



Not yet fully valued

Despite significant material costs increases, Surteco reported strong H1 numbers and raised the full year guidance further. Even if we assume only very modest y/y growth in H2 and material costs to remain at high levels, we anticipate a full year EBIT of EUR 60m in 2021, 15% above the guided minimum level (EUR 52m). On these grounds, we arrive at a new price target of EUR 37 per share (was EUR 34 before) and re-iterate our “buy” recommendation.

Good H1 numbers despite cost increases

Despite significant material costs increases, Surteco reported strong H1 numbers. Revenues rose by 27% and EBIT by 171% compared to Q2 last year, which was heavily impacted by the pandemic, though. In detail, Q2 saw the cost of materials to output ratio rising by 3.4 percentage points to 48.8 %.

Surteco adjusted guidance upwards

Against the backdrop of good first 6 months, Surteco raised the full year guidance and now guides for revenues of more than EUR 700m in 2021 (was ~EUR 675m before). Also, the EBIT guidance was upped as Surteco now expects to surpass the formerly guided EUR 52m, without being more specific.

Still some upside left

Even if we assume only very modest y/y growth in H2 and material costs to remain at high levels, we anticipate a FY 2021 EBIT of EUR 60m, 15% above the guided minimum level of EUR 52m. On these grounds, we arrive at a new PT of EUR 37 per share (was EUR 34 before) and re-iterate our “buy” recommendation. Other valuation metrics indicate further upside for the share, too.

EURm	2019	2020	2021e	2022e	2023e
Revenues	675	627	722	751	770
EBITDA	66	88	102	106	113
EBIT	21	46	60	64	70
EPS	0.61	2.17	2.75	2.97	3.27
EPS adj	0.61	2.17	2.75	2.97	3.27
DPS	-	0.80	1.00	1.10	1.20
EV/EBITDA	8.3	6.0	6.1	5.6	5.1
EV/EBIT	26.0	11.5	10.3	9.4	8.2
P/E adj	37.4	11.1	11.1	10.3	9.4
P/B	1.00	1.00	1.18	1.10	1.02
ROE (%)	2.7	9.3	11.0	11.0	11.2
Div yield (%)	-	3.3	3.3	3.6	3.9
Net debt	180	145	131	108	80

Source: Pareto

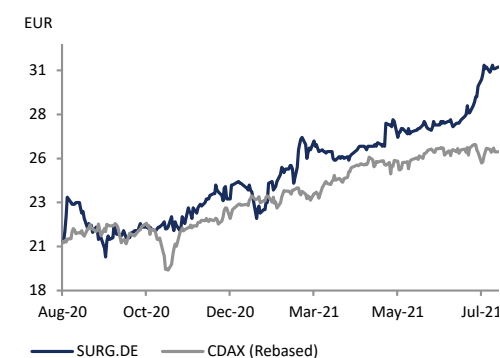
Target price (EUR)	37
Share price (EUR)	31

Forecast changes	2021e	2022e	2023e
%			
Revenues	7	7	7
EBITDA	8	6	10
EBIT adj	14	10	15
EPS reported	15	10	16
EPS adj	15	10	16

Source: Pareto

Ticker	SURG.DE, SUR GR
Sector	Industrials
Shares fully diluted (m)	15.5
Market cap (EURm)	476
Net debt (EURm)	144
Minority interests (EURm)	0
Enterprise value 21e (EURm)	620
Free float (%)	12

Performance



Source: Factset

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Wrap-up H1

Exhibit 1: H1 numbers

SURTECO GROUP (EURm)	H1 2020	Actual		Estimates	
		H1 2021	yoy (%)	Pareto	Dev (%)
Revenues	297	378	27	366	3.3
<i>Decoratives</i>	215	275	28		
<i>Technicals</i>	33	36	10		
<i>Profiles</i>	50	67	36		
<i>Reconciliation</i>	0	0	nm		
Cost of materials	-133	-184	38.3	-177	3.7
Personnel expenses	-83	-89	7.1	-87	1.6
Other	-46	-49	7.0	-46	7.3
EBITDA	35	60	70	59	1.9
EBITDA Margin	11.9%	15.8%	397 BP	15.9%	-7 BP
D&A	-21	-21	0.6	-21	0.8
EBIT	14	39	170	38	2.5
EBIT Margin	4.8%	10.3%	544 BP	10.3%	2 BP
<i>Decoratives</i>	10	33	219		
<i>Technicals</i>	2	3	81		
<i>Profiles</i>	5	7	32		
<i>Reconciliation</i>	-3	-4	nm		

