



The chip shortage continues to bite

Due to the ongoing chip shortage, S&T lowered the full year guidance a notch at yesterday's CMD. Another important message was that S&T accelerates the sale of the IT Service segment with view of the current "seller market". More information might follow when S&T reports Q3 numbers on 4/11/21. Buy, TP EUR 30.

Lowens the full year guidance a notch

Due to the ongoing chip shortage, S&T lowered the full year guidance a notch at yesterday's CMD. It now expects revenues between EUR 1,330-1,400m and EBITDA of EUR 133-140m for the full year (was before at least EUR 1,400m and at least EUR 140m, respectively). S&T expects that the lost revenues can be recouped in 2022.

Accelerating the disposal of the IT Service business

Another important message of the CMD was that S&T accelerates the sale of the IT Service segment with view of the current "seller market" (project Focus). Until now, the official communication hinted at a sale until 2025. S&T expects to realize a price between EUR 550-700m, which translates into a trailing EV / EBITDA multiple between 11.0-14.0x and EV / Sales of 1.0-1.2x, which looks like an attractive price range, exceeding the current valuation of the S&T group.

Good capital allocation

As we expect the current situation in the chip market to relax over time, we stick to our price target of EUR 30 per share for the time being. The fact that S&T has put further acquisitions on hold in the current market environment but intends to sell the IT Service business at a good price looks like good capital allocation to us. Thus, the share remains a "buy" at present levels.

EURm	2019	2020	2021e	2022e	2023e
Revenues	1,123	1,255	1,382	1,615	1,862
EBITDA	112	130	135	170	205
EBIT	62	68	73	104	124
EPS	0.74	0.85	0.83	1.24	1.48
EPS adj	0.74	0.85	0.83	1.24	1.48
DPS	-	0.30	0.29	0.43	0.52
EV/EBITDA	12.4	9.5	10.0	8.2	6.9
EV/EBIT	22.4	18.0	18.7	13.4	11.4
P/E adj	28.6	22.6	25.7	17.3	14.5
P/B	3.76	3.09	3.16	2.77	2.44
ROE (%)	13.5	14.3	12.8	17.0	17.9
Div yield (%)	-	1.6	1.4	2.0	2.4
Net debt	(30)	(20)	(30)	3	23

Source: Pareto

Target price (EUR)	30
Share price (EUR)	21

Forecast changes

%	2021e	2022e	2023e
Revenues	(1)	(1)	(1)
EBITDA	(4)	(1)	(1)
EBIT adj	(7)	(2)	(1)
EPS reported	(8)	(2)	(1)
EPS adj	(8)	(2)	(1)

Source: Pareto

Ticker	SANT1.DE, SANT GY
Sector	Hardware & Equipment
Shares fully diluted (m)	64.6
Market cap (EURm)	1,386
Net debt (EURm)	-30
Minority interests (EURm)	4
Enterprise value 21e (EURm)	1,360
Free float (%)	68

Performance



Source: Factset

Analysts

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Insights from yesterday's CMD

The CEO Mr Niederhauser made clear that the strong order intake visible in H1 continued in Q3. However, the global chip shortage continued to prevail and the order volume that could not be fulfilled by S&T increased to EUR 70m after EUR 38m in H1. Less than 50% of ordered chips are currently allocated to S&T. As a result, S&T lowered its 2021 guidance a notch and now expects revenues between EUR 1,330-1,400m and EBITDA of EUR 133-140m for the full year (was before at least EUR 1,400m and at least EUR 140m, respectively). S&T expects that these revenues can be recouped in 2022.

The crisis does not affect newer and expensive chips but rather the less sophisticated ones. Although chip producers increased capacity by 11-17% in 2021 globally, demand still exceeds supply. S&T expects the tightness to loosen in 2022 but believes the high prices for some products might be there to stay. S&T reacts to the crisis by redesigning products but also by increasing inventories. As a consequence, the working capital will increase in 2021 but the mid-term goal of a working capital intensity of less than 12% of revenues remains in place.

