FLASH NOTE

Quercus TFI -

Target Price: PLN | Close as of 16/04/2025: PLN 10.40

Analyst:
Lukasz Janczak
+48 22 257 5754
lukasz.janczak@erstegroup.com

1Q25 Results Review - Neutral

Opinion. Neutral. *The company continues to show a solid year-on-year improvement in results. Operating profit was in line with our expectations, while the bottom line beat was driven by better financial activities.*

Quercus reported 1Q25 net profit of PLN 9.1mn (+41% y/y), 8% above our estimates.

Revenues came in at PLN 36mn (-53% q/q, +21% y/y), 5% below our forecast. The management fee of PLN 19mn (+12% q/q, +27% y/y) was 8% below our estimates, but was partly compensated by the better-than-expected performance fee of PLN 2.4mn (vs. PLN 1.4mn expected). Other revenues also missed our estimates by 8%.

OPEX of PLN 26mn (+5% y/y), was 7% below our forecasts, mostly due to lower SG&A costs (precisely funds' costs). As a result **EBIT** amounted to PLN 9.8mn and was in line with our assumptions. **Net financial income** reached PLN 1.8mn vs. PLN 1.2mn expected.

Conditional success fee stood at PLN 2mn as of the end of 1Q25 vs. PLN 2.4mn assumed by us.

Teleconference today at 10:15 [Teams]

Summary of Financial Data

P&L	1Q24	2Q24	3Q24	4Q24	1Q25	q/q	y/y	ERSTE	vs. E
Revenues	**29.7**	**36.7**	**34.5**	**76.1**	**36.0**	**-53%**	**21%**	**37.8**	**-5%**
Management fee	14.9	17.7	19.1	16.9	19.0	12%	27%	20.7	-8%
Success fee	2.4	4.1	1.4	23.0	2.4	-90%	0%	1.4	78%
Others	12.3	14.8	13.9	36.2	14.6	-60%	18%	15.8	-8%
OPEX	**24.7**	**27.9**	**28.6**	**26.0**	**26.0**	**0%**	**5%**	**28.0**	**-7%**
Distribution	12.0	13.9	14.6	14.3	15.6	9%	30%	15.9	-2%
SG&A	12.8	13.9	14.0	11.7	10.4	-11%	-18%	12.0	-13%
EBIT	**4.9**	**8.8**	**5.8**	**50.1**	**10.0**	**-80%**	**103%**	**9.8**	**1%**
Net financial income	3.2	3.5	4.5	-25.4	1.8			1.2	55%
Gross profit	**8.1**	**12.3**	**10.3**	**24.7**	**11.8**	**-52%**	**46%**	**11.0**	**7%**
Tax	1.4	2.5	2.1	4.8	2.3			2.1	
Minorities	0.3	0.4	0.2	0.5	0.4			0.5	
Net profit	**6.5**	**9.4**	**7.9**	**19.4**	**9.1**	**-53%**	**41%**	**8.4**	**8%**
Key figures	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**1Q25**	**q/q**	**y/y**	**ERSTE**	
Average AuM (PLN m)	4 741	5 308	5 813	6 202	6 764	9%	43%	6 764	
AuM (eop, PLN m)	5 062	5 570	6 002	6 343	7 085	12%	40%	7 085	
AuM yield (gross)	1.41%	1.39%	1.34%	1.30%	1.28%	-2%	-10%	1.28%	
Distribution / revenues*	44%	43%	44%	27%	46%			44%	
SG&A/ revenues	43%	38%	41%	15%	29%			32%	
Effective tax rate	16.9%	20.1%	20.8%	19.3%	19.5%			19.0%	

