



Getting out of the crisis with a reduced cost base

Surteco has reported an excellent Q1. Updating our estimates, we arrive at an EBIT forecast of EUR 53m for 2021, slightly above the guided range of EUR 47-52m. We raise our price target from EUR 29 to EUR 34 per share and stick to our "Buy" recommendation.

Good Q1 numbers

Surteco has reported an excellent Q1, as output was up by 10% yoy, EBITDA by 34% and EBIT by 61%. Main drivers were (1) a stronger than expected increase of revenue / total output and (2) personnel expenses that decreased from 27% of sales in Q1 2020 to 24% in Q1 2021 as a result of the restructuring program.

Raw material markets in imbalance

The only bad news was the material cost quota that increased from 44% of revenues in Q4 2020 to 48.5% in Q1 due to tightening raw material markets. Surteco can pass through this raw material cost increase to customers for the time being, but the sheer lack of raw materials forces Surteco to slow down production at a time when demand is pretty good.

Raising the price target to EUR 34

Updating our estimates, we arrive at an EBIT forecast of EUR 53m for 2021, slightly above the guided range of EUR 47-52m. We raise our price target from EUR 29 to EUR 34 per share and stick to our "Buy" recommendation. We consider the share too cheap given the positive development of end demand and the latest accomplishments of the management that is in the office since 2019.

EURm	2019	2020	2021e	2022e	2023e
Revenues	675	627	675	702	720
EBITDA	66	88	95	100	102
EBIT	21	46	53	58	60
EPS	0.61	2.17	2.41	2.70	2.82
EPS adj	0.61	2.17	2.41	2.70	2.82
DPS	-	0.80	0.90	1.00	1.04
EV/EBITDA	8.3	6.0	6.0	5.4	5.1
EV/EBIT	26.0	11.5	10.7	9.3	8.6
P/E adj	37.4	11.1	11.4	10.2	9.8
P/B	1.00	1.00	1.07	1.00	0.94
ROE (%)	2.7	9.3	9.7	10.2	9.9
Div yield (%)	-	3.3	3.3	3.6	3.8
Net debt	180	145	126	103	79

Source: Pareto

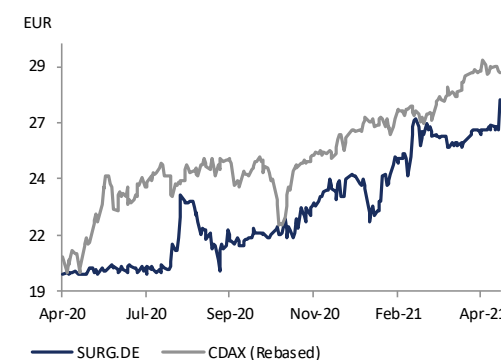
Target price (EUR)	34
Share price (EUR)	28

Forecast changes	2021e	2022e	2023e
%			
Revenues	(0)	(0)	NM
EBITDA	9	6	NM
EBIT adj	14	8	NM
EPS reported	24	16	NM
EPS adj	24	16	NM

Source: Pareto

Ticker	SURG.DE, SUR GR
Sector	Industrials
Shares fully diluted (m)	15.5
Market cap (EURm)	426
Net debt (EURm)	140
Minority interests (EURm)	0
Enterprise value 21e (EURm)	566
Free float (%)	5

