



## Cocooning trend should be positive

Thanks to lower raw material prices and good cost flexibility, Surteco achieved a positive operating result in Q2. Surteco expects improving results in the 2nd half of 2020. Longer-term, we see good potential not only from the trend towards “cocooning” but also from a lower personnel cost quota that should allow Surteco to reach its mid-term earnings target. Buy, TP EUR 27 (from EUR 25).

### Q2 in the black at EBIT level

Thanks to lower raw material prices and good cost flexibility, Surteco was able to achieve a positive operating result despite a yoy drop of revenues by 27% in Q2. Profiles proved to be the most robust segment in the crisis and shall be expanded in the future. Surteco anticipates overall a rising demand in the 2nd half of 2020 and expects better results than in the first half of the year.

### Good mid-term earnings potential

In the mid-term, Surteco still envisages EBIT of EUR 55-65m. The underlying scenario is that the furniture and caravanning industry should see slight growth in the next couple of years as there is a certain trend towards “cocooning” in the current crisis. For obvious reasons, hotels and the event industry are considered potential weak spots for the industry going forward.

### Personnel cost quota will come down

In that update, we investigate the different cost categories and expect personnel costs to be the key earnings driver, as the respective quota should come down from ~28% in 2020 to 25% of revenues in 2023 as a result of the announced restructuring program. We remain buyers of the share and increase the price target to EUR 27.

EURm	2018	2019	2020e	2021e	2022e
Revenues	699	675	587	620	676
EBITDA	73	66	73	78	89
EBIT	32	21	32	39	50
EPS	1.20	0.61	1.25	1.60	2.13
EPS adj	1.54	0.61	1.25	1.60	2.13
DPS	0.55	-	0.45	0.55	0.75
EV/EBITDA	7.7	8.3	6.9	6.3	5.4
EV/EBIT	17.4	26.0	15.9	12.7	9.6
P/E adj	14.4	37.4	18.4	14.3	10.7
P/B	0.99	1.00	0.96	0.91	0.86
ROE (%)	5.4	2.7	5.4	6.5	8.3
Div yield (%)	2.5	-	2.0	2.4	3.3
Net debt	198	180	134	121	106

Source: Pareto

Target price (EUR)	27
Share price (EUR)	23

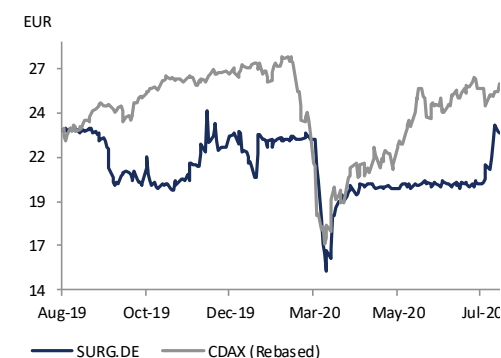
### Forecast changes

%	2020e	2021e	2022e
Revenues	2	-	-
EBITDA	8	5	8
EBIT adj	14	14	20
EPS reported	14	14	19
EPS adj	14	14	19

Source: Pareto

Ticker	SURG.DE, SUR GR
Sector	Industrials
Shares fully diluted (m)	15.5
Market cap (EURm)	355
Net debt (EURm)	148
Minority interests (EURm)	4
Enterprise value 20e (EURm)	507
Free float (%)	5

### Performance



Source: Factset

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## Wrap-up Q2

### Exhibit 1: Q2 numbers

SURTECO GROUP (EURm)	Q2 2019	Actual		Estimates	
		Q2 2020	yoy (%)	Pareto	Dev (%)
<b>Revenues</b>	<b>171</b>	<b>125</b>	<b>-27</b>	<b>137</b>	<b>-8.2</b>
Cost of materials	-85	-53	-38	-63	-15.4
Personnel expenses	-43	-37	-14	-40	-7.8
Other	-22	-17	-23	-22	-21.2
<b>EBITDA</b>	<b>20</b>	<b>11</b>	<b>-43</b>	<b>13</b>	<b>-13.5</b>
EBITDA Margin	11.6%	9.1%	-252 BP	9.6%	-55 BP
D&A	-11	-10	-7	-11	-1.5
<b>EBIT</b>	<b>9</b>	<b>1</b>	<b>nm</b>	<b>3</b>	<b>-60.9</b>
EBIT Margin	5.1%	0.8%	nm	1.9%	-112 BP

