

H1 growth tees Polar up for very strong FY26

17 November 2025

Polar's +25% AUM growth rate over H1-26 was far stronger than all peers and almost five times the sector-median ([page 4](#)). AUM opened on 1 Apr 25 at £21.4bn, near the trough of the 'tariff turmoil' dip. It then jumped £5.3bn over H1 to £26.7bn, as markets recovered and Polar's returns (+29%) beat broad market indexes by some distance (MSCI ACWI GBP: +15%). AUM has jumped another 6% between 30 Sep 25 and 7 Nov 25, and we raise our forecasts ([page 15](#)).

While average AUM of H1-26 was only 4% higher y-o-y, and revenue grew only 1% to £101.4m, H2-26 starts an AUM level 18% above H2-25 (£26.7bn v £22.7bn – [page 9](#)). This tees Polar up for very strong growth over FY26. **We forecast full-year FY26 revenue to be c. 13% higher than FY25.**

Performance fees also look promising. Marked to market on 30 Sep 25, these were £15m net of staff allocations (FY25: £8m). We stress these are not guaranteed (most PFs crystallise in December).

Core operating profit was down 8% y-o-y from £27.3m in H1-25 to £25.1m, but we forecast a recovery in H2 (driven by the above revenue increase), with FY26 core operating profit forecast to grow 3%. **Statutory PBT increased 21%** from £23.1m in H1-25 to £27.9m in H1-26, with H1-25 PBT negatively impacted by a £5.4m impairment of goodwill from the acquisition of Dalton Strategic Partnership in 2021. **Basic EPS increased 22%** to 21.1p and diluted basic EPS by 23% to 21.0p.

The balance sheet is strong with **no debt**, net assets of £126m, net cash of £82m and **£74m of surplus capital over regulatory demands** ([page 12](#)). An unchanged interim dividend of 14p per share has been proposed. If the full-year dividend is maintained at 46p, that would be a yield of >8%.

Outlook strong, forecasts raised, fundamental value up to 675p per share

New CEO Iain Evans is confident in growth prospects and is especially bullish on building the US and Asian client base, adding to Polar's strong European base ([page 3](#)). Improving net flows ([page 8](#)) and pipeline strength back up his assertion that interest in active management is returning. We believe quality, specialist active managers will always have a place - and **Polar's investment track record is outstanding** ([page 5](#) & [6](#)). With AUM levels above previous forecasts and a strong outlook, **we raise forecasts and our DCF fundamental valuation to 675p per share** ([page 16](#)).

Company data

EPIC	POLR.L
Price (last close)	548p
52 weeks Hi/Lo	587p/350p
Market cap	£557m
ED Fair Value / share	675p
Net cash** 2025A	£122m
Avg. daily volume (3m)	310k

Share price, p



Source: Investing.com

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
 - Emerging Markets & Asia
 - Global Insurance
 - UK Value
 - North America
 - Global Financials
- AUM 7 Nov 25: £28.4bn

Next event

Q3-26 AUM update Jan 2026

Paul Bryant (Analyst)

0207 065 2690
paul.bryant@equitydevelopment.co.uk

Hannah Crowe

0207 065 2691
hannah@equitydevelopment.co.uk

Key financials & valuation metrics

Year to 31 Mar (£m)	FY23A	FY24A	H125A	FY25A	H126A	FY26E	FY27E
AUM (£bn)	19.2	21.9	22.7	21.4	26.7	28.4	30.3
Rev	182.9	195.1	100.6	222.1	101.4	250.3	255.5
Management fees	176.2	176.4	100.6	206.1	101.4	216.2	245.2
Performance fees	6.7	18.7	0.0	16.0	0.0	34.1	10.3
PBT	45.2	54.7	23.1	51.6	27.9	76.9	78.2
Core operating profit	47.9	44.8	27.3	56.7	25.1	58.3	73.4
Performance fee profit	1.7	9.6	0.0	8.1	0.0	15.0	4.5
EPS basic (p)	36.8	42.3	17.3	36.6	21.1	58.8	59.0
EPS adjusted diluted (p)	44.3	44.0	23.8	53.5	22.0	60.3	60.5
PER	14.9	12.9	15.9	15.0	13.0	9.3	9.3
Div (p)	46.0	46.0	14.0	46.0	14.0	46.0	52.1
Yield	8.4%	8.4%	2.6%	8.4%	2.6%	8.4%	9.5%
Net assets	142.9	135.9	124.5	134.4	126.2	152.9	170.1
Net cash	107.0	98.9	68.3	121.8	82.5	132.5	151.1

Source: Company data, Equity Development, priced at 14/11/25 **ex leases.

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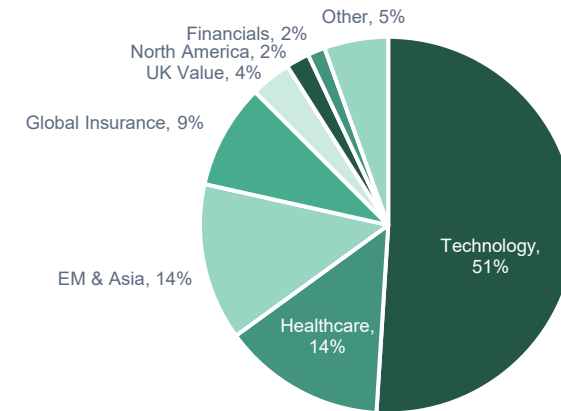
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Polar at a glance

History and operating structure

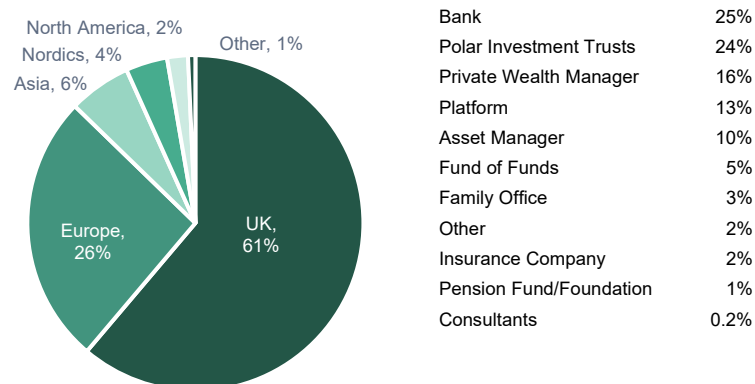
- Polar Capital is a fund management group, specialising in active management. It was founded in 2001 and listed on AIM in 2007. Headquartered in London, it has a presence in 9 countries (UK, USA, Germany, Switzerland, France, Spain, Sweden, China, and Singapore).
- 14 investment teams manage specialist portfolios and operate as semi-autonomous business units, heavily incentivised on investment performance. 'Centralised' operations support these teams.
- Technology funds have always been core to Polar, although over the years, additional investment strategies have diversified its AUM base. It manages investments primarily for institutional clients. Europe is its largest market.

Split in AUM by investment strategy (100% = £26.7bn*)



Source: Company, as at 30 Sep 25. Totals may not sum to 100% due to rounding.

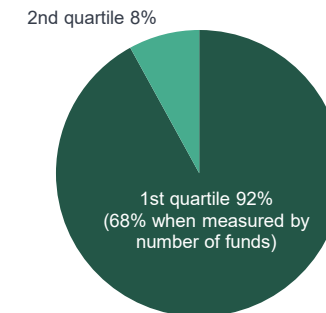
Split in AUM by client geography and client type



Source: Company, as at 30 Sep 25. Totals may not sum to 100% due to rounding.