Performance



Source: Factset

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Analysts

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

Wrap-up Q1 2021

Exhibit 1: Q1 wrap-up

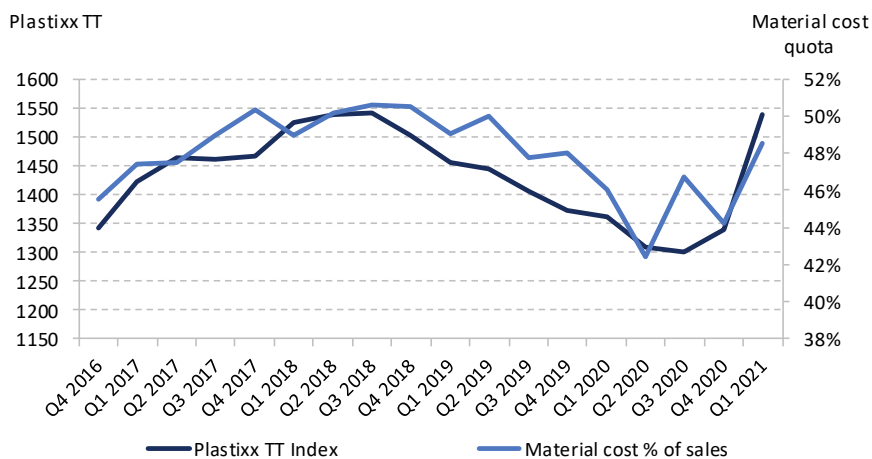
SURTECO GROUP (EURm)	Q1 2020	Actual		Estimates	
		Q1 2021	yoy (%)	Pareto	Dev (%)
Total Output	174	192	10	184	4
Cost of materials	-80	-91	15	-87	5
Personnel expenses	-46	-45	-2	-44	2
Other	-22	-24	9	-25	-4
EBITDA	24	32	34	27	18
EBITDA Margin	13.7%	16.6%	290 BP	14.0%	265 BP
D&A	-11	-10	-1	-10	1
EBIT	13	22	61	17	29
EBIT Margin	7.7%	11.2%	350 BP	7.1%	414 BP

Source: Surteco, Pareto Securities Research

Surteco had an excellent start into 2021, even surpassing our optimistic expectations. In Q1, output was up by 10% yoy, EBITDA by 34% and EBIT by 61%, ~30% ahead of our expectations. Main drivers of the strong result was (1) a stronger than expected increase of revenue / total output (2) personnel expenses that decreased from 27% of sales in Q1 2020 to 24% in Q1 2021 and (3) other opex that were down from 14% to 13% of sales. The only bad news was the material cost quota that increased yoy by 2 percentage points from 46.5% to 48.5% of revenues due to tightening raw material markets (plastics, titanium dioxide).

Although Surteco can pass through these raw material cost increase to customers for the time being, the topic causes the management a headache as the sheer lack of raw materials forces Surteco to slow down production at a time when demand is pretty good. The raw material cost quota leaped from 44% in Q4 to 48.5% in Q1 (see below), although the new management said some efficiency measures have already been implemented. If these price levels prevail longer-term, it might also change the market if competitors partially switch to alternative materials. For the full year, Surteco expects to spend 48% of revenues on raw materials. The sustainability targets that the company has presented during the analyst call will also put upside pressure on the raw material bill longer-term, so that will counterbalance to some extent a potential future easing of raw material markets. Product-wise, Surteco believes that functional surfaces are a promising field in the future, e.g. antibacterial surfaces.

Exhibit 2: Plastixx TT index and material cost quota

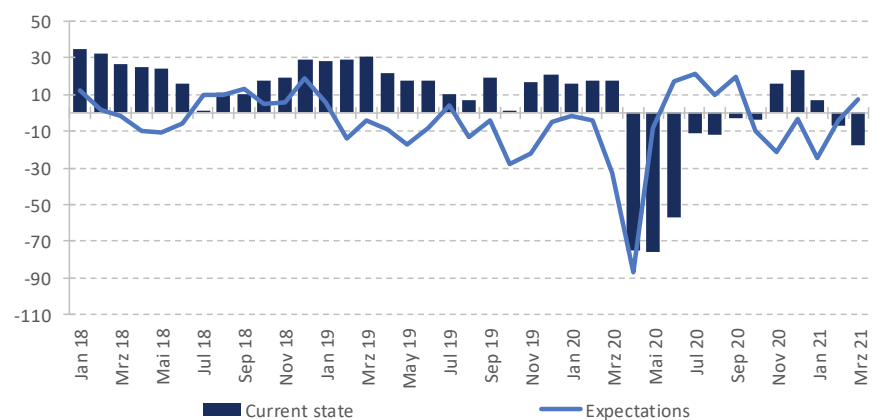


Source: Pareto Securities Research, www.kiweb.de, Surteco

Surteco’s management once again re-iterated its view that although the focus remains on organic growth, acquisitions will remain possible, if they bring Surteco forward in terms of new applications or geographies. Regarding the latter, China was said to be an interesting growth region. North America has also come into the strategic focus as Surteco spots high growth potential in the region, not least because of the stimulus package that been initiated by the new US administration. In five years, Surteco targets EUR 200m revenues in the USA (2020: EUR 110m). The company believes that it requires a certain size to be taken seriously by potential US customers.