Source: Pareto Securities Research

On Friday last week, Surteco reported detailed H1 numbers, of which KPI had already been published before. Revenues rose by 27% and EBIT by 171% compared to Q2 last year, which was heavily impacted by the pandemic, though. All three segments (Decoratives, Technicals, Profiles) experienced double-digit growth rates.

Notwithstanding, a half year EBIT of EUR 39m means that the revenue margin dropped by more than 200bps from 11.2% in Q1 to 9.2% in Q2, underpinning Surteco's statement that it has experienced significant cost increases for important raw materials and limited availability in the quarter. In fact, Q2 saw the cost of materials to output ratio rising by 3.4 percentage points to 48.8%. In H1, the respective quota was at 48.2%. While at year-end 2020, price increases were mainly related to plastics, the development continued during the first half of 2021 and was then also impacting on the paper sector and chemical additives. All other expenses were well under control, though: Personnel expenses and other operating expenses were at 23.2% and 12.9% of total output in H1, respectively. This compares to 28.3% and 14.3% in the same period in 2020. Segment-wise, it appears that Technicals was most impacted by rising costs, while Decoratives and especially Profiles proved more resilient: The EBIT margin in Technicals dropped from 12.2% in Q1 to only 5.1% in Q2 (Decoratives - Q1: 13.4%, Q2: 10.9%; Profiles - Q1: 9.4%, Q2: 10.3%).

Surteco now believes that it will realize revenues of more than EUR 700m in 2021 (was ~EUR 675m before), which is at least 4% ahead of consensus. Also, the EBIT guidance was upped as Surteco now expects to surpass the formerly guided EUR 52m, without being more specific.

Valuation update

Exhibit 2: P&L

Profit & Loss	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e	2024e	2025e
Total output	642	649	693	706	677	622	727	756	775	794	818
% yoy	3.2%	0.2%	7.8%	1.4%	-3.4%	-7.2%	15.1%	4.0%	2.5%	2.5%	2.5%
Cost of materials	-323	-325	-335	-350	-327	-283	-352	-367	-372	-381	-392
% of total output	50.2%	50.0%	48.4%	49.5%	48.2%	45.5%	48.5%	48.5%	48.0%	48.0%	48.0%
Personnel expenses	-162	-158	-175	-185	-186	-163	-175	-182	-187	-191	-197
% of total output	25.2%	24.3%	25.2%	26.2%	27.5%	26.1%	24.1%	24.1%	24.1%	24.1%	24.1%
Other OPEX (net)	-93	-92	-100	-99	-98	-88	-97	-101	-104	-106	-110
% of total output	14.4%	14.2%	14.5%	14.0%	14.5%	14.2%	13.4%	13.4%	13.4%	13.4%	13.4%
EBITDA	65	74	83	73	66	88	102	106	113	115	119
% of total output	10.1%	11.5%	12.0%	10.3%	9.8%	14.2%	14.1%	14.0%	14.5%	14.5%	14.5%
EBIT	31	41	45	32	21	46	60	64	70	72	75
% of total output	4.8%	6.3%	6.4%	4.6%	3.1%	7.4%	8.3%	8.4%	9.0%	9.1%	9.1%
Adjusted EBIT	40	43	47	40	40	46	60	64	70	72	75
% of total output	6.3%	6.6%	6.7%	5.6%	6.0%	7.4%	8.3%	8.4%	9.0%	9.1%	9.1%
Pretax Profit	27	35	34	27	16	43	57	62	68	70	73
% of total output	4.2%	5.4%	4.8%	3.8%	2.4%	7.0%	7.8%	8.1%	8.7%	8.8%	8.9%
Net Profit	18	24	26	19	9	34	43	46	51	52	55
% of total output	2.8%	3.7%	3.8%	2.6%	1.4%	5.4%	5.9%	6.1%	6.5%	6.6%	6.7%
EPS	1.14	1.54	1.69	1.20	0.61	2.17	2.75	2.97	3.27	3.38	3.52
% yoy	-4.2%	34.9%	9.7%	-28.9%	-49.6%	258.8%	26.7%	7.9%	9.9%	3.4%	4.0%
DPS	0.80	0.80	0.80	0.55	0.00	0.80	1.00	1.10	1.20	1.24	1.29
Payout ratio	70%	52%	47%	46%	0%	37%	37%	37%	37%	37%	37%

