

Recovery in the 2nd half of 2023?

After a weak first half of the year, the 2023 guidance suggests an earnings improvement in H2 over H1. Based on a DCF, we arrive at a new fair value of EUR 27 (was EUR 31) and keep our "Buy" rating in view of an upside of around 50%. The Surteco share now trades at 0.7x book value 2023e, while the average in the past was more around 1.1x, underpinning our buy case.

A weak H1...

Against the backdrop of lacklustre demand for furniture and related products, Surteco posted weak H1 results. EBIT came down 77% to EUR 7.6m. Corrected for several one-offs, adjusted EBIT was at EUR 20.9m (4.9% margin). For the full year, Surteco expects an adjusted EBIT of EUR 45-55m, which implies an adjusted EBIT of EUR 24-34m for the second half of the year.

... but a recovery imminent?

The 2023 guidance suggests a substantial earnings improvement in H2 over H1 (plus 19-67%). A part of that is due to the consolidation of Omnova for 6 months in H2, which compares with only 4 months in H1. Nevertheless, Surteco seems to look optimistic into the second half of the year.

Mid-term guidance appears undemanding

For 2023, we now expect revenues of EUR 900m, EBIT of 29m and adjusted EBIT of EUR 54m, which is at the upper bound of the company guidance. We expect one-offs of less than EUR 12m in the 2nd half of the year after EUR 13.3m in the first half, EUR 3.5m of that related to PPA. Also, the mid-term guidance (adjusted EBITDA > EUR 110m; adjusted EBIT > EUR 60m) from 2024 onwards looks realistic to us.

New PT EUR 27

Based on a DCF, we arrive at a new fair value of EUR 27 (was EUR 31) and keep our "Buy" rating in view of an upside of around 50%. The Surteco share now trades at 0.7x book value 2023e, while the average in the past was more around 1.1x, underpinning our buy case.

EURm	2021	2022	2023e	2024e	2025e
Revenues	757	748	903	968	998
EBITDA	115	84	89	126	135
EBIT	73	40	29	65	74
EPS	3.08	1.63	0.70	2.15	2.54
EPS adj	3.08	1.63	0.70	2.15	2.54
DPS	1.00	0.70	0.50	0.86	0.99
EV/EBITDA	6.6	5.4	7.8	5.5	5.0
EV/EBIT	10.4	11.4	23.8	10.5	9.1
P/E adj	12.3	11.7	26.6	8.6	7.3
P/B	1.42	0.70	0.68	0.64	0.61
ROE (%)	12.1	6.0	2.6	7.7	8.5
Div yield (%)	2.6	3.7	2.7	4.6	5.3
Net debt	153	153	397	389	375

Source: Pareto Securities

Target price (EUR)	27	▲	BUY
Share price (EUR)	19	—	HOLD
		▼	SELL

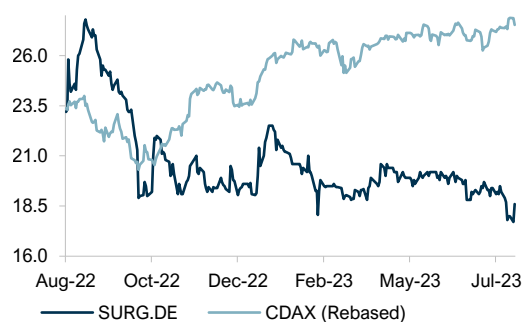
Forecast changes

%	2023e	2024e	2025e
Revenues	(4)	(4)	(4)
EBITDA	(24)	(7)	(7)
EBIT adj	(6)	(4)	(5)
EPS reported	(65)	(18)	(16)
EPS adj	(65)	(18)	(16)

Source: Pareto Securities

Ticker	SURG.DE, SUR GR
Sector	Industrials
Shares fully diluted (m)	15.5
Market cap (EURm)	288
Net debt (EURm)	407
Minority interests (EURm)	0
Enterprise value 23e (EURm)	695
Free float (%)	12

