



## Environment remains difficult, but strategic interest in the shares

*Contrary to FY'18, where Surteco's faced significant headwinds from the USD and raw material prices, early FY'19 suggests that the surface décor producer seems to have entered calmer waters recently. Nevertheless, the developments in core customer industries, especially in central Europe, remain challenging such that we cannot speak of a clear relief by now. However, given that a strategic investor entered the stage, the increasingly illiquid shares seem to have had downside protection over the last couple of months. We raise our TP to EUR 27 and confirm our Hold rating.*

### Market environment remains challenging

Despite a still supportive environment, characterised by high consumption propensity, rising disposable incomes, and generally low unemployment in Germany, Surteco's main customers in the furniture industry can expect only slight growth in FY'19, and thus seem to reduce inventories currently. This should put a cap on the surface décor supplier's growth ambitions in the current year and should translate into a slight organic revenues decline, in our view. Upside could arise from favourable raw material price developments.

### Reiterate Hold at a new TP of EUR 27

We update our estimates following the annual analyst conference and the release of Q1 figures. Since a strategic investor has entered the stage in late 2018, the shares might offer some downside protection. Based on our updated DCF analysis, we confirm our Hold rating and raise our TP to EUR 27 (from EUR 22).

EURm	2017	2018	2019e	2020e	2021e
Revenues	690	699	700	691	705
EBITDA	83	73	79	85	86
EBIT	45	32	40	46	48
EPS	1.69	1.20	1.64	1.96	2.05
EPS adj	1.78	1.54	1.64	1.96	2.05
DPS	0.80	0.55	0.80	1.00	1.00
EV/EBITDA	7.5	7.7	7.6	6.8	6.5
EV/EBIT	13.9	17.4	15.1	12.5	11.7
P/E adj	15.1	14.4	16.0	13.4	12.8
P/B	1.20	0.99	1.11	1.06	1.01
ROE (%)	7.6	5.4	7.1	8.1	8.1
Div yield (%)	3.0	2.5	3.0	3.8	3.8
Net debt	190	198	176	152	134

Source: Pareto

Target price (EUR)	27
Share price (EUR)	26

Forecast changes			
%	2019e	2020e	2021e
Revenues	(1)	(3)	NM
EBITDA	(2)	(2)	NM
EBIT adj	(3)	(3)	NM
EPS reported	5	(1)	NM
EPS adj	5	(1)	NM

Source: Pareto

Ticker	SURG.DE, SUR GR
Sector	Industrials
Shares fully diluted (m)	15.5
Market cap (EURm)	407
Net debt (EURm)	189
Minority interests (EURm)	4
Enterprise value 19e (EURm)	599
Free float (%)	19

### Performance



Source: Factset

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### Analysts

Dustin Mildner  
+49 69 58997 438, dustin.mildner@paretosec.com

## Company update

### New reporting structure following strategic overhaul

*By Q1'19, Surteco established a new external reporting structure based on client / product groups*

By Q1'19, Surteco adheres to a new external reporting structure that divides its business into the units Decoratives, Technicals and Profiles. This compares to a previous reporting structure based on input materials (Plastics and Paper). The **Decoratives** segment will encompass activities surrounding the production and distribution of edgebandings, finish foils, décor and release papers. The segment primarily serves the needs of the woodworking, flooring, caravanning, and furniture (mainly kitchen, living and office) industries. The business unit **Technicals** will comprise of specialised applications such as plastic, metal, or hybrid foils, and impregnates. These solutions are employed in fields where specific features such as fire-inhibiting material (for cruising ships) or scratch-resistance (flooring) are dominant purchase criteria. Finally, the **Profiles** unit contains technical plastics profiles and skirtings for a variety of industries such as interior design, craft, caravanning, industrial applications, as well as for cruising ship builders. Although the segments differ with regard to the products, the new segmentation does not create entirely clear-cut customer industry exposure, in our view. Therefore, we think that particularly Decoratives and Technicals share a common set of underlying growth drivers, by and large.

