



The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Coverage Support Programme

			2019	2020	2021	
Price [PLN]	3,9	P/E	11,4	13,3	9,1	Analyst: Krystian Brymora krystian.brymora@bdm.pl tel.: (+48) 501 238 443
MC [mln PLN]	229,5	P/BV	3,6	4,0	2,6	
		ROE	32%	30%	28%	

Last recommendation BDM: BUY with target price 6,0 PLN/share (2021/08/30) [LINK](#)

Q4'21 results - in line with the Bloomberg consensus. PLN 22.3m dividend/buyback, or nearly 10% of capitalization

- **The reported consolidated net income for Q4'21** amounted to PLN 13.8m (+51% y/y) and was close to the Bloomberg consensus. The figure includes the consolidation of DI Xelion from 29 October 2011 and a gain on a bargain purchase of PLN 1.6m (included in financial income). In FY2021 consolidated net income amounted to PLN 25.1m (+41% y/y).
- **Standalone net profit** increased by 21% y/y to PLN 11.6m (PLN 22.3m in FY2021).
- **The fixed management fee** amounted to PLN 16.1m in Q421 (25% y/y), representing 1.57% of average AuM.
- **The success fee** amounted to PLN 17.6 (PLN 18.3m in 2021);
- **Assets under management** of Quercus TFI amounted to PLN 4,414m at the end of Q421 (+50% y/y), and PLN 4,116m at the end of February'22 (+25% y/y, -5% m/m).
- **DI Xelion consolidated as of 29 October 2021.** At the end of 2021 assets under administration amounted to PLN 4.05bn (+20% y/y), and under asset management PLN 1.17bn (-4% y/y). DI Xelion had a net profit of PLN 1.637m and revenue of PLN 56.821m in 2021. The purchase price was PLN 18.6m for a 100% stake. On the acquisition of DI Xelion the Group realized a bargain purchase gain of PLN 1.61m. The gain was recognized as financial income in the statement of comprehensive income. Moreover, QRS consolidated revenue of PLN 9.62m (PLN 8.1 million after incorporations) and net profit of PLN 0.514m. **If the acquisition of control had taken place on 1 January 2021, the Group's profit would have amounted to PLN 26.238 million.**
- In line with its policy, **the Management Board intends to allocate 100% of the standalone profit (PLN 22.3m) to the buyback/dividend, which represents nearly 10% of the company's capitalization.**
- **A conference call with CEO Buczek** will be held today, 29.03.22 at 15:00 CEST via MS Teams. Presentation available at [LINK](#).

Q4'21 results [PLNm]

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q'21	YoY	4Q'21P Bloom	różnica	2019	2020	2021	YoY
Revenues	13,1	11,5	13,2	24,3	13,7	16,0	15,3	42,3	74%	33,8	25%	61,0	58,6	83,0	42%
Quercus TFI SA	13,1	11,5	13,2	25,3	13,7	16,0	18,4	37,2	47%			61,0	63,1	85,3	35%
fixed fee	13,1	11,5	12,8	12,9	13,7	15,8	14,6	16,1	25%			54,4	50,3	55,8	11%
success fee'	0,0	0,0	0,4	12,4	0,0	0,2	0,4	17,6	42%			6,6	12,8	18,3	42%
DI Xelion								8,1						8,1	
Others							0,3	0,5						0,8	
Operating expenses	10,0	10,3	9,6	13,2	12,1	13,3	10,1	26,9	104%			41,5	41,2	57,5	40%
EBIT	3,1	1,2	2,0	11,1	1,6	2,8	5,3	15,3	38%	17,0	-10%	19,6	17,5	25,6	46%
adjusted	2,5	2,9	2,9	11,1	3,3	3,5	5,5	15,3	38%			18,7	19,4	27,6	42%
Net profit	2,7	2,8	2,8	9,6	3,1	3,5	4,1	13,8	44%	13,6	2%	19,6	17,8	25,1	41%
adjusted	2,1	2,4	2,4	9,1	2,7	3,0	4,3	12,2	34%			15,7	16,1	22,2	38%
Quercus TFI SA	2,7	2,8	2,8	9,6	3,1	3,5	4,1	11,6	21%			19,6	17,9	22,3	25%
Equity	64,3	67,1	50,3	59,9	86,2	89,7	75,8	89,6	50%			61,6	59,9	89,6	50%
AUM QRS at the end of the period	2 152	2 288	2 604	2 949	3 448	3 806	3 943	4 414	50%			2 638	2 949	4 414	50%
AUM QRS SA average	2 565	2 231	2 476	2 667	3 144	3 569	3 940	4 098	54%			2 559	2 517	3 674	46%
P/E 12m						12,5	11,6	9,3						9,3	
P/BV 12m						2,6	3,0	2,6						2,6	
ROE						21%	27%	27%						27%	

