March 11, 2025

Zacks Small-Cap Research

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# QuantaSing Group Limited (QSG-NASDAQ)

## QSG: F2Q25 Earnings Review – EPS Beat on Higher Revenues/Operating Income; Traffic-Driven Growth to High-Quality Growth Transition

QuantaSing reported net income of $17.4 million for F2Q25, or $0.32 per ADS. Adjusted EPS came in at $0.33, well above our estimate of $0.20 reflecting higher revenues, lower operating expenses, and a more favorable tax rate were partially offset by higher shares outstanding. Taking up our F2025 and 2026 adjusted EPS estimates from $0.78/$0.76 to $0.90/$0.85. No change to our $5.50 price target.

| | |
|---|---|
| Current Price (3/10/25) | $2.66 |
| **Valuation** | **$5.50** |

## OUTLOOK

Key F2Q25 takeaways include: 1) senior executives remain focused on continually realigning/improving the online learning course catalog, and increasingly leveraging QSG's existing online platform and customer base; 2) steady cash flows from the legacy online learning services platform continue to fund the strategic transition, with a focus on higher-quality products/services geared toward the silver demographic; 3) management continues to launch new health/wellness related products and services aimed at the silver demographic, while exploring opportunities across the consumer sector to enhance growth; and 4) QSG's strong balance sheet provides flexibility to continue to invest in newer business at a measured pace (without the need to tap external financing sources), with excess capital to shareholders likely returned to shareholders primarily via share repurchases.

## SUMMARY DATA

| | |
|---|---|
| **52-Week High** | **$6.22** |
| **52-Week Low** | **$1.47** |
| **One-Year Return (%)** | **-4.80** |
| **Beta** | **N/A** |
| **Average Daily Volume (sh)** | **101,098** |
| **Shares Outstanding (mil)** | **55** |
| **Market Capitalization ($mil)** | **$147** |
| **Short Interest Ratio (days)** | **N/A** |
| **Institutional Ownership (%)** | **42** |
| **Insider Ownership (%)** | **17** |
| **Annual Cash Dividend** | **$0.00** |
| **Dividend Yield (%)** | **0.00** |
| **5-Yr. Historical Growth Rates** | |
| **Sales (%)** | **N/A** |
| **Earnings Per Share (%)** | **N/A** |
| **Dividend (%)** | **N/A** |
| **P/E using TTM EPS** | **2.0** |
| **P/E using F2025 Estimate** | **3.0** |
| **P/E using F2026 Estimate** | **3.1** |

| | |
|---|---|
| **Risk Level** | **Above Average** |
| **Type of Stock** | **Small-Value** |
| **Industry** | **N/A** |

## ZACKS ESTIMATES

**Revenue**
(in millions of $)

| | Q1 (Sep) | Q2 (Dec) | Q3 (Mar) | Q4 (Jun) | Year (Jun) |
|---|---|---|---|---|---|
| 2023 | 79 A | 114 A | 118 A | 114 A | 425 A |
| 2024 | 119 A | 138 A | 131 A | 138 A | 526 A |
| 2025 | 115 A | 100 A | 83 E | 70 E | 369 E |
| 2026 | | | | | 347 E |

**Adjusted Net Income/American Depositary Shares[1]**

| | Q1 (Sep) | Q2 (Dec) | Q3 (Mar) | Q4 (Jun) | Year (Jun) |
|---|---|---|---|---|---|
| 2023 | -$0.19 A | $0.01 A | $0.06 A | $0.21 A | $0.10 A |
| 2024 | $0.22 A | $0.26 A | $0.28 A | $0.48 A | $1.03 A |
| 2025 | $0.23 A | $0.33 A | $0.18 E | $0.15 E | $0.90 E |
| 2026 | | | | | $0.85 E |

Quarterly revenues may not equal annual revenues due to FX rates.
[1]Excludes share-based compensation expenses and long-lived/goodwill impairment charges.

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## F2Q25 EARNINGS: EPS BEAT ON HIGHER REVENUES/OPERATING INCOME

Pre-market open on 3/11/25, QuantaSing reported F2Q25 (Dec) earnings results. On a GAAP basis, QSG reported net income of $17.4 million for F2Q25, or $0.32 per ADS (Exhibit 1). That said, excluding share-based compensation expenses, adjusted EPS came in at $0.33, or well above our estimate of $0.20 (Exhibit 2). Relative to our model, the beat primarily reflected higher-than-expected revenues and operating income partially offset by a higher share count, as management took a pause on buybacks during the quarter.

**Financials**

Focusing on the top line, revenues for the second quarter of fiscal 2025 totaled RMB 727 million ($100 million), representing a 26% decline compared to the prior-year quarter. The year-over-year decrease primarily reflected declining online learning services fees across financial literacy, skills upgrading, and recreation & leisure courses combined with lower enterprise services revenue, partially offset by higher consumer business contribution. Adjusting for Cost of Goods Sold (COGS), gross profit totaled RMB 604 million ($83 million) for F2Q25, translating into an 83% gross margin compared to 85% for the prior-year quarter reflecting QSG's strategic shift.

Total operating expenses for F2Q25 came in at RMB 466 million ($64 million), down from RMB 733 million for the year-ago quarter. Sales and marketing, research and development, and general and administrative expenses were down across-the-board, with management remaining focused on cost management and profitability, while reinvesting in strategic initiatives at a measured pace.

Net income for the second quarter of fiscal 2025 totaled RMB 126.8 million ($17.4 million), up from RMB 107.6 million in the prior-year quarter. For F2Q25, adjusted net income (excludes share-based compensation expenses) came in at $18.1 million, or $0.33 per ADS, compared with $14.6 million, or $0.26 per share, for the prior-year quarter.

**Key Performance Indicators**

Total registered users increased by 24.2% to 139.6 million as of December 31, 2024, versus 103.3 million as of December 31, 2023.

Paying learners totaled approximately 300,000 for the second quarter of fiscal 2025 representing a year-over-year decline of ~25% compared to the level in the year-ago quarter.

**Exhibit 1: F2Q25 GAAP Actual vs. Estimates**
**($ thousands)**

| | F2Q25 | | Change | |
|---|---|---|---|---|
| | Actual | Estimate | $ | % |
| **Revenues** | **99,550** | **98,596** | **954** | **1.0%** |
| Cost of revenues | (16,784) | (17,381) | 597 | -3.4% |
| **Gross Profit** | **82,766** | **81,215** | **1,551** | **1.9%** |
| Operating Expenses | | | | |
| Sales and marketing expenses | (55,762) | (62,165) | 6,403 | -10.3% |
| Research and development expenses | (3,884) | (3,170) | (714) | 22.5% |
| General and administrative expenses | (4,182) | (3,725) | (457) | 12.3% |
| Impairment loss on long-lived assets | 0 | 0 | 0 | NM |
| Impairment loss on goodwill | 0 | 0 | 0 | NM |
| **Total Expenses** | **(63,828)** | **(69,060)** | **5,232** | **-7.6%** |
| **Operating Income/(Loss)** | **18,938** | **12,156** | **6,782** | **55.8%** |
| Interest income | 167 | 289 | (122) | -42.2% |
| Other, net | 861 | 1,370 | (509) | -37.1% |
| **Pre-Tax Income/(Loss)** | **19,966** | **13,814** | **6,152** | **44.5%** |
| Income tax (expense)/benefit | (2,601) | (4,030) | 1,429 | -35.5% |
| **Net Income/(Loss)** | **17,365** | **9,785** | **7,580** | **77.5%** |
| **Earnings per share, diluted** | **$0.32** | **$0.18** | **$0.13** | **NM** |
| Weighted avg shares outstanding, diluted | 55.1 | 53.4 | 1.7 | 3.2% |

Source: Company Reports and Zacks Small Cap Research estimates and calculations.