### Surteco Group: New reporting structure

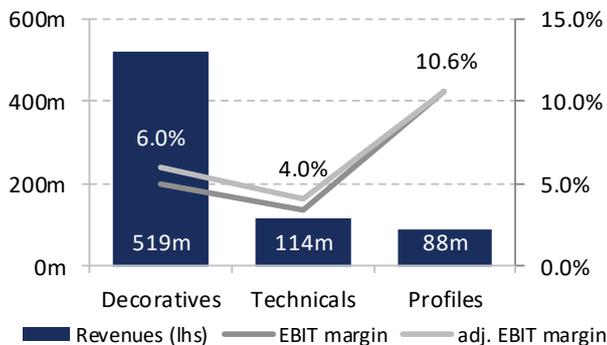
DECORATIVES		TECHNICALS	PROFILES
SURTECO GmbH		SURTECO Beteiligungen	DÖLLKEN Profiles
BauschLinnemann North America	SURTECO Australia	Krönig	DÖLLKEN Poland
SURTECO UK	SURTECO Asia	DAKOR	DÖLLKEN Czechia
SURTECO Italy	SURTECO France	Gislaved Folle	NENPLAS-GROUP UK 85%
SÜDDEKOR USA	SURTECO Turkey		
SURTECO art	SURTECO Russia		
SURTECO USA/Canada	SURTECO Spain		
CANPLAST Mexico 50%	PROBOS Portugal		
	PROADEC Brazil		
	PROADEC UK		
	CHAPACINTA Mexico		

Source: Surteco Group 2018 annual report

Decoratives is the most significant reporting unit in terms of revenues and EBIT. However, as main customers are active in the woodworking and the laminate flooring industry, the unit currently faces a tense demand situation, as we discuss below. The Profiles segment shall foster the future growth of the group, which has been supported by the Nenplas acquisition in the UK in 2016. Additionally,

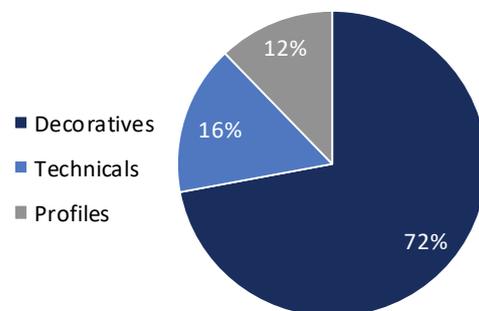
Surteco acquired Probos in 2017 to further enhance its edgbanding business and expand into the South American market, which consequently should have helped dampening the effect of declining demand in core markets in FY'18.

Surteco Group: FY'18 revenues and EBIT margins for newly established reporting units



Source: Pareto, Company data

Surteco Group: FY'18 revenues split for newly established reporting units



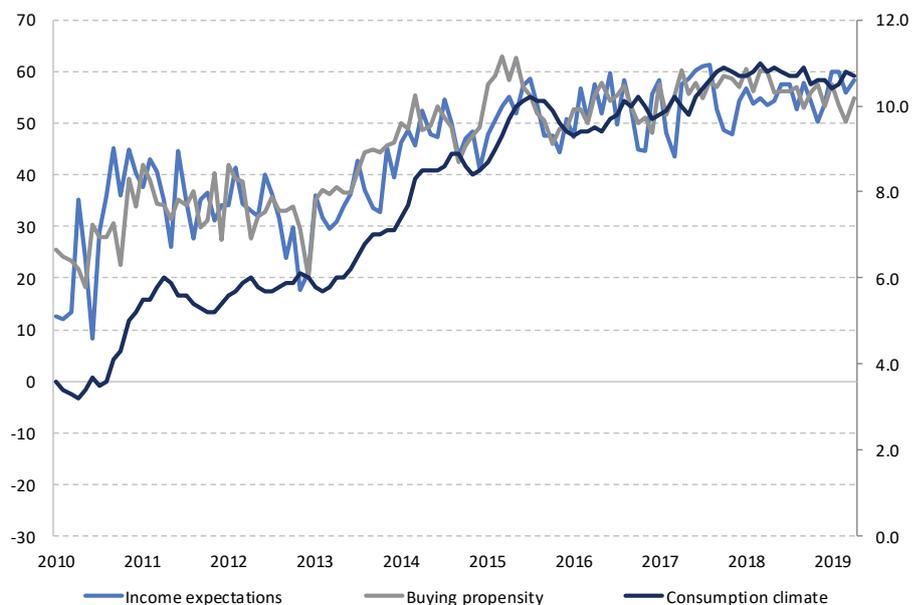
Source: Pareto, Company data

*Consumption climate remains generally supportive, but (German) furniture manufacturers compete with other industries about consumer income*

**Timid signs of relief in a still challenging market environment**

Generally, the conditions for Surteco’s core customer industry, furniture manufacturing, remain favourable, in our view. On aggregate, consumption climate remains on elevated levels in 2019, only slightly short of early 2018 peak levels. Buying propensity at 54.8, and income expectations at 58.4 (both in April) signal that the majority of German consumers still expect an improving personal income situation over the next twelve months and consider making larger purchases right now (based on the usual 2,000 participants sample).

