



## Still strong momentum

**Surteco has posted strong 9M results and raised again the full year guidance. We believe chances are there that the final EBIT will be even above the guided range of EUR 63-68m. Our new PT is EUR 43, the recommendation remains “buy”.**

### Good 9M numbers

Surteco has posted strong 9M results. EBIT was up more than 100% yoy and 10% above our expectations. Segment-wise, Decoratives was the main driver of that benign development. Earnings numbers would have been even better if material costs had not been up by 36% yoy in the first 9 months. In Q3, the material cost quota was above 50% of output, as cost increases could only be passed through with delays.

### Improved outlook for the year

Against the backdrop of today’s strong number, Surteco raised again the full year guidance. It now expects revenues of EUR 725-750m, which is at the higher end 4% above consensus. EBIT should come in between EUR 63-68m (was “above EUR 52m” before), The midpoint of c. EUR 65m implies that Surteco will only earn EBIT of EUR 6m in the last quarter, which compares with EUR 17m last year and EUR 9m in 2019, so this seems to still be a bit on the cautious side.

### New price target EUR 43

Assuming hardly any relief on the material cost side, we anticipate EBIT of EUR 69m in 2021, slightly above the guided range between EUR 63-68m. Due to the base effect, we also slightly increased our estimates for the subsequent years. On these grounds, we arrive at a new PT of EUR 43 per share (was EUR 37 before) and re-iterate our “buy” recommendation.

EURm	2019	2020	2021e	2022e	2023e
Revenues	675	627	740	759	778
EBITDA	66	88	111	112	118
EBIT	21	46	69	69	75
EPS	0.61	2.17	3.17	3.24	3.54
EPS adj	0.61	2.17	3.17	3.24	3.54
DPS	-	0.80	1.15	1.20	1.30
EV/EBITDA	8.3	6.0	6.5	6.2	5.6
EV/EBIT	26.0	11.5	10.4	10.0	8.8
P/E adj	37.4	11.1	11.7	11.5	10.5
P/B	1.00	1.00	1.41	1.31	1.21
ROE (%)	2.7	9.3	12.6	11.8	11.9
Div yield (%)	-	3.3	3.1	3.2	3.5
Net debt	180	145	128	102	72

Source: Pareto

Target price (EUR)	43
Share price (EUR)	37

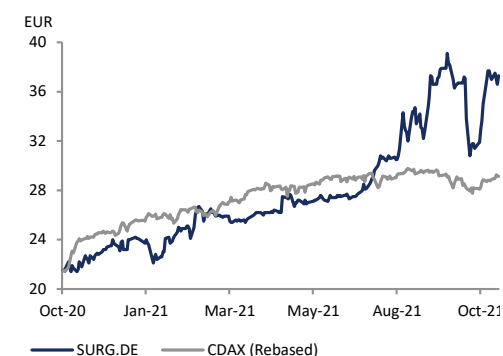
### Forecast changes

%	2021e	2022e	2023e
Revenues	3	1	1
EBITDA	9	5	5
EBIT adj	14	9	8
EPS reported	15	9	8
EPS adj	15	9	8

Source: Pareto

Ticker	SURG.DE, SUR GR
Sector	Industrials
Shares fully diluted (m)	15.5
Market cap (EURm)	578
Net debt (EURm)	141
Minority interests (EURm)	0
Enterprise value 21e (EURm)	720
Free float (%)	12