**Exhibit 2: F2Q25 Non-GAAP Actual vs. Estimates**
**($ thousands)**

| | F2Q25 | | Change | |
|---|---|---|---|---|
| | Actual | Estimate | $ | % |
| Non-GAAP Reconciliations | | | | |
| Net Income/(Loss) | 17,365 | 9,785 | 7,580 | 77.5% |
| Share-Based Compensation Expenses | (715) | (1,003) | 288 | -28.7% |
| Impairment loss on long-lived assets & goodwill | 0 | 0 | 0 | NM |
| Accretion of the Company's preferred shares | 0 | 0 | 0 | NM |
| Income allocation to participating preferred shares | 0 | 0 | 0 | NM |
| **Adjusted Net Income** | **18,080** | **10,788** | **7,292** | **67.6%** |
| **Adjusted Earnings per share, diluted** | **$0.33** | **$0.20** | **$0.13** | **62.5%** |
| Weighted avg shares outstanding, diluted | 55.1 | 53.4 | 1.7 | 3.2% |

Source: Company Reports and Zacks Small Cap Research estimates and calculations.

## KEY TAKEAWAYS

Following our review of F2Q25 results, we highlight the following key takeaways:

1. **Legacy online learning business evolution:** At a high level, senior executives remain focused on continually realigning/improving the online learning course catalog. To be sure, demand trends across QSG's diversified suite of health and lifestyle offerings continue to improve amongst middle-aged and senior citizens. Moreover, management added 22 new lectures and enhanced training modules across the company's financial literacy segment. Next, increasingly leveraging QSG's existing online platform and customer base (139.6 million registered users as of 12/31/24) remains a key strategic priority. Initiatives are underway to improve user engagement and conversion rates, thereby extending customer Lifetime Values (LTVs), all else equal. From a financial perspective, senior officials remain committed to reallocating steady cash flows from the legacy online learning services platform to fund the strategic transition, with a focus on higher-quality products/services geared toward the silver demographic.

2. **Ongoing focus on broadening the product suite:** Beyond online learning courses, management continues to launch new health/wellness related products and services aimed at the silver demographic. More specifically, demand for the company's ZhiQiuTang brand of "Food as Medicine" products continues to build, while QSG recently launched a VIP membership program that includes discounts on travel study products and tickets along with other related services. Looking ahead, we expect the company to launch additional health and wellness products via organic growth initiatives and strategic partnerships. Stepping back, senior officials continue to explore opportunities across the consumer sector to enhance growth. Case in point, management recently began investing in Letsvan, a toy manufacturer in China, with ongoing investments through March. Though seemingly immaterial in size, Letsvan's revenue will likely be consolidated into QSG's financials starting in F3Q25.

3. **Balance sheet provides strategic flexibility:** Liquid assets (cash and cash equivalents, restricted cash, and short-term investments) totaled RMB 1.2 billion ($166 million) as of December 31, 2024, thereby providing flexibility to continue to invest in newer business at a measured pace (without the need to tap external financing sources), with management remaining committed to returning excess capital to shareholders (primarily via share repurchases).

## RAISING EPS ESTIMATES

After updating our model for F2Q25 actuals, we are taking up our F2025 and F2026 adjusted EPS estimates from $0.78/$0.76 to $0.90/$0.85. Despite lower revenue assumptions, as the business model increasingly transitions from traffic-driven (legacy online learning course fees) growth to high-quality (product/services) growth, our upward revisions primarily reflect the F3Q25 EPS beat and modestly higher margin assumptions, as management remains focused on optimizing profitability through the strategic transition (and beyond).

More specifically, we forecast total revenues to continue to decline, with much of the step down related to the legacy online learning services segment. Turning to profitability, our model calls for adjusted operating and net income margins to trend lower from elevated levels in F2Q25 in the back half of F2025 (primarily reflecting declining revenues), then rebound in F2026 as the business transition drives higher LTVs and lower Customer Acquisition Costs (CACs).

## VALUATION

We are leaving our price target unchanged at $5.50, still representing meaningful upside potential from the stock's current price. Given QuantaSing's ongoing business model transition, differentiated focus on the silver demographic in China, and long-term growth potential, we are leaning on our DCF model to value QSG shares. At a high level, despite what we believe to be conservative inputs/assumptions, our valuation work suggests a wide disconnect between QuantaSing's fundamentals and the stock's current price.

While we recognize peer valuations become less meaningful as QuantaSing's business model evolves, P/E multiples of selected online education companies in China as well as here in the U.S. remain meaningfully above QSG's valuation metrics. Indeed, QSG is currently trading at just ~3x our revised EPS estimates for both F2025 and F2026. As such, we look for a material upward revaluation for the shares over time, as awareness and appreciation of the company's shifting business model, long-term growth prospects, competitive positioning, and valuation disconnect builds in the market.

## INVESTMENT THESIS

QuantaSing provides “lifestyle solutions,” or products and services tailored for older consumers in China, by leveraging the company’s legacy online education platform’s user base, technology, data, and infrastructure.

Our investment thesis revolves around:

1. **Business in transition – strategic shift in focus on the “silver economy” in China:** As previously announced in August, management officially embarked on a thoughtful and deliberate evolution of the company’s business model. Management’s vision encompasses building a broader ecosystem providing targeted products and services that address evolving educational, social, and consumer demand trends of middle-aged and elderly individuals in China. Specific business initiatives include: i) distilling the online education platform by introducing courses tailored for older demographics, with an emphasis on health/wellness and recreation/leisure; ii) increasingly bringing senior-focused consumer products to market following the company’s initial foray into the Chinese liquor (Baiju) market; and iii) opening offline stores/service centers to build QSG’s brand and engage middle-aged and elderly customers.

2. **Powerful growth drivers:** Recent studies suggest China’s “silver economy,” or the market value of goods and services catering to senior citizens, will reach RMB 30 trillion, or more than $4 trillion, by 2035. Key growth drivers likely include: i) demographic tailwinds, with China’s population mix continuing to skew older reflecting declining fertility rates and longer life expectancies; ii) middle-aged and elderly individuals are becoming an increasingly important consumer group in China given rising assets and declining debt levels leading to higher disposable incomes; iii) in response to shifting demographics, the Chinese government remains proactive in introducing policies to support the aging population; and iv) QuantaSing remains well positioned to gain share across the senior education market reflecting the company’s first-mover advantage, well-established infrastructure, and targeted course catalog.