German GfK consumption climate index (right-hand side axis), consumer income expectations (lhs), and buying propensity (lhs)



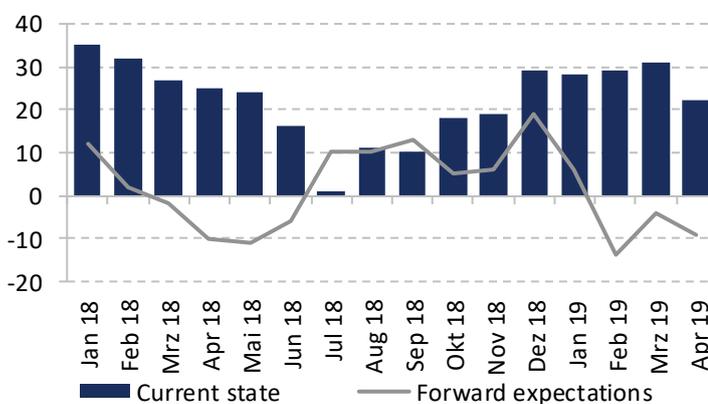
Source: Pareto, GfK, data compiled by Association of German Chambers of Commerce and Industry (DIHK)

Nevertheless, the Association of German furniture producers (VDM) states that despite high consumption propensity, rising disposable incomes and generally low unemployment in Germany, the industry cannot benefit from this friendly macro environment, as travelling, caravanning and other products / services are supposedly more in the focus of German consumers. While subdued furniture

demand should clearly harm Surteco’s growth (as during the hot summer months of FY’18 with a trough in order intake for furniture manufacturers), increased demand for caravanning should at least partly compensate for the decline in sales with the company’s furniture customers and supports Surteco’s strategic course of diversifying its customer portfolio. In total, the VDM expects the German furniture market to grow at 1.5%-2% in FY’19 (FY’18: 0.7%), assuming an orderly Brexit. A hard Brexit would severely hit German furniture manufacturers, as the UK is the fifth largest destination of German furniture exports (c. EUR 700m in 2018) and could potentially reduce German furniture growth to 0% in 2019.

In our view, a relevant warning sign that warrants attention is the outlook from furniture manufacturers (business climate furniture Germany), which is in negative territory since beginning of the year. This has also been the case in the months preceding the subdued summer in FY’18 and proved to be a reliable leading indicator, not for the six-month period, but rather for the next three months. Also, the current situation is considered weaker in April (over March), which resembles of the step-wise deterioration in the last year.

**Ifo business climate in the furniture industry**



Source: Pareto, VDM

*Some relief on the raw material side and more favourable currency developments*

Good news for Surteco, in our view, are that the prices for almost all raw materials have at least stopped to rally recently (Q1’19: -5% yoy, -3% qoq), while remaining on elevated levels. On the paper supply side, fiber-based solutions producer Ahlstrom-Munksjö published that titanium dioxide prices declined 9% yoy in Q1’19 to c. EUR 2,700 per ton, while prices peaked at EUR 3,000 in Q2/Q3’19. This is also good news, as titanium dioxide is a core ingredient in Surteco’s décor paper business and is also used in colours that are used in the printing process. At the same time, while the USD created (translational) headwinds in FY’18 (FY’18 avg vs EUR: 4.5%), it now turned into tailwinds.

**Kunststoff Information (technical thermoplastics) Plastixx Index**



Source: Pareto, Kunststoff Information

## Model update after Q1 reporting

Two weeks after Surteco Group released its annual report, the company reported Q1'19 figures largely in line with our expectations. Q1'19 developments have confirmed our view that the environment for the furniture supplier remains generally challenging. Management's full-year guidance has been confirmed, which should not have come as a surprise given the short distance between annual report and the release of Q1 figures.

