

AUM/I +15% over H1, forecasts & valuation upgraded

14 October 2026

Tatton's impressive growth trajectory has continued in H1 with Assets Under Management / Influence (AUM/I) jumping 15% to a record £28.0bn on 30 Sep 26. This is well ahead of the trajectory required to meet the medium-term target of £30bn AUM/I by end-FY29 (page 2). Management have reiterated their confidence in expectations for H2 and we upgrade our forecasts, as well as our fundamental valuation which rises from 875p /share to 900p.

Investment performance was the main driver of growth, adding £2.4bn to AUM, with Tatton Investment Management once again delivering an impressive return: +8.8% versus the *Morningstar PIMFA Private Investor Balanced Index* of 8.6%.

Net flows added £1.0bn. The average monthly net flow rate in H1 was £167m, lower than recent periods due to outflows from a few larger IFAs as a result of consolidation activity. The IFA base continued to grow strongly, up by 77 from 1,218 to 1,295. **Management expect flows of £200m - £250m per month for H2, in line with guidance.** 8AM Global (50% owned) performed strongly, with AUM increasing by 24% to £1.7bn.

Paradigm, the IFA support services business (c. 13% of group revenue), delivered a relatively strong performance in a weak housing market. Mortgage completions were up 20% y-o-y from £8.3bn to £10.0bn. Mortgage member firms decreased slightly to 1,996 (31 Mar 26: 2,014) following a rationalisation of 76 dormant firms. Consulting member firms fell from 433 to 426.

Forecasts and valuation upgraded

Even if we take a conservative view on H2 growth, assuming net flows at the bottom of the guidance range (£200m/month), and flat markets for H2, an upgrade to forecasts is warranted. In summary:

- FY27: Revenue forecast increases to £62.6m (£61.7m); adjusted operating profit increases to £33.9m (£33.0m).
- FY28: Revenue forecast increases to £70.8m (£69.0m); adjusted operating profit increases to £38.8m (£37.5m).

This drives an increase in our fundamental valuation to 900p per share, >30% above the share price. We will revisit forecasts and valuation when H1 results are released on 10 Nov 26. We also highlight that Tatton's forward PER of 18x looks undemanding compared to peers (page 4).

Company data

EPIC	TAM.L
Price (last close)	684p
52 weeks Hi/Lo	800p/552p
Market cap	£419m
ED Fair Value / share	900p
Net cash 2026A	£34m
Avg. daily volume (3m)	97k

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 30 Sep 26: £28bn

Next event

Interim results - 10 Nov 26

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Key financials & valuation metrics

