

TAM delivers again: profit +20%, div +26%, strong outlook

18 November 2025

After its Oct 25 trading update, we knew Tatton had maintained its exceptional growth momentum; Assets-Under-Management/ Influence (AUI) were up 18% over H1-26, and net flows remained strong at £281m/ month, above Tatton's guidance for FY26 of £200-£250m per month. In the post-results period, AUI growth has continued, up another 5% to £27.1bn on 14 Nov 25. YTD net flows have increased from £1.68bn over H1 to £2.07bn.

With more recent peer data becoming available, we now also know H1 growth and flows were far higher than all peers ([page 4](#)). And we know H1 growth has translated to an exceptionally strong set of financial results with revenue, profits and net cash all sharply up. Compared to peers, and especially given the macro environment, it is a truly impressive performance.

H1-26 revenue was up 19% y-o-y to £25.7m. Adjusted operating profit (AOP) increased 20% to £13.1m with a sector-leading AOP margin of 51.0% (H1-25: 50.3%). Statutory PBT increased 16% to £11.7m; basic EPS 10% to 14.3p; and adjusted fully diluted EPS 17% to 16.0p.

The balance sheet remains strong with no debt and **net cash up 6% over H1 to £34.1m (after paying the final FY25 dividend of £5.7m)**. An interim dividend of 12.0p is proposed (+26%; H1-25: 9.5p).

Paradigm (IFA support services, c.13% of group revenue) had a solid H1 with revenue up 6%. Mortgage firms increased to 1,960 from 1,915 on 31 Mar 25, and mortgage completions were up 30% y-o-y at £8.3bn. Market conditions for mortgages are solid but not buoyant in the short term. The longer-term outlook is strong ([page 10](#) and [11](#)). Paradigm Consulting firms grew from 425 to 426.

Strong growth forecasts maintained, management outlook confident

Given current momentum, our FY26 forecasts probably look conservative. However, markets are volatile, and we err on the side of caution, maintaining our forecasts and fundamental value of 750p per share.

But we highlight that even after fully acknowledging current macro-economic headwinds and UK budget uncertainty, management's outlook is strong. Near-term, Tatton has "*confidence in delivering results in line with market expectations*". Longer-term, Tatton has "*confidence in achieving the £30 billion AUM/I target by FY29*". We note Tatton is **ahead of trajectory** to deliver on that goal ([page 7](#)).

Company data

EPIC	TAM.L
Price (last close)	710p
52 weeks Hi/Lo	760p/550p
Market cap	£435m
ED Fair Value / share	750p
Net cash** 2025A	£32m
Avg. daily volume (3m)	96k

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 (c.87% of group revenue).

Paradigm: regulatory & compliance consulting & outsourcing, mortgage & protection insurance aggregation (c.13% of group revenue).

AUI 14 Nov 25: £27.1bn

Next event

Trading update Apr 2026

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Key financials & valuation metrics

Year to 31 Mar (£m)	FY23A	FY24A	H1-25	FY25A	H1-26	FY26E	FY27E
AUM end-period* (£bn)	12.7	16.6	18.9	20.9	24.6	22.4***	26.1
Revenue	32.3	36.8	21.7	45.3	25.7	51.6	57.9
Adjusted operating profit	16.4	18.5	10.9	22.9	13.1	26.3	30.1
Adjusted operating margin	50.7%	50.3%	50.3%	50.6%	51.0%	50.9%	52.0%
PBT	16.0	16.8	10.1	21.6	11.7	25.0	28.9
EPS basic (p)	22.4	21.4	13.0	26.4	14.3	30.3	34.4
EPS adjusted & diluted (p)	20.6	22.9	13.7	28.7	16.0	32.0	36.1
Net cash**	26.5	24.8	26.9	32.1	34.1	40.1	49.9
P/E	31.6	33.2	27.2	26.9	24.7	23.5	20.6
DPS (p)	14.5	16.0	9.5	19.0	12.0	21.2	23.8
Dividend yield	2.0%	2.3%	1.3%	2.7%	1.7%	3.0%	3.4%

Source: Company data, ED, priced at 17/11/25 *Excludes c£1.2bn of 'Assets under Influence' (AUI) from 50%-owned 8AM Global. **ex leases. ***Note that our forecasts allow for the loss of the Perspective Financial Group mandate from Jan 26. This pending AUM loss was well-flagged from Oct 25. This is a low-fee-margin account, making up c. 14% of AUM (£3.5bn) but only c. 2.4% of group revenue.

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Tatton at a glance

Tatton Asset Management plc

- Tatton was founded in 2007, listed on AIM in 2017, and employs c.116 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 1,960 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 wrote £8.3bn of new business lending in the half-year to 30 Sep 25.
- *Paradigm Consulting* provides business, regulatory, compliance, pension, tax and trust consultancy services, as well as FCA application support to 426 Independent Financial Advisers.
- Paradigm (mortgages and consulting) makes up c.13% of group revenue

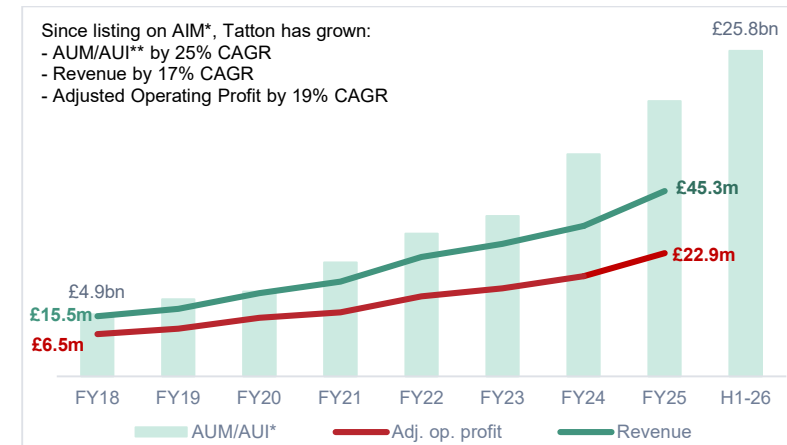
Source: Company

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 a huge trend. Growth of the UK on-platform DFM market was 40% last year*. TIML + 8AM Global have c.12% market share, with £26bn of AUM/I (Sep 25), serving 1,170 member firms.
- TIML makes up c.87% of group revenue

*Source Company (original source Platform), market size '23: £103bn, '24: £131bn, '25: £183bn.

A highly successful combination



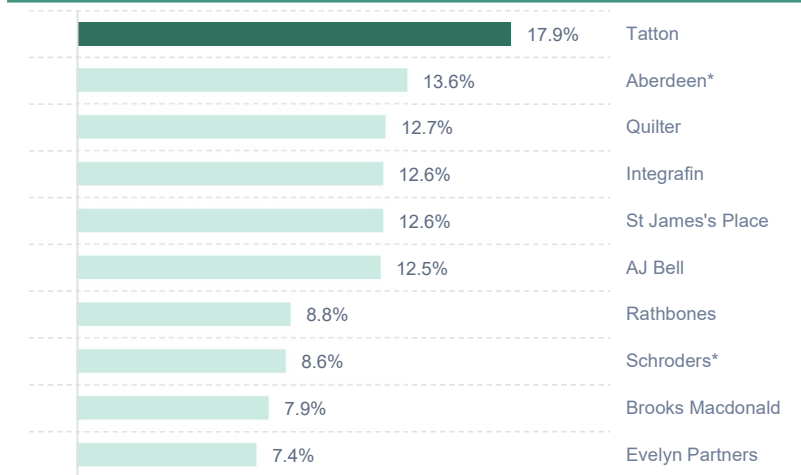
Source: Company reports. *FY18 is the first full FY post AIM-listing.
**AUI = Assets under Influence including AUM of 50% owned 8AM Global

