

Quercus TFI

Better than expected again

We lift our 12M TP for Quercus TFI to PLN 13.2/share from PLN 12.5 previously and upgrade our rating to Buy from Hold. Over the last months Quercus has been surprising positively with AUM growth, solid rates of return of managed funds and high inflows to funds. In the same time, 2Q25 results proved to be better than expected with provision for success fee rising to almost PLN 11m. On the back of increased AUM estimates, we lift our net profit forecasts by 14/8% in 2025/26e. Given high profitability, healthy AUM structure, sustainable earnings distribution and decent EPS outlook we see the current valuation at 11.1x P/E as not demanding.

Strong 2Q25 results – 2Q25 was another solid quarter for Quercus TFI and again – better than expected. Net profit came in at PLN 12.8m (35% y/y) and was 10% above our expectations with better revenues, that were only partly offset by higher costs. Provisions for success fee increased in 2Q25 to PLN 10.6m from PLN 2.0m in 1Q25.

AUM growing above our expectations – AUM continue to grow and in Jul'25 increased 39% y/y (5% m/m). Y/y growth was mostly driven by rising AUM of QRS Akumulacji Kapitału (47% y/y), QRS Dłużny Krótkoterminowy (79% y/y) and QRS Obligacji Skarbowych (116% y/y).

Changes to 2025/26e earnings estimates – Better than expected AUM growth in recent months, solid rates of return of managed funds, good inflows and high provision for success fee made us lift our revenues estimates by 13/10% in 2025/26e. Given also increased opex forecasts we lift our net profit estimates by 14% in 2025e and by 8% in 2026e.

Upside from new projects – Deal with Templeton is expected to be finalized in 4Q25, but at the post 2Q25 analyst meeting CEO informed, that there are another projects on horizon, that may support QRS's business. This could make some upside risk to our forecasts.

Multiples not demanding – At our estimates QRS is trading at 11.1/12.1x 2025/26e P/E, with 30/14% discount to peers. Given high profitability, healthy AUM structure, sustainable earnings distribution and decent EPS outlook we see the current valuation as not demanding.

Key risks – Regulatory risk, dependence on market developments and investment results are key risks to our valuation and estimates.

Quercus TFI - Key figures, 2023-2028e

PLN/m unless otherwise stated

	2023	2024	2025e	2026e	2027e	2028e
Revenues	118.5	176.9	183.2	181.6	185.1	185.6
EBITDA	27.8	73.2	58.1	55.1	57.3	54.9
Net profit for maj.	31.0	43.2	46.9	43.0	43.6	40.4
- y/y change	120%	40%	8%	-8%	1%	-8%
Dividend yield (%)	2.1%	5.1%	11.3%	8.8%	8.1%	8.3%
P/E (x)	19.8	13.4	11.1	12.1	11.9	12.9
P/BV	6.2	5.1	5.1	5.1	5.0	5.0

Source Company, Pekao Equity Research

Buy (from Hold)

Target price

PLN 13.2

Upside to TP

+19%

Price on 1 September 2025

PLN 11.10

ESG rating

B

Final ESG Score

1.23

Relative share price performance vs. WIG



UPCOMING EVENTS

3Q25 results

20 October

STOCK DATA

Bloomberg	QRS PW
Free float (%)	43.0
Market capitalization (PLNmn)	521
Diluted no. of shares (mn)	47.0

Shareholders	Sebastian i Anna Buczek 20.2%
	Jakub Głowacki (and FR) 17.0%
	Fundacja Zbigniewa Juroszka 9.5%
	OFE NN 8.0%

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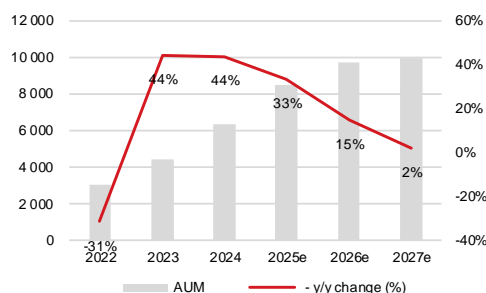
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Key financials

