



## Growth story remains intact

S&T published preliminary FY'19 numbers plus FY'20 guidance that sent the shares skyrocketing after having moved mostly sideways since May 2019. S&T's management successfully pursues a strategy that aims at external and organic revenues growth and improved profitability in order to achieve EUR 2bn revenues and EUR 220m EBITDA (raised from EUR 200m) in FY'23. We update our estimates incorporating the latest news and confirm our BUY rating. We set our new, DCF-based TP at EUR 30 (from EUR 27).

### Headline figures in line, strong operating cash flow improvement

Overall, FY'19 preliminary numbers (EUR 1,145m revenues, EUR 105m EBITDA) and 2020 guidance were broadly in line with consensus. On top, paired with an efficiency program, we expect S&T to have finished with strong (operating) cash flow (>EUR 70m) and continue to generate solid cash flow in 2020.

### FY'23 targets raised

S&T's management raised FY'23 EBITDA targets (EUR 220m from EUR 200m) in light of the ongoing good order development in the margin-rich IoT Solutions Europe segment, improvements in North America, and from the efficiency program.

### Reiterate BUY, new TP of EUR 30 (from EUR 27)

S&T trades slightly below 20x 2021e EPS, while offering double-digit expected revenue growth (10% 5yr-forward CAGR) and steadily improving expected (EBITDA) margins in the years to come (+230bps by FY'23e). We thus confirm our BUY rating at a new TP of EUR 30 (previously: EUR 27). The publication of the annual report plus the corresponding conference call are scheduled for March 26.

EURm	2018	2019	2020e	2021e	2022e
Revenues	991	1,145	1,256	1,376	1,511
EBITDA	91	105	132	148	166
EBIT	62	65	90	110	130
EPS	0.70	0.81	1.06	1.31	1.56
EPS adj	0.70	0.82	1.06	1.31	1.56
DPS	0.16	0.18	0.21	0.26	0.31
EV/EBITDA	11.1	12.7	11.5	9.8	8.3
EV/EBIT	16.3	20.4	16.8	13.2	10.6
P/E adj	22.6	26.0	24.0	19.5	16.4
P/B	2.94	3.62	3.78	3.25	2.79
ROE (%)	13.6	14.4	16.8	17.9	18.3
Div yield (%)	1.0	0.8	0.8	1.0	1.2
Net debt	(53)	(67)	(163)	(232)	(307)

Source: Pareto

Target price (EUR)	30
Share price (EUR)	26

Forecast changes			
%	2020e	2021e	2022e
Revenues	5	6	NM
EBITDA	10	3	NM
EBIT adj	(6)	(6)	NM
EPS reported	(9)	(9)	NM
EPS adj	(9)	(9)	NM

Source: Pareto

Ticker	SANT1.DE, SANT GY
Sector	Hardware & Equipment
Shares fully diluted (m)	65.3
Market cap (EURm)	1,671
Net debt (EURm)	-163
Minority interests (EURm)	10
Enterprise value 20e (EURm)	1,517
Free float (%)	59

### Performance



Source: Factset

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## FY'19 review and outlook

### Q4'19 in-line, FY'20 guidance achievable, strong CF finish expected

#### FY'19 review

S&T AG		Actual			Consensus	
		2018	2019	yoy	2019	Delta
Revenues	EURm	991	1,145	16%	1,149	0%
EBITDA	"	91	105	16%	104	1%
EBITDA margin	%	9.1%	9.2%	3 bps	9.0%	11 BP

Source: Pareto, company data, Factset

S&T published preliminary FY'19 headline numbers that have been anticipated by consensus estimates, by and large. While revenues were already guided with EUR 1,145m, EBITDA was previously supposed to only exceed EUR 100m. The company now officially expects EBITDA to have come in at EUR 105m, three weeks after fiscal year-end.

