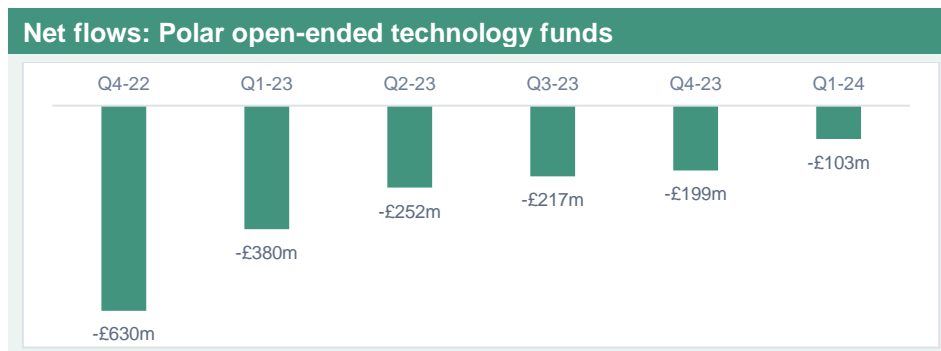


Investment returns mean that FY24 starts well

AUM was up 3% over Q1 of FY24, from £19.2bn on 31 Mar 23 to £19.7bn on 30 Jun 23. Investment returns were strong over the quarter, contributing +£700m (+4%) to AUM growth.

Net flows were negative at -£201m, but the trend continues to improve from the technology sector driven outflows of calendar year 2022 (we remind readers that over FY23 to 31 Mar 23, technology strategies accounted for £1.2bn of the £1.6bn total net outflows). The closure of the Melchior European Absolute Return fund also decreased AUM by £7m.

Polar reported continued demand and inflows into its Sustainable Emerging Market Stars, European ex-UK Income, Healthcare Blue Chip, Biotechnology, and Smart Energy Funds with combined net inflows of £313m. Importantly, with 38% of AUM in technology strategies, the rate of net outflows from open-ended technology funds continued to decline, with just £103m of net outflows in Q1:



Source: Company

On track with recently updated forecasts, still looking undervalued

The Q1 AUM level is ahead of the trajectory required to meet our FY24 AUM forecast, but being so early in the financial year, we believe it would be premature to revise forecasts at this stage.

Our fundamental valuation remains at 625p per share, 32% above the share price, and we maintain our position that there is strong potential for both a company and sector re-rating; as detailed in our recent note on FY23 results [Tough FY23, outlook improving for flows & returns](#).

Key Financials						
Year-end 31 Mar	FY20A	FY21A	FY 22A	FY 23A	FY24E	FY 25E
AUM, £bn	12.2	20.9	22.1	19.2	20.7	22.7
Rev, £m	151.7	201.5	224.1	182.9	178.4	193.8
Management fees, £m	130.8	157.3	210.0	176.2	171.6	184.4
Performance fees, £m	22.3	43.6	14.1	6.7	6.9	9.4
PBT, £m	50.9	75.9	62.1	45.2	48.2	54.3
Core op profit*, £m	41.6	51.5	69.4	47.9	44.1	49.1
Performance fee profit	8.8	19.5	4.1	1.7	3.0	4.1
EPS basic, p	43.5	67.2	50.8	36.8	36.8	40.9
EPS adjusted diluted, p	40.7	62.3	56.0	44.3	38.1	42.0
PER	10.8	7.0	9.3	12.8	12.8	11.5
Div, p	33.0	40.0	46.0	46.0	46.0	46.0
Yield	7.0%	8.5%	9.7%	9.7%	9.7%	9.7%
Net assets, £m	116.1	151.4	156.2	142.9	140.6	142.7
Net cash, £m	107.8	136.7	121.1	107.0	104.2	111.1

Source: Company Historic Data, ED estimates. PER and Yield based on share price of: **472p**
 * excluding performance fees and performance-related costs, other income, exceptional items and tax
 ** Seed inv, securities, fund units held against deferred remuneration, other fin assets & liabilities

Company Data

EPIC	POLR
Price (last close)	472p
52 weeks Hi/Lo	559p/381p
Market cap	£478m
ED Fair Value/share	625p
Net assets	£143m
Avg. daily volume	169k



Source: ADVFN

Description

Polar Capital is an active fund manager, established in 2001. It has 14 autonomous investment teams managing specialist portfolios with a thematic, sector, geographic, or financial instrument focus, including:

- Global Technology
- Global Healthcare
- Global Insurance
- Emerging Markets & Asia
- UK Value
- Global Convertible
- North America
- Sustainable Equity

AUM 30 Jun 2023: £19.7bn

Next Event: Q2 AUM update, 12 Oct

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