3. **Legacy business still has “legs”:** Since launching operations in 2019, QuantaSing Group has grown into the largest online adult learning services provider in China. In addition to the company’s legacy financial literacy courses, QSG introduced skills upgrading and recreation and leisure programs starting in 2021. Going forward, we look for ongoing growth across QuantaSing’s skills upgrading and recreation and leisure platforms reflecting the company’s scale (139.6 million registered users as of 12/31/24, with 300,000 paying customers in the second quarter of fiscal 2025), diversified and growing suite of high-quality and in-demand courses, with a focus on recreation and leisure programs catering to middle-aged and elderly individuals, differentiated technology (network infrastructure, live streaming capabilities, artificial intelligence, data analytics), and broader geographic reach.

4. **Upward revaluation opportunity:** QSG is down meaningfully from the stock’s IPO price of $12.50 in January 2023. In our minds, the post-offering selloff provides investors with an attractive entry point for QSG, as awareness and appreciation of the company’s business model shift, long-term growth prospects, competitive positioning, and valuation disconnect increasingly take hold. Despite what we believe to be conservative inputs/assumptions, our valuation work suggests a wide disconnect between the company’s fundamentals and the stock’s current price.

## INVESTMENT RISKS

1. **Macroeconomic headwinds in China:** GDP growth in China remains relatively lackluster reflecting a prolonged property sector slowdown, weaker consumer and investor confidence, and escalating trade tensions with other economies. An extended economic downturn in China would likely pressure consumer demand and disposable income trends more broadly, with knock-on effects to QSG's revenues and earnings. That said, the middle-aged and elderly population maintains healthier household balance sheets on average, thereby preserving purchasing power through economic downturns and insulating the silver demographic from broader macroeconomic trends in China to some degree.

2. **Transition risk:** As part of the shift in business strategy, management plans to compete in new markets, launch new products, and enter new sales channels. The company's limited operating history, infrastructure, and brand awareness within target markets bring inherent strategic and financial risks. Furthermore, a key component of QSG's transition remains increasingly penetrating the senior education market. As the online learning services revenue mix shifts away from flagship financial literacy courses in favor of newer skills upgrading courses and recreation and leisure offerings, we look for a step up in top line volatility reflecting uncertainty around market demand, program quality, and pricing trends.

3. **Silver economy:** Increasingly tapping into the silver demographic's building demand for bespoke products and services represents a powerful growth opportunity. Nonetheless, businesses solely focused on the aging population risk financial exclusion from the ongoing digitization of economies, shifting politics/regulations, particularly as it relates to healthcare, and evolving demand trends. Moreover, incorporating social components for the elderly remains critical to accelerate the uptake of related products and services. As such, market shares likely roll up to players with presences across both online and offline channels.

4. **Slowing growth for legacy business:** While management remains focused on maintaining profitability through the business model shift, online learning services accounted for 83% of firmwide revenues in F2Q25. Looking ahead, a majority of QSG's revenues, earnings, and cash flows likely remain dependent on awareness/adoption of online learning in China, as well as the company's legacy education platform for the foreseeable future. As management increasingly focuses on the silver economy (and diverts resources away from online education sales and marketing efforts), we forecast a flatter growth trajectory for the number of registered users and paying learners.

5. **Regulatory environment:** As with any company operating in China, QuantaSing remains subject to regulatory uncertainties and/or changes. In particular, government scrutiny on cybersecurity, data security, personal information protection, financial services marketing, foreign exchange, and taxation remains elevated. The application and potential enforcement of existing laws and/or forthcoming regulatory changes could hinder business operations, divert management/financial resources, and/or result in significant fines/penalties/liabilities that materially impair QSG's financial performance and the stock price. Having said that, favorable government policies focused on improving services for the elderly likely support growth for QSG's silver-focused businesses.