The press release states that operating cash flow should be significantly increased over FY'18 driven by the company's "profitability-efficiency-cash flow" (PEC) program (more on this below). Given the details of the plan, we consider that EUR 30m positive operating cash flow could be expected from swings in NWC alone, while increases in profitability / earnings contributions could add roundabout another EUR 30m-35m. In the absence of one-offs or other cash-relevant items, this would raise op. cash flow to above EUR 70m in FY'19 (vs EUR 35.5m in FY'18). Since the program is ongoing, we expect further improvements in operating cash flow in FY'19/20e.

For FY'20e, S&T's targets appear realistic to us, assuming a successful turnaround of the recently acquired Kapsch CarrierCom / Kapsch PublicTransportCom. In FY'19, the newly acquired businesses should have incurred losses of c. EUR 1.5m on EBITDA level. For FY'20, S&T's management already targets a 10% EBITDA margin in FY'20 for the Kapsch units (on EUR 100m consolidated revenues). The successful execution should therefore make a meaningful contribution to achieve FY'20 targets, in our view. Accordingly, we think that the targets have been chosen to be met with a high degree of certainty and might be raised during the year to give credit to a mix of successful M&A integration / operating leverage in the remainder of the group / improved profitability from the PEC program.

At the same time, S&T's management revised its FY'23 targets. The EUR 2bn revenue target (including acquisitions) remains in place, while the target for EBITDA has been set at EUR 220m (previously: EUR 200m). Additionally, an EPS target of EUR 1.75 was issued (new).

#### Management guidance

S&T AG		Actual	Management guidance	Pareto		Consensus	
		2019	2020e (currently)	2020e	yoy	2020e	yoy
Revenues	EURm	1,145	1,250	1,256	10%	1,310	5%
EBITDA	"	105	130	132	26%	130	0%
EBITDA margin	%	9.2%	10.4%	10.5%	133 bps	9.9%	75 bps

Source: Pareto, company data, Bloomberg

## Profitability – Efficiency – Cash Flow (PEC) program: Status update

One of the reasons, we expect strong Q4'19 operating cash flow is the PEC program that has been initiated by S&T's management during the year 2019. As the name suggests, the program aims at optimizing processes and streamlining the organization in order to save costs and net working capital to eventually boost the EBITDA margin by 2pp by 2023 and generate more than EUR 60m cash across the group.

As of the end of January 2020, S&T is still in the process of rolling out new technologies globally to benefit from scale economies. On a quantitative basis, the company identified measures to save EUR 20m p.a. from H1'20. Accordingly, we expect further margin improvement on group level from this program, kicking in this year. The "efficiency" side of the program appears to be almost completed as the corporate structure has been simplified and a general tax optimization program has been adapted.

Finally, management has introduced measures to reduce working capital. So, inventory reductions of EUR 20m can be expected to have been realized in Q4'19, while renegotiations of supplier contracts should have led to another EUR 10m working capital reduction. In sum, we expect a sizeable NWC swing towards the end of FY'19. S&T targets a reduction of NWC from 22% (H1'19) to 13% of sales (previously: 15%) by the end of 2020 (Note that NWC is defined as inventory + trade accounts receivable + contract assets – trade accounts payable).

## M&A – an essential part of the 2023 agenda

We like S&T's successful M&A approach of acquiring either volume suppliers or "technology pearls", the latter often being acquired in the context of "buy-and-turnaround" situations. S&T has proven to be fast in executing the latter while leveraging synergies / eliminating costs fast, lifting value for its shareholders. Exemplary, the Kapsch acquisitions (purchase price: EUR 3) made in Q2'19 were turned around faster than initially expected, such that losses should have amounted to only EUR 1.5m in FY'19 (previously: EUR (4.9)m). By the end of FY'20, S&T expects that after successful integration into the group, Kapsch will already contribute 10% EBITDA margins on EUR 100m revenues. The smaller acquisition of the software producer AIS Automation made in Q4'19 adds 140 people and a low double-digit EUR m amount of revenues to the group in 2020, according to our estimates. On aggregate, we would expect that S&T plans to consolidate EUR 200m-250m additional revenues from acquisitions until 2023.

