

Quercus TFI

(Buy, TP PLN 13.2)

As of September 2nd, 2025

3Q25 net profit 6% above our estimates. PLN 14.6m provision for success fee.

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Quercus TFI released 3Q25 figures with the following highlights:

- **3Q25 net profit** of Quercus TFI came in at PLN 14.2m (79% y/y, 11% q/q) and was 6% above our estimates (PLN 13.4m). Earnings beat was driven by slightly better than expected revenues, mainly due to better revenues from purchase/redemption orders, but also slightly higher income from other services. Total costs and net financial income were broadly in line with our expectations.
- Total **revenues** in 3Q25 amounted to PLN 48.2m (40% y/y, -5% q/q) and were 3% above our expectations. Management fee (incl. PLN 6.6m reported success fee) increased 43% y/y (-11% q/q) and revenues from purchase/redemption orders went up 32% y/y (12% q/q). Share of low margin debt funds in total AUM increased to 73% on average (vs. 69% in 2Q25 and 63% in 3Q24).
- In 9M25 **provision for success fee** grew to PLN 14.6m (vs. PLN 10.6m in 1H25, PLN 16m at the end of 9M24 and vs. FY 2024 reported **success fee** at PLN 31m).
- **Total costs** in 3Q25 came in at PLN 31.5m (10% y/y, -12% q/q) and were in line with our estimates. Distribution costs went up 33% y/y, staff costs increased 26% y/y, external services costs grew 15% y/y and other costs went down -78% y/y.
- At the end of 3Q25 **AUM** of Quercus TFI came in at PLN 8,606m (43% y/y, 13% q/q). Y/y growth was driven by rising assets of QRS Obligacji Skarbowych (131% y/y), QRS Dłużny Krótkoterminowy (82% y/y) and QRS Akumulacji Kapitału (39% y/y), while AUM of Agresywny and Absolutny declined -14% y/y and -58 y/y, respectively. Similarly, quarterly growth of total assets was driven by rising AUM of QRS Obligacji Skarbowych (36% q/q), QRS Dłużny Krótkoterminowy (23% q/q) and QRS Akumulacji Kapitału (8% q/q), while assets of Agresywny declined -16% q/q.
- In 3Q25 **net flows** to Quercus TFI amounted to PLN +710m (and PLN +1,557m in 9M25) vs. PLN 1,504m in FY 2024 and PLN 693m in FY 2023.

Our view: POSITIVE

3Q25 was another strong quarter for Quercus TFI. Net profit came in at PLN 14.2m (79% y/y) and was 6% above our expectations largely due to better income from purchase/redemption orders, that increased 32% y/y and 12% q/q (although revenues from other services were slightly higher as well). Management fee went up 43% y/y and included by PLN 6.6m of reported success fee. In 3Q25 AUM increased 43% y/y (13% q/q) driven by solid rates of return of QRS's funds and positive flows. Provision for success fee increased to PLN 14.6m provision (from PLN 10.6m after 1H25). As a result, we see 3Q25 results of Quercus as slightly positive. Given PLN 36.1m of net profit reported in 9M25 and PLN 14.6m provision for success fee, our current FY 2025 net profit forecast at PLN 46.9m sounds conservative, we believe.

Quercus TFI – P&L, PLN mn

	3Q24	4Q24	1Q25	2Q25	3Q25	y/y	q/q	Pekao	vs. Pekao
Revenues	34.5	76.1	36.0	50.7	48.2	40%	-5%	47.0	3%
Total costs	-28.6	-26.0	-26.0	-35.9	-31.5	10%	-12%	-31.4	0%
EBIT	5.8	50.1	10.0	14.9	16.7	186%	12%	15.5	7%
EBITDA	6.7	51.2	11.0	15.9	17.7	165%	11%	16.6	6%
Net financial income	4.5	-25.4	1.8	1.6	1.7	-62%	8%	1.5	14%
Pre-tax profit	10.3	24.7	11.8	16.4	18.4	78%	12%	17.1	8%
Net profit	7.9	19.4	9.1	12.8	14.2	79%	11%	13.4	6%

Source: Company, Pekao Equity Research

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Michał Fidelus	Expert, Analyst	Quercus TFI	0			

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

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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