### Performance



Source: Factset

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## Wrap-up 9M numbers

Exhibit 1: 9M numbers

SURTECO GROUP (EURm)	9M 2020	Actual		Estimates	
		9M 2021	yoy (%)	Pareto	Dev (%)
<b>Revenues</b>	<b>459</b>	<b>566</b>	<b>23</b>	<b>548</b>	<b>3.3</b>
<i>Decoratives</i>	331	411	24		
<i>Technicals</i>	50	53	5		
<i>Profiles</i>	78	103	32		
<i>Reconciliation</i>	0	0	nm		
Cost of materials	-209	-283	35.8	-271	4.5
Personnel expenses	-122	-131	7.1	-131	-0.4
Other	-69	-75	9.7	-73	2.8
<b>EBITDA</b>	<b>60</b>	<b>90</b>	<b>51</b>	<b>85</b>	<b>6.4</b>
EBITDA Margin	13.0%	16.0%	293 BP	15.5%	46 BP
D&A	-31	-31	0.9	-32	-0.6
<b>EBIT</b>	<b>29</b>	<b>59</b>	<b>105</b>	<b>53</b>	<b>10.5</b>
EBIT Margin	6.3%	10.4%	416 BP	9.8%	68 BP
<i>Decoratives</i>	22	51	135		
<i>Technicals</i>	3	5	42		
<i>Profiles</i>	8	10	28		
<i>Reconciliation</i>	-4	-7	nm		

Source: Pareto Securities Research

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Against the backdrop of today's strong number, Surteco raised again the full year guidance. It now expects revenues of EUR 725-750m, which is at the higher end 4% above consensus. EBIT should come in between EUR 63-68m (was "above EUR 52m" before), which is 5-13% above market expectations. The midpoint of c. EUR 65m implies that Surteco will only earn EBIT of EUR 6m in the last quarter, which compares with EUR 17m last year and EUR 9m in 2019, so this seems to be a bit on the cautious side.

## Valuation update

## Exhibit 2: P&amp;L

Profit & Loss	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e	2024e	2025e
<b>Total output</b>	642	649	693	706	677	622	754	764	783	803	823
% yoy	3.2%	0.2%	7.8%	1.4%	-3.4%	-7.2%	18.0%	2.5%	2.5%	2.5%	2.5%
<b>Cost of materials</b>	-323	-325	-335	-350	-327	-283	-369	-374	-380	-385	-395
% of total output	50.2%	50.0%	48.4%	49.5%	48.2%	45.5%	48.9%	49.0%	48.5%	48.0%	48.0%
<b>Personnel expenses</b>	-162	-158	-175	-185	-186	-163	-175	-177	-181	-186	-190
% of total output	25.2%	24.3%	25.2%	26.2%	27.5%	26.1%	23.2%	23.2%	23.2%	23.2%	23.2%
<b>Other OPEX (net)</b>	-93	-92	-100	-99	-98	-88	-100	-101	-104	-106	-109
% of total output	14.4%	14.2%	14.5%	14.0%	14.5%	14.2%	13.2%	13.2%	13.2%	13.2%	13.2%
<b>EBITDA</b>	65	74	83	73	66	88	111	112	118	125	132
% of total output	10.1%	11.5%	12.0%	10.3%	9.8%	14.2%	14.7%	14.6%	15.1%	15.6%	16.0%
<b>EBIT</b>	31	41	45	32	21	46	69	69	75	82	88
% of total output	4.8%	6.3%	6.4%	4.6%	3.1%	7.4%	9.2%	9.1%	9.6%	10.2%	10.6%
<b>Adjusted EBIT</b>	40	43	47	40	40	46	69	69	75	82	88
% of total output	6.3%	6.6%	6.7%	5.6%	6.0%	7.4%	9.2%	9.1%	9.6%	10.2%	10.6%
<b>Pretax Profit</b>	27	35	34	27	16	43	66	67	73	80	86
% of total output	4.2%	5.4%	4.8%	3.8%	2.4%	7.0%	8.7%	8.8%	9.4%	9.9%	10.4%
<b>Net Profit</b>	18	24	26	19	9	34	49	50	55	60	64
% of total output	2.8%	3.7%	3.8%	2.6%	1.4%	5.4%	6.5%	6.6%	7.0%	7.4%	7.8%
<b>EPS</b>	1.14	1.54	1.69	1.20	0.61	2.17	3.17	3.24	3.54	3.85	4.14
% yoy	-4.2%	34.9%	9.7%	-28.9%	-49.6%	258.8%	46.0%	2.0%	9.4%	8.8%	7.4%
<b>DPS</b>	0.80	0.80	0.80	0.55	0.00	0.80	1.15	1.20	1.30	1.42	1.52
Payout ratio	70%	52%	47%	46%	0%	37%	37%	37%	37%	37%	37%