## Updating our estimates

Regarding developments in S&T's core markets in Central and Eastern Europe, market research provider IDC (May 2019 Worldwide Semianual ICT Spending Guide) estimates that ICT spending in Eastern Europe will be driven by the topics cloud, mobility, and IoT for telecom companies and growth should remain strong until 2022. They also forecast ongoing spending on hardware, in order to keep the infrastructure up-to-date. Overall, we would regard these trends as supportive for S&T's business lines. Factset consensus for 2020 nominal GDP growth forecasts for S&T's largest geographic markets Germany, USA, Austria, and Poland stand at 3.9%, 2.0%, 2.6%, and 6.2%, respectively.

Growth in global IT services is expected to pick up in 2020 again, according to industry analysts at Gartner (January 2020 update: 5.0% vs 3.9% in 2019). Considering S&T's tilt towards Eastern European countries we expect that the company can continue to grow at faster rates than Western European countries, albeit at a marginally slower pace than in previous years as economic growth is expected to cool down somewhat. For the years 2020 and 2021, we thus assume IT services growth rates at around 6%, in line with updated management targets (previously: 5%).

We estimate that first-time consolidation of acquisitions contributes revenues north of EUR 50m in FY'20. We continue our practice to neglect growth from potential future M&A, as the potential terms provide to many moving parts to take into account. Regarding EBITDA, the EUR 130m target seems conservative to us, assuming a successful integration of the Kapsch acquisitions (+EUR 11.5m yoy) and targeted cost savings in 2020 (up to EUR 20m within 12 months since the start of PEC).

## Valuation

Incorporating our estimates into our DCF model, we derive a new fair value of EUR 30 (23x 2021e EPS). Technically, we raise our revenues estimates, but lower our earnings estimates compared with our latest update. The lower earnings result from an increase in assumed depreciations, which naturally do not impact cash flow. We also choose a more conservative tax rate that reflects a normalization towards 23-25% in the long-run, as tax-loss carry-forwards are expected to cease eventually (negative CF impact). As explained above, we incorporate a positive CF effect from lower NWC due to the PEC program, and a normalization of NWC in line with revenues growth afterwards. Finally, the recently concluded share buyback program reduces the number of outstanding shares by around 800k.

