

FLASH NOTE

Quercus TFI -

Target Price: PLN | Close as of 20/03/2025: PLN 9.50

Analyst:

Lukasz Janczak

+48 22 257 5754

lukasz.janczak@erstegroup.com

4Q24 Results Review - Slightly positive

Opinion. Slightly positive. *The results are slightly below expectations at the net profit level, but the change in accounting of Capitea bonds makes it difficult to compare other figures. Quercus plans to increase the shareholder payout above 100% of the standalone net profit, which will take the total yield to 11.9% and should trigger a positive reaction today.*

Quercus reported 4Q24 net profit of PLN 19.4m (+145% q/q, +2% y/y), 5% below consensus (only two estimates) and 11% below our est.

Revenues came in at PLN 76.1m above forecast due to change in accounting of Capitea (ex. GetBack) bonds, which added PLN 19.2m to other revenues. Success fee amounted to PLN 23m vs. PLN 24.8m expected by us.

OPEX amounted to PLN 26m with slightly lower distribution costs. **SG&A, EBIT and net financial income** are not comparable to expectations due to change in accounting policy mentioned above. In total, net result on Capitea bonds was around PLN +1m in 2024, of which PLN +0.2m in 4Q24.

Quercus plans to spend 100% of standalone net profit of PLN 41m on dividend or buyback and an additional up to PLN 18m from reserve capital on buyback. Total yield is expected to reach 11.9%.

Teleconference today at 11:00 [Teams]

Summary of Financial Data

P&L	4Q23	3Q24	4Q24	q/q	y/y	cons.	vs.c	ERSTE	vs. E
Revenues	48.6	34.5	76.1	121%	57%	56.7	34%	59.0	29%
Management fee	13.8	19.1	16.9	-12%	23%			19.8	-15%
Success fee	21.8	1.4	23.0	1544%	6%			24.8	-7%
Others	13.0	13.9	36.2	160%	179%			14.4	152%
OPEX	31.1	28.6	26.0	-9%	-16%			34.8	-25%
Distribution	10.6	14.6	14.3	-2%	35%			15.0	-4%
SG&A	20.5	14.0	11.7	-16%	-43%			19.9	-41%
EBIT	17.4	5.8	50.1	758%	187%	21.9	129%	24.2	107%
Net financial income	6.4	4.5	-25.4					3.4	n/a
Gross profit	23.8	10.3	24.7	139%	4%			27.6	-11%
Tax	4.5	2.1	4.8					5.4	
Minorities	0.3	0.2	0.5					0.3	
Net profit	19.0	7.9	19.4	145%	2%	20.5	-5%	21.9	-11%
Key figures	4Q23	3Q24	4Q24	q/q	y/y			ERSTE	
Average AuM (PLN m)	4 073	5 813	6 202	7%	52%			6 202	
AuM (eop, PLN m)	4 409	6 002	6 343	6%	44%			6 343	
AuM yield (gross)	1.43%	1.34%	1.30%	-3%	-9%			1.30%	
Distribution / revenues*	40%	44%	27%					44%	
SG&A/ revenues	42%	41%	15%					34%	
Effective tax rate	19.1%	20.8%	19.3%					19.5%	