AUM growth and net flows far higher than peers in H1-26

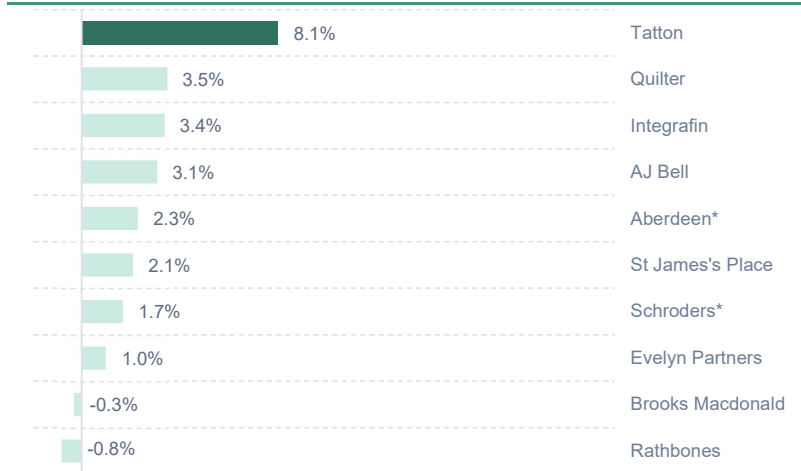
Net flows strong, sustained, driven by superior model and execution

- AUM grew 18% over H1-26. This was comfortably higher than all peers (average growth excluding Tatton was 11%, top right chart).
- All peers' AUM was boosted by rising markets, with the *MSCI PIMFA Private Investors Balanced Index* up 9.9% between 1 Apr 25 – 30 Sep 25.
- But Tatton's grew much faster as it continued to attract and retain client assets at a rate far higher than peers (8.1% v. next highest net flow rate of 3.1% and an average flow rate excluding Tatton of 1.8%, bottom right chart).
- In H1-26, Tatton's average monthly net flows were £281m, above the previously guided range for FY26 of £200-£250m per month but down on FY25's £307m, which Tatton previously flagged as an elevated level which would not be sustained into FY26.
- **In Oct and Nov, strong net flow momentum has been maintained with YTD net flows increasing from £1.68bn over H1, to £2.07bn by 14 Nov 25. That translates to average YTD monthly net flows of £276m, a little above Tatton's net flow guidance for FY26 of £200-£250m/ month.**
- This outperformance continues the trend of recent years (see next page).
- We can only repeat what we have said before: *"our key takeaway from Tatton's hugely impressive last few years, is that it has designed and implemented a superior offering in platform-MPS with net flows consistently far higher than peers."* It has focused on consistent investment performance (built over 12 years – see page 6), exceptional service, and low fees.

AUM growth excluding acquisitions (6 months: 1 Apr 25 – 30 Sep 25)



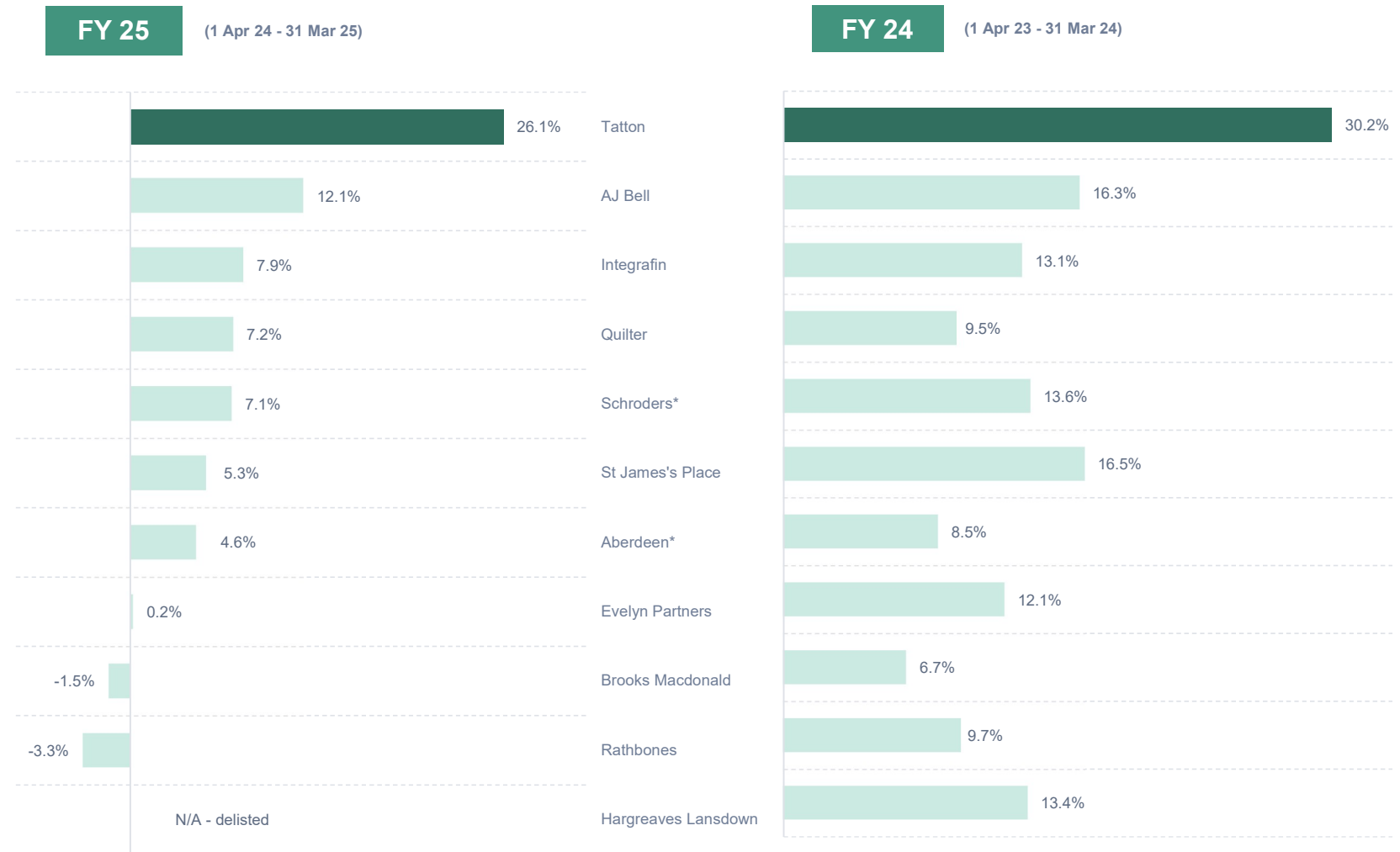
Net flow rate (net flows/opening AUM, 6 months: 1 Apr 25 – 30 Sep 25)



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').

H1-26 outperformance continues the trend of the last few years

AUM growth excluding acquisitions



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').

Attractive product suite and consistent returns key to generating flows

Tatton's track record of investment returns is highly impressive, with advisers' confidence in it clearly well justified. **In its core MPS suite, every single strategy has outperformed peers over one, three, five and ten years.**

This performance is well recognised. In a recent analysis titled: [Tatton's MPS assets are surging - does it deliver performance to match?](#), *Citywire Wealth Manager* found: **"Compared to both its peers and its benchmarks, Tatton has delivered strong performance. Over every time period that features in our analysis, Tatton has beaten the average return of rivals by a considerable margin."**

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

	Active	Tracker	Hybrid	ARC Peers**
Defensive	3.6	3.9	3.8	2.9
Cautious	5.5	5.8	5.6	4.4
Balanced	6.7	7.1	6.9	5.7
Active	8.1	8.6	8.4	5.7
Aggressive	9.3	9.8	9.5	6.8
Global Equity	11.9	12.0	12.0	6.8

*10 years to 31 Sep 25

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

	Active	Tracker	Hybrid	Ethical	ARC Peers**
Defensive	3.2	3.5	3.4	4.1	3.0
Cautious	6.1	6.4	6.3	5.9	5.1
Balanced	8.4	8.5	8.4	7.4	6.5
Active	10.7	10.7	10.7	9.0	6.5
Aggressive	12.4	12.5	12.5	10.3	7.7
Global Equity	13.1	13.5	13.3	11.1	7.7

