



Lower raw material prices will help

While Surteco will for sure be hit by weak end markets in the coming quarters, lower raw materials prices will in our view provide some relief in 2020. We stick to our price target of EUR 25 and our “buy” recommendation, as lower expected short-term earnings will be compensated by better long-term profitability after the recent restructuring, we think.

Surteco will be impacted by COVID-19

Although Surteco reported strong preliminary Q1 figures, the company pulled back the former guidance for 2020, which foresaw revenues of EUR 675-700m and EBIT between EUR 40-45m as Surteco already felt the consequences of the corona pandemic in the 2nd quarter.

Furniture markets down, but so are raw material prices

The business expectations for the German furniture market, one of the key end markets for Surteco, are at multi-year lows. On the other hand, prices for raw materials (mainly technical thermoplastics and paper / titanium dioxide) will in our view provide some relief in 2020. Our assumption is that (adjusted) earnings will drop by ~30% in 2020 but will recover within two years.

Better long-term profitability

In our DCF, the lower expected earnings in the short term are compensated by better long-term profitability after the recent restructuring. Also, the present book value of 0.8x compares with an average multiple of ~1.1x in the past, which offers some mean reversion potential. Therefore, we stick to our price target of EUR 25, the recommendation remains “buy”.

EURm	2018	2019	2020e	2021e	2022e
Revenues	699	675	574	620	676
EBITDA	73	66	68	75	83
EBIT	32	21	28	34	42
EPS	1.20	0.61	1.10	1.40	1.79
EPS adj	1.54	0.61	1.10	1.40	1.79
DPS	0.55	0.20	0.40	0.50	0.65
EV/EBITDA	7.7	8.3	7.0	6.2	5.5
EV/EBIT	17.4	26.0	17.0	13.6	10.9
P/E adj	14.4	37.4	18.1	14.1	11.0
P/B	0.99	1.00	0.84	0.81	0.77
ROE (%)	5.4	2.7	4.7	5.8	7.1
Div yield (%)	2.5	0.9	2.0	2.5	3.3
Net debt	198	180	149	141	130

Source: Pareto

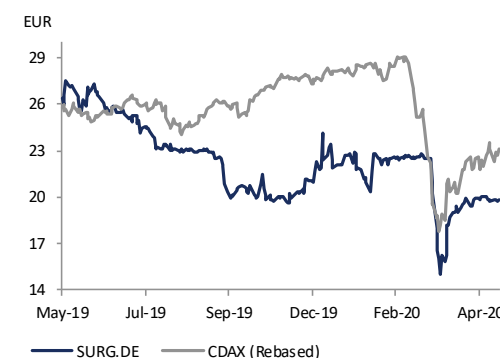
Target price (EUR)	25
Share price (EUR)	20

Forecast changes			
%	2020e	2021e	2022e
Revenues	(12)	(7)	NM
EBITDA	(20)	(14)	NM
EBIT adj	(38)	(27)	NM
EPS reported	(43)	(30)	NM
EPS adj	(43)	(30)	NM

Source: Pareto

Ticker	SURG.DE, SUR GR
Sector	Industrials
Shares fully diluted (m)	15.5
Market cap (EURm)	307
Net debt (EURm)	163
Minority interests (EURm)	4
Enterprise value 20e (EURm)	473
Free float (%)	5

Performance



Source: Factset

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Analysts

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

Wrap-up 2019 / Q1 figures and outlook

Exhibit 1: ...