Outlook

Exhibit 3: ifo business climate index for the furniture industry



Source: VDM, Pareto Securities Research

Besides the price development for raw materials, Surteco's most important external business driver is demand for furniture, especially in Germany. As can be seen in the table above, the respective business climate has normalized since last summer and business expectations have been in positive territory lately. Against that backdrop, the revenue guidance of EUR 650-675m in 2021, which implies an increase of 4-8% over last year, looks clearly in reach or even a bit conservative after the strong Q1. However, H2 2020 and Q1 have been impacted by a certain re-stocking effect, and future underlying growth will be more like 2-3% p.a. over the cycle, according to Surteco.

The company has guided for personnel costs of EUR 170-172m in 2021 after the restructuring program has been completed. Assuming revenues of EUR 675m and a material cost quota of 48% of sales, we arrive at EBIT of EUR 53m for 2021, slightly above the guided range of EUR 47-52m. Surteco's declared long term target remains an EBIT level of EUR 55-65m, and we think this target will be reached already next year, provided there are no unforeseen macro events.

After Surteco skipped the dividend for 2019, it will pay EUR 0.80 for the fiscal year 2020, which translates into a dividend yield of 2.9% on the current share price.

Exhibit 4: Forecasted P&L

Profit & Loss	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e	2024e	2025e
Revenue	638	640	690	699	675	627	675	702	720	738	756
% yoy	3.2%	0.2%	7.8%	1.4%	-3.4%	-7.2%	7.7%	4.0%	2.5%	2.5%	2.5%
EBITDA	65	74	83	73	66	88	95	100	102	105	110
% of sales	10.2%	11.6%	12.0%	10.4%	9.8%	14.1%	14.0%	14.2%	14.2%	14.2%	14.6%
EBIT	31	41	45	32	21	46	53	58	60	63	63
% of sales	4.9%	6.4%	6.5%	4.6%	3.1%	7.4%	7.9%	8.3%	8.4%	8.5%	8.4%
Adjusted EBIT	40	43	47	40	40	46	53	58	60	63	63
% of sales	6.3%	6.7%	6.8%	5.7%	6.0%	7.4%	7.9%	8.3%	8.4%	8.5%	8.4%
Pretax Profit	27	35	34	27	16	43	50	56	58	61	61
% of sales	4.2%	5.5%	4.9%	3.9%	2.4%	6.9%	7.4%	8.0%	8.1%	8.2%	8.1%
Net Profit	18	24	26	19	9	34	37	42	44	45	46
% of sales	2.8%	3.7%	3.8%	2.7%	1.4%	5.4%	5.5%	6.0%	6.1%	6.2%	6.1%
EPS	1.14	1.54	1.69	1.20	0.61	2.17	2.41	2.70	2.82	2.93	2.96
% yoy	-4.2%	34.9%	9.7%	-28.9%	-49.6%	258.8%	10.7%	12.2%	4.3%	4.0%	1.1%
DPS	0.80	0.80	0.80	0.55	0.00	0.80	0.90	1.00	1.04	1.08	1.09
Payout ratio	70%	52%	47%	46%	0%	37%	37%	37%	37%	37%	37%

Source: Pareto Securities Research

Valuation update

Exhibit 5: DCF

EUR m	Phase I					Phase II					Phase III
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	
Revenue	675	702	720	738	756	775	794	814	834	855	
<i>growth rate</i>	7.7%	4.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
EBIT	53	58	60	63	63	63	62	61	61	60	
<i>EBIT margin</i>	7.9%	8.3%	8.4%	8.5%	8.4%	8.1%	7.8%	7.5%	7.3%	7.0%	
Tax	-13	-15	-15	-16	-16	-16	-16	-15	-15	-15	
<i>Tax rate</i>	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	
Depr. & Amort.	36	36	36	37	37	41	44	46	47	49	
<i>% of sales</i>	5.4%	5.2%	5.1%	5.0%	4.9%	5.3%	5.5%	5.6%	5.7%	5.7%	
Capex	-41	-42	-43	-44	-45	-46	-48	-49	-50	-51	
<i>% of sales</i>	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
Change in WC & Prov.	-8	-4	-3	-3	-3	-3	-3	-3	-3	-3	
<i>% of sales</i>	1.1%	0.6%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	
Free Cash Flow	28	33	36	36	36	39	40	40	39	39	843
<i>growth rate</i>	nm	19.0%	6.7%	2.0%	-1.3%	7.2%	2.6%	0.5%	-0.7%	-0.8%	2.5%
Present Value FCF	27	30	30	28	26	26	25	23	21	20	428

