

In good shape to master the downturn

At the backdrop of a deteriorating consumer confidence and record high raw materials prices, Surteco has issued a profit warning in October. While we don't expect any substantial improvement in the remainder of the year and at the beginning of next year, the longer-term recovery potential is significant, we think. Even on the grounds of rather undemanding assumptions, we derive a price target of EUR 30, which translates into 50% upside. Our recommendation remains buy.

After the profit warning in October

After a profit warning given earlier in October, Surteco published full 9M numbers on Wednesday. As a reminder, Surteco has said on October 11th that it expects full year EBIT of EUR 37-42m, which compares with a guided range of EUR 55-65m before. Given that EBIT has been at EUR 41m after 9 months, it is clear that Surteco discounts a rather negative scenario for Q4. Surteco's cautious stance is backed by the current ifo business climate index for the furniture industry, which has further deteriorated in the last quarter from an already low starting point in Q2 and is now close to levels only seen during the pandemic. Also, the material cost intensity (material cost / output) remained at elevated levels of close to 52% in Q3.

New price target EUR 30 based on a cautious scenario

Against the backdrop of 9M results, we now expect revenues of EUR 158m for Q4, which represents a yoy drop of 17%. Regarding material costs, we don't expect any relief until the end of the year. As a result, we anticipate EBIT of EUR 1m in the final quarter, which translates into EBIT of EUR 42m for the full year 2022, which is at the upper bound of guided corridor. For 2023, we expect a further drop of output by 6% but expect a steady increase thereafter, roughly in line with GDP growth. Positively, we anticipate raw material prices to cool down over time and a return of the material cost intensity to 48% of output until 2026e, in line with the longer-term average. On the base of this undemanding scenario, we derive a PT of EUR 30 (was EUR 37), the recommendation remains buy.

EURm	2020	2021	2022e	2023e	2024e
Revenues	627	757	751	704	726
EBITDA	88	115	86	77	83
EBIT	46	73	42	34	40
EPS	2.17	3.08	1.77	1.38	1.65
EPS adj	2.17	3.08	1.77	1.38	1.65
DPS	0.80	1.00	1.00	1.00	1.20
EV/EBITDA	6.0	6.6	5.6	6.0	5.5
EV/EBIT	11.5	10.4	11.4	13.7	11.4
P/E adj	11.1	12.3	11.6	14.9	12.5
P/B	1.00	1.42	0.75	0.74	0.72
ROE (%)	9.3	12.1	6.5	5.0	5.9
Div yield (%)	3.3	2.6	4.9	4.9	5.8
Net debt	145	153	152	132	120

Source: Pareto Securities

Target price (EUR)	30	▲	BUY
Share price (EUR)	21	—	HOLD
		▼	SELL

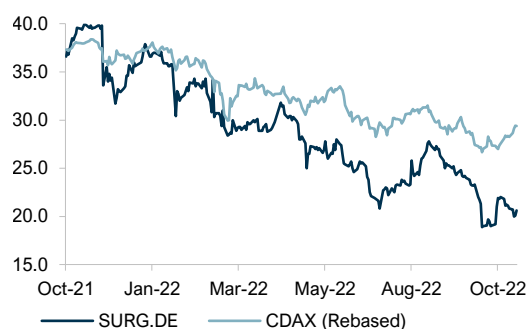
Forecast changes

%	2022e	2023e	2024e
Revenues	0	(8)	(8)
EBITDA	(12)	(25)	(27)
EBIT adj	(23)	(43)	(42)
EPS reported	(25)	(46)	(45)
EPS adj	(25)	(46)	(45)

Source: Pareto Securities

Ticker	SURG.DE, SUR GR
Sector	Industrials
Shares fully diluted (m)	15.5
Market cap (EURm)	319
Net debt (EURm)	164
Minority interests (EURm)	0
Enterprise value 22e (EURm)	484
Free float (%)	12