Source: Surteco, Pareto Securities Research

Following the 9M reporting, we slightly adjust our estimates as follows:

We now expect total output to reach EUR 754m and revenues of EUR 740m in 2021, in line with the guidance ("revenues between EUR 725-750m"). Material costs as % of output are expected to normalize from 50.2% in Q3 to 49% in Q4, in line with Surteco's stated intention to progressively pass-through material cost increases to customers but still clearly above the long-term average of 48%. In the next couple of years, we expect the respective quota to go down to that level, though. We expect personnel cost of around EUR 175m for the full year, in-line with respective company statements. Thus, we now anticipate EBIT of EUR 69m in 2021, slightly above the guided range between EUR 63-68m. 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. Please find below an overview over the changes to our estimates.

## Exhibit 3: New vs old estimates

Estimate changes		2021e			2022e			2023e		
		Old	New	Chg.	Old	New	Chg.	Old	New	Chg.
Revenues	EURm	722	740	3%	751	759	1%	676	778	15%
EBITDA	"	102.0	111.0	9%	106.0	111.7	5%	113.0	118.4	5%
EBIT	"	60.0	69.0	15%	64.0	69.2	8%	70.0	75.4	8%
EPS	EUR	2.75	3.17	15%	2.97	3.24	9%	3.27	3.54	8%

Source: Pareto Securities Research

## Exhibit 4: DCF

EUR m	Phase I					Phase II					Phase III
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	
<b>Revenue</b>	<b>740</b>	<b>759</b>	<b>778</b>	<b>797</b>	<b>817</b>	<b>837</b>	<b>858</b>	<b>880</b>	<b>902</b>	<b>924</b>	
<i>growth rate</i>	18.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
<b>EBIT</b>	<b>69.0</b>	<b>69.2</b>	<b>75.4</b>	<b>81.8</b>	<b>87.6</b>	<b>85.2</b>	<b>82.7</b>	<b>79.9</b>	<b>77.0</b>	<b>73.9</b>	
<i>EBIT margin</i>	9.3%	9.1%	9.7%	10.3%	10.7%	10.2%	9.6%	9.1%	8.5%	8.0%	
<b>Tax</b>	<b>-17.2</b>	<b>-17.3</b>	<b>-18.9</b>	<b>-20.4</b>	<b>-21.9</b>	<b>-21.3</b>	<b>-20.7</b>	<b>-20.0</b>	<b>-19.3</b>	<b>-18.5</b>	
<i>Tax rate</i>	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	
<b>Depr. &amp; Amort.</b>	<b>36.4</b>	<b>36.7</b>	<b>37.1</b>	<b>37.6</b>	<b>38.1</b>	<b>43.5</b>	<b>46.8</b>	<b>49.1</b>	<b>50.9</b>	<b>52.8</b>	
<i>% of sales</i>	4.9%	4.8%	4.8%	4.7%	4.7%	5.2%	5.5%	5.6%	5.6%	5.7%	
<b>Capex</b>	<b>-44.4</b>	<b>-45.5</b>	<b>-46.7</b>	<b>-47.8</b>	<b>-49.0</b>	<b>-50.2</b>	<b>-51.5</b>	<b>-52.8</b>	<b>-54.1</b>	<b>-55.5</b>	
<i>% of sales</i>	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
<b>Change in WC &amp; Prov.</b>	<b>-18.0</b>	<b>-2.9</b>	<b>-3.0</b>	<b>-3.1</b>	<b>-3.2</b>	<b>-3.2</b>	<b>-3.3</b>	<b>-3.4</b>	<b>-3.5</b>	<b>-3.6</b>	
<i>% of sales</i>	2.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	
<b>Free Cash Flow</b>	<b>25.8</b>	<b>40.2</b>	<b>44.0</b>	<b>48.0</b>	<b>51.6</b>	<b>53.9</b>	<b>54.0</b>	<b>52.9</b>	<b>51.1</b>	<b>49.2</b>	<b>963.1</b>
<i>growth rate</i>	nm	56.0%	9.5%	9.1%	7.5%	4.4%	0.2%	-2.0%	-3.3%	-3.7%	2.5%
<b>Present Value FCF</b>	<b>25.4</b>	<b>36.8</b>	<b>37.4</b>	<b>37.9</b>	<b>37.8</b>	<b>36.6</b>	<b>34.1</b>	<b>31.0</b>	<b>27.8</b>	<b>24.8</b>	<b>486.1</b>