Source: Company, Erste Group Reserach. *excl. success fee

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Group Research

Head of Group Research	
Friedrich Mostböck, CEFA®, CESGA®	+43 (0)5 0100 11902
CEE Macro/Fixed Income Research	
Head: Juraj Kotian (Macro/FI)	+43 (0)5 0100 17357
Katarzyna Rzentarzewska (Fixed income)	+43 (0)5 0100 17356
Jakub Cery (Fixed income)	+43 (0)5 0100 17384
Croatia/Serbia	
Alen Kovac (Head)	+385 72 37 1383
Mate Jelić	+385 72 37 1443
Ivana Rogic	+385 72 37 2419
Czech Republic	
David Navratil (Head)	+420 956 765 439
Jiri Polansky	+420 956 765 192
Michal Skorepa	+420 956 765 172
Hungary	
Orsolya Nyeste	+361 268 4428
János Nagy	+361 272 5115
Romania	
Ciprian Dascalu (Head)	+40 3735 10108
Ioana Birlan	+40 730 587 086
Eugen Sinca	+40 3735 10435
Vlad Nicolae Ionita	+40 7867 15618
Slovakia	
Maria Valachyova (Head)	+421 2 4862 4185
Matej Hornak	+421 902 213 591
Marian Kocis	+421 904 677 274
Major Markets & Credit Research	
Head: Rainer Singer	+43 (0)5 0100 17331
Ralf Burchert, CEFA®, CESGA® (Sub-Sovereigns & Agencies)	+43 (0)5 0100 16314
Hans Engel (Global Equities)	+43 (0)5 0100 19835
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Carmen Riefler-Kowarsch (Financials & Covered Bonds)	+43 (0)5 0100 19632
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Daniel Lion, CIIA® (Technology, Ind. Goods&Services)	+43 (0)5 0100 17420
Michael Marschallinger, CFA®	+43 (0)5 0100 17906
Nora Nagy (Telecom)	+43 (0)5 0100 17416
Christoph Schultes, MBA, CIIA® (Real Estate)	+43 (0)5 0100 11523
Thomas Unger, CFA® (Banks, Insurance)	+43 (0)5 0100 17344
Vladimira Urbankova, MBA (Pharma)	+43 (0)5 0100 17343
Martina Valenta, MBA	+43 (0)5 0100 11913
Croatia/Serbia	
Mladen Dodig (Head)	+381 11 22 09178
Boris Pevalek, CFA®	+385 99 237 2201
Marko Plastic	+385 99 237 5191
Bruno Barbic, CFA®	+385 99 237 1041
Davor Spoljar, CFA®	+385 72 37 2825
Magdalena Basic	+385 99 237 1407
Czech Republic	
Petr Bartek (Head, Utilities)	+420 956 765 227
Jan Bystřický	+420 956 765 218
Hungary	
József Miró (Head)	+361 235 5131
András Nagy	+361 235 5132
Tamás Pletser, CFA® (Oil & Gas)	+361 235 5135
Poland	
Cezary Bernatek (Head)	+48 22 257 5751
Piotr Bogusz	+48 22 257 5755
Łukasz Jańczak	+48 22 257 5754
Jakub Szkopek	+48 22 257 5753
Krzysztof Tkocz	+48 22 257 5752
Romania	
Caius Rapanu	+40 3735 10441
Ilie Pascaluta	+40 7305 87324

