
Vår Energi	0	58,585
Wallenius Wilhelmsen	0	2,000
Yara	0	18,660
Zaptec	0	11,610

This overview is updated monthly (last updated 25.07.2022).

\*Analyst holdings refers to positions held by the Pareto Securities AS analyst covering the company.

## Appendix B

Disclosure requirements in accordance with Article 6(1)(c)(iii) of Commission Delegated Regulation (EU) 2016/958

Overview over issuers of financial instruments where Pareto Securities AS have prepared or distributed investment recommendation, where Pareto Securities AS have been lead manager/co-lead manager or have rendered publicly known not immaterial investment banking services over the previous 12 months:

Aker ASA	Salmon Evolution
Aker Clean Hydrogen	Sartorius-Herbst
Aker Offshore Wind	Seagems Norway
Alva Industries AS	Seajacks
Apila Bank ASA	Shamaran Petroleum
Arca Cyber	Stata European Holdings
Bar Ramsund Group Pte. Ltd.	Swedencare
Biomega Group AS	TEMP TON GmbH
Bonheur	Tier klinik Hofheim GbR
Boreal Holding AS	Trender Energi AS
Brooge Petroleum and Gas	Vestby Logistikk Holding
BW LPG	Vår Energi
BW Offshore	Waldorf Production UK Ltd
Cabonline Group Holding AB	Waste Plastic Upcycling
Cavai AS	Wattif EV
Cloudberry Clean Energy	wheel.me
Dampskibsselskabet NORDEN A/S	Xeneta AS
DNO	Ymber AS
Documaster AS	ZTL Payment Solution AS
ELOP	Ørn Sof tware
Enapter AG	
Ensurge Micropower	
Esmailizadeh Holding	
First Camp Group AB	
Flex LNG	
FREYR Battery	
Funkwerk AG	
Global Agrarjes (Fertiberia group)	
Golar LNG	
GramCar Carriers	
Green Transition Holding	
Greentood	
Grøntvedt AS	
Hafslund Eco	
Hagal AS	
HMH Holding	
Ice Group	
Immunopharma	
InoBat Auto	
International Petroleum Corporation	
JP/Politikken's Forlag	
Kalera	
Kebony	
Kentech Global Plc	
Keppel FELS Limited	
KMC Properties	
Komplett ASA	
Kruse Smith	
Kvitbjørn Varme	
Laker Holding AS	
Lerøy Seafood Group	
Lumarine AS	
Mathesa Bostadsbolaget AB	
Marcell	
Mime Petroleum	
Modex AS	
Multitude SE	
Navios Maritime Acquisitions	
Navios Maritime Holdings	
Nordic Halibut	
Norco	
Norwegian Block Exchange	
Odjell Oceanwind	
Okea AS	
Otello Corporation	
Pandion Energy	
Pareto Bank	
Petronor E&P	
PHM Group	
Ping Petroleum UK Limited	
poLight	
Pronofa AS	
Protector Forsikring	
Pryme	
Pyrum Innovations	
Qred Holding	
Quantafuel	
Saga Robotics	

This overview is updated monthly (this overview is for the period 31.05.2021 – 31.05.2022).

## Appendix C

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11 (4)

Distribution of recommendations	% distribution
Buy	78%
Hold	21%
Sell	1%

Distribution of recommendations (transactions*)	% distribution
Buy	89%
Hold	11%
Sell	0%

\* Companies under coverage with which Pareto Securities Group has on-going or completed public services in the previous 12 months

This overview is updated monthly (last updated 14.06.2022).

## Appendix D

This section applies to research reports prepared by Pareto Securities AB.

### Disclosure of positions in financial instruments

The beneficial holding of the Pareto Group is 1 % or more of the total share capital of the following companies included in Pareto Securities AB's research coverage universe: None

The Pareto Group has material holdings of other financial instruments than shares issued by the following companies included in Pareto Securities AB's research coverage universe: None

### Disclosure of assignments and mandates

Overview over issuers of financial instruments where Pareto Securities AB has prepared or distributed investment recommendation, where Pareto Securities AB has been lead manager or co-lead manager or has rendered publicly known not immaterial investment banking services over the previous twelve months:

ADDVise	Mentice	Studentbostäder i Norden
BioInvent	Media & Games Invest plc.	Swedencare
Cibus Nordic Real Estate AB	Oscar Properties	VEF
Egetis Therapeutics	Sedana Medical	VNV Global
Hexatonic	Shamaran Petroleum Corp	

Members of the Pareto Group provide market making or other liquidity providing services to the following companies included in Pareto Securities AB's research coverage universe:

Africa Energy Corp.	Media & Games Invest plc.	Shamaran Petroleum
ByggPartner i Dalarna Holding	Mentice AB	Surgical Science
Cibus Nordic Real Estate	Minesto	Tethys Oil
Isolof Medical	Sällängen Property Invest	VEF
Logistri Fastighets AB	SciBase Holding	
Magnolia Bostad	Sedana Medical	

Members of the Pareto Group have entered into agreements concerning the inclusion of the company in question in Pareto Securities AB's research coverage universe with the following companies: None

Member of the Pareto Group is providing Business Management services to the following companies:

Aarhus Residential's Denmark AB	Fleming Properties AB	Mälarsen AB
Backaheden Fastighets AB	Halmlätten Fastighets AB (publ)	One Publicus Fastighets AB
Bonäsudden Holding AB (publ)	Korsängen Fastighets AB (publ)	Origa Car AB (publ)
Borglanda Fastighets AB	Krona Public Real Estate AB	Preserium Property AB
Bosjö Fastigheter AB	Logistri Fastighets AB	

Members of the Pareto Group have entered into agreements concerning the inclusion of the company in question in Pareto Securities AB's research coverage universe with the following companies: None

This overview is updated monthly (last updated 15.07.2022).

## Appendix E

Disclosure requirements in accordance with Article 6(1)(c)(i) of Commission Delegated Regulation (EU) 2016/958

### Designated Sponsor

Pareto Securities acts as a designated sponsor for the following companies, including the provision of bid and ask offers. Therefore, we regularly possess shares of the company in our proprietary trading books. Pareto Securities receives a commission from the company for the

2G Energy *	Heidelberg Pharma *	Northern Data AG
Biotech *	Intershop Communications AG	OVH Holding AG
CORESTATE Capital Holding S.A.	Leifheit	Procredit Holding *
Daldrup & Söhne	Logwin *	PSI SOFTWARE AG *
Demire	Manz AG *	PWO *
Epigenomics AG *	MAX Automation SE	S&T AG *
Gesco *	Merkur Bank	SMT Scharf AG *
Gerry Weber	MLP *	Surteco Group *
GFT Technologies *	Mühl Produkt & Service AG	Szyggy AG *
Gigaset *	mutares	Viscom *

\* The designated sponsor services include a contractually agreed provision of research services.

## Appendix F

Disclosure requirements in accordance with Article 6(1)(c)(iv) of Commission Delegated Regulation (EU) 2016/958

### Sponsored Research

Pareto Securities has entered into an agreement with these companies about the preparation of research reports and – in return – receives compensation.

Baywa	Gerry Weber	Mynaric
BB Biotech	Hypoport AG	mutares
CLIQ Digital	Intershop Communications AG	Northern Data AG
Daldrup & Söhne	Leifheit	OHB SE
Dermapharma Holding SE	MAX Automation SE	OVH Holding AG
Enapter	Merkur Bank	Segfried Holding AG
Exprès2ion Biotechnologies		

This overview is updated monthly (last updated 15.07.2022).