Impressive track record of delivering superior returns

% of UCITS funds AUM by quartile ranking* (measured since fund inception)



Source: Company, as at 30 Sep 25. *c75% of total Polar AUM. According to Lipper peer groups/ Lipper provides performance data for homogeneous groups of funds with comparable investment objectives: lipperleaders.com

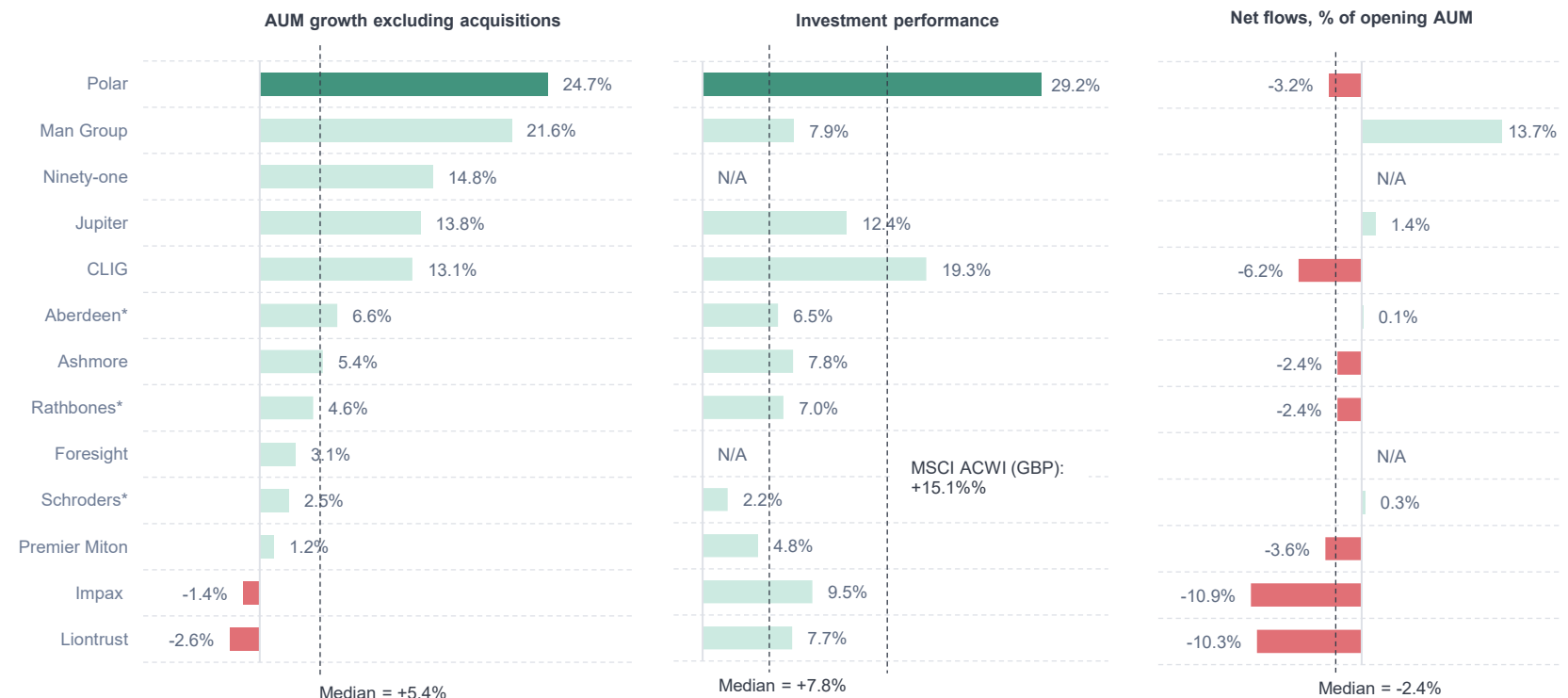
Assets under management

Sector-leading AUM growth, driven by superior investment performance

AUM jumped 25% over H1-26 from £21.4bn on 31 Mar 25 to £26.7bn on 30 Sep 25, the **strongest growth rate in the sector by some margin and almost five times sector-median growth**. AUM continued to climb in the post-results period, up another 6% to £28.4bn.

Investment performance was the driver of Polar's growth, contributing +29%, the strongest in the sector. Markets provided a strong tailwind over the last six months, with the MSCI ACWI (GBP) up 15.1% over Polar's H1-26. But Polar's +29.2% return exceeded that by some distance. Net flows were slightly negative at -3%, just below the sector median, in a period which saw most active managers experience weak net flows. **Flows improved substantially in Q2 (-£58m) over Q1 (-£632m)**.

For active managers, the 6m to Sep 25 was characterised by strong investment returns but relatively weak net flows for most



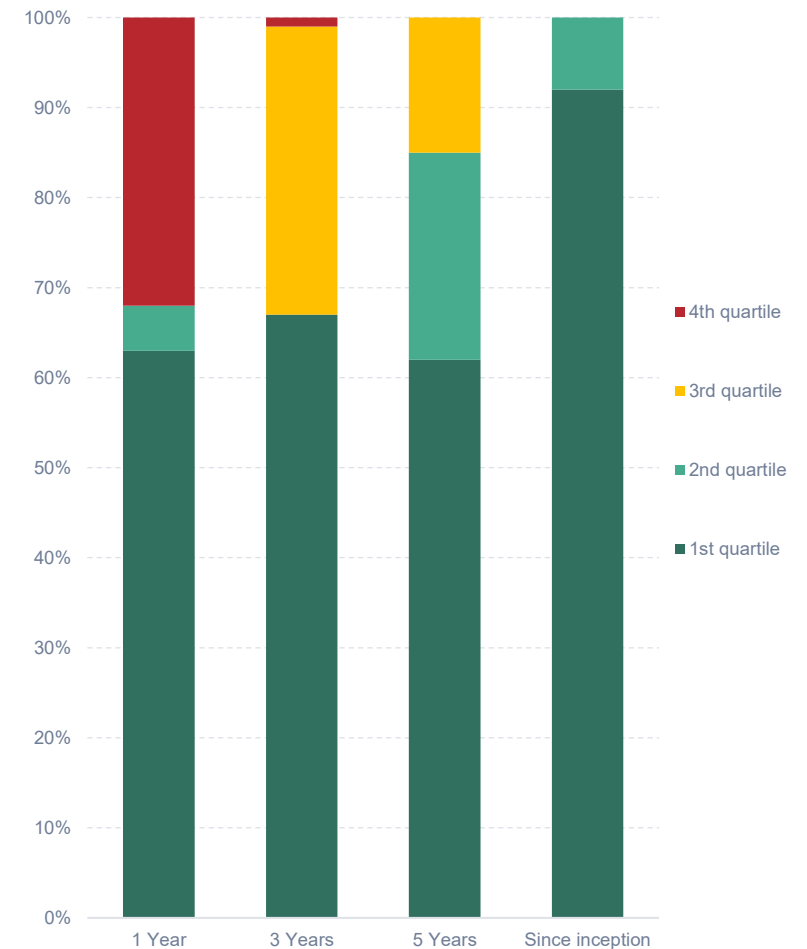
Source: Company reports, ED analysis. *Asset management units only.

H1-26 returns builds on impressive longer-term record versus peers

Top-quartile long-term performance for >95% of UCITS AUM

- For Polar's UCITS fund range (around 75% of total group AUM), the proportion of AUM in each benchmark quartile is shown on the right (data as at 30 Sep 25).
- When measured since fund-inception, 100% of Polar's total UCITS AUM is in the top two quartiles of relevant Lipper peer groups*, with c92% in the first quartile.**
- Over five years, 85% of UCITS AUM is in the top two quartiles.
- Over three years, 67% of UCITS AUM is in the top two quartiles.
- Over one year, 68% of UCITS AUM is in the top two quartiles.
- Of 22 Polar funds listed within the UCITS umbrella, 73% (by number of funds) were in the top two quartiles over one year, 58% over three years, 82% over five years, 91% since fund inception.

% of UCITS funds AUM by quartile ranking



Source: Company. *Lipper provides performance data for homogeneous groups of funds with comparable investment objectives: [lipperleaders.com](https://www.lipperleaders.com)

Source: Company, as at 30 Sep 25. *c75% of total Polar AUM.

Versus benchmarks, investment performance has also been impressive

When looking at performance versus benchmarks (in the table below outperformance v benchmark is shaded green, underperformance red) it is clear that **Polar's largest strategies and underlying investment vehicles have all outperformed versus benchmark over the longer term** (right hand columns in table below 'Since launch').

Polar's larger technology funds have also outperformed over one and three years (despite being relatively underweight 'Mag-7' stocks), but the Global Technology Fund and the Polar Capital Technology trust has underperformed over five years.

Polar's main healthcare strategies have an especially impressive track record, outperforming over all periods shown. There has been some underperformance over shorter time periods from Emerging Markets and Insurance strategies, but outperformance over the long-term.