Performance



Source: FactSet

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Analysts

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Wrap-up H1

Q2

H1

SURTECO GROUP (EURm)	Actual		
	Q2 2022	Q2 2023	yoy (%)
Revenues	202	223	10
Surfaces	82	72	-12
Edgebands	44	39	-11
Profiles	39	34	-12
North America	27	70	154
Asia / Pacific	14	13	-8
Reconciliation	-4	-5	nm
Cost of materials	-105	-115	10
Personnel expenses	-46	-54	16
Other	-27	-35	33
EBITDA	24.2	16.2	-33
EBITDA Margin	12.0%	7.3%	-473 BP
D&A	-11	-16	51
EBIT	13.3	0.0	-100
EBIT Margin	6.6%	0.0%	-658 BP
Surfaces	3.5	-1.4	nm
Edgebands	4.2	4.2	-1
Profiles	4.4	2.2	-49
North America	2.3	-6.4	nm
Asia / Pacific	2.8	1.7	-38
Reconciliation	-4.0	-0.3	-92

Source: Company, Pareto Securities

SURTECO GROUP (EURm)	Actual		
	H1 2022	H1 2023	yoy (%)
Revenues	415	429	3
Surfaces	170	150	-12
Edgebands	93	79	-14
Profiles	81	73	-9
North America	51	109	111
Asia / Pacific	28	26	-8
Reconciliation	-8	-8	3
Cost of materials	-217	-217	0
Personnel expenses	-93	-107	15
Other	-56	-67	20
EBITDA	55.3	35.3	-36
EBITDA Margin	13.3%	8.2%	-508 BP
D&A	-22	-28	28
EBIT	33.5	7.6	-77
EBIT Margin	8.1%	1.8%	-630 BP
Surfaces	9.7	-1.7	-118
Edgebands	10.9	9.5	-13
Profiles	9.4	6.8	-27
North America	4.4	-6.3	nm
Asia / Pacific	5.6	3.8	-32
Reconciliation	-6.5	-4.5	nm

Source: Company, Pareto Securities

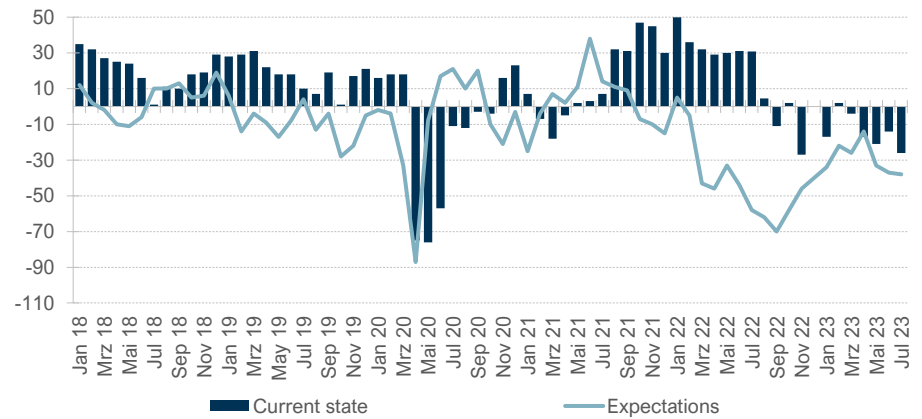
Against the backdrop of lacklustre demand for furniture and related products, Surteco posted weak H1 results. EBIT came down 77% to EUR 7.6m. Corrected for transaction costs (EUR 5.1m), PPA from the Omnova integration (EUR 3.5m) and “other” costs for integration, consulting and the step-up of inventories (EUR 4.7m), adjusted EBIT was at EUR 20.9m (4.9% margin). The segment results for Edgebands, Profiles and Asia / Pacific developed much more stable than Surfaces and North America. However, North America is home to most of the assets acquired in the Omnova. Adding back transaction cost and PPA-related depreciation to the segment result lifts the EBIT already to plus EUR 2.3m (2% margin). On top of that, the segment bore a good part of the “other” costs, so the legacy business in the region plus newly acquired activities has been in the black in H1.

Surteco cut the 2023 guidance and now expects an EBIT of EUR 20-30m (was EUR 45-55m after PPA and integrations costs) before. The new guidance includes additional restructuring expenses, the exact amount of which remained undisclosed. Adjusted for these restructuring expenses, integrations costs and PPA from the Omnova acquisition, Surteco expects the EBIT to be EUR 45-55m. Also, the revenue guidance was cut back somewhat and Surteco now expects a number slightly below the previous guided range of EUR 920-950m. From 2024 onwards, SUR anticipates adjusted EBITDA and EBIT of more than EUR 110m and more than EUR 60m, respectively.

The 2023 guidance implies an adjusted EBIT of EUR 24-34m for the second half of the year, which suggests a significant earnings improvement in H2 over H1 (plus 19-67%). A part of that is due to the consolidation of Omnova for 6 months in H2, which compares with only 4 months in H1. Nevertheless, Surteco seems to look optimistic into the second half of the year.