## DCF analysis

EUR m	Phase I					Phase II					Phase III
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	
<b>Revenues</b>	<b>1,256</b>	<b>1,376</b>	<b>1,511</b>	<b>1,660</b>	<b>1,825</b>	<b>1,982</b>	<b>2,127</b>	<b>2,254</b>	<b>2,359</b>	<b>2,437</b>	
<i>growth rate</i>	10%	10%	10%	10%	10%	9%	7%	6%	5%	3%	
<b>EBITDA</b>	<b>132</b>	<b>148</b>	<b>166</b>	<b>191</b>	<b>210</b>	<b>225</b>	<b>238</b>	<b>247</b>	<b>254</b>	<b>257</b>	
<i>EBIT margin</i>	10.5%	10.8%	11.0%	11.5%	11.5%	11.4%	11.2%	11.0%	10.8%	10.5%	
<b>EBIT</b>	<b>90</b>	<b>110</b>	<b>130</b>	<b>155</b>	<b>174</b>	<b>184</b>	<b>193</b>	<b>199</b>	<b>203</b>	<b>205</b>	
<i>EBIT margin</i>	7.2%	8.0%	8.6%	9.3%	9.5%	9.3%	9.1%	8.8%	8.6%	8.4%	
<b>Tax</b>	<b>(14)</b>	<b>(18)</b>	<b>(22)</b>	<b>(28)</b>	<b>(35)</b>	<b>(38)</b>	<b>(41)</b>	<b>(43)</b>	<b>(45)</b>	<b>(46)</b>	
<i>Tax rate</i>	15%	16%	17%	18%	20%	21%	21%	22%	22%	23%	
<b>Depr. &amp; Amort.</b>	<b>41</b>	<b>38</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>41</b>	<b>45</b>	<b>48</b>	<b>50</b>	<b>52</b>	
<i>% of sales</i>	3.3%	2.8%	2.4%	2.2%	2.0%	2.1%	2.1%	2.1%	2.1%	2.1%	
<b>Capex</b>	<b>(28)</b>	<b>(31)</b>	<b>(34)</b>	<b>(37)</b>	<b>(41)</b>	<b>(45)</b>	<b>(48)</b>	<b>(51)</b>	<b>(53)</b>	<b>(55)</b>	
<i>% of sales</i>	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	
<b>Change in WC &amp; P</b>	<b>25</b>	<b>(10)</b>	<b>(11)</b>	<b>(13)</b>	<b>(14)</b>	<b>(15)</b>	<b>(16)</b>	<b>(17)</b>	<b>(18)</b>	<b>(19)</b>	
<i>% of sales</i>	-2.0%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	
<b>Free Cash Flow</b>	<b>115</b>	<b>89</b>	<b>99</b>	<b>113</b>	<b>120</b>	<b>128</b>	<b>133</b>	<b>136</b>	<b>138</b>	<b>137</b>	<b>2,434</b>
<i>growth rate</i>	nm	(22)%	11%	14%	6%	6%	4%	3%	1%	(0)%	2%
<b>Present Value FCF</b>	<b>107</b>	<b>77</b>	<b>79</b>	<b>84</b>	<b>83</b>	<b>82</b>	<b>79</b>	<b>75</b>	<b>71</b>	<b>65</b>	<b>1,160</b>

<b>PV Phase I</b>	<b>431</b>	<b>Risk free rate</b>	3.5%	<b>Targ. equity ratio</b>	70%
<b>PV Phase II</b>	<b>373</b>	<b>Premium Equity</b>	5.0%	<b>Beta</b>	1.2
<b>PV Phase III</b>	<b>1,160</b>	<b>Premium Debt</b>	2.0%	<b>WACC</b>	7.8%

Enterprise value	1,964	Sensitivity	Growth in phase III				
			1.0%	1.5%	2.0%	2.5%	3.0%
- Net Debt (Cash)	(12)	7.0%	31.0	32.7	34.8	37.4	40.6
- Pension Provisions	2	7.4%	29.0	30.5	32.3	34.4	37.0
- Minorities & Peripherals	10	7.8%	27.3	28.6	30.1	31.9	34.0
+ MV of financial assets	0	8.1%	25.8	26.9	28.1	29.7	31.5
- Paid-out dividends for last FY	0	8.5%	24.4	25.3	26.4	27.7	29.3
+/- Other EV items	0						

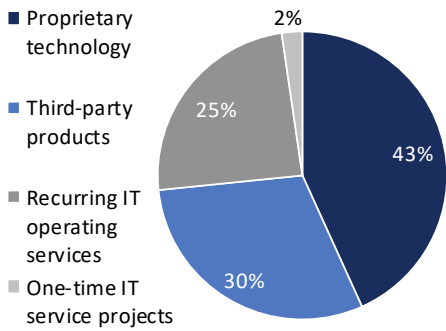
<b>Equity value</b>	<b>1,964</b>
Number of shares (m)	65
<b>Value per share (€)</b>	<b>30</b>
<b>Current Price (€)</b>	<b>25.58</b>
<b>Upside</b>	<b>17%</b>

Source: Pareto

Although the shares already gained 16% since the release of FY'2020 guidance, we continue to see share price upside within our 12-month time horizon and consider S&T's shares as one of the most interesting situations in our universe, trading slightly below 20x 2021e EPS, while offering double-digit expected revenues growth and steadily improving expected profitability in the years to come. We confirm our BUY rating at a new TP of EUR 30 (previously: EUR 27).