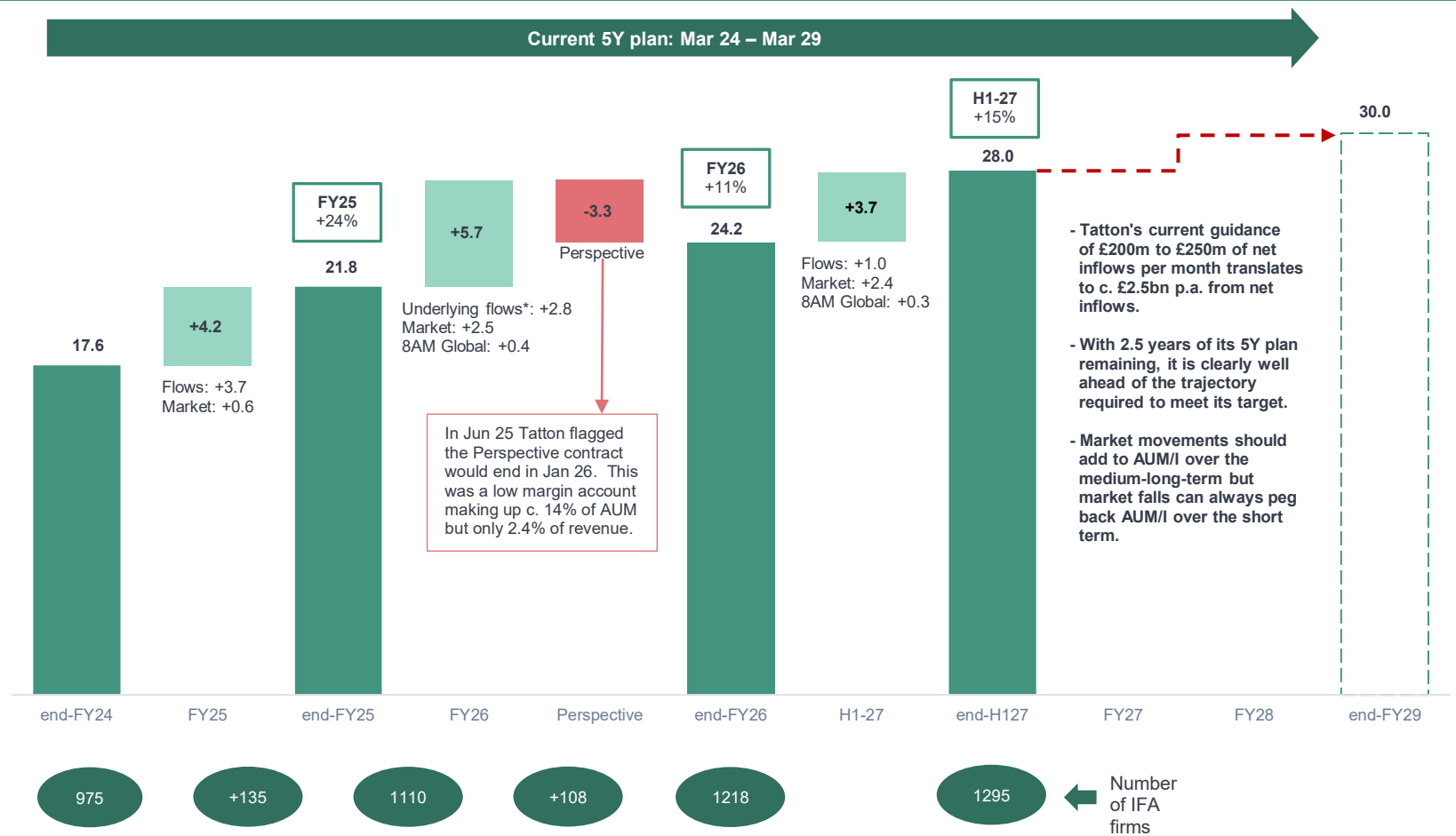
Year to 31 Mar (£m)	FY24A	FY25A	FY26A	FY27E	FY28E
AUM end-period* (£bn)	16.6	20.9	22.8	27.4	31.3
Revenue	36.8	45.3	54.4	62.6	70.8
Adjusted operating profit	18.5	22.9	28.5	33.9	38.8
Adjusted operating margin	50.3%	50.6%	52.3%	54.1%	54.7%
PBT	16.8	21.6	25.3	31.2	36.1
EPS basic (p)	21.4	26.4	30.7	38.0	43.7
EPS adjusted & diluted (p)	22.9	28.7	35.1	41.9	47.4
Net cash	24.8	32.1	33.9	40.9	52.3
P/E	32.0	25.9	22.2	18.0	15.7
DPS (p)	16.0	19.0	27.0	30.0	33.9
Dividend yield	2.3%	2.8%	3.9%	4.4%	5.0%

Source: Company data, ED, priced at 13/10/26 *Excludes £1.7bn of AUI from 50%-owned 8AM Global.

Strong AUM/I growth continues, well ahead of target trajectory

In June 24 Tatton set a new **five-year target of reaching £30bn AUM/I by end-FY29 (31 Mar 29)** which required it to add c.£2.5bn per year on average, an 11% CAGR. At the halfway point of this plan, it is ahead of its target trajectory. In the first year of the plan (FY25), AUM/I grew by £4.2bn (+24%). In the second year (FY26), AUM/I grew by £2.4bn (+11%), despite the loss of the £3.3bn Perspective account. In H1-27 AUM/I has grown by 16%, driven by both solid flows and strong markets.

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



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

Updated forecasts

- We update forecasts due to AUM running ahead of our projected growth path.
- We assume net flows of £200m per month in H2 and flat markets, with other assumptions unchanged.
- We will further refine forecasts in November, when we will get more granularity on Tatton's H1-27 results.