Where are we in the cycle?

ifo business climate index for the German furniture industry

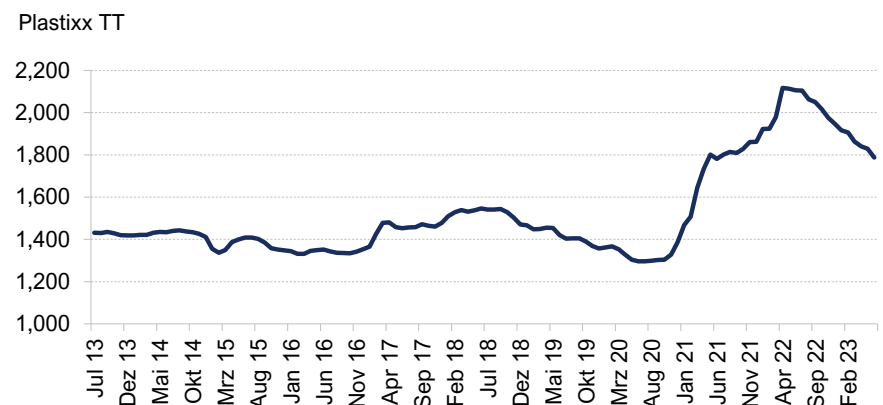


Source: ifo Institute, Pareto Securities

We still think it is worthwhile to look at the German ifo business climate index, even though the significance of the German furniture market has clearly decreased for Surteco after the takeover of Omnova. The current state of the business as well as business expectations in the furniture industry have deteriorated in Q2, according to this early warning indicator. We note that expectations have been negative in 67% of all months since 2018 but the index measuring the state of the business has been in positive territory in 73% of all months. So, while most of the industry representatives are usually pessimistic for the future, the actual business is still ok most of the time. Accordingly, the indicator measuring the state of business being in negative territory now for the 5th consecutive month in July 2023 means that business is not in good shape at present, in our view.

The Plastixx TT index was down in recent months but is still at elevated levels. While that index was a reliable indicator for the development of Surteco's material cost ratio in the past, it remains to be seen in the coming quarters if that is still the case for Surteco's new set-up. We note that the material cost quota was up qoq from 49% to 52% despite the drop of the Plastixx TT index.

Plastixx TT index



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

Updating our estimates

P&L forecast

Profit & Loss	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e	2027e
Total output	693	706	677	622	773	751	900	968	998	1,027	1,058
% yoy	7.8%	1.4%	-3.4%	-7.2%	20.7%	-1.2%	20.8%	7.3%	3.0%	3.0%	3.0%
Cost of materials	-335	-350	-327	-283	-382	-391	-463	-489	-499	-509	-519
% of total output	48.4%	49.5%	48.2%	45.5%	49.4%	52.0%	51.5%	50.5%	50.0%	49.5%	49.0%
Personnel expenses	-175	-185	-186	-163	-175	-175	-216	-223	-229	-236	-243
% of total output	25.2%	26.2%	27.5%	26.1%	22.7%	23.3%	24.0%	23.0%	23.0%	23.0%	23.0%
Other OPEX (net)	-100	-99	-98	-88	-101	-101	-131	-131	-135	-139	-143
% of total output	14.5%	14.0%	14.5%	14.2%	13.1%	13.5%	14.6%	13.5%	13.5%	13.5%	13.5%
EBITDA	83	73	66	88	115	84	89	126	135	144	154
% of total output	12.0%	10.3%	9.8%	14.2%	14.8%	11.2%	9.9%	13.0%	13.5%	14.0%	14.5%
EBIT	45	32	21	46	73	40	29	65	74	82	91
% of total output	6.4%	4.6%	3.1%	7.4%	9.4%	5.4%	3.2%	6.7%	7.4%	8.0%	8.6%
Adjusted EBIT	47	40	40	46	73	40	54	72	80	89	97
% of total output	6.7%	5.6%	6.0%	7.4%	9.4%	5.4%	6.0%	7.5%	8.1%	8.6%	9.2%
Pretax Profit	34	27	16	43	70	37	15	47	55	64	73
% of total output	4.8%	3.8%	2.4%	7.0%	9.0%	4.9%	1.7%	4.9%	5.6%	6.2%	6.9%
Net Profit	26	19	9	34	48	25	11	33	39	46	52
% of total output	3.8%	2.6%	1.4%	5.4%	6.2%	3.4%	1.2%	3.4%	3.9%	4.4%	4.9%
EPS	1.69	1.20	0.61	2.17	3.08	1.63	0.70	2.15	2.54	2.94	3.34
% yoy	9.7%	-28.9%	-49.6%	258.8%	41.8%	-47.2%	-57.1%	208.0%	17.9%	15.6%	13.9%
DPS	0.80	0.55	0.00	0.80	1.00	0.70	0.50	0.86	0.99	1.13	1.26
Payout ratio	47%	46%	0%	37%	32%	43%	72%	35%	35%	35%	35%

