

AUM fall hits results but investment returns strong

20 May 2026

In April, Impax reported AUM had fallen 14% over H126 to £22.3bn. This coincided with a period of very heavy outflows for equity funds generally, and for active and sustainable funds especially (p 3 & 4). So, the consequential hit to results is no surprise. Revenue fell 10% from the prior six-month period (H225) to £58.8m, and 23% y-o-y (H125: £76.5m). Adjusted operating profit fell 45% y-o-y to £11.3m (H125: £20.5m) and profit after tax 57% to £5.4m (H125: £12.5m). However, the balance sheet and cash position remain robust (net cash £46m, no debt).

Impax cut adjusted operating costs by 15% y-o-y and is taking further cost reduction measures to reduce the impact of the recent AUM fall. It will cut c. 30 roles (11% of headcount) in H2. It is also closing some subscale funds.

And growth prospects are starting to look a little brighter.

- In H1, redemptions were not widespread across the client base but driven by a small number of institutional investors. Impax has noted an **improving flow trend in its wholesale channel and from its largest distribution partner, BNP Paribas** (BNPP makes up c. 26% of revenue).
- Market conditions have turned more favourable for a number of strategies, especially Thematic strategies which make up 62% of AUM (p 6). **YTD, 70% of AUM outperformed benchmark (p 7 & 8), and investment outperformance such as this tends to lead net flows.**
- Investors are certainly deploying funds to active managers, albeit highly selectively (p 5). And with elevated geopolitical uncertainty, Impax's deep expertise in areas such as energy efficiency, energy security, renewable energy, critical infrastructure (incl. energy, water, and digital) and environmental risk, could make it a highly attractive manager for asset owners' capital.
- Additionally, new products such as the *Impax Global Sustainable Infrastructure ETF*, listed on NYSE Arca, and new capital raises for private markets strategies should contribute to growth.

While this is a difficult period for Impax, we are confident it can recover from this trough and thrive.

Fair value unchanged at 250p per share, far above share price

We make only small adjustments to our forecasts (p 13) and **our DCF valuation remains 250p / share**, more than twice the share price. We also highlight that **Impax's adj. PER is just 8.2** (see p 14), versus a peer group median of 12.0. These low ratings prevail despite Impax's cash and on-balance sheet investments (seeding of funds) making up 48% of current market capitalisation (and that is at the low point of the annual cash cycle due to dividend and annual bonus payments in H1).

Company data

EPIC	IPX.L
Price (last close)	103.4p
52 weeks Hi/Lo	210p/94p
Market cap	£131m
ED Fair Value / share	250p
Net cash** H126A	£46m
Avg. daily volume (3m)	783k

Share price, p



Source: Investing.com

Description

Founded in 1998, Impax is a specialist asset manager, with approximately £22.3 billion of AUM on 31 March 2026, in both listed and private markets strategies, investing in the transition to a more sustainable global economy.

It seeks to invest in higher quality companies with strong business models that demonstrate sound management of risk. Its investment solutions span multiple asset classes and seek superior risk-adjusted returns over the medium to long term.

Next event

Q326 AUM update, July 2026

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Key financials & valuation metrics

Year to 30 Sep (£m)	FY23A	FY24A	H125A	FY25A	H126A	FY26E	FY27E
AUM (£bn)	37.4	37.2	25.3	26.1	22.3	22.8	24.3
Revenue	178.4	170.1	76.5	141.9	58.8	110.3	111.7
Adj. Op. Profit*	58.1	52.7	20.5	33.6	11.3	14.9	19.6
PAT	39.2	36.5	12.5	20.3	5.4	8.0	14.3
EPS basic (p)	30.5	28.5	9.8	15.9	4.4	6.6	11.8
EPS adj. & dil. (p)	35.2	32.2	13.7	21.3	7.4	10.4	13.3
Net cash**	91.5	93.1	65.3	68.0	47.1	61.1	65.6
P/E	3.4	3.6		6.5		15.7	8.8
DPS (p)	27.6	27.6	4.0	12.0	2.0	6.0	9.0
Dividend yield	26.7%	26.7%	3.9%	11.6%	1.9%	5.8%	8.7%

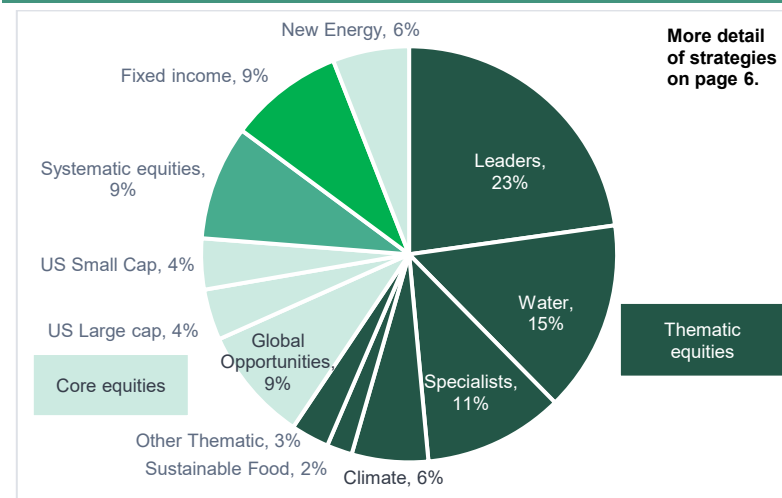
Source: Company data, Equity Development, priced at 19/05/26 *See page 10, **See page 12.

Impax at a glance

History and structure

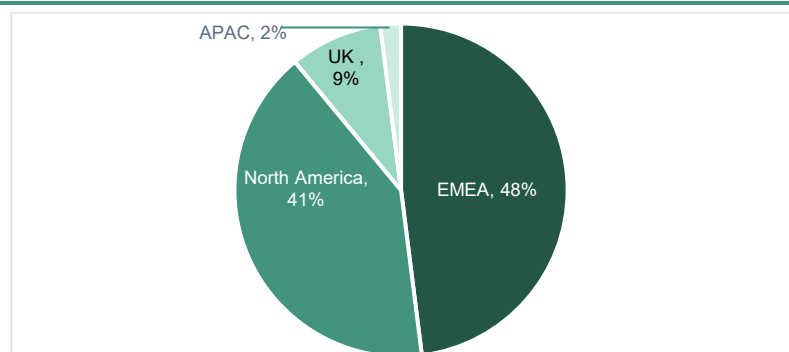
- Impax is a specialist asset manager, focused on the growth opportunities arising from the transition to a sustainable economy.
- Launched in 1998, it listed on AIM in 2001 and is still led by founder Ian Simm (CEO), who owns c. 7% of the business.
- It offers a range of listed equities strategies (87% of AUM), fixed income (10%), and private markets (3%) strategies. It is looking to grow fixed income as a % of AUM and has made two recent acquisitions in this space.
- It employs 269 people, the bulk of which are based in the UK and the US, with smaller offices in Ireland, Hong Kong, Japan, and Denmark.

