

Impax Asset Management Group plc
Results for the year ended 30 September 2024

London, 28 November 2024 - Impax Asset Management Group plc ("Impax" or the "Company"), the specialist investor focused on the transition to a more sustainable global economy, today announces final audited results for the year ending 30 September 2024 (the "Period").

Business highlights

- Assets under management ("AUM") remained broadly flat at £37.2 billion (2023: £37.4 billion)
- Net flows of (£5.8 billion) (2023: (£92 million))
- Expansion of distribution and listed equities product range
- Fixed income: two acquisitions and further development of investment processes
- Resilient financial and operational performance

Key Performance Indicators

- Revenue decreased by 4.7% to £170.1 million (2023: £178.4 million)
- Adjusted operating profit decreased by 9.3% to £52.7 million (2023: £58.1. million)
- Adjusted operating margin of 31.0% (2023: 32.6%)
- IFRS Profit before tax decreased by 6.0% to £49.0 million (2023: £52.1 million)
- Adjusted diluted earnings per share decreased by 8.5% to 32.2p (2023: 35.2p)
- IFRS diluted earnings per share decreased by 5.4% to 28.2p (2023: 29.8p)
- Proposed final dividend of 22.9p per share bringing total dividend per share to 27.6p (2023: 27.6p)
- Cash reserves of £90.8 million (2023: £87.7 million)

Simon O'Regan, Chair, commented:

"Having served on the Board since 2020 and been Senior Independent Director since March 2023, it was a huge honour to become Chair of this dynamic business in July this year.

"Impax has continued to show its resilience over the Period. The Company has made material strategic progress and delivered improved investment performance while focusing on operational efficiency and the control of costs.

"Notwithstanding the geopolitical and market uncertainty arising in part from the recent US elections, investor sentiment remains positive and Impax's differentiated offering continues to be welcomed by clients around the world."

Ian Simm, Chief Executive, added:

"This was a year of positioning the business for further growth, not least through the acquisition of further fixed income capability, diversification of our distribution channels, product development and through increased focus on client service, including additional reporting and thought leadership.

"The broadly flat trajectory of our AUM reflects a positive absolute contribution of £5.3 billion from the investment performance of the funds and accounts that we manage, together with £312 million of acquired fixed income AUM following our acquisition of Absalon Corporate Credit. In a challenging environment for active asset managers, this was offset by net outflows of £5.8 billion, which was primarily from our European wholesale channel and

particularly concentrated over the first three financial quarters. The transaction with SKY Harbor Capital Management, which should add ca. £1.3 billion to our aggregate AUM, is expected to close around the end of the calendar year.

"We are encouraged by Impax's prospects and believe that the macroeconomic backdrop is supportive for our strategies. Expectations of a 'soft landing' for the US economy should underpin improved investor confidence, while stable risk sentiment should lead investors to look beyond the narrow range of stocks (including those in artificial intelligence and obesity drugs) that have driven the performance of global indices for much of the past 18 months.

"Experience from the first Trump administration suggests that the next four years are likely to be positive for US-based businesses delivering innovative products and services and in which materials and energy efficiency are significant contributors. Against this backdrop, we are confident that our investment portfolios can deliver excellent returns for clients."

Ends

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About Impax Asset Management

Founded in 1998, Impax is a specialist asset manager, with approximately £37.2 billion of 30 September 2024 in both listed and private markets strategies, investing in the opportunities arising from the transition to a more sustainable global economy.

Impax believes that capital markets will be shaped profoundly by global sustainability challenges, including climate change, pollution and essential investments in human capital, infrastructure and resource efficiency. These trends will drive growth for well-positioned companies and create risks for those unable or unwilling to adapt.

The company seeks to invest in higher quality companies with strong business models that demonstrate sound management of risk. Impax offers a well-rounded suite of investment solutions spanning multiple asset classes seeking superior risk-adjusted returns over the medium to long term.

Impax has approximately 310 employees¹ across its offices in the United Kingdom, the United States, Ireland, Denmark, Hong Kong and Japan making it one of the investment management sector's largest investment teams dedicated to sustainable development.

www.impaxam.com

¹ Full-time equivalent

AUM relates to Impax Asset Management Limited, Impax Asset Management (AIFM) Limited, Impax Asset Management Ireland Limited and Impax Asset Management LLC. Impax Asset Management Limited and Impax Asset Management (AIFM) Limited are authorised and regulated by the Financial Conduct Authority and are wholly owned subsidiaries of Impax Asset Management Group plc. Please note that the information provided on www.impaxam.com and links from it should not be relied upon for investment purposes.

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Chief Executive's Report

Impax showed its resilience during the 12 months ending 30 September 2024 ("the Period"), a year in which meaningful strategic developments, improved investment performance and a strong focus on operational efficiency and cost control was counterbalanced by net outflows.

At the end of the Period, Impax's assets under management and advice ("AUM") were £37.2 billion as of 30 September 2024 (30 September 2023: £37.4 billion).

The broadly flat trajectory of our AUM reflects a positive absolute contribution of £5.3 billion from the investment performance of the funds and accounts that we manage together with £312 million of acquired fixed income AUM. This was offset by net outflows of £5.8 billion for the Period, which was particularly concentrated over the first three financial quarters and from our European wholesale channel.

With client outflows contributing to a lower average AUM compared to the previous year, the Company's revenues of £170.1 million were down 4.7% on the prior year. Adjusted operating profits meanwhile fell by 9.3% to £52.7 million, reflecting in part a 2.4% decline in adjusted operating costs across the year as we focused on efficiency and cost control.

Notwithstanding the near-term headwinds, we remain convinced that investing in the transition to a more sustainable economy will continue to offer excellent medium-to-long term financial returns. Today, with a long track-record and an investment team of over 90 professionals, we're acknowledged globally as one of the largest specialist managers in this area.

AUM MOVEMENT FOR FULL YEAR TO 30 SEPTEMBER 2024

	Listed equities £m	Fixed income £m	Private markets £m	Total firm £m
Total AUM at 30 September 2023	35,552	1,283	564	37,399
Net flows	(5,796)	(144)	151	(5,789)
Acquired assets (Absalon Capital Management)	0	312	0	312
Performance, market movement, and FX	5,264	27	(27)	5,265
Total AUM at 30 September 2024	35,021	1,478	689	37,187

The case for our investment philosophy continues to build. This philosophy is predicated on our strongly held belief that long-term secular trends are causing inevitable sectoral transformations across virtually every area of the economy. Well-rehearsed examples include the transition to renewable power generation and electric vehicles. It's also clear to most that increasingly frequent severe weather, as evidenced by Hurricane Helene in September or the recent flooding in eastern Spain, is raising requirements for additional and innovative investment in areas such as engineering design, infrastructure monitoring, weather forecasting and disaster management systems.

Overall, we are encouraged by indications of an improvement in investor sentiment through 2024. As I expand in the "Outlook" section below, as stock and credit selectors, we're able to adjust our clients' portfolios to reflect changing economic prospects and are currently analysing the anticipated stronger United States economic conditions and domestic business confidence heralded by the forthcoming (second) Trump Administration.

In the round, we believe the outlook is positive for those companies that are set to benefit from the transition to a more sustainable economy. This provides a supportive backdrop for the platform that we have built over many years and will enable further growth in the future.

INVESTMENT STRATEGIES AND PERFORMANCE

We continue to offer investment strategies covering thematic equities, core equities, fixed income and private markets.

Our strategies largely performed positively on an absolute basis over the Period, with our three largest strategies (Global Opportunities, Leaders and Water) returning 17.8%, 19.4% and 18.9% respectively. Together these strategies accounted for 62.4% of our AUM at the end of the Period.

Nevertheless, relative to generic indices, top-down factors near the beginning of the Period impacted performance. During the first half of the financial year, the market concentration of the mega-cap technology stocks in the MSCI All Country World Index ("ACWI") acted as a detractor for many of our strategies. However, by the fourth quarter we saw a re-rating of the "quality growth" businesses in which our principal investment portfolios invest, with corresponding relative outperformance. This was driven by stronger market conditions, supported in part by lower bond yields and interest rate cuts (as a result of falling inflation) in the US and elsewhere.

Longer term, 72% of our strategies' AUM have outperformed their benchmarks over five years.

STRATEGIC PRIORITIES

During the Period we continued to pursue a strategy of diversifying our revenue by asset class and by client type. Our priorities centre on deepening our leadership in listed equities, while at the same time scaling up our fixed income and private markets propositions. While we will primarily achieve this growth organically, we will consider smaller acquisitions on an opportunistic basis, particularly in the latter two asset classes.

Meanwhile, we will continue to focus on growing our direct channel distribution capabilities, deepening our partnership with selected third parties and continuing to build an efficient, scalable and agile operating model.