### Surteco Group: Q1 review

SURTECO GROUP		Actual			Pareto	
		Q1 2018	Q1 2019	yoy	Q1 2019	Delta
Revenues	EURm	187	182	(3)%	185	(2)%
EBIT	"	13.4	11.6	(13)%	11.1	5%
EBIT Margin	%	7.2%	6.4%	-80 bps	6.0%	38 bps

Source: Pareto, Company data

### Surteco Group: Management guidance

Surteco Group		2018	Management guidance		Pareto	
			2019e (currently)	2019e	yoy	
Revenue	EURm	699	670-700	700	0%	
Decoratives	"	519	slight decline	514	(1)%	
Technicals	"	114	slight decline	110	(3)%	
Profiles	"	88	slight increase	92	5%	
EBIT	"	32	38-40	40	24%	
margin	%	4.6%	5.4%-5.9%	5.7%	108bps	
Decoratives	EURm	26	sign. Increase	32	25%	
Technicals	"	3.9	slight increase	3.9	(1)%	
Profiles	"	9.3	slight increase	10.6	14%	

Note: Segment revenues and EBIT before reconciliation

Source: Pareto, Company data

The slight expected decline in revenues for the Decoratives and Technicals segments consider the expected developments in Surteco's core customer groups, woodworking and furniture, that should face only limited growth in 2019. Furthermore, as we read in the most recent filing of Ahlstrom-Munksjö, furniture producers continue to reduce their inventories, which should impair demand for Surteco's products. This development has also been reflected in Q1'19 figures, Decorative revenues being down 3% yoy, and Technicals sales down 8% (admittedly stating that both segments faced relatively tough comps).

Following the subdued development during last year's summer, Surteco initiated a restructuring program in late FY'18, which burdened EBIT by EUR 6.1m, which is completed and should allow some cost savings of c. EUR 6m p.a. from 2020. Most of these costs were incurred in Decoratives (EUR 5.4m). The non-recurrence explains most of the steep increase in 2019 EBIT. Margin upside could arise from raw material prices, in our view, as Surteco's management budgets increases in raw material prices in 2019. Note that the management guidance currently includes one business unit held-for-sale (c. EUR 33m of 2019e revenues, negligible impact on EBIT).

### Surteco Group: Changes to our estimates

		2019e			2020e		
		Old	New	Chg.	Old	New	Chg.
Revenues	EURm	703	700	(1)%	712	691	(3)%
EBITDA	"	81	79	(2)%	87	85	(2)%
EBIT	"	41	40	(3)%	47	46	(3)%
EPS	EUR	1.56	1.64	5%	1.98	1.96	(1)%

Source: Pareto

## Valuation

Applying our updated set of estimates to our DCF model, we arrive at a fair value of EUR 27. Although we adjust our estimates slightly downwards, the time-value in our model ("rolling-forward") as well as the lower WACC (now 7.6% from 7.8%) that considers the optimised financial structure following the repayment of a USD 60m private placement due in August 2019, more than offset our incremental downward adjustment of estimates.

### Surteco Group: DCF analysis

EUR m	Phase I					Phase II					Phase III
	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	
<b>Revenue</b>	<b>700</b>	<b>691</b>	<b>705</b>	<b>720</b>	<b>734</b>	<b>749</b>	<b>764</b>	<b>780</b>	<b>795</b>	<b>811</b>	
<i>growth rate</i>	0.1%	-1.2%	2.0%	2.1%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
<b>EBIT</b>	<b>40</b>	<b>46</b>	<b>48</b>	<b>49</b>	<b>51</b>	<b>52</b>	<b>53</b>	<b>54</b>	<b>56</b>	<b>57</b>	
<i>EBIT margin</i>	5.7%	6.7%	6.8%	6.8%	6.9%	6.9%	7.0%	7.0%	7.0%	7.0%	
<b>Tax</b>	<b>-11</b>	<b>-12</b>	<b>-13</b>	<b>-13</b>	<b>-14</b>	<b>-14</b>	<b>-14</b>	<b>-15</b>	<b>-15</b>	<b>-15</b>	
<i>Tax rate</i>	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	
<b>Depr. &amp; Amort.</b>	<b>40</b>	<b>39</b>	<b>39</b>	<b>38</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>38</b>	<b>39</b>	
<i>% of sales</i>	5.6%	5.6%	5.5%	5.2%	5.1%	4.9%	4.8%	4.8%	4.8%	4.8%	
<b>Capex</b>	<b>-35</b>	<b>-35</b>	<b>-35</b>	<b>-36</b>	<b>-37</b>	<b>-37</b>	<b>-38</b>	<b>-39</b>	<b>-40</b>	<b>-41</b>	
<i>% of sales</i>	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
<b>Change in WC &amp; Prov.</b>	<b>0</b>	<b>1</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>	
<i>% of sales</i>	0.0%	-0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	
<b>Free Cash Flow</b>	<b>34</b>	<b>40</b>	<b>36</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>36</b>	<b>36</b>	<b>37</b>	<b>677</b>
<i>growth rate</i>	nm	17.8%	-9.7%	-1.4%	0.7%	-1.4%	0.4%	1.3%	1.8%	1.8%	2.0%
<b>Present Value FCF</b>	<b>32</b>	<b>35</b>	<b>30</b>	<b>27</b>	<b>25</b>	<b>23</b>	<b>22</b>	<b>20</b>	<b>19</b>	<b>18</b>	<b>336</b>

