

AUM beats forecast again, driven by strong flows

AUM closed FY26 on £22.8bn, up 11% y-o-y and above our £22.4bn forecast. AUM of 8AM Global (£1.4bn, +48% y-o-y) brings assets-under-management/influence (AUM/I) to £24.2bn. Paradigm completed £17.5bn of mortgages, a record, +25% y-o-y, also above forecast (£15bn).

The above, and Tatton indicating results will be towards the upper end of market expectations, leads us to estimate FY26 revenue will likely exceed £53m, above our forecast £51.6m. Adjusted operating profit will likely exceed £27m, also above forecast of £26.3m. Underlying net flows (see below) were strong all year but even stronger in H2. Growth prospects look good and Tatton looks well on track to hit its £30bn AUM/I target by 2029 (detailed on page 2).

We stress the importance of understanding an AUM anomaly in FY26. Since Oct 25 Tatton has flagged its contract with Perspective Financial Group would end in Jan 26, reducing AUM by £3.3bn. The impact was fully accounted for in our previous forecasts, but it now reflects in results for the first time. For better comparisons, Tatton has reported 'underlying' AUM details excluding this one-off distortion. Perspective was a low margin account making up c. 14% of AUM but only 2.4% of revenue.

We remind readers that at the end of FY24 Tatton set out a medium-term growth target of reaching £30bn AUM/I by FY29. Our above comment about looking on track to meet this target is made despite the loss of the Perspective account. Underlying net flows remain strong and improved in H2 to £242m/month (H1: £225m). **Current flows are above our forecast flows for FY27** (£225m/month). Flows are also significantly higher than peers (page 3), indicating Tatton is gaining market share. **The IFA base continues to grow** with 108 IFAs added in FY26 bringing the total to 1,218.

Paradigm, the IFA support services business (c. 13% of group revenue) is also showing solid growth with mortgage completions in H2 7% higher than H1. Mortgage member firms grew by 99 over FY26 to 2,014. Paradigm Consulting member firms grew from 425 to 433.

Fundamental valuation of 750p starting to look conservative

Given current market and economic uncertainty, we will wait for full results and additional management commentary on 16 June before updating FY27 and outer-year forecasts. We leave our **fundamental valuation of 750p per share** (20% above current share price) unchanged for now, but on current momentum, it is looking a little conservative.

Key financials & valuation metrics

Year to 31 Mar (£m)	FY23A	FY24A	FY25A	FY26E	FY27E
AUM end-period* (£bn)	12.7	16.6	20.9	22.8*	26.1
Revenue	32.3	36.8	45.3	53.0	57.9
Adjusted operating profit	16.4	18.5	22.9	27.5	30.1
Adjusted operating margin	50.7%	50.3%	50.6%	51.9%	52.0%
PBT	16.0	16.8	21.6	26.3	28.9
EPS basic (p)	22.4	21.4	26.4	31.8	34.4
EPS adjusted & diluted (p)	20.6	22.9	28.7	33.5	36.1
Net cash	26.5	24.8	32.1	40.9	49.9
P/E	28.8	30.2	24.4	20.3	18.8
DPS (p)	14.5	16.0	19.0	22.2	23.8
Dividend yield	2.2%	2.5%	2.9%	3.4%	3.7%

Source: Company data, ED, priced at 14/04/26 *Actual, excludes £1.4bn of AUI from 50%-owned 8AM Global.

15 April 2026

Company data

EPIC	TAM.L
Price (last close)	646p
52 weeks Hi/Lo	760p/552p
Market cap	£396m
ED Fair Value / share	750p
Net cash 2025A	£32m
Avg. daily volume (3m)	145k

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 (c.13% of group revenue).