# PROJECTED INCOME STATEMENT (RMB)

**QuantaSing Group Limited**
**(RMB in thousands)**

| | Quarterly | | | | | | | | | | | | Annual | | | | Y/Y Growth | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | F1Q23 | F2Q23 | F3Q23 | F4Q23 | F1Q24 | F2Q24 | F3Q24 | F4Q24 | F1Q25 | F2Q25 | F3Q25E | F4Q25E | F2023 | F2024 | F2025E | F2026E | F2024 | F2025E | F2026E |
| | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Jun-23 | Jun-24 | Jun-25 | Jun-26 | Jun-24 | Jun-25 | Jun-26 |
| Revenues | | | | | | | | | | | | | | | | | | | |
| Online learning services | | | | | | | | | | | | | | | | | | | |
| Financial literacy courses | 468,565 | 498,925 | 486,684 | 420,453 | 346,883 | 321,054 | 268,502 | 370,926 | 264,106 | 228,454 | 205,609 | 185,048 | 1,874,627 | 1,307,365 | 883,216 | 888,229 | -30% | -32% | 1% |
| Skills upgrading courses | 116,520 | 192,903 | 205,918 | 209,894 | 295,393 | 456,355 | 464,360 | 445,683 | 366,923 | 293,645 | 205,552 | 143,886 | 725,235 | 1,661,791 | 1,010,006 | 748,207 | 129% | -39% | -26% |
| Recreation and leisure courses | | 12,155 | 32,114 | 90,746 | 113,634 | 96,142 | 95,265 | 90,077 | 77,983 | 79,194 | 71,275 | 64,147 | 135,015 | 395,118 | 292,599 | 320,736 | 193% | -26% | 10% |
| Subtotal | 585,085 | 703,983 | 724,716 | 721,093 | 755,910 | 873,551 | 828,127 | 906,686 | 709,012 | 601,293 | 482,435 | 393,081 | 2,734,877 | 3,364,274 | 2,185,821 | 1,957,172 | 23% | -35% | -10% |
| Enterprise services | 73,613 | 82,356 | 81,126 | 103,839 | 68,390 | 57,620 | 65,099 | 56,623 | 47,755 | 55,655 | 50,090 | 45,081 | 340,934 | 247,732 | 198,580 | 216,387 | -27% | -20% | 9% |
| Consumer business | | | | 3,415 | 44,836 | | | 33,339 | 49,498 | 64,508 | 65,798 | 67,114 | 3,415 | 78,175 | 246,918 | 322,148 | 2189% | 216% | 30% |
| Other | 668 | 86 | 1,401 | | | 49,371 | 52,344 | 3,435 | 4,139 | 5,191 | 5,295 | 5,401 | 2,155 | 105,150 | 20,026 | 25,923 | 4779% | -81% | 29% |
| **Total** | **659,366** | **786,425** | **807,243** | **828,347** | **869,136** | **980,542** | **945,570** | **1,000,083** | **810,404** | **726,647** | **603,617** | **510,676** | **3,081,381** | **3,795,331** | **2,651,344** | **2,521,630** | **23%** | **-30%** | **-5%** |
| Cost of revenues | (75,062) | (99,253) | (101,057) | (116,126) | (118,192) | (145,018) | (145,848) | (141,252) | (134,448) | (122,512) | (105,038) | (91,646) | (391,498) | (550,310) | (453,644) | (476,361) | 41% | -18% | 5% |
| **Gross Profit** | **584,304** | **687,172** | **706,186** | **712,221** | **750,944** | **835,524** | **799,722** | **858,831** | **675,956** | **604,135** | **498,579** | **419,030** | **2,689,883** | **3,245,021** | **2,197,700** | **2,045,269** | **21%** | **-32%** | **-7%** |
| Operating Expenses | | | | | | | | | | | | | | | | | | | |
| Sales and marketing expenses | (581,158) | (622,901) | (631,380) | (573,025) | (620,152) | (657,112) | (729,620) | (580,093) | (515,009) | (407,022) | (368,289) | (311,583) | (2,408,464) | (2,586,977) | (1,601,903) | (1,517,227) | 7% | -38% | -5% |
| Research and development expenses | (52,301) | (64,269) | (49,601) | (53,610) | (43,800) | (41,015) | (38,840) | (21,213) | (28,080) | (28,354) | (29,590) | (25,034) | (219,781) | (144,868) | (111,057) | (99,320) | -34% | -23% | -11% |
| General and administrative expenses | (44,390) | (44,526) | (48,309) | (38,021) | (42,762) | (35,059) | (36,390) | (11,554) | (30,621) | (30,524) | (31,392) | (26,559) | (175,246) | (125,765) | (119,096) | (106,965) | -28% | -5% | -10% |
| Impairment loss on long-lived assets | | | | | | | | (2,652) | | | | | 0 | (2,652) | 0 | | NM | -100% | NM |
| Impairment loss on goodwill | | | | | | | | (7,389) | | | | | 0 | (7,389) | 0 | | NM | -100% | NM |
| **Total Expenses** | **(677,849)** | **(731,696)** | **(729,290)** | **(664,656)** | **(706,714)** | **(733,186)** | **(804,850)** | **(622,901)** | **(573,710)** | **(465,900)** | **(429,271)** | **(363,175)** | **(2,803,491)** | **(2,867,651)** | **(1,832,056)** | **(1,723,512)** | **2%** | **-36%** | **-6%** |
| **Operating Income/(Loss)** | **(93,545)** | **(44,524)** | **(23,104)** | **47,565** | **44,230** | **102,338** | **(5,128)** | **235,930** | **102,246** | **138,235** | **69,308** | **55,855** | **(113,608)** | **377,370** | **365,645** | **321,757** | **-432%** | **-3%** | **-12%** |
| Interest income | 192 | 656 | 1,811 | 2,669 | 3,447 | 2,409 | 2,513 | 2,151 | 1,939 | 1,221 | 1,237 | 1,249 | 5,328 | 10,520 | 5,646 | 5,123 | 97% | -46% | -9% |
| Other, net | 6,450 | 3,502 | 5,206 | 6,155 | 12,257 | 2,221 | 7,685 | 6,802 | 9,735 | 6,283 | 6,409 | 6,537 | 21,313 | 28,965 | 28,963 | 28,239 | 36% | 0% | -3% |