*5 years to 31 Oct 25

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

	Active	Tracker	Hybrid	Ethical	ARC Peers**
Defensive	6.7	7.5	7.1	9.1	5.4
Cautious	8.7	9.6	9.1	10.3	7.5
Balanced	10.3	11.2	10.8	11.3	8.8
Active	11.8	12.9	12.3	12.4	8.8
Aggressive	13.1	14.0	13.5	13.1	10.0
Global Equity	14.8	16.1	15.4	14.1	10.0

*3 years to 31 Oct 25

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

	Active	Tracker	Hybrid	Ethical	ARC Peers**
Defensive	9.0	9.0	9.0	10.4	7.3
Cautious	11.2	11.4	11.3	12.0	10.0
Balanced	13.1	13.5	13.3	13.4	11.2
Active	15.0	15.6	15.3	15.1	11.2
Aggressive	16.1	17.1	16.6	16.1	12.3
Global Equity	17.8	19.3	18.6	17.6	12.3

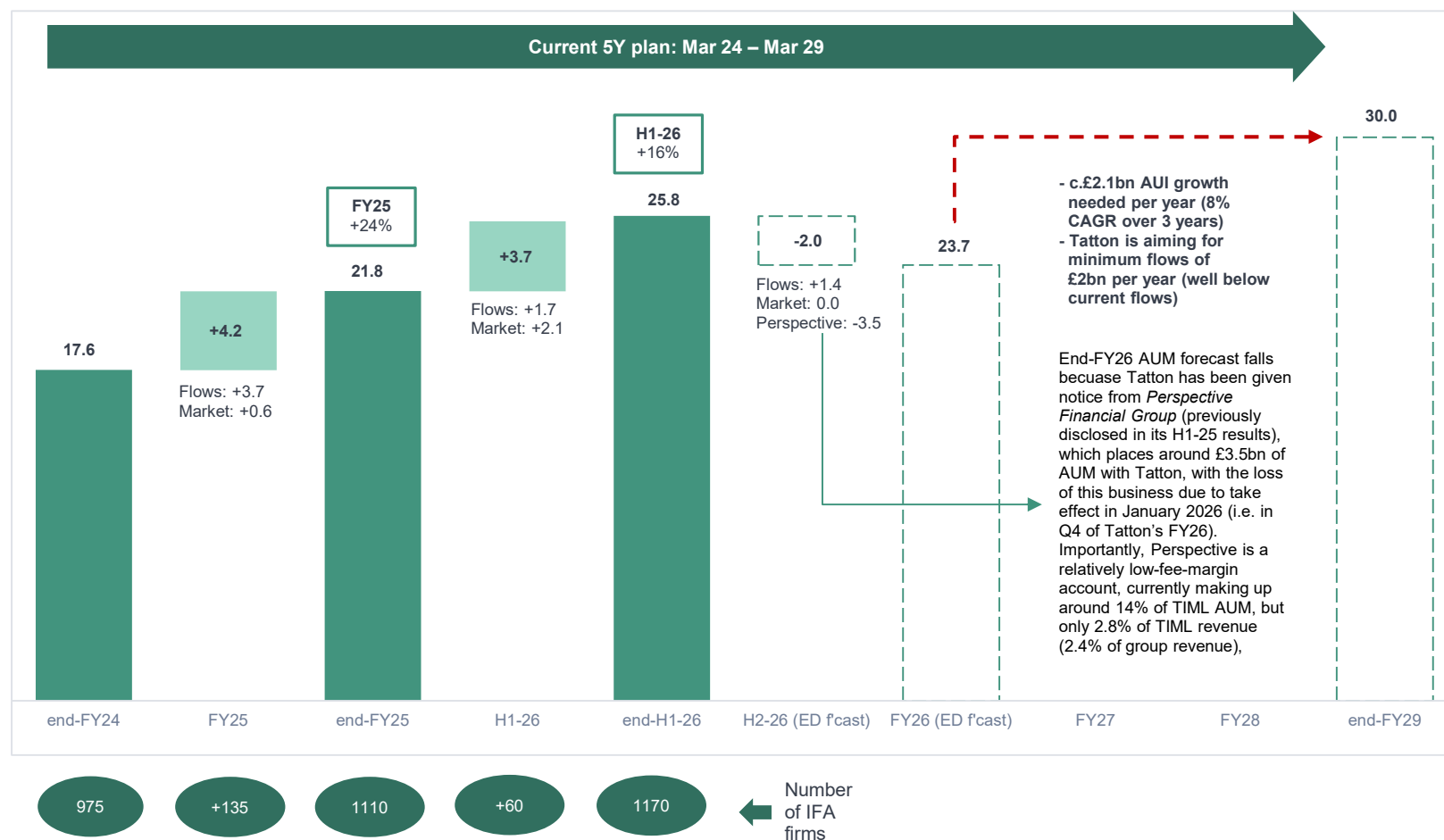
*1 year to 31 Oct 25

Source: Tatton Analysts Presentation 18 November 2025. ** ARC PCI –UK wealth management portfolio peer group with historically comparable asset allocation characteristics

Ahead of trajectory on medium-term AUI target (despite loss of Perspective account)

In Jun 24 Tatton set a new five-year target of reaching £30bn AUI by end-FY29 (31 Mar 29), requiring adding c.£2.5bn per year on average, an 11% CAGR. Even after we account for the £3.5bn Perspective AUM loss, we estimate Tatton will need to add c.£2.1bn per year from end-FY26, which is well below recent growth achievements.

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



Source: company reports, ED analysis.

Market forces conducive to growth continuing

Tatton is in a large and growing market...

- Tatton's core offering is on-platform, discretionary fund management (DFM). This means financial advisers, via a technology platform (Nucleus, Transact, etc), select a portfolio for their client, and outsource the investment management to a company such as Tatton, i.e. giving them 'discretion'.
- **On-platform DFM is a rapidly growing market, reaching £183bn in December 2024 (+40% over 12 months), with potential to expand further, as it still only makes up 21% of the overall platform market (which is itself growing quickly: +21% over the last year).**

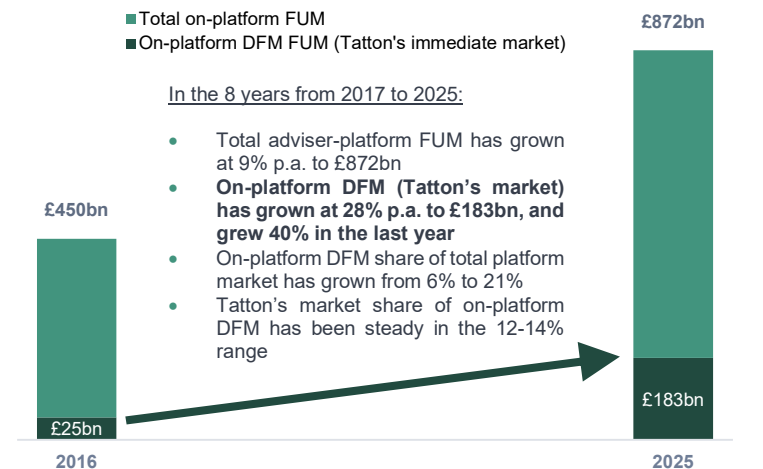
Source: Tatton analyst presentation Sep 25, original source Platformum

...with substantial longer-term tailwinds

- Inflows continue from savers and investors who keep contributing to and topping up their investment and retirement pots.
- Financial assets mostly appreciate over the longer term (although valuation pullbacks are inevitable from time to time).
- An ageing UK population and the demand for financial advice ratcheting up as people age results in more 'adviser-led' investments (Tatton's distribution channel).
- 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.

