

Expects double-digit growth in 2021

In contrast to earlier recessions, the furniture industry and related suppliers as Surteco are doing relatively well. Accordingly, the Q3 numbers surprised on the positive side and Surteco expects a full year result that might be only slightly below last year. For 2021, the company expects a double-digit increase of revenues. We reworked our model assumptions and arrive at a new price target of EUR 28.8 (was EUR 27.0 before). The recommendation remains “buy”.

This time it's different

In contrast to earlier recessions, the furniture industry and related suppliers such as Surteco are doing relatively well, as people tend to increase their budget for home improvements during the pandemic. Accordingly, the Q3 numbers surprised on the positive side and Surteco expects a full year result that might be only slightly below last year. For 2021, the company expects a double increase of revenues. On top of that, the new management has improved the cost structure and announced a further round of consolidation.

Positive outlook for the next years

After Q3 and the positive news around potential vaccines, we believe the demand will rebound stronger in 2021 as anticipated before. Accordingly, we expect the top line to grow by 11% in 2021 and by 4% in 2022. All in, we arrive at 2023 revenues of EUR 723m, which is in-line with Surteco's medium-term expectation of EUR 700m + X. Also, the company target of EUR 55-65m EBIT by 2023 looks realistic to us, even if we assume the material cost quota to return to its long-term average already by 2021. On the grounds of our DCF framework, we arrive at a new price target of EUR 28.8 per share (was EUR 27.0 before). Given that Surteco trades below book value at present, we see upside in the share and re-iterate our “buy” recommendation.

EURm	2018	2019	2020e	2021e	2022e
Revenues	699	675	611	678	705
EBITDA	73	66	80	87	94
EBIT	32	21	38	47	54
EPS	1.20	0.61	1.53	1.93	2.32
EPS adj	1.54	0.61	1.53	1.93	2.32
DPS	0.55	-	0.55	0.70	0.80
EV/EBITDA	7.7	8.3	6.3	5.6	4.9
EV/EBIT	17.4	26.0	13.1	10.4	8.5
P/E adj	14.4	37.4	14.4	11.4	9.5
P/B	0.99	1.00	0.91	0.86	0.81
ROE (%)	5.4	2.7	6.6	7.8	8.8
Div yield (%)	2.5	-	2.5	3.2	3.6
Net debt	198	180	140	124	99

Source: Pareto



Target price (EUR)	29
Share price (EUR)	22

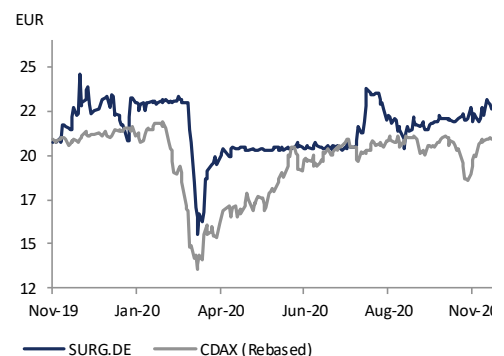
Forecast changes

%	2020e	2021e	2022e
Revenues	4	9	4
EBITDA	9	11	5
EBIT adj	20	19	8
EPS reported	23	21	9
EPS adj	23	21	9

Source: Pareto

Ticker	SURG.DE, SUR GR
Sector	Industrials
Shares fully diluted (m)	15.5
Market cap (EURm)	343
Net debt (EURm)	154
Minority interests (EURm)	4
Enterprise value 20e (EURm)	500
Free float (%)	5

Performance



Source: Factset

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Key insights from Q3

Exhibit 1: Q3 numbers

SURTECO GROUP (EURm)	Q3 2019	Actual		Estimates	
		Q3 2020	yoy (%)	Pareto	Dev (%)
Revenues	167	162	-3	150	8
Cost of materials	-80	-76	-5	-67	12
Personnel expenses	-43	-39	-8	-40	-3
Other	-22	-22	0	-21	3
EBITDA	22	25	10	21	18
EBITDA Margin	13.4%	15.2%	175 BP	14.0%	120 BP
D&A	-11	-10	-7	-10	-1
EBIT	11	14	26	11	36
EBIT Margin	6.8%	8.9%	201 BP	7.1%	179 BP

Source: Pareto Securities Research

Surteco reported Q3 numbers that clearly exceeded our expectations. Revenues were almost at last year's level and 8% better than expected. As personnel expenses were down yoy by EUR 4m, EBITDA and EBIT were clearly up compared to last year, although the material cost quota was up again from the very low 42% in Q2 to 47% in Q3.