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

Group Research

Head of Group Research Friedrich Mostböck, CEFA®, CESGA®	+43 (0)5 0100 11902	Pavel Krabicka Martin Havlan	+420 224 995 411 +420 224 995 551
CEE Macro/Fixed Income Research Head: Juraj Kotian (Macro/FI) Katarzyna Rzentarzewska (Fixed Income) Jakub Cery (Fixed Income)	+43 (0)5 0100 17357 +43 (0)5 0100 17356 +43 (0)5 0100 17384	Institutional Equity Sales Hungary Levente Nándori Balázs Zánkay Krisztián Kandik	+361 235 5141 +361 235 5156 +361 235 5140
Croatia/Serbia Alen Kovac (Head) Mate Jelić Ivana Rogic	+385 72 37 1383 +385 72 37 1443 +385 72 37 2419	Institutional Equity Sales Poland Jacek Jakub Langer (Head) Tomasz Galanciak Wojciech Wysocki Przemysław Nowosad Maciej Senderek	+48 22 257 5711 +48 22 257 5715 +48 22 257 5714 +48 22 257 5712 +48 22 257 5713
Czech Republic David Navrátil (Head) Jiri Polansky Michal Skorepa	+420 956 765 439 +420 956 765 192 +420 956 765 172	Institutional Equity Sales Romania Valerian Ionescu	+40 3735 16541
Hungary Orsolya Nyeste János Nagy	+361 268 4428 +361 272 5115	Group Markets Retail and Agency Business Head: Martin Langer	+43 (0)5 0100 11313
Romania Ciprian Dascalu (Head) Ioana Birlan Eugen Sinca Vlad Nicolae Ionita	+40 3735 10108 +40 730 587 086 +40 3735 10435 +40 7867 15618	Markets Retail Sales AT Head: Markus Kaller	+43 (0)5 0100 84239
Slovakia Maria Valachyova (Head) Matej Hornak Marian Kocis	+421 2 4862 4185 +421 902 213 591 +421 904 677 274	Group Markets Execution Head: Kurt Gerhold	+43 (0)5 0100 84232
Major Markets & Credit Research Head: Rainer Singer Ralf Burchert, CEFA®, CESGA® (Sub-Sovereigns & Agencies) Hans Engel (Global Equities) Maurice Jiszda, CEFA®, CFDS® (USA, CHF) Peter Kaufmann, CFA® (Corporate Bonds) Heiko Langer (Financials & Covered Bonds) Stephan Lingnau (Global Equities) Maximilian Möstl (Credit Analyst Austria) Carmen Riefler-Kowarsch (Financials & Covered Bonds) Bernadett Povazsai-Römhild, CEFA®, CESGA® (Corporate Bonds) Elena Statelov, CIIA® (Corporate Bonds) Gerald Walek, CFA® (Eurozone)	+43 (0)5 0100 17331 +43 (0)5 0100 16314 +43 (0)5 0100 19835 +43 (0)5 0100 19630 +43 (0)5 0100 11183 +43 (0)5 0100 85509 +43 (0)5 0100 16574 +43 (0)5 0100 17211 +43 (0)5 0100 19632 +43 (0)5 0100 17203 +43 (0)5 0100 19641 +43 (0)5 0100 16360	Retail & Sparkassen Sales Head: Uwe Kolar	+43 (0)5 0100 83214
CEE Equity Research Head: Henning Eßkuchen, CESGA® Daniel Lion, CIIA® (Technology, Ind. Goods&Services) Michael Marschallinger, CFA® Nora Nagy (Telecom) Christoph Schultes, MBA, CIIA® (Real Estate) Thomas Unger, CFA® (Banks, Insurance) Vladimira Urbankova, MBA (Pharma) Martina Valenta, MBA	+43 (0)5 0100 19634 +43 (0)5 0100 17420 +43 (0)5 0100 17906 +43 (0)5 0100 17416 +43 (0)5 0100 11523 +43 (0)5 0100 17344 +43 (0)5 0100 17343 +43 (0)5 0100 11913	Corporate Treasury Prod. Distribution Head: Martina Kranzl-Carvell	+43 (0)5 0100 84147
Croatia/Serbia Mladen Dodig (Head) Boris Pevallek, CFA® Marko Plastic Bruno Barbic, CFA® Davor Spoljar, CFA® Magdalena Basic	+381 11 22 09178 +385 99 237 2201 +385 99 237 5191 +385 99 237 1041 +385 72 37 2825 +385 99 237 1407	Group Securities Markets Head: Thomas Einramhof	+43 (0)50100 84432
Czech Republic Petr Bartek (Head, Utilities) Jan Bystřický	+420 956 765 227 +420 956 765 218	Institutional Distribution Core Head: Jürgen Niemeier	+49 (0)30 8105800 5503
Hungary József Miró (Head) András Nagy Tamás Pletser, CFA® (Oil & Gas)	+361 235 5131 +361 235 5132 +361 235 5135	Institutional Distribution DACH+ Head: Marc Frieberthäuser Bernd Bollhof Andreas Goll Mathias Gindele Ulrich Inhofner Sven Kienzle Rene Klasen Christopher Lampe-Traupe Michael Schmotz Christoph Ungerböck Klaus Vosseler	+49 (0)711 810400 5540 +49 (0)30 8105800 5525 +49 (0)711 810400 5561 +49 (0)711 810400 5562 +43 (0)5 0100 85544 +49 (0)711 810400 5541 +49 (0)30 8105800 5521 +49 (0)30 8105800 5523 +43 (0)5 0100 85542 +43 (0)5 0100 85558 +49 (0)711 810400 5560
Poland Cezary Bernatek (Head) Piotr Bogusz Łukasz Jahczak Jakub Szkopek Krzysztof Tkocz	+48 22 257 5751 +48 22 257 5755 +48 22 257 5754 +48 22 257 5753 +48 22 257 5752	Slovakia Šarlota Šipulová Monika Směliková	+421 2 4862 5619 +421 2 4862 5629
Romania Caius Rapanu Ilie Pascalluta	+40 3735 10441 +40 7305 87324	Institutional Distribution CEE & Insti AM CZ Head: Antun Burić Jaromir Malak	+385 (0)7237 2439 +43 (0)5 0100 84254
Czech Republic Petr Bartek (Head, Utilities) Jan Bystřický	+420 956 765 227 +420 956 765 218	Croatia Head: Antun Burić Zvonimir Tukac Ana Tunjić Natalija Zujic	+385 (0)7237 2439 +385 (0)7237 1787 +385 (0)7237 2225 +385 (0)7237 1638
Hungary József Miró (Head) András Nagy Tamás Pletser, CFA® (Oil & Gas)	+361 235 5131 +361 235 5132 +361 235 5135	Czech Republic Head: Ondrej Čech Milan Bartoš Jan Porvich Pavel Zdíchynec	+420 2 2499 5577 +420 2 2499 5562 +420 2 2499 5566 +420 2 2499 5590
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