Source: BDM S.A., company

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Explanations of terminology:

EBIT - earnings before interest and tax

EBITDA – earnings before interest, taxes, depreciation, and amortization

Net debt – interest bearing debt minus cash and equivalents

WACC - weighted average cost of capital

CAGR - cumulative average annual growth

EPS - earnings per share

DPS - dividend per share

CEPS - net profit plus depreciation per share

EV – market capitalization plus interest bearing debt minus cash and equivalents

EV/S – market capitalization / sales

EV/EBITDA – EV / sales

P/EBIT – market capitalization / EBIT

MC/S – market capitalization / sales

P/E – market capitalization / net profit

P/BV – market capitalization / book value

P/CE - market capitalization / net profit plus depreciation

ROE – net profit / equity

ROA - net income / assets

Gross margin - gross profit on sales / sales

EBITDA margin – EBITDA / sales

EBIT margin – EBIT / sales

Net margin – net profit / sales

Explanation of ratings:

Buy – we believe that the security will reach the target price in the recommended period, which significantly exceeds the current market price (at least + 15%);

Accumulate – we believe that the security will reach the target price in the recommended period, which exceeds the current market price (in the range of +5 to + 14.99%);

Hold – we believe that a security in the recommended period will fluctuate around the target price, which is close to the current market price (in the range from -4.99% to + 4.99%);

Reduce – we believe that the security will reach the target price in the recommended period, which is lower than the market price (range of decline from 5% to 14.99%);

Sell – we believe that a security in the recommended period will reach the target price, which is significantly lower than the market price (suggested erosion of the value exceeds 15%).

Target price – the theoretical price which, in our opinion, should reach a security in the recommended period; This price is the result of the company's value (eg based on DCF, comparative and other valuations), market conditions and the industry as well as other factors subjectively considered by the analyst.

Recommendations made by BDM are binding for 12 months from the issue date or until the target level is reached, unless they are updated during this period of time.

Ratings and price targets history:

Rating	Target price	Previous rating	Previous target price	Date	Market price	WIG
Kupuj**	6,0	Kupuj	6,2	30.08.2021*	4,63	69 775
Kupuj**	6,2	---	---	24.03.2021	4,97	57 695

* The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Coverage Support Programme. ** - author of the recommendation was Michal Fidelus

Distribution of BDM's recommendations in Q1'22*:

, distribution of BDM's recommendations for the companies which BDM has supplied with investment banking services within the last 12 months

	number	%	number	%
Buy	4	100%	3	100%
Accumulate	0	0%	0	0%
Hold	0	0%	0	0%
Reduce	0	0%	0	0%
Sell	0	0%	0	0%

* detailed list of all analytical reports (recommendations) published by BDM during the last 12 months and information on the numbers of issuers to which BDM has supplied services of investment firms set out in Sections A and B of Annex I to Directive 2014/65/EU is included in a cyclical "Monthly Report" or at www.bdm.pl

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The report constitutes an investment research within the meaning of art. 36 §1 of Commission Delegated Regulation (EU) 2017/565.

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