Source: Pareto Securities Research

Thanks to lower raw material prices and good cost flexibility, Surteco was able to achieve a positive operating result in Q2 despite a yoy drop of revenues by 27%, of which ~5% percentage points were due to the sale of the impregnating business in the US, we understand. The material cost quota was down to an unprecedented 42.4% (Q1: 46.5%) as prices for plastics, titanium dioxide and especially pulp were under pressure. Unfortunately, Surteco cannot secure these price levels for longer as there are no liquid future markets for these commodities but stored as much as possible in physical form.

The personnel cost quota was up by 270bps to 29.4% of sales, but the absolute amount was down from EUR 46m in Q1 to EUR 37m in Q2 thanks to short time working, which saved ~EUR 3.5m in the quarter. At present, Surteco does not use respective instruments anymore. Longer-term, it seems that Surteco will be able to cut personnel costs even more by reducing the workforce by 175 FTE (of ~3,100 employees), much of this in Decoratives, we understand. Part of these measures is the elimination of redundant management structures at the Surteco GmbH, which so far had its own management board. While the respective restructuring has already been initiated, it will show first effects only in H2. One-off costs are said to be EUR 12m, which have already been provisioned at the end of last year.

Among the segments, Profiles (skirtings, among others) proved to be the most robust in the crisis. Segment revenues in Q2 were on par with last year and in contrast to the other segments, Profiles realized a positive operating result of EUR 1.6m in Q2. Profiles profited from skirtings, that saw ongoing good demand in building and refurbishing. Overall, the building sector proved robust in the crisis. Regarding the good demand for Profiles, Surteco has plans to expand the segment geographically and to increase the degree of diversification by approaching additional customer segments. Also, Surteco did not exclude acquisitions to push the segment forward. EUR 10m of the 2020 capex budget of EUR 30m are earmarked for an (organic) expansion project. Moreover, Surteco has acquired the outstanding minority shares in Nenplas.

Decoratives and Technicals saw revenues down by 30% and 45%, respectively, and operating results around zero. Main reason for the drop of sales was the closure of furniture retail outlets and production facilities at manufacturers and suppliers during the lockdown, which had a less severe effect for SUR's operations in Germany, the US and Asia than in other European countries. One

aspect of the discussion with analysts and investors was the digitization of the printing processes in Decoratives, that does not only save costs for smaller lot sizes but also helps to reduce working capital, which is generally perceived as too high at the moment. Some customers have already invested into their own digital machines, so Surteco needs to offer superior service in order to stop this backward integration.

Surteco did not change the wording for the full year outlook for which Surteco still expects to realize EBIT clearly below the EUR 40-45m envisaged at the beginning of the year. Notwithstanding, Surteco anticipates a rising demand for the remainder of 2020 and expects better results in the 2<sup>nd</sup> half of 2020 than in the first half of the year. In the mid-term (2023), Surteco envisages EBIT of EUR 55-65m. The underlying scenario is that the furniture industry and caravanning should see slight growth in the next couple of years as there is a trend towards “cocooning” in times of crisis. The CEO was neither concerned on a potentially slowing demand for office furniture as companies will need more space to realize social distancing during the pandemic even if there will be more people working from home. For obvious reasons, hotels and the event industry are considered potential weak spots for the industry. If the scenario laid out in the call materializes, there will be no need for impairments.