Regarding personnel expenses, the savings from short-term working amounted to EUR 7.5m in the first 9 months. Importantly, the restructuring initiated by the new management is not yet completed. Instead, the CEO announced further rounds of optimization, e.g. the consolidation of sites in UK.

Material expenses were up mainly because of rising plastics prices, while prices for pulp and titanium dioxide were still at low levels

Regarding segments, Profiles saw strong sales in Q3 as it could capitalize on good demand in the DIY, renovation, and caravanning space. Regarding profitability, both Decoratives and Technicals exhibited a strong increase. The EBIT margin of Decoratives grew from 4.9% in H1 to 9.6% in Q3, and for Technicals from 5.4% to 8.6%, thereby profiting from the sale of North American impregnating business.

Regarding the pandemic, Surteco saw a couple of Covid-19 cases in the company, which led to some frictions in the production process. Also, the digital printing project is behind schedule, as the supplier of the printing machine is from Italy. Regarding regions, markets in UK, France and Italy were said to remain difficult, while for instance the business in Brazil was flourishing, the benefits of which were almost eaten up by the weak currency, though.

Valuation update

Surteco did not provide a concrete outlook for the full year but says that the result of 2019 (EBIT: EUR 40.5m) will not be reached, although the 3rd quarter went better than expected. However, the management provided some interesting insights into his thinking about the future development of Surteco, which are helpful to validate our model assumptions: First, the company said it expects double digit growth in 2021, which is highly credible given the strong volume recovery in Q3. So far, we had assumed the recovery to mainly kick in in 2022, expecting a revenue increase of 6% in 2021e and another 9% in 2022. After Q3 and the positive news around potential vaccines, we believe the demand will rebound stronger in 2021. Accordingly, we expect the top line to grow by 11% in 2021 and by 4% in 2022. Therefore, we expect 2023 revenues of EUR 723m, which is in-line with Surteco's medium-term expectation of EUR 700m + X.

Regarding the material costs to sales ratio, the CEO said he expects it to be 1-2 percentage points up on average in the next couple of years compared to the first 9M 2020 (45.4% of sales). Moreover, the company guided for an EBITDA margin of 13% and re-iterated the EBIT target of EUR 55-65m (without acquisitions) by 2023.

In our model, we anticipate an increase of the material cost quota to the long-term average of 48% in 2021, which might turn out a bit conservative in the light of recent comments, but we stick to that assumption for the time being. We believe that Surteco should reach an EBITDA margin of 13% already in 2020, which we expect to increase further to 13.8% in 2023. In the same year, we expect Surteco to realize an EBIT of EUR 60m, which is exactly the midpoint of the company guidance.

The changes to our earnings assumptions are summarized in the table below.

Exhibit 2: Changes to our estimates

		2020e			2021e			2022e		
		Old	New	Chg.	Old	New	Chg.	Old	New	Chg.
Revenues	EURm	600	611	2%	620	678	9%	676	705	4%
EBITDA	"	77.3	79.5	3%	79.3	86.8	10%	89.3	93.8	5%
EBIT	"	35.9	38.1	6%	40.2	47.3	18%	49.8	54.1	9%
EPS	EUR	1.43	1.53	7%	1.65	1.97	19%	2.14	2.33	9%

Source: Pareto Securities Research

On top of that, we slightly increase the expected capex from EUR 30m in 2020 to EUR 36m after Surteco has already spent EUR 26.1m after 9 months. On the grounds of our DCF framework (see next page), we arrive at a new price target of EUR 28.80 per share (was EUR 27 before).