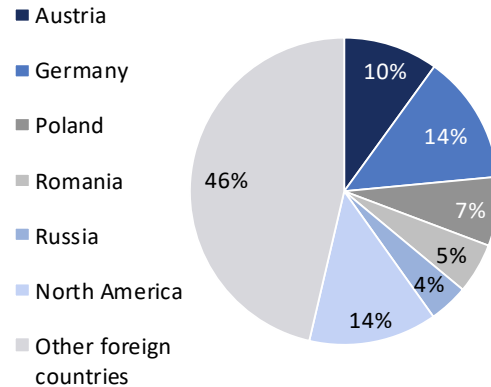
# Investment case in charts

## S&T – FY'18 revenues split by product



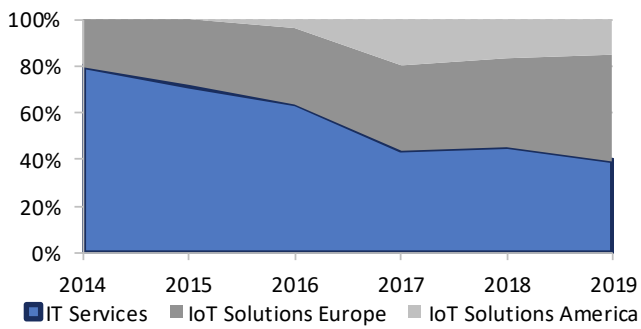
Source: Pareto, company data

## S&T– FY'18 geographical revenue split



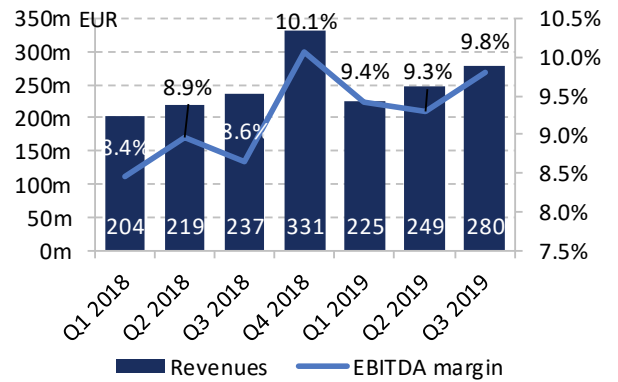
Source: Pareto, company data

## S&T – Segment revenue development



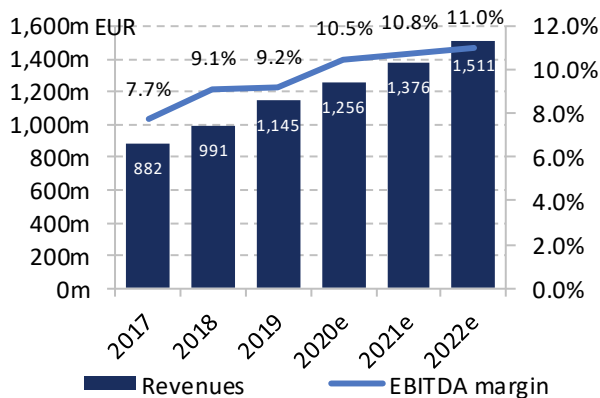
Source: Pareto, company data

## S&T – Quarterly development



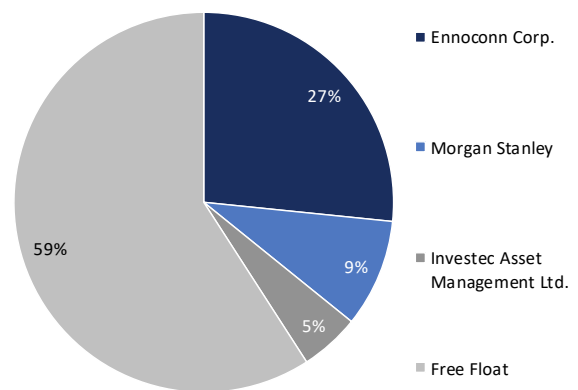
Source: Pareto, company data

## S&T – Group financial development



Source: Pareto, company data

## S&T – Shareholder structure



Source: Pareto, Factset, WpHG disclosures

<b>PROFIT &amp; LOSS (fiscal year) (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
<b>Revenues</b>	<b>468</b>	<b>504</b>	<b>882</b>	<b>991</b>	<b>1,145</b>	<b>1,256</b>	<b>1,376</b>	<b>1,511</b>
<b>EBITDA</b>	<b>28</b>	<b>34</b>	<b>68</b>	<b>91</b>	<b>105</b>	<b>132</b>	<b>148</b>	<b>166</b>
Depreciation & amortisation	(8)	(10)	(26)	(29)	(40)	(41)	(38)	(36)
<b>EBIT</b>	<b>21</b>	<b>24</b>	<b>42</b>	<b>62</b>	<b>65</b>	<b>90</b>	<b>110</b>	<b>130</b>
Net interest	(3)	(4)	(6)	(5)	(6)	(9)	(8)	(7)
Other financial items	-	-	-	-	-	-	-	-
<b>Profit before taxes</b>	<b>18</b>	<b>20</b>	<b>35</b>	<b>56</b>	<b>59</b>	<b>82</b>	<b>102</b>	<b>123</b>
Taxes	(1)	0	(6)	(8)	(7)	(12)	(16)	(21)
Minority interest	(2)	(6)	(7)	(3)	2	-	-	-
<b>Net profit</b>	<b>16</b>	<b>15</b>	<b>23</b>	<b>45</b>	<b>53</b>	<b>70</b>	<b>86</b>	<b>102</b>
EPS reported	0.36	0.33	0.43	0.70	0.81	1.06	1.31	1.56
<b>EPS adjusted</b>	<b>0.36</b>	<b>0.31</b>	<b>0.43</b>	<b>0.70</b>	<b>0.82</b>	<b>1.06</b>	<b>1.31</b>	<b>1.56</b>
DPS	0.08	0.10	0.13	0.16	0.18	0.21	0.26	0.31
<b>BALANCE SHEET (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Tangible non current assets	15	28	32	37	28	20	15	14
Other non-current assets	76	184	195	218	281	276	274	273
Other current assets	168	331	361	421	419	371	392	415
Cash & equivalents	60	126	217	172	317	403	459	535