| **Pre-Tax Income/(Loss)** | **(86,903)** | **(40,366)** | **(16,087)** | **56,389** | **59,934** | **106,968** | **5,070** | **244,883** | **113,920** | **145,739** | **76,954** | **63,642** | **(86,967)** | **416,855** | **400,255** | **355,119** | **-579%** | **-4%** | **-11%** |
| Income tax (expense)/benefit | (10,375) | (1,035) | (6,576) | (3,699) | 6,746 | 642 | 9,560 | (48,276) | (33,232) | (18,983) | (10,024) | (8,290) | (21,685) | (31,328) | (70,528) | (46,255) | 44% | 125% | -34% |
| **Net Income/(Loss)** | **(97,278)** | **(41,401)** | **(22,663)** | **52,690** | **66,680** | **107,610** | **14,630** | **196,607** | **80,688** | **126,756** | **66,931** | **55,352** | **(108,652)** | **385,527** | **329,727** | **308,864** | **-455%** | **-14%** | **-6%** |
| Net loss attributable to NCI | 0 | 0 | 0 | 115 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 115 | 0 | 0 | 0 | -100% | NM | NM |
| **Net Income/(Loss) Attributable to QSG** | **(97,278)** | **(41,401)** | **(22,663)** | **52,805** | **66,680** | **107,610** | **14,630** | **196,607** | **80,688** | **126,756** | **66,931** | **55,352** | **(108,537)** | **385,527** | **329,727** | **308,864** | **-455%** | **-14%** | **-6%** |
| Foreign currency translation adjustments | 2,126 | (789) | 3,461 | 15,545 | (2,005) | (3,372) | 423 | 85 | (3,546) | 5,013 | 0 | 0 | 20,343 | (4,869) | 1,467 | 0 | -124% | -130% | -100% |
| Total Comprehensive Income/(Loss) | (95,152) | (42,190) | (19,202) | 68,235 | 64,675 | 104,238 | 15,053 | 196,692 | 77,142 | 131,769 | 66,931 | 55,352 | (88,309) | 380,658 | 331,194 | 308,864 | -531% | -13% | -7% |
| Net loss attributable to NCI | 0 | 0 | 0 | 115 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 115 | 0 | 0 | 0 | -100% | NM | NM |
| Comprehensive Income/(Loss) Attributable to ( | (95,152) | (42,190) | (19,202) | 68,350 | 64,675 | 104,238 | 15,053 | 196,692 | 77,142 | 131,769 | 66,931 | 55,352 | (88,194) | 380,658 | 331,194 | 308,864 | -532% | -13% | -7% |
| Net Income/(Loss) Attributable to QSG | (97,278) | (41,401) | (22,663) | 52,805 | 66,680 | 107,610 | 14,630 | 196,607 | 80,688 | 126,756 | 66,931 | 55,352 | (108,537) | 385,527 | 329,727 | 308,864 | -455% | -14% | -6% |
| Accretion of the Company's preferred shares | (9,469) | (10,043) | (2,867) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (22,379) | 0 | 0 | 0 | -100% | NM | NM |
| Net Income/(Loss) Attributable to ordinary sha | (106,747) | (51,444) | (25,530) | 52,805 | 66,680 | 107,610 | 14,630 | 196,607 | 80,688 | 126,756 | 66,931 | 55,352 | (130,916) | 385,527 | 329,727 | 308,864 | -394% | -14% | -6% |
| **Earnings per share, diluted** | **(1.96)** | **(0.89)** | **(0.19)** | **0.30** | **0.38** | **0.64** | **0.09** | **1.18** | **0.50** | **0.77** | **0.41** | **0.34** | **(1.26)** | **2.27** | **2.02** | **1.94** | **-280%** | **-11%** | **-4%** |
| Weighted avg shares outstanding, basic | 54.4 | 57.8 | 135.8 | 169.1 | 169.1 | 165.4 | 164.8 | 160.8 | 156.4 | 162.3 | 161.3 | 160.3 | 103.9 | 165.0 | 160.0 | 156.3 | 59% | -3% | -2% |
| Weighted avg shares outstanding, diluted | 54.4 | 57.8 | 135.8 | 175.8 | 175.0 | 167.4 | 170.9 | 166.9 | 161.3 | 165.4 | 164.4 | 163.4 | 103.9 | 170.0 | 163.6 | 159.4 | 64% | -4% | -3% |
| Non-GAAP Reconciliations | | | | | | | | | | | | | | | | | | | |
| Net Income/(Loss) | (97,278) | (41,401) | (22,663) | 52,805 | 66,680 | 107,610 | 14,630 | 196,607 | 80,688 | 126,756 | 66,931 | 55,352 | (108,537) | 385,527 | 329,727 | 308,864 | -455% | -14% | -6% |
| Share-Based Compensation Expenses | (46,370) | (63,164) | (44,359) | (37,739) | (27,286) | 3,742 | (17,295) | 13,082 | (7,272) | (5,218) | (5,218) | (5,218) | (191,632) | (27,757) | (22,926) | (20,872) | -86% | -17% | -9% |
| Impairment loss on long-lived assets and goodwill | | | | | | | | (10,041) | 0 | 0 | 0 | 0 | 0 | (10,041) | 0 | 0 | | | |
| Accretion of the Company's preferred shares | 9,469 | 10,043 | 2,867 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22,379 | 0 | 0 | 0 | -100% | NM | NM |
| Income allocation to participating preferred s | 0 | 7,448 | 3,431 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21,816 | 0 | 0 | 0 | -100% | NM | NM |
| **Adjusted Net Income** | **(60,377)** | **4,272** | **15,398** | **90,544** | **93,966** | **103,868** | **31,925** | **193,566** | **87,960** | **131,974** | **72,149** | **60,570** | **38,900** | **423,325** | **352,653** | **329,736** | **988%** | **-17%** | **-6%** |
| **Adjusted Earnings per share, diluted** | **(1.11)** | **0.07** | **0.11** | **0.52** | **0.54** | **0.62** | **0.19** | **1.16** | **0.55** | **0.80** | **0.44** | **0.37** | **0.35** | **2.49** | **2.16** | **2.07** | **607%** | **-13%** | **-4%** |
| Weighted average shares outstanding, diluted | 54.4 | 64.7 | 142.4 | 175.8 | 175.0 | 167.4 | 170.9 | 166.9 | 161.3 | 165.4 | 164.4 | 163.4 | 110.5 | 170.0 | 163.6 | 159.4 | 54% | -4% | -3% |