FIXED INCOME

As the transition to a more sustainable economy unfolds, larger mature businesses are increasingly able to finance their growth through borrowings, and hence the investment opportunity in corporate credit continues to expand.

We made particularly significant progress in the expansion of our fixed income capabilities during the Period, announcing two acquisitions.

In July we completed the acquisition in Denmark of Absalon Corporate Credit, representing £312 million of AUM with capabilities in Global High Yield and Emerging Markets Corporate Bond. That month we also announced a conditional agreement to acquire the European assets of and hire a team from SKY Harbor Capital Management LLC, bringing us investment capabilities and approximately £1.3 billion of funds in Short Duration High Yield. We expect to complete this second acquisition around the end of the calendar year.

Following the completion of both acquisitions, subject to market performance and client retention, Impax will have total pro forma fixed income AUM of approximately £2.7 billion.

We have also established a new Global Credit Research Platform and launched a new analytical framework for fixed income focused on sustainability issues.

Listed equities

We have good capacity to grow within our existing range of listed equities strategies, while continuing to develop our suite of products. For example, in North America we have seen some good interest in our recently launched Sustainable Infrastructure strategy and Global Social Leaders strategy. Meanwhile, the US Environmental Leaders strategy is now available on our European UCITS fund platform.

Before the end of the Period we seeded a Global Emerging Markets Opportunities strategy and, subsequently, an active EAFE Opportunities strategy.

As our team in this area has expanded, we have continued to adjust the team structure and individual roles to optimise results. During the Period we created a Global Equity Research structure, tightening the coverage definition for each analyst and thereby introducing a clearer distinction between idea generation for individual stocks and portfolio management responsibilities.

PRIVATE MARKETS

We continue to identify attractive opportunities to invest privately in real assets in the renewable energy sector. In early 2024 we announced the successful final close of our fourth fund in this area, which at €459 million was the team's largest fundraise to date and approximately 30% larger than the previous fund. This is a significant

achievement by the team given the challenging conditions, notably the macroeconomic environment which lead to a very challenging fundraising environment over the past two years.

The fund's portfolio currently consists of 12 investments in seven countries across seven technologies, including a German wind developer, Italian solar PV and energy efficiency portfolio and an Irish electric vehicle charging company.

The team's third fund has also made several notable realisations including exiting a Norwegian small-scale hydropower platform and a sizeable German wind portfolio. As at the end of the Period, 42% of this Fund's portfolio has been exited.

The team is currently working on plans for raising the next fund in Impax's renewable energy fund series.

CLIENT GROUP

In line with our strategy of diversifying our distribution capabilities, we further strengthened our own direct channels and expanded our relationships with partners.

In Europe, following the Absalon acquisition, we opened an office in Copenhagen and hired a Head of Nordics to lead business development in the region. We also added new distribution partners in Spain and Italy. Subject to the completion of the SKY Harbor deal, we expect to have client-facing team members based in Germany and Switzerland.

Following the closing of the Absalon transaction, we are now offering fixed income products on our Ireland-based European fund platform for the first time. During the Period we also added two new listed equities funds to this platform.

On our US mutual fund platform we launched a new Global Social Leaders fund and also made enhancements to two other funds: the Impax Ellevest Global Women's Leadership fund and the Impax Global Sustainable Infrastructure fund. Meanwhile we are currently filing with the US regulator to offer ETF share classes of our mutual funds.

NET FLOWS

With total net outflows of £5.8 billion, client redemptions were primarily made through our wholesale channel and largely by retail clients served by our third-party distribution partners, including BNP Paribas Asset Management in Europe & Asia-Pacific.

However, during the fourth quarter of the year we saw a sharp drop in redemptions (down 36% compared to the third quarter).

Significant new client wins during the Period included listed equities mandates for pension funds in the UK, Sweden, Australia and the US, and new accounts through our wholesale channel in the US, Canada, Italy, and Australia.

While we experienced client redemptions through our intermediary/wholesale channel in particular, our client retention levels remain solid, with accounts closing during the Period representing 0.2% of the opening AUM.

In October, i.e., after the Period end, St. James's Place ("SJP") announced that it was reallocating its Global Quality fund away from Impax. At ca. 13% of the total AUM that Impax manages for SJP, this is the smaller of our two accounts with them. The impact on our annualised revenue is expected to be very modest and we continue to manage the much larger SJP portfolio, the Sustainable & Responsible Equity Fund, on a sole basis.

STRENGTHEN BRAND DIFFERENTIATION

The Company continues to be recognised for its leadership in investing in the transition to a more sustainable economy. During the Period, Impax received a third prestigious King's Award for Enterprise, in the Sustainable Development category.¹ Morningstar named Impax as "Best Asset Manager" in its 2024 Sustainable Investing Awards, while the Company was named 'Responsible Investor of the Year' in the Reuters Responsible Business Awards and 'Boutique Manager of the Year' by Financial News.

The Impax Sustainability Centre acts as the centre of excellence for the business and for clients, providing services, tools and expertise.³ This encompasses our policy, advocacy and sustainability activity, including reporting.

This year we marked a decade of measuring and reporting some of the non-financial impacts of the companies in which we invest. We have also introduced some new metrics in this area and expanded our reporting at the account and fund level.

We were also pleased to initiate and co-write a report for the Sustainable Markets Initiative to understand how asset owners integrate climate change issues into their investment decisions. Working together with State Street, we interviewed the chief investment officers of 11 large asset owners, presenting the findings at Climate Week New York

in September 2024.

Following our engagement with the US regulator, in March 2024, the Securities & Exchange Commission cited Impax 24 times in the background notes to its new climate risk disclosure rule, including the requirement that companies report on physical risks and asset locations when impacts are material.

In our Climate Report 2024 we describe how we manage climate-related risks and identify climate-related opportunities in line with the recommendations of what is now the International Sustainability Standards Board.

OPERATIONS: MANAGING COSTS AND EFFICIENCY

We have continued to focus on the effectiveness of our operations, undertaking a wide range of initiatives to improve efficiency.

The 2.4% decline in adjusted operating costs, notwithstanding investment into our fixed income platform, demonstrates our ability to support our profitability and continue to position the Company for scalable growth over the medium term.

OPERATIONS: MANAGING COSTS AND EFFICIENCY CONTINUED

We continued to strengthen our approach to risk and compliance, with second line functions now having a management reporting line through the Chief Risk Officer directly to me.

We have also improved our data processing capabilities and strengthened the security and resilience of our operational data transfer infrastructure.

Meanwhile, our headcount grew very modestly to 315 at the end of the Period, which included five new colleagues in Denmark, compared to 300 a year earlier.

ATTRACTING AND DEVELOPING OUR TALENT

We conduct an employee engagement survey annually. This year, the overall engagement score, which reflects colleague satisfaction and commitment, was, at 86 points, four points ahead of our peer group benchmark. Our colleagues continue to tell us that they feel closely aligned to Impax's mission and values, in particular our focus on sustainable development. Our staff turnover remains low relative to peers and we made good progress against our equity, diversity and inclusion goals.

BOARD SUCCESSION

As referred to in the Chair's Introduction, at the end of July, Simon O'Regan succeeded Sally Bridgeland as Chair of the Board. Simon has been a member of the Impax board for four years and brings considerable international experience as a pensions consultant, business leader and qualified actuary. He is perfectly placed to succeed Sally, and I look forward to working with him closely as we continue to grow and diversify the business.

I would like to welcome Julia Bond and Lyle Logan, who have joined the Board this year, and to thank both Sally and Lindsey Brace Martinez, who also retired from the Board in July, for their important contributions to Impax over nearly a decade.

OUTLOOK

Following a challenging 12 months for client flows, we are broadly encouraged by the outlook for the business and believe that the macroeconomic backdrop is supportive for our strategies.

Expectations of a 'soft landing' for the US economy should underpin improved investor confidence, while improved risk sentiment should lead investors to look beyond the narrow range of stocks (including those in artificial intelligence and obesity drugs) that have driven the performance of global indices for much of the past 18 months.

In these circumstances, our investment teams will continue to seek out companies displaying quality characteristics, structural growth and the ability to consistently compound returns. This will include companies enabling innovation in areas such as healthcare, re-shoring in the semiconductor and other industries, reinsurance of climate events, and the building of infrastructure in emerging markets.

Despite President-elect Donald Trump's negative stance on climate policies, experience from the first Trump administration suggests that the next four years are likely to be positive for US-based businesses delivering innovative products and services in the above areas and in which materials and energy efficiency are significant contributors. Against this backdrop, we are highly confident that our investment portfolios can deliver excellent returns for clients.