Source: ED commentary

Platform and Platform-DFM Funds Under Management



Source: Tatton analyst presentation Sep 25, original source Platformum

- IFAs continue to move assets onto DFM platforms and to MPS providers (such as Tatton) so that **these advisers avoid the regulatory and risk burden of selecting investments and focus more on financial planning and advice** (a trend which is likely to accelerate with newer regulatory reforms such as *consumer duty* because of the availability of low cost and competitive investment solutions for clients).
- An additional point related to the above is that a material portion of Tatton's flows are funds already invested on platforms, with Tatton taking over the investment management from IFA's which previously managed client funds, i.e. Tatton's growth is not solely dependent on 'new' platform AUM.

Source: ED commentary

Growth can be fuelled from new clients and from existing clients investing more

TIML can grow by adding new IFA clients...

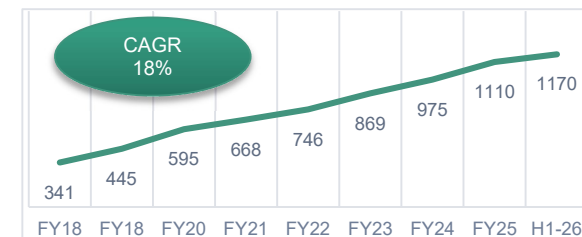
- TIML continues to increase the number of IFA clients that contract with it to manage their clients' investments.
- And there is still ample room to grow this further as the UK has around 5,000 directly authorised IFA firms.

...and has an enormous (c.£25bn) 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]. Tatton says £40m per firm is a realistic target (average firm in the UK has c.£40m on platform).
- 'Paradigm firms' (clients of Paradigm and TIML) are already close to this level at £36m*, confirming that the £40m target is a realistic benchmark. Importantly, these have been Tatton clients for longer than Direct firms and built AUM placed with TIML over time.
- '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 the £40m target, i.e. there is c.£24m of AUM-per-firm growth 'headroom'. (Indeed, Tatton has already managed to increase the average AUM for direct firms from £6m in Mar 19 to >£16m today).
- So, if Tatton succeeds in growing the average AUM of 1,031 Direct firms from £16m to £40m, it can add £24.5bn of AUM without winning new clients (1,031 firms x £24m), and it can add an additional £0.5bn from increasing the average AUM of Paradigm firms from £36m to £40m.

*Adjusted to exclude Perspective firms

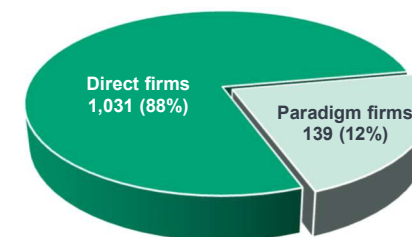
Number of TIML IFA client firms



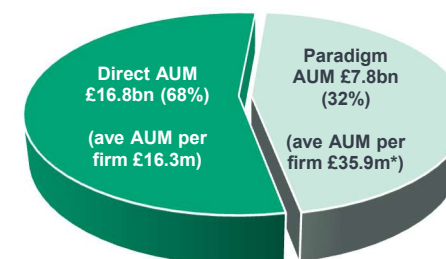
Source: Company

Paradigm firms v Direct firms

Total number of firms 1,170



AUM (excl. 8AM) £24.5bn



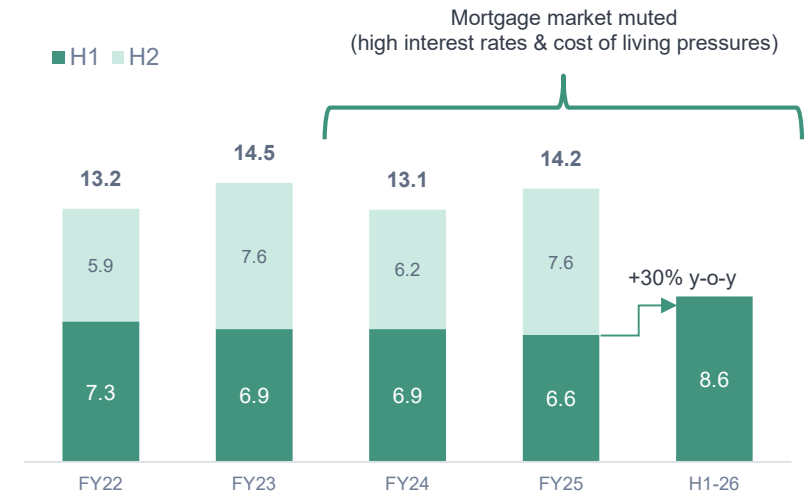
Source: Company. *Adjusted to exclude Perspective firms.

Paradigm continues return to growth

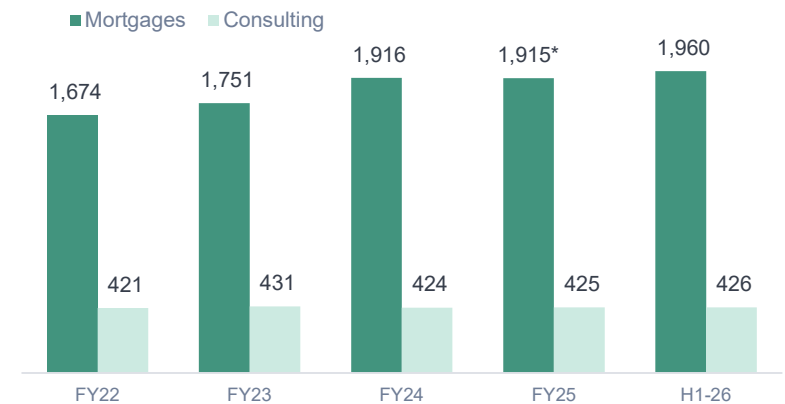
Pick-up in mortgage market activity and for Paradigm

- The group's IFA support services business (mortgages & consulting, c.13% of group revenue) had a solid half-year in a still-muted housing market.
- 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 H1-26 saw a pick-up in mortgage completions (H1-25: £6.6bn; H2-25: £7.6bn; H1-26: £8.6bn)**. Tatton has however flagged that completions were skewed towards lower margin product transfers rather than new mortgages or buy-to-let completions.
- The number of mortgage firms also returned to growth**, increasing from 1,915 on 31 Mar 25 to 1,960. Consulting member firms were roughly level at 426 (end-FY25: 425).
- The above growth translated to **Paradigm's revenue increasing 6% from £3.15m in H1-25 to £3.34m in H1-26**.
- While there are still headwinds in the mortgages market, **current data suggests reasonably solid levels of activity (see next page) with a much stronger long-term outlook**. Tatton has elaborated on this: *"The mortgage market opportunity in 2025 remains robust, with UK Finance forecasting £260bn in gross lending (2024: £235bn) and a further £320bn in maturities and refinancing opportunities, reflecting the rollover of the 2020/ 21 peak and 2023 two-year products. Broker activity remains healthy, and they are reporting an increase in remortgage activity compared with lower-margin product transfers, supported by a more stable rate environment and improved lender affordability criteria."*

Paradigm mortgage completions, £bn



Paradigm member firms



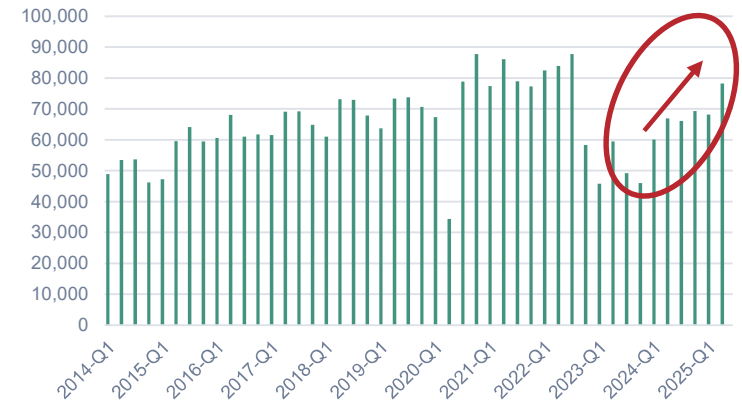
Source: Company. *1,930 in H1-25 (30 Sep 24) but then reduced following a rationalisation of dormant firms

