

Quercus TFI

2Q23 Results Preview

Quercus TFI will publish its 2Q23 results on 11 August. We expect net profit of PLN 3.5m (+8% q/q, +11% y/y).

AuM and yield: Average AuM were PLN 3.3bn in the quarter, which is 5% higher on a quarterly basis and -8% y/y. We estimate the gross management fee yield reached 1.49% in 2Q23 (vs. 1.5% in 1Q23 and 1.48% a year ago). Average assets at Xelion were approx. 5% higher q/q.

Revenues: As a result of the above factors, we estimate revenues from management fee have improved by 4% q/q. We also expect increase in others revenues (Xelion) by 4% q/q, but still down by 10% y/y.

OPEX: We expect a proportional increase in distribution costs and stable SG&A costs y/y.

We estimate that as of end of 2Q23 **conditional success fee** was approx. PLN 8.3m (up from PLN 6.8m as of the end of 1Q23).

Summary of Financial Data

P&L	2Q22	1Q23	2Q23E	q/q	y/y	1H22	1H23E	y/y
Revenues	23.5	20.9	21.7	4%	-8%	51.3	42.6	-17%
Management fee	12.3	11.1	11.5	4%	-6%	26.1	22.6	-13%
Success fee	0.0	0.0	0.0			0.0	0.0	
Others	11.3	9.8	10.2	4%	-10%	25.2	20.0	-21%
OPEX	20.2	19.8	19.3	-3%	-4%	41.7	39.1	-6%
Distribution	9.9	8.8	9.2	5%	-7%	21.4	17.9	-16%
SG&A	10.3	11.1	10.1	-9%	-2%	20.2	21.2	5%
EBIT	3.4	1.1	2.5	132%	-26%	9.7	3.5	-63%
Net financial income	0.7	3.1	2.0			-0.1	5.1	
Gross profit	4.1	4.2	4.5	8%	9%	9.5	8.6	-10%
Tax	0.7	0.8	0.8			1.7	1.6	
Minorities	0.2	0.1	0.1			0.2	0.2	
Net profit	3.2	3.3	3.5	8%	11%	7.6	6.8	-11%
Key figures	2Q22	1Q23	2Q23E	q/q	y/y	1H22	1H23E	y/y
Average AuM (PLN m)	3 585	3 129	3 296	5%	-8%	3 914	3 217	-18%
AuM (eop, PLN m)	3 280	3 187	3 440	8%	5%	3 280	3 440	5%
AuM yield (gross)	1.48%	1.50%	1.49%			1.47%	1.50%	2%
Distribution / revenues	42%	42%	42%			42%	42%	
SG&A / revenues	44%	53%	46%			39%	50%	
Effective tax rate	18.2%	19.0%	19.0%			17.5%	19.0%	

Source: Erste Group Research

Opinion. Slightly positive. Given expected profits in 1H23, current level of AuM and conditional success fee we estimate that Quercus should be able to report net profit of PLN 19-20m this year.

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Rating Not rated
Last Close PLN 3.75

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