I'm pleased by the resilience that the business has shown during the Period and by our ability to maintain cost discipline. Above all, I'm particularly encouraged by the progress that we have made in diversifying our business, with the development of our fixed income capabilities and the build-out of our direct distribution channels: importantly, this

the development of our fixed income capabilities and the build out of our direct distribution channels; importantly, this has been achieved while still providing an excellent service to our existing clients.

I'd like to thank you for your continued support for and interest in Impax.

Ian Simm

27 November 2024

Financial Review

I am pleased to present our results for the Period which continue to demonstrate our resilience. An emphasis on effective cost control and operational efficiency has enabled us to produce strong results despite the net outflows experienced during the Period.

In order to facilitate comparison of performance with previous time periods and to provide an appropriate comparison with our peers, we have presented adjusted financial measures alongside the IFRS measures.

	2024	2023
AUM	£37.2bn	£37.4bn
Revenue	£170.1m	£178.4m
Adjusted operating costs	£117.4m	£120.3m
Adjusted operating profit	£52.7m	£58.1m
Adjusted profit before tax	£55.7m	£60.0m
Adjusted diluted earnings per share	32.2p	35.2p
Cash reserves	£90.8m	£87.7m
Seed investments	£16.0m	£13.3m
Dividend per share	4.7p interim + 22.9p proposed final	4.7p interim + 22.9p final

	2024	2023
IFRS operating profit	£49.0m	£54.2m
IFRS profit before tax	£49.0m	£52.1m
IFRS diluted earnings per share	28.2p	29.8p

REVENUE

Revenue for the Period decreased by £8.3 million to £170.1 million (2023: £178.4 million) as a result of the decrease in average AUM compared to the prior Period. The decrease in revenue was driven by total net outflows of £5.8 billion which were largely offset by positive market movements to arrive at Period end AUM of £37.2 billion (2023: £37.4 billion). At the end of the Period, the weighted average run-rate revenue margin remained stable at 45 basis points (2023: 45 basis points) on the £37.2 billion of AUM. Our run-rate revenue, also based on the Period end AUM reduced to £166.5 million (2023: £168.8 million).

No adjustments have been made to revenue to arrive at adjusted operating profit.

OPERATING COSTS

Adjusted operating costs decreased to £117.4 million (2023: £120.3 million) as we focused on tightening our control over costs during the Period. We continue to invest strategically in the areas of the business that we believe will support our long-term growth ambitions, particularly in the areas of fixed income and operational resilience.

IFRS operating costs include additional charges and credits, principally acquisition-related costs, the amortisation of intangible assets and equity incentive scheme charges arising on acquisitions and national insurance charges and credits on share options and restricted shares which is payable based on the share price when an option is exercised or restricted shares vest.

PROFITS AND OPERATING MARGIN

Adjusted operating profit decreased to £52.7 million (2023: £58.1 million) owing to the decreased revenue discussed above offset in part by the decrease in adjusted operating costs. This saw the adjusted operating margin fall slightly to 31.0% (2023: 32.6%). Run-rate adjusted operating profit at the end of the Period was £48.8 million (2023: £51.9 million) and run-rate adjusted operating margin at the end of the Period was 29.3% (2023: 30.8%).

Adjusted profit before tax of £55.7 million (2023: £60.0 million) and adjusted diluted earnings per share of 32.2 pence (2023: 35.2 pence) include net finance income of £3.0 million (2023: £1.9 million).

IFRS operating profit for the Period decreased to £49.0 million (2023: £54.2 million) reflecting the reduction in revenue discussed above. IFRS profit before tax of £49.0 million (2023: £52.1 million) includes foreign exchange losses of £3.0 million (2023: £4.0 million) on the retranslation of monetary assets held in foreign currencies that are not linked to the operating performance of the Group. £1.4 million of this loss relates to the retranslation of a US dollar denominated loan between the Parent Company and a US subsidiary. A corresponding gain is recognised in equity in the exchange translation reserve. IFRS diluted earnings per share decreased to 28.2 pence (2023: 29.8 pence).

TAX

The effective tax rate has increased to 25.5% (2023: 24.7%).

FINANCIAL MANAGEMENT

The Company continues to be a strongly cash generative business with high levels of cash and no debt. At the Period end the Company's cash resources increased to £90.8 million (2023: £87.7 million) owing to controlled cash management.

During the Period, we made seed investments, net of redemptions, of £1.2 million in our listed equity and private equity funds (2023: seed investments, net of redemptions, of £5.3 million). At the Period end total investments were valued at £16.0 million (2023: £13.3 million).

SHARE MANAGEMENT

The Board will consider purchasing the Company's shares from time to time after due consideration of alternative uses of the Company's cash resources. Share purchases are usually made by the Group's Employee Benefit Trust ("EBT") (subject to the trustees' discretion), using funding provided by the Company.

During the Period, the EBT purchased 1.9 million ordinary shares. The EBT hold shares for Restricted Share awards until they vest or to satisfy share option exercises.

At the Period end the EBT held a total of 4.8 million shares, 3.3 million of which were held for Restricted Share awards leaving up to 1.5 million available for option exercises and future share awards. There were 2.6 million options outstanding at the Period end, of which 50,000 were exercisable.

DIVIDENDS

The Company paid an interim dividend of 4.7 pence per share in July 2024. Our dividend policy is to pay, in normal circumstances, an annual dividend of at least 55% of adjusted profit after tax, while ensuring that we retain sufficient capital to invest in our future growth. As described above, despite the net outflows experience during the Period, the Company remains in robust financial health. The Board has therefore decided to recommend a final dividend of 22.9 pence (2023: 22.9 pence) taking the total dividend for 2024 to 27.6 pence (2023: 27.6 pence). The total dividend for the year represents 87% of our adjusted profit.

This dividend proposal will be submitted for formal approval by shareholders at the Annual General Meeting on 5 March 2025. If approved, the dividend will be paid on or around 21 March 2025. The record date for the payment of the proposed dividend will be 21 February 2025 and the ex-dividend date will be 20 February 2025.

The Company operates a dividend reinvestment plan ("DRIP"). The final date for receipt of elections under the DRIP will be 28 February 2025. For further information and to register and elect for this facility, please visit www.signalshares.com and search for information related to the Company.

GOING CONCERN

The Financial Reporting Council requires all companies to perform a rigorous assessment of all the factors affecting the business when deciding to adopt a 'going concern' basis for the preparation of the accounts.

The Board has made an assessment covering a period of at least 12 months from the date of approval of this report which indicates that, taking account of a reasonably possible downside in relation to asset outflows, market performance and costs, the Group will have sufficient funds to meet its liabilities as they fall due for that period. The Group has high cash balances and no debt and, at the Period end market levels, is profitable.

A significant part of the Group's cost basis is variable as bonuses are linked to profitability. The Group can also preserve cash through dividend reduction and through issuance of shares to cover share option exercises/restricted share awards (rather than purchasing shares). The Directors therefore have a reasonable expectation that the Group has adequate resources to remain in operational existence for the foreseeable future and have continued to adopt

the going concern basis in preparing the financial statements.

Karen Cockburn

27 November 2024

Consolidated Income Statement

For the year ended 30 September 2024

	Notes	2024 £'000	2023 £'000
Revenue	7	170,113	178,367
Operating costs	8	(121,086)	(124,120)
Finance income	11	3,946	3,130
Finance expense	12	(4,008)	(5,271)
Profit before taxation		48,965	52,106
Taxation	13	(12,488)	(12,884)
Profit after taxation		36,477	39,222
Earnings per share			
Basic	14	28.5p	30.5p
Diluted	14	28.2p	29.8p
Dividends per share			
Interim dividend paid and final dividend declared for the year	15	27.6p	27.6p

Adjusted results are provided in note 5.

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2024

	2024 £'000	2023 £'000
Profit for the year	36,477	39,222
Exchange differences on translation of foreign operations	(1,644)	(119)
Total other comprehensive income	(1,644)	(119)
Total comprehensive income for the year attributable to equity holders of the parent	34,833	39,103

All amounts in other comprehensive income may be reclassified to income in the future.

The statement has been prepared on the basis that all operations are continuing operations.