AUI 31 Mar 26: £24.2bn

Next event

FY26 results 16 June 2026

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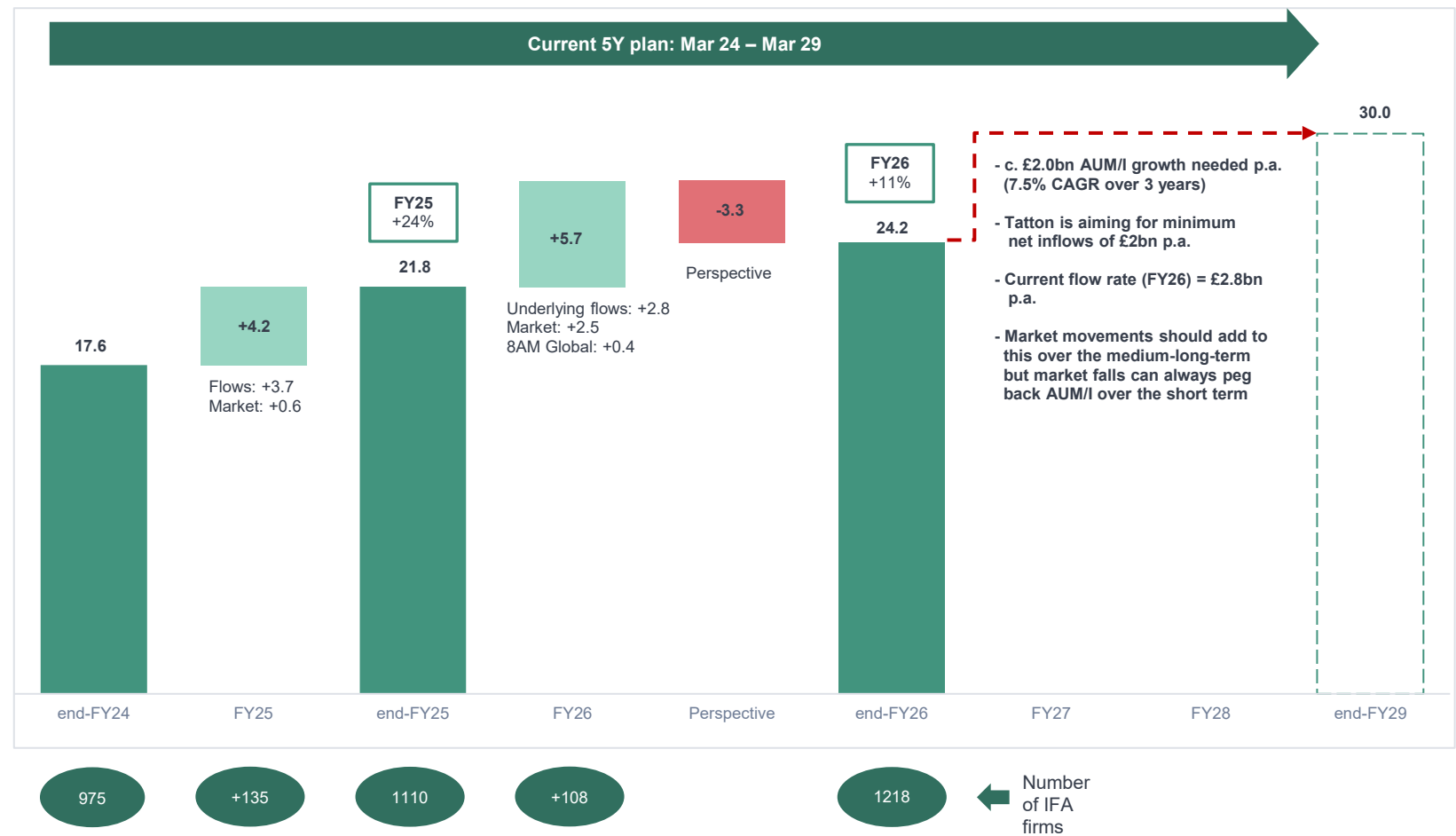
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Ahead of trajectory on medium-term AUM/I target (despite loss of Perspective account)

In Jun 24 Tatton set a new five-year target of **reaching £30bn AUI by end-FY29 (31 Mar 29)**, which required it to add c.£2.5bn per year on average, an 11% CAGR. It is running well ahead of this trajectory. Over the next three years, it needs to add c. £2bn AUM/I per year (7.5% CAGR), with current net inflows running at c. £2.8bn per year.