Another important message of the CMD was that S&T accelerates the sale of the IT Service segment with view of the current "seller market" (project Focus). Until now, the official communication hinted at a sale until 2025. S&T expects to realize a price between EUR 550-700m, which translates into a trailing EV / EBITDA multiple between 11.0-14.0x and EV / Sales of 1.0-1.2x, which looks like an attractive price range, exceeding the current valuation of the S&T group. Most of the proceeds will be used to finance acquisitions for the then remaining business IoT, the residual part of c. EUR 200m shall go into share buybacks. Interesting areas for acquisitions were said to be Security, Transportation and Smart Energy. In general, S&T looks for areas with a high value added and a high software content. Also, the acquisition of AI capabilities was said to be possible but here, S&T will continue to rely on internal developments, too. Regarding acquisitions, S&T seems to be willing to go for bigger tickets. At present, there are three potential targets with revenues over EUR 500m and four targets with more than EUR 100m revenues in the pipeline, and S&T is optimistic to close at least one of these deals in 2022. The focus on restructuring cases will remain in place, though. As a result of this new set-up, the mid-term financial targets of attached to the "agenda 2023", i.e., revenues of EUR 2bn and EBITDA of EUR 220m, have been postponed until 2025.

Beside these core messages, the CMD offered a few more bits and pieces. S&T gave an outlook on the expected evolution of the 5G market. 5G will enable lots of new IoT applications, according to S&T. Software for IoT applications will continue to be a focus of S&T and is supposed to grow from EUR 35m in 2020 to EUR 100m in 2023. S&T's ESG rating improved from B to BBB, potentially lowering future cost of debt financing. So far, it is unclear if the ESG rating will improve furthermore with the disposal of IT service. In line with the new strategy, S&T has divested the stake in Bass Systems, which has been acquired in 2019.

Our take: Although the chip crisis weighs on profitability at the moment, we believe chances are there that it will be temporary in nature, and S&T might potentially make up for lost revenues in 2022. That is why we stick to our price target of EUR 30 per share for the time being. The fact that S&T has put further acquisitions on hold in the current market environment but intends to sell the IT Service business at a good price looks like good capital allocation to us. Thus, the share remains a "buy" at present levels for us. Our new forecast can be found below:

Exhibit 1: Updated forecast

Profit & Loss	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e	2024e
Revenue	386	468	504	882	991	1,123	1,255	1,382	1,615	1,862	2,074
% yoy	14.1%	21.4%	7.6%	75.1%	12.3%	13.3%	11.7%	10.2%	16.9%	15.3%	11.4%
EBITDA	23	28	34	68	91	112	130	135	170	205	228
% of sales	5.9%	6.1%	6.8%	7.7%	9.1%	9.9%	9.6%	9.8%	10.5%	11.0%	11.0%
EBIT	17	21	24	42	62	62	69	73	104	124	134
% of sales	4.3%	4.4%	4.8%	4.7%	6.2%	5.5%	5.5%	5.3%	6.4%	6.7%	6.5%
Pretax Profit	15	18	20	35	56	54	61	63	95	115	125
% of sales	3.8%	3.9%	4.0%	4.0%	5.7%	4.8%	4.8%	4.6%	5.9%	6.2%	6.0%
Net Profit	13	16	15	23	45	49	56	54	80	95	101
% of sales	3.4%	3.4%	2.9%	2.6%	4.5%	4.4%	4.4%	3.9%	4.9%	5.1%	4.9%
EPS	0.32	0.36	0.33	0.43	0.70	0.74	0.86	0.83	1.24	1.48	1.56
% yoy	5.8%	14.8%	-8.9%	30.8%	61.3%	6.4%	15.0%	-2.5%	48.1%	19.4%	5.9%
DPS	0.07	0.08	0.10	0.13	0.16	0.00	0.30	0.29	0.43	0.52	0.55
Payout ratio	22%	22%	30%	30%	23%	0%	35%	35%	35%	35%	35%