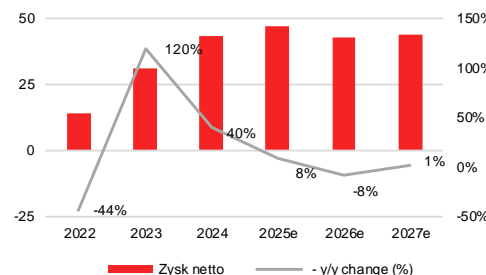
P&L	2023	2024	2025e	2026e	2027e	2028e
Revenues	118.5	176.9	183.2	181.6	185.1	185.6
- Management fee	69.9	97.5	102.0	107.3	113.9	115.0
- Purchase/redemption orders	42.2	51.5	58.4	60.6	60.4	60.5
Expenses	-93.7	-107.3	-129.4	-131.5	-132.7	-135.7
Distribution costs	-39.5	-54.8	-67.7	-72.0	-70.8	-71.2
Staff costs	-27.8	-33.7	-39.0	-40.5	-42.3	-44.2
External services	-6.1	-6.3	-6.9	-7.5	-7.9	-8.1
Other operating costs	-17.2	-8.8	-11.4	-6.5	-6.8	-7.0
D&A	-3.1	-3.6	-4.3	-4.9	-5.0	-5.0
EBIT	24.7	69.7	53.8	50.2	52.4	49.9
EBITDA	27.8	73.2	58.1	55.1	57.3	54.9
Net financial income	14.6	-14.2	6.3	5.0	3.6	2.0
Pre-tax profit	39.3	55.4	60.2	55.2	56.0	51.9
Income tax	-7.6	-10.8	-11.6	-10.5	-10.6	-9.9
Net profit	31.7	44.7	48.5	44.7	45.3	42.0
Net profit for majority shareholders	31.0	43.2	46.9	43.0	43.6	40.4
Balance sheet	2023	2024	2025e	2026e	2027e	2028e
Tangible assets	6.1	6.3	6.2	5.6	5.1	4.8
Financial assets	85.0	39.8	47.3	55.2	63.6	72.5
Fixed assets	100.8	57.6	65.0	72.4	80.3	88.8
Receivables	33.7	34.0	34.7	35.4	36.1	36.8
Cash & equivalents	68.5	84.7	66.1	57.4	52.4	43.3
Current assets	103.7	134.1	116.2	108.2	103.9	95.5
Total assets	204.5	191.7	181.2	180.5	184.2	184.3
Equity for majority shareholders	99.4	113.4	102.9	101.5	104.4	103.3
Provisions for liabilities	22.0	3.3	3.2	3.1	3.0	3.2
Leasing	3.0	1.8	1.8	1.8	1.8	1.8
Long-term liabilities	25.2	5.0	4.9	4.9	4.8	5.0
Trade liabilities	4.1	3.4	3.4	3.4	3.4	3.4
Liabilities to customers	49.3	35.6	35.3	35.7	36.1	36.5
Short-term liabilities	74.4	67.0	67.1	68.0	68.9	69.8
Equity and liabilities	204.5	191.7	181.2	180.5	184.2	184.3
Cash flow	2023	2024	2025e	2026e	2027e	2028e
Net profit	31.0	43.2	46.9	43.0	43.6	40.4
D&A	3.1	3.6	4.3	4.9	5.0	5.0
Financial expenses	0.2	25.9	0.3	0.4	0.1	0.1
Other	5.7	-24.3	1.0	1.8	1.8	2.1
Operating cash flow	26.0	32.2	52.5	50.1	50.5	47.5
Capex	-1.9	-4.0	-4.2	-4.3	-4.5	-4.7
Financial assets spending	-2.1	-7.1	-7.5	-7.9	-8.4	-8.9
Investing cash flow	-1.1	15.7	-11.7	-12.3	-12.9	-13.5
Shares issue	0.0	0.0	0.0	0.0	0.0	0.0
Dividend/buy-back	-12.7	-29.2	-59.1	-46.1	-42.4	-43.1
Other	-1.9	-2.5	-0.3	-0.4	-0.1	-0.1
Financial cash flow	-14.5	-31.7	-59.4	-46.5	-42.5	-43.2
Cash at the beginning of period	58.2	68.5	84.7	66.1	57.4	52.4
Cash at the end of period	68.5	84.7	66.1	57.4	52.4	43.3
Key data	2023	2024	2025e	2026e	2027e	2028e
AUM (PLNm)	4 409	6 343	8 462	9 709	9 922	10 085
- y/y change (%)	44%	44%	33%	15%	2%	2%
Average AUM (PLNm)	3 551	5 376	7 403	9 086	9 816	10 004
- y/y change (%)	1%	51%	38%	23%	8%	2%
ROE (%)	34%	41%	43%	42%	42%	39%
ROA (%)	17%	22%	25%	24%	24%	22%
Net profit margin (%)	26%	24%	26%	24%	24%	22%
Margin on average AUM (%)	0.9%	0.8%	0.6%	0.5%	0.4%	0.4%
Dividend payout/buy-back ratio	86%	94%	132%	95%	95%	95%
Dividend yield (%)	2.1%	5.1%	11.3%	8.8%	8.1%	8.3%
Number of shares (m)	55.2	52.1	47.0	47.0	47.0	47.0
P/E (x)	19.8	13.4	11.1	12.1	11.9	12.9
P/BV (x)	6.2	5.1	5.1	5.1	5.0	5.0