Revenue by investment strategy



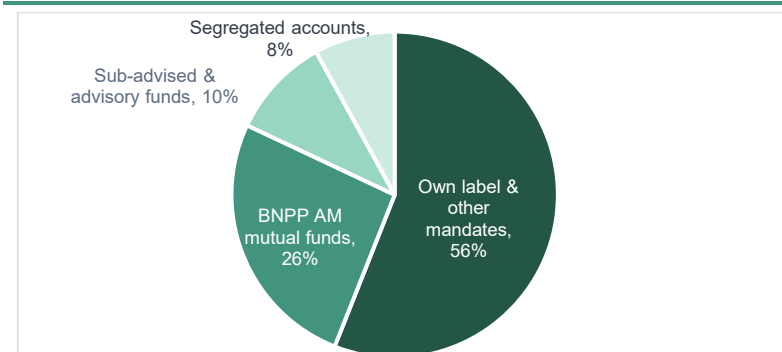
Source: Company, as at 31 Mar 26. *Thematic equities focus on one area of the transition to a more sustainable economy. Core equities are sustainability strategies use a proprietary Impax framework for thinking about the risks and opportunities associated with the transition in every corner of the investable universe.

Revenue by region*



Source: Company, as at 31 Mar 26.
*Regional data is by fund/account country of domicile. EMEA includes Impax Irish UCITS platform and SICAV funds sub-managed for BNP Paribas Asset Management and other distribution partners.

Revenue by client type*

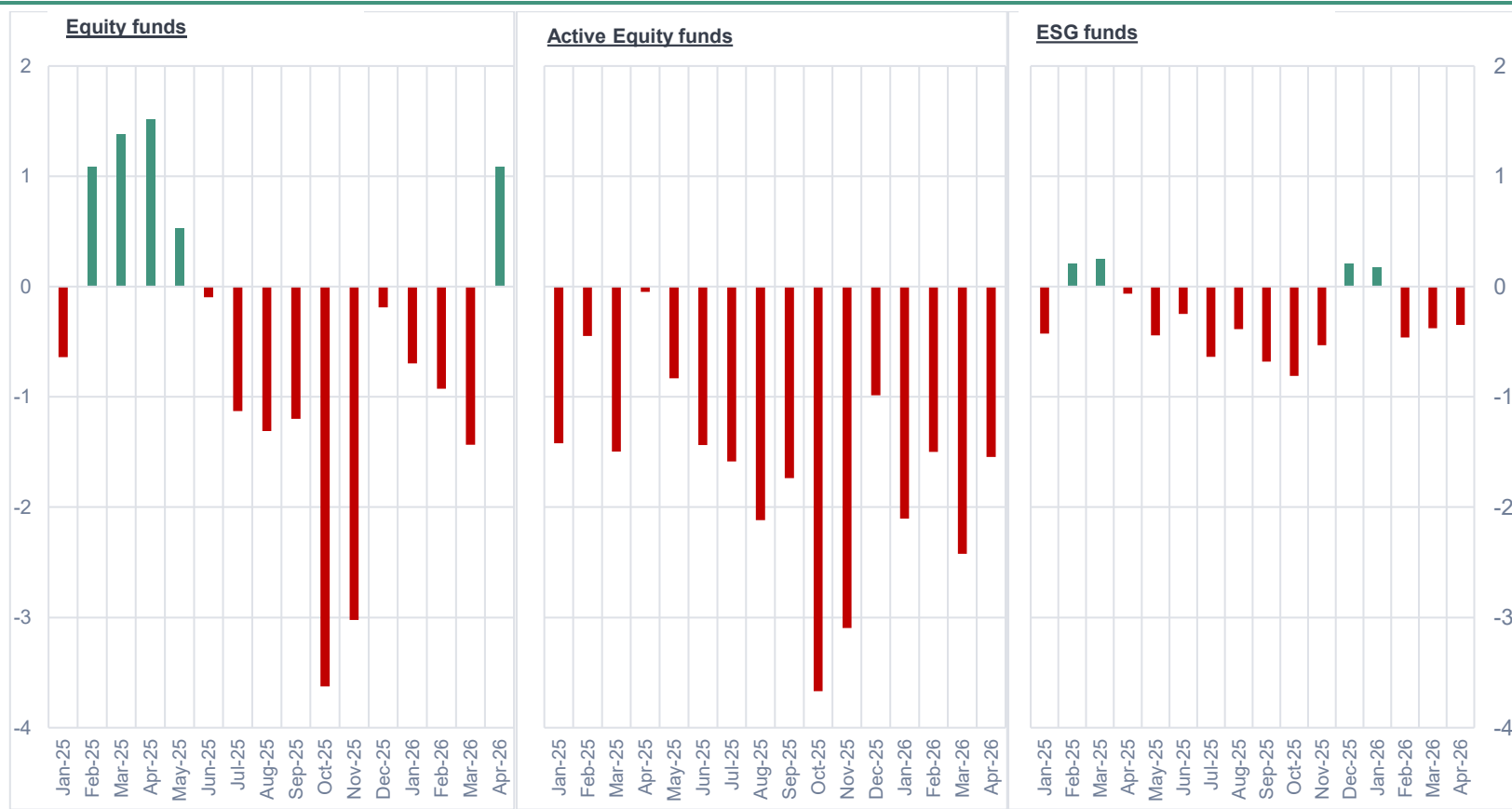


Source: Company, as at 31 Mar 26.
**Own label' includes Irish UCITS platform in Europe, Impax Funds and Delaware Funds in US and Impax New Energy Funds; "other mandates" includes segregated mandates.

Heavy outflows continue for equity funds generally, and active funds especially

Market fund flow statistics from Calastone show that Impax’s H126 was a period of heavy outflows from UK-domiciled equity funds. However, there was an encouraging uptick in April, although this was in a narrow group of funds with a US-bias. Calastone said: “UK investors jumped back into equity funds in April after a record 10-month stint of selling... They added a net £1.08bn to equity funds, making April 2026 the best month for inflows since April 2025. Investors were choosy. They only committed new capital to US equity and global equity funds (these are US-heavy), which saw inflows of £1.14bn and £1.33bn respectively. Every other category of equity funds saw outflows.”

UK open-ended net fund flows by month, £bn



Source: Calastone Fund Flow Index, Chart reproduced with permission. Calastone measures orders from UK-based investors into funds domiciled in the UK. Note that this has nothing to do with where the underlying assets are invested – a UK-domiciled fund may invest in Japanese equities, Australian fixed income, a global portfolio of mixed assets, or just UK equities.

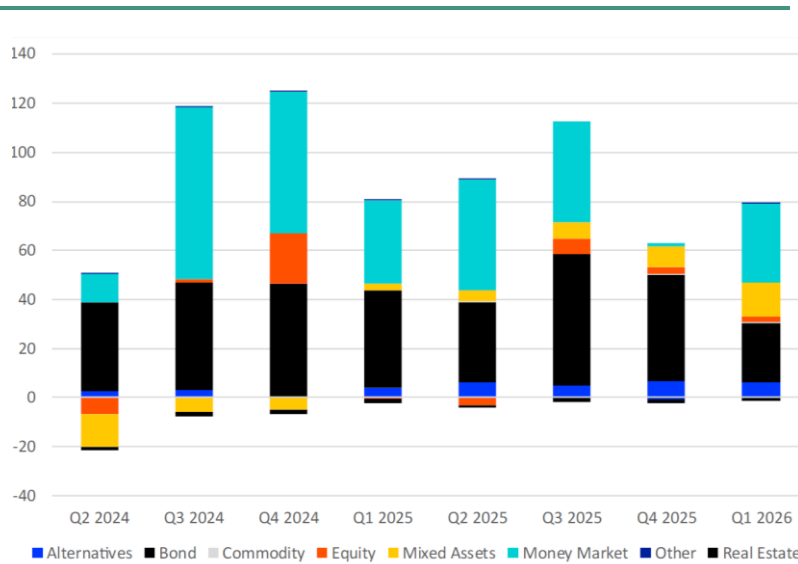
Sustainable equity funds have also seen outflows, but bond funds have attracted capital

In Europe, the largest sustainable fund market by far, Article 8 bond funds (Article 8 funds *promote* environmental and/or social characteristics) have consistently attracted capital in recent years (black bars in left chart below). With a growing fixed income offering, Impax is well positioned to capture its share of any continuation of this trend.