Largest strategies performance versus benchmarks (BM) for periods ending 30 Sep 2025

	Launch	AUM	1 year		3 years		5 years		Since launch (cumulative)		Since launch (annualised)	
			Polar	BM	Polar	BM	Polar	BM	Polar	BM	Polar	BM
Technology strategy												
Global Technology Fund ¹	19/10/01	£7.1bn	51.3%	29.5%	134.0%	123.1%	111.4%	134.1%	1,949%	1,477%	13.4%	12.2%
Technology Trust* ¹	16/12/96	£5.5bn*	41.7%	29.7%	125.2%	123.8%	119.2%	135.4%	756%**	736%**	22.4%**	22.1%**
Artificial Intelligence Fund ²	06/10/17	£1.0bn	28.8%	16.8%	99.7%	54.8%	90.1%	81.3%	192%	123%	14.4%	10.6%
Healthcare strategy												
Biotechnology Fund ³	31/10/13	£1.7bn	19.6%	2.6%	35.6%	9.2%	58.2%	13.2%	583%	182%	17.5%	9.1%
Healthcare opportunities Fund ⁴	30/11/07	£1.3bn	0.2%	-7.8%	19.9%	2.5%	45.4%	24.4%	817%	504%	13.2%	10.6%
Global Healthcare Trust* ⁴	20/06/17*	£0.4bn*	-5.9%	-7.8%	12.8%	2.5%	42.3%	24.3%	81.3%	68.2%	7.5%	6.5%
Emerging Markets & Asia												
Emerging Market Stars Fund ⁵	29/06/18	£2.9bn	14.0%	17.3%	59.0%	65.2%	23.1%	40.4%	59.8%	50.4%	6.7%	5.8%
Asian Stars Fund ⁵	31/12/18	£0.5bn	18.4%	17.2%	70.3%	67.6%	36.5%	36.6%	111.5%	70.2%	11.7%	8.2%
Insurance strategy												
Global Insurance fund ⁶	16/10/98	£2.5bn	4.2%	13.6%	43.1%	59.6%	102.4%	128.4%	746%	666%	14.1%	13.4%
£22.9bn			(c86% of AUM)									

Source: Polar Capital fund fact sheets: 30 Sep 2025.

All returns for GBP class I Distr. shares except Artificial Intelligence fund (GBP Class I Acc), Emerging Market Stars & Asian Stars Fund (both USD Class I Acc), Polar Capital Technology Trust & Polar Capital Global Healthcare Trust (both change in NAV per share).

*Full names = Polar Capital Technology Trust plc, Polar Capital Global Healthcare Trust plc. For these trusts, number in AUM column = Total Net Assets. **10 years, not since launch.

Benchmarks: ¹Dow Jones Global Technology Net Total Return Index, ²MSCI ACWI Net TR Index, ³NASDAQ Biotechnology Net Total Return Index, ⁴MSCI AC World Daily Total Return Net Health Care Index, ⁵MSCI Emerging Markets Net Total Return Index. ⁶MSCI Daily Total Return World Net Insurance Index.

Net flows consistently stronger than most peers

While net flows were negative over the whole of H1-26, Q2's flows were only very marginally negative at -£58m and a significant improvement over Q1's -£632m. Q2's flow rate was actually impressive given that it was a quarter of heavy outflows for equity funds more generally. Even more impressive is that **Polar's net flow rate has been higher than the peer group median for five out of the last six quarters**. With flows mostly driven by investors believing that Polar can deliver superior returns over the long term, and **with such a strong investment track record, it is unsurprising that Polar has consistently had one of the strongest net inflow rates compared to peers.**

UK-listed asset managers, net flow rates by quarter (net flows / opening AUM)



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

Peer group includes London-listed asset managers running mostly portfolios of listed securities i.e. excludes private-asset-managers which have different flow characteristics

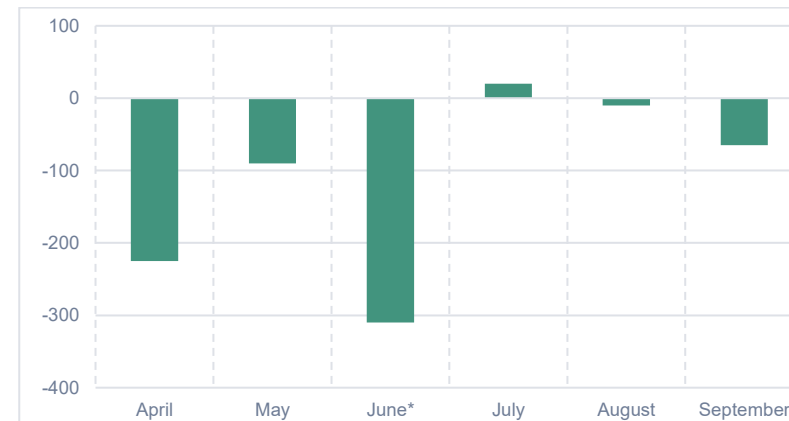
Net flows strengthen over H1-26, broad-based demand

Broad demand but sizeable single redemptions in a few strategies

- Flows improved substantially over H1-26 with outflows of -£632m in Q1 and just -£58m in Q2. The net flows by month are shown in the top right chart. Note that June outflows were dominated by a one-off £280m return of capital by Polar Capital Financials Trust plc.
- In both Q1 and Q2, Polar reported broad-based demand for its funds.
 - In Q2, it recorded net inflows for Artificial Intelligence, Global Technology, Asian Stars, Emerging Market Stars, Biotechnology, Japan Value, Financial Credit, Global Absolute Return, Smart Energy, and International Small Company (combined £350m of net inflows).
 - In Q1, it recorded net inflow for Artificial Intelligence, Asian Stars, Financial Credit, Global Insurance, North American, Japan Value, European Income, Global Absolute Return and International Small Company (combined £124m of net inflows).
- The open-ended Global Technology Fund recorded net inflows of £226m in Q2 compared to net outflows of £162m in Q1.
- A new Biotechnology segregated mandate was funded by a US endowment with an initial £93m.
- The most significant outflows (far right bars in bottom chart) were:
 - The closure of single institutional mandates in Healthcare and Emerging Markets Stars;
 - The abovementioned return of capital by Polar Capital Financials Trust plc; and
 - Redemptions from European (-£154m) and UK Value strategies (-£59m), which remained out of favour.

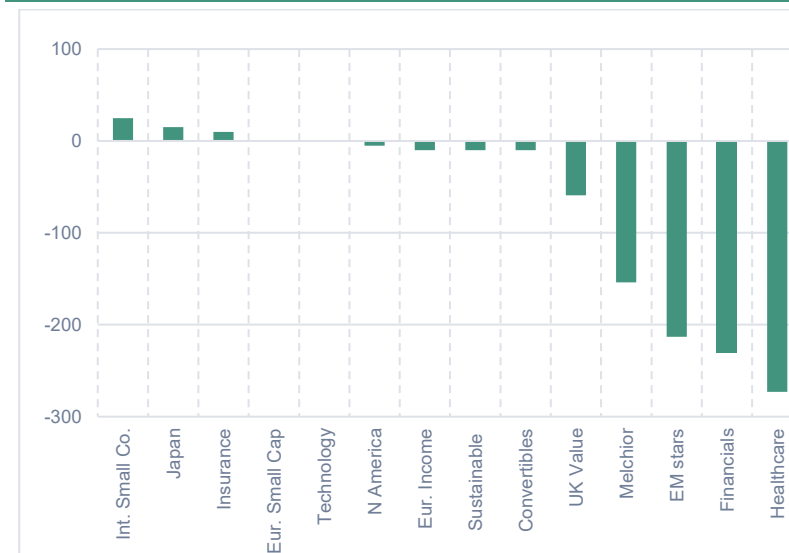
Source: Company

Net flows by month, H1-26



Source: Company. *Includes one-off £280m return of capital by Polar Capital Financials Trust plc

