

Forecasts up, fundamental valuation rises to 875p

16 June 2026

Tatton has beaten forecasts once again. FY26 revenue grew 20% to £54.4m (forecast: £53.0m; FY25: £45.3m), adjusted operating profit 24% to £28.5m (forecast: £27.5m; FY25: £22.9m); and PBT 17% to £25.3m (FY25: £21.6m). Adjusted operating margin increased to 52.3% (FY25: 50.6%), the strongest in the sector ([page 16](#)).

Net cash was £33.9m at year-end (FY25: 32.1m). That was after paying out £12.9m in dividends, acquiring £4.9m of own shares, and investing £4.7m in IFA consolidator Absolute Financial Management. Tatton has no debt. The full-year dividend is 27.0p (FY25: 19.0p), up 42% y-o-y and equating to a yield of 4.5%. It's been another bumper year.

For Tatton Investment Management (TIML), underlying net inflows ([page 4](#)) were strong all year, averaging £234m / month, and even stronger in H2 at £242m/month. Net flow rate remains far higher than peers ([page 5](#)). The IFA base continued to grow with 108 IFAs added bringing the total to 1,218. Momentum continued post year-end: Assets under Management/influence (AUM/I) hit £26.5bn on 12 Jun 26 (31 Mar 26: £24.2bn). Net flows over these 10 weeks totalled £568m (£246m / month). AUM/I growth looks comfortably on track to hit the targeted £30bn by 2029 ([page 4](#)).

Growth is underpinned by focussing exclusively on on-platform DFM, one of the fastest growing areas in wealth management ([page 6](#)); consistently delivering superior investment performance ([page 7](#)); consistently delivering superior service levels ([page 8](#)); and remaining one of the lowest-cost providers in the sector ([page 9](#)). All of these are crucial in the context of *Consumer Duty* regulation.

Paradigm, the IFA support services business (c. 13% of group revenue) is also showing solid growth with mortgage completions up 27% to £18.0bn in a sluggish mortgage market ([page 12](#)). Mortgage member firms grew by 99 to 2,014. Paradigm Consulting member firms grew from 425 to 433.

Our new fundamental valuation 45% above share price

Tatton's momentum and best-in-class positioning leads us to increase FY27 and outer-year forecasts:

- FY27: Revenue forecast up to £61.7m (£57.9m); adj. operating profit up to £33.0m (£30.1m).
- FY28: Revenue forecast up to £69.0m (£64.8m); adj. operating profit up to £37.5m (£34.2m).

Our fundamental valuation ([page 22](#)) is 875p per share (prev. 750p), 45% above the share price. Also, Tatton's PER of 19.6 is the sector median ([page 23](#)). It should command a substantial premium.

Company data

EPIC	TAM.L
Price (last close)	602p
52 weeks Hi/Lo	760p/552p
Market cap	£369m
ED Fair Value / share	875p
Net cash 2026A	£34m
Avg. daily volume (3m)	168k

Share price, p



Source: Investing.com

Description

Tatton Asset Management was founded in 2007 and serves smaller, UK-based Independent Financial Advisers via two business units:

Tatton Investment Management: discretionary fund management delivered via WRAP (investment) platforms (c87% of group revenue).

Paradigm: regulatory & compliance consulting & outsourcing, mortgage & protection insurance aggregation (c13% of group revenue).

AUM/I 12 Jun 26: £26.5bn

Next event

Trading update October 2026

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Key financials & valuation metrics

Year to 31 Mar (£m)	FY24A	FY25A	FY26A	FY27E	FY28E
AUM end-period* (£bn)	16.6	20.9	22.8	26.6	30.4
Revenue	36.8	45.3	54.4	61.7	69.0
Adjusted operating profit	18.5	22.9	28.5	33.0	37.5
Adjusted operating margin	50.3%	50.6%	52.3%	53.5%	54.3%
PBT	16.8	21.6	25.3	30.3	34.8
EPS basic (p)	21.4	26.4	30.7	36.9	42.1
EPS adjusted & diluted (p)	22.9	28.7	35.1	40.8	45.9
Net cash	24.8	32.1	33.9	40.4	51.3
P/E	28.1	22.8	19.6	16.3	14.3
DPS (p)	16.0	19.0	27.0	29.2	32.8
Dividend yield	2.7%	3.2%	4.5%	4.9%	5.5%

Source: Company data, ED, priced at 15/06/26 *Excludes £1.4bn of AUI from 50%-owned 8AM Global.

Contents

Tatton at a glance	3
Tatton Investment Management: another year of strong growth, ahead of target trajectory	4
Consistently attracting AUM at a rate far higher than peers	5
Laser-focused positioning in a high growth market segment	6
Superior investment performance	7
Superior service levels	8
One of the lowest-cost providers	9
Huge growth opportunities: adding new clients & attracting more AUM from existing clients	10
'Macro' forces likely to boost growth in Tatton's market segment	11
Paradigm delivers a very strong year	12
...amidst sluggish mortgage market, although long-term outlook is strong	13
Analysis of FY26 financials	14
Revenue	14
Adjusted operating expenses	15
Adjusted operating profit and margin	16
Statutory profits	17
Balance Sheet and Cash Flow	18
Dividends	19
Updated forecasts	20
Fundamental Value / share rises to 875p on better-than-forecast results and momentum	21
Peer comparator valuations	22
Summary financials	23

Tatton at a glance

Tatton Asset Management plc

- Tatton was founded in 2007, listed on AIM in 2017, and employs just over 120 people.
- It serves smaller, UK Independent Financial Advisers via two business units: *Tatton Investment Management (TIML)* & *Paradigm* (see right & below).
- It is still founder-led by CEO Paul Hogarth, who owns c. 15% of the business.
- Other executive directors are CFO Paul Edwards, who has extensive quoted-company CFO experience, and group Chief Investment Officer Lothar Mentel, who is also CEO and co-founder of Tatton Investment Management Ltd.

Source: Company

Paradigm Mortgage Services and Paradigm Consulting

- *Paradigm Mortgage Services* is a broker providing 2,014 directly authorised client firms access to a whole-of-market lending panel, as well as providing them with related support services, such as specialist lending distributors, conveyancing partners, and life and general insurance via Paradigm Protect. It facilitated £18.0bn of new business lending in the year to 31 Mar 26.
- *Paradigm Consulting* provides business, regulatory, compliance, pension, tax and trust consultancy services, as well as FCA application support to 433 Independent Financial Advisers.
- Paradigm (mortgages and consulting) makes up c. 13% of group revenue

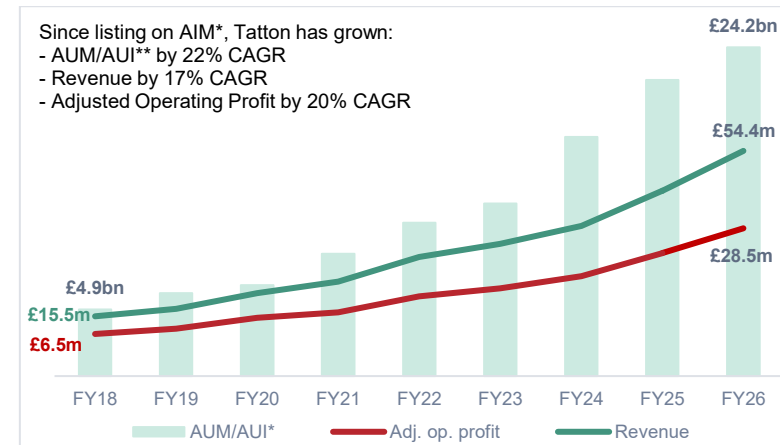
Source: Company

Tatton Investment Management Limited (TIML)

- TIML's core offering is on-platform, discretionary fund management (DFM). Financial advisers, via one of c. 20 adviser investment platforms, select one of 50 risk-rated model portfolios for clients, and outsource the investment management to TIML. These advisers avoid the regulatory and risk burden of selecting investments to focus more on financial planning and advice
- Outsourcing of investment management is increasing. UK on-platform DFM grew 24% last year* (page 6). TIML + 8AM Global have c11% market share, with £24.2bn of AUM/I (Mar 26), serving 1,218 member firms.
- TIML makes up c. 87% of group revenue

*Source Company (original source Platforum), market size '23: £135bn, '24: £173bn; '25: £214bn.