Source: Company, Pekao Equity Research

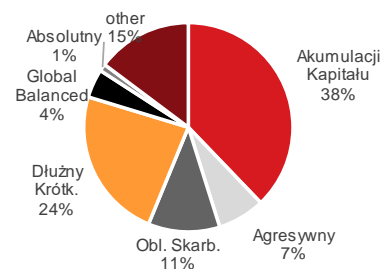
AUM (PLNm) and y/y change (%)



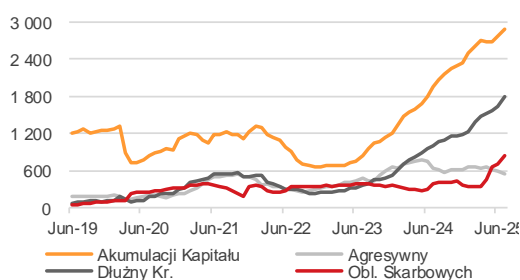
Net profit (PLNm) and y/y change (%)



AUM structure (%)



AUM of key funds (PLNm)



Key risks to our forecasts and estimates:

1) Dependence on market developments – Negative market performance or unexpected turbulence may have negative impact on rates of return of managed funds, flows and company's revenues, 2) Risk of high interest rates – If interest rates in Poland are higher for longer, clients may stay with banks/Treasury bonds instead of shifting to investment funds, 3) Risk of weak performance of funds – Negative or weak rates of return of managed funds may result in outflow of funds and drop of AUM, 4) Regulatory risk – We point at a risk of new regulations that may limit fund management business, 5) Distribution risk – Changes in external distribution channels may negatively affect flows to Quercus TFI's funds and company's financial results, 6) Key fund managers leave risk – We point at risk of deterioration of rates of return if key fund managers decide to leave the company.

Changes to 2025-26e estimates

Given better than expected AUM growth in recent months, solid rates of return of managed funds and higher than assumed positive inflows, we lift our AUM estimates by 7/20% in 2025/26e. This, coupled with high provision for success fee prompted us to lift our revenues forecasts by 13/10% in 2025/26e. Given also increased opex estimates (by 11/12% in 2025/26e) we arrive at net profit of Quercus TFI at PLN 46.9m in 2025e (up 14%) and at PLN 43.0m in 2026e (up 8%).

- Given better than expected AUM growth in recent months, coupled with solid rates of return of managed funds and higher than assumed positive inflows, we lift our AUM estimates by 7% in 2025e and by 20% in 2026e. We now expect total AUM to grow 33% y/y in 2025e (after 44% y/y increase in 2024), 15% y/y in 2026e and 2% in 2027e.
- Increased AUM estimates coupled with high provisions for success fee reported in 1H25, made us increase our total revenues expectations by 13% in 2025e and by 10% in 2026e.
- Higher than expected costs reported in 2Q25 coupled with changed AUM estimates prompted us to lift our total costs estimates by 11% in 2025e and by 12% in 2026e. In the same time we make no major changes to our net financial income forecasts.
- As a result, we arrive at net profit of Quercus TFI at PLN 46.9m in 2025e (up 14%) and at PLN 43.0m in 2026e (up 8%).

Quercus TFI – Changes to 2025-2027e earnings estimates

PLNm unless otherwise stated

	2025e			2026e			2027e		
	Previous	Current	Change (%)	Previous	Current	Change (%)	Previous	Current	Change (%)
Revenues	162.5	183.2	13%	164.4	181.6	10%	165.5	185.1	12%
Costs	-116.1	-129.4	11%	-117.7	-131.5	12%	-120.6	-132.7	10%
EBIT	46.4	53.8	16%	46.7	50.2	7%	44.9	52.4	17%
EBITDA	50.6	58.1	15%	50.9	55.1	8%	49.2	57.3	17%
Net financial income	6.4	6.3	-1%	4.5	5.0	11%	3.4	3.6	6%
Pre-tax profit	52.8	60.2	14%	51.2	55.2	8%	48.3	56.0	16%
Net profit	42.7	48.5	14%	41.4	44.7	8%	39.1	45.3	16%
Net profit to majority	41.0	46.9	14%	39.8	43.0	8%	37.5	43.6	16%
AUM (eop)	7 919	8 462	7%	8 093	9 709	20%	8 124	9 922	22%
AUM (average)	7 131	7 403	4%	8 006	9 086	13%	8 109	9 816	21%