## Valuation update

## Exhibit 2: ...

Profit & Loss	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	2023e	2024e
<b>Revenue</b>	618	638	640	690	699	675	587	620	676	693	710
% yoy	53.1%	3.2%	0.2%	7.8%	1.4%	-3.4%	-13.0%	5.5%	9.0%	2.5%	2.5%
<b>EBITDA</b>	63	65	74	83	73	66	73	78	89	95	97
% of sales	10.2%	10.2%	11.6%	12.0%	10.4%	9.8%	12.5%	12.6%	13.2%	13.7%	13.7%
<b>EBIT</b>	28	31	41	45	32	21	32	39	50	55	58
% of sales	4.5%	4.9%	6.4%	6.5%	4.6%	3.1%	5.4%	6.3%	7.4%	8.0%	8.1%
<b>Adjusted EBIT</b>	37	40	43	47	40	40	32	39	50	55	58
% of sales	6.0%	6.3%	6.7%	6.8%	5.7%	6.0%	5.4%	6.3%	7.4%	8.0%	8.1%
<b>Pretax Profit</b>	22	27	35	34	27	16	28	36	48	53	56
% of sales	3.6%	4.2%	5.5%	4.9%	3.9%	2.4%	4.8%	5.8%	7.1%	7.7%	7.9%
<b>Net Profit</b>	18	18	24	26	19	9	19	25	33	37	39
% of sales	3.0%	2.8%	3.7%	3.8%	2.7%	1.4%	3.3%	4.0%	4.9%	5.4%	5.5%
<b>EPS</b>	1.19	1.14	1.54	1.69	1.20	0.61	1.25	1.60	2.13	2.39	2.51
% yoy	-36.0%	-4.2%	34.9%	9.7%	-28.9%	-49.6%	105.8%	28.2%	33.5%	12.1%	4.7%
<b>DPS</b>	0.70	0.80	0.80	0.80	0.55	0.00	0.45	0.55	0.75	0.84	0.88
Payout ratio	59%	70%	52%	47%	46%	0%	35%	35%	35%	35%	35%

Source: Pareto Securities Research

Following the H1 reporting, we adjust our estimates as follows: We now expect revenues to drop by 10% organically in H2. Material costs are expected to stay at around 45% of sales during the year. Longer-term, the respective quota is expected to return to its longer-term mean of 48% of sales, though. We expect personnel cost of around EUR 81m in H2, which translates in a cost quota of ~28% for the full year. Thus, we expect EBIT of EUR 32m in 2020, in-line with guided earnings increase in H2 (H1: EUR 14.4m).

Longer-term however, we expect personnel to be the key earnings driver, as the respective cost quota should come down to 25% of revenues as a result of the announced restructuring program. This translates into EBIT of EUR 55m at 2023, the lower bound of the guided mid-term range.

On the grounds of our DCF framework (see next page), we arrive at a new price target of EUR 27 per share (was EUR 25 before).

## Exhibit 3: DCF

EUR m	Phase I					Phase II					Phase III
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	
<b>Revenue</b>	<b>587</b>	<b>620</b>	<b>676</b>	<b>693</b>	<b>710</b>	<b>727</b>	<b>744</b>	<b>761</b>	<b>778</b>	<b>794</b>	
<i>growth rate</i>	-13.0%	5.5%	9.0%	2.5%	2.5%	2.4%	2.3%	2.3%	2.2%	2.1%	
<b>EBIT</b>	<b>32</b>	<b>39</b>	<b>50</b>	<b>55</b>	<b>58</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>56</b>	<b>56</b>	
<i>EBIT margin</i>	5.4%	6.3%	7.4%	8.0%	8.1%	7.9%	7.7%	7.4%	7.2%	7.0%	
<b>Tax</b>	<b>-10</b>	<b>-12</b>	<b>-15</b>	<b>-17</b>	<b>-17</b>	<b>-17</b>	<b>-17</b>	<b>-17</b>	<b>-17</b>	<b>-17</b>	
<i>Tax rate</i>	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	
<b>Depr. &amp; Amort.</b>	<b>42</b>	<b>39</b>	<b>39</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>41</b>	<b>41</b>	<b>42</b>	
<i>% of sales</i>	7.1%	6.3%	5.8%	5.7%	5.6%	5.5%	5.4%	5.4%	5.3%	5.3%	
<b>Capex</b>	<b>-30</b>	<b>-39</b>	<b>-39</b>	<b>-40</b>	<b>-40</b>	<b>-41</b>	<b>-42</b>	<b>-43</b>	<b>-43</b>	<b>-44</b>	
<i>% of sales</i>	5.1%	6.3%	5.8%	5.7%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	
<b>Change in WC &amp; Prov.</b>	<b>15</b>	<b>-5</b>	<b>-9</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>	
<i>% of sales</i>	-2.5%	0.9%	1.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%	
<b>Free Cash Flow</b>	<b>48</b>	<b>22</b>	<b>26</b>	<b>36</b>	<b>37</b>	<b>36</b>	<b>36</b>	<b>35</b>	<b>35</b>	<b>34</b>	<b>676</b>
<i>growth rate</i>	nm	-54.8%	16.6%	40.9%	4.2%	-2.9%	-2.0%	-1.5%	-1.4%	-1.6%	2.0%
<b>Present Value FCF</b>	<b>47</b>	<b>20</b>	<b>22</b>	<b>28</b>	<b>28</b>	<b>25</b>	<b>23</b>	<b>21</b>	<b>19</b>	<b>18</b>	<b>354</b>