Source: Surteco, Pareto Securities Research

Following the H1 reporting, we adjust our estimates as follows: We now expect revenues to reach EUR 727m in 2021, in line with the guidance (“> EUR 700m”) and also in line with the stated intention of Surteco to progressively pass through material cost increases to customers. This implies 4.2% y/y growth in H2 and compares with 27.2% in H1. Material costs as % of output are expected to rise further from 48.2% in H1 to 48.8% of sales in H2, which for the full year translates into 48.5%. Longer-term, the respective quota is expected to return to its longer-term average of 48% of total output, though. We expect personnel cost of around EUR 175m for the full year, in-line with respective company statements. Thus, we anticipate EBIT of EUR 60m in 2021, 15% above the previous guidance of EUR 52m (now: “> EUR 52m”). The material costs and Surteco’s ability to pass through price increases to customers will remain key for Surteco’s profitability in the next years, in our view.

On the grounds of our DCF framework (see next page), we arrive at a new price target of EUR 37 per share (was EUR 34 before).

Exhibit 3: DCF

EUR m	Phase I					Phase II					Phase III
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	
Revenue	722	751	770	789	809	829	849	871	892	915	
<i>growth rate</i>	15.1%	4.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
EBIT	60.3	63.7	69.8	72.0	74.7	73.9	72.9	71.9	70.8	69.5	
<i>EBIT margin</i>	8.4%	8.5%	9.1%	9.1%	9.2%	8.9%	8.6%	8.3%	7.9%	7.6%	
Tax	-15.1	-15.9	-17.4	-18.0	-18.7	-18.5	-18.2	-18.0	-17.7	-17.4	
<i>Tax rate</i>	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	
Depr. & Amort.	36.4	36.6	37.0	37.4	37.9	43.1	46.4	48.6	50.4	52.3	
<i>% of sales</i>	5.0%	4.9%	4.8%	4.7%	4.7%	5.2%	5.5%	5.6%	5.7%	5.7%	
Capex	-43.3	-45.0	-46.2	-47.3	-48.5	-49.7	-51.0	-52.2	-53.5	-54.9	
<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.	-15.1	-4.6	-3.0	-3.1	-3.1	-3.2	-3.3	-3.4	-3.5	-3.5	
<i>% of sales</i>	2.1%	0.6%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	
Free Cash Flow	23.3	34.8	40.1	41.0	42.3	45.6	46.8	46.9	46.5	46.0	899.4
<i>growth rate</i>	nm	49.5%	15.4%	2.2%	3.1%	7.7%	2.7%	0.3%	-1.0%	-1.1%	2.5%
Present Value FCF	22.6	31.3	33.5	31.8	30.4	30.4	29.0	27.0	24.8	22.8	445.9