Net flows by strategy: H1-26



Source: Company

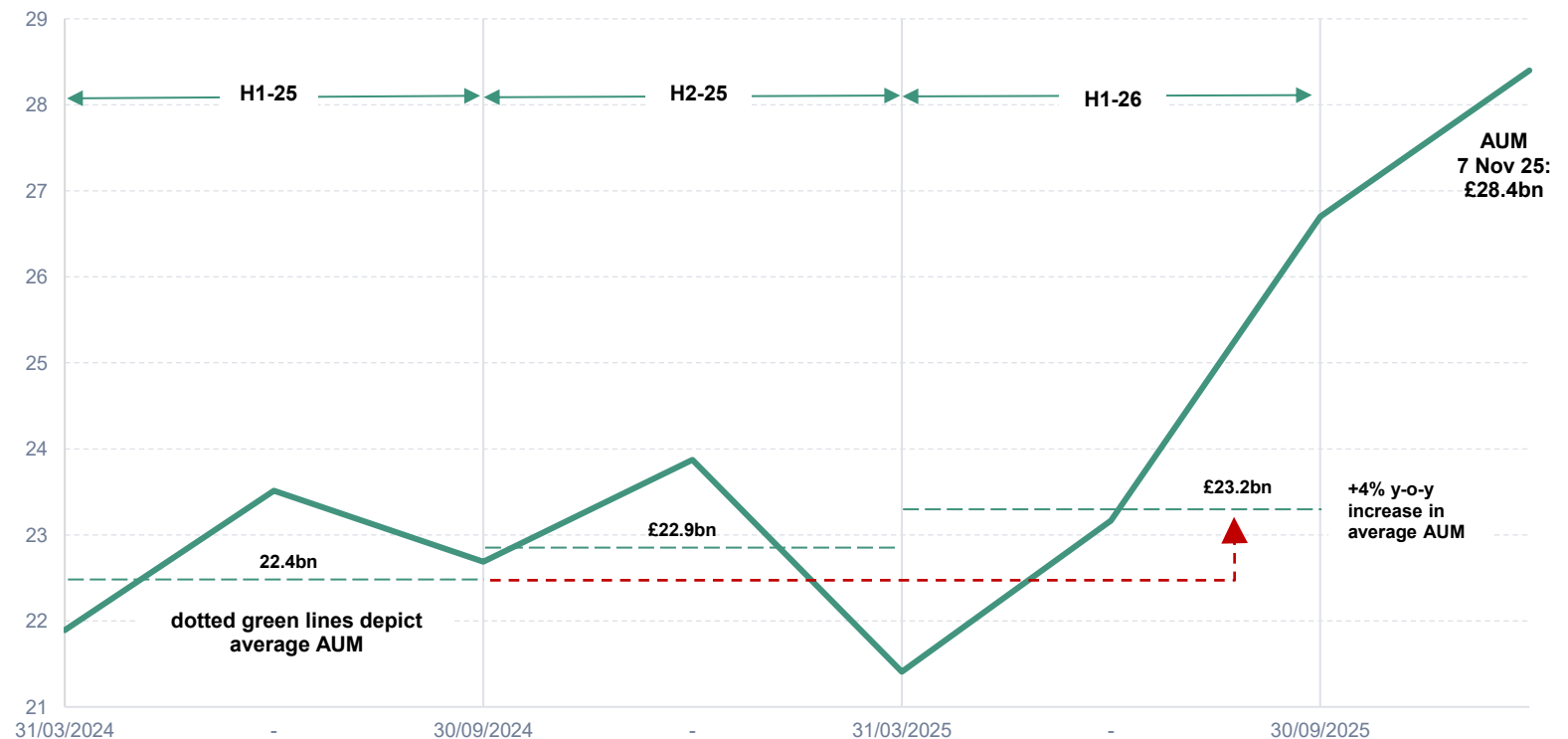
Analysis of H1-26 financials

H1-26 average AUM up 4% y-o-y but full-year FY26 average AUM poised for much bigger jump

Average AUM is the main driver of Polar's largest source of revenue, investment management (IM) fees. It is therefore important to understand AUM development and AUM averages. This is presented in the chart below. It can be seen that AUM at the start of H1-26 was lower than AUM levels in H1-25. [The start of H1-26 coincided almost exactly with the 'tariff-turmoil' market fall in Apr 25]. AUM then jumped sharply over both Q1 and Q2, ending the period at a far higher level than H1-25 with average AUM up 4% y-o-y.

With the starting AUM of H2-26 (£26.7bn, rising to £28.4bn on 7 Nov 25) so much higher than the AUM levels of H2-25, and barring any sharp falls during H2, H2-26 is likely to have a far higher average AUM level than H2-25. **This likely jump in average AUM is primarily responsible for our forecast FY26 revenue being 13% higher than FY25.**

AUM profile last 18 months, £bn



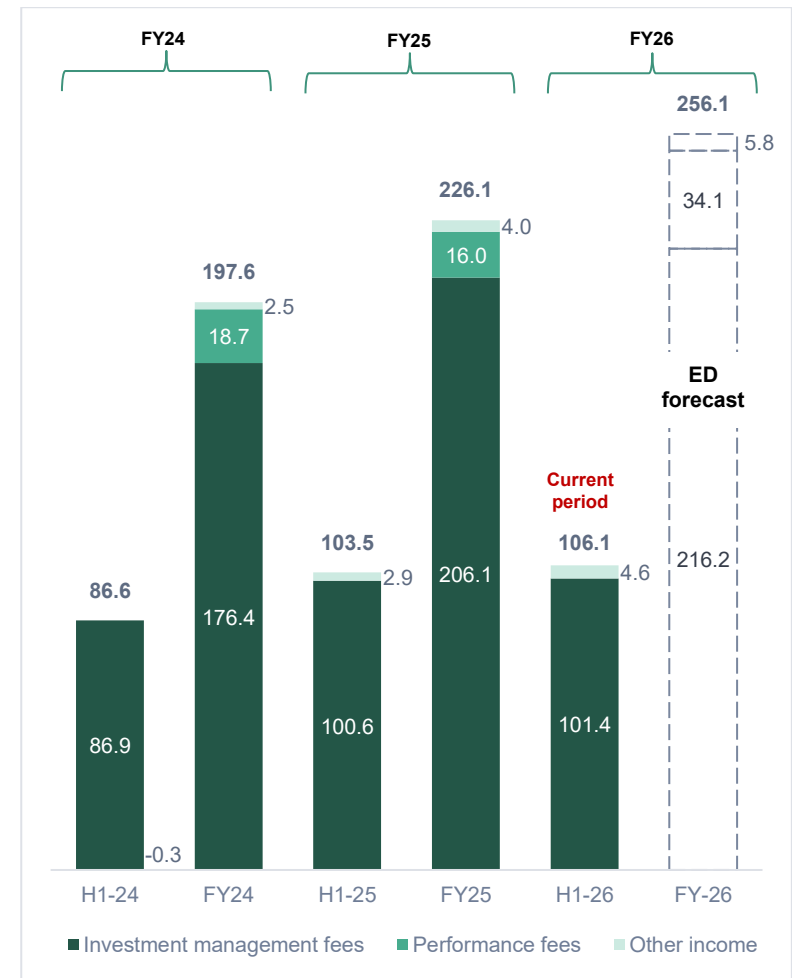
Source: Company reports, ED analysis

H1 revenue up 1% y-o-y, FY26 revenue forecast to increase 13% y-o-y

Jump in average AUM + performance fees look set to boost FY26 revenue

- Gross income increased 2.5% y-o-y from £103.5m in H1-25 to £106.1m in H1-26. This was boosted by +£4.6m (H1-25: +£2.9m) of 'other income' (see below). Net income (gross income less commissions and fees payable) increased 1% from £90.5m to £91.4m.
- Investment management and research fees (IM fees) were up 1% from £100.6m in H1-25 to £101.4m, with average AUM increasing 4% but net management fee yield falling from 78bps to 75bps. This yield-fall was largely as expected, due to product-mix effects, fee changes on the Polar Capital Technology Trust and US dollar weakness. Polar's longer-term guidance remains for yields to fall c. 2bps per year.
- It will be seen from the chart on the right that **we are forecasting a fairly substantial jump (+13%) in IM fees in FY26, driven mainly by the likely jump in average AUM levels in H2** as discussed on the previous page.
- Polar does not include performance fee income in interim results. It accounts for performance fees in year-end results when more clarity is available on performance fee levels (most performance fees crystallise on 31 Dec each year). We note however that **marked-to-market performance fees on 30 Sep 25 (c. £34m; £15m after the deduction of staff allocations) were substantially higher than FY25 (£16m; £8m)**. There is however no guarantee that the performance fees calculated on 30 Sep 25 will crystallise.
- 'Other income' was higher y-o-y (+£4.6m v £2.9m) with interest income roughly flat (+£1.1m v +£1.2m), but mark-to-market gains/losses of on-balance-sheet investments rose from +£1.9m in H1-25 to +£4.8m in H1-26.