Source: Pareto Securities Research

Exhibit 2: DCF

EUR m	Phase I					Phase II					Phase III
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	
Revenues	1,382	1,615	1,862	2,074	2,198	2,319	2,435	2,545	2,647	2,739	
<i>growth rate</i>	10%	17%	15%	11%	6%	6%	5%	5%	4%	4%	
EBITDA	135	170	205	228	242	255	268	280	291	301	
<i>EBITDA margin</i>	9.8%	10.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	
Depr. & Amort. (FA)	42	41	53	63	68	77	75	74	70	65	
<i>% of sales</i>	3.0%	2.6%	2.8%	3.0%	3.1%	3.3%	3.1%	2.9%	2.6%	2.4%	
Depr. & Amort. (RoU)	21	24	28	31	33	35	37	38	40	41	
<i>% of sales</i>	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
EBIT	73	104	124	134	141	144	156	168	182	195	
<i>EBIT margin</i>	5.3%	6.4%	6.7%	6.5%	6.4%	6.2%	6.4%	6.6%	6.9%	7.1%	
Tax	(12)	(18)	(22)	(27)	(28)	(29)	(31)	(34)	(36)	(39)	
<i>Tax rate</i>	16%	17%	18%	20%	20%	20%	20%	20%	20%	20%	
Capex	(33)	(40)	(47)	(52)	(55)	(58)	(61)	(64)	(66)	(68)	
<i>% of sales</i>	2.4%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Acquisitions (ex NWC)	(7)	(72)	(72)	(48)	0	0	0	0	0	0	
<i>% of sales</i>	0.5%	4.4%	3.8%	2.3%	0.0%	1.3%	1.9%	2.2%	2.3%	8.5%	
Change in WC & P	(25)	(22)	(22)	(25)	(15)	(16)	(17)	(17)	(18)	(19)	
<i>% of sales</i>	1.8%	1.4%	1.2%	1.2%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	
Free Cash Flow	37	(6)	15	45	111	118	123	127	131	134	2,937
<i>growth rate</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>	6%	4%	4%	3%	2%	3%
Present Value FCF	37	(6)	13	36	81	80	77	74	71	68	1,481

PV Phase I	160	Risk free rate	3.5%	Targ. equity ratio	85%
PV Phase II	371	Premium Equity	5.0%	Beta	1.0
PV Phase III	1,481	Premium Debt	0.5%	WACC	7.7%

Enterprise value	2,012	Sensitivity	Growth in phase III				
			2.0%	2.5%	3.0%	3.5%	4.0%
- Net debt (cash)	(20)	6.9%	30.4	33.1	36.6	41.0	46.9
- Pension provisions	10	7.3%	27.8	30.1	32.9	36.4	41.0
- Minorities & Peripherals	5	7.7%	30.4	27.5	29.8	32.7	36.3
- Leasing liabilities	69	8.1%	23.7	25.3	27.2	29.6	32.5
- Paid-out dividends for last FY	19	8.5%	22.0	23.4	25.0	27.0	29.4
+/- Other EV items	0						

Equity value	1,928
Number of shares (m)	64.6
Value per share (€)	30.0
Current Price (€)	21.2
Upside	42%

Source: Pareto Securities Research

Q3 preview

Exhibit 3: Q3

S&T AG		Actual	Pareto	
		Q3 2020	Q3 2021e	yoy (%)
Revenues	EURm	298	322	8.1
Gross profit margin	"	106.1 35.6%	118.2 36.7%	11.4 111 bps
EBITDA margin	"	31.8 10.7%	31.2 9.7%	-1.8 -97 bps
EBIT margin	EURm %	17.3 5.8%	15.0 4.7%	-13.1 -114 bps

Source: Pareto Securities Research

After the “soft” profit warning given at the CMD, our expectations for Q3 are as follows: We expect again a significant portfolio effect of c. EUR 27m from the first-time consolidation of Citycomp and Iskratel, which is equivalent to 9% growth y/y. As these companies now have been consolidated for 12 months, there won’t be any more substantial consolidation effects in the remainder of the year, if there are no “new” acquisitions.