<b>Total assets</b>	<b>319</b>	<b>669</b>	<b>805</b>	<b>848</b>	<b>1,045</b>	<b>1,070</b>	<b>1,140</b>	<b>1,236</b>
Total equity	102	241	332	367	394	452	523	608
Interest-bearing non-current debt	51	94	115	119	250	240	227	227
Interest-bearing current debt	-	-	-	-	-	-	-	-
Other Debt	166	332	356	360	399	377	387	399
<b>Total liabilities &amp; equity</b>	<b>319</b>	<b>669</b>	<b>805</b>	<b>848</b>	<b>1,045</b>	<b>1,070</b>	<b>1,140</b>	<b>1,236</b>
<b>CASH FLOW (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Cash earnings	23	131	46	48	91	111	124	138
Change in working capital	3	(70)	(1)	(12)	(9)	25	(10)	(11)
Cash flow from investments	(10)	(74)	(39)	(63)	(43)	(28)	(31)	(34)
Cash flow from financing	(1)	72	93	(21)	106	(22)	(26)	(17)
Net cash flow	21	65	91	(45)	145	86	56	76
<b>CAPITALIZATION &amp; VALUATION (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
<b>Share price (EUR end)</b>	<b>6.0</b>	<b>8.7</b>	<b>18.0</b>	<b>15.8</b>	<b>21.3</b>	<b>25.6</b>	<b>25.6</b>	<b>25.6</b>
Number of shares end period	44	49	63	66	65	65	65	65
Net interest bearing debt	(9)	(32)	(102)	(53)	(67)	(163)	(232)	(307)
<b>Enterprise value</b>	<b>254</b>	<b>481</b>	<b>1,066</b>	<b>1,003</b>	<b>1,333</b>	<b>1,517</b>	<b>1,449</b>	<b>1,373</b>
EV/Sales	0.5	1.0	1.2	1.0	1.2	1.2	1.1	0.9
<b>EV/EBITDA</b>	<b>9.0</b>	<b>14.0</b>	<b>15.7</b>	<b>11.1</b>	<b>12.7</b>	<b>11.5</b>	<b>9.8</b>	<b>8.3</b>
EV/EBIT	12.0	19.9	25.5	16.3	20.4	16.8	13.2	10.6
P/E reported	16.4	26.3	41.5	22.6	26.2	24.0	19.5	16.4
<b>P/E adjusted</b>	<b>16.4</b>	<b>28.4</b>	<b>41.5</b>	<b>22.6</b>	<b>26.0</b>	<b>24.0</b>	<b>19.5</b>	<b>16.4</b>
P/B	2.6	2.8	3.7	2.9	3.6	3.8	3.3	2.8
<b>FINANCIAL ANALYSIS &amp; CREDIT METRICS</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
ROE adjusted (%)	16.5	7.9	7.9	12.9	14.1	16.4	17.6	18.0
Dividend yield (%)	1.3	1.1	0.7	1.0	0.8	0.8	1.0	1.2
EBITDA margin (%)	6.1	6.8	7.7	9.1	9.2	10.5	10.8	11.0
EBIT margin (%)	4.5	4.8	4.7	6.2	5.7	7.2	8.0	8.6
NIBD/EBITDA	(0.33)	(0.93)	(1.50)	(0.58)	(0.64)	(1.24)	(1.57)	(1.85)
EBITDA/Net interest	10.73	8.28	10.72	17.56	16.93	15.35	18.98	23.63