Source: Company, Pekao Equity Research estimates

Recent events

AUM in Jul'25 up 39% y/y, 5% m/m

In Jul'25 AUM of Quercus TFI increased 39% y/y (5% m/m). Y/y growth was mostly driven by rising AUM of QRS Akumulacji Kapitału (47% y/y), QRS Dłużny Krótkoterminowy (79% y/y) and QRS Obligacji Skarbowych (116% y/y).

Quercus TFI – AUM

PLNm unless otherwise stated

	Mar-25	Apr-25	May-25	Jun-25	Jul-25	y/y	m/m
FIO	6 089	6 306	6 509	6 703	7 082	44%	6%
Absolute Return FIZ	21	22	22	21	21	-60%	2%
Global Balanced Plus FIZ	43	44	47	49	47	13%	-4%
Acer Multistrategy FIZ	147	147	147	145	145	24%	0%
Multistrategy FIZ	56	57	55	54	52	-10%	-3%
Private Equity Multifund FIZ	4	4	4	3	3	-24%	-6%
Alphaset FIZ	228	228	228	234	229	10%	-2%
Asset Management	474	361	358	359	364	20%	1%
TOTAL	7 085	7 191	7 393	7 592	7 967	39%	5%

Source: Company, Pekao Equity Research

Share price in deal with Templeton raised to PLN 11.45 from PLN 10.0

Quercus published a merger plan with Templeton Asset Management TFI. According to the plan share price in the deal was raised to PLN 11.45 from PLN 10.0 previously. Total value of shares issue shall reach PLN 38-40m.

Publication of 2Q25 results (on 14th of August)

2Q25 was another solid quarter for Quercus TFI and again – better than expected. Net profit came in at PLN 12.8m (35% y/y) and was 10% above our expectations. Earnings beat was driven by better revenues, that were only partly offset by higher costs. Management fee went up 51% y/y and included by PLN 7m reported success fee. Revenues from purchase/redemption orders increased 14% y/y. 2Q25 saw further growth of AUM (36% y/y, 7% q/q) driven by solid rates of return of QRS's funds and positive flows. Provisions for success fee increased in 2Q25 to PLN 10.6m from PLN 2.0m after 1Q25.

Quercus TFI – P&L, PLN mn

	2Q24	3Q24	4Q24	1Q25	2Q25	y/y	q/q	Pekao	vs. Pekao
Revenues	36.7	34.5	76.1	36.0	50.7	38%	41%	40.8	24%
Total costs	-27.9	-28.6	-26.0	-26.0	-35.9	29%	38%	-27.7	29%
EBIT	8.8	5.8	50.1	10.0	14.9	69%	49%	13.1	14%
EBITDA	9.4	6.7	51.2	11.0	15.9	69%	45%	14.1	13%
Net financial income	3.5	4.5	-25.4	1.8	1.6	-55%	-13%	1.8	-9%
Pre-tax profit	12.3	10.3	24.7	11.8	16.4	34%	39%	14.8	11%
Net profit	9.4	7.9	19.4	9.1	12.8	35%	40%	11.6	10%
AUM eop	5 570	6 002	6 343	7 085	7 592	36%	7%		
AUM average	5 308	5 813	6 202	6 764	7 315	38%	8%		

Source: Company, Pekao Equity Research

Valuation summary

Our valuation of Quercus TFI is based on discounted cash flow method (DCF) and comparative approach. With 70/30% weights, respectively, we arrive at target price of 13.2/share offering 19% upside potential.

Quercus TFI – Summary of valuation

PLN unless otherwise stated

DCF	12.7
Comparative valuation	14.4
Weighted average	13.2
Target price	13.2
Market price	11.1
Upside/downside (%)	18.9%

Source: Pekao Equity Research

Our discounted cash flow (DCF) model is based on expected free cash flows discounted with weighted average cost of capital (WACC). In our cost of equity calculation we use 5.4% risk free rate (4.0% in terminal), 6.0% risk premium (5.0% in terminal) and 1.0 Beta. We use also growth rate (g) at 3%. Our DCF model implies Quercus TFI's equity value at PLN 12.7/share.