Long-term outlook for Paradigm is strong, but current market remains somewhat muted

Muted market but fundamental growth opportunity

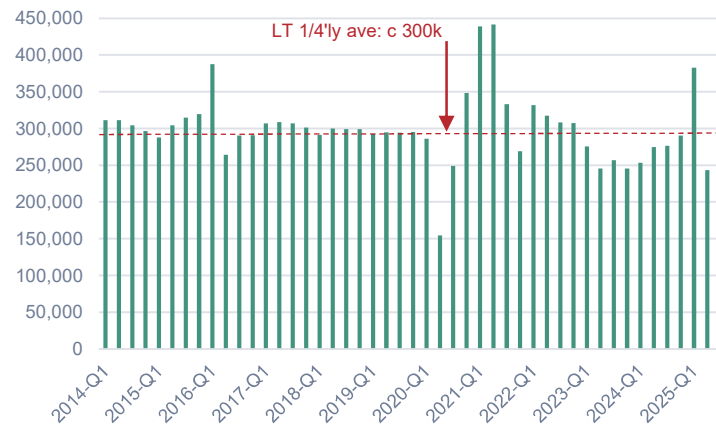
- Longer-term, mortgages are a growth business, underpinned by the supply-demand imbalance of the UK residential housing market.
- Recent growth has been muted due to economic conditions, but there are some signs of recovery: new mortgage commitments are on the rise (top right chart), housing transactions are steady following a Q1-25 pre-budget spike (bottom left) and house prices are relatively steady (bottom right). The value of **new mortgage commitments increased by 15% in Q2-25 over Q1, the highest level since Q3-22.**
- Consulting has potential to grow steadily, and is strategically important, enabling close relationships with IFAs and provides valuable market insights.

UK new mortgage commitments* (£m)



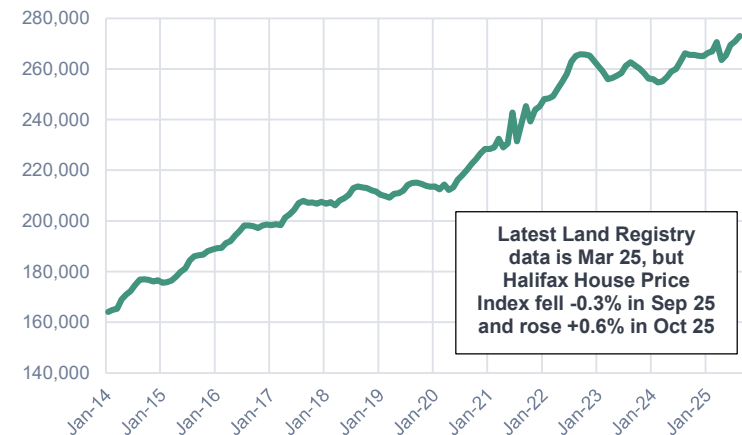
Source: [Bank of England Mortgage Lenders and Administrators Statistics - 2025 Q2](#)
*lending agreed to be advanced in the coming months

UK residential property transactions (seasonally adjusted)



Source: [HM Land Registry. Transactions >£40k](#). Data for Q3-25 provisional.

UK average residential property price



Source: HM Land Registry (latest data Mar 25)

Analysis of FY25 financials

Income statement

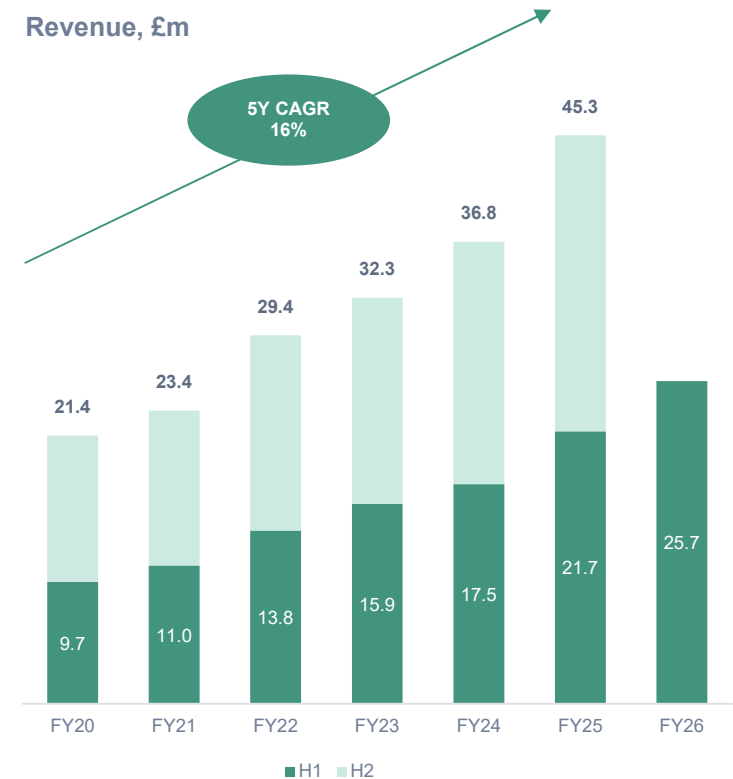
Revenue

Strong revenue growth continues...

- Group revenue was up 19% from £21.7m in H1-25 to £25.7m in H1-26.
- TIML continued its very strong growth trend with revenue up 21% to £22.3m (H1-25: £18.5m), making up 87% of group revenue.
- It is worth highlighting the changing revenue mix of the group in favour of higher-margin investment management. Just over six years ago, in FY19, TIML made up 72% of group revenue. The trend towards TIML making up a larger proportion of group revenue is expected to continue.
- TIML average revenue margin declined slightly as expected from 21.0bps in FY25 to 19.8bps. This was driven not by price reductions but by product mix factors i.e. lower-yielding MPS making up a larger proportion of AUM. From Jan 26, average revenue margin is expected to tick upwards with the removal of the low-revenue-margin Perspective account (c.£3.5bn AUM).
- Paradigm revenue increased 6% from £3.15m in H1-25 to £3.34m in H1-26.