Performance



Source: FactSet

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Wrap-up Q3 2022

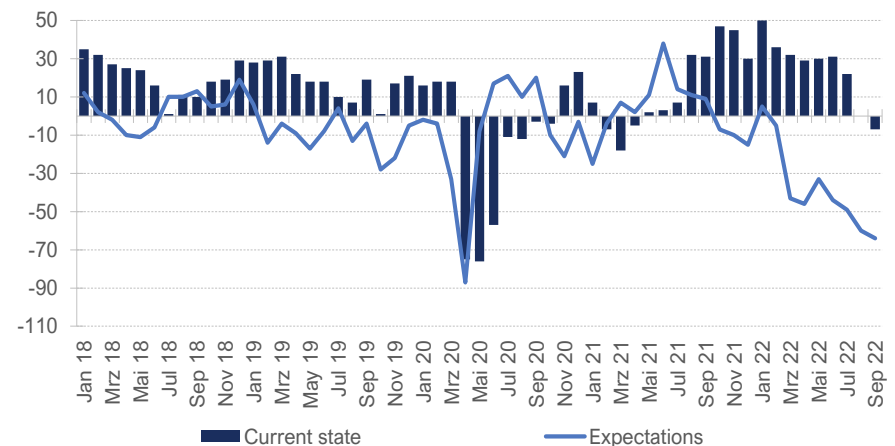
Overview Q3 2022

SURTECO GROUP (EURm)	Q3 2021	Actual	
		Q3 2022	yoy (%)
Revenues	188	178	-6
<i>Decoratives</i>	128	131	3
<i>Technicals</i>	14	15	4
<i>Profiles</i>	35	35	2
<i>Reconciliation</i>	0	-4	nm
Cost of materials	-100	-91	-8.5
Personnel expenses	-42	-43	1.4
Other	-16	-24	47.4
EBITDA	30.7	18.8	-39
EBITDA Margin	16.3%	10.6%	-576 BP
D&A	-11	-11	6.2
EBIT	20.2	7.6	-62
EBIT Margin	10.7%	4.3%	-645 BP
<i>Decoratives</i>	17	8	-52
<i>Technicals</i>	1	-1	-191
<i>Profiles</i>	4	3	-15
<i>Reconciliation</i>	-2	-3	7

Source: Company, Pareto Securities

After a profit warning given earlier in October, Surteco published full 9M numbers on Wednesday. As a reminder, Surteco has said on October 11th that it expects full year EBIT of EUR 37-42m, which compares with a guided range of EUR 55-65m before. Given that EBIT has been at EUR 41m after 9 months, it is clear that Surteco discounts a rather negative scenario for Q4. The new guidance implies an EBIT of minus EUR 4m to plus EUR 1m for Q4, which compares with EUR 13.4m earned in the final quarter of 2021. The company sees soft demand for its products in conjunction with still high raw material costs. Many of Surteco's products serve as input for the furniture industry, which is of course highly sensitive to the consumer sentiment. Surteco's cautious stance is backed by the current ifo business climate index for the furniture industry (see below), which has further deteriorated in the last quarter from an already low starting point in Q2 and is now close to levels seen during the pandemic.

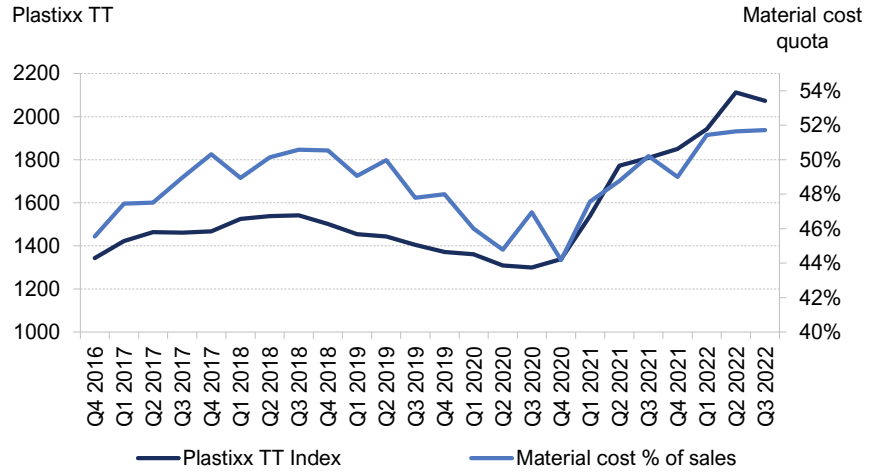
ifo business climate index for the furniture industry



Source: VDM, Pareto Securities

Also, the material cost intensity (material cost / output) remained at elevated levels of close to 52% in Q3. While the prices for plastics retreated a bit from the highs reached in Q2 (see below), this is not yet the case for the pulp market.