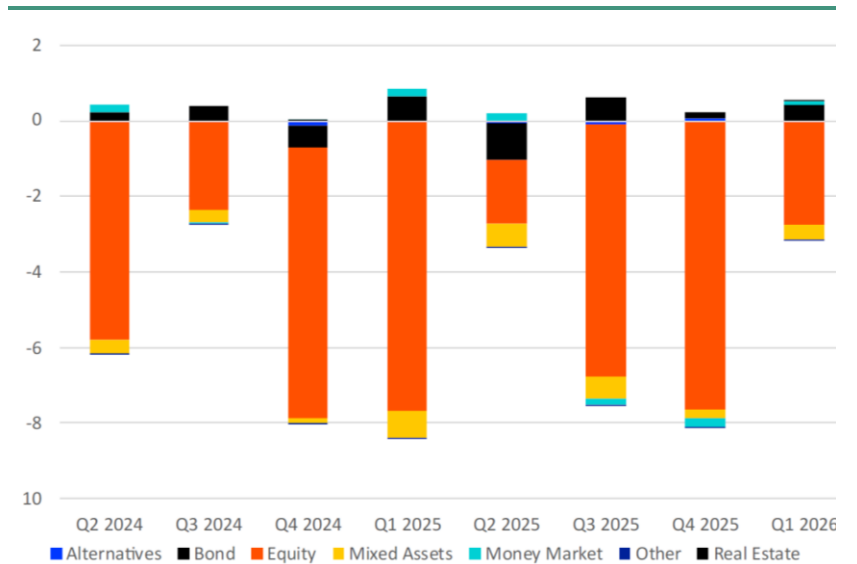
Meanwhile, Article 9 equity funds (Article 9 funds have sustainable investment as their explicit objective) have seen heavy outflows in recent quarters (orange bars in right chart below). This trend has certainly impacted Impax's net flows.

But it is worth highlighting that **the sustainable investing market in which Impax operates is still huge, estimated at c. €9trn in Europe alone** (excl. UK). In addition to this, Impax also operates in the UK, US, and APAC, which are smaller markets, but still significant.

Article 8 quarterly flows, Q2 2024 to Q1 2026 (€bn)



Article 9 quarterly flows, Q2 2024 to Q1 2026 (€bn)



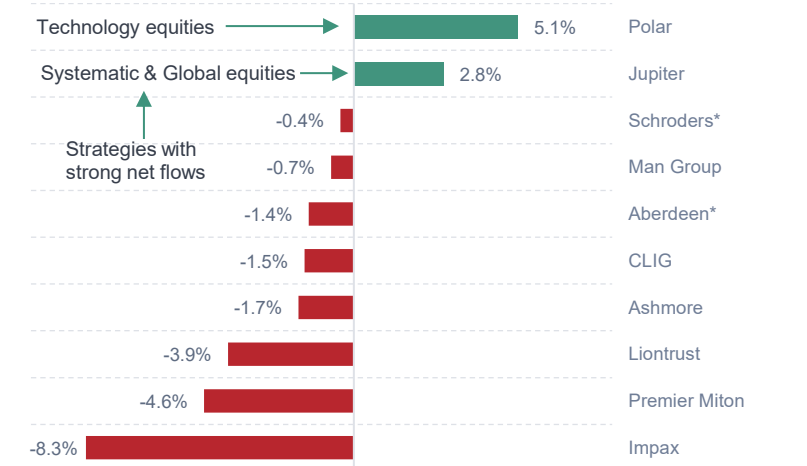
Source: LSEG Lipper, *Everything Green Flows: Europe, Q1 2026*. Chart reproduced with permission.

Not a one-way street for passive, pockets of demand for active management

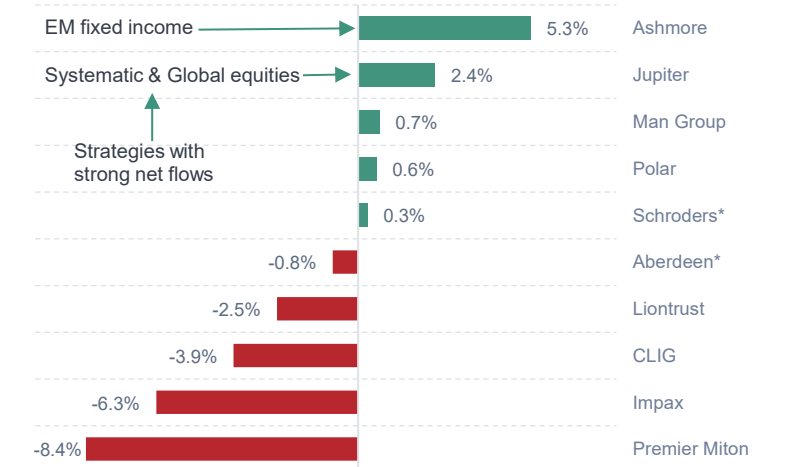
Mostly weak flows, but selective deployment to active strategies

- While the general environment for active managers' flows has been very weak, flows are certainly not a one-way street towards passive. There are pockets of activity where investors have been deploying capital to actively managed strategies. Areas which have seen net inflows include:
 - Technology equities, which naturally have a US bias, with Polar Capital a major beneficiary;
 - Systematic equities, with Jupiter (in the last few quarters) and Man Group (throughout 2025) benefiting;
 - Global equities, which again have a US bias, with Jupiter a beneficiary;
 - EM fixed income, with Ashmore enjoying strong flows in Q4-25.
- Looking forward, with a strong likelihood of prolonged geopolitical uncertainty and disruptions to energy markets in particular, it wouldn't surprise us to see investors seeking out active managers which are well positioned to navigate this environment.
- **Impax's deep expertise in areas such as energy efficiency, energy security, renewable energy, critical infrastructure (including energy, water, and digital infrastructure) and environmental risk would surely put it high on any investors' radar.**
- We think it could become a highly attractive manager for asset owners' capital.
- Impax has said that it has a number of fixed income accounts in its pipeline that could convert in H2, and it is seeing particular interest from US investors in its US Small Cap strategy.