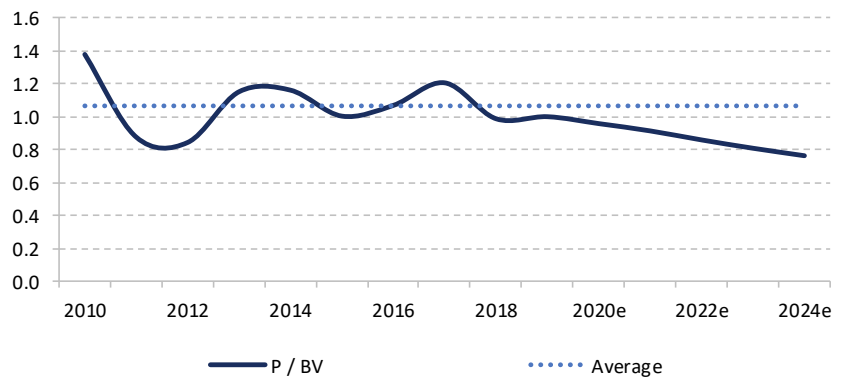
PV Phase I	145	Risk free rate	3.5%	Target equity ratio	70%
PV Phase II	106	Premium Equity	5.0%	Beta	1.1
PV Phase III	354	Premium Debt	0.5%	<b>WACC</b>	<b>7.1%</b>
<b>Enterprise value</b>	<b>605</b>	<b>Sensitivity</b>	<b>Growth in phase III</b>		
- Net Debt (Cash)	180		<b>1.0%</b>	<b>1.5%</b>	<b>2.0%</b>
- Pension Provisions	14	<b>6.4%</b>	27.4	29.8	32.8
- Minorities & Peripherals	4	<b>6.8%</b>	25.1	27.2	29.7
+ MV of financial assets	10	<b>WACC</b>	23.1	24.8	<b>27.0</b>
		<b>7.5%</b>	21.2	22.8	24.6
		<b>7.9%</b>	19.6	20.9	22.5
<b>Equity value</b>	<b>418</b>				
Number of shares	15.5				
<b>Value per share (€)</b>	<b>27.0</b>				
<b>Current Price (€)</b>	<b>22.9</b>				
<b>Upside</b>	<b>18%</b>				

Source: Pareto Securities Research

For a capital-intensive business like Surteco's, we think it makes sense to refer to the book value as additional valuation metric. At the present share price, the Surteco share trades around 1.0x book value 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 5.4% in 2020e to 8.7% in 2023.

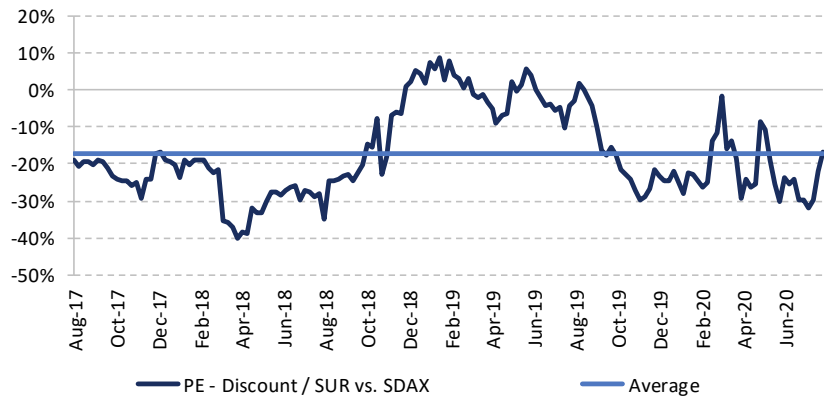
The relative view (SUR vs SDAX) is in neutral territory at the moment.