PV Phase I	140	Risk free rate	3.5%	Target equity ratio	71%
PV Phase II	115	Premium Equity	5.0%	Beta	1.1
PV Phase III	428	Premium Debt	0.5%	WACC	7.3%

Enterprise value	684	Sensitivity	Growth in phase III				
			1.5%	2.0%	2.5%	3.0%	3.5%
- Net Debt (Cash)	144	6.5%	34.7	37.9	41.9	47.0	53.8
- Pension Provisions	14	6.9%	31.7	34.4	37.7	41.8	47.2
- Minorities & Peripherals	3	7.3%	29.1	31.4	34.1	37.5	41.8
+ MV of financial assets	7	7.6%	26.8	28.8	31.1	33.9	37.4
		8.0%	24.8	26.5	28.5	30.8	33.7

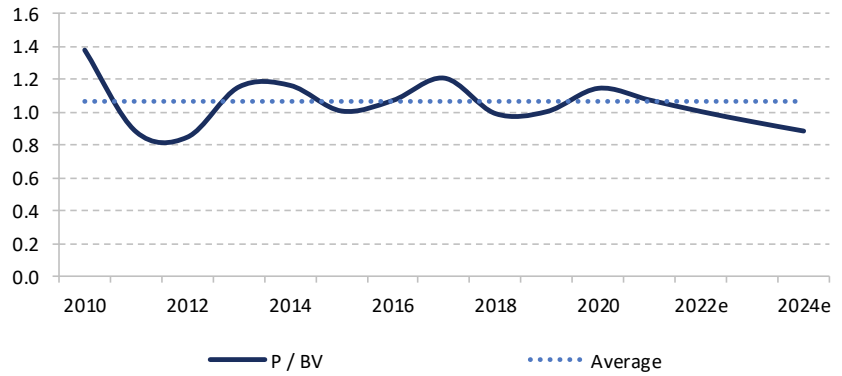
Equity value	529
Number of shares	15.5
Value per share (€)	34.1
Current Price (€)	27.5
Upside	24%

Source: Pareto Securities Research

Based on a DCF, we arrive at a new fair value of EUR 34 (was EUR 29) and keep our "Buy" rating in view of an upside of more than 20%. Aside from the estimate changes outlined in the previous section, we applied only minor changes to our valuation framework. We continue to deduct leasing liabilities as part of net debt from the enterprise value to derive the equity value. In the free cash computation, we only consider depreciation and capex that does not result from the application of IFRS 16.

After the Surteco share has caught up lately, it trades around 1.1x book value 2021e, in line with average levels realized in past decade (see below). However, we expect Surteco to realize RoE of around 10% in the next couple of years, clearly above past levels between 3-8%, so the present multiple looks well deserved.

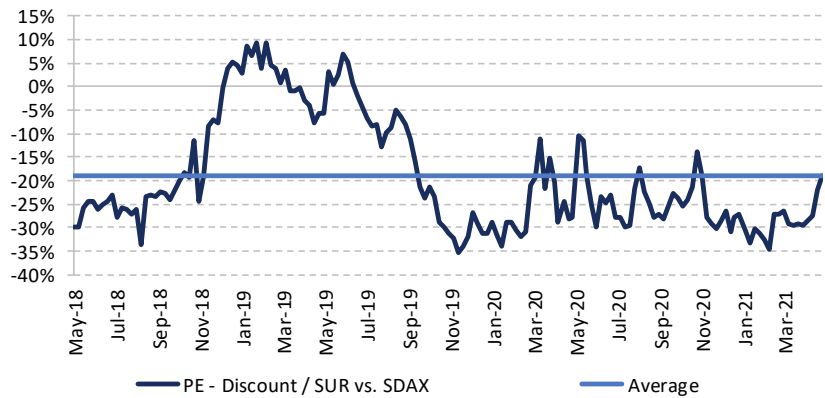
Exhibit 6: Price / Book



Source: Factset, Pareto Securities Research

Surteco continues to trade discount of ~20% to the SDAX, which also appears questionable given the recent positive development of the company (Surteco is no member of the SDAX at present).