Source: SUR, Pareto Securities

For 2023, we now expect revenues of EUR 900m, EBIT of 29m and adjusted EBIT of EUR 54m, which is at the upper bound of the company guidance. Thus, we expect one-offs of less than EUR 12m in the 2nd half of the year after EUR 13.3m in the first half, EUR 3.5m of that related to PPA. For the next couple of years, we only expect exceptional items of around EUR 6-7m from higher depreciations related to PPA.

In general, we assume Surteco's revenues to grow by 3% p.a. In 2024, we anticipate a bit more top line growth as Omnova will be (newly) consolidated for 2 months in 2024 after 10 months in 2023. We assume a small steady improvement of the material cost quota in the coming years, down from the present, above average level. Personnel expenses are anticipated to grow by 3% p.a. As we expect lower one-offs in 2024 and subsequent years, other OPEX as % of revenues should come down in the next couple of years. In total, an adjusted EBIT above EUR 60m in 2024 and beyond as guided by Surteco looks well achievable, in our opinion.

Valuation update

DCF

EUR m	Phase I					Phase II					Phase III
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	
Revenue	903	968	998	1,027	1,058	1,089	1,120	1,151	1,181	1,212	
<i>growth rate</i>	20.8%	7.3%	3.0%	3.0%	3.0%	2.9%	2.8%	2.8%	2.7%	2.6%	
EBIT	29.2	65.3	73.7	82.3	91.2	93.8	96.4	99.0	101.6	104.2	
<i>EBIT margin</i>	3.2%	6.7%	7.4%	8.0%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	
Tax	-8.5	-18.9	-21.4	-23.9	-26.4	-27.2	-28.0	-28.7	-29.5	-30.2	
<i>Tax rate</i>	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	
Depr. & Amort.	53.3	53.3	53.4	53.7	54.3	59.0	62.4	64.9	67.1	69.3	
<i>% of sales</i>	5.9%	5.5%	5.4%	5.2%	5.1%	5.4%	5.6%	5.6%	5.7%	5.7%	
Capex & Acquisitions	-268.8	-58.1	-59.9	-61.6	-63.5	-65.3	-67.2	-69.0	-70.9	-72.7	
<i>% of sales</i>	29.8%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
Change in WC & Prov.	-28.9	-12.5	-5.5	-5.7	-5.9	-5.9	-5.9	-5.9	-5.8	-5.8	
<i>% of sales</i>	3.2%	1.3%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	
Free Cash Flow	-223.7	29.0	40.4	44.9	49.7	54.4	57.8	60.3	62.5	64.7	1,119.0
<i>growth rate</i>	<i>nm</i>	<i>nm</i>	39.0%	11.1%	10.7%	9.6%	6.1%	4.5%	3.6%	3.5%	2.5%
Present Value FCF	-216.3	25.9	33.2	34.0	34.7	35.1	34.4	33.1	31.6	30.2	522.2

PV Phase I	-88	Risk free rate	3.5%	Target equity ratio	72%
PV Phase II	164	Premium Equity	5.0%	Beta	1.2
PV Phase III	522	Premium Debt	4.5%	WACC	8.4%

Enterprise value	598	Sensitivity	Growth in phase III				
			1.5%	2.0%	2.5%	3.0%	3.5%
- Net Debt (Cash)	150	7.6%	29.5	32.8	36.8	41.6	47.6
- Pension Provisions	12	8.0%	25.6	28.4	31.7	35.7	40.5
- Paid-out dividends for last FY	11	8.4%	22.3	24.6	27.4	30.7	34.6
		8.9%	19.3	21.3	23.7	26.4	29.7
		9.3%	16.7	18.4	20.4	22.7	25.5

Equity value	425
Number of shares	15.5
Value per share (€)	27.0
Current Price (€)	17.7
Upside	53%