A highly successful combination

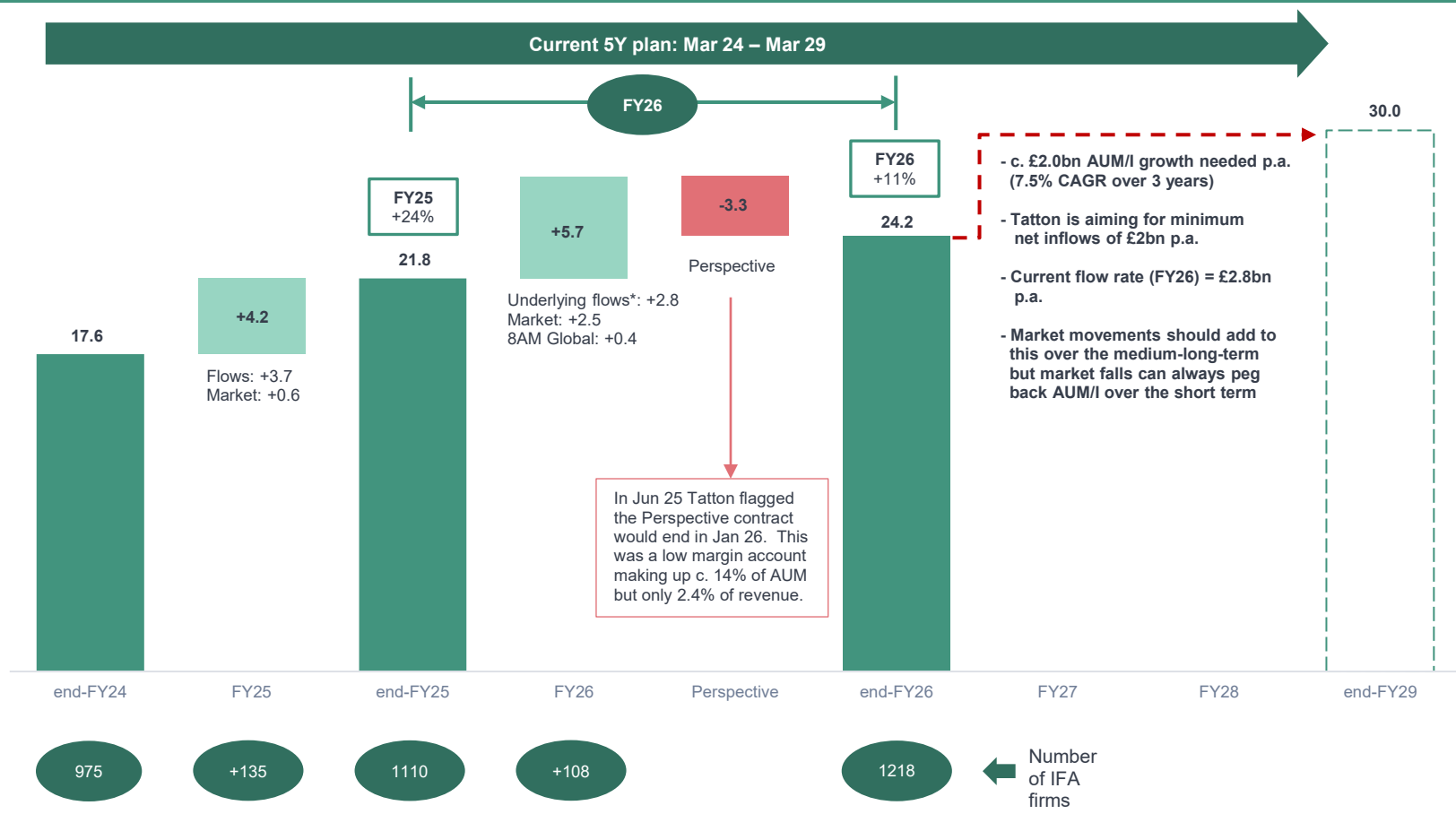


Source: Company reports. *FY18 is the first full FY post AIM-listing.
**AUI = Assets under Influence including AUM of 50% owned 8AM Global

Tatton Investment Management: another year of strong growth, ahead of target trajectory

In June 24 Tatton set a new **five-year target of reaching £30bn AUI by end-FY29 (31 Mar 29)** which required it to add c.£2.5bn per year on average, an 11% CAGR. It is now two years into that plan, and well ahead of its target trajectory. In the first year of the plan (FY25), AUM/I grew by £4.2bn (+24%) driven by exceptionally strong flows. In the second year (FY26), AUM/I grew by £2.4bn (+11%) with strong flows and supportive markets. FY26 growth was achieved despite the loss of the £3.3bn Perspective Financial Group account in Jan 26 (see chart). **To meet its target, Tatton now needs to add c. £2bn per year (7.5% CAGR). Net inflows are currently running at c. £2.8bn per year.**

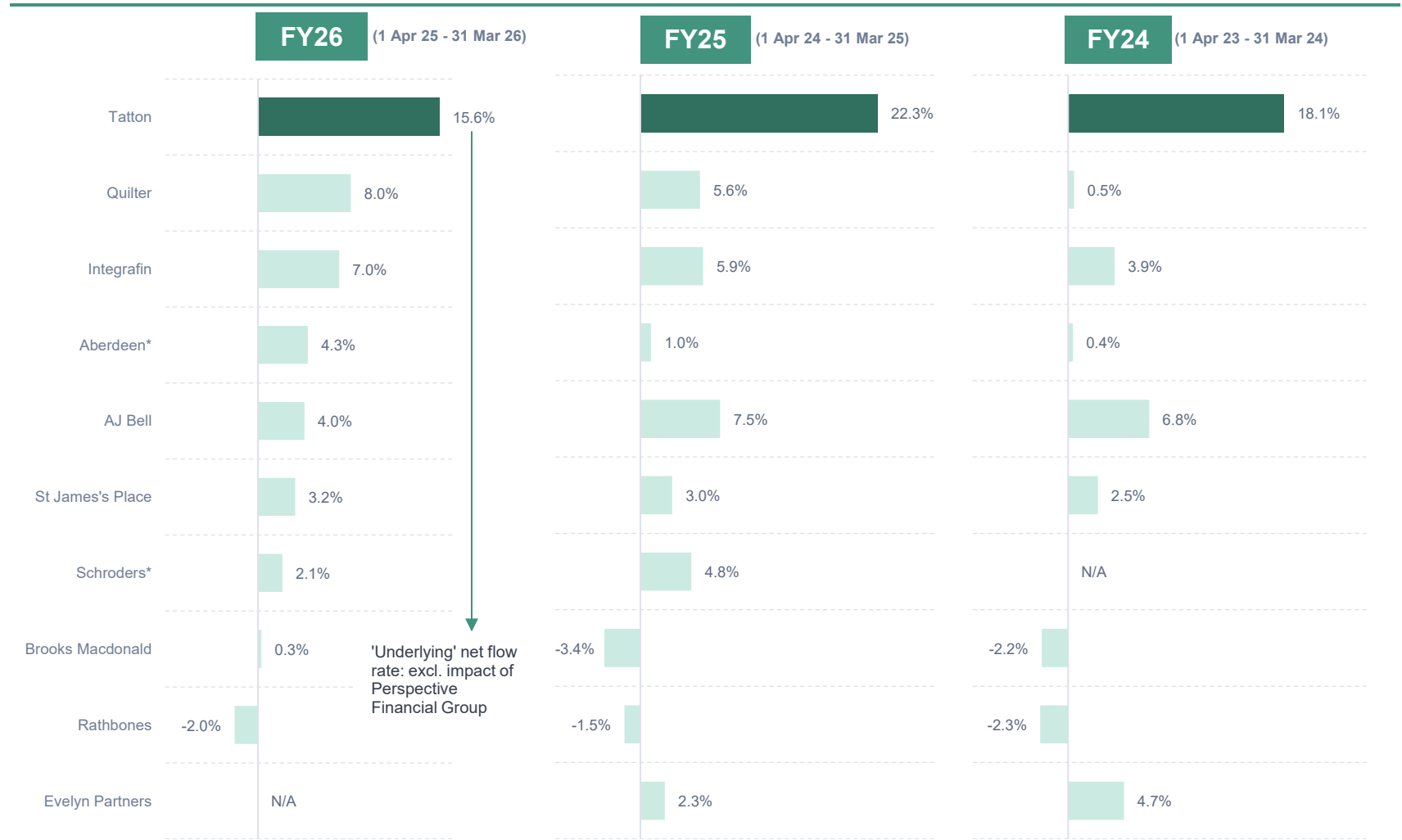
AUM/I development over current medium-term growth plan, £bn



Source: company reports, ED analysis. *Underlying flows exclude the impact of Perspective Financial Group.

Consistently attracting AUM at a rate far higher than peers

Net flows/opening AUM



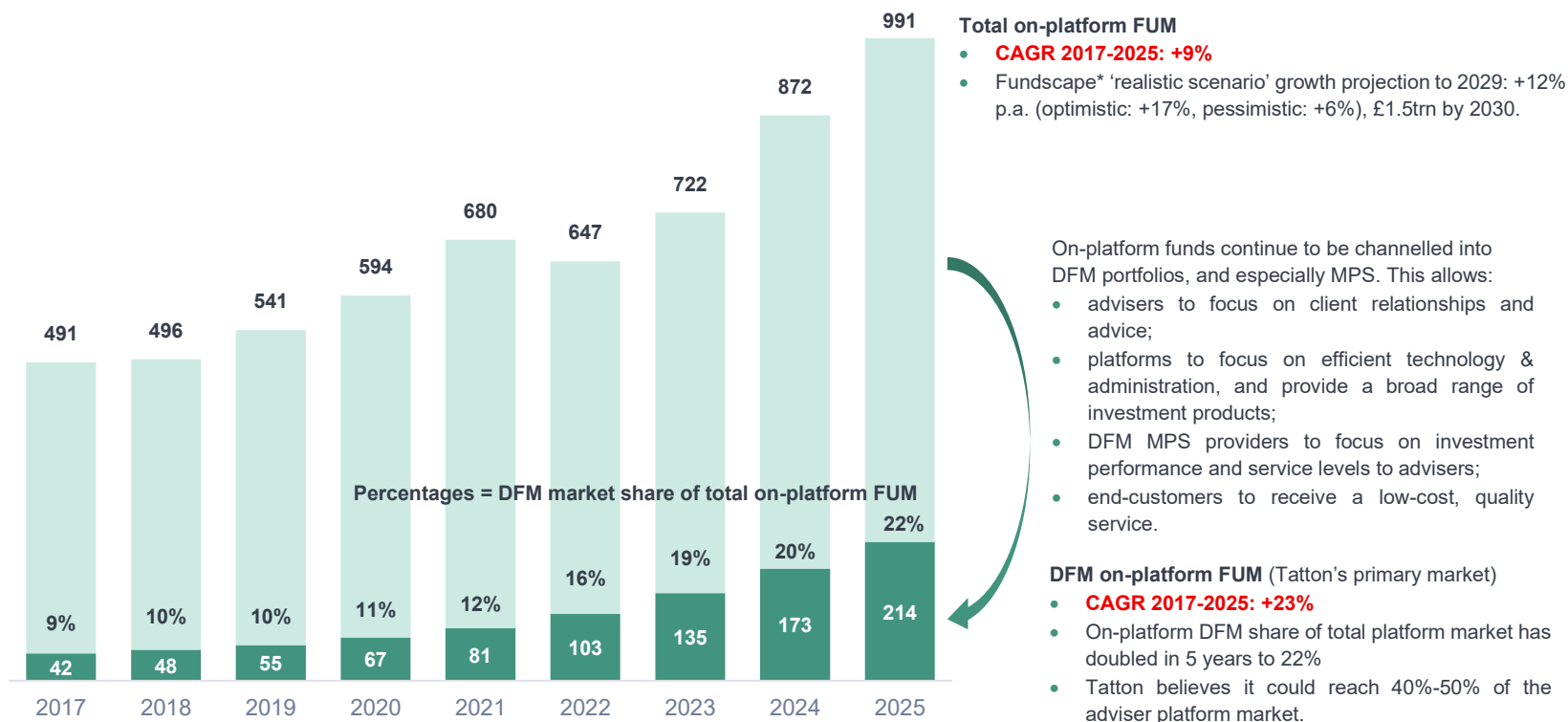
Source: company reports, ED analysis. Peer group typically house portfolios for individual investors, they are not 'pure play' asset managers which typically run individual funds making up only a part of an investor's portfolio. Evelyn Partners is not publicly listed but is a large player and publishes this data, therefore included as a useful peer comparator. *Wealth management business units only (Schroders: 'wealth management', Aberdeen: 'adviser + interactive investor').