Net flow rates, calendar Q1-26 (1 Jan 26 – 31 Mar 26)



Net flow rates, calendar Q4-25 (1 Oct 25 – 31 Dec 25)



Source: company reports, ED analysis. *Asset management business units only

Impax’s AUM: offering and investment performance

25 focused and highly differentiated strategies across asset classes

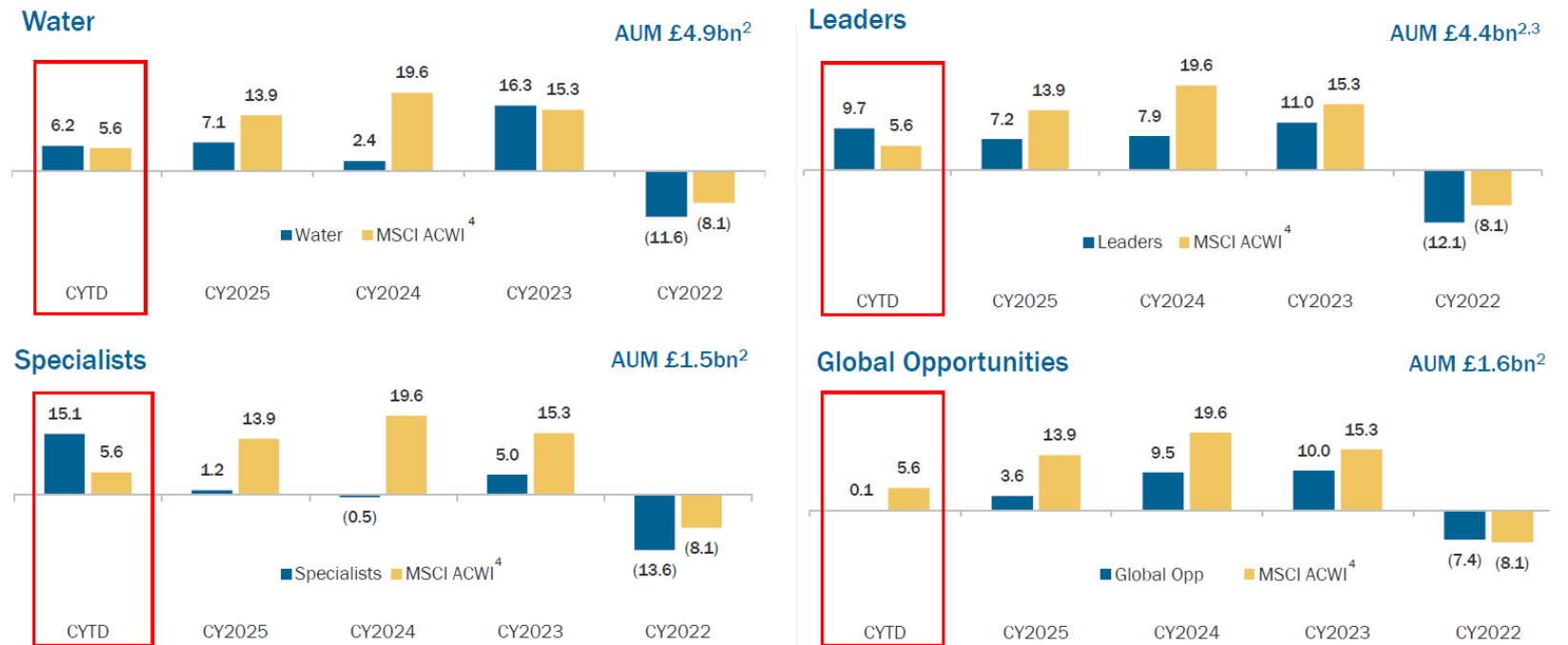
Thematic Equities	Core Equities	Fixed Income	Private & Multi
<p>Leaders All-cap global equities investing in Environmental Markets</p> <p>Water All-cap global equities. Companies operating across the water infrastructure, utilities and treatment sectors</p> <p>Specialists Global equities investing in stocks of small and mid-cap environmental services and technology companies.</p> <p>Climate Listed equities with exposure to products and services enabling mitigation of climate change or adaptation to its consequences.</p> <p>Sustainable Food Investing in companies helping to address the sustainability challenges facing the food sector.</p> <p>Asian Environmental Invests regionally in APAC companies active in the rapidly growing resource efficiency and environmental markets.</p> <p>US Environmental Leaders All-cap US equities investing in Environmental Markets.</p>	<p>Global Opportunities All-cap global equities investing in high quality companies with sustainability tailwinds.</p> <p>International Sustainable Economy Systematic strategy investing in non-US developed markets companies positioned to benefit from the transition to a more sustainable economy.</p> <p>US Large Cap Strategy US large cap companies with strong prospects and attractive valuations.</p> <p>US Sustainable Economy Strategy A systematic strategy investing in US companies positioned to benefit from the transition to a more sustainable economy.</p> <p>US Small Cap Strategy Focused on risk management and identifying high quality US small cap companies with fair valuations.</p> <p>Impax Global Women’s Leadership Systematic, global large cap strategy investing in companies that advance gender diversity and equity</p> <p>Global Social Leaders Global equities. Companies with strong corporate cultures and that provide products or services benefitting society.</p> <p>Global Emerging Markets Opportunities All-cap equities investing in high quality companies with sustainability tailwinds within emerging markets</p> <p>Sustainable Infrastructure Focused on the infrastructure that will drive the transition to a more sustainable economy.</p>	<p>US Short Duration High Yield Diversified high current income strategy. US\$ denominated high yield debt expected to be redeemed in <3Y.</p> <p>Core Bond Broad, diversified exposure across a range of investment grade credit sectors - single solution fixed income portfolio.</p> <p>US High Yield Bond Seeking high current income and capital appreciation from a diversified portfolio of predominantly high yield securities.</p> <p>Global High Yield Bond Investing in attractive High Yield credits globally.</p> <p>Global Short Maturity Responsible High Yield Diversified, high current income strategy. US\$ and non-US\$ high yield debt expected to be redeemed in <5Y.</p> <p>Emerging Markets Corporate Bond Diversified, investing in Emerging Markets focusing on corporate fundamentals and attractive risk adjusted return.</p> <p>Core Plus Bond Diversified, multi-sector broad fixed income exposure to core and plus sectors - single portfolio solution.</p>	<p>Private Markets (New Energy Strategy) Investing in renewable energy infrastructure.</p> <p>Sustainable Allocation Multi-asset strategy using a dynamic risk-focused asset allocation approach and diversifies across a broad range of Imax strategies.</p>

Source: Impax website. Strategies are listed top to bottom in order of descending AUM (some smaller strategies AUM not available). See also page 2 for relative AUM size of strategies.

Listed-equity investment performance starts to outperform

Investment performance improved meaningfully from January onwards, with **70% of AUM outperforming generic indices** during the calendar year to the end of April. Impax's active thematic listed equities strategies (which account for 62% of total AUM) have benefitted from market broadening and our portfolio managers' stock selection.

