POLAR CAPITAL HOLDINGS plc
Group Audited Results for the year ended 31 March 2025

"Despite market volatility, we had a positive financial year with average AuM increasing by 17%, core operating profit growing by 27%, and we attracted positive net inflows into key strategies — underscoring the resilience of our model and the strength of client relationships."

Gavin Rochussen, CEO

Highlights

- Average Assets under Management (AuM) for the year up 17% to £22.9bn (2024: £19.6bn)
- AuM at 31 March 2025 down 2% to £21.4bn (31 March 2024: £21.9bn)
- Core operating profit† up 27% to £56.7m (2024: £44.8m)
- Statutory profit before tax down 6% to £51.6m (2024: £54.7m) primarily due to a £13.6m impairment charge on intangible assets
- Basic earnings per share down 13% to 36.6p (2024: 42.3p) and adjusted diluted total earnings per share† up 22% to 53.5p (2024: 44.0p)
- Second interim dividend of 32.0p per share (2024: 32.0p) bringing the total dividend for the year to 46.0p per share (2024: 46.0p). The dividend payment date is 7 August 2025, with an ex-dividend date of 10 July 2025 and a record date of 11 July 2025.

† The non-GAAP alternative performance measures shown here are described and reconciled to IFRS measures in the Alternative Performance Measures (APM) section.

This RNS does not constitute an offer or recommendation to invest in any of the funds referenced within.

Gavin Rochussen, Chief Executive Officer, commented:

"Polar Capital delivered a resilient outcome for the financial year despite industry headwinds for active equity managers. Our AuM ended at £21.4bn on 31 March 2025, just 2% lower than the £21.9bn a year prior. This decline was primarily due to negative market movements in the final quarter, as net flows over the year were broadly flat. Total AuM as at 20 June 2025 were £22.6bn with net outflows of £0.6bn from open ended funds and segregated mandates in the period 1 April to 20 June 2025.

"Average AuM increased by 17% to £22.9bn. Maintaining the management fee† yield steady at 78 basis points, net management fees† increased 16% to £178.3m (2024: £153.7m). Core operating profit† increased by 27% and adjusted diluted total EPS† increased 22% from 44.0p to 53.5p.

"Polar Capital made progress during the year in delivering our strategy of "growth with diversification" – expanding our capabilities, client base, and geographic reach to drive sustainable growth. In line with this, we welcomed Dan Boston in September 2024 as Head of our new Global Small Company team. Based in Tampa, Florida he, alongside two colleagues, manages the Polar Capital International Small Company Fund which was launched in September 2024 as a US mutual fund. The fund has now surpassed the $100m AuM milestone and our pipeline looks encouraging.

"The breadth of our product range – spanning specialisms such as Technology, Healthcare, Financials, Insurance as well as regional such as UK, Europe, Emerging Markets, North America and now International Small Company – allows us to have relevant offerings for different client segments across regions. Our diverse specialist strategies give us multiple avenues to connect with clients globally, helping us to reduce reliance on any single market or channel.

"I am proud of Polar Capital's achievements in a year that challenged the asset management industry, particularly active equity asset managers. We navigated macroeconomic turbulence and delivered on key strategic goals – broadening our investment strategies and client reach – all while staying true to our active management DNA and performance led culture."

For further information please contact:	
Polar Capital	+44 (0)20 7227 2700
Gavin Rochussen (Chief Executive Officer)	
Samir Ayub (Chief Financial Officer)	
Numis Securities Limited - Nomad and Joint Broker	+44 (0)20 7260 1000
Giles Rolls	
Charles Farquhar	
Peel Hunt LLP- Joint Broker	+44 (0)20 3597 8680
Andrew Buchanan	
Oliver Jackson	
Camarco - PR	+44 (0)20 3757 4980
Ed Gascoigne-Pees	
Jennifer Renwick	
Phoebe Pugh	

Assets under Management Analysis

AuM split by type

	31 March 2025			31 March 2024	
	£bn	%		£bn	%
Open ended funds	16.0	75%	Open ended funds	16.0	73%
Investment trusts	4.8	22%	Investment trusts	5.1	23%
Segregated mandates	0.6	3%	Segregated mandates	0.8	4%
Total	**21.4**	100%	**Total**	**21.9**	100%

AuM split by strategy

Ordered according to launch date

	31 March 2025			31 March 2024	
	£bn	%		£bn	%
Technology	9.0	42%	Technology	9.9	45%
European Long/Short[1]	-	-	European Long/Short	0.1	0.5%
Healthcare	3.5	16.5%	Healthcare	3.9	18%
Global Insurance	2.6	12%	Global Insurance	2.3	10%
Financials	0.7	3%	Financials	0.6	3%
Convertibles	0.3	1.5%	Convertibles	0.4	2%
North America	0.5	2.5%	North America	0.7	3%
Japan Value	0.2	1%	Japan Value	0.2	1%
European Income	0.2	1%	European Income	0.2	1%
UK Value	0.9	4%	UK Value	0.9	4%
Emerging Markets and Asia	3.0	14%	Emerging Markets and Asia	1.8	8%
European Opportunities	0.2	1%	European Opportunities	0.6	3%
Sustainable Thematic Equities	0.2	1%	Sustainable Thematic Equities	0.3	1.5%
European Small Cap[2]	-	-	European Small Cap[2]	-	-
Global Small Company[3]	0.1	0.5%	Global Small Company[3]	-	-
Total	**21.4**	100%	**Total**	**21.9**	100%

AuM split by geography of investors

	31 March 2025		31 March 2024
	%		%
UK	63%	UK	60%
Europe	23%	Europe	29%
Asia	7%	Asia	6%
Nordics	5%	Nordics	3%
North America	1%	North America	1%
Other	1%	Other	1%
Total	100%	**Total**	100%

1. Polar Capital European Forager Fund managed under this strategy was closed in September 2024.
2. The AuM of Polar Capital European Small Cap Fund managed under this strategy was £8.0m at 31 March 2025 (2024: £4.0m).
3. The Polar Capital International Small Company Fund managed under this strategy was launched on 30 September 2024.

Chair's Statement

Introduction

I focus below on the results of the latest financial year, though much has changed in the few months following our year end. At the time of writing, it simply isn't clear how global economic and investing markets will settle. We will need to be patient to see how governments across the world, and companies, learn to deal with the economic 'winds of change' coming from the US.

For Polar Capital, the financial year started with a resilient US economy and stubborn levels of inflation pushing out the prospect of interest rate cuts, before ending with the US-led trade tariffs and heightened market uncertainty.

The conflicts in Ukraine and the Middle East continued, stoking wider geopolitical tensions. Political cycles added to the backdrop, with anticipation around major elections in the US, UK and across Europe shaping investor behaviour.

Looking ahead, it is clear that challenges persist – notably geopolitics, trade and war. We also see ongoing regulatory shifts, as well as evolving risks such as cybersecurity and climate change. Despite these challenges, we are confident in our business model and in our people. Our balance sheet strength and entrepreneurial culture, together with our continued focus on our clients, ensures that we remain well positioned to take advantage of the opportunities that we believe will arise in the future.

Results

AuM decreased by 2% over the year, from £21.9bn to £21.4bn, primarily due to negative market movements in the final quarter whilst net flows for the year were broadly flat. Nevertheless, average AuM increased by 17% in the year to £22.9bn.

The higher average AuM, together with a carefully managed cost base, contributed to a 27% increase in core operating profit† to £56.7m (2024: £44.8m). Despite the increase in core operating profit† and a contribution from performance fee profits† totalling £7.9m (2024: £9.6m), profit before tax declined to £51.6m (2024: £54.7m), primarily due to the recognition of a £13.6m impairment charge relating to goodwill and intangible assets.

Dividend

With the increase in adjusted earnings during the year and given the strength of our balance sheet and our confidence in the long-term outlook for the Company, the Board recommend maintaining a second interim dividend of 32.0p per share (2024: 32.0p) to be paid in August 2025. This, together with the first interim dividend of 14.0p per share paid in January 2025, means that the total dividend per share for the year is maintained at 46.0p (2024: 46.0p) representing an 86% payout ratio on adjusted diluted total earnings† per share of 53.5p.

Strategy

As described in the CEO's report, our long-term investment performance remains strong, despite the recent tough, volatile operating and investing environment, and our distribution reach continues to grow, with new personnel in the UK, US and Nordic regions. Given significant industry-wide net outflows from active equity managers during the period, it is notable that Polar Capital achieved net inflows into its open-ended fund range of £495m excluding fund closures with net inflows before fund closures across all investment offerings of £123m.

Net flows during the final quarter of the financial year were encouraging, with net inflows of £398m across several funds in our range, including Polar Capital Global Absolute Return, International Small Company (launched at the end of September 2024), Emerging Market Stars, Healthcare Blue Chip, Biotechnology and Artificial Intelligence funds.