...maintaining the longer-term growth trend

Revenue, £m



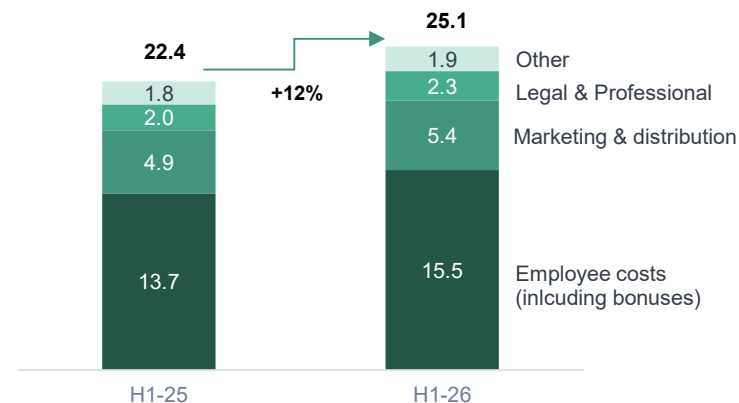
Source: Company reports

Adjusted operating costs, profit and margin

Cost growth continues to be less than rev. growth, keeping margin high

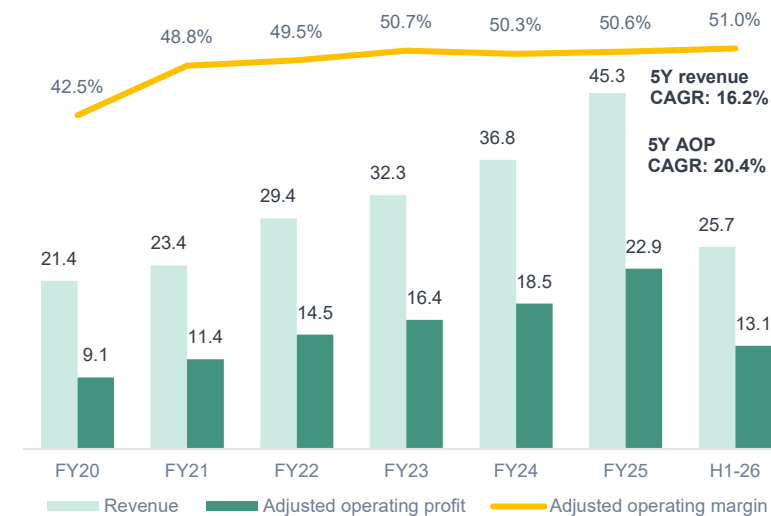
- Adjusted operating expenses compares underlying like-for-like costs. It excludes volatile, non-recurring, and non-cash items: exceptional items, share-based payment charges, changes in the fair value of contingent consideration, and amortisation of acquisition-related intangibles.
- At a group level, these increased 12% y-o-y from £22.4m to £25.1m (half-year expenses annualised), far less than the 19% y-o-y revenue growth. Tatton has said it expects near-term cost growth to be 10% - 12%, with a stable cost trajectory and no major one-off items or substantial increases on the horizon.
- The largest component of adjusted operating expenses were staff costs (60%) which increased 13% to £15.5m (incl. bonuses) – cost figures are annualised. Variable pay totalled £4.3m or 28% of total employee costs and is payable against performance. Marketing and distribution costs were the next largest component of costs (22%), which increased by c.10% to £5.4m.
- Tatton has also flagged that:
 - c.£0.9m of operating costs (employees, marketing & distribution) were 'investments in growth', not day-to-day operating costs;
 - c.£0.9m of costs were due to inflation; and
 - c.£0.9m of costs were 'one-off' or 'stepped costs'.
- In H1-26, adj. op. profit increased 20% y-o-y to £13.1m (H1-25: £10.9m).
- The associated **adjusted operating margin of the group was maintained at an impressive over-50% level of 51.0% (H1-25: 50.3%)**:
- A longer-term view of adjusted operating margin (see chart on right) shows how Tatton has captured operating leverage as the business has scaled.

y-o-y adjusted operating expenses (annualised), £m



Source: Company, ED analysis

Profit growth exceeds revenue growth as Tatton scales



Source: Company reports, ED analysis.

Statutory profits

Statutory profits also show strong growth

- To get to statutory operating profit from adjusted operating profit, the following items are deducted:
 - share-based payment charges of £1.56m (H1-25: £0.84m)
 - amortisation of acquired intangibles of £0.33m (H1-25: £0.33m), being the amortisation of capitalised client relationships and brands related to acquisitions
 - a small operating loss from the non-controlling interest in Fintegrate Financial Solutions Limited.
- In turn, statutory operating profit increased 16% to £11.2m (H1-25: £9.6m).
- Statutory PBT after the impact of net finance income (H1-26: +£486k; H1-25: +£462k) was up 16% to £11.7m (H1-25: £10.1m), with PAT increasing 12% to £8.6m (H1-25: £7.7m).
- At a per share level, basic earnings per share increased 10% from 13.03p in H1-25 to 14.34p in H1-26, and diluted EPS 9% from 12.69p to 13.89p.

Adjusted profit to statutory profit bridge, £m

	H1-26	H1-25
Adjusted operating profit	13.11	10.89
SB payment charges	(1.56)	(0.84)
Amortisation of acquisition-related intangibles	(0.33)	(0.33)
Non-controlling interest	(0.03)	(0.08)
Operating profit	11.19	9.64
Net finance income/(cost)	0.49	0.46
PBT	11.67	10.10
Tax	(3.04)	(2.38)
PAT	8.63	7.72
EPS basic	14.34p	13.03p
EPS diluted	13.89p	12.69p
Adjusted EPS basic	16.77p	14.29p
Adjusted EPS diluted	16.24p	13.91p

Source: Company

Balance Sheet and Cash Flow

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

- The balance sheet of the group remained robust with net assets increasing 10% over six months from £50.6m at the end of FY25 to £55.9m.
- Net cash generated from operating activities (before tax) was £10.3m (H1-25: £10.2m).
- Net cash increased 6% over H1-26, reaching a robust level of £34.0m (end-FY25: £32.1m). Note that this increase was after the Group paid out £5.7m in dividends during the period.**
- Tatton has no debt.

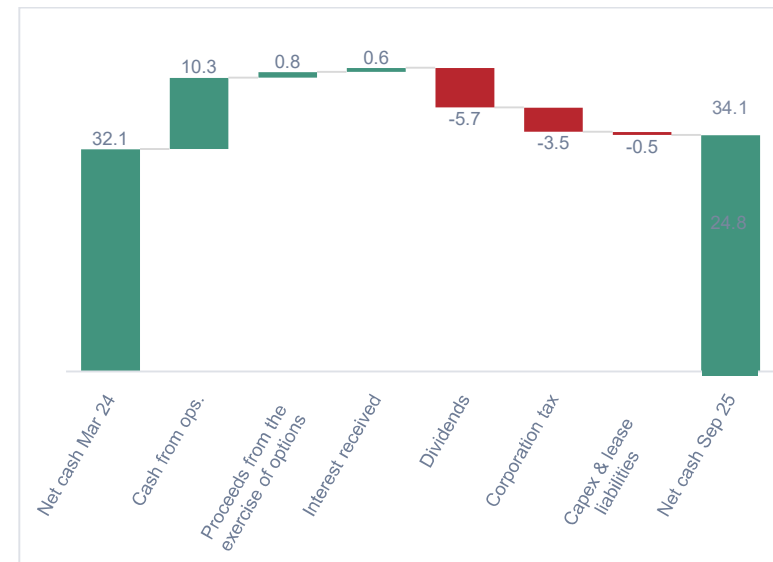
Source: Company

412% headroom (£22.4m) 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 £27.9m of capital resources held with up to £22.4m (£27.9m less regulatory capital requirement of £5.5m) being available to pursue growth opportunities.

Source: Company

High cash level increases further, £m



Source: Company

Summary capital adequacy calculation, £m (Sep 25)

Regulatory capital requirement	£5.5m
Total Shareholder funds	£55.9m
Less: Foreseeable dividend	(£7.3m)
Less: Non-qualifying assets	(£20.7m)
Total qualifying capital resources	£27.9m
% Capital resource requirement held	512%
% 'headroom'	412%

Source: Company

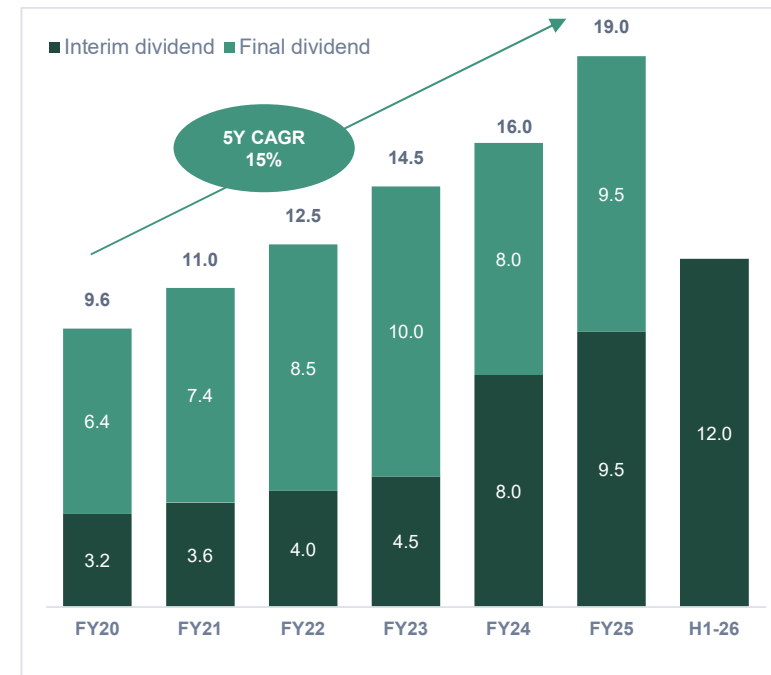
Dividends

Interim dividend up 26% 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 (changed from 1/3 interim, 2/3 final in FY24).