PV Phase I	175	Risk free rate	3.5%	Target equity ratio	79%			
PV Phase II	154	Premium Equity	5.0%	Beta	1.1			
PV Phase III	486	Premium Debt	0.5%	<b>WACC</b>	<b>7.7%</b>			
<b>Enterprise value</b>	<b>816</b>	<b>Sensitivity</b>	<b>Growth in phase III</b>					
- Net Debt (Cash)	144		<b>1.5%</b>	<b>2.0%</b>	<b>2.5%</b>	<b>3.0%</b>	<b>3.5%</b>	
- Pension Provisions	14	<b>7.0%</b>	44.0	47.3	51.5	56.6	63.3	
- Minorities & Peripherals	3	<b>7.4%</b>	40.5	43.4	46.8	51.0	56.3	
+ MV of financial assets	9	<b>WACC</b>	<b>7.7%</b>	37.5	39.9	<b>42.8</b>	46.3	50.6
			<b>8.1%</b>	34.9	36.9	39.4	42.3	45.8
			<b>8.5%</b>	32.5	34.3	36.4	38.8	41.8
<b>Equity value</b>	<b>664</b>							
Number of shares	15.5							
<b>Value per share (€)</b>	<b>43.0</b>							
<b>Current Price (€)</b>	<b>37.3</b>							
<b>Upside</b>	<b>15%</b>							

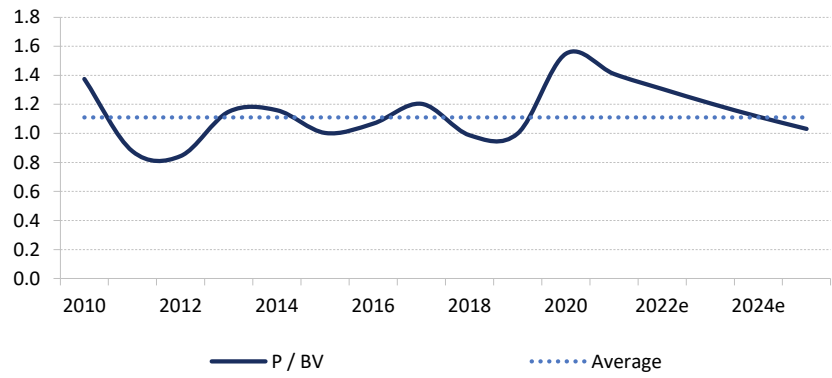
Source: Pareto Securities Research

**On the grounds of our updated DCF framework, we arrive at a new price target of EUR 43 per share (was EUR 37 before).**

For a capital-intensive business like Surteco's, we also refer to the book value as additional valuation metric. At the present share price, the Surteco share trades around 1.4x 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 12.6% 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.