Laser-focused positioning in a high growth market segment

Tatton provides investment management services to financial advisers only, not to consumers directly. Nor does it provide any other wealth management services to consumers (advice/financial planning etc). **This independence and avoidance of any conflicts with financial advisers is highly valued** by them (quite a few competitors of Tatton also have financial advice and planning businesses which might compete with the financial advisers they provide investment services to).

Tatton's core offering is on-platform, discretionary fund management (DFM), delivered through model portfolio services (MPS). This means financial advisers, via a technology platform (Nucleus, Transact, etc), select a risk-appropriate portfolio for their client, and outsource the investment management to a company such as Tatton (Tatton's MPS range is available on >20 platforms). **On-platform DFM is one of the fastest growing areas in wealth management** (dark green bars below). It allows advisers to 1) avoid the regulatory and risk burden of selecting investments; 2) focus more on their core business of financial planning and advice, and 3) maintain control of their end-client relationship.

UK on-platform funds under management (FUM) via advisers, £bn



Source: Tatton analyst presentation (June 26 – original data source Platform). *Fundscape: The Retail Wealth Management Industry 2025–2029; The platform industry in 2025: a year of two halves.

Superior investment performance

Tatton's track record of investment returns is highly impressive, with advisers' confidence in it clearly well justified. **In its core MPS suite, nearly every strategy has outperformed peers over one, three, five and ten years.** Only one defensive strategy underperformed peers over five years; with one defensive (over five years) and one cautious (over one year) performing in line with peers.

Dark-green shading below depicts outperformance versus peers; red shading depicts underperformance:

10-year core MPS suite portfolio returns, % (annualised)*

	Active	Tracker	Hybrid	ARC Peers**
Defensive	3.3	3.5	3.4	2.9
Cautious	5.2	5.4	5.3	4.3
Balanced	6.4	6.7	6.6	5.5
Active	7.8	8.1	8.0	5.5
Aggressive	9.1	9.3	9.2	6.5
Global Equity	11.3	11.3	11.3	6.5

*10 years to 31 Mar 26

5-year core MPS suite portfolio returns, % (annualised)*

	Active	Tracker	Hybrid	Ethical	ARC Peers**
Defensive	2.1	2.6	2.3	2.7	2.3
Cautious	4.0	4.5	4.3	3.9	3.5
Balanced	5.5	6.0	5.8	4.8	4.1
Active	7.0	7.4	7.2	5.9	4.1
Aggressive	8.1	8.5	8.3	6.7	4.4
Global Equity	9.1	9.4	9.3	7.2	4.4

*5 years to 31 Mar 26

3-year core MPS suite portfolio returns, % (annualised)*

	Active	Tracker	Hybrid	Ethical	ARC Peers**
Defensive	5.3	5.8	5.6	7.0	4.8
Cautious	7.1	7.6	7.4	7.9	6.3
Balanced	8.5	9.0	8.8	8.7	7.0
Active	9.8	10.4	10.1	9.4	7.0
Aggressive	10.9	11.3	11.1	9.9	7.4
Global Equity	12.9	13.2	13.1	10.7	7.4

*3 years to 31 Mar 26

1-year core MPS suite portfolio returns, % (annualised)*

	Active	Tracker	Hybrid	Ethical	ARC Peers**
Defensive	7.7	7.0	7.3	8.1	6.8
Cautious	9.5	9.0	9.3	9.8	9.0
Balanced	11.4	10.9	11.2	11.3	9.7
Active	13.2	12.9	13.0	13.0	9.7
Aggressive	14.4	14.3	14.3	14.1	10.3
Global Equity	16.9	16.3	16.6	15.7	10.3

*1 year to 31 Mar 26

Source: Tatton Analysts Presentation 16 June 2026. ** ARC PCI –UK wealth management portfolio peer group with historically comparable asset allocation characteristics

Superior service levels

In addition to superior investment performance, Tatton ranks extremely highly on nearly all service ratings categories.

In the Defaqto 2026 Service Rating Analysis, which received 330 responses from advisers, **Tatton impressively ranked in the top 3 providers in all categories except one** – that is in a market which has **more than 30 DFM MPS** providers with AUM > £500m*.

Defaqto DFM 2026 Service Rating Analysis

CATEGORY

General:

Providers advisers had placed business within the last 12 months
Total number of above average scores versus competitors

Tatton rank

1st
2nd

By service disciplines

Importance rank

Quality of staff – investment
Existing business
New business
Accessibility
Reporting
Quality of staff -administration
Online facilities
Quality of literature

1
1
3
4
5
6
7
8

Tatton rank

2nd
3rd
2nd
Joint 1st
2nd
Not in top 3
2nd
3rd

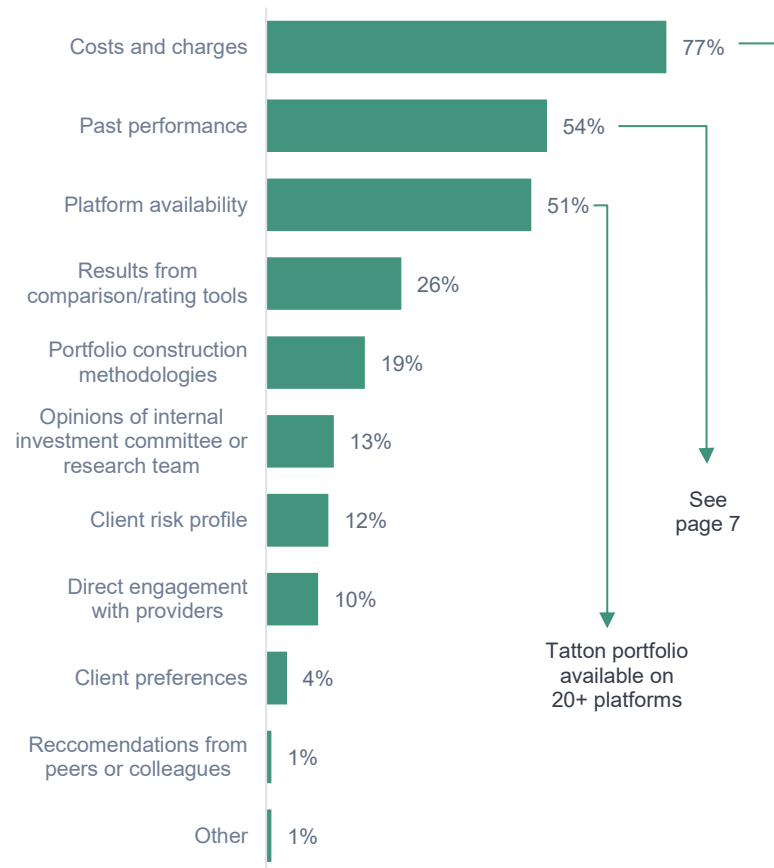
**More than 30 DFM MPS
providers with AUM > £500m***

Source: Defaqto. 2026 Service Rating Analysis – DFM. *Source: Platforum

One of the lowest-cost providers

While delivering superior investment performance and superior service levels is crucial to Tatton's offering, so too is being cost competitive. In a recent report, costs and charges were ranked by advisers as having the biggest influence on which MPS provider they select. Tatton pioneered the low-cost provision of MPS portfolios and remains the lowest cost provider in the market, save for one competitor, which has an integrated, not fully independent offering as Tatton does.

“Which has the biggest influence on which MPS provider you select?”



Peer group IM fee & OCF benchmark for “CORE or Balanced” portfolio

	Avg OCF	IM Fee only	Holdings only
Average of competitors	0.55%	0.20%	0.34%
Investment Mgr	0.65%	0.25%	0.40%
Wealth Manager	0.63%	0.25%	0.38%
Integrated	0.59%	0.15%	0.44%
Integrated	0.58%	0.20%	0.38%
Platform	0.56%	0.24%	0.32%
Platform	0.53%	0.12%	0.41%
Consolidator	0.55%	0.20%	0.35%
Wealth Manager	0.54%	0.25%	0.29%
Wealth Manager	0.54%	0.30%	0.24%
Investment Mgr	0.54%	0.15%	0.39%
Investment Mgr	0.52%	0.15%	0.37%
Investment Mgr	0.51%	0.15%	0.36%
Tatton	0.47%	0.15%	0.32%
Integrated	0.29%	0.09%	0.20%

Source: Tatton Analysts Presentation June 2026, original source Research in Finance - MPS Perception Report May 2026

Huge growth opportunities: adding new clients & attracting more AUM from existing clients

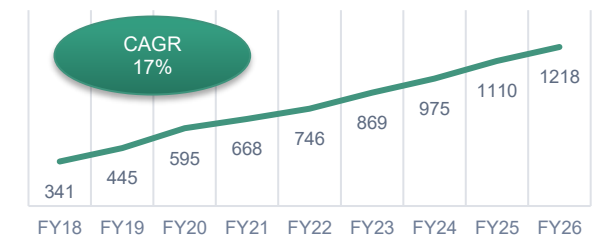
Tatton can grow by adding new IFA clients...