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## Appendix A

Disclosure requirements pursuant to the Norwegian Securities Trading Regulations section 3-10 (2) and section 3-11 (1), letters a-b

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Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Helgeland Sparebank	2,010,630	9.63%	SpareBank 1Østfold Akersl	1,140,010	9.20%
Pareto Bank ASA	14,902,985	21.34%	Sparebanken Vest	6,026,744	5.62%

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Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
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Pareto Bank ASA	14,902,985	21.34%	SpareBank 1Østfold Akersl	1,140,010	9.20%
Selvaag Bolig ASA	2,172,147	2.32%	Sparebanken Møre	305,239	3.09%
SpareBank 1BV	1,655,920	2.63%	Sparebanken Sør	433,149	2.77%
SpareBank 1Nord-Norge	3,241,405	3.23%	Sparebanken Vest	6,026,744	5.62%

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Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings
AF Gruppen	0	18,475	Høegh LNG	0	3,890	Sandnes Sparebank	0	27,532
Aker	0	1,021	Ice Group	0	88,410	Scatec Solar	0	35,750
Aker BP	0	8,449	Jæren Sparebank	0	500	Schibsted ASA B Aksjer	0	538
AKVA Group	0	1,500	Komplett Bank	0	106,079	Seadrill	0	14,319
Atlantic Sapphire	0	2,105	Kongsberg Gruppen	0	34,184	Selvaag Bolig	0	3,000
Avance Gas	0	4,580	KWS	75	75	SpareBank 1BV	0	22,700
Axactor	0	8,709	Lerøy Seafood	0	9,080	SpareBank 1Nord-Norge	0	27,025
BASF	270	270	Mowi	0	1,904	SpareBank 1Ringerike Hadr	0	500
Bonheur	0	48,635	NORBIT	0	18,864	SpareBank 1SMN	0	17,865
BRABank	0	1,371,000	Nordic Semiconductor	0	6,000	SpareBank 1SR-Bank	0	30,040
DNB	0	31,425	Norsk Hydro	0	99,051	Sparebank 1Østfold Akersl	0	450
DNO	0	414,788	Northern Drilling	0	5,060	SpareBank 1Østlandet	0	2,161
DNO Bull ETN	0	7,000	Norwegian Air Shuttle	0	40,447	Sparebanken Sør	0	15,840
Entra	0	8,777	Norwegian Energy Compan	0	300	Sparebanken Vest	0	5,684
Equinor	0	6,495	Ocean Yield	0	34,967	Sparebanken Øst	0	1,500
Europris	0	15,150	Odfjell Drilling	0	1,949	Stolt-Nielsen	0	42,426
Fjord1	0	50,000	Okeanis Eco Tankers	0	2,728	Storebrand	0	5,565
Fjordkraft Holding	0	8,000	Orkla	0	19,278	Subsea 7	0	1,162
Flex LNG	0	1,032	Panoro Energy	0	6,170	Telenor	0	2,661
Frontline	0	11,730	Pareto Bank	0	1279,375	TGS-NOPEC	0	2,000
Gjensidige Forsikring	0	6,712	PGS	0	11,756	VOWASA	0	3,281
Golden Ocean Group	0	1,744	Pioneer Property	0	2,050	XXL	0	9,279
Grieg Seafood	0	770	Protector Forsikring	0	14,385	Yara International	0	13,923
Hafnia Limited	0	10,000	REC Silicon	0	32,708	Zenterio	0	78,865
Helgeland Sparebank	0	4,127	SalMar	0	380			