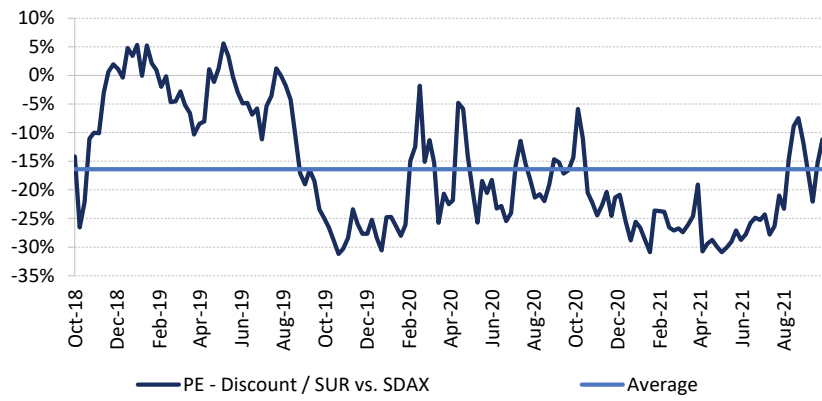
Also, the relative perspective (SUR vs SDAX) does not speak against our "buy" case as the share trades at a similar discount to the index like in the past. Despite the significant share price appreciation in the last 12 months (+55% ex dividends), the 12 months forward PE is still around average levels (~13x).

**Exhibit 5: P / BV**



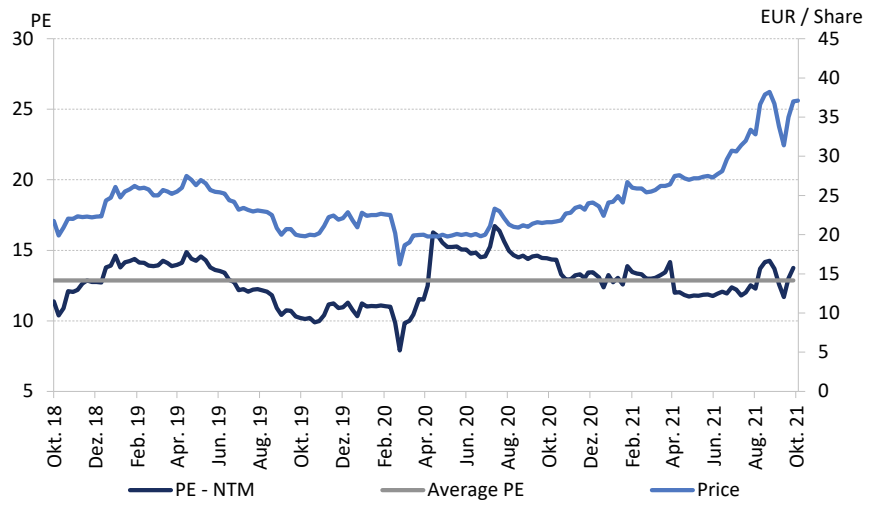
Source: Pareto Securities Research

**Exhibit 6: Surteco vs SDAX**



Source: Factset, Pareto Securities Research

Exhibit 7: Historical next 12 months forward PE



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	<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 (29/10/2021):</b> Revenue: EUR 725-750m EBIT: EUR 63-68m
			<b>Pareto Estimates</b> Revenue: EUR 740m y/y: 18.0% EBIT: EUR 69m EBIT margin: 9.3%
			<b>Consensus</b> EUR 722m 15.2% EUR 60m 8.3%
2020	Sales (EURm) y/y: 627.0	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			
Shareholder structure & management	<b>CEO</b>  Wolfgang Moyses CEO (since 2019) • Following his studies in business administration, Mr Moyses earned 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>  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.	<b>Shareholder structure</b> 
# of employees FY 2020	3,052		