PV Phase I	149	Risk free rate	3.5%	Target equity ratio	75%			
PV Phase II	103	Premium Equity	5.0%	Beta	1.1			
PV Phase III	336	Premium Debt	1.0%	<b>WACC</b>	<b>7.6%</b>			
<b>Enterprise value</b>	<b>588</b>	<b>Sensitivity</b>	<b>Growth in phase III</b>					
- Net Debt (Cash)	176		<b>1.0%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>2.5%</b>	<b>3.0%</b>	
- Pension Provisions	0	<b>6.8%</b>	28	30	32	36	40	
- Minorities & Peripherals	4	<b>7.2%</b>	25	27	29	32	35	
+ MV of financial assets	6	<b>WACC</b>	<b>7.6%</b>	23	25	<b>27</b>	29	32
- Paid-out dividends for last FY	0	<b>7.9%</b>	21	23	24	26	29	
+/- Other EV items	0	<b>8.3%</b>	20	21	22	24	26	
<b>Equity value</b>	<b>415</b>							
Number of shares	15.5							
<b>Value per share (€)</b>	<b>27</b>							
<b>Current Price (€)</b>	<b>26.3</b>							
<b>Upside</b>	<b>3%</b>							

Source: Pareto

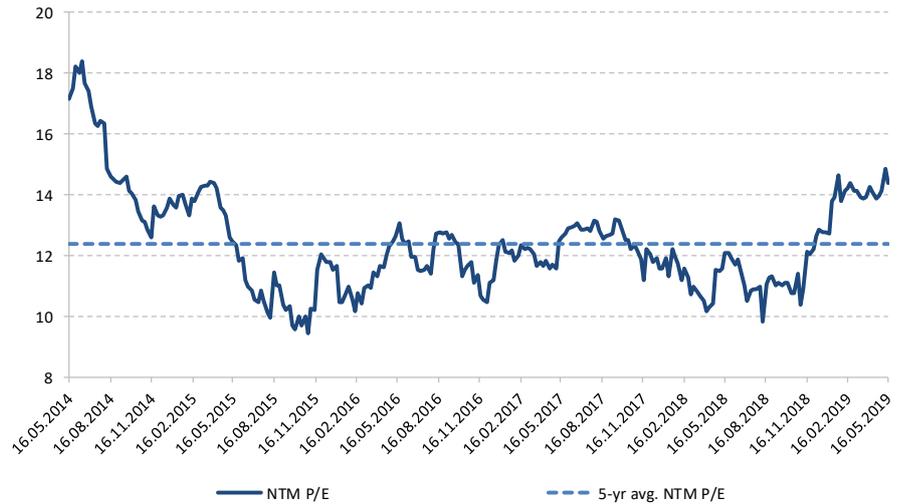
We observe that compared to Surteco's 1) peer group and 2) historical valuation, the stock looks relatively overvalued to us, at the moment.