The board has recommended an interim dividend of 12.0p, up 26% on the 9.5p FY25 interim dividend

Historic and proposed dividends, pence per share



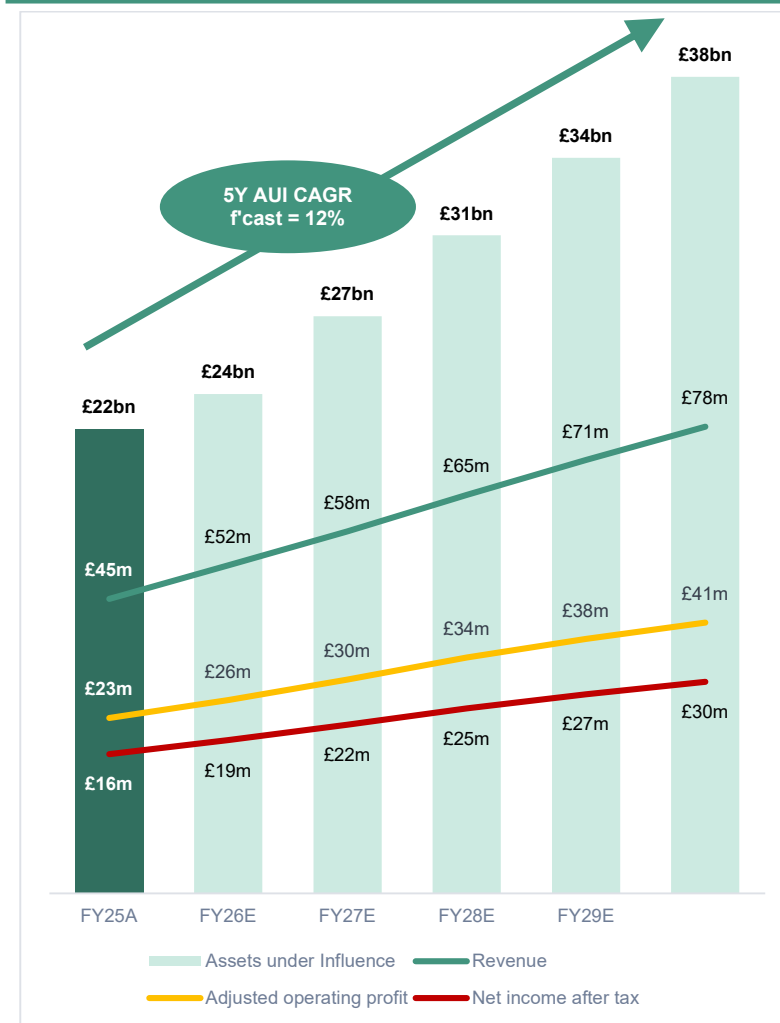
Source: Company historic data

Fundamental Valuation remains 750p on strong outlook, reiterated guidance

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:
 - Tatton exceeds its new growth target of £30bn by FY29 – we are modelling it growing to over c.£34bn by that time, noting that it is currently well ahead of its target growth trajectory (see page 7).
 - AUI grows at c.12% CAGR, driven by:
 - Annual net flows of £2bn+ p.a. as guided (£3.7bn achieved in FY25, £2.3bn in FY24);
 - Investment returns of 4% p.a. (noting that Tatton typically manages investment portfolios for end-clients which will include a mix of asset classes, hence the investment return assumption we use is slightly less than we would use for pure equities).
 - Revenue grows at a CAGR of c.11%, lower than AUI growth because we assume some price erosion over time due to competitive pressures.
 - Adjusted margin increases gradually from the current 51.0% to 52%-53% over 5 years 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 750p / share.**

Summary 5Y growth forecast



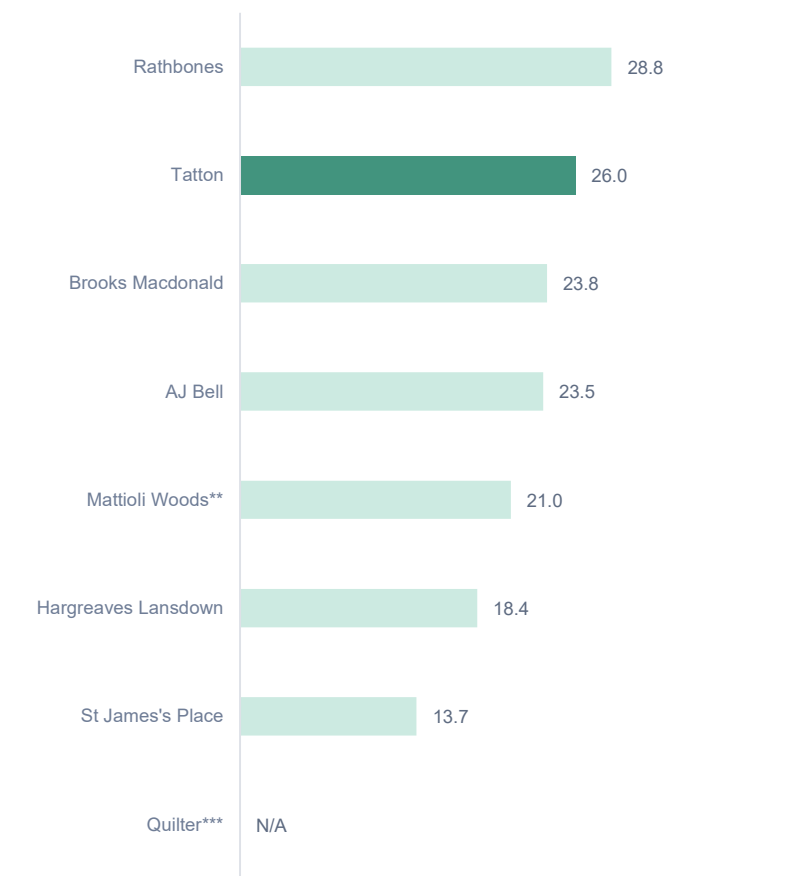
Source: Company historic data, ED forecasts and analysis

Peer comparator valuations

Valuation premium looks small given superior growth

- Given its far superior growth rate compared to peers (page 4), exceptionally strong balance sheet (£34m net cash, £22m of surplus capital and no debt), it is wholly unsurprising that Tatton commands a premium PER rating compared to most peers.
- However, that premium is hardly excessive, and in our view fully justified, as evidenced by our DCF valuation of 750p / share.

PER (TTM)* peer group comparison



Source: London Stock Exchange, Company historic data, ED analysis.

*Based on share prices as at close on 17 Nov 25 except Mattioli Woods which de-listed on 4 Sep 24 and Hargreaves Lansdown which de-listed on 25 Mar 25. Share price divided by latest available basic EPS on Trailing Twelve Months basis.