Largest equity strategy performance versus benchmark (GBP, annualised, %) ¹

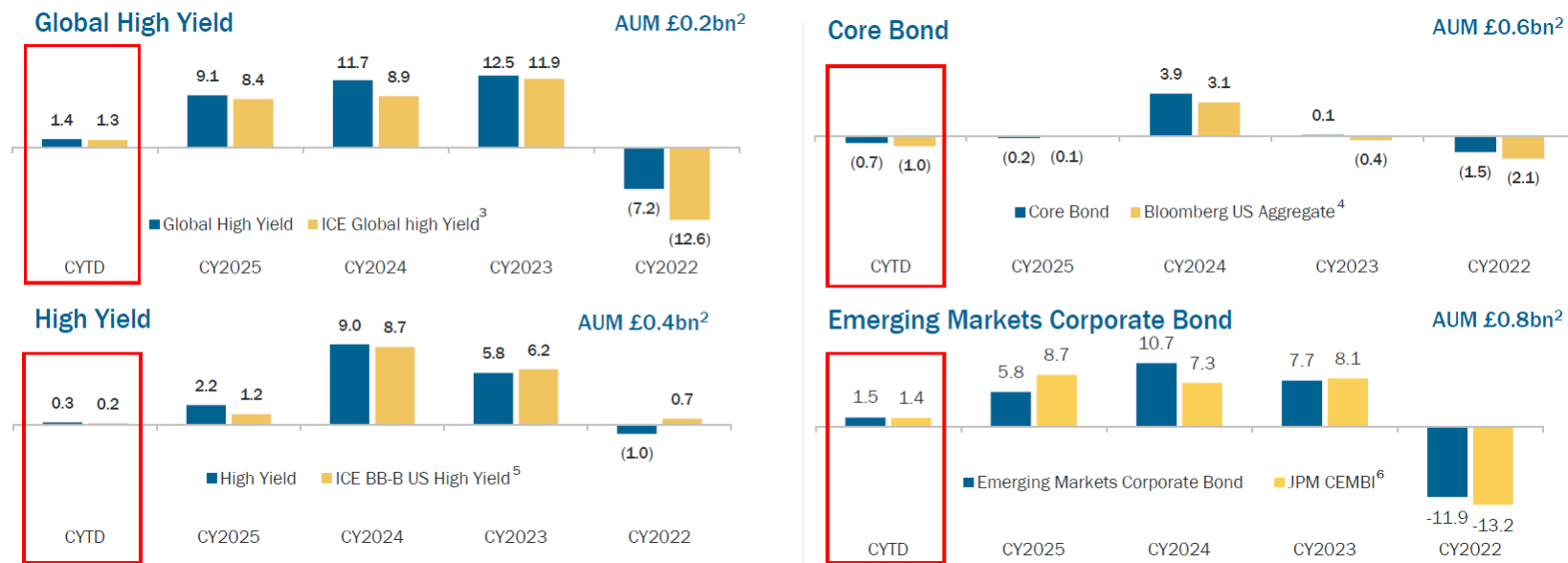


Source: Impax. ¹ 'CYTD': Year-to-date as at 30 April 2026. In line with market standards, the strategy returns are calculated including the dividends re-invested, net of withholding taxes and gross of management fees. Impax Asset Management claims compliance with Global Investment Performance Standards (GIPS)®. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organisation, nor does it warrant the accuracy or quality of the content contained herein. Further information on composite data is available on request. ²AUM as at 31 March 2026. ³A hybrid account is not included in the Total AUM of the Leaders strategy and the AUM of this account is £596m. ⁴MSCI indices are total net return (net dividend re-invested). See appendix for more detail on strategy performance.

Fixed income investment performance has been strong for some time now

In fixed income, Impax's relative and absolute performance has been positive, with relatively consistent outperformance versus benchmarks over a number of years.

Largest fixed income strategy performance versus benchmark (GBP, annualised, %)¹



Source: Impax. 1. 'CYTD': Year-to-date as at 30 April 2026. In line with market standards, the strategy returns are calculated including the dividends re-invested, net of withholding taxes and gross of management fees. Impax Asset Management claims compliance with Global Investment Performance Standards (GIPS)®. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organisation, nor does it warrant the accuracy or quality of the content contained herein. Further information on composite data is available on request. 2. AUM as at 31 March 2026. 3 The ICE BofA Global High Yield Index tracks the performance of below investment grade corporate debt of issuers domiciled in countries having an investment grade foreign currency long-term debt rating (based on an average of Moody's, S&P and Fitch). 4Bloomberg Barclays US Aggregate Bond Index is a broad-based index, maintained by Bloomberg L.P. often used to represent investment grade bonds being traded in United States. 5The ICE BofAML US High Yield BB-B (Constrained 2%) index ("Benchmark") tracks the performance of BB- and B-rated fixed income securities publicly issued in the major domestic or eurobond markets, with total index allocation to an individual issuer limited to 2%. See appendix for more detail on strategy performance. 6The JP Morgan CEMBI Broad Diversified Index tracks the performance of US dollar-denominated bonds issued by emerging market corporate entities. The diversification methodology limits the weights of the larger index countries by only including a specified portion of those countries' eligible face amount outstanding, thus reducing single issuer concentration and providing a more even distribution of weights.

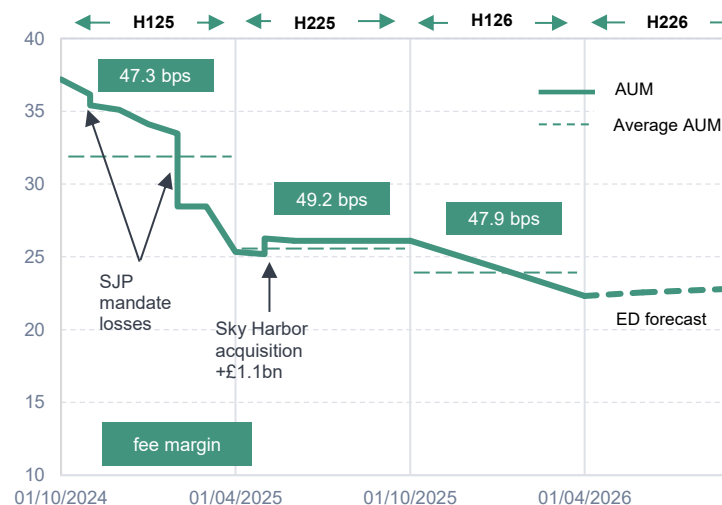
Analysis of H126 financials

AUM fall drives revenue fall

Sharp revenue fall y-o-y, less stark compared to H225

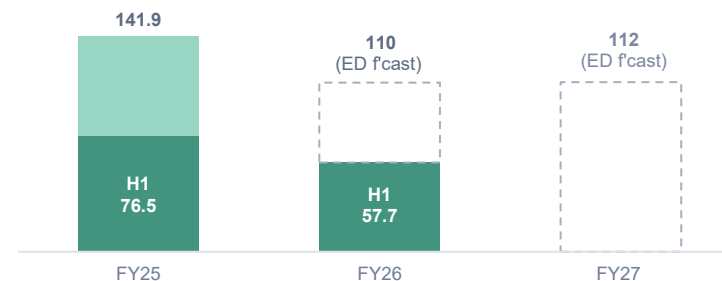
- Year on year H126 to H125 comparisons are stark. This is because during part of H125 AUM levels were substantially higher. These fell sharply with the loss of two SJP accounts totalling c. £6.2bn (see top chart). H126 revenue (£58.8m) was 23% lower than that of H125 (£76.5m).
- While AUM also fell compared to the immediately prior half-year (H225), the half-on-half revenue fall was not nearly so dramatic, down 10% (H126: £58.8; H225: £65.4). This was primarily due to an average AUM fall from c.£25.9bn in H225 to c. £24.2bn in H126, impacted primarily by the loss of a small number of institutional accounts.
- Average fee margin for the period was 47.9bps.
- We expect a small increase in AUM over H2, but given the low starting point, average AUM for H2 is expected to be lower than H1, and we forecast full-year FY26 revenue to be c. £110m, picking up to c. £112m in FY27.