Consolidated Statement of Financial Position

As at 30 September 2024

		2024	2023
	Notes	£'000	£'000
Assets			
Goodwill	16	11,869	12,883
Intangible assets	17	11,244	14,185
Property, plant and equipment	18	7,879	8,820
Deferred tax assets	13	4,222	3,665

Total non-current assets		2024		2023	
		35,214		39,553	
	Notes	£'000	£'000	£'000	£'000
Trade and other receivables	19	36,870		42,543	
Investments	20	15,993		13,270	
Current tax asset		1,208		1,645	
Cash invested in money market funds	22	67,797		53,542	
Cash and cash equivalents	22	25,300		37,963	
Total current assets			147,168		148,963
Total assets			182,382		188,516
Equity and liabilities					
Ordinary shares	24	1,326		1,326	
Share premium		9,291		9,291	
Merger reserve		1,533		1,533	
Exchange translation reserve		1,296		2,940	
Retained earnings		117,677		118,868	
Total equity			131,123		133,958
Trade and other payables	23	42,687		44,809	
Lease liabilities	18	2,084		1,524	
Current tax liability		787		1,007	
Total current liabilities			45,558		47,340
Lease liabilities	18	5,701		7,218	
Total non-current liabilities			5,701		7,218
Total equity and liabilities			182,382		188,516

Consolidated Statement of Changes in Equity

As at 30 September 2024

	Note	Share capital £'000	Share premium £'000	Merger reserve £'000	Exchange translation reserve £'000	Retained earnings £'000	Total Equity £'000
1 October 2022		1,326	9,291	1,533	3,059	122,969	138,178
<i>Transactions with owners of the Company:</i>							
Dividends paid	15	-	-	-	-	(36,376)	(36,376)
Cash received on option exercises		-	-	-	-	1,261	1,261
Tax credit on long-term incentive schemes		-	-	-	-	371	371
Share based payment charges	10	-	-	-	-	6,535	6,535
Acquisition of own shares		-	-	-	-	(15,114)	(15,114)
Total transactions with owners of the Company		-	-	-	-	(43,323)	(43,323)
Profit for the year		-	-	-	-	39,222	39,222
<i>Other comprehensive income:</i>							
Exchange differences on translation of foreign operations		-	-	-	(119)	-	(119)
Total other comprehensive Income		-	-	-	(119)	-	(119)
30 September 2023		1,326	9,291	1,533	2,940	118,868	133,958
<i>Transactions with owners of the Company:</i>							
Dividends paid	15	-	-	-	-	(36,301)	(36,301)
Cash received on option exercises		-	-	-	-	359	359
Tax credit on long-term incentive schemes		-	-	-	-	19	19
Share based payment charges	10	-	-	-	-	6,696	6,696

Acquisition of own shares	-	-	-	-	(8,441)	(8,441)
Total transactions with owners of the Company	-	-	-	-	(37,668)	(37,668)
Profit for the year	-	-	-	-	36,477	36,477
<i>Other comprehensive income:</i>						
Exchange differences on translation of foreign operations	-	-	-	(1,644)	-	(1,644)
Total other comprehensive Income	-	-	-	(1,644)	-	(1,644)
30 September 2024	1,326	9,291	1,533	1,296	117,677	131,123

Consolidated Cash Flow Statement

For the year ended 30 September 2024

		2024	2023
	Note	£'000	£'000
Operating activities			
Cash generated from operations	27	63,624	53,218
Corporation tax paid		(12,988)	(14,562)
Net cash generated from operating activities		50,636	38,656
Investing activities			
Acquisition of property plant & equipment and intangible assets		(1,074)	(824)
Redemptions/distributions received from unconsolidated Impax funds		4,824	2,792
Investments into unconsolidated Impax funds		(5,998)	(8,073)
Settlement of investment related hedges		(1,167)	(390)
Investment income received		3,305	2,865
(Increase)/decrease in cash invested in money market funds		(14,255)	5,145
Net cash (used by)/generated from investing activities		(14,365)	1,515
Financing activities			
Finance costs paid on loan facilities		-	(86)
Payment of lease liabilities		(1,605)	(1,979)
Acquisition of own shares		(8,441)	(15,114)
Cash received on exercise of Impax staff share options		359	1,261
Dividends paid		(36,301)	(36,376)
Net cash used by financing activities		(45,988)	(52,294)
Net decrease in cash and cash equivalents		(9,717)	(12,123)
Cash and cash equivalents at beginning of year		37,963	52,232
Effect of foreign exchange rate changes		(2,946)	(2,146)
Cash and cash equivalents at end of year	22	25,300	37,963

Cash and cash equivalents under IFRS does not include cash invested in money market funds. The Group however considers its total cash reserves to include these amounts. Cash held in Research Payment Accounts ("RPAs") are not included in cash reserves (see note 22). There are no significant changes to liabilities arising from financing activities.

Movements on cash reserves are shown in the table below:

	At the beginning of the year £'000	Cashflow £'000	Foreign exchange £'000	At the end of the year £'000
Cash and cash equivalents	37,963	(9,717)	(2,946)	25,300

Cash and cash equivalents	31,000	(3,111)	(2,370)	25,519
Cash invested in money market funds	53,542	14,255	-	67,797
Cash in RPAs	(3,813)	1,516	-	(2,297)
Total Group cash reserves	87,692	6,054	(2,946)	90,800

Notes to the Financial Statements

1 REPORTING ENTITY

Impax Asset Management Group plc (the "Company") is incorporated and domiciled in the UK and is listed on the Alternative Investment Market ("AIM"). These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group").

2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS") and applicable law.

The financial statements have been prepared under the historical cost convention, with the exception of the revaluation of certain investments and derivatives being measured at fair value.

Details of the significant accounting policies adopted by the Group are shown in note 31.

The financial statements are presented in sterling. All amounts have been rounded to the nearest thousand unless otherwise indicated.

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons. Cash flow forecasts covering a period of 12 months from the date of approval of these financial statements indicate that, taking account of reasonably possible downside assumptions in relation to asset inflows, market performance and costs, the Group will have sufficient funds to meet its liabilities as they fall due and regulatory capital requirements for that period. The Group has sufficient cash balances and no debt and, at the Period-end market levels, is profitable. A significant part of the Group's cost basis is variable as bonuses are linked to profitability. The Group can also preserve cash through dividend reduction and through issuance of shares to cover share option exercises/restricted share awards (rather than purchasing shares). Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

3 USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements management has made estimates that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates. Revisions to estimates are recognised prospectively.

The Group has not identified any significant judgements and estimates at the end of the reporting period. However the key areas that include judgement and/or estimates are set out in notes 10, 16 and 17.

4 ACQUISITION OF ABSALON CORPORATE CREDIT

On 12 July 2024, one of the Group's subsidiaries Impax Asset Management Ireland Limited ("Impax Ireland") finalised an agreement to acquire the assets of Absalon Corporate Credit Fondsmæglerselskab A/Sis ("Absalon"), a Denmark-based fixed income manager. As part of the acquisition agreement the Group acquired the rights to Absalon's existing management contracts and Absalon's existing team of portfolio managers joined Impax as employees of a Danish branch of Impax Ireland ("Impax Denmark").

The Group has determined that the acquisition meets the definition of a business in accordance with IFRS 3 Business Combinations and has accounted for the transaction using the acquisition method.

The acquired business is focused on global high yield and emerging market corporate debt strategies which are expected to increase the scale and breadth of the Group's fixed income business and complement its existing fixed income capabilities.

An analysis of the consideration paid, the recognised amounts of assets acquired and the resulting gain on purchase is set out below. The acquisition was funded through the Group's existing cash reserves.

Purchase consideration

Under the terms of the agreement the purchase consideration consisted of an upfront cash payment of DKK 5.5

Under the terms of the agreement, the purchase consideration consisted of an upfront cash payment of £500,000 million (£500,000) and variable future payments to be made over a three-year period determined based on an agreed percentage of assets under management ("AUM") (the "Earn-out").

The Earn-out has been measured at fair value at the time of the business combination using a discounted cash flow model.

The Earn-out meets the definition of a financial instrument in accordance with IFRS 9 and will be recorded at fair value at each reporting date with changes in fair value recognised in the Income Statement. The Earn-out has been measured at fair value at the time of the business combination using a discounted cash flow model.

	£'000
Cash consideration	500
Earn-out	337
Total consideration	837

Identified assets and liabilities

The fair values are set out below:

	£'000
Management Contracts	854
Total identified assets and liabilities recognised	854

The Management Contracts were valued using a multi-period excess earnings method which takes into account the future expected revenue and costs attributable to the contracts acquired.

A gain on purchase was identified upon acquisition of the Danish fixed income business which has been recognised in the Income Statement in full, this has been calculated as follows:

	£'000
Cash consideration	500
Earn-out	337
Less: Fair value of identified assets	(854)
Gain on purchase	(17)

Any acquisition-related costs incurred have been expensed in full to the Income Statement.

5 ADJUSTED PROFITS AND EARNINGS

The reported operating earnings, profit before tax and earnings per share are substantially affected by business combination affects and other items. The Directors have therefore decided to report adjusted operating profit, adjusted profit before tax and adjusted earnings per share which exclude these items in order to enable comparison with peers and provide consistent measures of performance over time. A reconciliation of the adjusted amounts to the IFRS reported amounts is shown below.