Source: Company reports and Zacks SCR estimates and calculations.

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# PROJECTED INCOME STATEMENT (USD)

**QuantaSing Group Limited**
**($ in thousands)**

| | Quarterly | | | | | | | | | | | | Annual | | | | Y/Y Growth | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | F1Q23 | F2Q23 | F3Q23 | F4Q23 | F1Q24 | F2Q24 | F3Q24 | F4Q24 | F1Q25 | F2Q25 | F3Q25E | F4Q25E | F2023 | F2024 | F2025E | F2026E | F2024 | F2025E | F2026E |
| | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Jun-23 | Jun-24 | Jun-25 | Jun-26 | Jun-24 | Jun-25 | Jun-26 |
| **Revenues** | **79,143** | **114,021** | **117,544** | **114,234** | **119,125** | **138,106** | **130,960** | **137,616** | **115,482** | **99,550** | **83,137** | **70,336** | **424,942** | **525,807** | **368,505** | **347,308** | **24%** | **-30%** | **-6%** |
| Cost of revenues | (8,870) | (14,390) | (14,715) | (16,015) | (16,200) | (20,425) | (20,200) | (19,437) | (19,159) | (16,784) | (14,467) | (12,623) | (53,990) | (76,262) | (63,033) | (65,610) | 41% | -17% | 4% |
| **Gross Profit** | **70,273** | **99,631** | **102,829** | **98,219** | **102,925** | **117,681** | **110,760** | **118,179** | **96,323** | **82,766** | **68,670** | **57,714** | **370,952** | **449,545** | **305,473** | **281,698** | **21%** | **-32%** | **-8%** |
| Operating Expenses | | | | | | | | | | | | | | | | | | | |
| Sales and marketing expenses | (70,870) | (90,312) | (91,936) | (79,024) | (84,999) | (92,552) | (101,051) | (79,823) | (73,388) | (55,762) | (50,725) | (42,915) | (332,142) | (358,425) | (222,790) | (208,970) | 8% | -38% | -6% |
| Research and development expenses | (6,376) | (9,318) | (7,222) | (7,393) | (6,003) | (5,777) | (5,379) | (2,919) | (4,001) | (3,884) | (4,075) | (3,448) | (30,309) | (20,078) | (15,408) | (13,679) | -34% | -23% | -11% |
| General and administrative expenses | (5,435) | (6,456) | (7,034) | (5,243) | (5,861) | (4,938) | (5,040) | (1,590) | (4,363) | (4,182) | (4,324) | (3,658) | (24,168) | (17,429) | (16,527) | (14,732) | -28% | -5% | -11% |
| Impairment loss on long-lived assets | | | | | | | | (365) | 0 | 0 | 0 | 0 | 0 | (365) | 0 | 0 | | | |
| Impairment loss on goodwill | | | | | | | | (1,017) | 0 | 0 | 0 | 0 | 0 | (1,017) | 0 | 0 | | | |
| **Total Expenses** | **(82,681)** | **(106,086)** | **(106,192)** | **(91,660)** | **(96,863)** | **(103,267)** | **(111,470)** | **(85,714)** | **(81,752)** | **(63,828)** | **(59,124)** | **(50,021)** | **(386,619)** | **(397,314)** | **(254,725)** | **(237,382)** | **3%** | **-36%** | **-7%** |
| **Operating Income/(Loss)** | **(12,408)** | **(6,455)** | **(3,363)** | **6,559** | **6,062** | **14,414** | **(710)** | **32,465** | **14,571** | **18,938** | **9,546** | **7,693** | **(15,667)** | **52,231** | **50,748** | **44,316** | **-433%** | **-3%** | **-13%** |
| Interest income | 8 | 95 | 264 | 368 | 472 | 339 | 348 | 296 | 276 | 167 | 170 | 172 | 735 | 1,455 | 785 | 706 | 98% | -46% | -10% |
| Other, net | 824 | 508 | 758 | 849 | 1,680 | 313 | 1,064 | 936 | 1,387 | 861 | 883 | 900 | 2,939 | 3,993 | 4,031 | 3,889 | 36% | 1% | -4% |
| **Pre-Tax Income/(Loss)** | **(11,576)** | **(5,852)** | **(2,341)** | **7,776** | **8,214** | **15,066** | **702** | **33,697** | **16,234** | **19,966** | **10,599** | **8,765** | **(11,993)** | **57,679** | **55,564** | **48,911** | **-581%** | **-4%** | **-12%** |
| Income tax (expense)/benefit | (1,372) | (150) | (958) | (510) | 925 | 90 | 1,324 | (6,643) | (4,736) | (2,601) | (1,381) | (1,142) | (2,990) | (4,304) | (9,859) | (6,371) | 44% | 129% | -35% |
| **Net Income/(Loss)** | **(12,948)** | **(6,002)** | **(3,299)** | **7,266** | **9,139** | **15,156** | **2,026** | **27,054** | **11,498** | **17,365** | **9,218** | **7,624** | **(14,983)** | **53,375** | **45,705** | **42,540** | **-456%** | **-14%** | **-7%** |
| Net loss attributable to NCI | 0 | 0 | 0 | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16 | 0 | 0 | 0 | -100% | NM | NM |
| **Net Income/(Loss) Attributable to QSG** | **(12,948)** | **(6,002)** | **(3,299)** | **7,282** | **9,139** | **15,156** | **2,026** | **27,054** | **11,498** | **17,365** | **9,218** | **7,624** | **(14,967)** | **53,375** | **45,705** | **42,540** | **-457%** | **-14%** | **-7%** |
| Foreign currency translation adjustments | 271 | (114) | 504 | 2,144 | (275) | (475) | 59 | 12 | (505) | 687 | 0 | 0 | 2,805 | (679) | 182 | 0 | -124% | -127% | -100% |
| Total Comprehensive Income/(Loss) | (12,677) | (6,116) | (2,795) | 9,410 | 8,864 | 14,681 | 2,085 | 27,066 | 10,993 | 18,052 | 9,218 | 7,624 | (12,178) | 52,696 | 45,887 | 42,540 | -533% | -13% | -7% |
| Net loss attributable to NCI | 0 | 0 | 0 | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16 | 0 | 0 | 0 | -100% | NM | NM |
| Comprehensive Income/(Loss) Attributable to ( | (12,677) | (6,116) | (2,795) | 9,426 | 8,864 | 14,681 | 2,085 | 27,066 | 10,993 | 18,052 | 9,218 | 7,624 | (12,162) | 52,696 | 45,887 | 42,540 | -533% | -13% | -7% |
| Net Income/(Loss) Attributable to QSG | (12,948) | (6,002) | (3,299) | 7,282 | 9,139 | 15,156 | 2,026 | 27,054 | 11,498 | 17,365 | 9,218 | 7,624 | (14,967) | 53,375 | 45,705 | 42,540 | -457% | -14% | -7% |
| Accretion of the Company's preferred shares | (1,213) | (1,456) | (417) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (3,086) | 0 | 0 | 0 | -100% | NM | NM |
| Net Income/(Loss) Attributable to ordinary sha | (14,161) | (7,458) | (3,716) | 7,282 | 9,139 | 15,156 | 2,026 | 27,054 | 11,498 | 17,365 | 9,218 | 7,624 | (18,053) | 53,375 | 45,705 | 42,540 | -396% | -14% | -7% |
| **Earnings per share, diluted** | **(0.26)** | **(0.13)** | **(0.08)** | **0.12** | **0.16** | **0.27** | **0.04** | **0.49** | **0.21** | **0.32** | **0.17** | **0.14** | **(0.33)** | **0.94** | **0.84** | **0.80** | **-382%** | **-11%** | **-4%** |
| Weighted avg shares outstanding, basic | 54.4 | 57.8 | 45.3 | 56.4 | 56.4 | 55.1 | 54.9 | 53.6 | 52.1 | 54.1 | 53.8 | 53.4 | 53.5 | 55.0 | 53.3 | 52.1 | 3% | -3% | -2% |
| Weighted avg shares outstanding, diluted | 54.4 | 57.8 | 45.3 | 58.6 | 58.3 | 55.8 | 57.0 | 55.6 | 53.8 | 55.1 | 54.8 | 54.5 | 54.0 | 56.7 | 54.5 | 53.1 | 5% | -4% | -3% |
| Non-GAAP Reconciliations | | | | | | | | | | | | | | | | | | | |
| Net Income/(Loss) | (12,948) | (6,002) | (3,299) | 7,282 | 9,139 | 15,156 | 2,026 | 27,054 | 11,498 | 17,365 | 9,218 | 7,624 | (14,967) | 53,375 | 45,705 | 42,540 | -457% | -14% | -7% |
| Share-Based Compensation Expenses | (5,607) | (9,158) | (6,460) | (5,203) | (3,740) | 528 | (2,395) | 1,799 | (1,036) | (715) | (719) | (719) | (26,428) | (3,808) | (3,188) | (2,875) | -86% | -16% | -10% |
| Impairment loss on long-lived assets and goodwill | | | | | | | | (1,382) | 0 | 0 | 0 | 0 | 0 | (1,382) | 0 | 0 | | | |
| Accretion of the Company's preferred shares | 1,213 | 1,456 | 417 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,086 | 0 | 0 | 0 | -100% | NM | NM |
| Income allocation to participating preferred s | 1,929 | 1,080 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,009 | 0 | 0 | 0 | -100% | NM | NM |
| **Adjusted Net Income** | **(10,483)** | **620** | **2,744** | **12,485** | **12,879** | **14,628** | **4,421** | **26,637** | **12,534** | **18,080** | **9,937** | **8,342** | **5,366** | **58,565** | **48,894** | **45,415** | **991%** | **-17%** | **-7%** |
| **Adjusted Earnings per share, diluted** | **(0.19)** | **0.01** | **0.06** | **0.21** | **0.22** | **0.26** | **0.08** | **0.48** | **0.23** | **0.33** | **0.18** | **0.15** | **0.10** | **1.03** | **0.90** | **0.85** | **984%** | **-13%** | **-5%** |
| Weighted average shares outstanding, diluted | 54.4 | 64.7 | 47.5 | 58.6 | 58.3 | 55.8 | 57.0 | 55.6 | 53.8 | 55.1 | 54.8 | 54.5 | 56.3 | 56.7 | 54.5 | 53.1 | 1% | -4% | -3% |

Source: Company reports and Zacks SCR estimates and calculations.