**Adjusted basic EPS used for PER calculation due to statutory earnings being distorted by acquisition accounting.

***Made a statutory loss on TTM basis.

Summary financials

Income statement

Year to 30 Sep (£m)	FY23A	FY24A	H1-25A	FY25A	H1-26A	FY26E	FY27E
Revenue	32.3	36.8	21.7	45.3	25.7	51.6	57.9
Share of profit from joint venture	0.2	(1.2)	(0.1)	(0.1)	(0.1)	-	-
Admin exp (before separately disclosed items) ¹	(15.9)	(18.3)	(10.8)	(22.2)	(12.6)	(25.3)	(27.8)
Adj. op profit (before separately disclosed items)¹	16.4	18.5	10.9	22.9	13.1	26.3	30.1
Share based payment costs	(1.5)	(1.5)	(0.8)	(1.5)	(1.6)	(1.5)	(1.5)
Amortisation of acquisition-related intangibles	(0.5)	(0.6)	(0.3)	(0.7)	(0.3)	(0.7)	(0.7)
Operating loss relating to non-controlling interest	-	(0.1)	(0.1)	(0.1)	(0.0)	-	-
Exceptional items	(0.4)	(1.3)	-	-	-	-	-
Gains: changes in FV of contingent consideration	2.7	1.4	-	-	-	-	-
Total admin expenses	(15.7)	(19.2)	(11.9)	(24.3)	(14.4)	(27.5)	(29.9)
Statutory Operating profit	16.6	16.5	9.6	20.7	11.2	24.1	28.0
Net finance income/(costs)	(0.4)	0.3	0.5	0.9	0.5	0.9	0.9
Unwinding of discount rate on deferred compensation	(0.2)	-	-	-	-	-	-
Profit before tax	16.0	16.8	10.1	21.6	11.7	25.0	28.9
Tax	(2.6)	(3.8)	(2.4)	(5.6)	(3.0)	(6.3)	(7.2)
Profit attributable to shareholders	13.4	13.0	7.8	16.1	8.7	18.8	21.7
Basic EPS, p	22.4	21.4	13.0	26.4	14.3	30.3	34.4
Diluted EPS, p	21.7	21.0	12.7	26.2	13.9	29.7	33.8
Basic adjusted EPS ² , p	21.7	23.7	14.3	29.4	16.8	32.9	37.0
Diluted adjusted EPS ² , p	20.6	22.9	13.7	28.7	16.0	32.0	36.1

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)	FY23A	FY24A	H1-25A	FY25A	H1-26A	FY26E	FY27E
Non-current assets							
Investments in Joint Ventures	6.8	5.4	5.3	5.3	5.2	5.3	5.3
Intangible assets including goodwill	13.0	13.5	13.3	13.3	13.2	13.5	13.4
Property, plant and equipment	0.5	0.8	0.7	0.9	0.9	0.9	0.9
Deferred income tax assets	1.3	2.6	3.2	2.9	2.3	2.9	2.9
Other receivables	-	0.2	-	-	-	-	-
Sub-total NCAs	21.4	22.4	22.5	22.4	21.6	22.6	22.5
Current assets							
Trade and other receivables	3.8	5.1	5.3	6.5	8.2	7.4	8.4
Cash and cash equivalents	26.5	24.8	26.9	32.1	34.1	40.1	49.9
Financial assets at fair value through P&L	0.1	0.1	1.1	1.1	1.2	1.1	1.1
Corporation tax asset	0.1	-	0.2	0.3	1.8	0.3	0.3
Sub-total CAs	30.5	30.1	33.5	40.1	45.3	49.0	59.7
TOTAL ASSETS	51.9	52.5	56.0	62.4	66.9	71.6	82.2
Current Liabilities							
Trade and other payables	(7.9)	(8.1)	(7.6)	(11.2)	(10.5)	(12.8)	(14.4)
Corporation tax	-	(0.0)	-	-	-	-	-
Sub-total CLs	(7.9)	(8.1)	(7.6)	(11.2)	(10.5)	(12.8)	(14.4)
Non-current Liabilities							
Other payables	(2.3)	(1.0)	(1.0)	(0.7)	(0.5)	(0.7)	(0.7)
Sub-total NCLs	(2.3)	(1.0)	(1.0)	(0.7)	(0.5)	(0.7)	(0.7)
TOTAL LIABILITIES	(10.2)	(9.1)	(8.6)	(11.9)	(11.0)	(13.4)	(15.0)
NET ASSETS	41.8	43.3	47.4	50.6	55.9	58.2	67.2
Equity							
Share capital	12.0	12.1	12.1	12.1	12.2	12.1	12.1
Share premium account	15.3	15.5	15.6	15.6	15.7	15.6	15.6
Other reserve	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Merger reserve	(29.0)	(29.0)	(29.0)	(29.0)	(29.0)	(29.0)	(29.0)
Joint Venture reserve	(0.0)	-	-	-	-	-	-
Retained Earnings	41.5	45.9	49.3	52.2	55.0	59.8	68.8
Own shares	-	(3.3)	(2.7)	(2.4)	-	(2.4)	(2.4)
Non-controlling interest	-	0.1	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
TOTAL EQUITY	41.8	43.3	47.4	50.6	55.9	58.2	67.2

Source: Company data, Equity Development

Cash flow statement

Year to 31 Mar (£m)	FY24A	FY24A	H1-25A	FY25A	H1-26A	FY26E	FY27E
Operating activities							
Profit before taxation	13.4	12.9	7.7	16.0	8.6	18.8	21.7
Adjustment for:							
Income tax expense	2.6	3.8	2.4	5.6	3.0	6.3	7.2
Finance (income)/costs	0.6	(0.3)	(0.5)	(0.9)	(0.5)	(1.0)	(1.0)
Depreciation of property, plant and equipment	0.4	0.4	0.2	0.3	0.1	0.3	0.3
Amortisation of intangible assets	0.7	0.5	0.3	0.6	0.4	0.6	0.6
Share-based payment expense	1.4	1.2	0.8	1.4	0.9	1.5	1.5
Post-tax share of JV loss/(profit) less related amortisation	(0.0)	1.2	0.1	0.1	(0.0)	-	-
Changes in FV of contingent consideration	(2.7)	(1.4)	(0.0)	-	-	-	-
Changes in trade and other receivables	(0.1)	(1.6)	0.1	(1.2)	(1.6)	(0.9)	(0.9)
Changes in trade and other payables	(0.4)	0.1	(0.8)	2.7	(0.7)	1.6	1.6
Exceptional costs	0.4	1.3	-	-	-	-	-
Cash generated from operations	15.8	16.9	10.2	24.6	10.3	27.1	31.0
Income tax paid	(2.6)	(3.7)	(2.7)	(5.9)	(3.5)	(6.3)	(7.2)
Net cash from operating activities	13.2	13.2	7.5	18.8	6.7	20.8	23.7
Investing activities							
Acquisition & JV payments, net of cash acquired	(0.2)	(1.2)	-	(0.5)	-	(0.4)	-
Dividends received from Joint Venture	-	0.3	-	-	-	-	-
Purchase of intangible assets	(0.2)	(0.2)	(0.1)	(0.4)	(0.2)	(0.5)	(0.5)
Purchase of property, plant and equipment	(0.1)	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)
Payments for financial assets at FV through P&L	-	-	(1.0)	(1.0)	-	-	-
Interest received	-	0.6	0.5	1.0	0.6	1.0	1.0
Net cash used in investing activities	(0.5)	(0.7)	(0.7)	(1.0)	0.2	0.0	0.4
Financing activities							
Proceeds from the issue of shares	0.1	0.2	0.1	0.1	0.0	-	-
Purchase of own shares	-	(3.3)	-	(0.1)	-	-	-
Proceeds from the exercise of options	-	-	-	0.1	0.8	-	-
Interest received/(paid)	(0.2)	(0.1)	-	-	-	-	-
Payment of lease liabilities	(0.3)	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)
Repayment of loan liabilities	-	(0.0)	(0.0)	(0.0)	(0.0)	-	-
Dividends paid	(7.7)	(10.8)	(4.7)	(10.4)	(5.7)	(12.6)	(14.2)
Net cash used in financing activities	(8.0)	(14.2)	(4.8)	(10.5)	(5.0)	(12.8)	(14.4)
Net increase in cash and cash equivalents	4.8	(1.7)	2.1	7.3	1.9	8.0	9.7
Cash and equivalents at beginning of the period	21.7	26.5	24.8	24.8	32.1	32.1	40.1
Net cash and equivalents at end of the period	26.5	24.8	26.9	32.1	34.1	40.1	49.9

Source: Company data, Equity Development

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