**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	<b>Strategy:</b> (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.		<b>Guidance (12/08/2020):</b> Revenue: significantly below EUR 675-700m EBIT: significantly below EUR 40-45m	
	<b>Pareto Estimates</b> Revenue: EUR 587m y/y -13.0% EBIT: EUR 32m EBIT margin 5.4%		<b>Consensus</b> EUR 580m -14.1% EUR 25m 4.3%	
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	<b>Sales split by region</b> 		<b>Sales split by division</b> 	
	<b>EBIT split by division</b> 		<b>Group financial development</b> 	
Shareholder structure & management	<b>CEO</b>  <b>Wolfgang Moyses</b> CEO (since 2019) • 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	<b>COO</b>  <b>Dr. Manfred Bracher</b> COO (since 2020) • As graduated engineer in plastics technology, Mr Bracher was active in various leading management roles from 1996-2019, at the end as board member of RKW SE. Since 2020 COO at Surteco.	<b>Shareholder structure</b> 	
# of employees FY 2019	3,200			

Source: Pareto Securities Research

<b>PROFIT &amp; LOSS (fiscal year) (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
<b>Revenues</b>	<b>638</b>	<b>640</b>	<b>690</b>	<b>699</b>	<b>675</b>	<b>587</b>	<b>620</b>	<b>676</b>
<b>EBITDA</b>	<b>65</b>	<b>74</b>	<b>83</b>	<b>73</b>	<b>66</b>	<b>73</b>	<b>78</b>	<b>89</b>
Depreciation & amortisation	(34)	(33)	(38)	(41)	(45)	(42)	(39)	(39)
<b>EBIT</b>	<b>31</b>	<b>41</b>	<b>45</b>	<b>32</b>	<b>21</b>	<b>32</b>	<b>39</b>	<b>50</b>
Net interest	(8)	(8)	(8)	(6)	(7)	(4)	(4)	(3)
Other financial items	4	2	(4)	0	1	-	-	-
<b>Profit before taxes</b>	<b>27</b>	<b>35</b>	<b>34</b>	<b>27</b>	<b>16</b>	<b>28</b>	<b>36</b>	<b>48</b>
Taxes	(9)	(11)	(7)	(8)	(7)	(8)	(11)	(14)
Minority interest	0	0	(0)	(0)	(0)	(0)	(0)	(0)
<b>Net profit</b>	<b>18</b>	<b>24</b>	<b>26</b>	<b>19</b>	<b>9</b>	<b>19</b>	<b>25</b>	<b>33</b>
EPS reported	1.14	1.54	1.69	1.20	0.61	1.25	1.60	2.13
<b>EPS adjusted</b>	<b>1.56</b>	<b>1.64</b>	<b>1.78</b>	<b>1.54</b>	<b>0.61</b>	<b>1.25</b>	<b>1.60</b>	<b>2.13</b>
DPS	0.80	0.80	0.80	0.55	-	0.45	0.55	0.75
<b>BALANCE SHEET (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Tangible non current assets	245	246	258	256	237	227	227	227
Other non-current assets	160	167	258	245	246	245	245	245
Other current assets	186	201	193	223	214	191	200	214
Cash & equivalents	66	60	133	121	84	129	40	55