Quercus TFI – Discounted cash flow (DCF) model

PLNm unless otherwise stated

	2026e	2027e	2028e	2029e	2030e	2031e	Terminal
Revenues	182	185	186	186	186	186	186
- y/y change	-1%	2%	0%	0%	0%	0%	0%
EBIT	50	52	50	49	46	43	43
- y/y change	-7%	4%	-5%	-3%	-6%	-6%	0%
- EBIT margin	28%	28%	27%	26%	25%	23%	23%
Tax	-10	-10	-10	-9	-9	-8	-8
NOPLAT	40	42	40	39	37	35	35
- y/y change	-7%	4%	-5%	-2%	-6%	-6%	0%
D&A	5	5	5	5	5	5	5
- y/y change	38%	0%	1%	0%	0%	0%	0%
Capex	-4	-4	-5	-6	-6	-6	-6
- y/y change	129%	4%	4%	18%	0%	0%	0%
Change in working capital	-1	-1	-1	0	0	0	0
FCF	40	42	40	39	37	34	34
DFCF	36	34	29	26	22	18	18
Sum of discounted FCF	165						
Terminal value	620						
Discounted TV	331						
Enterprise value	496						
Net debt (2025e)	-66						
Equity value - Dec 31 2025	556						
Number of shares (m)	47.0						
12M target price (PLN)	12.7						
Market price (PLN) – 1st of Sep'25	11.1						
Upside/downside	14%						

Source: Pekao Equity Research

Quercus TFI – WACC calculation

	2026e	2027e	2028e	2029e	2030e	2031e	Terminal
Risk free rate	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	4.0%
Equity risk premium	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	5.0%
ESG discount/premium	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.3%
Beta	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Cost of equity	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	8.7%
Cost of debt	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	7.0%
After tax cost of debt	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	5.7%
Equity weight	100%	100%	100%	100%	100%	100%	100%
WACC	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	8.7%

Source: Pekao Equity Research

Quercus TFI – Sensitivity of DCF model to risk free rate and Beta

PLN unless otherwise stated

		Risk free rate (%)						
		2.4%	3.4%	4.4%	5.4%	6.4%	7.4%	8.4%
Beta	0.7	18.1	17.4	16.8	16.2	15.6	15.1	14.6
	0.8	16.4	15.9	15.3	14.8	14.3	13.8	13.4
	0.9	15.1	14.6	14.1	13.6	13.2	12.8	12.4
	1.0	14.0	13.6	13.1	12.7	12.3	11.9	11.6
	1.1	13.1	12.7	12.3	11.9	11.5	11.2	10.9
	1.2	12.3	11.9	11.5	11.2	10.9	10.6	10.3
	1.3	11.6	11.2	10.9	10.6	10.3	10.0	9.8

Source: Pekao Equity Research

Quercus TFI – Sensitivity of DCF model to risk free rate and risk premium

PLN unless otherwise stated

		Risk free rate (%)						
		2.4%	3.4%	4.4%	5.4%	6.4%	7.4%	8.4%
Risk premium	3%	15.7	15.1	14.6	14.1	13.7	13.2	12.8
	4%	15.1	14.6	14.1	13.6	13.2	12.8	12.4
	5%	14.5	14.1	13.6	13.1	12.7	12.3	12.0
	6%	14.0	13.6	13.1	12.7	12.3	11.9	11.6
	7%	13.5	13.1	12.7	12.3	11.9	11.5	11.2
	8%	13.0	12.6	12.2	11.9	11.5	11.2	10.9
	9%	12.6	12.2	11.8	11.5	11.2	10.8	10.5

Source: Pekao Equity Research

Quercus TFI – Comparative valuation summary

	2025e	2026e
Foreign peers average	15.9	14.1
Quercus P/E	11.1	12.1
premium/discount to average	-30%	-14%
Implied fair value/share (PLN)	15.9	12.9
Weight	50%	50%
Fair value/share (PLN)	14.4	

Source: Pekao Equity Research

Our comparative valuation is based on P/E multiples of foreign peers in years 2025-2026e and implies Quercus TFI's equity value at PLN 14.4/share.