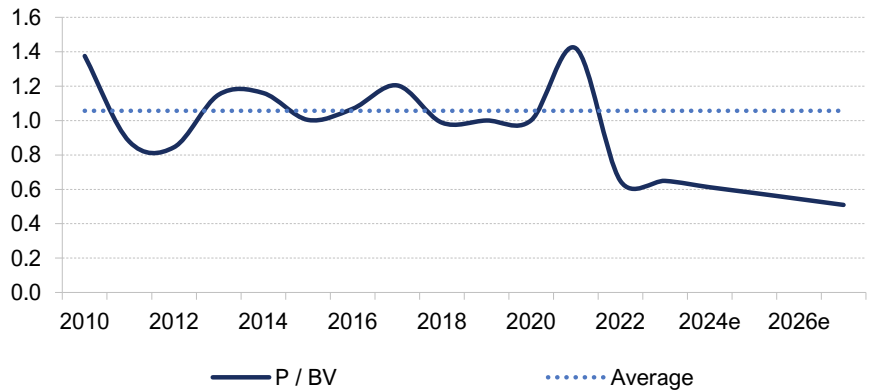
Source: Pareto Securities

Based on a DCF, we arrive at a new fair value of EUR 27 (was EUR 31) and keep our "Buy" rating in view of an upside of around 50%.

We still think the Omnova acquisition has clearly improved Surteco's growth outlook and has resulted in a more balanced product portfolio and better geographical diversification. On the other hand, the acquisition comes with an increased financial and integration risk, and this is reflected by a higher debt premium and a higher beta.

The Surteco share now trades at 0.7x book value 2023e, while the average in the past was more around 1.1x, underpinning our buy case.

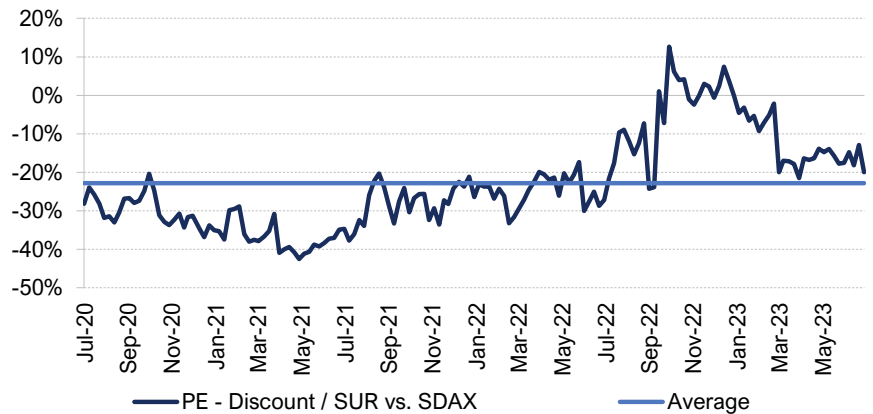
P/BV



Source: Pareto Securities

Surteco trades at a discount of around 23% to the SDAX, which is also the average level in the last couple of years. (Surteco is no member of the SDAX at present). So, this indicator is in neutral territory, we think.






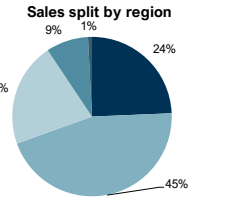
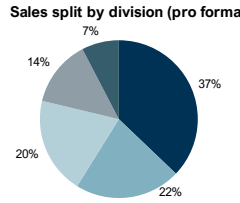
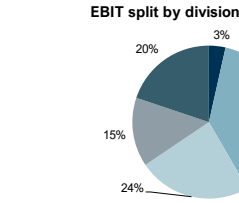
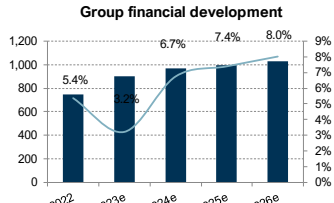