Culture

Since its foundation, Polar Capital has prided itself on its meritocratic and collegiate culture and this has served us well during another tough year for markets, meeting the challenges head on and working together to continue to deliver for our clients.

We have also maintained our voluntary mentoring program and bursary scheme, Polar Capital Aspire Scheme (PCAS) for students at Westminster City School, an academy that is local to our London head office. This ongoing relationship shows the mutual benefit of the support provided by Polar Capital to the students at the school and is a tangible example of our culture in action.

Board
Whilst there have been no changes to the Board during the year, our CEO, Gavin Rochussen, has informed the Board that he intends to retire after the Annual General Meeting (AGM) in September 2025.

Gavin has been an outstanding CEO since joining Polar Capital in 2017, successfully leading the Group during the last eight years through a number of external and market related challenges. From the fallout from the Brexit referendum, to leading the Group through the unprecedented Covid pandemic, successfully adapting the business at a time when all of us were forced to ‘stay at home’, to the more recent challenges for markets that I referred to above.

Throughout his time in post, Gavin has been an ever-present leader and spokesman for the business.

On behalf of everyone at Polar Capital, I want to thank Gavin for everything that he has done in his time with us and for the considerable success that he has brought to the Group, helping to grow the Group and make us a stronger more resilient business.

During Gavin’s tenure between 2017 to 2025, AuM increased 130% from £9.3bn to £21.4bn, with the adjusted diluted total EPS† increasing 162% from 20.4p to 53.5p.

We wish Gavin well in his retirement and look forward to thanking him at the AGM.

As the door closes on Gavin’s tenure, I also want to congratulate Iain Evans on being selected as our new CEO. Iain has been with Polar Capital for the last twenty years, leading our distribution and marketing teams, and successfully helping to build out our client base beyond the UK.

Annual General Meeting
We are planning to hold the Company’s forthcoming AGM at 2.00pm on 25 September 2025 at the Company’s registered office. Shareholders are encouraged to submit any questions to our Company Secretary before the meeting (by using Investorrelations@polarcapital.co.uk, using the subject title ‘PCH AGM’) who will arrange for a response to be provided to the questions. There will not be a presentation at the meeting, but a video of the CEO and CFO presenting the results will be available on the Company’s website ahead of the meeting. The notice of the meeting is also available on the Company’s website.

Thank you
Polar Capital has built an impressive business that I am proud to be Chair of. This would not be possible without the individuals who work here, or our clients, suppliers and partners who support us. I would like to take this opportunity to thank everyone, but particularly the Polar Capital staff and investment teams, for all their hard work and efforts during a tough year for the industry as a whole.

The Board, and I, really appreciate the commitment and dedication shown by all.

Thank you.

David Lamb
Chair
27 June 2025

† The non-GAAP alternative performance measures mentioned here are described and reconciled in the APM section.

Chief Executive Officer's Report

The financial year presented a complex mix of challenges and opportunities. We navigated high inflation giving way to cooling price pressures, shifting central bank policies, significant political transitions in the UK and US, and ongoing conflicts casting long shadows. By the end of the period, several major uncertainties had cleared – the UK and US elections were behind us and inflation was on a better trajectory - but new concerns such as the return of tariffs and potential global trade wars have since emerged.

By the fourth calendar quarter of 2024, many active strategies enjoyed better performance with global stock markets continuing to climb and many active portfolios finally recouping losses from the prior year. This favourable backdrop also contributed to improved fund performance across Polar Capital's product range, which helped reinforce client confidence.

However, the momentum for active managers shifted sharply as we entered calendar year 2025, when volatility returned. In the first calendar quarter of 2025, global investors became more risk-averse – spooked by the prospects of a renewed trade war and other uncertainties. A swift pivot to risk-off sentiment led to outflows for active funds, as money-market funds and gold attracted inflows as safe havens.

At 31 May 2025, 84% of our UCITS fund AuM was in the top two quartiles versus Lipper peer groups over three years with 82% and 100% in the top two quartiles over five years and since inception respectively. Of our UCITS funds, 82% was in the first quartile against the Lipper peer group since inception with 88% of UCITS AuM delivering benchmark outperformance since inception.

In terms of AuM, Polar Capital delivered a resilient outcome for the financial year despite industry headwinds for active equity managers. Our AuM ended at £21.4bn on 31 March 2025, just 2% lower than the £21.9bn a year prior. This decline was primarily due to negative market movements in the final quarter, as net flows over the year were broadly flat. In fact, we achieved net inflows of £0.5bn into our open-ended funds before fund closures. These inflows were largely driven by demand for our specialist active funds; Polar Capital Global Absolute Return, Biotechnology, Healthcare Blue Chip, Emerging Market Stars, and our new International Small Company Funds all attracted new money during the year. After accounting for two fund closures, total net flows for the year were broadly flat. Given the wider context of active managers experiencing net outflows, maintaining flat net flows over the financial year is a creditable result and speaks to the strength of our fund performance and client relationships. It is also noteworthy that asset appreciation earlier in the year had put our AuM as high as £23.8bn by December 2024, before the Q1 2025 pullback. The Group's ability to end the year with only a minor dip in AuM, in a period of such pronounced market swings, demonstrates the resilience of our diversified product range and the value clients place on our active investment approach. Markets have recovered as the severity of 'liberation day' tariffs have decreased, although markets have remained volatile following increased uncertainty relating to global trade wars. Total AuM as at 20 June 2025 were £22.6bn.

Financial performance has seen an improvement over the previous year. While AuM at year-end declined 2% to £21.4bn, average AuM increased by 17% to £22.9bn. Maintaining the management fee yield[†] steady at 78 basis points, net management fees[†] increased 16% to £178.3m (2024: £153.7m). Core operating profit[†] increased by 27%, although performance fees were lower than the prior year and exceptional items comprising mainly of goodwill and intangible assets impairment resulted in diluted EPS declining 13.6% to 36.1p (2024: 41.8p). Adjusted diluted core EPS[†] increased 26% to 44.0p (2024: 35.0p). Adjusted diluted total EPS[†] increased 22% from 44.0p to 53.5p.

The total dividend per share for the year has been maintained at 46.0p (2024: 46.0p).

Polar Capital made progress during the year in delivering our strategy of "growth with diversification" – expanding our capabilities, client base, and geographic reach to drive sustainable growth. In line with this, we welcomed Dan Boston in September 2024 as Head of our new Global Small Company team. Dan's arrival brings us world-class expertise in international small-cap equities and underscores our ability to attract top talent to the Group.

At the end of September 2024 we launched the Polar Capital International Small Company Fund, a US-domiciled mutual fund created specifically to serve US investors, marking an important expansion of our product range and our work to diversify our client base geographically. US investors now have a third local Polar Capital fund through which they can access our active expertise, complementing the UCITS funds we offer in the UK, Europe, and Asia. Despite coming to market during a volatile period for equities, the Polar Capital International Small Company Fund has been met with encouraging demand. In its first six months since launch, the fund raised approximately $90m in assets and has now surpassed the $100m AuM milestone. Achieving this scale so early is a strong vote of confidence from investors and provides a solid foundation on which the strategy can continue to grow. We believe that as global equity leadership broadens beyond the US mega-caps, there will be increasing interest from US clients in international small-cap opportunities, which bodes well for this franchise's future.

The breadth of our product range – spanning specialisms such as Technology, Healthcare, Financials, Insurance and as well as regional such as UK, Europe, Emerging Markets, North America and now International Small Company – allows us to have relevant offerings for different client segments across regions. Our diverse specialist strategies give us multiple avenues to connect with clients globally, helping us to reduce reliance on any single market or channel.

Internally, the year was also about strengthening the platform to support future growth. We invested in our distribution capabilities, including enhancements to our US sales team in tandem with the new fund launch. Additionally, cost discipline and operational efficiency remained a focus, ensuring we can scale up our business without introducing complexity and unnecessary costs, thus maintaining the ability to harness improvements in profit margins through operational gearing.

I am proud of Polar Capital's achievements in a year that challenged the asset management industry, particularly active equity asset managers. We navigated macroeconomic turbulence and delivered on key strategic goals – broadening our investment strategies and client reach – all while staying true to our active management DNA and performance led culture.

I joined Polar Capital as CEO in July 2017, amidst the low-interest rate environment that followed the extensive quantitative easing post the financial crisis almost a decade earlier, and which in turn underpinned the prolonged bull market in equities fuelled by this excessive market liquidity. Brexit, with the UK officially only leaving the EU on 31 January 2020, the 'unprecedented' pandemic in 2020 which resulted in global lockdowns, high inflation in 2021, and interest rates increasing to 40-year highs in 2022 have all shaped our strategic direction during my tenure.

It is over this geopolitically volatile and challenging period for global equity markets that Polar Capital has prospered through a deliberate strategy of 'growth with diversification' and tireless dedication from its staff with support from an increasing client base.