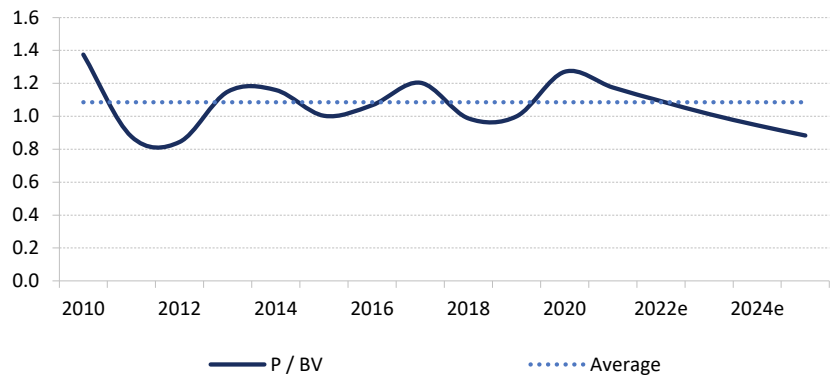
PV Phase I	150	Risk free rate	3.5%	Target equity ratio	79%			
PV Phase II	134	Premium Equity	5.0%	Beta	1.1			
PV Phase III	446	Premium Debt	0.5%	WACC	7.7%			
Enterprise value	730	Sensitivity	Growth in phase III					
- Net Debt (Cash)	144		1.5%	2.0%	2.5%	3.0%	3.5%	
- Pension Provisions	14	7.0%	38.3	41.4	45.1	49.9	56.0	
- Minorities & Peripherals	3	7.4%	35.1	37.7	40.8	44.7	49.6	
+ MV of financial assets	8	WACC	7.7%	34.5	37.2	40.3	44.3	
			8.1%	31.7	34.0	36.6	39.9	
			8.5%	27.7	29.3	31.2	33.5	36.2
Equity value	576							
Number of shares	15.5							
Value per share (€)	37.0							
Current Price (€)	30.6							
Upside	21%							

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 1.2x book value for 2021e. This compares with an average multiple of ~1.1x realized in the past decade (see below). We believe this increase is justified as the expected RoE of 11% for 2021 compares with average levels of 6-7% for 2010-2020 and we expect the RoE to remain at double digit levels in the foreseeable future.

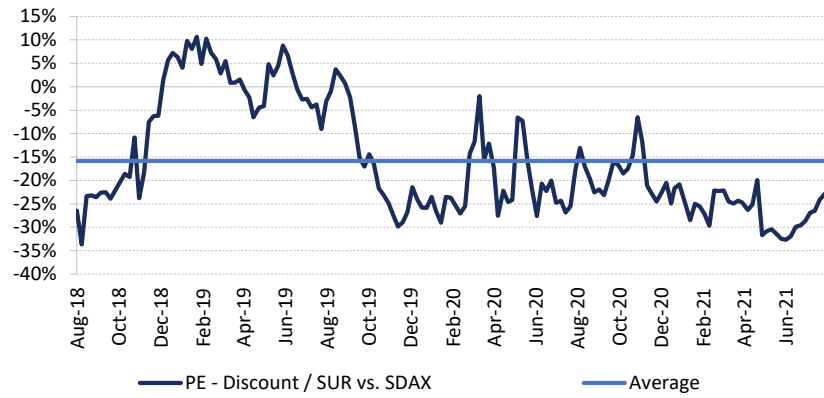
Also, the relative perspective (SUR vs SDAX) offers support for our "buy" case for the share as the discount to the index is higher than past average levels. Despite the significant share price appreciation in the last 12 months, the 12 months forward PE has dropped to 12.3x, below average past levels.