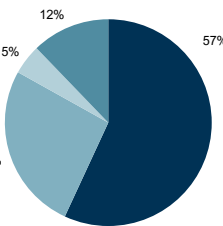
PE Discount to SDAX



Source: Factset, Pareto Securities

At a glance

At a glance

Segments	Surfaces	Edgebands	Profiles	Asia Pacific	North America		
Products/applications	 Decor papers, finish foils and melamine edgings in Europe and South America	 Plastic edgebands in Europe and South America	 Includes skirtings and technical profiles	 Cross-sectional segment, complete product range	 Cross-sectional segment, complete product range		
Customers	Serves primarily the wood-based sector, namely the woodworking, flooring, caravanning and furniture (namely kitchen, living room and office) industries	Mainly caravanning and furniture	Industries served include: interior design, craft, caravanning, industrial applications, cruising and ship building	All kind of customers buying Surteco products	All kind of customers buying Surteco products		
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 (07/2023): Revenue: < EUR 920m EBIT: EUR 20-30m		Pareto Estimates Revenue: EUR 903m EBIT: EUR 29m Margin: 3.2%	Consensus Revenue: EUR 926m EBIT: EUR 43m Margin: 4.7%	
2022	Sales (EURm) 747.6 y/y	EBITDA Margin 84.2 11.3%	EBIT (EURm) Margin 40.2 5.4%	Sales 5Y hist. CAGR 1.6%			
Sales & EBIT Split	Sales split by region 		Sales split by division (pro forma) 		EBIT split by division (pro forma) 		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.		CFO Andreas Pötzt CFO (since 2022)  • After a number of management positions at Siemens, Infineon, Zumtobel and Aixtron in Germany and abroad, Mr Pötzt joint Kratzer Automation AG, where he became member of the management board in 2015. In 2017, Mr Pötzt joint Surteco as CFO and became member of the management board in 2022.		Shareholder structure 		
# of employees FY 2022	3,147						

Source: Company, Pareto Securities

PROFIT & LOSS (fiscal year) (EURm)	2018	2019	2020	2021	2022	2023e	2024e	2025e
Revenues	699	675	627	757	748	903	968	998
EBITDA	73	66	88	115	84	89	126	135
Depreciation & amortisation	(41)	(45)	(42)	(42)	(44)	(60)	(61)	(61)
EBIT	32	21	46	73	40	29	65	74
Net interest	(6)	(7)	(3)	(4)	(4)	(15)	(19)	(19)
Other financial items	0	1	-	-	-	-	-	-
Profit before taxes	27	16	43	70	37	15	47	55
Taxes	(8)	(7)	(10)	(22)	(12)	(4)	(14)	(16)
Minority interest	(0)	(0)	(0)	-	-	-	-	-
Net profit	19	9	34	48	25	11	33	39
EPS reported	1.20	0.61	2.17	3.08	1.63	0.70	2.15	2.54
EPS adjusted	1.54	0.61	2.17	3.08	1.63	0.70	2.15	2.54
DPS	0.55	-	0.80	1.00	0.70	0.50	0.86	0.99
BALANCE SHEET (EURm)	2018	2019	2020	2021	2022	2023e	2024e	2025e
Tangible non current assets	256	237	234	242	251	284	296	309
Other non-current assets	245	246	230	227	241	424	417	448
Other current assets	223	214	201	254	242	283	301	270
Cash & equivalents	121	84	133	73	118	83	92	106
Total assets	845	780	799	795	852	1,074	1,105	1,134
Total equity	353	355	373	414	423	423	448	474
Interest-bearing non-current debt	253	255	238	133	261	464	464	464
Interest-bearing current debt	66	9	41	93	10	17	17	17
Other Debt	160	148	134	144	149	161	167	169
Total liabilities & equity	845	780	799	795	852	1,074	1,105	1,134
CASH FLOW (EURm)	2018	2019	2020	2021	2022	2023e	2024e	2025e
Cash earnings	66	78	70	96	60	64	87	93
Change in working capital	(5)	6	13	(52)	9	(29)	(12)	(6)
Cash flow from investments	(49)	(36)	(31)	(31)	(39)	(269)	(58)	(60)
Cash flow from financing	(24)	(85)	(4)	(73)	15	199	(8)	(13)
Net cash flow	(12)	(37)	50	(60)	45	(35)	8	14
VALUATION (EURm)	2018	2019	2020	2021	2022	2023e	2024e	2025e
Share price (EUR end)	22.3	22.7	24.1	37.9	19.1	18.6	18.6	18.6
Number of shares end period	16	16	16	16	16	16	16	16
Net interest bearing debt	198	180	145	153	153	397	389	375
Enterprise value	559	548	532	752	458	695	687	673
EV/Sales	0.8	0.8	0.8	1.0	0.6	0.8	0.7	0.7
EV/EBITDA	7.7	8.3	6.0	6.6	5.4	7.8	5.5	5.0
EV/EBIT	17.4	26.0	11.5	10.4	11.4	23.8	10.5	9.1
P/E reported	18.6	37.4	11.1	12.3	11.7	26.6	8.6	7.3
P/E adjusted	14.4	37.4	11.1	12.3	11.7	26.6	8.6	7.3
P/B	1.0	1.0	1.0	1.4	0.7	0.7	0.6	0.6
FINANCIAL ANALYSIS	2018	2019	2020	2021	2022	2023e	2024e	2025e
ROE adjusted (%)	6.8	2.7	9.3	12.1	6.0	2.6	7.7	8.5
Dividend yield (%)	2.5	-	3.3	2.6	3.7	2.7	4.6	5.3
EBITDA margin (%)	10.4	9.8	14.1	15.2	11.3	9.9	13.0	13.5
EBIT margin (%)	4.6	3.1	7.4	9.6	5.4	3.2	6.7	7.4
NIBD/EBITDA	2.71	2.71	1.64	1.33	1.81	4.45	3.09	2.78
EBITDA/Net interest	13.27	9.75	27.34	26.25	20.95	6.12	6.65	-