It has been a privilege to have led Polar Capital through this challenging eight-year period and to have worked with amazing colleagues in a firm with a strong culture that is focused on outcomes for clients and shareholders. In September 2025 at the Annual General Meeting, I will hand over leadership to a long-standing colleague, Iain Evans, who has been Global Head of Distribution at Polar Capital for the past two decades during which he has been responsible for the incredible diversification and growth of the distribution footprint. Given the diverse range of differentiated investment strategies and the solid leadership foundation, I am confident that Polar Capital has the attributes to continue to prosper and grow.

Gavin Rochussen
Chief Executive Officer
27 June 2025

† The non-GAAP alternative performance measures mentioned here are described and reconciled in the APM section.

Business Review

Assets under Management and Fund Flows

The environment for active managers remains challenging, as investors continue to favour lower-cost index-tracking strategies. Actively managed equity funds have seen net outflows in seven of the past eight years, culminating in a record $450bn[1] withdrawn in calendar year 2024.

Despite these headwinds, Polar Capital has demonstrated relative resilience. We recorded net outflows in just three of those years, and the financial year to 31 March 2025 was broadly flat, with net inflows of £12.3m. Gross inflows remained healthy at £6.1bn.

At the end of the financial year, our reported AuM stood at £21.4bn, down 2% from £21.9bn in March 2024. Average AuM for the year was £22.9bn, compared to £19.6bn in the previous year.

Although we experienced selling pressure across several strategies – particularly in segments that were out of favour with investors, such as UK and European equities – we also recorded encouraging net inflows elsewhere. Our Polar Capital Emerging Market team was a key contributor, attracting net new inflows of £1.3bn. Our Polar Capital Healthcare team delivered total net inflows of £28m, despite a £40m outflow related to the full repayment to ZDP shareholders of the Polar Capital Global Healthcare Trust in June 2024.

Our Polar Capital International Small Company Fund, launched in September 2024, reached approximately $90m in assets within six months, despite a volatile market environment.

Conversely, net outflows from the open-ended Polar Capital Global Technology Fund in the final quarter were £201m compared to £123m in the previous quarter – driven by heightened market volatility and uncertainty surrounding the potential for a tariff-driven global trade war. Total net outflows for the year reached £567m, although these were partially offset by £173m of net inflows into the Polar Capital Artificial Intelligence Fund.

In September 2024, the Polar Capital European Forager Fund was closed following a full redemption by its largest holder, resulting in a total outflow for the year of £105m.

Net outflows on Polar Capital Melchior European Opportunities Fund for the year were £213m.

Communicating with our clients

At Polar Capital, a client-centric philosophy is underpinned by clear, consistent and effective communication. Over the past five years, we have significantly enhanced our digital marketing capabilities, recognising the increasing importance of online engagement.

With this digital foundation in place, we continue to deliver targeted communications globally, supporting both client servicing and new business development. These efforts are integral to our strategy of expanding Polar Capital's reach across geographies. We regularly publish written, audio, and video insights from our fund managers, complemented by performance updates and market commentary that are consistently well received.

While digital channels are essential, we also understand the enduring value of direct, personal connection. Our global events programme plays a vital role in our relationship-building and brand engagement. During the year, we participated in 49 events, reaching over 12,000 delegates – including our flagship Annual Conference in London. Notably, 12 events took place in the US or Asia, reflecting our international ambition.

Our communication and engagement efforts are supported by the strength of our investment strategies, as recognised by several industry awards. In 2024 and 2025, Polar Capital received multiple honours, including the Morningstar Awards for Investing Excellence 2025 (winner in Belgium, shortlisted in the UK and Spain), Emerging Markets Manager of the Year at the European Pension Awards 2024, and the Specialist category award at the Investment Week Fund Manager of the Year Awards 2024 for our Global Insurance Fund.

International diversification

International clients now represent close to 40% of our total AuM, underscoring the growing importance of our global client base. Our approach to overseas expansion remains targeted and disciplined, focusing on markets where we see the greatest long-term growth potential – namely the US, South-East Asia, and seven core markets in Continental Europe.

In the US, we expanded our product offering with the launch of the International Small Company Fund, our third US-domiciled mutual fund. Post year end, assets have crossed the key milestone of $100m. As global equity markets broaden, we expect increasing demand from US investors for international equity exposure, which supports the continued development of this franchise.

We also made strong progress in Scandinavia, where AuM has reached £0.9bn. The region has become a key market for Polar Capital, with growing investor support for our strategies and fund offerings.

Outlook

Although global economic and political uncertainty continues to weigh on financial markets, we believe that growing return dispersion and a renewed allocator focus on alpha generation will create a more favourable environment for active management. Polar Capital is well positioned to benefit from this shift, underpinned by our differentiated strategies, global distribution capabilities, and scalable operational platform.

We see a strong alignment between long-term thematic trends and our investment expertise, while increasing digitalisation has the potential to level the playing field and broaden investor access. Our well-established brand and specialist active fund strategies equip us to capitalise on emerging opportunities and navigate the challenges facing active asset managers in the years ahead.

Fund performance and oversight

Two related structural factors, namely equity benchmark concentration, and the underperformance of smaller companies versus broad markets, continue to influence equity markets and manager performance. There is a well-documented inverse relationship between index concentration and the relative performance of active managers; when individual companies become very large index constituents, fund concentration rules make it more difficult for managers to capitalise.

These factors have contributed to the underperformance of Polar Capital's Global Technology Fund, and its closed-end sister strategy, the Polar Capital Technology Trust plc, in the financial year under review. Polar Capital's Technology team also manages a global equity strategy, the Polar Capital Artificial Intelligence Fund, which invests in a range of AI enablers and beneficiaries across all equity market sectors. The Fund is overweight in the technology sector, versus its world benchmark, which has negatively affected performance in the financial year to March 2025 as technology leadership has rolled over. We still believe that the addressable market for AI across the corporate sector is vast (approximating to the size of the global wage bill), and that AI technologies will deliver enormous benefit and efficiency over the long term.

The beginnings of change in market leadership during the first calendar quarter of 2025 are evident in good relative performance from Polar Capital's Japan Value strategy (+880 bps in the year to March 2025) and Polar Capital Europe ex UK Income Fund (+380 bps). As the US underperformed other markets, and technology did less well than other sectors, so value styles of investing recovered. This also benefited Polar Capital North America Fund, which beat its benchmark by 230 bps in Q1 2025, although it lagged over the full 12-month period.

The Group's Emerging Market (EM) and Asia strategies, and its Healthcare funds, had a tougher time in the financial year to March 2025. The strong performance of very large companies played a part here too. In both the EM and Healthcare areas, company performance was closely correlated with size; the returns from companies in the top 40% by market capitalisation of the relevant benchmark indices were substantially higher than those in the bottom 10% of the indices. For EM, the resurgence of the Chinese market, and particularly Chinese tech following the Deepseek reveal, created an additional headwind. For both EM and Healthcare, longer term and since inception returns remain ahead of benchmark, and ahead of many peer funds, but that does not take away from the need to address more recent market changes.

With equity markets weaker towards the end of the business year, and more volatile than earlier, two of Polar Capital's non equity strategies acquitted themselves well. Polar Capital Global Convertibles and its sister strategy, Polar Capital Global Absolute Return, both delivered returns a little above 7% for the financial year to end March 2025. In addition, the recently re-launched Polar Capital Financial Credit Fund returned 11% in its first full year, 460 bps ahead of its reference benchmark.

The other significant launch in the year was the Polar Capital Global Small Company strategy, which went live at the end of September 2024. This strategy is designed for US investors who want exposure to, and outperformance from, a portfolio of growing non-US companies. The strategy is led by Dan Boston, from the Group's new office in Tampa, Florida. Initial progress has been very encouraging, with assets under management recently surpassing $100m.

The strongest absolute returns for the financial year to March 2025 came from two areas which are demonstrating that good investment results can come from asset classes which have been overlooked and out of favour. Polar Capital's China Stars strategy, specialising in a country often characterised as 'uninvestible', rose by 31% in the year, beating its benchmark, while the Polar Capital Financials Trust plc, which selects stocks from across the financial services spectrum, was up by 17%.

The increased volatility towards the end of the financial year meant that as at 31 March 2025, 19% of our UCITS funds' AuM, representing 74% of total AuM, were in the top two quartiles against the Lipper peer group over one year, 79% in the top two quartiles over three years with 70% and 100% in the top two quartiles over five years and since inception respectively. Of our 22 funds listed within the UCITS umbrella 43% were in the top two quartiles over one year, and 74%, 88% and 86% in the top two quartiles over three years, five years and since inception respectively.

With markets rebounding sharply following the easing of tariffs-induced volatility, as at 31 May 2025, 57% of our UCITS funds' AuM, representing 73% of total AuM, were in the top two quartiles against the Lipper peer group over one year, 84% in the top two quartiles over three years with 82% and 100% in the top two quartiles over five years and since inception respectively. Of our 22 funds listed within the UCITS umbrella 55% were in the top two quartiles over one year, and 79%, 81% and 86% in the top two quartiles over three years, five years and since inception respectively.