Revenue breakdown: history & forecast, £m



Source: Company reports

*Other income = interest income; gains/losses on seed capital investments, financial assets and liabilities; gains/losses on forward currency contracts; and investment income.

Note: Performance fees are not recorded by Polar in H1 revenues.

Core operating profit -8%, PBT +21%

Expenses well under control

- Core operating profit - *profit before performance fee profits, other income, exceptional items and tax* - presents a measure of profitability excluding investment-performance-related profits and other items which may be volatile, non-recurring or non-cash in nature (it is mostly a function of growth and operating efficiency). Core operating profit was down 8% y-o-y from £27.3m in H1-25 to £25.1m.
- Core operating costs increased c. 2.5%, from £60.2m to £61.6m [made up of core distributions (variable compensation paid to investment teams from management fee revenue) and other core operating costs (other staff costs, office and administrative costs etc)]. Part of the increase was due to the addition of the International Small Company team which was not on board in H1-25, and from the NIC increase adding to UK staff costs.
- Core operating margin declined from 31% in H1-25 to 29%.
- Statutory profits were higher in H1-26 with H1-25 impacted by a £5.4m impairment of goodwill charge from the acquisition of Dalton Strategic Partnership LLP in 2021.
- IFRS operating costs fell 6% y-o-y, from £67.3m in H1-25 to £63.4m, with the fall mainly as a result of the above impairment charge inflating H1-25 costs.
- Statutory PBT increased 21% from £23.1m in H1-25 to £27.9m in H1-26, with PAT increasing by 23% from £16.6m to £20.4m.
- Basic EPS increased by 22% to 21.1p (H1-25: 17.3p), diluted basic EPS by 23% to 21.0p (H1-25: 17.1p), while adjusted diluted core EPS fell 8% to 18.2p (H1-25: 19.8p).

Breakdown of operating costs with y-o-y comparison

£m	H1-26	H1-25	change
Staff compensation costs			
Salaries, bonuses & other staff costs ¹	20.2	19.7	
Core distributions ¹	24.2	24.4	
Share-based payments ²	3.6	2.8	
Performance fee interests	-	-	
Total	48.0	46.9	+2%
Other operating costs			
IT	3.9	3.8	
Rent & rates	2.6	2.5	
Professional fees	1.4	1.1	
Research & Corporate access	1.9	2.0	
Travel & entertainment	1.1	1.2	
Other	4.5	3.8	
Total	15.4	14.4	+7%
Exceptional items			
Impairment of goodwill	0.0	5.4	
Amortisation of intangibles - Dalton	0.0	0.6	
Total	0.0	6.0	
Finance costs	0.1	0.1	
Total operating and finance costs	63.5	67.4	-6%

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

1. Including share awards under deferment plan of £0.7m (H1-25: £0.7m)

2. Share based payments on preference shares, Group share awards and LTIPs

Strong balance sheet and net cash position, significant surplus capital

Balance sheet robust with £82m net cash, no borrowings

- Polar maintains its exceptionally strong balance sheet, with net assets down from £134.4 on 31 Mar 25 to £126.2m on 30 Sep 25.
- Cash and equivalents fell from £121.8m on 31 Mar 25 to £82.5m, impacted by the payment of the FY25 final dividend (£30.9m). **Year-on-year, cash was up 21%**, which is a better comparison because of the large difference in dividend payments between H1 and H2. Polar has **no borrowings**.
- Polar considers capital in terms of four main categories: 1) capital used to seed new investment products, 2) a buffer for times of uncertainty, 3) to pay dividends, and 4) to fund the EBT to buy shares to reduce the dilutive effects of LTIP and option awards. The current position of these capital items and the change over the period is shown on the right.
- On 30 Sep 25 £38.5m of the Group's balance sheet (31 Mar 25: £37.3m) was invested to seed fledgling funds.

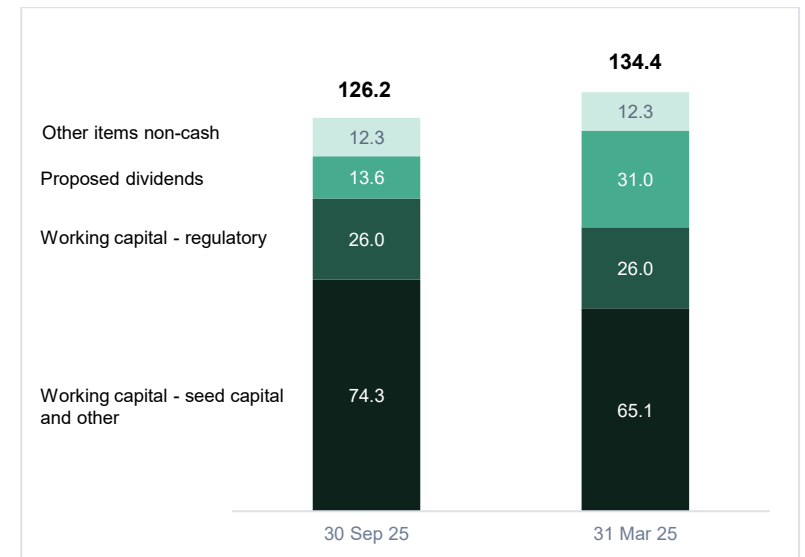
Source: Company

Significant regulatory capital surplus

- The Group produces a 'surplus capital' report which takes account of capital commitments and minimum levels of regulatory capital to illustrate the capital available to pursue growth opportunities, such as seeding new investment products or acquisitions.
- Polar's surplus capital grew to £74.3m on 30 Sep 25 (31 Mar 25: £65.1m).** This is the surplus over and above its regulatory capital minimum of £26m and its interim dividend commitment of £13.6m.

Source: Company

Capital allocation, £m



Source: Company

Summary capital surplus position

	30 Sep 25	31 Mar 25
Capital after regulatory deductions	£113.9m	£122.1m
Less: dividend provision	(£13.6m)	(£31.0m)
	£100.3m	£91.1m
Regulatory capital requirement	(£26.0m)	(£26.0m)
Surplus capital	£74.3m	£65.1m

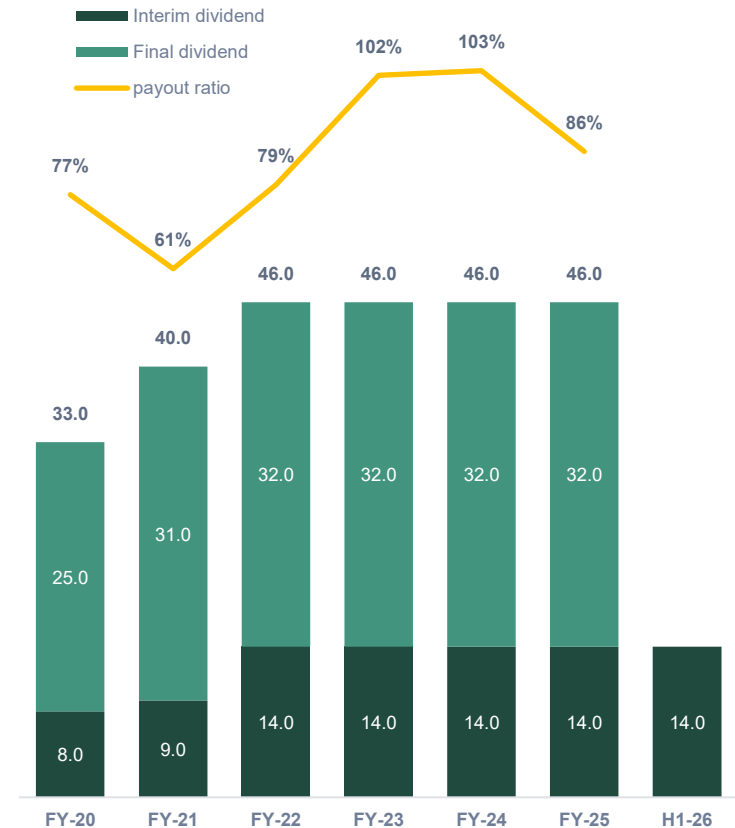
Source: Company

Interim dividend unchanged, forecast yield > 8%

Interim dividend unchanged, forecast full-year yield of 8.4%

- Polar's dividend policy is to pay an annual dividend within a range of 55% - 85% of adjusted total earnings, dependent on the scale of performance fees in the relevant year and the anticipated trading conditions for the following year.
- In the last few years, Polar was confident enough in its outlook and its cash resources to maintain the dividend level reached in FY22 (46.0p per share), despite the payout ratio exceeding its policy payout range (see chart on right).
- **FY25 again saw an unchanged dividend but the payout ratio dropped to 86%, only marginally above the target range, on strong results.**
- **Polar has again recommended an unchanged interim dividend of 14.0p per share.**
- With such a strong start to H2-26, a solid outlook, and Polar's exceptionally strong balance sheet and cash position (£82m), we see no reason for the FY26 dividend to reduce. **If the full-year dividend is maintained at 46.0p per share, that translates to a yield of 8.4%** (based on the 14 Nov 25 share price of 548p).