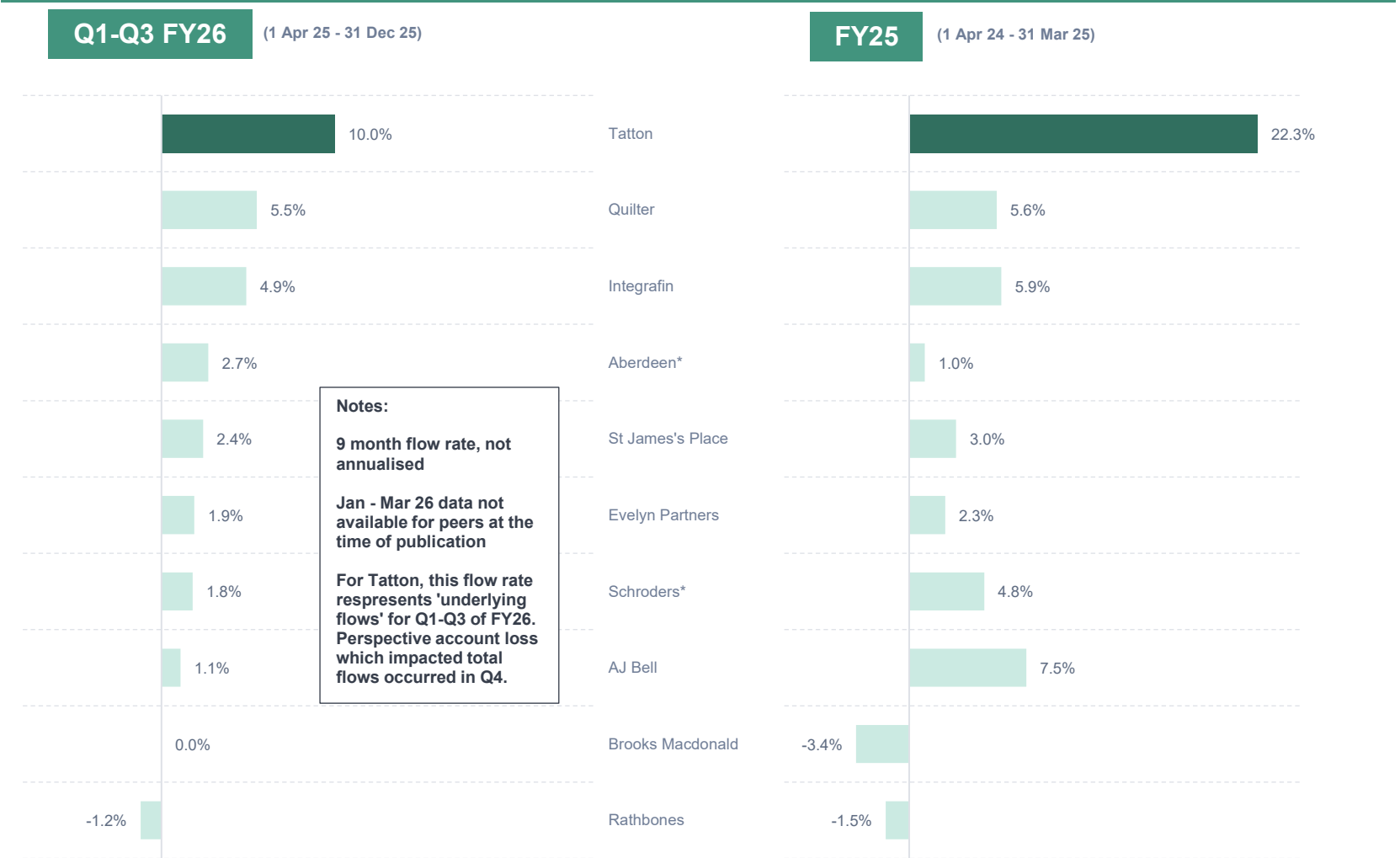
AUM/I development over current medium-term growth plan, £bn



Source: company reports, ED analysis.

Net flow rate continues to be far higher than peers

Net flows/opening AUM



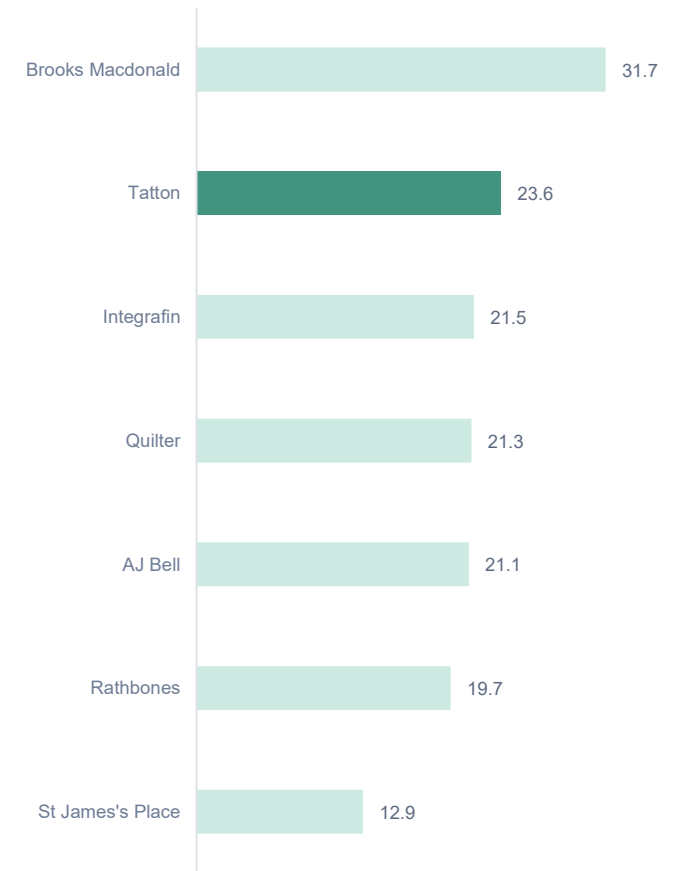
Source: company reports, ED analysis. Peer group typically house portfolios for individual investors, they are not 'pure play' asset managers which typically run individual funds making up only a part of an investor's portfolio. Evelyn Partners is not publicly listed but is a large player and publishes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

Peer comparator valuations

Valuation premium looks small given superior growth

- Given its far superior growth rate compared to peers, exceptionally strong balance sheet (£34m net cash, £22m of surplus capital and no debt), it would be expected that Tatton commands a premium PER rating compared to most peers.
- However, that premium is relatively small, and in our view should be larger, backing up our argument that a fundamental valuation of 750p / share looks conservative.

Historical PER (TTM)* peer group comparison



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

* Based on share prices as at close on 14 Apr 26. Share price divided by latest available basic EPS on Trailing Twelve Months basis.

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