1. Source: Financial Times "Stockpicking funds suffer record $450bn of outflows", 30 December 2024

Financial Review

AuM

AuM movement in twelve months to 31 March 2025 (£bn)	Open ended funds	Investment Trusts	Segregated mandates	Total
AuM at 1 April 2024	16.0	5.1	0.8	21.9
Net flows	0.5	(0.2)	(0.2)	0.1
Fund closures	(0.1)	-	-	(0.1)
Market movement and performance	(0.4)	(0.1)	-	(0.5)
Total AuM at 31 March 2025	16.0	4.8	0.6	21.4

Over the financial year, closing AuM decreased by 2% from £21.9bn in 2024 to £21.4bn in 2025 through a combination of net flows and fund closures, which in aggregate were flat, and market movement and fund performance of £(0.5)bn.

The mix of AuM between open ended funds, investment trusts and segregated mandates remained unchanged compared to the prior year.

Average AuM for the year was £22.9bn which was a 17% increase compared to £19.6bn for the previous year.

Revenue

Management fees	**31 March 2025 £'m**	31 March 2024 £'m
Management and research fees	206.1	176.4
Commissions and fees payable	(27.8)	(22.7)
Net management fees†	178.3	153.7

The higher average AuM over the year and unchanged yield translated into the Group's net management fees† increasing by 16% from £153.7m in 2024 to £178.3m this year.

Net management fee yield	**31 March 2025**	31 March 2024
Average AuM (£'bn)	22.9	19.6
Net management fees† (£'m)	178.3	153.7
Net management fee yield† (bps)	78	78

Net management fee yield† over the year measured 78bps (2024: 78bps). Over the medium term our stated guidance is for an annual decrease of at least 1-2bps due to changing client and product mix as well as long term industry trends.

Performance fees	**31 March 2025 £'m**	31 March 2024 £'m
Performance fees	16.0	18.7

The strong performance posted by certain underlying funds resulted in performance fees earned for the financial year to 31 March 2025 of £16.0m (2024: £18.7m).

Operating and finance costs	**31 March 2025**	31 March 2024

	£'m	£'m
Salaries, bonuses and other staff costs[1]	39.6	35.0
Core distributions[2†]	50.6	42.8
Share-based payments[3]	5.0	3.2
Performance fee interests[†]	8.1	9.1
Total staff compensation	103.3	90.1
Other operating costs	28.4	28.7
Exceptional items	14.8	1.2
Total operating costs	146.5	120.0
Finance costs	0.2	0.2
Operating and finance costs	146.7	120.2

1. Including share awards under deferment plan of £0.8m (2024: £0.7m).
2. Including share awards under deferment plan of £1.2m (2024: £1.2m).
3. Share-based payments on preference shares of £1.9m (2024: £0.7m), LTIPs of £2.4m (2024: £1.9m) and equity incentive plan of £0.7m (2024: £0.6m). Refer to note 5 below.

† The non-GAAP alternative performance measures mentioned here are described and reconciled in the APM section.

Total operating and finance costs increased 22% to £146.7m (2024: £120.2m) with the increase resulting partly from higher staff compensation costs as variable compensation increased in line with profitability, and partly due to exceptional costs including an impairment charge on goodwill and intangible assets held.

Core distributions, which are variable compensation amounts payable to investment teams from management fee revenue, increased as a direct consequence of the higher average AuM over most of the year and the resulting higher management fee revenues and core operating profit.

Performance fee interests, which are variable compensation amounts payable to staff from performance fee revenue, declined due to the lower amount of such fees generated this year.

Other operating, non-staff compensation related, costs have marginally decreased compared to prior year.

Exceptional items	**31 March 2025**	31 March 2024
	£'m	£'m
Recorded in operating costs		
Amortisation of intangibles	1.2	1.2
Impairment of goodwill and intangibles	13.6	-
Total exceptional items recorded in the consolidated statement of profit or loss	14.8	1.2

Exceptional items for both 2025 and 2024 comprised of either significant items of income or expenditure related to the non-cash amortisation and impairment of previously acquired goodwill and intangible assets. The items are presented separately to allow a supplemental understanding of the Group's results.

In 2025 exceptional items included £13.6m related to an impairment charge in respect of goodwill and intangible assets connected to the Dalton acquisition and the related CGU. Due to the challenging environment for small and mid-cap European equities and continued net outflows from the CGU, the Group's judgement was that the present value of the goodwill and intangible assets acquired as part of the Dalton acquisition was less than its carrying value at 31 March 2025, resulting in the recognition of the impairment charge. The impairment charge is a non-cash item and does not affect the Group's cashflow.

Profit before tax	**31 March 2025**	31 March 2024

	£'m	£'m
Core operating profit†	56.7	44.8
Performance fee profit†	7.9	9.6
Other income^	3.7	2.2
Share-based payments on preference shares	(1.9)	(0.7)
Exceptional items	(14.8)	(1.2)
Profit before tax	51.6	54.7
Core operating profit margin† 4	32%	29%

† The non-GAAP alternative performance measures mentioned here are described and reconciled on the APM page.
^ A reconciliation to reported results is given in the APM section.
4. This measure is calculated as core operating profit divided by net management fee.

The statutory profit before tax for the year has decreased by 6% to £51.6m (2024: £54.7m) mainly driven by the impairment of goodwill and related intangible asset.

The analysis of the three key components of profits shows that:

• **Core operating profit**
Increased by 27% to £56.7m (2024: £44.8m) reflecting the higher average AuM over the year and continued discipline around operating costs. Over time, we expect to grow core operating profit† as a proportion of the Group's total earnings and thereby reduce the volatility of total earnings due to performance fees.

• **Performance fee profit**
Performance fee profits† were lower than the prior year but reflected the strong investment performance on certain specific strategies during the current year.

• Other income
The increase in other income was mainly due to positive marked-to-market gains on the Group's seed portfolio net of hedging costs.

Earnings per share

Basic EPS decreased by 13% to 36.6p during the year (2024: 42.3p) and diluted EPS decreased by 14% to 36.1p (2024: 41.8p) while adjusted diluted total EPS† increased year on year by 22% to 53.5p (2024: 44.0p). The effect of the adjustments made in arriving at the adjusted diluted total EPS† and adjusted diluted core EPS† figures of the Group is as follows:

(Pence)	**31 March 2025**	31 March 2024
Diluted earnings per share	36.1	41.8
Impact of share-based payments on preference shares	2.0	0.7
Impact of deferment, where staff compensation costs are deferred into future periods	0.3	0.3
Impact of exceptional items	15.1	1.2
Adjusted diluted total EPS†	53.5	44.0
Of which: Performance fee profit and other income	9.5	9.0
Adjusted diluted core EPS†	**44.0**	**35.0**

† The non-GAAP alternative performance measures mentioned here are described and reconciled on the APM page.

Preference shares

A separate class of preference share has historically been issued by Polar Capital Partners Limited for purchase by each new team of fund managers on their arrival at the Group.

These shares provide each manager with an economic interest in the funds that they run and ultimately enable the manager to convert their interest in the revenues generated from their funds into equity in Polar Capital Holdings plc.

The equity is awarded in return for the forfeiture of their current core economic interest and vests over three years with the full quantum of the dilution being reflected in the diluted share count (and so diluted EPS) from the point of conversion.

The event has been designed to be, at both the actual and the diluted levels, earnings enhancing to shareholders.

In the year to 31 March 2025 there was one conversion of preference shares into Polar Capital Holdings plc equity (2024: no conversions).

As at 31 March 2025 five sets of preference shares (2024: five sets) have the ability to call for a conversion.

The call must be made on or before 30 November 2025 if any conversion is to take place with effect from 31 March 2025.

As indicated last year, no further preference shares are expected to be issued and any new teams arriving are expected to be on a revenue sharing model with deferment into equity in Polar Capital Holdings plc as the new long-term incentivisation plan for investment teams. This revised model is not expected to change core distributions when measured in percentage terms against net management fee revenue but is expected to be simpler to administer compared to the preference shares arrangement.

Balance sheet and cash

At the year end, the Group's cash and cash equivalents were £121.8m (2024: £105.6m including long-term deposits maturing over the period of 6-12 months of £6.7m). In line with the Group treasury policy, cash and cash equivalents are held across several UK banking counterparties on maturity terms ranging from 30 to 90 days. At the balance sheet date the Group also held £37.3m of investments in its funds (2024: £35.8m).

Capital management

The Group believes in retaining a strong balance sheet. The capital that is retained in the business is used to seed new investment products, as a buffer for times of uncertainty, pay dividends and fund the EBT to buy Company shares to reduce the dilutive effects of Group share awards. Depending on the market outlook, and as the Group grows in size, the allocation of overall capital amongst these four categories may vary over time as we seek to balance returns to shareholders with the need to re-invest in the business for future growth.