Plastixx TT index and material cost quota



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

Updating our estimates

Against the backdrop of the 9M result, we now expect revenues of EUR 158m for Q4, which represents a yoy drop of 17%. Regarding material costs, we don't expect any relief until the end of the year. As a result, we anticipate EBIT of EUR 1m in the final quarter, which translates into EUR 42m for the full year 2022, which is at the upper bound of the guided corridor.

Q4 outlook

SURTECO GROUP (EURm)	Actual	Pareto	
	Q4 2021	Q4 2022e	yoy (%)
Total output	191	158	-17
Cost of materials	-94	-82	-13
Personnel expenses	-44	-42	-4
Other opex	-27	-22	-17
EBITDA	27	12	-55
EBITDA Margin	14.1%	7.7%	-634 BP
D&A	-11	-11	6
EBIT	13	1	-92
EBIT Margin	7.0%	0.7%	-637 BP

Source: Pareto Securities, Surteco

For 2023, we expect a further drop of output by 6% but expect a steady increase thereafter, roughly in line with GDP growth. Positively, we anticipate raw material prices to cool down over time and a return of the material cost intensity to 48% of output until 2026e, in line with the longer-term average.

P&L Forecast

Profit & Loss	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e	2025e	2026e
Total output	649	693	706	677	622	773	755	704	726	747	770
% yoy	0.2%	7.8%	1.4%	-3.4%	-7.2%	20.7%	-0.8%	-6.2%	3.0%	3.0%	3.0%
Cost of materials	-325	-335	-350	-327	-283	-382	-390	-352	-359	-366	-370
% of total output	50.0%	48.4%	49.5%	48.2%	45.5%	49.4%	51.6%	50.0%	49.5%	49.0%	48.0%
Personnel expenses	-158	-175	-185	-186	-163	-175	-178	-183	-189	-194	-200
% of total output	24.3%	25.2%	26.2%	27.5%	26.1%	22.7%	23.5%	26.0%	26.0%	26.0%	26.0%
Other OPEX (net)	-92	-100	-99	-98	-88	-101	-101	-92	-95	-98	-101
% of total output	14.2%	14.5%	14.0%	14.5%	14.2%	13.1%	13.4%	13.1%	13.1%	13.1%	13.1%
EBITDA	74	83	73	66	88	115	86	77	83	89	99
% of total output	11.5%	12.0%	10.3%	9.8%	14.2%	14.8%	11.4%	10.9%	11.4%	11.9%	12.9%
EBIT	41	45	32	21	46	73	42	34	40	46	56
% of total output	6.3%	6.4%	4.6%	3.1%	7.4%	9.4%	5.6%	4.8%	5.5%	6.1%	7.2%
Adjusted EBIT	43	47	40	40	46	73	42	34	40	46	56
% of total output	6.6%	6.7%	5.6%	6.0%	7.4%	9.4%	5.6%	4.8%	5.5%	6.1%	7.2%
Pretax Profit	35	34	27	16	43	70	39	30	36	42	52
% of total output	5.4%	4.8%	3.8%	2.4%	7.0%	9.0%	5.1%	4.3%	5.0%	5.6%	6.8%
Net Profit	24	26	19	9	34	48	27	21	26	30	37
% of total output	3.7%	3.8%	2.6%	1.4%	5.4%	6.2%	3.6%	3.0%	3.5%	4.0%	4.8%
EPS	1.54	1.69	1.20	0.61	2.17	3.08	1.77	1.38	1.65	1.93	2.39
% yoy	34.9%	9.7%	-28.9%	-49.6%	258.8%	41.8%	-42.5%	-22.1%	19.8%	16.8%	23.8%
DPS	0.80	0.80	0.55	0.00	0.80	1.00	1.00	1.00	1.20	1.40	1.73
Payout ratio	52%	47%	46%	0%	37%	32%	56%	72%	72%	72%	72%

Source: SUR, Pareto Securities

The resulting changes to our estimates are shown below.