Without the chip shortage, (FX-adjusted) organic growth could have been around 10%, in our view. However, due to the chip shortage, revenues of EUR 32m have been postponed in Q2, according in S&T. As a result, we expect no or only negligible organic growth in Q3. The significant currency headwind S&T experienced in the first half of the year should lessen in Q3 as the USD appreciated in the quarter and now trades at similar levels as in Q3 last year.

Regarding margins, we expect S&T to post similar levels as in H1, mainly because (1) the gross margin will be under pressure from the chip shortage and (2) the newly consolidated business will come with a below average profitability that should eat up potential efficiency gains realized in the existing business units.

Exhibit 4: Appendix - at a glance

Business Units	IT Services	IoT Solutions Europe	IoT Solutions America
Products/applications	IT services to a broad range of enterprises. Managed services. Operates according to the Plan - Build - Run Principle. Plans to reduce share of hardware business.	Solutions in the areas of IoT and Industry 4.0, combining hardware, middleware and services. Markets served are in Europe and Asia.	Embedded hardware and software solutions focussing on aviation, transport and communication.
Customers	Small and mid-sized enterprises in DACH and Eastern European region	Industrial applications such as industrial automation, medical technologies, infotainment, energy industry, and public transportation. Core is the former Kontron business.	Communications and aviation customers
Market share/positioning	Below 1% in S&T's footprint	Below 1% in S&T's footprint	Only reasonable data from S&T's prospectus reveals market share for Advantech of 8%, Siemens 6% and ADLINK of 3% in the European Economic Area (EWR)
Drivers	Outsourcing and cost cutting main drivers for GDP-like growth for S&T in IT Services.	Connectivity of devices and increased need for secure platforms in M2M, smart metering and other applications drive market growth and innovation in IoT.	System-on-a-chip, enhanced software solutions and niche but customized solutions in the automation, infotainment, medical and transportation segments.
Main competitors	Bechtle, Cancom, HPE, IBM, Accenture, Adesso, Caggemini, Atos and other IT services companies	Check Point Software, Intel, FireEye, Imperva, Secunet, Compugroup, Vitec Software AB Smart Energy: Landis & Gyr, Schneider Electric, Siemens, Itron, IBM, Cisco, ABB	Advantech, ADLINK, Siemens, Beckhoff and Radisys
Entry barriers/competitive advantage	High personnel and R&D intensive business, especially in IT Services (personnel) and Embedded Systems (R&D/pre-financing). S&T has high economies of scale/scope once embedded products are developed and software products included. S&T has a low cost base (c. 50% of workforce is located in low cost Eastern European countries), highly outsourced production to Foxconn and Ennoconn in China and Canada respectively, a strong customer retention effort (e.g. trying to become single source supplier for automotive, industrial, aerospace and energy sector), only embedded and smart metering supplier and services provider with a strong Eastern European production footprint, strong IP portfolio.		
Strategy & Guidance	Strategy: (I) Support growth by frequent acquisitions, esp. turnarounds at low multiples. (II) Benefit from megatrends (increased device and machine connectivity, security/firewall requirements, outsourcing) (III) Increase the share of proprietary software in IoT solutions. (IV) Cross-selling. (V) Concentrate on embedded solutions (i.e. combine hard- and software.)		Guidance (10/2021) Revenues: EUR 1,330-1,400m y/y 11.6% EBITDA margin 10.0% PAsE EUR 1382m 11.7% EUR 135m 9.6% Consensus EUR 1411m 12.4% EUR 140m 9.9%
2020	Sales (EURm) 1255 y/y EBITDA (EURm) 130 Margin 10.4% EBIT adj. (EURm) 69 Margin 5.5%	Sales 5Y hist. CAGR 22%	
Sales & EBIT Split			
Shareholder structure & management	CEO Hannes Niederhauser CEO (since 2011) • Hannes Niederhauser joined the company in 2011 as CEO. Following his studies in electrical engineering at the Graz University of Technology, the Austrian-born manager worked as a developer of microchips and in the embedded computer segment. Prior he has been the main shareholder and CEO of Kontron AG from 1999 to 2007, which became the world's largest provider in the field of embedded computing.	CFO Richard Neuirth CFO (since 2013) • Richard Neuirth has degrees in jurisprudence and business administration. He began his career as a lawyer working for a Vienna-based firm. He joined S&T in 2006, and has held a variety of management positions at it, with these including managing director of S&T Bulgaria and country manager and sales director of S&T Austria. As of July 2013, Neuirth became the company's CFO.	Shareholder structure
# of employees FY 2020	6,067		