As at 31 March 2025 £37.3m (2024: £35.8m) of the Group's balance sheet was invested to seed fledgling funds and during the year the Group advanced loans to the EBT of £0.5m (2024: £7.5m) to buy shares in the Company.

The Group's dividend policy is to pay an annual dividend within a range of 55% and 85% of adjusted total earnings, dependent on the scale of performance fees in the relevant year and the anticipated trading conditions for the following year.

As at 31 March 2025 the Group had surplus capital of £65.1m (2024: £52.1m) above its regulatory capital requirement of £26.0m (2024: £26.0m) and August dividend commitment of £30.9m (2024: £30.9m).

Going concern

The Financial Reporting Council has determined that all companies should carry out a rigorous assessment of all the factors affecting the business in deciding to adopt a going concern basis for the preparation of the accounts.

The Directors have reviewed and examined the financial and other processes embedded in the business, in particular the annual budget process and the financial stress testing inherent in the Internal Capital Adequacy and Risk Assessment ('ICARA') process.

Based on this review and the significant liquid assets underpinning the balance sheet relative to the Group's predictable operating cost profile, the Directors consider that the adoption of a going concern basis, covering a period of at least 12 months from the date of this report, is appropriate.

Samir Ayub
Chief Financial Officer
27 June 2025

Alternative Performance Measures (APMs)

The Group uses the non-GAAP APMs listed below to provide users of the Annual Report with supplemental financial information that helps explain its results for the current accounting period. There have been no changes to the APMs compared to the prior year.

APM	Definition	Reconciliation	Reason for use
Core operating profit	Profit before performance fee profits, other income and tax.	APM reconciliation	To present a measure of the Group's profitability excluding performance fee profits and other components which may be volatile, non-recurring or non-cash in nature.
Performance fee profit	Gross performance fee revenue less performance fee interests due to staff.	APM reconciliation	To present a clear view of the net amount of performance fee earned by the Group after accounting for staff remuneration payable that is directly attributable to performance fee revenues generated.
Core distributions	Variable compensation payable to investment teams from management fee revenue.	APM reconciliation	To present additional information thereby assisting users of the Annual Report in understanding key components of variable costs paid out of management fee revenue.
Performance fee interests	Variable compensation payable to investment teams from performance fee revenue.	APM reconciliation	To present additional information thereby assisting users of the Annual Report in understanding key components of variable costs paid out of performance fee revenue.
Adjusted diluted total EPS	Profit after tax but excluding (a) cost of share-based payments on preference shares, (b) the net cost of deferred staff remuneration and (c) exceptional items which may either be non-recurring or non-cash in nature, and in the case of adjusted diluted earnings per share, divided by the weighted average number of ordinary shares.	Finance review	The Group believes that (a) as the preference share awards have been designed to be earnings enhancing to shareholders adjusting for this non-cash item provides a useful supplemental understanding of the financial performance of the Group, (b) comparing staff remuneration and profits generated in the same time period (rather than deferring remuneration over a longer vesting period) allows users of the Annual Report to gain a useful supplemental understanding of the Group's results and their comparability year on year and (c) removing non-cash amortisation and impairment of goodwill and intangible assets provides a useful supplemental understanding of the Group's results.

Adjusted diluted core EPS	Core operating profit after tax excluding the net cost of deferred core distributions divided by the weighted average number of ordinary shares.	Finance review	To present additional information that allows users of the Annual Report to measure the Group's earnings excluding those from performance fees and other components which may be volatile, non-recurring or non-cash in nature.
Core operating profit margin	Core operating profit divided by net management fees revenue.	Finance review	To present additional information that allows users of the Annual Report to measure the core profitability of the Group before performance fee profits, and other components, which can be volatile and non-recurring.
Net management fee	Gross management fees less commissions and fees payable.	Finance review	To present a clear view of the net amount of management fees earned by the Group after accounting for commissions and fees payable.
Net management fee yield	Net management fees divided by average AuM.	Finance review	To present additional information that allows users of the Annual Report to measure the fee margin for the Group in relation to its assets under management.

Summary of non-GAAP financial performance and reconciliation of APMs to reported results

The summary below reconciles key APMs the Group measures to its reported results for the current year and also reclassifies the line-by-line impact on consolidation of seed investments to provide a clearer understanding of the Group's core business operation of fund management.

Any seed investments in newly launched or nascent funds, where the Group is determined to have control, are consolidated. As a consequence, the statement of profit or loss of the fund is consolidated into that of the Group on a line-by-line basis. Any seed investments that are not consolidated are fair valued through a single line item (other income) on the Group consolidated statement of profit or loss.

	2025 Reported Results £'m	Reclassification on consolidation of seed investments £'m	Reclassification of costs £'m	2025 Non-GAAP results £'m	2024 Non-GAAP results £'m	APMs
Investment management and research fees	206.1	–	–	206.1	176.4	
Commissions and fees payable	(27.8)	–	–	(27.8)	(22.7)	
	178.3	–	–	178.3	153.7	Net management fees
Operating costs	(146.5)	0.3	75.4	(70.8)	(65.9)	
Finance costs	(0.2)	–	–	(0.2)	(0.2)	
	–	–	(50.6)	(50.6)	(42.8)	Core distributions
	31.6	0.3	24.8	56.7	44.8	Core operating profit
Performance fees	16.0	–	–	16.0	18.7	
Performance fee interests	–	–	(8.1)	(8.1)	(9.1)	Performance fee interests
	16.0	–	(8.1)	7.9	9.6	Performance fee profits
Other income	4.0	(0.3)	–	3.7	2.2	
Exceptional items	–	–	(14.8)	(14.8)	(1.2)	
Share-based payments on preference shares	–	–	(1.9)	(1.9)	(0.7)	
Profit for the year before tax	51.6	–	–	51.6	54.7	

Consolidated Statement of Profit or Loss

For the year ended 31 March 2025

	31 March 2025 **£'000**	31 March 2024 £'000
Revenue	**222,111**	195,065
Other income	**3,997**	2,521
Gross income	**226,108**	197,586
Commissions and fees payable	**(27,775)**	(22,658)
Net income	**198,333**	174,928
Operating costs	**(146,483)**	(120,027)
Finance costs	**(205)**	(211)
Profit before tax	**51,645**	54,690
Taxation	**(16,335)**	(13,897)
Profit for the year attributable to ordinary shareholders	**35,310**	40,793
Earnings per share		
Basic	**36.6p**	42.3p
Diluted	**36.1p**	41.8p
Adjusted basic (Non-GAAP measure)	**54.2p**	44.6p
Adjusted diluted (Non-GAAP measure)	**53.5p**	44.0p

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2025

	31 March 2025	31 March 2024
	£'000	£'000
Profit for the year attributable to ordinary shareholders	**35,310**	40,793
Other comprehensive income/(expense) – items that will be reclassified to profit or loss statement in subsequent periods		
Exchange differences on translation of foreign operations	**345**	(505)
Other comprehensive income/(expense) for the year	**345**	(505)
Total comprehensive income for the year, net of tax, attributable to ordinary shareholders	**35,655**	40,288

All of the items in the above statements are derived from continuing operations.

Consolidated Balance Sheet

As at 31 March 2025

	31 March 2025 £'000	31 March 2024 £'000
Non-current assets		
Goodwill and intangible assets	**-**	14,774
Property and equipment	**6,129**	8,307
Deferred tax assets	**4,264**	1,938
	10,393	25,019
Current assets		
Assets at fair value through profit or loss	**63,347**	62,433
Trade and other receivables	**22,880**	21,070
Other financial assets	**1,539**	3,393
Assets at amortised cost	**-**	6,698
Cash and cash equivalents	**121,819**	98,880
Current tax assets	**149**	127
	209,734	192,601
Total assets	**220,127**	217,620
Non-current liabilities		
Provisions and other liabilities	**5,123**	7,537
Liabilities at fair value through profit or loss	**68**	249
	5,191	7,786
Current liabilities		
Liabilities at fair value through profit or loss	**5,808**	5,425
Trade and other payables	**71,158**	64,128
Provisions	**-**	247
Other financial liabilities	**-**	9
Current tax liabilities	**3,527**	4,127
	80,493	73,936
Total liabilities	**85,684**	81,722
Net assets	**134,443**	135,898

Capital and reserves		
Issued share capital	**2,539**	2,530
Share premium	**19,364**	19,364
Investment in own shares	**(29,731)**	(34,652)
Capital and other reserves	**12,277**	12,019
Retained earnings	**129,994**	136,637
Total equity – attributable to ordinary shareholders	**134,443**	135,898