- TIML continues to increase the number of IFA clients that contract with it to manage their clients' investments.
- And there is still ample room to grow this further as the UK has around 5,000 directly authorised IFA firms.

...with a huge opportunity to add AUM from existing clients

- This opportunity is to increase average-AUM-per-client-firm. [An IFA will typically not move all their AUM to a new investment manager at once but increase it over time as the relationship builds].
- 'Paradigm firms' (clients of both Paradigm and TIML) offer a benchmark of AUM-per-firm potential. These firms tend to have been clients for a longer time than Direct firms and have built their AUM with TIML over time to an average of £37m per firm. Tatton believes £40m is a realistic target.
- 'Direct firms' (clients of TIML but not of Paradigm) have a lower average AUM per firm of £16m. While this cohort has been growing rapidly over the last few years, they tend to be 'younger' relationships and have not had the same period as Paradigm firms to build up their AUM with TIML.
- But, given time, there is no reason that average-AUM-per-Direct firm cannot get closer to or match that of Paradigm firms, i.e. there is **c. £24m of AUM-per-firm growth 'headroom'**. (Tatton has already managed to increase the average AUM for direct firms from £6m in Mar 19 to £16m today).
- And because there are so many Direct firms (1084), with so much average-AUM headroom, this opportunity is huge i.e. if Tatton succeeds in growing its average-AUM-per-Direct-firm from £16m to £40m, **it could add c. £26bn of AUM without winning new clients** (1084 firms x £24m, the difference between current average AUM per firm for direct firms and the £40m benchmark).

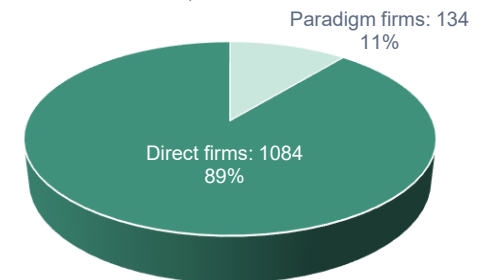
Number of TIML IFA client firms



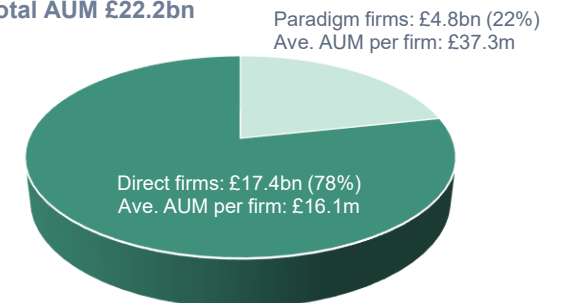
Source: Company

Paradigm firms v Direct firms

Total number of firms 1,218



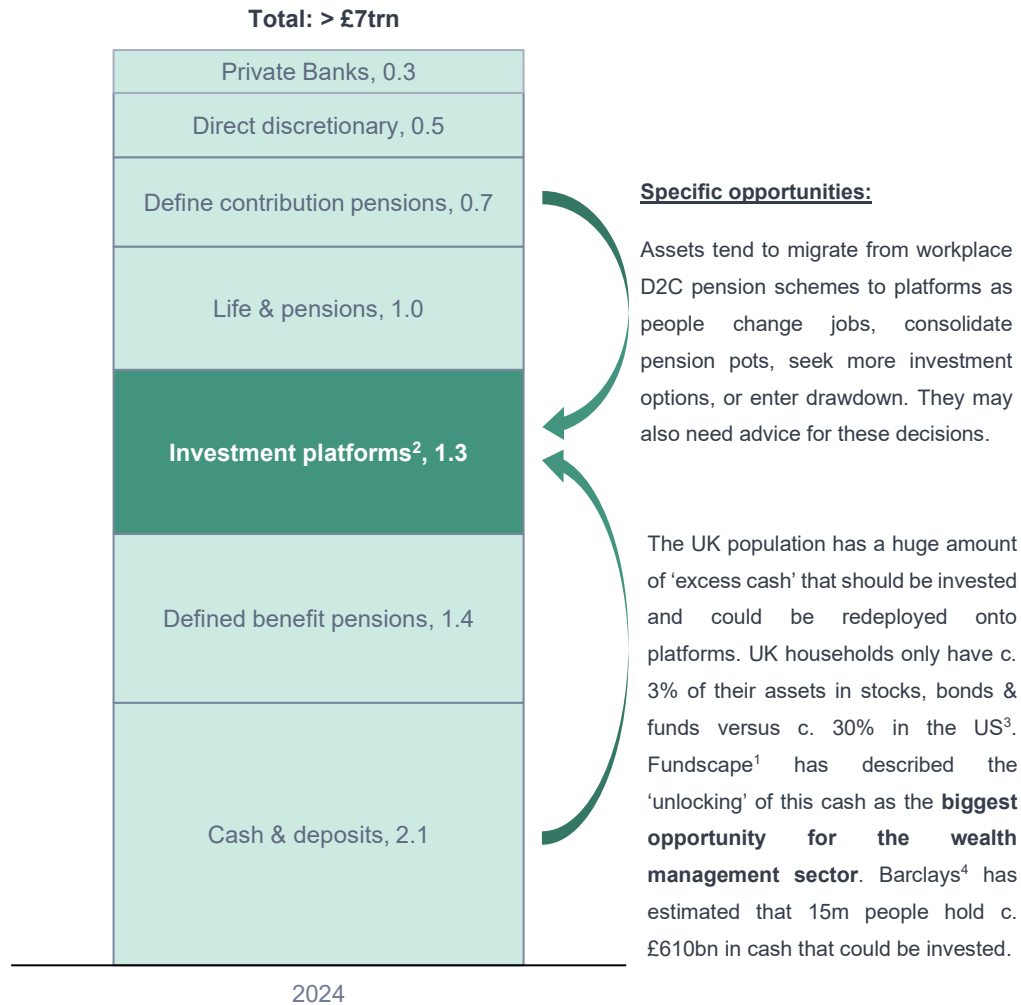
Total AUM £22.2bn



Source: Company

'Macro' forces likely to boost growth in Tatton's market segment

Approximate size breakdown of wealth segments (£trillion) and significant market drivers



Key general trends:

Inflows onto platforms continue as savers and investors keep contributing to their investment and retirement pots, with attractive tax incentives to keep this up (e.g. ISAs & SIPPS).

'Adviser-led' investments (Tatton's distribution channel) are likely to grow strongly:

- An ageing UK population needs more advice as they approach retirement.
- A changing tax landscape (e.g. the planned inclusion of pension assets in IHT) is likely to lead to a surge in advice requirements.
- Previous regulatory shifts have provided more freedom to access pensions and increased the responsibility on individuals to manage their own assets, also leading to increased demand for advice and 'adviser-led' investments.

More and more advisers are moving their AUA onto platforms and outsourcing investment management to DFM providers such as Tatton to concentrate on advice/planning and client relationships, and to avoid the regulatory and risk burden of investment management.

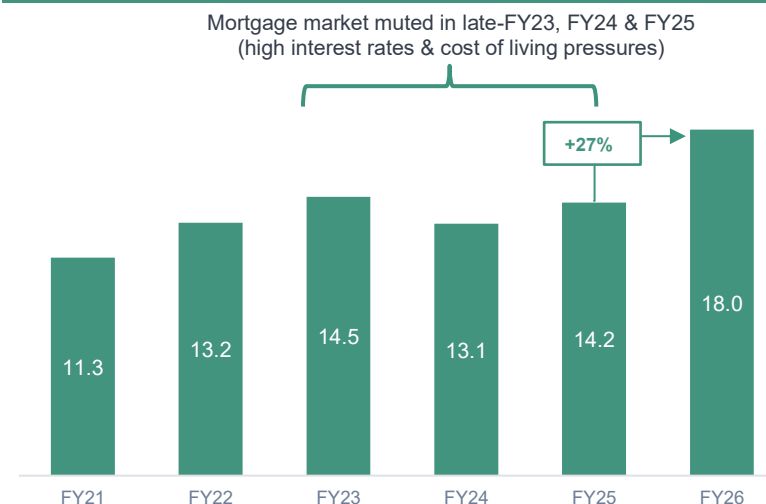
Source: Chart: Fundscape: ¹The Retail Wealth Management Industry 2025–2029; The platform industry in 2025: a year of two halves. ²Investment platforms updated with 2025 data (1.3 = retail advised + D2c + workplace & institutional). ³ Barclays: *The UK investment gap: savers have an estimated £610bn in cash that could be invested*. ⁴World Economic Forum: 2024 Global Retail Investor Outlook

Paradigm delivers a very strong year...