Profit & Loss	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	2023e	2024e
Revenue	618	638	640	690	699	675	574	620	676	693	709
% yoy	53.1%	3.2%	0.2%	7.8%	1.4%	-3.4%	-15.0%	8.0%	9.0%	2.5%	2.4%
EBITDA	63	65	74	83	73	66	68	75	83	88	94
% of sales	10.2%	10.2%	11.6%	12.0%	10.4%	9.8%	11.9%	12.0%	12.2%	12.7%	13.2%
EBIT	28	31	41	45	32	21	28	34	42	47	53
% of sales	4.5%	4.9%	6.4%	6.5%	4.6%	3.1%	4.9%	5.5%	6.2%	6.8%	7.4%
Adjusted EBIT	37	40	43	47	40	40	28	34	42	47	53
% of sales	6.0%	6.3%	6.7%	6.8%	5.7%	6.0%	4.9%	5.5%	6.2%	6.8%	7.4%
Pretax Profit	22	27	35	34	27	16	24	31	39	45	51
% of sales	3.6%	4.2%	5.5%	4.9%	3.9%	2.4%	4.2%	5.0%	5.8%	6.5%	7.1%
Net Profit	18	18	24	26	19	9	17	22	28	32	36
% of sales	3.0%	2.8%	3.7%	3.8%	2.7%	1.4%	3.0%	3.5%	4.1%	4.6%	5.1%
EPS	1.19	1.14	1.54	1.69	1.20	0.61	1.10	1.40	1.79	2.05	2.31
% yoy	-36.0%	-4.2%	34.9%	9.7%	-28.9%	-49.6%	80.8%	28.0%	27.9%	14.2%	12.9%
DPS	0.70	0.80	0.80	0.80	0.55	0.20	0.40	0.50	0.65	0.72	0.81
Payout ratio	59%	70%	52%	47%	46%	35%	35%	35%	35%	35%	35%

Source: Pareto Securities Research

2019 and Q1 2020

Surteco has reported full year 2019 and preliminary Q1 2020 figures on April 30th. As a reminder, reported EBIT were at EUR 21.1m, since Surteco incurred one-off costs of EUR 19.4m (EUR 12.6 m restructuring provisions, EUR 6.8m impairments) in 2019. The restructuring is about downsizing the workforce by 175 FTE (100 of which already in 2020) mainly in Germany in the Decoratives segment and the closure of the sales companies in Spain and Turkey, among others.

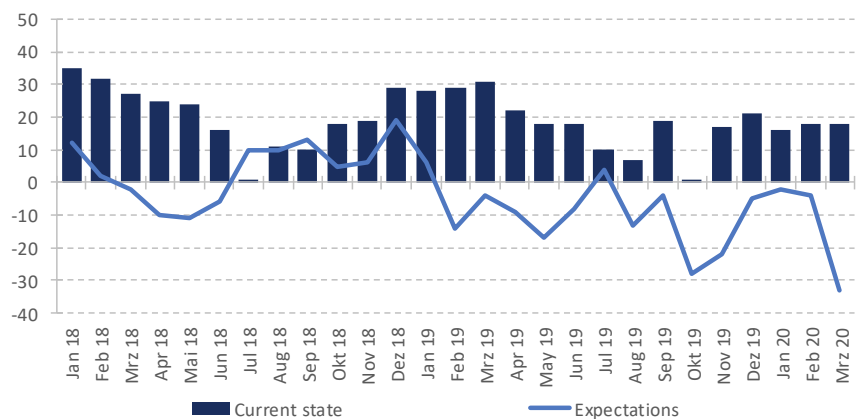
Despite the impact of the coronavirus, Surteco reported strong preliminary Q1 figures. While revenues were down by 6% mainly due to the disposal of impregnating business in the USA, EBIT increased by ~16% from EUR 11.6m to EUR 13.4m, driven by the gains from the restructuring program initiated at the end of last year (contribution c. EUR 1.5m), good production volumes realized until the middle of March and a lower material cost quota at around 46% of sales (c. EUR 0.3m), which we attribute to lower prices for plastics and paper / TiO₂. However, Surteco already felt the consequences of the corona pandemic in the 2nd quarter. Therefore, the company pulled back the former guidance for 2020, which foresaw revenues of EUR 675-700 and EBIT between EUR 40-45m and now expects a significantly lower result. A dividend for 2019 still seems to be possible and will be discussed by the supervisory board and the board of directors.

Outlook

Surteco's most important business drivers are (1) demand for furniture in Germany and (2) the price development for raw materials.

The German furniture market was in bad shape already before the crisis hit and will most likely get worse in the coming months: The business expectations have been at record low levels already in March according to the ifo index (see below), while the current business seems to have held up well back then, but we expect this to deteriorate dramatically in April and May.

