

## Quercus TFI

(Buy, TP PLN 13.7)

As of April 13<sup>th</sup>, 2026

### 1Q26 net profit 8% above our estimates.

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Quercus TFI released 1Q26 figures with the following highlights:

- **1Q26 net profit** of Quercus TFI came in at PLN 16m (76% y/y, -34% q/q) and was 8% above our estimates (PLN 14.8m). Earnings beat was driven by higher than expected revenues (+9% vs. our estimates due to better management fee and revenues from purchase/redemption orders), that were only partly offset by higher costs (+10% vs. our expectations). Net financial income was slightly better as well.
- Total **revenues** in 1Q26 amounted to PLN 56.3m (56% y/y, -19% q/q) and were 9% above our expectations. Management fee (incl. reported success fee) increased 58% y/y and revenues from purchase/redemption orders went up 65% y/y (9% q/q). Share of low margin debt funds in total AUM declined to 70.5% on average (vs. 72% in 4Q25 and 67% in 1Q25).
- In 1Q26 reported **success** fee came in at PLN 7.9m. There was no provision for success fee.
- **Total costs** in 1Q26 came in at PLN 37m (42% y/y, -9% q/q) and were 10% above our estimates. Distribution costs went up 58% y/y, staff costs increased 16% y/y and external services costs grew 13% y/y.
- At the end of 1Q26 **AUM** of Quercus TFI came in at PLN 8,981m (27% y/y, 0% q/q). Y/y growth was driven by rising assets of *QRS Obligacji Skarbowych* (260% y/y), *QRS Dłużny Krótkoterminowy* (42% y/y) and *QRS Global Balanced* (77% y/y). On a quarterly basis drop of AUM of *QRS Akumulacji Kapitału* (-6% q/q), *QRS Silver* (-46% q/q) and *QRS Agresywny* (-8% q/q), was offset by rising AUM of *QRS Obligacji Skarbowych* (15% q/q) and *QRS Global Balanced* (12% q/q).
- In 1Q26 **net flows** to Quercus TFI amounted to PLN -6m (vs. PLN 453m in 1Q25 and PLN +1,663m in FY 2025).

#### Our view: POSITIVE

*We see the 1Q26 results of Quercus as slightly positive. It was very strong beginning of the year for the company. Net profit came in at PLN 16.0m (76% y/y) and was 8% above our expectations. Earnings beat was driven by better than expected revenues on the back of higher management fee and better performance of Xelion. Management fee (including PLN 7.9m reported success fee) went up 58% y/y supported by growing AUM (27% y/y) and solid rates of return of QRS's funds. Revenues from purchase/redemption orders went up 65% y/y (9% q/q). On the other hand, there was no provision for success at all. Costs were higher than expected mainly due to higher distribution costs. All in all, we see the 1Q26 results of Quercus as slightly positive.*

*In the same time though, we remind, that March was demanding for fund managers due to difficult environment in equity and bond markets and outflows (PLN -234m in March in Quercus vs PLN +128m in January and PLN +100m in February). In our earnings estimates we expect net profit of Quercus TFI at PLN 54/50m in 2026/27e. Very strong 1Q26 results make our current 2026e forecasts look not very demanding, we believe (although this level of earnings may appear difficult to be repeated in short term).*

**Quercus TFI – P&L, PLN mn**

	1Q25	2Q25	3Q25	4Q25	1Q26	y/y	q/q	Pekao	vs. Pekao
Revenues	36.0	50.7	48.2	69.8	56.3	56%	-19%	51.8	9%
Total costs	-26.0	-35.9	-31.5	-40.6	-37.0	42%	-9%	-33.7	10%
EBIT	10.0	14.9	16.7	29.2	19.3	93%	-34%	18.1	7%
EBITDA	11.0	15.9	17.7	30.2	20.4	86%	-32%	19.1	7%
Net financial income	1.8	1.6	1.7	1.4	1.7	-7%	21%	1.2	38%
Pre-tax profit	11.8	16.4	18.4	30.6	21.0	78%	-31%	19.3	9%
<b>Net profit</b>	<b>9.1</b>	<b>12.8</b>	<b>14.2</b>	<b>24.1</b>	<b>16.0</b>	76%	-34%	<b>14.8</b>	8%
AUM eop	7 085	7 592	8 606	9 021	8 981	27%	0%		
AUM average	6 764	7 315	8 083	8 866	9 187	36%	4%		

Source: Company, Pekao Equity Research

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Michał Fidelus	Expert, Analyst	Quercus TFI	0			

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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.

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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