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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 %
Austevoll Seafood	1,052,265	0.52%
Bonheur	243,584	0.57%
Huddly	1,170,943	0.56%
Pareto Bank	14,732,232	21.09%
Pexip Holding	879,095	0.84%
Sparebank 1 Nord-Norge	5,013,471	4.99%
Sparebank 1 SMN	2,944,812	2.27%
Sparebank 1 SR-Bank	2,440,402	0.95%
Sparebank 1 Østfold Akerhus	1,237,140	9.99%
SpareBank 1 Østlandet	6,628,097	6.24%
Sparebanken Møre	566,833	1.15%
Sparebanken Sør	333,149	0.80%
Sparebanken Vest	8,470,868	7.72%
NEXT Biometrics	700,000	0.76%
SpareBank 1 Sør-Øst-Norge	2,757,852	4.37%

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
Adevinta	0	17,950
Aker ASA	500	2,238
Aker BP	0	18,910
Aker Horizons	0	302,397
Aker Solutions	0	1,388
AMSC ASA	0	3,800
Aprilia Bank ASA	0	22,675
Atlantic Sapphire	0	7,500
AURELIUSEquity Opportunities	0	500
Austevoll Seafood	0	3,548
Awilco LNG	0	30,000
Belships	0	40,000
Biolinvent	0	15,000
BlueNord	0	1,000
Bonheur	0	30,714
Borrregaard ASA	0	523
Bouvet	0	980
BW Energy	0	108,416
BW Offshore	0	4,900
Cool Company	0	5,000
Crayon	0	9,082
DNB	0	33,447
DNO	0	71,391
Edda Wind	0	5,000
Elkem	0	42,520
Elmeria Group ASA	0	37,305
Embracer Group	0	11,509
Equinor	0	4,034
Europris	0	17,745
Flex LNG	0	895

Company	Analyst holdings*	Total holdings
Frontline	0	8,000
Gaming Innovation Group	0	10,000
Gjensidige Forsikring	519	1,960
Grieg Seafood	0	13,491
Hafnia Ltd.	0	119,770
Huddly	0	1,170,943
HydrogenPro	0	34,922
International Petroleum Corp	0	5,511
Kahoot	0	26,641
Kambi Group plc	0	430
Kitron	0	2,314
Komplett Bank	0	130,300
Kongsberg Gruppen	0	500
Leasbank	0	16,355
Lerøy Seafood Group	0	38,401
Mowi	0	6,004
Multitude	0	2,443
NEXT Biometrics	0	700,000
NorAm Drilling	0	6,883
NORBIT ASA	0	1,706
Nordic Semiconductor	0	11,398
Norsk Hydro	0	75,711
Norske Skog	0	95,406
Norwegian Air Shuttle	0	4,009
Odjell Drilling	0	2,081
Okeanos Eco Tankers	0	6,206
Orkla	0	7,426
Panoro Energy	0	34,733
Pareto Bank	0	761,886
PetroTal	0	74,000
Pexip Holding	0	879,095
Protector Forsikring	0	7,300
Pyrum Innovations	0	100
Quantafuel	0	23,665
REC Silicon	0	32,539
Salmor	0	1,224
Sandnes Sparebank	0	2,500
Scatec	0	20,129
Sadrii Ltd	0	10,489
Solstad Offshore	0	122,500
Sparebank 1 Nord-Norge	725	7,794
Sparebank 1 SMN	0	6,450
Sparebank 1 SR-Bank	0	7,572
SpareBank 1 Østlandet	1,100	11,100
Sparebanken Møre	0	1,080
Sparebanken Sør	0	15,840
Sparebanken Vest	0	2,009
Sparebanken Øst	0	1,100
Stolt-Nielsen	0	3,800
Storbrand	100	3,110
Storvital	0	11,390
Subsea 7	0	21,470
Teekay Tankers	0	208
Telenor	0	3,005
TGS	0	10,830
Transocean	0	10,000
Valaris	0	3,100
Vestas Wind Systems	0	1,235
Vår Energi	0	160,229
Webstep	0	2,000
Wiit. Wilhelmsen Holding	0	229
Yara	0	17,149
Zaptec	0	16,200

