

Impax Asset Management



10 January 2022

Q1 AUM ahead of forecast

AUM grew by £4.1bn over Q1 of FY22 (1 Oct 21 – 30 Sep 22), reaching £41.4bn on 31 Dec 21, 11% up over the quarter and 64% up y-o-y (AUM on 31 Dec 20 £25.2bn). Particularly pleasing is the continuation of strong net AUM inflows, which totalled £2.0bn for the quarter. Growth from market movements and investment performance was also very strong, totalling £2.1bn.

It is noteworthy that AUM in Impax's private markets business - mostly investments in European renewable energy infrastructure - grew by 53% in Q1 to £478m, primarily due to net inflows of £167m which was mostly the result of the capital raised by the new **Impax New Energy Investors IV** fund.

Impax's quarterly growth is **ahead of our forecasted trajectory** for FY22 (average quarterly AUM growth of just under £2bn, with AUM reaching around £45bn by 31 Oct 22). However, we highlight that it is still very early in the financial year, and that asset managers' AUM can be volatile, particularly as a result of significant market movements. As such, we will not be revising our forecasts at this stage.

We also remind readers of the longer-term AUM assumptions which underpin our **fundamental valuation of 1,450p per share**. Over the next five years we have assumed that Impax attracts between £6bn and £8bn of net inflows per annum, and achieves an investment performance of around +5% per annum. Q1 22 AUM growth is clearly ahead of these assumptions.

Company Data

EPIC	IPX
Price (last close)	1330p
52 weeks Hi/Lo	1508p/680p
Market cap	£1,764m
ED Fair Value/share	1450p
Proforma net cash	£74.2m
Avg. daily volume	213k

Share Price, p



Source: ADVFN

Description

Impax is a specialist asset manager, focused on the growth opportunities arising from the transition to a sustainable economy. Founded in 1998, it offers a range of thematic and unconstrained global equity strategies, real asset funds, as well as smart beta and fixed income strategies.

AUM on 31 Dec 2021: £41.4bn



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Summary financials & forecasts

Year end 30 Sep	FY19A	FY20A	FY21A	FY22E	FY23E
AUM, £bn	15.1	20.2	37.2	44.9	54.9
Revenue, £m	73.7	87.5	143.1	193.0	229.0
Adjusted Op. Profit*, £m	18.0	23.2	55.8	73.3	89.2
Net profit after tax	15.9	13.7	40.2	57.5	67.7
EPS basic, p	12.2	10.6	31.5	44.1	51.6
EPS adjusted & diluted, p	11.5	14.5	33.9	43.9	51.1
PER	116.1	92.0	39.3	30.3	26.0
Dividend, p	5.5	8.6	20.6	27.4	31.9
Yield	0.4%	0.6%	1.5%	2.1%	2.4%
Net assets, £m	63.2	71.4	110.5	142.3	178.0
Net cash, £m	27.2	38.8	74.2	111.4	151.3

Source: Group report & accounts and ED estimates

PER and Yield calculations based on share price of: **1,330p**

* Adj. results eliminate non-recurring acquisition costs, ongoing amortisation of intangibles acquired, one-off tax credits and mark-to-market of NI on equity award schemes.)



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