### Peer group valuation

Company	PE	PE	EV/EBIT	EV/EBIT
	2019e	2020e	2019e	2020e
Ahlstrom-Munksjo Oyj	13.3	11.5	13.7	10.2
Neodecortech SpA	6.7	6.1	4.6	3.8
<b>Average</b>	<b>10.0</b>	<b>8.8</b>	<b>9.2</b>	<b>7.0</b>
<b>SURTECO GROUP (Pareto)</b>	<b>16.0</b>	<b>13.4</b>	<b>15.0</b>	<b>12.4</b>
relative	160%	152%	164%	178%

Source: Pareto, Factset

Surteco Group: Historical valuation

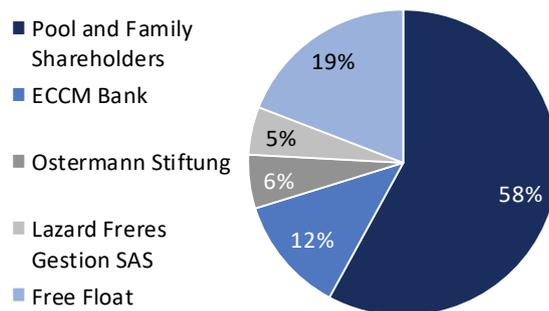


Source: Pareto, Factset

We confirm our Hold rating at a new TP of EUR 27

In summary, based on DCF and multiple analysis, Surteco’s shares appear fairly valued to overvalued to us. However, since Q3’18, ECCM bank, which is owned by the Austrian woodworking and flooring group Kaindl, started to buy Surteco shares, exceeding the 10% threshold on November 14, 2018, and expressed the intention to buy further shares within the next 12 months, according to the \$43 WpHG disclosure from December 10, 2018. As the Kaindl group is a major customer of Surteco, the acquisition of shares by ECCM and ultimately Matthias Kaindl can be seen in a strategic context, in our view. This has clearly supported the shares in an overall more volatile market and led to an outperformance vs the performance index version of the CDAX since our initiation of coverage in December (relative +12%). Considering the potential demand for a stock that faces a declining free float (c. EUR 80m), one might argue that the shares have downside protection to some extent. We therefore would “Hold” on to positions in Surteco’s shares and raise our TP to EUR 27.