Historic and proposed dividends, pence per share



Source: Company historic data

A range of strategies with huge opportunities to grow

Polar looks for growth where market opportunity overlaps with capacity

Polar identifies its priorities as follows:

- **Amplify core strengths:**
 - Products: scale winners; take targeted action where improvement is needed, allocate resources where we have capacity and proven edge.
 - Distribution: use international footprint to grow priority markets, deepen relationships and defend market share.
 - Culture: protect entrepreneurial, vibrant, collegiate environment, where staff are empowered, trusted and accountable – with aligned incentives.
- **Diversify selectively:** add complementary, differentiated teams; adjacent strategies; and vehicles only where there is a compelling investment case and clear client demand.

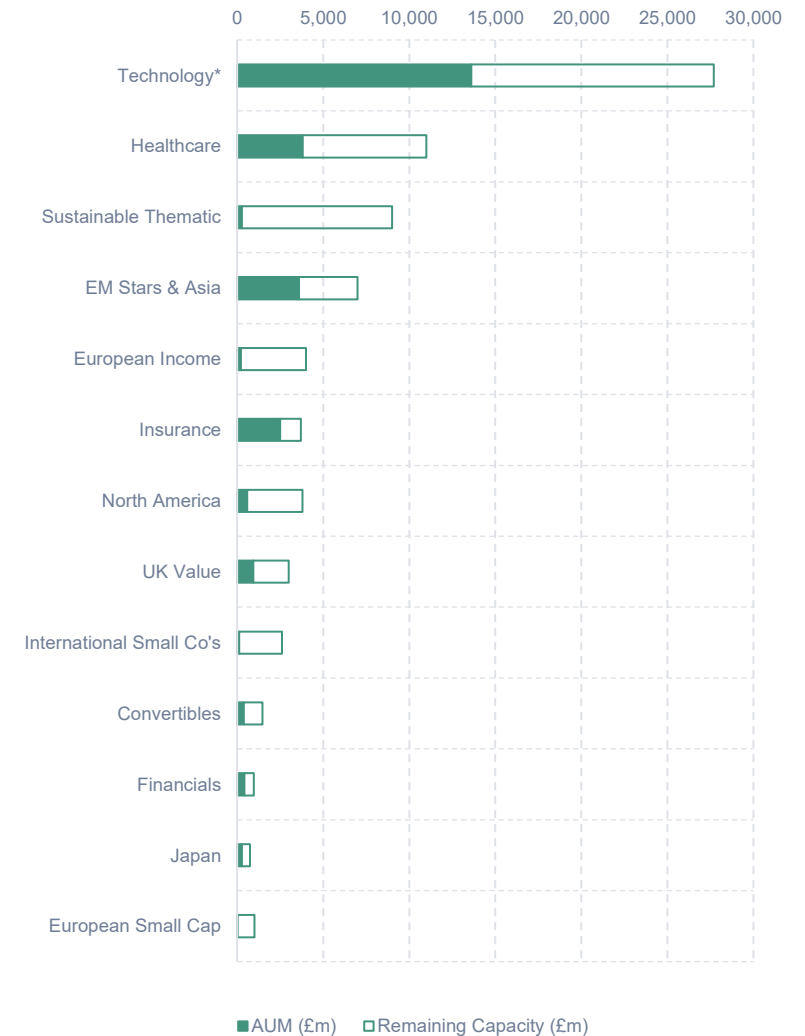
It looks for growth not only from market opportunities, but also where it has available capacity, which is significant in a number of its strategies (see right):

- Huge opportunity clearly still exists in the Technology space: The **deep expertise within Polar's Technology team should be able to capitalise on the AI mega-trend**, especially as investors look for opportunities beyond the mag-7 (Polar's AI strategy focuses not only on technology providers, but also on companies positioned to benefit from AI).
- Huge opportunities are also evident for Healthcare, Sustainable Thematic, and EM Stars strategies.
- We would also expect growth where capacity exists and where net inflows are positive. These areas include International Small Company, Global Convertible, Global Financials, and Japan Value.

Polar exits strategies which are sub scale or where prospects are poor. As part of this discipline, it recently closed the Melchior European Opportunities Fund following sustained redemptions and reduced scale.

Source: ED Commentary, Company

AUM and available capacity (30 Mar 25)



Source: Company *Includes Artificial Intelligence Strategy

Updated forecasts

- Polar's current AUM level of £28.4bn is already above our previous end-FY26 forecast of £27.0bn. This is the driver of our forecasts being upgraded.
- The recent AUM rise has been driven by very strong markets. But markets are also very volatile, and the risk of a pullback is not insignificant.
- Hence, **we take a cautious approach and assume flat AUM levels for the remainder of FY26**, but even this cautious approach justifies an increase in forecasts.
- Forecast changes in net assets and net cash take into account balance sheet movements in H1-26.

Performance v forecast and changes to forecast changes

Year to 31 Mar (£m)	FY26E	FY 26E		FY27E	FY 27E	
	Revised	Old	change	Revised	Old	change
AUM (£bn)	28.4	27.0	5.2%	30.3	28.9	5.1%
Rev	250.3	247.3	1.2%	255.5	243.5	4.9%
Management fees	216.2	213.2	1.4%	245.2	233.2	5.2%
Performance fees	34.1	34.1	0.0%	10.3	10.3	0.0%
PBT	76.9	71.2	7.9%	78.2	70.2	11.5%
Core operating profit	58.3	56.4	3.3%	73.4	65.9	11.4%
Performance fee profit	15.0	15.0	0.0%	4.5	4.5	0.0%
EPS basic (p)	58.8	54.5	7.9%	59.0	52.9	11.5%
EPS adjusted diluted (p)	60.3	57.2	5.4%	60.5	55.6	8.7%
PER	9.3	10.1		9.3	10.4	
Div (p)	46.0	46.0	0.0%	52.1	47.9	8.7%
Yield	8.4%	8.5%		9.5%	8.8%	
Net assets	152.9	150.7	1.5%	170.1	163.5	4.0%
Net cash	132.5	144.4	-8.2%	151.1	157.1	-3.8%

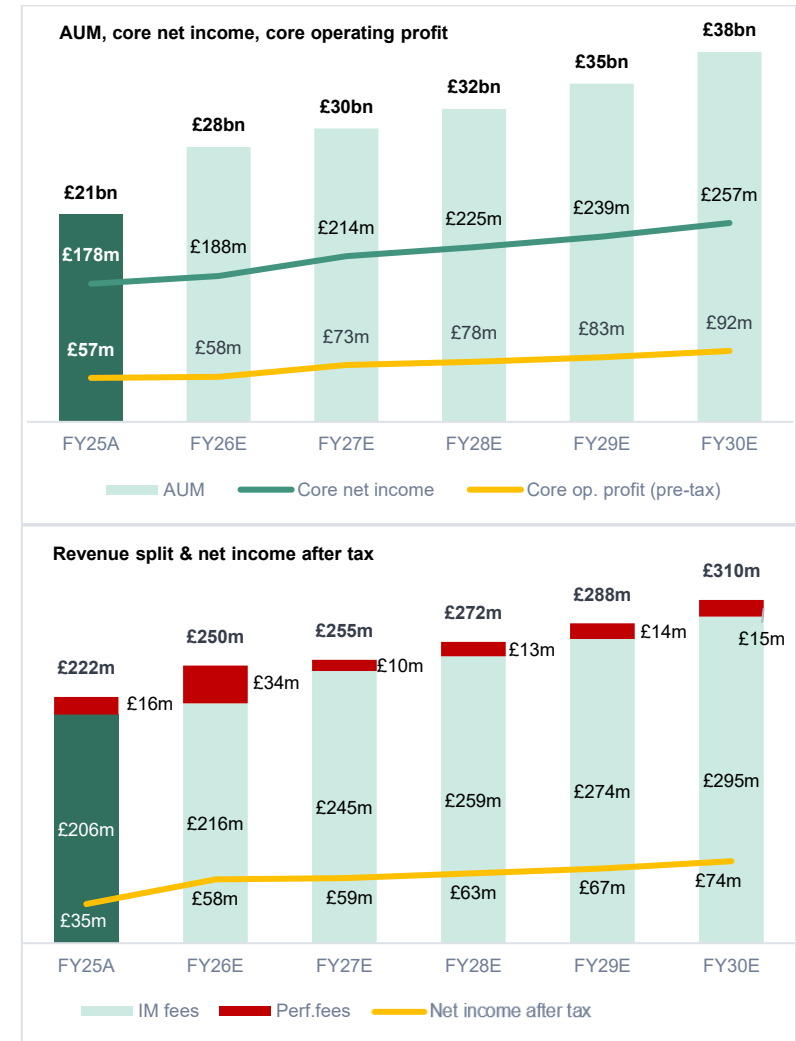
Source: Equity Development, Priced at 14/11/2025