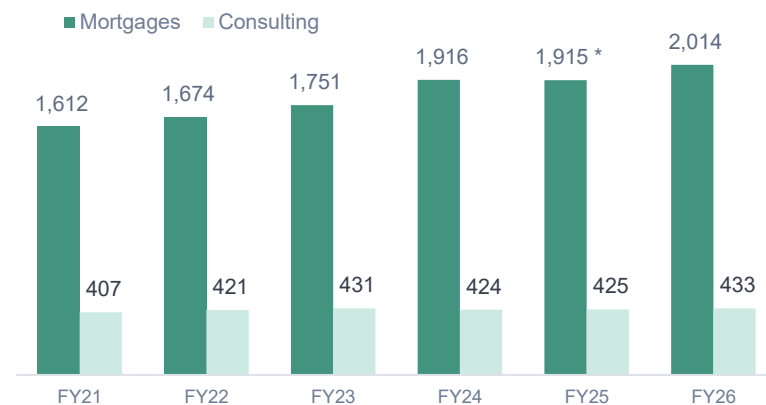
Signs of pick-up in activity in housing market and Paradigm

- The group's IFA support services business (mortgages & consulting, c. 13% of group revenue) had a strong year in a sluggish mortgage market (see next page), with mortgage completions up 27% y-o-y to £18.0bn. Higher-margin Buy-to-Let completions increased by 35%
- Following strong growth up until FY23, the interest rate hiking cycle and cost of living pressures over late-FY23, FY24 and FY25 (especially H1-25) slowed the UK mortgages market, and Paradigm's mortgage completions.
- But **H2-25 and FY26 saw an acceleration in mortgage completions (H1-25: £6.6bn; H2-25: £7.6bn; H1-26: £8.6bn; H2-26: £9.4bn). The number of mortgage firms also returned to growth**, increasing from 1,915 on 31 Mar 25 to 2,014.
- Tatton commented: *"the Purchase market has slowed considerably as buyers/professional investors wait to see the outcome of geo-political events, and subsequent Lender pricing. Buyer confidence in the market as displayed up to March has been tested such that the market has fallen back in this area, but the Re-mortgage market (transfers from one lender to another) is showing real strength which will help with overall volumes and value."*
- Paradigm Consulting, while a smaller business than Paradigm Mortgages, is strategically important, enabling close relationships with IFAs and providing valuable market insights. Member firms grew from 425 to 433 over FY26.
- **The above translated to Paradigm's revenue increasing 8% from £6.3m in FY5 to £6.8m in FY26.**

Paradigm mortgage completions, £bn



Paradigm member firms



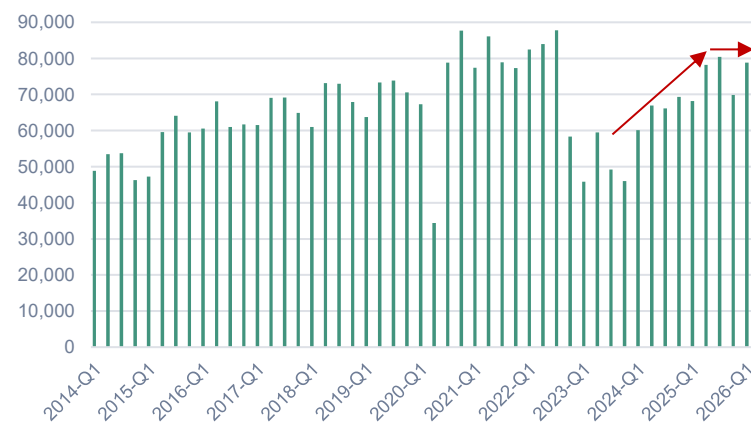
Source: Company. *In Sep 24 Paradigm rationalised dormant firms.

...amidst sluggish mortgage market, although long-term outlook is strong

Muted market but fundamental growth opportunity

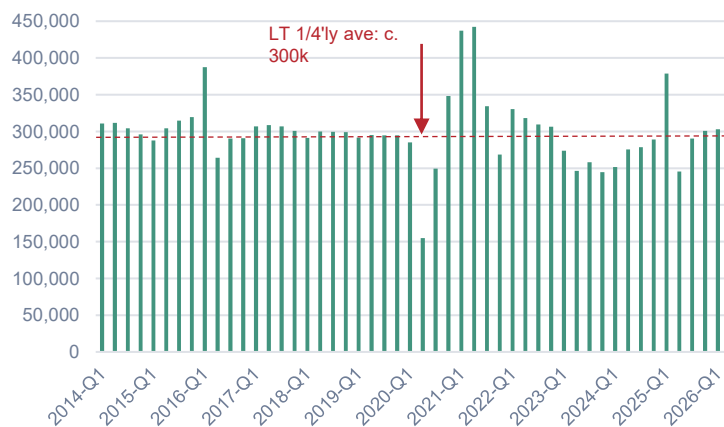
- Paradigm's strong growth stands in contrast to a sluggish mortgage market. New mortgage commitments had been on a solid recovery in 2024 and 2025, but this stalled in Q4-25 which saw a 12% pullback in commitments (top right) as swap rates rose on decreased expectations of interest rate falls in 2026. Q1-26 saw commitments rise again, but the environment is uncertain.
- Property transactions have held up (bottom left), but house prices (bottom right) have flatlined over the last few months, falling slightly in Mar, Apr, and May 26.
- However, long-term, mortgages are a growth business, underpinned by the supply-demand imbalance of the UK residential housing market.

UK new mortgage commitments* (£m)



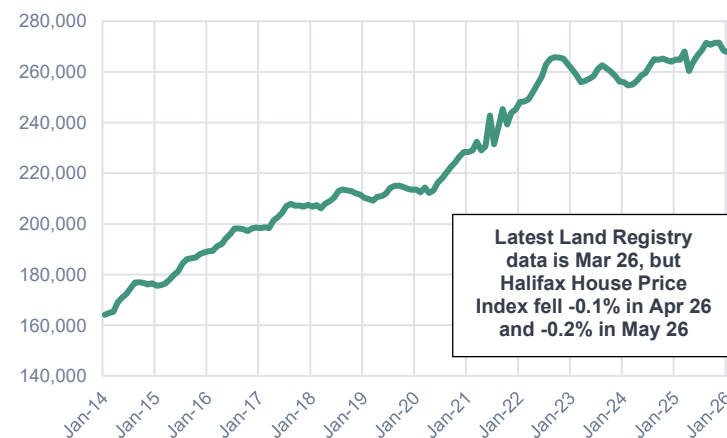
Source: [Bank of England, Mortgage Lenders and Administrators Statistics - 2026 Q1](#)
*lending agreed, to be advanced in the coming months

UK residential property transactions (seasonally adjusted)



Source: [HM Land Registry, Transactions >£40k](#). Data for Q1-26 provisional.

UK average residential property price



Source: HM Land Registry (latest data Mar 26)

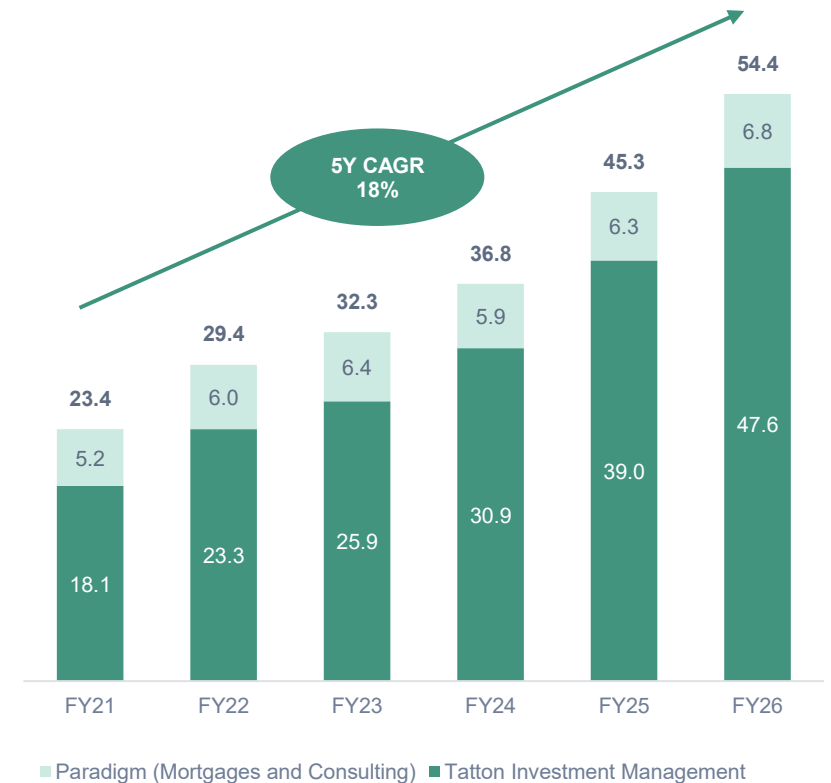
Analysis of FY26 financials

Revenue

Strong revenue growth continues

- **Group revenue was up 20%** from £45.3m in FY25 to £54.4m in FY26.
- TIML continued its exceptionally strong growth trend with revenue up 22% to £47.6m (FY24: £39.0m), making up 87% of group revenue.
- TIML average revenue yield declined slightly from 20.6bps in FY25 to 20.1bps (22.0bps excluding the Perspective account – see page 4). This was driven not by price reductions but by product mix factors i.e. lower-yielding MPS making up a larger proportion of AUM.
- **Revenue margin is expected to increase in FY27 to c. 22bps** due mostly to the removal of the low-yielding Perspective account.
- As detailed on page 12, Paradigm saw solid growth, driven by a jump in mortgage completions, with revenue increasing 8% to £6.8m.