Quercus TFI – Comparative valuation

	Country	MCAP (EURm)	AuM [mln EUR]	P/E		P/BV		ROE		DY	
				2025	2026	2025	2026	2025	2026	2025	2026
ASHMORE GROUP PLC	GB	1 474	58 161	22.6	22.7	1.4	1.4	7%	7%	9%	9%
JUPITER FUND MANAGEMENT	GB	771	54 799	11.9	12.9	0.8	0.8	7%	5%	5%	4%
MAN GROUP PLC/JERSEY	GB	2 205	162 914	8.2	6.2	1.3	0.9	15%	18%	8%	8%
SCHRODERS PLC	GB	7 069	800 568	13.0	11.3	1.3	1.3	11%	12%	6%	6%
AFFILIATED MANAGERS GROUP	US	5 540	684 027	9.1	8.3	2.0	1.7	14%	13%	0%	0%
ALLIANCEBERNSTEIN HOLDING	US	3 765	765 485	12.2	10.8	na	na	7%	na	8%	9%
APOLLO GLOBAL MGMT INC	US	66 894	725 710	16.3	13.6	3.2	2.7	28%	19%	1%	2%
ARTISAN PARTNERS ASSET MA	US	3 263	155 772	13.1	11.8	na	na	na	na	7%	8%
BLACKROCK INC	US	158 174	11 161 707	24.0	21.5	3.5	3.5	16%	17%	2%	2%
BLACKSTONE INC	US	182 186	1 089 168	32.6	25.2	11.2	10.4	35%	41%	2%	3%
CARLYLE GROUP INC/THE	US	19 979	426 147	15.3	13.0	3.2	2.6	23%	24%	2%	2%
FRANKLIN RESOURCES INC	US	11 370	1 505 741	12.0	9.6	0.6	0.6	6%	7%	4%	4%
KKR & CO INC	US	107 016	616 071	27.0	20.5	4.6	4.0	12%	12%	1%	1%
T ROWE PRICE GROUP INC	US	20 398	1 552 421	11.6	11.2	2.4	2.2	19%	20%	5%	5%
PERPETUAL LTD	AU	1 395	12 014	13.8	13.4	1.4	1.5	11%	12%	5%	5%
AMP LTD	AU	2 424	na	15.5	14.5	1.1	1.1	7%	7%	2%	3%
INSIGNIA FINANCIAL LTD	AU	1 694	184 553	12.4	12.5	1.4	1.3	12%	11%	0%	0%

Source: Bloomberg, Pekao Equity Research

ESG rating

Our ESG rating is based on assessment of a number of E-S-G related criteria with respectively 30/40/30% weight in total rating. **Our methodology implies final ESG Score for Quercus TFI at 1.23 and ESG Rating “B”.**

Quercus TFI – ESG rating summary

Financials	E	S	G
Score	0.88	1.40	1.36
Sector weight	30%	40%	30%
Final ESG Score	1.23		
ESG Rating	B		

Source: Pekao Equity Research

According to our methodology, rating “B” translates to 7.5% discount for equity risk premium (as % of RFR) in our cost of equity calculation.

Quercus TFI – ESG rating methodology

	score from:	to	Rating	WACC risk premium impact (% of RFR)
ESG Score	1.5	2	A	-15.0%
	1	1.5	B	-7.5%
	0.5	1	C	0%
	0	0.5	D	15.0%

Source: Pekao Equity Research

Financials and earnings estimates

Quercus TFI – Key data, 2022-2028e

PLNm unless otherwise stated

	2022	2023	2024	2025e	2026e	2027e	2028e
EPS adjusted	0.2	0.6	0.8	1.0	0.9	0.9	0.9
Revenue	93.1	118.5	176.9	183.2	181.6	185.1	185.6
Gross Margin %	19%	33%	31%	33%	30%	30%	28%
EBIT	14.9	24.7	69.7	53.8	50.2	52.4	49.9
EBITDA	19.2	27.8	73.2	58.1	55.1	57.3	54.9
Net income	14.1	31.0	43.2	46.9	43.0	43.6	40.4
Net debt	-58.2	-68.5	-84.7	-66.1	-57.4	-52.4	-43.3
BPS	1.4	1.8	2.2	2.2	2.2	2.2	2.2
DPS	0.4	0.2	0.6	1.3	1.0	0.9	0.9
ROE	17%	34%	41%	43%	42%	42%	39%
ROA	8%	17%	22%	25%	24%	24%	22%
Depreciation & Amortization	4.3	3.1	3.6	4.3	4.9	5.0	5.0
FCF	35.0	-1.4	54.8	42.9	40.5	42.2	40.0
CAPEX	1.5	1.9	4.0	4.2	4.3	4.5	4.7