	Year ended 30 September 2024			
	Adjustments			Adjusted £'000
	Reported - IFRS £'000	Business combination effects £'000	Other £'000	
Revenue	170,113			170,113
Operating Costs	(121,086)			(117,376)
Amortisation of intangibles arising on acquisitions		2,571		
Acquisition equity incentive scheme charges		428		
Acquisition costs		1,041		
Mark to market credit on equity awards			(330)	
Operating Profit	49,027	4,040	(330)	52,737

Finance income	3,946			3,946
Finance costs	(4,008)		3,047	(961)
Profit before taxation	48,965	4,040	2,717	55,722
Taxation	(12,488)			(14,103)
Tax on business combination effects		(936)		
Tax on adjustments			(679)	
Profit after taxation	36,477	3,104	2,038	41,619
Diluted earnings per share	28.2	2.4	1.6	32.2

Year ended 30 September 2023				
Adjustments				
	Reported - IFRS £'000	Business combination effects £'000	Other £'000	Adjusted £'000
Revenue	178,367			178,367
Operating costs	(124,120)			(120,264)
Amortisation of intangibles arising on acquisition		2,813		
Acquisition equity incentive scheme charges		1,318		
Mark to market credit on equity awards			(275)	
Operating Profit	54,247	4,131	(275)	58,103
Finance income	3,130			3,130
Finance costs	(5,271)		3,994	(1,277)
Profit before taxation	52,106	4,131	3,719	59,956
Taxation	(12,884)			(13,591)
Tax on adjustments			(707)	
Profit after taxation	39,222	4,131	3,012	46,365
Diluted earnings per share	29.8	3.1	2.3	35.2

The diluted number of shares is the same as used for the IFRS calculation of earnings per share (see note 14).

Amortisation of intangibles arising on acquisitions

Intangible assets include management contracts acquired as part of the acquisitions of Impax NH and Impax Denmark (together the "Acquisitions") and are amortised over their 11-year and 10-year respective lives. This charge is not linked to the operating performance of these businesses and so is excluded from adjusted profit.

Acquisition equity incentive scheme charges

Certain employees joining Impax as a result of the Acquisitions have been awarded share-based payments. Charges in respect of these relate to the Acquisitions rather than the operating performance of the Group and are therefore excluded from adjusted profit.

Acquisition costs

Acquisition costs relate to costs incurred on completed and planned business acquisitions. These charges do not relate to the operating performance of the Group and are therefore excluded from the adjusted profit.

Mark to market credit/charge on equity incentive awards

The Group has in prior years and the current period awarded employees options over the Group's shares, some of which are either unvested or unexercised at the balance sheet date. The Group has also made awards of restricted shares ("RSS awards") which have not vested at the balance sheet date. Employers national insurance contributions ("NIC") are payable on the options when they are exercised and on the RSS awards when they vest, based on the valuation of the underlying shares at that point. A charge is accrued for the NIC within IFRS operating profit based on the share price at the balance sheet date. The Group also receives a corporation tax deduction equal to the value of the awards at the date they are exercised (options) or vest (RSS awards). The tax deduction in excess of the cumulative share-based payment expense is recognised directly in equity.

These two charges/credits vary based on the Group's share price (together referred to as mark to market credit/charge on equity incentive schemes) and are not linked to the operating performance of the Group. They are

therefore eliminated when reporting adjusted profit.

Finance Income and Expense

Finance expense for the Period has been adjusted for foreign exchange gains and losses on monetary assets that are not linked to the operating performance of the Group. £1.4 million of the current Period foreign exchange loss relates to the retranslation of a US Dollar denominated loan between the Parent Company and a US subsidiary. A corresponding gain is recognised in equity in the exchange translation reserve. The remaining amount mainly relates to the translation of cash held in US dollars.

6 SEGMENTAL REPORTING

(a) Operating segments

The Group is managed on an integrated basis and there is one reportable segment.

Segment information is presented on the same basis as that provided for internal reporting purposes to the Group's chief operating decision maker, the Chief Executive.

(b) Geographical analysis

An analysis of revenue by the location of client is presented below:

	Revenue	
	2024 £'000	2023 £'000
North America	53,774	54,183
Luxembourg	42,439	49,383
UK	30,754	30,712
Ireland	13,423	13,323
France	11,420	11,085
Canada	6,596	6,363
Australia	4,129	3,821
Netherlands	3,467	3,641
Other	4,111	5,856
	170,113	178,367

The following non-current assets: property plant and equipment, goodwill and intangible assets are located in the countries listed below:

	Non-current assets	
	2024 £'000	2023 £'000
UK	4,746	5,753
United States	24,447	29,738
Ireland	1,119	391
Hong Kong	457	6
Japan	211	-
Denmark	12	-
	30,992	35,888

7 REVENUE

The Group's main source of revenue is investment management and advisory fees. The Group may also earn carried interest from its private equity funds. Management and advisory fees are generally based on an agreed percentage of the valuation of AUM for listed equity and fixed income funds. For private equity funds they are generally based on an agreed percentage of commitments made to the fund by investors during the fund's investment period and thereafter on the cost price of investments made and not exited. Carried interest is earned from private equity funds if the cash returned to investors exceeds an agreed return. Carried interest of £221,000 was received in the Period (2023: £35,600).

The Group determines the investment management and advisory fees to be a single revenue stream as they are all

The Group determines the investment management and advisory fees to be a single revenue stream as they are all determined through a consistent performance obligation. Management fees include variable consideration but there is no significant estimation or level of judgement involved.

Should AUM reduce as a result of equity market downturns, foreign exchange or allocation of capital away from equity markets then the AUM linked revenue would reduce. Management fees and carried interest are only recognised once it is highly probable that a significant reversal will not occur in future periods.

None of the funds managed by the Group individually represented more than 10% of Group revenue in the current or prior period.

Revenue includes £167,962,459 (2023: £172,373,446) from related parties.

8 OPERATING COSTS

The Group's largest operating cost is staff costs. Other significant costs include IT and communication costs, direct fund expenses, professional fees, premises costs (depreciation on office building leases, rates and service charges) and placement fees.

	2024 £'000	2023 £'000
Staff costs (note 9)	82,176	86,078
IT and communications	8,650	7,850
Direct fund expenses	7,431	7,441
Professional fees	4,907	5,094
Depreciation and amortisation	3,262	3,439
Placement fees	2,673	2,815
Premises costs	3,075	3,273
Research costs	1,578	1,167
Acquisition costs	1,041	-
Mark to market credit on share awards	(330)	(275)
Other costs	6,623	7,238
Total	121,086	124,120

Operating costs include £911,000 (2023: £1,237,000) in respect of placement fees paid to related parties.

Other costs include £309,000 (2023: £297,000) paid to the Group's auditors which is analysed below. Audit-related assurance services in the Period relate to the auditor's review of the Group's half-yearly report.

	2024 £'000	2023 £'000
Audit of the Group's Parent Company and consolidated financial statements	134	122
Audit of subsidiary undertakings	137	143
Audit-related assurance services	38	32
	309	297

9 STAFF COSTS AND EMPLOYEES

Staff costs include salaries, variable bonuses, social security costs (principally employers' NIC on salary, bonus and share awards), the cost of contributions made to employees' pension schemes and share-based payment charges. Further details of the Group's remuneration policies are provided in the Remuneration Committee Report. Share-based payment charges are offset against the total cash bonus pool paid to employees. NIC charges on share-based payments are accrued based on the share price at the balance sheet date and the proportion vested.

	2024 £'000	2023 £'000
Salaries and variable bonuses	62,128	63,936
Social security costs	6,183	6,188
Pensions	2,220	1,955
Share-based payment charges (see note 10)	6,600	6,525

Share-based payment charge (see note 10)	6,096	6,535
Other staff costs	4,949	7,464
	82,176	86,078

The Group contributes to private pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost represents contributions payable by the Group to these funds. Contributions totalling £525,000 (2023: £457,000) were payable to the funds at the Period-end and are included in trade and other payables.

Other staff costs include the cost of providing health and other insurances for staff, Non-Executive Directors' fees, contractor fees, recruitment fees and termination costs.

Directors and key management personnel

Key management personnel are related parties and are defined as members of the Board and our executive committees. The remuneration of key management personnel, including pension contributions, during the year was £10,751,821 plus £2,316,645 of share-based payments (2023: £12,049,310 plus £2,457,318 of share-based payments). No Board members received pension contributions during the year (2023: nil).

Employees

The average number of persons (excluding Non-Executive Directors and including temporary staff), employed during the year was 311 (2023: 290).