Exhibit 4: P / BV



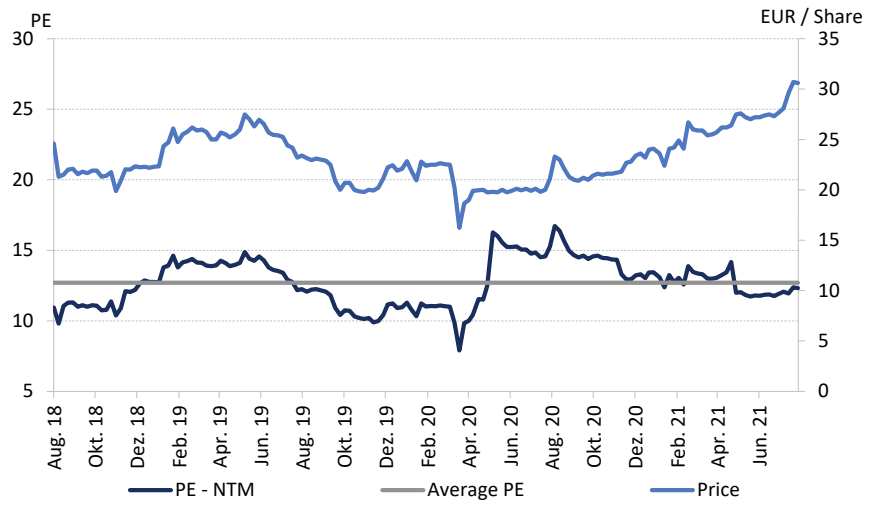
Source: Pareto Securities Research

Exhibit 5: Surteco vs SDAX



Source: Factset, Pareto Securities Research

Exhibit 6: Historical next 12 months forward PE



Source: Factset, Pareto Securities Research

At a glance

Exhibit 7: 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 (23/06/2021): Revenue: > EUR 700m EBIT: > EUR 52m
			Pareto Estimates Revenue: EUR 722m y/y: 15.1% EBIT: EUR 60m EBIT margin: 8.4%
			Consensus EUR 697m 11.1% EUR 56m 8.0%
2020	Sales (EURm) 627.0 y/y	EBITDA Margin 88.3 14.1%	EBIT (EURm) Margin 46.1 7.4%
	Sales 5Y hist. CAGR -0.4%	Organic growth y/y 3.5%	
Sales & EBIT Split	Sales split by region 		Sales split by division
	EBIT split by division 		Group financial development
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	COO Dr. Manfred Bracher 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.	Shareholder structure
# 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	722	751	770
EBITDA	74	83	73	66	88	102	106	113
Depreciation & amortisation	(33)	(38)	(41)	(45)	(42)	(42)	(42)	(43)
EBIT	41	45	32	21	46	60	64	70
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	57	62	68
Taxes	(11)	(7)	(8)	(7)	(10)	(14)	(15)	(17)
Minority interest	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Net profit	24	26	19	9	34	43	46	51
EPS reported	1.54	1.69	1.20	0.61	2.17	2.75	2.97	3.27
EPS adjusted	1.64	1.78	1.54	0.61	2.17	2.75	2.97	3.27
DPS	0.80	0.80	0.55	-	0.80	1.00	1.10	1.20
BALANCE SHEET (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Tangible non current assets	246	258	256	237	234	235	238	241
Other non-current assets	167	258	245	246	230	230	230	231
Other current assets	201	193	223	214	201	226	234	238
Cash & equivalents	60	133	121	84	133	45	68	96
Total assets	674	843	845	780	799	737	770	806
Total equity	347	349	353	355	373	404	434	468
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	144	147	148
Total liabilities & equity	674	843	845	780	799	737	770	806
CASH FLOW (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Cash earnings	60	75	66	78	70	85	88	94
Change in working capital	(1)	8	(5)	6	13	(15)	(5)	(3)
Cash flow from investments	(54)	(115)	(49)	(36)	(31)	(43)	(45)	(46)
Cash flow from financing	(9)	107	(24)	(85)	(4)	(115)	(16)	(17)
Net cash flow	(5)	73	(12)	(37)	50	(88)	23	27
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	30.7	30.7	30.7
Number of shares end period	16	16	16	16	16	16	16	16
Net interest bearing debt	136	190	198	180	145	131	108	80
Enterprise value	519	623	559	548	532	620	597	570
EV/Sales	0.8	0.9	0.8	0.8	0.8	0.9	0.8	0.7
EV/EBITDA	7.0	7.5	7.7	8.3	6.0	6.1	5.6	5.1
EV/EBIT	12.7	13.9	17.4	26.0	11.5	10.3	9.4	8.2
P/E reported	15.4	15.9	18.6	37.4	11.1	11.1	10.3	9.4
P/E adjusted	14.4	15.1	14.4	37.4	11.1	11.1	10.3	9.4
P/B	1.1	1.2	1.0	1.0	1.0	1.2	1.1	1.0
FINANCIAL ANALYSIS & CREDIT METRICS	2016	2017	2018	2019	2020	2021e	2022e	2023e
ROE adjusted (%)	7.5	7.9	6.8	2.7	9.3	11.0	11.0	11.2
Dividend yield (%)	3.4	3.0	2.5	-	3.3	3.3	3.6	3.9
EBITDA margin (%)	11.6	12.0	10.4	9.8	14.1	14.2	14.1	14.6
EBIT margin (%)	6.4	6.5	4.6	3.1	7.4	8.4	8.5	9.1
NIBD/EBITDA	1.82	2.29	2.71	2.71	1.64	1.28	1.01	0.71
EBITDA/Net interest	9.46	11.04	13.27	9.75	27.34	31.41	48.30	53.23