Exhibit 2: ifo business climate index for the furniture industry

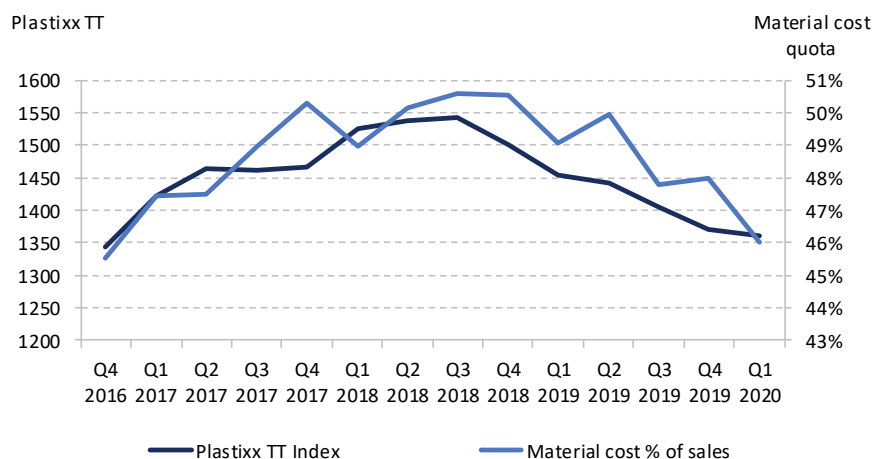


Source: Pareto Securities Research

Accordingly, we expect a severe revenue drop of around 15% in 2020, but the visibility is clearly low at present, so this is just a rough estimate. Beyond 2020, our basic idea is that there will be a vaccine and / or an effective treatment of the coronavirus at the beginning of 2021 and the economy will recover within two years and therefore will be back to 2019 levels in 2022, by and large.

On the other hand, raw material prices will in our view provide some relief in 2020, if respective value chains remain intact. Surteco incurs almost half of its revenues for input material, namely for technical thermoplastics and paper / titanium dioxide. In parallel to raw materials prices, the material cost quota has hit a multi-year low of 46% in Q1 2020, partially because of the disposal of the material-intensive US business, we understand, but mostly because of overcapacities in the relevant raw material markets. We expect the quota to remain at 46% for the full year and to rise again to the longer-term average of 48% by 2022, because suppliers will adjust capacity, too, and demand should rebound to some extent after 2020.

Exhibit 3: Plastixx TT index and material cost quota



Source: Pareto Securities Research

We think that Surteco should be able to reduce personnel expenses by around EUR 30m in 2020 to EUR 155m (27% of sales), as restructuring expenses of EUR 12.6m incurred in 2019 will fall away in 2020 and Surteco will operate from a lower cost base going forward. Moreover, the partial use of short-time work in

Germany should provide additional relieve in 2020, we think. Longer-term, Surteco aspires to bring personnel expenses down to 25% of sales, which appears realistic to us.

Surteco has incurred D&A of EUR 45m in 2019, of which EUR 4.8m were related to rights of use and EUR 1.2m to asset impairments. As the latter will most probably not re-occur in 2020 and the overall asset base has been lower in 2019 than in in 2018, we expect D&A to be around EUR 40m in 2020 and to rise slightly thereafter.

All in, we arrive at an EBIT estimate of EUR 28m in 2020. As Surteco expects EBIT around zero in Q2, this means that Surteco must realize EBIT of 14.6m in the second half of the year. In-line with the macro scenario outlined above, we anticipate a recovery to kick in in 2021 and expect Surteco to achieve EBIT of 42m by 2022, which is close to (adjusted) FY 2019 levels. Surteco's declared long term target remains an EBIT level of EUR 55-65m, and we think this target might be in reach by 2024.

Exhibit 4: Forecasted balance sheet

Balance Sheet	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	2023e	2024e
Total assets / liabilities	637	656	674	843	845	780	787	706	733	757	785
% of sales	103%	103%	105%	122%	121%	116%	137%	114%	108%	109%	111%
Capital employed	504	503	523	605	599	600	583	591	600	603	606
% of sales	82%	79%	82%	88%	86%	89%	102%	95%	89%	87%	85%
Net Working Capital	126	121	122	114	119	113	96	104	113	116	118
% of sales	20%	19%	19%	17%	17%	17%	17%	17%	17%	17%	17%
Net Debt + Pension Prov.	159	139	149	203	210	194	161	152	139	119	96
Gearing	31%	27%	28%	35%	36%	34%	29%	26%	24%	20%	15%
Equity	321	335	344	346	350	351	366	383	405	428	453
Equity ratio	50%	51%	51%	41%	41%	45%	47%	54%	55%	56%	58%
No. Shares	15.5	16	16	16	16	16	16	16	16	16	16
% yoy		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Book Value per Share	20.7	21.6	22.2	22.3	22.6	22.6	23.6	24.7	26.1	27.6	29.2
% yoy		4%	3%	1%	1%	0%	4%	5%	6%	6%	6%