Changes to our estimates

Estimate changes		2022e			2023e			2024e		
		Old	New	Chg.	Old	New	Chg.	Old	New	Chg.
Revenues	EURm	750	751	0%	769	704	(8)%	788	726	(8)%
EBITDA	"	98.0	86.3	(12)%	102.0	76.8	(25)%	112.9	82.7	(27)%
EBIT	"	55.1	42.3	(23)%	59.1	33.8	(43)%	69.0	39.7	(42)%
EPS	EUR	2.35	1.77	(25)%	2.54	1.38	(46)%	3.00	1.65	(45)%

Source: Pareto Securities

At the end of Q3, Net Working Capital (NWC) was at 24% of LTM sales, four percentage points above the level at the end of 2021. In our reading, this is due to rising input prices as discussed above but also because of the need to increase inventory buffers as a reaction to an increased stress level in the supply chain. For FY 2022, we assume NWC at 21.5% of sales, but the degree of uncertainty is apparently higher than usual.

Valuation update

DCF

EUR m	Phase I					Phase II					Phase III
	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	
Revenue	751	704	726	747	770	792	815	837	859	882	
<i>growth rate</i>	-0.8%	-6.2%	3.0%	3.0%	3.0%	2.9%	2.8%	2.8%	2.7%	2.6%	
EBIT	42.3	33.8	39.7	45.7	55.7	57.8	59.8	61.9	64.0	66.1	
<i>EBIT margin</i>	5.6%	4.8%	5.5%	6.1%	7.2%	7.3%	7.3%	7.4%	7.4%	7.5%	
Tax	-12.3	-9.8	-11.5	-13.3	-16.2	-16.8	-17.4	-18.0	-18.6	-19.2	
<i>Tax rate</i>	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	
Depr. & Amort.	38.5	38.8	38.7	38.8	39.0	42.7	45.2	47.2	48.8	50.4	
<i>% of sales</i>	5.1%	5.5%	5.3%	5.2%	5.1%	5.4%	5.6%	5.6%	5.7%	5.7%	
Capex	-45.1	-42.3	-43.5	-44.8	-46.2	-47.5	-48.9	-50.2	-51.6	-52.9	
<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.	-9.6	13.5	2.8	3.1	-4.3	-4.3	-4.3	-4.3	-4.2	-4.2	
<i>% of sales</i>	1.3%	-1.9%	-0.4%	-0.4%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	
Free Cash Flow	13.9	34.0	26.2	29.5	28.1	31.9	34.6	36.6	38.4	40.2	831.0
<i>growth rate</i>	<i>nm</i>	<i>nm</i>	-23.1%	12.8%	-4.7%	13.6%	8.3%	6.0%	4.8%	4.7%	2.5%
Present Value FCF	13.7	31.3	22.4	23.5	20.8	22.0	22.2	21.9	21.3	20.8	429.3

PV Phase I	112	Risk free rate	3.5%	Target equity ratio	75%
PV Phase II	108	Premium Equity	5.0%	Beta	1.1
PV Phase III	429	Premium Debt	0.5%	WACC	7.5%

Enterprise value	649	Sensitivity	Growth in phase III					
			1.5%	2.0%	2.5%	3.0%	3.5%	
- Net Debt (Cash)	153							
- Pension Provisions	12	6.7%	30.8	33.9	37.8	42.6	49.0	
- Minorities & Peripherals	0	7.1%	27.9	30.5	33.7	37.7	42.7	
- Dividend for 2021	16	WACC	7.5%	25.4	27.6	30.3	33.5	37.6
		7.8%	23.1	25.0	27.3	30.0	33.3	
		8.2%	21.1	22.8	24.7	27.0	29.8	

Equity value	469
Number of shares	15.5
Value per share (€)	30.0
Current Price (€)	20.1
Upside	49%