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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 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 - owns a net long position of the shares exceeding 0,5 % of the total issued 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 %
ArcticZymes Technologies	598,575	124%	SpareBank 1Ringerike Hadeland	100,000	0.64%
Bonheur	241,145	0.57%	Sparebank 1SMN	1,875,442	1.44%
DOF	2,366,346	0.75%	Sparebank 1SR-Bank	1,850,014	0.72%
Pareto Bank	16,235,830	23.38%	SpareBank 1Østfold Akershus	1215,116	9.81%
Quantafuel	1,119,887	0.89%	SpareBank 1Østlandet	3,825,292	3.60%
Sandnes Sparebank	126,013	0.55%	Sparebanken Møre	305,239	3.09%
Selvaag Bolig	3,176,925	3.39%	Sparebanken Sør	433,744	2.77%
SpareBank 1BV	1,771,308	2.81%	Sparebanken Vest	6,805,073	6.34%
Sparebank 1Nord-Norge	4,144,124	4.13%			

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	1,825	Fjordkraft Holding	0	12,855	Panoro Energy	0	30,344
Aker ASA	500	2,405	Flex LNG	0	3,532	Pareto Bank	0	2,412,220
Aker BP	0	23,631	Frontline	0	78,708	Pexip Holding	0	62,433
Aker Carbon Capture	0	120,621	Gjensidige Forsikring	0	7,723	PGS	0	11,676
Aker Offshore Wind	0	165,278	Golden Ocean Group	0	1,433	Protector Forsikring	0	12,000
Aker Solutions	0	3,728	Grieg Seafood	0	8,907	Quantafuel	0	1,119,887
American Shipping Co.	0	13,300	Hafnia Ltd.	0	10,000	REC Silicon	0	36,816
Aprila Bank ASA	0	22,675	Huddly	0	988,874	Salmar	0	2,709
Archer	0	30,170	Hunter Group ASA	0	308,500	Salmon Evolution	0	100,000
ArcticZymes Technologies	0	598,575	HydrogenPro	0	37,552	Sandnes Sparebank	0	124,013
Atlantic Sapphire	0	13,610	Ice Fish Farm	0	2,000	Scatec	0	20,412
Austevoll Seafood	0	29,235	Ice Group ASA	0	200,000	Seadrill Ltd	0	6,215
Avance Gas	0	3,362	Kalera	0	53,027	Selvaag Bolig	0	52,050
B2Holding AS	0	20,075	Kitron	0	18,386	Sparebank 1Nord-Norge	0	3,350
BASF	270	270	Komplett Bank	0	10,140	Sparebank 1SMN	0	12,740
Belships	0	17,965	Kongsberg Gruppen	0	36,023	Sparebank 1SR-Bank	0	8,505
Bonheur	0	32,275	KWS	75	75	SpareBank 1Østfold Akershus	0	1,252
Borregaard ASA	0	650	Lerøy Seafood Group	0	40,478	SpareBank 1Østlandet	0	8,621
Bouvet	0	2,940	Mercell	0	23,038	Sparebanken Sør	0	16,435
BRABank	0	74,607	Mowi	0	3,761	Sparebanken Vest	0	16,735
BW Energy	0	55,050	MPC Container Ships	0	39,437	Sparebanken Øst	0	1,500
BW Offshore	0	16,076	Nordic Semiconductor	0	4,681	Stolt-Nielsen	0	1,817
Cloudberry Clean Energy	0	52,031	Noreco	0	790	Storebrand	0	25,698
DNB	0	45,115	Norsk Hydro	0	113,219	Subsea 7	0	9,226
DNO	0	151,978	Norske Skog	0	98,225	Telenor	0	9,752
DOF	0	2,366,346	NTS	0	2,272	Vow	0	8,681
Elkem	0	35,426	Ocean Yield	0	104,370	Wallenius Wilhelmsen	0	57,570
Entra	0	9,977	OHT	0	6,650	XXL	0	18,823
Equinor	0	2,900	Okeanis Eco Tankers	0	22,000	Yara	0	14,133
Europpris	0	114,14	Orkla	0	20,540	Zaptec	0	4,000

This overview is updated monthly (last updated 15.07.2021).