Source: Pareto Securities Research

Despite lacklustre capital returns in the last couple of years, Surteco still acts from position of financial solidity and therefore can afford to think about acquisitions in the current situation. The management made however clear that there will no deals that aim at an industry consolidation. Instead, deals might come on the agenda at some point in time that reduce the dependency from the furniture markets and / or involve new geographies and new applications. A capital increase to finance such a deal is not conceivable at the moment, though. Regarding organic growth, Surteco will not go for greenfield investments in the foreseeable future.

Valuation update

Exhibit 5: DCF

EUR m	Phase I					Phase II					Phase III
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	
Revenue	574	620	676	693	709	726	742	758	774	790	
<i>growth rate</i>	-15.0%	8.0%	9.0%	2.5%	2.4%	2.3%	2.2%	2.2%	2.1%	2.1%	
EBIT	28	34	42	47	53	52	52	52	52	51	
<i>EBIT margin</i>	4.9%	5.5%	6.2%	6.8%	7.4%	7.2%	7.0%	6.9%	6.7%	6.5%	
Tax	-8	-10	-12	-13	-15	-15	-15	-15	-15	-15	
<i>Tax rate</i>	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	
Depr. & Amort.	40	40	41	41	41	41	41	42	43	44	
<i>% of sales</i>	7.0%	6.5%	6.0%	5.9%	5.8%	5.7%	5.6%	5.6%	5.5%	5.5%	
Capex	-40	-40	-41	-41	-41	-42	-43	-44	-45	-46	
<i>% of sales</i>	7.0%	6.5%	6.0%	5.9%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	
Change in WC & Prov.	17	-8	-9	-3	-3	-3	-3	-3	-3	-3	
<i>% of sales</i>	-2.9%	1.2%	1.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%	
Free Cash Flow	37	17	20	31	35	34	33	33	32	32	670
<i>growth rate</i>	nm	-54.5%	21.7%	50.9%	13.1%	-3.1%	-1.9%	-1.4%	-1.1%	-1.3%	2.0%
Present Value FCF	35	15	17	24	26	23	21	20	18	17	354

PV Phase I	117	Risk free rate	3.5%	Target equity ratio	65%
PV Phase II	99	Premium Equity	5.0%	Beta	1.1
PV Phase III	354	Premium Debt	0.5%	WACC	6.9%

Enterprise value	570	Sensitivity	Growth in phase III					
			1.0%	1.5%	2.0%	2.5%	3.0%	
- Net Debt (Cash)	180							
- Pension Provisions	14	6.2%	24.9	27.4	30.6	34.6	39.9	
- Minorities & Peripherals	4	6.5%	22.6	24.8	27.4	30.7	34.9	
+ MV of financial assets	10	WACC	6.9%	20.6	22.4	24.7	27.4	30.9
		7.2%	18.8	20.4	22.3	24.6	27.5	
		7.5%	17.2	18.6	20.2	22.2	24.6	

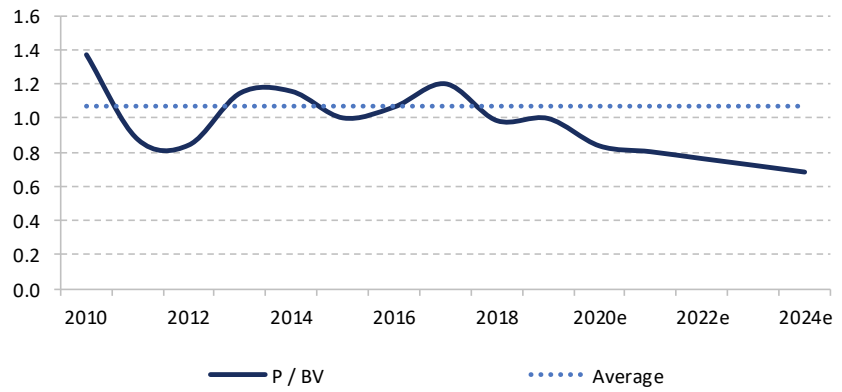
Equity value	383
Number of shares	15.5
Value per share (€)	24.7
Current Price (€)	19.8
Upside	25%