Source: Company, Pekao Equity Research estimates

Quercus TFI – P&L, 2022-2028e

PLNm unless otherwise stated

	2022	2023	2024	2025e	2026e	2027e	2028e
Revenues	93.1	118.5	176.9	183.2	181.6	185.1	185.6
Expenses	-78.1	-93.7	-107.3	-129.4	-131.5	-132.7	-135.7
EBIT	14.9	24.7	69.7	53.8	50.2	52.4	49.9
EBITDA	19.2	27.8	73.2	58.1	55.1	57.3	54.9
Net financial income	2.8	14.6	-14.2	6.3	5.0	3.6	2.0
Pre-tax profit	17.7	39.3	55.4	60.2	55.2	56.0	51.9
Income tax	-3.0	-7.6	-10.8	-11.6	-10.5	-10.6	-9.9
Net profit	14.7	31.7	44.7	48.5	44.7	45.3	42.0
Net profit for majority shareholders	14.1	31.0	43.2	46.9	43.0	43.6	40.4

Source: Company, Pekao Equity Research estimates

Quercus TFI – Key data, 2022-2028e

PLNm unless otherwise stated

	2022	2023	2024	2025e	2026e	2027e	2028e
AUM (PLNm)	3 054	4 409	6 343	8 462	9 709	9 922	10 085
- y/y change (%)	-31%	44%	44%	33%	15%	2%	2%
Average AUM (PLNm)	3 512	3 551	5 376	7 403	9 086	9 816	10 004
- y/y change (%)	-5%	1%	51%	38%	23%	8%	2%
Net profit margin (%)	15%	26%	24%	26%	24%	24%	22%
Margin on average AUM (%)	0%	1%	1%	1%	0%	0%	0%
Dividend yield (%)	4%	2%	5%	11%	9%	8%	8%
Number of shares (m)	56	55	52	47	47	47	47

Source: Company, Pekao Equity Research estimates

Quercus TFI – Balance sheet, 2022-2028e
PLNm unless otherwise stated

	2022	2023	2024	2025e	2026e	2027e	2028e
Tangible assets	5.9	6.1	6.3	6.2	5.6	5.1	4.8
Financial assets	72.9	85.0	39.8	47.3	55.2	63.6	72.5
Fixed assets	88.1	100.8	57.6	65.0	72.4	80.3	88.8
Receivables	10.9	33.7	34.0	34.7	35.4	36.1	36.8
Cash & equivalents	58.2	68.5	84.7	66.1	57.4	52.4	43.3
Current assets	69.9	103.7	134.1	116.2	108.2	103.9	95.5
Total assets	158.0	204.5	191.7	181.2	180.5	184.2	184.3
Equity for majority shareholders	81.1	99.4	113.4	102.9	101.5	104.4	103.3
Provisions for liabilities	15.1	22.0	3.3	3.2	3.1	3.0	3.2
Leasing	3.1	3.0	1.8	1.8	1.8	1.8	1.8
Long-term liabilities	18.7	25.2	5.0	4.9	4.9	4.8	5.0
Trade liabilities	3.8	4.1	3.4	3.4	3.4	3.4	3.4
Liabilities to customers	39.8	49.3	35.6	35.3	35.7	36.1	36.5
Short-term liabilities	53.0	74.4	67.0	67.1	68.0	68.9	69.8
Equity and liabilities	158.0	204.5	191.7	181.2	180.5	184.2	184.3

Source: Company, Pekao Equity Research estimates
Quercus TFI – Cash flow, 2022-2028e
PLNm unless otherwise stated

	2022	2023	2024	2025e	2026e	2027e	2028e
Net profit	14.7	31.0	43.2	46.9	43.0	43.6	40.4
D&A	4.3	3.1	3.6	4.3	4.9	5.0	5.0
Financial expenses	0.2	0.2	25.9	0.3	0.4	0.1	0.1
Other	-20.3	5.7	-24.3	1.0	1.8	1.8	2.1
Operating cash flow	-1.1	26.0	32.2	52.5	50.1	50.5	47.5
Capex	-1.5	-1.9	-4.0	-4.2	-4.3	-4.5	-4.7
Financial assets spending	-3.0	0.8	19.7	-7.5	-7.9	-8.4	-8.9
Investing cash flow	3.4	-1.1	15.7	-11.7	-12.3	-12.9	-13.5
Shares issue	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend/buy-back	-22.3	-12.7	-29.2	-59.1	-46.1	-42.4	-43.1
Other	-2.5	-1.9	-2.5	-0.3	-0.4	-0.1	-0.1
Financial cash flow	-24.9	-14.5	-31.7	-59.4	-46.5	-42.5	-43.2
Cash at the beginning of period	80.7	58.2	68.5	84.7	66.1	57.4	52.4
Cash at the end of period	58.2	68.5	84.7	66.1	57.4	52.4	43.3

Source: Company, Pekao Equity Research estimates

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Analyst	Position	Financial instrument	Number of instruments	Exposure (long/short)	Average transactions price	Transactions dates
Michał Fldelus	Expert, Analyst	Quercus TFI	n.a.	n.a.	n.a.	n.a.