Source: Pareto Securities Research

PROFIT & LOSS (fiscal year) (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Revenues	504	882	991	1,123	1,255	1,382	1,615	1,862
EBITDA	34	68	91	112	130	135	170	205
Depreciation & amortisation	(10)	(26)	(29)	(50)	(61)	(63)	(65)	(80)
EBIT	24	42	62	62	68	73	104	124
Net interest	(4)	(6)	(5)	(8)	(8)	(10)	(9)	(9)
Other financial items	-	-	-	-	-	-	-	-
Profit before taxes	20	35	56	54	61	63	95	115
Taxes	0	(6)	(8)	(5)	(6)	(10)	(16)	(21)
Minority interest	(6)	(7)	(3)	(0)	1	1	1	1
Net profit	15	23	45	49	56	54	80	95
EPS reported	0.33	0.43	0.70	0.74	0.85	0.83	1.24	1.48
EPS adjusted	0.31	0.43	0.70	0.74	0.85	0.83	1.24	1.48
DPS	0.10	0.13	0.16	-	0.30	0.29	0.43	0.52
BALANCE SHEET (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Tangible non current assets	28	32	37	38	80	77	109	138
Other non-current assets	184	195	273	392	403	436	474	511
Other current assets	331	361	366	483	481	541	594	644
Cash & equivalents	126	217	172	312	282	279	246	226
Total assets	669	805	848	1,226	1,247	1,333	1,423	1,519
Total equity	241	332	367	385	409	443	503	569
Interest-bearing non-current debt	94	115	113	283	262	249	249	249
Interest-bearing current debt	-	-	-	-	-	-	-	-
Other Debt	332	356	366	549	565	631	661	690
Total liabilities & equity	669	805	848	1,226	1,247	1,333	1,423	1,519
CASH FLOW (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Cash earnings	131	46	48	82	112	95	120	147
Change in working capital	(70)	(1)	(12)	2	29	(25)	(22)	(22)
Cash flow from investments	(74)	(39)	(63)	(56)	(77)	(40)	(112)	(118)
Cash flow from financing	72	93	(21)	84	(66)	(32)	(19)	(28)
Net cash flow	65	91	(45)	141	(30)	(2)	(33)	(21)
CAPITALIZATION & VALUATION (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Share price (EUR end)	8.7	18.0	15.8	21.3	19.3	21.4	21.4	21.4
Number of shares end period	49	63	66	66	65	65	65	65
Net interest bearing debt	(32)	(102)	(58)	(30)	(20)	(30)	3	23
Enterprise value	481	1,066	998	1,385	1,232	1,360	1,392	1,411
EV/Sales	1.0	1.2	1.0	1.2	1.0	1.0	0.9	0.8
EV/EBITDA	14.0	15.7	11.0	12.4	9.5	10.0	8.2	6.9
EV/EBIT	19.9	25.5	16.2	22.4	18.0	18.7	13.4	11.4
P/E reported	26.3	41.5	22.6	28.6	22.6	25.7	17.3	14.5
P/E adjusted	28.4	41.5	22.6	28.6	22.6	25.7	17.3	14.5
P/B	2.8	3.7	2.9	3.8	3.1	3.2	2.8	2.4
FINANCIAL ANALYSIS & CREDIT METRICS	2016	2017	2018	2019	2020	2021e	2022e	2023e
ROE adjusted (%)	7.9	7.9	12.9	13.1	14.0	12.7	16.9	17.8
Dividend yield (%)	1.1	0.7	1.0	-	1.6	1.4	2.0	2.4
EBITDA margin (%)	6.8	7.7	9.1	9.9	10.4	9.8	10.5	11.0
EBIT margin (%)	4.8	4.7	6.2	5.5	5.4	5.3	6.4	6.7
NIBD/EBITDA	(0.93)	(1.50)	(0.64)	(0.26)	(0.16)	(0.22)	0.02	0.11
EBITDA/Net interest	8.28	10.72	17.56	14.54	16.89	14.16	18.68	22.19