Source: Pareto Securities Research

Based on a DCF, we confirm our fair value of EUR 25 and keep our “Buy” rating. Aside from the estimate changes outlined in the previous section, we applied only minor changes to our valuation framework.

At the present share price, the Surteco share trades around 0.8x book value 2020e. This compares with an average multiple of ~1.1x realized in past decade (see below). Assuming some mean reversion, this also translates into an upside of more than ~20%, well in-line with the results derived from the DCF.

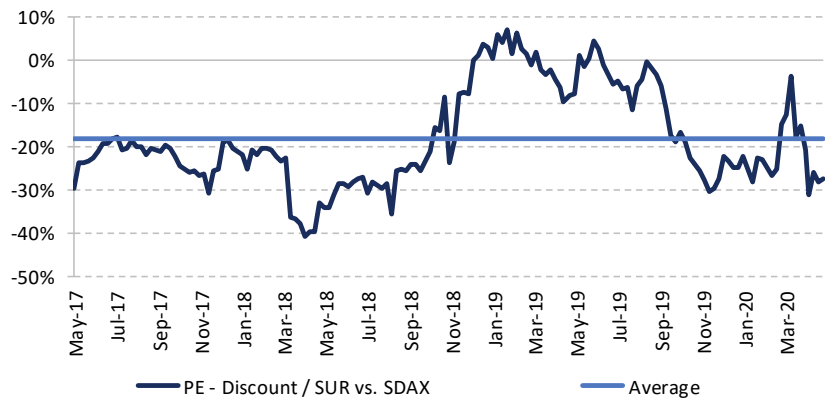
Exhibit 6: Price / Book



Source: Pareto Securities Research

Also, the Surteco share trades currently at a higher than average discount to the SDAX (Surteco is no member of the SDAX at present).