	2024 No.	2023 No.
Portfolio Management	117	105
Private Equity	16	15
Client Service and Business Development	103	101
Group	75	69
	311	290

10 SHARE-BASED PAYMENT CHARGES

The total expense recognised for the year arising from share-based payment transactions was £6,696,000 (2023: £6,535,000). The charges arose in respect of the Group's Restricted Share Scheme ("RSS") and the Group's Long Term Option Plan ("LTOP") which are described below. Details of all outstanding options are provided at the end of this note. The charges for each scheme are:

	2024 £000	2023 £000
RSS	5,642	5,861
LTOP	1,054	674
	6,696	6,535

Restricted Share Scheme

Restricted shares are awarded to some employees as part of their year-end remuneration. These awards are equity settled. These awards are made post year-end but part of the charge is recorded in the Period based on an estimated value at the year-end date. 1,533,584 RSS awards were granted during the Period under the 2023 plan. Awards can also be issued to new employees and during the Period, 357,084 RSS awards were granted to employees joining ("RSS 2024 A").

Full details of the awards granted during the year along with their valuation and the inputs used in the valuation are described in the tables below. The valuation was determined using the Black-Scholes-Merton model with an adjustment to reflect that dividends are received during the vesting period.

	2024		2023	
	2024 RSS A	2023 RSS (Final)	2023 RSS A	2022 RSS (Final)
Awards originally granted	357,084	1,533,584	42,630	729,750
Weighted average award value	£4.12	£5.13	£7.51	£8.42

Weighted average share price on grant	£4.32	£5.20	£7.61	£8.52
Weighted average expected volatility	36.5%	36.4%	35.8%	35.5%
Weighted average award life on grant	3.7 years	5.3 years	4.0 years	5.3 years
Weighted average expected dividend yield	6.6%	5.3%	3.6%	3.2%
Weighted average risk free interest rate	3.7%	4.0%	3.6%	4.6%

The expected volatility was determined by reviewing the historical volatility of the Company and that of comparator companies. The expected dividend yield is determined using the Company share price and most recent full year dividend at the grant date.

Restricted shares outstanding	
Outstanding as at 1 October 2022	2,494,006
Granted during the year	772,380
Vested during the year	(383,618)
Forfeited during the year	(187,086)
Outstanding at 30 September 2023	2,695,682
Granted during the year	1,890,668
Vested during the year	(1,181,563)
Forfeited during the year	(107,749)
Outstanding at 30 September 2024	3,297,038

The weighted average share price on RSS awards vested during the Period was £5.10. The weighted average remaining contractual life of Restricted Share awards is 5.0 years.

Restricted Share Plan

Post year end, the Board approved the grant of 903,481 restricted shares under the 2024 Restricted Share Plan ("RSP") which are equity settled. After a period of three years' continuous employment, the employees will receive unfettered access to one third of the shares, after four years a further third and after five years the final third. The employees are not required to make any payment for the shares on grant or when the restrictions lapse other than personal taxes. The fair value of the RSP awards has initially been estimated using the average share price over the period of five days preceding the Remuneration Committee and other inputs as at this date. This will be adjusted for using the share price and other inputs at the grant date. The weighted average award value is £2.76, weighted average share price is £3.34, weighted average expected volatility is 36.7%, weighted average award life on grant is 5.3 years, weighted average expected dividend yield is 7.3% and weighted average risk-free interest rate is 3.8%.

Employee share option plan

Long Term Option Plan

Awards have been granted to employees under the Group's LTOP between 2018 and 2023. The strike prices of these options are £1 (2018 and 2019), £3 (2020), £9 (2021), £7.50 (2022) and £4.40 (2023). These options do not have performance conditions but do have a time vesting condition such that the options vest subject to continued employment on five years following grant. Vested shares are restricted from being sold until after a further five-year period (other than to settle any resulting tax liability).

Post year end the Board approved the grant of 511,500 options under the 2024 LTOP plan with a £3.34 strike price and with the other conditions the same as the 2018-2023 plans.

The valuation was determined using the binomial model. Full details of the awards granted during the year along with their valuation and the inputs used in the valuation are described in the following table.

Share options are equity settled.

	2024 LTOP (estimated)	2024 2023 LTOP	2023 2022 LTOP
Awards originally granted	511,500	996,273	300,000
Weighted average exercise price	£3.34	£4.40	£7.50
Weighted average award value	£0.61	£1.22	£2.14
Weighted average share price on grant	£3.78	£5.23	£8.12

Weighted average expected volatility	36.7%	36.5%	35.6%
Weighted average award life on grant	6 years	6 years	6 years
Weighted average expected dividend yield	7.3%	5.3%	3.4%
Weighted average risk free interest rate	3.8%	4.0%	4.6%

The expected volatility was determined by reviewing the historical volatility of the Company and that of comparator companies. The expected dividend rate is determined using the Company share price and most recent full year dividend at the grant date.

The fair value of the 2024 LTOP awards has initially been estimated using the average share price over the period of five days preceding the Remuneration Committee and other inputs as at this date. This will be adjusted for using the share price and other inputs at the grant date.

Options outstanding

An analysis of the outstanding options arising from the Group's LTOP is provided below:

	Number	Weighted average exercise price p
Options outstanding at 1 October 2022	2,693,575	265.2
Options granted	300,000	750.0
Options forfeited	(311,000)	246.6
Options exercised	(725,000)	184.3
Options outstanding at 30 September 2023	1,957,575	372.4
Options granted	996,273	440.9
Options forfeited	(26,000)	723.4
Options exercised	(353,000)	101.7
Options outstanding at 30 September 2024	2,574,848	432.5
Options exercisable at 30 September 2024	50,000	100.0

The weighted average remaining contractual life was 7.5 years.

During the Period, 39,000 options, with a £0.01 exercise price, were also granted to employees (2023: 15,750). These options vest in one tranche in 2029. Post year-end, the Board approved the grant of a further 70,000 of these options with the same conditions which vest in 2030.

11 FINANCE INCOME

	2024 £'000	2023 £'000
Fair value gains	624	265
Interest income	3,305	2,865
Gain on acquisition	17	-
	3,946	3,130

Fair value gains represent those arising on the revaluation of listed and unlisted investments held by the Group (see note 19) and any gains or losses arising on related hedge instruments held by the Group.

Fair value gains comprise unrealised gains of £1,653,000 offset by net realised losses of £1,029,000 (2023: £756,000 of unrealised gains offset by £491,000 of realised losses).

12 FINANCE EXPENSE

	2024 £'000	2023 £'000
Interest on lease liabilities	416	411

Interest on Earn-out	12	-
Finance costs on loan facilities	-	86
Foreign exchange losses	3,580	4,774
	4,008	5,271

Foreign exchange losses in the current Period mainly arose on the retranslation of monetary assets held in US Dollars. £1.4 million of this loss relates to the retranslation of a US Dollar denominated loan between the Parent Company and a US subsidiary. A corresponding gain is recognised in equity in the exchange translation reserve.

13 TAXATION

The Group is subject to taxation in the countries in which it operates (the UK, the US, Hong Kong, Ireland, Denmark and Japan) at the rates applicable in those countries. The total tax charge includes taxes payable for the reporting period (current tax) and also charges relating to taxes that will be payable in future years due to income or expenses being recognised in different periods for tax and accounting periods (deferred tax).

(a) Analysis of charge for the year

	2024 £'000	2023 £'000
Current tax expense:		
UK corporation tax	11,836	9,542
Foreign taxes	1,516	3,639
Stamp duty	65	-
Adjustment in respect of prior years	163	(53)
Total current tax	13,580	13,128
Deferred tax (credit)/expense:		
Credit for the year	(1,062)	(821)
Adjustment in respect of prior years	(30)	577
Total deferred tax	(1,092)	(244)
Total income tax expense	12,488	12,884

A tax credit of £19,000 (deferred tax charges of £356,000 net of current tax credits of £375,000) is also recorded in equity in respect of changes in estimates of the tax deductions on share awards arising from changes in the share price (2023: credits of £371,000 (deferred tax charges of £859,000 net of current tax credits of £1,230,000)).

The deferred tax adjustment in respect of prior years in the prior period arose from the utilisation of tax losses following the finalisation of intra-group profits.

(b) Factors affecting the tax charge for the year

The UK tax rate for the year is 25%. The tax assessment for the Period is higher than this rate (2023: higher). The differences are explained below:

	2024 £'000	2023 £'000
Profit before tax	48,965	52,106
Tax charge at 25% (2023: 22%)	12,241	11,463
Effects of:		
Non-taxable income	(30)	(231)
Non-deductible expenses and charges	780	1,256
Adjustment in respect of historical tax charges	163	559
Effect of lower tax rates in foreign jurisdictions	(270)	(29)
Stamp duty paid	65	-

Tax losses not recognised	-	9
Recognition of prior year tax losses	(461)	(143)
Total income tax expense	12,488	12,884

(c) Deferred tax

The deferred tax asset included in the consolidated statement of financial position is as follows:

	Share-based payment scheme £'000	Tax losses carried forward £'000	Other assets £'000	Expenses not yet deductible £'000	Other liabilities £'000	Total £'000
As at 1 October 2022	3,323	611	847	-	(369)	4,412
Charge to equity	(859)	-	-	-	-	(859)
Exchange differences on consolidation	(70)	-	(62)	-	-	(132)
Credit/(charge) to the income statement	729	-	(979)	-	494	244
As at 30 September 2023	3,123	611	(194)	-	125	3,665
Charge to equity	(356)	-	-	-	-	(356)
Exchange differences on consolidation	(105)	(55)	(19)	-	-	(179)
Credit/(charge) to the income statement	(456)	1,506	21	-	21	1,092
As at 30 September 2024	2,206	2,062	(192)	-	146	4,222

A previously unrecognised deferred tax asset of £952,000 relating to £4.4 million carried forward losses in one of the Group's subsidiaries has been recognised in the Period. Following the reorganisation of certain Group subsidiaries, there is now sufficient evidence that there will be taxable profits in the future against which these losses could be utilised.