Revenue, £m



Source: Company reports

Adjusted operating expenses

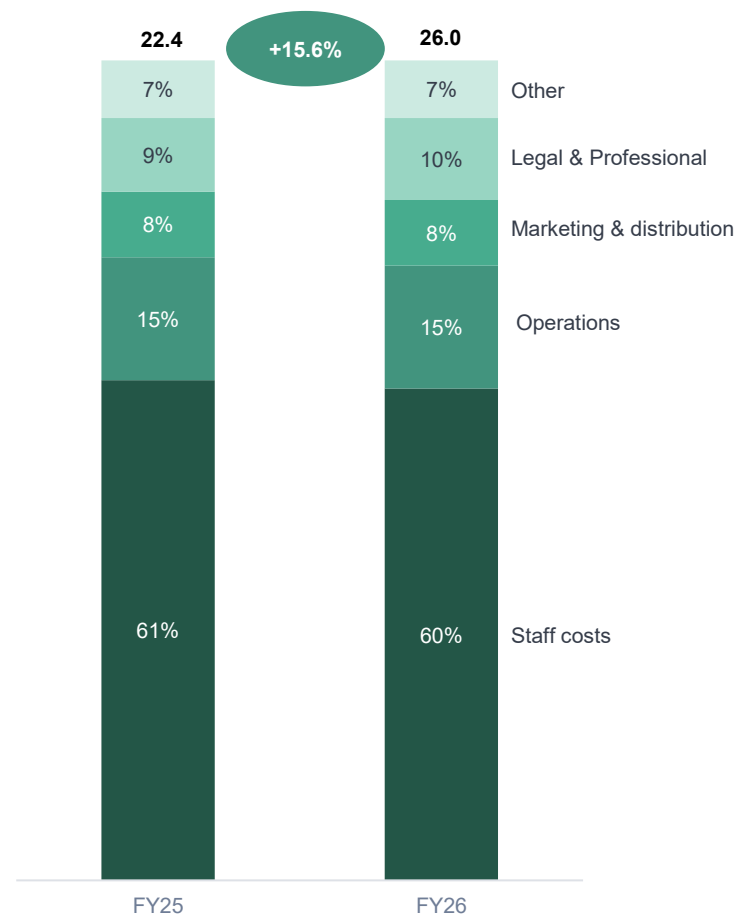
Expenses growth less than revenue growth

- Adjusted operating expenses is probably the best metric of comparing underlying like-for-like costs. It excludes volatile, non-recurring, and non-cash items: exceptional items, share-based payment charges, changes in the fair value of contingent consideration, and amortisation of acquisition-related intangibles.
- At a group level, these increased 15.6% from £22.4m to £26.0m (revenue growth 20%), with an underlying increase of 12.5% (underlying increase taking into account the increase in performance-related pay due to the strong year). Tatton has said it expects cost growth to be 10-12% in FY27 with single digit increases over the medium term and no foreseeable cost cliff ahead.
- The largest component of adjusted operating expenses were staff costs (60%) which increased by 12% to c. £15.3m (including variable pay of c.£4.3m or 28% of total employee costs, payable against performance). Three factors drove the employee cost increase:
 - Average salary increases of 5%.
 - Selective new hires to strengthen marketing, distribution and operational teams (average headcount rose from 113 to 120).
 - An increase in discretionary variable pay on strong performance.

y-o-y adjusted operating expenses & breakdown

Adjusted operating expense growth: +15.6%

Group revenue growth: +20.1%



Source: Company. Totals may not add due to rounding

Adjusted operating profit and margin

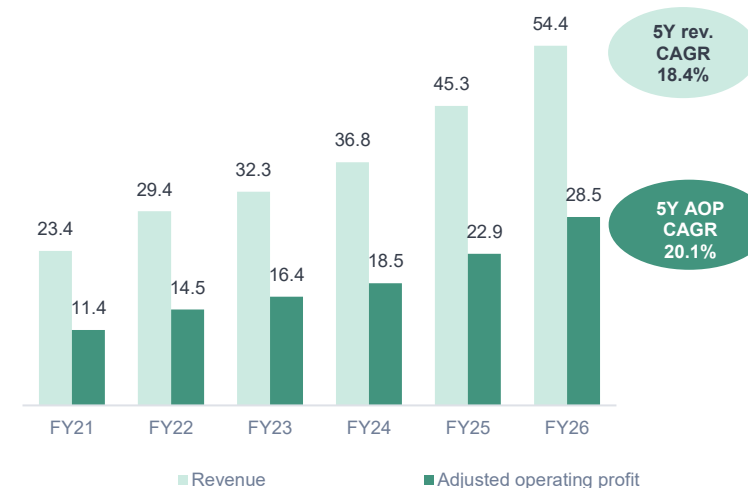
Revenue growth and cost control maintains sector-leading margin

- Revenue less adjusted operating expenses provides the alternative performance measure of *adjusted operating profit (AOP)*, which is useful for comparing underlying profitability between periods where statutory profits can be distorted by exceptional, volatile and non-cash expenses.
- In FY26, **AOP increased 24% y-o-y to £28.5m (FY25: £22.9m)**, continuing an impressive period of revenue and profit growth, and of capturing operating leverage as the business has scaled (top chart on right).
 - TIML adj. op. profit increased 24% to £30.8m (FY25: £24.9m)
 - Paradigm adj. op. profit increased 4% to £1.92m (FY25: £1.84m)

Note that £4.3m of adjusted operating expenses (FY25: £3.8) were not allocated to business segments, hence the sum of TIML + Paradigm adj. op profit is larger than that of the group (unallocated expenses include general corporate expenses, head office salaries, and other administrative costs that are not directly attributable to the operating segments).

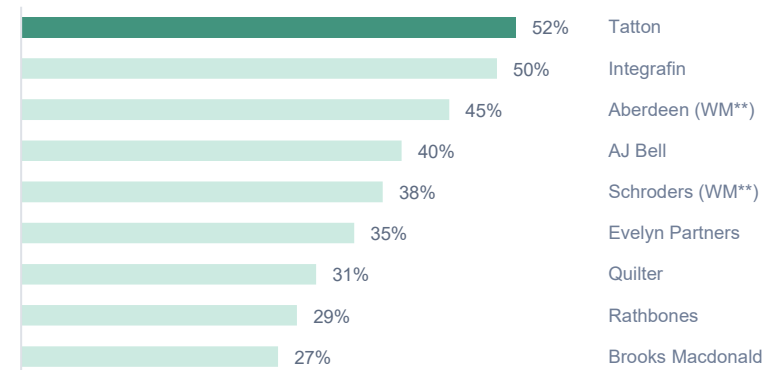
- The associated **adjusted operating margin of the group increased to an impressive 52.3% from 50.6% in FY25. This margin is higher than all other peer-group companies** operating in the UK wealth management space, even those of substantially larger scale and also 'platform' companies which enjoy substantial economies of scale.
 - TIML adj. op. margin increased to 64.8% (FY25: 63.8%)
 - Paradigm adj. op. margin decreased to 28.1% (FY25: 29.0%).

Profit growth continues to exceed revenue growth as Tatton scales, £m



Source: Company, ED analysis

Sector-leading operating margins*



Source: Company reports, ED analysis. *Margins adjusted to be closest like-for-like comparison to Tatton's 'adjusted operating margin' (i.e. excl. amortisation of acquired intangibles, share-based payments, fin. income/expense etc). Evelyn Partners metric used = adj. EBITDA. Margins are from last full FY. Peers typically house portfolios for individual investors, excludes asset managers which mostly run funds making up only part of an investor's portfolio. ** Aberdeen: 'adviser + interactive investor' only, Schroders: 'wealth management' unit only.

Statutory profits

Statutory profits up to mid-to-high twenty percent range

- To get to statutory operating profit from adjusted operating profit, the following items make up the bulk of the difference:
 - share-based payment charges of £2.90m (FY25: £1.50m)
 - amortisation of acquired intangibles of £0.66m (FY25: £0.66m), being the amortisation of capitalised client relationships and brands related to acquisitions
 - exceptional items of £0.54m (FY25: nil) relating to one-off project costs for a new Authorised Corporate Director (ACD) – this move incurred a one-off terminations fee, but Tatton has stated the change leads to a £1m net cost saving.
- In turn, statutory operating profit increased 17% to £24.2m (FY25: £20.7m).
- Statutory PBT after the impact of net finance income (FY26: +£1.08m; FY25: +£0.91m) was up 17% to £25.3m (FY25: £21.60m), with PAT increasing 17% to £18.8m (FY25: £16.1m).
- At a per share level, basic earnings per share increased 17% from 26.4p in FY25 to 30.8p in FY26, and fully diluted adjusted EPS 22% from 28.7p to 35.1p.

Adjusted profit to statutory profit bridge, £m

	FY25	FY26
Adjusted operating profit	22.95	28.49
SB payment charges	(1.50)	(2.90)
Amortisation of acquisition-related intangibles	(0.66)	(0.66)
Operating loss relating to non-controlling interest	(0.10)	(0.11)
Exceptional items	-	(0.54)
Changes to FV of contingent consideration	-	(0.04)
Operating profit	20.69	24.24
Net finance income/(cost)	0.91	1.08
PBT	21.60	25.31
Tax	(5.59)	(6.59)
PAT	16.14	18.72
EPS basic	26.4p	30.8p
EPS diluted	26.2p	30.2p
Adjusted EPS basic	29.4p	36.1p
Adjusted EPS diluted	28.7p	35.1p

Source: Company

Balance Sheet and Cash Flow

Balance sheet robust, £34m of net cash and no debt

- The balance sheet of the group remained robust with net assets increasing 9% from £50.6m at the end of FY25 to £55.0m.
- Net cash generated from operating activities (before tax and exceptional costs) was £29.3m (FY25: £24.6m), 103% of adjusted operating profit (FY25: 94%).
- **Net cash increased 5% over FY26 to £33.9m** after paying:
 - £12.9m in dividends
 - £4.9m purchasing own shares
 - £4.7m for the investment in Absolute Financial Management
- Tatton has no debt.
- Return on capital employed increased to 53.4% (FY25: 48.0%), highlighting that Tatton continues to deploy capital efficiently.

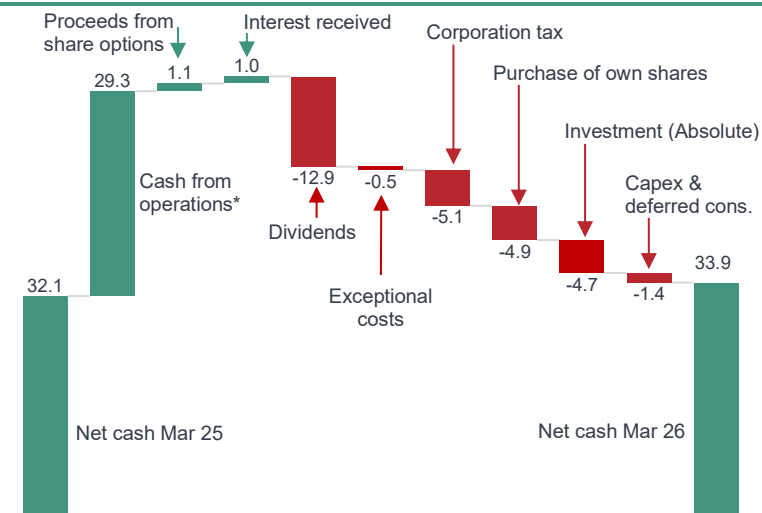
Source: Company

296% headroom (£16.1m) over regulatory capital requirement

- Tatton (at Group level and subsidiary Tatton Investment Management Limited) is subject to the UK's *Investment Firm Prudential Regime* (IFPR), which demands minimum capital requirements.
- To provide additional clarity on its capital and cash resources – particularly the levels of capital available to pursue growth opportunities such as acquisitions – Tatton produces an analysis, which shows £21.5m of capital resources held with up to £16.19m (£21.5m less regulatory capital requirement of £5.4m) being available to pursue growth opportunities.