Fundamental Valuation of 675p

Underlying assumptions of fundamental valuation

- Our fundamental valuation uses a discounted cash flow methodology which is underpinned by a 5-year explicit growth forecast. This assumes:
- AUM grows at c6% CAGR from FY26, more specifically:
 - Polar's net flows are negative in FY26, before returning to small positive flows in FY27.
 - Net flows gradually build to around £1.5bn per year in the latter part of our forecast – noting that that Polar achieved net inflows of around £2bn per year in the bull markets of FY18 and FY21.
 - Investment returns contribute 5% p.a. to AUM.
- Revenue grows at c4% CAGR from FY26 onwards. We assume some price erosion and what would probably be considered as conservative performance fee assumptions (in red in lower chart on right). Actual performance fees achieved in previous 5Y period (FY21: £44m; FY22: £14m; FY23: £7m; FY24: £19m; FY25: £16m).
- Core operating margin falls slightly in FY26 and then returns to above the 30% level over time - noting that Polar achieved margins of 36.1% and 37.1% in FY21 and FY22 (before AUM fell off with the tech stock rout of calendar-2022).
- For the terminal value of our DCF we assume that Polar is acquired at the end of the 5-year explicit forecast period at a PER of 15 (probably conservative (see overleaf).
- All cash flows are discounted at a rate of 14%, which produces a fundamental valuation of 675 pence per share, 23% above the current share price (as at 14 Nov 25).**

Summary 5Y growth forecasts



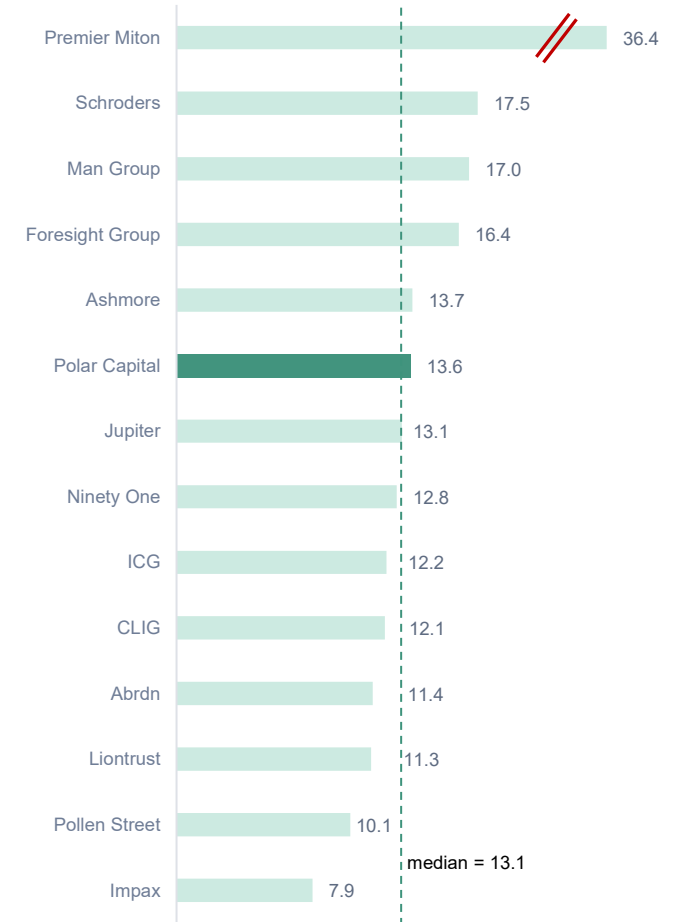
Source: Company historic data, ED forecasts and analysis

Peer comparator valuations

A sector-median PER seems strange given strong performance & position

- Given its superior AUM growth rate compared to most peers, its relatively robust net flows, niche strategic positioning, strong profit margins, and strong balance sheet (£83m net cash and no debt), we would expect Polar to trade at a premium compared to peers.
- But Polar only trades slightly higher than the sector median PER of 13.1. This seems strange.
- We therefore see potential for this to adjust and for Polar's shares to command a premium rating over time.

PER peer group comparison



Source: London Stock Exchange, company announcements. PERs based on share prices as at 14 Nov 25 and latest available basic EPS on Trailing Twelve Months (TTM) basis on that date.

Summary financials

Income statement

Year to 31 Mar (£m)	FY23A	FY24A	H1-25	FY25A	H1-26	FY26E	FY27E
Revenue	182.9	195.1	100.6	222.1	101.4	250.3	255.5
Other Income	2.6	2.5	2.9	4.0	4.6	5.8	2.6
Gross Income	185.5	197.6	103.5	226.1	106.1	256.1	258.1
Commissions and fees payable	(21.4)	(22.7)	(13.0)	(27.8)	(14.7)	(27.7)	(31.4)
Net Income	164.1	174.9	90.5	198.3	91.4	228.4	226.7
Operating Costs	(118.7)	(120.0)	(67.3)	(146.5)	(63.4)	(151.4)	(148.3)
Profit for the year before tax	45.2	54.7	23.1	51.6	27.9	76.9	78.2
Taxation	(9.6)	(13.9)	(6.5)	(16.3)	(7.5)	(19.2)	(19.6)
Profit attributable to ordinary shareholders	35.6	40.8	16.6	35.3	20.4	57.6	58.7
Adjusted Profit							
Add exceptional items, acquisition related costs	5.0	-	-	-	-	-	-
Add exceptional items, amortisation of intangible assets	1.2	1.2	0.6	1.2	-	-	-
Add exceptional items, impairment of intangible assets	-	-	5.4	13.6	-	-	-
Add cost of share-based payments on preference shares	0.3	0.7	1.0	1.9	1.6	1.9	1.9
Add exceptional items - FV charge on def cons on acquisition	-	-	-	-	-	-	-
Less net amount of deferred staff rem	1.7	0.3	(0.4)	0.3	(0.6)	0.3	0.3
Adjusted Profit After Tax	43.7	43.0	23.2	52.3	21.4	59.9	60.9
Basic EPS, p	36.8	42.3	17.3	36.6	21.1	58.8	59.0
Diluted EPS, p	36.1	41.8	17.0	36.1	21.0	58.0	58.2
Basic adjusted EPS, p	45.2	44.6	24.1	54.2	22.1	61.1	61.3
Diluted adjusted EPS, p	44.3	44.0	23.8	53.5	21.9	60.3	60.5
Core operating profit							
Management fees	176.2	176.4	100.6	206.1	101.4	216.2	245.2
Commissions and fees payable	(21.4)	(22.7)	(13.0)	(27.8)	(14.7)	(27.7)	(31.4)
Net management fees	154.8	153.7	87.7	178.4	86.8	188.5	213.8
Profit/(loss) on foreign currency contracts	-	-	-	-	-	-	-
Core operating costs	(106.7)	(108.7)	(60.2)	(121.4)	(61.6)	(130.0)	(140.3)
Finance costs	(0.2)	(0.2)	(0.1)	(0.2)	(0.1)	(0.2)	(0.2)
Core operating profits (before tax)	47.9	44.8	27.3	56.7	25.1	58.3	73.4

Source: Company data, Equity Development.