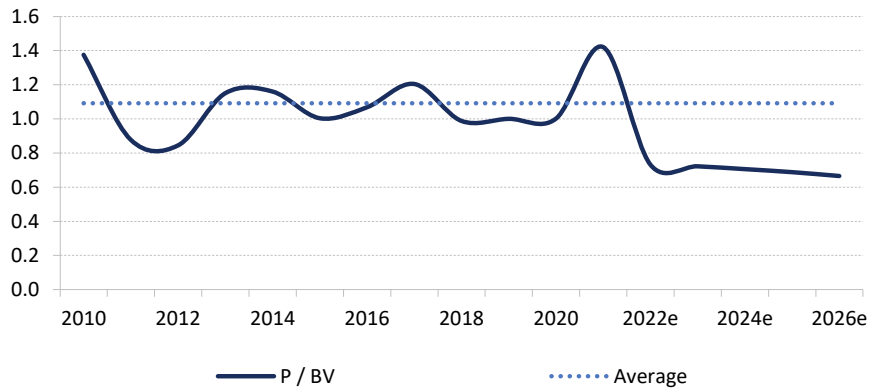
Source: Pareto Securities

From higher expected NWC requirements, we anticipate a net cash outflow of EUR 9.6m in 2022 (see above). In the coming years, these outflows will be likely recovered until we anticipate further cash outflows starting from 2026 onwards.

Based on a DCF, we arrive at a new fair value of EUR 30 (was EUR 37) and keep our "Buy" rating in view of an upside of around 50%. As usual, we deduct leasing liabilities as part of net debt from the enterprise value to derive the equity value. In the free cash flow computation, we only consider depreciation and capex that does not result from the application of IFRS 16.

The Surteco share now trades at 0.7x book value 2022e, while the average in the past was more around 1.1x.

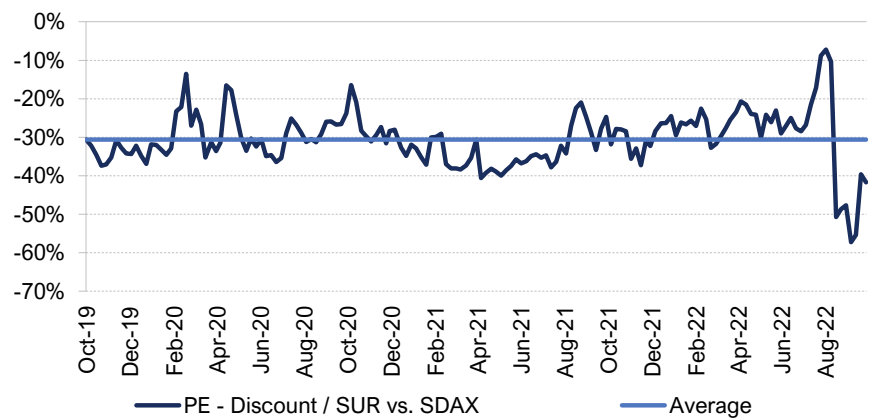
P/BV



Source: Pareto Securities

Surteco continues to trade at a steep discount to the SDAX. (Surteco is no member of the SDAX at present). Interestingly, the share price has gone up after the recent profit warning, which might indicate that the share price has reached a kind of bottom, but this will of course depend on the shape and length of the imminent recession.

PE Discount to SDAX



Source: Factset, Pareto Securities

At a glance

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) "Product Leadership" - Capitalizing on the comprehensive know-how of the group. (II) "Focussed Internationalization" - Increasing presence in selective growth markets. (III) "Digital Transformation" - Supporting the commercial and operational excellence via process digitalization.		Guidance (10/2022): Revenue: EUR 730-750m EBIT: EUR 37-42m		Pareto Estimates Revenue: EUR 751m EBIT: EUR 42m Margin: 5.6%		Consensus EUR 750m EUR 48m 6.4%			
2021	Sales (EURm) y/y	757.1	EBITDA Margin	114.8 15.2%	EBIT (EURm) Margin	72.5 9.6%	Sales 5Y hist. CAGF	3.4%	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) • Mr 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, Mr Moyses acts as CEO of Surteco. Mr Moyses earned an MBA from the Gutenberg University of Mainz.	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.	CFO Andreas Pötz CFO (since 2022) • After a number of management positions at Siemens, Infineon, Zumtobel and Aixtron in Germany and abroad, Mr Pötz joint Kratzer Automation AG, where he became member of the management board in 2015. In 2017, Mr Pötz joint Surteco as CFO and became member of the management board in 2022.	Shareholder structure 						
# of employees FY 2021	3,165									