Exhibit 3: DCF

EUR m	Phase I					Phase II					Phase III
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	
Revenue	611	678	705	723	741	758	776	794	811	828	
<i>growth rate</i>	-9.6%	11.0%	4.0%	2.5%	2.5%	2.4%	2.3%	2.3%	2.2%	2.1%	
EBIT	38	47	54	60	62	62	61	60	59	58	
<i>EBIT margin</i>	6.2%	6.9%	7.7%	8.4%	8.4%	8.1%	7.9%	7.6%	7.3%	7.0%	
Tax	-11	-14	-16	-18	-19	-19	-18	-18	-18	-17	
<i>Tax rate</i>	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	
Depr. & Amort.	36	35	35	34	34	35	37	38	39	39	
<i>% of sales</i>	5.9%	5.2%	4.9%	4.7%	4.6%	4.7%	4.7%	4.7%	4.7%	4.8%	
Capex	-36	-35	-35	-36	-37	-38	-39	-40	-41	-41	
<i>% of sales</i>	5.9%	5.2%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Change in WC & Prov.	11	-11	-5	-3	-3	-3	-3	-3	-3	-3	
<i>% of sales</i>	-1.8%	1.7%	0.6%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%	
Free Cash Flow	37	21	33	37	37	38	37	37	36	36	710
<i>growth rate</i>	nm	-42.6%	53.5%	14.1%	0.1%	0.6%	-0.5%	-1.2%	-1.6%	-1.9%	2.0%
Present Value FCF	37	20	28	30	28	26	25	23	21	19	378

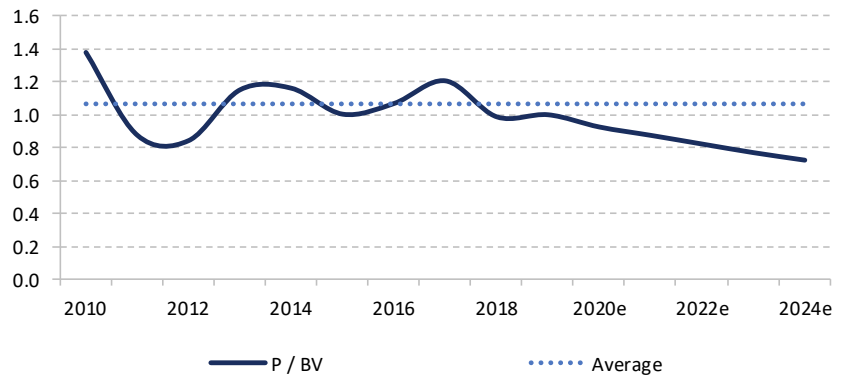
PV Phase I	143	Risk free rate	3.5%	Target equity ratio	70%		
PV Phase II	114	Premium Equity	5.0%	Beta	1.1		
PV Phase III	378	Premium Debt	0.5%	WACC	7.1%		
Enterprise value	636	Sensitivity	Growth in phase III				
- Net Debt (Cash)	180		1.0%	1.5%	2.0%	2.5%	3.0%
- Pension Provisions	14	6.4%	29.2	31.8	35.0	39.0	44.2
- Minorities & Peripherals	4	6.8%	26.8	29.0	31.7	35.0	39.1
+ MV of financial assets	8	WACC	24.6	26.5	28.8	31.6	35.0
		7.5%	22.7	24.4	26.3	28.6	31.5
		7.9%	21.0	22.4	24.1	26.1	28.5
Equity value	446						
Number of shares	15.5						
Value per share (€)	28.8						
Current Price (€)	22.9						
Upside	26%						

Source: Pareto Securities Research

For such a capital-intensive business like Surteco's, we refer to the book value as additional valuation metric. At the present share price, the Surteco share trades below book value expected for 2020e. This compares with an average multiple of ~1.1x realized in the past decade (see below). Assuming some mean reversion, this also translates into upside to the share price, especially as we expect the RoE to improve from 6.6% in 2020e to above 9% in 2023.