Source: Pareto Securities Research

<b>PROFIT &amp; LOSS (fiscal year) (EURm)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
<b>Revenues</b>	<b>640</b>	<b>690</b>	<b>699</b>	<b>675</b>	<b>627</b>	<b>740</b>	<b>759</b>	<b>778</b>
<b>EBITDA</b>	<b>74</b>	<b>83</b>	<b>73</b>	<b>66</b>	<b>88</b>	<b>111</b>	<b>112</b>	<b>118</b>
Depreciation & amortisation	(33)	(38)	(41)	(45)	(42)	(42)	(42)	(43)
<b>EBIT</b>	<b>41</b>	<b>45</b>	<b>32</b>	<b>21</b>	<b>46</b>	<b>69</b>	<b>69</b>	<b>75</b>
Net interest	(8)	(8)	(6)	(7)	(3)	(3)	(2)	(2)
Other financial items	2	(4)	0	1	-	-	-	-
<b>Profit before taxes</b>	<b>35</b>	<b>34</b>	<b>27</b>	<b>16</b>	<b>43</b>	<b>66</b>	<b>67</b>	<b>73</b>
Taxes	(11)	(7)	(8)	(7)	(10)	(16)	(17)	(18)
Minority interest	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)
<b>Net profit</b>	<b>24</b>	<b>26</b>	<b>19</b>	<b>9</b>	<b>34</b>	<b>49</b>	<b>50</b>	<b>55</b>
EPS reported	1.54	1.69	1.20	0.61	2.17	3.17	3.24	3.54
<b>EPS adjusted</b>	<b>1.64</b>	<b>1.78</b>	<b>1.54</b>	<b>0.61</b>	<b>2.17</b>	<b>3.17</b>	<b>3.24</b>	<b>3.54</b>
DPS	0.80	0.80	0.55	-	0.80	1.15	1.20	1.30
<b>BALANCE SHEET (EURm)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Tangible non current assets	246	258	256	237	234	236	239	242
Other non-current assets	167	258	245	246	230	230	230	231
Other current assets	201	193	223	214	201	231	236	241
Cash & equivalents	60	133	121	84	133	48	74	104
<b>Total assets</b>	<b>674</b>	<b>843</b>	<b>845</b>	<b>780</b>	<b>799</b>	<b>745</b>	<b>779</b>	<b>818</b>
Total equity	347	349	353	355	373	410	443	479
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	145	147	149
<b>Total liabilities &amp; equity</b>	<b>674</b>	<b>843</b>	<b>845</b>	<b>780</b>	<b>799</b>	<b>745</b>	<b>779</b>	<b>818</b>
<b>CASH FLOW (EURm)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Cash earnings	60	75	66	78	70	91	93	98
Change in working capital	(1)	8	(5)	6	13	(18)	(3)	(3)
Cash flow from investments	(54)	(115)	(49)	(36)	(31)	(44)	(46)	(47)
Cash flow from financing	(9)	107	(24)	(85)	(4)	(115)	(18)	(19)
Net cash flow	(5)	73	(12)	(37)	50	(86)	26	30
<b>CAPITALIZATION &amp; VALUATION (EURm)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
<b>Share price (EUR end)</b>	<b>23.7</b>	<b>26.9</b>	<b>22.3</b>	<b>22.7</b>	<b>24.1</b>	<b>37.3</b>	<b>37.3</b>	<b>37.3</b>
Number of shares end period	16	16	16	16	16	16	16	16
Net interest bearing debt	136	190	198	180	145	128	102	72
<b>Enterprise value</b>	<b>519</b>	<b>623</b>	<b>559</b>	<b>548</b>	<b>532</b>	<b>720</b>	<b>693</b>	<b>664</b>
EV/Sales	0.8	0.9	0.8	0.8	0.8	1.0	0.9	0.9
<b>EV/EBITDA</b>	<b>7.0</b>	<b>7.5</b>	<b>7.7</b>	<b>8.3</b>	<b>6.0</b>	<b>6.5</b>	<b>6.2</b>	<b>5.6</b>
EV/EBIT	12.7	13.9	17.4	26.0	11.5	10.4	10.0	8.8
P/E reported	15.4	15.9	18.6	37.4	11.1	11.7	11.5	10.5
<b>P/E adjusted</b>	<b>14.4</b>	<b>15.1</b>	<b>14.4</b>	<b>37.4</b>	<b>11.1</b>	<b>11.7</b>	<b>11.5</b>	<b>10.5</b>
P/B	1.1	1.2	1.0	1.0	1.0	1.4	1.3	1.2
<b>FINANCIAL ANALYSIS &amp; CREDIT METRICS</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
ROE adjusted (%)	7.5	7.9	6.8	2.7	9.3	12.6	11.8	11.9
Dividend yield (%)	3.4	3.0	2.5	-	3.3	3.1	3.2	3.5
EBITDA margin (%)	11.6	12.0	10.4	9.8	14.1	15.0	14.7	15.2
EBIT margin (%)	6.4	6.5	4.6	3.1	7.4	9.3	9.1	9.7
NIBD/EBITDA	1.82	2.29	2.71	2.71	1.64	1.15	0.91	0.61
EBITDA/Net interest	9.46	11.04	13.27	9.75	27.34	34.11	51.11	56.55