14 EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent Company (the "Earnings") by the weighted average number of ordinary shares outstanding during the year, less the weighted average number of own shares held. Own shares are held in the Group's Employee Benefit Trust ("EBT").

Diluted EPS includes an adjustment to reflect the dilutive impact of share awards.

	Earnings for the year £'000	Shares 000's	Earnings per share
2024			
Basic	36,477	127,829	28.5p
Diluted	36,477	129,180	28.2p
2023			
Basic	39,222	128,769	30.5p
Diluted	39,222	131,572	29.8p

The weighted average number of shares is calculated as shown in the table below.

	2024 £'000	2023 £'000
Weighted average issued share capital	132,597	132,597
Less weighted average number of own shares held	(4,768)	(3,828)
Weighted average number of ordinary shares used in the calculation of basic EPS	127,829	128,769

Additional dilutive shares regarding share schemes	5,354	4,080
Adjustment to reflect option exercise proceeds and future service from employees receiving awards/shares	(4,003)	(1,277)
Weighted average number of ordinary shares used in the calculation of diluted EPS	129,180	131,572

15 DIVIDENDS

Dividends are recognised as a reduction in equity in the period in which they are paid or in the case of final dividends when they are approved by shareholders. The reduction in equity in the Period therefore comprises the prior Period final dividend and the current Period interim dividend.

Dividends paid in the year

	2024 pence	2023 pence
Prior year final dividend - 22.9p, 22.9p	30,132	30,216
Interim dividend - 4.7p, 4.7p	6,169	6,160
	36,301	36,376

Dividends declared/proposed in respect of the year

	2024 pence	2023 pence
Interim dividend declared per share	4.7	4.7
Final dividend proposed per share	22.9	22.9
Total	27.6	27.6

The proposed final dividend of 22.9p will be submitted for formal approval at the Annual General Meeting to be held on 5 March 2025. Based on the number of shares in issue at the date of this report and excluding own shares held the total amount payable for the final dividend would be £30,075,000.

16 GOODWILL

The goodwill balance within the Group at 30 September 2024 arose from the acquisition of Impax Capital Limited on 18 June 2001 and the acquisition of Impax NH in January 2018.

	Goodwill £'000
Cost	
At 1 October 2022	13,932
Foreign exchange	(1,049)
At 1 October 2023	12,883
Foreign exchange	(1,014)
At 30 September 2024	11,869

Impax NH consists of only one cash-generating unit ("CGU"). Goodwill is allocated between CGUs at 30 September 2024 as follows - £10,240,000 to Impax NH and £1,629,000 to the listed equity and private equity CGUs.

The Group has determined the recoverable amount of its CGUs by calculating their value in use using a discounted cash flow model over a period of 10 years. The cash flow forecasts were derived taking into account the budget for the year ended 30 September 2025, which was approved by the Board of Directors in September 2024. The discount rate was derived from the Group's weighted average cost of capital, adjusted for market specific risks associated with the estimated cash flows.

The goodwill on the listed equity and private equity CGUs arose over 20 years ago and the business has grown significantly in size and profitability since that date. There is accordingly significant headroom before an impairment is required. The main assumptions used to calculate the cash flows in the impairment test for these CGUs were that assets under management and margins would continue at current levels, that fund performance for the listed equity business would be 5% per year (2023: 5%) and a discount rate of 12.5% (2023: 12.5%).

There has been no impairment of goodwill related to this CGU to date and there would have to be significant asset outflows over a sustained period before any impairment was required. If the discount rate increased by 1% there would no impairment and if fund performance reduced to zero there would be no impairment (2023: 1% increase in discount rate, no impairment).

The impairment test for the Impax NH CGU showed no impairment (2023: no impairment) was required and used the following key assumptions - average fund inflows of US 1.60 billion (2023: US 0.56 billion), fund performance of 5% (2023: 5%), an average operating margin of 31% (2023: 29%) and a discount rate of 12.5% (2023: 12.5%). The following plausible changes in assumptions would individually not give rise to an impairment: a consistent 10% decrease in inflows (2023: 10% decrease); a 100 basis point annual reduction in performance each year (2023: 100 basis point reduction); a 1% annual reduction in operating margin (2023: 1% reduction) and a 1% increase in discount rate (2023: 1% increase).

17 INTANGIBLE ASSETS

Intangible assets mainly represents the value of the management contracts acquired as part of the acquisitions of Impax NH and Impax Denmark.

	Acquired management contracts £'000	Software £'000	Total £'000
Cost			
As at 1 October 2022	31,910	301	32,211
Additions	-	299	299
Foreign exchange	(2,710)	-	(2,710)
As at 30 September 2023	29,200	600	29,800
Additions	854	16	870
Foreign exchange	(3,012)	-	(3,012)
As at 30 September 2024	27,042	616	27,658
Accumulated amortisation			
As at 1 October 2022	13,646	225	13,871
Charge for the year	2,813	62	2,875
Foreign exchange	(1,131)	-	(1,131)
As at 30 September 2023	15,328	287	15,615
Charge for the year	2,571	122	2,693
Foreign exchange	(1,894)	-	(1,894)
As at 30 September 2024	16,005	409	16,414
Net book value			
As at 30 September 2024	11,037	207	11,244
As at 30 September 2023	13,872	313	14,185
As at 30 September 2022	18,264	76	18,340

The management contracts acquired with the acquisitions of Impax NH and Impax Denmark are amortised over an 11 year and 10 year life respectively.

AUM, forecast asset inflows, long-term operating margin, discounted cost of capital are all the same or in excess of the assumptions when the management contracts were first valued and as such, there are no indicators of impairment.

18 PROPERTY, PLANT AND EQUIPMENT

Property plant and equipment mainly represents the costs of fitting out the Group's leased London office (leasehold improvements), office furniture and computers (fixtures, fitting and equipment) and the capitalised value of the Group's leases of its office buildings (right-of-use assets).

Right-of-use assets £'000	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
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Cost	Right-of-use assets £'000	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
As at 1 October 2022	11,617	2,343	2,614	16,574
Additions	1,607	82	443	2,132
Disposals	-	-	(37)	(37)
Foreign exchange	(468)	(1)	(53)	(522)
As at 30 September 2023	12,756	2,424	2,967	18,147
Additions	1,229	137	421	1,787
Disposals	(945)	-	-	(945)
Foreign exchange	(476)	(4)	(88)	(568)
As at 30 September 2024	12,564	2,557	3,300	18,421
Accumulated depreciation				
As at 1 October 2022	3,970	1,429	1,896	7,295
Charge for the year	1,659	214	325	2,198
Disposals	-	-	(6)	(6)
Foreign exchange	(127)	(1)	(32)	(160)
As at 30 September 2023	5,502	1,642	2,183	9,327
Charge for the year	1,317	212	356	1,885
Disposals	(446)	-	-	(446)
Foreign exchange	(171)	(1)	(52)	(224)
As at 30 September 2024	6,202	1,853	2,487	10,542
Net book value				
As at 30 September 2024	6,362	704	813	7,879
At 30 September 2023	7,254	782	784	8,820
As at 30 September 2022	7,647	914	718	9,279

Lease arrangements

Property, plant and equipment includes right-of-use assets in relation to leases for the Group's office buildings.

The carrying value of the Group's right-of-use assets, associated lease liabilities and the movements during the Period are set out below.

	Right-of-use asset £m	Lease liabilities £m
At 1 October 2023	7,254	8,742
New leases	1,229	1,229
Disposals	(499)	(623)
Lease payments	-	(1,605)
Interest expense	-	417
Depreciation charge	(1,317)	-
Foreign exchange movement	(305)	(375)
At 30 September 2024	6,362	7,785
	Current	2,084
	Non-current	5,701
		7,785

The contractual maturities on the undiscounted minimum lease payments under lease liabilities are provided below:

	2024 £'000	2023 £'000
Within one year	2,448	1,042

within one year	2,410	1,342
Between 1 and 5 years	5,355	6,489
Later than 5 years	940	1,702
Total undiscounted lease liabilities	8,713	10,133

The Group's London office lease has an extension option of a further five years from June 2027, subject to a rent review, which is not included in the above numbers on the basis that it is not yet reasonably certain that it will be exercised.