Source: Company, Pareto Securities

PROFIT & LOSS (fiscal year) (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Revenues	690	699	675	627	757	751	704	726
EBITDA	83	73	66	88	115	86	77	83
Depreciation & amortisation	(38)	(41)	(45)	(42)	(42)	(44)	(43)	(43)
EBIT	45	32	21	46	73	42	34	40
Net interest	(8)	(6)	(7)	(3)	(4)	(4)	(4)	(4)
Other financial items	(4)	0	1	-	-	-	-	-
Profit before taxes	34	27	16	43	70	39	30	36
Taxes	(7)	(8)	(7)	(10)	(22)	(11)	(9)	(10)
Minority interest	(0)	(0)	(0)	(0)	-	-	-	-
Net profit	26	19	9	34	48	27	21	26
EPS reported	1.69	1.20	0.61	2.17	3.08	1.77	1.38	1.65
EPS adjusted	1.78	1.54	0.61	2.17	3.08	1.77	1.38	1.65
DPS	0.80	0.55	-	0.80	1.00	1.00	1.00	1.20
BALANCE SHEET (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Tangible non current assets	258	256	237	234	242	243	243	243
Other non-current assets	258	245	246	230	227	227	227	227
Other current assets	193	223	214	201	254	267	248	244
Cash & equivalents	133	121	84	133	73	73	93	106
Total assets	843	845	780	799	795	811	811	820
Total equity	349	353	355	373	414	426	432	442
Interest-bearing non-current debt	318	253	255	238	133	133	133	133
Interest-bearing current debt	6	66	9	41	93	93	93	93
Other Debt	157	160	148	134	144	148	142	141
Total liabilities & equity	843	845	780	799	795	811	811	820
CASH FLOW (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Cash earnings	75	66	78	70	96	70	64	69
Change in working capital	8	(5)	6	13	(52)	(10)	14	3
Cash flow from investments	(115)	(49)	(36)	(31)	(31)	(45)	(42)	(44)
Cash flow from financing	107	(24)	(85)	(4)	(73)	(16)	(16)	(16)
Net cash flow	73	(12)	(37)	50	(60)	0	20	12
VALUATION (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Share price (EUR end)	26.9	22.3	22.7	24.1	37.9	20.6	20.6	20.6
Number of shares end period	16	16	16	16	16	16	16	16
Net interest bearing debt	190	198	180	145	153	152	132	120
Enterprise value	623	559	548	532	752	484	464	451
EV/Sales	0.9	0.8	0.8	0.8	1.0	0.6	0.7	0.6
EV/EBITDA	7.5	7.7	8.3	6.0	6.6	5.6	6.0	5.5
EV/EBIT	13.9	17.4	26.0	11.5	10.4	11.4	13.7	11.4
P/E reported	15.9	18.6	37.4	11.1	12.3	11.6	14.9	12.5
P/E adjusted	15.1	14.4	37.4	11.1	12.3	11.6	14.9	12.5
P/B	1.2	1.0	1.0	1.0	1.4	0.8	0.7	0.7
FINANCIAL ANALYSIS	2017	2018	2019	2020	2021	2022e	2023e	2024e
ROE adjusted (%)	7.9	6.8	2.7	9.3	12.1	6.5	5.0	5.9
Dividend yield (%)	3.0	2.5	-	3.3	2.6	4.9	4.9	5.8
EBITDA margin (%)	12.0	10.4	9.8	14.1	15.2	11.5	10.9	11.4
EBIT margin (%)	6.5	4.6	3.1	7.4	9.6	5.6	4.8	5.5
NIBD/EBITDA	2.29	2.71	2.71	1.64	1.33	1.77	1.72	1.45
EBITDA/Net interest	11.04	13.27	9.75	27.34	26.25	23.56	20.97	23.01

