

FLASH NOTE

Quercus TFI -

Target Price: PLN | Close as of 01/07/2024: PLN 6.30

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2Q24 Results Preview

Quercus TFI is due to publish its 2Q24 results on August 13. We expect net profit of PLN 7.2m (+12% q/q, +80% y/y).

AuM and yield: Average AuM reached PLN 5.31bn in the quarter, which was 12% higher on a quarterly basis and +61% y/y. We estimate gross management fee yield reached 1.39% (vs. 1.41% in 1Q24 and 1.49% a year ago). Xelion's Average AuM was around 6% higher q/q.

Revenues: As a result of the abovementioned factors, we estimate revenues from management fee improved 16% q/q and 47% y/y. We also assume increase in others revenues (Xelion) by 5% y/y. We expect PLN 2.3m of success fee in the quarter from funds with HWM.

OPEX: We expect increase in distribution costs following higher top line and stable (q/q) SG&A expenses.

We estimate that as of end of 2Q24 **conditional success fee** was approx. PLN 12.5m (vs. PLN 11.4m as of end of 1Q24).

Summary of Financial Data

P&L	2Q23	1Q24	2Q24E	q/q	y/y	1H23	1H24E	y/y
Revenues	23.8	29.7	32.6	10%	37%	44.7	62.3	39%
Management fee	11.8	14.9	17.4	16%	47%	22.9	32.3	41%
Success fee	0.7	2.4	2.3	-4%	246%	0.7	4.7	607%
Others	11.3	12.3	13.0	5%	15%	21.2	25.3	20%
OPEX	21.2	24.7	25.8	4%	22%	41.1	50.6	23%
Distribution	10.0	12.0	13.0	9%	29%	18.8	25.0	33%
SG&A	11.2	12.8	12.8	0%	15%	22.3	25.6	15%
EBIT	2.6	4.9	6.8	38%	164%	3.6	11.7	222%
Net financial income	2.6	3.2	2.5			5.7	5.7	
Gross profit	5.2	8.1	9.3	15%	79%	9.4	17.4	86%
Tax	1.0	1.4	1.8			1.8	3.1	77%
Minorities	0.2	0.3	0.3			0.3	0.6	114%
Net profit	4.0	6.5	7.2	12%	80%	7.3	13.7	87%
Key figures	2Q23	1Q24	2Q24E	q/q	y/y	1H23	1H24E	y/y
Average AuM (PLN m)	3 296	4 741	5 307	12%	61%	3 217	5 018	56%
AuM (eop, PLN m)	3 441	5 062	5 565	10%	62%	3 441	5 565	62%
AuM yield (gross)	1.49%	1.41%	1.39%	-2%	-7%	1.50%	1.40%	-7%
Distribution / revenues*	43%	44%	43%			43%	43%	
SG&A/ revenues	47%	43%	39%			50%	41%	
Effective tax rate	19.0%	16.9%	19.0%			19.0%	18.0%	

Source: Erste Group Research. *excl. success fee

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