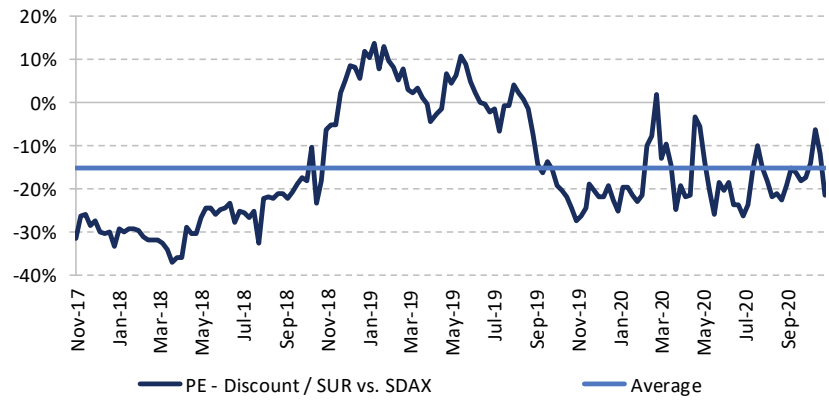
Also PE-wise, Surteco trades at a discount to the SDAX that is higher than average, although the perspectives of the company are better than ever in the last couple of years. In our view, the company is on the right track under the new management and we think there are good chances for the share to outperform the broad market from current valuations levels. Thus, our recommendation remains "buy".

Exhibit 4: P / BV



Source: Pareto Securities Research

Exhibit 5: Surteco vs SDAX



Source: Pareto Securities Research

At a glance

Exhibit 6: 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	<p>Strategy:</p> <p>(I) Cross-product sector approach to improve positioning against competitors</p> <p>(II) Benefit from favourable megatrends: population growth and urbanisation, individualisation and digitalisation</p> <p>(III) One-stop shop with a comprehensive offering for relevant customer groups</p> <p>(IV) M&A to make the portfolio more resilient, but no consolidation moves.</p>	<p>Guidance (13/11/2020):</p> <p>Revenue: below</p> <p>EBIT: below</p> <p>EUR 675-700m</p> <p>EUR 40-45m</p>	<p>Pareto Estimates</p> <p>Revenue: EUR 611m</p> <p>y/y: -9.6%</p> <p>EBIT: EUR 38m</p> <p>EBIT margin: 6.2%</p> <p>Consensus</p> <p>EUR 594m</p> <p>-12.0%</p> <p>EUR 32m</p> <p>5.4%</p>				
2019	Sales (EURm) 675.3	EBITDA Margin 9.8%	EBIT (EURm) 21.1	Margin 3.1%	Sales 5Y hist. CAGR Organic growth y/y 1.8%	3.5%	
Sales & EBIT Split	<p>Sales split by region</p>		<p>Sales split by division</p>		<p>EBIT split by division</p>		<p>Group financial development</p>
Shareholder structure & management	<p>CEO</p> <p>Wolfgang Moyses</p> <p>CEO (since 2019)</p> <p>• Following his studies in business administration and has an MBA from the Gutenberg University of Mainz. Wolfgang 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, Moyses acts as CEO of Surteco</p>	<p>COO</p> <p>Dr. Manfred Bracher</p> <p>COO (since 2020)</p> <p>• 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.</p>	<p>Shareholder structure</p>				
# of employees FY 2019	3,200						