AUM (£bn) profile



Source: Company, ED analysis

Group revenue, £m



Source: Company, ED analysis

Adjusted income statement

Operating costs cut by 15% to minimise impact of AUM and revenue fall

- In addition to statutory accounts, Impax reports *adjusted operating profit*, which eliminates some volatile and non-cash costs and allows for a clearer view of the underlying performance of the business. Excluded costs are amortisation of intangible assets arising from acquisitions; charges in respect of acquisition-related incentive schemes; mark-to-market effects of NIC payable on share awards; and foreign exchange gains and losses.
- The remaining **adjusted operating costs decreased by 15% y-o-y from £55.9m in H125 to £47.5m in H126.**
- This fall was driven by an efficiency program which reduced **headcount by 9%** from 296 on 31 Mar 25 to 269 on 31 Mar 26, and making greater use of technology and automation.
- **Headcount is set to reduce by another c. 30 roles, and a number of sub-scale funds are to close.**
- **We forecast a 12% y-o-y reduction of adjusted operating costs in FY26 over FY25** (this is also dependant on AUM growth and the link to staff variable costs).
- Adjusted operating profit fell 45% from £20.5m in H125 to £11.3m in H126, with adjusted operating margin falling from 26.8% to 19.2%.

'Adjusted operating' income statement, £m & key cost changes

	H126	H125	Change
Revenue	58.8	76.5	(23%)
Staff costs	(30.4)	(37.1)	(18%)
Non-staff costs*	(17.1)	(18.9)	(10%)
(*includes: IT & communications, direct fund expenses, professional fees, premises and other expenses)			
Total adjusted operating costs	(47.5)	(55.9)	(14%)
Adjusted operating profit	11.3	20.5	(36%)
Adjusted Operating Margin	19.2%	26.8%	
Key changes to cost base:			
Total number of employees (period end)	269	296	(9%)
Fixed staff cost incr./decr. from prior year	(1.2)		
Variable staff cost incr./decr. from prior year	(1.2)		
Non-staff cost increase from prior year	(1.4)		
Variable staff cost/bonus policy			
<i>The Company's policy is to pay salaries and benefits that are broadly in line with market median levels and, under normal circumstances, to award a total variable performance-related remuneration amount ("the Bonus Pool") of up to 45% of adjusted operating profit.</i>			

Source: Company. Totals may not add due to rounding.

Statutory Income statement

AUM fall has significant impact on revenue and profits

- The main differences in costs between adjusted operating profit and statutory operating profit are:
 - One-off redundancy and restructuring costs of £2.5m
 - Amortisation of intangibles (management contracts arising from the previous Impax NH acquisition in the US and the Jul 24 acquisition of Impax Denmark (Absalon): £1.4m (H125: £1.3m).
 - Exceptional costs related to the Impax Denmark and Sky Harbor acquisitions, which were £0.2m (H125: £0.4).
 - Acquisition equity incentive charges of £0.10m (H125: £0.07).
 - Mark to market changes on equity awards which were £0.3m (H125: -£0.6m).
- In turn, IFRS operating profit decreased 58% from £17.6m in H125 to £7.4m.
- Finance income (mostly interest income) was £1.1m (H125: £1.7m), while finance costs were £0.3m (mostly fair value losses and interest on lease liabilities).
- PBT was down 56% from £18.6m in H125 to £8.2m and PAT down 57% from £12.5m to £5.4m, with an effective tax rate of 34.1% due to some non-deductible expenses.
- Basic EPS was down 55% to 4.4p and diluted EPS also fell 55% to 4.4p.

Bridge from adjusted to IFRS income statement, £m

	H126	H125
Revenue	58.8	76.5
Total adjusted operating costs	(47.5)	(55.9)
Adjusted operating profit	11.3	20.5
Bridge to IFRS profits		
Amortisation of intangibles (acquisitions)	(1.4)	(1.3)
Acquisition equity incentive charges	(0.1)	(0.1)
Mark to market charge on equity awards	0.3	0.6
Exceptional acquisition costs	(0.2)	(0.4)
Redundancy & restructuring costs	(2.5)	(1.7)
Total operating costs	(51.4)	(58.9)
Operating profit	7.4	17.6
Finance income	1.1	1.7
Finance costs	(0.3)	(0.6)
Profit before tax	8.2	18.6
Tax	(2.8)	(6.1)
Profit after tax	5.4	12.5
Basic EPS	4.4	9.8
Diluted EPS	4.4	9.7

Source: Company

Balance sheet and cash flow

Balance sheet solid, no debt, healthy capital surplus

- Impax maintains its strong balance sheet, with net assets down y-o-y to £106.2m from £116.6m. **It has no debt.**
- The group provides a capital resources breakdown (chart on right) that considers minimum regulatory cash. This shows a **capital surplus of £53.7m**, including seed investments (£17m), which can be utilised to pursue organic or acquisitive growth opportunities, buy shares for the employee benefit trust (to avoid dilution from share awards), and the like.

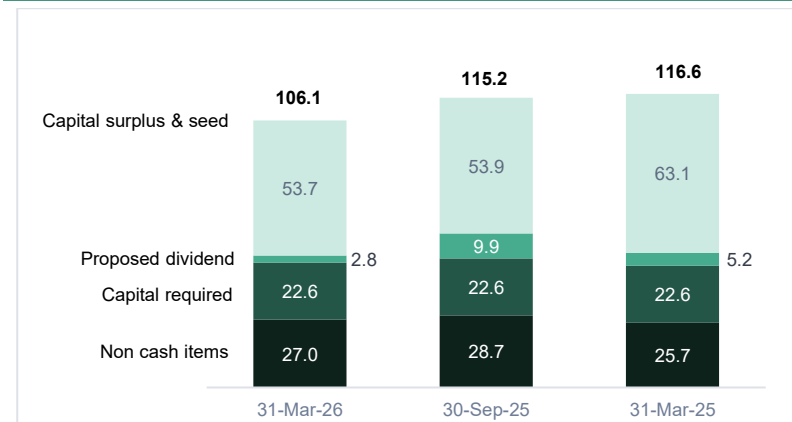
Source: Company

Cash position still very strong

- Cash generated from operating activities (after tax) was -£2.7m (H125: £3.6m).
- As expected, cash reserves declined during the period from £64.7m on 30 Sep 25 to £46.0m (these exclude 3rd-party interest on consolidated funds and therefore differ slightly from accounting 'net cash' which includes these funds).
- Note that end-H1 is usually the low-point of Impax's annual cash cycle due to the payment of the prior-year final dividend (£9.9m) and annual staff bonuses being paid during this period.

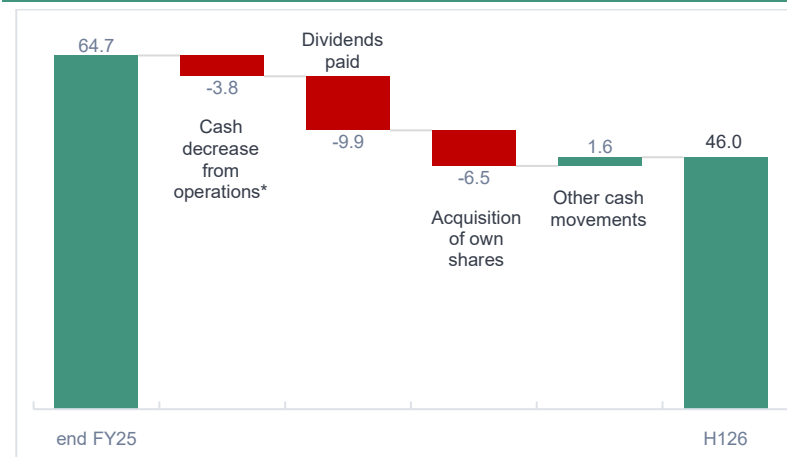
Source: Company

Capital allocation, £m



Source: Company

Cash movements between end-FY25 and end-H126, £m



Source: Company.
Excludes third-party interest on consolidated funds and cash held in Research Payment Accounts.
*Cash generated from operations after tax and lease-related charges.