Surteco Group: Current shareholder structure



Source: Pareto, Company data, public filings

<b>PROFIT &amp; LOSS (fiscal year) (EURm)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019e</b>	<b>2020e</b>	<b>2021e</b>
<b>Revenues</b>	<b>618</b>	<b>638</b>	<b>640</b>	<b>690</b>	<b>699</b>	<b>700</b>	<b>691</b>	<b>705</b>
<b>EBITDA</b>	<b>63</b>	<b>65</b>	<b>74</b>	<b>83</b>	<b>73</b>	<b>79</b>	<b>85</b>	<b>86</b>
Depreciation & amortisation	(35)	(34)	(33)	(38)	(41)	(40)	(39)	(39)
<b>EBIT</b>	<b>28</b>	<b>31</b>	<b>41</b>	<b>45</b>	<b>32</b>	<b>40</b>	<b>46</b>	<b>48</b>
Net interest	(10)	(8)	(8)	(8)	(6)	(5)	(4)	(4)
Other financial items	4	4	2	(4)	0	-	-	-
<b>Profit before taxes</b>	<b>22</b>	<b>27</b>	<b>35</b>	<b>34</b>	<b>27</b>	<b>35</b>	<b>42</b>	<b>44</b>
Taxes	(4)	(9)	(11)	(7)	(8)	(10)	(11)	(12)
Minority interest	(0)	0	0	(0)	(0)	(0)	(0)	(0)
<b>Net profit</b>	<b>18</b>	<b>18</b>	<b>24</b>	<b>26</b>	<b>19</b>	<b>25</b>	<b>30</b>	<b>32</b>
EPS reported	1.19	1.14	1.54	1.69	1.20	1.64	1.96	2.05
<b>EPS adjusted</b>	<b>1.62</b>	<b>1.56</b>	<b>1.64</b>	<b>1.78</b>	<b>1.54</b>	<b>1.64</b>	<b>1.96</b>	<b>2.05</b>
DPS	0.70	0.80	0.80	0.80	0.55	0.80	1.00	1.00
<b>BALANCE SHEET (EURm)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019e</b>	<b>2020e</b>	<b>2021e</b>
Tangible non current assets	237	245	246	258	256	252	248	245
Other non-current assets	157	160	167	258	245	244	244	244
Other current assets	199	186	201	193	223	223	221	224
Cash & equivalents	43	66	60	133	121	89	113	28
<b>Total assets</b>	<b>637</b>	<b>656</b>	<b>674</b>	<b>843</b>	<b>845</b>	<b>808</b>	<b>826</b>	<b>741</b>
Total equity	321	335	347	349	353	370	389	405
Interest-bearing non-current debt	183	187	124	318	253	265	265	163
Interest-bearing current debt	6	5	72	6	66	-	-	-
Other Debt	114	116	118	157	160	160	159	161
<b>Total liabilities &amp; equity</b>	<b>637</b>	<b>656</b>	<b>674</b>	<b>843</b>	<b>845</b>	<b>808</b>	<b>826</b>	<b>741</b>
<b>CASH FLOW (EURm)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019e</b>	<b>2020e</b>	<b>2021e</b>
Cash earnings	59	64	60	75	66	65	70	71
Change in working capital	(5)	6	(1)	8	(5)	(0)	1	(2)
Cash flow from investments	(27)	(28)	(54)	(115)	(49)	(35)	(35)	(35)
Cash flow from financing	(35)	(18)	(9)	107	(24)	(62)	(12)	(118)
Net cash flow	(8)	23	(5)	73	(12)	(32)	24	(85)
<b>CAPITALIZATION &amp; VALUATION (EURm)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019e</b>	<b>2020e</b>	<b>2021e</b>
<b>Share price (EUR end)</b>	<b>24.0</b>	<b>21.7</b>	<b>23.7</b>	<b>26.9</b>	<b>22.3</b>	<b>26.3</b>	<b>26.3</b>	<b>26.3</b>
Number of shares end period	16	16	16	16	16	16	16	16
Net interest bearing debt	146	127	136	190	198	176	152	134
<b>Enterprise value</b>	<b>531</b>	<b>476</b>	<b>519</b>	<b>623</b>	<b>559</b>	<b>599</b>	<b>575</b>	<b>558</b>
EV/Sales	0.9	0.7	0.8	0.9	0.8	0.9	0.8	0.8
<b>EV/EBITDA</b>	<b>8.5</b>	<b>7.3</b>	<b>7.0</b>	<b>7.5</b>	<b>7.7</b>	<b>7.6</b>	<b>6.8</b>	<b>6.5</b>
EV/EBIT	19.2	15.3	12.7	13.9	17.4	15.1	12.5	11.7
P/E reported	20.2	19.0	15.4	15.9	18.6	16.0	13.4	12.8
<b>P/E adjusted</b>	<b>14.9</b>	<b>13.9</b>	<b>14.4</b>	<b>15.1</b>	<b>14.4</b>	<b>16.0</b>	<b>13.4</b>	<b>12.8</b>
P/B	1.2	1.0	1.1	1.2	1.0	1.1	1.1	1.0
<b>FINANCIAL ANALYSIS &amp; CREDIT METRICS</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019e</b>	<b>2020e</b>	<b>2021e</b>
ROE adjusted (%)	7.9	7.4	7.5	7.9	6.8	7.0	8.0	8.0
Dividend yield (%)	2.9	3.7	3.4	3.0	2.5	3.0	3.8	3.8
EBITDA margin (%)	10.2	10.2	11.6	12.0	10.4	11.3	12.3	12.2
EBIT margin (%)	4.5	4.9	6.4	6.5	4.6	5.7	6.7	6.8
NIBD/EBITDA	2.32	1.95	1.82	2.29	2.71	2.22	1.78	1.56
EBITDA/Net interest	7.48	8.95	9.46	11.04	13.27	15.64	19.19	20.64

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## Appendix A

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Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
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Pareto Bank ASA	10,846,900	18.50%	Sparebanken Vest	4,507,960	7.64%

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Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
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NHST Media Group AS	21,475	1.85%	SpareBank 1Østfold Akersl	1,140,010	9.20%
Pareto Bank ASA	10,846,900	18.50%	Sparebanken Møre	311,739	3.15%
Selvaag Bolig ASA	2,174,147	2.32%	Sparebanken Sør	460,589	2.94%
SpareBank 1BV	1,557,140	2.48%	Sparebanken Vest	4,507,960	7.64%
SpareBank 1Nord-Norge	1,530,795	1.52%	Totens Sparebank	79,246	1.29%