This overview is updated monthly (last updated 15.06.2023).

*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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Akerhus Energi Varme AS	Ziton AS
American Shipping Company	
Archer	
B2 Holding AS	
Bekkg og Strøm AS, Siv Vattenkraft AB	
Benchmark Holdings	
Biolvent	
Bluwater Holding	
Borr Drilling	
Cadeler	
CCS Finansiering AS	
CERAFILTEC	
Cloudberry Clean Energy	
COOL Company	
DNO	
Dolphin Drilling	
Edda Wind	
EDR Certified Origin Physical Gold Plc	
Eidesvik Offshore	
Endur ASA	
Fertiberia Corporate S.L.U.	
First Camp Group	
Fishbase Group AS	
Floatel	
Golar LNG	
Hafnia Ltd.	
Hertha BSC	
Hospitality Invest	
House of Control	
HydrogenPro	
Idavang AS	
Instabank ASA	
Island Green Power Ltd	
Kezzler AS	
KMC Properties	
Komplett Bank	
Kraft Bank	
Kron AS	
Kruse Smith	
Kvitbjørn Energi AS	
Magnora ASA	
Maha Energy	
Memmo Family	
Mime Petroleum	
Morrow Bank	
Mutar es SE & Co. KGaA	
Nor Am Drilling	
Nordic Unmanned	
Noreco	
Norlandia Health & Care Group	
Norse Atlantic	
Norske Skog	
Northern Ocean	
PGS	
PHM Group Holding Holding	
Polight ASA	
Prosafe	
Proximar Seafood	
Pulpac AB	
Quality Living Residential AS	
ReFuels	
ReFuels N.V.	
RelyOn Nutec A/S	
Salmon Evolution	
Scala Eiendom	
Schleier International B.V.	
Seacrest Petroleum	
Skandia GreenPower	
Standard Supply AS	
Tasik Toba Subsea AS	
Tise AS	
Treasure ASA	
Vantage Drilling International	
Viking Venture 27 AS	
Viking Venture 28 AS	
Waldorf Production Ltd.	
Wattrif EV	

This overview is updated monthly (this overview is for the period 01.06.2022 – 31.05.2023).

Appendix C

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

Distribution of recommendations

Recommendation	% distribution
Buy	73%
Hold	25%
Sell	2%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	100%
Hold	0%
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* Companies under coverage with which Pareto Securities Group has on-going or completed public services in the previous 12 months

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Artificial Solutions International AB	Hexicon AB	Xspray Pharma AB
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Boule Diagnostics AB	Media & Games Invest plc	VNV Global AB
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Borglunda Fastighets AB	Logistri Fastighets AB	Preserium Property 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.
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epigenomics AG	MLP SE	Szygy AG
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GFT Technologies SE	Mutar es SE & Co. KGaA	VERIANOSSE
Gigaset AG	OVB Holding AG	Viscom AG
Heidelber g Pharma AG	ProCredit Holding AG	WPU - Waste Plastic Upcycling AS
INTERSHOP Communications AG	Progress-Werk Oberkirch AG	

Appendix F

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

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Cliq Digital AG	INTERSHOP Communications AG	PSI AG
Daldrup & Söhne AG	Kontron AG	Siegrfried Holding AG
Delignit	Leifheit AG	SMT Scharf AG
Dermaphar m Holding SE	Logwin AG	Surteco AG
Enapter AG	MAX Automation SE	Szygy AG
epigenomics AG	Mer kur Privatbank AG	Viscom AG
Expr es 2 on Biotech Holding AB	MLP SE	

This overview is updated monthly (last updated 17.07.2023).