

FLASH NOTE

Quercus TFI -

Target Price: PLN | Close as of 09/08/2023: PLN

Analyst:

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2Q23 Results Review - Positive

Opinion. Positive. *Quercus outperformed market expectations thanks to success fee booked in the quarter, which was not included in the forecasts. In addition, the contingent success fee exceeded our expectations and may provide an additional boost to the bottom line in the fourth quarter. We now see full year net profit may exceed PLN 21m.*

Quercus reported 2Q23 net profit of PLN 4.0m (+23% q/q, +27% y/y), 12% above consensus and 14% above our estimates.

Revenues came in at PLN 23.8m (+14% q/q, +1% y/y), 9% above consensus, mostly thanks to PLN 0.7m of success fee booked in the quarter. Management fee amounted to PLN 11.8m (+7% q/q, -4% y/y) and was 2% above our estimates.

OPEX of PLN 21.2m (+5% y/y), was 10% above our forecast. It includes PLN 0.7m negative impact from provisions related to ex. GetBack. As a result **EBIT** was PLN 2.6m, 17% above consensus and 4% above our assumptions. **Net financial income** reach PLN 2.6m.

Contingent success fee stood at PLN 11.3m as of the end of 2Q23 vs. PLN 8.3m assumed by us.

Teleconference today at 14:00 [link]

Summary of Financial Data

P&L	2Q22	1Q23	2Q23	q/q	y/y	cons.	vs.c	ERSTE	vs. E	1H22	1H23	y/y
Revenues	23.5	20.9	23.8	14%	1%	21.8	9%	21.7	10%	51.3	44.7	-13%
Management fee	12.3	11.1	11.8	7%	-4%			11.5	2%	26.1	22.9	-12%
Success fee	0.0	0.0	0.7					0.0		0.0	0.7	
Others	11.3	9.8	11.3	15%	1%			10.2	11%	25.2	21.2	-16%
OPEX	20.2	19.8	21.2	7%	5%			19.3	10%	41.7	41.1	-1%
Distribution	9.9	8.8	10.0	15%	1%			9.2	9%	21.4	18.8	-12%
SG&A	10.3	11.1	11.2	1%	9%			10.1	11%	20.2	22.3	10%
EBIT	3.4	1.1	2.6	142%	-23%	2.2	17%	2.5	4%	9.7	3.6	-62%
Net financial income	0.7	3.1	2.6					2.0		-0.1	5.7	
Gross profit	4.1	4.2	5.2	26%	27%			4.5	17%	9.5	9.4	-2%
Tax	0.7	0.8	1.0					0.8		1.7	1.8	
Minorities	0.2	0.1	0.2					0.1		0.2	0.3	
Net profit	3.2	3.3	4.0	23%	27%	3.6	12%	3.5	14%	7.6	7.3	-4%
Key figures	2Q22	1Q23	2Q23	q/q	y/y			ERSTE		1H22	1H23	y/y
Average AuM (PLN m)	3 585	3 129	3 296	5%	-8%			3 296		3 914	3 217	-18%
AuM (eop, PLN m)	3 280	3 187	1 317	-59%	-60%			3 440		3 280	1 317	-60%
AuM yield (gross)	1.48%	1.50%	1.49%					1.49%		1.47%	1.50%	2%
Distribution / revenues	42%	42%	42%					42%		42%	42%	
SG&A/ revenues	44%	53%	47%					46%		39%	50%	
Effective tax rate	18.2%	19.0%	19.0%					19.0%		17.5%	19.0%	

Source: Company, Erste Group Research

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