Exhibit 7: PE Discount to SDAX



Source: Pareto Securities Research

At a glance

Exhibit 8: 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	Strategy: (I) Cross-product sector approach to improve positioning against competitors (II) Benefit from favourable megatrends: population growth and urbanisation, individualisation and digitalisation (III) One-stop shop with a comprehensive offering for relevant customer groups (IV) M&A to make the portfolio more resilient, but no consolidation moves.	Guidance (30/04/2020): Revenue: significantly below EUR 675-700m EBIT: significantly below EUR 40-45m	Pareto Estimates Revenue: EUR 574m y/y -15.0% EBIT: EUR 28m 4.9% EBIT margin	Consensus EUR 619m -8.4% EUR 34m 5.5%
2019	Sales (EURm) 675.3 y/y	EBITDA Margin 66.3 9.8%	EBIT (EURm) Margin 21.1 3.1%	Sales 5Y hist. CAGR 1.8% Organic growth y/y 3.5%
Sales & EBIT Split				
Shareholder structure & management	CEO Wolfgang Moyses CEO (since 2019) • 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	CFO Andreas Riedl CFO (since 2017) • Andreas Riedl graduated in business administration at the University of Augsburg. His previous experience includes: auditing at KPMG and financial reporting at Allianz. He joined Surteco in 2006 as the responsible for finance, accounting and investor relations. In July 2017, he was appointed Surteco's CFO	Shareholder structure 	
# 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	574	620	676
EBITDA	65	74	83	73	66	68	75	83
Depreciation & amortisation	(34)	(33)	(38)	(41)	(45)	(40)	(40)	(41)
EBIT	31	41	45	32	21	28	34	42
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	24	31	39
Taxes	(9)	(11)	(7)	(8)	(7)	(7)	(9)	(11)
Minority interest	0	0	(0)	(0)	(0)	(0)	(0)	(0)
Net profit	18	24	26	19	9	17	22	28
EPS reported	1.14	1.54	1.69	1.20	0.61	1.10	1.40	1.79
EPS adjusted	1.56	1.64	1.78	1.54	0.61	1.10	1.40	1.79
DPS	0.80	0.80	0.80	0.55	0.20	0.40	0.50	0.65
BALANCE SHEET (EURm)	2015	2016	2017	2018	2019	2020e	2021e	2022e
Tangible non current assets	245	246	258	256	237	237	237	237
Other non-current assets	160	167	258	245	246	246	246	246
Other current assets	186	201	193	223	214	188	200	214
Cash & equivalents	66	60	133	121	84	115	21	32
Total assets	656	674	843	845	780	785	703	729
Total equity	335	347	349	353	355	369	385	405
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	139	143	148
Total liabilities & equity	656	674	843	845	780	785	703	729
CASH FLOW (EURm)	2015	2016	2017	2018	2019	2020e	2021e	2022e
Cash earnings	64	60	75	66	78	57	62	69
Change in working capital	6	(1)	8	(5)	6	17	(8)	(9)
Cash flow from investments	(28)	(54)	(115)	(49)	(36)	(40)	(40)	(41)
Cash flow from financing	(18)	(9)	107	(24)	(85)	(3)	(108)	(8)
Net cash flow	23	(5)	73	(12)	(37)	31	(94)	11
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	19.8	19.8	19.8
Number of shares end period	16	16	16	16	16	16	16	16
Net interest bearing debt	127	136	190	198	180	149	141	130
Enterprise value	476	519	623	559	548	473	466	455
EV/Sales	0.7	0.8	0.9	0.8	0.8	0.8	0.8	0.7
EV/EBITDA	7.3	7.0	7.5	7.7	8.3	7.0	6.2	5.5
EV/EBIT	15.3	12.7	13.9	17.4	26.0	17.0	13.6	10.9
P/E reported	19.0	15.4	15.9	18.6	37.4	18.1	14.1	11.0
P/E adjusted	13.9	14.4	15.1	14.4	37.4	18.1	14.1	11.0
P/B	1.0	1.1	1.2	1.0	1.0	0.8	0.8	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	4.7	5.8	7.0
Dividend yield (%)	3.7	3.4	3.0	2.5	0.9	2.0	2.5	3.3
EBITDA margin (%)	10.2	11.6	12.0	10.4	9.8	11.9	12.0	12.2
EBIT margin (%)	4.9	6.4	6.5	4.6	3.1	4.9	5.5	6.2
NIBD/EBITDA	1.95	1.82	2.29	2.71	2.71	2.19	1.88	1.57
EBITDA/Net interest	8.95	9.46	11.04	13.27	9.75	15.32	18.19	27.10

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	"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

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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	2,010,630	9.63%	SpareBank 1Østfold Akersl	1,140,010	9.20%
Pareto Bank ASA	14,902,985	21.34%	Sparebanken Vest	6,111,796	5.69%

Pareto Securities AS or its affiliates own as determined in accordance with Section 13(d) of the US Exchange Act, 1 % or more of the equity securities of:

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Helgeland Sparebank	2,010,630	9.63%	SpareBank 1SMN	1,885,567	1.45%
Pareto Bank ASA	14,902,985	21.34%	SpareBank 1Østfold Akersl	1,140,010	9.20%
Selvaag Bolig ASA	2,171,147	2.32%	Sparebanken Møre	305,239	3.09%
SpareBank 1BV	1,655,920	2.63%	Sparebanken Sør	433,149	2.77%
SpareBank 1Nord-Norge	3,246,880	3.23%	Sparebanken Vest	6,111,796	5.69%