<b>Total assets</b>	<b>656</b>	<b>674</b>	<b>843</b>	<b>845</b>	<b>780</b>	<b>792</b>	<b>711</b>	<b>741</b>
Total equity	335	347	349	353	355	374	392	417
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	140	143	148
<b>Total liabilities &amp; equity</b>	<b>656</b>	<b>674</b>	<b>843</b>	<b>845</b>	<b>780</b>	<b>792</b>	<b>711</b>	<b>741</b>
<b>CASH FLOW (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Cash earnings	64	60	75	66	78	61	64	73
Change in working capital	6	(1)	8	(5)	6	15	(5)	(9)
Cash flow from investments	(28)	(54)	(115)	(49)	(36)	(30)	(39)	(39)
Cash flow from financing	(18)	(9)	107	(24)	(85)	-	(109)	(9)
Net cash flow	23	(5)	73	(12)	(37)	46	(90)	16
<b>CAPITALIZATION &amp; VALUATION (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
<b>Share price (EUR end)</b>	<b>21.7</b>	<b>23.7</b>	<b>26.9</b>	<b>22.3</b>	<b>22.7</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>
Number of shares end period	16	16	16	16	16	16	16	16
Net interest bearing debt	127	136	190	198	180	134	121	106
<b>Enterprise value</b>	<b>476</b>	<b>519</b>	<b>623</b>	<b>559</b>	<b>548</b>	<b>507</b>	<b>494</b>	<b>479</b>
EV/Sales	0.7	0.8	0.9	0.8	0.8	0.9	0.8	0.7
<b>EV/EBITDA</b>	<b>7.3</b>	<b>7.0</b>	<b>7.5</b>	<b>7.7</b>	<b>8.3</b>	<b>6.9</b>	<b>6.3</b>	<b>5.4</b>
EV/EBIT	15.3	12.7	13.9	17.4	26.0	15.9	12.7	9.6
P/E reported	19.0	15.4	15.9	18.6	37.4	18.4	14.3	10.7
<b>P/E adjusted</b>	<b>13.9</b>	<b>14.4</b>	<b>15.1</b>	<b>14.4</b>	<b>37.4</b>	<b>18.4</b>	<b>14.3</b>	<b>10.7</b>
P/B	1.0	1.1	1.2	1.0	1.0	1.0	0.9	0.9
<b>FINANCIAL ANALYSIS &amp; CREDIT METRICS</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
ROE adjusted (%)	7.4	7.5	7.9	6.8	2.7	5.3	6.5	8.2
Dividend yield (%)	3.7	3.4	3.0	2.5	-	2.0	2.4	3.3
EBITDA margin (%)	10.2	11.6	12.0	10.4	9.8	12.5	12.6	13.2
EBIT margin (%)	4.9	6.4	6.5	4.6	3.1	5.4	6.3	7.4
NIBD/EBITDA	1.95	1.82	2.29	2.71	2.71	1.83	1.55	1.19
EBITDA/Net interest	8.95	9.46	11.04	13.27	9.75	16.51	19.79	31.45



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Pareto Bank ASA	14,901,908	21.33%	Sparebanken Vest	6,370,851	5.94%

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NHST Media Group AS	17,900	1.39%	SpareBank 1Østfold Akersl	1,139,560	9.20%
Pareto Bank ASA	14,901,908	21.33%	Sparebanken Møre	305,239	3.09%
Selvaag Bolig ASA	2,177,497	2.32%	Sparebanken Sør	433,444	2.77%
SpareBank 1BV	1,655,220	2.62%	Sparebanken Vest	6,370,851	5.94%
SpareBank 1Nord-Norge	3,245,605	3.23%	Totens Sparebank	78,246	1.28%