19 TRADE AND OTHER RECEIVABLES

	2024 £'000	2023 £'000
Trade receivables	7,721	8,803
Other receivables	2,500	2,282
Prepayments and accrued income	26,649	31,458
	36,870	42,543

Accrued income relates to accrued management fees and arises where invoices are raised in arrears.

Included within prepayments and accrued income are deferred placement fees amounting to £986,000 (2023: £679,000). These costs are amortised to the income statement over the fund's investment period (see Note 8).

An analysis of the aging of trade receivables is provided below:

	2024 £'000	2023 £'000
0-30 days	5,729	7,488
<i>Past due but not impaired:</i>		
31-60 days	787	1,098
61-90 days	-	6
Over 90 days	1,205	211
	7,721	8,803

At the date of this report, substantially all of the trade receivables above have been received including the over 90 days balance. As at 30 September 2024, the assessed provision under the IFRS 9 expected loss model for trade receivables and prepayments and accrued income was immaterial (2023: immaterial).

£29,485,000 of trade and other receivables and accrued income were due from related parties (2023: £33,660,000).

20 CURRENT ASSET INVESTMENTS

The Group makes seed investments into its own listed equity funds and also invests in its private equity funds. Where the funds are consolidated the underlying current asset investments are shown in the table below. Investments made in unconsolidated funds are also included.

	Total £'000
At 1 October 2022	7,255
Additions	8,073
Fair value movements	734
Repayments/disposals	(2,792)
At 30 September 2023	13,270
Additions	5,998
Fair value movements	1,549
Repayments/disposals	(4,824)
At 30 September 2024	15,993

The Current asset investments include £15,145,000 invested in related parties of the Group (2023: £13,270,000).

Hierarchical classification of investments

The hierarchical classification of the investments as considered by IFRS 13 *Financial Instruments: Disclosures* is shown below:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 1 October 2023	8,623	-	4,647	13,270
Additions	5,484	-	514	5,998
Repayments/disposals	(3,840)	-	(984)	(4,824)
Fair value movements	1,343	-	206	1,549
At 30 September 2024	11,610	-	4,383	15,993

There were no movements between any of the levels in the Period.

The Level 3 investments are in the Group's private equity funds. The net asset value of these funds as reported in the NAV statements represents the fair value at the end of the reporting period and as such a range of unobservable inputs is not reported. The underlying investment in the fund is based on valuation methodologies depending on the nature of the investment. If the NAV of those funds changed by +/- 10% then the valuation of those investments would change by +/- £438,000.

Market risk and investment hedges

Investments made are subject to market risk. Where appropriate the Group has attempted to hedge against the risk of market falls by the use of derivative contracts. The derivative contracts consist of short positions against a global equity index and are arranged through BNP Paribas, a related party. Any outstanding amounts on the short positions are settled daily.

21 INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

The Group's interest in structured entities is reflected in the Group's AUM. The Group is exposed to movements in AUM of structured entities through potential loss of fee income as a result of client withdrawals or market falls. Outflows from funds are dependent on market sentiment, asset performance and investor considerations. Further information on these risks can be found in the Strategic Review. Considering the potential for changes in AUM of structured entities, management has determined that the Group's unconsolidated structured entities include segregated mandates and pooled funds vehicles. Disclosure of the Group's exposure to unconsolidated structured entities has been made on this basis.

At 30 September 2024, AUM managed within unconsolidated structured entities was £37.19 billion (2023: £37.40 billion) and within consolidated structured entities was nil (2023: £nil).

£170,113,000 (2023: £178,367,000) in revenue was earned from unconsolidated structured entities.

The total exposure to unconsolidated structured entities in the statement of financial position is shown in the table below:

	2024 £'000	2023 £'000
Management fees receivable (including accrued income)	30,556	37,159
Investments	15,993	13,270
	46,549	50,429

The main risk the Group faces from its interest in unconsolidated structured entities are decreases in the value of seed capital investments.

22 CASH AND CASH EQUIVALENTS AND CASH INVESTED IN MONEY MARKET FUNDS

Cash and cash equivalents under IFRS does not include cash invested in money market funds which is exposed to market variability. However the Group considers its total cash reserves to include these amounts. Cash held in RPAs is collected from funds managed by the Group and can only be used towards the cost of researching stocks. A liability of an equal amount is included in trade and other payables. This cash is excluded from cash reserves. A reconciliation is shown below:

	2024 £'000	2023 £'000
Cash and cash equivalents	25,300	37,963
Cash invested in money market funds	67,797	53,542
Less: cash held in RPAs	(2,297)	(3,813)
Cash reserves	90,800	87,692

The Group is exposed to interest rate risk on the above balances as interest income fluctuates according to the prevailing interest rates. The average interest rate on the cash balances during the year was 4.2% (2023: 3.0%). Given current interest rate levels a sensitivity rate of 1% is considered appropriate. A 1% increase in interest rates would have increased Group profit after tax by £577,000. An equal change in the opposite direction would have decreased profit after tax by £549,000.

The credit risk relating to cash reserves held by the Group is spread over several counterparties. The Group holds cash balances with RBS International (Standard & Poor's credit rating of A-1), Bank of Ireland (Standard & Poor's credit rating of A-2) and the Bank of New Hampshire (unrated), Danske Bank (Standard & Poor's credit rating of A-1), SMBC (unrated) and Hang Seng (Standard & Poor's credit rating of A-1+). The remainder of the Group's cash reserves is invested in money market funds managed by BlackRock, with a Standard & Poor's credit rating of AA-, and Goldman Sachs, with a Standard & Poor's credit rating of A-2, and Santander, with a Standard & Poor's credit rating of A-1.

23 TRADE AND OTHER PAYABLES

	2024 £'000	2023 £'000
Trade payables	792	730
Taxation and other social security	874	1,166
Other payables	5,290	4,833
Accruals and deferred income	35,731	38,080
	42,687	44,809

The most significant accrual at the year end relates to variable staff remuneration. Other payables includes estimated amounts payable for the Earn-out (see Note 4). This is measured at fair value and is classified as Level 3 for the hierarchical classification purposes of IFRS 13.

24 ORDINARY SHARES

	2024 No of shares 000's	2023 No of shares 000's	2024 £'000	2023 £'000
Issued and fully paid				
At 1 October and 30 September	132,597	132,597	1,326	1,326

Ordinary shares have a par value of £0.01 per share. Each ordinary share carries the right to attend and vote at general meetings of the Company. Holders of these shares are entitled to dividends as declared from time to time.

25 OWN SHARES

	No of Shares	£'000
At 1 October 2022	3,265,109	8,128
Issuance of shares to the EBT	2,074,454	15,114
Satisfaction of option exercises and RSS vesting	(1,065,287)	(4,637)
At 30 September 2023	4,274,276	18,605
Purchases of shares by the EBT	1,866,128	8,441
Satisfaction of option exercises and RSS vesting	(1,318,124)	(5,806)
At 30 September 2024	4,822,280	21,240

The EBT holds shares for RSS awards until they vest or to satisfy share option exercises. Own Shares includes

3,297,038 shares held in a nominee account in respect of the RSS vesting on future dates as described in note 10, and 202,734 shares held in a nominee account for exercised options which are subject to a five-year holding period.

26 FINANCIAL COMMITMENTS

At 30 September 2024 the Group has outstanding commitments to invest up to the following amounts into private equity funds that it manages:

- €865,366 into Impax New Energy Investors III LP (2023: €1,105,516); this amount could be called on in the period to 31 December 2026;
- and €1,802,075 into Impax New Energy Investors IV SCSp Luxembourg (2023: €952,658); this amount could be called on in the period to 31 October 2031.

27 RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS

This note should be read in conjunction with the consolidated cashflow statement. It provides a reconciliation to show how profit before tax, which is based on accounting rules, translates to cashflows.

	2024 £'000	2023 £'000
Profit before taxation	48,965	52,106
<i>Adjustments for income statement non-cash charges/income:</i>		
Depreciation of property plant and equipment and amortisation of intangible assets	4,578	5,073
Finance income	(3,946)	(3,130)
Finance expense	4,008	5,271
Share-based payment charges	6,696	6,535
(Gain)/loss on disposals of property, plant & equipment	(22)	31
<i>Adjustment for statement of financial position movements</i>		
Decrease/(increase) in trade and other receivables	5,815	(3,774)
Decrease in trade and other payables	(2,470)	(8,894)
Cash generated from operations	63,624	53,218

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