Source: Pareto Securities Research

PROFIT & LOSS (fiscal year) (EURm)	2015	2016	2017	2018	2019	2020e	2021e	2022e
Revenues	638	640	690	699	675	611	678	705
EBITDA	65	74	83	73	66	80	87	94
Depreciation & amortisation	(34)	(33)	(38)	(41)	(45)	(41)	(40)	(40)
EBIT	31	41	45	32	21	38	47	54
Net interest	(8)	(8)	(8)	(6)	(7)	(4)	(4)	(3)
Other financial items	4	2	(4)	0	1	-	-	-
Profit before taxes	27	35	34	27	16	34	43	52
Taxes	(9)	(11)	(7)	(8)	(7)	(10)	(13)	(16)
Minority interest	0	0	(0)	(0)	(0)	(0)	(0)	(0)
Net profit	18	24	26	19	9	24	30	36
EPS reported	1.14	1.54	1.69	1.20	0.61	1.53	1.93	2.32
EPS adjusted	1.56	1.64	1.78	1.54	0.61	1.53	1.93	2.32
DPS	0.80	0.80	0.80	0.55	-	0.55	0.70	0.80
BALANCE SHEET (EURm)	2015	2016	2017	2018	2019	2020e	2021e	2022e
Tangible non current assets	245	246	258	256	237	232	228	224
Other non-current assets	160	167	258	245	246	245	245	244
Other current assets	186	201	193	223	214	197	215	222
Cash & equivalents	66	60	133	121	84	124	37	62
Total assets	656	674	843	845	780	798	724	752
Total equity	335	347	349	353	355	379	401	426
Interest-bearing non-current debt	187	124	318	253	255	263	161	161
Interest-bearing current debt	5	72	6	66	9	-	-	-
Other Debt	116	118	157	160	148	142	149	151
Total liabilities & equity	656	674	843	845	780	798	724	752
CASH FLOW (EURm)	2015	2016	2017	2018	2019	2020e	2021e	2022e
Cash earnings	64	60	75	66	78	65	71	76
Change in working capital	6	(1)	8	(5)	6	11	(11)	(5)
Cash flow from investments	(28)	(54)	(115)	(49)	(36)	(36)	(35)	(35)
Cash flow from financing	(18)	(9)	107	(24)	(85)	-	(111)	(11)
Net cash flow	23	(5)	73	(12)	(37)	40	(87)	25
CAPITALIZATION & VALUATION (EURm)	2015	2016	2017	2018	2019	2020e	2021e	2022e
Share price (EUR end)	21.7	23.7	26.9	22.3	22.7	22.1	22.1	22.1
Number of shares end period	16	16	16	16	16	16	16	16
Net interest bearing debt	127	136	190	198	180	140	124	99
Enterprise value	476	519	623	559	548	500	485	460
EV/Sales	0.7	0.8	0.9	0.8	0.8	0.8	0.7	0.7
EV/EBITDA	7.3	7.0	7.5	7.7	8.3	6.3	5.6	4.9
EV/EBIT	15.3	12.7	13.9	17.4	26.0	13.1	10.4	8.5
P/E reported	19.0	15.4	15.9	18.6	37.4	14.4	11.4	9.5
P/E adjusted	13.9	14.4	15.1	14.4	37.4	14.4	11.4	9.5
P/B	1.0	1.1	1.2	1.0	1.0	0.9	0.9	0.8
FINANCIAL ANALYSIS & CREDIT METRICS	2015	2016	2017	2018	2019	2020e	2021e	2022e
ROE adjusted (%)	7.4	7.5	7.9	6.8	2.7	6.5	7.7	8.7
Dividend yield (%)	3.7	3.4	3.0	2.5	-	2.5	3.2	3.6
EBITDA margin (%)	10.2	11.6	12.0	10.4	9.8	13.0	12.8	13.3
EBIT margin (%)	4.9	6.4	6.5	4.6	3.1	6.2	6.9	7.7
NIBD/EBITDA	1.95	1.82	2.29	2.71	2.71	1.76	1.43	1.06
EBITDA/Net interest	8.95	9.46	11.04	13.27	9.75	17.92	21.64	32.66

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Appendix A

Disclosure requirements pursuant to the Norwegian Securities Trading Regulations section 3-10 (2) and section 3-11 (1), letters a-b

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

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Helgeland Sparebank	2,012,315	9.64%	SpareBank 1Østfold Akerst	1,139,560	9.20%
Pareto Bank ASA	16,015,327	22.93%	Sparebanken Vest	6,361,986	5.93%

