

# Quercus TFI

Close as of 03/10/2022: PLN 2.82

## Analyst:

Łukasz Jańczak  
+48 22 257 57 54  
lukasz.janczak@erstegroup.com

## 3Q22E Results Preview

**Quercus will publish its 3Q22 results on 21st October. We expect net profit of PLN 2.5m (-21% q/q, -39% y/y) driven by:**

**AuM and yield:** Average AuM reached PLN 3.16bn in the quarter, which is 12% lower on a quarterly basis and -19% y/y. We estimate gross management fee yield reached 1.47% in 3Q22 (vs. 1.48% in 2Q22 and 1.65% year ago). We assume fairly stable assets under administration of Xelion.

**Revenues:** As a result of abovementioned factors, we estimate revenues to decline 9% q/q to PLN 21.5m. Growth vs. 3Q21 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 2Q22 Quercus had PLN 0.2m of **conditional success fee**. We estimate that as of end of 3Q22 it can grow to around PLN 2.0m, thanks to Agresywny and Ochrony Kapitału funds.

### Summary of Financial Data

| P&L                     | 3Q21        | 2Q22        | 3Q22E        | q/q        | y/y        | 9M21        | 9M22E        | y/y        |
|-------------------------|-------------|-------------|--------------|------------|------------|-------------|--------------|------------|
| <b>Revenues</b>         | 15.3        | 23.5        | 21.5         | -9%        | 40%        | 43.4        | 72.8         | 68%        |
| <b>OPEX</b>             | 10.1        | 20.2        | 19.0         | -6%        | 89%        | 32.3        | 60.6         | 88%        |
| Distribution            | 5.4         | 9.9         | 8.7          | -12%       | 62%        | 17.4        | 30.1         | 73%        |
| SG&A                    | 4.7         | 10.3        | 10.3         | 0%         | 118%       | 14.9        | 30.5         | 104%       |
| <b>EBIT</b>             | 5.3         | 3.4         | 2.6          | -24%       | -52%       | 10.2        | 12.2         | 20%        |
| Net financial income    | -0.2        | 0.7         | 0.7          |            |            | 3.4         | 0.6          |            |
| <b>Gross profit</b>     | 5.1         | 4.1         | 3.3          | -20%       | -36%       | 13.6        | 12.8         | -6%        |
| Tax                     | 1.0         | 0.7         | 0.6          |            |            | 2.3         | 2.3          |            |
| Minorities              | 0.0         | 0.2         | 0.2          |            |            | 0.0         | 0.3          |            |
| <b>Net profit</b>       | 4.1         | 3.2         | 2.5          | -21%       | -39%       | 11.3        | 10.2         | -9%        |
| <b>Key figures</b>      | <b>3Q21</b> | <b>2Q22</b> | <b>3Q22E</b> | <b>q/q</b> | <b>y/y</b> | <b>9M21</b> | <b>9M22E</b> | <b>y/y</b> |
| Average AuM (PLN m)     | 3 888       | 3 585       | 3 155        | -12%       | -19%       | 3 530       | 3 674        | 4%         |
| AuM (eop, PLN m)        | 3 943       | 3 280       | 2 957        | -10%       | -25%       | 3 943       | 2 957        | -25%       |
| AuM yield (gross)       | 1.65%       | 1.48%       | 1.47%        |            |            | 1.59%       | 1.47%        | -7%        |
| Distribution / revenues | 35%         | 42%         | 40%          |            |            | 40%         | 41%          |            |
| SG&A/ revenues          | 31%         | 44%         | 48%          |            |            | 34%         | 42%          |            |
| Effective tax rate      | 19.9%       | 18.2%       | 18.3%        |            |            | 16.9%       | 17.7%        |            |

Source: Erste Group Research

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