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Appendix A

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Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Bonheur	240,945	0.57%	SpareBank 1Østfold Akershus	125,116	9.81%
Pareto Bank	15,236,280	2194%	SpareBank 1Østlandet	3,833,163	3.61%
Selvaag Bolig	3,656,661	3.90%	Sparebanken Møre	305,239	3.09%
Sparebank 1Nord-Norge	4,279,097	4.26%	Sparebanken Sør	433,744	2.77%
SpareBank 1Ringerike Hadel	100,000	0.64%	Sparebanken Vest	6,861,616	6.39%
Sparebank 1SMN	1,970,442	152%	SpareBank 1Sørøst-Norge	1,771,308	2.81%
Sparebank 1SR-Bank	1,850,099	0.72%			

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Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings
AF Gruppen	0	1,825	Fjordkraft Holding	0	21,317	Orkla	0	20,983
Aker ASA	500	3,125	Flex LNG	0	4,817	Panoro Energy	0	34,844
Aker BP	0	21,492	Frontline	0	78,453	Pareto Bank	0	1,265,934
Aker Carbon Capture	0	12,721	Gjensidige Forsikring	0	7,728	Pexip Holding	0	68,563
Aker Clean Hydrogen	0	132,000	Grieg Seafood	0	9,127	PGS	0	11,676
Aker Horizons	0	125,848	Hafnia Ltd.	0	10,000	Protector Forsikring	0	14,000
Aker Offshore Wind	0	164,028	Huddly	0	980,973	Pryme	0	1,500
Aker Solutions	0	3,678	Hunter Group	0	308,500	Quantafuel	0	5,797
American Shipping Co.	0	13,300	HydrogenPro	0	37,552	REC Silicon	0	39,716
Aprila Bank ASA	0	22,675	Ice Fish Farm	0	2,000	SalMar	0	2,799
Archer	0	30,170	ice Group ASA	0	200,000	Salmon Evolution	0	100,000
ArcticZymes Technologies	0	684	Kalera	0	54,027	Sandnes Sparebank	0	4,013
Atlantic Sapphire	0	1,607	Kitron	0	18,386	Scatec	0	30,412
Austevoll Seafood	0	4,235	Komplett Bank	0	108,400	Selvaag Bolig	0	2,143
Avance Gas	0	3,000	Kongsberg Gruppen	0	36,023	Sparebank 1Nord-Norge	0	3,350
B2Holding AS	0	13,940	KWS	75	75	Sparebank 1SMN	0	12,740
BASF	270	270	Lerøy Seafood Group	0	39,328	Sparebank 1SR-Bank	0	15,090
Belships	0	4,400	Meltwater	0	24,000	SpareBank 1Østfold Akershus	0	1,252
Bonheur	0	32,075	Mercell	0	24,863	SpareBank 1Østlandet	0	9,621
Borregaard ASA	0	650	Mowi	0	661	Sparebanken Sør	0	16,435
Bouvet	0	2,940	MPC Container Ships	0	55,490	Sparebanken Vest	0	16,735
BRABank	0	31,499	NEXT Biometrics	0	410,901	Sparebanken Øst	0	1,500
BW Energy	0	55,050	Nordic Semiconductor	0	4,391	Stolt-Nielsen	0	1,817
BW Offshore	0	16,076	Noreco	0	790	Storebrand	0	25,698
Cloudberry Clean Energy	0	100,000	Norse Atlantic	0	15,000	Subsea 7	0	12,493
DNB	0	48,389	Norsk Hydro	0	91,189	Telenor	0	10,552
DNO	0	151,978	Norske Skog	0	98,499	TGS-NOPEC	0	600
Elkem	0	35,426	Northern Drilling Ltd.	0	27,319	Vow	0	8,681
ELOP	0	77,000	NTS	0	2,172	Wallenius Wilhelmsen	0	16,550
Entra	0	9,806	Ocean Yield	0	32,772	XXL	0	20,923
Equinor	0	2,589	OHT	0	4,000	Yara	0	14,907
Euopris	0	11,208	Okeanis Eco Tankers	0	2,000	Zaptec	0	11,000

This overview is updated monthly (last updated 15.10.2021).