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	"Hold"	Pareto Securities Research expects this financial instrument's total return to be between -10% and 10% over the next 12 months
	"Sell"	Pareto Securities Research expects this financial instrument's total return to be negative by more than 10% over the next 12 months

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Appendix A

Disclosure requirements in accordance with Commission Delegated Regulation (EU) 2016/958 and the FINRA Rule 2241

The below list shows companies where Pareto Securities AS - together with affiliated companies and/or persons - owns a net long position of the shares exceeding 0,5 % of the total issued share capital in any company where a recommendation has been produced or distributed by Pareto Securities AS.

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Bonheur	240,945	0.57%	Sparebank 1SR-Bank	1,850,099	0.72%
Pareto Bank	15,236,280	21.94%	SpareBank 1Østfold Akershus	12,15,116	9.81%
Selvaag Bolig	3,267,095	3.48%	SpareBank 1Østlandet	3,833,163	3.61%
SpareBank 1BV	1,771,308	2.81%	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	1,920,442	1.48%			

Pareto Securities AS may hold financial instruments in companies where a recommendation has been produced or distributed by Pareto Securities AS in connection with rendering investment services, including Market Making.

Please find below an overview of material interests in shares held by employees in Pareto Securities AS, in companies where a recommendation has been produced or distributed by Pareto Securities AS. "By material interest" means holdings exceeding a value of NOK 50 000.

Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings
AF Gruppen	0	1,825	Fjordkraft Holding	0	16,379	Orkla	0	20,983
Aker ASA	500	3,293	Flex LNG	0	4,817	Panoro Energy	0	32,844
Aker BP	0	23,401	Frontline	0	78,753	Pareto Bank	0	1,265,934
Aker Carbon Capture	0	20,571	Gjensidige Forsikring	0	7,728	Pexip Holding	0	65,563
Aker Clean Hydrogen	0	130,000	Golden Ocean Group	0	1,433	PGS	0	11,676
Aker Horizons	0	125,848	Grieg Seafood	0	8,127	Protector Forsikring	0	14,000
Aker Offshore Wind	0	165,228	Hafnia Ltd.	0	10,000	Quantafuel	0	10,797
Aker Solutions	0	3,678	Huddly	0	98,1523	REC Silicon	0	39,716
American Shipping Co.	0	13,300	Hunter Group	0	308,500	SalMar	0	2,709
Aprila Bank ASA	0	22,675	HydrogenPro	0	37,552	Salmon Evolution	0	100,000
Archer	0	30,170	Ice Fish Farm	0	2,000	Sandnes Sparebank	0	4,013
ArcticZymes Technologies	0	684	Ice Group ASA	0	200,000	Scatec	0	20,412
Atlantic Sapphire	0	1,607	Icelandic Salmon AS	0	535	Selvaag Bolig	0	2,050
Austevoll Seafood	0	4,235	Kalera	0	54,027	Sparebank 1Nord-Norge	0	3,350
Avance Gas	0	3,362	Kitron	0	18,386	Sparebank 1SMN	0	12,740
B2Holding AS	0	19,940	Komplett Bank	0	110,500	Sparebank 1SR-Bank	0	8,590
BASF	270	270	Kongsberg Gruppen	0	36,023	SpareBank 1Østfold Akershus	0	1,252
Belships	0	10,825	KWS	75	75	SpareBank 1Østlandet	0	9,621
Bonheur	0	32,075	Lerøy Seafood Group	0	39,328	Sparebanken Sør	0	16,435
Borregaard ASA	0	650	Mercell	0	24,863	Sparebanken Vest	0	16,735
Bouvet	0	2,940	Mowi	0	3,661	Sparebanken Øst	0	1,500
BRABank	0	31,499	MPC Container Ships	0	36,311	Stolt-Nielsen	0	1,817
BW Energy	0	59,050	NEXT Biometrics	0	411,001	Storebrand	0	25,698
BW Offshore	0	16,076	Nordic Semiconductor	0	4,391	Subsea 7	0	11,698
Cloudberry Clean Energy	0	100,000	Noreco	0	790	Telenor	0	9,752
DNB	0	44,449	Norsk Hydro	0	91,519	Vow	0	8,681
DNO	0	151,978	Norske Skog	0	98,225	Wallenius Wilhelmsen	0	57,070
Elkem	0	35,426	NTS	0	2,272	XXL	0	16,923
Entra	0	9,977	Ocean Yield	0	90,410	Yara	0	14,133
Equinor	0	2,900	OHT	0	6,650	Zaptec	0	9,000
Euopris	0	11,208	Okeanis Eco Tankers	0	2,000			

This overview is updated monthly (last updated 15.09.2021).

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

Appendix B

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

Overview over issuers of financial instruments where Pareto Securities AS have prepared or distributed investment recommendation, where Pareto Securities AS have been lead manager/co-lead manager or have rendered publicly known not immaterial investment banking services over the previous 12 months:

24SevenOffice Scandinavia	DigiPlex	Kistosplc.	Pelagia Holding AS	West Coast Salmon
2G Energy	DLT	Klaveness Combination Carriers ASA	PetroNor E&P	Wheel.me
Avanzia Bank S.A.	Documaster AS	KLP	PetroTal	Xeneta AS
Africa Energy Corp Corp	EcoOnline	Komplett ASA	PHM Group	ZTL Payment Solution AS
Aker ASA	ELOP	Komplett Bank	Ping Petroleum UK Limited	Ørn Software
Aker Clean Hydrogen	Endur ASA	Kraft Bank	Pronofa AS	
Aker Horizons	Energiean Israel Finance Ltd.	Lakers Holding AS	Proximar Seafood	
Akershus Energi	Enviv AS (Bookis)	Lumarine AS	Pryme	
Akva Group	Fertiberia S.A.R.L.	Maha Energy	Quantafuel	
Arcane Crypto	Flexistore AS	Malorama Holding AS	REC Silicon	
Arctic Fish	FREYR Battery	Mathesa Bostadsbolaget AB	Saga Robotics	
Arendals Fossekompani	Funkwerk AG	Meltwater	Salmon Evolution	
Attensi	Genel Energy	Mercell	Scorpio Bulkers	
Barramundi Group Pte. Ltd.	Gjensidige Forsikring	Mintra Group	Seafire AB	
Belships	Golden Ocean Group	Modex AS	SFL Corporation Ltd	
BioInvent	Goliath Offshore	Mutares SE & Co. KGaA	SGL TransGroup International A/€	
Biomega Group AS	Halodi Robotics AS	Müller Medien GmbH (United Vertical)	Shamaran Petroleum	
Bonheur	Heimdall Power	Navios	Siccar Point Energy	
Brooge Energy Limited	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	HydrogenPro	Norlandia Health & Care Group AS	Tise AS	
CentralNic Group PLC	Ice Group Scandinavia Holdings AS	Norse Atlantic	Trønderenergi AS	
Circa Group	Idavang A/S	Norske Skog	Vegfinans AS	
Cloudberry Clean Energy	Kalera	Norwegian Block Exchange	Viking ACQ 1 AS, SPAC	
Crayo Nano AS	Kentech Global Plc	OHT	Vow	
Dampskibsselskabet NORDEN A/S	Keppel FELS Limited	Panoro Energy	Watercircles Forsikring	

This overview is updated monthly (this overview is for the period 31.08.2020 – 31.08.2021).