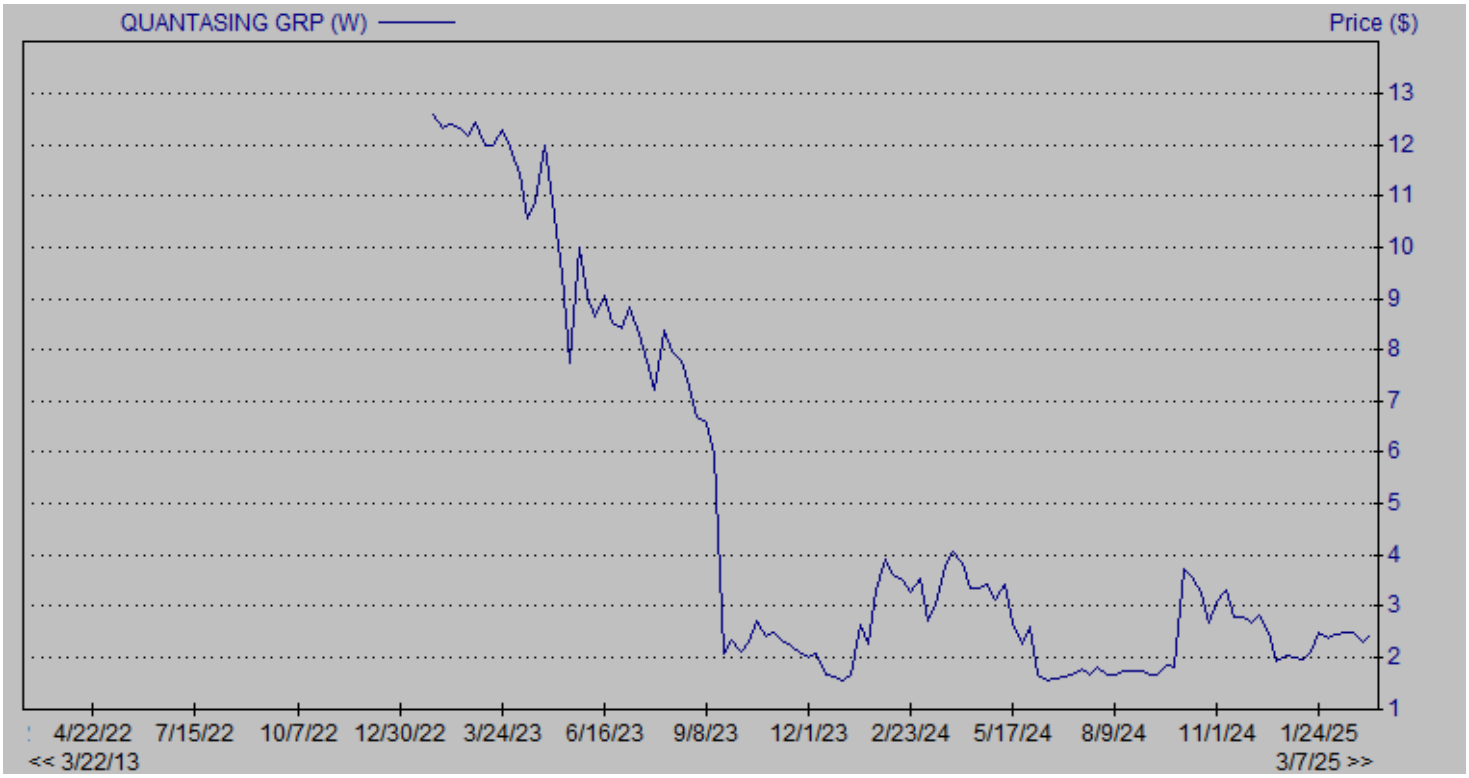
# PROJECTED BALANCE SHEET (RMB)