Updated forecasts

The main changes to our FY26 and FY27 forecasts are shown below. The most significant points being:

- **For FY26**
 - We have allowed for higher redundancy and restructuring costs than our previous forecast, with a knock-on effect of statutory profits being lower than forecast.
- **For FY27**
 - We reduce our AUM and revenue forecast downwards slightly.
 - We reduce operating costs to take into account further cost cuts.
 - Our profit forecasts remain largely unchanged.

Forecast changes

Year to 30 Sep (£m)	FY26E			FY27E		
	Revised	Old	Change	Revised	Old	Change
AUM (£bn)	22.8	22.8	0%	24.3	25.6	-5%
Revenue	110.3	110.3	0%	111.7	113.4	-1%
Adjusted Op. costs*	95.4	95.4	0%	92.1	93.9	-2%
Adjusted Op. Profit**	14.9	14.9	0%	19.6	19.4	1%
Adjusted Op. margin	13.5%	13.5%		17.5%	17.2%	
Net profit after tax	8.0	11.1	-28%	14.3	14.5	-1%
EPS basic, p	6.6	9.1	-28%	11.8	11.9	-1%
EPS adjusted & diluted, p	10.4	10.6	-2%	13.3	13.4	-1%
Net cash***, £m	61.1	65.1	-6%	65.6	69.7	-6%
P/E	15.7	11.3		8.8	8.7	
DPS, p	6.0	6.0	0%	9.0	9.0	0%
Dividend yield	5.8%	5.8%		8.7%	8.7%	

Source: Equity Development, Priced at 19/05/2026

*IFRS costs less non-recurring acquisition costs, amortisation of intangibles acquired, one-off tax credits & mark-to-market of NI on equity awards

**Revenue less adjusted operating costs

***ex. leases, incl. 3rd-party interest on consolidated funds.

Impax looking undervalued on fundamentals and when compared to peers

Fundamental valuation of 250p per share: PE 8.2* v peer median 12.0

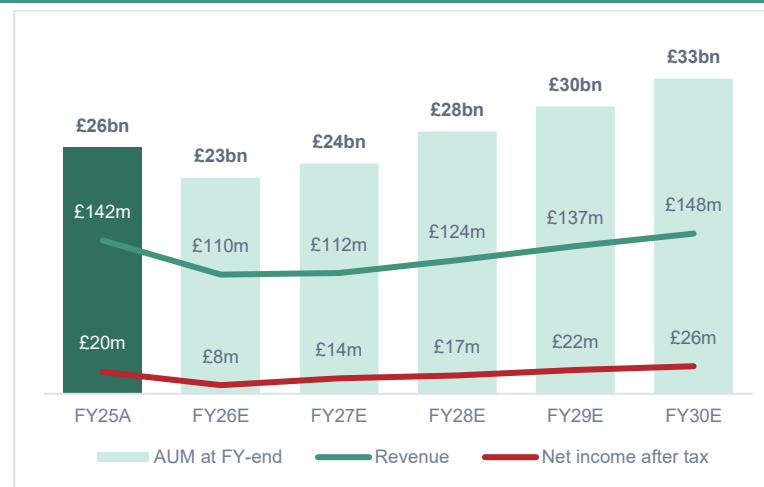
Our fundamental valuation of Impax uses a discounted cash flow methodology based on the following primary assumptions:

- Over a 5-year explicit forecast period:
 - AUM returns to growth in FY27, driven by a return to positive net flows, with a CAGR of 10% between FY27 and FY30 (including an assumed investment return of 5% per annum).
 - Revenue grows at a CAGR of 8% between FY27 and FY30, lower than AUM because we have assumed some price erosion over time due to competitive pressures and a greater focus on fixed income with a lower revenue yield.
 - Adjusted operating margins initially fall to c. 14% in FY26 before recovering to c. 25% in FY30, driven by a return to AUM growth and as the current round of cost cuts benefit margins in future years.
 - The absolute value of PAT falls to c. £8m in FY26 (hit by significant redundancy and restructuring costs), recovering to c.£26m in FY30.
- The business is acquired at a PER of 15 after year 5 (the terminal value in our DCF calculation), which we again believe to be a conservative assumption.
- All future cash flows are discounted at a rate of 13%.

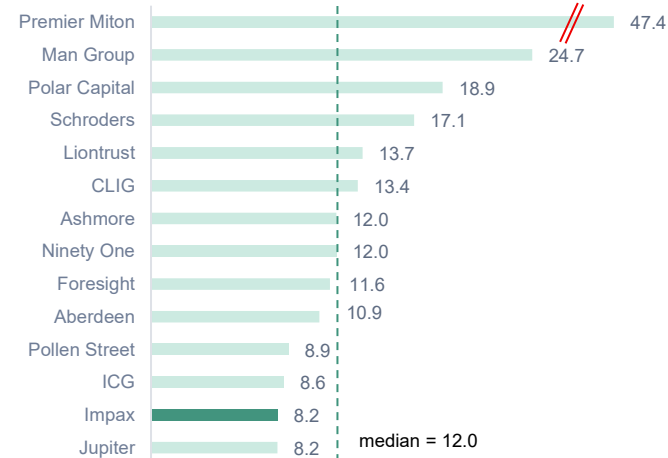
This methodology indicates a fundamental valuation of 250p, more than twice the current share price.

- *We also highlight that Impax’s PER is 8.2, compared to a peer group median of 12.0** (NB we have adjusted this PER to remove the effect of the £2.5m redundancy and restructuring charge. It would be 9.8 leaving this charge in). Given its niche strategic positioning, still-solid profit margins, and strong balance sheet, we see this discount as excessive.

Summary growth forecasts



PER (TTM) peer group comparison



Source: London Stock Exchange, company announcements. PERs based on share prices on 19 May 26 and latest available basic EPS on Trailing Twelve Months (TTM) basis on that date.