Pareto Securities AS or its affiliates own as determined in accordance with FINRA Rule 2241, 1 % or more of the equity securities of:

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
DOF ASA	3,789,844	12.3%	SpareBank 1SMN	1,876,052	14.4%
Helgeland Sparebank	2,012,315	9.64%	SpareBank 1Østfold Akerst	1,139,560	9.20%
NHST Media Group AS	17,900	1.39%	SpareBank 1Østlandet	1,743,409	16.3%
Pareto Bank ASA	16,015,327	22.93%	Sparebanken Møre	305,369	3.09%
Selvaag Bolig ASA	2,394,475	2.55%	Sparebanken Sør	433,544	2.77%
SpareBank 1BV	1,640,220	2.60%	Sparebanken Vest	6,361,986	5.93%
SpareBank 1Nord-Norge	3,220,305	3.21%	Totens Sparebank	78,246	12.8%

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	Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings
Aker ASA	500	1,917	Frontline	0	42,918	SailMar	0	305
Aker BP	0	28,032	Gjensidige Forsikring	0	7,294	Sandnes Sparebank	0	125,782
Aker Carbon Capture	0	295,978	Grieg Seafood	0	12,600	Sbanken ASA	0	4,520
Aker Solutions	0	8,148	Hafnia Limited	0	30,000	Scatec Solar	0	20,000
American Shipping Company	0	3,780	Ice Group ASA	0	190,000	Schibsted ASA B Aksjer	0	649
Archer	0	32,930	Kid ASA	0	783	Selvaag Bolig	0	54,175
Atlantic Sapphire	0	10,210	Komplett Bank	0	98,300	SpareBank 1BV	0	7,000
Austevoll Seafood	0	29,135	Kongsberg Gruppen	0	37,237	SpareBank 1Nord-Norge	0	750
Avance Gas	0	4,374	KWS	75	75	SpareBank 1SMN	0	13,350
B2Holding AS	0	14,075	Lerøy Seafood Group	0	17,368	SpareBank 1SR-Bank	0	18,308
BASF	270	270	Mowi	0	4,849	SpareBank 1Østlandet	0	921
Bonheur	0	33,592	NORBIT ASA	0	5,428	Sparebanken Møre	0	180
Borregaard ASA	0	500	Nordic Semiconductor	0	5,100	Sparebanken Sør	0	16,235
Bouvet	0	94	Norsk Hydro	0	112,001	Sparebanken Vest	0	6,059
BRABank	0	74,607	Norske Skog	0	8,225	Sparebanken Øst	0	1,500
BW Energy	0	43,075	Norwegian Finans Holding	0	3,210	Stolt-Nielsen	0	41,317
BW Offshore	0	11,326	NTS	0	2,272	Storebrand	0	7,007
DNB	0	25,036	Ocean Yield	0	66,710	Subsea 7	0	9,226
DNO	0	537,478	Okeanis Eco Tankers	0	22,000	Telenor	0	2,797
DOF	0	2,366,346	Orkla	0	19,353	TGS-NOPEC	0	1,300
Elkem	0	37,878	Panoro Energy	0	9,795	VOW	0	5,231
Entra	0	10,842	Pareto Bank	0	2,391,717	Wallenius Wilhelmsen	0	50,100
Equinor	0	3,369	Pexip Holding	0	23,692	XXL	0	12,573
Europris	0	11,056	Protector Forsikring	0	16,400	Yara	0	14,971
Fjord1 ASA	0	50,000	Quantafuel	0	1,125,190			
Fjordkraft Holding	0	12,605	REC Silicon	0	35,515			

This overview is updated monthly (last updated 15.11.2020).