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METHODS USED TO FORMULATE OUR RECOMMENDATIONS:

Our company valuations are based on two valuation methods selected from among the following: discount model, multiples-based model or asset-based valuation method.

Discount models are characterized by simultaneous and comprehensive consideration of key determinants of intrinsic value, e.g. operating cash flow, capex, cost of capital (WACC). They are theoretically appealing and provide a direct computation of intrinsic value. However, discount model valuations are highly sensitive to changes in assumptions, particularly the risk free rate and terminal growth rate. Moreover, projections cannot be stated with certainty; unforeseen future events can cause income or earnings projections to be invalid.

Multiples-based models are based on the analysis of the valuation multipliers of a given company in relation to other similar companies in the industry. Among strengths of multiplier models we can highlight their simplicity, as they are easy to compute as well as to understand. Moreover, only the key statistics for investors are chosen for valuation. On the other hand, multiples are based on historic data or near-term forecasts. Valuations based on multiples will therefore fail to capture differences in projected performance over the longer term. Finally, it may be problematic to select a suitable peer group.

Asset-based models can be used even if a company has a brief record of earnings or its future existence is uncertain. However, it may be challenging to determine market value of some assets, particularly intangibles. Additionally, asset-based models do not take into account future changes in financial results, nor do they include non-balance sheet items, such as know-how.

Valuation models are dependent on macroeconomic factors, such as interest rates, exchange rates, raw materials, and on assumptions about the economy. Furthermore, market sentiment affects the valuation of companies. The valuation is also based on expectations that might change rapidly and without notice, depending on developments specific to individual industries. Our recommendations and target prices derived from the models might therefore change accordingly.

The investment ratings generally relate to a 12-month horizon. They are, however, also subject to market conditions and can only represent a snapshot. The ratings may in fact be achieved more quickly or slowly than expected, or need to be revised upward or downward. In the tables and charts throughout this report, we designate the years with an "E" to denote that the figures presented are forecasts and estimates.

Definition of ratings used in our publications:

We currently use a three-tier recommendation system for the stocks in our formal coverage: Buy, Hold, or Sell (see definitions below):

A **Buy** is applied when the expected total return over the next twelve months is higher than 15%.

A **Hold** is applied when the expected total return over the next twelve months is within the range of 0% to 15%.

A **Sell** is applied when the stock's expected total return over the next twelve months is negative.

We employ three further categorizations for stocks in our coverage:

Restricted: A rating and/or financial forecasts and/or target price is not disclosed owing to compliance or other regulatory considerations such as blackout period or conflict of interest.

Coverage in transition: Due to changes in the research team, the disclosure of a stock's rating and/or target price and/or financial information are temporarily suspended. The stock remains in the research universe and disclosures of relevant information will be resumed in due course.

Under review: A rating and/or financial forecasts and/or target price is at the moment under revision of an analyst and the previous rating and/or financial forecasts and/or target price should not be relied on.

Not rated: We do not issue company-specific recommendations and we do not plan to issue them in the foreseeable future.

EXPLANATION OF THE PROFESSIONAL TERMINOLOGY USED IN THE REPORT:

P/E – „Price/Earnings” is the ratio of the financial instrument price to the net financial result for the issuer of the financial instrument.

P/B – „Price/Book Value” is the ratio of the price of the financial instrument to the issuer's equity capital.

EPS – „Earnings per Share”, i.e. net profit per share.

BVPS – „Book Value per Share”.

FWD – „Forward” - stands for the ratio (eg. P/E) calculated on the basis of the expected results.

DPS – „Dividend per Share”.

DY – „Dividend Yield”, a ratio calculated as dividends per share divided by the current share price.

EBIT – „Earnings Before Interest and Taxes”.

EBITDA - „Enterprise Value / Earnings Before Interest, Taxes, Depreciation and Amortization”.

EV/EBITDA – „Enterprise Value / Earnings Before Interest, Taxes, Depreciation and Amortization” is the company's market capitalization (price x number of shares) increased by the value of net financial debt and the value of minority shareholders divided by the operating result increased by the value of the company's asset depreciation.

AGM – Annual General Meeting