Forecast changes

Year to 31 Mar (£m)	FY27E	FY27E	Change	FY28E	FY28E	
	New	Old	forecast	New	Old	Change
AUM end-period (£bn)	27.4	26.6	3%	31.3	30.4	3%
Revenue	62.6	61.7	1%	70.8	69.0	3%
Adjusted operating profit	33.9	33.0	3%	38.8	37.5	3%
Adjusted operating profit margin	54.1%	53.5%		54.7%	54.3%	
PBT	31.2	30.3	3%	36.1	34.8	4%
EPS basic (p)	38.0	36.9	3%	43.7	42.1	4%
EPS adjusted & diluted (p)	41.9	40.8	3%	47.4	45.9	3%
Net cash	40.9	40.4	1%	52.3	51.3	2%
P/E	18.0	18.6		15.7	16.3	
DPS (p)	30.0	29.2	3%	33.9	32.8	3%
Dividend yield	4.4%	4.3%		5.0%	4.8%	

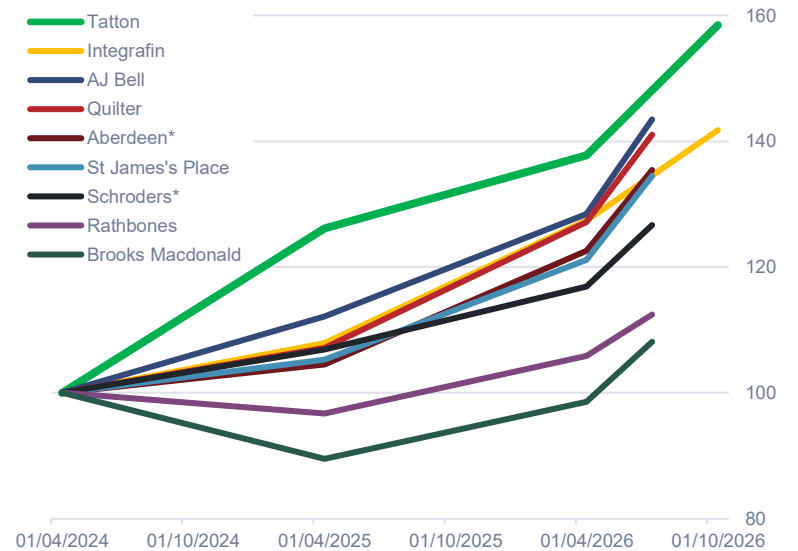
Source: Equity Development, Priced at 13/10/2026

Growth is superior to most peers, but rating is not

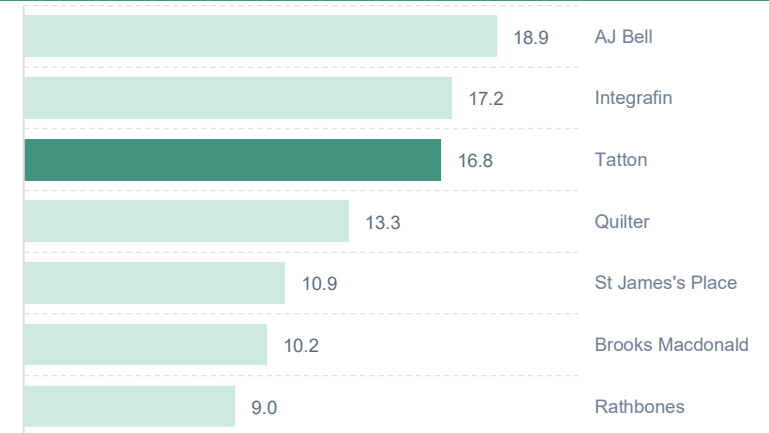
PER looks low given strong performance & position in the sector

- In recent years, Tatton has grown at a far higher rate than most peers (top chart – note that most peers have not yet reported AUM to 30 Sep 26).
- In addition, in our previous note covering FY26 results: [Forecasts up, fundamental valuation rises to 875p](#), we highlight its best-in-class profit margins, and exceptionally strong balance sheet (£34m net cash, £16m of surplus capital and no debt).
- We would therefore expect Tatton to command a premium PER rating compared to peers.
- It does not. Its forward PER is slightly below other strong performers in the sector (AJ Bell & Integrafin – although these are not performing as strongly as Tatton).
- **We therefore see scope for its rating to increase, which supports our argument that there is a gap between fundamental valuation and share price.**

AUM growth (indexed to 100 on 31 Mar 24)



Forward PE ratios



Source Top chart: company reports, ED analysis. Bottom chart: Koyfin (PER based on next 12m consensus earnings forecasts & share price on 12/10/26). *Wealth management business units only.

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