*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	DLT	KlavenessCombination CarriersASA PetroTal	
2G Energy	EcoOnline	KLP	PHM Group
Avanzia Bank S.A.	ELOP	Komplett ASA	Pronofa AS
Africa Energy Corp Corp	Endur ASA	Komplett Bank	Proximar Seafood
Aker ASA	Energiean Israel Finance Ltd.	Kraft Bank	Pryme
Aker Clean Hydrogen	Enviv AS (Bookis)	Lakers Holding AS	Quantafuel
Aker Horizons	Fertiberia S.A.R.L.	Lumarine AS	REC Silicon
Akershus Energi	Fjordkraft Holding	Maha Energy	Saga Robotics
Akva Group	Flexistore AS	Malorama Holding AS	Salmon Evolution
Alussa Energy Acquisition Corp (Freyr)	Funkwerk AG	Meltwater	Scorpio Bulkers
Arcane Crypto	Genel Energy	Mercell	Seafire AB
Arctic Fish	Gjensidige Forsikring	Minttra Group	SFL Corporation Ltd
Arendals Fossekompani	Golden Ocean Group	Modex AS	SGL TransGroup International
Attensi	Goliath Offshore	MPC Container Ships	Siccar Point Energy
Belships	Halodi Robotics AS	Mutares SE & Co. KGaA	Skitude
BioInvent	Heimdall Power	Müller Medien GmbH (United Vertical)	Smart Wires Inc.
Biomega Group AS	HKN Energy Ltd	Navigator Holdings Ltd.	Strandline Resources Limited
Bonheur	Hofseth BioCare	Navios	Talos Energy Inc
Brooge Energy Limited	House of Control	Next Biometrics Group	Tise AS
Bulk Infrastructure Holding	Huddly	Nordic Halibut	Trønderenergi AS
BW Energy	HydrogenPro	Norlandia Health & Care Group AS	Vegfinans AS
BWLPG	Ice Group Scandinavia Holdings AS	Norse Atlantic	Viking ACQ 1 AS, SPAC
CentralNic Group PLC	Idavang A/S	Norske Skog	Vov
Circa Group	Instabank ASA	Norwegian Block Exchange	Watercircles Forsikring
Cloudberry Clean Energy	Kalera	OHT	West Coast Salmon
Crayo Nano AS	Kentech Global Plc	Panoro Energy	Wheel.me
Dampskibsselskabet NORDEN A/S	Keppel FELS Limited	Pelagia Holding AS	Xeneta AS
DigiPlex	Kistoplc.	PetroNor E&P	Ørn Software (View Software)

This overview is updated monthly (this overview is for the period 31.06.2020 – 31.06.2021).

Appendix C

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

Distribution of recommendations

Recommendation	% distribution
Buy	67%
Hold	31%
Sell	2%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	93%
Hold	7%
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 13.07.2021).

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	Climeon AB	Isofol Medical AB	Surgical Science
Azelio	Egetis Therapeutics	Linkfire A/S	Swedencare AB
Bionvent	Implantica	LMK Group	Vicore Pharma
Biovica International	Green Landscaping Group AB	Media & Games Invest plc.	VNV Global
Cibus Nordic Real Estate AB	Hexicon	Re:NewCell	

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:

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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
Member of the Pareto Group is providing Business Management services to the following companies:

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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

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Biotest *	Gigaset *	MLP *	Surteco Group *
CORESTATE Capital Holding S.A.	Heidelberg Pharma *	mutares	Syzygy AG *
Daldrup & Söhne	Intershop Communications AG	OVH Holding AG	TAKKT AG
Demire	Leifheit	Procredit Holding *	Viscom *
Epigenomics AG*	Logwin *	PSI SOFTWARE AG *	
Gesco *	Manz AG *	PWO *	
Gerry Weber	MAX Automation SE	S&T 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	Intershop Communications AG	mutares
Baywa	Enapter	Leifheit	OHB SE
BB Biotech	Expres2ion Biotechnologies	MAX Automation SE	OVH Holding AG
CLIQ Digital	Gerry Weber	Merkur Bank	Siegfried Holding AG
Daldrup & Söhne	Hypoport AG	Mynarc	

This overview is updated monthly (last updated 15.07.2021).