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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 %
Benheur	239,445	0.56%
Huddly	1,070,395	0.51%
Pareto Bank	14,732,219	21.09%
Selvaag Bolig	4,361,772	4.65%
Sparebank 1 Nord-Norge	4,472,477	4.45%
Sparebank 1 SMN	2,348,960	1.81%
Sparebank 1 SR-Bank	2,375,835	0.93%
SpareBank 1 Østfold Åkerhus	1,233,804	9.96%
SpareBank 1 Østlandet	4,458,934	4.20%
Sparebanken Møre	566,833	1.15%
Sparebanken Sør	333,249	2.13%
Sparebanken Vest	7,279,243	6.78%
NEXT Biometrics	700,000	0.76%
SpareBank 1 Sør-Øst-Norge	2,553,659	4.05%

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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
AAC Clyde Space	0	72,700
Adevinta	0	2,000
Aker ASA	500	2,329
Aker BP	0	13,315
Aker Horizons	0	170,761
AMSC ASA	0	4,880
Atlantic Sapphire	0	7,500
Austevoll Seafood	0	2,348
AutoStore	0	3,625
Avance Gas	0	4,280
Awilco LNG	0	30,000
Belships	0	40,000
BiolInvent	0	15,000
Bonheur	0	30,575
Borregaard ASA	0	515
Bouvet	0	980
BW Energy	0	81,325
BW Offshore	0	4,900
Cloudberry Clean Energy	0	100,000
Crayon	0	2,380
Desert Control	0	28,000
DNB	0	34,030
DNO	0	30,391
Elkem	0	65,376
Elmeria Group ASA	0	29,405
Embracer Group	0	6,600
Equinor	0	1,616
Europlys	0	17,208
Flex LNG	0	1,135
Frontline	0	17,100

Company	Analyst holdings*	Total holdings
Gaming Innovation Group	0	15,000
Gjensidige Forsikring	519	1,160
Grieg Seafood	0	14,374
Hafnia Ltd.	0	126,000
Huddly	0	1,070,395
Hunter Group	0	53,996
HydrogenPro	0	34,922
International Petroleum Corp	0	5,511
Kitron	0	9,226
Komplett Bank	0	153,800
Kongsberg Gruppen	0	270
KWS	75	75
Lea Bank	0	16,355
Lerøy Seafood Group	0	38,631
Media and Games Invest	0	5,000
Meltwater	0	24,000
Mowi	0	1,488
NEXT Biometrics	0	700,000
NORBIT ASA	0	3,656
Nordic Semiconductor	0	13,019
Norco	0	500
Norsk Hydro	0	83,711
Norske Skog	0	79,949
Northern Drilling Ltd.	0	188,000
Odjell Drilling	0	30,381
Orkla	0	11,016
Panoro Energy	0	12,733
Pareto Bank	0	761,873
PetroTal	0	74,000
Pexip Holding	0	430,795
Protector Forsikring	0	10,300
Pyrum Innovations	0	100
Quantafuel	0	17,665
REC Silicon	0	31,990
Sandnes Sparebank	0	2,500
Sandvik	0	1,000
Scatec	0	30,129
Seadrill Ltd	0	7,850
SgnUp Software	0	1,264
Sparebank 1 Nord-Norge	0	5,000
Sparebank 1 SMN	0	10,164
Sparebank 1 SR-Bank	0	7,445
Sparebanken Møre	0	1,080
Sparebanken Sør	0	15,940
Sparebanken Vest	0	3,294
Stolt-Nielsen	0	2,233
Storbrand	100	1,750
Stor tytel	0	4,390
Subsea 7	0	24,640
Telenor	0	1,954
TGS	0	600
TORM	0	2,500
Transeocean	0	13,000
Valaris	0	2,000
Vestas Wind Systems	0	1,235
Vow	0	3,281
Vår Energi	0	95,937
Yara	0	15,914
Zaptec	0	14,010

This overview is updated monthly (last updated 17.10.2022).