Exhibit 7: PE Discount to SDAX



Source: Factset, 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	<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 (30/04/2021):</p> <p>Revenue: EUR 675-700m</p> <p>EBIT: EUR 47-52m</p>	<p>Pareto Estimates</p> <p>Revenue: EUR 675m</p> <p>y/y: 7.7%</p> <p>EBIT: EUR 53m</p> <p>EBIT margin: 7.9%</p> <p>Consensus</p> <p>EUR 674m</p> <p>7.5%</p> <p>EUR 47m</p> <p>7.0%</p>				
2020	Sales (EURm) 627.0	EBITDA Margin 88.3 / 14.1%	EBIT (EURm) 46.1 / 7.4%	Sales 5Y hist. CAGR -0.4%	Organic growth y/y 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 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 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 2020	3,052						

Source: Pareto Securities Research

PROFIT & LOSS (fiscal year) (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Revenues	640	690	699	675	627	675	702	720
EBITDA	74	83	73	66	88	95	100	102
Depreciation & amortisation	(33)	(38)	(41)	(45)	(42)	(42)	(42)	(42)
EBIT	41	45	32	21	46	53	58	60
Net interest	(8)	(8)	(6)	(7)	(3)	(3)	(2)	(2)
Other financial items	2	(4)	0	1	-	-	-	-
Profit before taxes	35	34	27	16	43	50	56	58
Taxes	(11)	(7)	(8)	(7)	(10)	(12)	(14)	(15)
Minority interest	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Net profit	24	26	19	9	34	37	42	44
EPS reported	1.54	1.69	1.20	0.61	2.17	2.41	2.70	2.82
EPS adjusted	1.64	1.78	1.54	0.61	2.17	2.41	2.70	2.82
DPS	0.80	0.80	0.55	-	0.80	0.90	1.00	1.04
BALANCE SHEET (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Tangible non current assets	246	258	256	237	234	233	234	235
Other non-current assets	167	258	245	246	230	230	230	230
Other current assets	201	193	223	214	201	214	221	225
Cash & equivalents	60	133	121	84	133	50	73	97
Total assets	674	843	845	780	799	726	757	787
Total equity	347	349	353	355	373	398	426	455
Interest-bearing non-current debt	124	318	253	255	238	176	176	176
Interest-bearing current debt	72	6	66	9	41	-	-	-
Other Debt	118	157	160	148	134	139	142	143
Total liabilities & equity	674	843	845	780	799	726	757	787
CASH FLOW (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Cash earnings	60	75	66	78	70	79	84	86
Change in working capital	(1)	8	(5)	6	13	(8)	(4)	(3)
Cash flow from investments	(54)	(115)	(49)	(36)	(31)	(41)	(42)	(43)
Cash flow from financing	(9)	107	(24)	(85)	(4)	(115)	(14)	(16)
Net cash flow	(5)	73	(12)	(37)	50	(84)	23	24
CAPITALIZATION & VALUATION (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Share price (EUR end)	23.7	26.9	22.3	22.7	24.1	27.5	27.5	27.5
Number of shares end period	16	16	16	16	16	16	16	16
Net interest bearing debt	136	190	198	180	145	126	103	79
Enterprise value	519	623	559	548	532	566	543	519
EV/Sales	0.8	0.9	0.8	0.8	0.8	0.8	0.8	0.7
EV/EBITDA	7.0	7.5	7.7	8.3	6.0	6.0	5.4	5.1
EV/EBIT	12.7	13.9	17.4	26.0	11.5	10.7	9.3	8.6
P/E reported	15.4	15.9	18.6	37.4	11.1	11.4	10.2	9.8
P/E adjusted	14.4	15.1	14.4	37.4	11.1	11.4	10.2	9.8
P/B	1.1	1.2	1.0	1.0	1.0	1.1	1.0	0.9
FINANCIAL ANALYSIS & CREDIT METRICS	2016	2017	2018	2019	2020	2021e	2022e	2023e
ROE adjusted (%)	7.5	7.9	6.8	2.7	9.3	9.7	10.2	9.9
Dividend yield (%)	3.4	3.0	2.5	-	3.3	3.3	3.6	3.8
EBITDA margin (%)	11.6	12.0	10.4	9.8	14.1	14.0	14.2	14.2
EBIT margin (%)	6.4	6.5	4.6	3.1	7.4	7.9	8.3	8.4
NIBD/EBITDA	1.82	2.29	2.71	2.71	1.64	1.34	1.03	0.77
EBITDA/Net interest	9.46	11.04	13.27	9.75	27.34	29.08	45.75	48.69