Group Institutional & Retail Sales

Group Institutional Equity Sales	
Head: Michal Rizek	+420 224 995 537
Cash Equity Sales	
Werner Fuerst	+43 (0)5 0100 83121
Viktoria Kubalcova	+43 (0)5 0100 83124
Thomas Schneidhofer	+43 (0)5 0100 83120
Oliver Schuster	+43 (0)5 0100 83119
Institutional Equity Sales Croatia	
Matija Tkalicanac	+385 72 37 21 14
Institutional Equity Sales Czech Republic	
Head: Michal Rizek	+420 224 995 537
Jakub Brukner	+420 731 423 294
Pavel Krabicka	+420 224 995 411
Martin Havlan	+420 224 995 551
Institutional Equity Sales Hungary	
Levente Nándori	+361 235 5141
Balázs Zánkay	+361 235 5156
Krisztián Kandik	+361 235 5140
Institutional Equity Sales Poland	
Jacek Jakub Langer (Head)	+48 22 257 5711
Tomasz Galanciak	+48 22 257 5715
Wojciech Wysocki	+48 22 257 5714
Przemyslaw Nowosad	+48 22 257 5712
Maciej Senderek	+48 22 257 5713
Institutional Equity Sales Romania	
Valerian Ionescu	+40 3735 16541
Group Markets Retail and Agency Business	
Head: Martin Langer	+43 (0)5 0100 11313
Markets Retail Sales AT	
Head: Markus Kaller	+43 (0)5 0100 84239
Group Markets Execution	
Head: Kurt Gerhold	+43 (0)5 0100 84232
Retail & Sparkassen Sales	
Head: Uwe Kolar	+43 (0)5 0100 83214
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Group Securities Markets	
Head: Thomas Einramhof	+43 (0)50100 84432
Institutional Distribution Core	
Head: Jürgen Niemeier	+49 (0)30 8105800 5503
Institutional Distribution DACH+	
Head: Marc Friebertshäuser	+49 (0)711 810400 5540
Bernd Bollhof	+49 (0)30 8105800 5525
Andreas Goll	+49 (0)711 810400 5561
Mathias Gindele	+49 (0)711 810400 5562
Ulrich Inhofner	+43 (0)5 0100 85544
Sven Kienzle	+49 (0)711 810400 5541
Rene Klasen	+49 (0)30 8105800 5521
Christopher Lampe-Traupe	+49 (0)30 8105800 5523
Michael Schmotz	+43 (0)5 0100 85542
Christoph Ungerböck	+43 (0)5 0100 85558
Klaus Vosseler	+49 (0)711 810400 5560
Slovakia	
Šarlota Šipulová	+421 2 4862 5619
Monika Směliková	+421 2 4862 5629
Institutional Distribution CEE & Insti AM CZ	
Head: Antun Burić	+385 (0)7237 2439
Jaromir Malak	+43 (0)5 0100 84254
Czech Republic	
Head: Ondrej Čech	+420 2 2499 5577
Milan Bartoš	+420 2 2499 5562
Jan Porvich	+420 2 2499 5566
Pavel Zdichynec	+420 2 2499 5590
Croatia	
Head: Antun Burić	+385 (0)7237 2439
Zvonimir Tukač	+385 (0)7237 1787
Ana Tunjić	+385 (0)7237 2225
Natalija Zujic	+385 (0)7237 1638
Hungary	
Head: Peter Csizmadia	+36 1 237 8211
Gábor Bálint	+36 1 237 8205
Balazs Papay	+36 1 237 8213
Gergő Szabo	+36 1 237 8209
Romania	
Head: Cristian Vasile Pascu	+40 373 511 695
Institutional Asset Management Czech Republic	
Head: Petr Holeček	+420 956 765 453
Petra Maděrová	+420 956 765 178
Martin Peřina	+420 956 765 106
David Petráček	+420 956 765 809
Blanca Weinerová	+420 956 765 317
Petr Valenta	+420 956 765 140
Group Fixed Income Securities Markets	
Head: Goran Hoblaj	+43 (0)50100 84403
FISM Flow	
Head: Goran Hoblaj	+43 (0)5 0100 84403
Margit Hraschek	+43 (0)5 0100 84117
Bernd Thaler	+43 (0)5 0100 84119
Ciprian Mitu	+43 (0)5 0100 85612
Christian Kienesberger	+43 (0)5 0100 84323
Zsuzsanna Toth	+36-1-237 8209
Poland	
Pawel Kielek	+48 22 538 6223
Michal Jarmakowicz	+43 50100 85611

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1100 Vienna, Austria, Am Belvedere 1
Head Office: Vienna
Commercial Register No: FN 33209m
Commercial Court of Vienna
Erste Group Homepage: www.erstegroup.com