Source: Company

Cash flow movements over FY26, £m



Source: Company. * Adjusted for exceptional items

Summary capital adequacy calculation, £m (Mar 25)

Regulatory capital requirement	£5.4m
Total Shareholder funds	£55.0m
Less: Foreseeable dividend	(£9.1m)
Less: Non-qualifying assets	(£24.4m)
Total qualifying capital resources	£21.5m
% Capital resource requirement held	396%

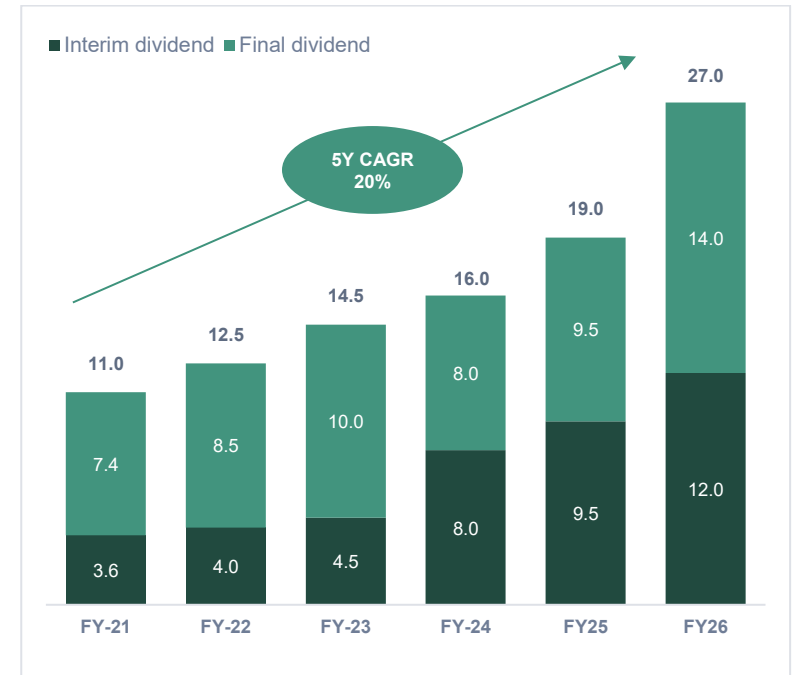
Source: Company

Dividends

Dividend up 42% on strong results and cash position

- Tatton's dividend policy is to pay a dividend of approximately 70% of adjusted earnings, with a 50/50 split between interim and final dividend.
- The board has recommended a final dividend of 14.0p, resulting in a **full-year dividend of 27.0p per share, up 42% on the 19.0p FY25 dividend.**

Historic and proposed dividends, pence per share



Source: Company historic data

Updated forecasts

Our FY27 and outer year forecasts increase, based on higher than forecast end-FY26 AUM levels and a strong start to FY27 (AUM on 12 Jun 26: £25.0bn, AUM/I: £26.5bn), stronger net flow momentum than previously forecast, and slightly higher revenue yield guidance than previously forecast. More specifically:

- For FY27 we assume average monthly net flows of £234m, the same as FY26 underlying net flows (previous forecast assumption for FY27 £225m per month). We note that FY27 has started with a slightly higher net flow run-rate than our assumption (£246m per month since 31 Mar 26). We assume a reduction in net flows to £200m per month in outer years.
- We maintain our assumption that investment performance adds 4% per annum to AUM. We note that the *FTSE Private Investor Balanced Index* (a reasonable proxy for investment returns) is already up 7% since 31 Mar 26 but there is of course always the possibility of a market pullback, and being so early in the FY, we maintain our baseline assumption for now.
- Tatton's revenue yield guidance of c. 22bps is slightly higher than we had previously assumed.
- Tatton's cost growth guidance is largely in line with what we had previously assumed.
- We allow for an additional investment in FY27 of £3.0m in Absolute Financial Management. We also note that FY26 closing net cash being lower than forecast was mainly due to the £4.7m investment in Absolute Financial Management, and higher-than-forecast purchases of own shares.

Performance v forecast, and forecast changes

Year to 30 Sep (£m)	FY26	FY26	above/below forecast	FY27E	FY27E	Change
	Actual	Forecast		Revised	Old	
AUM end-period (£bn)	22.8	22.8	0%	26.6	26.1	2%
Revenue	54.4	53.0	3%	61.7	57.9	6%
Adjusted operating profit	28.5	27.5	4%	33.0	30.1	9%
Adjusted operating profit margin	52.3%	51.9%	1%	53.5%	52.0%	3%
PBT	25.3	26.3	-4%	30.3	28.9	5%
EPS basic (p)	30.7	31.8	-3%	36.9	34.4	7%
EPS adjusted & diluted (p)	35.1	33.5	5%	40.8	36.1	13%
Net cash	33.9	40.9	-17%	40.4	49.9	-19%
P/E	19.6	18.9		16.3	17.5	
DPS (p)	27.0	23.8	13%	29.2	23.8	22%
Dividend yield	4.5%	4.0%		4.9%	4.0%	

Source: Equity Development, Priced at 15/06/2025

Fundamental Value / share rises to 875p on better-than-forecast results and momentum

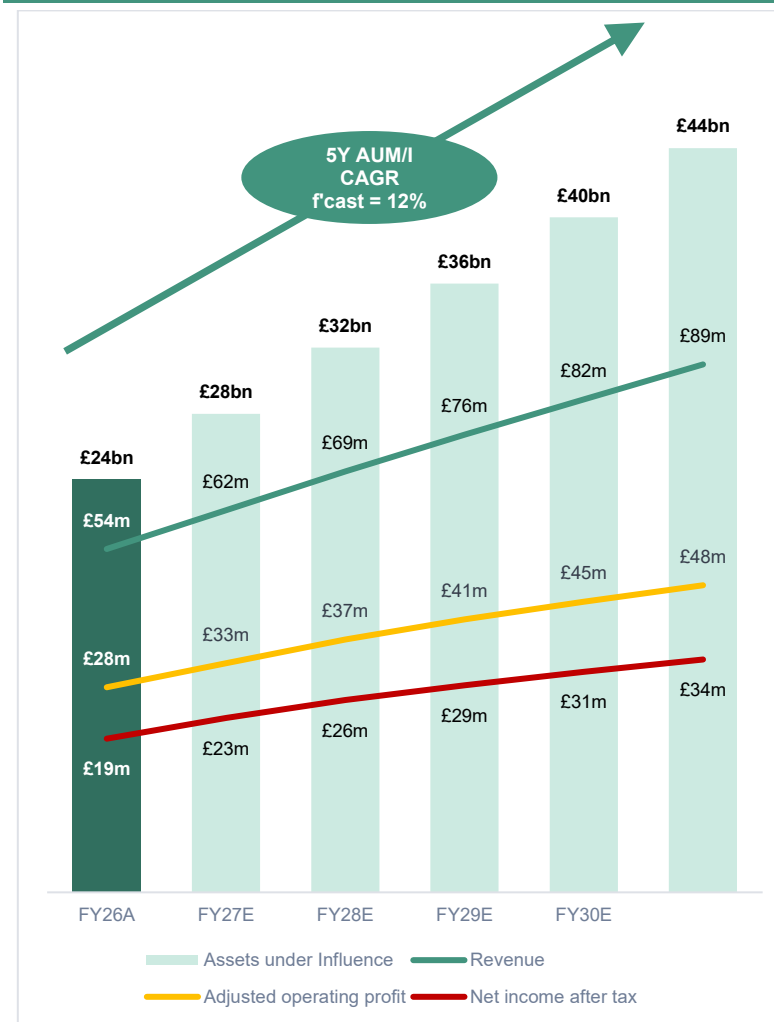
Underlying assumptions of fundamental valuation

- Our fundamental valuation uses a discounted cash flow methodology which is underpinned by a 5-year explicit growth forecast. This assumes:
 - AUM/I grows at c. 12% CAGR, driven by:
 - Annual net flows of £2.8bn in FY27 falling to £2.4bn in outer years.
 - Investment returns of 4% p.a.