*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:

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Aker ASA	TEMPTON GmbH
Aker Clean Hydrogen	Tier Klinik HofheimGbr
Aker Offshore Wind	Tise AS
Akershus Energi Varme AS	Trander energi AS
Alva Industries AS	Vestby Logistik Holding
American Shipping Company	Viking Venture 27 AS
Aprilia Bank ASA	Vår Energi
B2Holding AS	Waldorf Production UK Ltd
Bekk og Strøm AS, SV Vattenkraft AB	Waste Plastic Upcycling
Biolnvent	Wattif EV
Biomega Group AS	wheel.me
Boeal Holding AS	Ymber AS
Bor Drilling	Ørn Software
Broege Petroleum and Gas	
BW LPG	
BW Offshore	
Cabonline Group Holding AB	
Cavai AS	
Cloudberry Clean Energy	
DNO	
Dolphin Drilling	
ELOP	
Enapter AG	
Ensurge Micropower	
Esmailzadeh Holding	
First Camp Group AB	
Flex LNG	
Global Agrarjes (Fertiberia group)	
Galar LNG	
GramCar Carriers	
Green Transition Holding	
Greenfood	
Hafslund Eco	
HMH Holding	
Hospitality Invest	
House of Control	
Ice Group	
Idavang A/S	
InoBat Auto	
International Petroleum Corporation	
Island Green Power Ltd	
Kalera	
Kebony	
KMC Properties	
Kruse Smith	
Kvitbjørn Energi AS	
Magnora	
Memmo Family	
Mime Petroleum	
Modex AS	
Multitude SE	
Navicos Maritime Holdings	
Nor Am Drilling	
Nordic Hallbut	
Norske Skog	
Norwegian Block Exchange	
Odjell Oceanwind	
Okea AS	
Otell Corporation	
Pandion Energy	
Parito Bank	
PHM Group	
polight	
Polight ASA	
Pronofa AS	
Protector Forsikring	
Pryme	
Pyrum Innovations	
Qred Holding	
Quantafuel	
Saga Robotics	
Salmon Evolution	
Sartorius-Herbst	
Schletter International B.V	
Seagems Norway	
Shamaran Petroleum	
Slate European Holdings	

This overview is updated monthly (this overview is for the period 30.09.2021 – 31.10.2022).

Appendix C

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

Distribution of recommendations

Recommendation	% distribution
Buy	78%
Hold	21%
Sell	1%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	88%
Hold	12%
Sell	0%

* Companies under coverage with which Pareto Securities Group has on-going or completed public services in the previous 12 months

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Egetis Therapeutics	Shamaran Petroleum Corp	VNV Global
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Borglunda Fastighets AB	Krona Public Real Estate AB	Preserium Property AB
Bosjö Fastigheter AB	Logistri Fastighets AB	

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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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Daldrup & Söhne AG	MAX Automation SE	SHOP APOTHEKE EUROPE N.V.
DEMIRE AG	Merkur Privatbank AG	SMT Scharf AG
DF Deutsche Forfait AG	Meta Wolf AG	Stratec SE
epigenomics AG	MPLP SE	Surteco AG
Foris AG	MPC Container Ships ASA	Szyzygy AG
GERRY WEBER International AG	Muehlhahn AG	TTL Beteiligungs- und Grundbesitz AG
Gesco AG	Mutar es SE & Co. KGaA	Uzin Utz SE
GFT Technologies SE	OVB Holding AG	VERIANOS SE
Gigaset AG	ProCredit Holding AG	Viscom AG
Heidelberg Pharma AG	Progress-Werk Oberkirch AG	windeln.de SE
INTERSHOP Communications AG	Pryme B.V.	WPU - Waste Plastic Upcycling AS

Appendix F

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

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Biotech AG Pf.d.	Hypoport SE	Progress-Werk Oberkirch AG
Clig Digital AG	INTERSHOP Communications AG	PSI AG
Daldrup & Söhne AG	Kontron AG	Sieglfried Holding AG
Dermaphar m Holding SE	Leifheit AG	SMT Scharf AG
Enapter AG	Logwin AG	Surteco AG
epigenomics AG	MAX Automation SE	Szyzygy AG
Express2on Biotech Holding AB	Merkur Privatbank AG	Viscom AG
GERRY WEBER International AG	MPLP SE	

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