This overview is updated monthly (last updated 16.01.2020).

\*Analyst holdings refer to positions held by the Pareto Securities AS analyst covering the company.

## Appendix B

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letters e-f, ref the Securities Trading Act Section 3-10

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:

2020Bulkers	GG. St. Kongensgate 100 og 106	Norwegian Air Shuttle
Avanzia Bank	Hafnia Limited	Nouveau Monde Graphite
African Petroleum Corporation	Hafslund E-CO	Ocean Yield
Agder Energi	HKN Energy Ltd	OKEA
Aker ASA	Hunter Group ASA	Otiga Group
American Tanker	Hörmann Industries	Pareto Bank
Andfjord Salmon	Ice Group	PetroTal
Belships	ICWHolding	Pinewood Laboratories
BRABank	Kingfish Zeeland	Pioneer Property Group
Cabonline Group Holding AB	LifeFit	Providences Inv. Mngmt Pty
CentralNic Group	Lundin Petroleum	Qesterre Energy
DNO	Luxaviation Holding	Shamaran Petroleum
Erwe Immobilien	Monobank ASA	Sparebank 1 Østlandet
Euromicron AG	Navig8	Sparebanken Vest
Exmar NV	Navigator Holdings	Stolt Nilsen
Filo Mining Corp	NGEX Resources	TEMPTON Dienstleistungen
Flex LNG	Norbit ASA	United Camping AB
Floatel	Northern Ocean	Vantage Drilling
Genel Energy		

*This overview is updated monthly (this overview is for the period 31.12.2018 – 31.12.2019).*

## Appendix C

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

### Distribution of recommendations

Recommendation	% distribution
Buy	61%
Hold	35%
Sell	4%

### Distribution of recommendations (transactions\*)

Recommendation	% distribution
Buy	75%
Hold	19%
Sell	6%

\* 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 16.01.2020).

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This section applies to research reports prepared by Pareto Securities AB.

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Bionvent	IRRAS AB	Pledpharma AB	ShaM aran Petroleum
Climeon	Jetpak Top Holding AB	QleanAir Holding	

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## Appendix E

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

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CORESTATE Capital Holding S.A.	Intershop Communications AG	Procredit Holding *	Syzygy AG *
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Demire	Leifheit	PWO *	Vapiano
Epigenomics AG*	Logwin *	RIB Software *	va-Q-tec *
Gesco *	Manz AG *	S&T AG *	Viscom *
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## Appendix F

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

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

*This overview is updated monthly (last updated 17.01.2020).*