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
A F Gruppen	0	18,535	Helgeland Sparebank	0	4,127	Schibsted ASA B Aksjer	0	597
Aker	0	791	Ice Group	0	96,891	Seadrill	0	8,689
Aker BP	0	14,269	Jæren Sparebank	0	500	Selvaag Bolig	0	2,000
American Shipping Compar	0	3,500	Komplett Bank	0	104,079	SpareBank 1BV	0	22,700
Atlantic Sapphire	0	1,105	Kongsberg Gruppen	0	34,118	SpareBank 1Nord-Norge	0	27,325
Avance Gas	0	4,580	KWS	75	75	SpareBank 1Ringerike Had	0	500
Axactor	0	8,709	Lerøy Seafood	0	2,050	SpareBank 1SMN	0	22,865
BASF	270	270	Mowi	0	1,904	SpareBank 1SR-Bank	0	30,040
Bonheur	0	46,615	Nordic Semiconductor	0	6,000	Sparebank 1Østfold Akersl	0	450
BRABank	0	1,371,000	Norsk Hydro	0	96,736	SpareBank 1Østlandet	0	2,161
DNB	0	29,705	Norwegian Air Shuttle	0	49,491	Sparebanken Sør	0	15,840
DNO	0	457,388	Ocean Yield	0	39,037	Sparebanken Vest	0	5,869
DNO Bull ETN	0	7,000	Okeanis Eco Tankers	0	2,728	Sparebanken Øst	0	1,500
Entra	0	8,837	Orkla	0	18,644	Stolt-Nielsen	0	42,426
Equinor	0	5,002	Pareto Bank	0	1,279,375	Storebrand	0	6,165
Europris	0	14,750	PGS	0	11,656	Subsea 7	0	1,139
Fjord1	0	50,000	Pioneer Property	0	2,050	Telenor	0	2,731
Fjordkraft Holding	0	8,000	Protector Forsikring	0	14,785	TGS-NOPEC	0	2,000
Frontline	0	11,730	REC Silicon	0	32,708	VOWASA	0	4,781
Gjensidige Forsikring	0	7,280	SalMar	0	200	XXL	0	9,279
Golden Ocean Group	0	1,744	Sandnes Sparebank	0	27,532	Yara International	0	14,253
Grieg Seafood	0	770	Scatec Solar	0	35,000	Zenterio	0	78,865
Hafnia Limited	0	10,000						

This overview is updated monthly (last updated 17.03.2020).

*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:

2020Bulkers	GG. St. Kongensgade 100 og 106	Ocean Yield
Avanzia Bank	Hafnia Limited	Odfjell SE
Africa Energy	Hafslund E-CO	OKEA
African Petroleum Corporation	Hunter Group ASA	Otiga Group
Agder Energi	Hörmann Industries	Pareto Bank
Aker ASA	Ice Group	Petroleum Geo-Services
American Tanker	ICWHolding	PetroTal
Belships	Kingfish Zeeland	Pinewood Laboratories
BRABank	Klaveness Combination CarriersASA	Pioneer Property Group
BWEnergi	LifeFit	ProvidencesInv. Mngmt Pty
Cabonline Group Holding AB	Luxaviation Holding	Qesterre Energy
CentralNic Group	Monobank ASA	Sandnes Sparebank
DNO	Mutares SE & Co. KGaA	Seadrill
Erwe Immobilien	Navig8	Shamaran Petroleum
Euromicron AG	Navigator Holdings	Sparebanken Vest
Exmar NV	Norbit ASA	Stolt Nilsen
Filo Mining Corp	Northern Ocean	TEMPTON Dienstleistungen
Flex LNG	Norwegian Air Shuttle	United Camping AB
Floatel	Nouveau Monde Graphite	Vantage Drilling
Genel Energy		

This overview is updated monthly (this overview is for the period 28.02.2019 – 29.02.2020).

Appendix C

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

Distribution of recommendations

Recommendation	% distribution
Buy	56%
Hold	39%
Sell	5%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	87%
Hold	13%
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 17.03.2020).

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:

Azelio	Green Landscaping Holding	Mentice AB	Sedana Medical
Bionvent	IRRAS AB	Pledpharma AB	ShaM aran Petroleum
Climeon	Jetpak Top Holding AB	QleanAir Holding	

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:

ByggPartner i Dalarna Holding	Magnolia Bostad	Sedana Medical	Tethys Oil
Cibus Nordic Real Estate	Sältängen Property Invest	ShaM aran Petroleum	Vostok Emerging Finance
Isofol Medical	SciBase Holding		

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Bonäsudden	Delarka	Logistri	Sydsvenska Hem

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Appendix E

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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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.

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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 16.04.2020).