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Issued share capital £'000	Share premium £'000	Investment in own shares £'000	Capital reserves £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
As at 1 April 2023	2,520	19,364	(31,623)	695	11,604	140,295	142,855
Profit for the year	-	-	-	-	-	40,793	40,793
Other comprehensive expense	-	-	-	-	(505)	-	(505)
Total comprehensive income	-	-	-	-	(505)	40,793	40,288
Dividends paid to shareholders	-	-	-	-	-	(44,329)	(44,329)
Issue of shares	10	-	-	-	-	(10)	-
Own shares acquired	-	-	(9,858)	-	-	-	(9,858)
Release of own shares	-	-	6,829	-	-	(5,195)	1,634
Share-based payment	-	-	-	-	-	5,083	5,083
Current tax in respect of employee share options	-	-	-	-	18	-	18
Deferred tax in respect of employee share options	-	-	-	-	207	-	207
As at 1 April 2024	2,530	19,364	(34,652)	695	11,324	136,637	135,898
Profit for the year	-	-	-	-	-	35,310	35,310
Other comprehensive income	-	-	-	-	345	-	345
Total comprehensive income	-	-	-	-	345	35,310	35,655
Dividends paid to shareholders	-	-	-	-	-	(44,403)	(44,403)
Issue of shares	9	-	-	-	-	-	9
Own shares acquired	-	-	(1,598)	-	-	-	(1,598)
Release of own shares	-	-	6,519	-	-	(4,559)	1,960
Share-based payment	-	-	-	-	-	7,009	7,009
Current tax in respect of employee share options	-	-	-	-	(112)	-	(112)
Deferred tax in respect of employee share options	-	-	-	-	25	-	25
As at 31 March 2025	**2,539**	**19,364**	**(29,731)**	**695**	**11,582**	**129,994**	**134,443**

Consolidated Cash Flow Statement

For the year ended 31 March 2025

	31 March 2025 £'000	31 March 2024 £'000
Cash flows generated from operating activities		
Cash generated from operations	**80,707**	51,978
Tax paid	**(19,371)**	(12,419)
Interest received	**2,682**	2,348
Net cash inflow generated from operating activities	**64,018**	41,907
Cash flows generated from investing activities		
Investment income	**345**	430
Sale of assets/liabilities at fair value through profit or loss	**44,010**	56,105
Purchase of assets at fair value through profit or loss	**(46,945)**	(36,415)
Redemption/(purchase) of assets at amortised cost	**6,698**	(6,698)
Purchase of property and equipment	**(170)**	(243)
Sale of property and equipment	**12**	-
Payments in respect of asset acquisition	**(39)**	(70)
Net cash inflow from investing activities	**3,911**	13,109
Cash flows generated from financing activities		
Dividends paid to shareholders	**(44,403)**	(44,329)
Lease payments	**(1,501)**	(1,734)
Interest on lease	**(205)**	(211)
Sale/(purchase) of own shares	**364**	(8,222)
Third-party subscriptions into consolidated funds	**1,411**	4,987
Third-party redemptions from consolidated funds	**(1,102)**	(13,415)
Net cash outflow from financing activities	**(45,436)**	(62,924)
Net increase/(decrease) in cash and cash equivalents	**22,493**	(7,908)
Cash and cash equivalents at start of the year	**98,880**	106,976
Effect of exchange rate changes on cash and cash equivalents	**446**	(188)
Cash and cash equivalents at end of the year	**121,819**	98,880

Selected notes to the Consolidated Financial Statements for the year ended 31 March 2025

1. General information, Basis of Preparation and Accounting policies

Corporate information

Polar Capital Holdings plc (the 'Company') is a public limited company incorporated and domiciled in England and Wales whose shares are traded on the Alternative Investment Market ('AIM') of the London Stock Exchange.

Group information

Details of operating subsidiaries, seed capital investments and indirectly held entities consolidated into the Group are disclosed in Note 8 below.

Basis of preparation

The consolidated Group financial statements have been prepared on a going concern basis in accordance with UK-adopted international accounting standards and in conformity with the requirements of the Companies Act 2006. The accounting policies used in the preparation of these financial statements have been consistently applied, except when otherwise stated.

The consolidated financial statements have been prepared under the historical cost convention, modified by the measurement at fair value of certain financial assets and liabilities and derivative financial instruments. The consolidated financial statements are presented in Sterling and all values are rounded to the nearest thousand (£'000), except when otherwise stated.

Going concern

The Directors have made an assessment of going concern taking into account both the Group's results as well as the impact of the Group's outlook. As part of this assessment the Directors have used a range of information available to the date of issue of these financial statements and considered the Group budget, longer term financial projections, cash flow forecasts and an analysis of the Group's liquid assets and its regulatory capital position and forecasts. The stress testing scenarios applied as part of the Group's ICARA have also been revisited to ensure they remain appropriate.

The Group continues to maintain a robust financial resources position, access to cashflow from ongoing investment management contracts and the Directors believe that the Group is well placed to manage its business risks. The Directors also have a reasonable expectation that the Group and the Company have adequate resources to continue operating for a period of at least 12 months from the date of signing the financial statements. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and its subsidiaries for the year ended 31 March 2025. Subsidiaries are those entities over which the Group has control. The Group controls an investee if, and only if, the Group has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect returns.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the purpose and design of an investee, relevant activities, substantive and protective rights, voting rights and potential voting rights.

The financial statements of subsidiaries are either prepared for the same reporting period as the parent company or where necessary, adjustments are made to the financial statements of subsidiaries to bring their reporting period and results in line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

When the Group loses control over a subsidiary, it derecognises the related assets, liabilities, third-party interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Seed capital investments in funds that the Group manages are accounted for as subsidiaries, associates or financial assets at fair value through profit or loss (FVTPL) depending on the holdings of the Group, on the level of influence and control that the Group is judged to have and whether the Group assesses it is acting as an agent or principal for its holdings in the seed capital investments. There is no fixed minimum percentage at which the Group consolidates, and each exposure is reviewed individually.

Where the Group concludes it is acting as a principal the entity is consolidated. This assessment is based on the Group's total exposure. This incorporates direct holdings, income earned from management and performance fees and the assessed strength of third-party kick-out rights. The funds consolidated at 31 March 2025 are disclosed in Note 8.

The Group concludes that it acts as an agent when the power it has over an entity is deemed to be exercised for the benefit of third-party investors.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which the Group obtains control and continue to be consolidated until the date when such control ceases.

Where external investors hold redeemable shares in funds controlled by the Group, the portion of profit or loss and net assets held by these third-party interests is included within other income in the consolidated statement of profit or loss and as financial liabilities at FVTPL in the consolidated balance sheet respectively.

Net cashflows on initial consolidation or deconsolidation are presented as investing activities within the consolidated cashflow statement. Cashflows from third-party interests into consolidated funds are presented as financing activities.

Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Generally, it is presumed that the Group has significant influence where it has voting rights of 20% or more, but not control of an investee.

Seed capital investments over which the Group has significant influence, but not control, are carried on the balance sheet as assets at FVTPL as permitted by IAS 28: Investment in Associates, with changes in fair value recognised in the consolidated statement of profit or loss. The fair value of investments in associates is determined by reference to the quoted price at the close of business on the balance sheet date. The Group has no other investments in associates and, therefore, no associates are currently accounted for using the equity method.

Goodwill and intangible assets
Goodwill arising on the acquisition of a business is the excess of the consideration paid over the net identifiable assets acquired and liabilities assumed. Goodwill is measured at cost less any accumulated impairment losses. Impairment testing is based on the expected future benefits of the relevant cash-generating unit (CGU) as a whole.

Intangible assets such as investment management contracts acquired separately are measured on initial recognition at cost which is their fair value as at acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, with the related expenditure or charge recognised in the consolidated statement of profit or loss. Intangible assets are amortised on a straight-line basis over their useful economic lives. Intangible assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss on derecognition is included in the consolidated statement of profit or loss.

Financial assets
The Group's financial assets include seed capital investments, investment securities, trade and other receivables, cash and cash equivalents, term deposits with a maturity greater than three months and derivative financial instruments. The classification adopted by the Group depends on the purpose for which the financial assets were acquired and is determined at initial recognition.

Financial assets are initially recognised at fair value, being the consideration given, plus, any directly attributable transaction costs, except in the case of financial assets recorded at fair value through profit or loss where transaction costs are immediately recognised in the consolidated statement of profit or loss.

Purchases and sales of financial assets are recognised at trade date, being the date when the Group commits to purchase or sell the asset.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets at FVTPL include the Group's investments in the funds that it manages, but does not control, including those which are held by the Group against bonus awards deferred into fund units. Such assets are subsequently carried at fair value, with any gains or losses arising from changes in fair value being recognised in the consolidated statement of profit or loss.

Financial assets at amortised cost
Financial assets at amortised cost include term deposits with a maturity greater than three months. These assets are held for collection of contractual cash flows representing solely payments of principal and interest and are subsequently carried at amortised cost over the term of the deposit with interest income recognised in the consolidated statement of profit or loss in accordance with the effective interest method.

Investment securities
Investment securities represent securities both long and short positions, other than derivatives, held by consolidated funds. These securities are classified as FVTPL and are measured at fair value with gains and losses recognised through the consolidated statement of profit or loss.