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## 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:

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2G Energy	ELOP	KMCP Properties	Ping Petroleum UK Limited	Xeneta AS
Avanzia Bank S.A.	Endur ASA	Komplett ASA	poLight	ZTL Payment Solution AS
Aker ASA	Energyan Israel Finance Ltd.	Komplett Bank	Pronofa AS	Ørn Software
Aker Clean Hydrogen	Enviv AS (Bookis)	Kraft Bank	Proximar Seafood	
Aker Horizons	Fertiberia S.A.R.L.	Lakers Holding AS	Pryme	
Akershus Energi	Flexistore AS	Lerøy Seafood Group	Pyrum Innovations	
Akva Group	FREYR Battery	Lumarine AS	REC Silicon	
Arcane Crypto	Funkwerk AG	Maha Energy	Saga Robotics	
Arctic Fish	Gjensidige Forsikring	Malorama Holding AS	Salmon Evolution	
Arendals Fossekompani	Golden Ocean Group	Mathesa Bostadsbolaget AB	Seafire AB	
Attensi	Goliath Offshore	Meltwater	Seajacks	
Barramundi Group Pte. Ltd.	Grøntvedt AS	Mercell	SFL Corporation Ltd	
Belships	Hagal AS	Modex AS	SGL TransGroup International A/S	
BioInvent	Halodi Robotics AS	Mutares SE & Co. KGaA	Shamaran Petroleum	
Biomega Group AS	Heimdall Power	Müller Medien GmbH (United Vertica)	Siccar Point Energy	
Bonheur	HKN Energy Ltd	Navios Maritime Acquisitions	Skitude	
Bulk Infrastructure Holding	Hofseth BioCare	Next Biometrics Group	Smart Wires Inc.	
BW Energy	House of Control	Nordic Halibut	Strandline Resources Limited	
BWLPG	Huddly	Noreco	Talos Energy Inc	
Cavai AS	Ice Group Scandinavia Holdings AS	Norlandia Health & Care Group AS	Tise AS	
CentralNic Group PLC	Idavang A/S	Norse Atlantic	Trønderenergi AS	
Circa Group	Immunopharma	Norske Skog	Vegfinans AS	
CloudBerry Clean Energy	JP/Politiken's Forlag	Norwegian Block Exchange	Viking ACQ1 AS, SPAC	
Dampskibsselskabet NORDEN A/S	Kalera	Panoro Energy	Vow	
DLT	Kentech Global Plc	Pelagia Holding AS	Waldorf Production UK Ltd	
DNO	Keppel FELS Limited	PetroNor E&P	Watercircles Forsikring	
Documaster AS	Kistosplc.	PetroTal	West Coast Salmon	

*This overview is updated monthly (this overview is for the period 31.09.2020 – 31.09.2021).*

## Appendix C

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

#### Distribution of recommendations

Recommendation	% distribution
Buy	70%
Hold	27%
Sell	3%

#### 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.

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## Appendix D

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## Appendix E

### Disclosure requirements in accordance with Article 6(1)(c)(i) of Commission Delegated Regulation (EU) 2016/958

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CORESTATE Capital Holding S.A.	Heidelberg Pharma *	mutares	Syzygy AG *
Daldrup & Söhne	Intershop Communications AG	OVB 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	OVB Holding AG
CLIQ Digital	Gerry Weber	Merkur Bank	Siegfried Holding AG
Daldrup & Söhne	Hypoport AG	Mynarc	

*This overview is updated monthly (last updated 15.10.2021).*