

# Quercus TFI

Close as of 05/07/2022: PLN 3.35

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## 2Q22E Results Preview

**Quercus will publish its 2Q22 results on 12th August. We expect net profit of PLN 3.1m (-31% q/q, -11% y/y) driven by:**

**AuM and yield:** Average AuM reached PLN 3.59bn in the quarter, which is 15% lower on a quarterly basis and flat y/y. We estimate management fee yield reached 1.48% in 2Q22 (vs. 1.46% in 1Q22 and 1.51% year ago). We also assume some decline in assets under administration of Xelion.

**Revenues:** As a result of abovementioned factors, we estimate revenues to decline 15% q/q to PLN 23.5m. Growth vs. 2Q21 comes from consolidation of Xelion in the results.

**OPEX:** We expect distribution costs to fall broadly in line with revenues, while SG&A costs should be stable on a quarterly basis.

As of end of 1Q21 Quercus had PLN 0.1m of **conditional success fee**. We do not expect this value to differ much as of end of 2Q22. Given that AuM continued to fall in June, while financial markets remain shaky, third quarter will likely bring further pressure on the bottom line.

P&L	2Q21	1Q22	2Q22E	q/q	y/y	1H21	1H22E	y/y
Revenues	16.0	27.8	23.5	-15%	46%	28.0	51.3	83%
OPEX	12.4	21.5	19.6	-9%	58%	22.3	41.1	85%
Distribution	7.7	11.5	9.7	-16%	26%	12.0	21.2	76%
SG&A	4.7	10.0	10.0	0%	110%	10.2	19.9	95%
EBIT	2.8	6.3	3.8	-39%	39%	4.9	10.2	106%
Net financial income	1.5	-0.9	0.0			3.5	-0.8	
Gross profit	4.2	5.4	3.9	-29%	-9%	8.4	9.3	10%
Tax	0.7	0.9	0.7			1.3	1.7	
Net profit	3.5	4.5	3.1	-31%	-11%	7.2	7.7	7%
<b>Key figures</b>	<b>2Q21</b>	<b>1Q22</b>	<b>2Q22E</b>	<b>q/q</b>	<b>y/y</b>	<b>1H21</b>	<b>1H22E</b>	<b>y/y</b>
Average AuM (PLN m)	3 561	4 234	3 585	-15%	1%	3 365	3 914	16%
AuM (eop, PLN m)	3 806	3 874	3 280	-15%	-14%	3 806	3 280	-14%

Source: Erste Group Research

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