**QuantaSing Group Limited**
**(RMB in thousands)**

| | Quarterly | | | | | | | | | | | | Annual | | | | Y/Y Growth | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | F1Q23 | F2Q23 | F3Q23 | F4Q23 | F1Q24 | F2Q24 | F3Q24 | F4Q24 | F1Q25 | F2Q25 | F3Q25E | F4Q25E | F2023 | F2024 | F2025E | F2026E | F2024 | F2025E | F2026E |
| | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Jun-23 | Jun-24 | Jun-25 | Jun-26 | Jun-24 | Jun-25 | Jun-26 |
| Assets | | | | | | | | | | | | | | | | | | | |
| Current Assets: | | | | | | | | | | | | | | | | | | | |
| Cash and cash equivalents | 450,236 | 418,762 | 474,015 | 764,281 | 691,812 | 862,917 | 971,575 | 779,931 | 1,027,165 | 1,094,762 | 1,105,710 | 1,116,767 | 764,281 | 779,931 | 1,116,767 | 1,161,437 | 2% | 43% | 4% |
| Restricted cash | 92 | 92 | 0 | 0 | 0 | 0 | 0 | 160 | 250 | 1,174 | 1,186 | 1,198 | 0 | 160 | 1,198 | 1,246 | NM | 648% | 4% |
| Short-term investments | 6,090 | 106,829 | 376,374 | 166,303 | 188,076 | 187,864 | 178,367 | 246,195 | 166,299 | 117,285 | 118,458 | 119,642 | 166,303 | 246,195 | 119,642 | 124,428 | 48% | -51% | 4% |
| Accounts receivable, net | 3,870 | 3,061 | 4,029 | 12,251 | 24,871 | 19,448 | 28,564 | 16,676 | 17,192 | 16,403 | 16,567 | 16,733 | 12,251 | 16,676 | 16,733 | 17,402 | 36% | 0% | 4% |
| Amount due from related parties | 24,933 | 29,570 | 31,371 | 29,116 | 2,391 | 0 | 2,291 | 4,488 | 0 | 0 | 0 | 0 | 29,116 | 4,488 | 0 | 0 | -85% | -100% | NM |
| Inventory, net | 0 | 0 | 0 | 0 | 21,783 | 14,699 | 7,185 | 6,345 | 7,584 | 13,398 | 14,738 | 16,212 | 0 | 6,345 | 16,212 | 22,696 | NM | 156% | 40% |
| Prepayments and other current assets | 123,638 | 149,042 | 122,782 | 136,681 | 186,666 | 156,964 | 182,877 | 275,549 | 209,870 | 157,802 | 159,380 | 160,974 | 136,681 | 275,549 | 160,974 | 167,413 | 102% | -42% | 4% |
| Total Current Assets | 608,859 | 707,356 | 1,008,571 | 1,108,632 | 1,115,599 | 1,241,892 | 1,370,859 | 1,329,344 | 1,428,360 | 1,400,824 | 1,416,038 | 1,431,525 | 1,108,632 | 1,329,344 | 1,431,525 | 1,494,622 | 20% | 8% | 4% |
| Non-Current Assets: | | | | | | | | | | | | | | | | | | | |
| Property and equipment, net | 4,445 | 4,282 | 7,529 | 7,409 | 7,706 | 7,818 | 6,700 | 6,569 | 5,794 | 5,032 | 4,529 | 4,076 | 7,409 | 6,569 | 4,076 | 3,261 | -11% | -38% | -20% |
| Intangible assets, net | 0 | 0 | 0 | 0 | 3,120 | 2,963 | 2,807 | 0 | 59 | 59 | 59 | 59 | 0 | 0 | 59 | 59 | NM | NM | 0% |
| Operating lease right-of-use assets | 20,599 | 106,030 | 93,817 | 84,009 | 75,684 | 67,703 | 64,891 | 58,889 | 47,816 | 37,205 | 33,485 | 30,136 | 84,009 | 58,889 | 30,136 | 18,082 | -30% | -49% | -40% |
| Deferred tax assets | 0 | 0 | 0 | 2,084 | 10,918 | 1,110 | 13,721 | 847 | 2,193 | 2,014 | 2,034 | 2,054 | 2,084 | 847 | 2,054 | 2,137 | -59% | 143% | 4% |
| Long-term investments/goodwill | 0 | 0 | 0 | 0 | 7,389 | 7,389 | 7,389 | 9,010 | 10,623 | 35,776 | 36,134 | 36,495 | 0 | 9,010 | 36,495 | 37,955 | NM | 305% | 4% |
| Other non-current assets | 10,048 | 25,523 | 21,675 | 21,296 | 20,368 | 20,516 | 21,365 | 21,360 | 22,009 | 6,102 | 6,163 | 6,225 | 21,296 | 21,360 | 6,225 | 6,474 | 0% | -71% | 4% |
| Total Non-Current Assets | 35,092 | 135,835 | 123,021 | 114,798 | 125,185 | 107,499 | 116,873 | 96,675 | 88,494 | 86,188 | 82,403 | 79,045 | 114,798 | 96,675 | 79,045 | 67,967 | -16% | -18% | -14% |
| **Total Assets** | **643,951** | **843,191** | **1,131,592** | **1,223,430** | **1,240,784** | **1,349,391** | **1,487,732** | **1,426,019** | **1,516,854** | **1,487,012** | **1,498,441** | **1,510,570** | **1,223,430** | **1,426,019** | **1,510,570** | **1,562,589** | **17%** | **6%** | **3%** |
| Liabilities | | | | | | | | | | | | | | | | | | | |
| Current Liabilities: | | | | | | | | | | | | | | | | | | | |
| Accounts payable | 69,801 | 71,015 | 75,262 | 62,094 | 80,077 | 67,506 | 87,001 | 62,066 | 61,051 | 46,301 | 46,764 | 47,232 | 62,094 | 62,066 | 47,232 | 49,121 | 0% | -24% | 4% |
| Accrued expenses and other current liabilitie | 131,719 | 150,047 | 140,072 | 171,160 | 177,507 | 206,076 | 222,664 | 190,508 | 201,159 | 197,866 | 201,823 | 205,860 | 171,160 | 190,508 | 205,860 | 222,329 | 11% | 8% | 8% |
| Amounts due to related parties | 0 | 0 | 0 | 0 | 0 | 4,150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NM | NM | NM |
| Income tax payable | 13,093 | 14,129 | 16,705 | 8,794 | 8,510 | 2,052 | 5,103 | 20,399 | 45,382 | 51,966 | 52,486 | 53,011 | 8,794 | 20,399 | 53,011 | 55,131 | 132% | 160% | 4% |
| Contract liabilities, current portion | 436,359 | 465,872 | 513,282 | 517,213 | 477,263 | 472,471 | 527,948 | 385,227 | 347,744 | 304,788 | 307,836 | 310,914 | 517,213 | 385,227 | 310,914 | 323,351 | -26% | -19% | 4% |
| Advance from customers | 143,125 | 185,065 | 169,660 | 144,397 | 146,767 | 158,439 | 201,124 | 162,257 | 163,004 | 122,815 | 124,043 | 125,284 | 144,397 | 162,257 | 125,284 | 130,295 | 12% | -23% | 4% |
| Operating lease liabilities, current portion | 15,464 | 34,686 | 33,612 | 41,092 | 33,938 | 35,983 | 46,277 | 49,099 | 56,156 | 45,021 | 45,471 | 45,926 | 41,092 | 49,099 | 45,926 | 47,763 | 19% | -6% | 4% |
| Total Current Liabilities | 809,561 | 920,814 | 948,593 | 944,750 | 924,062 | 946,677 | 1,090,117 | 869,556 | 874,496 | 768,757 | 778,423 | 788,226 | 944,750 | 869,556 | 788,226 | 827,989 | -8% | -9% | 5% |
| Non-Current Liabilities: | | | | | | | | | | | | | | | | | NM | NM | NM |
| Contract liabilities, non-current portion | 4,587 | 1,601 | 142 | 7 | 0 | 0 | 0 | 11,365 | 20,221 | 28,057 | 28,338 | 28,621 | 7 | 11,365 | 28,621 | 29,766 | ###### | 152% | 4% |
| Operating lease liabilities, non-current portio | 3,771 | 73,770 | 65,248 | 52,840 | 50,018 | 42,039 | 29,359 | 16,989 | 2,887 | 2,443 | 2,467 | 2,492 | 52,840 | 16,989 | 2,492 | 2,592 | -68% | -85% | 4% |
| Deferred tax liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11,625 | 16,528 | 23,765 | 24,003 | 24,243 | 0 | 11,625 | 24,243 | 25,212 | NM | 109% | 4% |
| Total Non-Current Liabilities | 8,358 | 75,371 | 65,390 | 52,847 | 50,018 | 42,039 | 29,359 | 39,979 | 39,636 | 54,265 | 54,808 | 55,356 | 52,847 | 39,979 | 55,356 | 57,570 | -24% | 38% | 4% |
| **Total Liabilities** | **817,919** | **996,185** | **1,013,983** | **997,597** | **974,080** | **988,716** | **1,119,476** | **909,535** | **914,132** | **823,022** | **833,231** | **843,581** | **997,597** | **909,535** | **843,581** | **885,559** | **-9%** | **-7%** | **5%** |
| **Total QSG Shareholders' Equity** | **(173,968)** | **(152,994)** | **117,609** | **223,698** | **266,704** | **360,675** | **368,256** | **516,484** | **602,722** | **663,790** | **665,010** | **666,789** | **223,698** | **516,484** | **666,789** | **676,829** | **131%** | **29%** | **2%** |
| Non-controlling interests | 0 | 0 | 0 | 2,135 | 0 | 0 | 0 | 0 | 0 | 200 | 200 | 200 | 2,135 | 0 | 200 | 200 | | | |
| **Total Shareholders' Equity** | **(173,968)** | **(152,994)** | **117,609** | **225,833** | **266,704** | **360,675** | **368,256** | **516,484** | **602,722** | **663,990** | **665,210** | **666,989** | **225,833** | **516,484** | **666,989** | **677,029** | **129%** | **29%** | **2%** |
| **Total Liabilities & Shareholders' Equity** | **643,951** | **843,191** | **1,131,592** | **1,223,430** | **1,240,784** | **1,349,391** | **1,487,732** | **1,426,019** | **1,516,854** | **1,487,012** | **1,498,441** | **1,510,570** | **1,223,430** | **1,426,019** | **1,510,570** | **1,562,589** | **17%** | **6%** | **3%** |

Source: Company reports and Zacks SCR estimates and calculations.

## HISTORICAL STOCK PRICE




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