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Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings
AF Gruppen	0	1,675	Grieg Seafood	0	970	REC Silicon	0	357,742
Aker	0	702	Helgeland Sparebank	0	4,282	SailMar	0	280
Aker BP	0	6,980	Høegh LNG	0	6,085	Sandnes Sparebank	0	22,082
Aker Solutions	0	1,825	Jæren Sparebank	0	500	Scatec Solar	0	35,635
AKVA Group	0	1,500	Komplett Bank	0	104,934	Schibsted ASA B Aksjer	0	314
Archer	0	95,770	Kongsberg Gruppen	0	5,901	Seadrill	0	8,661
Atea	0	450	KWS	75	75	Selvaag Bolig	0	5,000
Atlantic Sapphire	0	1,105	Lerøy Seafood	0	34,795	SpareBank 1BV	0	17,700
Austevoll Seafood	0	5,780	Magseis Fairfield	0	12,379	SpareBank 1Nord-Norge	0	25,000
Avance Gas	0	6,645	Mono bank	0	1,371,000	SpareBank 1Ringerike Hadst	0	500
Axactor	0	19,724	Mowi	0	2,639	SpareBank 1SMN	0	16,590
BASF	270	270	NEXT Biometrics	0	10,976	SpareBank 1SR-Bank	0	29,391
B2Holding	0	5,500	Nordic Semiconductor	0	6,000	Sparebank 1Østfold Akersl	0	450
Bonheur	0	56,709	Norsk Hydro	0	126,295	SpareBank 1Østlandet	0	4,042
Borr Drilling	0	4,685	Northern Drilling	0	6,060	Sparebanken Møre	0	6,550
BWLPG	0	5,569	Norwegian Air Shuttle	0	59,532	Sparebanken Sør	0	43,280
DNB	0	35,132	Norwegian Energy Compan	0	350	Sparebanken Vest	0	1,900
DNO	0	29,377	Norwegian Property	0	150,000	Sparebanken Øst	0	1,500
Entra	0	14,362	Ocean Yield	0	32,967	Stolt-Nielsen	0	900
Equinor	0	10,201	Odfjell Drilling	0	8,649	Storebrand	0	5,005
Europris	0	10,850	Okeanis Eco Tankers	0	1,886	Subsea 7	0	5,884
Fjord1	0	50,000	Orkla	0	24,176	Telenor	0	2,311
Fjordkraft Holding	0	4,132	Panoro Energy	0	5,670	TGS-NOPEC	0	2,050
Flex LNG	0	1,032	Pareto Bank	0	971,027	XXL	0	10,115
Frontline	0	13,003	Pioneer Property	0	2,050	Yara International	0	19,516
Gjensidige Forsikring	0	8,651	Protector Forsikring	0	15,385	Zenterio	0	78,865
Golden Ocean Group	0	1,824						

This overview is updated monthly (last updated 15.05.2019).

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## Appendix B

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letters e-f, ref the Securities Trading Act Section 3-10

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:

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Andfjord Salmon	HKN Energy Ltd	Petro Matad Limited
APC Forsikringsmægler A/S	Hunter Group	Petroleum Geo-Services
Arnarlax	Ice Group	Pioneer Public Properties Finland Oy
Avida Holding AB	Instabank	Point Resources AS
Bank Norwegian	Jactel AS	Quant AB
Bluewater Holding	Klavness Ship Holding	Questerre Energy Corporation
DNO ASA	Lundin Petroleum	Rødovre Port Holding A/S
DOF ASA	Magseis	SAS
Dof Subsea AS	Monobank ASA	Scatec Solar
Echo Energy	Navig8	Scorpio Tankers
Eco Atlantic Oil and Gas	Nemaska Lithium	Shamaran
Eland Oil & Gas	NGEX Resources	Shamaran Petroleum
FFS Bidco	Northern Drilling	Sparebank 1 Østlandet
Flex LNG	Northmill Group AB	SpareBank1 Buskerud-Vestfold
Floatel	Norwegian Air Shuttle	Sparebanken Vest
Fortum	Odfjell	Union Martime Limited
Genel Energy	Okea AS	Vantage Drilling

*This overview is updated monthly (this overview is for the period 30.04.2018 – 30.04.2019).*

## Appendix C

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

### Distribution of recommendations

Recommendation	% distribution
Buy	65%
Hold	31%
Sell	4%

### Distribution of recommendations (transactions\*)

Recommendation	% distribution
Buy	92%
Hold	8%
Sell	0%

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

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Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letter d, ref the Securities Trading Act Section 3-10

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comdirect	Hypoport AG	OHB SE	Vapiano

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