Balance sheet

Year to 31 Mar (£m)	FY23A	FY24A	H1-25	FY25A	H1-26	FY26E	FY27E
Non-current assets							
Goodwill and intangible assets	15.9	14.8	8.8	-	-	-	-
Property & equipment	10.5	8.3	7.4	6.1	5.4	5.8	5.4
Deferred tax assets	0.1	1.9	3.4	4.3	5.0	4.3	4.3
Sub-total NCAs	26.6	25.0	19.6	10.4	10.3	10.0	9.7
Current assets							
Assets at fair value through P&L	83.0	62.4	81.8	63.3	78.9	76.2	76.2
Trade & other receivables	19.5	21.1	25.8	22.9	25.2	25.8	26.3
Other financial assets	5.2	3.4	1.1	1.5	0.0	1.5	1.5
Assets at amortised cost		6.7	3.3	-	-	-	-
Cash & cash equivalents	107.0	98.9	68.3	121.8	82.5	132.5	151.1
Current tax assets	0.3	0.1	0.3	0.1	-	0.1	0.1
Sub-total CAs	215.1	192.6	180.6	209.7	186.6	236.1	255.3
TOTAL ASSETS	241.7	217.6	200.2	220.1	197.0	246.1	264.9
Current Liabilities							
Liabilities at fair value through P&L	16.4	5.4	7.7	5.8	6.4	7.4	7.4
Trade & other payables	68.7	64.1	57.8	71.2	56.3	80.2	81.9
Provisions	3.2	0.2	0.1	-	-	-	-
Other financial liabilities	0.0	0.0	-	-	3.1	(3.0)	(3.0)
Current tax liabilities	0.7	4.1	3.6	3.5	0.7	3.5	3.5
Sub-total CLs	88.9	73.9	69.2	80.5	66.5	88.0	89.7
Non-current Liabilities							
Provisions & other liabilities	8.9	7.5	6.3	5.1	4.3	5.1	5.1
Liabilities at fair value through P&L	0.5	0.2	0.1	0.1	-	0.1	0.1
Deferred tax liabilities	0.5	-	-	-	-	-	-
Sub-total NCLs	9.9	7.8	6.5	5.2	4.3	5.2	5.2
TOTAL LIABILITIES	98.8	81.7	75.7	85.7	70.7	93.2	94.9
NET ASSETS	142.9	135.9	124.5	134.4	126.2	152.9	170.1
Capital & Reserves							
Issued share capital	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Share premium	19.4	19.4	19.4	19.4	19.4	19.4	19.4
Investment in own shares	(31.6)	(34.7)	(30.6)	(29.7)	(28.5)	(31.8)	(31.8)
Capital & other reserves	12.3	12.0	11.8	12.3	12.3	12.3	12.3
Retained Earnings	140.3	136.6	121.5	130.0	120.5	150.6	167.7
TOTAL EQUITY	142.9	135.9	124.5	134.4	126.2	152.9	170.1

Source: Company data, Equity Development

Cash flow statement (page 1 of 2)

Year to 31 Mar (£m)	FY24A	FY24A	H1-25	FY25A	H1-26	FY26E	FY27E
Operating activities							
Profit before taxation	45.2	54.7	23.1	51.6	27.9	76.9	78.2
Adjustment for:							
Interest receivable and similar income	(0.7)	(2.3)	(1.2)	(2.7)	(1.1)	(2.1)	(2.1)
Investment income	(0.6)	(0.4)	(0.2)	(0.3)	(0.3)	(0.5)	(0.5)
Interest on lease	0.2	0.2	0.1	0.2	0.1	0.2	0.2
Depreciation on property & equipment	2.2	2.5	1.2	2.5	0.9	2.1	2.1
Revaluation of liability at FVTPL	-	-	-	-	-	-	-
Amortisation & impairment of intangible assets	1.2	1.2	6.0	14.8	-	-	-
Decr/(Incr) in fair value of inv. securities	-	-	-	-	(8.4)	(11.6)	-
Decr/(incr) in fair value of assets at FVTPL	(4.2)	2.9	(2.8)	(1.8)	3.6	3.6	-
(Decr)/incr in other financial liabilities	(0.5)	0.2	1.3	1.6	-	-	-
Incr in other financial assets	-	-	-	-	-	-	-
Decr/(incr) in receivables	5.9	(1.5)	(4.8)	(1.8)	(2.3)	(2.9)	(0.5)
(Decr)/incr in trade and other payables	(8.7)	(7.1)	(6.7)	5.7	(14.5)	9.0	1.7
Share-based payment charges	4.4	5.1	3.6	7.0	4.3	7.5	8.1
Incr/(decr) in liabilities at FVTPL	0.3	(2.2)	0.5	0.1	1.6	1.6	-
Release of fund units deferred rem	7.4	(1.2)	1.7	3.8	(3.0)	(3.0)	-
Other non-cash items	-	-	-	-	-	-	-
Cash generated from operations	52.0	52.0	21.9	80.7	8.8	80.7	87.2
Corporation tax paid	(7.7)	(12.4)	(8.0)	(19.4)	(10.4)	(19.2)	(19.6)
Interest on lease	-	-	-	-	-	-	-
Interest received	0.9	2.3	1.2	2.7	1.1	2.1	2.1
Net cash from operating activities	45.1	41.9	15.0	64.0	(0.6)	63.6	69.7

Source: Company data, Equity Development

Cash flow statement (page 2 of 2)

Year to 31 Mar (£m)	FY24A	FY24A	H1-25	FY25A	H1-26	FY26E	FY27E
Investing activities							
Interest received	-	-	-	-	-	-	-
Investment income received	0.4	0.4	0.2	0.3	0.3	0.5	0.5
Sale of investment securities	-	56.1	12.8	44.0	22.3	22.3	-
Purchase of investment securities	-	-	-	-	-	-	-
Sale of assets at FV through P&L	55.3	-	-	-	-	-	-
Purchase of assets at FV through P&L	(62.8)	(36.4)	(31.4)	(46.9)	(26.4)	(26.4)	-
Purchase of assets at amortised cost	-	(6.7)	3.3	6.7	-	-	-
Purchase of property and equipment	(0.5)	(0.2)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)
Sale of property and equipment	-	-	1.0	0.0	-	-	-
Cash introduced via business combination	-	-	-	-	-	-	-
Payments in respect of business combination	-	-	-	-	-	-	-
Payments in respect of asset acquisition	(0.2)	(0.1)	(0.0)	(0.0)	(0.0)	-	-
Cash from disposal of cons seed investments	(11.7)	-	-	-	-	-	-
Net cash used in investing activities	(19.5)	13.1	(14.3)	3.9	(4.0)	(3.7)	0.3
Financing activities							
Dividends paid to shareholders	(44.5)	(44.3)	(30.9)	(44.4)	(30.9)	(44.6)	(49.7)
Lease payments	(1.4)	(1.7)	(1.0)	(1.5)	(1.2)	(1.5)	(1.5)
Interest on lease	(0.2)	(0.2)	(0.1)	(0.2)	(0.1)	(0.2)	(0.2)
Issue of shares	-	-	-	-	-	-	-
Purchase of own shares	(10.7)	(8.2)	(0.5)	0.4	(2.1)	(2.1)	-
3rd party subs into cons funds	20.7	5.0	2.5	1.4	0.7	0.7	-
3rd party redemptions from consolidated funds	(3.9)	(13.4)	(0.3)	(1.1)	(1.5)	(1.5)	-
Dividends paid to 3rd party interests	-	-	-	-	-	-	-
Net cash from /(used in) financing activities	(39.9)	(62.9)	(30.2)	(45.4)	(35.0)	(49.1)	(51.4)
Net (decr)/incr in cash & equivalents	(14.3)	(7.9)	(29.4)	22.5	(39.6)	10.7	18.6
Cash & equivalents beginning of year	121.1	107.0	98.9	98.9	69.3	121.8	132.5
Effect of forex rate changes	0.1	(0.2)	(0.2)	0.4	0.2	-	-
Cash & equivalents at end of year	107.0	98.9	69.3	121.8	29.9	132.5	151.1

Source: Company data, Equity Development

Contacts

Andy Edmond

Direct: 020 7065 2691

Tel: 020 7065 2690

andy@equitydevelopment.co.uk

Hannah Crowe

Direct: 0207 065 2692

Tel: 0207 065 2690

hannah@equitydevelopment.co.uk

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Contact: info@equitydevelopment.co.uk | 020 7065 2690