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Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings
Adevinta	0	574	Golden Ocean Group	0	1,744	Quantafuel	0	2,540
AF Gruppen	0	19,185	Grieg Seafood	0	6,258	REC Silicon	0	32,708
Aker	0	791	Hafnia Limited	0	30,000	SailMar	0	385
Aker BP	0	23,126	Helgeland Sparebank	0	2,777	Sandnes Sparebank	0	25,782
American Shipping Compar	0	3,500	Ice Group	0	104,391	Sbanken	0	4,520
Atlantic Sapphire	0	1,105	Jæren Sparebank	0	500	Scatec Solar	0	35,000
Austevoll Seafood	0	635	Komplett Bank	0	94,300	Schibsted ASA A Aksjer	0	232
Avance Gas	0	4,456	Kongsberg Gruppen	0	34,274	Schibsted ASA B Aksjer	0	607
Axactor	0	11,376	KWS	75	75	Selvaag Bolig	0	2,350
Bakkafrost	0	204	Lerøy Seafood	0	3,814	SpareBank 1BV	0	22,000
BASF	270	270	Mowi	0	3,779	SpareBank 1Nord-Norge	0	26,050
Bonheur	0	37,076	NORBIT	0	8,155	SpareBank 1SMN	0	18,740
BRABank	0	137,1000	Nordic Semiconductor	0	6,765	SpareBank 1SR-Bank	0	42,601
BWEnergy Limited	0	43,075	Norsk Hydro	0	102,321	SpareBank 1Østlandet	0	7,921
BWOffshore	0	8,326	Norske Skog	0	3,550	Sparebanken Sør	0	16,135
DNB	0	31,464	Norwegian Air Shuttle	0	40,028	Sparebanken Vest	0	14,924
DNO	0	499,263	Norwegian Finans Holding	0	3,310	Sparebanken Øst	0	1,500
Elkem	0	5,218	NTS	0	2,172	Stolt-Nielsen	0	41,317
Entra	0	10,537	Ocean Yield	0	46,005	Storebrand	0	7,552
Equinor	0	5,002	Okeanis Eco Tankers	0	2,000	Subsea 7	0	3,198
Europris	0	13,469	Orkla	0	18,699	Telenor	0	2,076
Fjord1	0	50,000	Panoro Energy	0	9,285	TGS-NOPEC	0	2,000
Fjordkraft Holding	0	12,000	Pareto Bank	0	1278,298	VOWASA	0	6,281
Frontline	0	28,710	Pexip Holding	0	7,000	XXL	0	12,573
Gjensidige Forsikring	0	7,280	Protector Forsikring	0	14,000	Yara International	0	14,175

This overview is updated monthly (last updated 10.07.2020).

\*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

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Acconer AB	Helgeland Sparebank	Pinewood Laboratories	
Avanzia Bank	HKN Energy Ltd	Pioneer Property Group	
Africa Energy	Ice Group	Pioneer Property Group ASA	
African Petroleum Corporation	ICWHolding	Providences Inv. Mngmt Pty	
Aker ASA	Kingfish Zeeland	Salmon Evolution AS	
American Tanker, Inc.	Klaveness Combination Carriers ASA	Sandnes Sparebank	
Aprila Bank ASA	Komplett Bank ASA	Scorpio Bulkers Inc.	
Belships	Kongsberg Automotive	Seadrill	
Boreal Holding AS	LifeFit	Sparebanken Vest	
Borr Drilling Ltd.	Luxaviation Holding	Stolt Nilsen	
BRABank	Mercell Holding AS	TEMPTON Dienstleistungen	
BRABank ASA	Monobank ASA	United Camping AB	
BWEnergy	Mutares SE & Co. KGaA		-
Cabonline Group Holding AB	Navigator Holdings		-
Cibus Nordic Real Estate AB	Next Biometrics Group ASA ("NEXT")		-
Digiplex	Northern Ocean		-
DOFASA	Norwegian Air Shuttle		-
DOF Subsea AS	Nouveau Monde Graphite		-
Erwe Immobilien	Ocean Yield		-
Euromicron AG	Odfjell SE		-
Filo Mining Corp	Pareto Bank		-
Floatel	Petroleum Geo-Services		-

*This overview is updated monthly (this overview is for the period 30.06.2019 – 30.06.2020).*

## Appendix C

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

### Distribution of recommendations

Recommendation	% distribution
Buy	64%
Hold	31%
Sell	4%

### Distribution of recommendations (transactions\*)

Recommendation	% distribution
Buy	75%
Hold	25%
Sell	0%

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IRRAS AB	Minesto	QleanAir Holding	

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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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## Appendix F

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

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BB Biotech	First Sensor	MAX Automation SE	OVH Holding AG
B.R.A.I.N.	Godewind Immobilien AG	Merkur Bank	Siegfried Holding AG
comdirect	Hypoport AG	MOBOTIX AG	

*This overview is updated monthly (last updated 15.07.2020).*