Summary financials

Income statement						
Year to 30 Sep (£m)	FY24A	H125A	FY25A	H126A	FY26E	FY27E
Revenue	170.1	76.5	141.9	58.8	110.3	111.7
IFRS Income Statement						
Operating costs	(121.1)	(58.9)	(114.5)	(51.4)	(101.7)	(94.8)
Operating profit	49.0	17.6	27.4	7.4	8.6	17.0
Investment income	3.9	1.7	2.9	1.1	2.5	2.5
Finance cost	(4.0)	(0.6)	(2.5)	(0.3)	(0.4)	(0.4)
IFRS profit before tax	49.0	18.6	27.8	8.2	10.7	19.1
Taxation	(12.5)	(6.1)	(7.5)	(2.8)	(2.7)	(4.8)
IFRS PAT	36.5	12.5	20.3	5.4	8.0	14.3
Basic EPS, p	28.5	9.8	15.9	4.4	6.6	11.8
Diluted EPS, p	28.2	9.7	15.8	4.4	6.5	11.7
Adjusted Income Statement						
Adjustments to operating costs:						
Redundancy costs	-	1.7	3.3	2.5	3.5	-
Acquisition equity incentive scheme awards	0.4	0.1	0.2	0.1	-	-
Mark to market charge on equity awards	(0.3)	(0.6)	(0.8)	(0.3)	-	-
Exceptional acquisition costs	1.0	0.4	0.8	0.2	0.2	-
Other exceptional costs	-	-	0.1	-	-	-
Amortisation of goodwill/intangibles	2.6	1.3	2.6	1.4	2.6	2.6
Adjusted operating profit	52.7	20.5	33.6	11.3	14.9	19.6
Investment income	3.9	1.7	2.9	1.1	2.5	2.5
Finance cost	(1.0)	(1.1)	(2.2)	(0.3)	(0.4)	(0.4)
Adjusted profit before taxation	55.7	21.1	34.3	12.1	17.0	21.7
Taxation	(14.1)	(3.5)	(6.9)	(3.0)	(4.3)	(5.4)
Adjusted PAT	41.6	17.7	27.3	9.1	12.8	16.3
Adjusted Basic EPS, p	32.6	13.8	21.5	7.5	10.5	13.4
Adjusted Diluted EPS, p	32.2	13.7	21.3	7.4	10.4	13.3
Dividends						
Interim dividend, p	4.7	4.0	4.0	2.0	2.0	3.0
Final dividend, p	22.9	-	8.0	-	4.0	6.0
FY dividends per share, p	27.6	-	12.0	-	6.0	9.0

Source: Company data, Equity Development

Balance sheet						
Year to 30 Sep (£m)	FY24A	H125A	FY25A	H126A	FY26E	FY27E
Non-current assets						
Goodwill	11.9	12.3	12.7	13.4	13.4	13.4
Intangible assets	11.2	10.6	12.2	11.0	9.6	7.1
Property, plant and equipment	7.9	7.0	5.9	4.9	4.1	12.7
Investments	-	-	4.6	6.0	6.0	6.0
Deferred tax assets	4.2	2.8	3.2	2.6	3.2	3.2
Trade & other receivables	-	-	-	0.8	-	-
Sub-total NCAs	35.2	32.6	38.7	38.8	36.4	42.4
Current assets						
Trade and other receivables	36.9	34.6	32.8	28.4	25.5	25.8
Investments	16.0	16.6	12.2	12.1	12.2	12.2
Current tax account	1.2	1.3	2.9	4.7	2.9	2.9
Cash: money market & LT deposits	67.8	38.4	45.2	27.5	27.5	27.5
Cash and cash equivalents	25.3	27.0	22.9	19.6	33.6	38.1
Sub-total CAs	147.2	117.9	116.0	92.3	101.8	106.6
TOTAL ASSETS	182.4	150.6	154.7	131.1	138.1	149.0
Equity						
Ordinary shares	1.3	1.3	1.3	1.3	1.3	1.3
Share premium	9.3	9.3	9.3	9.3	9.3	9.3
Capital redemption reserve	-	-	0.0	0.1	0.0	0.0
Exchange translation reserve	1.3	2.6	1.7	2.0	1.7	1.7
Merger reserve	1.5	1.5	3.0	3.0	3.0	3.0
Retained earnings	117.7	101.9	99.9	90.6	92.7	95.8
Total Equity	131.1	116.6	115.2	106.2	108.0	111.1
Current Liabilities						
Trade and other payables	42.7	26.7	33.1	20.1	25.7	26.1
Lease liability	2.1	1.9	2.0	2.0	1.6	1.3
Current tax liability	0.8	0.6	0.0	0.0	0.0	0.0
Sub-total CLs	45.6	29.1	35.1	22.1	27.4	27.4
Non-current Liabilities						
Lease liabilities	5.7	4.9	3.8	2.8	1.5	9.2
Deferred tax liability	-	-	-	-	-	-
Sub-total NCLs	5.7	4.9	4.4	2.8	2.8	10.5
Total Liabilities	51.3	34.0	39.5	24.9	30.2	37.9
TOTAL EQUITY AND LIABILITIES	182.4	150.6	154.7	131.1	138.1	149.0

Source: Company data, Equity Development

Cash flow statement

Year to 30 Sep (£m)	FY24A	H125A	FY25A	H126A	FY26E	FY26E
Profit before taxation	49.0	18.6	27.8	8.2	10.7	19.1
Adjustment for:						
Investment income	(3.9)	(1.7)	(2.9)	(1.1)	(2.5)	(2.5)
Interest expense	4.0	0.6	2.5	0.3	0.4	0.4
Depreciation & amortisation	4.6	2.5	5.1	2.6	4.9	4.9
Share-based payment charges	6.7	2.3	5.3	1.7	5.3	5.3
Loss on disposal of PPE	-	-	-	-	-	-
Op CF before movement in working capital	60.3	22.3	37.9	11.7	18.8	27.2
(incr.)/decr. in receivables	5.8	2.2	4.1	3.6	7.3	(0.3)
(decr.)/incr. in payables	(2.5)	(16.0)	(9.1)	(14.1)	(7.4)	0.3
Cash generated from operations	63.6	8.5	32.9	1.3	18.7	27.2
Corporation tax paid	(13.0)	(5.0)	(9.1)	(4.0)	(2.7)	(4.8)
Net cash generated from operating activities	50.6	3.6	23.8	(2.7)	16.1	22.4
Investing activities						
Acquisition of SKY Harbor	-	-	(4.4)	-	-	-
Investment income received	3.3	1.7	2.9	0.9	2.5	2.5
Settlement of investment related hedges	(1.2)	0.2	(1.3)	(0.1)	-	-
Redemptions from unconsolidated Impax funds	-	0.8	-	0.2	-	-
Investments into unconsolidated Impax funds	(1.2)	(1.9)	(0.4)	(0.3)	-	-
(incr.)/decr. in cash money market & LT deposit	(14.3)	29.4	22.6	17.7	17.7	-
Deferred remuneration fund investment	-	-	-	(1.4)	(1.4)	-
Earn out payment	-	-	(0.0)	(0.0)	-	-
Acquisition of PPE & intangible assets	(1.1)	(0.4)	(0.5)	(0.2)	(0.5)	(0.9)
Payment of contingent consideration	-	(0.0)	-	-	-	-
Net cash used in investing activities	(14.4)	29.8	18.8	16.8	18.3	1.6
Financing activities						
Acquisition of non-controlling interest	-	-	-	-	-	-
Interest paid on debt	-	-	-	-	(0.4)	(0.4)
Dividends paid	(36.3)	(30.1)	(35.3)	(9.9)	(12.6)	(8.5)
Acquisition of own shares	(8.4)	(0.8)	(6.9)	(6.5)	(8.0)	(8.0)
Payment of lease liabilities	(1.6)	(1.4)	(2.6)	(1.1)	(2.6)	(2.6)
Cash received on exercise of Impax share options	0.4	0.4	0.4	-	-	-
Net cash generated from /(used in) fin. activities	(46.0)	(31.9)	(44.5)	(17.6)	(23.6)	(19.5)
Net (decr.)/incr. in cash & cash equivalents	(9.7)	1.5	(1.8)	(3.5)	10.8	4.5
Cash & cash equivalents at beginning of year	38.0	25.3	25.3	22.9	22.9	33.6
Effect of foreign exchange rate changes	(2.9)	0.2	(0.6)	0.2	-	-
Cash & cash equivalents at end of year	25.3	27.0	22.9	19.6	33.6	38.1

Source: Company data, Equity Development



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