

AUM +3% in Q3 on strong markets and acquisition

9 July 2025

AUM increased 3% over Q3 of FY25 (year-end 30 Sep 25) from £25.3bn on 31 Mar 25 to £26.1bn on 30 Jun 25. Investment performance boosted AUM by +£1.0bn or 4% of opening AUM. The Sky Harbor acquisition in the fixed income space closed on 1 Apr 25, adding £1.1bn. Net flows were negative at -£1.3bn, but positive in the month of June, a vast improvement on recent quarters. Impax has said that the improving net flow situation “*reflected strong institutional client commitments and fresh momentum in our wholesale channels in Europe.*”

Impax has also noted that the majority of its AUM follows investment strategies that have outperformed their generic benchmarks this calendar year, which bodes well for future flows.

Our previous forecast for end-FY25 AUM was £25.0bn i.e. £1.1bn lower than current AUM and now looking on the low side. But markets are volatile, with huge uncertainty, especially around US trade/tariff policy. And Impax’s net flows have not yet turned consistently positive. We therefore take a conservative approach, assuming further outflows in Q4 and leaving our forecasts unchanged for now. Further AUM insights will be available with the Q4 AUM update in early-October.

Gap between fundamental value and share price still significant

As detailed in our recent note covering Impax’s interim results, [Tough H1, but shares detached from fundamentals](#), we firmly believe Impax is a robust business with a huge opportunity, and we see a strong medium-term scope for recovery in fundamentals. **Our DCF valuation (detailed in the above note) remains 400p / share, more than twice the share price.**

It is still our view that the commonly held belief that ‘sustainable investing is dead’ appears fundamentally misplaced. Our note above stated: “*While the ‘ESG bandwagon’ may be dying, the global sustainable fund market has not shrunk and remains vast at over US\$3trn in assets, with ample evidence of demand for credible offerings.*”

We think that a period of stabilisation and a return to more consistent positive net flows (proving the demand for Impax’s specialised offering) is nearing, which could trigger a substantial rerating of IPX shares. It is also worth highlighting **Impax’s deeply discounted PER** in comparison to sector peers (see page 2).

Company data

| | |
|------------------------|-----------|
| EPIC | IPX.L |
| Price (last close) | 195.2 |
| 52 weeks Hi/Lo | 418p/121p |
| Market cap | £259m |
| ED Fair Value / share | 400p |
| Net cash** 2024A | £93m |
| Avg. daily volume (3m) | 505k |

Share price, p



Source: Investing.com

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 listed equities, fixed income, systematic, and private markets strategies. AUM on 30 June 2025: £26.1bn

Next event

Q4-25 AUM update Oct 2025

Key financials & valuation metrics

| Year to 30 Sep (£m) | FY22A | FY23A | H124A | FY24A | H125A | FY25E | FY26E |
|---------------------|-------|-------|-------|-------|-------|-------|-------|
| AUM (£bn) | 35.7 | 37.4 | 39.6 | 37.2 | 25.3 | 25.0 | 28.8 |
| Revenue | 175.4 | 178.4 | 86.2 | 170.1 | 76.5 | 141.4 | 129.3 |
| Adj. Op. Profit* | 67.4 | 58.1 | 25.8 | 52.7 | 20.5 | 36.1 | 29.6 |
| PAT | 59.5 | 39.2 | 18.2 | 36.5 | 12.5 | 24.5 | 22.2 |
| EPS basic (p) | 46.0 | 30.5 | 14.3 | 28.5 | 9.8 | 19.5 | 18.3 |
| EPS adj. & dil. (p) | 42.1 | 35.2 | 16.0 | 32.2 | 12.6 | 21.7 | 19.7 |
| Net cash | 110.9 | 91.5 | 65.0 | 93.1 | 65.3 | 55.0 | 57.6 |
| P/E | 4.2 | 6.4 | 6.8 | 6.8 | 9.9 | 10.0 | 10.7 |
| DPS (p) | 27.6 | 27.6 | 4.7 | 27.6 | 4.0 | 13.0 | 13.0 |
| Dividend yield | 14.1% | 14.1% | 2.4% | 14.1% | 2.0% | 6.7% | 6.7% |

Source: Company data, Equity Development, Priced at 08/06/25.

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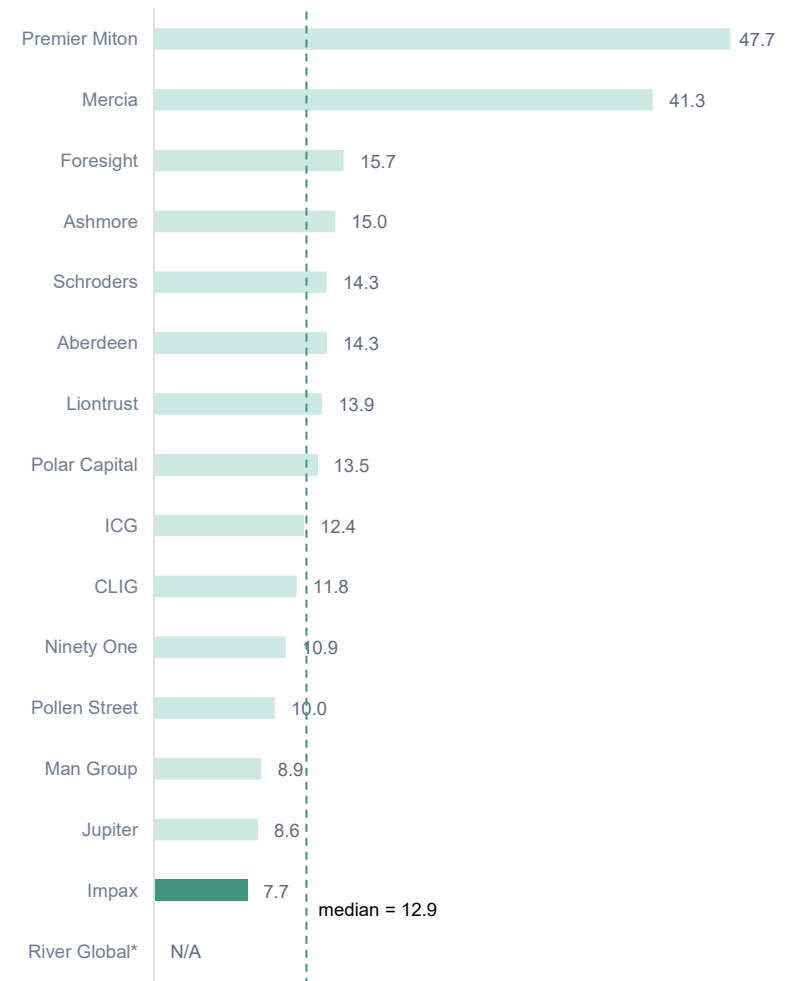
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Impax looking grossly undervalued when compared to peers

Fundamental valuation of 400p per share

- We highlight that Impax's current PER is just 7.7, compared to a peer group median of 12.9.
- Given its niche strategic positioning, solid profit margins, and strong balance sheet, we see this discount as excessive.

PER (TTM) peer group comparison



Source: London Stock Exchange, company announcements. PERs based on share prices on 08 Jun 25 and latest available basic EPS on Trailing Twelve Months (TTM) basis on that date. *Made statutory loss on TTM basis

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