Financial liabilities
The Group's financial liabilities include trade and other payables, derivative financial instruments and third-party interests in funds that have been consolidated as subsidiaries.

Financial liabilities at fair value through profit or loss
Financial liabilities at FVTPL are carried at fair value, with gains and losses recognised in the consolidated statement of profit or loss within other income in the period in which they arise. Financial liabilities at FVTPL include third-party interests in consolidated funds which are classified as at FVTPL.

Contingent liabilities
Contingent liabilities are potential obligations that may arise due to uncertain future events that are not wholly within the control of the Group. Such liabilities are disclosed when the chance of such events occurring is no longer remote.

Revenue from contracts with customers

Revenue from contracts with customers represents fees receivable, excluding value added tax, for discretionary investment management services and research fees during the year.

Management fees are based on a percentage of assets under management either per day or calendar month and payable monthly or quarterly as set out in the relevant investment management agreements (IMA). Management fees relate specifically to the Group's provision of investment management services for each relevant time period and therefore such services are satisfied over time because either the customer simultaneously receives and consumes the benefits provided by the fund manager as the service is provided or, the fund manager's performance enhances the assets that the fund controls. Management fees are recognised as the service is provided and it is probable that the fee will be collected.

Research fee income relates to research provided in respect of funds managed in accordance with the relevant IMA and is recognised as the service is provided and it is probable that the fee will be collected.

Performance fees are variable consideration based on a percentage of investment performance achieved relative to predefined benchmarks as set out in the relevant IMA. Performance fees by their nature are highly susceptible to volatility until they are crystallised and are no longer subject to claw back. This is usually at the end of the performance period of a fund when the performance fee calculation can be confirmed with certainty. Therefore, performance fees are recognised at the point when they are crystallised.

Commissions and fees payable

Commissions and fees payable to third parties are in respect of rebates on investment management fees, distribution and research fees, and are recognised over the period for which the service is provided.

Standards and amendments not yet effective

There are no new or amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements that would be expected to have a material impact on the Group when they become effective.

Changes in accounting policies and disclosures

No standards or amendments have been issued during the year that have had or are expected to have an impact on the Group's consolidated financial statements.

2. Revenue

	31 March 2025 £'000	31 March 2024 £'000
Investment management and research fees	**206,139**	176,400
Investment performance fees	**15,972**	18,665
	222,111	195,065

Geographical analysis of revenue (by location of the funds) is as follows:

	31 March 2025 £'000	31 March 2024 £'000
United Kingdom	**39,068**	32,599
Ireland	**175,578**	152,419
Rest of Europe	**4,123**	7,093
Cayman Islands	**1,315**	1,215
United States of America	**962**	341
Rest of the world	**1,065**	1,398
	222,111	195,065

3. Operating costs

a) Operating costs include the following expenses:

	31 March 2025 £'000	31 March 2024 £'000
Staff costs including partnership profit allocations	**103,282**	90,110
Depreciation	**2,485**	2,470
Amortisation and impairment of goodwill and intangible assets	**14,774**	1,163
Auditors' remuneration	**680**	615

b) Auditors' remuneration:

	31 March 2025 £'000	31 March 2024 £'000
Audit of Group and Company financial statements	**188**	177
Statutory audits of subsidiaries	**309**	258
Audit-related assurance services	**34**	38
Other assurance services – internal controls report	**149**	142
	680	615

4. Dividends paid and proposed

Dividends on ordinary shares declared and paid during the year:

	31 March 2025 £'000	31 March 2024 £'000
First interim dividend for 2025: 14.0p per share (2024: 14.0p per share)	**13,534**	13,464
Second interim dividend for 2024: 32.0p per share (2023: 32.0p per share)	**30,869**	30,865
Total dividend paid and charged to equity	**44,403**	44,329

The Board has declared a second interim dividend per share of 32.0p (2024: 32.0p) to be paid in August 2025.

Together with the first interim dividend per share of 14.0p paid in January 2025 the total dividend per share for the year amounts to 46.0p (2024: 46.0p).

5. Share-based payments

A summary of the charge to the consolidated statement of profit or loss for each share-based payment arrangement is as follows:

	31 March 2025 £'000	31 March 2024 £'000
Preference shares	**1,942**	715
LTIP awards	**2,362**	1,867
Equity incentive plan	**708**	616
Deferred remuneration plan	**1,997**	1,885
	7,009	5,083

Certain employees of the Group and partners of Polar Capital LLP hold Manager Preference Shares or Manager Team Member Preference Shares (together 'Preference Shares') in Polar Capital Partners Limited, a group company.

The preference shares are designed to incentivise and retain the Group's fund management teams. These shares provide each manager with an economic interest in the funds that they run and ultimately enable the manager, at their option and at a future date, to convert their interest in the revenues generated from their funds to a value that may (at the discretion of the parent undertaking, Polar Capital Holdings plc) be satisfied by the issue of ordinary shares in Polar Capital Holdings plc. Such conversion takes place according to a pre-defined conversion formula that considers the relative contribution of the manager to the Group as a whole. The equity is awarded in return for the forfeiture of a manager's current core economic interest and is issued over three years from the date of conversion.

The issue of the Preference Shares constitutes a share-based payment under IFRS 2 and the cost is the estimated fair value, at the date of issue of the preference shares, of the effective entitlement to the ordinary shares. At each reporting date the estimated number of ordinary shares to be ultimately issued upon conversion will vary and the holder, initially, and the Group, ultimately, determines the start of the three-year period ('Crystallisation') over which the ordinary shares are awarded following conversion. The start of this period will always be at least three years after the end of the financial accounting period in which the preference shares are issued.

The expected life of the Preference Shares is 6 years (2024: 6 years). In the year to 31 March 2025, the Convertibles team called for a partial conversion of preference shares into Polar Capital Holdings plc equity (2024: no conversion).

At 31 March 2025 five sets of preference shares (2024: five sets) have the right to call for conversion.

The following table illustrates the number of, and movements in, the estimated number of ordinary shares to be issued.

Estimated number of ordinary shares to be issued against preference shares with a right to call for conversion:

	31 March 2025 Number of shares	31 March 2024 Number of shares
At 1 April	**2,234,988**	2,367,680
Conversion/crystallisation	**(114,716)**	-
Movement in the year	**288,916**	(132,692)
At 31 March	**2,409,188**	2,234,988

Number of ordinary shares to be issued against converted preference shares:

	31 March 2025 Number of shares	31 March 2024 Number of shares
Outstanding at 1 April	**353,055**	810,310
Conversion/crystallisation	**114,716**	-
Adjustment on re-calculation	**(79,338)**	(52,101)
Issued in the year	**(364,526)**	(405,154)
Outstanding at 31 March	**23,907**	353,055

6. Earnings per Share

A reconciliation of the figures used in calculating the basic, diluted, adjusted basic and adjusted diluted total earnings per share (EPS) is as follows:

	31 March 2025 £'000	31 March 2024 £'000
Earnings		
Profit after tax for purpose of basic and diluted EPS	**35,310**	40,793
Adjustments (post tax):		
Add exceptional items – amortisation of intangible assets	**1,163**	1,163
Add exceptional items – impairment of goodwill and intangible assets	**13,611**	-
Add back cost of share-based payments on preference shares	**1,942**	715
Add net amount of deferred staff remuneration	**315**	344
Profit after tax for purpose of adjusted basic and adjusted diluted total EPS	**52,341**	43,015

The adjusted EPS figure includes an adjustment for deferred remuneration costs. The Group believes that aligning staff remuneration and profits generated in the same period will allow users of the financial statements a useful supplemental understanding of the Group's results and their comparability year on year.

Exceptional items were also excluded from the adjusted EPS calculations as they included non-cash/non-recurring costs such as the amortisation and impairment of previously acquired goodwill and intangible assets.

	31 March 2025 Number of	31 March 2024 Number of

	shares '000	shares '000
Weighted average number of shares		
Weighted average number of ordinary shares, excluding own shares, for the purpose of basic and adjusted basic EPS	**96,556**	96,376
Effect of dilutive potential shares – LTIPs, share options and preference shares crystallised but not yet issued	**1,313**	1,317
Weighted average number of ordinary shares, for purpose of diluted and adjusted diluted total EPS	**97,869**	97,693

	31 March 2025 Pence	31 March 2024 Pence
Earnings per share		
Basic	**36.6**	42.3
Diluted	**36.1**	41.8
Adjusted basic	**54.2**	44.6
Adjusted diluted	**53.5**	44.0

7. Goodwill and intangible assets

	Goodwill £'000	**Investment management contracts £'000**	**Total £'000**
Cost			
As at 1 April 2024	6,732	18,647	25,379
As at 31 March 2025	**6,732**	**18,647**	**25,379**
Accumulated amortisation and impairment			
As at 1 April 2024	–	10,605	10,605
Amortisation for the year	–	1,163	1,163
Impairment for the year	6,732	6,879	13,611
As at 31 March 2025	**6,732**	**18,647**	**25,379**
Net book value as at 31 March 2025	**-**	**-**	**-**
Cost			
As at 1 April 2023	6,732	18,647	25,379
As at 31 March 2024	**6,732**	**18,647**	**25,379**
Accumulated amortisation and impairment			
As at 1 April 2023	–	9,442	9,442
Amortisation for the year	–	1,163	1,163
As at 31 March 2024	**–**	**10,605**	**10,605**
Net book value as at 31 March 2024	**6,732**	**8,042**	**14,774**

Amortisation and impairment of intangible assets and goodwill are treated as exceptional items.