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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 – 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 %
Bonheur ASA	241,145	0.57%	SpareBank 1SMN	1,875,442	1.44%
DOF ASA	2,366,346	0.77%	SpareBank 1SR-Bank ASA	1,849,852	0.72%
Helgeland Sparebank	2,015,935	9.66%	SpareBank 1Østfold Akersl	1,139,560	9.20%
Pareto Bank ASA	16,235,486	23.24%	SpareBank 1Østlandet	3,825,292	3.57%
Polaris Media ASA	292,380	0.60%	Sparebanken Møre	305,239	3.09%
Quantafuel	1,119,190	0.81%	Sparebanken Sør	433,744	2.77%
Selvaag Bolig ASA	2,893,099	3.09%	Sparebanken Vest	6,803,873	6.34%
SpareBank 1BV	1621,940	2.57%	Totens Sparebank	78,246	1.28%
SpareBank 1Nord-Norge	4,123,817	4.1%	Zenterio AB	663,468	0.74%

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
AF Gruppen	0	1,675	Fjordkraft Holding	0	12,855	Panoro Energy	0	25,304
Aker ASA	500	2,359	Frontline	0	82,308	Pareto Bank	0	2,412,276
Aker BP	0	25,324	Gjensidige Forsikring	0	7,548	Pexip Holding	0	46,683
Aker Carbon Capture	0	190,368	Golden Ocean Group	0	1,433	PGS	0	11,676
Aker Horizons	0	2,082	Grieg Seafood	0	12,523	Protector Forsikring	0	12,000
Aker Offshore Wind	0	168,028	Hafnia Limited	0	16,300	Quantafuel	0	1,119,887
American Shipping Company	0	13,300	Huddly	0	884,242	REC Silicon	0	35,551
Aprila Bank ASA	0	22,675	Hunter Group ASA	0	308,500	SalMar	0	105
Archer	0	30,170	HydrogenPro	0	37,151	Sandnes Sparebank	0	126,013
Atlantic Sapphire	0	13,610	Ice Group ASA	0	200,000	Scatec Solar	0	20,284
Austevoll Seafood	0	29,235	Kitron	0	6,986	Selvaag Bolig	0	51,900
Avance Gas	0	3,362	Komplett Bank	0	99,300	Skitude	0	12,695
B2Holding AS	0	14,075	Kongsberg Gruppen	0	35,431	SpareBank 1Nord-Norge	0	3,350
BASF	270	270	KWS	75	75	SpareBank 1SMN	0	12,740
Bonheur	0	32,275	Lerøy Seafood Group	0	42,352	SpareBank 1SR-Bank	0	8,413
Borregaard ASA	0	650	Mercell	0	23,038	Sparebank 1Østfold Akershus	0	1,252
Bouvet	0	294	Mowi	0	4,614	SpareBank 1Østlandet	0	8,621
BRABank	0	74,607	MPC Container Ships	0	44,624	Sparebanken Sør	0	16,435
BW Energy	0	56,125	Nordic Semiconductor	0	5,406	Sparebanken Vest	0	15,535
BW Offshore	0	16,076	Noreco	0	790	Sparebanken Øst	0	1,500
Cloudberry Clean Energy	0	50,000	Norsk Hydro	0	107,219	Stolt-Nielsen	0	1,817
DNB	0	30,055	Norske Skog	0	98,225	Storebrand	0	24,732
DNO	0	151,978	Norwegian Finans Holding	0	3,210	Subsea 7	0	9,226
DOF	0	2,366,346	NTS	0	2,272	Telenor	0	7,584
Elkem	0	35,426	Ocean Yield	0	99,370	VOW	0	7,081
Entra	0	10,477	OHT	0	6,650	Wallerius Wilhelmsen	0	62,550
Equinor	0	2,738	Okeanis Eco Tankers	0	22,000	XXL	0	17,423
Europpris	0	11,621	Orkla	0	19,552	Yara	0	14,788

This overview is updated monthly (last updated 30.04.2021).