Note: Tatton is also taking action to secure the longevity of flows (and a return on investment) by investing in *Absolute Financial Management*. It has invested £4.7m (commitment £10m) in this Inflexion Private Equity backed business. The investment helps strengthen adviser relationships though providing resources, support and an exit route. Tatton said: *“Offering a trusted and well-structured destination for transitioning advisers protects the established client relationships and AUM held within the Group, but as Absolute Financial Management Limited continues to grow, positions TAM to benefit from a broader and increasingly engaged distribution network.”* |

- Revenue grows at a CAGR of 10%, lower than AUI growth because we assume some price erosion over time due to competitive pressures.
- Adjusted margin increases gradually from the current 52.3% to 53%-54% as further operational leverage is captured.
- We do not include any impact from acquisitions in our forecast.
- For the terminal value of our DCF we assume that Tatton is acquired at the end of the 5-year explicit forecast period at a PER of 20.
- **This results in a DCF valuation of 875p per share, up from 750p.**

Summary 5Y growth forecast



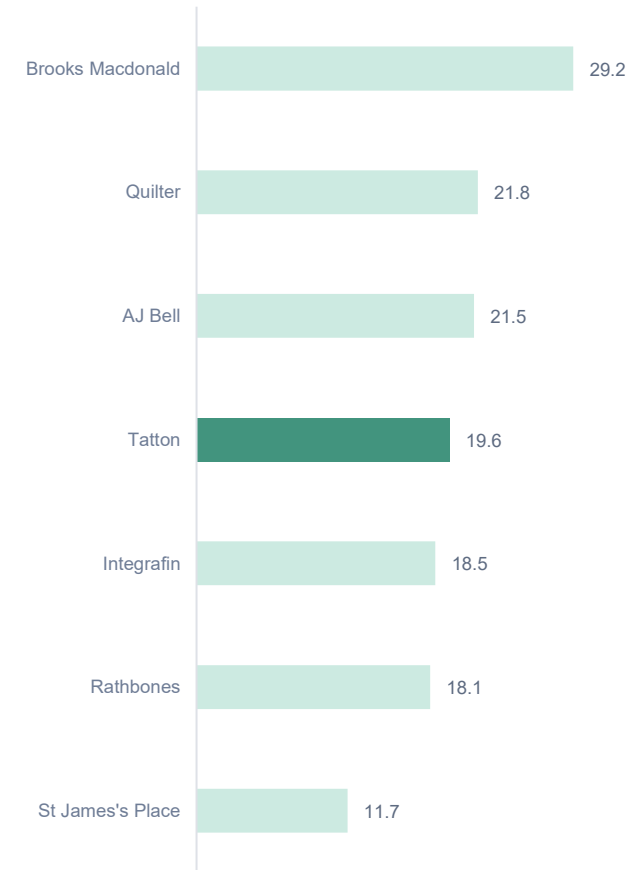
Source: Company historic data, ED forecasts and analysis

Peer comparator valuations

No premium to peers which seems out-of-kilter with relative performance

- Given its far superior growth rate compared to peers (page 4), best-in-class profit margins (page 16), and exceptionally strong balance sheet (£34m net cash, £16m of surplus capital and no debt), it would be expected that Tatton command a premium PER rating compared to most peers.
- It does not. Tatton has a PE Ratio slightly below other strong performers in the sector (AJ Bell & Quilter – although these are not performing as strongly as Tatton). Note that Brooks Macdonald’s PE Ratio is distorted upwards by earnings being depressed by significant restructuring charges.
- In our view, Tatton should command a PE Ratio substantially higher than peers, which supports our estimate of Tatton’s current fundamental valuation standing well above its share price.**

Historical PER (TTM)* peer group comparison



Source: London Stock Exchange, Company historic data, ED analysis.
 * Based on share prices as at close on 15 Jun 26. Share price divided by latest available basic EPS on Trailing Twelve Months basis.

Summary financials

Income statement					
Year to 30 Sep (£m)	FY24A	FY25A	FY26A	FY27E	FY28E
Revenue	36.8	45.3	54.4	61.7	69.0
Share of profit from joint venture	(1.2)	(0.1)	(0.1)	-	-
Admin exp (before separately disclosed items) ¹	(18.3)	(22.2)	(25.9)	(28.7)	(31.6)
Adj. op profit (before separately disclosed items)¹	18.5	22.9	28.5	33.0	37.5
Share based payment costs	(1.5)	(1.5)	(2.9)	(3.5)	(3.5)
Amortisation of acquisition-related intangibles	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)
Operating loss relating to non-controlling interest	(0.1)	(0.1)	(0.1)	-	-
Exceptional items	(1.3)	-	(0.5)	-	-
Gains: changes in FV of contingent consideration	1.4	-	(0.0)	-	-
Total admin expenses	(19.2)	(24.3)	(30.1)	(32.9)	(35.8)
Statutory Operating profit	16.5	20.7	24.2	28.8	33.3
Net finance income/(costs)	0.3	0.9	1.1	1.5	1.5
Unwinding of discount rate on deferred compensation	-	-	-	-	-
Profit before tax	16.8	21.6	25.3	30.3	34.8
Tax	(3.8)	(5.6)	(6.6)	(7.6)	(8.7)
Profit attributable to shareholders	13.0	16.1	18.8	22.7	26.1
Basic EPS, p	21.4	26.4	30.7	36.9	42.1
Diluted EPS, p	21.0	26.2	30.2	36.2	41.4
Basic adjusted EPS ² , p	23.7	29.4	36.1	42.0	47.2
Diluted adjusted EPS ² , p	22.9	28.7	35.1	40.8	45.9

Source: Company data, Equity Development.

¹ Adjusted for exceptional items and share-based payments. ² Adjusted for exceptional items and share-based payments and the tax thereon

Balance sheet					
Year to 31 Mar (£m)	FY24A	FY25A	FY26A	FY27E	FY28E
Non-current assets					
Investments in Joint Ventures	5.4	5.3	5.1	5.1	5.0
Financial Assets at FV through P & L	-	-	0.2	0.2	0.2
Financial Assets at amortised cost	-	-	4.5	7.5	7.5
Intangible assets incl. goodwill	13.5	13.3	13.0	12.8	12.6
Property, plant and equipment	0.8	0.9	0.9	1.3	1.7
Deferred income tax assets	2.6	2.9	1.6	1.6	1.6
Other receivables	0.2	-	0.1	0.1	0.1
Sub-total NCAs	22.4	22.4	25.5	28.5	28.6
Current assets					
Trade and other receivables	5.1	6.5	7.4	8.3	9.3
Cash and cash equivalents	24.8	32.1	33.9	40.4	51.3
Financial assets at fair value through P&L	0.1	1.1	1.3	1.3	1.3
Corporation tax asset	-	0.3	0.2	0.2	0.2
Sub-total CAs	30.1	40.1	42.7	50.2	62.1
TOTAL ASSETS	52.5	62.4	68.2	78.7	90.8
Current Liabilities					
Trade and other payables	(8.1)	(11.2)	(12.7)	(14.4)	(16.1)
Corporation tax	(0.0)	-	-	-	-
Sub-total CLs	(8.1)	(11.2)	(12.7)	(14.4)	(16.1)
Non-current Liabilities					
Other payables	(1.0)	(0.7)	(0.4)	(0.4)	(0.4)
Sub-total NCLs	(1.0)	(0.7)	(0.4)	(0.4)	(0.4)
TOTAL LIABILITIES	(9.1)	(11.9)	(13.2)	(14.9)	(16.6)
NET ASSETS	43.3	50.6	55.0	63.9	74.2
Equity					
Share capital	12.1	12.1	12.3	12.3	12.3
Share premium account	15.5	15.6	15.8	15.8	15.8
Other reserve	2.0	2.0	2.0	2.0	2.0
Merger reserve	(29.0)	(29.0)	(29.0)	(29.0)	(29.0)
Joint Venture reserve	-	-	-	-	-
Retained Earnings	45.9	52.2	58.4	67.2	77.5
Own shares	(3.3)	(2.4)	(4.4)	(4.4)	(4.4)
Non-controlling interest	0.1	(0.0)	(0.0)	(0.0)	(0.0)
TOTAL EQUITY	43.3	50.6	55.0	63.9	74.2

Source: Company data, Equity Development

Cash flow statement

Year to 31 Mar (£m)	FY24A	FY25A	FY26A	FY27E	FY28E
Operating activities					
Profit before taxation	12.9	16.0	18.7	22.7	26.1
Adjustment for:					
Income tax expense	3.8	5.6	6.6	7.6	8.7
Finance (income)/costs	(0.3)	(0.9)	(1.1)	(1.5)	(1.5)
Depreciation of property, plant and equipment	0.4	0.3	0.3	0.3	0.3
Amortisation of intangible assets	0.5	0.6	0.7	0.7	0.7
Share-based payment expense	1.2	1.4	1.9	3.5	3.5
	-	(0.0)	(0.1)	-	-
Post-tax share of JV loss/(profit) less related amortisation	1.2	0.1	0.1	-	-
Changes in FV of contingent consideration	(1.4)	-	-	-	-
Changes in trade and other receivables	(1.6)	(1.2)	(0.8)	(1.0)	(1.0)
Changes in trade and other payables	0.1	2.7	2.5	1.7	1.7
Exceptional costs	1.3	-	-	-	-
Cash generated from operations	16.9	24.6	28.8	34.0	38.5
Income tax paid	(3.7)	(5.9)	(5.1)	(7.6)	(8.7)
Net cash from operating activities	13.2	18.8	23.6	26.4	29.8
Investing activities					
Acquisition & JV payments, net of cash acquired	(1.2)	(0.5)	(0.5)	-	-
Changes in FV of contingent consideration	-	-	0.0	-	-
Dividends received from Joint Venture	0.3	-	0.1	0.1	0.1
Purchase of intangible assets	(0.2)	(0.4)	(0.4)	(0.5)	(0.5)
Purchase of property, plant and equipment	(0.1)	(0.1)	(0.3)	(0.4)	(0.4)
Payments for financial assets at FV through P&L	-	(1.0)	(0.2)	-	-
Purchase of financial assets at amortised cost	-	-	(4.5)	(3.0)	-
Interest received	0.6	1.0	1.0	1.5	1.5
Net cash used in investing activities	(0.7)	(1.0)	(4.7)	(2.2)	0.7
Financing activities					
Proceeds from the issue of shares	0.2	0.1	0.1	-	-
Purchase of own shares	(3.3)	(0.1)	(4.9)	-	-
Proceeds from the exercise of options	-	0.1	1.0	-	-
Interest received/(paid)	(0.1)	-	-	-	-
Payment of lease liabilities	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)
Repayment of loan liabilities	(0.0)	(0.0)	(0.0)	-	-
Dividends paid	(10.8)	(10.4)	(13.0)	(17.4)	(19.3)
Net cash used in financing activities	(14.2)	(10.5)	(17.2)	(17.7)	(19.6)
Net increase in cash and cash equivalents	(1.7)	7.3	1.7	6.5	10.9
Cash and equivalents at beginning of the period	26.5	24.8	32.1	33.9	40.4
Net cash and equivalents at end of the period	24.8	32.1	33.9	40.4	51.3

Source: Company data, Equity Development

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