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	28%
Sell	2%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	96%
Hold	4%
Sell	0%

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

This overview is updated monthly (last updated 15.09.2021).

Appendix D

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

Disclosure of positions in financial instruments

The beneficial holding of the Pareto Group is 1 % or more of the total share capital of the following companies included in Pareto Securities AB's research coverage universe: None

The Pareto Group has material holdings of other financial instruments than shares issued by the following companies included in Pareto Securities AB's research coverage universe: None

Disclosure of assignments and mandates

Overview over issuers of financial instruments where Pareto Securities AB has prepared or distributed investment recommendation, where Pareto Securities AB has been lead manager or co-lead manager or has rendered publicly known not immaterial investment banking services over the previous twelve months:

24SevenOffice Scandinavia AB	Climeon AB	Isofol Medical AB	Re.NewCell
Azelio	Egetis Therapeutics	Linkfire A/S	Surgical Science
Bionvent	Green Landscaping Group AB	LMK Group	Swedencare AB
Biovica International	Hexicon	Maha Energy	Vicore Pharma
Cibus Nordic Real Estate AB	Implantica	Media & Games Invest plc.	VNV Global

Members of the Pareto Group provide market making or other liquidity providing services to the following companies included in Pareto Securities AB's research coverage universe:

Africa Energy Corp.	Logistri Fastighets AB	Minesto	Shamran Petroleum
ByggPartner i Dalarna Holding	Magnolia Bostad	Saltängen Property Invest	Surgical Science
Cibus Nordic Real Estate	Media & Games Invest plc.	SciBase Holding	Tethys Oil
Isofol Medical	Mentice AB	Sedana Medical	Vostok Emerging Finance

Members of the Pareto Group have entered into agreements concerning the inclusion of the company in question in Pareto Securities AB's research coverage universe with the following companies: None
Member of the Pareto Group is providing Business Management services to the following companies:

Bosjö Fastigheter AB	Bråviken Logistik	Halmslätten	Mälårasen
Bonäsudden	Delarka	Logistri	Sydsvenska Hem

Members of the Pareto Group have entered into agreements concerning the inclusion of the company in question in Pareto Securities AB's research coverage universe with the following companies: None
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Appendix E

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

Designated Sponsor

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Biotest *	Gigaset *	MLP *	Surteco Group *
CORESTATE Capital Holding S.A.	Heidelberg Pharma *	mutares	Syzygy AG *
Daldrup & Söhne	Intershop Communications AG	OVH Holding AG	TAKKT AG
Demire	Leifheit	Procredit Holding *	Viscom *
Epigenomics AG*	Logwin *	PSI SOFTWARE AG *	
Gesco *	Manz AG *	PWO *	
Gerry Weber	MAX Automation SE	S&T AG *	

* The designated sponsor services include a contractually agreed provision of research services.

Appendix F

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

Sponsored Research

Pareto Securities has entered into an agreement with these companies about the preparation of research reports and—in return—receives compensation.

Adler Modemaerkte	Dermapharm Holding SE	Intershop Communications AG	mutares
Baywa	Enapter	Leifheit	OHB SE
BB Biotech	Expres2ion Biotechnologies	MAX Automation SE	OVH Holding AG
CLIQ Digital	Gerry Weber	Merkur Bank	Siegfried Holding AG
Daldrup & Söhne	Hypoport AG	Mynarc	

This overview is updated monthly (last updated 15.09.2021).