*Analyst holdings refer 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:

24SevenOffice Scandinavia	CRC Holding B.V. ("Pryme")	Klaveness Combination Carriers ASA	Quantafuel
2G Energy	Digiplex	KLP	REC Silicon
Acconer AB	DOF	Komplett Bank	Saga Robotics
Advanzia Bank S.A.	DOF Subsea AS	Kongsberg Automotive	Salmon Evolution
Africa Energy Corp Corp	EcoOnline AS	Kraft Bank	Scorpio Bulkers
Aker ASA	Element ASA	Maha Energy	Seafire AB
Aker Clean Hydrogen	ELOP	Meltwater	SGL TransGroup International
Aker Horizons	Endur ASA	Mercell	Siccar Point Energy
Akershus Energi	Energiean Israel Finance Ltd.	Minttra Group	Skitude
Akva Group	Fertiberia S.A.R.L.	Modex AS	Sparebanken Vest
Alussa Energy Acquisition Corp (Freyr)	Fjordkraft Holding	MPC Container Ships	Strandline Resources Limited
American Tanker, Inc.	Flexistore AS	Mutares SE & Co. KGaA	Talos Energy Inc
Aprila Bank ASA	Genel Energy	Müller Medien GmbH (United Vertical)	Tise AS
Arctic Fish	Gjensidige Forsikring	Navigatør Holdings Ltd.	Trønderenergi AS
Arendals Fossekompani	Golden Ocean Group	Navios	Vow
Attensi AS	Goliath Offshore	Next Biometrics Group	Watercircles Forsikring ASA
Belships	Hafnia Ltd.	Nordic Halibut	West Coast Salmon
BioInvent	Heimdall Power	Norse Atlantic	Wheel.me
Boreal Holding AS	HKN Energy Ltd	Norske Skog	Ørn Software
Borr Drilling Limited	Hofseth BioCare	Norwegian Block Exchange	
Brooge Energy Limited	House of Control	Odfjell SE	
Bulk Infrastructure Holding	Huddly	OHT	
BW Energy	HydrogenPro	Panoro Energy	
CentralNic Group PLC	Ice Group Scandinavia Holdings AS	Pelagia Holding AS	
Cibus Nordic Real Estate	Idavang A/S	PetroNor E&P	
Circa Group	Instabank ASA	PetroTal	
Cloudberry Clean Energy	Kalera AS	Pexip Holding	
CrayoNano AS	Keppel FELS Limited	Proximar Seafood	

This overview is updated monthly (this overview is for the period 31.03.2020 – 31.03.2021).

Appendix C

Disclosure requirements in accordance with Article 6(3) of Commission Delegated Regulation (EU) 2016/958

Distribution of recommendations

Recommendation	% distribution
Buy	68%
Hold	29%
Sell	3%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	95%
Hold	5%
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 15.04.2021).

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	Cibus Nordic Real Estate AB	Isofol Medical AB	Swedencare AB
Azelio	Climeon AB	Media & Games Invest plc.	Vicore Pharma
Bionvent	Egetis Therapeutics	Re:NewCell	VNV Global
Biovica International	Implantica	Surgical Science	

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.	Logistri Fastighets AB	Minesto	Shamran Petroleum
ByggPartner i Dalarna Holding	Magnolia Bostad	Saltängen Property Invest	Surgical Science
Cibus Nordic Real Estate	Media & Games Invest plc.	SciBase Holding	Tethys Oil
Isofol Medical	Mentice AB	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

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Bonäsudden	Delarka	Logistri	Sydsvenska Hem

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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 provision of the designated sponsor services.

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Biotest *	Heidelberg Pharma *	mutares	Syzygy AG *
CORESTATE Capital Holding S.A.	Intershop Communications AG	OVB Holding AG	TAKKT AG
Daldrup & Söhne	Leifheit	Procredit Holding *	Viscom *
Demire	Logwin *	PSI SOFTWARE AG *	
Epigenomics AG*	Manz AG *	PWO *	
Gesco *	MAX Automation SE	S&T AG *	
GFT Technologies *	Merkur Bank	SMT Scharf AG *	

* 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.

Adler Modemaerkte	Dermapharm Holding SE	MAX Automation SE	OHB SE
Baywa	Hypoport AG	Merkur Bank	OVB Holding AG
BB Biotech	Intershop Communications AG	mutares	Siegfried Holding AG
Daldrup & Söhne	Leifheit		

This overview is updated monthly (last updated 15.04.2021).