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

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:

24SevenOffice Scandinavia	Hafnia Limited	Odfjell SE
Acconer AB	Helgeland Sparebank	OHT ASA
Avanzia Bank	HKN Energy Ltd	Pexip Holding
Africa Energy Corp	Hofseth BioCare	PGS
Aker ASA	House of Control	Pinewood Laboratories
American Tanker, Inc.	HydrogenPro	Pioneer Property Group
Aprila Bank ASA	ICW Holding	Providences Inv. Mngmt Pty
Boreal Holding AS	Idavang A/S	Quantafuel
Borr Drilling Limited	Instabank ASA	REC Silicon
BRABank	Kingfish Zeeland	Salmon Evolution
Brooge Energy Limited	Klavens Combination Carriers ASA	Sandnes Sparebank
BW Energy	Komplett Bank	Scorpio Bulkers Inc.
Cabonline Group Holding AB	Kongsberg Automotive	Seadrill Ltd
Cibus Nordic Real Estate	Luxaviation Holding	Sparebanken Vest
Cloudberry Clean Energy AS	Mercell	United Camping AB
Crayo Nano AS	Mintira Group	Watercircles Forsikring ASA
Digiplex	MPC Container Ships	West Coast Salmon
DOF ASA	Mutares SE & Co. KGaA	
DOF Subsea AS	Navigator Holdings Ltd.	
ELOP	Next Biometrics Group	
Erwe Immobilien	Northern Ocean	
Fjordkraft Holding	Norwegian Air Shuttle	
Genel Energy	Ocean Yield	

This overview is updated monthly (this overview is for the period 31.10.2019 – 31.10.2020).

Appendix C

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

Distribution of recommendations

Recommendation	% distribution
Buy	69%
Hold	27%
Sell	4%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	77%
Hold	23%
Sell	0%

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

This overview is updated monthly (last updated 16.11.2020).

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:

24SevenOffice Scandinavia AB	IRRAS AB	Minesto	Sedana Medical
Azelio	Isofol Medical AB	Pexip Holding	ShaM aran Petroleum
Bionvent	Jetpak Top Holding AB	Pledpharma AB	Vicore Pharma
Climeon AB	Mentice AB	QleanAir Holding	VNV Global
Implantica			

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 universes:

Africa Energy Corp.	Magnolia Bostad	Logistri Fastighets AB	ShaM aran Petroleum
ByggPartner i Dalarna Holding	Media & Games Invest plc.	Saltängen Property Invest	Surgical Science
Cibus Nordic Real Estate	Mentice AB	SciBase Holding	Tethys Oil
Isofol Medical	Minesto	Sedana Medical	Vostok Emerging Finance

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:

Bosjö Fastigheter AB	Bråviken Logistik	Halmslätten	M älaråsen
Bonäsudden	Delarka	Logistri	Sydsvenska Hem

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 16.11.2020).

Appendix E

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

Designated Sponsor

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2G Energy *	Gigaset *	MLP *	Siemens Healthineers AG
Baywa	Heidelberg Pharma *	MOBOTIX AG	SMT Scharf AG *
Biotest *	Hypoport AG	mutares	Surteco Group *
Brenntag	Intershop Communications AG	OVH Holding AG	Syzygy AG *
CORESTATE Capital Holding S.A.	ISRA Vision	Procredit Holding *	TAKKT AG
Daldrup & Söhne	Leifheit	PSI SOFTWARE AG *	Vapiano
Demire	Logwin *	PWO *	va-Q-tec *
Epigenomics AG*	Manz AG *	RIB Software *	Viscom *
Gesco *	MAX Automation SE	S&T AG *	
GFT Technologies *	Merkur Bank	SCOUT24	

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

Appendix F

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

Sponsored Research

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

Adler Modemaerkte	Daldrup & Söhne	Intershop Communications AG	mutares
Baywa	Dermapharm Holding SE	Leifheit	OHB SE
BB Biotech	First Sensor	MAX Automation SE	OVH Holding AG
B.R.A.I.N.	Godewind Immobilien AG	Merkur Bank	Stegfried Holding AG
comdirect	Hypoport AG	MOBOTIX AG	

This overview is updated monthly (last updated 16.11.2020).