(a) Goodwill

Goodwill relates to the acquisition of Dalton Capital (Holdings) Limited, the parent company of Dalton Strategic Partnership LLP, a UK based boutique asset manager acquired on 26 February 2021 and was attributable to a single CGU. The goodwill was impaired in full during the year ended 31 March 2025, for the reasons discussed below.

(b) Intangible assets

The table below shows the carrying amount assigned to each component of the intangible asset and the remaining amortisation period.

	31 March 2025		31 March 2024	
	Carrying value £'000	**Remaining amortisation period**	Carrying value £'000	Remaining amortisation period
Investment management contracts acquired from Dalton Capital (Holdings) Limited	-	-	8,042	6.9 years
	-		8,042	

Due to the challenging environment for small and mid-cap European equities and continued net outflows over most of the financial year from the CGU, the Group reassessed the value of the goodwill and intangible assets originally recognised on the acquisition of Dalton Capital (Holdings) Limited at 31 March 2025.

Following this review, it was concluded that the expected present value attributable to the acquired business was below the carrying value of these assets at 31 March 2025. The present value was determined using a value-in-use calculation based on a discounted cash flow model. As a result, an impairment charge of £13.6m was recognised in the consolidated statement of profit or loss within operating costs comprising:

- £6.7m relating to goodwill (2024: £nil)
- £6.9m relating to investment management contracts (2024 £nil)

As a result of this impairment, both the goodwill and intangible assets associated with this CGU have been fully derecognised.

8. Subsidiary undertakings

The consolidated financial statements of the Group include the operating subsidiaries listed below. At 31 March 2025 and 2024 all operating subsidiaries, other than Polar Capital Partners Limited and Polar Capital US Holdings Limited, were indirectly held. All operating subsidiaries are wholly owned, except for: Polar Capital LLP in which Polar Capital Partners Limited has contributed 72% (2024: 63%) of the capital. The Company is deemed to be the controlling party of Polar Capital LLP.

Name	Country of incorporation	Registered office	Principal activities
Polar Capital Partners Limited	UK	16 Palace Street, London, UK	Services company
Polar Capital US Holdings Limited	UK	16 Palace Street, London, UK	Investment holding company
Polar Capital LLP	UK	16 Palace Street, London, UK	Investment management
Polar Capital Secretarial Services Limited	UK	16 Palace Street, London, UK	Corporate secretary
Polar Capital Partners (Jersey) Limited	Jersey	12 Castle Street, St Helier, Jersey	Dormant
Polar Capital (America) Corporation	USA	2711 Centreville Road, Wilmington, Delaware, USA	Investment advisory

Polar Capital (Europe) SAS	France	18 Rue de Londres, Paris, France	Investment management
Polar Capital (Shanghai) Consulting Co Limited	China	Bund Finance Centre S2, No.600 Zhongshan East 2 Road, Shanghai, China	Services company
Polar Capital Holdings LLC	USA	1209 Orange Street, Wilmington, Delaware, USA	Investment holding company
Polar Capital (Switzerland) AG	Switzerland	Klausstrasse 4, Zurich, Switzerland	Investment management
Polar Capital (Singapore) Private Limited	Singapore	77 Robinson Road, #13-00, Robinson 77, Singapore (068896)	Services company

The consolidated financial statements of the Group also include the following seed capital investments and indirectly held entities which were judged to require consolidation into the Group as at 31 March 2025:

Name	Country of incorporation	Registered office	Principal activities	Percentage of ordinary shares held
Polar Capital China Stars Fund	Ireland	4 Georges Court, 54–62 Townsend Street, Dublin, Ireland	UCITS sub-fund	78%
Polar Capital Smart Mobility Fund	Ireland	4 Georges Court, 54–62 Townsend Street, Dublin, Ireland	UCITS sub-fund	51%
Polar Capital Emerging Market Healthcare Fund	Ireland	4 Georges Court, 54–62 Townsend Street, Dublin, Ireland	UCITS sub-fund	71%
Polar Capital Emerging ex-China Stars Fund	Ireland	4 Georges Court, 54–62 Townsend Street, Dublin, Ireland	UCITS sub-fund	86%
Polar Capital Emerging ex-China Stars Fund	USA	50 S.LaSallee Street, Chicago, USA	Mutual fund	100%

On 30 September 2024, the Group obtained control of the Polar Capital International Small Company Fund, a U.S.-domiciled 40-act mutual fund and as such, the Group consolidated the fund in accordance with IFRS 10 from that date.

As a result of third-party investors subscription, the Group concluded that it lost control of the fund on 28 February 2025 and deconsolidated the fund from that date.

A consolidated loss of £0.4m relating to the fund was recognised for the period from 30 September 2024 to 28 February 2025, representing the Group's share of the fund's profit or loss while under control. A corresponding profit on deconsolidation of £0.4m was recognised in the consolidated statement of profit or loss. As a result, the net impact on the Group's profit for the year was nil.

9. Financial Instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotation (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, such as forward exchange contracts, the fair value is determined using appropriate valuation techniques that take into account the terms and conditions of the contracts and utilise observable market data, such as spot and forward rates, as inputs.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

At the end of both the current year as well as the comparative period, all financial instruments at fair value through profit or loss held by the Group were Level 1 except for:

- forward foreign exchange contracts classified as Level 2. These were fair valued using valuation techniques that incorporate foreign exchange spot and forward rates.

- other financial liability classified as Level 3. These were fair valued using a discounted cash flow models that incorporate unobservable inputs.

The fair value hierarchy of financial assets and liabilities which are carried at fair value at the year-end is as follows:

	31 March 2025				31 March 2024			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	£'000	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Financial assets								
Assets at FVTPL	**63,347**	**–**	**–**	**63,347**	62,433	–	–	62,433
Other financial assets	**1,508**	**31**	**–**	**1,539**	3,393	–	–	3,393
	64,855	**31**	**–**	**64,886**	65,826	–	–	65,826
Financial liabilities								
Liabilities at FVTPL	**5,793**	**–**	**83**	**5,876**	5,380	–	294	5,674
Other financial liabilities	**–**	**–**	**–**	**–**	–	9	–	9
	5,793	**–**	**83**	**5,876**	5,380	9	294	5,683

Movement in liabilities at FVTPL categorised as Level 3 during the year were:

	31 March 2025	31 March 2024
	£'000	£'000
At 1 April	**294**	546
Repayment	**(39)**	(70)
Net gain recognised in the statement of profit or loss	**(172)**	(182)
At 31 March	**83**	294

The fair value of financial instruments not held at fair value approximates to their carrying value as at reporting date. During the reporting year there were no transfers between levels in fair value measurements.

10. Cash flows generated from operations

A reconciliation of profit before tax to cash generated from operations is as follows:

	31 March 2025	31 March 2024
	£'000	£'000
Profit before tax	**51,645**	54,690
Adjustments for:		
Interest receivable and similar income	**(2,682)**	(2,348)
Investment income	**(345)**	(430)
Interest on lease	**205**	211
Depreciation of non-current property and equipment	**2,485**	2,470
Amortisation and impairment of goodwill and intangible assets	**14,775**	1,163
(Increase)/decrease in assets at FVTPL	**(1,772)**	2,934
Increase in other financial assets and liabilities	**1,567**	213
Increase in receivables	**(1,810)**	(1,546)
Increase/(decrease) in trade and other payables including other provisions	**5,727**	(7,094)
Share-based payment	**7,009**	5,083
Increase/(decrease) in liabilities at FVTPL[1]	**60**	(2,158)
Changes relating to fund units held against deferred remuneration	**3,843**	(1,210)
Cash flows generated from operations	**80,707**	51,978

1. Movement includes those arising from acquiring and/or losing control of consolidated seed funds.

11. Contingent liabilities

There are no contingent liabilities to disclose at 31 March 2025 (2024: nil).

12. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not included in this Note.

13. Status of results announcement

The Board of Directors approved this results announcement on 27 June 2025. Whilst the financial information included in this announcement has been prepared in accordance with UK-adopted international accounting standards, this announcement does not itself contain sufficient information to comply with all the disclosure requirements of UK-adopted international accounting standards and does not constitute statutory accounts of the Group for the years ended 31 March 2025 or 31 March 2024.